

Green Solutions, Circular Economy

Green manufacturing is a core strategic cornerstone of Hon Hai's sustainable development. Facing the challenges of global climate change, we are leveraging technology to empower environmental protection and drive ecological transformation across our entire value chain. We are implementing intelligent factory systems and cutting-edge wastewater treatment technologies to continuously optimize water recycling efficiency; strictly implementing greenhouse gas emission reduction pathways and innovating energy management to reduce our carbon footprint; implementing AI-driven air pollution prevention and control mechanisms to establish a closed-loop waste resource recovery system; incorporating biodiversity assessments into factory planning, prioritizing the procurement of certified sustainable raw materials to enhance ecological benefits from the source. As a responsible global technology manufacturing leader, Hon Hai has embedded environmental resilience into its DNA, determined to become a benchmark for low-carbon industrial transformation and chart a sustainable path for the shared prosperity of generations to come.

Key topics in this chapter

Energy management; Sustainable raw materials and the circular economy; Waste and hazardous materials management; Climate change adaptation; Water use and wastewater management; Managing biodiversity-related impacts.

Commitment to SDGs



Primary GRI Standard Alignment

GRI 101; GRI 201; GRI 202; GRI 301; GRI 302; GRI 303; GRI 305; GRI 306

Key performance indicators and achievements in 2024:

- 1 The energy saving target for 2024 was 4.5%, and the Group's actual energy saving rate was 5.80%, successfully achieving the annual energy saving target.
- 2 In 2024, the Group implemented a total of 1,864 energy-saving renovation projects in mainland China, with a total investment of nearly NTD 2.479 billion. The projects covered process energy-saving renovations, air conditioning/air compression/lighting improvements and other improvement projects, with a total energy saving of 566,510.48 MWh, a total carbon reduction of 303,990 tCO₂e, and energy saving benefits of NTD 1.783 billion.
- 3 By 2024, the Group's total installed capacity of renewable energy had reached 332.90 MW, the total renewable energy usage had reached 6,728.96 GWh, and renewable electricity usage accounted for 67.38%.
- 4 By the end of 2024, the Group had secured a total of 35 UL 2799 Zero Waste to Landfill certifications worldwide, including in Mainland China, Vietnam, the Czech Republic, and Mexico. These included 32 Platinum-level certifications and three Gold-level certifications, nine of which were campus-level certifications.



Environmental Impact Management

Environmental Management Policy

Hon Hai strictly complies with all applicable environmental laws, regulations, and other relevant requirements, and actively engages in environmental affairs. Prior to mergers and acquisitions, during plant construction, and throughout operations process, we rigorously identify and manage potential environmental risks to protect corporate interests and ensure the achievement of various environmental goals and performance indicators. Committed to exceeding regulatory standards, we continuously promote improvements and pollution prevention measures.

The Group conducts annual environmental protection training for employees, covering specialized programs on improving energy efficiency, reducing waste, and conserving water, while enhancing employees' awareness of low-carbon and environmental practices.

Hon Hai's dedicated environmental management policy applies to all operations, products, and services of the Group, including all subsidiaries and affiliates companies. The policy further extends to all stakeholders, such as employees, customers, suppliers (including waste disposal and logistics providers), partners, and joint ventures.

Environmental due diligence is also integrated into our procedure for mergers, acquisitions, and other relevant corporate activities, enabling the assessment and management of potential environmental risks. This ensures full compliance with environmental regulations and the effective communication of our policy requirements. The Group has no significant environmental incidents in 2024 with fines exceeding USD 10,000.

(For more information on our environmental policy, please visit <https://www.foxconn.com/zh-tw/CSR/focus-environment?category=key-action>).

To encourage the Group's environmental protection efforts, we have launched pilot programs to establish incentive mechanisms related to environmental management. For instance, our subsidiary, Foxconn Industrial Internet (Fii), has developed and annually updated the "ESG-E Performance Evaluation and Assessment Program".

The evaluation results serve as a reference for the company's annual bonus distribution and are used to recognize and financially reward outstanding sites, managers, and individuals.

In 2024, climate change management was the key component of the ESG-E performance evaluation system, accounting for 48% of the total evaluation weight. In addition, we are actively exploring mechanisms to link executive compensation with climate change targets, thereby further enhancing the importance of climate objectives within corporate governance. In response to the impact of global climate change, Hon Hai Group has announced 2020 as the base year and set eight quantified commitments across multiple environmental dimensions, including net-zero emissions, renewable energy, water conservation, and waste reduction and recycling. Time-bound milestones have been established according to the implementation schedule, and related information is disclosed simultaneously on Hon Hai's official website. These include:

Achieve net zero by 2050
(based on 2020, reduce 21% in 2025, reduce 42% in 2030,
and reduce 63% in 2035).

Until 2025, ensure there are no significant environmental
pollution incidents.

By 2030, renewable electricity usage exceeds 50%.

By 2025, water intensity decreases by 6%.

By 2025, the proportion of plastic recycled internally within
manufacturing sites will exceed 60%.

By 2025, at least five manufacturing sites will have obtained
the UL 2799 Zero Waste to Landfill Gold Certification.

By 2025, all manufacturing sites will have achieved 100%
installation of industrial wastewater discharge quality monitoring
systems.

By 2025, at least three manufacturing sites will be established
as demonstration facilities equipped with air quality monitoring
systems.

Environmental Issues Governance Framework



Strategy Level

Board of Directors

- The Board of Directors, as the Group's highest governing body for sustainability, is responsible for overseeing and providing strategic guidance on the Company's environmental impact management.



Planning Level

Sustainability Committee; Chief Environment Officer, Corporate Environmental Division

- The Sustainability Committee conducts research and provides recommendations on major decisions and strategic plans related to the Group's environmental management, including topics such as climate change and water resource management.
- The Group Environmental Division is responsible for formulating the company's environmental policies, which are subject to approval by the Chairman.
- The Chief Environmental Protection Officer is responsible for the overall planning and coordination of the company's environmental management and oversees the implementation by all business units to ensure the fulfillment of corporate environmental objectives.



Operation Management Level

Each business group and each factory unit

- Implement various environmental protection initiatives, establish and maintain comprehensive environmental management procedures and work instructions, and submit all relevant environmental documentation to the regional offices of the to the Corporate Environmental Division for recordkeeping and reference.
- We conduct environmental protection-related operations in compliance with local laws, regulations, and site-specific environmental standards,

and fully cooperate with the audits conducted by region office of the Corporate Environment Division including timely follow-up on corrective actions for identified deficiencies.

- Established a factory environmental management committee that convenes annual meetings to oversee the overall coordination, planning, and management of factory environmental affairs.

Environmental Education | Climate Change | Net Zero Carbon Emissions | Green products | Green production | Renewable Energy Management | Energy Management | Water Management | Waste Management | Raw Materials Management | Source-level environmental management | Monitoring System | Environmental Audit | Tiered risk management

Environmental Protection Training

Strategy	Issue	Course Content	Number of courses	Number of learners	Total course Attendances
Green Intelligence	Compliance Management	Environmental Regulations Environmental Policies Environmental Standards Environmental Certification International Environmental Agreements Environmental Management System Environmental Permit Environmental Protection Environmental Impact Assessment	130	667,551	1,813,308
	Low Carbon	Carbon Emissions Carbon Inventory Carbon Management Carbon Neutrality Carbon Peak Climate Change	89	232,678	1,116,449
	Energy Management	Clean Production Energy Efficiency Improvement Renewable Energy Energy Conservation, Emission Reduction, and Environmental Protection Energy Management	103	384,175	1,153,598
	Hazardous Substances	Green Chemistry Hazardous Substance Management Green Design RoHs REACH WEEE Green Process Halogen-Free Green Products Quality Policy Chemical Substances Shipping Management	130	476,220	1,348,729

Strategy	Issue	Course Content	Number of courses	Number of learners	Total course Attendances
Circular Economy	Water Resources	Water Management Wastewater Water Conservation	46	121,904	317,760
	Waste	Waste Management Solid Waste Management Waste Gas Management Zero Waste Waste Recycling Soil Management	29	130,469	525,179
	Biodiversity	Biodiversity Natural Resources Disaster Prevention and Relief	7	10,569	166,094
	Technological innovation	Environmental Technology Innovation Environmentally Friendly New Materials Green Chemistry Environmental Protection Equipment Environmental Big Data	4	182,367	382,585

Environmental Management System

The Group embeds the principle of prioritizing environmental protection into its corporate DNA. All the Group's campuses, starting from the construction phases, have implemented an ISO 14001-certified Environmental Management System (EMS), driving continuous improvement through the Plan-Do-Check-Act (PDCA) cycle. The Group utilizes its self-developed environmental management 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 to:

- **Plan:** Assess the environmental aspects arising from the Group's production, activities and services (such as energy/water/waste) and their associated impacts. Potential impacts are ranked according to severity and frequency, with corresponding targets and measures established.
- **Do:** Develop and implement control procedures to ensure that production and environmental protection facilities operate in coordination and

incompliance with local regulations. Regular internal training programs are conducted for employees.

- **Check:** Deploy a self-developed intelligent monitoring platform to track environmental data across all sites in real time (including energy, water resources, waste, and air emissions), supporting cost-benefit decision-making in environmental management. Quarterly audits are carried out by an independent auditor to strengthen on-site audit follow up. 2024 Performance Verification: Zero major environmental penalties (above USD 10,000); zero minor administrative violations (Taiwan Waste Disposal Act); and 100% ISO 14001 certification coverage for all production sites.
- **Act:** Formulate improvement measures and operating procedures to prevent major potential impacts, achieve closed-loop improvement, and replicate successful models. As of now, the Group has obtained 33 National Green factory Certificates in mainland China, based on the country's green manufacturing standard system.

Environmental Management System

Phase 1 — Plan			
Core management activities	Formulation of environmental policies	Identification of environmental aspects	Goal and plan setting
Management tools/mechanisms	Benchmarking against international environmental standards Compliance with local environmental regulations	Site environmental investigation and assessment Significance Assessment Matrix	Environmental management plan (including budget allocation and responsible person)
Phase 2 — Do			
Core management activities	Organizational structure development	Capacity building	Operation process control
Management tools/mechanisms	Three-tier management system: Corporate Environment Division (strategy) - Regional Management Office (supervision) - Site Committee (implementation)	Environmental competence List (Each site and business unit shall define environmental functional requirements for employees based on job needs; employees may only be assigned after meeting these requirements) Annual training plan (all sites and business units shall provide environmental education and training to relevant employees)	Control procedures (each site and business unit shall establish documented procedures, work instructions, operation manuals, records, and forms) Supplier ESG communication and audit

Phase 3 - Check

Core management activities	Environmental performance monitoring	Internal audit	External certifications
Management tools/mechanisms	Smart monitoring equipment networking systems, such as the Environmental Protection Information Network ¹ and drone-based air quality monitoring systems ²	Independent auditor system Unannounced inspection mechanism	Third-party certification and verification, such as ISO 14001, ISO 50001, ISO 14064-1, etc.

Phase 4 — Act

Core management activities	Corrective and preventive measures	Continuous Improvement
Management tools/mechanisms	Root Cause analysis Implementation of preventive and improvement measures	Management review meeting (annual audit) Resolution tracking system to ensure closed-loop improvement and replication of successful model (33 National Green Factory Certificates obtained in mainland China)

Note 1: The Environmental Information Network is dedicated to building a centralized environmental data management platform covering both domestic and international operations. It provides one-stop collection and integration of core environmental data, including waste, water resources, waste gas, wastewater, environmental penalties, and environmental certificates. Furthermore, the platform includes a comprehensive legal and regulatory module, encompassing relevant environmental laws, regulations, and standards in mainland China, providing solid support for the Group's environmental compliance management.

Note 2: Using the Shenzhen Longhua plant as a pilot site, a drone-based air quality monitoring system has been introduced. By integrating drones, micro-gas sensors, cloud-based IoT, and AI big data analytics, a 3D, comprehensive, dynamic air quality monitoring architecture has been constructed. This helps the plant instantly identify abnormal emissions, trace pollution sources, and quickly integrate on-site inspections, avoiding environmental risks caused by delayed response. Compared to traditional methods, this significantly improves inspection accuracy and responsiveness, significantly enhancing inspection management efficiency. Starting in 2023, the project will promote the introduction of drones for preventive inspections, expanding daytime and nighttime air quality management applications to the Longhua and Guanlan campuses in 2024. The goal is to achieve two consecutive years of zero exhaust gas odor complaints between 2023 and 2025.

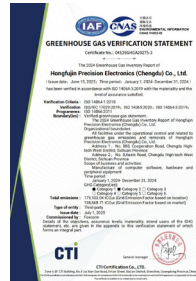
**ISO 14001
certification**



**ISO 50001
certification**



**ISO 14064-1
certification**



Green Factory-Futaihua



**Environmental Information
Network Workbench**



In October 2024, the Chief Environmental Officer of Hon Hai Technology Group was invited to attend the 20th Annual Meeting of the Cross-Strait Forum on Climate Change and Sustainable Energy Development, co-hosted by the Institute for Climate Change and Sustainable Energy Research Foundation, and organized by Anhui University of Science and Technology. He delivered a keynote speech titled The RE100 Path for Enterprises, sharing the group's approach and goals for achieving net-zero emissions.



Hon Hai and the TIRI Taiwan Investor Relations Association jointly held a forum themed "2025 New Opportunities: The Dual Challenge of AI and Sustainable Transformation". This forum focuses on how companies can achieve ESG practices and responsible management in the wave of sustainability. Chief Environmental Officer of the Group attended to share the group's experiences and discussed the challenges and solutions of corporate sustainable transformation with representatives and experts from Siemens, Microsoft, Delta Energy, and Commonwealth Magazine.

Climate Change Response and Energy Management

The United Nations' Climate Change Assessment Report and the World Economic Forum's Global Risks Report continue to warn of the global warming crisis, underscoring the urgent need for countries to implement the Paris Agreement's 1.5°C target. As a global leader in technology manufacturing, Hon Hai supports the Paris Climate Agreement's goal of limiting temperature rise to 1.5°C and prioritizes climate action at the core of sustainable agenda. In 2020, the Group announced three major climate goals: (1) complying with local government NDCs or site-level carbon policies, (2) achieving a net-zero value chain by 2050, and (3) responding to the requirements of the Climate Action 100+ Steering Committee. These commitments are advanced through the Science Based Target Initiative (SBTi) framework. In April 2024, the Group's net zero target was officially validated by SBTi, making Hon Hai the third company in Taiwan's high-tech hardware equipment sector and the seventh company in Taiwan to receive this international certification.

In line with the TCFD framework, Hon Hai coordinates climate governance through its Sustainability Committee, conducts scenario analysis to quantify transition risks, and incorporates financial impacts into decision-making to strengthen climate resilience. The Group's systematic climate strategy focuses on four core pillars:

1. Deep Decarbonization at the Operational Level

- Taking 2020 as the baseline year, the Group set clear phased targets: 21% emission reduction by 2025, 42% by 2030, and 63% by 2035.
- The proportion of renewable electricity has grown dramatically: 8.28% in 2022 → 67.38 % in 2024, in line with RE100's commitment to 100% renewable electricity for global factories by 2040.

2. Net-zero Collaboration across the Value Chain

- Through a "Net zero promotion model" for suppliers: Hon Hai guided 200 suppliers in completing carbon inventories in 2024, achieving emissions reductions of 1.02 million tons of CO₂e. In addition, 36 suppliers signed the Renewable Energy Commitment Letter.
- External recognition: In the 2024 IPE evaluation, Hon Hai ranked first in Greater China in both the Green Supply Chain CITI Index and the Corporate Climate Action CATI Index.
- Actively participate in climate advocacy: Where industry associations diverge significantly from the company's climate position, Hon Hai considers actions such as engagement and termination of membership.

3. Green Innovation Driving Transformation

- Smart Manufacturing: The Group operates seven WEF-certified Lighthouse Factories worldwide, including the first Sustainability Beacon in Guanlan, Shenzhen, applying AI and IoT technologies to reduce unit energy consumption by 45%.
- Circular Economy: By the end of 2024, a total of 20 suppliers had obtained UL 2799 Zero Waste to Landfill certification.
- Electric Vehicle Ecosystem: Hon Hai integrates BOL's localization strategy through the CDMS model, advances energy storage systems and solid-state battery technologies, and promotes the local manufacturing of the MODEL T electric bus in Taiwan.

4. Just Transition

- **Employee Support:** Skills retraining and functional upgrading, job security throughout the transformation period, and union communication mechanisms, etc. to jointly foster an inclusive transition environment.
- **Regional/Community Care:** Investments in local industry transformation, promotion of partnerships, and support for sustainable community development.
- **Supply Chain Responsibility:** Assisting suppliers in transformation and upgrading, reducing carbon leakage risks, implementing sustainable procurement policies, and enhancing overall supply chain sustainability competitiveness.

In 2024, Hon Hai received a B rating for climate change, an A for supplier engagement, and an A- for water security from the Carbon Disclosure Project (CDP), the world's largest nonprofit organization for carbon disclosure. Both

supplier engagement and water security both achieved leadership-level recognition, underscoring Hon Hai's determination to realize a net-zero value chain. Looking ahead, the Group will continue to expand green energy investment platforms-such as the RMB 7 billion Green Energy Development Fund-and strengthen supply chain carbon reduction initiatives. By leveraging the dual engines of Green Intelligence and Circular Economy, Hon Hai is advancing its net-zero vision and long-term commitment to sustainability.

Climate Governance

Hon Hai advances its net-zero transformation through a science-based governance framework. With a three-tier structure comprising the Board of Directors, the Sustainability Committee, and the TCFD Working Group, the company embeds climate risks into both corporate strategy and daily operations. The ESG-E Team (Environmental Task Force) serves as the execution hub, ensuring that all global sites implement clearly defined decarbonization pathways.

Hierarchy	Composition and Responsibilities	Frequency of Supervision
Board of Directors (Highest Supervisory Body)	• Serves as the highest supervisory authority, approving the 2050 net zero strategy and capital allocation. • Review the impact of climate risks on the company's long-term value creation.	Annual review, receiving reports from the Sustainability Committee and confirming progress in achieving climate goals
Sustainability Committee (Strategy Formulation and Progress Oversight)	• Chairman: Chairman of the Board (expert in Technology Manufacturing and Supply Chain Management) • Core Responsibilities: Formulate execution strategies for addressing climate issues; oversee the company's climate- and environment-related policies and plans; regularly monitor the progress and effectiveness of climate action; track the Group's 32 long-term ESG goals, including 8 environmental goals.	Quarterly Tracking

Hierarchy	Composition and Responsibilities	Frequency of Supervision
TCFD Core Team (Cross-Departmental Collaboration, Action Planning, implementation)	• Cross-departmental composition: The Sustainability Committee consists of a promotion office and the group's central management units. – Smart Manufacturing, Environment (ESG-E Team), Procurement, Legal Affairs, Solar Energy, Electric Vehicles, Operations Management, Finance & Accounting, Investor Relations, and Sustainability Promotion Office. • Core Responsibilities: Assess the materiality of climate-related risks across regulators, markets, and physical dimensions; translate TCFD scenario analysis into results into actionable climate response measures; promote cross-functional collaboration to ensure effective implementation of climate strategies and actions. * ESG-E Team - Coordinated by the Group's Corporate Environment Director Department, who reports climate action progress directly to the Chairman; responsible for implementing environmental policies across all global sites, including carbon emissions management, water resource management, and pollution prevention.	Irregular workshops

Climate Risks and Opportunities

Process for Identifying, Assessing and Managing Climate Risks

Hon Hai has established a tiered risk management framework spanning three levels: Group, Business Group/Legal Entity, and Plant. The TCFD Core Working Group leads the identification and assessment of climate risks by integrating

internal operational data, industry-specific characteristics, and stakeholder feedback (including investor and customer surveys). Dedicated workshops are also conducted both transition and physical risks. The risk management process consists of three stages: risk identification and assessment → risk control and response → and risk monitoring. For further information, please refer to page 13 of Hon Hai's Net Zero Strategy Report.

Step	Responsible Unit	Main Actions
Risk Identification and Assessment	Sustainability Committee, TCFD Core Working Group	• Organize workshops, analyze industry characteristics, and collect stakeholder surveys to identify climate-related risks and opportunities. • Assess the materiality of risks based on the likelihood of occurrence and the severity of impact.

Step	Responsible Unit	Main Actions
Risk Control and Response	Each business group/functional unit	• Develop management plans (e.g., adjusting production line configurations, developing new suppliers). • Ensure implementation by requiring all business groups and energy efficiency/carbon reduction units to align with climate action strategies. • Integrate the ISO 22301 Business Continuity Management System and mitigate risks through commercial insurance.
Risk Monitoring	Each functional department/factory	Initiate weather warnings and address potential hazards; conduct quarterly reviews of KPIs.

Analysis of Major Climate-related Risks and Opportunities

Based on operational characteristics and TCFD recommendations, a questionnaire survey (with responses from 10 companies and investment institutions) and historical event analysis were conducted to identify a list of

climate risks (both physical and transition risks) and opportunities. (For details, please refer to pages 14-17 of Hon Hai's Net Zero Strategy Report). Based on this list, Hon Hai identified the three most material climate risks and the three most material opportunities through integrative analysis carried out in workshops.

Type	Project	Illustration	Response Strategies
Risk	Increasing demand for renewable energy and electricity regulations	Policies have driven up demand for renewable electricity and increased procurement costs.	Self-built solar power plants (332.90 MW), renewable electricity procurement (50% by 2030).
Risk	Uncertain market information	Extreme weather has disrupted supply chains, affecting raw material prices and shipments.	Adjust production line configuration and promote one-stop supply chain services.
Risk	Increased stakeholder attention	Failure to meet carbon reduction targets could lead to lower ESG ratings and negatively impact corporate reputation.	Regularly disclose ESG progress and participate in international forums.

Type	Project	Illustration	Response Strategies
Opportunity	Research and development of diverse low-carbon products	3,415 patents for electric vehicles/energy storage technologies, entering the renewable energy market.	Develop open platforms for electric vehicles and energy storage systems; secured 254 new patents in 2024.
Opportunity	Use more efficient production and distribution processes	AI automation (such as lighthouse factories) can improve efficiency by 73% and reduce defect rates by 97%.	Introducing AI automation (such as AGV unmanned guided vehicles) and MES production management systems.
Opportunity	Reduce water use and recycle	The annual reuse of reclaimed water reaches 5.96 million tons, reducing water intensity by 15%.	Implement plant-level water reuse system, AWS Platinum certification (Zhengzhou plant).

Climate Risk Scenario Analysis

Hon Hai quantified the potential financial impacts of climate risk using the SSP1-2.6 low-emissions scenario (IPCC AR6) and Taiwan's Nationally Determined Contribution (NDC) scenario (2050 Net Zero Path). For further details, please refer to pages 18-21 of Hon Hai's Net Zero Strategy Report.

Risk/Opportunity Category	Scenario	Financial Impact (as % of revenue)	Key Drivers
Increasing demand for renewable energy	SSP1-2.6	2030: 4.91 ‰ - 4.97 ‰	Renewable electricity procurement costs and solar energy investment
	NDC Scenario	2030: 4.90 ‰ - 4.96 ‰	
Efficient production process	NDC Scenario	2030: +2.77% (Benefit)	AI-driven automation reduces labor and energy costs
Water recycling	NDC Scenario	2030: + 0.05 ‰ - + 0.06 ‰ (Benefit)	Recycling and reuse of water reduces freshwater procurement costs
Uncertain market information	SSP1-2.6	No quantified impact yet	Supply chain resilience strategies to offset disruptions

Note: Some risks (such as stakeholder concerns) have not been financially quantified due to lack of historical data.

Climate Strategy

In response to the challenges of climate change, the Group has embedded the net zero goal into its business model, with “Green Intelligence” and “Circular Economy” as its core environmental and climate strategies. It systematically integrates operational carbon reduction, value chain collaboration, green technology innovation and just transformation, drives transformation through technological upgrades, and works with supply chain partners to build a low-carbon ecosystem, moving towards the 2050 value chain net zero vision.

Energy Conservation and Carbon Reduction at the Operational Level

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. Based on the Hon Hai Group Energy Management Commitment, Hon Hai promotes carbon reduction actions at the operational level through the two pillars of “Energy Efficiency Management” and “Clean Energy Production”, along with energy-saving training and incentives, thereby contributing to climate change mitigation:

Energy Efficiency Management

Hon Hai has established a four-dimensional system of “policy and regulatory compliance - energy management system certification coverage - implementation of energy-saving technological transformation projects - green buildings”, achieving a significant improvement in energy efficiency through the dual-track implementation of mandatory regulations and technological upgrades.

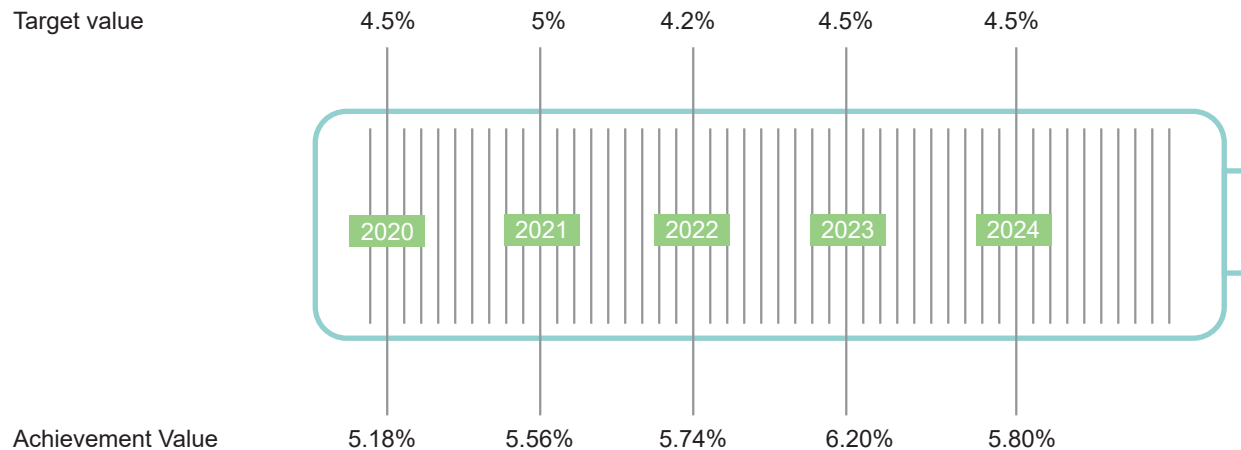
Key Measures	Specific Content	Performance
Compliance with policies and regulations	The Group complies with local energy conservation regulations and implements mandatory routine tasks, including energy management system development, energy self-inspection reports, and energy technology evaluations for new, renovation, and expansion projects. In addition, a green manufacturing management system has been established, and national certification in mainland China have been pursued to enhance corporate brand image and secure government funding.	Participated in the Shenzhen carbon trading pilot program since 2013.
Full coverage of energy management system certification	The Group actively promotes ISO 50001 energy management system certification across its legal entities.	As of 2024, 66 legal entities have obtained ISO 50001 certification, representing a coverage rate of 41%.

Key Measures	Specific Content	Performance
Energy-saving technical transformation project	The Group has formulated the Audit Procedures for Energy-Saving Projects and the Audit Procedures for Energy-Saving Management, and continues to promote energy-saving technical transformation projects. These include upgrading high-energy-consuming equipment, introducing intelligent energy systems, and building renewable energy facilities.	In 2024, the Group implemented 1,864 technological improvements, investing NTD 2.479 billion and saving 566 million kWh of energy, generating nearly NTD 1.783 billion in energy cost savings, and reducing carbon emissions by 303,990 tCO ₂ e. The 2024 energy saving target for mainland China was 4.5%, and the actual energy-saving rate was 5.80%, successfully exceeding the annual target.
Green Building	During the design phase of new factories, the Group incorporates green building concepts, such as energy and water conservation, and promotes the use of renewable energy and energy-efficient equipment.	The Group has obtained LEED (Leadership in Energy and Environmental Design) certification in multiple locations. For example, the SMART factory in the United States have achieved LEED Gold certification, and the Hon Hai Neihu Building obtained LEED Existing Building Gold certification in 2023.

Implementation of the Group's energy-saving renovation projects in mainland China in 2024

Energy saving improvements category	Quantity	Energy saving (MWh)	Energy-saving benefits (NTD)	Implementation costs (NTD)	Reduced emissions (tCO ₂ e)
Energy-saving production process improvements	1,185	304,112.50	970,233,873	1,316,266,242	163,187
Air conditioning/air compression /lighting improvements	506	222,177.74	686,260,270	981,702,877	119,221
Other improvements	173	40,220.23	127,001,036	180,859,064	21,582
Total	1,864	566,510.48	1,783,495,179	2,478,828,183	303,990

Achievement of energy conservation targets in mainland China from 2020 to 2024



Construction, Procurement and Use of Renewable Electricity

On April 22, 2024, on its 50th anniversary, Hon Hai Precision Industry Co., Ltd. announced its commitment to RE100, pledging to use 100% renewable electricity for all its global facilities by 2040. RE100 is a global renewable energy initiative led by The Climate Group and the Carbon Disclosure Project (CDP), uniting influential companies worldwide to accelerate the transition to renewable electricity. Participating companies are required to publicly commit 100% renewable electricity between 2020 and 2050 and to disclose their progress annually. To align with the global energy transition and the development of a

low-carbon economy, the Group continues to increase its installed capacity of rooftop and ground-mounted solar power plants through both self-construction and acquisitions. By directly procuring renewable energy, the Group is steadily increasing its consumption volumes and ratios of renewable energy, thereby reducing GHG emissions. Furthermore, the Group systematically obtains internationally recognized Renewable Energy Certificates (RECs), enhances its green energy traceability systems, closely monitors national policies developments, and tracks the status of power supply and grid infrastructure. These actions enable the Group to actively expand green power supply while building a resilient clean energy architecture.

Direction of Action	Specific Plan	Key Results
 Solar Power Station	In the area of self-generated renewable electricity, Hon Hai regards the construction of photovoltaic panels on factory rooftops as the fundamental path toward renewable electricity self-sufficiency. It has deployed large-scale solar power generation systems—including rooftop and ground-mounted solar power stations—through self-construction and acquisition in manufacturing bases such as China, India and Vietnam.	The total installed capacity in 2024 reached 332.90 MW, representing a 2.17% increase compared with 325.82 MW in 2023.
 Renewable Electricity Procurement Plan	The Group increases renewable electricity procurement year by year, supplement the shortage of self-generated electricity through diversified renewable electricity procurement channels, entering long-term renewable power purchase agreements (PPA) at many locations.	In 2024, the Group directly procured 1,396.82 GWh renewable electricity and obtained 4,996.35 GWh of renewable electricity certificates (Green Energy Certificates) through electricity trading. Renewable electricity accounted for 67.38% of total consumption in 2024 (60.96% in 2023 and 8.28% in 2022), demonstrating rapid growth over the past three years and surpassing the Group's previous goal of achieving more than 50% renewable electricity by 2030).
 Green Energy Investment Platform	Following an investment model of “renewable electricity equity + financial returns”, the Group leverages financial resources to invest in renewable energy and energy storage industries to meet the renewable electricity needs of both the Group and its supply chain.	In 2023, it signed a memorandum of cooperation with China Development Capital, planning to jointly establish Kaihong Energy with a capital of NTD 6 billion, which will invest in renewable energy and energy storage in Taiwan. In 2024, the Group collaborated with IDG Capital to jointly establish a green energy asset investment company with a total capital of RMB 2 billion, targeting renewable power generation projects. The ultimate goal is to obtain 2 billion kWh renewable electricity rights annually, equivalent to the electricity demand of 490,000 households in Taiwan. In addition, plans are underway to establish a green energy development fund with a target scale of RMB 7 billion to accelerate the development of solar PV, wind power and supporting energy storage with an estimated 6 billion kWh of renewable electricity rights to be obtained.

By 2024, the Group's total installed renewable energy generation capacity reached 332.90 MW, while total renewable energy consumption amounted to 6,728.96 GWh, presenting 41.81% of overall energy consumption. For the data regarding Group's energy consumption and intensity, please refer to the Appendix - Key Quantitative Indicators: Energy Management.



The Group announced commitment to RE100 in 2024

Energy-saving Training and Incentive Mechanisms

The Group regularly conducts professional technical training, job skills training, and apprenticeship programs, covering junior, intermediate, senior, technician, and senior technician levels. These initiatives aim to strengthen internal employees' awareness of climate change and develop expertise in energy conservation and carbon reduction. In parallel, the Group fosters innovation and energy-saving momentum among all employees through a dual mechanism of performance assessment and evaluation, coupled with intellectual property incentives. To further embed climate awareness into the core culture of each department, the Group formulates the Energy Saving Management Assessment



Joint venture with IDG Capital to establish a green energy asset investment company

Items and Scoring Rules annually in mainland China. Bonuses and rewards are granted to the top three units based on quarterly and annual scores, as well as to units with achieving excellence across all areas. Outstanding energy efficiency cases are recognized as exemplary energy-saving technology transformation projects, with cash rewards granted to the respective teams or individuals.

Since 2021, the Group has also implemented an enhanced intellectual property innovation reward system, providing additional incentives for outstanding patents of the year.

Type	Operational Model	Highlights of the Achievements
Energy Conservation Assessment and Evaluation	Scoring is based on the five dimensions of the Energy Conservation Management Assessment Project: 1. Energy Conservation Management 2. Energy Conservation System 3. Energy Conservation Implementation 4. Energy Conservation Supervision 5. Energy Conservation KPI	Annual energy conservation management assessment combined with an energy efficiency benchmarking competition. In 2024, 12 teams were commended, with bonuses awarded to motivate grassroots teams and promote energy-saving initiatives.
Intellectual Property Innovation Award	A new reward mechanism was implemented in 2021: • A basic bonus for each new invention or patent • An additional bonus for the most outstanding patent of the year	In 2024, a total of 254 new patents were granted for low-carbon technologies (39 of which were related to energy management) Overall, the Group holds 3,415 valid patents for low-carbon technologies, including 724 of which were related to energy management.

Value Chain Actions

Hon Hai is advancing net-zero transformation across its value chain through four-phase stages: capacity building, carbon inventory and reduction initiatives, renewable electricity requirements, and net zero performance assessment. The objective is to establish a resilient, low-carbon supply chain. In the 2024

IPE evaluation, Hon Hai ranked first place in both “Green Supply Chain CITI Index” and the “Corporate Climate Action CATI Index” in the Greater China region. For further details, please refer to pages 26-28 of Hon Hai’s Net Zero Strategy Report and the “Hon Hai’s Sustainable Development, Shared Good Partnership” section of this report.

Action Phase	Core Measures	Achieving Progress
Supplier Capacity Building	In 2024, the “Supplier Low Carbon Kick-off Conference” was convened with 300 companies and 570 participants, and 10 manufacturers received on-site guidance, generating 61 energy-saving suggestions and 18 waste reduction recommendations.	• Suppliers adopted 43 energy-saving measures and 13 waste reduction plans.
Supplier Inventory and Carbon Reduction Promotion	Mandatory carbon inventories conducted through the Supplier ESG Platform in alignment with ISO 14064-1 and the GHG Protocol Standard.	• In 2024, 200 suppliers completed inventories. • Annual carbon reduction of 1.02 million tons of CO ₂ e.

Action Phase	Core Measures	Achieving Progress
Supplier Renewable Energy Push	Suppliers are required to sign the Renewable Energy Commitment Letter in phases and submit renewable electricity declarations.	- By the end of 2024, 36 suppliers had signed, collectively achieving 169 million kWh of renewable electricity consumption, equivalent to a reduction of 96,000 tCO₂e. - Goal: Encourage 54 suppliers to use 100% renewable energy for Hon Hai products by 2025, 150+ suppliers by 2030, and 300+ suppliers by 2050.
Supplier Net Zero Carbon Performance Evaluation	In 2022, the Group formulated the “Supplier Net Zero Carbon Performance Evaluation Standard” to evaluate suppliers’ net zero carbon management status from five dimensions: management mechanism, carbon emission disclosure, carbon emission reduction initiatives, net zero actions, and extended responsibility.	- In 2024, 200 supplier performance evaluations were completed. - The goal is to expand to 300 suppliers by 2025.

Green Innovation-driven Transformation

Hon Hai is reshaping the industrial ecosystem through technological breakthroughs, anchored in the three pillars of circular economy, smart manufacturing, and innovative industries. The Group is committed to achieving a transformation characterized by zero waste, high efficiency, and low carbon emissions and enhancing climate resilience.

Circular Economy: From Linear Consumption to Closed-loop Regeneration

Circular Economy is a key strategy of the Group’s sustainable development. We allocate financial and human resources to continuously assess the types and quantities of waste generated during our production and operations. The Group has formulated a waste reduction plan centered on achieving zero landfill and maximizing resource recycling. Through technological innovation and systematic management, we promote waste valorization and sustainable material utilization, reducing carbon emissions while enhancing the Group’s overall climate resilience.

Innovation Projects	Technical Solutions and Actions	Key Results and Benefits
Zero Waste Park Certification	- Promote UL 2799 Zero Waste to Landfill Certification. - Self-developed waste collection system with cloud-based digital tracking. - Supply chain collaboration training (led by the Group Procurement Headquarters).	The Group plans to obtain at least five UL 2799 Zero Waste to Landfill Gold-level Certification parks by 2025. As of 2024, a total of nine parks had already obtained UL 2799 certification, meeting the target ahead of schedule. This includes Shenzhen Longhua Science and Technology Park, which obtained certification in 2022 and became the world’s first comprehensive ecological demonstration park. In addition, 35 Zero Waste Certificates have been obtained, covering 58 legal entities.

Innovation Projects	Technical Solutions and Actions	Key Results and Benefits
Plastic Resource Recycling	- Establish a Plastic Resource Application Center to recycle packaging scraps, transforming them into eco-friendly pallets or processing them into sustainable plastic materials. - Developing PCR (post-consumer recycling) product lines.	By 2024, the domestic recycling rate had reached 42% (24,700 tons), reducing virgin plastic by 4,184 tons. The Group aims to achieve 60% domestic recycling rate by 2025.
Precious Metals Recycling	Developing a circular economy for precious metals, working with suppliers to promote recycled aluminum and other projects, and obtaining UL 2809 certification.	The Group has completed verification and obtained the UL 2809 certification. Through the recycled aluminum project, the carbon emissions reduced by 110,100 tons of CO ₂ e in 2023 and 115,900 tons of CO ₂ e in 2024.
Energy Recovery	- Boiler waste heat recovery (for heating/drying). - When incinerating garbage, the treatment method of waste heat recovery is preferred, and the incineration power generation calorific value conversion technology is adopted.	Mainland China parks saved 10,131 MWh in 2024.
Rethinking/ Designing from the Source	Committed to building a circular supply chain, actively using recycled and renewable materials in product and packaging procurement, as well as optimizing processes to produce durable products and make the best use of materials.	Product packaging uses recyclable protective film (PPF) and stretch wrap to reduce dependence on virgin plastic.

Smart Manufacturing: Lighthouse Factories Lead the Industrial 4.0 Revolution

Hon Hai emphasizes that digital and intelligent transformation is the inevitable pathway to high-quality corporate development. In 2024, the Group added 22 Lighthouse Factories, bringing the total to 92. Among these, the Shenzhen Guanlan factory and Bac Giang factory in Vietnam are certified by the World Economic Forum (WEF), reinforcing their leadership in the intelligent transformation of manufacturing. Hon Hai is the only company in the world with seven WEF-certified Lighthouse Factories and one Sustainable Lighthouse Factory.

Relying on core technologies and innovative management models of the Fourth Industrial Revolution (4IR), such as industrial AI, the Internet of

Things, and flexible automation, Hon Hai has expanded from single-factory demonstrations to a cluster of cross-process and cross-regional Lighthouse factories. This comprehensive transformation builds four core competitive advantages: Lean → Automation → Digitalization → Intelligence. This strategy achieves a dual breakthrough in both efficiency and carbon reduction. Through technological innovation, Hon Hai has broken through the efficiency and cost bottlenecks of traditional manufacturing, advancing from isolated optimizations to comprehensive innovation, establishing a replicable benchmark for digital transformation. These technologies have also been replicated within the Group's Lighthouse factories, covering upgrades to key production processes such as mold production, CNC machining, and system assembly.

As a result, Lighthouse technologies have achieved:

- 28% to 50% reduction in average unit energy consumption.
- 9 % to 63 % increases in product yields.
- 20 % to 63 % increases in production efficiency.

- 92% to 98% increase in energy reuse.

Going forward, Hon Hai will continue to align with global benchmarks, consolidate its digital transformation experience, lead the high-quality development of the manufacturing industry and forge a new paradigm for global intelligent manufacturing guided by the Lighthouse spirit.

Lighthouse Factory	Technology Application	Sustainability and Efficiency Results
Shenzhen Guanlan (Sustainable Lighthouse)	AI, IoT, and other 4IR technologies, optimize material recycling processes instantly and track real-time carbon footprints	• Scope 3 emissions reduced by 42%, Scope 1 and 2 emissions reduced by 24% • Recycled materials increased to 55%-75%
Bắc Giang, Vietnam	Plant-wide integration of AI / IoT platforms Production driven through big data analysis	• Labor productivity increased by 190% • Manufacturing cost reduced by 45%
Taoyuan Nanqing	The world's first AI server lighthouse factory	• Production efficiency increased by 73%, unit manufacturing cost reduced by 39% • Defective rate reduced by 97%
Zhengzhou Factory	Flexible Automation + Digital Quality Control	• Labor productivity increased by 102%, quality defects reduced by 38 % • Equipment efficiency increased by 27%
Chengdu Factory	• OT (Operational Technology) + IT (Informational Technology) Industrial Internet Architecture • 600-person Industrial Internet R&D team	• Labor efficiency increased by 200% • Equipment efficiency increased by 17%
Wuhan Factory	• Advanced analytical technology reshapes the process • Flexible automated assembly line	• Lead time reduced by 29% (up to 48 hours) • Quality loss reduced by 38%
Shenzhen Longhua	• Smart device networking, production status real-time monitoring	• Inventory cycle reduced by 15% • Manpower requirement reduced by 92%



The factory in Bắc Giang Province has become the first lighthouse factory in Vietnam

Innovative Industries: Electric Vehicles and Energy Storage Redefine the Low-carbon Transportation Ecosystem

The Group's green revenue in 2024—covering clean technology products and services from subsidiaries such as Foxconn Industrial Internet and Foxtron—accounted for 24.53% of total revenue, reaching NTD 1,682,335.40 million.

In 2019, the Group announced the strategic deployment of three major industries and three core technologies, including electric vehicle (EV) development. Leveraging Hon Hai's global supply chain system and its technological strengths in manufacturing, design, and R&D, the Group aims to play a pivotal role in advancing the global transition toward net-zero transportation.

The Group is committed to the innovative development of pure EVs, integrating the BOL (Build–Operate–Localize) strategy to establish a global supply chain. Centered around an open platform—the MIH Alliance—this strategy is designed to accelerate the mass adoption of EVs. In addition, the Group has adopted the CDMS business model to expand market share and deliver one-stop integrated EV design and manufacturing services.

In 2024, the Group's EV business generated NTD 8,520.61 million in revenue, with NTD 3,638 million invested in product R&D, representing 43% of EV business revenue. As of 2024, the Group had obtained 104 patents, including representative patents such as the Electric Vehicle Energy Recovery System, Automatic Parking Safety Protection System, and G-Pedal Intelligent Braking System.

Electric Vehicle Strategic Dimensions	Core Actions	Milestone Progress
One-stop service, adopting CDMS business model	Focusing on vehicle design, manufacturing, and key components, Hon Hai integrates core technological innovation with software and hardware solutions into industrial design. The Group has established a one-stop customer service system, dual-site R&D, tri-regional design and manufacturing capabilities, and a flexible global delivery network. Over the next decade, Hon Hai aims to redefine CDMS (Contract Design and Manufacturing Services) in the electric vehicle industry while continuing to advance vertically integrated technology services.	As of 2024, the Group has launched six models: passenger vehicles Model C, Model B, Model E, and Model D, and commercial vehicles Model T and Model U. Among these, the passenger vehicle Model C and the commercial vehicle Model T are already in mass production, while the Model B is scheduled to enter mass production and sales in Taiwan in 2025. By the end of 2024, more than 150 Model T electric buses had been sold in Taiwan, operating across ten cities and counties nationwide. The Model C recorded cumulative sales of 8,187 units in Taiwan, with exports to the United States expected in 2025. In addition, through a partnership with Mitsubishi Motors, the Model B is planned for export to the New Zealand and Australian markets in 2026.
Establishing an open platform (MIH)	The concept of an open electric vehicle platform was officially introduced to the public in 2020, followed by the establishment of the MIH Consortium in 2021 and the release of the first electric vehicle reference design in 2022. The alliance effect is expected to materialize in 2025, driving expansion into overseas markets.	In 2023, the Group established a joint venture with Stellantis to form SiliconAuto, an automotive chip company. In 2024, the Group signed a memorandum of understanding with Siemens on smart manufacturing cooperation, aiming to jointly advance digital transformation and sustainable development.
BOL localized manufacturing	In 2021, Hon Hai introduced a unique partnership model inspired by the BOT (Build–Operate–Transfer) concept to address the challenge of manufacturers withdrawing after project completion. Hon Hai adapted this framework into the BOL (Build–Operate–Localize) model, where “Localize” emphasizes collaboration with local companies to foster long-term sustainability and shared development.	The electric bus Model T—65% of whose parts are supplied by MIH Alliance members and Taiwanese manufacturers—was delivered in 2024. Kaohsiung Bus will adopt the self-developed Model T and is expected to establish a photovoltaic and energy-storage integrated smart electric bus manufacturing plant in Kaohsiung Qiaotou Science Park by the end of 2025, further advancing the sustainable development of clean technology.

Electric Vehicle Strategic Dimensions	Core Actions	Milestone Progress
Zero carbon emission products	We continue to advance the development of environmentally friendly, zero-carbon products. As a Tier 1 automotive supplier, the Group focuses on smart cockpits (featuring low-power components and automatic adjustment systems to enhance energy efficiency), digital keys (integrating energy-saving technology), and charging station solutions (intelligently optimizing the charging process). Through these innovations, we provide comprehensive gateway solutions for new energy vehicle companies.	Taking the Model C as an example, its energy efficiency reaches 7.6 km/kWh, reducing carbon emissions by approximately 0.17 kg per kilometer, compared with an average of 0.23 kg per kilometer for gasoline vehicles. Each Model T electric bus can help cities cut carbon emissions by 34.44 tons annually.
Battery and energy storage technology	We invest in the research and development, design, and manufacturing of battery packs and battery cells for electric vehicles and energy storage systems, building independent capabilities in key core technologies.	The Group invested NTD 6 billion to establish a pilot production center for battery cells, which commenced operations in 2024, and independently developed a 230Ah battery applied in the Model T. In the same year, construction was completed on a 4 MW/d-Reg grid-connected energy storage system at the Hefa plant in Kaohsiung.

Just transition

In its journey towards low-carbon and digital transformation, Hon Hai has actively introduced the concept of “just transition” to ensure that employee well-being, community development and supply chain responsibility are fully considered. The Group is committed to creating an inclusive and resilient development model.

Employee Support (See Diversity and Inclusion for Sustainable Development for details)

- **Reskilling and Upskilling:** An internal learning platform provides diverse courses covering smart manufacturing, renewable energy, professional training, management development, and academic advancement. This enables employees to acquire future-ready skills and smoothly transition to new roles.

- **Job Security during the Transition:** Promote internal manpower deployment mechanisms to reduce the manpower impact caused by automation or operational adjustments and ensure employee employment stability.
- **Union Engagement:** Regular consultations with union representatives ensure employee voices are incorporated into policy planning, creating an inclusive environment for transformation.

Regional/Community Care (See Social Contribution, Win-Win Strategy for details)

- **Local Industry Transformation:** Investments in emerging sectors such as electric vehicles, servers, and digital healthcare foster industrial upgrading and local employment.

- **Supporting Sustainable Development:** Public welfare programs and educational initiatives enhance community participation and adaptability to green and digital transitions.
- **Partner Collaboration:** Partnerships with research institutions promote industry-academia cooperation, local talent cultivation, and stronger community resilience.

Supply Chain Responsibility (See Business Sustainability, Beneficial Partners for details)

- **Supplier Transition Support:** Promote carbon inventory guidance, energy efficiency improvement and renewable energy introduction for key suppliers, and provide platforms and resources to support capacity building.
- **Mitigating Carbon Leakage:** Strengthen sustainability standards in procurement processes, avoid outsourcing high-carbon activities to third-party regions, and implement carbon reduction in the entire supply chain.
- **Sustainable Procurement Policy:** Promote a Green Procurement system, prioritize cooperation with suppliers with strong ESG performance, and enhance the overall sustainable competitiveness of the supply chain.

standards set by organizations like the SBTi, using a science-based approach to develop climate action targets and further develop a roadmap for achieving net-zero carbon emissions.

The decarbonization pathway prioritizes direct emission reductions from operations ($\geq 3\%$) and the construction of on-site renewable energy facilities ($\geq 5\%$). After these, additional strategies are applied, including renewable electricity procurement ($\leq 82\%$) and carbon sinks or negative-emission technologies ($\leq 10\%$), to advance toward net zero.

- **Group-wide net-zero target:** Hon Hai is committed to achieving net zero greenhouse gas emissions across its entire value chain by 2050.
- **2030 target:** Reduce absolute Scope 1, 2, and 3 emissions by 42% compared with 2020 levels.
- **2050 target:** Reduce absolute Scope 1, 2, and 3 emissions by 90% compared with 2020 levels.

*Note: After a company's own operational emissions have been reduced by more than 90%, it will use carbon sinks or negative carbon technologies as auxiliary means to reduce residual carbon emissions and achieve net zero carbon emissions by 2050.

Climate Metrics and Targets

Net-zero Commitment and Target

In November 2020, the Group became the first Taiwanese company to propose a goal of net-zero emissions across its value chain by 2050. In January 2021, it submitted a commitment to reduce emissions consistent with a 1.5°C temperature rise pathway to the Science-Based Targets Initiative (SBTi), and its goal was officially validated in April 2024. Hon Hai actively adopts the rigorous

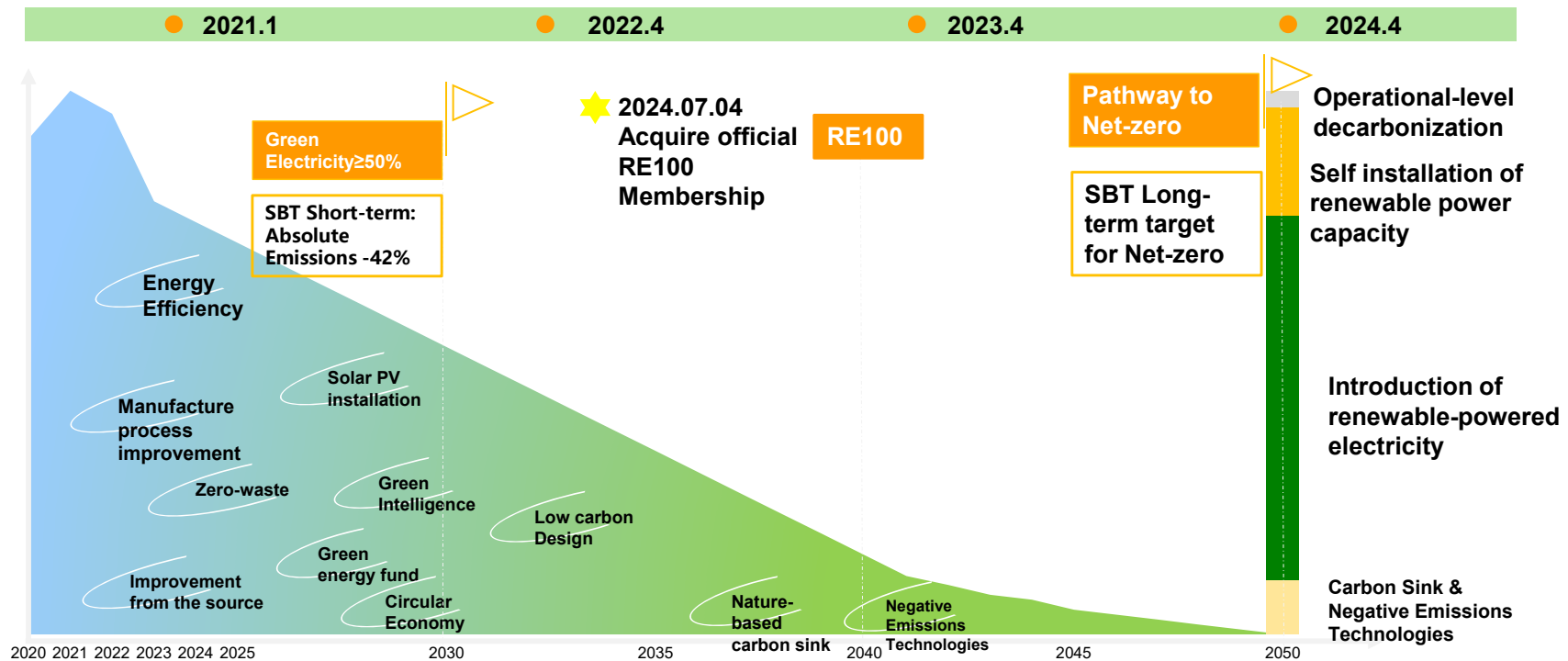
Hon Hai Pathway to Net-zero

Commitment Disclaimed
Set Science-based decarbonization target aligned with 1.5°C pathway

Application Submission

Short-term target validated
2030: GHG Emissions -42%

Long-term target validated
2050: Net Zero

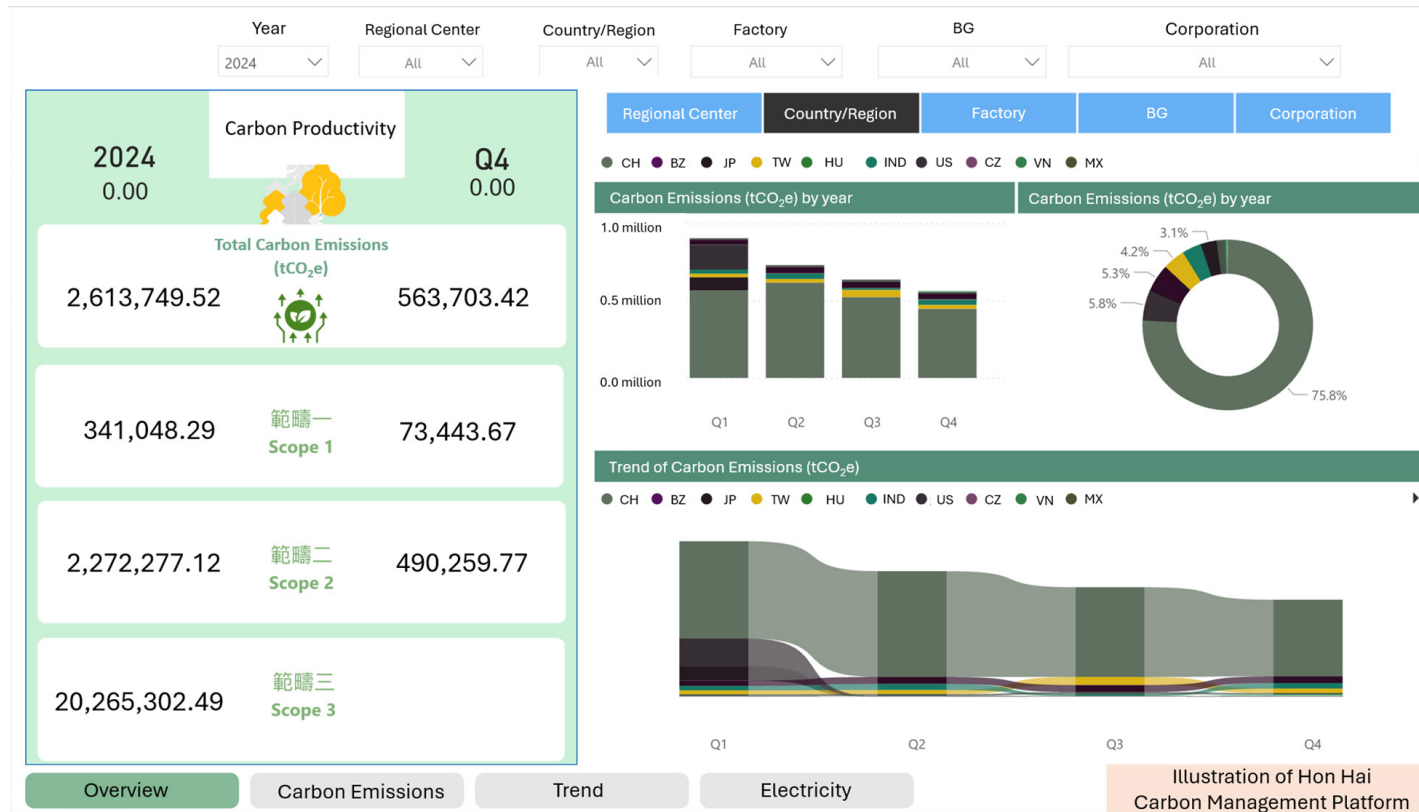


Greenhouse Gas Emissions

The Group continuously monitors its annual greenhouse gas emissions. To improve efficiency in data collection, management, and analysis, the Environmental Protection Division and Information Technology team jointly

developed the “Low Carbon Management Platform”. This standardized and collaborative framework enables real-time tracking of Scope 1, 2, and 3 emissions, supports third-party verification, and informs reduction strategies. The platform is integrated with the Group’s financial system and has been deployed across 160 sites worldwide.

Low-carbon management platform



In 2024, total revenue reached NTD 6.86 trillion (+11.3%), accompanied by an improvement in carbon intensity. Scope 1 emissions rose to 341,472 tons (+32.3%), while Scope 2 emissions (market-based) fell to 2,272,277 tons (–6.1%) due to renewable energy adoption and solar generation, leading to a

slight decrease in overall emissions to 2,613,750 tons (–2.4%). Carbon intensity declined from 0.435 to 0.381 tons CO₂e per million NTD revenue (–12.4%), demonstrating improved carbon efficiency despite business growth.

The Group's Scope 1 and Scope 2 Greenhouse Gas Emissions in 2024

	Unit	Mainland China	India	Southeast Asia	America	Europe	Northeast Asia	Total
Category 1	ton CO ₂ e	231,065.05	31,609.23	2,217.22	45,609.34	6,117.57	24,853.98	341,472.40
Category 2 (Based on location)	ton CO ₂ e	5,274,580.93	162,571.94	268,637.10	145,758.98	28,636.31	132,494.87	6,012,680.13
Category 2 (Based on market)	ton CO ₂ e	1,601,388.21	101,392.48	268,637.10	142,347.19	28,426.63	130,085.51	2,272,277.12
Total (Based on location)	ton CO ₂ e	5,505,645.98	194,181.17	270,854.32	191,368.32	34,753.88	157,348.85	6,354,152.53
Total (Based on market)	ton CO ₂ e	1,832,453.26	133,001.71	270,854.32	187,956.53	34,544.2	154,939.49	2,613,749.52

Category 1	Total Emissions (ton CO ₂ e)	Density (ton CO ₂ e /million NT dollars)	Confirmed Institutions	Statement of Confident Circumstances
Parent company	424.11	0.00006	PWC	Limited Assurance
Subsidiaries	341,048.29	0.04972	PWC	Limited Assurance
Total	341,472.40	0.04978	PWC	Limited Assurance

Category 2 (market-based)	Total Emissions (ton CO ₂ e)	Density (ton CO ₂ e /million NT dollars)	Confirmed Institutions	Statement of Confident Circumstances
Parent company	18,107.47	0.00264	PWC	Limited Assurance
Subsidiaries	2,254,169.66	0.32861	PWC	Limited Assurance
Total	2,272,277.12	0.33125	PWC	Limited Assurance

The Group's Scope 3 greenhouse gas emissions in 2024

		ton CO ₂ e
		2024 Emissions
Upstream Categories	 Purchased goods and services	14,239,709.94
	 Capital goods	887,630.57
	 Fuel and energy related activities (not included in Scope 1 or Scope 2 activities)	1,136,938.01
	 Upstream transportation and distribution	681,237.23
	 Waste generated in operations	17,481.71
	 Business travel	38,456.53
	 Employee commuting	138,750.44
	 Upstream leased assets	104,217.13
Downstream Categories	 Use of sold products	2,046,969.35
	 End-of-life treatment of sold products	5,706.52
	 Downstream leased assets	47,234.73
	 Investment	920,970.33
Total		20,265,302.49
Category 3 Carbon Intensity (tonCO ₂ e / million New Taiwan dollars)		2.95

Internal Carbon Pricing

Hon Hai Group is actively exploring innovative climate governance tools. While not yet fully implementing internal carbon pricing at the group level, it has piloted this practice through its subsidiary, Foxconn Industrial Internet. This pilot experience will lay the foundation for future group-wide expansion and drive low-carbon transformation across the value chain. In 2023, the subsidiary formulated an Internal Carbon Pricing Implementation Plan, establishing a Shadow Carbon Price mechanism for Scope 1 and Scope 2 greenhouse gas emissions from operational activities, systematically incorporating carbon costs into its decision-making processes.

This mechanism has been implemented in five key scenarios: new industry investment assessment, public utility equipment replacement decisions, energy efficiency rating selection analysis, production process & technology transformation planning, and client partnership proposal negotiations.

The mechanism has been applied in five areas: investment assessments for new industries, utility equipment replacement, energy efficiency evaluations, production process improvements, and customer proposal negotiations.

Using a cost-benefit quantification model, the system helps prioritize low-carbon technologies, select energy-efficiency projects, track climate goals, and adapt dynamic pricing models. To ensure alignment with market conditions, FII incorporates both renewable energy certificate premiums and regional carbon market prices. In 2024, carbon price benchmarks were set at 82 CNY/ton (China), 223 CNY/ton (U.S.), and 734 CNY/ton (Hungary and Czech Republic)

This mechanism not only drives investment in energy efficiency and emission reduction technologies, but also deeply integrates climate factors into strategic, financial, and operational decision-making:

Risk Management: Quantitatively assess the impact of regulatory policies and carbon cost fluctuations.

Low-carbon Investment and Financing: Provide a basis for green project evaluation and guiding capital flows.

Supply Chain Collaboration: Drive upstream emission reductions through procurement standards.

Opportunity Identification: Explore emission reduction potential through renewable electricity procurement, process optimization, etc.

In the future, Hon Hai will leverage pilot experiences to evaluate a cross-regional carbon pricing framework and explore extending the mechanism to Scope 3 management, strengthening resilience and coordination across its global operations.

Climate Stance Engagement

Hon Hai maintains strict oversight of industry association memberships to ensure alignment with the Group's sustainability values and integrity principles. Responsibility for public policy engagement lies with the Public Relations Division, which oversees implementation and reporting.

Since declaring support for the Paris Agreement, the Group has established a mechanism to review industry associations' climate positions. In 2024, seven valid responses were collected and analyzed, with no major inconsistencies identified. For associations with partial misalignment, Hon Hai continues engagement; if significant discrepancies remain unresolved, the Group considers measures such as negotiation or termination of membership.

In the future, Hon Hai will expand its review process, encouraging associations to advance low-carbon innovation and sustainable business models. Through the collaborative model of "sharing, cooperation, and common prosperity", the Group aims to balance economic growth with sustainability, driving its vision of the dual-E formula: Sustainable Management = EPS + ESG.

Hon Hai's Survey on the alignment of Climate Stance in 2024

No.	Questions	The Third Wednesday Association	TAMI	TMDIA	TEEMA	TTVMA	TNZEА	RBA
1	Do you support the Paris Agreement?	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2	Do you have established policies and objectives that explicitly support the Paris Agreement?	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	Do you support the introduction of low-carbon and net-zero products in the market?	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4	Do you support businesses adopting carbon pricing and trading mechanisms?	Yes	Yes	Yes	Yes	Other	Yes	Yes
5	Do you support renewable energy to promote energy transition?	Yes	Yes	Yes	Yes	Yes	Yes	Yes
6	Have you appointed a dedicated team responsible for overseeing lobbying and advocacy efforts related to the Paris Agreement?	No	No	No	Yes	No	Yes	Yes
7	Do you actively participate in various industry association meetings, working groups, and forums to advocate for policies and measures aligned with the Paris Agreement?	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Water Resource Management

Water Risk Management Policy and Risk Assessment

Hon Hai regards water resource management as the core of its commitment to environmental protection. The group strictly complies with the laws and policies of various countries, is committed to reducing water use intensity, and enhances the capabilities of wastewater treatment personnel through targeted training programs. We actively engage with stakeholders on water-related issues and disclose our management practices through submitting external questionnaires (such as the CDP Water Security Questionnaire) or supplier management questionnaires. In 2024, the Group recorded no legal violations related to water withdrawal or discharge and achieved an A-rating in the CDP Water Security Questionnaire. At the policy level, the “Hon Hai Technology Group Water Management Commitment” applies to the company’s global branch manufacturing and operation sites and all their employees, distribution and logistics, partners, service providers, contractors and suppliers, and guided by the following water management principles:

- **Water Conservation:** Reduce water consumption from the source during the production process.
- **Technological innovation:** Deploy advanced water-saving and water treatment technologies to enhance recycling performance.
- **Pollution prevention:** Use effective and best available technologies and equipment to minimize environmental impacts.
- **Continuous improvement:** Support the research, development and application of environmental protection technologies and equipment to improve the efficiency of water pollution control.

The Group primarily sources water from municipal suppliers, which minimizes direct impacts on surrounding water bodies. We do not impact surrounding water sources. The Group identifies and analyzes opportunities to improve water efficiency at all production and operation sites (each site annually reviews water conservation plans and water-using equipment, optimizing production processes and reducing water usage). Furthermore, the Group actively promotes water recycling and reuse, and incorporates recycled/biodegradable materials into some production raw materials, effectively reducing the environmental footprint of manufacturing. The Group also actively implements wastewater recycling projects, reusing treated domestic sewage in production processes and for landscaping, significantly minimizing the impact on the external environment.

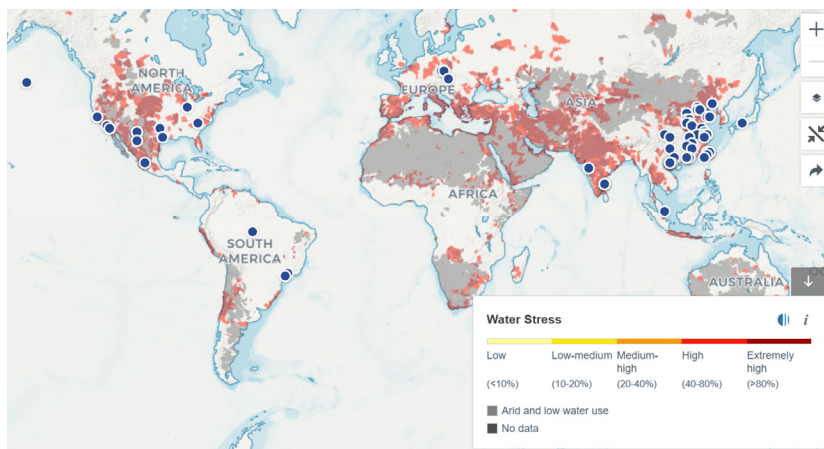
Hon Hai is actively engaged in strategic water resource management planning. Through water risk identification, it develops water management strategies and targets. It also leverages digital platforms to manage environmental protection systems, collecting and monitoring data to inform policymaking. These efforts not only strengthen oversight, but also proactive detection and prevention of environmental impact, while hold violators accountable.

The Group has established a tiered water risk management framework that integrates the WTR (World Resources Institute) Aqueduct Water Risk Atlas with its internal digital monitoring platform to regularly assess water stress scenarios across global operations. The Group’s water risk assessment results reveal a clear risk distribution map, with 29 % of sites classified as extremely high risk, 5 % as high risk, 4 % as medium-high risk, 24 % as medium-low risk, and 38 % as low risk. Based on these results, we are actively implementing water resource management planning, implementing conservation measures, promoting various water-saving projects, and reducing standard wastewater discharge. We also engage employees and suppliers in water conservation initiatives, mitigating the environmental impact of our production processes.

To address water risks, we adopt a two-tiered protection strategy: “Plant-Watershed”:

- Plant level: Deploy smart water meters and leakage detection systems to optimize water use efficiency in real time.
- Watershed level: Cooperate with local governments to establish a “drought warning-water sharing” mechanism to reduce regional water use conflicts.

Aqueduct Water Stress Risk Map



Water Consumption and Water Conservation Measures

Currently, our water supply primarily comes from municipal water. We have implemented three major initiatives to expand the use of recycled and reclaimed water to reduce water consumption. The Group has set a cumulative reduction target of 4.50% in water intensity from 2020 to 2024. By 2024, the actual cumulative reduction had reached 25.54%. Our conservation measures include: (1) introducing recycled water as a supplementary source; (2) installing water-efficient devices, such as low-flow toilets and faucet aerators; (3) deploying water reduction and reuse equipment, continuously capture

conservation opportunities. We have successfully partnered with local recycled water facilities to supply recycled water for both residential and industrial use at our Lankao and Beijing sites, effectively reducing municipal water consumption.

Furthermore, we categorize water use into two main categories: (1) office and dormitory water use and (2) process water use. For office and dormitory water use, we have promoted low-flow toilets and faucet aerators. For process water use, we have introduced waste reduction equipment and developed resource recovery projects to advance our “cradle to cradle” circular economy goals. For detailed data on the Group’s water consumption and intensity, please refer to the Appendix - Key Quantitative Indicators - Water Resource Management.

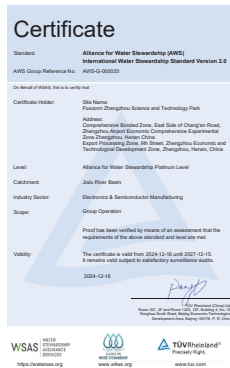
Representative water-saving initiatives in 2024 include:

Shenzhen Longhua Plant: Recycled Water Reuse Ecosystem

- The joint business group held a “Water Reuse Promotion Seminar” and added 7 new plant buildings with MBR biological treatment systems.
- The amount of recycled water reached 268,000 tons in 2024 (the reuse rate increased from 20.5% in 2023 to 40.6%).
- Support the construction of Shenzhen Metro Line 22 by supplying 150-200 tons of recycled water per day for dust suppression and reducing municipal water consumption.



Reclaimed water reuse supports the construction of the Shenzhen Metro



Zhengzhou Campus: AWS Platinum Certification Practice

In response to the risk of drought in Henan, the Zhengzhou Campus launched the AWS (Alliance for Water Stewardship) certification program in 2023. The measures taken by the Zhengzhou Campus include:

In 2024, the Zhengzhou campus advanced its water resource management level through the above measures, reduced environment impacts, strengthened supplier engagement, mitigated water risks, and continuously improved the local water quality —culminating in AWS Platinum Certification, the program's highest level.

AWS Platinum Certification for Zhengzhou Campus

River Basin Analysis: Collect river basin plans and targets at the national, provincial, municipal and county levels, and compile river basin reports to analyze factors such as water balance, quality, critical water-related areas, infrastructure, and climate change, and identify key challenges.

Internal Controls & Monitoring: Established a certified internal control framework and sustainable water management strategy, supported by upgraded online monitoring systems to ensure efficient and stable wastewater treatment.

Commitment and training: Publicly declare commitment to sustainable water management, develop improvement plans, and conduct internal, external and supplier training on AWS water management to raise employees' awareness of water conservation.

Supply chain risk management: Conduct indirect water use surveys and water risk assessments within the supply chain, identify key suppliers, and develop improvement plans.

Water Use Reduction: Promote industrial and domestic water conservation projects (e.g., urokinase reuse, zero heavy metal discharge, sandblasting water recycling), saving more than 90,000 tons of water annually. In addition, by optimizing production processes and adopting EDI technology to improve the pure water system, the use of chemicals has been reduced.

WASH: Continuously provide employees with appropriate WASH (Water, Sanitation and Hygiene) facilities, donate WASH supplies to the community and charitable organizations, establish the rescue team, and safeguarded water safety for both production and living needs.

Protection of water-related areas: Monitored rivers and groundwater quality outside the site semiannually to safeguard surrounding ecosystems.

Effluent Quality: Invested in COD and ammonia nitrogen reduction projects, with discharge water quality exceeding 80% of the target standards, significantly outperforming the industry average.

Wastewater Management

To ensure the wastewater does not pollute the environment, each site is equipped with wastewater treatment equipment. Regular inspection and maintenance by dedicated trained personnel ensures stable operational and compliance with discharge standards. Online monitoring equipment is also deployed to provide early warning of water quality anomalies under stricter standards, enabling timely corrective actions. Regular testing is also outsourced to qualified laboratories. Outlet monitoring data is directly linked to the Environmental Protection Bureau for real-time supervision, complemented by routine on-site inspections by local EPA authorities to strengthen compliance. The Group aims to achieve 100% coverage of industrial wastewater quality monitoring systems by 2025, providing real-time visibility and early-warning functions that exceed regulatory standards.

The Group collects domestic sewage and industrial wastewater in separate locations, designs corresponding treatment units tailored to their respective characteristics, and applies a hierarchical treatment approach:

(1) Primary Treatment: Larger floating debris is removed using bar screens. The wastewater is then collected in an equalization tank, where it is stirred to homogenize the incoming water quality and volume, ensuring smooth processing of the subsequent treatment process. The After-grit removal, the wastewater flows into the primary sedimentation tank, which is the primary stage of wastewater treatment.

(2) Secondary and Tertiary Treatment:



Domestic wastewater typically contains a high level of organic matter, resulting in a high biochemical oxygen demand (BOD). Therefore, secondary biological treatment is prioritized. The Group applies activated sludge and biofilm processes, utilizing naturally occurring microorganisms to decompose organic matter. Microorganisms metabolize organic matter and balance nutrient ratios (nitrogen and phosphorus), converting it into stable inorganic compounds. This effectively reduces oil, nitrate, total phosphorus, total nitrogen, and organic pollutants.



As a leading electronics manufacturing services (EMS) provider, Hon Hai operates diverse range of manufacturing processes, such as electroplating and anodizing. This complicates the treatment of industrial wastewater. Industrial wastewater typically contains high levels of chemical oxygen demand (COD), heavy metals, and inorganic salts. To address these characteristics, wastewater treatment plants often utilize tertiary treatment methods, including chemical coagulation, electrolytic reduction, and ammonia nitrogen wastewater treatment.

(3) Final Discharge: After verification that effluent quality meets local discharge standards, the wastewater will be released into the municipal pipeline network and then undergo secondary treatment at local government-operated facilities. Depending on regulatory requirements, further chemical coagulation or chlorination disinfection will be carried out to ensure compliance with government water management regulations. The wastewater will eventually be discharged into government-designated waters to reduce the environmental burden.

We firmly believe in the principle of “taking from society and giving back to society”. Therefore, we extend water to the upstream and downstream watersheds of our plants, fostering employee awareness of water conservation and environmental protection. For example, we organize river patrols that engage employees and their families, fostering community participation in protecting aquatic ecosystem. On Earth Day 2024, we launched a “River Patrol and Beach Cleaning” relay event to support the United Nations’ SDG 6 (Clean Water and Sanitation) and SDG 13 (Climate Action), while reinforcing the company’s sustainable water resource management. The event themed “Protecting Every River Near Me” was piloted across eight sites, including Zhengzhou and Yantai. Employees from each site actively formed volunteer teams, collaborating with local governments, communities, and partner organizations to conduct river cleanups and water quality monitoring around their respective rivers. They further promoted environmental awareness in surrounding communities and encouraged public participation. The event engaged 6,288 participants across held 36 events, and contributing over 10,000 volunteer hours.



River Patrol and Beach Cleaning” Relay Event

Waste Management

Waste Management Policy and Plan

Since the onset of industrial age, manufacturing processes and public demand have generated large volumes of solid waste. Without proper treatment, such waste can infiltrate soil, air, and water, causing pollution and generating non-degradable residues that pose long-term risks to future generations. Consequently, waste management has emerged as a critical environmental challenge. To address this, the Group has implemented a Zero Waste to Landfill program at all key campuses, gradually reducing waste incineration and landfilling to achieve a 100% waste diversion rate, with incineration with energy recovery capped at 10%.

The Zero Waste to Landfill program not only reduces raw material use at the source to minimize waste generation but also increases the recycling and reuse of internal and external packaging materials to continuously improve resource efficiency. In 2024, the Group recorded zero violations of laws and regulations in its waste management.

With “Zero Waste Campus” as its core goal, Hon Hai has embedded the concept of circular economy into its operations, promoting waste minimization through the following hierarchical management framework:

Policy framework

- **Management principles:** Adhere to the hierarchical strategy of “reduction → reuse → recycling → harmless treatment → legal disposal” and fully implement the “Hon Hai Technology Group Waste Management Commitment” in all global factories by 2024.
- **Certification System:** Using UL 2799 Zero Waste to Landfill as a benchmark, by 2024, a total of nine industrial campus had received certification, resulting in 35 zero-waste certificates and 58 legal entities passing verification, achieving the 2025 target ahead of schedule. By the end of 2024, a total of 20 suppliers had also obtained UL 2799 Zero Waste to Landfill certification.

Specific Action Plan

Type of measure	Implementation priorities for 2024	Progress Status
Source Reduction	Process optimization and sustainable procurement, introducing biodegradable materials.	Reduced plastic purchases by 4,450 tons in 2024
Digital Monitoring	The Group's self-developed environmental information network - waste management system, real-time tracking of waste flow and total volume at global factories.	System fully covers Hon Hai's legal entities
Employee Empowerment	Organize waste-related initiative such as "Zero Waste Practical Workshop".	Held activities in various regions to enhance employees' awareness of environmental protection
Supply Chain Management	Regular audits are conducted on outsourced manufacturers, requiring 100% legal disposal and the signing of a waste transfer compliance statement.	Maintained a zero-penalty record (2023-2024)
Independent Certification	By 2024, a total of nine parks obtained UL 2799 certification, achieving the goal ahead of schedule, and obtained 35 zero waste certificates.	Ongoing progress

Waste Generation, Recycling and Disposal

Hon Hai adopts comprehensive process management to seamlessly integrate waste traceability, classified recycling and source reduction, and environmentally sound disposal.

- **Waste Traceability:** Establish a waste management ledger to ensure that waste is traceable and searchable. 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.
- **Classified Recycling and Source Reduction:** Implement a recycling model to reduce general non-hazardous waste and domestic waste at the

source, increase the recovery recycling rate of non-hazardous waste, and convert high-value waste into resources (for example, the Group's Plastics Resource Application Center recycles plastic pallets internally and has obtained multiple UL 2809 certifications). In 2024, the hazardous waste recycling rate reached 84.32%.

- **Environmentally Sound Disposal:** Actively research and develop technologies to achieve 100% harmless disposal environmentally sound disposal of hazardous waste.

Please refer to Appendix - Key Quantitative Indicators - Waste Management for details of the Group's hazardous and non-hazardous waste generation and disposal in 2024.



Circular Application of Quantum Fibers in Product Design

In response to the global Carbon Border Adjustment Mechanism (CBAM), net-zero targets, and customer demand for low-carbon products, the Group's design team collaborated across R&D, design, and manufacturing departments in Wuhan and Taiwan to apply quantum fiber as an alternative material for product exterior components. Quantum fiber is 30–35% lighter than traditional plastics such as ABS, while maintaining a comparable strength coefficient. Through structural optimization and redesign, the products passed quality inspections for mass production, reducing the carbon footprint from materials through logistics, and receiving positive customer feedback.

Vietnam Plant Recycling Green Station

On World Environment Day 2024, Hon Hai Vietnam hosted organized a Recycle Green Station recycling event to encourage employees to actively participate in waste recycling. Under the theme of “Recyclables for Green Products,” the event encouraged employees to donate used items and used books in exchange for reusable bags, notebooks, and stationery made from recycled materials, practicing the principles of a circular economy. campaign encouraging employees to exchange recyclables (used items and second-hand books) for eco-bags, notebooks, and stationery made from recycled materials. The collected items were donated to five kindergartens in Bac Giang Province, promoting resource sharing and social care. The event enhanced employee environmental awareness demonstrated the company's commitment to waste reduction and responsible disposal, and reinforced green living practices across the Group.

Air Pollution Management

Air Pollution Mitigation Measures

The Group has established comprehensive, scientific air pollution control protocols. We select the best available technologies based on exhaust emissions composition and properties; actively adhere to all government air pollution management measures by establishing a robust response system; formulated practical and feasible contingency measures to regularly maintain and upgrade treatment facilities to ensure 100% compliance with emission standards.

Hon Hai Technology Group Air Management Commitment applies to all of the company's global production and operations facilities, including all employees, logistics and distribution teams, partners, service providers, contractors, and suppliers.

Before commencing production or operations, the Group obtains environmental impact assessment approval from local governments and installs industrial-grade exhaust treatment equipment. Regular inspections, maintenance, and environmental sampling are conducted to ensure emissions comply with regulations.

In air pollution management, the Group adheres to the following principles:

Source Control

Prioritize production design principles that reduce pollutant emissions.



Process Optimization

Strengthen control measures in the production process and optimize production technology.



Technological innovation

Support the research, development and application of environmental technologies and equipment to improve the effectiveness and efficiency of air pollution control.

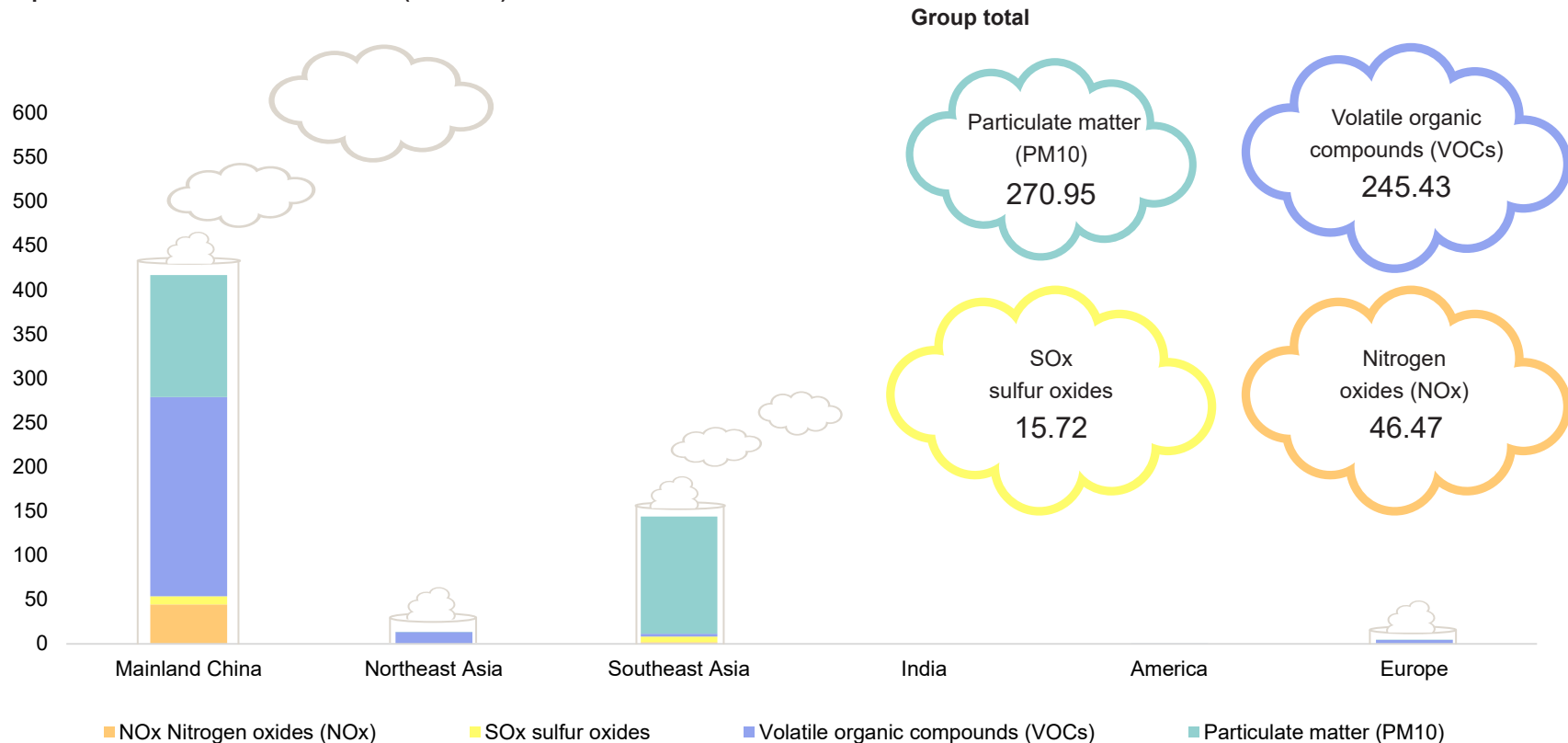


End-of-Pipe Control

Adopt effective and best available technologies and equipment to reduce pollutant emissions.

Air Pollution Management Performance

Group's Air Pollutant Emissions in 2024 (Unit: ton)



Nature and Biodiversity protection

Biodiversity and No Deforestation Commitment

Hon Hai actively implements actions to protect biodiversity and responds to international initiatives such as the Convention on Biological Diversity (CBD). We are committed to identifying and minimizing the impact of our products, facilities, and operations on surrounding ecosystems, thereby reducing adverse effects on communities, the environment, and natural resources, in alignment with global sustainability frameworks such as the CBD. These efforts contribute to the United Nations Sustainable Development Goals: SDG 14 (Life Below Water), SDG 15 (Life on Land), and SDG 17 (Partnerships for the Goals), fulfilling our responsibility to protect the environment and care for the planet.

In 2023, Hon Hai officially released the Biodiversity and No Deforestation Commitment, integrating biodiversity conservation into its core environmental strategy, publicly pledging its commitment to sustainable operations, and demonstrating the company's core value of biodiversity conservation.

To reduce the ecological impact of our operations, Hon Hai adopts a stepwise management approach based on the Mitigation Hierarchy Principle and incorporates the ISO 14001 Environmental Management System:

Avoid impacts at the source

- Conduct environmental assessments before establishing or expanding facilities to avoid locations that are important or sensitive to biodiversity.
- Require suppliers and partners to comply with environmental protection principles, such as prohibiting deforestation of primary forests.

Minimize impacts where avoidance is not possible

- If there is natural ecology near the development or operation site, we will take protective measures, such as establishing green belts, reducing construction noise and light pollution, to mitigate disturbance.
- Incorporate these measures into daily operations with continuous monitoring and adjustment.

Restoration of affected environments

- Where impacts occur, undertake restoration measures, such as replanting native plants, improving water quality, and enabling species to reinhabit ecosystems.
- Set clear targets and involve local communities and academic institutions to ensure long-term success.

Offsets

- For residual impacts that cannot be restored, implement offset measures such as protecting alternative habitats or constructing artificial wetlands.
- Offset measures will refer to international standards and be verified by qualified third party.

Transformation and additional conservation contributions

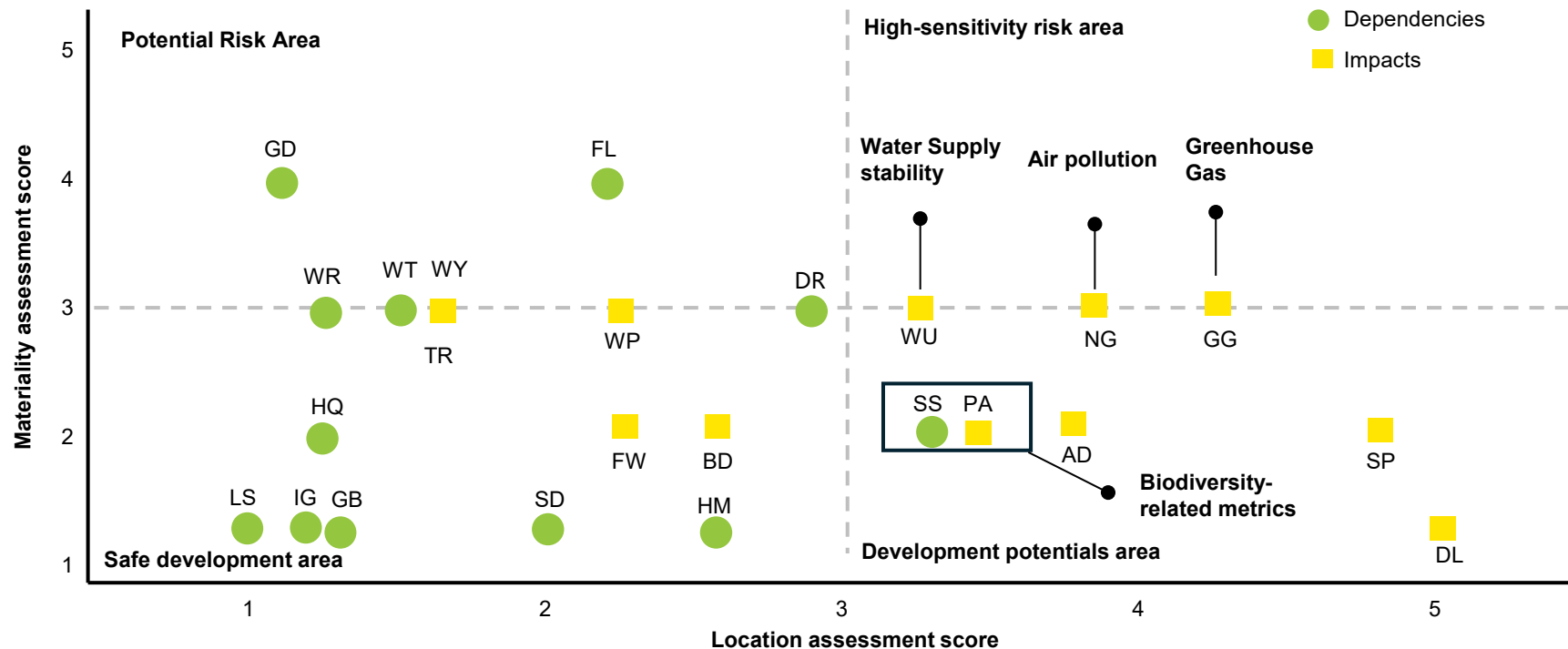
- Hon Hai not only meets regulatory requirements, but also actively participates in international nature-related initiatives (such as TNFD), incorporating natural-related risks into its business considerations.
- We also invest in ecological education and community programs to raise public awareness of biodiversity conservation and strengthen environmental actions across the supply chain.

Looking ahead, Hon Hai will establish long-term action plans and targets informed by ongoing assessments of nature-related risks.

Nature-related Risk Opportunity Assessment

Hon Hai Group recognizes the critical value of natural capital to corporate sustainability. In response to the release of the Nature-Related Financial Disclosure (TNFD) framework in September 2023, the company engaged a team from National Taiwan Normal University to conduct a nature-related

risk and opportunity assessment for its core sites in Taiwan (Tucheng, Neihu, and Taoyuan), following the LEAP principles (Locate, Evaluate, Assess, Prepare). The assessment integrated four major ecosystems: terrestrial, freshwater, ocean, and climatic and utilized Taiwan's high-resolution gridded map data (Taiwan ENCORE). Through a dual-track analysis combining geospatial validation and internal questionnaires, the team developed a 24-indicator risk matrix (see figure below). As a result of this assessment, Hon Hai established its Biodiversity and No Deforestation Commitment in 2023 and updated it in 2024.



Assessment Methodology and Framework:

Two Types of Indicators	Ecological Dependencies	Annual water yield (WY), drought severity (DR), rainfall variability (WR), flooding potential (FL), carbon stock (CB), temperature change (WT), soil degradation (SD), habitat quality (HQ), biodiversity (SS), habitat change (HM), geological sensitivity (GD), intensive agriculture (IG), livestock farming (LS)	
	Environmental Impacts	Land use (TR), key water bodies (FW), greenhouse gases (GG), air pollution (NG), soil pollution (SP), water source pollution (WP), ecological disturbance (DL), water supply stability (WU), atmospheric degradation (AD), habitat degradation (BD), and surrounding conservation areas (PA)	
Two-dimensional Scoring System	Positioning Analysis Score (horizontal axis)	Based on high-resolution Taiwan ENCORE data the spatial relationship between factory sites and ecologically sensitive areas was quantified. The higher the score, the greater the risk.	- The high-risk quadrant (upper right) includes indicators such as greenhouse gases, air pollution, and water supply stability. These have already been incorporated into the Group's management plans. - The development potential quadrant (lower right) includes biodiversity-related indicators such as biodiversity (SS), habitat quality (HQ), and surrounding conservation areas (PA). This indicates that biodiversity is an emerging priority for the Group, highlighting opportunities to generate new growth through ecological restoration.
	Materiality Score (vertical axis)	Derived from questionnaires distributed to employees in the Group's key operational and logistics units , measuring the degree of dependence and impact on ecosystems. A higher score indicates greater risk.	

Biodiversity Conservation Action

Guided by its Biodiversity and No Deforestation Commitment, the Group collaborates with stakeholders to implement biodiversity restoration initiatives, actively promoting the recovery of marine life and their habitats through a Circular Economy model. Ocean resource restoration was selected as a priority because ocean resources provide critical services including provisioning, supporting, regulating, and cultural benefits. Approximately 95% of Taiwan's coastline is protected by seawalls. In partnership with National Taiwan Ocean University, a leading authority on ocean restoration research, Hon Hai launched the Sustainable Ocean Circular Resource Plan. This plan will gradually utilize onshore, intertidal, and natural sea areas as demonstration sites, implementing

and promoting projects such as habitat monitoring, local seed propagation and cultivation, the development of artificial reef technologies using waste construction materials, and ocean carbon sequestration and environmental education. In 2024, the project was awarded the TWBA Taiwan Biodiversity Award.

Through this plan, the Group will invest NTD 25 million over three years (2023-2025), beginning at headquarters, to take tangible actions to transform onshore construction waste into seabed resources for the restoration of Taiwan's native species, maintain biodiversity, and create ocean carbon sinks. These actions

reinforce Hon Hai's responsibility to protect the planet and lay the foundation for a sustainable ocean blueprint. The plan also generates social co-benefits: after several years of demonstration site management and the planned release of native aquatic species, population increases and spillover into adjacent waters

are expected to significantly raise fishery value, offsetting the decline in catches caused by past economic activities. With sustainable coastal management and biodiversity restoration strategies, demonstration waters will be transformed into sustainable fishery demonstration zones.

Key Action Dimensions:

Action Dimension	Measure	Achievements, Impact and Future Plans
Habitat Monitoring	Habitat monitoring is conducted in the northern waters of Taiwan to monitor indicators of Conducted habitat monitoring in northern Taiwan waters, focusing on indicators such as microplastics and biological pollution to assess current marine conditions.	- Completed 6 monitoring campaigns on microplastics and heavy metals to evaluate their ecological impact. - Developed deep learning-based marine ecological survey technology, designed to overcome challenges caused by ocean conditions, weather, and environmental factors, with an expected recognition accuracy of 50% for biodiversity surveys, supported by ROV applications and AI training. - Introduced smart monitoring systems and environmental data analysis platforms to track habitat health and long-term ecological trends, strengthening scientific management capacity.
Resource Restoration	In accordance with the Fisheries Agency's Regulations on the Reproduction and Release of Aquatic Animals, carried out restoration using native species such as fish, algae, corals, and shellfish. Conducted sampling and analysis of microplastics and biological contamination in seawater and organisms at restoration sites. Conducted heavy metal testing in seawater, sediments, and organisms, covering 30 elements such as silver, copper, lead, and zinc.	- Completed the development of algae attachment technology and deployed 51 nearshore algal reef modules (1m³ each). - Released 40,000 native fish fry (including bluefin trevally, red sea bream, striped sea bream) through 12 restocking operations conducted from both shore and vessels. Promoted demonstration site management to enhance biodiversity, increase habitat abundance, and strengthen ecological functions, contributing to the recovery of coastal fishery resources. Developed deep learning-based marine ecological survey technology, expected to achieve 50% recognition accuracy in biodiversity surveys, supported by ROV and citizen science training. - Confirmed that seawater, sediments, and organisms at six restoration sites met standards; nickel and arsenic were detected at low-impact ERL levels, posing negligible ecological risks.

Action Dimension	Measure	Achievements, Impact and Future Plans
Circular Economy	Reuse construction waste to create fish reefs and algae reefs and release them into the sea to create ocean habitats.	- Developed four value-added products from algae: seaweed soap, algae jelly, seaweed facial masks, and seaweed hand cream. - Promoted the resource utilization of marine waste, supporting the development of industries focused on marine resource recycling and sustainable production.
Marine Carbon Sinks	Researched blue carbon methodologies and applied them to restored algae to calculate carbon fixation and reduce emissions.	- Completed carbon fixation capacity analysis for six macroalgae species (two green, three brown, and one red). - We will continue to promote sustainable ecology, with “new technologies to enhance carbon sequestration” and “biodiversity restoration” as the core themes, expanding the overall carbon sink layout from green carbon (terrestrial forests), blue carbon (oceans and wetlands), to yellow carbon (soil carbon storage), increasing corporate investment in carbon sequestration and promoting the realization of negative carbon solutions, moving towards net zero carbon emissions. Expanded carbon sink strategies across green carbon (forests), blue carbon (oceans and wetlands), and yellow carbon (soil carbon storage), using biodiversity as the core axis. This helps guide investment into large-scale carbon sequestration solutions, promoting long-term climate change mitigation and achieving net-zero emissions targets.
Environmental Education	Delivered sustainability education through curricula and field visits, including parent-child environmental education activities. Activities included shore and boat-based fish fry releases, coral planting, fish consumption education, water adventures, crafts, beach clean-ups, and fishing village tours, embedding ESG awareness and sustainability into corporate culture.	- Organized 12 parent-child marine education activities for employees, with 800 participants. Achieved an average satisfaction score of 4.86/5 and environmental awareness participation score of 4.94/5. - Expanded the Ocean Classroom into the Mountain Classroom, connecting mountain and ocean resources, and established the Hon Hai Environmental Sustainability Education Base. - Partnered with local fishing villages to provide employees and families with immersive tours, enabling deeper understanding of marine ecology, history, and cultural heritage. - Improved employees’ knowledge of marine biodiversity and strengthened engagement through hands-on participation in ecological and cultural activities. - Guided tours by local residents provided employees and their families with a deeper understanding of Mao’s Restored ecosystem services through activities such as fish fry releases, seaweed and coral restoration, blue carbon initiatives, and seawater monitoring. These actions enhanced provisioning services (food and clean water), supporting services (genetic diversity and productivity), and regulating services (carbon capture and climate regulation).



Volunteer Diving for Coral Reconstruction



Coral Planting

Sustainable Raw Materials

■ Sustainable Raw Materials Policy and Projects

As part of its green product strategy, the Group is committed to sourcing environmentally friendly and sustainable raw materials, with the goal of minimizing adverse environmental and social impacts associated with raw material use. The Group also actively collaborates with external stakeholders to advance best practices in sustainability and to strengthen supply chain resilience. Where feasible, the Group prioritizes the use of third-party verified raw and recycled materials to reduce reliance on virgin materials. In addition, the Group refrains from sourcing raw materials from areas of globally or nationally significant biodiversity, thereby contributing to the protection of biodiversity.



Sustainable Raw Materials Principles and Actions

The Group is committed to advancing sustainable development and actively implementing mechanisms for the selection and management of sustainable raw materials. Guided by the following core principles, we continuously optimize product design and supply chain management:

Principle	Action
 Sustainability First	We prioritize the use of materials that are third-party certified or comply with internationally recognized sustainability standards, ensuring responsible sourcing and minimizing environmental and social impacts. All raw material suppliers are required to sign the Environmental and Social Responsibility Commitment, and to submit relevant documentation, such as the Conflict Minerals Due Diligence Report and Product RoHS Compliance Declaration. Regular ESG-oriented audits and performance evaluations are conducted to monitor supplier practices and mitigate adverse impacts associated with raw material production.
 Reducing Harmful Substances	We are committed to phasing out substances that pose risks to human health and the environment by adopting safer alternatives wherever possible. This approach ensures product safety and regulatory compliance across all operating regions.
 High Recycled Content	Encourage greater use of recycled materials -particularly in plastics, metals and packaging materials —to reduce reliance on virgin resources and reducing waste generation.
 Resource Efficiency	Through design improvements and process optimization, we enhance material utilization, reduce material waste, improve product durability and reparability, and extend product lifecycles.
 Carbon Footprint Assessment	Carbon footprint assessments of key raw materials serve as one of the criteria for purchasing decisions, promoting the use of low-carbon materials to enable lifecycle carbon management across products. For example, the Group collaborates with steel suppliers to encourage the use of electric furnace steel with a high proportion of recycled content. The traditional blast furnace–converter steelmaking process, primarily coal-fired, generates high carbon emissions and typically allows only 11% recycled content. In contrast, the emerging electric furnace process uses electricity for heating, produces no exhaust gas, and can incorporate more than 50% recycled content. Carbon emissions from blast furnace -converter steelmaking are approximately 3.5 times higher than those from electric furnace steelmaking. By implementing this initiative, the Group has significantly reduced the carbon footprint of raw materials used in its products.

Principle	Action
 Geographic and Origin Transparency	The Group prioritizes raw materials (including controversial materials) based on procurement volume, regulatory demands, and key customer requirements. Suppliers are required to provide mining or manufacturing location information as well as source declarations to strengthen traceability and transparency in their material supply, thereby preventing the use of conflict minerals and illegal resource. For controversial raw materials (including tantalum, tin, tungsten, gold, cobalt, and mica), the Group leverages its supplier ESG digital management platform to trace origins information and collect CMRT and EMRT reports from suppliers. These reports include smelter details, while the country of origin of these minerals is further traced using RMI's RCOI data. In addition, the Group cross-checks supplier-reported smelters against the RMI's list of RMAP-certified smelters to ensure that 100% of the smelters in its supply chain are third-party RMAP-certified conflict-free smelters.
 Supporting Circular Economy Design	We encourage the design of products that are disassembled and recyclable, while also considering the potential for future remanufacturing, recycling, or reuse to promote resource circulation within the industry. For example, the Group collaborates with aluminum suppliers to recycle aluminum scrap generated during production, remelting it into secondary aluminum material, which is then reintegrated into the CNC process to manufacture new products. By recycling aluminum scrap, the Group not only saves on raw material procurement costs but also significantly reduces product carbon emissions compared with using virgin aluminum. The carbon intensity of recycled aluminum is only about one-third that of steel, meaning steelmaking generates roughly 3.5 times more carbon emissions than recycled aluminum.
 Material Innovation	Actively explore and adopt emerging sustainable materials, such as bio-based materials, eco-friendly composite materials and low-carbon alternatives-while supporting R&D and Innovation to deliver greater environmental value.

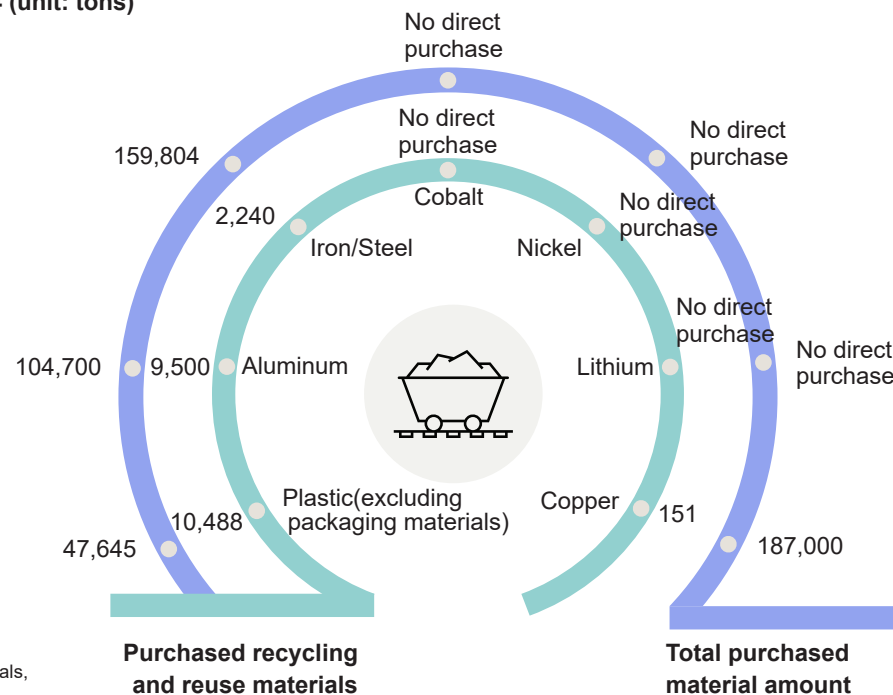
Plastic and Metal Raw Materials

Natural resources refer to the stocks of renewable and non-renewable resources on Earth, which together provide benefits and services to humanity. Hon Hai recognizes of the close relationship between the use of raw materials and climate change, and therefore gradually promotes the statistical work on the amount of raw materials consumption to lay a foundation for improving resource utilization efficiency and recycling rates. The group also employs two methods to identify critical raw materials: 1) Materials that are used in large quantities, are irreplaceable, and are exposed to price volatility risks; 2) Materials that are irreplaceable and face supply constraints, regulatory pressures, and reputational risks.

Based on these criteria, the Group has identified steel/iron, aluminum, plastic, tantalum, tin, tungsten, gold, cobalt, and mica as its critical raw materials. Ranked by total procurement volume, the top three materials prioritized for management are steel/iron, plastics, and aluminum.

The Group also set goals related to sustainable raw materials. These include promoting the recycling and reuse of 23,000 tons of bulk raw materials (aluminum, plastics, and packaging materials) by 2024 (progress in 2024: 24,400 tons); and engaging ten suppliers to incorporate recycled materials in their products by 2024 (progress in 2024: 12).

The Group's material usage in 2024 (unit: tons)



Note: The materials involved are bulk raw materials, excluding composite parts and components.