

# 2024 ESG Insight Report



## Corporate Governance Foreword

Hon Hai strictly adheres to the "Corporate Governance Best Practice Principles for Listed Companies" and have committed to separation of ownership and management for Hon Hai since 2019.

The Group's board composition have since improved from 0% female representation and 33% independence, to 33% and 56% respectively.



Board of Directors

Directors



Liu, Young-Way Chang, Ching-Ray







Dr. Christina

Indepen<u>dent</u> Directors











Wang, Kuo-Cheng Hwang, Tsing-Yuan

Liu, Len-Yu

Chen, Yue-Min

Hsu, Tzu-Mei

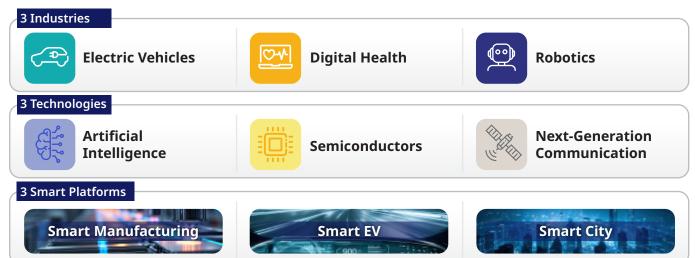
## Advocates for Governance Best Practices – CEO Rotation System

A robust succession plan is the key to sustainable business operations. The Group's board are strong advocates of governance best practices such as the executive rotation system. Hon Hai officially launched the Rotating CEO System in April 2024. The System equips managers with early exposure to Group-level leadership responsibilities, enabling them to develop the skills required for broader roles. Over time, this transitional system will cultivate a pool of leaders with proven expertise in both operational execution and organizational management.

The first rotating CEO is the Manager of the Group's E Business Group. During his one-year term, he successfully promoted several key business transformations and cross-departmental integrations, and he smoothly completed the handover in March 2025. The second rotating CEO is the Group's Central Park Director Kathy Yang Chiu-Chin, who will further deepen Foxconn's strategic execution in globalization and technological innovation, leveraging her extensive experience in smart manufacturing and campus management.

## **Innovation and Business Resilience**

The current board provides ongoing oversight for the Group's "3+3+3" strategy, this includes three major industries, three key technologies, three major platforms:





## **Emphasis on Clean Tech Patents and R&D**

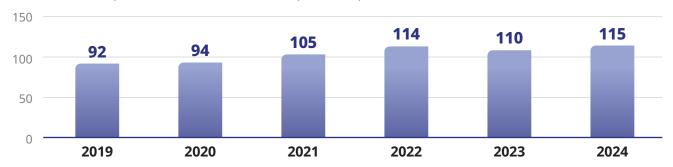
Low Carbon Technology Patents as of 2024

During 2024, the Group submitted 2,341 patent applications and was granted 1,921 patents. As of the end of 2024, Hon Hai Group holds a total of 22,766 valid patents, including the 1,921 patents granted in 2024.

Patent Type	2022	2023	2024	Total Number of Valid Patents
Energy Saving and Energy Management	60	50	44	581
Industrial Automation	284	214	298	1,726
Process/Procedure Optimization	58	66	63	374
Pollution Prevention and Environmental Protection	61	15	21	243

#### **Consistent R&D Commitment**

In 2024, the Group's total research and development expenses amounted to NTD115,771 million.



## Climate Transformation

#### 2020

- Proposed 3 major climate goals and joined the Climate Action 100+ initiative
- Launched the Mobility In Harmony (MIH) Open EV Platform and formed the MIH Consortium

#### 2021

- TCFD supporter
- Submitted a carbon reduction commitment to SBTi
- Formulated the supplier net zero emissions policy and requirements
- "Supplier Carbon Management System" to promote supply chain renewable energy use
- Founding member, Taiwan Net Zero Emissions Association

## 2022

- 6 major ESG strategies and 32 long-term goals
- Officially submitted the application for establishing science-based carbon targets for SBTi's review
- Global Corporate Social Responsibility Committee renamed to "Sustainability Committee"

#### 2023

- Issued the first sustainability-linked bond (SLB) in Bon Hai's overall net zero target and long-term the domestic electronics industry
- Taiwan
- Near-term carbon reduction targets have been . The CDP climate change and supplier engagement approved by SBTi.
- together with 30 manufacturing partners
- Group-level ESG third-party audit

#### 2024

- goals were approved by SBTi
- Launched a green energy investment platform in Committed to the RE100 initiative, pledging 100% renewable energy use
  - ratings both achieved the leadership level
- Pledged to promote a low-carbon supply chain Established a green energy asset management company and launched a RMB 7 billion Green **Energy Development Fund** 
  - Published its first-ever Supplier Responsibility Report (a Taiwan first)











#### **Net Zero Milestones**

2021	2023	2024	2050
Submit commitment for SBTi	Present target to SBTi for official validation	Net zero target passes SBT review	Achieve the goal of net zero GHG emissions

## **Proactive ESG Audits**

To ensure that all aspects of ESG implementation—including labor rights (such as forced labor), environment, corporate ethics, supply chain management, and management systems—align with international standards and stakeholder expectations, we conduct third-party audit with impartial, and independent inspection of our ESG management processes.



#### 2023: **8 Sites**

Initiated and completed independent, third-party audits of eight major manufacturing campuses. No Significant Non-compliance found. Compliance rates were 90%.

#### 2024: 9 Sites

Expanded audit scope with additional 50 sites, including China, Vietnam, Malaysia, India and Mexico, showing an overall compliance rate of 89%.

## **Environmental**

## **Environmental Goals and Performance**

				2024	
Target	2022	2023	Target	Progress	Status
<b>Achieve net-zero emissions by 2050.</b> (2025: 21%; 2030: 42%; 2035: 63%; 2020 base year)	5.13%	51.08%	16.8%	52.28%	<b>V</b>
Use at least 50% green power by 2030.	8.28%	60.96%	21%	67.38%	<b>⋖</b>
0 major environmental pollution incident.	0	0	0	0	<b>V</b>
Reduce water intensity by 6% by 2025. (2020 base year)	15%	15%	4.5%	25.54%	<b>~</b>
Set up monitoring system for industrial wastewater discharge in all campuses	85.20%	93%	95%	97%	<b>~</b>
Reach 60% of the plastic recycling ratio in all campuses by 2025.	40%	36%	50%	42%	
At least 5 campuses with UL 2799 Gold-Level Certification of Zero Waste by 2025.	2	4	4	9	<b>~</b>
Set up air quality monitoring systems in at least 3 campuses by 2025.	1	1	2	2	<b>V</b>



## Environmental Management Policy

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.



Group Environmental Management Policy

## **Key Aspects of the Policy**

- International environmental protection standards and guidelines
- Regulatory compliance, and customer requirements
- Resource efficiency and use of recycled/ low-impact materials
- Implement environmental management systems

- Stakeholder communication
- GHG Inventory and conduct product carbon footprint
- · Regular annual review of environmental aspects
- Environmental objectives, targets, and management plans
- · Annual environmental competence and training

## 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.

Hierarchy	Composition and Responsibilities	Frequency of Supervision
<b>Board of Directors</b> (Highest Supervisory Body)	<ul> <li>Serves as the highest supervisory authority, approving the 2050 net zero strategy and capital allocation.</li> <li>Review the impact of climate risks on the company's long-term value creation.</li> </ul>	Annual review, receiving reports from the Sustainability Committee
Sustainability Committee (Strategy Formulation and Progress Oversight)	<ul> <li>Chairman: Chairman of the Board (expert in Technology Manufacturing and Supply Chain Management)</li> <li>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.</li> </ul>	Quarterly Tracking
TCFD Core Team (Cross-Departmental Collaboration, Action Planning, implementation)	<ul> <li>Cross-departmental composition: The Sustainability         Committee consists of a promotion office and the group's         central management units.         <ul> <li>Smart Manufacturing, Environment (ESG-E Team),</li></ul></li></ul>	Irregular Workshops



## Green Innovation Driving Transformation

Through climate governance, Green Innovation Driving Transformation is one of four core pillars of the Group's climate strategy.

## **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. In addition, 35 Zero Waste Certificates have been obtained, covering 58 legal entities. With 20 supplier receiving UL 2799 coverage.

## **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.

## Climate Risks and Opportunities

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.



Net Zero Strategy Report

## **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 a historical event analysis to identify a list of both transition and physical climate risks and related opportunities. This list is also included in Hon Hai's Net Zero Strategy Report. Based on this assessment, Hon Hai identified the **three most material climate risks and opportunities:** 

#### **Risks**

- Increasing demand for renewable energy and electricity regulations
- Uncertain market information
- Increased stakeholder attention

#### **Opportunities**

- Research and development of diverse low-carbon products
- Enhance production and distribution efficiency
- · Reduce and recycle water use

#### **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.



## Water Stewardship

Hon Hai places water resource management at the core of its environmental strategy. The Group complies with global regulations, aims to reduce water use intensity, and strengthens wastewater treatment capabilities through targeted training. It engages stakeholders via external disclosures such as the CDP Water Security Questionnaire and supplier assessments. The "Hon Hai Technology Group Water Management Commitment" applies globally to all operations, employees, and partners, outlining unified principles for sustainable water management. In 2024, the Zhengzhou campus received Alliance for Water Stewardship (AWS) Platinum Certification. For full details of the Groups water stewardship, please refer to page 146 of Hon Hai's 2024 Sustainability Report.

## A-Rating CDP Water Security Questionnaire, with No Water Use/Discharge Violations in 2024

## **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.



## **Initiatives to Expand Recycled and Reclaimed Water Use**

Introducing recycled water as a supplementary source.

Installing water-efficient devices, such as low-flow toilets and faucet aerators.

Deploying water reduction and reuse equipment while continuously capturing conservation opportunities.

## **Wastewater Management**

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. Currently, the Group implements regular inspection and maintenance by dedicated trained personnel to ensure stable operational and compliance with discharge standards.

The Group collects domestic sewage and industrial wastewater in separate locations, designs treatment units tailored to the specific characteristics of each wastewater type , and applies a hierarchical treatment approach:

- **Primary Treatment:** Removes large debris and equalizes water quality and flow to stabilize downstream processing.
- **Secondary and Tertiary Treatment:** Uses biological and chemical methods (activated sludge, biofilm, coagulation, and reduction) to remove organic matter, nutrients, heavy metals, and pollutants from domestic and industrial wastewater.
- **Final Discharge:** Effluent verified to meet local standards is released to municipal systems for further treatment or disinfection before discharge, minimizing environmental impact.



## Environmental Training

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.

Risks	Courses	Participants	Total Attendance
Green Intelligence	452	1,760,624	5,432,084
Compliance Management	130	667,551	1,813,308
Low Carbon	89	232,678	1,116,449
Energy Management	103	384,175	1,153,598
Hazardous Substances	130	476,220	1,348,729
Circular Economy	86	445,309	1,391,618
Water Resources	46	121,904	317,760
Waste	29	130,469	525,179
Biodiversity	7	10,569	166,094
Technological Innovation	4	182,367	382,585
Total	538	2,205,933	6,823,702

## **Environmental Metrics**

Risks	Unit	2022	2023	2024
GHG Emissions				
Scope 1		222,295	258,108	341,472
Scope 2 (Location-based)	ton CO <sub>2</sub> e/ mill. NTD  ton  GWh  MW  GWh	-	5,442,507	6,012,680
Scope 2 (Market-based)	ton CO-A	5,535,324	2,421,127	2,272,277
Scope 3	torr CO <sub>2</sub> C	28,742,201	27,175,368	20,265,302
<b>Total</b> (Scope 1+2, Location-based)		222,295	5,700,616	6,354,153
<b>Total</b> (Scope 1+2, Market-based)		5,757,619	2,679,235	2,613,750
GHG Intensity				
Scope 1	ton CO₂e/	0.034	0.042	0.04978
Scope 2	_	0.835	0.39	0.33125
Scope 3		4.1	3.052	2.95
Air Emissions				
SOx		-	-	15.72
NOx	ton	-	-	46.47
VOC		-	346.02	245.43
Particulate Matter (PM10)		-	-	270.95
Energy Consumption				
Non-Renewable Energy Consumption	GWh	10,788.45	9,760.69	9,367.02
Total Renewable Energy Consumption		816.13	5,396.05	6,728.96
Total Installed Capacity	MW	260.55	325.82	332.9
Renewable Energy Generation		289.69	320.75	267.97
Direct Purchase	GWh	31.39	559.16	1,396.82
Renewable Electricity Certificates		460.94	4,410.32	4,996.35
Renewables as % of Total Consumption		7.03	35.60	41.81
Total Energy Consumption Intensity	MWh/mill. NTD	1.75	2.46	2.35
Water Usage				
Water Usage		91,470.70	85,234.80	82,690.39
Water Usage Intensity	Liter/mill. NTD	13.8	13.83	12.05
Waste				
Total amount of waste	ton	676,500	581,370	730,215
Hazardous waste		141,950	112,070	157,929



Social

## **Social**

Hon Hai is committed to attracting and retaining top talent through competitive compensation, comprehensive benefits, and an inclusive, supportive workplace. The Group promotes diversity as a driver of innovation and team performance, while providing extensive training and development programs to help employees grow and adapt to changing market needs. Hon Hai also prioritizes employee well-being through strong physical and mental health initiatives and upholds international human rights standards to ensure fair, dignified, and equitable working conditions that foster sustainable growth.

## Social Goals & Performance

Target	2022	2023	Target	2024 Progress	Status
<b>Diversity and inclusion:</b> Ensure zero incidents of unfair employment practices; attract and hire more diverse talent, offer equal employment opportunities.	0	0	0	0	<b>⋖</b>
Value the voice of employees, continuously improve the working environment, increase the professional talent retention rate to 88%.	81.9%	88.6%	86.4%	89.9%	<b>⋖</b>
Comply with the conventions and guiding principles of the UN's International Bill of Human Rights and encourage all value chain partners to promote jointly. The frequency of human rights audits, conducted on all the campuses of the Group and its supply chain manufacturers, should increase from 30 times per year (current policy) to more than 50 times per year.	39	243	42	132	<b>⋖</b>
Ensure that no severe labor rights incidents that might damage the reputation of the Group and its clients.	0	0	0	0	<b>⋖</b>
Cultivate creative thinking and good working behavior in the workplace and encourage professional development for employees to foster the creation of good products and unique technologies contributing to the greater good.  Offer ≥ 60-hour professional training courses annually for professional, technical people.	86	93	56	77	<b>⋖</b>
Maintain the record of 0 cases of occupational diseases caused by chemical agents.	0	0	0	0	<b>⋖</b>
DIFR (Disabling Injury Frequency Rate) aims at ≤ 0.14 times / 1,000,000 employee hours of exposure, which is above the industry standard.	0.127	0.203	0.190	0.101	<b>⋖</b>
Reduce DISR (Disabling Injury Severity Rate) to ≤ 6.88 days / 1,000,000 employee-hours of exposure.	5.48	8.136	7.2	2.946	<b>⋖</b>
Assist high-risk suppliers to implement ISO 45001 Occupational Health and Safety Management Systems; implementation rate aims at ≥ 70%.	41%	67%	56%	87%	<b>✓</b>



## Social Goals & Performance (contd.)

Target	2022	2023	Target	2024 Progress	Status
Initiate incentive programs to encourage volunteer services; accumulated service hours aim at ≥ 5,000 hours for the Campuses in Taiwan.	284	3,357	3,575	7,525	<b>⋖</b>
All key electronics suppliers have FMD (Full Materials Declaration) on RoHS-REACH intelligent management platform.	100%	100%	100%	100%	<b>⋖</b>
Increase the number of designated electronics suppliers achieving Zero Waste to Landfill from 3 to 25 by 2025.	10	15	20	20	<b>⋖</b>
Increase the number of key electronics suppliers using 100% renewable energy to manufacture Hon Hai's product from 3 to 45 by 2025.	12	24	34	36	<b>⋖</b>
Screen key electronics suppliers annually based on product-specific risks, and reduce the total annual procurement quantity or amount by 2-5% for poorly performing suppliers.	-	≥ 5%	2-5%	Achieved	<b>⋖</b>
Implement ESG project (covering green products, social and environmental responsibility, and carbon management) performance evaluation for specific (major) suppliers, with a coverage rate of 100%.	100%	100%	100%	Achieved	<b>⋖</b>
Coverage rate of designated mechanical supplier audit (conducted every 3 years) reaches 90%.	73%	85.6%	85%	91.9%	<b>✓</b>
Conflict minerals inquiry response from designated suppliers reaches 100%, ensuring zero use of conflict minerals.	100%	100%	100%	100%	<b>⋖</b>

## Human Capital

Employees are regarded as one of the Group's most valuable intangible assets. The ability to attract qualified and talented individuals, as well as to retain and cultivate internal talent, is crucial for the company's success.

## 2024 Best Company to Work for in Asia (HR Asia)

In 2024, Hon Hai was once again awarded the "Best Company to Work for in Asia" by HR Asia and simultaneously won four Brandon Hall Excellence Awards in the United States, covering learning technology, diversity and equality, leadership development and strategic support.





## **Employee Turnover Rate**

The turnover rate which includes direct and indirect employees globally was 39.3% in 2024.

Taiwan	2019	2020	2021	2022	2023	2024
Total	18.60%	12.70%	11.80%	18.20%	11.43%	7.68%
Voluntary Turnover	16.60%	11.80%	10.20%	16.70%	10.45%	5.37%

## 2024 Employee Composition

The overall gender diversity proportion for the Group is 42.29% and 52.71% for female and male respectively. With inclusive diversity policies, the proportion of female managers in all dimensions has increased to over 30%.

Total Employees         10,982         381,164         53,414         50,991         2,526           Diversity         F         24.83%         36.68%         76.52%         55.88%         37.05%           Distribution         M         75.17%         63.32%         63.32%         44.12%         62.95%           Gender         Taiwan         Mainland China         India         Vietnam         North America
Distribution M 75.17% 63.32% 63.32% 44.12% 62.95%  Gender Taiwan Mainland China India Vietnam North America
Gender Taiwan Mainland China India Vietnam North America
5 44.000/ 25.700/ 40.000/ 55.000/ 24.460/
Full-time F 14.29% 25.70% 18.33% 55.83% 34.16%
M 46.60% 42.56% 20.32% 44.06% 59.34%
F 0.12% 0.00% 0.00% 0.00% 0.48%
Part-time M 0.25% 0.00% 0.00% 0.00% 0.63%
F 1.34% 10.97% 58.20% 0.05% 2.41%
Dispatched M 1.11% 20.77% 3.16% 0.06% 2.97%
Total Employees 13,615 3,619 5,146 1,773
Diversity F 49.43% 50.87% 59.79% 52.45%
Distribution M 50.57% 49.13% 40.21% 47.55%
Gender Mexico Europe Brazil Other
Full-time F 49.43% 48.91% 59.79% 51.61%
M 50.57% 47.44% 40.21% 46.14%
F 0.00% 1.30% 0.00% 0.68%
Part-time M 0.00% 0.58% 0.00% 1.24%
F 0.00% 0.66% 0.00% 0.17%
Dispatched M 0.00% 1.11% 0.00% 0.17%

## Gender Pay Indicators (Mean M:F)

		2023	<b>2024</b> Note
Everything Level	Base salary only	1:0.56	1:0.80
Executive Level	Base salary + other cash incentives	1:1.25	1:0.59
	Base salary only	1:0.84	1:0.90
Management Level	Base salary + other cash incentives	1:0.76	1:0.96
	Base salary only	1:0.84	1:0.87
Non-management Level	Base Salary + Other Cash Incentives	1:0.80	1:0.89

Note: Scope of gender pay indicator was increased from Taiwan and Mainland China in 2023, to Global operations in 2024, resulting in varying metrics.



## Employee Care, Welfare, and Benefits

The Group has established an Employee Welfare Committee, which includes one permanent member appointed by the business unit, while the remaining members are democratically elected by employees and are subject to reelection every three years.

## Welfare Measures Beyond Legal Requirements

#### Safe and Healthy Dining Services (All Employees)

Employee cafeterias conduct daily food and hygiene checks under nutritionist guidance, restricting salt, sugar, oil, and processed foods, while gradually introducing themed healthy meals.

#### Comprehensive Employee Health Management (All Employees)

A multidisciplinary team of medical and fitness professionals provides integrated health management, remote consultations, and chronic disease monitoring. Employees receive high-quality health screenings with flexible options, personalized assessments, and follow-up reminders. Employee Assistance Program services address six areas—career, family, relationships, emotions, legal, finance, and health—to support overall well-being. A one-stop health platform shares disease updates and health research, alongside lectures, online courses, and vaccination drives. Employee gyms, fitness classes, and massage services further promote safety, stress relief, and a strong culture of wellness.

#### Activities Subsidies & Various Benefits (All Full-time Employees)

Subsidies, such as subsidies for employee club activities, training, birthday gifts, and holiday gifts (cash). Furthermore, employees also receive various benefits, including a New Year red envelope, three festival bonuses, birthday points, holiday gifts, and bereavement allowances.

#### **Employee Support Program (28 Campuses)**

The Group integrates physical, mental health, and welfare initiatives to enhance employee well-being through stress management, health promotion, and counseling services. In China, the "Heart-to-Heart" Employee Care Center offers 24/7 free mental health support via hotline and counseling, covering stress relief, crisis intervention, and family mediation. In 2024, services spanned 28 campuses, with 1,557 individual consultations, 48 group sessions, and 1,090 awareness and training events reaching over 542,000 employees.

#### Flexible Work Hours Arrangement (Eligible Employees)

The company offers flexible work hours for all employees, including part-time and remote options. Hon Hai's remote work policy supports regular hybrid arrangements through digital tools, enabling business efficiency while enhancing human capital flexibility.

#### Parental Leave, Maternity leave, and Paternity Leave

Mainland China	Taiwan	India	Vietnam	Mexico	<b>Europe</b> (Slovakia)
Childcare Leave					
Both parents are entitled to 10 days of leave each year until their child is three years old.	Eligible for Parental Leave Without Pay	NA	NA	NA	Both parents are entitled to 25 days of leave each year until their child is three years old.
Maternity Leave					
<ul> <li>Standard maternity leave is 98 days (including 15 days of prenatal leave).</li> <li>An additional 15 days of maternity leave is granted for late childbirth.</li> <li>An additional 15 days of maternity leave is granted for each additional child born.</li> </ul>	8 weeks	182 days	6 months	12 weeks	34 weeks
Paternity Leave					
15 days	7 days	2 days	5-14 days	5 days	14 days



## Childcare Measures Beyond Legal Requirements

The Group has established a "Company Support for Children Aged 0-6" policy, issuing NT\$730 million in subsidies for 1,877 Hon Hai babies in 2024 (Taiwan).

#### Mainland China Childcare Measures

- 1. Childcare Services: Offers interest classes and holiday programs for employees' children to support learning and ease childcare needs.
- 2. Parent-Child Activities: Organizes outings, sports days, and educational trips to strengthen family bonds and promote healthy growth.
- 3. Medical Assistance: Provides RMB 3,000–15,000 in aid for employees' children with serious illnesses and medical expenses over RMB 20,000.
- 4. Education Subsidy: Grants up to RMB 1,500 per semester for employees' children enrolled in Zhuole Kindergarten in Shenzhen.





#### 2024 Performance

128 summer camps and childcare programs were held with 7,676 participants.

Support to 351 children with serious illnesses, totaling 1,611,000 RMB.

61 and 30 parent-child activities on-and-off campus, with 7,593 and 3,172 participants respectively.

485 subsidies were issued for employees' children attending Zhuole Kindergarten, (721,000 RMB for 485 children).

#### Taiwan Childcare Measures

Monthly Childcare Allowance: NT\$15,000 for employees with children aged 0 to 6, continuing until the child turns 7. If both spouses are employees of the Group, the monthly allowance increases to NT\$24,000. In 2024, this program disbursed approximately NT\$173 million in childcare allowances, benefiting 1,877 "Hon Hai Babies," with total disbursements exceeding NT\$730 million by the end of 2024.

#### **Group-wide Additional Family Support**

Childcare Resources
All Employees

Family-friendly Work Environment All Employees Flexible Work Arrangements
All Employees

Return-to-work Support All Employees Breastfeeding Facilities
All Employees

## Retirement and Insurance

The Group's benefits system is diverse, including retirement and insurance benefits, with non-wage benefits for dispatched employees provided in accordance with local regulations.

All formal employees of the Group enjoy insurance, and retirement benefits conforming to local government regulations.

For employees with formal employment contracts with the Group, the Group pays social insurance and housing funds in accordance with local government regulations from the date of employment in Mainland China, ensuring that insurance benefits comply with local government social insurance regulations.



Social

In Taiwan, the Group provides labor and health insurance, contributes to labor retirement funds, and offers group insurance benefits as mandated by the government. In other overseas plants, the Group also insures employees according to local government regulations.

## All full-time employees of the Group enjoy company group insurance, medical and accident insurance.

Additionally, we actively promote the expansion of employee social security coverage, ensuring that all employees enjoy basic social security benefits that exceed government regulatory requirements, reflecting the company's high regard for employee welfare.

## Freedom of Association

To ensure employees' freedom of association, the Group explicitly states employees' rights in the employee handbook. Union group leaders are elected voluntarily by members, and committee members at all levels are elected. Upon joining the company, employees are asked about their willingness to join the union and are encouraged to join voluntarily. Meetings for union and labor management are regularly held to facilitate open dialogue and collaborate on workplace issues and policies. For non-labor union areas are fully in compliance with local labor laws and regulations.

As of 2024, In areas with unions (Mainland China, Vietnam, Mexico, Brazil, Czech Republic) the unions have agreements with 100% of employees, with collective agreements exceeding local regulatory standards.

## Collective Bargaining Agreements

Mainland China	Vietnam	Mexico
100%	100%	100%
Brazil	Czech Republic	Other Regions
100%	100%	Non-labor union areas comply with local labor regulations

## Employee Stock Ownership Programs (ESOP)

Parent company of Hon Hai is implementing an employee stock trust program in 2025, available to 100% of all parent company employees.

The company offers a retention bonus for employees with over two years of service, along with stock rewards and certified equity certificates for select number of employees. Directors, senior management, and key technical or business staff participate in restricted stock and option programs launched in 2019 and employee stock ownership plan (established 2022). Overall, the Group's long-term incentive programs cover about 3% of all employees.

## Employee Compensation

The Group's salary system not only complies with local regulations but also references external market research reports, regularly reviewing salary standards to ensure compensation performance exceeds industry levels. For compensation, the Group adheres to the principles of legality, fairness, justice, equality, voluntariness, and good faith.



## Performance Evaluation and Variable Performance-based Pay for All Employees

All employees, regardless of nationality, gender, or other identities or backgrounds, have equal opportunities to participate in performance evaluations; and applicable variable compensation.

The Group designs differentiated variable compensation systems based on different employee categories, including direct and indirect personnel, and is performance oriented. Through departmental and individual performance evaluation results, differentiated incentive rewards (performance bonuses and profit sharing) are provided. For employees with outstanding performance, the Group prioritizes granting incentive rewards to effectively balance employee motivation, retention, and the achievement of the company's long-term operational goals, further enhancing organizational competitiveness and encouraging employees to continue to excel. The Group's performance evaluation covers 100% of employees.

	Scope: All Employees	
Performance Assessment	Performance Communication	Variable Compensation
<ul> <li>Equal opportunities participation.</li> <li>Based on indicators such as: <ul> <li>Goal achievement</li> <li>Work attitude</li> <li>Competency demonstration</li> </ul> </li> </ul>	<ul> <li>Emphasize respect and support during the evaluation process.</li> <li>Goal setting (SMART Goals), 360-degree assessments, team performance, and setting OKRs (KPIs).</li> <li>OKR/KPI goals are set collaboratively by employees and managers.</li> </ul>	<ul> <li>Differentiated variable compensation systems based on different employee categories (including direct and indirect personnel).</li> <li>Compensation includes performance bonuses and profit sharing.</li> </ul>

#### Performance Evaluation Methods

Method	Description	Applicable Employee Type	Evaluation Frequency
OKR/KPI	Company sets departmental goals aligned with its annual strategy through a top-down and bottom-up framework. Each unit establishes measurable, challenging objectives using OKR or KPI tools based on SMART principles to ensure effective performance tracking and evaluation.	Indirect Labor	
Direct Supervisor Assessment (Competency Assessment)	Departments establish assessment items and methods based on the characteristics of their processes and positions.	Direct Labor	Once a Year
Goal Management	At year-end, supervisors evaluate employees on performance, competencies, teamwork, responsibility, and attitude, emphasizing behavioral alignment. Results inform reward decisions and development plans.	Direct Labor	Office a Teal
Multi-Faceted Feedback	For key roles with cross-departmental impact, the company uses a 360-degree feedback system incorporating input from peers, subordinates, and supervisors to provide a more comprehensive and accurate evaluation, applied flexibly by role and resources.	ı Indirect Labor	



## Employee Human Rights Protection

Regarding human rights and labor policies, Hon Hai adheres strictly to international standards, upholding the fundamental rights of all employees, ensuring equitable working conditions, and respecting the dignity of every individual. The Group requires every employee to complete mandatory training courses on the "Code of Conduct (CoC)" and "Employee Human Rights Chapter" annually. For full details of the Groups human rights protection, please refer to page 93 of Hon Hai's 2024 Sustainability Report.

Human Rights Policy	Code of Conduct	Responsibility Standards
The company upholds international human rights standards through its Employee Human Rights Charter and mandatory training, ensuring a fair and respectful workplace for all.	All employees are trained and required to follow the global Code of Conduct to promote sustainable operations and fulfill social responsibilities.	Serving as an extension of the Code of Conduct, these standards translate international norms into actionable guidelines to foster integrity, respect, health, and safety across the organization.

## **Human Rights Training**

The company has established training programs related to human rights to raise employee awareness and safeguard human rights protections.

Location and Courses	Frequency	Coverage
Taiwan and Mainland China		
Anti-Corruption Code of Conduct (CoC)	Once a Year	100%
India		
Onboarding Training CL - Human Resources Policies, SR Code of Conduct (CoC)	Daily/Based on New Hiring	100%
Anti-Harassment	Voluntary	10070
Labor Laws for Global Experience	voluntary	
Vietnam		
Code of Conduct (CoC)		
Knowledge Related to the Prevention of Workplace Sexual Harassment	Once a Year	100%
Prevention of Sexual Harassment	Daniel and Name	
Social Responsibility Management	Based on New Hiring	New Hires
Freedom of Assembly and Association and Collective Bargaining	ı iii ii ig	
North America		
Code of Conduct (CoC)		
Prevention of Harassment in Industrial Environments	Once a Year	100%
Labor Rights and Fair Working Conditions		
Mexico		
BA, RIT, Inclusivity and Diversity, Safety Culture, Code of Conduct (CoC)	Once a Year	100%
Brazil		
Moral Harassment and Sexual Harassment	Once a Year	100%
SER 2024 Plan Retraining	Voluntary	43%
Europe		
Code of Conduct (CoC), Fair Treatment, Non-Discrimination, Employee Handbook	Once a Year	100%



## Human Rights Management of Labor Dispatch

In our global layout, we continue to promote standardized dispatch management, fully implement the principles of "zero-fee employment" and "equal pay for equal work" and explicitly prohibit the transfer of contracts to protect labor rights and demonstrate our firm commitment to fairness, justice and human rights. In response to the development of labor rights in the EU CSDDD and various countries, Taiwan's supply chain enterprises follow human rights norms in line with international standards and fulfil social responsibility.

#### 4-Stage Supplier Management Cycle Applicable to All Suppliers

Stage 1	Stage 2	Stage 3	Stage 4
Check the Source	Continuous Tracking	Deep Intervention	Clear Orientation
Rigid Qualification Review and Certification	Dynamic Performance Monitoring and Evaluation	Proactive Audit and Empowerment Counseling	Transparent mechanism of superiority and inferiority

In 2024, we successfully held two special training sessions for core personnel at labor dispatch companies on April 13th and 20th. The courses were carefully designed to address current management pain and enhance compliance. Going forwards, we will continue to deepen the localized implementation of standard contracts in accordance with the unique regulatory context and business practices of each operating location.

## Human Rights Due Diligence

Hon Hai Group is committed to safeguarding human rights within its operations and supply chain. This commitment is not only a corporate responsibility but also a promise to society and our stakeholders. We continuously implement human rights governance and due diligence based on international human rights principles (such as the "Universal Declaration of Human Rights" and the "United Nations Guiding Principles on Business and Human Rights") as well as our internal "Code of Conduct" and "Responsibility Standards."

We utilize the RBA (Responsible Business Alliance) management mechanism, conducting internal self-assessment questionnaires annually to identify and evaluate risks. Within Hon Hai's global operations, 5.36% of facilities are classified as high-risk, 36.9% as medium-risk, and 57.74% as low-risk. We implement stringent oversight and management for high-risk facilities, conducting on-site audits according to the RBA's Validated Assessment Program (VAP) and implementing improvement measures to reduce operational risks. Additionally, we conduct RBA VAP audits for specific facilities as required by customers.

## **■ Third-party RBA VAP Audits**

Initiated in 2023 the Group has implemented independent, third-party audits of eight major manufacturing campuses in China and India, and was further expanded in 2024 to include Vietnam, Malaysia, and Mexico.

## First Round Audits – Addresses China and India (8 Sites)

The 2023 round of audits were conducted by BSI and LRQA (formerly ELEVATE), and reviewed operations in Zhengzhou, Chengdu, Guanlan and Hengyang in China; and Andhra Pradesh and Tamil Nadu in India, covering more than 200,000 employees.



Third-Party Audit Summary Report

**Key Topics** 

Labor Rights

Occupational Health and Safety

Environment

Supplier Management Other Related Topics

No Significant Non-compliance

However, a total of 144 deficiencies were identified, primarily in the areas of health and safety and labor conditions. Led by Foxconn's ESG team, the Group has improved on 49 of them immediately after the audit. The remaining 95 items are continually tracked, and improvement with improvement plans underway.



## 2024 Continuation and Expansion of Scope (Additional 50 Sites)









The audits covered Foxconn manufacturing sites in China, Vietnam, Malaysia, India and Mexico, showing an overall compliance rate of 89%. The Quang Chau campus in Vietnam's Bac Giang province was recognized at a Silver level under RBA VAP, outperforming the average score in the local industry.

By end 2024, RBA VAP audits have been done at 58 sites with 8 recognized at Platinum level, 17 at Gold, and 20 at Silver.

All findings were compliant except one priority non-compliance related to excessive overtime by an outsourced service provider, which has been resolved. Compliance rates exceeded 97% for environment and ethics, and 80% for labor, health and safety, and supply chain management. Areas for improvement include managing dispatched worker ratios, overtime control, accurate social insurance and severance payments, and on-site conditions in India.

## Talent Training and Development

In 2024, we invested heavily in talent development, with a total training hour of 46.16 million and a total cost of NTD 180 million. The average training hours per employee reached 60.3 hours, covering various areas including professional skills training, leadership development, occupational safety, and compliance training, demonstrating our high regard and long-term commitment to employee growth.

## Employee Training and Development by Management Level (Hours/FTE)

Employee Training and Development by Age Group (Hours/FTE)

Employee Type	2024	Employee Age	2024
Non-managerial Staff	56.54	<30	46.43
First-level Managers	97.55	30-50	69.86
Mid-level Managers	81.31	>50	61.94
Senior Managers	69.70		

## Employee Engagement

The Group conducts regular global employee surveys to gauge perspectives on the work environment, management systems, and corporate culture, using the results to drive targeted improvements and strengthen engagement. Engagement surveys are carried out by third-party professionals every two years, while annual satisfaction surveys are conducted internally to monitor employee sentiment on policies, communication, and support mechanisms. Through a structured feedback process, the Group promptly identifies employee needs and advances responsive talent management strategies.

### **Employee Engagement Survey**

Covers 14 aspects, including vision inspiration, integration of multiple elements, understanding of goals, trust in leadership, teamwork, support from supervisors, agile transformation, participation, organizational efficiency, potential for practice, ability enhancement, and reasonable rewards. Employees' actual feelings regarding the Group's policies, communication mechanisms, and support measures are also included in employee satisfaction surveys.

	2022	2023	2024
Score of 100	82.6	82	83
Coverage	82.5%	78%	86%



Social

## Occupational Health and Safety

The Group adheres to international occupational health and safety standards and local regulations, aiming for "zero accidents, zero injuries" as a global benchmark. To this end, we have established an occupational safety policy, signed by the Chairman and covering all employees, contractors, and suppliers. Occupational safety is prioritized across all operations through rigorous implementation of the PDCA (Plan-Do-Check-Act) cycle, encompassing safety design, standardization, audits, and continuous training.



Occupational Safety Policy

The group has fully established the ISO 45001 Occupational Health and Safety Management System across 115 major facilities, covering approximately 97% of all core business employees, demonstrating the group's strong commitment to workplace safety and continuous improvement in employee health. This system applies to all group employees as well as suppliers and contractors working on-site. We also actively engage with employees, contractors, and suppliers to jointly improve the Group's occupational safety performance.

## **Health and Safety Metrics**

	2022	2023	2024
Disabling injury frequency rate (FR)	0.127	0.203	0.101
Disability severity rate (SR)	5.48	8.136	2.946
Lost Time Injury Rate (LTIR)	0.025	0.041	0.020

## Contractor Health and Safety Targets

The Group aims to assist high-risk suppliers to implement ISO 45001 Occupational Health and Safety Management Systems, with target implementation rate of  $\geq$  70% in 2025. Target implementation rate for 2025 was achieved ahead of target in 2024, reaching 87% implementation rate.

## Chemical Safety

The Group complies with local chemical safety regulations and customer restrictions on hazardous substances, upholding the "Five No Principles": no design, procurement, entry, manufacture, or production of harmful substances. Through tiered chemical control, it minimizes, manages, and eliminates risks to employee health and the environment, advancing toward "zero harm, zero pollution."



Chemical Management Policy

In line with the "double zero" concept, the Group ensures full identification and management of all chemicals to proactively control potential hazards. An internal control list of 646 substances is maintained and regularly updated based on regulatory, customer, and internal requirements. For restricted and controlled substances, the Group actively implements phase-out programs, pursuing material substitution and process optimization.

Controlled Substances	Prohibited	Restricted	Controlled
646	65	313	268

To date, we have phased out 23 restricted substances, 45 controlled substances, and 34 VOCs. In addition, phase-out plans have been formulated for 11 other substances, which are currently in progress. We will continue to update the progress and outcomes of hazardous substance phase-outs on our <u>official website</u>, along with a complete <u>List of Chemicals Substances Used</u>, and <u>Chemical Substance Control List can also be found on the website</u>.





## Supply Chain Management

Hon Hai's Supplier and Partner Code of Conduct requires all suppliers and partners to uphold human rights, prohibit forced or child labor, and ensure fair working hours, wages, and the right to association and collective bargaining. They must provide safe, healthy, and non-discriminatory workplaces free from harassment or abuse. Violations are subject to a zero-tolerance policy, with immediate corrective action and potential suspension or termination of cooperation to safeguard workers' fundamental rights across the supply chain.



Global Code of Conduct

## Conflict Mineral and Supplier Due Diligence

In 2024, a total of 2,166 suppliers (covering over 90% of the company's procurement amount) completed conflict mineral due diligence through the system platform, achieving a 100% response rate. As of the end of 2024, the group found no products delivered by suppliers containing minerals such as 3TG, cobalt, or mica sourced from conflict regions or other high-risk areas without third-party RMAP certification.

## All relevant minerals/products are RMAP certified, meeting responsible procurement requirements.

#### 2024 Conflict Minerals Due Diligence Results

	3TG	Cobalt, Mica
Number of Responded Vendors	2,166	1,740
Number of Investigated Vendors	2,166	1,740
Passing Rate	100%	100%

#### **Conflict Minerals Due Diligence Results**

	2022	2023	2024
Number of Investigated Vendors	2,002	1,975	2,166
Number of Responded Vendors	2,002	1,975	2,166
Responding Rate	100%	100%	100%

#### Supplier Environmental Policy - Net-Zero Transformation Across Value Chain

Through audits and cooperation, we strengthen suppliers' practices in environmental protection and labor rights and continuously deepen carbon inventory and emission reduction. Net-zero transformation is advanced across its value chain through four-phase stages: capacity building, carbon inventory and reduction initiatives, renewable electricity requirements, and net zero performance assessment.

Additionally, 36 suppliers have completed green electricity usage declarations, collectively using approximately 169 million kilowatt-hours of green electricity and reducing carbon emissions by about 96,000 tons, demonstrating the supply chain's proactive role in the energy transition.

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.



## Supply Chain RBA VAP ESG Audits

## To date, suppliers have completed corrections for 2,509 deficiencies (Improvement rate of 90%)

RBA VAP (Validated Assessment Program) methodology adopted to conduct ESG audits of its suppliers, covering five key areas to identify deficiencies for improvement. Suppliers that pass the RBA VAP audit will receive additional points in their labor rights performance evaluation based on their audit scores.

#### **Key Areas of Audit and Deficiencies Distribution**

Labor 33.39%

Health and Safety 42.75%

Business Ethics 0.18%

Environment 9.36%

Supply Chain Management 14.31%

#### **Supply Chain Audit Metrics**

	2022	2023	2024
Number of Suppliers Completing VAP	16	26	45
Number of Suppliers Not Passing VAP	0	1	3
Improvement Rate of Suppliers Not Pasing VAP	NA	100%	100%

## **Governance** Organizational Chart Shareholders' Meeting Audit and Risk Committee **Board of Directors Compensation Committee** Corporate Governance and Nomination Committee **Auditing Division Executive Coordination** Committee Chairman's Office Chairman Sustainability Committee Legal and Compliance Committee Central Management Function **Product Business Group** Human Resources Business A Business B Safety and Business C Environmental Protection . Global Procurement Business E Business S Information Technology Financial and Accounting Legal and Intellectual Cost Management Property



## Board of Directors

As of 2025/05/29 elections		Fully Independent Functional Committees			
Title	Name	Gender	Audit and Risk	Compensation	Corporate Governance and Nomination
Chairman	Liu, Young-Way	М			
Director	Chang, Ching-Ray	M			
Director	Chiang, Shang-Yi	M			
Director	Dr. Christina Yee-Ru Liu	F			
nt	Wang, Kuo-Cheng	М	<b>⋖</b>	<b>✓</b> Convener	<b>⋖</b>
ors	Hwang, Tsing-Yuan	М	✓ Convener	$\checkmark$	✓ Convener
oen ect	Liu, Len-Yu	M	$\checkmark$		
Independent Directors	Chen, Yue-Min	F	$\checkmark$	$\checkmark$	
Ī	Hsu, Tzu-Mei	F	<b>⋖</b>		

## Average Board and Committee Attendance

All Board and Functional Committee attendance for individual directors achieved ≥75% for the period.

	Fully Independent Functional Committees (For year 2024)			
Board Meeting Attendance	Audit and Risk	Compensation	Corporate Governance and Nomination	
97%	100%	100%	100%	

## Governance Goals & Performance

Target	2022	2023	Target	2024   Progress	Status
<b>Information transparency:</b> 10% increase in annual disclosure of corruption and violations of laws and regulations via employee app.	+18%	+5%	+10%	+10%	<b>⋖</b>
Disclose information addressing the Group's tax policy.	А	chieved		Achieved	<b>%</b>
Increase female boards of directors from 11% to 30%.	22%	25%	20%	28.57%	<b>\</b>
Performance evaluation of board of directors, Audit & Compensation committee raise to an average of 4.8 points. (Performance evaluation conducted by external experts every 3 years)	А	chieved		Achieved	<b>⋖</b>
> 50% board members are not concurrently employees or managers of Hon Hai.	67%	75% >	50%	71.43%	$\checkmark$
Keep improving ISO 27001 and assist business units to establish cyber security system. (Training Sessions & Hours for each business group)	Achie	ved	21 Hours	7 & 67	<b>%</b>
Conduct security test annually for 10 important systems to ensure zero major cyber security incident.	Achie	ved	5	5	<b>%</b>



## Director and Executive Compensation

Compensation is managed in accordance with the Company's "Director Remuneration and Compensation Distribution Guidelines" and "Manager Compensation Distribution Guidelines."

#### **Directors**

- Directors (including independent directors) receive fixed remuneration and attendance fees; the Company does not provide variable compensation.
- Directors or their representatives who hold employee status, or who are employees of related enterprises or have investment relationships with the Company, do not receive remuneration or attendance fees.

## Managers - Pay Linked to Sustainability

Based on the Company's management profit and loss statements, profit contributions from each business unit are considered along with the managers' goal achievement rates. According to Article 28 of the Company's Articles of Incorporation, if there are profits in a given year, 5% to 7% should be allocated for employee compensation. Managerial compensation is regularly assessed and is governed by the Company's "Manager Compensation Distribution Guidelines." The performance evaluation criteria are divided into:

#### Financial Indicators

Based on the Company's management profit and loss statements, profit contributions from each business unit are considered along with the managers' goal achievement rates.

#### Non-Financial Indicators

These include the practice of the Company's core values, operational management capabilities, and participation in sustainable operations. These two major components are used to calculate the remuneration based on operational performance, with ongoing assessments of actual operational conditions and timely reviews of the managerial compensation system based on relevant regulations.

In future disclosure, we will disclose relevant percentage of OKR for executives, of which a significant portion are sustainability-linked.

## Risk Management

In August 2024, the Board of Directors has approved the "Risk Management Policy", and the Audit and Risk Committee leads the promotion of risk governance. The policy provides Hon Hai with clear direction and guidance for risk management to ensure that risk management activities align effectively and consistently with the Company's strategic and operational goals. The company categorizes risk events into the following six dimensions:



For full details on the Group's Risk Management Policies and Processes, please refer to pages 48-53 of Hon Hai's 2024 Sustainability Report.



## Business Ethics

Hon Hai adheres to a corporate culture of integrity and has established a 'Code of Conduct for Integrity Management' policy, implementing a zero-tolerance approach to any illegal or unethical activities, and fully complying with international and domestic anti-corruption and anti-bribery regulatory requirements. The Group has established an effective internal control system and conducts annual employee training to thoroughly implement the practice of corporate integrity and ethical business operations.

No participation in any illegal activities related to anti-competitive behavior or antitrust issues in 2024.

#### Global Code of Conduct

Established in 2008 based on the RBA Code of Conduct, the "Foxconn Code of Conduct" covers nine key areas: ethics, labor and human rights, health and safety, environment, management systems, responsible mineral sourcing, anti-corruption, anti-slavery, and community engagement. Adopted as Hon Hai's guiding principle in 2023, it is regularly updated to align with the latest RBA standards.



The "Responsibility Standards" define detailed requirements and practices under the Code of Conduct to ensure consistent implementation across all units. All policies are reviewed and approved by senior management, reinforcing effective execution, governance efficiency, and compliance across the Group.



Global Code of Conduct



Responsibility Standards

The Group's legal department oversees anti-fraud and integrity management, reporting regularly to the Board, Audit and Risk Committee, or General Manager. A dedicated Fraud Prevention Office develops systems to prevent, detect, and investigate fraud, while the audit team conducts annual reviews of key risk areas. Integrity management is integrated into anti-corruption, performance, and HR policies, supported by clear reward and disciplinary measures. Violations are handled transparently, with anonymized details disclosed internally to reinforce accountability.

## Regular Audits of Ethical Standards

Since 2022, the Group has conducted at least one corruption risk assessment each year in accordance with ISO 37001 standards. We also assist all global manufacturing sites and subsidiaries in conducting regular annual ethical audit self-assessments through an electronic platform.

#### **Ethical Standards Employee Training**

The Group provides regular annual training courses for the Code of Conduct and Business Ethics (at least 2 hours). All employees including permanent and contracted staff underwent training in 2024, achieving a coverage rate of 100%.

## Privacy and Information Security

Hon Hai upholds strict employee privacy protection through its global Privacy Policy and Personal Data Protection Policy, ensuring lawful and secure handling of personal data. Only necessary information is collected for business purposes, while sensitive data is processed strictly in accordance with regulations. Employees sign consent forms detailing data use and rights, and may request access, correction, or deletion of their data in accordance with law. Continuous monitoring mechanisms further enhance privacy management.

ISO/IEC 27001 international information security management system certification has been obtained from central operations to various business units.



The Group's Cybersecurity Governance Committee, chaired by the Chairman and comprising senior executives including the CISO and CIO, oversees the Group's cybersecurity strategy, policies, and culture. It coordinates key security projects, reviews governance performance, and ensures comprehensive risk management to support sustainable operations.

For full details on the Group's Privacy and Information Security, please refer to pages 53-59 of Hon Hai's 2024 Sustainability Report.

## Whistleblowing System

Foxconn has established a comprehensive reporting mechanism to address violations of business ethics, misconduct, and grievances; ensuring transparency and accountability throughout the organization. This mechanism provides accessible channels for employees, customers, and suppliers to report unethical behavior, safeguarding the integrity of our business practices.

## Whistleblowing Channels



#### 2024 Misconduct and Handling

For 2024, Hon Hai encountered two significant cases (verified corruption cases involving an amount greater than RMB 1 million) of violations of anti-corruption policies or involvement in corrupt practices. There were no lawsuits related to unfair competition during the reporting period, nor were there any conflicts of interest violations, or insider trading events. There were no cases of discrimination or harassment incidents for the same period.

## Third-party Certification

Group Third-party Certification		Coverage
ISO 9001	Quality Management System	All Sites
ISO 14001	Environmental Management System	Group-wide
ISO 14064 & GHG Protocol	Greenhouse Gases	Group-wide
ISO 50001	Energy Management System	66 Legal Entities (41% Coverage)
ISO 20400	Sustainable Procurement Guidelines	Group-wide adoption
IATF 16949	Automotive Quality Management	Group-wide
IECQ QC 080000	Hazardous Substance Management	31 Subsidiaries
ISO 45001	Occupational Safety	115 Major Facilities (97% Coverage)
ISO 27001	Information Security Management System	Group-wide
ISO/SAE 21434	Road Vehicles - Cybersecurity Engineering	Nanning Foxconn Precision Industry
ISO 37001	Anti-bribery Management Systems	Group-wide
ISO 22301	Business Continuity Management System	Organizational Procurement

