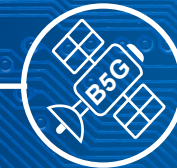
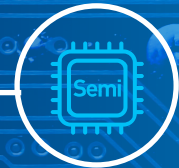


2023

ESG Insight Report





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Governance

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Hon Hai Sustainability Vision and Policy at a glance



Overview

In 2023, Hon Hai officially established six core values, among which “integrity, diligence and agility” are the inherent traits of Hon Hai employees, while “share, collaborate and thrive” are our practical concepts for working with stakeholders externally.

Through the formulation of internal and external core values, the dual Equation of “sustainable operation= EPS + ESG”, combined with the efforts of all employees and stakeholders actively engaging in sustainable actions and reaping the benefits, we can help the enterprise operate steadily and move towards a century-old foundation.

Young Liu

Hon Hai Technology Group, Chairman Young Liu,
August 2024

Environmental

Green manufacturing is the cornerstone of Hon Hai’s sustainable operations, we shoulder the mission of leading the industry towards a low carbon economy and society, implementing carbon reduction efforts, determination, and ambition through specific action plans:

- Take “green, ecological, natural, zero emission, and recyclable” as the policy of environmental management;
- Received the SBTi net zero target verification and released a net zero carbon emission roadmap;
- Reaching RE100 while the company has committed to use 100% green power in its plants worldwide by 2040.
- Green power investment: (1) Setting a precedent in the industry by establishing a RMB 6 billion green energy fund to provide green power sources in the upstream supply chain. (2) Establish a RMB 7 billion green energy development fund. (3) The first sustainable development bond in Taiwan’s electronics industry, totaling NT\$2.3 billion.

Social

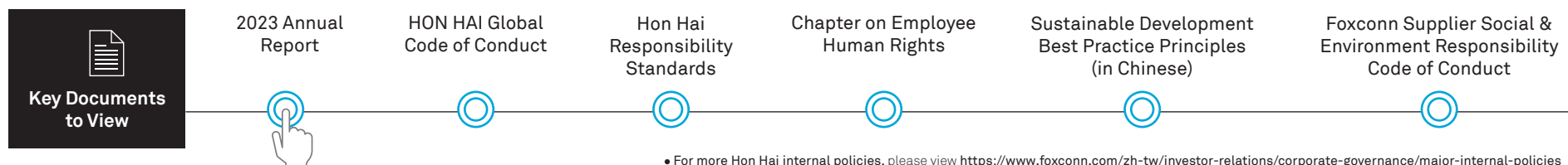
Employees are important business partners of Hon Hai, and we value workplace happiness and professional development and enables our employees to be relaxed and comfortable

- Conduct a large-scale sustainable dedication survey with a third-party organization for the first time;
- To standardize the social responsibility behaviors of plants, management, and employees in business activities around the world based on the Code of Conduct (CoC), and to formulate the Standards of Responsibility to further explain the requirements and practices in the CoC, and to implement the effectiveness of the CoC.
- Provide a safe and healthy workplace environment.

Governance

Sound corporate governance and a culture of corporate integrity demonstrate Hon Hai corporate values, we endeavor to sustain a culture of integrity and ethical management. Meanwhile, a sustainable supply chain is at the center of our key developments with Hon Hai’s strategic cooperation partners, we aim to develop efficient and collaborative relationships with suppliers in the long term:

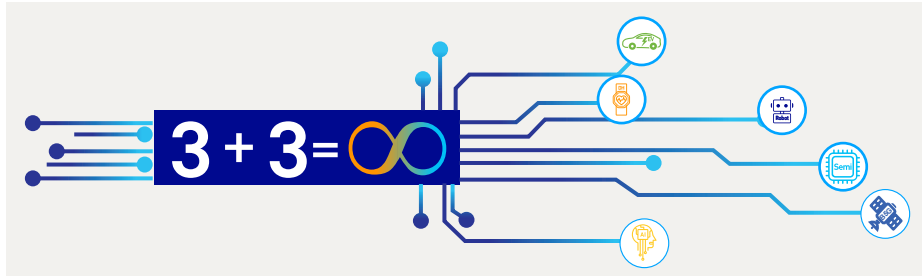
- Complete the first third-party ESG audit, inspecting eight factories in China and India, covering more than 200,000 employees
- “Sustainability Committee” integrates cross-departmental communication function both the top and bottom levels of the organization;
- Practice Build-Operate-Localize, or BOL, business model;
- Held “Hon Hai (Foxconn) Sustainability Awards” for the first time;
- Released its first “Supplier Responsibility Report”,



• For more Hon Hai internal policies, please view <https://www.foxconn.com/zh-tw/investor-relations/corporate-governance/major-internal-policies>
• For more ESG policies of Hon Hai, please view: <https://www.foxconn.com/zh-tw/CSR/esg-policy-documents>



Sustainable Management in the context of our operational Strategies



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

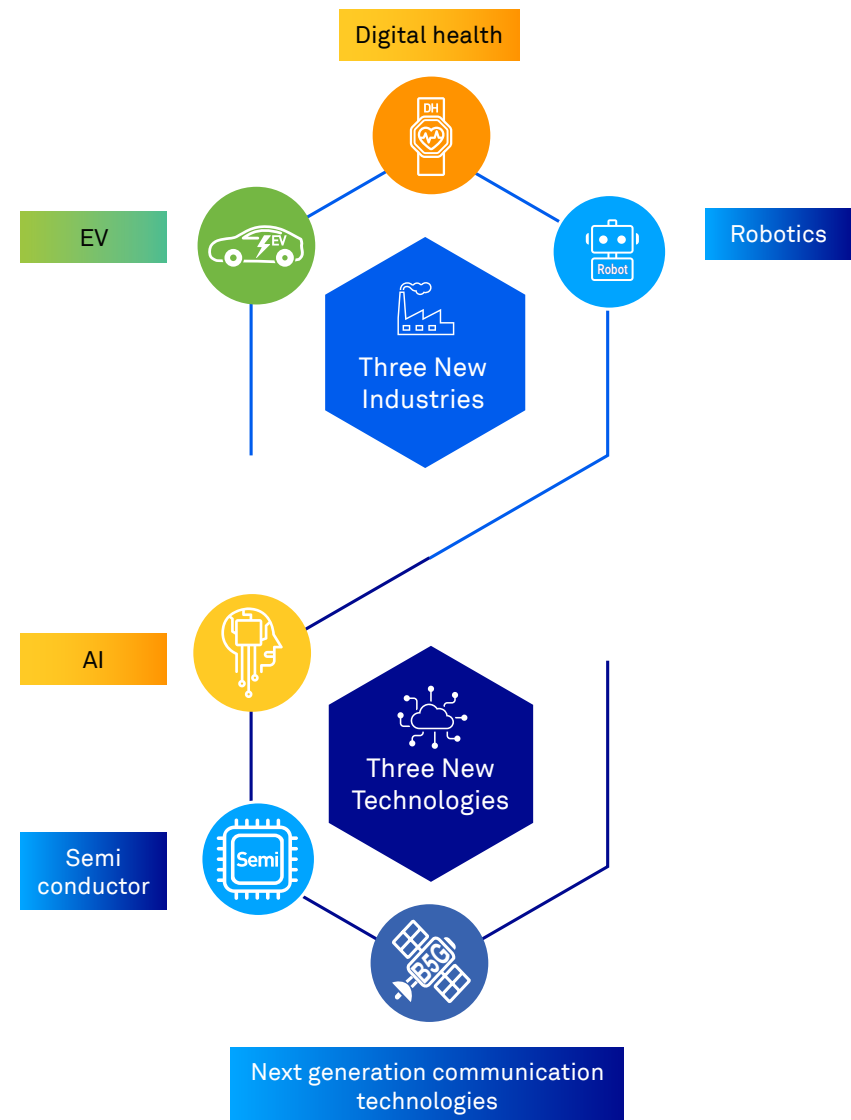
We incorporated our existing capabilities in precision manufacturing and officially announced our three industries and three core technologies for the future in November 2019 to power our next stage of growth, with the three industries being “electric vehicles, digital health, and robotics.” These three future industries have a large market size, totaling more than US\$1.4 trillion. Additionally, the average compound annual growth rate (CAGR) for these industries all exceed 20%.

Hon Hai is committed to sustainable development, setting proactive sustainability goals in line with international trends and closely communicating with stakeholders to enhance its leadership in global sustainable development.

We have also established updated codes of conduct and responsibility standards to provide clear guidelines for our sustainability efforts. Our commitment extends to the supply chain, aiming to implement ESG goals across the entire value chain.

We arrange for investors to visit Foxconn’s facilities to experience our dedication to ESG firsthand. We appreciate the recognition from investors, which provides us with significant motivation to continue promoting sustainable development, and we will persist in our efforts on this path.

-Hon Hai Technology Group Spokesperson, James Wu

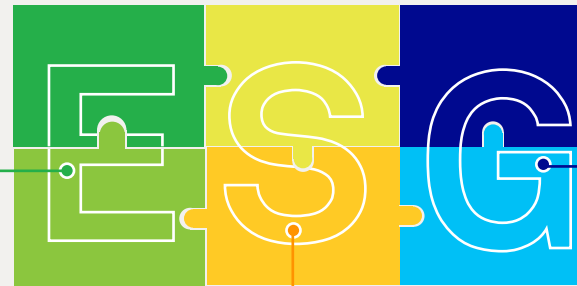


Key Sustainability Strategies and Topics

Environment

Green Solutions, Circular Economy

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



Social

Diverse Inclusiveness, Employee Engagement

	Talent attraction and retention	GRI 401, 404	TC-ES-310a
	Employee rights and diversity and equality	GRI 402, 405, 406, 407, 408, 409	Not SASB material topic

Healthy Workplace, Safety Adherence

	Occupational health and safety	GRI 403	TC-ES-320a
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Social Contribution, Win-Win Strategy

	Community Engagement*	GRI 413	Not SASB material topic
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Governance

Corporate Governance, Smart Innovation

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

Business Sustainability, Beneficial Partners

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

Hon Hai Value & Sustainable Development Goals

Environmental

Social

Governance

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



2023 ESG Highlights

Environment

Scope 1 and 2 GHG emissions were 2,679,235.18 tCO₂e, a decrease of **51.08%** compared with the base year 2020

The renewable energy usage ratios rose to **60.96%**

Total energy savings were **518,847 MWh**, equal to total carbon reductions of 309,648 tCO₂e

Obtained **21** UL 2799 Zero Waste to Landfill Certification.

The Group established the “Group Chemical Substance Control List”, and will regularly disclose the “Hazardous Substance Improvement List” on the company’s official website.

Social

Sustainability employee engagement score achieved **82%**

21.55% of the management team are women with the Group’s continuous focus on DEI framework

110 entities, including **all** main business groups and **98%** of employees obtained ISO 45001 Occupational Health and Safety Management Systems

Held social welfare activities with **186,156** hours of volunteer service among global

Entities and **3,357** hours in Taiwan.

In 2023, through “Childcare Subsidies for 0 to 6-Year-Olds” program, the Group disbursed **171,282,070 NTD** in subsidies

Governance

82,942 global patent applications as of 2023.

Revenue reached **6.162 Trillion** NTD; Ranked **top 6%-20%** in the 9th Corporate Governance Evaluations by TWSE

110.0 billion NTD was invested in R&D in 2023 (1.8% of Revenue). Among the patents obtained in the last 2 years, more than **20%** are “3+3” related.

Top 100 Global Innovators award for the **7th** consecutive year; awarded the Asia IP Elite for the **8th** consecutive year

Conducted **26** RBA Validated Audit Process (VAP) among tier-1 suppliers; the supplier deficit improvement rate reached **76%**

KPIs of 2023 Responses to SDGs

Environment

Actively engaged in wastewater recycling actions that reused treated domestic wastewater. Recycled **7.0%** of our total water usage.



Invested **NTD 2.89 billion** in **1,818** energy-saving projects, saving **518,847 MWh** and reducing **309,648 tCO₂e** carbon.



Identified **100%** of the chemicals used, updated **7** processes related to Hazardous Substances.



Reduced scope 1 & 2 emission by **51.08%** comparing to 2020.



Hon Hai Biodiversity Restoration Plan released **15,000** fish fry.



Social

Hon Hai Scholarship Program increased to **NTD 55.23 million** for low-income and disadvantaged students.



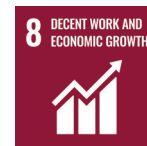
Health initiatives budgets achieved **NTD 96 million**, covering medical assistance, health education guidance, and nutrition and food safety.



Invest **NTD 148 million** and **5662 million** hours in Foxconn University, providing professional trainings for employees as well as contractors.



Women in management ratio achieved **21.55%** and gender pay indicator is around **1:0.80**.



Built **6** WEF Global Lighthouse factories, realizing a **7~90.7%** increase in production efficiency.



Governance

Supported **186** suppliers to complete the 2022 carbon inventory, and the total carbon reduction achieved by the suppliers was **484,000 tCO₂e**.



Proposed **2,253** patents and Research & Development expenses reached **NTD 110 billion**.



Launched a recycled aluminum project that recycle **8,120 tons** of aluminum, reducing **110,100** tons of CO₂e.



Formulated a Renewable Energy Commitment for Suppliers with signing of **24** major suppliers.

Held low carbon supply chain transformation program with **7** tier-1 suppliers and **23** non-tier 1 suppliers; net zero policy conference with **257** suppliers.



Actively participated in public associations, communicated with government agencies and responded to NGOs.

Achieved customer satisfaction rate of **85%** and made a target that improve it by **5%** in next two years.





Environmental Dimension

Green Solutions

- Smart environmental protection is deeply rooted in our core strategy, driving clean production and green energy manufacturing.

Circular Economy

- Enhancing resource utilization efficiency Committed to creating a zero-waste ecological park

Mid-to Long-term Environmental Targets and Progress

Mid-Term and Long-Term Target	2021	2022	2023			
	Progress	Progress	Progress	Target	%Complete	Status
Achieve net-zero emissions by 2050. (Reduce 63% by 2035, 42% by 2030, 21% by 2025, based on 2020 standard)	-14.8%	5.13%	51.08%	12.60%	100%	Completed
Use at least 50% green power by 2030.	5.17%	8.28%	60.96%	17%	100%	Completed
Reduce water intensity by 6% by 2025.	In Progress	15%	15%	3%	100%	Completed
Reach 60% of the plastic recycling ratio in all campuses by 2025.	Not disclose	40%	36%	50%	72%	In Progress
Awarded at least 5 campuses with UL 2799 Gold-Level Certification of Zero Waste by 2025.	1	2	4	3	100%	Completed
100% Set up a monitoring system for industrial wastewater discharge by 2025.	Not disclose	85.20%	93%	90%	100%	Completed
Set up air quality monitoring systems in at least 3 campuses by 2025.	Not disclose	1	1	1	100%	Completed
0 piece major environmental pollution incident.	0	0	0	0	100%	Completed

Climate change response

In 2020, Hon Hai proposed the goal of achieving net-zero emissions in the value chain by 2050

The Group set forth three high level climate targets:

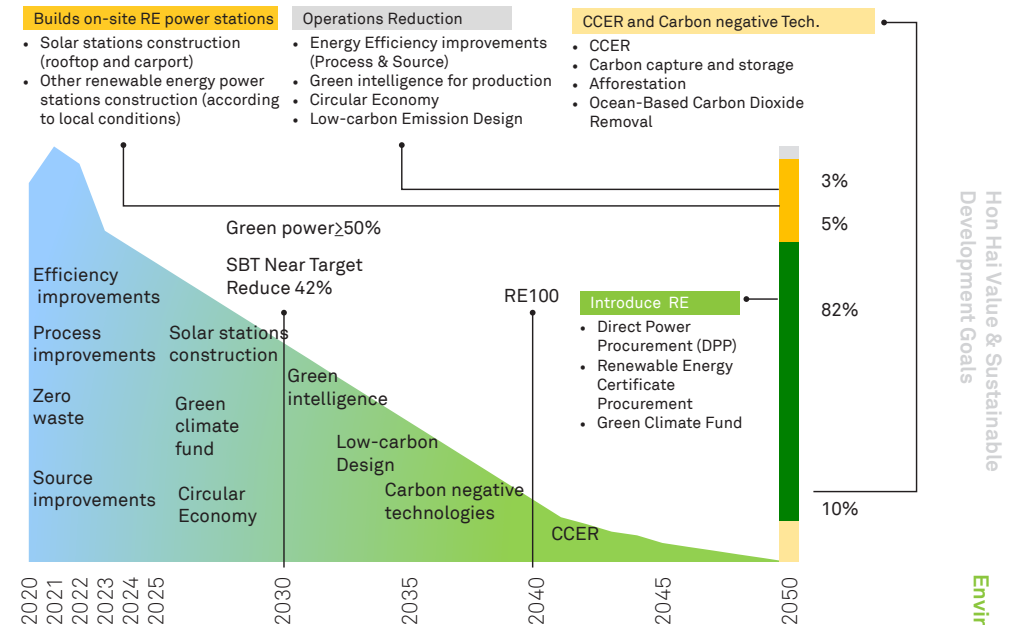
- Comply with NDCs or carbon emission policies of local governments where Group campuses are located.
- Align GHG emissions of our value chain with the Paris Agreement and realize our goal of zero GHG emissions by 2050.
- Respond to and act upon the three targets proposed by the Climate Action 100+ steering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

We promote dual-axis transformation towards sustainability and digitalization as well as technological enhancement through two major strategies: “Green Solutions” and “Circular Economy”. Simultaneously, we align with global standards by actively participating in international initiatives and certifications. Key achievements include the group’s validation of SBTi targets, achieving a 51% reduction in GHG emissions compared to the baseline year 2023, and obtaining 21 zero-waste certificates.

By regularly engaging with stakeholders, providing systematic environmental training, and conducting educational activities, we maximize consensus both internally and externally. This ensures that employees and their families participate in understanding our consistent philosophy and transparent commitment to net-zero efforts.

Moving forward, the Group will continue to develop new eco-friendly and decarbonization technologies, advancing toward green manufacturing and net-zero goals. We will leverage AI and drones to monitor air quality and wastewater, while also utilizing the new business model “3+3” to amplify external decarbonization impacts, leading the value chain toward a sustainable ecosystem.

-Hon Hai Technology Group Chief Environment Officer, Ron Horng



The Group is actively implementing various action plans to move towards the net-zero target.

- Prioritize carbon reduction in own operations(≥3%)
- Build its own on-site renewable energy power station(≥5%)
- Prioritize self-operated carbon reduction and then combine it with other carbon reduction strategies, such as introducing renewable electricity (≤82%) and carbon sinks and negative carbon technologies (≤10%).

After SBTi approved Hon Hai’s 2023 near-term goal, it continued to promote the path toward the net-zero goal. As of April 2024, the net-zero goal was officially approved by SBTi, becoming the third company in Taiwan’s high-tech hardware equipment industry and the seventh company in Taiwan to have its net zero goal approved by SBTi.



Energy and GHG Management

Achievement of Energy saving target

The Group's energy-saving target for 2023 was 4.5% and the actual energy-saving rate was 5.90%, successfully achieving our annual energy-saving goal.

		2021	2022	2023
Transformation of energy-saving production processes	Energy saving (MWh)	199,041	330,306	270,500.04
	Emissions reduction (tCO ₂ e)	122,610	203,997	161,434
Air-conditioning systems/ air compressors/ lighting equipment	Energy saving (MWh)	220,075	83,645	119,995.21
	Emissions reduction (tCO ₂ e)	135,566	78,725	71,613
Other improvement	Energy saving (MWh)	101,865	38,021	128,352.19
	Emissions reduction (tCO ₂ e)	62,749	23,482	76,601

Renewable energy usage	2021	2022	2023
Renewable energy use (million kWh)	48,388	81,613	539,605
Share of renewable energy use (%)	12.45%	8.28%	60.96%

Electricity Usage	2021	2022	2023
Electricity Consumption (million kWh)	9,364	9,855	8,748
Energy intensity* (million kWh/new Taiwan dollar)	0.00156	0.00148	0.00142

*Energy Intensity: Electricity Consumption / Business Income

GHG Emission in 2023

Greenhouse gas categories 1 and 2 decreased by 51.08% compared with the base year of 2020.

	Unit	2020	2021	2022	2023
Scope 1	ton CO ₂ e	152,602	237,946	222,295	258,108.18
Scope 2 (market based)	ton CO ₂ e	5,265,000	5,982,836	5,535,324	2,421,127
Total	ton CO ₂ e	22,613,362.03	28,742,200.63	27,175,367.83	-

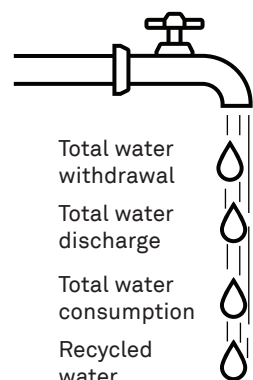
Green Power Investment

1. In March 2024, the Group established a RMB 7 billion green energy development fund to assist the Group's sustainable development through direct investment in the green power industry.
2. In January 2024, the Group invested in mainland green funds to expand its involvement in mainland China's green energy and other ESG technology and industrial investment targets.
3. In November 2023, The Group issued the first sustainable development-linked bond in Taiwan's electronics industry, with a total amount of NT\$2.3 billion.
4. In March 2023, the Group set an industry precedent by establishing a NT\$ 6 billion green energy fund to provide a source of green power for the upstream supply chain while creating relatively stable investment returns.
5. The Group promotes the "Industrial Upgrading and Innovation Platform of the Industrial Bureau of the Ministry of Economic Affairs-Hon Hai Low-Carbon Supply Chain Transformation Promotion Plan" to encourage the electronic information industry toward low-carbon transformation.

Water Management & Waste Management

Water Management

Category	Unit	2020	2021	2022	2023
Water Usage	Thousand m3	86,737.00	87,706.00	91,470.70	85,234.80
Data Coverage	%	100	100	100	100
Revenue	Billion NTD	53,580	59,942	66,270	61,622
Water Intensity	Thousand m3 /Billion NTD	1,619	1,463	1,380	1,383
Reduction target value	Absolute value or proportion	Base year	1%	1.50%	3%
Actual reduction value	Absolute value or proportion	0	10%	15%	15%
Meet the target	-	Base year	Yes	Yes	Yes



	Mainland China	Other Asia	Overseas Campuses
Total water withdrawal	80,769.00	3,647.16	818.64
Total water discharge	67,411.53	2,917.73	654.91
Total water consumption	13,357.47	729.43	163.73
Recycled water	5,010.76	847.12	108.62

- The Group set an annual water reduction target of 5% in 2023 and achieved the target this year.
- In 2023, the CDP water resources questionnaire was rated B grade.

Waste Management

Unit: thousand tons

		2021	2022	2023
Hazardous waste		453.44	141.95	112.07
Non-hazardous waste		548.33	676.50	581.37
Total		1,001.77	818.45	693.44
Disposal	Landfill	470.075	13.078	18.14
	Incineration (with energy recovery)		60.358	58.23
	Compost		-	21.73
	Anaerobic decomposition		28.416	12.66
	Recycled		695.619	552.00
	Others		20.982	22.60

- Based on orders and production conditions, the Group set a 2023 waste reduction target of 5% compared to last year and achieved the target this year.
- Hon Hai has signed memorandums of cooperation with UL international verification institutes and aim to build "Zero Waste Pilot Campuses" through the incorporation of digital waste management.
- As of December 2023, Nanning, Hengyang and Kunshan Campuses received the highest Platinum-Level UL 2799 Zero Waste to Landfill Certification. Shenzhen Longhua Campus obtained UL 2799 Zero Waste to Landfill Gold-Level Certification.

Note:

1) Total water consumption = Total water withdrawal - Total water discharge.

2) The group will disclose the water usage in water stress areas in the CDP water questionnaire before the end of 2024.

3) The discharge of domestic sewage in some campuses is calculated based on local conditions multiplied by a coefficient.



Social Dimension

Diverse Inclusiveness, Employee engagements

- Safety, health, and equitable development. Cultivating and empowering employees to enhance their rights and benefits

Healthy Workplace, Safety Adherence

- Build a safe and healthy work environment; Enable employees to be relaxed and comfortable

Social Contribution, Win-Win Strategy

- Nurturing the generation of technology education
- Practicing charitable initiatives to fulfill social responsibilities

Mid-to Long-term Social Targets and Progress

Mid-Term and Long-Term Target	2021	2022	2023			
	Progress	Progress	Progress	Target	% Complete	Status
Diversity and inclusion at work, attract and hire more diverse talent, offer equal employment opportunities, ensure zero incidents of unfair employment practices.	Non-disclosure	0	0	0	100%	Completed
Value the voice of employees, continuously improve the working environment, increase the professional talent retention rate to 88%.	87.40%	81.90%	88.61%	84.80%	100%	Completed
Comply with the conventions and guiding principles of the UN's International Bill of Human Rights and encourage all value chain partners to promote jointly. The frequency of human rights audits, conducted on all the campuses of the Group and its supply chain manufacturers, should increase from 30 times per year (current policy) to more than 50 times per year.	23	39	243	36	100%	Completed
Ensure that no severe labor rights incidents that might damage the reputation of the Group and its clients.	0	0	0	0	100%	Completed
Cultivate creative thinking and good working behavior in the workplace and encourage professional development for employees to foster the creation of good products and unique technologies contributing to the greater good. Offer → 60-hour professional training courses annually for professional, technical people.	Non-disclosure	86.06	92.6	52	100%	Completed
Maintain the record of 0 cases of occupational diseases caused by chemical agents.	0	0	0	0	100%	Completed
DIFR (Disabling Injury Frequency Rate) aims at ≤ 0.14 times / 1,000,000 employee hours of exposure, which is above the industry standard.	0.131	0.127	0.203	0.21	100%	Completed
Reduce DISR (Disabling Injury Severity Rate) to ≤ 6.88 days / 1,000,000 employee-hours of exposure.	Non-disclosure	5.48	8.136	7.82	95.70%	In Progress
Assist high-risk suppliers to implement ISO 45001 Occupational Health and Safety Management Systems; implementation rate aims at → 70%.	82%	41.20%	67.00%	43.00%	100%	Completed
Initiate incentive programs to encourage volunteer services; accumulated service hours aim at → 5,000 hours for the Campuses in Taiwan.	Non-disclosure	284	3357	2145	100%	Completed

Diversity and Inclusiveness

Adhering to an “Employee-Centric” philosophy, we motivate our staff through a comprehensive reward system and performance evaluation mechanisms, encouraging continuous improvement and providing diverse training programs to enhance professional skills. In 2023, the Group invested over NT\$148 million in employee training, offering up to 56.62 million hours of training, highlighting our commitment to talent development.

Additionally, Hon Hai actively promotes a diverse, equitable, inclusive workplace culture, with women in management positions reaching 21.55%. We support employee well-being through various benefits, such as generous physical examination subsidies and extensive childcare support.

Notably, all 110 major legal entities within the Group have obtained ISO 45001 certification for occupational health and safety management systems, covering 98% of our employees, ensuring a safe and healthy work environment. These efforts are reflected in our employee engagement, with Hon Hai achieving an overall sustainability engagement score of 82% in 2023, demonstrating employees’ recognition and sense of belonging, while creating shared value for the group and positively impacting operational performance and society.

-Hon Hai Technology Group Chief Human Resources Officer, Emily Hsia

Gender Equality

Share of women in management position	2023	2022	2021
Share of women in management positions	21.55%	21.23%	20.30%
Share of women in junior management positions	21.74%	21.78%	20.80%
Share of women in top management positions	11.06%	9.88%	6.50%
Share of women in management positions in revenue-generating functions	30.53%	42.54%	35.20%
Share of women in STEM-related positions	12.28%	14.79%	13.90%

- Hon Hai has relatively fair gender pay indicators comparing to peers.
- Continuously promoted diversity in the Group level, female management ratio reached 21.55%, kept focus on Diversity Equity, Inclusion (DEI).

Employee Diversity and Composition

- Hon Hai employs a total of 749,039 individuals worldwide, including 4,241 people with disabilities and 26,572 individuals of ethnic minorities.

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

Hon Hai Value & Sustainable Development Goals

Environmental

Social

Governance



Employee Diversity and Composition

	Minorities	Number	Percentage	Management positions percentage
Mainland China	Zhuang	13,867	2.5%	0.7%
	Hmong	3,609	0.6%	0.2%
	Tujia	3,078	0.5%	0.6%
	Yao	2,280	0.4%	0.2%
	Dong	1,860	0.3%	0.1%
	Other	8,384	1.5%	1.0%
Taiwan	Indigenous	10	0.06%	0%
The U.S.	Native Hawaiian or other Pacific Islander	15	0.25%	0.00%
	American Indian	31	0.52%	0.00%
	Alaska Native	13	0.22%	0.00%
	Asian	656	11.09%	31.72%
	Black or African American (not Hispanic or non-Latino)	652	11.02%	19.70%
	Hispanic/Latino	288	4.87%	5.27%
	More than two ethnic groups	147	2.48%	1.26%
	Not disclosed/not applicable	66	1.12%	0.00%
Europe (Czech)	Mongolia	661	9.05%	0.00%

Note:

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

2. Data coverage: The Group

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

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

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



Czech-Minority (Mongolia) Integration Program

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

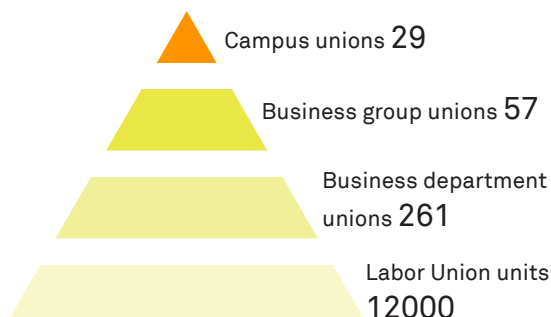


India – International Yoga Day

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

Employee Benefits and Engagement

Human Right Protection



- 98.6% of Hon Hai employees were Labor Union members, covering the 87 legal entities.
- Hon Hai has set 6 communication and grievance channels to collect and respond employees' voices.

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

Employee Engagement

Overall Sustainability Engagement Score : 82%			
Scope: Mainland China and Taiwan			Score
Sustainability Engagement	Gender	Male	82
		Female	82
	Age	<30 years old	78
		30-50 years old	84
		>50 years old	87
	Management Positions	Senior Manager (Associate or above)	90
		Mid-level Manager (Manager or above)	87
		Junior Manager (Associate or above)	85
	Non-management positions		79



- 98.6% of Hon Hai employees were Labor Union members, covering the 87 legal entities.
- Hon Hai has set various communication and grievance channels to collect and respond employees' voices.



Occupational Health and Safety System

Risk Assessment

Region	General Risk	Major Risk	Serious Risk	Particularly Serious Risk	Total Risk
Mainland China	32152	8	0	0	32160
Northeast Asia	689	0	0	0	689
Southeast Asia	5700	2	0	0	5702
America	534	2	0	0	536
India	433	0	0	0	433
Europe	88	0	0	0	88
Total	39596	12	0	0	39608

- Hon Hai has conducted 39,608 occupational safety and health risk assessments globally, covering industrial safety, fire safety, electrical safety, hazardous chemical safety, manufacturing process safety, warehouse safety, education and training, daily management, and the implementation status of the Group's occupational safety policy in production work.
- 110 entities, including all main business groups and more than 98% employees have implemented ISO 45001 Occupational Health and Safety Management Systems.
- With the goal of "zero injuries, zero occupational diseases and zero accidents", fatality rate was 0.0007 and high-consequence work-related injuries was 0 in 2023



Employees



Dispatched employees



Contractors

	1	0.0005	1	0.0011	NA	NA
2020	1	0.0005	1	0.0011	NA	NA
2021	4	0.0024	0	0	NA	NA
2022	1	0.0006	0	0	NA	NA
2023	1	0.0007	0	0	2	0.0070

Percentage (%)

OHS Training and Drills

- 4,270 employees completed 5 emergency evacuation drills; contractors completed a total of 454 drills.
- All units of the group have carried out production safety training with a total of 64,349,971 hours.
- Hon Hai regularly conducts occupational disease check-ups for employees (including contractors) who are exposed to high risks. In 2023, a total of 106,671 employees underwent occupational medical check-ups, and there were zero occurrences of chemically-exposed occupational disease.
- In 2023, annual budget for health checks was up to NT\$96 million, and the physical examination cover rate rose to 86.7%.
- Health Awareness Program:
 - Weekly sharing of information on global infectious disease outbreaks and research on new health knowledge totaled 50 sessions.
 - Published 105 health e-newsletters, health knowledge articles and homepage columns covering health education, health care and nutritional and food safety topics every month, with a cumulative viewership of 18,844.
 - 1,626 issues of health and anti-fraud knowledge were launched in the form of graphics, posters and audio-visuals, covering 679,000 employees.
 - Organized 626 knowledge competitions, free clinics, seminars and other health-themed activities (covering physical, mental, occupational and financial health, etc.), as well as 93 legal literacy activities, serving 741,000 people.

Social Contribution

Support for Disadvantaged

Hon Hai Scholarship Program

- In 2023, we increased the number of recipients to 2,850 people while the total scholarship amounts increased from 54.78 million NTD to 55.23 million NTD, making us the biggest scholarship program in Taiwan.

	2023	2022	2021	Accumulated 7 years
Recipients(Number)	2,850	2,093	760	7,859
Total Award amount(NTD)	54,780,000	55,230,000	40,000,000	286,000,000

Starlight program

2022	19,999,804	228	116
	Amount (NTD)	Attendance of remedial classes	Attendance of one-to-one classes
2023	22,493,716	341	169
Total	42,492,520	569	285

- The Hon Hai Starlight Program invested nearly \$20 million in 2022, \$23 million in 2023, providing a safe and warm after-school environment.

Technology Education

- As the only Taiwan-based company named Clarivate Top 100 Global Innovators for 7 consecutive years, the Group continues to use cutting-edge technologies to produce the best products and encourage knowledge sharing within the industry.
- Hon Hai Technology Award: This award has been held for three consecutive years, with a total of 59 winners and NT\$14.75 million in research incentive awards.
- From 2021, Hon Hai has organized 10 AI-related activities camps in remote areas, benefiting 145 students and 20 teachers. In addition, 8 robotics clubs have been set up, benefiting 141 students, 16 teachers, and 10 volunteers, with a total investment of \$2.5 million, 32 competitions were held in 2023 with 25 prize winners in total.



► 2023 Hon Hai Technology Awards Ceremony



◀ 2023 AI Learning Camp for Middle Schools in Remote Areas



Governance Dimension

Corporate Governance

- Establishment of sound corporate governance and a culture of corporate integrity; Focuses on the “3+3” development strategy toward a smart society.

Business Sustainability

- Actively engaged in the implementation of supply chain management practices, implementing ESG actions such as environmental protection, energy conservation, and carbon reduction to create a sustainable supply chain.

Mid-to Long-term Governance Targets and Progress

Mid-Term and Long-Term Target	2021	2022	2023			
	Progress	Progress	Progress	Target	% Complete	Status
Information transparency: 10% increase in annual disclosure of corruption and violations of laws and regulations via employee app.	Disclosure	18%	Increased 5%	≥5%	100%	Completed
Disclose information addressing the Group's tax policy.	Disclosure	Disclosure	Disclosed via company website and sustainability report	Disclosure	100%	Completed
> 50% of board members are not concurrently employees or managers of Hon Hai.	Disclosure	67%	75%	>50%	100%	Completed
Increase female boards of directors from 11% to 30%.	11%	22%	25%	>20%	100%	Completed
The performance evaluation of the board of directors, Audit committee and Remuneration committee increased to an average of 4.8 points.	Completed	Completed	Completed	Conduct performance evaluations annually	100%	Completed
The board of directors and functional committees take performance evaluations conducted by external experts every three years.	Completed	Completed	Completed	External evaluations have been conducted in the past three years	100%	Completed
Keep improving ISO 27001 and assist business units to establish cyber security systems.	Completed	Completed	Completed	Introduce consistency in management activities, covering all central information units and central units	100%	Completed
Conduct security tests annually for 10 critical systems to ensure zero major cyber security incidents.	Non-Disclosure	Completed	Completed	Develop penetration testing operation specifications/information security incident notification process	100%	Completed
All key electronics suppliers have FMD (Full Materials Declaration) on the RoHS-REACH intelligent management platform.	Completed	Completed	Completed	100%	100%	Completed
Increase the number of designated electronics suppliers, achieving Zero Waste to Landfill from 3 to 25.	3	10	15	≥15	100%	Completed
Increase the number of critical electronics suppliers using 100% renewable energy to manufacture Hon Hai's products from 3 to 45.	5	12	24	≥22	100%	Completed
Evaluate and select key electronics suppliers every year. For the suppliers with the poorest ESG performances, Hon Hai reserves the right to reduce annual order quantity or value by 2-5%.	Non-disclosure		Reduced ≥5%	Reduce annual order quantity or value by 2-5%.	100%	Completed
Conduct evaluation on all designated suppliers' ESG performance (including green product, carbon management, social and environmental responsibilities).	100%	100%	100%	100%	100%	Completed
Coverage rate of designated mechanical supplier audits (conducted every 3 years) reaches 90%.	Non-disclosure	73%	85.6%	85%	100%	Completed
Conflict minerals inquiry response from designated suppliers reaches 100%, ensuring zero use of conflict minerals.	100%	100%	100%	100%	100%	Completed

Innovative R&D

R&D Patents

- Hon Hai has set “3+3” as a long-term development strategy, referring to investment in three emerging industries (“electric vehicles, digital health, and robotics industries”) and three technologies (“artificial intelligence, semiconductors and next-generation communication technologies”)
- Hon Hai has accumulated a total of 82,942 global patent applications as of 2023, encompassing computer components, 5G communications, semiconductors, robotics, and etc..
- Patent fees reached NTD 206,943,861 in 2023.
- Statistics on patents related to low-carbon clean technologies:

	2021 patents	2022 patents	2023 New patents	Accumulated number of active patents
Patents related to energy saving and energy management	81	60	50	625
Patents related to industrial automation	267	284	214	1508
Patents related to process/procedure optimization	54	58	66	394
Patents related to pollution prevention and environmental protection	29	61	15	445



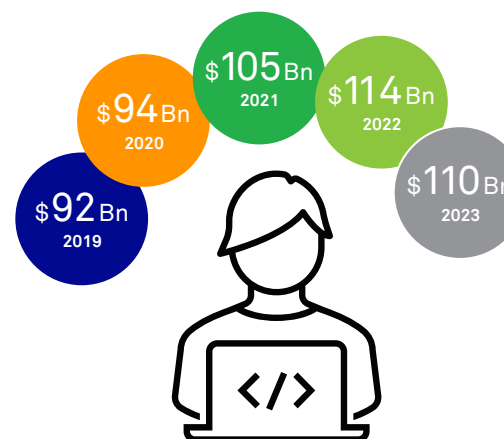
We continue to promote compliance management globally through our two major strategies: “Business Sustainability” and “Corporate Governance,” while advancing in innovation and sustainable development.

This year, Hon Hai released its first “Supplier Responsibility Report”, the first report of its kind in Taiwan focused on its supplier assessment. We aim to extend our sustainability philosophy to our upstream and downstream partners in the supply chain.

The Board is also actively formulating and participating in sustainability strategies and initiatives. We are committed to transparent interactions with partners, continuously optimizing tax management, and strengthening cybersecurity measures to ensure that our global operations are legal and compliant, thereby safeguarding the group’s long-term stable development.

-Hon Hai Technology Group Chief Audit Officer, Galatea Chao

R&D Investment

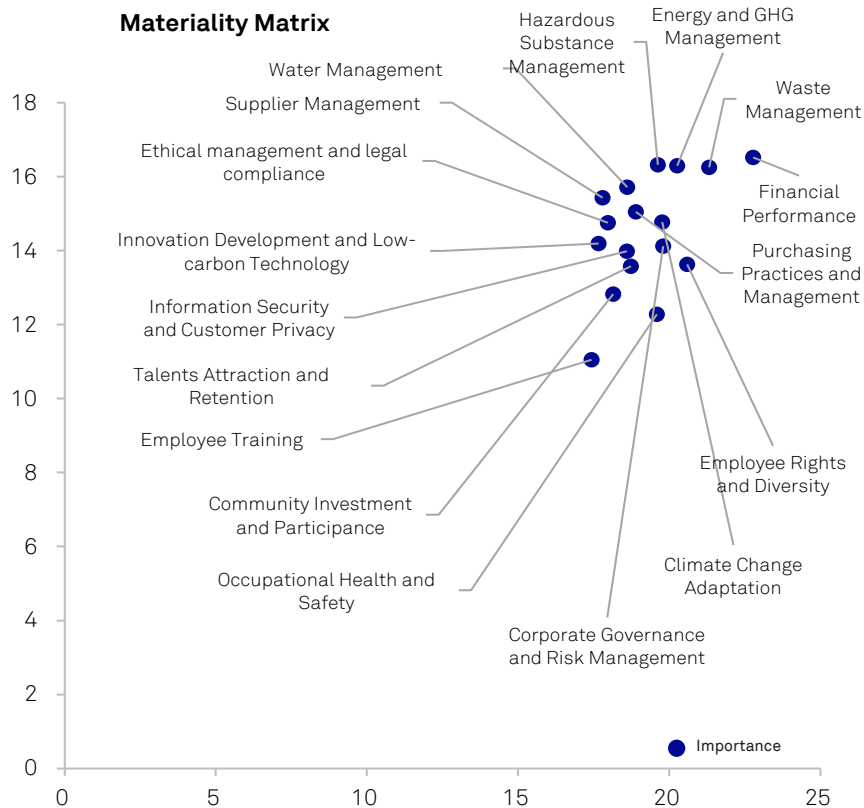


- Hon Hai Invested 110.0 billion in R&D in 2023.
- Hon Hai became the only private enterprise in Taiwan to receive the “Clarivate Top 100 Global Innovators” award for seven consecutive years.
- The Group was also awarded the Asia IP Elite for eight consecutive years



Materiality Analysis

Double Materiality



Material Topics



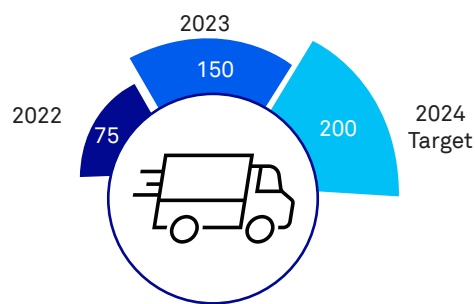
- Hon Hai adheres to GRI guidelines with the four principles of inclusiveness, materiality, responsiveness, and impact.
- The Double Materiality Matrix demonstrates the importance of materiality issues in terms of their impact on stakeholders and the business of the Hon Hai Group, and the importance of the impact of the Group's business on the environment and society.

- Hon Hai adopted the expert evaluation method and distributed questionnaires to internal senior executives and external stakeholders to survey the "economic, environmental, and social (including human rights)" impact levels of the 17 topics, including positive and negative impact levels and probabilities of occurrence, which were given ranks of 1 to 5 from low to high.
- A total of 15 major themes were identified, corresponding to the GRI and SASB. Please refer to p5 for details of Hon Hai's major sustainability strategies and themes.

Supplier Risk Management

Internal Supplier Risk Audit

Number of major suppliers in ESG performance evaluation



Deficits improvement management



- Hon Hai had 150 significant suppliers in their ESG risk assessments, which increased 100% compared to that of 2022.
- Hon Hai conducted audits on a total of 210 major suppliers and discovered 1,700 deficits. Achieved an improvement rate of 76%. And Hon Hai will continue to track the remaining supplier deficits.
- The Group requires suppliers to achieve a carbon reduction of 42% by 2030.
- In 2023, the Group mobilized a total of 186 suppliers to complete the 2022 carbon inventory, and the total carbon reduction achieved by suppliers through the implementation of carbon reduction programs, self-constructed photovoltaic solar energy and procurement of green power amounted to 484,000tCO₂e.

Aspects and Standards	2021		2022		2023	
	Audited Suppliers	Pass Rate / Outcome	Audited Suppliers	Pass Rate / Outcome	Audited Suppliers	Pass Rate /Outcome
QPA & QSA & SCM (Involving ISO 9000, IATF 16949)	84	98%	96	98%	210	97%
GP (Involving QC 080000, RoHS, REACH)	30	93%	44	100%	155	100%
GHG (Involving ISO 14064), ESG (Involving RBA, ISO 14001, ISO 45001)	11	73%	5	100%	210	92%
ESG (Involving RBA, ISO 14001, ISO 45001)	44	82%	43	90%	210	92%
Supplier Carbon Inventory and Reduction	-	-	123	Reduced 225,500 tCO ₂ e	186	Reduced 484,000 tCO ₂ e



Supplier Risk Management

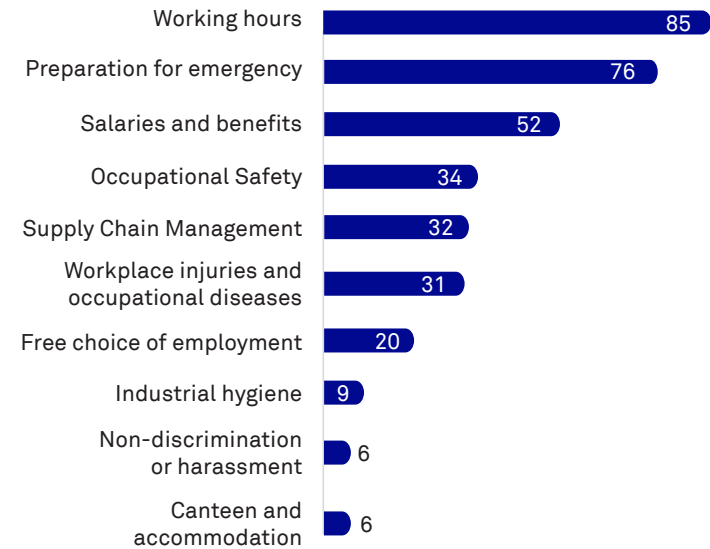
Third-Party RBA VAP Audit



- Hon Hai completed on-site SER audits via RBA VAP tools for a total of 210 suppliers with target of 2024 is 40.
- Hon Hai detected deficiencies that labor 38%, health and safety 40%, environment 8%, business ethics 1%, and supply chain management 13%.

Distribution of ESG Audit Deficits	2021	2022	2023
Labor	36%	41%	38%
Health and safety	34%	34%	40%
Environment	17%	12%	8%
Business ethics	1%	1%	1%
Management system	12%	12%	13%

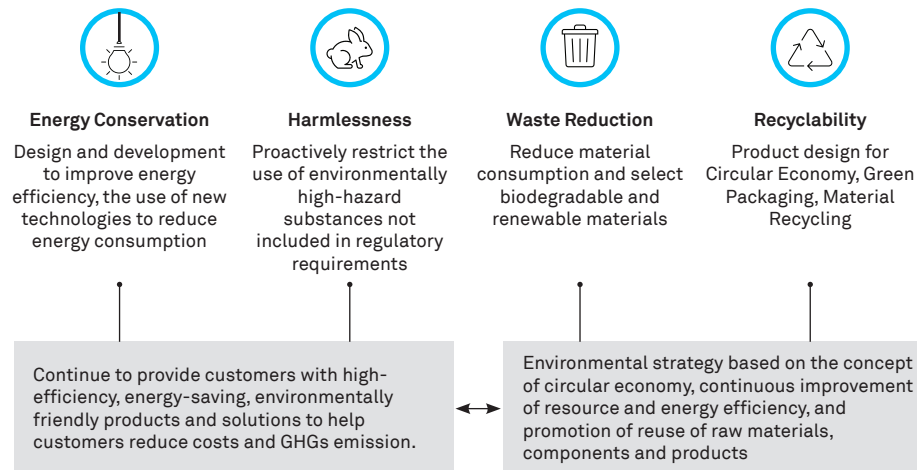
Number of non-compliances



Green Supply Chain

Green Product Design

Green Product Design of Hon Hai Group

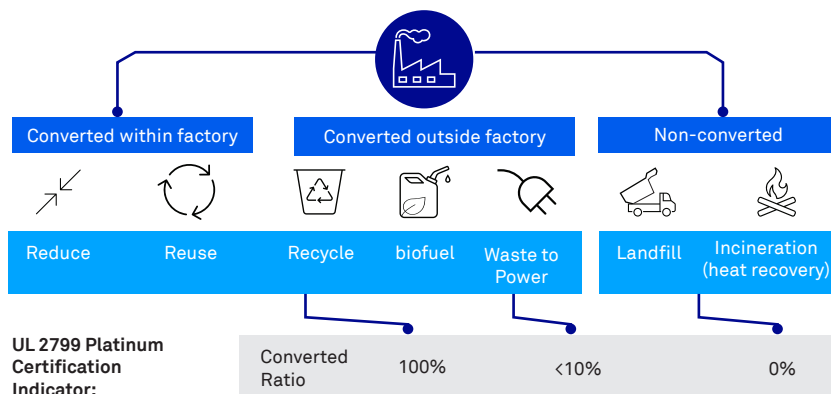


Aspects

- Supply Chain**
Shorten the delivery cycle for the suppliers; Enhance the resilience of the supply chain
 - Hon Hai formulated “harmless, energy-saving, volume reduction and easy recycling” corresponding to the requirements of the product environmental life cycle
- Society**
Promote the development of the local economy; Create more job opportunities for the residents of the communities
 - Hon Hai formulated the “Evaluation Criteria for Suppliers’ Green Product Performance” and implemented green product management performance evaluation for 150 key suppliers through the suppliers’ ESG management platform.
- Environment**
Reduce the fossil energy consumed in the transportation of products; Lower carbon emissions

Net Zero Waste Management

Zero Landfill or factory waste flowchart



- Hon Hai received UL 2799 certification.
- 15 suppliers have obtained the third-party zero-waste-to-landfill certification by the end of 2023, while in total 41 suppliers have implemented their own waste reduction programs.



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