FIH® 富智康®

FIH Mobile Limited
富智康集團有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 2038

2022

Environmental, Social and Governance Report

Contents

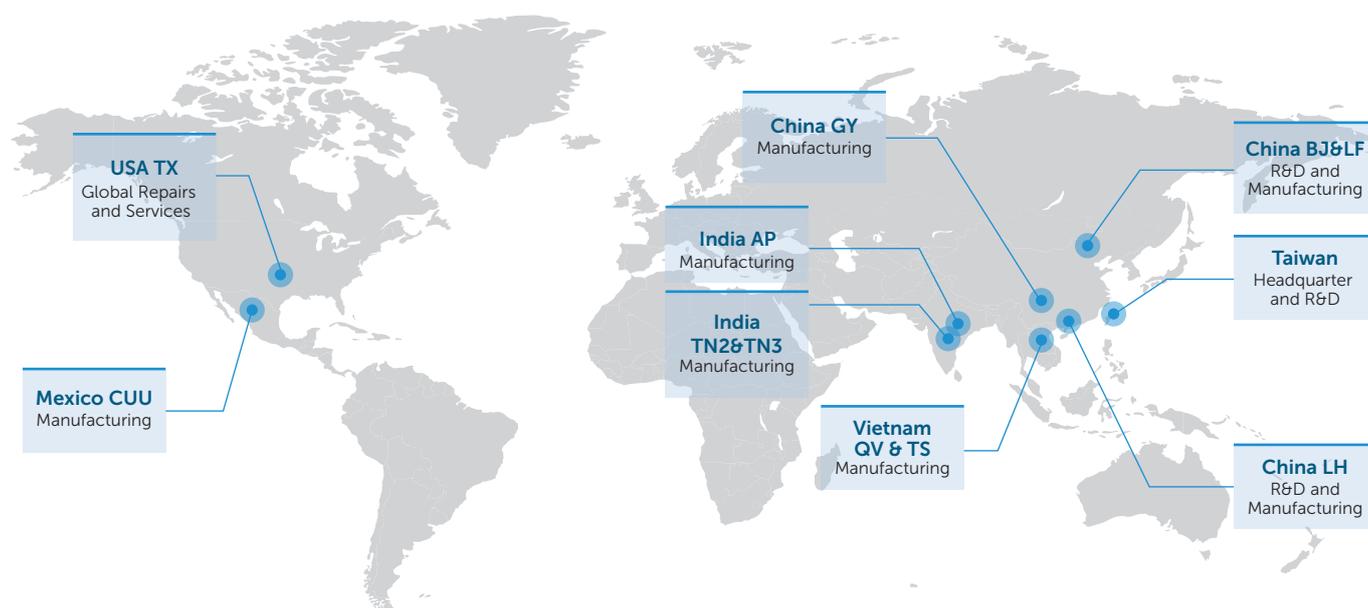This ESG report is printed on environmentally friendly paper

About the ESG Report — Reporting Standard and Scope

This report is the 2022 Environmental, Social and Governance ("ESG") Report which highlights the stance and various efforts of FIH Mobile Limited ("the Company") and its subsidiaries (together with the Company, collectively, "the Group") in ensuring the sustainability of the Group's overall business unit/group operations. This ESG Report has been prepared in accordance with the "comply or explain" provisions of the Environmental, Social and Governance Reporting Guide set out in Appendix 27 ("ESG Guide") to the Rules ("Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("HKEX"). The reporting period of this ESG Report covers the Group for the period from 1 January 2022 to 31 December 2022 ("Reporting Period"). This ESG Report strives to present the Group's ESG policies and performance during the Reporting Period in a fair manner. The chosen contents are intended to reflect impacts of the identified and validated material ESG factors and aspects as well as the Group's initiatives and efforts in addressing and tackling these impacts. The Group's management approach and strategy are laid out in the "Our Approach to Sustainability

"section below, in accordance with the ESG Guide. The quantitative information provided for the social key performance indicators ("KPIs") are based on the Group's global operations, whereas the quantitative data provided for the environmental KPIs as well as relevant laws and regulations that have a significant impact on the Group are based on the Group's core operations in Mainland China ("PRC"), Vietnam and India (collectively, "Environmental Reporting Boundary"), which are considered (in terms of the scale of businesses and operations as well as the number of employees, factory units and office units) to reflect the comparatively significant ESG impacts of the Group's overall business unit/group operations . The Group's core operational factories are:

(1) Four campuses located in Langfang, Beijing, Longhua and Guiyang in the PCR;

(2) Three campuses in Andhra Pradesh, Tamil Nadu (Site 2) and Tamil Nadu (Site 3) in India; and

(3) Two campuses in Quế Võ and Từ Sơn (Fushan) in Vietnam.

USA TX
Global Repairs and Services

Mexico CUU
Manufacturing

China GY
Manufacturing

India AP
Manufacturing

India TN2&TN3
Manufacturing

Vietnam QV & TS
Manufacturing

China BJ&LF
R&D and Manufacturing

Taiwan
Headquarter and R&D

China LH
R&D and Manufacturing

About FIH Mobile

The Group offers vertically integrated, end-to-end design, development, and manufacturing services spanning handsets, mobile and wireless communication devices and consumer electronics products. By leveraging its core strengths in hardware and software, the Group has successfully entered to 5G, AI, IoT and IoV (Internet of Vehicle) fields. With the aim of building a full internet and mobile ecosystem for various customers worldwide, the Group has established a global footprint including design centers in Taiwan and Mainland China, manufacturing sites in Mainland China, India, Vietnam and Mexico, and an After-Market-Service center in the United States. Moreover, the Group has accumulated 1,412 effective patents, comprising 481 software patents and 931 patents related to communication, mobile devices, and other hardware. In response to its commitment of achieving Net Zero in 2050, the Group is taking a proactive approach to put green investing as one of the top priorities. By engaging with companies that are devoted to developing various green and eco-friendly technologies and products, the Group will focus on discovering the related industrial investment opportunities in operating efficiency enhancement, low-emission energy sources, and low-carbon transition, helping communities, enterprise, countries, and the Group itself to mitigate climate change and promote sustainability.

Group Vision, Mission and Value

As a leader in the worldwide mobile device industry, the Group's vision is to create comprehensive smart living experiences for the Group's customers across the globe. Our mission is to attain long-term value creation, business sustainability, constant pursuit of improvement, innovation, and a global perspective. The Group believes in long-term value creation for its people and its customers to drive long-term sustainable business growth. Through strategic business planning and execution, the Group is devoted to establishing a solid and stable foundation for sustainable, though stability does not mean that the Group is at a standstill, and is ready to embrace change through strategic business planning and execution. The Group and its employees will always strive to succeed and improve the business to ensure global competitiveness within the industry. In pursuit of science and technology breakthroughs, the Group is committed to the research and development of emerging technologies, the acquisition and application of new knowledge, and protection of intellectual properties in pursuit of technological and science breakthroughs. The Group is one of the global industry leaders, and offers its customers advanced, integrated technologies and a strong production scale across its strategic global network.

Guided by our value, that is Care, Confidence, Determination and Integrity, the Group cares about and respects others and applies these values to its day-to-day operations. The group always acts with a strong desire to succeed and is confident that it can achieve, and has an unwavering commitment to deliver against all odds, and does what it says with honesty and integrity.

Sustainability at Glance

As a responsible company, the Group is striving to make more positive impacts on ESG. Below is the Group's 2022 achievements:.

EcoVadis 2022 Bronze Medal

The Group received EcoVadis 2022 bronze medal, in particular, ranking the top 13% in the communication equipment manufacturing industry on the "Environment" theme.

Rated as "Low Risk" by Sustainalytics

12.1 Low Risk

Negligible	Low	Medium	High	Severe
0-10	10-20	20-30	30-40	40+

The Group was rated as "Low Risk" in 2022 Sustainalytics ESG Risk Rating, in particular, ranking the top 5% in the global universe, and the top 13% in the technology hardware industry.

UL 2799 "Gold Level Certification"

One of factories, Longhua factory in China, obtained the UL 2799 "Gold Level Certification" for the "Zero Waste to Landfill" efforts in 2022.

Major factories obtained ISO14064

Major factories in China, Vietnam, India, the United States, Mexico, and Taiwan obtained ISO 14064 certification in 2022.

Factories obtained ISO 14001, ISO 45001 and ISO 50001 certification

All factories have ISO 14001 certification; major factories have ISO 45001 and ISO 50001 certification. The implementation of energy management and environmental management contributes to reducing negative impacts on the environment, enhancing the Group's operational management efficiency. The occupational health and safety management system contributes to providing a healthy and safe working environment for employee.

Human Capital —
The Group's Greatest Asset

The Group's
Value Chain

Community
Contribution

Appendix

Sustainability Governance

The Group evaluates ESG progress applying both external and internal approaches, develops global policies, defines internal goals and directions, reviews action plans, and oversees the implementation of activities to achieve objectives.

Group Structure and the Board of Directors

The Group recognized the importance of a sound governance system for its potential impact on company's financial situation, reputation, as well as long-term targets. The Board guides the Group's business and ESG-related strategy and oversees the Group's enterprise risk management (including ESG-related risks). The Board has overall responsibility for the Group's ESG-related strategy and reporting. In particular, the Board is responsible for monitoring and evaluating the Group's ESG-related performance, issues, and progresses on ESG-related goals and targets and on materiality assessment of ESG-related issues. Please refer to our Annual Report 2022 and Company website for more information on the Company's profile of directors and senior management and corporate governance.
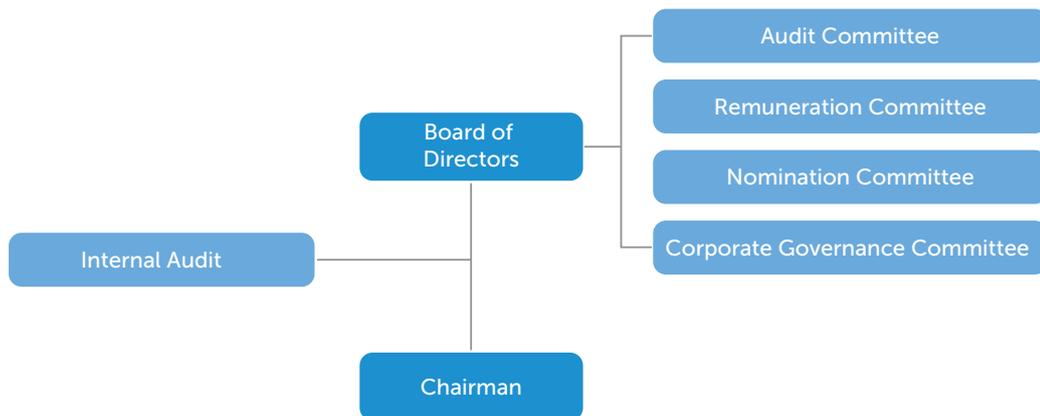
Board Diversity Policy

Since 2013, the company has adopted a Board Diversity Policy to ensure a diverse board composition in terms of skills, knowledge, ability, and experience. Currently, there are six directors on the Board, comprising three independent executive directors and three independent non-executive directors. The Board is diverse in terms of age, ethnicity, tenure, profession, background, etc. The Company regards the diversity of perspectives within the Board as a crucial element in maintaining its competitive advantages, achieving its strategic objectives, and achieving long-term sustainable development. The Company will continue to give due regard to the different aspects of diversity (including gender) when considering potential candidates for directorship in accordance with the Board Diversity Policy. In particular, to achieve the Board's target to appoint at least one female member to the Board by 25 March 2024, the nomination committee used its best effort to identify and recommend female candidates to the Board for its consideration for appointment as director(s) and recommended to the Board (in respect of which the Board approved on 10 March 2023) the proposed appointment of one female independent non-executive director (subject to the approval of the Company's shareholders) at the forthcoming annual general meeting of the Company, about 10 months earlier than the target date of 25 March 2024 previously set by the Board in March 2022.

Audit Committee

3 members
100% independent
non-executive directors

100% Attendance Rate
of AGM[i]

Remuneration Committee

3 members
100% independent
non-executive directors

100% Attendance Rate
of AGM

Principal Duties

To review the Group's financial reporting and accounting policies and practices as well as financial controls, internal control and enterprise risk management systems and provide advice and comments to the Board.

To make recommendations on the appointment, re-appointment and removal of external auditor, and approve the remuneration and terms of engagement of the external auditor.

To review and monitor the external auditor's independence and objectivity as well as the effectiveness of the audit process.

To make recommendations to the Board on the policy and structure for the remuneration of the directors and senior management

To consider and review the remuneration of the directors and senior management by reference to corporate goals and objectives

To make recommendations to the Board on the remuneration packages of the directors and senior management.

---

i   AGM: annual general meeting

Human Capital —
The Group's Greatest Asset

The Group's
Value Chain

Community
Contribution

Appendix

Nomination Committee	Corporate Governance Committee
3 members 100% independent non-executive directors	2 Executive Directors (One of them is Chairman/Acting Chairman)
100% Attendance Rate of AGM	100% Attendance Rate of AGM

Principal Duties

To review the structure, size and composition of the Board annually and make recommendations on any proposed changes

To make recommendations to the Board on the appointment or re-appointment of the directors and succession planning for the directors, in particular the chairman of the Board and the Chief executive officer of the Company

To assess the independence of the independent non-executive directors

To identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships in accordance with the Nomination Policy and the Board Diversity Policy

Together with the corporate governance committee, to review each of the Nomination Policy and the Board Diversity Policy (as appropriate) to ensure its effectiveness, relevance to the Company's needs and alignment with the current regulatory requirements and good corporate governance practice, and discussing any proposed changes to the existing Policy for recommendation to the Board for consideration

To develop and review the Company's policies and practices on corporate governance and to make recommendations to the Board.

To review and monitor the training and continuous professional development of the directors and senior management.

To review and monitor the Company's policies and practices on compliance with legal and regulatory requirements.

To develop, review and monitor the Code of Conduct and compliance manual applicable to employees and the directors, and to review the Company's compliance with the CG Code.

Foreword

Sustainability
Governance

**Our Approach to
Sustainability**

Environmental
Stewardship

ESG Committee

In 2022, ESG Committee, also known as the Sustainability Committee, was established and has been operated under the authority of the Company's Chief Executive Officer. The ESG Committee is principally responsible for establishing and implementing the Group's ESG-related development plan, which is integrated with its operational strategy, monitoring ESG-related performance, strategies, policies, targets, regulations and annual progress of the Group, and reporting ESG-related matters to the Board annually. Furthermore, the committee is accountable for monitoring the communications with stakeholders, and coordinate resources integration among ESG committee, internal business units and functional units.

The ESG Task Force Team led by ESG Head is under the ESG Committee and is in charge of implementing the ESG standards and measures. It is also responsible for identifying material ESG issues, conducting gap analysis, as well as implementing proposals for improvement. In addition, ESG Task Force Team collaborates with the Sustainability Development Office of Hon Hai Technology group to jointly promote sustainable development affairs. Besides, the ESG Task Force Team assists all factories to respond to the Group's significant ESG issues as well as ESG evaluation conducted by customers

and 3rd parties. It is also mainly responsible for formulating the Group's ESG policy, establishing communication and coordination channels for stakeholders. Furthermore, the ESG Task Force Team has been working with ERM team for evaluating ESG-related risk and providing solutions to strengthen the company's resilience to those risks.

In addition, there are three working teams for executing E, S and G aspect's affairs. The environmental working team, social working team and governance working team are responsible for different aspects under Sustainability Committee and are led by the respective heads of the Energy and Industrial Safety Management Office, Human Resources Department, and Internal Audit Department. Each working team sets their sort-term, mid-term and long-term target and liaises with different factories and departments to execute ESG projects.

In alliance with the Group, all factories have their own ESG contact windows. They collaborate to implement ESG standards and measures of the Group, carry out special activities and training for sustainable development in the factories, track and implement ESG management performance indicators in line with the Group and deal with other ESG-related matters. The local ESG contact windows report work progress to the ESG Task Force Team regularly.

ESG Organization of FIH

OUR APPROACH TO SUSTAINABILITY
Sustainable Operational Goals and Strategies

The Group's business strategy is firmly grounded on values of sustainable development as awareness of environmental and social issues arise on the global agenda, including customers' decarbonization pledge and request in the supply chain. A robust corporate governance is essential to drive sustainable initiatives whilst taking the interests of all significant internal and external stakeholders, namely employees, customers, suppliers, shareholders/investors, government, non-governmental organisations ("NGOs")/Charities and Media into account.

The Group actively responds to the United Nations Sustainable Development Goals (SDGs). To achieve sustainable management, the Group continues to establish ESG development strategies and plans, as well as improve and deepen specific targets in the three primary areas of Environment, Social and Governance.

E - Lead global industries in realizing the targets of the Paris Agreement

Vision
- Green Solution — Drive green manufacturing; Produce smart environment solutions
- Circular Economy — Optimize resource utilization; Maximize efficiency to build a zero-waste

Goals
- Achieve zero emissions of greenhouse gases by 2050.
- Using 2020 as the base year, reduce emissions by 21% by 2025; reduce emissions by 42% by 2030; and reduce emissions by 63% by 2035.
- Half of the Group's factories obtain UL2799 Zero Waste to Landfill Operations Gold Level Certifications by 2030.
- Reduce water use intensity by 6% by 2025 against 2020 baseline.
- Achieve 100% of industrial wastewater discharge and water quality monitoring system installations by 2025.

S - Protect employee interests and welfare, and build better social environments

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

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

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

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

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

CSR Code of Conduct

As an active member of the Responsible Business Alliance ("RBA"), Hon Hai Precision Industry Company Limited as the ultimate controlling shareholder of the Company together with its subsidiaries and associates (collectively, "Hon Hai Technology Group") is dedicated to fulfilling its responsibilities as a good corporate citizen and a global industry leader and to integrating good governance practices in all aspects of its operations. As a member of the Hon Hai Technology Group, the Group's operations are guided by the Hon Hai Technology Group's Corporate Social Responsibility ("CSR") Global Code of Conduct Policy ("CSR CoC"), which is based on the five components of the RBA Code of Conduct. The CSR CoC is more meticulously established and incorporates more international initiatives, including policies relating to ethics, labour and human rights, health and safety, environment, management systems, responsible sourcing of minerals, anti-corruption as well as anti-trafficked and forced labour. In line with international trends and the Group's commitment to promote social responsibility, all employees and suppliers are required to perform business operations and work behaviour in accordance with the CSR CoC. Compliance with the CSR CoC is implemented and monitored by department of human resources, internal audit and legal. Each year, they conduct evaluations and audits against the Group's operations. Additionally, an annual compulsory course on the theme of "Corporate Social Responsibility and Employee Code of Conduct" is planned to ensure the effective implementation of our policies.

Employee Care
We value human capital and occupational safety and health highly to create the best workplace.

Environmental Sustainability
Environmental sustainability is our long-term goal, and we implement it in daily operation.

Sustainable Governance
Building a positive culture of corporate governance and integrity is our conviction.

Supply Chain Management
We implement supply chain management to achieve corporate sustainability with our suppliers.

Social Participation
Our commitment to contribute to society is built on our belief that "Whatever you take give back to society".

Risk Management

The Company's Board of Directors has overall responsibility for the Group's system of internal controls and enterprise risk management ("ERM") and reviewing its effectiveness, specifically evaluating and determining the nature and extent of the risks. It is willing to take in order to achieve the Group's business and strategic objectives and ensure that the Group has an adequate and effective system of internal controls and ERM in place. In particular, the Board supervises the Group's management in the context of the Group's ERM and internal controls ("Designated Management") in the design, implementation, and ongoing monitoring of the internal control and ERM system, so that the Group's business and strategic objectives can be met and identified risks can be defined, evaluated, managed, and mitigated to an acceptable level.

Since 2010, the Group has introduced an E-system to allow all risk assessment units to carry out the assessment via the system integrated with a systematic and standard method. The system not only improves relevant work efficiency, but it also offers more conducive support for data collecting, risk assessments, and analysis. In collaboration with IT department, the Risk Management Division manages and maintains the E-system, and optimizes it on a regular basis according to the needs of various users and processes.

In addition, the Group's ERM team[ii] regularly reviews risk assessment reports to ensure the adequacy of action plans and appropriate business processes or control systems to manage the Group's risks, including ESG-related risks identified by ESG Committee. All the risk assessment results will be consolidated in a Group-level risk assessment report to the Company's Chief Financial Officer. An annual update is also presented to the Audit Committee. For more details about the Group's ESG-related risk management and internal control systems, please refer to "Accountability and Audit" set out in the Corporate Governance Report, which forms part of the Company's 2022 Annual Report.

[ii] The ERM Team is led by internal audit and comprises the Company's heads/leaders of human resources, supply chain services, product safety, security and liability, quality and reliability, manufacturing and corporate engineering, finance, legal, information technology, strategic planning, investment management, sales and collection management, environment and health and safety departments/divisions, who collectively as a body represents key functions of the Group for monitoring and execution of the ERM processes in accordance with the enterprise risk assessment and management planning operation procedures, which set out (among other things) the enterprise risk assessment and management principles and procedures, the quantifiable assessment standards and evaluations, the respective roles and responsibilities of the ERM Team and the supporting divisions and handling officers at the headquarters and business unit levels as well as the ERM system operation details.

Information Security Management

To meet the information security needs of clients and safeguard client privacy and intellectual property rights, the Company's Chairman is a member of the Information Security Committee for Hon Hai Technology Group. An Information Security Governance Team and Information Security Maintenance Team have been established under the Committee and have been tasked with the following responsibilities:

Information Security Governance Team
Formulation of information security governance strategies, guidelines, information security policies, and related procedures to ensure legal compliance.

Information Security Maintenance Team
Construction and maintenance of information security frameworks, equipment, protection mechanisms, and risk assessment mechanisms to ensure effectiveness of information security actions.

```
                Information Security
                Governance Committee
                         |
          ┌──────────────┴──────────────┐
   Information Security          Information Security
    Governance Team               Maintenance Team
          |                              |
          └──────────────┬──────────────┘
              Central Information/Central Networks
                 Information Security Units
```

Human Capital —
The Group's Greatest Asset

The Group's
Value Chain

Community
Contribution

Appendix
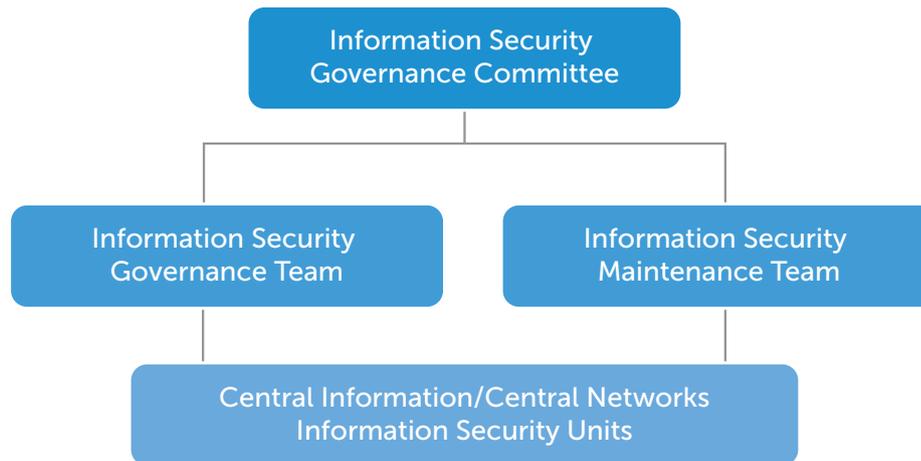
Information Security Policy

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

Network and System Security

In terms of technology, the Group has established internet firewalls, intrusion detection systems, email security systems, auto-detect updates for operating systems, anti-virus systems, and security monitoring systems. Besides, vulnerability scanning systems will be fully conducted twice every year. No major incidents that impacted corporate operations or infringed upon client privacy occurred in 2022.

Information Security Training for Employees

The Group provides basic information security training to all new hires as part of the onboarding process, conducts regular information security training sessions for current employees, and distributes posters and videos to increase employee awareness of information security.

Data Privacy

During its operations, personal data from the Group's key stakeholders such as suppliers, customers and employees are collected from time to time for different purposes. The Group recognises its responsibilities and strictly complies with relevant laws and regulations in relation to the collection, holding, processing, use, transfer, and disposal of such data. Personal information is gathered only for legitimate and relevant reasons, and appropriate measures are taken to ensure the accuracy of personal information kept by the Group.

The Group strives to protect personal data from unauthorised access and abuse. Its employees are contractually responsible for safeguarding any confidential or sensitive information to which they have had access during their employment. For the further data security, please refer to "Information Security Management" section.

Intellectual Property Rights

The Group has depended in part on its ability to provide its customers with technologically sophisticated manufacturing and production processes and innovative mechanical product designs and developments, and accordingly, has been protecting its and its customers' respective intellectual property rights ("IPR").

The Group respects IPR and strives to ensure that the products and services it provides do not involve any act of IPR infringement. The Group's policy on IPR protection stipulates that employees are prohibited from revealing any protected information, known, or managed, to competitors or any third parties without the direct authorisation by the disclosing party. The policy also clearly prohibits infringement through copying or cribbing, whether directly or indirectly, of the intellectual property and trade secrets of the Group, stakeholders or third parties. Incorporated within the policy are procedures for the investigation of possible violations, and review by the Group's legal department to decide on the appropriate legal actions.

Labelling and Advertising

The Group provides packaging and product information labelling services in compliance with its customers' respective instructions and applicable laws and regulations of the relevant exporting and importing jurisdictions, particularly enabling its customers to trace relevant manufacturing plants for product-return or other product-related enquiries. Since the Group does not sell its products directly to end consumers, it is not required to advertise its products and services. Instead, the Group's customers perform product promotion.

Customer Complaint Handling Procedures

The Group highly values feedback received from customers regarding the quality of its products and services. The Group has established customer complaint handling procedures to respond to product-related and service-related complaints in a systematic manner. Once the factory/business units receive complaints from customers, they will verify the complaint information followed by a check on the production process to investigate into the circumstances underlying and leading to the complaint. If the complaint is evidenced to be valid, the factory/business units will propose remedial measures to customers and conduct performance tracking. After customer complaint cases are closed, the cases are filed for record tracking and continuous enhancement purposes. During the Reporting Period, the Group received a comparatively low rate of product-related and/or service-related complaints. Please refer to the Performance Data Table for more details.

Anti-corruption and Whistle-blowing Policies

The Group upholds a corporate culture of integrity and management with dignity and expects all of its directors, officers and employees to observe high standards of ethical behaviour. It is committed to full compliance with applicable national and international anti-corruption, anti-bribery, anti-extortion and anti-money-laundering laws and regulations. The Code of Conduct and the Code of ethics administering appropriate and prohibited individual behaviour within the Group are implemented and apply to its directors, officers, and employees by way of policies, rules, and principles. In relation to anti-corruption, the Group's "Anti-Corruption Code of Conduct" describes the types of conduct which are strictly prohibited and clearly informs all its directors, officers, and employees that they are required to abide by this Code. To keep its directors, officers, and employees abreast of the Group's latest anti-corruption policies and measures, the Group distributes relevant refreshers and updates as well as the related information and materials to its directors, officers, and employees on a regular basis. During the Reporting Period, the group organised a series of training sessions of anti-corruption to board members and employees, covering topics including CSR regulations, types of misconduct, definition of bribery, individual liabilities, and consequences of bribery and requested each of its employees shall attend at least a two-hour course as well as an overview of the Group's whistle-blowing policies. In addition, the Group requires (as a prerequisite to the establishment of business relationship) its suppliers and customers to strictly enforce high standards of anti-corruption.

The Group has an internal audit function that is under the supervision and management of the Group's Chief Internal Auditor to handle investigation in relation to any allegations of improper business conduct and bribery according to the Group's whistle-blowing policies and the related procedures as described below. The Group's internal audit function independently reviews the risks associated with and internal controls of the Group over various operations and activities and evaluates their overall adequacy, effectiveness, and compliance with the Group's policies, plans and procedures.

The Group has also established its whistle-blowing policies and the related procedures which apply to the Group's key stakeholders (including employees and suppliers). Complaints concerning fraudulent acts, unethical acts or improper business conduct can be raised through established hotlines and other channels. Whistle-blower identities are protected without fear of reprisal, victimisation, subsequent discrimination, or any other unfavourable prejudice. All complaints will be handled confidentially, fairly, and professionally by the Group's Chief Internal Auditor for further investigation and appropriate follow-up actions. Relevant persons could make their reports to any of the following:

1. **Mailbox:**
   117@foxconn.com/
   renrenjubao@163.com/
   jubaofoxconn@gmail.com

2. **SMS:**
   183-1699-4246 (PRC)/
   0906-586-086 (Taiwan)

3. **Social Media:**
   18316994246 (Wechat)/
   0906586086 (LINE)

4. **WeChat:**
   FIH Report Center

5. **In writing**

During the Reporting Period, there was one legal case regarding corrupt practices brought against the Group or its employees, involving inappropriate exchange of interest between suppliers and employees. Until the end of 2022, the case was still under investigation by the local enforcement agency. In addition, Group's internal audit function reviewed the anti-corruption and whistle-blowing policies, and confirmed that they complied with the Hong Kong Stock Exchange's relevant guidance and expectations in all material respects.

STAKEHOLDER ENGAGEMENT

In preparation for this ESG Report, an independent consultant was commissioned to conduct a stakeholder engagement exercise with the aim of understanding stakeholders' views on the Group's initiatives, performance and future strategies in relation to ESG issues. Every year, engagement through online survey would be conducted with stakeholders to obtain their views on the Group's ESG disclosure. In February 2023, an online survey was distributed to a group of key external and internal stakeholders including shareholders/investors, customers, employees, suppliers, NGOs and media of the Group to gather views and suggestions on various ESG issues. The stakeholders were also invited to express their views and expectations on the Group's ESG performance. The Group believes that effective negotiation with stakeholders is the most important goal of communication. The Group also provides multiple communication channels for daily stakeholder engagement to understand their needs and concerns, thus disclosing transparent information and notifying updates to stakeholders at the same time. Please refer to Stakeholder Identification and Communication section.

Materiality Assessment

According to the ESG Guide, a listed issuer is encouraged to identify and disclose information on ESG issues that are "material" to its operations where materiality is defined as the threshold at which ESG issues determined by the Board are sufficiently important to stakeholders that they should be reported. To determine material ESG issues for disclosure in this ESG Report, a three-step materiality assessment was conducted by the independent consultant.

Step 1: Identification

The independent consultant reviewed the ESG disclosures of the Group's major local and international industry peer companies which gave an indication of the most relevant industry-related ESG issues and KPIs for the Group. Benchmarking analysis was performed to understand our peers' disclosure practices and fed into our consideration in identifying material issues. A list of 23 material issues is identified for materiality assessment. A group of key internal stakeholders, including shareholders and employees, and key external stakeholders, such as customers, suppliers, communities, NGO partners and media were also invited to complete an online survey to solicit their views on material issues important to them and the Group.

Step 2: Prioritisation

Results from step 1 were consolidated, analysed, and assessed by the independent consultant to conduct materiality assessment for the Group. Stakeholders are also invited to rank the importance of the 23 identified material issues in respect of the Group's businesses and operations. The ESG issues are prioritized in terms of the importance to business and importance to stakeholders.

Step 3: Validation

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

During the Reporting Period, the Group updated the list of material topics according to the assessment on domestic and foreign sustainability development guidelines and peer's ESG issues.

FIH Materiality Matrix 2022

High Material Importance

4	Protection of Customer Privacy
5	Data Security
6	Compliance Operations
8	Ethical Operation
10	Intellectual Property Protection
12	Occupational Health and Safety
15	Labour Practices and Human Rights
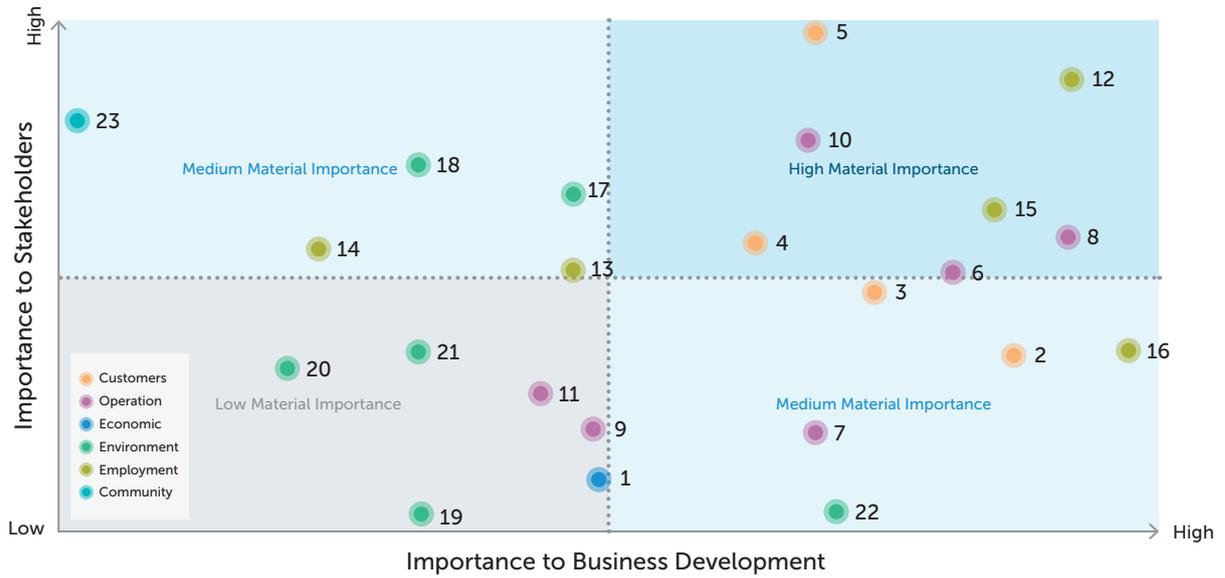
Medium Material Importance

2	Product Quality
3	Customer Service
7	Anti-corruption
13	Employee Training and Development
14	Pandemic Control
16	Employee Salaries and Benefits
17	Emissions Management
18	Energy Management
22	Hazardous Waste Management and Reduction
23	Community Investment

Low Material Importance

1	Economic Performance
9	Supply Chain Management
11	Technology Innovation and R&D
19	Water Resources Management
20	Climate Change Mitigation and Adaptation
21	Waste Management and Reduction

Stakeholder Identification and Communication

Stakeholder	Employees	Customers	Suppliers
Importance	Employees are the Group's greatest asset, providing the group with sufficient competitiveness.	Customers are the main source of economic creation for the Group. The Group will provide the highest quality products and services according to customer needs.	Provide raw materials and services for production. The Group will work with suppliers to create a sustainable supply chain.
Communication Channels & Frequency	• Quarterly labour-management meeting • employee hotlines and mailboxes (Tel) 512-60210/60260(FIH HR) • Satisfaction survey • Publish regular news update and collect feedback on intranet • Hold cultural and sports team building activities • Provide regular trainings and seminars on various ESG and OHS issues • Provide welfare and benefits	• Quarterly or annually ESG activities • Irregular customers visit and audit • Set up customer feedback and complaint hotline • Conduct customer satisfaction survey and complaint return visit • Perform customer demand research	• Supplier management platform • Conduct supplier screening and assessments • Set up supplier feedback mailbox • Organize regular supplier meetings to reach manufacturer's opinion
Concern issues & Expectations	• Employee rights and diversity equality • Integrity management and regulatory compliance • Occupational Health and Safety • Fair employment opportunities • Progressive career development channel • Sufficient welfare and compensation	• Information security and customer privacy • Innovative R&D and low-carbon technologies • Climate change response strategies • High quality products	• Supplier management • Procurement practices and management • Integrity management and regulatory compliance • Integral and transparent procurement • Close communication and collaboration in new business opportunities
Response method and outcome	• Recruit people with disabilities to work in the group, and try our best to help disadvantaged groups. • Set up funds for employees in difficulties • Establish a barrier-free communication system • Set up a 24-hour hotline to allow employees to express their opinions or provide suggestions	• Maintain close communication with customers, protect customer privacy, and always be open to customer audits • Report to customers on the ESG situation and the ESG management status of downstream suppliers. • Continuously improve customer service by providing high-quality, and economically innovative products and services. • Actively save energy and reduce carbon emissions, and provide customers with low- carbon emission products	• Hold annual supplier conference • Hold irregular ESG audits to communicate the group's requirements for the supply chain. • Establish an ESG management platform to enable suppliers to learn RBA standards and group ESG related requirements.

Human Capital —
The Group's Greatest Asset

The Group's
Value Chain

Community
Contribution

Appendix

Shareholders/Investors	Government	Charities/ NGO Partners	Media
Investors (including corporate & individual investors, who) have already invested or are interested in investing in the Group.	The Group complies with local government regulations, and strictly prohibits any illegal activity.	The Group jointly addresses local community issues through communication and collaboration with NGO and charities.	Media serves as a bridge between the Group and stakeholders, helping stakeholders understand the image of the Group by communicating timely information.
• Hold regular Shareholders' Meetings • Regularly publish the Group's annual report and ESG report • Establish investor-relationship communication channels • Take part in performance review presentations • Participate in investment strategy meetings and seminars • Respond to the Board • Provide comments through Shareholders' Hotline/ Mailbox	• Irregular correspondence, mail and telephone communication • Unscheduled on-site audit • Establish public-relationship communication channels	• Irregular telephone communication • Annual ESG activities and evaluations • Annual NGOs meeting • Establish public -relationship communication channels • Charitable donations • Participate in voluntary community services • Publish service activity summary and photos on social media	• Immediate press releases • Respond to media related questions • Establish public-relationship communication channels • Press Conference • Company website
• Corporate governance and risk management • Financial performance • Innovative R&D and low-carbon technologies • Sustained growth in market value • Good company reputation • Open and transparent corporate information	• Integrity management and regulatory compliance • Corporate governance and risk management • Financial performance	• Integrity management and regulatory compliance • Social care • Occupational Health and Safety • Climate change response strategies • Support of community development	• Innovative R&D and low-carbon technologies • Integrity management and regulatory compliance • Timely updates on Company's performance, annual operation condition and operation goals for the new year • Highlights of initiatives on material issues
• The Group informs shareholders/investors about the company's prospects, market trends, growth strategies, profitability, and ESG performance through shareholder meetings and other forums.	• Communicate with local government agencies through visits, meetings, documents • Actively respond to government policies and provide advice • Provide relevant reports regularly according to local government regulations.	• Collaborative activities with NGOs • Advocating related environmental issues with NGOs. • Holding activities with charitable organizations to give back to society and local communities.	• Regularly accepting media interviews • Publishing press releases to present the current situation and future development of the Group • Publishing press releases on FIH website • Integrating media comments to report to the group management team as a reference for improving group operations.
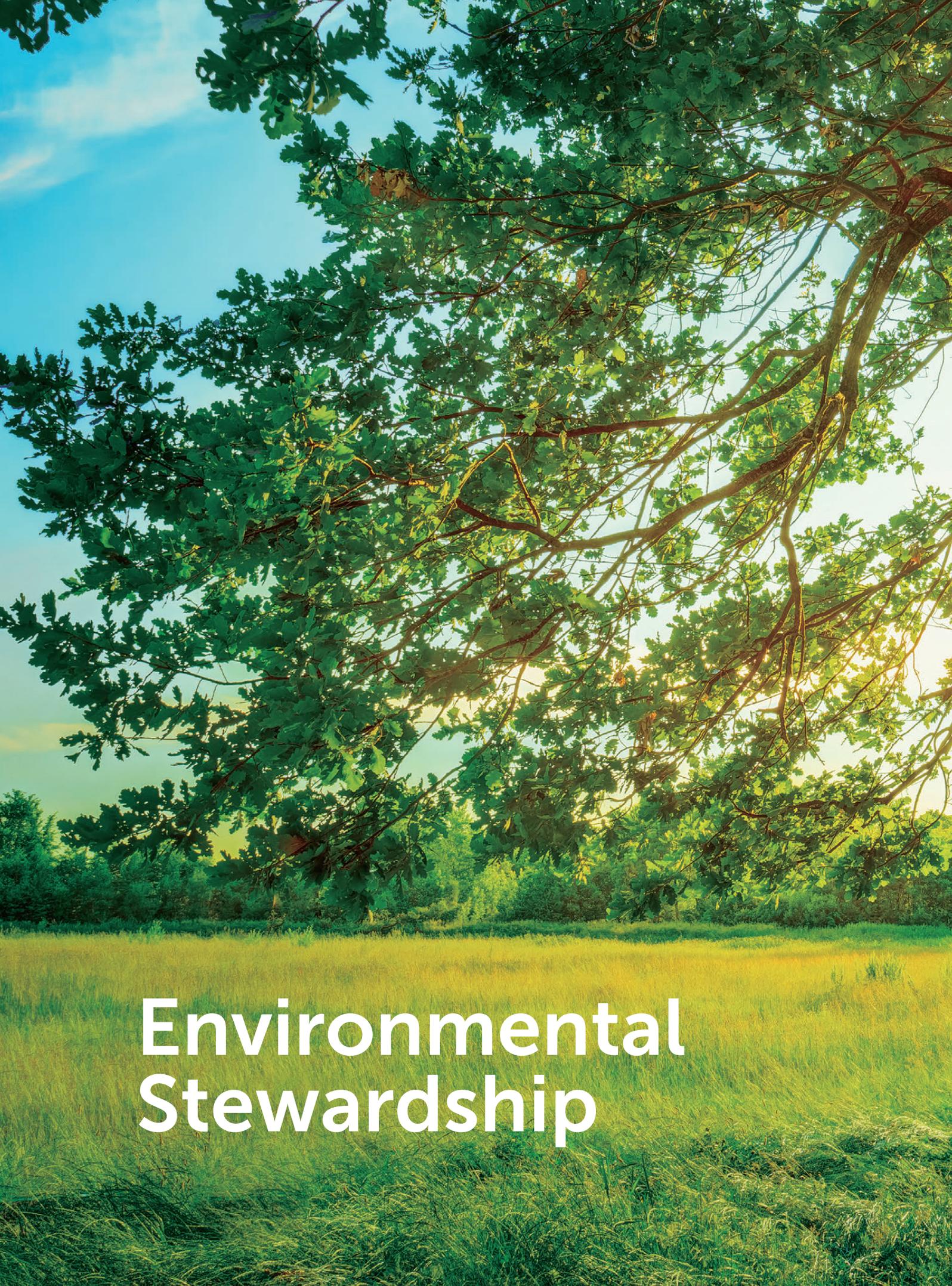
Environmental
Stewardship

ENVIRONMENTAL STEWARDSHIP
Environmental Management

Environmental sustainability is a top priority for the Group. The Group has taken a systematic approach to integrating green and sustainable practices into its operations, implementing measures in the areas of environmentally-friendly product design, greenhouse gas ("GHG") emission reduction, process management, energy and resource management and supply chain management to minimise the negative impact of the Group's operations on the environment and natural resources, with the objectives of meeting international standards laid down by the ISO14001 environmental management system and the European Eco-Management and Audit Scheme.

In this regard, the Group proactively monitors the following key areas: energy management and GHG emission reduction, air pollution control, water treatment and utilisation, and waste management, to ensure that the Group's operations are in accordance with the CSR CoC. The CSR CoC aligns with

Hon Hai Technology Group's environmental stewardship and regulation that work towards environmental sustainability. The Group has established specific CSR-related policies and guidelines that are closely enforced throughout its supply chain, including procurement process, production process and delivery processes. As a result of the Group's efforts, all the Group's manufacturing plants in the PRC, India and Vietnam have attained the ISO14001 environmental management system. In particular, environmental protection facilities in the Group's manufacturing plants have been periodically upgraded, enhancing the processing and management capacity of wastewater, air emissions, general waste and recycled materials. By internally investing in energy-saving and carbon-reduction equipment and technology, and externally deploying investment projects in environmental protection technology related industries, the Group aims to create a triple-win situation for the Group, the targeted companies, and the sustainable development of the environment and society.

Short-term target	Medium-term target	Long-term target
• Reduce carbon emissions by 21% by 2025 compared with 2020 • reduce the electricity consumption (absolute value) by 4.2% annually • expand onsite solar power generation • 100% installation rate of industrial wastewater discharge and water monitoring system by 2025 • reduce water consumption intensity by 6% by 2025 against 2020 baseline	• Reduce carbon emissions by 63% by 2035 compared with 2020 • the Scope 3 emissions disclosure	• Achieve the goal of net zero GHG emissions

Compliance with Relevant Laws and Regulations

The Group operates in compliance with relevant laws and regulations that have a significant impact on the Group relating to air and GHG emissions, discharge into water and land, and generation of hazardous and non-hazardous waste. The Group has implemented a "Law Identification Procedure", an internal evaluation and audit of compliance with relevant environmental laws and regulations to ensure ongoing compliance. Please refer to the "Relevant Laws and Regulations" section below for more details.

Energy Management and Greenhouse Gas Emission Reduction

The Group strives to meet its energy-efficiency targets, which are communicated to the Group's business units and relative departments. Aligning Hon Hai Technology Group SBTi target, which was submitted in 2022 and includes FIH Mobile ("the Group") in the scope, the Group committed to reducing carbon emissions by 21% by 2025, 42% by 2030, and 63% by 2035; achieving Net Zero in 2050.

2025
Reduce carbon emissions
by **21%**
Short-term
— based on 2020[ii] –

2035
Reduce carbon emissions
by **63%**
Medium-term
— based on 2020[ii] –

2050
Achieve the goal of
net zero
GHG emissions
Long-term Target

Emission	Unit	2020	2021	2022
Scope 1	tCO$_2$e	20,755.92	25,031.72	22,174.32
Scope 2	tCO$_2$e	614,702.93	400,967.95	315,363.71
Total (Scope 1+2)	tCO$_2$e	635,458.85	425,999.66	337,538.03
Total Intensity	tCO$_2$e/US$M	71.12	49.64	35.93
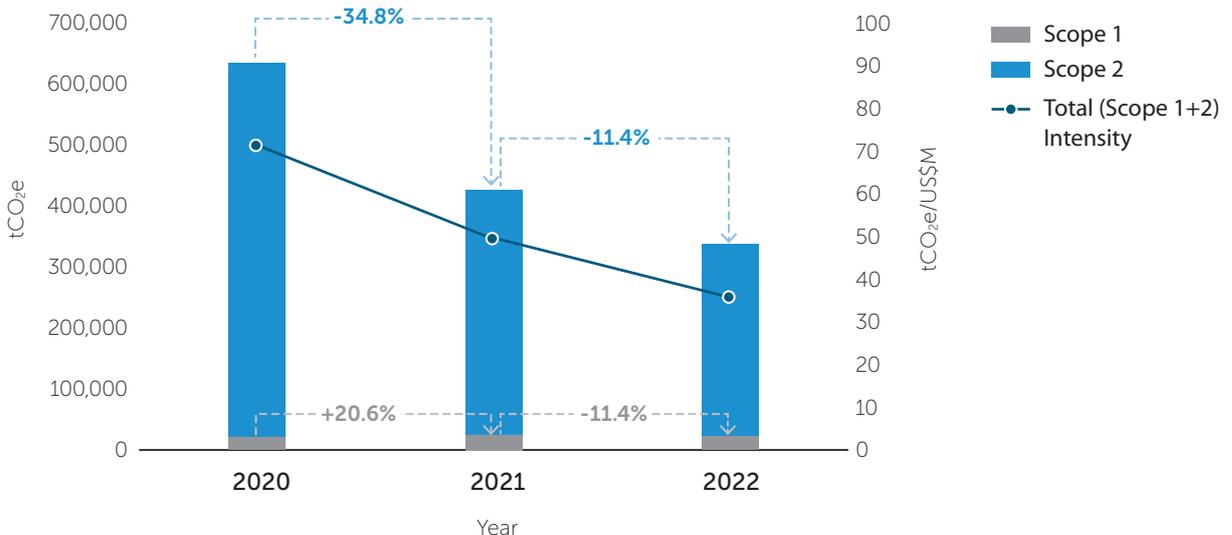
[ii] Target is set by absolute emission reduction target and the boundary of scope 1, 2 and 3 inventory covers core operation site of the Group. The Scope 3 emission is under inventorying and will be disclosed in coming years' ESG report.

Moving forward, to improve resource efficiency, the Group has established a target to reduce the Environmental Reporting Boundary's electricity consumption and GHG emissions respectively, based on absolute value, by 4.2% annually against 2020 baseline. The Group as also set an energy reduction target of 5% for Year 2022 and achieve so. The Group has successfully achieved the annual target, and outperformed notably with 21% GHG reduction. The Group actively promotes energy efficiency management and renewable energy utilisation and hence corresponding GHG emission reduction through policies, systems and measures, including the following: the implementation and maintenance of the ISO 50001 energy management system; the Group monitors, reviews and evaluates the energy use of each business unit/group and rewards top performers; and by leveraging a variety of energy-saving and GHG emission reduction technologies.

Electricity consumption
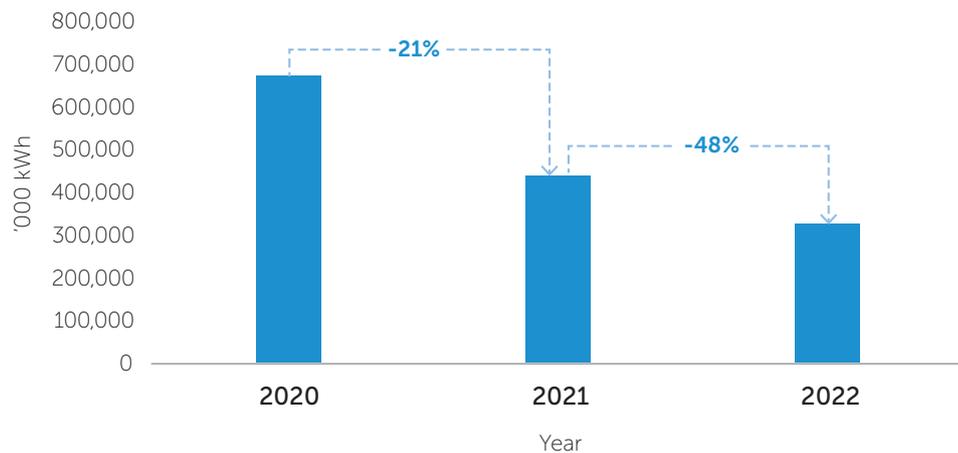
The Group disclose the Scope 1 and 2 emissions for this financial year and is actively preparing for the Scope 3 emissions disclosure in the future. Please see the Environmental Performance Data for more detailed information.

---

iii   Restated figure
iv   Restated figure

Human Capital —
The Group's Greatest Asset

The Group's
Value Chain

Community
Contribution

Appendix

To achieve carbon reduction, the Group has established the following four major strategies and approach:

1 Reduce Emissions in Operation

2 Installation of onsite Green/ Renewable Energy

3 Purchase of Green/ Renewable Energy

4 Purchase of Carbon Credits
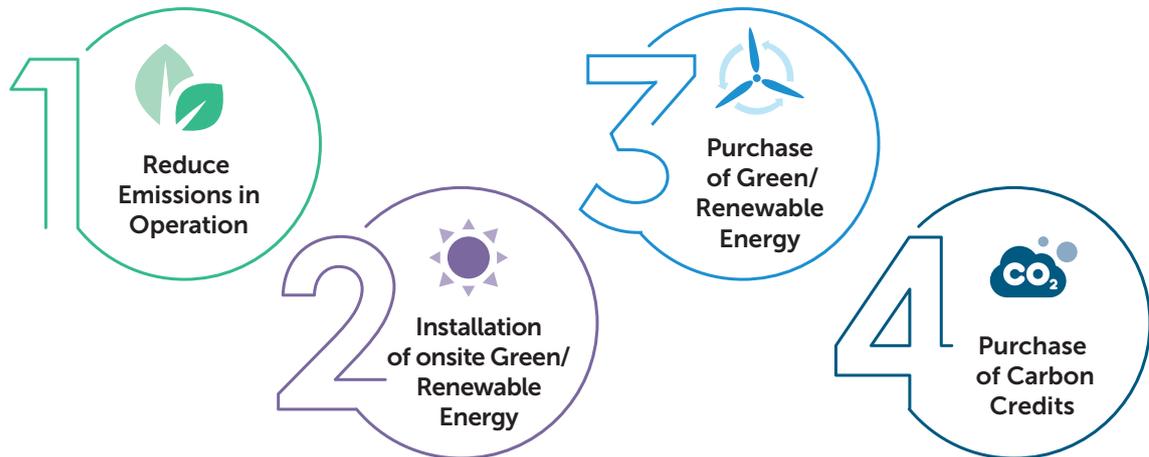
While all lighting and air conditioning systems adhere to high energy efficiency and GHG emission reduction standards, the Group is also adopting a phased approach to replace existing equipment with energy-saving and GHG emission reduction models. Major technology upgrades have been made in certain production facilities, including the introduction of a variety of energy-saving and GHG emission reduction equipment such as light steam engines and energy-efficient air guns as well as other technology upgrades, described as follows:

Technology to reduce emission in operation

To improve energy saving, the Group has implemented measures to enhance the efficiency of its SMT productivity for 5G motherboards. In the production process, the Group optimized energy-saving techniques such as lighting, air conditioning, compressed air pressure reduction, and energy-saving air guns. Additionally, the organization has improved its production procedures to increase output value while decreasing energy use.

Enhancing the energy efficiency of air compressor through engineering transformation without compromising production needs, saving a total of 1.49 million kWh, thus lowering expense on electricity by RMB 595,200.

Reducing nitrogen waste and ensures product quality by improving the production processes, such as the installation of nitrogen intelligent management system. It monitors the concentration of oxygen and nitrogen in real time, and automatically issue warning when abnormalities are detected. This system allows production line to make adjustment in time, effectively reducing the waste of energy and materials.

Launching 9 energy-saving projects involving air conditioning frequency conversion, LED lighting, replacement of water pump and split air conditioners, saving a total of 1.22 million kWh.

Furthermore, most of manufacturing plants are certified with ISO 14064 Greenhouse Gases (GHG) Emissions and Removals Standards during this reporting year. To reduce GHG emission and to improve energy efficiency, the Group purchased photovoltaic power, and built solar photovoltaic power generation systems on the roofs of some manufacturing plants. The Group intends to expand solar power generation in 2023 and has appointed professionals to conduct site investigation and project planning. Apart from expanding onsite renewable energy capacity, the Group will further explore opportunities in purchasing green or renewable energy. The Group also actively pursues collaboration opportunities for the acquisition of carbon credits.

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

Energy-saving and GHG Emission Reduction Initiatives	Results Achieved	
	Energy Saved	**GHG Emissions Reduction**
Installed solar photovoltaic panels and generate renewable energy onsite	Saved 11,230,767 kWh electricity	Reduced 8,948 tonnes of CO_2e
Procurement of wind energy from third party	Saved 10,282,195 kWh electricity	Reduced 8,123 tonnes of CO_2e
Upgraded air conditioners, air handling units and ancillary water pumps	Saved 2,988,204 kWh electricity	Reduced 2,447 tonnes of CO_2e
Replaced traditional light bulbs with LED light fixtures	Saved 2,485,127 kWh electricity	Reduced 2,152 tonnes of CO_2e
Process Optimization & Equipment Improvement: SMT process, communication devices, etc.	Saved 1,304,872 kWh electricity	Reduced 1,161 tonnes of CO_2e
Equipment replacement: High-efficient SMT reflow oven and cooling device, high-productivity cutting machine, etc.	Saved 1,011,077 kWh electricity	Reduced 894 tonnes of CO_2e
Upgraded air compressor to improve energy efficiency	Saved 1,488,000 kWh electricity	Reduced 784 tonnes of CO_2e
Installed industrial curtains at the entrances of production facilities	Saved 365,342 kWh electricity	Reduced 271 tonnes of CO_2e
Changed motor assembly lines into lean pipelines	Saved 182,160 kWh electricity	Reduced 173 tonnes of CO_2e
Upgraded single-track reflow oven to double-track reflow oven	Saved 127,296 kWh electricity	Reduced 121 tonnes of CO_2e

Case study — Solar panel project

The Group is actively increasing installation capacity by installing and purchasing rooftop solar stations. Our China factories achieved a total installed capacity over 10MW.

Apart from actively improving energy efficiency management and GHG emission reduction within the Group, the Group also contributes to the Hon Hai Technology Group's GHG emission reduction efforts by collaborating with suppliers on GHG emission reduction measures on a continual basis. In particular, suppliers are required to adhere to the Group's GHG emission reduction policies and to implement systems to monitor GHG emissions at the organizational and product levels. Please see the "The Group's Value Chain — Supply Chain Management" and "The Group's Value Chain — Sustainable Product Management" sections below for more details on the Group's supplier green product management.

Air Pollution Control

The Group closely controls and monitors any air pollutants which may be generated during the manufacturing and transportation processes. The functioning of air pollutant emission systems is also under routine examination. Please refer to the Performance Data Table for the data on the Group's air emissions.

Water Treatment and Utilisation

The Group strictly complies with local laws and regulations regarding wastewater discharge. Wastewater is closely monitored and controlled before discharge. The Group has set the target to achieve 100% implementation rate of industrial wastewater discharge monitoring system by 2025. The functioning of wastewater handling systems is also under routine examination while industrial wastewater is treated with a vacuum distillation system.

In order to improve the efficiency of water consumption, the Group has set the target to reduce the Environmental Reporting Boundary's water consumption (based on intensity value, rather than absolute value) reducing 6% by 2025 against 2020 base year. In the Reporting Period, water consumption intensity reduced 50% against 2020 base year. The Group's policies, systems, and measures contribute to achieving this goal. To reduce the environmental impact of manufacturing, the Group actively promotes the reduction and reuse of wastewater and adopts the use of reclaimed water throughout

its production lines. the Group is committed to conserving water resources through the on-going optimisation of production processes.

Aside from installing water-saving devices such as smart sensors and water efficient taps, discharge from cooling towers is treated by reverse osmosis and reused for flushing purposes. Greywater is also collected, treated and reused for flushing at dormitories and watering of plants. The Group also identifies the risk of water stress, thus lower freshwater consumption by purchasing reclaimed water.

Water Consumption

From municipal water supplier **3,568,006 m³**

Purified water **150,741 m³**

Reclaimed water **399,199 m³**

Treated and discharge **1,062,767 m³**

Water Treatment
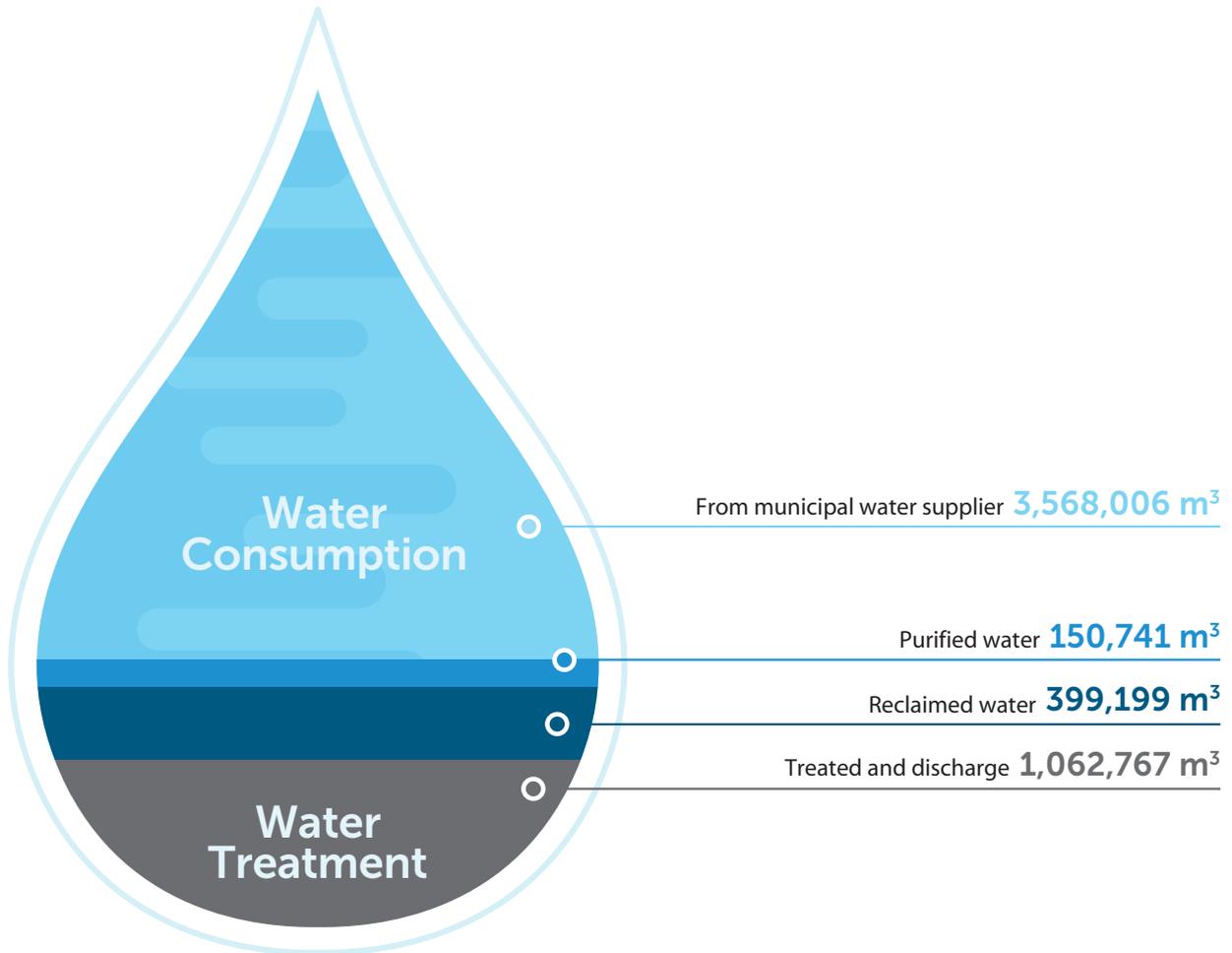
Waste Management

In accordance with the Group's solid waste management principles, solid waste, as well as chemicals and hazardous items, should be differentiated, controlled, reduced, disposed of, transported, stored, and recycled. All relevant waste is treated and disposed of in compliance with relevant environmental laws and regulations. In particular, the Group strictly complies with local laws and regulations regarding sludge disposal. The Group adopt sludge drying to reduce the cost of outsourced sludge collection and only engage qualified collectors who are licensed by the local authorities.

In addition, the Group works to maximize waste recycling, and leverages design and technology to transform waste into usable resource inputs. To avoid the unnecessary generation of waste, old wooden and plastic pallets were collected, cleaned, and reused at the Group's production facilities. The factories in Beijing achieved 100% reuse rate for wooden pallets, plastic pallets, and paper shells at production facilities. Some plastics that cannot be reused due to process or quality control requirements will be handed over to qualified recycling companies for professional recycling. During the Reporting Period, instead of disposal, 578,435 kg of wooden pallets and 379,063 kg of plastic pallets were reused. In an endeavour to demonstrate leadership in driving circular economy, the Group had committed to convert at least 1,000 tonnes of food waste through a waste-to-energy process to generate biogas in the Reporting Period, and had successfully achieved the target. The Group aims to process at least 465 tonnes of food waste within the scope of

environmental reporting by December 31, 2023, through methods such as waste incineration for energy generation, recycled feed, and biological composting, in order to achieve harmless and resourceful treatment.

The Group has also begun to introduce UL2799 Zero Waste to Landfill verification, of which Longhua plant has obtained Gold Level Certification. The group will steadily increase the number of validated factories, with the goal of achieving UL 2799 accreditation for half of factories by 2030.

Product Content Restrictions

The Group complies with relevant laws and regulations as well as the instructions of its customers regarding the non-use of restricted or hazardous substances as well as the recycling and processing of relevant wastes.

Recycled Packing Materials

The Group actively encourages the use of eco-friendly materials and has conducted research to develop and design sustainable eco-friendly products. The Group's efforts in the recycling of waste and the use of renewable materials not only create economic benefits, but also effectively utilize resources and hence reduce the environmental impact. In the production of finished products, the Group generally packages it products according to customers' requirements, using corresponding packaging materials and quantities based on the quantity of finished products ordered by the customers, such as paper and plastic. However, as the type and quantity of packaging materials involved are commercially sensitive information for the Group and its customers, these specific details will not be disclosed. Despite this, the Group actively works and in partnership with its suppliers and customers to reduce the environmental impacts of packaging materials. To reduce the use of single-use plastic, the Group's factories are replacing or reducing packaging in production processes, for example, the Group reuse wooden pallets, plastic pallets, and paper shells at production facilities. Some plastics that cannot be reused due to process or quality control requirements will be handed over to qualified recycling companies for professional recycling company for professional recycling treatment.

Case Study:

To reduce the use and waste of single-use plastics, the Group utilizes reusable wooden trays, plastic trays, and cardboard boxes in our production processes. In addition, secondary plastics and plastic scraps generated during the manufacturing process are recycled and processed to produce recycled plastic trays and boxes. The plastic reproducing process involves crushing, heating, extrusion, granulation, and packaging as raw materials, which are ultimately used to produce recycled plastic products. These plastic trays and boxes are primarily used as component carriers and molds in the production processes. In 2022, a total of 2,038,625 plastic cases is produced.

Recycled Plastic Process

01 Secondary Plastics
02 Crushing
03 Heated and stripped
04 Granulated
05 Packaging
06 Molding

Preserve Natural Ecology and Biodiversity

The Group also pays attention to preserving natural ecology and biodiversity. In order to minimize the impact on the local ecological environment, none of the Group's manufacturing sites is situated near a biological reserve. Moreover, all sites consist of qualified chemical warehouses and waste storage facilities.

Environmental Permits and Reporting

The Group complies with relevant laws and regulations in obtaining, maintaining, and renewing the requisite environmental permits and with the requirements on the use and reporting relating to relevant permits.

Employee Awareness

The Group actively pursues a variety of environmental activities to raise employee awareness of environmental conservation, and to educate and increase employee engagement in protecting the environment.

The Group conducts environmental education and raises employees' awareness of environmental protection through various ways to fulfil social and environmental responsibilities. In 2022, China factories carried out environmental protection knowledge education, and factories in mainland China held environmental protection knowledge related activities on June 5, "Environment Day", including: green and low-carbon, energy conservation first, knowledge competition and other themes.

Climate Change: Mitigation and Adaptation

The effects of climate change have posed an impact on economies throughout the world and on sustainable development. The Group is committed to addressing the challenges and opportunities posed by climate change and mitigating its risks.

Climate-related risks are monitored and managed by the Group's ERM and ESG team. They are accountable for planning the Group's sustainable transition and developing a road map to Net Zero in order to reduce the impact of climate-related risk and explore further opportunities. They are also responsible for identifying, evaluating, managing, and mitigating the significant climate risks that the Group is exposed to which threaten the achievement of its climate-related business and strategic objectives at an acceptable level. In addition, the ERM and ESG team will assist the board in the management of climate-related risk, including identification of climate-related issues and evaluation of their impact on the Group.

The Group highlights the significance of climate risk assessment and management to enhance business resilience. The ERM team conducted analysis and identify the Group's physical risks and transition risks. The Group also has begun to actively analyse the potential impact and to prepare for the risk management.

Physical Risk		Potential Business Impact	Response Strategies
Acute physical risks	Increasing intensity and frequency of extreme weather events (typhoon, heavy rain, floods, heatwaves, earthquakes, snowstorm, etc)	Threat to the Group's employee safety and business (including manufacturing operations, supply chain, energy resources, and logistics); damage to assets and liabilities (leading to the increase of capital expenditures and operating costs); increase in insurance premiums	Establish emergency response plan and conduct periodic disaster drills, e.g., "Emergency Action Plan and Management Measures on Natural Disaster", "Emergency plan for earthquake for assembly plant" and "Emergency Action Plan and Management Measures on Typhoon and Extreme Rain" Consider possible impacts of natural disaster during project reviewing process
Chronic physical risks	Longer-term changes in the climate (changes in precipitation patterns and extreme variability in weather patterns, rising mean temperatures, rising sea levels)	Disruption to operations and transportation across the supply chain due to droughts and floods; operating cost increased from raised temperature (can cause equipment to consume more energy); detriment to assets caused by low-lying land submerged as a result of sea level rise	Promote Energy-saving and GHG Emission Reduction Initiatives

Transition Risk	Potential Business Impact	Response Strategies
Policy and legal risks	Implementation of climate-related laws, regulations, and policy changes leads to increase the price of materials and energy; increased compliance cost due to stricter climate-related regulations imposed by the government risk of litigation for failing to avoid or minimise adverse impacts on the climate	Establish carbon reduction goals and map out decarbonisation roadmap; participate in renewable energy projects
Technology risks	Increased operating cost due to substitution of company's existing technologies during transition; increased costs of R&D from alignment with the global transition to a low-carbon economy with innovations in energy efficiency technology	Implement energy saving and carbon reduction actions to production process, upgrade energy-efficient equipment; strengthen investment in R&D of clean technology

Transition Risk	Potential Business Impact	Response Strategies
Market risks	Market share loss from revenue instability stemming from change in market preference; substitution of existing products and services during transition and obsolete or write-down of inventories as a result of changes in market demand	Improve energy efficiency of customers' products and develop low-carbon products and services
Reputational risks	Potential difficulty of attracting and retaining customers, employees, business partners and investors; increased stakeholder concern or negative stakeholder feedback	Improve transparent disclosure on GHG emission; support green innovation and GHG reduction activities

Several measures are taken by the Group to manage the identified potential climate risks such as conducting property damage assessment and upgrading energy management. The Group is also actively looking for potential climate-related opportunities to enhance the Group's operational resilience and potential business growth.

In the future, the Group plans to implement TCFD and adhered to TCFD framework, the Group intend to perform climate risk analysis and update its operation strategy and management policy based on further quantitative climate risk analysis and physical risk analysis, together with providing descriptions on how the risk management process in line with corporate strategy.

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

1. Comply with NDC or the carbon emission policies of local governments where The Group's factories are located.

2. The Group's greenhouse gas (GHG) emissions policies across the value chain are consistent with the goals of the Paris Agreement.

3. The Group aims to achieve the goal of net zero greenhouse gas emissions by 2050.

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

a. Strengthen climate change governance.

b. Take action toward the group's greenhouse gas (GHG) emissions across the value chain.

c. Provide disclosures in accordance with the Climate-Related Financial Disclosure Recommendations (TCFD).

The Group are making strides toward our three climate targets and continue to advance our energy and carbon reduction measures for mitigation of climate change impacts, thereby achieving our responsibilities of protecting the environment and caring for the planet as the Group exerts our influence on global industrial chains.

Sustainability Innovation and Investment

The Group increases its investment in green and clean technology to persistently provide customers with highly efficient, energy saving and environmentally friendly products and solutions, and to help customers lower operating costs and reduce carbon emission.

Case study - FIH ROBOTICS AI Recycling Robot

The company combined its AI technology and extensive experience in hardware/software integration to transform labour-intensive recycling industries and promote sustainability. The company worked with Da Fon Environmental Technology to develop the "FIH ROBOTICS AI Recycling Robot", which was installed at the New Taipei City Recycling Education Center as part of the company's commitment to clean tech innovation and sustainable investment.

This ground-breaking technology utilizes AI and big data analysis to transform and upgrade the traditionally labour-intensive recycling industry. The "FIH ROBOTICS AI Recycling Robot" can identify and sort more than 17 types of recyclable materials. For instance, the robot can accurately differentiate types of plastics that are difficult to distinguish with the naked eye, such as PET, PP, PS, HDPE, and LDPE, with an impressive recognition rate of over 97%. The robot can also identify and sort recyclable materials by colour and brand, and provides real-time data analysis to monitor recycling performance.

With four arms that offer a wide range of motion and fast picking and placement, the "FIH ROBOTICS AI Recycling Robot" can pick over 220 pieces of recyclable materials per minute, resulting in processing a total of 2,500 tons of recycled materials per year. This technology significantly improves the efficiency of recycling work and supports the circular economy, accelerating progress towards a net-zero future. The company will continue to prioritize clean tech innovation and sustainability in line with its vision for a better and sustainable future.

Human Capital —
The Group's Greatest Asset

The Group's
Value Chain

Community
Contribution

Appendix

Case study — FIH partners with Azumo to create more sustainable and energy-efficient products

In September 2022, the Company announced co-developing the next generation of adaptable LCD 2.0™ products with Azumo, a display technology company.

By using ambient light to conserve battery life and brighten displays in all lighting conditions, the LCD 2.0™ products helps device makers to progress on environmental, social, and governance (ESG) initiatives: The front lighting technology is 10 times more energy efficient than traditional LCD backlit systems and can be easily incorporated into existing manufacturing processes. It helps to create more energy-efficient devices, including tablets, handheld electronics, industrial meters, smartwatches, and more.

Through this collaboration, the Company provides Azumo access to a responsive supply chain network and enhances its ability to scale quickly for new customers and markets, from smart wearables to automotive, electronic billboards, medical, military devices, and beyond, to support better achieving sustainable development goals.

Human Capital
— The Group's Greatest Asset

Foreword

Sustainability
Governance

Our Approach to
Sustainability

Environmental
Stewardship

HUMAN CAPITAL — THE GROUP'S GREATEST ASSET

The Group believes in employees as the most valuable assets. The Group is fully committed to continuing to give its employees an industry-leading place to work and to protect their rights and interests, with the goal of reaching the standards set by the United Nations' Declaration of Human Rights, the RBA, the International Labour Organization, and the Ethical Trading Initiative, as well as the requirements set by relevant local laws and regulations.

As of 31 December 2022, the Group had a total of 44,055 employees. In terms of gender distribution, 53% of our employees are male and 47% are female. Amongst the age distribution, most of our employees are aged between 30 to 50 years old. The Group adheres to the principles of talent localization, so the majority of our employees consist of local residents. Please refer to the Performance Data Table for more details. Total staff costs incurred during the Reporting Period amounted to US$371 million.

Distribution of Gender

53%
23,333

Total number:
44,055

47%
20,722

■ Male ■ Female

Distribution of Age

2%

48%

50%

■ Under 30 ■ 31-50 ■ Above 51

Distribution of Nationality

Mainland China India Vietnam Taiwan Mexico United States Hong Kong
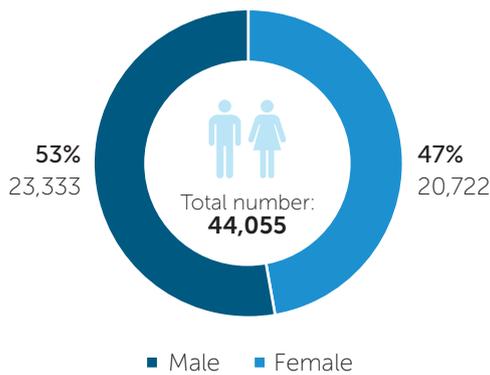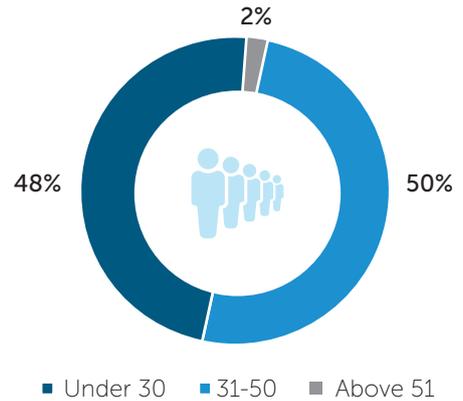
■ Distribution of Nationality

Compliance with Relevant Laws and Regulations

The Group operates in compliance with relevant laws and regulations that have a significant impact on the Group relating to compensation, dismissal, recruitment, promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, other benefits and welfare including maternity and paternity leave, safe working environment, protecting employees from occupational hazards, and preventing child and forced labour. To ensure in compliance with relevant laws and regulations, the Group has implemented the "Law Identification Procedure", an internal evaluation and audit of compliance with relevant laws and regulations including those related to occupational health and safety and labour. Please refer to the "Relevant Laws and Regulations" section below for more details.

Emoluments to Directors

The emoluments payable to the directors of the Company are determined by the Board from time to time with reference to the Company's performance, their duties and responsibilities with the Company, their contributions to the Company and the prevailing market practice as well as the recommendations from the Company's remuneration committee.

Recruitment and Dismissal

The Group adheres to principles of legality, fairness, impartiality, equality, voluntary actions, honesty, and credibility. The Group actively complies with the UN Declaration of Human Rights, the RBA Code of Conduct, and national regulations, and enhances our human resource policies, protects legal rights of our employees, and provides healthy and safe work environments in accordance wit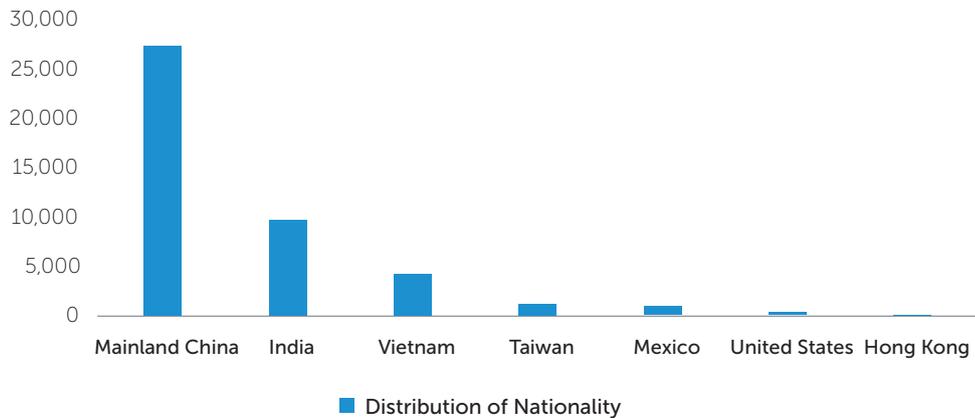h local regulatory requirements. For matters relating to recruitment, promotion, performance evaluations, salaries, and training opportunities, the Group does not discriminate on the basis of gender, age, nationality, birthplace, ethnicity, language, disabilities, marital status, pregnancy, sexual orientation, religion, political affiliation, or union membership. The Group also prohibits child laborers from engaging in work. The Group strives to provide a fair working environment where all employees are treated equally. The Group also provides equal salaries and promotion opportunities based on employee merits.

The Group recognizes the importance of diversity in the workplace and recruits employees through an unbiased screening process that maintains respect for the rights and confidentiality of the applicants. In compliance with relevant laws and regulations, the Group prohibits the hiring of child laborers and severely restricts the employment of underage workers. Regarding the Group's operations in the PRC, the Group has adopted the identity authentication system of the PRC Public Security Bureau as part of its procedures to identify and restrict child workers. In addition, as parts of the Group's requirements, all job applicants have to provide proof of age to ensure the compliance with relevant laws and regulations. The Group strictly prohibits forced labour (including, but not limited to, prison, indentured, and bonded labour).

A whistleblowing system is provided to allow employees to report any suspected child and forced labour cases. If such cases are discovered and confirmed after an investigation, the Group will take appropriate action, which may include but not limited to initiating disciplinary actions, commencing legal proceedings and/or reporting to appropriate governmental/regulatory authorities. Internal audit of forced and child labour is conducted every year by the Group and by all factories. If any misuse of child labour is discovered, it will be reported to the local labour department immediately. With the assistance of the labour department, the child worker will be handed over to his guardian, and appropriate support will be provided.

In addition, training is provided on a regular basis to Group's staff who are in charge of recruitment to ensure compliance with relevant laws and regulations. The Group upholds the human rights of its workers and forbids any acts that restrict their freedom, including retention of employees' identity cards and passports, impounding wages, restriction on the time in and out of factories, and forced overtime. Except in emergency under some unusual situations, a workweek shall be restricted to 60 hours including overtime, and workers shall be allowed at least one day off for every six working days as stipulated in the RBA CoC. Self-evaluations are conducted on a regular basis to ensure compliance with relevant laws and regulations, as well as customer contractual requirements related to the Group's operations. According to the Group's employment contracts and policies that are applicable to all of its employees, the Group reserves the right to terminate such employment contracts in accordance with the relevant governing laws if (among other things) such employees violate the material employment terms and conditions (such as their breach of anti-corruption, fraud, extortion, or money-laundering obligations) or local laws and regulations giving rise to criminal conduct.

Employee Wages and Benefits

The Group offers a thorough and competitive remuneration policy, which is regularly reviewed by the management. Generally, the Group's merit-based remuneration policy rewards its employees for their outstanding performance, contributions, and productivity. The Group evaluates employee performance (including determining promotions and wage increments) based on merit, ability, and competence. To boost employee retention, the Group has provided annual bonuses, time-based/performance-based incentives and other incentive programmes. Besides, supervisors would evaluate the employee performance regularly and communicate with the employee to provide them with advice and directions for the coming year. In particular, the Company has adopted a share scheme and a share option scheme, so as its subsidiary Bharat FIH Limited. The share option scheme complies with the requirements of Chapter 17 of the Listing Rules. The Group also offers insurance coverage to its employees.

Furthermore, the Group adopts various non-compensation benefits, including employee group insurance, vouchers for three major holidays, health promotional activities, employee health examination, unpaid parental leave, and childbirth incentives. Each factory under the Group has also implemented its incentive methods, including excellent performance award, long time service award, pay for performance and year-end bonus. For more details, please refer to the aforesaid Report of the Directors.

Case Study — Childcare Subsidy Program

To allow employee to work with peace of mind and relieve the pressure of childcare, the Group has implemented the childcare subsidy program. The Group provides a comprehensive range of subsidies to expectant mothers before, during, and after pregnancy, including transportation allowance, maternity allowance, childcare allowance, as well as cooperating with childcare agency for taking care of employee's offspring aged 0 to 3 years old. These subsidies make employees feel more secure when facing childbirth and raise employee retention.

**Welfare Policy in Vietnam:
Fushan**

Fushan factory keeps evolving employer brand and bagged "HR award-2018" and "Best Company to work for Asia Award-2020", the most prestigious Human Resource Awards in Vietnam. Fushan factory has built an own gym and library, and takes care of employees' health through vaccination program to corporate with government agencies to have the regular vaccination campaign to protect employees and to ensure business continuity.

Besides, its Learning and Developing team is actively conducting many cultural and employee engagement activities. For example, "Leader's Talk" is where the leaders share Corporate vision and department objectives and answer employee questions for a better mutual understanding and teamwork; "Trainers Programs" is to increase employees' competence and work life balance through topics that employees shared in YouTuber Program; monthly "All Hands Meeting" is where Corporate shares the update of operation and business with employees to ensure the transparency and the alignment of the messages across the factory.

Moreover, bi-weekly "Skip Level Coffee" is the moment that all DL technician and line leaders that they can share their thoughts or challenges in jobs and get support from top management or share their experience by brainstorming and get a quick solution to enhance the effectiveness and efficiency for daily operation.

Fushan factory continues to cultivate employee-oriented culture by applying various of employee welfare programs and engagement activities like team building, year-end party, children day celebration, women's day contest, gifts on selected festival, etc. Fushan factory also offers the opportunity to employees' children who are studying in university and interested in accumulating industry experience under "Dream on the Wing" program.

Training and Development

Employees are evaluated annually to assess performance and arrange specific on- the-job training to enhance their growth and development. In accordance with the Group's operational needs and business goals, the Group evaluates and explores the needs of its employees through systematic and professional means so as to formulate suitable talent development plans and educational courses for employees. The Group offers on-going training on various aspects such as occupational safety, regulations, technical skills, management skills and social and environmental responsibility in order to further enhance employees' knowledge and performance.

A number of employees participate in relevant continuous development activities through different means as appropriate, including but not limited to attending briefings and/or training sessions and/or reading materials relating to a variety of subject matters such as the Group's business operations, general economy and business, manufacturing or technology industry, and applicable legal and regulatory requirements. For those who are preparing to be promoted to management positions, the Group has also formulated mandatory management training courses before promotion. The Group will also provide courses in different fields so as to allow the employees to learn beyond their fields, including technical knowledge, regulatory trend and ESG knowledge as well as courses on physical and mental health and laws related to their daily life. The Group has diversified education and training channels, such as an online learning platform APP "富學寶典, various online professional courses and classes in person courses (i.e. earthquake and fire protection). On average, each employee underwent 63.9 hours of briefings and/or training sessions and/or reading materials.

In particular, as the recent regulatory trend has been focusing on the Company's continuing connected transactions ("CCTs"), the Company's Chief Financial Officer and the Group's accounting departments under his supervision have implemented the Group's CCTs policy. In addition, the Group's accounting departments have been organising training sessions for the Group's relevant employees who are and will be involved in CCTs-related work (including the accounting departments of the Company's subsidiaries in different jurisdictions) to provide information on the background of the CCTs, the CCTs categorisation, the applicable regulatory and related compliance requirements laid down by the Listing Rules, such employees' respective CCTs-related roles and responsibilities and updates on the CCTs policy (if any). During the Reporting Period, 2 CCTs training sessions were organised for a total of more than 46 participating employees.

Besides, in order to ensure an effective implementation of Group's policy and guideline, the Group has organised an annual compulsory course of "Corporate Social Responsibility and Employee Code of Conduct". Please see the "The Group's Value Chain — Anti-corruption and Whistle-blowing Policies" section below for anti-corruption training provided to directors, officers, and employees.

	Training Hours	Attended Employees
Senior Management	45,642	781
Middle Management	1,434,357	9,628
General Employee	1,336,358	33,646
Total	2,816,357	44,055

**Human Capital —
The Group's Greatest Asset**

The Group's
Value Chain

Community
Contribution

Appendix

Anti-discrimination

The Group provides equal employment opportunities. The employment policies require that recruitment, promotion, performance evaluation, wages assessment, training opportunities and retirement must be people-oriented, lawful, fair and without discrimination based on gender, age, nationality, race, religion, family status, political affiliation, disability, sexual orientation, and union membership. The Group also promotes diversity in the workplace. In particular, the Group is committed to protecting female employees' rights and health, especially in terms of maternity and pregnancy. All female workers are entitled to a set of maternity benefits, including paid maternity leave and breast-feeding breaks.

Furthermore, it is unlawful to terminate the employment of a female worker during her pregnancy or absence on maternity leave. Therefore, female workers are entitled to have a period of maternity leave of no less than the legal requirement. They are guaranteed the right to return to the same or equivalent position paid at the same rate at the end of her maternity leave. Reasonable steps are taken to prevent pregnant women and nursing mothers from working condition with high hazards, prevent or reduce any workplace health and safety risks to pregnant women and nursing mothers including those associated with their work assignments, as well as reasonable accommodations for

nursing mothers. Besides, the Group encourages the reporting of any illegal behaviour, protects the anonymity of informants, and permits anonymous reporting to ensure that the identities of suppliers and employees who blow the whistle are kept secret.

External Reporting Email:
fih-hb-ias@foxconn.com

Internal Reporting Email:
fih-hb-ias@mail.foxconn.com

Reporting Phone Number:
0316-5898888-79208
(North China Region)
0755-28129588-62807
(South China Region)
+86-755-28129588-62807
(Overseas Region)

The Group's APP:
iProud "員寶"

Occupational Safety and Health

The Group strictly follows a "safety first" policy. Its primary goal is to use proactive and preventive measures to eliminate occupational risks while providing a healthy and safe working environment for its employees. Safe and sustainable operations are the foundation of corporate growth and a fundamental principle in its approach towards the well-being of its employees. To prevent workplace hazards, the Group has established and maintained an advanced detection and monitoring system, implemented control and prevention mechanisms, and conducted regular safety inspections. At the level of the Hon Hai Technology Group, a group collective agreement signed by its labour union (comprising, among others, the Group's labour union) covers the protection of employee health and safety rights and the enhancement of health and safety management at all factories.

The Group's employee health and safety policies and standards comply with relevant international and local laws and regulations, including the requirements under the ISO 45001 (Occupational health and safety management Systems) and the SA8000 (an auditable social certification standard for workplaces across all industrial sectors), which also includes guidelines on working hours and rest periods. Besides, the Group has devoted abundant resources to Environmental, Health and Safety (EHS) to provide a healthy and safe working environment for its employees. An EHS Committee has been set up by the Group to discuss matters related to occupational safety and health. The main responsibilities of the EHS Committee include elimination of occupational risks by providing employees a healthy and safe working environment with proactive and preventive measures, comprehensive management of the factory's safety-related works, examination and

approval of the standards for safety policies and safety management programs, supervision of the implementation of production safety responsibility system, promotion of production technology achievements, carrying out safety publicity, education and inspection, handling of all kinds of production safety accidents and research and analysis. In order to evaluate the EHS Committee's compliance with relevant standards and requirements, the Group conducts internal audit and management review on its environmental, occupational health and safety management system at least once a year. Quarterly internal audits and safety performance evaluations at each factory and assessments on labour security supervision would also be conducted.

To protect front-line employees, the Group proactively introduces safety equipment such as on-site industrial ventilation systems and "Emergency Eyewash", including use of low or non-toxic to replace highly toxic or toxic raw materials or corresponding items, formulation of the "FIH Detailed Table of Labour Protection Equipment Configuration for Each Position", enhancement of advocacy and training and establishment of 13 occupational health files, and installation of oil purification device in CNC workshop to improve the working environment of the workshop. The Group also regularly identifies potential occupational health and safety risks through third-party audits. To pursue due diligence, comprehensive security risk identification is carried out once a year. In addition, seminars on health and safety are organised to reinforce employee awareness of safety policies and capabilities in handling machinery and hazardous materials. Starting from September 1, 2022, the "New Security Law" was implemented with updated safety standards.

**Human Capital —
The Group's Greatest Asset**

The Group's
Value Chain

Community
Contribution

Appendix

Case study — Training on health and safety

To provide a safe and healthy workplace environment, the Group always provides health and safety training, aiming to enhance employee safety awareness and capabilities. To ensure our employees to be familiar with health and safety knowledge, the Group formulates training plans at the beginning of each year and conducts regular and pre-work trainings in accordance with said plan, including occupational health training, work-related injury prevention training, and other special trainings promoted by the Group. Besides, to further strengthen the responsibility of supervisors, supervisors' safety training will conducted at least once per year.

To ensure that employees can respond in a timely fashion upon occurrence of emergencies and avoid employee safety incidents, the Group conducted emergency drills to practice responses to team communication, emergency command, team action and response, emergency treatment, and production recovery processing capability.

Furthermore, in China factories, June is set as the "health and safety month" in an effort to promote the awareness and culture of health and safety in workplace. During that month, employees gathered to formulate the monthly health and safety plan, including summarizing the responsibility, enhancing the management, sharing the experience and knowledge of health and safety. Besides, the Group would also organise various types of safety trainings, safety knowledge quizzes through our WeChat official page and training courses.

The Group has been continuously devoted resources to automating various manufacturing tasks associated with its operations to improve industrial safety and occupational hygiene, such as using industrial manipulators and laser markings to replace manual polishing and marking operation, to enable our staffs to focus on high value-added elements in the manufacturing process. Across all of its facilities, the Group has continued to leverage automation and other innovative manufacturing technologies to replace high-risk or repetitive tasks and enable its employees to focus on high value-added elements in the manufacturing process. The Group regularly assesses potential occupational health and safety risks associated with the manufacturing process of new products to identify appropriate measures and procedures to ensure the health and safety of our employees. Particularly, the working hours and rest periods (or overtime pay and/or paid holidays in lieu) of the Group's employees follow the labour standards suggested in the RBA Code of Conduct and comply with applicable local laws and regulations. Working time arrangements are effectively managed to promote work-life balance among the Group's employees. Please refer to the Performance Data Table for more details.

Case study – Health and safety of employee

Taiwan

In Taiwan, while the local government imposed different kinds of safety regulations and guidelines and requirements to prevent outbreak of COVID-19 and the transmission of COVID-19 in the workplace, Taiwan office had made significant efforts to mitigate the effects of these measures and impacts on our operations through a combination of adjustments in our shift patterns, including flexible work arrangements, returning to office on alternate weeks, and allowing employees with COVID-19 symptoms to have work from home arrangements, so as to maintain a healthy workplace for employees while safeguarding the continuity of our operation.

The company also provides the Rapid Antigen Test (RAT) Kits to employees to monitor their health and safety. Epidemic policy information is provided to employee on a regular basis. Besides, an epidermic team has been established to convey information through multiple channels to our employees.

India

India site places great emphasis on training methods for its employees to achieve high skill level and improve productivity. India site takes various steps in this regard. Special attention is given for safety of employees by giving awareness in training to tackle COVID-19 situation. It also focuses on the employee welfare through various initiatives and programs. The employee welfare and facilities like canteen dorm, etc. are well above the industry standards in India. Carrier growth and increments offered by India site are always better than the industry benchmark which helps us to attract the best talent to the Company.

India site also gives lot of importance for Corporate Social Responsibility (CSR) by carrying out various community welfare initiatives. All applicable labour laws and factory laws are strictly followed. India's COVID-19 prevention processes helped to contain the virus spread and India site continues the endeavour to educate employees, vendors, and other personnel at the premises to observe the safety guidelines not only in factories, but also at their homes and public places.

COVID-19 task force is responsible for conducting audits on the various COVID-19 standard operating procedure in place, counselling employees for the need of maintaining COVID-19 protocols and continuing to help with the vaccination drives that have been planned at our sites. India site has made it mandatory for its new employees to produce vaccination certificate during the time of joining. The site continues to conduct regular temperature screening in factory entrances, periodical sanitisation in all areas of factory, regular mask distribution to all those who enter in buses and factories (shift in) and dormitories, awareness training and regular inspections/audits by EHS team.

**Human Capital —
The Group's Greatest Asset**

The Group's
Value Chain

Community
Contribution

Appendix

Vietnam

Fushan factory has coordinated with the government and strictly followed the guidelines to mitigate the risks. Employees went through regular Antigen and RT-PCR tests and were also supported with personal protection kits. Fushan also worked closely with government agencies to deploy regular vaccination campaigns to protect its employees and to ensure business continuity. A large percentage of total employees have received the third dose.

China

In the period of epidemic control, the factories in Mainland China provided nucleic acid testing services for employees on a regular basis, so as to take care of employees' healthy and provide proper medical care when they needed it. Our employees also build the volunteer service teams in China factories to assist in cleaning and disinfecting the working environment and dormitories, conducting nucleic acid testing, and delivering meals. The total number of volunteers is 779.

The COVID-19 pandemic has been making an enormous impact on the society and causing business disruptions. The Group has implemented comprehensive safety and hygiene measures to safeguard the continuity of our operation, meanwhile, to maintain a healthy workplace for employees. Since the happening of the outbreak, the Group established epidemic prevention team at each factory to manage the daily and sudden outbreak events. Furthermore, the Group also carried the cleaning and disinfection regularly in our factories, checked the daily temperature of employees and provided complimentary care packs of surgical face masks and Rapid Antigen Test (RAT) Kits on

a weekly basis to monitor the health and safety of our employees. Our mobile application will also release health protection and psychological counselling related articles regularly. Besides, if our employee is diagnosed with COVID-19, relevant epidemic prevention measures will be carried out to reduce the risk of virus transmission in our workplace. Diagnosed employees will be guaranteed of 7 days paid leave with relevant medical proof documents. Depending on the nature of business, special work arrangements such as work-from-home policy has been adopted to lower risk from commuting.

Care for Employees

The Group values the steady and harmonious labour relationship as the foundation for a sustainable development of an enterprise. In order to achieve and enhance the relationship, the Group has continuously invested in improving the infrastructure of manufacturing plants and the working environment for employees to support a healthy lifestyle and promote work-life balance lifestyle. In

September 2022, the labour union in Langfang organised several activities for employees who have provided long services to the Group in commendation for their long-term commitments and contributions to the Group. The Trade Union hosted a 2-day Gym Challenge in Fushan to promote health among colleagues.

Gym Challenge

The Group promotes several athletic events. In Vietnam, over 100 employees joined the "Gym Challenge" including planking, treadmill running, and weight pulling.

International Yoga Day

In India factories, employee care activities were organised, such as Mr. Foxconn Competition, International Yoga Day, and Cricket competition. Employees are encouraged to participate in various cultural, entertainment and sport activities organised by the Group according to their interests.

**Human Capital —
The Group's Greatest Asset**

The Group's
Value Chain

Community
Contribution

Appendix

Furthermore, the Group has always been committed to promoting the physical health, and mental health for our employees. In addition to daily medical and health supporting measures, regular physical and mental health workshops are also organised to help our employees to develop positive health values. During the Reporting Period, the Group organised 7 health workshops attended by 485 employees.

LaborRun 2022

To provide a balance among work, physical health, and mental health for our employees, as well as implement the family-friendly measures, the Taiwan plant joined the "LaborRun 2022" held by the local government, aiming to encourage our employees and their family to develop a healthy lifestyle. A total of 46 employees and their family members joined the event. Besides, to appreciate our employees and recognise their work, the Taiwan plant also provides some massage events for them to relieve stress and maintain a healthy life.

The Group's
Value Chain

THE GROUP'S VALUE CHAIN

The Group is actively engaged in the implementation of supply chain management and develop efficient long-term cooperative relationships with suppliers. With the risk assessments and audits verification in economic, environmental, and social aspects, the Group promotes sustainable development of our suppliers, thereby strengthening the resilience of supply chain, reducing operational risks, and fulfilling our sustainable management targets. All suppliers of the Group are required to comply with local laws and regulations, as well as Hon Hai Technology Group's Supplier Social and Environmental Responsibility Code of Conduct. Furthermore, the Group seeks to balance the economic and environmental benefits by fully considering social responsibility and environmental benefits during the procurement process and prioritizing the purchase of environmentally friendly products and services. The Group continues to optimize and improve our green procurement standards and management systems alongside with collaborating with upstream and downstream manufacturers to create a sustainable supply chain through environmental protection, energy conservation, carbon reduction, zero waste, and green product management.

Compliance with Relevant Laws and Regulations

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

Supply Chain Management

The Group has established ESG goals and targets on supplier management and continues to track the progress and achievements so as to improve supplier performance at each stage of supplier management.

Supply Chain Management ESG Goals and Targets	Progress in 2022
Assist at least 80% of high-risk suppliers (supplying hazardous chemicals) in obtaining ISO 45001 Certification.	85%
Conduct performance appraisals of specific supplier ESG items (including green products, social and environmental responsibilities, and carbon management), and increase coverage to 100%.	100%
Require full materials declarations by all key electronics suppliers on RoHS and REACH management platforms.	100%
By 2025, increase the number of specific electronics suppliers with Zero Waste to Landfill Operations certification (UL 2799) to at least 10.	7 suppliers
By 2025, increase the number of key electronics suppliers that commit to use 100% of renewable energies for production of FIH products to at least 15.	7 suppliers
Achieve 100% survey response rates regarding use of conflict minerals from suppliers to ensure that no conflict minerals are used.	100%
Increase to 90% of mechanical parts suppliers to be audited every 3 years.	97%

The Group adopts a circular mechanism for its supplier management processes, which consists of four major stages: regulatory compliance, risk assessment, audit verification, and continued improvement. The Group implements socially and environmentally responsible management structures in our supplier management processes and conducts data analysis of supplier compliance with social and environmental responsibilities in order to assist suppliers in reducing their vulnerabilities and thereby enhance their social and environmental performance.

Circular Mechanisms of Supplier Management Policies and Processes

STEP 01 Regulatory compliance	STEP 02 Risk assessment	STEP 03 Audit verification	STEP 04 Continuous Improvement
Implementation principles • RBA standards • Legal requirements • The Group Supplier Social and Environmental Responsibility Code of Conduct	**Implementation principles** • The Group use the Supplier Social and Environmental Responsibility Code of Conduct as a standard for self-assessment questionnaires (SAQ)	**Implementation principles** • Request supplier on-site audits • Improve defects	**Implementation principles** • Innovation and guidance
Management measures • Suppliers must sign and comply with relevant statements • Online learning	**Management measures** • Self-assessments and improvements • Risk assessments	**Management measures** • Audits • Improvement actions • Verification of improvement results	**Management measures** • Scorecard performance review • PSL/RSL selection • Freeze

1. **Regulatory Compliance**

   The Group performs in conformity with Hon Hai Technology Group's "Supplier Social and Environmental Responsibility ("SER") Code of Conduct ("SER CoC") and Supplier Green Management Requirements to serve as basic guidelines for all suppliers, and the CSR performance of suppliers is a fundamental criterion in the Group's selection process. The Group incorporates a list of environmental criteria into its procurement standards to ensure that suppliers observe sustainable supply chain practices and to support them in the implementation of such practices throughout the value chain. The Group requires its Procurement Division and all its over 1,400 suppliers to comply with the Group's SER guidelines and to adhere to and implement the following policies:

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

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

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

   In addition, suppliers must sign a declaration form committing themselves to adherence to the social, environmental, and ethical standards outlined in the RBA Code of Conduct, the Hon Hai Technology Group's Standards of Environmental Protection Technology, and the Garmin Conflict Minerals Statement.

2. Risk Assessment

The Group's existing suppliers are required to have a sustainable and hazardous materials and product management system in place, with third-party certification, so that they can observe sustainable supply chain practices and implement such practices throughout the value chain, from product sourcing to risk management and auditing.

New supplier evaluations are an important part of our management system. The Group collects the following information from new suppliers: basic information cards, component recognition certificates, environmental protection and social responsibility commitments, and due diligence for conflict minerals. The Group then use our Supplier Evaluation System to conduct ESG risk assessments of supplier quality, green products, social and environmental responsibility, and product environmental impact to determine risk levels, the production capacities of new suppliers, and their enthusiasm for transactions with the Group on an annual basis along with continuous on-site supplier audits. In 2022, all of our new suppliers in the electronics procurement category passed environmental and social selection standards.

Group Supplier Risk Assessment Processes

1. Need for new suppliers
2. Supplier confirmation
3. Sign statement of commitment
4. Respond to sustainability commitment
5. Periodic assessments and audits

3. Audit Verification

The Group conducts quality, process, social and environmental responsibilities, green products, and greenhouse gas audits for medium- and high-risk suppliers. Audit or post-audit improvement results must meet the requirements of the Group before suppliers can be included in our list of qualified suppliers. The Group also increases management oversight for our top 15 suppliers in the commodity category and suppliers that were not designated by our clients. Regular online surveys and on-site audits of suppliers are conducted through our supplier management platform. If zero-tolerance deficits are found during audits, suppliers will lose the right to be selected for new cases; for non-zero-tolerance deficits, suppliers will be allowed to provide improvement plans and measures within a stipulated deadline based on the severity of the deficit. Reviews are carried out for serious issues. Suppliers who do not complete improvements within allotted times will be included in our list of suppliers restricted for poor performance.

In the reporting period, the Group conducted audits on a total of 81 major suppliers. Audit results for these suppliers only contained non-zero-tolerance deficits, and improvement plans and measures were required within a time limit. The Group will continue to track and improve upon these supplier deficits.

Suppliers are strictly prohibited from conducting any of the following zero-tolerance actions:

- Use of child labor
- Use of forced labor/prison labor
- Discharge of untreated toxic and hazardous substances or materials
- Actions and working environments that can cause immediate physical harm to employees
- Providing false information to the Group
- Retaliation against employees who provide factual information

ESG-Related Basic Requirements for New Suppliers

Management System
Passed ISO 14001, ISO 45001, ISO 14064, and QC 080000 system certification

ESG Risk Assessment
Working hours, salary and benefits, environmental assessment approval, environmental violations, dangerous procedures, and management systems

ESG Audit
The Group uses the RBA VAP Audit Checklist when conducting audits

Human Capital —
The Group's Greatest Asset

**The Group's
Value Chain**

Community
Contribution

Appendix

4. Continuous Improvement

The Group requires suppliers to improve upon audit deficits and uses the Scorecard system to conduct effective monitoring of supplier performance. Via a Scorecard Platform that awards or deducts points depending on performance, suppliers are incentivized to raise their standards to meet the Group's needs using a progressive grading methodology. Based on their performance, suppliers are included in the Group's "Approved Supplier List", "Preferred Supplier List (PSL)" and "Rejected Supplier List (RSL)", which are updated periodically.

The Group assists suppliers in implementing improvements. If suppliers do not complete improvements within stipulated time limits following guidance provided by the Group, the Group may consider reducing and restricting the use of the supplier for new cases or even cancel the collaborative relationship.

Supplier performance (Scorecard) review

Quality   Costs   Delivery   Service
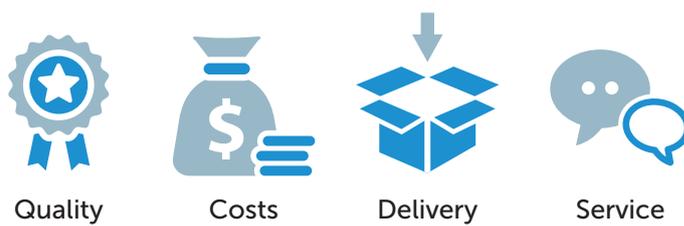
Social and environmental responsibilities
- CSR management system
- Audit results and improvement of non-compliance items
- Survey of conflict minerals
- Energy and carbon reduction and management of hazardous materials

Average six-month total scores ≥70	Average six-month quality scores ≥70	Supplier's GP risk is low	Supplier's financial risk is low	Not listed as RSL over past year

PSL
(Preferred Supplier List)

- Allocate higher proportion of orders
- Recommendation for new ODM projects
- The Group strategic partner

A score of <60 on one or more items for three consecutive months	or	Major quality, GP, and CSR abnormalities	or	Failure to pass audits or non-improvement of major defects

RSL
(Restricted Supplier List)

- Reduction of orders
- Prohibition of usage in new ODM projects
- Freeze

The group attaches great importance to the relationships with the suppliers, engages the suppliers throughout the year in many forms and different levels, and aims to create an environment in which its suppliers and strategic partners have the opportunity to build better working relationships. In the reporting period, the Group hosted annual supplier conference and with the suppliers our important policies, values, and plans.

Sustainable Product Management

The Group's commitment to sustainability can be seen across its entire supply chain, from product design to material sourcing and procurement measures. The Group has set up specialised divisions to study the environmental requirements of regulators, customers, industry and other key stakeholders, including compliance with the "Product Quality Law of the People's Republic of China", the European Union's "Restriction on Hazardous Substances Directive" (RoHS) and the European Union's Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) Regulation, restrictions on the use of conflict minerals as well as Halogen-Free (HF) certifications and GHG emission reduction expectations. The results of these efforts are translated into actionable internal measures that can be integrated and applied within the Group's operations.

The Group formulated several measures to enable employees to better use and store chemicals, to protect the life and property safety of the company's employees, and to prevent accidents, including the "Specification for Safety Management of Hazardous Chemicals", "Specifications for Chemical Substance and Materials Management ", and "MSDS (Material Safety Data Sheet) Management Process". The Group has also developed the "Specification for Chemical Substance Replacement "and "Specification for Chemical Substance Classification Management "to gradually implement substitution of hazardous substances, protect the health and safety and property of the Group's personnel, avoid endangering the natural environment.

Under the Design for Environment programme set up by the Hon Hai Technology Group, the Group integrates five key principles — environmentally friendly, energy and resource efficiency and reduction, recyclability, and ergonomics — into its product design process. The Group requires suppliers to ensure that downstream suppliers fulfil obligatory requirements to restrict the use of toxic and hazardous substances, encourage the deployment of GHG emission reduction solutions and other environmentally friendly practices, and bolster capabilities in making eco-friendly products. It also monitors all aspects of the operations process via systematic platforms to ensure alignment with sustainability such as using recyclable materials wherever possible. If the Group's customers suspect any environmental-abnormal substances/materials in the products, the Group will immediately upon notification initiate its recall procedures which provide for (among other things) the segregation of the suspected products, inventory, and substances/materials for further investigations.

Human Capital —
The Group's Greatest Asset

The Group's
Value Chain

Community
Contribution

Appendix

Responsible Mineral Procurement Management

Adhering to international standards, governmental and non-governmental regulations on conflict minerals as well as the Hon Hai Technology Group's approach to responsible mineral procurement management, the Group does not accept, and does not use, conflict minerals in its operations. The Group does not directly purchase raw materials from smelters or refineries, but purchases components that possibly contain conflict minerals. To fulfil our social responsibilities, the Group avoids minerals sourced from high-risk conflict and human rights disaster areas in the Democratic Republic of Congo and its surrounding countries to reduce supplier management risks. The Group has established management processes for supplier procurement of responsible minerals and issued the "Statement on Responsible Mineral Procurement."

As the Group is the member of Hon Hai Technology Group, the Group requires suppliers to trace the origin of products potentially containing conflict minerals, including gold (Au), tantalum (Ta), tin (Sn) and tungsten (W), and to provide all relevant information regarding the sources of those minerals to the Group. New suppliers are also required to commit to the Environmental and Social Responsibility Pledge. In addition, the Group's downstream suppliers are required to fulfil their due diligence on conflict-free minerals pursuant to relevant international standards and regulations.

Flowchart of Management Operations for Conflict Minerals
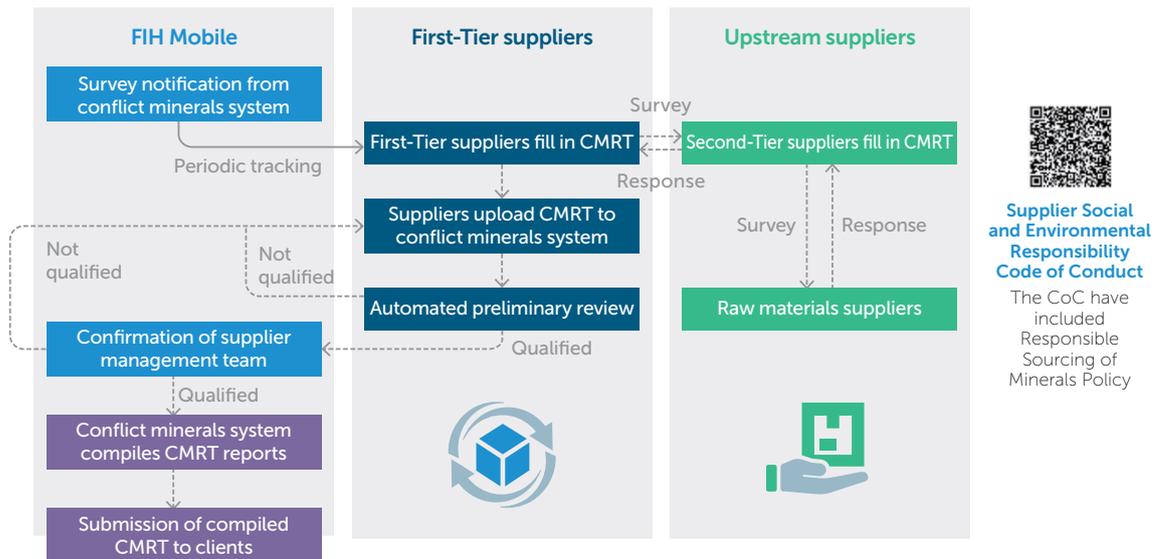
The Group has a management platform for conflict minerals. All our business units use this platform to collect, review, and compile supplier conflict minerals due diligence reports, and the data is stored and tracked over the long term. Platform data was used to develop a digital dashboard used for tracking supplier usage of conflict minerals and for disclosure to end customers. The Group have completed a total of 1,455 supplier survey through the Conflict Minerals Management System Platform since 2020, with the supplier response rate reaching 100%.

In the reporting period, the Group completed conflict minerals investigations for 426 suppliers through our conflict minerals management platform, and none of them use conflict minerals. The Group requires our suppliers to encourage non-RMAP smelters/refineries discovered during the course of these investigations to complete RMAP compliance within a specified time limit or face elimination from the supply chain. The Group didn't discover supplier products containing tantalum, tin, tungsten, gold, or cobalt from conflict areas and surrounding countries.

Community
Contribution

COMMUNITY CONTRIBUTION

The Group embraces a culture of sharing, giving, and community involvement. It participates extensively in social and community-based programs, such as sponsoring and hosting philanthropic activities and volunteer programmes. As a responsible corporate citizen, the Group is dedicated to fostering an inclusive community by providing support to the underprivileged and promoting care and respect for the poverty.

The Group has, in the financial year ended 31 December 2022, made donations for charitable or other purposes to a total amount of approximately US$330,000.

Caring for the Underprivileged

The Group recognises the importance of creating a caring environment and supporting the underprivileged in building a supportive community. With this in mind, the Group organised and participated in events which provided support to the underprivileged. During the Reporting Period, the Group donated mammography unit to Omandurar Medical College & Hospital, which benefited about 6 to 10 underprivileged women per day with breast cancer. Besides, medical equipment was donated to Chengalpattu Medical College & Hospital for the welfare of patients, attenders, faculty, staff and student's academic activities, in support of a range of local governments' special relief measures. In Sunguvarchatram, the Group conducted the installation of CCTV cameras in to ensure women's safety and road safety. Additionally, an Integrated Veterans Welfare Complex was built in Krishnagiri, Tamil Nadu. The Group also contributed some critical Medical Equipment to 7 Primary Health Centers in the rural areas of North Tamil Nadu.

The Group is dedicated to support education to the underprivileged families. To promote the reading skills of first-generation learners from the underprivileged families, the Group has set up the library in 5 government schools in Chennai.

Caring for People with Disabilities

The Group is dedicated to supporting different social segments in the communities that it serves. In November 2022, the Group partnered with the "愛盲土城工坊 (for visually impaired people)" and "愛不囉嗦 (for Down Syndrome people)" to organize a two-day charity sale event during Thanksgiving Day in Taiwan. All products are made with people with disabilities. The donation amount of the event was NTD 107,064 (US$3,517). The Group hopes to show supports and respects to people with disabilities through the support of our employees.

Two-day charity sale event during Thanksgiving Day in Taiwan

Human Capital —
The Group's Greatest Asset

The Group's
Value Chain

**Community
Contribution**

Appendix

Enhancing Well-being and Awareness of Hygiene

The Group created a washroom block facility for the schoolchildren in Kattimedu Village, India, in an effort to improve the health and hygiene of the underprivileged. Moreover, 100 adolescent girls and women in Ananthagiri have received nutrition and health services, as well as sanitary pads. Through these community events, the Group continues to demonstrate concern and support for the poor, thereby strengthening their well-being and hygiene awareness.

Monetary Community Investment Activities in India:

- Integrated Village Development Program: Project implementing by United Way of Chennai, registered NGO as Implementing agency.

- Relief Measures for Covid 19: Undertaken by the Company.

- Rescue and Rehabilitation of sexually exploited minor girls from traffickers: Project implemented by Prayas Juvenile Aid Centre, registered NGO as implementing agency.

- Kailash Satyarthi Children Foundation, registered NGO, to fight against Child abuse in India: Funds provided to NGO as one-time grant.

- Providing RO water units in 150 Schools in Andhra Pradesh: Project implemented by Connect to Andhra, registered government NGO as implementing agency.

- Provided Fund to NGO for supporting patient of Kidney Dilaysis: Funds provided to Tanker Foundation as one time grant.

PERFORMANCE DATA TABLE[vi][vii]

A. Environmental[viii][ix][x]

HKEX Key Performance Indicators "KPIs"	Unit	Year 2022	Year 2021	Year 2020
A1.1 The types of emissions and respective emissions data				
Nitrogen oxides (NOₓ) emissions[vi]	kg	33,154.72	32,739.29*	43,367.76*
Sulphur oxides (SOₓ) emissions[vi]	kg	15.95	8.96*	7.90*
Particulate matter (PM) emissions[vi]	kg	457.25	36.41*	82.00*
A1.2 Greenhouse gas emissions in total and intensity				
Scope 1 emissions	tCO₂e	22,174.32	25,031.72*	20,755.92*
Scope 2 emissions	tCO₂e	315,363.71	400,967.95*	614,702.93*
— in total (Scope 1 and 2 emissions)	tCO₂e	337,538.03	425,999.66*	635,458.85*
— in intensity (Scope 1 and 2 emissions)	tCO₂e/US$M	35.93	49.64*	71.12*
A1.3 Hazardous waste produced in total and intensity				
Chemical waste — Sludge				
— in total	tonnes	918.61	866.57*	1,525.32*
— in intensity	tonnes/US$M	0.10	0.10	0.17
Chemical waste — Waste oil				
— in total	tonnes	135.00	187.14*	268.79*
— in intensity	tonnes/US$M	0.01	0.02	0.03
Fluorescent tubes				
— in total	kg	2,218.56	2,930.00*	320.00*
— in intensity	kg/US$M	0.24	0.34	0.04
Medical waste				
— in total	kg	2,500.40	4,516.70*	308.00*
— in intensity	kg/US$M	0.27	0.53	0.03

[vi]   As to the environmental KPIs, performance data are collected from the Group's operations in the PRC, India and Vietnam, whereas as to the social KPIs, performance data are collected from the Group's global operations.

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

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

[ix]   The 2020 and 2021 figures (marked with *) are corrected to reflect actual situation. The data that was not collected in 2020 and 2021 are presented as N/A.

[x]   The intensity is changed from "unit/Full-time Equivalent Employees (FTE)" to "unit/Revenue (US$ million)" in this reporting year. Referring to the disclosure made by Hon Hai, emission amounts are more closely linked to product sales than employee counts, the unit/revenue is therefore adopted. 2021 and 2020 data are restated by adopting the same methodology.

HKEX Key Performance Indicators "KPIs"	Unit	Year 2022	Year 2021	Year 2020
Other waste[xii]				
— in total	tonnes	391.47	615.28*	335.55*
— in intensity	tonnes/US$M	0.04	0.07	0.04
Packaging				
— in total	tonnes	43.91	78.14*	36.32*
— in intensity	tonnes/US$M	0.005	0.01	0.004
A1.4 **Non-hazardous waste produced in total and intensity**				
General waste				
— in total	tonnes	4,781.02	5,060.13*	8,804.17*
— in intensity	tonnes/US$M	0.51	0.59	0.99
Food waste				
— in total	tonnes	718.13	1,576.85*	1,274.02*
— in intensity	tonnes/US$M	0.08	0.18	0.14
Wastewater				
— in total	tonnes	1,062,767.20	1,087,115.99*	1,353,625.84*
— in intensity	tonnes/US$M	113.13	126.67	151.50
Materials recycled in total and intensity				
Food waste				
— in total	tonnes	1,182.00	N/A*	N/A*
— in intensity	tonnes/US$M	0.13	N/A*	N/A*
Biodegradable waste				
— in total	kg	30,840.35	N/A*	N/A*
— in intensity	kg/US$M	3.28	N/A*	N/A*
Metal				
— in total	kg	1,639,264.00	1,984,262.00*	2,002,394.00*
— in intensity	kg/US$M	174.50	231.20	224.11
Mixed recycle				
— in total	kg	2,463,314.03	3,059,753.67*	4,645,630.00*
— in intensity	kg/US$M	262.21	356.51	519.95
Nylon				
— in total	kg	1,386.00	3,910.50*	5,024.00*
— in intensity	kg/US$M	0.15	0.46	0.56
Paper				
— in total	kg	1,539,293.71	2,374,967.00*	3,825,341.00*
— in intensity	kg/US$M	163.85	276.72	428.14

[xii] Includes waste cloths, electronic waste, solvent, waste ink, cutting fluid, paint process wastewater, resin, acidic compounds, and alkaline compounds.

HKEX Key Performance Indicators "KPIs"	Unit	Year 2022	Year 2021	Year 2020
Plastic				
— in total	kg	4,111,281.77	4,392,541.00*	2,638,790.05*
— in intensity	kg/US$M	437.63	511.80	295.34
Wood				
— in total	kg	883,469.14	1,140,650.00*	1,231,160.00*
— in intensity	kg/US$M	94.04	132.90	137.79
Materials reused in total and intensity				
Plastic pallet				
— in total	kg	379,062.82	263,335.00*	336,245.00*
— in intensity	kg/US$M	40.35	30.68	37.63
Wooden pallet				
— in total	kg	578,435.00	973,079.00*	639,240.00*
— in intensity	kg/US$M	61.57	113.38	71.55
A2.1 Energy consumption by type in total and intensity				
Purchased electricity				
— in total	'000 kWh	328,085.19	429,273.42*	665,297.30*
— in intensity	'000 kWh/US$M	34.92	50.02	74.46
Fuel (Diesel, Petrol, LPG[xiii] and PNG[xiv])				
— in total	'000 kWh	56,711.37	66,114.98*	84,525.02*
— in intensity	'000 kWh/US$M	6.04	7.70	9.46
Purchased steam				
— in total	'000 kWh	92,950.82	87,450.85	106,674.27
— in intensity	'000 kWh/US$M	9.89	10.19	11.94
Renewable energy — solar				
— in total	'000 kWh	11,230.77	10,487.16	11,792.28
— in intensity	'000 kWh/US$M	1.20	1.22	1.32
Renewable energy — wind				
— in total	'000 kWh	10,282.20	2,292.04	1,593.59
— in intensity	'000 kWh/US$M	1.09	0.27	0.18
A2.2 Water consumption in total and intensity				
— in total	m³	3,568,005.73	5,203,598.60*	6,764,012.02*
— in intensity	m³/US$M	379.80	606.30	757.05

[xiii]   LPG: Liquefied petroleum gas.

[xiv]   PNG: Piped natural gas.

B. Social

HKEX Key Performance Indicators "KPIs"	Unit	Year 2022	Year 2021	Year 2020
Employment and Labour Practices[xv]				
B1.1[xvi] **Total workforce by gender**				
Male	No. of people	23,333	41,486	34,214
Female	No. of people	20,722	32,507	36,167
Total workforce by employment type				
Full-time	No. of people	28,824	47,091	50,394
Part-time/Temporary	No. of people	15,231	26,902	19,987
Total workforce by age group				
Under 30	No. of people	21,290	42,321	44,915
30–50	No. of people	21,950	30,897	24,829
Above 50	No. of people	815	775	637
Total workforce by geographical region				
In alphabetical order				
Brazil	No. of people	0	5	5
Hong Kong Special Administrative Region of the PRC	No. of people	9	9	9
India	No. of people	9,791	14,995	18,578
Mexico	No. of people	913	1,319	1,788
PRC	No. of people	27,592	51,071	42,998
Taiwan	No. of people	1,194	1,335	1,191
The United States of America	No. of people	303	185	179
Vietnam	No. of people	4,253	5,074	5,633

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

[xvi] The total workforce is presented as of 31 December 2022.

HKEX Key Performance Indicators "KPIs"	Unit	Year 2022	Year 2021	Year 2020
B1.2[xvii] **Employee turnover rate by gender**				
Male	%	74.00	41.27	112.07
Female	%	59.10	28.48	47.58
Employee turnover rate by age group				
Under 30	%	126.24	38.72	89.48
30–50	%	38.45	31.75	61.31
Above 50	%	18.07	23.61	21.35
Employee turnover rate by geographical region				
In alphabetical order				
Brazil	%	0	0	0
Hong Kong Special Administrative Region of the PRC	%	0	0	22.22
India	%	69.92	7.14	2.58
Mexico	%	76.78	134.19	96.87
PRC	%	71.53	42.99	120.63
Taiwan	%	14.42	12.06	8.82
The United States of America	%	30.23	30.27	11.17
Vietnam	%	62.87	27.00	23.84
B2.1[xviii] **Number and rate of work-related fatalities occurred in each of the past three years**				
— By number	No. of people	0	0	4
— By rate	%	0	0	0.006

[xvii] Full-time employees only, exclusive of part-time/temporary employees. Turnover includes voluntary resignation or retirement and termination due to dismissal or death. The turnover rates in 2020 were updated according to HKEX's Appendix 3: Reporting Guidance on Social KPIs.

[xviii] Full-time employees only, exclusive of part-time/temporary employees.

HKEX Key Performance Indicators "KPIs"		Unit	Year 2022	Year 2021	Year 2020
B2.2[xix]	Lost days due to work injury				
	— Days	Days	2,386.4	1,524.5	1,711.00
B3.1[xx]	The percentage of employees trained by gender				
	Male	%	52.96	56.07	46.24
	Female	%	47.04	43.93	48.88
	Total	%	100	100	100
	The percentage of employees trained by employee category				
	Senior Management	%	1.77	1.07	0.96
	Middle Management	%	21.85	16.38	16.03
	General Staff	%	76.37	82.56	78.12
	Total	%	100	100	100
B3.2[xxi]	Average training hours completed per employee by gender and employee category				
	Male	Hours	72.74	41.85	39.73
	Female	Hours	54.01	51.64	31.88
	Senior Management	Hours	58.44	49.39	71.26
	Middle Management	Hours	148.98	71.30	64.24
	General Staff	Hours	39.72	41.12	29.40
	Total	Hours	63.93	46.15	35.70
Operating Practices					
B5.1	Number of top 100 suppliers by geographical region[xxii]				
	(in terms of the locations of the suppliers' respective headquarters)				
	In alphabetical order				
	Cyprus	No. of suppliers	1	1	1

[xix]   Count of lost days begins with over 3 consecutive lost days.

[xx]   Full-time employees only, exclusive of part-time/temporary employees. The percentages of employees trained by gender in 2020 and 2021 were updated according to HKEX's Appendix 3: Reporting Guidance on Social KPIs.

[xxi]   Full-time employees only, exclusive of part-time/temporary employees. The average training hours completed of total employees in 2020 and 2021 were updated according to HKEX's Appendix 3: Reporting Guidance on Social KPIs.

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

HKEX Key Performance Indicators "KPIs"	Unit	Year 2022	Year 2021	Year 2020
Hong Kong Special Administrative Region of the PRC	No. of suppliers	21	20	15
India	No. of suppliers	10	6	6
PRC	No. of suppliers	34	31	43
Singapore	No. of suppliers	3	6	2
South Korea	No. of suppliers	2	2	2
Taiwan	No. of suppliers	24	24	20
The United States of America	No. of suppliers	3	9	6
Vietnam	No. of suppliers	2	0	0
B6.2 **Number of product- and service-related complaints received**				
	No. of cases	89	0	10
B7.1 **Number of concluded legal cases regarding corrupt practices brought against the Group or its employees and outcomes of the cases**				
	No. of cases	0	0	0

RELEVANT LAWS AND REGULATIONS

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

Aspect A1: Emissions

Air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste

PRC: the "Environmental Protection Law of the People's Republic of China", the "Energy Conservation Law of the People's Republic of China", the "Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution", the "Law of the People's Republic of China on the Prevention and Control of Water Pollution", the "Law of the People's Republic of China on the Prevention and Control of Environmental Pollution Caused by Solid Waste"[xxiii], the "Law of the People's Republic of China on the Prevention and Control of Soil Pollution" and the "Regulations on the Administration of Pollutant Discharge Permits"[xxiv].

India: the "Factories Act", the "E-Waste (Management) Rules", the "Hazardous and Other Wastes (Management and Transboundary Movement) Rules", the "Environment Protection Act", the "Environment Protection Rules", the "Environment Impact Assessment Notification", the "Bio-Medical Waste (Management) Rules", the "Batteries (Management and Handling) Rules", the "Factories Rules", the "Water (Prevention and Control of Pollution) Act", the "Plastic Waste (Management) Rules", the "Manufacture, Storage, and Import of Hazardous Chemical Rules", the "Air (Prevention and Control of Pollution) Act", the "Public Liability Insurance Act", the "Petroleum Act", the "Petroleum Rules", the "Atomic Energy Act" and the "Atomic Energy (Radiation Protection) Rules".

Vietnam: the "Law on Environmental Protection No. 72/2020/QH14" with effect from 1 January 2022, the "Decree No. 08/2022/ND-CP on Detailing of a number of Articles of the Law on Environmental Protection" with effect from 10 January 2022, the "Decree No. 06/2022/ND-CP with effect from on 7 January 2022 on mitigation of Greenhouse Gas (GHG) emission and Protection of Ozone Layer, Circular No. 02/2022/TT-BTNMT, with effect from 10 January 2022 on Detailing of a number of Articles of the Law on Environmental Protection and Decree No. 08/2022/ND-CP, Decision No. 01/2022/QD-TTg with effect from 18 January 2022 on Issuing a list of Sectors and Establishments Emitting Greenhouse Gases that must carry out audit of Greenhouse Gases, the "Decree No. 45/2022/ND-CP with effect from 07 July 2022 on Penalties for Administrative Environmental Protection Offenses with effective from 25 August 2022, the "Decree No.53/2020/ND-CP on Environmental Protection Charge for Wastewater", the "Decree No. 80/2014/ND-CP on the Drainage and Treatment of Wastewater".

[xxiii]   The "Law of the People's Republic of China on the Prevention and Control of Environmental Pollution Caused by Solid Waste" was amended on 29 April 2020 and such amendments became effective on 1 September 2020, beefing up certain requirements on prevention of pollution caused by solid wastes.

[xxiv]   The "Regulations on the Administration of Pollutant Discharge Permits" was promulgated on 24 January 2021 and came into force on 1 March 2021, which established a comprehensive licensing management system that captures water, air, soil, solid waste and other pollutants, imposed more severe penalties on the violators, and provided that criminal liabilities may be pursued for severe violations. On the other hand, the "Regulations on the Administration of Pollutant Discharge Permits" streamlined administrative procedures and reduced the burden of the enterprises, especially those with insignificant pollutant discharges.

Foreword

Sustainability
Governance

Our Approach to
Sustainability

Environmental
Stewardship

Aspect B1: Employment	Aspect B4: Labour Standards
Compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	Preventing child and forced labour

PRC: The "PRC Civil Code", the "Labour Law of the People's Republic of China", the "Provisions on Prohibition of Child Labour of the People's Republic of China", the "Labour Contract Law of the People's Republic of China", the "Social Security Law of the People's Republic of China", the "Regulation on the Administration of Housing Accumulation Funds", the "Interim Regulation on the Collection and Payment of Social Insurance Premiums", the "Interim Provisions on Labour Dispatch" and the "Trade Union Law of the People's Republic of China", and the "Law of the People's Republic of China on the Protection of Women's Rights and Interests"

India: the "Factories Act", the "National and Festival Holiday Act", the "Contract Labour (Regulation and Abolition) Act", the "Minimum Wages Act", the "Payment of Wages Act", the "Payment of Bonus Act", the "Equal Remuneration Act", the "Trade Unions Act", the "Industrial Employment (Standing Orders) Act", the "Industrial Disputes Act", the "Bonded Labour System (Abolition) Act", the "Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act", the "Employees' Compensation Act", the "Employees' Provident Funds and Miscellaneous Provisions Act", the "Employees' State Insurance Act", the "Maternity Benefit Act", the "Payment of Gratuity Act", the "Building and Other Construction Workers Welfare Cess Act", the "Labour Laws (Exemption from Furnishing Returns and Maintaining Registers by Certain Establishments) Act", the "Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act", the "Passport (Entry into India) Act", the "Foreigners Act", the "Registration of Foreigners Act", the "Registration of Foreigners Rules", the "Apprentices Act", the "Rights of Persons with Disabilities Act", the "Child and Adolescent Labour (Prohibition and Regulation) Act", the "Transgender Persons (Protection of Rights) Act" and the state-specific labour welfare fund acts.

Vietnam: the "Labour Code No. 45/2019/QH14" with effect from 1 January 2021, the "Decree No. 135/2020/ND-CP on Retirement Age" with effect from 1 January 2021, the "Decree No. 145/2020/ND-CP on Detailing and Guiding the Implementation of the Labour Code on Working Conditions and Labour Relations" with effect from 1 February 2021, the "Decree No. 152/2020/ND-CP on Foreign Workers Working in Vietnam and Recruitment and Management of Vietnamese Workers Working for Foreign Employers in Vietnam" with effect from 15 February 2021, the "Circular No. 09/2020/TT-BLDTBXH on Elaborating some Articles of the Labor Code on Minor Workers" with effective on March 15 2021, the "Circular No. 10/2020/TT-BLDTBXH on Elaborating and Guiding Certain Articles of the Labor Code Concerning Employment Contracts, Collective Bargaining Council and Jobs with Hazards to Reproductive Function and Children Raising" with effective on January 1 2021, the "Circular No. 11/2020/TT-BLDTBXH on Promulgating List of Arduous, Hazardous and Dangerous Occupations and Works, and Extremely Arduous, Hazardous and Dangerous Occupations and Works" with effective from March 01, 2021, the "Law on Social Insurance No. 58/2014/QH13", the "Decree No. 58/2020/ND-CP on Rates of Compulsory Insurance Contributions to the Occupational Accident and Disease Benefit Fund", the "Decree

No. 143/2018/ND-CP Elaborating on Law on Social Insurance and Law on Occupational Safety and Hygiene regarding Compulsory Social Insurance for Employees who are Foreign Nationals Working in Vietnam", the "Law on Employment No. 38/2013/QH13", the "Decree No. 28/2015/ND-CP on Detailing the Implementation of a Number of Articles on Unemployment Insurance of the Law on Employment", the "Circular No. 28/2015/TT-BLDTBXH on Guiding Article 52 of the Law on Employment and the Decree No. 28/2015/ND-CP", the "Law on Health Insurance No. 25/2008/QH12", the "Law Amendments to the Law on Health Insurance No. 46/2014/QH13", the "Decree No. 115/2015/ND-CP on Guiding the Law on Social Insurance regarding Compulsory Social Insurance", the "Circular No. 59/2015/TT-BLDTBXH on Guiding the Law on Social Insurance on Compulsory Social Insurance" and the "Decree No. 12/2022/ND-CP on Administrative Penalties for Violations arising from Labour, Social Insurance and Sending Vietnamese Workers Abroad under Contracts" with effect from 17 January 2022.

Aspect B2: Health and Safety

Providing a safe working environment and protecting employees from occupational hazards

PRC: The "PRC Civil Code", the "Work Safety Law of the People's Republic of China"[xxv], the "Law of the People's Republic of China on the Prevention and Control of Occupational Diseases", the "Fire Protection Law of the People's Republic of China"[xxvi] and the "Criminal Law of the People's Republic of China"[xxvii].

India: the "Factories Act", the "Tamil Nadu Fire Service Rules", the "Air (Prevention and Control of Pollution) Act", the "Water (Prevention and Control of Pollution) Act", the "Tamil Nadu Factories Rules", the "Tamil Nadu Lift and Escalators Rules", the "Employees' Compensation Act", the "Explosive Rules", the "Tamil Nadu Manual Workers (Regulation of Employment and Conditions of Work) Act", the "Explosives Act", the "Boilers Act", the "Epidemic Diseases Act", the "Disaster Management Act" and the "Disaster Management (National Institute of Disaster Management) Rules".

[xxv] The "Work Safety Law of the People's Republic of China" was amended on 10 June 2021 and became effective on 1 September 2021, which improves the work safety responsibility system and imposes more stringent penalties on relevant illegal activities (in the event of an extremely serious accident, the fine imposed on the liable entity may be up to RMB 100 million).

[xxvi] The "Fire Protection Law of the People's Republic of China" was amended and became effective on 29 April 2021, but the amendments would not have much impact on our business operation.

[xxvii] The Amendment (XI) to the Criminal Law of the People's Republic of China was passed on 26 December 2020 and became effective on 1 March 2021. The Amendment (XI) raised higher requirements on the work safety of enterprises, added the crime of dangerous operation in the field of work safety which stipulated for the first time that the criminal liabilities shall be pursued for the illegal activities with real danger even though no casualty/death accidents or other serious consequences have occurred.

Vietnam: the "Law on Occupational Safety and Hygiene No. 84/2015/QH13", the "Decree No. 39/2016/ND-CP on Detailing the Implementation of some Articles of the Law on Occupational Safety and Sanitation" with effect from 1 July 2016, the "Decree No. 88/2020/NĐ-CP on Elaborating some Articles of the Law on Occupational Safety and Health on Compulsory Insurance for Occupational Accidents and Occupational Disease with effect from 15 September 2020, the "Circular No. 29/2021/TT-BLDTBXH on Work Classification Standards based on Working Conditions", the "Circular No. 36/2019/TT-BLDTBXH on Promulgating the List of Machinery, Equipment, Materials and Substances Subject to Strict Occupational Safety and Health Requirements", the "Decree No. 23/2018/ND-CP on Compulsory Fire and Explosion Insurance" as amended by the "Decree No. 97/2021/ND-CP" with effect from 23 December 2021, the "Circular No. 06/2020/TT-BLDTBXH on Promulgation of List of Occupations Bound by Strict Requirements for Occupational Safety and Health", the "Decree No. 58/2020/ND-CP on Regulating Rates of Compulsory Insurance Contributions to the Occupational Accident and Disease Benefit Fund", the "Law on Fire Prevention and Fighting No. 27/2001/QH10", the "Law Amending and Adding a number of Articles of the Law on Fire Prevention and Fighting No. 40/2013/QH13", the "Labour Code No. 45/2019/QH14", the "Decree No. 145/2020/ND-CP" as more particularly described above, the "Circular No. 18/2021/TT-BLDTBXH on Regulations for Hours of Work and Hours of Rest Applicable to Employees Doing Seasonal Production Work and Processing of Goods under Orders" with effect from 1 February 2022, the "Circular No. 04/2014/TT-BLDTBXH on Guiding Implementation of Regulations on Personal Protective Equipment", the "Circular No. 14/2013/TT-BYT on Guiding Medical Examination", the "Circular No. 25/2013/TT-BLDTBXH on Provision of Perquisites for Workers in Harmful or Dangerous Environments", the "Decree No. 144/2021/ND-CP for Regulations on Sanction of Administrative Violation in Social Security, Order and Safety, Prevention and Fighting of Social Evils, Fire, Rescue and Domestic Violence" with effect from 1 January 2022.

Aspect B6: Product Responsibility

Health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress

PRC: The "PRC Civil Code", the "Product Quality Law of the People's Republic of China" , the "Trademark Law of the People's Republic of China" and the "Advertising Law of the People's Republic of China"[xxviii].

India: the "Bureau Indian Standards Act", the "Legal Metrology (Packaged Commodities) Rules", the "Legal Metrology Act", the "Intellectual Property Rights (Imported Goods) Enforcement Rules", the "Customs Act", the "Consumer Protection Act", the "Customs (Import of Goods at Concessional Rates of Duty) Rules", the "Information Technology Act", the "Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules", the "Copyright Act", the "Trademarks Act", the "Designs Act", the "Patents Act", the "Customs Tariff Act", the "Indian Telegraph Act", the "Indian Telegraph Rules", the "Indian Wireless Telegraph Act", the "Department of Telecommunications Notifications", the "Procedure for Mandatory Testing and Certification of Telecommunication Equipment", the "Bureau of Indian Standards Rules" and the "Indian Contract Act".

[xxviii] The "Advertising Law of the People's Republic of China" was amended and became effective on 29 April 2021, but the amendments would not have much impact on our business operation.

Human Capital —
The Group's Greatest Asset

The Group's
Value Chain

Community
Contribution

Appendix

Vietnam: The "Law on Product and Goods Quality No. 05/2007/QH12", the "Decree No. 119/2017/ND-CP on Penalties for Administrative Violations against Regulations on Standards, Measurement and Quality of Goods", the "Decree No. 43/2017/ND-CP on Good Labels", the "Law on Advertising No. 16/2012/QH13", the "Decree No. 38/2021/ND-CP on Prescribing Penalties for Administrative Violations involving Cultural and Advertising Activities", the "Law on Intellectual Property No. 50/2005/QH11", the "Law Supplementing the Law on Intellectual Property No. 36/2009/QH12", the "Law Amendments to some Articles of Law on Intellectual Property No. 42/2019/QH14", the "Decree No. 103/2006/ND-CP on Detailing and Guiding a number of Articles of the Law on Intellectual Property with respect to Industrial Property", the "Decree No. 122/2010/ND-CP of 31 December 2010, Amending and Supplementing a Number of Articles of the Government's Decree No. 103/2006/ND-CP of 22 September 2006, Detailing and Guiding a number of Articles of the Law on Intellectual Property regarding Industrial Property", the "Civil Code No. 91/2015/QH13" and the "Law on Cyber Information Security No. 86/2015/QH13".

Aspect B7: Anti-corruption

Bribery, extortion, fraud and money laundering

PRC: the "Interim Provisions of the State Administration for Industry and Commerce on the Prohibition of Commercial Bribery", the "Regulation of the State Administration for Industry and Commerce on Prohibiting Infringement upon Trade Secrets", the "Anti-Unfair Competition Law of the People's Republic of China", the "Anti-Money Laundering Law of the People's Republic of China" and the "Criminal Law of the People's Republic of China", and the "Anti-monopoly Law of the People's Republic of China" .

India: the "Prevention of Corruption Act", the "Benami Transactions (Prohibition) Act", the "Prevention of Money Laundering Act" and the "Indian Penal Code".

Vietnam: The "Law on Anti-Corruption No. 36/2018/QH14", the "Decree No. 59/2019/ND-CP Elaborating on a Number of Articles and Measures for Implementation of the Law on Anti-Corruption" as amended by the "Decree No. 134/2021/ND-CP" with effect from 15 February 2022, the "Law on Anti-Money Laundering No. 07/2012/QH13", the "Decree No. 116/2013/ND-CP on Detailing Implementation of a number of Articles of the Law on Anti-Money Laundering as Amended by Decree No. 87/2019/ND-CP", the "Criminal Code No. 100/2015/QH13" and the "Law on Amendments to the Criminal Code No. 12/2017/QH14".

HKEX ESG GUIDE CONTENT INDEX[xxix]

A. Environmental

HKEX KPI	Description	Page Number of this ESG Report/Remarks
A1 Emissions		
A1	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Environmental Stewardship, P.22–23; Relevant Laws and Regulations, P.71
A1.1	The types of emissions and respective emissions data	Refer to Performance Data Table
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Refer to Performance Data Table
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Refer to Performance Data Table
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Refer to Performance Data Table
A1.5	Description of emissions target(s) set and steps taken to achieve them	Environmental Stewardship, P.22–27
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them	Environmental Stewardship, P.24–30
A2 Use of Resource		
A2	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.	Environmental Stewardship, P.22–23
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility)	Refer to Performance Data Table
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility)	Refer to Performance Data Table
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them	Environmental Stewardship, P.22–27

[xxix]   This Content Index follows the version of the ESG Guide effective from 1 January 2022 onwards.

HKEX KPI	**Description**	**Page Number of this ESG Report/Remarks**
A2 Use of Resource		
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them	Environmental Stewardship, P.27–28
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	The Group generally utilises packaging materials for finished products in accordance with its customers' specific instructions and requirements, where the volume of packaging materials corresponds with the volume of finished products of its customers (particularly major customers) and hence revealed (indirectly one way or the other) commercially sensitive information of the Group and its customers. Accordingly, specific information on types and volume of materials used represents commercially sensitive information of the Group and its customers.
A3 The Environment and Natural Resources		
A3	General Disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources.	Environmental Stewardship, P.22–33
A3.1	Description of the significant impacts of activities on the environment and natural resources and actions taken to manage them	Environmental Stewardship, P.22–33
A4 Climate Change		
A4	General Disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Environmental Stewardship, P.31–33
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them	Environmental Stewardship, P.31–33

B. Social

HKEX KPI	Description	Page Number of this ESG Report/Remarks
B1 Employment		
B1	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Human Capital — The Group's Greatest Asset, P.38–43; Relevant Laws and Regulations, P.72–73
B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region	Refer to Performance Data Table
B1.2	Employee turnover rate by gender, age group and geographical region	Refer to Performance Data Table
B2 Health and Safety		
B2	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Human Capital — The Group's Greatest Asset, P.39, 44–45; Relevant Laws and Regulations, P.73–74
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	Refer to Performance Data Table
B2.2	Lost days due to work injury	Refer to Performance Data Table
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored	Human Capital — The Group's Greatest Asset, P.44–47
B3 Development and Training		
B3	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Human Capital — The Group's Greatest Asset, P.41–42
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	Refer to Performance Data Table
B3.2	The average training hours completed per employee by gender and employee category	Refer to Performance Data Table

HKEX KPI	Description	Page Number of this ESG Report/Remarks
B4 Labour Standards		
B4	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Human Capital — The Group's Greatest Asset, P.39–40; Relevant Laws and Regulations, P.72–73 Also, the Group abides by relevant employment ordinances and statutory requirements of Hong Kong. No relevant cases of non-compliance were recorded.
B4.1	Description of measures to review employment practices to avoid child and forced labour	Human Capital — The Group's Greatest Asset, P.39–40
B4.2	Description of steps taken to eliminate such practices when discovered	Human Capital — The Group's Greatest Asset, P.39–40
B5 Supply Chain Management		
B5	General Disclosure Policies on managing environmental and social risks of the supply chain.	The Group's Value Chain, P.52–53
B5.1	Number of suppliers by geographical region	Refer to Performance Data Table
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	The Group's Value Chain, P.53–59 As to the number of suppliers where the practices are being implemented, refer to Performance Data Table (B5.1).
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	The Group's Value Chain, P.53–59
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	The Group's Value Chain, P.53–58

HKEX KPI	Description	Page Number of this ESG Report/ Remarks
B6 Product Responsibility		
B6	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	The Group's Value Chain, P.13–14; Relevant Laws and Regulations, P.74–75
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	Due to the nature of the Group's business, this KPI is considered not material for the present purposes, particularly when the Group does not sell its products to end consumers directly.
B6.2	Number of products and service related complaints received and how they are dealt with	The Group's Value Chain, P.14 and refer to Performance Data Table
B6.3	Description of practices relating to observing and protecting intellectual property rights	The Group's Value Chain, P.13
B6.4	Description of quality assurance process and recall procedures	The Group's Value Chain, P.14
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored	The Group's Value Chain, P.13
B7 Anti-corruption		
B7	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	The Group's Value Chain, P.14–15; Relevant Laws and Regulations, P.75
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	Refer to Performance Data Table
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored	The Group's Value Chain, P.14–15
B7.3	Description of anti-corruption training provided to directors and staff	The Group's Value Chain, P.14
B8 Community Investment		
B8	General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Contribution, P.62
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	Community Contribution, P.62–63
B8.2	Resources contributed (e.g. money or time) to the focus area	Community Contribution, P.62–63