

FIT Hon Teng Limited

鴻騰六零八八精密科技股份有限公司

(Incorporated in the Cayman Island with limited liability under the name Foxconn Interconnect Technology Limited and carrying on business in Hong Kong as FIT Hon Teng Limited)

Stock Code : 6088

2024 ESG INSIGHT REPORT



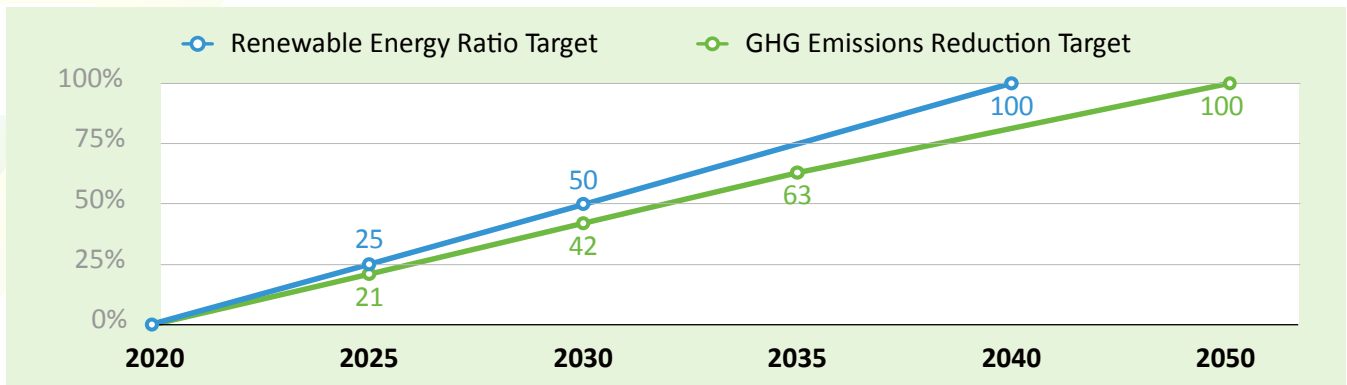
belkin

VOLTAIR

ENVIRONMENTAL

FIT is dedicated to upholding the core principle of "Green, Ecological, Natural, Zero Emissions, and Recyclability." We integrate environmental protection principles into our business operations, ensuring that our activities do not impose negative environmental impact. To achieve this, we have established ambitious sustainability goals and continuously strive to innovate and scale solutions. By investing in advanced equipment and technologies, we enhance resource utilization efficiency, thereby minimizing emissions, waste, energy consumption, water usage, and material consumption.

Net Zero Pathway



Environmental Management

The **ESG Committee**, operating at the Board level, is responsible for overseeing the development of ESG strategies, setting ESG targets, and defining strategic direction. The **Social and Environmental Responsibility (SER) Committee** operates at the management level overseen by the ESG Committee. The **Environmental Protection Committee**, a sub-committee, within the SER Committee has been established to oversee and coordinate environmental initiatives across all BUs of FIT.



The Environmental Protection Committee is responsible for setting energy-saving targets and proposing environmental strategies, and ensuring their seamless integration into FIT's operations. Additionally, committee members **collaborate with external stakeholders**, including environmental advocacy groups, industrial management units, and non-governmental organizations, to stay informed about existing and emerging environmental regulations.

Environmental Policy and Regulation Review Project

FIT's Environmental Protection and Management Policy is aligned with the requirements of the ISO 14001 Environmental Management System.

The “Environmental Policy and Regulation Review Project” initiative enables us to comprehensively understand and analyze carbon, waste, and emissions regulations across various countries, with a particular focus on carbon management.

The findings from this project guide the prioritization of environmental related matters, which are then translated into short, medium, and long-term goals. These goals serve as the foundation for formulating our overarching environmental strategies.

Subsequent Planning: Regularly update the regulations and risk alerts for each location and facility based on the results of this matrix and list to achieve bidirectional management outcomes.

In Alignment with Hon Hai

FIT actively collaborates with Hon Hai to exchange insights and learn from shared experiences. Hon Hai organized a training session focused on energy efficiency monitoring, energy audits, equipment updates, and energy-saving retrofits in Mainland China and provided clear and comprehensive guidance for FIT to plan its work in 2025.

Hon Hai mandates that FIT regularly reports and uploads its monthly environmental data to a digital platform for effective tracking and monitoring.

FIT and Subsidiaries

FIT

COP 29 Participation by FIT

In 2024, FIT’s representative participated in the 29th Conference of the Parties hosted by the United Nations Climate Change Conference. During the conference, our representative addressed critical topics such as the extension of corporate responsibilities and the promotion of the UNSDGs.



FIT's representative presented at COP29

Belkin

Global Headquarters LEED Certification

Belkin’s global headquarters in El Segundo, California, has achieved LEED Silver certification, reflecting the Company’s dedication to energy-efficient design and operational carbon reduction.

Belkin won the 10th annual Sustainability Leadership Award

Recognizing comprehensive environmental efforts and commitment to achieving 100% carbon neutrality by 2030. This is the sixth time Belkin has received this award.

FIT Voltaira

The Energy & Climate ("Next Terra") Working Group

FIT Voltaira environmental oversight is through a Global Energy and Climate Working Group.

This group is tasked with accelerating the implementation of energy efficiency and decarbonization projects while fostering collaboration across Voltaira’s global sites.

The organizational structure includes a steering committee that consists of COO and Global Sustainability Head.

Next Terra Project Kick-Off at Voltaira Vietnam Site

Voltaira – Vietnam pilot site for implementation.

Our comprehensive strategy includes:

- Program roadmap
- Energy management system certification
- Awareness activities
- Site energy weekly inspection
- Corporate and product-level carbon footprint accounting
- Value chain carbon footprint reduction program
- Carbon offsetting
- Performance monitoring and reporting
- Renewable energy investment and procurement
- Energy/water loss analysis
- Energy efficiency projects
- Clean fleet and transportation

Emphasise Sustainability Products

FIT's customers place significance on the co-promotion of ESG development within supply chains. FIT regularly participates in ESG training sessions organized by customers to gain deeper insights into their sustainability expectations and ensure integration of these expectations into our products and services. Additionally, FIT also submit production-related environmental data to customers' systems as required.

Looking ahead, we remain committed to expanding life cycle assessments ("LCA") across a broader range of products while developing solutions that optimize resource utilization, improve efficiency, enhance recyclability, and extend product lifespan—aligning with the core principles of a circular economy. For more detail, please refer to section "Belkin LCA and Scope 3 Tracking".

Committed Growth in EV Sector

FIT's business model has long incorporated expansion into the EV market, and is able to sustain its business advantages as well as proactively develop products in response to the major era of artificial intelligence ("AI"). FIT enhances its technological leadership through continuous research and development ("R&D"), strategic alliances, joint ventures, and targeted acquisitions to expand our technological applications. Committed to growth in the EV sector, FIT has significantly increased investments through the acquisition of Voltaira in 2023, and the acquisition of the Auto-Kabel Group by the end of the current fiscal year.

Environmental Certifications

Certifications	Kunshan		Zhenjiang	Taiwan	Huai'an	Shenzhen	Zhengzhou	Chongqing	Vietnam	USA	Germany
	Diancha	Dianfa	SSI	Hon Teng	Fu Yu	Fu Ding	Fu Ding	Hon Teng	Vietnam	Belkin	Voltaira
ISO 14064 GHG Emissions	✓	✓	✓		✓	✓	✓	✓		✓	
ISO 14001 Environmental Management System	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
ISO 50001 Energy Management System	✓	✓			✓			✓			✓

GHG Emissions

The "Exhaust Management and Control Operating System" requires BUs to establish air treatment facilities and perform annual emissions measurement and testing. BUs collaborate to verify pollutant concentration levels and air quality, ensuring alignment with the stipulations of Pollutant Discharge Permits. Throughout 2024, all sites have achieved satisfactory audit results.

GHG Unit: tCO ₂ e	2022	2023		2024 ¹	
		Location-based ²	Market-based ³	Location-based ²	Market-based ³
Scope 1	14,873.20	13,158.45		13,778.62	
Scope 2	245,927.63	243,883.04	226,004.45	356,872.11	262,753.82
Total	260,800.83	257,041.49	239,162.90	370,650.73	276,532.44
GHG emissions intensity Unit: tCO ₂ e/million USD	57.57	61.26	57.00	83.27	62.13

1. Majority of environment-related data for 2024 was captured through digital platforms. Because Voltaira's annual environmental data has been fully integrated since 2024, the absolute figures generally show an increase compared to prior years.
2. The calculation of Scope 2 GHG emissions (location-based) includes data related to the purchase of renewable energy through green certificates. However, it does not include data related to the direct purchase of green energy.
3. The calculation of Scope 2 GHG emissions (market-based) does not include data related to the purchase of renewable energy through green certificates or direct purchase of green energy.

Scope 3 Inventory and Audit

FIT

Since 2022, FIT has initiated a comprehensive Scope 3 carbon accounting project encompassing all its factories and subsidiaries. This effort has enabled the identification of key emission hotspots and facilitated collaboration with the procurement team to assess supplier carbon neutrality declarations, current carbon inventory processes, and related practices.

Scope 3 Carbon Inventory: 2020, 2021 completed; 2022, 2023 to be finalized by Q3 2025.

Belkin LCA and Scope 3 Tracking

Belkin has implemented advanced benchmarking methodologies, enabling comparisons of 2024 emissions data against both market-based and location-based approaches. Additionally, newly developed reporting tools have streamlined the collection of supplier and logistics data, improving efficiency and supply chain visibility.

Belkin has also strengthened supplier partnerships through Quarterly Business Reviews, fostering greater accountability and collaboration. These efforts focus on implementing GHG reduction strategies among suppliers and ensuring compliance with environmental regulations such as REACH and PFAS.

As part of Belkin's broader commitment to Scope 3 emissions, FIT Belkin conducts LCAs using its internal capabilities to measure environmental impacts across its value chain and product levels.

The LCA methodology follows the ISO 14040 and ISO 14044 standards, providing a structured approach to evaluate the life cycle of products. FIT Belkin closely monitors resource consumption, including energy, water, and materials, and links this data to specific products. This analysis offers critical insights into Scope 3 emissions from the initial product development to final delivery.

Voltaira

In October 2024, Voltaira launched its first Value Chain Carbon Accounting Project (Scope 3).

Voltaira organized a kick-off meeting, followed by discussion workshops and training sessions with leaders across various functions, including Purchasing, Supply Chain Management, Logistics, Operations, Engineering, Sales, Information Technology, and Finance. These sessions focused on refining data collection methodologies and identifying key sources of emissions, with the project placing a strong emphasis on prioritizing Scope 3 emissions.

Exhaust Emissions

Exhaust Gas Emissions	Units	2022	2023	2024
Hydrogen cyanide	Kg	156.56	129.98	129.78
Ammonia		334.84	427.91	452.89
Sulphuric acid mist		2,150.25	1,010.87	1,517.36
Hydrogen chloride		4,150.57	2,872.04	1,963.45
Chromic acid mist		5.90	4.84	5.15
Nitrogen oxide		7,602.73*	1,230.31	3,697.15

*Increase of Nitrogen oxide is due to emissions data from vehicles.

Energy Management

Electricity and Renewable Energy	Unit	2022	2023	2024
FIT's total electricity consumption	Thousand kWh	465,615	469,894	546,644
Electricity intensity	Thousand kWh/ Million USD	120.25	130.06	122.82
Renewable energy	Thousand kWh	148,407	182,532	187,054
Renewable energy ratio	%	31.87	38.85	34.22

Renewable Energy Initiatives – Solar Panel Installation

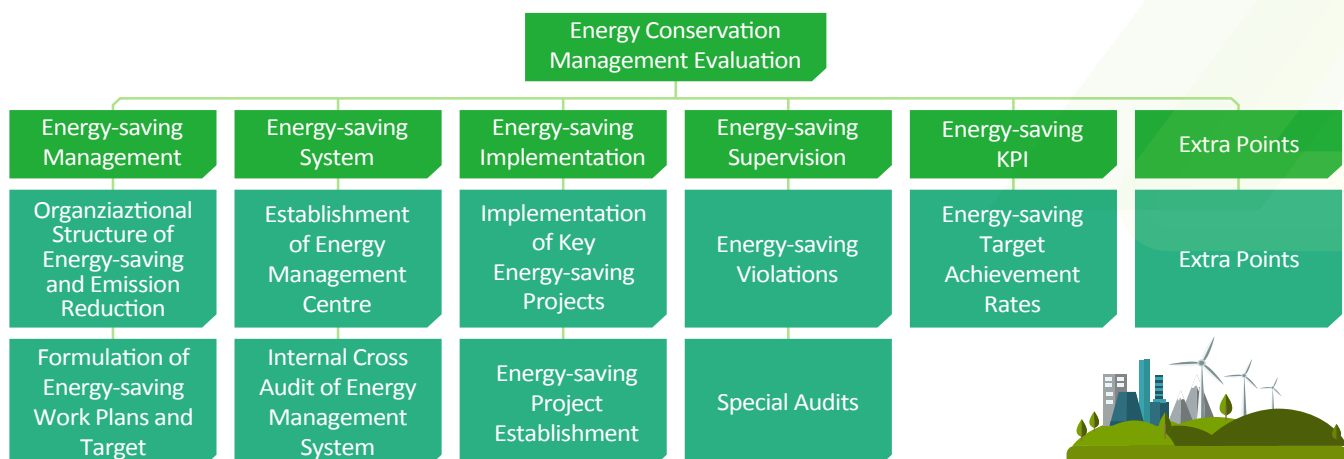
FIT Vietnam	Target 15% solar power generation by 2025
FIT Zhengzhou	Target 10% RE ratio, with planned construction of a 2.3MW solar station
Volterra Ukraine	Target 62% of daily electricity needs
Volterra Vietnam	Completed installation, achieving 18% reduction in grid electricity consumption compared to previous year
Volterra Mexico and Shanghai	Planned solar panel installation in 2025

Other Energy Consumption

	Unit	2022	2023	2024
Diesel (stationary combustion source)	Ton	3.82	53.95	81.68
Diesel (mobile combustion source)		162.64	22.40	32.19
Gasoline (stationary combustion source)		NA	NA	1.84
Gasoline (mobile combustion source)		230.236	241.465	387.49
LPG (stationary combustion source)		NA	NA	0.03
LPG (mobile combustion source)		NA	NA	0.003
Natural Gas	m ³	4,421,609.70	4,115,600.32	5,837,168.41
Steam	Ton	159,641.97	128,442.62	125,996.81

Energy Saving Management

Energy Conservation Management Evaluation is designed to motivate Business Units (BUs) to implement effective energy-saving measures through a structured reward mechanism, while simultaneously supporting FIT's centralized energy and emissions reduction planning. The evaluation is introduced in several of FIT's sites.



The "FIT Energy Saving and Carbon Reduction Plan 2023-2025" provides a systematic framework, outlining the work plans and schedules for each site to execute environmental initiatives across the four key aspects of

Industrial energy efficiency improvements **1**

Green manufacturing and energy management **2**

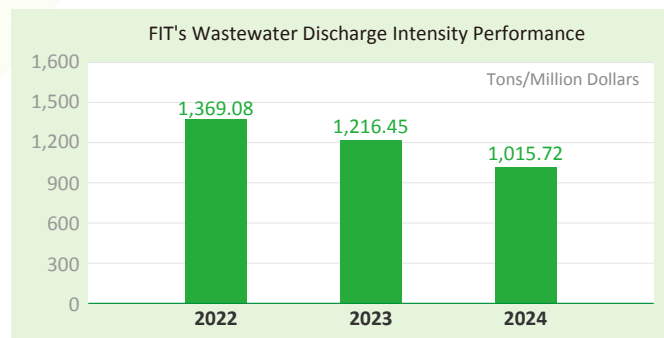
Carbon trading and GHG auditing **3**

Training and funding **4**

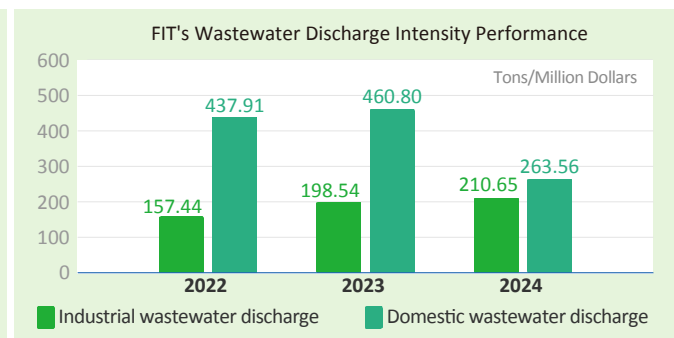
Water Management

All facilities employ appropriate and compliant methodologies for the treatment of both industrial and domestic wastewater. FIT's operations rely on water sourced from third-party suppliers and not from areas with water stress. Control valves have been installed to manage water flow and prevent excessive consumption. Additionally, FIT has designed and constructed zero wastewater discharge facilities during the establishment of its plants in Vietnam and India. This enhances the ratio of recycled water usage and reduces the reliance on municipal and groundwater.

Water Consumption



Wastewater Discharge



Waste Management

Each FIT site has implemented a comprehensive waste management and monitoring plan, governed by the "Waste Management and Control Operating System" and the "Hazardous Waste Management and Control Practice". These frameworks regulate the storage, treatment, and transportation of both hazardous and non-hazardous waste.

	Unit	2022	2023	2024
Intensity				
Hazardous waste intensity	Tons/ million USD	0.75	0.98	1.15
Non-hazardous waste intensity		5.01	6.75	5.30
Waste				
Hazardous waste	Ton	3,408.38	4,095.40	5,116.17
Non-hazardous waste		22,681.98	28,324.98	23,590.22
Total waste		26,090.36	32,420.38	28,706.39



UL 2799 Certification

Underwriters Laboratories (UL) 2799 certification is a Zero Waste to Landfill, the highest Platinum accreditation, with 100% waste diversion from landfill and/ or incineration, and less than 10% thermal processing and energy recovery.

● Shenzhen ● Kunshan Diancha ● Huai'an ● FIT Vietnam

Belkin

Belkin conducts comprehensive product assessments to ensure adherence to reuse, recycling, and recovery standards, in compliance with Waste Electrical and Electronic Equipment (WEEE) directive.

Belkin requires recyclers in United States to hold landfill-free certification. Belkin offers free recycling services in collaboration with SIMS Recycling for products in the US.

FIT Voltaira

Working towards "Zero Waste", setting recyclability rate of 75% for FIT Voltaira's Vietnam and India sites.

The Voltaira Vietnam site achieved an exceptional recycling rate of 79% by 2024.

SSI

Launched the Apple "Zero Waste to Landfill" Project.

2024 targets: 100% compliant disposal of both hazardous and non-hazardous waste, zero waste to landfill, and an 80% waste-to-energy conversion rate.

Packaging Material

Packaging Material	Unit	2022	2023	2024
Packaging materials total	Ton	27,842.78	28,892.73	47,465.14
Packaging materials density	Ton/million USD	6.15	6.89	10.66

Belkin

Belkin has successfully achieved an 89% reduction in single-use plastic packaging since 2019, surpassing the initial target of a 25% reduction by 2025.

FIT Voltaira

FIT Voltaira has implemented a series of impactful initiatives across its global operations:

- Returnable plastic bins
- Repurposing packaging material
- Sustainable packaging workshop



Biodiversity

FIT rigorously adheres to the "Hon Hai Technology Group Biodiversity and No Deforestation Commitment". FIT incorporates biodiversity considerations into its site assessment processes. In instances where operations must be conducted in areas identified as globally or nationally significant for biodiversity, FIT will implement comprehensive measures to avoid, minimize, restore, and/or offset any ecological impact. Furthermore, FIT mandates that its supply chains uphold these same rigorous standards to ensure alignment with our environmental stewardship goals.



Climate Change

FIT has formally adopted the framework established by the TCFD and the IFRS S2: Climate-related Disclosures for enhancing the transparency of climate-related disclosures.



Governance

Level	Governance Structure	Supervision Frequency
Board-level	ESG Committee	Twice a year
Management-level	SER Committee	Nearly Monthly

See Governance section below for details on ESG governance.

FIT systematically monitors and evaluates the energy efficiency and emissions reduction performance of each BU at the operational level. Additionally, FIT is committed to addressing climate change together with its value chain. Other working groups include:

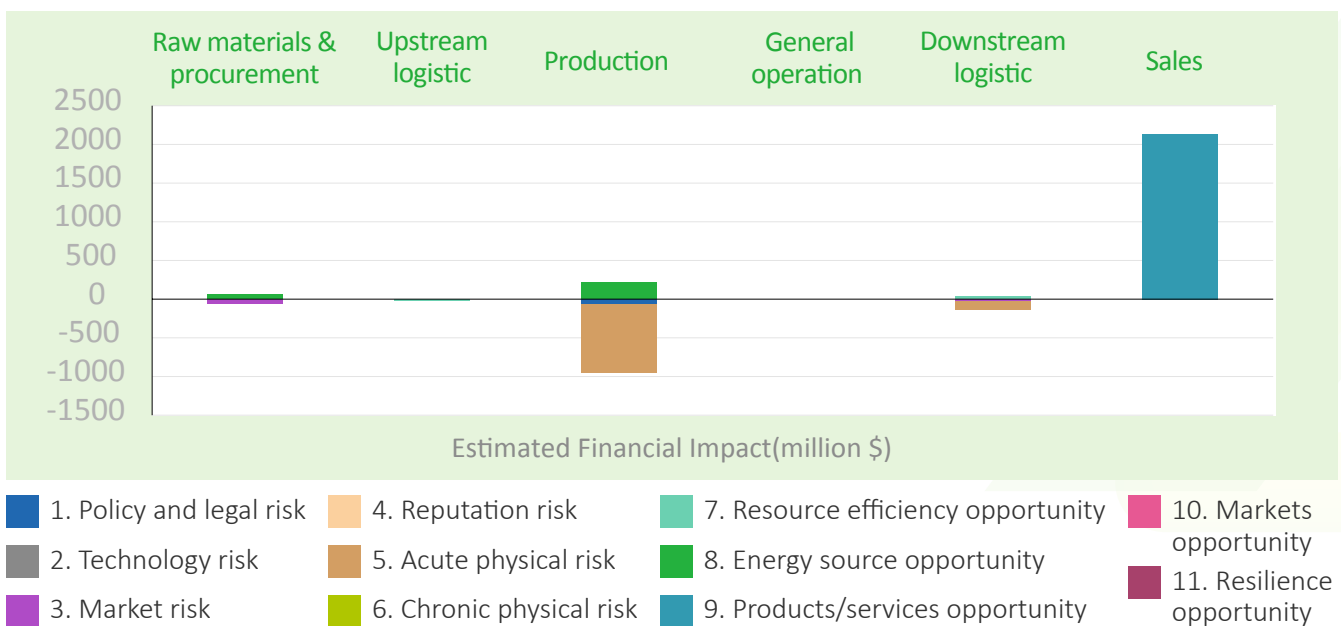
FIT Mainland China	Voltaira
"Major Climate Response Management Group"	Voltaira Climate Working Group
Business Continuity Plan ("BCP") in extreme weather and disasters	Promote energy efficiency, monitor energy and carbon reduction and prepare for future SBTi target.

Risk Management

We assess climate-related physical and transition risks and opportunities along our upstream, business operations, and downstream (value chain) activities.

When assessing climate-related risks and opportunities in value chain, stages in production and downstream sales have experienced significant financial impact. As shown in the graph, climate-related opportunities in the market and product sales are particularly prominent due to the rapid growth of EV, digital products and infrastructure markets. Physical risks primarily are caused by extreme weather, resulting in significant financial losses to the production stage.

Financial Materiality Results by Value Chain Stage



For overview of material climate risks and opportunities and their impacts and FIT's actions, refer to 2024 FIT ESG report Chapter 12 Climate Change.

SOCIAL

QMS Certifications

	Kunshan		Zhenjiang	Taiwan	Huai'an	Shenzhen	Zhengzhou	Chongqing	Vietnam	Germany
	Diancha	Dianfa	SSI	Hon Teng	Fu Yu	Fu Ding	Fu Ding	Hon Teng	Vietnam	Volterra
ISO9001 Quality Assurance System	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
IATF 16949* QMS of Automobiles	✓	✓		✓		✓			✓	✓
AS9100D* QMS for Aviation, Space, and Defence Organizations					✓					
ISO26262* Road Vehicles – Functional Safety				✓						
QC080000 Hazardous Substance Process Management System	✓	✓	✓		✓	✓	✓	✓	✓	
ISO45001 Occupational Safety and Health Management System	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

* QMS obtained only for applicable manufacturing sites regarding relevant products.

Supply Chain Management

FIT ensures compliance with all Responsible Business Alliance ("RBA") codes of conduct to support Hon Hai, being an RBA member. FIT Belkin, Mainland China and Vietnam are proud members of the RBA. FIT has established the globally recognized assessment standards and evaluates suppliers according to the requirements of the RBA.



Supplier guidelines

- Supplier commitment
- Management accountability
- Risk assessment and management
- Goals and plans
- Training
- Audit and evaluation
- File and record



Labor practice

- Child labor
- Youth employment
- Forced labor
- Discrimination
- Operating hours
- Salary and benefits



Health and safety

- Fire safety
- Equipment safety
- First aid and medical services
- Chemical safety
- Working conditions
- Personal protection equipment
- Food preparation and services



Environmental protection

- Environmental laws and regulations
- Environmental impact assessment
- Whether waste discharge meets relevant standards
- Storage of hazardous waste

Building on established assessment of suppliers in environmental aspects, the current and future focus of FIT is to review and strengthen the scope of assessing suppliers in social standards such as those of the International Labour Organization ("ILO") to meet market expectations. All FIT entities are required to set its own assessment standards by incorporating the ILO convention on social and labour issues. FIT will explore the optimal assessment approach through auditing suppliers on their working hours arrangement and wage packages.



Suppliers by Region	2022	2023	2024
Mainland China	2,127	2,692	2,587
Hong Kong, Macau and Taiwan	241	607	722
Overseas	108	1,341	1,293
Total	2,476	4,640	4,602

Comprehensive Supplier Management System

FIT considers the environmental impact of supply chain and emphasizes the selection of environmentally friendly, green products and services in the day-to-day procurement practice. Suppliers are also required to comply with international standards including RoHS, REACH.



1. Supplier Admission

Eligibility assessment criteria, including compliance and suitability of supplier management system, audit results and effectiveness of risk management.



Qualified
supplier list



2. Daily Management

Qualified suppliers enter into an agreement, setting out suppliers' obligations about details and requirements for the products and services provided by them.



3. Supplier Evaluation

Monthly Performance Audit

Scorecard, with criteria covering quality, supply chain support, technical support, etc. If suppliers score below 70 points for three consecutive months, a supplier review will be required.

Annual Audit

Conducted to assess suppliers' performance in accordance with our policies and requirements, such as supplier transaction status, internal systems, quality, number of customer complaints received and risk level.

Environmental Risk Evaluation

Risk factors, such as manufacturing origin, management system, industry status, environmental compliance, and supplier goodwill.

Supplier Social and Environmental Responsibility (SER) Risk Assessment

Include management system certifications (ISO and other recognized certifications), labor practices, ethics, health and safety, and environmental performance.

Environmental Substance Investigation

Substances of very high concern (the "SVHCs") audits and investigation of any corresponding environmental management substances from products of material suppliers.

Supplier Conflict Mineral Investigation

Conflict Minerals Reporting Template (the "CMRT"), and corresponding control measures for suppliers with different results.



Audits



Risk
Assessment



Investigation



4. Supplier Termination Management

Unqualified Suppliers

Failure to comply, such as using excessive environmental management substances, being rated as unqualified in on-site audit with no improvement afterwards, and violating the quality agreement or procurement contract.



Rated
high risk



Freeze



Communicate
rectification



Failure to make
consistent improvements



Consider termination of
business relationship

100% signature rate
1,665 suppliers signed the "FIT SER Policy"

100% CMRT survey, SVHC survey and
Green Product Assessment

In 2024, a total of **136** suppliers were audited for quality and safety, GP, and SER standards. Any non-conformities identified during the audits are required to be addressed and rectified within a specified timeframe. All identified non-conformities have been rectified with a 100% completion rate. FIT will continue to monitor the suppliers' corrective actions, including regular follow-ups, on-site inspections, and further audits.

Environmental and Social Risks of the Supply Chain

FIT initiated a preliminary study regarding the impact on supply chain by climate change. Although the supply chain has not experienced significant impact due to extreme weather events, the central Procurement Department has prepared in advance by implementing the "Emergency Response Management Operation Procedure". The procedure includes the establishment of an emergency response team and collaboration with the product team to analyze the factors for executing emergency response and control measures, including to adjust inventory and transportation methods, and coordinate product delivery with customers.

RBA Tools to Assess Supply Chain

FIT Voltaira heavily relies on cobalt as the key manufacturing material for electric vehicles and electronic devices. FIT Voltaira adopts 3 new RBA tools to assess suppliers:



Responsible
Factory Initiative



Responsible
Minerals Initiative



Responsible
Environmental Initiative

Responsible Sourcing

FIT manages suppliers' green performance in accordance with the "Green Supplier Selection and Evaluation Management Operating Methods", communicating FIT's environmental requirements for products to suppliers.

Belkin

Belkin utilizes the CMRT for thorough supply chain investigations. Belkin requires all direct suppliers to source 3TG only from smelters that have been verified by independent third-party auditors for responsible due diligence practices.

Voltaira

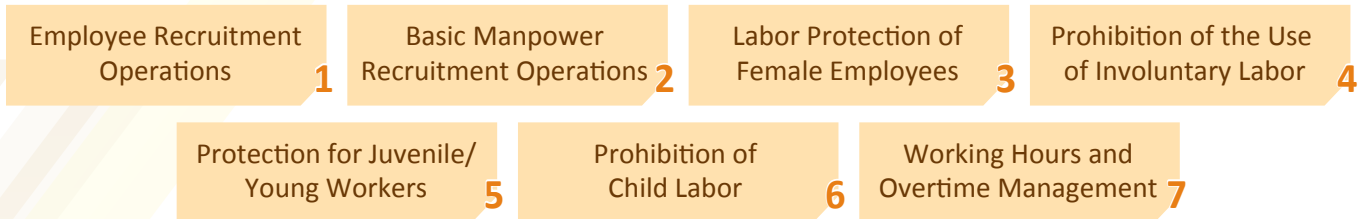
- Mandates that all smelters processing cobalt and conflict minerals be compliant with the Responsible Minerals Assurance Process ("RMAP").
- Preparing to apply for membership in the RMI.

Labor Relations

No incidents of major non-compliance with employment and labor laws and practices in 2024 Reporting Period.

Labor Policy and Compliance

Company policies formulated for the protection of employees include regulations for:



FIT and our subsidiaries are covered by Hon Hai Global Code of Conduct (CoC).

The Chairman of the Hon Hai Sustainability Committee and the promotion office of Hon Hai Sustainability Committee will monitor adherence to this CoC policy under the guidance of the Chairman. The teams responsible for sustainability of all business groups and subsidiaries are responsible for entrenching and monitoring compliance with this Code and providing feedback to Sustainability Committee regarding local practices contravening the CoC policy.



Labor and Human Rights

"The Universal Declaration of Human Rights (UDHR), the International Labor Organization (ILO) and the Ethical Trading Initiative (ETI) have been used as references in preparing this Code."



Working Hours

"Except in emergency or under some unusual situations, a workweek shall be not be more than 60 hours per week, including overtime. Workers shall be allowed at least one day off every seven days worked as stipulated in the RBA CoC."



Wages and Benefits

Compensation paid to workers shall comply with all applicable wage laws, including those relating to minimum wages, overtime hours and legally mandated benefits. In compliance with local laws, workers shall be compensated for overtime at pay rates greater than regular hourly rates. Deductions from wages as a disciplinary measure shall not be permitted.



Freedom of Association

"In conformance with local law, Hon Hai respects the right of all workers to form and join labor unions of their own choosing, to bargain collectively and to engage in peaceful assembly as well as respect the right of workers to refrain from such activities. Workers and/ or their representatives shall be able to openly communicate and share ideas and concerns with management regarding working conditions and management practices without fear of discrimination, reprisal, intimidation or harassment."

Trade Unions

FIT has established trade unions to safeguard the interests of employees and ensure the compliance with local laws and regulations, namely the "Trade Union Law of the People's Republic of China", the "China Trade Union Regulations", and the "Labor Law of the People's Republic of China". FIT's trade unions consist of the following groups



Factory Union Group



Business Union Group

Business Labour
Union Group

Union Group

Employee Communication and Engagement

FIT is committed to fostering transparent and continuous communication with our employees.

At FIT's facilities in Mainland China, regular departmental employee forums are organized. These forums are attended by senior management representatives from each department, as well as the union chairpersons. In 2024, a total of 116 employee forums were conducted across all manufacturing sites in Mainland China.

At FIT Belkin, a robust and nurturing work environment is supported by structured 30/60/90 feedback sessions. Throughout the year, People Business Partners hold regular meetings with managers to discuss employee development and address any concerns. Engagement surveys are conducted periodically to assess employee satisfaction and identify areas for improvement. Communication is further supported by feedback surveys administered at the conclusion of workshops and panel discussions, providing both quantitative and qualitative insights to guide future training and development initiatives.

FIT launched a series of "Open Communication" cultural initiatives in late 2024.

"We Can Hear Your Voice" Series:

- Encouraged all employees to freely share their suggestions for improving the Company.
- The first phase focused on enhancing the environment of sites and offices.
- Collected and responded to every suggestion, and publicly shared the improvement results.

"Three Open Communication Principles" in All Meetings:

- **Speak Up:** Encourage employees to freely express thoughts and listen to opinions from others.
- **Stay Constructive:** Foster a positive environment by providing constructive feedback.
- **Be Efficient:** Ensure discussions remain focused on the topic and productive.

Diversity and Equality

FIT is committed to fostering a people-centric work environment that supports the continuous growth of its employees. We actively promote diversity and inclusion, ensuring that all employees have equal opportunities, in a work environment characterized by respect and fairness, irrespective of age, gender, nationality, race, ethnicity, religion, disability, sexual orientation, or status. FIT is committed to upholding the principles of fairness, equality, and non-discrimination in all recruitment practices.

Diversity Initiatives

FIT is committed to promoting diversity among its workforces. Significant steps have been taken to promote and maintain a diverse workforce, including the appointment of a female director to the Board. Moving forward, FIT remains dedicated to expanding these efforts by developing additional programs focused on diversity and inclusion. These initiatives aim to further enhance our workplace culture and strengthen our commitment to social responsibility.



FIT

Each plant of FIT regularly holds activities that benefit female employees every year to reflect the Company's diversity initiatives, such as "Symposium for Outstanding Female Workers", "Warm Micro-Station for Female Workers", female employee quality improvement training and activities for International Women's Day. The number of employees who participated in 2024 across Mainland China sites was 12,783 and Vietnam was 22,953.

FIT Vietnam

- Conducts annual antidiscrimination training for all employees, ensuring they are equipped with the knowledge and skills necessary to foster an inclusive workplace environment.
- There were special care for pregnant employees, and activities and gifts on International Women's Day.

FIT Belkin

The Women's Network Group ("WNG") is Belkin's ongoing commitment to advancing gender equality. Members of the WNG benefit from advocacy, mentorship, professional development opportunities, and networking engagements with senior leadership.

Benefits

FIT ensures compliance with local employment regulations by providing statutory holidays, paid annual leave, marriage leave, maternity leave, sick leave, and compassionate leave etc. Other benefits include:

Social insurance

Housing allowance

Health insurance

Bereavement allowance

Annual health check-ups

Parental leave

Holiday gift

Wedding gratuity

Catastrophic illness medical assistance fund

Development and Training

We offer a variety of customized training courses to employees with different levels and positions, addressing both business needs and career aspirations.



New Employee Training



On-The Job Training



Lecturer Training



Cadre Training



Specialized Work Training



Language Courses



Leadership Training



Code of Conduct



124 ESG/EHS-Related Courses

Additionally, FIT actively encourages employees to pursue higher academic qualifications for ongoing learning and personal growth.

FIT Mainland China has partnered with local educational institutions to provide employees with undergraduate and postgraduate program support, collaborating with leading universities across China, including Nanjing University of Aeronautics and Astronautics, Wuhan University, Tianjin University, Jiangsu University of Science and Technology, Shenzhen University, Suzhou Vocational University, and Changzhou Institute of Technology. In 2024, a total of 102 employees enrolled in higher education programs.

FIT Belkin has an Educational Assistance Program available to all full-time employees (with at least 1 year tenure) offering annual financial assistance for enrolling in job related courses at accredited educational institutions.

Total training time in 2024 is 2,232,309 hours, averaging 37.18 hours of training per employee.

Training	Unit	2022	2023	2024
Total training hours	Hour	1,697,882	1,980,851	2,232,309
Total number of trainees	Person	47,465	64,423	60,040
Per person	Hour/person	35.77	30.75	37.18

IP Training and Incentives

Employees who are inventors of applied or certified patents at FIT are eligible to receive monetary incentives in recognition of their contributions to innovation.

To enhance employees' knowledge and awareness of IP, FIT provides IP-related training through both online and offline channels. Additionally, employees are selected to participate in external IP seminars and lectures, such as the 2024 Cross-Strait Patent Practice Forum, the 2024 Cross-Strait Trademark Practice Forum hosted by the Federation of Taiwan Industries, and the Corporate Patent Practice Course Lecture organized by the China National Intellectual Property Administration. FIT also organizes overseas IP protection activities, such as those held in Suzhou, and participates in exchange programs.

Mentorship Programmes

FIT Voltaira organizes annual global and regional training programs. To assist new employees in adapting to the work environment and tasks, Voltaira implements a mentoring program and pairs up each new hire with a buddy. Additionally, a mandatory onboarding course including ESG session is offered to help new employees gain a deeper understanding of operational principles.

FIT Belkin provides experiential learning opportunities, fireside chats with senior leaders, and mentorship programs to deliver practical and inspiring development experiences.

Employee Structure and Turnover Rate

Employee Structure	2022	2023	2024
Total number of employees	54,121	64,418	60,989
Full-time	54,118	64,382	60,949
Part-time	3	36	40

		2022		2023		2024	
		Persons	Turnover Rate*	Persons	Turnover Rate*	Persons	Turnover Rate*
Gender	Female	29,099	18.19	34,683	21.70	32,196	29.34
	Male	25,022	20.58	29,735	18.17	28,793	34.66
Regional distribution	Mainland China	25,816	26.12	24,462	29.14	24,134	23.76
	Taiwan	1,020	14.57	1,026	11.32	1,087	12.55
	Vietnam	26,292	38.73	34,110	37.26	31,176	38.08
	United States	993	12.20	1,073	9.22	673	8.56
	Others	/	/	3,747	29.82	3,919	30.66

*Turnover rate = Number of resigned employees / (Number of resigned employees + Number of employees for that category as of 31 December) × 100%

Talent Attraction and Retention

To enhance talent retention and acquisition, FIT has implemented various initiatives, including offering flexible working hours, organizing employee engagement activities, and providing competitive and equitable compensation and benefits packages.



Industry-Academia Collaboration

FIT is committed to fostering a robust talent pipeline through industry academia partnerships.

FIT Belkin has collaborated with local high schools and provided internship opportunities for students, enabling them to gain valuable work experience.

In 2024, the **Shenzhen** site collaborated with multiple institutions, including Guangdong Communications Vocational College, Yangtze River Engineering Vocational College, and Jieyang Vocational College, to provide the latest training and meet the needs of technicians for the sites.

Similarly, the **Huai'an** site partnered with local vocational schools and universities, such as Huai'an Electronic Information Vocational College and Huai'an Advanced Vocational School, to organize various training courses and practical programs to nurture potential talent.

Belkin has established strategic partnerships with universities to further develop and broaden its recruitment channels, enhancing the opportunity to attract a wider pool of candidates.

FIT Belkin's Global Employee Resource Groups

FIT Belkin has established a comprehensive initiative centered on VIBEs (Value, Inclusion, Belonging, and Equity), which includes the creation of voluntary, employee-led Employee Resource Groups. These ERGs are empowered to promote professional development, networking opportunities, and community outreach initiatives for Belkin's workforce, fostering greater employee engagement, inclusion, and a sense of belonging. The groups serve as vital assets to the organization, contributing to enhanced morale and employee retention. They have received strong support from the executive team and are dedicated to driving meaningful organizational change.

Employee Referrals

To ensure production and expand multi-channel employment, FIT encourages company employees to recommend their relatives and friends to work for the Company during peak employment seasons and offer bonuses to the referrers. In 2024 at FIT Mainland China and Vietnam sites, a total of 9,367 employees participated.

Production Safety

FIT Mainland China, Vietnam, and SSI have set up Safety Committees, which are dedicated to coordinating, guiding, managing, and monitoring safety management of sites. The Safety Committee of each site plays a leading role in formulating site-level safety management strategies and targets. The Safety Committee organizes quarterly meetings to review the daily implementation of safety management, studies progress of safety performance and ensures that safety management controls are in place to promote workers' safety.

- **Audits:** Regular safety audits conducted at all factories including chemical safety, fire safety, and equipment safety.
- **Fire safety:** inspections, drills and corrective actions.
- **Hazardous chemicals:** management systems standardize the safe transport, handling, usage, storage and security management of hazardous chemicals.

Occupational Health and Safety

Each BU has established its Health and Safety Committee, aimed at creating a work environment with high standards for health and safety. The committees comprise senior management, management representatives, EHS experts, and heads of relevant teams, ensuring that health and safety matters are addressed from various perspectives and levels.

Indicators and Performance

Monitoring Indicators

Number of fire or explosive incidents	Number of incidents resulting in serious personnel injuries	Annual work injury incident rate (excluding traffic accidents)	Number of occupational ill-health cases
Passing rate of occupational health tests	Signing of responsibility agreements	Risk identification and rectification rate	Number of emergency drills
Safe production standardization certification	Safe production inspections	Regular inspection rate for special equipment	Education and training

Work Related Injuries

Work Related Injuries	2022	2023	2024
Number of work-related deaths	0	0	0
Rate of work-related fatalities*	NA	NA	0
Number of work-related injuries	112	119	49
Rate of work-related injuries*	NA	NA	0.04
Number of working days lost due to work related injuries	4,691	4,421	1,409

*Work related fatality rate and injury rate are new indicators for 2024.

Fatality Rate = (Number of Work-related Fatalities / Work Hours) × 200,000.

Injury Rate = (Number of Work-related Injuries / Work Hours) × 200,000.

Occupational Hazard

- **Monthly:** site-wide inspections to strengthen occupational safety control.
- **Semi-annual:**
 1. evaluations in workplaces with high risks.
 2. complies with "Workplace Occupational Disease Hazard Detection and Evaluation Report"
- **Annually:** audits of occupational hazards in labor environment for industrial dust, chemical toxicants and physical hazards
- **Every 3 years:** assessment on occupational hazards status.
- **New equipment:** to conduct and pass safety pre-assessment before installation.
- **Special projects and construction:** annual testing of occupational hazards, focusing on dust, chemical toxicants and physical hazards.

GOVERNANCE

Board of Directors

12.5% female director representation.

During 2024, the Board held 6 Board meetings and 1 general meeting.

C: Convenor

■: Member

Director	Name	Gender	Age	Position	Functional Committees				Appointed	2024 Board Meeting Attendance
					Audit	Remuneration	Nomination	ESG		
Chairman Executive	LU Sung-Ching Sidney	M	66	FIT CEO			C 0%		2013	4/6
Executive	LU Pochin Christopher	M	66	FIT COO, CFO					2015	6/6
Executive	PIPKIN Chester John	M	64	Belkin Executive Chairman				■ 100%	2019	6/6
Non-Executive	HUANG Pi-Chun	F	52					■ 100%	2023	5/6
Non-Executive	CHANG Chuan-Wang*	M	56			■ 100%			2024	3/4
	TRAINOR-DEGIROLAMO Sheldon (resigned)*	M	60						2019	2/2
Independent Non-Executive	CURWEN Peter D	M	67		■ 100%		■ 100%	C 100%	2016	6/6
Independent Non-Executive	TANG Kwai Chang	M	72		C 100%	■ 100%			2016	6/6
Independent Non-Executive	CHAN Wing Yuen Hubert	M	67		■ 100%	C 100%	■ 100%		2016	6/6

*With effect from June 21, 2024, (i) Mr. TRAINOR-DEGIROLAMO Sheldon resigned as a non-executive Director; and (ii) Mr. CHANG Chuan-Wang was appointed as a non-executive Director. 4 out of 6 Board meetings and no general meetings were held by the Company after the above changes.

Chairman and CEO:

Pursuant to the code provision C.2.1 of the Corporate Governance Code, the roles of chairman of the Board and chief executive should be separated and should not be performed by the same individual.

In view of the current status of the Group's development, the Board considers that the same individual who performs two positions of chairman and chief executive officer can provide a strong and consistent leadership to the Company and be conducive to the implementation and execution of the Group's business strategy. Also, the Board considers that this situation will not impair the balance of power and authority between the Board and the management of the Company because the balance of power and authority are governed by the operations of the Board which comprises experienced and high calibre individuals with demonstrated integrity. Furthermore, decisions of the Board are made by way of majority votes. Nevertheless, we will review the structure from time to time based on changing circumstances. The Board will continue to evaluate the situation and consider the separation of the roles of chairman and chief executive officer when appropriate, taking into account the then general conditions of the Group.

Functional Committees

Audit Committee

4 audit committee meetings were held in 2024.



Position	Name	Attendance	Board
Chairman	TANG Kwai Chang	4/4	Independent Non-executive Director
Member	CURWEN Peter D	4/4	Independent Non-executive Director
Member	CHAN Wing Yuen Hubert	4/4	Independent Non-executive Director

Nomination Committee

2 nomination committee meetings were held in 2024.

Position	Name	Attendance	Board
Chairman	LU Sung-Ching	0/2	Executive
Member	CURWEN Peter D	2/2	Independent Non-executive
Member	CHAN Wing Yuen Hubert	2/2	Independent Non-executive

Board Diversity Policy

The Board continuously seeks to enhance its effectiveness and to maintain the highest standards of corporate governance and recognizes diversity at the Board level as an essential element in maintaining competitive advantage and sustainable development.

The Board appointed one female Director, Ms. HUANG Pi-Chun on August 7, 2023. The Company values gender diversity and will continue to take steps to promote gender diversity at all levels of the Company, in particular at the Board level. In addition, the Company is committed to providing career development and training opportunities for its staff who it considers to have the suitable experience, skills and knowledge with an aim to promote them to senior management or Directors. The Company will also ensure that there is gender diversity in staff recruitment at mid to senior levels so as to develop a pipeline of potential successors to the Board.

2024 Gender Diversity Ratio by Rank	Male	Female
Overall male to female ratio	47.2	52.8
Directors	87.5	12.5
Vice president ("VP") or above (including senior management)	83.8	16.2
Other managers (including assistant VP, directors and managers)	74.1	25.9
Others	47.0	53.0

Remuneration Committee

5 meetings were held in 2024.

Position	Name	Attendance	Board
Chairman	CHAN Wing Yuen Hubert	5/5	Independent Non-executive Director
Member	TANG Kwai Chang	5/5	Independent Non-executive Director
Member	CHANG Chuan-Wang	3/3	Non-executive Director
	TRAINOR-DEGIROLAMO Sheldon	2/2	Resigned

FIT conducts periodic salary evaluations and reviews for C-level executives and above, integrating ESG advisory contributions into compensation criteria.

ESG Committee

The ESG Committee is responsible for overseeing the development of ESG strategies, setting ESG targets, and defining strategic direction. The ESG Committee provides comprehensive report to the Board after committee meetings. 2 committee meetings were held in 2024.

FIT is committed to ensuring that the Board possesses appropriate ESG skillsets and competencies. Planned initiatives include regular ESG briefings for Board members and senior management, as well as the integration of ESG-focused training into the Board's Continuing Professional Development program over the medium to long term.

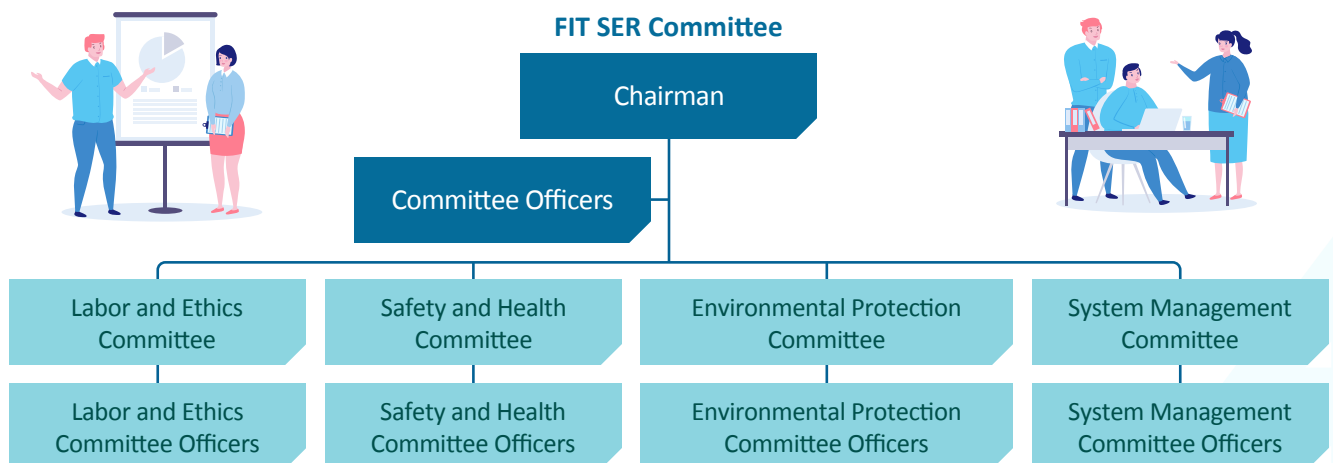
Additionally, the ESG Committee monitors the effectiveness of ESG implementation at the operational level, providing timely guidance to management to strengthen collaboration among BUs and functional departments. This includes preparing for future initiatives to quantify the financial impact of climate-related risks and assess the value chain's influence on ESG and climate issues.

Position	Name	Attendance	Board
Chairman	CURWEN Peter D	2/2	Independent Non-executive Director
Member	PIPKIN Chester John	2/2	Executive Director
Member	HUANG Pi-Chun	1/1	Non-executive Director
	TRAINOR-DEGIROLAMO Sheldon	1/1	Resigned

Social and Environmental Responsibility (SER) Committee

In addition, the SER Committee operates at the management level overseen by the ESG Committee. The SER committee comprises of four sub-committees to oversee ESG initiatives at both the BU and site levels, reporting directly to the SER Committee.

Each sub-committee consists of departmental representatives who provide standardized, near-monthly updates to the Chairman on ESG implementation progress. These updates include development plans, market trends, ESG performance, and goal achievement. The SER Committee assesses the needs of each sub-committee, facilitating coordination with various BUs and functional departments to continuously advance ESG efforts.



FIT strives to enhance governance mechanisms by planning to add a central Procurement Department in the existing SER Committee for reporting FIT's progress on green and responsible procurement.



Certifications

	Kunshan		Zhenjiang	Taiwan	Huai'an	Shenzhen	Zhengzhou	Chongqing	Vietnam	Germany
	Diancha	Dianfa	SSI	Hon Teng	Fu Yu	Fu Ding	Fu Ding	Hon Teng	Vietnam	Voltaire
ISO 27001 Information Security Management Systems	✓	✓			✓			✓		Actively Preparing for Certification
ISO 20243 Security and Resilience				✓						

FIT has obtained the ISO 21434:2021 Road Vehicles - Cybersecurity Engineering Certification, strengthening its ability to deliver products that comply with automotive cybersecurity regulations and solidifying its position in the automotive electronic systems market.

Business Ethics

Management Approach

FIT cultivates a corporate culture founded on integrity, maintaining a zero-tolerance stance toward any form of misconduct. The Board has the ultimate responsibility for the Company's compliance development.

FIT has established and continually refined a robust framework of policies, underpinned by stringent internal controls, routine audit procedures, and comprehensive employee training programs.



"Code of Conduct for Anti-Corruption, Integrity, Prosperity and Elimination of Disadvantages"



"Employee Handbook"



"Statement on Building an Honest Business Environment for FIT"



"Supplier Commitment"
"Self-declaration about Supplier Integrity"

Internal Audit Program

In accordance with the ESG Guide and GRI standards, FIT conducts comprehensive ESG compliance assessments. These evaluations encompass environmental practices, employment conditions, health and safety protocols, labor standards, product responsibility, and anti-corruption measures.

No significant non-compliance of environmental or social regulations was identified in FIT's operations.

In the event of non-compliance, FIT will promptly investigate the issue, implement corrective actions, and monitor the effectiveness of remedial measures. Furthermore, each BU retains the flexibility to develop internal policies, provided they align with the overarching operational principles set by Hon Hai and FIT, ensuring both compliance with and responsiveness to market demands.



Social and Environmental Risks ("SER") Compliance Audits

In 2024, FIT conducted a total of 19 formal SER audits across its sites in response to requests from customers or co-manufacturers. All audits were completed in full compliance with client requirements, with no major nonconformities identified. Where minor deficiencies were detected, FIT took immediate corrective action and implemented the required improvements within the stipulated timelines specified by clients.

Anti-Corruption Training

No major incidents of corruption, bribery, fraud, money laundering, or other breaches of laws and regulations were identified during the reporting period.

In 2024, FIT achieved a 100% completion rate for the Code of Conduct training.

FIT has established the following communication channels to raise awareness of anti-corruption among internal and external stakeholders:

Training for New Employees

- Promote anti-corruption in induction training and briefing, and include anticorruption provisions in the "Employee Handbook"
- Sign the "Self-declaration about Employee Integrity"

Current Employees

- Upload information on anticorruption on the "Rich Learning Guide"* and "iCivet" online channel
- Require employees to attend anti-corruption training on a regular basis

Suppliers, Vendors and Customers

- Sign the undertaking and declaration
- Review suppliers' anti-corruption practices as part of the due diligence process
- FIT meets requirements of manufacturers and customers to ensure that anticorruption work and achievements can be fully demonstrated

* FIT's Vietnam site has developed customized anti-corruption training materials as part of the Rich Learning Guide. These materials are tailored to align with Vietnamese regulations and the Group's anti-corruption policies, and they have been translated and recorded in Vietnamese.

The 2024 anti-corruption training adopted the theme of "Anti-Corruption - Uphold Clean Conduct", and covered topics such as consequences of malpractice, anti-fraud system (comprehensive, multi-dimensional, and control-oriented), common malpractices (explain the basics of bribery crimes by non-state personnel, embezzlement and key facts that constitute a case etc.), and whistleblowing channels.



In 2024, 100% of designated key personnel successfully completed the annual fraud prevention training, demonstrating full compliance with the Company's requirements.

BUs	Number of employees trained in anti-corruption	Number of directors trained in anti-corruption
Mainland China, Vietnam, Taiwan	53,129	-
SSI	993	-
FIT US	116	15
Belkin	856	84
FIT Voltaira	3,046	6

Whistleblowing

Employees, customers, or suppliers, and other stakeholders can proactively report suspected misconduct through the following channels:



Email
(available 24/7)



Telephone Hotline



QQ
(available 24/7)



WeChat
(available 24/7)

Whistleblowing channels are covered in 2024 employee anti-corruption training.

The "**Whistleblowing Policy**" includes definitions of violations, whistleblowing procedures, and case-handling protocols. In 2024, the policy was translated into Chinese, English, German, and Vietnamese to ensure broad accessibility.

FIT ensures the **confidentiality** of whistleblowers' identities unless explicit authorization is provided, thereby mitigating risks of harassment, discrimination, or retaliation. For reasons concerning the safety of whistleblowers, the Company **accepts anonymous reports** from employees.

Hon Hai Global Code of Conduct Policy

Protection of Identity and Non-Retaliation

Programs that ensure the confidentiality, anonymity and protection of supplier and employee whistleblowers are to be maintained, unless prohibited by law. Anonymous complaints with clear and specific descriptions of person/time/place/event are to be accepted and protected. Hon Hai should have a communicated process for their personnel to be able to raise any concerns without fear of retaliation.

An investigation team, jointly established by the Audit Department and the Legal Department, determines the investigation approach based on case severity. The team ensures the collection of comprehensive evidence, including data and information, to facilitate a fair, impartial, and thorough investigation.

Where necessary, an independent third party is appointed to provide an objective assessment. Cases involving potential litigation are escalated to the Legal Department or judicial authorities for further action. The Board of Directors regularly oversees whistleblowing cases through investigation reports submitted by the investigation team and third parties.

External Reporting

FIT also has strict requirements for business partners. The Company requires suppliers to sign a commitment (including anti-corruption provisions) and conducts regular social responsibility assessments on suppliers.

In response to corruption, the Company also offers corresponding reporting channels, including e-mail, telephone hotline, QQ, WeChat, etc. for reporting irregularities in the course of operation to safeguard the interests of both parties.



Information Security and Privacy

FIT has implemented a comprehensive Information Security Management System. This system enforces robust security controls to safeguard the Company's critical information assets. Oversight of these measures is conducted by FIT's Information Security Governance Committee, which regularly evaluates implementation effectiveness, advances information security initiatives, and establishes relevant policies in global level.

ESG Reporting

FIT issues an ESG report annually and the 2024 report was compiled in accordance with the Environmental, Social and Governance Reporting Guide (the "ESG Guide") as set out in Appendix C2 of the Listing Rules of The Stock Exchange of Hong Kong Limited ("HKEX").

Some disclosures are with reference to the Global Reporting Initiative ("GRI") Standards and the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD").

With the issuance of new sustainability reporting standards, such as IFRS S1 General Requirements for Sustainability-related Financial Disclosures, IFRS S2 Climate-related Disclosures, and the European Union's Corporate Sustainability Reporting Directive ("CSRD"), FIT's entities enhance their understanding of these reporting requirements, collaborate and are prepared to ensure compliance.

Reporting boundaries covered in 2024 ESG Report

- FIT Voltaira Group and subsidiaries
- Belkin International, Inc. and subsidiaries
- Sound Solutions International and subsidiaries
- Operating entities in Mainland China, Taiwan, Vietnam, the U.S.

FIT Voltaira expects to complete all compliance preparations in 2025 to comply with European Union's CSRD, which include:

- | | |
|---------------------------------------------------------------------------------------|-----------------------------------------------------------------|
| • Defining the reporting scope of CSRD | • Conducting double materiality assessment |
| • Performing gap analysis of the European Sustainability Reporting Standards ("ESRS") | • Developing an ESG strategy roadmap to address material issues |