FIT Hon Teng Limited

鴻騰六零八八精密科技股份有限公司

(Incorporated in the Cayman Islands 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

2023 ESG INSIGHT

FIT belkin VOLTAIRA

ESG Milestones

Responsible Business Alliance
Advancing Sustainability Globally

Every FIT site has joined RBA and needs to comply with their Code of Conduct and pass regular validation.

SUSTAINALYTICS
ESG RISK rating **18.6** Low Risk

CDP
Climate Change: **C**
Water Security: **C**

Hang Seng Corporate Sustainability Index

FIT continues to be accredited with an A rating in 2023, positioning it at top 20% among all companies and top 30% among industry peers.

Sustainability Linked Loan

FIT has applied for 5-year sustainability-linked loan, and FIT needs to show continuous improvement in the selected ESG metrics over 5 years.

ESG Data Assurance

To ensure data quality and accuracy, FIT is also preparing for ESG data assurance.

Working with parent company Hon Hai

FIT, as a member of the Hon Hai Group, is responsible for following most of the practices of its majority shareholder. Hon Hai requires FIT to attend its regular ESG meetings to discuss and update ESG-related work and progress. The topics cover:

Environmental	• Management of water resource • Promotion of responsible consumption and production through waste management
Social	• Safety in production
Reporting standards	• Explore the application of digital tools to enhance the quality of ESG data • Explore the standards of GHG accounting and IFRS S1 & S2 • Integration of financial data in ESG reporting

Hon Hai requires FIT to regularly report monthly environmental data and cooperate with energy saving inspections. We calculate FIT's GHG emissions that help track performance and progress. FIT acknowledges the gaps of ensuring data quality through applying digital platforms, and will keep exploring the potential of digital platforms that are currently being used by Hon Hai to enhance internal control, governance, and audit.

FIT 2023 ESG Report was prepared in accordance with Appendix 27 Environmental, Social and Governance Reporting Guide of the Listing Rules issued by The Stock Exchange of Hong Kong Limited. FIT ESG report is issued annually.

Reporting boundaries covered in 2023 ESG Report

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

ENVIRONMENTAL

Our Environmental Protection Committee (a sub-committee of SER) oversees and plans for environmental-related matters across different BUs of FIT, such as set up energy saving targets and propose environmental initiatives. The committee members also liaise with external parties, including environmental protection and industrial management units and NGOs to discuss existing and potential environmental requirements, and inform FIT for early preparation. We also explore and invest in equipment and techniques that can achieve high resource utilization and reduce emission of pollutants in the course of our operation.

Net Zero Pathway

- **2020**: GHG Emissions Base year
- **2023**: Ratio for Renewable Energy Electricity Consumption 15%
- **2024**: Ratio for Renewable Energy Electricity Consumption 20%
- **2025**: Reduce GHG Emissions by 21%
- **2030**:
  - Reduce GHG emissions by 42%
  - Ratio for Renewable Energy Electricity Consumption 50%
- **2035**: Reduce GHG Emissions by 63%
- **2040**: Ratio for Renewable Energy Electricity Consumption 100%
- **2050**: Net Zero

Site/SBU	Kunshan			Zhenjiang	Taipei	Huai'an	Shenzhen	Zhengzhou	Chongqing	Vietnam
	Diancha	Dianfa 889#	Dianfa 199#	SSI	Hon Teng	Fu Yu	Fu Ding	Fu Ding	Hon Teng	New Wing
ISO14001	✓	✓	✓	✓	NPI: ✓	✓	✓	✓	✓	✓
ISO14064	✓	✓	✓	✓		✓	✓	✓	✓	
ISO50001	✓	✓	✓			✓	✓		✓	

GHG Emissions

GHG	Units	2021	2022	2023
Scope 1	tCO_2e	8,679.81	14,873.20	13,158.45
Scope 2 (Location based)•		339,403.44	245,927.63	243,883.04
Total		**348,083.25**	**260,800.83**	**257,041.49**
Density				
Scope 1	tCO_2e/ million USD	1.93	3.28	3.14
Scope 2		75.59	54.28•	58.12
Total		**77.52**		

- Scope 2 emissions location based does not include data related to the purchase of renewable energy electricity-green certificates. However, it does not include data related to the direct purchase of green electricity.
- In 2023, Huai'an has conducted a reassessment of the data for the year 2022 and confirmed that certain data related to renewable energy needs to be revised to non-renewable energy sources. As a result, greenhouse gas emission data has been revised accordingly.

Scope 3 Carbon Footprint

FIT

FIT calculates Scope 3 GHG emissions which covers 13 categories, of which 2 categories are not applicable to FIT. FIT has identified sources of datapoints, including but not limited divisions of procurement, accounting, logistics, environmental engineering and HR.

FIT (including Belkin) completed the cope 3 inventory calculations for years 2020 and 2021.
Going forward in 2024, FIT will carry out 2022 and 2023 data collection, as well as Scope 3 calculations.

Belkin

Belkin dedicated to work towards carbon neutrality in Scope 3 emissions since 2021.

- By benchmarking, Belkin is able to gain a comprehensive understanding of its carbon footprint throughout the supply chain.
- Evaluate, track and compare suppliers' progress towards decarbonization. Identify supplier leaders in sustainability and drive continuous improvement to prioritize emissions reduction.
- Award by Walmart Project Gigaton Giga-Guru status (highest achievement), demonstrating decarbonization efforts in reducing GHG emissions along the value chain.

FIT Voltaira

During 2023, FIT Voltaira conducted continuous meetings with key stakeholders, such as business partners, customers, and third-parties that could provide digital platforms and solutions for facilitating product carbon footprint work in the future.

Exhaust Emissions

Air emissions is mainly from the FIT's production factories in mainland China.

Exhaust Gas Emissions	Units	2021	2022	2023
Hydrogen cyanide	Kg	199.06	156.56	129.98
Ammonia		195.21	334.84	427.91
Sulphuric acid mist		1,936.56	2,150.25	1,010.87
Hydrogen chloride		3,805.27	4,150.57	2,872.04
Chromic acid mist		6.42	5.90	4.84
Nitrogen oxide		1,306.62	7,602.73•	1,230.31

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

Energy Management

Energy Consumption Density

Density value is calculated based on the data disclosed in FIT's Announcement of Annual Results for the year ended December 31.

Energy Consumption Density	Units	2021	2022	2023
Electricity	Thousand KWH/ Million USD	125.01	156.56	129.98
Diesel (fixed combustion source)	Ton/Million USD	0.0027	334.84	427.91
Diesel (mobile combustion source)		0.0067	2,150.25	1,010.87
Gasoline (mobile combustion source)		0.03	4,150.57	2,872.04
Acetylene	Kg/Million USD	NA	5.90	4.84
Natural Gas	Cubic meter/ Million USD	778.34	7,602.73	1,230.31
Steam	Ton/Million USD	32.19	7,602.73	1,230.31

The electricity density of FY2023 has increased by 8% compared with FY 2022. Due to the inclusion of newly acquired FIT Voltaira in FY2023 data, there has been an increase in total electricity consumption which has subsequently affected density.

Energy Saving Management

FIT Mainland China

Energy Conservation Management Evaluation

- Energy-saving Management
  - Organziztional Structure of Energy-saving and Emission Reduction
  - Formulation of Energy-saving Work Plans and Targets
- Energy-saving System
  - Establishment of energy Management Centre
  - Internal Cross Audit of Energy Management System
- Energy-saving Implementation
  - Implementation of Key Energy-saving Projects
  - Energy-saving Project Establishment
- Energy-saving Supervision
  - Energy-saving Violations
  - Special Audits
- Energy-saving KPI
  - Energy-saving Target Achievement Rates
- Extra Points
  - Extra Points

"FIT Energy Saving and Carbon Reduction Plan 2023-2025 " and action items based on the evaluation.

Replace air-conditioning system	Apply green energy trading	Green factory	Purchase green energy

Install solar panels in residential and car park areas	Upgrade the industrial machines to save energy	Replace lighting fixtures to energy-efficiency lighting

FIT Vietnam

FIT Vietnam plans energy management work in accordance with the government's instructions. FIT Vietnam has achieved its energy saving targets as set by FIT through using renewable energy.

Belkin

Designs the headquarters with the green-related elements, the workspace received LEED Silver certification.

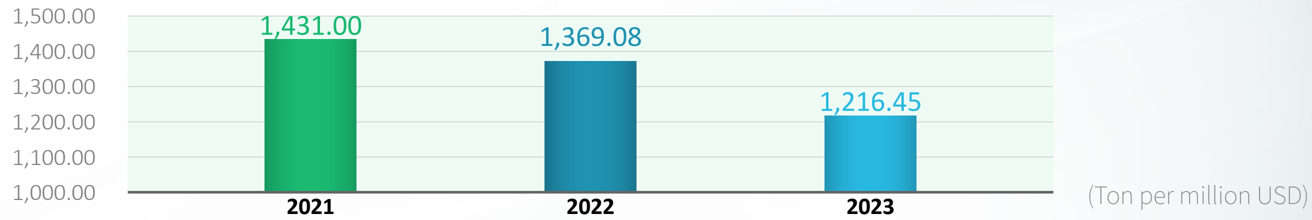
FIT Voltaira

Implement various energy efficiency initiatives such as selecting low carbon fuel and adopting e-vehicles for fleet operations, large-scale lighting replacement and site specific initiatives.

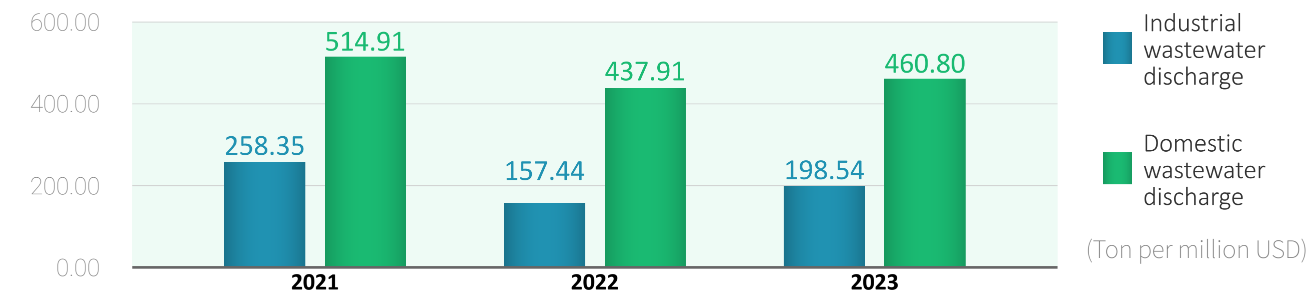
- Headquarters: uses 100% renewable energy (purchased green energy)
- Hungary and Morocco sites: investments on solar panels to supply energy
- Turkey site: starts procurement of International Renewable Energy Certificates (I-REC)
- Hungary site: retrofits project for replacement of machines

Water Management

Water consumption density comparison of FIT



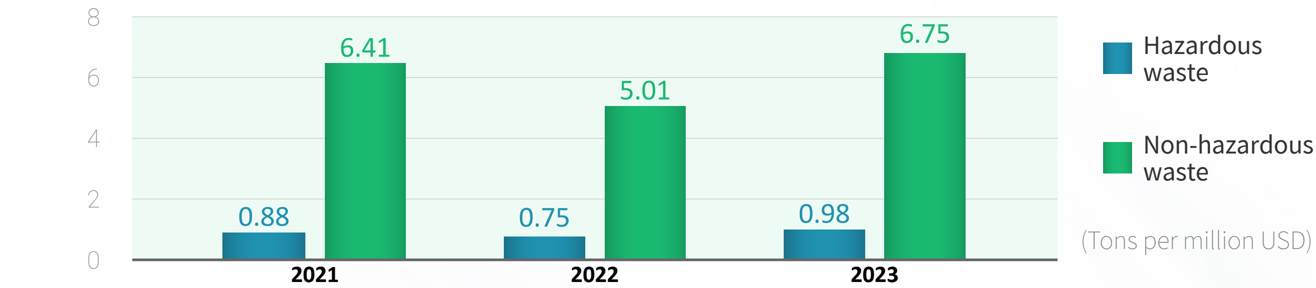
Wastewater discharge density comparison of FIT



See FIT ESG Report Appendix for detailed data on wastewater pollutant emissions.

Waste Management

Hazardous waste and non-hazardous waste density comparison of FIT



See FIT ESG Report Appendix for detailed data on solid waste.

FIT Mainland China

UL 2799 Certification: Zero Waste to Landfill, the highest Platinum accreditations, with 100% waste diversion from landfill and/ or incineration, and less than 10% thermal processing and energy recovery.

FIT Mainland China Sites	2022	2023
Shenzhen	✓	✓
Kunshan Diancha	✓	✓
Huai’an		✓

FIT Voltaira

Working towards "Zero Waste", recyclability rate has reached approximately 75% in 2023.

Belkin

Belkin has exerted efforts in investigating carbon footprinting for products through a Life Cycle Assessment (LCA) approach. The LCA is standardized following ISO 14040 and ISO 14044.

Packaging Material

Packaging Material	Units	2021	2022	2023
Packaging materials total	Ton	35,116.59	27,842.78	28,892.73
Packaging materials density	Ton/million USD	7.82	6.15	6.89

Belkin

Recognising efforts made in promoting sustainable packaging design and innovation, Belkin has received the 2023 Industry Sector and Best of Reporting Awards from Australia Packaging Covenant Organization. Belkin will accelerate the reduction of single use plastic by the end of 2025 and even implement 100% plastic-free packaging.

SSI

SSI introduced PFAS- free polycarbonate based resin containing post-consumer recycled and pre-consumer recycled glass.

Biodiversity

FIT strictly follows the "Hon Hai Technology Group Biodiversity and No Deforestation Commitment" as set by Hon Hai. The parameter of biodiversity value is considered when FIT assesses sites. In case FIT needs to conduct operations at sites that are globally or nationally important in terms of biodiversity value, we will take measures to avoid, minimize, restore, and/ or offset, reduce our ecological footprint. We also require our supply chains to uphold the same standards.

Climate Change

Our climate-related disclosures are in reference to the requirements of the TCFD recommendations.

Governance

The management role in climate governance is undertaken by our Chief Executive Officer. Monthly SER meetings are held to track and monitor climate-related progress and performance to review and guide the strategy, policies, targets and progress for making decisions and allocating budgets on climate-related plans and actions.

The "Major Climate Response Management Group" (the "Management Group") was set up across factories in Mainland China to target at climate-related issues through a bottom-up reporting mechanism.

Strategy

FIT's development strategy is to push forward on developing advanced and integrated connectivity solutions for EV mobility. FIT acquired FIT Voltaira in 2023 to demonstrate significant focus on the EV mobility market. This business strategy can further address climate-related opportunity of market demand changes.

Scenario Analysis

Physical Risks

21 FIT sites (factories and offices) and 4 main supplier sites were selected for physical risk analysis based on materiality. The facilities within the selected boundaries are highly exposed to extreme weather events.

The financial implications of the physical risks including loss of productivity, power rationing, increase in power consumption, and provision of high temperature allowance have been assessed.

Transition Risks

A qualitative analysis was conducted on the impact to FIT's operations and value chain through a stakeholder engagement process; carbon pricing (emissions trading system ("ETS") and carbon tax) and energy price change were assessed to cause higher operational and compliance cost.

For mitigation and management, FIT has introduced ETS and carbon tax related content in the SER monthly meeting for earlier preparation while exploring a lower reliance on non-renewable energy in operations and turning to climate-related opportunities.

Risk Management

Risk	Extreme weather events	Energy price change
	Carbon pricing	Temperature changes

Opportunity	Renewable energy
	Market demand change

SOCIAL

Supply Chain Management

FIT

Suppliers by Region	2021	2022	2023
Mainland China	1,286	2,127	2,692
Hong Kong, Macau and Taiwan	320	241	607
Overseas	397	108	1,341
Total	2,003	2,476	4,640

Comprehensive supplier management system

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

1. Supplier Admission

Eligibility assessment criteria, including compliance and suitability of supplier management system, audit result 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*
- *annual audit*
- *environmental risk evaluation*
- *environmental substance investigation*
  Substances of very high concern (the "SVHCs") audit and investigate any corresponding environmental management substances from products of material suppliers.
- *supplier social and environmental responsibility risk assessment*
  Include the environmental and social assessment of suppliers, such as ISO 14001, ISO 45001, the supplier's labor, ethics, health and safety, and environmental performance.
- *supplier conflict mineral investigation*
  Conflict Minerals Reporting Template (the "CMRT"), and take corresponding control measures for supplier with different results.

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	100% response rate	100% completion rate	Audits of 195 suppliers
for Social Responsibility Commitment Letter and strictly follow FIT's "SER Policy" by 1,614 qualified suppliers.	for CMRT by 889 audited suppliers.	of SVHCs of 1,094 audited suppliers.	for quality safety, green product, SER. Up to present time, 100% of all identified non-conformity were rectified.

SSI

SSI requires suppliers to provide test reports (valid for 1 year) in accordance with MSDS, MCF, and RoHS for each product in the customer system.

Belkin

Belkin conducts regular social and environmental assessments, covering the following dimensions with detailed indicators. Belkin rates suppliers based on its performance against these indicators, with monitoring modern slavery within supply chain as one of the most important dimensions. The assessment is conducted and reported on an annual basis in accordance with Modern Slavery Act in Australia and the UK.

Belkin will ensure that its suppliers will comply with the RBA regulations, and they are required to complete a third-party social compliance audit every 2 years.

Supplier guidelines	Labor practice	Health and safety	Environmental protection
• Supplier commitment • Management accountability • Risk assesment and management • Goals and plans • Training • Audit and evaluation • File and record	• Child labor • Youth employment • Forced labor • Discrimination • Operating hours • Salary and benefits	• Fire safety • Equipment safety • First aid and medical services • Chemical safety • Working conditions • Personal protective equipment • Food preparation and services	• Environmental laws and regulations • Environmental impact assessment • Whether the waste discharge meets the standards • Storage of hazardous waste

Labor Relations

During the Reporting Period, the Company did not violate significant labor laws and regulations.

Employees are the cornerstone of FIT's long-term development, and FIT believes in building a people-oriented work environment, such as providing equal opportunities and adequate resources to help employees develop in the long run.

FIT strives to retain key personnel and has set a 90% retention target rate for employees at division level 4 or above, which has been achieved in 2023 with 92.2% retention rate (BUs of Mainland China, Taiwan, and Vietnam).

Labor Policy and Compliance

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

- Employee Recruitment Operations
- Basic Manpower Recruitment Operations
- Labor Protection of Female Employees
- Prohibition of the Use of Involuntary Labor
- Protection for Juvenile/Young workers
- Prohibition of Child Labor
- Working Hour and Overtime Management

FIT and our subsidiaries are covered by Foxconn Global Code of Conduct (CoC) Policy on Corporate Social Responsibility

The Chairman of the Foxconn CSR Committee and all business group heads (general managers) are the main sponsors of this CoC policy. The executive of Foxconn CSR Committee will monitor adherence to this CoC policy under the guidance of the FGSC Chairman. The CSR teams of all business groups are responsible for entrenching and monitoring compliance with this Code, and providing feedback to FGSC regarding local practices contravening the CoC policy.

Freedom of Association

In conformance with local law, Foxconn 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.

Working Hours

Except in emergency or under some unusual situations, a workweek shall be not 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.

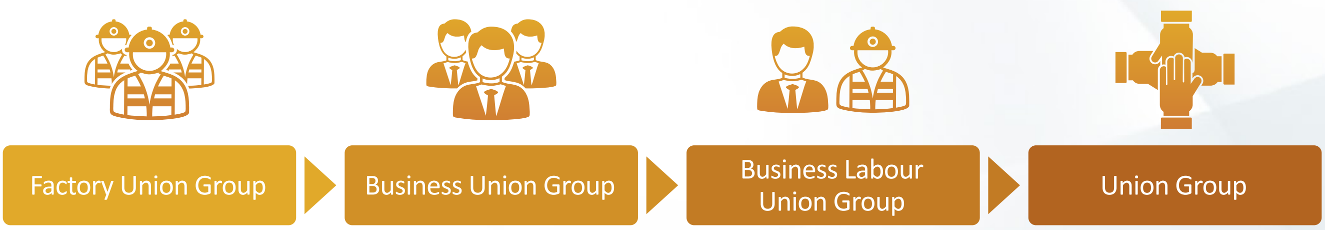
Labor and Human Rights

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

During the SER audit in 2023, FIT discovered overtime work cases in FIT Mainland China and Vietnam, with a monitoring system for working hours in place for follow-up and improvement measures.

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 union consists of the following groups.



In 2023, the FIT trade unions have invested approximately RMB 3.28 million in supporting employees that have financial needs and/ or are with serious illness, exceeding the targeted amount of RMB 2.50 million (limited to BUs of Mainland China, Taiwan, and Vietnam).

Diversity

FIT upholds the principle of fair, equal and non-discriminatory recruitment. In addition to local talent, FIT also welcomes overseas talent who meet our recruitment standards. FIT is committed to providing equal opportunity to every candidate regardless of age, gender, nationality, race, ethnicity, religion, disability, sexual orientation or status.

FIT is committed to fostering diversity at all levels of employees. FIT has implemented several initiatives, such as to establish employee affinity groups, social groups and diversity committee. In 2023, FIT has taken further steps to promote and maintain a diverse workforce. FIT has already appointed a female director to the Board, FIT Mainland China achieved 33% promotion rate of female employees in 2023. FIT will continue to promote a diverse and inclusive workplace where all employees are valued and respected.

Working Hours

FIT places great emphasis on the employee's work life balance, such as the FIT Vietnam factory has developed the "Working Hours Management Measures" and "Overtime Management Operation Measures" to regulate reasonable work and rest time. FIT operates an 8-hour work system, appropriate shifts and breaks to ensure the working hours meet the requirements of the local laws and regulations. For employees who need to work overtime, they are entitled to overtime pay or the right to rest overtime to protect the employee's willingness and right to take leave.

Employee Structure and Turnover Rate

Total Employee	2021	2022	2023
Senior Management	490	691	1,280
Middle Management	1,639	2,401	2,151
Grassroot Staff	54,328	51,029	60,987

Turnover Rate		2021		2022		2023	
		Persons	%	Persons	%	Persons	%
Gender	Female	29,382	17.77	29,099	18.19	34,683	21.70
	Male	27,075	21.39	25,022	20.58	29,735	18.17

Development and Training

FIT has established "Education and Training Management System" to support employees' development through careful planning of training programs. In 2023, diversified training courses were provided to different levels and positions of employees to support their business needs and career development, including new employee training, cadre training, on-the-job training, special type of work training, lecturer training, language training, etc.

Fit training program and courses collaboration with schools

- FIT Huai'an
- FIT Shenzhen

Mentoring and annual global training programs

- FIT Voltaira

Total training time in 2023 is 1,980,851 hours, average 30.75 hours of training per employee.

Training	Units	2021	2022	2023
Total training hours	Hour	1,350,227.50	1,697,881.60	1,980,851
Total number of trainees	Person	46,062	47,465	64,423
Per person	Hour/person	29.31	35.77	30.75

Production Safety

No material non-compliant cases against occupational health and safety regulations in 2023.

Safety Committee

FIT Mainland China, Vietnam, and SSI have set up Safety Committee, which is 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, study progress of safety performance and ensure 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

No material non-compliant cases against occupational health and safety regulations.

Work Related Injuries

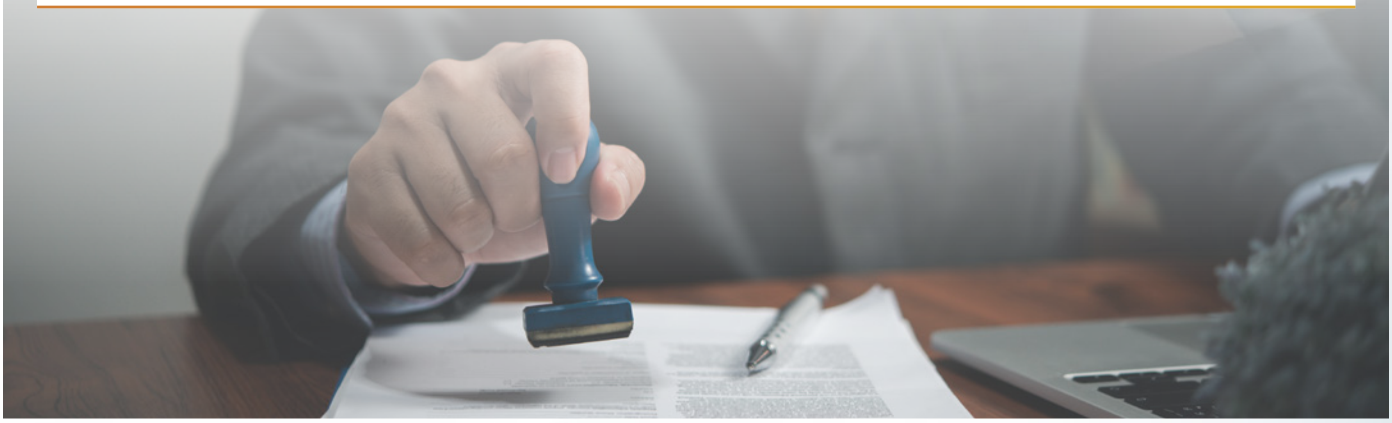
Work Related Injuries	Units	2021	2022	2023
Number of work-related injuries	Person	104	112	119
Number of work-related deaths	Person	2	0	0
Proportion of deaths due to the Company	%	1.92	0	0
Rate of work-related fatalities	%	0.0035	0	0
Number of working days lost due to work related injuries	Workday loss	4,645.50	4,691.00	4,420.63

Occupational Hazard

- Monthly:
  Site-wide inspections to strengthen occupational safety control.
- Semi-annual:
  1. Evaluations in workplaces with high risks.
  2. Complies "Workplace Occupational Disease Hazard Detection and Evaluation Report".
- Annually:
  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.

QMS Certifications

Certifications	Content	Mainland China	Taiwan	Vietnam	Voltaira
ISO9001	Quality Assurance System	✓	✓	✓	✓
IATF 16949	Quality Management System of Automobiles – Implemented for Organization of Production Parts and Related Service Conditions in the Automotive Industry	✓	✓	✓	✓
AS9100D	Quality Management Systems-Requirements for Aviation, Space, and Defense Organizations	✓			
ISO26262	Road Vehicles – Functional Safety		✓		
QC080000	Hazardous Substance Process Management System	✓		✓	
ISO45001	Occupational Safety and Health Management System	✓		✓	✓



GOVERNANCE

Board of Directors

12.5% female director representation.

During 2023, the Board held 6 Board meetings and 2 general meetings. On June 21, 2024, the Board announced that Mr. TRAINOR-DEGIROLAMO Sheldon resigned from his positions as a non-executive director, functional committee members, due to his intention to focus on other commitments outside the Company. Mr. CHANG Chuan-Wang was appointed with effect from June 21, 2024.

C Convener M Member

					Functional Committees					
Director	Name	Position	Gender	Age	Audit	Remuneration	Nomination	ESG	Appointed	2023 Board Meeting Attendance
Chairman Executive	LU Sung-Ching Sidney	FIT CEO	M	65			C		2013	100%
Executive	LU Pochin Christopher	FIT COO, CFO	M	65					2015	100%
Executive	PIPKIN Chester John	Belkin Executive Chairman	M	63				M	2019	100%
Non-Executive	HUANG Pi-Chun		F	51				M	2023	100%
Non-Executive	CHANG Chuan-Wang		M	55		M			2024	-
	TRAINOR-DEGIROLAMO Sheldon (resigned)		M	60					2019	83%
Independent Non-Executive	CURWEN Peter D		M	66	M		M	C	2016	100%
Independent Non-Executive	TANG Kwai Chang		M	71	C	M			2016	100%
Independent Non-Executive	CHAN Wing Yuen Hubert		M	66	M	C	M		2016	100%

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.

Board Diversity Policy

The Company believes that board diversity will have substantial benefit in improving its performance. Therefore, the Company has adopted a board diversity policy to ensure that the diversity of Board members be considered from a number of perspectives. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

The Board has 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.

2023 Gender Diversity Ratio by Rank	Female	Male
Overall male to female ratio	48.2	51.8
Directors	87.5	12.5
Vice president ("VP") or above (including senior management)	75.5	24.5
Other managers (including assistant VP, directors and managers)	68.8	31.2
Others	47.8	52.2

Functional Committees

Audit Committee

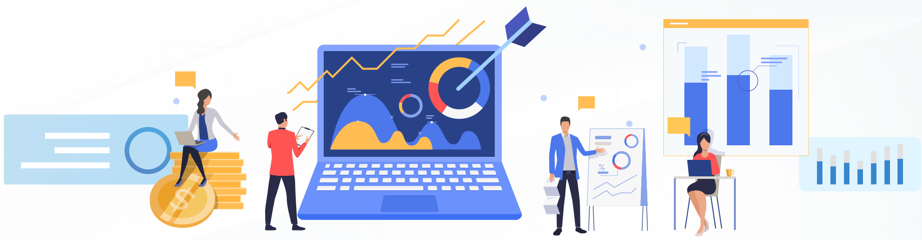
4 audit committee meetings were held in 2023.

Position	Name	Attendance	Board
Chairman	TANG Kwai Chang	100%	Independent Non-executive Director
Member	CURWEN Peter D	100%	Independent Non-executive Director
Member	CHAN Wing Yuen Hubert	100%	Independent Non-executive Director

Nomination Committee

2 nomination committee meetings were held in 2023.

Position	Name	Attendance	Board
Chairman	LU Sung-Ching	50%	Executive
Member	CURWEN Peter D	100%	Independent Non-executive Director
Member	CHAN Wing Yuen Hubert	100%	Independent Non-executive Director



Remuneration Committee

3 meetings were held in 2023.

Position	Name	Attendance	Board
Chairman	CHAN Wing Yuen Hubert	100%	Independent Non-executive Director
Member	TANG Kwai Chang	100%	Independent Non-executive Director
Member	TRAINOR-DEGIROLAMO Sheldon	100%	Non-executive Director

FIT recognizes the Board has a significant role in managing ESG matter. In view of that, the Company has initiated preliminary practice to link remuneration with ESG performance during the Reporting Period. The amount of cash bonus paid to certain Executive Directors in 2023 was determined partly based on performance against ESG KPIs.

Our parent company, Hon Hai is also undergoing the process of approving the renumeration of C-suite executives with reference to FY2023 ESG KPIs.

ESG Board Committee

The ESG Board Committee acts as the highest governance body to oversee and manage FIT's climate-related matters. In addition, the SER Committee was set up in 2013 acting on the operational level.

The ESG Board and SER Committees are responsible for reviewing material climate-related plans and making recommendations to the Board of Directors for approval twice a year, which include climate-related risk and opportunity assessment, environmental-related goals, annual budget to mitigate and manage climate aspects, policies, emergency response, etc.

2 ESG committee meetings were held in 2023.

Position	Name	Attendance	Board
Chairman	CURWEN Peter D	100%	Independent Non-executive Director
Member	PIPKIN Chester John	100%	Executive Director
Member	TRAINOR-DEGIROLAMO Sheldon	100%	Non-executive Director

Certifications about Information Security and Data Privacy

Certifications	Content	Mainland China	Taiwan
ISO27001	Information Security, Cybersecurity and Privacy Protection – Information Security Management Systems	✓	✓
Planned ISO 22301	Security and resilience (FIT started to consolidate business continuity related practices across BUs and compile a questionnaire.)		

Compliance and Anti-Corruption Policies

The Board has the ultimate responsibility for the Company's ethics and regulatory compliance. Meanwhile the management is accountable for the design, planning and execution of ethics compliance activities.

FIT is planning to translate the anti-corruption related polices and guidelines to local languages, such as Vietnamese, Indian, and German to accommodate the local employees so that they can better interpret the contents without causing any misunderstanding.

Anti-Corruption Related Training and Promotion

For new employees

- Offer introduction section to new employees
- Code of Conduct related to anti-corruption is included in the "Employee Handbook", which defines corruption behaviour, compliance practice and disciplinary actions for violation

iCivet channel

- An accessible platform for employee to access anti-corruption information
- Enhance employees' awareness of complying with relevant laws and regulations

Online courses

- Topics of courses cover: Anti-fraud, anti-corruption and Code of Conduct
- Training duration: not less than 1 hour per employee
- Completion rate as of 2023:
  - FIT Mainland China, Taiwan, and Vietnam: 88%
  - FIT US: 100%

Anti-corruption training for key personnel for Mainland China sites

100%
2023 Target of Anti-corruption Training Coverage of Key Personnel

100%
2023 Completion Rate

In 2023, FIT is not aware of any material non-compliance cases against corruption related laws and regulations, and any concluded corruption-related legal cases. To ensure ongoing compliance with all applicable worldwide laws and regulations, FIT remains committed to strengthening the culture of integrity and professional ethics within all levels of employees by refining relevant policies and organizing training.

Whistleblowing

FIT has various whistleblowing channels in place for employees and suppliers to report any suspected misconduct.

The internal reporting channels include e-mail (available 24/7), telephone hotline, QQ (available 24/7), WeChat (available 24/7), etc. for reporting suspicious activities in the course of operation to safeguard the rights and interests of the Company.

To protect whistleblowers, FIT accepts **anonymous** reports from employees, keeps the identities of whistleblowers **confidential, and prohibits any retaliation** in the form of harassment or discrimination on any individual who reports a suspected violation or participates in investigations.

Internal reporting channels	Report to file	Verify	Transfer to Legal Department
Offer internal whistleblowing channels: written mail (available 24/7), telephone hotline, e-mail (available 24/7), QQ (available 24/7), Wechat (available 24/7), etc.	The Internal Audit Department and the Legal Department will set up an investigation team after receiving the reported information.	Collect actual relevant data and information through investigation.	Cases involving litigation are transferred to the Legal Department for handling.

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.