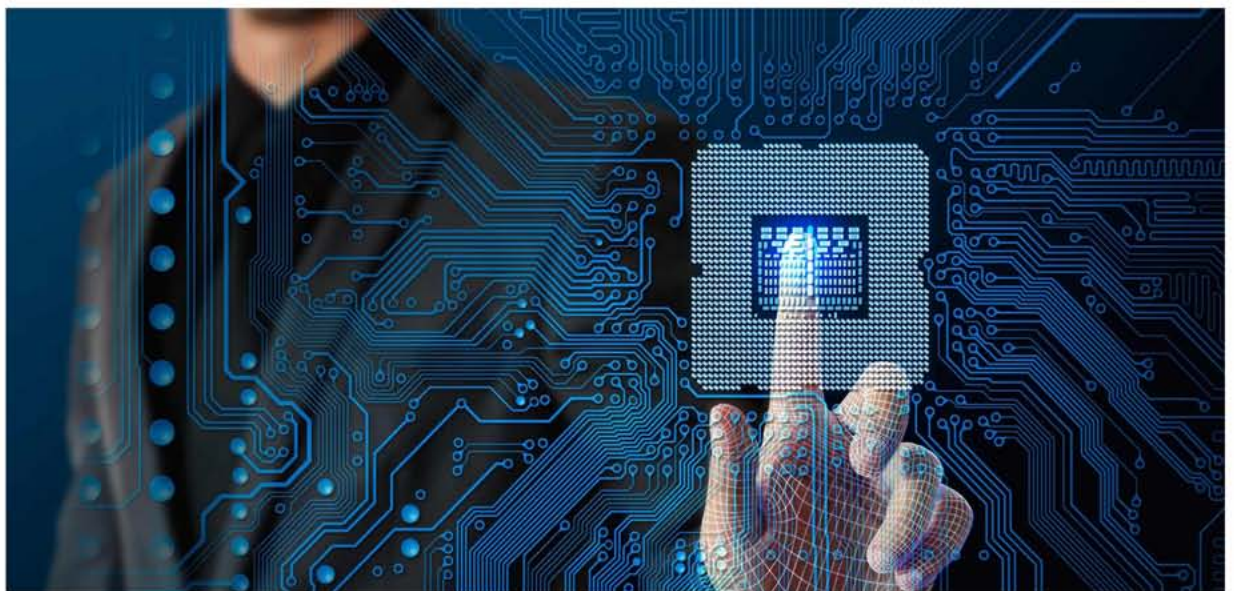


2017CSR

Foxlink Corporate Social Responsibility Report



www.foxlink.com

Foxlink Corporate Social Responsibility Report Preview

Scope of this Report

This Report published in June 2018 presents the corporate social responsibility (CSR) performance of Foxlink Precision Industry Co., Ltd., including its headquarters and plants in China, during the period from January 01, 2017 to December 31, 2017.

Taiwan	Headquarters	Tucheng Headquarters
China	Plants	South China Plant, Kunshan Plant, Nanchang Plant
This Report does not cover both listed and unlisted subsidiaries of this Company. Exceptions, if any, will be noted accordingly in the report.		

This is the third CSR Report we have published. In addition to meeting international trends and fulfilling the requirements of customers and investors, we will disclose non-financial information not presented in the annual financial report. The report contents cover our achievements in the economic, social, and environmental aspects in 2017.

Reporting Guidelines

This Report was compiled based on the guidelines published by the Global Reporting Initiative (GRI)-G4 guidelines. It discloses our strategies, objectives, and policies to address sustainable topics. Please refer to the appendices for details regarding the KPIs we have achieved to practice CSR.

Reporting Cycle

We publish and post on our corporate website the CSR report on an annual basis.

The 2017 CSR Report is scheduled for publication in June 2018.

The 2018 CSR Report is scheduled for publication in June 2019.

Contact

Should you have questions or suggestions for this report, please feel free to contact us through the following ways:

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Message from the Chairman

With respect to the corporate philosophy: Customer Orientation, Time to Market, and Time to Volume, apart from promoting CSR, we proactively engaged in various topics in relation to sustainable development, such as energy conservation, environmental protection, employee care, occupational health and safety (OHS), and intelligent manufacturing in 2017, in order to make the best CSR practice in collaboration with customers and stakeholders.

Facing the keen competition in the business, we spared no effort in enhancing technical capacity to improve production know-how, sharpen our ability to mold manufacture, and build automated production lines to raise product yield rate, in order to reduce direct labor by 50% in 2020. Furthermore, apart from demonstrating our strength in acoustics, optics, and battery performance integration to develop portable products and smart home products, we built a real-time information management system to quickly provide management with all kinds of real-time management information together with cloud computing and data management technologies, in order to enhance organizational management performance.

In 2017, apart from making self-improvement in capacity and quality and embarking on product development, we mobilized all employees to make all effort to meet the highest standards in topics including environmental protection, labor rights and interests, OSH, and business integrity. We also created an energy management platform to promote energy reuse to use energy more efficiently. In response to the increasing stricter environmental regulations, we invested in various environmental improvement projects to reduce emissions and manufacture products complying with the emission standard. In employee care, we upgraded the working-hour management system for the most effective working-hour control and reasonable rest arrangement for employees to achieve employee care, so that employees can grow together with the group in a safe and secure work environment. Moreover, we paid attention to responsible mineral sourcing and hazardous substance control together with suppliers and formed a green supply chain by promoting systematic management of green products.

Sustainable development is an important and long-term responsibility of enterprises, it is thus our call to perform CSR and make continuous contributions in order to repay society as a citizen of the Earth. Through practicing innovation, enhancing efficiency, and upgrading management, we hope to import positive energy to CSR to achieve sustainable development.

Chairman
Foxlink Precision Industry Co., Ltd.

Declaration of Corporate Social Responsibility

Complying with international labor standards and maintaining labor rights and interests are the basic requirements for a responsible enterprise and the expectation of stakeholders including consumers, customers, the public, and the government. Performing CSR is also a prerequisite for us to provide high-quality products that meet customer needs. Therefore, we appoint senior managers to establish, implement, and maintain a sound CSR management system and extend this requirement to suppliers and contractors.

From top management to all employees, we are committed to complying with and faithfully implementing the following CSR policy.

We hereby declare that:

- We prohibit child labor and forced labor and accept no contractor or supplier exploiting child labor and forced labor.
- We will respect the freedom of employees and ban forced labor in any form.
- We will provide employees with a healthy and safe working and living conditions to ensure their health and safety.
- We will promote labor-management cooperation and respect the right to freedom of association and collective bargaining of employees.
- We will provide an equal and fair work environment and eliminate discrimination in any form.
- We will respect labor basic human rights and eliminate humiliation in any form.
- We will make reasonable production planning and arrange suitable work time and rest time for employees.
- We will implement environmental protection and the recycling of resources and hazardous wastes.
- We will ensure that the treatment of solid wastes, exhausts, and wastewater meets respective standards.
- We will uphold business integrity and fair competition and ensure informer protection
- We will maintain information transparency and protect intellectual property rights.



Company Overview

1.1 Company profile



Founded in July 1986, we began with the production of connector and cable products. Later in September 1999, we were listed on the Taiwan Stock Exchange. Today, our product ranges have been extended from power management and energy modules to wireless communications and optical products. By developing portfolio diversity with opto-mechatronics along with the development and expansion in the wireless transmission field using our organizational strengths, we aim to create momentum for steady growth every year.

Currently, we have about 53,000 employees worldwide. With the international headquarters established in Taiwan, we have locations across the world, including Taiwan, Dongguan, Nanchang, Kunshan, Maanshan, Seattle, Sunnyvale, and Los Angeles.

Foxlink Precision Industry Co., Ltd. (Stock code: 2392)	
Established on	July 14, 1986
2017 Revenue	NTD93.6 billion
Number of employees	53,545 people (by December 31, 2017)
International Headquarters	Tucheng, New Taipei City
Worldwide locations:	Taiwan, Dongguan, Nanchang, Kunshan, Maanshan, Seattle, Sunnyvale, and Los Angeles
Chairman	Kuo, Tai-Chiang





Business perspectives

Based on core competencies of tooling, forming, secondary processing and automation, and by integrating technologies of materials, mechanics, electronics, optics, acoustics, energy, manufacturing, and product development, we leverage global resources in sale service and supply-chain management to timely provide top-quality products to our customers.

By orienting ourselves to the market demands of sectors including consumer electronics, information, communications and automotive and creating value for customers through integrating digital contents, environmental preservation, energy conservation, we make continual improvements based on the corporate philosophy: Customer Orientation, Time to Market, and Time to Volume.

We further maximizing operational performance through teamwork.



Corporate philosophy



Customer Orientation: Simplicity, pragmatism, and commitment.

Building long-term partnership with leading international companies. Creating alliance for key technologies.



Time to Market: Forbearance and Vision

Providing prompt service for market requirements. Enhancing tooling and key components strength.



Time to Volume: Dedication and Practice

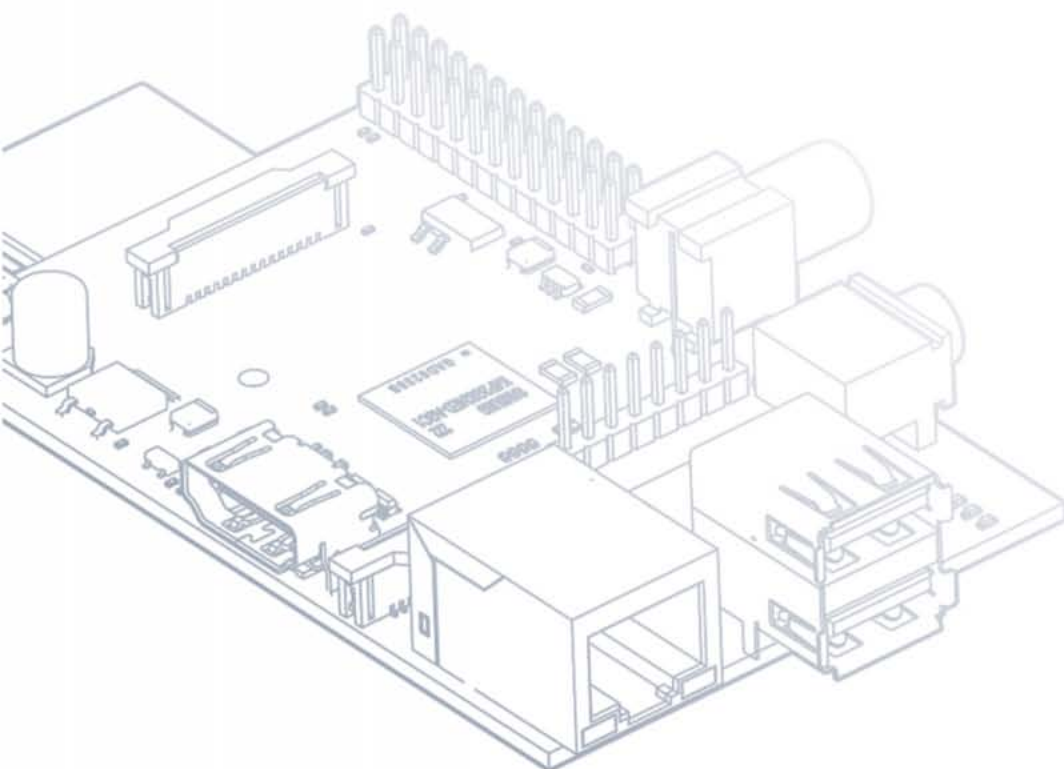
Developing products with customers concurrently. Offering the competitive cost.



Major Products



Components	Connectors/ cables/ magnesium-alloy cases/antenna modules/ video modules/ Bluetooth modules/ rigid-flexible boards
System Products	Bluetooth mouse/ Bluetooth headset/ headset/ smart watch/ smart bracelet/ wireless joystick/ external hard disk drive/ wireless speaker/ car panel controller
Accessories	Wireless charging docks/ Bluetooth earphones/ mobile phone chargers/ power adaptors/ car chargers/ Bluetooth receivers/ SD card readers





Protection of Intellectual Property Rights

We spare no effort in protecting our R&D outputs. Apart from establishing a dedicated unit to manage and maintain our intellectual property rights, we have established the Regulations for Intellectual Property Rights Management to enhance organizational competitiveness, strengthen the protection of retailing brands and trademarks, and facilitate prior cases search and analysis and strategic planning, in order to prescribe the application and management of organizational intellectual property rights are in conformity with the standard operating procedures (SOPs).

Furthermore, to encourage employees to voluntarily engage in research, innovation, and invention, we have established related patent incentives, including the proposal award, approval award, invention king, patent contribution award to incentivize employees to research, to innovate, and to invent. Between 2002 and 2017, we have obtained 6,862 patents across the world.



專利優勢

/營運重點

2002~2017年正歲全球專利權數量



種類 \ 國家	CN	DE	EU	FR	JP	KR	TW	UK	US	總計
發明	46		1	1	9		62	13	714	846
設計	958	1		1	44	9	883	1	687	2,584
新型	1,647	13		5	120	6	1,641			3,432
總計	2,651	14	1	7	173	15	2,586	14	1,401	6,862

昇華創新技術，活化智慧資本

1.2 Milestones

2017	<ul style="list-style-type: none"> Re-elected 9 directors, including 3 independent directors after the expiration of the previous term. Established the Audit Committee to replace the supervisor duties. Placed an initial investment of INR160 million (approx. NT\$70.679 million) to establish the India subsidiary.
2016	<ul style="list-style-type: none"> Donated NT\$10 million for post-disaster reconstruction after the 2016 Southern Taiwan earthquake on February 6. Completed the development of new 6-axis 900-arm long robotic arm and implemented to all production lines. Improved mold production technology to enhance production efficiency with the Industry 4.0 concept.
2015	<ul style="list-style-type: none"> Re-invested in the cultural and creative industry by acquiring 15,000 shares, or stake of 13.6%, of Central Motion Picture Corporation issued for cash capital increase. Completed the first Foxlink Corporate Social Responsibility Report. Created revenue of NT\$10.825 billion in 2015, a new high in the organizational history.
2014	<ul style="list-style-type: none"> Completed the phase III of Dongguan Fuqiang Electronics with an area of 11.2 hectares. Acquired a stake of 42.25% of Glory Science Co., Ltd. through cash capital increase. Signed an industry-academia collaboration agreement with Tamkang University (TKU) to promote the digital writing tools and dynamic handwriting presentation contents and products developed by TKU under the Digital e-Pen Calligraphy System Project in Taiwan and China and across the world, including collaborative research. Completed the development of 6-axis robot arm, introduced replacement materials for key components, built the robotic arm production line, and promoted robotic arm applications.
2013	<ul style="list-style-type: none"> Invested in the Ma On Shan Science and Technology Park with an area of 14.8 hectares. Acquired PQI through private placement to increase stake to 42.56%. Successfully entered the supply chain of electric vehicle components and won wearable OEM contracts. Increased Studio A locations in China from Jiangsu Province, Anhui Province, Zhejiang Province and Shanghai to Fujian Province.
2012	<ul style="list-style-type: none"> Invested in the LED production equipment manufacturer Smart Vision Co, Ltd. in March, with a stake of 31.25%. Subsidiary Glory Science Co., Ltd. was listed on Taipei Exchange in May. Initiated the construction of Kunshan plant Phase IV.
2011	<ul style="list-style-type: none"> Invested in the Yancheng Plant in Jiangsu in September to integrate manufacturing with marketing channel services. Established the Retailing Division in September to enter the distribution market. Established the Nanchang Plant in Jiangxi in June to demonstrate the flexi-manufacture strength. Invested in Shinfox Co., Ltd. in March to enter the smart electricity market. Established the fourth point of sales in Hong Kong together with Studio A. Established points of sales in Hefei, Kunshan, and Changzhou in Kunshan and Huaian of Hebei between April and November. The cultural and creative foundation under subsidiary Central Motion Picture Corporation invested NT\$350 million in the film Warriors of the Rainbow: • Seediq Bale, the highest ever local film investment in Taiwan.

2010	<ul style="list-style-type: none"> Established the Minquan Plant in Tucheng in June. Acquired the control of leading memory module manufacturer PQI in July. Signed a Memorandum of Understanding with Sony and Information Industry Institute to enter the game and animation industries on October 18. Subsidiary Sollink Inc. sponsored the arts and cultural activities of the 47th Golden Horse Awards and Film Festival organized by Taoyuan County Culture Foundation in November. The Foxlink Collaborative Research Center under and Taiwan University of Science and Technology co-announced five technologies to raise product competitive through the industry-academia collaboration project. Ranked third among the Taiwan Top 100 Patent Rakings with 402 awarded patents. Implemented the e-Procurement Platform and the Management by Objectives (MBO) system developed by Formosa Technologies build a quality e-commerce and workflow environment to provide customers with more competitive products and services. Initiated the construction of the Nanchang Plant in Jiangxi.
2009	<ul style="list-style-type: none"> Started the operations of the world's first 4.5G Mirasol display plant in collaboration with Qualcomm Inc. on June 15. Donated NT\$1 million to Longtan Elementary School in Taoyuan to establish the Butterfly Ecological Park to extend CSR. Ranked 59th among the Taiwan Top 1000 Manufacturing Companies.
2008	<ul style="list-style-type: none"> Established the Gumi Office in South Korea on January 18. The Kunshan Plant passed IECQ QC080000 certification on January 25. Announced the outcomes of the Lean Six Sigma Campaign on February 1. The new operational organization plan took effect and was implemented on July 1. Completed the charitable activity "Books for the Rural" celebrating the group's 23rd anniversary on July 14.
2007	<ul style="list-style-type: none"> Started the Yangzhou Plant Project in China on July 17. Subsidiary Well Shin Technology Co., Ltd., was listed on the Taiwan Stock Exchange in September Established the subsidiary DU Precision Industry Co., Ltd., on August 9. Implemented the IECQ QC 080000 green product management system.
2006	<ul style="list-style-type: none"> R&D Center in Dingpu started operations on November 6. The Fudong Plant passed ISO/TS 16949 certification. Established a sales office in Seoul, South Korea.
2005	<ul style="list-style-type: none"> Successfully reached to highest mountain-Yushan in Taiwan on March 27. Initiated the construction of the Kunshan Plant Phase II. Groundbreaking of the Fu Qiang Plant in Dongkeng Implemented the ISO/TS 16949 quality management system Established a sales office in Beijing. The ERP system went live.
2004	<ul style="list-style-type: none"> Completed the Kunshan Plant Phase I. Initiated the construction of the R&D Center in Dingpu, Tucheng. Established the Communications System Project Business Unit. Implemented Advanced Planning and Scheduling (APS) and Product Data Management (PDM) systems. The Fudong Plant in Dongguan passed the certification of the China National Accreditation Board for Laboratories.

2003	<ul style="list-style-type: none"> • Passed IECQ QS 9000 certification • Passed the certification of the ISO 9001 quality management system. • Became a certified green partner of Sony Japan. • Initiated the construction of the R&D Center in Dingpu, Tucheng. • Halogen-free cables passed USB-IF certification.
2002	<ul style="list-style-type: none"> • Groundbreaking of the Kunshan Plant in Shanghai.
2001	<ul style="list-style-type: none"> • Initiated the construction of the Fudong Plant in Dongguan. • Passed the certification of the ISO 14001 environmental management system.
2000	<ul style="list-style-type: none"> • Became an X-Box connector and cable supplier of Microsoft.
1999	<ul style="list-style-type: none"> • Listed on the Taiwan Stock Exchange.
1998	<ul style="list-style-type: none"> • Established International Headquarters in Tucheng, New Taipei City. • Established sales offices in Singapore, Japan, and Finland. • Passed the certification of ISO 9002 quality management system.
1996	<ul style="list-style-type: none"> • Established the Power Products division • Signed the technological cooperation agreement with Motorola.
1995	<ul style="list-style-type: none"> • Embarked on the R&D of communications cables and connectors. • Rated as the best supplier by Microsoft and Sony
1990	<ul style="list-style-type: none"> • Started manufacturing network connectors and developing tooling technology.
1986	<ul style="list-style-type: none"> • Established Foxlink to produce mold-injection plastic connectors.

1.3Corporate governance

The Board of Directors comprises seven to nine members. Board members are elected by shareholders at the annual general meeting (AGM) of shareholders from the list of board member candidates. Each elected board member is entitled to a term of three years and re-elected. A minimum of three independent directors are elected by the Board from the list of independent director candidates. The professional qualifications, stake, concurrent position, nomination, election and others in relation to independent shareholders are subject to related regulations promulgated by the securities competent authority.

The duty of the Board includes reviewing the operational policy and long-term development plan, and reviewing, supervising and implementing the annual business plan. Meetings of shareholders include the AGM held on an annual basis and the provisional meeting of shareholders convened as necessary according to related laws and regulations.



Title	Name	Resume
Director	Kuo, Tai-Chiang	National Chungshing University President, Hon Hai Precision Industry Co., Ltd. Chairman, Power Quotient International Co., Ltd.
Director	Arthur Wang	Chinese Culture University Vice President, Foxlink Precision Industry Co., Ltd. Director, Well Shin Technology Co., Ltd.
Director	Liao, Kueih-Long	Overseas Chinese College of Commerce Vice President, Foxlink Precision Industry Co., Ltd. Director, Power Quotient International Co., Ltd.
Director	Wang, Teng-wei	MBA, Northrop University, USA Supervisor, Foxlink Precision Industry Co., Ltd. Honorary Director, Association for Strategic Development of Chinese Economic Region
Director	Wang, Hsiu-Ming	EMBA, University of Leicester, UK Supervisor, Glory Science Co., Ltd. Vice Chairman, NexPower Technology Corporation
Director	Wan, Jui-hsia	MA, Department of Accounting, Soochow University Supervisor, Foxlink Precision Industry Co., Ltd. Associate Professor, Department of Accounting, National Taiwan University
Independent Directors	Li, Chuan-Wei	MA in Journalism, University of Missouri, USA. Chairman, ETtoday.net Vice President, Ting Hsin International Group
Independent Directors	Fu, Chien-Chung	PhD, Karlsruher Institut für Technologie, Germany Professor, Institute of NanoEngineering and MicroSystems, National Tsing Hua University
Independent Directors	Tang, Ching-min	Ph.D. in Aerospace Engineering, Georgia Institute of Technology, USA Associate Professor and Chairman, Department of Aerospace Engineering, Tamkang University

Internal Audit Organization and Operations

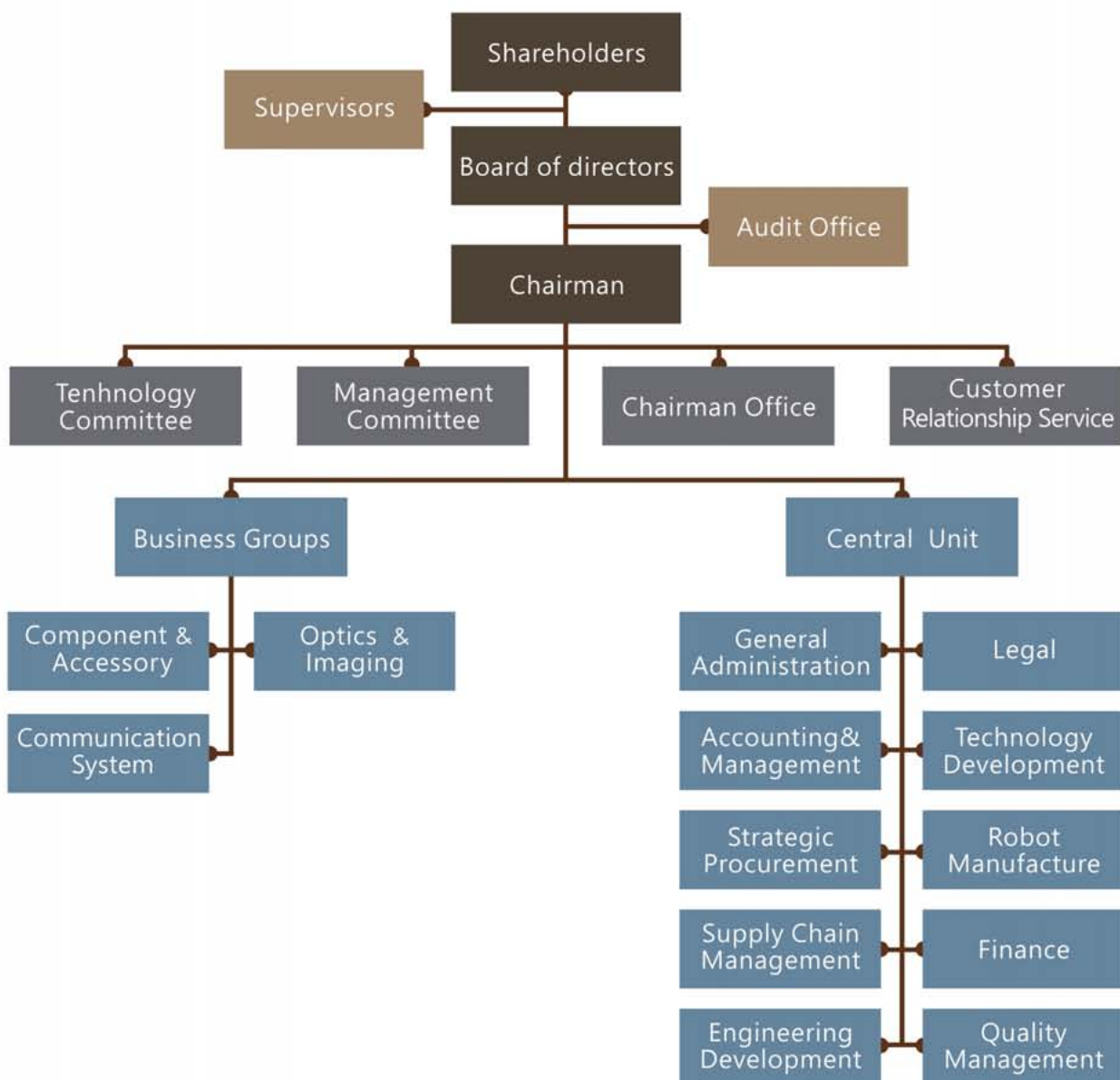
The internal audit organization with one chief auditor and nine internal auditors is under the Board of Directors.

Apart from inspecting and evaluating the effectiveness of the internal control system and making timely recommendations for improvements to ensure the effective and continuous implementation of all systems, the internal audit organization is established to evaluate and improve risk management to assist the Board of Directors and management in achieving the set targets.

Operations

1. Evaluate and trace the internal control system of the Company.
2. Establish and maintain the internal audit system of the Company.
3. Review existing systems to ensure compliance with relevant policies and laws.
4. Draft improvement plans.
5. Plan and implement other projects.

Foxlink Organizational Structure



Memberships of associations or organizations

Association/Organization	
HDMI Licensing, LLC	Chinese Society for Quality
MHL, LLC	Electronic Testing Center Taiwan (ETC)
USB Implementers Forum Inc. (USB-IF)	Taiwan Electrical and Electronic manufacturers' Association (TEEMA)
International Material Data System (IMDS)	Taiwan Electronic Connection Association
Taiwan Automation Intelligence and Robotics Association (TAIRA)	Taipei Computer Association
Chinese Robot Industrial Alliance	

Business Integrity



Based on the business philosophy of integrity, transparency and responsibility, we have established our fundamental business policy upon integrity and sound governance and risk control mechanisms. To maintain the core value of our corporate culture, apart from conducting business with the highest ethical standards, we have established related policies and regulations. Furthermore, to keep employees updated with the latest legal compliance information and trends, we offer related education, training, and publicity resources on the intranet and request legal affairs personnel to offer related courses for employees to understand related laws and regulations, policies, and the focus of compliance.

To achieve these goals, we maintain business integrity, reject undue or improper advantage, disclose business and financial information according to applicable laws and regulation, abide by anti-corruption laws and regulations (e.g., the Foreign Corrupt Practices Act, FCPA), respect intellectual property rights, follow the non-misleading advertisement and anti-competitive behavior standards to ensure fair trade, provide an anonymous reporting procedure to ensure informer protection, maintain responsible minerals procurement, protect the personal information of customers, protect privacy and information security according to related laws and regulations, and establish protection procedures to eliminate any form of retaliation. In 2017, no non-conformance and administrative fine for related laws and regulations was reported.

Financial performance



As disclosed in the 2017 consolidated financial statement, the net revenue was NT\$93.624 billion, net income after tax was NT\$1.334 billion, and equity per share (EPS) was NT\$2.60. Please retrieve or download the business performance, annual reports, and financial statements from the website below for more details.

http://www.foxlink.com/_ch/4_ir/ir00_over.html



1.4 Stakeholder communication

Understanding the topics that concern stakeholders is key to CSR practice. Therefore, we maintain communication channels and sound interaction to listen to the voice of interested parties and understand the expectations of stakeholders. We have thus established various channels to communicate with interested parties including local residents, government agencies, employees, customers, suppliers, investors, and non-governmental organizations (NGO). In addition to communicating business with stakeholders through individual functional units, we maintain communication outside the organization through the AGM and CSR email and within the organization through the WeChat platform and employee feedback and grievance units to understand their needs. Through various channels, we aim to optimize stakeholder communication. Topics that concern stakeholders and communication methods are tabulated below:

Stakeholder	Concerned Topics	Method of communication
Local residents	Legal compliance at home and abroad Environmental protection Social contribution	<ol style="list-style-type: none"> 1. Interaction with local residents through activities irregularly organized by the Charity Club. 2. Recruiting volunteers to serve society. 3. Plant grievance acceptance unit.
Government agencies	Applicability of and compliance with the laws and regulations of the host region.	<ol style="list-style-type: none"> 1. Sound interaction with competent authorities. 2. Active participation in public hearings and seminars organized by competent authorities.
Shareholders and investors	Company profitability Business direction Operational risk management	<ol style="list-style-type: none"> 1. Holding AGM in Q2 of every year. 2. Disclose information in relation to finance, stock price, and activities in the Investor Relations section on the corporate website. 3. Disclosure required reports and information on the Market Observation Post System (MOPS). 4. Establish the spokesperson system as the contact window for institutional investors and different companies.
Customers	Labor human rights Working condition Environmental compliance Ethical supply chain management	<ol style="list-style-type: none"> 1. Irregular visits on customers by different BUs. 2. Regular customer satisfaction survey 3. Answer the CSR questionnaire of customers and accept customer audits irregularly. 4. Disclose performance and supplier CSR management status to customers.
Suppliers and contractors	Legal compliance at home and abroad Customer CSR requirements CSR	<ol style="list-style-type: none"> 1. Communication with procurement and contracting personnel. 2. Holding annual supplier conference to communicate the latest CSR requirements. 3. Conducting supplier CSR audits irregularly to verify the CSR performance of suppliers.
Employees	Employee benefits In-service training Career development Occupational safety	<ol style="list-style-type: none"> 1. Set up physical and online suggestion boxes for the Employee Relations Office to understand and reply employee suggestions. 2. Set up a grievance line in each plant for employees to report problems that will be addressed by responsible persons individually. 3. By joining organizations like the Labor-Management Committee (LMC) and Employee Welfare Committee (EWC), employees can make recommendations for and discuss with management through the regular committee meetings in which the head of each unit will communicate with and explain to employees immediately as either an attendee or a guest. 4. Hold a birthday party every month to celebrate the birthday men and women of the month. 5. Subsidize employee club activities. 6. EWC announces employee benefits from time to time



Employee Care

2.1 Workforce overview and structure

To us, employees are the most valuable asset and the bedrock of our survival. Adhering to a human-focus culture emphasizing law abidance and equality, we endeavor to seek the most effective ways to protect the rights and interests and promote the development of employees in order to express our care for employees. We provide employees with a safe, warm, and worry-free work environment to raise their organizational commitment. Furthermore, we offer employees a sound platform for individual development for them to grow and develop together with the Company.

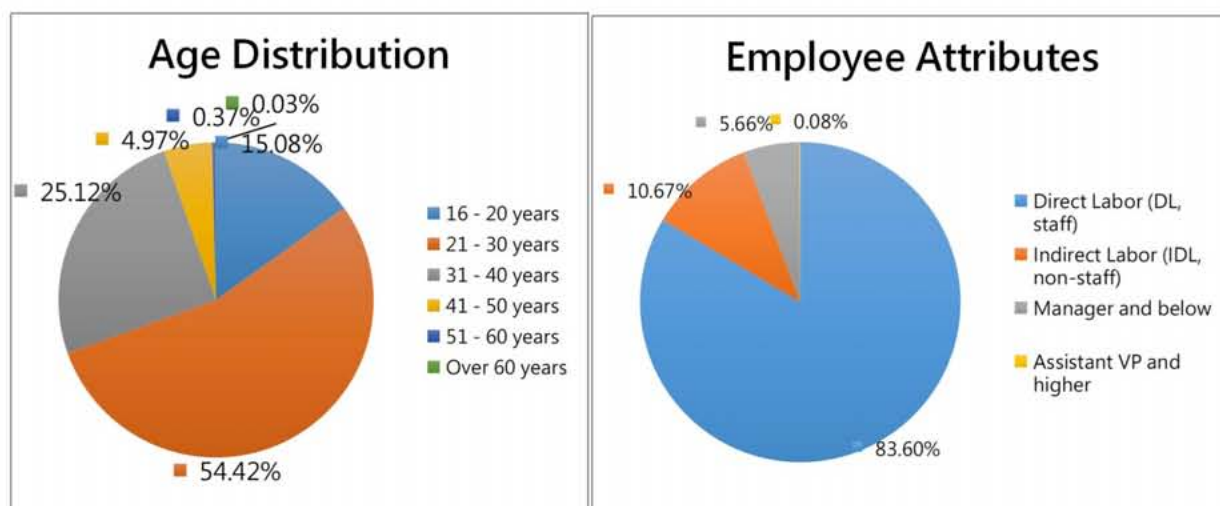
We select outstanding talents through various recruitment channels and fuse CSR concepts including diversity and equal opportunity; respect for human rights; protection of the rights, interests, and health of women employees, no child labor and forced labor in talent recruitment.

Through continuous organizational development, our total number of employees in 2017 reached 53,545 persons, including 1,184 persons from Taiwan Headquarters and 52,361 from different plants in China.

Talent recruitment

In recruitment and employment, we also support opportunities for local workers and people with disabilities. We also comply with local laws and regulations and sign employee contracts with employees.

Workforce Structure in 2017							
Type	Employee Distribution	Women	Percentage (%)	Men	Percentage (%)	Total	Percentage (%)
Age Distribution	16 - 20 years	3,081	15.76%	4,995	14.69%	8,076	15.08%
	21 - 30 years	9,319	47.68%	19,818	58.29%	29,137	54.42%
	31 - 40 years	5,679	29.06%	7,774	22.86%	13,453	25.12%
	41 - 50 years	1,427	7.30%	1,235	3.63%	2,662	4.97%
	51 - 60 years	38	0.19%	161	0.47%	199	0.37%
	Over 60 years	1	0.01%	17	0.05%	18	0.03%
Employee Attributes	Direct Labor (DL, staff)	16,496	84.40%	28,266	83.14%	44,762	83.60%
	Indirect Labor (IDL, non-staff)	2,142	10.96%	3,570	10.50%	5,712	10.67%
	Manager and below	906	4.64%	2,123	6.24%	3,029	5.66%
	Assistant VP and higher	1	0.01%	41	0.12%	42	0.08%
Employment Type	Full-time Employee	19,545	100.00%	34,000	100.00%	53,545	100.00%
	Contract employee	0	0.00%	0	0.00%	0	0.00%
Diversity	Indirect Labor	19,538	99.96%	33,982	99.95%	53,520	99.95%
	People with disabilities	7	0.04%	18	0.05%	25	0.05%

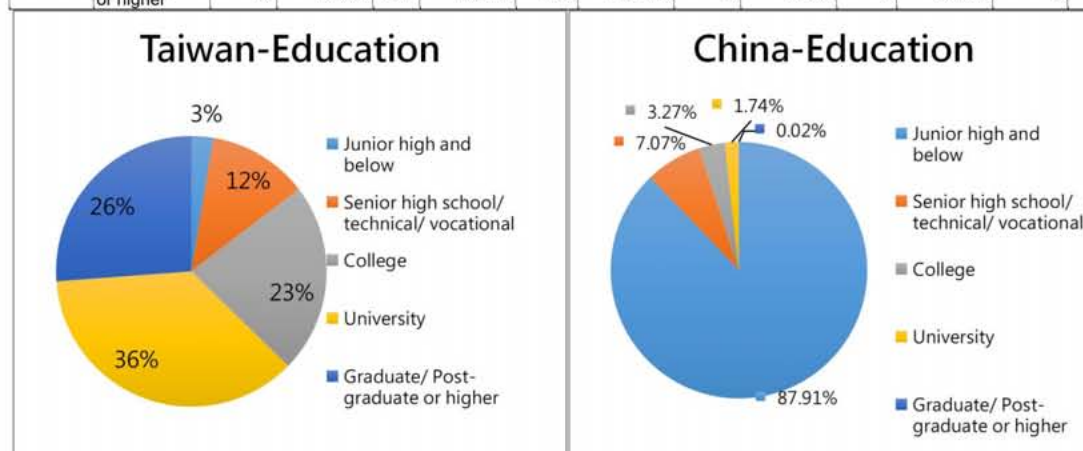


Manpower quality

We have high-quality employees, including 44,762 DLs and 8,783 IDLs. Among all IDLs, 38.03% hold a bachelor's degree, and 3.62% hold a master's or PhD degree.

Employee Education

Factory		Taiwan						China					
Type	Employee Distribution	Women (%)	Percentage (%)	Men (%)	Percentage (%)	Total (%)	Percentage (%)	Women (%)	Percentage (%)	Men (%)	Percentage (%)	Total (%)	Percentage (%)
Education	Junior high and below	18	4.97%	13	1.58%	31	2.62%	16,919	88.20%	29,109	87.74%	46,028	87.91%
	Senior high school/ technical/ vocational	60	16.57%	82	9.98%	142	11.99%	1,268	6.61%	2,433	7.33%	3,701	7.07%
	College	106	29.28%	163	19.83%	269	22.72%	677	3.53%	1,037	3.13%	1,714	3.27%
	University	119	32.87%	313	38.08%	432	36.49%	316	1.65%	594	1.79%	910	1.74%
	Graduate/ Post-graduate or higher	59	16.30%	251	30.54%	310	26.18%	3	0.02%	5	0.02%	8	0.02%

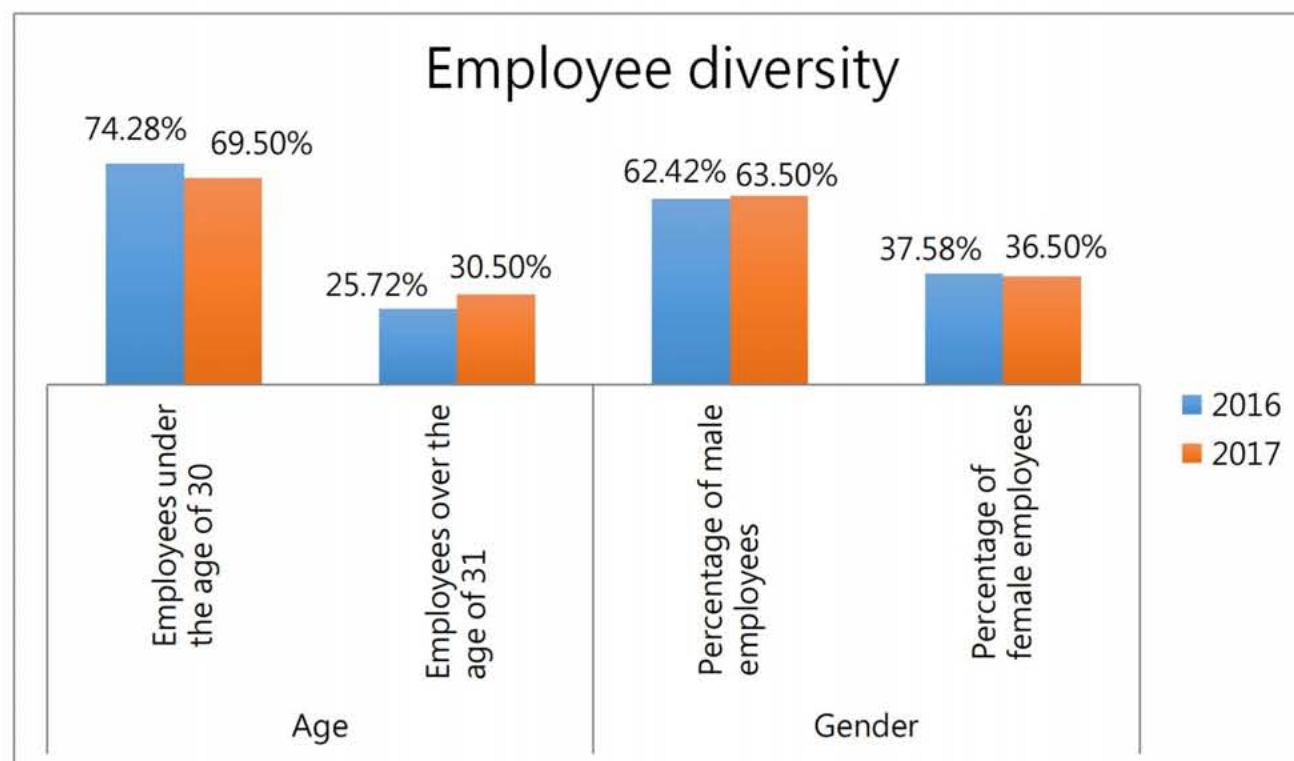


Age and Gender Distributions



Among worldwide employees, 69.50% are aged below 30 and 30.50% are 31 or older. In gender distribution, most employees are male, commanding at 63.50%. We maintain fair and equal opportunity for employee development regardless of age or gender. Each enjoys equal opportunities for development.

Employee diversity				
Type	Age		Gender	
	Employees under the age of 30	Employees over the age of 31	Percentage of male employees	Percentage of female employees
2016	74.28%	25.72%	62.42%	37.58%
2017	69.50%	30.50%	63.50%	36.5%



2.2 Remuneration and benefits

Taiwan and Mainland China are our main operating regions. Apart from abiding by local laws and regulations, we provide employees with mandatory rights and interest; equal opportunity for employment and promotion; and equal remuneration and benefits, in order for employees to grow together with the Company.

For employee remuneration, salaries and bonuses are adjusted based on local cost of living and the market rates in related industries. To promote harmonious labor relations, Foxlink offers annual bonuses, performance bonuses, as well as holiday bonuses for Mid-Autumn Festival, Dragon Boat Festival and other traditional holidays. For employees with childcare requirements, Foxlink provides them with concrete support as well including statutory paid maternity and paternity leave, unpaid leave, career planning, benefits and subsidies.

To protect employee rights and their livelihood, Foxlink pays pension contributions for employees in Taiwan. For employees in China, Foxlink purchases mandatory social insurance (including retirement insurance, medical insurance, occupational insurance, unemployment insurance, and childbirth insurance) and contributes to the provident fund. Foxlink also provides benefits such as free dormitory housing and food subsidies. Other benefits include holiday meals, employee activities, birthday parties and employee support events. These make employees feel at home and properly looked after. In addition to the leisure and recreational facilities, including the basketball court, table tennis room, employee A/V room, and library, for employees to relax themselves and appropriately relieve work stress outside of work, we create an easy-going living atmosphere to bring a homelike feeling to employees away from home.

Well-Established Leave System



In the Taiwan region, we have established a leave management system with respect to the Labor Standards Act, the Regulations of Leave-Taking of Workers, and the Act of Gender Equality in Employment. Under this system, leave types include menstrual leave, marriage leave, maternity leave, paternity leave, family care leave, and annual (special) leave are granted by law. In the China region, leaves include the paid annual leave, sick leave, maternity leave, work-related injury leave, and marriage leave. Furthermore, apart from the general statutory parenting leave of absence and military service leave of absence, employees in Taiwan may apply for a leave of absence for critical illness or injuries or further education and reinstate after the end of leave. With this policy, employees can balance work and family needs. The leave of absence also applies to employees in Mainland China.

Percentage of employees applying for parenting leave of absence in 2017



Percentage of Employees of Taiwan Headquarters Taking Parenting Leave of Absence in 2017			
Parenting leave of absence	Women	Men	Total
Actual number of leave applicants in 2017	8	4	12
Actual number of reinstatements in 2017	3	2	5
Reinstatement rate in 2017	37.50%	50.00%	41.67%
Number of reinstatements in 2016	4	2	6
Number of reinstatements in 2016 and continuing service for one year	4	1	5
Retention rate 2016-2017	100.00%	50.00%	83.33%

Remuneration policy

We pay employees based on their duty, competency, education attainment, work experience, and know-how regardless of gender, race, religion, political affiliation, and marital status. The starting pay for all Taiwan employees is higher than the minimum wage set under the Labor Standards Act. An annual survey on wage in related industries is conducted to ensure that the overall remuneration offered by Foxlink is in line with the market standard. Additionally, we adjust pay, offer differentiated bonuses, and introduce the profit-sharing scheme with respect to individual performance and organizational contributions of employees and organizational business performance to reward the efforts of employees and incentivize outstanding employees.

	Taiwan	China		
		South China	Kunshan	Nanchang
Foxlink Pay Standard-to-Local Minimum Wage Ratio-Male base-level employees	1.26:1	1:1	1:1	1:1
Foxlink Pay Standard-to-Local Minimum Wage Ratio-Female base-level employees	1.19:1	1:1	1:1	1:1

		Taiwan		China					
				South China		Kunshan		Nanchang	
Gender		Men	Women	Men	Women	Men	Women	Men	Women
Direct Labor		1	0.94	1	1	1	1	1	0.99
Indirect Labor	Staff	1	0.92	1	0.93	1	0.98	1	0.95
	Supervisors	1	0.72	1	0.98	1	0.98	1	0.95

Attentive lifestyle services



Comprehensive insurance system

On top of the statutory labor insurance (including employment insurance) and national health insurance, we offer additional insurance for employees, including group insurance, life insurance, critical illness insurance, medical insurance, accident insurance, cancer insurance, and business trip travel insurance to provide employees with additional work and daily life protection. There is also a group insurance plan for dependents to ease the worries of employees.

We also arrange the five types of statutory insurance and one statutory fund for employees in Mainland China, including endowment insurance, medical insurance, unemployment insurance, employment injury insurance, maternity insurance, and the housing provident fund.

Well-established retirement program

In Taiwan, we make the mandatory employer contribution for each employee with respect to the Labor Standards Act (LSA) and the Labor Pension Act (LPA). Employees hired on or before June 30, 2005 enjoy seniority under the LSA plan and a pension contribution equal to 2% of their monthly salary is paid to the Supervisory Committee of Workers' Retirement Fund for deposit into a dedicated Bank of Taiwan account. For employees hired on or after July 1, 2005, 6% of their monthly salary is deposited into their Labor Insurance Bureau pension fund. At the beginning of each year, we estimate the number of employees eligible for retirement and calculate the pension fund to ensure there is adequate fund to meet pension obligations. In addition, we introduce a retirement program exceeding the statutory requirements to allow employees whose age and seniority total over 70 years to apply for retirement. By December 31, 2017, up to NT\$36,059,413 has been disbursed for employee pensions. Employees on the LSA plan must voluntarily switch to the LPA plan to accumulate seniority under the LPA Plan.

2.3 Employee communication

Taiwan Region

Communication is ubiquitous. At Foxlink, we emphasize two-way communication, given that labor-management communication is essential to any enterprises. In addition to the channels for employees to express opinions, we have created an organizational WeChat group for employees to make more efficient and effective exchanges and interactions with one another and for the Company to make real-time announcements with the push function. Furthermore, we have established channels for employees to make enquiries and file grievances. We hope that communication can help reduce conflicts and misunderstanding. We also hope that it will help employees from different backgrounds embrace the same values, eliminate differences in perception, resolve misunderstandings and maximize team synergies.

In addition, we introduce our corporate culture to new employees on their arrivals and arrange education/training activities for employees to identify with our corporate culture and management philosophy. In recent years, we have started the performance and exit interviews with employees terminating their employment to understand their reasons for termination of employment and their expectations from the Company, in order for employees of all levels to conceive and value the employee needs.

Notice boards are there to timely publicize information regarding the Company and organizational activities to optimize routine awareness education. Foxlink Learning e-Newsletter is an organizational monthly for communicating corporate culture to employees and for providing learning information and career development resources for employees.

China Region

When there are labor and management, there is the need for communication. Communication is a ubiquitous two-way activity that enables cultural exchange and emotion sharing. Communication is also the only way to reduce conflicts, eliminate misunderstandings, and resolve contradictions to enable labor and management to demonstrate optimal performance, given the diversity in thoughts, value orientation, knowledge construction, character and traits, ways of thinking, and methods of work. Hence, we publicize corporate culture, arrange related education/training activities, and apply inspirational teaching with stories for new employees to identify with our corporate culture on their arrivals.

In the context of corporate culture exploration, corporate culture diagnosis is essential for an enterprise to shape a culture based on its corporate features and a needed start to externalize its corporate culture. The employee interview and questionnaire are essential tools for culture diagnosis among others.

In recent years, we have interviewed with in-service employees and employees terminating employment and conducted the employee satisfaction questionnaire. In addition, we interviewed employees terminating employment voluntarily to timely discover the problems causing termination of employment. An interview should elicit subtle proclivities and enable a timely understanding of the current problems in corporate culture building. Apart from revealing the current status of corporate culture and the level of commitment to this corporate culture of employees of all levels, the interview should be able to discern the ideal corporate culture expected and described by employees. In the interview, an interviewer must communicate the concept of corporate culture with the respondent to enable all members within the organization to conceive and value this corporate culture. Notice boards are established for timely communicating organizational information and activity status to ensure timely disclosure of information and understand the opinions and recommendations of employees.

WeChat Platform: Happy Micro Classroom.

On the WeChat Platform, we have further developed the Happy Micro Classroom for sharing articles on spiritual growth and family interaction to spiritually nurture employees outside work. In 2017, the Happy Micro Classroom was browsed 7,345 times. In the future, we will promote the classroom to attract a minimum of 30,000 views and 50% of employees.



Employee Seminar

To realize employees care, the Employee Care Platform specifically organized the Employee Seminar to unite the Employee Relations Department and base-level management (foremen (line leaders) and team leaders), optimize management, and make progress to turn employee care into real action, in order to establish harmonious labor-management relations and promote sustainable development for the Company.

In 2017, we organized many employee seminars. Apart from seminars for direct participation of workers, online seminars for team leaders were held. We also organized seminars on organizational cohesion development, employee stabilization, and direct labor to sharpen employee management and communication techniques. Other topics included effective employee communications, new employee communication and observation, problem employee management, how to reduce the production line turnover rate, how to boost teamwork and employee incentive methods, employee management during the probation period, management case studies, and employee communications with respect to employee relations.

Group photo of forum participants



Foremen and team leaders exchange seminars



Caring Angel Program

To help the superiors and colleagues of new employees create a successful arrival experience for new employees to fuse with the Company more quickly and prepare a process for new employees to find the sense of achievement in work and become self-motivated and productive, plants in China introduced the Caring Angel Program in 2016. According to the program, one caring angel will receive training and bonuses and take care of ten new employees for them to feel that they are welcome, resolve problems and develop organizational cohesion, in order to raise employee retention rate.

In 2017, the Caring Angel Program was expanded to many BUs, and a total of 653 training activities were organized for over 30,000 participants.

Courses held in 2017 included:

Introduction to Caring Angel Program, Introduction to Foxlink Benefits, Establishing A Good Relationship with Employees, Communication Techniques, Employee Development, Emotion Management Guide,

Caring angels in training



One of the training materials for caring angels



One-Stop Service Center

Caring angels provide employees with daily life consultation service to help them complete assignments more conveniently and enhance work efficiency. In 2017, plants in China continued to operate the One-Stop Service Center. The center offers employees one-stop services, including related personnel affairs like plant ID application, ATM card/social security card collection, provident fund application, and resident card application; and administrative affairs like dormitory application/withdrawal, uniform collection/return, and restaurant.

One-Stop Service Center opening times



Service windows in the One-Stop Service Center



Counseling

To ensure the physical and mental health of employees and to optimize the organizational welfare system, plants in China initiated the Sunshine and Spirit House in the employee living area. The Sunshine and Spirit House opens weekly to provide counseling service for employees. We have also hired senior counselors to provide resident counseling service and organize mental health seminars every month. After over six years of efforts, the Sunshine and Spirit House now offers services including individual counseling, group counseling, psychological salon, crisis prevention, the intention of dialogue (wide-awake trance), happiness micro class, and EAP knowledge education. Various books on psychological knowledge have also been purchased by the "Sunshine and Spirit House" for employees to read. 104 counseling sessions were offered in 2017.

Sunshine and Spirit House counseling room



Mental health knowledge education



2.4 Employee care activities

Lifestyle Seminars

Taiwan Plant

Psychological Health and Safety:

Work happily in sound health and mind

We have established a clinic to provide employees with easy access to medical services. Regular health examinations are arranged for employees with items in excess of the statutory items specified in the Labor Standards Act. We have also enhanced health statistical analysis to provide evidence for effective employee health management. Further consultation and health education are arranged for employees with critical anomalies found in health examinations, and health advice is also given.

For employees to nurture their children with healthy constitution, we have specially established a warm and comfortable lactation room for mothers returning to work to lactate in privacy in a safe and private environment and thereby to work more attentively and enhance work efficiency.

We also actively organize health education activities and health promotion talks for general employees. In 2017, we organized the annual health examinations for all employees and other health-related activities, such as the weight loss class and physical fitness test to protect employees and safeguard their health.



Lactation room



Lactation room



Annual health examination



Annual health examination



Weight loss class



Weight loss class

Employee clubs

In addition to maintaining health and physical strength, employee clubs have planned practical skill training activities for culture and art and elaborate leisure lifestyles to improve the living quality and organizational cohesion of employees. Then, employee clubs extended their activities to social care. For example, the craft club organized charitable sales of their handmade lip balms and donated income from the sale to orphanages to demonstrate the spirit of one for all and all for one.

Club activity: Floral Art Club	Twice a month on Tuesday evening.
Club activity: Aerobic Dance Club	Once a week on every Thursday evening
Club activity: Craft Club	Different topics for each month Crispy plum making/handmade soap/shampoo making/lip balms making/ID holder making/dry flower making, and others.
Club activity: Bakery Club	Different topics for each month: Bread/yolk pastry/biscuit/stylish steamed buns/Mediterranean cuisine/pasta
Club activity: Basketball Club	2017 Foxlink Basketball Club Activities on 2017/6/9 1. Women Hero Shooting Contest (Women) 2. 3 on 3 (Women's Group) 3. Master Three-Point Shooter Contest (Men) 4. Skill Challenge Contest (Men's Group) 1. Basketball Game (Men's Group)

Club activity: Badminton Club	<p>The 3rd Foxlink Badminton Competition 2017 on 2017/8/18</p> <p>The event was organized to promote physical health, develop friendship, and encourage healthy recreations in the Company.</p>
Club activity: Triathlon Club	<p>The Triathlon Club is established to gather all triathlon lovers in the Company and to make sports more fun by organizing activities and participating in competitions. Apart from promoting physical health, relieving work stress, and developing friendship among employees, triathlon enables athletes to earn the sense of achievement through continuous self-challenging and self-breakthrough.</p>
Club activity: Yoga Club	<p>Twice a week on every Tuesday and Friday evenings</p>

Employee Care Achievements

Subsidized Item	Subsidized Persons	Subsidized Amount
Birth subsidization	33	219,000
Funeral/burial subsidization	20	200,000
Marriage subsidization	15	45,000
Hospitalization subsidization	10	20,000
Disability subsidization	17	19,000

China Region

“Employees as the root and care as the origin” is our employee care concept. Apart from paying attention to daily life details and spiritual satisfaction, we have established an individual development platform to stimulate employees to demonstrate a sense of ownership, in order to simultaneously make employees enthusiastic about both work and promote employee and organizational development.

Mental Health Fair

The South China Plant organized two mental health fairs in 2017 to offer counseling education to and address the emotional problems of employees, in order to create a sunny and healthy corporate image and shape a self-motivated, optimistic, and positive corporate lifestyle. Many employees participated in these activities, including over 300 registered employees, and more being unregistered.

Event venue



Voluntary participation of employees



Family Day

For employees and their family to feel the growth and care of the Company, and understand our work atmosphere and work environment, we arranged plant tours and interactive games for employees and their family to feel the care from the Company.



Happy Life Seminars

Plants in China hold the Happy Life Seminar every month to enrich the employee's life outside work, raise their awareness of mental health, raise their happiness index, and promote harmonious labor-management relations.

Eight seminars were held in 2016, with 318 participants.

Courses offered in 2017 included:

Attitude Adjustment: To Be Your Ideal Self, Understand Self from the Heart, A Beautiful Day Without Depression

Find Your Secrets to Harmonious Interpersonal Relationships, Understanding the Attitude for Romance/Attitude: A Road to A Beautiful Romance/Marriage, Building A Health Character for A Perfect Life, Be Nice to Yourself: Keep Anxiety Away, and Keeping Insomnia Away to Get Your Life Back

Interactions during Happy Life seminar



Leisure time in class



Employee Health Knowledge Talk

Human health problems deteriorate as the survival stress in modern society increases. Many people are in suboptimal health status (SHS) under highly pressurized work. The human body is human capital, health is the protection of happiness, and knowledge is the prerequisite for change. To maintain the physical health of employees and enable them to have a happy life, plants in China organize Employee Health Knowledge Talk regularly.

Employee Health Knowledge Talk at a glance



Exciting After-Work Activities

2017 Year-End Reception: Welcoming Spring Festival with the Auspicious Dog

To appreciate the efforts and devotions of employees in the past year, demonstrate our corporate culture, strengthen organizational commitment, and enhance organizational cohesion, we organized the 2017 Year-End Reception: Welcoming Spring Festival with the Auspicious Dog. The reception program included dance, singing, and band performances presented by employees. A lucky draw was also arranged afterwards.

Reception venue and hosts



Toast from the chairman



Lucky draw



Spring Festival Couplets

For employees to experience the atmosphere of the new year near the Lunar New Year, we distributed Spring Festival couplets written by members of the China Calligraphers Association, Guangdong Calligraphers Association, and the Calligraphy Club of the Company for employees to post on their doors or bring them home to enhance organizational cohesion in employees.



Holiday in Taiwan

To demonstrate our concern for employees, boost employee morale and improve our corporate image, employees of the year are publicly recognized for their outstanding performance. Winning employees also receive a trip to Taiwan to learn about Taiwanese customs and culture as well as enjoy the fruits of their labor.



Model Laborer Tour

The tour is organized to recognize employees having outstanding performance in service and management, disseminate our corporate culture, demonstrate the glory of model laborers, and enhance organizational cohesion in employees, in order to express our care for base-level employees.



National Day Celebration: Mid-Autumn Festival Reception

To demonstrate our care for employees during the Mid-Autumn Festival, enrich the cultural life of employees during holidays, and provide employees with a relaxing and joyful holiday, we held the South China Plants Mid-Autumn Festival Reception at the Fudong and Fuqiant plants on September 30, 2017 and October 1, 2017 respectively.

Show venue



Fugang Cup Men and Women Mixed Tug of War

To enrich the after-work cultural life of employees, promote interdepartmental communication and exchange, demonstrate the team spirit of the Company, and create an active, unified and caring team atmosphere of the Company, we organized the 2017 Fugang Cup Men and Women Mixed Tug of War at the basketball court of plants in China. A total to 12 teams from different Foxlink BUs signed up to the “war”, heating up the entire event.

A photo of BUs



The “war” scene.



The 8th Fugang Cup Men’s Basketball Tournament 2017 of South China Plants

To enrich the after-work cultural life of employees, promote interdepartmental communication and exchange, demonstrate the team spirit of the Company, and create an active, unified and caring atmosphere of the Company, we organized the 8th Fugang Cup Men’s Basketball Tournament 2017 of South China Plants at Fugang and Fudong plants respectively in September 2017.

On the day of the competition (1)



On the day of the competition (2)



2.5 Career development and employee growth

Talents are the most important organizational asset, and this has become a universal concept of business owners who are committed to talent development in return. Talent development and retention are the only way to maintain organizational competitiveness in a rapidly changing time and competitions. Based on training and development models, we define the basic competencies of each job grade and provide multifaceted and comprehensive learning environments by integrating and utilizing organizational resources for employees by job classification regardless of gender, hoping to develop and retain talents with well-established education and training activities.

Focuses of development education/training activities:

Administrative personnel training and legal and policy training are the prerequisites for us to maintain steady organizational development in a rapidly changing macro environment. Professionals and technicians cultivated through expertise training and development and skills training and transfer are the main sources to increase human capital and improve organizational competitiveness. To pursue and maintain growth for employees and the organization together through a policy integrating theory and practice, we have established a well-planned employee education/training system from the orientation to the on-the-job professional training.

Legal Compliance and Policy Training

Business operations are indispensable to legal compliance. Therefore, it is necessary to include related topics, including procurement and service outsourcing contracts, patent application strategy, trade secret protection, and labor-management issues emerged with the rise of labor rights awareness, in education/training activities related to legal compliance and contracts, in order to prevent and avoid traps in business operations and labor-management disputes. In 2017, we planned and designed courses on the protection of trade secrets, personal information, patent rights, and intellectual property rights in employee education/training to equip employees with a basic concept of legal compliance in relation to their jobs.

Talent Competency Development

Administrative Personnel Training: The training courses for administrative personnel aims to develop the management competencies of medium-level managers, in order to equip them with management essentials including production, marketing, human resources, R&D, and finance.

Professional Competency Development: Courses in conformity with production knowledge, quality management, production management, and employee development are developed by integrating professional competency courses and consolidating customer requirements. External training courses are arranged based on the specificity of the professional competencies required by individual departments and the need for new knowledge available from seminars for employees to improve related knowledge.

Language Proficiency Training: Opportunities for TOEIC tests and English e-learning courses are arranged for employees to improve their language proficiency.

General Education Courses for New Employees: To enable new employees to understand the systems and corporate culture of the Company and fuse with the Company as early as possible, orientation training arranged on the day of arrival includes courses on the introduction to the history, organization, business philosophy, corporate culture, business integrity and ethics, labor and human rights laws and regulations, organizational regulations and systems, quality system, document system, GP concept, and ESH system and statutory OHS requirements of the Company; and the Responsible Business Alliance (formerly the Electronic Industry Citizenship Coalition, EICC) Code of Conduct.



Internal Instructor Training: Regardless of ranks, such as a high-rank decision-maker, a medium-level management planner, or a base-level business implementer, it is the right and obligation of organizational members of different levels to develop the ability and potential of other members within the organization, contribute their knowledge and skills, and effectively play their roles and fulfill their responsibilities in the organization. In 2017, we trained 37 internal instructors to strengthen the teaching capacity of on-the-job training (OTJ) instructors and optimize competency development quality, in order to engrain and inherit knowledge and skill education.

Other Training and Development Activities

Foxlink Boot Camp: To build a new-generation robust management team, we have established the Foxlink Boot Camp to train management assistants (MAs) in order for them to understand our business philosophy, quickly fuse with our corporate culture, and inspire and stimulate their sense of purpose (ambition) and thereby organizational fusion. In the camp, we focus on developing the technical and management capacity of MAs every quarter and evaluate training effectiveness at planned intervals for MAs to plan their own career development map.



Education and Training Platform: We have completed well-established e-learning platforms for all Foxlink plants in both Taiwan and Mainland China for employees to learn in a friendly learning environment, where they can arrange their flexi-learning plans according to their schedules and access document resources on the platform ubiquitously.

Our education and training activities are planned and implemented in conformity with the Taiwan Training Quality System (TTQS). By successfully linking organizational needs, strategies, and training to employee learning and development, we won the TTQS Bronze Award from the Workforce Development Agency, Ministry of Labor. To diversify the development of organizational training and development arrangements, we also actively organize various training-related activities:

Foxlink Learning e-Newsletter is an organizational monthly published for communicating corporate culture to employees and for providing learning information and career development resources for employees.

Celebrity Talk and Trend Talk are organized for celebrated instructors in the industry to share and introduce views across industries to encourage employees to jump out of the box to develop new views and apply them in real work.

Performance Evaluation: After the employee self-evaluation, a department head will interview his/her subordinates to enhance work performance. A department head will also provide employees with career planning consultation for the reference of the future growth and development of employees. For employees with less than ideal performance, department heads will help them make a remedial plan, give them work guidance and/or education/training, or arrange job transfer for them, in order to put the right person in the right place.

We build channels through cooperation with related universities and departments for employees to further education.

Effectiveness of Employee Training and Development

We constantly provide learning resources for employees throughout their career. Based on the specific needs of resources of individual BUs, we plan exclusive knowledge and technology and integrate them into a competency learning map for the reference of career development of employees. In 2017, we constantly added value to human capital through education and training to help employees achieve personal development and organizational goals. The total length of education and training in 2017 was 695,476.5hours.

	Taiwan					China														
						South China					Kunshan					Nanchang				
	Number of Employees	Total Number of Trainees	Average Number of Trainees	Total Training Hours	Average training length	Number of Employees	Total Number of Trainees	Average Number of Trainees	Total Training Hours	Average training length	Number of Employees	Total Number of Trainees	Average Number of Trainees	Total Training Hours	Average training length	Number of Employees	Total Number of Trainees	Average Number of Trainees	Total Training Hours	Average training length
DL	84	30	0.36	60	2.00	18746	95210	5.08	373680	3.92	46200	46871	1.01	186142	3.97	1372	6470	4.72	25068	3.87
IDL	672	3552	5.29	18012	5.07	5002	25850	5.17	52778	2.04	3740	4265	1.14	14866	3.49	130	152	1.17	352	2.32
Managers and higher	42	358	8.52	1362.5	3.81	1743	10429	5.98	22458	2.15	60	162	2.70	414	2.56	14	57	4.07	114	2.00
AGP and above	386	55	0.14	170	3.09	0	-	-	0	-	0	-	-	0	-	0	-	-	0	-
Total	1184	3995	3.37	19604.5	4.91	25491	131489	5.16	448916	3.41	50000	51298	1.03	201422	3.93	1516	6679	4.41	25534	3.82
Total Average Training Hours	4.91					3.41					3.93					3.82				

Administrative fines in 2017:

1. We were fined a sum of NT\$80,000 for violation of Article 32 of the Labor Standards Act.
2. We were fined a sum of NT\$20,000 for violation of Article 36 of the Labor Standards Act.



Health & Safety

3.1 Health in industrial production

Occupational Health and Safety Policy

To assume social accountability on OHS through legal compliance.

To care for employee health and safety and prevent occupational accidents.

To establish an OHS management system and make continual improvements.

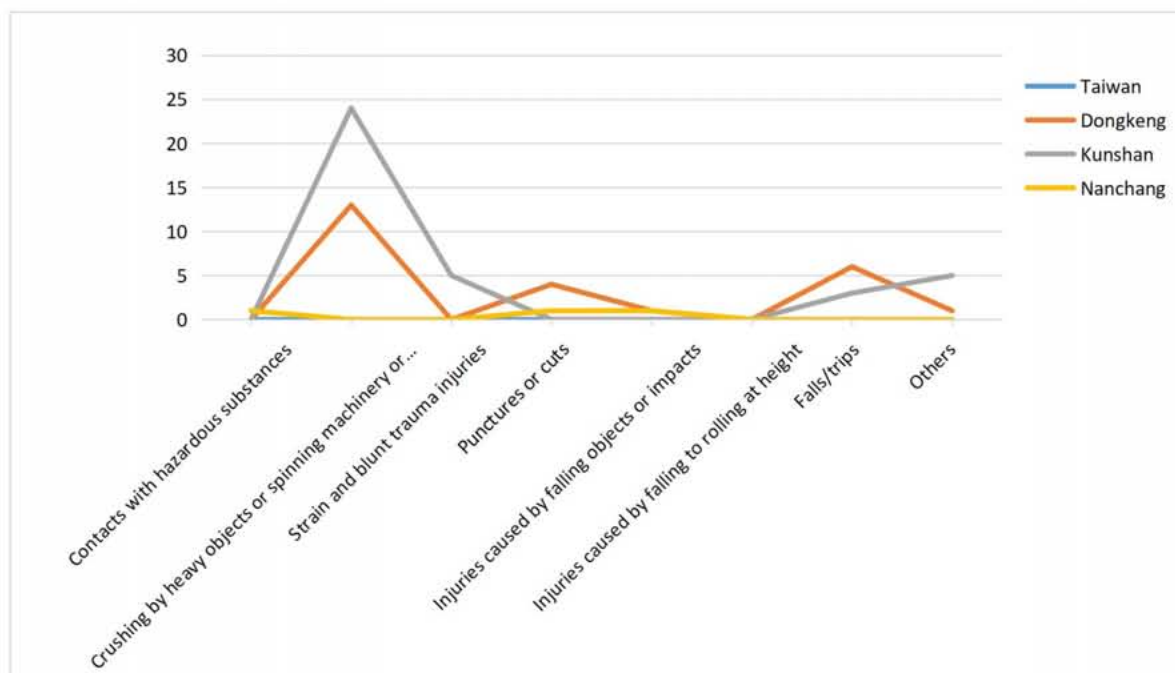
To enforce OHS through total participation in OHS education and training.

Maintaining workplace OHS has always been part of our OHS policy. To maintain workplace OHS for employees, we have implemented the OHSAS18001 Occupational Health and Safety Assessment Series in all Foxlink plants, in order to implement strict OHS management.

Except for 65 work-related injuries, no death or critical work-related injury was reported in the four plants within the 2017 report boundaries. In terms of injury types, crushing by heavy objects or spinning machinery or pinching was the most common as shown in related statistics. At Foxlink, we adopt the disabling injury frequency rate (DIFR or FR) and disabling injury severity rate (DISR or SR) commonly used in different industries as key performance indicators for occupational hazards. In 2017, the average FR was 0.79 (i.e., 0.79 times every million hours worked) and the average SR was 7.35 (i.e., loss of 7.35 days in every million hours worked).

Each plant investigated, made improvements, and traced each count of work-related injury to ensure it will not recur. In addition, near-miss reporting and improvement proposal reward have been implemented, and both FR and SR have been reducing every year as a result.

Injury Type	Taiwan	Dongkeng	Kunshan	Nanchang	Total
Contacts with hazardous substances	0	0	0	1	1
Crushing by heavy objects or spinning machinery or pinching	0	13	24	0	37
Strain and blunt trauma injuries	0	0	5	0	5
Punctures or cuts	0	4	0	1	5
Injuries caused by falling objects or impacts	0	1	0	1	2
Injuries caused by falling to rolling at height	0	0	0	0	0
Falls/trips	0	6	3	0	9
Others	0	1	5	0	6
Total	0	25	37	3	65



PKI	Taiwan	China			Average
		Dongkeng	Kunshan	Nanchang	
Disabling Injury Frequency Rate	0	0.52	1.48	1.14	0.79
Disabling Injury Severity Rate	0	10	9.78	9.6	7.35

Safety training

To constantly improve onsite safe production manageability of management personnel and workers, we offer plant EHS training courses regularly, and 331 courses were offered for 9,374 participants in 2017. Course contents included ISO 14001 and OHSAS 18001 implementation, chemicals storage and operation safety, correct use of personal protective equipment (PPE), plate locking electrical safety. And fire management. In addition, we invited external professional organizations to offer training activities at the Company, such as first aid training and safety management personnel training. We believe that atmosphere determines employee awareness that further determines human behaviors. To constantly raise the safety awareness of employees, we have built a safe and healthy work environment to ensure personnel are equipped with work-related safe production abilities and can capture the importance and necessity of safe production.



Course Types	Taiwan	China			Total
		Dongkeng	Kunshan	Nanchang	
Number of environmental-related courses	0	6	3	7	16
Number of participants of environmental-related courses	0	141	71	107	319
Number of safety-related courses	7	43	37	203	283
Number of participants of safety-related courses	90	914	847	6,174	7,935
Number of health-related courses	0	7	20	5	32
Number of participants of health-related courses	0	234	796	90	1,120



Fire Drill



Fire Drill

To improve the management, command, and handling of emergencies, we make continual improvements of the command system of the emergency management organization and enhance the self-help and mutual rescue capacity of employees to ensure the quick, correct and effective activation of the evacuation mechanism in emergency. Furthermore, to ensure all personnel can understand the use of fire extinguishers and fire hoses, we organized 63 fire emergency response drills with about 78,645 participants, with a target of two times a year for each of the morning and evening shifts. The scope of drills covers resident contractors, visitors, and customers. Furthermore, each plant arranges thematic drills for high-risk operations every year, such as emergency response to chemical spillage and storm water contamination.

Evacuation drill	Taiwan	China			Total
		Dongkeng	Kunshan	Nanchang	
Number of evacuation drills	2	38	18	5	63
Number of participants of evacuation drills	65	64,000	12,621	1,959	78,645

Emergency evacuation drill in 2017

Evacuate immediately after the warning alarms.

Assemble at the designated rendezvous point.





Search for captured personnel



Fire safety education



Training on firefighting equipment



Fill Drill



3.2 Occupational health and safety

To protect the health and safety of employees, we adopt engineering cybernetics, elimination, and segregation of occupational hazards to reduce their impacts on work environments and workplaces. Apart from implementing source management of chemicals and enforcing occupational health surveillance, we regularly implement work environment measurement according to the law to monitor occupational hazards, including noise, dust, benzene homologues, lead, tin, and UV radiation. Then, we establish a safety management plan for occupational health based on the measurements. Furthermore, we prevent bodily harms on employees through management, labor protection, and health surveillance.

In occupational health protection, plants embark on occupational health surveillance, purchase PPE, implement environmental measurement every year, and invest in improvements in relation to occupational safety. The total expenditure on OHS protection in 2017 was CNY3,269,034 for plants in China and NTD1,131,975 for plants in Taiwan.

OHS Expenditure	Taiwan (NTD)	China (CNY)			China Region Total
		Dongkeng	Kunshan	Nanchang	
Occupational physical examination	800,000	600,000	800,000	25,964	1,425,964
PPE	0	300,000	13,215	23,616	336,831
Work environment measurement	83,625	500,000	97,000	15,200	612,200
Occupational safety improvements	0	300,000	87,120	68,000	455,120
Others	248,350	100,000	290,919	48,000	438,919
Total	1,131,975	1,800,000	1,288,254	180,780	3,269,034

3.3 Food safety

Food safety has always been a global concern, given food is essential to people and safety to food. According to the 19th National Congress report, food safety strategies will be implemented for people to feel safe to eat. At Foxlink, we have implemented a food safety strategy that is one step ahead of others. In 2015, we started a restaurant equipment update and reengineering and management upgrade to implement total food safety supervision, in order to eliminate food safety events and protect food safety through source control.

1. We select professional and competent catering contractors passing ISO 22000, ISO 9001, or HACCP certification to supply foods for all plants.



2. We assign dedicated food safety managers to supervise the implementation of food-related laws and regulations, such as the Act Governing Food Safety and Sanitation, implement the management requirements specified by the food supervisory authority, establish a complete catering management system, and adopt strict standards to ensure food safety for employees. To achieve source control, we implement book management for food ingredient inputs. When ingredients come in, we register them and perform an incoming quality control inspection. Each ingredient is supplied with corresponding test reports, the expiry date, and quality and safety labels. Suppliers must prepare their business registration and business permit. The FIFO principle shall apply. Quarantine inspection and residual pesticide tests are implemented on fresh food ingredients every day. Only qualified products can ensure food safety for employees.
3. Standardization of processing to prevent cross contamination: Division of management shall apply to each station. Initial processing area, vegetable processing area, meat processing area, fish processing area, cleaning area, steaming area, and cooking area shall be established individually; raw and cooked food segregation shall be strictly implemented; and utensils shall be managed by means of a color scheme. Open kitchen management: 24-hour CCTV monitoring and webcast are implemented and good practices are developed for employees to see food safety and eat without worries.



4. Output control standard: Special staff members are assigned to examine foods before supply. Cold appetizers or foods are prohibited. Hot foods and rice are well done prior to supply. A sample of each type of food is maintained for 48 hours.
5. Dishwashers are equipped in the kitchen: Recovered tableware is soaked to remove food waste before washing in a dishwasher at high temperature. Tableware is placed in a clean space after washing and sterilized in accordance with the tableware disinfection system.



6. Inspection standardization: Sampling tests are conducted on tableware and food every quarter, and nonconformities are timely corrected to protect food safety.

Contents	Laboratory	Test Items
Headquarters-Employee Restaurant Inspection Q1 Tableware and Food Inspection	Taiwan SGS	Food: E. coli, coliform, Staphylococcus aureus Smear: Plate count Tableware: E. coli/grease/starch/alkylbenzene sulfonate Vegetable: 374 items of residual pesticides

7. Kitchen hygiene management: Apart from the routine cleaning before and after each meal, disinfestation of rats, sparrows, flies, and mosquitoes shall be implemented every week in the kitchen, the restaurant, and peripheral areas. Discharge facilities, gutters, and pipelines shall be dredged and cleaned every month. Storm water and effluent separation before discharge shall be implemented. Oil-water separators shall be equipped at the exhaust end of cooking hoods with static cleaning processing. Full implementation of the regulatory and statutory requirements for environmental protection shall be implemented to ensure production safety.

8. Supervision and monitory mechanisms: Each plant shall establish a Catering Committee for the total supervision of food supply. The committee shall hold a committee meeting every month to discuss the recommendations collected from the department of committee members and trace the effectiveness of improvement before closing a case. The committee shall also raise the restaurant dining rate of employees and gather their recommendations to improve catering service together.



9. Catering service upgrading: Each restaurant acquired the safety upgrading certificate from the food supervisory unit in April 2017. This suggests that significant improvements have been made to the facilities, equipment, and management of the restaurant for employees to enjoy nutritional, safe and reliable foods.

餐饮服务食品安全等级公示 Food Safety Grades Notification

食品安全等级
Food Safety Grade



东莞市食品药品监督管理局
Dongguan Food and Drug Administration

食品安全等级类别
Food Safety Grades Category



投诉举报电话: 0769-83880383
Complaints hotline: 0769-83880383



About employee restaurant audit

Catering Safety Management

I. Profile

1. There are both employee restaurants and coffee shops in the Tucheng Plant for employees to dine or chat.

Employee restaurant



Employee coffee shop



2. Announcement of the menu and calorie facts of dishes every week

Menu and calorie facts

	主菜(kcal):	主菜(kcal):	主菜(kcal):	主菜(kcal):	主菜(kcal):
	香酥白帶魚150 韓式烤雞排210 (新菜)	清蒸赤鯨魚150 卡啦雞排210	烤秋刀魚180 蒜泥白肉230	煎肉魚150 鹽酥雞210	香酥鯉魚150 酥炸大排230
自助餐	副菜(kcal):	副菜(kcal):	副菜(kcal):	副菜(kcal):	副菜(kcal):
	韭花豬肝60 洋葱炒蛋60 蒜香青花45 三杯五香干70 白色時蔬45 綠色時蔬45	朴菜筍干45 番茄炒蛋60 台芹豆干60 豆鼓龍鬚菜50 白色時蔬45 綠色時蔬45	滷蛋70 百頁醃豆55 蒜苗花椰45 魚香茄子50 白色時蔬45 綠色時蔬45	白菜冬粉50 肉絲筍片45 菜脯蛋60 芹管豆干60 白色時蔬45 綠色時蔬45	小魚辣椒70 紅燒油豆腐70 彩片雙花45 瓜仔肉80 白色時蔬45 綠色時蔬45
麵食	酢醬麵450 香酥雞排210	蝦仁炒飯480 美味小菜50	牛肉麵470 美味小菜50	宮保雞丁燴飯500 美味小菜50	雲南紹子麵450 美味小菜50
晚餐	滷大排230 花枝丸80 青椒豆包60 辣味玉米50 鮮炒時蔬45	香酥巴沙魚150 螞蟥上樹50 烤香腸80 小瓜杏菇45 鮮炒時蔬45	香酥雞腿210 辣子素雞70 蔥爆黑輪70 金茸白菜45 鮮炒時蔬45	黑椒大排230 滷豆腐70 椒鹽甜條80 雙蔬麵輪60 鮮炒時蔬45	三杯雞排210 香腸玉米55 荷包蛋70 蝦醬高麗菜50 鮮炒時蔬45

熱量標示單位為100克/大卡

II. Food Safety

1. Outsourced inspection: Implemented as of March 2017
We outsource food safety inspection to SGS laboratory and conduct unannounced spot check of the restaurant every quarter.
2. Self-inspection:
 - 2.1 Unannounced ingredient sampling tests every week. (Test items: Sources of food ingredients, cooking oil, salt, and MSG)
 - 2.2 Maintain specimens of each food every day and refrigerated for 48 hours to examination.



- 2.3 Implement monthly disinfection to disinfest the breeding and spread of pest to reduce safety risks.



Quarterly Food Safety Inspection Items

Plan	Laboratory	Test Items
Quarterly tableware and food inspection	SGS	<p>Foods: E. coli, coliform, Staphylococcus aureus smear – total plate count</p> <p>Tableware: E. coli/grease/starch/alkylbenzene sulfonate</p> <p>Vegetable: 374 items of residual pesticides</p>



Supply Chain Management

4.1 Supplier requirements

Foxlink considers suppliers to be key partners and hopes to work together to build a sustainable and stable supply chain. Apart from the basic evaluation indicators, such as quality, cost, delivery time, technical capacity, and service, we include the Responsible Business Alliance (RBA) Code of Conduct and green procurement as part of supplier evaluation in our supplier management system. We also request that suppliers apply for our permission prior to changing materials, process, location, and related items of production. In addition, we request suppliers maintain and abide by business integrity in the Supplier Integrity Commitment (or Undertaking of Integrity) and contracts in which "bribes or other means of obtaining undue or improper advantage are not to be promised, offered, authorized, given or accepted" (BRA Code of Conduct v6) is specified.

Furthermore, we establish standard operating procedures (SOPs) to define supplier evaluation in respect of legal, customer, and other international requirements. Contents of customer evaluation cover: environmental statement (green procurement), quality management, hazardous substance management, conflict-free minerals undertaking, CSR commitment, OSH, and so on, in order to ensure that suppliers meet the standards in the CSR management system in the above conditions. In response to customer requirements and local production, we purchased chiefly from suppliers in Taiwan, China, Japan, South Korea and other Asian countries in 2017. Suppliers under control include material suppliers, manpower, and contractors. Moreover, we have established, implemented and maintained regulations for risk management and criteria for reporting of risk management anomalies. For suppliers with anomalies, we disclose information over the e-reporting system to take timely actions.

Foxlink Group Supplier Management Requirements



4.2 Ethical Supply Chain Management

Supplier social and environmental responsibility management

Besides relevant international requirements and local laws and regulations, we request suppliers to respect labor human rights, provide workers with a work environment in conformity with OHS requirements, assume social and environmental responsibility, maintain the highest ethical standard, and abide by the anti-corruption laws and regulations. Through the request for onsite supplier evaluation and the signing of SOPs, we confirm that suppliers understand the CSR contents and the need for continual improvement.

By including CSR as part of the selection criteria and management strategy of suppliers in 2012, we request suppliers to sign the Foxlink Supplier CSR Undertaking and correct nonconformities. Over 215 suppliers have signed the undertaking or voluntarily made a statement of CSR compliance by 2017.

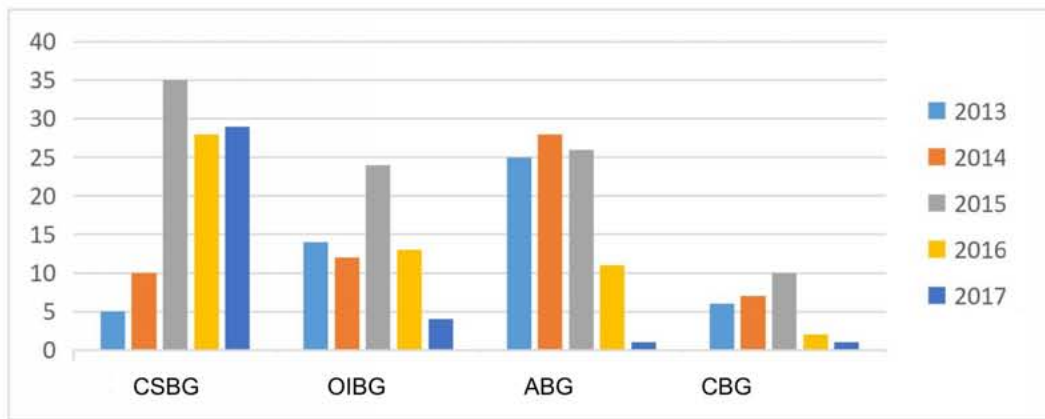
Strict and Fair Supplier Evaluation

We request every supplier to observe such regulations and relevant laws and regulations where business is operated, particularly for key suppliers having long-term cooperation. By implementing a stringent and unbiased supplier selection system and risk assessment system, we supervise suppliers to ensure they make continual improvement of their CSR system through selection audits and annual audits, in order to effectively raise the standard of ethical supply chain management (SCM). With respect to the supplier risk assessment criteria, Foxlink plants assess the risk of existing suppliers every year in terms of plant location, scale of operations, capital nature, major production activities, sales volume, and acquisition of CSR certification, in order to determine the risk level of suppliers.

In respect of the volume or amount of procurement or the importance of materials, we conducted onsite audits on 35 suppliers in 2017, including 17 first-time suppliers. The audit frequency was 35% less than 2016, and 205 nonconformities were detected. No child labor was found at Foxlink or during supplier audits in 2017.

Supplier Audit - By BU

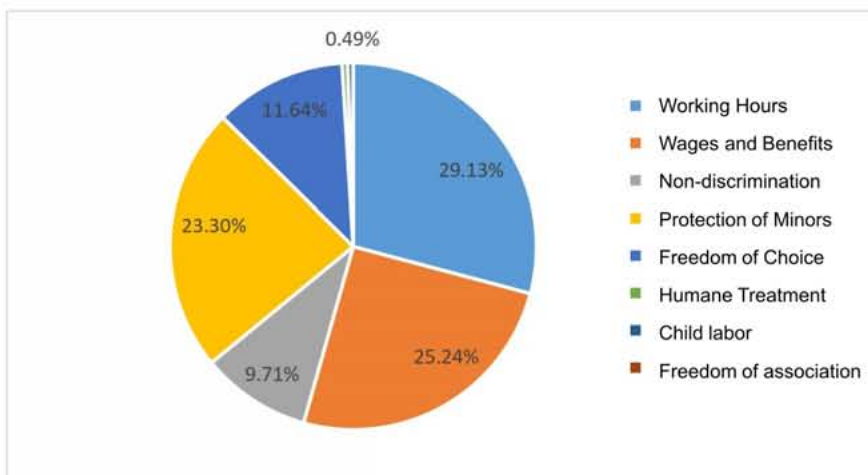
Number of Suppliers Audited Each Year					
Business Unit	2013	2014	2015	2016	2017
Communications BU	5	10	35	28	29
Optoelectronic Product BU	14	12	24	13	4
Components BU	25	28	26	11	1
Components BU	6	7	10	2	1
Total	50	57	95	54	35



Supplier Audit - Distribution of Non-Conformities



Nonconformities	Working Hours	Wages and Benefits	Non-discrimination	Protection of Minors	Freedom of Choice	Humane Treatment	Child labor	Freedom of association	Total
Total	60	52	20	48	24	1	0	0	205
Percentage	29.13%	25.24%	9.71%	23.30%	11.64%	0.49%	0%	0.00%	100.00%



Supplier Conflict-Free Minerals Management

With respect to the Dodd-Frank Wall Street Reform and Consumer Protection Act of the USA, and the planning and specifications regarding conflict-free minerals of GeSI, EICC (now BRA), Conflict-Free Smelter Program (CFSP, now Responsible Minerals Assurance Process, RMAP), we support the prohibition of minerals mined through armed conflicts and human rights abuses in the Democratic Republic of Congo and its neighboring countries and avoid using conflict minerals indirectly in electronics and information products, in order perform CSR.

With the Conflict Minerals Reporting Template (CMRT), we request suppliers trace the source of minerals such as gold (Au), tantalum (Ta), tin (Sn) and tungsten (W) used in their products to ensure that they are not "conflict minerals". We also request suppliers to sign the Conflict-Free Minerals Undertaking to affirm no procurement of products containing minerals from the conflict or high-risk region. Over 215 suppliers have signed the undertaking or voluntarily made a conflict-free mineral statement by 2017.

As an electronics manufacturer, we cannot stand alone from conflict metal issues. For this reason, we actively publicize that we use no minerals from conflict or high-risk regions. We also hope to promote a conflict-free culture in our supplier chain.

4.3 Green supply chain

To perform environmental and social responsibilities, we have been manufacturing green products in collaboration with suppliers over time. While optimizing own management, we actively promote the concept of systematic management of green products in our supply chain and encourage suppliers to sign the environmental contract and improve their capacity in green product management. We also screen new suppliers stringently, believing that only a healthy supply chain can supply materials and products for sustainable development. In our green SCM system, passing ISO 9001 certification is a prerequisite to ensure the standardization of production process of suppliers, in order to progressively improve their capacity in green product management.

Approved Vendor List (AVL)

Control

Must pass hazardous substances system audits.

Sign the Hazardous Substances Environmental Undertaking

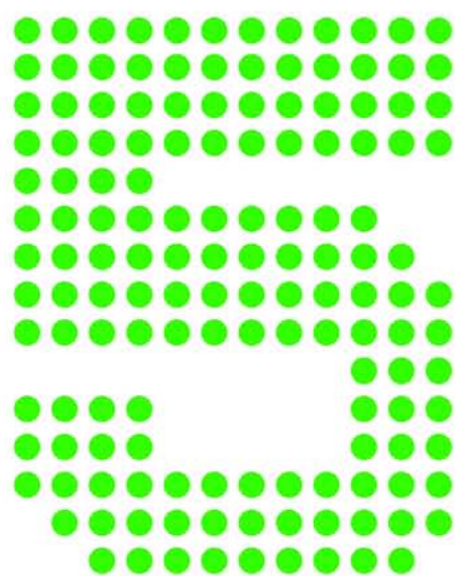
Annual routine supervisions and audits.

Grade	RSCS performance
A (>85)	Good
B (75~85)	Improvement needed
C (60~69)	Unacceptable

Hazardous substances auditor special training for suppliers



To improve the capacity in hazardous substances audit of auditors, implement all regulations regarding hazardous substances control, and enhance the management standard of all suppliers, all Foxlink plants offered the hazardous substances auditor special training for suppliers in 2017 to develop nearly 100 qualified hazardous substances auditors.



Green Low-carbon Development

5.1 Hazardous substances control

Hazardous Substance Management Policy

Meet requirements and satisfy customers.
Minimize use for environmental protection and health.
Effective management to prevent pollution.
Total participation for win-win.

To respond to the global trend of green product development; conform to the international, legal, and customer requirements; and enhance green product competitiveness, we have established a stringent hazardous substances management policy to minimize the use of chemical substances that are hazardous to the environment and human beings. For temporarily irreplaceable substances, we constantly gather information regarding their use and establish a complete data report to inform customers or other interested parties.

By offering education and training to all employees and with the help of the IECQ QC080000 quality management system, we implement close monitoring of each process from material input through production to shipping, in order to keep unqualified materials away and ensure no defective products are released. We also request the whole supply chain to comply with related regulations, such as RoHS, REACH, and so on. We also include the capacity of hazardous substances management as a key indicator in supplier selection

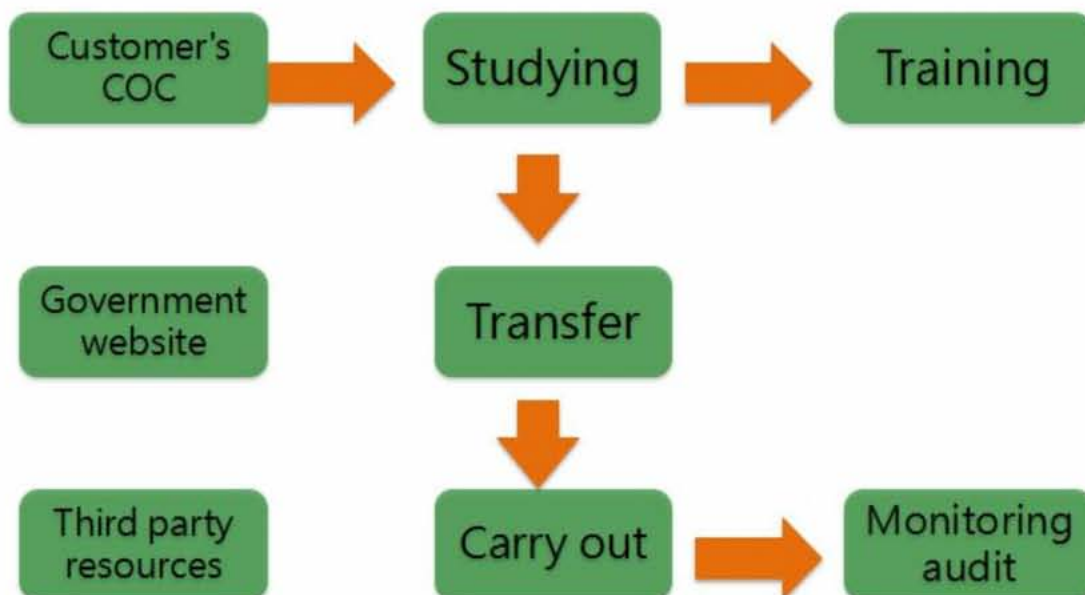
Supporting Green Products through IECQ QC080000

In addition to ISO 9001 and IATF16949 management systems, we are the first in the manufacturing industries to establish the IECQ QC080000 management system. Based on the requirements of the electronic components quality assessment system, we ensure products are manufactured under effective monitoring in conformity with the system.

IECQ QC 080000 Certificate

華南廠區	昆山廠區	南昌廠區
		

Customer-focus and legal focus workflow



Zero customer complaint and fulfillment of green expectation of customers

We spare no effort to capture customer feedback through the green product production process. Therefore, we conduct product management satisfaction survey on customers every year. Through the concerted effort of all employees, we achieved the goal of "zero" customer complaint on hazardous substances again in 2017. Our performance won high recognition from customers as revealed in the two questionnaires conducted in 2017.

Hazardous Substances Inspection

In 2001, we established our chemical laboratory in Dongguan, Guangdong. In March 2004, we passed the laboratory accreditation of China National Accreditation Service for Conformity Assessment (CNAS), equivalent to ISO/IEC17025 certification. The laboratory performs RoHS tests on materials and components in accordance with the IEC632321 standard and the operating procedures of international test standards. Currently, the scope of service covers RoHS 2.0, halogen, phthalate, and most substances specified in REACH.



Quality Policy

Rigor

Verity

Safety

Reliability



To accurately understand legal and customer requirements, the Quality Management Division has formed a professional management team that maintains regular customer or third-party communication to quickly and effectively internalize such requirements. We also keep track on the latest business information to keep pace with the management concepts of world leading enterprises. Following the rapid business development, we continuously expanded the scale of our plants last year. To improve the capacity of hazardous substances management of new employees, we planned and implemented a series of training activities to ensure every worker on the production line can capture basic identification and operation abilities. Furthermore, to minimize the risk of hazardous hazards through source control, we trained 70 qualified XRF test personnel in 2017 with three hours of theory training and two hours of practical training.



5.2 Energy resource management

Environmental Policy

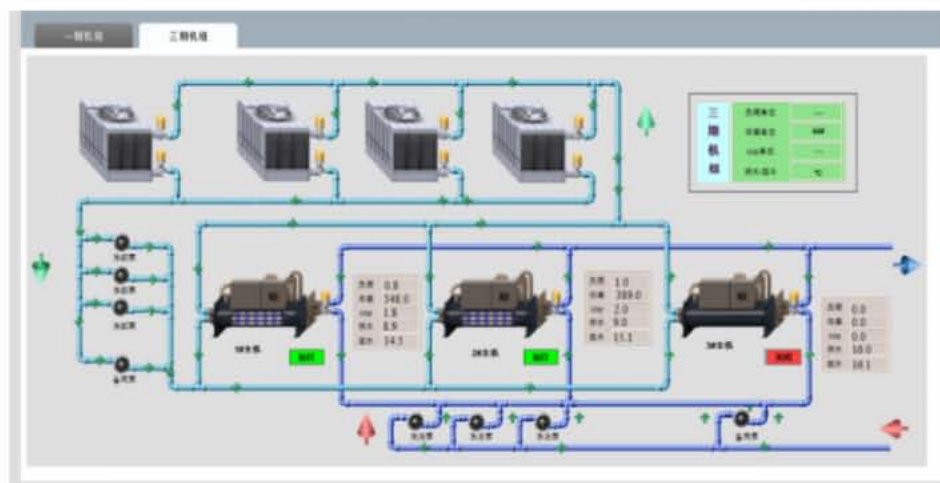
Compliance with environmental laws and regulations
Reduce environmental pollution and conserve energy
Continual improvement of the environmental management system
Total participation in environmental training and protection activities

To earnestly enforce our environmental policy, observe environmental regulations, reduce environmental pollution risks, and reasonably conserve energy consumption, we enhance energy conservation publicity to raise the energy awareness and self-consciousness of energy conservation in employees. We also propose various environment concepts, including reduction (waste reduction), reuse (reuse or re-purpose items after use), recycle (classification and recycling), repair (repair before reuse), reject (reject articles that can contaminate the environment), and paperless office (office computerization).

In 2017, the Dongkeng Plant invested CNY1.32 million in building an energy management center (EMC) equipped with tertiary quantification equipment, energy consumption displays, and energy consumption maps by plant level and by workshop.

Apart from capturing plant energy consumption, EMC converts energy consumption into data for the reference of setting targets for energy management. We have also erected energy consumption displays in the plant to disclose energy consumption data for employees to acknowledge local energy consumption more easily and thereby enhance awareness of energy conservation. The concrete achievements of the EMC are as follows:

1. Timely discovering electricity wastage during breaks.
According to the online monitoring of electricity consumption of workshops and dormitories, we discovered that energy is still consumed in some areas. After investigating related causes and establishing corresponding regulations, energy wastage during breaks has reduced significantly.
2. Computerization of energy use management
Prior to EMC establishment, the monthly electricity budget and sharing of a plant was estimated proportionally. Now, the management system provides electricity consumption data in detail of the entire plant and each workshop, team, and equipment, management can set energy conservation targets for the reference to set energy conservation targets, and the budget analysis function provide data in detail to achieve computerization of electricity use management.
3. Enhancing energy conservation awareness of employees with the energy consumption display
The electricity consumption display is installed for employees to intuitively understand more and better about electricity consumption in different plant areas to raise their awareness of energy conservation.



In 2017, the total volume of effluents of all Foxlink plants of 258,000 t was. By enhancing reclaimed water use, promoting the water conservation program, and implementing the reclaimed water reuse project, the Dongkeng Plant reduced effluents by 2,000 t as there was no significant change in processes and productivity in 2017, saving 584 t of tap water compared to 2016. Plants discharging effluents in the production process include Dongkeng and Kunshan plants, with a reclamation rate of 65% and 50% respectively. In 2017 no water pollution was reported.

In 2017, the Kunshan Plant was fined CNY170,000 for breaking the Solid Waste Prevention Act.

Water consumption basis	Taiwan		China						Total	
			Dongkeng		Kunshan		Nanchang			
Year	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
Production wastewater	0	0	23	21	207	237	0	0	230	258
Tap water consumption	49	49	3.691	3.107	1.389	1.875	73	83	5.202	5.113

Note: Water volume is expressed in kt (kilo tonnes)

In 2017, each plant inventoried greenhouse gases (GHGs) according to the ISO14064-1 standard, totaling 330,216 t CO₂-e, including 7,099 t CO₂-e falls in Scope 1. Due to the stability of grid supply in 2017, generation using diesel reduced by 796 t CO₂-e compared to 2016. Out of our love for the Earth and practice of energy conservation and environmental protection, we will continue to reduce GHG emissions.

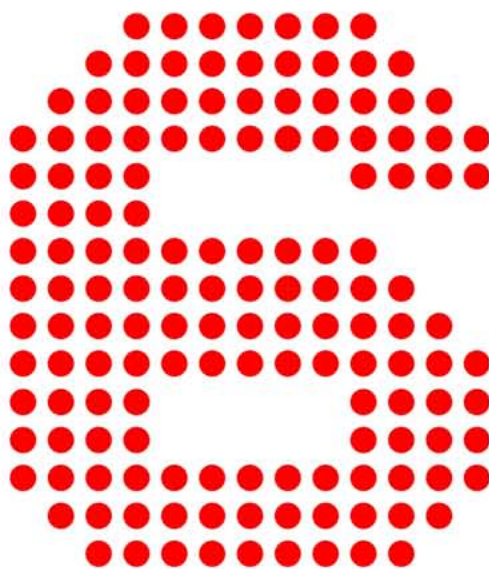
GHGs	Taiwan		China						Total	
			Dongkeng		Kunshan		Nanchang			
Year	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
Scope1	6	5	3,740	1,925	4,130	5,152	18	17	7,895	7,099
Scope2	14.805	14,252	213,212	198,928	73.332	98,107	12,099	11,830	313,448	323,117

Note: Outputs of Scope 1 and Scope 2 are expressed in t CO₂-e.

5.3 Environmental expenditure and investment

For the continual improvement of environmental performance, Foxlink plants take aggressive action and invest in environmental protection. In 2017, plants in China invested about CNY10.27 million in the treatment and monitoring of environmental pollutants including effluents, exhausts, and solid waste and in environmental optimization programs. Apart from enhancing the treatment efficiency of environmental pollutants in the plant, these investments can reduce the environmental impacts on local areas by our business activities.

Environmental Expenditure	Taiwan (NTD)	China (CNY)			China Region Total (CNY)
		Dongkeng	Kunshan	Nanchang	
Environmental engineering	230,000	177,000	3,901,900	0	4,078,900
Routine maintenance expense	0	4,024,694	1,797,667	11,500	5,833,861
Environmental testing	87,465	67,846	185,860	12,200	265,906
Others	129,850	8,841	40,570	46,650	96,061
Total	447,315	4,278,380	5,925,998	70,350	10,274,728



6.1 Community involvement in Taiwan

In 2017, charitable donations amounting to NT\$3 million went to 12 charitable groups across Taiwan to take care of vulnerable youth, children, and the elderly.

Charitable donations

No.	Recipient	Amount
1	BOYO Social Welfare Foundation	250,000
2	Bornanew Youth Caring Association	250,000
3	Agape Caring Association	250,000
4	Orphan Welfare Foundation	250,000
5	House of Dreams	250,000
6	Christian Mountain Children's Home	250,000
7	Child Welfare League Foundation	250,000
8	Taiwan Fund for Children and Families	250,000
9	Tsu-Hsin Children's Home	250,000
10	Lishin Charity Foundation	250,000
11	Chung Yi Social Welfare Foundation	250,000
12	Good Shepherd Social Welfare Foundation	250,000

Charity Club: Blood Donations

Since the Foxlink Charity Club began organizing blood drives, the event has received great support from all employees. This year, we arranged three blood drives so that employees could roll up their sleeves in their spare time and show their spirit of compassion within the plant itself. This meant that "Donate a bag of blood to save a life" is now more than just a slogan. By the end of 2017, 3,210 bags of blood, or 802,500 cc, were donated. It is hope that this will continue indefinitely.

Charity Club Activities 2017

No.	Date	Donation/Service Recipient	Donated Amount
1	2017/03/15	10th Group Blood Drive Taipei Blood Center	Blood donors:254 Blood donated:254 bags,63,500cc Cumulative total:2708 bags, 677,000cc
2	2017/06/14	11th Group Blood Drive Taipei Blood Center	Blood donors:240 Blood donated:240 bags,60,000cc Cumulative total:2948 bags, 737,000cc
3	2017/09/13	12th Group Blood Drive Taipei Blood Center	Blood donors:262 Blood donated:262 bags,65,500cc Cumulative total:3210 bags, 802,500cc
4	2017	Money donation - Hualien daybreak school Factory district set up public welfare invoice box and zero money box (set up in 2010)	2017/2/9_NT 6,330 remittance 2017/11/6_NT 6,044 remittance Total NT 12,374
5	2017	Zero money box - Christian mustard Club Factory district set up public welfare invoice box and zero money box (set up in 2010)	NT 7,990
6	2017	Invoice box - Corporate Foundation of Consortium Factory district set up public welfare invoice box and zero money box (set up in 2010)	6,102 Invoices
7	2017/8/22	Foxlink handmade community-Charity Sale Chung Yi Social Welfare Foundation	NT 7,100
8	2017/9/15	Donation of goods-Staples Mennonite New Dawn Home-Hualien	20 cartons of rice/ 4 cantons of vermicelli/ 3 cartons of rice noodles
9	2017/9/15	Donation of goods-Staples Hong Hua Children's Orphanage	20 cartons of rice/ 3 cantons of vermicelli/ 3 cartons of rice noodles

***Purchased 247 gift boxes of pomelos grown by farmers in Bali, New Taipei City, as gifts for the Mid-Autumn Festival.**

6.2 Community involvement in China

Caring social vulnerable groups and repaying society are the unchanged charitable goals of Foxlink. Charitable donations and support for the disabled and the young are important and long-term responsibility. Each Foxlink plant in China spares no effort to contribute to local communities and develop with them. Out of compassion, we reach out to those in need and develop charitable business to build a harmonious society and devote ourselves to philanthropy in collaboration with charities.

In 2017, the Dongkeng Plant donated CNY50,000 each to the Dongkeng Women's Association (Assistance for Poor Families); the Dongkeng Association for People with Disabilities and Dongkeng Town Zhongxin Elementary School ("Sunshine Project" for Children of Migrant Workers); and Dongkeng Elderly Care Home, totaling CNY200,000, to promote charitable business development for more people from social vulnerable groups to feel the love of charity.



Sponsorship for Cultural Activities in Dongguan City

As one of the earliest agricultural folklores and cultural festivities, the Labor-Selling Festival on February 2 on the lunar calendar in Dongkeng Town has been listed on the Intangible Cultural Heritage protection of Guangdong Province. Through the co-organization of Foxlink and government units, it has become a festival with the most local traditional features and cultural heritage offering cultural and spiritual support to the modern society featuring high economic and social development.



2017 Dongkeng Foreign Investors Cup Singing Contest

At the 5th Foreign Investors Cup Singing Contest 2017 held in Dongkeng Town in Dongguan City, we gathered employees that love to sing to participate in the event to provide them a stage for showing their talent. Among 61 participants, eight from Foxlink out of 16 with outstanding performance entered the final, commanding at 50%. Eventually, Foxlink employees won the first four prizes. Apart from demonstrating the spirit and talent of Foxlink, these results further enhance the organizational cohesion of employees.

Contest venue



List of winners

姓名	部门	奖项
杨银花	华南-人资-招募课	一等奖
万陈姣	零组件-连接器	二等奖
邝应旺	零组件-线装	二等奖
周素茵	华南-人资-员工关系课	三等奖
盛伟波	零组件-线装	优秀奖
吉克英红	光电-消费	
李伟立	零组件-组件	
谢达成	零组件-连接器	

The 4th Labor Union Congress of Dongkeng Town 2017

Vice Chairman Zhixiong He of Dongguan Federation of Trade Unions, Dongkeng Town officials Yaohong Zhang, Qingzhong Su, and Bopo Lu, and 122 union representatives of the town attended the congress. Foxlink representatives attentively listened to the working report and the federation's objectives in the next five years presented by members of the third board: continue to learn and practice the spirit of the 19th National Congress, fully demonstrate the main-force power of workers, and focus on maintaining the legal rights and interests of workers. At the congress, Foxlink representatives exercised the voting right. The members of the fourth board and fund review committee of the Dongguan Federation of Trade Unions were elected smoothly.

Photo of union representatives



GENERAL STANDARD DISCLOSURES			Section	
Analysis Strategy and	G4-1	of the organization.	Message from the Chairman	3
	G4-2	Description of key impacts, risks, and opportunities.	Message from the Chairman	3
Organizational Profile	G4-3	The name of the organization.	1.1 About the Company	6
	G4-4	The primary brands, products, and services.	1.1 About the Company	8
	G4-5	The location of the organization's headquarters.	1.1 About the Company	6
	G4-6	Names of countries where the organization operates.	1.1 About the Company	6
	G4-7	The nature of ownership and legal form.	1.1 About the Company	6
	G4-8	The markets served.	1.1 About the Company	6
	G4-9	The scale of the organization.	1.1 About the Company	6
	G4-10	The total number of employees by employment contract, gender and region.	2.1 Overview of Employee Status and Structure	19
	G4-11	The percentage of total employees covered by collective bargaining agreements.	2.1 Overview of Employee Status and Structure	19
	G4-12	The organization's supply chain.	4.1 Supplier Selection and Evaluation	55
	G4-13	Significant changes during the reporting period	"Note: Company organization has no significant changes during the reporting period."	NA
	G4-14	Report whether and how the precautionary approach or principle is addressed by the organization.	1.3 Corporate Governance	13
	G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	Foxlink's Declaration of Corporate Social Responsibility	4
		Memberships of associations and national or international advocacy organizations	1.3 Corporate Governance	16
Identified Material Aspects and Boundaries	G4-17	All entities included in the organization's consolidated financial statements.	About Foxlink Precision Industry Co., Ltd. CSR Report	1
	G4-18	The process for defining the report content and the Aspect Boundaries.	1.4 Communicating with Stakeholders	17
	G4-19	The material Aspects identified in the process for defining report content.	1.4 Communicating with Stakeholders	17
	G4-20	The Aspect Boundary within the organization.	About Foxlink Precision Industry Co., Ltd. CSR Report	1
	G4-21	The Aspect Boundary outside the organization.	About Foxlink Precision Industry Co., Ltd. CSR Report	1
		Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	Note: No restatement of information in previous report.	NA

	G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	Note: No significant changes in the scope and aspect boundaries.	NA
Effluents and Waste	G4-24	Stakeholder groups engaged by the organization.	1.4 Communicating with Stakeholders	17
	G4-25	Report the basis for identification and selection of stakeholders with whom to engage.	1.4 Communicating with Stakeholders	17
	G4-26	Report the organization's approach to stakeholder engagement.	1.4 Communicating with Stakeholders	17
	G4-27	Report how the organization has responded to those key topics and concerns.	1.4 Communicating with Stakeholders	17
Report Profile	G4-28	Reporting period for information provided.	Reporting period for information provided.	1
	G4-29	Date of most recent previous report.	Date of most recent previous report.	1
	G4-30	Reporting cycle.	Reporting cycle.	1
	G4-31	The contact point for questions.	The contact point for questions.	1
	G4-32	GRI Content Index	GRI Content Index	72~77
	G4-33	The organization's policy and current practice with regard to seeking external assurance for the report.	The organization's policy and current practice with regard to seeking external assurance for the report.	NA
Governance	G4-34	Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	1.3 Corporate Governance	13
Ethics and Integrity	G4-56	"The organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics. "	Foxlink's Declaration of Corporate Social Responsibility	4
ECONOMIC				
Economic Performance	G4-EC1	Direct economic value generated and distributed.	1.3 Corporate Governance	16
	G4-EC3	Coverage of the organization's defined benefit plan obligations.	2.2 Employee Remuneration and Benefits	22~23
	G4-EC4	Financial assistance received from government.	Note: No financial assistance from government in 2016.	16
Market Presence	G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	2.2 Employee Remuneration and Benefits	23

GRI CONTENT INDEX



	G4-EC6	Proportion of senior management hired from the local community at significant locations of operation.	2.1 Overview of Employee Status and Structure	19~21
ENVIRONMENTAL				
Energy	G4-EN3	Energy consumption within the organization.	5.2 Energy and Resources Management	63~64
	G4-EN5	Energy intensity.	5.2 Energy and Resources Management	63~64
Water	G4-EN8	Total water withdrawal by source.	5.2 Energy and Resources Management	64
	G4-EN10	Percentage and total volume of water recycled and reused.	5.2 Energy and Resources Management	64
Biodiversity	G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Note: All operation locations are not in protected areas.	NA
	G4-EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Note: All operation locations are not in protected areas.	NA
Effluents and Waste	G4-EN22	Total water discharge by quality and destination.	5.2 Energy and Resources Management	64
	G4-EN23	Total weight of waste by type and disposal method.	5.2 Energy and Resources Management	64
	G4-EN24	Total number and volume of significant spills.	Note: No significant spills in 2016.	64
	G4-EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel convention annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	Note: No waste shipped internationally.	NA
	G4-EN26	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff.	Note: All operation locations are not in protected areas.	63
Products and Services	G4-EN27	Extent of impact mitigation of environmental impacts of products and services.	5.1 Restrictions on Hazardous Substances	60
Compliance	G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Note: No significant fines occurred in 2016.	64

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Overall	G4-EN31	Total environmental protection expenditures and investments by type.	5.3 Environmental Expenditures and Investments	65
Supplier Environmental Assessment	G4-EN32	Percentage of new suppliers that were screened using environmental criteria.	4.2 Ethical Supply Chain Management	56~57
	G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken.	4.2 Ethical Supply Chain Management	56~57
Environmental Grievance Mechanisms	G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms.	Note: No grievance occurred during reporting period.	NA
SOCIAL : LABOR PRACTICES AND DECENT WORK				
Employment	G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region.	2.1 Overview of Employee Status and Structure	19~21
	G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part time employees, by significant locations of operation.	2.1 Overview of Employee Status and Structure	22~23
	G4-LA3	Return to work and retention rates after parental leave, by gender.	2.1 Overview of Employee Status and Structure	22
Occupational Health and Safety	G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender.	3.1 Safety in Industrial Production	43
	G4-LA7	Workers with high incidence or high risk of diseases related to their occupation.	3.2 Occupational Health and Safety	48
Training and Education	G4-LA9	Average hours of training per year per employee by gender, and by employee category.	2.5 Career Development and Employee Growth	39~41
	G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	2.5 Career Development and Employee Growth	39~41
	G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category.	2.5 Career Development and Employee Growth	39~41
Diversity and Equal Opportunity	G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	2.1 Overview of Employee Status and Structure	19~21

Equal Remuneration for Women and Men	G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	2.2 Employee Remuneration and Benefits	23
Supplier Assessment for Labor Practices	G4-LA14	Percentage of new suppliers that were screened using labor practices criteria.	4.2 Ethical Supply Chain Management	56~57
	G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken.	4.2 Ethical Supply Chain Management	56~57
Labor Practices Grievance Mechanisms	G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms.	2.3 Communicating with Employees	25
SOCIAL: HUMAN RIGHTS				
Investment	G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	2.5 Career Development and Employee Growth	39
Non-discrimination	G4-HR3	Total number of incidents of discrimination and corrective actions taken.	2.3 Communicating with Employees	25~28
Freedom of Association and Collective Bargaining	G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights.	2.3 Communicating with Employees	24~28
Child Labor	G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	4.2 Ethical Supply Chain Management	56~57
Forced or Compulsory Labor	G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	2.4 Employee Care Activities	29~31
Security Practices	G4-HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations.	2.5 Career Development and Employee Growth	39~41
Indigenous Rights	G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments.	4.2 Ethical Supply Chain Management	56

Supplier Human Rights Assessment	G4-HR10	Percentage of new suppliers that were screened using human rights criteria.	4.2 Ethical Supply Chain Management	56
	G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken.	4.2 Ethical Supply Chain Management	56
Human Rights Grievance Mechanisms	G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms.	2.3 Communicating with Employees	25~28
SOCIAL: SOCIETY				
Local Communities	G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	6.1 Community Involvement and Activities in China	67~68
			6.2 Community Involvement and Activities in Taiwan	69~71
Anti-corruption	G4-SO4	Communication and training on anti-corruption policies and procedures.	1.3 Corporate Governance	16
Anti-competitive Behavior	G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	Note: No anti-competitive behavior, anti-trust and monopoly practices occurred during reporting period.	NA
Compliance	G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Note: No significant fines occurred during reporting period.	64
PRODUCT RESPONSIBILITY				
Customer Health and Safety	G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement.	5.1 Restrictions on Hazardous Substances	60~62
Product and Service Labeling	G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements.	5.1 Restrictions on Hazardous Substances	60~62
	G4-PR5	Results of surveys measuring customer satisfaction.	5.1 Restrictions on Hazardous Substances	60~62
Compliance	G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Note: No significant fines occurred during reporting period.	64