



2018 CSR

Foxlink Corporate Social Responsibility Report



Preface

- 01 About the report
- 02 Message from the chairman

About the report

- 04 The company sustainable development commitments

Stakeholder peace

- 05-06 Interested party identification and communication
- 07 Confirmation of major considerations
- 08-09 Company profile

Corporate governance

- 10 Foxlink board of directors
- 11 Internal risk control-audit department
- 11 Professional ethics requirements and regulatory compliance
- 11 Protection of intellectual property rights
- 12 Patent advantage

Friendly workplace

- 14 Employee profile & human structure
- 15 Human structure

Humanistic care

- Management of minors and child labor 16
- Face all-in-one identification process 16
- Anti-discrimination and forced labor management 17
- Employee compensation and retirement systems 17
- The welfare system 18

Care for women

- Mamiroom was set up 18-19
- Nursery teacher training 19-20
- Scholarship of employees' children 21
- Employees Open Day 21-22
- Employee communication 22
- Employee feedback acceptance method 23-24

Personnel training and development

- Management training 25-26
- General staff training 27
- Academic qualifications promotion 27

Occupational health and safety policy

- Occupational health and safety performance 29

Directory

Contents

- 30 Safety training
- 31 Emergency drilling
- 32 Environmental policy
- 33-34 Energy and water resources management
- 35 Occupational health and safety
- 35 Waste management
- 36 Environmental protection spending and investment
- 36 Occupational health and safety

The appendix

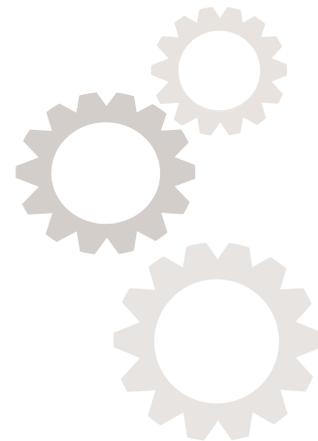
GRI index table 48-53

The responsibility of supply chain management

- 38 Supplier social responsibility evaluation
- 39 Conflict minerals supplier management
- 39 Green supplier quality management
- 40 Green mining management
- 40 Material and process of risk identification
- 40-41 Restricted substance testing
- 41-42 Strengthening system management
- 42 Customer satisfaction

Social participation

- 44-45 Group annual public welfare donation
- 46-47 Humanity and art promotion





Scope of the report

This report was published in June 2019, and all disclosures covered the performance of Foxlink from January 1, 2018 to December 31, 2018 in Corporate Social Responsibility (CSR). The internal boundaries include Taiwan's headquarters and mainland factories, the external boundaries includes the local community government, supply chain, etc., and according to the company's strategic changes, this time revealed the addition of two new factories in the mainland: Xuzhou Plant and Maanshan Plant. The list is as follows:

| Taiwan | Headquarters | Headquarters in Tucheng |
|----------|--------------|---|
| Mainland | Factory | Dongkeng Plant, Kunshan Plant, Nanchang Plant, Xuzhou Plant, Maanshan Plant |

Report does not include public and non-public offering subsidiaries. If there are exceptions, it will be specifically noted in the report.

It is the report regarding to corporate social responsibility that the fourth released by Foxlink. In addition to complying with international trends and meeting the needs of customers and investors, it also exposes non-financial information not presented in the financial annual report. The content includes the results of Foxlink in the economic, social, environmental and other related fields in the year of 2018.

Report writing program

This report is prepared in accordance with the Global Reporting Initiative (GRI) program (GRI G4), which exposes the persistent issues, strategies, goals and measures of Foxlink. Please refer to the appendix for the achievement of each indicator.

Report release time

Foxlink publishes corporate social responsibility report on a regular basis every year and exposes it to the website of Foxlink.

Current edition: released in June 2019

Next year' s edition: scheduled for release in June 2020

Contact Information

If you have any questions or suggestions about this report, please feel free to contact us as follows:

Foxlink Industry Co., Ltd

Address: No.18 Chungshan Road, Tucheng District 236, New Taipei City, Taiwan

Phone: +886-2-2269-9888

Email: Suffy.Chen@foxlink.com

Company website: www.foxlink.com



Message from the chairman

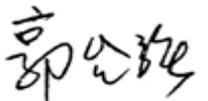
"Sincere", "Generous" and "Responsibility" are the most important core values of the Foxlink's corporate culture. We uphold the belief of caring for employees, paying attention to environmental protection and practicing public welfare, continue to deepen sustainable management and fulfill corporate citizenship responsibilities, and continue to promote in the value chain and technology industry in accordance with the Responsible Business Alliance (RBA) guidelines.

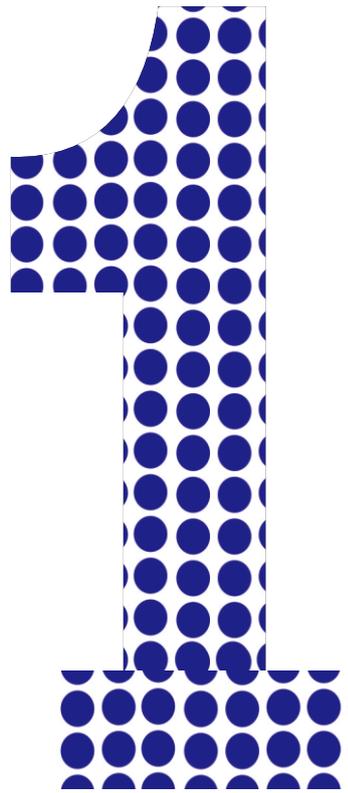
Facing the rapid global transformation, the Group is committed to improving and developing its automation opportunities. Foxlink is focusing on production technology, establishing automated production lines, enhancing and improving product production efficiency and reducing operating costs. The goal is to reduce the number of direct employees in the Group by 50% prior to 2020. At the same time, it combines the advantages of acoustics, optical and battery integration, and also manages cloud computing technology and data management to improve operational management effectiveness.

Our operations and business are based on a people-oriented spirit. We deeply know that the success of our company stems from the hard work and dedication of our employees. We have the responsibility to invest in the future of our employees and combine innovations such as cloud computing, mobile devices, networks and big data into the work plan, establish knowledge sharing platform to enable employees to work in a safe and friendly environment and work together to break through growth.

With the awareness of global corporate social environmental responsibility rising, issues related to environmental protection, energy conservation, safety and health, and employee education are coming one after another. We hope that through this report, we will open up a transparent communication platform between the Group and the outside world, and implement it in social environmental responsibility. We strive to create value for our stakeholders and bring positive influence to society, and build a more convenient, greener, and more sustainable business operation.

FoXlink precision industry co., LTD

Chairman 



About the Foxlink



The company promises

Business philosophy of Foxlink Group is to be sincere, generous, and responsible, and to fulfill the social responsibilities of the company. In order to pursue the growth of business operations, meanwhile, we always work hard to maintain public welfare and sustainable development of environmental and ecological balance. The company is committed to and affirmed its commitment to promoting Corporate Social Responsibility (CSR), and by establishing ways to fulfill internal corporate responsibility and periodically reviews the effectiveness of implementation in order to fully implement standards of behavior of the Responsible Business Alliance (RBA) and at the same time, suppliers who provide related services or products are required to support the policies and behavior standards of corporate social responsibility and conduct unscheduled social responsibility audits to suppliers. Our topics of concern include:

- Human rights of workers should be respected, the workers who includes all formal workers, short-term workers, temporary workers, interns and any other type of workers. And ensure that the following standards are met: enabling workers to freely choose occupations, not using child labor, protecting the rights and health of women workers, not discriminating labor, prohibiting any inhuman treatment, and the wages and welfare and working hours for workers are in compliance with local laws and regulations, and workers have the freedom to form associations.
- The working environment for labor health and safety should be provided, including safeguarding the occupational safety of workers, providing emergency preparedness plans, managing occupational injuries and diseases, controlling sources of danger, assessing and controlling the work influences of specific physical requirements on labor, making risk assessment to the machine, maintaining public health, and providing clean restaurants and dormitories.
- Environmental responsibility should be assumed to minimize adverse impacts on society, the environment and natural resources during the manufacturing process, while protecting the health and safety of the public. And ensure that the following standards are met: obtaining the necessary environmental permits and reports, preventing pollution and saving resources, controlling the handling procedures of chemical and hazardous substances, controlling the handling procedures of waste-water and solid-waste, controlling the handling procedures of air emissions, and complying with relevant laws and regulations of governing product content control.
- The highest standards of ethical requirements should be followed, including incorruptible management, no undue gains, disclosure of business and financial information in accordance with applicable laws, compliance with anti-corruption laws (such as FCPA) in the process of trading, respecting for intellectual property rights, implementing the fair trade advertising and competition standards, providing anonymous grievance procedures to protect the identity of the whistleblower, maintaining responsible attitude in the procurement of minerals, protecting the personal data protection of all business contacts and complying with privacy and information security regulations, and developing protective procedures to prevent retaliation.
- Relevant management systems should be established, including that the commitments to social environmental responsibility policies, defining management responsibilities and checking periodically, monitoring and understand applicable laws and customer requirements, developing risk assessment and risk management processes, formulating improvement goals and conducting regular assessments, and developing training plans and communication procedures with labor.

According to the "Labor and Ethical Management Manual", each factory area appoints the factory manager as the social responsibility management representative of the plant, and the social responsibility management department of each plant is responsible for coordinating and reporting to the management representatives on the implementation of relevant policies, policies and strategies in the labor, environment and economy.



Combining with social responsibility practices to recognize the group of interested people exposed, which includes shareholders, investors, customers, employees, suppliers, community /government in accordance with the six criteria of the Stakeholder Participation Standard (AA1000SES), responsibility, influence, intimacy, dependence, representation, policy and strategic intent. Foxlink Group responds to issues of concern to stakeholders through various channels and methods, and strives to translate its expectations into internal strategies or management policies to promote sustainable development of relevant labor, environment and economic issues.

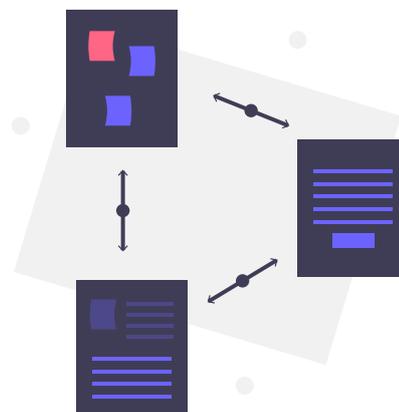
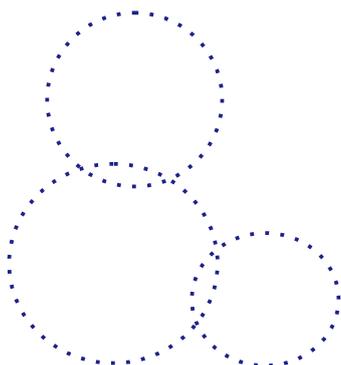
| Subject of interested party | Concerned topics for discussion | Communication/response style |
|-----------------------------|--|---|
| Shareholders and investors | Market image ● Investment ● Economic performance ● Regulatory compliance ● Customer health and safety ● Anti-Corruption ● Employee-employer relations ● | <ol style="list-style-type: none"> 1. A general meeting of shareholders is held in the second quarter of each year. 2. "Investment relationship" is revealed on the company's website, providing financial information, stock price information, event information. 3. Reports and information should be disclosed in the "Public Information Observatory" announcement. 4. Establish a spokesperson system to provide a window of dialogue between corporate investment institutions and companies. |
| Customer | Market image ● Labour relation ● Regulatory Compliance ● Non-discriminatory ● Unforced labor ● No child labor ● Anti-Corruption ● Supplier environmental assessment ● Supplier labor assessment ● Supplier human rights assessment ● Energy sources ● Water ● Human rights complaint mechanism ● Product and service identification ● Client Confidentiality ● | <ol style="list-style-type: none"> 1. The company's various business offices visit customers from time to time. 2. Customer satisfaction surveys should be performed on a regular basis. 3. Respond to customer CSR questionnaires and accept customer audits from time to time. 4. Disclose performance and supplier social responsibility management status to customers. 5. Cooperate with customer environment, social responsibility, product and other audit operations, and coordinate continuous improvement and prevention. |
| Employee | Occupational health and safety ● Training and education ● Diversity and equal opportunity ● Non-discriminatory ● Constrain and forced labor ● Labour practices complaints mechanism ● Human rights complaint mechanism ● Regulatory Compliance ● | <ol style="list-style-type: none"> 1. Set up entity suggestion box, complaints line, WeChat public account and online suggestion box to understand and respond through the dedicated department. 2. Resident medical services 3. Employee satisfaction survey 4. Staff club activities. 5. Internal and external training for employees. 6. The welfare committee will announce employee benefit items from time to |



| Subject of interested party | Concerned topics for discussion | Communication/response style |
|-----------------------------|--|--|
| Supplier | Market image ● Supplier environmental assessment ● Supplier labor assessment ● Supplier human rights assessment ● Regulatory Compliance ● Supplier social impact assessment ● Product and service identification ● | <ol style="list-style-type: none"> 1. Organize annual supplier conference to communicate the latest social responsibility regulations. 2. Conduct supplier social responsibility audits from time to time to confirm the status of supplier implementation. 3. Sign declaration that does not use conflicts with minerals, environmental protection and occupational safety. 4. Audit of hazardous substances and quality. |
| Community/government | Local community ● Occupational health and safety ● Discharge ● Discharge and waste ● Regulatory Compliance ● | <ol style="list-style-type: none"> 1. Interact with residents by organizing activities from the love club. 2. Calling volunteers to serve the society 3. The complaints of the factory area shall be accepted by the special department. 4. Maintain good interaction with the authorities 5. Actively participate in the public hearings and seminars organized by the competent authorities. |

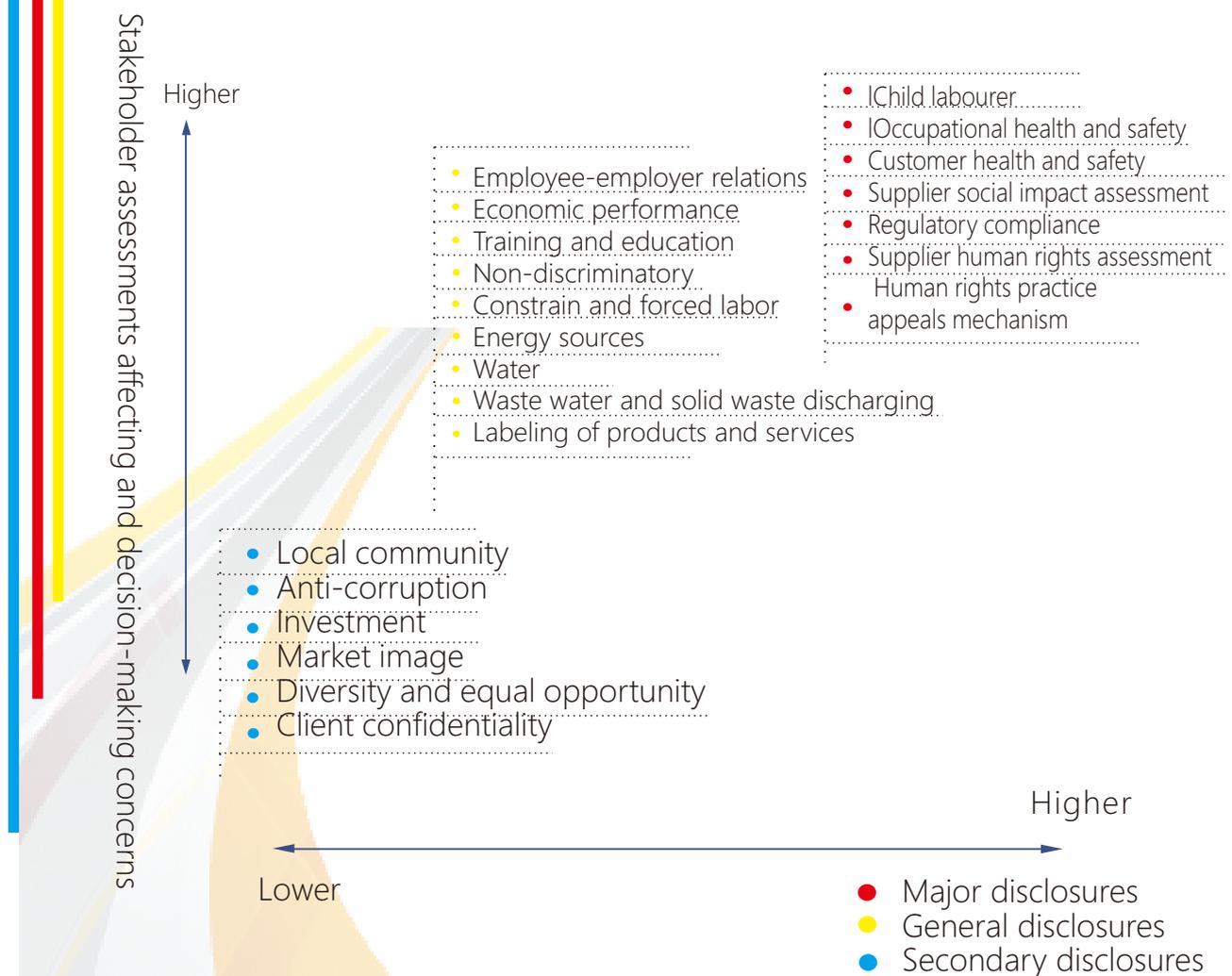
In order to ensure the company's operational compliance, the company continues to identify the legal laws applicable to each site in real time, and adjusts and modifies existing systems and working methods. Any government fines or penalties that are subject to violation of relevant laws and regulations are publicly disclosed by the company.

If interested parties find any violation of ethics and regulations, they need to provide feedback through relevant communication channels or the stakeholder area of the official website (<http://www.foxlink.com/interests area/>).





Confirmation of the disclosure content of this report is based on the principles of GRI-G4 defining the content of the report, that is, the importance, stakeholder inclusiveness, sustainability and integrity requirements, considering the impact of each issue on the company's activities, products, services and relationships, meanwhile, taking into account the communication practices of stakeholders, and confirm the scope and issues exposed in this report. In accordance with the "Impact of stakeholder evaluation and decision making and significant degree of economic, environmental and social impact", all the issues to be disclosed are divided into three major parts: major disclosures, general disclosures and secondary disclosures.



Issues that have been communicated by stakeholders and determined by various functional management departments should also consider their impact on the internal and external aspects of the company when they are disclosed. That is, when disclosing relevant issues, it is not only necessary to explain the impact on internal operations and activities of the company, but also necessary to explain the impact on external affairs of the company. The boundary of the specific indicators to be disclosed in this report is as follows: the economic aspect is limited to the internal disclosure of the company organization; the social aspect and the environmental aspect involve the external organization or group of the company organization because of its influence, therefore, the indicator is mainly based on both internal and external disclosure.



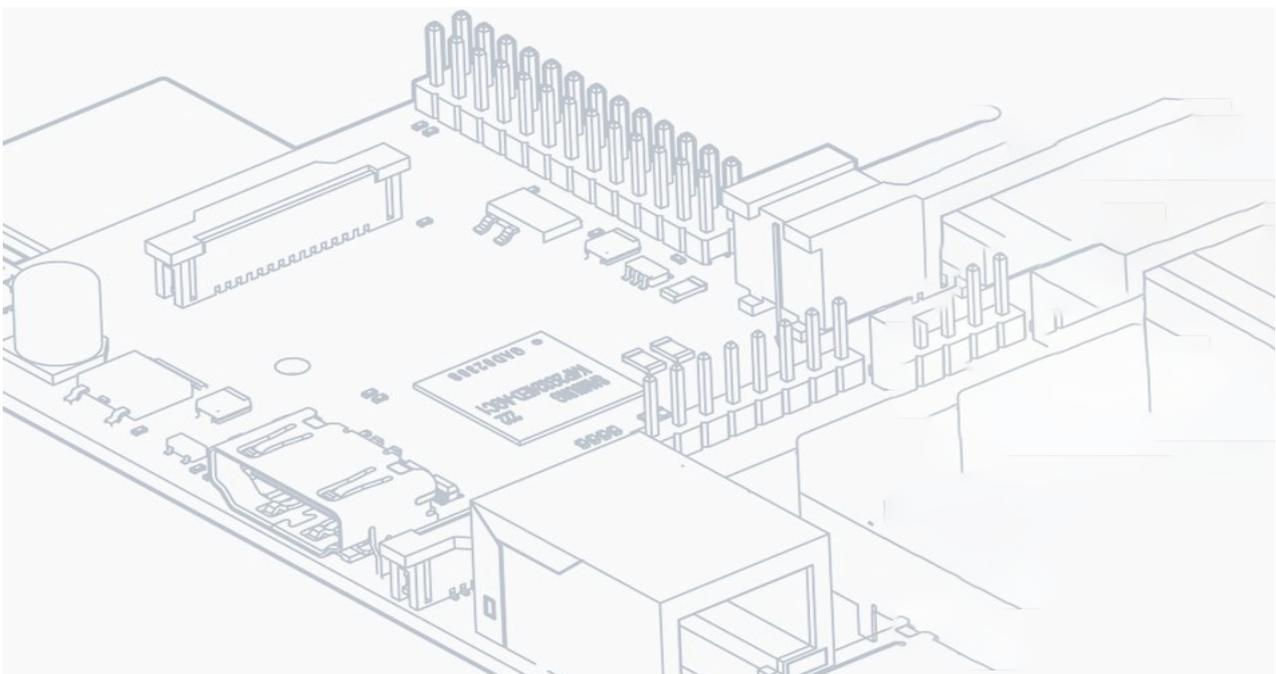
Foxlink Industry Co., Ltd was established on July 14, 1986, which started with the production of connectors and connecting cables. It has been developed to include power management and energy modules, and has been extended to wireless communications and optical products. Foxlink takes the integration of machine optoelectronics as the development goal, fully utilizes the advantages of the group, cooperates with the development and expansion of the wireless transmission field, and establishes a diversified product portfolio, which becomes the driving source for the company's stable growth every year.





The products of the company

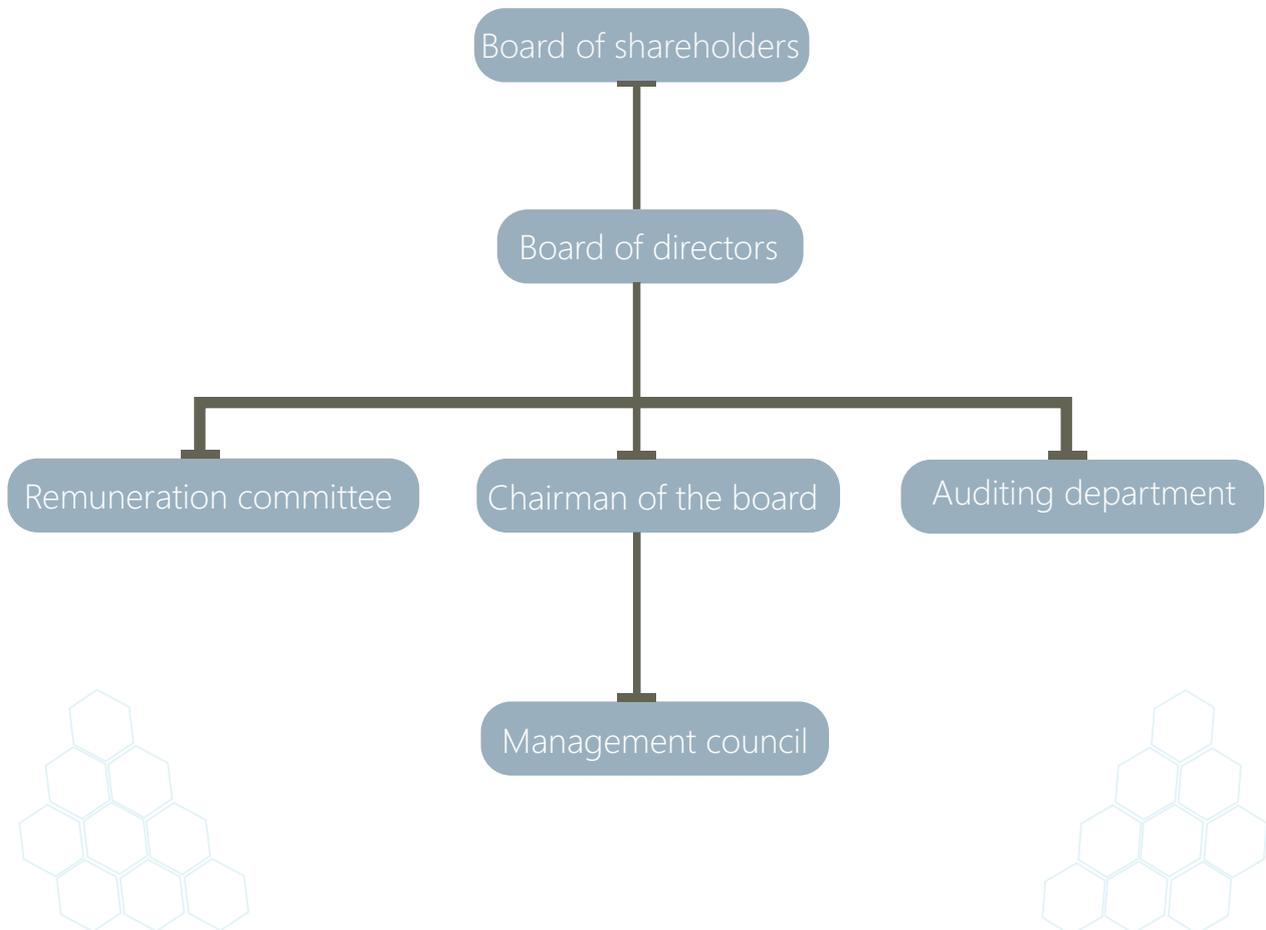
The company adheres to the core capabilities of mold, molding, stamping, secondary processing and automation, integrates materials, machinery, electronics, optics, electro-acoustics, energy, assembly and R&D technologies, and establishes global marketing and supply chain management network to provide customers with high quality products in a timely manner, oriented by consumer electronics, information, communication, and automotive market demand, combined with digital content, environmental protection, and energy conservation, create the best business performance of the company, constantly adjust and optimize product scale, establish a rich production category, covering components, system products , connector / line, bluetooth headset/mouse, power supply and other product categories. With the business philosophy of sincerity, generosity and conscientiousness, we will build a business structure with Taiwan headquarters as the core of operation and the cooperation of various bases.

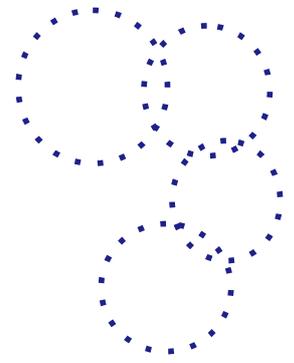


The board of directors shall have a nomination system for candidates from seven to nine directors. Directors will be elected from the list of candidates by the board of shareholders, in case of elected consecutively, they may serve consecutively, and will be elected and appointed for a term of three years. The number of independent directors shall not be less than three. The candidate nomination system shall be adopted, and the board of share holders shall select one from the list of candidates for independent directors. The professional qualification, shareholding, part-time restriction, nomination and selection methods of independent directors and other matters to be observed shall be subject to the relevant provisions of the securities regulatory authority.

The Board of Directors shall have a remuneration committee and an audit department to assist the Board of Directors in performing their supervisory duties. The powers of the board of directors include the review of the company's business policy and medium and long-term development plans, the review of the annual business plan, and the supervision of the executive shareholders' meeting and the temporary meeting. The shareholders' meeting is held once a year, and the temporary meeting will be convened in accordance with relevant laws and regulations when necessary.

Organizational structure of the Foxlink enterprise





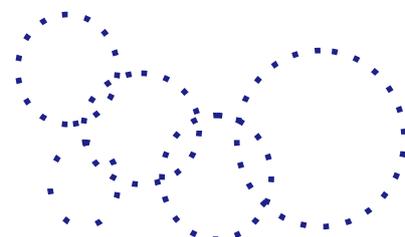
Patent advantage

/Key Operating Points

Number of global patents in Foxlink from 2002 to 2018



| Country Type | CN | DE | EU | FR | JP | KR | TW | UK | US | Total |
|-------------------|------|----|----|----|-----|----|------|----|------|-------|
| Invention | 50 | 1 | 2 | 1 | 9 | 0 | 66 | 13 | 730 | 872 |
| Design | 971 | 1 | 0 | 1 | 44 | 9 | 896 | 1 | 694 | 2617 |
| Utility invention | 1674 | 13 | 0 | 5 | 128 | 6 | 1675 | 0 | 0 | 3501 |
| Total | 2695 | 15 | 2 | 7 | 181 | 15 | 2637 | 14 | 1424 | 6990 |



Corporate governance

Internal risk control - audit department

The company sets up an internal audit department to audit and evaluate the effectiveness of the internal control system and provide suggestions for improvement in a timely manner to ensure the continuous and effective implementation of the various systems, and to assist the board of directors and management to achieve the goals and objectives by assessing and improving risk management.

Through the establishment and maintenance of the company's internal audit system and the development of the improvement plan, the company has no major missing items in the internal audit of 2018.

Professional ethics requirements and regulatory compliance

The company has established procedures such as the "Code of ethics" and the "Code of Business Ethics", and encourages employees to expose violations and ensure that they are not subject to retaliation or other unfair treatment through any available channels through the conduct of relatives' avoidance investigation, release of integrity announcements, and full-service ethics training. At the same time, in the supply chain management, according to the "Conflict Minerals Control Management Procedures", suppliers are required to disclose the use of conflict minerals and disclose the CMRT report as required.

Protection of intellectual property rights

The company spares no effort in protecting the research and development results. In addition to setting up a special unit to manage and maintain the company's intellectual property rights, it also has provisions to improve the company's competitiveness and strengthen the company's access brand trademark protection, pre-case search analysis and strategic planning. The management method of intellectual property rights were formulated to regulate the application and management of intellectual property rights of the company, and to comply with the operating procedures.

In addition, in order to encourage employees of the company to actively engage in research and innovation, there are also related patent incentives, including proposal awards, approval awards, invention kings, patent contribution awards, etc., to appropriately reward inventors for their courage to research and innovation.

The client's intellectual property also ensures that customer information is not lost or externally disclosed through document management, material access control, and employee training.



Friendly workplace



Employees are the cornerstone of the company's survival, and it is also a tool for enterprises to face competition and challenges now and in the future. Foxlink Group adheres to the people-oriented, legal and equal working atmosphere culture, strives to promote the protection of employees' rights and interests, explores effective ways, promotes employee growth, enhances individual engagement, and provides employees with a good personal development platform for employees and enterprises to progress and develop.

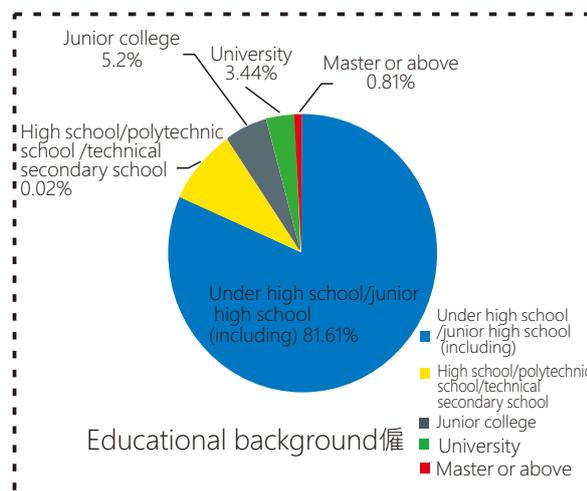
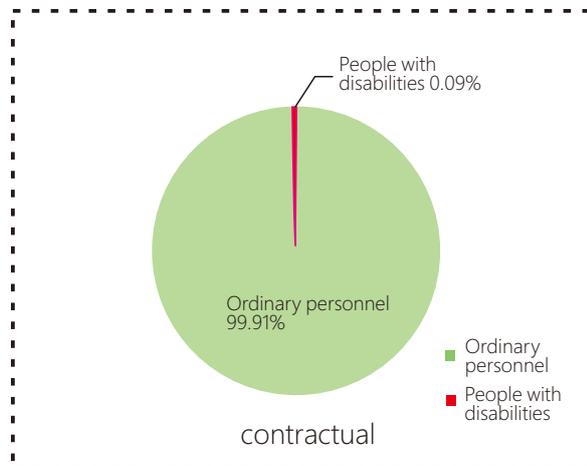
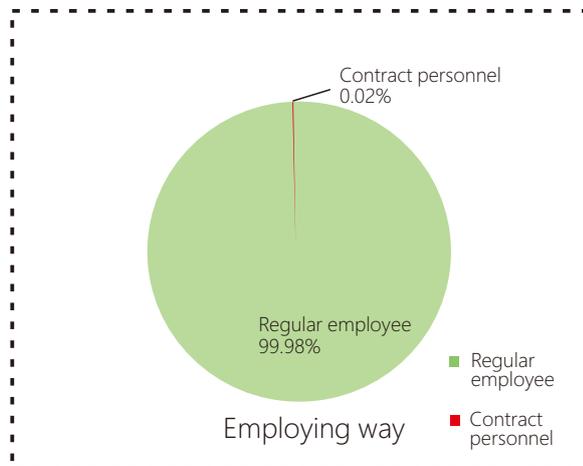
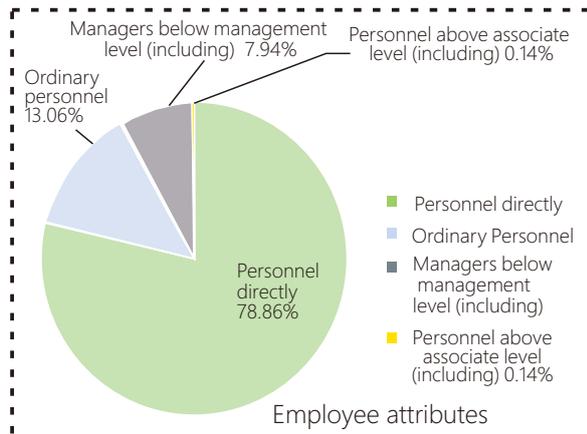
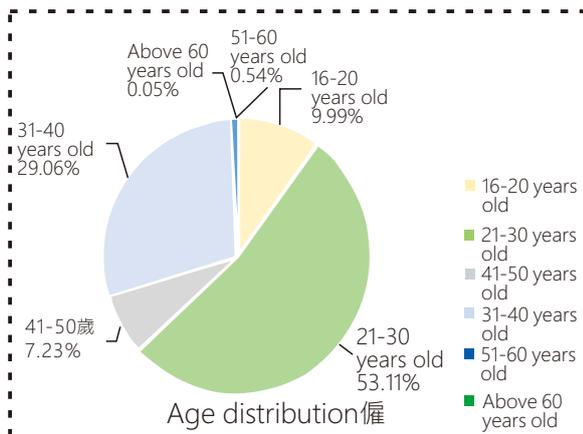
Through various channels such as social recruitment and campus recruitment, the Group selects outstanding talents from all walks of life to integrate social responsibility concepts such as equal employment, respect for human rights, protection of women workers' rights and health, prohibition of child labor and prohibition of forced labor.

With the continuous development and growth of Foxlink Group's business, the total number of the group reached 36,919 in 2018, of which the total number of employees in Taiwan headquarters was 1,125, and another 35,794 were distributed in various factories in mainland China.

| Type | Age distribution | Female | | Male | | Total and proportion | |
|-----------------------------|---|--------------------|----------|--------------------|----------|----------------------|----------|
| | | Number of Employee | Ratio(%) | Number of Employee | Ratio(%) | Number of Employee | Ratio(%) |
| Age distribution | 16-20years old | 1,020 | 7.96% | 2,669 | 11.08% | 3,689 | 9.99% |
| | 21-30years old | 5982 | 46.66% | 13,626 | 56.54% | 19,608 | 53.11% |
| | 31-40years old | 4,376 | 34.13% | 6,354 | 26.37% | 10,738 | 29.06% |
| | 41-50years old | 1,398 | 10.90% | 1,273 | 5.28% | 2,671 | 7.23% |
| | 51-60years old | 41 | 0.32% | 160 | 0.66% | 201 | 0.54% |
| | Above 60 years old | 3 | 0.02% | 17 | 0.07% | 20 | 0.05% |
| | (DL)Personnel directly | 10,071 | 78.56% | 19,044 | 79.02% | 29,115 | 78.86% |
| Employee attributes | (IDL)Ordinary Personnel | 1,833 | 14.30% | 2,990 | 12.41% | 4,823 | 13.06% |
| | Managers below management level (including) | 913 | 7.12% | 2,018 | 8.37% | 2,931 | 7.94% |
| | Personnel above associate level (including) | 3 | 0.02% | 47 | 0.20% | 50 | 0.14% |
| Employing way | Regular employee | 12,820 | 100.00% | 24,091 | 99.97% | 36,911 | 99.98% |
| | Contract personnel | - | 0.00% | 8 | 0.03% | 8 | 0.02% |
| Diversity | Ordinary personnel | 12,810 | 99.92% | 24,074 | 99.90% | 36,884 | 99.91% |
| | People with disabilities | 10 | 0.08% | 25 | 0.10% | 35 | 0.09% |
| Educational background | Under high school/junior high school (including) | 10,410 | 81.20% | 19,720 | 81.83% | 30,130 | 81.61% |
| | school/polytechnic school /technical secondary school | 1,130 | 8.81% | 2,170 | 9.00% | 3300 | 8.94% |
| | Junior college | 805 | 6.28% | 1,115 | 4.63% | 1920 | 5.20% |
| | University | 412 | 3.21% | 859 | 3.56% | 1,271 | 3.44% |
| | Master or above | 63 | 0.49% | 235 | | | |
| Gender in total | | 12,820 | 34.72% | 24,099 | 65.28% | | |
| The total number of total : | | 36,919 | | | | | |



According to statistics, the age ratio of the employed people in the group is 21 to 30 years old, and the proportion of the young people in the youth is 53.11%. The young manpower will help the group face rapid business changes and competition. Based on the labor-intensive nature of the electronics industry, Foxlink Group members are mainly direct personnel, accounting for 78.86%. Managers accounted for 8.08% of all personnel. The employment method is based on formal employees, supplemented by other forms of employment, and the formal employees account for 99.98%, and grow with the employees. In 2018, Foxlink Group's headquarters continued to create diverse and high-quality job opportunities for 35 people with disabilities. The factories also comply with local laws and regulations to enforce the protection requirements for people with disabilities. Among all the employees, the number of colleagues with high school/junior high school (inclusive) or below accounted for more than 80%, and the number of colleagues with college education or above showed an increasing trend year by year.



Management of minors and child labor

Foxlink Group strictly prohibits the employment of child laborers under the age of 16 and has formulated the “Measures for the Management of Child Labor and Juvenile Workers” . It also conducts relevant training for recruiters to enhance the ability of frontline personnel to identify child labor in the application process, and requires recruitment of personnel in the interview, it is necessary to strictly check and verify the identity card of the recruited personnel. All the factories in the mainland will verify the identity of the applicant through the ID card. If the certificate is true, the employee can be employed. There were no incidents of child labor in the group in 2018.

Face recognition all-in-one machine identification process



- 

Place identity card
In id card reading area, the system will carry out identity information extraction.
- 

Information identification
Id card information extraction system, automatic display its name, age, etc., the age discrepancy.
- 

Photo collection
Photograph the interviewer, and identity certificate according to compare.
- 

Certificate verification
Photos with identity certificate to check system, reach to ratio, indicates that through.

In addition, the Group conducts special management of the employed juvenile workers. In addition to the “Management Measures for Child Labor and Juvenile Workers” , the employment management is based on the “Prohibition of Child Labor in the People’s Republic of China” , “Special Protection Provisions for Juvenile Workers” , and customers requested to protect the legal rights, ensuring that the company did not have major violations in the internal and external audits of juvenile workers in 2018.



For the issue of equal employment, the group prohibits the use of involuntary labor such as forced, secured (including pay a debt in kind or by labour) or contractual restrictions. At the same time, when engaging in recruitment and other employment practices such as job applications, promotions, awards, training, assignments, wages, benefits, penalties, and dismissal, do not discriminate against any worker because of race, color, age, gender, sexual orientation, ethnicity, or disability, religion, political appearance, union membership, nationality, marital status or gender identity, and discriminatory medical examinations including pregnancy tests, and discriminatory medical examinations including pregnancy tests will not be conducted. In addition, the "Measures for the Prevention of Discrimination and Harassment" and the "Administrative Measures for Non-coercive Work" have been formulated as institutional guarantees, and strict compliance with relevant regulations and customer requirements in actual work. Employees can feedback any violation of this regulation through various channels such as hotline, email, and public number.

Employee compensation and retirement systems



In the salary system, the Group optimizes the salary plan and bonus plan according to the changes in the salary level of the region, and realizes the adjustment of employee compensation and the development of the group. In addition, in order to promote the harmonious and stable labor relations, the group also has set up bonuses such as year-end bonus, performance bonus, and traditional festival bonus like Mid-Autumn Festival and Dragon Boat Festival.

The main operating areas of Foxlink Group include Taiwan and the mainland. The Group strictly abides by local labor laws, establishes formal and legal labor relations with employees, and provides equal employment and promotion opportunities for employees. Implement equal benefits for employees, actively promote the common development between enterprises and employees, and protect the legitimate rights and interests of employees.

In order to encourage all employees to pursue continuous growth, Foxlink Group effectively enhances and affirms the performance of its employees through the biennial performance appraisal management system and promotion system. In addition, for the grassroots employees, they can also enjoy post allowances after passing the skills assessment.

At the same time, in order to ensure the full respect of the interests of employees, the Group purchases statutory social insurance (including endowment insurance, medical insurance, work injury insurance, unemployment insurance, and maternity insurance) and pays the provident fund for employees in the mainland. We also provide free living allowances such as dormitory and food allowance. Holiday meals, regular employee activities, birthday parties, employee care and other welfare and activities have always been held to let employees feel the warmth, like the sense of belonging at home, the employees get caring care.

The retirement system adheres to local laws and regulations and gives employees the best care. All employees who have reached the statutory retirement age can enjoy basic pension benefits on a monthly basis in accordance with relevant national conditions.



A sound welfare system is the foundation for employees to live and work in peace and contentment. Foxlink Group has prepared personnel management measures based on Taiwan's labor law, the mainland factory labor law and local laws. In addition to providing employees with the right of infant care to keep an official position without salary, and also the implementation of the perfect vacation system, including marriage leave, breastfeeding leave, maternity leave, paternity leave, funeral leave, and annual leave, etc to allow employees to flexibly enjoy their vacation to care for their families.

When the colleague has a major injury and further study, he/she can apply for a long-term leave with pay suspension from office, and apply for reinstatement after the expiration of the period to meet the needs of personal and family care. Take infant care as example, in 2018, there were 8 people applying for temporary retirement from office, including 6 women and 2 men. The employee retention rate from 2017 to 2018 can up to 80%.

Caring for female employees



Women, special protection groups in the workplace. Caring for female employees and safeguarding the legitimate rights and interests of female employees is the unshirkable responsibility of enterprises and society. In order to reduce and solve the special difficulties caused by female employees in their work due to their physiological characteristics, the "Labor Protection Measures for Female Employees" was specially formulated to protect their rights and interests. Taking the Kunshan plant area in 2018 as an example, the following efforts were made:

Mamiroom was set up

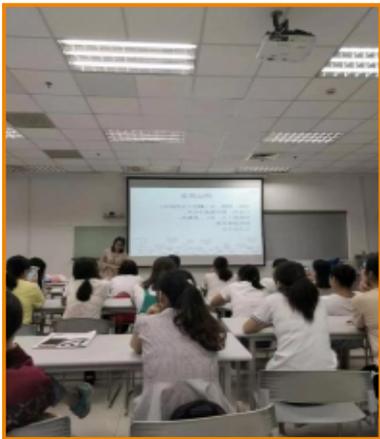
In order to promote the maternal and child health of female colleagues in the lactation period, it is convenient for female colleagues to breastfeed and create a quiet, comfortable and hygienic breastfeeding environment. The nursing room "Mamiroom" in Kunshan Plant was opened in 2018. "Mamiroom" is equipped with sofa chairs, air conditioners, round tables, parenting books and other facilities, so that the mother can get spiritual and physical relaxation.





The factory invited the teachers of Kunshan City Zhongcheng Vocational Training School to open nursery teacher course. Through professional lecturers, modern educational concepts and scientific methods for life care, nursing and education for 0-3 years old were taught, and taboos and good practices on parenting are taught. °

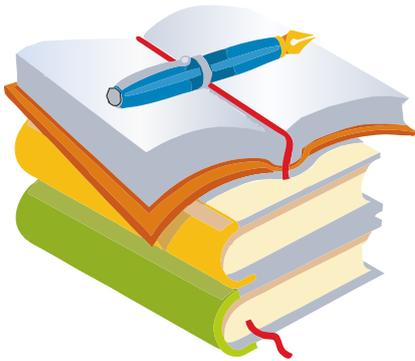
The nursery teacher training course provides pregnant mothers and expectant mothers and interested female employees. During pregnancy and getting ready for pregnancy, they can get comprehensive, systematic scientific feeding and early education. The course is well received by the participants.



Scholarship of employees' children



Children are the future of the family and the light of hope. In order to encourage the children of the group to achieve excellent results in school and reduce the economic pressure of the employees' families, a special children's scholarship program was established. In 2018, the children of approximately 1,835 employees have enjoyed the benefits of the project.



Employee Open day



In order to care for employees, reflect the group's humanized management and respect and care for employees. On account of different employees have different needs, we must use a variety of activities to reflect the trend of respect for diversification and the "People-oriented" corporate culture. In order to let employees know more about the group and improve their service image. The South China factory planned "Employee Open Day" activities, and invited 15 service rooms including HR APP, social security, salary, attendance, accommodation, and meals from various service departments to participate in the service of this activity, which can proactively help employees solve problems, improve employee satisfaction and solve the problem of employees' troubles in food and clothing, thus reducing the separation rate.



Fudong Factory Employee Open Day



Social security, provident fund inquiry window



HR APP



Staff actively participated

Employee communication

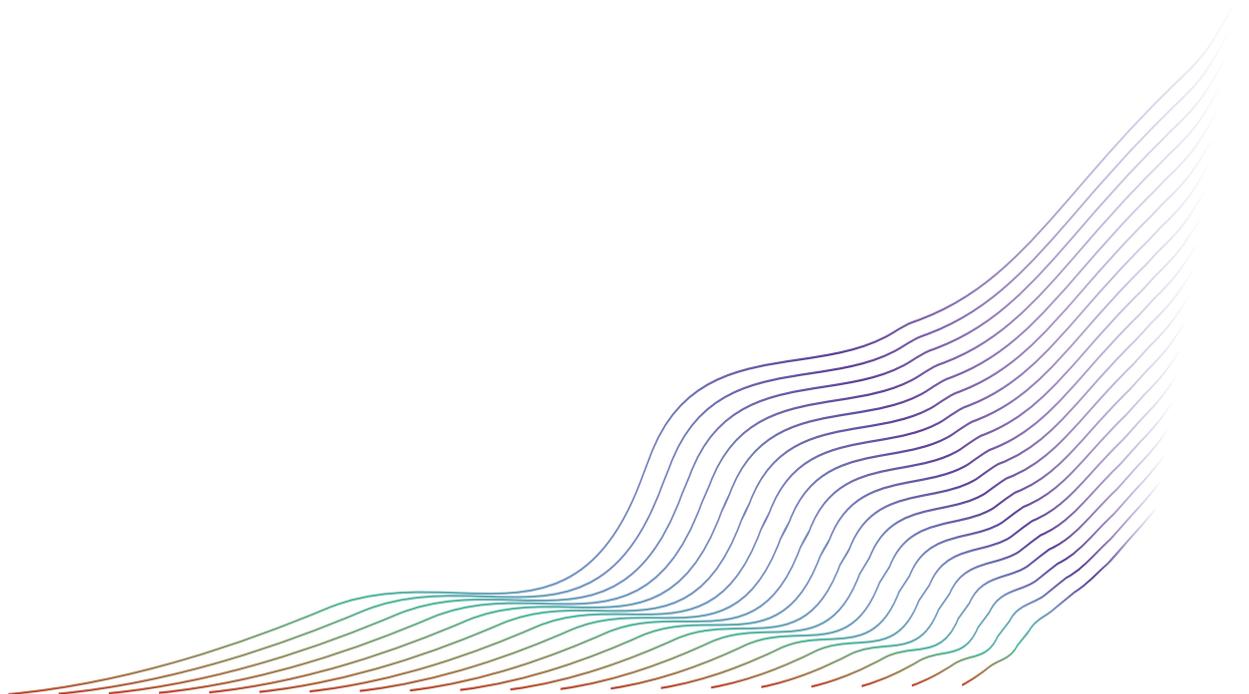


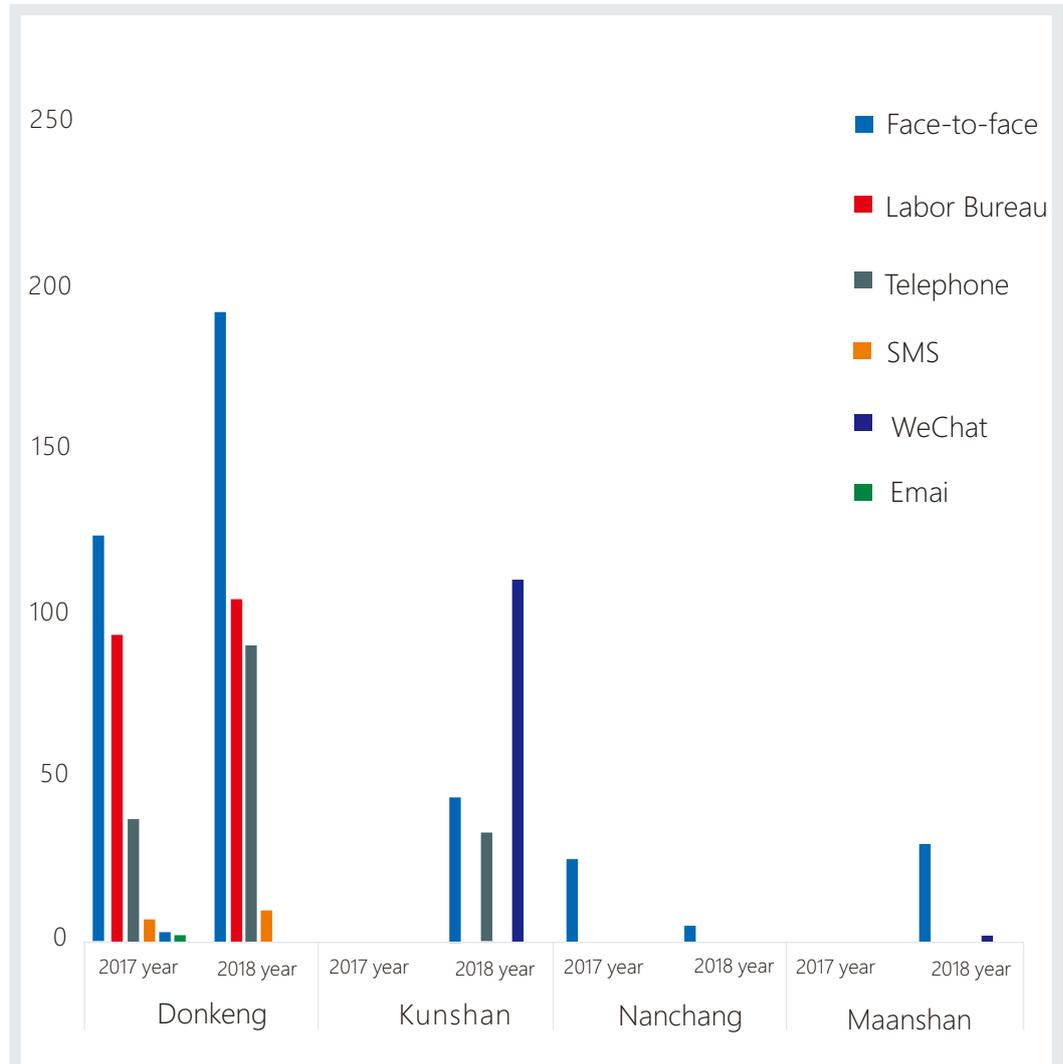
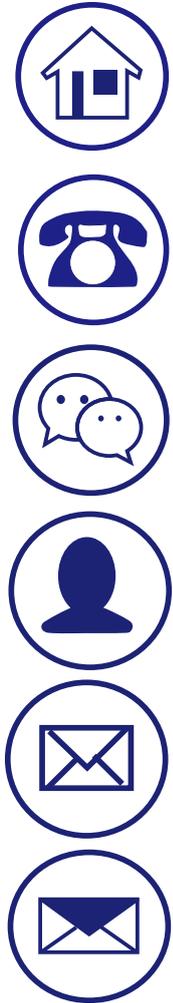
Communication is the exchange of culture and the resonance of emotions. The Group establishes a positive and forward employee relationship, attaches importance to two-way communication, and provides a number of feedback channels for use by colleagues in need, and handles it in a fast and confidential manner.

In the 2018 mainland plant data collection, there were totally 636 declaration cases in the internal communication channel. The types of acceptance mainly include face-to-face, telephone, SMS, WeChat, and email. In addition to the above-mentioned acceptance methods, Foxlink Group also has an anonymous complaint channel to allow employees to report problems without fear of retaliation. According to the types of appeals, there were 143 workshop management, 240 salary management, 46 dormitory management, 166 resignation management, 19 factory management, 10 restaurant management, and 12 attendance management. All the declaration cases have been properly handled. Over the years, the internal communication within the group has been smooth and the employees have a harmonious relationship. The "Freedom of Association Management Measures" was enacted to protect employees' freedom of association and to encourage and support the willingness to establish relevant employee organizations.



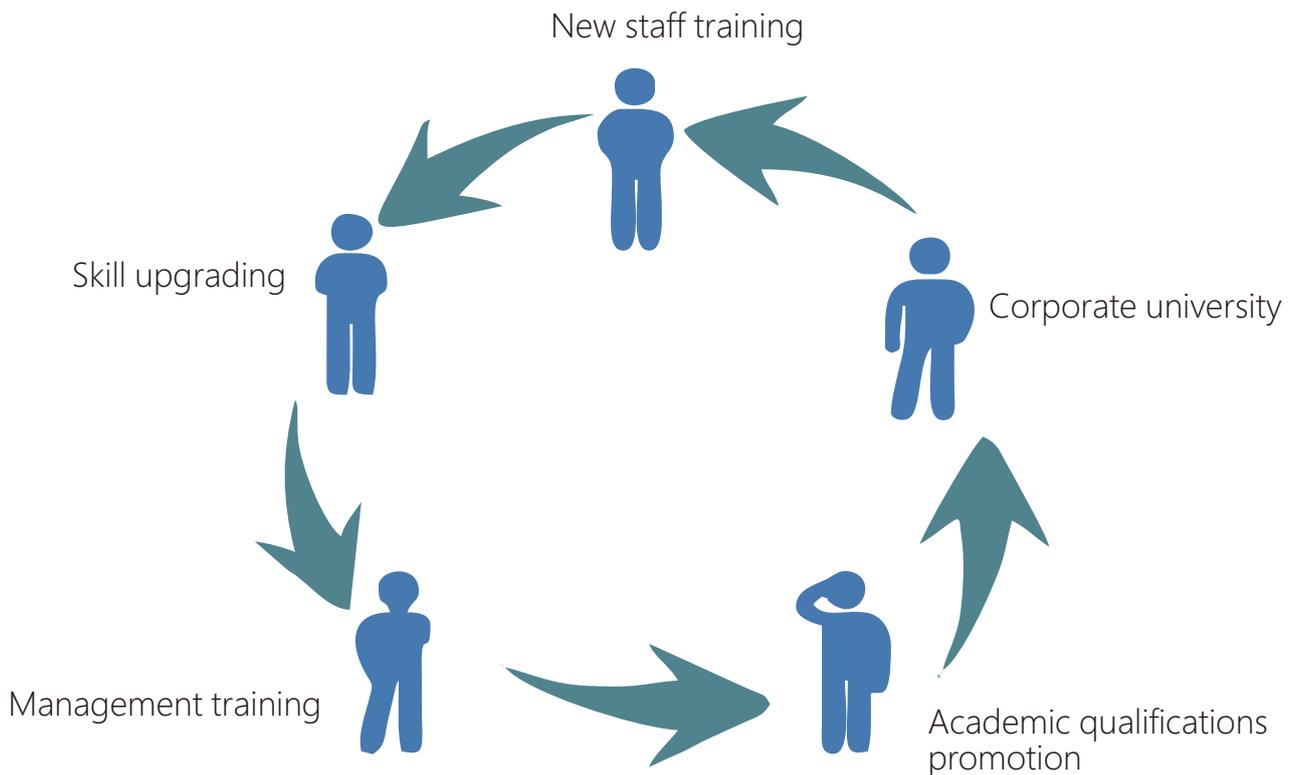
| Acceptance cases | | | | | | | | |
|-------------------|----------|------|---------|------|----------|------|----------|------|
| Acceptance method | Dongkeng | | Kunshan | | Nanchang | | Maanshan | |
| | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 |
| Face-to-face | 125 | 194 | 172 | 45 | 26 | 5 | 0 | 30 |
| Labor Bureau | 94 | 105 | 0 | 0 | 0 | 0 | 0 | 0 |
| Telephone | 38 | 91 | 0 | 34 | 0 | 0 | 0 | 0 |
| SMS | 7 | 10 | 0 | 0 | 0 | 0 | 0 | 0 |
| Wechat | 3 | 9 | 0 | 111 | 0 | 0 | 0 | 2 |
| Email | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |







In order to improve employees' personal qualities, improve their work skills, and better enable employees to shape their personal career development, Foxlink Group has established a comprehensive education and training mechanism and training structure to provide various types of training for employees at different levels, including skills and management, academic education, corporate universities, provide learning platforms for employees, create learning opportunities, and enable employees to develop together and progress together.



Management training

In 2018, a total of 695 management executives participated in related course, which includes the quality knowledge series, subordinate work performance guidance, accountable executive force, problem analysis and resolution, discussion on labor law and dispute practice in factory area. The company hired professional lecturers from outside to teach at the factory. The teaching methods adopted multi-faceted training such as student interaction, question and answer, group simulation, professional explanation, etc., so that the management supervisor can get the knowledge from it. For the topics to be taught, the topics that should be relevant and important to the management's executives were also selected, and the executives were required to be able to go deep into the grassroots while learning by themselves.



Management training

| Topics | learning goal |
|--|--|
| Quality knowledge series training course | Learn the basic functions of quality education and implement the PDCA approach to improve the company's competitiveness. |
| Subordinate work performance guidance | Talent is an important cornerstone of excellence and stability. As a member of the company, no matter high-level business decision-makers, mid-level management planners, and even grassroots homeworkers have different levels of rights and obligations to jointly develop their capabilities and potentials, contribute their knowledge and skills, and thus effectively guide the work ability and skills of the subordinates. |
| Accountable executive force | Responsibility is the accountable outlook of the 21st century. It is not just responsible for getting things done, but also setting the final result for the goal and taking full responsibility for the mission, carrying out key tasks and delivering results, and creating high performance. |
| Problem analysis and resolution | In the violent changes of the times, each member of the enterprise needs to understand the correct method of finding the root cause, and is sensitive to the potential problems that may occur in the future, and can effectively prevent it; then propose appropriate solutions to improve the efficiency of the organization and strengthen the competitiveness of enterprises. |
| Discussion on labor law and dispute practice in factory area | In order to let the plant manager clearly understand the handling SOP and the internal working procedures of the labor dispute, the period can be informed by the internal understanding of the laws and regulations, and then the legal and human resources can be notified in advance to prevent labor disputes. ° |





General staff training

General employee training includes on-the-job training, RBA Business Responsibility Alliance guidelines, and occupational safety training. The on-the-job training includes factory rules, attendance management, overtime management, leave management, salary management, reward and punishment management, separation management, emergency handling, and social responsibility policy promotion. RBA training includes: prohibiting forced labor, prohibiting child labor, anti-discrimination, anti-harassment, working hours management, guaranteeing humane treatment, and business ethics. Occupational safety training includes: fire training, emergency response courses, first-aid training, general safety and health education and training.

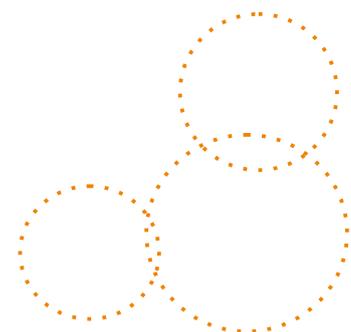
All of the above courses are conducted in a face-to-face manner, and the relevant topics are continuously promoted to employees through various forms such as factory posters, intra-group web pages, and e-mails. In 2018, Foxlink Group continued to increase the cost of labor through education and training to help employees grow up. The total number of education and training was 188,938, and the total number of training hours was 655,299.

| Staff | Taiwan | | | Dongkeng | | | Kunshan | | | Nanchang | | | Maanshan | | |
|--------------------|------------------|-----------------------------|----------------------|------------------|-----------------------------|----------------------|------------------|-----------------------------|----------------------|------------------|-----------------------------|----------------------|------------------|-----------------------------|----------------------|
| | Number of people | Total training people times | Total training hours | Number of people | Total training people times | Total training hours | Number of people | Total training people times | Total training hours | Number of people | Total training people times | Total training hours | Number of people | Total training people times | Total training hours |
| Personnel directly | 71 | 180 | 270 | 22,368 | 84,887 | 339,548 | 23,712 | 24,345 | 94,577 | 4,251 | 4,298 | 16,679 | 7,952 | 23,074 | 90,802 |
| The general staff | 627 | 4,451 | 15,043 | 4,147 | 44,580 | 91,668 | 750 | 1,450 | 2,997 | 61 | 96 | 427 | 1,039 | 1,577 | 3,288 |
| A combined | 698 | 4,631 | 15,313 | 26,515 | 129,467 | 431,216 | 24,462 | 25,795 | 97,574 | 43,12 | 4,394 | 17,106 | 8,991 | 24,651 | 94,090 |

Academic qualifications promotion

Group growth is inseparable from the learning and development of employees. In addition to the above-mentioned workplace training, continuing to encourage employees to learn independently is also a manifestation of increasing labor costs. The South China factory united with Shenzhen University, Dongguan University of Technology and Dongguan Vocational and Technical College to carry out adult higher education to help employees improve their academic qualifications. Applicants can register in August and September each year, and participate in the national unified examination in October. Admissions can be enrolled, and the students can obtain diploma after the expiration of the study period (Nationally recognized junior college, and undergraduate diploma). At present, 118 people have obtained diplomas.

| School | Number of graduates | Number of students |
|---|---------------------|--------------------|
| Shenzhen University | 108 | 68 |
| Dongguan University of Technology | 2 | 1 |
| Dongguan Vocational and Technical College | 8 | 3 |





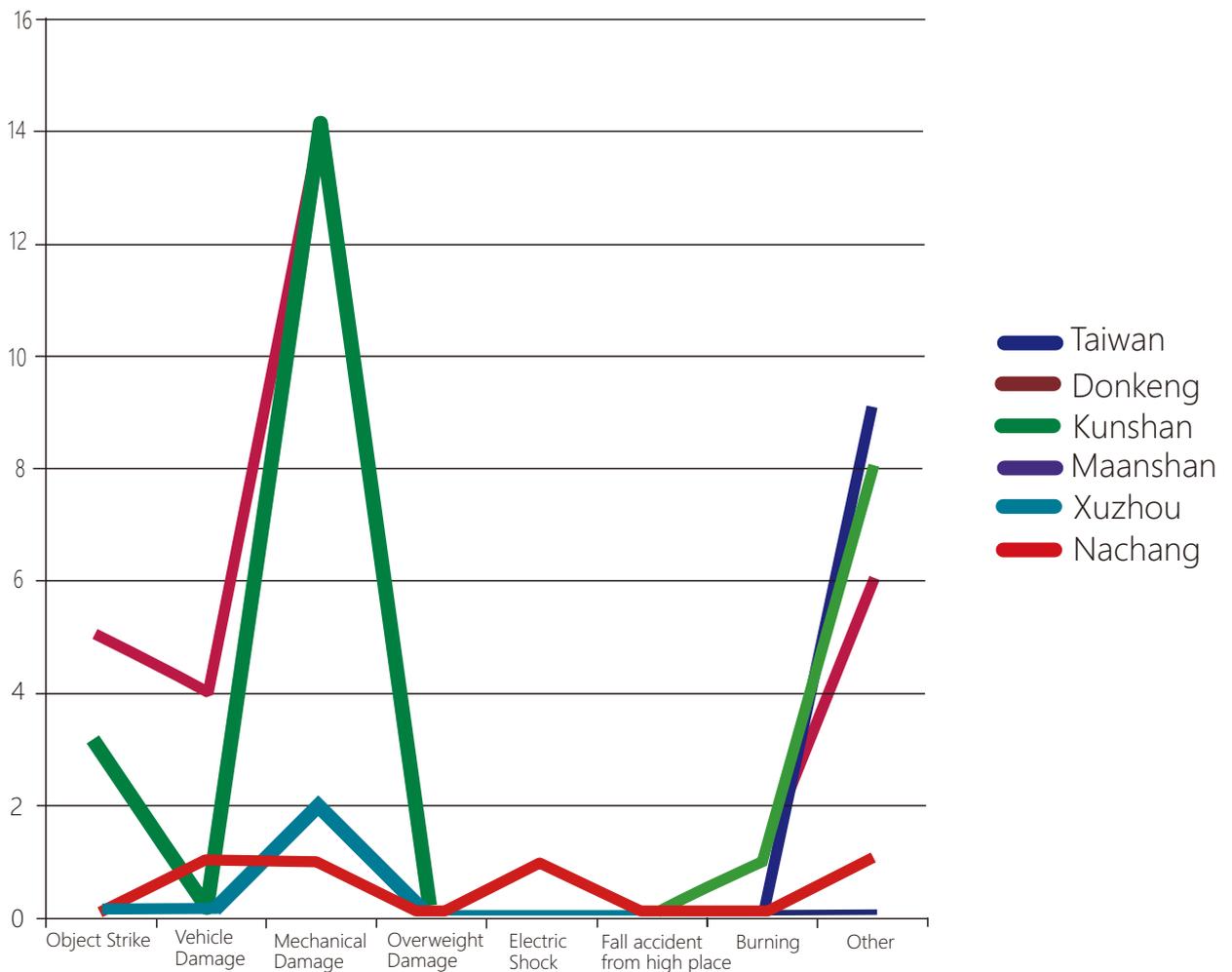
Occupational health
and safety policy

Occupational health and safety performance

The safe and healthy work of employees in the workplace is the Group's long-standing requirements for occupational health and safety policies. To ensure the health and safety of employees in the workplace, the ISO14001&OHSAS18001 systems have been implemented in Taiwan and mainland China.

There were no deaths or major accidents in the work report of the 2018 annual industrial accidents. According to the statistical analysis of the types of work injuries, mechanical damages accounted for the largest proportion. The Group uses the commonly used disability injury frequency (FR) and disability injury severity (SR) in the occupational hazard performance indicators. In 2018, the group's disability injury frequency value was 1.56 (1.64 injuries per million working hours), and the disability injury severity rate was 14.19 (a 14.19-day loss per million working hours).

The factory has completed follow-up investigations and improvements for each work-related occupational injury case to ensure that the same cases do not occur repeatedly. At the same time, the factory has also implemented false alarm notifications and rewards for proposal improvement. The number and severity of work-related occupational injuries in the Group have seen a downward trend year by year.



Safety training

We believe that the atmosphere determines employee consciousness, and consciousness determines people's behavior. In order to continuously improve the safety consciousness of employees, create healthy and safe working atmosphere, ensure that all relevant personnel have the ability to safely produce jobs, and grasp the importance and necessity of safe production. Each factory has regular EHS training courses. In 2018, the factories held a total of 113 sessions, with 3,089 person-times participating in training courses. The course includes ISO14001&OHSAS18001 system implementation management, chemical storage and operation safety, personal protective equipment wearing teaching, tag and lock off electrical safety, fire management related courses, etc., and occasionally invite external project agencies to carry out relevant training within the company, such as the emergency personnel training, safety management personnel courses.

| Course type | Taiwan | Dongkeng | Kunshan | Maanshan | Xuzhou | Nanchang | Total |
|--|--------|----------|---------|----------|--------|----------|-------|
| Number of courses on environmental protection class | 1 | 10 | 3 | 3 | 2 | 4 | 23 |
| Number of participants on environmental protection class | 20 | 269 | 90 | 60 | 18 | 53 | 510 |
| Training hours in environmental protection | 160 | 27 | 6 | 6 | 1 | 8 | 208 |
| Number of courses on safety class | 2 | 25 | 23 | 5 | 2 | 4 | 61 |
| Number of participants on safety class | 79 | 840 | 690 | 120 | 18 | 48 | 1,795 |
| Training hours in safety | 158 | 128 | 46 | 10 | 1 | 8 | 351 |
| Number of courses on sanitation class | 0 | 9 | 17 | 3 | 0 | 0 | 29 |
| Number of participants on sanitation class | 0 | 299 | 425 | 60 | 0 | 0 | 784 |
| Training hours in sanitation | 0 | 32 | 19 | 6 | 0 | 0 | 57 |



Emergency drilling

In order to strengthen the emergency management, command and disposal of emergencies, the organization and management command system of emergency response is continuously improved, and the self-rescue and mutual rescue capability of employees is enhanced to ensure that the evacuation mechanism can be carried out quickly, correctly and effectively in the event of an emergency. In 2018, the Group held 97 fire drills with a total of 57,133 participants. With the goal of holding twice respectively in day and night shifts each year, in addition to employees, including the resident suppliers, visitors and customers in the drills. In addition, the factory also conducted thematic drills for high-risk operations every year, such as chemical leaks, exhaust gas leakage, wastewater leakage, fire evacuation and other emergency drills.

| Evacuation drill | Taiwan | Dongkeng | Kunshan | Maanshan | Xuzhou | Nanchang | Total |
|------------------------------------|--------|----------|---------|----------|--------|----------|--------|
| Number of drills | 2 | 76 | 3 | 8 | 4 | 4 | 97 |
| Overall number of people of drills | 79 | 43,374 | 5,030 | 6,210 | 562 | 1,878 | 57,133 |



Environmental policy

For environmental protection, the Group's goals are to conserve water, save energy, protect the ecological environment, reduce greenhouse gas emissions, reduce waste and encourage continuous environmental protection.

The company actively reviews and evaluates the direct and indirect impacts of daily operations on the environment, and implements innovative and pragmatic solutions to mitigate the environmental impact of the company's operations, and regularly announces the effectiveness of environmental implementation and continues to maintain the achieved environmental goals.

Conserve water and energy

Improve water and energy efficiency in existing operations, invest in the development of technologies and systems to enhance water conservation and energy conservation, and integrate water and energy management into project planning to reduce water and energy consumption.

Reducing greenhouse gas emissions

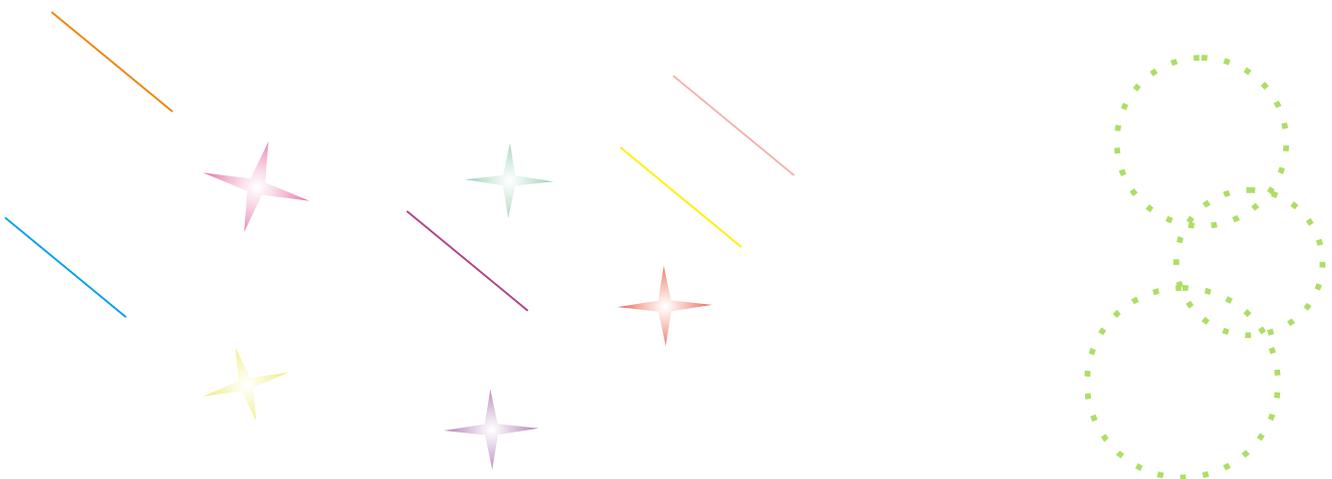
Develop appropriate solutions by identifying sources of greenhouse gases, which includes removing sources of greenhouse gases, improving the efficiency of greenhouse gas emissions-related processes, reducing the use of gasoline and increasing the use of more environmentally friendly fuels to achieve effective greenhouse gas emissions.

Waste reduction

Reduce manufacturing waste in the company's operations and business activities. Waste is treated in a prudent and efficient manner by adopting waste reduction, reuse, and recycling into the normal operating procedures. In the manufacture of products, assembly, and testing, this principle is also adopted as a principle to reduce waste of resources through supply chain management and waste recycling.

Inspiration and action

Inspire employees, customers, and managers to actively participate in environmental activities. Advocate environmental protection concepts and implement environmental policy protection through various channels of products and media.



Energy and water management

In 2018, the total discharge of each plant area was 315 kilotons, and the tap water consumption was 4,356 kilotons, a decrease of 729 kilotons compared with 2017. The production area where the production wastewater will be produced is Dongkeng and Kunshan, and the reclaimed water reuse rate in the Dongkeng plant area is 67%, and the Kunshan plant area is 51%. There was no water pollution incident in 2018.

The reclaimed water reuse system mainly treats the treated comprehensive waste water, the pretreated nickel-containing wastewater, and the gold and palladium-nickel wastewater after on-line recovery. After treatment, the waste water will be reused in the electroplating workshop.

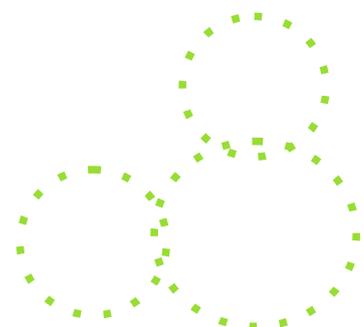
Detect the wastewater treatment status according to the requirements of customers or relevant parties, and supervise whether the company's wastewater discharge meets the requirements of local environmental protection departments and relevant regulations. External inspection of workshop discharge & general outlet once a month; Monthly internal inspection of wastewater treatment unit inlet and outlet water, groundwater and rainwater discharge; Weekly internal inspection of high-risk treatment unit & discharge port; Self-test of workshop discharge port and total discharge port shop four times a day. The daily operation and maintenance records of the wastewater station should be audited from time to time, and the wastewater station audit record form should be filled out. Ensure that wastewater from the plant reaches the standard through self-management mechanism and third-party professional operation.

| Water data | Taiwan | | Dongkeng | | Kunshan | | Maanshan | | Xuzhou | | Nanchang | | Total | |
|-----------------------------------|--------|------|----------|------|---------|------|----------|------|--------|------|----------|------|-------|------|
| | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 |
| Industrial Waste Water Discharged | 37 | 34 | 22 | 23 | 236 | 258 | 0 | 0 | 0 | 0 | 0 | 0 | 295 | 315 |
| Reclaimed water reuse rate | 0 | 0 | 67% | 67% | 50% | 51% | 0 | 0 | 0 | 0 | 0 | 0 | 59% | 59% |

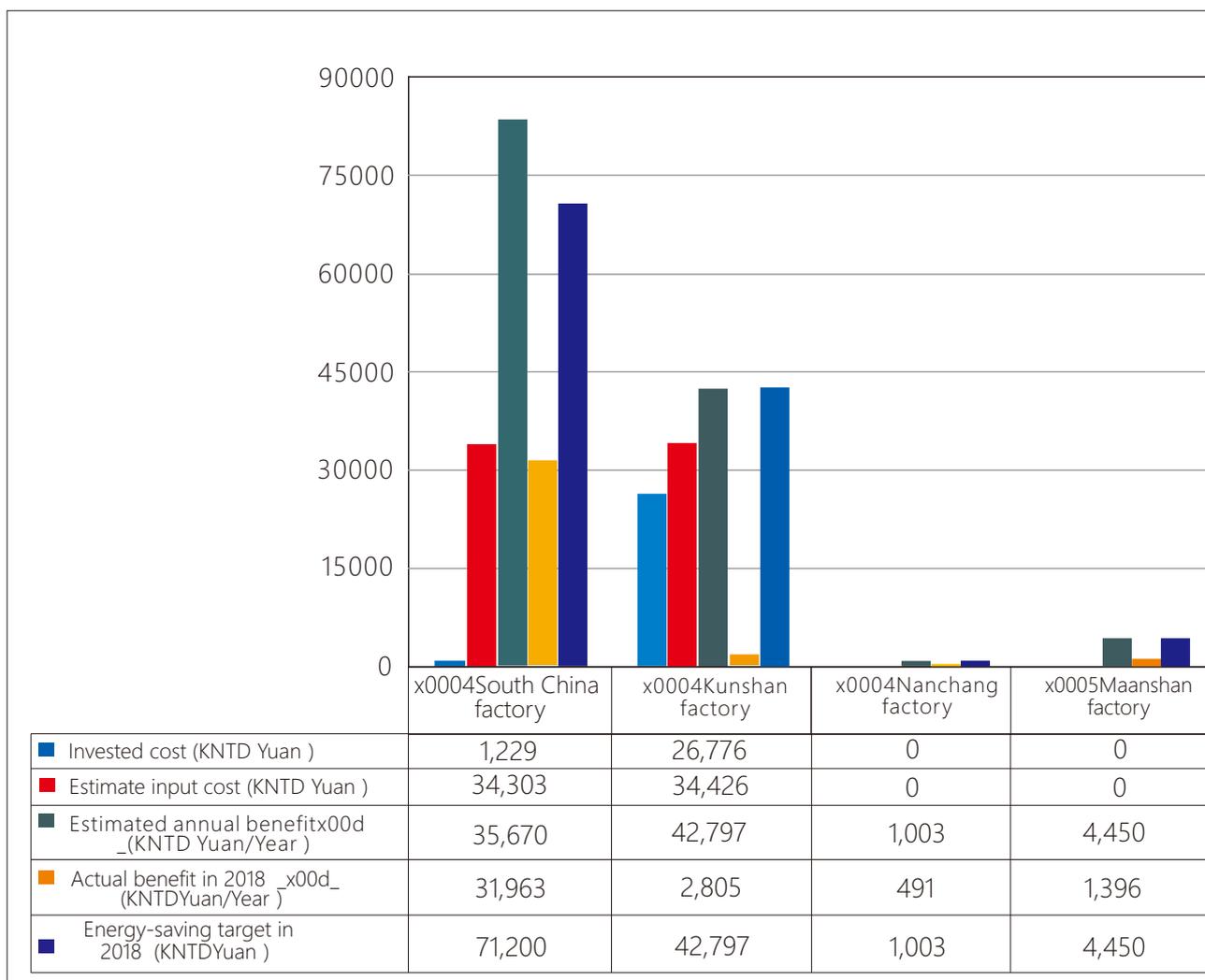
Note: Water Volume Unit km³

Energy conservation planning

In 2018, a total of NT\$28,005,000 was invested in the mainland to carry out energy-saving action plans. The actual benefit was NT\$40,362,000 and the annual completion rate was 33.79%.



| Plant system energy saving action plan in 2018 | | | | | | | |
|--|---------------------|---------------------------|--------------------------------|---|------------------------------------|--|--|
| Item number | Factory | Invested cost (KNTD Yuan) | Estimate input cost (KNTDYuan) | Estimated annual benefit (KNTDYuan /Year) | Actual benefit in 2018 (KNTD/Year) | Energy-saving target in 2018 (KNTD/Yuan) | Completion ratio (energy saving target in 2018 / actual benefit in 2018) |
| 1 | South China factory | \$1,229 | \$34,303 | \$83,880 | \$35,670 | \$71,200 | 50.10% |
| 2 | Kunshan factory | \$26,776 | \$34,426 | \$42,797 | \$2,805 | \$42,797 | 6.56% |
| 3 | Nanchang factory | \$0 | \$0 | \$1,003 | \$491 | \$1,003 | 48.88% |
| 4 | Maanshan factory | \$0 | \$0 | \$4,450 | \$1,396 | \$4,450 | 31.37% |
| Energy conservation effectiveness | | \$28,005 | \$68,729 | \$132,130 | \$40,362 | \$119,450 | 33.79% |



Greenhouse gas interrogate & examine

In 2018, greenhouse gas emissions from various plants were interrogated and examined according to ISO 14064-1, the total greenhouse gas emissions of each plant were 230,698 tonsnes CO₂-e. Due to the newly addition of Maanshan and Xuzhou plants in 2018, the consumption of each plant was becoming growth and decline trend, and the Power consumption was higher than 2017 increased by 637tonnesCO₂-e. On account of the protection of the earth and energy conservation and environmental protection, the Group will improve and continue to reduce greenhouse gas emissions.

| Factory | Taiwan | Dongkeng | Kunshan | Maanshan | Xuzhou | Nachang | Total |
|---------|--------|----------|---------|----------|--------|---------|---------|
| Scope1 | 89 | 4,815 | 2,669 | 24 | 120 | 19 | 7,736 |
| Scope2 | 11,755 | 106,259 | 72,684 | 10,712 | 8,040 | 13,511 | 222,962 |

Note: Water Volume Unit km³

Waste management

In order to effectively implement the classification management of general waste and hazardous waste, prevent waste of resources, cause environmental pollution, and affect occupational health and safety, Foxlink Group has established a zero landfill management operation method to implement zero landfill.

Domestic waste, electronic waste and hazardous waste should be classified by the produced person or management personnel, concentrated in the designated place in the factory for registration and management, entrusted by qualified manufacturers for recycling or final disposal, and each record should be recorded and processed. In order to prevent pollution caused by waste leakage in the plant area or outside the area, emergency response drills should be held at least once a year to increase staff common sense. Relevant plans, records, and lists of participants for emergency response drills should be archived and kept properly in the Ministry of Environmental Protection, the corresponding information should be kept for at least three years for future reference.



Environmental spending and investment

In order to continuously improve the performance of environmental protection, the Group has adopted active measures to continuously invest funds for environmental protection. In 2018, the mainland plant invested a total of RMB 9.1 million of engineering spending for the treatment, monitoring and environmental optimization of environmental pollutants such as wastewater, waste, solid waste, etc, which increased treatment efficiency of environmental pollutants in the factory and reduced the impact of business operations on the local environment.

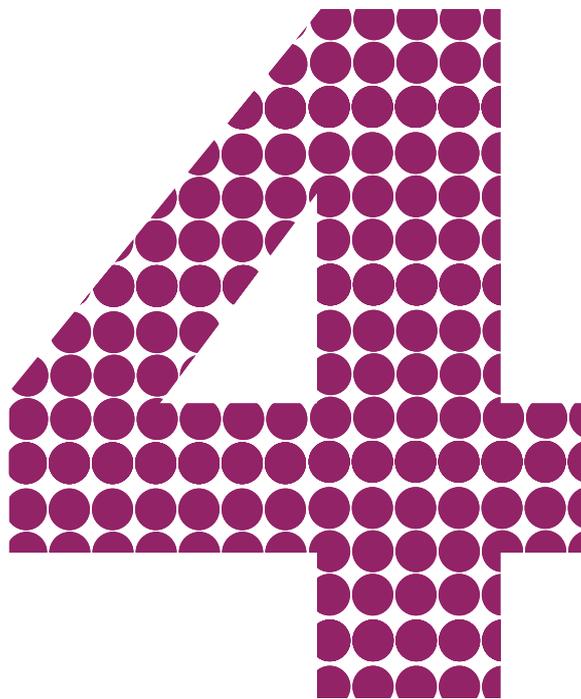
In terms of environmental violations, there were two fines totaling approximately RMB57,500, which were in Kunshan and Xuzhou. Specifically, kunshan factory has been fined by RMB 40,000 due to waste and other hazardous waste packaging not marked with hazardous waste label; Xuzhou factory has been fined by RMB 17,500 for failing to implement safety measures as required by regulations.

| Environmental safety and sanitation expenditures | | Taiwan (NTD) | (RMB) | | | | | Total |
|--|-------------------------------------|--------------|-----------|-----------|----------|--------|---------|-----------|
| | | | Dongkeng | Kunshan | Maanshan | Xuzhou | Nanchan | |
| Environmental protection | Environmental assessment test | 0 | 153,427 | 670,083 | 24,800 | 75,600 | 6,000 | 929,910 |
| | Hazardous waste disposal | 0 | 1,321,480 | 1,722,085 | 0 | 0 | 33,500 | 3,077,065 |
| | Sporadic effluent outward transport | 0 | 2,521,260 | 0 | 0 | 0 | 0 | 2,521,260 |
| | Environmental improvement works | 0 | 1,220,000 | 1,287,854 | 0 | 0 | 5,500 | 2,513,354 |
| | Personnel awareness training | 78,000 | 10,000 | 47,360 | 180 | 0 | 0 | 57,540 |
| Total | | 78,000 | 5,226,167 | 3,727,382 | 24,980 | 75,600 | 45,000 | 9,099,129 |

Occupational health and safety

For the protection of employees' health and safety, the factory adopts engineering manufacturing, eliminates and isolates occupational hazards, reduces the impact of occupational hazards on the working environment, and manages the introduction and use of chemicals from the source and implements occupational health monitoring of employees. Meanwhile, regularly perform the measurement of the working environment, including occupational hazards factors such as noise, dust, benzene, lead, tin, ultraviolet radiation, etc., which should be regularly monitored, and develop occupational health safety management plans through test results, a series of measures have been done through management means, labor protection, and health monitoring to prevent harm to the health of employees.

For the protection of occupational health, the factory also invests in occupational health monitoring, personal protective equipment procurement, annual regular operating environment measurement, as well as the investment and occupational safety related improvement works. In 2018, the total expenditure of the mainland factories was RMB 3,981,138, and the total expenditure of Taiwan factories was NT\$ 85,366.

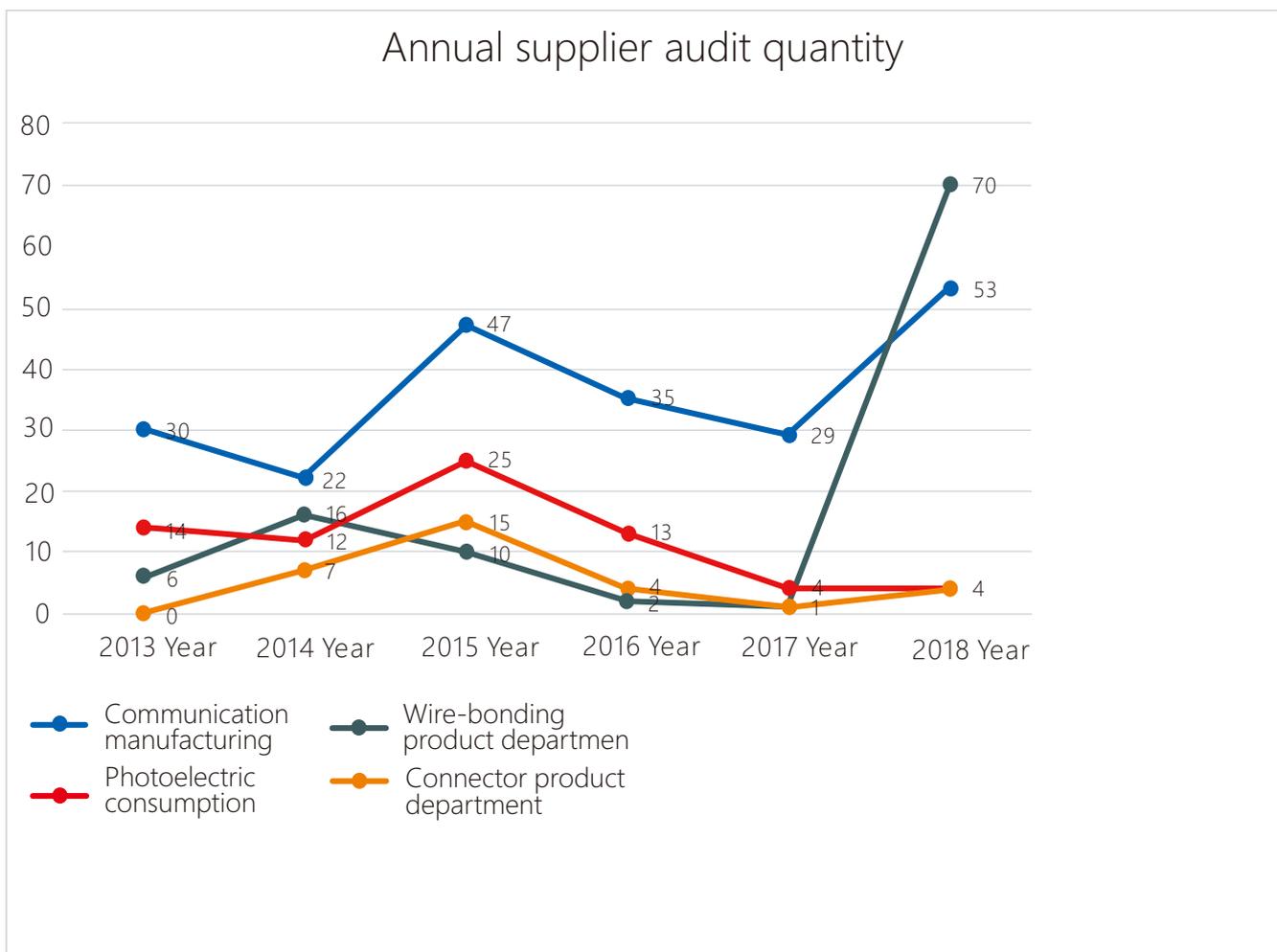


Responsible supply
chain management

Supplier liability assessment

According to the RBA Responsible Business Alliance Code of Conduct, SA8000, ISO14001, ISO45001 and other relevant international systems, Foxlink Group has formulated the supplier management operation evaluation procedure to conduct standardized evaluation of supplier management, and annual evaluations should be conducted annually after the supplier has passed the initial evaluation; suppliers will be re-evaluated in case of they have significant quality issues, off-site production, and changes in supplier organizations. Since 2012, Foxlink Group has requested suppliers to sign a Supplier Social Responsibility Commitment, which requires suppliers to improve non-conformities. By 2018, more than 277 suppliers have signed the Supplier Social Responsibility Commitment, which publicly declares compliance with the Social Responsibility Code.

In 2018, Foxlink Group conducted on-site audits of 131 suppliers based on factors such as purchase volume, purchase amount and material importance. Among them, 19 suppliers were the initial evaluation, and the number of suppliers increased by 274% compared with 2017. Based on the supplier management operation appraisal process, the Group is committed to working closely with suppliers to focus on economic, environmental and social risks and performances, and to continuously improve and promote the sustainable development of the supply chain.



Supplier conflict minerals management



In the Democratic Republic of the Congo and surrounding areas, non-government military groups manipulate metals with armed control, such as (Au), tantalum (Ta), tungsten (W), tin (Sn), and cobalt (Co) (3TG), which causes the deterioration of society, environment and human rights. Foxlink Group promises that the materials provided by itself and its suppliers are in compliance with the conflict-free regulations.

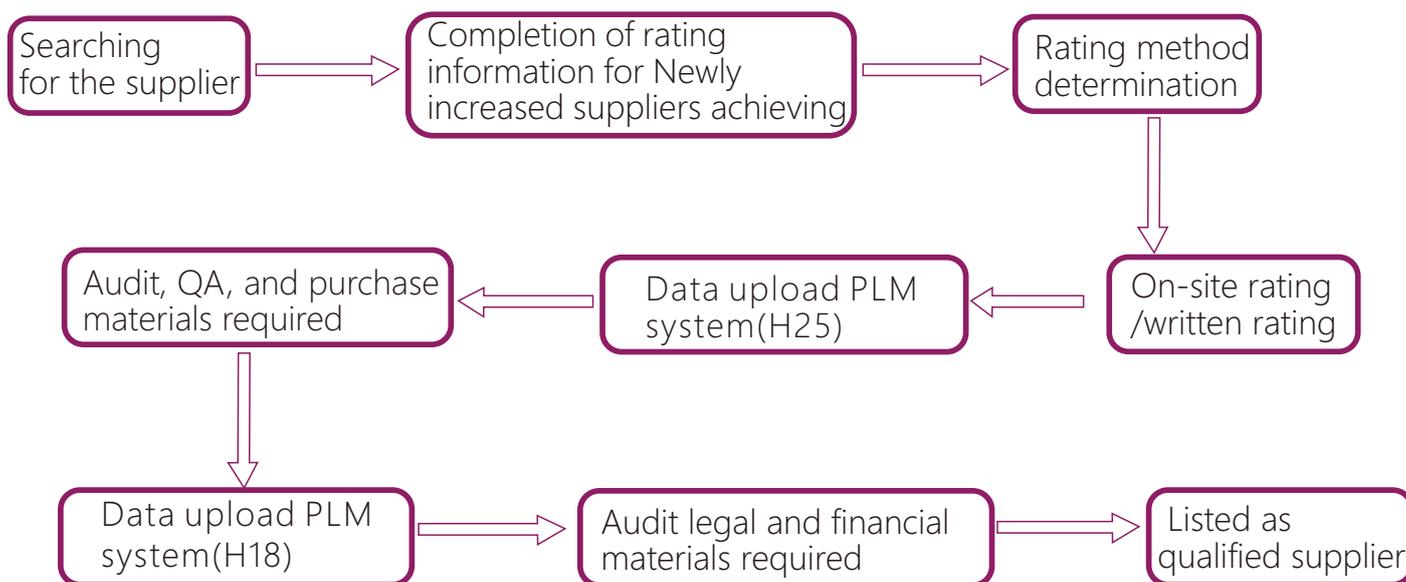
Foxlink Group conducts 3TG due diligence of material suppliers using the Standardized Reporting Model (CMRT) developed by the Responsible Minerals Program (RMI), and is committed to 100% investigation of all material suppliers to ensure that 3TG is purchased from the compliance smelting plant and refining factory; Group also cooperates with suppliers to promote 100% of the declared smelters to pass RMAP and other relevant international organizations to ensure that the company meets the social responsibility requirements of 100% conflict-free minerals in the supply chain.

The Group continued to improve the formulation of the conflict minerals system, standardized the investigation through the Conflict Minerals Control Management Procedures, and signed the "No Conflict Minerals Commitment" with suppliers to communicate conflict mineral knowledge and RBA and customer requirements in written or audited form. By 2018, more than 277 suppliers signed the letter of commitment publicly stating that conflict minerals were not used.

Green supplier quality management



Suppliers are important business partners and quality stakeholders. In order to establish a stable and sustainable supply chain and reduce supply risks, the company and suppliers work together to manufacture green products, actively promote the systematic management concept of green products in the supply chain, and promote suppliers to improve their green product management capabilities. In the supplier evaluation, in accordance with the relevant procedural documents, the restricted substance system audit and the annual routine supervision and audit are carried out, and at the same time, they are required to sign the environmental protection statement for the restricted substances.



Green product management



In order to better implement the social responsibility of corporate green environmental protection, Foxlink Group has established a green product management organization to promote the management and operation of the restricted material system and ensure the effective operation of the management of hazardous substances systems. It requires attention to the latest developments in international laws and regulations, and timely internal conversion to ensure that customers meet the green product production expectations; Pay attention to each manufacturing links and process, identify risks and effectively implement control, 100% in line with global environmental regulations and customer standards; Build trust and win-win supplier relationship, comply with environmental standards and ethics, and grow with suppliers.

The main processes range from contract review to design development to parts procurement, and each process performs a Hazardous Substance Compliance Assessment to ensure that the regulatory requirements and customer requirements can be fully identified. From production to inspection to warehouse, the risk identification and discrimination for each level are carried out to ensure compliance with regulations.



Material and process risk identification



The company carries out environmental management substance identification for the materials and processes used in the production process, and the parts containing polyvinyl chloride (PVC), cable purchased outside the group (Cable), injection molded plastic parts purchased outside the group and product parts containing solder paste and electroplating processes, galvanizing screw processes and dyeing and granulating processes are listed as key controls. And, it takes necessary and reasonable measures such as cleaning and content testing to reduce risks in these materials and processes.

Restricted substance testing



Foxlink Group established chemical laboratory in Fugang Electronics (Dongguan) Co., Ltd in 2001 and passed the China National Accreditation Service for Conformity Assessment (CNAS) laboratory approval in March 2004 (equivalent to ISO 17025 accreditation standard), according to RoHS 2.0 and REACH limited substances testing required by customers, the chemical laboratory conducted the most strict inspection on products and raw materials manufactured by Foxlink Group to minimize the risk of environmental and human hazards, mainly according to IEC-62321 and other international standard methods, including the following:

| | Name of Substances | Analytical method | Analytical instrument | Harmfulness | Application |
|-----------------|---|---|--------------------------------------|---|--|
| Inorganic class | Lead (Pb), Cadmium (Cd), Mercury (Hg), Hexavalent Chromium (Cr6+) | IEC-62321-4 IEC-62321-5 IEC-62321-7 | Inductively Coupled Plasma Analyzer | Inductively Coupled Plasma Analyzer | PVC stabilizer switch, relay connector, shell PCB, and metal anti-corrosive coating, etc |
| Organic class | (Phthalates)Phthalates, polybrominated biphenyls (PBBs) and polybrominated diphenyl ethers (PBDEs), polycyclic (PAHs), and Phthalates | IEC-62321-6 IEC-62321-8 | Gas Chromatography-Mass Spectrometer | Persistent cumulative toxicity, high persistent cumulative toxicity | Flame retardant, flame retardant plasticizer, resin and rubber plasticizer, widely used in plastics, rubber, paint, and emulsifier |
| Halogens | Chlorine (Cl-), Bromine (Br-) | IEC-62321-3 | Ion Chromatography (IC) | Toxic and irritating | PVC/FEP/PPUPlastic particles |

In addition to the above-mentioned analytical substances, chemical laboratories are constantly improving and innovating, and continue to research new methods for detecting toxic and hazardous substances, such as hexabromododecane (HBCD).

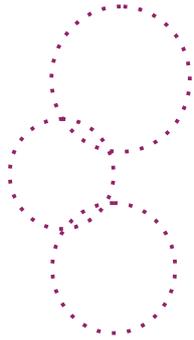


Strengthen system management



In order to accurately understand the regulations and customer requirements, in addition to regular communication with customers, we continue to pay attention to industry trends. In order to improve the management of hazardous substances in new personnel, we have internally planned and implemented a series of course training to ensure that every employee on the line has basic knowledge and operating skills, in order to reduce the risk of hazardous substances from the source, under the version upgrading of QC080000 international hazardous substances management system in 2018, we invited the third-party certification bodies to conduct internal auditor training, cumulatively trained 50 qualified auditors in line with QC080000: 2017. In order to urge suppliers to implement the hazardous substance management policy, in accordance with the annual education and training program, each plant site conducted [Key explanation of the supplier's hazardous substances audit] twice in 2018, and trained more than 100 qualified auditors.

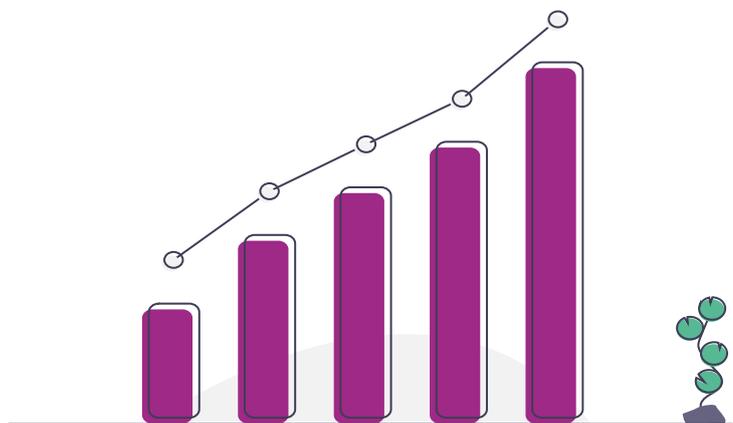
According to the ISO9001:2015 framework structure and the requirements of the International Electrotechnical Commission, the company completed upgrade of the QC080000:2017 version in November 2018. The management structure links the green product management process in the materials, processes and products themselves to ensure that the products can comply with laws and regulations, and customer requirements. At the same time, in response to the newly increased four spot of new Phthalates control requirements for RoHS 2.0, which was introduced into the company to execute formally one year in advance in July 2018.



Customer satisfaction



"Customer First" is one of the Group's quality policy objectives, which has always been the focus of attention on whether the products and services provided can meet the expectations of customers. In the whole process of green product production, we always actively grasp the information of customer feedback, conduct customer satisfaction survey every year, pay a return visit to customers, take the initiative to obtain customer opinions, and take customer opinions as the direction of continuous improvement. Each year, the company conducts customer surveys on topic for discussion such as quality, delivery, cost, service, and competitors or appropriate standards. The comprehensive feedback results show that customer satisfaction is as high as 98.37 points, reaching the Group's 2018 customer satisfaction target.





Community participation

Community participation

Since its establishment, Foxlink Group has been adhering to the public welfare concept of “Never cast dirt into that fountain of which thou hast sometime drunk, and contribute to the society” . We are always doing charity, making donation to charity, actively fulfilling corporate social responsibility through continuous care and assistance to the socially disadvantaged groups, and persistently practicing concept of environmental protection and public welfare and charity.

Group annual public welfare donation



In 2018, Foxlink Group donated NT\$50,000 to the Three Gorges Meishuyue Concert in Taiwan, and purchased disaster rescue equipment, the annual donation totaled NT\$3,000,000. In order to care for vulnerable groups in the long term and continue to interact with social welfare organizations, it also cooperated with organic farms in 2018. During the Mid-Autumn Festival, more than 3,000 pomelo were purchased and shared with employees and social welfare organizations. In the mainland factories, we has always been caring for organizations that need help from local nursing homes, women's federations, disabled couples and primary schools, and donated NT\$2,710,000 in total.

Foxlink Group cares for people's livelihood for a long time, helps education and poor. With a high degree of social responsibility, it is enthusiastic about charity, caring for the disadvantaged groups, vigorously promoting the development of charities, and letting more people bathe in the sunshine.



Guangdong Province Poverty Alleviation Day and Dongguan Charity Day



Donation Ceremony

Since the launch of the blood donation activity, Foxlink Love Club has been receiving the response from the company's colleagues. In 2018, three blood donation activities were arranged, so that colleagues and visitors can respond to the public benefit after work in a more convenient way. Pulling up the sleeves to volunteer one's help, let "A bag of blood donation, save lives" is not only a slogan, but a practical action. As of December 31, 2018, the group had a total of 815 bags of blood donated with volume up to 203,750 cc.





The company takes advantage of manpower and platform to participate in the development of local community culture and contributes to the promotion of community culture. In 2018, Foxlink and the local government of the Dongguan factory jointly hosted "Dongkeng' s Bondage Day" on the second day of February. The festival was highly valued and supported by the Dongguan Cultural Bureau and Dongguan Tourism Bureau, which is listed as the most important festival with local traditional characteristics and cultural heritage in Dongguan city, and strongly build a strong town of Dongkeng culture brand, and strive to make the "Dongkeng' s Bondage Day" out of Dongguan, out of Guangdong, and to the world.



Activities on Dongkeng' s Bondage Day



Family-friendly gardening party



Family-friendly gardening party

"A rice porridge when thinking be not easily won, tiny constant reading one's resource is in difficulties," Foxlink Group established a "Happy farm" in Kunshan factory, providing employees with leisure space of off-duty and holiday labor, and employees can spontaneously go to farming, self-harvesting to understand the difficult source of food. The factory regularly organizes interesting evaluations, barbecue meetings and other activities in the four seasons, sharing labor results with local residents, sharing farming experience, helping employees to establish diligence and saving, cherishing the virtues of food, enriching employees' spare time, and promoting exchanges and development between employees and local communities.

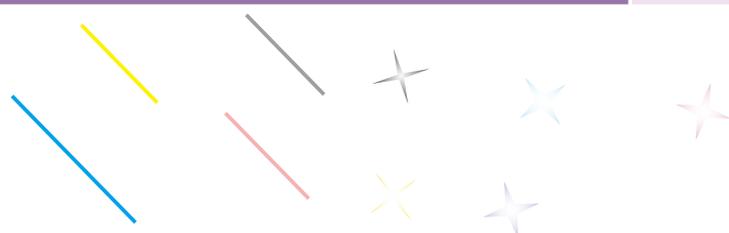


Community interaction is an important way for Foxlink Group to give back to the society. From the blood donation activities of Love Club, the donation of people's livelihood goods and materials, to the family-friendly gardening party that cares for the family, the local traditional characteristics of the "Dongkeng' s Bondage Day" supported by Dongguan factory, and the "Happy farm" where was established by Kunshan factory to encourage employees to interact with the community, Foxlink Group has never forget to fulfill corporate social responsibility, perseverely practice the concept of charity, respect and support local traditional culture, actively promote the participation and exchanges between the group and local communities, realize interaction with the people, effectively promote the development of local communities, promote employment, and realize the common prosperity of the group and the local.

CRI index table



| Reveal project | Chapter related | The page number |
|---|---|-----------------|
| Strategy and analysis | | |
| G4-1 The highest decision-makers statement | The chairman's speech | 02 |
| G4-3 major brands, products and services | About-General Situation of Zhengwei Company | 09 |
| G4-4 organization's headquarters are located | About-General Situation of Zhengwei Company | 01 |
| G4-6 Number and country name of operating countries | About-General Situation of Zhengwei Company | 08 |
| G4-7 Nature of Ownership, Law and Legal Form | About-General Situation of Zhengwei Company | 04 |
| G4-8 Market for Services Provided by the Organizations | About-General Situation of Zhengwei Company | 08 |
| G4-9 organization scale | About-General Situation of Zhengwei Company | 08 |
| G4-10 Employee Profile | About-General Situation of Zhengwei Company | 14-15 |
| G4-11 is guaranteed by the general staff of collective bargaining agreement. | Friendly Workplace-Employee Profile | 14 |
| G4-12 Organization's Supply Chain | Responsible Supply Chain-Supplier Risk Management | 38 |
| G4-13 Any Major Changes in Organizational Size, Structure, Ownership or Supply Chain during the Reporting Period | About-General Situation of Zhengwei Company | NA |
| Does the G4-14 organization have an early warning policy or principle to deal with | About-General Situation of Zhengwei Company | 04 |
| G4-15 economic, environmental and social regulations, principles or other initiatives signed and approved by the organization and formulated by the outside | On the Promise of Sustainable Development in Zhengwei | 04 |



CRI index table



| Reveal project | Chapter related | The page number |
|--|-----------------------------------|-----------------|
| Major Considerations and Boundaries | | |
| G4-17 Organize all experiments contained in consolidated financial statements or equivalent documents | Preface-About the Report | 01 |
| G4-18 Process for Defining Report Contents and Consideration Boundary | On Zhengwai-Stakeholder Talks | 05-06 |
| G4-19 describes the boundaries of the consideration plane within the organization for each major consideration plane | On Zhengwai-Stakeholder Talks | 05-06 |
| G4-20 describes the boundaries within the organization for each major consideration within the organization. | On Zhengwai-Stakeholder Talks | 05-06 |
| G4-21 For each major consideration, explain the boundaries of the consideration outside the organization. | On Zhengwai-Stakeholder Agreement | 05-06 |
| G4-23 illustrates significant changes in scope and consideration boundaries compared with previous reporting periods. | Preface-About the Report | NA |
| Stakeholder peace | | |
| G4-24 Stakeholder Groups Organizing Negotiation | On Zhengwei-Stakeholder Agreement | 05-06 |
| G4-25 explains the identification and selection methods for the interested parties discussed. | On Zhengwei-Stakeholder Agreement | 05-06 |
| G4-26 Ways of Negotiating with Stakeholders | On Zhengwei-Stakeholder Agreement | 05-06 |
| G4-27 key issues and concerns raised through stakeholder discussions, and how the organization responds to these key issues and concerns | On Zhengwei-Stakeholder Agreement | 07 |
| Basic information of the report | | |
| G4-28 Reporting Period for Information Provided by | Preface-About the Report | 01 |

CRI index table



| Reveal project | Chapter related | The page number |
|---|--|-----------------|
| Major Considerations and Boundaries | | |
| G4-29 Date of Last Report | Preface-About the Report | 01 |
| G4-30 Reporting Cycle | Preface-About the Report | 01 |
| G4-31 Contacts to Answer Reports or Related Questions | Preface-About the Report | 01 |
| G4-32 Organization's Choice of Follow Options; GRI content index for the selected option | Appendix -GRI- Index Table | 48-53 |
| Governance | | |
| G4-34 Governance Structure of Organization | On Zhengwai-Sustainable Governance | 10-11 |
| Ethics and Honesty | | |
| G4-56 Organizational Values, Principles, Standards and Codes of Conduct | On Zhengwai-Sustainable Governance | 04 |
| G4-57 Internal and External Mechanisms for Consultation on Ethical and Legitimate Acts and Organizational Integrity-related Matters | On Zhengwai-Sustainable Governance | 04 |
| Economic aspect | | |
| EC-1 Direct economic value generated and distributed by the organization | About Zhengwei-Company Profile | 08 |
| EC-5 In key operating positions, the ratio of the standard salary of grass-roots personnel of different genders to the local minimum salary | Friendly Workplace-Employee Profile | 14-15 |
| Environmental surface | | |
| EC-3 Energy consumption within the organization | Green Manufacturing-Environmental Action | 32 |

CRI index table



| Reveal project | Chapter related | The page number |
|---|--|-----------------|
| Environmental surface | | |
| G4-EN6 Reduce energy consumption | Green Manufacturing-Environmental Action | 32-34 |
| EN-8 Total water intake from various sources | Green Manufacturing-Environmental Action | 33 |
| EN-15 Direct greenhouse gas emissions (category 1) | Green Manufacturing-Environmental Action | 35 |
| EN-16 Indirect greenhouse gas emissions from energy sources (category 2) | Green Manufacturing-Environmental Action | 35 |
| EN-22 Total discharge volume by water quality and discharge destination | Green Manufacturing-Environmental Action | 34 |
| EN-23 Total Waste Weight by Category and Treatment Method | Green Manufacturing-Environmental Action | 35 |
| EN-29 The total amount of huge fines imposed for violation of environmental laws and the number of sanctions imposed other than money. | Green Manufacturing-Environmental Action | 36 |
| EN-32 Proportion of new suppliers screened according to environmental standards | Responsible Supply Chain Management-Supplier Risk Management | 38 |
| Social aspect | | |
| LA-1 According to age group, sex and region, the total number and proportion of new and former employees are divided. | Friendly Workplace-Employee Profile | 14-15 |
| LA-2 Benefits provided to full-time employees (excluding temporary or part-time employees) by major operating locations | Friends are good at work-humanistic care | 17-18 |
| LA-3, by sex, ratio of reinstatement and retention after parental leave | Friendly Workplace-Humanistic Care | 18 |
| LA-6 Types of work-related injuries, frequency of work-related injuries, occupational diseases, proportion of lost days and absenteeism rate by region and sex, and total number of work-related deaths | Friendly System-Occupational Health and Safety | 29 |

CRI index table



| Reveal project | Chapter related | The page number |
|--|--|-----------------|
| LA-9 Calculation Sheet by Gender of Staff Rank-Average Training Hours per Year | Friendly Workplace-Talent Cultivation and Development | 27 |
| LA-11 Proportion of Employees Subject to Periodic Performance and Career Development Reviews by Gender and Employee Category | Friendly Workplace-Humanistic Care | 27 |
| LA-12 reports the composition of the company's top management and by employee category by gender, age, ethnic group and other diversity indicators. | Friendly Workplace-Employee Profile | 14-15 |
| LA-14 Proportion of Labor Conditions Assessment and Audit for New Suppliers | Responsible Supply Chain Management-Supplier Risk Management | 38-42 |
| HR-2 Number of training hours for employees on human rights policies related to operations and percentage of trained employees | Friendly Workplace-Talent Cultivation and Development | 27 |
| G4-HR3 The total number of discrimination incidents and improvement actions taken by the organization | Friends are good at work-humanistic care | 23-24 |
| HR-5 Management positions and suppliers with the most serious risk of child labor have been found and actions have been taken to help eliminate child labor. | Friends are good at work-humanistic care | 16 |
| HR-6 Identify whether there is the risk of forced labor and eliminate the risk. | Friends are good at work-humanistic care | 17 |
| G4-HR10 Proportion of new suppliers screened using human rights standards | Responsible Supply Chain Management-Supplier Risk Management | 38 |
| SO-1 Proportion of employees receiving anti-training | On Zhengwai-Sustainable Governance | 27 |
| SO-8 The amount of heavy fines and non-monetary sanctions for violation of laws and regulations | On Zhengwai-Sustainable Governance | NA |
| G4-SO9 Proportion of major product and service categories for impact assessment to improve health and safety | Responsible Supply Chain Management-Supplier Risk Management | 38-42 |

CRI index table



| | | |
|--|--|-------|
| G4-PR1 Proportion of major product and service categories for impact assessment to improve health and safety | Responsible Supply Chain-Optimization of Products and Services | 39-42 |
| PR-5 Measuring the Results of Customer Satisfaction Survey | Responsible Supply Chain-Optimization of Products and Services | 42 |
| PR-8 Customers complain about invasion of privacy and data leakage, etc. | On Zhengwai-Sustainable Governance | 04 |

