



2023

# SUSTAINABILITY REPORT CHENG UEI PRECISION INDUSTRY

Sincerity / Foresight / Responsibility



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# ABOUT THE REPORT

Cheng Uei Precision Industry Co., Ltd. (hereinafter referred to as the Group, FOXLINK and the Company) has issued the CSR Report since 2016, which has upgraded to the Sustainability Report in 2022. This report discloses the sustainable operational achievements of FOXLINK in 2023 stakeholders, focusing on performance in the environmental (E), social (S), and governance (G) domains. It is expected that the issuance of this report will continuously improve the transparency of sustainable information in the future, and actively explain the Company's sustainable commitment, strategy, performance and future targets to all stakeholders.

## Report Scope and Data Source

This report discloses information in accordance with the GRI standards 2021 issued by the Global Reporting Initiative, the SDGs of the United Nations, the key points of United Nations Global Compact, the Task Force on Climate-related Financial Disclosures (TCFD) framework, and the standards of the Sustainability Accounting Standards Board (SASB). The disclosed economic data are derived from the 2023 (Year 112 of the Republic of China) corporate annual report's consolidated financial statements, with all financial figures presented in New Taiwan Dollars. It covers the information on the overall operating performance of the Group's Taiwan headquarters and all manufacturing plants around the world; the environmental and social information considers the impact of the material topics on the Company's activities, products and services, responds to material topics concerned by stakeholders, and fully discloses the information of important operation sites, in accordance with GRI's disclosure principles of materiality, integrity, stakeholder inclusiveness and sustainable development background.

The statistical data revealed in the report are based on FOXLINK's internal statistics and surveys, utilizing internationally accepted indicators. Where estimates are made, these are noted in the relevant sections. Any changes in historical data due to expanded disclosure scope or external verification are also declared within the report. The reporting period spans from January 1, 2023, to December 31, 2023. This report covers the Group's Taiwan headquarters (Zhongshan Plant, Dingpu Plant, Yixin Plant, Minquan Plant and Taichung Science Park Plant), as well as major operational and production sites in Dongguan (Fudong and Fuqiang), Kunshan (Fugang, Fushineng and Fushijin), Xuzhou Plant, Southeast Asia (Vietnam Plant, and India Plant). Compared to the 2022 report, the boundary has expanded to include the Vietnam Plant, marking a new addition to the scope of reporting.



ISSUE TIME OF THE REPORT

FOXLINK prepares and issues the Sustainability Report regularly every year and publishes it on its official website at the same time.

Last version: Issued in June 2023

Current version: Issued in August 2024

Next version: To be issued in August 2025

Report Preparation & External Assurance

The Corporate Social Responsibility Management Department is responsible to compile the first draft of this report and send it to the members of the Company Governance Team and the Operation Team to review and modify, and the Company Governance and Sustainable Operation Committee is responsible to confirm this report, then AFNOR Asia Ltd. is entrusted to make an independent verification and issue a statement of independent assurance via AA1000AS V3 Type-1 Moderate Assurance.

Aspect	Certification / Verification Items	Certification / Verification Institutions
Governance	Financial Data	PWC Taiwan
Environmental	ISO 14001:2015 Environmental Management System ISO 50001:2018 Energy Management System QC080000 Hazardous Substance Process Management System ISO 14064-1: 2018 GHG Inventory Standards UL2799 Zero Waste to Landfill Certification	Each factory is individually verified by a third party.
Social	ISO 45001: 2018 Occupational Safety and Health Management System RBA Code of Conduct	Each factory is individually verified by a third party.



Contact Information

If you have any question or suggestion about this report, you are welcome to contact us. The contact information is as follows:

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# Words of the Chairman

At the beginning of 2023, FOXLINK demonstrated its operational resilience as the world emerged from the COVID-19 pandemic. Despite the challenges posed by the three-year pandemic, product iterations, and transnational production hurdles, the Group successfully met customer production targets and established new production bases in India and Vietnam. In 2023, global demand for end products weakened, manufacturing slowed in various countries, and factors such as the expanded US-China chip ban, the Russia-Ukraine war, and geopolitical tensions between Israel and Hamas introduced high interest rates, inflation, and instability to the global economy and society. Consequently, the Group's annual consolidated net operating income amounted to NT\$90,550,764 thousand, a slight decrease of 3.8% compared to 2022. Looking ahead, global economic growth in 2024 is expected to be slightly lower than in 2023, though global trade is anticipated to recover. The Company aims to enhance product competitiveness and strengthen risk management by adopting flexible strategies to respond to market changes and challenges. Furthermore, the Company will deepen existing product technologies, expand product lines, and continue investing in research and development to create differentiated products with competitive advantages, thereby attracting more customers. In the realm of new energy, as construction progresses and project revenue begins to be recognized, this will positively contribute to overall revenue.

In this era of challenges and opportunities, FOXLINK not only focuses on financial and performance growth but also integrates Environmental, Social, and Governance (ESG) considerations into its business strategies to achieve sustainable development. The Company is committed to establishing a transparent, responsible, and efficient governance team to ensure long-term stable development. FOXLINK will continue to strengthen internal supervision mechanisms, enhance transparency and integrity, and ensure stable and sustainable operations.

On environmental issues, the Company envisions creating a green, low-carbon corporate ecosystem. FOXLINK actively promotes resource conservation and recycling, reduces carbon emissions and environmental pollution, and participates in climate change and ecological protection initiatives. In 2023, FOXLINK initiated an energy-saving technology improvement project and established a carbon inventory platform. This project involved the implementation of a carbon inventory system platform that integrates carbon emissions across the supply chain, creating precise carbon inventory data and records. This improvement in carbon inventory efficiency will assist the Group in achieving its carbon reduction goals and controlling costs. In 2023, FOXLINK signed The Climate Pledge, committing to regularly measure and report GHG emissions. This aligns with the Paris Agreement, as the Company plans to implement decarbonization strategies through business transformations and innovations, which include enhancing efficiency, utilizing renewable energy, reducing materials, and other carbon elimination measures. Additionally, FOXLINK aims to neutralize any remaining carbon emissions through extra, quantifiable, real, lasting, and socially beneficial carbon offset measures, targeting net-zero emissions by 2040. These ongoing efforts led to FOXLINK being selected as one of the top 100 companies in Business Weekly's Carbon Competitiveness rankings in 2023. Furthermore, the Company's rating in the Carbon Disclosure Project (CDP) improved to the management level.

In 2024, FOXLINK will embark on its first year of AI development, with AI technology becoming one of the key engines driving the Company's growth. With the continuous development of AI technology and applications, FOXLINK is leveraging AI to optimize production processes, enhance product quality, improve customer service, and explore applications of AI in market forecasting, risk management, and innovative research and development. Embracing the opportunities presented by the AI wave is expected to boost the Company's performance, aiming for double-digit growth in revenue and profits. Looking ahead, FOXLINK will continue to uphold its core values of "Sincerity, Foresight, and Responsibility", constantly exploring and implementing ways to enhance corporate competitiveness and social impact. The Company remains dedicated to contributing to the sustainable development of the economy, society, and the environment.

Chairman

Handwritten signature in Chinese characters, likely reading "郭台銘" (Gua Tai Ming), the Chairman of the Board.



# ESG Performance in 2023

Aspect	Performance
Environment	<ul style="list-style-type: none"><li>Signed the Climate Pledge in 2023, committing to achieve net-zero emissions by 2040.</li><li>Implemented the Carbon Disclosure Program (CDP) and elevated GHG surveys to a management level.</li><li>Ranked in the top 100 for carbon competitiveness by Business Weekly.</li><li>Achieved an energy saving target of 8.73%, surpassing the 4.72% goal compared to the baseline year of 2023.</li><li>In 2023, the Group utilized renewable energy for 54.88% of its total energy consumption.</li><li>Total GHG emissions in 2023 (Scope 1 + Scope 2/market baseline) were 113,323 tons of CO2e per year, a decrease of 59.14% compared to the baseline year of 2021.</li><li>The Fudong Plant in Dongguan completed its certification for clean production in 2023.</li></ul>
Social	<ul style="list-style-type: none"><li>The Fudong Plant in Dongguan and the Kunshan Plant obtained the RBA certificate of the silver grade.</li><li>The Fuqiang Plant in Dongguan passed the BSCI audit.</li><li>No occupational disease occurred in the Group in 2023.</li><li>FOXLINK is actively fostering workplace diversity and equal promotion opportunities for employees, with the proportion of female managers at 31%, surpassing the 2023 target of 27%.</li><li>A total of 107,645 individuals received training throughout the year, accumulating 215,958 hours of training. This included 275 occupational safety and health training sessions and drills, with a total of 65,398 participants.</li></ul>
Governance	<ul style="list-style-type: none"><li>In 2023, FOXLINK obtained 112 patents, including 28 invention patents, 69 utility model patents, and 15 design patents, primarily covering products such as mice, headphones, VR, batteries, electric bicycles, and antennas. A total of NT\$2.234 million in bonuses was awarded internally.</li><li>The Group had no violations of economic, social, or environmental regulations resulting in fines in 2023.</li></ul>



# Sustainable Development

## Sustainable Operation Committee

With the authorization of the Board of Directors, FOXLINK has established the Company Governance and Sustainable Operation Committee in 2021, and Mr. Chuan-Wei Li was elected as the convener of the Committee, then the Company Governance Team and the Sustainable Operation Team were established respectively. The Committee is responsible for formulating strategies and sustainable development policies and plans on economic, social and environmental topics concerned by stakeholders. It also regularly tracks and evaluates the progress and effectiveness of their implementation. The Committee reports to the Board of Directors semi-annually on the material topics of sustainable development, performance on key indicators, stakeholder communication, and short, medium, and long-term development strategies. The sustainability goals and progress on various issues are approved by the board of directors, and the sustainability report is also issued upon the board's approval.





### Social Responsibility Policy

FOXLINK’s Sustainable Operation Team is responsible for implementing social responsibility tasks, formulating the Group’s social responsibility and ethical policies. The top management and all employees are committed to adhering to these policies and ensuring their thorough implementation. FOXLINK is dedicated to continuously improving working conditions and employee welfare, establishing, and implementing a robust social management system. The Company has developed a Code of Conduct for suppliers, extending these requirements to suppliers and contractors to meet the expectations of customers, governments, the public, and other stakeholders.

#### Labor Policy

Comply with labor-related law and RBA regulation:

- 1. Freely Chosen Employment.
- 2. Child Labor Avoidance.
- 3. Working Hours (Arrangement complying to regulations).
- 4. Legal Wages and Benefits.
- 5. Humane Treatment.
- 6. Non-Discrimination.
- 7. Freedom of Association.

To continuously maintain and improve labor management system.  
Protect labors 'rights, provide equal working environment.  
To train and encourage employees in participating in all activities on implementing labor policies.

#### Ethics Policy

Comply with ethics-related law and RBA regulation:

- 1. Business Integrity.
- 2. No Improper Advantage.
- 3. Disclosure of Information.
- 4. Intellectual Property Protection
- 5. Fair Business,Advertising and Competition.
- 6. Protection of Identity
- 7. Responsible Sourcing of Minerals.
- 8. Privacy.
- 9. Non-Retaliation.

To continuously maintain and improve ethics management system.  
To train employees in participating in all activities on implementing ethic policies.

### Engagement and Communication of Stakeholders

FOXLINK follows the principles of stakeholder engagement (AA1000 Stakeholder Engagement Standard, AA1000 SES). Members of the Corporate Governance and Sustainable Operation Committee, along with the contact points from each unit's Sustainable Operation Team, conduct meetings to identify stakeholders. Stakeholders identified as having significant impact on operations include customers, employees, suppliers, shareholders/investors, government, community, media, and non-profit organizations. To enhance communication and interaction with stakeholders, any stakeholder who discovers violations of ethics or regulations can provide feedback through the stakeholder section on the official website (<http://www.foxlink.com/Stakeholder Zone/>). This section also offers a feedback mailbox and a contact window for stakeholder communication. Stakeholders are encouraged to directly communicate and file complaints or suggestions on any concerns. In 2023, no environmental, social, or customer complaints were received through external channels.





List of FOXLINK Stakeholders

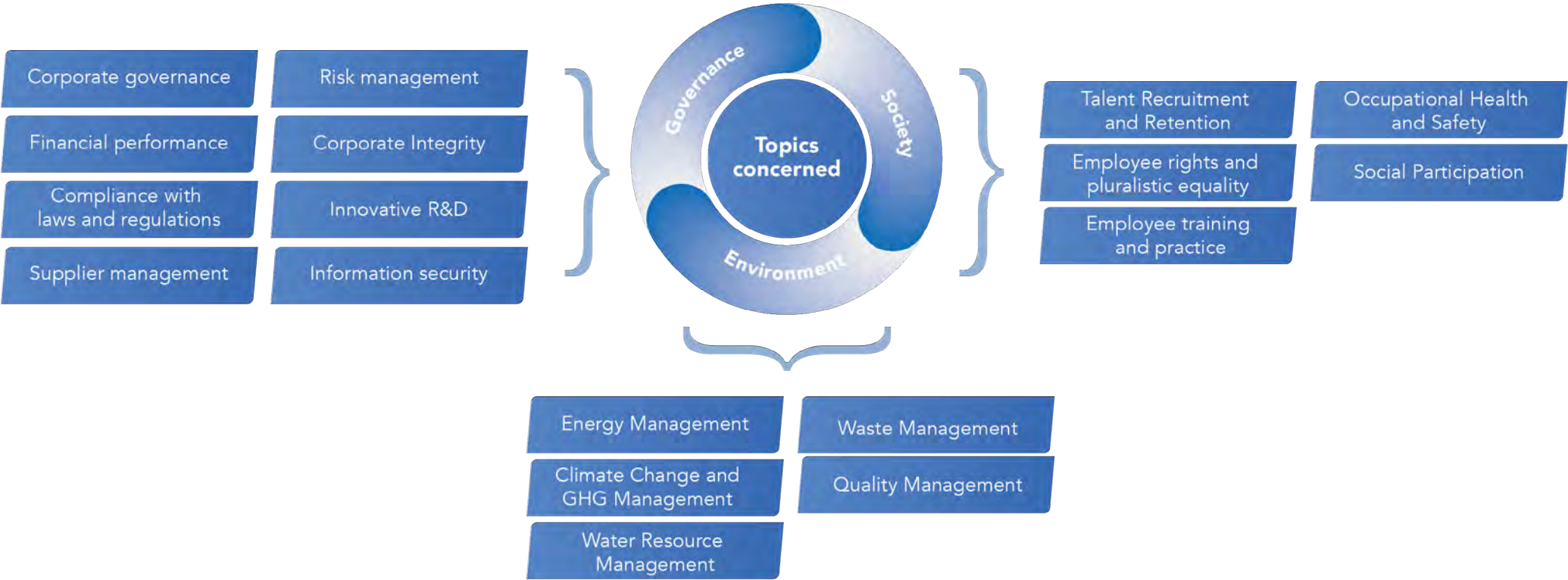
FOXLINK engages annually through various communication channels such as the public information station, company website, financial reports, and the annual sustainability report. The table below outlines the importance analysis, communication channels, frequency, and records of interactions with relevant stakeholders.

Stakeholder	Topics concerned	Communication Channels	Communication Frequency and Records
Shareholders/ investors	Corporate governance Risk management Corporate Integrity Financial performance	Shareholders' Meeting	Once a year
		Company official website	Irregular intervals
		TWSE MOPS	Irregular intervals
		Annual Report	Once a year
Employees	Corporate Integrity Employee rights and pluralistic equality Employee training and practice Occupational Health and Safety	Employee-employer meeting	Quarterly
		Business unit communication meeting	Monthly
		Opinion survey / satisfaction survey	Irregular/Annually
		Internal publicity channel	Irregular intervals
		Complaint and consultation channel	Irregular intervals
Clients	Risk management Corporate Integrity Supplier management Employee rights and pluralistic equality Employee training and practice Occupational Health and Safety Climate Change and GHG Management Quality Management	Customer Audits	Annual/Irregular
		Customer Satisfaction Surveys	Once a year
		Customer Questionnaires RBA-online Platform	Irregular intervals
		Quarterly Business Review	Quarterly
		Carbon Reduction Targets and Checklists	Irregular intervals

Stakeholder	Topics concerned	Communication Channels	Communication Frequency and Records
Suppliers	Corporate Integrity Supplier management Quality Management	Supplier Audits	Irregular intervals (based on supplier risk assessments)
		Requests for Communication	Irregular intervals
		Signing Supplier Social Responsibility Commitments Environmental and Occupational Safety Declarations	Once for each supplier
		Regular Collection of Conflict Minerals Data	Once a year
		Hazardous substances and quality inspection.	Annually/Irregular
Governments	Corporate governance Risk management Financial performance	Examination by competent authorities	Irregular intervals
		Public Hearings and Seminars by Competent Authority.	Irregular intervals
Communities	Risk management Climate Change and GHG Management	External Communication Inbox	Irregular intervals
		The special department responsible for handling appeals in the factory campus.	Irregular intervals
Media	Corporate governance Financial performance Climate Change and GHG Management	Establish a spokesman system to provide media communication channels	Irregular intervals
NGO	Corporate Integrity Supplier management Climate Change and GHG Management	Accepted by the CSR Department	Irregular intervals

# Identification of Material Topics

FOXLINK adheres to the GRI (Global Reporting Initiative) guidelines to conduct an annual analysis of material topics. This analysis is based on the principles of inclusiveness, materiality, responsiveness, and impact. It involves identifying and analyzing material topics to understand their positive and negative impacts on the economy, environment, and people (including their rights). This process ensures clarity in reporting scope and addresses significant sustainability challenges faced internally and externally by the Company. FOXLINK aims to comprehensively assess sustainability performance and drive continuous improvement across all organizational aspects.







### Step 1: Collecting Focus Topics

In 2023, the Group gathered sustainability-related topics from global standards and norms, industry benchmarks, peer and non-peer groups, and annual corporate objectives. Following internal discussions, the Group identified governance, social (including human rights), and environmental dimensions as the three major areas, totaling 18 topics, for inclusion in the report's material topic identification scope.

### Step 2: Quantifying Impact of 18 Topics

The Group conducted surveys distributed through questionnaires to senior internal executives. These surveys aimed to assess the impact levels (both positive and negative) and occurrence probabilities of the 18 topics on governance, social (including human rights), and environmental aspects. Each impact was quantitatively rated on a scale of 1 to 5, from low to high severity.

### Step 3 Confirming Material Topics

After senior executives completed the surveys, the Sustainable Operation Committee analyzed the quantitative results of the 18 topics. The committee then made decisions based on analysis, internal discussions, and consultations with internal and external experts. The material topics identified were corporate governance, financial performance, corporate integrity, information security, supplier management, employee rights and diversity, employee training and development, occupational health and safety, climate change and GHG management, and quality management, totaling 10 topics. Compared to the previous year, the material topics for this year included information security and quality management. Risk management was excluded from the major topics scope this year due to an average survey score below 3. Material topics are presented to the convener of the Sustainable Operation Team for review and subsequently reported to the Board of Directors.

Categories	Material Sustainability Topics	Responding Chapter	Positive Impact	Negative Impact	Response Measures
Governance Aspect	Corporate Governance	Corporate governance	Good corporate governance enhances a company's stability and reputation, boosting investor confidence and promoting long-term sustainable development.	Poor governance can damage a company's reputation and affect its operations.	Strengthen the functions of the Board of Directors, regularly convene the meeting of each functional committee and report to the Shareholders' Meeting, enhance information transparency, and protect the rights and interests of stakeholders, in accordance with the requirements of domestic and foreign laws and regulations.
	Financial performance	Corporate governance	Strong financial performance demonstrates a company's operational capabilities and profit potential, attracting investors and customers and fostering growth.	Conversely, poor financial performance can negatively impact both operations and reputation.	Continue to strengthen the Company's competitive advantage in R&D and technology according to the business perspective, invest in the development and design of new products and technologies, and improve efficiency, reduce costs and reduce the impact of products and processes on the environment, so as to maintain the competitiveness of the Company, bring stable working environment to employees, and achieve sustainable operation.
	Corporate Integrity	Corporate Integrity	The corporate integrity helps build trust and reputation, fostering long-term relationships with customers, suppliers, and partners.	Failure to establish an corporate integrity system can damage corporate image if negative events occur; corruption incidents may affect the Company's reputation and investor decisions.	Zero tolerance for any behavior or activity that violates the rules. Proactively check and accept reports according to the internal rules. Implement anti-corruption policies covering employees and suppliers.



Categories	Material Sustainability Topics	Responding Chapter	Positive Impact	Negative Impact	Response Measures
Governance Aspect	Information security	Information security	Effective information security management and emergency response mechanisms can enhance customer trust, reducing legal and financial risks from data breaches or system failures.	Information security incidents can damage a company's reputation, erode customer trust, affect business relationships, and lead to legal actions and fines.	Regular internal security audits reinforce various security measures and address vulnerabilities in information systems, ensuring their normal operation. Conducting internal security meetings enhances the organization's resilience to security incidents and threats.
	Supplier management	Responsible Supplier Management	Implementing sustainable supply chain management ensures stability, enhances overall sustainability performance, and reduces the risk of legal violations within the supply chain.	Poor supplier management can lead to supply disruptions, affecting production and operations, and non-compliant supplier behavior can indirectly damage the Company's reputation.	Establish a supplier management platform, determine the supplier sustainability document grading method, investigate the green qualification of major suppliers and the global sites of suppliers, and collect information on sustainable local procurement sites.

Categories	Material Sustainability Topics	Responding Chapter	Positive Impact	Negative Impact	Response Measures
Social	Employee rights and pluralistic equality	Building a Diverse and Inclusive Workplace	Creating a diverse and equal workplace fosters an inclusive and friendly corporate culture and image, increasing satisfaction among employees and customers.	Neglecting employee rights and diversity can lead to high turnover, hinder the recruitment of diverse talent, and cause employee disputes that may affect business operations and reputation.	Comply with local labor regulations, RBA Code of Conduct and relevant international conventions. Provide employees harmony and equality in the workplace, and then create the Company's operating performance.
	Employee training and practice	Responsible Supplier Management	Establishing employee training and performance evaluation systems enhances skills and efficiency. Comprehensive training and career development plans boost employee loyalty and foster a cohesive corporate culture.	Failure to implement employee training can result in inadequate skills and technical expertise, impacting work efficiency and productivity. Without comprehensive career development plans, employees may feel less attached to the Company, leading to higher turnover rates.	FOXLINK attaches great importance to the development of employees' personal potency and professional aspiration, and cultivates a new generation of professional and technical talents through industry-academic cooperation, campus recruitment and other plans. Online management courses are offered to improve the multiple ways of learning.
	Occupational Health and Safety	Occupational health and safety	Effective safety management systems and measures provide a healthy and safe work environment, reducing workplace injuries and occupational diseases, and safeguarding employees' health and safety rights.	Poor management can result in occupational injuries, diseases, and safety incidents.	The Group implements the international occupational health and safety management system, continuously improves the intrinsic safety of hardware equipment and facilities, and strengthens the change management requirements. Prepare and execute the plan of mechanical equipment, and implement the automatic inspection of mechanical equipment.



Categories	Material Sustainability Topics	Responding Chapter	Positive Impact	Negative Impact	Response Measures
Environmental	Climate Change and GHG Management	Climate Change and GHG Management	Proactively addressing climate change and effectively managing GHG emissions can lower energy costs, improve resource efficiency, and mitigate potential operational impacts from climate-related risks.	However, GHG emission reduction measures may increase operational costs. Changes in climate policies can affect the Company's emission reduction plans and outcomes.	Continuous operation plan Achieve effective backup operation in case of emergency, and maintain insurance for products, to effectively transfer the losses caused by the disaster. Regulatory tracking and response The Environmental Sustainability Sub-team and the relevant business units pay close attention to domestic and foreign regulations, policies and guidelines, and regularly discuss and report to facilitate early response to reduce impact. Transition to net zero emission Actively conduct carbon screening by participating in the international sustainability initiatives, take actions to improve the production efficiency of energy, invest in renewable energy, generate carbon assets, enhance corporate reputation, and response to the emission reduction transition.
	Quality Management	Quality Management	Enhancing the quality and reliability of products and services increases customer satisfaction and reduces costs and risks associated with quality issues.	Poor quality control can lead to increased costs for subsequent improvements, reduced customer satisfaction, and negatively impact orders and market reputation.	FOXLINK focuses on product quality, establishing a comprehensive quality management system to ensure the safety of products and services, meeting customer and regulatory requirements. In the product design phase, considerations include the exclusion of harmful materials, enhanced product performance, and ease of disassembly or recycling, to reduce environmental impact.








# Table of Material Topic Boundaries

Aspect	Material Topics in 2023	GRI Standards	SASB	Responding Chapter	Upstream	Operation Process		Downstream	Other Stakeholders			
					Suppliers	Employees	Shareholders /investors	Clients	Governments	Communities	NGO	Media
Governance	Corporate governance	Self-definition	Non-material topics	Basic Information		●	▲	▲	○	○		○
	Corporate Integrity	GRI 205 GRI 206	Non-material topics	Corporate Integrity		●	▲	▲	○			
	Information security	GRI 418	Non-material topics	Information security		●	▲	▲				
	Supplier management	GRI 308 GRI 414	TC-ES-320a.2 TC-ES-320a.3	Responsible Supplier Management	○	●						
	Financial performance	GRI 201	Non-material topics	Company Profile	○	●	▲	▲				
Social	Employee rights and pluralistic equality	GRI 405 GRI 401	TC-ES-310a.1	Building a Diverse and Inclusive Workplace		●					▲	
	Employee training and practice	GRI 404	TC-ES-310a.1	Building a Diverse and Inclusive Workplace		●						
	Occupational Health and Safety	GRI 403	TC-ES-320a.1	Building a Diverse and Inclusive Workplace Occupational health and safety		●					▲	
Environmental	Climate Change and GHG Management	GRI 302 GRI 305	Non-material topics	Sustainable Environment		●	▲	▲			▲	
	Quality Management	GRI 416	TC-SC-440a.1	Quality Management	○	●		▲				

● : Direct impact    ○ : Contributing to impact    ▲ : Directly related to this impact through business relations

# SDGs of the United Nations

In line with the United Nations' 17 Sustainable Development Goals (SDGs), FOXLINK responds to and demonstrates performance on seven identified material topics related to the SDGs. The SDGs provide a global framework for sustainable development, and aligning the Company's practices with these goals helps FOXLINK define clear objectives, measure performance, and enhance transparency. This alignment also supports the advancement of the global sustainable development agenda, creating broader social impact and value.

	SDG Goals		Corresponding Topics	Response and Performance
Environmental		Ensure affordable, reliable and sustainable modern energy for all.	Sustainable Environment	Establish an effective energy management system. <ul style="list-style-type: none"><li>In 2023, the Group set an energy-saving target of 4.72% and achieved an energy-saving performance of 8.73%.</li><li>In 2023, the Group utilized renewable energy for 54.88% of its total energy consumption.</li></ul>
		Implement comprehensive mitigation and adaptation actions to address climate change and its impacts.	Sustainable Environment	Proactively addressing climate change with adaptation and mitigation measures <ul style="list-style-type: none"><li>Elevated the GHG questionnaire to management level.</li><li>Signed the Climate Pledge in 2023, committing to net-zero emissions by 2024.</li><li>Achieved ISO 14064 GHG verification for sites in Taiwan, Dongguan, Kunshan, Xuzhou, and Vietnam; and ISO 50001 certification for sites in South China, Kunshan, and Xuzhou.</li></ul>
Social		Ensure inclusive, equitable, and quality education, and promote lifelong learning opportunities for all.	Building a Diverse and Inclusive Workplace	Established a dedicated learning platform, expanding diverse and flexible learning resources and channels: <ul style="list-style-type: none"><li>A total of 107,645 individuals received training, accumulating 215,958 hours of training.</li></ul>
		Achieve gender equality and empower all women.		Achieving workplace equality <ul style="list-style-type: none"><li>The proportion of female executives is 31%, higher than the 27% target set for 2023.</li></ul>
		Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.		Compliance with Regulations, Risk Reduction; Disease Prevention, Continuous Improvement <ul style="list-style-type: none"><li>The Dongguan Plant upgraded its fire control systems with a total expenditure of approximately NT\$41,637,600.</li><li>The Fudong Plant in Dongguan and the Fugang Plant in Kunshan obtained the RBA certificate of the silver grade.</li><li>In 2023, the Group organized 275 evacuation drills and occupational safety and health training sessions, with a total participation of 65,398 individuals.</li></ul>
Governance		Foster peace, justice, and strong institutions.	Corporate governance	Adhere to Code of Corporate Integrity <ul style="list-style-type: none"><li>The Group and all employees have signed the "Integrity Commitment Letter", and suppliers have signed the "Supplier Integrity Commitment Letter". Through the audit mechanism of internal audit units, the Group prevents any incidents of dishonesty.</li></ul>
		Strengthen partnerships to achieve these goals.	Responsible Supplier Management	Development of Sustainable and Long-term Supply Chain Value <ul style="list-style-type: none"><li>The Group completed waste reduction, carbon emission inventory, and clean energy certification surveys for 200 key suppliers.</li></ul>



# Corporate governance

## Basic Information

Company Name	Cheng Uei Precision Industry Co., Ltd. (hereinafter referred to as the Group)
Company Code	Stock Code 2392
Date of incorporation	1986/07/14
Paid-in Capital	NT\$5.1 Billion
Main Products	Connectors, modules, FPC and other components, bluetooth/headset, mouse, gaming controller and other accessories, and smart watches/ bracelet. System products include air quality detectors and bicycle power-assist control units.
Number of Employees Worldwide	24,381 (as of December 31, 2023)
Headquarters	No.18 Zhongshan Road, Tucheng District, Xinbei City, Taiwan (R.O.C.)
Revenue in 2023 (NTD)	NT\$90.551 Billion

## Business Principles

### Customer Orientation: Simple, Practical, Trustworthy

Adhering to promises is our foremost value. We aim to strengthen cooperation with suppliers and customers, always considering the creation of long-term benefits for all three parties.

### Time to Market: Tolerant and Forward-looking

We leverage technological innovation and accumulate practical experience, continuously striving for self-improvement. Our achievements have established us as a representative of the high-tech industry.

### Time to Volume: Dedicate and Pragmatic

From capital, technology, and human resources to execution and assessment, we have a comprehensive operating system. Our performance in various functional tasks, coupled with collective effort, has forged our core competitiveness.



## Business Perspective

By integrating core capabilities in molding, forming, stamping, secondary processing, and automation, we unify materials, machinery, electronics, optics, electroacoustics, energy, assembly, and R&D technology. This enables us to establish a global marketing and supply chain management network, promptly providing customers with high-quality products. Guided by consumer electronics, information, communication, and automotive market demands, we combine digital content, environmental protection, and energy-saving principles to create value for our customers. Adhering to the principles of sincerity, broad vision, and responsibility, we continually surpass ourselves, fostering team spirit to achieve the best operational performance for the enterprise.

## Product Service

FOXLINK leverages its strong management capabilities, IoT, cloud, data analytics, and automation technologies to establish Industry 4.0 capabilities. By enhancing remote monitoring and management and implementing real-time production modes through TPS (Toyota Production System), FOXLINK has created a comprehensive smart manufacturing system. This system enables the Company to provide customers with rapid and comprehensive product development and manufacturing services across various areas including mold processing, stamping, molding, secondary processing, flexible boards, SMT, ACF, PCBA, robotic arms, automatic inspection machines, and automated assembly machines.

Through highly integrated manufacturing capabilities, covering product design, mold design, part manufacturing, and automated assembly processing, FOXLINK ensures a solid foundation in technology across its operations. With big data analysis, artificial intelligence technology and excellent R&D capability, we can develop and mass produce new products that meet the market demand as soon as possible, and grasp the best profit opportunity. FOXLINK has amassed extensive product development experience in high-density, high-frequency transmission, mastering the development of key components. By leveraging material applications, process technology, and testing equipment, combined with big data analysis and artificial intelligence, FOXLINK continuously challenges itself to achieve optimal cost efficiency, capitalizing on its manufacturing advantages in electronic components. This enables FOXLINK to provide comprehensive integrated services, establishing itself as a long-term, close partner with major international information and communication technology companies. FOXLINK's OEM/ODM team strives to meet all customer needs by managing projects from components to complex assembly integration, offering application solutions or technical support. Utilizing 24-hour R&D and manufacturing services, the team provides creativity and support, ensuring that products move from samples to mass production with precision and speed. FOXLINK has established globally interactive engineering services across Taiwan, China, and the Americas. From the initial concept design phase, FOXLINK participates in prototype design, rapidly completing sample production through precise engineering testing. By integrating a product lifecycle management platform, FOXLINK optimizes the cost, quality, and time within the design process, aiming to shorten development cycles and reduce costs. During collaborative design, a project management team is established at the product development's inception, incorporating customer

requirements and contributing expertise and experience. Simultaneously designing the manufacturing process, FOXLINK translates these into specific product specifications, processes, engineering, and aesthetic requirements. Utilizing 3D design software to construct product models, and integrating CAD/CAM/CAE systems, the Company employs structured analysis techniques to simulate product designs, enhancing quality and reliability.

FOXLINK focuses intensively on mold-related technology research, emphasizing product precision with capabilities in rapid mold design, manufacturing, and maintenance. Each process is completed within the plant. Utilizing CAE/CAD/CAM computer-aided engineering enhances productivity by reducing the number of mold trials, shortening product mold development cycles, and lowering mold manufacturing costs. With an excellent technical platform, the Company achieves the perfect combination of design, processing, and manufacturing. FOXLINK's mold development utilizes advanced software tools such as Pro/E, AutoCAD, Cimatron, UG, Ansys, Moldex, Moldflow, and PDM, alongside superior mold processing and testing equipment from Europe and Japan. This includes milling machines, jig grinders, precision grinders, CNC machining centers, optical grinders, wire EDM machines, EDM machines, projectors, CMMs, and 2.5D measuring instruments, ensuring customer trust in quality and speed. FOXLINK has implemented a multifaceted processing strategy alongside simplified programming capabilities, effectively utilizing 5-axis CNC machining technology and integrating secondary processing techniques to establish a model prototype center. This center ensures the rapid and confidential production of model prototypes for customers.

## Financial Information

In 2023, the Company experienced a slight decline in profitability due to reduced demand for products such as gaming controllers, influenced by destocking trends in the gaming industry. The consolidated net revenue for 2023 amounted to NT\$90,550,764 million, a decrease of 3.8% compared to NT\$94,102,594 million in 2022. The after-tax net profit for 2023 was NT\$1,457,132 million, with an after-tax earnings per share of NT\$3.09, down 4.3% from NT\$1,522,518 million and NT\$3.14 per share in 2022.

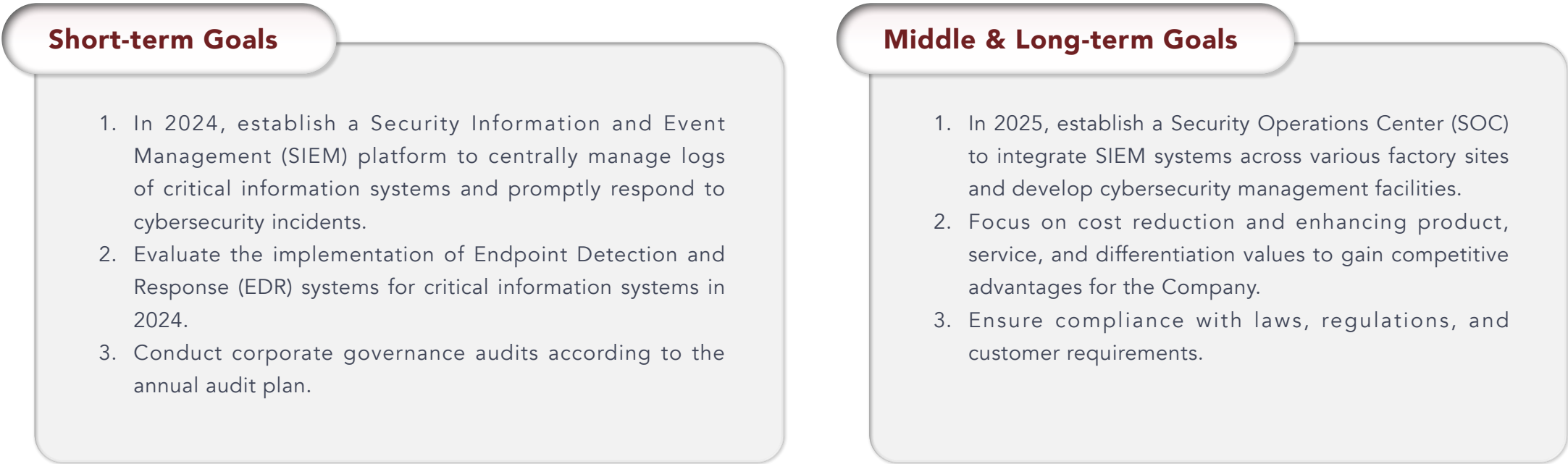
For consistent financial disclosures and annual report data, please refer to the official website at <https://www.foxlink.com/web/Shareholders' Meeting/>.

**Material Topics: Corporate Governance, Financial performance, Corporate Integrity, and Information Security**

**Corporate Governance Policies and Commitments**



**Goals and Actions**



# Governance Operations

The Board of Directors of FOXLINK has long been adhering to the high-standard corporate governance principles as the basis for a sound system to ensure the effective operation of the Board of Directors and safeguard shareholders' rights. The Company has formulated internal norms in accordance with the Code of Practice on Corporate Governance of Listed and OTC Companies, the Code of Integrity for Listed and OTC Companies, and the Code of Practice on Sustainable Development of Listed and OTC Companies, and implemented the corporate governance and integrity leadership by referring to international cases and industrial practices, so as to achieve the goals of strengthening the structure and operation of the Board of Directors, safeguarding shareholders' rights, treating shareholders equally, improving information transparency, and implementing integrity management and anti-corruption advocacy.





## Corporate Governance Structure

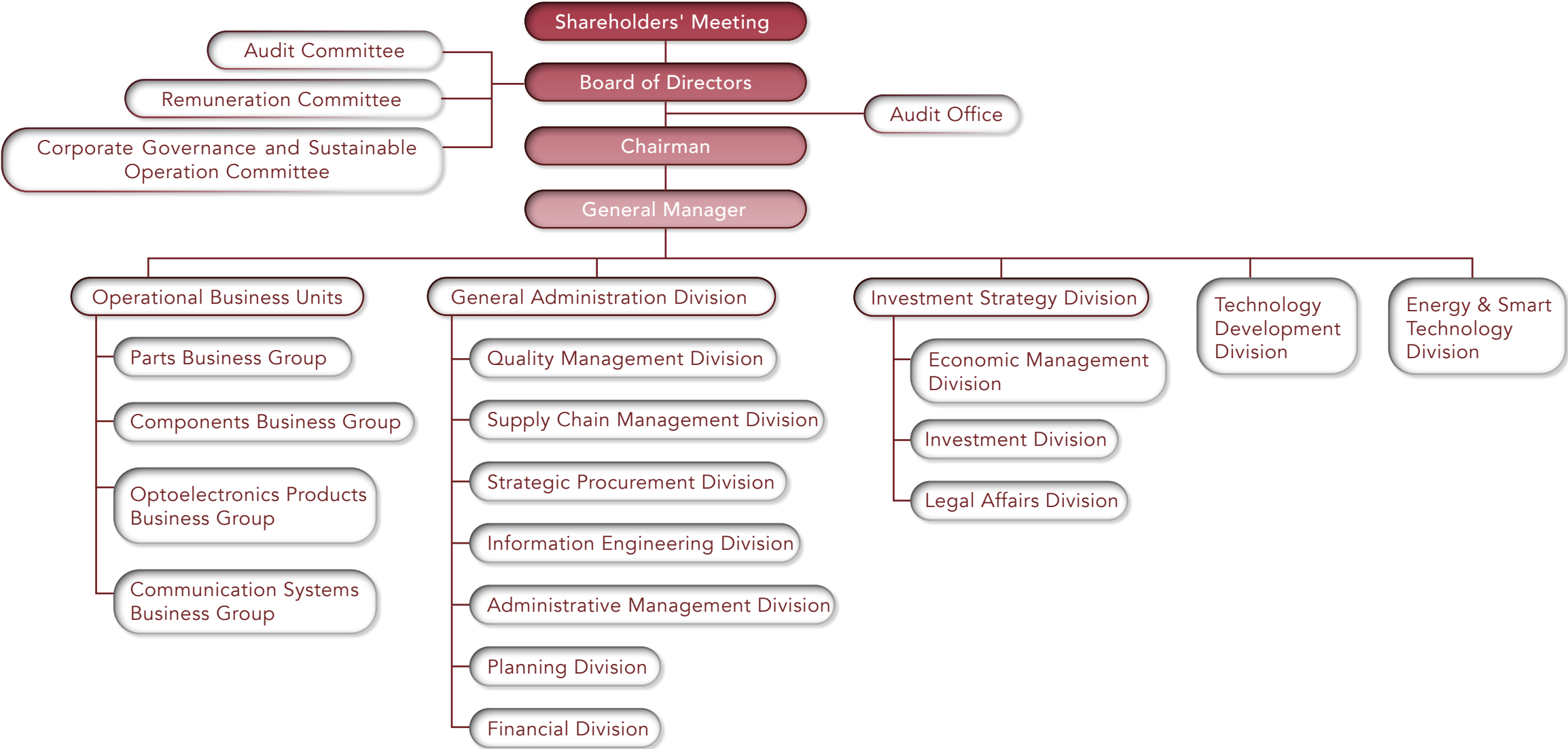
The Board of Directors of the Company has an independent audit office and has established a well-founded internal control system in accordance with Section 14 of the Securities Exchange Law. The Audit Office regularly inspects the Company's compliance in connection with acquisition or disposition of assets, transaction of derivatives, loans and guarantees for others, and the implementation of other operation management systems. The Audit Office assists the Board of Directors and the corporate governance officer to implement the supervision function for the reasonable operation of various functions and cycles in the management system

In addition, the Board of Directors of the Company also has functional committees, including the "Remuneration Committee", which formulates and regularly reviews the policies, systems, standards and structures for performance evaluation and remuneration of directors and senior officers, and consider the reasonableness of the relationship between personal performance, company performance and future risks, in order to reduce of pursuit of salary and remuneration beyond the risk appetite of the Company; and the "Audit Committee", which reviews and supervises the scope of financial reporting, the independence and performance of certified public accountants, the effectiveness of internal control, the compliance with laws and regulations, and other potential operating risks.

We have established a "Corporate Governance and Sustainable Operation Committee", authorized to appoint a corporate governance officer to coordinate and assist the Board of Directors in nominating director candidates, advising on operations of the Board of Directors, and supervising the implementation, evaluation, and execution of corporate social responsibility and sustainability initiatives. This includes responsibilities across environmental, social responsibility, and employee development areas to promote the Group's healthy, sustainable development and stable governance.

Operational units will further develop based on foundational functions such as production, sales, human resources, research and development, and finance. This will include distinguishing between product manufacturing and centralized support management structures, presenting a governance and production operation co-working framework.

Organizational Chart



## Board of Directors

The current Board of Directors comprises nine members, including directors and independent directors elected through the statutory process. Among them, four are independent directors, representing 44.44% of the Board. The independent directors' terms do not exceed three consecutive terms, and they possess professional knowledge and specific skills, achieving all set targets. In 2023, The Company appointed an accomplished independent director in the field of accounting, enhancing the comprehensive expertise of independent directors. This appointment facilitates the identification of issues within the Group from an outsider's perspective. With their professional knowledge, the independent director provides objective and unbiased advice, ensuring timely disclosure and corrections, thereby safeguarding shareholder interests. The Code of Practice on Corporate Governance of the Group stipulate that the composition of the board of directors should consider diversity, tailored to its own operations, business model, and developmental needs. The following outlines the implementation status of the board's diversity policy. In furtherance of corporate governance, aimed at enabling the board to fulfill its responsibilities effectively to safeguard investor rights, the board resolved on March 26, 2022, to appoint Kunhuang Lin, Special Assistant in the Investment Strategy Department, as the Chief Governance Officer.

Furthermore, to enhance the operational and management capabilities of board members, supervisors, and senior executives, the Company has continuously provided training courses on various aspects of corporate operations knowledge. These include financial and tax matters, risk management, legal regulations, corporate governance, integrity and ethics, sustainable development policies, climate governance, and low-carbon management. In 2023, a total of 9 board members participated in these courses, covering topics such as corporate sustainability, governance, anti-corruption regulations, and others. Specific sessions included "Advanced Practices in Audit Committee", "Corporate Governance and Securities Regulations", "Code of Corporate Integrity", "Transnational Management and Sustainable Operations", "New Insights in Digital Transformation", and "Regulatory Analysis of the Board and Functional Committees". Audit personnel also underwent annual training totaling 12 hours in "Information Security Audit Practices" and "Common Audit Deficiencies". These training programs have equipped board members with comprehensive knowledge of domestic and international corporate sustainability and social responsibility management practices. They encourage directors, supervisors, managers, and other senior executives to propose governance recommendations to improve and advance the Company's sustainable operational policies effectively.

Disclosure data related to board members, diversity of capabilities, and training are consistent with the annual report data and are disclosed on the official website of the Shareholders' Meeting at <https://www.foxlink.com/web/>.

Evaluation on the Operation of the Board of Direction and the Committees

The Board of Directors' performance evaluation scope includes the overall board, individual board members, and functional committees. Evaluation methods include self-assessment of board operations, self-assessment of board member performance, and self-assessment of functional committee operations.

Evaluation Scope	Board of Directors	BOD Members	Functional Committees
Evaluation Items	<ul style="list-style-type: none"><li>Degree of participation in company operations</li><li>Enhancement of board decision-making quality</li><li>Board composition and structure</li><li>Director selection and continuing education</li><li>Internal controls</li></ul>	<ul style="list-style-type: none"><li>Understanding of company goals and missions</li><li>Awareness of director responsibilities</li><li>Degree of participation in company operations</li><li>Internal relationship management and communication</li><li>Director professionalism and continuing education</li><li>Internal controls</li></ul>	<ul style="list-style-type: none"><li>Degree of participation in company operations</li><li>Awareness of Audit Committee Responsibilities</li><li>Enhancement of Audit Committee Decision-making Quality</li><li>Composition and Selection of Audit Committee Members</li><li>Internal controls</li></ul>
Overall Average Scores	5 points (Excellent)	4.98 points (Good)	5 points (Excellent)

Note: Excellent (5 points), Good (4 points), Adequate (3 points), Fair (2 points), Needs Improvement (1 point)



## Remuneration Committee

In order to implement corporate governance and improve the salary and remuneration system for directors and managers, the Company has set up the "Remuneration Committee" with 4 members, all of whom are independent directors. The main duties of the Remuneration Committee are to assist the Board of Directors in formulating and regularly reviewing and evaluating the policies, systems, standards and structures for the achievement of performance objectives and remuneration of directors and managers for the sustainable development of the Group. The term of office of the current Remuneration Committee is from May 31, 2023 to May 30, 2026. The Remuneration Committee held 2 meetings in 2023, and the actual attendance rate was 100%,

## Audit Committee

In accordance with the Securities and Exchange Act, the Company established the "Audit Committee" in 2017, composed entirely of independent directors. The term is three years, with the convener and meeting chair elected by all committee members. In 2023, the Audit Committee held four meetings, with full attendance by all committee members at each meeting.

## Corporate Governance and Sustainable Operation Committee

The committee members include the Corporate Governance Team and the Sustainable Operation Team, comprising 5 key members. Their primary responsibilities involve overseeing the implementation of corporate social responsibility and sustainability initiatives, reviewing and amending important regulations such as the Corporate Social Responsibility Code, Corporate Governance Code, and Code of Corporate Integrity. They also submit proposals to the Board of Directors, supervise and guide the Company's participation in corporate governance assessments, evaluate the results of assessments and board performance evaluations, and report assessment outcomes to the board, among other duties. In the current term, the committee has held 2 meetings in 2023 with a 100% attendance rate. Furthermore, to implement corporate governance and ensure the Board's functions to protect investors' rights, the Board resolved on March 26, 2021, to appoint Lin Kunhuang, Special Assistant of the Investment Strategy Department, as the Chief Governance Officer.

## Audit Office

The corporate governance includes an internal audit function managed by the Audit Office, which currently consists of 6 dedicated members. Regular annual inspections and evaluations of internal control systems are conducted to ensure their effectiveness, providing timely improvement suggestions to ensure the continuous and effective implementation of various systems. These evaluations also assist in risk management, aiding the Board of Directors and management in achieving established goals and objectives.

In terms of system details, the Company has established internal control systems and processing guidelines in accordance with regulations for publicly traded companies. These include detailed implementation rules comprising five internal control elements: "Control Environment", "Risk Assessment", "Control Activities", "Information and Communication", and "Supervision". The Company also considers the overall operational activities of its subsidiaries.

To effectively present the governance and internal control factors mentioned above, ensuring the reasonable protection of assets and operational efficiency, the audit unit follows the structure of the accounting transaction cycle. They assess individual functional risks and develop the audit plan for the year 2023, dividing responsibilities to execute specific audit points within each cycle breakdown.



Key areas of focus include the financing cycle, procurement cycle, production cycle, supply chain management, real estate and facility management, information security, payroll cycle, and sales cycle audit tasks. In detailed operations, they conduct comprehensive inspections using a systematic approach. Through sampling and self-checking control operations, audits are conducted to assess the implementation effectiveness and identify potential deficiencies in internal controls across various units within the factory premises. Throughout this process, consideration is given to internal and external environmental changes, evaluating control effectiveness, operational efficiency, and managing administrative costs. The findings are ultimately fed back into the assessment of system design and feasibility to assist the Board of Directors and management in fulfilling their responsibilities and achieving corporate governance objectives.

In terms of legal compliance, in addition to establishing the management aspects of internal controls as mentioned earlier, the audit manager has also lawfully attended the Board of Directors meetings. Following the annual audit plan, they regularly email reports to the independent directors and present the status of internal audit execution at least quarterly to the Audit Committee. They communicate audit findings, follow-up actions, ensuring communication is conducted with independence and without significant flaws.





# Corporate Integrity

The Company adheres to the Code of Corporate Integrity to govern its operations. FOXLINK, approved by the Board of Directors on March 11, 2011, established the "Code of Corporate Integrity". Additionally, the Board of Directors set up the Corporate Governance Team and Sustainable Operation Team on November 12, 2021. The Corporate Governance Team oversees integrity-related matters and delegates responsibility for developing and supervising integrity policies, anti-corruption, anti-bribery, and legal compliance to the Corporate Affairs Department. Regular reports on integrity operations are submitted to the Corporate Governance and Sustainable Operation Committee and the Board of Directors. The Corporate Governance and Sustainable Operation Committee convenes at least twice a year to review annual execution plans submitted by each team at the beginning of the year and biannual reports on implementation progress. These plans and reports are scrutinized by the committee and subsequently presented to the Board of Directors. To ensure the effective implementation of corporate integrity, all employees sign an "Integrity Commitment Letter". An internal audit mechanism is in place to prevent unethical business activities, bribery, and corruption. The Company also signs "Supplier Integrity Commitment Letter" with its suppliers, detailing rights and obligations during contract negotiations, and requiring adherence to integrity standards.

The Company has established effective accounting and internal control systems, annually developing an internal audit plan. The internal audit unit executes various audit operations according to this plan, arranging special audits for any unusual occurrences. Each year, the Company conducts at least one educational session on "Prevention of Insider Trading Regulations", "Internal Significant Information Processing Procedures", and related laws for current directors, executives, and employees. Newly appointed directors and executives receive these educations promptly upon assuming their positions. These governance-related initiatives have been implemented by the Company in 2023.

## Corporate Integrity Courses

Course Name	Course Hours	Number of Participants
RBA Code of Conduct & Supplier Industry Guidelines	6	1712
Analysis of Trade Secrets Law and Practical Cases with Confidentiality Duty Advocacy	2	2862
Relevant Laws and Case Analysis of Insider Trading	1	52
Employee Confidentiality Duties and Contract Stamp	6	375
Discussion on Insider Trading Behavior and Responsibilities	1.5	339





## Implementation of the Principle of Interest Avoidance

The Company has established the "Corporate Governance Best Practice Principles" and the "Corporate Integrity Operation Procedures." These regulations require directors, managers, and other stakeholders attending or present at board meetings to disclose any significant conflicts of interest regarding the agenda items that involve themselves or the legal entities they represent. If it is harmful to the interests of the Company, he/she shall not participate in the discussion and voting, and shall withdraw from the discussion and voting, and shall not exercise voting rights on behalf of other directors. For the management of discussion, the Audit Office also conducts an annual audit in accordance with the corresponding rules to ensure that there are no violations. The directors exhibit a high degree of self-discipline; when an agenda item involves a personal interest, they consistently practice recusal and document it in writing. For example, the Remuneration Committee discusses and decides on the allocation of director remuneration, including individual directors who abstain from meetings involving conflicts of interest. Furthermore, employees entering the Company with relatives are not allowed to have direct subordinate management structures. The principle of conflict of interest clearly permeates through the Company's management, subtly reflected in governance details. The Company consistently adheres to the principle of conflict of interest in 2023 and implements it throughout the organization.



## Prohibition of Trading in Securities by Directors or Employees

In accordance with Article 10 of the Corporate Governance Code, the Group specifies that to uphold shareholder rights and ensure equal treatment of shareholders, insiders are prohibited from trading stocks from the day they become aware of the Company's financial reports or related performance details. Additionally, directors are prohibited from trading their stocks during a 30-day closed period before the annual financial report announcement and a 15-day closed period before each quarterly financial report announcement. To enforce this regulation, the Company conducts educational sessions for newly appointed directors and internal personnel upon their appointment. New employees receive education and guidance during pre-employment training conducted by the HR department. Furthermore, the Company issues notifications before Board meetings where financial reports are to be approved, reminding directors and insiders of the prohibition period for trading stocks, thereby preventing inadvertent breaches of these regulations.



## Whistle-blowing Policy and Long-term Anti-corruption Campaign

Regarding the smooth operation of internal and external whistleblowing channels, the Company has established a unified external reporting email: [ceo@foxlink.com](mailto:ceo@foxlink.com). Any stakeholders with questions, suggestions, or complaints about various management issues can use this channel for communication or reporting. Regarding emerging overseas facilities, efforts are being made to enhance reporting mechanisms upon their establishment, focusing on language accessibility, electronic convenience, and secure storage of information, ensuring that whistleblowing information can directly reach headquarters, encompassing remote locations.

Regarding confidentiality and trust, internal employees who discover significant illegal or unethical activities within the Company can report such matters not only through the aforementioned email but also directly to their department supervisor, the audit office, the human resources office, or the legal office. Additionally, these independent reporting channels can be accessed through internal extensions or the Company webpage. Those who handle the reports are bound by confidentiality obligations to protect the privacy of the whistleblower, ensuring that the identities of the whistleblower and any participants in the related investigation are not disclosed.

In terms of integrity advocacy, during various stages such as supplier audits, procurement negotiations, and due diligence on outsourced vendors, the audit function department consistently conducts anti-corruption policy advocacy with responsible contacts and officials of suppliers. This includes verifying whether transactions are free from internal undue pressures. Throughout 2023, there were no specific declarations from external vendors indicating they were subjected to any demands for cooperation in corrupt practices or bribery pressures from within the company. The plants in Dongguan, Kunshan and Xuzhou have publicized the anti-corruption policies of the Company when recruiting new employees and screening new suppliers. When facing situations involving bid rigging risks in procurement or vendor qualification for sales, the Audit Office proactively initiates actions to promptly confirm and eliminate such risks at the operational level. Internally and externally, there were no instances of violations involving significant competition infringements, monopolistic practices, or breaches of major international laws.

In terms of reported cases, there were six cases in 2023, all originating from internal employee reports. This illustrates the effectiveness and diversity of reporting channels, stimulating proactive and vigilant oversight among employees and enhancing their awareness of the close link between personal and corporate interests.

In terms of verification and communication, both the Audit Office and business units have handled cases without negligence or outright dismissal. Cases were reported from subsidiaries in Taiwan and manufacturing bases in mainland China. Regarding matters related to personnel rights, the audit function maintains impartiality, seeking perspectives from all involved parties during the verification process. Multiple verifications were conducted to clarify information accuracy, ensuring a balanced understanding and avoiding biases. Upon verifying cases, procedures were followed according to internal regulations and external laws. Communication for improvement was initially conducted with responsible management units. For cases involving personnel issues, responsibility was transferred to the Human Resources Department for appropriate disciplinary actions, with follow-up to ensure enforcement. A few reported cases were clearly related to economic or social interests, with direct responses and corrections sent to the appropriate responsibility channels after communication. Among the six reported cases, the main issues were breaches of job independence and disciplinary violations. For instance, one case involved an employee who returned to work while deliberately concealing a direct familial relationship, leading to promotions within the same unit without avoiding conflicts of interest, resulting in a report. Another case of job misconduct involved an employee using their position for personal gain by accepting bribes from suppliers, as confirmed by the Audit Department's investigation. Based on audit findings, the Audit Office impartially concludes its audits and provides reasonable recommendations. The audited departments then fairly handle their respective employees in accordance with audit explanations and regulatory frameworks.

In terms of post-event improvements, following the first case involving the appearance of direct relationships in the construction of the Xuzhou Plant where support personnel from other locations were deployed, the Audit Office suggested adjustments by the Human Resources Department to revise return restrictions and enhance employee care, ensuring alignment between personal and company interests. Additionally, in response to the reported case of employee bribery, relevant functions and critical control points in the audited unit continue to strengthen anti-corruption advocacy among suppliers and integrity training for employees.

Despite the limited number of reported cases, the Company consistently upholds its anti-corruption policies and encourages whistleblowing. Internal training for audit members is also founded on the principle of confidentiality, aimed at building awareness among employees. It strives to safeguard the privacy of whistleblowers and the confidentiality of their sources of information to promote a balanced and constructive internal whistleblowing environment. Unless the motive of the whistle-blowing is not pure, the whistle-blower will be praised, awarded or even granted substantial reward appropriately after verifying the whistle-blowing. The channels for reporting are unified and straightforward, regardless of geographical location, ensuring that complaints are processed promptly within reasonable timeframes without delay. In addition to routine audits and project-specific investigations, the anti-corruption operations also rely on the combined efforts of internal and external whistleblowing, employee complaints, and vendor grievances to collectively deter fraudulent activities and deliberate opportunistic behaviors.



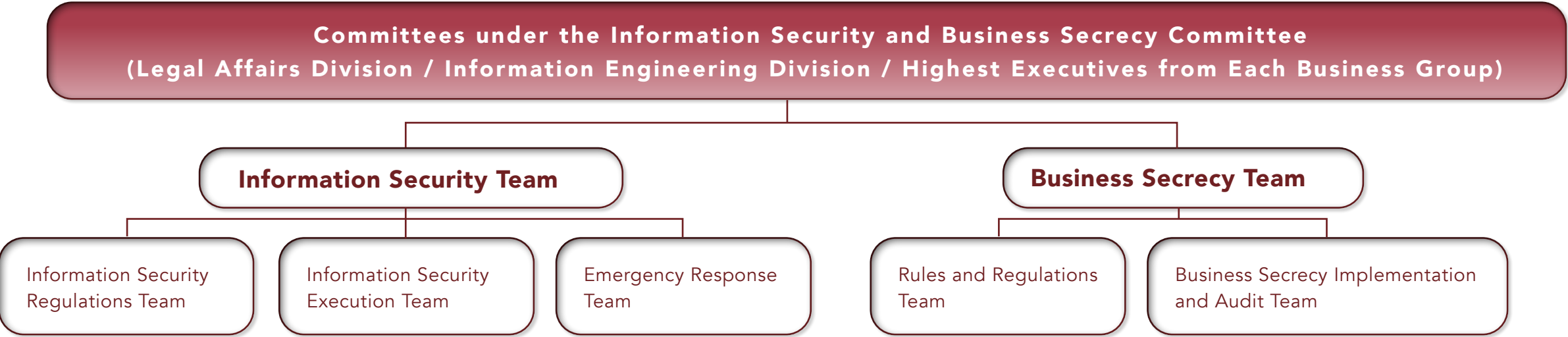
# Information Security

## Information Security Policy

The information security policy established within the Group aims to "maintain the integrity, availability, and confidentiality of information across Group companies, actively preventing damage caused by human and natural forces to minimize impact on company operations and avoid financial losses." Through regular internal information security audits, we strengthen various security measures and address vulnerabilities in information equipment to ensure the normal operation of information systems. Internal security meetings are convened to enhance emergency response capabilities, deepen and adjust annual information security management objectives.

## Information Security Organization

To meet customer information security requirements and safeguard customer production and related operational data, a Business Secrecy Review Committee was established as directed by the Chairman. Under this committee, an Information Security Organization was formed, comprising the highest executives from each business group. The Legal Counsel and Chief Information Officer jointly convene regular meetings of the Business Secrecy Review Committee to execute, develop, and review group-wide information security control measures, effectively promoting the Group's information security management policies.

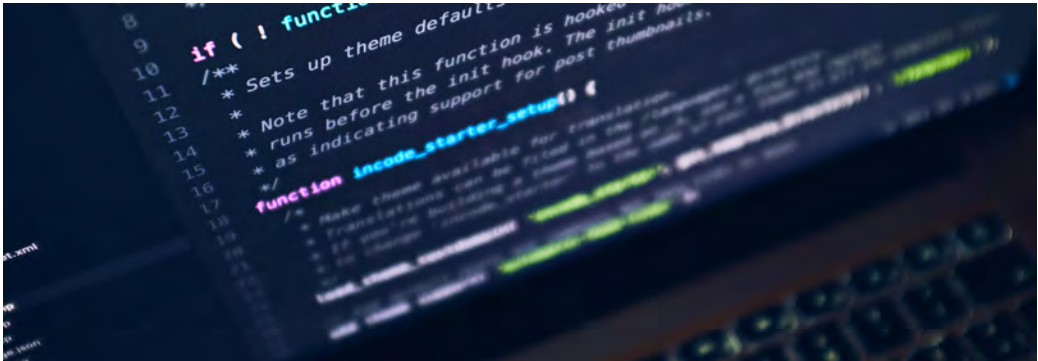


## Performance of the Information Security Organization

The Information Security Organization has been responsible for reviewing and executing FOXLINK's information security projects in the past. In response to customer requirements, the Information Security Organization conducts regular security audits and reviews. Enhanced control over sensitive data requires organizational review before transmission to clients. Under secure management mechanisms, the Information Security Organization fulfills customer demands for information security, earning their approval. Moving forward, in addition to focusing on the security of OT (Operation Technical) environments on production lines, FOXLINK also implements relevant control mechanisms in office environments to ensure employees are protected from information security threats. On a regular basis, the Information Security Organization disseminates information security news through informational notices to foster awareness among employees, contributing significantly to the operation of the security organization.

## Internal Information Security Audit

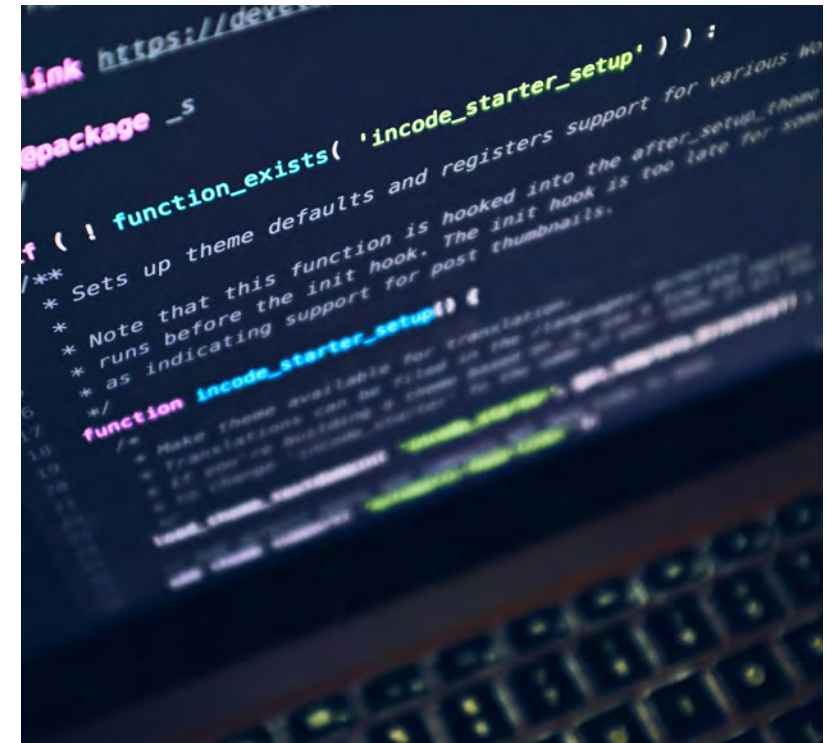
The Information Security Team conducts audits across various units based on decisions from the Trade Secret Committee and internal audit requirements. They provide improvement measures and report audit findings and enhancements to the Trade Secret Committee and the Board of Directors.



## Effectiveness of Information Security and Customer Security Management

As a multinational corporation, FOXLINK establishes information security regulations in accordance with global and domestic laws and policies. We implement related risk controls and review information security management based on customer requirements for our security policies and privacy. Over the years, we have met customer requirements for our information security audits. Performance Achievements in 2023:

- Strengthened control over engineering drawings by requiring all personnel involved in drawing engineering diagrams to install encrypted software in 2023, achieving a 100% installation rate to prevent data leakage.
- Conducted weekly vulnerability scans and patches on critical information systems, reducing the risk of hacker intrusion.
- Established guidelines for the ethical and compliant use of Generative AI in 2023, enhancing operational efficiency and improving productivity to maintain competitiveness.
- Implemented Network Access Control (NAC) to prevent unauthorized devices from accessing the network in 2023.
- Continued participation in the TWCERT cybersecurity alliance.
- Passed security audits (supplier security and privacy assurance) for key customers in 2023.
- First to introduce Endpoint Detection and Response (EDR) systems at U.S. Plant in 2023.
- Participated in the Taiwan Chief Information Security Officer Alliance in 2023.
- Conducted biannual information security awareness campaigns and participated in security training, obtaining training certifications.



# Risk management

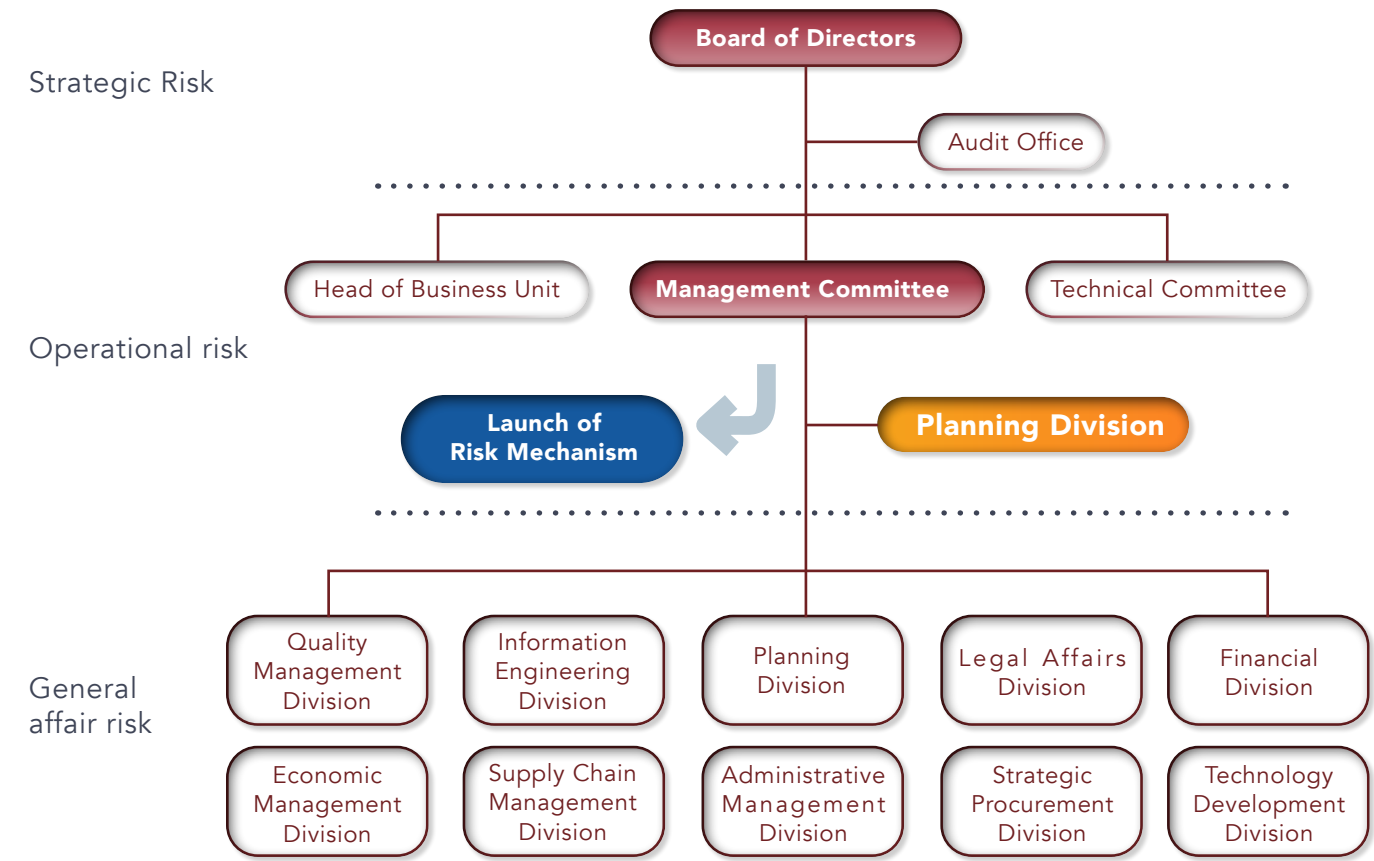
FOXLINK has established an "Enterprise Risk Management Policy" to effectively control various internal and external factors that may pose risks during the Company's operations. The policy includes a risk reporting procedure, enabling continuous tracking and review to serve as a basis for ongoing improvements. Firstly, the Company has defined risk categories and reporting procedures. By formalizing and documenting the risk management process, we achieve effective risk management and tracking, providing a foundation for continuous improvement.as the basis for continuous improvement. The risk types include political, economic, social, natural disaster, organization, legal litigation and customer complaint. Internally, the risk types are divided into three levels, i.e. strategic risk, operational risk and general affair risk. Meanwhile, a risk control committee was set up to deal with various risks in operation, it consists the Management Committee, the Technical Committee and the Head of Business Unit, and each internal business unit acts as a risk handling unit according to the types of risks. The Management Committee undertakes tasks such as communication, coordination, supervision, evaluation, and review of reported risks. Each responsible unit addresses their respective countermeasures, execution, tracking, reporting, and review.

## Risk Levels

Risk Levels	Risk Type	Risk Scale	Approved Risk Countermeasure
Level A	Strategic Risk	Above NT\$300 million	The Risk Control Committee discusses and formulates risk response strategies, which are then submitted to the Chairman for approval.
Level B	Operational Risk	NT\$10 million to NT\$300 million	The Chairman approves or authorizes the Risk Control Committee to handle related risk response and management strategies.
Level C	Administrative Risk	Below NT\$10 million	The respective management levels handle the risk response and management strategies, with the Management Committee performing supervisory and coordination tasks.

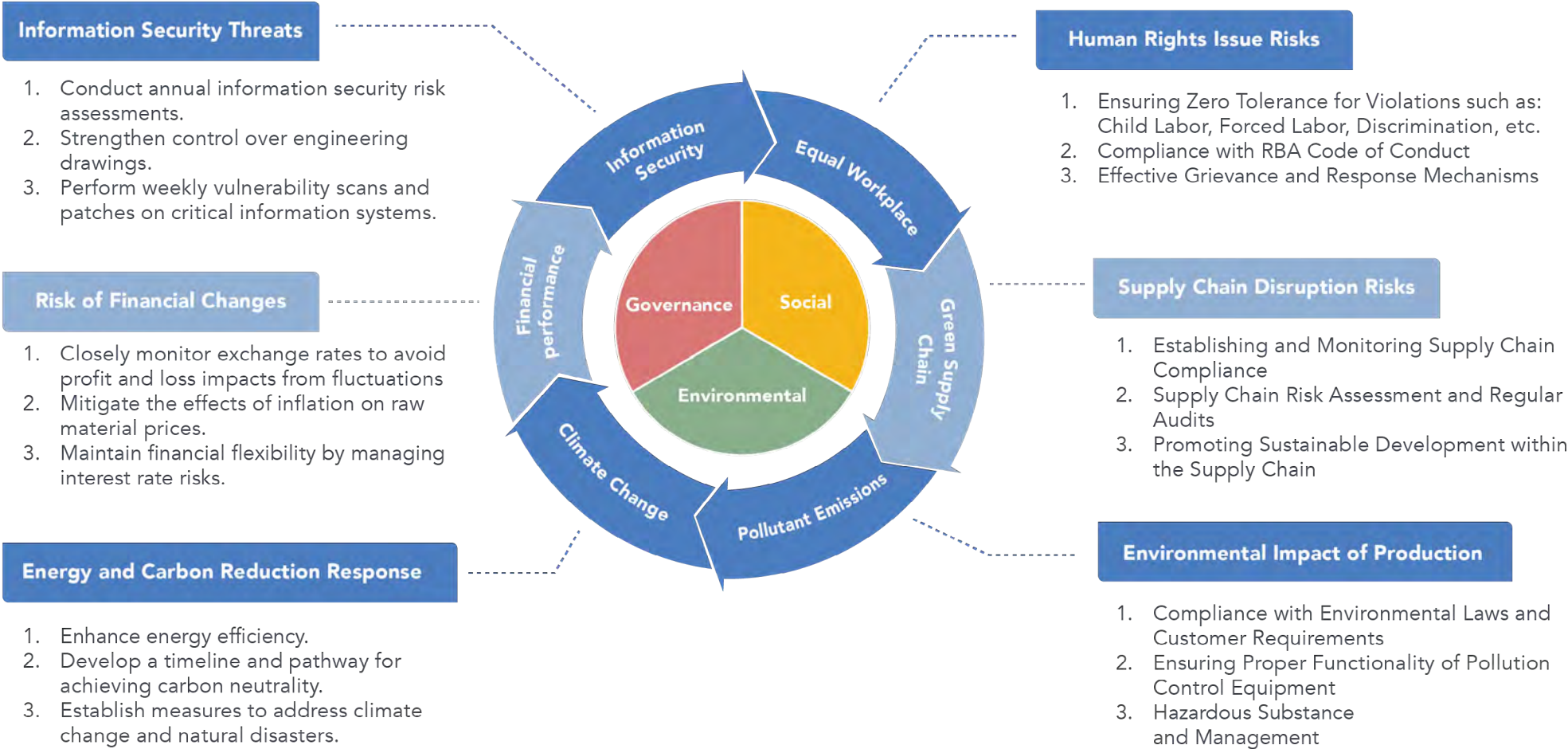


The Management Committee annually conducts risk assessments and develops corresponding strategies related to governance, social, and environmental issues in alignment with the risk management mechanism.



Risk Control Committee

Risk Handling Units





## Risk Handling

The Company has operated smoothly, with no significant strategic or operational risks threatening long-term development identified or occurring in 2023. Our production bases in China (Dongguan, Xuzhou, Kunshan) and overseas (India, Vietnam) adhere to local laws and regulations. To prevent seasonal influenza outbreaks, the Company regularly educates employees on flu prevention, effectively avoiding internal epidemics. Human resources departments in each location thoroughly understand local labor standards to ensure the fundamental protection of employees' rights. In addressing labor disputes, we prioritize listening to employees' concerns, striving to meet their needs and expectations. The Employee Relations Department implements the Company's occupational health and safety policies, complying with applicable regulations to better safeguard employees' health, safety, and work rights. For positions with potential occupational health risks, annual health checks are arranged, with no reported cases of severe work-related health issues.

In terms of risk management, the Company commits to reporting within 24 hours, dedicating resources to handle and review cases promptly to minimize losses. We continuously monitor and ensure the effectiveness of responsible management functions.



# Intellectual Property Management Plan

FOXLINK has a highly vertically integrated manufacturing capability, including product design, mold design, part manufacturing, and automatic assembly and processing, with a good technical foundation. With big data analysis, artificial intelligence technology and excellent R&D capability, we can develop and mass produce new products that meet the market demand as soon as possible, and grasp the best profit opportunity. In order to encourage R&D and innovation, and protect key own technologies, FOXLINK has formulated an intellectual property management plan combined with operation objectives to use technological innovation, accumulate practical experience and constantly pursue self-transcendence. FOXLINK is committed to adopt the following policies:

1. Patent management strategy objectives: develop, manage and use all kinds of scientific and technological property rights of the Group, assist in the R&D of all kinds of products, and reduce the risk of patent infringement in the R&D of various products.
2. Intellectual property management system and its implementation:

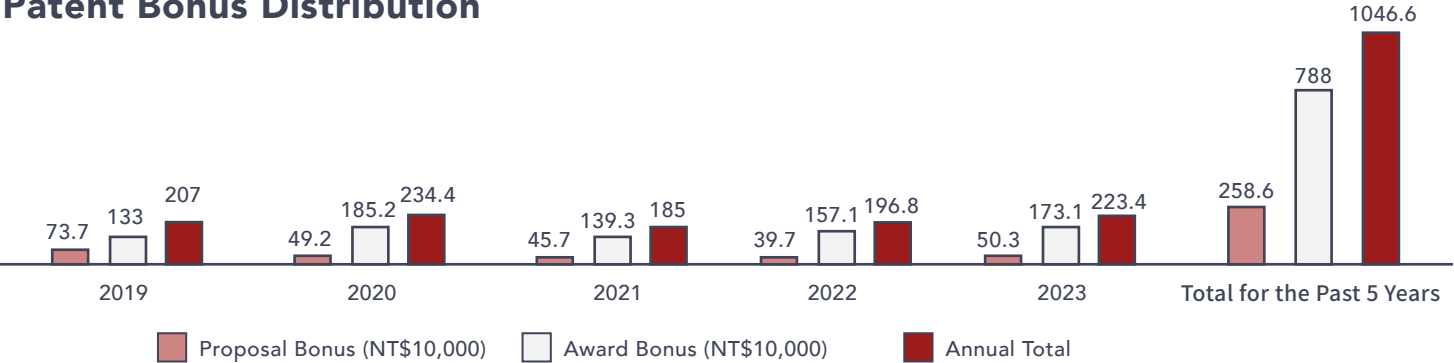
FOXLINK has always placed great importance on intellectual property rights, ensuring comprehensive protection of its research and development achievements. In addition to establishing a dedicated unit to manage and maintain the Company's intellectual property, we have formulated the "Intellectual Property Management Measures." These measures regulate and manage the acquisition, maintenance, and utilization of various intellectual property rights, such as patents and trademarks. Furthermore, we enhance the protection of FOXLINK's channel brand trademarks, conduct prior case search and analysis, and engage in strategic planning to boost the Company's competitiveness and safeguard the rights of the Company and its shareholders.

All FOXLINK employees sign relevant employment contracts upon joining the Company. In addition to agreeing that the intellectual property rights created under an on-duty invention shall be the property of FOXLINK as stipulated by law, they shall keep the Company's intellectual property rights and business secrets confidential and assume other relevant obligations during and after their employment with the Company. FOXLINK also signs confidentiality agreements with its customers or suppliers.



In order to encourage its employees to actively engage in research, invention and innovation, FOXLINK provides several incentives, such as proposal award, approval award, King of Invention and patent contribution award, to reward inventors for their courage in research, invention and innovation. Over the past five years, the accumulated patent bonuses have exceeded NT\$10 million. Through the implementation of the incentive system, advocacy and education, FOXLINK ensures the quality and quantity of patents, on the one hand, to protect the independent R&D results, and on the other hand, to consolidate its competitive advantages. FOXLINK also properly record, integrate, maintain and apply its patent assets through the patent management system to enhance its competitiveness in the industry. In terms of patent layout, FOXLINK has been engaged in the patent assets of components, industrial automation and mold technologies for a long time, and actively strengthened the fields of electric vehicles, information communication and energy infrastructure, and continued to make breakthroughs and innovations on the premise of respecting intellectual rights, in order to create greater industrial value.

Patent Bonus Distribution



FOXLINK's global patent layout covers Taiwan, mainland China, the United States, Europe, Japan, Korea and other regions. In 2023, FOXLINK obtained 112 patents, including 28 invention patents, 69 utility model patents, and 15 design patents, primarily covering products such as mice, headphones, VR, batteries, electric bicycles, and antennas. Since 2019 up to the end of 2023, FOXLINK has accumulated a total of 660 patents globally.

FOXLINK Global Patent Numbers in 2019-2023

	Countries									
Case Types	China	Germany	European Union	France	Japan	South Korea	Taiwan	United Kingdom	United States	Total
Invention	6	2	2	2	1	1	8	2	112	136
Utility Model	220	0	0	0	6	0	227	0	0	453
Design	25	0	0	0	1	0	27	0	18	71
Total	251	2	2	2	8	1	262	2	130	660

# Building a Diverse and Inclusive Workplace

**Material Topic:** Employee Rights and Diversity Equality, Employee Training and Development

## Human Rights Policy

FOXLINK recognizes and respects the United Nations Guiding Principles on Business and Human Rights, International Labor Organization Conventions, and the laws and regulations of the countries where it operates. The Group also adheres to the RBA Code of Conduct.

1. **Respect for Human Rights:** We commit to respecting the fundamental human rights of all individuals, including but not limited to labor rights, freedom of speech, equal treatment, freedom from discrimination, health, and safety. We ensure that no one's human rights are violated in our business operations.
2. **Labor Rights:** We adhere to standards for working hours and wages, prohibit forced labor and the use of child labor. We ensure that employees are respected and protected in their work environment.
3. **Supply Chain Management:** We hold all business partners and suppliers in our supply chain accountable. We ensure that all supply chain partners comply with our human rights policies and standards and actively encourage them to improve labor conditions and environmental protection.
4. **Transparency and Reporting:** We disclose our human rights policies and practices to the public and stakeholders, including regular reports on our performance and progress in human rights. Transparency and reporting help us build trust and enhance accountability.





### Short-term Goals

- Promote the employee development system, attract and retain all special professionals - keep the employee turnover rate below 11%.
- Open employee publicity channels, encourage employees to use multiple labor communication channels - ensure 100% response rate to employee complaints
- Employee diversity and gender equity in the workplace - increase the percentage of female executives to 28%.

### Middle & Long-term Goals

- Implement diversified care for employees, create a friendly and healthy workplace and a diverse and inclusive working environment.
- Plan for employees' diversified learning and sustainable talent development.
- Provide fair work opportunities and promotion channels for employees.





# Employee Overview

By the end of 2023, FOXLINK had 26,381 employees around the world, including 22,995 regular employees (14,513 male and 8,482 female) and 3,386 contracted employees (1,094 male and 2,292 female). The male-to-female ratio among permanent employees was 59.2% male and 40.8% female. Due to the labor-intensive nature of the electronics industry, direct employees accounted for 75% of the workforce. Notably, female managers accounted for 31% of the total, surpassing the 2023 target of 27%. FOXLINK actively promotes workplace diversity and equal opportunities for career advancement.

Distribution Table of Employees by Contract Category of in 2023

Region	Regular employees		Total regular employees	Contracted employees		Total contracted employees	Total
	Female	Male		Female	Male		
Taiwan	447	631	1,078	29	25	54	1,132
Dongguan	4,972	10,551	15,523	213	785	998	16,521
Kunshan	1,306	1,918	3,224	29	145	174	3,398
Xuzhou	1,422	942	2,364	3	7	10	2,374
India	80	277	357	2,018	131	2,149	2,506
Vietnam	255	194	449	0	1	1	450
Total	8,482	14,513	22,995	2,292	1,094	3,386	26,381

Note:

- 1. The above data was calculated according to the in-service employees shown in the system until December 31, 2023.
- 2. The term "contract employees" refers to dispatched personnel. Due to slight regional variations in the naming conventions for third-party employees, this report uniformly uses "contract employees", and all related employments comply with local legal requirements.
- 3. The Group's non-employee workers are personnel dispatched by outsourcing companies to various plants, such as catering, security, cleaning, mechanical and electrical maintenance, etc. The total number of personnel across all factory sites is 749 individuals.

Distribution Table of Direct and Indirect Employees by Gender

Region	Female		Total female employees	Male		Total male employees	Total
	Direct employees	Indirect employees		Direct employees	Indirect employees		
Taiwan	213	263	476	114	542	656	1,132
Dongguan	3,946	1,239	5,185	9,147	2,189	11,336	16,521
Kunshan	851	484	1,335	1,263	800	2,063	3,398
Xuzhou	1,252	173	1,425	602	347	949	2,374
India	2,018	80	2,098	131	277	408	2,506
Vietnam	137	118	255	123	72	195	450
Total	8,417	2,357	10,774	11,380	4,227	15,607	26,381





Proportion of Management Personnel in 2023

Plants	Non-management Personnel		Management Personnel		Total
	Number	Proportion	Number	Proportion	
Taiwan	901	80%	231	20%	1,132
Dongguan	15,005	91%	1,516	9%	16,521
Kunshan	2,819	83%	579	17%	3,398
Xuzhou	2,220	94%	154	6%	2,374
India	2,480	99%	26	1%	2,506
Vietnam	425	94%	25	6%	450
Total	23,850	90%	2,531	10%	26,381

Note:

- 1. The above data was calculated according to the in-service employees shown in the HR system until December 31, 2023.
- 2. Local residents in managerial positions (manager level and above): 109 in Taiwan, 28 in South China, 14 in Kunshan, 1 in India.



Distribution of Management Personnel by Gender/Age

Year	Age	Non-management Personnel		Management Personnel		Total
		Female	Male	Female	Male	
2023	Under 30 years old	4,932	7,130	36	109	12,207
	Proportion	49%	51%	5%	6%	46%
	30-50 years old	4,977	6,486	719	1,433	13,615
	Proportion	50%	47%	92%	82%	52%
	Over 50 years old	82	243	28	206	559
	Proportion	1%	2%	4%	12%	2%
	Total	9,991	13,859	783	1,748	26,381
	Total resigning rate	42%	58%	31%	69%	

Note: The above data was calculated according to the in-service employees shown in the HR system until December 31, 2023.



# Talent Recruitment and Retention

FOXLINK's sustainable operation strategy for human resources recognizes that talent recruitment and retention are important factors for business success. It provides equal employment opportunities for job seekers regardless of race, color, age, gender, sexual orientation, disability, pregnancy, religion, national origin or political affiliation. FOXLINK attracts and retains excellent employees by defining job requirements, strengthening a good corporate culture, providing competitive remuneration, benefits and development opportunities, establishing a good communication mechanism and continuously paying attention to employee needs, to improve the productivity and competitiveness of the Company. In 2023, FOXLINK had 38,275 new employees (28,728 male and 9,547 female), with a new entry rate of 145%, and had 49,594 resigned employees (36,294 male and 13,300 female), with a resigning rate of 151%. The high rates of new hires and turnover were primarily influenced by the prevalence of short-term labor contracts among assembly workers in mainland China.

FOXLINK achieved an average monthly turnover rate of 10.3% in 2023. Through ongoing efforts to deepen workplace fairness, promote opportunities for career advancement, enhance new employee education, and improve communication through employee coordination meetings, the Company successfully maintained a monthly turnover rate below 11% for the year.



Remuneration Package

FOXLINK ensures that all compensation and benefits provided at its plants comply with local legal requirements, never falling below statutory minimum wages. Additionally, all regular employees are entitled to statutory insurance and retirement plans as required by law. We adhere to equal pay for equal work policy, without differentiation based on geography, race, ethnicity, background, social class, lineage, religion, physical disability, gender, sexual orientation, pregnancy, marital status, union membership, political views, or age. Our compensation system considers overall remuneration, including salary, benefits, bonuses, and remuneration. We conduct annual industry salary surveys and adjust salaries based on external environment changes, company performance, and individual performance to ensure that salaries are in line with market standards and fairness. For full-time employees in Taiwan who have not held supervisory positions in past years, average and median salaries can be accessed through the TWSE MOPS.

Table of 2023 Base Salary Ratios for Grassroots Personnel Compared to Local Statutory Base Salaries

Region	Taiwan		Dongguan		Kunshan		Xuzhou		India		Vietnam	
Gender	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
Proportion	1	1	1.02	1.02	1	1	1.09	1.09	1	1	1	1

- Note:
- 1. Local statutory minimum wages are referenced from data as of January 1, 2023, for each region.
  - 2. We adhere to an equal pay for equal work policy, ensuring that salaries do not vary based on gender.



New Entry Rate of FOXLINK in 2023

Age	Under 30 years				30-50 years old				Over 50 years old				Gender Subtotal				Total	
Gender	Female	New entry rate	Male	New entry rate	Female	New entry rate	Male	New entry rate	Female	New entry rate	Male	New entry rate	Female	New entry rate	Male	New entry rate	Number	Proportion
Taiwan	164	38%	113	26%	88	20%	66	15%	3	0.69%	3	0.69%	255	58.35%	182	41.65%	437	39%
Dongguan	4,163	14%	15,643	51%	2,010	7%	8,786	29%	15	0.05%	82	0.27%	6,188	20.16%	24,511	79.84%	30,699	186%
Kunshan	631	21%	1,377	45%	312	10%	720	24%	1	0.03%	1	0.03%	944	31.03%	2,098	68.97%	3,042	90%
Xuzhou	907	29%	1,370	44%	503	16%	367	12%	1	0.03%	0	-	1,411	44.82%	1,737	55.18%	3,148	133%
India	587	95%	14	2%	14	2%	1	0.2%	0	-	0	-	601	97.56%	15	2.44%	616	25%
Vietnam	123	37%	149	45%	25	8%	36	11%	0	-	0	-	148	44.44%	185	55.56%	333	74%
Total	6,575	17%	18,666	49%	2,952	8%	9,976	26%	20	0.05%	86	0.22%	9,547	24.94%	28,728	75.06%	38,275	145%

Note:

1. New entry rate of each age range: number of male (female) new employees within the age range of the year / total number of new employees within the age range of the year.
2. Statistical new entry rate of each age range: total number of resigned employees within the age range / total number of employees in the region at the end of the year.

Resigning Rate of FOXLINK in 2023

Age	Under 30 years				30-50 years old				Over 50 years old				Gender Subtotal				Total	
Gender	Female	Resigning rate	Male	Resigning rate	Female	Resigning rate	Male	Resigning rate	Female	Resigning rate	Male	Resigning rate	Female	Resigning rate	Male	Resigning rate	Number	Proportion
Taiwan	126	49%	132	51%	147	41%	211	59%	18	28%	46	72%	291	43%	389	57%	680	53%
Dongguan	4,661	21%	18,039	79%	2,959	20%	11,695	80%	84	69%	38	31%	7,704	21%	29,772	79%	37,476	180%
Kunshan	688	29%	1,646	71%	541	34%	1,069	66%	6	55%	5	45%	1,235	31%	2,720	69%	3,955	103%
Xuzhou	992	32%	2,073	68%	1,247	58%	912	42%	8	73%	3	27%	2,247	43%	2,988	57%	5,235	173%
India	1,594	90%	184	10%	0	-	0	-	0	-	0	-	1,594	90%	184	10%	1,778	49%
Vietnam	145	47%	164	53%	82	52%	77	48%	2	100%		-	229	49%	241	51%	470	169%
Total	8,206	27%	22,238	73%	4,976	26%	13,964	74%	118	56%	92	44%	13,300	27%	36,294	73%	49,594	151%

Note:

1. Resigning rate of each age range: number of male (female) resigned employees within the age range of the year / total number of resigned employees within the age range of the year.

2. Statistical resigning rate of each age range: total number of resigned employees within the age range / annual total number of employees in the region.



# Employee Welfare and Employee-employer Relation

## Employee Welfare

At our mainland plants, various festive activities are held during holidays such as the Dragon Boat Festival, Qixi Festival, Mid-Autumn Festival, and Christmas, with gifts provided for employees. In order to offer employee convenience and improve employee satisfaction, the India Plant increased the food subsidy, which is ahead of the food subsidy of other companies in India, and constructed employee dormitories to provide free accommodation for non-local employees. Each plant has resumed various regular festive activities held before the pandemic, including birthday celebrations and carnivals, singing contests, employee family open days, various festival-themed events, and periodic team-building activities. The plants in Dongguan organize themed events for each festival, enriching employees' cultural life and expressing the Company's care, allowing everyone to enjoy the festive atmosphere and strengthen camaraderie among employees.

In 2023, a joyful Lantern Festival concert was held after the Lunar New Year holiday. The May Day Labor Model Awards Gala saw enthusiastic participation, with a total of 6,000 attendees. We promote the diversification of plant activities, discovering sports and events favored by young employees to relieve work stress. This also motivates employees to embody the spirit of perseverance and dedication, contributing passionately to the Company's high-quality development. Events like the "Fugang Cup" e-sports competition, which had 250 participants, are also organized to foster relationships and teamwork among employees.

### Large-scale Celebratory Events at Each Plant



Joyful Lantern Festival Concert



May Day Labor Model Awards Gala



"Fugang Cup" E-Sports Competition

During the Dongguan Dragon Boat Festival, various flavors of zongzi were distributed on-site, totaling 4,000 zongzi. For the Mid-Autumn Festival, 15,896 mooncakes were handed out, and 1,000 Christmas gifts were distributed.



Dragon Boat Festival  
Zongzi Distribution



Mid-Autumn Festival  
Mooncake Distribution



Christmas Gift Distribution Event

The Kunshan Plant hosted the 10th "Fugang Good Voice," providing a platform for singing enthusiasts among employees to interact, showcase their talents, and enhance their sense of belonging to the Company. They also actively participated in community activities, forming a team for the Jinxi Town Dance Competition.



10th "Fugang Good Voice"



Jinxi Town Dance Competition



In 2023, the Xuzhou Plant organized a Mother’s Day gratitude event, distributing 1,000 bouquets and 100 blessing cards. The “Passion for Dragon Boat Festival - Choose Your Gift” online voting event distributed 2,400 zongzi pendants. For the Mid-Autumn Festival gift voting, 2,700 salted egg yolk mooncakes were handed out. During Christmas, gifts such as hairdryers, electric toothbrushes, and electric kettles were distributed through an on-site lottery.



Mother’s Day Gratitude Event



Christmas Gift Giveaway

The India Plant hosts various festivals, such as the Sankranti Festival, where cows are honored with Pooja, and Diwali, which symbolizes the hope for light in the coming year and the elimination of darkness in life. Dussehra is a Hindu festival celebrating Lord Rama’s victory over the demon king Ravana. Christmas is associated with the sacrifice of God and the promise of future happiness for humanity.



Sankranti Festival



Diwali



Dussehra



Christmas

Club Activities

In order to balance the work, life and leisure of employees, there are 12 different types of clubs in the factories in Taiwan, including handicraft club, flower art club, mercy club, aerobics club, yoga club, basketball club and triathlon club. The factories in mainland China have sixteen clubs, such as table tennis club, badminton club, taekwondo club, dance club, basketball club, mercy club, musical instrument club and photography club, to provide employees with multiple options. The budget for employee activities in overseas regions (mainland China, India, and Vietnam) is approximately New NT\$16.28 million.

Taiwan Plant

Taiwan Plant



Triathlon Club



Guitar Club



Flower Arrangement Club



Mountaineering Club



Basketball Club

Dongguan Plant



Badminton Club  
"Fugang Cup" Badminton Competition



Table Tennis Club  
"Fugang Cup" Table Tennis Competition



Basketball Club  
"Fugang Cup" Basketball Competition





Cycling Club Events



Dance Club  
Performance Events



Calligraphy Club  
New Year Calendar Distribution Event



Chinese Pastry Chef Training



Fugang Cycling Club

**Xuzhou Plant**



Badminton Club Competitions



Billiards Club Competitions



Table Tennis Club Competitions

**FOXLINK Family Day**

China and India factories regularly hold corporate family days to quickly foster employee sentiment, build consensus, and enhance cohesion. These events align with corporate business philosophies and team-building activities, making family day events diverse and enriching. They also deeply embed corporate culture, creating a strong sense of identity. Additionally, they bring employees closer to their families, increasing family member participation and reducing employee role conflicts. Departments occasionally host dinners, promoting colleague interaction and team cohesion.





Parental Suspension

Each plant complies with the respective country’s labor laws to implement a comprehensive leave system, including marriage leave, breastfeeding leave, maternity leave, paternity leave, bereavement leave, and annual leave. Employees with childcare needs receive substantial care and support. In cases of military service, serious injury, or illness requiring long-term leave, employees can apply for unpaid leave, with the option to request reinstatement upon the conclusion of their leave, balancing personal and family needs. This report discloses the Group’s parental leave status. In 2023, a total of 419 employees across the Group applied for parental leave, including 245 men and 174 women. The information on parental leave is as follows:

Item/Gender	Male	Female	Total
Number of employees who were eligible for parental suspension in 2023 (A)	302	342	644
Number of employees who actually applied for parental suspension in 2023 (B)	245	174	419
Number of employees who should be reinstated to work after the parental suspension in 2023 (C)	212	270	482
Number of employees who were actually reinstated to work after the parental suspension in 2023 (D)	189	249	438
Number of employees who should be reinstated to work after the parental suspension in 2022 (E)	274	244	518
Number of employees who should be reinstated to work continuously for one year after the parental suspension in 2022 (F)	203	143	346
Reinstatement rate of parental suspension in 2023 (D/C)	89%	92%	91%
Retention rate of parental suspension in 2022 (F/E)	74%	59%	67%

Note:  
Reinstatement rate = Actual total number of employees after parental leave (D) / Total number of employees who should be reinstated to work after parental leave (C) \* 100%  
Retention rate = Total number of employees who still in service 12 months after parental leave (F) / Total number of employees who reinstated to work after parental leave in the previous year (E) \* 100%



Employee-employer Relation

Under the advanced management philosophy and system, the Company gives full play to the role of “bridge”, carries out EAP projects (psychological counseling, employee forum, line leader communication meeting, abnormal behavior case handling, and psychological knowledge sharing) and front-line employee care interview projects by understanding the contents of employee complaints (face-to-face inquiry, WeChat, SMS, company email and care phone call), practically and effectively helps employees to solve difficult problems in work and life, and establishes a harmonious employee-employer relation to enable employees work well and officers manage well. the Company also continuously enhances the centripetal force and cohesion of employees to the Company, cultivate their sense of identity and belonging to the Company to reduce the resigning rate.

Employee-employer Communication Channels	Taiwan	Mainland China	India	Vietnam	Frequency	2023 Relevant Records / Descriptions (by plant)
Employee-employer meeting	V	V	V	V	Once every 3 months	Deal with the problems reflected by employees and business units, and effectively resolve employee-employer conflicts.
Business unit communication meeting	V	V	V	V	Immediately	Handle and solve the daily problems of employees in time.
Opinion survey / satisfaction survey	V	V	V	V	At least once a month	An employee symposium and line leader exchange meeting shall be held once a month, and a front-line employee interview shall be held 1-2 times a month, to understand employees' life and work aspirations and help employees effectively resolve problems. In addition, the Learning Management System (LMS) and WeChat official account employee satisfaction questionnaire summarize the survey results and conduct follow-up review and improvement.
Internal publicity channel	V	V	V	V	Immediately	E-bulletin board, WeChat official account, billboard of education and training system and company email.
Complaint and consultation channel	V	V	V	V	Immediately	Special business units and personnel are set up to receive complaints through face-to-face inquiry, phone call, SMS, WeChat and email, and an anonymous complaint channel shall be set up to make the communication between employees and the Company be smooth, transparent and instant to protect the legitimate rights and interests of employees. In Vietnam, the union organizes an annual labor conference.



### Promotion Mechanism

Quarterly assignments and promotions are conducted, with performance evaluations every six months. Annual professional grade promotions are awarded based on assessments, with professional rewards given upon successful evaluation.

### 2023 Group Promotion Statistics

Region	Taiwan	Dongguan	Kunshan	Xuzhou	India	Vietnam	Total
Number of Professional Promotions	132	671	92	113	110	6	1,124
Number of Managerial Promotions	49	245	147	49	2	0	492



Employee Grievance Channels:

A variety of grievance channels and robust labor-management communication are key to establishing good relationships. The Company actively listens to employee opinions and provides timely responses through multiple channels such as phone, email, and social media.

Dispute Mediation	Labor Dispute Mediation Committee
Discussion and Interviews	Forums, committee meetings, visits (cafeterias, dormitories)
Mailboxes	HR mailbox
Hotline	Care hotline, HR hotline
Legal Assistance	Legal consultation
Website Visits	Union website, Employee Care Center

According to internal statistics, the most common grievances in mainland China were new employees’ unfamiliarity with opening social security cards and difficulties navigating the payroll details webpage for their first salary payment. To reduce such grievances, the Company has strengthened orientation for new employees and increased the posting of informational flyers to ensure employees are well-informed.

Plants	Taiwan	Dongguan	Kunshan	Xuzhou	India	Vietnam	Total
Number of complaints	1	510	91	48	49	25	724
Number of settled cases	1	510	91	48	49	25	724
Number of unsettled cases	0	0	0	0	0	0	0



## Anti-Discrimination

FOXLINK's human rights policy ensures equal employment opportunities for all, eliminating any form of discrimination. Employment, salary, training, promotion, retirement, and resource allocation are all free from special treatment based on region, race, ethnicity, social class, lineage, religion, disability, gender, sexual orientation, gender identity and expression, pregnancy, marital status, union membership, political stance, appearance, age, or union affiliation. Adhering to the principle of evaluating based on ability and contribution, we guarantee equal rights and opportunities for all employees. We are committed to eliminating and preventing any form of discrimination. To this end, we offer corporate sustainability and social responsibility training courses, which include topics such as fair interview practices, prevention of sexual harassment, human rights violations, and discrimination, to facilitate diverse learning and understanding among our employees. If employees face improper punishment, discrimination, sexual assault, threats, abuse, exploitation, or harassment, they can file a grievance under the "Employee Grievance Handling Procedure". No entity may punish or retaliate against employees for reporting grievances, in accordance with principles of good faith and integrity.



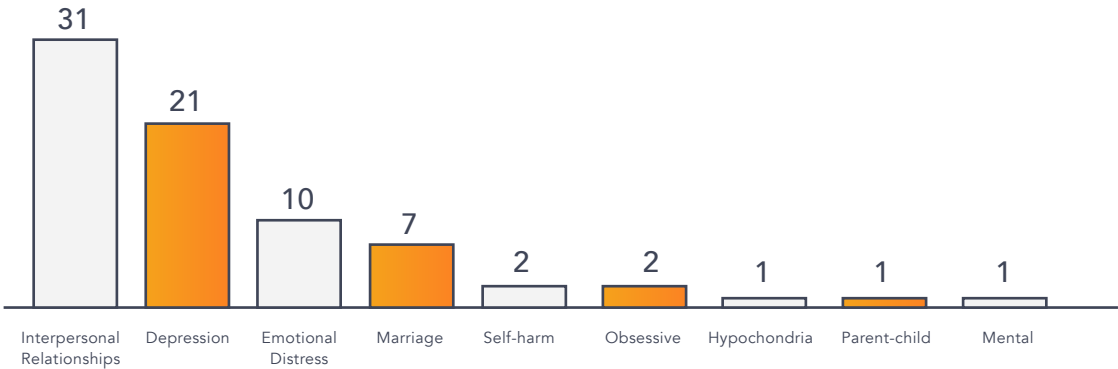
Employee Care

Employees are our greatest asset, and we place high importance on creating a hopeful and vibrant work environment. Beyond work, we also want employees to enjoy harmonious physical and mental well-being. Therefore, through employee care, health services, and a variety of company activities, we aim for employees to work happily and live healthily.

The Company has an employee relations department as the primary contact point to execute employee care activities and promote harmonious labor relations, effectively helping employees open their hearts. To enhance employees' physical and mental health and foster a positive, optimistic mindset, we have established a psychological counseling room. We hire professional psychological consultants and dedicated staff who strictly follow confidentiality protocols. Employees can make appointments through various methods such as face-to-face, phone, text message, WeChat, or email, providing them with the means and strategies to overcome difficulties, resolve problems, restore health, and improve adaptability.

In 2023, the psychological counseling services at the plants in Dongguan served 76 sessions, addressing primary needs in interpersonal relationships, depression, emotional distress, and romantic relationships. The company shows sufficient care and support for employees exhibiting abnormal behavior by: 1. Hiring professional external psychological counselors to provide mental health guidance. 2. Establishing an Employee Mediation Committee within the plant. 3. Establishing an Employee Comprehensive Service Center to offer practical assistance in both personal and work-related matters. Additionally, in 2023, the SPA Mind Activity House provided psychological counseling for a total of 46 individuals.

Psychological Counseling Needs Analysis for Plants in Dongguan in 2023:



### SPA Mind Activity House in 2023



### Retirement System

Each plant follows the statutory retirement system of its respective location and makes regular contributions to employees’ retirement funds according to relevant regulations. For instance, employees in Taiwan have their retirement funds contributed to a statutory account as per the Labor Standards Act. In Mainland China, employees have their endowment insurance fully funded according to local laws, ensuring they enjoy a secure retirement. Additionally, to express gratitude and care for retiring employees for their years of service and contribution to the Company, a monthly Retirement Employee Care Meeting is held. This meeting is not just a farewell ceremony but also a means of passing on company culture. The saying, “Fallen flowers are not heartless things, they turn into spring soil to protect the flowers”, encapsulates the sentiment behind these gatherings. The Company’s current success is the result of the hard work and dedication of generations of employees. Therefore, it is important to cherish the Company, our positions, and our work, and to propagate the Company’s excellent corporate culture.



## Health Promotion

We continuously care for our employees' health. The Taiwan plants provide free health check-ups every two years, exceeding legal requirements. Monthly, onsite doctors offer daily health consultations, disease prevention, and work-related injury assessments. In 2023, our health check-up program expanded beyond cancer screening to include cardiovascular screenings, aiming to prevent cardiovascular diseases, sudden death, early stroke, and acute myocardial infarction. A total of 872 employees participated. Post-check-up, specialists from Geng Shin Hospital offered consultation services to explain and discuss the health reports with employees.

For those with abnormal results, follow-up blood tests were conducted six months later, with continuous phone check-ups from the factory nurse. Additionally, we conduct special hazard inspections for production line personnel. This includes employees exposed to dust, organic solvents, and specific chemicals, ensuring their health protection through special post health checks across various plants: 80 at Headquarters, 2,020 in Dongguan, 2,627 in Kunshan, and 1,059 in Xuzhou.



Headquarters



Dingpu

Occupational Health Services at the India Plant

With the support of government hospitals, we have arranged various medical facilities in the plant, including vision tests, full body check-ups, blood tests, and ear examinations. We also organize free medical and blood donation camps, and provide free first aid, fever, headache, and body medications both at the Company and in dormitories. Female workers are provided with sanitary pads, and free ambulance services are available for those feeling unwell or injured.





## Employee Satisfaction Survey

Each operational plant conducts satisfaction surveys based on their specific circumstances. For instance, at the Dongguan plants, employee satisfaction survey information is announced on the WeChat bulletin board every December. The HR department conducts these surveys, and the results are submitted to the Quality Management Department for reference in customer audits. A total of 4,174 employees participated in the 2023 Employee Satisfaction Survey, representing 31.1% of the target group. Of these, 3,451 responses were valid, and 723 were invalid, yielding an effective response rate of 82.7%. The 2023 Employee Satisfaction Survey was successfully completed with the high attention of the Company and its customers and the active participation of employees. The survey utilized an internet platform with cloud computing capabilities, allowing employees to fill out the questionnaire anytime and anywhere by scanning a QR code with their mobile phones or clicking a link on their computers. The survey was widely promoted through various channels and included a red envelope incentive to encourage participation.

Based on the feedback from the 2023 Employee Satisfaction Survey, five improvement plans have been implemented:

1. Dietary Improvements: Continuous tracking and improvement of meals have been undertaken. Each canteen now offers a variety of dishes catering to different tastes, in addition to the regular set meals. This ensures a diverse and rich dining experience, providing an excellent dining environment and meeting the quality and goals of meal services.
2. Wages: The Company's salary policies and payments comply with local labor wage regulations. Regular assessments are conducted to maintain competitive salaries compared to surrounding areas.
3. Employee Benefits: The Company offers a comprehensive range of benefits and has enhanced the employee handbook and its promotion to ensure employees are well-informed about their benefits.
4. Accommodation: The Company provides subsidies for off-site accommodation and maintains on-site dormitories that meet client audit standards. Dormitory facilities are being upgraded and replaced in phases.
5. Recreational Activities: More departmental group activities are organized during holidays to encourage employee participation. These improvements will be continuously tracked.



# Education Training

## Employee Development and Training

Excellent talents are the key competitive advantage for a company, and nurturing talent development is also a crucial element for sustainable business operations. Therefore, the Group actively encourages employees to continuously learn and enhance themselves. We continually optimize training methods and establish dedicated learning platform sections to expand diverse and flexible learning resources and channels. These are complemented by training and development plans at various job levels, aimed at cultivating the abilities required for the future. By assisting employees in developing diverse skills, we aim to continuously enhance their professionalism and occupational qualities, fostering mutual growth with the Company and upholding the concept of sustainable development.

### Employee Development and Training

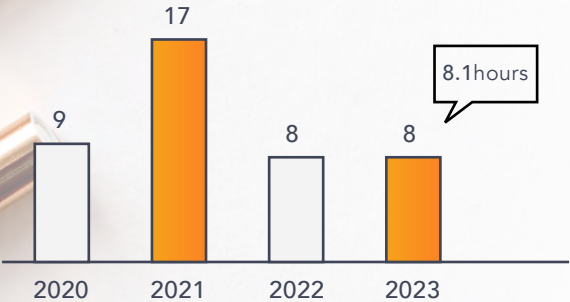


**Satisfaction Score**  
**4.65**

**Total Participants**  
**107,645 persons**

**Total Training Hours**  
**215,958 hours**

**Average Training Hours per Person**



**Total Hours and Average Hours per Person for Education and Training in 2023**

Item	Level of Post		Total
	General Employees	Managerial Supervisors	
Number	25,632	1,085	26,717
Total hours	195,514.15	20,444.15	215,958.3
Average hours	7.63	18.84	8.1



	Leadership Management		New Employee Training		Professional skills		Self-development		Total	
Plants	Learning Hours	Number of Participants	Learning Hours	Number of Participants	Learning Hours	Number of Participants	Learning Hours	Number of Participants	Learning Hours	Number of Participants
Taiwan	4,242	5,540	248	248	5,044	3,349	3,251	4,472	12,785	13,609
Dongguan	10,444	12,092	66,526	8,574	62,043	25,554	13,554	17,273	152,567	63,493
Kunshan	5,406	5,954	6,790	875	7,379	4,701	5,026	5,811	24,601	17,341
Xuzhou	2,192	2,298	5,203	667	3,121	1,971	2,197	2,708	12,713	7,644
India	93	108	129	126	3,873	3,749	88	95	4,182	4,078
Vietnam	174	198	986	608	7,815	509	135	165	9,110	1,480
Total	22,551	26,190	79,882	11,098	89,275	39,833	24,251	30,524	215,958	107,645



## Multiple and Autonomous Learning Channels

The Company provides diverse learning resources and channels to facilitate employees' acquisition of new knowledge and skills. Through learning and sharing, employees can inspire each other's potential. Based on the Company's strategic goals and business philosophy, a comprehensive education and training development plan has been established. This plan focuses on new employee training, professional competencies, management training, and self-development. It aims to construct a strategic blueprint for training and development to assist employees in personal growth and achieving the Company's objectives.

### New Employee Training

This program assists new employees in understanding the Company's various systems, operational philosophy, and mission. The content includes organizational history, corporate culture, ethical standards, labor and human rights laws, quality systems, the RBA Code of Conduct, trade secret protection, environmental and safety systems, and legally mandated occupational safety and health courses. By systematically developing the talent needed by each unit, the program deepens employees' work capabilities, shortens their adaptation period, and enables new employees to quickly acclimate and integrate into the environment, thereby enhancing their recognition of the Company and contributing to its long-term success.

### Professional skills

Internal training courses organized by each unit feature senior employees and supervisors as instructors, ensuring the transfer of knowledge and experience. This approach preserves, exchanges, and develops departmental knowledge, experience, and skills within the Company. On-the-job training establishes the professional capabilities required for various positions. Simultaneously, it internalizes departmental workflows, fostering process improvement and innovation, and perpetuates organizational culture.

The Company also encourages employees to actively carry out on-the-job training and go to professional training institutions for studying, to deepen professional knowledge and skills, or develop a secondary expertise related to their job based on their career development.

## Leadership Management

We have introduced online learning platforms such as "Hahow", "CommonWealth Learning Academy", and "China Magic Academy", allowing for digital learning without time and space constraints, and gradually fostering a habit of autonomous learning among supervisors. These platforms offer insights into industry dynamics, new management knowledge, financial trends, workplace communication, and digital technology, enabling employees to continuously improve their professional and management skills, as well as broaden their interdisciplinary knowledge. Senior executives regularly conduct internal experience sharing and external trend seminars to enhance core management perspectives.

## Self-development

In recent years, digital learning has become a new trend in corporate training. To meet diverse training needs and foster a culture of self-directed learning, we have established an internal learning platform. This platform not only offers internal professional domain and workflow instructional videos but also diversifies course sources by introducing licensed videos from platforms like "Dada Academy" and "MasterCheers." By enriching online learning resources through various channels, we assist employees in enhancing the knowledge and skills needed for their jobs. A credit system is implemented to ensure effective learning, fostering a culture of continuous learning and motivation.

## Sustainable Development

To help employees understand the significance of sustainability and its value to their work, ESG general training promotes and deepens their awareness of sustainability, including aspects of environment, society, corporate governance, RBA, and sustainable supply chains. This initiative instills a sense of mission in employees, helping them recognize the impact of their work on the Company, the environment, and society, thus accelerating their comprehension and internalization of ESG principles and amplifying their sustainable influence. In 2023, 7,220 participants were trained, with an average satisfaction score of 4.65 out of 5.



Course Highlights

Taiwan Plant: Supplier Documentation and Maintenance Process



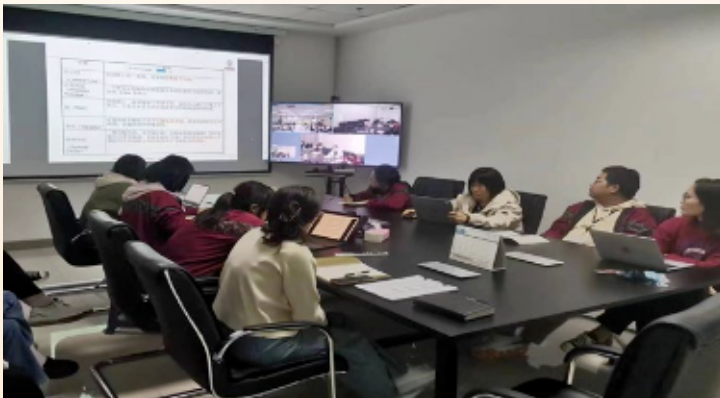
Dongguan Plant: New Employee Training



Kunshan Plant: IATF 16949 Standards and Internal Auditor Training



Xuzhou Plant: SPC Training



India Plant: Grievance Collections Training



Vietnam Plant: 5S Training





# Occupational Health and Safety

## Policies and Commitments

### FOXLINK Occupational Health and Safety Policy

We comply with laws and regulations, fulfilling our corporate social responsibility for occupational health and safety.

We prioritize employee health and safety, striving to eliminate incidents and accidents.

We establish an occupational health and safety management system and continuously improve it.

All employees participate in occupational health and safety education and training, actively engaging in occupational health and safety activities.

To uphold our occupational health and safety policy, we enforce applicable occupational health and safety laws and regulations to better safeguard the health, safety, and property rights of our employees. FOXLINK consistently applies systematic and scientific methods, rigorously managing occupational health and safety work to promote sustainable development in harmony with economic and social interests. Occupational health and safety form the foundation of a healthy operation in our plants, providing employees with a secure and worry-free work environment, which is an essential responsibility for any enterprise. The implementation and maintenance of occupational health and safety management education effectively reduce accidents, injuries, occupational diseases, and property losses, thereby enhancing the productivity and economic efficiency of the Company.

The Group adheres to all relevant occupational safety and health regulations, with each plant establishing a health and safety committee to implement the ISO 45001 occupational health and safety management system. Through proper management, supervision, and training, we control hazards arising from unsafe actions and environments, ensuring that employees work in a healthy and safe environment.

Following the principle of respecting and caring for employee safety and health, we strive for zero harm, zero occupational diseases, and zero accidents, continually improving to create the best working environment for all employees.

Performance in 2023

- In 2023, we achieved zero cases of occupational diseases and no significant supplier occupational accidents. All major production plants successfully obtained ISO 45001 certification.
- In 2023, there were a total of 275 safety and health training sessions and drills, with 65,398 participants.
- The Dongguan Plant has upgraded its fire protection measures, including the installation of a factory water sprinkler system, smoke control system, and automatic alarm system in dormitory areas. The total expenditure for these upgrades amounts to approximately NT\$41.6376 million.

Goals and Actions

Short-term Goals

- Occupational disease incidents: 0.
- Significant occupational accidents: 0.
- Complete ISO 45001 certification for Vietnam plant by 2024.

Middle & Long-term Goals

- Continuously promote a safe and healthy workplace.
- Collaborate with customers and suppliers to improve occupational health and safety.
- Continuously improve the occupational health and safety management system to comply with relevant laws and standards, and obtain certifications.

### Occupational Health and Safety Management

The Company has formulated "Compliance with regulations, risk reduction; disease prevention, continuous improvement" as the Group's occupational health and safety governance principles. We have established a comprehensive occupational health and safety management system, developed a series of management documents, and effectively safeguarded the health and safety of employees. As of the end of 2023, all major production facilities at our 5 primary manufacturing bases have achieved ISO 45001 certification for occupational health and safety management systems. We anticipate completing ISO 45001 certification for the Vietnam plant by 2024. We are committed to fully safeguarding the occupational health and safety of employees and subcontractors across our plant facilities.

Plants	Taiwan Headquarters	Dongguan	Kunshan	Xuzhou	India
Achieving ISO45001 Certification	V	V	V	V	V

Following the PDCA cycle for occupational health and safety systems, each plant establishes dedicated environmental and safety departments. Annually, these departments, along with production, administration, and quality assurance, conduct risk assessments. Subsequently, they implement management measures, provide employee training and awareness education, perform regular safety inspections and audits, establish emergency response plans, monitor occupational disease occurrences, provide necessary personal protective equipment, convene safety committees for regular meetings, continuously improve safety management systems, and document incidents and accident investigations to ensure factory production safety.



## Plan

- Enhance fire/facility inspection plans (daily, monthly, quarterly, annually).
- Increase participation and coverage in fire drills.
- Implement maintenance and testing plans for fire/facility equipment.
- Enhance safety training for workshop production leaders.
- Regularly update regulatory compliance identification.
- Draft various safety inspection plans.
- Review compliance of occupational health and safety systems.

## Action

- Conduct monthly safety production meetings to promptly address issues and formulate strategies.
- Establish a "safety hazard reporting reward mechanism"; report inadequacies to the committee.
- Develop SOP based on preventive measures formulated after review.
- Establish preventive mechanisms to avoid recurrence of similar issues.
- Optimize checking files and enhance operational processes.



## Do

- Conduct daily inspections of facilities/fire safety.
- Perform testing and maintenance of facility/fire equipment.
- Organize fire extinguishing and evacuation drills.
- Self-check thermal imaging of workshop temperature control/heating equipment.
- Strictly implement the "new expansion approval system".
- Organize various safety production inspections.
- Regularly monitor workshop operational environment.
- Safety risk assessment before equipment introduction.

## Check

- Conduct daily environmental safety audits and improvement tracking.
- Customer audits.
- Official inspections.
- Annual audits by third-party organizations.

Statistical Analysis of Disabling Injuries

Through analysis of recent industrial injury cases, it was noted that incidents were predominantly associated with newly introduced automated machinery. Internally, a mechanical equipment safety program was implemented, conducting safety assessments prior to acquisition. Common mechanical hazards such as cutting, crushing, impact, and entanglement injuries were analyzed. A system for regular equipment maintenance and inspection was established to ensure operational safety devices are fully functional without blind spots. Enhanced equipment safety training was provided to ensure employees understand equipment operating procedures and safety measures. A series of control measures on mechanical equipment effectively reduced occupational injuries caused by automation, ensuring employee safety and health. In 2023, across six production sites within the Group, a total of 32 occupational accidents occurred, with no fatalities or serious injuries reported. This marks a significant 51% decrease compared to 66 incidents in 2022 across five production sites, indicating the effectiveness of the implemented management measures.

Year	2023											
Plants	Taiwan		Dongguan		Kunshan		Xuzhou		Vietnam		India	
Gender	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Base number of employees	656	476	11,336	5,185	2,063	1,335	949	1,425	195	255	408	2,098
Total working days	248	248	249	249	249	249	249	249	301	301	302	302
Base total working hours of employees	1,301,504	944,384	22,581,312	10,328,520	4,109,496	2,659,320	1,890,408	2,838,600	469,560	614,040	985,728	5,068,768
Number of recordable occupational injuries	1	3	14	2	3	0	6	2	0	0	0	1
Proportion of recordable occupational injuries	0.77	3.18	0.62	0.19	0.73	0.00	3.17	0.7	0.00	0.00	0.00	0.2
Base number of non-employee workers	20	15	231	121	55	46	54	89	0	3	59	56
Base working days of non-employee workers	248	248	249	249	249	249	249	249	301	301	302	302
Base total working hours of non-employee workers	39,680	29,760	460,152	241,032	109,560	91,632	107,568	177,288	0	7,224	142,544	135,296
Number of recordable occupational injuries	0	0	0	0	0	0	0	0	0	0	0	0
Proportion of recordable occupational injuries	0	0	0	0	0	0	0	0	0	0	0	0

Remarks:

- 1. The aforementioned rates are calculated per 1,000,000 working hours.
- 2. Fatality rate from occupational injuries = Number of fatalities from occupational injuries \* 1,000,000 / working hours
- 3. Serious occupational injury rate (excluding fatalities) = Number of serious occupational injuries (excluding fatalities) \* 1,000,000 / working hours
- 4. Recordable occupational injury rate (excluding fatalities) = Number of recordable occupational injuries (excluding fatalities) \* 1,000,000 / working hour

### Environmental Health and Safety Management Plan

In 2023, each production base upgraded and improved its hardware facilities, advanced special rectification projects, and enhanced health, safety, and working environments to strengthen employee health and safety awareness. For example, the Dongguan plant allocated approximately NT\$41.6376 million for upgrading its fire control systems. Projects included installing emergency sprinkler and smoke extraction systems in Phase 1 of the Dongguan Fudong plant, retrofitting fire hydrant systems in Phase 1 of the Fuqiang plant, and adding fire automatic alarm systems in dormitory areas. The Kunshan plant replaced all power lines in the connector workshop to reduce electrical fire risks and enhance intrinsic safety. Additionally, the Dongguan plant purchased automated external defibrillators (AEDs) to enhance the facility's ability to respond to sudden employee health emergencies. AEDs provide emergency assistance during cardiac arrest with simple operation, making them easy for employees to learn and use. Regular training sessions on AED use are conducted to enhance employees' emergency response capabilities, ensuring they can quickly and effectively use AEDs during emergencies.



Installation of AEDs



Installation of fire sprinkler systems



Replacement of power lines



### Education, Training, and Emergency Response

To effectively enhance employees' awareness of occupational health and safety and to foster a good atmosphere for safe production, the Group has implemented multiple measures to promote safety culture and ensure the implementation of safety practices at its production bases. In 2023, the Company organized various activities at each production site according to relevant standards, including regular fire safety drills, chemical spill exercises, and confined space emergency drills. Targeted training sessions were conducted, covering occupational health and safety system training, occupational disease prevention and control, production workshop safety procedures and operational protocols, safety awareness month thematic learning, chemical management and safe use, and introduction to labor protection equipment. These initiatives aimed to strengthen employees' awareness of health and safety. The Company is committed to creating a "Safety Concerned for All, Constructing a Harmonious Plant" atmosphere, establishing a three-level education mechanism at the plant, workshop, and team levels. Various types of safety education and training are provided to employees, encompassing aspects of fire safety, industrial safety, and personal safety, thereby enhancing overall safety awareness. Furthermore, the Company conducts specialized safety training including accident prevention and handling, fire safety, safe use of chemicals, prevention of hazardous machinery incidents, electrical safety, and training for external personnel safety. Continuously enriching training resources, the Company has developed an online learning platform. Through online and offline courses, it enriches employees' learning materials, aiming to help them enhance hazard prediction and prevention capabilities even during their work. In 2023, the Group conducted a total of 275 safety drills and training sessions, with a total of 65,398 participants.

Praomotion Training

Assisting newly promoted employees in quickly acquiring the knowledge and skills required for their new positions.

Job Rotation Training

Helping employees acquire the knowledge and skills necessary for new positions and ensuring proficiency in new job roles.

On-the-job Training

Continuously enhancing personal capabilities by providing internal and external resources to maintain job competence.

Job-specific Training

Helping employees quickly understand the overview of their positions, become familiar with their roles, and effectively carry out their work.

Onboarding Training

Assisting employees in understanding, recognizing, and quickly integrating into the Company.

Course Category	Taiwan	Mainland China			Vietnam	India	Total
		Dongguan	Kunshan	Xuzhou			
Number of safety classes	10	40	25	10	2	30	117
Number of safety participants	806	959	1105	2167	208	2,500	7,715
Number of health classes	14	4	17	4	1	19	59
Number of health participants	715	86	647	627	9	1,500	3,584
Number of fire evacuation drills	4	25	16	8	3	10	66
Number of fire evacuation drill participants	102	30,541	7755	3721	384	8,650	51,153
Number of chemical leakage drills	1	4	2	2	1	2	12
Number of chemical leakage drill participants	26	89	28	30	7	50	230
Number of other drills	1	8	6	4	0	2	21
Number of other drill participants	18	171	123	106	0	2,000	2,418



**Fire Drill and Evacuation**



**Explanation of  
Fire Extinguisher Use**



**Fire Extinguisher  
Practical Training**



**Display of Firefighting  
Equipment**



**First Aid Personnel  
Training**



**Explanation of  
PPE Use**



**Safety Knowledge  
Promotion**

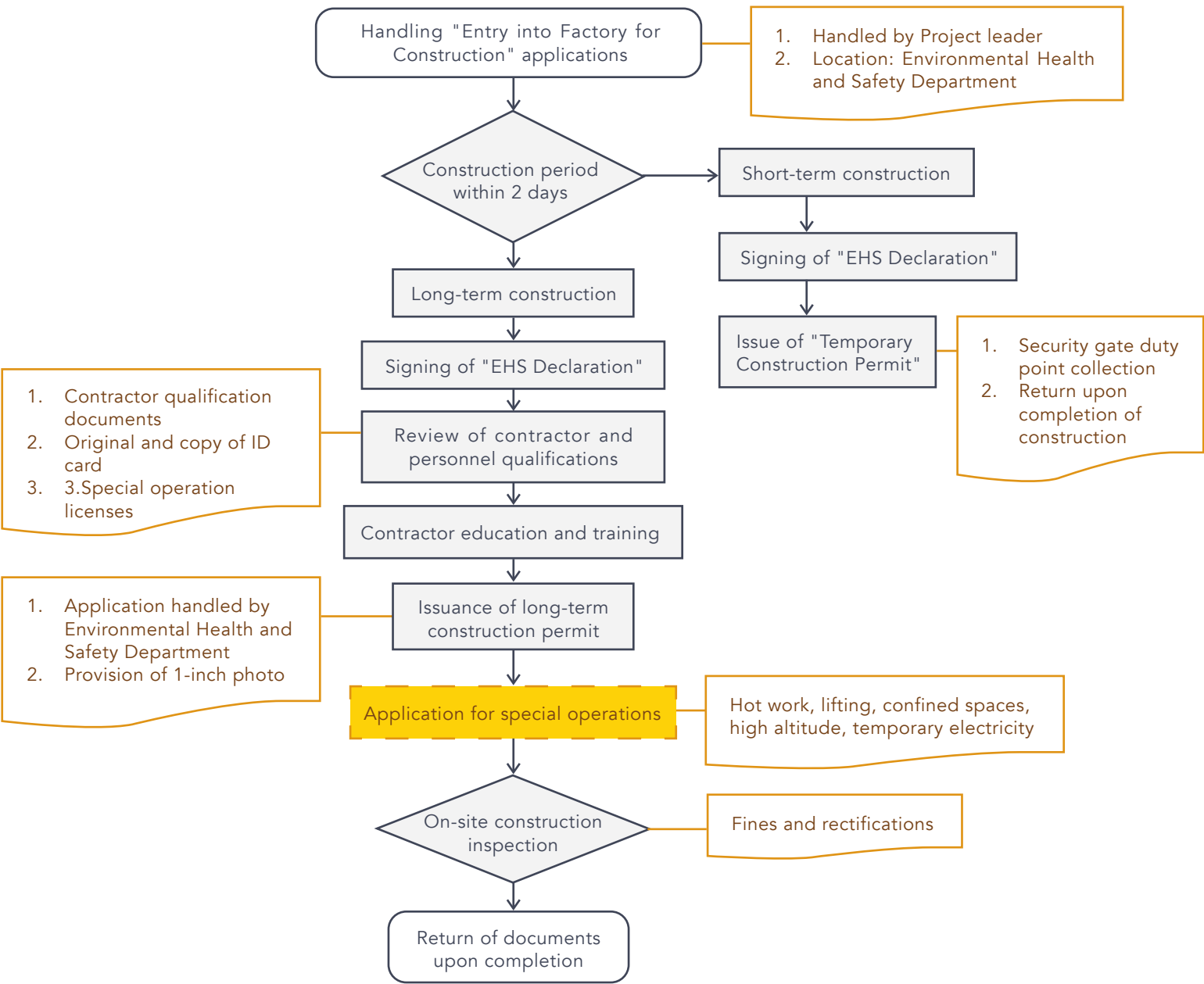


**Occupational  
Health Training**



Contractor Safety Management

To effectively manage contractor safety, reduce safety risks, and ensure normal business operations, the Group has implemented tailored management processes at each production site. This includes developing an electronic system for online application and approval of contractor construction operations. Dedicated safety management personnel conduct daily supervision to ensure comprehensive oversight at every stage. Strict contractor screening is conducted, selecting contractors with good safety records and qualifications. Clear safety responsibilities and obligations are defined for both parties, along with standardized safety behavior guidelines. Comprehensive safety training is provided to contractors to ensure understanding of relevant safety regulations and operational procedures. During operations, regular safety inspections and supervision are carried out to promptly identify and rectify safety hazards. Resident contractors undergo at least 2 hours of safety education training every six months. Short-term contractors receive pre- and post-operation safety induction training, typically covering:





Before operations:

1. Workplace safety rules and procedures
2. Understanding of hazards and safety precautions in the work area
3. Correct selection and use of personal protective equipment
4. Safe operating methods for tools and equipment
5. Collaboration and communication with other workers

After operations:

1. Cleaning and tidying of work areas to ensure safety
2. Inspection and maintenance of equipment and tools
3. Review of safety issues and lessons learned during construction

The Group aims for zero accidents as its safety goal and achieves comprehensive control over contractor safety, eliminating any potential safety hazards. This ensures a safe, harmonious, and stable workplace, safeguarding the development of both employees and the business.

# Social Participation

In today's society, corporate development entails not only the pursuit of economic interests but also the assumption and fulfillment of social responsibilities. FOXLINK, adhering to this philosophy, actively participated in social welfare undertakings in 2023, contributing to the construction of a harmonious society and promoting local development.

## FOXLINK's Sustainable Marine Culture Exploration and Beach Cleaning Activities

In 2023, the Social Responsibility Sub-team mobilized nearly a hundred employees to participate in sustainable marine culture exploration and beach cleaning activities. Through guided tours, participants gained insights into local culture, consumed local foods, and supported stable exposure and sustainable job opportunities for local communities. The initiative focused on understanding social and cultural issues (such as fishing culture and community relations), fostering shared prosperity, and practicing cultural sustainability, responsible consumption, and sustainable rural development. In addition to detailed explanations of wetland ecology by tour guides, Vice Presidents ChenPhan Pu and Spencer Yeh led employees in beach cleaning activities to preserve marine ecosystems and sustain marine resources.



### Exploring Fishing Harbors | SDG 14 Underwater Ecology

Participants learned about fishing environments, the relationship between fishing and ecology, and sustainable fishing practices essential for fishermen's livelihoods.

### Industry Tours | SDG 11 Sustainable Rural Areas

Local tours promoted understanding of industrial development, temple and religious cultures, and local human stories, enhancing awareness and inclusion of industry and culture while preserving local historical backgrounds.



### Beach Cleaning Activities | SDG 14 Marine Ecology

Due to human and tidal influences, Xiangshan Wetland faced considerable marine debris. FOXLINK's team helped sustain marine resources by conducting beach cleanups.



FOXLINK, to foster the development of the film industry and enhance employee leisure activities, regularly distributes movie tickets to encourage support for domestic film culture. In 2023, a total of NT\$2.5 million was allocated for this purpose. Additionally, affiliated companies Zhongying and Dachuan Dali jointly invested NT\$54 million to shoot the Taiwan series "Seaside Breeze" in Kinmen. In collaboration with CJ ENM Hong Kong from South Korea, the series aims to showcase Taiwan's breathtaking island landscapes and cultural richness on the global stage. Beyond co-developing creative content, FOXLINK aims, through CJ ENM HK's international influence, to introduce major multinational film and television projects from other countries, highlighting Taiwan's top-tier international co-production capabilities.

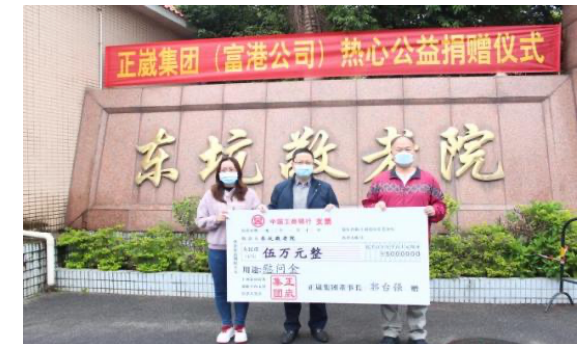
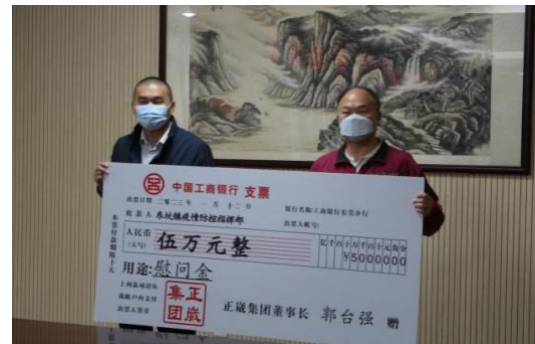
Furthering its commitment to educational advancement, caring for the elderly, and supporting social welfare, FOXLINK's Taiwan Plant actively organized blood donation drives in 2023, achieving 1,000 bags of blood donated. They were commended by the Taiwan Blood Foundation Taipei Blood Center for outstanding blood donation efforts.

In 2023, FOXLINK's Dongguan Plant donated RMB 200,000 to local schools, nursing homes, women's federations, and epidemic prevention and control departments. These funds were used to improve school facilities, enhance service quality at nursing homes, support women's federations in their outreach activities, and strengthen emergency response capabilities in epidemic prevention and control, contributing positively to a harmonious and safe social environment.

In support of local cultural heritage and development, FOXLINK actively participated in and supported the cultural activities of the "2023 February 2nd 'Selling Oneself Festival'" held in Dongkeng Town. They donated RMB 100,000 to the local government for event preparation, promotion, and organization.

That same year, in response to the local government's initiative for "2023 Guangdong Poverty Alleviation Day and Dongguan Charity Day", FOXLINK donated RMB 100,000 to support infrastructure construction, poverty alleviation through education, and medical assistance in impoverished areas. This action aims to actively contribute to poverty alleviation efforts and promote social fairness and justice through practical measures.

Looking ahead, FOXLINK will continue to uphold its corporate social responsibility, actively engage in public welfare undertakings, and contribute to the construction of a more harmonious and beautiful social environment.



# Sustainable Environment

## Material Topic: Climate Change and GHG Management

### Policies and Commitments:

In 2023, FOXLINK committed to achieving net-zero emissions by 2040 under The Climate Pledge. This goal will be pursued through strengthened environmental measures, reduced energy consumption, improved energy efficiency, and the adoption of renewable energy to minimize carbon emissions. Through technological innovation and optimization of production processes, FOXLINK aims to reduce its environmental impact. It has established a risk management mechanism based on TCFD to assess risks and develop emergency plans for extreme weather events resulting from climate change. By implementing early warning systems and response measures, FOXLINK aims to minimize production disruptions and losses caused by climate change, ensuring stable business operations.

Internally, FOXLINK promotes environmental awareness and climate change education. It encourages employee participation in environmental actions through organizing eco-friendly activities, fostering employee awareness and action towards climate change.

In 2023, five plants in Taiwan, Dongguan, Kunshan, Xuzhou, and Vietnam completed third-party verification of their ISO14064-1 GHG inventory reports. Additionally, a total of 3 production bases have completed the ISO50001 energy management system certification. The plants in Dongguan and Kunshan have obtained the platinum-grade UL2799 (Zero Waste Land-fill) certificate, and the plant in Xuzhou has obtained the gold-grade UL2799 (Zero Waste Land-fill) certificate.

Plants	Taiwan	Dongguan	Kunshan	Xuzhou	India	Vietnam
ISO14001 Certification	●	●	●	●	●	●
ISO14064 Certification	●	●	●	●		●
ISO50001 Certification		●	●	●		
UL2799 ZWP		●	●	●		
		Platinum	Platinum	Gold		





### Short-term Goals (2024)

- Achieve a 5% reduction in per capita domestic water consumption by 2024.
- Attain an energy conservation target of 4.85% in 2024 (compared to the baseline year of 2021).
- Ensure that certified plants achieve a 100% waste landfill diversion rate and a 90% conversion rate by 2024.

### Middle & Long-term Goals

- By 2028, ensure that consolidated financial statements of subsidiaries meet the Financial Supervisory Commission's requirement for ISO14064 verification.
- By 2030, achieve a 42% reduction in Scope 1 & 2 absolute emissions compared to the baseline year of 2021.
- Achieve net zero emissions by 2040.

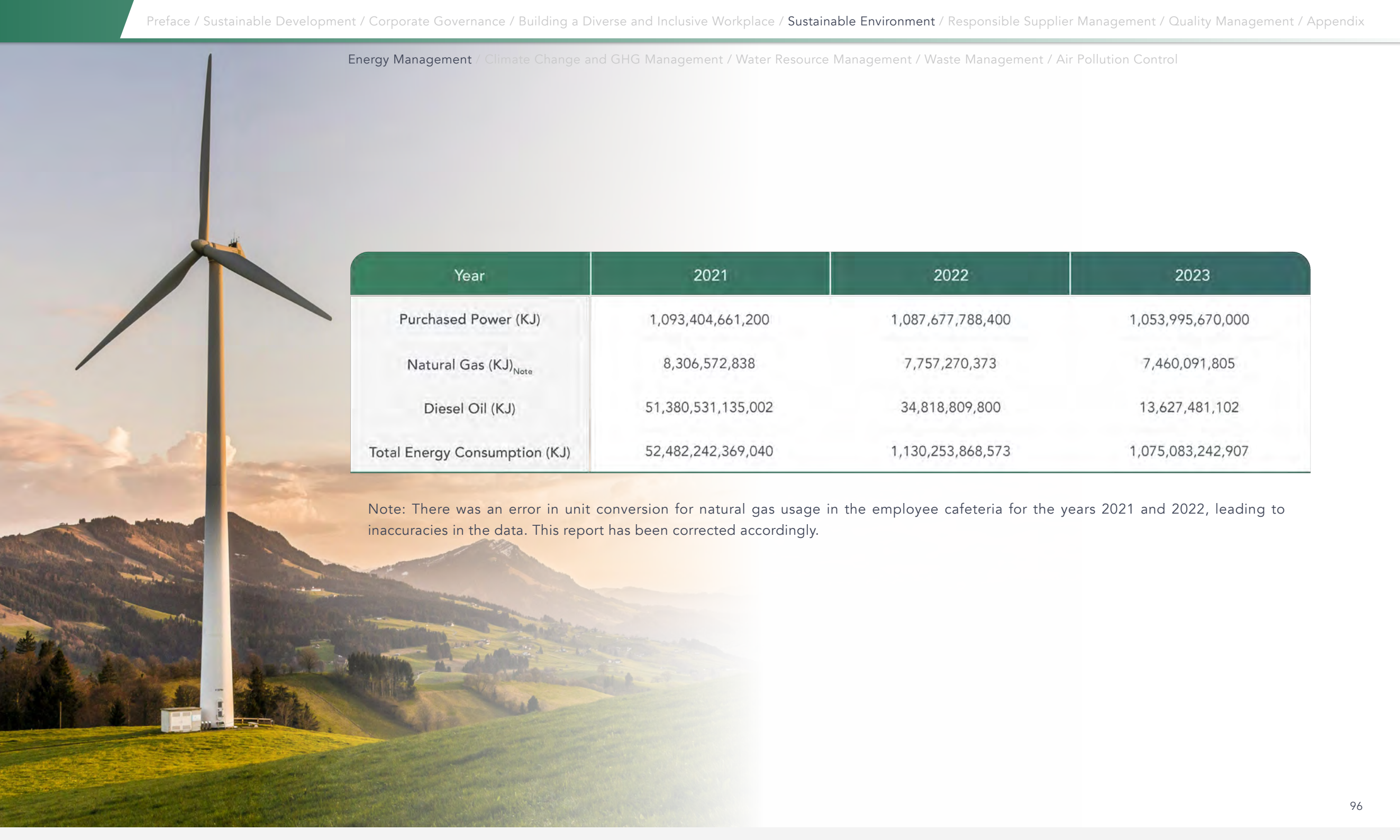


Energy Management

In 2023, the Group continued to enhance energy management and improve energy efficiency. The main production base in Dongguan passed the energy-saving technology renovation project review, with a total investment of approximately NT\$35 million. This initiative aims to optimize the compressed air system and automate its operational controls, convert refrigerated dryers to zero gas consumption dryers, and replace lighting fixtures with LED lights. The energy-saving technology renovation project at the Dongguan plant is expected to be completed by June 2024. It is projected to achieve annual electricity savings of 4.376 million kWh and an annual CO<sub>2</sub> emission reduction of 2,496 tons. In 2023, a cloud-based energy management system was implemented in some workshops at the Dongguan plant, enabling real-time monitoring of energy consumption and effective analysis of energy usage.

In 2023, the Group achieved an equipment energy conservation of 8.73%, and the proportion of renewable energy used in production was 54.88%. Through setting energy targets, monitoring energy use, conducting energy audits, implementing energy-saving measures, promoting staff energy-saving awareness, investing in energy-efficient equipment, adopting green energy sources, and continuously improving energy efficiency, the Group is committed to achieving its energy efficiency and emission reduction goals.

Energy Items (KJ)	Taiwan	Dongguan	Kunshan	Xuzhou	Vietnam	India	Total	
Purchased Power	39,036,600,000	570,879,439,200	223,287,246,000	165,483,334,800	10,352,034,000	44,957,016,000	1,053,995,670,000	KJ=KWH*3,600 KJ/KWH
Natural Gas	582,844,157	6,877,247,648	0	0	0	0	7,460,091,805	KJ= 35608.5 kJ/kg
Diesel Oil	252,382,077	3,522,140,783	9,822,150,000	29,667,164	1,141,078	0	13,627,481,102	KJ=42,705 kJ/kg
Total Energy Consumption	39,871,826,234	581,278,827,631	233,109,396,000	165,513,001,964	10,353,175,078	44,957,016,000	1,075,083,242,907	1,075,083,242,907



Year	2021	2022	2023
Purchased Power (KJ)	1,093,404,661,200	1,087,677,788,400	1,053,995,670,000
Natural Gas (KJ) <sub>Note</sub>	8,306,572,838	7,757,270,373	7,460,091,805
Diesel Oil (KJ)	51,380,531,135,002	34,818,809,800	13,627,481,102
Total Energy Consumption (KJ)	52,482,242,369,040	1,130,253,868,573	1,075,083,242,907

Note: There was an error in unit conversion for natural gas usage in the employee cafeteria for the years 2021 and 2022, leading to inaccuracies in the data. This report has been corrected accordingly.





## Climate Change and GHG Management

Since 2018, FOXLINK has participated in CDP (Carbon Disclosure Project), responding to questionnaires on GHG emissions, climate-related risks and opportunities, investments, and corresponding strategies. Through these questionnaires, FOXLINK discloses climate change and water resource management-related data to investors, stakeholders, and the public. In 2023, FOXLINK became a CDP supporter, strengthening its collaboration with CDP and improving its Performance Band from disclosure level in 2022 to management level. This demonstrates FOXLINK's commitment and efforts towards carbon reduction and climate issues. In 2023, FOXLINK evaluated the implementation of a carbon inventory platform, expected to be completed by August 2024. This platform aims to assess and monitor carbon emissions more effectively, providing precise data and analysis to formulate effective emission reduction strategies. Additionally, FOXLINK is developing a supplier carbon inventory interface to collaborate more closely with suppliers on carbon reduction efforts.

The Board of Directors assigned the Corporate Governance and Sustainable Operation Committee to manage climate issues. Based on the climate-related risk issues collected, the Committee adopted the risk framework under the Recommendations of the Task Force on Climate-related Financial Disclosures to identify, analyze and track the implementation of climate change-related plans / actions, and took appropriate mitigation and adjustment measures depending on the possibility and impact of climate risks. The priority of risks and opportunities shall be identified by the Sustainable Operation Team - Environmental Sustainability Sub-team according to the "degree of impact" and "likelihood of occurrence" ; for the management processes for prioritizing risks and opportunities, the Committee shall ensure that significant climate-related risks/opportunities are properly assessed and managed. The Committee shall identify the impacts and risks of carbon neutrality, and develops coping strategies and management systems to reduce operational risks from climate change.



Overview of Climate Change Management of FOXLINK

Core Elements	Description
Governance	<p>In 2021, FOXLINK established the Corporate Governance and Sustainable Operation Committee, with the Corporate Governance Team and the Sustainable Operation Team. The Sustainability Operation Team oversees and governs internal climate-related risks and opportunities at FOXLINK. The team members consist of department heads from production departments and central units within the plants. The Committee reports the implementation results, climate-related risk response strategies and annual operation principles to the Board of Directors every six months, and holds regular internal meetings every month, the topics of which include responding to main customer requirements, monitoring risk events, reviewing energy conservation and emission reduction targets and annual budgets, and supervising the implementation performance of all departments.</p> <p>For projects involving climate and significant capital investment, including energy-saving technology renovation projects, a bid examination committee shall be set up in accordance with the internal construction project contracting management measures, to review the relevant materials and put forward suggestions on bid awarding, when the value of such cases exceeds the limit. Then the Audit Committee composed of the Company's independent directors will review the bid awarding of such cases.</p>
Strategy	<ul style="list-style-type: none"><li>▪ Mitigation: promote sustainable manufacturing, gradually introduce product carbon footprint check, improve energy efficiency through energy-saving technology renovation projects, and use renewable energy.</li><li>▪ Adaptation: improve the resilience of climate change, and construct low-carbon supply chains. Risk Management</li></ul>
Risk management	<ul style="list-style-type: none"><li>▪ Cross-department collaboration to implement value chain climate-related risk / opportunity identification, assess financial impacts, and determine countermeasures.</li><li>▪ Incorporate climate risk into the risk management process</li></ul>
Indicators and Targets	<ul style="list-style-type: none"><li>▪ Set climate-related performance indicators and quantitative targets, regularly track the progress of achievement, and disclose it transparently.</li><li>▪ Achieve a 42% reduction in Scope 1 &amp; Scope 2 absolute emissions by 2030 compared to the baseline year of 2021. Reduce Scope 3 emissions from purchased goods and services, and emissions from sold products by 25% compared to the baseline year of 2021.</li></ul>

Climate Scenario and Risk Analysis

Climate Scenario		Timeline	Parameter Assumptions	Analysis Results
Transition Risks	SBTi 1.5°C	2021~2030	Aim to reduce Scope 1 and Scope 2 carbon emissions by 4.2% annually, achieving a 42% reduction by 2030.	Faced with the risks and opportunities brought by global climate change, FOX-LINK actively aligns with international initiatives towards green and low-carbon development, having passed SBTi scrutiny in 2022. Plan to achieve 55.3% renewable energy usage by 2024 and 56.44% by 2030.
	IEA NZE	2021~2040	Achieve net zero emissions by 2040	In pursuit of achieving net zero emissions, FOXLINK invests in green technology and equipment, adjusts production methods, and adapts to policy changes to ensure the attainment of net zero emissions.
Physical Risks	IPCC AR6 SSP1-2.6 Optimal Mitigation Scenario	2080~2100	Global average temperature change: +1.0 to +1.8°C Global sea level rise: 0.28 to 0.55 meters Taiwan's annual average temperature may increase by 1.3°C to 1.4°C. Days with temperatures exceeding 36°C in Taiwan are projected to increase by approximately 6.8 days to 6.6 days. Taiwan's average annual total rainfall is expected to increase by about 12% to 16%.	<b>Temperature rise:</b> According to IPCC AR6, human activities have increased the Earth's surface temperature by 1.07°C compared to the period from 1850-1900 to 2010-2019. Based on observations from the Central Weather Bureau's stations, Taiwan's average annual temperature has risen by approximately 1.6°C over the past 110 years (1911-2020), with accelerating warming trends observed over the past 50 years and 30 years. Temperature increases could lead to increased frequency of natural disasters, affecting business production and supply chains, with the most direct impact being increased energy costs. <b>Sea Level Rise:</b> FOXLINK has no facilities located directly adjacent to the sea. However, rising sea levels could significantly increase flood risks in coastal areas, potentially disrupting supply chains and logistics, thereby increasing transportation costs. <b>Droughts:</b> Droughts may lead to water scarcity for FOXLINK, necessitating increased water usage for domestic and industrial purposes, thus raising production costs. Continued water resource management measures are being implemented to enhance water efficiency and mitigate potential supply chain disruptions. <b>Heavy Rainfall:</b> FOXLINK's facilities are not situated in low-lying areas and are equipped with urban drainage systems. Nevertheless, higher intensity rainfall in a single day could result in transportation interruptions, facility damage, and production halts, thereby adding to repair and recovery expenses. Disruptions in the supply chain, delayed raw material transportation, and affected production schedules may lead to increased production costs.
	IPCC AR6 SSP5-8.5 Worst-Case Global Warming Scenario	2080~2100	Global average temperature change: +3.3 to +5.7°C Global sea level rise: 0.63 to 1.01 meters In Taiwan, the maximum consecutive days without rainfall are projected to increase by approximately 12.4%. The maximum intensity of single-day heavy rainfall events in Taiwan could increase by about 41.3%. The proportion of intense typhoons in Taiwan is expected to rise by 50%. Taiwan's annual average temperature may increase by over 1.8°C to 3.4°C. Days with temperatures exceeding 36°C in Taiwan are projected to increase by approximately 8.5 days to 48.1 days. Taiwan's average annual total rainfall is expected to increase by about 15% to 31%.	

Financial Impacts and Response Measures for Climate Risks

Climate Risks		Financial Impacts	Response Measures
Transition Risks	Policy and regulatory risks	Increased internal staffing costs and external audit expenses;	In compliance with the Financial Supervisory Commission's requirements, the Company is planning GHG audits and verification schedules for its subsidiaries to meet regulatory obligations. By August 2024, a carbon audit platform will be implemented to streamline internal data management and enhance data accuracy.
	Customer demand for carbon reduction	Increased raw material costs due to supply chain disruptions from supplier flooding	In 2023, renewable energy usage reached 54.88%. The Company's self-generated solar power amounted to 6,992 MWh, with an additional 138,243 MWh procured through PPAs and green certificates. Internally, solar power generation capacity continues to be expanded to increase renewable energy output, while stable and cost-effective green electricity and certificates are sought to avoid significant cost increases associated with renewable energy procurement.
	Supply chain transformation	Increased water costs due to drought	Climate transition risks may cause raw material price volatility and supply instability, affecting the Company's production costs and schedules. The Company may face supply chain disruptions and production delays, impacting delivery times and cash flow. To mitigate these risks, the Company will establish long-term partnerships with suppliers, diversify the supply chain, and collaborate on climate risk management.
	Management model transformation	Increased operating costs due to equipment damage	Addressing energy issues requires transforming energy-consuming equipment, which may initially increase capital expenditure. However, post-transition, energy costs can be reduced, efficiency enhanced, leading to long-term cost savings and increased competitiveness. FOXLINK will develop a rational plan for transforming energy-consuming equipment to achieve sustainable development and long-term profit growth.
Physical Risks	Temperature rise	Increased operational costs due to green manufacturing	With rising energy costs due to global warming, FOXLINK will implement a comprehensive plan to transform energy-consuming equipment, aiming for sustainable development and long-term profit growth.
	Sea level rise	Reduced operating costs through lower procurement prices	Sea level rise risks will be included in supplier evaluations, favoring suppliers closer to production bases to reduce transportation distance and costs. More environmentally friendly transportation methods, such as rail or sea, will be utilized to reduce carbon emissions. A flexible inventory management system will be established to mitigate delivery delays due to natural disasters.
	Drought	Reduced operating costs by selling or recycling materials	The Company will negotiate with water supply departments for flexible water usage arrangements, ensuring the production needs of domestic and industrial water are met. An emergency response plan will be developed to address potential water emergencies.
	Heavy rainfall	Enhanced supply chain resilience to lower variable costs	The Company will formulate a disaster recovery plan, including measures for heavy rainfall, post-disaster repair or replacement of equipment, and resumption of production and supply chains. Communication and coordination with suppliers, customers, and employees will be maintained to effectively implement these measures.



Financial Impacts and Measures of Climate Opportunities

Climate Opportunities		Financial Impacts	Measures Taken
Opportunity	Transitioning Market	Increased operational costs due to green manufacturing	In response to market demand and customer requirements, the Company is implementing energy management, energy-saving technological modifications, renewable energy usage, and zero landfill waste initiatives to gradually achieve carbon neutrality.
	Energy Sources	Reduced operating costs through lower procurement prices	The Company is installing additional solar power generation devices and planning renewable energy and green certificate procurement strategies for each plant. A subsidiary, SHINFOX ENERGY, has been established to directly invest in the green energy sector, aiding the Group's sustainable development and securing green energy rights, while generating stable investment returns.
	Resource Use Efficiency	Reduced operating costs by selling or recycling materials	The Company is increasing the recycling rate of metal materials and the proportion of recycled metals used to ensure responsible procurement. Major production sites have achieved UL2799 certification, enhancing recycling and reuse rates and reducing operating costs.
	Building Resilient Green Supply Chains	Enhanced supply chain resilience to lower variable costs	When introducing a new material-based supplier, the Group requires all manufacturers to be ISO9001 and ISO14001 certified. Suppliers must submit environmental and social commitment documents, such as environmental commitments, quality commitments, occupational health and safety declarations, social responsibility commitments, and conflict-free mineral commitments. Through environmental and social requirements, the Company and all suppliers actively promote the development of a sustainable supply chain, enhancing supply chain resilience and reducing disruption risks.
	Promoting Energy Management Demands	Implementation of internal energy-saving and technological innovation projects	In 2023, the Group continued to optimize energy management. The main production base, Dongguan Plant, passed energy-saving technological modification project audits. The Company invested approximately NT\$35 million, aiming to optimize the air compression system and its automated control, convert refrigerated dryers to zero gas consumption dryers, and replace LED lighting fixtures. The energy-saving technology renovation project at the Dongguan Plant is expected to be completed by June 2024. It is projected to achieve annual electricity savings of 4.376 million kWh and an annual CO2 emission reduction of 2,496 tons.

In 2022, FOXLINK passed the SBTi carbon reduction target verification, setting 2021 as the baseline year, with goals to achieve a 42% reduction in Scope 1 and Scope 2 emissions, and a 25% reduction in Scope 3 emissions by 2030.

The GHG inventory report of this year was conducted in accordance with ISO14064-1:2018 to verify the Scope 1&2 absolute emissions of main production bases and to calculate the Scope 3 emissions from goods and services purchased and products sold by using the GHG Protocol method. Subsidiaries are included in the verification scope according to SBTi standards.

- Inventory Regions: The verification scope includes 10 factories of FOXLINK (four plants in Taiwan, Taichung Science Park Plant, Minquan Plant, Dongguan Plant, Kunshan Plant, Xuzhou Plant, India Plant, Vietnam Plant) and its subsidiaries Dongguan Fu Wei, Glorytek (Yancheng).

Compared to 2022, the inventory regions have been adjusted by removing the Ma'anshan Plant and Taichung Glorytek, and adding the Vietnam Plant and Taichung Science Park Plant.

- Direct GHG Emissions and Removals (Scope 1): 5,982 tons CO<sub>2</sub>e/year.
- Indirect GHG Emissions from Imported Energy (Scope 2/Location-Based): 177,755 tons CO<sub>2</sub>e/year.
- Indirect GHG Emissions from Imported Energy (Scope 2/Market-Based): 107,341 tons CO<sub>2</sub>e/year.
- Other Indirect GHG Emissions (Scope 3): For other indirect GHG emissions inventory, in 2023, reductions were categorized under SBTi, focusing on Category 1 (purchased goods and services) and Category 11 (use of sold products). FOXLINK's other indirect GHG emissions in 2023 amounted to 640,008 tons CO<sub>2</sub>e/year.

Category/Year	2021	2022	2023	Reduction Compared to 2022
Scope 1	13,470	10,563	5,982	43.37%
Scope 2 Location-Based	263,970	196,427	177,755	9.51%
Scope 2 Market-Based	263,884	177,526	107,341	39.54%
Scope 1 + Scope 2 Market-Based	277,354	188,089	113,323	39.75%
Scope 3	1,370,339	1,046,296	640,008	38.83%

Reduction from 2021 to 2023  
Scope 1 + Scope 2 (Market-Based)

**Decreased by 59.14%**

Reduction from 2021 to 2023  
Scope 3

**Decreased by 53.30%**

In 2023, FOXLINK's total GHG emissions (Scope 1 + Scope 2 / Market-Based) amounted to 113,323 tons CO<sub>2</sub>e/year, marking a 59.14% decrease compared to the 2021 baseline year. This significant reduction is primarily attributed to FOXLINK's sustained efforts in energy conservation and carbon reduction through initiatives such as autonomous energy savings, self-consumption of solar energy, and procurement of green electricity or certificates. In 2023, the use of renewable energy reached 54.88%.

The Group has committed to achieving net-zero emissions by 2040 and has established a carbon reduction pathway, achieving a 50% utilization of renewable energy by 2022 and projecting 56.44% by 2030, meeting the requirements of SBTi reduction targets. In 2024, the Group plans to implement GHG inventory and supplier assessment systems to scientifically manage and compile GHG data. Additionally, the Xuzhou Plant will begin utilizing solar power generation equipment, demonstrating FOXLINK's determination to achieve carbon reduction goals.

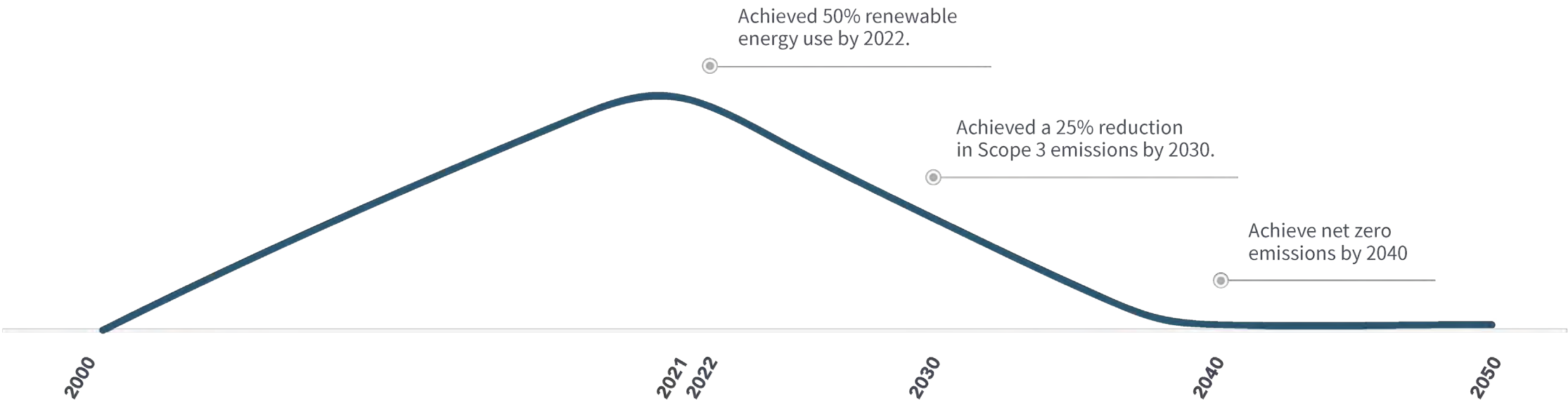


### Clean Production

In 2023, the Fudong Plant in Dongguan achieved Clean Production accreditation in accordance with local regulations, emphasizing the use of clean energy and materials, adoption of advanced process technology and equipment, pollution reduction from the source, and increased resource efficiency. This initiative supports green production practices and contributes to achieving carbon reduction goals. Additionally, the Kunshan and Xuzhou plants plan to undergo Clean Production accreditation by 2024.

### FOXLINK's Carbon Reduction Pathway

A schedule of carbon neutral





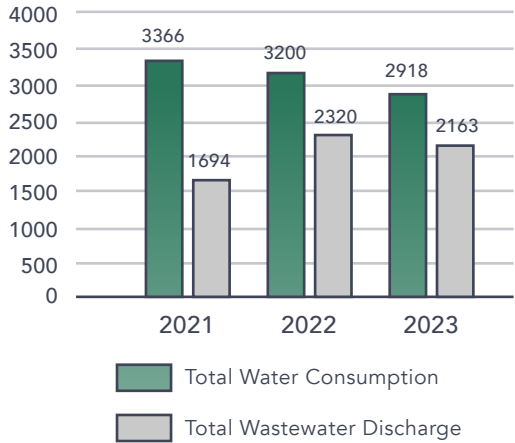
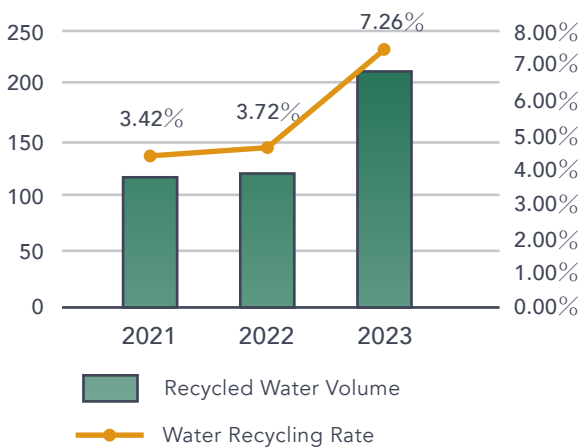
## Water Resource Management

Based on the ISO 14001 management system, FOXLINK implements water resource management across its operations. Centralized monitoring systems provide real-time data from all major operational sites worldwide, enabling effective management of water resources. The Company continuously promotes water conservation measures, identifies water resource risks, and implements various water-saving initiatives. These efforts aim to optimize water resource utilization, reduce wastewater discharge, and minimize environmental impact. In 2023, the total water consumption was 2,918 km<sup>3</sup>, marking a reduction of 282 km<sup>3</sup> compared to 2022, achieving an 8.8% decrease in water usage. With rapid industrialization, wastewater discharge has become increasingly concerning, impacting both the environment and human health significantly. To address this issue, FOXLINK has dedicated environmental monitoring departments and wastewater treatment facilities focused on wastewater recycling and management. The Company has implemented specific wastewater recycling schemes such as air conditioning condensate water and RO concentrate reuse, as well as workshop equipment pure water recycling. These initiatives aim to remove harmful substances from wastewater while retaining reusable resources. Through continuous optimization and improvement, the efficiency and effectiveness of wastewater recycling have been enhanced, with a total water recycling rate reaching 7.26% in 2023, up by 3.54% from 2022. With reference to the Aqueduct Water Risk Atlas of the World Resources Institute, FOXLINK identifies water resource risks at each production base and formulate contingency plans to avoid operational crisis, and improves the mechanism for responding to environmental emergencies in a scientific, orderly and efficient manner. Moreover, FOXLINK has established robust mechanisms for responding to unforeseen environmental incidents, ensuring a scientific, orderly, and efficient approach to managing such events.



Water Consumption Data	Taiwan	Mainland China			Vietnam	India	Total	
		Dongguan	Kunshan	Xuzhou				
Total Water Consumption	40	2,005	649	182	6.23	36	2,918	
Discharge Volume	Domestic Sewage Volume	32	1,437	518	142	0.50	33	2,163
	Industrial Wastewater Volume	0	28	108	19	5.73	0	161
Water Consumption	8	540	22	21	0	3	594	
Recycled Volume	0	86	126	0	0	0	212	
Water Recycling Rate %	0%	4.29%	19.38%	0%	0%	0%	7.26%	

The annual report also corrected errors in 2022 Sustainability Report due to operational negligence, which mistakenly listed the water recovery rates for 2021 and 2022. After correction, the water recovery rate for Year 2021 is 3.42%, and the water recovery rate for 2022 is 3.72%.

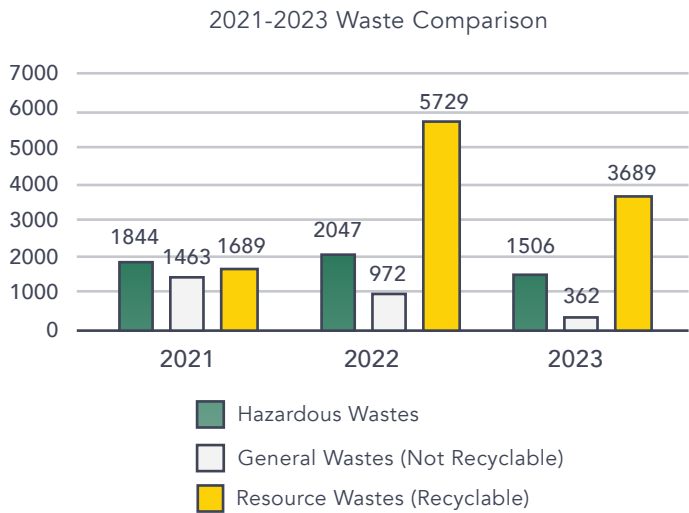


## Waste Management

The Company places great emphasis on waste management, considering it a crucial component of sustainable development. The Company is committed to implementing effective measures to reduce waste generation, enhance waste recycling and reuse, and ensure the safe and legal disposal of waste.

1. **Waste Classification and Assessment:** We conduct detailed classifications of waste generated by the Company, including general waste, hazardous waste, and recyclable waste. Additionally, we regularly assess the quantity and nature of waste to formulate reasonable management strategies.
2. **Waste Reduction:** By optimizing production processes, adopting environmentally friendly materials, and promoting energy-saving measures, we strive to minimize waste generation. Furthermore, we encourage employees to develop good habits of reducing waste in both their work and daily lives.
3. **Waste Recycling and Reuse:** We actively promote waste recycling and reuse. For recyclable waste, such as paper, plastic, and metal, we have established a recycling system and collaborate with relevant partners to ensure efficient resource reuse.
4. **Hazardous Waste Management:** For hazardous waste, we strictly adhere to relevant regulations and standards, ensuring compliance and safe disposal through qualified professional firms. We have also established comprehensive hazardous waste storage facilities to prevent harm to the environment and human health.
5. **Education and Training:** We emphasize employee education and training to raise awareness and capabilities in waste management. Through training courses and promotional activities, we encourage employees to actively participate in waste management efforts, collectively driving sustainable development.

Achieving zero landfill waste is a critical strategic goal for the Company. We promote recycling, implement waste sorting, reuse, and circular utilization methods to realize this objective. In 2023, the Fuqiang Plant and Fudong Plant in Dongguan, and the Plant in Kunshan completed the UL2799 Zero Waste to Landfill Certification and obtained the platinum-grade certificate, and the Plant in Xuzhou obtained the gold-grade certificate. Upholding the principles of minimizing waste and maximizing resource recycling and reuse, we aim to annually increase all factories' landfill waste diversion rates to 100% and achieve a 90% conversion rate.





Type of Wastes (Unit: Ton)	Taiwan	Dongguan	Kunshan	Xuzhou	Vietnam	India	Total
Hazardous Wastes	0	370	975	145	9	8	1,506
General Wastes (Not Recyclable)	126	183	106	66	7	0	362
Resource Wastes (Recyclable)	6	2,679	47	812	6	145	3,689
Subtotal	132	3,231	1,128	1,023	22	153	5,557

### Air Pollution Control

The main factories of FOXLINK have obtained the relevant emission permits and adopted the best feasible treatment techniques for pollutants to ensure the minimization of environmental load, in accordance with local environmental laws and regulations, and regularly conducted a gas monitoring at the discharge outlets within the factories. The current air pollutants include volatile organic compounds (VOCs), nitrogen oxides (NOx), sulfur oxides (SOx) and particulate matters (PM). All waste gas treatment facilities collect and treat waste gases in accordance with local environmental laws and regulations, and then emit them at high altitude. Meanwhile, the plants in mainland China follow the requirements of the blue sky protection battle to adopt the dual treatment process to treat waste gases and emit them after reaching the emission standards.



# Responsible Supplier Management

## Group Commitment

Since the establishment of the Sustainable Operation Team in 2021, FOXLINK has been actively implementing supply chain management, strengthening strategic partnerships, and developing sustainable and long-term supply chain value. By imposing environmental and social requirements on both itself and all suppliers, the Group promotes the development of a sustainable supply chain, enhancing its resilience and reducing operational risks, thus advancing towards the goal of sustainable development.

FOXLINK commits to the highest standards of self-regulation and actively promotes adherence to social responsibility among suppliers. Using the RBA standards, legal regulations, and customer requirements as benchmarks, the Group has formulated supplier social responsibility management procedures. Various methods are employed to communicate social responsibility policies and regulations to suppliers, and compliance audits are conducted on new and key suppliers, focusing on labor, human rights, ethics, and environmental aspects to ensure adherence to social responsibility requirements.



2023 Execution Results and Future Action Plans

Execution Management & KPIs	2023 Goal Achievements	Short-term Goals	Long-Term Action Plan
ESG Key Supplier Survey Returns	Conducted waste reduction, carbon footprint inventory, and clean energy certification investigations for 200 key transactional suppliers.	Achieve 100% return rate for surveys from key transactional suppliers. Implement mandatory surveys as required documents for all new suppliers by 2025.	Implement ESG questionnaire as a mandatory document in the onboarding process
Evaluation and Control of New Supplier Sustainability Performance	Established and implemented Sustainable Supplier Qualification Management Measures	Increase the proportion of qualified suppliers annually by 10%	Annually assess suppliers and enhance compliance with FOXLINK's sustainability qualifications for new suppliers
Internal Education and Training on Sustainable Supply Chains	Conducted a group-wide promotion of the sustainable supply chain initiative in January 2023 Held a Microsoft supplier management seminar in September 2023 Conducted supplier management and sustainable supply chain education training for internal procurement staff in December 2023 (Ensured 100% participation of internal procurement personnel in basic education and training courses, each lasting at least 3 hours per person)	Ensure 100% participation of internal procurement staff in seminars	<ol style="list-style-type: none"><li>1. Conduct regular internal sustainability qualification briefings within the supply chain every year</li><li>2. Organize external sustainability procurement seminars with professional qualifications annually</li></ol>
Management of Supplier Sustainability Qualifications	Enhance supplier transparency and increase local procurement ratio. The self-recommendation platform for suppliers was launched in Q1 2023 (with 25 self-recommended suppliers already reviewed in 2023)	Improve qualification of high-risk suppliers by 2024 Complete sustainability qualification updates for suppliers by 2025 Ensure 100% of suppliers meet sustainability qualifications by 2030	Evaluate supplier qualifications annually based on sustainability assessment management regulations, and require high-risk suppliers to improve within specified deadlines
Implementation of SBTi Scope 3 Supplier Carbon Reduction Targets	Plan for the implementation of a carbon management platform.	Achieve a 25% reduction in carbon emissions from Scope 3 Category 1 in 2030	<ol style="list-style-type: none"><li>1. Conduct online seminars on supplier carbon reduction strategies.</li><li>2. Digitally manage and compile supplier carbon emission information.</li></ol>



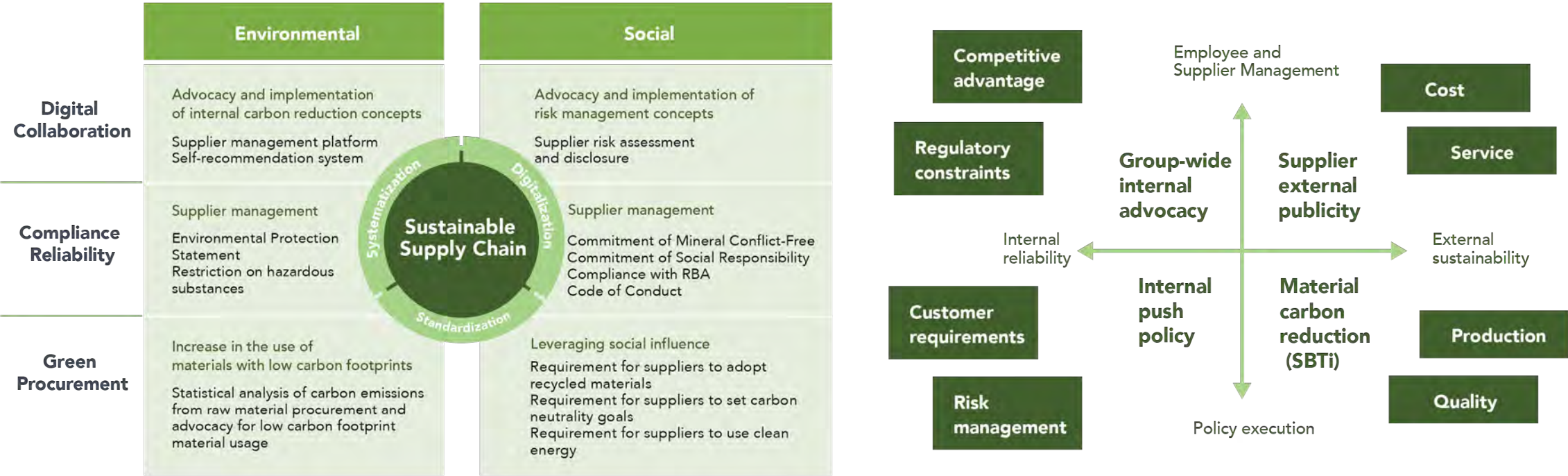
### Execution Direction for Sustainable Supply Chain

**Core:**

FOXLINK's sustainable supply chain focuses on digital collaboration, compliance reliability, and green procurement as its primary core execution areas. The goal is to reduce environmental and social impacts throughout the supply chain process. Evaluation and auditing of supplier qualifications emphasize environmental and social aspects. The Company uses its influence to advocate energy reduction, water conservation, and waste reduction goals to supplier partners, aligning them with sustainable development objectives. This approach aims to minimize environmental and social conflicts while enhancing supplier management effectiveness and fostering positive supplier relationships.

Objectives: Internally, the focus is on risk management, compliance with customer and regulatory requirements, and enhancing competitive advantage. Through digital transformation, the Company promotes suppliers' environmental missions and uses end-to-end supply chain planning to streamline operations efficiently and align with sustainability goals.

Execution Direction: The primary execution focuses on digital collaboration, compliance reliability, and green procurement. Medium to long-term management goals are set to achieve sustainable supply chain management.



## Internal Advocacy and Policy Promotion for Sustainable Supply Chain within the Group:

### Group Internal Publicity:

To effectively convey the concept of sustainable supply chains to all employees and management levels, the Group regularly invites external professional units to explain sustainable supply chains and supplier qualification assessment to internal staff. In 2023, Microsoft SEA Manager will be invited to share global practices and perspectives on sustainable supply chains from a brand perspective with procurement staff at FOXLINK. The seminar will cover topics such as advancing towards sustainable development, responsible procurement of raw materials, compliance requirements for supply chains, and identification and evaluation of supplier risks. Through these seminars, the concept of sustainable supply chains will be communicated, enabling procurement staff to implement and exert sustainable influence in their daily work.

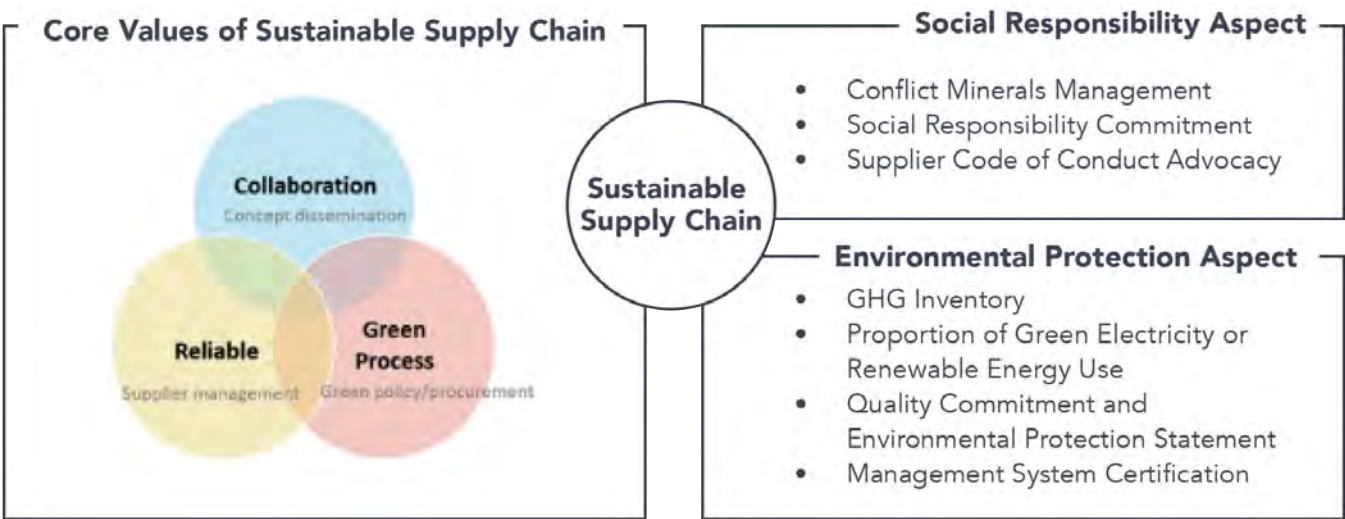
In addition to inviting external professional departments, FOXLINK conducts basic educational training on risk management and qualification assessment of the FOXLINK supply chain for all procurement and materials staff each year. The curriculum includes two aspects: cost-effective procurement and material procurement, and covers supplier qualification requirements, risk management, integrity commitments, conflict minerals, green products, and corporate governance. All participating employees are required to undergo and pass post-training assessments to ensure that all concepts are effectively conveyed to all employees.

\*The above courses consist of a total of three sessions, with a cumulative total of 784 participants. The main participants are all procurement and materials staff within the Group. The content of the seminars is simultaneously uploaded to the internal system for new employees to study, and will be included as mandatory courses for new recruits in the future.



**Policy Promotion:**

To manage the qualifications of suppliers involved in Group transactions and in accordance with international sustainable development goal 12.7 - promoting sustainable procurement processes, FOXLINK completed the establishment of a supplier qualification management and classification system in 2023. This system strengthens the social and environmental sustainability qualifications of qualified FOXLINK suppliers, ensuring transaction quality and reducing potential damage and risks caused by suppliers whose qualifications do not meet standards. All new suppliers will undergo supplier rating and classification management in accordance with management regulations.



**Sustainable Qualification Investigation and Supplier Management**

Establishing FOXLINK Supplier Code of Conduct

FOXLINK establishes the Supplier Code of Conduct based on the Responsible Business Alliance (RBA) Code of Conduct, and sends it to suppliers. Suppliers are required to understand and comply with the following:

- RBA Code of Conduct: Suppliers must respect labor rights, ensure occupational health and safety, take environmental responsibility, adhere to the highest ethical standards, and establish management systems.
- Responsible Procurement: Suppliers commit to not using conflict minerals.
- Green Product Management: Suppliers must sign the Environmental Protection Statement and quality commitments to ensure compliance with hazardous substance management requirements throughout their processes.
- CSR Corporate Social Responsibility Compliance: FOXLINK collects supplier risks, conducts on-site audits, and implements improvements and process optimizations.
- Restriction of Hazardous Substances (RoHS): Implementation covers raw materials, processes, and finished products to ensure all products meet green product requirements and customer demands, reducing environmental impact.



When introducing new suppliers, all manufacturers must be ISO9001 and ISO14001 certified. Additionally, all material suppliers are required to submit commitment documents related to environmental and social aspects. These documents include environmental commitments, quality commitments, occupational health and safety declarations, social responsibility commitments, and conflict-free mineral commitments.

Commitments Signed by New Material Suppliers in 2023

FOXLINK requires all partners to sign declarations regarding environmental and social aspects before becoming qualified suppliers. Below is the signing status for new suppliers:

(Suppliers who have not signed declare self-compliance with relevant guidelines and have been internally approved by FOXLINK to become qualified suppliers)

Plants	Taiwan	Dongguan	Kunshan	Xuzhou	Vietnam	India	Total
Number of new suppliers in 2023	8	58	38	11	20	4	139
Social Responsibility Commitments	8	53	30	10	19	4	124
	100%	91%	79%	91%	95%	100%	89%
Conflict-free mineral commitments	8	53	32	10	20	3	126
	100%	91%	84%	91%	100%	75%	91%
Environmental Protection Statement	8	50	30	10	19	4	121
	100%	86%	79%	91%	95%	100%	87%
Quality commitments	8	50	31	10	19	3	121
	100%	86%	82%	91%	95%	75%	87%

Qualification Investigation of 200 Key Trading Suppliers

FOXLINK conducted a sustainability qualification investigation of 200 key trading suppliers. Among them: 5 suppliers obtained the UL2799 Zero Landfill Waste certificate, 14 suppliers obtained the ISO 14064 GHG Inventory certificate, and 8 suppliers obtained the ISO 50001 Energy Management certificate. Additionally, the international carbon emission calculation standard is the GHG Protocol. According to the Science-Based Targets initiative (SBTi), out of 200 suppliers surveyed, 19 have submitted commitments, 5 have set carbon reduction targets but have not yet obtained commitments, and 32 suppliers plan to initiate commitment applications within the next two years.

FOXLINK also set carbon reduction targets in 2021, aiming to achieve SBTi carbon reduction goals by 2030. In tandem with this, FOXLINK is collaborating with its suppliers to develop a carbon reduction pathway. Apart from internal carbon reduction initiatives at FOXLINK, efforts include integrating external supplier carbon reduction information surveys. This phased approach allows FOXLINK to obtain supplier carbon reduction progress and subsequently formulate medium to long-term plans to achieve sustainable supply chain goals for FOXLINK.

Certificate	UL2799	ISO14064	ISO50001	SBTi	Achieved	Not achieved but have set carbon reduction targets	Plan to apply within the next two years
Number of households obtained	5	14	8	Number of households obtained	19	5	32

## Supplier Social Responsibility Management

### A. Supplier Code of Conduct

In order to strengthen the commitment to sustainability within its supply chain, FOXLINK references the RBA Code of Conduct, focusing on five key areas: labor, health and safety, environment, ethics, and management systems. Aligning with the Group's operational philosophy of "sincerity, macro perspective, and responsibility", FOXLINK has formulated the "FOXLINK Supplier Social Responsibility Code of Conduct". This aims to leverage the Group's influence to require suppliers to comply with all applicable laws and regulations of their operating countries/regions, ensuring a healthy and safe working environment for employees, respecting human rights, and undertaking environmental responsibilities and ethical standards in their operations. FOXLINK requires suppliers to adhere to these standards as a prerequisite for collaboration and encourages them to adopt internationally recognized industry standards and initiatives to continuously enhance their social responsibility management practices. Additionally, suppliers are obligated to communicate and implement these requirements with their downstream suppliers.

FOXLINK prohibits suppliers from engaging in the following six "core non-compliance" areas:

- 1) Use of child labor;
- 2) Use of forced labor/prison labor;
- 3) Existence of health and safety issues that immediately endanger employees' lives or cause serious injury;
- 4) Significant environmental impact or pollution;
- 5) Providing false information;
- 6) Bribery.

### B. Supplier CSR Risk Management

FOXLINK conducts annual distribution of the "Supplier CSR Risk Identification Assessment Form" to suppliers, evaluating them across five dimensions: labor, health and safety, environment, ethics, and management systems. In 2023, a total of 603 suppliers were assessed with a questionnaire response rate of 100%. Based on the responses from the supplier questionnaires, suppliers are classified into high, medium, and low-risk categories, and appropriate management actions are implemented accordingly.

High-risk suppliers undergo annual on-site audits to continuously monitor their risk status. In 2023, 15 high-risk suppliers were identified and all completed their on-site audits.



C. Supplier CSR Evaluation, Audit, and Improvement

In 2023, a total of 126 suppliers underwent on-site audits, including 15 high-risk suppliers. The audit results did not find instances or risks of child labor or forced labor among suppliers. However, significant management impacts were identified primarily in the areas of work hour management and emergency facility management and maintenance. No suppliers were disqualified for violating social responsibility standards. For identified deficiencies, suppliers are required to provide 100% improvement plans and submit relevant improvement evidence. By the end of 2023, the guidance rate for supplier improvement in addressing deficiencies reached 99%. For suppliers who have not submitted improvement plans, continuous monitoring and follow-up will be conducted until improvements are completed.

For service-type suppliers, we also require compliance with social responsibility standards. In 2023, we conducted social responsibility audits on a total of 16 service-type suppliers. These audits focused on aspects such as salary payments, social insurance contributions, and on-site working environments to ensure the labor rights and welfare of their employees. We also mandated that suppliers do not violate relevant laws and regulations while providing services to our company, ensuring their qualifications are suitable and their behavior appropriate.

Plants	Taiwan	Dongguan	Kunshan	Xuzhou	Vietnam	India	Total
Main suppliers	0	77	31	2	0	0	110
Service providers	0	7	5	3	1	0	16
Total	126						

#### D. Conflict Minerals Management

The Group pledges that materials provided by itself and its suppliers do not utilize conflict minerals from conflict-affected and high-risk areas confirmed by RBA, OECD, and customer standards, and that all metals comply with conflict-free norms (DRC Conflict-Free).

In 2023, we revised responsible mineral procurement management programs and Conflict Minerals Commitment Statements per RBA and customer requirements, expanding investigation requirements for minerals such as mica and cobalt. A total of 472 current suppliers have signed the updated Conflict Minerals Commitment Statement by 2023. We also mandate that all new suppliers sign this commitment statement before admission.

Following OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, we conducted thorough investigations and assessments of all materials and material supply chain sources from suppliers. We utilized Conflict Minerals Reporting Template (CMRT) and Extended Minerals Reporting Template (EMRT) for investigations. In 2023, we conducted conflict minerals investigations on 367 suppliers with a response rate of 100%, involving 209 tantalum, tin, tungsten, and gold smelters or refineries. Suppliers failing Responsible Minerals Assurance Process (RMAP) certification or not meeting customer requirements were required to submit removal plans or be removed from the supply chain within specified timelines. This ensures that procurement sources from suppliers do not originate from conflict and high-risk areas and comply with customer and regulatory requirements.

Internally, the Group fully implements green supply chain management, establishing Green Procurement Procedures and Supplier Management Operation Procedures as guidance for supplier management across business units, and communicating the latest requirements to suppliers. Detailed operational processes and management performance are elaborated in the Quality Management section.

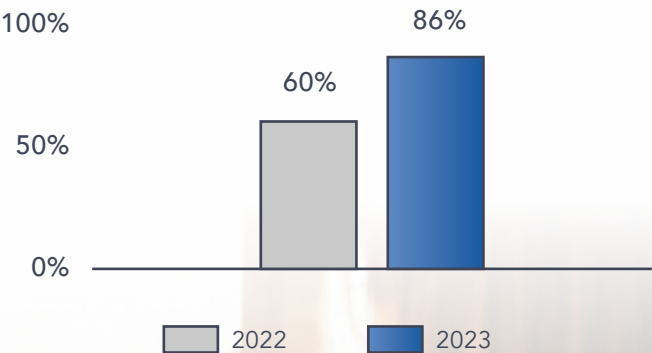




## Sustainable Supply Chain - Local Procurement

FOXLINK primarily procures 95% of its external supplies from Mainland China and Taiwan. In 2022, local procurement accounted for 60% of total procurement. By 2023, the proportion of local procurement in China and Taiwan increased to 86% of total procurement expenditure. FOXLINK adheres to a sustainable development strategy, actively implementing local procurement policies to enhance local economic development and reduce carbon emissions associated with transportation. This approach minimizes environmental impacts and ensures the continued implementation of various sustainable supply chain policies. The Company aims to establish professional partnerships with suppliers, fostering mutual cooperation to create sustainable value together.

Local Procurement Ratio





### Procurement Case for Specific Materials

For instance, in our product line, such as our use of gold salt, the ratio of recycled materials to raw materials is 1:3. This initiative not only reduces waste production but also promotes the circular utilization of resources. Moving forward, we intend to further expand the incorporation of recycled materials, collaborating with our supply chain partners to collectively support global sustainable development goals.





# Quality Management

## Material Topics: Quality Management Policies and Commitments:

FOXLINK adheres to the principles of "reduction of use, environmental protection, and health; effective management, and pollution prevention" for hazardous substances. In accordance with the latest IECQ QC 080000:2017 standards, the Group has established a systematic management approach. This method ensures rigorous oversight from the source to guarantee that the products comply with EU RoHS, REACH, and the regulations of the sales regions, as well as the customers' hazardous substance control requirements. The aim is to minimize the use of hazardous substances in products, thereby reducing harm to human health and the environment.

### Short-term Goals

Achieve a 0% rate of hazardous substances exceeding the standard in products and materials.

### Middle & Long-term Goals

Manufacture green products to protect human health and reduce environmental pollution.

## Quality Management System

Quality is the cornerstone of FOXLINK's sustainable development. FOXLINK focuses on product quality, leveraging years of design and manufacturing experience, and adhering to the quality policy of "Customer First, Technological Leadership, System Perfection, Full Participation." To ensure the safety of products and services, and to meet customer and regulatory requirements, the Company has obtained certifications such as ISO 9001, ISO 13485, IATF 16949, ISO 17025, and QC 080000. With a comprehensive quality management system, FOXLINK controls product quality from every aspect throughout the entire product lifecycle.

Plants	Taiwan	Dongguan	Kunshan	Xuzhou	India	Vietnam
ISO9001 Certification	●	●	●	●	●	●
QC 080000 Certification		●	●	●		●
IATF 16949 Certification	●	●		●		
ISO13485 Certification		●				
ISO17025 Certification		●				



### Hazardous substance management

FOXLINK's hazardous substance management is based on the QC 080000 hazardous substance management system standard. Following a management cycle of planning, execution, checking, and action, continuous improvements are made. All operational sites have obtained third-party verification upon official operation, and the new plant in Vietnam was certified by the end of 2023.

Due to the persistence of perfluoroalkyl substances (PFASs) in the environment and their harmful effects on human health, FOXLINK began investigating PFASs throughout its supply chain in February 2023. By June 2023, the requirement to test for total fluorine had been introduced to the supply chain. By the end of 2023, the Company began evaluating substitution plans, with the goal of replacing all materials not meeting PFAS control requirements by 2024 and gradually phasing out PFAS-containing materials across the supply chain by 2025.

The management of hazardous substances is continuously improved through this management cycle.

### The management of hazardous substances is continuously improved through this management cycle.

Process	Work Items	Work Content
<div><div>Plan</div><div>Do</div><div>Check</div><div>Act</div></div>	<ul style="list-style-type: none"><li>Regulatory and Customer Requirements Identification and Evaluation The quality department identifies and evaluates domestic and international hazardous substance management regulations and customer requirements monthly, notifying relevant units to take necessary measures.</li><li>Hazardous Substance List: This list is reviewed and revised according to regulations, customer requirements, and FOXLINK's internal standards.</li><li>Hazardous Substance Phase-Out and Reduction Plan Plans are formulated based on regulations, customer requirements, and FOXLINK's internal standards to phase out and reduce hazardous substances.</li></ul>	<ul style="list-style-type: none"><li>The EU has introduced new regulations under the Registration, Evaluation, Authorisation, and Restriction of Chemicals (REACH) for 11 high-concern substances, alongside revised customer requirements for managing hazardous substances. Cheng Uei (FOXLINK) complies with these new standards.</li><li>The restricted substances list now includes perfluoroalkyl substances (PFASs) and three persistent organic pollutants.</li><li>A preliminary substitution plan for PFASs has been developed.</li></ul>



Process	Work Items	Work Content
<div><div>Plan</div><div>Do</div><div>Check</div><div>Act</div></div>	<ul style="list-style-type: none"><li>Hazardous Substance Management Suppliers are required to sign the "Quality Commitment Letter" and the "Environmental Protection Statement" according to company requirements. From the source, they must control restricted substances in products and processes according to the Company's "Green Procurement Procedures".</li><li>Implement plans for the phase-out or reduction of hazardous substances</li></ul>	<ul style="list-style-type: none"><li>In 2023, FOXLINK set a target signing rate of 100% for suppliers at six plants to complete the "Quality Commitment Letter" and the "Environmental Protection Statement". The actual signing rate exceeded 92%. Suppliers who did not sign provided suitable alternatives, such as their own non-use declarations or customer-approved exemptions.</li><li>FOXLINK updated its "Green Procurement Procedures" in 2023 and promptly communicated these updates to all suppliers. The target receipt acknowledgment rate was 100%, with an actual average return rate of 91%. Suppliers who did not return acknowledgments were informed through other methods to confirm receipt.</li><li>In 2023, FOXLINK gradually introduced testing requirements for perfluoroalkyl substances (PFASs). By the end of the year, some units in the Dongguan Plant had begun searching for and evaluating substitute materials.</li></ul>
	<ul style="list-style-type: none"><li>Raw Material Hazardous Substance Testing Suppliers are required to submit testing reports from laboratories accredited under ISO 17025, confirming compliance with hazardous substance specifications. FOXLINK conducts regular random sampling tests upon receipt of raw materials to verify compliance.</li><li>Product Hazardous Substance Testing Annually, products are sampled according to customer requirements and sent to external accredited laboratories for testing.</li></ul>	<ul style="list-style-type: none"><li>In 2023, a total of 39,926 raw material sampling tests were completed, all of which met the Company's standards.</li><li>In 2023, hazardous substance tests for all major products produced at all plants, as required by customers, were conducted and met relevant regulations, customer requirements, and company standards. The goal for 2024 is to achieve a 0% exceedance rate for hazardous substances in materials and products. Over the next five years, the aim is to consistently maintain a 0% exceedance rate for hazardous substances in materials and products.</li></ul>
	<ul style="list-style-type: none"><li>Management Review Biannual plant management review meetings are planned and executed to assess the achievement of annual hazardous substance management goals and to implement improvement measures</li></ul>	<ul style="list-style-type: none"><li>The progress of the Perfluoroalkyl substances (PFASs) replacement project is also reviewed. .</li><li>The objectives of internal and external system audits, supplier management, and compliance in incoming material inspections are to be achieved without exceedances.</li></ul>

### Green Supply Chain Management

As a global manufacturer in the electronics industry, the Group serves numerous global brands and possesses a network of suppliers worldwide. Therefore, facilitating the mutual growth of global supplier partners and achieving sustainable development in the supply chain is a significant responsibility of the Group. The Group's supplier management process operates on a cyclic mechanism consisting of four stages: guideline adherence, risk assessment, audit verification, and continuous improvement. Each year, supplier performance evaluations are conducted, focusing on areas where suppliers may be weak, and assistance is provided to facilitate improvements, thereby enhancing the effectiveness of supplier management.

### Supplier Governance Principles and Process Cycle Mechanism





Adherence to guidelines

The Company has established the "Green Procurement Procedure" and "Supplier Management Procedure" to guide supplier management across various business units. New suppliers undergo risk assessment and must sign a "Quality Commitment Letter" and an "Environmental Protection Statement" to confirm compliance with company standards. Currently, the Group has a total of 2,324 suppliers. The target signing rate for "Quality Commitment Letter" and "Environmental Protection Statement" is 100%, with an actual completion rate of over 92%. Suppliers who did not sign provided suitable alternatives, such as their own non-use declarations or customer-approved exemptions.

Plants	Taiwan	Dongguan	Kunshan	Xuzhou	Vietnam	India	Total
Number of Suppliers	6	1355	910	36	17	0	2324
Environmental Protection Statement	6	1255	846	31	16	0	2154
Environmental Protection Statement Signing Rates	100.00%	92.62%	92.97%	86.11%	94.12%	0	92.69%
Quality Commitment Letter	6	1265	847	31	16	0	2165
Quality Commitment Letter Signing Rates	100.00%	93.36%	93.08%	86.11%	94.12%	0	93.16%

Risk Assessment

The evaluation of new suppliers is a crucial part of the management system. Initial steps include collecting basic information from new suppliers and obtaining signed declarations. On-site evaluations of supplier quality and restricted substances management are conducted to assess and identify whether new suppliers meet company requirements and risk levels for effective control and regular audits. Suppliers assessed as high risk based on the "Material and Parts Risk Level Assessment Procedures" shall undergo enhanced monitoring and evaluation annually in accordance with document standards and customer requirements.





Annual Audit

To promote collaboration within the supply chain and verify their capability to provide green products, the Company annually develops a supplier audit plan based on supplier grades. These audits assess the quality systems and hazardous substance management systems of qualified suppliers to ensure their processes and products meet company standards. Based on the severity of deficiencies found, suppliers are required to provide improvement plans and measures within specified deadlines, which are then verified. For severe deficiencies, a re-audit is conducted. Suppliers who fail to improve within the given timeframe are removed from the qualified supplier list, and transactions are suspended.

In 2023, a total of 310 suppliers were audited across all facilities, with all identified deficiencies successfully rectified, achieving a 100% qualification rate.

Plants	Taiwan	Dongguan	Kunshan	Xuzhou	Vietnam	India	Total
Number of Suppliers Audited	10	183	78	39	0	0	310
Qualified Suppliers	10	183	78	39	0	0	310
Qualification Rate	100%	100%	100%	100%	0	0	100%

Supplier Performance Assessment

Each department conducts monthly and annual performance assessments for all suppliers, categorizing them into four grades: A, B, C, and D. A and B grades are considered qualified suppliers and continue business as planned. C grade suppliers are categorized as alternate suppliers and are required to undergo guidance for improvement. D grade suppliers are deemed unqualified, with their qualification revoked and transactions halted. In 2023, 100% of the suppliers across all units achieved a performance rating of B or above, meeting the Company's requirements in terms of quality, delivery, and cooperation.

Plants	Taiwan	Dongguan	Kunshan	Xuzhou	Vietnam	India
Annual Performance Evaluation Scores	96.36	96.51	98.61	97.5	99	0

### Customer Satisfaction Surveys

Customer trust is a core value of FOXLINK, emphasizing customer relationships and considering customer feedback and opinions as crucial foundations for continuous relationship development and improvement. To achieve and enhance customer satisfaction, FOXLINK conducts bi-annual customer satisfaction surveys, seeking feedback on various aspects including business practices, technology, quality, yield rate, manufacturing, customer relationships and service, and future demands. Through regular review, analysis, and appropriate improvement plans, FOXLINK aims to continuously deepen customer relationships by addressing and responding to complete customer needs. In 2023, the customer satisfaction survey covered all customer groups within the Group. A total of 323 customer satisfaction survey forms were distributed and collected across all facilities. At the Kunshan Plant, issues related to pricing and delivery schedules led to unsatisfactory results, prompting internal measures to improve and ensure meeting customer requirements in 2024.

Plants	Taiwan	Dongguan	Kunshan	Xuzhou	Vietnam	India
2021 Performance	93.05	96.8	98.83	97.35	0	0
2021 Plant Targets	85	93.66	98.69	96.58	0	0
2022 Performance	91.95	96.52	98.85	98.12	98.33	0
2022 Plant Targets	88	94.64	98.96	97.22	90	0
2023 Performance	92.5	97.46	98.11	98.27	96.04	0
2023 Plant Targets	90	95.71	99.11	97.74	91.5	0

# Appendix 1: GRI Content Index

Application	FOXLINK complied with GRI Standards in preparing the report for the period from January 1, 2023, to December 31, 2023.
GRI 1 applied	GRI 1: Basic 2021
GRI Applicable GRI Industry Standards	N/A

GRI Standards	Information Disclosed	Chapter	Page	Supplementary Notes	Omit
GRI 2: General Disclosures 2021					
1. The Organization and its Reporting Practices	2-1	Detailed information about the organization	ABOUT THE REPORT	3	
	2-2	Entities included in the sustainability report	ABOUT THE REPORT	3	No products or services are banned in specific markets. In response to operational adjustments at plants, the ESG report for 2023 includes the Vietnam Plant.
	2-3	Reporting period, frequency, and contact person	ABOUT THE REPORT	4	
	2-4	Information restated	ABOUT THE REPORT	3	
	2-5	External assurance/confirmation	ABOUT THE REPORT ESG Performance in 2023	4,7	Science Based Target initiative (SBTi) Carbon Disclosure Project (CDP) The Climate Pledge



GRI Standards		Information Disclosed	Chapter	Page	Supplementary Notes	Omit
GRI 2: General Disclosures 2021						
2. Activities and Workers	2-6	Activities, value chain, and other business relationships	Corporate governance	21~37		
	2-7	Employees	Building a Diverse and Inclusive Workplace	50~53		
3. Governance	2-8	Non-employee workers	Building a Diverse and Inclusive Workplace	50		
	2-9	Governance structure and composition	Corporate governance	26~27		
	2-10	Nomination and selection of the highest governance body	Corporate governance	28~29		
	2-11	Chair of the highest governance body	Corporate governance	28~29		
	2-12	Role of the highest governance body in overseeing impact management	Corporate governance	28~29		
	2-13	Person responsible for impact management	Corporate governance	28~29		
	2-14	Role of the highest governance body in sustainability reporting	Words of the Chairman	5~6		
	2-15	Conflicts of interest	Corporate governance	33~37		
	2-16	Communication of critical significant events	Corporate governance	28~30		

GRI Standards	Information Disclosed	Chapter	Page	Supplementary Notes	Omit
GRI 2: General Disclosures 2021					
3. Governance	2-17	Collective knowledge of the highest governance body	Corporate governance	29	
	2-18	Performance evaluation of the highest governance body	Corporate governance	29	
	2-19	Remuneration policies	Building a Diverse and Inclusive Workplace	55	
	2-20	Compensation determination process	Building a Diverse and Inclusive Workplace	55	
	2-21	Annual total compensation ratio	Building a Diverse and Inclusive Workplace	55	
4. Strategy, Policies, and Practices	2-22	Statement of sustainable development strategy	Words of the Chairman	5~6	
	2-23	Policy commitments	Words of the Chairman	5~6	
	2-24	Incorporation of policy commitments	Building a Diverse and Inclusive Workplace	48~49	
	2-25	Procedures for remedying negative impacts	Corporate governance	33~37	
	2-26	Mechanisms for seeking advice and raising concerns	Corporate governance	33~37	
	2-27	Compliance with laws and regulations	Corporate governance	33~37	
	2-28	Membership in associations	-		Taiwan Electrical and Electronic Manufacturers' Association Taipei Computer Association

GRI Standards		Information Disclosed	Chapter	Page	Supplementary Notes	Omit
GRI 2: General Disclosures 2021						
5.Stakeholder Engagement	2-29	Stakeholder Engagement Policy	Sustainable Development	10~12		
	2-30	Collective Bargaining Agreement	-		Confirm that each site has not signed a collective bargaining agreement	

GRI Standards		Information Disclosed	Chapter	Page	Supplementary Notes	Omit
Material Topics						
GRI 3: Material Topics 2021	3-1	Process for determining material topics	Sustainable Development	13~15		
	3-2	List of material topics	Sustainable Development	13~19		
Material Topic: Corporate Governance						
Governance Principles	3-3	Management of material topics	Corporate governance	24		
Material Topic: Financial Performance						
Governance Principles	3-3	Management of material topics	Corporate governance	24		
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Corporate governance	24		



GRI Standards		Information Disclosed	Chapter	Page	Supplementary Notes	Omit
Material Topic: Corporate Integrity						
Governance Principles	3-3	Process for determining material topics	Corporate governance	24		
	205-1	Operations assessed for risks related to corruption	Corporate governance	33~37		
GRI 205: Anti-Corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	Corporate governance	33		
	205-3	Confirmed incidents of corruption and actions taken	Corporate governance	36~37		
GRI 206: Anti-Competitive Behavior 2016	206-1	Legal actions against anti-competitive, anti-trust, and monopolistic behaviors	Corporate governance	33~35		
Material Topic: Information Security						
Governance Principles	3-3	Management of material topics	Corporate governance	38~40		
Material Topic: Supplier Management						
Governance Principles	3-3	Management of material topics	Responsible Supplier Management	108~109		
GRI 204: Procurement Practices 2016	204-1	Proportion of expenditures on local suppliers	Responsible Supplier Management	118		
GRI 308: Supplier Environmental Assessment 2016	308-1	Use of environmental criteria in selecting new suppliers	Responsible Supplier Management	112~114		
	308-2	Negative environmental impacts in the supply chain and actions taken	Responsible Supplier Management	115~117		

GRI Standards		Information Disclosed	Chapter	Page	Supplementary Notes	Omit
Material Topic: Supplier Management						
GRI 414: Supplier Social Assessment 2016	3-3	Process for determining material topics	Corporate governance	11~12		
	205-1	Operations assessed for risks related to corruption	Corporate governance	27~29		
Material Topic: Employee Rights and Pluralistic Equality						
Governance Principles	3-3	Management of material topics		48~49		
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Building a Diverse and Inclusive Workplace	56~57		
	401-2	Benefits provided to full-time employees (excluding temporary or part-time employees)	Building a Diverse and Inclusive Workplace	58~60		
	401-3	Parental leave	Building a Diverse and Inclusive Workplace	64		
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Building a Diverse and Inclusive Workplace	50~53		
	405-2	Ratio of basic salary and remuneration of women to men	Building a Diverse and Inclusive Workplace	55		

GRI Standards		Information Disclosed	Chapter	Page	Supplementary Notes	Omit
Material Topic: Employee Training and Practice						
Governance Principles	3-3	Management of material topics		48~49		
GRI 404: Training and Education 2016	404-1	Average hours of training per employee per year	Building a Diverse and Inclusive Workplace	75~76		
	404-2	Programs for skills upgrading and transition assistance for employees	Building a Diverse and Inclusive Workplace	77~78		
	404-3	Percentage of employees receiving regular performance and career development reviews	Building a Diverse and Inclusive Workplace	66		
Material Topic: Occupational Health and Safety						
Governance Principles	3-3	Management of material topics		79		
GRI 404: Training and Education 2016	403-1	Occupational health and safety management systems	Occupational health and safety	80~81		
	403-2	Hazard identification, risk assessment, and incident investigation	Occupational health and safety	80~81		
	403-3	Occupational health services	Building a Diverse and Inclusive Workplace	70~72		
	403-4	Involvement, consultation, and communication with workers on occupational health and safety	Occupational health and safety	86~87		
	403-5	Training of workers on occupational health and safety	Occupational health and safety	86~87		



GRI Standards		Information Disclosed	Chapter	Page	Supplementary Notes	Omit
Material Topic: Occupational Health and Safety						
GRI 404: Training and Education 2016	403-6	Promotion of worker health	Building a Diverse and Inclusive Workplace	70~72		
	403-7	Prevention and mitigation of occupational health and safety impacts directly related to business operations	Occupational health and safety	83		
	403-8	Workers covered by the occupational health and safety management system	Occupational health and safety	82		
	403-9	Occupational injuries	Occupational health and safety	83		
	403-1	Occupational diseases	Building a Diverse and Inclusive Workplace	71		
Material Topic: Climate Change and GHG Management						
Governance Principles	3-3	Management of material topics		93~94		
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Sustainable Environment	95~97		
	302-2	Energy consumption outside the organization	Sustainable Environment	95~97		
	302-3	Energy intensity	Sustainable Environment	95~97		
	302-4	Reduction in energy consumption	Sustainable Environment	95~97		
	302-5	Reductions in energy requirements of products and services	Sustainable Environment	95~97		

GRI Standards		Information Disclosed	Chapter	Page	Supplementary Notes	Ornit
Material Topic: Climate Change and GHG Management						
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Sustainable Environment	102		
	305-2	Energy indirect (Scope 2) emissions	Sustainable Environment	102		
	305-3	Other indirect (Scope 3) GHG emissions	Sustainable Environment	102		
	305-4	GHG emission intensity	Sustainable Environment	102		
	305-5	Reduction of GHG emissions	Sustainable Environment	102		
	305-6	Emissions of ozone-depleting substances (ODS)	Sustainable Environment	107		
	305-7	Emissions of nitrogen oxides (NOx), sulfur oxides (SOx), and other significant gases	Sustainable Environment	107		
Material Topic: Quality Management						
Governance Principles	3-3	Management of material topics	Quality Management	120		

Appendix 2: SASB Standards Comparison Table

Topic	Accounting Metric	Code	Category	Report Content or Description	Corresponding Chapter
Water Management	<div>1. Total water withdrawn</div> <div>2. Total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress</div>	TC-ES-140a.1	Quantitative	<div>1. The total water withdrawn is 2,918 tons.</div> <div>2. The total water consumed is 594 tons, and the percentage of each in regions with High or Extremely High Baseline Water Stress is 7.78%.</div>	Sustainable Environment Water Resource Management, P.104
Waste Management	Amount of hazardous waste from manufacturing, percentage recycle	TC-ES-150a.1	Quantitative	The amount of hazardous wastes is 1,506 tons.	Sustainable Environment Waste Management, P.106
Labor Practices	<div>1. Number of work stoppages</div> <div>2. Total days idle</div>	TC-ES-310a.1	Quantitative	<div>1. There was no employee strike or stoppage event in 2023.</div> <div>2. There were no idle days due to employee strike or stoppage events in 2023.</div>	-
Labor Conditions	Total recordable incident rate (TRIR) for direct employees and contract employees Near miss frequency rate (NMFR) for direct employees and contract employees	TC-ES-320a.1	Quantitative	<div>The total recordable incident rate (TRIR) for direct employees and contract employees was 0.59.</div> <div>The near miss frequency rate (NMFR) for direct employees and contract employees was 0.04.</div>	Occupational Health, Safety and Hygiene - Statistical Analysis of Disabling Injuries, P.84
	<div>1. Percentage of entity's facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by all facilities and high-risk facilities</div> <div>2. RBA VAP Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by all facilities and high-risk facilities</div>	TC-ES-320a.2	Quantitative	<div>1. 15% of facilities completed RBA VAP audits, with 0% classified as high-risk. Note: In 2023, a total of 2 plants completed the RBA audit.</div> <div>2. Since we currently only require suppliers to establish a social responsibility management system without RBA certification, we are unable to provide completion rates and information on high-risk situations at this time.</div>	-




Topic	Accounting Metric	Code	Category	Report Content or Description	Corresponding Chapter
Labor Conditions	<div>1. Non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent for priority non-conformances and other non-conformances, broken down for the entity's facilities and the entity's Tier 1 supplier facilities</div> <div>2. Associated corrective action rate for priority non-conformances and other non-conformances, broken down for the entity's facilities and the entity's Tier 1 supplier facilities</div>	TC-ES-320a.3	Quantitative	<div>1. The non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent for priority non-conformances and other non-conformances of the entity's facilities was 0% and 100%, respectively. Since we currently only require suppliers to establish a social responsibility management system without RBA certification, we cannot yet provide the proportion of non-conformities and other non-compliant issues.</div> <div>2. The corrective action rate for other non-conformances at the entity's facilities was 100% (no major non-conformity occurred in own plants). Since we currently only require suppliers to establish a social responsibility management system without RBA certification, we are unable to provide the proportion of corrective measures.</div>	-
Product Lifecycle Management	Weight of end-of-life products and e-waste recovered, percentage recycled	TC-ES-410a.1	Quantitative	FOXLINK produces non-final consumer products for its clients on the basis of OEM. The final lifecycle of products, such as scrapping, recycling service and recycling weight shall be determined by the clients.	-

Topic	Accounting Metric	Code	Category	Report Content or Description	Corresponding Chapter
Material Sourcing	Description of the management of risks associated with the use of critical materials	TC-ES-440a.1	Discussion and Analysis	<p>The Group takes cooperation, reliability and green procurement as the key points to carry out corresponding projects with its supplier.</p> <p>The Group does not accept suppliers using conflict minerals. In 2023, investigations into conflict minerals were completed for 367 suppliers, achieving a response rate of 100%, with no violations found during the investigations.</p>	Responsible Supplier Management, P. 108~109

Accounting Metric	Category	Code	Report Content or Description
Number of manufacturing factories	Quantitative	TC-ES-000.A	About 13 production sites
Area of manufacturing facilities	Quantitative	TC-ES-000.B	Approximately 8,839,042.77 ft <sup>2</sup>
Number of employees	Quantitative	TC-ES-000.C	26,381 employees

Appendix 3: Third-party External Assurance



**Independent Assurance Statement**

CHENG UEI PRECISION INDUSTRY CO., LTD's 2023 SUSTAINABILITY REPORT

AFNOR GROUP was established in 1926. We are the National Standardization Body of France, a permanent council member in ISO and one of the leading certification bodies in the world. This verification work was carried out by AFNOR ASIA LTD., a subsidiary of AFNOR GROUP. All the members of the verification team have professional backgrounds and have accepted AA1000 AS, AFAQ 26000, ISO 9001, ISO 14001, ISO 14064, ISO 45001, ISO 50001, and other sustainability-related international standard trainings. All assigned verifiers have been approved as the lead auditors or verifiers. AFNOR GROUP hereby provides a summary of CHENG UEI PRECISION INDUSTRY CO., LTD's Sustainability Report of 2023 (hereinafter referred to as "the Report") but was not involved in any way in its preparation.


AFNOR GROUP and CHENG UEI PRECISION INDUSTRY CO., LTD (hereinafter referred to as "FOXLINK") are independent entities. AFNOR ASIA LTD., was commissioned by FOXLINK to conduct the assessment and assure the Sustainability Report of 2023 was in accordance with AA1000 Assurance Standard (v3) and the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards).


**SCOPE**

CHENG UEI PRECISION INDUSTRY CO., LTD is responsible for reporting fairly on the economic, environmental and social aspects of operating activities and performance in Taiwan and overseas operating bases in sustainability reports in accordance with the declared sustainability reporting standards.

AFNOR Asia is responsible for:

1. Evaluating the accordance of the Report with the Type 1 of AA1000 Assurance Standard (v3) based on the AA1000 Accountability Principles (2018). The reliability verification of the revealed sustainability performance information and data was not included. The verification scopes include sustainability issues, response mechanism, performance information, management systems of information, and the processes of materiality evaluation and stakeholder participation.
2. In accordance with the GRI Standards, we verified the statement options and material topics disclosed in the report compiled by FOXLINK.





**Independent Assurance Statement**

CHENG UEI PRECISION INDUSTRY CO., LTD's 2023 SUSTAINABILITY REPORT

AFNOR GROUP was established in 1926. We are the National Standardization Body of France, a permanent council member in ISO and one of the leading certification bodies in the world. This verification work was carried out by AFNOR ASIA LTD., a subsidiary of AFNOR GROUP. All the members of the verification team have professional backgrounds and have accepted AA1000 AS, AFAQ 26000, ISO 9001, ISO 14001, ISO 14064, ISO 45001, ISO 50001, and other sustainability-related international standard trainings. All assigned verifiers have been approved as the lead auditors or verifiers. AFNOR GROUP hereby provides a summary of CHENG UEI PRECISION INDUSTRY CO., LTD's Sustainability Report of 2023 (hereinafter referred to as "the Report") but was not involved in any way in its preparation.


AFNOR GROUP and CHENG UEI PRECISION INDUSTRY CO., LTD (hereinafter referred to as "FOXLINK") are independent entities. AFNOR ASIA LTD., was commissioned by FOXLINK to conduct the assessment and assure the Sustainability Report of 2023 was in accordance with AA1000 Assurance Standard (v3) and the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards).


**SCOPE**

CHENG UEI PRECISION INDUSTRY CO., LTD is responsible for reporting fairly on the economic, environmental and social aspects of operating activities and performance in Taiwan and overseas operating bases in sustainability reports in accordance with the declared sustainability reporting standards.

AFNOR Asia is responsible for:

1. Evaluating the accordance of the Report with the Type 1 of AA1000 Assurance Standard (v3) based on the AA1000 Accountability Principles (2018). The reliability verification of the revealed sustainability performance information and data was not included. The verification scopes include sustainability issues, response mechanism, performance information, management systems of information, and the processes of materiality evaluation and stakeholder participation.
2. In accordance with the GRI Standards, we verified the statement options and material topics disclosed in the report compiled by FOXLINK.





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verification, we adhere to the principle of fairness and issue a statement on the global sustainability reporting standards followed by the organization.

In our opinion, the information and data presented in the Report by FOXLINK provides a fair and balanced representation. We believe the focuses on economic, social, and environmental matters in FOXLINK in 2023 are well represented.

**ASSURANCE LEVEL**

In accordance with the AA1000 Assurance Standard (v3), we verified this assurance statement corresponding to a moderate level. The scope and methods are as described in this statement.

**LIABILITY**

This assurance statement is intended for the use of CHENG UEI PRECISION INDUSTRY CO., LTD only. AFNOR is not responsible for any other uses. Our responsibility is only based on the scope and methodology described, and to provide stakeholders an independent assurance statement.

For and on behalf of AFNOR :



Patrick Ni  
The Director for Certification and Assessment  
Jun.26.2024



**AA1000**  
Licensed Report  
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