



2023

SUSTAINABILITY REPORT SUMMARY CHENG UEI PRECISION INDUSTRY

Sincerity / Foresight / Responsibility



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.

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.



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





ESG Performance in 2023

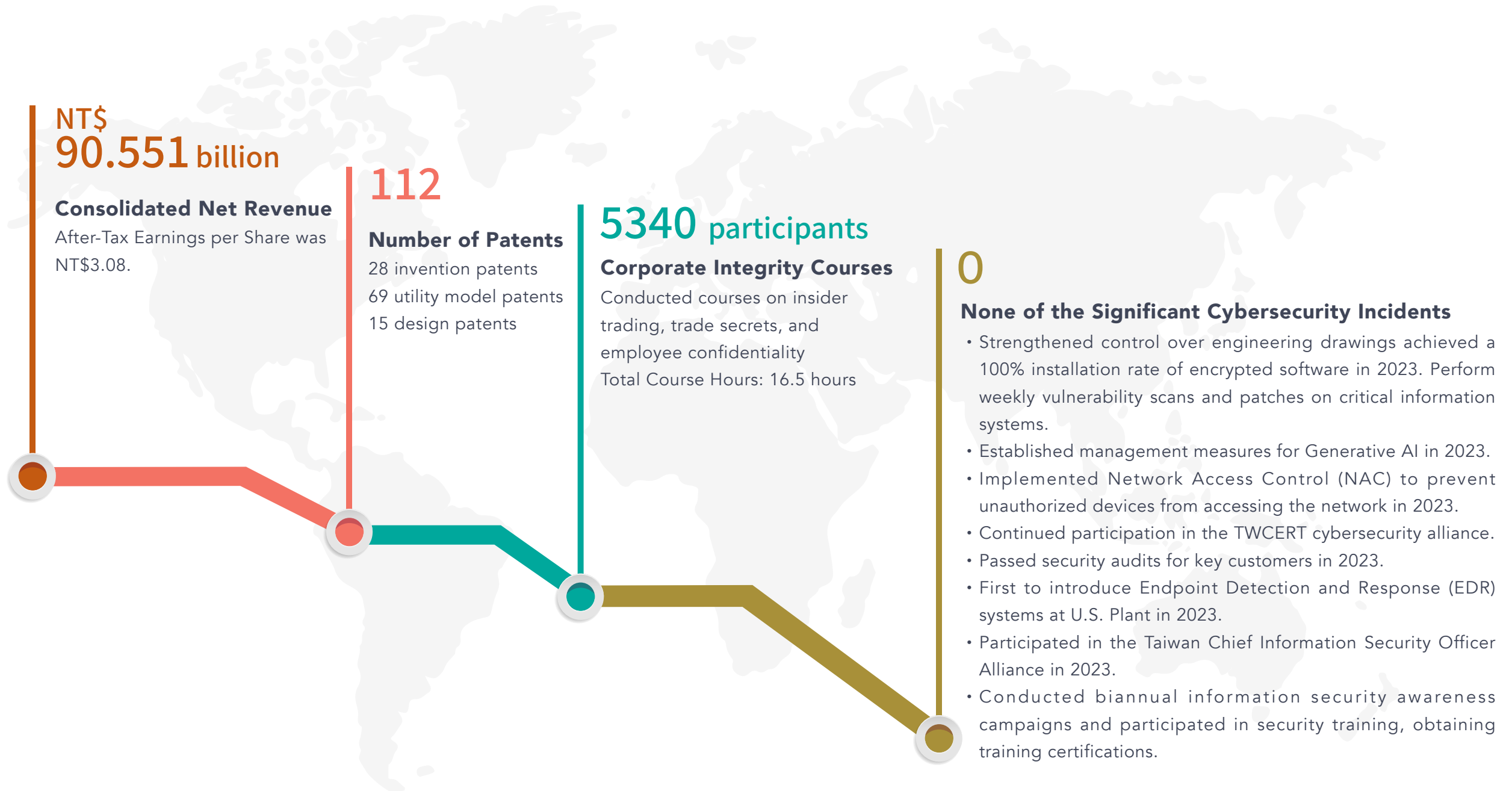
Aspect	Performance
Environment	<ul style="list-style-type: none">Signed the Climate Pledge in 2023, committing to achieve net-zero emissions by 2040.Implemented the Carbon Disclosure Program (CDP) and elevated GHG surveys to a management level.Ranked in the top 100 for carbon competitiveness by Business Weekly.Achieved an energy saving target of 8.73%, surpassing the 4.72% goal compared to the baseline year of 2023.In 2023, the Group utilized renewable energy for 54.88% of its total energy consumption.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.The Fudong Plant in Dongguan completed its certification for clean production in 2023.
Social	<ul style="list-style-type: none">The Fudong Plant in Dongguan and the Kunshan Plant obtained the RBA certificate of the silver grade.The Fuqiang Plant in Dongguan passed the BSCI audit.No occupational disease occurred in the Group in 2023.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%.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.
Governance	<ul style="list-style-type: none">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.The Group had no violations of economic, social, or environmental regulations resulting in fines in 2023.



SDGs of the United Nations

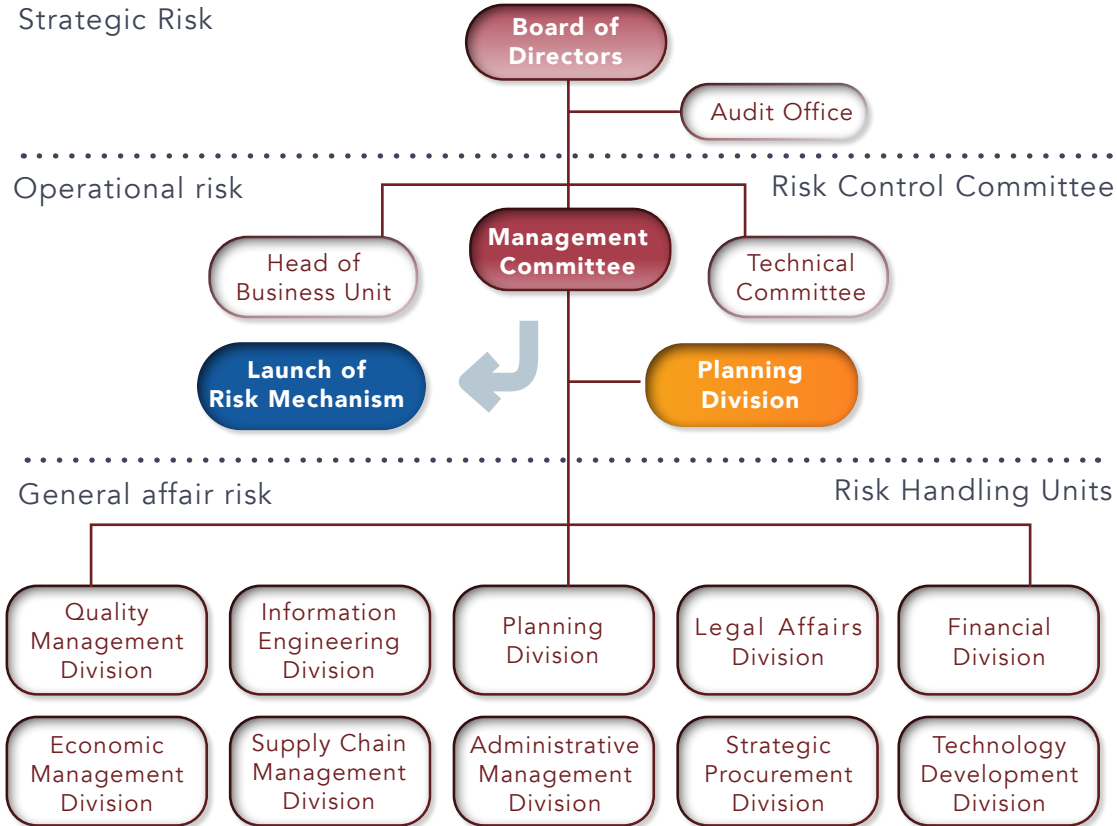
In line with the United Nations' 17 Sustainable Development Goals (SDGs), FOXLINK responds to and demonstrates performance on seven identified material topics related to the SDGs. The SDGs provide a global framework for sustainable development, and aligning the Company's practices with these goals helps 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	<p>7 AFFORDABLE AND CLEAN ENERGY</p> <p>Ensure affordable, reliable and sustainable modern energy for all.</p>	Sustainable Environment	<p>Establish an effective energy management system.</p> <ul style="list-style-type: none"> In 2023, the Group set an energy-saving target of 4.72% and achieved an energy-saving performance of 8.73%. In 2023, the Group utilized renewable energy for 54.88% of its total energy consumption.
	<p>13 CLIMATE ACTION</p> <p>Implement comprehensive mitigation and adaptation actions to address climate change and its impacts.</p>	Sustainable Environment	<p>Proactively addressing climate change with adaptation and mitigation measures</p> <ul style="list-style-type: none"> Elevated the GHG questionnaire to management level. Signed the Climate Pledge in 2023, committing to net-zero emissions by 2024. 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.
Social	<p>4 QUALITY EDUCATION</p> <p>Ensure inclusive, equitable, and quality education, and promote lifelong learning opportunities for all.</p>	Building a Diverse and Inclusive Workplace	<p>Established a dedicated learning platform, expanding diverse and flexible learning resources and channels:</p> <ul style="list-style-type: none"> A total of 107,645 individuals received training, accumulating 215,958 hours of training.
	<p>5 GENDER EQUALITY</p> <p>Achieve gender equality and empower all women.</p>		<p>Achieving workplace equality</p> <ul style="list-style-type: none"> The proportion of female executives is 31%, higher than the 27% target set for 2023.
	<p>8 DECENT WORK AND ECONOMIC GROWTH</p> <p>Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.</p>		<p>Compliance with Regulations, Risk Reduction; Disease Prevention, Continuous Improvement</p> <ul style="list-style-type: none"> The Dongguan Plant upgraded its fire control systems with a total expenditure of approximately NT\$41,637,600. The Fudong Plant in Dongguan and the Fugang Plant in Kunshan obtained the RBA certificate of the silver grade. In 2023, the Group organized 275 evacuation drills and occupational safety and health training sessions, with a total participation of 65,398 individuals.
Governance	<p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p> <p>Foster peace, justice, and strong institutions.</p>	Corporate governance	<p>Adhere to Code of Corporate Integrity</p> <ul style="list-style-type: none"> 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.
	<p>17 PARTNERSHIPS FOR THE GOALS</p> <p>Strengthen partnerships to achieve these goals.</p>	Responsible Supplier Management	<p>Development of Sustainable and Long-term Supply Chain Value</p> <ul style="list-style-type: none"> The Group completed waste reduction, carbon emission inventory, and clean energy certification surveys for 200 key suppliers.



Risk Management

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.



Information Security Threats

- Conduct annual information security risk assessments.
- Strengthen control over engineering drawings.
- Perform weekly vulnerability scans and patches on critical information systems.

Risk of Financial Changes

- Closely monitor exchange rates to avoid profit and loss impacts from fluctuations
- Mitigate the effects of inflation on raw material prices.
- Maintain financial flexibility by managing interest rate risks.

Energy and Carbon Reduction Response

- Enhance energy efficiency.
- Develop a timeline and pathway for achieving carbon neutrality.
- Establish measures to address climate change and natural disasters.

Human Rights Issue Risks

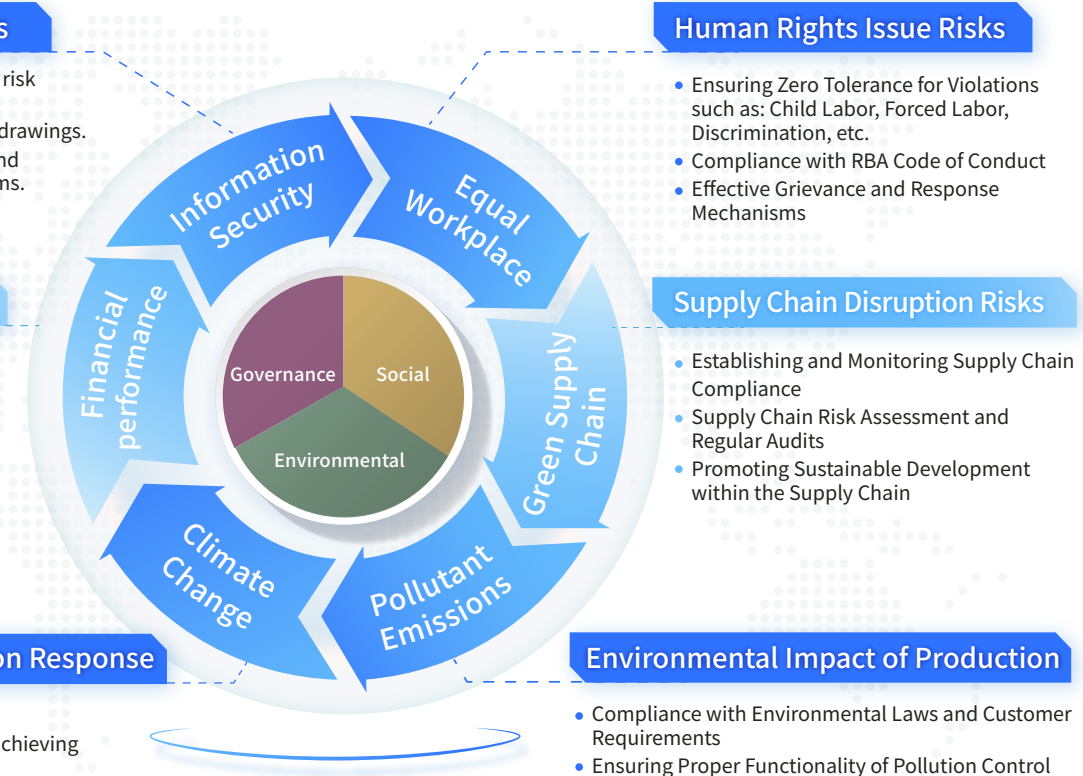
- Ensuring Zero Tolerance for Violations such as: Child Labor, Forced Labor, Discrimination, etc.
- Compliance with RBA Code of Conduct
- Effective Grievance and Response Mechanisms

Supply Chain Disruption Risks

- Establishing and Monitoring Supply Chain Compliance
- Supply Chain Risk Assessment and Regular Audits
- Promoting Sustainable Development within the Supply Chain

Environmental Impact of Production

- Compliance with Environmental Laws and Customer Requirements
- Ensuring Proper Functionality of Pollution Control Equipment
- Hazardous Substance and Management



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

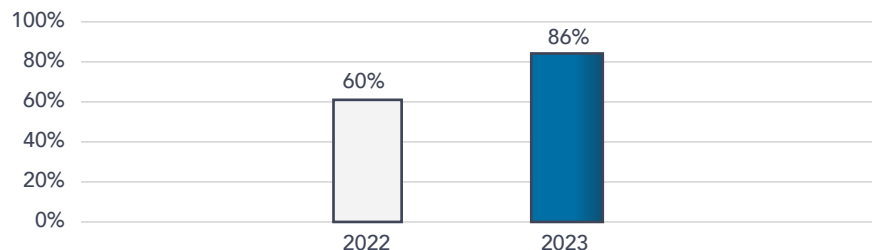
Execution Management & KPIs	2023 Goal Achievements	Short-term Goals	Long-Term Action Plan
ESG Key Supplier Survey Returns	Conducted waste reduction, carbon footprint inventory, and clean energy certification investigations for 200 key transactional suppliers.	Achieve 100% return rate for surveys from 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	1. Conduct regular internal sustainability qualification briefings within the supply chain every year 2. Organize external sustainability procurement seminars with professional qualifications annually
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	1. Conduct online seminars on supplier carbon reduction strategies. 2. Digitally manage and compile supplier carbon emission information.

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.

We will simultaneously increase the proportion of recycled materials used. For instance, in our processes, such as our use of gold salt, the ratio of recycled materials to raw materials is 1:3. This initiative 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.

Local Procurement Ratio



Commitments Signed by New Material Suppliers



Supplier CSR Risk Assessment



Commitment to Not Using Illegal-Conflict Minerals





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. Develop a green supply chain to minimize the use of hazardous substances from the source.

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.

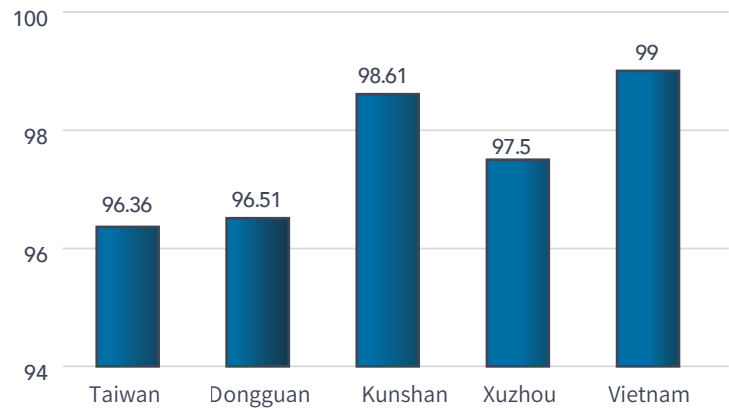
Plants	Taiwan	Dongguan	Kunshan	Xuzhou	India	Vietnam
ISO9001 Certification	●	●	●	●	●	●
QC 080000 Certification		●	●	●		●
IATF 16949 Certification	●	●		●		
ISO13485 Certification		●				
ISO17025 Certification		●				

Supplier Quality Audits

	Taiwan	Dongguan	Kunshan	Xuzhou	Total
Number of Audits	10	183	78	39	310
Qualification Rate	100%				

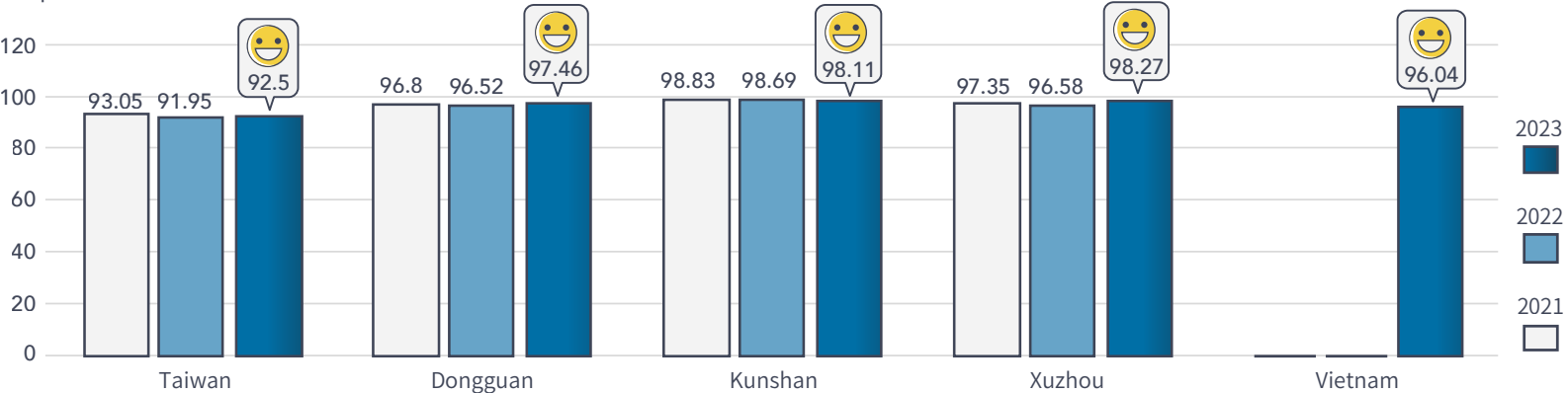
Supplier Performance Assessment

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 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.



Customer Quality Satisfaction Surveys

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.



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.



New Supplier Requirements



Contract Signing



Collection of Basic Information



Risk Assessment



Regular Audits

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.



Education Training

Total Participants: 107,645 persons
Total Training Hours: 215,958 hours
Satisfaction Score: 4.65

→ Average Training Hours per Person: 8.1 hours
Management Employees: 18.84 hours
General Employees: 7.63 hours

Global Population Distribution

Total Employees: 26,381 persons
→ Regular employees: 22,995 persons
Contracted employees: 3,386 persons

→ Proportion of Male Employees: 59.2%
Proportion of Female Employees: 40.8%

→ Proportion of Management Employees: 10%
Proportion of Female Managers: 31%

Occupational Safety and Health

- 0 occupational disease incidents
- The number of occupational injury incidents decreased by 51% compared to 2022.
- We invested over NT\$41.63 million in upgrading plant safety equipment.
- In 2023, the Group conducted a total of 275 safety drills and training sessions, with a total of 65,398 participants.

Social Participation

- In 2023, we invited the employees to participate in sustainable marine culture exploration and beach cleaning activities.
- We promoted the development of the film industry and enhanced employees' leisure and cultural activities by distributing approximately NT\$2.5 million in movie tickets.
- In 2023, the affiliated companies, Central Motion Picture and Deepwaters, invested NT\$54 million to shoot the Taiwanese series "Breeze by the Sea" in Kinmen, showcasing Taiwan's stunning island scenery and rich cultural heritage.
- We were recognized as an Outstanding Blood Donation Company by the Taipei Blood Center of the Taiwan Blood Services Foundation.

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



Installation of AEDs



Installation of fire sprinkler systems



Replacement of power lines

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.

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.

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		





Energy Management

8.73%

Energy Consumption
per NT\$10,000 Output
(Reduction Rate)

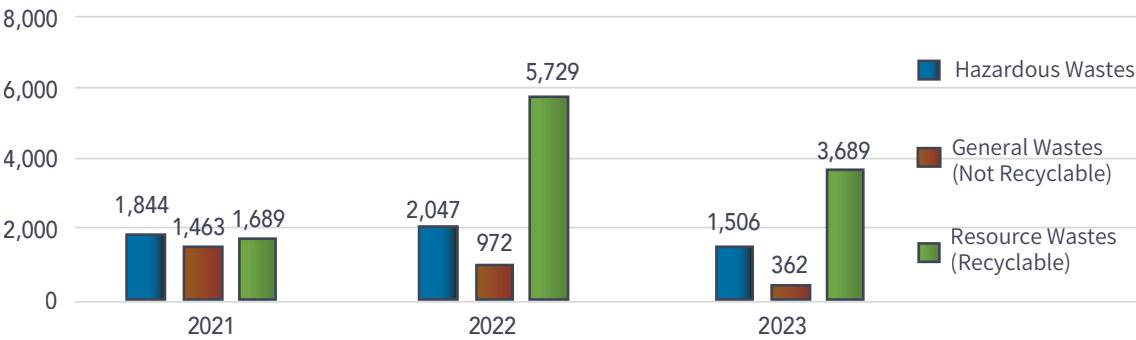
Compared to the baseline year of 2021

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)	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

Waste Management

36.48%

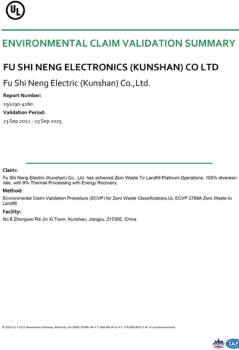
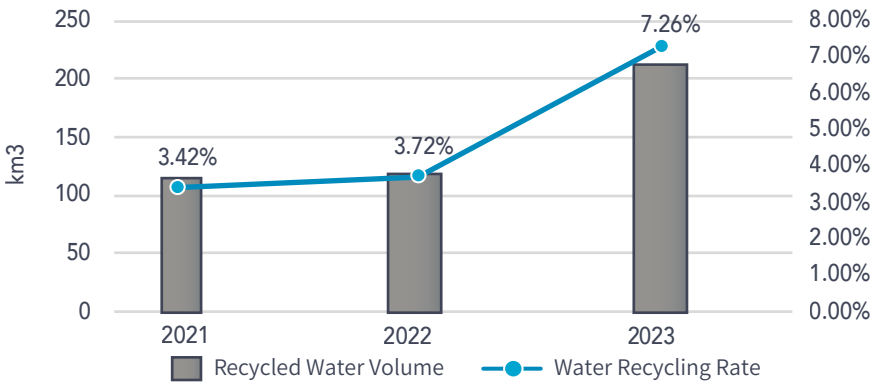
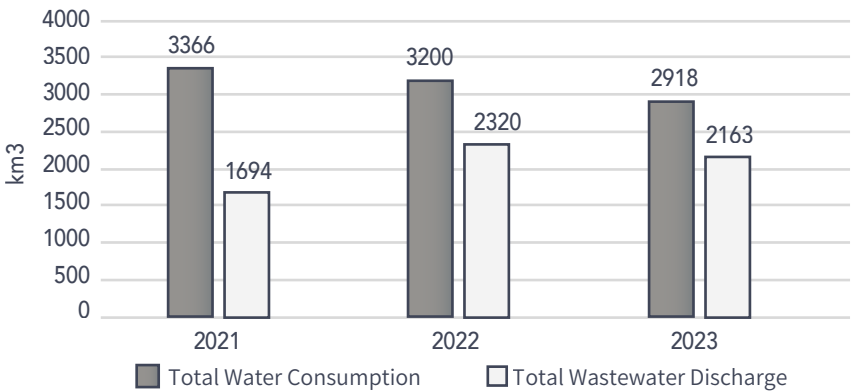
Waste Conservation Rate



Water Resource Management

7.26%

Water Recycling Rate



GHG Emissions

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%

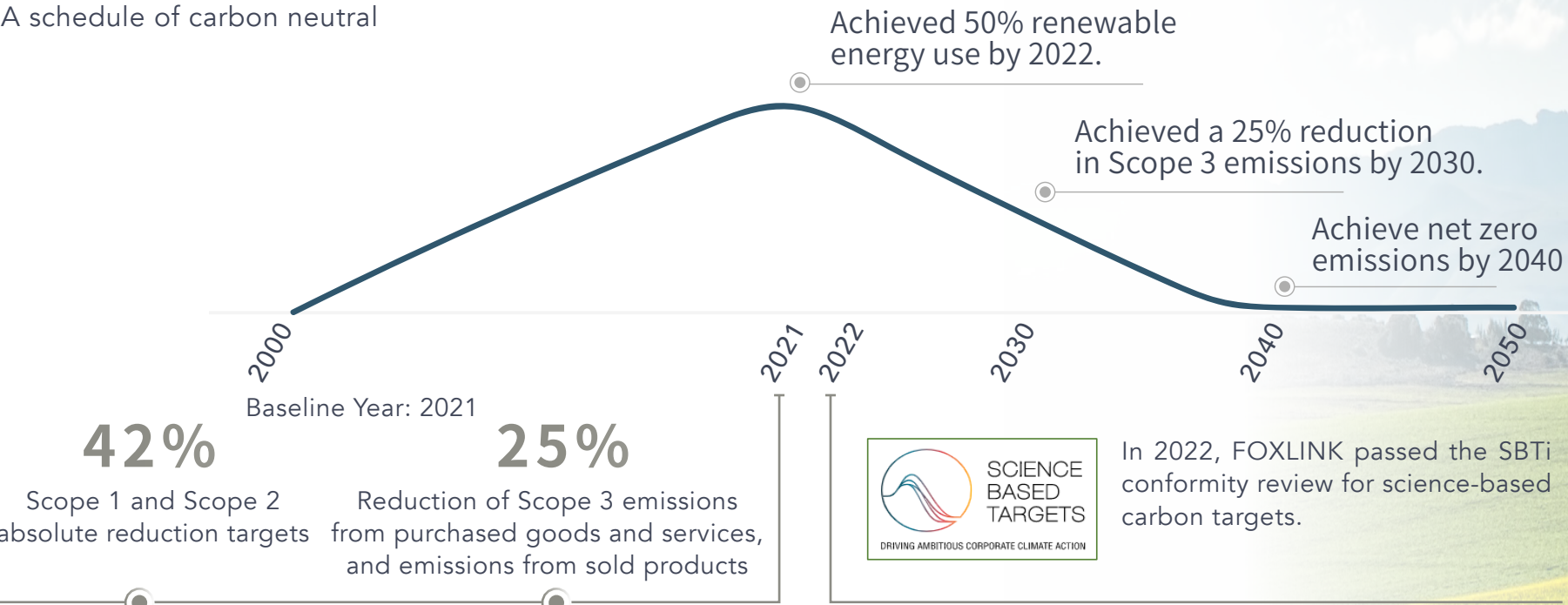
Reduction from 2021 to 2023
Scope 3
Decreased by 53.30%

In 2023, FOXLINK's total GHG emissions (Scope 1 + Scope 2 / Market-Based) amounted to 113,323 tons CO₂e/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.

FOXLINK's Carbon Reduction Pathway

A schedule of carbon neutral



Energy Management

In 2022, the Company systematically managed its energy consumption through the introduction of the ISO 50001 Energy Management System and third-party verification, to identify the risks and opportunities for reducing energy consumption and improving energy efficiency. The Taiwan headquarters participated in the Energy Conservation Performance Guarantee Plan of the Bureau of Energy), the Ministry of Economic Affairs, under which the Company will invest NTD 44.17 million (including about NTD 8.83 million to be subsidized by the Ministry of Economic Affairs) to establish an energy management system in the four factories in Taiwan to effectively monitor the energy consumption, replace the chilling main engine to improve energy efficiency, replace the cooling water pump to optimize the capacity, and replace the LED lighting fixtures. This project can achieve an annual electricity saving of 1.86 million KWH, with an overall energy conservation efficiency of 46.6%. The factories in Dongguan started the self-built rooftop solar power station project, with an area of 31,600m², which is expected to increase the renewable energy by 4.35 million KWH in 2023. At the beginning of each year, the Group sets energy conservation targets for the year and communicates them to each business unit. In 2022, the Group achieved an equipment energy conservation of 2.79%, and the proportion of renewable energy used in production was 63.6%. Through the implementation and certification of the energy management system, the energy saving and carbon reduction work was carried out effectively and systematically. The Company will carry out key energy conservation work, and implement technology improvement and process optimization, equipment transformation and replacement, and construction of renewable energy power generation facilities, to fulfill its social responsibilities for green management.

ESG Performance Summary in 2023

Aspect	Topic	Responding Chapter	Key Indicators	Performance in 2023
Governance	Corporate Governance	Governance Operations	Number of the Board of Directors	9
			Number/Proportion (%) of Independent Directors	4/44
			Number of Board Meetings/Board Meeting Attendance (%)	7/95
			Number of Remuneration Committee Meetings/Remuneration Committee Meeting Attendance (%)	2/100
			Number of Audit Committee Meetings/Audit Committee Meeting Attendance (%)	4/100
			Number of Corporate Governance and Sustainable Operation Committee Meetings/Corporate Governance and Sustainable Operation Committee Meeting Attendance (%)	2/100
	Financial Performance	Basic Information	Consolidated Net Revenue (NT\$ thousand)	90,550,764
			After-Tax Net Profit (NT\$ thousand)	1,457,132
	Corporate Governance	Intellectual Property Management Plan	Global Patent Numbers in 2019-2023	660
			2023 Patent Bonus Distribution (NT\$ ten thousand)	446.8
	Supplier Management	Responsible Supplier Management	New Suppliers Certified ISO9001 and ISO14001 (%)	100
			New Suppliers Signing the Social Responsibility Commitments (%)	89
			New Suppliers Signing the Conflict-Free Mineral Commitments (%)	91
			New Suppliers Signing the Environmental Protection Statement (%)	87
			New Suppliers Signing the Quality Commitments (%)	87
			Number of Key Trading Suppliers in Sustainability Qualification Investigation	200
			Number of Suppliers in CSR Risk Assessment	603
			Number of Suppliers in CSR On-Site Assessment	126
			Number of Suppliers in Conflict Minerals Investigation	367
			Local Procurement in China and Taiwan (%)	86

Aspect	Topic	Responding Chapter	Key Indicators	Performance in 2023
Social	Employee Rights and Pluralistic Equality	Employee Overview	Number of Employees Worldwide	26,381
			Proportion of Female Employees (%)	40.8
			Proportion of Female Management Personnel (%)	31
		Talent Recruitment and Retention	Average Monthly Turnover Rate (%)	10.3
			Number of Professional Promotions	1,124
		Employee Welfare and Employee-employer Relation	Number of Managerial Promotions	492
			Reinstatement Rate of Parental Suspension (%)	91
	Employee Training and Practice	Education Training	Total Participants	107,645
			Total Training Hours	215,958
			Average Training Hours per Person	8.1
	Occupational Health and Safety	Occupational Health and Safety	Number/Proportion of ISO45001 Certified Sites (Sites/%)	5/83
			Total Recordable Incident Rate for Direct Employees and Contract Employees (%)	0.59
			Total Near Miss Frequency Rate for Direct Employees and Contract Employees (%)	0.04
			Number of Safety Drills/Training Sessions	275
			Number of Participants in Safety Drills/Training Sessions	65,398
			Number of Occupational Disease Incidents	0
			Number of Significant Occupational Accidents	0

Aspect	Topic	Responding Chapter	Key Indicators	Performance in 2023
Environment	Climate Change and GHG Management	Energy Management	Number/Proportion of ISO14001 Certified Sites (Sites/%)	6/100
			Number/Proportion of ISO14064 Certified Sites (Sites/%)	5/83
			Number/Proportion of ISO50001 Certified Sites (Sites/%)	3/50
			Number/Proportion of UL2799 Certified Sites (Sites/%)	3/50
			Total Energy Consumption (KJ)	1,075,083,242,907
			Proportion of Production Using Renewable Energy (%)	54.88
		Climate Change and GHG Management	Direct GHG Emissions and Removals (Scope 1) (metric ton of CO ₂ equivalent)	5,982
			Indirect GHG Emissions from Imported Energy (Scope 2/Location-Based) (metric ton of CO ₂ equivalent)	177,755
			Indirect GHG Emissions from Imported Energy (Scope 2/Market-Based) (metric ton of CO ₂ equivalent)	107,341
			Other indirect GHG Emissions (Scope 3) (metric ton of CO ₂ equivalent)	640,008
		Water Resource Management	Total Water Usage (km ³)	2,918
			Total Water Consumption (km ³)	594
			Total Water Recycling Rate (%)	7.26
		Waste Management	Hazardous Wastes (tons)	1,506
			General Wastes (Not Recyclable)	362
			Resource Wastes (Recyclable)	3,689
	Quality Management	Quality Management	Number/Proportion of ISO9001 Certified Sites (Sites/%)	6/100
			Number/Proportion of QC080000 Certified Sites (Sites/%)	4/66
			Number/Proportion of IATF16949 Certified Sites (Sites/%)	3/50
			Number/Proportion of ISO13485 Certified Sites (Sites/%)	1/17
			Number/Proportion of ISO17025 Certified Sites (Sites/%)	1/17
			Signing Rate of the Environmental Protection Statement (%)	93
			Signing Rate of the Quality Commitments (%)	93
			Number of Suppliers in Quality On-Site Assessment	310
			Customer Satisfaction Surveys (%)	96



Sincerity / Foresight / Responsibility