

FOXLINK 2022

SUSTAINABILITY REPORT CHENG UEI PRECISION INDUSTRY (FOXLINK)

Sincerity/ Foresight/Responsility

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About the report

Cheng Uei Precision Industry Co., Ltd. (hereinafter referred to as Cheng Uei Group, FOXLINK and the Company) has issued the CSR Report since 2016, which has upgraded to the Sustainability Report in 2022. This report takes the five chapters of [Corporate Governance and Sustainable Operation], [Building a Diverse and Inclusive Workplace], [Occupational Health and Safety], [Sustainable Environment] and [Responsible Supplier Management] as the main axis to disclose the sustainable operation results of Cheng Uei Group in 2021 to stakeholders. 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, it is structured in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) and prepared in accordance with the Sustainability Accounting Standards issued by the Sustainability Accounting Standards Board (SASB). The economic data disclosed in this report comes from the consolidated financial statements contained in 2022(111) annual report of the Company, expressed 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 financial data in the report are presented in New Taiwan Dollars; 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 disclosed in the report comes from the results of FOXLINK's own statistics and surveys, and is presented by international common indicators. If there is any estimation, it will be noted in the relevant chapter; in case of changes in historical data due to the expansion of the scope of disclosure or external verification, a statement shall also be made in the report.

The information disclosed in this report covers the period from January 1, 2022 to December 31, 2022. Cheng Uei Group, excluding its subsidiaries, has 14 operating and R&D sites. This report covers the main production sites in Taiwan (Zhongshan Plant, Dingpu Plant, DU Plant, Minquan Plant and Taichung Science Park Plant), Dongguan (Fudong and Fuqiang), Kunshan (Fugang, Fushineng and Fushijin), Xuzhou and India, Maanshan Plant was not covered by this report due to business adjustment, as compared with the report of 2021.

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: June 2022

Current version: June 2023

Next version: June 2024

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 Sustainable 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 AA1000V3 Type-1 Moderate Assurance.

Aspect	Certification / Verification Items	Certification / Verification Institutions
Governance	Financial Data	PWC Taiwan
Environment	ISO 14001:2015 Environmental Management System ISO 50001:2018 Energy Management System QC080000 Hazardous Substance Process Management System ISO 14064-1:2018 Greenhouse Gas Inventory Standards UL2799 Zero Waste to Landfill Certification	Each factory is individually verified by a third party.
Society	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

Since the outbreak of COVID-19, the economies of countries around the world have faced serious challenges, causing unstable supply chains, indirectly causing the prices of raw materials and transportation costs to rise continuously, and deepening the inflationary pressure. Meanwhile, the risk of international geopolitical and military conflicts was increasing, and it was affected by the Russia-Ukraine war in 2022, which impacted the production and consumption activities in the global economy. In the face of various difficulties and challenges, FOXLINK continued to invest in governance, environmental and social aspects to enhance its sustainable operation, and achieved growth which was driven by component manufacturing and channels, with smooth supply and production and stable profit in the year, the revenue of 2022 was NTD 94.103 billion.

Faced with the risks and opportunities brought by global climate change, FOXLINK actively joined the international initiatives to move towards green and low-carbon development. In 2021, FOXLINK submitted a commitment on carbon reduction target for temperature rising below 1.5°C to the Science Based Targets initiative (SBTi), which was approved by SBTi in 2022. FOXLINK continues to promote its performance in energy conservation and carbon reduction through long-term effects, such as autonomic energy conservation, self-generation and self-use of solar energy, and purchase of green electricity or certificates. As the team responsible for energy conservation and carbon reduction, the Environmental Sustainability Sub-team reports to the Board of Directors every six months to explain the requirements, trends and response directions of brand customers, and continuously analyzes and controls the adaptation and mitigation of greenhouse gases. The Group's climate management level and performance were improved by participating in the Carbon Disclosure Project (CDP) supply chain survey, and disclosing information on greenhouse gases, energy consumption and water resources. As energy conservation and carbon reduction have been international consensuses, the green energy industry has become one of the



industries necessary to develop in all countries, it has a promising prospect. Therefore, in addition to investing in Taiwan subsidiary SHINFOX ENERGY to engage in green energy services, the Company expanded its green energy related businesses to American market this year, and established a production base in Phoenix, Arizona to produce gre en energy related products. In the coming future, the Company plans to set up charging stations and energy storage facilities for electric vehicles and electric campus buses in California, to expand the investment in the green energy industry and strengthen the future growth momentum.

Adapting to social and environmental changes, creating sustainable operation opportunities through the risk of changes, connecting with international standards, governance regulations and customer requirements, responding to carbon reduction targets, expanding greenhouse gas inspection scope, implementing the energy management system, and supporting the Task For ce on Climate-related Financial Disclosures (TCFD) and Responsible Business Alliance (RBA) certification. Adhering to the business perspective as follows: Ba sed on core competencies of tooling, forming, secondary processing and automation, and by integrating technologies of materials, mechanics, electronics, optics, acoustics, energy, manufacturing, and product development, we leverage global resources in sale service and supply-chain management to timely provide top-quality products to our customers. We exploit market demands in consumer electronics, information, communications and automotive sectors and incorporate digital contents, environmental preservation and energy conservation to create customer value. Upon the principles of sincerity, foresight and responsibility, we set the go al to surpass ourselves continuously and collaborate in team to deliver the best results. To achieve the goal of sustainable operation, and to work with stakeholders towards sustainable development.



Chairman，Cheng Uei Precision Industry Co., Ltd.



ESG Performance in 2022

Aspect	Performance
Environment	■ The Company passed the compliance review conducted the Science Based Target initiative (SBTi) in 2022. ■ The factories in Dongguan, Xuzhou and Kunshan in mainland China purchased the renewable energy certificates of 22,705Mwh in 2022. The factories in Taiwan obtained the renewable energy rights of 28Mwh by additional agreements for direct power purchase, and the factory in India purchased the renewable energy certificates of 8,760Mwh. ■ The factories in Dongguan and Kunshan obtained the UL2799 (Zero Waste Landfill) certificate of the highest grade (platinum grade), and the factory in Xuzhou obtained the certificate of the gold grade. ■ Kunshan plant obtained the ISO50001 certificate. ■ To implemented the Carbon Disclosure Program(CDP) and disclosed its information on greenhouse gases and water resources.
Society	■ Fudong Plant in Dongguan and the Kunshan plant obtained the RBA certificate of the silver grade. ■ No occupational disease occurred in the Group in 2022.
Governance	■ FOXLINK obtained 157 patents in 2022, including 31 invention patents, 107 new patents and 19 design patents respectively. ■ The Group was not fined for violating economic and social regulations.



ENVIRONMENTAL CLAIM VALIDATION SUMMARY

Dongguan Fuqiang Electronics Co., Ltd.

Dongguan Fuqiang Electronics Co., Ltd. (Phase 1 & 3)



ENVIRONMENTAL CLAIM VALIDATION SUMMARY

FUGANG ELECTRONIC (DONGGUAN) CO LTD

FUGANG ELECTRONIC (DONGGUAN) CO LTD



ENVIRONMENTAL CLAIM VALIDATION SUMMARY

Fugang Electric (XUZHOU)Co.,Ltd

Fugang Electric (XUZHOU) Co., Ltd.



Responsible Business Alliance

Recognition that

Fugang Electronic(Dong Guan)Co., Ltd

Completed the RBA Validated Audit Process, achieving SILVER Status without any priority findings, earning a score of 174.2

Validated Audit Report: VAR-20220704-CN-01B02-4
Audit date: July 04, 2022
Certificate issue date: July 27, 2022
Expiration date: September 24, 2023



Responsible Business Alliance

Recognition that

Fugang Electric (Kunshan) Co., Ltd

No. 6, Zhangwei West Road, Jinxi Town, Kunshan City, Jiangsu Province , Kunshan, Jiangsu, 215324 China

Completed the RBA Validated Audit Process, achieving SILVER Status without any priority findings, earning a score of 170.5

Validated Audit Report: VAR-20220602-CN-01B02-2
Audit date: June 2, 2022
Certificate issue date: June 25, 2022
Expiration date: August 18, 2023

Robert P. Ledner
CEO, RBA

Company Profile

Basic Information

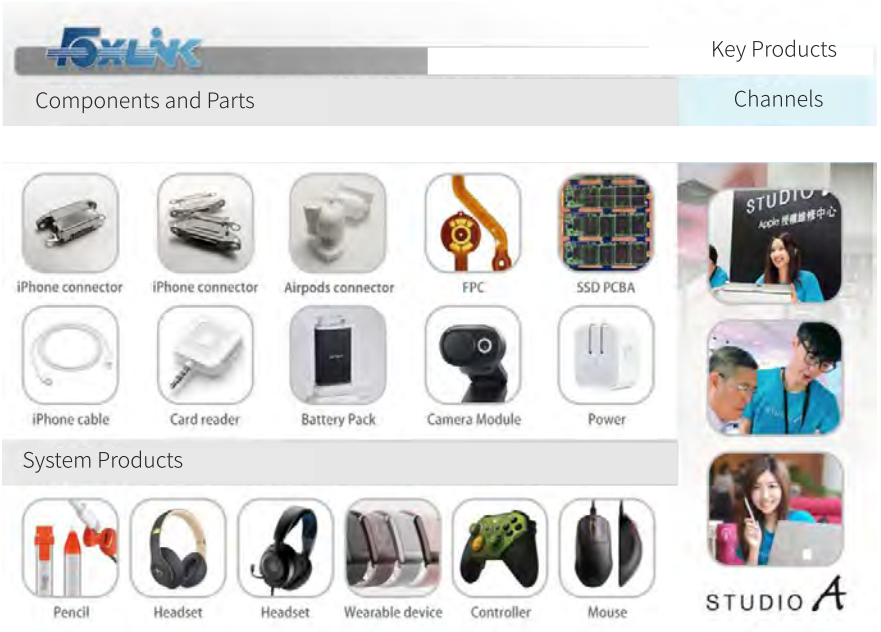
Company Name	Cheng Uei Precision Industry Co., Ltd. (hereinafter referred to as the Group)
Company Code	Stock Code 2392
Date of incorporation	July 14, 1986
Paid-in Capital	NTD 5.1 Billion
Main Products	Connectors, modules, FPC and other components, bluetooth/headset, mouse, gaming controller and other accessories, smart watches/ bracelet, air quality detectors, bicycle power auxiliary control units and other system products.
Number of Employees Worldwide	28,531 (by Dec 31, 2022)
Headquarters	No.18 Zhongshan Road, Tucheng District, New Taipei City, Taiwan
Revenue in 2022 (NTD)	NTD 94.103 Billion

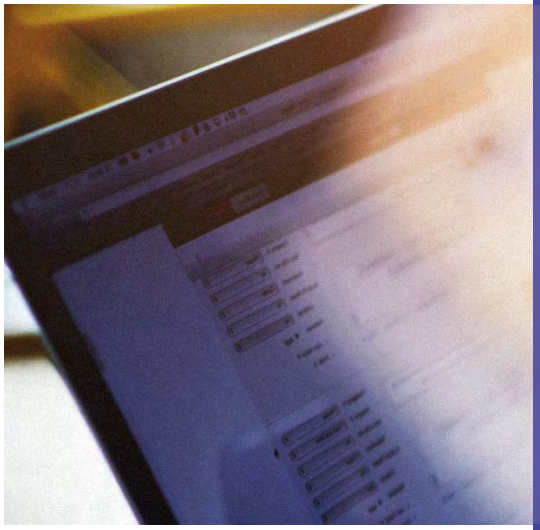


Product Service

Cheng Uei Group constantly seeks to improve the process technology, develop the wireless technologies of mold 4.0, 5G and WiFi6, integrate and establish the 360 degree dynamic panoramic suture technology, develop the bone recognition/eye tracking technology, and provide customers with high-quality consumer electronics, information, communication, automotive and other products. Among them, the Top 3 in terms of business proportion are systems and peripheral products (48%), 3C parts and components (34%) and retail channels (18%). The main products are sold in the United States (31.4.30%), the mainland (29.10%) and Taiwan (29.10%).

The Group is moving towards Industry 4.0 by combining its advantages in management capability, Internet of things, cloud, data analysis and automation technologies. It strengthens remote monitoring management, establishes TPS real-time production mode, fully builds an automated production system, and provides customers with fast and comprehensive product development and manufacturing services. In order to meet all customer needs, FOXLINK's OEM/ODM team carries out projects and puts forward application solutions or technical support for single parts and components as well as complex assembly and integration on a case by case basis, and uses 24-hour R&D and manufacturing services to provide customers with creativity and services, so as to ensure that products can be accurately completed in the shortest time fr om sample to formal production and get to market as early as possible. The Company uses the product cycle management system to control and deploy product development, cost, quality and time in order to shorten the product development period and achieve the cost reduction target, this allows the Company to maintain the economic advantages of mass production scale despite the constant challenge of providing a wide range of highly customized products.





Financial Information

The revenue of 2022 is NTD 94.103 billion, the operating margin is NTD 12.094 billion with an annual growth of 20.8%, the net profit after tax is NTD 1.522 billion with an annual growth of 39.5%, and the earning per share is NTD 3.14 with an annual growth of 2.53%. Good results in 2022.

Unit: NTD Million

Year	Revenue	Operating Margin	Net profit After tax	EPS
2022	94,103	12,094	1,522	3.14
2021	86,800	9,575	921	1.9
2020	89,552	9,773	1,967	4.06

Notes: For more information of the Group's operating performance, please refer to the Group's 2022 Annual Financial Report.

Corporate Governance and Sustainable Operation

Material Topics

Corporate Governance, Risk Management, Corporate Integrity, and Financial Performance

Business Perspective

Based on core competencies of tooling, forming, secondary processing and automation, and by integrating technologies of materials, mechanics, electronics, optics, acoustics, energy, manufacturing, and product development, we leverage global resources in sale service and supply-chain management to timely provide top-quality products to our customers. We exploit market demands in consumer electronics, information, communications and automotive sectors and incorporate digital contents, environmental preservation and energy conservation to create customer value. Upon the principles of sincerity, foresight and responsibility, we set the goal to surpass ourselves continuously and collaborate in team to deliver the best results.

Short-term Goals (2023)	Medium & Long-term Goals
1. Implement the management related to the security of assets. 2. Prevent and improve identified significant risk exposures and critical bottlenecks. 3. Establish and implement data management and gain reliability	1. Deepen and improve the corporate governance and risk management system. 2. Increase risk diversification for business performance sustainable long-term development. 3. Implement the maintenance of shareholders' rights and sustainable management.

Business Principles

Sincerity: Simple, Practical, Trustworthy

Keeping promises is an important value to establish long-term relationships with customers and suppliers, and we take the creation of long-term benefits for all parties as our thinking orientation.

Foresight: Tolerant and Forward-looking

The use of technological innovation, and the accumulation of actual experience, the continuous pursuit of self-transcendence and the accumulation of achievements make the company become a leader in the high-tech industry.

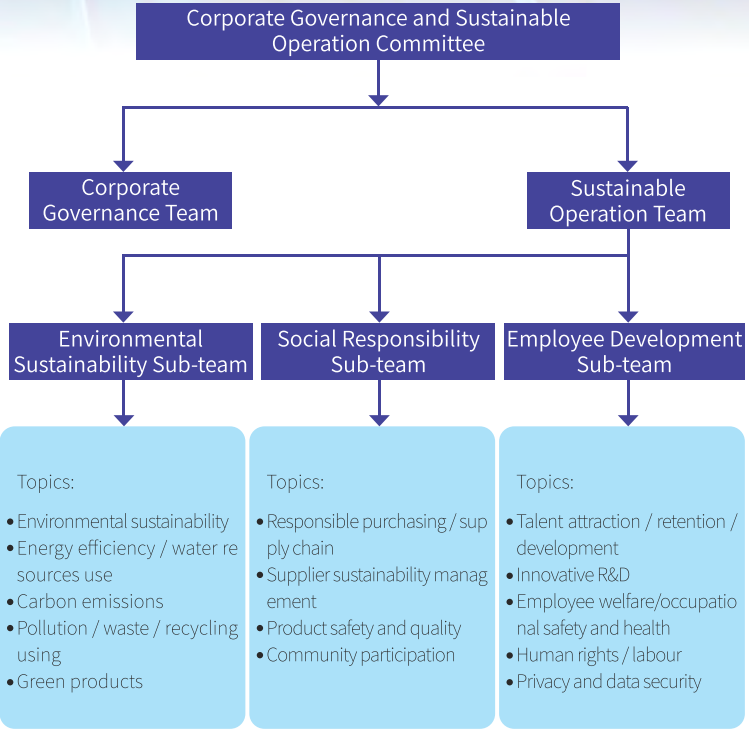
Responsibility: Dedicate and Pragmatic

The Company has a complete and consistent operation system, from capital, technology human resources, cooperation, to planning, and from implementation to assessment, to perform well in all functions and the result of such joint efforts create the core competitiveness of the Company.



Corporate Governance and 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 regularly tracks and evaluates the progress and effectiveness of their implementation, and report to the Board of Directors every six months on material topics, implementation, communication with stakeholders, and short, medium and long-term development strategies. The latest report was made in December 2022 to the Board of Directors on the various plans of the Company Governance and Sustainable Operation Committee and their implementation.



Engagement and Communication of Stakeholders

Under the five principles of the AA1000 Stakeholder Engagement Standard (AA1000 SES), i.e. responsibility, dependence, influence, diverse perspectives and tension, the members of the Corporate Governance and Sustainable Operation Committee and the sustainable operation team window in each business unit assess the significance of stakeholders and identify the stakeholders through meetings, the stakeholders identified as having a significant impact on operation are divided into 8 categories, such as shareholders/investors, employees, customers, suppliers, governments, communities, non-profit organizations and media. In order to strengthen communication with stakeholders, the Group has established a variety of communication channels with all stakeholders to listen to various voices and understand the expectations of stakeholders on FOXLINK, the Group timely responds to the concerns of all stakeholders and regularly interacts with all stakeholders through communication channels such as open information station, official website, financial reports and annual sustainability reports. The stakeholder significance analysis, communication channels, communication frequency and communication records are shown in the table below.

Stakeholder	Importance to FOXLINK	Topics concerned	Communication Channels	Communication Frequency and Records
Shareholders / investors	Any global investment legal person who has invested or has the intention to invest in the Group will achieve sustainable operation through honest operation and sound supervision mechanism.	Corporate governance Risk management Corporate integrity Financial performance	General meeting	Once a year. Annual report / Proceedings
			Company official website	Once a month / quarter. The "investment relationship" is disclosed on the Company's website, providing financial information, stock price information and activity information.
			Open information observing station	Unscheduled. The open information observing station shall disclose statements and information.
			Official website / annual report / announcement	Unscheduled. Set up a spokesman system to provide a dialogue and contact window between legal person investment institutions and companies.

Stakeholder	Importance to FOXLINK	Topics concerned	Communication Channels	Communication Frequency and Records
Employee	The core of upward development of the Group's business is the competitive and high-quality employees.	Corporate integrity Employee rights and pluralistic equality Employee training and practice Occupational health and safety	Employee-employer meeting	Once a quarter. Deal with the problems reflected by employees and business units, and effectively resolve employee-employer conflicts.
			Business unit communication meeting	Hold a business unit communication meeting at least once a month to understand the needs of the Business Division and optimize the operation in both directions.
			Opinion survey / satisfaction survey	An employee symposium and line leader exchange meeting shall be held once a month, and a front-line employee interview shall be held four 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	Unscheduled. E-bulletin board, WeChat official account, billboard of education and training system and company email.
			Complaint and consultation channel	1.Special business units and personnel are set up to receive complaints through face-to-face inquiry, phone call, SMS and WeChat. 2.There are employee complaint handling measures and a special e-mail box. Employees (who may appeal anonymous) can choose appropriate communication management to express their opinions according to their requirements.

Stakeholder	Importance to FOXLINK	Topics concerned	Communication Channels	Communication Frequency and Records
Clients	Provide with rapid and comprehensive product development and manufactur-ing services to clients, and continuous-ly synchronize energy conservation, car-bon reduction and sustainability issues with clients to improve client satisfacti-on.	Risk management Corporate integrity Supplier management Employee rights and pluralistic equality Employee training and practice Occupational health and safety Climate change and greenhouse gas management	BU of the company visit clients.	Customer visit records / meeting minutes
			Carry out client satisfaction survey regularly.	Once a year. Customer satisfaction survey form
			Reply to client CSR questionnaire and accept client reviewing.	Various survey forms / questionnaires
			Disclose performance and supplier ESG management to clients.	Once a year. Sustainability Report
			Cooperate with clients' environmental, CSR and product audits, and coordinate continuous improvement and prevention.	Once a year. Meeting minutes
Suppliers	In addition to providing raw materials, suppliers pay attention to material topics and operational risks together with FOXLINK, and jointly build sustainable development with FOXLINK.	Corporate integrity Supplier management	Supplier CSR audit to confirm the implementation status of suppliers.	Once a year. Supplier evaluation record
			Sign the supplier's CSR report and the environmental protection and occupational safety declaration.	Once for each supplier Supplier's CSR Report Supplier's environmental protection, occupational health and safety declaration

Stakeholder	Importance to FOXLINK	Topics concerned	Communication Channels	Communication Frequency and Records
			Conflict minerals data are collected regularly.	Once for each supplier Supplier's Commitment of Mineral Conflict-Free
			Hazardous substances and quality inspection.	Once a year Environmental protection statement / hazardous substance management audit and evaluation form
Governments	Actively follow the regulations and requirements of the local government of each operation site, and maintain a good interactive relationship with the local government.	Corporate governance Risk management Financial performance	Maintain good interaction with competent authorities.	Unscheduled. E-mail / document records
			Actively participate in public hearings and seminars on laws and regulations held by the competent authority.	Unscheduled. Application documents for participation in the seminar
Communities	Though the establishment of a communication mechanism with the community, enhance the positive impact on the surrounding communities. Take the promotion of corporate social responsibility as the reference for the improvement of sustainable work.	Risk management Climate change and greenhouse gas management	Interact with the residents through the irregular activities organized by the mercy club.	Unscheduled. Club activity records
			Gather volunteers to serve the community.	Unscheduled. Volunteer activity records
			The special department responsible for handling appeals in the factory campus.	Unscheduled. Company internal and external communication records

Stakeholder	Importance to FOXLINK	Topics concerned	Communication Channels	Communication Frequency and Records
Media	Maintain good interaction with the media and real-time interaction with relevant information, to help stakeholders publicly obtain correct company information and continue to consolidate the Company's image.	Corporate governance Financial performance Climate change and greenhouse gas management	Establish a spokesman system to provide media communication channels	Issue operation related press releases Media PR hotline and mailbox acceptance Media interview and inquiry (instant)
NGO	Respond to the issues concerned by non-profit organizations, communicate and cooperate for the issues concerned by non-profit organizations, and enhance the positive value of FOXLINK.	Corporate integrity Supplier management Climate change and greenhouse gas management	Accepted by the CSR Department	Unscheduled. Company internal and external communication records

FOXLINK set up a special area for stakeholders on its official website (https://www.foxlink.com/利害關係人專區/), which provides an opinion mailbox and a contact window for stakeholders to communicate. If there are suggestions or questions on topics of concern, they may communicate and appeal directly. In 2022, there were no environmental, social, customer and other complaints from external channels, and only a few comments and reactions on economy, society and public welfare were received, which have been reported to the relevant responsible business units and have been evaluated to prepare an improvement plan. Internal employees may consult and communicate through complaint hotline, WeChat account, suggestion box and other channels. In addition to the above channels, they may also directly respond to department heads, human resources departments, audit departments, etc.

Identification of Material Topics

The sustainability report of FOXLINK analyzes the material topics according to the reporting principles under the GRI standards. It identifies the material topics based on the four principles of sustainability, significance, completeness and inclusiveness, proposes the a matrix of material topics through the two-dimensional ranking of "degree of impact on governance, environment and society" and "degree of concern of stakeholders", and delimits the data collection boundary for the sustainability report through three steps of identification, analysis and confirmation, so as to inspect the performance of the sustainable operation and achieve continuous improvement of the sustainable operation.

Step 1 Identification

Based on the GRI Standards, the United Nations Sustainable Development Goals (SDGs), material topics of the industry and the annual goals of the Group, 18 topics related to governance, society and environment were summarized.

Aspect	Topics	Aspec	Topics	Aspec	Topics
Governance	Corporate governance	Society	Talent attraction and retention	Environment	Energy management
	Risk management		Employee rights and pluralistic equality		Climate change and greenhouse gas management
	Financial performance		Employee training and practice		Water resource management
	Corporate integrity		Occupational health and safety		Waste management
	Compliance with laws and regulations		Social participation		Hazardous substance management
	Innovative R&D				
	Information security and customer privacy				
	Supplier management				

Step2 Analysis

By issuing and collecting questionnaires, the Company analyzes the degree of concern of stakeholders on sustainability topics. The members of the Sustainable Operation Team evaluate the impact of material topics on governance, environment and society, and give 1-4 points according to the degree of concern, which are classified into no concern, general concern, minor concern and high concern. A total of 58 questionnaires were collected in 2022.

Step 3 Confirmation

According to the number of questionnaires collected, the topics on governance, environment and society are classified into material topic, minor topic and general topic according to the degree of concern of shareholders and the degree of impact on governance, environment and society.

After identification and analysis, the material topics in the matrix are: corporate governance, risk management, corporate integrity, supplier management, employee rights and pluralistic equality, employee training and practice, occupational health and safety, climate change and greenhouse gas management.

After the above identification procedures, the material topics in 2022 are such 9 topics that have a high degree of concern from stakeholders and a high degree of impact on economy, environment and society in the matrix, 4 of which are SASB material topics. The boundary of the material topics is described as follows:

Aspect	Material Topics in 2022	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	Company Profile		●	▲	▲	○	○		○
	Risk management	Self-definition	Non-material topics	Corporate Governance and Sustainable Operation		●	▲	▲	○	○		○
	Corporate integrity	GRI 205 GRI 206	Non-material topics	Corporate Governance and Sustainable Operation		●	▲	▲	○			

Aspect	Material Topics in 2022	GRI Standards	SASB	Responding Chapter	Upstream	Operation Process		Downstream	Other Stakeholders			
					Suppliers	Employees	Shareholders/ investors	Clients	Governments	Communities	NGO	Media
	upplier managemen	GRI 308 GRI 414	TC-ES-320a.2 TC-ES-320a.3	Responsible Supplier Management	○	●						
	Financial performance	GRI 201	Non-material topics	Company Profile	○	●	▲	▲				
Society	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		●					▲	
Environment	Climate change and greenhouse gas management	GRI 302 GRI 305	Non-material topics	Sustainable Environment		●	▲	▲			▲	

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

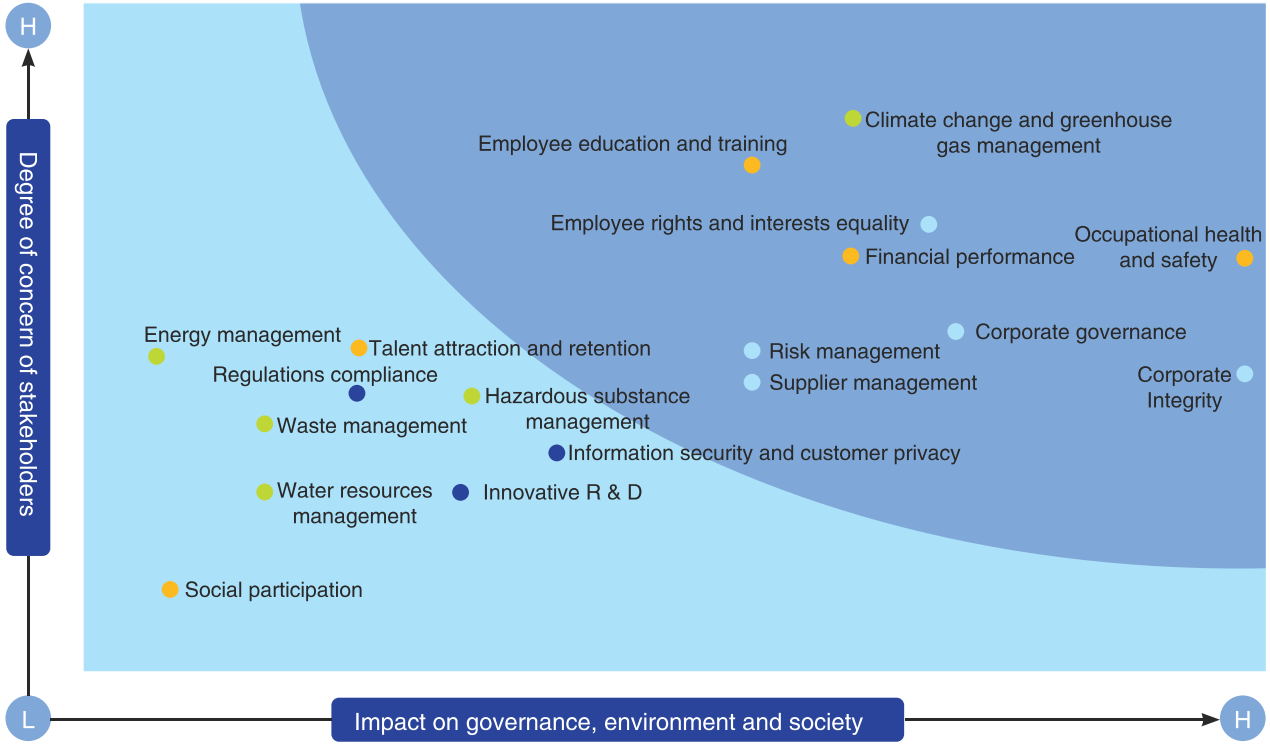
Management of major themes, actions to prevent or mitigate potential negative impacts, and actions to manage actual and potential positive impacts:

Aspect	Material Topics in 2022	Impact or Influence on Operation	Mitigation Measures / Response Policies
Governance	Corporate governance	The establishment of a good corporate governance will effectively protect the rights and interests of all stakeholders.	Strengthen the functions of the Board of Directors, regularly convene the meeting of each functional committee and report to the Board of Shareholders, enhance information transparency, and protect the rights and interests of stakeholders, in accordance with the requirements of domestic and foreign laws and regulations.
	Risk management	Face operational and strategic risks, avoid shutdown and disruption of operation due to natural disasters, cyber security, epidemic, etc.	Develop various operational measures and emergency response management measures, and take regular/irregular response drills for possible incidents, to ensure rapid recovery of operation capabilities when an incident occurs.
	Corporate integrity	Show the value of the Company and establish the integrity culture, corporate integrity is essential to achieve the sustainable operation of the Company.	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.
	Supplier management	Improve the standards and requirements of suppliers, drive suppliers to jointly introduce recycled materials, jointly respond to international initiatives or certifications, and enhance suppliers' awareness and positive response to ESG issues.	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.
	Financial performance	The price increase of raw materials, shortage of workers and COVID-19 result in higher operating costs and an adverse impact on financial performance.	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.

Turn to the next page

Society	Employee rights and pluralistic equality	Employees are an important cornerstone for the sustainable operation and growth of the Company, and key talents are an important strategic resource for the Company. The balanced development of human resources can be regarded as a positive impact on sustainable development.	Comply with local labor regulations, RBA Code of Conduct and relevant international conventions. Provide colleagues harmony and equality in the workplace, and then create the Company's operating performance.
	Employee training and practice	A good talent cultivation policy is an important cornerstone for the sustainable operation of the Company. The establishment of the breadth and depth of employee training and practice and the effective increase of knowledge bring a positive impact on operation.	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	Providing a healthy and safe workplace and environment enables employees to work with peace of mind, and help the Company to improve its operating performance and standards, and realize the social responsibilities of the Group.	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.
Environment	Climate change and greenhouse gas managemen	Impact of climate disasters on operation Production interruption due to extreme climate may lead to shut down and damage of equipment / factory to increase operating costs. Impact of net zero emission Medium-term risk: increased costs of renewable energy, raw materials and energy consumption as a derivative of the transition to a low-carbon economy. Long-term risk: fuel/energy taxes or carbon taxes, trend of net zero emission, and long-term difficulty in obtaining renewable energy	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.




H
Degree of concern of stakeholders
L
Impact on governance, environment and society
H
Climate change and greenhouse gas management
Employee education and training
Employee rights and interests equality
Occupational health and safety
Financial performance
Corporate governance
Energy management
Talent attraction and retention
Risk management
Regulations compliance
Supplier management
Corporate Integrity
Hazardous substance management
Waste management
Information security and customer privacy
Water resources management
Innovative R & D
Social participation

In 2022, FOXLINK responded to the United Nations Sustainable Development Goals (SDGs) as the following:

As a global operating enterprise, Cheng Uei Group, in accordance with the 17 Sustainable Development Goals (SDGs for short) jointly initiated by the United Nations, integrates the three aspects of governance, human rights and environment from the perspective of sustainable operation, and echoes the 8 United Nations Sustainable Development Goals (SDGs).

SDGs	Corresponding Topics	Performance in 2022
 Ensure health and promote the well-being of all age groups, eradicate AIDS, tuberculosis, malaria and neglected tropical diseases, and combat hepatitis, water-borne diseases and other infectious diseases.	Risk management	● No major infectious diseases occurred in all factories.
 Ensure inclusive and equitable quality education and provide lifelong learning opportunities for all.	Employee development, and education and training	● The Group has set up multiple learning platforms and configured general knowledge courses, professional skills training, operation and management training, and other courses for different groups and learning needs. The total number of education and training hours is 231,336 hours, and the total number of trainees is 28,364. ● The Group provided 34 new promoted supervisor courses, 45 regular sessions for senior officers above assistant manager level, and 19 professional R&D courses.
 Ensure affordable, reliable and sustainable modern energy for all.	Climate change and greenhouse gas management	● The Company passed the compliance review conducted the Science Based Target initiative (SBTi) in 2022, under which FOXLINK has committed to reducing Scope 1&2 absolute emissions by 42% in the target year 2030, compared with the base year 2021. ● The factories in Dongguan, Xuzhou and Kunshan in mainland China purchased the renewable energy certificates of 22,705Mwh in 2022. The factories in Taiwan obtained the renewable energy rights of 28Mwh by additional agreements for direct power purchase, and the factory in India purchased the renewable energy certificates of 8,760Mwh.

Turn to the next page

 Achieve gender equality and empower all women and girls	Employee rights and pluralistic equality	● The proportion of female officers in FOXLINK is 45.6%, higher than the target of 25%, and it was energetic to create diversity and equal opportunities for employee. ● There are internal anti-discrimination and anti-harassment mechanisms to fully guarantee the work rights of female employees. ● The Group banned child labor in accordance with the RBA Standards.
 Protect the rights and interests of workers and promote the safety of the working environment, including migrant workers, especially women, and workers who perform dangerous work. Or other status.Employment and economic growth Increase the capacity of the economy through diversification, technological upgrading and innovation, including focusing on high value-added and labor-intensive industries.	Occupational health and safety	● The main production bases have completed the ISO45001 certification in 2022. ● In 2022, the Group held 86 drills related to fire evacuation, chemical leakage, food poisoning and elevator entrapment, with a total of 48,811 person-time.
	Corporate governance	● With the growth of manufacturing business and the input in capacity automation, the Group's revenue in 2022 is NTD 94.103 billion.
 Peace and justice system Substantially reduce all forms of corruption and bribery.	Corporate integrity	● In 2022, 51,623 new employees and 172 new suppliers have 100% completed the publicity and implementation of anti-corruption policies.
 Global partners Improve policy coherence to achieve sustainable development.	Supplier management	● In 2022, 95% of newly appraised material suppliers have signed the “Supplier’ s Commitment of Social Responsibility” and the “Commitment of Mineral Conflict-Free” of Cheng Uei Group. ● In 2022, a total of 62 suppliers was selected for on-site CSR audit. 1,493 suppliers carried out the written and on-site audit for product quality and hazardous substance management system, and no supplier was listed as unqualified for violating the requirements. ● The establishment and application of the supplier survey platform were completed in 2022, and the framework of supplier sustainable qualification scoring system was introduced.

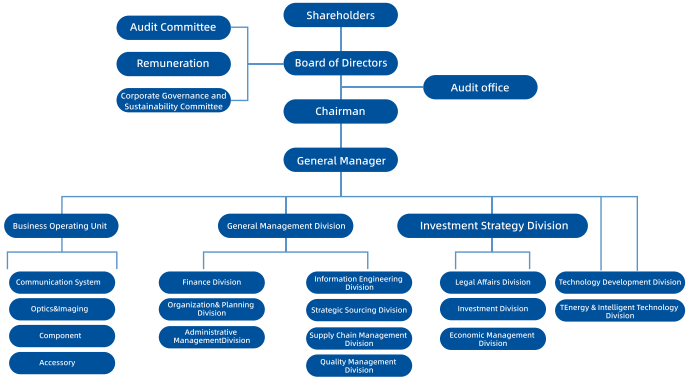
Corporate Governance

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 Practice on Integrity Management of 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 oper-



ating risks.

The Board of Directors of the Company also has the Corporate Governance and Sustainable Operation Committee, a corporate governance officer has been designated to coordinate and assist the Board of Directors in nominating candidates, carrying out or suggesting the organization and operation of the Board of Directors, supervising the implementation, evaluation and execution of corporate social responsibility and sustainable operation matters. The Corporate Governance and Sustainable Operation Committee is specifically responsible for the Company's environment, social responsibility, employee development and other work aspects, to promote the healthy, sustainable and stable governance of the Group.

Board of Directors

The current Board of Directors is composed of 9 directors, including 3 independent directors (33.33%) and 1 female director (11.11%). For the specific management direction of diversification, at least one woman is included in the Board of Directors, the independent directors shall serve no more than three consecutive terms and shall have professional knowledge and specific skills. In addition, the Company considers the diversification of directors in accordance with the Code of Practice on Corporate Governance of Listed and OTC Companies, and formulates an appropriate diversification policy on industrial type, development needs, and capabilities of BOD members such as operational judgment, accounting and financial analysis, operational management, crisis management, industrial knowledge, international market view, leadership and decision-making. The relevant indicators for performance evaluation were implemented.

The Board of Directors held 7 meetings in 2022, the important topic for discussion include the adoption and revision of the Code of Practice on Corporate Governance of Listed and OTC Companies, the Board Performance Evaluation Measures, the Internal Control System Effectiveness Assessment and the Internal Control System Statement.

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

1. The performance evaluation indicators of the Board of Directors include five aspects and a total of 41 indicators. The overall average score of the evaluation results is 5 points (5 points in total), which shows that the Board of Directors has the responsibility to guide and supervise the company's strategy, major businesses and risk management, and can establish an appropriate internal control system. The overall operation is perfect and meets the requirements of corporate governance.

2.The performance evaluation indicators of the members of the Board of Directors included six aspects and a total of 23 indicators. The overall average score of the evaluation results is 4.97 points (5 points in total), which shows that the Board of Directors achieved a positive evaluation on the efficiency and effect of the operation of various indicators.

3.The functional committees include the Audit Committee and the Remuneration Committee. The performance evaluation indicators include five aspects and a total of 24 indicators. The overall average score of the evaluation results is 4.97 points (5 points in total), which shows that the overall operation of the functional committees is perfect, meets the requirements of corporate governance and effectively enhances the functions of the Board of Directors.

BOD Members	Gender	Age 51-60	Age 61-70	Age 71-75
Directors	Male	1	4	0
	Female	0	0	1
Independent Directors	Male	1	2	0

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 3 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 convener of the Remuneration Committee's meeting in this year is Mr. Chuan-Wei Li, an independent director. The term of office of the current Remuneration Committee is from June 19, 2020 to June 18, 2023. The Remuneration Committee held 2 meetings in 2022, and the actual attendance rate was 100%, they deliberated on the compensation allocation plan for directors, managers and employees of 2021.

Audit Committee

The Group has set up the "Audit Committee" in 2017 in accordance with the Securities Exchange Law. All independent directors serve as members of the Audit Committee for a term of three years. All members of the Audit Committee elect the convener and chairman of the Audit Committee's meeting. The convener of the Audit Committee's meeting in this year is Mr. Chuan-Wei Li, an independent director. The Audit Committee held 5 meetings in 2022, which were attended by all members.

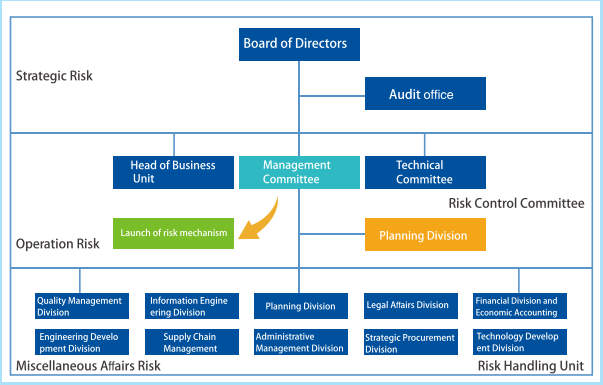
Corporate Governance and Sustainable Operation Committee

A corporate governance officer has been designated to coordinate and assist the Board of Directors in nominating candidates, carrying out or suggesting the organization and operation of the Board of Directors, supervising the implementation, evaluation and execution of corporate social responsibility and sustainable operation matters. The Corporate Governance and Sustainable Operation Committee is specifically responsible for the Company's environment, social responsibility, employee development and other work aspects, to promote the healthy, sustainable and stable governance of the Group. The Corporate Governance and Sustainable Operation Committee held 5 meetings in 2022 to review the implementation of the work plans of the Corporate Governance Team and the Sustainable Operation Team, the establishment and application of the supplier survey platform, and the introduction of the framework of supplier sustainable qualification scoring system, the 100% use of renewable energy by the factories in Dongguan/Kunshan/India in producing specific customer products in 2022, and the 2030 carbon reduction target.

Risk Management

The Group has formulated the "Risk Management Measures" to define risk types and notification processes, and achieve the effect of risk management and tracking through the processization and documentation of risk management, 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 Group also has formulated the Major Abnormality Recovery Measures, a major abnormality emergency plan will be prepared after the cross-department evaluation on the abnormality and the risk impact, and an annual emergency drill shall be scheduled to test the effectiveness of the emergency plan.

In 2022, the COVID-19 epidemic continued to affect the main production bases in mainland China. In March 2022, the Dongguan factory was affected by the infection of the interviewers, the local government required the factory to implement an enclosed management for 14 days, the factory and its employees worked together to fight the epidemic, no group infection occurred in the factory, and the production and shipment were not affected, and the customer shipment requirements were successfully met.











Corporate Integrity

In order to implement corporate governance, the Company has formulated the Internal Audit Implementation Rules, containing five internal control elements: "control environment", "risk assessment", "control activities", "information and communication" and "supervision", by considers the overall operation activities of the subsidiaries, in accordance with the Internal Control System and Treatment Guidelines for Listed Companies. In order to implement corporate governance and maintain internal control, the Company has established the Audit Office, including 1 audit manager and 5 specialized employees, to reasonably ensure the internal control effect and the operation efficiency of the Company. During the operation process, in addition to check the implementation or lack of the internal control system through sampling self-check control operations, the Audit Office shall also consider the internal and external environment changes to measure and evaluate the balance between the internal control effect and the operational efficiency, and ensure the effective design and implementation of the internal control system at each business unit, so as to assist the Board of Directors and the Management to fulfill their duties and achieve the original intention of corporate governance. In addition, the audit manager shall attend the meetings of the Board of Directors as a non-voting delegate according to law, and submit a report to the independent directors by email monthly according to the annual audit plan, and report to the Audit Committee on the internal audit at least every quarter, and communicate with the members of the Audit Committee about the audit results and their tracking.

Implement the Principle of Interest Avoidance

The Company has formulated the Code of Practice on Corporate Governance and the Procedures for Corporate Integrity to regulate directors, managers and other interested persons attended a meetings of the Board of Directors as non-voting delegates. If any such interested person or the legal person represented by him/her has an interest in a proposal discussed on a meeting of the Board of Directors, he/she shall explain the important content of such interest on the meeting of the Board of Directors. 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 all adhere to a high degree of self-discipline. If any proposal involves their own interests, they shall comply with the principle of interest avoidance and record it in writing.

Routine Audit and Special Audit

According to the 2022 annual audit plan, the Audit Office has carried out various routine audits on transaction cycle structures and functions, and completed the special audit of 33 cases as required by law, the responsible business unit was required to correct in case of any deficiency found in the audit. Standard audit is carried out by carpet inspection, and frequent audit is carried out for specific items in the time and space environment, such as epidemic prevention, major industrial security and data communication security. If it is obvious that there are serious violations, the Company will make a report and inform the independent directors.



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

In terms of smooth internal and external whistle-blowing, the Company has designated a unified whistle-blowing email address: ceo@foxlink.com. Any person who has questions, suggestions or even complaints about the management of the Company may communicate or report through this email address. If an internal employee discovers a serious violation of laws or disciplines within the Company, in addition to this email address, he/she may also report it directly to the department head, Audit Office, Human Resources Department or Legal Affairs Department. The aforementioned independent whistle-blowing channels can be found through internal extensions and web pages. The acceptor of a whistle-blowing understand that he/she has a duty of confidentiality to protect the privacy of the report and will not disclose the identity of the whistle-blower or the investigators involved.

In the process of supplier establishment, procurement negotiation and other irregular communications, the audit function will publicize the anti-corruption policies of the Company with suppliers, and confirm whether they are under improper pressure from the Company. In 2022, no suppliers have declared that they are under the pressure of possible corruption and malpractice from the Company, and no major complaints have reported the existence of such management risks. The factories in Dongguan, Kunshan and Xuzhou have publicized the anti-corruption policies of the Company when recruiting new employees and screening new suppliers. The audit function has immediately confirmed and excluded suppliers with bidding risks with respect to purchase and sales, and there has been no anti-competition, high monopoly, or obvious violation of international laws and regulations inside and outside the Group. In 2022, the reports were all internal reports, while a small number of comments or communications related to economic and social welfare were sent to the corresponding responsible window for evaluation and improvement. The four internal reports were occurred outside mainland China, they were not ignored or directly rejected. The auditing function was instructed to understand the information as soon as possible and sorted out the information. One verified case was transferred to the Human Resources Department for corresponding punishment and tracking the implementation of the punishment in accordance with the relevant rules.

Whistle-blowing cases have always been rare, but in the long run, the Company upholds the anti-corruption policies, encourage whistle-blowing, and promote the benign generation of internal whistle-blower counterbalance. 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 whistle-blowing channel is also unified and applicable to all factories. After receiving a case, we strive to close the case within a reasonable time limit as soon as possible, and will not ignore it. In addition to routine audit and special audit, anti-corruption is expected to deter fraud or intentional opportunism through whistle-blowing and complaints from internal and external employees and suppliers.

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 attached great importance to intellectual property rights, and improved the protection plan of R&D achievements. In addition to setting up a special business unit to manage and maintain the Company’ s intellectual property rights, it has formulated the “Intellectual Property Rights Management Measures” to regulate and manage the acquisition, maintenance and application of intellectual property rights such as patents and trademarks. Meanwhile, it also has strengthened trademark protection, search and analysis of previous cases, and strategic planning, to enhance the Company’ s competitiveness, and protect the rights and interests of the Company and its shareholders.

All employees of FOXLINK sign an employment contract when they join 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. 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.

The intelligent property rights and achievements of FOXLINK are as follows:

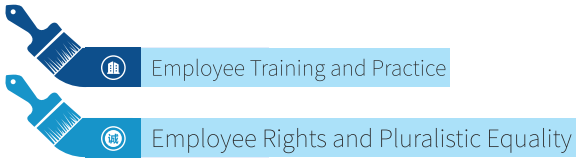
FOXLINK's global patent layout covers Taiwan, mainland China, the United States, Europe, Japan, Korea and other regions. In 2022, FOXLINK obtained 157 patents, including 31 invention patents, 107 new patents and 19 design patents. By the end of 2022, the total number of patents of FOXLINK in the world was 7,534.



County / Category	CN	DE	EU	FR	JP	KR	TW	UK	US	Total
Invention	55	1	3	1	9	1	71	13	819	973
Design	992	1	0	1	44	9	907	1	709	2564
Utility Invention	1868	13	0	5	136	6	1869	0	0	3897
Total	2915	15	3	7	189	16	2847	14	1528	7534

Building a Diverse and Inclusive Workplace

Material Topics:



Policies and Commitments：

FOXLINK adheres to the goal of sustainable development and links it with the Company’ s core strengths to create a diverse and inclusive workplace, cultivate talents, integrate cross-organizational resources, draw up long-term targets, and review the implementation results in stages. FOXLINK continues to promote various club activities and employee care, improve the balance of physical and mental health of employees, encourage all colleagues in the Company to continue to make progress in various positions, and join hands with employees to create the vision of sustainable operation.

Goals and Actions：

Short-term Goals	Middle & Long-term Goals
1. Promote the employee development system, attract and retain all special professionals - keep the employee turnover rate below 11%. 2. Open employee publicity channels, encourage employees to use multiple labor communication channels - ensure 100% response rate to employee complaints. 3. Employee diversity and gender equity in the workplace - increase the percentage of female executives to27%.	1. Implement diversified care for employees, create a friendly and healthy workplace and a diverse and inclusive working environment. 2. Plan for employees' diversified learning and sustainable talent development. 3. Provide fair work opportunities and promotion channels for employees.

Employee Profile

By the end of 2022, FOXLINK had 28,364 employees around the world, including 23,222 regular employees (14,518 male and 8,704 female) and 5,142 contracted employees (4,231 male and 911 female). The proportion of male employees is 54.4% and that of female employees is 45.6%. Based on the labor-intensive characteristics of the electronics industry, the employees of the Company are mainly direct employees, accounting for 76.3%. Among them, the proportion of female executives is 31.2%, higher than the 25% target set for 2022. FOXLINK is actively creating workplace diversity and equal promotion opportunities for employees

2Distribution of Employees by Contract Category of in 2022

Region	Regular employees		Total regular employees	Total regular employees		Contracted employees	Total
	Female	Male		Female	Male		
Taiwan	385	606	991	4	12	16	1,007
Dongguan	5,054	9,958	15,012	181	594	775	15,787
Kunshan	1,342	1,984	3,326	6	118	124	3,450
Xuzhou	1,811	1,599	3,410	3	7	10	3,420
India	112	371	483	4,037	180	4,217	4,700
Total	8,704	14,518	23,222	4,231	911	5,142	28,364

Distribution 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	127	262	389	81	537	618	1,007
Dongguan	3,925	1,310	5,235	8,284	2,268	10,552	15,787
Kunshan	857	491	1,348	1,276	826	2,102	3,450
Xuzhou	1,644	170	1,814	1,228	378	1,606	3,420
India	4,037	112	4,149	180	371	551	4,700
Total	10,590	2,345	12,935	11,049	4,380	15,429	28,364

Proportion of Management Personnel

egion	Non-management Personnel		Management Personnel		Total
	Number	proportion	Number	proportion	
Taiwan	774	77%	233	23%	1,007
Dongguan	14,214	90%	1,573	10%	15,787
Kunshan	2,873	83%	577	17%	3,450
Xuzhou	3,263	95%	157	5%	3,420
India	4,675	99%	25	1%	4,700
Total	25,799	91%	2,565	9%	28,364

Distribution of Management Personnel by Gender/Age

Year	Region	Non-management Personnel		Management Personnel		Total
		Female	Male	Female	Male	
2022	Under 30 years old	6,615	7,121	40	107	13,883
	Proportion	55%	52%	5%	6%	49%
	30-50 years old	5,444	6,334	737	1,474	13,989
	proportion	45%	46%	92%	84%	49%
	Over 50 years old	75	210	24	183	492
	proportion	1%	2%	3%	10%	2%
Total		12,134	13,665	801	1,764	28,364
Total proportion		47%	53%	31%	69%	-

Notes: The above data was calculated according to the in-service employees shown in the HR system until December 31, 2022.

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 2022, Cheng Uei Group had 51,623 new employees (36,263 male and 15,360 female), with a new entry rate of 182%, and had 72,317 resigned employees (54,784 male and 17,533 female), with a resigning rate of 255%. The new entry rate and the resigning rate were mainly affected by the fact that most of the employees of the factories in mainland China were short-term employees, the direct employee rotation rate has increased due to the COVID-19 epidemic in 2022.

The average resigning rate of Cheng Uei Group in 2022 was about 11.6%. It was expected to achieve the target of the average resigning rate below 12% by continuously deepening the fair promotion opportunities for employees in the workplace, education of new employees, and communication with employees.

Number of Non-executive Employees and Total Annual Salary

Item	Year 2021	Year 2022	Difference
Number of non-executive employees	748	758	1.34%
Average salary of non-executive employees (NTD,000)	750	731	-2.56%
Median salary of non-executive employees (NTD,000)	785	763	-2.87%

Notes:
1.Due to the different remuneration structures in overseas regions as stipulated by local laws and regulations, the above table only contains the comparison of remuneration package of regular employees in Taiwan of Cheng Uei Precision Industry Co., Ltd.
2.In 2022, the direct employees accounted for 25.3% of non-executive employees, and 20.9% in 2021. The number of direct employees increased by 4.5%, thus lowering the "average salary" and "median salary" of overall non-executive employees.

New Entry Rate of Cheng Uei Group in 2022

Age	Under 30 years old				30-50 years old				Over 50 years old				Total	
Gender	Female		Male		Female		Male		Female		Male			
Region	Number	New entry rate	Number	New entry rate	Number	New entry rate	Number	New entry rate	Number	New entry rate	Number	New entry rate	Number	New entry rate
Taiwan	42	21%	49	24%	61	30%	37	18%	11	5%	1	0.5%	201	20%
Dongguan	4,683	14%	19,447	58%	1,815	5%	7,621	23%	0	0%	0	0.0%	33,566	213%
Kunshan	911	19%	2,339	49%	481	10%	1,069	22%	0	0%	2	0.04%	4,802	139%
Xuzhou	1,570	18%	3,713	43%	1,911	22%	1,506	17%	0	0%	0	0.0%	8,700	254%
India	3,742	86%	462	11%	133	3%	17	0.4%	0	0%	0	0.0%	4,354	93%

Notes: 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 new employees within the age range / total number of employees in the region at the end of the year.

Resigning Rate of Cheng Uei Group in 2022

Age	Under 30 years old				30-50 years old				Over 50 years old				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	Total resigning rate
Taiwan	54	57%	41	43%	76	56%	59	44%	11	73%	4	27%	141	58%	104	42%	245	24%
Dongguan	5,817	18%	27,408	82%	2,798	18%	12,622	82%	48	87%	7	13%	8,663	18%	40,037	82%	48,700	308%
Kunshan	909	26%	2,565	74%	583	31%	1,292	69%	781	23%	2,632	77%	2,273	26%	6,489	74%	8,762	254%
Xuzhou	2,133	28%	5,491	72%	2,745	53%	2,433	47%	2	100%		0%	4,880	38%	7,924	62%	12,804	374%
Maanshan	12	18%	55	82%	32	97%	1	3%	4	57%	3	43%	48	45%	59	55%	107	64%
India	1,423	86%	223	14%	153	96%	7	4%	0	-	0	-	1,576	-	230	-	1,806	38%

Notes:Statistical resigning 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.

Employee Welfare

Each factory of the Group shall, in accordance with local labor policies, determine a reasonable salary level in line with local labor laws and regulations, make salary adjustments according to the salary level in local human resources market, and pay bonuses or provide gifts on main festivals to encourage employees and promote the continuous growth of FOXLINK. FOXLINK specifically improves and confirms the performance of employees through the biannual performance appraisal and the promotion system. The rewards and remunerations are determined according to the operation of the Company as well as team performance and individual performance. The incentive bonus, patent bonus, employee bonus and performance bonus are calculated and paid according to the position, contribution and performance of each employee.

Each factory shall make contributions to a pension plan for each employee in accordance with local statutory retirement regulations. For example, for employees of factories in Taiwan, FOXLINK shall allocate retirement reserve to the statutory account on a regular basis according to the pension system under Taiwan Labor Standard Law; for employees of factories in mainland China, FOXLINK shall make contributions to the endowment insurance in accordance with local laws and regulations, so that all employees may retire with peace of mind.

Due to the impact of the COVID-19 epidemic in 2022, the factories in mainland China has provided gifts to employees on the Dragon Boat Festival, Qixi Festival, Mid-Autumn Festival and Christmas Day in accordance with the requirements of the epidemic prevention authority. In order to offer employee convenience and improve employee satisfaction, the factory in India 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.

In 2022, in order to avoid close contact in the factories as required by local epidemic prevention policies due to the outbreak of the COVID-19, various events that used to be held irregularly in the factories, such as Birthday Celebration and Carnival, Singing Contest, Open Day for Employees' Families and Children, festival activities and team building activities, were canceled and replaced by the offer of gifts to encourage employees to resist the epidemic together. In conjunction with local festivals, celebrations were held in the factory in India to share the happy time with employees.

In order to give warmth and care to employees on the Spring Festival, the factories in Dongguan specially a series of activities named "Golden Tiger New Year" to celebrate the Spring Festival. A total of 4,500 boxes of Spring Festival gifts and 400 pairs of Spring Festival couplets were distributed to employees. Employees have posted images of the gifts on WeChat Moments to express their gratitude to the Company, such activities have been well received by most employees, made employees feel the care of the Company and enhanced their sense of belonging.

Employee benefits and labor relations











In addition to on-site distribution of Zongzi with different flavors, a knowledge competition was also held in the event "Dragon Boat Festival - Fugang Happy Distribution of Zongzi" in the factories in Dongguan, any employee participating in the knowledge competition may get a colorful safety bracelet, which enhanced the interest and promoted traditional culture. A total of 9,700 Zongzi were distributed, 1,000 colorful safety bracelets were sent, and 3,221 persons read the Dragon Boat Festival information on WeChat.











Due to the epidemic, the factories in Kunshan complied with the requirements of the epidemic prevention authority and provided small gifts to employees on the Dragon Boat Festival, Qixi Festival, Mid-Autumn Festival and Christmas. For example, one small gift bag was given to every employee in the factories for the Mid-Autumn Festival, with a total of about 4,000 gift bags; 1,500 apple gift boxes and about 600 epidemic prevention gift bags were prepared for the employees for Christmas.

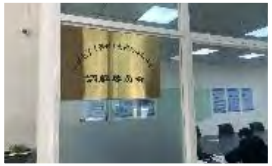
The factory in India held the prize-awarding ceremony for production competition, and distributed gifts and bonuses for the Dussehra Festival and the Diwali Festival.










The factory in Xuzhou took the lead in setting up an employee comprehensive service center in Xuzhou. The consulting items of this service center include: salary, attendance, social security, accommodation and workshop management. It is the first enterprise in Xuzhou to solve the problems of work and life for employees in such way. In addition, a labor dispute mediation commission was set up in the factory, any conflict or dispute may be directly resolved by mediation on the employee care seminar, eliminating the trouble of mediation by the government arbitration and mediation commission.

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 a few of 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 overseas employee activities is about NTD 15.8 million.



Activity of the Calligraphy Club, Factories in Dongguan



Exchange of Calligraphy Works by Members of the Calligraphy Club, Factories in Dongguan



Activity of the Table Tennis Club, Factories in Dongguan



Activity of the Basketball Club, Factories in Dongguan



Competition by Members of the Basketball Club, Factories in Dongguan



Activity of the Yoga Club, Factory in Xuzhou

During the fight against the COVID-19 epidemic, the factories in Kunshan changed its club activities to static activities, allowing employees to relieve pressure to achieve physical and mental balance.



Baking Class, Factories in Kunshan



Practice Directed by the Baking Teacher



Activity of the Yoga Club, Factories in Kunshan



Indoor Dance Class

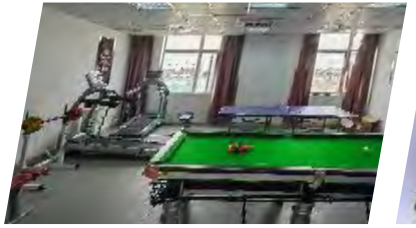
The Employee Welfare Commission of the factory in Xuzhou established an employee spiritual SPA center and hired professional psychologists to assist employees to express themselves in terms of work, family and feelings, it allows employees to release pressure first and then let psychologists guide them to correct their ideas. The factory established a leisure and entertainment activity center (treadmill, dumbbell, billiards, table tennis, yoga class) to enable employees to relax their body and mind and strengthen the body.



Employee Spiritual SPA Center, Factory in Xuzhou



Employee Spiritual SPA Center, Factory in Xuzhou



Leisure and Entertainment Activity Center, Factory in Xuzhou



Yoga Classroom, Factory in Xuzhou

Parental Suspension

Each factory shall implement and improve the leave system in accordance with local labor laws and regulations, including marriage leave, lactation leave, maternity leave, paternity leave, bereavement leave and annual leave; and shall provide substantive care to employees who have child care needs. In case of a long-term leave due to military service, serious injury or illness, employees may apply for employment suspension without salary and apply for reinstatement after the expiration of such long-term leave. This report disclosed the information on parental leave of the Group. In 2022, 670 employees applied for parental leave in the Group, 355 of whom were female employees and 315 of whom were male employees. The information on parental leave is as follows:

Item/Gender	Male	Female	Total
Number of employees who were eligible for parental suspension in 2022 (A)	368	412	780
Number of employees who actually applied for parental suspension in 2022 (B)	355	315	670
Number of employees who should be reinstated to work after the parental suspension in 2022 (C)	267	243	510
Number of employees who were actually reinstated to work after the parental suspension in 2022 (D)	259	215	474
Number of employees who should be reinstated to work after the parental suspension in 2021 (E)	146	214	360
Number of employees who should be reinstated to work continuously for one year after the parental suspension in 2021 (F)	79	99	178
Reinstatement rate of parental suspension in 2022 (D/C)	97%	88%	93%
Retention rate of parental suspension in 2022 (F/E)	54%	46%	49%

Notes:
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

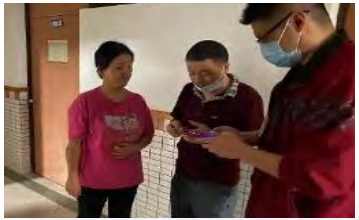
Under the advanced management philosophy and system, the Company gives full play to the role of "bridge", carries out EAP projects (psychological counseling, employee forum, line leader communication meeting, abnormal behavior case handling, and psychological knowledge sharing) and front-line employee 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	India	Mainland China	Frequency	Relevant Records / Descriptions
Employee-employer meeting	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		Immediately	Handle and solve the daily problems of employees in time.
Opinion survey / satisfaction survey	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	Immediately	E-bulletin board, WeChat official account, billboard of education and training system and company email.
Complaint and consultation channel	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.

Upon the internal statistical analysis on the number of complaints by employees, FOXLINK found that the largest number of complaints were made by employees in mainland China. Most of the complaints were made by employees who left their jobs without handover. The Company suspended the payment of salary for employees who did not complete the handover, and most of the employees returned to the factory to complete the handover after complaining, then the Company paid their salary. In order to reduce the occurrence of such complaints, the Company explained the normal resignation procedures to employees through the orientation of new employees and the monthly employee-employer dispute mediation meeting.

Region	Taiwan	Dongguan	Kunshan	Xuzhou	India	Total
Number of complaints	1	430	142	34	3	610
Number of settled cases	1	430	142	33	3	609
Number of unsettled cases	0	0	0	1	0	1





The Company has an employee relation department as the main window to carry out employee care activities to promote the establishment of a harmonious employee-employer relation. The dedicated staff can conduct interviews through face-to-face inquiry, phone call, SMS, WeChat and email. The consultation content is only known to the psychologist and counsellor to protect the privacy of employees, the employee psychological counseling service can assist employees to improve physical and mental balance in the work environment. The Company will provide adequate care to employees with abnormal behaviors, hire professional psychologists to provide psychological counseling, help them in work and life as much as possible, and assist their family members to send them to hospital for medical treatment, and approve their leave or resignation.



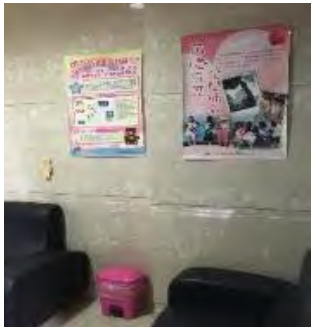
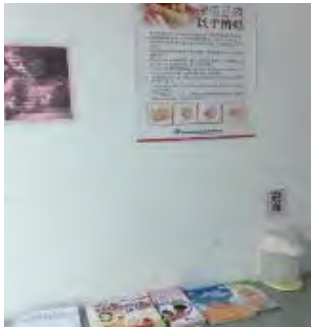


The Company provides continuous care for the health of employees. Taking Taiwan as an example, the Company arranges the indirect employee health examination every two years, monthly in-factory doctor service, family doctor service, health consultation and medical referral, and organizes quarterly health promotion courses to promote health in the workplace and improve the knowledge of employees.





The Company takes care of the pregnant or lactating employees, giving them enough time to rest or take care of their families before and after delivery. The Company complies with local labor laws and regulations, and provides employees with maternity leave, paternity leave, and maternal and infant care. In addition, the factories in Taiwan and mainland China have set up comfortable and private breast-feeding spaces, which are convenient for employees with lactation needs to use at ease in the Company.



Employee Satisfaction Survey

The factories in mainland China conducts an employee satisfaction survey every year. Taking the factories in Dongguan as an example, the information of employee satisfaction survey is announced on the WeChat bulletin board in December every year. The Human Resources Department conducts the employee satisfaction survey, and the report results are submitted to the Quality Management Department for reference by customers when making an audit. In 2022 Employee Satisfaction Survey, 4,786 employees participated in the survey, accounting for 31.3% of the respondents, the number of valid questionnaires was 4,093 and the number of invalid questionnaires was 693, with an effective rate of 86%. In 2022, the employee satisfaction index of Dongguan was 71.8 points. The 2022 Employee Satisfaction Survey was successfully completed with the high attention of the Company and its customers and the active participation of employees. This survey was conducted on the Internet platform and using the cloud computing function. Employees can fill in the questionnaire anytime and anywhere by scanning the QR code with their mobile phones or clicking the link with their computers. In the early stage, the Company vigorously advertised this survey through various publicity channels and provided a red-packet incentive mechanism to attract employees to actively participate.

The employee satisfaction score in 2022 was 71.8 points, 0.2 points higher than the score of 71.6 points in 2021. In 2023, the Company will focus on the tracking of improvement of items that were not satisfactory to employees in previous years, and strive to improve the employee satisfaction index in 2023.

In 2022, the top five items of dissatisfaction in sequence were 2.51 points for meal satisfaction, 2.81 points for salary satisfaction, 2.91 points for employee welfare satisfaction, 2.91 points for accommodation satisfaction, and 3.16 points for cultural and recreational activities satisfaction. In terms of meals, employees from different provinces in mainland China have different tastes and preferences, it is difficult to meet the needs of all employees. The canteen provides a menu containing a variety of wheaten food for employees to choose from. However, employees generally feel that the food subsidy cannot keep up with the price rise in the past two years. In terms of salary, the salary was evaluated to be inferior to that of a few other companies, but the Company's salary policy and payment comply with local labor and salary laws and regulations. In terms of accommodation, the Company provided accommodation subsidy to employees not resident in employee dormitories, and the employee dormitories within the factories meet the customer's audit requirements, but the employees still suggest to increase the accommodation subsidy. In terms of cultural and recreational activities, although the Company has set an annual budget of more than NTD 16 million for overseas factories to arrange employee cultural and recreational activities, it has been impacted by the COVID-19 epidemic, which has led to the reduction and postponement of employee activities, resulting in the low and the postponement satisfaction score. Employee satisfaction improvement: in 2023, we will focus on the tracking of the improvement of items that were not satisfactory to employees in previous years, and strive to improve the employee satisfaction index in 2023.

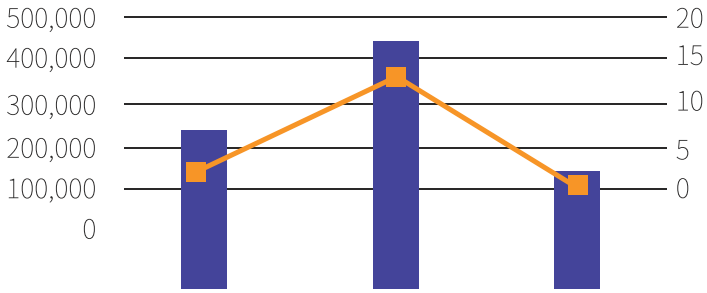
Employee Development, Education and Training

FOXLINK attaches great importance to the development of employees and recognizes that employees are one of the most important resources of the Company. Therefore, employees are encouraged to actively participate in internal training, external training and in-service training to enrich themselves. According to the needs of the business units and the actual situation of the employees, the training needs survey is conducted every year as the basis for the evaluation of training course planning. The employee education and training include professional skills training, management training and general knowledge courses. It is expected to continuously improve the professional quality of the employees through education and training to promote the long-term development of the Company. With the influence of the COVID-19 epidemic in 2022, the number of employees subjecting to home quarantine was increased and the implementation of the training plan was delayed due to the implementation of local epidemic prevention policies, resulting in the reduction of learning hours per person.

Total Hours and Average Hours per Person for Education and Training in 2022

Item	Gender	Level of Post		Total
		General Employees	Executives	
Number	Male	13,665	1,764	15,429
	Female	12,134	801	12,935
otal hours	Male	57,962	35,794	93,755
	Female	120,703	16,878	137,581
Average hours	Male	4	20	6
	Female	10	21	11

Total Hours and Average Hours per Person for Education and Training



Notes: average hours per person = total hours for education and training / total employees by December 31, 2022

	Year 2020	Year 2021	Year 2022
Total Hours	299,044	468,464	231,336
Average Hours per Person	9	17	8

Total Hours　Average Hours per Person

Learning and Development Blueprint

With the work tasks as the core, the Company builds a learning and development blueprint through the comprehensive education and training program, which focuses on new employee training, professional skills, management training and self-development, to help employees to achieve personal development and company goals.

Multiple and Autonomous Learning Channels

By setting up multiple learning resources and pipelines, the Company enables it employees to easily learn new knowledge skills and stimulate their potential in the process of learning, sharing and communication.



New employee training

Assist new employees to understand the Company's rules, business principles and business perspective, including company history, corporate culture, ethics, labor and human rights laws, quality system, RBA Code of Conduct, business secret protection, environmental and safety system, and occupational safety, health and hygiene courses stipulated by law. The systematic cultivation of talents needed by the Company will deepen the work strength of employees, shorten the work exploration period, and allow employees to quickly adapt to the corporate culture, improve the recognition to the Company and make long-term contributions to the Company.



Professional skills

According to the product technology and future development trend, the business units extend the customer needs and the Company's strategic goal planning, and offer professional technology and trend development related training. The teaching staffs shall be acted by senior employees and executives to carry out knowledge and experience inheritance, and the Company will also employ academic and industry experts to share and exchange. The company 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.



Management and leadership

By investigating the management and leadership aspects that executives at different levels expect to improve on themselves and their subordinates, the Company plans the learning and development projects that meet the core management needs, such as communication, expression, work execution, team leadership and accountability, collects digital textbooks at home and abroad, multi-angle development course sources, and shares the practical experience of professional managers and management tools for executives. Senior executives regularly share internal experience and give lectures on external industry trends to improve their core management vision and strategy analysis ability.



elf-development

Online self-learning is the trend of digital transformation. It enables employees to use spare time to start learning mode. In 2022, the number of users of the Group's internal Learning Management System was 148,270. Through diversified online audio-visual teaching materials and convenient learning platform, the Group helps its employees to improve their knowledge and skills in workplace and job, and gradually cultivate the atmosphere of self learning. The Group implements a credit system to enhance learning results and create motivation for continuous learning.

Training Course Photos of Factory in India


Education and Training of Greenhouse Gas Internal Verification Personnel


Technology Platform - Passive Component Introduction


Initial Training of First Aid Personnel


ISO9001&IATF16949 Standards


Introduction Training of New Employees


Chemical Hazards and Control Measures


Orientation Training for All New Comers


First Aid Training in Dormitory


Fire Fighting in Factory


Safety Regulation Training to Employees


Safety Regulation Training to Bus Drivers


Fire Fighting in Dormitory

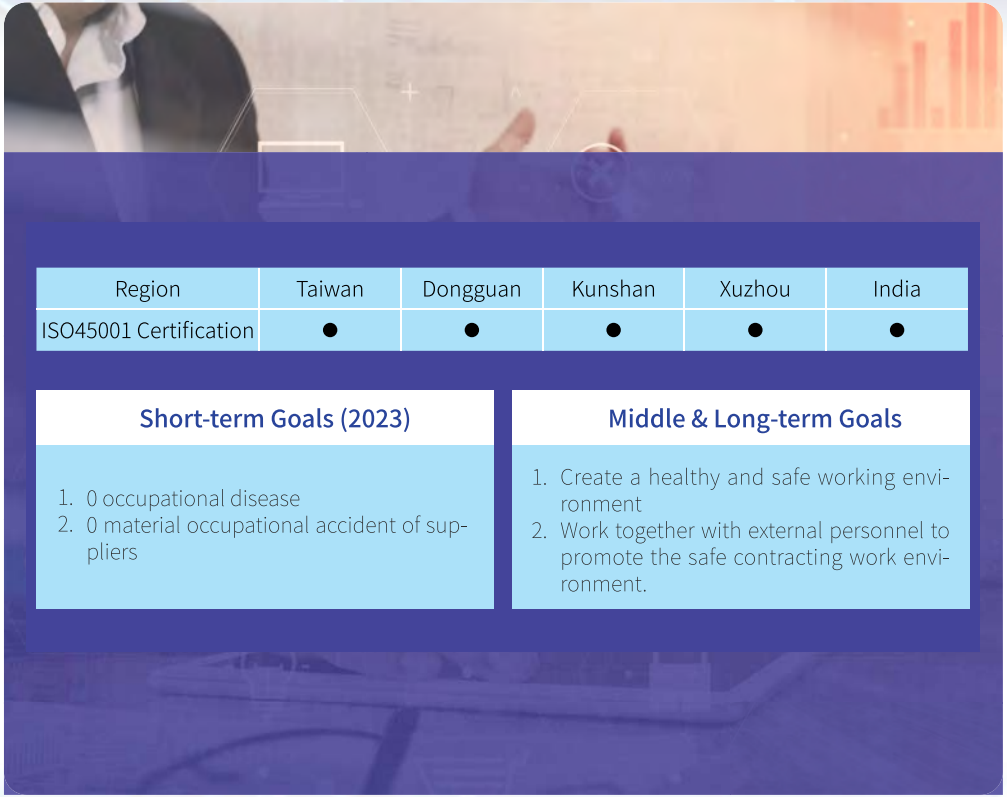
Occupational Health and Safety

Material Topic

Occupational Health and Safety

Policies and Commitments

The Group has formulated the occupational health and safety policies and established the management systems in accordance with the ISO45001 Occupational Health and Safety Management System and local laws and regulations, which are applicable to all employees and contractors, the occupational health and safety system is closely integrated with the Company’ s manufacturing business, and is implemented through planning, training, prevention, control, performance evaluation and continuous improvement. The Group is committed to pursue the goal of zero injury, zero occupational disease and zero accident, create the best working environment for all employees, implement the Company’ s occupational health and safety policies, implement applicable occupational health and safety laws and regulations, and better protect the health, safety and property rights of employees. The Company actively carries out the screening and management of safety loopholes, and unblocks the channel to improve safety proposals, encourages all employees to participate, and responds to and accepts the supervision and audit by governments, customers and other relevant parties.



Region	Taiwan	Dongguan	Kunshan	Xuzhou	India
ISO45001 Certification	●	●	●	●	●

Short-term Goals (2023)

1. 0 occupational disease
2. 0 material occupational accident of suppliers

Middle & Long-term Goals

1. Create a healthy and safe working environment
2. Work together with external personnel to promote the safe contracting work environment.

Health and Safety Performance Management

For the occupational health and safety management system, the Group has formulated the Hazard Source Identification, Risk Assessment and Risk Control Management Procedures. We use the hazard and risk identification method to assess potential hazards and risks in daily operations and projects. In case of changes in the workplace, such as production line layout, equipment, and applicable legal requirements, we will conduct any addition, modification, expansion or change management to prevent new hazards and reduce risks.



Each business unit carries out hazard identification and risk assessment, develops scientific safety risk identification procedures and methods based on the types and characteristics of risks, conducts safety risk identification for different categories of positions, prepares a safety risk identification list, sorts out the identified safety risks, and uses the risk matrix evaluation method to evaluate the grade of each risk. From high to low, the safety risks are divided into five grades, i.e. extremely high risks, high risks, medium-high risks, medium risks and low risks, the safety risks shall be respectively managed according to their grade. For example, high risks should be emphatically controlled by business units and departments with material risk control measures to be formulated, and medium risks should be controlled by team leaders. All risks are continuously circulated through PDCA to improve safety performance continuously.

For accident investigation, and corrective and preventive measures, the Group has formulated the Accident Reporting, Investigation and Handling Procedures. In case of any work-related injury, illness or near-miss accident, the front-line management and the occupational safety and health team will promptly investigate the accident, determine the corrective action plan, and continuously follow up the solution until the end of the accident. In order to draw lessons learned, we will distribute safety warnings to all factories to ensure that all corrective actions are in place. Information sharing and data statistical analysis will facilitate continuous improvement of other production bases and prevent the recurrence of similar accidents.

Due to the high risks of stamping, mechanical processing, molding and automatic terminal machine in the workplace, the transformation and upgrading of mechanical automation, the complex environment of equipment and facility debugging and maintenance, and the risk of extrusion and collision, the main injury types are mechanical injury, other injury and physical attack, the main injury causes are facility failure without effective shutdown, repair without executing LOTO procedure (Lockout/Tagout), and all or part of the limbs entering the dangerous area during machine debugging/maintenance. In order to eliminate these hazards and minimize the risks, the actions for improvement include the addition of isolation devices.

Statistical Analysis of Disabling Injuries

The Company actively carries out the screening and management of safety loopholes, and unblocks the channel to report safety loopholes, encourages all employees to participate, and responds to and accepts the supervision and audit by governments, customers and other relevant parties. The Company takes "100% Safety and 0 Hidden Danger" as the safety goal, and clearly standardizes accident reporting, accident investigation duties, investigation levels, procedures and accountability. After an accident occurs, on-site employees and managers are required to report immediately, and an accident investigation team shall be established to investigate and deal with the accident and prepare an accident report.

In 2022, For the high risks of stamping, mechanical processing, molding and automatic terminal machine in the workplace, the transformation and upgrading of mechanical automation, the complex environment of equipment and facility debugging and maintenance, and the risk of extrusion and collision, the main injury types are mechanical injury, other injury and physical attack, the Group further analyzed that the main causes of injury were facility failure without effective shutdown, repair without executing SOP procedures, and part of the limbs entering the dangerous area during machine debugging/maintenance. In order to eliminate these hazards and minimize the risks, the actions for improvement include strict implementation of safety operation procedures for equipment maintenance, regular inspection system for safety devices, ensuring that equipment and facilities are in good condition and effective, and continuously strengthening the safety training for equipment related professionals according to SOP.

For the safety management of contractors, prohibition illegal operations and prevention of accidents, the Group has formulated the “Safety Management Measures for Contractors”, which requires all contractors to comply with the requirements of environmental protection, occupational health and safety laws and regulations and to obtain the recognized qualification certificates and safety production permits before being eligible to be a contractor of the Group.

In 2022, a total of 78 safety accidents occurred in the five regions, without any death or serious injury.



Year	Year 2022									
Region	Taiwan		Dongguan		Kunshan		Xuzhou		India	
Gender	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Base number of employees	534	326	11,631	5,634	2,280	1,450	1,352	1,940	345	158
Total working days	249	249	249	249	249	249	249	249	303	303
Base total working hours of employees	1,063,728	649,392	23,168,952	11,222,928	4,541,760	2,888,400	2,693,184	3,864,480	836,280	382,992
Number of recordable occupational injuries	5	0	17	7	9	1	17	3	7	0
Proportion of recordable occupational injuries	0.94	0	0.15	0.12	0.40	0.07	1.26	0.16	1.67	0
Base number of non-employee workers	10	13	900	162	51	36	139	80	172	4235
Base working days of non-employee workers	249	249	249	249	249	249	249	249	301	301
Base total working hours of non-employee workers	19,920	25,896	1,792,800	322,704	101,592	71,712	276,888	159,360	414176	10197880
Number of recordable occupational injuries	0	0	0	0	0	0	0	0	3	9
Proportion of recordable occupational injuries	0	0	0	0	0	0	0	0	1.45	0.18

Notes:
Proportion of recordable occupational injuries = Number of recordable occupational injuries * 200,000 / Working hours, the total working hours shall be calculated by estimation (number of employees x 8 hours x working days).
The number of recordable occupational injuries is subject to the unified table of internal work-related injuries, and the non-employee workers refer to the outsourced workers who are based in a factory. No deaths and serious injuries have occurred in the Group in 2022.

Health promotion

Adhering to the principle of "Safety First, Prevention First, 100% Participation, Strengthening Supervision, Comprehensive Prevention and Continuous Improvement", the Group actively adopts various preventive and control measures for occupational health and safety, such as occupational health monitoring, occupational hazard notification, occupational disease prevention facilities, occupational disease hazard factors detection and evaluation, and personal protective equipment, and implements effective control from all aspects, it ensures the health right of every employee, provides pre-job, in-job and off-job physical examination for special employees, and supervises employees from occupational hazards. In order to enable employees to strike a balance between work and physical & mental health, the Group provided occupational health and safety related improvement projects, occupational health examination and other costs to ensure the occupational health and safety of employees. In 2022, 5,062 employees received an occupational health examination, the total cost of which was about NTD 5.025 million. The total cost on occupational health and safety was about NTD 66.29 million.



Knowledge Seminar for Occupational Health



On-site Examination for Occupational Health



Reexamination for Occupational Health

Education, Training and Emergency Drill

In order to create a production atmosphere of "All Staff Pay Attention to Safety, Building a Harmonious Factory", and improve the awareness and function of employees and contractors on safety, the Group has formulated the "Education and Training Management Measures", which defines the corresponding training requirements for employees and contractors of the Group. The Group develops a training plan at the beginning of each year and implements it as scheduled. The Group also establishes a three-level education mechanism, i.e. factory level, workshop level and team level, which is implemented according to the training plan formulated at the beginning of each year.

The Group regularly provides factory-level occupational health and safety training courses for managers of all departments to enhance their on-site management ability. In 2022, a total of 139 occupational health and safety training courses were conducted, including accident prevention and handling, fire safety, safe use of chemicals, prevention of dangerous machinery and electrical safety, with 11,633 trainees in total.

In order to strengthen emergency management, command and handing, constantly improve the emergency organization, management and command system, enhance the self-rescue and mutual rescue ability of employees, ensure that emergency response can be carried out promptly, correctly and effectively when emergencies occur, and ensure the safety of life and property, a total of 50 emergency evacuation drills were held in 2022, with about 46,549 participants.

Course Category	Taiwan	Mainland China			India	Total
		Dongguan	Kunshan	Xuzhou		
Number of safety classes	12	55	17	3	12	99
Number of safety participants	752	2,040	518	3,210	360	6,880
Number of health classes	12	8	11	3	6	40
Number of health participants	752	195	326	3,180	300	4,753
Number of fire evacuation drills	2	34	6	6	2	50
Number of fire evacuation drill participants	20	34,529	5,137	6,363	500	46,549
Number of chemical leakage drills	1	4	3	2	1	11
Number of chemical leakage drill participants	32	163	53	18	30	296
Number of other drills	1	10	6	6	2	25
Number of other drill participants	21	1,006	834	25	80	1,966










Social Participation

On October 29, 2022, the Vice General Manager Mr. Chenphan Pu led more than 100 employees of FOXLINK to the Zhuwei Beach in Taoyuan City to clean the beach, in order to promote the mission of "Sustainable Clean Beach and Eternal Green Earth". In 2021. FOXLINK established the Corporate Governance and Sustainable Operation Committee to promote and implement issues related to corporate governance, social responsibility and sustainable development. The beach cleaning activity was jointly organized by the Social Responsibility Sub-team under the Committee and the Employee Welfare Commission, and the Group's subsidiaries, FIT Holding Co., Ltd. and Foxlink Image Technology Co., Ltd., were also invited to participate this activity. In recent years, while pursuing the growth of corporate performance, the Group is also committed to promoting ESG, hoping to achieve the goal of social co-prosperity and environmental symbiosis.

Plastic waste is known as the "silent killer of marine life," with about 9 to 12 million tons of plastic waste flowing into the sea every year, and an average of a truck of garbage dumping into the sea every minute. More than 800 marine species are affected by plastic pollution in the ocean, and 15% of marine species are on the verge of extinction. The United Nations estimated that there will be more plastic waste in the sea than fish by 2050, it is an urgent task for human beings to save the marine ecology. Beach cleaning has been very common in Taiwan since more than 10 years ago, it not only achieves the purpose of picking up garbage, but more importantly, it is the power of environmental education and policy lobbying.

The beach cleaning activity was held at Zhuwei Beach. Although there was not much large rubbish, when walking to the beach, we could find that the beach was full of tiny plastic rubbishes, straws, nylon ropes and even broken wine bottles, which were constantly accumulating along the coastline with the current. The beach cleaning activity is not just the imaginary picking up garbage. In the process of constantly bending down to pick up garbage, we think about whether we can change from the small habits in life. Reduce the use of disposable plastic products and think "Do we really need to use these things?" before using plastic bags or plastic products. Beach cleaning is not only to pick up garbage, but also a contribution to the earth.





In January 2022, the factories in Dongguan held a charity donation ceremony to give back to the local community and donated RMB 100,000 to the COVID-19 Prevention and Control Command Office of Dongkeng Town and the Women's Federation of Dongkeng Town to support the COVID-19 prevention and control work of the local community and care for women and children.

The Taiwan headquarters was designed to be friendly and good-neighborly to the local community, and organized a warm dinner for the elders in Tucheng Service Center, purchased 2,985 boxes of grapefruit from the fruit farmers in Zhuoxi Town, Hualian County to help the development of local fruit farmers in Hualian County. Since 2014, the blood donation activity of the mercy club of FOXLINK has entered its eighth year. Even though the impact of the COVOD-19 epidemic in the past two years, the enthusiasm of our employees for blood donation did not subside. Instead, after the slow-down of the COVOD-19 epidemic, the blood donation per time reached 330 bags, creating a small peak for the blood donation activity. With the operation of the Group, the Group and its employees work together to continuously care for and help the vulnerable groups in society, participate in public welfare activities, show love, actively fulfill corporate social responsibility, and persistently practice the concept of environmental protection and public welfare charity.





Sustainable Environment

Material Topic

Climate Change and Greenhouse Gas Management

Policies and Commitments

FOXLINK has committed to set a science-based carbon reduction target in 2021 and passed the compliance review conducted by the Science Based Target initiative (SBTi) in 2022, under which the Company has committed to reducing Scope 1&2 absolute emissions by 42% in the target year 2030, compared with the base year 2021, and reducing Scope 3 emissions from goods and services purchased and products sold by 25% in the target year 2030, compared with the base year 2021. The Group faces up to the risks and opportunities caused by climate change to the sustainable operation of the Group, avoids the impact on the Group's operations due to climate change or greenhouse gas issues, and actively grasps customer requirements and world fluctuations, and ensures that it meets the requirements of low carbon economy.

In 2022, a total of 4 main production bases have received the ISO14064-1 greenhouse gas inventory report issued by a third-party certification institution, and a total of 3 production bases have completed the ISO50001 energy management system certification. The factories in Dongguan and Kunshan have obtained the platinum-grade UL2799 (Zero Waste Land-fill) certificate, and the factory in Xuzhou has obtained the gold-grade UL2799 (Zero Waste Land-fill) certificate.

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

Short-term Goals (2023)

1. General waste in Dongguan/Kunshan/Xuzhou to be reduced by 1%
2. Water consumption in the living area of Dongguan/Kunshan factories to be reduced by 10%, water consumption in the office area of Xuzhou factory to be reduced by 10%, water consumption in the office area of Taiwan factory to be reduced by 5%
3. Energy conservation target of 3.25% in 2023

Middle & Long-term Goals

1. reducing Scope 1&2 absolute emissions by 42% in the target year 2030, compared with the base year 2021
2. Disclose energy conservation and carbon reduction data to promote sustainable operation
3. Continuous energy conservation and technical upgrading scheme to improve energy conservation and carbon reduction performance

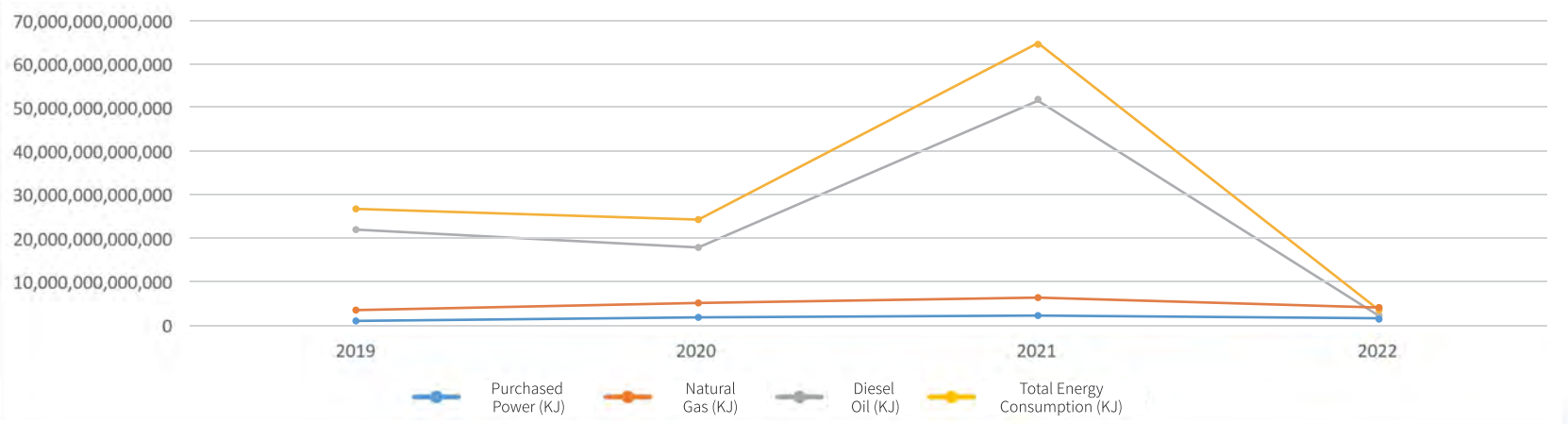
Energy Management

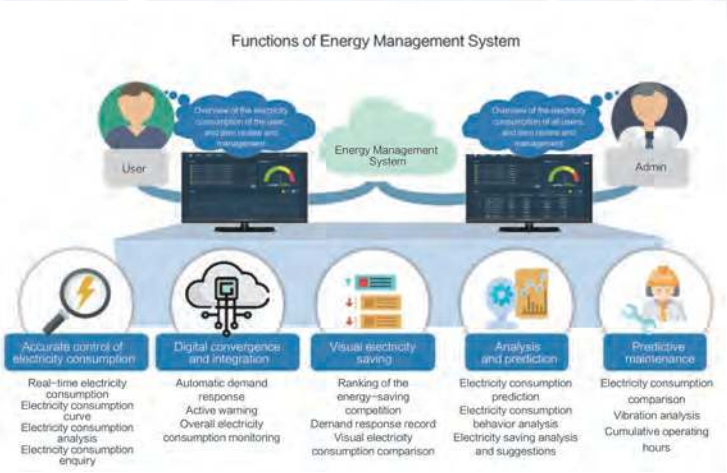
In 2022, the Company systematically managed its energy consumption through the introduction of the ISO 50001 Energy Management System and third-party verification, to identify the risks and opportunities for reducing energy consumption and improving energy efficiency. The Taiwan headquarters participated 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 31,600㎡, 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.

Energy Consumption of the Group in 2022

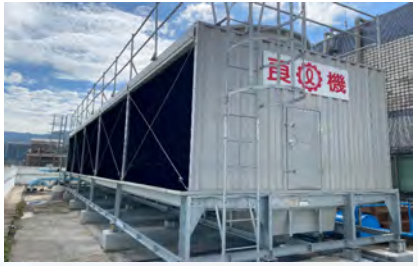
Energy	Taiwan	Dongguan	Kunshan	Xuzhou	India	
Purchased Power (KJ)	45,096,415,200	612,599,752,800	239,354,780,400	159,091,236,000	31,535,604,000	KJ=KWH*3,600 KJ/KWH
Natural Gas (KJ)	184,731,154	5,446,170,163,000	0	0	0	KJ= 35608.5 kJ/kg
Diesel Oil (KJ)	204,138,383	3,452,015,970	18,816,468,273	41,258,155	12,304,929,020	KJ=42,705 kJ/kg
Total Energy Consumption (KJ)	45,485,284,737	621,497,938,933	258,171,248,673	159,132,494,155	43,840,533,020	

Year	2019	2020	2021	2022
Purchased Power (KJ)	1,051,134,994,800	1,066,466,570,400	1,093,404,661,200	1,087,677,788,400
Natural Gas (KJ)	5,205,402,934,380	5,563,073,224,800	5,882,148,174,240	5,446,354,894,154
Diesel Oil (KJ)	20,748,622,687,650	17,997,490,790,546	51,380,531,135,002	34,818,809,800
Total Energy Consumption (KJ)	27,005,160,616,830	24,627,030,585,746	65,096,767,021,436	1,128,127,499,517




Functions of Energy Management System
User
Energy Management System
Admin
Accurate control of electricity consumption
Real-time electricity consumption
Electricity consumption curve
Electricity consumption analysis
Electricity consumption enquiry
Digital convergence and integration
Automatic demand response
Active warning
Overall electricity consumption monitoring
Visual electricity saving
Ranking of the energy-saving competition
Demand response record
Visual electricity consumption comparison
Analysis and prediction
Electricity consumption prediction
Electricity consumption behavior analysis
Electricity saving analysis and suggestions
Predictive maintenance
Electricity consumption comparison
Vibration analysis
Cumulative operating hours


WISE-iFactory
頂埔廠冰水主機系統圖
C.T.共10組
CH-8
CH-7
CH-6
CH-5
CH-4
CH-3
CH-2
CWP-8
CWP-7
CWP-6
CWP-5
CWP-4
CWP-3
CWP-2
CHP-8
CHP-7
CHP-6
CHP-5
CHP-4
CHP-3
CHP-2
分區空調負載









Climate Change and Greenhouse Gas Management

In response to the requirements of COP26 (the 26th Conference of the Parties to the United Nations Framework Convention on Climate Change) and brand customers, the Environmental Sustainability Sub-team, as the business unit responsible for energy conservation and carbon reduction, has taken addressing climate change and carbon neutrality as a material topic, it reports on the coping strategies and management performance every quarter. FOXLINK has committed to use the SBTi methodology to develop a carbon reduction plan since December 2022 and passed the compliance review conducted by the Science Based Target initiative (SBTi) in 2022, under which the Company has committed to reducing Scope 1&2 absolute emissions by 42% in the target year 2030, compared with the base year 2021, and reducing Scope 3 emissions from goods and services purchased and products sold by 25% in the target year 2030, compared with the base year 2021. FOXLINK also participated in the Carbon Disclosure Project (CDP) supply chain survey, disclosed information on greenhouse gases, energy consumption and water resources, and further fulfilled global citizen responsibility and corporate social responsibility by meeting customer requirements and self-declared carbon reduction plan.

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	In 2021, FOXLINK established the Corporate Governance and Sustainable Operation Committee, with the Corporate Governance Team and the Sustainable Operation Team. The Sustainable Operation Team leads the supervision and control of internal climate-related risks and opportunities, and consists of production department managers and factory central management department managers. 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. 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.
Strategy	■ Mitigation: promote sustainable manufacturing, gradually introduce product carbon footprint check, improve energy efficiency through energy-saving technology renovation projects, and use renewable energy. ■ Adaptation: improve the resilience of climate change, and construct low-carbon supply chains.
Risk Management	■ Cross-department collaboration to implement value chain climate-related risk / opportunity identification, assess financial impacts, and determine countermeasures. ■ Incorporate climate risk into the risk management process.
Indicators and Targets	■ Set climate-related performance indicators and quantitative targets, regularly track the progress of achievement, and disclose it transparently. ■ Reduce Scope 1&2 absolute emissions by 42% in the target year 2030, compared with the base year 2021, and reduce Scope 3 emissions from goods and services purchased and products sold by 25% in the target year 2030.

FOXLINK passed the SBTi carbon reduction target verification in 2022, and the base year was set to 2021. The emissions of FOXLINK and its subsidiaries were calculated according to the SBTi principles. The scope of the greenhouse gas inventory of this year was greater than that of any year before 2021 due the inclusion of subsidiaries, which were also included in the scope of SBTi verification.

The greenhouse gas 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 Evaluator Tool.

- Inventory area: the verification scope includes 11 factories of FOXLINK (Taiwan 4 factories, GLORY Taichung, Minquan Plant, Dongguan, Kunshan, Xuzhou, Maanshan, India) and its subsidiaries (GLORY Taichung, FUWEI Qingxi, GLORY Yancheng).
- Direct greenhouse gas emissions and removal (Scope 1): the direct greenhouse gas emission of the Group in 2022 was10,563 tons CO2e / year.
- Indirect greenhouse gas emission of input energy sources (Scope 2 / local benchmark): the indirect greenhouse gas emission of the Group in 2022 was 196,427 tons CO2e / year.
- Indirect greenhouse gas emission of input energy (Scope 2 / market benchmark): the indirect greenhouse gas emission of the Group in 2022 was 177,526 tons CO2e / year.
- Other indirect greenhouse gas emissions (Scope 3): for the inventory of other indirect greenhouse gas emissions, the inventory was conducted on goods and services purchased and products sold by stage according to ISO 14064-1:2018. Other indirect greenhouse gas emissions of the Group in 2022 were 1,046,296 tons CO2e / year.

Year	2021	2022	eduction ratio
Scope 1	13,470	10,563	21.58%
(Scope 2 / local benchmark)	263,970	196,427	25.59%
Scope 2 / market benchmark	263,884	177,526	32.73%
Scope 3	1,370,339	1,046,296	23.65%

FOXLINK continues to promote its performance in energy conservation and carbon reduction through long-term effects, such as autonomic energy conservation, self-generation and self-use of solar energy, and purchase of green electricity or certificates. The greenhouse gas emissions in 2022 (Scope 1 + Scope 2 / market benchmark) were 206,990 tons CO2e / year, decreased 18,778 tons CO2e / year as compared with 2021. The factories in Xuzhou and Kunshan in mainland China purchased the renewable energy certificates of 18,706Mwh in 2022. The factories in Dongguan obtained the renewable energy rights of 1,700,000Mwh by additional agreements for direct power purchase, and the factory in India purchased the renewable energy certificates of 8,760Mwh. It is estimated that the use of renewable energy will account for 56.54% of the total energy consumption by 2030, and the goal of our long-term efforts is to achieve net zero emission by 2050.

Water Resource Management



The water supply source of the Group's factories is municipal water, which is mainly used for the living of employees and the auxiliary equipment of factories. The domestic sewage generated is discharged to the municipal sewage conduits for treatment according to law. The process wastewater generated by the factories in Dongguan and Kunshan for production needs shall be treated by the wastewater treatment facilities in the factory and will be discharged until it meets the discharged water quality requirements of the local authorities. In order to effectively manage and recycle discharged wastewater, certain measures have been taken to recycle condensed water of air conditioning, RO concentrated water, and pure water of workshop equipment. In 2022, the total water recovery rate was 4.62%, and the recovery rate of process wastewater exceeded 55%. Through central control and real-time monitoring, the Group controls the water resource management of the main production bases, continuously promote the water conservation measures, increases the water recovery and recycling measures, and strengthens the daily management of each factory, so as to reduce the use of water by basic factory facilities (such as air conditioning and air compressor) and for living of employees.

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. In 2022, the factories in Dongguan received the approval on the emergency plans for environmental emergencies, prepared emergency plans for emergencies that may cause environmental pollution, and improved the emergency wastewater collection and treatment mechanism of the factories to avoid environmental impacts caused by emergencies.

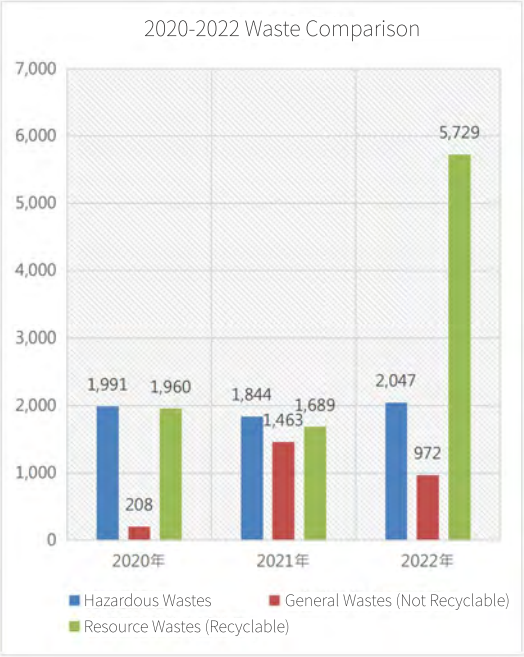
Water Consumption Data		Taiwan	Mainland China			India	Total (million liters)
			Dongguan	Kunshan	Xuzhou		
Total monthly water consumption		43	2,107	801	219	30	3,200
Water discharge	Domestic sewage	34	1,502	625	132	27	2,320
	Industrial wastewater	—	24	97	—	—	121
Water consumption		9	581	79	88	3	757
Water recovery		—	72	47	0	—	119
Recovery rate %		—	3.93%	5.85%	0	—	4.62%
Domestic sewage discharge standards		Sewage Discharge Quality Standards of Tucheng Industrial Zone	Water Pollution Discharge Limits (DB44/26-2001)	Water Quality Standards for Sewage Discharged into Urban Sewers (GB/T31962-2015)	Standards for Sewage Took-over by Sewage Treatment Plant	The Environment (Protection)Rules,1986	—
Industrial wastewater discharge standards		None	Discharge Standards for Pollutants in Electroplating Water (DB44/1597-2015))	Integrated Wastewater Discharge Standards (GB8978-1996)			
Grade of risks		LOW-Medium(1-2)	Medium-High(2-3)	High(3-4)	High(3-4)	Extermely High(4-5)	

Waste Management

In response to the needs of production and living in dormitories, waste reduction and recycling have become an increasingly important environmental issue. To this end, the Group has implemented "zero landfill" of waste in the main factories in mainland China to gradually reduce the incineration and landfill of waste, so as to ensure that the upper limits of 100% waste conversion and 10% waste incineration are met. The "zero landfill" of waste is regarded as one of the Group's important strategies. The "zero landfill" project not only considers reducing the consumption of raw materials from the source to minimize the wastes generated, but also focuses on the recycling of internal and external packaging materials to continuously improve the reuse rate of wastes. In 2022, the Fuqiang factory and Fudong factory in Dongguan, and the factories in Kunshan completed the UL2799 Zero Waste to Landfill Certification and obtained the platinum-grade certificate, and the factory in Xuzhou obtained the gold-grade certificate. In order to ensure that all wastes are legally and effectively treated, each factory shall select appropriate waste treatment suppliers according to law to treat wasters and record such treatment properly, and regularly review inspect the waste treatment suppliers to ensure that the daily management and quantity statistics of all kinds of waste are coordinated, and assist all business units to promote relevant waste reduction and recycling work. All outsourcing shall be carried out in a legal manner.

Unit: Ton

Type of Wastes (Unit: Ton)	Taiwan	Dongguan	Kunshan	Xuzhou	India	Total
Hazardous Wastes	0	374	1,422	246	5	2,047
General Wastes (Not Recyclable)	122	33	113	702	2	972
Resource Wastes (Recyclable)	6	4,102	330	1,103	188	5,729
Subtotal	128	4,509	1,865	2,051	195	8,748



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 factories 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.

In 2022, the factories in Kunshan failed to meet the requirements for monthly monitoring on boiler waste gas, and the local environmental protection authority imposed a penalty of RMB 48,000. After receiving the notice of penalty, the factories conducted the relevant monitoring according to law, the results of which met the statutory requirements. Meanwhile, the factory waste gas monitoring frequency list was amended to ensure the subsequent compliance with the statutory requirements.

Responsible Supplier Management

Sustainable Supply Chain - Strengthen Strategic Partnerships to Create Sustainable Value

Core Value

FOXLINK established the Sustainable Operation Team in 2021, the Social Responsibility Sub-team under which is responsible for determining the scope of sustainable supply chain management, formulating sustainable supply chain management plans according to the sustainable operation policies, and executing projects with suppliers by taking cooperation, reliability and green procurement as the key points. In order to become a reliable partner in the supply chain, FOXLINK shall actively communicate and promote the concept of sustainable supply chain internally, and focus on environmental and social aspects to evaluate and review the qualification of suppliers in order to develop long-term partnerships with suppliers, so as to ensure that the relevant parties move towards sustainable development goals simultaneously, achieve the targets of supplier management, strengthen the sound cooperation with suppliers, and reduce operational risks.

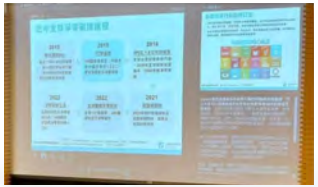
Core	Description	Actions
Collaboration	Concept dissemination	Internal / external publicity Supplier management platform (communication channel)
Reliable	Supplier management	Supply chain documentation management Green qualification survey Supplier level identification
Green Process	Green policy/procurement	Use recycled materials Calculate and improve carbon emission of purchased materials Use green electricity / clean energy by suppliers

Short-term Goals (2023)	Medium & Long-term Goals
1. Continuously work with suppliers to optimize the process and promote the proportion of recycled materials used 2. Greenhouse gas inventory of key upstream and downstream suppliers	1. Continuously establish a sustainable communication channel with suppliers 2. Continuously introduce long-term partners with sustainable qualifications, quality requirements and stable supply 3. Achieve the Group's sustainable supply chain carbon reduction target

Implementation Principles

Aspect	Policies	Actions in 2022	Tasks in 2023
Employee management	Group internal publicity	1.Lectures on global carbon emission trends and response cases for internal employees and executives 2.Training of internal key employees	1.Share supply chain information to relevant employees 2.Courses and promotion on sustainable trends
Supplier management	Supplier external publicity	1. Establish a supplier management platform 2. Determine the supplier sustainability document grading method 3. Investigate the green qualification of major suppliers 4. Investigate the global sites of suppliers, and collect information on sustainable local procurement sites	1. Optimize the supplier management platform - add a new email publicity channel 2. Provide the supplier sustainability document grading standards 3. Complete the establishment of the manufacturer self-recommendation system 4. Add the sustainability questionnaire as a document must be provided by suppliers
Internal implementation policy	Internal push policy	1. Add the ISO14001 certificate as a document must be provided by suppliers	1. Formulate and promote the internal management measures for sustainable supply chain
External implementation policy	External procurement and carbon reduction policy	1. Collect the information on the recycling material market status of existing suppliers	1. Promote and increase the use of recycled materials

In 2022, the Industrial S&T International Strategic Development Division of the Industrial Technology Research Institute was invited to give a lecture on global carbon emission trends and response cases for internal employees and executives, a total of 164 employees of the Group participated in the lecture. The Group responded the international trend of 2050 carbon neutral goal, incorporated the sustainability issues into internal policies and rules, analyzed the supply chain carbon reduction requirements of international large companies and their impact, and further promoted the transformation of supply chain with the wave of new green reform.





Strengthen the Management on Suppliers' Sustainable Qualification

The Group has formulated the relevant qualification management measures for sustainable supply chain to continuously optimizes supplier audit and evaluation, it divides suppliers into cost-based suppliers and material-based suppliers according to their characteristics. When introducing a new cost-based supplier, the Group shall determine the level of such supplier based on its paid-in capital, the business form of the supplier will be used as the basis for determining the level of a cost-based supplier in the future. When introducing a new material-based supplier, the Group shall require such supplier to pass ISO9001 and ISO14001 certification, submit environmental and social related commitments, such as environmental protection commitment, quality commitment, occupational health and safety declaration, commitment of social responsibility and commitment of mineral conflict-free, such supplier shall undertake not to use or purchase conflict minerals from conflict mineral areas, and shall provide a safe working environment to employees, respect for employees, observe business ethics, and agree to follow local laws and regulations. In 2022, 95% of newly qualified material-based suppliers have signed the Group's "Supplier Commitment of Social Responsibility" and the "Commitment of Mineral Conflict-Free", and 91% have signed the Group's "Environmental Protection Statement". In the future, the Group will continue to increase the proportion of signing, and fulfill the corporate social responsibilities with suppliers to exert global influence.

The Group will classify the documents or qualifications submitted by suppliers to determine the sustainable qualification level of suppliers, and formulate the supplier sustainable qualification management measures to manage the qualified suppliers. The Group will not accept any unqualified supplier, or will use it restrictively according to our needs. When introducing a new material-based supplier, the Group will simultaneously collect annual carbon emission information and related certificates of the supplier to achieve the comprehensive collection of data on sustainable qualification, including:

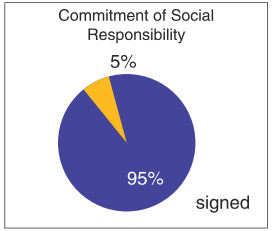
1.ISO14064
2.ISO14067
3.UL2799
4.Supplier’ s annual carbon emission data
5.RBA Membership Certificate

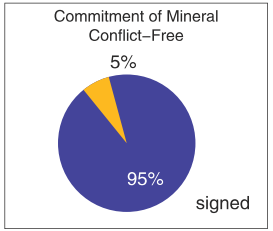
Sustainable Supply Chain - Local Procurement

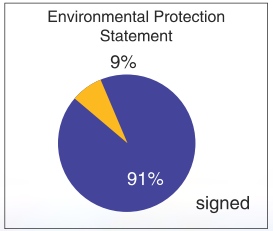
According to the statistics of the Group, the amount of local procurement in China and Taiwan accounted for 60% of the total amount of procurement in 2022. In the future, the Group will actively develop local suppliers, increase the proportion of local and regional procurement, achieve the goal of shortening delivery time and reducing operational risks, strengthen the partnership with domestic suppliers, reduce the greenhouse gas emissions generated by international transportation, and reduce our carbon footprint while actively pursuing environmental sustainability.

Commitments Signed by New Material Suppliers in 2022

Region	Number of new suppliers in 2022	Commitment of Social Responsibility		Commitment of Mineral Conflict-Free		Environmental Protection Statement	
Taiwan	43	39	91%	40	93%	34	79%
Dongguan	80	77	96%	77	96%	76	95%
Kunshan	39	37	95%	37	95%	36	92%
Xuzhou	3	3	100%	3	100%	3	100%
India	7	7	100%	7	100%	7	100%
Total	172	163	95%	164	95%	156	91%







Supplier CSR Management Process

Compliance with Standards

RBA Code of Conduct
Supplier Social responsibility Commitment
Commitment Not To Use Conflict Minerals
Environmental Protection, Occupational Health and Safety Declaration

Risk Assessment

Supplier CSR Risk Identification and Assessment Form
Supplier CSR Scoring Form

Audit and Verification

Annual Audit　New Supplier Audit
On-site Evaluation　Written Evaluation

Continuous Improvement

Supplier CSR Evaluation Form

Compliance with Standards

According to the RBA Code of Conduct, the Group has developed the "Supplier Social Responsibility Management Procedures" to carry out supplier CSR management, it urges suppliers to pay attention to labor human rights, working environment and safety, environmental protection, ethics and integrity, and other issues, and thoroughly implement the risk management and the operation sustainability plan, in order to establish a sustainable supply chain. In addition, according to the RBA Code of Conduct, we have prepared the "Supplier Commitment of Social Responsibility", the "Commitment of Mineral Conflict-Free", and the "Environmental Protection, Occupational Health and Safety Declaration", which must be signed by all material suppliers, so as to ensure that suppliers comply with the RBA Code of Conduct, the responsible mineral procurement policy, and the environmental sustainability and occupational safety and health policy.

Risk Assessment

In order to better understand the sustainable development of suppliers in terms of environment, society and governance, we conducted a risk questionnaire survey on main suppliers in the themes of labor human rights, working environment and safety, environmental protection, ethics and integrity, and management system, to identify suppliers with high risks that should be specially managed. On-site audit should be conducted at least once a year, and improvement measures and continuous follow-up shall be conducted to ensure that the improvement is completed and the risk level is lowered. In 2022, a total of 497 CSR risk assessment questionnaires were collected, and a total of 6 suppliers were listed as high-risk suppliers for specific reasons, all of which met the requirements to maintain the supplier qualification after on-site audit.

Audit and Verification, and Continuous Improvement

The Group manages suppliers emphatically in terms of materiality, transaction value, product quality and other aspects. In order to truly assess the CSR risks of suppliers, we send the "Supplier CSR Scoring Form" to all suppliers that need to be audited to make the suppliers to assess their sustainable performance, and conduct a written/on-site audit after they reply to the self-assessment questionnaire. In 2022, a total of 68 main suppliers were selected by all factories for on-site audit, and no serious non-conformance related to child labor, forced labor, freedom of association and immorality was found in the audit. the deficiencies are mainly related to the management of working hours and the management and maintenance of emergency facilities, and no supplier has been listed as an unqualified supplier for violating social responsibility rules.
All suppliers with deficiencies were required to provide an improvement plan for the deficiencies found in the audit. By the end of 2022, such suppliers have regularly updated their progress of improvement, with an average improvement rate of 98%.

Moreover, we required 54 service providers to meet the relevant requirements on social responsibility, and conducted social responsibility audit on them to check their salary payment, contribution to social insurances and on-site working environment to protect the labor rights and benefits of their employees, we also required suppliers not to violate the applicable laws and regulations when providing services to us to ensure appropriate qualification and conduct.

Region	Dongguan	Kunshan	Xuzhou	India	Total
Main suppliers	23	39	0	6	68
Service providers	6	14	8	26	54
Total	124 suppliers				

Responsible Procurement by Suppliers

The Group respects international human rights and continuously focuses on the issue of responsible mineral procurement. We are committed not to use conflict minerals from conflict-affected and high-risk areas identified by RBA, OECD and customers, but do not prohibit the use of qualified smelters from the conflict areas; we prepared the "Commitment of Mineral Conflict-Free" in accordance with the requirements of RBA and customers, which must be signed by all material suppliers to ensure that they will comply with the relevant regulations on conflict minerals.

Each factory shall conduct a comprehensive supplier inspection twice a year to promote suppliers to use qualified smelters and conduct responsible procurement. In 2022, a total of 402 suppliers have been inspected, with a response rate of 100%. In the future, we will actively cooperate with customers to achieve the goal of 100% not to use conflict minerals and meet their requirements. We will also strengthen our requirements for suppliers to honestly and fully disclose the use of conflict minerals from conflict-affected and high-risk areas in their products, in order not to directly or indirectly contribute to the armed groups in such areas.

Green Product Management

FOXLINK has always been adhering to the concept of "green environmental protection", complying with the policy of no hazardous substances, and aiming to make green products.

In order to achieve the goal of green products, the Group has established a professional hazardous substances management team, which is responsible for the integrated planning of the Group’ s green product strategy and the responding to customers issues and international environmental issues, to ensure the smooth implementation of environmental laws and customer requirements, in accordance with the latest IECQ QC 080000:2017 Standards.

Green product management is mainly implemented from three aspects: raw materials, production process and finished products, to ensure that all products produced by the Company can meet the green product requirements and customer requirements, reduce the impact on environment, and achieve the sustainable development of the Company.



Green Design

Green design is environmentally friendly design. Its connotation is to integrate the concept of no hazardous substances into the whole life cycle of products in a systematic way, starting from design and development. The concept of green design is introduced into the production process, and the selection of raw materials and the easy disassembly design of products are used to reduce the impact of products on human body and the environment.

Green Production Process

Under the requirements of the EU RoHS Directive, the concentration of ten restricted substances, such as plumbum, mercury, cadmium, hexavalent chromium, polybromated biphenyl (PBB), polybrominated diphenyl ether (PBDE) and phthalates (DEHP, BBP, DBP, DBP, DIBP), shall meet the standards. FOXLINK has a special laboratory and advanced equipment to carry out sampling test of raw materials provided by suppliers, to prevent non-conforming materials from flowing into the production line, and to cooperate with the production control operations to achieve the target of green products and green production.

Since Green Peace released the Guide to Greener Electronics in 2006, electronics companies have announced that they will gradually phase out the halogen compounds contained in their products. Based on the halogen-free requirements, the Company evaluated the technical feasibility of halogen-free requirements and improved the technology of cleaner production. At present, FOXLINK has introduced halogen-free into its production process according to the requirements of customers to reduce the harm caused by halogens to the environment and human body.

Green Supply Chain

The suppliers of FOXLINK will go through strict qualification screening and on-site audit, and they are required to sign the environmental statement and the quality commitment to become qualified suppliers of the Company. At present, the Company has a total of 2,383 suppliers, and the signing rate of the environmental statement and the quality commitment reaches is above 90%. Some international large manufacturers designated by customers will provide RoHS and REACH statements to prove that the products provided by them comply with the Company's concept of green products.

The Company has also formulated the “Green Procurement Procedure” to standardize the products provided by suppliers to meet the requirements of environmental material management. Suppliers will also be informed of any change in the Company’s control requirements. Each business unit has special personnel responsible for tracking whether the third-party test report of each raw material is valid and meets the control requirements.

In order to improve supply chain cooperation, the Company conducts supplier audit and guidance according to the annual supplier audit plan. In 2022, the five factories of FOXLINK in Taiwan, Kunshan, Dongguan, Xuzhou and India planned to audit 265 suppliers, and 258 of them were actually audited, with a completion rate of 97.36%. The improvement rate of audited suppliers was 100%, and no supplier was listed as unqualified supplier for violating the requirements.

Region	Dongguan	Kunshan	Xuzhou	Taiwan	India	Total
Suppliers planned to be audited	121	114	23	0	0	265
Suppliers actually audited	114	114	23	0	0	258
Completion rate (%)	94.21%	100%	100%	100%	0	97.36%

Appendix1 GRI Index Table

Application	Cheng Uei Precision Industry Co., Ltd. prepared the Sustainability Report for the period from January 1, 2022 to December 31, 2022 in accordance with the GRI Standards.
GRI 1 applied	GRI 1: Basic 2021
Applicable GRI Industry Standards	N/A

GRI Standards		Information Disclosed	Chapter	Page	Supplementary Notes	Omit
GRI 2: General Disclosures						
1.The organization and its reporting practices	2-1	Organizational details	Company Profile	7		
	2-2	Entity included in the organization's sustainability report	About the Report	1	No products or services are banned in specific markets. Maanshan factory was deleted in 2022 ESG report to the business adjustment.	
	2-3	Reporting period, frequency, and contact point	About the Report	2		
	2-4	Restatements of information	About the Report	1		
	2-5	External assurance	About the Report	5	Science Based Target initiative (SBTi) Carbon Disclosure Project (CDP)	

GRI Standards		Information Disclosed	Chapter	Page	Supplementary Notes	Omit
2.Activities and workers	2-6	Activities, value chain and other business relationships	Company Profile	7-8		
	2-7	Employees	Building a Diverse and Inclusive Workplace	34		
	2-8	Workers who are not employees	Building a Diverse and Inclusive Workplace	35		
3.Governance	2-9	Governance structure and composition	orporate Governance and Sustainable Operation	25		
	2-10	Nomination and selection of highest governance body	orporate Governance and Sustainable Operation	25-26		
	2-11	Chair of the highest governance body	orporate Governance and Sustainable Operation	25-26		
	2-12	Role of the highest governance body in overseeing the management pf impacts	orporate Governance and Sustainable Operation	25-26		
	2-13	Delegation of responsibility for managing impacts	orporate Governance and Sustainable Operation	25-26		
	2-14	Role of the highest governance body in sustainability reporting	Words of the Chairman	3-4		
	2-15	Conflicts of interest	orporate Governance and Sustainable Operation	29		
	2-16	Communication of critical concerns	orporate Governance and Sustainable Operation	12-16		
	2-17	Collective knowledge of the highest governance body	orporate Governance and Sustainable Operation	26-27		

GRI Standards		Information Disclosed	Chapter	Page	Supplementary Notes	Omit
3.Governance	2-18	Evaluation of the performance of the highest governance body	orporate Governance and Sustainable Operation	26		
	2-19	Remuneration policies	uilding a Diverse and Inclusive Workplace	38		
	2-20	Process to determine remuneration	uilding a Diverse and Inclusive Workplace	38		
	2-21	Annual total compensation ratio	uilding a Diverse and Inclusive Workplace	36		
4.Strategy, policies and practices	2-22	Statement on sustainable development strategy	Words of the Chairman	3-4		
	2-23	Policy commitments	Words of the Chairman	3-4		
	2-24	Embedding policy commitments	Building a Diverse and Inclusive Workplace	33		
	2-25	Processes to remediate negative impacts	orporate Governance and Sustainable Operation	29-30		
	2-26	Mechanisms for seeking advice and raising concerns	orporate Governance and Sustainable Operation	29-30		
	2-27	Compliance with laws and regulations	orporate Governance and Sustainable Operation	29-30		
5.Stakeholder engagement	2-28	Membership associations	-		Taiwan Electrical and Electronic Manufacturers' Association, Taipei Computer Association	
	2-29	Approach to stakeholder engagement	orporate Governance and Sustainable Operation	12-16		
	2-30	Collective bargaining agreements	-		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 to determine material topics	Corporate Governance and Sustainable Operation	17-19		
	3-2	List of material topics	Corporate Governance and Sustainable Operation	17-19		
Material Topic: Corporate Governance						
Governance principles	3-3	Management of material topics	Company Profile Corporate Governance and Sustainable Operation	7-8 20-21		
Material Topic: Risk Management						
Government principles	3-3	Management of material topics	Corporate Governance and Sustainable Operation	10		
Material Topic: Financial Performance						
Government principles	3-3	Management of material topics	Company Profile	9		
201 Economic Performance	201-1	Direct economic value generated and distributed	Company Profile	9		
	201-2	Financial implications and other risks and opportunities due to climate change	Sustainable Environment	65-67		

GRI Standards		Information Disclosed	Chapter	Page	Supplementary Notes	Omit
	201-3	Defined benefit plan obligations and other retirement plans	Building a Diverse and Inclusive Workplace	38		
	201-4	Financial assistance received from government	Sustainable Environment	62		
Material Topic: Corporate Integrity						
Management principles	3-3	Management of material topics	Corporate Governance and Sustainable Operation	10		
205 Anti-corruption	205-1	Operations assessed for risks related to corruption	Corporate Governance and Sustainable Operation	29-30		
	205-2	Communication and training about anti-corruption policies and procedures	Corporate Governance and Sustainable Operation	29-30		
	205-3	Confirmed incidents of corruption and actions taken	Corporate Governance and Sustainable Operation	29-30		
206 Anti-competitive behavio	206-1	Legal actions for anti-competitive behavior, anti-trust and monopoly practices	Corporate Governance and Sustainable Operation	29-30		
Material Topic: Employee Rights and Pluralistic Equality						
Management principles	3-3	Management of material topics	Building a Diverse and Inclusive Workplace	33		
401 Employee	401-1	New employee hires and employee turnover	Building a Diverse and Inclusive Workplace	37		
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Building a Diverse and Inclusive Workplace	38		

GRI Standards		Information Disclosed	Chapter	Page	Supplementary Notes	Omit
	401-3	Parental leave	Building a Diverse and Inclusive Workplace	43		
405 Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	Building a Diverse and Inclusive Workplace	34-35		
	405-2	Ratio of basic salary and remuneration of women to men	Building a Diverse and Inclusive Workplace	36		
Material Topic: Employee Training and Practice						
404 Training and Education	404-1	Average hours of training per year per employee	Building a Diverse and Inclusive Workplace	48		
	404-2	Programs for upgrading employee skills and transition assistance programs	Building a Diverse and Inclusive Workplace	49-50		
	404-3	Percentage of employees receiving regular performance and career development reviews	Building a Diverse and Inclusive Workplace	38		
Material Topic: Occupational Health and Safety						
403 Occupational Health and Safety	403-1	Occupational health and safety management system	Occupational Health and Safety	52		
	403-2	Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety	53		
403 Occupational Health and Safety	403-3	Occupational health services	Occupational Health and Safety	56		

GRI Standards		Information Disclosed	Chapter	Page	Supplementary Notes	Omit
403 Occupational Health and Safety	403-4	Worker participation, consultation and communication on occupational health and safety	Occupational Health and Safety	53		
	403-5	Worker training on occupational health and safety	Occupational Health and Safety	57-58		
	403-6	Promotion of worker health	Occupational Health and Safety	56		
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety	54		
	403-8	Workers covered by an occupational health and safety management system	Occupational Health and Safety	53		
	403-9	Work-related injuries	Occupational Health and Safety	54-55		
	403-10	Work-related ill health	Occupational Health and Safety	54		
Material Topic: Climate Change and Greenhouse Gas Management						
302 Energy	302-1	Energy consumption within the organization	Sustainable Environment	562		
	302-2	Energy consumption outside the organization	Sustainable Environment	63		
	302-3	Energy intensity	Sustainable Environment	62		

GRI Standards		Information Disclosed	Chapter	Page	Supplementary Notes	Omit
	302-4	Reduction of energy consumption	Sustainable Environment	62		
	302-5	Reductions in energy requirements of products and services	Sustainable Environment	62		
305 Emissions	305-1	Direct (Scope 1) GHG emissions	Sustainable Environment	67		
	305-2	Energy indirect (Scope 2) GHG emissions	Sustainable Environment	67		
	305-3	Other indirect (Scope 3) GHG emissions	Sustainable Environment	67		
	305-4	GHG emission intensity	Sustainable Environment	67		
	305-5	Reduction of GHG emissions	Sustainable Environment	67		
	305-6	Emissions of ozone-depleting substances (ODS)	Sustainable Environment	71		
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Sustainable Environment	71		
Material Topic: Supplier Management						
308 Supplier Environment Assessment	308-1	NNew suppliers that were screened using environmental criteria	Responsible Supplier Management	74		
	308-2	Negative environment impacts on the supply chain and actions taken	Responsible Supplier Management	76		
414 Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	Responsible Supplier Management	74		
	414-2	Negative social impacts in the supply chain and actions taken	Responsible Supplier Management	76		

Appendix2 SASB Standards Comparison Table

Topic	Accounting Metric	Code	Category	Report Content or Description	Corresponding Chapter
Water Management	1.Total water withdrawn 2.Total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	TC-ES-140a.1	Quantitative	1.The total water withdrawn is 3,200 tons. 2.The total water consumed is 757 tons, and the percentage of each in regions with High or Extremely High Baseline Water Stress is 22.46%.	Sustainable Environment - Water Resource Management, P.70
Waste Management	Amount of hazardous waste from manufacturing, percentage recycle	TC-ES-150a.1	Quantitative	The amount of hazardous wastes is 2,047 tons.	Sustainable Environment - Waste ManagementP.71
Labor Practices	1.Number of work stoppages 2.Total days idle	TC-ES-310a.1	Quantitative	1.There was no employee strike or stoppage event in 2022. 2.There were no idle days due to employee strike or stoppage events in 2022.	--
Labor Conditions	1.Total recordable incident rate (TRIR) for direct employees and contract employees 2.Near miss frequency rate (NMFR) for direct employees and contract employees	TC-ES-320a.1	Quantitative	1.The total recordable incident rate (TRIR) for direct employees and contract employees was 0.26 and 0.18, respectively. 2.The near miss frequency rate (NMFR) for direct employees and contract employees was 0.05 and 0, respectively.	Occupational Health, Safety and Hygiene - Statistical Analysis of Disabling Injuries, P.54

Topic	Accounting Metric	Code	Category	Report Content or Description	Corresponding Chapter
	1.Percentage of entity’ s facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by all facilities and high-risk facilities 2.Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by all facilities and high-risk facilities	TC-ES-320a.2	Quantitative	1.The percentage of entity's facilities audited in the RBA Validated Audit Process (VAP) or equivalent by all facilities and high-risk facilities was 14% and 0%, respectively. Notes: In 2022, a total of 2 factories completed the RBA audit. 2.No information on the percentage of Tier 1 supplier facilities will be provided, because the Group did not investigate the RBA VAP audit on Tier 1 suppliers.	--
	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 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	TC-ES-320a.3	Quantitative	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 19.5%, respectively. No information on the percentage of Tier 1 supplier facilities will be provided, because the Group did not investigate the RBA VAP audit on Tier 1 suppliers. 2.The associated corrective action rate for other non-conformances of the entity’ s facilities was 100% (no serious non-conformity occurred in own factories). No information on the percentage of Tier1 supplier factories will be provided, because the Group did not investigate the RBA VAP audit on Tier 1 suppliers.	--

Topic	Accounting Metric	Code	Category	Report Content or Description	Corresponding Chapter
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.	--
Material Sourcing	Description of the management of risks associated with the use of critical materials	TC-ES-440a.1	Discussion and Analysis	1.The Group takes cooperation, reliability and green procurement as the key points to carry out corresponding projects with its supplier. 2.The Group does not allow its suppliers to use conflict minerals. In 2022, 402 suppliers were investigated for conflict minerals, with a response rate of 100%. No violations were found in the investigation.	Chapter 4: Supply Chain Management Process, P.77

Accounting Metric	Category	Code	Report Content or Description
Number of manufacturing factories	Quantitative	TC-ES-000.A	About 14 production sites
Area of manufacturing facilities	Quantitative	TC-ES-000.B	About 8,831,483.77ft^2
Number of employees	Quantitative	TC-ES-000.C	28,364 employees

Third-party External Assurance



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Independent Assurance Statement

CHENG UEI PRECISION INDUSTRY CO., LTD.'s 2022 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 2022 (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 2022 was in accordance with AA1000 Assurance Standard (v3) and the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards).

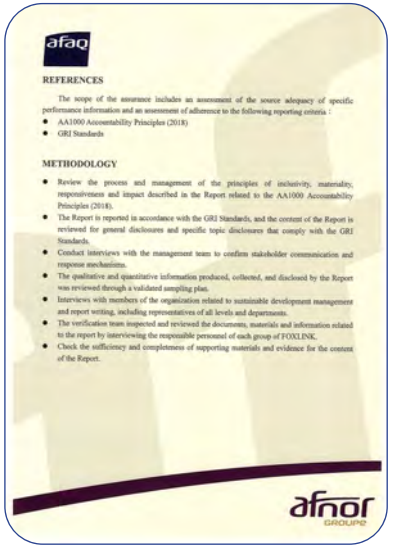
SCOPE

The disclosure scope of the Report covers the economic, environmental and social activities and operational performance of the headquarters in Taiwan and manufacturing plants around the world (mainland China and India).

AFNOR Asia is responsible for:

1. According to the Type 1 of the AA1000 Assurance Standard (v3), evaluate FOXLINK's compliance with the AA1000 Accountability Principle (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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REFERENCES

The scope of the assurance includes an assessment of the source adequacy of specific performance information and an assessment of adherence to the following reporting criteria :

- AA1000 Accountability Principles (2018)
- GRI Standards

METHODOLOGY

- Review the process and management of the principles of inclusivity, materiality, responsiveness and impact described in the Report related to the AA1000 Accountability Principles (2018).
- The Report is reported in accordance with the GRI Standards, and the content of the Report is reviewed for general disclosures and specific topic disclosures that comply with the GRI Standards.
- Conduct interviews with the management team to confirm stakeholder communication and response mechanisms.
- The qualitative and quantitative information produced, collected, and disclosed by the Report was reviewed through a validated sampling plan.
- Interviews with members of the organization related to sustainable development management and report writing, including representatives of all levels and departments.
- The verification team inspected and reviewed the documents, materials and information related to the report by interviewing the responsible personnel of each group of FOXLINK.
- Check the sufficiency and completeness of supporting materials and evidence for the content of the Report.

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CONCLUSION

◆ **AA1000 Accountability Principles**

Inclusivity

FOXLINK has continued to implement a wide range of stakeholder engagement programs to identify and understand the important information generated by issues of concern to stakeholders. The report has fairly reported and disclosed economic, environmental and social information, which is sufficient to support appropriate plans and goals. Future reports may:

-- sustaining corporate sustainable development strategies, effectively integrating internal and external resources, managing risks and opportunities, clearly setting program goals, and presenting sustainability-related performance that stakeholders are concerned about.

-- continuously strengthen the existing mechanism for identifying stakeholders and materiality issues, collect and understand stakeholders' concerns, specific methods of participation, and reasonable expectations and interests.

Materiality

FOXLINK has released relevant information on sustainable management to enable stakeholders to judge the company's management and performance, and develop and implement a decision-making mechanism for material issues to accommodate issues from all parties. Future reports may:

-- expand the number of questionnaires and returns of stakeholders, continue to collect and disclose significant sustainable development information, and fully disclose significant sustainable development information.

-- continue to strengthen the identification mechanism of positive and negative impacts, materiality considerations and related impacts, strengthen the risk and opportunity management and control of materiality issues, and implement them into the operating procedures of each department.

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Responsiveness

FOXLINK has developed and implemented a stakeholder response mechanism and the comparison of SDGs, clearly declaring relevant policies and communicating with stakeholders, and responding to expectations and opinions from stakeholders. Future reports may:

-- continue to strengthen the response and communication mechanism of various departments and stakeholders, strengthen the depth and breadth of disclosed data and increase their comparability.

-- continue to compile the responses of stakeholders to this report as a reference for future refinement.

Impact

FOXLINK has developed and implemented a process for understanding, measuring, evaluating and managing the impact of the organization, and provided the necessary capabilities and resources, and committed to making a comprehensive and balanced disclosure of the measurement and evaluation of the organization's impact on stakeholders and itself. Future reports may:

-- continuously strengthen the risk and opportunity monitoring and measurement mechanism of various major sustainable actions and related impacts, and implement them into the operating procedures of various departments.

◆ **Global Reporting Initiative Sustainability Reporting Standards**

Based on the results of the review, we confirm that the Report complies with GRI reporting requirements in terms of general disclosure items and specific topic disclosures, including material topic management and disclosure items. Future reports may:

-- continuously collect and disclose performance information that can be extended to other regions or operating bases in the future, and strengthen the depth and breadth of disclosed information, strengthen the content of management policy disclosure, and more completely present the context of sustainability and related sustainability performance.

-- continuously collect major issues, risks and opportunities, strengthen management and control, practice results, and gradually implement various operations and management actions of subsidiaries in various operating bases, so as to expand the influence of enterprises on sustainable management.

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