



2019 CSR REPORT



About This Report

Introduction

This report is the 2019 Corporate Social Responsibility ("CSR") Report released by Foxconn Industrial Internet Co., Ltd. (hereinafter "Foxconn Industrial internet", "Company", "the Company", "Fii", "We") and its subsidiaries, communicating Fii's philosophy, strategies and performances of corporate social responsibilities.

This report is the second CSR report issued by Fii since it was listed on the Shanghai Stock Exchange in 2018. We will continue to publish the CSR report annually as part of our commitment to good corporate citizenship. We are intended to innovate and develop the industrial internet, promote industrial transformation and upgrading, serve the vast number of small and medium-sized enterprises (SMEs), and drive sustainable social development.

Reporting Scope

This report covers Fii and its subsidiaries. In the report, the data on *Responsible Procurement, Green Production, Clean Development and Joint Hands with Society for Public Welfare* is derived from 22 domestic subsidiaries engaged in intelligent manufacturing (communication and mobile network equipment, cloud computing, precision tools and industrial robots) and industrial internet operations in China.

Reporting Period

This report covers the period from 1 January to 31 December 2019, while some information in this report is beyond this period.

Data Source

All information and data disclosed in this report are from the official documents, statistical reports and annual reports of Fii. Financial information quoted in this report is in RMB.

Reporting Principles

The content of this report is prepared in accordance with the *Global Reporting Initiative Sustainable Development Report Standards* (GRI Standards): Core option issued by the Global Sustainability Standards Committee, and with reference to relevant contents of the *Guideline on Environmental Information Disclosure by Listed Companies, Guideline for the Compilation of Corporate Social Responsibility Reports*, the *Notice on Improving the Information Disclosure of Poverty Alleviation Work of Listed Companies* issued by the Shanghai Stock Exchange, and the *Guidance on Social Responsibility of Electronic Information Industry* (SJ/T 16000-2016) and *Evaluation Index System for Social Responsibility Governance of the Electronic Information Industry* (T/CESA 16003-2017).

Access

This report is published electronically and can be viewed or downloaded online at the official Fii website (<http://www.fii-foxconn.com>).

Feedback

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

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Deepening corporate social responsibility to boost high-quality development

Fii Chairman
Junqi Li

Li Junqi



China attracted worldwide attention during 2019, with rapid and steady progress in various fields. 2019 has also been a landmark year for Fii. We are committed to sustainable development while contributing to China's economic success as we innovate in our core area: intelligent manufacturing and the industrial internet.

In 2019, we deepened our sustainable development strategy, launched the Fii CSR Committee, and introduced a semi-quantitative risk rating system to improve each site's risk response capability. We established an information disclosure system and internal and external communication channels, along with a standard mechanism to drive high-quality enterprise development.

We strive for technology breakthroughs to ensure our employees' health and safety by avoiding occupational health

hazards. We have also developed an intelligent green cyclic manufacturing system based on the Fii Cloud platform to support the UN's zero-waste city sustainable development goal. Our closed loop production-recovery-reproduction recycling process for waste precious metal including tungsten and cobalt has made our manufacturing processes more sustainable.

In the past year, we have met corporate social responsibilities including scientific development, environmental protection, charity, employee health protection, and science and technology development. This has helped create greater value for customers, partners, industry, and society.

A new era is approaching. In 2020, the UN officially launched the Decade of Action plan to support its sustainable

development goals, calling for an acceleration in the response to global challenges such as poverty and climate change. At this critical moment, as the world's leading provider of intelligent manufacturing services and industrial internet solutions, Fii is committed to modernizing the global manufacturing industry for a more sustainable future.

We will continue to realize the potential of intelligent manufacturing and an industrial internet based on the concept of openness and cooperation. We will continue to pursue our goal of benefiting all industries across the world while building a better life and a promising future for society.





Taking responsibility and action

CEO and President of
CSR Committee of Fii
Brand Cheng

China's economy has moved from a phase of high-speed growth to one of high-quality development, which means more innovative, green, coordinated, open, and shared development. Social responsibility is an inevitable factor in this process.

At the beginning of the Chinese New Year in 2020, COVID-19 broke out. We offered material support by introducing mask production line for the first time to increase the production and supply of medical masks. We also joined with Shanghai Asclepius Meditec Co., Ltd. to develop and produce oxyhydrogen atomizers to enhance front-line treatment. We cooperated with ecological partners to develop advanced epidemic prevention technologies and did our best to protect millions of Foxconn Technology Group employees. We also opened up the five core services of our developer center free of charge to help developers build intelligent applications quickly.

In times of social crisis, we do our best to contribute to epidemic prevention. In ordinary times, we enrich the meaning

of corporate social responsibility by using science to tackle key technological problems.

In the past year, we have accumulated Foxconn's decades of manufacturing experience and created a matrix of 12 Fii MicroCloud, including Tool MicroCloud, Molding MicroCloud, and Stamping MicroCloud, to help solve professional manufacturing problems. We exported easy-to-use cloud service solutions to traditional manufacturing enterprises, helping China to develop a sustainable, high-quality manufacturing base.

In the past year, our one-stop precision cutting tool grinding APP won the first national industrial internet competition, using industrial big data to help intelligent decision-making. This reduced manpower by 50%, improved yield to 90%, and enabled the green recycling of cutting tools.

2019 also saw us integrate various green management processes into enterprise production. Our Fii Cloud Platform-based intelligent green cyclic manufacturing system recycled 300 tons of tungsten

carbide materials, reduced water consumption by 60,000 tons, and saved electricity by one million degrees.

We also received various accolades in 2019. We were included in the constituent stock of HSSUS, received the Public Welfare Contribution Award Of China's Listed Companies by the Financial Community, and led Xinhuanet's Social Responsibility Development Index of Listed Companies in the Guangdong-Hong Kong-Macao Greater Bay Area.

As the world's leading provider of intelligent manufacturing services and industrial internet solutions, Fii has always insisted on building a high-quality development path with corporate responsibility and a sustainable development path with scientific and technological services. In the future, we will continue to adhere to the 3E concept, increasing employment, stimulating economic growth, and promoting education. We will make unremitting efforts to build a long-term sustainable, green, and innovative solution provider for intelligent manufacturing and technology service integration.



Performance Highlights

Economy



R&D expense

RMB **9.427** billion

up by **4.76 %** from year 2018



R&D patent

4,276 items

(applied and authorized)

Environment



Recycling water

5,505,649 tons

up by **117 %** from year 2018

Society



Key suppliers signing the Code of Conduct

100 %



Collective contract coverage

100 %



R&D personnel ratio

11.4 %

up by **2.2 %** from year 2018



Social contribution value per share

RMB **1.97**



Renewable energy usage

102,073 GJ

up by **39.47 %** from year 2018



Training hours per capita

44.85 hours



Settlement of employee care hotline

100 %



Money invested in targeted poverty alleviation

RMB **824.7** thousand



FOXCONN INDUSTRIAL INTERNET, INTERCONNECTION, AND SHARING

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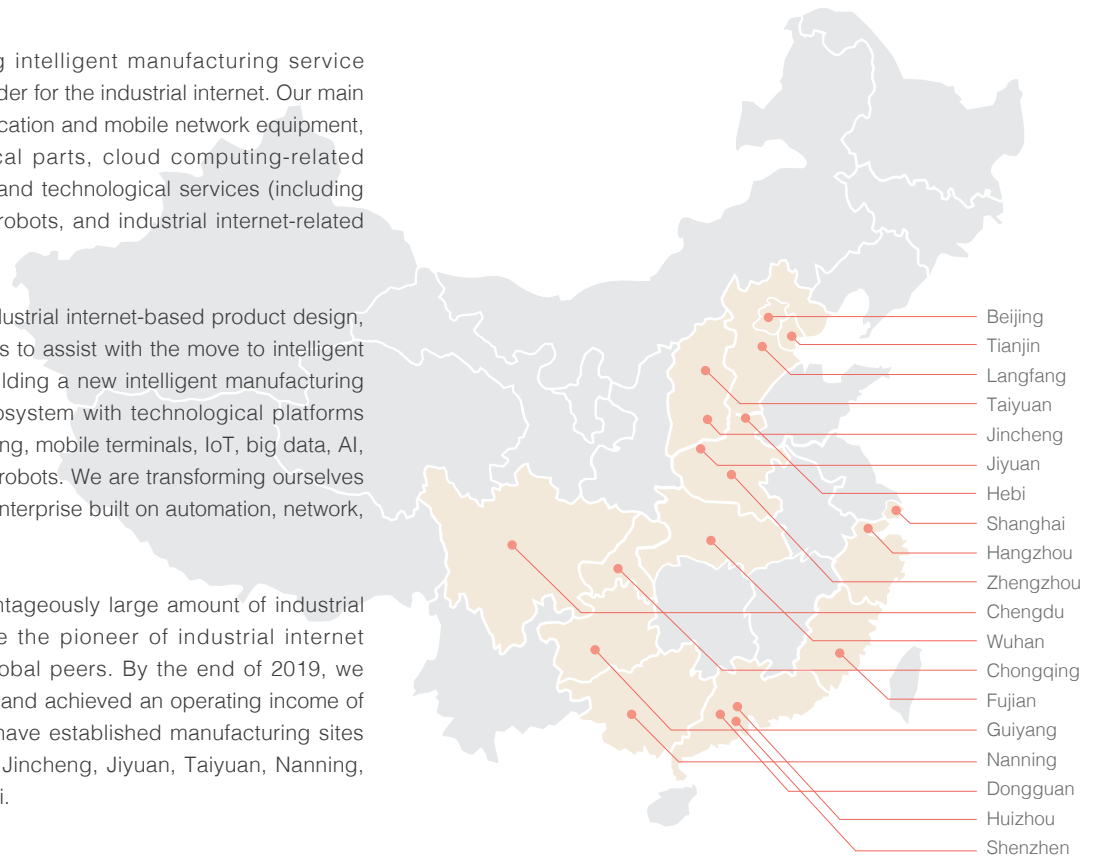
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About the Company

Fii is the world's leading intelligent manufacturing service provider and solution provider for the industrial internet. Our main products include communication and mobile network equipment, high-precision mechanical parts, cloud computing-related equipment, and scientific and technological services (including precision tools, industrial robots, and industrial internet-related services).

We devote ourselves to industrial internet-based product design, manufacturing and services to assist with the move to intelligent manufacturing. We are building a new intelligent manufacturing and industrial internet ecosystem with technological platforms centered on cloud computing, mobile terminals, IoT, big data, AI, high-speed networks, and robots. We are transforming ourselves into a technology service enterprise built on automation, network, platform and big data.

The company owns advantageously large amount of industrial data and talents. We are the pioneer of industrial internet application among the global peers. By the end of 2019, we employed 209,671 people and achieved an operating income of RMB 408.698 billion. We have established manufacturing sites in Shenzhen, Zhengzhou, Jincheng, Jiyuan, Taiyuan, Nanning, Tianjin, Hebi, and Shanghai.

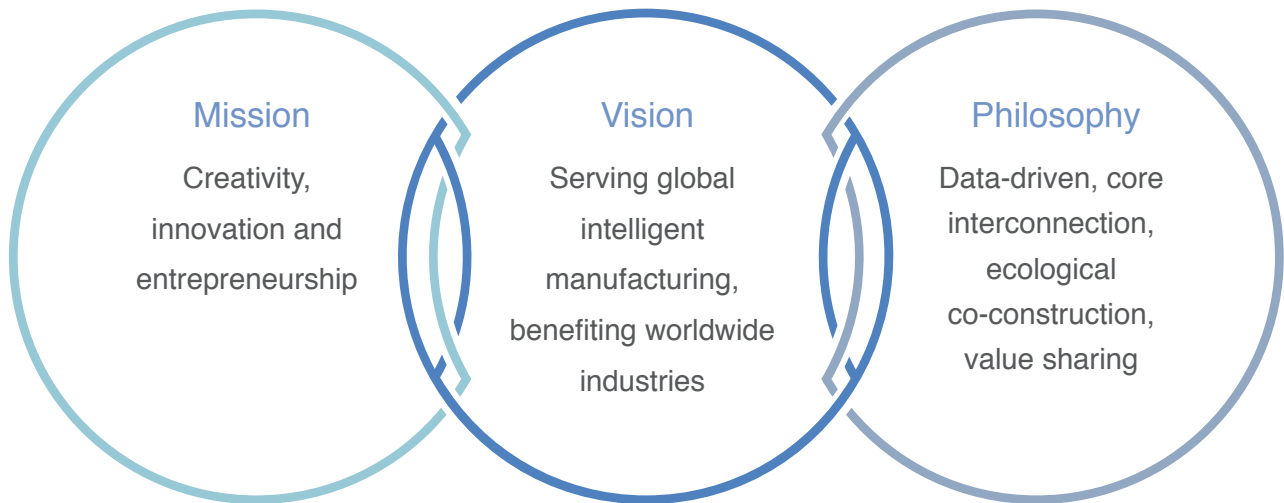


Company Vision

Fii, undertaking the mission of "creativity, innovation, and entrepreneurship", is dedicated to building a global leading industry service-oriented manufacturer, offering customers a full range of industrial internet services. We strive to build an industrial internet ecosystem that deepens integration between manufacturing and the internet, creating an industrial internet ecology based upon big data and AI.

initiatives to promote transformation and upgrading to intelligent manufacturing, and achieves the strategic goal of establishing a brand new industrial internet ecology that relies on industrial big data, industrial AI and industrial application, and ultimately realize the vision of "serving global intelligent manufacturing, benefiting worldwide industries".

The Company plays its leading role and influence in the industry. Upholding the philosophy of "data-driven, core interconnection, ecological co-construction, value sharing", Fii takes practical

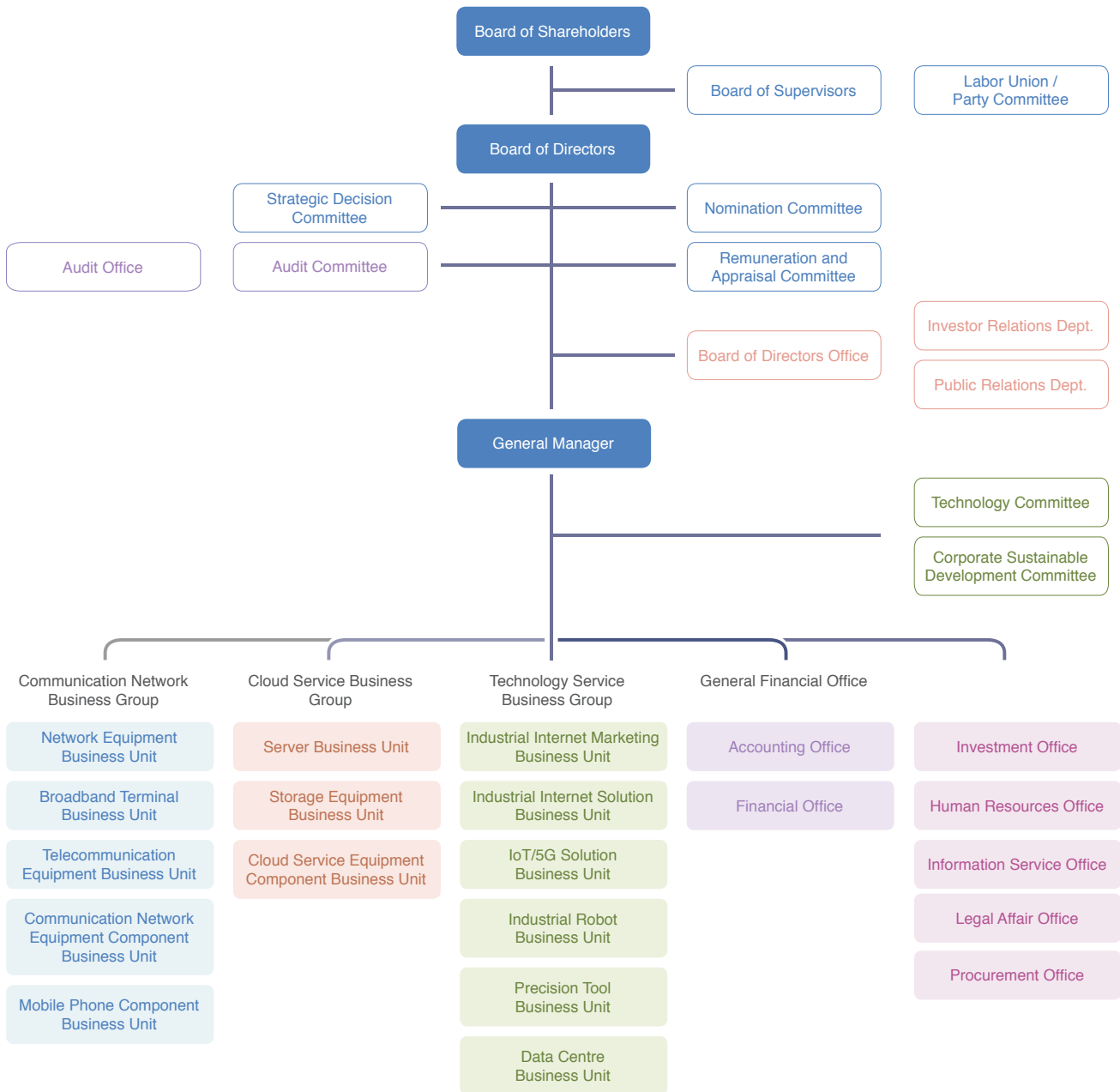


Corporate Governance

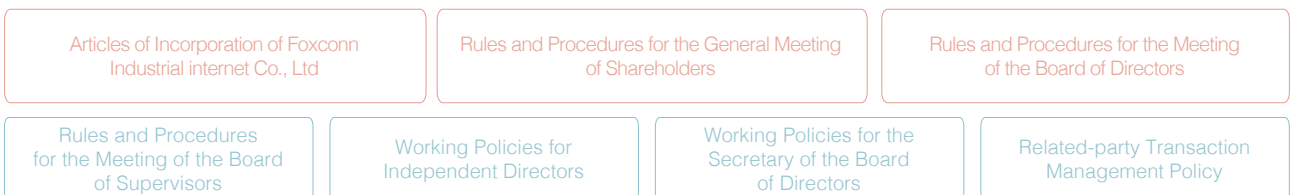
Governance Structure

Fii has established a governance structure in line with relevant laws and regulations including the *Company Law* and *Securities Law*. This comprises the general shareholder meeting, the Board of Directors, the Board of Supervisors, and senior management, forming a well-balanced and interacting system among the authorities, decision-makers, supervisors, and management. We have also formulated and implement the *Articles of Incorporation of Foxconn Industrial Internet Co., Ltd.*

Four special committees under the Board of Directors assist in decision-making and monitoring in the areas of strategic decisions, nomination, remuneration and appraisal, and audit. We also engage independent directors to participate in decision-making and supervision to enhance the objectivity of decisions made by the Board of Directors.



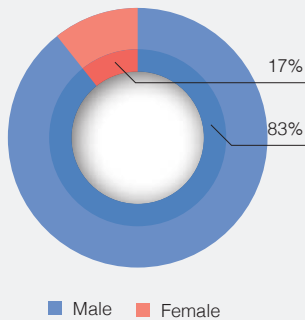
Governance System of the Board of Directors of Fii



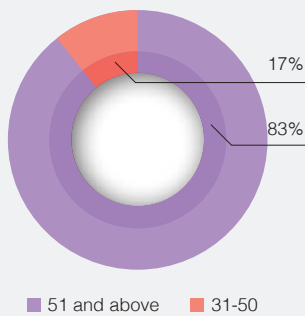
Board of Shareholders

Fii's Board of Directors consists of six directors, including two independent directors, both of whom have extensive operational experience and a strong industry reputation. We have disclosed resumes, positions held in other companies, and other background information on our website and in our annual report.

Male/Female Seats in Fii Board of Directors



Age Distribution of Members of Fii Board of Directors



Audit Committee

Fii has set up an Audit Committee under the Board of Directors and formulated the *Rules and Procedures for the Meeting of the Audit Committee*. These measures strengthen the Board of Directors' decision-making, enhance the supervision of our financial results and business activities, exert the independence and effectiveness of our internal control system, and protect the interests of all shareholders and stakeholders.

The Audit Committee is responsible for proposing to hire or replace external audit organizations, coordinating communication between the external audit organization and relevant internal functions including internal audit, and overseeing and evaluating the work of the external audit organization. The Committee also supervises the implementation of the internal audit system, reviews the financial report and issues opinions, audits the internal control system and assesses the effectiveness of internal control, intercompany transaction control, and daily management.

Remuneration and Appraisal Committee

Fii has created a Remuneration and Appraisal Committee under the Board of Directors and formulated the *Rules and Procedures for the Meeting of the Remuneration and Appraisal Committee*. These support a sound appraisal and remuneration management system for directors and senior management while improving the corporate governance structure,

The Remuneration and Appraisal Committee is mainly responsible for developing remuneration plans or schemes for directors and senior management of Fii. It reviews the duty performance of directors and senior management and conducts annual performance appraisals. It also creates plans for rewards, penalties, and equity incentives, and oversees the implementation of remuneration policies.

Strategic Decision Committee

Fii has established a Strategic Decision Committee under the Board of Directors and formulated the *Rules and Procedures for the Meeting of the Strategic Decision Committee*. The Committee helps us to define our development plan, enhance our core competitiveness, improve the investment decision-making process, facilitate wise decisions, improve the efficiency and the quality of decision-making process, and strengthen our corporate governance structure.

The Strategic Decision Committee offers suggestions for long-term development strategies and major investment decisions, material capital operations, and investment financing plans that require approval by the Board of Directors.

Nomination Committee

Fii has moved to standardize the election procedures for directors and senior management, optimize the composition of the Board of Directors, and improve the corporate governance structure. To support this, it now has a Nomination Committee under the Board of Directors, along with the *Rules and Procedures for the Meeting of the Nomination Committee*.

The Committee offers suggestions on the Board of Directors' scale and composition based on Fii's operations (including asset size and equity structure). It studies the election criteria and procedures for directors and general managers and helps find and review qualified directors and senior management candidates.

Risk Management and Control

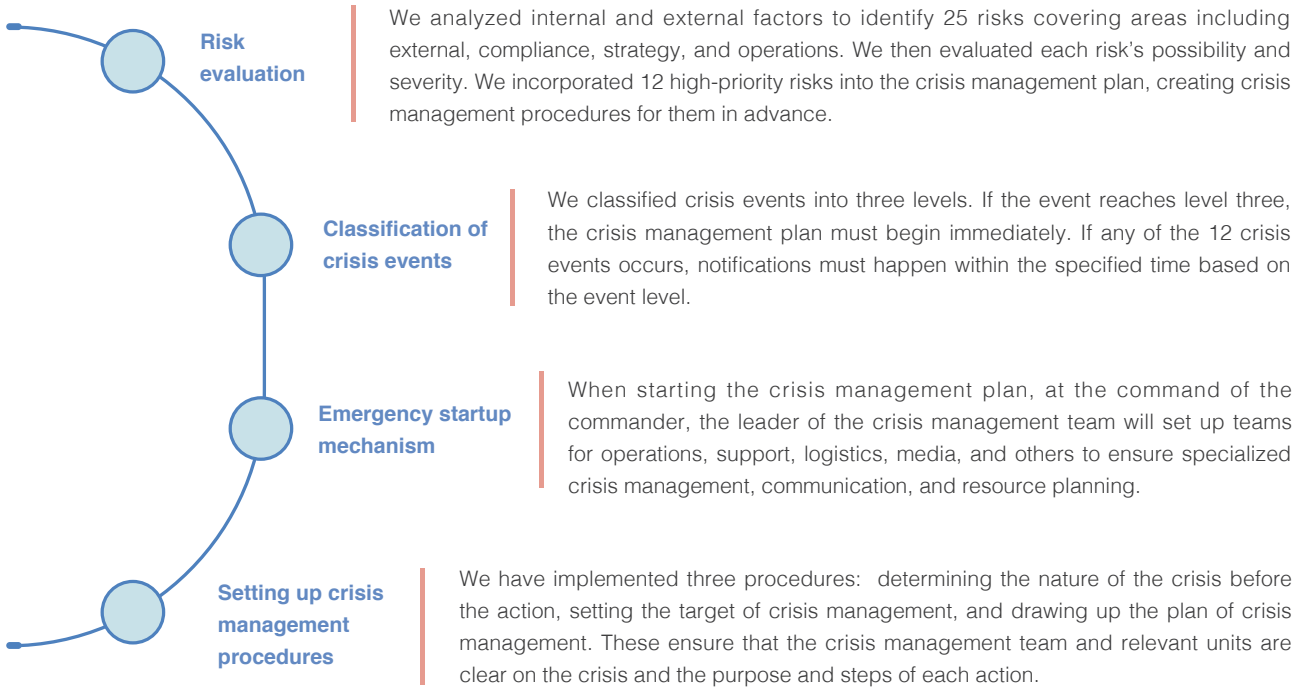
Fii has established a complete internal management and control system covering technology development, safe production, sales management, quality control, and financial accounting. We have implemented relevant management systems for each subsidiary according to the *Management Policies on Subsidiaries of Foxconn Industrial internet Co., Ltd.*



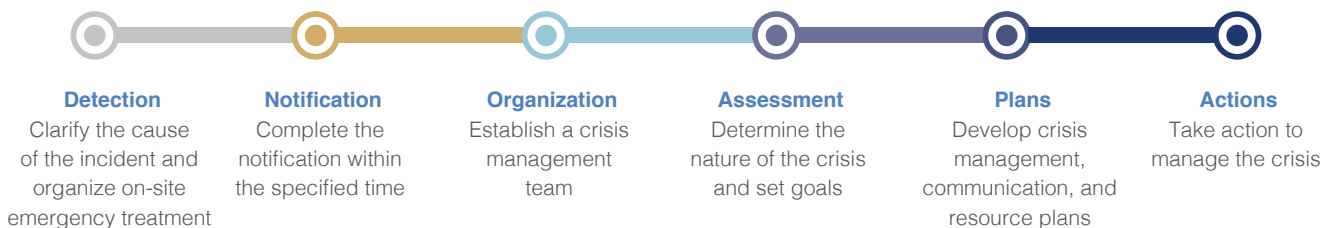
Crisis Management

In 2019, Fii hired a professional risk consultant to help plan and improve our crisis management mechanism. We established a

clear crisis management process following preparatory research in several areas:



Fii Crisis Management Process



We plan to detail our enterprise crisis management plan in 2020 and will hold a crisis plan exercise to demonstrate our crisis management mechanism.



Enterprise Crisis Management Project Startup Conference



Risk Assessment-Management Interview



Risk Assessment Seminar

Operational Risk Management

Our globalized R&D, design, manufacturing, assembly, and delivery strategy enables us to meet our customers' delivery needs across different time zones through the most efficient production methods. It protects us from the impact of the complex and changeable international situation and the risks of instability in the world economy. We have also developed an industrial internet system to track our global inventory level, letting us place purchase

orders based on our controlled inventory level and reduce our inventory backlog and capital risks.

We will continue to increase R&D input, strengthen training for our core talent teams, and implement our global strategic layout to meet our customers' needs and to mitigate the risks that may arise from industrial changes.

Financial Risk Management

The global situation is complex and changeable, which leads to changes in financial markets. Fluctuations in exchange rates and material prices expose us to more risks in our operations. We reduce our financial risk through measures including foreign exchange forward contracts and currency swap contracts. We also watch for fluctuation in raw material prices and have established a strategic cooperation mechanism with suppliers, upgrading our supply chain management system to protect us against price volatility.

Occupational Safety Risk Management

Fog AI, an application for safety and disasters, launches efficient safety information collection with an integral data collecting and exchanging system, for risk warning, disaster notification, response to command, and safety and disaster prevention. Fog AI is used for comprehensive safety performance assessment by means of calculation on the accident record, track frequency, equipment failure rate, proper rate and statistics of potential risks to predict and give feedbacks on potential risks in a timely manner and nip risks in the bud.

Business Ethics

Compliant Operation

Fii upholds the highest integrity standards in doing business. We adopt a zero-tolerance policy that forbids any form of bribery, corruption, extortion, or embezzlement. If we encounter any such violations, we terminate the service immediately and take legal action.

Our top management supervises regular compliance risk assessments. We also conduct internal audits to identify any possible violations, dealing with them in accordance with relevant management regulations. We have a legal office to strengthen our employees' legal and compliance awareness through training and appraisal.

We regularly communicate our compliance requirements to third parties, especially suppliers. They must disclose their labor, health and safety, environmental practices, business activities, structure, financial status, and performance in accordance with relevant laws and regulations and current industry practices. We forbid the falsification of records and operating data in our supply chain.

Repression of Unfair Competition

Fii strictly abides by national or international laws and regulations on fair competitions and attaches great importance to customer values and rights. We prohibit employees from setting prices that may lead to a product monopoly, from contributing to agreements that restrict product or service supply, and from boycotting any customer or supplier. We will take prompt measures to deal with any violations.

A Culture of Honesty and Integrity

Honesty and integrity are important parts of our culture at Fii. Our *Employee Handbook*, *Regulations on Management of Discipline Violations by Employees*, and *Code of Conduct for Employees to Combat Corruption and Uphold Integrity* deepen employees' understanding of this culture. All employees above division-level and management-level have signed the *Employee Declaration of Integrity and Self-Clearance* to support our commitment to honesty and integrity.

We have prepared online courses for new employees in our ethical policies, providing detailed explanation and analysis on ethical red lines. We will use with our Q&A sheets to strengthen this education and ensure that new employees uphold our ethical standards from the beginning.

We also provide on-the-job training to reinforce our ethical principles. Each subsidiary also produces anti-corruption and anti-greed posters, promoting the idea via media including bulletin boards, TVs, and LEDs.

We also clarify our requirements on anti-commercial bribery to our partners, requiring them to learn and sign our honesty and integrity agreements. We offer channels for complaints to encourage the prompt reporting of violations.

In 2019, over 95% of our employees received honesty and integrity training, and the total number of trainees reached 320,900 person-time spanning 1,624,488 hours.

Economic Contributions

Fii believes that a responsible enterprise must play an active role in leading social progress. An enterprise should solve social problems instead of creating them. We have established factories in various provinces, creating a large number of employment opportunities, increasing local exports, and contributing to local economies. For example, the export of Fii Guiyang and Nanning industrial parks contribute 4.6% to the regional export of the provinces located, representing a huge boost for local economic and social development.

To improve employees' life quality and steer progress of surrounding communities, Fii spares no effort and inputs a large amount of resources and talents to drive overall sustainable development. To promote local development and employment, we employed a large number of local people in 2019 in the areas containing our parks. Local employees in Nanning, Guiyang, Jincheng and Hebi exceeded 90%.

In 2019, our total operating income reached RMB 408.698 billion. Total profits reached RMB 21.132 billion with RMB 18.606 billion of net profit attributable to shareholders of listed companies, representing a year-on-year increase of 10.08%. Our total cost was RMB 13.946 billion, down 5.88% from the previous year. The earning per share was RMB 0.94 and the social contribution value per share was RMB 1.97*.

* Note: The social contribution value per share = earnings per share + (total tax + employee expense + interest expense + total public welfare investment - social cost) / total share capital at the end of period. The social contribution value per share is calculated in line with the Notice of Improving Listed Companies' Assumption of Social Responsibilities and publishing the Shanghai Stock Exchange' *Guideline on Environmental Information Disclosure by Listed Companies*.

Fii Financial Results (RMB 100 million)

Item	2019	2018
Total operating income	4,086.98	4,153.78
Operating profit	211.07	200.83
Total profit	211.32	200.71
Net profit	186.06	169.08
Net profit of shareholders	186.06	169.02
Other comprehensive income, net of tax	1.51	1.40
Total comprehensive income	187.57	170.47
Interest expense	7.53	6.83
Total tax	29.83	33.55
Employee expense	167.70	189.83
Government subsidy	16.06	4.93

External Engagement

Fii collaborates with many external organizations in social and industrial development. Here are some of our external activities and positions:

Vice Chair of China Customization Industry Alliance

Exhibitors of the 6th World Internet Conference
"Light of the Internet" Expo

Board Member of Industrial Internet Alliance

Exhibitors of the 2019 China Industrial Internet Conference
and Digital Economy Conference of Guangdong-Hong
Kong-Macao Greater Bay Area

Vice Chair of Guangdong Industrial Internet Alliance

Exhibitor at the 2019 China Innovation and
Entrepreneurship Fair

Vice Chair of Shenzhen Industrial Internet Alliance

Exhibitor at the Second Digital China Summit

Vice Chair Member of Shenzhen Association
of Listed Companies



In May 2019, Chairman Li Junqi delivered a keynote speech at the Second Digital China Summit.



In June 2019, Chairman Li Junqi delivered a keynote speech at the main forum of the 2019 China Innovation and Entrepreneurship Fair.



In November 2019, Chairman Li Junqi was invited to attend the World 5G Conference and delivered a keynote speech.



In July 2019, CEO Brand Cheng was invited to attend the 2019 Digital Business Conference and the 7th Suzhou Business Development Forum and delivered a keynote speech.



In August 2019, CEO Brand Cheng attended 2019 China Industrial Internet Conference/ Guangdong-Hong Kong-Macao Greater Bay Area Digital Economy Forum and accepted interviews.



In September 2019, CEO Brand Cheng was invited to attend the Zhengzhou Forum on Cross-Strait Intelligent Equipment Manufacturing in 2019 and delivered a keynote speech and accepted interviews.

Honors

In 2019, Fii won 21 honors for various achievements, including manufacturing lighthouses, cross-sector and cross-field platforms, 5G+ industrial internet application demonstration park, industrial internet application benchmark, etc.

Awarded by	Honor
World Economic Forum	Our Lights-Off Factory was rated as one of 16 manufacturing lighthouses in the world by the World Economic Forum It won the title of World Economic Forum Davos Manufacturing Lighthouses
Ministry of Industry and Information Technology	2019 Top Ten Cross-sector and Cross-field Industrial Internet Platforms Champion of First China Industrial Internet Competition in 2019 Industrial Internet Platform Innovation Application Case in 2019
Industrial Internet Alliance	China Five-Star Certificate for Industrial Internet Platform Functional and Performance Evaluation National Excellent Industrial Internet Application Case Certificate for Trusted Industrial Internet Platform Services
Department of Industry and Information Technology of Guangdong Province	Guangdong 5G+ Industrial Internet Application Demonstration Park Approved to build the Guangdong Intelligent Precision Tool Innovation Center
Shenzhen Industrial and Information Technology Bureau	Industrial Internet Application Benchmarking Enterprise in Shenzhen
Established Companies	Selected as MSCI Emerging Markets Index Selected as FTSE Global Stock Index Selected as HSSUS
Xinhuanet	Five-Star Company of Social Responsibility Development Index of Listed Companies in the Guangdong-Hong Kong-Macao Greater Bay Area 2019 Annual Brands of Listed Companies in Guangdong-Hong Kong-Macao Greater Bay Area
Gelonghui	Most Brand Value Award of A Share Listed Companies
MIT Technology Review	World's Smartest 50 Companies in 2019
Jointly awarded by China Internet Weekly and eNet Research Institute	Top 100 Best Solutions for China's Digital Transformation in 2019
Sina Finance and CASS Research Center for Listed Companies	Leader of Top 100 Scientific and Technological Innovation Enterprises of China's Listed Companies
21st Century Economic Report	2019 China Golden Great Wall Award for Intelligent Manufacturing Industry Benchmark Enterprise in 2019
Financial Community	Public Welfare Contribution Award of China's Listed Companies in 2019
Shenzhen Information Industry Association	Application Benchmark

National Certificate for Trusted Industrial Internet Platform Services.



Five-Star Certificate for Industrial Internet Platform Functional and Performance Evaluation.



One-stop precision cutting tool grinding APP won first prize in the First China Industrial Internet Competition held by the Ministry of Industry and Information Technology of the People's Republic of China.



Gelonghui 2019 Greater China Most Brand Value Award of A Share Listed Companies.



2019 China Golden Great Wall Award for Intelligent Manufacturing Industry Benchmark Enterprise in 2019.



2019 Annual Brands of Listed Companies in Guangdong-Hong Kong-Macao Greater Bay Area awarded by Xinhuanet.





**RESPONSIBLE
GOVERNANCE,
SUSTAINABLE
DEVELOPMENT**

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Our Vision

Fii has always been committed to corporate social responsibility. To this end, we protect the environment, prioritize health, safety and wellness as part of our respect for employees, adhere to the law and promote constant improvement while contributing to society. We do all this under the guidance of parent company Foxconn Group.

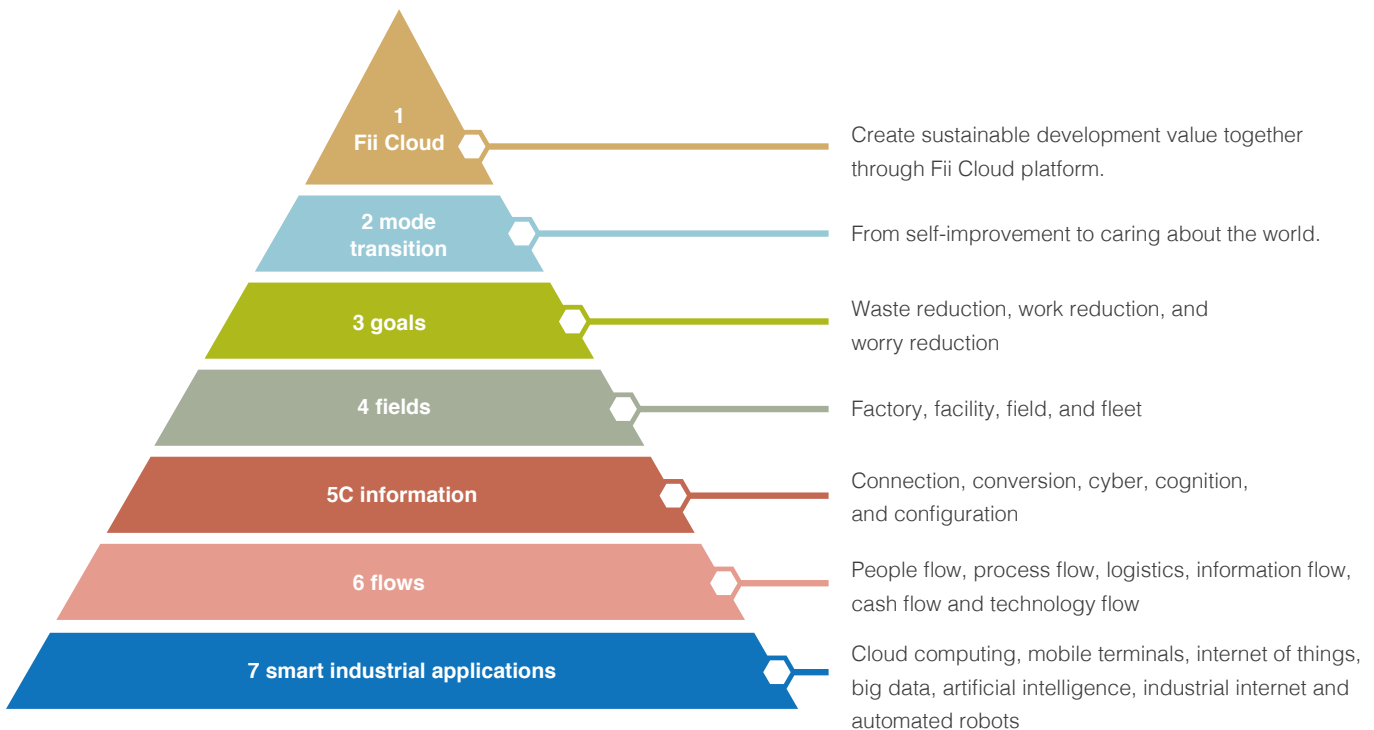
In the premise of following business code of conduct, Fii also constantly explore sustainable development opportunities with our corporate social responsibility vision of "be the global leading industry service-oriented manufacturer", using our scientific and

technological capabilities, grasping the trend of green technology trends, and serving industrial manufacturing industry. Our sustainable development strategy follows a 'seven, six, five, four, three, two, one' principle:

Through six-in-one network (cloud computing, mobile terminal, internet of things ("IoT"), big data, artificial intelligence ("AI"), industrial internet) + robots, which combined with 6 data flows (people flow, logistics, process flow, cash flow, information flow and technology flow) and 5C (connection, conversion, cyber, cognition and configuration) information, applied to 4 fields (factory, facility, field, fleet)

to achieve 3 goals (waste reduction, work reduction, and worry reduction), transiting from self-improvement to "all-round" advancement in the whole society, serving small and medium-sized companies transformation and upgrading, altogether to continuously create and consolidate the fruits of sustainable development, and create shared value for the industrial chain.

Components of Fii's Sustainable Development Strategy

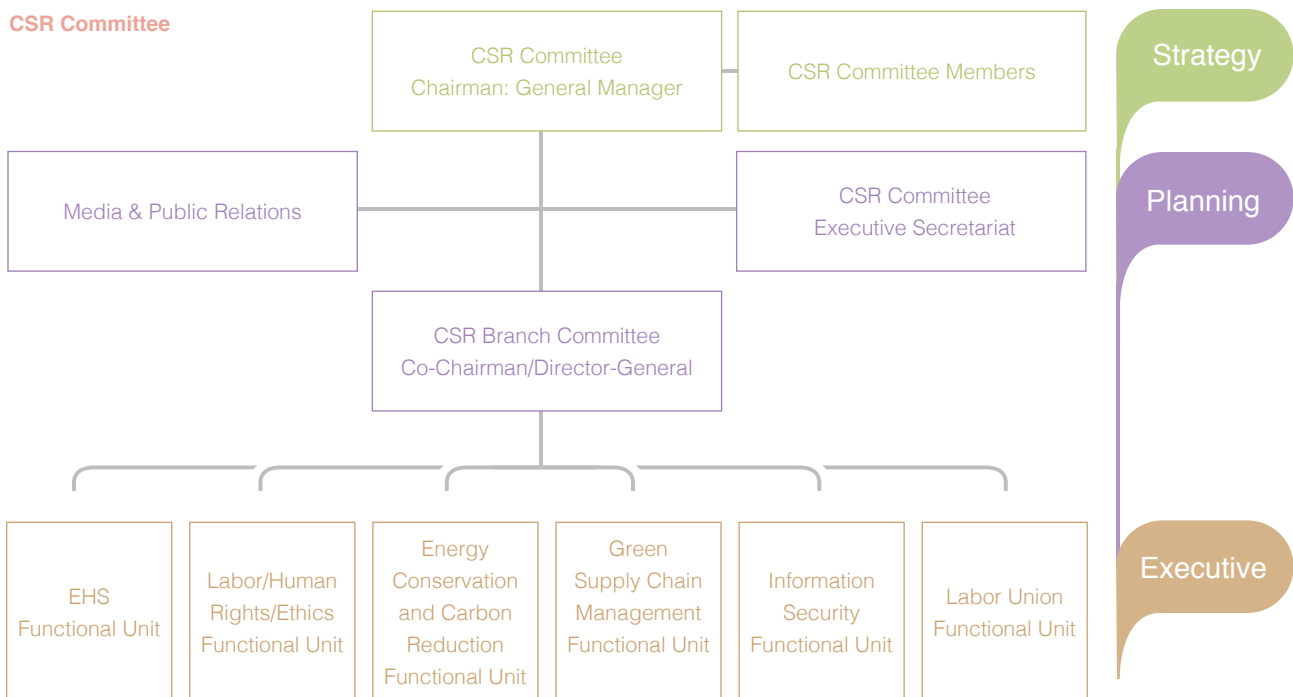


Responsibility Structure

In order to fulfill corporate social responsibilities, develop green technology, achieve sustainable development of the company, Fii has set up a clear functional structure, covering its strategy, planning and executive level, so that social responsibility issues to be thoroughly considered, managed, and implemented.



Structure of the Fii CSR Committee



Stakeholder Engagement

Stakeholder support and recognition is crucial for Fii's sustainable development process, so we invest heavily in stakeholder



























communications. We engaged a third-party consultant to survey stakeholders on various sustainable development issues.

The survey results guide us when improving our sustainable development management, practices, and information disclosure.

Stakeholders	The Relationship with Fii	Main Concerns	Communication Channels
Employees	Team stability is a cornerstone for our continuous operation. We consider employee satisfaction and growth as important responsibilities.	Health and safety, equal rights, wages and benefits, training and promotion, corporate culture	Employee hotline, workers' congress, employee activities, and the labor union
Customers	Customer trust and support are crucial to our development.	High-quality products, safety products, environmentally friendly products, first-rate services, network security, and privacy protection	SER activities, pre-sale communication, after-sale services, teleconference, and regular audits
Suppliers	Our supplier partnerships are vital to our ongoing operations.	Procurement requirements, stable relationships, and good procurement practices	Annual supplier conference, our supplier management platform, regular supplier training, and supplier verification
Community	The maintenance of harmonious social relationships is a focal point for long-term development at Fii.	Employment creation, compliant operation, social impact, environmental impact, and harmonious community	Information disclosure, field visits, charitable activities, questionnaire surveys, and volunteering activities
NGOs	NGO supervision and requirements serve as valuable guidance in our long-term operation.	Social impact, environmental impact, and compliant operation	Telephone communication, unscheduled visits, and SER activities
Governments and Regulatory Authorities	Compliance with requirements and support for the work of governments and regulatory authorities are among our core priorities.	Compliant operation, employment creation, and economic contribution	Accept supervision and participation in various seminars

Our stakeholder communication and survey yielded the following materiality assessment insights for this year:



Fields	Issues	SDGs	Issue Category
Environment	Pollution Prevention and Control		Major Issues
Environment	Environmental Risk Control		Major Issues
Labor	Health and Safety		Major Issues
Governance	Business Integrity		Major Issues
Environment	Energy Efficiency	  	Major Issues
Environment	Clean Technology		Major Issues
Labor	Wages and Rights	 	Major Issues
Environment	Use of Materials		Major Issues
Product	Information Security		Major Issues
Product	Product Quality		Major Issues
Product	Chemical Management	 	Major Issues
Product	Compliant Procurement		Major Issues
Labor	Diversity and Equality	  	Major Issues
Governance	Internal Control System	 	Related Issues
Governance	Compliant Operation	 	Related Issues
Governance	Shareholder Return		Related Issues
Product	R&D Innovation		Related Issues
Labor	Development and Training		Related Issues



INNOVATION DRIVE AND QUALITY SERVICES

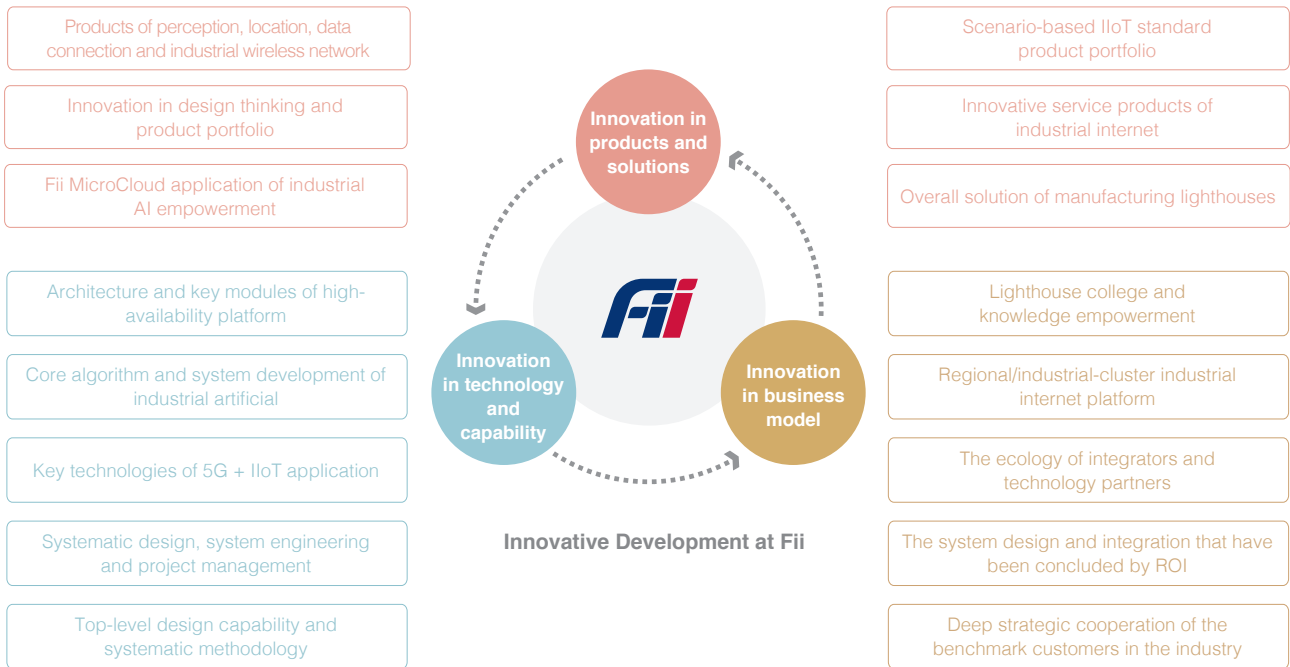
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First

With the mission of "creativity, innovation and entrepreneurship", Fii continues to explore the design and manufacturing areas of communication and mobile network equipment, cloud computing, precision tools and industrial robots. This has enabled us to

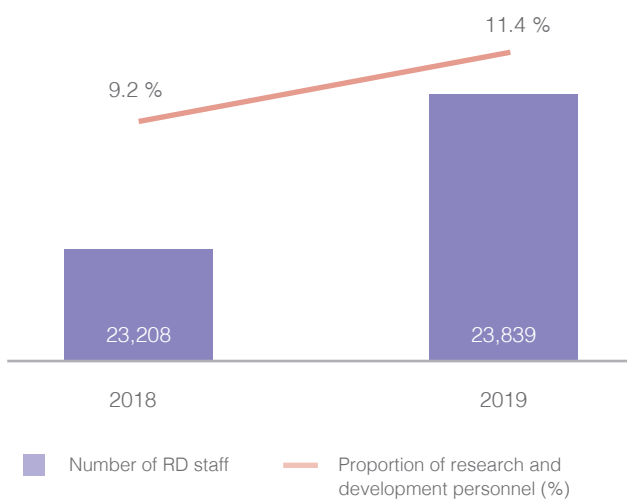
accumulate a rich reserve of technical procedures. We continue to invest in scientific research projects involving technical equipment, industrial software, and system solutions.



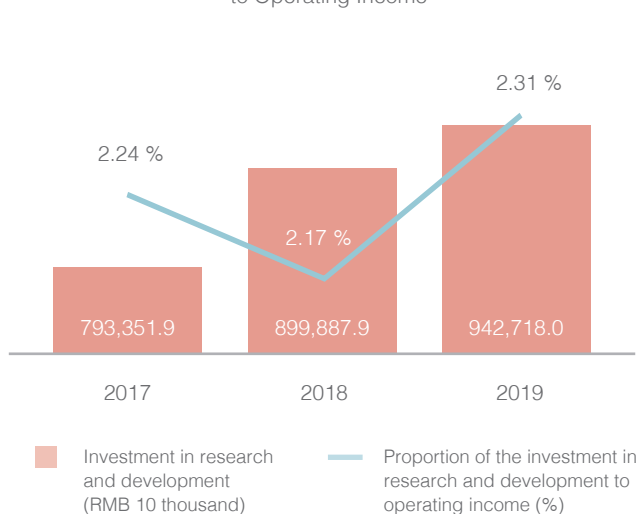
We focus on global cutting-edge manufacturing technologies and continue to build high-quality R&D teams and management systems. We have 23,839 R&D staff accounting for 11.4% of our workforce (up from 9.2% year-on-year).

During the reporting period, we focused on R&D in intelligent manufacturing technologies to improve the production of new products. Our annual R&D investment reached RMB 9.427 billion, representing a 4.76% increase over the last year. Our total R&D investment accounted for 2.31% of our operating income.

Fii 2018-2019 R&D Personnel Number and Ratio



Fii 2017-2019 R&D Investment and Ratio to Operating Income



Our innovation ethos helps us meet our commitment to benefiting industries worldwide with intelligent manufacturing. We constantly enhance our R&D investment in supporting technologies including 5G mobile networks, intelligent perception, edge computing, and industrial AI.

During the reporting period, we achieved multiple technology service breakthroughs and launched the Industrial Micro Cloud, which uses the Fii Cloud to connect various manufacturing elements in factories and upstream and downstream industries. Our manufacturing lighthouses have helped improve manufacturing in many fields including automotive parts. By the end of 2019, we had been granted 4,276 patents, mainly in the

field of intelligent manufacturing and technology services related to the industrial internet.

We have accelerated our cooperation with local governments and ecological partners, starting many projects. Our intelligent manufacturing valley project in Shanxi Jincheng, Hunan Hengyang, and Fujian Fuzhou, which integrated functions of research and development, application demonstration, talent development and innovation entrepreneurship, and created new manufacturing models. We also provided world-class intelligent manufacturing and technology service solutions through our construction of industrial internet bases with local governments in Hangzhou, Jincheng, Hengyang, and Fuzhou.

Seizing the Green Opportunity

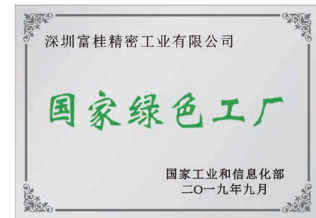
Fii uses green techniques to improve production efficiency. Our CSR Committee and senior management regularly assess and adjust our green R&D and production strategies to reflect international clean technology initiatives and standards. The Committee has established a comprehensive standard system for green factories in collaboration with each business group's energy conservation and carbon

reduction management department. It also created green factory construction guidelines to enhance energy efficiency and control pollutant emissions according to the *Cleaner Production Promotion Law of the People's Republic of China* and the *General Principles for Assessment of Green Factory (GBT36132-2018)*.

Column: Fii Shenzhen Park Earns Green Factory Plaque

Fii Shenzhen Park has developed a green manufacturing system that promotes high technology content, low resource consumption, and reduced environmental pollution. It continuously promotes the use of harmless raw materials, clean production, waste recycling, and low-

carbon energy. In 2019, our Shenzhen Fugui Precision Industry Co., Ltd. subsidiary earned its green factory certification from the National Ministry of Industry and Information Technology.



National green factory plaque

We also invest in researching system and process optimization, energy efficiency enhancement, and industrial automation. During the reporting period, we invested over RMB 50 million in clean technology R&D across different fields.

Column: Fii Researches Intelligent Manufacturing Cloud Platform

Fii Technology Service Business Group continuously researches industrial cloud platform solutions to help manufacturers improve production efficiency through industrial

intelligence. During the reporting period, we invested nearly RMB 10 million in R&D to build a visual, data-based and automated industrial cloud management system.

Our investment in clean technologies has helped Fii Technology Service Business Group introduce industrial automation and energy efficiency management technologies that improve production efficiency for external manufacturers.

Fii Clean Technology Service Projects and Operating Data in 2019

Project type	Operating income (RMB)
System and process optimization	10,879,661
Industrial automation	7,336,042
Energy management	297,401
Total	18,513,104

Improving Energy Efficiency

Fii promotes clean technologies in the development of five types of products and services: automated core equipment and integration, industrial IoT infrastructure, cloud platform, digital intelligent service, and Micro Cloud, committed to promoting industrial automation and system / process optimization, and helping users achieve the goal of safe, efficient and intelligent production.

During the reporting period, we focused on developing Micro Cloud for our intelligent facility monitoring and control system (FMCS MicroCloud). We combined AI, IoT, and sensor network technologies to help customers adjust their energy usage in line with production conditions.



Column: Fii Builds Intelligent Facility Monitoring and Control System

Fii and CyberInsight jointly developed the intelligent facility monitoring and control system to help manufacturers monitor and optimize their energy usage. This can reduce the electric

energy consumption by 4.1% for air compressors and 2.8% for ice makers, which are energy-intensive units common in manufacturing environments.



Fii's intelligent FMCS MicroCloud at the Digital China Achievement Exhibition



Fii's Intelligent FMCS MicroCloud at the World Internet Conference

We continue to research our lights-off factory for fully automated manufacturing. This supports energy conservation and is part of our contribution to the manufacturing lighthouses externally, and the overall solution has landed in many fields such as automotive parts.



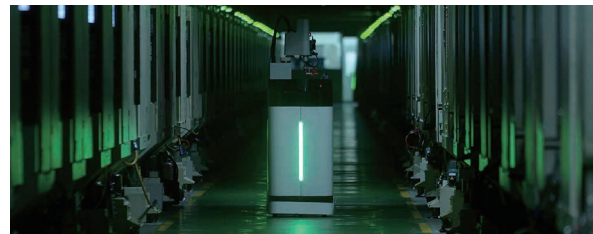
Column: Fii's Lights-Off Factory Shortlisted for the World Economic Forum's Network of Manufacturing Lighthouses

In January 2019, the World Economic Forum shortlisted Fii's lights-off factory as part of its manufacturing lighthouses network, making it one of 16 industry 4.0 future smart factories around the world.

We have built a number of lights-off factories, using robot AI technology to monitor factors including energy consumption, equipment conditions, and product quality. This helps us to improve the production and energy efficiency.

The Shenzhen, China lights-off factory uses a fully automated manufacturing process. It is equipped with a

machine learning-powered automatic optimization system, an intelligent self-maintenance system, and a real-time production monitoring system. It reduced human input by over 80% and boosted production efficiency by 30%.



Pollution and Emission Reduction

Fii pays close attention to the potential of clean technologies such as pollution control and energy efficiency improvement, and continuously increases the investment in clean technologies. By adhering to data-based value creation (Vaas, Value as a Service), Fii uses its core technology strengths to provide manufacturers with technology services to help achieve the goal of "innovation-driven, green development".

Our cloud service and AI technologies continuously improve resource efficiency and reduce pollution in precision cutting tool design and production. During the reporting period, we launched the National Alliance for Intelligent Manufacturing Innovation of Precision Tools in conjunction with precision tool and manufacturing enterprises. We deployed high-end precision tungsten steel material and mining tool production projects in Jincheng of Shanxi Province to help the local energy industry improve production efficiency.



Column: Fii Launches National Alliance for Intelligent Manufacturing Innovation of Precision Tools

In June 2019, Fii launched and established the National Alliance for Intelligent Manufacturing Innovation of Precision Tools in conjunction with precision tool and intelligent manufacturing enterprises, domestic top scientific research institutes, and universities. The Alliance demonstrates broad external recognition of our precision tools manufacturing expertise.

Our green cyclic manufacturing process offers significant advantages over the traditional precision tool manufacturing process. We have introduced cloud computing technology to improve resource usage efficiency and reduce the generation of waste water and solid waste. This helps address the problem of heavy pollution and high energy consumption in traditional processes.

Resource usage efficiency	Increased by 30%
Annual water savings	60 thousand tons
Annual electricity savings	1 million degrees
Annual recycling of tungsten carbide materials	300 tons



Fii Chairman Junqi Li delivering speech at the launching ceremony of Alliance for Innovation

Product Safety First

Fii attaches great importance to product quality and safety. We comply with the *Product Quality Law of the People's Republic of China* and other laws in the operation area, and we adhere to international quality management system requirements.

Product Quality Control

We strive for continuous improvement through the use of R&D to boost production efficiency and product quality. Our major subsidiaries have obtained their ISO9001:2015 quality management system certification and ensure product quality in accordance with international product quality standards and external customer requirements.

We gained more than ten relevant certifications and honors in 2019 from the Ministry of Industry and Information Technology of the People's Republic of China, China Academy of Information and Communications Technology, and relevant industrial associations. These include:

Five-star Certificate for Industrial Internet Platform
Functional and Performance Evaluation

Typical Case of Enterprise on Cloud

Excellent Industrial Internet APP Solution

Excellent Application Case of the Industrial Internet

Leader among China's top 100 enterprises in scientific and
technological innovation among the listed enterprises

One of the 50 smartest companies in the world in 2019
as ranked by MIT Technology Review.

Column: Fii Cloud Wins Five-Star Award at the Industrial Internet Summit

In February 2019, Fii Cloud captured three major awards at the Industrial Internet Summit held in Beijing: Five-Star Certificate for Industrial Internet Platform Functional and Performance Evaluation, Trusted Industrial Internet Platform Services, and Excellent Application Case of Industrial Internet.

Fii cloud technology has proven application experience in precision tool manufacturing, significantly improving productivity and quality management performance, and in 2018 our cloud technology's intelligent grinding application of precision tools won the Demonstration Application Project of Artificial Intelligence award from the Ministry of Industry and Information Technology of the People's Republic of China.

Chemical Safety Management

The use of chemicals involved in the production process is related to the health of employees and the safety of product quality. Therefore, Fii attaches great importance to the safety management of chemicals.

We have established effective management systems for chemical introduction, storage, transportation, and use, including the *Process Specifications on Safety Control Over*

Chemical R&D, Introduction and Use and the *Management Measures on Procedure Safety Assessment*, acceptance and implementation documents in accordance with the *Regulation on the Safety Management of Hazardous Chemicals*, the European Union's *Restriction of Hazardous Substances Directives (RoHS)*, the European Union's *Regulation Concerning Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH)*, and other relevant laws.

We also established a management system to regulate the operation of key chemical logistics elements including access, storage, transportation, and use, with reference to the *Specifications on Safety Management of Hazardous Chemicals of Foxconn Group*. Each business group's environment, health and safety (EHS) management department supervises implementation to guarantee the management of chemicals in line with these requirements and ensure that the electronic devices and products meet the necessary standards for harmful substances.

Each business group's EHS Management Department has classified the chemicals used in production and evaluated the chemical management system that identifies and controls them. During the reporting period, our chemical management system had covered all the chemicals involved in all the production and operation processes. Its implementation was guaranteed by the EHS Management and Production Management departments.

Fii Measures for Safety Management of Chemicals

Introduction of Chemicals

According to the provisions of *Process Specifications on Safety Control Over Chemical R&D, Introduction and Use*, the application for introduction of chemicals shall be submitted to the EHS Management Department. The Department will approve the relevant mass spectrometry analysis report and safety data sheets (SDS) before a chemical's introduction.

Procurement of Chemicals

According to the provisions of *Process Specifications on Safety Control Over Chemical R&D, Introduction and Use*, suppliers must provide relevant qualification certificates such as production and operation licenses for verification by the EHS and Production Management departments before approving procurement.

Disposal

Waste chemicals must be transported to the hazardous waste warehouse and transferred and disposed by the qualified hazardous waste disposal organization entrusted by the EHS Management Department in accordance with the *Regulation on the Safety Management of Hazardous Chemicals*.

Transportation

Chemicals shall not enter the warehouse until transportation suppliers meet the relevant provisions of the *Regulation on the Safety Management of Hazardous Chemicals* and present the corresponding transportation qualifications.

Storage

Chemicals must be classified and stored in a hazardous chemical warehouse managed by full-time personnel. Unscheduled safety inspections are mandatory to ensure the safety of chemical storage, in line with the relevant provisions of *Regulation on the Safety Management of Hazardous Chemicals*.

Use

In line with the *Regulation on the Safety Management of Hazardous Chemicals*, all chemicals must be placed in the dedicated temporary storage warehouse. The corresponding standard operating procedures (SOP) are necessary for different types of chemicals, and operators must be trained accordingly and fully aware of the operation specifications and risks. We record the amounts of hazardous chemicals as part of these controls.

Chemical Change Management

Fii has developed clear R&D introduction and usage process specifications for the product design and commissioning stages in line with the *Foxconn Environmental Design Specification*. We have implemented the management of change (MOC) procedure, while the department requesting the R&D organizes the safety data sheets (SDS) and risk

assessments. The EHS Management Department assesses risk according to our internal prohibited chemicals directory and national standards occupational hazard prohibition standards. This enables us to exclude high-toxicity chemicals and develop a low-toxicity substance replacement plan for some chemicals to reduce the chemical safety risks.

Chemical Reduction Plan

In order to reduce the production safety risks and improve the quality safety of products, Fii has formulated a chemical reduction plan. At present, all production units do not involve the use of high-toxicity chemicals, and the reduction plan is being advanced as planned, including water-based solvents alternative to alcohol-based solvents. We also conduct component tests for production materials with unidentified regulatory requirements such as ink and detergent, and propose alternative verifications.

During the reporting period, Fii cooperated with external customers on audits and complied with internal quality control requirements when inspecting incoming product materials. None of the incoming materials contained harmful substances and all of them met the requirements of QC080000.

Quality Service Assurance

Fii is committed to becoming the global-leading industry service-oriented manufacturer as we continuously provide first-rate products and services to various brand manufacturers and internet service providers around the world. Our global supply chain system and factory network enables us to manage production planning to meet our customers' delivery needs around the world.

Information Security Assurance

Our industrial internet solutions rely on our cloud platform, making our customers' information security a critical issue.

We comply with laws including the *Cybersecurity Law of the People's Republic of China*. Each business group establishes our information security management structure and implements management systems such as the *Information Security Work Management Specifications* with reference to the ISO27001 information security management system. This provides full information security assurance for us and our customers.

Some of our business groups have completed the ISO27001 certification while the others are formulating, evaluating, and certifying their plans. The information security management team audits information security in various departments periodically and requires them to rectify any information security risks that emerge. In production units handling special confidential information, all employees have signed a confidentiality undertaking and received information security training.

Column: Information Security Month Theme Activities

In September 2019, Fii conducted several activities as part of Information Security Month to improve employees' information security skills and awareness. These included creating information security manuals, delivering information security lectures, and conducting information security knowledge competitions.



Information Security Month introductory conference



STANDARDIZED EMPLOYMENT

- 34** Strict Compliance Employment
- 36** Guaranteeing Full Rights and Interests
- 38** Ensure Safety and Health
- 40** Promoting Talent Development
- 42** Enriching Staff Activities

Fii is committed to protecting the rights and interests of our employees, building a fair, just, and open development platform, and organizing activities to enhance their work and lives.

reporting period, Fii had 209,671 employees, including 14,775 minority employees and 1,386 disabled employees. Fii had 130,927 male employees and 78,744 female employees. The ratio of male to female employees was 1:0.6, which has not changed since 2018.

We continue to embrace workforce diversity. At the end of the

Distribution of employees by gender and age

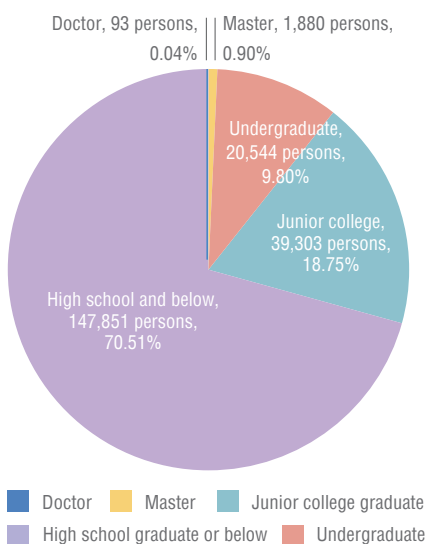
Gender	Age	Communication network equipment	Cloud computing	Precision tools and industrial robots	Total
Male	Under 30	63,774	4,758	1,276	130,927
	31-50	56,193	3,287	1,279	
	51 and above	334	17	9	
Female	Under 30	30,711	2,371	243	78,744
	31-50	42,422	2,696	289	
	51 and above	12	0	0	
Ratio of male to female employees		1:0.61	1:0.63	1:0.21	1:0.60

In order to match the innovation-driven strategy, the company keeps recruiting talents to organize a professional team. By the end of the reporting period, approximately 30% of the employees have degrees of junior college or beyond, while over 30% of the employees are engaging in management and technical services.

Distribution of employees by education background

Education	Communication network equipment	Cloud computing	Precision tools and industrial robots	Total	Percentage
Doctor	68	18	7	93	0.04%
Master	1,331	489	60	1,880	0.90%
Undergraduate	16,932	2,739	610	20,544	9.80%
Junior college graduate	34,908	2,224	1,576	39,303	18.75%
High school graduate or below	140,207	7,659	843	147,851	70.51%
Total	193,446	13,129	3,096	209,671	100%

Distribution of Employees By Education Background



Distribution of employees by employment category

Employee category	Communication network equipment	Cloud computing	Precision tools and industrial robots	Total	Percentage
Senior management	871	59	14	944	0.45%
Middle management	14,953	1,015	239	16,207	7.73%
Technician	43,990	2,986	704	47,680	22.74%
Operator	133,632	9,069	2,139	144,840	69.08%
Total	193,446	13,129	3,096	209,671	100%

Strict Compliance Employment

Compliance with Labor Standards

Fii operates an equal and open employment model. We comply with national laws and regulations including the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, the *Employment Promotion Law of the People's Republic of China*, the *Provisions on Employment Service and Employment Management*, and the *Interim Provisions on Labor Dispatch*. We also respond to local and overseas initiatives and standards, such as the *International Labor Convention* and the *Responsible Business Alliance Code of Conduct*.

We forbid forced employment and ensure that every employee has the right to equal employment. Our main production bases refer to and have achieved certification under the *Responsible Business Alliance Code of Conduct*, the SA8000 corporate social responsibility management system, the ISA8000 labor safety and human rights guarantee system for employees, and the OHSAS18001 (or ISO45001)

occupational health and safety management system.



2019 Fii Subsidiary Company Nanning Fugui Precision Industrial Co., Ltd Completed RBA Audit with high scores.

Guaranteeing Equal Rights and Interests

Fii abides by regulations including the *Notice on Further Standardizing Recruitment and Promoting Women's Employment* and the *Regulations on Employment of Disabled People*. We have issued internal policies including the *Regulations on Anti-Discrimination Management* and the Group's *Regulations on Management of Recruitment of Basic Human Resources*. This helps us to promote the employment of women and disabled people without discrimination due to differences in gender, age, nationality, place of birth, race, nationality, language, disability, marital status, pregnancy, sexual orientation, religious belief, party, union employees, social class, or political affiliation.

We guarantee that our employees do not exceed eight working hours per day and that they will not work more than 44 hours per week on average. We pay overtime fees according to national standards and we guarantee that employees have at least one day off every week. They can also enjoy national legal holidays. We prohibit forced labor.

Our business groups delivered 553,149 hours of training on human rights policy to 361,935 trainees.

Protection of Vulnerable Groups

Fii respects and protects the legal rights and interests of minors and school students. We abide by laws and regulations including the *Law of the People's Republic of China on the Protection of Minors* and the *Regulations on the Management of Students' Internship in Vocational Schools*. We forbid the use of workers under the age of 16 during any manufacturing stage as part of our commitment to end all child labor.

We have issued internal policies to standardize intern management, including the *Occupational Health and Labor Protection Management Operation Specification* and the *Regulations on Group Intern Recruitment and Employment Management*. We forbid any minor workers aged 16-18 from occupying roles with a high health or safety risk, and we also follow policies and procedures for the employment of apprentices, interns, and student workers. We did not receive any empirical complaints about forced labor, employee discrimination, or child labor employment during the reporting period.

Standardizing Recruitment Channels

We expanded our recruitment channels in various forms during 2019, including on-site recruitment, internal recommendation, school enterprise cooperation, reemployment after resignation, labor agencies, human

resource markets, government talent transfer and other online and offline recruitment channels. By the end of the reporting period, the labor contract signing rate of workers directly recruited by Fii and its subsidiaries was 100%.

Multi-channel guarantee of talent supply

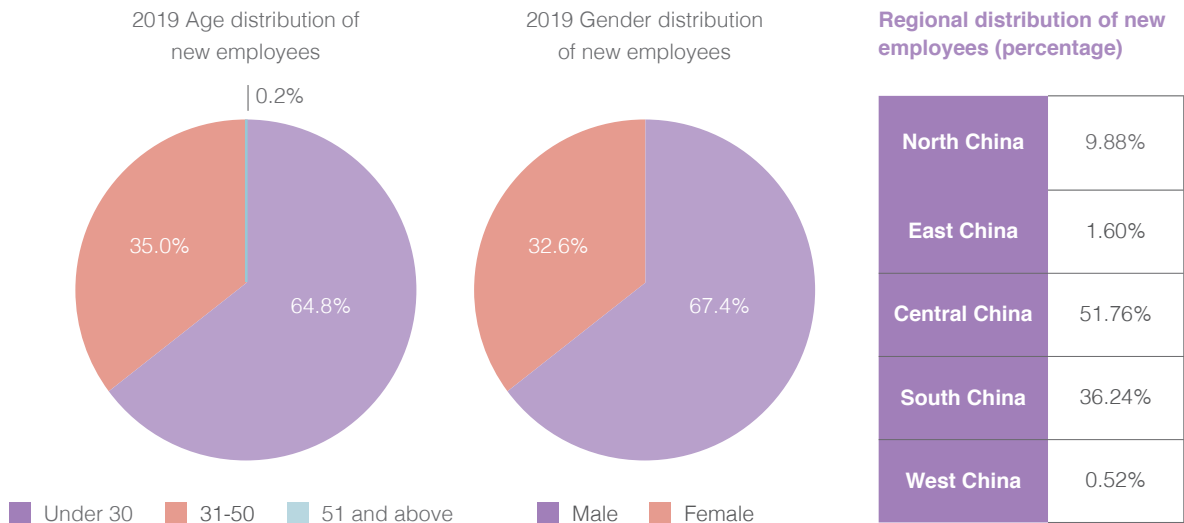
Cooperative group or organization	Cooperation objectives
Resigned employees	Attract experienced talent
Recruitment agencies	Jointly tap technical talent
Universities domestic and abroad	Recruit high level talent
Online recruitment platform and We Media operations platform	Improve Fii's popularity and image

We have improved the management of dispatched workers by creating the *Regulation on Labor Dispatch Management* and the recruitment company assessment mechanism. These strengthen our management of dispatch companies and the legal compliance of the whole labor dispatch process. We use several techniques to guarantee the rights and interests of workers, including due diligence on labor dispatch companies, on-site audits at recruitment points, secret visits to new employees, and our *Labor Dispatch Service Agreement*.

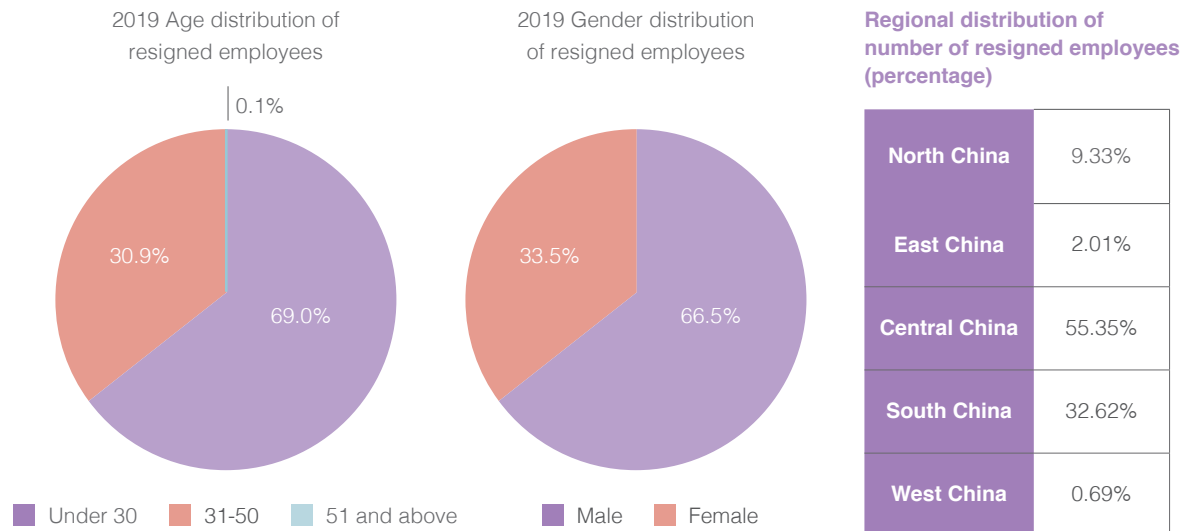
complain about dispatch labor companies. According to the *Regulation on Labor Dispatch Management*, we will respond to different types of complaint within a certain period of time. If we find that a labor dispatch company's qualifications have expired, or that it has used child or forced labor, or has not transferred talent within the commitment period, we immediately freeze its supplier qualification to prevent recruitment risks.

We also encourage employees to help us supervise labor dispatch companies. We use channels including one-stop service hall windows, a toll-free hotline, and APP in each site to offer employees support and a way to

In 2019, 64.8% of our new employees were 30 years old or below, 35.0% were 31-50 years old, and 0.2% were over 51 years old. In terms of regional distribution, the regions with the largest number of new employees are central, south, and north China.



Of employees leaving Fii in 2019, 69.0% were aged 30 and below, 30.9% were 31-50, and 0.1% were aged 51 and above. Central, south, and north China had the most employees leave, respectively.



Guaranteeing Full Rights and Interests

Fii defends every employee's right to safeguard their own rights and interests. We pay attention to risk management and control to ensure employee health and safety, and we set up a labor union and employee care center to provide a communication and service platform for employees. We conduct regular internal and external audit and satisfaction surveys to improve our internal management. Our employees enjoy rights including collective negotiation, strike, free association, protection of organizational rights, and humanitarian treatment. Employees can use the above rights to protect their legitimate interests. During the reporting period, Fii's collective contract coverage rate was 100%.

Wages and Benefits

Our *Operation Specification of Employee Salary and Welfare Management* creates a fair and competitive overall salary system for all employees. We follow the principle of equal pay for equal work between formal contract employees and dispatched workers, and we correlate employee performance and salary. We offer job allowances, post allowances, and other subsidies for different positions and skill levels. We also offer employees night shift allowance, overtime pay, year-end bonuses, performance bonuses, and other variable salaries.

We also offer rich non-salary benefits for employees, including the relevant provisions of local government social insurance. We pay five kinds of social insurance and one housing fund for employees who sign formal contracts, and provide all employees with welfare shuttles, holiday gifts, free vaccine injections, and other benefits. We also help staff in need with their children's education.

Our basic employee salary is superior to the local minimum wage standard and we insist on equitable pay principle, maintaining the basic salary ratio between men and women at 1:1.

The ratio of the starting salary of the operators in the main production bases to the local minimum wage standard

Area	During probation period	After probation period
Central China	1.18	1.30
North China	1.12	1.17
South China	1.20	1.32
East China	1.17	1.33
West China	1.06	1.13

Average salary of employees in main production bases (male/female ratio)

Employee category	Male	Female
Management level	1.00	0.93
Non-management	1.00	0.92

We issued our *Stock Option and Restricted Stock Incentive Plan* in the reporting year to help attract and retain talent and align employees' career growth with our business strategic objectives. We provided equity incentive for 5,102 people including

senior managers and key employees to inspire our employees' enthusiasm and creativity, enhance the cohesion of our core team, and improve our competitiveness.

Employee Communication

Fii hopes to establish a harmonious labor environment in which we listen to employees' demands and respond through multiple communication channels. We have established a Labor Dispute Mediation Committee comprising employee representatives, representatives of various business groups, legal representatives, and invited representatives from the group labor union and the government's Labor Department. We adhere to the principle of legality, fairness, timeliness and consultation when mediating employee labor disputes.

In 2019 we continued to set up a unified care and support hotline in each site. We integrated of 25 rights protection mechanisms in six categories, including the labor union mailbox, the president mailbox, the party and the league mailbox, the president hotline, the rights protection hotline, the help hotline, and the labor union website.

Employees can express their opinions and suggestions by calling our 78585 hotline and transferring to the care center. The care center offers timely feedback to relevant

departments according to the urgency of employees' demands. By the end of the reporting period, the care center had fielded requests from 2,194 employees with a completion rate of 100%.

We also set up face-to-face communication methods to help understand and solve employee demands more quickly and directly, including a chairman reception day, employee visit, and a representative forum. We release the results of employee opinion adoption and communication via channels including the Foxconn People's Daily and monthly work announcement, so that employees can understand the role of their own feedback in the development and construction of the enterprise and improve their sense of belonging.

We abide by the *Labor Law of the People's Republic of China* when it comes to major operational changes. We promise to notify employees and their representatives at least 30 days in advance of any such changes that may affect their rights, giving them sufficient time to respond.

Satisfaction Survey

Every year, Fii's main subordinate business groups survey employee satisfaction in areas including life, work compensation suggestions, and dormitory and canteen planning improvement. These results inform our work direction for the coming year.

2019 saw each business group deliver its survey as a questionnaire and we improved our overall evaluation of employee feedback compared with previous years. We improved satisfaction among our communication network business group employees in areas including talent recruitment, working environment, and company

management. Employees made improvement suggestions for our catering conditions. We communicated this feedback to the canteen and will strive to improve our food in the future.

The cloud computing business group examined employee satisfaction in nine areas from recruitment to turnover intention. The results showed that employees are very satisfied, especially with the activities, security, and accommodation that we offer. We will continue to strengthen our interactions with employees, understand their needs, and improve employee satisfaction in 2020.

Freedom of Association

Fii operates a labor union system in our headquarters and at each park, supporting voluntary participation or withdrawal in line with employee needs. We have set up labor unions in the parks, group-level labor unions, department-level labor unions, and labor union groups to form a four-level labor union organization system, ensuring the efficient and transparent operation of labor unions. In 2019, these union activities covered 100% of employees.

Our labor unions won numerous commendations for their outstanding performance in protecting employees'

rights and providing them with care and development opportunities. The Nanning park labor union won the special prize for the assessment of key work objectives of municipal basic level labor unions in 2018 and the home of model workers in Guangxi Zhuang Autonomous Region. Tianjin park labor union won the special contribution prize for promoting the stability of labor relations in Tianjin the development zone, and the contribution prize for the cultural development of workers, etc.

Ensure Safety and Health

Fii protects health and safety and fosters a safe and secure working environment for employees in accordance with laws and regulations including the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, and the *Work Safety Law of the People's Republic of China*. Our Safety and Health Committee helps ensure safe operations. By the end of the reporting period, the total number of Fii's Safety and Health Committee members was 2,082, including 1,227 employee's representatives, which accounted for 59% of the total number.

Security System

Fii avoids occupational hazards in line with national standards such as the *Technical Specifications*

for Occupational Health Monitoring and the *Special Provisions for Labor Protection of Female Employees*. Our

Occupational Health Protection Operation Specifications require all functional departments to

properly arrange occupational disease prevention education and training courses, and to conduct regular hazard detection and assessments in the workplace.

We promise employees a completely safe working environment with no hidden dangers. We support this pledge by carrying out six-line firefighting defense management, process safety management, fire drill management, safety inspection mechanism, safety assessment mechanism, and an accident responsibility investigation mechanism, to ensure the implementation and

continuous advancement of security systems.

Each of our major production units conducts surprise internal and external audits each year to improve internal safety management standards. These audits help to identify problems and propose improvement measures to protect employee rights and interests.

Our technical committee for work safety and damage prevention operates our safety evaluation mechanism and measures safety against a key performance indicator to improve the safety awareness of workers. We regularly troubleshoot safety issues with

site and instrument safety inspections, track and eliminate potential hazards, and strive to achieve 100% safety in production.

As of the end of the reporting period, we had experienced 219 industrial accidents with a work-related injury rate of 0.55 million working hours. We cooperate with the Safety Management Department to investigate the cause of any industrial accidents, develop a risk assessment and improvement plan, and conduct safety inspections of workstations in other sites to prevent such accidents reoccurring.

Safety Risk Prevention and Control

Fii works hard to improve enterprise safety awareness. We created documents including the *Emergency Plan for Work Safety*, the *SER-OP-25 Radiation Accident Emergency Plan*, and the *2019 Safety Investigation Promotion Plan*.

We have assessed possible production process risks and developed corresponding emergency measures. Our Risk Control Technology

Department helps each site assess operational risks across several areas including process technology, building structure, public equipment, safety management, fire protection, security systems, and natural disaster protection. It also conducts on-site risk rating surveys for high-risk sites. These survey results inform a corresponding improvement action plan to improve each site's production safety level.

We also post hazard signs in production workshop areas, alerting employees to protect themselves. We regularly monitor workshop environments, supervise and audit first-aid box placements, and assess occupational hazards to mitigate potential workplace safety risks. We set safety goals including rectification time, injury rate per one million working hours, and a production safety input index.

Safety Training

All our business groups pay close attention to safety. We promote a safety culture with fire drills and other practical drill activities at least once every six months, and constantly refine our emergency plans. We conduct safety training for employees and standardize

employee behavior in the production workshop.

Our practice activities help improve our employees' disaster response abilities and escape skills, ensuring that they can evacuate quickly during fires or other emergencies and minimize losses.

We also conduct competitions to improve employee safety awareness in each site, substituting competition for training to improve employees' safety capabilities.



Column: 2019 Safety Training-Related Activities

Fii encouraged employees to improve their occupational hazard prevention and control awareness by launched Ankang Cup competition and ILO occupational hazard prevention and control toolkit. In 2019, the Taiyuan park carried out 25 Ankang Cup competition activities in total, involving over 40,000 employee interactions. Meanwhile, in the excellent proposal selection activity, 10 excellent proposals were improved and 4 excellent improvement groups, which improved the knowledge reserve of occupational hazard prevention and control.



ILO Occupational Hazard Prevention And Control Toolkit Proposals

Promoting Talent Development

Fii offers an open and transparent career development route and training system to help all employees with their professional development.

Career Promotion

We strive to be objective and fair when promoting employees, assessing all of our employees annually and promoting people according to the results. We encourage our assessors to communicate with evaluated personnel, pointing out their strengths and development improvement plans.

Employees objecting to the assessment result can talk with their supervisor and then appeal to the Human Resources Department if necessary. The general manager will make the final decision in the matter.

We operate various incentive plans

for employees, selecting employees for commendations including Foxconn star recognition, May Day labor model recognition, and worker pioneer recognition, in order to encourage employees to achieve all-around improvements.

Education and Training

We operate multiple courses for new employees, in-service staff, job transfer employees and other types of employees with online and offline training channels. We use the resources of our Industrial Internet College, and cooperate with well-known universities at home and abroad to help employees grow.

We encourage employees to provide feedback after each course so that we can improve our courseware according to the survey results. At the same time, for the development of technology, Fii uses education to empower employees, together with data analysis, artificial intelligence and other related businesses, and carries out internal training such

as the Artificial Intelligence Training and the Big data Visualization suitable to different levels of personnel, so as to enable employees to master more complex skills, constantly transform to high-tech talents, and provide employees with energy sources for vertical and horizontal development.

Our education and training system includes:

New Employee Training

Fii has prepared induction training to help onboard new employees, including policy, discipline, safety and health knowledge, and life training.

In-Service Training

Fii invites internal professionals and industry professional lecturers to help employees improve the quality of their work. We promote government cooperation to organize skills training, promote employees to pass training appraisal and assessment, obtain national vocational qualification certificates, help employees to obtain government skills promotion subsidies, and optimize the structure of skilled talents within the department. We also create training plans for directors at all levels for junior, middle, and senior executives, and provide corresponding management courses to strengthen our managers' leadership, communication, and crisis handling abilities.

Academic Education

Fii promotes academic education and encouraging employees to apply for higher education for self-development by taking advantage of our cooperation network with well-known universities at home and abroad. Academic education covers levels including junior college, undergraduate, master's, and doctorate degrees. We provide scholarships for employees with excellent academic performance. This year, we provided RMB 2.74 million in scholarships for academic education.

Industrial Internet Academy

Fii continues to promote cooperation with well-known universities and professional consulting institutions at home and abroad. We develop courses covering management, general knowledge, technology, and on-the-job training, and we also hold competitions to help employees upgrade their skills. We continue to promote in-depth collaboration between our industrial big data experts and local researchers, alongside our large-scale talent cooperation project in Cincinnati.

In 2019, we completed 9,110,896 training hours, representing an average of **44.85** training hours per employee.



Column: The First Foxconn Industrial AI Data Analysis and Application Competition

On March 25, 2019, the final of the first Foxconn Industrial AI Data Analysis and Application Competition opened in Longhua Park, Shenzhen. Fii senior management and experts from Peking University, Harbin University of Technology, Southern University of Science and Technology and other famous universities formed a luxurious judging line-up, attracting 202 teams to participate in the competition. The competition comprised the Innovation Application Competition and Algorithm Competition, each of which encouraged entrants to demonstrate their expertise in industrial AI. Winners enjoyed a monetary price and earned the opportunity to study at the University of Cincinnati in the United States. Fii hopes the competition and systemic studying would lead the employees amplify their skillsets and establish core competitive advantages in a new round of industrial change.



The scene of the competition



Award ceremony

Enriching Staff Activities

We pay close attention to our employees' emotional and personal development needs. A Fund Review Committee, Female Employee Committee, and other institutions in the labor union system ensure all-round care for employees. We strive to understand our employees' interests and hobbies, organizing a diverse array of activities to improve their sense of fulfillment and work-life balance.

Employee Care Activities

In 2019, we organized employee activities covering health, service, and skills. We provide employees with free annual physical examinations, and each site's infirmary organizes a free clinic for employees to get medical treatment nearby. We offer psychological health consulting services for employees and psychological consultants in each site. Employees can take advantage of psychological consultations on the telephone or on-site.

We have improved park equipment and facilities and carried out activities to

enrich the daily life of employees. In the parks, we improved equipment including basketball courts, gyms, libraries, and employee homes. We encourage work-life balance among our employees through activities including badminton and table tennis.

We offer professional skills training and rights consulting services for employees. We provide legal aid services to help them understand the law so that they can defend their legitimate rights and interests. We organize training in several areas including:

- **Policy interpretation courses** for areas including work-related injuries and social security.
- **Vocational courses** including electrician and forklift training and human resource management.
- **Life skills courses** such as interpersonal communication.



Legal activities



Free clinic activities



Staff skills training course

Women's Care Activities

Our labor unions offer several services and care activities to protect the rights and interests of female employees. These include a mommy cabin, a maternity lounge, and the pregnant mothers' hotline. We celebrate festivals including Women's Day, Mother's Day by recognizing outstanding female employees. We also offer a series of courses for pregnant mothers, such as nursery teacher, nurse, and child massage. We provide yoga and other training courses for all female employees.



Yoga classes



Festival activities

Fii caters for pregnant women and helps ensure work-life balance via improved welfare policies such as employee maternity leave, paternity leave, and maternity allowance. In 2019, our overall maternity leave return rate reached 87.5%. The specific return rate of male and female employees in each business group is shown in the table below.

Item	Communication network equipment		Cloud computing		Precision tools and industrial robots		Total	
	Male	Female	Male	Female	Male	Female	Male	Female
Employees eligible for maternal (paternity) leave in 2019	5,596	4,349	270	420	233	72	6,099	4,841
Employees who took maternal (paternity) leave in 2019	5,596	4,349	270	420	201	72	6,067	4,841
Returned employees after maternal (paternity) leave in 2019	5,490	3,704	269	354	205	71	5,964	4,129
Returned employees after maternal (paternity) leave in 2019, during the reporting period	4,921	3,026	269	352	205	63	5,395	3,441
Return rate	89.63%	81.69%	100%	99.44%	100%	88.73%	90.46%	83.34%

Support Activities for Needy Employees

Fii has established the employee life guarantee mechanism, taking action in providing employees in need with assistance for immediate family members, family disaster relief, employee wedding blessings, hospitalization visits, and funeral condolences. This year we spent over RMB 3.8 million organizing these support activities. We also established a WeChat official account exchange platform to communicate our support policies and standards and help needy employees communicate with the labor union.

Column: Supporting Employees With Disabilities

Employees with disabilities are important members of the Fii family. In 2019, Shenzhen Park employees organized nine outdoor exchanges and park tours for employees with disabilities, serving 860 people-time.



Labor union leads disabled employees to gather in Shenzhen tourist attraction



RESPONSIBLE PROCUREMENT

45 Responsibility Management System

48 No Conflict Minerals

Fii understands that sustainable business development depends on collaboration. We work with suppliers to improve their social responsibility performance as an important part of our sustainable development to intensify the scope and extent of positive impacts, which is our operational responsibility and critical procedure of sustainable development.

Responsibility Management System

Supply chain management is an important component of our operations at Fii. It is also the core procedure of supply chain management to encourage suppliers to manage their social

responsibility risks and fulfill the obligations. Thus, Fii keeps improving our supply chain management system to promote the sustainable supply chain.

Policy Requirements

We require all suppliers to comply with their local laws and regulations, and with the appropriate industry standards. We supervise their social responsibility behaviors in accordance with the *Responsible Business Alliance (RBA) 6.0* standard and the *Foxconn Supplier Social and Environmental Responsibility Code of Conduct*. Our policy includes:

Scope of application

All suppliers who transact with Fii and its subordinate entities.

Responsibilities

Each supplier shall support our code of conduct.

Each supplier must refer to our code of conduct provisions when developing its own internal management mechanism and code of conduct.

Suppliers should introduce international standards to regulate social responsibility behaviors.

Six zero tolerance behaviors

Employment of child labor.

Employment of forced labor or prison workers.

The discharge of untreated toxic and harmful substances or materials.

Any health or safety problems that immediately endanger the lives of employees or cause serious injuries.

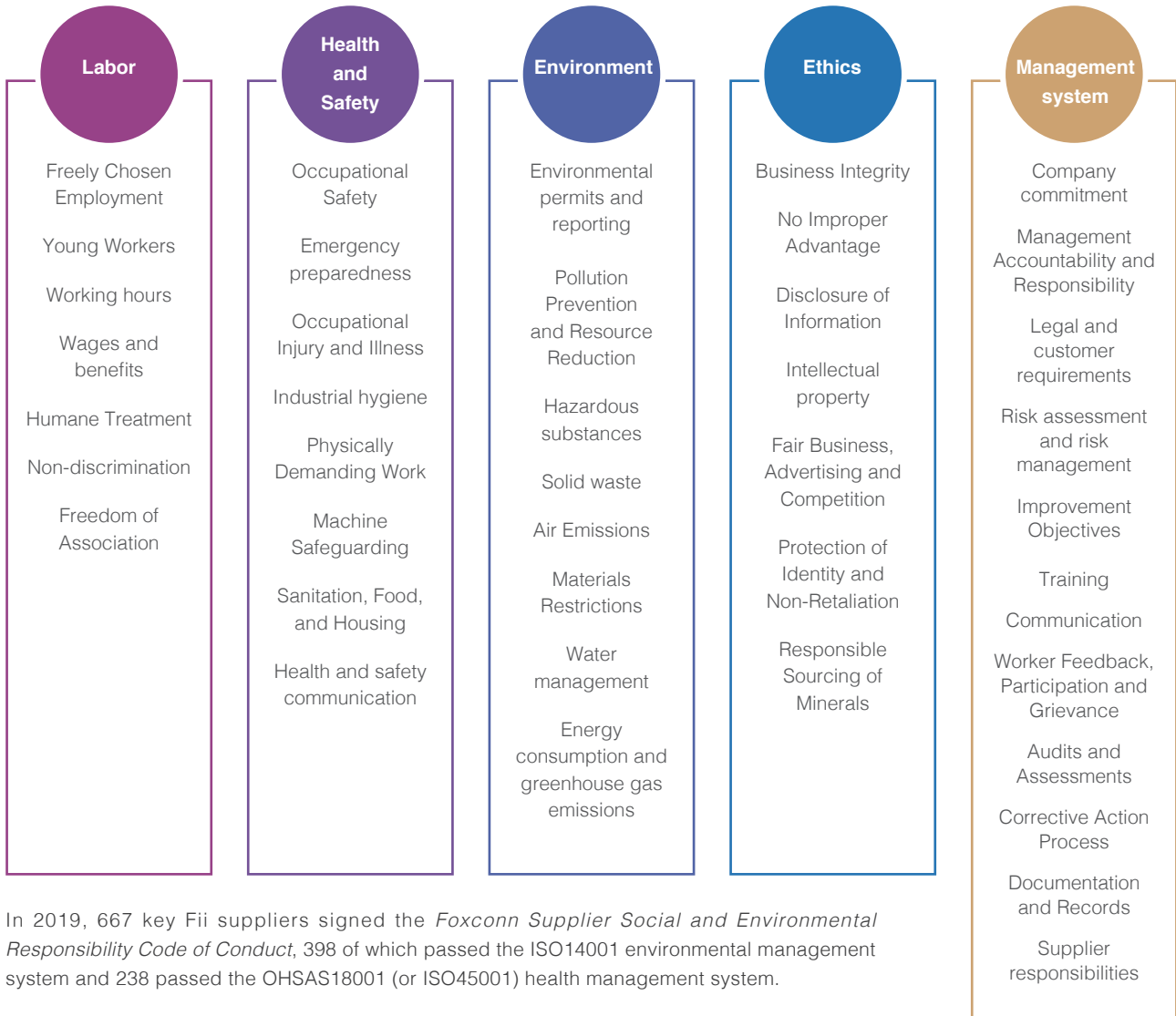
Provision of false information to Fii.

Retaliation against employees based on their interaction with inspectors.



Codes of conduct for various topics

Management requirements for supplier social responsibility issues: labor, health and safety, environment, ethics, and management systems. Specific subtopics are as follows:

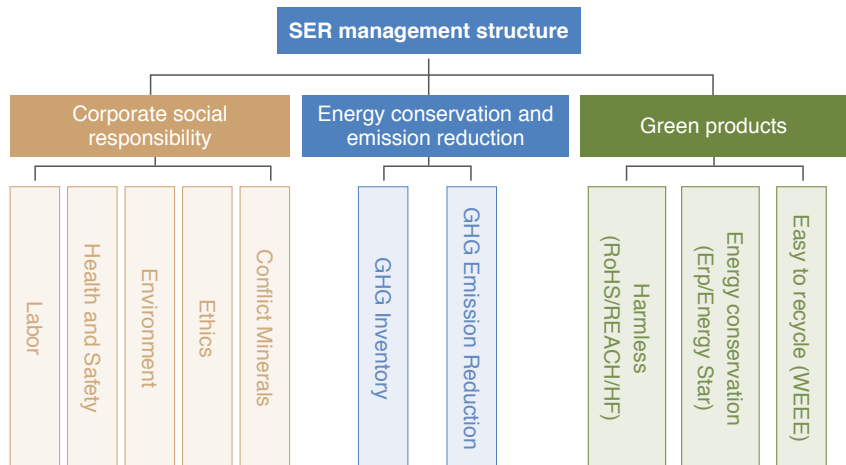


In 2019, 667 key Fii suppliers signed the *Foxconn Supplier Social and Environmental Responsibility Code of Conduct*, 398 of which passed the ISO14001 environmental management system and 238 passed the OHSAS18001 (or ISO45001) health management system.

System Settings

Management Structure

Fii has set up a supplier SER management system covering three areas: corporate social responsibility, energy conservation and emission reduction, and green products. It has set up clear specifications and management processes on various subtopics to clarify management requirements and responsibilities for our internal management team and suppliers.



Management Process

Suppliers' social responsibility management implements responsibilities and controls across all aspects of supply chain management including supplier introduction, risk assessment, on-site audits, questionnaire surveys, and capacity improvement.

Supplier introduction

The newly introduced supplier must sign the *Letter of Commitment on Environmental and Social Responsibility* with the corresponding introducing unit. This indicates that it is willing to regulate its own behaviors according to our supplier social responsibility management standard and accept our supervision.

Risk Assessment

We conduct annual risk assessments for new suppliers covering all aspects of the SER management system. We conduct further risk assessments for different suppliers based on these evaluation results. We suggest appropriate control improvement requirements and implement stricter on-site audits for high-risk suppliers on the above-mentioned management and control issues.

Responsibility Audit

We conduct on-site audits for new suppliers and high-risk key suppliers. We inspect their policy management documents, observe their on-site operation, and interview their workers to obtain the most authentic and accurate information and make further improvement suggestions.

We audited 17 new suppliers during 2019 in line with our environmental and social standards, none of which had any significant risks. Our 667 key suppliers included 180 SER high-risk manufacturers, including 117 that we audited on-site. After evaluation, 54 suppliers rectified the issues we identified and 63 agreed to follow-up improvements. None were unwilling to implement our requirements (which would have terminated the contractual partnership). We conducted 31 on-site audits on the green product of suppliers.

Training Exchange

Comprehensive supply chain management should not only consists of rules, but also clear improvement guidance. We help our suppliers to meet their social responsibilities by supplying appropriate materials. These include:

Online Courses

Online courses enable suppliers to find corresponding management specification documents and training materials at any time. Fii provides suppliers with two online platforms: Supplier Webinar and Fu Xue Bao Dian.



Offline Support

In addition to online training materials, we arrange various forms of offline communication and training to achieve further communication and understanding. These include:



Seminar on supplier greenhouse gas management Seminar on supplier environmental management



Conference of suppliers for green manufacturing, quality and efficiency improvement

No Conflict Minerals

As a responsible electronic manufacturer, Fii responds to the requirements of the international community to ensure that there are no conflict minerals across our supply chain. We have

controlled and audited our supply chain for many years and achieved formalized and effective management system.

Management Policy

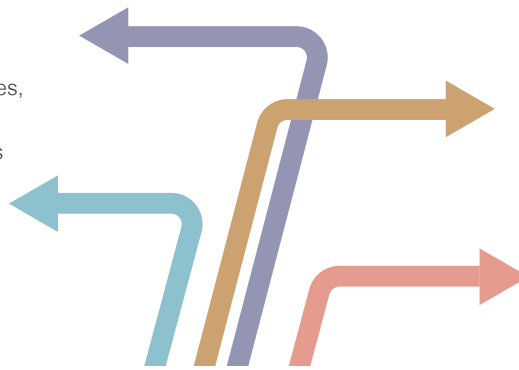
We follow *Foxconn Supplier Social and Environmental Responsibility Code of Conduct*, and strictly abide by the relevant international and industrial standards. We do not accept or use conflict minerals from the Democratic Republic of Congo and surrounding countries and regions. We require suppliers to trace conflict minerals in all products, including the source and information of gold, tantalum, tin, and tungsten. We also demand that all downstream suppliers meet the legal requirements related to the prohibition of conflict minerals.

Foxconn Procedures of Conflict Mineral Management

Identifies actual conflict mineral management procedures and processes, the key control and risk points, and establishes appropriate work measures

Specification on the Foxconn Supplier Conflict Minerals Management

Clarify the requirements of suppliers in various conflict minerals management areas and implement the standards of the code of conduct.



We comply with Foxconn group's conflict minerals management standards and manage conflict minerals at four levels.

Corporate Social and Environmental Responsibility (SER) Code of Conduct of Hon Hai Foxconn

Standardizes its own code of conduct, and establish a sound internal conflict mineral management mechanism under the guidance of the code of conduct

Foxconn Supplier Social and Environmental Responsibility Code of Conduct

Requires suppliers' code of conduct to meet their requirements for conflict mineral management and practice

Management Practice

We have established a complete hierarchical structure for the management of conflict minerals and clarified the functional division of each department.



Business Unit Officer	<ol style="list-style-type: none"> 1. Coordinate the business unit's daily internal conflict minerals management needs 2. Coordinate internal and central resources of the business units and the business group 	<ol style="list-style-type: none"> 3. Promote the investigation objectives of the business unit's suppliers 4. Respond to internal customers' conflict minerals requirements within the business unit
QA / PM	<ol style="list-style-type: none"> 1. Be responsible for communicating the customer's conflict minerals investigation requirements within the business unit 	<ol style="list-style-type: none"> 2. Assist the business unit officer to respond to customer requirements 3. Communicate with customers about conflict minerals management
Purchase	<ol style="list-style-type: none"> 1. Collect and submit the business unit's conflict minerals management supplier information 2. Promote and assist suppliers in conflict minerals investigation 3. Interface with suppliers on conflict minerals management (e.g. ESU signature, smelter information traceability) 	

Our conflict minerals management practices include:

Signing a letter of commitment

All suppliers must sign a letter of commitment on conflict minerals and promise not to accept conflict minerals from the Democratic Republic of Congo and its surrounding countries and regions. They must conduct due diligence on the procurement of tantalum, tin, tungsten, and gold contained in the products they provide, ensuring that these materials, or materials containing them can only be purchased from smelters that have been legally certified as non-conflict by authorities, or a Fii-approved agency or project plan. Signing the letter guarantees that these minerals will not directly or indirectly provide funds or interests to human-rights-infringing armed organizations in the Democratic Republic of the Congo or its surrounding regions.

Risk assessment and control

According to the survey results, the suppliers are divided into three risk levels: high, medium, and low. We will assess the specific risks of the high-risk suppliers, and conduct further investigation according to the supplier management regulations.



We sent our conflict minerals questionnaire to 1,913 suppliers in 2019 with a completion rate of


92.5 %

Investigation

We use a self-designed questionnaire and RMI (Responsible Mineral Initiative) standard questionnaire to investigate suppliers with metal components in their products twice a year, requesting them must use a non-conflict smelter. We compare the supplier's SER non-conflict report with the requirements on the RMI website. All suppliers audited must respond.

Training

The training includes training for internal managers and for suppliers. We conduct in-house training as seed instructors in Conflict Minerals Management to enhance the awareness and management of conflict minerals among internal managers and to follow up with the latest regulatory requirements. We also clarify conflict minerals management requirements for the suppliers attending the conference. Each supplier must study conflict mineral management and pass an exam through our online learning platform.





GREEN PRODUCTION, CLEAN DEVELOPMENT

- 51** Green Mechanism Improvement
- 51** Energy Saving and Carbon Reduction
- 54** Promote Water Saving and Pollution Reduction
- 55** Waste Reduction Cycle Innovation
- 57** Waste Gas Treatment for Excellence

Fii attaches great importance to sustainable environmental, social, and economic development, adheres to the management policy of environmental conservation and sustainable operation, and continues to explore the green, circular and low-carbon development model.

Green Mechanism Improvement

We focus on environmental protection initiatives and standards at home and abroad and abide by the relevant laws and regulations of the regions where the business groups operate. We constantly improve our internal environmental management mechanism in line with standards including the ISO14001 environmental management system, ISO150001 energy management system, and ISO14064 greenhouse gas inventory verification standard.

We have a mature environmental management framework. The CSR committee manages our environmental, health and safety (EHS) development strategy and all business groups follow our EHS management framework. Subordinate parks set up full-time personnel to implement and report their environmental management work.

Each of our business groups is certified under the ISO14001 environmental management system and has established a standardized

environmental management system and regulations. Management measures include pollutant treatment, environmental audit, and supervision. Each business group timely carries out the certification of energy management system ISO50001 and greenhouse gas inventory verification standard ISO14064 systems. They each work to improve energy management in line with energy conservation and consumption reduction goals.

Energy Saving and Carbon Reduction

Fii strives for clean and low-carbon development. We abide by laws and regulations including the *Law of the People's Republic of China on Energy Conservation* and the *Cleaner Production Promotion Law of the People's Republic of China*. We have established systems supporting internal energy and carbon emission management including the *Inspection Measures for Energy Conservation Management* and the *Scoring Rules for Energy Conservation Assessment Projects*, which draw on ISO50001 and ISO14064.

Each of our business groups has an energy conservation and carbon reduction management framework consistent with its business characteristics. Its responsibilities include formulating and adjusting the energy conservation and carbon reduction management system and implementation plan, establishing Fii's energy conservation and carbon reduction objectives in combination with the Comprehensive Work Plan on Energy Conservation and Emission Reduction During the 13th Five-Year Plan Period, and splitting them into short, medium and long-term objectives based on the actual production situation. It covers allocation to

subordinate parks and business units and the supervision and promotion of goals.

Each business group has set management objectives such as energy consumption per unit industrial added value and carbon dioxide emission per unit industrial added value, which are stricter than governmental and regional administrative goals. By the end of the reporting period, all business groups had achieved their annual management objectives and some business units had overfulfilled, successfully achieving their five-year management objectives.

Improving Energy Efficiency

According to the *Inspection Measures for Energy Conservation Management*, we promote energy conservation management across all business groups, standardize energy conservation performance management with an energy conservation responsibility system, and promote our energy conservation objectives. According to the *Scoring Rules for Energy Conservation Assessment Projects*, each business group's energy conservation management department will contribute to improving our energy conservation management performance. We score this in areas including energy conservation work planning and implementation progress, energy conservation publicity and training, and implementation of energy conservation technology transformation projects.

All business groups hold regular energy conservation meetings, formulate work implementation plans according to energy conservation objectives, and track production and operation energy consumption data. They set up corresponding energy conservation projects such as process optimization, process improvement, equipment and facilities renewal, and measure energy conservation and consumption reduction results before and after project implementation.

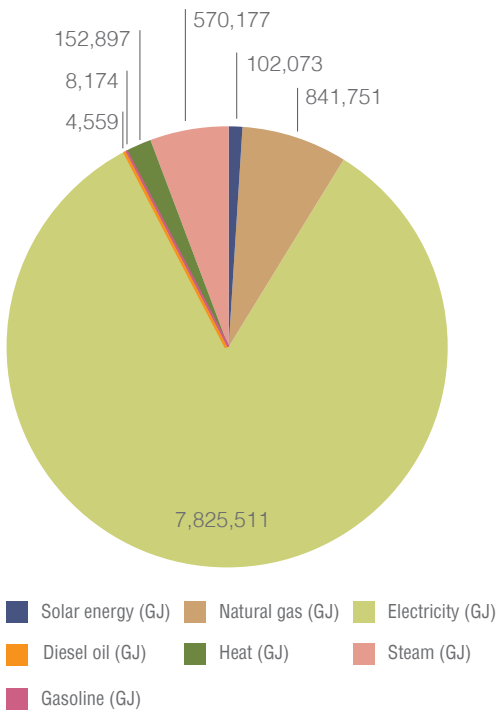
Column: Fii Energy Saving Projects In 2019

Energy Saving Project Type	Project Name	Brief Description of Measures	Energy Saving Effect
Process optimization	Automation connection test energy saving improvement project	Nanning park will implement automatic connection testing for specific series of products, cancel the original test equipment, and save corresponding equipment and energy consumption.	Save 10 sets of test equipment and reduce power consumption by about 20,000 kWh every year
Replace the old with the new	High energy consumption equipment replacement project	Shenzhen park will replace an old CO2 laser with a new fiber laser to reduce the use of consumables and energy.	Save about 490,000 kWh of power annually
Process improvement	Product cycle reduction project	Nanning park reduces the molding cycle and energy consumption per unit product by adjusting the stroke and speed of the switch mold, optimizing the mold temperature, shortening the cooling time, and other process adjustments for the specific product production line.	Reduce converted electric power by 60,000 kWh every year

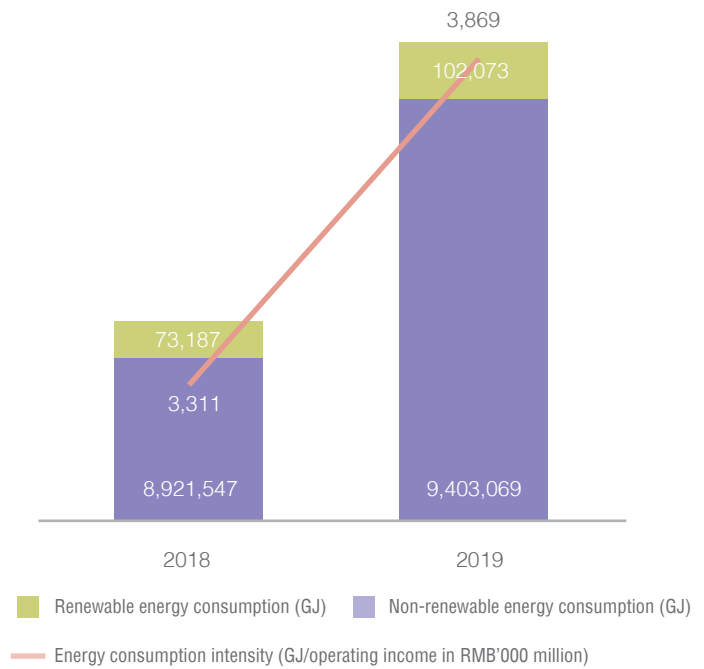
2019 Fii Energy Consumption Data

Data Indicators	Unit	Communication network equipment	Cloud computing	Precision tools and industrial robots	Total
Renewable energy	GJ	84,121	17,952	-	102,073
Solar energy	GJ	84,121	17,952	-	102,073
Non-renewable energy	GJ	8,649,864	636,519	116,686	9,403,069
Natural gas	GJ	830,021	11,730	-	841,751
Electricity	GJ	7,184,371	531,608	109,532	7,825,511
Gasoline	GJ	-	4,559	-	4,559
Diesel oil	GJ	646	7,528	-	8,174
Heat	GJ	69,866	75,877	7,154	152,897
Steam	GJ	564,960	5,217	-	570,177
Total energy consumption	GJ	8,733,985	654,471	116,686	9,505,142
Energy consumption intensity	GJ/operating income in RMB'000 million	-	-	-	3,869

Fii Energy Consumption By Type in 2019



Total Fii Energy Consumption And Intensity in 2018-2019



Control of Greenhouse Gas Emissions

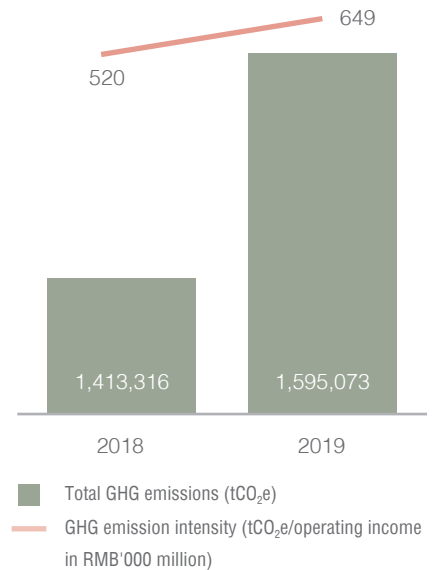
Fii pays attention to global climate change trends and greenhouse gas emission reduction initiatives. The CSR Committee reviews and evaluates the risks and opportunities we face on climate change issues on a regular basis, so as to adjust sustainable development strategies and plans.

Each business group conducts greenhouse gas accounting in accordance with the ISO14064 greenhouse gas inventory verification standard and the *Accounting Methods and Reporting Guide for Greenhouse Gas Emissions from Electronic Equipment Manufacturers*. Each group pays close attention to greenhouse gases produced in the production and operation process and creates a corresponding carbon emission control plan in combination with the energy conservation work plan.

2019 Fii Greenhouse Gas Emission Data

Data Indicators	Unit	Communication network equipment	Cloud computing	Precision tools and industrial robots	Total
(Scope 1) Greenhouse gas emissions	tCO ₂ e	68,550	6,916	907	76,373
(Scope 2) Greenhouse gas emissions	tCO ₂ e	1,353,679	145,593	19,428	1,518,700
Total greenhouse gas emissions	tCO ₂ e	1,422,229	152,509	20,335	1,595,073
Intensity of greenhouse gas emission	tCO ₂ e/operating income in RMB'000 million	-	-	-	649

Total Fii Greenhouse Gas Emissions And Intensity in 2018-2019



Promote Water Saving and Pollution Reduction

Fii is committed to protecting water resources environment and reducing the discharge of wastewater and sewage. We abide by national laws, regulations and standards including the *Law of the People's Republic of China on the Prevention and Control of Water Pollution* and the *Law of the People's Republic of China on Soil and Water Conservation*. We have created operational specifications including the *Operation Specifications for the Control of Wastewater Discharge*, the *Operation Specifications for the Maintenance of Rainwater and Sewage Facilities/Wastewater Pipe Network*, and the *Operation Specifications for the Pump Operation System and Maintenance* to save water resources and minimize discharges.

Each of our parks has also issued operation and management specifications for wastewater treatment plants and stations, such as the *Operation and Management Specifications for Wastewater Treatment Plants in Zhengzhou Comprehensive Protection Zone*, the *Operation and Management Specifications for Wastewater Treatment Station System in Hebi*, the *Operation and Management Specifications for Wastewater Treatment Station System in Processing Zone*, the *Wastewater Discharge Control Specifications for Jincheng Park*, and the *Sewage & Wastewater Treatment Operation Specification for Jincheng Park*. By standardizing wastewater discharge

and sewage operation, we can reduce wastewater discharge and improve wastewater discharge standards.

We have addressed the prevention and treatment of sewage and wastewater by issuing the *Operation Specifications for the Control of Wastewater Discharge*. The environmental management center led each site's environmental management department to evaluate and improve its wastewater discharge, and regularly supervises wastewater treatment facilities and discharge conditions.

We address wastewater prevention and control in three ways: prevention and control training, online monitoring, and self-testing. We set up environmental management departments and water pollution prevention and control departments in each site to improve employee water conservation awareness.

In 2019 we continued to build an online wastewater treatment monitoring system at each site to monitor the COD, suspended solids, pH, ammonia nitrogen and other indicators in the wastewater in real time, so as to standardize and control sewage and wastewater standard discharge. In addition, we carry out our self-monitoring plan to regularly test the wastewater from different pollution sources and publicly disclose that test data.

We have conserved water resources by standardizing pure water consumption in some sites and using clean water circulation to reduce it. We promoted the wastewater recycling project and the concentrated water recycling green flushing project in the pure water room. In 2019, the Hebi site's water reuse project eliminated the discharge of heavy metals and entered the commissioning stage. We save water in the office area by installing water-saving switch equipment in the water dispenser, changing the faucet from a water column type to a sprinkler type, changing to an induction water faucet, and increasing condensate reuse.

We continue to spread water conservation throughout our management processes. Some factories have set medium and long-term goals according to their own conditions, committed to improving wastewater cleanliness, reducing water pollution discharge, and ultimately improving resource usage. Many factories in the communication and mobile network equipment business group have set the medium-term goal of increasing the recovery and reuse rate of production water to 60%. They have also set the long-term goal of continuing to expand water resource management to surrounding communities to protect water resources in the basin, and striving for the Alliance for Water Stewardship (AWS) certification.

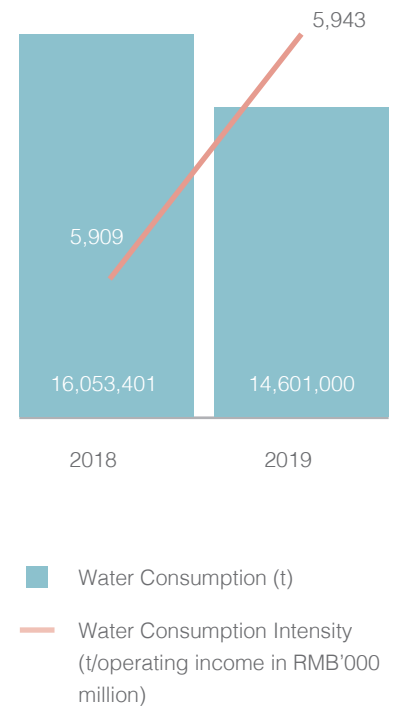
Column: Fii Water Saving Projects In 2019

Water Saving Project Type	Brief Description of Measures	Water Saving Benefit
Reclaimed water recycling	The comprehensive protection area and processing areas are equipped with reclaimed water recycling system, which is used for lime dosing configuration, sludge area cleaning, and waste water pool spraying after treatment to improve the usage rate of water resources.	The reclaimed recycling water consumption in the comprehensive protection area in 2019 was 188,630 tons. The recycling water consumption of the processing area in 2019 was 390,497 tons.
Reconstruction of pipe network construction	Taiyuan site completed the standard raising and reconstruction of restaurant domestic sewage and the construction of pipe network to improve the daily domestic sewage treatment capacity.	960 tons/day of domestic sewage treatment.

2019 Fii Water Consumption/Discharging/Recycling Data

Data Indicators	Unit	Communication network equipment	Cloud computing	Precision tools and industrial robots	Total
Water consumption	t	13,930,826	458,323	211,851	14,601,000
Water consumption intensity	t/operating income in RMB'000 million	-	-	-	5,943
Total volume of wastewater	t	6,488,725	156,607	12,145	6,657,477
Circulating water consumption	t	5,309,287	196,335	27	5,505,649
Reclaimed water consumption	t	1,062,263	195,915	27	1,258,205
Grey water recycling amount	t	120,580	-	-	120,580
Production process water recovery	t	48,398	-	-	48,398
Steam condensate amount	t	186,496	420	-	186,916
Concentrated water recycling amount	t	1,402,124	-	-	1,402,124
Cooling tower water recycling amount	t	2,489,426	-	-	2,489,426

Total Fii Water Consumption And Water Intensity in 2018-2019



Waste Reduction Cycle Innovation

Fii is committed to building an industrial circular economy, combining waste control and recycling. We strive to innovate in waste recycling, resource usage efficiency promotion and minimizing the environmental load of production and operation activities.

Waste Management Principles

We continuously strengthen our internal waste management system. We abide by national laws, regulations and local policies including the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes* and the *Technical Policy for the Prevention and Control of Hazardous Waste Pollution*. We created a series of management systems for waste, such as the *Code for the Control of Solid Waste* and the *Code for the Control of Hazardous Waste*. We coordinate with departments including Environmental Management, General Affairs, and Customs Logistics to establish a special management structure, track monthly solid and hazardous waste disposal, and consolidate the internal waste management system and operation specifications.

Waste Supervision Process

We distinguish between general and hazardous wastes according to the *National List of Hazardous Wastes* and the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes*. Each business group confirms the list of hazardous wastes, applies to the local Environmental Protection Bureau, and then classifies the waste. We monitor the end-to-end disposal of hazardous wastes such as waste cutting fluid and printed circuit boards. We collect hazardous waste, register its type and weight, and

set up a special temporary storage area for it. We require personnel to declare and approve procedures for transferring hazardous wastes, and we inspect the third party according to the *Code for Audit Management of Hazardous Waste Disposal Companies*. We conduct surprise inspections of the classification, collection, storage, and disposal of hazardous waste, and correct any problems found.

We also created the *Emergency Treatment Specification for Hazardous Waste Leakage* to ensure that employees can

safely and efficiently handle hazardous waste leakage events under special circumstances, further improving our level of waste risk management and control.

In 2019, our effective management and control procedures reduced the transportation volume of solid waste by



over **10,000** tons compared with 2018.

2019 Fii Waste Removal Data

Solid waste data	Unit	Communication network equipment	Cloud computing	Precision tools and industrial robots	Total
Non-hazardous waste	t	93,686	14,175	6,146	114,007
Hazardous waste	t	25,153	589	63	25,805
Total solid waste	t	118,839	14,764	6,209	139,812

2019 Solid Waste Disposal Data

Category	Unit	Incineration	Landfill	Cycle	Compost	Reuse	Recycling	Other ways
Non-hazardous waste	%	6.4	2.9	13.6	23.1	23.2	27.9	2.9
Hazardous waste	%	9.8	12.9	6.3	0	42.2	11.6	17.2

Resource Efficiency Promotion

We pursue recycling and source reduction through resource recycling projects, innovation in production processes and optimizing the process of production informationization, fundamentally reduce the waste generation, and constantly improve the efficiency of resource use.

For general waste, we first register the waste, identify recyclable waste, collect it from the production line, store it in the waste warehouse by classification, and then apply for use by each factory or production line or transfer it to a third

party for centralized disposal. We also conduct small-scale recycling projects for materials including oil wipes, plastic rubber plates, and old packaging materials.

For hazardous waste, we have issued the *Regulations on the Management of Hazardous Waste Recycling*, standardizing and supervising the recycling of hazardous waste. On this basis, we implement projects for reprocessing after the purification of cutting fluids and the reduction of waste products such as acids and alkalis.

We continue to broaden the application of facility-based cloud, 5G and other technologies in our activities. We pursue the development of an intelligent green circular manufacturing system, increase interoperability between various databases, link industrial equipment, and connect multiple functions such as supervision, prediction, and execution. These help to reduce unnecessary waste and optimize resource allocation and continuously improve the economic and environmental benefits.

Waste Gas Treatment for Excellence



Fii pays attention to the treatment and emission of waste gas in the production process. We comply with laws and regulations including the *Law of the People's Republic of China on Pollution Prevention and Control*, the *Emission Standard of Odor Pollutants*, and the *Technical Specification for Fixed Source Waste Gas Monitoring*. We have created the *Test Methods for Waste Gas Emission and Control*, the *Operation and Maintenance Specification for Industrial Waste Gas Treatment System*, and the *Operation Specification for Waste Gas Emission Control* to control nitrogen oxides, sulfur oxides, particulates, VOCs and other waste gases. These measures

help us to comply with all emission standards, minimizing the harm of waste gases to the environment and maintaining the health of our employees.

In 2019, we reformed waste gas towers or added new hydrocarbon cleaning waste gas towers in several sites and improved the waste gas treatment process. We upgraded the original single activated carbon adsorption process to UV photolysis + activated carbon adsorption to reduce VOCs emissions. The Zhengzhou industrial park also plans to transform 81 CNC oil mist purifiers and add UV photolysis equipment in 2020 to reduce VOCs emissions.

We installed gas boiler flue gas and VOCs waste gas online monitoring systems in multiple sites to monitor flue gas nitrogen oxide, VOCs, and other values in real time. We also regularly commission a qualified third-party monitoring company to monitor exhaust gases. By the end of the reporting period, the monitoring results met all legal, regulatory and environmental requirements. Our Environmental Management Department will also conduct daily environmental protection audits and regular special environmental protection audits to ensure that the emission of waste gas meets the standard.

Column: 2019 Fii Waste Gas Reduction Project

Project	Brief Description of Measures	Reduction Effect	Site Picture
Process upgrading and waste gas tower transformation	We added three new hydrocarbon cleaning waste gas towers in the Hebi site and adopted the principle of UV photolysis + activated carbon to reduce VOCs emissions.	Emission concentration is 1,160mg/m ³ before treatment, and 2.52mg/m ³ after treatment.	
Gas boiler transformation	We replaced the Taiyuan site's gas boiler with a low nitrogen burner equipped with a flue gas reflux device for low nitrogen transformation.	After the low nitrogen boiler reduces the NOx concentration in the flue gas lowers from 150mg/m ³ to 30mg/m ³ . The gas boiler's ultra-low nitrogen emission can reduce annual NOx emissions by 69.71 tons and improve regional ambient air quality.	

2019 Fii Waste Gas Emission Data

Data Indicators	Unit	Communication network equipment	Cloud computing	Precision tools and industrial robots	Total
Nitrogen oxide	t	15.61	0.05	-	15.66
Sulfur oxide	t	1.98	0.02	-	2.00
Volatile organic compound	t	97.73	6.42	1.16	105.31
Particulate matter	t	64.54	0.03	2.18	66.75



JOINING HANDS WITH SOCIETY FOR PUBLIC WELFARE

59 Fighting Disaster

65 Focusing on
Community Care

65 Work Together for
Targeted Poverty
Alleviation

Fii has long been committed to benefiting society. We organize social public welfare activities, assist with targeted poverty alleviation, and support local industries to build trust in the community.

In November 2019, our outstanding contribution to public welfare earned us the *Public Welfare Contribution Award of China's Listed Companies from the Financial Community*.



Fighting Disaster

During the 2020 Spring Festival, the COVID-19 epidemic emerged. We moved quickly to organize a global epidemic prevention command working group, integrated the modules of material allocation, information collection and remittance, and medical insurance. We invited Mr. Zhong Nanshan, academician at the Chinese Academy of Engineering and famous respiratory expert, to provide us with professional guidance on epidemic prevention and the safe resumption of production.

We issued a total of 40 documents including the epidemic

prevention mechanism and personnel control, and established three defense systems: physical, human, and technical. We based these on the management six data flows: information, financial, and technology flows on the virtual side and people, process, and logistics on the physical side. We organized the production of transfer line and provided the technical scheme for the resumption of work. We created a process for handling the epidemic internally. With efforts in external and internal defense work, we integrate and contribute our unique capacities to defeat the COVID-19 jointly with the society.

Physical Defense: Production For Emergency Assistance

Masks are a basic accessory and an important strategic resource for epidemic prevention and control. We introduced five production lines to produce disposable masks and one to produce N95 medical mask for the first time, successfully beginning trial production on February 5, 2020. We relied on our production bases in 11 countries around the world for raw material procurement, equipment manufacturing, and products production, in order to guarantee our medical masks production from the source. As of March 31, 2020 we had delivered 24 million masks, providing strong support for both external support and internal supply.

We worked with Shanghai Asclepius Meditec Co., Ltd. to develop the oxyhydrogen atomizer, which has helped provide hydrogen and oxygen mixed inhalation therapy. We ensured the immediate supply of oxyhydrogen atomizers using an emergency medical material support mechanism, provided the frame covering mold and its supporting products, and deployed dozens of highly skilled technicians to the production site to handle tasks including assembly and automatic testing. After intensive production, we donated 1,000 sets of oxyhydrogen atomizers with a total value of RMB 50 million to Wuhan in two days to help with the treatment effort.



Mask production line site



Equipment loading and shipment



Human Defense: Millions of People Offer Help

Protecting employee safety is always an important task at Fii. We drew on the State Council's *Guidance of Prevention and Control Measures for Enterprises and Institutions to Return to Work and Resumption of Production*, the guidance of academician Zhong Nanshan, and our experience in the successful battle against SARS to create a strategy for handling the situation, with nine anti-epidemic military areas and built a comprehensive staff health and epidemic prevention network in each park. We worked in seven areas to protect our employees and ensure safe work resumption: staff screening, an epidemic prevention mechanism, internal management, equipment and materials, cleaning and disinfection, education and training, and staff care.

Logistics support

We ensured sufficient supplies of masks, disinfection, sterilization, and other living materials, and we implemented grid prevention and control under the guidance of local government, health and epidemic prevention and other relevant institutions. We created observation areas for employees, and rented hotels for isolation. We also introduced national certified companies and third-party medical institutions, helping to ensure COVID-19 nucleic acid detection when necessary.

Staff entering the park

We used measures including infrared human body temperature measuring equipment and forehead temperature guns, and we tracked employees' travel history, activity records, and other data. This helped us to assess health and activity trends of staff in the park in real time and ensure employee's health. We also provided the attendance incentive fund and rewarded employees for completing epidemic prevention monitoring work.



Temperature measurement at entry and exist gate

Activities in the park

We took regular temperature measurements and disinfected daily. We used techniques including off-peak dining, double authentication with swipe cards and identification labels, and signs advocating epidemic prevention in our dormitories. We organized teams to audit of disinfection and sterilization. We responded quickly to suspected or confirmed cases, checking and blocking risks by sending hospitals for isolation, locking grid, using point-to-point disinfection and sterilization, and systematically labeling gridlocked personnel.



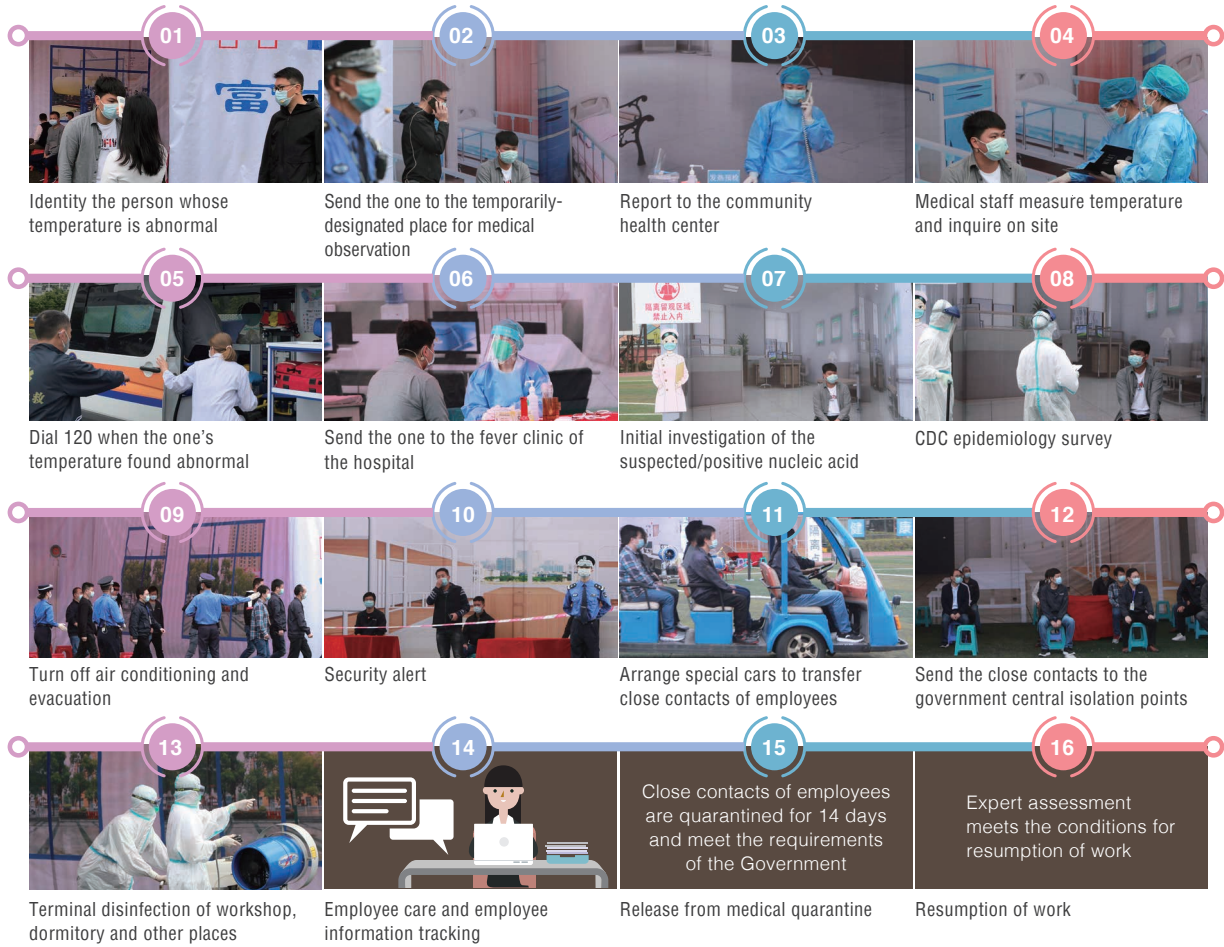
Staff are isolated in the dining room



Dormitory administrator measures an employee's temperature

Education and training (whole process of COVID-19 emergency training)

According to COVID-19 Epidemic Risk Level Standard and Response Plan, we organized a large-scale emergency drill in collaboration with the external medical team. We analyzed case occurrence and treatment data so that the employees could fully understand our six-word action policy and epidemic prevention mechanism: report » check » help » lock » disinfection » resumption. This improved their awareness and ability to respond to epidemic prevention.



Life care

We operated the 78585 care hotline and 19885 health hotline on a 24-hour basis to provide timely online psychological counseling and legal aid for employees living together during the epidemic.

Welcome home

At 15:13 on March 27, 2020, a special Enterprises Train for work resumption set out from Jingzhou, Hubei Province, arriving in Shenzhen at 22:54. Dr. Li Junqi, Chairman of Fii and director of epidemic prevention headquarters,

waited at Shenzhen North railway station to welcome the workers from Hubei. We prepared midnight snacks, masks, bedding, and other materials for returning colleagues and offered our warmest greetings.



Dr. Li Junqi welcomed employees back



Technical Prevention: Epidemic Prevention And Cloud Assistance

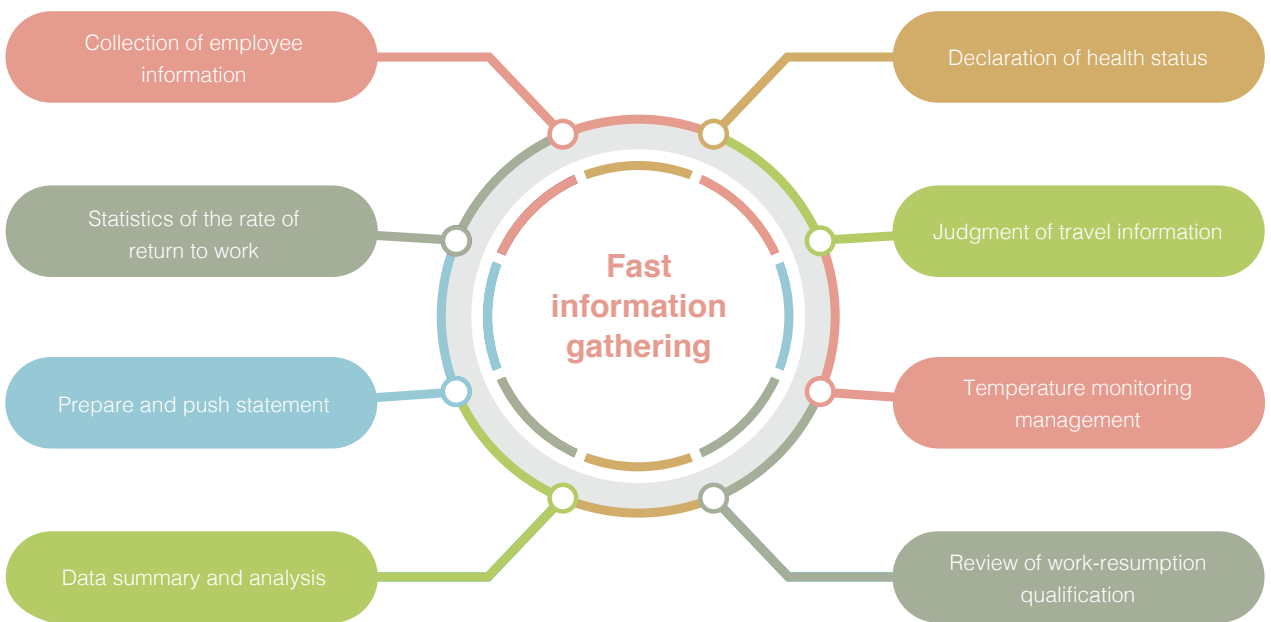
Fii continues to develop the Zihui Zhengguo project. We have worked with partners to integrate an intelligent infrared thermal imaging temperature monitoring system based on image big data technology that enhances our epidemic prevention system.

We also launched the Fii Safe Resumption of Work App, which integrates data collection, processing, analysis, and visualization. Employees can fill in their living history,

tourism history, contact history, and health status online every day. The system analyzes this information for decision makers, accelerating the detection, reporting, and diagnosis of the disease and leading to early isolation and treatment.

The app also guides employees in compliance with various rules during the epidemic period and assesses their disease prevention knowledge, so that the companies could resume production and work in a safe and secure way.

Worry-free return to work

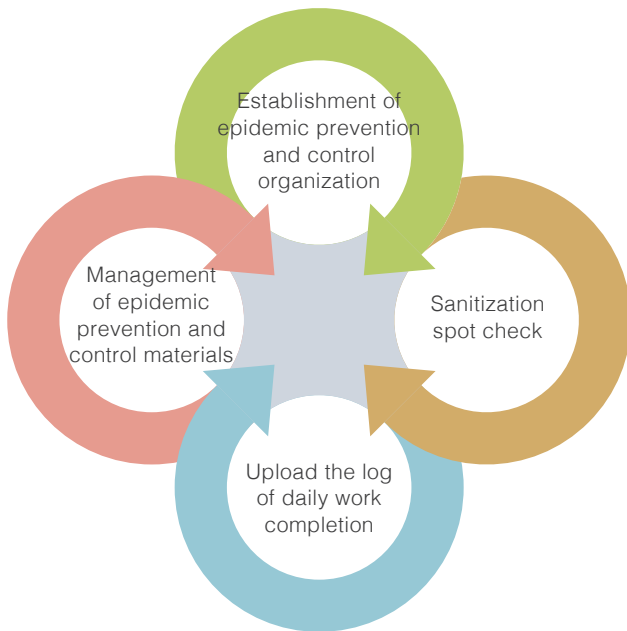


On-line authorization for safer access



Worry-free epidemic prevention and control

Sanitization management for safer business



Intelligent management of employees for more efficient operation



Seamless collaboration





Technical Prevention: Epidemic Prevention And Cloud Assistance

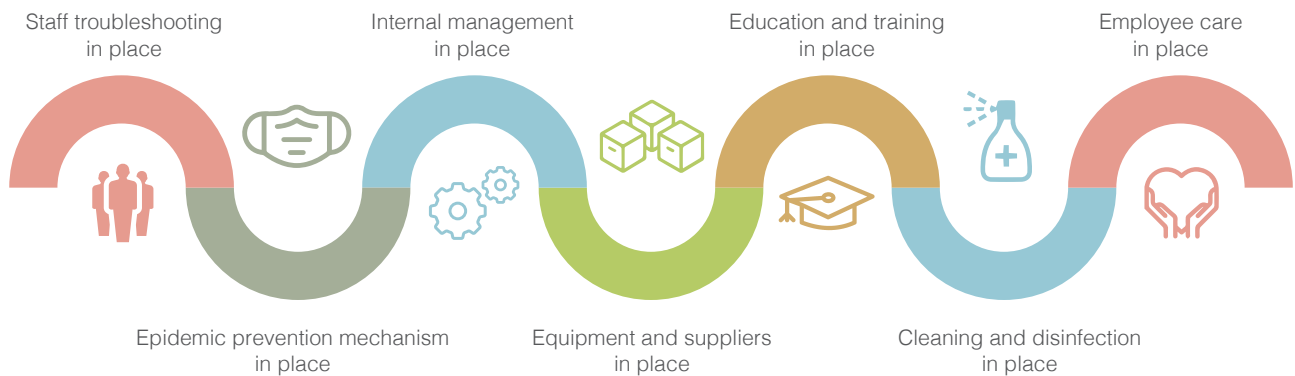
The Fii Developer Center provided five free services to solve the urgent needs of industrial enterprises and help the overall economy run smoothly:

Fii Developer Center



During the COVID-19 outbreak, Fii has been fighting in the first line against the epidemic. In keeping with our business ethnic and vision, we are actively taking action in this outbreak to aggregate the industrial internet application ecology, to promote the development of the value chain and to revitalize

the industry in the field of industrial artificial intelligence, in order to achieve the ultimate victory against the epidemic, and in the long run, to provide a solid barrier for the sustainable development of the whole society.



Focusing on Community Care

Fii conducts a range of community service and care activities, including legal advisory services and preschool education services in the communities near our parks, provision of heat relief items for sanitation workers and firefighters in the hot summer, regular visits to the elderly in the community, and blood donation drives. In 2019, we invested RMB 656,000 in community development activities.

Column: Organizing Fundraising Activities

In 2019, our Taiyuan labor union and the Shanxi Disabled Welfare Foundation launched the public welfare One Yuan Donation For Helping The Disabled initiative. It collected RMB 34,776 from 15,540 employees.



One Yuan Donation activity site

Column: Organizing Employees To Donate Blood

During the 2019 National Day, our Tianjin Park organized a blood donation activity. 70 employees donated 23,300mL of blood. The labor union and the administrative party provided them with gifts including towel boxes, summer quilts, and blankets. Our contribution in community blood donation and service earned us the blood donation award from the Health Committee of Binhai New Area, Tianjin.



Blood donation site

Work Together for Targeted Poverty Alleviation

We are committed to targeted poverty alleviation, and partner with poverty-stricken villages in Guangxi, Henan, Hebei, Gansu and other places to tackle this problem. We help expand agricultural product sales channels and care for local vulnerable groups to help poor villages escape from poverty and improve their quality of life. In 2019, we invested RMB 824,700 of funds and materials to support targeted poverty alleviation work.

Column: Targeted Poverty Alleviation In Gutang Village

We responded to the Nanning Municipal Party Committee and Municipal Government's call for poverty alleviation to help the village of Gutang, Mashan County. We organized catering contractors and caring employees to purchase RMB 60,000 of otherwise unsalable agricultural and sideline products from Gutang village, and held a supporting event close to the Mid-Autumn Festival.

We helped improve local drinking water by providing Tunren drinking tanks for Gutang village, benefiting 174

people in 42 households. We also helped care for the elderly in Gutang village, ordered school uniforms for 156 Gutang Primary School students, and providing need-based scholarships. In Gutang and surrounding villages, we have recruited and trained disadvantaged people who meet our recruitment standards, so that all our efforts closely responded to needs of the people, and left no one behind.



Customized school uniforms



Caring the elderly

Column: Sunshine Friends Care For Left-Behind Children Project

We pay close attention to the life, education, and psychological problems of children left in rural areas while their parents seek work in urban areas (known in China as 'left-behind children'). We continued with our Sunshine Friends initiative for the left-behind children project in Zhengzhou. Our Zhengzhou labor union organized three

psychological counselors during six Sunshine Friends events across four schools in the Tongbai and Lankao counties of Henan Province. During the events, which covered 240 students, we also presented RMB 30,000 of printers, desks, chairs, books and other materials to help empower them through education.



Children receiving stationery



Children attending a sports meeting during a sunshine friends event

Appendix

GRI Standards Index

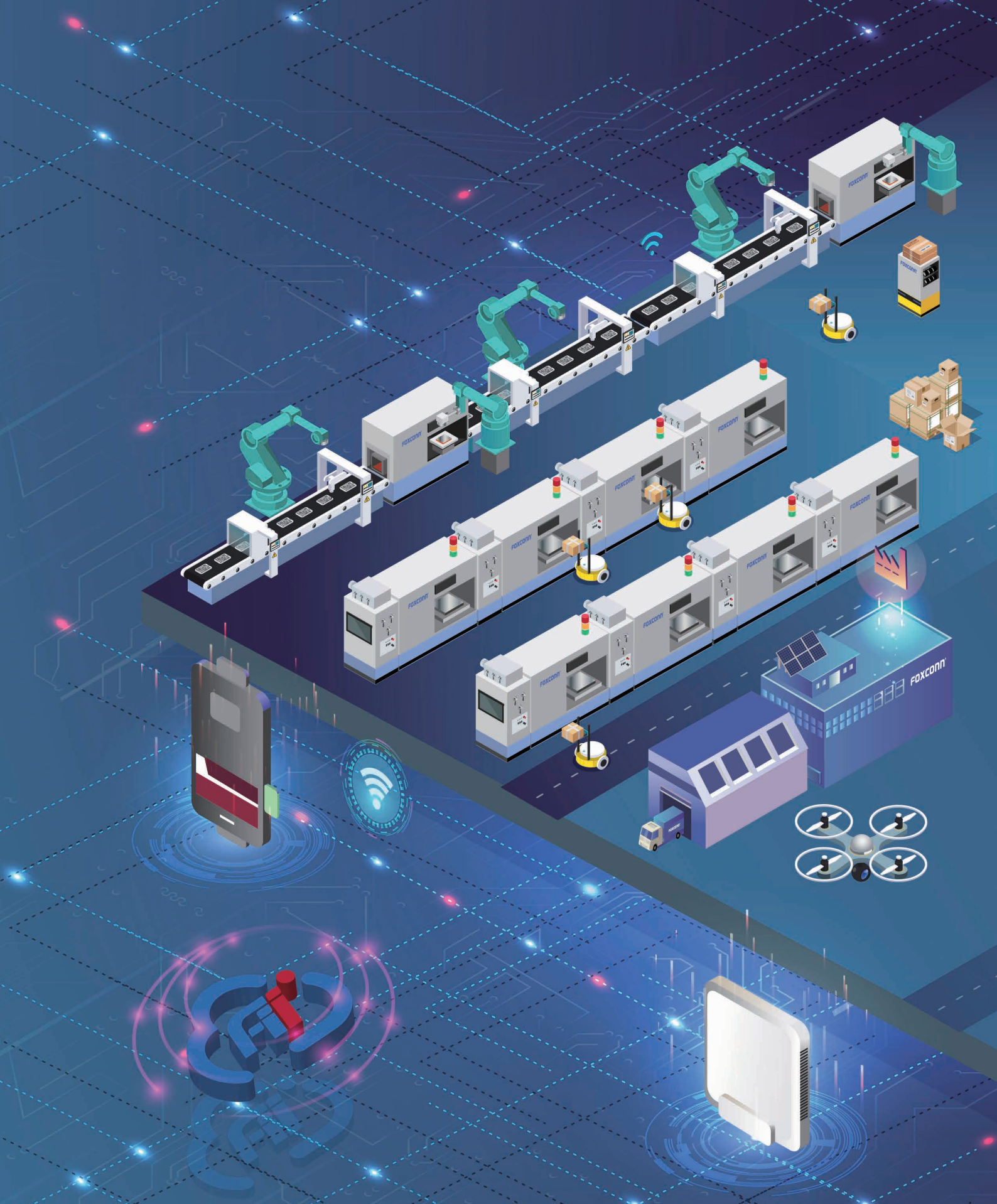
GRI Standards	Disclosure Title	Report Section(s)	
Organizational profile	102-1	Name of the organization	About This Report
	102-2	Activities, brands, products, and services	About The Company
	102-3	Location of headquarters	About This Report
	102-4	Location of operations	About the Company
	102-5	Ownership and legal form	About This Report
	102-6	Markets served	About the Company
	102-7	Scale of the organization	About the Company
	102-8	Information on employees and other workers	Standardized Employment
	102-9	Supply chain	Responsibility Management System
	102-10	Significant changes to the organization and its supply chain	Responsible Procurement
	102-11	Precautionary Principle or approach	Corporate Governance
	102-12	External initiatives	Strict Compliance Employment
	102-13	Membership of associations	External Engagement
Strategy	102-14	Statement from senior decision-maker	Management's Message
	102-15	Key impacts, risks, and opportunities	Management's Message, Corporate Governance
Ethics and integrity	102-16	Values, principles, standards, and norms of behavior	Corporate Governance
	102-17	Mechanisms for advice and concerns about ethics	Corporate Governance
Governance	102-18	Governance structure	Corporate Governance
	102-19	Delegating authority	Responsibility Structure
	102-20	Executive-level responsibility for economic, environmental, and social topics	Responsibility Structure
	102-21	Consulting stakeholders on economic, environmental, and social topics	Stakeholder Engagement
	102-22	Composition of the highest governance body and its committees	Corporate Governance
	102-23	Chair of the highest governance body	2019 Annual Report Page 76
	102-24	Nominating and selecting the highest governance body	Corporate Governance
	102-25	Conflicts of interest	2019 Annual Report Page 76
	102-26	Role of highest governance body in setting purpose, values, and strategy	Corporate Governance
	102-27	Collective knowledge of highest governance body	/
102-28	Evaluating the highest governance body's performance	/	

GRI Standards	Disclosure Title	Report Section(s)
	102-29	Identifying and managing economic, environmental, and social impacts Stakeholder Engagement
	102-30	Effectiveness of risk management processes Responsibility Structure
	102-31	Review of economic, environmental, and social topics Stakeholder Engagement
	102-32	Highest governance body's role in sustainability reporting Responsibility Structure
	102-33	Communicating critical concerns Stakeholder Engagement
	102-34	Nature and total number of critical concerns Stakeholder Engagement
	102-35	Remuneration policies Guaranteeing Full Rights and Interests
	102-36	Process for determining remuneration /
	102-37	Stakeholders' involvement in remuneration /
	102-38	Annual total compensation ratio /
	102-39	Percentage increase in annual total compensation ratio /
Stakeholder engagement	102-40	List of stakeholder groups Stakeholder Engagement
	102-41	Collective bargaining agreements Strict Compliance Employment
	102-42	Identifying and selecting stakeholders Stakeholder Engagement
	102-43	Approach to stakeholder engagement Stakeholder Engagement
	102-44	Key topics and concerns raised Stakeholder Engagement
Reporting practice	102-45	Entities included in the consolidated financial statements 2019 Annual Report Page 187
	102-46	Defining report content and topic Boundaries About This Report
	102-47	List of material topics Stakeholder Engagement
	102-48	Restatements of information Not Applicable
	102-49	Changes in reporting Not Applicable
	102-50	Reporting period About This Report
	102-51	Date of most recent report /
	102-52	Reporting cycle About This Report
	102-53	Contact point for questions regarding the report About This Report
	102-54	Claims of reporting in accordance with the GRI Standards About This Report
	102-55	GRI content index Appendix
	102-56	External assurance /

GRI Standards	Disclosure Title	Report Section(s)	
Management Approach	103-1	Explanation of the material topic and its Boundary	Stakeholder Engagement
	103-2	The management approach and its components	Stakeholder Engagement
	103-3	Evaluation of the management approach	Stakeholder Engagement
Economic Performance	201-1	Direct economic value generated and distributed	Economic Contributions
	201-2	Financial implications and other risks and opportunities due to climate change	Green Production, Clean Development
	201-3	Defined benefit plan obligations and other retirement plans	Guaranteeing Full Rights and Interests
	201-4	Financial assistance received from government	Economic Contributions
Market Presence	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Guaranteeing Full Rights and Interests
	202-2	Proportion of senior management hired from the local community /	
Indirect Economic Impacts	203-1	Infrastructure investments and services supported	Work Together for Targeted Poverty Alleviation
	203-2	Significant indirect economic impacts	Work Together for Targeted Poverty Alleviation
Procurement Practice	204-1	Proportion of spending on local suppliers	/
Anti-Corruption	205-1	Operations assessed for risks related to corruption	/
	205-2	Communication and training about anti-corruption policies and procedures	Corporate Governance
	205-3	Confirmed incidents of corruption and actions taken	/
Anti-competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Corporate Governance
Materials	301-1	Materials used by weight or volume	/
	301-2	Recycled input materials used	Waste Reduction Cycle Innovation
	301-3	Reclaimed products and their packaging materials	/
Energy	302-1	Energy consumption within the organization	Energy Saving and Carbon Reduction
	302-2	Energy consumption outside of the organization	/
	302-3	Energy intensity	Energy Saving and Carbon Reduction
	302-4	Reduction of energy consumption	Energy Saving and Carbon Reduction
	302-5	Reductions in energy requirements of products and services	/
Water and Effluents	303-1	Water withdrawal by source	Promote Water Saving and Pollution Reduction
	303-2	Water sources significantly affected by withdrawal of water	Not Applicable
	303-3	Water recycled and reused	Promote Water Saving and Pollution Reduction
Biodiversity	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not Applicable
	304-2	Significant impacts of activities, products, and services on biodiversity	Not Applicable
	304-3	Habitats protected or restored	Not Applicable
	304-4	IUCN Red List species and national conservation list Species with habitats in areas affected by operations	Not Applicable

GRI Standards	Disclosure Title	Report Section(s)	
Emissions	305-1	Direct (Scope 1) GHG emissions	Energy Saving and Carbon Reduction
	305-2	Energy indirect (Scope 2) GHG emissions	Energy Saving and Carbon Reduction
	305-3	Other indirect (Scope 3) GHG emissions	/
	305-4	Intensity of greenhouse gas emission	Energy Saving and Carbon Reduction
	305-5	Reduction of GHG emissions	Energy Saving and Carbon Reduction
	305-6	Emissions of ozone-depleting substances (ODS)	/
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Waste Gas Treatment for Excellence
Effluents and Waste	306-1	Water discharge by quality and destination	Promote Water Saving and Pollution Reduction
	306-2	Waste by type and disposal method	Waste Reduction Cycle Innovation
	306-3	Significant spills	Not Occurred
	306-4	Transport of hazardous waste	/
	306-5	Water bodies affected by water discharges and/or runoff	Not Applicable
Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	Not Occurred
Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	Responsible Procurement
	308-2	Negative environmental impacts in the supply chain and actions taken	Responsible Procurement
Employment	401-1	New employee hires and employee turnover	Strict Compliance Employment
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Guaranteeing Full Rights and Interests
	401-3	Parental leave	Enriching Staff Activities
Labor/Management Relations	402-1	Minimum notice periods regarding operational changes	Guaranteeing Full Rights and Interests
Occupational Health and Safety	403-1	Workers representation in formal joint management-worker health and safety committees	Ensure Safety and Health
	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Ensure Safety and Health
	403-3	Workers with high incidence or high risk of diseases related to their occupation	/
	403-4	Health and safety topics covered in formal agreements with trade unions	Ensure Safety and Health
	403-5	Training related to the occupational safety and health of workers	Ensure Safety and Health
	403-6	Health promotion of workers	/
	403-7	Prevent and mitigate occupational safety and health impacts directly related to business relationships	Ensure Safety and Health
	403-8	Workers covered by the occupational safety and health management system	/
	403-9	Occupational injury	/
	403-10	Occupational diseases	/
Training and Education	404-1	Average hours of training per year per employee	Promoting Talent Development

GRI Standards	Disclosure Title	Report Section(s)	
Training and Education	404-2	Programs for upgrading employee skills and transition assistance programs	Promoting Talent Development
	404-3	Percentage of employees receiving regular performance and career development reviews	Promoting Talent Development
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	Standardized Employment
	405-2	Ratio of basic salary and remuneration of women to men	Guaranteeing Full Rights and Interests
Non-discrimination	406-1	Discrimination Incidents and Corrective Actions Taken	Strict Compliance Employment
Freedom of Association and Collective Bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Guaranteeing Full Rights and Interests
Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor	Strict Compliance Employment
Forced or Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Strict Compliance Employment
Security Practices	410-1	Security personnel trained in human rights policies or procedures	/
Rights of Indigenous Peoples	411-1	Incidents of violations involving rights of indigenous peoples	Not Applicable
Human Rights Assessment	412-1	Operations that have been subject to human rights reviews or impact assessments	/
	412-2	Employee training on human rights policies or procedures	Strict Compliance Employment
	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	/
Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	Work Together for Targeted Poverty Alleviation
	413-2	Operations with significant actual and potential negative impacts on local communities	/
Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	Responsible Procurement
	414-2	Negative social impacts in the supply chain and actions taken	Responsible Procurement
Public Policy	415-1	Political contributions	/
Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	Product Safety First
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Not Occurred
Marketing and Labeling	417-1	Requirements for product and service information and labeling	Product Safety First
	417-2	Incidents of non-compliance concerning product and service information and labeling	Not Applicable
	417-3	Incidents of non-compliance concerning marketing communications	Not Applicable
Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Quality Service Assurance
Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area	/



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