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Climate Action, Net Zero Transition

Hon Hai Technology Group (Foxconn) has adopted "Climate Action and Net-Zero Transition" as a core strategic priority. The Group continues to integrate the quantitative assessment and management of climate-related risks into its capital planning, while leveraging low-carbon technology development and green electricity procurement as the two primary drivers of its transition. By achieving and exceeding its interim greenhouse gas (GHG) emissions reduction and green electricity targets ahead of schedule, the Group continues to strengthen its execution capabilities and competitive position in the transition toward net zero.

- **GHG Emissions Reduction Target Exceeded**: In 2025, the Group's total Scope 1 and Scope 2 GHG emissions, calculated using the market-based method, totalled 2,515,497 metric tons of CO_2e, representing a 53.6% reduction from the 2020 baseline. This performance significantly exceeded the Group's original target of reducing emissions by 21% by 2025.
- **Renewable Energy and Green Electricity Transition Achieved Ahead of Schedule**: In 2025, green electricity accounted for 68.37% of the Group's electricity consumption, exceedingly ahead of schedule its original target of achieving a green electricity usage rate of more than 50% by 2030. Total renewable energy consumption reached 7,158.55 GWh, increasing the share of renewable energy in the Group's total energy consumption to 43.46%.
- **Continued Expansion of Green Electricity Procurement**: In 2025, the Group directly procured 1,870.28 GWh of green electricity. It also procured 4,849.15 GWh of renewable electricity through power trading arrangements and obtained the corresponding green electricity certificates. These initiatives demonstrate the Group's diversified approach to green electricity sourcing and its strong execution capabilities in advancing the energy transition.
- **Continued Advancement in the Systematization of Energy Management**: As of 2025, 70 production legal entities within the Group had obtained ISO 50001 Energy Management System certification, achieving a coverage rate of 43.2%. This achievement reflects the Group's continued efforts to institutionalize energy management practices and enhance operational efficiency.
- **Energy-Efficiency Investments Delivering Significant Quantifiable Benefits**: In 2025, the Group implemented 1,753 energy-saving technological improvement projects, with a total investment of NT$2.048 billion. These projects delivered energy savings of 547 GWh, generated cost savings of NT$1.616 billion, and reduced GHG emissions by 290,605 metric tons of CO_2e. The overall investment payback period was only 1.3 years.
- **Continued Advancement of Supply Chain Decarbonization Management**: In 2025, the Group supported 300 major suppliers in completing their 2024 GHG inventories. Through the implementation of emissions-reduction measures and the adoption of green electricity, these suppliers achieved cumulative GHG reductions of 1.45 million tCO_2e. In addition, a cumulative total of 56 suppliers had committed to using 100% green electricity in the manufacture of products for Foxconn.
- **Quantitative Climate Risk Management Advancing to the Asset Level**: In 2025, the Group adopted the S&P Global science-based models to assess the potential financial impact of physical climate risks of 248 owned assets across 24 countries and regions, as well as 108 assets owned by major suppliers across 6 countries and regions. The assessments enable the Group to incorporate key risks, including extreme heat and water stress, more systematically into resilience investment and risk governance.
- **Continued Expansion of Clean Technology and Low-Carbon Product Portfolio**: In 2025, revenue generated from products and services classified as clean technology at the Group's subsidiary FII (Foxconn Industrial Internet) accounted for 76.53% of FII's total revenue. Cloud computing and high-efficiency data center solutions alone accounted for 66.75% of FII's total revenue, demonstrating the Group's continued progress in translating low-carbon technologies into growth drivers.

Material Topics

Climate Change | GHG Emissions | Energy Management

SDG Alignment

Management Goals

Material Topic	Management Indicator	2025 Goal	2025 Performance	Achievement Status	2030 Long-Term Goal
GHG Emissions	Absolute GHG Emissions	By 2025, reduce absolute Scope 1 and Scope 2 GHG emissions by **21%** from the 2020 base year.	In 2025, Scope 1 and Scope 2 GHG emissions decreased by **53.6%**.	Exceeded	Reduce absolute Scope 1 and Scope 2 GHG emissions by **70%** from the base year, exceeding the Group's 2030 SBTi target of a 42% reduction.
Energy Management	Renewable Energy Usage	-	In 2025, renewable energy accounted for **43.46%**.	-	Increase the share of renewable energy in the Group's total energy consumption to **75%** by 2030. Fulfill the Group's RE100 commitment by achieving **100%** green electricity use by 2040.
	Green Electricity share	Increase the share of green electricity to **20%**.	In 2025, green electricity accounted for **68.37%** of the Group's total electricity consumption.	Exceeded	Increase the share of green electricity in the Group's total electricity consumption to more than 50% by 2030. Ensure that green electricity sourced from self-developed or directly invested projects accounts for at least **30%** of the Group's renewable energy consumption.
	Energy Intensity	-	in 2025, Energy intensity was **1.29 MWh** per NT$ million.	-	Reduce energy intensity by **10%** from 2025 baseline.

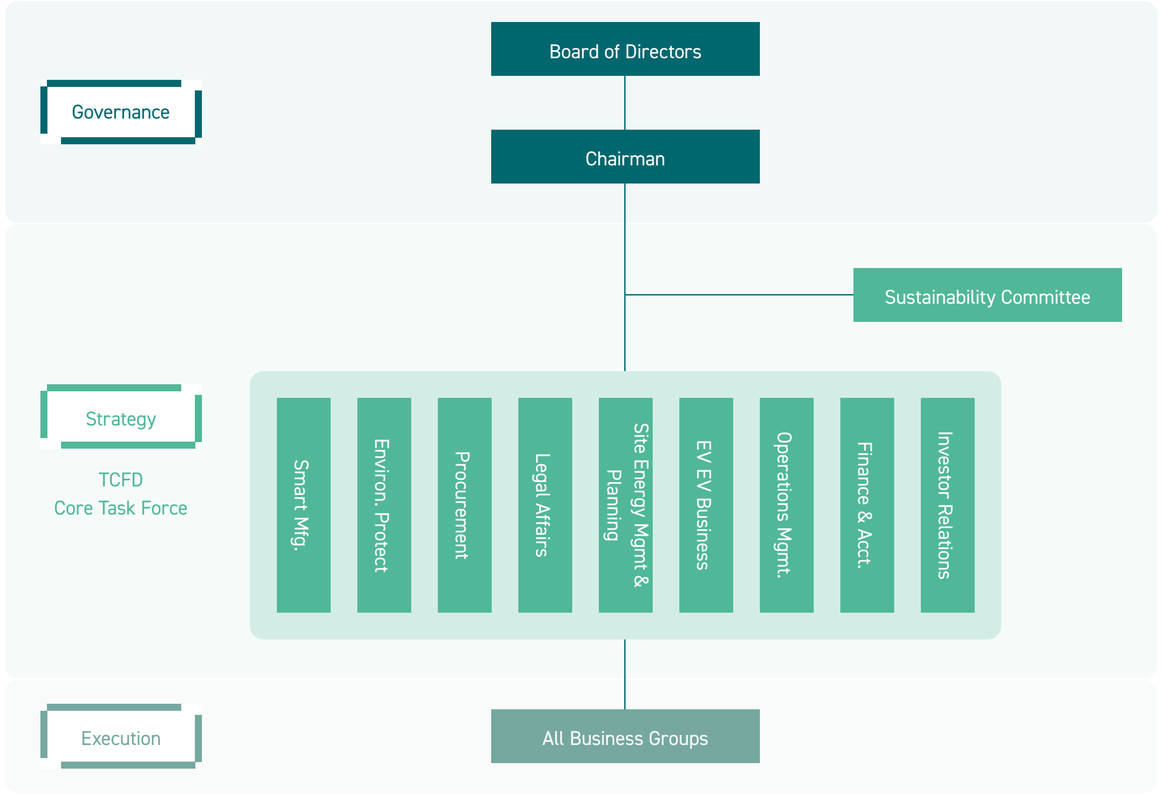
Climate Governance and Strategy

Climate Governance Structure and Incentive Mechanisms

Climate Governance

Foxconn drives its net-zero transition through a science-based governance framework, establishing a three-tier governance structure comprising the Board of Directors, the Sustainability Committee, and the TCFD Core Team to deeply integrate climate-related risk into corporate strategy and day-to-day operational decisions-making. The ESG-E Team (the dedicated environmental unit) serves as the execution hub, ensuring that decarbonization pathways are implemented across global campuses. The Chief Environment Officer reports progress on climate action directly to the Chairman, forming a comprehensive top-down oversight mechanism.

Foxconn Climate Governance Structure



Board of Directors (Highest Overseeing Authority)

As the highest overseeing authority for climate governance, the Board of Directors is responsible for approving 2050 net-zero strategies and related capital allocation decisions. It assesses the potential impact of climate risks on corporate long-term value. The Board listens to climate-related reports from the Sustainability Committee annually to ensure progress on climate goals and provides guidance on significant climate issue decisions.

Sustainability Committee (Strategy Formulation & Goal Promotion)

Chaired by the Chairman, leveraging expertise in technology manufacturing and supply chain management, the Committee leads the formulation of strategies for climate issues. Core responsibilities include: establishing climate issue execution strategies, overseeing climate and environmental policies/plans, regularly tracking climate action progress, and monitoring 32 ESG long-term goals (including 8 environmental goals). The Committee meets quarterly to review climate goal achievement and provides recommendations to the Board.

TCFD Core Task Force (Cross-Departmental Collaboration & Execution)

Subordinate to the Sustainability Committee, the TCFD Core Task Force is composed of cross-departmental members including Smart Mfg., Environ. Protect, (ESG-E Team), Procurement, Legal Affairs, Site Energy Mgmt, & Planning, EV Business, Operations Mgmt, Finance & Acct., Investor Relations, and the Sustainability Promotion Office. The Task Force is responsible for evaluating the materiality of climate-related risks from policy, legal, market trend, and physical risk perspectives. It converts TCFD scenario analysis results into concrete response measures and promotes cross-departmental collaboration to ensure effective implementation of climate strategies across global operations.

ESG-E Team (Environmental Special Execution Unit)

Led by the Group's central environmental protection unit, the Environmental Protection Director reports directly to the Chairman on climate action progress. The team is responsible for planning and tracking implementation of the Group's global site environmental policies, covering areas like carbon emission management, water resource management, and pollution prevention, to ensure effective implementation of various carbon reduction measures at the operational level.

Climate Change Engagement

In the face of the severe challenges posed by global climate change, Foxconn actively responds to international net-zero transition trends, demonstrating its commitment to environmental stewardship. As a global leader in electronics manufacturing services, Foxconn has not only committed to achieving net-zero emissions by 2050 but also, through participation in a range of international climate initiatives, works with industry partners to advance climate action on a global scale.

Science-Based Targets Validation

Guided by the 1.5°C temperature goal of the Paris Agreement, Foxconn places climate action at the core of its sustainable development and actively supports international climate initiatives, including Climate Action 100+. The Group has set science-based targets since 2021 and advances its transition under the Science Based Targets initiative (SBTi) framework. In April 2023, Foxconn received SBTi validation for its near-term targets; in April 2024, it received SBTi validation for its net-zero target. Using 2020 as the base year, the Group commits to aligning its Scope 1, Scope 2, and Scope 3 emissions reduction pathways through 2030 align with the most ambitious scenario consistent with global warming to 1.5°C, and in April 2024, it received validation of its 2050 net-zero target under the SBTi framework—demonstrating that Foxconn has progressed from target setting toward internationally validated targets and more institutionalized climate management.

Participation in Industry Climate Alliances

- **RE100 Initiative**: Foxconn has joined the RE100 initiative, committing to use 100% renewable energy across its global operating sites by 2040.
- **Responsible Business Alliance (RBA)**: As an RBA member, Foxconn actively participates in the electronics industry supply chain decarbonization working groups to drive joint decarbonization across the value chain.

Compliance with Domestic and International Regulations

Foxconn closely monitors global climate policy developments to ensure that its operations comply with applicable regulatory requirements in the jurisdictions where it operates:

- **EU Carbon Border Adjustment Mechanism (CBAM)**: For products exported to the EU, Foxconn has established a product carbon footprint inventory mechanism and developed carbon credit procurement strategies and investments in carbon removal technologies to meet CBAM requirements.
- **Taiwan Climate Change Response Act**: In response to Taiwan's carbon fee policy taking effect in 2026 (NT$300 per metric ton CO_2e), Foxconn has completed GHG inventories and third-party verification for all of its sites in Taiwan and is progressively developing an internal carbon pricing mechanism to serve as a basis for investment decision-making.

Climate Information Disclosure and Transparency

Foxconn adopts the Task Force on Climate-related Financial Disclosures (TCFD) framework to systematically identify climate risks, assess financial impacts, and disclose response strategies. Since 2025, Foxconn has further aligned with International Financial Reporting Standard S2 (IFRS S2) and the Taiwan Stock Exchange Sustainability Report Guidelines to enhance the completeness and comparability of climate information disclosure.

In addition, since 2026, Foxconn has published the standalone Foxconn Technology Group Climate-related Information Disclosure Report Aligned with IFRS S2, providing detailed disclosures on climate scenario analysis and quantitative financial impact assessments, demonstrating the Company's transparency and commitment to action in climate governance.

Stakeholder Communication and Engagement

Foxconn maintains ongoing communication on climate issues with stakeholders through diverse channels:

- **Investors**: The Group holds annual ESG investor briefings to explain its climate strategy and decarbonization progress and to address issues of investor concern.
- **Customers**: The Group establishes climate partnerships with brand customers to jointly develop low-carbon product solutions and regularly reports supply chain GHG emissions data.
- **Suppliers**: Through the "Supply Chain Decarbonization Action Strategy," a cumulative total of 300 major electronics and mechanical component suppliers have completed ISO 14064 GHG inventories, achieving total carbon reductions of 1.45 million tCO_2e.
- **Employees**: Through internal training, climate workshops, and green innovation proposal mechanisms, the Group raises employee climate awareness and encourages participation in decarbonization actions.
- **Communities and NGOs**: The Group participates in local climate adaptation projects and collaborates with environmental organizations to advance ecological conservation initiatives.

Climate Risk and Opportunity Assessment

Foxconn's first step in responding to climate change is to systematically identify and assess climate-related risks and opportunities in conjunction with its core business. The Group has established a comprehensive climate risk management process in line with IFRS S2 and the Taiwan Stock Exchange's Sustainability Report Preparation Guidelines.

Identification Methodology and Process

Foxconn systematically identifies climate-related risks and opportunities annually through a cross-departmental collaboration mechanism:

Climate Workshops

Annual cross-departmental workshops are held, bringing together R&D, manufacturing, supply chain, finance, legal, and ESG management teams, along with external experts, to jointly discuss climate issues. The 2025 workshop placed a particular focus on supply chain GHG emissions management, product carbon footprint requirements, and the impact of extreme weather on production sites.

Stakeholder Communication

Concerns and expectations regarding climate change are gathered from both internal and external stakeholders through investor meetings, customer forums, employee opinion surveys, and supplier interviews. In 2025, multiple stakeholder interviews were conducted, covering major operating sites worldwide.

Scenario Analysis Collaboration

In collaboration with S&P Global, financial scenario analyses of transition risks and physical risks were conducted using the international scenarios developed by the IEA and IPCC, respectively, to quantify the potential impacts on Foxconn's operations and finances under different scenarios.

Risk Assessment and Prioritization

The ESG Core Team conducts materiality assessments of the identified risks and opportunities based on the two dimensions of "likelihood of occurrence" and "degree of impact," and prioritizes them accordingly.

Time Horizons and Impact Assessment

Based on Foxconn's established greenhouse gas reduction targets (a 42% reduction by 2030 relative to 2020, and net zero by 2050), the impact time horizons of climate risks and opportunities are classified as follows: short-term for the next 1–3 years (2026–2028); medium-term for 3–5 years (2028–2033); and long-term for more than 5 years (2033–2050).

Based on a comprehensive understanding of Foxconn's global manufacturing footprint and customer structure, the ESG Management Department assigns "high/medium/low" impact ratings to risks and opportunities for each time horizon and formulates corresponding response strategies.

Climate Scenarios

To systematically assess risks and opportunities under different climate scenarios, Foxconn, in collaboration with S&P Global, uses climate scenarios published by internationally recognized institutions for its analysis.

Transition Risk Scenarios

With reference to the International Energy Agency (IEA) 2024 World Energy Outlook, three energy transition scenarios are adopted

High Price	Moderate Price	Low Price
Net Zero Emissions (NZE) Scenario	Announced Pledges Scenario (APS)	Stated Policies Scenario (STEPS)
The world reaches net zero by 2050, with warming limited to **1.5° C**	Countries fully implement their announced climate pledges, with warming of approximately **1.7° C**	Only current policies are implemented, with warming of approximately **2.4° C**

Physical Risk Scenarios

With reference to the Shared Socioeconomic Pathways (SSPs) of the IPCC Sixth Assessment Report, extreme climate events are assessed under different warming scenarios

SSP1-2.6	SSP2-4.5	SSP5-8.5
SSP1-2.6 (Low Emissions)	SSP2-4.5 (Moderate Emissions)	SSP5-8.5 (High Emissions)
Aggressive mitigation, with warming of **1.3-2.4° C**	Moderate mitigation, with warming of **2.1-3.5° C**	Limited mitigation, with warming of **3.3-5.7° C**

Foxconn adopts SSP2-4.5 (the moderate emissions scenario) as its baseline to assess 10 physical risks at its global operating sites, including flooding, typhoons, extreme heat, and drought, and quantify their potential financial impacts. The analysis covers both Foxconn-owned assets and key supplier sites, with the time horizon extending into the 2090s.

Financial Impact Analysis Methodology

Transition Risks

In accordance with the TCFD and IFRS S2 principles, the Group conducts an in-depth analysis of the impacts of climate transition risks across policy, market, reputational, and technology dimensions.

- **Policy Risk**: Based on the Scope 1, Scope 2, and upstream Scope 3 emissions data combined with corporate revenue and expenditure information, the Group quantifies the impact of carbon pricing on operating costs, generating financial indicators such as carbon pricing risk exposure, the percentage increase in operating expenditure, the adjusted operating margin, and the risk-return metrics.
- **Market Risk**: Focusing on supply chain resilience, the Group analyzes the industry sectors and transaction values of its top 100 suppliers to quantify the potential cost "pass-through risk" faced by major suppliers as a result of carbon pricing, generating EBITDA-at-risk indicators for suppliers.
- **Reputation Risk**: Using S&P Global's latest methodology, the Group calculates a corporate reputational risk score (0–100) across the three dimensions of carbon performance, carbon budget adjustment, and climate disclosure. Through peer benchmarking, it also assesses carbon-intensity rankings, greenhouse gas emission pathways, alignment with the Paris Agreement, and the potential financial impact of market-share rebalancing.
- **Technology Risk**: Through peer benchmarking, the Group assesses the impact of the low-carbon transition on revenue, analyzing low-carbon product and service portfolio, low-carbon capital expenditure, and R&D investment, and identifies the revenue risks in transition-candidate industries in accordance with the EU Taxonomy.

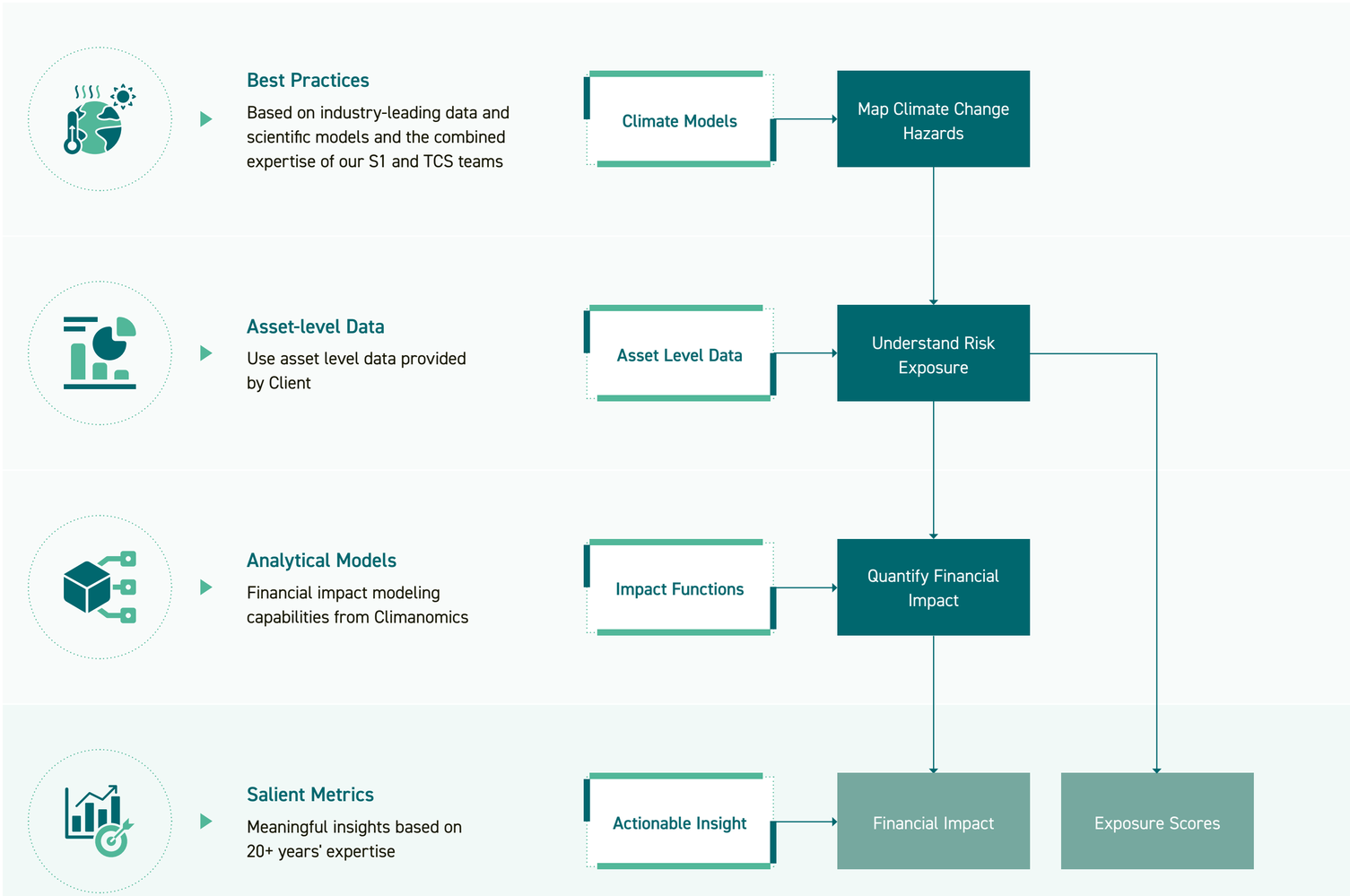
Physical Risks

For climate-related physical risks, the Group has commissioned S&P Global to apply asset-level, science-based assessment methodologies that combine climate models, hazard mapping, and financial quantification techniques to comprehensively assess the potential impacts of climate change on its operating sites.

The analysis covers ten major climate hazards, both acute and chronic risks, including tropical cyclones, riverine flooding, pluvial flooding, coastal flooding, extreme heat, extreme cold, wildfire, water stress, drought, and landslides. By leveraging data on the geographic location and asset type of each operating site (e.g., manufacturing plants, office buildings, warehousing facilities), S&P Global applies more than 2,000 impact functions to conduct risk-exposure analyses across more than 240 asset types.

The assessment methodology employs internationally widely used climate and natural disaster risk models and datasets, including NASA NEX-GDDP-CMIP6 downscaled climate projections, the Deltares Global Tide and Surge Model (GTSM) for tidal and storm-surge hydrodynamic modeling, and the WRI Aqueduct Water Risk Atlas for water risk data. The financial impact quantification covers three main pathways: increased operating expenditure (e.g., cleanup fees, repair costs), reduced revenue (e.g., losses from production interruptions), and asset impairment (e.g., structural damage to facilities). It ultimately generates a relative financial impact percentage for physical risks at each site by integrating financial indicators, such as impacts on net income and changes in book value, and expressing the results as a percentage of asset replacement value, to help the Group identify high-risk assets and formulate adaptation strategies.

Physical Risk Financial Impact Analysis Model



For detailed scenario assumptions, model parameters, and complete financial quantification results, please refer to the Foxconn Technology Group Climate-related Information Disclosure Report Aligned with IFRS S2.

2025 Material Risk and Opportunity Identification Results

In accordance with the IFRS S2 and TCFD frameworks, Foxconn has identified material climate-related risks and opportunities, covering both transition and physical risks, and has systematically inventoried and prioritized them by time horizon and primary impact channels. Based on the identification results, the Group has put forward corresponding key response strategies and further conducted financial quantification analyses of the principal risks (such as the assessment of the financial impact of carbon pricing risk and asset-level physical risk), to support subsequent risk management and resource allocation decisions.

Climate Transition Risk Assessment and Response Strategies

The Group deeply recognizes that the global transition to net-zero emissions will have significant, far-reaching impacts on industry operating models, manufacturing footprints, and supply chain management. In the face of increasingly stringent international climate regulations (such as CBAM and carbon pricing mechanisms), the continuously rising demands of brand customers for green manufacturing, and the capital investment requirements associated with the low-carbon technology transition, the Group has incorporated "climate transition risk" as a key risk management topic and regards it as a critical driver for advancing sustainable transformation and enhancing long-term competitiveness. To effectively address the related challenges, the Group has completed greenhouse gas inventories for its global campuses and set reduction targets aligned with the SBTi 1.5°C scenario. In terms of internal management, the Group continues to advance over a thousand energy-saving technology improvement measures and renewable energy deployment; in terms of external collaboration, through the "Supply Chain Decarbonization Action Strategy" and the "Supplier ESG Digital Management Platform," it works with value chain partners to jointly build a low-carbon and resilient supply chain system, ensuring the Group maintains its leading position in the global contract manufacturing market and strengthening its response capabilities under climate change.

Identification of Foxconn's Climate Transition Risks and Response Strategies

Risk Category	Specific Risk	Impact Time Horizon	Primary Impact Pathways	Key Response Strategies
Policy and Regulation	Strengthening of GHG emissions and energy consumption regulations	Short- to medium-term	• Increasingly stringent regulations at major production bases worldwide (e.g., dual control of energy consumption and GHG emissions in Mainland China, Taiwan's 2026 carbon fee, and carbon controls at Southeast Asian campuses) may drive up operating and manufacturing costs. • Failure to comply with local regulations in a timely manner may expose energy-intensive production lines to the risk of production curtailment or shutdown.	• Completed greenhouse gas inventories and third-party verification for global campuses, and tracks GHG emissions data across 160 global campuses in real time through the "Low Carbon Management Platform." • Completed verification across all Taiwan facilities in preparation for Taiwan's 2026 carbon fee and is progressively developing an internal carbon pricing mechanism to inform investment decisions. • Established and validated targets under the SBTi "1.5°C" pathway and "Net-Zero by 2050" commitment, ensuring alignment of the decarbonization roadmap with international standards.
	Carbon Border Adjustment Mechanism (CBAM)	Short- to medium-term	• The EU CBAM requires importers to purchase carbon certificates, directly increasing the export costs of products shipped to the EU (e.g., servers, networking equipment). • Excessively high product carbon footprints may weaken pricing competitiveness.	• Established a product carbon footprint inventory mechanism and integrated the "material carbon footprint module" into the "Supplier ESG Digital Management Platform." • Collaborates closely with brand customers to jointly develop low-carbon product solutions and green design, and plans to invest in carbon-negative technologies.
	Compliance and litigation risk	Short- to medium-term	• Heightened requirements of international climate disclosure standards (e.g., IFRS S2) increase the administrative costs of mandatory reporting and compliance. • Inaccurate disclosures or failure to meet committed targets may lead to divestment by investment institutions, fines, or climate litigation.	• Adopts the IFRS S2 and TCFD frameworks and, since 2026, publishes a standalone Climate-related Information Disclosure Report to enhance information transparency. • Established a global climate regulation tracking mechanism through the "Sustainability Promotion Office" and "Corporate Environment Division" to coordinate regulatory responses.

Risk Category	Specific Risk	Impact Time Horizon	Primary Impact Pathways	Key Response Strategies
 Market	Rising supply chain costs	Medium- to long-term	• Upstream suppliers (e.g., of semiconductor chips, panels, and mechanical components) face carbon cost pass-through, leading to higher overall material costs. • Price fluctuations in low-carbon materials (e.g., recycled aluminum, recycled plastics) and renewable energy (green electricity) procurement compress contract manufacturing margins.	• Advanced the "Supply Chain Decarbonization Action Strategy," having guided 300 major suppliers to complete carbon inventories in 2025, with cumulative carbon reductions of **1.45 million** tCO_2e. • Required key suppliers to sign emissions reduction agreements, with a cumulative total of 56 suppliers committing to **100%** green electricity production in 2025. • Expanded localized procurement to reduce GHG emissions from long-distance transportation.
	Shifts in customer preferences	Medium- to long-term	• Leading international brand customers (e.g., Apple, major server manufacturers) strongly demand that the supply chain achieve carbon neutrality or 100% green electricity manufacturing. • Failure to meet brand customers' low-carbon and green manufacturing requirements may result in the risk of order transfers or loss of key orders.	• Established close climate partnerships with brand customers, committing to green electricity usage ratios for dedicated production lines. • Invested in circular economy and low-carbon manufacturing technologies, with recycled and circular material usage reaching **25,339** tonnes in 2025, of which recycled aluminum accounted for **68%**.
 Technology	Low-carbon technology transition investment	Short- to long-term	• Production lines require large-scale investment in energy-saving equipment and smart manufacturing (e.g., AI factory) systems, involving substantial initial capital expenditure. • The construction costs of renewable energy infrastructure (e.g., rooftop solar and energy storage systems at campuses) are high. • The introduction of emerging low-carbon technologies (e.g., liquid cooling thermal technology for AI servers) involves uncertainties regarding technological maturity and yield rates.	• Implemented **1,753** energy-saving technological improvement projects in 2025, investing NT$2.048 billion, covering upgrades to air compressors, air conditioning, and process equipment. • Established the Foxconn Research Institute, focusing on forward-looking technologies such as AI, semiconductors, and next-generation communications, adding **78** patents related to "energy conservation and energy management" in 2025. • Established Taiwan's Kai-Hong Green Energy Fund and China's XuZhi FuNeng Fund, dedicated to green electricity investment to ensure long-term green electricity supply.
	Demand for low-carbon products	Medium- to long-term	• The power consumption of high-computing-power products such as AI servers has surged, significantly raising customer requirements for thermal management and overall equipment energy efficiency. • The need to introduce low-carbon materials, halogen-free components, and recyclable designs drives up product R&D and testing costs.	• Invested R&D resources in developing advanced liquid cooling thermal technology for AI servers, providing integrated cooling solutions from chip to rack level to lower data center PUE. • Established a product life cycle assessment (Simplified LCA) mechanism to incorporate decarbonization principles from the design stage. • Following the "**3+3+3**" strategy, developed low-carbon transportation solutions such as the Model T electric bus to capture opportunities in the green product market.
 Reputation	Corporate image and value	Short- to long-term	• Capital markets place increasing emphasis on ESG scores; poor performance may affect green financing costs or lead to exclusion by ESG funds. • Failure to achieve net-zero commitments on schedule will trigger greenwashing concerns, damaging Foxconn's brand value as the world's leading contract manufacturer.	• Transparently disclosed climate strategies and progress, publishing an annual sustainability report and, since 2026, a standalone IFRS S2 climate report. • Actively participated in international industry low-carbon initiatives such as RE100 and the RBA supply chain decarbonization working group and responded to investor engagement such as CA100+.

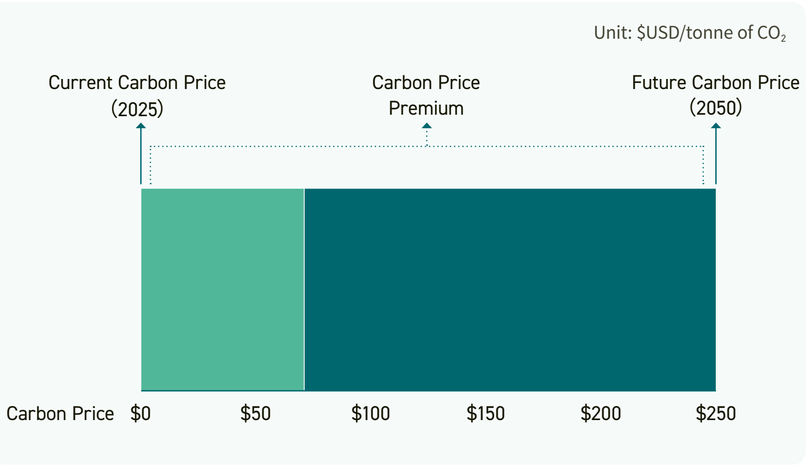
Financial Impact Analysis of Transition Risks

Policy Risk: Carbon Pricing Risk

To systematically assess the potential impact of policy changes on the Group's operating costs and profitability during the climate transition, Foxconn has adopted the carbon pricing policy risk analysis methodology developed by S&P Global Sustainable1 to conduct future carbon-cost stress tests across its major operating sites worldwide.

This analysis focuses on policy risk within transition risk, with carbon pricing risk as the principal item assessed. Methodologically, it combines external carbon price data and climate scenario assumptions with the Group's financial, greenhouse gas emissions, growth rate, and decarbonization target data to estimate the carbon-emission costs the Group may incur under different policy intensities and net-zero transition pathways, along with the associated financial impacts.

The core concept of the assessment is the "unpriced carbon cost", that is, the difference between the carbon-emission costs the company currently bears and the costs it may need to pay under stricter carbon controls or carbon-pricing regimes in the future. Sustainable1 further defines the gap between the current carbon price and the future target carbon price as the "carbon price risk premium," which reflects the additional cost pressure a company faces as future carbon pricing policies become more stringent.



In terms of analytical methods, the study uses the IEA's STEPS, APS, and NZE as the external scenario basis to establish future carbon price pathways under different policy intensities. The model further incorporates Foxconn's Scope 1 and Scope 2 emissions data across major operating regions including China, India, Vietnam, the United States, the Czech Republic, and Taiwan, and factors in upstream Scope 3 emissions, revenue and expenditure growth rates, a 2% long-term inflation adjustment, and the Group's SBTi decarbonization targets, to estimate future annual emission trends and the corresponding carbon costs.

The assessment results show that, benefiting from Foxconn's established decarbonization targets—including the SBTi-validated 42% reduction by 2030 and 63% reduction by 2035, as well as the long-term commitment to achieve net-zero emissions across the entire value chain by 2050—the potential carbon pricing cost at the Group level has a relatively limited impact on overall operating costs. Even under the high-carbon-price scenario (IEA NZE), by the 2030s, the potential carbon pricing cost remains below 0.2% of Foxconn's total operating expenditure.

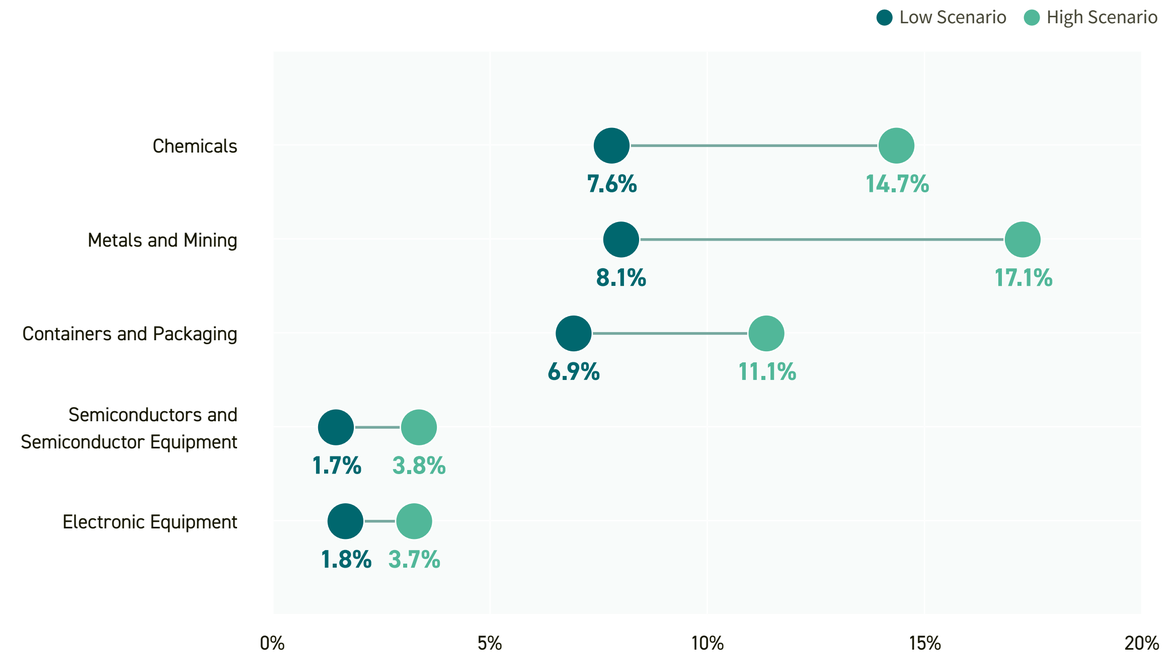
In terms of profitability, the impact of carbon pricing costs on the Group's profit margin is likewise limited, at less than 0.2%. Taking 2030 as an example, the baseline operating margin without carbon cost impact is approximately 3.72%; under the high-carbon-price scenario (IEA NZE), the carbon-cost-adjusted operating margin is approximately 3.56%, indicating that the Group has a certain capacity to withstand future carbon pricing risk under its established decarbonization pathway and transition planning.

For further financial analysis results and more detailed quantitative indicators, please refer to the IFRS S2 climate-related financial disclosure report published separately by Foxconn.

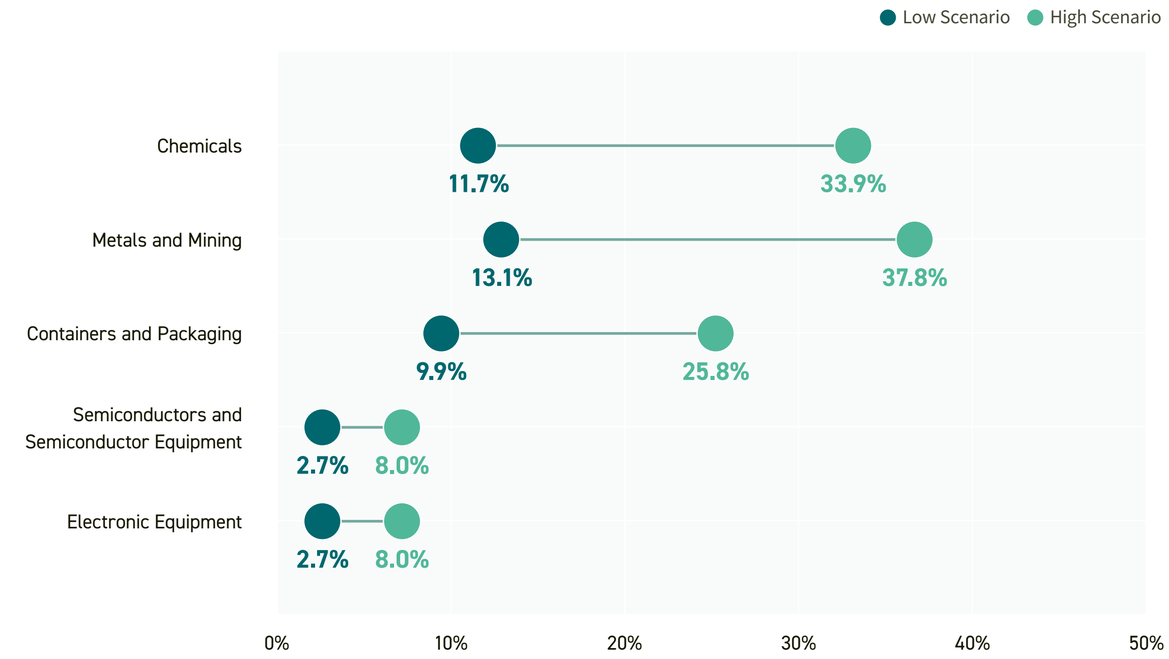
Market Risk: Supplier Carbon Pricing Pressure

In its market risk assessment, the Group focuses on analyzing the risk of rising supply chain costs arising from greenhouse gas emissions. The assessment uses the IEA's three energy transition scenarios and future trends in carbon prices to analyze the carbon price risk pressure faced by the Group's major suppliers and their respective industries under different scenarios and short-, medium-, and long-term horizons, using EBITDA risk as the quantitative indicator. This indicator calculates the proportion of carbon-emissions costs a supplier would need to pay at different points in time under transition scenarios relative to its EBITDA; industry EBITDA risk is the average risk proportion across suppliers within the same industry.

Average EBITDA-at-Risk by Major Industries in 2030



Average EBITDA-at-Risk by Major Industries in 2050



The analysis indicates significant differences in carbon price risk across industries within Foxconn's supply chain. Under the 2030 low-carbon price scenario, the electronic equipment, instruments, and components (1.8%) and semiconductors and semiconductor equipment (1.7%) industries face relatively lower EBITDA risk, reflecting their lower carbon intensity characteristics. In contrast, traditional manufacturing industries such as metals and mining (8.1%), chemicals (7.6%), and containers and packaging (6.9%) face higher carbon price pressure.

As time progresses and carbon prices rise, the risks across all industries increase significantly. Under the 2050 high-carbon price scenario, the EBITDA risk of the metals and mining industry rises to 37.8%, chemicals to 33.9%, and containers and packaging to 25.8%, indicating that high-carbon-intensity industries will bear greater cost pressure during the net-zero transition. The Group will prioritize collaboration with high-risk industry suppliers to advance decarbonization measures and will evaluate supply chain diversification strategies to reduce the impact of carbon price pass-through risk on operating costs.

For other related risk analysis results, please refer to the Foxconn Technology Group Climate-related Information Disclosure Report Aligned with IFRS S2.

Climate Physical Risk Assessment and Response Strategies

Climate change continues to intensify the frequency and severity of extreme weather events, posing increasingly significant physical risk challenges to global manufacturing sites and supply chain systems. Foxconn's assessment of climate-related physical risks covers both its own operating assets and key supply chain nodes, and systematically identifies, analyzes, and manages acute and chronic risks such as coastal flooding, typhoons, extreme heat, and water stress.

To enhance operational resilience and risk response capabilities, the Group employs international assessment tools such as S&P Global's scientific models and WRI Aqueduct to accurately identify high-risk campuses and deploy adaptation measures such as flood control, energy storage, and water conservation in advance. At the same time, through its in-house "e-SCRM Supply Chain Risk Management Platform," the Group enhances real-time monitoring, early risk warning, and agile response capabilities for natural disasters. The Group is committed to reducing the potential impact of climate disasters on precision manufacturing processes, capacity operations, and delivery schedule management, thereby ensuring operational stability and honoring its delivery commitments to customers.

Identification of Foxconn's Climate Physical Risks and Response Strategies

Risk Category	Specific Risk	Impact Time Horizon	Primary Impact Pathways	Key Response Strategies
Acute Physical Risks	Coastal flooding / Fluvial flooding / Pluvial flooding	Short- to long-term	• Extreme rainfall and storm surges may easily cause flooding of plants and warehouses located in coastal and low-lying areas. • Damage to precision process equipment, SMT (Surface Mount Technology) production lines, and inventory of electronic components due to flooding will lead to severe asset impairment and production line shutdowns. • Disruption to external logistics leads to shipment delays.	• Constructs flood barriers, flood control gates, enhanced stormwater drainage systems, and high-capacity pump sumps in high-risk areas (e.g., coastal or low-lying campuses). • Established the "e-SCRM Supply Chain Risk Management Platform" to monitor global natural disasters in real time and precisely assess the disaster status of surrounding suppliers. • Conducts regular annual flood control drills and purchases property loss insurance and business interruption insurance for key assets to transfer financial risks.
	Tropical cyclones / Typhoons	Short- to long-term	• Strong gusts and torrential rain may easily damage plant structures (e.g., cleanroom exhaust antennas, plant roofs, and exterior walls). • Unexpected power outages triggered by typhoons will cause scrapping of products on high-precision chip packaging and testing lines and precision assembly lines, equipment downtime, and production interruptions. • Closure of ports and airports leads to the inability to import raw materials on time.	• Established a campus typhoon dynamic monitoring mechanism and implemented standard typhoon-preparedness safety inspection procedures before typhoons strike. • Reinforces plant structures and outdoor facilities (e.g., cleanroom exhaust ducts, gas storage tanks). • Ensures all campuses are equipped with comprehensive backup emergency power systems (e.g., diesel generators and energy storage equipment); for example, the Lankao Campus has deployed a large-scale energy storage system of **7.8 MW / 15.63 MWh** to safeguard critical power supply. • Requires suppliers and logistics partners to establish typhoon emergency response and deployment plans and conducts real-time supply chain disruption risk warnings and material deployment through the "e-SCRM Platform."
	Wildfire	Medium- to long-term	• Wildfires may damage infrastructure such as power supply and communications around campuses, leading to external utility power outages. • Particulate matter and smoke (PM2.5) generated by burning deteriorate the surrounding air quality; if it penetrates cleanrooms with high cleanliness requirements, it will severely affect the yield of precision processes (e.g., semiconductors, lens modules). • Smoke harms employees' respiratory health, leading to difficulties in workforce allocation.	• Has implemented and passed ISO 14001 Environmental Management System certification at 100% of global campuses, incorporating wildfires and their secondary disasters into emergency preparedness and response procedures. • Establishes green belts and firebreaks around high-risk campuses and regularly clears flammable materials such as dead branches and fallen leaves. • Equips precision cleanroom production lines with high-efficiency air filtration systems (HEPA/ULPA) and real-time air quality monitors to automatically adjust the fresh air ratio when external atmospheric conditions deteriorate, safeguarding process yield. • Establishes a regular liaison mechanism with local fire and disaster relief units to ensure sound prevention mechanisms.

Risk Category	Specific Risk	Impact Time Horizon	Primary Impact Pathways	Key Response Strategies
Acute Physical Risks	Landslides / Debris flows	Short- to long-term	• Campuses located near hillsides or in geologically fragile areas may suffer direct damage to plant facilities and precision equipment due to landslides or debris flows triggered by heavy rainfall. • Disruption to external roads and rail/road transportation impedes employee commuting and raw material transportation, causing shipment and logistics delays.	• Strictly conducts environmental due diligence when selecting sites for new plants globally, avoiding high-risk slopes with unstable geology. • Regularly commissions professional geological institutions to assess the geological stability of hillsides around high-risk campuses, and constructs slope-protection steel piles, slope retaining walls, and slope displacement monitoring systems. • Formulates dedicated response procedures for debris flows and landslides, plans safe evacuation routes, and regularly conducts employee disaster-avoidance drills.
Chronic Physical Risks	Extreme heat	Medium- to long-term	• Sustained high temperatures significantly increase the air conditioning and cooling demands of cleanrooms, AI server testing lines, and data centers, causing surges in electricity costs and air conditioning operating loads. • Precision processing equipment operating in high-temperature environments is prone to overheat-protection shutdowns or reduced processing yields. • Operators in outdoor and non-air-conditioned areas face heat injury risks, affecting labor productivity and occupational safety.	• Invests in high-efficiency air conditioning systems and smart temperature control technologies, advancing energy-saving projects such as the "AI Energy Efficiency Ecological Reconstruction of the Chilled Water System," which precisely regulates chillers and substantially improves the overall energy efficiency of the plant rooms by 54%. • Optimizes the thermal insulation design of plant buildings, using heat-reflective insulation coatings, installing double-glazed hollow glass and rooftop shading facilities to reduce external heat infiltration. • Reasonably adjusts the shift schedules of outdoor operations and high-temperature production lines during heat warning periods, implements heat prevention and cooling measures for workers (e.g., providing cooling equipment, hydration stations, and electrolyte replenishment), and strengthens health monitoring.
	Water stress	Short- to long-term	• Processes such as surface treatment, electroplating, PCB (printed circuit board) manufacturing, and precision cleaning are highly dependent on stable, high-quality industrial water. • In the event of regional water stress, the Group may face government-imposed water pressure reduction or water restriction measures, potentially forcing capacity reductions or shutdowns and impacting customer order delivery.	• Uses the WRI Aqueduct tool to assess water risk at global sites annually, identifying that 31% of water consumption is located in extremely high water-risk areas and prioritizing these as key targets for water resource management and process water conservation. • Advances water resource diversification and recycling at campuses, setting an interim target of a **30%** reclaimed water utilization rate by 2030. By constructing high-efficiency wastewater treatment and recycling systems, the Group's water intensity in 2025 decreased by **41%** from the 2020 base year. • Expands AWS (Alliance for Water Stewardship) international sustainable water management standard certification; subsidiary Foxconn Industrial Internet (FII) received the world's first cross-basin group "Gold Certification," ensuring compliant and socially resilient water resource utilization.
	Drought	Short- to long-term	• Prolonged drought leads to the interruption of external water sources (tap water, river water withdrawal), competing for water with local residential or other industrial users, potentially resulting in a water supply crisis. • The cost of purchasing emergency water tankers is high, and high-frequency water transportation generates additional transportation GHG emissions and supply chain instability.	• Constructs rainwater recycling systems and large-scale water storage facilities at campuses to ensure emergency operating water reserves of 3–5 days or more in the event of external water supply interruptions. • Develops water-saving technologies and process optimization; for example, at the Lankao Campus, in collaboration with Beijing Enterprises Water Group, a cumulative **269,300** cubic meters of non-conventional water sources (reclaimed water) were used in 2025, reducing reliance on natural water sources. • Establishes comprehensive dry-season water condition monitoring and emergency deployment mechanisms, and signs priority water supply agreements with local governments and water utilities to ensure water security for critical processes.

Financial Impact Analysis of Physical Risks

Foxconn has further deepened its quantitative management of climate risks by adopting S&P Global's scientific modeling tools. Taking an asset-level approach as its core, the Group conducted a financial impact analysis of climate physical risks across 9 categories of climate hazards for both its owned assets and supply chain assets. The assessment methodology is detailed in the above section, "Financial Impact Analysis Methodology."

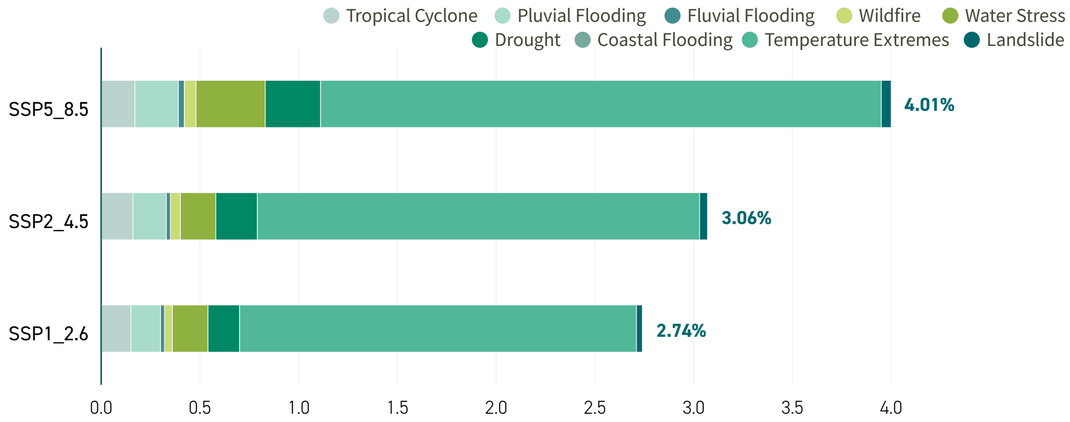
Physical Risk Analysis of Owned Assets

The Group conducted a relative financial impact analysis of 9 categories of climate physical risks for 248 owned assets across 24 countries and regions, based on the three primary IPCC scenarios (SSP1-2.6, SSP2-4.5, and SSP5-8.5).

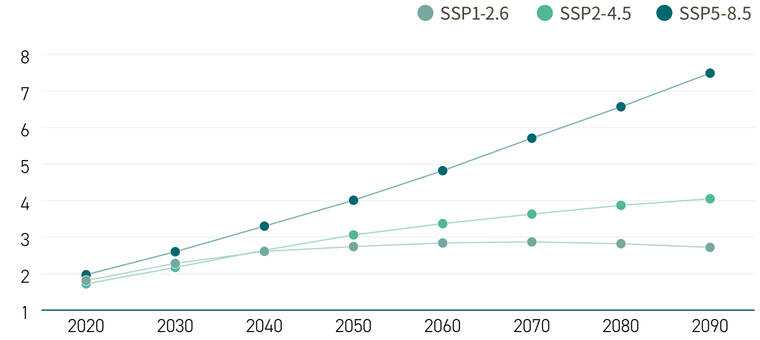
Across all three scenarios, the physical risks of the Group's owned asset portfolio exhibit a consistent structure dominated by chronic risks. Extreme heat and water stress are the most significant risk drivers at the Group level, with magnitudes markedly higher than those of acute events such as typhoons and floods. Through 2050, the primary source of rising risk is the continued escalation of extreme heat, indicating that heat-related stress will first be reflected in facility cooling loads, process environmental conditions, and personnel working environments.

Under the moderate emissions scenario (SSP2-4.5), the financial impact of climate physical risks on the Group's assessed assets accounts for 3.06% of asset value by the 2050s. Under the high-risk scenario (SSP5-8.5), this proportion rises to 4.01%. Of this, extreme heat contributes as much as 70% of the overall financial risk.

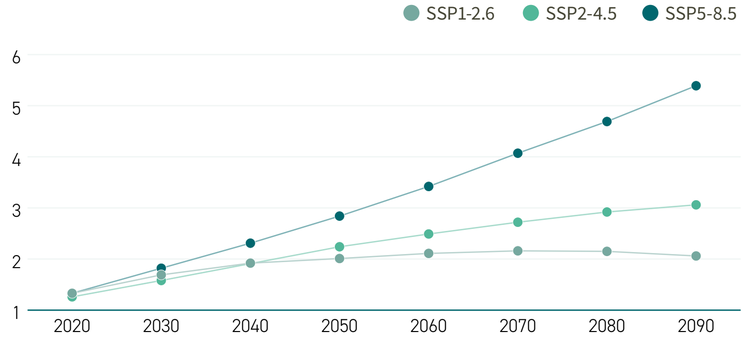
Modeled Average Annual Loss by Physical Risk Hazard — 2050s



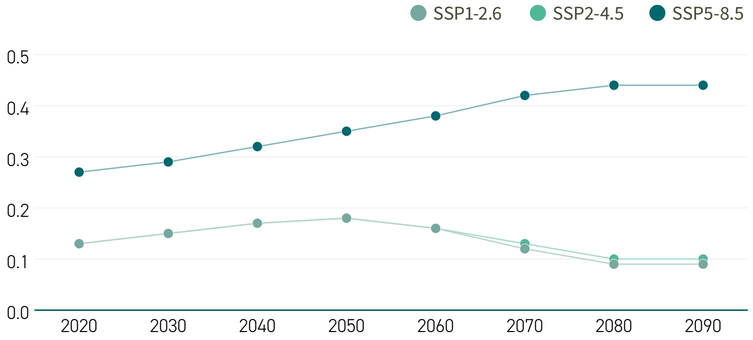
Overall Relative Financial Loss of Foxconn's Assessed Owned Assets (2020s–2090s)



Relative Financial Loss Due to Extreme Heat (2020s–2090s)



Relative Financial Loss Due to Water Stress (2020s–2090s)



The differences among the three scenarios primarily reflect increases in heat risk driven by rising temperatures and the degree to which drought risk intensifies. Under the high-emissions pathway, the pressures posed by water scarcity and drought on operational resilience and water resource management will emerge earlier. Under the low- and medium-emissions pathways, water stress peaks in the medium term before easing; however, under the high-emissions pathway, the associated risks rise more rapidly.

From an asset-level perspective, the top five highest-risk assets under all three scenarios before the 2050s show a high degree of consistency, indicating that the locational conditions and operational profiles of key sites primarily determine risk hotspots. Most high-risk assets are owned by operating sites such as general manufacturing plants or R&D laboratories. By contrast, leased office assets largely fall within a low-risk range of approximately 0.4% to 0.8%, reflecting that physical risks are more concentrated at key operating sites.

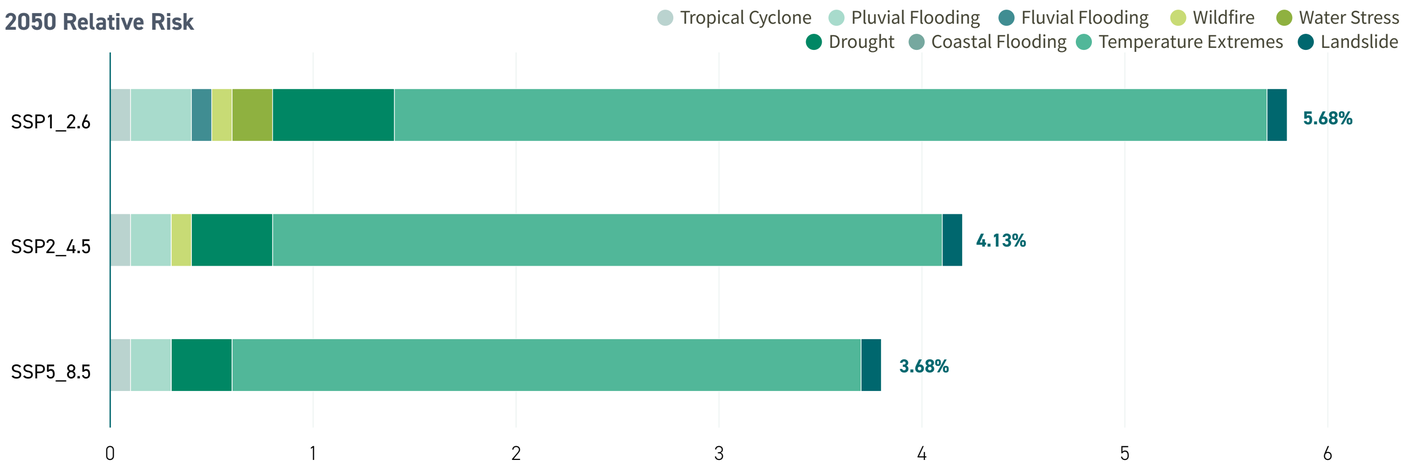
Examining the risk structure further, the risk composition of high-risk assets is highly concentrated. Based on the distribution of Foxconn's global operating sites, regions such as Eastern Europe, Brazil, Ukraine, and Mexico are more significantly affected by extreme heat in the 2050s; however, from the asset-end analysis, the top five high-risk assets are all located in the United States, with the primary risk types concentrated in extreme heat and water stress. Taking Foxconn's DFW campus in the United States as an example, its assessed financial impact from physical risk is the highest among all tested assets; under the SSP5-8.5 scenario, the risk primarily stems from extreme heat and water stress. Meanwhile, the Jundiaí campus in Brazil is primarily driven by water stress, compounded by the impact of extreme heat, and exhibits a more pronounced water-stress risk profile.

Physical Risk Analysis of Supply Chain Assets

In addition to assessing its own operating assets, Foxconn applied the same model to analyze the financial impact of climate hazards for 108 major supplier assets across 6 countries and regions. Similar to the Group's owned assets, the primary risk driver of the supply chain asset portfolio across the three scenarios is extreme heat, followed by drought, with risk continuing to rise through 2050.

The differences among the three scenarios primarily reflect the increased risks caused by warming. Under SSP5-8.5, extreme heat risk rises from 1.98% in 2020 to 4.29% in 2050, followed by drought risk, which rises from 0.15% to 0.56%, with increases exceeding those under SSP2-4.5 and SSP1-2.6.

Modeled Average Annual Loss by Physical Risk Hazard for Supply Chain Assets (2050s)



Climate Opportunities

While actively managing climate risks, the Group continues to capitalize on the emerging development opportunities presented by the net zero transition, integrating climate-related opportunities into its "3+3+3" operating strategy as a key driver of sustainable growth and industrial upgrading.

The Group is actively expanding into the electric vehicle sector (including complete vehicles and key components) and into advanced liquid cooling solutions for AI servers, continuously broadening green market opportunities. In addition, by expanding its "Lighthouse Factories" and adopting AI-powered smart energy management systems, the Group has effectively enhanced resource-use efficiency, process yield rates, and overall operational performance, while further strengthening its operational resilience under extreme climate scenarios. Looking ahead, Foxconn will continue to leverage green innovation, low-carbon technology development, and the development of a sustainable supply chain to transform climate challenges into opportunities for corporate growth, striving to become a key partner for global brand customers in advancing their net-zero targets.

Climate Opportunity Assessment and Response Strategies

Opportunity Category	Specific Opportunity	Impact Time Horizon	Potential Benefits	Key Strategies for Capturing Opportunities
Resource Efficiency	Enhancement of energy and water resource efficiency	Short- to long-term	• Substantially reduces the utility operating costs of global manufacturing bases through campus energy conservation and carbon reduction. • Reduces the financial impact of carbon fees/carbon taxes levied by various countries, enhancing profit margins. • Strengthens water self-sufficiency to ensure operational stability and resilience of production lines during dry seasons.	• Comprehensively advances the ISO 50001 Energy Management System, with **70** legal entities having passed certification in 2025, achieving a coverage rate of **43.2%**. • Introduces AI smart energy management systems, executing **1,753** energy-saving projects in 2025 with energy savings of **547 GWh**. • Advances water resource recycling, setting a target of a 30% reclaimed water utilization rate by 2030 and expanding the scope of AWS certification.
Energy Sources	Renewable energy procurement and self-construction	Short- to long-term	• Locks in long-term green electricity prices, hedging against the volatility risk of rising fossil fuel electricity prices. • Achieves the international commitments of **75%** green electricity usage by 2030 and RE100 by 2040. • Meets top brand customers' requirements for 100% renewable energy manufacturing, securing contract manufacturing orders.	• Actively signs long-term renewable energy power purchase agreements (PPAs), directly procuring **1,870 GWh** of green electricity in 2025, with green electricity usage reaching **68.37%**. • Expands investment in self-built solar projects, such as the planned 8 MW photovoltaic system at the Lankao Campus, with a combined **125.68 MW** planned across global campuses. • Ensures the green electricity needs of the Group and its supply chain through investment platforms such as Taiwan's Kai-Hong Energy and Mainland China's Xu-Zhi Fu-Neng Fund.
Products and Services	Green new business: complete electric vehicles and components	Medium- to long-term	• Capitalizes on the global net-zero trend and the ban on fuel vehicle sales to capture the vast new energy vehicle contract manufacturing and component market. • Expands the Group's global influence in the electric vehicle industry, creating a second revenue growth curve.	• In line with the "**3+3+3**" strategy, accelerates the development of the Model T electric bus and passenger electric vehicles through Foxtron. • Adopts the proprietary BOL (Build, Operate, Localize) business model, collaborating with local governments and enterprises to achieve capacity localization. • Deploys key electric vehicle components such as TCU, HPC, and smart cockpit through FIH (Foxconn International Holdings).

Opportunity Category	Specific Opportunity	Impact Time Horizon	Potential Benefits	Key Strategies for Capturing Opportunities
 Products and Services	Green new business: development of low-carbon and high-energy-efficiency products	Short- to long-term	• Benefiting from the AI wave, demand for high-energy-efficiency servers and advanced thermal solutions has surged. • Becomes customers' preferred partner for developing green computing, enhancing product gross margins, and adding value.	• Invests in the R&D of advanced liquid cooling thermal technology, providing complete low-carbon cooling solutions for AI servers from chip and module to rack level. • Cloud computing and high-efficiency data center solutions provided by subsidiary Foxconn Industrial Internet (FII) accounted for **66.75%** of its revenue in 2025, helping customers reduce PUE to 1.05. • Incorporates low-carbon design and circular economy principles into the ICT product development life cycle.
	Smart Manufacturing and Lighthouse Factories	Short- to long-term	• Enhances labor productivity, process yield, and on-time delivery rates. • Precisely reduces raw material loss and manufacturing GHG emissions through digital twin and automation technologies.	• Continues to expand "Lighthouse Factories" recognized by the World Economic Forum (WEF), driving green digital transformation with AI and IoT technologies. • Through projects such as CNC intelligent automation production lines, it replaces traditional production lines with AGV/AMR unmanned handling, achieving an energy-saving rate of **38%**. • Advances zero waste to landfill, having obtained a cumulative **40** UL2799 zero waste to landfill certifications in 2025.
 Value Chain Resilience	Green supply chain collaboration	Short- to long-term	• Reduces the overall Scope 3 carbon footprint and strengthens the supply chain's resistance to climate regulations. • Enhances the Group's overall ESG rating, meeting international customers' rigorous scrutiny of green supply chains.	• Advances the "Supply Chain Decarbonization Action Strategy," having completed carbon inventories for **300** major suppliers in 2025, and launched the "large enterprises supporting smaller ones" program, driving **30** tier-2 suppliers to complete data collection. • Through the "Supplier ESG Digital Management Platform," requires **56** suppliers to commit to using **100%** green electricity to manufacture Foxconn products, achieving an annual carbon reduction benefit of **240,000** tCO_2e.
 Climate Resilience	Resilience building to address climate physical risks	Short- to long-term	• Reduces the risk of operational interruptions and supply chain disruptions caused by extreme weather, lowering asset repair costs. • Maintains high-precision production line operations and on-time delivery during natural disasters, highlighting operational stability, thereby strengthening customer trust and even capturing "hedged order transfer" opportunities when peers are unable to deliver.	• Adopts S&P Global science-based models for climate scenario analysis and asset-level physical risk assessment and accordingly conducts adaptive hardware upgrades for high-risk campuses (e.g., flood prevention facilities, backup energy storage power). • Uses the "e-SCRM Supply Chain Risk Management Platform" to monitor global natural disaster dynamics in real time, building a resilient supply chain with early warning and agile material deployment capabilities. · Expands AWS international sustainable water management certification to strengthen water resource deployment and regional drought resistance.

Climate Risk Management

Foxconn has incorporated the identification and assessment of climate risks into its enterprise risk management process. Through scientific modeling and multi-scenario pathway analyses, the Group identifies and assesses—at the asset level—the likelihood and magnitude of climate risks' impacts on its operations and supply chain, and then ranks the risks by level to formulate corresponding response measures. For the complete risk management system and the results of the climate risk prioritization assessment, please refer to the Group's 2026 IFRS S2 Climate-related Disclosure Report.

Strengthening Climate Resilience

In the face of the transition and physical risks posed by climate change, Foxconn has developed a science-based climate resilience strategy, advancing risk mitigation and climate adaptation in parallel to ensure the long-term sustainable development of its operations.

Climate Risk Mitigation Strategies

Science-Based Targets Initiative (SBTi) Commitment

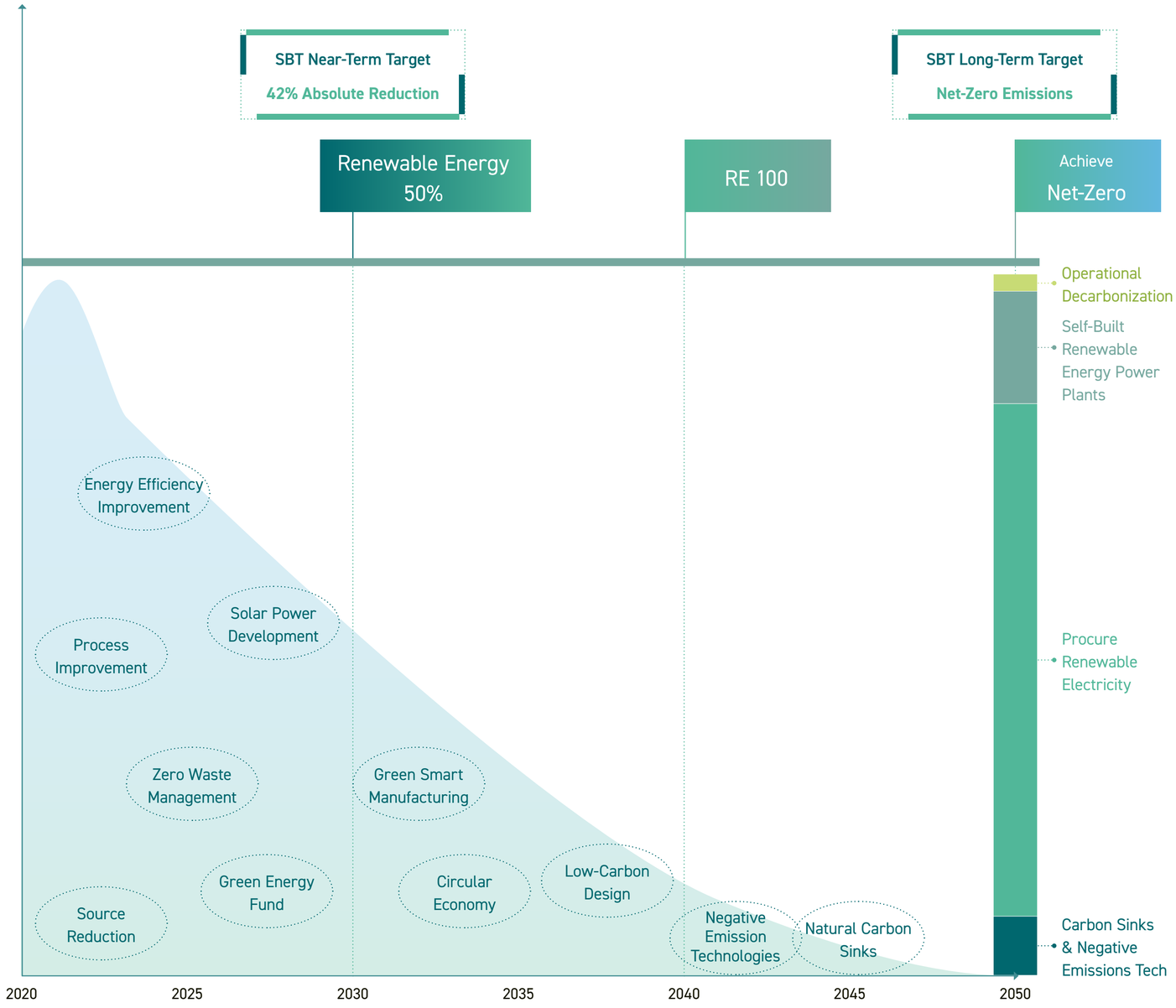
In November 2020, the Group became the first Taiwanese enterprise to set a target of net-zero greenhouse gas emissions across its value chain by 2050. In January 2021, it submitted an emissions-reduction commitment letter aligned with a 1.5°C warming pathway to the Science Based Targets initiative (SBTi) and formally passed target validation in April 2024. Foxconn actively adopts stringent standards set by institutions such as the SBTi, formulates climate action targets using science-based methodologies, and further develops a net-zero GHG emissions roadmap. Our net-zero emissions pathway prioritizes emissions reductions from our own operations (≥3%) and self-developed on-site renewable energy facilities (≥5%); after prioritizing reductions from our own operations, we then combine other decarbonization strategies, such as the adoption of renewable electricity (≤82%) and carbon sinks and carbon-negative technologies (≤10%), actively implementing various action guidelines to advance toward our net-zero target.

Foxconn's carbon reduction targets include:

Group Overall Net Zero Target: Foxconn commits to achieving net zero greenhouse gas emissions across its entire value chain by 2050.

- **Near-Term Target**: Foxconn commits to reducing absolute Scope 1, 2, and 3 greenhouse gas emissions by 42% from the 2020 baseline by 2030.
- **Long-Term Target**: Foxconn commits to reducing absolute Scope 1, 2, and 3 greenhouse gas emissions by 90%* from the 2020 baseline by 2050.

Note. After reducing emissions from the company's own operational activities by more than 90%, residual GHG emissions are reduced through supplementary measures such as carbon sinks or carbon-negative technologies to achieve net-zero GHG emissions by 2050.



Clean Technology Products and Services

Foxconn Technology Group continues to advance the low-carbon and intelligent development of its products and services, applying clean technology across fields such as cloud computing, communications and mobile network equipment, industrial internet, resource recycling, alternative energy, clean transportation, zero-emission vehicle-related products, automotive electronics, and green buildings, through its business divisions, subsidiaries, and affiliated investments.

The clean technology products and services disclosed by the Group are classified based on whether the product or service possesses clear environmental benefits, covering aspects such as enhancing energy efficiency, reducing resource consumption, promoting resource circularity, supporting renewable energy applications, supporting the development of electric vehicles and low-carbon transportation, and assisting customers with energy and carbon management.

According to publicly disclosed information from the Group's subsidiary FII (Foxconn Industrial Internet) for the reporting year, revenue from products and services classified as clean technology accounted for 76.53% of the subsidiary's total revenue. Cloud computing-related energy-efficiency enhancement and IT optimization services and infrastructure were the primary contributors, accounting for 66.75% of the subsidiary's total revenue, followed by pollution prevention and recycling solutions at 8.84%. The remaining clean technology applications included industrial automation, low-carbon digital management platforms, alternative energy, zero-emission vehicle-related products, and green building lighting.

Carbon Reduction in Own Operations and Clean Technology

To more effectively advance carbon reduction in its own operations, Foxconn is actively pursuing related plans, including:

- **Energy Efficiency Enhancement**: Enhance energy efficiency by 30% by 2030 through process optimization, equipment upgrades, and smart energy management.
- **Renewable Energy Transition**: Procure renewable energy on a large scale and develop self-built soar facilities.
- **Process Electrification**: Progressively phase out fossil fuels and promote process electrification and low-carbon fuel substitution.
- **Circular Economy**: Increase the resource recycling and utilization rate to reduce GHG emissions associated with raw material.

The ESG-E Task Force coordinates the formulation of green electricity ratio targets and provides decarbonization pathway planning and technical services to support the Group's deployment of green electricity, solar photovoltaic power stations, and Renewable Energy Certificates (RECs). Combining customer requirements with the Group's overall targets, each functional department formulates feasible annual plans tailored to its needs and submits them to the operations management function for review. Depending on the conditions and resources available for self-development at each operating site, decisions are made on whether to develop projects independently, jointly develop them with external third parties, or pursue them through acquisitions, advancing different plans in parallel. In recent years, the Group has undertaken energy transition measures worldwide, including solar photovoltaic power generation, investments in green energy power plants, and the purchase of green electricity and RECs, to secure renewable attributes for its electricity consumption. For the Group's renewable energy development strategy, including self-built photovoltaics and green electricity procurement strategies, please refer to the "Renewable Energy Development" section under Energy Management in this chapter.

Clean Technology Category	Primary Legal Entities / Businesses	Products and Services	Environmental Benefits
Energy Efficiency Improvement and IT Optimization Services and Infrastructure	FII (Foxconn Industrial Internet)	Cloud computing, data center solutions, liquid cooling technology, modular computing and storage units, and computing power hosting and leasing services	Improves computing power efficiency, reduces data center energy use efficiency, and lowers customers' need to build their own data centers
Pollution Prevention and Recycling Solutions	FII (Foxconn Industrial Internet)	Scrap aluminum recycling technology solutions, recycling service platform, and the use of recycled metals	Promotes resource circularity, reduces the use of virgin materials, and cuts GHG emissions
Alternative Energy Products	FII (Foxconn Industrial Internet)	Commercial power station inverters, commercial and industrial inverters, and lithium battery packs	Supports solar power generation, energy storage, and smart grid applications
Clean Transportation and Zero-Emission Vehicles	Foxtron (FOXTRON Vehicle Technologies)	Model T electric bus, passenger EVs, EV platform, and complete-vehicle design and manufacturing services	Supports the electrification of public transportation and reduces air pollution and noise during the use phase
Key EV Components and In-Vehicle Electronics	FIH (Foxconn International Holdings) and related automotive businesses	TCU, HPC, ZCU, smart cockpit, ADAS, and in-vehicle electronics manufacturing services	Supports the intelligent development of new energy vehicles, vehicle energy management, and low-carbon transportation applications
Low-Carbon Digital Management Platform	FII (Foxconn Industrial Internet) and related businesses	Carbon inventory tools, energy management platform, and low-carbon value chain platform	Supports corporate carbon accounting, energy monitoring, and supply chain carbon footprint management

Energy Efficiency Improvement and Data Center Services

In cloud computing and data center services, the Group's subsidiary, FII (Foxconn Industrial Internet), helps customers enhance computing efficiency and reduce data center energy use through high-efficiency data center solutions, liquid cooling technology, modular deployment, and flexible scheduling of computing resources. According to FII's public disclosures, its related products, through high-energy-efficiency data center solutions, can reduce data center PUE to 1.05, reducing energy consumption by approximately 40% compared with traditional air-cooled data centers. Customers can obtain high-density, low-PUE computing power infrastructure without building their own server rooms.

Resource Circularity and Recycled Materials

In the area of resource circularity, the Group's subsidiary FII advances recycled-metal recovery and green manufacturing technologies and has established a resource recycling and reuse platform to help upstream and downstream players in the industry chain achieve scrap recovery, trading, reprocessing, and process management. According to FII's public disclosures, recycled materials account for 20.73% of the plastic raw materials used in its products, with recycled plastic raw material usage reaching 1,937 metric tons in 2025; the proportion of recyclable metals used in its end-product precision mechanical components reached 85%, reducing metal use by 43,086.31 metric tons and cutting GHG emissions by 590,621 tCO2e over the year.

Low-Carbon Transportation and Electric Vehicles

In the area of green transportation and zero-emission vehicle solutions, the Group advances the development of electric vehicles and a smart transportation ecosystem through Foxtron, encompassing electric buses, passenger EVs, EV platform technology, and complete-vehicle design and manufacturing services. Leveraging a software-defined architecture, vehicle system integration, and the CDMS (Contract Design and Manufacturing Service) business model, Foxtron supports the low-carbon transition of public transportation and the automotive industry. Among these, the MODEL T electric bus has been deployed in public transportation scenarios; with its low-carbon, low-noise, and smooth-ride characteristics, it helps cities improve air quality, reduce traffic noise, and advance the electrification of public transportation systems. The MODEL T can also help digitalize bus depots and operational processes, serving as part of the smart city transportation infrastructure. The MODEL T is Foxtron's first independently developed commercial vehicle and has completed accelerated durability testing of 200,000 km and rigidity and strength testing of more than 1,000 hours. According to the Group's existing sustainability disclosures, each MODEL T electric bus can help a city reduce GHG emissions by 34.44 metric tons per year; the MODEL C achieves an energy efficiency of 7.6 km/kWh and compared with a gasoline vehicle's average GHG emissions of 0.23 kg per kilometer, it reduces GHG emissions by approximately 0.17 kg per kilometer. The above data were disclosed in the 2024 Foxconn Technology Group Sustainability Report.

Low-Carbon Digital Management Platform

In the area of low-carbon digital management, the Group's subsidiary FII, based on the energy and carbon management needs of manufacturing enterprises, has established carbon inventory tools, an energy management platform, and a low-carbon value chain platform to help enterprises carry out carbon accounting, smart energy management, GHG emissions data tracking, and supply chain low-carbon collaboration, thereby enhancing the transparency of GHG emissions management and the traceability of decarbonization actions.

Alternative Energy Products

In the alternative energy products area, the Group's subsidiary FII provides commercial power station inverters, commercial and industrial inverters, and lithium battery packs to support solar power generation, energy storage, and smart grid applications. According to FII's public disclosures, the maximum conversion efficiency of its commercial power station inverters reaches 99.01%, while that of its commercial and industrial inverters reaches 98.6%; these can be paired with related systems to enhance power generation efficiency and energy conversion benefits.

Key EV Components and In-Vehicle Electronics

In terms of key electric vehicle components and automotive electronics, the Group's FIH (Foxconn International Holdings) focuses on core businesses such as smart manufacturing, automotive electronics, and manufacturing equipment/robotics, and provides end-to-end design, development, and manufacturing services. According to the FIH 2025 ESG Report, its core businesses cover smart manufacturing, automotive electronics, and manufacturing equipment/robotics, with operating sites in Taiwan, Mainland China, India, Vietnam, Mexico, and the United States. FIH's automotive electronics business covers solutions such as the Telematics Control Unit (TCU), High Performance Computing (HPC) platforms, Zone Control Units (ZCU), smart cockpits, and Advanced Driver Assistance Systems (ADAS), supporting the communication, computing, control, and vehicle management needs of electric vehicles and smart mobility applications. The FIH 2025 Annual Report also discloses that its TCU products have obtained dual certification for ISO 26262 functional safety and ISO/SAE 21434 vehicle cybersecurity, and that its plants in Mexico, Vietnam, and Mainland China have obtained IATF 16949 certification.

Regarding the recognition of clean technology revenue, the Group applies a conservative principle to FIH's automotive electronics-related products, including in the clean technology category, only those products and services that can be clearly matched to new energy vehicles, electric vehicle platforms, energy management, or low-carbon transportation applications and are supported by financial revenue data. Those whose use or revenue attribution cannot be clearly separated are excluded from the quantitative revenue calculation.

Supply Chain Decarbonization

Foxconn continues to advance its "Supply Chain Decarbonization Action Strategy" to help suppliers build decarbonization capabilities. The Group has established the following supplier net-zero emissions policies and requirements:

- Suppliers must commit to achieving net-zero emissions by 2050 and set science-based targets (SBTs); where end customers impose stricter requirements, the customer's requirements take precedence.
- Suppliers must annually disclose third-party-verified GHG emissions data and decarbonization results on the Supplier ESG Digital Management Platform.
- Suppliers should implement energy-saving and carbon-reduction projects (such as building solar power facilities, using renewable energy, and promoting zero waste to landfill) to reduce GHG emissions. The Group also conducts energy-saving and carbon-reduction performance assessments, using the results to identify high- and low-performing ESG suppliers.

In 2025, the Group supported 300 major suppliers completed their 2024 carbon inventories, and through carbon-reduction measures and the adoption of green electricity, cumulative carbon reductions reached 1.45 million tonnes CO_2e. At the same time, Foxconn has established a supplier net-zero carbon performance evaluation mechanism, assessing across five dimensions—management mechanisms, GHG emissions disclosure, decarbonization actions, net-zero commitments, and responsibility extension—and completed the evaluation of 300 major suppliers in 2025. It has also formulated supplier decarbonization implementation plans and actively encourages partners to launch net-zero carbon actions. For detailed information on supplier greenhouse gas emissions and low-carbon actions, please refer to the 2025 Supplier Responsibility Report.

GHG Inventories of Major Suppliers
300 major suppliers

Emissions Reduction Milestone
145 million tonnes CO_2e

Net-zero & GHG Performance Evaluation Mechanism
5 dimensions

Supplier ESG Digital Management Platform

Group Supplier Energy Conservation and Carbon Reduction Management Strategy

Step 1

Drive suppliers to conduct internal GHG inventories according to the ISO 14064-1 standard.

Carbon Inventory
(Short-Term)

- Collect corporate carbon emission data
- Obtain third-party verification
- Disclose carbon data externally

Step 2

Drive suppliers to set reduction targets, implement carbon reduction plans, and review progress.

Carbon Reduction
(Medium-Term)

- Energy retrofits: Replace low-efficiency equipment
- Energy monitoring: Establish an energy management center
- Target management: Implement carbon reduction targets

Step 3

Drive suppliers to formulate and execute carbon neutrality roadmaps, achieving targets year by year.

Carbon Reduction
(Long-Term)

- Align with the Group's CA100+ initiative
- Formulate low-carbon transition strategies
- Build self-owned solar PV systems or purchase clean energy

Physical Risk Response Strategies

Based on the results of S&P Global's climate scenario analysis, Foxconn conducts multi-type physical risk assessments of its global operating sites using an asset-level approach and compares risk exposure across different scenarios and time periods using relative financial risk indicators, serving as a basis for strategic planning and capital allocation decisions.

The analysis results show that the core drivers of rising risk for Foxconn through 2050 are chronic risks such as extreme heat and water stress; under the high-emissions pathway (SSP5-8.5), the amplification of water-related pressures is more likely to push up the upper bound of risk at key sites. Accordingly, the Group adopts a dual-track strategy of "prioritizing adaptation to reduce the vulnerability of key operating sites, while using mitigation to limit the extent of long-term risk escalation," and translates the risk analysis results into an actionable roadmap for site resilience and decarbonization actions.

Axis One: Adaptation Strategy — Differentiated Resource Allocation by Scenario and Site to Reduce the Vulnerability of Key Sites

The Group prioritizes "thermal resilience + water resilience" as its adaptation directions and allocates resources on a differentiated basis according to the risk characteristics of each site:

1. Strengthening Thermal Resilience

Group-level trends show that extreme heat continues to rise across all three scenarios, making it the most consistent and predictable source of medium-term risk. Foxconn will prioritize the following measures at key operating sites in risk hotspots:

- Enhance the efficiency of plant cooling systems and the heat-resistant design of key equipment
- Establish heatwave response mechanisms covering working-environment management and personnel health and safety
- Position thermal resilience as a core direction of medium-term adaptation investment

2. Enhancing Water Resilience

For sites with higher water stress risk that may exhibit an amplification effect under high-emissions scenarios, the Group will advance a combination of "water resource diversification + efficiency improvement" measures:

- Increasing the recovery and recycling rate of process water
- Introducing industrial reclaimed water and municipal reclaimed water
- Strengthening backup water sources and dispatch flexibility
- Expanding the scope of Alliance for Water Stewardship (AWS) certification to systematically reduce the impact of water supply uncertainty on production capacity and delivery

3. Protection of Sites Exposed to Acute Disasters

For sites located in areas highly exposed to heavy-rainfall or riverine flooding, the Group will continue to strengthen the following protective capabilities:

- Enhance drainage capacity and necessary flood-control facilities
- Strengthen the protection of buildings and equipment
- Ensure the resilient design of backup power and critical utility systems (such as pumping/drainage and cooling) to reduce the risk of operational disruption caused by sudden events.

Axis Two: Mitigation Strategy — Reducing the Magnitude of Long-term Risk Expansion through Decarbonization and Energy Efficiency Enhancement

The scenario analysis results show that SSP5-8.5 exhibits a greater increase in heat- and water-related risks than SSP1-2.6 / SSP2-4.5. The Group regards its decarbonization strategy as an important means of narrowing the risk gap between long-term scenarios: in addition to continuing to advance energy efficiency improvements, process improvements, and renewable energy use, it will also prioritize measures with "adaptation-mitigation synergy benefits," including:

- **High-efficiency cooling and air-conditioning systems**: Simultaneously reduce energy consumption and shutdown risk under high-temperature scenarios
- **Smart energy management and load management**: Enhance system resilience during heatwaves
- **Water- and energy-saving processes and recycling systems**: Simultaneously ease water and electricity pressures

Through the above synergistic measures, the overall investment benefit and financial resilience are enhanced.

Execution Mechanism: From Risk Analysis to Action Management

To ensure that risk quantification outcomes can be transformed into trackable management performance, the Group will advance the following execution plans based on the results of this asset-level analysis:

1. Grading and Prioritization of High-Risk Sites

Based on the high-risk asset lists for 2030 and 2050, establish a site grading management mechanism and accordingly set annual adaptation investment priorities.

2. Transforming Risk Sources into Engineering and Operational Indicators

Break down major drivers such as extreme heat, water stress, and drought into measurable engineering and operational KPIs (e.g., cooling efficiency, available backup water volume, recycling rate, water supply interruption tolerance time), and incorporate them into campus resilience improvement projects for tracking and management.

3. Scenario-Oriented Resilience Investment Assessment

Use SSP2-4.5 as the primary planning baseline while conducting stress tests with SSP5-8.5 to examine resilience gaps and additional investment needs under high-risk pathways, avoiding situations where key sites experience rapidly rising risk in the medium term without adequate preparation.

4. Alignment with the IFRS S2 Disclosure Framework

Incorporate the risk assessment results, adaptation investment plans, expected benefits, and execution progress of high-risk sites into the disclosure framework for climate governance, risk management, and metrics and targets, strengthening the comparability and auditability of the information.

GHG Emissions

GHG Emissions Inventory and Management

Foxconn continuously monitors its annual greenhouse gas emissions to ensure the effective implementation of its decarbonization strategy. To enhance the collection efficiency, management quality, and analytical precision of its global GHG emissions data, the Group's Corporate Environmental Division and IT team jointly established the "Low Carbon Management Platform." Based on the Group's operational characteristics, the platform establishes a standardized, multi-tier collaborative carbon inventory framework that enables real-time tracking of current GHG emissions, supports verification and assurance management, and facilitates the formulation of decarbonization strategies.

The Low Carbon Management Platform covers the Group's Scope 1, Scope 2, and Scope 3 GHG emissions information and automatically interfaces with the financial system. It has successfully rolled out to 160 business group campuses worldwide. Through digital management, Foxconn not only improves carbon inventory efficiency but also tracks each campus's decarbonization progress in real time, laying the foundation for achieving its targets of a 50% emissions reduction by 2030 and net zero by 2050.

Inventory Scope and Methodology

Foxconn follows the Greenhouse Gas Protocol (GHG Protocol), adopting the operational control approach as the basis for its inventory, covering major operating sites worldwide. The inventory scope includes:

- **Scope 1 (Direct Emissions)**: Stationary combustion sources (boilers, generators), mobile combustion sources (company vehicles), process emissions, and fugitive emissions (refrigerant leakage).
- **Scope 2 (Energy Indirect Emissions)**: Purchased electricity, steam, and cooling, calculated using both the "location-based" and "market-based" methods.
- **Scope 3 (Other Indirect Emissions)**: Covers 15 categories, including purchased goods and services, capital goods, upstream and downstream transportation, employee commuting, business travel, and use of sold products, etc.

The Global Warming Potential (GWP) values are based on those from the IPCC Sixth Assessment Report (AR6) to ensure alignment with the latest international scientific basis. The Group's greenhouse gas emissions data across all scopes have undergone third-party assurance, ensuring transparent and reliable information.

2025 Emissions Performance

Scope 1 and Scope 2 Emissions

In 2025, Foxconn continued advancing its decarbonization measures, aiming to reduce greenhouse gas emissions even as its business expanded.

- **Scope 1 Emissions**: Scope 1 emissions in 2025 were 320,793 tCO_2e, a decrease of 6.1% from 341,472 tCO_2e in 2024, with an inventory coverage rate of 100%.
- **Scope 2 Emissions (Location-based)**: Emissions in 2025 were 5,984,162 tCO_2e, a decrease of 0.5% from 6,012,680 tCO_2e in 2024, with the inventory coverage rate maintained at 100%.
- **Scope 2 Emissions (Market-based)**: Emissions in 2025 were 2,194,704 tCO_2e, a decrease of 3.4% from 2,272,277 tCO_2e in 2024, reflecting the results of renewable energy procurement and self-built solar power generation, with an inventory coverage rate of 100%.

Overall, total Scope 1 plus Scope 2 emissions (market-based) in 2025 were 2,515,497 tCO_2e, a decrease of 3.8% from 2,613,750 tCO_2e in 2024. Despite continued business growth, Foxconn successfully achieved a decline in absolute emissions through the active adoption of renewable energy, the advancement of energy-saving measures, and process optimization, demonstrating strong execution in decarbonization.

Group Greenhouse Gas Emissions, 2022–2025

	2025	2024	2023	2022	2025 Emission Target
GHG Emissions Scope 1	320,793.44	341,472.40	258,108.18	222,295	Using 2020 as the base year, the Group aims to reduce absolute Scope 1 and Scope 2 greenhouse gas emissions by 21% in 2025.
Coverage Rate	100%	100%	100%	100%	
GHG Emissions Scope 2 — Location-based	5,984,161.72	6,012,680.13	5,442,507.49	/	
Coverage Rate	100%	100%	100%	/	
GHG Emissions Scope 2 — Market-based	2,194,703.86	2,272,277.12	2,421,127	5,535,324	
Coverage Rate	100%	100%	100%	100%	

*The 2025 target uses 2020 as the base year, committing to a 21% reduction in absolute Scope 1 + Scope 2 emissions (base-year emissions: 5,417,602 metric tons CO_2e).

**The significant decline in Scope 2 (market-based) in 2023 was primarily due to the large-scale adoption of renewable energy.

***The base year is 2020 (Scope 1: 152,602 metric tons CO_2e; Scope 2: 5,265,000 metric tons CO_2e).

Note 1 The inventory boundary covers Foxconn Technology Group's parent company and the subsidiaries in its consolidated financial statements.

Note 2 The Scope 1 and Scope 2 inventory adopts the operational control approach.

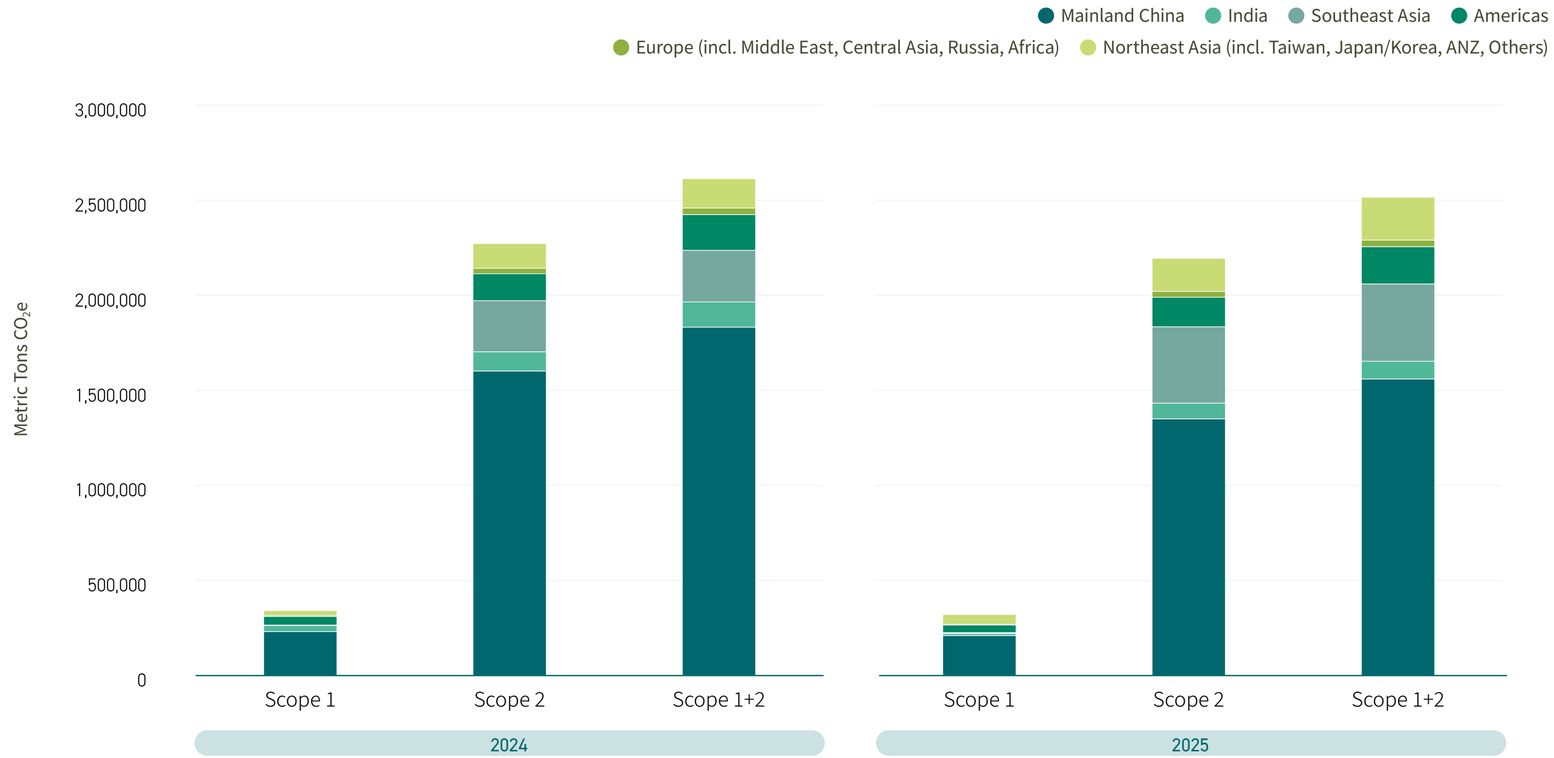
Note 3 Global Warming Potential (GWP) values are based on the IPCC Sixth Assessment Report (AR6).

Note 4 Electricity emission factors use the latest officially published values for each operating region.

Note 5 All data were verified by PwC (PricewaterhouseCoopers) in accordance with the ISAE 3410 standard.

Note 6 The denominator of the coverage rate is the Group's global operating sites.

Trend of the Group's 2024–2025 Greenhouse Gas Emissions by Regional Distribution



Key Milestones:

2023

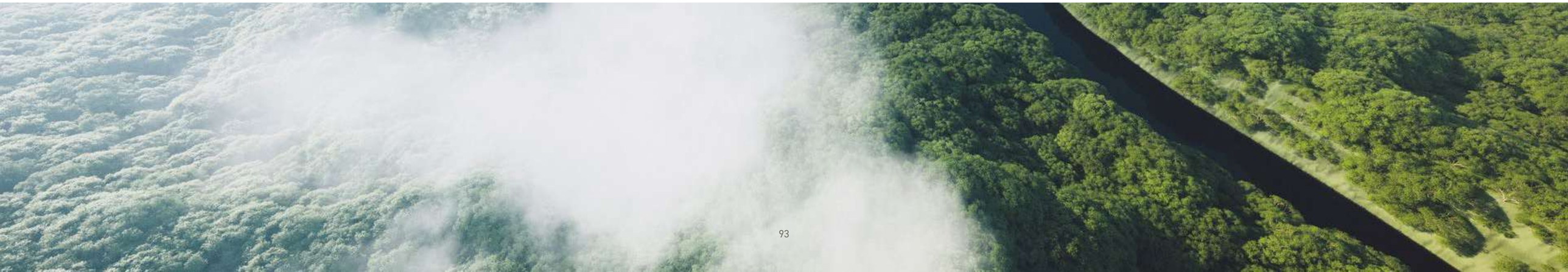
- Large-scale adoption of renewable energy, with Scope 2 (market-based) declining significantly by **↓ 56.3 %**

2024

- Continued expansion of renewable energy use, with Scope 2 (market-based) declining a further **↓ 6.1 %**

2025

- Continued expansion of renewable energy use, with Scope 2 (market-based) declining a further **↓ 3.4 %**
- Total emissions (Scope 1 + 2) declined by 53.6% from the 2020 base year **↓ 53.6 %**



Scope 3 Emissions

Foxconn continues to grasp the emissions contributions of various activities across its own operations and its upstream and downstream value chain, comprehensively inventorying and assessing Scope 3 greenhouse gas emissions. 2020 is the baseline year for Foxconn's complete Scope 3 inventory. Preliminary inventory results indicate that upstream, "purchased goods and services" is the primary emissions hotspot, accounting for 75.04% of total Scope 3 emissions; downstream, "use of sold products" is the primary hotspot, accounting for 8.89%. Together, the two account for more than 84% of Scope 3 emissions.

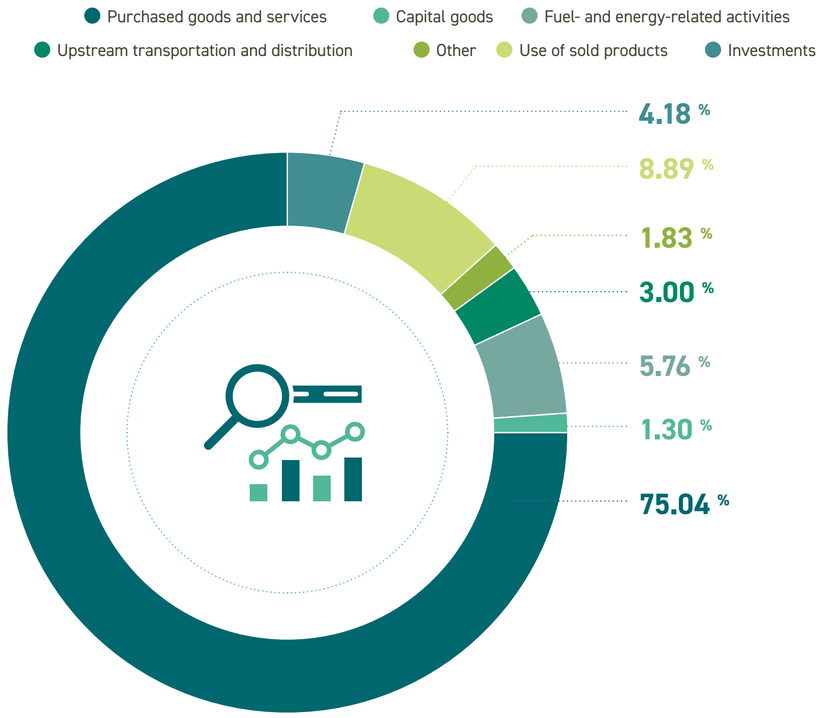
Through the Scope 3 inventory, Foxconn further strengthens supply chain management and collaborates with suppliers to jointly develop lower-carbon electronic components. Regarding the energy use of downstream customer products, the Group also continues to enhance product energy efficiency, working with upstream and downstream partners to reduce greenhouse gas emissions, expand the influence of its climate strategy, and advance toward the vision of building an overall low-carbon supply chain.

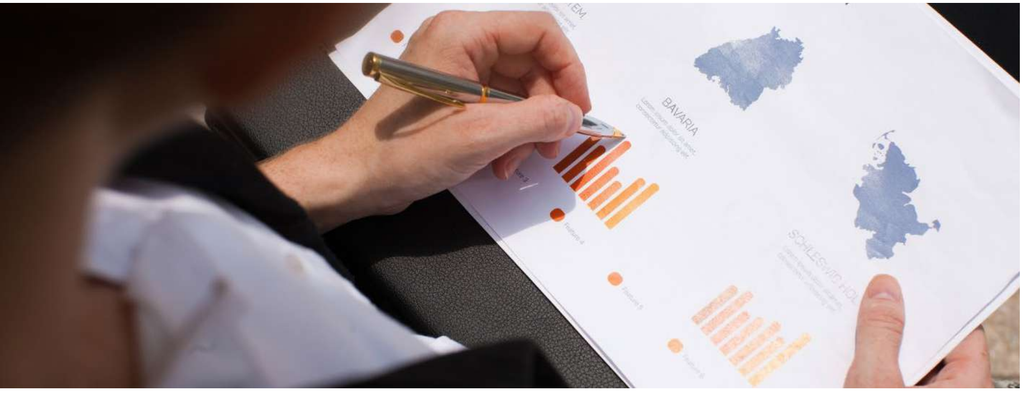
The Group's 2025 Scope 3 Greenhouse Gas Emissions

Scope 3	Category	2025 Emissions	Share of Scope 3	Calculation Method or Reason for Exclusion
Upstream Emissions	Purchased goods and services	14,917,665.80	75.04%	Hybrid method (quantity-based method + spend-based method)
	Capital goods	258,347.84	1.30%	Spend-based method
	Fuel- and energy-related activities	1,145,907.02	5.76%	Average-data method
	Upstream transportation and distribution	596,414.97	3.00%	Hybrid method (distance-based method + spend-based method)
	Waste generated in operations	11,643.35	0.06%	Waste-type-specific method
	Business travel	36,625.75	0.18%	Spend-based method
	Employee commuting	135,581.87	0.68%	Average-data method
	Upstream leased assets	119,706.38	0.60%	Spend-based method
Downstream Emissions	Downstream transportation and distribution	0.00	0.00%	Foxconn subsidiaries execute all customer transportation orders by purchasing third-party services; the associated emissions are already disclosed under Category 4.
	Processing of sold products	0.00	0.00%	Excluded, as the share is below 0.3%.
	Use of sold products	1,766,345.39	8.89%	Average-product method
	End-of-life treatment of sold products	20,185.21	0.10%	Waste-type-specific method (by specific waste type)
	Downstream leased assets	40,122.07	0.20%	Spend-based method
	Franchises	0.00	0.00%	Not applicable
	Investments	830,091.34	4.18%	Average-data method
	Total Scope 3 Greenhouse Gas Emissions	19,878,636.99	100%	

Note 1 The Scope 3 inventory follows the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

The Group's Scope 3 Emissions Hotspot Analysis





Emissions Intensity and Target Achievement

Foxconn's parent company emissions intensity performance in 2025 is as follows:

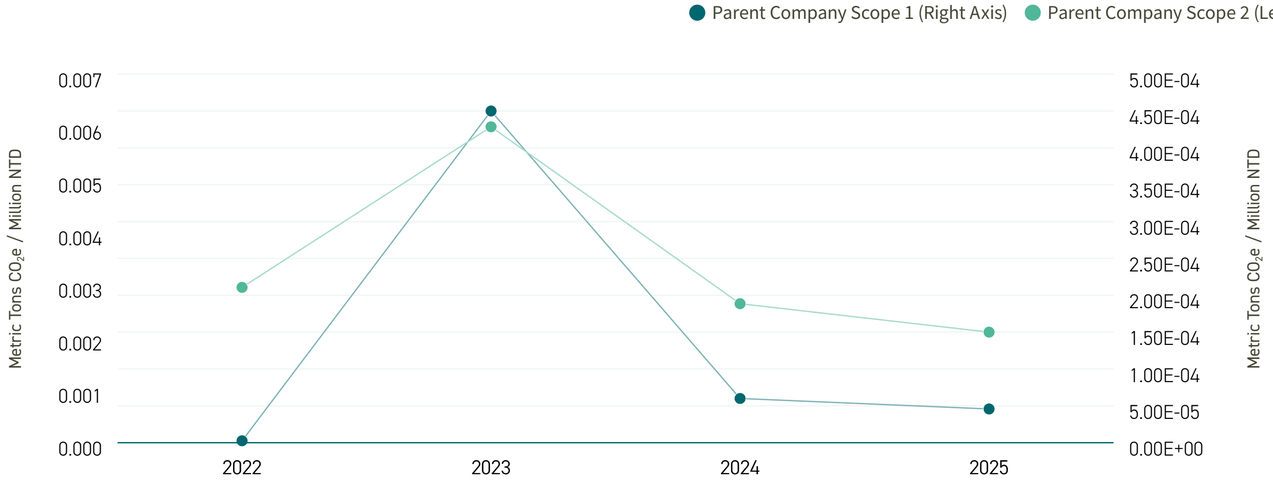
The Group's 2025 Emissions Intensity

Scope 1	Total Emissions (metric tons CO_2)	Intensity (metric tons CO_2e / NT$ million)
Parent Company	427.61	0.0001
Subsidiaries	320,365.82	0.0395

Scope 2 (Market-based)	Total Emissions (metric tons CO_2)	Intensity (metric tons CO_2e / NT$ million)
Parent Company	16,986.88	0.0021
Subsidiaries	2,177,716.98	0.2688

Scope 3	Total Emissions (metric tons CO_2)	Intensity (metric tons CO_2e / NT$ million)
	19,878,636.99	2.4532

Foxconn Parent Company's 2022–2025 Scope 1 and Scope 2 Emissions Intensity



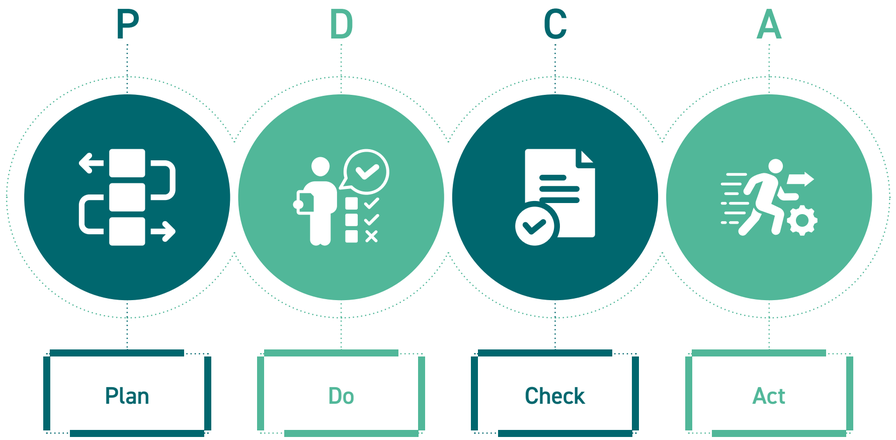
Energy Management

Energy Management Policy

Foxconn Technology Group considers energy management one of its core priorities for advancing the net-zero transition, enhancing operational efficiency, and reducing environmental impact. In the face of global climate change, energy price volatility, and low-carbon transition requirements, the Group takes "green intelligence" and "circular economy" as the main pillars of its environmental sustainability strategy, systematically reducing energy consumption and greenhouse gas emissions in operational processes through institutionalized energy management, energy-saving technological improvements, renewable energy use, green energy investment, and supply chain collaboration, and s thereby supporting the Group's progress toward its 2050 value chain net-zero emissions target.

Foxconn continues to comply with energy conservation regulations and policy requirements in each jurisdiction where it operates, carrying out routine tasks such as establishing energy management systems, conducting energy-saving self-inspections, reporting energy utilization status, and conducting energy technology assessments for new construction, renovation, and expansion projects. The Group actively promotes the adoption of the ISO 50001 Energy Management System by its legal entities, continuously identifying energy performance improvement opportunities through standardized processes and strengthening energy data management, energy use monitoring, and energy-saving improvement tracking.

As of 2025, 70 production legal entities within the Group had obtained ISO 50001 Energy Management System certification, achieving a coverage rate of 43.2%, placing the Group among the enterprises with the highest levels of systematic energy management in the global electronics manufacturing services industry. Under the ISO 50001 framework, Foxconn has established a "Plan-Do-Check-Act" (PDCA) energy management cycle to ensure continuous improvement in energy performance.



Energy Management Strategy Framework

1. Energy Audits and Identification of Performance Improvement Opportunities

Through its energy management system, energy-saving self-inspections, energy audits, and energy data platform, the Group regularly reviews energy use at each campus, identifying energy-intensive equipment, inefficient processes, and opportunities to improve utility systems. For major energy-consuming aspects, the Group continues to advance energy-saving technology assessments and project initiation, transforming energy audit results into concrete improvement measures, including:

Air compressor system optimization
Enhance compressed air system efficiency and reduce leakage losses

Air conditioning system energy conservation
Introduce smart chiller systems and variable frequency technology

Process equipment replacement
Replace with high-efficiency production equipment and auxiliary systems

Lighting system upgrades
Comprehensively introduce LED lighting and smart lighting control

Intelligent energy monitoring
Establish an energy management platform for real-time monitoring and analysis

Renewable energy facility construction
Advance the construction of solar photovoltaic systems

The Group has also formulated the Procedures for the Review and Approval of Energy-Saving Projects and the Energy-Saving Management Inspection Procedures to ensure a complete management process for energy-saving projects from assessment, initiation, and implementation to acceptance.

2. Quantified Energy-Saving and Energy Transition Targets

In its new phase of 2030 long-term sustainability targets, the Group has further raised its energy transition requirements, setting them as follows:

Proportion of renewable energy usage	Proportion of self-built green electricity	Reduction in energy intensity
75 %	30 %	10 %
Substantially reduce Scope 2 emissions and enhance energy autonomy	Establish green electricity sourcing capabilities and reduce external dependence	Enhance operational energy efficiency and reduce energy consumption per unit of output

This demonstrates that the Group's energy management has evolved from standalone energy-saving improvements to encompass energy structure optimization, the building of green electricity sourcing capability, and operational efficiency enhancement, reflecting a more comprehensive energy transition strategy.

3. Measures to Reduce Energy Consumption and Improve Energy Efficiency

In 2025, the Group implemented a total of 1,753 energy-saving technical improvement projects, investing NT$2.048 billion, and achieved the following results:

Energy savings
547 GWh

Energy-saving benefits
16.16 billion

Carbon reductions
290,605 metric tons CO_2e

Among these, the 2025 energy-saving target for mainland China was 4.2%, while the actual energy-saving rate reached 5.20%, representing an achievement rate of 124% 124%, successfully meeting the annual energy-saving target.

The above measures not only reduce operational energy consumption and energy costs but also help lower greenhouse gas emissions and reduce dependence on external energy supply. Through improved energy efficiency, the Group can reduce energy input per unit of output while maintaining production capacity and operational stability, thereby enhancing the low-carbon competitiveness of its manufacturing system.

4. Energy-Saving Progress Evaluation and Closed-Loop Management

The Group has established a closed-loop energy management mechanism through its energy management system, energy-saving project initiation review, energy-saving management audits, and annual performance tracking. Each campus proposes improvement projects based on annual energy-saving targets and energy use status, implements them after review, and regularly tracks energy savings, investment benefits, and carbon reduction outcomes.

For major energy-saving projects, the Group assesses outcomes using quantitative data, establishing a quantifiable, trackable, and verifiable energy-saving performance management model that uses energy savings, energy-saving benefits, and carbon reduction volumes as key indicators of energy management effectiveness.

Energy Consumption Overview

Foxconn's overall electricity consumption in 2025 increased by 4.84%, but its energy intensity decreased from 1.46 MWh per NT$ million in 2024 to 1.29 MWh per NT$ million. The green electricity ratio continued to rise to 68.37%, having already exceeded the Group's previously set target of "achieving a green electricity usage proportion of more than 50% by 2030."

The Group's overall energy consumption reached 16,469.7 GWh, with the proportion of renewable energy use increasing from 41.8% in 2024 to 43.46%. Of the purchased non-renewable electricity, 94% was sourced from natural-gas-based power generation; data by region and fuel type are detailed in the appendix.

Energy Consumption Statistics (2022–2025)

Energy Category	Unit	2022	2023	2024	2025
Non-Renewable Energy					
Purchased Electricity	GWh	10,788.45	9,760.69	8,538.82	8,447.63
Natural Gas	GWh	-	893.46	754.01	790.64
Gasoline	GWh	-	56.65	31.89	31.41
Diesel	GWh	-	60.68	42.30	0.05
Liquefied Petroleum Gas (LPG)	GWh	-	22.72	0.00	12.60
Non-Renewable Energy Consumption	GWh	10,788.45	9,760.69	9,367.02	9,282.32
Renewable Energy					
Total Installed Renewable Energy Generation Capacity	MW	260.55	325.82	332.90	383.55
Renewable Energy Generation	GWh	290.00	320.75	267.97	350.95
Direct Procurement of Renewable Electricity	GWh	31.00	559.16	1,396.82	1,870.28
Green Electricity Certificates Obtained via Renewable Energy Purchased Through Power Trading	GWh	461.00	4410.32	4,996.35	4,849.15
Purchase of Other Renewable Energy	GWh	34.11	105.81	67.83	88.17
Total Renewable Energy Consumption	GWh	816.00	5,396.05	6,728.96	7,158.55
Total Energy Consumption	GWh	11,604.45	13,243.69	16,095.98	16,469.70
Renewable Energy Share	%	7.03%	35.60%	41.80%	43.46%

Note 1 Data are derived from the Chinese national standard "General Rules for Calculation of the Comprehensive Energy Consumption" (GB/T 2589-2020).

Note 2 The data scope covers Foxconn Technology Group's major operating sites worldwide.

Renewable Energy Development

Renewable Energy Strategy and Commitments

Foxconn Technology Group regards renewable energy use as a key pathway to achieving net-zero emissions. In the face of the global energy transition trend and customers' green supply chain requirements, the Group systematically increases its renewable energy usage ratio, reduces Scope 2 greenhouse gas emissions, and enhances energy supply resilience through three major strategies: "accelerating green electricity procurement, enhancing self-construction capabilities, and promoting diversified development."

In 2025, Foxconn's green electricity usage ratio reached 68.37%, surpassing the original 2030 target of 50% ahead of schedule, demonstrating the Group's execution capabilities and determination in energy transition. On this basis, the Group has further raised its targets, setting a renewable energy usage ratio of 75% by 2030 and requiring green electricity from self-developed and invested projects account for more than 30% of the Group's renewable energy consumption, advancing from mere procurement to self-construction to enhance energy supply stability.

2025 Green Electricity Percentage
68.37 %

2030 Renewable Energy Percentage
75 %

Self-Built Green Electricity Percentage
>30 %

Self-Built Solar Photovoltaic Capacity
125.68 MW

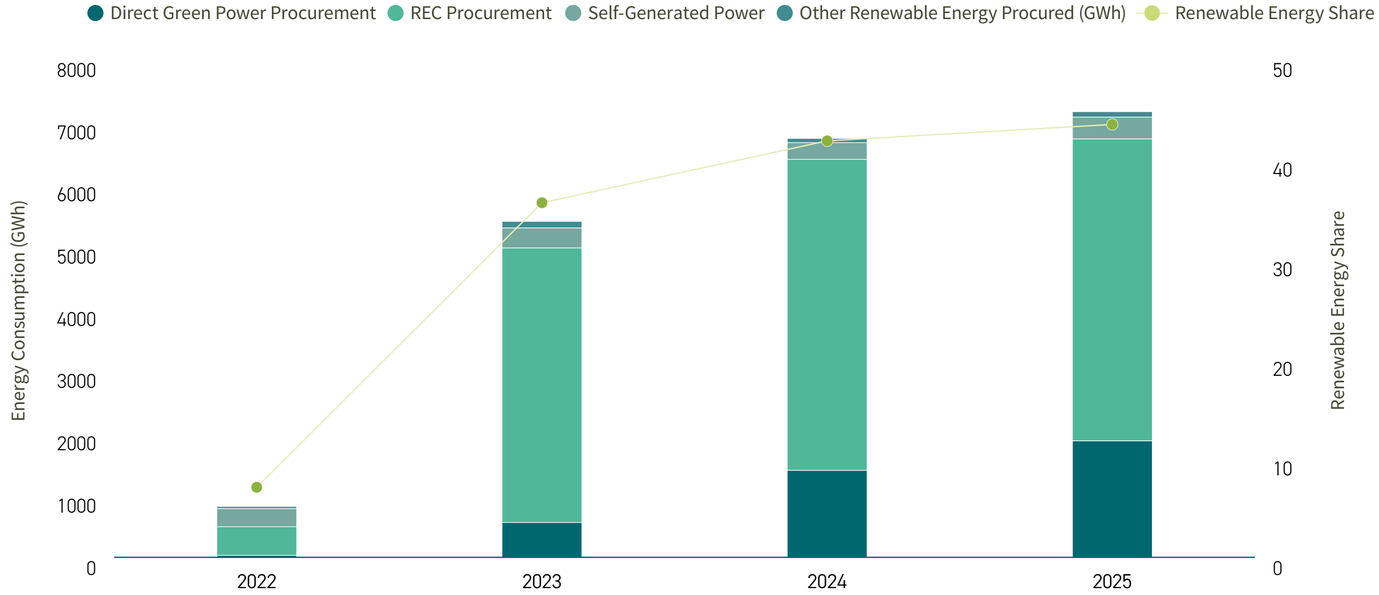
Direct Green Power Procurement
1,870.28 GWh

Renewable Energy Certificates
4,849.155 GWh

Renewable Energy Procurement and Use

Foxconn obtains renewable energy through diverse channels to balance supply stability and the economy. For renewable energy usage, please refer to the "Energy Consumption Statistics" table.

Group's Renewable Energy Consumption Statistics



Renewable Energy Diversification Strategy

Foxconn formulates differentiated development strategies based on each region's renewable energy resource endowment and policy environment.

Self-Built Solar (Photovoltaic) Power Stations

Foxconn continues to advance the low-carbon transformation of its campus energy structure, enhancing the proportion of renewable energy use at campuses and strengthening energy supply resilience and electricity use efficiency through clean technologies such as solar photovoltaics, energy storage systems, wind power, biomass energy, and smart energy management platforms. In 2025, in addition to continuing to advance the "Integration of Generation, Grid, Load, and Storage" project at the Lankao Campus in Mainland China, the Group also advanced multiple solar photovoltaic installation projects in Taiwan, Mainland China, Vietnam, and other locations, gradually expanding renewable energy applications under self-generation and self-consumption, third-party PPA, and EMC (Energy Management Contracting) models.

The Group's major campuses, including solar photovoltaic projects in Taiwan, Vietnam, and Wuhan, Chengdu, Yantai, and Zhengzhou in China, have a combined installed and planned capacity of approximately 125.68 MW, with an estimated annual power generation of approximately 117 million kWh (including the 8 MW planned project at the Lankao Campus). Some project sites have completed grid connection or signed contracts, while others are at the stage of award notification, contract review, construction, or grid connection planning.

Case Study: Lankao Campus Advances "Integration of Generation, Grid, Load, and Storage" to Build a Multi-Energy Complementary Demonstration Site

In 2025, the Group's Lankao Campus advanced the "Integration of Generation, Grid, Load, and Storage" project. Leveraging the local policy foundation as one of Mainland China's first rural energy revolution pilot areas, together with its renewable energy resource advantages, the project takes solar photovoltaic installation as its core, coordinating the introduction of energy storage, wind power, biomass energy, and smart energy management systems to gradually establish a campus energy supply model of multi-energy complementarity, generation-load coordination, and smart scheduling.

The Lankao Campus plans to install an **8 MW** solar photovoltaic system, expected to come into operation in 2026, with an annual power generation of approximately **9–12 million kWh**, estimated to save approximately **RMB 2.7 million** in electricity costs annually. To address the intermittency of solar power generation, the campus has simultaneously deployed a **7.8 MW/15.63 MWh** energy storage system, which came into operation in August 2025, to strengthen peak shaving and valley filling, load regulation, and power supply stability, further enhancing the consumption and utilization of solar power.

In the future, the campus will also incorporate **50 MW** of wind power, biomass green electricity, and a smart energy management platform, continuously optimizing energy supply-demand matching and GHG emissions management, and plans to increase the green electricity usage ratio to **70%** in 2026, advancing toward the goals of **100% green electricity** and a "Near-Zero-Carbon-Emission Factory" by 2027.

Green Electricity Procurement Plan

The Group increases its green electricity procurement volume year by year, supplementing insufficient self-generation through diversified procurement channels, and advances long-term green electricity procurement agreements (PPAs) in multiple locations. In 2025, it directly procured **1,870.28 GWh** of green electricity and procured **4,849.15 GWh** of renewable electricity through power trading and obtained the corresponding Renewable Energy Certificates (RECs).

The Group plans to reduce the volume of unbundled RECs (with certificates separated from electricity) to **below 50%** before 2030, and has set a long-term target of increasing the total electricity generated from on-site green energy facilities and invested green energy projects to **30%** of the Group's total green energy consumption before 2030.

Green Energy Investment Platforms

Before 2025, the Group had successively established Taiwan's Kai-Hong Energy and Mainland China's Xu-Zhi Fu-Neng Fund in response to the needs of its production sites, to meet the green electricity needs of the Group and its supply chain in Taiwan and China, laying a solid foundation.

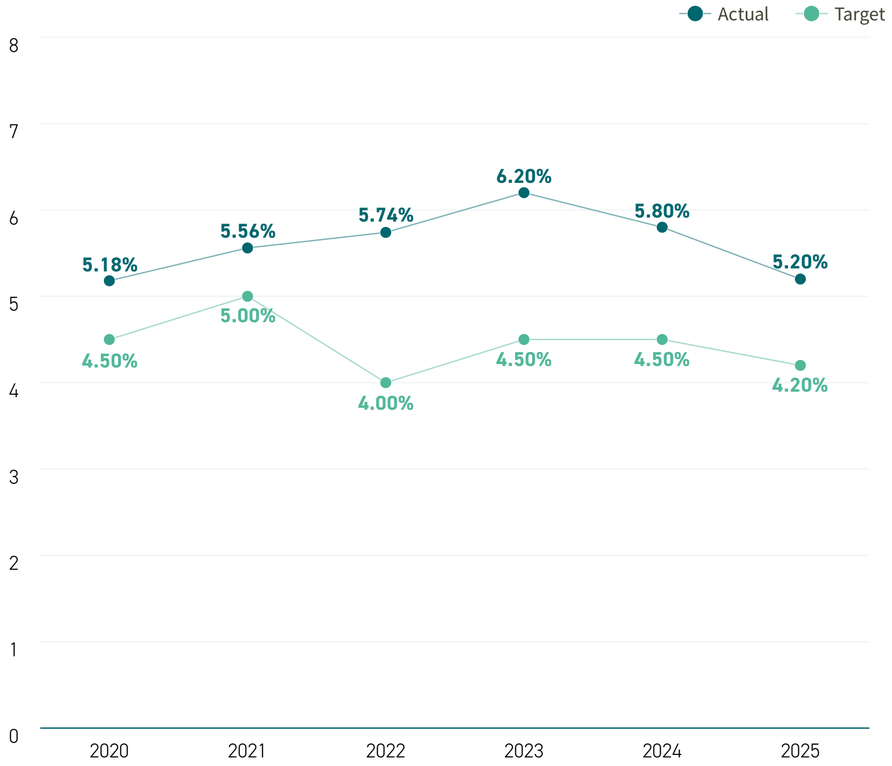
Since 2025, the team has begun systematically assessing the Group's electricity demand in Southeast Asia and conducting in-depth research on laws and regulations governing green electricity investment, while actively seeking partners to jointly advance investment plans to meet the Group's continuously expanding energy demand. In response to the Group's expanding footprint in Southeast Asia, the initial fund size is expected to exceed **1 GW** of installed capacity, demonstrating the Group's long-term deployment and ambition in the green energy field.

Energy-Saving Indicators and Projects

Energy-Saving Targets and Achievement

Foxconn continues to advance energy-saving management and has exceeded its annual energy-saving targets for five consecutive years. From 2021 to 2025, the annual energy-saving target achievement rate exceeded 100% each year: 104% in 2021, 126% in 2022, 131% in 2023, 129% in 2024, and 124% in 2025, with a five-year average achievement rate of 123%. To advance various energy-saving initiatives, Foxconn invested NT$2.048 billion in 2025 and generated NT$1.616 billion in energy-saving benefits. The above energy-saving benefits are estimated at NT$3 per kWh; 2025 was also the first time that relevant data, such as energy savings, investment amounts, and energy-saving benefits, were fully disclosed.

Energy-Saving Target Achievement Trend (2020–2025)



Note. The energy-saving rate is calculated based on total energy consumption in each year, while the annual target values are primarily set for campuses in mainland China.

Energy-Saving Measures and Results

In 2025, Foxconn implemented 1,753 energy-saving technological improvement projects at its global operating sites, covering production processes, utility systems, and operations management, demonstrating the Group's comprehensive commitment to energy conservation.

- Total Projects: **1,753**
- Energy Savings: **547** GWh
- GHG Reduction: **290,605** t CO_2e
- Investment: NT$ **20.48** billion
- Investment Benefits from energy saving: NT$ **16.16** billion
- Payback Period: **1.3** years

2025 Energy-Saving Projects by Category

Energy-Saving Improvement Category	Number of Projects	Energy Savings (GWh)	Energy-Saving Benefits (NT$ million)	Implementation Cost (NT$ million)	Carbon Reductions (metric tons CO_2e)	Payback Period (years)
Production Process / Manufacturing Process Improvements	1,092	290	872	981	154,044	1.1
Air Conditioning / Air Compression / Lighting / Ventilation / Power Supply and Distribution / Office Improvements	513	226	651	993	120,088	1.5
Other Improvements	148	31	93	73	16,473	0.8
Total	1,753	547	1,616	2,048	290,605	1.3

Key Performance Indicators:

- **Energy Savings**: 547 GWh, equivalent to the annual electricity consumption of approximately 150,000 households.
- **Carbon Reductions**: 290,605 metric tons CO_2e, equivalent to the annual carbon absorption of approximately 750 Daan Forest Parks.
- **Investment Benefits**: With an investment of NT$2.048 billion, the Group achieves annual savings of NT$1.616 billion, with a payback period of just 1.3 years.
- **Project Density**: On average, more than 10 energy-saving projects were implemented at each operating site.

Innovative Practices in Energy Management

Project 1: Integrated Source Control for a Green-Powered Future - Focusing on Energy-Saving and Carbon-Reduction Practices in the FMCS Chilled Water

This project demonstrates Foxconn's technological leadership in smart manufacturing and energy management, with a 31% energy-saving rate and a 1.97-year payback period—both of which represent industry-leading benchmarks. Through systematic retrofitting and intelligent management, the project not only achieved significant energy savings and carbon reductions but also established a replicable retrofit model, providing a practical pathway for the energy transition in the electronics manufacturing industry.

Project Background

In response to the dual requirements of the national "carbon neutrality" policy and Foxconn Technology Group's sustainable development goals, certain regions and campuses of Foxconn faced energy management challenges. Some regions and campuses had annual electricity consumption as high as 580 million kWh, with air conditioning accounting for more than 20%, qualifying them as key energy-consuming units with substantial energy loads. All 17 chilled water plant rooms were rated at Energy Efficiency Grade 5, indicating low energy-use efficiency. Coupled with aging equipment and predominantly manual operation and maintenance, this resulted in persistently high energy consumption and labor costs, creating an urgent need for retrofitting.

Analysis of the Current Situation

Following diagnosis, the causes of the chilled water system's poor energy efficiency were found to be concentrated primarily in four areas:

- **Core Plant Room** ▶ Low COP; low level of intelligence
- **Cooling/Chilled Water Pumps** ▶ Low energy efficiency grade; lack of interlocking control; high pipeline pressure
- **Cooling Tower** ▶ High fan energy consumption; aging fill material; poor water quality stability
- **Refrigeration Plant Room** ▶ High system energy consumption; insufficient fault warning; high maintenance costs

Core Improvement Measures

Hardware-Led Innovation

Item	Measure	Principle
Chiller Replacement	High-energy-consumption chillers → high-efficiency variable-frequency chillers	Enhances the energy efficiency and operational stability of the main units, achieving an energy-saving rate of up to 30% per unit
Cooling Tower Optimization	Introducing automatic chemical dosing devices / replacing part of the fill material	Intelligently monitors circulating water quality, reduces system scaling, and enhances unit energy efficiency
Piping and Electrical Control Retrofit	Piping system optimization and electrical control system retrofit	Reduces pipe-network losses and enhances system energy efficiency

Software-Enabled Optimization

Centralized Interlocking Control
Dynamic regulation to achieve supply-demand balance

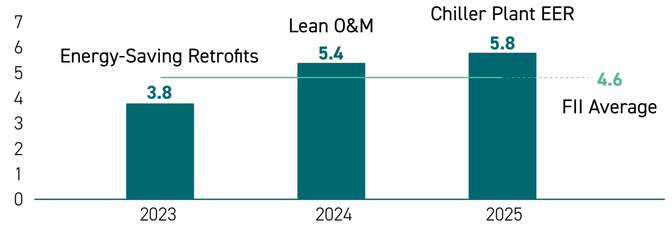
Variable-Frequency Control Upgrade
Shifting from "constant flow–variable temperature differential" to "variable flow–constant temperature differential" to precisely match load demand

Energy Efficiency Monitoring
Remote monitoring, report analysis, and historical data analysis

Dedicated Audits
Applies more stringent operation and maintenance requirements, conducts targeted troubleshooting of problem points, and optimizes operational SOPs

Implementation Results

Energy-Saving Technical Retrofits + Lean Operations and Maintenance = Leap in Energy Efficiency



High-Efficiency Plant Room Energy Efficiency Comparison (June–August, 2024–2025)

The overall EER of the high-efficiency plant room improved from 5.25 to 5.87, with a month-over-month reduction in single-month energy consumption of 11.25%.

Plant Room	2024 EER Range	2025 EER Range	Note
GL-C05	5.21–5.51	5.65–5.80	Chiller mainboard failure in August
GL-C06	5.16–5.41	5.76–6.00	Cooling tower replaced and commissioned in August, resulting in a significant EER improvement
GL-C07	4.05–4.81	5.72–6.04	Most pronounced improvement
GL-C08	5.02–5.14	5.17–5.82	Consistently above the standard value
GL-C09	4.62–4.87	4.67–5.78	Second-floor warehouse converted into a workshop, resulting in increased energy consumption
GL-C10	5.16–5.28	5.65–5.89	Stable performance

Payback Period **1.97** Years

Comprehensive Benefits

- Total Energy Savings **13.7** M kWh
- Total Carbon Reduction **12,224** tCO_2
- Total Investment **19.3** M
- Cost Savings **9.79** M

Average Energy Saving Rate **31** %

Project 2: Energy-Saving and Carbon-Reduction Practices in the AI Energy Efficiency Ecological Reconstruction of the Chilled Water System

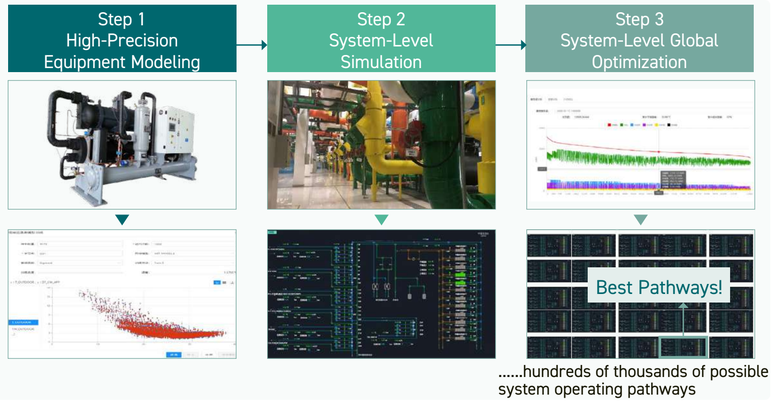
Project Background

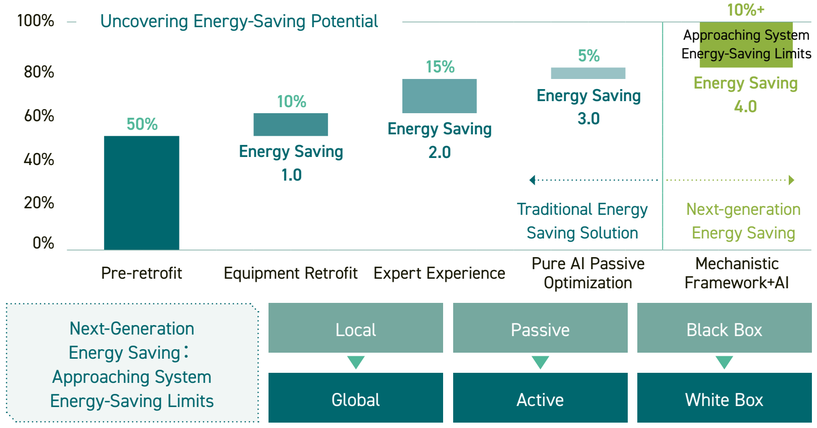
Driven by the global trend toward carbon neutrality and Foxconn Technology Group's goal of "achieving carbon neutrality across global operations by 2050," the iPEBG Energy-Saving and Carbon Reduction Committee designated energy efficiency improvement as a strategic-level carbon reduction task. As the campus's core energy consumer (accounting for 8%–10% of total electricity consumption), the chilled water plant rooms suffered from low energy efficiency and increased GHG emissions due to aging equipment, including chillers and water pumps (in operation for over 10 years). The A12 plant room in the Comprehensive Bonded Zone, commissioned in 2012, has now been in operation for more than a decade. On-site measurements showed that the plant room's energy efficiency (EER) was less than 4.0—a Grade 3 level in urgent need of improvement.

Core Improvement Approaches

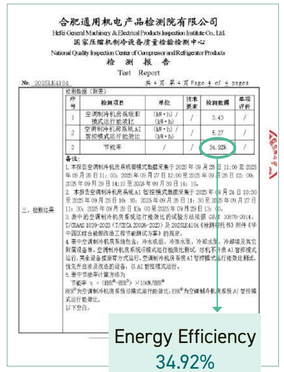
Improvement Strategy	Technical Solution	Key Benefit
Chiller Units +1 unit	Replaced with a 1,100 RT oil-free high-efficiency centrifugal chiller. Real-time optimization of the chiller's outlet water temperature achieves optimal system-level energy efficiency, approaching the system's theoretical limit.	25%
Water Pumps & Cooling Towers +37 units	All IE2 water pump motors and cooling tower fans were replaced with IE5 motors. Based on AI performance-data model solving—combining the number of operating units, frequency set points, and most-unfavorable terminal differential-pressure safety protection—optimal energy efficiency for the water pump combined operation is achieved. By integrating the relationship between outdoor wet-bulb temperature and the cooling-side air-to-water ratio, the system optimally controls the number of operating fans (i.e., the cooling tower outlet water temperature) while ensuring that the chiller's condensing pressure stays within the safe operating range.	15%
AI Smart Control System +1 set	Adds the corresponding valves, sensors, and instruments according to smart-control requirements. The utility room's intelligent optimization control system formulates energy-saving operating strategies for effective energy-saving operations management; the monitoring system displays the daily, monthly, and annual energy consumption of each piece of equipment and provides reporting functions to facilitate management and analysis.	10%

AI Smart Control System: A new generation of "mechanistic framework + AI" that computes, in real time, "hundreds of thousands" of possible system operating pathways to identify the optimal solution that "approaches the energy-saving limit."





Implementation Results



The plant room's energy efficiency improved by 54%, reaching an EER of 5.27. According to the standards proposed by the American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) and Guangdong Province's "Energy Efficiency Monitoring and Evaluation Standard for Centralized Air-Conditioning Refrigeration Plant Room Systems," a "year-round comprehensive energy efficiency of a chilled water plant room" at an EER of 5.0 (0.7 kW/ton) qualifies as a high-efficiency plant room. The four districts of Central China (Comprehensive Bonded Zone, Processing Zone, Jiyuan, and Hebi) simultaneously retrofitted 11 plant rooms, forming a full-process retrofit standard that will subsequently be rolled out to the Group's other campuses. Guided by the principle of "dual carbon leadership, data-driven," the project enhances plant room energy efficiency and supports the Group's achievement of its Science Based Targets.

≥5 Years	= Very High	≤3 Years
System EER **5.27**	Power Consumption **4.13 M kWh**	Expanded Facilities **+11**
Energy Saving Rate **35%**	Power Savings **1.44 M kWh**	Scaled Benefits **13.18 M kWh**
Lifecycle **10 + Years**	Digital Control Level Unmanned Energy-Saving Operation	Payback Period **2.89 Years**

Project 3: Energy-Saving and Carbon Reduction Implementation Through Efficiency Improvement of the CNC Intelligent Automation Line

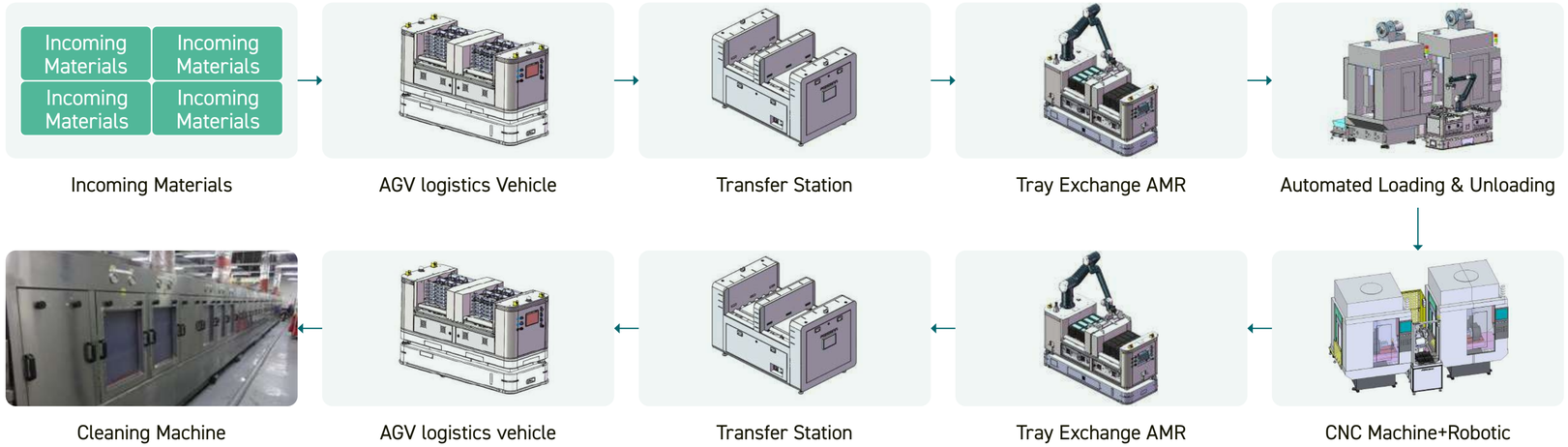
Project Background

The original A08 workshop introduced a CNC-automated dual-layer (upper and lower) reflow line, enabling a lights-out factory and thereby addressing energy-consumption issues such as the complex structure of automated lines, high failure rates, and significant line limitations. Intelligent automation has made operational processes simpler, faster, and smarter, while keeping the workshop cleaner.

1. Intelligent Automated Operational Process: The entire process—from incoming materials → CNC machining → cleaning—is seamlessly connected by AGVs and AMRs without human intervention, building a CNC lights-out factory.
2. Intelligent Automation Application Technology: Trackless and wireless AGVs/AMRs replace mechanical conveyor lines, integrating intelligent transportation, radar sensing, barcode-scanning positioning, and battery management to simplify the structure and reduce failure rates.
3. Intelligent System Monitoring: Through LiDAR electronic fencing, secondary collision avoidance, overload alarms, Category-level safety circuits, and automatic obstacle avoidance, the system reduces human-machine interaction and enhances Overall Equipment Effectiveness (OEE).

Core Improvement Measures

Intelligent Automation Workflow (Incoming Materials → CNC → Cleaning---Unmanned Operation Mode)



Implementation Results

Annual Energy Savings	Annual power cost savings	Carbon Reduction	Lifecycle	Manpower Optimization
1,280W KWH/yr	870W RMB	61.8W RMB/yr	T>5 yr	650 pp/yr
38 % Energy Saving Rate	2.9 yrs Payback Period	6,868 tCO_2 Carbon Reduction	8-12 yr Service Life	57 % Labor Cost Reduction