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Letter from the CEO

I am delighted to introduce Fabrinet's inaugural Environmental, Social, and Governance (ESG) report. Fabrinet's commitment to exemplary ESG practices dates back to our founding in 2000. Throughout our history, Fabrinet has contributed to society in many ways – most importantly by supporting our employees and their families, contributing to the well-being of our local communities, and operating our business in an ethical, environmentally responsible, and socially inclusive manner.

Each day, I have the privilege to witness the dedication of Fabrinet's employees around the world. Our team of over 14,000 employees collaborates innovatively to deliver better outcomes for all our stakeholders in the global optics and electronics supply chain.

As you will learn from this report, Fabrinet Thailand has continued to build our ESG programs in line with the highest international standards, while meeting the context-specific needs of our employees, communities, and regulators. Some highlights of our commitments include:

- Community Engagement. We maintained our long-standing support for causes such as the Maharaj Orphanage, Green Roof Project, Prostheses Foundation, and community cultural events, while rising to meet emerging challenges in our communities brought on by Covid-19 and natural disasters through financial, in-kind, and volunteer contributions.
- Employee Engagement. We know our employees have choices for where they work, and we are diligent about offering market competitive compensation and benefits, expanding programming in response to feedback, and building a differentiated team culture where employees will want to stay and grow with us long term. Our Happy Workplace Program provides a framework to holistically address our employees' physical, mental, professional, social, financial, and other needs, as well as opportunities to create important bonds that foster friendship and productive working relationships.

“Our commitment to ESG responsibility and accountability is inherent to how we create value for our stakeholders.”



- **Supply Chain Management.** We strive to hold our suppliers to the same ESG standards we hold for ourselves. As a member of the Responsible Business Alliance, we have supplier standards that cover responsible sourcing, workers' rights, environmental protection, and ethical conduct, among other issues.
- **International Standards.** Our customers expect us to operate according to the highest ESG standards when developing and manufacturing their products. We demonstrate our commitment to them by maintaining robust management systems that are certified according to international standards, such as ISO 9001 and ISO 13485 for quality, ISO 14001 for environmental management, ISO 45001 for occupational health and safety, and TLS-8001 for labor rights.
- **Environmental Conservation.** We rely on the eyes and ears of all our employees to meet our annual and long-term environmental goals around energy, emissions, water, and waste. Throughout the year, sustainability workshops, trainings, and competitions are offered to employees to raise awareness, foster engagement, and encourage active participation in our efforts to identify opportunities for continuous improvement of the environmental sustainability of our operations.

We are pleased to share Fabrinet's inaugural ESG report, which describes how we incorporate ESG considerations into our operations to align our interests with those of our stakeholders. Throughout this report, you will see indicators of Fabrinet's ESG initiatives and activities that contribute to meeting key components of the United Nations Sustainable Development Goals. We are intent on advancing these principles and reporting on our progress in doing so, as our dedication to ESG responsibility and accountability is inherent in how we create value for our stakeholders.

Sincerely,



Seamus Grady, CEO



About This Report

Unless otherwise noted, all data is reported as of Fabrinet's fiscal year ended June 24, 2022. The reporting focuses on Fabrinet's Thailand operations, which manufactures products that account for over 90% of Fabrinet's worldwide revenues and employs over 80% of its global workforce.

02

Fabrinet at a Glance



2000

Founded in 2000

\$2.26B

Revenue

12,408

Employees in Thailand

14,235

Employees globally

1,000+

Engineers in Thailand

7

Engineering and manufacturing facilities located in Thailand, China, United States, United Kingdom, and Israel

~2.5MM ft²

Facilities in Thailand

~3MM ft²

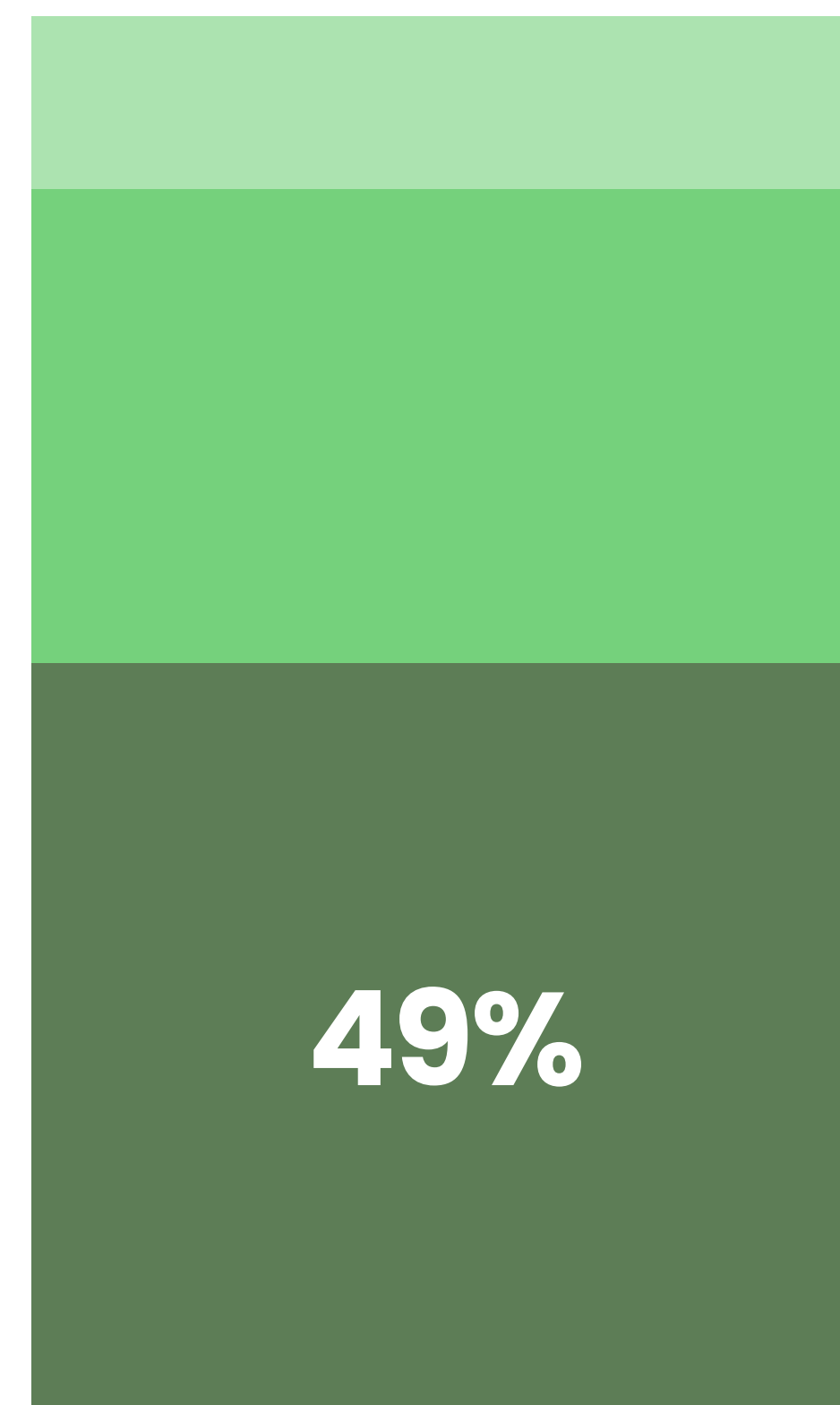
Facilities globally

Global Facilities by % ft²



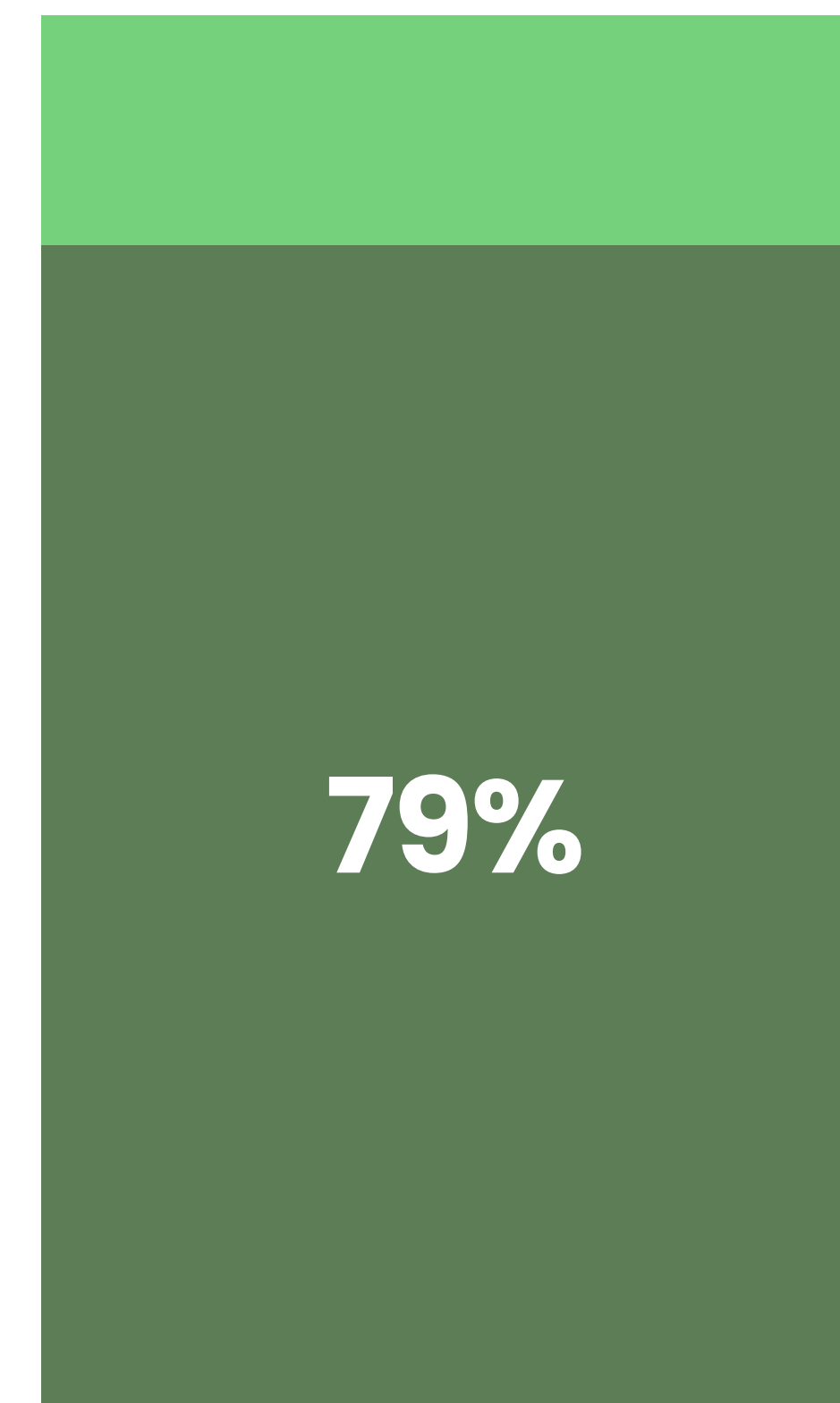
- Thailand **88.1%**
- China **8.3%**
- USA (NJ & CA) **1.9%**
- UK **0.8%**
- Israel **0.7%**
- Cayman Island **0.1%**

FY2022 Revenue by Region



- North America **49%**
- Asia-Pacific **37%**
- Europe **14%**

FY2022 Revenue by Segment



- Optical Communications **79%**
- Lasers, Sensor and Others **21%**

03

Our Business

Technology and Innovation

Awards

Our Vision and Values



Fabrinet was founded in 2000 by Tom Mitchell, one of the co-founders of Seagate Technology. Mr. Mitchell was both Chairman and CEO of Fabrinet until September 2017, when the company's current CEO, Seamus Grady, joined the board and succeeded to the CEO position. Since September 2017, Mr. Mitchell has continued to serve Fabrinet as non-executive Chairman of the Board.

Over the last twenty plus years, we have become a leading provider of advanced optical packaging and precision optical, electro-mechanical, and electronic manufacturing services to original equipment manufacturers (OEMs) that operate in complex industries. Our customers support a growing number of end-markets, including

automotive, biotechnology, communications, materials processing, medical devices, metrology, and semiconductor processing.

We offer a broad range of advanced optical and electro-mechanical capabilities across the entire manufacturing process, including process design and engineering, and supply chain management.

For each market, Fabrinet has developed industry-leading capabilities across the product lifecycle in new product introduction, process design and engineering, product industrialization, continuous process improvement, supply chain management, advanced packaging manufacturing, integration, final assembly, and testing.

The four primary markets we serve include:

- 1** Optical Communications and Precision Assemblies
- 2** Automotive Electronics, LiDAR, and Optical Sensors
- 3** Commercial and Industrial Lasers
- 4** Medical Devices and Life Science



Technology and Innovation

Fabrinet offers the broadest array of process technologies to the optics industry. We have vertically integrated capabilities designing customized optics and glass to be incorporated into optical components, modules, and complete network or laser systems.

We continue to invest in our capabilities and technologies, including:

- Customized optics and glass technology, including in the areas of crystal growth, crystal and glass processing, optical coating, polishing and lapping, optical assemblies, and precision glass drawing
- Process engineering capabilities and manufacturing technologies to extend our product portfolio
- New and optimized processes to accommodate the next generation of optical devices, such as optical packaging, anti-reflective coating, and complex printed circuit board technologies

We believe our manufacturing processes and technologies will be key to developing and commercializing the next generation of optical communication devices, which may include multi-function passive optics and photonic integrated circuits (i.e. devices that incorporate various optical and associated electronic components into a packaged chip), receivers integrated with an optical amplifier, and active optical cabling.

Awards

Fabrinet has received numerous awards over the years from government agencies, customers, suppliers, and other business partners. Some of these awards include:

Cisco 2021 EMS Partner of the Year

for Fabrinet's leadership in electronics manufacturing services

CSR-DIW Continuous Award 2022

from the Thai Department of Industrial Works (DIW)

T-OSH Platinum Certification

from the Thailand Institute of Occupational Safety and Health for Fabrinet's health and safety management system

Our Vision

To be recognized as a world leader in providing complex manufacturing and engineering services

Our Values

- Total Customer Satisfaction
- Sustainable Manufacturing
- Positive Work Environment
- Integrity

04

ESG Approach

ESG Priorities

Alignment to the UN SDGs



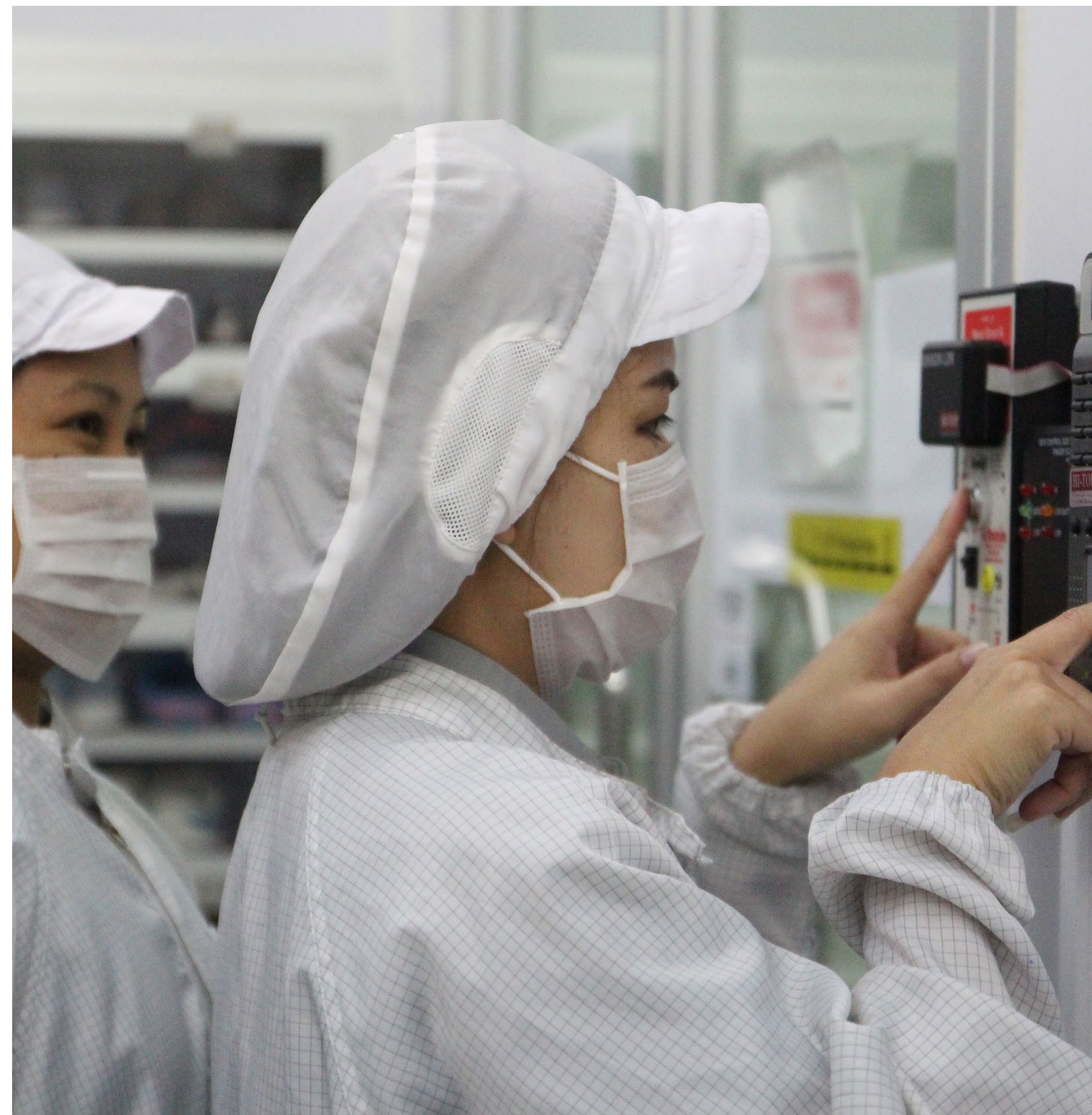
The cornerstone of our long-term approach to successful business performance is operating responsibly and sustainably. At Fabrinet, this means looking after the needs of our employees, supply chain workers, customers, local communities, investors, and the planet.

ESG Priorities

With Board and management support, in 2021, we formed an internal environmental, social and governance (ESG) working group and engaged external advisors to further formalize and evolve our ESG strategy. We determined Fabrinet's material ESG priorities, informed by investor and customer priorities, internal stakeholders' feedback, ESG rating agency factors, and frameworks such as the Value Reporting Foundation's Sustainability Accounting Standards Board (SASB) standards, United Nations Sustainable Development Goals (UN SDGs), and ISO 26000. Our ESG priorities consist of:

- Human Capital Management
- Occupational Health and Safety
- Environmental and Social Supply Chain Management
- Quality Management
- Data Privacy and Security
- Ethics and Compliance
- ESG Governance
- Community Engagement

We are committed to continually improving our ESG practices and policies, maintaining transparency, and being accountable to our stakeholders by annually reporting on our progress.



In 2022, Fabrinet received the CSR-DIW Continuous Award for the 12th consecutive year.

The award is part of the Department of Industry's program to improve the environmental, social, and community development standards of the manufacturing industry. To receive the award, companies must meet CSR-DIW standards related to corporate governance, human rights, labor practices, environmental stewardship, fair operating practices, customer care, and community engagement/development, as well as contributions to the UN Sustainable Development Goals (SDGs).

Alignment to the UN SDGs

We mapped our ESG efforts to the 17 UN SDGs, identifying those we believe we can most contribute to achieving. Throughout the report are examples of how our actions align with the six following UN SDGs:



05

Community Engagement

Covid-19 Initiatives

Support for Flood Victims

Other Community Support

Children's Initiatives

Prostheses Foundation

Green Roof Project



Engrained in the culture and fabric of our company is getting to know our neighbors, helping to improve community members' health, well-being, and quality of life, and preserving and replenishing the surrounding environment. Our efforts energize our team members, create important bonds between us and our communities, and connect our day-to-day activities with our larger purpose.



Fabrinet provides financial, in-kind, and volunteer support to our local communities. The type of support provided is determined after direct engagement with community members to understand their needs, solicit any concerns related to our activities, and make other positive contributions. We also collaborate with local organizations and businesses where partnership can amplify our impact.

In addition to coordinating our community engagement activities, Fabrinet's Senior Corporate Social Responsibility (CSR) Officer has undergone training and obtained senior-level certification through the Specialized Personnel Program in Corporate Social Responsibility Management of Thailand's Department Industrial of Works. The training covers the CSR-DIW framework, international standards for corporate social responsibility, and the knowledge needed to receive government authorization for managing formal community grievances.

Covid-19 Initiatives



Motorcycle Taxi Driver Support

Fabrinet provided a wide range of Covid-19 resources and assistance for motorcycle taxi drivers in the Soi Khun Pra community adjacent to our facility in Pathum Thani province, including antigen testing, vaccinations, gloves, hand sanitizer, and over 6,500 face masks. Financial support was given to several drivers who were not able to work after contracting Covid-19.

Meals for Quarantined Community Members

Fabrinet contributed half of the budget for a community volunteer project, Khun Pra Kitchen Project, that provided meals to community members who were quarantined in their homes due to Covid-19. Over 20,000 meals were served during the course of the project from July – September 2021.



Medical Supply Donations

Donations of personal protective equipment and supplies, such as sanitizing fogging machines and sanitizers, were provided to municipal and provincial government offices, public health institutions, hospitals, and community groups.

Covid-19 Community Awareness

Soi Khun Pra Community leaders were provided with 50 vinyl posters to disseminate practical information about how to stay safe during the pandemic.

Support for Flood Victims

The Fabrinet Volunteer Club partnered with a local company and the administrative department of Pathum Thani province to provide over 200 survival bags containing food, water, and medicine for flood victims.



Other Community Support

CCTVs For Safety

Four CCTVs were donated to the Soi Khun Pra community to monitor safety along the main road in Khun Pra.

Songkran Cultural Events

An annual festival is held to celebrate Songkran, Thailand's New Year's holiday. Pre-Covid-19, Fabrinet sponsored several events connected to this celebratory period, and plans to do so again when permitted.

Health Check For Elders

We continued annual support for health examinations for elders from Khun Pra and other nearby communities, with 112 elders participating in 2022. The checkup includes a physical examination (e.g. blood pressure, vision, etc.), blood tests (e.g. cholesterol, diabetes, etc.), urinalysis, and chest x-rays.



Children's Initiatives

Maharaj Orphanage

Fabrinet provides annual financial, administrative, and volunteer support to Maharaj orphanage for boys, sponsoring:

- Tutors for 70-90 boys, three days per week, three hours per day, to teach math, reading, and writing in Thai and English
- Computer class
- Traditional music class
- Cooking class
- Vegetable gardening class
- Soccer training by a professional soccer coach through the Thai Department of Children and Youth Football Academy
- Sunday activity led by Fabrinet employees (e.g. English class, art projects, story time, etc.)
- Covid-19 information

National Children's Day 2022

Fabrinet sponsors local community activities for the annual National Children's Day.



Prostheses Foundation

Since 2017, Fabrinet has partnered with the Bangkok Can Manufacturing Company to provide aluminum can rings to the Prostheses Foundation, which turns the recycled rings into prosthetics. Fabrinet donated 81 kilograms of aluminum material in FY2022, and over 295 kilograms over the last six years.

Green Roof Project

The Green Roof Project recycles used beverage cartons to produce corrugated roofing sheets used to rebuild houses in communities impacted by floods or other natural disasters.

Fabrinet has provided monthly used beverage cartons to the project since it launched in 2010. In FY2022, we delivered 338,800 cartons weighing 1,964 kilograms, and over the past 12 years, we have donated over 3.5 million cartons weighing over 20,000 kilograms, which can produce over 1,750 roofing sheets.

Used Paper Donations for Braille Materials

Since 2010, Fabrinet has provided monthly donations of used A4 paper that is re-used to create Braille study materials for a local school for the blind. Fabrinet delivered 879 kilograms of paper in FY2022, and more than 12,000 kilograms in the last 12 years.



06

Social

Human Capital Management

Diversity and Equity

Supply Chain Management

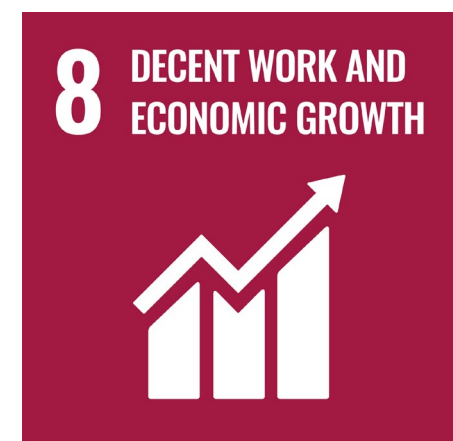
Quality Management

Occupational Health And Safety



Human Capital Management

Fabrinet values the overall well-being of our employees. We offer a wide range of programs that provide training, professional development, and employee recognition, in addition to programs that reward employee performance.



Fabrinet Thailand's workforce consisted of 12,408 full-time employees as of the end of fiscal year 2022, representing 87% of our global workforce, of which 97% are in manufacturing operations and 3% in business support functions.

Fabrinet has been certified in accordance with TLS-8001, which is a voluntary Thai standard for labor management systems and labor rights and protections that incorporates International Labor Organization conventions and Thai labor laws. The standard covers:

- Employee welfare
- Health and safety
- Compensation and working hours
- Forced and child labor
- Gender equity
- Discrimination
- Disciplinary procedures
- Freedom of association, collective bargaining

We track and report internally on key talent metrics including talent pipeline, employee promotions, employee turnover, and engagement of our employees to measure our performance.

Training

Fabrinet Academy is our in-house education and training program for managerial, professional, and technical skills development. Technical training sessions are led by experienced employees for newer members of our team.

Our training matrix outlines required and optional trainings from over 100 topics that are offered, based on role, department, and job level. In addition to specialized technical training, topics covered include:

- Code of Conduct
- CSR Awareness
- Internal Customer Satisfaction
- Communication Skills
- Supervisory and Leadership Skills
- Performance Management
- Project Management
- Microsoft Office
- Basic and Intermediate English
- Finance for Non-Finance
- Health and Safety
- Quality Management Certification Requirements
- Product Environmental Quality Management
- Internal Audit, Corrective and Preventive Action
- Train the Trainer
- Lean, Kaizen, and Six Sigma
- Statistical Analysis
- Preventative Maintenance

Advanced education scholarships are awarded to employees for any vocational education or college education in business administration, finance, science, and engineering at the bachelor's or master's degree level. To be eligible, employees classified as direct labor must have a performance review rating of at least 3 (on a scale of 1-5) for three consecutive years, and employees classified as indirect labor must have a rating of at least 4 for two consecutive years.

Performance Management

All employees receive annual performance appraisals consisting of two main parts: 1) performance scoring and 2) performance discussion.

Each year, managers and employees set goals and agree on a performance development plan. While our formal review process occurs annually, ongoing check-ins between managers and their employees are expected to occur throughout the year.

The scoring portion of our annual reviews uses a consistent set of criteria based on employee type – exempt, non-exempt, and management. For all non-management employees, the criteria include:

- Accomplishing Assignments
- Quality of Work
- Job Knowledge and Skills
- Problem Solving and Decision-Making
- Accountability
- Customer Focus
- Self-development
- Teamwork / Company Contributions
- Initiative and Creativity
- Communication Effectiveness

Managers provide a numeric score and written explanation of their evaluation for each criterion, as well as document their assessment of employee accomplishments and results for major assignments from the previous year. Employees are also provided an opportunity for self-assessment. Merit increases are suggested by managers based on overall performance score.



Fabrinet Children's Scholarships

Since 2009, Fabrinet has awarded scholarships for school age children of our employees. In 2022, we awarded scholarships for 389 children across grade levels, including:

21

in Kindergarten

205

in Primary School

94

in Junior High School

69

in Senior High School

Compensation and Benefits

Fabrinet offers market competitive compensation and benefits. In addition to base pay, all employees are eligible for profit sharing. Direct labor is eligible for quarterly profit sharing of 2% of their quarterly salary, and a monthly attendance bonus of up to 5.5% of monthly pay. Indirect labor is eligible for a quarterly payment that is part bonus based on individual performance, and part profit sharing based on company performance.

We offer a comprehensive benefits package to further attract and retain our valued employees. All employees are eligible for:

- Life insurance
- Disability insurance
- Workers compensation
- Medical insurance
- Travel allowance
- Free shuttle bus to work
- Funeral assistance for family members

In addition, we offer vacation, holiday, sick leave, and other types of leave to accommodate a variety of employee needs. (See more in the Diversity, Equity, and Inclusion section of this report.)

After the probationary period, all employees are eligible to become members of our provident fund, which serves as a form of retirement savings. Members choose to allocate 5%-15% of their wages to the fund and Fabrinet contributes 5%-13% of wages, depending on tenure. The vesting schedule for Fabrinet's contribution begins after two years of service, and members become fully vested after five years. When leaving the company, employees receive the money contributed by them, Fabrinet's vested amount, and investment returns in accordance with fund rules.

Fabrinet Care is a program for employees who need urgent financial assistance. In 2022, 31 employees received financial support for challenges such as flooded homes, cancer, and other severe, acute, and chronic illnesses.



Employee Engagement

At Fabrinet, an engaged workforce has been critical to our success. That is why we continue to prioritize consistent, open, honest, and responsive communication, providing opportunities for employees to connect, and recognizing employee contributions. Our employee engagement programs are a key component of our retention strategy and differentiate Fabrinet from other local employers.

Happy Workplace Program

The Health Promotion Foundation, an independent government agency, developed the Happy Workplace Program (HWP), modeled after the World Health Organization's Healthy Workplaces framework and the International Labor Organization's Decent Work Agenda. The HWP promotes the health and well-being of employees, emphasizing the connection between employees' physical, mental, and emotional happiness, workplace efficiency, and employee retention. The program is based on the Happy 8 Workplace principles:



Happy Body

Promoting physical and mental health to help employees more effectively deal with challenges



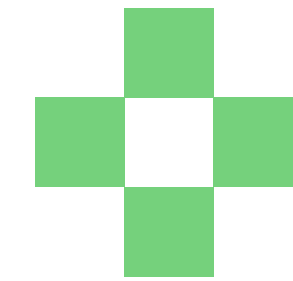
Happy Heart

Promoting kindness and generosity toward each other to improve employee morale



Happy Relax

Promoting physical and mental relaxation to improve work relationships and productivity



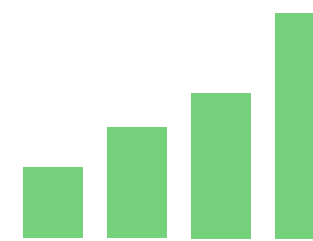
Happy Brain

Encouraging employees to continuously develop their knowledge and abilities to drive organizational success



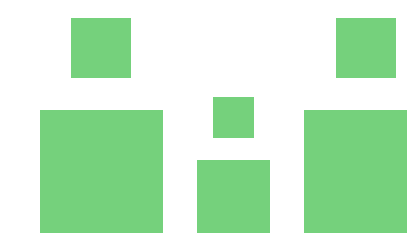
Happy Soul

Encouraging employees to live virtuously for mental happiness and peace



Happy Money

Encouraging savings and effective management of resources to provide employees with financial stability



Happy Family

Promoting a loving and stable family institution to foster bonds with friends, colleagues, and society



Happy Society

Supporting communities where we live and work to improve well-being within society and the community

Fabrinet's Happy Workplace program consists of proactive activities to support employee health and well-being, and provide opportunities to create connections across departments and levels. This includes social clubs based on shared interests (e.g. music, sports), activities that promote stress reduction and relaxation, and other events and programming.

Our large, state-of-the-art on-campus fitness center serves as a hub for many Happy Workplace activities. The center features indoor and outdoor workout facilities and equipment, including weights, cardio machines, team sports equipment (e.g. badminton, football (soccer), table tennis, volleyball, basketball), classes (e.g. aerobics, dance, Muay Thai), and an outdoor track where employee track and field contests are held.

Quarterly All Hands Meeting

Senior leaders host quarterly town hall meetings where they thank employees in Thailand for their hard work and share corporate updates and other important information. Three meetings are held each quarter to accommodate both sites and different shifts.

A large portion of the meeting is devoted to our General Manager Suggestions program. As part of the program, employees can

submit concerns, grievances, questions, and recommendations on any work-related topic, either through Human Resources or anonymously through a suggestion box. Management team members review all submissions during the quarter, and prepare related responses and proposed actions. To encourage participation in the program, awards are given for suggestions that lead to improvements, such as cost reductions, efficiency gains, and improved employee health and safety, among other beneficial suggestions.

Dharma Practices

With the second highest Buddhist population in the world, Thailand's culture is infused with Buddhist rituals and practices.

Fabrinet hosted an on-site Dharma practice, led by a Buddhist monk, who emphasized the importance of maintaining mental health and performing good deeds. All employees, regardless of faith, were welcome to participate.

We also co-hosted the Kathina ceremony, held within 30 days of the Buddhist Lent period, at Samakkeerat temple. Fabrinet, along with our employees, provided donations to support temple renovations.

ESG/CSR Engagement and Awareness

- A CSR Corner serves as a space for clubs and committees to meet and conduct CSR-related activities.
- A CSR page housed on our intranet circulates information about Fabrinet's social, environmental, and economic news, initiatives, activities, and calendar of events.
- The CSR Thai Club, whose membership consists of employees from approximately twenty companies, provides a forum for employees to broaden their knowledge and engage with other professionals interested in environmental and social issues. Monthly virtual meetings are held to discuss emerging CSR issues, challenges, and best practices. Members also collaborate on CSR-related events and activities.

Service Awards Program

We recognize the dedication of employees for each five-year increment of service. Employees are awarded a personally selected gift and Certificate of Appreciation in a quarterly scheduled presentation. These awards are one way of acknowledging the loyalty and commitment of long-term employees.

Employee Committees

Two employee committees serve as channels for formal dialogue with senior managers to improve employee engagement and satisfaction and fair, equitable, and compliant practices:

- The Welfare Quality Communications Group (WQCG) consists of 32 elected members who serve two-year terms. In quarterly meetings with management, representatives provide recommendations to improve employee welfare, ensure employee agreements are being fulfilled, and make comments or propose additional guidelines on current arrangements.
- The Thai Labor Standards Committee consists of six elected members who serve two-year terms. The purpose of the committee is to engage and solicit feedback from employees about our commitment to and compliance with Thai labor standards.

Fabrinet facilitates employee elections every two years, with an 85% voting participation rate in 2022. After each two-year term, our Global Head of Human Resources meets with all committee members to provide a certificate of merit and a gift to thank them for their service.



Diversity, Equity, and Inclusion

Our global operations and customer base require team members who can operate across cultures and other differences. We are committed to fostering a diverse and inclusive workplace where employees feel welcomed and valued regardless of age, gender, gender identity, sexual orientation, national origin, religion, disability, family status, and other attributes. Our open and accepting culture at Fabrinet lays the foundation for inclusivity, enabling employees to be their true selves. Our Happy Workplace program, community engagement and volunteering initiatives, and other employee engagement programs and events play an essential role in reinforcing and cultivating our culture.

We convey to employees, through our words and actions, that fairness is a primary value of Fabrinet. In addition to an inclusive culture, we believe maintaining fair and equitable treatment and practices across the employee lifecycle is an important component of creating an engaged, satisfied, and productive workforce.

We advertise job openings and source candidates broadly to attract a diverse candidate pool, and make hiring and promotion decisions based on individual competencies. Hiring, termination, and pay practices are monitored for compliance with local regulations and alignment with international norms, with tracking and internal reporting on key talent metrics related to talent pipeline, employee promotions, employee turnover, and employee engagement.

There is zero tolerance for any form of discrimination or harassment at Fabrinet. Our work policies provide a detailed grievance procedure for employees who have faced harassment or discrimination, or who are unhappy with any employment action, including if they feel they have been treated unfairly. Grievances are thoroughly investigated, and appropriate remedial action is taken when needed.

Women comprise more than 75% of our workforce and have an important voice in shaping our policies, programs, and practices to accommodate their needs, as well as the needs of parents and families. Examples of programs and activities include:

- Fabrinet's Mom Corner (lactation room)
- Maternal and paternal leave for the birth of a child
- Positive parenting workshops

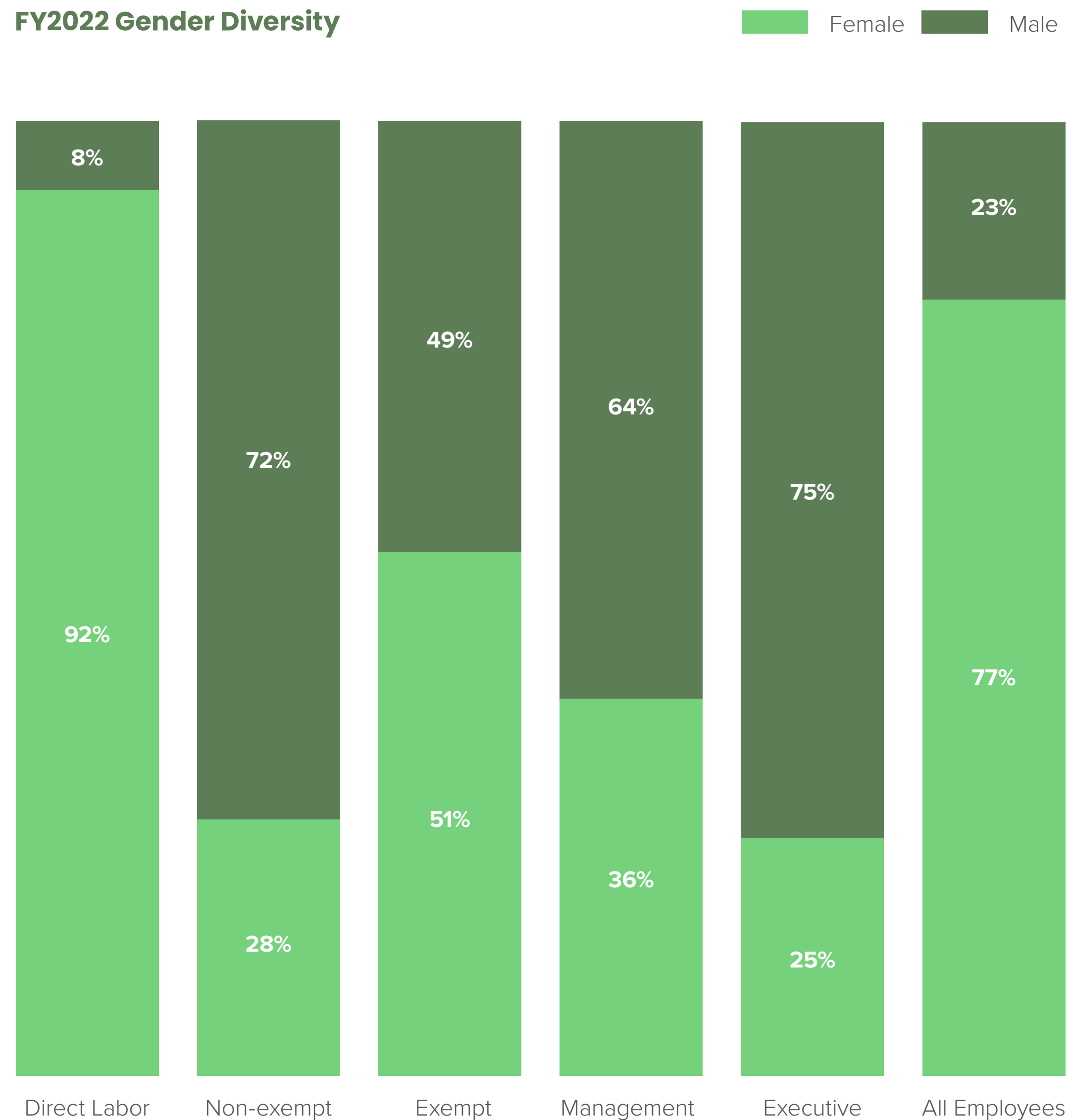
As part of our annual compensation benchmarking practices, gender pay analysis is conducted by employee type/level.

Safe Place for All

Fabrinet strives to foster an environment free from bias where everyone can be their true selves. We have found, anecdotally, that our employees who are members of the LGBTI+ community feel comfortable being open about their sexual orientation, gender identity or gender expression, including transgender status, without fear of judgment or adverse consequences from managers or co-workers. While we do not track the gender identity or sexual orientation of our employees, we are known as a welcoming and safe workplace for all.

<i>Female-to-Male Pay Equity Ratio</i>	FY2020	FY2021	FY2022
Operations	1.01	1.02	1.04
Supervisors and Technicians	1.10	1.10	1.10
Managers	0.92	0.95	0.96

FY2022 Gender Diversity



Fabrinet's policies and practices are designed to accommodate the various and differing needs of our team members. Our leave policies are one way we demonstrate our commitment to diversity, equity, and inclusion, work-life balance, and the health and well-being of our employees and their families.

- Vacation: 7-16 days based on employee type and tenure
- Holidays: 14 days
- Sick leave: 30 days
- Marriage: up to 7 days
- Maternity: up to 98 days, with 45 days paid
- Paternity: one work day paid, up to two times
- Military Service: up to 60 days
- Compassionate leave and business leave (for sickness or funeral of a family member, participation in a graduation, or for taking an entrance examination for college or other institution): up to 5 days
- Religious leave (to become a monk or nun, or for Hajj for Muslims): up to 30 days, with 15 days paid

Supply Chain Management

Our ESG practices focus on creating better social, economic, and environmental outcomes for all stakeholders at home and in the global electronics supply chain. In addition to strengthening our supply chain in areas related to cost, quality, and reliability, our supply chain programs focus on improving conditions for workers, increasing efficiency and productivity for customers and suppliers, and protecting the planet.

Supply Chain Overview

Our supply chain leadership team has more than 150 years of accumulated, multi-industry experience. They oversee a team of over 40 professionals supporting procurement and material sourcing.

We rely on several thousand suppliers, with whom we have developed strong relationships over the years, that are headquartered in North America, Europe, and Asia. We provide our customers with procurement and materials management services that include planning, purchasing, expediting, warehousing, and financing materials from suppliers. Given our customers have full control over the design and bill of materials for their products, they typically select the suppliers for the products that we manufacture for them. Whenever possible, however, we work with our customers to identify and get approved alternative, local, high-quality suppliers for mechanical components, PCBs, passive optics, commodity electronics, and indirect materials.

ESG Standards and Supplier Qualification

Fabrinet is a member of the Responsible Business Alliance (RBA), an association of global electronics companies whose mission is to improve the social and environmental conditions in the global supply chain. As a guide to achieve our goals, we look at principles, policies, and standards as prescribed by the RBA for maintaining and improving responsible supply chain operations.

RBA members must commit to complying with the RBA Code of Conduct and its standards related to labor, health and safety, environment, ethics, and management systems. We expect our suppliers and service providers to uphold this same commitment as a condition of doing business with or on behalf of Fabrinet. As part of the qualification

process, our suppliers must sign our Supplier Code of Conduct, which also requires conformance to Fabrinet's Code of Conduct, the RBA Code of Conduct, and Fabrinet's Conflict Mineral Sourcing Policy.

To continuously improve our due diligence and qualification process, we:

- Communicate our expectations and information requirements to our direct suppliers
- Monitor changes in circumstances that may impact the facts or our determination
- Regularly check with our direct suppliers and undertake additional fact and risk assessments where potentially relevant changes are identified
- Review new products for conflict minerals conformance during initial qualification
- Work with suppliers to improve their performance when our due diligence uncovers any gaps with our standards and requirements

More information on Fabrinet's management of risks related to conflict minerals can be found on our [website](#).

RBA's Validated Assessment Program (VAP) was developed to reduce the burden on companies from receiving multiple customer requests for environmental and social audits, and it has become the leading standard for on-site compliance verification and effective, shareable results. Audits conducted by RBA-approved third-party auditors include site visits, document review, and interviews with management and employees to assess a company's conformance with RBA's industry-wide ESG standards outlined in its Code of Conduct.

We periodically undergo full VAP audits of our facilities as part of our membership commitments. In 2022, we completed the Validate Audit Process without any priority findings through RBA's Remote Validated Assessment Program. This modified program was launched in 2021 to respond to continuing impacts from Covid-19. Fabrinet received Remote VAP Recognition and scores of 193.1 and 189.6 out of 200 for our Pinehurst and Chonburi locations, respectively.

Supplier Audits

Our supplier quality engineers are responsible for monitoring and managing a diverse field of worldwide suppliers, traveling onsite for quarterly audits of a select subset of our suppliers for conformance with purchasing requirements and to manage any component quality issues.

With the onset of Covid-19, we have been unable to continue this practice. As an interim solution, we have engaged a third party to assist with supplier audits. We expect our normal auditing process to resume soon as more countries relax their Covid-19 restrictions.

Quality Management

Fabrinet combines an unwavering focus on quality with highly experienced technologists and world class manufacturing infrastructure. Stringent quality practices and manufacturing process disciplines are embedded into every aspect of our operations, leveraging our extensive quality management system focused on continual process improvement. We employ Six Sigma, Kaizen, enhanced statistical engineering techniques, and other tools to improve product and service quality.

Because of the stringent standards and precision manufacturing required, many of the products we manufacture entail a lengthy qualification process, which, combined with field testing, can take three to six months or more. Our production processes must be qualified with our customers, and the products that we manufacture must also meet the product quality requirements of our customers' customers. Our quality management systems help to ensure we meet or exceed their requirements and industry standards. We maintain the following certifications covering all manufacturing operations and sites in Thailand:

- ISO 9001 – Quality Management Systems
- ISO 13485 – Quality Management Systems (Medical Devices)
- AS 9100 – Quality Management Systems (Aerospace Industry)
- TL 9000 – Quality Management Systems (Telecommunications Industry)
- IATF 16949 – Quality Management Systems (Automotive Industry)

- NADCAP – Quality Assurance (Special Processes, Aerospace and Defense Industries)
- ANSI/ESD S20.20-021 – Electrostatic Discharge Control Programs
- C-TPAT – Supply Chain Security System

We comply with additional standards of regulatory agencies, and are subject to continual review and periodic inspection for compliance related to testing, quality control, and documentation procedures, among other areas. In the European Union, for example, we are required to maintain certain ISO certifications to sell our precision optical, electro-mechanical and electronic manufacturing services. We must also maintain compliance with U.S. Food and Drug Administration standards for the manufacture of medical devices.

Quality Control

The integration of our manufacturing and test controls, quality systems, and software platforms contribute significantly to our ability to deliver high-quality products on a consistent basis and reduce the risk that we will be required to repair or replace defective products. Our manufacturing execution system (MES) is directly integrated with our test system and enterprise resource planning database allowing us to respond to any process changes and deviations in real time. Our MES checks that products follow the correct process and that test results meet all specified criteria. We are able to provide complete product traceability of each product lot by manufacturing process step starting from incoming material inspection through product completion, which is accessible to customers via a web portal.

We provide a variety of test management services in addition to product-specific test strategies developed in collaboration with customers. Our ability to carry out internal PCBA (Printed Circuit Board Assembly) testing, mechanical testing, and optical testing, is enabled through our on-site labs, testing expertise, and technology, that includes:

- Advanced engineering
- Material and process analysis labs
- Failure analysis lab
- Reliability testing
- In-house calibration for timely control

Occupational Health and Safety

Fabrinet strives to provide our employees with a safe and healthy work environment. We have established risk control measures and plans to eliminate and reduce hazards and risks.

EHS Management and Organization

Our Environment, Occupational Health and Safety (EHS) management system (EHSMS) is certified to both ISO 45001 for occupational health and safety (OHS) management systems and ISO 14001 for environmental management systems, covering the health and safety of our employees, contractors, visitors, and the environment.

Our CEO approves our EHS policy, ensures EHS requirements are integrated into business processes and resource allocation, and oversees performance related to achieving intended EHS outcomes. Reporting to the General Manager of Quality and Reliability, our EHS Manager oversees a team of safety officers, environmental officers, and EHS technicians who implement our EHSMS, with support from functions such as facilities and quality assurance. The EHS team develops and enforces measures to ensure our workplace is safe and healthy and our environmental practices and performance comply with all laws

and regulations while minimizing EHS impacts. Regular internal and external audits ensure our EHSMS and associated practices conform to legislative requirements and ISO standards.

Our ISO 14001 & ISO 45001 committee (ISO committee) continually improves Fabrinet's EHSMS. In addition to members of the EHS team, serving on the committee are representatives from functions such as facilities, quality assurance, procurement, human resources, and business units. The ISO committee provides management members with annual EHS reports covering:

- Environmental and OHS progress, performance, and challenges during the year
- Any material changes to the management system, stakeholder needs, compliance obligations, and risks and opportunities
- Additional resource needs
- Any relevant communication or complaints from stakeholders
- Opportunities for improvement

Complementary to the work of the ISO committee is our OHS committee, established in line with Thai regulations, which provides a direct channel for employees to provide input to management on OHS standards, potential improvements, and other needs. Five members are appointed from the management team, and

six members are elected for two-year terms. The responsibilities of the committee are to:

- Review OHS policies and procedures to prevent incidents and illness
- Report and give recommendations to senior management on improvement measures and corrective action needed for compliance
- Conduct monthly audits on OHS hazards, risks, and incidents
- Determine whether additional training is needed



T-OSH Platinum-Level Management System Award

In FY2022, Fabrinet received the highest level of certification, platinum, for our health and safety management system from the Thailand Institute of Occupational Safety and Health.

Risk Identification and Mitigation

The EHS team works with the ISO committee to maintain processes for ongoing identification and assessment of hazards, risks, and opportunities associated with our on-site activities, services, and products across their lifecycle. We address hazards and risks using the hierarchy of controls, with the first course of action being eliminating risks and hazards where feasible.

In addition to implementing corrective actions and controls, objectives are established for the prevention of injury and illness and the reduction of environmental impacts based on these assessments. The adequacy of objectives and performance is evaluated during scheduled management review meetings. Management also determines, with input from the EHS team and ISO committee, whether there is a need for additional resources, including human resources, infrastructure, technology, and financial resources.

Training and Awareness

Employees' active participation is key to the effectiveness of our EHSMS – awareness and training provides an understanding of the importance of their contributions. Some of the topics covered by our awareness and training activities include:

- EHS policies, procedures, and objectives
- Risk identification and incident reporting
- Hazard and risk identification
- Tools for remaining healthy and safe while performing work duties
- Benefits of improved EHS performance
- Importance of compliance with the EHSMS
- Potential EHS impacts directly and indirectly associated with their work

In 2022, awareness activities and resources were expanded to improve engagement on safety issues, such as:

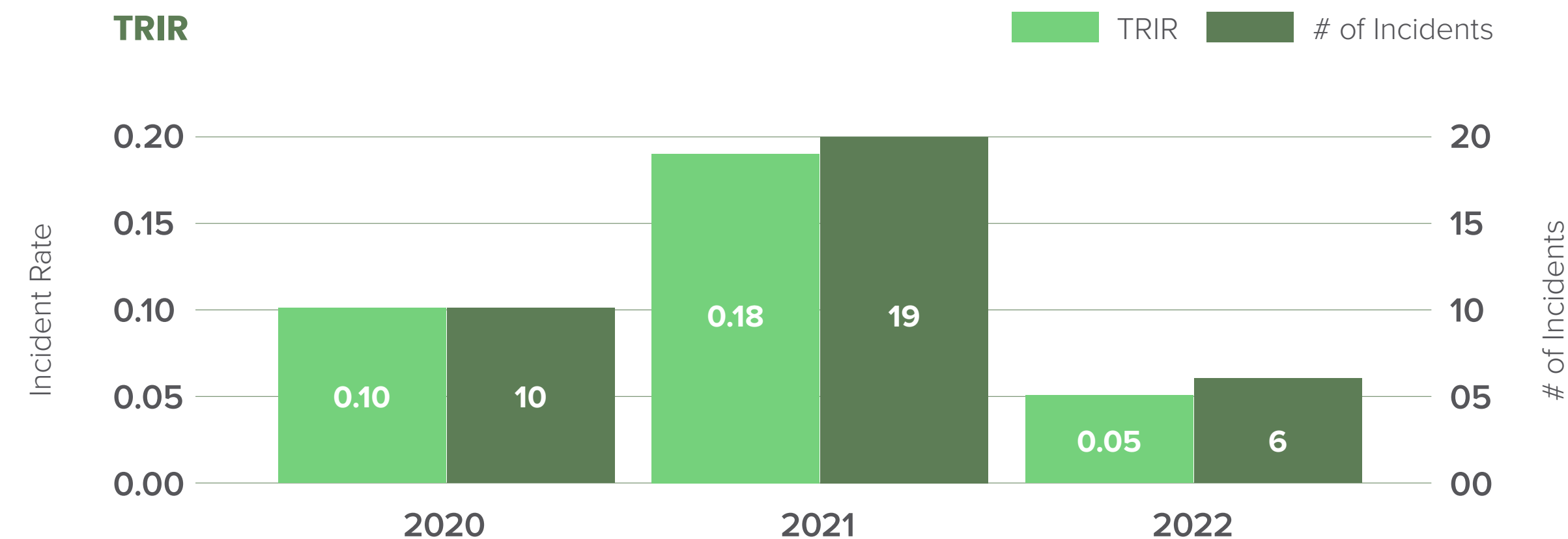
- Installing a prominently displayed safety bulletin board with safety reminders, tips, and notices of upcoming trainings
- Instituting more frequent safety quizzes
- Encouraging supervisors to start the day with a five-minute safety talk
- Establishing EHS and Quality hotlines and mobile applications that make it easy for employees to call or text each team to report concerns, hazards and risks; send

photos to accompany reports; and receive direct follow-up from an EHS or Quality team member

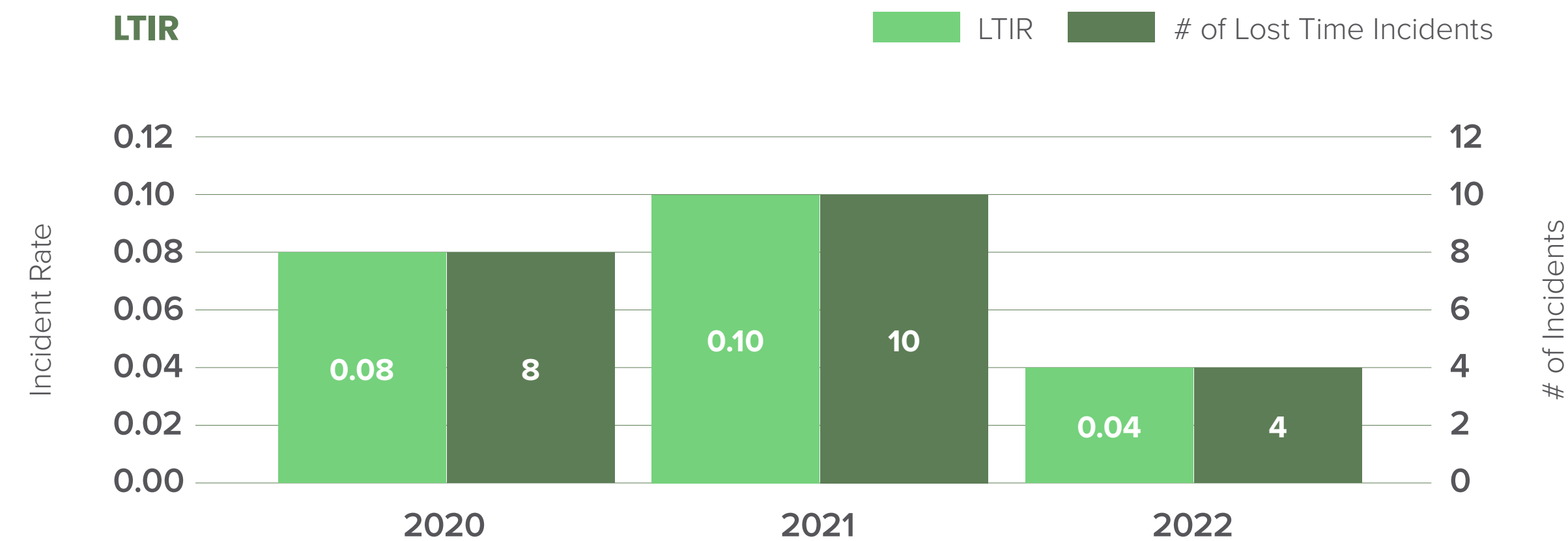
OHS Performance

When an incident occurs, we investigate, conduct root cause analysis, and take action to prevent recurrence. If an employee is injured or becomes ill while at work, we maintain an in-house clinic during working hours staffed by nurses. A physician is on duty at regularly scheduled days and times. For more serious injuries or illnesses, emergency response teams and members of the EHS and OHS teams have training to respond.

Fabrinet tracks a number of health and safety indicators to monitor and reduce OSHA incident rates, including total recordable incident rate (TRIR) and lost time incident rate (LTIR).



*TRIR is calculated using U.S. OSHA guidelines:
 Number of incidents x 200,000 / total number of employee hours worked



*LTIR is calculated using U.S. OSHA guidelines:
 Number of lost time incidents x 200,000 / total number of employee hours worked

Covid-19 Safety Practices

When Covid-19 first appeared in Thailand in early 2020, Fabrinet immediately instituted broad ranging measures to protect the health and welfare of our employees. Many of these protective measures have stayed in place during the entire pandemic. They include:

- Sanitization of buses transporting employees
- Requirement that facemasks be worn at all times, except while eating in socially distanced cafeteria
- Temperature and symptom checks at all entrances to buildings
- Limits on visitors to facilities
- Automation of doors and restroom faucets to decrease touchpoints
- Antigen testing of symptomatic personnel
- Contact tracing within factory, and antigen testing and quarantining of those identified as close contacts to infected individuals
- Fabrinet-funded medical hotline with physician
- Emergency vehicle transport for employees diagnosed with Covid-19
- Other employee support, emotional and otherwise, when needed

Fabrinet recently lifted the facemask mandate and relaxed some of the social distancing requirements; however, we are prepared to reinstitute these measures, as well as any other

precautions that may be warranted, in the event of additional outbreaks.

Early on after the announcement of the availability of vaccinations, we instituted a policy of encouraging all employees worldwide to become vaccinated. Due to the then-relatively low vaccination rate among the Thai population generally, these measures included providing vaccines, free of charge, to all our Thailand-based employees.

Specifically, in the Summer of 2021, when vaccinations were still difficult to obtain in Thailand, Fabrinet was able to purchase enough vaccines through an academic and research institute, the Princess Chulabhorn Royal Academy, to provide a full two-dose Covid-19 vaccination regimen free of charge to each of our employees and new hires for several months thereafter. In addition, in January 2022, we obtained enough Pfizer mRNA vaccine to give all employees a booster dose.

Thanks in large part to this vaccination program, Fabrinet now has an employee vaccination rate of over 99%, and the vast majority have also had their vaccination boosted with a third or, in some cases, fourth, shot.



07

Environment

Environmental Management System

Sustainable Manufacturing

Sustainability Training and Awareness

Waste

Energy and Emissions

Water



Environmental Management System

We are committed to the deployment of sustainable manufacturing practices and continuous improvement throughout our operations. We conduct our business and manage our operations globally in a manner that protects the environment and meets or exceeds all applicable environmental laws, legislation, and regulations. Our ongoing environmental management initiatives focus on reducing energy consumption, water consumption, waste generation, air pollutants, and carbon emissions from our operations.

Fabrinet maintains an EHS management system that is certified to both ISO 14001 for environmental management and ISO 45001 for occupational health and safety management. As part of our EHSMS, we established a procedure for analyzing the environmental impact of our activities and products, classifying the level of risk, and instituting appropriate controls and timely improvement plans, annually at a minimum. Accordingly, we implement specific improvement programs for energy conservation, emissions reduction, waste minimization, and improved air quality. Our EHS monitoring and audit programs and targets help to drive continuous improvement in Fabrinet's EHS performance. (See more about our EHSMS in the Occupational Health and Safety section of this report.)



Sustainable Manufacturing

Environmental management at Fabrinet is aided by our implementation of lean manufacturing initiatives that improve efficiency and reduce waste in the manufacturing process, as well as Kaizen and Six Sigma that focus our efforts on continuous improvement.

To bolster our approach, we applied our knowledge of these manufacturing optimization techniques to create a methodology, Green Stream Mapping, that helps us to more systematically identify projects and process improvements to reduce our environmental impact and costs.

Our Green Stream Mapping methodology is based on lean manufacturing's value stream mapping, which is a tool used to identify waste and process inefficiencies. We adapted the tool to focus on the environmental inputs and outputs within business processes and across the product lifecycle that have an environmental impact.

Some of the projects we have implemented since introducing the methodology include:

- Wastewater Recycling: Built a wastewater treatment and recycling system, reducing water consumption by using recycled water for flushing and gardening
- Temperature Automation: Installed automated temperature controls that increase comfort for employees while reducing energy consumption
- Lighting Efficiency: Exchanged inefficient lighting with LEDs and low loss ballasts, decreasing both energy consumption and lighting replacement costs
- HVAC System Improvements: Optimized mechanical building equipment (e.g. cooling tower, air handling units and chillers) and installed high efficiency condenser water pump motors
- Paper Use Reduction: Eliminated or reduced paper used within processes and procedures in quality assurance, engineering, and production departments by transitioning to electronic forms, using web-based procedures and documentation, and redesigning processes

Sustainability Training and Awareness

Key to the effectiveness of our environmental performance is creating a sustainability mindset by engaging and educating employees on environmental sustainability through:

- New hire awareness training on our EHS management system, emphasizing the importance Fabrinet places on conserving natural resources and protecting the environment
- Green Living workshops that provide practical ways to conserve and protect the environment in our everyday lives
- 3R (Reduce, Reuse, Recycle) training on how to apply our lean manufacturing methodologies to our processes using our 3R program procedures

We further engage our employees by holding sustainability events throughout the year, which in FY2022 included:

- Hands-on workshops teaching employees how to grow hydroponic vegetables
- World Environment Day celebration with educational activities on global warming
- Earth hour activities on practical ways to decrease our environmental footprint

We also held a Think Share Show CSR innovation competition, asking employees to suggest measures to improve our environmental performance, and awarding the most innovative idea a cash prize. Five employee ideas were selected that focused on reducing energy and waste.

The CSR Committee received training from external corporate responsibility experts, which covered:

- Sustainable business frameworks and trends
- ESG disclosure standards, principals, and processes
- Global ESG trends and challenges
- Industry-specific ESG risks and opportunities
- Alignment of ESG/CSR strategy with the UN SDGs
- Social Return on Investment (SROI) of ESG/CSR
- Stakeholder engagement



Waste

We separate and monitor each waste stream to allow us to better analyze options for eliminating, reducing, and recycling waste. Non-hazardous and hazardous waste have detailed guidelines and procedures for segregation, handling, storage, and disposal, which all employees learn during orientation. Our EHS team conducts audits of waste management and segregation once a month, and more frequently for chemical handling and storage areas. Hazardous waste disposal is managed by licensed third-party vendors that are compliant with national regulations and international standards.

Waste that we recycle includes plastic bags, paper, wood, and beverage containers, in addition to plastic, foam swap, sponges, gloves, and other items that are not contaminated with oil, lead, solvents, and other chemicals. When we are able to purchase components from our local supplier base, we cooperate with these suppliers to reuse packaging material in a cost effective and environmentally friendly manner without impacting product quality. For packaging from all other suppliers, we sell used packaging material domestically to third parties for processing and recycling. As an example, companies reuse our wooden pallets to build low cost furniture for the local population.

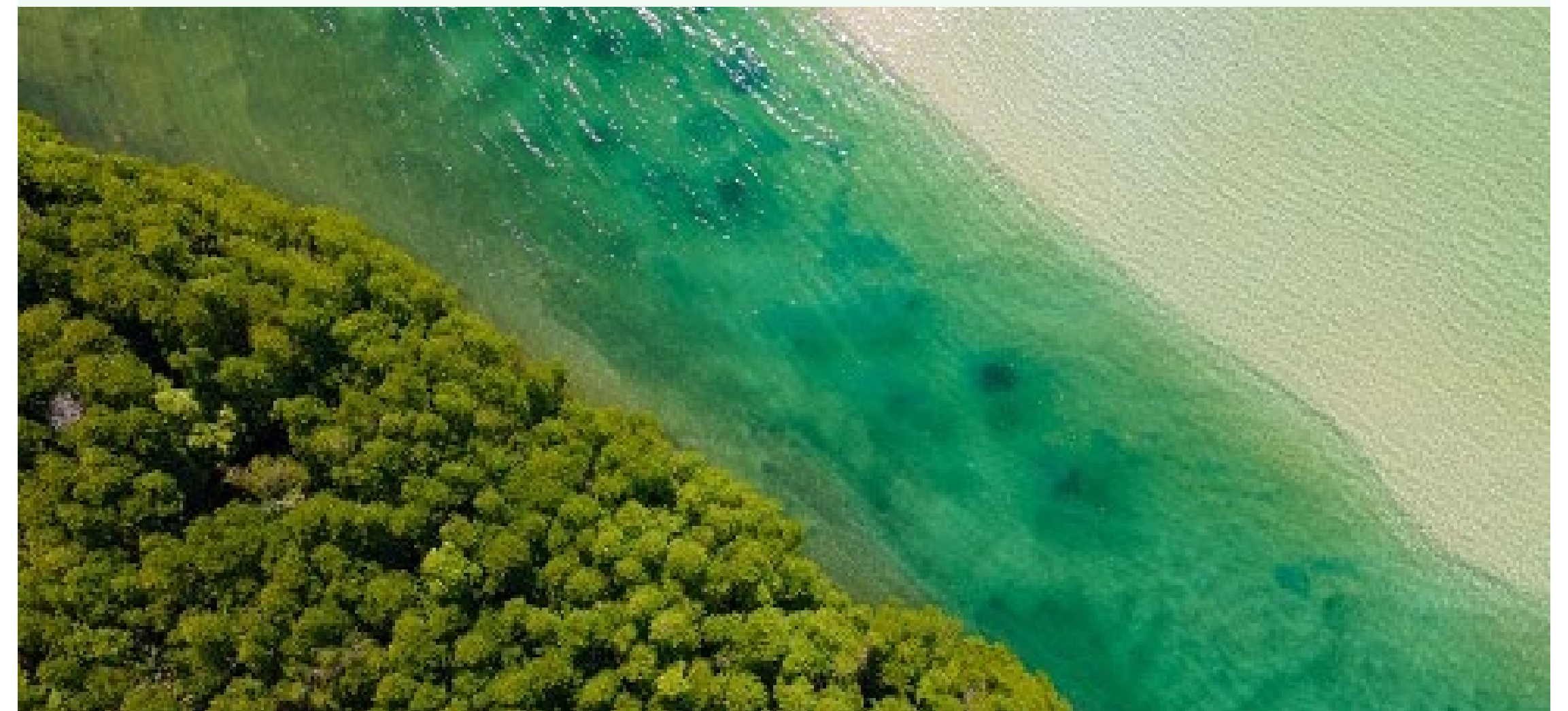
Our operations and products are compliant with European Union regulations, such as RoHS and REACH, prohibiting the use of certain chemicals unless authorized by the government or relevant agency. Our EHSMS includes a detailed REACH and RoHS compliance procedure outlining roles and responsibilities, maintenance of records of customer requirements and REACH status of materials, material sourcing and handling, lab testing, manufacturing, training, and other aspects of operations.

We met our ongoing intensity targets of remaining under 0.2 tons/\$M revenue of non-hazardous waste and less than 0.5 tons/\$M revenue of hazardous waste. The recycled waste intensity was 0.39 tons/\$M revenue, which was just shy of our 0.4 tons/\$M revenue target.

Waste Reduction Programs

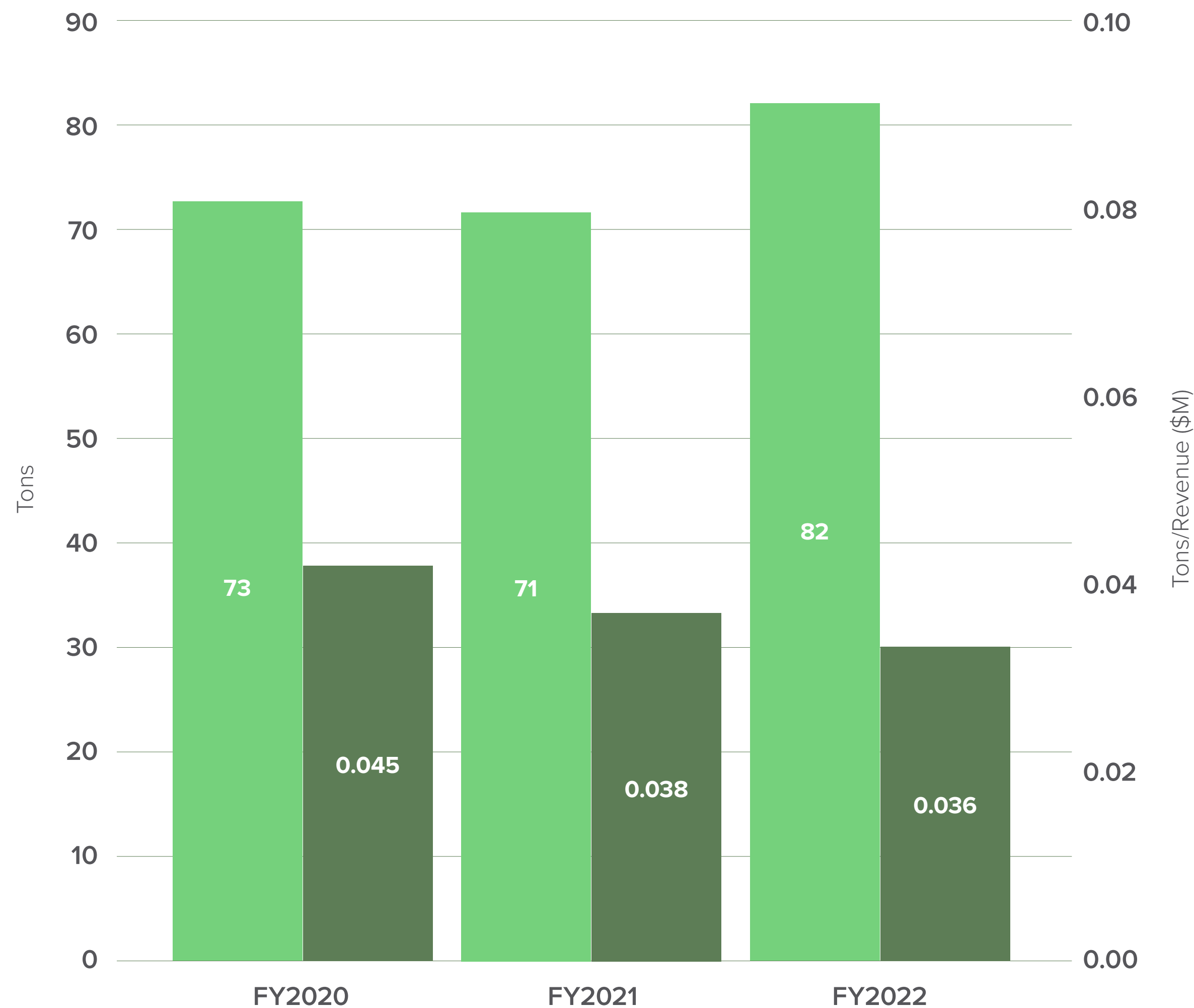
Our 3R program drives our company-wide efforts to reduce our waste footprint, with all employees expected to participate. The program covers all aspects of our operations, from our canteen to our manufacturing operations and our offices, focusing on minimizing waste sent to landfills, as well as other activities with potential environmental impacts.

The General Manager of Quality and Reliability, who oversees the 3R program, appoints Project Champions. The Champions plan, implement, evaluate, and report progress to the 3R Steering Committee, made up of leaders from EHS and Quality, among other departments. The committee advises Project Champions on an ongoing basis, reviews data, and sets key performance indicators. It also approves implementation plans where there are opportunities for improvement in areas such as on inventory control, raw material handling, process modifications and material changes, logistics, canteen, and office waste.



Hazardous Waste Generation

Waste Generated Waste Intensity



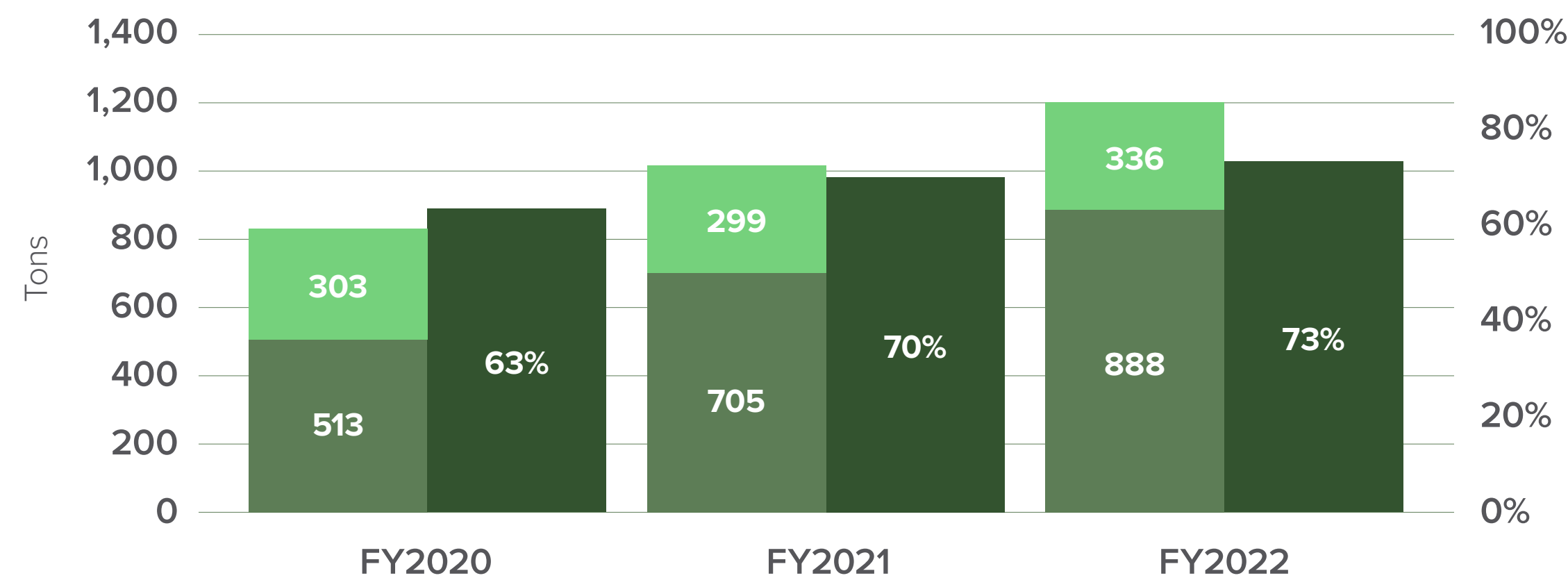
Non-Hazardous Waste Generation

Waste Generated Waste Intensity



Non-Hazardous Waste Disposal

Waste Recycled Waste Landfilled Wasted Recycled

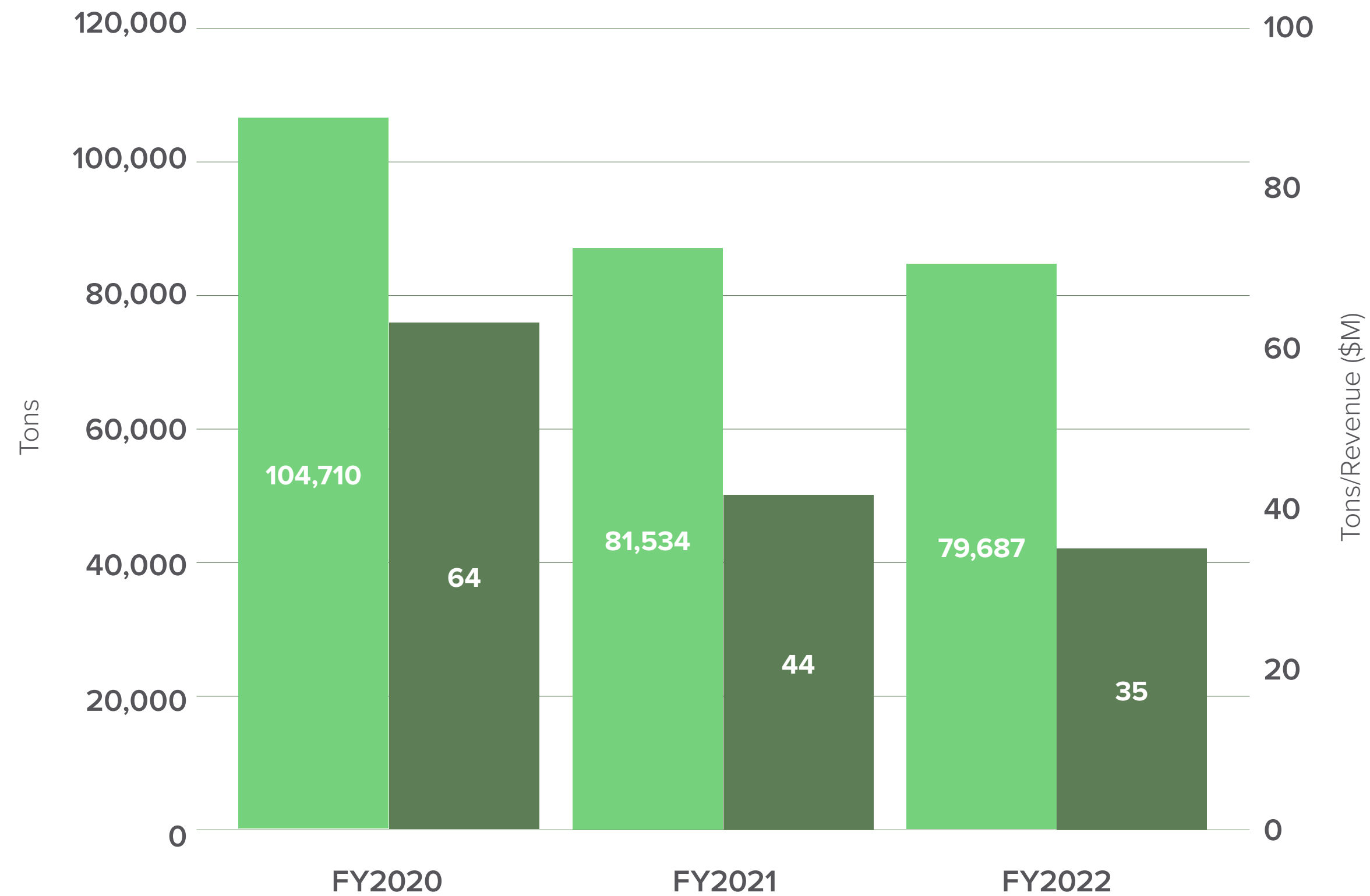


Energy and Emissions

Fabrinet's primary source of energy is from the public power supply. Energy represents both a significant cost and potential source of environmental impact for Fabrinet. Our goal for FY2022 was to reduce energy intensity to less than 70 MWh/\$M revenue, and Scope 2 emissions intensity to less than 37 tons of CO₂/\$M revenue. We achieved both our energy and emissions reduction goals in FY2022.

GHG Emissions

■ Emissions ■ Emissions Intensity



Energy Consumption

■ Consumed ■ Consumption Intensity

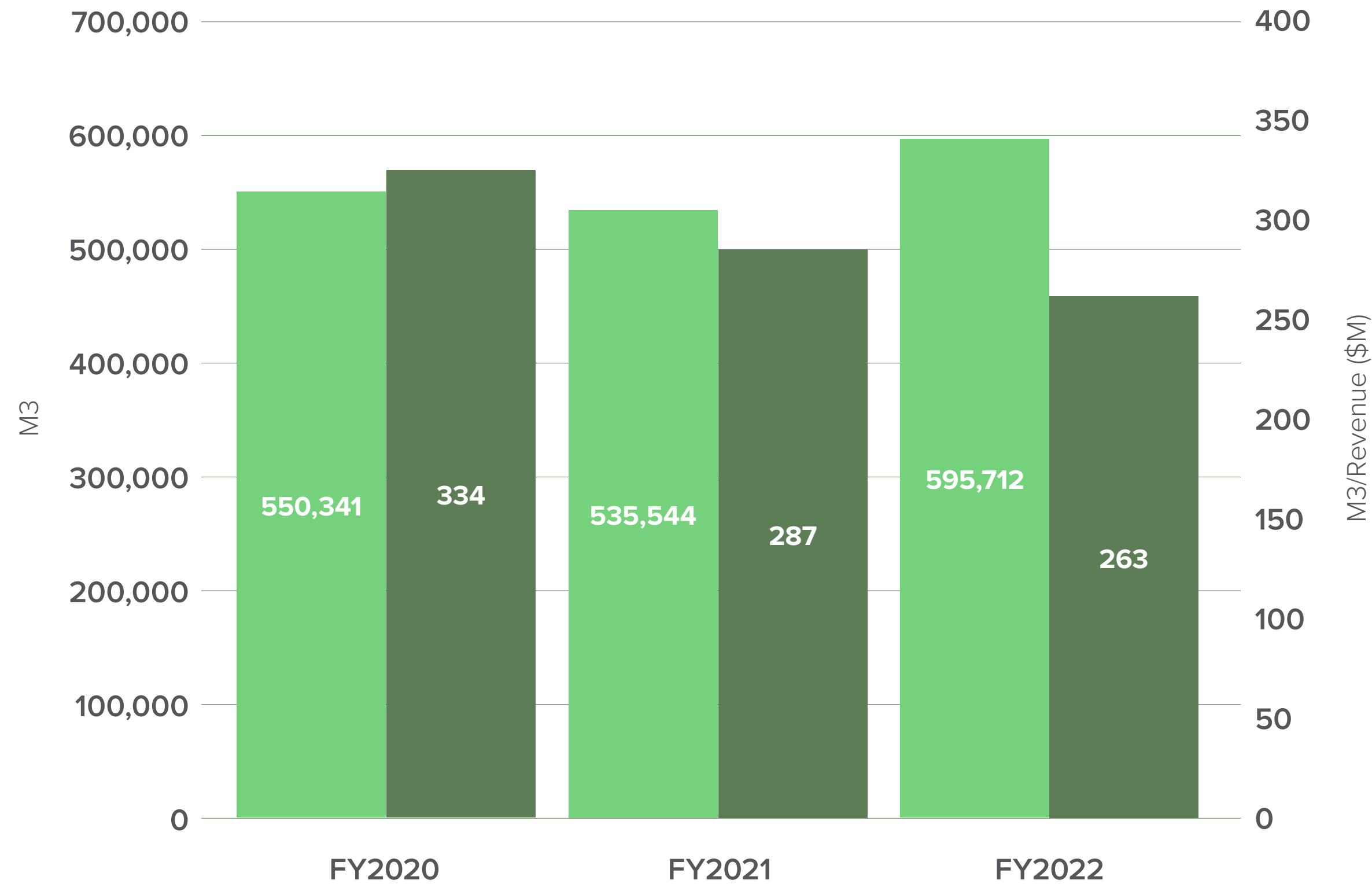


Water

Fabrinet sources water from the municipal water supply and groundwater. Our water consumption is primarily driven by use in our canteen and sanitation facilities. Our manufacturing processes are not water-intensive – water is used only for cleaning purposes only. We nevertheless have ongoing efforts to reduce our water consumption and increase our use of recycled water. In FY2022, we recycled 28% (165,989 m3) of water withdrawn, which was used for sanitation facilities and watering the landscaping.

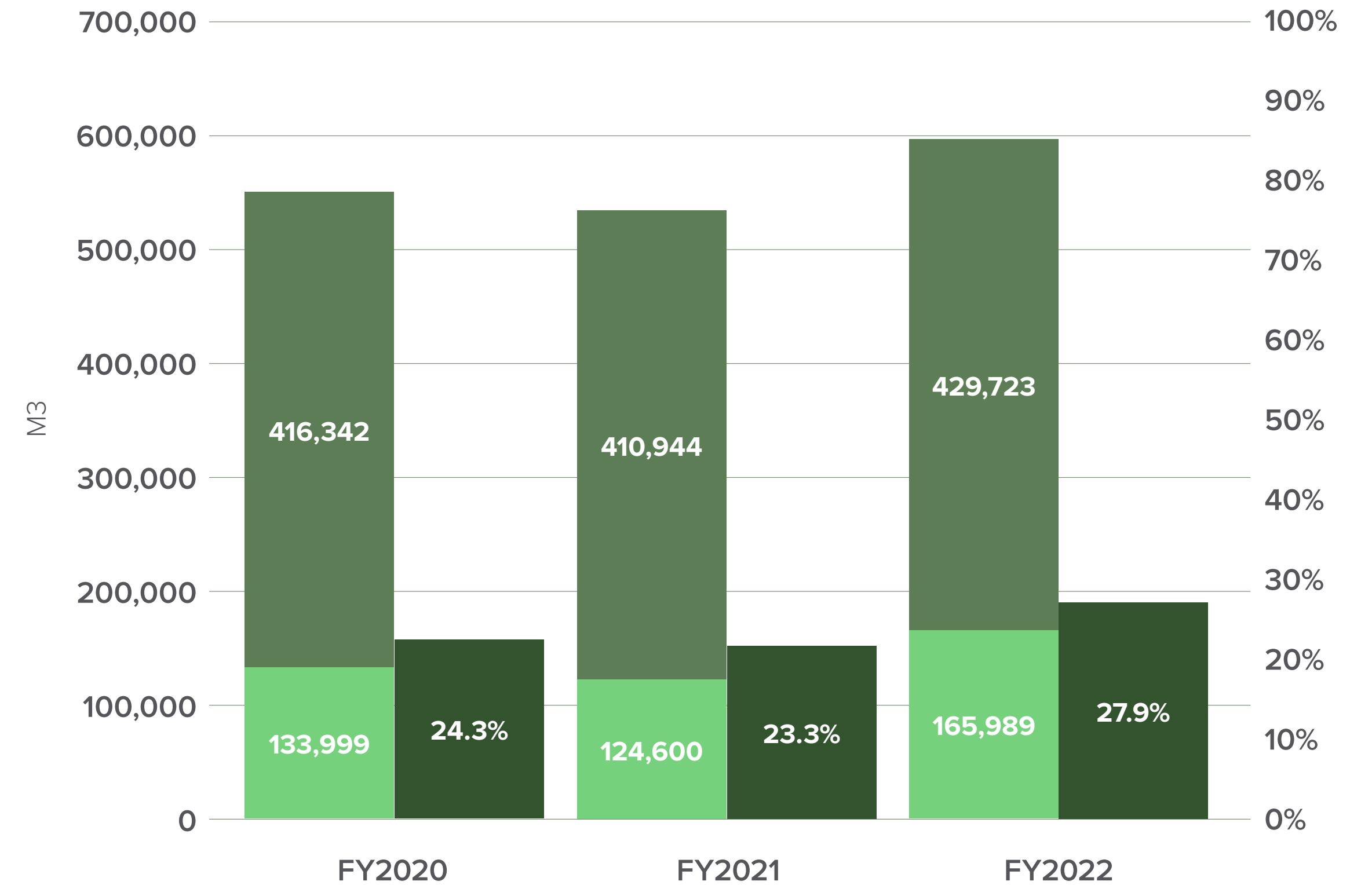
Water Withdrawn

Withdrawn Withdrawal Intensity



Water Recycled

Recycled Discharged % Recycled



08

Governance

Data Privacy and Security

Business Ethics

ESG Oversight



Data Privacy and Security

Fabrinet relies upon the capacity, availability, and security of our information technology hardware and software infrastructure for all aspects of our operations. We are constantly expanding and updating our information technology infrastructure in response to our changing needs.

Fabrinet's information security policy aims to provide a set of rules and procedures to ensure:

- Availability – Information and information systems must be available and operational to support both fundamental and critical business processes. The accessibility by authorized users must not be interrupted or denied.
- Integrity – The state of organizational information is maintained to ensure that such information is not modified, destroyed, subverted, or disclosed by unauthorized access.
- Confidentiality – Only authorized parties have access to confidential information. Sensitive information must not be disclosed to unauthorized recipients.

Our objective is to govern our information system through good practices that enhance the accuracy, completeness, and reliability of our business and manufacturing information and ensures minimum business impact in the event of major disruption.

Roles and Responsibilities

Our Vice President, Information Technology & Security, leads our IT security organization and reports directly to our CEO. Supporting the CEO is an Information Security Executive Council comprised of our COO, CFO, and General Managers of various organizational functions. Our VP leads a team of security professionals responsible for the security of our network and infrastructure, assets and operations, endpoints, and applications. The team's expertise is complemented by security leads for each business unit.

The Board of Directors provides oversight of management's review of our information security program and risk mitigation actions and receives quarterly briefings on these matters by our VP of Information Technology & Security.

Information Security Approach

We continuously enhance our security protections and review our processes to be proactive and practical in responding to evolving threats, standards, technology, and business needs. We invest in the leading tools, technology, and internal and external expertise needed to protect our network and the valuable information of our company and customers.

A key component of our cybersecurity approach is to engage external experts for advice and to evaluate, test, and audit our information security programs in order to remove any internal bias and enhance and strengthen our capabilities.

Some of the items we have implemented based on the NIST Cybersecurity Framework as part of a multi-year roadmap include:

- IT asset management system
- Remote access management
- Virtual private network (VPN) and multi-factor authentication (MFA)
- Network firewall
- Security information and event management (SIEM) technology
- Vulnerability scanning and penetration testing
- Application/source code security analyzer and testing

Data Privacy

Fabrinet focuses on cybersecurity protocols to protect privacy and data. Our privacy policy conforms to Thailand's Personal Data Privacy (PDPA) and cybersecurity guidelines. The policy governs the personal data we collect, how we collect and process that information, and to whom we disclose it. It also describes our retention practices for private information, rights to access that information, and the process for objecting to any such collection, processing, or use. Fabrinet does not sell personal data or use it for any other purpose other than our manufacturing operations and matters ancillary to manufacturing activities.

Employee Training and Education

All new hires are required to attend training on security awareness, privacy, and the importance of protecting and securing confidential information. At the end of the training, they are required to sign a statement confirming that they have completed the training, understand the requirements, and agree to adhere to our policies. Training is refreshed annually for all employees to reinforce previous training and keep our team up-to-date on cybersecurity trends. This is coupled with regular phishing drill test campaigns to keep them abreast of the latest tactics being used in the phishing world.

Customers' Intellectual Property

Fabrinet's success depends, in part, on our ability to protect our customers' intellectual property, which includes their processes and technologies, from the sourcing of original materials to the shipment of finished goods.

We professionally organize our clients into physically separate and discrete "customer business units," providing each with their own workforce and secure "factory within a factory" with additional security measures, which also allows us to fulfill some customer requests for anonymity.

Business Ethics

We are committed to maintaining a company culture that promotes the highest standards of ethics and compliance, with business practices and principles of behavior that support this commitment. Accordingly, the Board has adopted a Code of Business Conduct that serves as a guide on ethical and compliant conduct applicable to our directors, officers, and employees. Mandatory Code of Conduct training is provided to all managers, finance, buyers, employees who deal with import/export, and others who interact with customers, suppliers, or government officials, as well as a sampling of other employees.

Our Code of Business Conduct outlines procedures and guidance for any grievances or complaints. Employees are encouraged to speak to their managers or other personnel if they observe any unethical, illegal, or other non-compliant behaviors or actions, and have the option of reporting confidentially to our whistleblower hotline operated by an independent third party. Copies of all whistleblower reports are sent to our General Counsel, Senior Vice President of Worldwide HR, and Vice President of Internal Audit, who are responsible for managing investigations depending on the type of grievance. The Board receives updates on investigation reports and results, either in the following quarterly board meeting, or sooner if appropriate.

We also require our suppliers to agree to conduct their business practices in accordance with our Supplier Code of Conduct, which outlines our standards and expectations for ethical conduct, transparent and timely disclosures, legal and regulatory compliance, and reporting and responding to grievances. (See more on our supplier expectations in the Supply Chain Management section of this report.)

ESG Oversight

The Board provides oversight of our ESG efforts and believes an integrated approach to our business strategy, corporate governance, and corporate citizenship creates long-term value for our stakeholders.

Board committees oversee particular ESG issues where appropriate. For example, the Audit Committee oversees our compliance with ethics policies, legal and regulatory requirements, and information security, while our Compensation Committee develops, reviews, and approves our overall compensation policies and goals and oversees the administration of our equity compensation and employee benefit plans and programs.

Relevant functional areas manage day-to-day activities of our ESG programs. At the management level, a cross-organizational Corporate Social Responsibility Committee plays a key role in coordinating and implementing our ESG strategy, identifying areas for improvement, and developing new initiatives. Chaired by our Senior Vice President and Global Head of HR, it is comprised of eighteen members from quality assurance, materials, engineering, finance, operations, and human resources. The committee focuses on increasing operational efficiency, environmental sustainability, employee health and well-being, workforce engagement, and engagement of other stakeholders, among other issues.

