

Hon Hai Precision Industry Co. Ltd.

TICKER

TSEC:2317

MARKET CAPITALIZATION

US\$55 billion

HEADQUARTERS

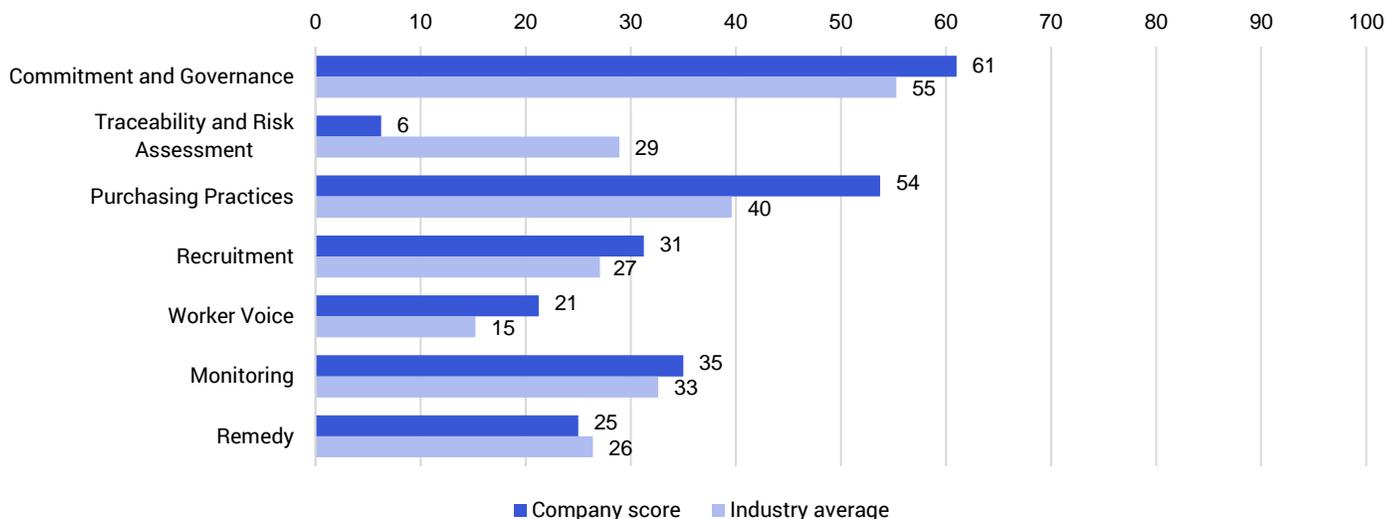
Taiwan

COMPLIANCE
UK Modern Slavery Act: [Not applicable](#)
California Transparency in Supply Chains Act: [Not applicable](#)
COMMITMENTS
[None](#)
OVERALL RANKING
19 out of 40

(2016: 14 out of 20)

OVERALL SCORE
33 out of 100
SUMMARY

Hon Hai Precision Industry Co. Ltd. (Foxconn) ranks 19th out of 40 companies disclosing more information on its forced labor policies and practices than its peers on all themes except traceability and risk assessment. It has improved its score since 2016 by four points by disclosing that it undertakes unannounced audits and that forced labor considerations form part of its assessment of potential suppliers and are integrated into supplier contracts. Additional steps the company could take to address forced labor risks in its supply chains include strengthening its disclosure and practices on the themes of traceability and risk assessment, worker voice, and remedy.

THEME LEVEL SCORES


LEADING PRACTICES

None

NOTABLE FINDINGS

Commitment and Governance: Foxconn discloses that it has established a Global Social and Environmental Responsibility (SER) Committee to ensure that its SER policy (which includes forced labor) is implemented. SER teams are established within each of Foxconn's business groups. The chair of the Global SER Committee is the vice chair of Foxconn Technology Group. Foxconn discloses that employees, including all new employees, are regularly trained on its Code of Conduct which covers forced labor. The company also states that it "conducts supplier audits and training to ensure alignment with sustainability requirements". In addition, Foxconn discloses that it is a member of the Responsible Business Alliance.

Purchasing Practices: Foxconn states that its supplier verification process includes an assessment of social and environmental risks including forced labor. It further discloses that suppliers "must sign a Social Responsibility Undertaking, which forms part of their contract", and which covers the company's supplier code of conduct. Foxconn's supplier code further includes a requirement for suppliers to pass the code of conduct's requirements down to their suppliers.

Recruitment: Foxconn's supplier code of conduct requires that workers shall not pay recruitment-related fees and that any "recruitment fees or other related fees" that have been paid shall be reimbursed to workers. The code further requires that workers receive a written contract in their native language outlining the terms and conditions of their employment prior to departure from their home country, and states that workers should not be required to hand in identification documents, passports, or work permits as a condition of employment.

OPPORTUNITIES FOR IMPROVEMENT

Traceability and Risk Assessment: To demonstrate a strong understanding of its supply chains, the company may consider disclosing the names and addresses of first-tier suppliers, the countries of below-first-tier suppliers, the sourcing countries of raw materials at high risk of forced labor, and information on its suppliers' workforce. The company is further encouraged to assess forced labor risks across its supply chains and disclose the risks identified.

Worker Voice: To prevent and address forced labor and human trafficking risks in its supply chains, the company is encouraged to take steps to ensure that workers in its supply chains are educated on their rights and can exercise their right to freedom of association. While the company discloses that a "supplier contact person" can be contacted by suppliers' workers and that contact details to submit grievances are handed out during supplier audits, the company may consider ensuring that a formal mechanism to report grievances regarding labor conditions is available to, trusted and used by suppliers' workers.

Remedy: The company may consider establishing a process to ensure remedy is provided to workers in its supply chains in cases of human trafficking and forced labor, and disclosing details on this process, such as timeframes, engagement with affected stakeholders, responsible parties, or approval procedures. To demonstrate to stakeholders that it has an effective remedy process in place, the company is encouraged to disclose examples of remedy provided to suppliers' workers.

COMPANY PROVIDED ADDITIONAL DISCLOSURE

[Yes](#)