

2023 Sustainability Report

fabrinet[®]

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Letter from the CEO

I am encouraged by the progress our team has made in the past year advancing our sustainability objectives across multiple fronts. Since our founding in 2000, we have believed that operating our business in an ethical, environmentally responsible, and socially supportive manner is essential to our business success over the long term. Our commitment to sustainability was integral to our excellent financial performance in fiscal 2023—which included record revenue and profitability—and will continue to be an important driver of our success in the years to come.

Over this past year, the commitment of our more than 14,000 employees has contributed to advancing our sustainability initiatives in the interest of our employees, customers, shareholders, and the broader communities in which we operate. Some of the many highlights of our community engagement and social, environmental, and governance efforts in 2023 included:

- **Improving Quality of Life for Local Communities**—Provided volunteer and financial support for communities surrounding our facilities, such as for road

and school safety improvements, a waste management study trip, and annual health screening for community elders.

- **Honoring National Children’s Day**—Donated gifts to several communities near our factory locations, two schools, municipal agencies, and a provincial Special Education Center for National Children’s Day, which has been celebrated in Thailand since 1955.
- **Supporting HIV Care Center**—Organized a full-day charity football event for employees of Fabrinet and other electronics manufacturing companies to raise funds in support of an HIV care center at the Wat Prabat Nampu Temple in Lop Buri province.
- **Expanding Our Talent Pipeline through Internship Opportunities**—Launched a paid internship program for college seniors to address a shortage of local engineers with the unique technical skillset required by Fabrinet. Of the 21 students in the inaugural internship class, 100% were offered and accepted positions at Fabrinet. Based on our success in 2023, we plan to expand this program in 2024.



- **Upholding Labor and Human Rights—**Endorsed a new Labor Standard and Corporate Social Responsibility Policy, which reaffirms and cements our dedication to improving the quality of life of our employees and ensuring their fair treatment in accordance with human rights principles and applicable local and international laws.
- **Supporting Education of Employees’ Children—**Awarded scholarships to 711 school-age children of our employees across grade levels to assist in covering the cost of tuition and other educational expenses.
- **Identifying Sustainability Opportunities through Lean Manufacturing—**Initiated and implemented 59 projects related to our Green Stream Mapping methodology and 3R (Reduce, Reuse, Recycle) Program to reduce waste and natural resource consumption.
- **Reducing Our Carbon Footprint—**Successfully met our objectives of decreasing energy intensity to less than 70 MWh per million dollars of revenue and Scope 2 greenhouse gas emissions intensity to less than 37 metric tons of CO2e per million dollars of revenue.

- **Advancing Our Approach to ESG Governance—**Formally delegated Board responsibility for oversight of our ESG programs to the Nominating and Corporate Governance Committee.
- At Fabrinet, we believe our commitment to community, sustainability, and accountability is integral to our success as an organization. We are pleased to share this report highlighting some of the ways in which our continued dedication to improving our communities, environment, and governance supports our efforts to build value for all of our stakeholders.



Seamus Grady, CEO



About This Report

Fabrinet’s 2023 Sustainability Report reflects our progress and performance as of our fiscal year ended June 30, 2023, unless otherwise noted.

Our reporting covers all operations for Fabrinet Thailand, which manufactures products that account for over 90% of our worldwide revenues, employs 90% of our global workforce, and accounts for 88% of our global facilities by square feet.

We use several external reporting frameworks to inform the scope of our reporting, including the Global Reporting Initiative (GRI) standards, the IFRS Foundation’s Sustainability Accounting Standards Board (SASB) standard for the Electronic Manufacturing Services & Original Design Manufacturing industry, and the United Nations Sustainable Development Goals (UN SDGs). GRI and SASB indices can be found in the report appendix.

03

Fabrinet at a Glance

FY2023 Highlights

Our Business

Technology and Innovation

Our Vision and Values



FY2023 Highlights

\$2.65B

2023 Annual Revenue

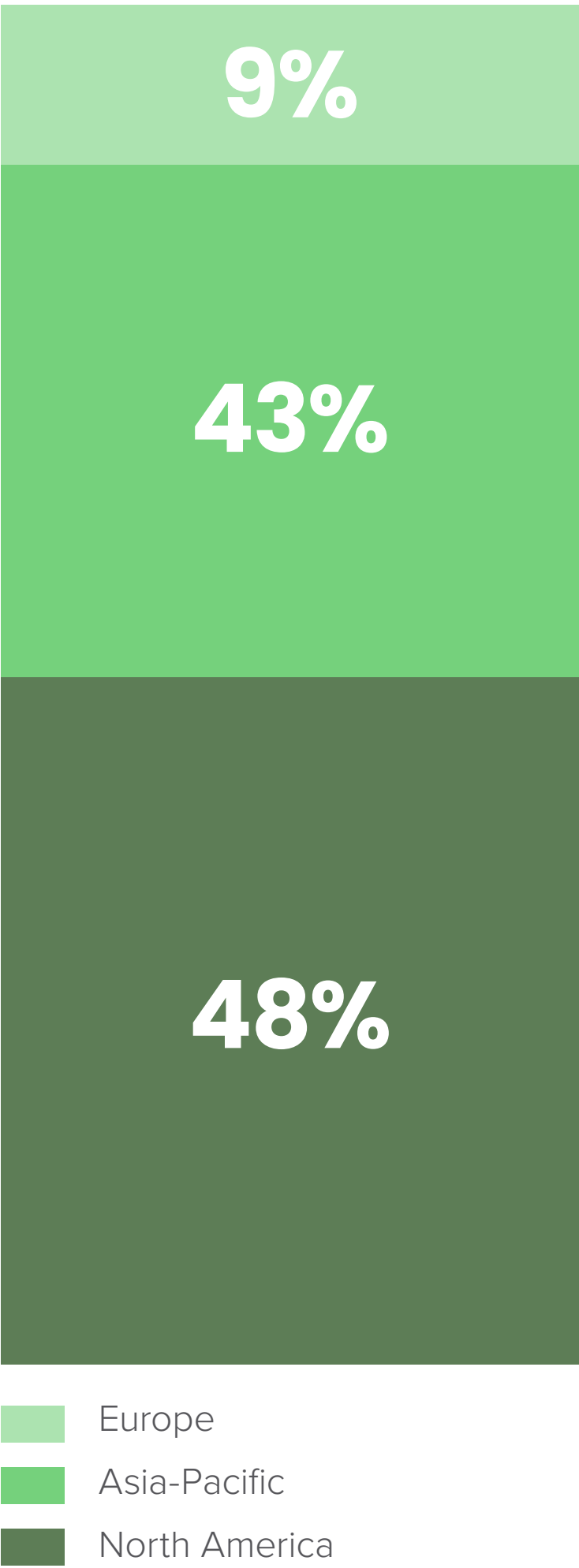
1,000+

Engineers in Thailand

6

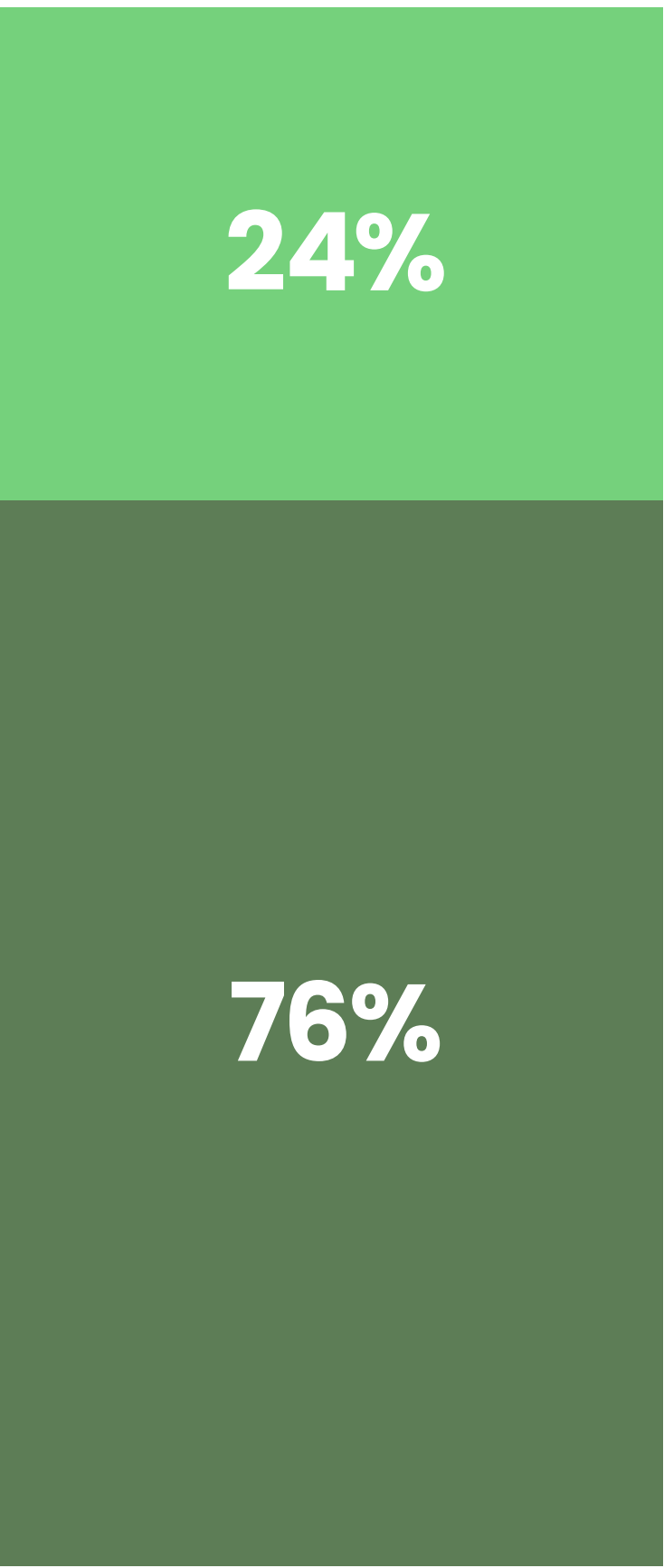
Engineering and manufacturing facilities located in Thailand, China, the United States, and Israel

2023 Revenue by Geography*



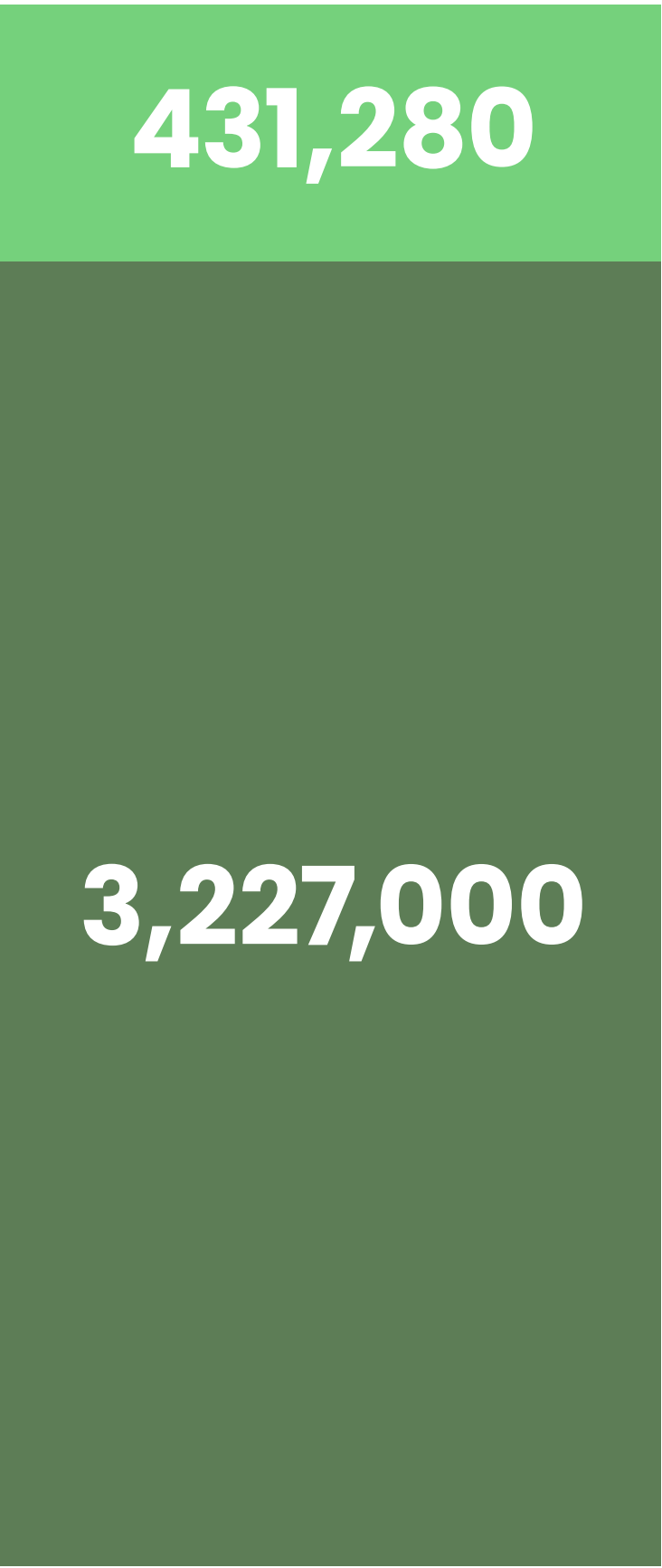
- Europe
- Asia-Pacific
- North America

2023 Revenue by Segment



- Lasers, Sensors, and Other
- Optical Communications

Global Facilities (sq ft)



- Other
- Thailand

Global Headcount (FTE)



- Other
- Thailand

*Revenue by bill-to location

Our Business

Since our founding in 2000, Fabrinet has established itself as a prominent name in delivering innovative optical packaging and precision optical, electro-mechanical, and electronics manufacturing services to various original equipment manufacturers (OEMs) of complex high-technology products.

Today, Fabrinet offers an extensive array of advanced optical and electro-mechanical manufacturing services. Our services encompass every stage of the

manufacturing process, from process design and engineering to comprehensive supply chain management. We have honed our expertise in various markets, showcasing our industry-leading proficiency in new product introduction, process design and engineering, product industrialization, continuous process improvement, supply chain management, advanced packaging manufacturing, integration, final assembly, and testing for each market we serve.

The four primary markets we serve are:

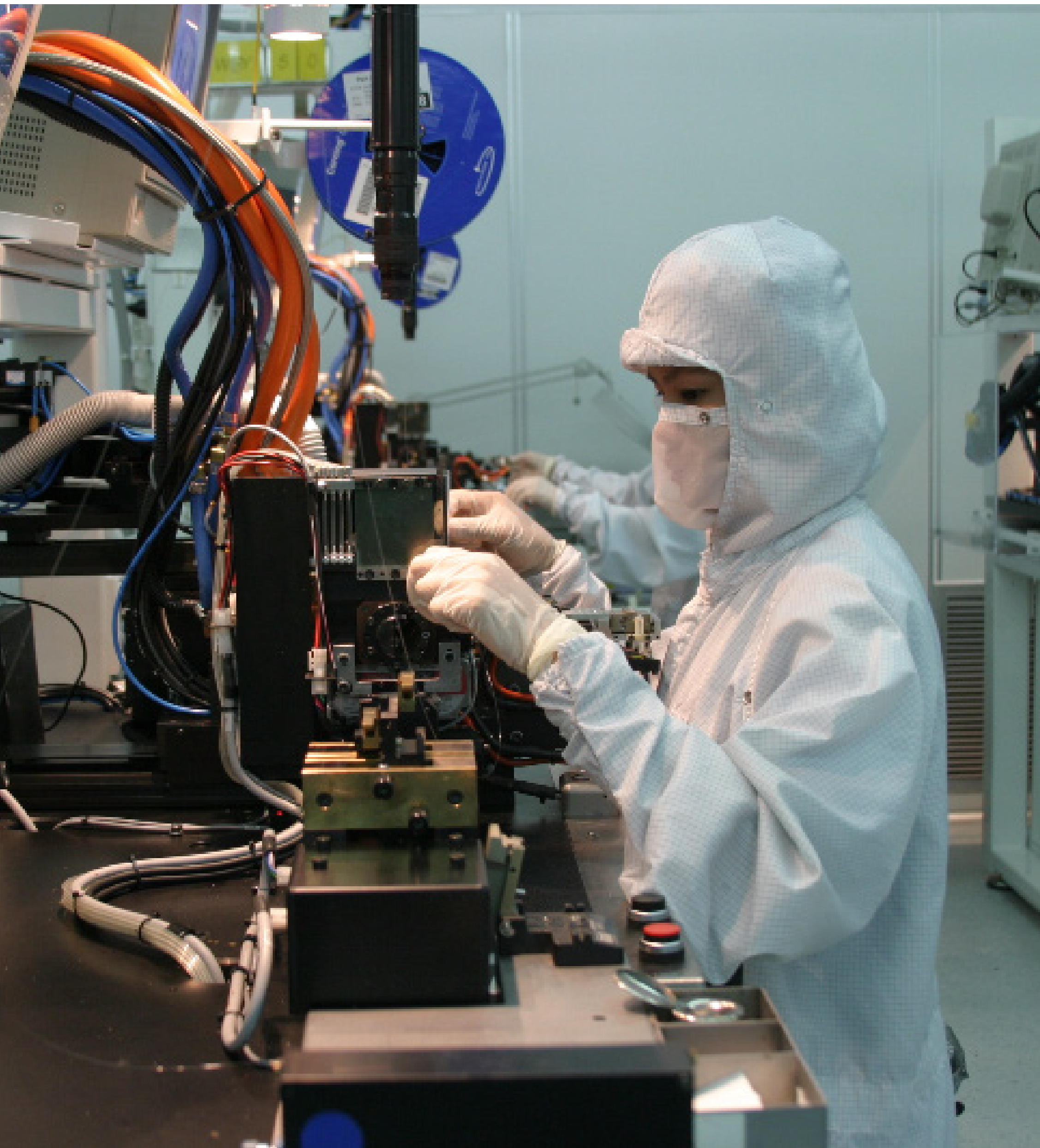
- 1

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 boasts an extensive offering of technologies for the optics industry. Our integrated capabilities encompass the design of tailor-made optics and glass, customized for seamless integration into optical components, modules, and comprehensive network or laser systems.

We continue our ongoing investments in cutting-edge capabilities and technologies, including:

- Customized optics and glass technology, covering crystal growth, crystal and glass processing, optical coating, polishing and lapping, optical assemblies, and precision glass drawing
- Process engineering expertise and manufacturing technologies aimed at expanding our product portfolio
- New and optimized processes to accommodate the next generation of optical devices, such as optical packaging, anti-reflective coating, and intricate printed circuit board technologies

We firmly believe that our manufacturing processes and innovative technologies will play a pivotal role in the development and commercialization of the next generation of optical communication devices. This includes the potential incorporation of multi-function passive optics and photonic integrated circuits, receivers integrated with an optical amplifier, and the integration of active optical cabling.

Our Vision

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

Our Values

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



04

ESG Approach

ESG Priorities

ESG Governance

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, business partners, customers, local communities, investors, and the planet.

ESG Priorities

Our internal ESG (Environmental, Social, and Governance) working group, consisting of senior management, periodically reviews and identifies Fabrinet’s material ESG priorities, which are informed by investor and customer priorities, internal stakeholder feedback, ESG rating agencies, and frameworks such as the IFRS Foundation’s SASB standards, UN SDGs, GRI, and ISO 26000 on social responsibility. Our ESG priorities include:

- Human Capital Management
- Occupational Health and Safety
- Responsible and Sustainable Supply Chain
- Community Engagement
- Quality Management
- Energy and Emissions Management
- Waste Management
- ESG Governance
- Ethics and Compliance
- Data Privacy and Security

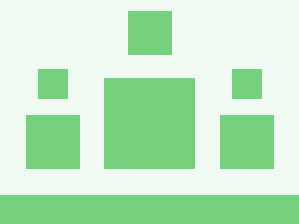
FY2023 ESG Awards

- Fabrinet was honored with the **CSR-DIW (Corporate Social Responsibility-Department of Industrial Works) Continuous Award**. To qualify for the award, companies must adhere to CSR-DIW standards on corporate governance, human rights, labor practices, environmental stewardship, fair operating practices, customer care, and community engagement and development, as well as demonstrate contributions to the UN SDGs.
- We maintained **platinum certification** for our **health and safety management system** from Thailand’s Institute of Occupational Safety and Health (T-OSH).
- Thailand’s Ministry of Labor presented Fabrinet with a **Labor Management Excellence Award**. (See the [Human Capital Management](#) section of this report for more information.)
- Fabrinet also received multiple honors from the **Thailand Kaizen Award** organized by the Technology Promotion Association (Thailand-Japan). (See the [Sustainable Manufacturing](#) section of this report for more information.)

ESG Governance

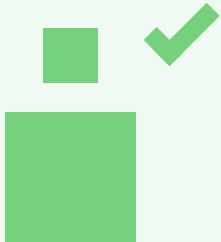
Fabrinet’s Board of Directors, including through its committees, oversees our ESG efforts and believes an integrated approach to our business strategy, corporate governance, and corporate citizenship creates long-term value for our stakeholders.

In FY2023, the Board formally delegated responsibility for oversight of our ESG programs to the Nominating and Corporate Governance Committee. Discrete ESG issues continue to be subject to review by other board committees where specific expertise is required.



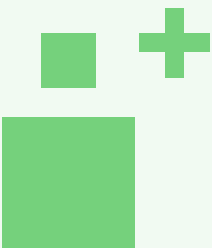
Nominating and Corporate Governance Committee

- Oversees and periodically reviews our ESG programs, policies, and practices
- Reviews risks relating to corporate social responsibility and environmental sustainability
- Oversees Fabrinet’s corporate governance framework and reviews and makes recommendations to the full Board on changes to corporate governance guidelines



Audit Committee

- Oversees compliance and reviews adequacy and effectiveness of programs related to business ethics and legal and regulatory requirements
- Reviews cybersecurity and data security risks and mitigation strategies
- Reviews enterprise risk policies and processes and oversees and monitors management’s enterprise risk management plans



Compensation Committee

- Oversees our employee compensation policies, plans, benefit programs, and overall compensation philosophy
- Oversees talent and human capital management, including the effectiveness of strategic initiatives designed to attract, engage, motivate, and retain employees, and our performance and talent management practices and programs

Senior management, supported by our ESG working group and various employee-led committees, is responsible for developing and implementing our sustainability strategy and providing periodic updates to the Board and its committees, as relevant, on our progress and performance.

CSR Engagement and Awareness

- Fabrinet’s CSR Corner serves as a space for clubs and committees to meet and conduct CSR-related activities.
- Fabrinet’s CSR page, accessible on our employee intranet, circulates information about our environmental, social, and economic news, initiatives, activities, and calendar of events.
- CSR Committee training provides an overview of corporate environmental and social responsibility principles and practices, including stakeholder engagement.
- The CSR Thai Club, consisting 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. Fabrinet employees participate in monthly virtual meetings to discuss emerging CSR issues, challenges, and best practices. Members also collaborate on CSR-related events and activities.

Alignment to the UN SDGs

We mapped our environmental and social sustainability efforts to the 17 UN SDGs, identifying those we believe we can most contribute to achieving. This report contains examples of how our actions align with the following six UN SDGs:



Community Engagement

3

GOOD HEALTH AND WELL-BEING

8

DECENT WORK AND ECONOMIC GROWTH

10

REDUCED INEQUALITIES

12

RESPONSIBLE CONSUMPTION AND PRODUCTION

13

CLIMATE ACTION

Local Community Support

Children’s Initiatives

Waste Recycling Contributions



Since our founding, Fabrinet has prioritized improving the quality of life and protecting the environment in our local communities. Our efforts energize our team members, create important bonds between us and our communities, and connect our day-to-day activities with our broader community priorities.

Fabrinet is committed to the sustainable development of our communities by providing financial and in-kind donations and support from employee volunteers.

We actively foster an open dialogue and meaningful connections with the communities surrounding our locations in the cities of Khlong Luang (Fabrinet Pinehurst) and Chonburi to ensure we maintain a positive impact on those around us. Direct engagement allows us to elevate the voices of community members and steer our resources to the areas of greatest need.

Fabrinet’s Senior CSR Officer has undergone training and obtained senior-level certification through Thailand’s Department of Industrial Works’s Specialized Personnel Program in CSR Management. The training covers the department’s CSR framework, international CSR standards, community engagement, and formal grievance mechanisms.

In 2023, we restructured our CSR team to better engage and serve local communities and enhance our CSR capabilities. A Senior CSR Manager now leads three CSR officers: two for Pinehurst and one for Chonburi.

The team is supported by our CSR Committees, one at each of our locations in Thailand, which consist of passionate Fabrinet employees from departments across the organization, responsible for:

- Communicating our CSR policy and programs to relevant internal and external stakeholders
- Establishing a CSR framework and CSR processes and procedures
- Creating and implementing initiatives that contribute to the sustainable development of the communities surrounding our operations
- Encouraging the exchange of knowledge, achievements, and experiences about CSR and sustainable development between and among internal departments, community members, and private sector, public sector, and non-governmental organizations
- Tracking performance and reporting internally and externally



Local Community Support

Road Safety and Beautiful Yard Contest

The CSR team at our Pinehurst location works closely with the Khun Pra Lane Community Committee, which is named after the main road that leads to our factory and serves the interests of those who live and work in that community. As we have done in the past, we partnered with the Community Committee and the Khlong Luang Municipal Public Health Division in 2023 to address and rectify potential road safety hazards. This included painting four crosswalks and installing two solar powered lights to improve visibility of the crosswalks for pedestrians and drivers.

As part of the collaboration, we also helped organize the Khun Pra Lane Beautiful Yard contest to encourage households bordering the lane to maintain tidy yards, including removing any potential road obstructions or other hazards. A total of 56 households participated, with 8 winning households receiving recognition from the municipality and prizes sponsored by Fabrinet.

Community Waste Management Study Trip

To meet national UN SDGs, the Thai government encourages community engagement in waste management to help shore up government infrastructure and capacity. Fabrinet supported the Khlong Luang Public Health division and the Khun Pra Lane Community Committee in learning best practices in waste management from communities that received Environmentally Sustainable City awards from the Thai Ministry of Natural Resources and Environment for their innovative community-based waste management models. Specifically, we organized a study trip for municipal public health officers and Community Committee members to visit the Pobsook Village’s Waste Recycling Center and Pak Kret Ruamjai Community 9’s Environment Learning Center.

Health Check for Elders

For the past 12 years, Fabrinet has provided support for annual health examinations to the elders of Khun Pra. In 2023, we were pleased to provide 103 elders with a physical examination that included a blood pressure check; vision, diabetes, and cholesterol tests; urinalysis; and chest x-rays. Follow-up medical consultations were scheduled for each elder, during which they received test results and recommendations for healthy living.

Blood Drive

On a quarterly basis, Fabrinet hosts an employee blood drive in collaboration with the Thai Red Cross Society. In 2023, employees contributed 1,147 units (bags), for a cumulative total of 7,587 units (bags) donated by Fabrinet employees over the past ten years. This is an important tradition that we have upheld since 2013 and hope to continue for many more years to come.



Football (Soccer) Charitable Match for HIV Care Center

For the first time, Fabrinet organized a full-day charity football event for employees of Fabrinet and other electronics manufacturing companies. Funds raised from the event supported an HIV care center at the Wat Prabat Nampu Temple in Lop Buri province.

Songkran Cultural Events

Songkran is a holiday that marks the traditional Thai New Year, which is celebrated over the course of five days each April. Fabrinet sponsored several events with games, music, water activities, and traditional Buddhist offerings at the Khun Pra Lane Songkran Festival, with thousands in attendance.

Market for Local Merchants

Both of our factories host bi-weekly markets featuring goods from local merchants with disabilities and their caregivers. The markets, open from 8 am to 7 pm, provide a regular opportunity for these community members to sell their products to thousands of Fabrinet employees during breaks or before and after work.

Soap-Making for Parents

In collaboration with women’s organization, Ratchathani Group, Fabrinet sponsored a program to teach parents from the Soi Khun Pra community the art of herbal soap-making to serve as both a source of additional income and a fun hobby.



Children’s Initiatives

Maharaj Orphanage

For over 15 years, Fabrinet has provided annual financial, administrative, and volunteer support to Maharaj Foundation Home for Boys.

In 2023, we continued our support for academic, sports, cultural, and other enriching activities, such as:

- Tutors for 150-180 boys, three days per week, three hours per day
- Classes, such as computer, music, cooking, and vegetable gardening
- Soccer training by a professional coach from the Thai Department of Children and Youth Football Academy
- Drug prevention program
- Sunday programming, such as English class, art projects, and story time

In 2023, we increased our funding for STEM learning and sports programming, including in support of:

- New computer lab and learning center with upgraded equipment, including 15 sets of new computers and audio-visual peripherals
- Additional tutor for computer classes
- Weekly Sunday science experiment activity
- Table tennis coaching

We also funded the launch of a new organic farm where children learn about gardening, sustainable agriculture, and economic self-sufficiency. The produce grown at the farm is used by the home for meals, offsetting food expenses.



National Children’s Day 2023

National Children’s Day (วันเด็ก, which is transliterated to the Latin alphabet and pronounced as “Wan Dek”) has been celebrated in Thailand since 1955. On that day, children receive gifts from their families, and special events and activities are organized throughout the country. In honor of National Children’s Day, Fabrinet gifted presents to eight community groups, which included several communities near our factory locations, two schools, municipal agencies, and a provincial Special Education Center.

Safety to School

In collaboration with the Khlong Luang municipal government, Fabrinet sponsored a Safety at School event for grades 1 through 6 at Khlong Nueng School. This half-day program full of fun activities and prizes created an engaging way for the students to learn important environmental, health, and safety lessons. Educational topics included identification of electrical hazards, fire prevention, road safety, proper hygiene, uses of first aid and personal protective equipment, waste separation, and global warming reduction.

Volunteer School Maintenance

Fabrinet’s Volunteer Club members participated in several initiatives to assist local schools with renovations and health and safety improvements to their facilities, including:

- Installing solar panels at and donating blankets and pillows to the Banposor School in the Mae Hong Son province
- Restoring children’s restrooms at the Ban Puthor School in the Utai Thani province
- Assisting with playground safety maintenance at the Nong Haew Pattana School in the Chaiyaphum province

Walk Rally Inter-Kids

Children from the Soi Khun Pra community enthusiastically participated in Fabrinet’s Walk Rally Inter-Kids (or เดินรื้อ มแตร์ (pronounced “dek in-TEHR”) in Thai, as international children are affectionately known), an event designed to expose Thai children to native speakers of non-Thai languages, including English, Chinese, and Japanese. Originating in Japan and widely adopted in Thailand, a “walk rally” is a group activity intended as a fun way to learn, build relationships, and improve teamwork. Fabrinet’s walk rally offered a variety of engaging activities that allowed participants to learn different languages.

Given the increasing number of job opportunities in Thailand that require bilingual or multilingual workers, our intent was to spark interest in learning another language, opening more avenues for a promising future.

Waste Recycling Contributions

Through the adoption of Fabrinet’s 3R (Reduce, Reuse, Recycle) Program, we try to be as resourceful as possible with the waste we generate.

Prostheses Foundation

Since 2017, Fabrinet has partnered with the Bangkok Can Manufacturing Company to support collection of aluminum can rings, which are recycled by the Prostheses Foundation into prosthetics. In 2023, Fabrinet donated 81 kilograms of aluminum materials, with more than 295 kilograms donated over the past seven years of the partnership.

Green Roof Project

As part of the Green Roof Project, Fabrinet collects used beverage cartons that are transformed into corrugated roofing sheets used to rebuild homes in areas affected by floods or other natural disasters. In 2023, we delivered 454,450 cartons weighing 2,272 kilograms (15% increase from the previous year), and over the past 13 years, we have donated almost 4 million cartons weighing over 21 metric tons, enough to produce over 1,991 roofing sheets.



Used Paper Donations for Braille Materials

Since 2010, Fabrinet has collected discarded A4 paper that is repurposed by a local school for the blind for printing braille study materials. Fabrinet delivered 1,660 kilograms of paper in 2023, which is an 88% increase over the amount we delivered in 2022. Over the past 13 years, we have donated more than 12,000 kilograms of paper.

Waste Segregation for Brother Broom

Fabrinet contributed 1,350 plastic bottles to the collection efforts by the Soi Khun Pra community for the Bangkok Metropolitan Administration’s Magic Hand Project, which recycles bottles into synthetic fibers used to create reflective safety jackets for municipal street sweepers and trash collectors. We have diverted 5 metric tons of plastic bottles from landfills, enough for 112 jackets to help keep municipal workers safe.

WeCycle Project

The WeCycle Project, managed by WHA Industrial Developers, launched a campaign to collect water bottles that would be upcycled into pillows for the Pluak Daeng Hospital. Fabrinet donated 168 kilograms of water bottles from our internal waste streams, which were transformed into 100 pillows for the hospital.

We also launched a waste segregation campaign at a local school in collaboration with the Khao Khan Song Sub-district Administrative Office in Chonburi province that will continue through 2024. Plastic bottles collected at the school and Fabrinet’s Chonburi facility will be upcycled into school bags for students by the WeCycle Project.



Social

3

GOOD HEALTH AND WELL-BEING

5

GENDER EQUALITY

8

DECENT WORK AND ECONOMIC GROWTH

10

REDUCED INEQUALITIES

Human Capital Management

Diversity, Equity, and Inclusion

Occupational Health and Safety

Supply Chain Management

Quality Management



Human Capital Management

Creating a positive work environment is part of Fabrinet’s core values because we recognize that our employees are the backbone of our success.

Our human capital management programs are designed with overall employee well-being in mind. We offer training and professional development, employee recognition, competitive compensation and benefits, and engagement and wellness programs that encourage workplace cohesion and work-life balance. As of the end of FY2023, we had a team of 13,137 full-time employees in Thailand, making up 90% of our global workforce. The vast majority of that global workforce, and about 91% of our workforce in Thailand, work directly in our manufacturing operations, while the remaining 9% contribute significantly to our administrative, business, and other support functions.

Tracking and reporting key talent metrics allows us to support employees in their career development and strategically fuels our business growth. Our focus is on nurturing internal talent and empowering our employees, with a keen eye on tracking the talent pipeline, employee development and promotions, engagement, and turnover to gauge our performance.

Labor Management Excellence Award

Each year, Thailand’s Ministry of Labor presents its Labor Management Excellence Award to companies based on their policies, standards, and practices covering labor rights, including the right to organize, compensation and benefits, training and development, engagement, and retention. Fabrinet’s Pinehurst location has received this award every year since 2011, and our Chonburi location has received the award every year since 2021.



Training and Professional Development

Fabrinet offers internal and external learning opportunities and educational programming that allows our employees at all levels to continue to advance in their professional journey, growing alongside us. Through Fabrinet Academy and other training programs, we aim to provide knowledge and practical experiences to our teams that enhance managerial, professional, and technical skills. Trainings are tailored to the needs of different roles, departments, and job levels, with over 80 trainings offered covering professional development, quantitative methodologies, production process, continuous improvement, ISO certification requirements, and environmental management, among other areas.

Our Human Resources (HR) team oversees our training programs, collaborating with business and functional team leaders to develop role- and department-specific programs. The team maintains our organizational training matrix, detailing mandatory training requirements for every position and employee level at Fabrinet, including for our orientation program, professional development, quality, and safety training.

HR curates training on general and leadership topics, administering an annual training needs survey for all employees and refreshing our offerings based on the top training topics requested. Additional external trainings are identified by HR as needed to accommodate specific requests from team leaders.

With the vast majority of our staff involved in manufacturing operations, the Quality Assurance (QA) and the Environmental, Health, and Safety (EHS) departments work closely with HR in developing and maintaining our training program. QA and EHS release a training plan every quarter, which is updated based on employee and manager feedback and regulatory requirements. (Read more about EHS and Quality Management training initiatives in the [OHS Training and Awareness](#), [Sustainability Training and Awareness](#), and [Quality Management Training](#) sections of this report.)

Professional Development Select Training Topics

- | | |
|---|------------------------------------|
| ■ Effective Communication | ■ Presentation Skills |
| ■ Mindset for Success | ■ Email Writing for Business |
| ■ People Management Skills | ■ Leadership Development |
| ■ Strategic Finance for Decision Makers | ■ Professional Personality |
| ■ Work Smart with Microsoft Excel | ■ Data Analytics and Visualization |

Developing our Engineering Talent Pipeline

Fabrinet Academy is our in-house education and training program focused on providing engineers and technicians with managerial, professional, and technical skills development, with most training delivered in-person and on-site.

As part of Fabrinet Academy, we collaborated with two Thai technical universities to launch Fabrinet’s Temporary Technician Academy in November 2022. The paid internship program for college seniors was conceived to address a shortage of local engineers with the unique technical skillset in precision optical assembly and testing required by Fabrinet.

Interns are selected from a pool of applicants recommended by the partner universities. The four-month program starts with one month of intensive training followed by three months of hands-on experience where interns work as technicians on our production lines alongside more experienced Fabrinet team members. Those who successfully complete the program are eligible for full-time positions at Fabrinet after graduation.

The program proved a success in its first year—of the 21 students in the inaugural internship class, 100% were offered and accepted positions at Fabrinet and are now integral members of our team. We now plan to offer the Temporary Technician Academy annually and to expand the program in FY2024 by increasing the size of the intern class, adding another participating university, and including an overseas training component for a limited number of students.

Performance Management

All Fabrinet employees undergo performance evaluations with two primary components: 1) performance scoring and 2) performance dialogue. Although regular check-ins between managers and their team members are expected to take place throughout the year, our official evaluation process is conducted once a year. Self-assessments provide an opportunity for employee reflection and discussion with their managers on their previous year’s performance, areas for further growth, and career aspirations. The scoring portion of our annual reviews uses a consistent set of criteria based on employee type: exempt, non-exempt, and management.

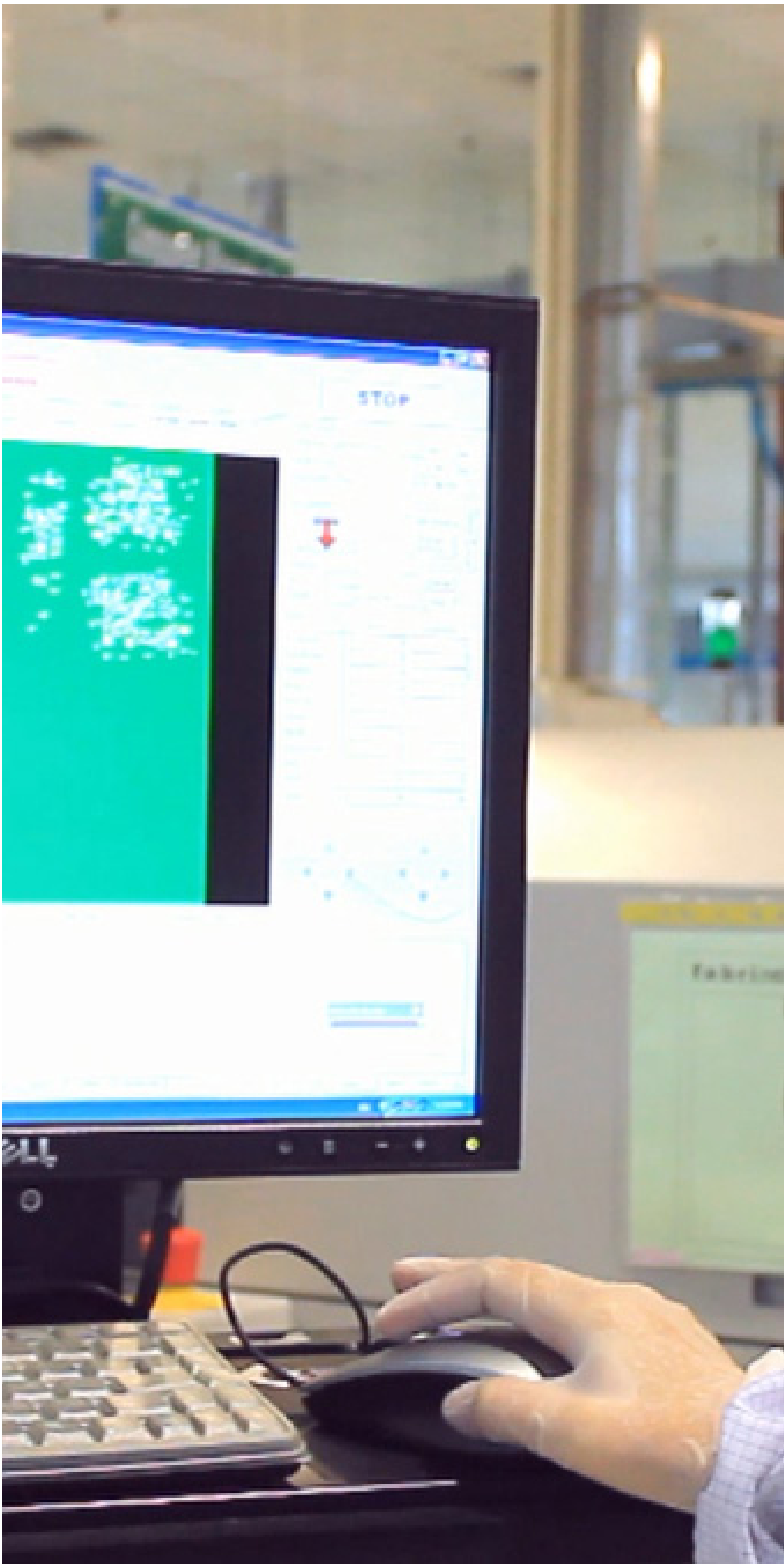
For all non-management employees, the evaluation criteria include:

- Accomplishing assignments
- Quality of work
- Job knowledge and skills
- Problem solving and decision-making
- Initiative and creativity
- Accountability
- Customer focus
- Self-development
- Teamwork / company contributions
- Communication effectiveness

Managers provide a numeric score and written explanation of their evaluation for each criterion and assess employee accomplishments against annual goals and results for major assignments from the previous year. Merit increases are suggested by managers based on the overall performance score.



In addition to setting annual goals during the performance review process, both managers and employees can provide comments on training and development needs on our performance assessment forms, which they use to agree on an annual development plan for the next year. Managers coordinate with HR to identify specific internal and external trainings to incorporate into the plan.



Compensation and Benefits

Our compensation and benefits are competitive and designed to address the well-being of employees and their families. Our primary benefits include:

- Medical, life, disability, and workers’ compensation insurance
- Leave (vacation, holidays, sick days, other personal accommodations)
- Travel allowance
- Free shuttle bus to and from work
- Funeral assistance for family members
- On-site lactation rooms

Our pay package allows all employees to participate in profit sharing. Direct labor is eligible for quarterly profit sharing and a monthly attendance bonus. Indirect labor is eligible for quarterly profit sharing and a quarterly payment based on individual and company performance.

After a new employee completes the 119-day probationary period, they are eligible to become members of our provident fund, which provides a form of retirement savings. Members can allocate 5% to 15% of their wages to the fund and Fabrinet will contribute an additional amount of 5% to 13% of wages, depending on tenure. The vesting of 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 per fund rules.

Employee Leave and Time-Off Provisions

We have developed comprehensive time-off policies that cater to the various needs of Fabrinet team members. These tailored paid leave provisions, which promote a healthy work-life balance and allow employees to attend to important personal and family issues and milestones, include the following:

- Vacation: 7-20 days per year, based on employee type and length of tenure
- Holidays: 14 days per year
- Sickness: 30 days per year
- Marriage: up to 7 days
- Maternity: up to 98 days, with 45 days paid
- Paternity: 2 days
- Military service: up to 60 days per year
- Compassionate and business leave (for sickness or funeral of a family member, participation in a graduation, or taking an entrance examination for college or other institution): up to 5 days per year
- Religious leave (to become a monk or nun, or for Hajj for Muslims): up to 30 days, with 15 days paid

Fabrinet Care

We created the Fabrinet Care program to help employees facing unexpected financial hardship. In 2023, we supported 28 employees confronting various personal challenges, such as homes damaged or destroyed by flood or fire, and acute or chronic illnesses, such as cancer or renal failure.

Fabrinet Children’s Scholarships

Since 2009, Fabrinet has awarded scholarships to school age children of our employees to assist in covering the cost of tuition, books, meals, and other educational expenses. In 2023, we awarded scholarships to 711 children across grade levels, including:

57
in Kindergarten

405
in Primary School

145
in Junior High School

104
in Senior High School

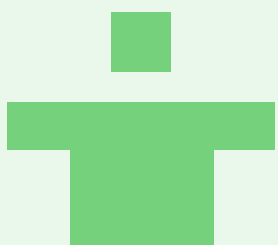
Employee Engagement

Our employee engagement programs are integral to nurturing our employees, which we believe directly contributes to our long-term success. Through open communication, strengthening employee connections, and recognizing accomplishments, we have developed a program that sets us apart from other employers.

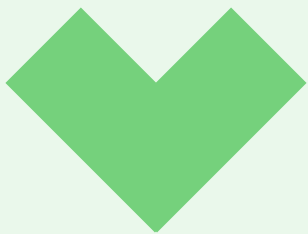
Happy Workplace Program

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.

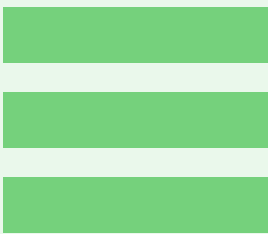
Fabrinet’s HWP promotes the health and well-being of employees, emphasizing the connection between employees’ physical, mental, and emotional happiness, workplace efficiency, and employee retention. The program is based on the Happy 8 Workplace principles:



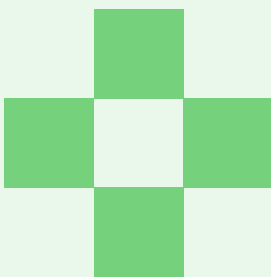
Happy Body
Promoting physical and mental health to help employees more effectively deal with challenges



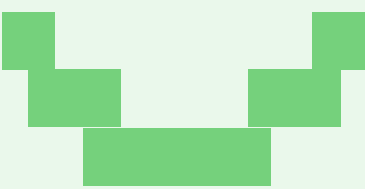
Happy Heart
Promoting kindness and generosity toward each other to improve employee morale



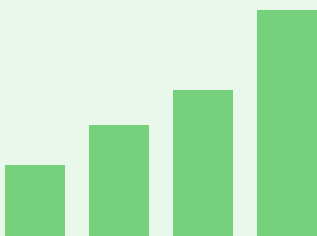
Happy Relax
Promoting physical and mental relaxation to improve work relationships and productivity



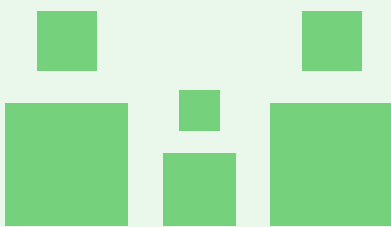
Happy Brain
Encouraging employees to continuously develop their knowledge and abilities to drive organizational success



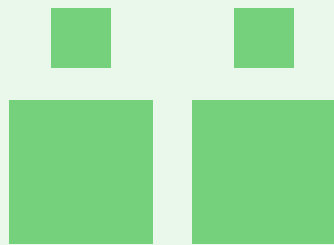
Happy Soul
Encouraging employees to live virtuously for mental happiness and peace



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

Our Employee Relations team oversees our HWP and continuously evaluates and enhances our offerings across employee compensation and benefits, welfare programs, training and development, and engagement initiatives. We encourage and support extracurricular activities that promote employee health and well-being, such as 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 HWP activities and events at our Pinehurst location. The center features indoor and outdoor workout facilities and equipment, including:

- Personal workout equipment (e.g., weights and cardio machines)
- Team sports equipment (e.g., badminton, football (soccer), table tennis, volleyball, basketball)
- Classes (e.g., aerobics, dance, Muay Thai)
- Outdoor track (e.g., employee track and field contests)

All employees are asked to participate in Fabrinet’s annual employee survey based on the Happy 8 Workplace principles, which helps us gauge employee satisfaction and gather feedback about what we are doing well and how we can do even better. Fabrinet’s survey is based on the Institute for Population and Social Research’s widely used [Happinometer](#) survey tool.

Quarterly All-Hands Meeting

Each quarter, our senior leaders host town hall meetings with employees that serve as a platform to express appreciation, share corporate updates, and communicate other essential information. While we pared down the number of meetings held each quarter during the pandemic, we resumed our previous practice of hosting four separate town halls each quarter—two per site to accommodate each shift—by the end of FY2023.

We strongly believe that employee engagement is pivotal for driving change and progress. A significant portion of these meetings is dedicated to the General Manager Suggestion Program, an anonymous platform enabling employees to share concerns, queries, and suggestions with Fabrinet management. Our management carefully reviews every response and provides thoughtful feedback and proposed actions during the town halls. To encourage active participation and recognize valuable suggestions, we reward ideas contributing to cost reductions, efficiency gains, enhanced employee health and safety, and any other helpful improvements.



Service Awards Program

To honor our employees’ dedication, Fabrinet established the Service Awards Program. Every five years of an employee’s tenure with us, we present them with a monetary award and a Certificate of Appreciation. This gesture allows the entire Fabrinet community to join in recognizing valuable contributions of their teammates and express gratitude for their commitment over the years.

Employee Committees

Two employee committees, the Welfare Quality Communications Group and the Thai Labor Standards Committee, 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) monitors workplace standards and compliance with worker agreements, in addition to recommending enhancements to compensation, benefits, workplace services, and other programs and policies to improve the welfare of our employees. Comprising 31 elected members serving two-year terms, the WQCG engages in quarterly meetings with Fabrinet management.

Fabrinet values WQCG’s input as it provides another channel to receive employee concerns. Examples of WQCG recommendations that we implemented in 2023 include:

- Employee shuttle bus route improvements, including farther pick-up points, more routes, and route efficiency enhancements
- Revised and improved safety belt rules
- Additional rest areas
- Additional parking spaces
- Songkran festival celebration

The Thai Labor Standards Committee (TLSC), comprised of 17 committee members who serve two-year terms, ensures Fabrinet is complying with the requirements of the Thai Labor standard, TLS-8001. The committee performs annual internal audits and facilitates annual third-party audits, reports audit findings to senior management, and makes recommendations for improvements to HR policies and programs.

Fabrinet facilitates employee elections for both the WQCG and TLSC every two years, with an 87% voting participation rate in the last election held in 2022. After each two-year term, our Worldwide Head of Human Resources meets with all committee members to thank them for their service and present them with certificates of merit and tokens of appreciation.



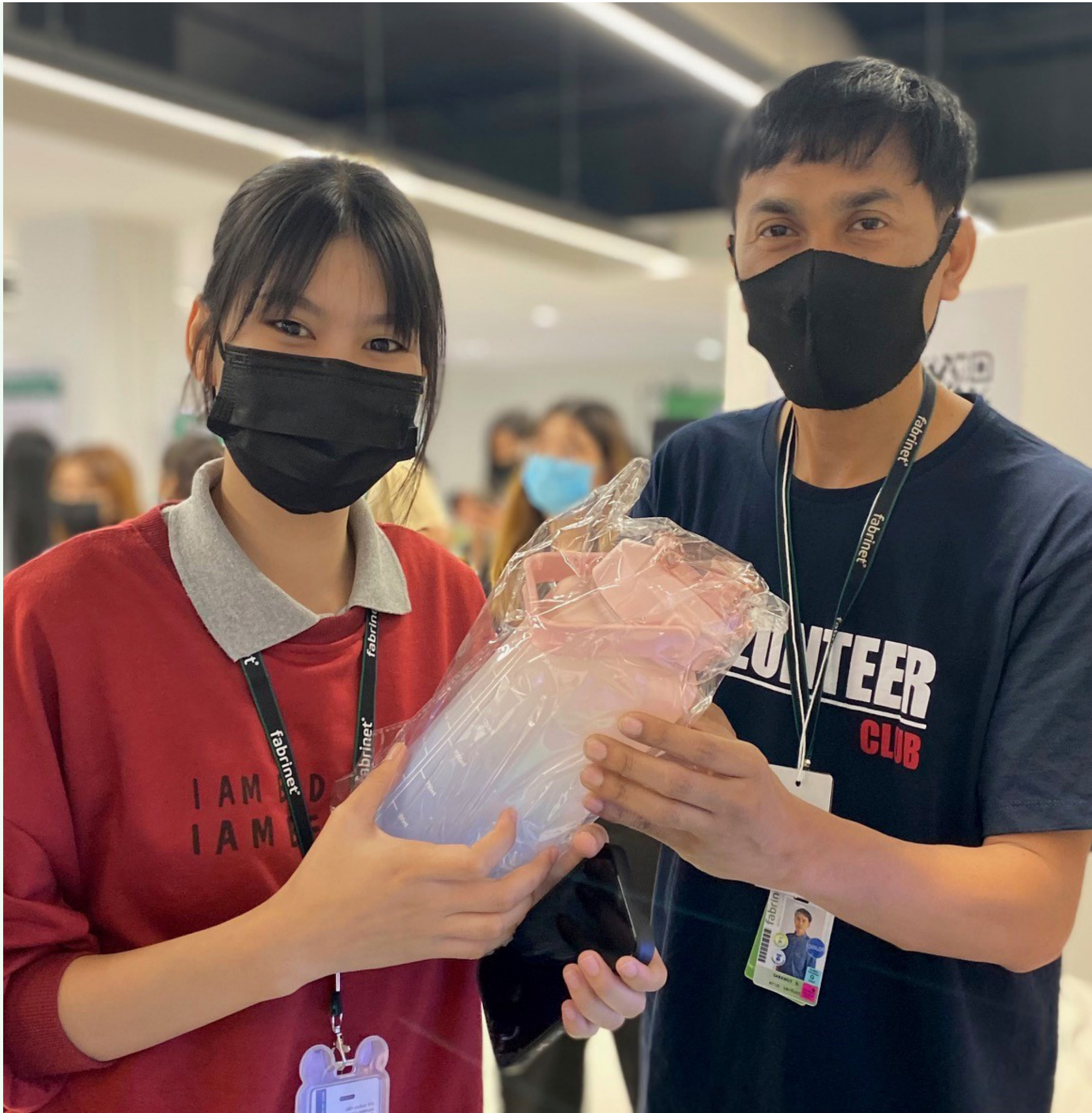
Labor and Human Rights

In 2023, Fabrinet’s CEO endorsed a new Labor Standard and Corporate Social Responsibility Policy, which reaffirms and cements our dedication to improving the quality of life of our employees and ensuring their fair treatment in accordance with human rights principles and applicable local and international laws. The policy outlines our commitments to equal and fair pay, normal working hours, safe working conditions, anti-discrimination, anti-harassment, the right to organize, and protections and accommodations for pregnant and breastfeeding women, among other labor and human rights. It also lays out our policies against child labor and any form of forced labor.

In recognition of our efforts to promote fair labor practices and uphold labor rights, Fabrinet has received certification under the TLS-8001, a voluntary labor standard overseen by the Ministry of Labor’s Department of Labor Protection and Welfare that incorporates Thai labor laws, International Labor Organization conventions, and other international standards and trade agreements. To receive certification, companies must maintain a labor management system covering the following topics:

- Employee welfare
- Occupational health and safety
- Compensation and working hours
- Forced and child labor
- Gender equity
- Discrimination
- Disciplinary procedures
- Freedom of association and collective bargaining
- Sexual harassment and violence

Third-party contractors Fabrinet relies on for outsourced functions, such as security, canteen, medical, and cleaning, are periodically subject to external audits for compliance with TLS-8001.



Diversity, Equity, and Inclusion

Fabrinet is a global company committed to creating an inclusive and welcoming workplace environment. We are dedicated to respecting and valuing each employee. Our corporate culture is deliberately designed to encourage our employees to be their authentic selves and feel embraced for who they are. Initiatives like the Happy Workplace Program further promote a positive and inclusive culture within Fabrinet.

In addition to cultivating a positive workplace environment, we ensure equitable treatment and practices for our workforce through our daily activities. We foster diversity by sourcing candidates through a wide array of job postings, prioritizing individual skills and capabilities in our hiring process. Our hiring, termination, and compensation practices are carefully monitored to adhere to local regulations and international standards.

Our Diversity and Inclusion Policy and Policy against Sexual Harassment, Violence and Discrimination foster a zero-tolerance approach to harassment, violence, or discrimination based on a person’s age, color, race, ethnicity, national origin, disability, physical or mental ability, gender identity or expression, sexual orientation, socio-economic status, veteran status, family or marital status, pregnancy status, HIV-AIDS-related illness, language, political affiliation, labor union membership, and other characteristics that make our employees unique and do not affect the operation of our business. The policies cover practices related to hiring, compensation, promotion, job assignment, termination, and retirement, and provide information on how to report concerns and on enforcement.

In the event of any complaints or reported incidents, we conduct a thorough formal investigation and take necessary remedial actions in accordance with our policies and Code of Conduct. (See more about our Code of Conduct and board and management oversight in the [Business Ethics](#) section of this report.)

Inclusive and Welcoming Culture for LGBTQIA+

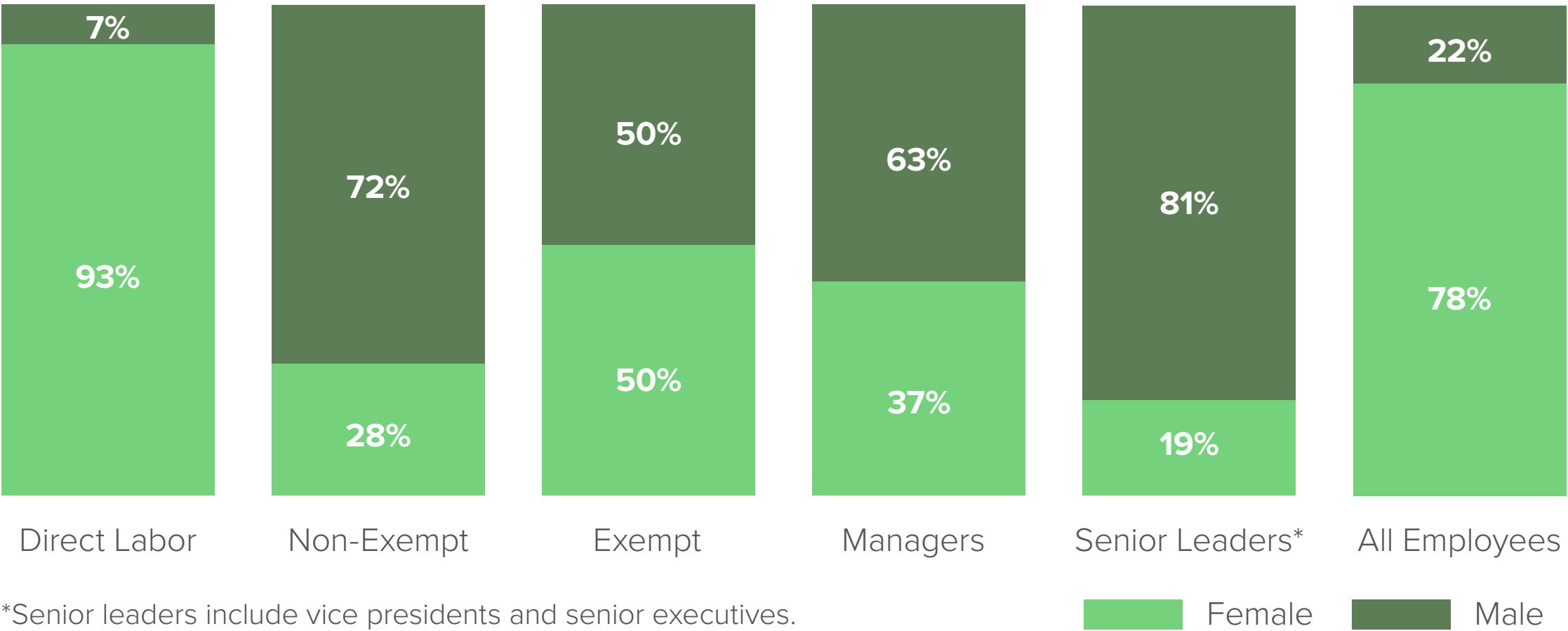
We actively cultivate an environment free from bias where all employees can bring their authentic selves to work. We have found, anecdotally, that our employees who are members of the LGBTQIA+ community feel comfortable being open about their sexual orientation, gender identity, or gender expression, including transgender status, without fear of judgment or adverse consequences from managers or co-workers. While we are aware of the gender of our workforce members, we do not track the gender identity or sexual orientation of our employees. We take pride, however, in receiving positive feedback about our inclusive culture.



Gender Diversity

Women comprise 76% of our workforce, playing an integral role across all levels of Fabrinet.

2021

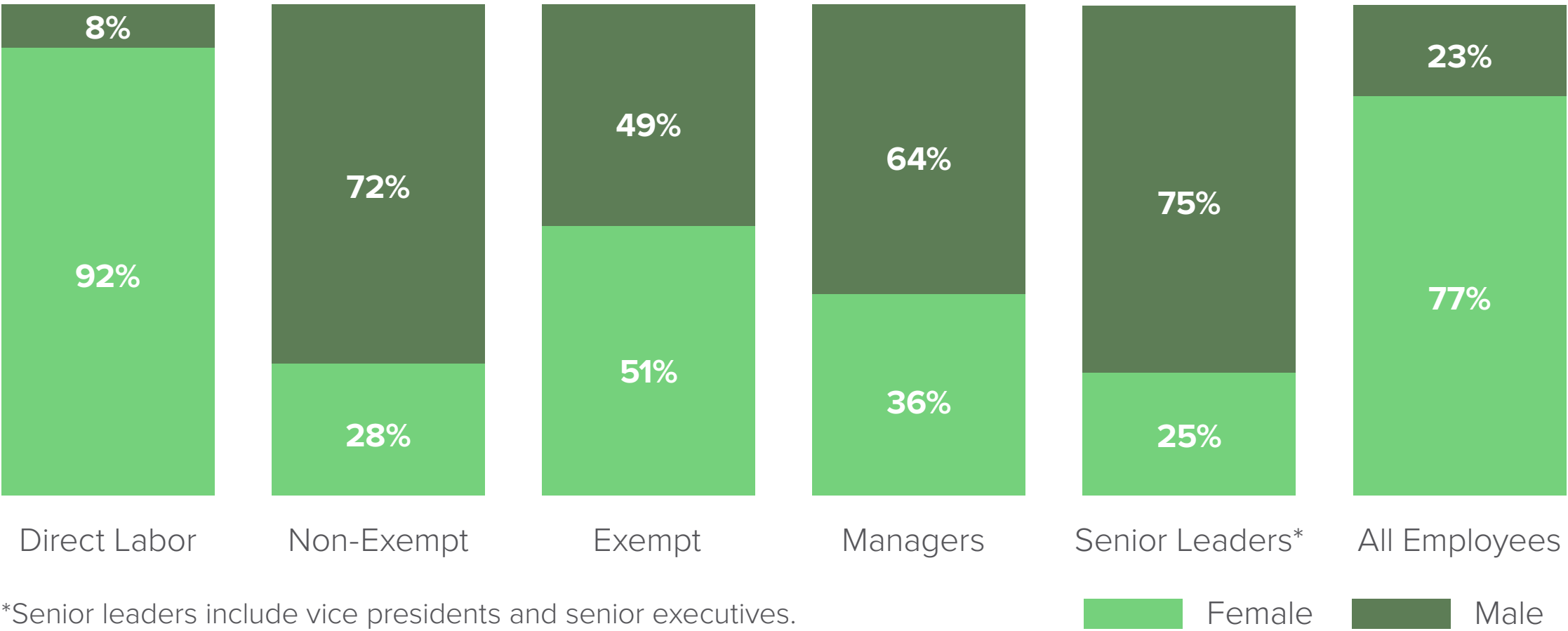


We are driven to create an environment that nurtures the talents and professional growth of the women within our workforce, while establishing a company culture that places a strong emphasis on gender equity. Our range of courses and training programs, including offerings like “Leadership Development” and “Mindset for Success,” are designed to equip all Fabrinet employees with the tools and skills necessary to achieve their full potential, irrespective of gender.

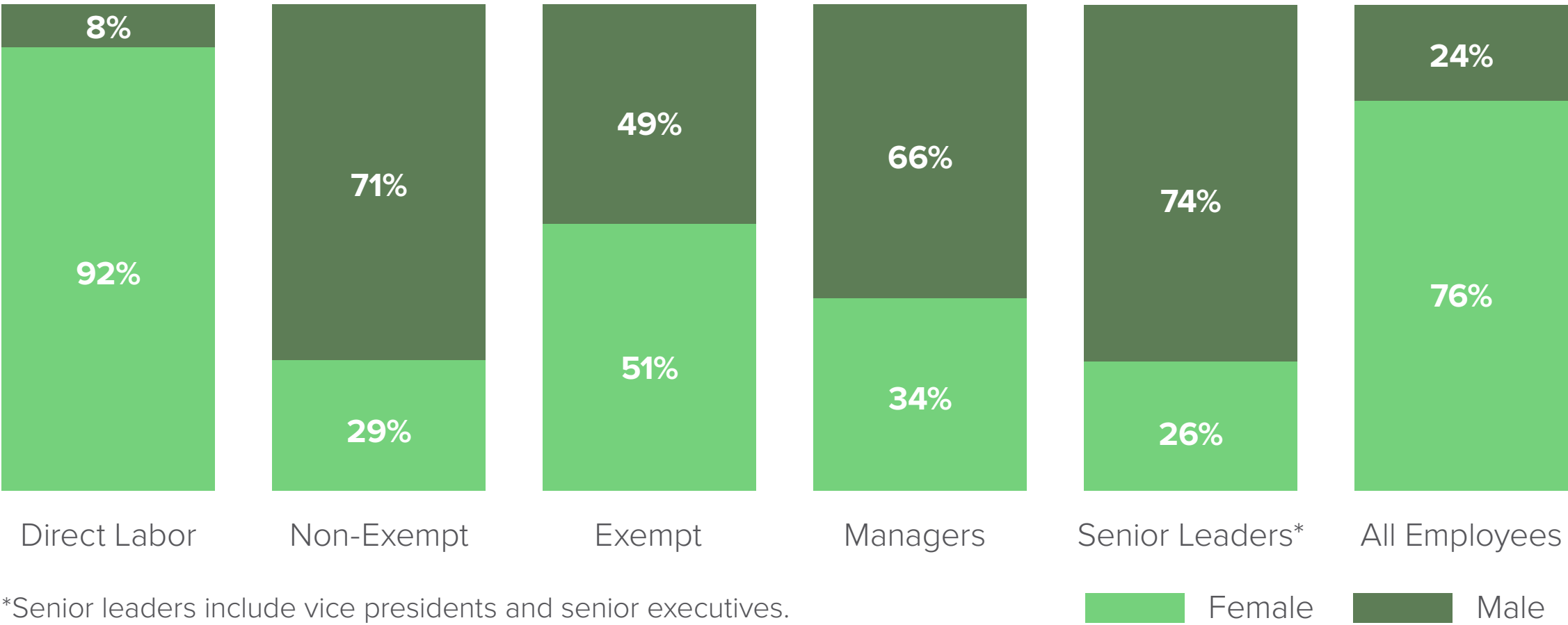
As part of our annual compensation benchmarking practice, gender pay analysis is carried out for each employee level. We aim to consistently monitor these changes year after year, while taking actions to achieve full pay equity across the company.

Female-to-Male Pay Equity Ratio	2021	2022	2023
Operations	1.02	1.04	1.03
Supervisors and Technicians	1.10	1.10	1.14
Managers	0.95	0.96	0.92

2022



2023



Occupational Health and Safety

Maintaining a robust and effective workplace health and safety program is a vital part of our commitment to protecting the health, safety, and well-being of our employees, who we depend on for long-term sustainable growth.

Our Occupational Health and Safety (OHS) program is built on our EHS policy, as part of our EHS management system. (See the [Environmental, Health, and Safety Management System](#) section of this report for more information.)

Complementary to the efforts of our ISO committee, which is focused on maintaining our ISO 45001 and 14001 certifications, our OHS committee operates in accordance with Thai regulations. The group, consisting of 11 members (6 members elected by workers and 5 members appointment by management), serves as a direct avenue for employees to share their insights or concerns with management regarding OHS standards, potential improvements, and performance.

The OHS committee’s primary areas of focus are:

- Assessing OHS policies and procedures to prevent accidents and health issues
- Providing reports and recommendations to senior management to enhance compliance
- Conducting monthly assessments of OHS hazards, risks, and incidents
- Determining the necessity of additional training and awareness activities

In addition to ISO 45001, we also maintained the highest level of certification—platinum—for our health and safety management system from the Thailand Institute of Occupational Safety and Health (T-OSH). The three-year certification was awarded to Fabrinet in 2022, with annual external audits required to ensure we continue upholding the required health and safety standards.

OHS Training and Awareness

Our EHS management system provides a framework that enables our workforce to perform their job duties in a manner that prioritizes their health and safety. In addition to safe practices, employees are provided with tools and training to identify hazards and risks, report incidents, and respond in an emergency.

Health and Safety Select Training Topics

EHS Overview and Internal Audit	ISO 45000 requirements
Hazard Identification and Risk Assessment	EHS Committee
Personal Protective Equipment	First Aid and CPR
Safety for Supervisors and Management	Ergonomics and Lifting Safety
Chemical Safety Handling	Electrical Safety
Fire Prevention and Fire Fighting	Crane Safety
X-ray Safety	Optical and Laser Safety
Hearing Conservation Program	Lock out Tag Out

Beyond training, we continue to build health and safety awareness among our employees through:

- Safety informational bulletin boards and posters
- Safety quizzes
- Pamphlets
- 5-minute safety talks led by supervisors
- EHS awareness campaigns and promotion days



Contractor Safety

Our workplace safety policies and procedures extend to our third-party contractors to whom we outsource functions such as cleaning, canteen, medical staff, and security and whose employees work on-site. We ensure contracted firms provide specialized training to their employees and are subject to rigorous safety inspections. We diligently assess each third-party contractor to verify that their equipment, tools, workspaces, and safety protocols meet the standards necessary to prevent accidents and near misses and provide their employees with supplemental safety training on-site at Fabrinet.

As a result of our efforts, we had zero incidents among employees of third-party contractors in 2023.

Drug-Free Workplace Campaign

Fabrinet’s drug-free program is another way we are working to support our employees’ physical and mental health and maintain a safe workplace. The program is designed to prevent, detect, and address employee drug use.

Both Fabrinet factories have received Level 1 White Factory certification from Thailand’s Department of Labor Protection and Welfare drug-free workplace program, with our Chonburi location receiving certification in September 2023. To be certified, companies must demonstrate compliance with program criteria such as:

- Drug-free workplace policy and system for detecting and addressing drug use at the workplace
- Awareness and education on the dangers of drug use and related laws
- Engagement activities to create a drug-free mindset
- Drug-free workplace employee working group
- Health check-up program

Our Pinehurst location received additional certification from the Department of Labor’s Standard on Prevention and Solution to Drugs Problems in an Establishment, a more rigorous standard requiring companies to have more advanced management systems and practices, including connecting those with drug abuse issues to external resources and committing to hiring and helping to reintegrate those who have successfully completed a drug rehabilitation program.

OHS Risk Assessments and Audits

We use multiple methods and tools for identifying, eliminating, preventing, and minimizing hazards and risks.

Daily Gemba Walks

Safety Officers, quality assurance team members, and production staff collaborate on daily Gemba walks focused on lean manufacturing’s 5S workplace organization methodology and safety. Daily audit findings are provided to General Managers.

Annual Risk Assessment

Area supervisors and Safety Officers conduct OHS risk assessments and hazard analysis annually, as well as for any new product introduction or when there are changes in processes or work areas.

We also rely on employees to promptly report safety concerns and solicit suggestions for improvement, offering multiple communication channels, such as an EHS hotline mobile application, walk-ins for the EHS team office, phone and email of EHS team members, and through reaching out to a member of the OHS committee. We take reports and feedback seriously and respond expeditiously. (See the [Listening to Our Teams](#) section of this report for more information about how we encourage employee feedback.)

Weekly Safety Patrols

Area supervisors and Safety Officers conduct weekly safety patrols focusing on unsafe behaviors or conditions, with corrective action reports provided to our President & COO.

Annual Audits

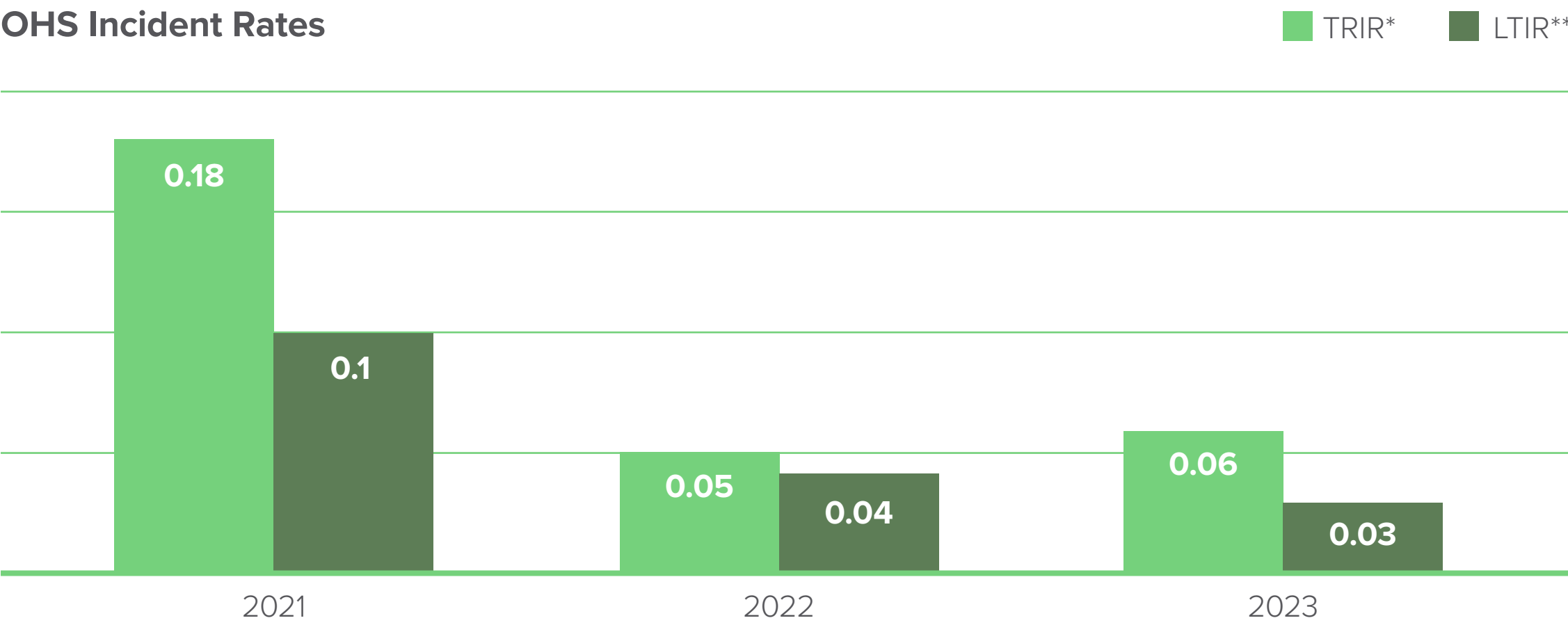
The OHS committee conducts annual internal audits, and we receive annual external audits to verify compliance with ISO 45001 requirements as part of the certification process.

OHS Incidents and Corrective Action

If an incident occurs, our OHS team and relevant department managers investigate, conduct root cause analysis, and promptly implement preventive measures to ensure such incidents do not reoccur. In cases of employee injury or illness during work hours, we have a dedicated in-house clinic staffed by nurses. Additionally, a physician is available at scheduled times for comprehensive medical care. For more serious injuries or illnesses, our emergency response teams and EHS teams are trained and equipped to respond effectively.

OHS Performance

We diligently monitor our health and safety indicators, including Total Recordable Incident Rate (TRIR) and Lost Time Incident Rate (LTIR), striving to drive down incident rates by eliminating hazards and preventing injuries.



* 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.

Supply Chain Management

Fabrinet’s supply chain programs ensure we maintain a strong and reliable supply chain and increase efficiency and productivity for customers and suppliers, while protecting the labor rights of all supply chain workers and protecting the planet.

Our corporate supply chain team consists of more than 40 professionals dedicated to supporting procurement and material sourcing activities. We maintain strong partnerships nurtured over many years with several thousand suppliers headquartered in North America, Europe, and Asia. Our offerings to customers encompass a range of procurement and materials management services, including planning, purchasing, expediting, warehousing, and financing materials from suppliers.

As our customers retain complete control over the design and bill of materials for their products, they typically specify the suppliers of key components for products we manufacture on their behalf. Nevertheless, we collaborate closely with our customers to identify and approve alternative local suppliers for mechanical components, printed circuit boards, passive optics, commodity electronics, and indirect materials whenever possible.

Supplier Standards and 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 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 areas of noncompliance with our standards and requirements

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

RBA Validated Assessment Program

The RBA 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 the [RBA Code of Conduct](#).

We periodically undergo full RBA VAP audits of our facilities as part of our membership commitments. In 2022, we completed an RBA VAP audit without any priority findings through RBA’s Remote Validated Assessment Program. This modified program was launched to respond to continuing impacts from Covid-19. We will be participating in the full RBA VAP process once again in FY2024 for both of our locations in Thailand.

Supplier Audits

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

Quality Management

Fabrinet combines an unwavering focus on quality with highly experienced technologists and world class manufacturing infrastructure. Uncompromising 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 ensure we meet or exceed their requirements and industry standards. In addition to TLS-8001 for labor management systems, ISO 14001 for environmental management systems, ISO 45001 for OHS management systems, and ISO 22301 for business continuity management systems, we maintain the following quality-related certifications covering 100% of our 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—Electrostatic Discharge Control Programs
- IEC 61340-5-1—Electrostatic Discharge Control Systems
- ISO/IEC 17025—Testing and Calibration Laboratories
- 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 electronics manufacturing services. We also comply with all applicable U.S. Food and Drug Administration standards for the manufacture of medical devices.



Quality Management Training

We provide extensive, ongoing quality management training to enhance employee skills and capabilities and promote a quality culture. Our quality management system ensures all applicable employees are provided relevant training according to their job function and monitors the effectiveness of the training provided. Most of the trainings are provided by our Continuous Improvement team and other Fabrinet team members, supplemented with external offerings, on over 50 topics covering:

- Quality Management System
- Quality Management Standards
- Problem Solving and Quality Control
- Lean and Six Sigma
- Advanced Quality Tools
- Other Technical Topics

Quality Control

By integrating our manufacturing and test controls, quality systems, and software platforms, we significantly enhance our capability to consistently deliver high-quality products. In turn, this reduces the risks 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 and product-specific test strategies developed 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



Environment



Environmental, Health,
and Safety Management System

Energy and Emissions Management

Waste Management

Water Management

Chemical Management

Scaling our Customers’ Sustainable Solutions



Environmental, Health, and Safety Management System

At the heart of our operations lies a commitment to sustainable and safe manufacturing practices and continuous improvement. We conduct our business on a global scale, with a strong focus on protecting the environment and complying with applicable environmental laws and regulations, supported by our Environmental, Health, and Safety (EHS) management system that guides all of Fabrinet’s operations. Our programs and initiatives focus on energy conservation, emissions reduction, waste minimization, clean air, and a safe working environment.

Our EHS policy outlines our commitment to protecting the environment and the health and safety of all employees and other stakeholders by:

- Considering the environmental impact of our activities on our suppliers, customers, and other stakeholders
- Implementing an environmental and occupational health and safety management system

- Striving to eliminate hazards, reduce safety risks, and prevent and minimize incidents
- Providing comprehensive training to all employees and employees of third-party contractors
- Continuously improving our environmental performance by reducing environmental impacts and natural resource consumption
- Encouraging employee participation in continuous EHS improvement, including worker participation in consultations on the implementation of our EHS policy

Fabrinet’s EHS management system is built on our EHS policy and provides the framework to systematically and effectively implement our EHS commitments. Certified to ISO 14001 and ISO 45001 and covering 100% of our manufacturing operations in Thailand, key components of our EHS management system include:

- **Organization**—Assigning clear roles, responsibilities, and management oversight of EHS
- **Consultation**—Consulting employees and relevant stakeholders on EHS matters and processes
- **Training**—Offering comprehensive employee training and awareness activities on EHS
- **Risks, Opportunities, and Impacts**—Identifying EHS aspects and impacts of Fabrinet’s activities, products, and services
- **Compliance**—Implementing a structured approach to ensure compliance with EHS laws and regulations
- **Objectives**—Establishing EHS objectives to improve performance
- **Programs**—Developing plans and programs to manage EHS risks and opportunities
- **Performance**—Regularly monitoring, recording, measuring, and evaluating EHS performance
- **Audits**—Undergoing periodic internal and external audits
- **Corrective Action**—Maintaining processes for corrective action and continual improvement
- **Reporting**—Implementing processes for internal and external EHS reporting



EHS Oversight

Fabrinet has established an organizational structure with a dedicated EHS team and management oversight to ensure EHS policies and objectives are embedded into the day-to-day activities of all business units.

<div>CEO</div>	<ul style="list-style-type: none"> ■ Approves EHS policy ■ Ensures EHS requirements are integrated into business processes ■ Allocates resources ■ Oversees performance related to EHS outcomes
<div>General Manager of Quality and Reliability</div>	<ul style="list-style-type: none"> ■ Ensures that EHS management system requirements are established, implemented, and maintained in accordance with ISO 14001 and ISO 45001 standards ■ Reports EHS performance to the CEO and senior management team
<div>EHS Manager</div>	<ul style="list-style-type: none"> ■ Oversees the implementation of the EHS management system ■ Manages EHS team
<div>EHS Team</div> <div>(safety officers, environmental officers, EHS technicians)</div>	<ul style="list-style-type: none"> ■ Develops and enforces measures to ensure safety, health, and environmental practices are performed in compliance with all laws and regulations ■ Receives support from the facilities and quality assurance teams
<div>OHS Committee</div>	<ul style="list-style-type: none"> ■ Assesses OHS policies and procedures to prevent accidents and health issues ■ Provides reports and recommendations to senior management to enhance compliance ■ Conducts monthly assessments of OHS hazards, risks, and incidents ■ Determines the need for additional training
<div>ISO 14001 & ISO 45001 Committee</div> <div>(facilities, quality assurance, procurement, human resources, and business units)</div>	<ul style="list-style-type: none"> ■ Identifies the environmental risks and impacts of activities, products, and services and mitigation measures for such impacts, in coordination with the EHS team ■ Monitors new legal requirements and determines implementation approach ■ Sets objectives and timeframes ■ Provides management with an annual EHS report covering overall performance, any material changes, resource needs, relevant feedback from stakeholders, and opportunities for improvement

Risk Identification and Mitigation

Collaboratively, the EHS team and the ISO committee uphold a robust system for identification and evaluation of potential hazards, risks, opportunities, and impacts linked to our on-site operations, services, and product life cycle. We address hazards and risks by adhering to the hierarchy of controls, with the primary approach being the elimination of hazards and risks whenever feasible, in accordance with our Hazard Identification and Risk Assessment procedures.

Beyond the implementation of corrective measures and controls, we set annual objectives to minimize our environmental impacts and injuries. The effectiveness of these objectives and our overall performance is subject to scrutiny during our annual management review meetings. In these meetings, decisions about the allocation of additional resources, such as human resources, infrastructure, technology, and financial resources are made in consultation with the EHS team and ISO committee.

Listening to Our Teams

Our employees’ feedback serves as a valuable tool for uncovering blind spots and identifying issues that may not surface during our regular internal and external audit and monitoring processes. At Fabrinet, we actively promote open communication, encouraging employees and employees of third-party contractors who work on-site to voice their concerns through various channels, including EHS and quality hotline mobile applications, EHS suggestion boxes, and directly to the EHS team via phone, email, or walk-ins to the EHS team office. In 2023, we received 18 suggestions related to EHS issues, and we promptly addressed all of them.

EHS Audits

Audits are pivotal to upholding our compliance with ISO 14001 and ISO 45001 standards, with external verification conducted at least annually at both of our production sites in Thailand. Additionally, our ISO committee carries out routine EHS monitoring and internal audits in accordance with our EHS management system policies and procedures. These measures allow us to evaluate opportunities to improve our EHS performance and assess potential risks. (See the [Occupational Health and Safety](#) section of this report for more information about our OHS committee.)

Sustainable Manufacturing

Our environmental management capabilities are bolstered through our extensive expertise in lean manufacturing strategies that enhance efficiency and minimize various types of waste in our manufacturing processes. We leverage Kaizen and Six Sigma methodologies to advance our sustainable and responsible manufacturing practices, including:

- **Efficiency Enhancement:** Kaizen principles empower our teams to continuously identify and eliminate inefficiencies in our processes, leading to reduced resource consumption and waste generation.
- **Quality Improvement:** Six Sigma focuses on minimizing defects and variations in our manufacturing processes, ensuring that our products meet high-quality standards from the outset, reducing the need for rework or replacement.
- **Resource Optimization:** Both Kaizen and Six Sigma foster a culture of optimization, which helps us make the most of our resources, such as materials, energy, and labor hours, contributing to reduced environmental impact.
- **Waste Reduction:** Through the systematic application of Kaizen and Six Sigma methodologies, we have significantly reduced waste generation across our operations, making a positive impact on the environment and our bottom line.

Our Green Stream Mapping approach draws inspiration from the principles of lean manufacturing, particularly value stream mapping, a tool designed to pinpoint inefficiencies and waste in processes. We have customized this tool to specifically target environmental factors, both inputs and outputs, throughout our business processes and product lifecycle, discerning and addressing their environmental implications.

We conduct Environmental Impact Assessments for all new products using a life cycle perspective. This evaluation process covers the impact on natural resources, environmental factors (including air and water pollution, noise pollution, waste, and health and safety concerns), and applies these criteria at every stage of the product’s life cycle, from materials selection and production to usage, end-of-life considerations, disposal, and transportation.

In 2023, Fabrinet initiated and implemented 59 projects related to Green Stream Mapping and 3R (Reduce, Reuse, Recycle) initiatives to reduce waste and natural resource consumption.

Thailand Kaizen Award

Fabrinet received multiple honors from the **Thailand Kaizen Award** in August 2022. Organized by the Technology Promotion Association’s (Thailand-Japan), the aim of the award is to encourage creative thinking for continuous improvement of work processes; create a platform for exchanging knowledge, ideas, and experiences; and honor organizations and employees that achieved outstanding Kaizen results.

Fabrinet received two Silver awards, a Bronze award, and a certificate for projects that reduced waste from defects and paper-based systems and improved efficiency in our product processes.



Sustainability Training and Awareness

Our successful environmental performance depends on the dedication of our teams in their day-to-day roles. To instill a sustainability mindset, we actively engage and educate our employees through:

- **New Hire Awareness Training** focuses on our EHS management system and the importance of conserving natural resources and protecting the environment
- **Green Living Workshops** offer practical tips for conserving and protecting the environment in our daily activities
- **3R Training** teaches the application of lean manufacturing principles to our processes and our 3R Program policy and procedures for waste reduction and sustainability efforts
- **ISO Committee Training** prepares the members of the ISO 14001 and 45001 Committee to comply with ISO requirements and carry out their internal audit duties
- **Special Sustainability Events** engage our employees across business units to foster awareness on sustainable living and inspire proactive actions

In addition to the regularly scheduled training activities above, in 2023 we also offered external trainings in energy conservation, facility energy management, the PAS 2060:2014 Carbon Neutrality standard, and a methodology for calculating the carbon footprint of organizations.

CSR, ESG and National Environment Day

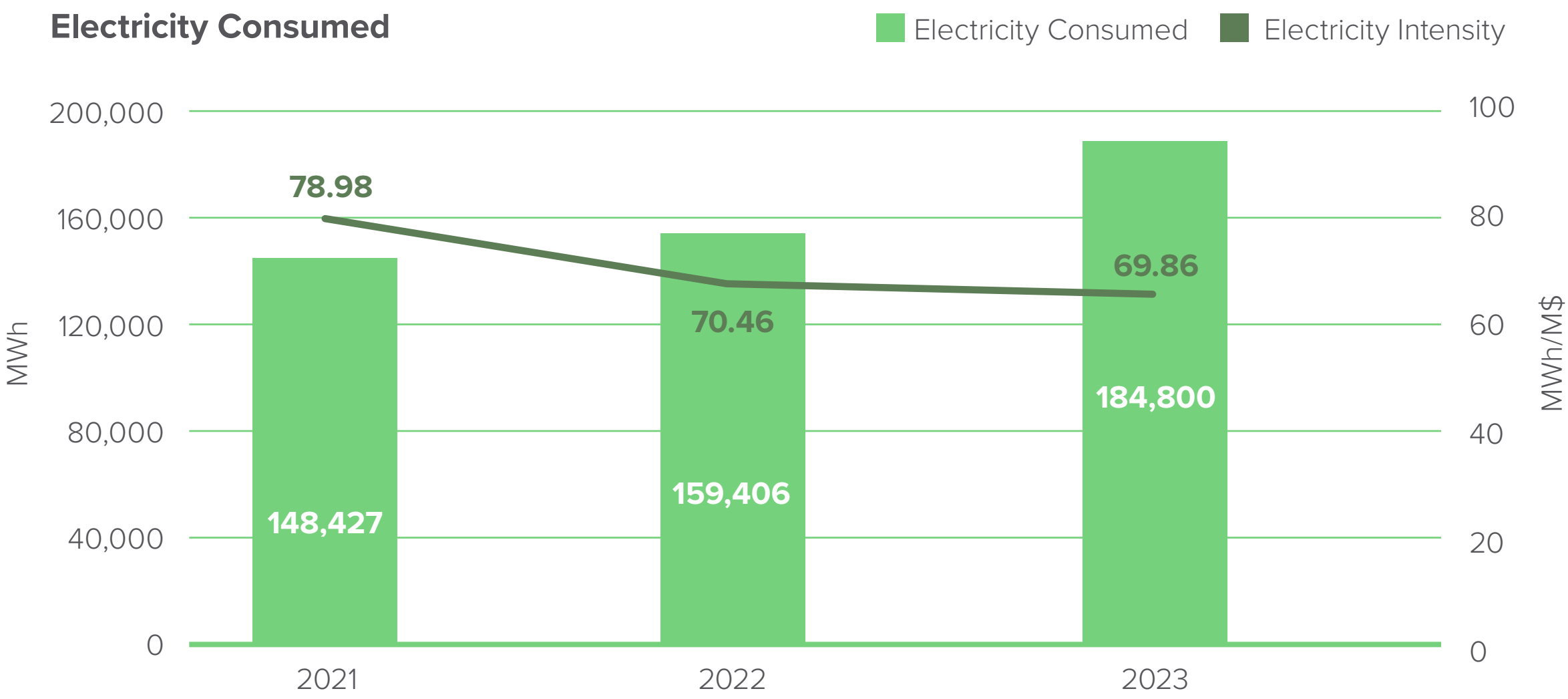
In 2023, we hosted a CSR, ESG and National Environment Day event at both Fabrinet locations to celebrate Thai National Environment Day, which were attended by almost 1,500 employees. The events featured activities and exhibitions, such as a Creative Recycling Invention Contest, to enhance employee knowledge of environmental and social sustainability issues, Fabrinet’s ESG and CSR programs, and the UN SDGs. Booths were set up by Fabrinet’s Volunteer, Happy Soul, Save Nature, and Music clubs; as well as by shops invited from the local community.

Energy and Emissions Management

In line with our Energy Management Policy, our energy programs are designed to align with energy conservation laws and regulations, while prioritizing efficiency, cost effectiveness, and environmental stewardship in energy consumption. We have established a dedicated energy management team, tasked with identifying and implementing energy-efficient practices and projects across all areas of our operations, without compromising product quality.

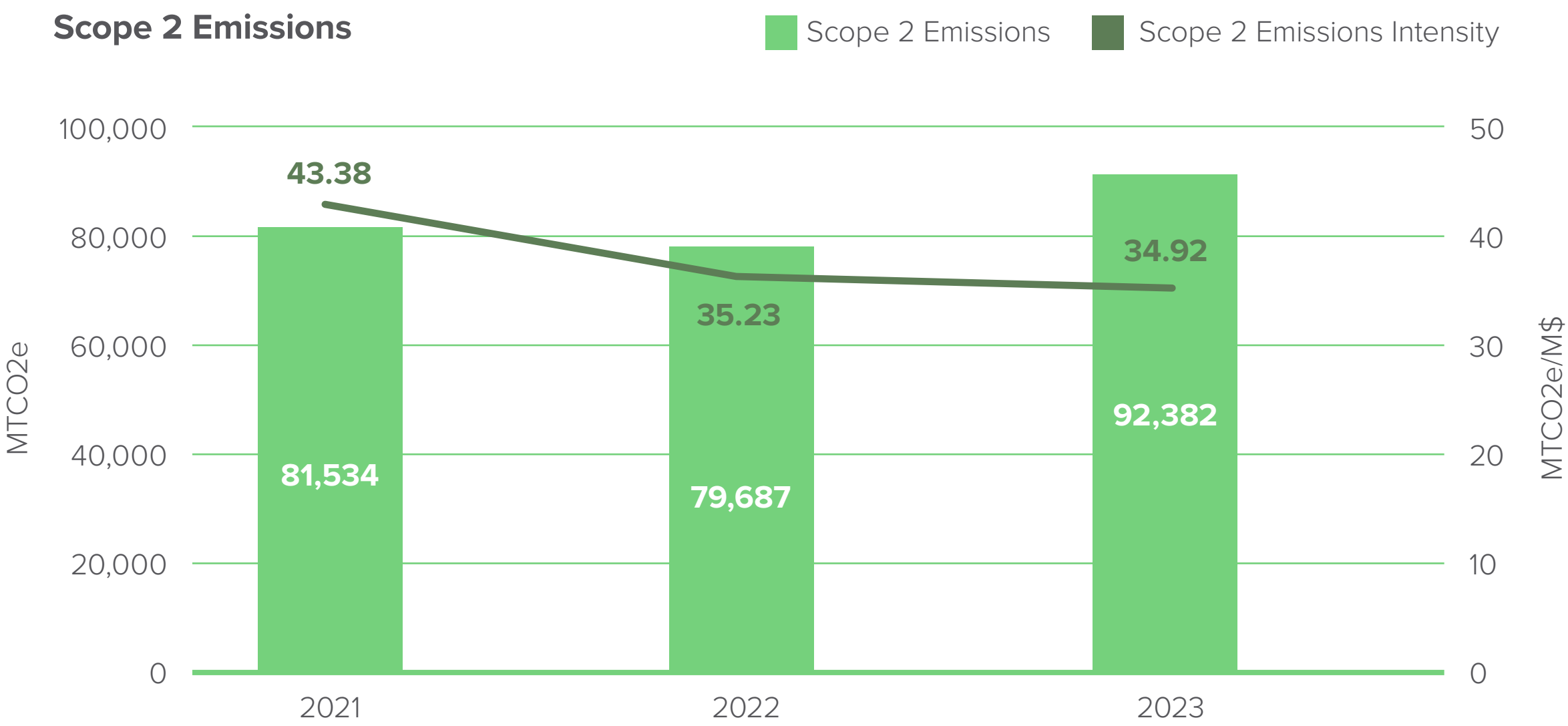
Our annual objectives are focused on electricity consumption and Scope 2 emissions because we rely on the public power supply for more than 90% of our energy consumption, which also accounts for over 95% of our total Scope 1 and 2 emissions. In 2023, our electricity intensity was 69.86 MWh per million dollars of revenue and our Scope 2 emissions intensity was 35 metric tons of CO2e per million dollars of revenue, meeting our objectives of remaining below 70 MWh per million dollars of revenue and 37 metric tons of CO2e per million dollars of revenue, respectively.

Electricity Consumed



*Please see GRI 2-4 in the report appendix for information about restated 2021 intensity metrics.

Scope 2 Emissions



*Please see GRI 2-4 in the report appendix for information about restated 2021 intensity metrics.

Waste Management

Fabrinet employs a comprehensive approach to waste management and waste reduction. Each waste stream undergoes separation, enabling us to assess strategies for waste elimination, reduction, and recycling. Both non-hazardous and hazardous waste are subject to detailed guidelines and procedures, with training provided starting with our employee on-boarding process. Our EHS team conducts audits at least monthly, and more frequently for chemical handling and storage. Hazardous waste disposal is entrusted to licensed third-party vendors who adhere to national regulations and international standards.

Waste Reduction Programs

Fabrinet’s 3R Program spearheads our organization-wide endeavors to reduce our waste impact. With active participation expected from all employees, the program encompasses every facet of our operations, including canteen, manufacturing, and offices, specifically focusing on minimizing landfill waste and activities with negative environmental impacts.



The 3R Program is overseen by our General Manager of Quality and Reliability, who appoints Project Champions responsible for planning, executing, assessing, and updating the program’s progress. Project Champions collaborate closely with the 3R Steering Committee, which is comprised of leaders from various departments, including EHS and Quality. The committee provides ongoing guidance, reviews data, and establishes key performance indicators. It also approves implementation plans when opportunities for improvement arise in areas such as inventory control, raw material handling, process adjustments, material changes, logistics, and waste reduction in our canteen and offices.

Fabrinet’s recycling efforts encompass diverse materials, including plastic bags, paper, wood, beverage containers, as well as plastic, foam, sponges, gloves, and similar items. Collaborating with our local suppliers, we try to reuse packaging materials in an environmentally friendly manner, promoting sustainability without compromising product quality. Packaging from other suppliers is sold domestically to third parties for processing and recycling. Our wooden pallets, for instance, are repurposed by companies to craft affordable furniture for the local community.



Solvent Recycling

In 2023, Fabrinet launched a new partnership to recycle chemicals from our production processes, such as acetone, methanol, ethanol, and isopropyl alcohol, with a third-party vendor, Recycle Engineering, which was founded to bring international standards of waste management to the industrial sector in Thailand, particularly focused on reducing the environmental impacts of chemical waste.



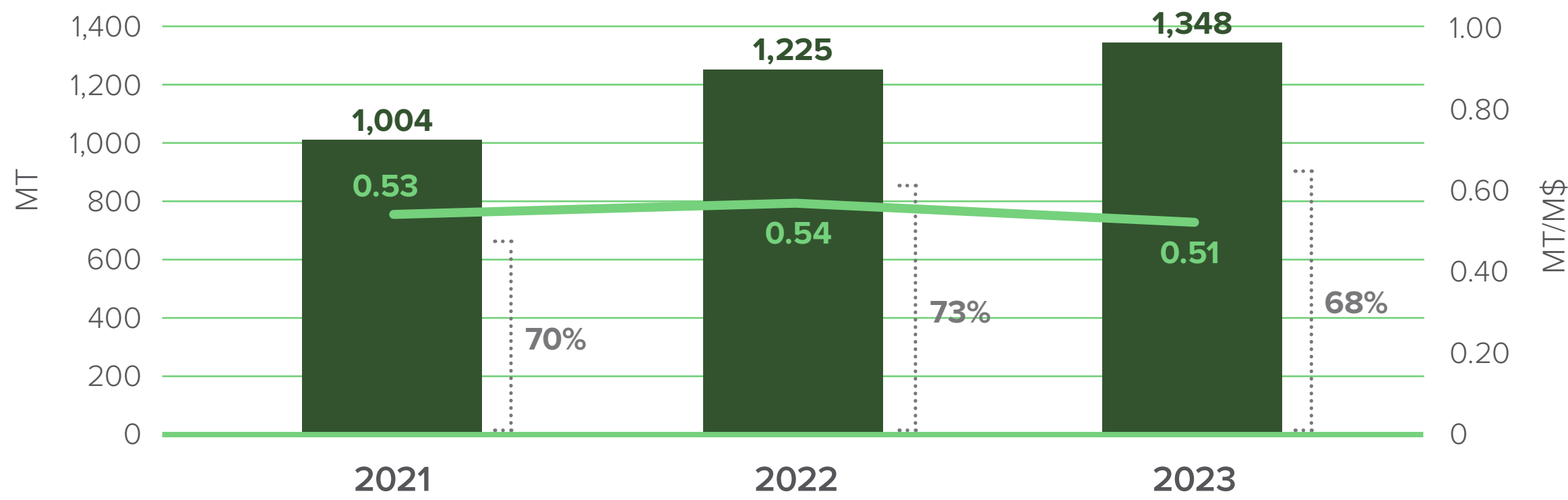
Our hazardous waste intensity is driven by the type and quantity of products we manufacture for our customers, which can change from year to year. While our hazardous waste intensity went up in 2023, we met our objective of generating less than 0.6 metric tons of non-hazardous waste per million dollars of revenue and less than 0.05 metric tons of hazardous waste per million dollars of revenue.

Non-Hazardous Waste Generated and Recycled

Non-Hazardous Waste Generated

Non-Hazardous Waste Intensity

Non-Hazardous Waste Recycled %

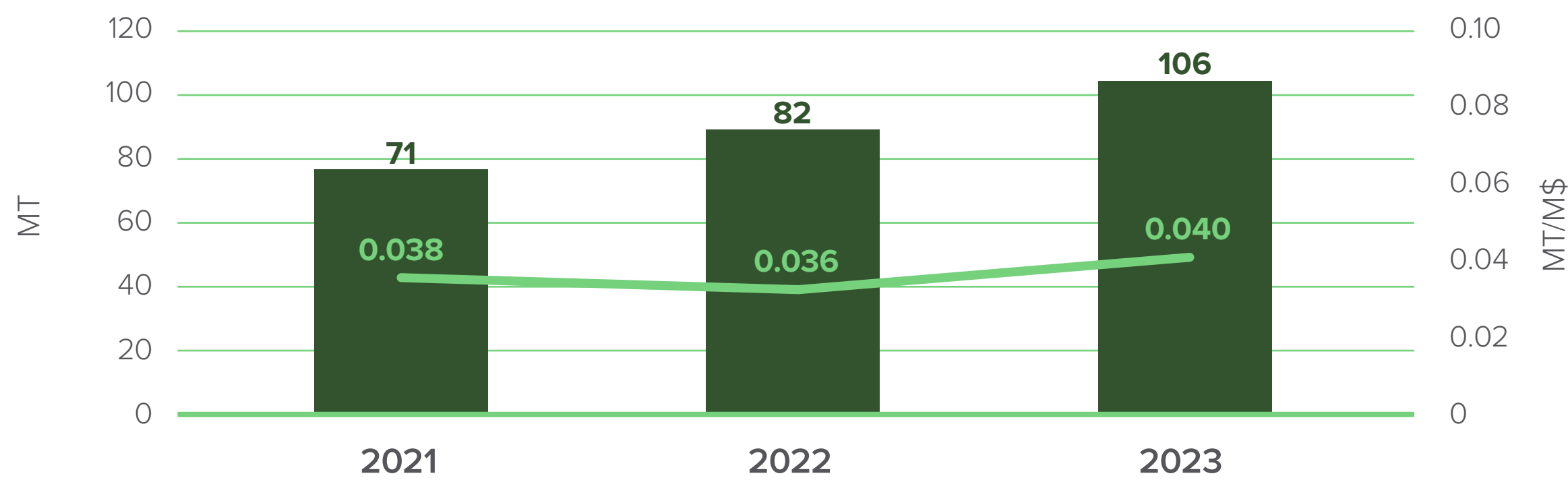


*Please see GRI 2-4 in the report appendix for information about restated 2021 intensity metrics.

Hazardous Waste Generated

Hazardous Waste Generated

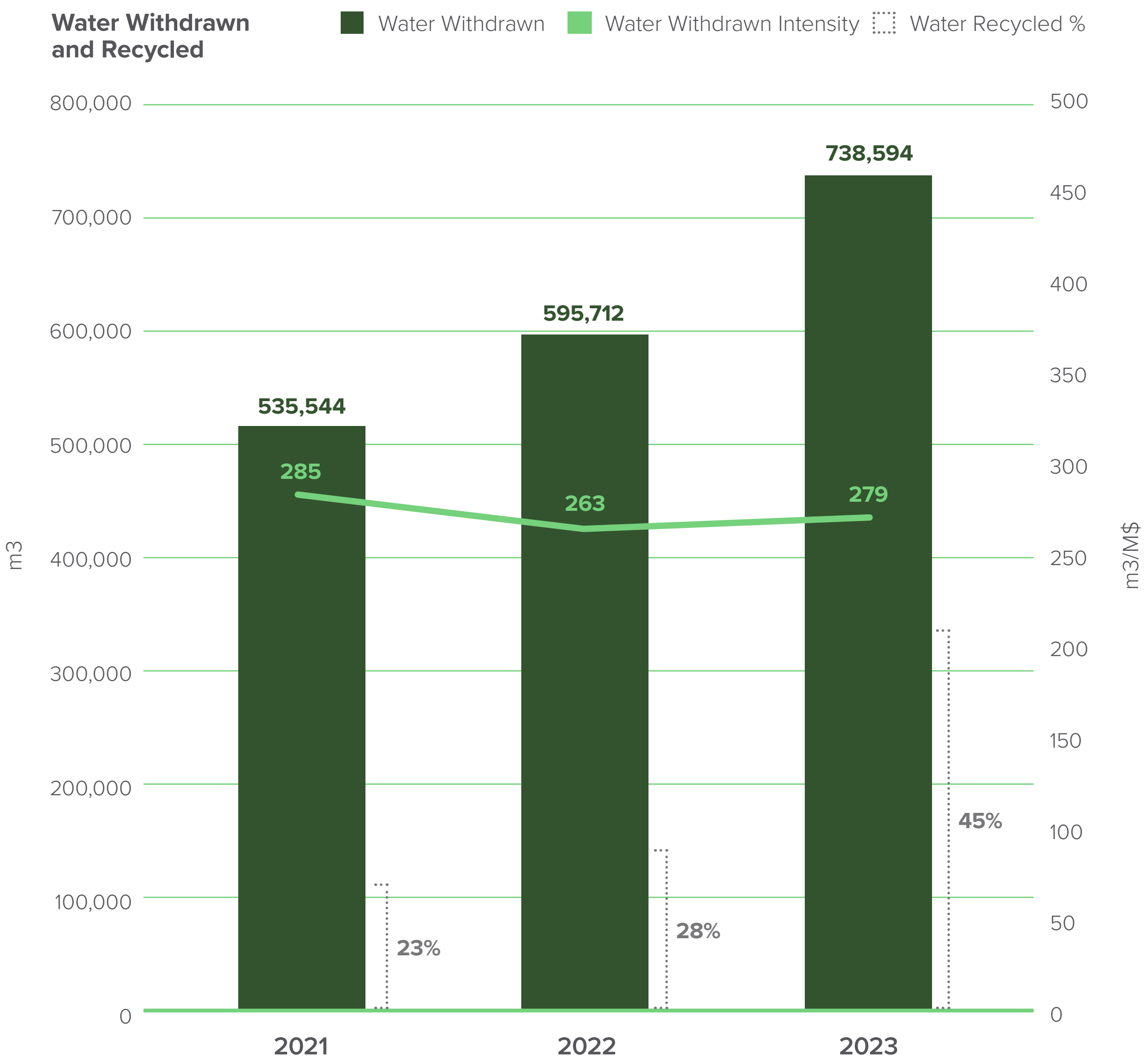
Hazardous Waste Intensity



*Please see GRI 2-4 in the report appendix for information about restated 2021 intensity metrics.

Water Management

Fabrinet sources water from the municipal water supply and groundwater. Fabrinet’s overall water use is primarily driven by canteen operations and sanitation facilities; our production processes use small quantities of water for cleaning purposes only. Despite this, we remain committed to decreasing our water use and expanding our utilization of recycled water. In 2023, we successfully recycled 45% (332,616 m3) of the water we withdrew, directing it toward sanitation facilities and landscape irrigation. Our water withdrawal intensity increased slightly because of new construction at our Chonburi factory.



Chemical Management

With an eye toward protecting human health and the environment, we follow best practices and adhere to international standards, applicable regulations, and customer requirements on the use of chemicals in our operations and products. Our quality management system and EHS management system include policies and procedures related to chemical management covering material sourcing and handling, storage, labeling, lab testing, manufacturing, training, emergency response, disposal, and other aspects of our operations.

Vendors are selected based on their ability to meet standards and requirements, including those related to chemical safety. In addition to Fabrinet’s standards, each Fabrinet customer specifies the environmental, health, safety, and other standards for materials related to their products that must be satisfied by vendors.

Vendors must provide material safety data sheets, material declarations, certificates of conformity, product traceability records, and other documentation needed to assess whether chemicals, components, packaging, and other materials used in the manufacturing process and products meet customer and regulatory requirements, such as the European Union’s RoHS and REACH Directives.



Scaling our Customers’ Sustainable Solutions

Fabrinet’s technical expertise and capabilities in advanced manufacturing help customers to cost effectively bring high-quality products to market and easily manage fluctuations in demand. Our key growth areas are driven by next-generation technologies, such as optical communication devices for data centers and electronics for electric vehicle (EV) charging stations, that also play a role in the transition to a low-carbon economy. In 2023, optical communication devices accounted for over a quarter of Fabrinet’s revenue, while the largest segments of growth in non-optical communications were in electric vehicles and charging stations and automotive and non-automotive Light Detection and Ranging (LiDAR) applications.

Sustainable Data Centers in the AI Era

The growth in cloud computing, 5G, artificial intelligence, machine learning, and Internet of Things (IoT) applications, which have much higher bandwidth speed and capacity requirements, have accelerated data center traffic year-over-year. This in turn has fueled the need for more energy and cooling to support the 24/7 hardware demands. Data centers consume a sizable portion of the world’s electricity, which the International Energy Agency expects to double by 2030. Reduced power consumption, as measured in Watts per Gigabit per second, has become a key performance criterion alongside speed, latency, and cost for advanced data communication technology.

Fabrinet is strategically positioned to help address data center industry challenges by providing manufacturing services for next generation photonic technology, including transceivers which enable data centers to operate with greater efficiencies by consuming fewer Watts per Gb/s than previous generations and can improve installation and maintenance efficiency.

For almost ten years, we have been a key manufacturer in the optical communications industry serving data centers, always striving to stay ahead of industry advancements. Our manufacturing volumes for 400 Gb/s transceivers have eclipsed that of 100 Gb/s transceivers. As the industry targets higher data transmission speeds of 800Gb/s and 1.6Tb/s by 2025, critical for the growth of data centers for AI, Fabrinet remains at the forefront of

this technology evolution. In 2023, we received the first order for an 800 gig non-silicon photonic transceiver for an AI data center application, and we are working on 1.2 Tb/s and 1.6 Tb/s products expected to come online in the next few years.

LiDAR for Safety and Resource Efficiency

LiDAR, functioning as a light-based sensing technology, stands out for its capacity to generate accurate 3D information about an object and its surroundings. While LiDAR may be most recognized for autonomous driving applications, it has endless possibilities in non-automotive applications. Some of the applications for the products we manufacture for our customers include:

- **Automotive Safety**—provide high-resolution, real-time 3D images around vehicles, accurately measuring and generating billions of data points. LiDAR can drastically surpass traditional camera-based safety systems in reliability and accuracy, revolutionizing road safety.
- **Sustainable Cooling Solutions**—address concerns associated with traditional cooling methods, by eliminating the need for harmful ozone-depleting chemicals in air conditioning, freezers, and refrigeration.
- **Operational Efficiency and Cost Reduction in Waste Management**—quickly and accurately obtain data on waste volume and mass, facilitating swift material recovery and recycling.
- **Precision Agriculture**—improve crop yields, while minimizing the use of fertilizers and other inputs, facilitating efficient resource utilization and sustainable farming practices.

Electric Vehicles

Fabrinet provides electronic products to the EV industry, primarily for use in EV charging infrastructure, which is a critical component in accelerating the adoption of EVs.



Governance

Corporate Governance

Business Ethics

Data Privacy and Information Security



Corporate Governance

Fabrinet recognizes that good governance is essential to promoting trust and confidence among our stakeholders and ensuring all parties’ interests are considered. Fabrinet’s Board of Directors establishes rigorous expectations for the company’s employees, officers, and directors and is entrusted with the responsibility of acting as stewards for shareholders when managing our operations. To meet these obligations and carry out its duty, the Board adheres to the procedures and criteria outlined in our [Corporate Governance Guidelines](#).

Governance Highlights

- Board independence (5 out of 7 directors are independent)
- Separate Chair and Chief Executive Officer
- Independent directors regularly meet in executive sessions without management present
- Directors attended, on average, 99% of all Board and committee meetings in 2023
- Diversity of Board skills and experience
- Annual Board and committee evaluations
- Strong corporate governance guidelines and policies
- Majority voting director resignation policy for uncontested elections
- Share ownership guidelines for executive officers and directors
- Succession planning process
- Shareholder outreach program
- Board risk oversight and assessment

Board Committees

The Board fulfills its duties through regularly scheduled quarterly meetings of the Board and each of its committees. Presently, the Board consists of three standing committees, each comprised of independent directors who contribute specialized expertise and insights to their respective areas of oversight:

- **Audit Committee**—oversees financial reporting and auditing processes, internal controls, compliance with laws, whistleblower reports, and enterprise risk management.
- **Compensation Committee**—reviews and approves executive compensation and employee compensation and benefits programs.
- **Nominating and Corporate Governance Committee**—identifies and evaluates potential new directors, oversees Fabrinet’s ESG practices, reviews and assists with CEO and executive officer succession planning.

More information about each committee’s oversight responsibilities of ESG can be found in the [ESG Governance](#) section of this report.



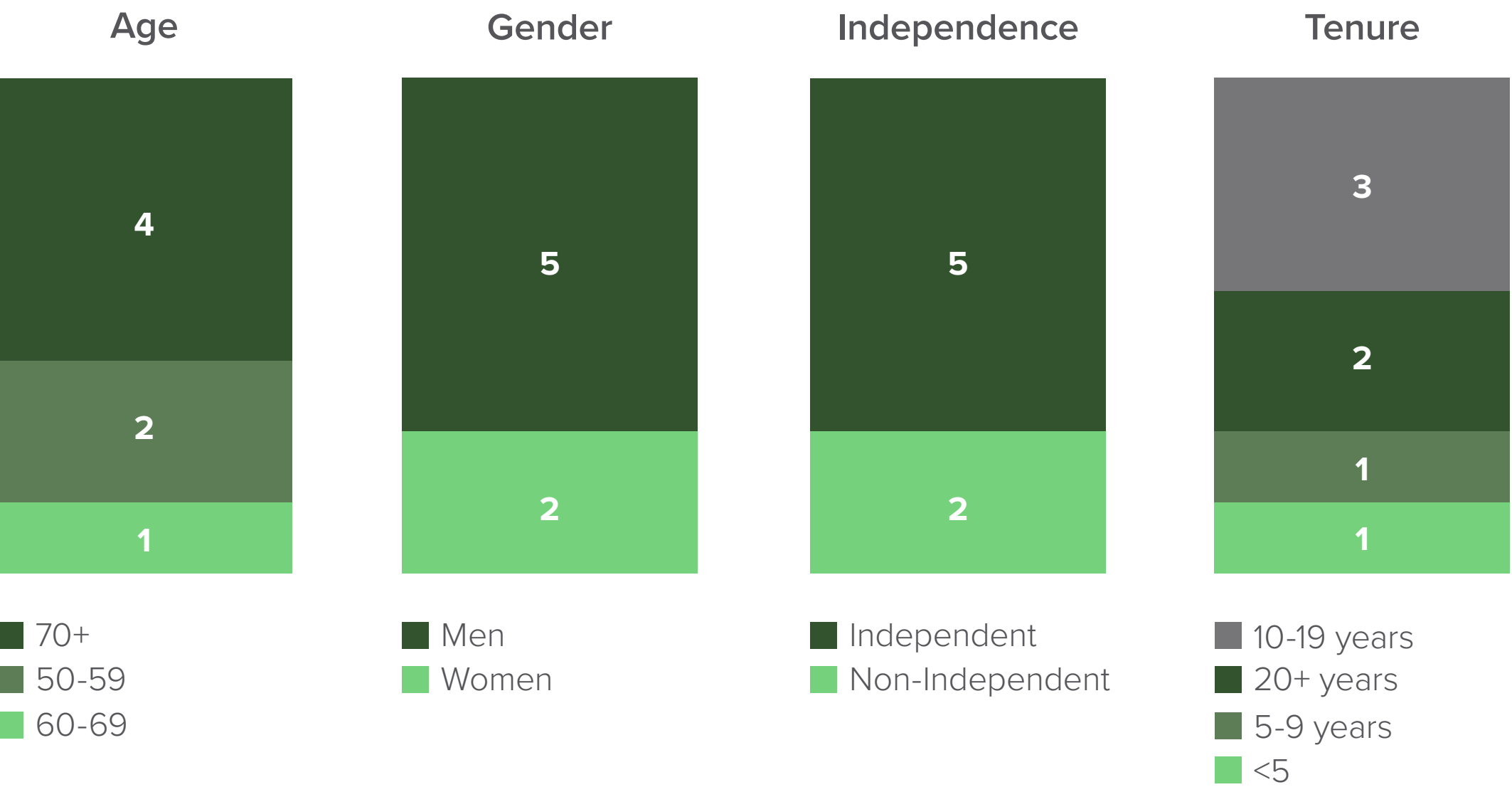
Board Composition

The Nominating and Corporate Governance Committee reviews the qualifications, experience, and skills of potential candidates for the Board of Directors before recommending them for selection by the Board. The committee employs a comprehensive approach to identifying and assessing potential nominees.

While the committee has not established specific minimum qualifications or a formal diversity policy for director candidates, the committee believes that candidates and nominees should reflect a board of directors that is predominately independent and that is comprised of directors who (1) are of high integrity, (2) have broad, business-related knowledge and experience, (3) have qualifications that will increase overall board effectiveness, (4) have diverse backgrounds and perspectives, and (5) meet other requirements as may be required by applicable rules, such as financial literacy or financial expertise with respect to Audit Committee members.

Our Board of Directors brings diverse skills, experience, knowledge, and perspectives to areas critical to our business. Their collective knowledge ensures appropriate management and risk oversight and supports our strategy of long-term sustainable value creation.

2023 Board Composition



Director Name	Executive Leadership	Industry	Operational Manufacturing	Finance	Global Leadership	Business Development & Strategy	Information Security	Other Public Company Board Experience
David T. (Tom) Mitchell	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>		<div></div>
Seamus Grady	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>		
Dr. Homa Bahrami				<div></div>	<div></div>	<div></div>		<div></div>
Thomas F. Kelly	<div></div>			<div></div>	<div></div>	<div></div>	<div></div>	<div></div>
Darlene S. Knight	<div></div>		<div></div>	<div></div>	<div></div>	<div></div>		<div></div>
Dr. Frank H. Levinson	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>		<div></div>
Rollance E. Olson	<div></div>		<div></div>	<div></div>		<div></div>		

Enterprise Risk Management

In its oversight role, the Board and its committees monitor risk management processes, including the identification and management of various risks. These risks encompass enterprise, financial, operational, information security, business, and reputation aspects, and include risks related to corporate social responsibility and environmental sustainability. The management team is responsible for day-to-day risk management, working to identify, evaluate, and mitigate risks at the enterprise, strategic, financial, and operating levels. Periodic Board and committee meetings provide opportunities for management to report on risks and seek guidance from the Board. For example, Fabrinet’s Chief Financial Officer provides reports to the Audit Committee concerning financial, tax, and audit-related risks. In addition, the Audit Committee receives periodic reports from management on our compliance programs and efforts, investment policy and practices. (More information on each committee’s responsibility for overseeing ESG-related risks and opportunities can be found in the [ESG Governance](#) section of this report.)

In 2023, we received ISO 22301 Security and Resilience, Business Continuity Management Systems (BCMS) certification for all of Fabrinet Thailand. The purpose of our BCMS is to minimize impacts from any disruptive incidents, such as natural or man-made disasters, major supply chain issues, or cyberattacks, allowing Fabrinet to maintain operations, recover quickly, and reduce the potential costs and duration of a disruption.

Business Ethics

Fabrinet is committed to nurturing a corporate culture that upholds the highest standards of ethics through business practices and behavioral principles. Our [Code of Conduct](#) serves as a compass for ethical and compliant behavior among our directors, officers, and staff. Mandatory Code of Conduct training is required of all managers, finance personnel, procurement specialists, employees involved in import/export activities, and any other individuals who engage with customers, suppliers, or government representatives. 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.)

Whistleblower Reporting and Protection

Our whistleblower procedures, as outlined in our [Code of Conduct](#), provide a framework for addressing concerns and issues. We encourage employees to reach out to their supervisors or other relevant personnel if they come across any instances of unethical, illegal, or non-compliant behavior. Additionally, we offer a confidential whistleblower hotline managed by an independent third party where employees can report their concerns anonymously. All whistleblower reports are shared with our General Counsel, Senior Vice President of Worldwide HR, and Senior Director of Internal Audit, who are responsible for overseeing investigations based on the nature of the complaint. The Board receives updates on investigation reports and outcomes, typically during the next quarterly board meeting, or sooner if necessary.

Data Privacy and Information Security

Fabrinet relies heavily on our information technology hardware and software infrastructure to power every aspect of our operations. We are continually expanding and upgrading this infrastructure to keep up with the rapid pace of technological changes and to respond to the changing needs of the business. Fabrinet’s information security policy aims to provide a set of rules and procedures to fulfill our availability, integrity, and confidentiality objectives.

Fabrinet’s Information Security Policy’s Objectives

Availability

We ensure that our information and information systems are always accessible and operational, supporting both essential and critical business processes without any interruptions or denials of access to authorized users.

Integrity

We take measures to maintain the integrity of our organizational information, ensuring it remains unaltered, undamaged, uncompromised, and not disclosed without proper authorization.

Confidentiality

We restrict access to confidential information to authorized individuals only, making sure sensitive data is not disclosed to unauthorized parties.

We govern our information system using best practices that enhance the accuracy, completeness, and reliability of our business and manufacturing information, while also minimizing the business impact in case of significant disruptions.

Roles and Responsibilities

Audit Committee	<ul style="list-style-type: none"> Oversees cybersecurity and data security risks and mitigation strategies
CEO	<ul style="list-style-type: none"> Makes strategic decisions related to IT security, including allocating resources, defining security policies, and overseeing the implementation of cybersecurity measures
Security Executive Council (COO, CFO, and general managers from different business functions)	<ul style="list-style-type: none"> Supports the CEO in the strategic oversight of IT security Aligns IT security policies and initiatives with the business strategy and objectives of the organization and individual business units
Vice President, Information Technology & Security	<ul style="list-style-type: none"> Leads IT & Security organization (reporting directly to CEO) Provides quarterly briefings on issues related to data privacy and information security
Information Technology & Security Team	<ul style="list-style-type: none"> Ensures safety and security of Fabrinet’s network and infrastructure, assets and operations, endpoints, and application
Security Leads (available for each business unit)	<ul style="list-style-type: none"> Provides additional targeted support to the respective business units

Information Security Approach

We continuously improve our security measures and regularly assess our processes to proactively and effectively address evolving threats, industry standards, technological advancements, and evolving regulations. We allocate resources towards acquiring innovative tools, technology, and both internal and external expertise to safeguard our network and the valuable data of Fabrinet and our customers.

A vital component of our cybersecurity strategy involves engaging external specialists for guidance and conducting assessments, testing, and audits of our information security programs, in addition to conducting our own internal testing and audits. This approach helps eliminate internal biases and bolsters our capabilities.

As part of our multi-year cybersecurity roadmap, we have implemented various measures following the NIST Cybersecurity Framework, including:

- Implementing an IT asset management system
- Enhancing remote access management
- Deploying a Virtual Private Network (VPN) and Multi-Factor Authentication (MFA) solutions
- Strengthening network firewall protections
- Deploying a web application firewall
- Adopting Security Information and Event Management (SIEM) technology
- Conducting regular vulnerability scanning and penetration testing
- Utilizing application and source code security analysis and testing tools

Data Privacy

Fabrinet places a strong emphasis on safeguarding privacy and data security. We strictly adhere to Thailand’s Personal Data Privacy Act (PDPA) regulations and cybersecurity guidelines, ensuring the highest level of protection for personal information. Our comprehensive [Privacy Policy](#) governs various aspects, including the collection, processing, and disclosure of personal data. It also outlines our data retention practices and provides clear avenues for individuals to access their information or raise objections to data-related activities. We do not sell personal data or use it for any purposes beyond our core manufacturing operations and activities associated with manufacturing.

Protecting Customers’ Intellectual Property

Fabrinet’s achievements are contingent, in part, on our capacity to safeguard our customers’ intellectual assets, encompassing their procedures and technologies throughout the entire production cycle, from the procurement of raw materials to the delivery of final products. We thoroughly structure our customers into distinct and physically isolated “customer business units,” each equipped with a dedicated workforce and a secure “production facility within a facility,” enhanced by additional security protocols. This approach also enables us to accommodate customers’ individual preferences for confidentiality.

Employee Training and Education

All newly on-boarded employees must participate in a mandatory training program covering security awareness, privacy, and the significance of safeguarding confidential information. Following the training, employees must endorse a statement confirming their completion of the program, comprehension of the expectations, and commitment to following our policies. Additionally, we conduct annual refresher training sessions for all staff to reinforce their previous knowledge and ensure they stay informed about current cybersecurity trends. Furthermore, we regularly conduct phishing drill tests to familiarize employees with the latest tactics employed by cybercriminals.

Building a Sustainable and Resilient Organization

As we enhance our computer server farms to meet business growth and evolving organizational needs, we consider hardware upgrades and migrations that provide a better power consumption ratio—reducing energy consumption, emissions, and costs—and select technology that will build long-term operational resilience, efficiency, and effectiveness. We primarily employ on-site hosting to restrict third-party access and maintain control over our servers and critical data, in accordance with our stringent data security and privacy policies and procedures. For less critical data, we carefully evaluate the options for on-site hosting versus third-party cloud providers, balancing energy efficiency, operational efficiency, and security considerations.

We received certification to ISO 22301 Security and Resilience, Business Continuity Management Systems, which is another way we are demonstrating to our stakeholders that building a resilient and sustainable organization fit for the future is integral to our corporate strategy. While business continuity is part of overall risk management, there is considerable overlap with information security and technology management. The certification is a testament to our internal capabilities and readiness to maintain business continuity during any disruptions, including potential breaches or cyberattacks.



Appendix

ESG Data Summary

SASB Index

GRI Index



ESG Data Summary

Environmental Data

Category	Units	FY2021	FY2022	FY2023
Energy				
Electricity Consumed	MWh	148,427	159,406	184,800
Electricity Intensity	MWh/revenue (M\$)	78.98	70.46	69.86
GHG Emissions				
Scope 2 Emissions	MTCO2e	81,534	79,687	92,382
Scope 2 Emissions Intensity	MTCO2e/revenue (M\$)	43.38	35.23	34.92
Waste				
Non-Hazardous Waste Generated				
Non-Hazardous Waste Generated	MT	1,004	1,225	1,348
Non-Hazardous Waste Intensity	MT/revenue (M\$)	0.53	0.54	0.51
Non-Hazardous Waste Disposed				
Non-Hazardous Waste Recycled	MT	705	888	915
Non-Hazardous Waste Recycled	%	70	73	68
Non-Hazardous Waste Landfilled	MT	299	336	434
Hazardous Waste Generated				
Hazardous Waste Generated	MT	71	82	106
Hazardous Waste Intensity	MT/revenue (M\$)	0.038	0.036	0.040
Water				
Water Withdrawn				
Water Withdrawn	m3	535,544	595,712	738,594
Water Intensity	m3/revenue (M\$)	285	263	279
Water Discharged				
Water Recycled	m3	124,600	165,989	332,616
Water Recycled	%	23	28	45
Water Discharged	m3	410,944	429,723	405,978

Social Data

Category	Units	FY2021		FY2022		FY2023	
Employees							
Thailand	FTE	10,512		12,408		13,137	
All Other Locations	FTE	1,677		1,827		1,526	
Total Employees Worldwide	FTE	12,189		14,235		14,663	
Female-to-Male Pay Equity							
Operations	Ratio	1.02		1.04		1.03	
Supervisors and Technicians	Ratio	1.10		1.10		1.14	
Managers	Ratio	0.95		0.96		0.92	
Gender Diversity							
		Female	Male	Female	Male	Female	Male
Direct Labor	%	93	7	92	8	92	8
Non-Exempt	%	28	72	28	72	29	71
Exempt	%	50	50	51	49	51	49
Managers	%	37	63	36	64	34	66
Senior Leaders	%	19	81	25	75	26	74
All Employees	%	78	22	77	23	76	24
OHS Performance							
Total Recordable Incident Rate	Rate	0.18		0.05		0.06	
Lost Time Incident Rate	Rate	0.10		0.04		0.03	

Governance Data

Category	Units	FY2021	FY2022	FY2023
Board Composition				
Gender				
Male	#	6	5	5
Female	#	1	2	2
Age				
50-59	#	1	2	2
60-69	#	4	3	1
70+	#	2	2	4
Tenure				
<5 years	#	2	1	1
5-9 years	#	1	1	1
10-19 years	#	2	3	3
20+ years	#	2	2	2
Independence				
Independent	#	5	5	5
Non-Independent	#	2	2	2

SASB Index

SASB Metric	Disclosure Location/Response	SASB Code
Water Management		
(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	(1) Environment/Water Management (2) Environment/Water Management	TC-ES-140a.1
Waste Management		
Amount of hazardous waste from manufacturing, percentage recycled	Environment/Waste Management	TC-ES-150a.1
Labor Practices		
(1) Number of work stoppages and (2) total days idle	(1) 0 (2) 0	TC-ES-310a.1
Labor Conditions		
(1) Total recordable incident rate (TRIR) and (2) near miss frequency rate (NMFR) for (a) direct employees and (b) contract employees	(1) (a) Social/Occupational Health and Safety/OHS Performance (1) (b) Fabrinet does not have contract employees. (2) Not disclosed	TC-ES-320a.1
Percentage of (1) entity’s facilities and (2) Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities	(1) (a) 100% in Thailand (1) (b) Fabrinet does not have high risk facilities. (2) Not disclosed	TC-ES-320a.2
(1) Non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent and (2) associated corrective action rate for (a) priority non-conformances and (b) other non-conformances, broken down for (i) the entity’s facilities and (ii) the entity’s Tier 1 supplier facilities	(1) Not disclosed (2) Not disclosed See the RBA Validated Assessment Program section of this report for information about Fabrinet’s latest VAP audit results.	TC-ES-320a.3
Product Lifecycle Management		
Weight of end-of-life products and e-waste recovered, percentage recycled	Fabrinet’s operations are devoted to contract manufacturing. Fabrinet is not an original design manufacturer—we do not design, manufacture, or offer any products outside of those produced on behalf of our customers. In addition, the products we manufacture are primarily components that are then used in our customers’ products. Fabrinet, therefore, does not have control or influence over end-of-life recovery or recycling for the products we manufacture on behalf of our customers.	TC-ES-410a.1
Materials Sourcing		
Description of the management of risks associated with the use of critical materials	2023 Annual Report/ Form 10-K (page 11 and 18) Social/Supply Chain Management	TC-ES-440a.1

Activity Metrics		
Number of manufacturing facilities	2 in Thailand and 6 globally	TC-ES-140a.1
Area of manufacturing facilities	3,227,000 square feet in Thailand, representing 88% of 3,658,280 square feet globally	TC-ES-150a.1
Number of employees	13,137 FTE in Thailand, representing 90% of 14,663 FTE globally	TC-ES-310a.1

GRI Index

Disclosure		Disclosure Location/Response
GRI 2: General Disclosures 2021		
2-1	Organizational details	2023 Annual Report/ Form 10-K (page 1, 5)
2-2	Entities included in the organization’s sustainability reporting	Fabrinet’s 2023 Sustainability Report covers Fabrinet Thailand operations, unless otherwise noted. Our audited financial statements also include operations in the People’s Republic of China, the United States, Israel, and the Cayman Islands. Fabrinet Thailand manufactures products that account for over that account for over 90% of our worldwide revenues and employs 88% of our global workforce.
2-3	Reporting period, frequency and contact point	Period: Fiscal year 2023 ended June 30, 2023 Frequency: Annual Contact: ir@fabrinet.com
2-4	Restatements of information	We are restating electricity, Scope 2 emissions, non-hazardous waste, and water intensity metrics for 2021 due to an error in calculations, and electricity intensity for 2022 due to a rounding error. We are also clarifying that previously reported energy and emissions data excluded direct energy and Scope 1 emissions—electricity accounted for over 95% of our energy consumption for the last three years, and Scope 2 emissions account for over 90% of our total Scope 1 and 2 emissions for the last three years.
2-6	Activities, value chain and other business relationships	2023 Annual Report/ Form 10-K/ Business (page 5-14)
2-7	Employees	Appendix/ESG Data Summary/Social Data All employees are permanent and full-time
2-8	Workers who are not employees	Fabrinet does not have workers who are not employees whose work is controlled by us. We outsource certain functions to third-party contractors, including security, cleaning, medical, and canteen, whose employees work on-site at Fabrinet.
2-9	Governance structure and composition	2023 Proxy Statement/Corporate Governance Matters/ (page 21-26)
2-10	Nomination and selection of the highest governance body	2023 Proxy Statement/Corporate Governance Matters/Process for Recommending Candidates for Election to the Board of Directors (page 26)

2-11	Chair of the highest governance body	2023 Proxy Statement/Corporate Governance Matters/Board Leadership Structure (page 21)
2-12	Role of the highest governance body in overseeing the management of impacts	ESG Approach/ESG Governance
2-13	Delegation of responsibility for managing impacts	ESG Approach/ESG Governance
2-14	Role of the highest governance body in sustainability reporting	ESG Approach/ESG Governance
2-15	Conflicts of interest	Code of Conduct/Conflicts of Interest
2-16	Communication of critical concerns	Code of Conduct, Governance/Corporate Governance/Enterprise Risk Management, Governance/Corporate Governance/Business Ethics
2-18	Evaluation of the performance of the highest governance body	Nominating and Corporate Governance Committee Charter
2-19	Remuneration policies	2023 Proxy Statement/Director Compensation (page 19-20) 2023 Proxy Statement/Executive Compensation (page 35-62)
2-20	Process to determine remuneration	2023 Proxy Statement/Executive Compensation (page 35-62)
2-21	Annual total compensation ratio	2023 Proxy Statement/Additional Compensation Matters/CEO Pay Ratio (page 59)
2-22	Statement on sustainable development strategy	Letter from the CEO
2-23	Policy commitments	Code of Conduct Social/Human Capital Management/Labor and Human Rights Community Engagement Social/Diversity, Equity, and Inclusion Social/Supply Chain Management/Supplier Standards and Qualification
2-24	Embedding policy commitments	Governance/Business Ethics ESG Approach/ESG Governance
2-25	Processes to remediate negative impacts	Community Engagement
2-26	Mechanisms for seeking advice and raising concerns	Governance/Business Ethics Environment/Environmental, Health, and Safety Management System/Listening to Our Teams Social/Human Capital Management/Employee Engagement/Quarterly All-Hands Meeting
2-27	Compliance with laws and regulations	Fabrinet did not have any significant instances of non-compliance with laws or regulations during the reporting period.
2-29	Approach to stakeholder engagement	Community Engagement 2023 Proxy Statement/Governance/Shareholder Engagement Initiatives (page 29)
2-30	Collective bargaining agreements	2023 Annual Report/ Form 10-K/ Business/Human Capital Resources (page 14) Social/Human Capital Management/Labor and Human Rights Social/Human Capital Management/Employee Engagement/Employee Committees

Material topics

Disclosure		Disclosure Location/Response
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	ESG Approach/ESG Priorities
3-2	List of material topics	ESG Approach/ESG Priorities
3-3	Management of material topics	ESG Approach/ESG Governance
GRI 302: Energy 2016		
302-1	Energy consumption within the organization	Environment/Energy and Emissions Management
302-3	Energy intensity	Environment/Energy and Emissions Management
302-4	Reduction of energy consumption	Environment/Energy and Emissions Management
302-5	Reductions in energy requirements of products and services	Environment/Scaling Our Customers’ Sustainable Solutions
GRI 303: Water and Effluents 2018		
303-3	Water withdrawal	Environment/Water Management
303-4	Water discharge	Environment/Water Management
GRI 305: Emissions 2016		
305-2	Energy indirect (Scope 2) GHG emissions	Environment/Energy and Emissions Management
305-4	GHG emissions intensity	Environment/Energy and Emissions Management
305-5	Reduction of GHG emissions	Environment/Energy and Emissions Management

GRI 306: Waste 2020		
306-1	Waste generation and significant waste	Environment/Waste Management
306-2	Management of significant waste	Environment/Waste Management
306-3	Waste generated	Environment/Waste Management
306-4	Waste diverted from disposal	Environment/Waste Management
306-5	Waste directed to disposal	Environment/Waste Management
GRI 401: Employment 2016		
401-2	Benefits provided to full-time employees	Social/Human Capital Management/Compensation and Benefits
401-3	Parental leave	Social/Human Capital Management/Compensation and Benefits
GRI 403: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	Social/Occupational Health and Safety
403-2	Hazard identification, risk assessment, and incident investigation	Social/Occupational Health and Safety/OHS Risk Assessments and Audits
403-3	Occupational health services	Social/Occupational Health and Safety/OHS Incidents and Corrective Action
403-4	Worker participation, consultation, and communication on occupational health and safety	Environment/Environmental, Health, and Safety Management System/EHS Oversight Social/Occupational Health and Safety/OHS Training and Awareness
403-5	Worker training on occupational health and safety	Social/Occupational Health and Safety/OHS Training and Awareness
403-8	Workers covered by an occupational health and safety management system	Environment/Environmental, Health, and Safety Management System
403-9	Work-related injuries	Social/Occupational Health and Safety/OHS Performance

GRI 404: Training and Education 2016

404-2	Programs for upgrading employee skills and transition assistance programs	Social/Human Capital Management/Training and Professional Development
404-3	Percentage of employees receiving regular performance and career development reviews	100% of employees receive annual performance reviews.

GRI 405: Diversity and Equal Opportunity 2016

405-1	Diversity of governance bodies and employees	Governance/Corporate Governance/Board Composition
405-2	Ratio of basic salary and remuneration of women to men	Social/Diversity, Equity, and Inclusion/Female-to-Male Pay Equity Ratio

GRI 407: Freedom of Association and Collective Bargaining 2016

407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	2023 Annual Report/ Form 10-K/ Business/Human Capital Resources (page 14) Social/Human Capital Management/Labor and Human Rights Social/Human Capital Management/Employee Engagement/Employee Committees
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GRI 413: Local Communities 2016

413-1	Operations with local community engagement, impact assessments, and development programs	Community Engagement
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