Qisda

Corporate Sustainability Report 2024



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1 About This Report

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- Qisda and Our Stakeholders



Introduction to Qisda

The information disclosure of this report focuses on the sustainability issues, management strategies, targets, current status and future directions. These are available for all to download or search for at: **https://esg.qisda.com/en**

Organizational Boundaries	Geographic scope(1): This includes the headquarters of Qisda – Taiwan, and the main manufacturing sites – Suzhou (China) and Vietnam, with the number of plant sites and their areas described in the notes. Besides, the report has additionally encompassed the CSR-related matters of the subsidiaries(2) since 2018; the relevant information has been disclosed in Chapter "Qisda and Sustainable Partners."
Boundaries	The financial data for 2024 covers the consolidated operating performance of Qisda. The non-financial performance, on the other hand, is limited to the primary manufacturing sites, which include Taiwan, China and Vietnam. Should the scope of disclosure differ from the above, an explanation is provided in this section. The formulae used to calculate the indicators and data are explained in the notes to the chapter.
Reporting Period/Frequency	Time: January 1, 2024 to December 31, 2024; publication time of the report for the next year: June 2026. Frequency: Annually.
Report Management Unit	This Report is managed by the sustainability department of the Company.
Report Compliance	This report has been prepared in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Standards published in 2021. Additionally, it adheres to the information disclosure frameworks established by the following international organizations: the Task Force on Climate-related Financial Disclosures (TCFD), the Taskforce on Nature-related Financial Disclosures (TNFD), the Sustainability Accounting Standards Board (SASB), the Sustainable Development Goals (SDGs), as well as regulations including "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies", the "Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies", and the "ESG Sustainable Development Action Plan for TWSE and TPEx Listed Companies (2023)".

(1) Geographic Scope: Including the headquarters and manufacturing facilities of Qisda Corporation: Qisda Corporation, Qisda (Suzhou) Co. Ltd. (QCSZ), Qisda Electronics (Suzhou) Co. Ltd. (QCES), Qisda Optronics (Suzhou) Co. Ltd. (QCOS), Qisda Precision Industry (Suzhou) Co. Ltd. (QCPS), and Qisda Vietnam Co. Ltd. (QVH). In total, there are eight factories covering a combined area of 522,203.62 square meters. In light of the materiality and completeness of disclosed information,
If there are discrepancies in boundary calculations, they will be documented and clarified within the content of that section.
Headquarters Address: No. 157, Shanying Rd., Guishan Dist., Taoyuan City, Taiwan (R.O.C.)

(2) Name of subsidiaries listed in the consolidated financial statements: The Company's consolidated subsidiaries and listed subsidiaries, BenQ Materials Corp., BenQ Medical Technology Corp., Partner Tech Corp., DFI Inc., Data Image Corp., MetaAge Corporation., Simula Technology Inc., Alpha Networks Inc. and their consolidated subsidiaries. Please refer to the annual report for all the consolidated subsidiaries. Some of the entities included in the consolidated financial statements are not covered within the scope of the ESG report; in this case, notes will be given in the sections.
The data of certain chapters or performance indicators include overall global data. The data that do not completely cover the Taiwan Site, Suzhou Site and Vietnam Site are described in the notes of respective chapter.

Internal Management Process	The compilation and preparation of the contents relevant to this report were established by Board of Directors, and planned and promoted by the Company's sustainability department. This report was also internally audited by related personnel of each department to make sure of the consistency, completeness and accuracy of data. Subsequently, the report was submitted to the senior executives of each department, and an external third-party organization performs verification or assurance. Finally, the report is published after submission to and approval by the Board of Directors.
External Verification Content	External Assurance/Verification/Validation/Certification Unit
Financial Data	KPMG Taiwan
Greenhouse Gas Emissions: ISO 14064-1	Bureau Veritas Certification (Taiwan) (BV)
The report has been assured in accordance with the latest GRI Standards (2021 Comprehensive) and complies with AA 1000 AS V3 High Assurance Type II.	Bureau Veritas Certification (Taiwan) (BV) has issued an assurance statement, which is attached in the appendix of the Report.
Sustainability-Related Audits and Certifications	Refer to the Certificate List
Feedback & Contact Information	Qisda Corporation Sustainability Department Ves Lu/Vivian YT Liao No. 157, Shanying Rd. Guishan Dist., Taoyuan City 333 TEL: 03-3598800 ext 3820/2622 FAX: 03-3599000 EMAIL: Csr@Qisda.com
Publication Date	June 2025

Headquarters Address: No. 157, Shanying Rd., Guishan Dist., Taoyuan City, Taiwan (R.O.C.)

Qisda Corporation

Company Introduction

Qisda Corporation (formerly named BenQ Corp.) was founded in 1984, with the headquarters established in Taoyuan, Taiwan. As a global technology group that has an operational scope covering ICT industry, medical business, smart solutions, and 5G network communication business, Qisda not only provides the customers with quality innovative products and services that meet the market demand, but also looks forward to improving human life through technology and achieving the goal of "Bringing Enjoyment 'N' Quality to Life."

Qisda is engaged in the R&D of electronic products, such as consumer electronics and products applicable for commercial and industrial use in professional fields. The products and technology fields include the following: high-end and professional displays, such as the displays for gaming, drawing, radio and television, medical use and security control; precision optics electronic products, such as projector, security monitoring system and on-board products; industrial/commercial computers and peripheral equipment, such as POS printer, and barcode scanner. The product lines and technologies of the Company cover LCD displays, professional displays, and electronic signages; projectors; LCD all-in-one computers; precise scanners; multifunctional business machines; medical electronic products; wireless communication modules; automotive electronics; industrial automations; various mobile electronic consumables; smart LED desk lamps; and hanging lamps.

Time of Establishment	1984
Headquarters	Taoyuan, Taiwan
Number of Employees	Approximately 9,372 employees
2024 Consolidated Revenues	NT$ 201.7 billion
Capital	NT$ 19.274 billion
Global Operational Sites	R&D Center: Taiwan, China (Suzhou) Manufacturing Center: Taiwan, China (Suzhou), Vietnam Service Center: Singapore, Japan, United States

In recent years, Qisda has aggressively expanded the deployment of the medical industry, which includes medical services, medical equipment, and pharmaceutical distribution. For example, in the realm of medical services, the company is concentrating on two large comprehensive medical centers: Nanjing BenQ Medical Center and Suzhou BenQ Medical Center, both located in mainland China. The medical equipment sector encompasses ultrasound machines, hemodialysis machines, and oral scanners, addressing various areas such as surgical room equipment, medical consumables, hemodialysis, medical imaging, and health and wellness. In pharmaceutical distribution, the primary focus of the pharmaceutical channel is Norbel Baby Co., Ltd.(TinTin Drugstore), which provides comprehensive health and pharmaceutical services for women, infants, the elderly and other demographic groups.

Meanwhile, Qisda has also accelerated the development of the six smart solution fields: smart retail, smart manufacturing, smart education, smart health, smart energy, and smart enterprise. Aiming at "high integration of software and hardware, one-stop shopping, and innovative operation," the Company offers 30 smart solutions and 10 main kinds of hardware equipment in the 6 main integration fields. By integrating the basic capabilities of IT information technology and OT operation technology, as well as the vertical integration capability of OMO online and offline, Qisda is able to assist the customers with their intelligent empowerment and digital transformation.

The telecommunications business is the most essential infrastructure in the digital environment. Recognizing the increasing importance of internet communication in technological life, we aim to create comprehensive broadband services that integrate both wired and wireless networks through our subsidiaries, including Alpha Networks, Hitron Technologies, and Interactive Digital Technologies.

As one of the world's top 2 LCD displays manufacturers[3] and a leading projector manufacturer, as well as the first company to be devoted to the R&D of network communication business in Taiwan, Qisda has operating bases, including R&D and manufacturing and service locations, in Taiwan (Taipei, Taoyuan, Hsinchu), China (Suzhou), Vietnam, Singapore, the U.S. and Japan. Qisda currently has approximately 9,372 employees[4] worldwide.

(3) The shipment volume of LCD displays in 2024 was approximately 16.27 million units.

(4) The number of employees was calculated mainly based on the employees (incl. full-time employees and students participating in the cooperative education programs) actually hired by Qisda on December 31, 2024. As the employment contract of dispatched labor belongs to the third-party companies, the calculation of manpower didn't include the number of dispatched employees unless their actual employer was Qisda. (16 dispatched workers in Taiwan; 374 in Suzhou, China; 0 in Vietnam)・

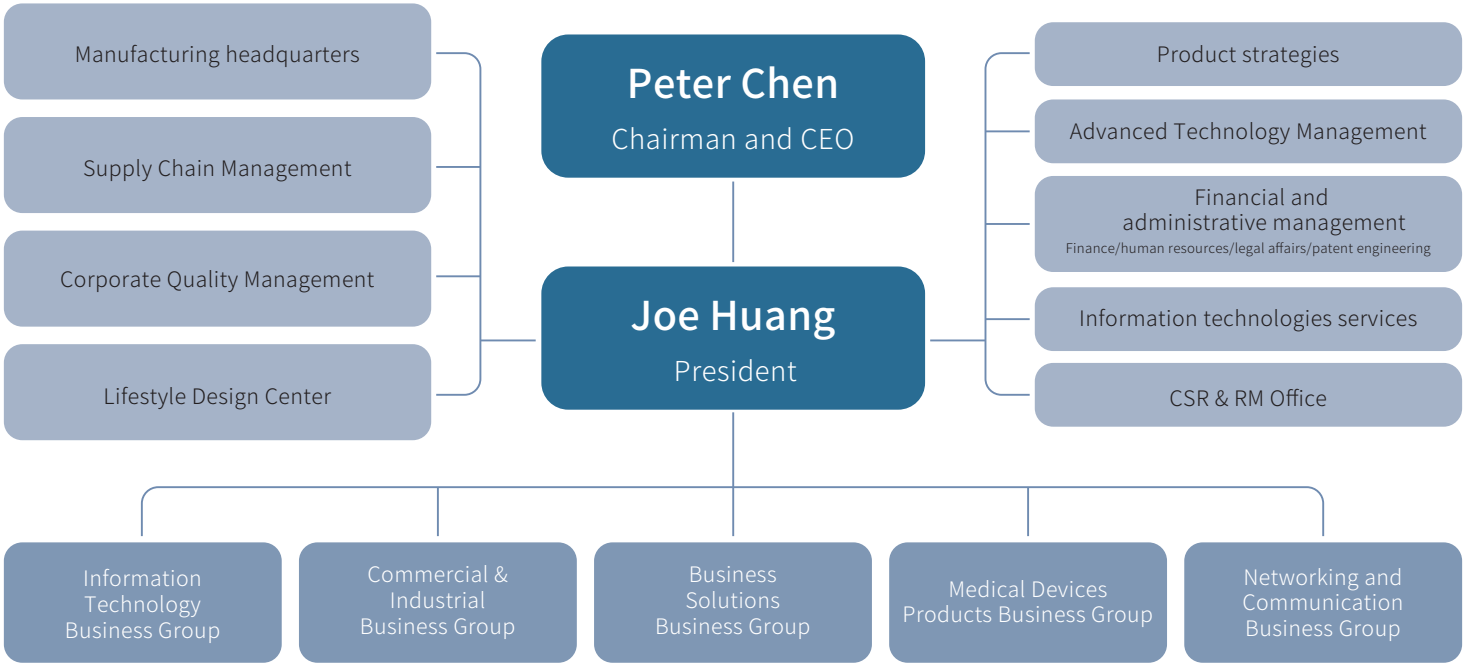
Business Overview and Organizational Structure

While based in Taiwan, Qisda adopts an internationalized division of production and marketing. The bases in Taiwan are responsible for the R&D of products, design of process, purchasing components from upstream suppliers etc., while the overseas subsidiaries of Qisda, namely Suzhou Plant and Vietnam Plant, are responsible for the production. In addition, we have established subsidiaries in the U.S. and Japan for repair services and sales, not only expanding our marketing channels in Europe, America and Asia, but also looking forward to providing further services for the customers and making an immediate response to the customer requests with an effective manner. The information about Qisda's share capital, paid-in capital, shareholder structure, and subsidiaries included in the consolidated financial statements have been disclosed in the specific sections of capital raising and financial highlights of the Company's annual report.

Aside from targeting the customer brands of consumer electronics around the world, Qisda has also aggressively developed the markets of commercial and industrial use in recent years. With a view to meeting the operational needs, our operational structure has been divided into five business groups: Information Technology Products Group, Commercial and Industrial Products Group, Business Solutions Group, Medical Devices Products Group, and Networking and Communication Business Group.

In June 2017, Qisda was succeeded by Mr. Peter Chen as the Chairman. With 34 years of working for the company, Mr. Peter Chen possesses extensive experience in different fields such as product development, global marketing and client relationship management. Qisda relentlessly strives for exceptional growth under his leadership.

Organizational structure of Qisda



Letter from the Chairman & President

Letter from the Chairman

邁向淨零里程
共創集團永續

陳其宏



Marching Towards the Net-Zero Goal and Collaborating to Build a Sustainable Future for the Group

In 2024, the consolidated revenue for the entire year is projected to be NT$201.7 billion, representing a decrease of 0.95% compared to the revenue of NT$203.6 billion during the same period in 2023. Although the global market is gradually rising in 2024, the general environment is still affected by the U.S. election and related policy trends, and the economic situation in Mainland China continues to be weaker than expected, which will limit the revenue performance. Despite the ongoing external uncertainties in 2024, including unpredictable negative factors such as war, inflation, and rising tariffs, Qisda will continue to be a major player in the global market. Nevertheless, Qisda's medical business is expected to enter the harvesting period in 2025. To accomplish the vision of "Achieving Over 50% of Profit from High Value-Added Business by 2027," we need to enhance profitability by adhering to the principle of "All rivers flow to the sea, but the sea is never full". Through mergers and acquisitions, we invite talented people to join our grand fleet, utilizing group resources, power and strength to build a bright future together. We must accelerate the pace of optimizing existing business at the same time, advancing both initiatives to drive business growth in the group with operational efficiency in 2024.

Since the advent of generative AI at the end of 2022, an increasing number of companies and individuals have handed over repetitive and fixed tasks to AI, and the trend of a paradigm shift has become very obvious. When external circumstances change, we should be open-minded to learning and applying new things proactively instead of insisting on working with an old pattern. As AI technology continues to evolve, companies should synergize "computing power, algorithms, and data." In the future, Qisda also anticipates trends in applications such as "AI health management and AI medical care."

In 2024, the Qisda Group collaborated with the alliance and attained a lot of recognitions in the aspect of ESG, winning a total of 35 sustainability-related awards throughout the year. We have set goals to cut carbon emissions from the supply chain by 30% by 2030, switch to 100% renewable energy by 2040, and reach net-zero emissions by 2050 to actively implement sustainable operations. We hope that all employees can work together to improve operational performance and achieve value transformation and sustainable growth!

Letter from the President



Sustainability is one of Qisda's core values. We recognize that integrating our business model with ESG strategies and aligning with the UN Sustainable Development Goals (SDGs) allows us to drive positive impact. Through our own sustainable actions, we aim to protect the environment, continuously enhance employee well-being, and create economic value – contributing positively to both society and the planet.

As for research and development of green products, we continue to reduce the carbon footprint of our products by using lower-carbon materials and working closely with our supply chain. We aim to reduce supply chain emissions by 30% by 2030. Investments in manufacturing will prioritize environmental protection measures, ongoing energy savings and carbon reduction, while integrating the use of renewable energy to achieve 100% renewable energy use by 2040, significantly reducing overall greenhouse gas emissions. The Group is also committed to achieving net-zero carbon emissions by 2050.

Qisda has established a culture of Continuous Improvement Process (CIP), which has enhanced the Group's competitiveness within the industry. Using the Plan-Do-Check-Act (PDCA) cycle, the Group implemented a total of 640 CIP projects in 2024, bringing the cumulative total to over 6,940 projects to date. The training and communication associated with CIP, as well as the application of problem-solving techniques and improvements, not only enhance the reasoning and problem-solving skills of participating employees, but also foster a culture of continuous improvement. This in turn facilitates smoother communication both within the organization and externally.

AI will not replace humans, but people who can use AI will replace people who cannot use it. To be up for the challenge of the new era, we can work together and follow the path to excellence together. We are determined to lead the Grand Fleet and face challenges head-on to continue standing at the forefront of the industry. In addition to improvements in economic, governance, and environmental aspects, we are committed to fulfilling our social responsibilities. This includes actively participating in community activities, supporting local education and charitable initiatives, and ensuring that our supply chain and partners adhere to high standards of social responsibility. Furthermore, we have established a clear and transparent communication mechanism to collaboratively promote sustainable development in society with our stakeholders.

At the same time, we have established a transparent and fair management system for corporate governance to ensure that our decision-making and operation comply with the highest ethical standards. As for risk management and regulatory compliance, the operations of the Company have always complied with the highest standard, and adhered to the principle of integrity in terms of shareholder equity and corporate value.

Finally, I believe that Qisda will continue to create value for society through collaboration with upstream and downstream partners. The noble vision of 'Together, Make The World Better' will be fulfilled.

Philosophy of Sustainable Operations

Core Values

"Bringing Enjoyment 'N' Quality to Life" is the shared vision of Qisda, and efforts are made to achieve the vision based on the four core values: "Integrity and Introspection," "Passion and Professionalism," "Execution and Excellence," and "Caring and Contribution."

I. With "Integrity & Introspection" ethic promise, no opportunistic fakes, set oneself as an example to follow the disciplines of the company while keeping one's word.

II. "Passion & Professionalism", use active and aggressive attitudes to finish one's tasks, devoting to one's job and partners while sticking to one's promises.

III. "Execution & Excellence", open one's mind, not afraid to innovate and change, continue to learn and grow while non-stop pursuing better spirit.

IV. "Caring & Contribution" for the overall society, realizing environmental protection and sustainable development promises, making contributions to customer, society and environmental benefits.

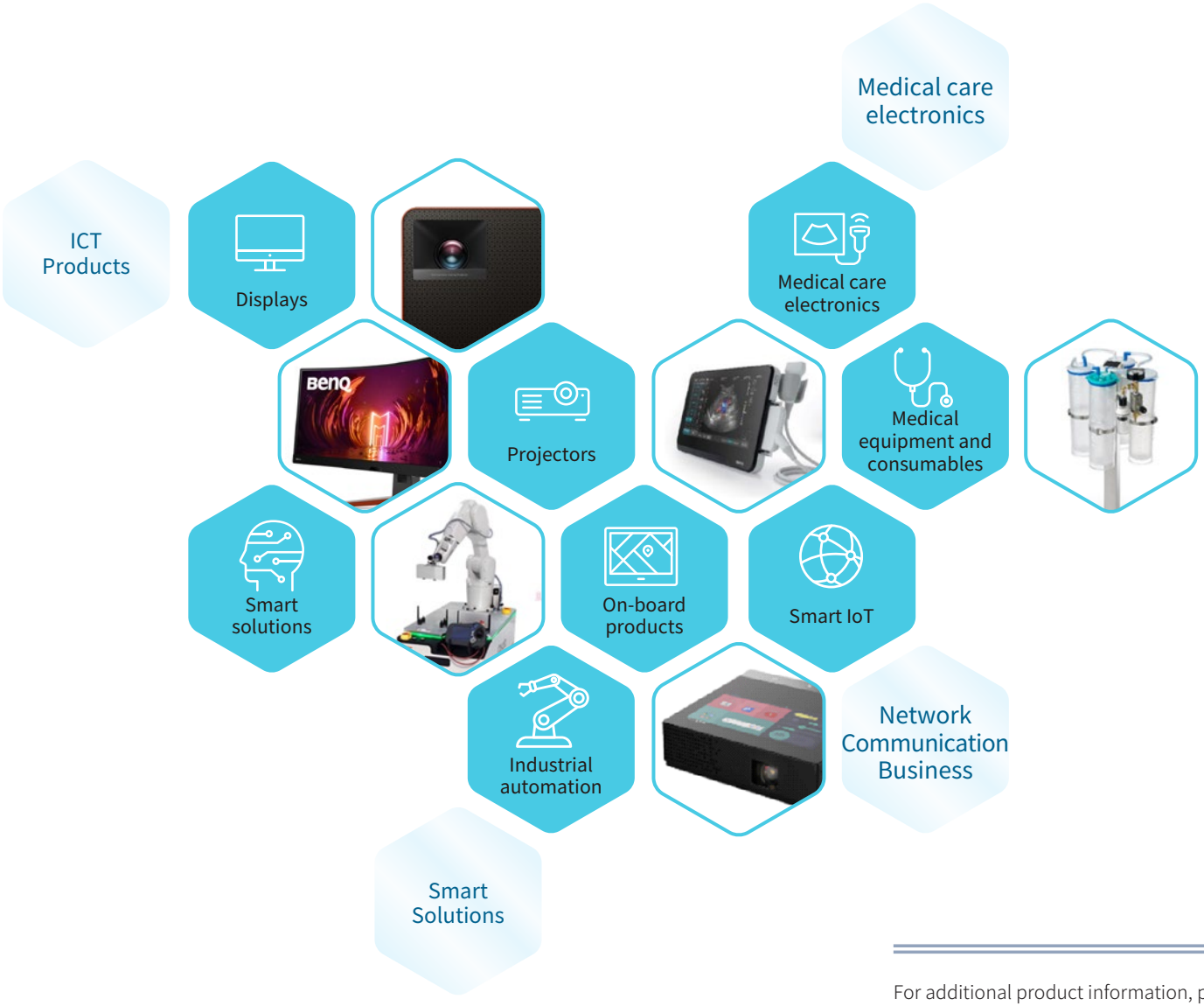
Qisda's Advantages and Accomplishments

Qisda has the R&D and manufacturing capacities for displays, optics, wireless communication, image, medical use, automotive application, automation, and LED illumination. Such capabilities enable the Company to develop and create diversified product lines, which is an advantage that only few electronic manufacturing companies in the world have. Moreover, we not only grasp the technologies of LCD, LED, electronic paper, touch screen, and IC design by leveraging the synergy of the vertical integration of the Group's upstream and downstream partners, but also independently own the vertical integration capabilities of surface-mount technology (SMT), metal stamping, plastic injection and LCD module assembling. The ten main categories of products provided for the customers are displays, projectors, smart IoT, on-board products, industrial automation, medical care electronics, medical equipment and consumables, smart solutions, private 5G network, and network communication. In 2024, Qisda demonstrated solid operation of major product lines. With the display products ranked second in the world, we continued to developing toward advanced and professional displays and medical displays with a high unit price. The manufacture and sale of projectors remained in the global leading position. In addition to completing the product portfolio from portable to high-end laser models, we entered the new Blue Ocean of 3D machine vision with this precise optical technology. As for development of the medical business, our two medical centers in Suzhou and Nanjing operated well. We have been devoted to the construction of the IoT hospital and smart hospital, boosted the electronic medical care product lines and deployed them in the global market. Another focus of our strategy is the development of six smart solutions We also enhance the integration relationship with software and hardware service providers, and invest in the network communication business to meet the requirements of the various industries for smart transformation.

Furthermore, Qisda is internationally known for its competence in industrial design. The Company has continually received recognition since 2008 and a total of 157 international awards to date. We possess advantages in R&D and manufacturing. Our unique product design has allowed us to develop high-value added products, giving us a competitive edge over other companies in industry.

Value-Up Solutions with Forward Thinking: Beyond Expectations

With the corporate vision of "Bringing Enjoyment 'N' Quality to Life," the overall business has been continuously extended to the important fields of people's life, such as the new businesses of medical services, medical devices, software services, integrated service platform, and solutions for enterprises. Meanwhile, the organizational change has been covered in the operating strategies. This includes the integration of global manufacturing and supply chain management, enhancement of in-plant vertical integration capabilities, and setup of the production mode featuring low volume, great diversity and customization, which all help improve the Company's capabilities of serving customers. Furthermore, by combining the integration and application of software, we continue to maximize the value of the Company, achieve high customer satisfaction, and facilitate the operating strategies of a solution provider.



Global LCD display shipment volume

Ranking NO.2 in the world

Digital light processing projector shipment volume

Ranking NO.3 in the world

For additional product information, please visit: http://www.qisda.com/tw/products

Participation in Associations

Qisda has voluntarily participated in cross-industry and cross-sector associations, groups or organizations. By building good collaborative relationships or becoming a member, we drive the communication between and development of industries and continue to focus on important issues, such as corporate mergers and acquisitions, industrial development, technological innovation, corporate governance and environmental sustainability(5).

In response to the significant international initiatives and the impact of climate change, Qisda has actively joined climate action organizations in Taiwan and abroad, such as joining the RE100 and the Science Based Targets initiative (SBTi) in 2022, and has filled submissions for SBTi target review in 2023, which were successfully verified in February 2024. These targets align with the Paris Agreement's goal established at the United Nations Climate Summit to limit the global average temperature rise to 1.5°C. Using 2021 as the base year, Qisda aims to achieve a 42% reduction in Scope 1 and Scope 2 greenhouse gas emissions, as well as a 25% reduction in Scope 3 greenhouse gas emissions by 2030.

Associations and organizations in the industry that Qisda joined in 2024 include:

Type	Participated associations or organizations	Member	Director/ Supervisors
Corporate merger and acquisition Industrial development	As a corporation that operates in various industries, including the ICT industry, medical business, smart solutions, etc., Qisda has actively transformed and grown through investments, mergers and acquisitions. The industrial development related associations that we joined in 2024 include:		
	Taiwan Mergers & Acquisitions and Private Equity Council (MAPECT)	■	
	Taiwan Electrical and Electronic Manufacturers' Association	■	
	Taipei Computer Association	■	
	Institute for Biotechnology and Medicine Industry	■	■
	Taiwan Medical and Biotech Industry Association	■	■
	Taiwan Digital Health Industry Development Association (TAIDHA)	■	■
	Taiwan Automation Intelligence and Robotics Association	■	
	Photonics Industry & Technology Development Association (PIDA)	■	■
	Taiwan Space Industry Development Association	■	■

(5) Qisda has paid attention to material issues and participated in associations and organizations to influence public policies. However, we maintain political neutrality and do not contribute to political activities. During the past 4 years (2021-2024), the Company did not make any political contribution, and had no election or referendum related expense.

We have committed ourselves to cutting carbon emissions from the supply chain by 30% by 2030, switching to 100% renewable energy by 2040, and reaching net-zero emissions by 2050, in the hopes of keeping up with international trends and realizing the goal of sustainable operation.

In 2023, Qisda formulated Climate Change Declaration and disclosed the goals, policies and strategies in response to climate change on the Qisda ESG website. We also conducted climate change position assessments and complete the climate lobbying report for the domestic and foreign associations that we have joined.

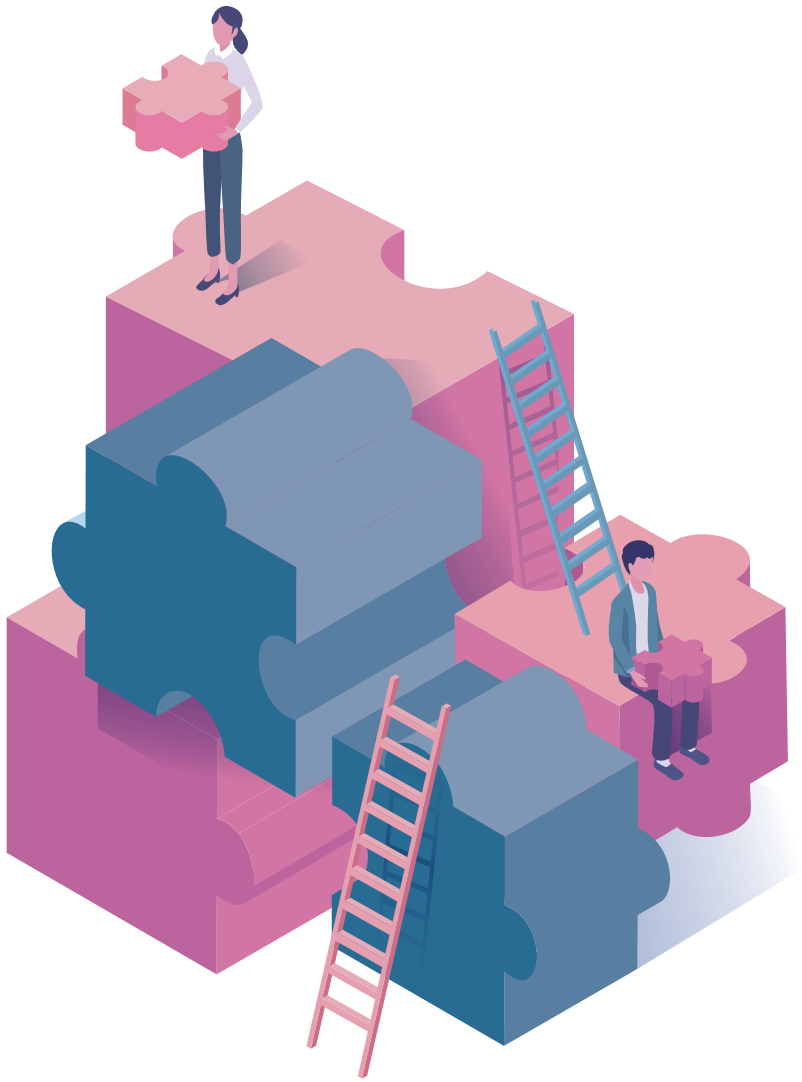
In 2024, Qisda participated in 35 international and domestic associations, with the expense totaling NT$4.69 million. From 2021 to 2024, the accumulated expense was NT$15.81 million in total.

Expenditures of the international and domestic associations over the past four years

Year	2021	2022	2023	2024
Amount	2,338,275	2,266,455	6,516,631	4,686,921

Type	Participated associations or organizations	Member	Director/ Supervisors
Technological innovation	Qisda is a leader in the global display and projector industry and actively participates in relevant indusrty associations to promote technological innovation and international standards, including:		
	VESA	■	
	HDMI LA	■	
	MHL	■	
	HDBaseT Alliance	■	
	GMDN Agency	■	
	Taiwan Internet and E-Commerce Association	■	
	TPSA	■	
	Smart Display Industrial Alliance (SDIA)	■	

Type	Participated associations or organizations	Member	Director/ Supervisors
Corporate Governance	Attaching importance to shareholder rights and transparent governance, Qisda joined the following corporate governance related associations:		
	Taiwan Association of TWSE/TPEX Listed Companies	■	■
	Taiwan Industry Holding Association	■	■
	Institute of Internal Auditors, R.O.C	■	
	Taiwan Stock Affairs Association	■	
	Taiwan Independent Director Association	■	■
Environmental sustainability	Qisda has actively taken climate actions in the hope of leading the partners in the supply chain and of the Group to implement green operation. The environmental sustainability related associations that we joined include:		
	RE100	■	
	Taiwan Climate Partnership	■	■
	CommonWealth Magazine Sustainability Council	■	
	ESG Technology Innovation Promotion Alliance	■	
	SBTi	■	
	TCSA Center for Corporate Sustainability	■	
	Business Council for Sustainable Development Taiwan	■	
	National Taiwan University TPIDC “Digital Transformation and Sustainable Development Industry-Academia Alliance”	■	
	Association of Taiwan Bio-based and Sustainable Material Industry, TBSM	■	■
Others	Qisda has valued human capital, industrial design and other issues. Hence, we participated in relevant activities or held a post as a director in groups and organizations, such as:		
	Management Intelligence Sharing Association	■	
	Chinese Professional Management Association	■	■
	Taiwan Design Research Institute		■
	Taiwan Renaissance Platform	■	



Qisda and Our Sustainable Partners

Grand Fleet Partners: Create Green Positive Effects

To gradually realize the vision of sustainability and implement sustainability strategies, we collaborate with suppliers and Grand Fleet partners to create an ESG-based inclusive environment.

Creating Sustainable Value Together

Qisda Group has a cross-industry integrated value chain and leading critical technologies. We create the best synergy through vertical division of labor and horizontal integration, and provide key components, product manufacturing, system development, and integration services in the global market. The technologies and product applications extend to the following areas: display products, solar energy, fine chemicals and advanced materials, LED lighting, IC design, precision components, consumer electronics, commercial and industrial solutions, product sales and services, etc. With the achievement of "Bringing Enjoyment 'N' Quality to Life" as the development vision, the Group is dedicated to bringing a better life to people, creating value for enterprises, and achieving sustainable operations.

Synergy of the Group

Qisda's Grand Fleet reinforces the plan for value transformation and collaborates with partners to achieve and break through the goals one after another. By controlling critical components, deepening technology and system integration, and providing solutions with channel services, the Group can effectively integrate various fields such as information business, medical business, smart solutions and networking communication. Integration of diverse supply chains at its best results in a synergy of the Group that can be very productive.

The Same Text and the Same Track

Qisda continues to stand with hidden champions from each target field; consequently, we have faith in expanding the Qisda Grand Fleet. We look forward to promoting economic, social, environmental and even other aspects of growth through our collaborative relationships with our subsidiaries, and further enhancing the influence of Qisda Group. A sustainable business group is better than a sustainable company; a sustainable industry in Taiwan is better than a sustainable business group. We will exert our influence to better the industry in Taiwan and help more hidden champions march toward the world to accomplish the most important mission of Qisda. Under the leadership of Qisda, our group continues to share our resources to bring out the benefits of professional responsibility assignment, and gradually improves economic, social and environmental benefits with our subsidiaries, achieving the most important mission of our Grand Fleet.

Qisda and Grand Fleet Partnership Diagram



Cross-Industry Grand Fleet: https://www.qisda.com/tw/about/group-intro

Enhancing the Sustainability Skills of the Grand Fleet

Building up the Group's Sustainable Talent Pool and Sustainable Supply Chain Resilience

To march toward the net-zero goal, create a sustainable value chain, and respond to the "345" goals (commitment to reducing carbon by 30% in the supply chain in 2030, RE100 in 2040, and Net Zero in 2050), we uphold the strategies of the Grand Fleet and continue working with the companies in the Grand Fleet to implement the ESG Principles together. From 2022 to 2024, Qisda has launched a series of ESG sustainability workshops, with the aim of building up a sustainable talent database for the Group and the sustainability resilience of the supply chain, so as to transform sustainability from conceptual thoughts to practical actions.

I. Training for Professional Talent in Sustainability and Net-Zero Management

In 2024, two training programs for professional talent in sustainability and net-zero management have been established, training a total of 62 sustainability managers and 38 net-zero managers. This initiative aims to enhance Qisda's sustainable competitiveness by aligning the Group's talent with international net-zero trends. It emphasizes our collective responsibility to protect the Earth's environment and accelerates the Group's progress towards net-zero goals.



II. Product Carbon Footprint Intensive Course

Product carbon footprint is a calculation indicating the greenhouse gas emissions of products and services throughout their life cycle (raw material -> manufacturing -> transportation -> use-> waste). It is an important data management tool for achievement of the net zero goal. For two consecutive years (2023~2024), we have conducted awareness training on this tool. In addition to introducing it to the R&D department, we have also implemented it to our product carbon footprint partners in the supply chain by commissioning the team from the Industrial Technology Research Institute of Taiwan (ITRI), an expert in Taiwan's product carbon footprint, to conduct two rounds of online courses with a total of 113 suppliers trained. In addition, we organised one ISO14064-1 training course in English for a total of 19 suppliers to help them understand the purpose of GHG inventories and the common objectives, and to ensure consistency with the Company's operational objective of 345.



III. ESG Sustainability Strategy Workshop

The BenQ Foundation, in collaboration with the CommonWealth Magazine Sustainability Council, organized the “ESG Sustainable Strategy Workshop”. The event brought together experts from industry, academia and research institutions to guide the Group’s sustainable partners, enhance the essential skills of sustainable talent, stimulate innovative thinking to create positive value and promote strategic thinking for sustainable transformation. The workshop covered seven key areas: an overview of ESG and international trends, sustainability literacy surveys, corporate human rights and DEI trends, carbon pricing, strategies for climate management in supply chains, methods for improving social impact, and natural carbon sinks, soil and water conservation.



Developing Value Chain Sustainability Together: Building Environmental Influence

Building a Sustainable Supply Chain: Strengthening Resilience and Expanding Procurement of Low-Carbon Materials

Qisda takes “Together, Reduce Carbon Emissions To Make the World better” as the main axis of sustainability. Starting from 2022, a total of 400 domestic and overseas suppliers to attend the meeting of Supplier Conference through physical and online means, in which mid- and high-level managers were committed that suppliers must reduce carbon emissions by 30% by 2030, marking a key milestone in Qisda’s path to reduce carbon emissions.

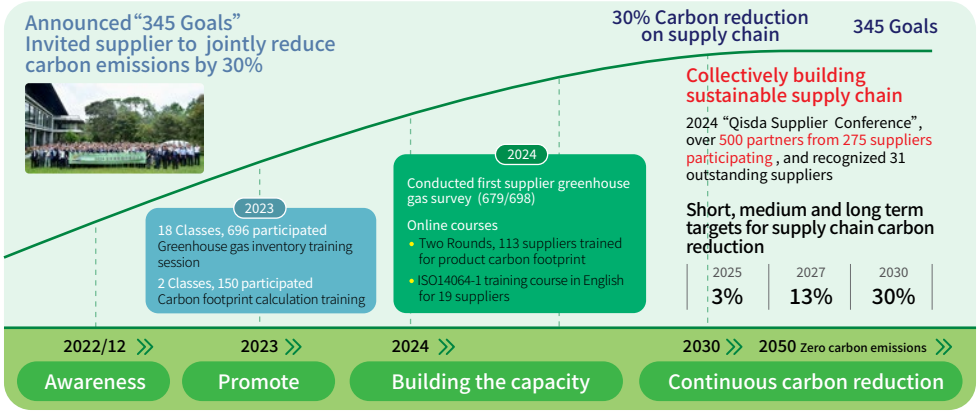
To achieve the 30% carbon reduction commitment, the Company must systematically empower suppliers with sustainable capabilities. In 2024, Qisda conducted an ESG Sustainable Action Workshop – an online course focused on carbon footprint, which attracted a total of 141 participants. By understanding product carbon footprints, participants identified opportunities in the upstream supply chain to facilitate carbon reduction through the concept of the product life cycle. Previously, Qisda has also provided ISO 14064-1 (Greenhouse Gas Inventory) courses for suppliers. In 2024, a total of 679 suppliers completed their greenhouse gas inventories, with 84 of these inventories undergoing third-party verification, representing a 66.67% increase compared to 2023.



II. Determination of suppliers’ carbon reduction goal

Qisda revised suppliers’ carbon reduction goal from 20% by 2030 to 30%. Carbon reduction actions are underway, and we are likely to accomplish the plan earlier than anticipated by 2029.

Qisda Suppliers’ Carbon Reduction Roadmap



Sustainability Governance

Our Sustainable Development

Qisda's Sustainability Vision

Being an innovator in the design and manufacturing of ICT and medical products

Enhancing the quality of human life

Being Earth Friendly

Our Sustainability Strategy

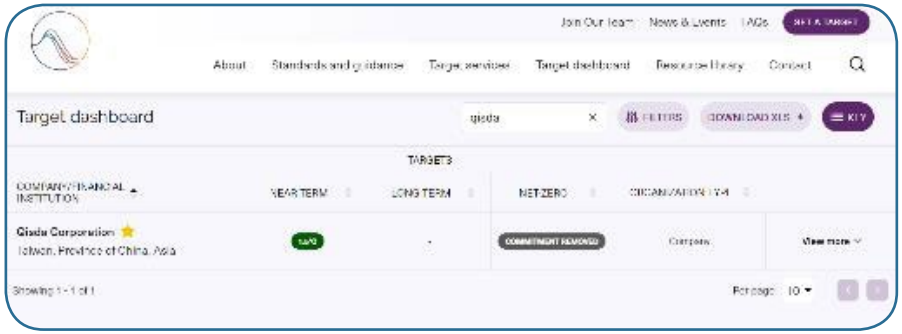
1 Moving from corporate survival to corporate sustainability, and further pursuing global sustainability
2 Incorporating sustainability performance with operating strategies
3 Enhancing the value of the Company's investment in sustainability
4 Complying with international regulations and meeting stakeholders' expectations for sustainability
5 Leading the affiliates to grow and make breakthroughs together

Qisda is dedicated to promoting sustainable development. In order to achieve the goal of sustainable development, we established relevant internal management approaches and implementation goals such as green operation, green products, and social responsibility. We have also joined the SBT, RE100, Net Zero and other initiatives voluntarily to show our support to international initiatives with practical actions.

Passing the SBTi target review

Qisda sets science-based reduction targets of limiting global warming to 1.5°C. We passed the SBT target review in February 2024 and launched science-based net-zero emissions actions. Qisda is committed to achieving a combined reduction target of 42% in carbon emissions from Scope 1 and Scope 2 by 2030 compared to the base year (2021), while also aiming for a 25% reduction in Scope 3 emissions.

Topic	Method	Completed in February 2024	Initiative Plans for 2023
Voluntary carbon reduction	Science Based Targets (SBT)	SCIENCE BASED TARGETS DRIVING AMBITIOUS CORPORATE CLIMATE ACTION	Passing target setting: Achieved



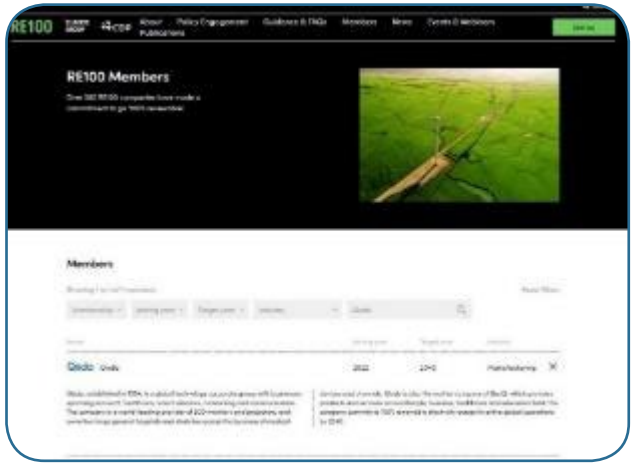
RE100 Initiative

Qisda Group joined the RE100 Initiative in 2022 and bought renewable energy certificates to offset 36.7% of the Company's energy use in 2024 in line with short-term goals.

Topic	Method	Completed in 2024	Target Plans by Year
Use of renewable energy	Use of green power to reach carbon neutrality	Offset 36.7% of energy use via renewable energy certificates With RE100 as the boundary	1. Short-term goal: Achieve 40% renewable energy usage by 2025 2. Mid-term goal: Achieve 60% renewable energy usage by 2030 3. Long-term goal: Achieve 100% renewable energy usage by 2040

Qisda Group officially joined RE100 in December 2022, being the first Taiwanese technology group of computer peripherals that joins RE100. We have made a commitment to using renewable energy comprehensively by 2040. In addition, the Company announces the goal of reaching net zero by 2050. We actively collaborate with the alliance as well as supplier partners to reduce carbon emissions and support the carbon reduction advocacy. Through the above efforts, Qisda Group demonstrate by action that our commitment to sustainability to be in line with international standards..

Qisda sees engineering improvement as a priority and administrative management as a secondary plan of action for carbon reduction. For the part for which carbon cannot be reduced, renewable energy certificates are bought for carbon neutrality.



Corporate Sustainable Development Committee

In 2023, Qisda established the Board-level functional committee – the Corporate Sustainable Development Committee. The committee convenes at least once annually and serves as the decision-making, review, and supervisory body for the Company's sustainability-related initiatives across the three major pillars of environmental, social, and corporate governance (ESG). Through this committee, the Board of Directors fulfills its role as the Company's highest governing body, overseeing and safeguarding the interests of the Company, shareholders, employees, and all stakeholders. In addition, regulatory compliance related to sustainability is reported to the Corporate Sustainable Development Committee. For instance, following the release of the IFRS Sustainability Disclosure Standards by the Financial Supervisory Commission (FSC) in 2023, the Company established an implementation task force in 2024 for IFRS S1 "General Requirements for Disclosure of Sustainability-related Financial Information" and IFRS S2 "Climate-related Disclosures". The implementation progress is reported quarterly to the Corporate Sustainable Development Committee and the Board of Directors.

Composition and Operations of the Corporate Sustainable Development Committee

The Corporate Sustainable Development Committee of Qisda is chaired by Chairman Peter Chen. The committee is composed of seven members: Peter Chen, Joe Huang, Charles Yen, Jyuo-Min Shyu, Liang-Gee Chen, Chiu-Lien Lin, and Shu-Chun Huang.

The Committee is composed of seven members, five of whom are independent directors. The members' term of office runs from 4 August 2023 to 28 May 2026. Three meetings were held in 2024, with 100% attendance.

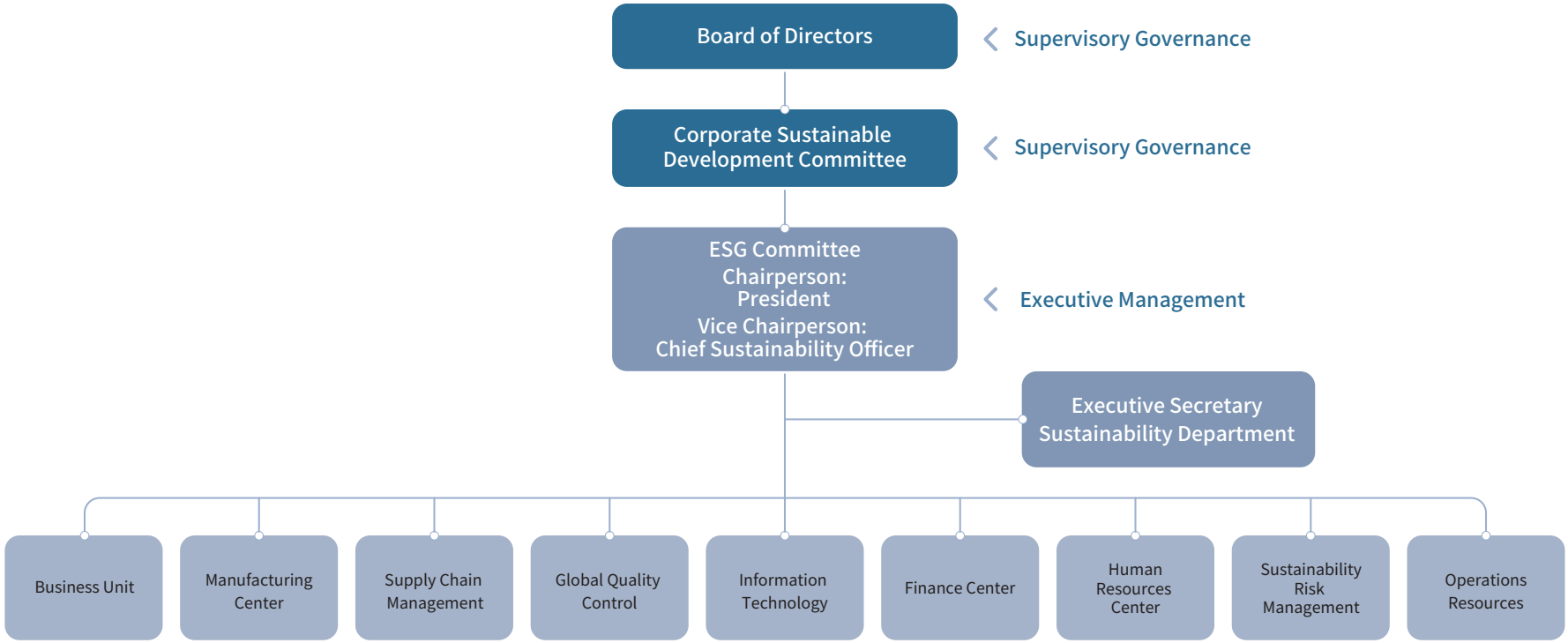
The Chief Sustainability Officer serves as the secretary of the Corporate Sustainable Development Committee, preparing climate-related topics for each meeting. After receiving approval from the Corporate Sustainable Development Committee, these topics are submitted to the Board of Directors for approval.

Committee Member	Meeting Status
Independent Director, Shu-Chun Huang	March 5, 2024 The Committee reviewed the 2023 Sustainability Implementation Report, including the performance of key sustainability indicators such as greenhouse gas emissions, resource and energy management, regulatory compliance, and the execution of sustainability initiatives. August 30, 2024 The Committee reviewed the 2023 Sustainability Report, covering the reporting methodology, material sustainability topics, and the disclosure standards adopted. November 5, 2024: The Committee reviewed the 2024 Sustainability Implementation Report, including the performance of key sustainability indicators such as greenhouse gas emissions, resource and energy management, regulatory compliance, and the execution of sustainability initiatives.
Independent Director, Chiu-Lien Lin	
Independent Director, Liang-Gee Chen	
Independent Director, Jyuo-Min Shyu	
Independent Director, Charles Yen	
Director, Joe Huang	
Chairman, Peter Chen	

ESG Committee

In order to smoothly conduct ESG affairs and ensure the communication for and responses to the stakeholders' suggestions on our business, Qisda has integrated the relevant departments to form the ESG Committee. The President, Joe Huang, serves as the chairperson while the senior managers of relevant departments act as the committee members of different dimensions. The Chief Sustainability Officer, Danny Lin, serves as the vice chairperson and is responsible for establishing and planning matters related to corporate sustainable development. Moreover, the ESG unit coordinates, promotes and guides the implementation by the department concerned. In order to improve the performance continuously, the ESG Committee convenes at least once a quarter. The Chairman and President preside over the meeting together to direct and supervise the senior managers. The committee members of different dimensions report the implementation status of the performance indicators and the progress of the corporate sustainable development relevant issues. Currently, the Committee monitors and discusses 51 indicators. It has held 75 meetings to date. Sustainability personnel and the personnel of each task force perform information and performance validation to ensure the consistency, completeness and accuracy of data; when any omissions are found, the data will be returned to the head of each department to complement and confirm the information. At the final stage, it should be disclosed after the approval of the ESG Committee. In addition, according to Qisda's "Guidelines for Corporate Sustainable Development," material issues of the year, sustainability performance and the management results of climate governance related issues are reported to the Board of Directors every year on a periodic basis.

Organization and Management Structure



ESG Sustainability Achievements

Sustainability Achievements in 2024

S&P Global
2025 Sustainability Yearbook
Top 5% of THQ Categories

Enterprise Asia
Responsible Enterprise Awards (AREA)
Sustainability Report Award
Awarded for two consecutive years



Business Weekly
Top 100 Carbon Competitiveness Companies
Top 100 Carbon Competitiveness Companies in Taiwan

CommonWealth Magazine
Temperature Rising Index for Pathways
Corporate Carbon Reduction Commitments Align with the 1.5°C Target

Association For Talent Development, U.S.
BEST Award
Recognition of International Learning Organizations

Taiwan Institute for Sustainable Energy
The 17th Taiwan Corporate Sustainability Awards
Taiwan Top 100 Sustainability Model Corporates Award
Sustainability Report – Platinum Tier
Talent Development Leadership Awards
Creative Communication Leadership Awards

National Development Council
National Sustainable Development Awards
Corporate Sustainability Awards



CommonWealth Magazine
Large Enterprise – Manufacturing Category
Top 100 Sustainable Companies

HR Asia
Best Companies to Work for in Asia
Qisda: Happiness Enterprise
Awarded for six consecutive years



Taiwan Institute for Sustainable Energy
The 17th Taiwan Sustainability Action Awards
Sustainable Homeland Economy for Smallholder Farmers – Gold Tier
Strong Partnership with Employees – Bronze Tier
Ambition for Climate Action – Bronze Tier

Finance Asia
Asia's Best Technology Company Award
Taiwan's Best Investor Relations Award
Bronze Medal
Silver Medal

CommonWealth Magazine
Large Enterprise – Manufacturing Category
Talent Sustainability Award

Our Sustainability Value Creation Process

In the field of electronic technology, Qisda continues to promote measures for sustainable development. By optimizing green products continuously, actively promoting green manufacturing, leading suppliers to reduce carbon and carbon footprint, and participating in social/public welfare, Qisda achieves a win-win situation for both EPS and ESG and further contributes to the realization of global sustainability goals.

I. Investment

Following the value creation process, Qisda contributes six capitals – financial capital, manufactured capital, intellectual capital, human capital, social capital, and natural capital – to lay the foundations for sustainable development.

II. Create value

With Qisda's vision of corporate sustainable development as the core, we refer to the process of SDG Compass Guide, the disclosed suggestions on corporate SDG implementation, the international sustainability trends and the directions of the industry, in order to design and develop products and services via strategic thinking.

As a company of electronic design and ODM/OEM services, we check the existing measures and the risks and opportunities of value chain to review the major concerns of the stakeholders and our focuses ranging from the material supply and supply chain management in the upstream, the Company's product manufacturing and business operation, to the product sales, use and decommissioning in the downstream. The future priorities of Qisda's SDG management are accordingly identified, so that we can become a leading model in the industry. Internally, with the economy, society and environment of "corporate sustainable development (ESG)" as the three fundamental elements, the priorities of SDGs are promoted based on the five aspects: "green product," "green operation," and "green supply chain" in the environmental dimension, "social responsibility" in the social dimension, and "financial performance" in the economic dimension. The ESG Committee takes relevant implementation actions as well. These are the efforts for Qisda to achieve the corporate vision of "Bringing Enjoyment 'N' Quality to Life."

III. Output

Our sustainable development promotion is based on the five aspects of Qisda's ESG management framework. We make long-term targets for each aspect according to our core competencies so that there are guides for the implementation and management of different programs. Short-, medium- and long-term management indicators are further set for the ESG Committee to review the performances on a regular basis. Since the systematic promotion of ESG in 2009, Qisda has been making efforts to keep in line with the established performance indicators of sustainable operations in the economic, social and environmental dimensions. In addition, annual targets are set for the material issues of the year that the stakeholders are concerned about; such targets are reviewed and assessed yearly.

Financial Capital:	The foundation of investment in the R&D and production of products and relevant services built via financial management
Human Capital:	The planning of comprehensive talent development blueprints and provision of necessary training to help employees abide by the Company's regulations based on "integrity and introspection", and complete their tasks actively with "passion and professionalism"
Manufactured Capital:	The maintenance of Qisda's infrastructure, such as buildings, and of production equipment, together with the collaboration with the supply chain, in order to offer better commodities and services to the customers
Social Capital:	The collaboration with stakeholders for the engagement in and devotion to social participation to care for and contribute to the entire society
Intellectual Capital:	The investment in resources, the demand to ourselves to pursue excellence under the highest standards, and the attitude of consistency to do the best for operations, products and services and maintain soft power continuously
Natural Capital:	The sustainable materials and green designs at the very beginning to proactively reduce the impact of supply chain, operations and products on the environment and biodiversity to fulfill the commitment to environmental protection and sustainable development

Output-Implementation of SDGs in 2024

SDGs	Action	Corresponding Chapter in the Report
	• Promoting diverse career development plans, invest adequate resources and integrating physical and virtual learning platforms, and providing employees with diverse and comprehensive learning courses. • Promoting narrowing of digital gaps, improving digital education for all, and promoting smart health care without differences. • Continuously taking root downwards, actively promoting Dream Action Campus Lecture, conveying positive power, and achieving unlimited possibilities for self-realization.	3.2.3 Talent Development 3.6.1 Coexist with Nature
	• Organizing activities to protect the power of women from time to time (such as a series of self-defense courses) • Maternal protection measures	3.4.1 Employee Health Management
	• Every business department actively invests in developing low-carbon products • Suzhou Plant in Mainland China and the office building of the headquarters are actively building green power systems. The annual power generation in Mainland China is 4.36 million kilowatt-hours and in Taiwan 490,000 kilowatt-hours to a total of 4.85 million kilowatt-hours. • Energy-consuming equipment is updated for the factory and office in the production and R&D areas. For example, high-efficiency ice machines are used as a replacement in Taiwan to reduce approximately 2.7million kWh per year.	2.3.3 GHG Emissions 2.3.4 Reduction Targets and Commitments 2.7.2 Green Products
	• Enhancing management of hazardous substances and selecting suppliers with management capabilities through establishment of a management system platform to ensure raw materials and products meet regulatory requirements • Establishing a product carbon footprint management platform	2.7.2 Green Product; Quality/Hazardous Substance Management

SDGs	Action	Corresponding Chapter in the Report
 Promote green economies and ensure sustainable consumption and production modes	Implementing environmental protection, to which as have been dedicated for more than ten years, introducing sustainable tourism, and promoting the process of “from the place of the production to the dining table” in an immersive manner	3.6.1 Coexist with Nature
	The Group’s Family Day successfully promoted marine education, attracting 10,000 participants and inspiring both employees and their families of the importance of marine conservation and the exploration of the ocean’s wonders and abundance	3.5.2 Happy Workplace for Happy Employees
	Joining Taiwan Nature Positive Initiative to conduct risk and dependency assessments of global plant sites and ecological diversity surveys of two sites based on LEAP principles.	2.6 Biodiversity and Forest Conservation
	Qisda supports government’s net-zero initiative and forms the “Taiwan Climate Partnership” with seven other companies, hoping to use corporate influence to help industries create green business opportunities in the carbon reduction trend.	Participation in Associations

Products and Services in Response to the UN SDGs

To link up with the world, Qisda adopts the SDG Compass Guide as reference to set performance indicators for the potential risks that require prior management in the Company's value chain. Moreover, with the existing core R&D strength and operating strategies incorporated, we also launch a variety of relevant products and services in accordance with the SDGs, in order to make corporate responses to the international trend of sustainable development.

Solution	Description	Applied Software and Hardware	SDGs
Smart energy	We uphold the notion of smart energy saving with love and care for our environment. We focus on energy-saving technologies, the scope of services includes air conditioning, air compression, heat recovery, lighting, power consumption management, uninterruptible power supply, energy storage, energy management, and IoT. Through sharing energy efficiency benefits, we have established long-term partnerships with customers. Accordingly, our goal is to improve customers' competitiveness through professional energy services, ensuring energy-saving benefits, reducing manpower burdens, and achieving ESG goals.	Hardware: PoE switch/Software: Automated monitoring system for energy saving of AC and lighting	
Smart Manufacturing	With the advent of Industry 4.0 and the "Low- Carbon Transition", traditional factories are increasingly moving towards intelligent production. To achieve this goal and meet complex, small-batch production demands, "automation" and "intelligentization" have become crucial. Equipment stability, scalability, and the adoption of virtualization technology are essential for integrating ICT and OT. Additionally, the importance of OT cybersecurity has increased with the rapid development of the IoT. In the future, users in industrial automation will only need a single central processor to execute various operating systems, seamlessly integrating a vast amount of shared data for real-time monitoring, remote management, and providing cybersecurity defense. This not only enhances production efficiency, product quality, and process safety but also significantly reduces the time, manpower, and costs associated with infrastructure development, providing an ideal smart solution for automated factories.	Hardware: Automatic guided vehicle (AGV)/Software: Warehouse management system (WMS), supervisory control and data acquisition (SCADA), smart environmental safety management (SESM), smart cloud situation room (SCSR), radio frequency identification Radio frequency identification system (RFID), traceability, etc.	
Smart Education	We provide various digital tools to support the integration of IT in education and technology in teaching scenarios, and we also provide school administration systems, integrated smart classroom teaching service systems, teacher-student communication platforms, mobile applications, and campus security and resource monitoring. We focus on several key parties such as parents, teachers, students, administrative staff, technical engineers and policy stipulating staff. With such parties as our core, we establish innovative and smart overall solutions for campuses and technical architectures, and we also collect important key data, in order to head towards the direction of individualized learning and adaptive learning.	Software: School administration & student information system Smart classroom & teaching integration service system Teacher-student friendly platform and 1-Campus APP/ Hardware: Campus security monitoring	
Smart Healthcare	We provide medical care solutions integrated with ICT capabilities. Accordingly, we integrate automation, mobilization, hardware and software, with the smart hospital at its core, in order to utilize IoT/IoMT in the four major fields of smart medical consultation, quality care, smart surgical rooms, and green hospitals, thereby preventing and reducing errors. With the integration of the Dashboard application, precision and quality hospital operations can be achieved, and it can also be extended to smart care and healthy living of various medical sectors externally.	Hardware: Medical display, ultrasound scanner, intraoral scanner, surgical table, transporting robots in operation rooms and disinfection robots/Software: Group fitness system, health management system, integrated operating room solution, 3D dental implant integration service, dashboard application, clinic check-in and queuing management system, service desk management system, etc.	
Smart Retail	To satisfy the diverse hardware and one-stop shop demands for retailers, we provide integrated and highly-flexible POS systems, CMS, Kiosk, queuing systems, KDS, large commercial displays, projectors and peripheral equipment. In addition, for handheld devices such as mobile phones and tablets, we also provide services for integrating various software systems such as CMS, Beacon technology and surveillance systems, in order to allow customers to effectively obtain store operation information in a timely manner, achieve precision marketing, interactive consumer behaviors, and improve brand competitiveness.	Hardware: POS terminal, mobile POS, large commercial display, projector and other peripheral equipment/Software: Content management system (CMS), electronic shelf label, hotspot analysis	
Smart Enterprise	We provide enterprises with one-stop shopping IT solutions and are committed to building a modern IT operation structure for enterprise customers. The overall service scope includes: software and hardware integration, cloud & on-prem integration, IT environment hosting, ERP deployment & maintenance, AI and Big Data applications, RPA, BPM, HRM, MES, ESG Solutions and SaaS applications.	Software: Human capital management (HCM), supplier relationship management (SRM), business process management (BPM)	

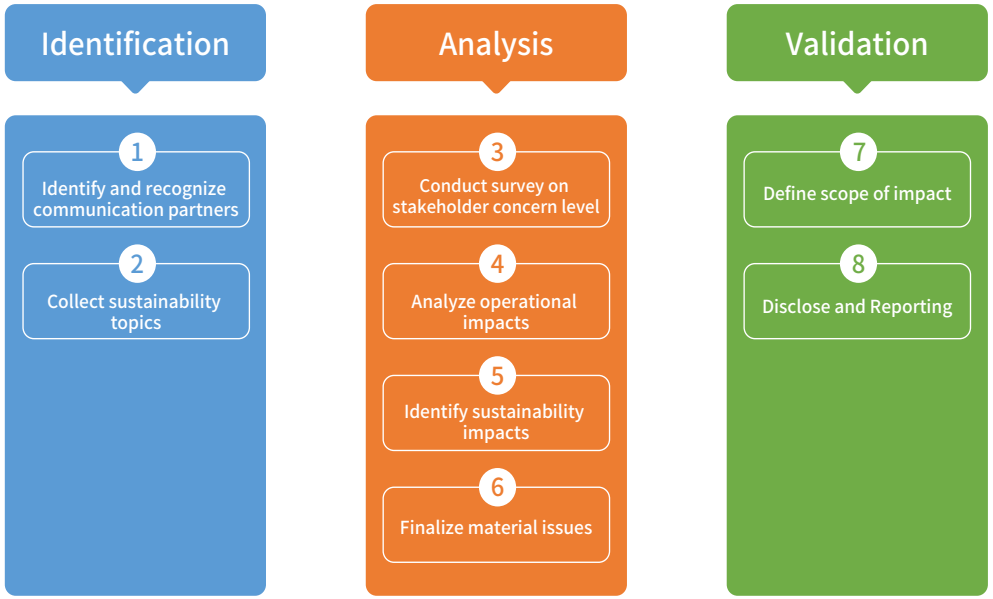
Qisda and Our Stakeholders

In order to better make plans and decisions regarding corporate sustainable development, Qisda engages in timely communication with stakeholders and incorporates material issues of stakeholder concerns into the corporate ESG policies. Moreover, we set up a transparent and smooth response mechanism. We also adopt the "AA 1000 Accountability Principles (AA 1000AP)" and follow the four principles – inclusivity, materiality, responsiveness, and impact – to identify and respond to sustainability information and increase the strictness of sustainability information disclosure. For the materiality analysis, we divide it into the following steps:

Materiality Analysis Process

Qisda conducts materiality analysis every year and integrates the impact assessment methodologies developed by the Value Balancing Alliance (VBA) and the Impact-Weighted Accounts of the Harvard Business School based on GRI3: Material Issues 2021 of the GRI Universal Standards 2021 and the EU concept of Double Materiality to construct an impact-based materiality analysis process. In 2024, the materiality analysis process and the results were verified by a third-party organization, Bureau Veritas Certification (Taiwan) Co., Ltd., based on AA1000 Assurance Standard v3(AA1000 AS v3) Type 2 Verification.





Identification: Stakeholder Engagement and Material Issues Identification

21 issues were collected in consideration of the international sustainability trends and standards, including GRI Standards, SDGs, SA8000 Social Accountability Standards, RBA, SASB, and major concerns of investment institutions such as DJSI, CDP, TCFD, and TNFD information disclosure frameworks as well as the material issues of industry benchmarks, matched the Company's corporate sustainable development strategies and goals and the process of interaction with stakeholders. The topics that customers, the supply chain, and Qisda regularly discuss are also taken into consideration.

Identification

Steps and Process	Description
Step 1: Identifying Stakeholders Based on the AA1000 Stakeholder Engagement Standard (AA1000 SES), Qisda has identified eight key stakeholder groups: employees, shareholders/investors, customers, suppliers/contractors, subsidiaries, affiliates, business partners, and local communities. Through engagement with these stakeholders, Qisda is committed to communicating the outcomes of its corporate sustainability practices.	8 types of primary stakeholders
Step 2: Collecting Sustainability Issues To thoroughly gather sustainability issues related to Qisda, we collected 21 issues based on domestic and international sustainability norms/standards, sustainability initiatives, feedback from internal and external stakeholders, corporate management strategies, and feedback from internal executives. Compared to the previous year's assessment, the topic of "Talent Policy" was more precisely redefined as "Talent Recruitment and Retention" to more comprehensively reflect the key aspects of human resource management.	21 sustainability issues

Analysis: Methodology for Determining Material Issues

Analysis

Steps and Process	Description
Step 3: Stakeholder Survey on Sustainability Issues Online questionnaires were used to investigate the degree of concern that primary stakeholders1 have on various sustainable issues. We received a total of 431 valid questionnaires, including employees (399 copies), investors (4 copies), customers (3 copies), and suppliers (13 copies), partners (1 copies), subsidiaries (8 copy), affiliated companies (2 copies), and others (1 copies).	431 valid questionnaires
Step 4: Organizational Impact Assessment Qisda regards ESG as a core principle in driving corporate sustainability. In this assessment, seven senior executives participated in evaluating the impact of each sustainability topic on revenue growth, employee engagement, customer satisfaction, and operational risk. The analysis also incorporated the concept of financial materiality to assess the significance of each topic on the Company's operations, thereby determining the materiality ranking of the identified issues.	7 executives
Step 5: Sustainability Impact Assessment Qisda adopted international standards – including the Value Balancing Alliance (VBA), the Impact-Weighted Accounts Project by Harvard Business School, and the London Benchmarking Group (LBG) – to identify 12 positive and 7 negative external sustainability impacts in order to assess the influence of sustainability issues on both the enterprise and society. A total of 25 managers and employees participated in the external impact assessment using an Impact Valuation approach. This method comprehensively evaluated the positive and negative impacts across the upstream supply chain, Qisda's own operations, and downstream products and services. Each impact was assessed based on its severity, scope, remediability, and likelihood, with defined threshold values. Impacts that met or exceeded the threshold were classified as significant impacts caused or contributed to by Qisda. As a result, 11 significant impacts highly relevant to Qisda were identified, and corresponding ESG topics were ranked accordingly to ensure the effectiveness and forward-looking nature of the Company's sustainability strategy.	19 GRI topics connected
Step 6: Final Determination of Ten Material Issues Qisda integrated findings from the stakeholder concern survey, operational impact assessment, and external sustainability impact identification, and aligned them with ESG topics linked to executive compensation to further define the Company's long-term sustainability objectives. Based on this foundation, the internal Sustainability Office, in collaboration with external experts, conducted a comprehensive evaluation. Ultimately, 10 material issues were confirmed and prioritized by level of importance to ensure the precision and effectiveness of the Company's sustainability strategy.	10 material sustainability issues

Remark: In 2024, Qisda adjusted the distribution of stakeholder questionnaires by engaging in indirect participation (via industry associations) and communication with the government; communication with the media is conducted through established channels.

Disclosure: Comprehensive Disclosure of Material Issues

Confirmation and Disclosure

Steps and Process	Description
Step 7: Review of Disclosure Contents 10 material sustainability issues were identified corresponding to 18 GRI topics and 1 Qisda-defined topic), and based on this to draw the information disclosure boundary of Qisda's value chain (supply chain management, operations, products, society) as the basis for reporting	18 GRI topics and 1 Qisda-defined topic
Step 8: Formulate Long-term Sustainability Goals and Disclose To ensure that all of Qisda's sustainability initiatives can meet stakeholder expectations, we have formulated 10 long-term sustainability goals based on material issues. Moreover, we used them as a reference for internal review of performance achievements	10 long-term sustainability goals

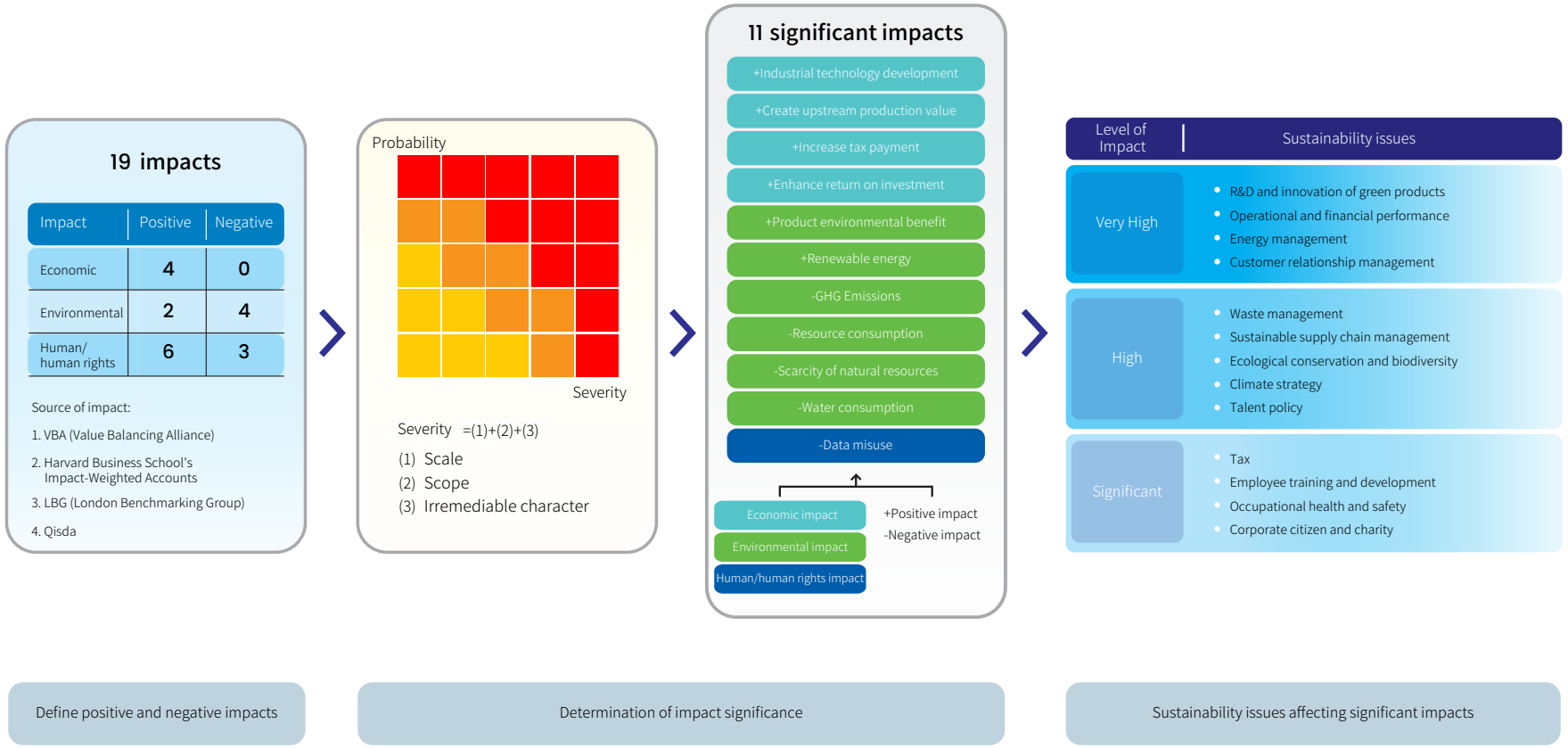
Confirmation of Ten Material Issues

According to the investigation, Qisda Corporation has prioritized eight significant issues: Operational and Financial Performance, R&D and Innovation of Green Products, Customer Relationship Management, Sustainable Supply Chain Management, Climate Strategy, Talent Policy, Employee Training and Development, and Occupational Health and Safety. In alignment with Qisda's sustainable issue management, two additional topics – Waste Management and Energy Management – have also been included. In total, ten significant issues have been identified for 2024.

Qisda's next materiality assessment is scheduled for 2025. In the interim, Qisda continues to collect and respond to stakeholder feedback and suggestions through diverse communication channels, while the ESG Committee continues to implement the "345 Goals". There was no change in the material issues identified in 2024 compared to the previous reporting period (2023).

Qisda's Assessment of Impact on Sustainability - Non-monetization

Qisda conducted a materiality analysis by integrating three dimensions: stakeholder surveys on sustainability topics, organizational impact assessments, and sustainability impact assessments, in alignment with the concept of double materiality. For sustainability impacts, both monetized and non-monetized assessment methods were applied. Since 2023, Qisda has adopted monetized valuation methods to gain deeper insight into its sustainability impact. (For more information, please refer to the Sustainability Impact Valuation Report.)



Qisda's Material Issues

Material issues screening process includes the results of the questionnaire survey on the "level of stakeholder's concern," "organizational impact," and "sustainability impact," while considering Qisda's long-term goals to determine 10 material issues of "operational and financial performance", "R&D and innovation of green products", "sustainable supply chain management", "talent policy", "climate strategy", "occupational safety and health", "employee training and development", "energy management", "customer relationship management", and "waste management". These are reported to the Board of Directors.

Material issues are prioritized according to whether they are significant impact issues (TOP 5) in all three questionnaires. Prioritization is conducted after calculating the level of impact. (See the asterisks in the figure below.). Based on the impact scope of the identified material issues in Qisda's value chain, 18 GRI topics were identified against the GRI Standards. The reporting requirements were followed to collect internal information, data, and management guidelines for disclosure.

Qisda's Material Issues Ranking

ESG Material Issues Prioritization	Ranking	Degree of primary stakeholders' concern	Impact on Organizational Operations	Impact on Sustainable Development
Operational and financial performance	1	★★★	★	★★★
R&D and innovation of green products	2	★	★★	★★★
Sustainable supply chain management	3	★	★★★	★★
Talent policy	4	★★★	★	★★
Climate strategy	5	★	★★	★★
Occupational health and safety	6	★★★	★	★
Employee training and development	7	★★	★	★
Energy management	8	★		★★★
Customer relationship management	9		★	★★★
Waste management	10			★★

Qisda's Double Materiality

Aspect	Material Issue	Operational Impact (Impact Materiality)				Sustainability Impact (Double Materiality)										
		Increased revenue	Customers satisfaction	Operational Risks	Employee loyalty	Industrial technology development (Positive)	Create upstream output values (Positive)	Tax payment (Positive)	Enhance financial returns to investors (Positive)	Product environmental benefit (Positive)	Renewable energy (Positive)	Greenhouse gases (Negative)	Energy/ resource consumption (Negative)	Resource depletion (Negative)	Water shortage risk (Negative)	Breach of employee or customer privacy
Economic	Operational and financial performance	●				●	●	●	●							
	Customer Relationship Management		●			●	●	●	●		●					●
	Sustainable Supply Chain Management	●	●		●	●	●			●				●		
Environmental	Climate Strategy		●		●					●		●	●		●	
	R&D and Innovation of Green Products	●	●			●	●	●	●	●	●	●	●	●		
	Waste Management									●	●	●	●	●		
	Energy management					●				●	●	●	●	●	●	
Social	Talent Policy			●		●	●		●							
	Employee Training and Development			●												●
	Occupational health and safety			●												●

● It means that ESG has a substantial impact on organizational operations or sustainable development.

Qisda's Material Issues across the Value Chain

● Cause; ○ Facilitate; ◎ Directly related

Aspect	Material Issues	"GRI Standards" Topic	Value chain			
			Supply chain	Operation	Product	Social
Economic	Operational and financial performance	Economic performance (201), Market presence (202), Indirect economic impacts (203), Anti-competitive behavior(206)		●		
	Customer Relationship Management	Customer health and safety (416), Marketing and labeling (417), customer privacy (418)		●	◎	
	Sustainable Supply Chain Management	Procurement practices (204), Anti-corruption (205), Materials (301), Supplier environmental assessment (308), Supplier social assessment (414)	◎	●		
Environmental	Climate Strategy	Economic performance (201), Emissions (305)		●		
	R&D and Innovation of Green Products	Materials (301), Energy (302), Marketing and labeling (417)		●	◎	
	Waste Management	Waste (306)	◎	●	◎	○
	Energy management	Energy (302)		●	◎	○
Social	Talent Policy	Economic performance (201), Market presence (202), Employment (401),		●		○
	Employee Training and Development	Training and education (404)		●		
	Occupational health and safety	Occupational health and safety (403)		●		

Material Issues and Risk Management

Material Issues	Description of Risk	Type of Risk	Risk Severity (6)	Risk Likelihood(7)	Mitigation Measures
R&D and Innovation of Green Products	• Technology development lags behind peers • Apart from displays, other new products demonstrate insufficient growth momentum • Products have safety concerns when used by end consumers • To comply with the international trend of carbon reduction, conduct repair of development documents when developing green products, as well as the number of years of material preparation	Strategy	Low	High	Establish a product development and management mechanism, formulate product development and management regulations and make plans in advance, and regularly review the progress of new product development.
		Operation	Low	High	Establish a product development and management mechanism, regularly follow up on market investigation and customer opinions on diverse products.
		Operation	Low	Low	Establish a product development and management mechanism, formulate product development and management regulations and make plans in advance, follow up on product improvement progress regularly, and stay informed about the progress of liability for damage.
		Strategy	Low	Moderate	Establish customer service mechanisms and regulations, regularly review results and revise development processes, regularly analyze the causes of customer complaints, and strengthen the maintenance of customer relationships.
Customer Relationship Management	• Quality defects • Incomplete product testing requires frontline personnel to rework • Rising energy prices will result in shifting cost to customers	Operation	Low	High	Establish quality verification capabilities, limit the scope of quality, prepare Bill of Materials (BOM), have a clearer notification mechanism for changes in the operation method, and request relevant units to review, and require the supervisor for confirmation of the inspection standard procedures.
			Moderate	Low	Establish a product development and management mechanism, formulate product development regulations and product testing standards, and communicate with customers on a regular basis.
			Low	Moderate	Meet customer requirements, and take the initiative to implement energy-saving measures internally (including install renewable energy power generation equipment and purchase renewable energy).

Material Issues and Risk Management

Material Issues	Description of Risk	Type of Risk	Risk Severity (6)	Risk Likelihood(7)	Mitigation Measures
Sustainable Supply Chain Management	• Political unrest worldwide, inflation, and wars have resulted in raw materials shortages • No alternative and support suppliers for specific materials • Suppliers' carbon emissions and green energy performance are not as expected • Rising costs of suppliers to achieve carbon reduction goals • Supplier chain disruptions due to climate events	Operations and strategy	Low	Moderate	Dynamic supplier management mechanism; establish supplier management policies and regulations; regular review supplier sustainability audit
		Operation	Moderate	Very high	Establish supplier management policies and regulations, conduct regular and irregular supplier evaluations, introduce alternative and support suppliers, and establish procurement strategies based on product demand
		Operation	Low	Very low	Establish supplier management platform for growing together and actively provide guidance for suppliers to improve their carbon reduction capabilities
		Operation	Low	Moderate	The business unit (BU) negotiates with customers for accepting the pass-on of carbon reduction and environmental protection costs, and finds alternative solutions.
		Damage	Moderate	Very high	Conduct origin investigation and increase the ratio of remote production and 2nd source suppliers
Climate Strategy	• Transition failure will result in the damage to corporate image, further result in customers under pressure from media • Operational disruption caused by natural disasters • Unable to comply with the environmental regulations of various countries and sell products to these countries • Transition failure will result in the damage to corporate image, further affect recruitment and retention	Operation	Low	Very low	Establish and practice a sound crisis communication mechanism, and take the initiative to establish a sound communication mechanism with stakeholders
		Damage	Low	Low	Aim to immediately activate the Business Continuity Management (BCM) mechanism to quickly restore operations. All Business Continuity Plans (BCPs) are included in the Crisis Management Handbook, which is the main guiding principle for the Company in the event of a major impact event
		Strategy	Low	High	Integrate the life cycle thinking into the product design process, including green design in the early design stage. In each design review stage, it is confirmed that the products not only comply with the environmental protection laws and regulations of customers and countries of sale, but also improve accordingly
		Damage	Low	Very low	Invest in more diverse education and training and regularly promote ESG culture and communicate with employees on a regular basis. Information on ESG results has been added to the official website to demonstrate the Company's emphasis and efforts on sustainability issues, improve stakeholders' positive perception of the Company, and enhance the recruitment process. points
Waste Management	• Damage to the Company's image due to improper waste disposal	Damage	Low	Low	Assign dedicated management personnel to proactively track waste flows
Energy management	• An increase in operating costs will result in a loss of competitiveness of products	Operation	Low	Very low	Establish the ISO 50001 management system, include energy indicators as material issues monitored by the ESG Committee, and conduct quarterly reviews to track the progress of carbon reduction
Talent Policy	• Talents will be poached by competitors • Business units have manpower shortage problem and manpower matching is time-consuming • Lack of skilled workers and operators	Operation	Low	Very low	Formulate human resource policies, establish a human resource management mechanism, and implement leader training programs
			Low	Very low	Confirm employees' expertise, establish a smooth internal promotion channel, and set deadlines
			Moderate	Moderate	Establish a database of skilled labor and a personnel training mechanism
Employee Training and Development	• The participation rate of employee education and training courses is low, and the training effect is not significant, resulting in a low sense corporate identity among the employees	Operation	Low	Very low	Clearly plan courses that are closely related to employees' functions, enable them to master the knowledge and skills required in the workplace
Operational and financial performance	• Revenue or profit does not meet the expectations of investors and shareholders, and long-term growth of financial returns cannot be created	Operation	Low	Very low	Optimizing the operation of the business, accelerating the expansion of the medical business and development of the smart solutions, and creating strategies for networking communication business
Occupational health and safety	• Accidents involving contractors, resulting in the inability to provide qualified services or products • Insufficient awareness of the disease among employees at each site • Employee work-related injuries	Operation	Low	Very low	Establish an outsourcer management mechanism, implement the feasibility assessment management rules, formulate relevant regulations for contractor management services, and establish contractor performance evaluation management measures
		Operation	Low	Very low	Formulate the Company's environmental safety policies and regulations, set up a dedicated unit to regularly review performance, perform regular/irregular audit inspections, take out insurance, review the causes of work-related injuries and establish mitigation measures, and provide employees with environmental safety and health-related education and training
		Operation	Low	Very low	Establish employee health and safety management mechanisms and regulations, set up a dedicated unit to be responsible for employee health and safety, take out insurance, and provide education and training on environmental safety and health

(6) Risk severity measures "frequency," "degree of impact," and "degree of control." A risk severity of 1-5 is considered "Very low"; a risk severity of 6-10 is considered "low"; a risk severity of 11-14 is "moderate"; and a score of 15- 20 points is "High"

(7) Very High: Occurring more than once a year; High: occurring once every 3 years; Moderate: occurring once every 10 years; Low: occurring once every 30 years

Management Approach to Material Issues

Material Issue		
Operational and financial performance		Responsible Unit：Finance
Impact	Positive	Enhance financial returns to investors, increase tax payment, and create upstream output values
	Negative	/
Policy		Optimizing the operation of the business, accelerating the expansion of the medical business and development of smart solutions, and creating strategies for networking communication business
Commitment		Create value
Project/Action		Laying foundation for ESG, expanding high profit margin businesses, exerting influence as the Grand Fleet
Performance Indicator		Profit from high-value-added business

Engaged Counterparty	Engagement Channel	Frequency of Engagement	Connected SDGs
Shareholder, Investment institution, Employees	Investor conference, Shareholders meeting, Business briefing	Without a fixed schedule, at least once a quarter	

Material Issue		
Customer Relationship Management		Responsible Unit：Customer Service
Impact	Positive	Fully understand customer requirements to improve the quality of products and services, further facilitate the improvement of the Company's reputation, and increase market share/ revenue
	Negative	1. It may result in a declining customer loyalty and satisfaction as well as some negative impacts on our business and goodwill, even brings lawsuits 2. It could represent a reputational damage to the Company, causes customer churn, and causes a declining market share and revenue.
Policy		Understanding customers' needs and expectations to the Company, and creating improvement plans and providing better services based on the results of customer feedback and satisfaction surveys
Commitment		Fully comply with customer requirements and deliver a quality services
Project/Action		Establishing corrective actions through customer feedback and satisfaction to improve the quality of products and services
Performance Indicator		Customer satisfaction score

Engaged Counterparty	Engagement Channel	Frequency of Engagement	Connected SDGs
Affiliate Shareholder Customer	Customer satisfaction questionnaire survey Shareholders meeting Customer SER rating	Twice a year Quarterly Quarterly	

Material Issue		
Sustainable Supply Chain Management		Responsible Unit：SCM
Impact	Positive	Disseminate information about the social responsibility to suppliers, enhance the quality of work and life for employees and the sustainable operation goal, control performance periodically, disseminate the spirit of RBA to whole network of suppliers for enabling the operation of the supply chain in line with local laws and regulations and pushing the Company to meet the international trend and goals regarding work environment
	Negative	Supply chain can't move with the times for transition, resulting in the lack of friendly work environments for the employees and violation of local laws and policies. The Company suffering reputational damage internationally
Policy		1. Requiring suppliers to comply with local laws and regulations. 2. Social standards and environmental protection programs, as well as regular surveys and audits, enable suppliers and Qisda to join hands in making commitments to the environment and society, and to enhance product value.
Commitment		Improve values in the sustainable supply chain
Project/Action		Establishing supplier dynamic management mechanism, sustainable supplier management regulations, and regular education and training for suppliers
Performance Indicator		Supplier carbon reduction

Engaged Counterparty	Engagement Channel	Frequency of Engagement	Connected SDGs
Suppliers	Suppliers meeting Supplier Audit	Once a year Once a year	

Material Issue		
Climate Strategy		Responsible Unit：Risk
Impact	Positive	
	Negative	Confronting the risks and challenges posed by climate change, we may suffer the significant impacts and consequences on operation caused by failure of climate change mitigation
Policy		1. Setting carbon reduction and net zero goals and turning these goals into action 2. Strengthening the corporate climate resilience
Commitment		Apply life cycle thinking to examine carbon emissions through all lifecycle stages and explore opportunities for reduction
Project/Action		Continuously introducing TCFD to deepen climate risk management
Performance Indicator		Absolute reduction: Scope 1, 2, and 3 GHG emissions

Engaged Counterparty	Engagement Channel	Frequency of Engagement	Connected SDGs
Supplier, media, Subsidiary, Government, Shareholder, Customer, Employee	1. Investor conference, shareholder meeting, sustainability report, the Company's communication platform, and internal educational and training 2. Risk management committee, internal educational and training	1. Multiple times a year 2. 4 times a year	

Material Issue		
R&D and Innovation of Green Products		Responsible Unit：PG/Sustainability
Impact	Positive	Being eager to conduct climate change mitigation, apply green design thinking to the stage of design, create product values for customers, contribute to the goal of zero carbon emissions
	Negative	Overtime work of personnel related to R&D, patent, forward-looking development, and human resources; an increase in price may result in a financial burden of customers; hard to recruit R&D talents and unable to create product with more competitive advantages
Policy		Applying energy-saving, volume reduction, and carbon reduction strategies to design and develop products and services
Commitment		Applying life cycle thinking to examine carbon emissions through all lifecycle stages and explore opportunities for consumption reduction
Project/Action		Introduced ISO 14006 and IEC 62430 management systems
Performance Indicator		Improve energy efficiency

Engaged Counterparty	Engagement Channel	Frequency of Engagement	Connected SDGs
Supplier, Media, Affiliated company, Subsidiary, Government, Shareholder, Customer, Employee	Customer questionnaire Supplier questionnaire Shareholders meeting Monthly Group meeting Sustainability report	Regular basis Regular basis Quarterly Monthly Annually	

Material Issue		
Waste Management		Responsible Unit：Environmental safety
Impact	Positive	
	Negative	Ineffective waste management results in increased cost of revenue and directs stakeholders' attention to it
Policy		Commitment to pollution prevention, waste reduction, energy efficiency improvement, and greenhouse gas emission reduction
Commitment		Increase the percentage of products and packaging materials used in the 3R practice, starting from source design; reduce the amount of operating waste and increase the reuse and recovery rate
Project/Action		1. Courses related to green products 2. Transforming waste into valuable resources, converting plastic waste to fuel
Performance Indicator		Proportion of recyclable waste

Engaged Counterparty	Engagement Channel	Frequency of Engagement	Connected SDGs
Affiliated company Supplier Media Subsidiary Government Shareholder Customer	Government inspection Customer audit Shareholders meeting Sustainability report The Company's communication platform ESG Committee Monthly Group meeting	Irregular Irregular 4 times a year 4 times a year Irregular Quarterly Monthly	

Material Issue		
Energy management		Responsible Unit：Environmental safety
Impact	Positive	
	Negative	1. An increase in electricity consumption and energy use intensity results in an increase in production cost and a decline in profits, directing stakeholders' attention to it. 2. In response to potential carbon fee and carbon tax collection in various countries results in an increase in cost of revenue.
Policy		Commitment to pollution prevention, waste reduction, energy efficiency improvement, and greenhouse gas emission reduction
Commitment		1. Improve energy use efficiency 2. Increase use of renewable energy
Project/Action		1. Utilizing high-efficiency equipment to continuously improve energy performance and efficiency 2. Introducing the concept and methods of carbon reduction to the employees and suppliers to avoid waste 3. Continuously purchasing renewable energy and establishing renewable power generation system to reach 100% renewable energy 4. Adding carbon offset projects and setting internal carbon pricing
Performance Indicator		1. Renewable energy consumption 2. Absolute reduction

Engaged Counterparty	Engagement Channel	Frequency of Engagement	Connected SDGs
Supplier, Subsidiary, Government, Shareholder, Customer	Board meeting Senior managers' meeting Media Suppliers meeting Sustainability report Internal announcement ESG Committee Monthly Group meeting	4 times a year Irregular Irregular Annually Issued annually Irregular Quarterly Monthly	

Material Issue		
Talent Policy		Responsible Unit：HR
Impact	Positive	Provide employment opportunities for talents to draw on their strengths, and further increase local employment rate
	Negative	Talent attrition may destabilize corporate culture, hinder team collaboration and communication, and ultimately diminish the overall work atmosphere and employee engagement.
Policy		Building quality work environments and diverse channels for career development to attract and retain exceptional talents
Commitment		Provide quality work environments and good remuneration packages
Project/Action		Implementing assessment of human rights due diligence risk
Performance Indicator		Completion rate of checklist of human rights risk diligence

Engaged Counterparty	Engagement Channel	Frequency of Engagement	Connected SDGs
Employees	Questionnaire survey for employee system	Annually	

Material Issue		
Employee Training and Development		Responsible Unit：HR
Impact	Positive	1. Corporate operation/direct impact 2. Help employees to develop their competency and gain more competitive advantages
	Negative	
Policy		Completing the educational training system in accordance with the Company's strategic development and business goals; improving the overall competitive edge of the organization and creating more competitive advantages
Commitment		Building a strong and comprehensive education and training development system and providing diverse learning and development environment to attract and retain talents
Project/Action		1. Establishing learning blueprints for the four schools 2. Holding learning development courses based on the training need of a year
Performance Indicator		Education and training: the effect of Continuous Improvement Program on revenue

Engaged Counterparty	Engagement Channel	Frequency of Engagement	Connected SDGs
Affiliated company, Subsidiary, Employee	1. Education and training (including drill) 2. New employees training	Irregular	

Material Issue		
Occupational health and safety		Responsible Unit：HR/OHS
Impact	Positive	Company operations/A good work environment enables talents to work without worries and protect physical and mental health of employees
	Negative	Company operations/investments; accidents cause reputational damage and business losses to the Company
Policy		Protecting our employees, providing them with complete management system and regulations for health and safety
Commitment		Continuously manage safety, sanitation, and health in the work environment and create improvement plans
Project/Action		ISO 45001 effective operation, risk assessment, change management, safety culture, safety proposal, joint inspection by supervisors
Performance Indicator		Zero occupational disease; FR/SR is superior to standards announced by public sector

Engaged Counterparty	Engagement Channel	Frequency of Engagement	Connected SDGs
Affiliated company, Subsidiary, Government, Employee	Internal briefing conference	4 times a year	

Our Actions

Material Issue	Value Chain	Our Actions/Doings	Description	Performance Indicator	2024 Quantified Value
Operational and financial performance	Operation	Expanding high profit margin businesses and exerting influence as the Grand Fleet	Optimizing the operation of the business, accelerating the expansion of the medical business and development of smart solutions, and creating strategies for networking communication business	Profit from high-value-added business	Annual gross margin 16.2% on average
Customer Relationship Management	Operation, product	According to the customer satisfaction procedures: 1. Holding a business review meeting periodically to create corrective plans for the results of evaluation 2. Establishing communication channel and send satisfaction questionnaire twice a year	Fully understanding customer requirements to improve the quality of products and services, further facilitating the improvement of the Company's reputation, and increase market share/revenue	Customer satisfaction score	94
Sustainable Supply Chain Management	Supply chain, operation	According to the Sustainable Supply Chain Policy: 1 Code of Conduct for Sustainable Development of Suppliers 2. Sending Supplier Sustainability Risk Questionnaire (SAQ) to the first-tier and non-first-tier suppliers	1. Requiring suppliers to comply with local laws and regulations, and social standards 2. Creating environmental protection programs, and conducting regular investigation and audits 3. Reviewing supply chain' s performance of realizing environmental responsibility periodically by conducting on-site and paper-based audits 4. Improve values in the sustainable supply chain	Supplier Social Responsibility Completion rate of RBA on-site and paper-based audits	90% completion rate of RBA on-site and paper-based audits
Climate Strategy	Operation	Evaluating operational and financial impacts and implementing management approaches based on climate transition risk scenario analysis (with SBTi 1.5°C as a parameter)	1. Passed the SBTi target review in 2024, with annual carbon reduction 4.2% 2. 100% of renewable energy by 2040	1. Reduction in carbon emission per year 2. Proportion of renewable energy consumption	36.7% of renewable energy consumption
R&D and Innovation of Green Products	Operation, product	Introducing the green design 555 (saving energy by 5%, reducing materials by 5%, reducing carbon by 5%) at the beginning of product R&D stage	1. Applying life cycle thinking to examine carbon emissions through all lifecycle stages and explore opportunities for consumption reduction	Proportion of energy saving, carbon reduction, and consumption reduction for green products, based on the baseline year of 2020	The 2023 target was achieved ahead of schedule. For detailed targets, please refer to 2.7.2 Green Products.
Waste Management	Supply chain, operation, product, society	Obtained UL2799 Zero Waste to Landfill Validation to control waste	Striving to prevent pollution, minimizing pollutants, realizing optimal solutions, and reducing waste	Recycling rate of waste	94% recycling rate of waste
Energy management	Operation, product, society	1. Enhancing energy efficiency and increasing use of renewable energy 2. Strengthening the culture of sustainability	Improving energy efficiency and enhancing electricity-efficient solutions 1. Utilizing high-efficiency equipment to continuously improve energy performance and efficiency 2. Introducing the concept and methods of carbon reduction to the employees and suppliers to avoid waste 3. Continuously purchasing renewable energy and establishing renewable power generation system to reach 100% renewable energy 4. Adding carbon offset projects and setting internal carbon pricing	Electricity Consumption Per Million USD Production Value (kWh)	41,115 kWh

Material Issue	Value Chain	Our Actions/Doings	Description	Performance Indicator	2024 Quantified Value
Talent Policy	Operation, society	Improving Diversity, Equity, and Inclusion (DEI) in the workplace	Creating a secure work environment (Environment), improving employee engagement (Satisfaction), and establishing an epitome of success (Guidance) are the three main areas of focus of Qisda for sustainable talent development formed by guiding and spreading experiences	1. Completion rate of employee engagement survey 2. Average Engagement	1. Higher than 80% 2. Achieved a score of 4.67
Employee Training and Development	Operation	Enhancing education and training system, boosting the proportion of online courses, gaining overall competitive edge of the organization	Building a strong and comprehensive education and training development system and providing diverse learning and development environment to attract and retain talents 1. Establishing learning blueprints for the four schools 2. Holding learning development courses based on the training need of a year 3. Education and training for all employees	1. Average training hours per IDL employee 2. Completion rate of taking require corporate policy courses	1. Short-term, 26 hours/year 2. Up to 100%
Occupational Safety, Health, and Management	Operation	With solid health and safety culture of business, our occupational health and safety system is superior to domestic regulations	Continuously optimizing occupational environment, health and safety management system Enhance employees' thinking by training	Probability of occupational injury and severity	0 occupational disease; 0 fire accident FR<0.1 SR<4.7

Qisda's Assessment of Impact on Sustainability - Monetization

Creating long-term value for stakeholders is Qisda's corporate sustainability tenet. Since 2023, Qisda has introduced the Impact Measurement and Valuation (IMV) methodology. We measure the positive (benefit) and negative (cost) impacts brought directly or indirectly to human well-being and the social economy as a result of value chain activities from the viewpoint of profit and loss and based on the Triple Bottom Line (TBL) combining the sustainable economy, environment and society.

In 2024, in the operation stage, Qisda created NT$201.7 billion in operating revenue through economic activities such as tax payment, dividend distribution, employee compensation, R&D investment, interest, leasing, etc. What we have done not only brought stakeholders a positive impact, but also promoted the growth of society and economy. While cultivating our core business, Qisda also evaluates the cost of environmental protection in light of the environmental footprints of energy consumption and pollutant production, but promotes and deploys renewable energy and water reuse through various energy-saving measures to create maximum environmental benefits. In terms of society, comprehensive training programs have driven the growth of employees' skills and employability, creating future career benefits for our employees; although the health risks arising from occupational accidents and workloads also bring social costs, but through multiple health education activities and long-term follow-up, we are able to create positive benefits for our employees' health; and at the same time, we invest in various local care programs and voluntary activities for our employees to create diverse social values.

Henceforth, in addition to continuously refining and deepening our sustainable impact management framework and identifying opportunities to reduce environmental impact and enhance social well-being, we will continue focusing on supply chain transformation and development of energy-saving products to enhance Qisda's influence on sustainability and create more significant positive values for the society. For the complete Sustainability Impact Valuation Report, please refer to Qisda's website.



2 Corporate Governance

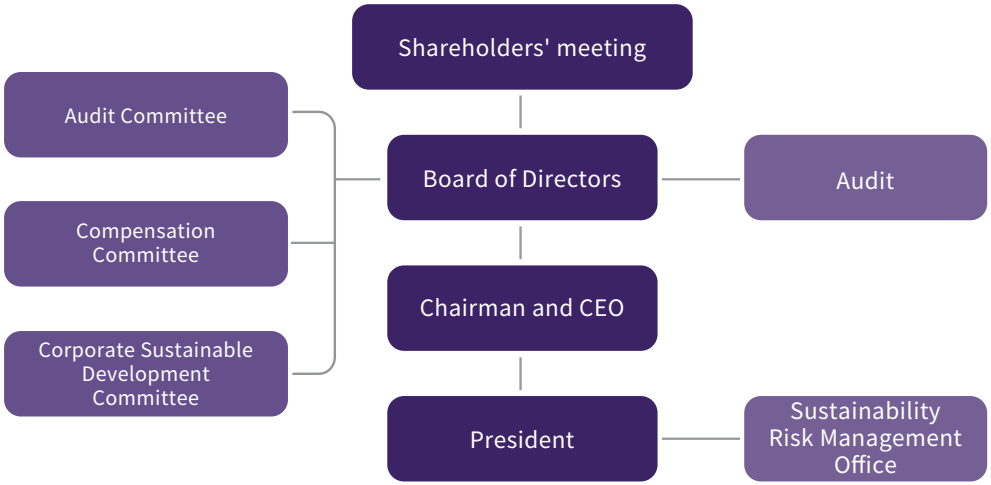
- Organization and Operation of Governance
- Code of Conduct
- Legal Compliance
- Operational Performance
- Risk Management
- Information and Privacy Security
- Sustainable Supply Chain Management
- Customer Satisfaction



Organization and Operation of Governance

Qisda is committed to the protection of shareholder rights and advocates for transparency and fairness when disseminating information. Since the shareholders' meeting in 2012, the Company has adopted an electronic voting system an a case-by-case voting method for each meeting's agenda, in order to enhance shareholder attendance at the meeting and make sure the shareholders are able to exercise their rights at the meeting in accordance with the law. At the meeting, we also actively present an overview of our operational an d financial performance to the shareholders and receive their inquiries. In addition, any amendment to the Articles of Incorporation must be approved by the shareholders' meeting before it can take effect. The Audit Committee, Compensation Committee, and Corporate Sustainable Development Committee have been established under the Board of Directors to assist the directors in reviewing all proposals and ensure the decision-making quality of the Board. These management teams, consisting of experienced and professional managerial officers, not only supervise the activities of the directors, but also facilitate shareholder rights to the fullest extent.

Organizational Structure of Corporate Governance



Access to annual report: https://www.qisda.com/tw/investor/shareholder

Structure and Operation of the Board of Directors

The Board of Directors serves as the top decision-making unit of Qisda. In accordance with laws and the Articles of Incorporation, all Board members are elected for a term of office for three years by shareholders through voting at the shareholders' meeting as per the "Procedures for Election of Directors". Currently, there are nine members on the Company's Board of Directors (including five independent directors) and the average term of office is 5.78 years[8] Two members of the Board are 51 to 60 years old, and 6 members are 61 to 70 years old, while the other members are 71 to 80 years old. Member of committees operating under the Board are nominated and selected upon the Board's resolution according to their respective organizational regulations. The independent directors all comply with the professional qualifications, work experience requirement, restrictions, and independence of independent directors with concurrent positions under the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies." The Chair is elected by the directors, who all have more than five years of work experience related to business, legal affairs, finance, accounting, or other operations essential to the Company.

The calculation method is based on rounding up each individual director's term of office to the nearest whole number, and then deriving the average term accordingly.

According to paragraph 3 of Article 208 of the Company Act, Peter Chen serves as the Chairman of Qisda's Board of Directors. The positions of Chairman and Chief Executive Officer are held by the same individual, enabling unified representation of the Company externally and effective coordination and management of the executive team. This structure is designed to facilitate the execution of investment and acquisition strategies, lead the transformation of the Company's value, optimize existing business operations, rapidly expand the medical business, accelerate solution development, and actively position the Company in the telecommunications sector to achieve synergistic transformation effects. During the discussion and voting on the proposals at the Board meeting, when a director has a personal interest in the proposal discussed and their involvement may clash with the Company's interests, the director should, according to Paragraph 2, Article 206 of the Company Act, avoid taking part in the discussion and voting of the proposal in compliance with the rules of conflicts of interest avoidance under Article 178 of the Act. When necessary, the Chairman will appoint another director to serve as the chairperson of the meeting. Any conflict of interest at the Board meeting will be disclosed in the corporate governance section of our annual report in compliance with the law.

Qisda's Board meeting is held at least once every quarter to monitor and conduct a thorough supervision of the Company's operations. Guided by a goal to maximize shareholder equity, the Board members abide by their duty of care and loyalty, exercising their authority, evaluating operations, and making significant decisions in a careful and disciplined manner. To increase the directors' participation in business operations, the Company has set standards requiring all directors to take part in 85% of Board meetings in person. In 2024, there were seven Board meetings convened, with an average attendance rate of 98%.

(8) The calculation method is based on rounding up each individual director' s term of office to the nearest whole number, and then deriving the average term accordingly.

The introduction of Board members in the Investor Relationship section of the Company's website:
https://www.qisda.com/tw/investor/governance/director

Functional Committee

	Description of Duties	2024 Operational Status
Audit Committee	● Established in 2008, the Audit Committee, consisting of all independent directors as required by local laws and regulations, is subject to the "Audit Committee Charter" formulated by the Board of Directors. It mainly takes on a supervisory role, conducting close inspections of the operational implementation status of the Company and the Board of Directors. The committee meets at least once a quarter. ● Reports and inquiries regarding the audit status of the latest financial statements, internal audit results, major lawsuits, financial and business overviews, etc., are made to the Audit Committee members by the accountants (every six months), the internal audit unit (quarterly) and the risk management, legal affairs, finance, and accounting units (irregularly). This way, the Audit Committee members can ensure the validity of our corporate governance and maintain information transparency for investors, thereby protecting the shareholders' equity.	● In 2024, there were six Audit Committee meetings convened, with an average attendance rate of 100%. ● The relevant implementation highlights and operational status of the Audit Committee for this reporting year have been disclosed in the "Operational Status of the Audit Committee" section of our 2024 Annual Report. Details regarding the status, topics, and results of its communication have been disclosed in the "Investor Relationship – Committee – Communication Status of Independent Directors and Internal Audit Officer with CPAs" page of our official website.
Compensation Committee	● The Company established the Compensation Committee in 2011 and had the Board of Directors develop the "Compensation Committee Charter" in order to boost corporate governance and enhance the compensation system for our directors and managers. The Compensation Committee members exercise their duty of care and loyalty as per fiduciary laws, and submit the suggestions to the Board of Directors for discussion. It holds meetings at least twice a year; the meeting can be convened at any time when necessary. ● The principles of responsibility, reasonable basic compensation, and factors such as industrial risks; the duties of persons in charge, directors, and independent directors; and the operational scale of the Company etc. are taken into consideration to measure the performance of the Company's top management, deciding how much compensation they should receive. The distribution of compensation is then subject to approval by the Compensation Committee and the Board of Directors, and is reported during the shareholders' meeting as a proposal independent from the stakeholders' opinions. Related information about the compensation received by top management such as the Board of Directors and managers has also been appropriately disclosed for all the stakeholders to understand the connection between the compensation to high-level executives and corporate ESG performance.	● In 2024, there were two Compensation Committee meetings convened, with an average attendance rate of 100%. ● The Company's compensation policies and the implementation highlights and operational status of the Compensation Committee this year have been disclosed in the corporate governance section of our 2024 Annual Report and the "Investor Relationship – Committee – Operational Status of the Compensation Committee" page of our official website.
Corporate Sustainable Development Committee	● The Company established the Corporate Sustainable Development Committee in 2023. The Committee is composed of the Chairman and Chief Executive Officer, the representative of the Corporate Director, the President and all independent Directors, and ensures that the Board of Directors develops and abides by the "Sustainable Development Best-Practice Principles." The Committee is the decision-making and supervisory unit for work related to the sustainable development of the Company, covering three major domains: the environment (E), society, social (S), and corporate governance (G). This enables the Board of Directors to perform its duty to protect the rights and interests of the Company, employees, shareholders, and stakeholders. It holds meetings at least once a year; the meeting can be convened at any time when necessary. ● The Corporate Social Development Committee handles information disclosure in accordance with relevant laws, regulations, and the Company's Corporate Governance Best-Practice Principles. In preparation for corporate sustainable development reports, they adopt internationally recognized standards or guidelines to disclose the promotion and current status of sustainable development, thus ensuring the implementation of corporate governance.	● The Company has convened three Corporate Sustainable Development Committee meetings in 2024 with an average attendance rate of 100%. ● Annual work objectives and operations related to the Company's sustainable development are disclosed in the corporate governance section of our 2024 Annual Report and the "Investor Relationship-Committee-Operational Status of the Corporate Sustainable Development Committee" section of our official website.

The Investor Relationship section of Qisda Corporation's website:
https://qisda.com/tw/investor/shareholder

Election and Diversity of the Board Members

It is specified in our Articles of Incorporation that a candidates nomination system has been adopted for the election of directors, and it is set forth in Article 20 of our "Corporate Governance Best Practice Principles" that diversity will be considered when deciding the composition of Board of Directors. The number of directors concurrently serving as the Company's managers should not exceed one-third of the overall number of directors, and the Company should, according to the operations, business type and development needs, formulate an appropriate diversity policy basic criteria and values including but not limited to age, gender, nationality, culture, professional expertise and skills (i.e. professional background, professional skills and industry experience).

The Company is in compliance with the law and does not have any independent director concurrently serving as an independent director for more than three other public companies. Furthermore, Article 24 of the Company's Corporate Governance Best Practice Principles stipulates that independent directors should not concurrently serve as a director (including independent directors) or supervisor of more than five TWSE/TPEx-listed companies.

Currently, there are two directors who are also the employees of the Company (22.22% of the Board) and five independent directors (55.55% of the Board);

The Company's specific management targets of diversity policy: two female directors, more than half of the Board members as independent directors, and less than one-third of the Board members concurrently serving as managers.

Diversity of the Board Members + Risk Management Background

Title	Concurrently an Employee	Independence of Non-executive Director	Name	Gender	Nationality	Age			Professional Background and Ability							GICS Level 1 Industry Business Experience
						51 to 61	61 to 70	71 to 80	Corporate Management	Academics Research	Industry Knowledge	Information Technology	Entrepreneurship Investments	Finance Accounting	Sustainability Development	
Chairman	●		Peter Chen	Male	Taiwan		●		●		●		●		●	25 Consumer Discretionary
Director		●	Representative of AUO Corporation: Shuang-Lang (Paul) Peng[9]	Male	Taiwan		●		●		●		●		●	20 Industries
Director		●	Representative of AUO Corporationon: James CP Chen	Male	Taiwan	●			●		●					20 Industries
Director	●		Representative of BenQ Foundation: Joe Huang	Male	Taiwan		●		●		●				●	25 Consumer Discretionary
Independent Director		●	Charles Yen	Male	Taiwan		●		●				●	●		40 Finance
Independent Director		●	Chueh-Min Hsu	Male	Taiwan			●		●		●			●	45 Information Technology
Independent Director		●	Liang-Chi Chen	Male	Taiwan		●			●		●			●	45 Information Technology
Independent Director		●	Chiu-Lien Lin	Female	Taiwan		●							●		40 Finance
Independent Director		●	Shu-Chun Huang	Female	Taiwan	●			●		●	●	●		●	45 Information Technology

(9) Mr. Shuang-Lang (Paul) Peng, the representative of corporate director AU Optronics Corporation, resigned on January 3, 2025. As a result, the number of the Company's Board seats was reduced from nine to eight.

Remark:

- The director did not serve as a senior manager of the Company in 2024.
- The director and his/her family member(s) did not accept more than US$60 thousand from the Company or any of the subsidiaries thereunder in 2024 unless otherwise permitted by the US SEC 4200 clause.
- None of the director's family members were employed by the Company or any of the subsidiaries thereunder as senior managers in 2024.
- The director is not a consultant of the Company or the management team, and has no conflict of interest with consultants of the Company.
- The director has no conflict of interest with the Company's major customers or suppliers.
- The director has not entered any service contract with other companies or their executives.
- The director has no conflict of interest in non-profit organizations whose main sources of revenue are donations from the Company.
- The director was not employed and did not serve as a partner of the Company's external auditor in 2024.
- The director has no conflict of interest with the independent operations of the Board of Directors.
- The information about the educational background, experience, term, concurrent positions in other companies, Board meeting attendance rate, shareholders with control, etc., of the Company's Board members has all been disclosed in our annual report.

Evaluation of Board Performance

In compliance with the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies," every director of Qisda engages in continuing education for at least 6 hours per year, thus improving the knowledge our highest governance body possesses in relation to economic, environmental, and social issues. In 2024, the Board members received up to 8.7 hours of continuing education per person on average, with courses covering information security governance, sustainability information disclosure, and sustainability risk management. Details of the continuing education are provided below:

Name & Title	Appointment Date	Training Date	Organizer	Course Title	Training Hour
Chairman/CEO Peter Chen	112/05/29	113/06/13	Independent Director Association Taiwan	Introduction to IFRS Sustainability Disclosure Standards & Global Net-Zero Carbon Emission Trends	3.0
		113/09/30	Taiwan Stock Exchange	Taiwan Capital Market Expansion Summit	3.0
Corporate Director Representative Shuang-Lang (Paul) Peng	112/05/29	113/08/03	Independent Director Association Taiwan	How Foreign Institutional Investors View ESG Governance and Investment Responsibility	3.0
		113/08/03	Independent Director Association Taiwan	Legal Planning and Risk Management for Cross-Border Mergers and Acquisitions	3.0
Corporate Director Representative James CP Chen	112/05/29	113/11/12	Accounting Research and Development Foundation	Three Steps to Proper ESG Reporting Disclosure	3.0
		113/11/13	Taiwan Institute of Directors	Short- and Long-Term Economic Trends Every Business Leader Should Know	3.0
Corporate Director Representative Joe Huang	112/05/29	113/06/13	Independent Director Association Taiwan	Introduction to IFRS Sustainability Disclosure Standards & Global Net-Zero Carbon Emission Trends	3.0
		113/11/13	Taiwan Institute of Directors	Short- and Long-Term Economic Trends Every Business Leader Should Know	3.0

Name & Title	Appointment Date	Training Date	Organizer	Course Title	Training Hour
Independent Director Charles Yen	112/05/29	113/03/13	Greater Chinese Financial Development Association	New Perspectives on Digital Transformation	3.0
		113/06/26	Taiwan Corporate Governance Association	Toward Net Zero: Natural Carbon Sinks and Carbon Trading	3.0
		113/07/03	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	3.0
		113/09/27	Taiwan Corporate Governance Association	Project Management and Practices in Construction	3.0
		113/09/30	Taiwan Stock Exchange	Taiwan Capital Market Expansion Summit	3.0
		113/11/13	Taiwan Institute of Directors	Short- and Long-Term Economic Trends Every Business Leader Should Know	3.0
		113/11/27	Taiwan Corporate Governance Association	Case Studies on Key Factors for Corporate Success and Failure	3.0
Independent Director Chueh-Min Hsu	112/05/29	113/06/12	Taiwan Corporate Governance Association	Challenges and Opportunities of Climate Change	3.0
		113/06/13	Independent Director Association Taiwan	Introduction to IFRS Sustainability Disclosure Standards & Global Net-Zero Carbon Emission Trends	3.0
Independent Director Liang-Chi Chen	112/05/29	113/08/02	Independent Director Association Taiwan	Family Business Succession and Tax Practices	3.0
		113/11/25	Taiwan Corporate Governance Association	High-Tech Cybersecurity Risk Management	3.0
Independent Director Chiu-Lien Lin	112/05/29	113/02/21	Greater Chinese Financial Development Association	Building a Resilient Supply Chain for Enterprises	3.0
		113/08/16	Taiwan Corporate Governance Association	Next-Generation Data Centers: The Development of Silicon Photonics and AI Servers	3.0
Independent Director Shu-Chun Huang	112/05/29	113/06/13	Independent Director Association Taiwan	Introduction to IFRS Sustainability Disclosure Standards & Global Net-Zero Carbon Emission Trends	3.0
		113/07/30	Taiwan Investor Relations Institute	Key Strategies for Improving Corporate ESG Performance	3.0
		113/08/01	Taiwan Investor Relations Institute	Opportunities and Challenges for Taiwanese Businesses in China	3.0
		113/10/01	Independent Director Association Taiwan	2024 Achieving Environmental and Economic Success: Taiwan's ESG Development Path	3.0
		113/10/07	Chinese National Association of Industry and Commerce	2024 Taishin Net Zero Summit Towards a Low Carbon Future	3.0

To ensure corporate governance and enhance the function of the Board of Directors, Qisda passed the "Rules for Performance Evaluation of Board of Directors" in 2018, specifying that a performance evaluation of the overall Board of Directors, individual directors, and functional committees shall be carried out internally at the end of each year and externally at least once every 3 years.

At the end of 2024, we completed the internal performance evaluation of the Board and the functional committees. The completion rate of self-evaluation exceeded 98%, reflecting the overall operational efficiency of our Board of Directors. The evaluation results were reported to the Board in Q1 2025. Additionally, it is stipulated in our Rules for Performance Evaluation of Board of Directors that the performance shall be evaluated by an independent external professional institution or an external group of experts and scholars at least once every 3 years, as well as being evaluated internally at the end of each year. In 2024, the Company commissioned the Taiwan Governance Association, an independent external evaluation institution, to evaluate the performance of our Board of Directors, which has no other business dealings with the Company and therefore qualifies as independent. The evaluation was made based on five dimensions: composition and division of labour, guidance and supervision, authorization and risk management, communication and collaboration, and self-discipline and improvement of the Board; the methods of evaluation included an online self-evaluation, a review of relevant written documents, and an on-site visit completed on September 12, 2024. The persons evaluated included the Chairman, the President, two independent directors, the Corporate Governance Officer, the Audit Officer, and the Sustainability and Risk Management Officer. The Board performance evaluation report was issued on September 26, 2024, and the Company has reported the results of the evaluation on November 5, 2024, to the Board. The evaluation report concluded that the Company values the professionalism, independence and diversity of the Board of Directors, and has established three functional committees under the Board, namely the Audit Committee, the Compensation Committee, and the Corporate Sustainable Development Committee; furthermore, the Company has set up a group audit management platform, which is a mechanism for understanding the audit business of the entire group and learning from each other, and assisting the Audit Committee to fulfil its supervisory responsibilities from a macro perspective from the group's point of view, including the situation of subsidiaries' audits; in addition, the Company completes the planning of the meeting schedule of the Board of Directors and the functional committees for the following year before the end of each year, and assists the directors in fulfilling their duties through adequate communication prior to the meetings, which lays an important foundation for the good operation of the corporate governance; the Company also follows the recommendations of the Chinese Corporate Governance Association, etc., to plan for the establishment of the Nomination Committee as early as possible, and to study the proper support and anticipate the improvement of the other recommendations, which will serve as a reference to improve the operational performance of the Board of Directors. The Company also follows the recommendations of the Taiwan Governance Association to prepare for the establishment of the Nomination Committee and to make appropriate arrangements and anticipate other proposed improvements, which will serve as a reference for the Company to enhance the performance of the Board. The Company plans to conduct another external performance evaluation in 2027. The relevant external evaluation results have been disclosed in the "Board of Directors Performance Evaluation" on our official website.

In 2024, Qisda continued to be ranked among the top 6% to 20% in the 11th Corporate Governance Evaluation, having already completed an external performance evaluation of the Board of Directors. In 2025, we will continue keeping track of new indicators of corporate governance with an eye to improving both the corporate governance system and evaluation results.

Remuneration System for the Directors and Managers

Remuneration Structure and Long-term Incentives for Senior Managerial Officers

The "Compensation Policy and Principles for Senior Managerial Officers" of Qisda clearly outlines the compensation indicators, structure, and standards for senior managerial officers. In accordance with this policy and by referencing the compensation levels of external industry peers, the Compensation Committee and the Board of Directors conduct an annual review of the compensation levels for senior managerial officers.

1. **Fixed Salary:** Established based on professional qualifications and aligned with market compensation levels, encompassing base salary and various allowances.
2. **Short-term Incentives:** Performance bonuses and employee compensation are disbursed in cash. These incentives are determined by the Company's performance measurement indicators, which include both financial and non-financial metrics, as well as individual job level and performance, supported by a comprehensive appraisal framework. Each year, based on the company's operating conditions, a contribution ratio is determined to provide additional incentives, which are used to subscribe to the company's shares and deposited into a stock ownership trust account, thereby linking executive performance with the company's stock price.
3. **Long-term Incentives**
   (1) A portion of the fixed salary of senior executives will be deducted and the company will offer a corresponding percentage in bonus incentives. Following the purchase of shares in the Company, the shares will be placed in the Employee Stock Ownership Trust (ESOT), which is fully linked to the Company's share price and is not subject to any hedging arrangement. Shares held in the ESOT are deferred and can be withdrawn upon resignation or retirement.
   (2) The long-term incentive (LTI) plan for the executives, including the CEO, is structured with both a vesting schedule and a clawback provision. The LTI is performance-based and delivered in the form of phantom stock, which is allocated to an Employee Stock Ownership Trust (ESOT). This structure fully links compensation to the company's future stock performance, thereby aligning executive rewards with long-term corporate performance.
   The LTI is granted based on annually defined performance targets, with a vesting period of five years. The vested portion of the phantom shares is distributed annually based on the predefined vesting schedule. Approximately 10% of the executives' total annual compensation, including the fixed and variable compensation under this plan is tied to long-term incentives based on sustainability performance metrics.
4. **Measurement Indicators**
   (1) Financial and Non-Financial Indicators

	Financial Indicators	Non-Financial Indicators
Description	Return on Assets (ROA), Return on Equity (ROE), operating revenue, operating profit, accounts receivable, cash conversion cycle, etc.	Market and customer development, new business development, talent development, ESG, risk management, quality management and other operational performance metrics.

(2) ESG Indicators

ESG KPI items	Description	Linked with Material Issues	Proportion of KPI	Remark
The reduction percentage of the GHG emission	Based on absolute emissions for Scope 1 and Scope 2, the company has set the following greenhouse gas (GHG) reduction targets relative to the baseline year of 2021: • A 30% reduction in GHG emissions by 2025 • A 60% reduction in GHG emissions by 2030	Climate strategy, energy management	25%	Climate change performance indicators are directly linked to the compensation of executives, including the Chief Executive Officer (CEO), Chief Sustainability Officer (CSO), and the highest-ranking executives of each business unit.
The percentage of revenue generated by sustainable products	The sustainable products' annual revenue contribution	R&D and innovation of green products	25%	
The result of the Employee Engagement Survey	Conduct the Employee Engagement Survey and keep improving the result	Talent policy	20%	
The performance of the Corporate Governance Evaluation and international assessments	Leverage international sustainability rating scores to ensure the operational management aligns with global trends and meets stakeholder expectations	Operational and financial performance	15%	
Customer satisfaction	The result of the customer satisfaction survey	Customer relationship management	15%	

Remark: The sustainability performance indicators linked to senior management compensation and certain incentive mechanisms are scheduled to be implemented following approval by the Board of Directors in May 2025.

5. Clawback Provision

In the event that a senior executive commits a material breach of the employment contract, violates company policies, or demonstrates significantly poor performance, the company reserves the right to forfeit any unvested portion of the long-term incentive compensation.

Management Ownership Policy

To promote the commitment of senior managerial officers to the Company's operations, strengthen the connection between management and shareholder interests, and encourage managers to hold company stock for the long term, the company has established the "Management Ownership Policy." This policy mandates that the value of stock held by managers must be a specific multiple of their annual base salary. Specifically, the Chairman and the President are required to hold Qisda's stock (including shares held by themselves, their spouses, minor children, and ESOT) valued at more than ten times of their annual fixed salary. This stock ownership target must be achieved within five years of their appointment, and the required stock value must be maintained throughout their tenure as managers.



Code of Conduct

In 2020, the Board of Directors reviewed and approved the updated version of the "Ethical Corporate Management Best-Practice Principles". The rate of the employee code of conduct training remained 100% in 2024.

Policies and Commitments

Ethical management is a business's most basic social responsibility, as it is beneficial to the operations and long-term development of a company. Unethical behaviors not only bring loss to a company but also lead to a low level of morality among employees and distrust in the relationships with customers and business partners. Lobbying, bribery and other illegal behaviors might subsequently occur, which would impair the corporate governance system and cause the overall operational environment to deteriorate. To turn the mission of "dealing with the customers, suppliers, creditors, shareholders, employees and general public with integrity" into the core corporate culture of Qisda, we have passed the "Corporate Governance Best-Practice Principles," "CSR Best-Practice Principles," "Code of Ethics for Board of Directors and Managers," and "Ethical Corporate Management Best-Practice Principles" upon the Board's resolution in May 2015. The new "Ethical Corporate Management Best-Practice Principles" were supervised and approved by the Board of Directors in November 2020, with some provisions added as per the requirements of the Taiwan Stock Exchange. Meanwhile, the "Code of Conduct," "Code of Ethics for Board of Directors and Managers" and "Anti-corruption and Anti-bribery Policies" have been formulated. These all act as reference for every employee to keep in line with. The content of the aforementioned policies covers regulations relating to integrity, anti-corruption and bribery, discrimination and harassment, conflicts of interest, anti-trust, management of conflicts of interest, insider trading and money laundering, intellectual property rights, data protection, environmental protection, health and safety, human rights protection, etc. For regulations regarding donations and sponsorships, it is explicitly stated in the Code of Conduct that the Company will not make any direct or indirect political contributions, that the engagement in political events shall be strictly subject to local regulations and careful assessment, and that the donations and sponsorships shall not be a disguised form of bribery. In 2024, Qisda did not provide any political contributions but still maintained the employees' entitlement to civil rights.

Management Procedures

The Company has formed a dedicated unit for ethical business management to ensure the thorough management of ethical business and organized the Ethical Management Implementation Task Force in compliance with the "Ethical Corporate Management Best-Practice Principles" approved by the Board of Directors. The members of the task force are the professional personnel in the fields of human resources, risk management and auditing; they are responsible for overseeing the development and implementation of the ethical management policies and related preventive programs. Also, upon the Board's resolution, Qisda authorized the ESG Committee, in which the Chairman, Peter Chen, serves as the committee chair, to supervise and manage the progress of our corporate sustainable business activities (including ethical business), and take charge of the proposal and implementation of corporate sustainability policies, systems or related management guidelines and concrete promotional plans.

Since 2015, the committee has regularly reported the implementation status of CSR and ethical management of the year to the Board (at least once a year) to discuss relevant issues with the directors. The most recent report will be given to the Board in Q1 2025, and the related information has been disclosed in the corporate governance section of the 2024 Annual Report and the Company's website.

Connection of Code of Conduct to Performance Bonus

Since 2023, compliance with the Code of Conduct has been added to the performance evaluation system (as shown below). From now on, employees' compensation and performance evaluation are directly associated with the Code of Conduct.

Communication and Training of the Code of Conduct

Qisda's Code of Conduct is disclosed on the home page of the Company's internal website. When important festivals such as Lunar New Year are coming or when necessary, the Company also sends newsletters regarding anti-corruption to the employees through email, for example, to remind them that no external presents can be accepted, increasing their awareness of observing the standard.

Every new employee must agree to observe the Company's Ethical Corporate Management Best-Practice Principles by signing the employment contract when coming on board, with a completion rate of 100%. Existing employees are given online training on the Code of Conduct (including anti-corruption) on an annual basis; the employee training completion rate was 100% in 2024. Corruption risk assessments have been incorporated into the risk evaluation processes for all of Qisda's global operations. Under the implementation and promotion of training on the Code of Conduct, no violations of integrity principles were reported in 2024.

Performance evaluation system – Evaluations based on the Code of Conduct

Article	Behavioral standards	Content
1	Integrity and self-discipline	Understand and comply with the company's standards of integrity. The business handled by the company has accurate records and is responsible for the correctness of its own business-related records, information and data.
2	Compliance	Comply with the laws and company regulations of your country or region.
3	Personal Information Protection	Respect the privacy and intellectual property rights of employees and customers. Protect the personal information and intellectual property rights of all shareholders, consumers, distributors, suppliers, business partners and colleagues.
4	International Norms	In the process of business execution, fully follow international trade laws and relevant norms of international industry alliances, and pay attention to the human rights impact caused by business development.
5	Risk Identification	Identify relevant risks in daily work. (ex : safety, progress, quality, etc.)
6	Risk Assessment	Assess the likelihood and severity of known internal and external changes that impact the achievement of goals in daily work.(ex : extent of delay or damage.)
7	Risk Response	For potentially significant risks to take contingency and mitigation actions. (ex : sea to air, training, passing on manufacturers, overtime, substitute materials, multiple suppliers, process improvement, etc.)
8	IT Security	Ensure awareness of the importance of IT security, abide by the company's IT regulations during business execution. Protect the confidentiality, integrity, and availability of the company's information assets through computer and network security knowledge.
9	Information Security	Understand and follow the company's information security policy to protect the confidentiality, integrity, and availability of the company's information assets and to avoid internal or external deliberate or accidental threats.
10	Network Security	Understand and follow the company's network security and network resource access security management to protect the security of data transmission and system communication in daily work.

Percentage of Communication and Training on the Code of Conduct

Region	Employee Category	Number of Participants	Completion rate
Taiwan	Direct Labor	274	100%
	Indirect Labor	1,305	100%
Suzhou, China	Direct Labor	5,860	100%
	Indirect Labor	927	100%
Vietnam	Direct Labor	1,203	100%
	Indirect Labor	139	100%
Total		9,708	100%

Remark: Annual training on the Code of Conduct is conducted on a regular basis. In October 2024, a company-wide training session was held to communicate and reinforce the principles of the Code of Conduct to all employees, with a total of 9,708 participants.

Besides the communication with and training of employees with regard to ethical conduct, we have sent letters disseminating anti-corruption messages to all the members of the Board of Directors (currently 9 members) on a regular basis since 2014, and anti-corruption clauses have been added to the contracts entered into with our business partners. In addition, we send a letter of "Qisda Ethics Promotion" to our suppliers on an annual basis. The letter was sent to about 1,049 suppliers in 2024 to achieve our goal of zero incidents of corruption. In 2024, the Company did not receive any whistleblowing reports from the suppliers

Number of Suppliers Provided with Ethics Promotion and Education

Area	Number of suppliers
Asia	1,032
Europe	8
America	9
Total	1,049

Whistleblowing and Suggestion Communication Mechanism

The Company has established the **"Whistleblowing and Complaint Handling Regulations"** and the President mailbox; corresponding announcements on our website have been made concurrently. For serious inappropriate behaviors that violate internal policies relating to integrity, conflicts of interest and avoidance, fair trade, bribery and illegal payments, or any illegal or improper treatment, we have a complete set of procedures for whistleblowing reports and the communication of suggestions. When anyone or any matter is found to be non-compliant with the spirit of integrity or the regulations under the Ethical Corporate Management Best-Practice Principles, employees may send messages directly to the President through the President mailbox to get such cases handled by the Company' s senior management. Employees and external stakeholders (e.g. suppliers, customers) can also file (anonymous) reports or complaints via the integrity mailbox (Integrity@Qisda.com) in Mandarin, English or other local languages. The Audit Officer is responsible for accepting the whistleblowing reports in relation to integrity, and the dedicated unit will launch investigations and compile investigation reports. Once the facts are confirmed, cases are handed over to the Personnel Evaluation Committee for further processing. Qisda strictly guarantees the confidentiality of the whistleblowers, ensuring their safety and protecting them from revenge attacks.

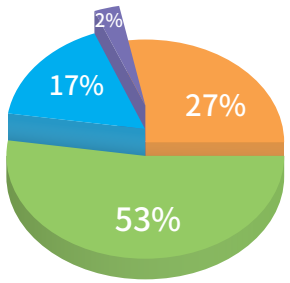
Qisda's Internal and External Communication Channels:

Integrity Mailbox	Integrity@Qisda.com
Investor Mailbox	Investor@Qisda.com
HR Mailbox	2HR@Qisda.com
President Mailbox	Company Internal Portal
Employee Hotline	Corporate Internal Portal 2885 Internal Communication Platform

Through the communication channels established by Qisda, a total of 202 employee feedback responses were collected in 2024 from various communication channels. These responses addressed topics such as facilities and the work environment, engineering inspections, and job content. Each response has been addressed, ensuring that the communication channels remain open.

2024 Employee Feedback Statistics Table

Item	Reflect
Facilities and Work Environment	108
Work Inspection	35
Job Description	5
Others	54
Total	202



Statistics on Domestic and International Complaints for Qisda

In 2024, Qisda received no complaints related to discrimination or harassment. Additionally, one external complaint involving a Company employee was received. Following an investigation by external legal counsel, the incident was confirmed as a harassment email.

Qisda commits to establishing transparent and effective communication channels to ensure that every employee's voice is heard and valued. We efficiently and fairly handle complaint cases through dedicated units, providing necessary legal assistance or psychological counseling support to employees filing complaints. Furthermore, we actively promote the complaint channels and related resources within the Company to enhance employees' awareness of their rights, while also strengthening training to create a friendly workplace that fosters a respectful, inclusive, and safe working environment.

Item	Total Number of Complaints Received	Number of Cases Filed	Number of Cases Closed
corruption	0	0	0
discrimination	0	0	0
All forms of harassment (including sexual harassment)	0	0	0
Customer Privacy	0	0	0
Conflict of interest	0	0	0
Money laundering or insider trading	0	0	0
Others	1	0	0
Total	1	0	0

Remark: Qisda discloses the complaint cases involving Qisda' s domestic and overseas business locations in 2024 Qisda had 0 cases of corruption convictions and 0 fines in 2024.

Principles of Punishment

Explanation of the Principles of Punishment and the Zero-Tolerance Policy

Explanation of the Principles of Punishment and the Zero-Tolerance Policy According to Qisda's Code of Conduct, we will take on a zero-tolerance policy when dealing with any violations of the code and investigate whistleblowing reports in a timely manner. Depending on the severity of the circumstances, the employee concerned may receive verbal admonitions or warnings in writing. For more severe violations, employees can be dismissed in accordance to local laws and the employment contract. They will also be punished and asked for reparations as dictated by law.

A. **Violating the Company's policy**
B. **Asking others to violate the Company's policy**
C. **Failing to promptly report the non-compliance found or suspected**
D. **Failing to cooperate in the investigation conducted for possible non-compliance with a certain policy**
E. **Taking revenge on the employee who reported the non-compliance**

In order to effectively make sure that all the employees adhere to the ethics of the Code of Conduct, Qisda has accepted RBA VAP and SA8000 external audits on a regular basis at our manufacturing sites.

Legal Compliance

Qisda's operating bases are located all over the world and has a wide range of business operations. Therefore, complying with the laws and regulations of Taiwan and other countries is of paramount importance. Accordingly, the Company has established policies and procedures to ensure that the Company remains legal and in compliance with the laws and regulations in each of the regions in which it operates. These policies and procedures cover a wide range of areas, including personal data protection, confidentiality obligations, anti-bribery, anti-discrimination and anti-harassment, environmental protection obligations, health and safety standards, fire safety regulations, intellectual property rights protection measures, anti-insider trading regulations, anti-competitive behavior, and human rights protection. In order to ensure the effectiveness of the internal compliance policy, Qisda has set up a comprehensive control system in which all relevant dedicated units implement business operations in accordance with compliance requirements and regularly review changes in regulations in order to timely adjust or add internal compliance-related communication and training content. It thereby supports each department in performing their business operations in accordance with the laws and regulations, and ensures that the business operations comply with the relevant requirements through internal audits to minimize the risk of non-compliance.

All the employees of Qisda must participate in the communication and training on legal compliance, escalating our business performance through interdepartmental collaboration. Internally, Qisda asks our employees to maintain ethical integrity actively, as well as to improve occupational health and safety by providing a safe, healthy, and pollution-free work environment, thereby guaranteeing the well-being of its employees. In terms of the entire product life cycle, we proactively reduce the use of environment-related substances, not only abiding by environmental regulations but also constantly mitigating our impact on the environment, demonstrating the Company's commitment to environmental protection. Meanwhile, we carry out our internal anti-trust law compliance plans through a variety of means, including education and training for new hires, regular e-newsletters, online training courses, and relevant dissemination posters. It is worth mentioning that in 2024, the Company faced no lawsuits on antitrust grounds, which shows that the Company has good performance in antitrust compliance. In addition, the Company has taken response measures for the EU General Data Protection Regulation (GDPR), such as education and training, impact analysis of the laws and regulations that the relevant departments are involved in, and so on. The project teams have implemented and set up applicable legal compliance mechanisms like management procedures or templates of forms and documents to ensure that the Company meets the requirements of the GDPR when handling the personal data of EU citizens. Also, we have tracked and paid attention to the legal development trends of personal data protection laws in different countries to stick to responsibilities regarding personal data protection, allowing us to adjust the corresponding measures promptly. Under the strict compliance system, Qisda did not have any significant violations or fines in 2024[10], reflecting the Company's outstanding performance in compliance.

(10) Definition of a significant violation: Any single incident that results in (1) a fine of more than NT$2 million or (2) restrictions imposed by the government or a regulatory agency or public institution on the activities or operations of the organization.

Operational Performance

Financial Performance

In 2024, the global economic environment remains fraught with turmoil due to ongoing conflicts and fluctuations in interest rates. Qisda's consolidated revenue was NT$201.7 billion, which was 1% less than that of the previous year. The consolidated operating profit totaled NT$4.52 billion, and the consolidated post-tax profit was NT$2.814 billion; the net profit attributed to the owners of the parent was NT$2.164 billion, and the EPS after tax was NT$1.11.

The operating results of Qisda over the past four years, including those for 2024, are presented in the table below and disclosed in the "Financial Overview" section of the Company's Annual Report. In addition, the entities included in the consolidated and individual financial statements are disclosed in Qisda's 2024 financial statements. Qisda maintains its competitive edge through innovation and technological development. In 2024, approximately 3.3% of its revenue was invested in product innovation and R&D.

2024 Economic Value Distribution of Qisda in Taiwan

Unit: NT$

Item	Amount	Remarks
A. Direct Economic Value Generated		
Consolidated revenue	NT$201.7 billion	
B. Economic Value Distribution		
Operating cost	NT$168.5 billion	
Employee compensation and welfare	NT$27.6 billion	Employment expenses
Payment of interests or allocation of dividends	NT$3.51 billion	Net amount of interest expense of NT$1.15 billion; dividends of NT$2.36 billion allocated to the shareholders
Tax	1.9 billion	Income tax
Investment in communities	N/A	
Economic Value Retained=A-b		
Total economic value retained	190 million	

Qisda's Operational Performances in the Past Four Years (11)

Unit: NT$ million

Item \ Year	2021	2022	2023	2024
Operating revenue	225,961	239,837	203,595	201,666
Gross operating profit	32,557	34,561	33,076	33,181
Operating profit (loss)	7,361	5,852	5,011	4,520

Tax Governance

The Company implements tax governance in accordance with its Board-approved **tax policy**. At each of its operating locations, the Company complies with the letter and spirit of local tax laws and adheres to the arm's length principle in conducting its intercompany transactions. The Company does not engage in radical tax planning or participate in tax avoidance schemes that lack legitimate business purposes. Additionally, we refrain from utilizing tax havens or secrecy jurisdictions for tax avoidance activities. We improve the transparency of information by disclosing tax information to stakeholders in our financial reports and local tax returns. The tax department is responsible for the tax governance of the Company and the financial department of each major subsidiary is responsible for the tax governance of their respective companies. All the significant transactions and decisions of the Company are planned pursuant to local tax laws and agreements, and whether regular transactions meet local tax laws is verified regularly at each operating base. If the competent taxation authority has questions about any transactions of the Company or significant subsidiary, the tax department of the Company forms a project team to communicate with local taxation authorities about tax related issues. In addition, the Company submits a country-by-country report of the previous year pursuant to laws and regulations at the end of the year and conducts a secondary filing in the Netherlands to be used by taxation authorities outside of Taiwan.

(11) This is the consolidated income statement with IFRS adopted; this table includes all consolidated entities of our consolidated financial statements.

Disclosure of Tax Information in Recent Two Years

Unit: NT$ thousand

Item \ Year	2023	2024	Average tax rate in global electronics industry
Earnings before tax	6,319,740	4,648,397	
Reported taxes	1,803,661	1,834,199	
Effective tax rate (%)	28.54%	39.46%	15.39
Cash taxes paid	5,404,706	1,926,520	
Cash tax rate (%)	85.52%	41.44%	15.09

Remark:

- The average tax rate in global electronics industry is derived from the (CSA Handbook 2024) data published by S&P Global.
- The Group's effective tax rate in both 2023 and 2024 was higher than the global average for the electronics industry. In 2024, both the effective tax rate and cash tax rate exceeded the industry average, primarily due to the Group's business deployment and the respective tax policies in different regions. The Group will continue to adjust its overall tax planning in accordance with local regulations to ensure compliance and support stable business development.



Risk Management

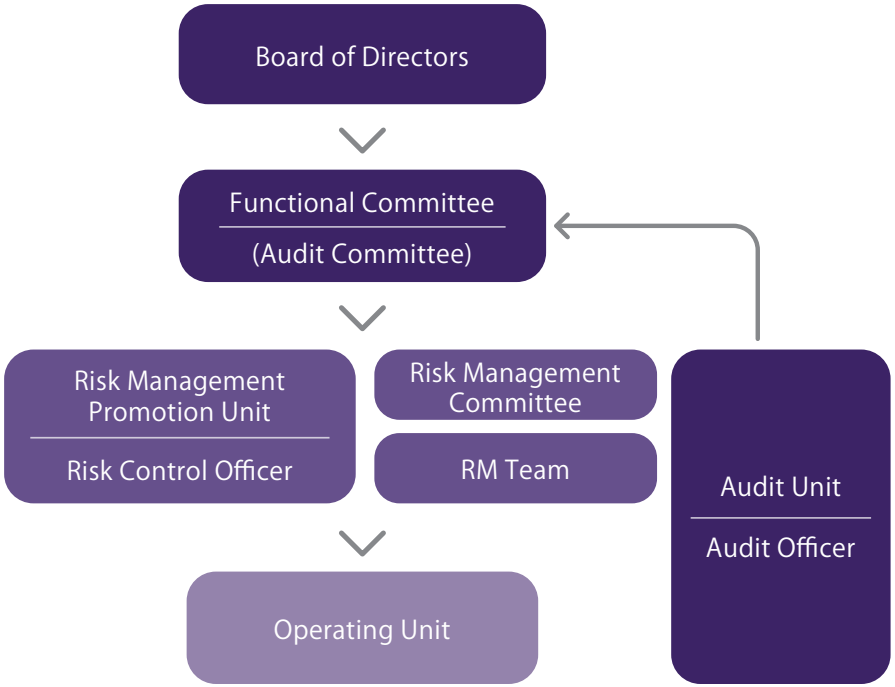
Since 2005, Qisda has formulated risk management policies and established the Risk Management Committee (RMC) in accordance with the ISO 31000 Risk Management–Principles and Guidelines. With importance placed on the systematic operation of risk management, the vision and policies for risk management are established, management goals are set and performance indicators are routinely followed up on. Furthermore, risks that are likely to have negative influence on our operating goals are regularly identified, assessed, handled, reported, and monitored every year. By implementing these measures, we effectively control the risks that exceed the Company's risk tolerance. Meanwhile, management tools are utilized to ensure the optimization of total risk management cost and the risk management mechanism is incorporated into the routine operations.

Vision for Risk Management: The Company is committed to the continuous provision of products and services to create long-term values for the customers, shareholders, employees, and society; In terms of risk management, a systematic organization and risk management procedures are required to effectively identify, assess, handle, report and monitor the significant risks that can impact our business survivability in a timely manner, and raise the employees' awareness of risks; Instead of having "zero" risks, our goal is to optimize risk management costs by achieving the greatest profit under the acceptable risks.

Corporate Risk Management

Qisda has established risk management policies and procedures that have been approved by the Board of Directors as the highest guiding principle of the Company's risk management. The Board of Directors, serving as the top decision-making unit for the Company's risk management, plays a role in ensuring our operational strategies are consistent with the risk management policies, overseeing the operation of the risk management mechanism and verifying its effectiveness. We have five independent directors specializing in financial and governance risk management, IT risk management and information security risk management. The Audit Committee assists the Board of Directors in risk governance; it reviews the policies, procedures, and implementation of risk management to keep track of the effectiveness of risk management, checks the risk appetite, and ensures that the risk management mechanism and resource allocation can constitute an effective response to the risks we face. The Audit Committee also reports to the Board on the implementation of risk management on a regular basis.

Risk Governance Structure



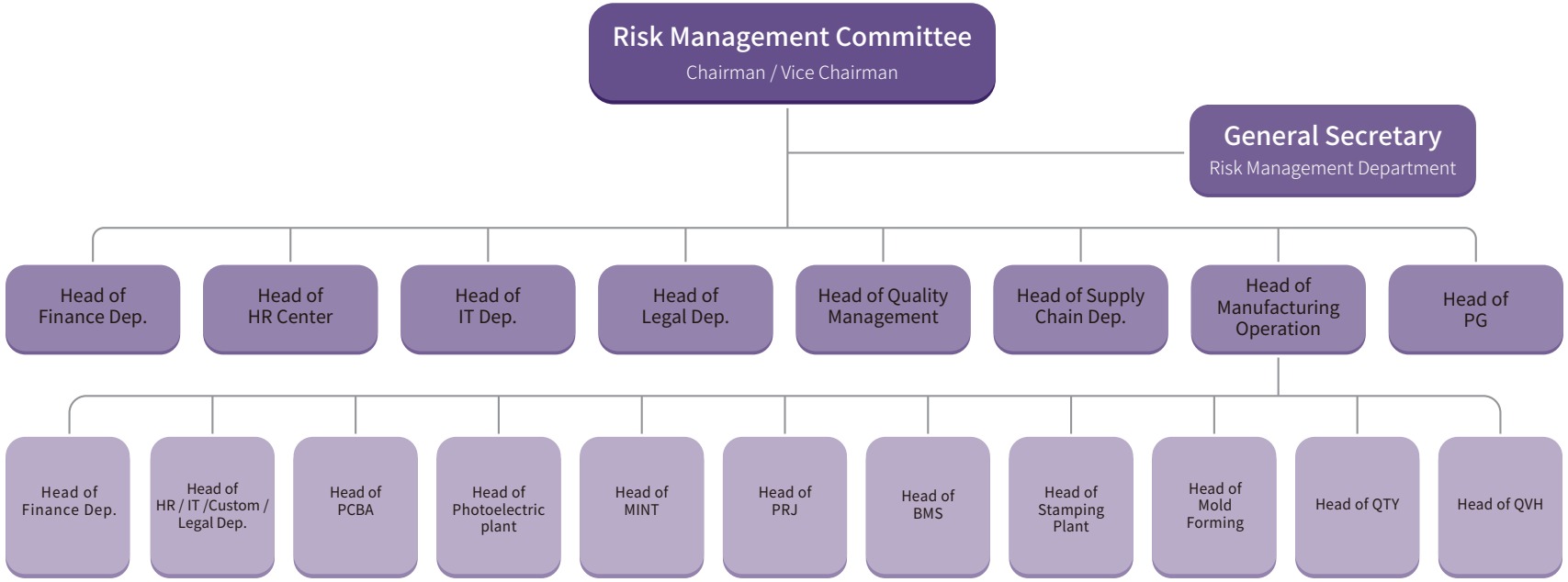
Risk Management Structure and Procedures

In June 2005, Qisda established the inter-departmental Risk Management Committee (RMC) to pursue the Company's goal of sustainable development and operation through consistent risk management based on four categories: strategy, finance, operation, and damage. With the President serving as the committee chair, the Sustainability & Risk Officer serving as the vice chairman, and the top-level executives of different units acting as the committee members, it discusses and determines the risk management strategies, decides on the risk appetite, and sets annual targets and risk performance indicators of Qisda, incorporating the risk management mechanism into the routine operations.

Qisda has established three levels of defense for risk management. First, each operating unit implements risk control in daily work. For example, the procurement, sales, and factory units work together to regularly monitor inventory levels and hold review meetings to reduce excess inventory or avoid the impact of material shortage on production and shipment. In addition, according to the emergency notification management regulations, when the severity of an accident reaches a predetermined standard, a notification and contact procedure shall be implemented to reduce the occurrence of the accident or prevent it from worsening. As the second level of defense, the Risk Management Committee analyzes the annual Top 3 risk items according to the procedure, identifies the factors of each risk item, sets Key Risk Indicators (KRIs) and their contents, and regularly collects and monitors changes in KRI values to achieve the risk warning function. The last level of defense is annual internal audits. The Audit Office draws up an annual audit plan with reference to the annual RMC Top 3 risk items and the material risks identified every year. It performs relevant audits on a regular basis and conducts an overall internal control assessment every year to ensure that the control guidelines are implemented within monitoring coverage of the daily operation. The Audit Committee conducts risk governance, reviews the effectiveness of risk management, and regularly reports the implementation of risk management to the Board of Directors. In addition, annual external audits are conducted to reduce operational risks, such as the quality management unit ISO9001/ISO13485/QC08000 and ISO31000.



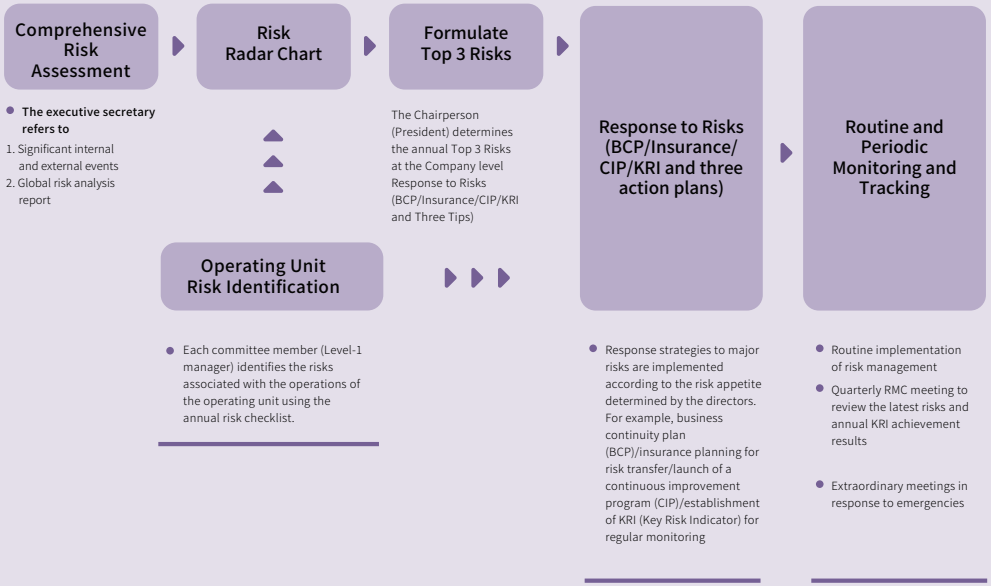
Organization of the Risk Management Committee



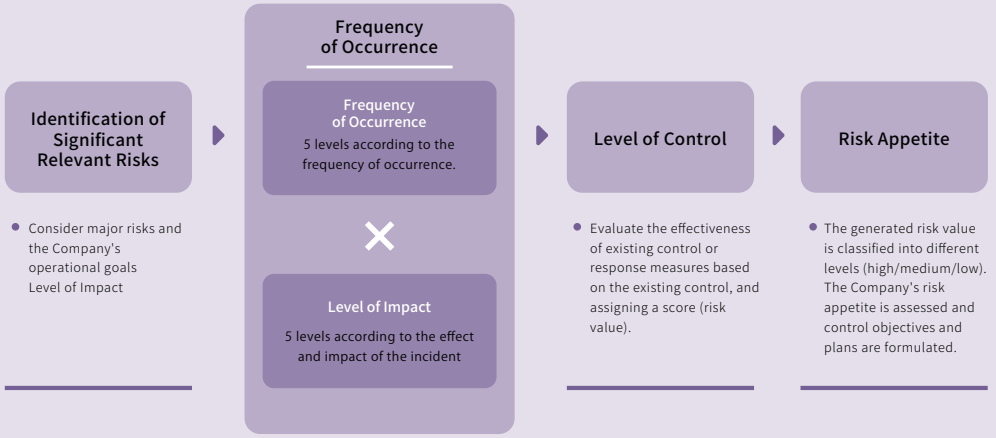
In addition, The Sustainability & Risk Officer is appointed to be the executive secretary of risk management to identify potential risks based on internal and external matters, prepare risk radar charts, arrange risk management meetings, conduct quarterly follow-ups to the risk targets, stay on top of the implementation of improvement plans, and facilitate interdepartmental communication. The operations of the Risk Management Committee are supervised by the Audit Committee/Board of Directors; a report on the implementation of risk management is submitted to the Audit Committee/Board of Directors every year.

The Risk Management Committee meets quarterly; extraordinary meetings may be held if any matters of concern arise. The Committee conducts a comprehensive assessment and analysis every year. It refers to the global risk reports of domestic and foreign professional institutions, such as the World Economic Forum and KPMG CEO Outlook, to focus on key global risks. Simultaneously, the Committee considers ten major sustainability issues to determine the annual Top 3 risk items at the Company level. Each committee member performs risk identification (frequency of impact, scope of impact) and formulates risk countermeasures (degree of control) for relevant issues within the unit using the annual risk checklist to identify material risks. This process covers multiple factors including regulatory compliance, sustainability issues, business dependency, geographical location, and geopolitical considerations. It takes comprehensive consideration of risk items that have a greater impact on the Company's operations and conducts risk responses, such as the business continuity plan (BCP)/insurance planning for risk transfer/the launch of a continuous improvement program (CIP). The Committee establishes quantifiable Key Risk Indicators (KRIs), considers significant internal and external events occurring in the past, assesses their impacts on the Company based on risk topics of different natures, and determines the risk appetite. The results are reviewed at the RMC meeting upon approval of the Board of Directors. Also, the Committee reviews significant issues, legal changes, abnormal incidents, etc., occurring both locally and abroad in the meetings to propose effective countermeasures and thus ensure that the organizational goals can be achieved. A total of 4 Risk Management Committee meetings were convened in 2024, during which the annual KRIs were discussed and monitored. For instance, the expansion of the factory in Vietnam faces challenges related to talent and labor shortages. A significant increase in order demand could lead to a manpower shortfall, severely impacting production capacity and resulting in revenue losses from shipments. For this reason, the risk appetite will be set so that the number of labor shortages does not exceed 10%. At the same time, three action plans are formulated as countermeasures and strategies.

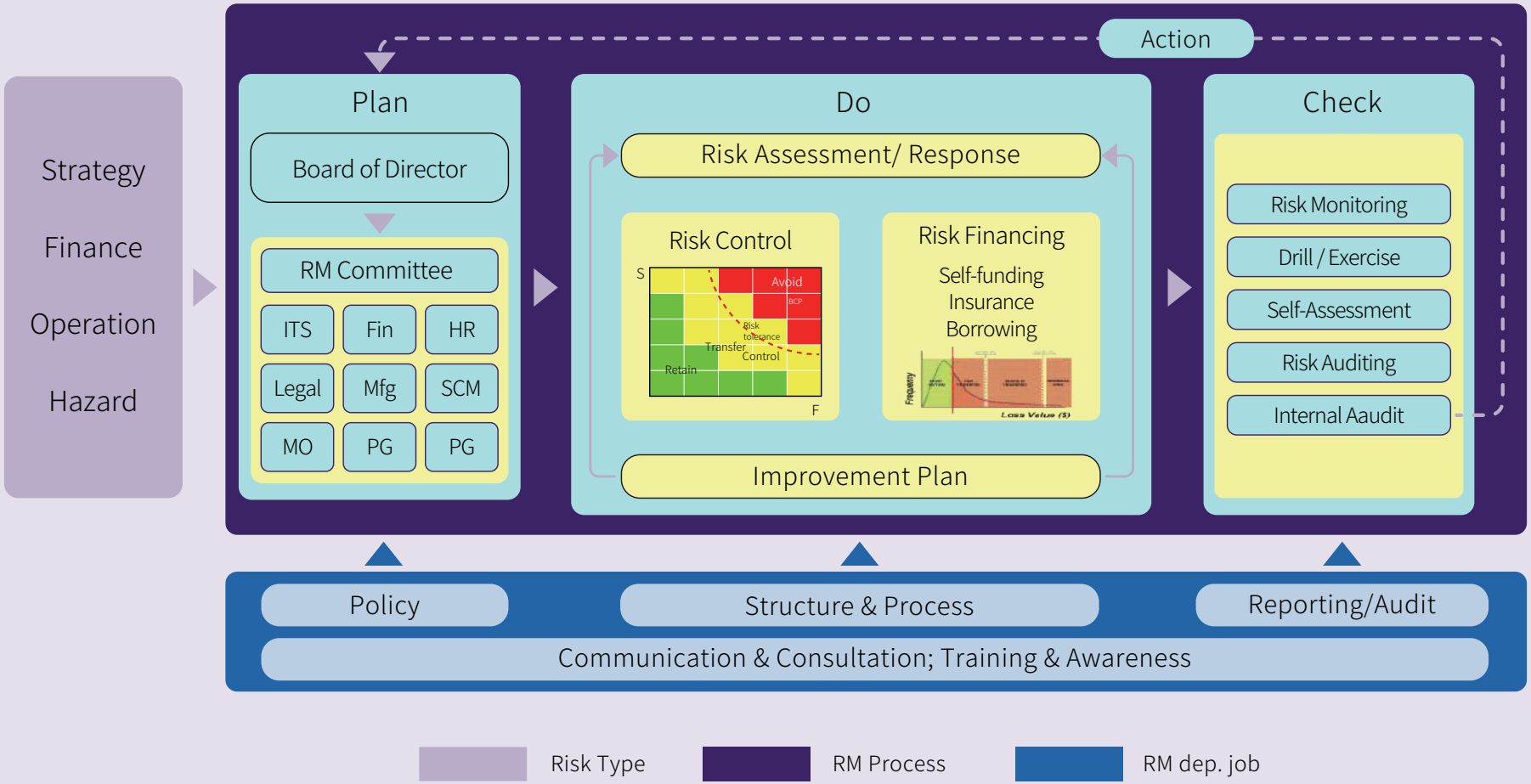
Risk Control Process



Risk Appetite Determination Process



Risk Management Structure and Procedures



Sensitivity Analysis and Stress Testing

Risk Category		Focus	Sensitivity Analysis	Stress Testing	Countermeasures
Non-financial Aspect	The sudden increase in orders has led to a labor shortage at the factory in Vietnam	Labor Shortage Ratio	To meet customer demands and enhance the production capacity of the Vietnam factory, it is essential to satisfy labor requirements; otherwise, the company's shipping capabilities may be compromised, leading to a decline in revenue. Consequently, the factory unit has established Key Result Indicators (KRI) at the RMC to monitor the labor shortage ratio.	If the shortfall in the number of workers exceeds 10% of the budgeted ratio, it will adversely affect production and delivery.	The Risk Management Committee (RMC) establishes annual Key Risk Indicators (KRIs) and develops scenarios and contingency plans for response. 1. Arrange for office personnel to access online support, implement automation to continuously improve production line efficiency, and increase rewards for internal employee referrals. 2. Enhance communication with regional employment centers, expand direct recruitment efforts, increase the leasing of guesthouses, and broaden recruitment initiatives from other provinces. 3. Develop and recruit resources, define the scope, and request external support from suppliers and group companies.
Financial Aspect	Bad debt/credit risks	Quick collection of accounts receivables to reduce the risk of bad debt	Inability to obtain sufficient credit insurance limit from customers, which affects shipments, or unable to receive payment on time, which has a negative impact on sales.	If the bad debt ratio is higher than 0.06%, the Company's irrecoverable accounts receivables will increase, which will directly reduce the Company's net profit and affect the financial health, credit rating, borrowing cost, and financing ability. In addition, the bad debt ratio higher than what is expected may cause investors to worry about the Company's future profitability.	1. Arrange credit insurance to diversify risks. 2. To monitor and reduce risks, annual KRIs and three tips are determined at the RMC meeting, and follow-ups and reviews are conducted at the quarterly RMC meeting: 2.1 New customers cannot obtain the insurance limit and need to provide other guarantees or advance receipts before shipment. 2.2 The insurance limit is insufficient due to an increase in the transaction volume of the existing customer. It is necessary to obtain the insurance limit, and the shipments are carefully assessed based on the type of customer and the payment status. 2.3 The existing customer does not have sufficient insurance limit because the insurance company adjusts down the limit, and it is required to control the shipment within the insurance limit, or the customer shall be requested to pay the receivables that have insufficient insurance coverage earlier.

Qisda establishes tiered risk management mechanisms based on the severity of both non-financial and financial impacts, incorporating relevant sensitivity analyses. Non-financial impacts cover employee health and safety, environmental safety and health regulations, and the Company's reputation; Non-financial impacts cover the risks of significant accidents and disasters, labor disputes, information security, and equipment abnormalities. Once risks of different levels occur, in addition to the established contingency plans, emergencies are reported through the RMC organizational structure. The senior executives make top-down decisions and relevant execution units carry out damage and disaster reduction actions to minimize negative impacts. For example, in 2024, in response to the emergencies such as the Red Sea crisis, power shortages in Vietnam, and the Hualien earthquake in Taiwan, the sales and procurement units investigated the impact these events had on upstream and downstream supply chains and responded immediately to ensure that the shipment, incoming material, and production were safe. In the face of the ever-changing environment and world situation, global emergent and unexpected challenges are frequent. After sensitivity assessment, we adjust risk management measures and improve response capabilities for possible material risks to the organization to ensure the sustainable operation of the Company.

Risk Identification Results

In 2024, Qisda's Risk Management Committee identified 37 key risks with the risk radar chart and the risk checklist, and set key risk indicators that could be quantified. Categories include:

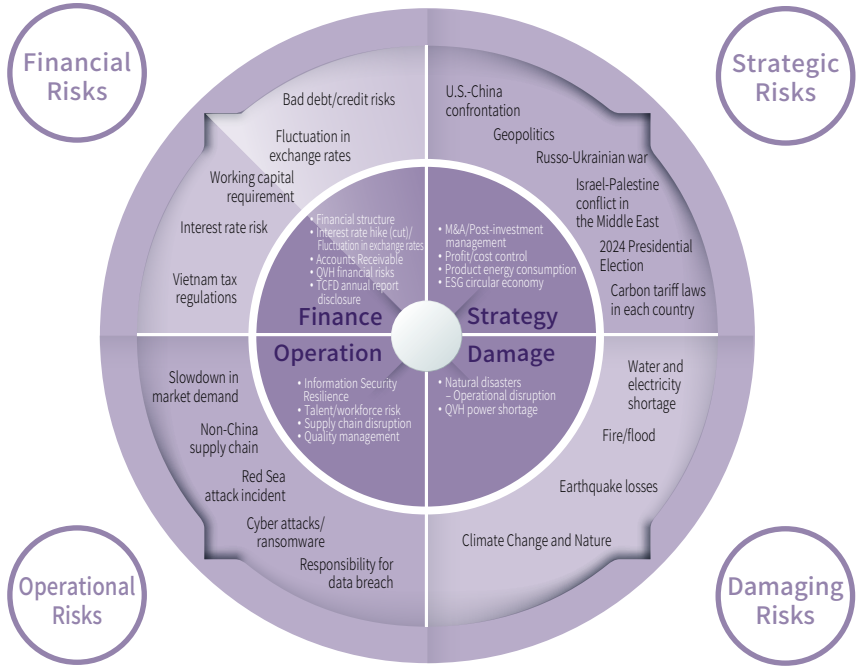
1. **Finance:** The risk of increase in the financial debt ratio (syndicated loans) must be < 110%.
2. **Management:** Compliance with climate change regulations in various countries and the requirements of new green product regulations, control of costs, and prevention of significant impacts to the shipment of products.

In addition to the major global risk of climate change, there are also risks such as geopolitics, the Red Sea crisis, inflation, and regulatory changes. These indirectly cause supply chain disruption, demand decline, and inventory increase, bringing significant impacts on corporate operations. Each unit has set control objectives and contingency guidelines in an effort to minimize the impact on the Company's operations.

Due to the slowdown in global demand for electronic products and the impact of international inflation, the KRI Accuracy Rate in 2024 decreased to(12) 78%. KRI items that do not meet the standards continue to be controlled by the Risk Management Committee in 2025 to strengthen contingency plans and reduce the impact on the Company's operations.

(12) The formula for calculating the KRI accuracy rate is the number of KRI items that meet the target in the current year divided by the total number of items in the current year x 100%. In 2024, there were a total of 37 KRIs, of which 29 reached the goals. As such, the accuracy rate was calculated to be 78%.

Qisda's 2024 Risk Radar Chart for Risk Identification



2024 Qisda Top 3 Risk

1	Strategic risks For example	• M&A/Post-investment management • Profit/cost control
2	Operational risks For example	• Cybersecurity resilience (protection and recovery) • Talent/Labor force • Supply chain disruption (due to natural disasters)
3	Financial risks For example	• Vietnam tariff/Minimum tax burden system • Interest rate hike(cut)/Fluctuation in exchange rates

Business Continuity Management System (BCMS)

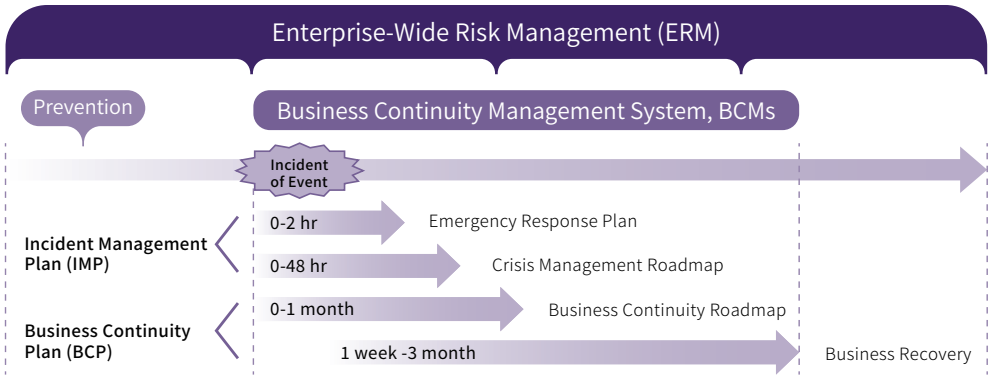
In accordance with the framework of ISO 31000 risk management principles and guidelines, Qisda assesses the potential impact of various risks on corporate operations to implement corporate governance, achieve sustainability goals, and protect stakeholder rights. The Company's risk management framework and business continuity management system are based on three major approaches, namely: identification and prevention before an accident, loss control and mitigation during the accident, and recovery and transfer after the accident. The Risk Management Committee defines the significant risks, simulates risk scenarios, and assesses the impacts of these risks on the organization's operations. Business continuity plans (BCP) are developed based on the risk scenarios, and updates of risk scenarios and drills are continually carried out to ensure that the organization can keep working through disruptions that may impact the Company's operations. This ensures the impact of risks can be mitigated when risks occur and operations can return to normal as soon as possible.

In addition, the Company's Business Continuity Management System (BCM) takes reference from the ISO 22301 guidelines to formulate BCPs in response to material risk scenarios. We identify and control risks before an accident occurs, limit losses when an accident occurs, and quickly resume the provision of products and services after an incident occurs. The scope covers information, procurement, factory, and human resources. Regular external audits are conducted to obtain ISO certifications such as ISO 27000, ISO 28000, ISO 45001, ISO 14001, and SA 8000. Furthermore, we have set up a joint defense mechanism centered around Qisda and covering more than 170 companies thereunder, integrating the loss prevention resources of the Group and enhancing their emergency response capabilities through discussions on projects at regular meetings, information integration, and sharing of practical experience, in order to reach the target of risk control. In 2024, the Qisda Group convened 4 regular meetings in total, making emergency responses, business continuity plans, CSR/ESG, and education on risk management culture accessible to employees of companies under the Group through a platform. Via educational training and practical drills, the Group has developed rapid crisis response and handling capabilities. The mechanism of sharing resources, information, and experience has enabled the Group and the companies to have robust prevention and management measures in place before the risk events happen as well, reducing the occurrence of accidents from the very beginning.

Implementation Results of Business Continuity Management Plan

Since 2004, Qisda has successively updated and developed business continuity plans (BCPs) for different scenarios based on international trends, legal requirements, internal changes in and adjustments to the Company's product lines, and topics that the customers are concerned over, with a view to cope with urgent and material risk events. To boost the employees' familiarity with how to carry out the plans, BCP drills are performed on a periodic basis. The scenario planning and repeated practice of countermeasures under a variety of simulated scenarios help enhance the employees' risk awareness and response capabilities. This way, the Company can rapidly implement the plans when any risk event occurs, achieving the target of bringing the operations back to normal as quickly as possible. All the BCPs are described in "Crisis Management Manual" and act as guidelines for the Company when incidents of significant impact occur.

Structure of Qisda corporate risk management and BCMS



To enhance the Group's ability to respond to emergencies and allocate resources promptly, thereby preventing the escalation of losses, an emergency incident notification drill will be conducted in 2024. This exercise will involve over 20 participating companies and will simulate various emergency scenarios. Each notification point will follow the emergency notification guidelines to ensure the successful completion of the exercise.

In 2024, considering the impact of climate change, Qisda implemented a composite disaster scenario for the first time to enhance its Business Continuity Plan (BCP) drills. This initiative aims to strengthen emergency response capabilities, operational resilience, and crisis management effectiveness while optimizing collaboration and resource allocation to ensure stable operations during extreme climate events. The drill simulated a scenario in which continuous heavy rainfall caused severe flooding in the Suzhou plant area. During water pumping operations, an electrical fire broke out due to a short circuit, creating a dual-disaster situation. Through coordinated efforts in disaster response and resource deployment within the plant, the exercise improved overall disaster management capabilities, minimizing operational disruptions.

The Business Continuity Plan (BCP) was implemented in 2023 in response to the ongoing expansion of production operations at the Vietnam plant. This process involved identifying organizational risks, establishing the BCP team, providing relevant training to team members, allocating appropriate resources, and conducting fire scenario simulation exercises. In 2024, we will intensify these exercises to improve the team's ability to manage emergencies and increase the effectiveness of their collaboration.

Risk Culture

To secure Qisda's corporate culture of risk management, the Company has incorporated various risk management indicators into the daily management performance, and included Qisda Top 3 risks in KPIs for measurement. For example:

1. Revenue and profit are one of the important strategies for risk control. Therefore, each department sets revenue and profit as a KPI target accounting for 60% of the overall performance to ensure that the Company's overall operating performance meets the target.
2. To control the Company's information security, the IT department has set operational disaster recovery as a KPI to avoid operational risks. The frequency of the business continuity plan drills is determined by the classification level of the systems, ensuring that the operating system can be restored within 6 hours after a system attack.

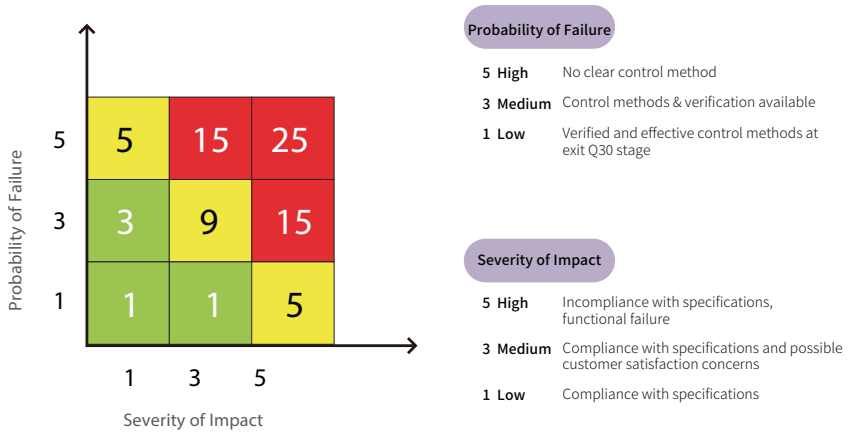
As for general employees, the ability to identify and respond to risks is also included in the behavioral standards section of their performance evaluation. All employees are subject to the performance evaluation once every six months, and the performance bonus is paid with reference to the achievement of their KPIs.

Further, we provide risk-related education and training on a regular basis. In 2024, online and on-site education and training on the culture of risk management were delivered to all employees. The vision and procedures of the Company's risk management were disseminated, and the content focused on the three main phases – "prevention and detection before the matter," "impact reduction during the matter," and "claim and recovery after the matter" – to improve the employees' understanding of risk management. There were 9,708 employees in the Company, and their online training hours totaled 9,708 hours; 100% of employees attended this training.

Whenever the employees find any identifiable, existing, or potential risks during the life in the Company, they may make immediate or early reports through the President mailbox, 2885 platform, secretary of their unit, employee representatives, HR contact person, gate guard, risk management unit, etc., to avoid and prevent any accidents and disasters. If they have any problems with their work, they can also check the contact information of all responsible units announced by the Company, report and handle the problems right away via multiple channels such as phone calls/MVPN, email and communication software (Skype/Teams/Line/WeChat/Messenger), and follow up the matter until the case is closed. With such procedures, the problems can be solved and the risks can be minimized. Meanwhile, labor–management meetings in which the Company engages in face-to-face conversation with the employee representatives are held periodically to understand and respond to the needs of the employees.

Qisda's products undergo a risk management assessment during the design process and this is recorded in the design documentation. Engineers are also required to measure the risk impact associated with each request for design change, if any. Going forward, we will continue to improve our employees' risk awareness and the company's risk culture through a variety of innovative methods. In addition, with regard to the GDPR, we regularly invite consultants to give quarterly courses on the latest developments in international data protection laws and regulations. We also invite each unit to present for discussion the incidents that have occurred in the workplace, in order to reinforce and clarify the concepts for employees, thereby reducing the risk of non-compliance. Qisda must follow the seven major stages of the internal "New Product Development Procedure" during the product development process (concept, planning, design, prototype, engineering trial, trial production and mass production) to control the design change factors in the product development process and ensure product quality. Risk is built into the development process and the NUDD (New, Unique, Difference, Difficult) checklist is used to identify high, medium and low risks in product design to effectively control and reduce risks. For some specific products, risk management assessment reports and risk management files are prepared during the design phase. The risk management reports and records cover the content of the risk management plan, intended use, hazard identification, risk analysis, risk control, residual risk assessment and post-production information. (Note: Qisda Internal Regulation QTY0-0B-007 "New Product Development Procedure"; Qisda Internal Regulation QTY0-0B-008 "Q System Technical Data Management Procedure", Document Nos. Q10-108 Risk Management File & Q20-208 Risk Management File & Q20-208 Management Report).

Risk Criteria in Product Development – NUDD Risk Identification



Remark: The risk score is calculated by multiplying the Probability of Failure by the Severity of Impact to determine the level of risk: scores of 1 or 3 indicate low risk; 5 or 9 indicate medium risk; and 15 or 25 indicate high risk.

Long-term Emerging Risks

Qisda's Risk Management Committee has identified the long-term material risk issues in Q4 2024, among which emerging risks regarding information security and extreme weather events were analyzed and countermeasures were taken as followed:

Risk Category	Risk Item	Description of Risk	Impact on the Operations	Countermeasures
Strategic risk	Challenges of Resource Competition and Globalization	Resource competition will have a profound impact on the process of globalization. As competition intensifies, global trade, supply chains and international cooperation will face increasing challenges. The competition for resources not only changes the geopolitical structure, but also influences the patterns of control and distribution of resources.	1. Price volatility and cost challenges: Resource competition often leads to significant volatility in commodity and energy prices. This not only increases production costs but also makes it more difficult for companies to predict cost changes, ultimately impacting profitability. 2. Risk of dependence on specific resources: If the Company relies on resources from specific countries or regions, any disruption in the supply of these critical resources may lead to supply chain disruptions or significant price increases, resulting in an inability to manufacture and deliver products, which in turn affects revenues. 3. Geopolitical and trade risks: In the context of a globalized trading environment, resource competition can trigger political instability between nations, leading to heightened geopolitical risks. Measures such as trade barriers, increased tariffs and international sanctions can exacerbate the challenges companies face in sourcing critical resources. In addition, fluctuations in trade policy can affect multinational operations, resulting in market entry difficulties and increased operational costs and risks. 4. Changing competitive landscape: In the resource competition, control over resources has emerged as a key factor in a company's competitiveness. Industry competitors can use resource advantages to rapidly increase market share and dominate industry development. Consequently, if the Company does not respond effectively to resource competition, it risks losing market competitiveness due to resource scarcity or rising costs, potentially leading to marginalization.	1. Resource competition has led to significant fluctuations in the price of resources on the world market. In the face of this price instability, the company must adapt quickly to market changes and adjust its production and marketing strategies. To mitigate risks, it is essential to diversify supply sources and build a more stable supply chain. 2. In the future, it will be essential to step up efforts to develop alternative resources and technological innovation. This includes increased investment in research and development in areas such as new energy and recycling technologies, as well as the use of innovative technologies to reduce dependence on certain critical resources.
Social risk	The rapid development of AI technology, coupled with the absence of clear legal regulations for its control, poses a risk of misuse and loss of control.	The rapid development of AI technology is accompanied by a lack of clear global regulations and standards. This can lead to misleading decisions, legal risks, ethical controversies, data security issues, and technological malfunctions due to incorrect AI judgments or improper data handling. As a result, this can damage a company's reputation and affect its long-term development.	1. Misleading decisions: If AI systems are not properly regulated or are poorly designed, they may make decisions based on incorrect data or biases. An internal AI system within a company that is compromised could lead to data breaches or the manipulation of prompts, indirectly leading to incorrect decisions. For example, if AI is used to assess candidates during recruitment and is based on incomplete or biased data, it could lead to unfair or incorrect decisions. In addition, the operation of smart factories may also suffer from erroneous judgements made by AI systems when they lack sufficient data or encounter abnormal situations, resulting in production defects or downtime. 2. Data abuse and information leakage: AI systems typically require significant amounts of data to train and operate. If sensitive information is not adequately protected, it can lead to data misuse, information leakage or copyright and patent disputes, which can result in fines, lawsuits or loss of customer confidence. 3. Differences in technical standards and ethical requirements: Countries have different ethical standards, transparency of algorithms, and safety requirements for AI technology. For example, in areas such as autonomous driving and AI medical applications, failure to fully understand and comply with regulations can lead to legal challenges, reputational damage, and potential impact on business revenues. 4. Regional restrictions and challenges in entering new markets: The misuse of AI technology may lead certain countries to perceive risks associated with it and impose restrictions. This, in turn, will affect the company's ability to enter these regional markets, thereby hindering business development.	1. Ensure the security and compliance of the Company's internal AI systems, enhance employee training on AI technology, ethical standards and legal regulations, and improve risk awareness. In addition, all AI projects must go through a rigorous evaluation process before they are launched to prevent misleading decisions. 2. The Company has developed its own large-scale language model platform, and all data is stored in the Company's data center to prevent information leakage to the outside world. This also prevents employees from directly using commercial models such as ChatGPT, thereby reducing the risk of confidential information being leaked. In addition, enhanced firewalls and other cybersecurity mechanisms are implemented to prevent external intrusion or tampering. 3. Comply with international data protection regulations, conduct regular studies on AI regulation, and conduct internal data protection reviews to ensure that data use does not violate privacy. While promoting technological innovation, emphasize ethical responsibility to ensure that AI applications promote social justice and sustainable development.

Information and Privacy Security

Information Security Policy and Organization

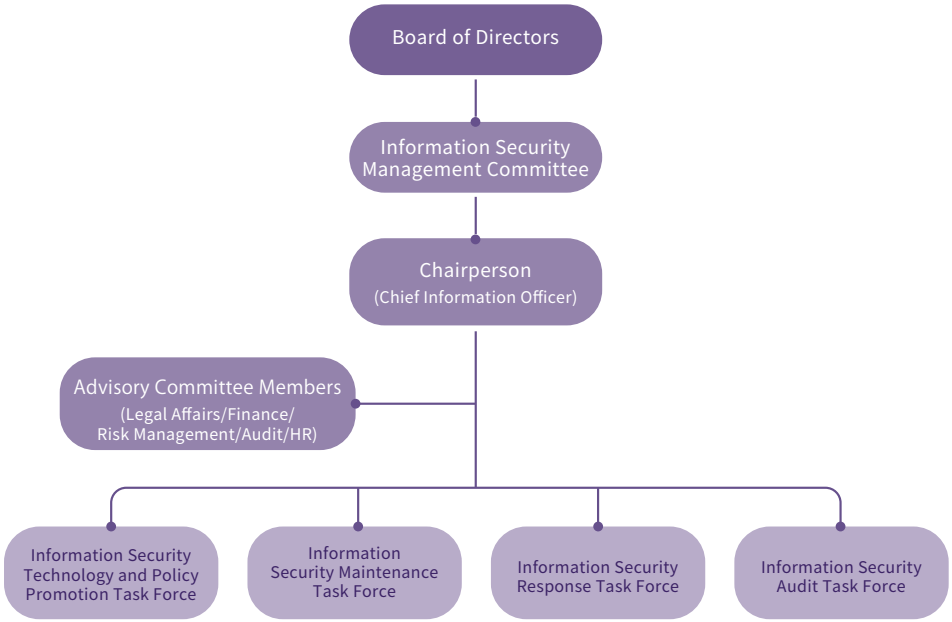
To protect the confidentiality, integrity, availability, and legality of IT assets from intentional or accidental threats posed internally or externally, and to ensure the business continuity of the Company, we have developed the corporate information security policy in accordance with ISO 27001, the international information security standard, and passed and obtained the ISO 27001 certification in August 2020; the certificate was renewed upon expiration after passing the reexamination in July 2023. The transition to the new version was completed by July 2024, at which point the Company obtained ISO 27001:2022 certification from BSI.



To achieve better implementation of information security management, Qisda has formed the Information Security Management Committee to take charge of the overall information security risk management. The committee consists of the President, top-level executives of different units, and the Chief Information Officer. With the President acting as the convener and the Chief Information Officer as the chair (Chief Information Officer: Li-Wen Huang), it is responsible for the regular discussion and review of the Company's information security plans and response measures, etc. The Information Security Management Committee meets every six months, reports the management performance to the Chairman or the President every quarter, and reports management performance, information security issues, and directions to the Board/Audit Committee at least once a year. Reporting for 2024 was completed in May and November.

The Company's independent director, Allen Fan, graduated from National Taiwan University with a bachelor's degree in electrical engineering and was formerly an executive in an industry related to information security, such as the President of Microsoft Taiwan and the Vice President of HP. Another independent director, Jyuo-Min Shyu, graduated from UC Berkeley with a doctoral degree in electrical engineering and computer sciences and has formerly played a role in deciding the national information security regulations and development as the Minister of Science and Technology of ROC. These two independent directors provide guidance and suggestions with regard to the Company's information security policy based on their relevant experience.

Organizational Structure of Information Security Governance



Information Security Risk Management

To reduce information security risks, Qisda acts in accordance with the information security policy, ensuring a good information security management mechanism through multiple approaches such as implementing operations management and other key measures for data protection, as well as raising awareness of data protection. In terms of the prevention of information security incidents, the vulnerability scanning system has been introduced for regular vulnerability scanning of each system at least once every two weeks, so that our system safety is guaranteed and no sensitive information will be leaked due to system vulnerabilities. Also, we arrange a system recovery drill every year and make remote backups of ERP data every day.

For the management of corporate and information security risks, the cyber security risk management system, Security Scorecard, has been adopted to analyze ten major risk categories, including cyber security, robustness of the network naming scheme, vulnerability repair, endpoint security, IP credit rating, and app security. The information security system risks are thus monitored and continuously analyzed. We have set a target of maintaining an overall SecurityScorecard score at least 5 points higher than the industry average; the target score for 2024 is 88, which has been achieved.

Average Score for 2023	Average Score for 2024	Target Average Score for 2024
87	90	88

In 2024, Qisda collaborated with third parties to implement or execute key information security projects, including the establishment of a Security Operations Center (SOC), red team exercises, and the adoption of the NIST Cybersecurity Framework (CSF).

In the same year, Qisda independently implemented or executed key information security projects, such as Privileged Access Management (PAM). Additionally, we will introduce various security measures, such as multi-factor authentication, control of mobile storage devices, network segmentation, firewalls, threat detection and response mechanisms, vulnerability scanning, source code analysis, penetration testing, and Software Bill of Materials (SBOM) assessments, among others. Regarding management and awareness education, we will establish a cybersecurity intelligence platform to monitor risks, regularly conduct Business Continuity Management (BCP) drills, cybersecurity incident response drills, social engineering exercises, and internal cybersecurity audits, and sign non-disclosure agreements with suppliers.

2024 Taiwan Plant Area Cybersecurity Training	Total Training Hours
Information Security Officer	221
Information Technology Officer	79
General Staff	4553

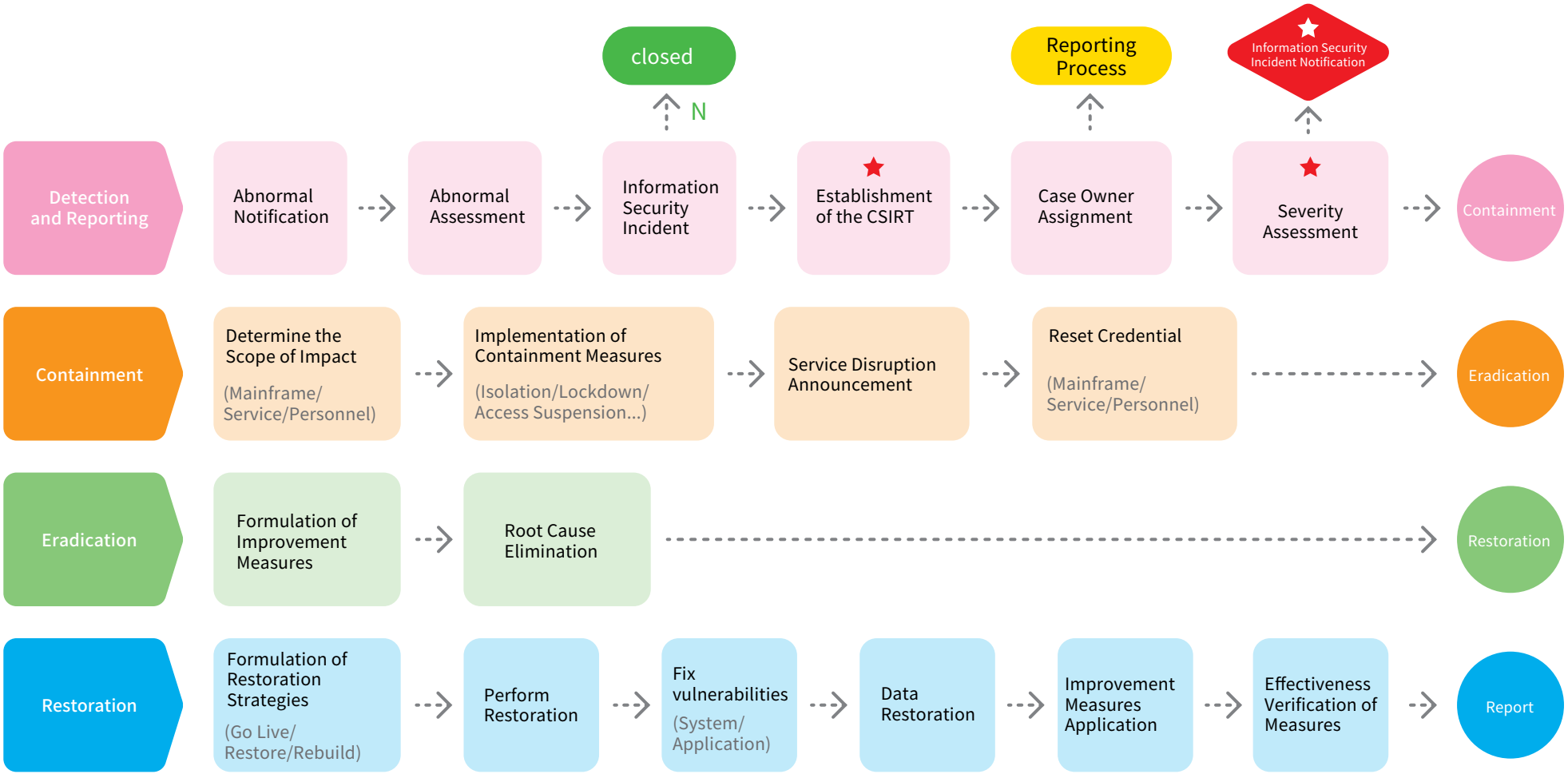
With the establishment of the information security management system (ISMS), Qisda has developed and periodically reviewed relevant indicators based on the information security policy, and continues to enhance the Company's information security control mechanism, reducing information security risks through the PDCA system.

Raising Awareness of Information Security Protection

As part of Qisda's information security management system, we conduct annual reviews of each regulation, evaluating and making relevant adjustments to our internal information security regulations to ensure compliance with local laws. The relevant information is then disseminated to the employees. We also request that our suppliers observe regulations regarding non-disclosure and cyber security when entering into agreements with third-party service providers. Aside from the basic information security-related training received by newcomers, we also aim to lower the risk of employees accidentally clicking on malicious emails by regularly holding social engineering drills over email, and providing educational training for related information security knowledge regarding the sending and receiving of emails, opening attachments, clicking links, etc. In 2024, all the employees passed the email social engineering drill. Additionally, an online information security training program was held for all employees at Qisda's Taiwan Plant Area, with a total of 2,022 participants and a 100% completion rate. With such arrangements, we improve the employees' awareness of information security, and ensure that the concept of information security is integrated in daily operations. The relevant statistics for information security promotion and education training are as follows:



Information Security Reporting and Handling Process



Cybersecurity Insurance

Since July 2017, Qisda has applied for the insurance for enterprise information security risk management to ensure the insurance claim for related expenses incurred by information security incidents (such as business suspension and forensics). This covers the subsidiaries holding a majority of shares to reduce the losses of the Company.

Measures for Significant Information Security Incidents

During the establishment of the ISMS, Qisda has enhanced the SOP and organized a series of drills to improve the emergency response process. We will continue to conduct simulations for different information security attack incidents with related personnel participating in the drills, in order to ensure that we can kick off the emergency process when the incident happens and effectively lower the response time and losses on the Company. No information security incident took place in 2024.

Information Security Incident	No. of Cases in 2023	Goal for 2024	Goal for 2025
No. of violation cases related to information or cyber security	0	0	0
No. of data leaks	0	0	0
No. of customers and employees impacted by data leaks	0	0	0
Amount of fines imposed for cases related to information or cyber security (NT$)	0	0	0

IT Operation Continuity Plan

The purpose of disaster recovery is to restore the system to a normal or acceptable operating level quickly using the disaster recovery mechanism when a natural disaster, human negligence, or malicious damage brings about damage to the information system. This will ensure the sustainable operation and operation continuity of the organization.

Qisda developed a unified operation continuity plan in 2021 so that all systems use a standardized plan format. We also began to implement the operational continuity plan twice a year for critical systems and once a year for non-critical systems, and recorded the process to verify the feasibility of the plan and procedure, with feedback utilized to revise and enhance the plans. Internal information security audit items and regular progress tracking have been incorporated into the plan.

Privacy Protection

Qisda values and strives to protect privacy and personal data. Referencing to local laws and regulations related to privacy protection at each operating location along with the EU "General Data Protection Regulation (GDPR)," we have established privacy policies to protect all personal data. We also required the subsidiaries, joint ventures, suppliers, contractors, external consultancies and subcontractors to comply with the policies in the hopes of protecting the rights of the personal data owner.

For private information collected and used for business needs, Qisda has set specific criteria relating to data collection/management of collected data/reasons for use and scope of personal data, as well as restrictions for sharing, cross-border transfer, a data protection system and the data retention period to make sure that personal data and the right to privacy is protected. At the same time, we include the right to privacy in the scope of risk management. The Risk Management Committee implements monitoring and management based on the policy of risk management, and controls risks by including the overall system in the scope of internal control. If there are any questions about the privacy policy, please direct it to the specified responsible unit. To protect the rights of a personal data owner, or if there are any opinions or questions related to the right to privacy, please file the complaint or whistleblowing by calling (03) 359- 8800, faxing to (03) 359- 9000, or emailing to 2HR@qisda.com. In 2024, Qisda provided courses about the right to privacy that every worker had to participate in, which were also an essential part of training for new employees.

To ensure the effectiveness of current management methods, we regularly verify whether there are any incidents of data loss occurring each year. Should there be any, we will launch a full-range review. In 2024, no complaints were received due to the occurrence of incidents related to data loss or leak. We only utilize the collected data within the scope where it is necessary and have not engaged in any secondary use of personal data.

Number of complaints about personal data leaks	2021	2022	2023	2024
External agency	0	0	0	0
Customer reflection	0	0	0	0

Remark:
Qisda conducts internal audits of the privacy policy compliance each year, external audits once every three years.

Process of Personal Data Processing and Reporting

Personal Data Processing Flowchart

Personal data owner	Personal data processor	Description of operation
Data	Collection and utilization	The data subject understands the purpose of collection and signs the Statement of Personal Data Use when providing the data.
Deletion	File creation for custody	If the purpose of collection no longer exists, the data shall be deleted in accordance with regulations. If not, the data shall be stored properly.
subject	Response to the request	According to Article 3 of the Personal Data Protection Act, a data subject has the right to make an inquiry, and it shall not be rejected or waived in advance unless the following conditions occur: 1. When the purpose of collection exists. 2.According to the Labor Standards Act, data shall be retained until 5 years after resignation; within this period, any inquiry for data deletion may be rejected.
	End	

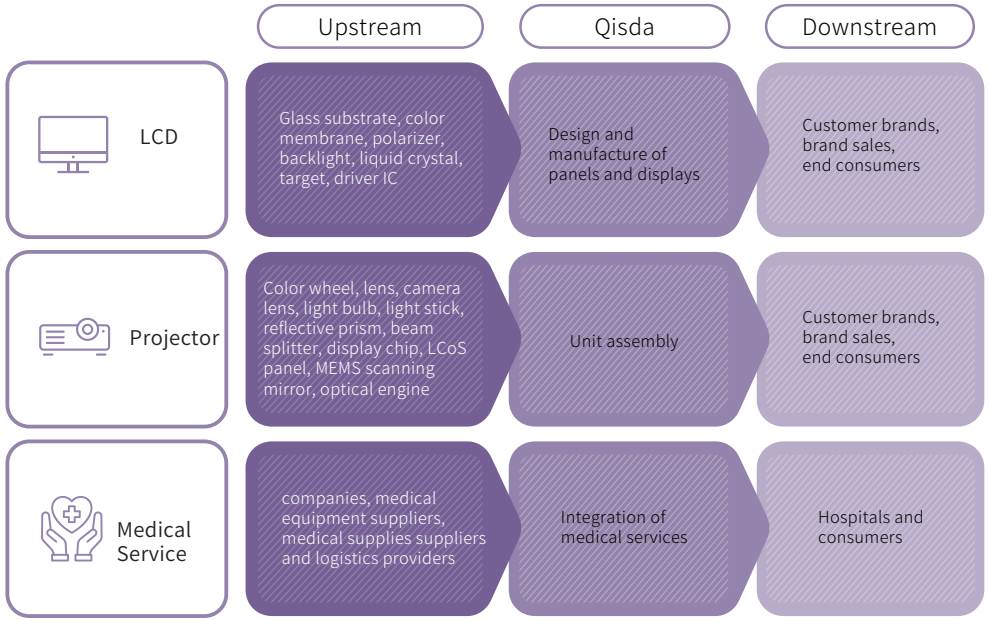


Sustainable Supply Chain Management

Based on the premise of closely interconnected global industries and the desire to meet customer demands, suppliers have become Qisda's most crucial partners. As the head of the Grand Fleet, Qisda bears the responsibility for leading the supply chain toward a sustainable future. Therefore, we have established a systematic sustainability management mechanism for the supply chain. Internally, we raise the level of supply chain management and improve the management process; externally, we stimulate the suppliers' sustainability actions and performance to create mutual benefits and co-prosperity in the industrial chain together. We are committed to moving alongside the suppliers towards the vision of "Bringing Enjoyment' N Quality to Life."

As an ODM/OEM, Qisda provides services for electronic products, such as consumer electronics, commercial electronics, industrial and medical electronics, and those related to daily application. We focus on three aspects as our main business: LCDs, projectors, and medical services. Upstream mainly refers to the suppliers of different types of parts, components and equipment, while downstream mainly refers to customer brands and end consumers.

Qisda Industry Chain



Overview of Supply Chain

The headquarters of Qisda is located in Taiwan. Our suppliers are located all around the world, including Taiwan, Japan, China/Hong Kong, Singapore, South Korea, Malaysia and Vietnam. Overall, we had 1,049 suppliers in 2024. With a selection mechanism (removing the customers and spot dealers with a transaction amount of less than NT$1 million), there are finally 686 Tier 1 suppliers. We categorize our suppliers based on the different products they provide: panels, electronics components, mechanical parts, packaging materials, and consumables. We selected a total of 326 significant Tier 1 suppliers of 2023 with conditions related to significant suppliers. Also, investigating the general situation of non-Tier 1 suppliers to properly manage sustainability risk in the supply chain. In 2024, we controlled the conditions of a total of 140 non-Tier 1 suppliers.

Supplier: Referring to product-selling suppliers.

Definition of a significant suppliers: A significant suppliers is a single supplier that provides key materials, is ranked top 95% in terms of procurement amount, and leads in technologies. Customers, spot dealers and suppliers with a transaction amount of less than NT$1 million are not included.

Definition of high-risk suppliers: We conduct a risk assessment of Tier 1 suppliers based on the four major aspects of supplier risk assessment, including "sustainable practices," "labor," "health and safety," and "environment," and define the Tier 1 suppliers with the lowest percentage of risk assessment ratings as high-risk suppliers for the year.

Overview of Tier 1 Suppliers in 2024 (Region)

Asian countries	China	Taiwan	Japan	Others	Subtotal
Number of suppliers	506	129	18	20	673
American countries	**USA**	**Canada**		**Others**	**Subtotal**
Number of suppliers	6	1		0	7
European countries	**Germany**	**UK**	**Switzerland**	**Slovenia**	**Subtotal**
Number of suppliers	3	1	1	1	6
				Total	686

Overview of Significant Non-Tier 1 Suppliers in 2024 (Region)

Asian countries	China	Taiwan	Singapore	Japan	Korea	Subtotal
Number of suppliers	118	17	2	1	1	139
European countries	Germany					Subtotal
Number of suppliers	1					1
					Total	140

Number of Tier 1 Suppliers and Proportion of Proportion of Procurement in 2024

Product	Asia	Europe	America	Subtotal
Panel				
Number of Tier 1 suppliers	23	0	2	25
Number of Significant Tier 1 suppliers	17	0	2	19
Percentage of Significant Tier 1 suppliers (%)	2.48%	0.00%	0.29%	2.77%
Percentage of Significant Tier 1 suppliers in procurement amount (%)	9.92%	0.00%	0.01%	9.93%
Electronics				
Number of Tier 1 suppliers	200	4	4	208
Number of Significant Tier 1 suppliers	102	1	3	106
Percentage of Significant Tier 1 suppliers (%)	14.87%	0.15%	0.44%	15.45%
Percentage of Significant Tier 1 suppliers in procurement amount (%)	32.98%	0.07%	3.59%	36.64%
Parts and components				
Number of Tier 1 suppliers	373	1	1	375
Number of Significant Tier 1 suppliers	170	1	0	171
Percentage of Significant Tier 1 suppliers (%)	24.78%	0.15%	0.00%	24.93%
Percentage of Significant Tier 1 suppliers in procurement amount (%)	39.47%	0.04%	0.00%	39.51%

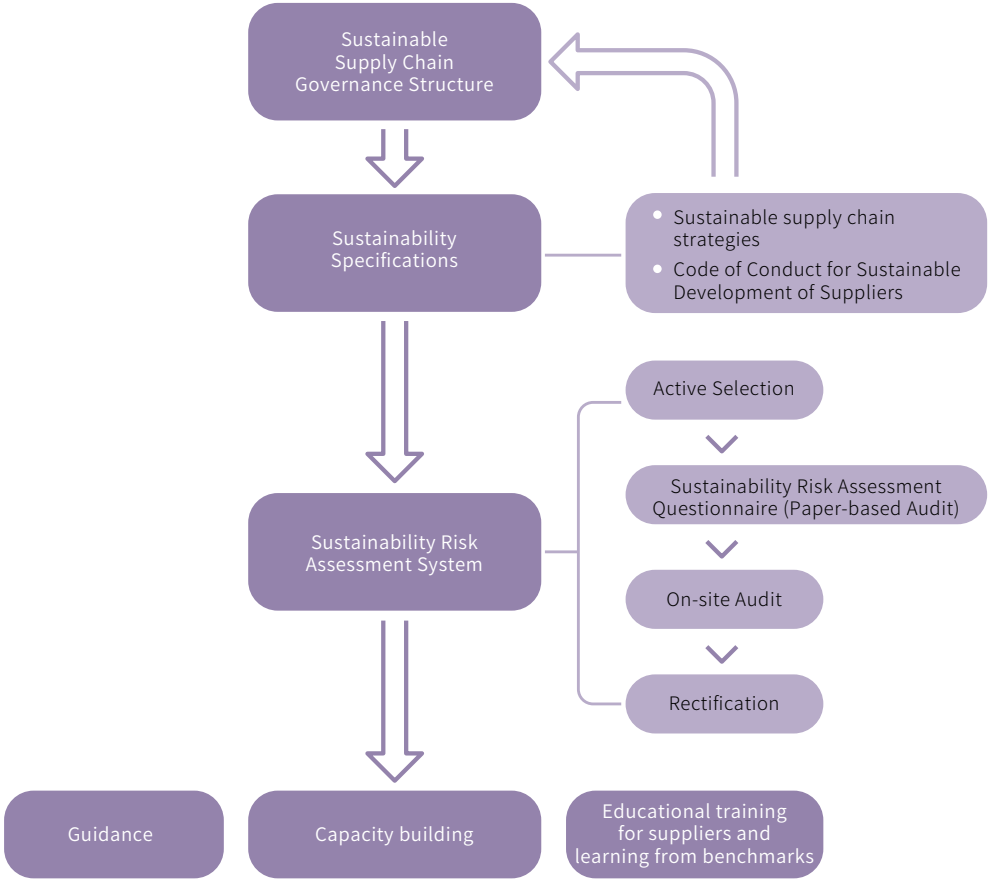
Type and Number of Critical Non-Tier 1 Suppliers in 2023 (Product)

Type of Procurement	Electronics	Parts and components	Packaging materials	Total
Number of Significant non-Tier 1 suppliers	**32**	**78**	**30**	**140**

Product	Asia	Europe	America	Subtotal
Packaging materials				
Number of Tier 1 suppliers	50	0	0	50
Number of Significant Tier 1 suppliers	22	0	0	22
Percentage of Significant Tier 1 suppliers (%)	3.21%	0.00%	0.00%	3.21%
Percentage of Significant Tier 1 suppliers in procurement amount (%)	6.23%	0.00%	0.00%	6.23%
Consumables				
Number of Tier 1 suppliers	27	1	0	28
Number of Significant Tier 1 suppliers	8	0	0	8
Percentage of Significant Tier 1 suppliers (%)	1.17%	0.00%	0.00%	1.17%
Percentage of Significant Tier 1 suppliers in procurement amount (%)	0.53%	0.00%	0.00%	0.53%
Total				
Number of Tier 1 suppliers	673	6	7	686
Number of Significant Tier 1 suppliers	319	2	5	326
Percentage of Significant Tier 1 suppliers (%)	46.50%	0.29%	0.73%	47.52%
Percentage of Significant Tier 1 suppliers in procurement amount (%)	89.12%	0.11%	3.60%	92.83%

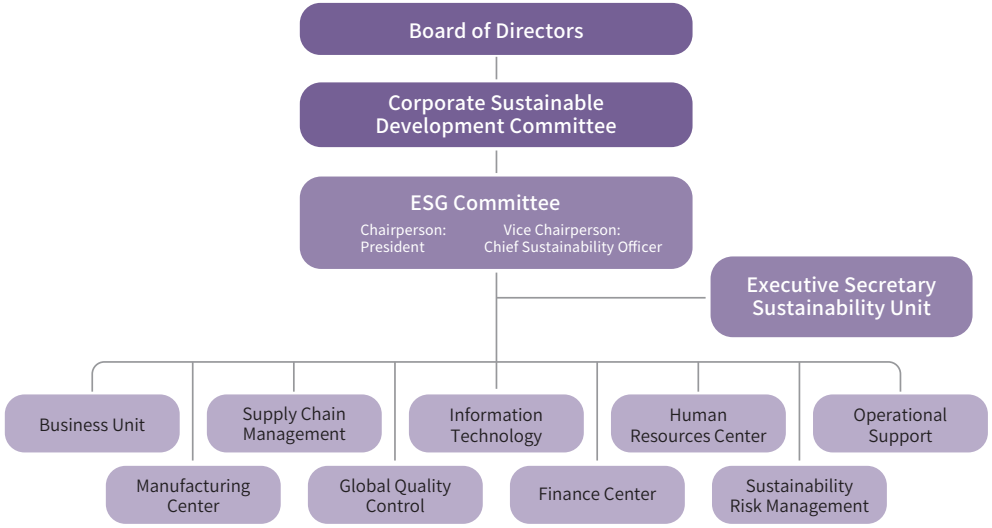
Framework for Sustainable Supply Chain Management

Qisda has a framework for sustainable supply chain management. First, we explicitly notify the suppliers about the sustainability specifications and require them to ensure compliance with relevant requirements. Second, we assess sustainability risk s in different aspects through the sustainability risk assessment system for suppliers, and review the risks that the supply chain faces. Finally, we address and rectify the identified issues. In addition to enhancing important strategies for the future development of Qisda and the industry, we give guidance to supply chain to build capacity with relevant information, hoping that we can progress alongside the suppliers and move forward towards a sustainable future.



Governance Structure

Qisda continues to focus on the development and management of the supply chain. Not only do we report the daily management performance in the quarterly ESG Committee meeting, but the ESG Committee conducts internal reviews and reports to the Board of Directors. The Chief Sustainability Officer also reports the implementation results and performance of the sustainable supply chain to the Board of Directors annually. Simultaneously, the Board of Directors guide and make decisions for the development of the sustainable supply chain to make sure that the management of the sustainable supply chain complies with the Company' s sustainability strategies.



Supplier Sustainability Management Process

Qisda has initiated a four-stage supply chain sustainability management process to implement the sustainable supply chain strategy. We conduct supplier guidance and capacity-building programs to ensure that suppliers meet our standards and requirements. Additionally, we have established a reward and elimination mechanism directly linked to suppliers' sustainability performance to enhance their overall compliance and improvement. By incorporating ESG-related indicators into regular evaluations, we have been creating a virtuous cycle in supplier chain management.

Compliance with Sustainability Standards

Suppliers must understand and follow the “Corporation Code of Conduct for Sustainable Development of Suppliers” and complete signing of the “Code of Conduct for Sustainable Development of Suppliers”

Sustainability Audit Assessment and Validation

(1) Document-Based Audit: Qisda distributes the Supplier Sustainability Risk Questionnaire (SAQ) to suppliers, requiring them to complete the questionnaire and submit supporting documentation to complete a written risk assessment. The SAQ covers four major aspects: sustainability practices, labor, health and safety, and environment.

(2) On-Site Audit: To verify suppliers’ risk profiles, Qisda has established four methods of risk verification: document-based audit, on-site audit, on-site third-party audit, and industry standards-based assessments. These approaches help Qisda gain deeper insight into suppliers’ sustainability risks.

(3) Sustainable Supply Chain Strategy: This serves as the overarching principle guiding Qisda’s sustainability initiatives. The strategy encompasses not only Quality, Speed, Innovation/Technical Capability, Delivery, and Cost, but also integrates Environmental, Social, and Governance (ESG) considerations. Qisda continues to promote this strategy to enhance the overall sustainability value of the supply chain.

ESG Risk Investigation

(1) Proactive screening: Qisda has established evaluation criteria for new suppliers and proactively screens suppliers to reduce potential risks. Our assessment factors include ESG, operational-related factors, country of location, industry-related, and product-related risk factors to ensure the stability and sustainability of the supply chain.

(2) Self-assessment of risk: Suppliers conduct self-assessments using the Supplier Sustainability Risk Questionnaire (SAQ) to further identify high-risk suppliers.

Guidance and Rectification

(1) Corrective Action: Following audits, Qisda requires suppliers to submit corrective action plans within a specified timeframe for any identified deficiencies. Qisda also provides recommendations and guidance to assist suppliers in completing improvements as quickly as possible.

(2) Supplier Capability Building: To support continuous improvement in suppliers’ sustainability capabilities, Qisda implements supplier capability enhancement projects. Each project involves more than six months of collaboration and resource investment, with the goal of improving suppliers’ sustainability performance and outcomes.

(3) Incentive and Elimination Mechanism: Through a structured evaluation mechanism, Qisda identifies suppliers with outstanding sustainability performance and grants them a higher share of procurement and priority in new product engagement. Underperforming suppliers may be phased out to drive overall progress and development across the supply chain.

Qisda's Training for Internal Personnel

Qisda requires all procurement staff to undergo sustainability-related education and training each year, including courses on understanding the RBA Code of Conduct and SA8000 Social Accountability Standards, ethics training, educational training for intellectual property management and specifications, information security, health and safety, and risk management. These courses enable the procurement staff continue improving the professional capabilities that sustainability information requires, and further apply these to sustainable supply chain management. Our purpose is to ensure that the procurement staff are able to put their skills to good use in the process of supplier selection, regular evaluation, sustainability risk assessments, high-risk supplier identification, audits, guidance and improvement.

With respect to the aforementioned sustainability-related education and training courses, there were a total of 3,430 procurement staff who should participate in the training in 2024, all of whom had completed the courses, meaning that 100% of the procurement staff were covered in the training. The total training hours reached 4,935 hours.

Sustainability Specifications

Sustainable Supply Chain Strategies

In order to achieve the net-zero emissions goal by 2050, Qisda emphasizes the importance of sustainable supply chain management and has formulated a set of strategies to serve as a guideline for suppliers in terms of sustainability, aiming to enhance the sustainable value of the entire supply chain. The strategy not only serves as the highest guideline for suppliers' actions but also reflects Qisda's commitment to environmental responsibility. Our strategies cover quality, speed, innovation/technical, delivery, and cost, as well as corporate sustainability (ESG). We continue striving for the overall sustainable value of the supply chain.

Code of Conduct for Sustainable Development of Suppliers

With reference to relevant international specifications and initiatives including the RBA Code of Conduct, SA8000 social accountability standards, the UN Guiding Principles on Business and Human Rights, the UN Universal Declaration of Human Rights, and the Ten Principles of the UN Global Compact, Qisda has established the "Code of Conduct for Sustainable Development of Suppliers" that includes labor, health and safety, environment, ethics and management systems. In terms of environmental management, we have also established and published Commitment to No-Deforestation and Biodiversity to lessen impact on the environment. We require that all suppliers understand and obey the content of the "Code of Conduct for Sustainable Development of Suppliers". Also, we take the suppliers' implementation status into consideration of procurement decisions. In 2024, the signing rate of the Code of Conduct for Sustainable Development of Suppliers was 100%. Simultaneously, Qisda requires the suppliers to develop their own specifications/Code of Conduct regarding sustainability and communicates our requirements to the upstream supply chain for ensuring sustainability across our value chain.

Aspects of Qisda's "Corporation Code of Conduct for Sustainable Development of Suppliers"

Labor
- Human rights risk
- Freedom to choose an occupation
- Child labor and Young workers
- Working hours
- Wages and Benefits
- Humane Treatment
- Non-discrimination/Non-harassment
- Freedom of Association and Collective Bargaining
- Layoff

Health and Safety
- Occupational safety and industrial hygiene
- Emergency Preoaredness
- Occupational Injury and Illness
- Physically Demanding Work and Machine Safeguarding
- Sanitation, Food and Housing
- Communication and Grievance

Environment
- Permits and Reporting
- Pollution Prevention and Resource Reduction
- Hazardous Substance
- Solid Waste and Air Emissions
- Water Management
- Material Restrictions
- Energy Consumption and Greenhouse Gas Emissions
- Biodiversity

Ethics
- Business Integrity
- No Improper Advantage
- Disclosure of Information
- Intellectual Property
- Fair Business,Advertising and Competition
- Whistleblower protection
- Responsible Sourcing of Minerals
- Information Security and Privacy

Management System
- Commitment,Accountability and Responsibility
- Risk Management and Improvement Objectives
- Training, Communication and Grievance
- Assessments, Corrective Action, Documentation and Records
- Supplier Responsibility

Sustainable Risk Assessment System

Proactive Screening

We appreciate that supplier sustainability performances may indirectly affect Qisda's reputation and even bring potential risks. Therefore, we have established evaluation criteria for new suppliers and proactively screens suppliers to reduce potential risks. Our assessment factors include ESG, operations-related factors, country of location, industry-related, and product-related risk factors. When significant international events occur, we also conduct investigation and assessment on affected regions, industries and supply sources to secure the stability and sustainability of the supply chain.

Item	Content
Environment	Carbon footprint investigation, investigation of five persistent, bio-accumulative and toxic (PBT) chemicals under the US Toxic Substances Control Act (TSCA), ISO 14001 or relevant environmental management procedures
Social	Human rights and ethics, labor rights
Governance	Education and training on financial status, operational competitive edge, and occupational safety and health
Operation related	Basic data, product information, major customers, production and equipment status, investment, and product planning
Country of location	Status of the supply (whether affected or not) in the located region, conflicts between countries (military coup related problems), local policy constraints, natural disasters and epidemic
Industry related	RBA Code of Conduct assessment, sustainability risk assessment, parts and components suppliers, human resources agency, on-site service providers
Product related	Procurement fee, supply category, no legal documents related to restriction of hazardous substances, conflict mineral investigation

Furthermore, we use environmental and social standards to screen new suppliers. In 2024, we recognized a total of 38 new suppliers and all of them were screened according to environmental and social standards.

Year	Number of new suppliers	Number of new suppliers screened according to environmental and ethical standards	Proportion %
2024	38	38	100%

Sustainability Risk Assessment Questionnaire (Paper-based Audit)

In order to continuously control the conditions of sustainability risks in the supply chain, we continue to distribute the Supplier Sustainability Risk Assessment Questionnaire (SAQ) to Tier 1 and non-Tier 1 suppliers and require them to fill out the questionnaire with submitting relevant evidence to complete an independent risk assessment in 2024. We hope to identify and manage high-risk suppliers by collecting the SAQ and relevant written information. The SAQ covers four main aspects: "sustainability action", "labor", "health and safety," and "environment," with a total of 128 questions. For non-Tier 1 suppliers, Qisda requires and assists Tier 1 suppliers in conducting their own investigations and audits of non-Tier 1 suppliers. The Tier 1 suppliers are then responsible for submitting the investigation and audit results, along with any corrective action documentation regarding non-Tier 1 suppliers, to Qisda for review, enabling Qisda to understand the sustainability risk status of non-Tier 1 suppliers.

In 2024, a total of 466 questionnaires were distributed to significant suppliers (including Tier 1 and non-Tier 1 suppliers), and 466 questionnaires were responded to with a 100% response rate.

Qisda identifies suppliers with risks based on the survey results of the "Qisda Supplier Sustainability Risk Questionnaire (SAQ)", and then performs supplier sustainability audit. The "Qisda Supplier Sustainability Risk Questionnaire" covers the issue of living wages. According to the 2024 survey results, 33% of tier-1 suppliers had not yet formulated a living wage policy. When Qisda performs supplier sustainability audit on suppliers with risks, if the supplier does not formulate a living wage policy, it is defined as a minor non-conformance and the supplier needs to make improvements. If the supplier does not pay employees a living wage, it is defined as an observation item, and Qisda will continue to communicate with suppliers.

2024 "Supplier Sustainability Risk Questionnaire" Survey Overview

Significant Tier 1 Supplier	Number of suppliers investigated	326
	Number of suppliers completed	326
	Completion rate (%)	100%
Number of significant non-Tier 1 suppliers	Number of suppliers investigated	140
	Number of suppliers completed	140
	Completion rate (%)	100%

On-site Audit

To confirm the status of supplier risks, we created four ways of risk identification, including paper-based audit, on-site second-party audit, on-site third-party audit and assessment based on industry relevant standards to further control the suppliers' sustainability risks. In 2024, we primarily conducted paper-based audit, on-site second-party audit, and industry standards (such as the RBA VAP) to evaluate supplier sustainability.

Audit method	Description
Paper-based audit	Assessing the risk status of suppliers based on the response data of the "Supplier Sustainability Risk Assessment Questionnaire". When suppliers receive the "Supplier Sustainability Risk Assessment Questionnaire" survey notice from Qisda, they must fill in the questionnaire and submit relevant evidence to conduct a self-assessment. Qisda will review whether the supplier's filled-in content and submitted evidence are sufficient to support the supplier's compliance with the question requirements, and may require the supplier to supplement or update the filled-in content and submitted evidence as appropriate to perform a paper-based audit.
On-site second-party audit	On-site supplier audits conducted by Qisda or other appointed consultants. When a supplier is listed as a high-risk supplier by Qisda for the current year, Qisda or a consultant appointed by Qisda will personally conduct an on-site audit at the supplier's operating location, or inspect the supplier's operating site via video to confirm the supplier's compliance status.
On-site third-party audit	On-site audits conducted by an independent third-party verification institution. When a supplier is listed as a high-risk supplier by Qisda for the current year, and Qisda considers the actual situation and believes it is necessary to entrust an independent third-party verification agency to conduct an on-site audit at the supplier's operating location or to inspect the supplier's operating site via video, the independent third-party verification agency will perform an on-site three-party audit.
Industry standards	Conducting paper-based audits or on-site audits according to industry standards or regulations. When paper-based audits, on-site second-party audits and on-site third-party audits are performed, Qisda will take industry standards or specifications into consideration as part of the survey questions for paper-based audits and the audit clauses for on-site second-party audits and on-site third-party audits, so that Qisda's surveys and audits are synchronized with the requirements of industry standards. The industry standards taken into consideration by Qisda include but are not limited to the requirements of RBA VAP.

Statistics of Non-conformance in Audits for High Risk Tier 1 Suppliers in 2024

In 2024, we completed the "Supplier Sustainability Risk Assessment Questionnaire" survey of 686 suppliers, including 326 significant Tier 1 suppliers and 42 high-risk suppliers. Qisda completed the first-tier high-risk supplier sustainability audit of 42 high-risk suppliers. Based on the sustainability audit results of High-risk Tier 1 suppliers, the statistics on deficiencies in four main aspects (sustainability action, labor, health and safety, and environment) are divided into Major Non-Conformance and Minor Non-Conformance. During the audit, only one High-risk Tier 1 supplier was found to have a Major Non-Conformance related to environmental aspects. However, upon further investigation, it was determined that this was due to the supplier's failure to provide the legal registration certificate from the relevant authority for waste disposal at the time of the audit. Subsequently, the supplier rectified this issue by providing the necessary supporting documentation, thus closing the deficiency. Most of the minor non-conformances were related to the labor, accounting for 33.1% of the total non-conformances, followed by the non-conformance of 31.1% of health and safety, 25.2% of sustainability, and 10.6% of the environment.

Non-conformance Improvement Actions for Supplier Audits in 2024

	Sustainability action	Labor	Health and safety	Environment
Percentage of major non-conformance	0%	0%	0%	100%
Percentage of minor non-conformance	25.2%	33.1%	31.1%	10.6%

Non-conformance Improvement

Regarding deficiencies identified during audits, suppliers are required to create corrective action plans within a specified timeframe. Additionally, we offer improvement suggestions and guidance for prompt resolution. In 2024, Qisda gave guidance to 42 first-tier high-risk suppliers for rectifying non-conformances.

Aspect	Topic	Corrective Action
Sustainability action	Anti-corruption related policies/code of conduct	Establish a reporting window and channels, and inform stakeholders
	Information security	Establish information security management policies and procedures; conduct regular information security training
	Operational risk management	Establish an operational risk identification system and implement assessment procedures for risk identification
	Sustainable supply chain management	Establish a procedure for managing supply chain audits and execute the audit in accordance with the plan
	Responsible procurement	Establish a supply chain assessment system for conflict minerals and execute the assessment in accordance with the plan
Labor	Human rights risk assessment	Establish a human rights risk assessment/due diligence system and conduct investigations in accordance with the plan
	Human rights policy	Enhance the content of human rights policies; regularly implement education and training related to these policies
	Living wage	Establish the Living Wage Policy
	Working hours management and communication channels	Promote regulations related to working hours and leave attendance; announce communication and complaint channels for employees; and compile statistics on the number of employee communications and complaints
Health and safety	Occupational health and safety management system	Establish policies for occupational safety and health management and create a system for assessing the impacts and risks associated with occupational safety and health
	System management	Regularly conduct education and training on occupational safety and health; compile statistics on communication/complaint cases related to these matters
	On-site operations management	Announce the publicity of the handling of occupational injuries/occupational diseases; convey the necessity and regulation of wearing personal protective equipment to employees
Environment	Environmental management system	Regularly conduct environmental impact/risk assessments
	Hazardous substances	Regularly conduct hazardous substance impact/risk assessments
	Water resources	Establish wastewater discharge control procedures
	Waste	Establish waste management regulations

Guiding Our Suppliers Toward Sustainability

Educational Training for Suppliers

GHG Inventory

In line with our commitments along with the goal of collaborating with the alliance and reducing carbon with the supply chain partners, the BenQ Qisda Group has specially established the “Workshop for ESG Sustainability Action” Through the BenQ Foundation’s platform, we hire professional lecturers to open educational training and courses which start with GHG inventory. We have arranged 1 session of online educational training courses on ISO 14064-1 in English with 6 hours for each session in 2024 for all suppliers to participate. By the end of 2024, the training on GHG inventory has attracted 19 suppliers, thereby enhancing their capabilities of inventorying GHG emissions. We help the suppliers set up carbon reduction targets, manage energy effectively and implement actions for carbon reduction in the hope of facilitating our movement towards the goals of energy saving and carbon reduction, working together to make the world better.

Product Carbon Footprint Intensive Course

For two consecutive years (2023~2024), we have conducted awareness training on this tool. In addition to introducing it to the R&D department, we have also implemented it to our product carbon footprint partners in the supply chain by commissioning the team from the Industrial Technology Research Institute of Taiwan (ITRI), an expert in Taiwan’s product carbon footprint, to conduct two rounds of online courses with a total of 113 suppliers trained.

Benchmark Learning of Suppliers

During the Meeting for reducing carbon emissions together, Qisda invited chairpersons of benchmark suppliers, which were “major panel manufacturers”, to share their extensive practical experiences in energy saving and carbon reduction, including:

1. **Green design:**

Adding green elements in the stages of raw material sourcing, manufacturing, design and recycling.

2. **Organization promoting:**

Processes and ideas of long-term deployment such as the establishment of the CSR committee in 2013 and the Sustainability Headquarters and appointment of the Chief Sustainability Officer in 2018.

3. Green business opportunities:

Subsidiaries' actual performance in transforming crises into opportunities. For example, the subsidiary that specializes in wastewater recovery begins to conduct carbon inventory and management for other companies while AI relevant digital technologies are used to help companies improve manufacturing processes and efficiency, further achieving energy saving and carbon reduction.

By inviting benchmark suppliers to share their excellent performance and experiences, Qisda enable all suppliers continue learning and growing together.

Suppliers' Capacity Building

To facilitate continuous growth of suppliers in sustainability, Qisda has implemented supplier capability improvement projects. Each project lasts for more than half a year and involves the investment of relevant resources, in the hope of improving the sustainability performance of our suppliers through these efforts.

Name of Capacity Building Project	Project Timeline and Operation	Capacity Building
Supplier's GHG Inventory	In 2023, professional instructors were engaged to conduct the "online educational training courses on ISO 14064-1." A total of 18 online sessions were held, and by the end of 2023, 696 suppliers had participated, with the aim of enhancing their capacity to inventory greenhouse gas emissions. In 2024, in accordance with the Greenhouse Gas Inventory Protocol (GHG Protocol), the GHG inventory for Tier 1 suppliers was completed, with a total of 686 suppliers participating. Qisda will continue to support suppliers in setting carbon reduction targets, improving energy management and implementing carbon reduction measures to achieve the target of a 30% reduction in supplier emissions by 2030.	In 2024, we assisted 686 Tier 1 suppliers in building their own GHG inventory capabilities.
Continuous Improvement Program	In the first half and second half of the year 2024, we assisted suppliers in the 6-month Continuous Improvement Program (CIP program). Qisda and suppliers worked together to analyze the causes of problems, formulate improvement strategies, implement improvement measures, and evaluate the benefits of projects. These actions not only optimize Qisda's existing practices, but also enhance the problem-solving capabilities of suppliers.	In 2024, a total of 27 "continuous improvement programs" will be implemented. These include initiatives such as "Drying System Energy Conservation Improvement", "Single LGP Total Energy Consumption Reduction", "Blower Energy Consumption Reduction" and "Carbon for a Better Future, Paper for a New Life-Reducing Energy Consumption in the Production Process", all of which are directly related to ESG-focused continuous improvement programs.

Supplier Reward and Elimination Mechanism

Qisda has built a supplier rewarding and elimination system to encourage suppliers to move towards sustainable development. Through related evaluation mechanisms, Qisda identifies suppliers with exceptional sustainability performance and increases the procurement proportion from these suppliers. Moreover, we give them a priority for adopting new products. We eliminate suppliers with disappointing performance to promote overall progress and growth of the entire industry chain.

In 2024, no suppliers were eliminated. During the supplier meeting, 31 suppliers who excelled in quality, technology, service, delivery time, cost, and ESG aspects were recognized and awarded. The aim of this initiative is to reward suppliers and encourage collaboration to create a resilient and sustainable value chain.

Evaluation mechanism:

- **Dimensions of evaluation:** quality, innovation/technology, speed/response, delivery, cost leadership, and ESG. Serving to select and manage the suppliers, this mechanism has 5 levels ranging from A (over 90 points) to E (lower than 60 points). ESG relevant factors include sustainability, health, labor, environment and green products, which occupy 11.4% in grading.
- **Frequency:** Twice a Year

Reward Mechanism

Reward measures: According to the evaluation results, excellent suppliers ranked Level A may have a higher proportion in procurement and priority in the adoption of new products after being confirmed by the review team.

Elimination Mechanism

For the suppliers rated Level D or below, we not only reduce their proportion in procurement depending on the situation, but also require them to devise improvement plans and perform stricter incoming inspections. The elimination mechanism is as follows:

- The suppliers rated Level D (or below) twice in a row will be required to undergo the supplier selection and management operation again at the discussion meeting of the evaluation. Based on the results, discussions over whether the suppliers shall be disqualified for future collaborations with Qisda will be made.
- The suppliers rated Level E twice in a row will be disqualified for future collaborations at the discussion meeting of the evaluation.

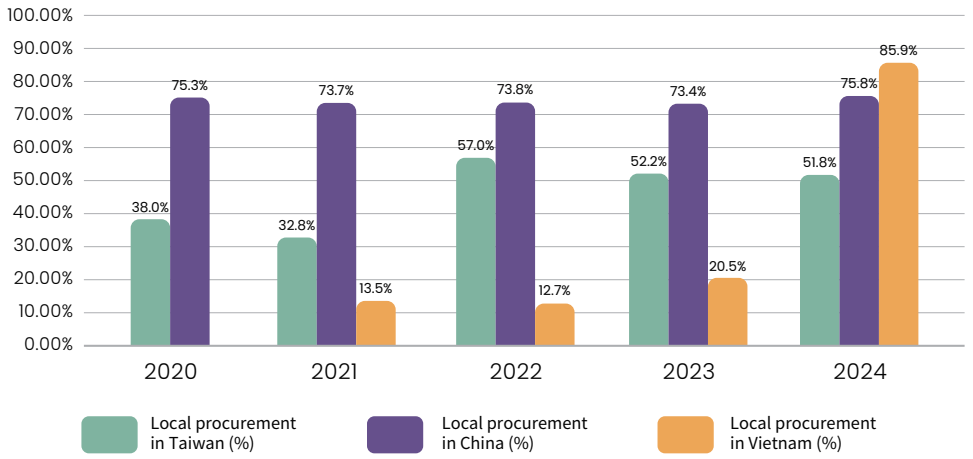
KPI Goals for Sustainable Supply Chain and the Performance Achievement

Sustainable Supply Chain KPIs	2024	
	Performance	Goal
Proportion of suppliers surveyed with Supplier Sustainability Risk Questionnaire (%)	100%	95%
Number of suppliers surveyed with the Supplier Sustainability Risk Questionnaire	686 suppliers	652 suppliers
Audit ratio of significant high-risk suppliers (%)	100%	90%
Significant high-risk supplier audit	42 suppliers	38 suppliers
Guidance on the improvement for audited supplier deficiency	42 suppliers	38 suppliers
Suppliers' capacity building	27 suppliers	27 suppliers
Percentage of paper survey of new suppliers' behavior in terms of human rights, environment, and labor (%)	100%	100%
Percentage of new suppliers engaged in conflict minerals paper survey (%)	100%	100%

Local procurement

Qisda is committed to the corporate philosophy that "The purpose of business is to create value and contribute to society in a sustainable manner to make a positive impact". As a leader of the conglomerate, we are pledged to improving the resilience of the supply chain and striving for sustainable development together with the entire supply chain to realize the vision of "Bringing Enjoyment N Quality to Life". It is our responsibility to work with suppliers to build a supply chain that respects the environment, human rights, safety, health, and sustainable development. Qisda strives to implement local procurement to establish a closer cooperative relationship with suppliers and improve supply efficiency and support local economic development. Based on the procurement ratio of Qisda in 2024, the local procurement ratio of Qisda in China was 75.8%, the local procurement ratio in Vietnam was 85.9%, and the local procurement ratio in Taiwan was 51.8%.

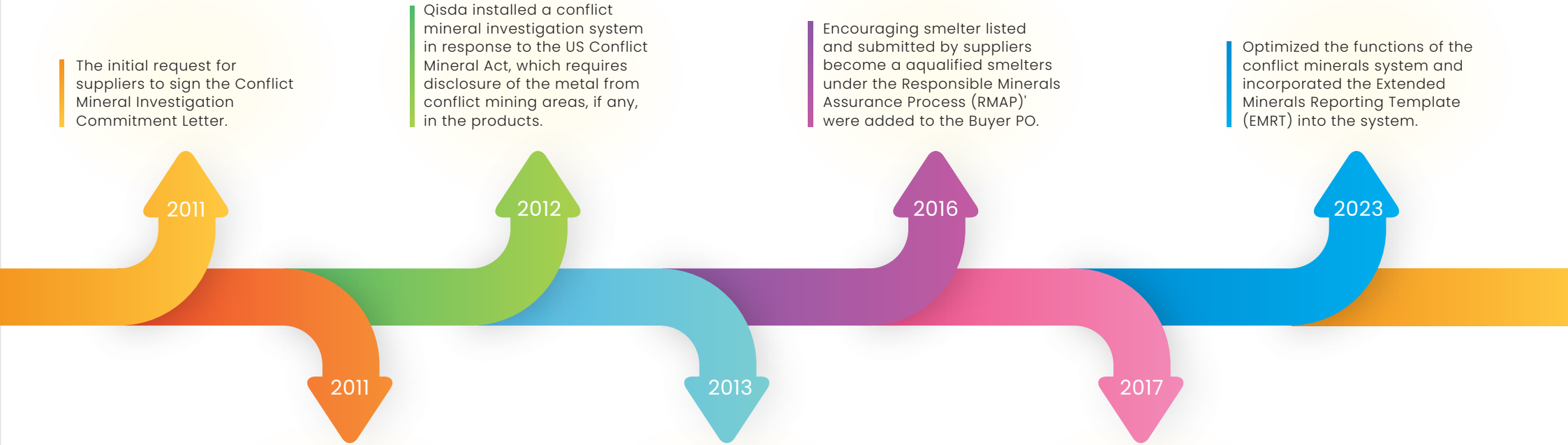
Percentage of Local Procurement



Region	Type of Procurement	2020	2021	2022	2023	2024
Taiwan	Local procurement (%)	38.0%	32.8%	57.0%	52.2%	51.8%
	Non-local procurement (%)	62.0%	67.2%	43.0%	47.8%	48.2%
China	Local procurement (%)	75.3%	73.7%	73.8%	73.4%	75.8%
	Non-local procurement (%)	24.7%	26.3%	26.2%	26.6%	24.2%
Vietnam	Local procurement (%)	N/A	13.5%	12.7%	20.5%	85.9%
	Non-local procurement (%)	N/A	86.5%	87.3%	79.5%	14.1%

Conflict Minerals Management

Qisda's Management Progress of Conflict Minerals



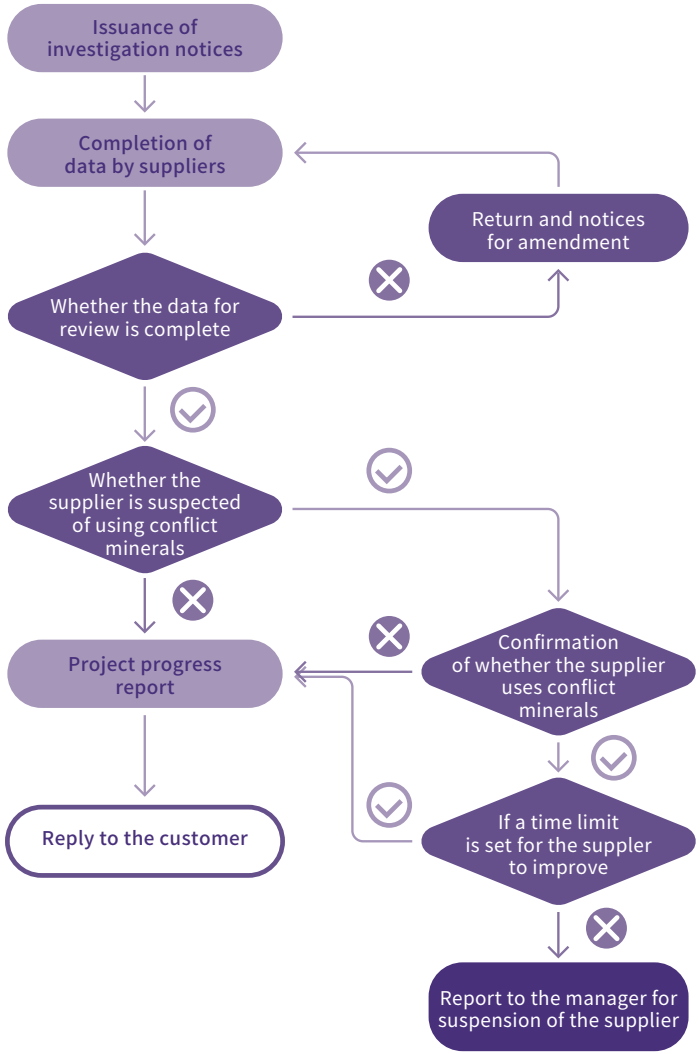
The armed forces of the Congolese and surrounding countries often use the mining of 3T1G (tantalum, tungsten, tin, and gold) as a source of income, which becomes the capital of the armed forces and causes major bloody conflicts in the region. Since conflict minerals can lead to human rights abuses and environmental damage, if a company producing electronic these conflicts. Therefore, the Responsible Business Alliance (RBA) and the Responsible Minerals Initiative (RMI) have required their members to implement the responsible procurement procedures to ensure that their metal procurement procedures are in line with social and environmental responsibilities. The “Conflict-free Smelter Program”, “Conflict Minerals Reporting Template” and Extended Minerals Reporting Template (EMRT) are developed accordingly. They request their members and suppliers to investigate and disclose the sources of the conflict minerals such as gold (Au), tantalum (Ta), tungsten (W), tin (Sn), cobalt (Co), and mica commonly used in electronic products for the supply chain and avoid using the minerals from conflict regions.

Being a global citizen, Qisda supports the boycott activities of the international society for conflict minerals and establishes the Qisda Conflict Mineral Commitment. In addition, we refer to the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas of the Organization for Economic Cooperation and Development and work with the suppliers to perform conflict mineral investigations in order to prevent direct or indirect purchase of the conflict minerals by the suppliers.

We have developed an internal management procedure. After reviewing, we will return the documents to the suspected suppliers for confirmation. If a supplier confirms the use of smelters not listed under the Responsible Minerals Assurance Process(RMAP), they are required to submit an implementation plan and will be informed of relevant risks. In 2024, a total of 215 suppliers were investigated. By signing the Code of Conduct for Sustainable Development of Suppliers, we ensure compliance with the OECD’s relevant requirements for conflict minerals. In 2024, the proportion of suppliers signing the Code of Conduct for Sustainable Development of Suppliers was approximately 100%.



Implementation Process of Conflict Mineral Investigations

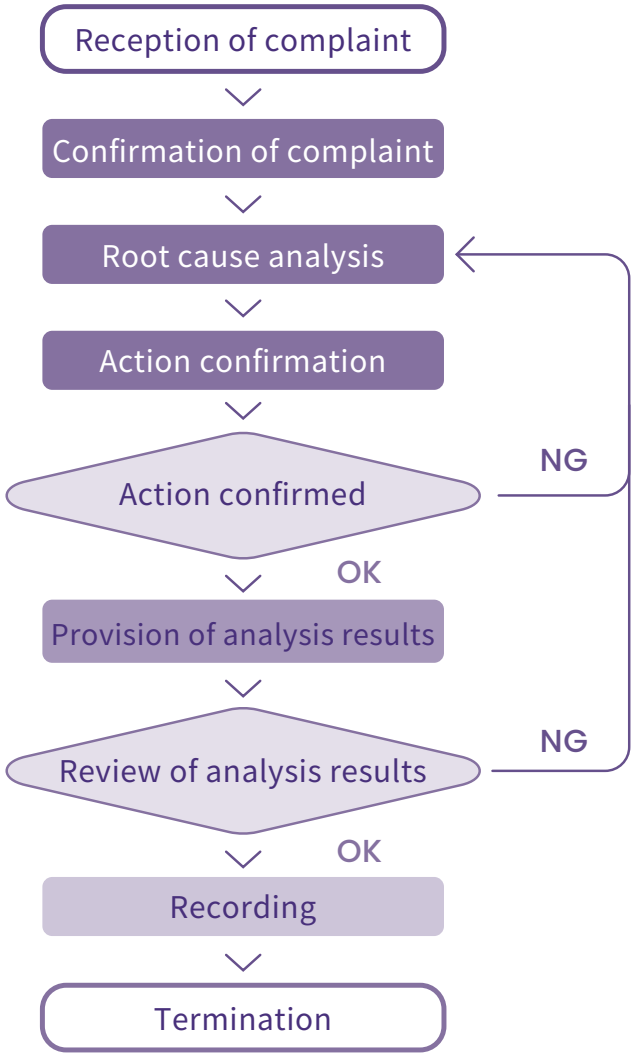


Customer Satisfaction

With the enhancement of the satisfaction of our customers and business partners as a top priority, Qisda has conducted surveys through questionnaires to learn about the customers' and our business partners' scores for our commitment to delivery time, costs, technology, quality, customer service, related regulations, and overall evaluation. This allows us to constantly ensure that the customer's demands are met. To promptly respond to and meet the various demands from the customers, Qisda has set up a Customer Service Division (CSD) to listen to the voice of customers and solve their problems. The customers can provide feedback through the communication mailbox on the Company's website. In 2024, no customer inquiries were received.

Customer Commitment





Customer Satisfaction Survey

To ensure that customer demands are understood and satisfied, Qisda carries out a full-scale customer service satisfaction survey in January and July every year. The CSD sends notification emails to the contact persons of each customer, inviting them to give ratings on Qisda's questionnaire survey system. The rating results are collected by the CSD and then delivered to the responsible departments, which then work with high-level executives to review the customer feedback according to the survey results, and thereby work out improvement measures for the enhancement of product and service quality. Qisda scored 94 points on average according to the customer satisfaction survey results for each product line in 2024, showing that Qisda's performance on customer service and satisfaction had won great recognition from customers.

Customer Satisfaction Scores in the Most Recent 4 Years

	2021	2022	2023	2024
Target Score for the Year	92	92	93	93
Actual customer satisfaction score (points)	95	96	94	94
Percentage of satisfied customers (%)	100	100	98	98
Customer coverage rate (%)	100	100	100	100

2024 Customer Satisfaction Survey Results (Score)





3 Environmental Protection

- Environmental Policy and Management
- Climate Adaptation and Mitigation
- Energy Consumption and Conservation
- The Use of Water Resources
- Waste and Pollutants
- Biodiversity and Forest Conservation
- Green Products and Circular Economy



Environmental Policy and Management

Environmental Policy

Qisda knows that the impact of human beings on the environment is irreversible, and only focusing on economic and social development is not sufficient to meet the expectations of the stakeholders. Hence, Qisda is committed to investing resources into reducing volume, saving energy and reducing carbon in the product design, introducing integrated design (ISO 14006) and combining green design (IEC 62430) to ensure both products and processes can save more energy and are more environmentally friendly. Qisda guarantees to manufacture products that are compliant with relevant laws and meet health and safety demands from customers. In the meantime, all manufacturing sites of Qisda have passed ISO 14001 environmental management system verification, and external stakeholders such as suppliers, service providers, contractors, transportation and logistics providers, group companies, value chain partners, and joint ventures are required to comply with Qisda's environmental policies to achieve Qisda's commitment to social responsibility, environmental protection, and energy. (For the complete environmental policy, please visit the website of the Company.)

Environmental Management

We continue to conduct regular environmental audits at global manufacturing sites in accordance with the management system framework, and implement in-plant management to ensure that the operations of the Company comply with local environmental regulations and the expectations of stakeholders.

To promote the environmental protection awareness among employees, Qisda introduces the Company's environmental policies and explains energy conservation, carbon reduction, water conservation, resource recycling and waste reduction management measures during the orientation education and training for new employees. On occasion, Qisda also communicates the importance of environmental protection to all employees through various meetings and announcements. Environmental management performance is reviewed and reported quarterly by members at the ESG Committee meeting.

No violations of environmental laws or regulations have occurred in the past four years (2021-2024). All manufacturing facilities of Qisda have achieved 100% certification for the ISO 14001 Environmental Management System.The statistics are presented as follows:

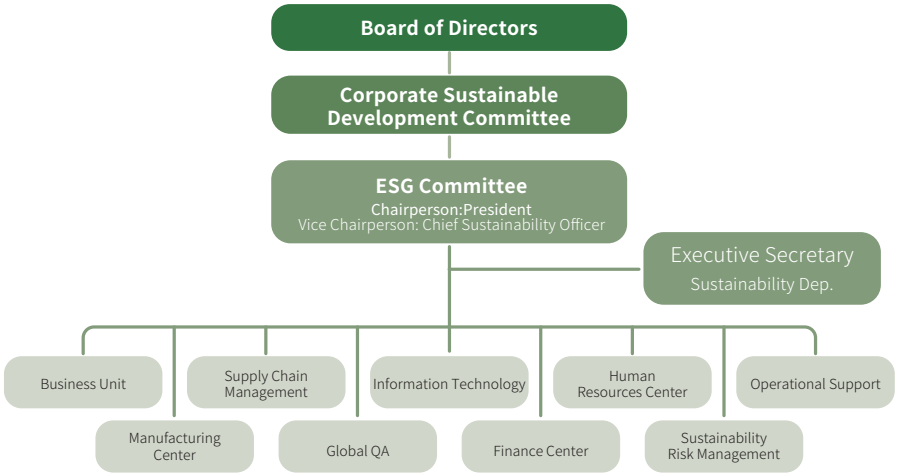
Number of environmental violations			
2021	2022	2023	2024
0	0	0	0



Climate Adaptation and Mitigation

Since the industrial revolution, humans have been burning fossil fuels on an extensive scale, causing large amounts of carbon dioxide and other greenhouse gases to be generated and released into the atmosphere. The increasing concentration of GHG in the atmosphere worsens the greenhouse effect and raises the average surface temperature of the Earth, leading to sea level rise, changes in rainfall and climate in some areas, and further altering the entire ecosystem. The issue of climate change poses a significant threat to the living environment of all organisms, and as domestic regulations on the reduction of GHG and the international Paris Agreement have come into effect, the general public are becoming more concerned about carbon management issues. Hence, in addition to monitoring the business operations that may be affected by climate change, Qisda promotes corporate sustainable development by planning climate strategies and implementing carbon management and also plans to implement internal carbon pricing. We have referred to the recommended framework of the Task Force on Climate-Related Financial Disclosures (TCFD) to assess the risks and opportunities and formulate countermeasures in response to the risk of climate change. Simultaneously, Qisda also follows the TNFD (Taskforce on Nature-related Financial Disclosures) framework to analyze its dependencies and impacts on nature. Every year, we regularly illustrate the results of sustainability development and the performance of reduction to the stakeholders through our annual sustainability report. Qisda also shows concern about the issue of climate change and its management methods by actively participating in the international Carbon Disclosure Project (CDP) survey, and Qisda has been recognized by many for taking this action.

Climate Governance Framework





Task Force on Climate-Related Financial Disclosures (TCFD)

Governance

To promote corporate sustainability and climate change governance, the Company established the Corporate Sustainable Development Committee under the Board of Directors on August 4, 2023 to define the business vision, create strategies, and set goals for corporate sustainable development. The Committee members are comprised of members from the Board, including 2 directors and 5 independent directors. The Committee holds regular annual meetings. To align with the establishment of the Corporate Sustainable Development Committee, we have expanded the scope of the existing ESG Committee. All Level 1 executives have been made members of the ESG Committee, and the Chairman and President shall set short-term and medium-term sustainability goals. We have made management more effective with an internal top-down approach. The Company has decided to establish a long-term remuneration plan for the Chairman, CEO, President and other senior managerial officers starting from 2023. This plan is connected to the ESG performance (corporate governance, social engagement, and environmental sustainability performance indicators) and grants long-term rewards and compensations based on the achievement of ESG performance targets every year.

Climate issues are becoming increasingly severe, and as paying attention to climate risks aligns with Qisda's overall sustainability goals, the Company deems climate-related risks immediate and highly important, appointing the Chief Sustainability Officer to take the responsibility for climate related issues, and designates the ESG Committee to promote sustainability related developmental affairs. Relevant issues are discussed at the senior managers' meeting on a quarterly basis, and a report is made to the Board of Directors once a year. The Board has committed itself to reaching net-zero targets by 2050 (it has passed the SBTi target review in 2024). Please refer to the "Metrics and Targets" chapter for more details. Qisda has introduced the corporate risk management structure since 2005, and has further established the Risk Management Committee. In addition to the annual risk radar chart and Top 3 risk assessment at the management level, we also assess risks at the operational level through risk checklists. Preventive and mitigation measures against high-risk items are followed-up on a quarterly basis. The climate change risk has been part of the annual risk radar chart since 2016. We assessed the severity and likelihood of the risk in 2024, and followed up on two major risks: power shortage risks and changes in energy consumption regulations caused by extreme weather. We also established response strategies such as the Business Continuity Plans (BCP).

Strategy

a. Identified climate-related risks and opportunities over the short, medium, and long term

The short-, medium-, and long-term climate-related risks and opportunities are linked to Qisda's sustainability goals, assessing their impact on operational strategies. These are defined as short-term (0–3 years), medium-term (3–10 years), and long-term (over 10 years). Adopting the climate scenarios of the RCPs, we have identified 9 transition risks, 3 physical risks and 8 opportunities. Through the creation of a climate risk matrix, we have completed the management of climate risks and formulated countermeasures. The climate risk matrix can help Qisda better understand the impact of climate change on our business and guide the Company on how to respond to and manage risks that may arise due to climate change in the future. The items that affect the Company's business are transition risks related to domestic and foreign regulations and laws (short-term and long-term) and green products and technology (long-term), and energy-efficient products (medium- and long-term) as an opportunity. In terms of risk, the Company's products may not be allowed into target markets due to new carbon reduction policies or regulation. To meet customers' carbon reduction goals, we conduct carbon emission inventories and obtain certifications for all the plants. A systematic platform has also been adopted to manage product carbon footprint inventory. In addition, the benefits of green product R&D are taken into consideration for our transformation plans, as it will have a positive and long-lasting financial impact on the Company. In this matrix, risks are divided into two major aspects: "impact/benefit" and "frequency," and then classified as "low," "low-medium," "medium," "medium-high" and "high" according to their levels. The period of impact for each climate risk is also identified in advance, enabling Qisda more accurately estimate the duration our operations will be impacted by climate risks.

b. Climate-related risks and opportunities that have significant impacts on business, strategies and financial planning

We have not only inventoried climate-related risks and opportunities, but also calculated and listed the potential impacts that these risks and opportunities may have on our business, strategies, and finances. Based on the identified climate risks and opportunities, the responsible department manages the "risk content," "potential impacts on business, strategies and finances," and "adaptive and responsive actions," which serve as references for Qisda when setting up relevant hedging and risk control measures. (Please refer to the following paragraphs on climate-related risks and financial impacts.)

c. Taking different scenarios of climate change into consideration

Qisda's 2°C scenario is based on the RCP 2.6, 4.5 and 8.5 climate scenarios of the UN Intergovernmental Panel on Climate Change (IPCC). Further, we not only conduct assessments on transition risks along with immediate and long-term physical risks, but also implement the NDCs' simulation scenarios with respect to transition risks. (Please refer to the detailed content below for the simulation data for physical and transition risks)

Risk Management

a. Process of identifying and assessing climate-related risks

In compliance with the TCFD framework, Qisda identifies risks/opportunities that have impacts on business, strategies, and financial planning. Risks/opportunities are defined and listed by the department concerned.

Apart from that, Qisda' s 2°C scenario is based on the RCP 2.6, 4.5 and 8.5 climate scenarios of the UN Intergovernmental Panel on Climate Change (IPCC). Further, we not only conduct assessments on transition risks along with immediate and long-term physical risks, but also identify and analyze the climate-related risks and opportunities within the Company' s scope of operations over the short, medium, and long term. The Company also proceeds risks and opportunities amoung value chain, including upstream, own operations and downstream activities. In 2023, Vietnam experienced extreme heat and drought, resulting in a critical electricity supply shortage. The Vietnamese government implemented planned power outages, and Qisda' s Vietnam site adopted measures for power backup, energy conservation, and production scheduling to ensure that operations were not affected.

Remark:

Qisda identifies climate related risks, including: Current Regulation, Emerging Regulation, Technology Risk, Legal Risk, Market Risk, Reputational Risks, Acute Physical Risk and Chronic Physical Risk.



b. Process for managing climate-related risks

To address the risks associated with climate change, each unit implements countermeasures for the identified risks, such as the issue of carbon reduction. The ESG Committee sets relevant goals and takes countermeasures. With the approval of the Chairperson, the implementation of these goals is reviewed on a quarterly basis to ensure that the Company's sustainability goals can ultimately be achieved. In addition, Qisda proposes responsive plans in accordance to the risk scenario analyses. We commissioned Fubon Insurance to investigate the risks of floods in 2020. The investigation is taken as a reference for establishing responsive strategies against physical climate risks. In order to mitigate and adapt to relevant climate risks, we have also established responsive strategies for climate change issues such as droughts resulting from the rising surface temperature, or floods brought by the increasing precipitation.

1. Business Continuity Planning (BCP) for Droughts

Drought fighting measures will be activated once the drought monitoring signal of any area turns green. We use water consumption inventory and days of stored water supply as main indicators, and aim to deal with the situation through plans to "provide water for two days and cut off the supply for another two."

2. Flood Control BCP

If there are potential climate risks in the region where the supplier is located, Qisda thoroughly investigates the supplier's BCP or recommends it to take appropriate adaption measures. By playing a proactive role in risk management, we are able to stabilize the supply chain in a crisis, further preventing damage in the business operation of the supplier as well as protecting the benefits and rights of our stakeholders. Qisda also commissions external experts to perform climate risk assessment on the Company's key facilities as a reference for improving and adapting to climate risks.

c. Methods of integrating and including the process of climate-related risk identification, assessment, and management in the overall risk management

Qisda has introduced the corporate risk management structure since 2005. We have also established the Risk Management Committee and conducted annual risk identification and assessment every year. In addition, preventive and mitigation measures against high-risk items are also taken and followed up on a quarterly basis. The climate change risk has been a part of the annual risk radar chart since 2016. We implemented assessments according to the severity and likelihood of the risk in 2023, and followed up on two major risks: power shortage risks and changes in energy consumption regulations caused by extreme weather. We also established response strategies such as the Business Continuity Plans (BCP).

Metrics and Targets

a. The metrics used to assess climate-related risks and opportunities in line with the strategy and risk management process

Qisda is concerned about the impact of climate issues on our operation. Hence, the Board of Directors has approved of the commitment to and focus on relevant goals, and attached importance to:

1. Renewable energy target: Achieve RE60 by 2030 and RE100 by 2040.

2. Carbon reduction target: Reduce Scope 1 and Scope 2 GHG emissions by 42% by 2030.

Achievement status: Renewable energy usage reached 36.7% in 2024; excluding the reduction of emissions due to lowered business operation, Scope 1 and Scope 2 GHG were still reduced by 32.6%.

b. Scope 1, 2 and 3 emissions and relevant risks

In accordance with SBTi and the Company's carbon reduction roadmap, Qisda continues to invest in green power and carbon reduction projects.

GHG emissions have been listed as one of the important sustainability performance indicators by Qisda and are assessed by the ESG Committee every quarter. Due to changes in industry in 2024, the production output value declined and thus the greenhouse gas emission intensity slightly increased by 8.15% compared to 2023.

We prioritize the replacement of old, energy-consuming equipment and the use of energy-saving equipment to save energy. Smart electric meters are introduced in the factory to analyze the power consumption of production lines and processes to find out the best control solutions. We set up self-owned solar power generation and storage systems within the plant and purchased renewable energy certificates to offset our energy use.

As for the responsive measures for possible carbon fees in the future, the collection mechanism is yet to be determined. While we have identified this as a potential GHG emission-related risk, the full extent of its impact is currently unknown. Qisda will continue to pay attention to this issue.

Qisda's GHG emissions summary by scope in 2024

2024 Unit: tCO2e	Scope 1	Scope 2	Scope 3
GHG emissions equivalent	2,575	Location-based: 68,513 Market-based: 45,782	2,087

Management of targets for climate-related risks and opportunities and performance against targets

Short-term: Use 40% renewable energy by 2025; Scope 1 and Scope 2 carbon reduction of 21% by 2025

Medium term: Use 60% renewable energy by 2030; Scope 1 and Scope 2 carbon reduction of 42% by 2030; Scope 3 carbon reduction of 25% by 2030

Compliance of renewable energy use with RE100 by 2040; achievement of zero carbon emissions (net zero) by 2050.

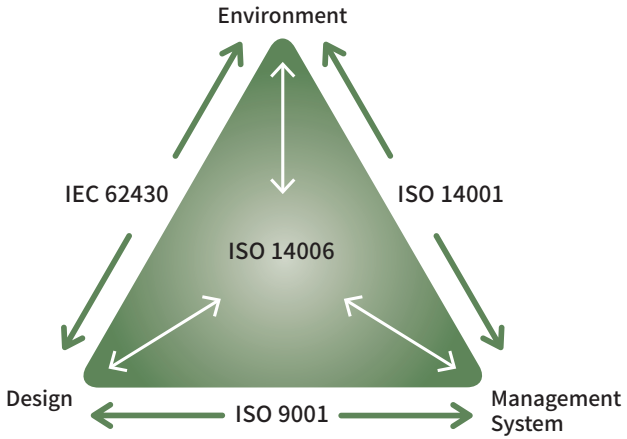
Governance

The Board of Directors of the Company is responsible for the review and supervision of climate change strategies, action plans and annual goals. The Chief Sustainability Officer is authorized to take the responsibility for the formulation, planning and implementation of the strategies. He/she detects and responds to climate change risks in the Risk Management Committee and Corporate Sustainability Management Committee every quarter, and in addition to reporting the implementation of mitigation measure to the Board of Directors regularly every year, he/she reviews the greenhouse gas reduction goals and its achievement.

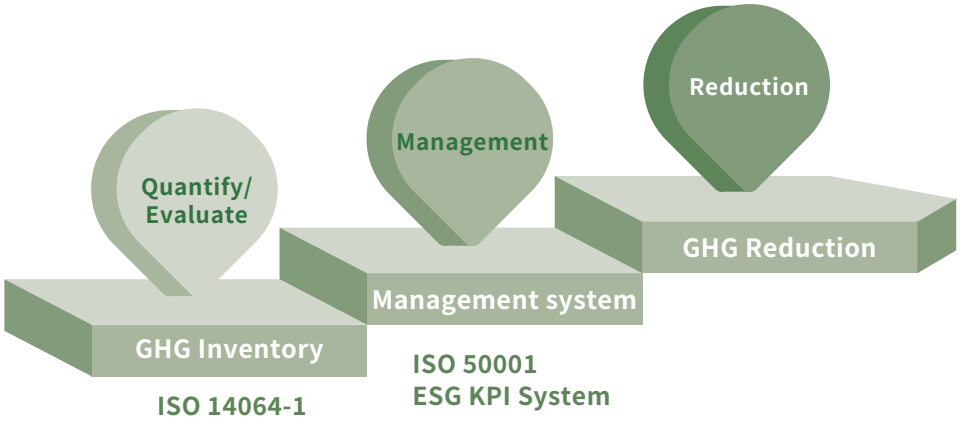
Strategy

Qisda implements environmental sustainability and sustainable development from the three facets of "green products," "green operations," and "green supply chains." The goals set for the development strategies and management measures are monitored through Key Performance Indicators (KPIs). As a company engaging in the design and manufacture of electronic products, Qisda is not only concerned about the greenhouse gas emissions of the organization, but also conducts analysis and management with respect to the environmental impact of the products to ensure compliance with international standards, such as EU Energy-related Products Directive (ErP) and the carbon footprint of the organization (ISO 14064-1).

Green product	Qisda reviews the carbon emissions of the products and identifies opportunities to reduce carbon through the application of life cycle thinking. The Company places importance on the green design, uses the eco-design approach, and takes the environmental impact and carbon reduction into account at the design stage. A carbon footprint report is produced via the management platform and the Company takes follow-up and management measures for the performance of the carbon reduction.



Green operations	With the quantification/assessment, management and carbon reduction as the core, Qisda takes actions starting from the inventory of the organization's greenhouse gas emissions (ISO 14064-1) and sets up the energy management system (ISO 50001) and the corporate sustainable development (ESG) KPI management system to understand the accomplishment status and reduction performance of each energy saving measure.



Green supply chain	This is implemented in three phases as planned: Awareness, Implementation and Sustainability. Education and training of key suppliers on GHG inventories is an element in the awareness phase. The suppliers of key components are encouraged to conduct GHG inventory and reduction in the implementation phase. In the last sustainability phase, it is expected to improve the independent management capability of the suppliers and disclose their climate change strategies and reduction performance in the Corporate Social Responsibility (CSR) Report.

Cognition	● Inspection of the supplier's social responsibility, environment, safety and health ● Self-assessment on the Responsible Business Alliance Code of Conduct (RBA Code)
Promotion	● On-site audit of the supplier's social responsibility, environment, safety and health ● Implementation of the Responsible Business Alliance Code of Conduct (RBA Code)
Sustainability	● Supplier's independent management ● Preparation of the Sustainability Report ● Extension to the Tier 2 supplier



Currently,Qisda has assessed the identified risks and scenarios as follows: the climate simulation scenarios cover 100% of the operational sites, and adaptation measures have been developed based on the potential risks of each scenario. All planned relevant adaptation measures will be implemented within five years.

At present, the risks and scenarios that Qisda has identified through assessments are sorted below:

Qisda's Climate Simulation Scenario in 2050

Scenario	RCP 2.6		RCP 4.5		RCP 8.5	
Indicator	mean air temperature	precipitation	mean air temperature	precipitation	mean air temperature	precipitation
Country	Average temperature in 2050	Average precipitation in 2050	Average temperature in 2050	Average precipitation in 2050	Average temperature in 2050	Average precipitation in 2050
Taiwan	Increase by 0.3 ~ 2.1°C	Increase by -5.3 ~ 12%	Increase by 0.7 ~ 2.4°C	Increase by -4.7 13.6%	Increase by 1 ~ 3.1°C	Increase by -7.7 13%
China	Increase by 0.8 ~ 2.7°C	Increase by 1.7 ~ 11.3%	Increase by 1.2 ~ 3.2°C	Increase by 2.1 12.8%	Increase by 2 4°C	Increase by 3 17.1%
Vietnam	Increase by 0.6 1.7°C	Increase by -6.6~10%	Increase by 0.8 2.0°C	Increase by -4.6 9.9%	Increase by 1.1 2.6°C	Increase by -2.7 14%
Possible impact on climate	The annual temperature is expected to increase 1.7°C in Vietnam and more than 2°C in both Taiwan and China, which will possibly result in a temperature rise in facilities and their surroundings, further affecting production efficiency. As a result, investment into devices for improvement is required. The increase in precipitation might cause increases in flooding, especially when the maximum rate of precipitation increase in all 3 countries exceeds 10%. If drainage equipment around the facilities is poor, the facilities can be easily flooded, and losses of raw materials, end products and machines will become highly likely.		The annual temperature in Vietnam and Taiwan is expected to increase by 2.4°C and 2.0°C respectively. On the other hand, the annual temperature in China can rise 3.2°C to the most. This will possibly result in a temperature rise in facilities and their surroundings, further affecting production efficiency. As a result, investment into devices for improvement is required. Not only that, due to the longer duration of high temperatures in recent summers, improvements in ventilation and air conditioning equipment might be necessary to prevent the employees from experiencing heat stroke. Hence, electricity bills and equipment maintenance expenses will increase. In addition, the increase in the average precipitation might cause increases in flooding. Currently, the annual precipitation in the locations of Qisda's plants has risen by around 9.9% to 13.6%. If drainage equipment around the facilities is poor, the plants can be easily flooded, and losses of raw materials, end products and machines will become highly likely. Furthermore, factors such as the local terrain, drainage and flood prevention measures shall be taken into consideration.		Although Taiwan and Vietnam still have lower temperatures compared to China, it is possible that the temperatures increase more than 2°C and further lead to progressively increasing temperatures. As a result, continuous improvements of air conditioning in facilities are necessary. The rise of the annual temperature can cause a decrease in the number of typhoons and increase the occurrence of droughts. In extreme climate conditions, floods are more likely to occur in the three regions/countries where Qisda operates when compared to other climate scenarios. Apart from potential flooding in facilities, transportation disruptions, employee commute and employee injuries may also occur.	

Physical Climate Scenarios	Parametric Hypothesis	Today ~ 2030	2031~2050	Operational & Financial Impact			Management Methods
				Upstream (Suppliers)	Qisda	Downstream (Customers)	
RCP2.6	Annual temperature Annual rainfall		Annual temperature: Increase 0.3 ~ 2.1°C in Taiwan Increase 0.8 ~ 2.7°C in Suzhou Increase 0.6 ~ 1.7°C in Vietnam Annual rainfall: Increase -5.3 ~ 12% in Taiwan Increase 1.7 ~ 11.3% in Suzhou Increase -6.6 ~ 10% in Vietnam	If precipitation increases abnormally, it may cause shipping delays and further affect Qisda's production and shipment.	The annual temperature is expected to increase 1.7°C in Vietnam and more than 2°C in both Taiwan and China, which will possibly result in a temperature rise in facilities and their surroundings, further affecting production efficiency. The increase in precipitation might cause increases in flooding, especially when the maximum rate of precipitation increase in all 3 countries exceeds 10%. If drainage equipment around the facilities is poor, the plants can be easily flooded, and losses of raw materials, end products and machines will become highly likely.	The customers can require Qisda to prepare materials in the warehouse in advance to respond to possible material shortage crisis	We require the factories and the internal units of Qisda to pay attention to the height of the plant's foundation for flood prevention. We also regularly pay attention to occurrences of abnormal natural disasters that affect the operation of factories and Qisda. In addition, Qisda conducts BCP drills with respect to natural disasters, checks the height of each plant's foundation, and implements improvement and flood prevention measures. Finally, sufficient key materials are regularly stored in the warehouse in accordance to the FCST in preparation for unexpected needs.
RCP4.5	Annual temperature Annual rainfall		Annual temperature: Increase 0.7 ~ 2.4°C in Taiwan Increase 1.2 ~ 3.2°C in Suzhou Increase 0.8 ~ 2.0°C in Vietnam Annual rainfall: Increase -4.7 ~ 13.6% in Taiwan Increase 2.1 ~ 12.8% in Suzhou Increase -4.6 ~ 9.9% in Vietnam	Most suppliers are located in Suzhou. If the temperature increases 3.2°C, the attendance and health of factory personnel can be affected, leading to production disruptions and material shortages. If precipitation abnormally increases up to 10%, the flood it brings can affect the attendance of employees, and factories will be unable to proceed with production and shipment. This will have further impact on Qisda's production and shipment. Abnormal natural disasters can also affect the stability of the power supply. If the Company fails to proceed with production, costs will eventually increase.	The annual temperature in Vietnam and Taiwan is expected to increase 2.4°C and 2.0°C respectively. On the other hand, the annual temperature in China can rise 3.2°C to the most. This will possibly result in a temperature rise in plants and their surroundings, further affecting production efficiency. As a result, investment into devices for improvement is required. Additionally, the longer duration of high temperatures in recent summers can lead to sick employees and further affect the operation of the Company. In addition, the increase in the average precipitation might cause increases in flooding. Currently, the annual precipitation in the locations of Qisda's facilities has risen by around 9.9% to 13.6%. If drainage equipment around the plant is poor, the plants can be easily flooded, and losses of raw materials, end products and machines will become highly likely. Furthermore, factors such as the local terrain, drainage and flood prevention measures shall be taken into consideration.	In addition to more inventory, customers require an additional second source.	We require the factories and the internal units of Qisda to pay attention to the height of the plant's foundation for flood prevention. We also regularly pay attention to occurrences of abnormal natural disasters that affect the operation of factories and Qisda. In addition, Qisda conducts BCP drills with respect to natural disasters, checks the height of each plant's foundation, and implements improvement and flood prevention measures. In addition to preparing inventory, key materials are imported into the second source.

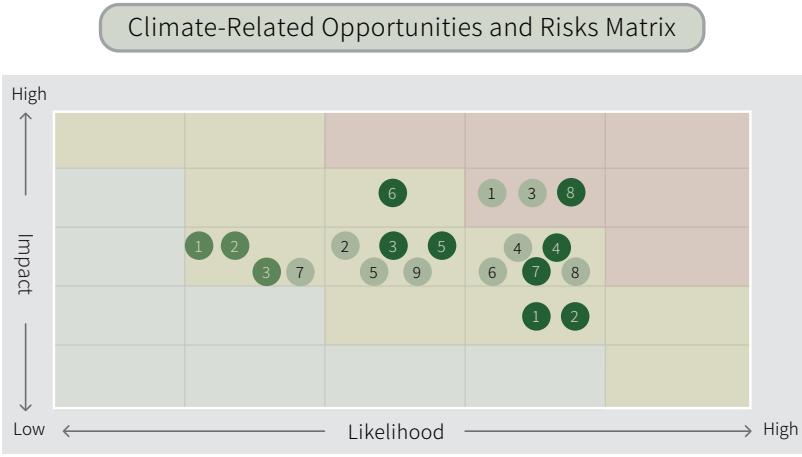
Physical Climate Scenarios	Parametric Hypothesis	Today ~ 2030	2031~2050	Operational & Financial Impact			Management Methods
				Upstream (Suppliers)	Qisda	Downstream (Customers)	
RCP8.5	Annual temperature Annual rainfall		Annual Average Temperature: Increase 1 ~ 3.1°C in Taiwan Increase 2 ~ 4°C in Suzhou Increase 1.1 ~ 2.6°C in Vietnam Annual rainfall: Increase -7.7 ~ 13% in Taiwan Increase 3 ~ 17.1% in Suzhou Increase -2.7 ~ 14% in Vietnam	Higher temperatures and extreme precipitation or drought can result in severe power shortage. Thus, the suppliers may need to spend more money to improve working environments and ensure personnel safety. The time needed for material preparation may be longer, and transportation methods may need to be changed, which will result in increasing costs.	Although Taiwan and Vietnam still have lower temperatures compared to China, it is possible that the temperatures increase more than 2°C and further lead to progressively increasing temperatures. As a result, continuous improvements of air conditioning in facilities are necessary. The rise of the annual temperature can cause a decrease in the number of typhoons and increase the occurrence of droughts. In extreme climate conditions, floods are more likely to occur in the three regions/countries where Qisda operates when compared to other climate scenarios. Apart from potential flooding in plants, transportation disruptions, employee commute and employee injuries may also occur.	The customers hope to have a second or third production site to prevent delivery dates from being affected by disasters in different locations.	Both manufacturers and Qisda have requested to pay attention to the height of the foundation at the location of the plant to avoid flooding. We also regularly pay attention to occurrences of abnormal natural disasters that affect the operation of factories and Qisda. In addition, Qisda has conducted BCP drills for natural disasters, checked the height of the foundation at each plant, and implemented improvement and flood control measures. Qisda has proactively established three production locations in Suzhou, Taiwan, and Vietnam respectively in response to different situations in each region as well as customer requirements.
NDCs	Net zero emissions SBTi 1.5°C	1. Reaching an annual carbon reduction of 4.2% (Scope 1 & 2) 2. Reaching 60% green power by 2030	1. Reaching an annual carbon reduction of 4.2% (Scope 1 & 2) 2. Reaching 100% green power by 2040 3. The commitment to net zero by 2050	Due to the need for industrial transformation: 1. This will drive the growth of investment in low-carbon products, and the operating costs of the suppliers will inevitably increase. 2. Suppliers that fail to combat the challenge of low-carbon transformation will gradually lose orders and competitiveness.	In line with Taiwan's Pathway to Net-Zero Emissions in 2050, international trends, laws and regulations, and policies with respect to low-carbon transformation, the Qisda Group has established the goals of reaching 60% green power by 2030 and then 100% in 2040. According to the Group's product planning and the assessment of the plant capacity, the total electricity consumption in 2030 is 349,650 MWh, an increase of 20.3% compared to 2021. Therefore, it is necessary to increase the investment in energy-saving practices to accelerate energy transformation and increase the utilization rate of green electricity.	In response to the trend of low carbon transformation, we will focus on Increasing the ODM products originating from green manufacturing and design of low-carbon products. More demands for renewable energy and green products will be required from upstream suppliers.	1. Continue to invest in energy-saving plants for plants, with an estimated electricity reduction of 1.642 million kWh. 2. Purchase 39.064 million kWh of renewable energy certificates (I-REC) 3. Implement carbon reduction according to SBT.

Risk Management

Every year, Qisda's Risk Management Committee leads the annual climate change risk and opportunity assessment with reference to the RCP climate scenarios. Each unit identifies transition risks, physical risks, and related opportunities, and predicts the possible time of occurrence (short-term, mid-term, long-term), which issue may arise, and the financial impact of these risks. Considering the frequency of occurrence, impact, and the Company's ability to adapt to the risks and opportunities identified, the units are further asked to plan management measures and strategies in response. We have identified 9 transition risks, 3 physical risks, and 8 opportunities, and created the climate risk matrix to help Qisda better understand the impact of climate change on our business and guide the Company in addressing and managing risks of climate change. In this matrix, risks are divided into two major aspects of "impact/benefit" and "frequency," and then classified into "low", "medium to low", "medium", "medium to high" and "high (scoring from 1 to 5)" according to the level of the risk. The period of impact is identified in advance for each climate risk, which enables Qisda to more accurately estimate the duration of which our operations will be impacted by climate risks. Lastly, for the estimate the duration of which our operations will be impacted by climate risks. Lastly, for the identified climate risks and opportunities that Qisda faces, the responsible department manages the "risk content," "potential impacts on business, strategies and finances," and "adaptive and responsive actions," which serve as references for Qisda when setting up relevant hedging and risk control measures in response to the challenges that the climate change brings about.



2024 Qisda Matrix of Climate Change Risks and Opportunities



No.	Transition risk
1	Domestic and international regulations and laws (short-term and medium-term)
2	Carbon trading and carbon tax (medium-term)
3	Green products and technology (long-term)
4	Energy-saving equipment (medium-term and long-term)
5	Purchase of green electricity (medium-term and long-term)
6	Consumer's sustainability awareness (long-term)
7	Rising costs of raw materials (medium-term)
8	Customer behavior change (medium-term and long-term)
9	Reputation (long-term)

No.	Physical Risks
1	Typhoon, flood, and snowstorms (medium-term and long term)
2	Water and electricity shortage (medium-term)
3	Increase of annual temperature (medium-term and long-term)

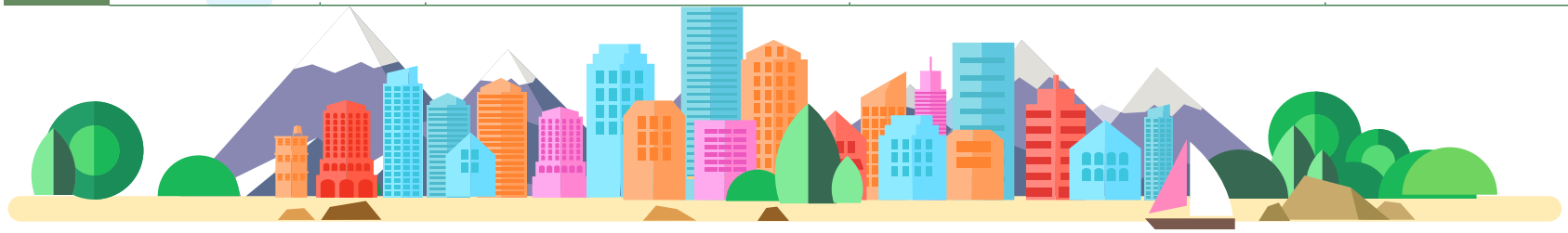
No.	Opportunities
1	Energy-saving benefit (short-term)
2	Water-saving benefit (short-term)
3	Efficient green building (medium-term and long Term)
4	Installation of solar power (medium-term and long-term)
5	Low-carbon commodities and services (short-term and medium-term)
6	Sustainable value (medium-term and long-term)
7	Green finance (short-term)
8	Energy-saving commodities (medium-term and long-term)

Remark: The severity of each identified risk was determined by multiplying its likelihood (scored from 1 to 5) by its impact (scored from 1 to 5), resulting in a risk score ranging from 1 to 25.Based on the total score, risks were categorized as follows: Low risk: 1–4/ Medium risk: 5–14/ High risk: 15–25

Climate-Related Risks and Financial Impacts

Type	Climate Change Related Risk	Impact Period	Description of Risk Content	Potential Impact on Business, Strategies & Finance	Adaption & Responsive Actions
Transformation Risk	Policy and Regulation	Qisda regularly checks for compatibility with climate change-related laws and regulations every year, incorporating laws that pose a higher risk in the assessment performed by the Risk Management Committee and the ESG Committee. If they are confirmed as potential risks, they will be set as a key performance indicator for management that year, and will continue to be monitored every quarter.			
	Domestic and international regulations and laws	Short-term and medium-term	▲ The MOEA's Bureau of Energy has required companies to reduce their electricity consumption by 1% every year. ▲ The Administrative Yuan has introduced summer energy-saving measures. ▲ The "Climate Change Response Act" was enforced in 2015, and major energy consuming companies are required to report problems relating to this Act. Inventory and certification of carbon emissions must be performed at the Company level in response to the requirement of "carbon disclosure". ▲ Possible risks can emerge when product labels (such as carbon labels, green labels) are found to be noncompliant with regulations in areas where we sell our products. ▲ International issues and regulations have become increasingly stringent. Domestic and foreign regulations may ban or control the sale of energy-intensive products (e.g., Australia's adoption of green packaging). ▲ For cases of interpretation and fine from the competent authorities once the law is violated, it is time-consuming and time-consuming to seek relevant external law firms. ▲ The FSC requires disclosure of the Company's ESG-related reports. Corresponding talent cultivation and education and training are required to comply with regulations. Annual reports and financial statements are mandatory disclosures authorized by the Securities and Exchange Act. If the sustainability information in the annual report presented at the shareholders' meeting is found to be inaccurate, penalties may be imposed under the Securities and Exchange Act. (Implementation of IFRS S1 and S2) ▲ The FSC requires annual carbon disclosure and assurance.	▲ An increase in operating costs results in possible rise of electricity bills. In April and October 2024, consecutive electricity price adjustments resulted in an average unit price increase of approximately NT$13 million compared to pre-adjustment levels. ▲ Energy saving improvement measures planned for the Taiwan plant at a cost of NT$2 million per year. ▲ The cost of obtaining evidence will increase. (e.g., the fees for the inventory and certification of carbon emissions that must be performed at the Company level in response to the "carbon disclosure" requirement are about NT$3 million. ▲ The government has implemented stricter environmental regulations, enhancing corporate greenhouse gas emission oversight and mandating carbon emission reductions. As a result, companies must procure higher-cost construction or filtration materials. In 2024, Qisda's Suzhou plant incurred an additional cost of approximately NT$550,000 due to these requirements. ▲ In 2024, Qisda's Vietnam plant purchased green certificates at a cost of approximately NT$179,000. ▲ Failure to comply with the regulations in a timely manner may result in a potential impact on revenue or the imposition of fines. ▲ The implementation plan for IFRS S1 and S2 incurred a cost of approximately NT$3.6 million. ▲ The labor cost for the legal affairs department and the fees for external professional training courses, consultation, and external law firms are estimated to be about NT$560,000. ▲ Qisda's subsidiary needs to recruit sustainability professionals and cover external training expenses, leading to an increase in labor costs of approximately NT$1.45 million. ▲ Qisda's subsidiary incurred approximately NT$4 million in consulting fees for the implementation of ISO 14067 carbon footprint and SBTi. ▲ In 2024, Qisda's subsidiary conducted a greenhouse gas inventory and verification, resulting in an additional cost of approximately NT$400,000.	▲ The Company implements an energy saving improvement plan every year and sets goals through the ESG Committee. In terms of administrative and engineering control, we have implemented smart lighting and turn-off inspection measures, conducted air compression system improvements, and added scheduled checkpoints for electricity consumption on weekends and at night. We have held quarterly follow-up meetings to review the results achieved. ▲ In 2025, TR equipment energy-saving chiller replacement is planned, with an estimated cost of approximately NT$4 million. ▲ To comply with environmental regulations, Qisda's Suzhou plant requires the procurement of more environmentally friendly raw materials and paving materials, along with VOC (Volatile Organic Compounds) testing reports to ensure levels remain below a specified threshold. Additionally, certain plant areas have upgraded from primary activated carbon boxes to secondary activated carbon boxes to purify the air and reduce carbon emissions. ▲ Relevant key performance indicators (KPIs) have been set up for control by the ESG Corporate Sustainable Development Committee. We continue to pay attention to domestic and foreign regulatory requirements. Currently, Qisda has no domestic or foreign regulatory risks. The Company connects the strategic goals of the organization with the KPI of each unit, pursuing the achievement of their goals at all levels in a top-down manner. By setting quantitative targets, clear scoring principles, and assigning weight to different criteria, we drive the members to take corresponding actions to achieve the targets and thus achieve the strategic goals of the organization. For the strategic goals, the net-zero carbon roadmap must be followed and social engagement and influence in sustainability shall be continuously enhanced to strive for recognition and ensure the effectiveness of Qisda's ESG promotion. ▲ We plan the evidence collection schedules and resources, incorporate ESG orientation in the continuous improvement process (CIP), increase ESG-related activities and competitions, organize professional ESG talent training courses, and implement ISO14064 and ISO50001. In addition, we have introduced systems to assist in carbon inventory and improve carbon hotspot analysis for effective carbon reduction. We have also obtained certification to meet the "sustainability pathway" required by the FSC. ▲ We participate in courses on climate change to stay updated with the latest information. Qisda responds to new regulations in a timely manner, and communicates with customers about plans to introduce relevant requirements into products. For example, the EU bans the sale of 8K TVs. To help employees better understand the risks associated with climate change and transition, we discuss long-term implementation plans with customers and conduct a pilot program starting in Europe. ▲ Regulations related to energy conservation are growing stricter. Qisda will work with suppliers to meet such standards.

Type	Climate Change Related Risk	Impact Period	Description of Risk Content	Potential Impact on Business, Strategies & Finance	Adaption & Responsive Actions
Transformation Risk	Policy and Regulation		Qisda regularly checks for compatibility with climate change-related laws and regulations every year, incorporating laws that pose a higher risk in the assessment performed by the Risk Management Committee and the ESG Committee. If they are confirmed as potential risks, they will be set as a key performance indicator for management that year, and will continue to be monitored every quarter.		
	Carbon trading and carbon tax	Medium-term	▲ The Carbon Border Adjustment Mechanism (CBAM) has been gradually implemented since 2023. ▲ The US Clean Competition Act (CCA) may impact the Company's business. ▲ As carbon fees continue to increase, more carbon credits must be purchased. According to the regulations of the Ministry of Environment, carbon fees are expected to be levied on companies with carbon emissions over 25,000 tons from 2024 onwards. ▲ Internal carbon pricing (ICP): In accordance with the requirements of the FSC, we will adopt IFRS-S1, S2.	▲ Importers will start paying for the EU's CBAM charge, which will cause a rise in import and export costs. To comply with European customers' CBAM requirements, Qisda's subsidiary has implemented a product carbon footprint tracking system, incurring a cost of approximately NT$130,000. ▲ Clean Competition Act (CCA), was implemented in 2024, is mainly devoted to the establishment of the U.S. carbon tax system and imposes carbon tariffs on various industries. ▲ The estimated annual cost of introducing carbon pricing-related systems and systems is NT$9.6 million.	▲ At present, Qisda's products have not yet been included in the scope of carbon tax. We will continue to pay attention to this trend, and will respond to relevant issues that arise in advance. ▲ In 2023, suppliers were required to conduct product carbon inventory and set carbon reduction KPIs. ▲ In 2023, we completed our greenhouse gas inventory using ISO 14064-1 as a guide, and obtained third-party certification for the greenhouse gas inventory. The results of this inventory helped us to better understand the emissions of the Company's business operations, and are used as reference in carbon reduction assessments. Through the Qisda Corporate Sustainable Development Committee, we have set carbon reduction goals for each unit and product, reviewed them quarterly, and actively enhanced the awareness of energy conservation amongst our employees, promoting action through education and training. ▲ We analyzed the Company's carbon emission sources and the overall proportions of emissions coming from each of these sources through carbon emission hotspots. We further evaluated reduction measures for manufacturing, air conditioners, air compressors and other equipment. We continue to march toward the goal of "reduction first, energy conversion second" to effectively reduce carbon emissions. ▲ We have formed a Task Force team to monitor changes in laws and respond to them in order to meet the requirements of the IFRS Sustainable Disclosure Standards in 2026. Establishing an internal carbon pricing system can help enterprises better understand and manage their carbon footprints and encourage them to take more sustainable business actions.



Type	Climate Change Related Risk	Impact Period	Description of Risk Content	Potential Impact on Business, Strategies & Finance	Adaption & Responsive Actions
Transformation Risk	Technology	Starting from the initial stage of product realization—product design—we aim to minimize carbon emissions and impact on the environment. As stakeholders have become more aware of product carbon reduction, Qisda has included this issue in our risk assessments since 2009.			
	Green product and technology	Long-term	▲ The shift in consumer awareness will lead to increased demand for green products, making it essential to meet consumer expectations and market needs. This includes adopting low-carbon technologies and circular economy principles, as well as considering low-carbon or recyclable materials and packaging during product design. ▲ To reduce carbon footprints and promote environmental protection, employees are encouraged to transition their daily operations and meeting practices to online processing and communication. ▲ We purchase energy-saving equipment and materials. ▲ Safety regulations in various countries have increasingly stringent requirements for energy efficiency. ▲ Suppliers fail to achieve the goal of carbon reduction. ▲ If enterprise fails to invest in the development of low-carbon technologies and the training of relevant personnel in a timely manner, it may miss future industry trends and be at a competitive disadvantage in the market.	▲ The energy-saving equipment used in R&D and production requires higher costs. For example, for LCD products, about NT$6 million is invested in R&D every year. The evaluation of low-carbon design for BenQ eye-care desk lamps incurs a cost of approximately NT$100,000. Additionally, BenQ incorporates recycled materials in LCD production, with all new models adopting 85% recycled plastic for external casings. For mid-to-high-end new models, cushioning materials are entirely made of folded paper or paper pulp. The introduction of recycled materials in 2024 models is expected to impact costs by approximately NT$41.6 million. ▲ Procurement of computer software: The annual cost for software licenses, such as Microsoft Teams, is approximately NT$2 million. ▲ Training for environmental material management personnel: The annual cost is approximately NT$1.2 million. ▲ Replacement of LCD products with low-carbon materials: Costs have increased by approximately NT$44 million; however, these costs have been absorbed by customers and do not impact the Company's operating expenses. ▲ EU ban on mercury lamps in projectors by 2027: Combined with the sharp rise in electricity costs in Europe, this trend has increased consumer awareness of energy consumption. Alternative semiconductor light-source projectors must demonstrate strong energy efficiency to compete with rivals and alternative products (such as large flat-panel displays). As of 2024, the Qisda Group's products remain unaffected. ▲ Current OEMs and suppliers: All are capable of implementing plastic reduction or environmentally friendly materials.	▲ We officially established an internal carbon footprint calculation system - the Carbon Management Platform - in 2010. Whenever a customer requires the provision of this type of information, we can calculate the volume of carbon emitted from the product. ▲ Qisda has begun to incorporate eco-design concepts into our product development process, such as IEC 62430-verified eco-design, including liquid crystal displays and projectors, to create more environmentally friendly green products. ▲ BenQ continues to expand the coverage of recycled materials and packaging across its product lines. Additionally, BenQ collaborates with material suppliers to mitigate the cost impact of adopting these sustainable materials. ▲ To comply with regulations and meet customer demands for energy-saving and environmentally friendly materials, we plan to assign unique codes to green energy-saving components for better identification and management. Additionally, we will focus on cultivating professionals capable of managing these low-carbon components, covering areas such as part number management, BOM selection, component approval, and compliance report preparation. Through these initiatives, we aim to meet regulatory and customer requirements while enhancing the Company's competitiveness and reputation. ▲ The safety department regularly pays attention to international regulations and customer requirements, and worked with the R&D team to develop products and designs that comply with regulations. ▲ The R&D team enhanced the energy-saving design of the products to boost the competitiveness of the Company and add value to products. It also helped to increase the selling price and revenue of these products. ▲ We encouraged low-carbon and efficient meeting options and tools, such as Teams/Zoom meeting/Skype, etc., to reduce the movement of employees around the world, reduce carbon footprints, and save costs and time. ▲ We developed an online electronic signature system to reduce the consumption of paper and toner, not only improving work efficiency and facilitating environmental protection, but also reducing the costs of the Company. ▲ The maximum amount of power saved by the newly purchased chamber equipment reached up to 70%; the equipment saved 45% per unit on average. The water consumption unit can save up to 80% of water at the maximum. It is required that test equipment must bear a green label prior to purchase. ▲ We developed and optically designed a laser light source with high energy efficiency, and used the vision and image quality adjustment technology to assist in improving the light efficiency. We introduced appropriate semiconductor light sources according to the characteristics of each market segment to provide consumers with more choices. While maintaining good color performance, we aim to improve energy efficiency every year to form a competitive advantage over competitors. ▲ Qisda' s goals for sustainable raw materials and recycled materials: (1) No less than 75% of monitor models uses recycled materials (The original target was 60%, and the target was adjusted to 75% in 2024) (2) No less than 75% of models uses paper plastic/paper folding. (The original target was 50%, and the target was adjusted to 75% in 2024)

Type	Climate Change Related Risk	Impact Period	Description of Risk Content	Potential Impact on Business, Strategies & Finance	Adaption & Responsive Actions
Transformation Risk	Energy-saving equipment	Medium-term and long-term	▲ Old equipment operates on reduced efficiency, leading to high energy and electricity consumption. ▲ In response to the rising temperature, the demand for air conditioning increases, and the equipment and energy consumption must be reviewed to prevent power outages due to the simultaneous increase in electricity consumption.	▲ Old equipment may lead to a 5% increase in electricity costs. ▲ The cost of replacing the energy-saving label for NB/PC in 2024 is expected to increase by approximately NT$100,000. ▲ Qisda's Taoyuan plant has scheduled a system inspection and maintenance plan for energy-saving equipment, with an estimated cost of approximately NT$11 million. ▲ In 2024, Qisda's subsidiary implemented scheduled energy-saving improvements for water dispensers at its Hsinchu, Changshu, and Vietnam plants, as well as scheduled energy-saving improvements for the aging room and office area FCU at the Vietnam plant. The estimated cost is approximately NT$113,000. ▲ In 2024, Qisda's subsidiary scheduled equipment replacement based on service life, selecting high-efficiency equipment to replace outdated ones and purchasing energy-saving certified NB/PC and equipment. The estimated cost is approximately NT$936,000. ▲ Qisda's Suzhou Plant 9 replaced its air compressors in 2024, with a cost of approximately NT$43 million. Additionally, the phase-out of outdated ITS equipment incurred a cost of approximately NT$8.6 million.	▲ We set equipment lifespan and replace outdated equipment with high-efficiency equipment, assess the lifespan of existing equipment, and prepare an annual plan for the replacement of high-pressure equipment. ▲ We purchase NB/PC and equipment bearing power saving labels. ▲ We made replacement for other production-related equipment to improve energy efficiency. ▲ We replace UPSs and generators to improve performance. ▲ Qisda's subsidiary plans to upgrade the air compressors, cooling tower fans, and main air conditioning units at its Changshu plant in 2025. The upgrades will include variable frequency technology and smart control systems, with a total estimated budget of approximately NT$4.2 million.
	Purchase green electricity	Medium- and long-term	▲ 39,064 I-RECs were purchased at a cost of NT$527,373 in 2024. ▲ The Company enhances the use of green energy and installs solar power-related equipment.	▲ The Qisda Suzhou plant's solar energy project collaborates with vendors, requiring no construction costs; it only necessitates payment for green electricity at rates below market prices. ▲ Qisda's solar energy construction project cooperates with manufacturers and does not require construction costs. As part of the collaboration, we pay electricity bills lower than the market price to purchase green electricity. ▲ In 2024, a subsidiary installed its own solar photovoltaic system, with a construction cost of approximately NT$7.25 million. ▲ In 2024, Qisda's subsidiary purchased green electricity and certificates for approximately NT$45,000.	▲ In addition to generating solar energy on the top floor of the plant for self-consumption, renewable energy certificates are purchased to increase the Company's renewable energy proportion. We purchase I-REC certificates every year for the factories in Suzhou and Vietnam, and the Taiwan plant purchases green electricity every year. ▲ Cooperate with manufacturers to build solar energy projects and purchase green electricity to reduce the cost of purchasing electricity. ▲ In 2024, Qisda's Suzhou plant completed the construction of its solar power generation project. Full-scale power generation is expected to commence after obtaining national approval in May 2025. ▲ The solar power generation project at the Vietnam plant is scheduled to commence construction in 2025. ▲ The second phase of the solar power generation project at the Taoyuan plant is expected to be constructed in 2026, with an estimated annual power generation capacity of 600 MWH and an estimated construction cost of NT$20 million. ▲ Qisda assists the subsidiary to establish a solar photovoltaic system in the future and has formed a renewable energy project team to meet the growing demand for renewable energy.

Type	Climate Change Related Risk	Impact Period	Description of Risk Content	Potential Impact on Business, Strategies & Finance	Adaption & Responsive Actions
Transformation Risk	Market	Consumers are becoming more and more aware of the environmental impact of the products they purchase. If the environmental performance of our products cannot meet their expectations, there will be market risks.			
	Consumer's sustainability awareness	Long-term	▲ The increasing costs of additional labor and work hours associated with conducting LCA studies have eaten away at our revenues and profits. ▲ The market demand for cloud services or low-carbon products increases and transition is required more quickly.	▲ Since 2010, the financial impact caused by changes in consumer behavior on the cost of conducting an LCA has accumulated to approximately $341,000. ▲ Agency or development of related cloud and low-carbon products is needed to maintain market competitiveness.	▲ Qisda launched the "Carbon Management Platform System" in 2010 to provide customers with product carbon footprint reports immediately after mass production. Qisda conducts quarterly reviews through the ESG Committee, establishes and maintains a product greenhouse gas inventory system, and engages third-party verification to ensure data accuracy and compliance. ▲ Distributing low-carbon products in the face of competition in the green market: Assist distributors in the sale of low-carbon products (cloud-based, process automation). In the future, we will continue to request transition to carbon reduction technology and low-carbon materials. ▲ We implement carbon reduction practices and performance through transparent disclosure of ESG reports and communication with stakeholders.
	Rising costs of raw materials	Short-term and medium-term	▲ Reduced oil production affects transportation related material expenses. ▲ Customers request recyclable packaging materials. ▲ In response to our declaration of cutting carbon emissions by 30% in the supply chain by 2030, suppliers with better carbon emissions and higher costs are selected. ▲ Suppliers who fail to pass the RBA (Responsible Business Alliance) written and on-site audits are required to suspend production, resulting in an inability to continue supplying materials.	▲ The increase in transportation and related material costs amounts to approximately NT$14,000 per year. ▲ The cost of recycled packaging materials is about 20% higher than that of ordinary materials (The average cost increases by NT$6 million per year). ▲ The carbon reduction target has impacted material costs, amounting to approximately NT$26 million. ▲ Expanding the low-carbon supply chain and reducing the proportion of suppliers unable to comply with carbon reduction requirements, along with modifying R&D designs, has resulted in a cost increase of approximately NT$2.63 million. ▲ If suppliers are unable to maintain a stable supply, Qisda will face risks such as the need to purchase spot materials or seek alternative suppliers, leading to increased costs. In severe cases, this could result in production halts, ultimately impacting shipments and revenue.	▲ We introduce local procurement to reduce the risk of transportation and material costs, which affect the profitability. ▲ We use recycled plastic for injection molding to achieve recycling, environmental protection, and reduction of the costs. ▲ The Company introduces a second source to the supply chain to improve the bargaining power of the procurement unit. ▲ In response to high-risk suppliers identified as a result of RBA audits, substitute material manufacturers will be organized.

Type	Climate Change Related Risk	Impact Period	Description of Risk Content	Potential Impact on Business, Strategies & Finance	Adaption & Responsive Actions
Transformation Risk	Customer behavior changes	Long-term	▲ Customers have increasingly high expectations for the Company to conduct carbon footprint assessments. ▲ The customer sets goals for carbon reduction. ▲ Customer or regulatory requirements require the use of FSC (Forest Verified) certified paper.	▲ Calculating a product's carbon footprint adds additional time and labor. ▲ Our customers are planning to request the Company to apply EPEAT to our products through PAS2050 or ISO14067. This will increase the annual product certification fees. ▲ To comply with FSC, the estimated paper cost will increase by approximately NT$160,000. ▲ Qisda's subsidiary have developed energy-efficient products in response to customer requirements, resulting in an additional cost of NT$1.5 million.	▲ In 2010, the carbon footprint calculation system was used to improve calculation efficiency, meet customer requirements, and successfully reduce transformation risks. ▲ We reduce the carbon emissions during transportation, increase the proportion of local procurement, and combine and ship raw materials from the same location to reduce the frequency of transportation. Some mechanical component manufacturers use recycling bins for delivery to reduce the one-time use of boxes. ▲ We add ESG-related indicators to supplier evaluations, and include ESG as reference indicators for order allocation. ▲ The transition to carbon reduction technologies and low-carbon materials will continue to be a requirement in the future. ▲ We developed a sustainable supplier evaluation system and continue to collaborate with sustainable suppliers. If suppliers are required to move their production bases, we will work with the procurement department to complete an investigation into the supplier's green product-related qualifications in advance. In addition, mineral oil-containing inks are completely prohibited, and we will cooperate with customers to gradually reduce the use of printed matter and paper. ▲ To meet consumer demand for environmental sustainability, BenQ is not only developing energy-efficient products but also actively pursuing EPEAT certification to enhance its competitiveness in environmental performance. The estimated cost for this initiative is NT$1.55 million.
	Reputation	The identification and management of climate risks can affect the way the Company is viewed by external stakeholders and further influence business in long term.			
	Reputational risk	Long-term	▲ Sales will decrease if errors occur during the certification of energy-saving products. ▲ Due to poor carbon reduction efficiency, financial ratings are affected and financing costs will increase. ▲ The lack of good corporate sustainability actions and failure to meet the expectations of stakeholders will indirectly affect the Company's image and long-term development. In particular, if our carbon reduction efforts do not meet expectations, it will have a negative impact on our corporate reputation. At the same time, as domestic climate and sustainability-related regulations increase, operating costs will rise. ▲ Failure to achieve carbon reduction targets will affect corporate reputation, thereby reducing the willingness of talents to apply for jobs.	▲ The impacted recertification and sales of some products are estimated to affect 1% of the revenue. Therefore, it is necessary to cultivate professional environmental protection talents to avoid related risks. The annual training course fee is estimated to be approximately NT$200,000. ▲ If the supplier cannot continue to supply materials normally, it will lead to production suspension and ultimately affect shipments and turnover. ▲ The Company has launched many projects for sustainability issues and consequently needs talents with professional knowledge of sustainability. As such, we will increase the cost of manpower and educational training courses. For example, a subsidiary has set up dedicated sustainability Dep. and personnel, and continues to provide employee education and training. A total investment of approximately NT$2.6 million will be made in 2023. In addition, in accordance with relevant laws and regulations, we regularly compile sustainability reports every year, conduct greenhouse gas inventories and third-party audits, etc. The annual operating cost is approximately NT$1.45 million. ▲ This may lead to an extension of talent recruitment time by approximately 20% (approximately NT$13,000), while affecting the retention rate of existing talent, increasing the turnover rate by approximately 6%.	▲ Qisda will incorporate reputational issues with a high level of risk in the assessment conducted by the Risk Management Committee and the ESG Committee. The ESG Committee will establish a working group to suggest improvement plans and set KPIs for ESG-related issues, for example, establishing a carbon reduction plan with the relevant units to meet the stakeholders' expectations. ▲ The Company has environmental safety professionals who pay attention to environmental protection laws and regulations, conduct compliance evaluations, participate in professional courses on corporate sustainable development, avoid related risks, follow the guidance of headquarters, and carry out related operations as planned. ▲ In accordance with the customers' requirements, Qisda provides the GHG emissions data of the organization and products along with corresponding carbon emissions reduction plans. ▲ Implement carbon reduction measures and performance tracking with transparency, ensuring public disclosure to prevent the deterioration of financial equity. ▲ By promoting the Company's ESG activities and awards in campus talent recruitment activities, and by organizing related activities and industry-academia cooperation projects, the Company can simultaneously attract outstanding talents, deepen the understanding of ESG on campus, and cultivate sustainable talents to further promote the sustainable development of both society and the corporation itself. ▲ Information related to Qisda's ESG sustainability results is disclosed on the official website, highlighting the Company's continued emphasis and efforts on sustainability issues. The content of the ESG area is regularly updated to reflect the Company's latest progress and achievements in sustainable development in a timely manner. Through continuous information disclosure and transparency, the Company can build trust and interaction with stakeholders, further enhance the positive image and recognition of the Company, and simultaneously strengthen the attraction and persuasiveness of the Company when recruiting outstanding talents and investors.

Type	Climate Change Related Risk	Impact Period	Description of Risk Content	Potential Impact on Business, Strategies & Finance	Adaption & Responsive Actions
Physical Risk	Acute physical risks	Qisda has established an emergency joint defense mechanism, further integrating the Company and the Group's resources to assess and analyze climate events that may impact the Company's operations every year.			
	Typhoon, flood, and snowstorms	Medium-term and long-term	▲ Floods can disrupt the business activity, production, and delivery of products. For example, some of Qisda's factories in Mainland China are low-lying and may suffer from flooding if there is strong torrential rain. ▲ Extreme weather events, such as typhoons, earthquakes, and lightning strikes, lead to an increase in both the frequency and degree of property damage within factories and warehouses. Containers and front-line warehouses may be damaged during transportation, resulting in product loss. ▲ Shipment will be suspended for 3 days due to torrential rain/snowstorm. ▲ The severe flooding disaster will cause interruptions in upstream product production and transportation delays, resulting in delayed deliveries. ▲ Heavy rainfall will pose a threat to employee commuting safety, increasing the Company's personnel safety management costs.	▲ If Qisda's Suzhou plant experiences flooding, it may lead to power outages, causing a one-day production disruption, with an estimated financial impact of approximately NT$600,000. Production processes would need to be adjusted accordingly. Qisda's Taoyuan plant has allocated approximately NT$10,000 for emergency response supplies. In the event of a one-day production halt, the estimated loss would be around NT$1.29 million. To prevent flooding, Qisda's Vietnam plant has invested approximately NT$380,000 in sandbags and water pumps. ▲ Qisda's Taoyuan plant conducts annual maintenance on flood barriers and drainage pump equipment, with an estimated maintenance cost of approximately NT$800,000. ▲ If goods are damaged, revenue will be affected; insurance premiums will also increase due to climate change factors. ▲ Supply chain suspension and non-arrival of goods: As a result, materials are not completely available for the production line and production and shipment are affected; goods cannot be delivered to customers as scheduled, affecting subsequent payment collections.	▲ In 2021, we re-configured river drainage pipes for the plant in Mainland China and equipped them with flood prevention materials. In the event of an emergency of heavy rainfall, we will formulate plans to reschedule the work shift. Currently, we continue to monitor the annual water level changes and will take further measures if the risk increases. In addition, the confirmation of the availability of flood control and emergency supplies should be completed before the end of May every year, and the estimated amount is RMB 50,000 per year. ▲ We plan capacity deployment in advance and organize alternative solutions with respect to manufacturers and products. We continue to cooperate with sustainable suppliers. ▲ Through comprehensive professional analysis of climate disasters, we are able to transfer risks through insurance. In 2020, Fubon Insurance identified whether Qisda's Taiwan Plant was exposed to climate-related risks. We implement the relevant BCP and conduct practical inspections, maintenance, and drills, such as cross-plant and remote production deployment support, to minimize risks and disasters. ▲ In 2024, considering the impact of climate change, Qisda's Suzhou plant implemented a composite disaster scenario for the first time to enhance its Business Continuity Plan (BCP) drills. This initiative aims to strengthen emergency response capabilities, operational resilience, and crisis management effectiveness while optimizing collaboration and resource allocation to ensure stable operations during extreme climate events. The drill simulated a scenario in which continuous heavy rainfall caused severe flooding in the Suzhou plant area. During water pumping operations, an electrical fire broke out due to a short circuit, creating a dual-disaster situation. Through coordinated efforts in disaster response and resource deployment within the plant, the exercise improved overall disaster management capabilities, minimizing operational disruptions. ▲ Office buildings and warehouses are equipped with flood protection facilities, and an emergency response team is formed to cope with the occurrence of extreme rainfall. The plant is equipped with flood prevention materials; manual water flaps and manual emergency water pumping systems are installed in the engine room. We evaluate the construction of an autonomous floodgate system and establish early rainfall detection, guiding and drainage devices for the underground raft foundation (to increase the drainage water storage capacity). ▲ In the case of a typhoon forecast, we negotiate with the customer in advance to change the cargo flight schedule. We also collaborate with customers to conduct regular inspection of frontline warehouses.

Type	Climate Change Related Risk	Impact Period	Description of Risk Content	Potential Impact on Business, Strategies & Finance	Adaption & Responsive Actions
Physical Risk	Long-term physical risks	Regarding the long-term global climate trend, Qisda has identified risks and progressively adopted responsive strategies to prevent possible impact.			
	Water and electricity shortage	Long-term	▲ If power shortage occurs in the Suzhou Plant for a long period of time, production will be affected. ▲ The capacity of the Taiwan Plant will be affected in the scenario when Northern Taiwan suffers water scarcity and the policy "providing water for two days and cut off the supply for another two" is implemented. ▲ Water shortages in Vietnam have led to power restrictions during the summer, impacting production capacity. Additionally, unstable voltage fluctuations may further disrupt manufacturing operations. ▲ Global climate variability leads to a decrease in rainfall. For example, the severe drought in the Panama Canal in 2023 affected ocean shipping and the global supply chain. ▲ Power shortage affects the supplier's production, and materials cannot be supplied as scheduled. ▲ Unstable power supply results in power outages or frequent generator starts.	▲ Qisda Suzhou Plant: During the summer, the most likely risk is production shutdowns due to government-imposed power restrictions. If power restrictions last for three days, production capacity can be adjusted to mitigate the impact. However, in a worst-case scenario where production is halted one day per week, leading to a total of nine shutdown days in July and August, it could potentially affect orders valued at approximately NT$860 million. ▲ Qisda Taoyuan Plant: In the event of a water shortage, manufacturing costs are expected to increase by 0.11%. Power restrictions leading to reduced production capacity could result in a 0.44% rise in manufacturing costs. However, since the plant contributes a relatively small portion to the Company's overall operations, the financial impact remains minimal. To enhance water supply resilience, the plant is investing NT$2 million in additional water storage equipment, ensuring at least two days of on-site water availability. ▲ The estimated impact of one day's shutdown of the Vietnam Plant is about NT$430,000. Or, voltage instability may cause decrease in production capacity. The cost of procuring a generator is approximately NT$138,000. ▲ The cost of maritime transportation has risen by 1.4 times (NT$3.4 million). ▲ Lack of materials makes it impossible to produce normally, resulting in loss of the production capacity and turnover. ▲ The computer room maintenance increases. ▲ Establish a cloud operating environment for key systems to reduce the number of on-premises servers that do not store confidential data, with an annual cost of NT$2 million.	▲ In 2020, Qisda investigated in the status of the Group's water use and simulated complementary management plans for water shortage during the occurrence of droughts. ▲ The non-production personnel at the Qisda Taoyuan plant will implement remote work (Work From Home) to minimize the impact on production. The original water storage period of 2.5 days can be extended to 3.5 days, ensuring that production will not be affected. Regarding power restrictions, we will utilize existing solar energy storage for production and adjust work schedules during evenings or holidays to compensate for any shortfall in production. ▲ In response to the power shortage problem in Vietnam, solar energy generation facilities are installed and generators and voltage stabilizers are purchased (at the cost of about RMB 115,000). ▲ As Qisda has three factories in different countries, if a risk has a long-lasting impact on business in one country, the Company will appropriately allocate work to the other two factories to support production in that country. ▲ Bookings and shipments are made in advance to reduce the risk of port congestion and prolonged delivery time. ▲ We prevent material shortage on the supplier side by introducing a second source. ▲ We establish a cloud operating environment for critical systems and implement offsite backup plans to prevent power shortage. ▲ In the future, Qisda's Taoyuan Plant will continue to evaluate water conservation measures and install additional rainwater harvesting systems, such as retrofitting cooling towers to utilize recycled water.

Type	Climate Change Related Risk	Impact Period	Description of Risk Content	Potential Impact on Business, Strategies & Finance	Adaption & Responsive Actions
Physical Risk	Increase of annual temperature	Medium-term and long-term	▲ More electricity consumption is required to satisfy the need for air conditioning and heating due to the rise of the average temperature. ▲ Environmental factors lead to an increased machine maintenance rate. ▲ Overheating of equipment accelerates asset degradation and reduces operational efficiency. ▲ High temperatures increase the risk of heatstroke for outdoor workers. ▲ Excessive laboratory temperatures exceeding regulatory requirements hinder measurement and calibration tasks (e.g., length calibration and dimensional measurement areas). Overheated equipment (e.g., chambers) may experience shutdowns, impacting testing schedules.	▲ Expenses for purchasing air conditioners may cause a rise in costs. ▲ Electricity costs increase. (The Vietnam plant is projected to experience a 1% rise in maintenance costs, resulting in an increase in manufacturing costs) ▲ Install cooling system protection equipment, with an estimated cost of approximately NT$500,000. ▲ Qisda's subsidiary purchases energy-saving products and implements energy-saving measures, with an estimated cost of approximately NT$200,000. ▲ Qisda's subsidiary estimates that power restrictions will result in work stoppages, leading to an increased cost of approximately NT$1.06 million. ▲ Qisda's subsidiary has procured energy-efficient products and implemented energy-saving measures. Regular maintenance of air conditioning systems is conducted to maintain efficiency, with a cost of approximately NT$8.92 million. ▲ The existing equipment rooms at Qisda's Suzhou plant are generally equipped with air conditioning and ventilation fans, amounting to NT$1.29 million. The replacement of low-efficiency air conditioning systems incurs an additional cost of NT$400,000. ▲ To prevent heat-related illnesses, reasonable work hour adjustments have been made, along with the provision of cooling measures such as air conditioning, fans, ice, and cold beverages. Employees are also trained in heatstroke prevention and first aid, with an annual expenditure of NT$400,000. ▲ At Qisda's Taoyuan plant, the current maximum temperature does not exceed 38°C. All production equipment areas are air-conditioned, and additional ventilation fans and air conditioning units have been installed in server rooms. The increased air conditioning costs for 2024 and 2023 total approximately NT$1.32 million. ▲ Qisda's Vietnam plant has also incurred additional costs of approximately NT$960,000 for air conditioning and additional fans in workshops. ▲ Procurement of UPS and generators to reduce generator usage rate (NT$800,000 annually, with ongoing replacements and continuous investments, to be conducted after mid-year each year). ▲ Qisda's Taoyuan plant conducts regular maintenance to ensure the energy efficiency of its equipment, including air conditioning systems, with an annual maintenance cost of approximately NT$1.6 million.	▲ We have completed the replacement of the air conditioning and water-cooled chillers at a cost of NT$22.2 million after deducting government subsidies. ▲ To cope with the rising global temperature, we have purchased energy saving products and adopted energy-saving measures to regulate office temperature at 26°C. We perform regular air conditioning maintenance to ensure efficiency, promote water and electricity saving habits, and plan to commence evaluation of green building improvement projects after 2023. ▲ The improvement of the air conditioning system in the plant has increased the efficiency and stability of cooling to ensure smooth and on-time calibration and measurement without affecting the plant and R&D product schedule. Air conditioners and blowers are installed to reduce the ambient temperature and increase the cooling efficiency, thus reducing equipment damage and maintenance needs, extending equipment service life, ensuring that the product verification schedule is not affected, and reducing additional expenses for the Company. ▲ Control of the temperature and humidity of basic materials (15-35°C, 30-80% humidity) is performed. When the average climate exceeds the standard, the PCB will be relocated and stored in the same environment as the big warehouse. ▲ When purchasing temperature and humidity regulating equipment, we have introduced an evaluation to assess the water recycling function of the system. ▲ The highest temperature in Taiwan currently does not exceed 38°C, and the highest temperatures in Suzhou and Vietnam currently does not exceed 42°C. All production equipment areas are equipped with air conditioners, and exhaust fans and air conditioners are installed in the server room. If daytime temperatures exceed 45°C for a long period of time, employees will be asked to work at night and rest during the day. ▲ Energy efficiency is optimized through the continuous promotion of energy-saving and carbon reduction measures. ▲ The laboratory uses temperature and humidity recorders to monitor the temperature in the length calibration and dimensional measurement areas, maintaining it at 20±1°C to comply with calibration and measurement standard requirements.

Climate-Related Opportunities and Financial Impacts

	Type	Impact Period	Potential Financial Impact	Responsive Actions
Resource Efficiency	Energy-saving benefit	Short-term	▲ The Taoyuan plant's energy-saving plan saves approximately NT$830,000 in 2024. ▲ We reduce paper usage and save company expenses (approximately NT$260,000 per year). ▲ Instruction manuals are digitalized to reduce operating costs by 10% - 15%. ▲ We monitor the risk of abnormal power consumption and immediately correct the problem and equipment, with a benefit of NT$2.2 million. ▲ The replacement of the air compressor to enhance energy efficiency, the optimization of energy consumption for the air conditioning water pump, and the adjustment of the gas source at the measurement center are projected to yield annual electricity cost savings of NT$3.9 million. ▲ Circular economy initiatives, such as recycling hot gas to reduce operating costs, creates an estimated benefit of RMB 200,000/year. ▲ We optimize the production process and introduce automation to reduce our carbon footprint and production labor costs. ▲ We introduce the use of low-carbon energy to reduce carbon emissions and carbon fees that may be levied in the future. ▲ The Experimental Testing Center upgrades its energy-efficient testing equipment to conserve electricity and water.	▲ In 2024, the frequency adjustment of the Taoyuan Plant's exhaust 40HP*2 equipment will be reduced from 60hZ to 55HZ, saving approximately 224,069 kWh. ▲ In order to mitigate the effects of customer requirements on Qisda, we have devised plans for relevant GHG emissions reduction. These plans fall into one of two categories: engineering improvement and administrative management. ▲ The Company investigates the energy use of all plants, identifies energy-intensive equipment and processes, invests resources in their improvement, establishes energy management and energy saving goals, conducts an energy review on a quarterly basis, and monitors and continuously improves energy performance by promoting ISO 50001 (Energy Management Systems) and conducting energy reviews. We prioritize the replacement of old energy-consuming equipment and the use of energy-saving equipment as our main energy-saving measures. Smart electric meters are introduced in the plant to analyze the power consumption status of production lines and processes to find out the best control solutions. The daily production plan is adjusted through the smart cloud situation room. ▲ Qisda continues to use energy conservation data as the basis for achieving sustainability goals, and conducts quarterly reviews to track our progress in emissions reduction. Using 2021 as a baseline year for our key performance indicators, we aim to achieve a 42% reduction in Scope 1 and Scope 2 greenhouse gas emissions in 2030. ▲ In order to reduce energy consumption, Qisda has established relevant programs, such as replacing the original T8 (40W) fluorescent lights with LED (20W) lights in all office areas and some warehouses. ▲ The Suzhou plant replaced energy-efficient air compressors, optimized air conditioning water pumps, and adjusted the air supply in the measurement center in 2024. ▲ Employees are encouraged to use scanning for archiving or reuse waste paper to reduce printing. The Company has implemented a paperless internal approval process, aiming to protect the environment, conserve energy, reduce pollution, and lower costs. ▲ In addition to publishing electronic manuals on the website, the Company will explore other appropriate distribution methods in compliance with customer needs and regulations, such as embedding them in machines or providing them via USB storage devices. ▲ In 2024, Qisda's subsidiary implemented intelligent monitoring and control systems for server room temperature, humidity, air conditioning, and power consumption to conserve energy. This initiative aims to detect abnormal electricity usage, identify causes, and promptly implement corrective measures. ▲ In the future, the heat from the air conditioner is expected to be collected to preheat hot water for use in the dormitory, reducing electricity consumption. ▲ Conduct production process simplification projects through CIP to improve energy conservation and carbon reduction benefits. ▲ We implement carbon reduction measures, carbon inventory, and transparent disclosure. ▲ The Experimental Testing Center has upgraded to new energy-efficient equipment, achieving an average electricity savings of approximately 45% and a maximum water savings of about 80% per unit.

	Type	Impact Period	Potential Financial Impact	Responsive Actions
Resource Efficiency	Water-saving benefit	Short-term	▲ The cost for water bills and hazardous waste disposal in the Suzhou Plant is reduced by NT$7.3 million. ▲ The Company promotes engineering improvements and administrative management of water conservation related plans. (If the Vietnam Plant is expected to reduce water consumption by 0.05%, NT$54,000 can be saved).	▲ To reduce water usage and consumption, Qisda's ESG Committee has set a KPI (Key Performance Indicator), aiming to reduce water consumption per million USD of production value by 18% compared to the 2021 base year by 2030 through relevant initiatives. In 2024, the global manufacturing sites set a water usage target of 126 tons per million USD of production value, with an actual result of 100 tons, successfully achieving the goal. ▲ Each manufacturing facility shall conduct quality inspection for discharged wastewater in line with the requirements of the local competent authority. ▲ Qisda establishes relevant plans to reduce water consumption and leakage, which fall into one of two categories: engineering improvement and administrative management. These plans include checks on and repair of leakage, replacement of old pipelines, installation of water-saving equipment and promotion of water conservation. ▲ The recycling rate of the wastewater in the production of the Suzhou Plant varies depending on the production line. The recycling rate is between 70% and 100%. As for the Taiwan Plant, the production volume is small and water consumption is not large, accounting for a relatively low proportion of the Company's overall cost, so its impact on operations is relatively minimal. The Vietnam Plant has launched a water-saving campaign and adopted smart technologies such as pressure regulators and automated water supply systems etc. to achieve more effective use of water resources and minimize waste.
	Efficient green building	Medium-term and long-term	▲ Lower indirect (operating) cost. ▲ Due to Qisda Suzhou's outstanding performance in air pollution control, Qisda successfully received an RMB 3.17 million central air environmental protection subsidy from the People's Republic of China in December 2024.	▲ The increase of energy efficiency in plants can bring about energy conservation and cost reduction. Qisda has set up relevant engineering improvement plans to make our buildings more efficient. ▲ In 2022, the Shuangshing Plant in Taiwan successfully obtained a three-year extension (2022-2025) for its Green Factory Label. ▲ In 2023, the Shuangshing Plant in Taiwan upgraded its Green Building Label for existing buildings to Silver level (Bronze level in 2022). ▲ In 2024, the Shuangshing Plant in Taiwan maintained its valid Green Factory Label and Silver-level Green Building certification. ▲ We applied for China's Green Factory Certificate of Jiangsu Province for the Suzhou Plant in 2023. For this, we will inventory our existing green products, green design and energy-saving measures as well as expand the scope for the ISO 50001 certification. ▲ Through continuous improvement in air pollution control, Suzhou Qisda has received national-level recognition. The plant upgraded its soldering fume treatment system from primary activated carbon adsorption to a zeolite rotor adsorption-desorption system, significantly enhancing processing efficiency. The new system achieves non-methane emissions below 20mg/m^3, far lower than the local Suzhou government's regulatory limit of 60mg/m^3. Additionally, all exhaust collection pipelines were replaced to minimize fugitive emissions, effectively improving the working environment for employees.
Energy Source	Solar energy installation	Medium-term and long-term	▲ The Suzhou Plant cooperates with an energy company by providing a site for the power company to install power generating equipment. After operation, Qisda purchases green electricity to use and pays the energy company electricity fees that are lower than the utility rate. ▲ In 2024, annual electricity cost savings amounted to NT$2.2 million. ▲ Qisda's subsidiary solar energy installation saves NT$400,000 in electricity costs annually；another companysolar energy installation saves approximately NT$1.3 million in electricity costs annually.	At the end of 2021, solar energy installations were completed, including the grid connection of Suzhou Phase I Solar Power and Taoyuan Shuangshing solar power grid connection. Each year, these installations generate electricity savings. ▲ In 2024, the total solar power generation at Qisda's Taoyuan plant reached 560,000 kWh, all for self-consumption, saving approximately NT$2.35 million. ▲ In 2024, Qisda's seven plants in Suzhou completed the rooftop solar power installation project. The system is expected to receive approval from the national power grid by May 2025, with an estimated annual electricity cost savings of approximately NT$3.5 million. ▲ Qisda Taoyuan Plant is expected to start subsequent solar energy construction projects in 2026, with an estimated annual power generation capacity of 600 MWH. ▲ In 2024, Qisda's subsidiary completed the installation of solar energy facilities, which will reduce energy costs. Starting in 2025, the annual electricity savings are expected to be approximately NT$400,000. ▲ In 2024, the subsidiary completed the first phase of rooftop solar power installation. If the second phase, covering four major center buildings, is completed, the estimated annual electricity savings will be approximately NT$1.76 million.
Product and Service	Low-carbon products and services	Short-term and medium-term	▲ The indirect (operating) cost is reduced. The reduction of water consumption can result in a decrease in carbon and costs. ▲ Using local maintenance services saves NT$19,000 per shipment when shipping back to the plant. ▲ The Vietnam plant arranges two sea shipments per month, resulting in an annual shipping cost savings of approximately NT$520,000.	▲ The use of materials and GHG emissions shall be reduced by 5% in comparison with 2015. This goal must be achieved with the specific product of each business unit. ▲ Establishment of local maintenance services: By establishing or seeking cooperation in local markets, there is no need to send maintenance products back to the plant, which can reduce carbon footprint and costs, as well as save maintenance time. ▲ Each plant is increasing the use of local suppliers to reduce reliance on sea and air transportation. For example, the Vietnam plant is reducing factory-to-factory or supplier shipments via sea freight (such as bulk cargo, consolidated containers, and electronic materials). This not only lowers shipping costs but also reduces the carbon footprint. ▲ Collect information on green products domestically and internationally to develop environmental sustainability plans. Enhance green procurement management and refine process technologies.

	Type	Impact Period	Potential Financial Impact	Responsive Actions
Market	Sustainable value	Medium- and long-term	▲ Responding to the government's sustainability policy, we strive for subsidies. ▲ We disclose ESG reports on a regular basis. We show a positive corporate image of sustainability and obtain relevant certifications, such as the TCO certification for promoting the industry-leading environmental and ecological protection, in order to win the recognition of customers and increase sales. ▲ Gradually implement renewable energy with the goal of achieving RE100. ▲ Improve supply chain evaluation scores and expand the green market. ▲ Reduce carbon footprint and promote environmental protection by encouraging online meetings, saving approximately NT$29 million in travel expenses annually. ▲ Selected for the S&P Yearbook Top 5%, expected to increase revenue by approximately NT$10 million.	▲ Qisda's subsidiary plans to implement energy-saving and carbon reduction measures through government technology project subsidies in 2025. These measures will focus on the HCF EMS system, AIoT heterogeneous carbon reduction sensing, energy monitoring, smart facility management, and cooling tower power savings, with a total budget of NT$14 million. ▲ For display products, we promote TCO certification together with customers to improve product competitiveness. ▲ We assist and request suppliers to comply with domestic and international sustainable supply chain regulations and implement environment-related regulations. ▲ Addressing deficiencies found in the sustainability supply chain audits of subcontractors, improvements and corrective actions have been implemented. Sustainability issues have been integrated into supplier screening and procurement evaluation processes, with supplier questionnaires also included as a reference for assessing suppliers' sustainability performance ▲ Utilize low-carbon energy by installing solar panel systems. ▲ Incorporate sustainability values into the annual supplier evaluation to enhance supply chain sustainability management. To improve the Company's sustainability performance, establish a dedicated unit with responsible personnel and continuously provide training for all employees. ▲ Fully promote online meetings (such as Teams/zoom meeting/Skype, etc.) to replace physical meetings, reducing the carbon footprint of global conferences, improving work efficiency, and effectively saving travel costs.
	Green finance	Short-term	▲ We introduce green finance (financing). In 2024, we secured syndicated loans to the amount of NT$18 billion from 13 financial institutions, thereby reducing the operating cost and interest by approximately NT$3 million per year.	▲ The Company complied with the requirements of the bank's joint loan project and continued to achieve ESG indicators. ▲ We implement carbon reduction measures, carbon inventory, and transparent disclosure. Based on the ESG performance, we continue to look for appropriate financing channels to benefit the Company.

	Type	Impact Period	Potential Financial Impact	Responsive Actions
Resilience	Energy-saving commodities	Medium-term and long-term	▲ We proactively develop the energy market to boost revenue growth. ▲ Qisda's subsidiary develops green products and achieves an annual turnover of NT$475 million. ▲ In 2024, Qisda's projector products pursued government and enterprise procurement projects through green certifications such as TGM and CECP/CEL, generating approximately NT$64 million in revenue. The development of energy-saving solid-state light source products contributed around NT$350 million in revenue. Additionally, 82% of LCD product models met Energy Star standards, accounting for 70% of total revenue. ▲ BenQ's PDP products have achieved 100% energy-saving certification. ▲ Qisda's subsidiary acts as an agent for low-carbon and cloud-based products, increasing opportunities in the green market. In 2024, low-carbon product sales grew by 52% compared to the same period last year. ▲ Reusable turnover boxes and various pallets have extended their usage cycles, achieving a recovery rate of over 90%, saving approximately NT$11,000. ▲ Actively localizing suppliers has reduced transportation costs and inventory expenses by approximately NT$5.6 million.	▲ Qisda Group is actively engaged in the development of energy-saving products, and expects that green energy products will make up a growing proportion of the Company's revenue every year. ▲ Qisda's subsidiary company, ACE Energy is committed to provide comprehensive energy services based on smart energy-saving solutions and ESG sustainability principles. Their solutions cover air conditioning, air compression, heat recovery, lighting, power management, UPS (uninterruptible power supply) systems, energy storage, and electrical equipment monitoring, integrating data into networked management systems. Through energy performance sharing and green energy system implementation, ACE Energy establishes long-term partnerships with clients to achieve sustainable development goals. From design to operation, they offer professional energy-saving solutions and maintenance services to ensure safe operation and efficiency. Additionally, by acting as an agent for low-carbon and cloud-based products, they enhance the company's competitiveness in the green product market while proactively preparing for customers' growing demand for low-carbon goods and services, supporting businesses in their low-carbon transformation. ▲ Business units incorporate energy label needs in the early product development stage, and adjust product specifications according to the needs during the development process. In addition, our panel manufacturers are constantly seeking new materials and technologies to reduce energy consumption. As for the safety regulations, OEMs, and panel manufacturers also pay close attention to the latest regulatory updates from the U.S. Energy Star to cope with the stricter energy conservation standards. ▲ The transition to carbon reduction technologies and low-carbon materials will continue to be a requirement in the future. ▲ BenQ currently uses 35% recycled materials in plastic casings and EPS for cushioning packaging. In the future, they plan to increase the recycled content in plastic casings to 65% or 85% and transition to fully paper-folded or paper-plastic composite materials for cushioning packaging. BenQ is actively enhancing its product green certification efforts, which are expected to boost revenue by approximately NT$3.3 billion. Beyond energy efficiency, the company is also committed to obtaining EPEAT certification to strengthen its competitiveness in environmental sustainability, with an estimated additional revenue increase of NT$28 million in the future. ▲ We implement circular economy and reuse plastic, iron parts, and paper packaging materials. Modular packaging materials helps us reduce waste and carbon. ▲ Qisda's Suzhou S3 plant completed the implementation of the UL2799 landfill waste flow declaration in 2024. ▲ The Vietnam plant has increased the localization of key material suppliers (such as structural components), reducing the number of freight shipments per month and lowering inventory levels.

Climate Change Risks, Opportunities, and Financial Impact Assessment

In accordance with the TCFD framework, the Company has estimated the financial impacts of climate change-related risks. The primary transition risks assessed include costs associated with green product investments, technological transformation, and energy-saving improvements. Specifically, we have estimated expenses related to energy efficiency enhancements and solar energy storage installations at both our Taiwan and overseas plants for 2024. Market risks are evaluated based on the financial impact of changing consumer behavior on Life Cycle Assessment (LCA). Policy and regulatory risks include costs associated with "carbon disclosure" audits and certifications, ESG-related training and guidance, and the implementation of carbon pricing. For the financial assessment of physical risks, we have considered the potential impacts of extreme weather events such as heavy rainfall, flooding, and power shortages on production and shipments. The preliminary financial impact estimates of these risk factors are detailed in Climate-Related Risks Financial Impacts Table 1.

Additionally, Qisda has evaluated the financial impact of climate-related opportunities, which include improving energy and water resource efficiency, expanding into the energy market, and aligning with sustainability and environmental policies to create long-term value. The development of green products is expected to have a positive financial impact on overall revenue, as detailed in Climate-Related Opportunities Financial Impacts Table 2. Based on the analysis, while climate change adaptation may lead to short-term financial costs, actively addressing potential risks also presents opportunities. Qisda remains committed to focusing on low-carbon products and services, advancing towards becoming a more climate-resilient and sustainable company.

Climate-Related Risks Financial Impacts Table 1

Risks	Reasons for Financial Impact	Amount (NTD 10,000)
Policy and Regulation	Energy-saving improvements at Taiwan plants, carbon disclosure inventory and certification, ESG-related training and guidance, and the implementation of carbon pricing.	3,847
Technical Risk	Investment in R&D costs for green products and technology transformation, procurement of online communication equipment to enhance meeting efficiency, replacement of outdated equipment, adoption of low-carbon materials, and purchase of I-REC certificates.	12,237
Market Risk	The growing sustainability awareness among consumers has financial implications for implementing Life Cycle Assessment (LCA), as well as for the adoption of green packaging materials and eco-friendly paper.	4,721
Reputational Risk	Training related to environmental safety and greenhouse gas issues in terms of corporate reputation.	450
Physical Risk	The Suzhou plant is most likely to experience production halts due to power restrictions during the summer. In the worst-case scenario, if production is suspended one day per week, operations would be halted for a total of nine days in July and August, impacting order value.	8,600
	To mitigate operational risks caused by power shortages, water shortages, flooding, and rising temperatures, costs related to the procurement and maintenance of relevant equipment.	2,123
	To mitigate the impact of power shortages, a cloud-based operational environment for critical systems has been established, reducing the number of on-premises servers that do not store confidential data.	200

Climate-Related Opportunities Financial Impacts Table 2

Opportunity	Reasons for Financial Impact	Amount (NTD 10,000)
Resource Efficiency	Taiwan plant's green factory energy-saving plan; Suzhou plant and hospitals effectively monitor abnormal electricity usage, optimize water and hazardous waste disposal costs, implement waste heat recovery and reuse, and receive government subsidies for high-efficiency building certification.	2,970
Energy Source	Installation of solar energy to reduce electricity costs	625
Product and Service	The Vietnam plant reduces two ocean shipments per month, saving transportation costs throughout the year.	52
Market	In response to government sustainability policies, subsidies are obtained; the adoption of online meetings reduces travel costs and carbon footprint; green financing is secured to lower interest rates.	4,200
Resilience	Actively expanding in the energy market and introducing new green products to increase revenue.	89,461

Metrics and Targets

To achieve the goal of becoming a green enterprise, Qisda had committed to joining the SBTi in 2022 and has set up carbon reduction goals in 2023. In the future, we will engage with the value chain to march towards our RE100 and net-zero emission goals. The impacts of climate-related issues are of great concern to Qisda. Considering that the scope of these impacts covers every aspect of the Company' s operations and future development, the Chairman of the Board of Directors personally supervises these impacts to ensure that the Board of Directors understands the implications of climate change for the Company' s sustainability. At the same time, through effective internal top-down management, we have integrated ESG performance and achievement into the KPIs and remuneration of the CSO and other senior executives. The Company has decided to establish a long-term remuneration plan for the Chairman, CEO, President, and other senior managerial officers starting from 2023. This plan is connected to their ESG performance (corporate governance, social engagement, and environmental sustainability performance indicators) and grants long-term reward and compensations based on the achievement of ESG performance targets every year. Taking the President for example, the compensation is estimated to account for up to 10% of his total remuneration of the year.

Energy Consumption and Conservation

Energy Management

Qisda Energy Management Policy

Qisda is committed to the implementation and promotion of energy management practices and principles. Qisda has established an energy management policy to fulfill its corporate social responsibility commitments. This policy emphasizes improving energy efficiency and reducing greenhouse gas emissions, requiring all plants and offices to implement effective energy management. Qisda continuously monitors energy targets and management performance to achieve environmental sustainability.

Qisda joined the RE100 initiative in 2022 and pledges to use 100% renewable energy by 2040. Qisda promotes ISO 50001 (Energy Management Systems) at the three manufacturing sites in Taiwan, Suzhou, China (Electronics and telecommunications equipment plants) and Vietnam. The Company uses energy audits to better understand the use of energy within the scope of its business, identifying energy-intensive equipment and processes, and investing resources into its improvement. Additionally, the Company establishes energy management and energy saving goals, and conducts an energy review on a quarterly basis to monitor and improve their energy performance. Replacement of old energy-consuming equipment and use of energy-saving equipment takes priority in our energy-saving measures. Smart electric meters are introduced in the plant to analyze the power consumption status of production lines and processes to find out the best control solutions. Energy consumption is monitored daily, and production plans are adjusted accordingly. It is expected to save energy by 9,698 MWh and reduce carbon emissions by 5,578 tCO2e.

Through the implementation of ISO 50001 (Energy Management System), the aim is to enhance employees' understanding of and engagement in energy management, ensuring the effective operation of the Energy Management System (EnMS) within the organization. The training covers topics such as energy policies, objectives, energy-saving measures, actions to address energy risks, and individual roles, with an emphasis on continuous improvement and performance monitoring. By providing training, the company seeks to raise awareness of energy conservation, promote the adoption of best practices, reduce energy consumption and costs, comply with ISO 50001 requirements, and achieve corporate sustainability goals.

Qisda Greenhouse Gas Scope 1 and Scope 2 – Location-based

Climate Indicator	2021 Base Year	2021	2022	2023	2024	Reduction % (Compared to the Baseline Year)
Total GHG emissions ($tCCO_2e$)	106671.70	106671.70	77836.79	66584.99	71088.26	-33%
Carbon emission per personal hourly electricity consumption ($kgCO_2e$)	2.5	2.5	2.0	2.3	2.19	31%
Electricity consumption per million USD production value (kWh)	27,532	27,532	29,436	38,957	41,179.74	50%
GHG emissions for each million USD value (tCO_2e)	0.47	0.47	1.15	1.19	0.89	88%
GHG emissions for each million USD value (tCO_2e) (Scope 1)	21.44	21.44	17.47	21.52	23.56	10%
GHG emissions for each million USD value (tCO_2e) (Scope 2)	21.9	21.9	18.6	22.7	24.44	12%
Greenhouse gas (GHG) emissions include Scope 1 and Scope 2, calculated using the location-based approach.						
GHG inventory boundary is aligned with the reporting boundary and covers Taiwan, China, and Vietnam.						

Qisda Greenhouse Gas Scope 1 and Scope 2 – Market-based

Climate Indicator	2021 Base Year	2021	2022	2023	2024	Reduction % (Compared to the Baseline Year)
Total GHG emissions (tCO_2e)	106671.70	106671.70	75,563.55	51,905.90	48356.67	-55%
Carbon emission per personal hourly electricity consumption ($kgCO_2e$)	2.5	2.5	1.9	1.8	2.19	-12%
Electricity consumption per million USD production value (kWh)	27,532	27,532	29,436	38,957	41,179.74	50%
GHG emissions for each million USD value (tCO_2e) (Scope 1)	0.47	0.47	1.15	1.19	0.89	88%
GHG emissions for each million USD value (tCO_2e) (Scope 2)	21.44	21.44	16.93	16.51	15.74	-27%
GHG emissions for each million USD value (tCO_2e)	21.9	21.9	18.1	17.7	16.63	-24%
GHG Emissions Include Scope 1 and Scope 2. They are Incorporated in the Market-Based Calculation						
Greenhouse gas inventory scope: Aligned with the reporting boundaries, covering Taiwan, China, and Vietnam.						

Greenhouse Gas Reduction Measures in 2024

Reduction Type	Project	Categorization & Scope of Emissions Reduced	Annual Energy Savings (MWh)	Annual Energy Savings (GJ)	Annual Emission Reduction (tCO_2e)
Policy or behavioral change	Installation of microwave sensor tube lights	Scope 2	4	14	2.28
Process energy efficiency	Converting partial workstations to independent gas supply	Scope 2	360	1,296	205.31
	DQ9 air compressor energy saving	Scope 2	650	2,340	370.70
	DQ9 water pump energy-saving retrofit	Scope 2	60	216	34.22
	Control of streetlight in the plant area	Scope 2	55	198	31.37
	S1, S4, and DQ8 air compressor energy saving	Scope 2	1,100	3,960	627.33
	S5 HVAC water pump energy saving	Scope 2	13.2	47.52	7.53
	Measurement center gas supply adjustment	Scope 2	95.8	344.88	54.63
	Energy conservation in QTY facility management	Scope 2	350	1,260	172.90
	Energy conservation in QTY production	Scope 2	10	36	4.94
Energy saving	Subtotal		2,698	9,713	1,511.20
Use of green energy	Phase II solar power generation project in Suzhou Plant	Scope 2	7,000	25,200	4,067
Total			9,698	34,913	5,578

Energy Consumption

The energy consumption within the Qisda Group includes electricity used in offices and factories and fuels (natural gas, gasoline and diesel fuel). According to the ISO 14064-1:2018 inventory, the electricity used in offices and factories is the main source of energy consumption. A solar power system has been built in the plants in Taiwan and Suzhou, for self-consumption. Energy storage equipment has been installed to facilitate both load shifting and peak shaving. In 2024, Suzhou Plant expanded its second phase of the solar power system to continuously reduce the use of gray electricity and increase the percentage of renewable energy. In 2024, the in-plant solar power system generated about 4.85 million kWh, accounting for 4.1% of Qisda's overall electricity consumption. The Company purchased approximately 39,064 MWh of renewable energy certificates for the plants in China and Vietnam, accounting for 32.7% of Qisda's overall electricity consumption. The proportion of renewable energy was 36.7%. The energy intensity in 2024 was 41,179.74 kWh per million USD production value.

Energy		Unit	2021	2022	2023	2024
Electricity	Self-consumed & renewable	kWh	9,680	5,200,534	5,208,939	4,851,830
		MJ	34,848	18,721,922	18,752,180	17,466,588
	Purchased & renewable	kWh	0	3,500,000	24,700,000	38,044,000
		MJ	0	12,600,000	88,920,000	136,958,400
	Purchased & non-renewable	kWh	127,900,000	117,846,382	109,008,914	116,703,000
		MJ	460,440,000	424,246,977	392,432,091	420,130,800
Natural gas		1,000 cubic meters	180.6	339.16	198.53	302.41
		kWh	1,957,154	3,675,461	2,151,506	3,277,162
		MJ	7,045,748	13,231,649	7,745,414	11,797,772
Gasoline		Tonnes	13.9	99.97	96.86	193.33
		kWh	273,778	1,244,072	1,205,357	2,405,886
		MJ	985,600	4,478,656	4,339,283	8,661,184
Diesel fuel		Tonnes	10.8	14.68	29.58	28.10
		kWh	118,222	182,685	368,091	349,683
		MJ	425,600	657,664	1,325,125	1,268,857
renewable energy consumption (self-consumption)		kWh	9,680	8,700,534	5,208,939	4,851,830
		MJ	33,480	31,321,922	18,752,180	17,466,588
renewable energy consumption (Renewable Energy Certificate)		kWh	0	3,500,000	24,700,000	39,064,000
		MJ	-	12,600,000	88,920,000	140,630,400
Total renewable energy consumption		kWh	9,680	12,200,534	29,908,939	43,915,830
		MJ	33,480	43,921,922	107,672,180	158,096,988
Total non-renewable energy consumption		kWh	130,164,532	122,948,600	112,733,868	120,952,455
		MJ	464,583,608	442,614,946	405,841,914	435,428,821

GHG Emissions

With the issue of global warming becoming more and more severe, Qisda, as a global citizen, has established a GHG inventory for global manufacturing sites with reference to ISO 14064-1 (Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals) and the GHG Protocol since 2007. GHG inventories and third-party verifications have been conducted annually. Currently, the GHG inventory of the organizational boundaries has reached 100%. Qisda further conducted third-party verification according to the ISO 14064-1:2018 standard for the GHG inventory data of all factories around the globe in 2024.

In 2024, the global total Scope 1 and Scope 2 GHG emissions of Qisda amounted to around48,356.67 tCO2e (market-based). The main source of emission was found to be carbon dioxide resulting from the generation of the electricity we purchased for our operations. This accounted for more than 90% of overall emissions of the Company. In accordance with the ISO 14064-1:2018 standard, Qisda has also included Scope 3 indirect greenhouse gas emissions in the disclosure since 2021, which has been verified by a third-party verification institution. In the future, we will expand the scope of the disclosure and verify the types of indirect GHG emissions in each plant. Qisda complies with the principles of the National Renewable Energy Certification Center and applied for the Renewable Energy Certificate (T-REC) for the Taiwan Plant based on its volume of solar power generation in 2022. We also purchased international renewable energy certificates (I-RECs) for the Suzhou Plant. We will follow the GHG Protocol Scope 2 Guidance to disclose and describe Scope 2 GHG inventory reductions in the CDP survey.



Scope (tCO2e)		2021	2022	2023	2024
Scope 1	Stationary combustion	413.51	769.02	466.31	689.08
	Mobile combustion	71.13	292.18	284.41	110.75
	Process emissions	0.00	0.00	0.00	0.00
	Fugitive emissions	1,808.11	3,743.77	2,750.32	1,775.10
Subtotal		2,292.75	4,804.97	3,501.04	2,574.93
Scope 2	Location-based	102,262.35	73,031.83	63,083.95	68,513.33
	Market-based	102,262.35	70,758.59	48,404.86	45,781.74
Total (Scope 1 & 2)	Location-based	104,555.10	77,836.79	66,584.99	71,088.26
	Market-based	104,555.10	75,563.55	51,905.90	48,356.67

Substance of GHG emissions (tCO2e)	2021	2022	2023	2024
CO2	102,927.43	71,882.54	49,142.83	46,574.92
CH4	825.65	726.54	776.37	957.58
N2O	3.63	10.53	9.38	12.44
NF3	0.00	0.00	0.00	0.00
HFC	778.68	2,924.18	1,956.48	790.90
PFC	0.00	0.00	0.00	0.00
SF6	19.76	19.76	20.84	20.84
Total	104,555.16	75,563.554	51,905.90	48.356.67

Source of Scope 3 emissions (tCO2e)	2021	2022	2023	2024
Purchased goods and services	–	–	–	–
Capital goods	–	–	–	–
Fuel- and energy-related activities*	–	1,473.79 (*QTY)	1,252.61 (*QTY)	1,438.03 (*QTY)
Upstream transportation and distribution	–	–	–	–
Waste generated in operations*	–	65.20 (*QTY)	75.28 (*QTY/QVH)	97.65 (*QTY/QVH)
Business travel*	59.62 (*QTY/QCS)	127.67 (*QTY/QCS/QVH)	315.97 (*QTY/QCS/QVH)	452.71 (*QTY/QCS/QVH)
Employee commuting *	16.77 (*QTY/QCS)	135.19 (*QTY/QCS/QVH)	111.98 (*QTY/QCS/QVH)	98.62 (*QTY/QCS/QVH)
Upstream leased assets	–	–	–	–
Downstream transportation and distribution	–	–	–	–
Processing of sold products	–	–	–	–
Use of sold products	–	–	–	–
End-of-life treatment of sold products	–	–	–	–
Downstream leased assets	–	–	–	–
Franchises	–	–	–	–
Investments	–	–	–	–
Total	76.39	1801.85	1,755.84	2,087.62

Remark:

- The GHG inventory at the organization level is based on the ISO 14064-1:2018 version. Operational control is adopted as the method of compiling the amount of GHG.
- We adopted the global warming potential in IPCC's Sixth Assessment Report in 2021. The emission factor is calculated in accordance with the value announced by the central competent authority at the location of the plant.
- The amount of direct and indirect GHG emissions as well as emissions from imported energy (Scope 1 and Scope 2) has been verified by a third-party verification organization.
- Scope 3 GHG emissions marked with "*" have been verified by a third-party verification institution: verified according to AA1000 in 2020, and verified according to ISO 14064-1 in 2021, 2022, 2023, and 2024.

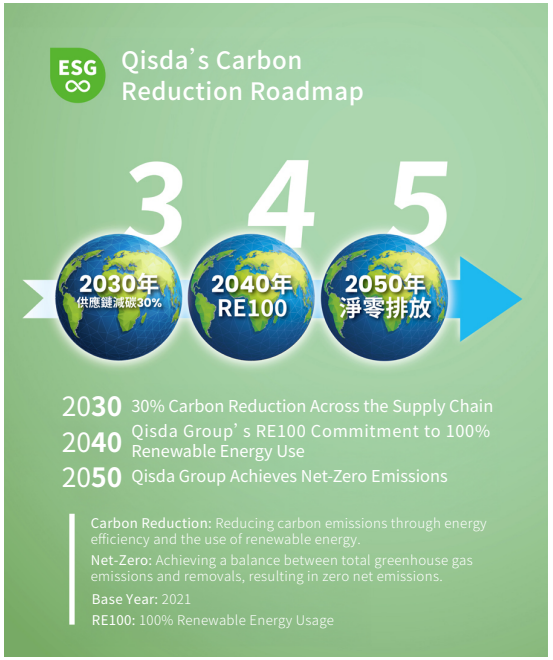
Reduction Targets and Commitments

Qisda has committed to short-, medium- and long-term carbon reduction goals: cutting carbon from the supply chain by 30% by 2030, switching to 100% renewable energy by 2040, and reaching net-zero emissions by 2050. We have passed the target verification review under the Science Based Targets initiative (SBTi), an authoritative international climate action organization. With the scope of financial statements as the organizational boundary, we actively propose carbon reduction goals in line with the 1.5°C global warming threshold specified under the Paris Agreement of the United Nations Climate Summit. With 2021 as the baseline year, we will achieve a 42% reduction in Scope 1 and Scope 2 greenhouse gas emissions and a 25% reduction in Scope 3 greenhouse gas emissions by 2030.

The primary source of Qisda's operational emissions is the use of the purchased electricity under Scope 2, accounting for approximately 90% of Scope 1 and Scope 2 emissions. Qisda officially joined RE100 in December 2022 to achieve the goals of carbon reduction. We actively promote the construction of renewable energy and energy storage systems at all manufacturing sites, and launch carbon reduction actions through replacing old equipment, applying power saving management measures, procuring renewable energy, and reducing the use of fossil fuels. After achieving RE100 in 2040, at least 90% absolute Scope 1 and 2 GHG emission reductions by 2050 from a 2021 base year, We also commits to reduce absolute Scope 3 GHG emissions 90% by 2050 from a 2021 base year. The Company will subsequently offset the remaining 10% of carbon emissions through carbon removal technologies or carbon trading, based on the prevailing technological and market environment, to achieve net-zero emissions by 2050.

The main sources of Scope 3 emissions include the procurement of raw materials, services, and during the product use stage. Qisda has established sustainable supply chain management by assisting suppliers in performing a carbon inventory in order to thoroughly reduce the carbon footprint of the supply chain. In terms of products, we are committed to implementing green design, creating low-carbon products, further reducing product energy consumption, and reducing material consumption to achieve our carbon reduction goals.

Qisda's 345 Carbon Reduction Target



Remark:

Qisda targets to reach Net Zero by 2050. This target has been validated by the Science-Based Targets Initiative (SBTI), with a base year of 2021. The percentage of total base year emissions is 100%, including emissions from all subsidiaries and joint ventures within Qisda's inventory and target boundary: Scope 1 and 2: 106,671.701 tCO_2e; Scope 3: 9,337,890.91 tCO_2e.

The Use of Water Resources

Water Management

As extreme weather and climate events grown more common across the world, the issue of water resources has gradually attracted the attention of stakeholders. Qisda has obtained the ISO 14001 Environmental Management Systems certification to systematically manage environmental issues. Regarding water consumption, Qisda manages water resources with reference to the ISO46001 management framework. And our processes are not highly water-consuming and as such, does not require large amounts of water during production. As the water consumption assessment and analysis shows, the biggest sources of water consumption come from domestic water use and water used for factory equipment (e.g. cooling towers). Only a small portion of water is used during production processes. Water consumption in the plant area is achieved through the measures of attaching water-conserving devices to faucets and conducting rainwater and process wastewater recycling and reuse. The plant tracks water intensity every year to analyze the status of water consumption, sets water-saving targets, conducts monitoring and testing, and identifies water-saving opportunities to continuously improve water efficiency. Regarding the issue of wastewater, we have launched a process wastewater reuse project to reduce the concentration of pollutants in wastewater. Discharged wastewater is regularly sampled and monitored to prevent pollution to the environment and ensure that the quality of wastewater discharged meets the effluent standards required by local environmental protection authorities.

Qisda Water Policy

- Water use assessments to identify opportunities to water efficiency improvement
- Actions to reduce water consumption
- Actions to improve wastewater quality
- Establishment of targets to reduce water use
- Application of water recycling
- Awareness training provided to employees on water efficiency management programs

Utilization of Water

In 2024, the total water consumption of Qisda's global manufacturing sites was approximately 379.66 million liters; total volume of discharge water was approximately 303.73 million liters. The total water consumption in 2024 was 137.9 million liters less than in 2021, and the water consumption per million USD production value was 0.131 million liters, an increase of about 22.8% compared to 2021. All Qisda's factories rely on the municipal water supply as the only source of water, and no groundwater has been drawn for operational purposes. Although Qisda does not have any processes that are highly water-consuming or highly polluting, we still recycle and reuse process wastewater. In 2024, the recycling and reuse of process wastewater accounted for approximately 2% of our total water consumption.

Item	Water Saving in 2024 (m^3)	Process Wastewater Reuse Rate (%)
Plant 8 reclaimed water reuse project + low-temperature evaporation system	1,610	98
Plant 9 reclaimed water reuse project	1,200	100
S5 washing reclaimed water reuse project	4,080	100
Total	6,890	99.52

The water pollution control equipment of the Taoyuan Plant in Taiwan is operated and maintained by professional personnel and the contact aeration method is used to treat domestic sewage, which is then redirected to the sewage management system set up by the government. The sewage generated from the Suzhou Plant is directly discharged to the municipal sewer system. The wastewater generated from the Vietnam Plant is first discharged to the wastewater treatment facility of the plant and then to the wastewater treatment plant in the industrial zone. Wastewater from all three plants is directed to sewer management systems, so wastewater will not directly affect bodies of water and land. In terms of water quality testing, the water quality at the Taiwan Plant was found to be higher than the standard set forth by the Guishan Industrial Park. Our Suzhou Plant complies with the Integrated wastewater discharge Standard and the Vietnam Plant complies with industrial park discharge standards. The water discharged from all the factories is monitored periodically and it is not reused by other organizations. All Qisda's factories are located in industrial parks; we do not own, rent or manage any plant in ecological reserves or water reserves. We do not engage in any event that creates negative impacts on biodiversity. Likewise, our services and the process of product manufacturing does not harm the environment and the ecology.

Year	2021	2022	2023	2024
Water withdrawal (Million cubic meters)	0.518	0.441	0.417	0.380
Water discharge (Million cubic meters)	0.414	0.353	0.333	0.304
Water consumption (Million cubic meters)	0.102	0.088	0.084	0.076

Remark:

1. The total water discharge is the tap water consumption of global manufacturing sites * 0.8 (0.2 is the estimated percentage of water vaporized due to the use of air conditioners).
2. The water consumption is statistically calculated based on the data in the organization's water bill (minus the consumption by the tenants).
3. According to the World Resources Institute's "Aqueduct Water Risk Atlas," Suzhou (China) and Ha Nam (Vietnam) have been identified as regions of water stress.

Taiwan: The minimum standard of effluent water quality is COD: 480mg/L, SS: 200mg/L. The value we use for comparison to local standards is the maximum value of the annual testing data provided by the Guishan Industrial Park Service Center. The value in 2024 was COD: 51.15 mg/L, SS: 14.00mg/L.

Suzhou, China: The minimum standard of effluent water quality is COD:500mg/L, SS:400mg/L. The value we use for comparison to local standards is the maximum value of the data in the test report. The value in 2024 was COD: 251 mg/L and SS: 77.0mg/L.

Vietnam: The minimum standard of effluent water quality is COD: 150mg/L. The value we use for comparison to local standards is the average value in the test report, and the actual value is the average value in the test report. The value in 2024 was about 25mg/L.

Water Risk Assessment

Qisda conducts water stress assessment using the water resource risk assessment tool (Aqueduct Water Risk Atlas) of the World Resources Institute (WRI). The most prominent risk Qisda faces in relation to water use is the inability to supply water for domestic uses in the occasion of a water shortage. Other water resource risks are analyzed in the following table. To reduce water consumption, Qisda has established the ESG Committee, set up water saving KPIs, and manages the performance and achievement status of these KPIs regularly. We also adjust the goals for the following year with respect to water consumption and other related risks at the end of each year. In addition, Qisda holds meetings with all companies within the Qisda Group to check the water consumption status of all companies and factories and conduct simulations based on water limitation scenarios. By doing so, we are able to assess the regional water supporting mechanism of the Group, and further improve our response capabilities when water shortage or limitation occurs.

Item	Description/Impact on Qisda's Operation	
Water withdrawal	Qisda does not have water-intensive process, but we need to provide clean domestic water for employees' daily demands. According to the results analyzed by the WRI Aqueduct's global water risk mapping tool, Taiwan is located in an area of medium to low risk, while the Suzhou (China) Plant and Vietnam Plant both located in high-risk areas in terms of water stress. However, as all Qisda's water supply is provided by the municipality, only one water shortage has occurred over the past 15 years. Qisda has established procedures for emergency response with respect to water shortages. Upon receiving notice from either the government or the media about the limitation or suspension of water due to water resource contamination resulting from typhoons or water shortage caused by droughts, the Company will notify contracted water trucks to compensate for the insufficient water supply. This way, we can avoid operational disruption caused by water shortage.	
Level of Risk Low	**Coping Strategies/ Management Mechanism**	1. Continuous implementation of water saving 2. Drawing up water shortage response plan
Drinking water quality	All of Qisda's factories rely on the municipal water supply as the only source of water, and have not extracted groundwater for operational use. We also establish drinking-water filtration systems and regularly inspect water quality in accordance with the laws and regulations so as to ensure safe water.	
Level of Risk Low	**Coping Strategies/ Management Mechanism**	None
Water pollution control	The water pollution control equipment in the Taiwan Plant is operated and maintained by professional personnel. We use contact aeration to treat domestic sewage; the processed wastewater is then discharged into the sewerage system built by the government. The sewage discharged by the Suzhou Plant is directly discharged into the municipal sewer system without causing any direct impact on water bodies and the land. Moreover, effluent quality is regularly monitored and inspected in accordance with regulations at all operating sites, and the results have surpassed legal standards. In recent years, there have been no incidences of water pollution at any of the plants.	
Level of Risk Low	**Coping Strategies/ Management Mechanism**	None

Item	Description/Impact on Qisda's Operation
Flooding	According to results analyzed by the WRI (World Resources Institute) Aqueduct's global water risk mapping tool, none of the factories located in Taiwan, Suzhou, and Vietnam face "high level" flood risks. For the past 16 years, there has been no loss caused by flooding in the factories. In addition, Qisda has set up control procedures for precautions and emergency response. Before typhoon occurs, we ask cleaning service providers to clean the drains to improve drainage and avoid factories being flooded due to poor drainage. We also prepare emergency equipment such as sandbags and floodgates beforehand lest any issue occurs.
Level of Risk Low	**Coping Strategies/ Management Mechanism** Regular drills
Legal compliance	Qisda regularly checks our compliance with water-related laws and regulations at every quarter. If there are regulatory updates, we comply with them immediately. In recent years, there have not been any violations of water-related laws and regulations.
Level of Risk Low	**Coping Strategies/ Management Mechanism** Maintenance
Water bill	The water bills in Suzhou, Vietnam and Taiwan are relatively low, and the Taiwan government has not yet imposed the water conservation charge. Considering that the factories maintain a medium amount of water usage, water bills have little impact to the costs in the future.
Level of Risk Low	**Coping Strategies/ Management Mechanism** Implementation of water saving

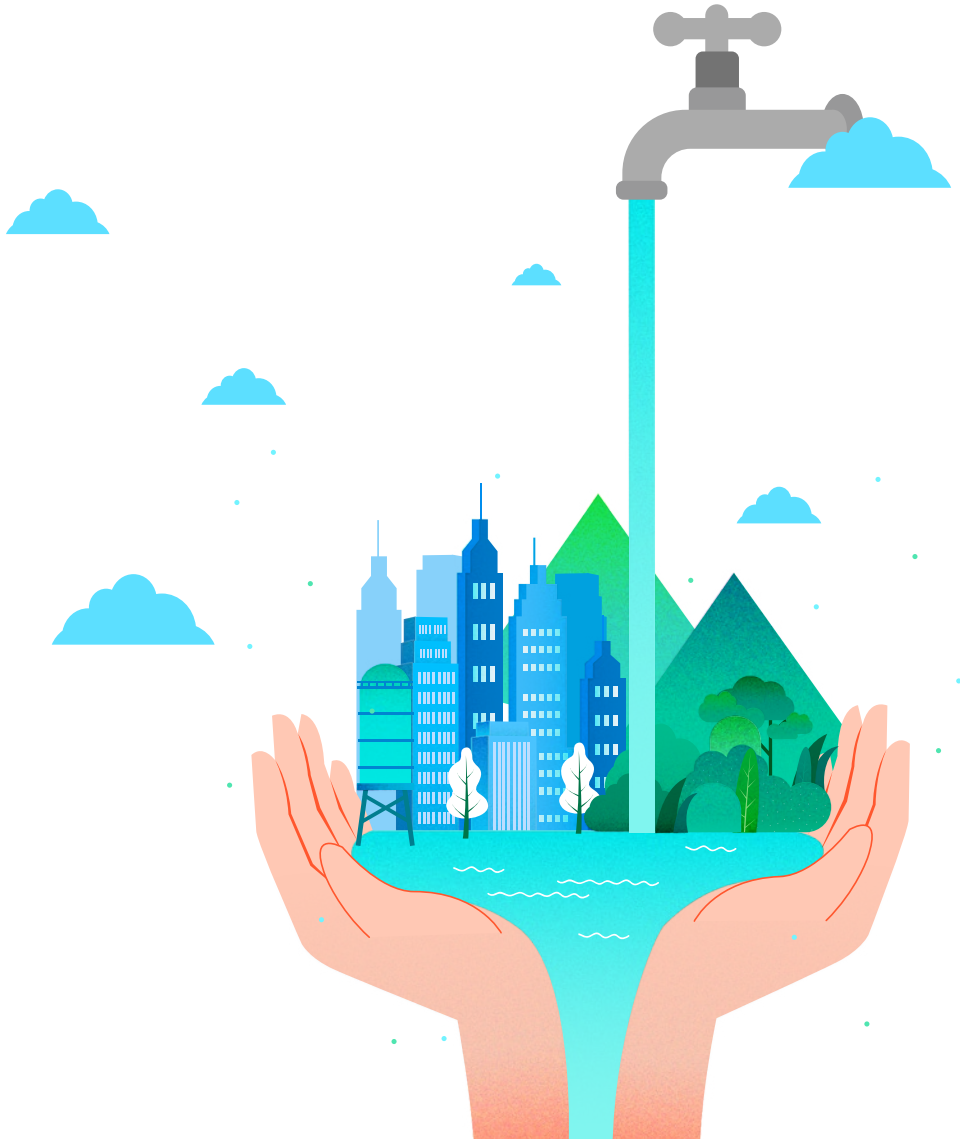
Table of Water Withdrawal, Discharge and Consumption

	Water Withdrawal (1,000 tons)	All Regions	Regions Facing High Levels of Water Stress	Percentage of Water Use in Regions with High Levels of Water Stress
Water withdrawal by source	**Surface water (total)** Freshwater (≤1,000 mg/L total dissolved solids)	0	0	0
	Other water (> 1,000 mg/L total dissolved solids)	0	0	0
	Groundwater (total) Freshwater (≤1,000 mg/L total dissolved solids)	0	0	0
	Other water (> 1,000 mg/L total dissolved solids)	0	0	0
	Seawater (total) Freshwater (≤1,000 mg/L total dissolved solids)	0	0	0
	Other water (> 1,000 mg/L total dissolved solids)	0	0	0
	Produced water (total) Freshwater (≤1,000 mg/L total dissolved solids)	0	0	0
	Other water (> 1,000 mg/L total dissolved solids)	0	0	0
	Third-party destinations (total) Freshwater (≤1,000 mg/L total dissolved solids)	379.66	306.92	80.84%
	Other water (> 1,000 mg/L total dissolved solids)	0	0	0
	Total water withdrawal by source of the third party Surface water, Groundwater, Seawater, Produced water	0	0	0
Total water withdrawal	**Surface water (total) + groundwater (total) + seawater (total) + produced water (total) + third-party destinations (total)**	379.66	306.92	80.84%

	Water discharge	All Regions	Regions Facing High Levels of Water Stress	Percentage of Water Use in Regions with High Levels of Water Stress
Total water discharge by destination	Surface water			
	Groundwater	0	0	0
	Seawater	0	0	0
	Third-party destinations (total)	303.72	245.54	80.84%
	Surface water + groundwater + seawater + third-party destinations (total)	303.72	245.54	80.84%
Water discharge by freshwater and other water	Freshwater (≤1,000 mg/L total dissolved solids)	0	0	0
	Other water (> 1,000 mg/L total dissolved solids)	0	0	0

	Water consumption (1,000 tons)	All Regions	Regions Facing High Levels of Water Stress	Percentage of Water Use in Regions with High Levels of Water Stress
Total water consumption		75.936	61.380	80.84%

According to the World Resources Institute's "Aqueduct Water Risk Atlas," Suzhou (China) and Ha Nam (Vietnam) have been identified as regions of water stress.



Waste and Pollutants

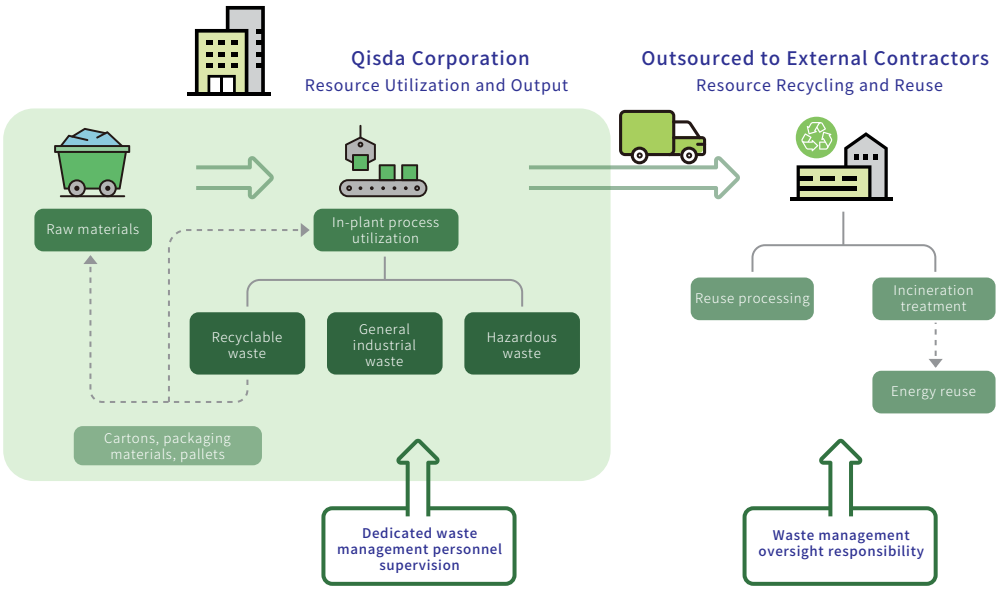
Waste Management

Waste Management Policy

Qisda implements a source management strategy for waste management and actively promotes resource recycling through continuous energy-saving and waste reduction initiatives. By enforcing strict waste sorting at the source, the Company significantly reduces waste generation while increasing recycling rates. Qisda conducts annual waste reduction and recycling rate assessments to ensure progress toward its zero-landfill goals aligns with planned targets.

Qisda's Suzhou and Vietnam plants have obtained UL 2799 Platinum and Gold certifications, respectively. By conducting a comprehensive audit of waste types and disposal flows, the Company identifies opportunities to improve waste management performance and formulates waste reduction action plans. Qisda integrates waste recycling programs by promoting resource reuse and recycling, effectively reducing manufacturing site waste and minimizing incineration. The Company has set a waste recycling rate target of maintaining above 90%. In 2024, the recycling rate increased by 2.01% compared to 2023. Additionally, Qisda provides waste management training for employees in key departments to enhance awareness of waste classification and recycling. These efforts strengthen the Company's environmental commitment and support its long-term sustainable development.

Waste Management Process



Waste Recycling

Qisda complies with regulatory requirements by assigning dedicated environmental personnel to effectively manage the generation, disposal, and treatment of waste. In addition to implementing continuous energy-saving and waste reduction initiatives, Qisda adopts a source management strategy to control waste: 1. Design Phase: Incorporating non-toxic raw materials, recycled materials, reusable materials, and easy-to-disassemble structural designs to minimize environmental impact at the end of a product's lifecycle; 2. Manufacturing Phase: Optimizing process design to reduce waste generation while actively implementing resource classification (reuse and recycling) to minimize waste in manufacturing facilities. The manufacturing process does not generate hazardous waste as defined by the Basel Convention; 3. Distribution Phase: Utilizing standardized wooden pallets to reduce the use of non-standard-sized pallets, thereby increasing reuse rates; 4. Production Process: Recycling and refining waste tin dross through original suppliers for reuse, effectively reducing resource waste and minimizing environmental pollution. For waste treatment, in addition to outsourcing incineration or recycling to qualified waste management service providers, Qisda adheres to the principle of extended producer responsibility. The Company conducts regular audits of waste treatment contractors to ensure proper waste disposal. Recyclable waste is sorted and collected in on-site recycling areas by external contractors. To enhance the proportion of recyclable waste, Qisda has established waste management procedures and recycling targets, which are reviewed quarterly in corporate sustainable development (ESG) meetings to ensure long-term monitoring and progress. Over the past four years, the proportion of recyclable and reusable waste at Qisda has consistently exceeded 90%.

Unit: Ton

Type	2021			2022			2023			2024		
	Non-Hazardous Waste	Hazardous waste	Total	Non-Hazardous Waste	Hazardous waste	Total	Non-Hazardous Waste	Hazardous waste	Total	Non-Hazardous Waste	Hazardous waste	Total
Preparation for reuse	–	–	–	–	–	–	–	–	–	–	–	–
Recycling	37,619	12	37,631	31,561	6	31,567	24,317	127	24,444	12,873	162	13,035
Recovery	–	–	–	–	–	–	–	–	–	–	–	–
Incineration with energy recovery	2,968	196	3,164	2,578	163	2,741	1,599	148	1,747	515	138	653
Incineration without energy recovery	20	0	20	35	0	35	64	8	71	0	0	0
Landfilled	–	–	–	–	–	–	–	–	–	–	–	–
Other disposal operations	–	418	418	–	708	708	–	438	438	351	65	417
Total	40,606	627	41,233	34,174	877	35,051	25,979	721	26,700	13,739	366	14,105

Remark: Wastes are disposed of off-site.

Pollutant Management

Qisda's Suzhou Plant is committed to continually to enhancing environmental protection. The main measures taken are as follows: Oil-based paints were replaced with water-based paints for the coating production line with relatively high waste gas emissions and substituted raw materials in manufacturing On the previous measure basis, the terminal waste gas treatment equipment was upgraded by changing methods from the original activated carbon adsorption to the activated carbon adsorption and desorption process, with the treatment efficiency exceeding 80%. This project was praised by the Department of Ecology and Environment of Jiangsu Province and Suzhou Municipal People's Government, and reported by multiple media outlets. Simultaneously, the project was selected as Suzhou's Environmental Protection Model Case of the Past Decade and was broadcasted during prime time on Suzhou TV. Regarding the waste gas treatment of the soldering process, Qisda introduces water spraying and activated carbon adsorption facilities to strictly control the quality of the iodine value. Moreover, the frequency of replacement of the activated carbon has changed from annual to quarterly. Also, we are committed to replacing traditional highly volatile solvents with environmentally friendly aqueous solvents for the use of cleaning solvents. Our improvement plans such as raw material substitution and optimization of treatment equipment not only greatly assists in reducing atmospheric emissions, but also make the workplace culture of Qisda more eco- friendly.

In 2024, due to the renovation of exhaust gas treatment equipment at Qisda's Suzhou site, the coverage area for exhaust gas collection expanded, leading to an increase in emission rates. As a result, the overall emissions slightly increased compared to previous years.

None of the manufacturing processes of Qisda's plants worldwide release SOx and NOx. No use of ozone-depleting substances is also one of a focus of our environmental management. We do not use ozone-depleting substances in our manufacturing processes. However, R22 refrigerant, which has ozone-depleting characteristics, is used in the air conditioners of employee dormitories. The filling amount in 2024 was 0kg and did not cause the depletion of ozone.

Year	2020	2021	2022	2023	2024
VOCs emissions of volatile organic gases (metric tons)	15.33	11.62	7.33	5.76	11.67

Biodiversity and Forest Conservation

Biodiversity conservation is one of the major global issues of the 21st century and serves as a foundation for sustainable human development. Qisda aligns with the United Nations Sustainable Development Goal (SDG 15) by committing to forest ecosystem protection and halting biodiversity loss. The Company continuously works to stabilize the impact of its value chain on biodiversity, has publicly issued a **No Deforestation and Biodiversity Commitment**, and regularly reports to the Sustainable Development Committee and the Board of Directors.

Policies and Commitments

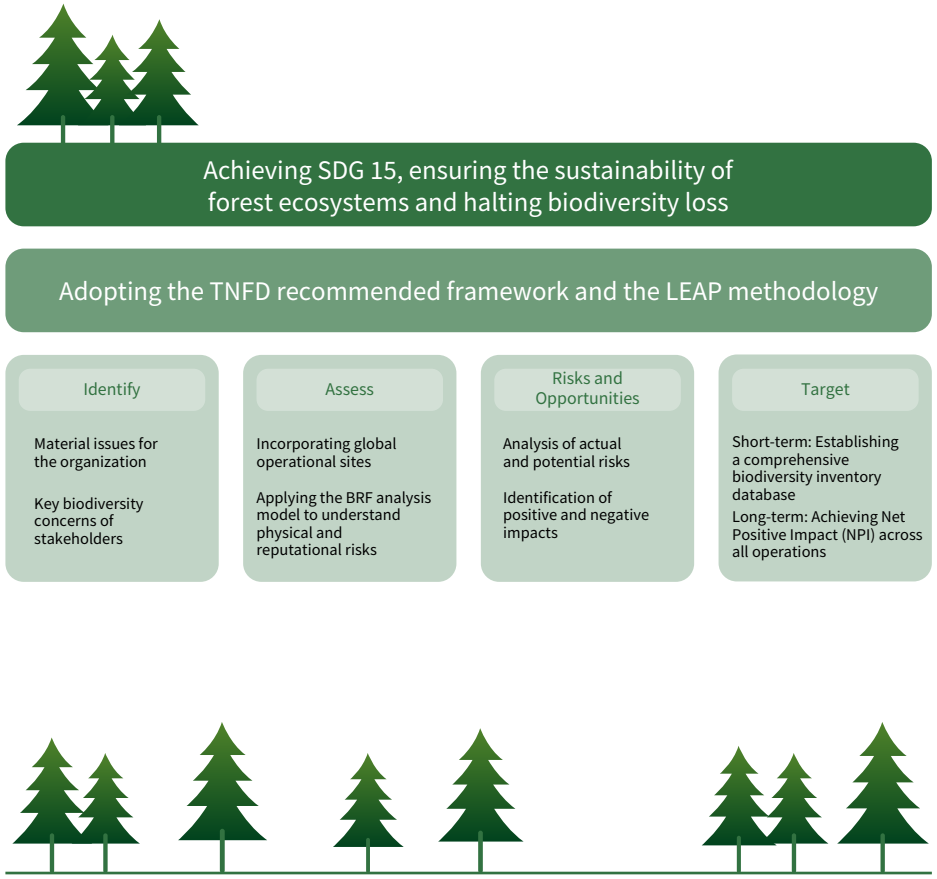
Qisda's global operating sites are mainly located in industrial parks, and the Company does not conduct any of its business activities in key biodiversity areas. However, we still highly value the ecosystem resources in the areas surrounding our factories, and have conducted biodiversity surveys in the surrounding environment in addition to establishing action plans for avoiding, repairing, and offsetting any impact our operations may have on biodiversity.

We are committed to offsite compensation and afforestation efforts, complying with local regulations and conducting regular monitoring. By collaborating with customers, suppliers, and partners (i.e. academy, communities, and NGO), we actively contribute to the preservation of forest ecosystems and biodiversity. Qisda is committed to avoiding and minimizing impacts on nature and biodiversity. We actively engage in ecological restoration, and any residual impacts are addressed through maximized remediation based on the principle of No Net Loss (NNL). Our goal is to achieve a Net Positive Impact (NPI) on biodiversity by 2050, while putting an end to all forms of deforestation, reaching no gross deforestation.

Additionally, we have included biodiversity within the scope of sustainability management. This procedure includes:

1. Developing a Biodiversity policy and action plans, and report to the Board of Directors on a regular basis.
2. Incorporating biodiversity issues into risk management assessments.
3. Confirming the scope of management for biodiversity risks within the first year (2023), and establish goals and benchmarks for management.
4. Collaborating with external partners (e.g., academic research institutions and local communities) to establish long-term biodiversity projects, which include but are not limited to regular surveys, monitoring, habitat conservation, farmland restoration, and watershed protection.
5. Disclosing biodiversity-related investments and outcomes in the sustainability report to stakeholders.

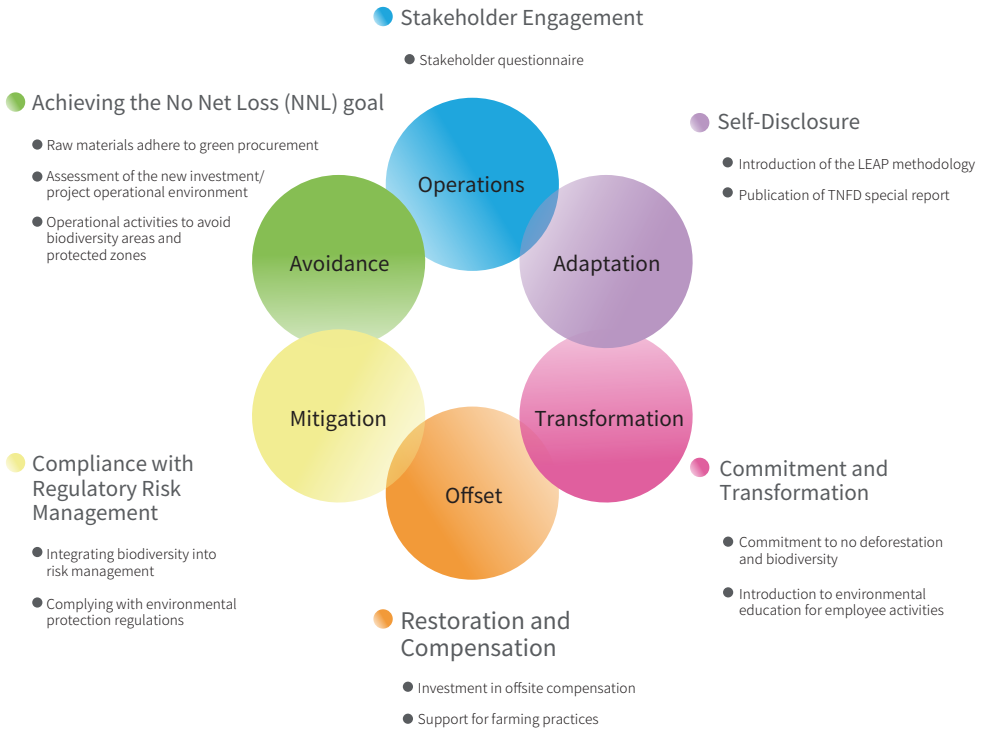
In 2025, Qisda scheduled to execute a biodiversity assessment across its value chain, extending the scope to include evaluations of suppliers and customers. This initiative aims to deepen the understanding of the Company's dependence on and interaction with natural capital throughout its operations, identifying actual or potential risks and opportunities at various stages of business activities.



Address Nature-Related Risks and Implement the TNFD Framework

In response to global concerns on nature, Qisda has adopted the TNFD framework (Taskforce on Nature-related Financial Disclosures) and actively invests in biodiversity conservation. By integrating risk management and opportunity assessment into its core sustainability strategy, Qisda goes beyond traditional financial risk considerations, incorporating nature-related risks into decision-making processes. This approach enables the Company to explore ways to transform nature-related risks into opportunities for advancing sustainable development.

Since 2023, Qisda has conducted comprehensive annual risk assessments through its Risk Management Committee and holds quarterly meetings to review ongoing risk developments. The Company references global risk reports from professional institutions to monitor key risk areas, including climate change, human rights, nature-related risks, and biodiversity, while also assessing their operational impact. Although nature-related and biodiversity risks are not currently classified as top-priority concerns, Qisda remains committed to these issues by regularly tracking risk trends and developing appropriate response strategies.



At the same time, we are actively monitoring issues and developments related to biodiversity. Through collaboration with domestic industries and academia, in 2023, Qisda participated in the “Taiwan Nature Positive Initiative” launched by the Business Council for Sustainable Development Taiwan (BCSD-Taiwan). In July 2024, Qisda co-published “Taiwan Corporate toward Nature Positive Journey - Nature Positive – Taiwan Report.”



Stakeholder Engagement

Stakeholder engagement

In the management of material issues within the organization, Qisda adopts the concept of triple materiality, conducting a materiality analysis based on three dimensions: stakeholder concerns (both internal and external), operational impact, and sustainable development impact. The analysis also incorporates the attention and assessment of topics related to the natural environment.

In 2024, Qisda conducted its first independent biodiversity questionnaire to assess stakeholders' fundamental understanding of biodiversity. The objective was to identify potential impacts of business operations on biodiversity from the stakeholders' perspective, evaluate the effectiveness of Qisda's biodiversity support measures, and enhance awareness of biodiversity's significance to society and daily life. This initiative aims to foster collaborative efforts toward sustainable business development.

Currently, there are no significant impacts or risks identified. Despite the lack of widespread attention, we continue to support biodiversity through the BenQ Foundation by adopting farmland, promoting eco-friendly farming, and fostering a harmonious relationship with nature. Additionally, we actively engage in ecological surveys to enhance public awareness of our commitment to biodiversity and environmental stewardship.

	Organizational Management Internal and External Stakeholders	Covering Upstream and Downstream External Stakeholders
Identification	Material issues	Biodiversity focus
Assessment	Environmental, social, governance, and operational impact assessment	Risk assessment of operational locations
Impact Analysis	Significant operational impact	Actual potential positive and negative impacts
Public Disclosure	Disclosure in accordance with the TNFD recommended framework	

In 2025, Qisda will initiate a biodiversity assessment across the value chain, extending the evaluation to suppliers and customers. This effort aims to enhance understanding of the Company's dependence on and interconnection with natural capital throughout its operations. By doing so, Qisda seeks to identify actual or potential risks and opportunities associated with biodiversity at different stages of its business activities.





Scope of Assessment

Qisda identifies its dependencies and impacts on nature-related topics, prioritizing water scarcity, extreme heat, and tropical cyclones. Based on the Shared Socioeconomic Pathways (SSP) climate change projection scenarios, Qisda conducts simulation exercises to assess risks and opportunities, further evaluating potential effects.

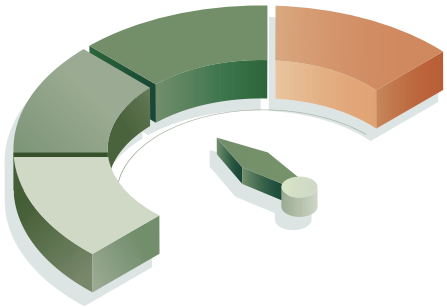
Evaluation Method

(1) Biodiversity Assessment

Qisda utilizes the Biodiversity Risk Filter (BRF), a risk assessment tool provided by the World Wide Fund for Nature (WWF), to identify potential dependency and impact risks faced by the electronics manufacturing industry. Subsequently, the BRF internal analysis model, along with Qisda's biodiversity survey questionnaire, is employed for further assessment.

(2) Utilization of the LEAP Methodology

Locate:	Locate the Corporation's interface with nature
Evaluate:	Evaluate the Corporation's dependencies and impacts on nature
Access:	Access the Corporation's nature-related risks and opportunities
Prepare:	Prepare to respond to, and report on, material nature-related issues, aligned with the TNFD's recommended disclosures



Scope of Locate

The assessment scope covers Qisda's global operational sites, including the Taoyuan plant in Taiwan, which serves as both an R&D center and a manufacturing site, the Taipei plant as a business division, and the Suzhou and Vietnam plants as manufacturing centers.

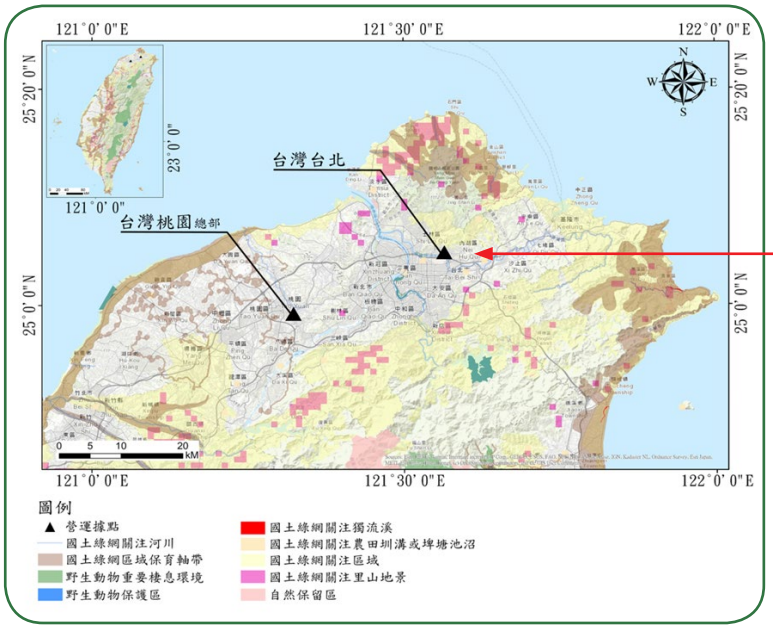
To ensure localized implementation of the TNFD assessment, Qisda adopts different data sources for Taiwan and overseas sites. For the Taoyuan headquarters and Taipei business division, the National Ecological Green Network Database, provided by Taiwan's Forestry and Nature Conservation Agency under the Ministry of Agriculture, is used instead of the World Database on Protected Areas (WDPA), as it more accurately reflects Taiwan's ecological conditions. This approach ensures the representativeness and accuracy of the risk assessment results through detailed local environmental data. For overseas operational sites, Qisda applies the WDPA database, managed by the United Nations Environment Programme (UNEP) and the International Union for Conservation of Nature (IUCN), to conduct a spatial overlay analysis of the designated marine, terrestrial, and inland water protected areas defined by local governments in Ha Nam, Vietnam, and Suzhou, China.

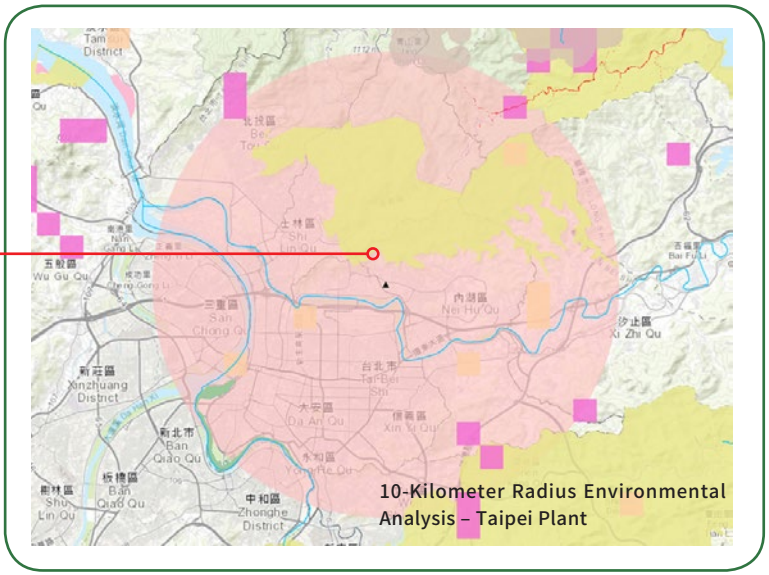
Evaluate of Operational Sites

Domestic Operational Sites

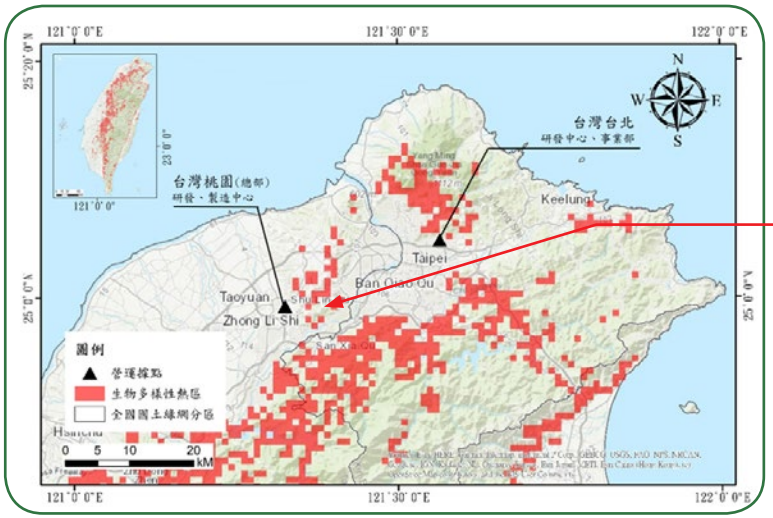
The overlay analysis of the Taiwan Ecological Network Database indicates that Qisda's Taoyuan headquarters and Taipei business division are located in the northwestern and northern subzones, respectively. Both sites are in close proximity to rivers of ecological concern within the green network. In response, Qisda has reinforced water stewardship to prevent any negative environmental impact on water quality while effectively controlling water consumption to enhance water conservation. Additionally, as both operational sites are situated near biodiversity hotspots, Qisda recognizes the potential for indirect environmental impacts despite no direct disruption to local habitats. The Company has already implemented environmental monitoring and management at both sites in Taiwan. For future construction projects, Qisda will conduct comprehensive environmental impact assessments, establish buffer zones, implement pollution control measures, and undertake ecological restoration initiatives to minimize operational impacts on the natural environment.

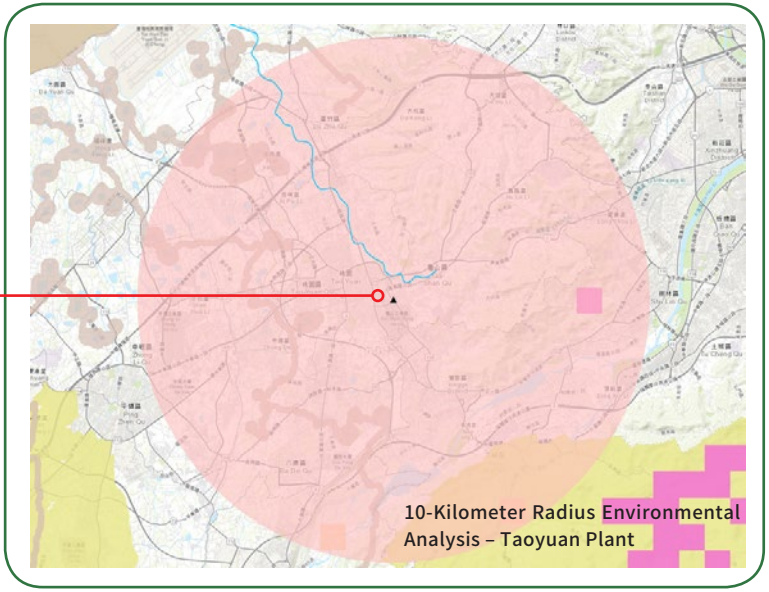
Taiwan Operating Sites





Biodiversity Hot Spots



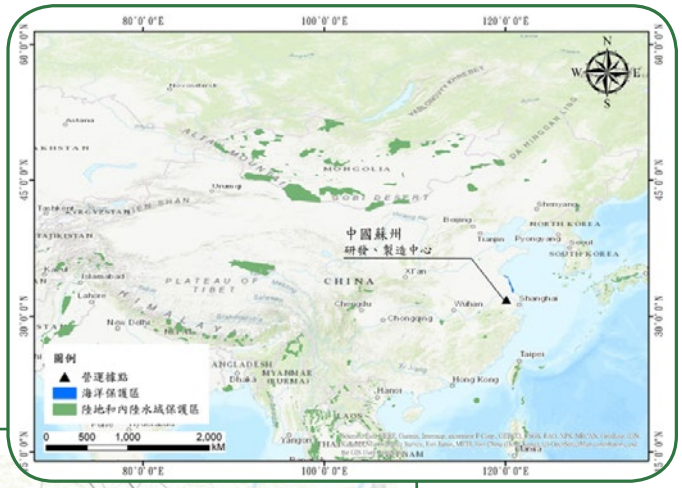


Overseas Operational Sites

Qisda's plants in Ha Nam, Vietnam, and Suzhou, China do not overlap with any protected areas. The Ha Nam plant is located approximately 7 kilometers from the nearest nature reserve, while the Suzhou plant is about 105 kilometers away.

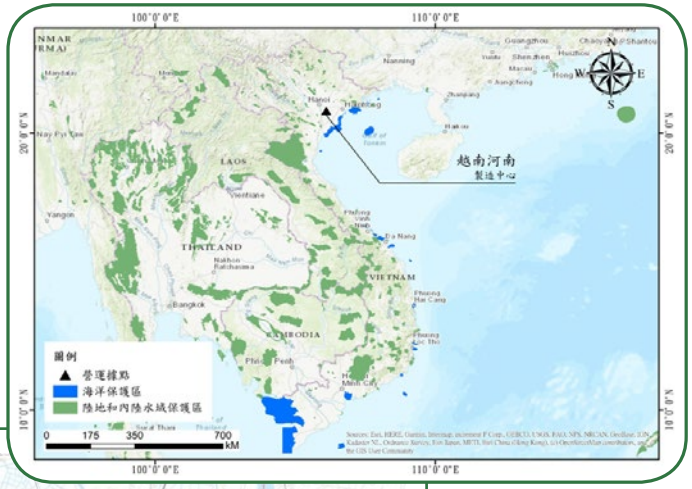
As a result, the operations at these plants do not pose a direct threat to local biodiversity. However, given the Ha Nam plant's relative proximity to a nature protected area, Qisda remains committed to implementing ecological conservation initiatives and mitigation measures to prevent any potential indirect impact on the surrounding ecosystem, aligning with the Company's sustainable development objectives.

Suzhou Operational Sites





Vietnam Operational Sites





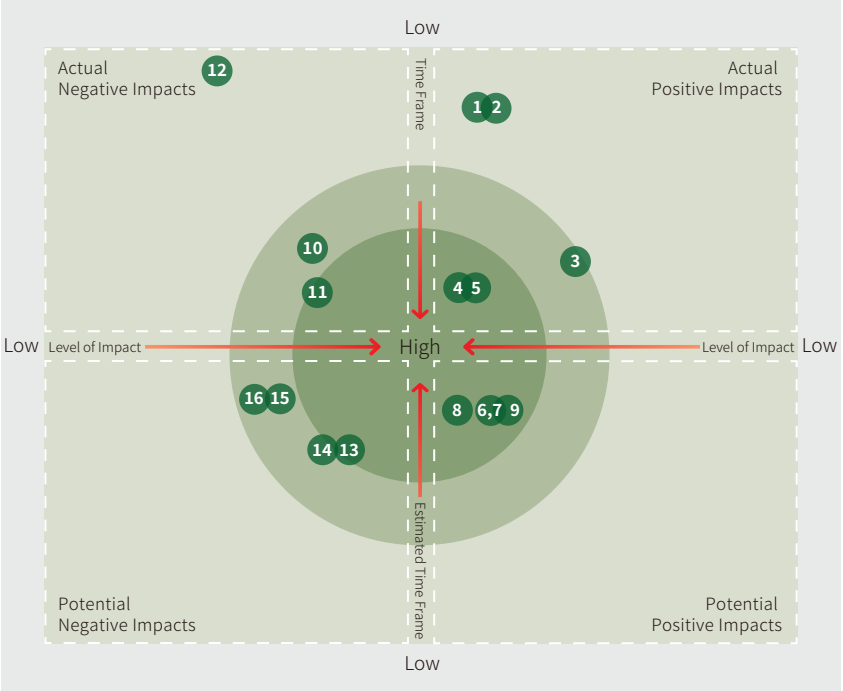
Access of Risk and Impact

To ensure progress toward the 2030 commitment of minimizing or avoiding biodiversity impacts, Qisda integrates risk assessment into its business strategy planning. This approach enables a clearer understanding of the nature, extent, and impact of potential risks, facilitating the development of targeted and effective risk management strategies. These efforts support ecosystem sustainability and biodiversity conservation, ultimately aligning with the 2050 goal of achieving zero deforestation, net-zero biodiversity loss, and net-positive ecological impact.

Analysis of actual and potential risks

The analysis of actual and potential risks allows Qisda to systematically identify, assess, and disclose risks in a transparent manner.

Qisda's actual and potential positive and negative impacts



In 2024, Qisda identified eight actual risks and eight potential risks. Since risks vary in severity based on their impact level, they are classified into positive and negative impacts. As shown in the diagram below, risks positioned closer to the center indicate a higher level of impact and severity, requiring longer response times to implement mitigation measures.

No.	Description of Risk
1	The degree of which the corporation implements biodiversity promotion measures.
2	The degree of concern the corporation shows on the subject of biodiversity.
3	Proper implementations of carbon footprint inventories can assist in monitoring carbon emissions and reducing excessive emissions through the course of business activity.
4	The practice of friendly farming can increase biodiversity and sustainable development.
5	Participation in environmental sustainability-related courses and lectures can enhance the understanding of biodiversity.
6	Proper conservation and management of watersheds can increase Yellow Carbon, Green Carbon and Blue Carbon.
7	Employing modern marketing techniques can improve the sales performance of agricultural products.
8	Holding environmental sustainability-related courses and lectures can enhance others' understanding of biodiversity.
9	Sustainable development can be achieved by combining agricultural production management with environmental standards.
10	The degree of dependency the Company's products have on ecosystem services during the production process.
11	The degree of impact the Company's business activity has on biodiversity.
12	Environmental pollution caused by business activity.
13	Potential scarcity of water resources in operating sites in the future.
14	The potential impact of business activity water use on stakeholders.
15	Reputational damage caused by the breaching of laws and the inability to keep up to date with evolving global standards.
16	Business activity interrupted by extreme heat results in poor business performance.

Risks and Opportunities Related to Nature Dependency and Impact

Dependency and Impact	Risks and Opportunities	Description of Risks and Opportunities	Potential Effects
Water Scarcity	Water stress	In situations of limited water resources, insufficient water supply to factories, office areas, and employee dormitories may disrupt normal business operations.	Increased operating costs Decreased financial revenue
	Resource efficiency	Establish internal management policies, join RE100, actively increase the use of renewable energy, and optimize process water efficiency.	Increased operating costs Decreased financial revenue
Extreme Heat	Decline in productivity	Increased maintenance requirements for machinery and equipment, impacts on material storage, and adverse effects on employee health, leading to a decline in production efficiency.	Increased operating costs
	Policy transformation	The Company's human rights management system incorporates working hour management measures in response to high temperatures. Additionally, after 2023, the Company initiated evaluations for green building projects to address the ongoing rise in global temperatures.	Improved corporate reputation
	Human rights policy	To ensure employee safety in high-temperature environments, the Company has developed an operational hazard identification process, established emergency response measures for heat-related incidents, and implemented training and awareness programs.	Improved corporate reputation
Tropical Cyclones	Production line interruption	Flooding may occur in plants, posing risks of damage to raw materials, finished products, and equipment. Disruptions in transportation and logistics could further impact employee commuting and material deliveries, raising safety concerns.	Increased operating costs
Greenhouse Gas (GHG) Reduction	Energy Transition	Greenhouse gas emissions from the Company's operational activities have contributed to global warming and negatively impacted ecological systems. In response, the Company prioritizes carbon reduction strategies by continuously investing in energy-efficient equipment across its facilities, while also setting a renewable energy target to achieve RE100 by 2040.	Increased operating costs Improved corporate reputation
Waste and Pollutants	Market Transition	To comply with customer requirements and the regulations of countries where products are sold, the Company enhances product energy efficiency and reduces resource consumption.	Increased operating costs Improved corporate reputation
	Resource Recycling Efficiency Improvement	By implementing source-level management, the Company actively promotes resource recycling. Qisda's Suzhou facility in China and Ha Nam facility in Vietnam have obtained UL 2799 Platinum and Gold certifications, respectively. Both sites conduct comprehensive reviews of waste categories and flow, identify opportunities for improving waste management performance, and establish action plans for waste reduction.	Increased operating costs Improved corporate reputation

Scenario Analysis and Setting

Qisda prioritizes its Taiwan operational sites as the primary subject for assessment. This scenario simulation analysis incorporates the aforementioned stakeholder survey results and BRF assessment outcomes to identify material risks for scenario modeling. Considering Taiwan's geographical and environmental conditions and the impacts of climate change, we have identified "tropical cyclones," "water scarcity," and "extreme heat" as material risks. These three risks have also been assessed as the most probable and severe in our analysis.

We reference the warming scenarios and climate projections outlined in the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6) to consolidate three different scenarios. These scenarios further analyze potential operational risks under varying conditions, examining dependency risks, impact risks, and the interrelationships between socio-economic factors and the natural environment.



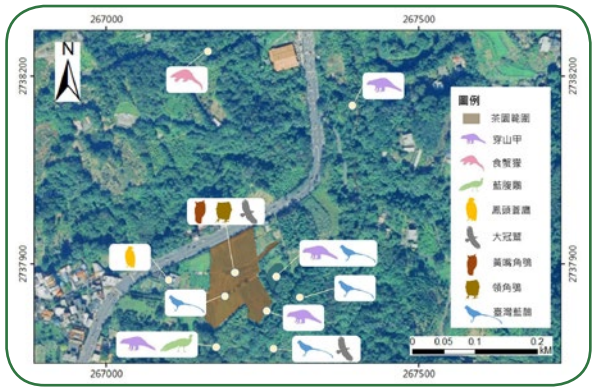
Collaborative Long-Term Sustainable Contract Farming: Joint Efforts to Preserve Biodiversity

In partnership with the BenQ Foundation, Qisda has collaborated with the Department of Soil and Water Conservation at National Chung Hsing University on a long-term contract farming project. This initiative includes ecological surveys and soil sampling assessments at two contracted sites: a tea plantation in Hengshan Township, Hsinchu County, and a Chun Yuan farm in Xizhou Township, Changhua County. According to the survey results from October 2023 to 2024, the Hengshan eco-friendly tea plantation has successfully created a biodiversity-friendly habitat, maintaining a balanced tea plantation ecosystem that supports biodiversity and strengthens the food chain. Meanwhile, ecological monitoring at the Xizhou eco-friendly rice farm began in March 2024. Findings indicate that the adoption of sustainable farming practices not only sustains crop yields but also enhances long-term soil fertility. The organic carbon content in soil under eco-friendly farming is over 50% higher than in conventionally farmed fields. Additionally, each hectare of eco-friendly farmland can store approximately 40 more metric tons of carbon compared to conventional farming practices.

"Hong Bao" tea plantation, Hengshan Township, Hsinchu County



Overview of Protected Wildlife Distribution in Hengshan Shakeng Tea Plantation



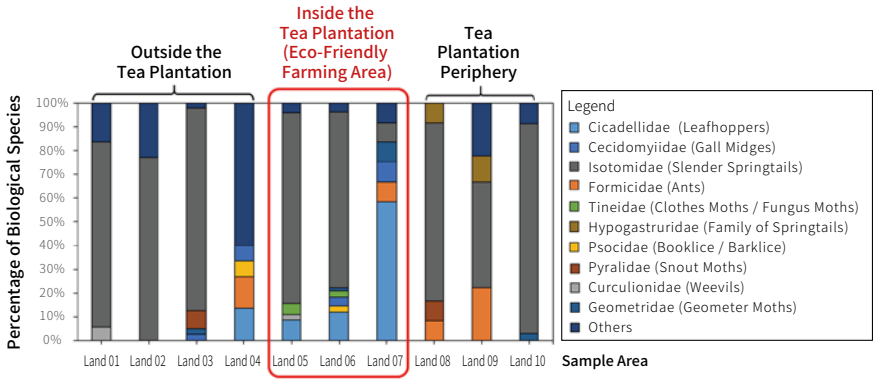
"Chun Yuan" farm, Xizhou Township, Changhua County



Overview of Protected Wildlife Distribution in Xizhou Chunyuan - Shangshui Farmland



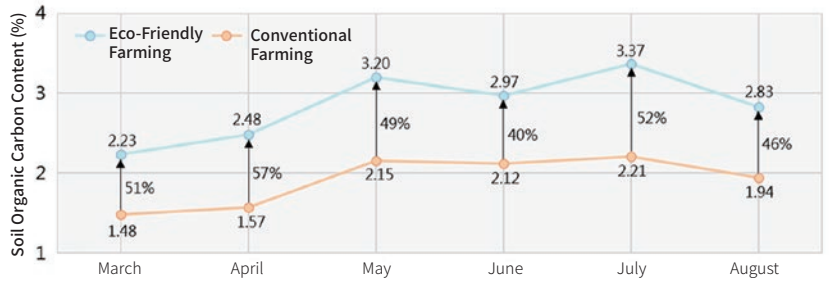
Percentage Composition of Insect Species Inside and Outside Hengshan Shakeng Tea Plantation



Biodiversity within eco-friendly tea plantations is significantly higher than that outside the plantations.



Trends in Soil Organic Matter Content: Eco-Friendly Farming vs. Conventional Farming





Forest Protection

Supporting Ecological Restoration and Disaster Prevention through Reforestation Certification

In 2024, Qisda collaborated with the Agency of Rural Development and Soil and Water Conservation (Nantou Branch) to support reforestation compensation efforts. The Company adopted a 0.6-hectare greenbelt as part of the Jiufen Ershan and Zhongguakeng Creek Restoration Project, under the agency's initiative. This area, located in a severely affected zone of the 921 Earthquake, was restored through a "subtractive engineering" approach. To mark the occasion, a land adoption ceremony and a corporate tree-planting event were organized.

"Corporate Reforestation Initiative" – Jiufen Ershan Tree-Planting Action: Connecting People and the Environment for Sustainable Prosperity

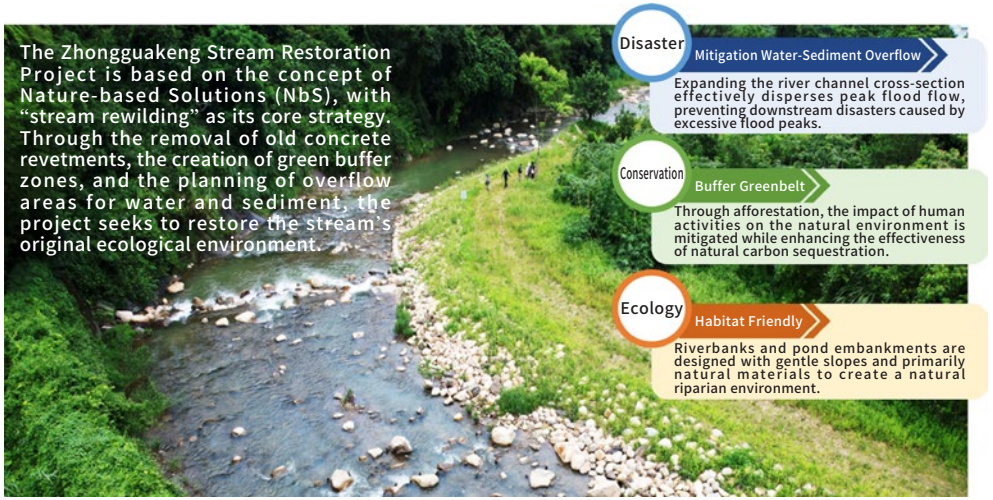
This year marks the 25th anniversary of the 921 Earthquake. In commemoration, we organized an adoption ceremony and a corporate tree-planting event. Participants also visited the Earthquake Memorial Park and the post-disaster reconstruction model, Taomi Village, to gain a deeper understanding of the importance of disaster prevention education and environmental restoration. A total of 101 employees from 9 affiliated companies took part in the event.





Nature-Based Solution Centered on "Stream Restoration"

Focusing on disaster mitigation, conservation, and ecology, we implemented a "subtractive engineering" approach to restore the Zhunguakeng Creek rehabilitation site. This involved removing existing concrete revetments, creating buffer green belts and floodplain areas, and restoring the natural ecological environment.

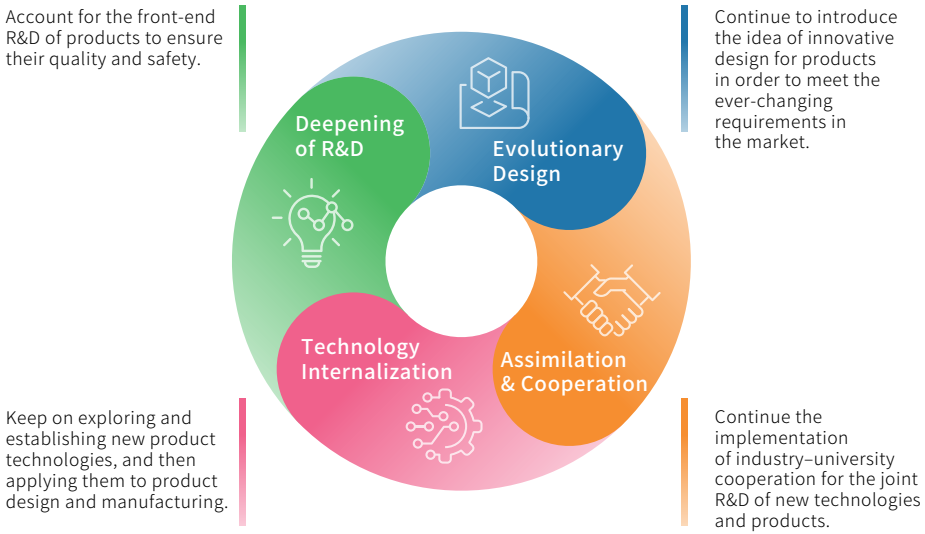


Green Products and Circular Economy

Qisda is an electronic design and OEM company, whose large range of operations span across a variety of sectors. Our products and technical fields include high-end and professional displays; precision optics products; and industrial/commercial computers and peripherals. In recent years, we have actively accelerated the expansion of the medical industry and developed smart solutions in the hopes of combining the "blue ocean strategy" with our value-added products to capture new markets. We have maintained in a leading position in the field of LCD displays and projectors around the world through advantages such as proficiency in innovative and diverse product design, profound R&D technical ability, high-quality and flexible manufacturing capabilities around the globe, capacity for vertical integration for Group resources, and exceptional industrial design.

Continuing to leverage the existing innovative momentum of R&D and integration skills, we will uphold product design and manufacturing applications as well as commit to energy saving and environmental protection in line with corporate social responsibility to focus on the R&D and manufacturing of products, reducing emissions of all substances in a sustainable manner. In the future, we will focus on four major strategies for R&D to move towards the Company's vision of "Bringing Enjoyment N Quality to Life."

Qisda's R&D Strategies



Product Innovation and Responsibility

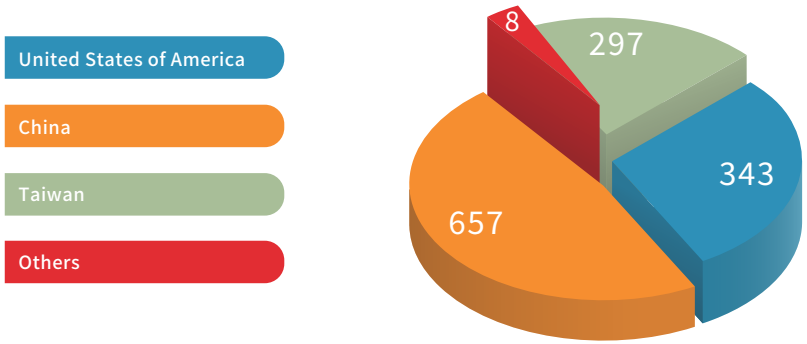
Qisda spares no effort in the innovation and development of products to maintain our competitive advantages. In the past 4 years, we have invested an average amount of more than 2% of our revenue in the innovation and R&D of products every year. Moreover, the "Regulations for Rewarding Employees with Patents" has been established to encourage the employees to innovate, invent and apply for patents. Statistics show that in 2024, a total of 76 essential patents [13] were obtained. As of the end of 2024, we had accumulated a total of 1,305 valid patents worldwide.

Item \ Year	2021	2022	2023	2024
Funds invested in R&D (NT$ thousand)	2,274,898	2,464,509	2,267,941 [14]	1,948,901
Percentage of R&D funds in revenue (%)	2.17	2.42	3.00% [14]	2.54
R&D personnel (persons)	599	587	581	560
Percentage of R&D personnel in employees (%)	39.7	37.6	37.2	35
Number of valid patents	1,192	1,199	1,251	1,305
Number of patent applications	206	238	248	206
Reward for employees with patents (NT$)	2,279,041	1,808,242	1,819,762	1,515,989

(13) Essential patents are defined as patents in the U.S. The goal is to obtain 100 essential patents per year by 2025.

(14) The originally disclosed financial figures for 2023 were based on self-assessed data. For the current year, the original funds invested in R&D and percentage of R&D funds in revenue for 2023 have been adjusted to reflect the official 2023 financial statements. (In the 2023 Sustainability Report, the original funds invested in R&D was NT$2,315,570,000, with a percentage of R&D funds in revenue of 3.02%.)

Total Number and Regional Distribution of Valid Patents in 2024





Technologies and Products Successfully Developed in 2024

LCD Display Product

OLED Display Products:

(1) Enhanced refresh rate: QD-OLED 34" (WQHD 240Hz)

(2) Dual-mode switching: W-OLED gaming monitor with Dual Mode Support 32" (UHD 240Hz<->FHD 480Hz)

LCD Display Products:

(1) Dual-mode switching: Gaming monitor with dual mode support 27" (UHD 160Hz<->FHD 320Hz)

(2) Ambient light sensing for synchronized brightness and chroma adjustments

(3) TÜV Eye comfort-certified eye care display technology

(4) Professional color management monitor for photography and post-production

(5) Display application software compatible with Windows on ARM

(6) Consistent color calibration between display and operating system settings

Projector Product

In 2024, we successfully developed a new solid-state light source platform for projectors, utilizing only solid-state light sources as the illumination technology for the new platform. For instance, the LED light source platform supports home and commercial projectors, while the blue laser-excited phosphor light source platform is used for home projectors, commercial projectors, and golf simulator projectors. Additionally, the pure RGB laser light source, which meets the high color gamut standard of BT.2020, is integrated into ultra-short throw micro projectors.

We have also incorporated 50% post-consumer recycled (PCR) plastics and plastic-reduced packaging, adopting paper-fold packaging designs. As a result, over 30% of our projector models now utilize recycled materials.

Medical Service

Dialysis: BenQ Dialysis has officially launched the "E-Strong Qflux Dialyzer" in the Taiwan market in 2024. Designed specifically for first-time dialysis patients, bedridden individuals, the elderly, and patients with weakened cardiovascular function, this low-flux hemodialyzer provides a gentler dialysis treatment option, reducing the physical burden on patients.

Smart Medical Imaging: The newly developed tablet-based ultrasound system with wireless probes enhances convenience and flexibility, minimizing environmental and spatial limitations. Alongside the previously developed portable laptop-based and flagship cart-based ultrasound systems, this comprehensive product lineup meets the diverse needs of various medical departments, offering high-efficiency, reliable, and versatile imaging solutions.

AI-Driven Digital Healthcare Innovation: In collaboration with the Industrial Technology Research Institute (ITRI), we have developed two groundbreaking AI-powered products: AI Surgical Reports and the AI Ultrasound Integration Platform. By leveraging deep learning models for ultrasound image analysis and integrating AI speech recognition and large language models (LLM), these innovations enable faster diagnostics, reduce the time required for surgical reporting, and enhance accuracy and efficiency in medical decision-making. This advancement drives digital transformation in the healthcare sector, strengthening Taiwan's healthcare and ICT industries and accelerating their transition to higher-value, technology-driven solutions.

Business Model

Eye-Care Display Products

Qisda's display products, distinguished by advanced eye-care technology and innovative design, have been awarded the highest-level "Eye Comfort 5-Star Rating" certification by TÜV Rheinland, solidifying our position as a global leader in eye-care display technology. This prestigious certification not only recognizes our excellence in fundamental eye-care features such as low blue light and flicker-free technology, but also highlights our breakthroughs in color accuracy and adaptive ambient light adjustment. Our displays intelligently adjust brightness and color temperature based on surrounding light conditions, ensuring users enjoy a comfortable and visually optimized experience in any environment while maintaining vivid and true-to-life colors. This achievement reflects our commitment to user health and experience, as well as our relentless pursuit of technological innovation.



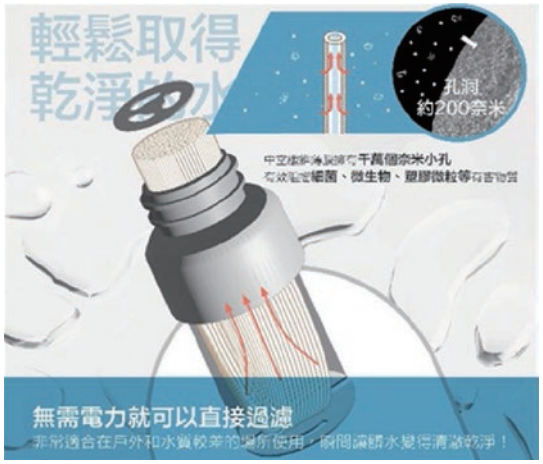
4K HDR Flagship Gaming Projector

Designed for high-end gamers, video enthusiasts, and home entertainment, this cutting-edge projector delivers stunning 4K resolution, HDR10 support, and high brightness output, providing an unparalleled ultra-high-definition visual experience. With built-in Android TV, Wi-Fi connectivity, and voice control, it seamlessly integrates smart technology, breaking traditional boundaries and enabling effortless access to premium entertainment. Powered by Qisda and BenQ's industry-leading technology, this projector is optimized for gamers, featuring low latency and high refresh rates for an immersive and responsive gaming experience. Whether gaming or watching movies, every scene becomes more lifelike and breathtaking than ever before.



Pocket-Sized Water Filter

Utilizing Taiwan's only medical-grade hollow fiber membrane encapsulation technology, this world's smallest portable water purifier is developed in collaboration with local hollow fiber membrane manufacturers. It effectively filters bacteria and microorganisms, providing clean and safe drinking water on the go. Designed with a universal bottle cap compatible with standard PET bottles, this innovative filter helps reduce bottled water waste. It also serves as a critical resource for emergency relief, disaster preparedness, and use in harsh environments, offering sterile water for wound care when needed. This groundbreaking product has been recognized with the CES Innovation Award and the 2024 Taiwan Excellence Silver Award.





Smart Medical Imaging

The newly designed wireless ultrasound probe eliminates the constraints of traditional cables, offering greater convenience and flexibility in various medical scenarios. By reducing spatial limitations, this innovation allows physicians to perform bedside examinations and emergency assessments with ease, minimizing the need for patient relocation. Its compact and portable design also enhances access to healthcare services in remote areas, improving both diagnostic efficiency and accessibility.

This wireless ultrasound probe is compatible with off-the-shelf tablets and smartphones, requiring only software installation for immediate use. This not only enhances cost efficiency by reducing investments in new equipment and electronic waste from obsolete devices but also provides an intuitive touch-screen interface for effortless operation. Furthermore, with seamless connectivity to tablets and smartphones, it facilitates learning for beginners and enhances teaching applications, making medical education more versatile and accessible.

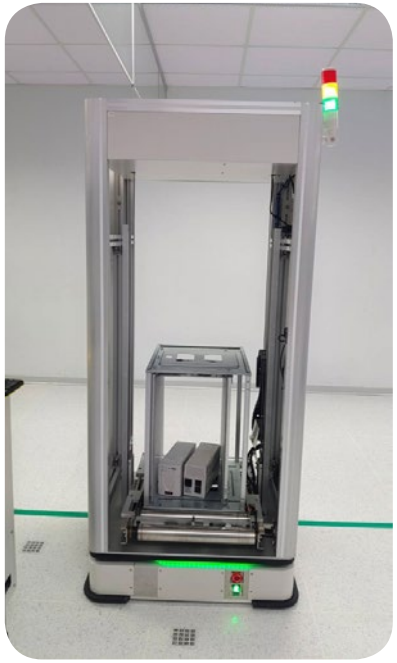


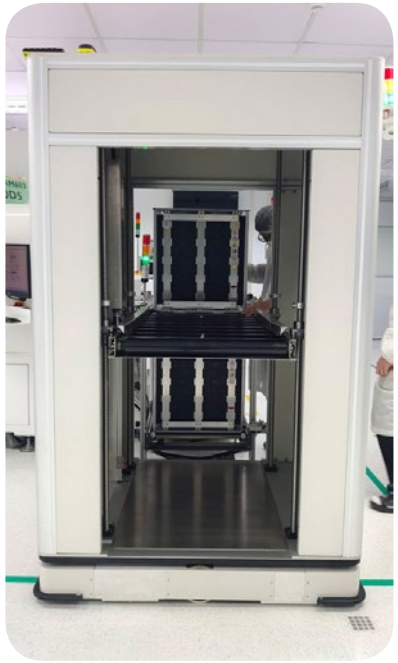




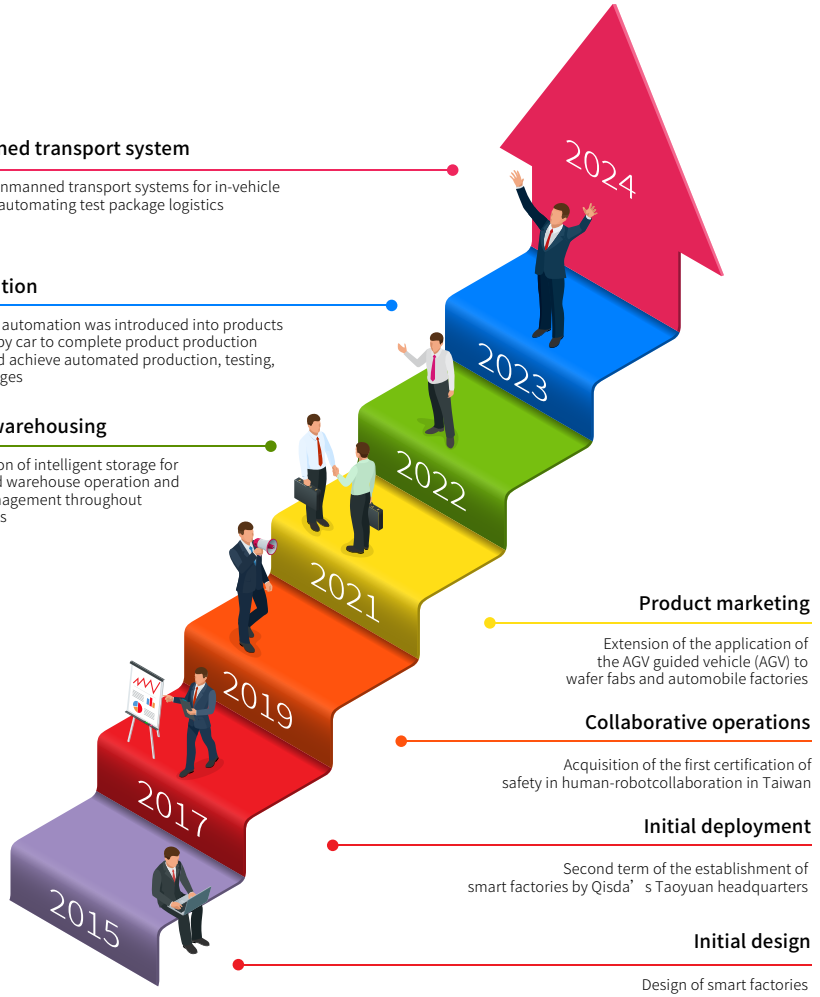
Smart Factory Innovations

To meet market demands and maintain competitiveness, Qisda began implementing smart factory designs in 2015, integrating data analytics, robotics, and artificial intelligence into the manufacturing process to transform production models, enhancing efficiency and quality. As an industry leader, we introduced manufacturing information system solutions with a highly integrated hardware-software platform and established the second phase of our smart factory at the Taoyuan headquarters in 2017. In 2019, we implemented a three-tier safety mechanism based on ISO 10218 and TS 15066, significantly improving human-robot collaboration safety and earning Taiwan's first human-robot collaboration safety certification. Through smart manufacturing solutions, we have enhanced production quality while reducing space inefficiencies, thereby improving overall factory productivity. In 2021, we expanded smart factory technologies, deploying Automated Guided Vehicles (AGVs) in semiconductor and automotive factories. By 2022, we introduced an intelligent warehouse system, enabling fully automated inventory tracking and unmanned logistics from warehouse storage to dock shipments. In 2023, we integrated intelligent automation into automotive product manufacturing, achieving full product traceability and automated production testing and packaging. In 2024, we introduced an unmanned transport system for automotive product manufacturing, automating test package transportation and reducing labor requirements by 50%.





Development History of Smart Factories



Unmanned transport system

Adopted unmanned transport systems for in-vehicle products, automating test package logistics

Automation

Intelligent automation was introduced into products delivered by car to complete product production history and achieve automated production, testing, and packages

Smart warehousing

Introduction of intelligent storage for unmanned warehouse operation and smart management throughout the process

Product marketing

Extension of the application of the AGV guided vehicle (AGV) to wafer fabs and automobile factories

Collaborative operations

Acquisition of the first certification of safety in human-robotcollaboration in Taiwan

Initial deployment

Second term of the establishment of smart factories by Qisda's Taoyuan headquarters

Initial design

Design of smart factories

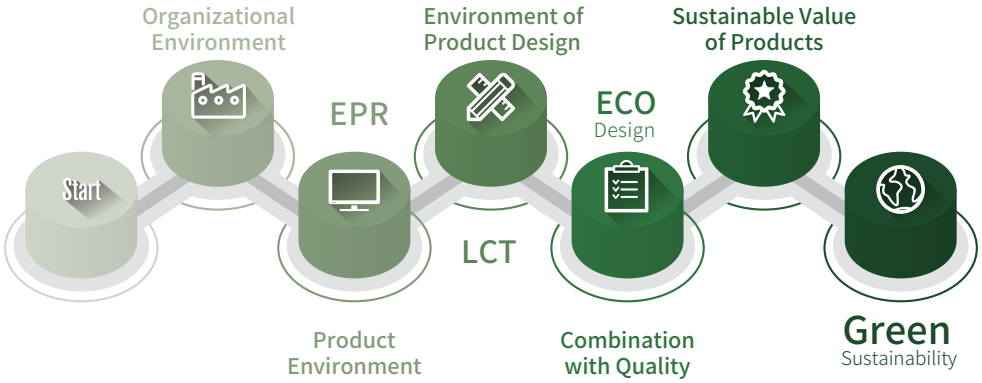
Green Products

Qisda aims to maintain and implement their corporate sustainable development (ESG) vision of "being an innovator for the design and manufacturing of ICT and medical products, boosting quality of life and staying environmentally friendly" through the production of green products. The process of promoting green, sustainable products can be divided into different phases. Our scope of focus extends beyond the organizational environment to look at the whole product environmental footprint, and we pay close attention to the environmental impact of our products during their life cycle, including after they leave the factories.

Qisda places importance on introducing green design elements from the early stages of design, believing that it is the only way to reduce the products' impact on the environment at each stage of their life cycle. We combine the techniques of green design with the quality control process, product design, and R&D procedure, conducting inspections at each stage of design and making the corresponding adjustments to reach the highest level of efficiency.

Starting from 2010 (using 2009 as the baseline year), we have incorporated the elements of green design within our product design and R&D process, and established management systems with respect to the environmentally conscious design (IEC 62430) the incorporated ecodesign (ISO 14006) guidelines.

Qisda integrates a life cycle perspective into its product design process, incorporating green design objectives from the early stages. Each design phase undergoes rigorous review to ensure that products not only comply with customer requirements and regulatory standards in sales countries but also achieve continuous improvement by enhancing energy efficiency and reducing resource consumption. The original Green Design 555 five-year target was successfully achieved ahead of schedule in 2023. In response to net-zero emission policies, the Company has set ESG annual targets for its key product lines through 2030, aiming to reduce environmental impact while enhancing product performance, delivering superior solutions to customers, and establishing sustainable product value.



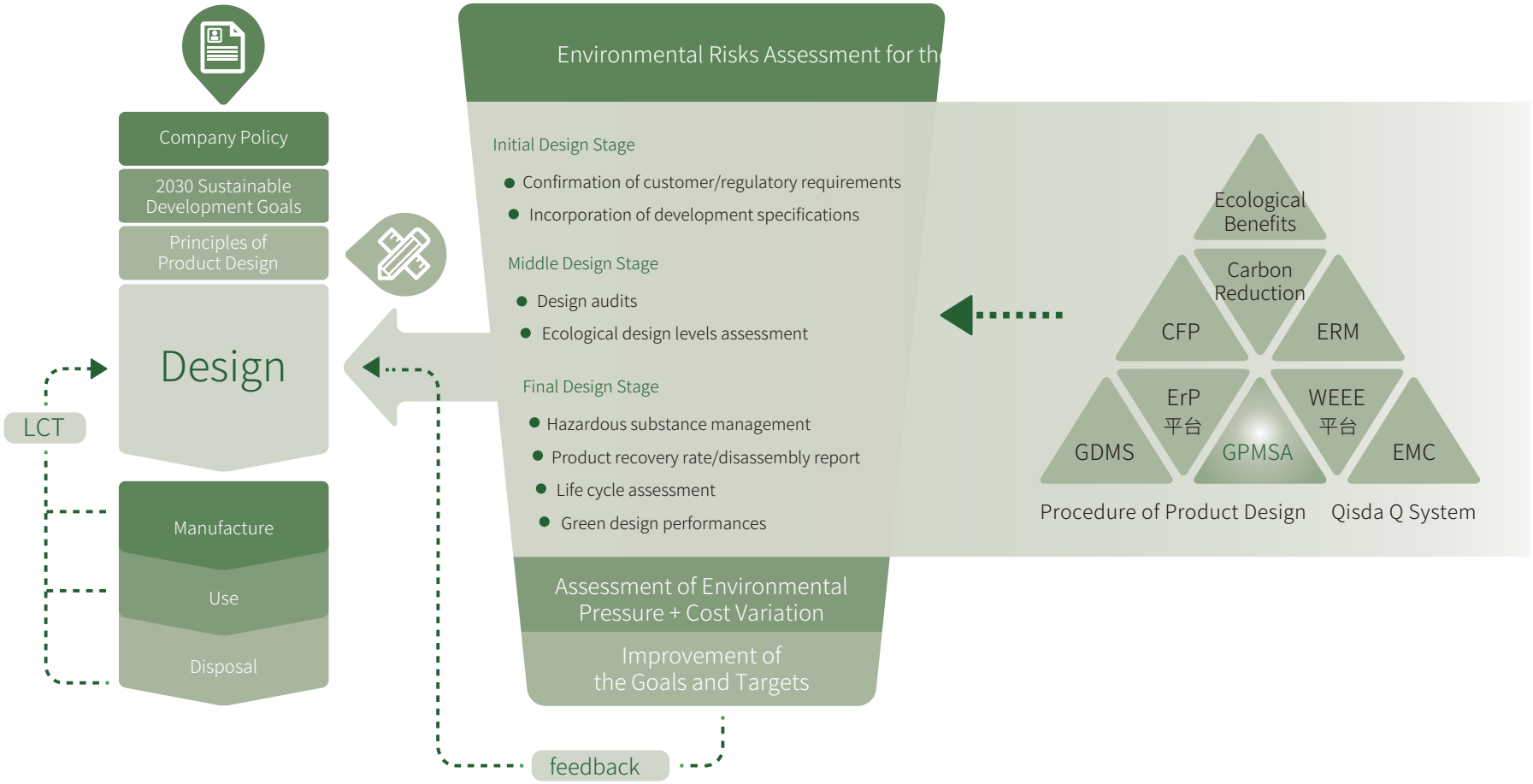
Green Product ESG Goals and Performance

Product Line	Displays			
Goal	Energy efficiency improvement	Manufacturing efficiency improvement: Percentage of single-sided printing machine models in IF BD	Proportion of new models with reduced material usage through thinner plastic design	Proportion of models using recycled steel
2030	14%	80%	80%	80%
Goal for 2024	2%	60%	63%	25%
2024 Achievement	3.39%	67.7%	65.3%	28.4%

Product Line	Projector		
Goal	Proportion of models using recycled materials (new project models)	Energy efficiency improvement	Proportion of products with mercury lamps
2030	67%	7%	32%
Goal for 2024	30%	1%	62%
2024 Achievement	31.8%	2.8%	59%

Concept of Incorporated Design

Qisda has introduced environmentally conscious design (IEC 62430) since 2010, and continued to promote life cycle thinking with regards to the products we design. We require that green design elements be included in the beginning of the product R&D process to assess the potential environmental impact and risks caused by the designed products/components in different phases of the life cycle. Furthermore, we hope to simplify our design, so that we can begin to reduce the environmental impact of our products from the initial design stage. We believe that we should combine ecological design with quality management and produce products that are both helpful to the environment and possess great functionality. Since 2013, we have combined the guidelines for incorporating ecodesign (incorporated design; ISO 14006) with environmentally conscious design (IEC 62430), the environmental management system (ISO 14001) and the quality management system (ISO 9001), and introduced them to the R&D process, establishing a structure of incorporated ecological design. Since 2013, we have received statements of the integrated design (ISO 14006) and the green design (IEC 62430) for products such as displays, projectors, smart phones, scanners, multimedia players and light fixtures.



Concept

Principle/Approach of ecological design

Requirements

Qisda specifies that green design must be incorporated from the beginning of the product R&D process to assess the potential environmental impact and risks caused by the designed products/components in different phases of the life cycle. We also require implementation of proper management from the very beginning of the design. Thus, based on the status and design experience of each product line, we established interdepartmental green design principles for the R&D staff as a guideline to inform choices for related manufacturing procedures. We place importance on four major green design approaches during the R&D stage, which are material reduction, hazardous substance management, energy saving and recycling. In the middle stages of design, we use the internal WEEE platform to make product recyclability assessments, and see if the recyclability of the product meets Qisda's basic requirements. The product can only move on to the next stage of the design process after receiving confirmation that it has met all necessary requirements.

Methods

1. **Reduction of raw material consumption**

   Reduce the volume and weight of products and packaging as well as the number of components within the product, taking modular design into consideration. In 2024, 65.3% of new display models featured a slimmed-down plastic design, effectively reducing material usage.

2. **Hazardous substances**

   For environmentally harmful chemicals that could be used in products or during the production process, Qisda has formulated the "Hazardous Substance Control List" according to international regulations and the requirements of the customers. Qisda strictly manages the approval of components and raw materials, and conducts rigorous inspections of imported materials. We establish a systematic management mechanism to ensure that our products comply with international regulations and meet the customers' requirements. We hope to progressively reduce the usage of hazardous chemicals, simultaneously avoiding damage to both the human body and the environment during product transportation, use and disposal.

3. **Energy saving**

   Qisda primarily focuses on increasing energy efficiency and reducing energy consumption during the product's shutdown and standby modes. We also compare the data of contemporary models with that of models from the previous generation to confirm the achievement of energy saving goals. Qisda not only meets international requirements (such as ErP, TCO and Energy Star), but also takes self enhancement and continuous improvement as an aim, an area of consideration and a crucial part of our operational framework. In 2024, the newly developed display products improved energy efficiency by 3.39%, while projector products improved energy efficiency by 2.8%.

4. **Product disposal:**

   Qisda takes the products' recyclability and the difficulty of disassembly into consideration from the start of the product design process. We think about the composition of products components and avoid using materials and manufacturing processes that make hard to dismantle, such as bonding, soldering or embedding. Products and samples with plastic components that weigh 25g or above should be labeled with a list of materials, and the plastic components used cannot be composed of more than two kinds of materials.

Concept

Process of ecological product design

Requirements

In order to implement ecological design for all models and meet the requirements of customers/importing countries while continuing to promote material reduction, energy saving and carbon reduction, the design process of the machines can be roughly divided into three stages.

Methods

1. **Initial Design Stage**
   - ▲ Confirmation of customer/regulatory requirements: Confirm the regulations/demands of the customers and the importing countries, and submit the requirements to the system, sending them internally to the management units responsible for subsequent processes.
   - ▲ Incorporation of development specifications: Convert the regulations of the customers and the importing countries to design specifications as design inputs at the initial design stage.
2. **Middle Design Stage**
   - ▲ Design audits: Double-check the blueprints and prototypes to see if they meet the requirements and if there's any quality issue.
   - ▲ Ecological design levels assessment: See if the products meet other international requirements in addition to those of the customers and the importing countries, and label the products with golden, silver and bronze medals according to their ecological design status. The advantages and disadvantages of the product design is also provided as an improvement guide for the next generation of products.
3. **Final Design Stage**
   - ▲ Hazardous substance management: Provide corresponding reports for customers based on their requirements and check the compliance status of each component again.
   - ▲ Product recovery rate/disassembly report: Calculate the recovery rate of the models and make disassembly analysis reports through the internal WEEE platform.
   - ▲ Life cycle assessment: Collect internal and external information through Qisda's carbon management platform, and provide product carbon footprint reports and lists of recommendations for reducing carbon right after mass production.
   - ▲ Green design performances: Compare existing products with the previous generation models and make assessments of design improvement performances to see the status of achieving goals such as energy saving, material reduction and carbon reduction.

Concept

Environmental impact assessment and benefits of products

Requirements

Based on the requirements of the customers/importing countries, Qisda actively assesses if the design of products can be further simplified to leave out unnecessary manufacturing processes and parts. Every year, we perform periodical assessments on the environmental impacts of each product type. The current and new design specifications/process of the product line are taken into consideration when assessing the possible impacts and risks brought by it in each stage of the life cycle. We also make comparisons with previous models or benchmark products in the industry to identify high-risk parts and manufacturing processes, and then establish affordable and feasible improvement plans to reduce environmental pressure. These plans shall be implemented for the next generation's models.

Methods

1. Environmental impact assessment for products

Assessment method	Approach	As a percentage of the Company's total product revenue (%)
Full Life Cycle Assessments (Full LCAs)	Qisda utilized the SimaPro software and the Ecoinvent database to conduct LCAs of all products. The Company's LCIA methodology continues to be designed in accordance with the ReCiPe 2016 Midpoint assessment method.	12.16
Simplified Life Cycle Assessments (LCAs)	For only one impact category: climate change, the carbon footprint calculation platform of Qisda and the Ecoinvent database were used for calculation.	46.54
Others (excluding those that have undergone the above two assessments)	Compliant with EU RoHS Directive	40.30
Products of the Company as a percentage of the environmental impact assessment		100

2. In 2024, products certified with the Energy Star label accounted for 57.89% of the Company's annual revenue. Based on the measured Typical Energy Consumption (ETEC) of these products compared to the Maximum Typical Energy Consumption (ETEC_max), and assuming an average product lifespan of 6.6 years, it is estimated that a total of 3,709,525 GJ of energy can be saved, equivalent to a reduction of 509,029 tCO e in carbon emissions."

Concept

Platform data integration

Requirements

- In 2010, Qisda became one of the first companies to establish a carbon management platform. By using the bill of materials (BOM) system, we listed the corresponding components and integrated them with the component approval system to collect the material and process parameters of each component. Then, we imported the data into the Simapro system before mass production, generating a product carbon footprint report. This led to significant reductions in operation time, allowing carbon footprint reports to be available immediately after mass production, when it previously would've taken six months to produce. We also widened the scope of our carbon inspection, inspecting not only one model, but other product lines and models at the same time. Thus, Qisda has achieved the goal of providing carbon footprint reports for all main models since 2012.
- In the future, Qisda will also integrate information relating to product disposal and energy consumption on the WEEE platform so as to present the complete cradle-to-grave carbon footprint of the products.

  In 2013, Qisda established the product-related environmental regulation management platform to connect with the customers'/company's requirements. Based on the various requirements of each model, the system adapts to suitable specifications for mandatory and optional design audits, offering audit lists at the subsequent design stages to ensure that our product design meets the customers'/company's requirements, all the while avoiding rework costs.
- We will continue to connect/integrate Qisda's systems and resoucres to make the most of our data, and further reduce time spent on rework and sending information between departments.

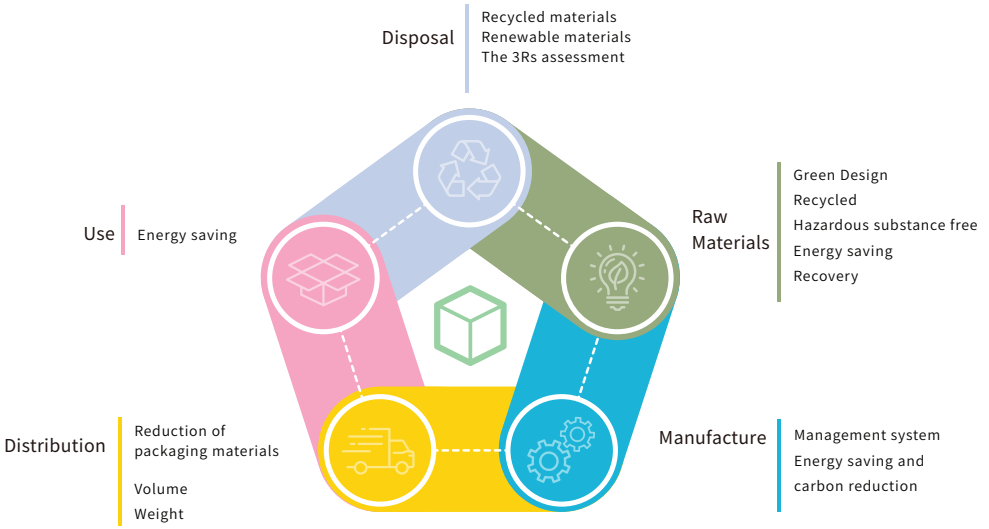
Methods

- Continue to optimize the carbon footprint management system and avoid omissions with inspection reports.
- Starting from the third quarter of 2023, the emission coefficient quoted on the Carbon Footprint Platform has been updated through the Ecoinvent database, and an independent third-party verification is expected to be carried out in early 2024 to ensure the "Product Carbon Footprint Report" generated by the software platform fulfils its intended purpose and that the GHG emission data outputted by the system for the products are consistent. In the future, we will continue to obtain carbon footprint data from suppliers to increase the proportion of primary data.

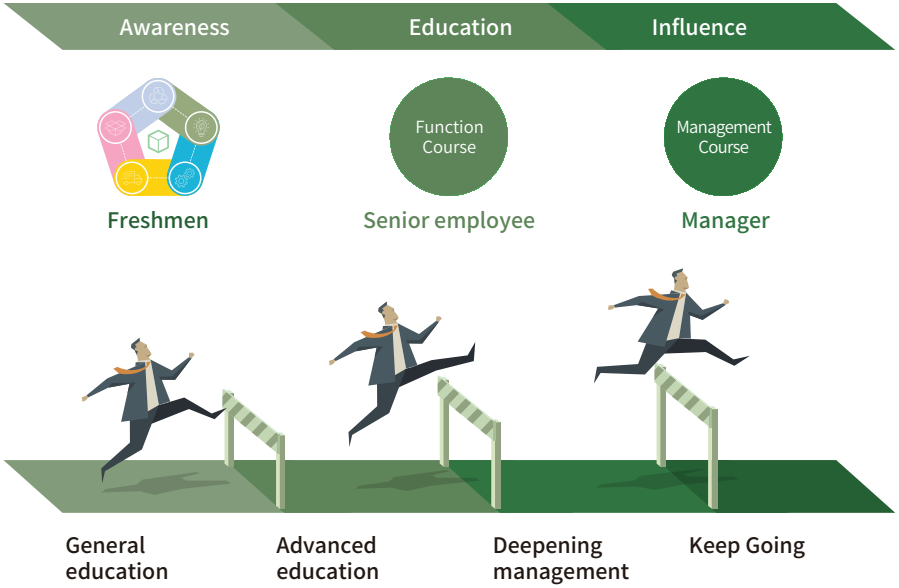
Requirements and Cases at Each Stage of Product Life Cycle

Stage of Life Cycle	Requirements	Action Taken
Raw materials	In addition to considering using parts that consume less energy and reducing the quantity of the parts used, parts used are required to adhere to the EU Restriction of Hazardous Substances (RoHS) Directive or the customer's personal requirements regarding the prohibition and limitation of the use of hazardous substances.	1. In 2024, all of the raw materials of the new products were in compliance with the EU RoHS Directive. 2. In 2024, 65.3% of new models featured a slimmed-down plastic design, effectively reducing material usage. 3. Continue to promote the use of recycled materials: (1) The proportion of recycled plastic materials (housing) in new models for major display customers must reach at least 85%. For the largest display customer, the proportion of recycled aluminum used in new model heat sinks has increased from 90% to 100%, while the recycled content of SGCC BKT has also reached 50%. (2) Some high-end projectors have incorporated recycled plastic materials for their external casing, with a recycled content of approximately 50%. (3) The reuse or recycling of materials in hemodialyzers reduces over 5,000 kg of PP material and 800 kg of PC material waste annually. 4. Continuous promotion of eco-friendly packaging materials: (1) In 2024, all new display models have gradually adopted folded paper or molded pulp packaging. (2) In 2024, certain projector customers have implemented fully folded paper or molded pulp cushioning materials in new models, aiming for a 30% adoption rate of molded pulp packaging by 2025. (3) Starting in 2024, cartons for dialysis devices are manufactured using 85–90% recycled pulp, printed with water-based ink, and supplied by certified eco-friendly vendors.
Manufacture	Qisda has implemented the environmental management system (ISO 14001) since 1997 and introduced the occupational safety and health management system (ISO 45001) in 2001, committing to lowering both the impact on the environment and potential risks during production. We obtained the Green Factory Label in 2016 and established relevant energy saving and waste reduction performance indicators to achieve our green operation goals.	1. In 2024, the solar power generation amounted to 5,912,767 kWh, resulting in an annual carbon reduction of 3,151.02 tCO2e. 2. A new energy-saving project was introduced in 2024, which is expected to reduce electricity by 1.642 million kWh/year. 3. The purchased renewable energy certificates totaled 39,064,000 MWh, accounting for 36.7% of its total electricity consumption. 4. In our sites around the world, the carbon emissions per personal hourly electricity consumption were 2.32 kgCO2e in 2024, falling by 7.2% compared to that of 2021, which was 2.5 kgCO2e. 5. The proportion of recyclable waste reached 94% in 2024.
Distribution	In the early stages of new product design, Qisda considers reducing the packaging volume of finished products and using lighter-weight materials as much as possible. At the same time, the Company optimizes the stacking of finished products to reduce fuel consumption during distribution, and avoid more impact on the environment.	1. Continue to optimize the pallet stacking method to increase transportation volume. 2. Increase the loading rate through optimization of packaging material design. 3. In 2024, some display models have incorporated strap designs on stands to optimize loading efficiency. For a specific model, this improvement has increased the loading rate by 4%. 4. Since 2023, idle raw material pallets within the group have been repurposed for shipping hemodialyzers, with over 1,200 pallets reused annually, effectively promoting resource recycling and reinforcing the implementation of a circular economy.
Use	Qisda not only meets international requirements and customer requirements (such as the ErP, TCO and Energy Star), but also takes self enhancement and ongoing improvement as an aim to continue refining the energy consumption of products. In addition, Qisda has established an internal design for service and design verification mechanism to ensure that products meet brand customers' after-sales service and reliability requirements.	In 2024, the energy efficiency of newly developed display products improved by 3.39%, while projector products saw a 2.8% improvement in energy efficiency.
Waste disposal	Qisda takes the products' recyclability and the difficulty of disassembly into consideration since the start of the product design process. We think about the product composition and avoid using materials or manufacturing processes that make products hard to dismantle, such as bonding, soldering or embedding. Products and samples with plastic components that weigh 25g or above should be labeled with a list of materials, and the plastic components used cannot be composed of more than two kinds of materials. In the middle stages of design, we use the internal WEEE platform to make product recyclability assessments, and see if the recyclability of the product meets Qisda's basic requirements. The product can only move on to the next stage of the design process after confirmation that the product complies with all necessary requirements.	From 2021 to 2024, the product recyclability had been in line with the WEEE requirements. Percentage of Products Complying with WEEE Requirements 2021 100% 2022 100% 2023 100% 2024 100%

Qisda’ s product life cycle mindset



Plans for training green talents



Training for Green Talents

Qisda organizes three levels of training for R&D personnel. For newcomers, the Company provides general education and training on green product design, and establishes internal instructors to help new employees develop awareness of the green design process. Through simple games, the Company gradually introduces green design elements and approaches to the product function design. This in turn guides employees to think about the design process and familiarize themselves with practical cases of Qisda’s green products. Content of these courses include: the concept of the product life cycle, application of life cycle thinking, green product redesign, and green product structures and elements.

For senior R&D personnel, professional improvement courses are provided based on the needs of each business unit or project. After incorporating the relevant knowledge and technology into internal documents and SOPs, the Company distributed courses on this new information to R&D personnel through software platforms. Every year, relevant R&D personnel are also trained to continue constructing advanced green product courses, such as: understanding and interpretation of international regulations, life cycle inventory and evaluation, ecological design, design methods, product disassembly research and analysis, software platform application, and other related courses. Additionally, concepts related to circular economy and the use of recycled materials are incorporated into the course content.

At the management level, Qisda regularly organizes green product management courses for R&D executives, strengthens management through influence, and continues to pay attention to the performance of product management to determine the appropriate management method based on the conditions of each product line.

Life Cycle Assessment

In accordance with the ISO 14044:2006 standard, the product life cycle stages include raw material acquisition, manufacturing, transportation and distribution, consumer use, and end-of-life disposal. Since 2022, Qisda has conducted assessments for end products such as LCD monitors and digital projectors. The system boundary is defined as “Cradle to Grave,” encompassing the entire life cycle from raw material acquisition to end-of-life disposal.

The following presents the environmental impact categories and results of the 2024 Life Cycle Assessment (LCA) for a 24-inch LCD monitor:

Method of calculation used to determine environmental footprint of products:

Environmental footprint = Activity intensity data X emission coefficient

The product life cycle is based on the verification and calculation of the product’s environmental footprint at each stage of the life cycle (from raw material exploitation/manufacturing, transportation, and manufacturing to product distribution and transportation, product use, and product disposal), including all emissions produced within the supply chain.



The principles of allocation are as follows:

Stage of Life Cycle	Allocation Method
Raw Material Acquisition	Parameters for the calculation of raw materials are set according to the actual amount (weight) of materials used in the production of a single unit. For the transport of raw materials, these parameters are multiplied by the actual transportation distance from the supplier’s production location to Qisda’s Suzhou (China) Plant.
Manufacturing	For the input, output, and emission data at the manufacturing stage, “production working hours” is used as a factor to allocate activity to a single product.
Distribution and Sales	The actual weight of the subject product shipped from the plant to the first distribution point (or warehouse) is multiplied by the transportation distance and then allocated to a single product.
Consumer Use	Allocation is made according to the proportion of sales in each region.
Waste Disposal and Recycling	Based on the disposal method of each part after the product is disassembled, the weight is used as the basic allocation parameter for the calculation.

Energy-saving, material reduction, and carbon reduction goals and implementation results for display product development are reviewed quarterly

This year, we continue to use the ReCiPE 2016 midpoint method to evaluate the selected product’s environmental footprint with respect to 18 environmental impact categories and indicators at each stage of its life cycle, from cradle to grave. The life cycle assessment tool used is SimaPro 9.6.0.1, and the database used is Ecoinvent 3.10.

The energy-saving/consumption reduction/carbon reduction goals and implementation results are reviewed every quarter for the development of displays.

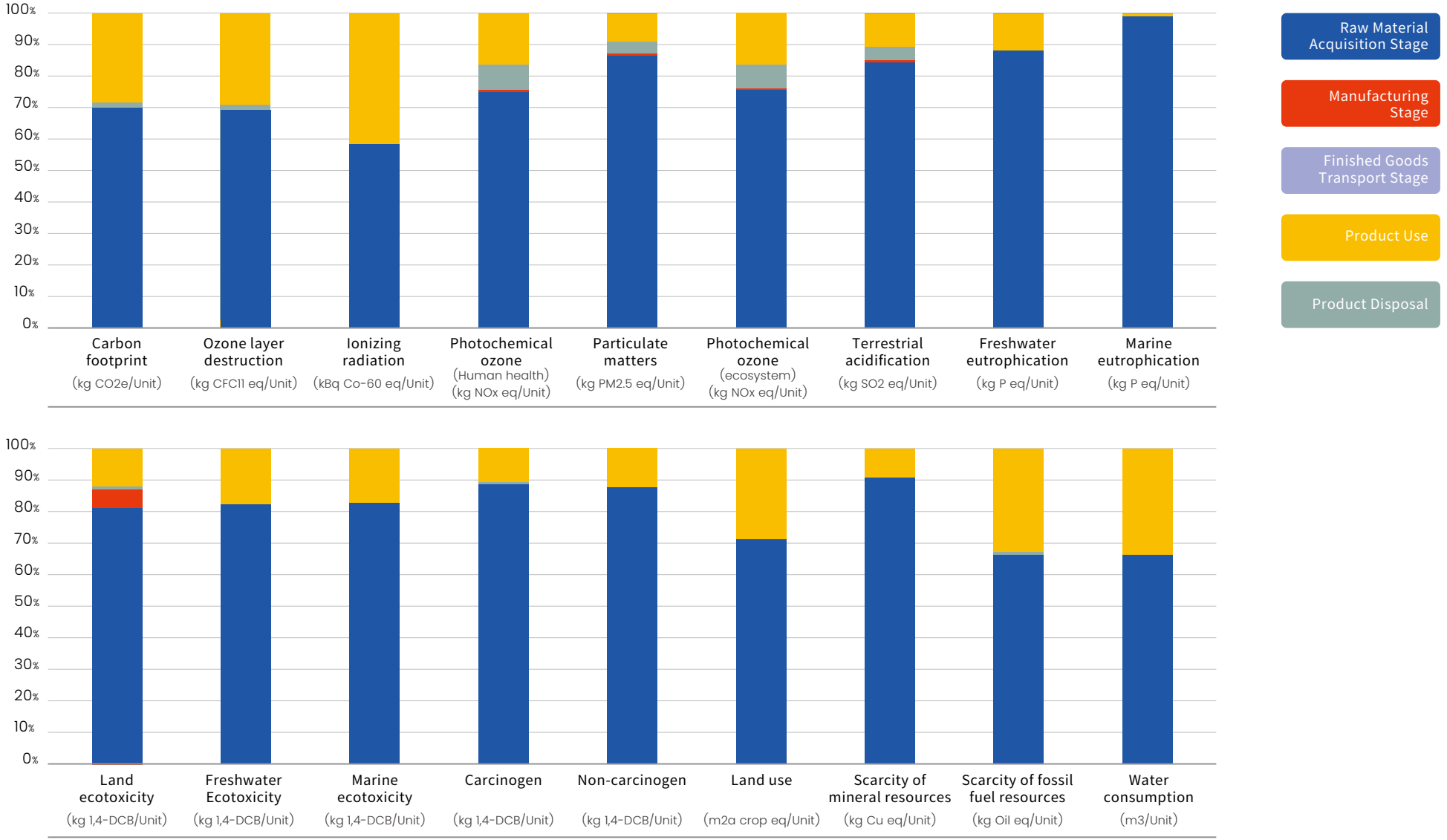
For detailed results, please refer to the LCA report.

Environmental Hotspots	Description	Management and Mitigation Measures
Use phase	During the use phase of the LCD monitor's lifecycle, the total electricity consumption is relatively high (106.8408 kWh). This phase not only contributes significantly to the carbon footprint, but also results in notable impacts on terrestrial ecotoxicity and non-carcinogenic health effects.	In response, Qisda has implemented carbon emission management measures during the product development phase, specifically targeting power consumption: 1. Conduct thorough evaluations to reduce the overall power usage of the device. 2. Adopt modular design to reduce the number of components.
Raw material stage – Panel	The panel contributes significantly to environmental impacts such as high carbon emissions, terrestrial ecotoxicity, non-carcinogenic and carcinogenic effects, and marine ecotoxicity. The primary environmental hotspots are associated with energy-intensive manufacturing processes, including thin-film deposition, photolithography, and etching. These steps require substantial electricity consumption to maintain high temperatures, vacuum conditions, and cleanroom operations, leading to increased carbon emissions. Furthermore, the production and processing of raw materials, such as glass substrates and metals like indium, molybdenum, copper, and silver, can result in heavy metal pollution and land degradation. Hazardous chemicals used during the process—such as fluorinated etchants, photoresists, and strong acid solvents—may release VOCs and pollute water and air, thereby affecting ecosystems and human health.	1. Promote Qisda's environmental requirements to suppliers to encourage improvement efforts, such as waste and carbon reduction in panel raw materials and processes. 2. Suppliers are actively increasing the proportion of raw material recycling, solar power generation, and solvent reuse in chemical material processing on an annual basis.
Raw material stage – Stand	The stand exhibits significant environmental impacts, including high carbon emissions, terrestrial ecotoxicity, non-carcinogenic and carcinogenic effects, and fossil fuel resource depletion. The main environmental hotspots stem from raw material production and processing. Stands are typically made from metals (such as aluminum and steel) and plastics (such as ABS and PC), both of which require high energy input during smelting and manufacturing processes. These activities may release heavy metals and VOCs, affecting soil and air quality. In addition, manufacturing and surface treatment processes—such as cutting, die-casting, electroplating, and painting—require energy-intensive equipment, contributing to increased carbon emissions and the generation of toxic wastewater and volatile organic compounds, which pose risks to ecosystems and human health.	During the product development phase, carbon emission reduction is managed through design strategies: 1. Use of low-carbon materials. 2. Use of recycled materials. 3. Reduction of material weight. 4. Simplification of assembly processes to reduce energy consumption.
Raw material stage – PCB	In addition to high carbon emissions, PCBs also contribute significantly to terrestrial ecotoxicity, non-carcinogenic effects, marine ecotoxicity, and freshwater ecotoxicity. The primary environmental hotspot of PCBs lies in the energy consumption during manufacturing processes, particularly electricity use, as PCB production involves energy-intensive heating and material processing. Furthermore, the raw materials used in PCBs contain a large proportion of metals, the extraction and processing of which consume substantial energy and cause considerable environmental impact. The extensive use of cleaning and etching chemicals also represents a major source of environmental burden.	For this model, halogen-free materials have been adopted for the PCB. The controlled thresholds for bromine (Br) and chlorine (Cl) are individually limited to below 900 ppm, with a combined total of less than 1500 ppm.

Environmental Impact Assessment Results at Every Stage of the Lifecycle

Impact category	Unit	Environmental impact results					
		Raw Material Acquisition Stage	Manufacturing Stage	Finished Goods Transport Stage	Use Stage	Product Disposal	Total
		1.15E+02	1.49E+00	5.04E-01	2.96E+02	1.54E-01	**4.13E+02**
Ozone layer destruction	kg CFC11 eq/set	8.11E-03	3.41E-07	2.04E-07	7.67E-05	3.47E-08	**8.19E-03**
Ionizing radiation	kBq Co-60 eq/set	1.09E+01	5.86E-02	3.19E-03	1.59E+01	1.06E-04	**2.68E+01**
Photochemical ozone - human health	kg NOx eq/set	3.64E-01	4.06E-03	7.23E-03	3.42E-01	3.50E-05	**7.17E-01**
Particulate matters	kg PM2.5 eq/set	2.82E-01	2.29E-03	2.26E-03	6.43E-01	7.52E-06	**9.29E-01**
Photochemical ozone - ecosystem	kg NOx eq/set	3.79E-01	4.09E-03	7.34E-03	3.54E-01	3.52E-05	**7.44E-01**
Terrestrial acidification	kg SO2 eq/set	6.04E-01	5.22E-03	6.91E-03	5.71E-01	1.95E-05	**1.19E+00**
Freshwater eutrophication	kg P eq/set	1.34E-01	2.91E-04	2.48E-05	1.08E-01	7.57E-06	**2.43E-01**
Marine eutrophication	kg P eq/set	1.66E-02	2.21E-05	9.16E-06	6.99E-03	9.89E-07	**2.36E-02**
Land ecotoxicity	kg 1,4-DCB/set	2.57E+03	3.25E+00	1.51E+00	5.96E+02	2.96E-01	**3.17E+03**
Freshwater Ecotoxicity	kg 1,4-DCB/set	5.60E+01	6.37E-02	5.20E-03	1.27E+01	1.18E-02	**6.87E+01**
Marine ecotoxicity	kg 1,4-DCB/set	7.42E+01	8.11E-02	7.77E-03	1.61E+01	1.68E-02	**9.04E+01**
Carcinogen	kg 1,4-DCB/set	1.30E+01	4.81E-02	2.30E-02	8.33E+00	9.76E-04	**2.14E+01**
Non-carcinogen	kg 1,4-DCB/set	8.94E+02	1.05E+00	1.12E-01	2.03E+02	2.21E-01	**1.10E+03**
Land use	m2a crop eq/set	3.84E+00	2.15E-02	5.41E-03	5.17E+00	6.84E-05	**9.04E+00**
Scarcity of mineral resources	kg Cu eq/set	3.63E+00	2.13E-03	1.04E-03	3.55E-01	1.79E-05	**3.99E+00**
Scarcity of fossil fuel resources	kg Oil eq/set	3.04E+01	3.00E-01	1.25E-01	4.90E+01	1.02E-03	**7.98E+01**
Water resource consumption	m3/set	1.02E+00	4.32E-03	5.52E-04	1.55E+00	9.14E-05	**2.58E+00**

Results of environmental impacts at various stages and their percentage share



Quality/Hazardous Substance Management

Qisda devotes itself to promoting the quality management system (ISO 9001), the medical devices quality management system (ISO 13485), the automotive quality management system (IATF 16949) and the hazardous substance process quality management system (IECQ QC 080000). We design and manufacture products that conform to laws, regulations and the requirements for customer safety and health. In the "Quality and No-Hazardous Substance Handbook," we clearly disclose Qisda's policies for quality and prohibition of hazardous substance use, and the policies are verified by a third party.

The President is the person at the highest position in charge of the quality/harmful substance management system at Qisda. He/she oversees dedicated personnel and establishes organizations at different levels to ensure that the requirements of the quality/harmful substance-free policy are implemented throughout the Company and adhered to by all employees. The President makes all employees of the Company understand the importance of compliance with regulatory requirements, the Company's quality policy, quality goals, and customer requirements through education and training, the Company intranet, and information dissemination cards, and reviews the suitability of the management system and the availability of resources in the management review meeting. These practices aim to pursue continuous improvement and problem prevention in the most economical/refined manner to achieve the continuous improvement process, reduce defects, reduce waste, improve quality and productivity, and meet the EU RoHS directive and customer requirements so that our products can fulfill social expectations and reduce its impact on the natural environment.

In the past four years (2021-2024), customers' demands for the control of hazardous substances in products has been continuously updated to a total of 71 requirements, and inventories have been carried out in accordance with customers' requirements and international environmental regulations (EU RoHS regulations and customers' hazardous substance requirements). The inventory rate and compliance rates are both 100%.

Management of Hazardous Substances in Products	Description of Management Objectives	Actual Achievement
2024	① 100% compliance with EU RoHS regulations and customer requirements ② To be controlled on July 21, 2024: (Lead)/6(a)/7(a)/7(c)-I	1. All mass-produced models 100% comply with the EU RoHS Directive and customer requirements 2. The execution details of the directive exemption clauses have not been announced and are included as ongoing monitoring items. The implementation timeline will be re-evaluated once the details are released
2025	① 100% compliance with EU RoHS regulations and customer requirements ② To be controlled on July 21, 2025: (Cadmium)8(b)-I	
2026	① 100% compliance with EU RoHS regulations and customer requirements ② To be controlled on July 21, 2026: (Lead)/6(a)-1/6(c)/7(a) 7(c)-V/7(c)-VI/7(c)-II	
2027~2030	100% compliance with EU RoHS regulations and customer requirements	

Remark: (1) In 2024, Qisda will continue to update its management of hazardous substances in products in accordance with the Regulatory classification of hazardous substances (Annex XVII of the EU REACH Regulation, Candidate List of Substances of Very High Concern for Authorization above 0.1% (weight percentage) (EU Regulation), EU Persistent Organic Pollutants (POPs) Regulation), accounting for 80% of product-related revenue.

(2) In order to ensure the safety of the products we provide, Qisda's full range of products are 100% compliant with the local regulations of the countries in which they are sold, and product risk assessments are conducted to assess their potential impact on human health and the environment.

In the past three years (2022-2024), the hazardous substances used in the organization's production have been managed through elimination, replacement, and engineering control. In addition to protecting the safety and health of personnel, these practices have minimized the environmental impact of our products.

Year	Production (Equipment Using Hazardous Substances)	Name of Hazardous Substance	Management through Elimination/Replacement	Scope of Improvement
2022	20 solder pots	Hydrocarbon 15 tons/year	Water-based substitutes for hydrocarbon were introduced in May (reduction of hydrocarbon consumption by 15 tons/year)	SMT/MI shop 200 people
2023	18 solder pots	Water-based 2.8 tons/year	Filter cotton was introduced in November (reduced water-based consumption by 0.3 tons/year)	SMT/MI shop 180 people
2024	18 solder pots and 19 SMT lines	Volatile organic compound emissions	The exhaust gas treatment facilities have been upgraded from activated carbon boxes to a dry filtration system combined with a zeolite rotor adsorption concentration and catalytic combustion system	Reduced volatile organic compound emissions by 29 tons
	22 SMT lines	Volatile organic compound emissions	An additional activated carbon box was added to the exhaust gas treatment system	Reduced volatile organic compound emissions by 5.65 tons

In 2024, there were no violations of laws and regulations or voluntary standards related to health and safety impacts in the product life cycle, or related to product and service information and labeling. In the same year, in response to customer requirements, a total of 97 models met the requirements for the new version of the TCO Certified Displays 9 voluntary display standard, and thus applied for certification. In terms of management, Qisda transforms feasible requirements into an implementation plan through the new product development system. From the initial conception to the final termination stage, the plan is divided into seven stages (Q00-Q60) according to differing tasks and management objectives to ensure product quality and reliability. In addition, Qisda establishes an internal product development process through the management system described above. We also ensure that all products produced by Qisda and delivered to the customers meet the following requirements.

According to the customer's requirements, Qisda can only start mass production after obtaining product-related certifications through tests in order to ensure that the customers can receive the products without concerns about product safety.

1. **Product Safety**

Reduction and precaution of product-related danger such as electrical leakage, energy and fire generated by short circuits, heat during operations, chemicals and radiation. For instance, the Taiwan BSMI certification, the U.S. UL standards (UL62368-1/IEC62368-1/UL62368-1), the China CCC standards (GB4943.1-2022, GB/T 9254.1-2021, GB 17625.1-2022), etc.

2. **Electromagnetic Compatibility (EMC)**

Detection of electromagnetic radiation emitted by electronic products and its impact on human bodies, public electrical grid and other electronic products that function normally; testing of whether the electronic products function stably without being affected in electromagnetic environments. For instance, the U.S. FCC labeling, the Canada ICES-003 issue 7, the EU CE marking (EMC Directive 2014/30/EU, Low voltage (LVD) Directive 2014/35/EU), etc.

3. **Energy Consumption of Products**

Reduction of energy consumption during the product life cycle to improve efficiency and reduce energy use. For instance, the U.S. Energy Star, the EU ErP Lot 5, the EU Energy Label, and the China Energy Label (CEL), etc.

All products must meet the requirements of the "Non-hazardous Substance Process Management Procedures"

Prohibitive measures with respect to environmentally hazardous substances have been implemented for all products produced by Qisda. In addition, we have presented requirements to the suppliers in accordance with relevant specifications to ensure the compliance with laws, regulations and Qisda's rules. With this, source management can be implemented.

1. Qisda's Policy of Quality/Non-Hazardous Substance

Qisda complies with the goal: "Our products and services must conform to the promised quality, specification, cost and delivery date; We must devote ourselves to energy saving and environmental protection when designing and manufacturing the products, and fulfill the corporate social responsibility." We also comply with the quality/hazardous substance free policy and will spare no effort to promote and establish systems that meet the international standards, such as the ISO 9001 "quality management system" and IECQ QC 080000 "hazardous substance process quality management system." We strive to continuously improve our process, reducing defects and waste, and making improvements in quality and productivity by pursuing continuous enhancement and precaution with the most economical methods. Meanwhile, we are dedicated to complying with regulations related to hazardous substances (such as the EU RoHS Directive), meeting the customers' requirements, and further complying our products with the society's expectation and reducing negative impacts to the environment.

2. Qisda also makes cards and built a mobile app (Qplay) about the quality policies for all employees to check them out anytime.
3. Relevant certificates are also stored on the internal and external websites.
4. Qisda verifies that its products comply with the EU Restriction of Hazardous Substances (RoHS) Directive and conform to the customers' personal requirement that we prohibit and limit the use of hazardous substances before mass production. Meanwhile, Qisda audits all suppliers regularly, strictly manages component and material approvals, and stringently inspects imported materials. By doing so, we establish a systemized management mechanism to ensure that the customers can receive the products without concerns about health.

Environmental Certification	Number of Models Submitted in 2024	Remarks
TCO Certified Displays 9	97 models	TCO Certified is a world-leading sustainability certification for IT products. Its criteria are designed to drive social and environmental responsibility throughout the product life cycle. Compliance is independently verified, both pre and post certification.
TCO Certified Displays 10	16 models	On June 11, 2024, TCO announced the updated TCO Certified Displays 10 Final Standard. Applications for TCO Certified Displays 10 was open starting August 19, 2024. Beginning December 5, 2024, new models can only apply for TCO Certified Displays 10, while TCO Certified Displays 9 certificates will expire on December 3, 2026.
China Environmental Labeling (the Ten-Ring Certification)	11 models	The China Environmental Labeling is a certification launched by the government. Products certified with the label not only pass the quality standard, but also meet the requirement of environmental protection during the process of production, use and disposal. Compared to other similar products, the certified products have advantages in environmental aspects, such as low toxicity and hazardous substances, resource saving, and so on.
U.S. Energy Star	58 models	The U.S. Energy Star program was launched by the U.S. Environmental Protection Agency in 1992 with the aim of reducing energy consumption and the greenhouse gas emission of power plants. Participation in this program is not compulsory. Companies voluntarily participating in the program are allowed to put an Energy Star label on their qualified products. In 2024, the Energy Star products had a 57.89% share of the annual revenue.
EU RoHS/WEEE	All models	EU RoHS/WEEE is a compulsory standard formulated by the EU, mainly aiming to restrict hazardous substances in electric and electronic devices and further protect human health. It also ensures proper recovery and disposal of waste for environmental protection. Qisda's products that are in compliance with the EU RoHS Directives account for 100% in the total product revenue.

Declaration and Label

Qisda provides product information and labeling based on customer requirements. For example, for its largest customer, Qisda submits a Substance Inventory Specification that discloses the material composition of the product; a Declaration of Conformity (DoC) to inform the customer of any substances that may pose environmental impacts; a User Guide that includes product safety usage instructions; and a Safety and Regulatory Information document that specifies relevant product recycling information.

Among the models shipped in 2024, the percentage in product revenue with respect to the environmental labels and declarations is as follows:

Proportion of Product Line in Product Revenue (%)	Total
Energy Star	57.89%
TCO	55.34%
China Environmental Labeling	53.22%
Taiwan ECO Label	17.74%
Compliant with RoHS	100



Circular Economy and Recycling Benefits

At Qisda, we constantly seek opportunities at all stages of the product life cycle to create sustainable value, enable sustainable use of resources, and reduce environmental impact.

Raw material stage: In response to customer requirements and Qisda's pursuit of environmental friendliness, we gradually increase the use of recycled materials.

- The proportion of the Company's recycled materials in terms of weight to the Company's purchased materials (excluding electronic materials) in 2024 is as follows:

Item	Plastic	Metal	Total
Weight of non-recycled materials (tons)	3,276	10,377	13,653
Weight of recycled materials (tons)	8,066	3,769	11,836
Total weight (tons)	11,342	14,147	25,489
Recycled material weight percentage (%)	71	27	46

In the case of plastic and metal recycling materials, for example, a total of 11,835 tonnes were purchased in 2024. It is estimated that 27,904 tCO2e can be saved when using recycled materials instead of new ones.

- The revenue ratio of display models using recycled plastics and metals from 2021 to 2024 is as follows:

Proportion of display products that use recycled plastics in total product revenue	2021	2022	2023	2024
	52%	62%	85%	85%

- The revenue proportion of products using recycled plastics and recycled metals in 2024 is as follows:

Proportion of Full Product Line in Product Revenue (%)	Using Recycled Plastics	Using Recycled Metals
	70.79%	28.78%

- The revenue share of products using recycled/environmentally friendly packaging materials in 2024 is as follows.

Product Line	Cartons Using Recycled Pulp	Use of Eco-Friendly Water-Based Ink	Use of Soy-Based Ink	Use of Molded Pulp Material/ Folded Paper
Displays	99.70%	52.92%	46.78%	82.16%
Projector	99.95%	98.59%	1.82%	18.29%
Industrial and Commercial Products	93.62%	89.38%	11.64%	47.75%
Automotive Solutions	100.00%	100.00%	0.00%	0.00%
Others	100.00%	100.00%	0.00%	0.00%
Total	99.19%	60.42%	39.46%	72.78%

Manufacturing stage: The waste in the manufacturing process can generate economic benefits.

- The annual waste recycling income of Suzhou and Vietnam plants from 2021 to 2024 is as follows:

Currency: NT$

Item	2021	2022	2023	2024
Suzhou Plant's Income from Waste Recycling	126,411,292	128,665,285	94,820,377	82,694,306
Vietnam Plant's Income from Waste Recycling	2,666,677	2,676,476	7,550,331	11,694,531
Total	129,077,969	131,341,761	102,370,708	94,388,838

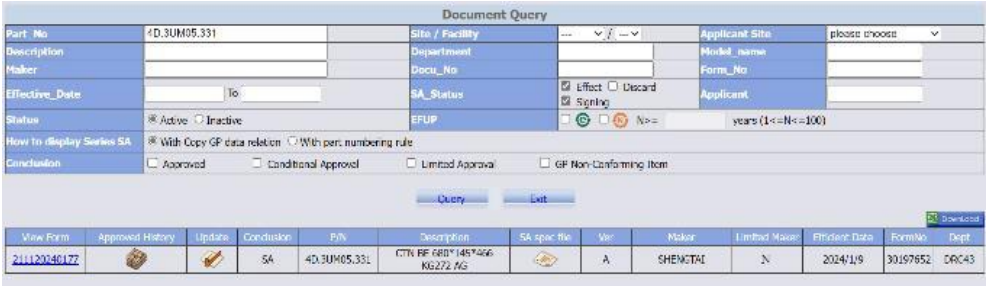
Sustainable Materials

Qisda continues to collaborate with its customers in setting targets for sustainable and recycled materials. For example, for a major display customer, the target for new models launched in 2024 was to use at least 85% recycled plastic in the housing. This target was successfully achieved in 2024.

Qisda's "**Sustainable Raw Materials Policy**" defines sustainable materials as those that impose minimal and least harmful impact on the global environment and human health throughout the stages of raw material extraction, product manufacturing, distribution, usage, and end-of-life disposal. The sourcing regions for raw materials should not fall within areas recognized as critical biodiversity regions at the international or national level. In addition, social impacts are considered during raw material procurement, with an emphasis on avoiding human rights violations and harm to the rights or development of local communities.

In Qisda's "Green Product Design Procedure", R&D personnel are required to follow Qisda's Green Design Guidelines. During the product design and development stage, they must adhere to four key green design principles: material reduction, hazardous substance management, energy conservation, and recyclability. Material selection is also carried out in alignment with these green design directions.

For product identification and assessment of environmental aspects and impacts, Qisda conducts IEC62430/ISO 14006/ISO 14001 internal and external audits annually in accordance with our "Impact Source and Risk Identification Management Procedures" in order to reduce the impact of materials on the environment by selecting environment-friendly materials, such as reducing the use of mercury lamps in our projector product lines. The online training courses on green design and sustainable raw materials are held every year for R&D personnel. The courses cover life cycle concepts, application of life cycle thinking, green product redesign, green product architecture and elements. Additionally, concepts such as the circular economy and the use of recycled materials are integrated into the course content. (For further details, see Training for Green Talents.)



- Suppliers, unique specifications, and the material composition of raw materials can be traced through the company's internal GPMSA system, and source information is obtained from upstream suppliers to meet customer needs.

Qisda has planned a biodiversity survey across its value chain, extending the scope to include assessments of both suppliers and customers. This initiative aims to understand the company's high dependency and impact on natural capital throughout its operations, identify actual or potential risks and opportunities during the business lifecycle, and avoid human rights violations or harm to the rights and development of local communities, thereby minimizing social impacts.

Qisda requires its suppliers to comply with the "Code of Conduct for Sustainable Development of Suppliers," which covers labor, health and safety, environment, ethics, and management systems. Suppliers are also required to avoid human rights violations and any harm to the rights or development of local communities when sourcing raw materials.

For the highest revenue-generating display model in 2024, the composition of materials used is as follows:

Material	2024 Consumption (KG)	Recycling Proportion
Plastic	3,388,310	41%
Aluminum	766,290	95%
Cobalt	61	0%
Copper	364,681	0%
Steel	3,936,426	12%
Nickel	8,169	0%
Lithium	–	0%
Titanium	3,220	0%

4 Employees and Society

- Talent Sustainability
- Talent Attraction and Development
- Protection of Human Rights
- Occupational Safety, Health, and Management
- Social Care and Influence
- BenQ Foundation



Talent Sustainability

Creating a secure work environment (Environment), improving employee engagement (Satisfaction), and establishing an epitome of success guiding and spreading experiences (Guidance) are three main areas of focus of Qisda for sustainable talent development.

Talent Policy

Creation of a secure work environment (Environment): Qisda provides employees with an excellent work environment. We regularly evaluate and dynamically adjust employee management rules in accordance with local regulations and business conditions to maintain a good work environment and atmosphere. Simultaneously, we emphasize the promotion of diverse activities and commit to creating a workplace where employees feel real gratification.

Enhancement of employee engagement (Satisfaction): Qisda offers the possibility of self-actualization in career to enhance employee engagement. To illustrate, we advocate rotation and digital transformation; therefore, talents are encouraged to do more important things to maximize the value of organization and uphold the spirit of sustainability.

Establishment of an epitome of success guiding and spreading experiences (Guidance): As the head of the Group, Qisda will lead the subsidiaries with our "win" strategy to create synergy and communicate closely with each other for forming the best sharing circle of resources. We nurture collaboration with universities, build connection with society, and create infinite possibilities to virtuous cycle for the society and talents sustainability.

Growing Together: the Company, Employees, and Society

Qisda's vision is to be an innovator in the design and manufacturing of electronic products to improve quality of life and be earth friendly. We hope to better the lives of people and create value in our daily life through technology. Our employees are encouraged to work together to raise value with the corporate sustainability as the core principle. Not only do we create a passionate, energized, innovative and challenging work environment, but we also arrange expatriate package, rotation, and assignment to affiliated companies of the Group to expand their professional capabilities and management perspectives. Therefore, enable employees to enjoy coming to work and love their lives, positioning Qisda as the Company attracting talents.

Highlight: Received the Best Companies to Work for in Asia Award for 6 Consecutive Years

Qisda has won the "Best Companies to Work for in Asia" award for six consecutive years since 2019, and received the Golden Award twice. There are multiple ranking methods for the "Best Companies to Work for in Asia" award. As a critical factor for winning award, the anonymous survey allows employees to share honest and candid opinions without fear. According to this year's survey results, participating employees rated the Company above the market average in "Organizational Culture (Core)," "Employee Engagement (Self)," and "Team Communication (Group)."



- The "Best Companies to Work for in Asia" award is a prestigious award in the HR industry. In 2024, a total of 368 companies participated, but only 14 received the Golden Award.

Highlight: Awarded the ATD “BEST Award”



Qisda has implemented the 3E Talent Development Model (Experience – Experiential Learning, Exposure – Knowledge Sharing, Education – Training & Development) and the 3P Leadership Model (Pioneering – Visionary Thinking, People – Interpersonal Skills, Professional – Technical Expertise) to drive organizational talent cultivation and business performance growth. Participating for the first time in the “BEST Award” by the Association for Talent Development (ATD), often regarded as the Oscars of global talent development, Qisda has already received recognition and is one of only two Taiwanese companies – and the only one from Taiwan’s technology sector – to win in 2024. With less than 1% of Taiwanese companies making the list in recent years, this achievement highlights the award’s exclusivity and significance.

Talent is the foundation of corporate growth and sustainable development. Qisda prioritizes talent development and leadership, fostering an innovative environment and career rotation opportunities to support diverse career growth. Over the past decade, nearly 7,000 CIP (Continuous Improvement Plans) have been implemented across the Qisda Big Fleet Group, driving innovation. With a 90%+ leadership rotation rate, Qisda ensures comprehensive skill development and effective succession planning. By strategically rotating leaders across different roles within the organization, Qisda cultivates diverse perspectives, cross-functional expertise, and broader leadership capabilities, establishing a strong talent pipeline to adapt to a rapidly changing external environment.

The Association for Talent Development (ATD), founded in 1943, is a globally recognized organization dedicated to talent development. Established in 2003, the ATD “BEST Award” is open to companies worldwide and honors organizations that strategically leverage talent development to achieve business success. Winning companies are internationally recognized for their excellence in fostering a talent development culture, linking talent growth with business performance, and demonstrating outstanding execution in training and development initiatives.

Talent Attraction and Development

Building a Comprehensive Sustainable Talent Base

Qisda's talent strategy focuses on creativity, development, culture, and support, establishing a holistic and dynamic growth system that creates shared value for the company, employees, and society. By attracting and retaining top talent, Qisda sets a benchmark within the Group and enhances employee capabilities through subsidiary and international rotation programs. At the same time, the Company is committed to building a diverse, equitable, and inclusive (DEI) sustainable talent base.

Qisda firmly believes that a high-quality work environment enables employees to grow with confidence, while comprehensive training and engagement programs foster a strong sense of belonging – turning happy employees into the driving force behind corporate growth. To support this vision, Qisda has established robust management systems to protect employee rights and ensure a safe and healthy workplace. To further enhance employee engagement and retention, Qisda has developed its HR practices into a successful model, extending them across the Group and continuously contributing to society with positive energy that supports the community.

Building A Sustainable Talent Pool and Enhancing Recruitment Diversity

Qisda upholds a DEI (Diversity, Equity, and Inclusion) corporate culture, embracing a people-centric approach that recognizes talent as its most valuable asset. Through diverse recruitment channels, Qisda attracts a global talent pool, striving to create an inclusive workplace while continuously tracking progress each year. As of the end of 2024, non-local employees account for over 80% of Qisda's global workforce, spanning Taiwan and major plants worldwide.

To attract top professionals, Qisda has implemented diverse recruitment programs, leveraging job platforms, social media, campus recruitment events, industry-academia collaborations, internship opportunities, and executive search consultants to bring in high-potential talent and enhance industry competitiveness. The Company adheres to a merit-based hiring policy that prioritizes internal recruitment and ensures a fair, non-discriminatory selection process. Recruitment decisions are made without bias related to race, religion, skin color, nationality, or gender, and Qisda strictly prohibits child labor employment across all operations.

For foreign employees, Qisda provides a high-quality work environment and professional training, along with seamless, barrier-free communication channels. The Company has designated multilingual service representatives fluent in employees' native languages to offer comprehensive lifestyle support. Additionally, Qisda provides exclusive dormitory accommodations and organizes cultural festivals and native cuisine experiences tailored to different nationalities, ensuring that expatriate employees feel welcomed and cared for, creating a comfortable and supportive workplace.

Upholding the principle of sustainable talent development, Qisda actively strengthens its campus engagement and academic partnerships. As of the end of 2024, the Company has signed Memorandum of Understanding (MOUs) with eight universities, deepening collaborations with academic institutions to help students transition smoothly into the workforce and nurture future talent.

In 2024, Qisda restructured its overseas workforce, prioritizing full-time employment. This initiative led to a large-scale talent recruitment effort, resulting in a significant increase in new hires.

Internal Recruitment

Job-Filling by Internal Employees		2021			2022			2023			2024		
		Taiwan	Suzhou, China	Vietnam	Taiwan	Suzhou, China	Vietnam	Taiwan	Suzhou, China	Vietnam	Taiwan	Suzhou, China	Vietnam
Gender	Male	151	96	23	188	118	29	125	94	13	222	83	50
	Female	74	85	4	87	64	12	80	50	11	119	37	19
Age	< 30	24	36	8	18	38	13	17	44	4	39	24	13
	30-50	188	142	19	226	133	25	154	95	20	240	91	49
	> 50	13	3	0	31	11	3	34	5	0	62	5	7

New Employee Recruitment Rate

Item	2021	2022	2023	2024
Total new hires (person)	3,166	2,764	1,484	18,323
Recruitment rate (%)	42.1%	39.9%	19.3%	196.0%
Internal employee job-filling rate (%)	52.1%	58.5%	65.0%	77.1%

Remark:

- Recruitment rate = Number of new hires in the year/total number of employees in the year
- Formula for Internal employee job-filling rate = Number of employees with internal job transfers of a year/ Total job vacancies of a year

Distribution of New Hires

Distribution of New Hires		2021		2022		2023		2024	
		Number of Participants	%	Number of Participants	%	Number of Participants	%	Number of Participants	%
Gender	Male	1,997	42.9%	1,882	42.3%	994	20.1%	14,005	239.0%
	Female	1,169	40.9%	882	35.7%	490	18.0%	4318	123.8%
Age	< 30	2,535	70.4%	2,254	74.1%	984	27.9%	11,965	317.4%
	30-50	624	17.1%	502	14.2%	496	13.3%	6,337	123.9%
	> 50	7	2.6%	8	2.3%	4	1.0%	21	4.6%
Region	Taiwan	218	12.6%	194	11.8%	122	7.8%	209	13.1%
	Suzhou, China	2,526	46.9%	1,645	34.6%	705	13.8%	16,772	261.9%
	Vietnam	422	105.8%	925	180.7%	657	66.3%	1,342	100.0%
Employee category	Direct employee	1,527	33.9%	1,493	34.8%	1,312	25.8%	18,133	269.2%
	Indirect employee	1,639	54.5%	1,271	48.3%	172	6.6%	190	7.3%
Job level	Managerial employees	5	0.9%	10	1.7%	6	1.0%	54	9.1%
	Non-managerial employees	3,161	45.6%	2,754	43.5%	1,478	20.8%	18,269	208.6%

People-Oriented Approach: Creating a Diverse and Inclusive Future

Qisda upholds a corporate culture rooted in DEI, embracing a people-oriented core value that regards talent as its most valuable asset. The Company attracts a diverse global workforce through multiple recruitment channels, fostering an inclusive workplace while continuously monitoring and implementing DEI initiatives each year. As of December 31, 2024, Qisda's global workforce totaled 9,372 employees, distributed as follows: Taiwan: 1,600 employees; Suzhou, China: 6,405 employees; Vietnam: 1,342 employees; Other areas (Japan and United States): 25 employees.

Workforce Distribution by Operating Areas

Distribution of Total Workforce		Taiwan		Suzhou, China		Vietnam	
		Male	Female	Male	Female	Male	Female
Contract type	Non-fixed term employment	962	638	559	617	80	2
	Fixed-term employment	0	0	3,513	1,716	745	515
Total		962	638	4,072	2,333	825	517
Employment type	Full-time	962	638	4,072	2,333	825	517
	Part-time jobs (15)	6	8	5	6	0	0
Total		968	646	4,077	2,339	825	517
Non-employee workers (16)		4	12	285	89	0	0

(15) The interns are classified as part-time employees but not counted in the regular employees.

(16) The manpower will be conducted real-time adjustment based on workload, and the main duties of the personnel are highly repetitive on-site tasks.

Distribution of Employees by Gender, Age and Employment Type in Each Area

Distribution of Employees		2021				2022				2023				2024			
		Male		Female		Male		Female		Male		Female		Male		Female	
		Number of Participants	Ratio	Number of Participants	Ratio	Number of Participants	Ratio	Number of Participants	Ratio	Number of Participants	Ratio	Number of Participants	Ratio	Number of Participants	Ratio	Number of Participants	Ratio
Age	< 30	2,327	50.0%	1,272	44.5%	2,131	47.9%	910	36.8%	2,446	49.3%	1,082	39.8%	2,523	43.1%	1,247	35.8%
	30-50	2,136	45.9%	1,508	52.8%	2,073	46.6%	1468	59.4%	2,222	44.8%	1,519	55.8%	3,009	51.4%	2,107	60.4%
	> 50	195	4.2%	78	2.7%	247	5.5%	95	3.8%	289	5.8%	120	4.4%	327	5.6%	134	3.8%
Position	Management	466	10.0%	134	4.7%	455	10.2%	139	5.6%	445	9.0%	142	5.2%	448	7.6%	143	4.1%
	Professional personnel	1,147	24.6%	826	28.9%	1,115	25.1%	819	33.1%	1,030	20.8%	768	28.2%	992	16.9%	768	22.0%
	Technician/Assistant personnel	3,045	65.4%	1,898	66.4%	2,881	64.7%	1515	61.3%	3,482	70.2%	1,811	66.6%	4,419	75.4%	2,577	73.9%
Employment type	Direct labor	2,689	57.7%	1,822	63.8%	2,564	57.6%	1731	70.0%	3,384	68.3%	1,750	64.3%	4,261	72.7%	2,474	70.9%
	Indirect labor	1,969	42.3%	1,036	36.2%	1,887	42.4%	742	30.0%	1,573	31.7%	971	35.7%	1,598	27.3%	1,014	29.1%
Region	Taiwan	1,069	22.9%	660	23.1%	1,016	22.8%	635	25.7%	969	19.5%	593	21.8%	962	16.4%	638	18.3%
	Suzhou, China	3,404	73.1%	1,984	69.4%	3,176	71.4%	1585	64.1%	3,394	68.5%	1,731	63.6%	4,072	69.5%	2,333	66.9%
	Vietnam	185	4.0%	214	7.5%	259	5.8%	253	10.2%	594	12.0%	397	14.6%	825	14.1%	517	14.8%

Statistics by Job level, Age, Gender and Area

Job level	Age	Taiwan		Suzhou, China		Vietnam		Total
		Male	Female	Male	Female	Male	Female	
Managerial employee	< 30	0	0	0	0	1	0	1
	30-50	108	31	140	74	30	9	392
	> 50	133	21	29	8	7	0	198
	Total	241	52	169	82	38	9	591
Non-managerial employee	< 30	108	138	1964	818	450	291	3,769
	30-50	519	376	1876	1,402	336	215	4724
	> 50	94	72	63	31	1	2	263
	Total	721	586	3,903	2,251	787	508	8,756

Distribution of Nationality of Direct and Indirect Employees

Nationality of Employee	Taiwan				Suzhou, China				Vietnam				Total	Proportion of Nationality
	Indirect labor		Direct labor		Indirect labor		Direct labor		Indirect labor		Direct labor			
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female		
Taiwan	845	445	69	80	19	2	0	0	13	0	0	0	1,473	15.8%
China	0	0	0	0	491	405	3551,	1,932	66	2	0	0	6,447	69.0%
Vietnam	0	0	46	111	0	0	0	0	157	158	588	357	1,417	15.2%
Malaysia	1	1	1	0	5	0	0	0	1	0	0	0	9	0.1%
Japan	0	1	0	0	0	0	0	0	0	0	0	0	1	0.0%
Total	846	447	116	191	515	407	3,551	1,932	237	160	588	357	9,347	

Proportion of Nationalities Among Employees and Managerial Employees

Nationality	Percentage in Total Employees		Percentage in Total Managers	
	Number of Participants	%	Number of Participants	%
Taiwan	1,473	15.8%	323	54.7%
China	6,447	69.0%	248	42.0%
Vietnam	1,417	15.2%	12	2.0%
Malaysia	9	0.1%	8	1.4%
Japan	1	0.0%	0	0.0%

Proportion of Senior Management Hired from the Local Community

Proportion of Senior Management Hired from the Local Community	Area	2021	2022	2023	2024
Proportion of senior management	Taiwan	3.4%	3.5%	3.6%	3.4%
	Suzhou, China	0.2%	0.3%	0.3%	0.2%
	Vietnam	0.8%	0.4%	0.2%	0.1%
Proportion of senior management hired from local community	Taiwan	96.6%	96.5%	98.1%	98.1%
	Suzhou, China	23.1%	23.1%	21.4%	23.1%
	Vietnam	0.0%	0.0%	0.0%	0.0%

Remark:
- Senior management: Managers at the level of director and above.
- Calculation of the proportion of senior management: Total number of local management/Total number of local employees (local: Taiwan, China and Vietnam).
- Calculation of the proportion of senior management hired from local community: Total number of Local senior management/Total number of senior management positions within the plant (local: Taiwan, China and Vietnam).
- The proportion of senior management hired from local community in 2023 was amended.

Employees with Disabilities

Qisda encourages diverse talents to create sustained growth momentum for the Company. Also, we comply with the different countries' domestic employment and labor regulations to hire talents with disabilities. In 2024, a total of 50 employees with disabilities were hired globally.

Disability	Taiwan					Suzhou, China					Vietnam				
	Indirect labor		Direct labor		Total	Indirect labor		Direct labor		Total	Indirect labor		Direct labor		Total
	Male	Female	Male	Female		Male	Female	Male	Female		Male	Female	Male	Female	
No. of employees with disabilities	4	3	3	1	11	0	0	29	10	39	0	0	0	0	0
No. of total employees	846	447	116	191	1,600	515	407	3,557	1926	6,405	237	160	588	357	1342
Ratio	0.5%	0.7%	2.6%	0.5%	0.7%	0.0%	0.0%	0.8%	0.5%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%

Giving Back to Society and Promoting a Positive Talent Cycle

Qisda is committed to fostering strong ties with academic institutions. Through joint campus recruitment initiatives across the Group, we actively engage with schools and explore opportunities for in-depth collaboration. We have signed Memorandums of Understanding (MOU) with multiple universities to launch internship programs, allowing students to gain hands-on corporate experience during their studies. This not only helps students familiarize themselves with organizational culture and business operations in advance but also increases their chances of transitioning into full-time employment upon graduation.

Additionally, we actively participate in corporate mentorship programs. In collaboration with the College of Commerce at National Chengchi University, we conduct case studies and corporate visits to enhance students' practical experience. Notably, our Chairman and CEO, Mr. Peter Chen, is personally involved in campus mentorship programs, including serving as a mentor at Tunghai University, further expanding our influence and fostering a two-way talent exchange.

For frontline workforce development, Qisda actively participates in various recruitment events, engaging with multiple colleges and universities to explore cooperative education opportunities for Vietnamese students. Through internship programs, students gain early exposure to Qisda's manufacturing processes and, upon graduation, have the opportunity to be assigned to Qisda's Vietnam plant as supervisory personnel, facilitating cross-border talent cultivation within the industrial supply chain.

By strengthening our collaboration with academia and industry, we not only enhance corporate-academic engagement but also reinforce our employer brand. We continue to drive impactful corporate visits and partnerships, creating a valuable and sustainable talent cycle for society.

Qisda Group Joint Campus Recruitment

1. **Purpose:**
   - Enhance students' understanding of corporate culture and future career development, strengthen employer brand perception and trust, and increase overall attractiveness.
2. **List of Universities:**
   - National Taiwan University, National Chengchi University, National Taiwan University of Science and Technology, National Central University, National Cheng Kung University, National Taipei University.
3. **Features:**
   - Key position managers conduct one-on-one interviews during campus recruitment events to provide in-depth insights into job roles and responsibilities.
   - Over **2,200** valid resumes were collected during campus recruitment activities.









Expanding Diverse Recruitment Channels

1. **Purpose:**
   - Attract talent from diverse backgrounds, cultures, professional skills, and experiences to build an inclusive and innovative team. We firmly believe that a diverse workforce brings broader perspectives, driving sustainable growth and success for the Company.
   - A diverse team enables more agile development of innovative solutions to meet the specific needs of customers across different regions and industries, enhancing market responsiveness and competitiveness.
2. **Strengthening Operational Strategy Alignment:**
   - In response to the Southbound Policy and the expansion of the Vietnam plant, there is an increasing demand for Vietnamese production line supervisors and R&D engineers with Vietnamese backgrounds.
   - With continuous expansion into the Asia-Pacific market, there is a growing demand for e-commerce talent in Southeast Asia.
3. **Diverse Recruitment Channels:**
   - Campus Recruitment for Foreign Talent: National Taiwan University of Science and Technology Foreign Talent Recruitment Fair, Kun Shan University Vietnamese Talent Recruitment Fair, Wenzao Ursuline University of Languages Foreign Talent Recruitment Fair, St. John's University Vietnamese Talent Collaboration Program.
   - Participation in Government-Related Initiatives: Youth Career Expo, Taoyuan Youth Workplace Incubation Program







In-Depth Campus Career Seminars

1. **Purpose:**
   - Enhance students' understanding of corporate culture and future career development opportunities.
   - Strengthen the employer brand image and contribute to campus communities.
2. **Senior Executive Campus Success Seminars:**
   - Senior managers from Qisda were invited to share their insights in campus lectures, receiving enthusiastic responses from students and strengthening industry-academia connections, with a total attendance of over **600**.

April Huang

National Taiwan University Define Your Own Life: The Unconventional Chairman

This seminar emphasized that uncertainty is the starting point for endless possibilities, encouraging students to embrace the unknown and grow through challenges. April highlighted that success comes from continuous learning and adaptation rather than relying solely on existing expertise. She advised students to pursue roles that allow direct interaction with customers to build valuable connections. She also emphasized the importance of empathy and an open mindset in career development. Through her unique business philosophy and strategies, she inspired students to take risks, keep learning, and understand that career success depends on professional skills, the right attitude, and lifelong learning.





In-Depth Campus Career Seminars

3. **Career Development Seminars:**
   - Conducted by HR managers, these seminars analyzed career trends and workforce dynamics to help students navigate their career paths effectively.
   - Held at National Taiwan Normal University and Wenzao Ursuline University of Languages, with a total attendance of over **80** students.



Harry Yang

National Cheng Kung University
Crossing Boundaries Without Missteps – The Inner Skills for a Versatile Life

Harry shared his experiences in student organizations during his time at NCKU and how these experiences translated into his professional journey, particularly in his current role leading the medical business unit. He discussed the constant need to adapt to technological innovations and evolving market demands in the medical industry, which requires interdisciplinary knowledge and flexibility. He encouraged students to take advantage of their academic years by engaging in diverse activities, developing cross-disciplinary collaboration skills, and integrating different fields of knowledge. He emphasized that both in school and in the workplace, students should challenge themselves, embrace uncertainty as this is essential for standing out in a rapidly changing work environment.



Enhancing Campus Collaboration through Memorandums of Understanding (MOU)



1. **Partner Schools:**
   - National Taiwan University, National Taipei University, National Taiwan University of Science and Technology, National Cheng Kung University, National Taiwan Normal University, National Chengchi University, Wenzao Ursuline University of Languages, and St. John's University
2. **Scope of Collaboration:**
   - Planning academic degrees, courses, and teachers.
   - Organizing activities for talents to exchange insights and other activities related to academic, innovative learning and community service Industry.
   - Academia collaboration and student internship.
   - R&D related to technology, knowledge, and intellectual property.
   - Promotion of collaborative projects, space planning and space construction.
3. **The Effects of Collaboration:**
   - Company: Contact potential talents, strengthen the employer's brand image on campus, and increase students' favorability toward the Company.
   - Student: Early exposure to industry to understand its perspectives. Start career planning early through enterprise visits, internship, and industry seminars.
   - School: Share industry resources and provide students with diverse development and learning opportunities, exchange the latest industry perspectives with enterprises, contribute to R&D to enhance competitiveness of both parties.





Industry-Academia Visits and Collaboration

1. **Purpose:**
   - Through close collaboration with academic institutions, we aim to facilitate knowledge exchange, promote mutual learning between industry and academia, and cultivate talents with strong practical and creative capabilities.
2. **Visits Conducted:**
   - Sungkyunkwan University, South Korea, National Chengchi University EMBA, Tunghai University EMBA, Eunoia Junior College, Singapore; total participants: **150**







Sustainable Talent Development: Creating a Diverse and Inclusive Corporate Environment

Talent is the core driving force behind a company's sustained growth. To achieve long-term sustainable talent development, we are committed to fostering a diverse and inclusive corporate environment where every employee can reach their full potential in a fair, respectful, and supportive atmosphere, collectively driving the company toward excellence.

Continued Promotion of Women in Technology

1. The Women in Technology policy is a core mid-to-long-term goal of the ESG Committee. By 2030, the Company aims for women to comprise 40% of the total workforce and for female frontline managers to reach 28%.
2. As of 2024, the proportion of female employees showed an increasing trend, while the percentage of female managers remained stable. The proportion of female senior managers slightly declined due to the retirement of one female manager in early 2024 and the strategic rotation of two female senior managers to affiliated companies for career development. Moving forward, the Company will continue to conduct semi-annual talent review meetings to assess leadership appointments, analyze gender representation, and promote awareness to ensure that female talent receives fair promotion opportunities.

Distribution of Female Employees by Job Levels

Distribution of Female Employees	2021	2022	2023	2024
Proportion of female employees	38.1%	41.5%	35.4%	37.4%
Proportion of female managers	22.3%	22.8%	24.2%	24.2%
Proportion of female frontline managers	23.4%	23.8%	25.1%	25.6%
Proportion of female senior managers	14.3%	15.3%	13.7%	10.1%
Proportion of female managers in business related units (Marketing and sales)	35.0%	43.1%	48.4%	46.8%
Proportion of female STEM employees (R&D/ Engineering/Industrial design)	21.5%	21.6%	24.1%	24.2%

Remark:
- Senior management: Managers at the level of director and above.
- STEM refers to science, technology, engineering and mathematics. STEM workers apply their knowledge of science, technology, engineering or mathematics to perform their daily duties. This is primarily related to the R&D/engineering technology/industrial design/finance and accounting.

3. Formulating clear policies and conducting training for all employees to prohibit discrimination and sexual harassment, and emphasizing the Company' s commitment to diversity.
4. To promote DEI and encourage diverse talents to join Qisda, the Company has established the "Internal Referral Incentive Regulations." Under this program, referred candidates who belong to the following groups – women, foreign nationals, and Indigenous people – are eligible for additional referral bonuses.
5. To more effectively cultivate female leadership talent, the Company has actively planned leadership training programs for 2024, focusing on developing high-potential female employees. The participation rate of female employees is approximately 40%, with a completion rate of nearly 90%, contributing to the organization' s comprehensive growth.
6. The Company convenes talent review meetings every six months to review the development and promotion status of talents. We make in-depth analysis and dissemination of the promotion rate of both genders to ensure that female talents have equal opportunities for promotion. The analysis results for the past two years show that the promotion rate of women has increased year by year, which reflects the Company' s long-term commitment to promoting women' s career development.

Nomination Rate for Promotion	2021	2022	2023	2024
Overall	9.1%	9.2%	8.5%	9.1%
Male	9.0%	9.6%	7.2%	8.0%
Female	9.2%	8.2%	11.0%	11.2%

Remark:

- Calculated based on the number of employees at the Taiwan headquarters.
- Promotion nomination rate = Number of promotion nominations/Total number of employees
- In 2024, the formula was revised to calculate the nomination rate based on the total number of employees of both genders, offering a more comprehensive view of promotion trends.

7. The human resources unit provides a monthly manpower report for each business unit. In the report, the gender ratio of employees and managers is simultaneously analyzed and tracked. Subsequently, reminding unit managers are to pay attention to the balance within the organization and advocate gender equality.

Creating a Supportive Work Environment for Foreign Employees

In response to global manufacturing expansion and customer requirements, Qisda actively aligns with government policies and upholds the spirit of diversity and inclusion. The Company employs 121 foreign migrant workers at its Taiwan plants, providing a high-quality work environment and professional training. By offering seamless, real-time communication channels, Qisda ensures that migrant workers can work with peace of mind, fostering a sense of belonging and making them a stable and long-term productive force for the Company.

- Use of Licensed Employment Agencies: Qisda conducts regular audits of employment agencies to ensure the best workforce introduction plans. These agencies assist with administrative processes and document management, and the Company designates service representatives fluent in the native languages of foreign workers to provide full support for their daily lives.
- Zero Recruitment Fee Policy: To enhance the stability of overseas migrant workers, Qisda covers all employment-related expenses, including recruitment fees, medical examinations, visa fees, airfare, and post-arrival management costs.
- Barrier-Free Communication: The Company employs dedicated dormitory management staff to assist migrant workers with daily life and workplace communication. Furthermore, relevant laws, slogans, and publications concerning foreign labor are posted on the dormitory bulletin board.
- Comprehensive Living Support: On-site dormitories are equipped with dedicated recreation rooms, creating a comfortable living environment. Lunch and dinner are provided in a buffet-style format, allowing employees to enjoy a variety of meals. Additionally, to help alleviate homesickness, Qisda organizes cultural and festive events, fostering a sense of care and belonging among migrant workers.

Rotational Development for Value Creation

To drive the Company's sustainable growth and meet long-term talent needs aligned with strategic development, Qisda considers career development diversity a key strategy for attracting and retaining talent. By offering diverse growth and development opportunities tailored to employees of different backgrounds and skill sets, Qisda fosters both individual and corporate growth. Since 2017, Qisda has implemented a structured job rotation system, setting rotation tenure for managers at all levels and regularly reviewing the rotation landscape. As of 2024, the cumulative managerial rotation rate has reached 185%. The Company has also extended this system to its subsidiaries, assigning key talents to critical roles. Currently, 80% of subsidiaries have adopted this rotation framework.

By transferring headquarters' management concepts, systems, and expertise to subsidiaries, Qisda enhances overall organizational competitiveness while nurturing and retaining top talent. The job rotation and resource-sharing model contribute to operational growth and corporate governance advancements. Furthermore, this initiative significantly improves leadership capabilities and the ability to view challenges from multiple perspectives, ensuring a well-rounded talent development approach. In addition to fostering a multinational workforce, Qisda also prioritizes mid-to-senior-level employees. In 2024, mid-to-senior-level managers accounted for 72% of total job rotations. Through rotation programs and mentorship, Qisda provides comprehensive development opportunities.

Open and Respectful Multicultural Work Environment

The Qisda Code of Conduct is built upon our core values: Integrity & Introspection, Execution & Excellence, Passion & Professionalism, and Caring & Contribution. To unify all employees under a shared vision and ensure sound decision-making, we have established this Code as a guiding principle for all personnel, driving us toward our mission of "Bringing Enjoyment N Quality to Life." At Qisda, people-centered values are fundamental to our corporate philosophy. We are committed to supporting and protecting the human rights of all stakeholders while fostering a diverse, fair, and open workplace. By embracing and respecting multiculturalism, we encourage innovation, inspire employees, and broaden our business perspective with enriched industry expertise. We provide fair career advancement opportunities for all employees and extend this principle across our global operations. Our goal is to create an environment where employees can freely express their ideas and opinions, ensuring smooth and effective communication throughout the organization.

Pursuit of Equality in the Workplace, Including Gender Equality

Qisda strictly prohibits any forms of discrimination and harassment, sticking to the spirit of providing the employees with a work environment free of discrimination and harassment. This is applicable to the employment, training, performance evaluation, promotion, transfer, wage and other internal activities of the employees. The senior managers, employees, job seekers, customers and business partners of the Company are required to comply with the rule, and are also protected by the rule. All the factors unrelated to work, such as, nation, race, class, skin color, age, gender, sexual orientation, gender identity and expression, national origins or regions, disability, pregnancy, religion, political stance, former union member status, family responsibility, former military status, genetic information or marital status and other factors specified in the law, must be excluded from any decisions related to employee rights. All types of harassment, including defamation, offensive and sexually suggestive language, images, objects and physical contacts, that could make other employees feel uncomfortable, insulted, threatened or afraid, are strictly forbidden by the Company. Also, no discrimination against the employees is allowed in relation to the recruitment, actual practices, wages, promotions, rewards, access to training, dismissal, or retirement.

Qisda firmly believes that diverse talents will open the possibility of unlimited growth for an organization. Therefore, our female employees have the same opportunities and rights as male employees in all aspects. To make sure that all our managers and employees adhere to the "Qisda Employee Code of Conduct," we Conduct annual training for them every fourth quarter. The global employee training rate was 100% in 2024, with the training covering issues such as avoidance of conflict of interest, legal compliance, pursuit of a fair work environment, anti-discrimination and zero tolerance. The Code of Conduct and related systems are announced on the Company's internal website for the employees to review at any time. Performance targets are set every six months, and the Code of Conduct is one of the evaluation items to ensure all our personnel adhere to it.

Ratio of Basic Salary and Compensation of Female to Male

Job level	Taiwan		Suzhou, China		Vietnam		Total	
	Salary	Compensation	Salary	Compensation	Salary	Compensation	Salary	Compensation
Senior management level	0.85	0.89	1.25	1.22	–	–	1.05	1.06
Management level	0.90	0.93	0.98	0.96	0.95	0.98	0.94	0.96
Non-managerial level	0.96	0.98	1.08	0.99	1.1	1.1	1.05	1.02

Remark:
- The data above is the ratio of average salary and remuneration of women to men throughout 2024.
- Senior management level: Managers at the level of director and above.
- Management level: Managers at the level of assistant manager and above.

Compensation and Benefits

Compensation Policy

To attract and retain outstanding talents, Qisda observes the local domestic labor laws and regulations in our operational sites worldwide. The pay to the employees is never below minimum wage required by the law and no difference based on the grounds of gender, religions, races, nationalities or political parties. To provide employees with a compensation policy that is competitive on the market, the employee payment is adjusted based on the personal education background and experience, professional skills, and performance of the employee to ensure wages are compliant with the offer on the market and the fairness. We refer to the wage survey report of a third-party remuneration consultant and the business status of the Company every year, and review the achievement of the goal at the end of the year. As for the compensation to the senior managers, the Compensation Committee reviews the annual achievement rate of relevant performance indicators through committee meetings and determines the scope of the annual compensation.

Ratio of Standard Entry Level Salary Compared to Local Minimum Wage

	Taiwan	Suzhou, China	Vietnam
Ratio of standard entry level salary compared to local minimum wage	1	1.36	1.17

Remark: Calculation method: starting salary of entry level/statutory minimum wage

Wage of Non-Managerial Employees in Taiwan (NT$ thousand)

	2021	2022	2023	2024	Deviation (%)
Full-time non-managerial employees (people)	1,758	1,747	1,663	1,536	-0.08%
Average compensation of full-time non-managerial employees (NT$ thousand)	1,592	1,695	1,571	1,385	-0.12%
Median compensation of full-time non-managerial employees (NT$ thousand)	1,258	1,289	1,224	1,192	0.03%

Remark:

- As defined by the Directorate General of Budget, Accounting and Statistics, Executive Yuan, for material terms, a full-time employee means the one who works to the full normal working hours specified by a company or to the statutory working hours. We set 40 normal working hours and, thus, all the employees of the Company are full-time employees.
- The total wages include the basic salary, overtime pay, various allowances and bonuses, employee compensation, etc. The estimated amount of share-based payment under expenditure is not included.
- Average wage of employees = Total wages of full-time non-management employees/Total No. of full-time employees
- The median wage of employees refers to the value at the midpoint in a list of wages, after all wages are arranged in ascending order
- Deviation (%) = Gap between the data for 2024 and that for 2023/data for 2023

Commitment to Living Wage

Qisda is committed to ensuring that all of our employees earn a living wage. The purpose of living wage is to ensure basic livelihood of the workers so that they can pay their basic living expenses. As we care about our employees and their families, we are pledged to a living wage that ensures more security for families; therefore, our employees' remuneration can steadily meet the needs of their families.

Living Wage Methodology:

The calculation of the living wage is based on the living wage methodology that two living wage experts, Richard Anker (former International Labor Organization) and Martha Anker (former World Health Organization), had tested and improved for 15 years. This methodology is a new method that has been widely accepted for estimating the living wage. It is both internationally comparable and locally specific, and is suitable for estimating the living wage in different regions such as rural areas, urban areas, and peri-urban areas around the world. The living wage items calculated according to this methodology include the cost of living such as food, clothing, housing, transportation, and education.

Long-term Incentive Plan

Incentive	Applicable to	Implementation Method	Amount
Employee stock ownership trust	After a 3-month probationary period, full-time employees in Taiwan are allowed to apply for the ESOT	The employees participating in the ESOT can purchase the Company's shares according to their respective job levels and the corresponding financial rewards allocated by the Company; the higher the job levels, the greater the allocated financial rewards. Through this way, we motivate employees to strive for the promotion opportunities, meet the performance targets, and thus further contribute to a synergistic effect for overall operational performance of the Company. Employee voluntary contribution: Based on the personal job level, a participant contributes a certain amount from the monthly pay as the trust fund to purchase the Company's shares. Company incentive: The Company also appropriates financial rewards of the amount up to 100% of the employee voluntary contribution (50% for those who working with the Group for 5 years and 100% for those who working for 10 years). The stocks held in the employee stock ownership trust account are deferred and can be retrieved upon resignation or retirement. The Company's employee stock ownership trust holds only Qisda stocks and is not used for hedging or reinvestment purposes.	In 2024, the Company's allocated financial rewards are exceeded NT$100 million Employee participation rate 90%
Retention Bonus	Talents in key positions critical to the organizational development	To ensure that the talents in key positions keep staying in the Company and creating steady long-term operating performance for the organization, we enter into a retention bonus contract with outstanding talents in key positions to reach an agreement that they can receive full retention bonus after staying in the Company for the specified retention years (2 years). By distributing retention bonus, we motivate talents in key positions to have better future performance as well as bringing long-term operational benefits to the Company, which reflects a win-win situation.	A total of 54 employees received in 2024, with a retention bonus of approximately NT$9.72 million.
Long-term Incentives for Executive Managers	Executive managers above the vice president level	To incentivize long-term value creation, the performance bonuses for executive managers and employee compensation are determined based on the company's performance measurement indicators. A certain amount is set aside from performance bonuses and employee compensation, with the Company providing an additional matching incentive as part of the long-term incentive plan. This amount is used to purchase company stocks, which are then deposited into a trust account, linking executive performance to the Company's stock price. Since 2023, Qisda has implemented the Long-term Executive Manager Incentive Plan. The plan aligns with the ESG performance goals of executive managers and distributes phantom stocks in three years (first year: 50%; second year: 25%; third year: 25%). The actual number of phantom shares acquired each year will be deposited in the employee's ESOT account in the form of trust assets with reference to the stock price of the Company at that time.	The Company allocates a matching contribution ratio as long-term incentive bonuses. The achievement rate of the ESG goals in 2024 was 100%. Therefore, 25% of the phantom shares that are available in the second year under the long-term incentive plan for senior managers are distributed.

Employee Benefits Systems

With the concept of creating a healthy and joyful workplace, Qisda has promoted the diverse employee benefits that enable all the employees to work in a premium work environment. The Company mainly provides the benefits as shown in the following table. The dispatched workers enjoy the same benefits as the full-time employees except for the performance bonus, which is only provided to the latter. Only a few dispatched workers are not incorporated in the scope of the benefits due to their short-time working (less than 6 months). Qisda follows the regulations and systems of social insurance all over the world to protect the basic rights of the employees. Group insurance for the family members is also available for the employees to apply, and we arrange the personnel of the insurance company to provide on-site consultation services and assist with the application for claims.

With a view to making employees work without worries, those who need to take care of children or with health requirements may apply for flexible or less working hours in accordance with the Company's "Regulations for Management of Flexible Working."

Qisda's Major Benefits

Region	Offered According to Laws	Regular Benefits	Better Than Legal Requirements
Taiwan	1. Health insurance and labor insurance 2. Allocation 3. Allocation of wage arrears payment fund 4. Allocation of labor occupational accident insurance 5. Infirmary and contracted on-site physician 6. Annual leave, half-paid sick leave, and related statutory holidays 7. Parental leave, maternity check-up leave, paternity check-up leave, and paternity leave Remark : A worker who has worked continually for Qisda for a certain period of time shall be granted annual paid leaves on an annual basis on the following conditions: 1. Three days for service of six months or more but less than one year. 2. Seven days for service of one year or more but less than two years. 3. Ten days for service of two years or more but less than three years. 4. Fourteen days for service of three years or more but less than five years. 5. Fifteen days for service of five years or more but less than ten years. 6. One additional day for each year of service over ten years up to a maximum of thirty days.	1. Childcare allowance (childcare allowance for those with 0-6 years old children; NT$30,000/child per year) 2. Gifts for Father's Day and Mother's Day 3. Lunch allowance and free dinner 4. Issuance of electronic consumption vouchers/points: NT$10,000 per person per year 5. Contracted hospital 6. Dormitory/production line uniform 7. Free sports center and diversed fitness/club courses 8. Services such as healthy massage/consultation on ergonomic issues/EAP psychological counseling 9. Professional allowance for forklift operators of NT$1,500/person per month	1. The Company provides group insurance for employees 2. Self-paid group insurance for the family members of the employees 3. Allowance for marriage, funeral, festivities, and childbirth; consolation money for injury and illness 4. Employee stock ownership trust 5. Pension system 6. Volunteer leave and engagement leave 7. Childcare allowance for children aged 0-6: NT$30,000 per year 8. 8 days of pregnancy checkup leave 9. 8 days of pregnancy checkup accompaniment and paternity 10. Flexible attendance system
Suzhou, China	1. Social insurance (retirement, medical service, unemployment, occupational injury, childbirth) 2. Housing provident fund 3. Paid annual leave	1. Infirmary 2. Sports Center 3. Meal allowance 4. Contracted store 5. Dormitory/uniform	1. Education and training 2. Subsidies for employees' quarterly activities 3. Festival/birthday gifts
Vietnam	1. Social insurance (medical, pension, unemployment, and occupational injury insurance) 2. Annual leave 3. Employee health check-ups	1. Childcare allowance: VND 100,000 per person per month 2. Marriage and bereavement leave subsidy: VND 100,000–200,000 3. Free pre-employment medical check-up for new employees 4. On-site medical room, nursing room, and supporting facilities 5. Gym, badminton court, and basketball court 6. Free accommodation 7. Distribution of Bonuses for New Year's Day, Labor Day, Mid-Autumn Festival, and National Day 8. Shopping shuttle service arrangement	1. Education and training 2. Festival rewards 3. Departmental team building subsidies

Care and Support for Women

Maternity Care	Benefits for Childcare
1. Provision of designated free parking spaces for expectant mothers. 2. Establishment of breastfeeding rooms: Accessible during working hours and the company provides free breast milk storage bags, and onsite nurses are available for consultation at any time. 3. Health checkups offered during employee-friendly time slots. 4. Maternal health and workplace health protection program.	1. Providing 8 days of maternity check-up leave, exceeding legal requirements 2. Subsidizing childcare allowance: NT$30,000 per child per year (until the age of 6) 3. Contracted kindergartens for daycare

Highlight: Peace of mind in childbirth and parenting	
(1) Enhanced Maternity Check-Up and Paternity (Accompaniment) Leave	Qisda deeply understands the significance of parenting for every family and provides comprehensive support and care starting from pregnancy. The Company has introduced the "Peace of Mind in Childbirth and Parenting" program, which includes extended paid maternity check-up leave, as well as paternity check-up and paternity leave, each increased to 8 days. Additionally, designated free parking spaces for pregnant employees have been set up. These initiatives ensure that employees feel the Company's support and warmth as they welcome a new life.
(2) Flexible Attendance System	Considering employees' scheduling needs for family care, child pick-up/drop-off, and personal planning, Qisda launched a flexible work-hour policy in August 2024. This policy offers employees greater flexibility in managing their work-life balance. Employees can start work flexibly between 07:30 and 08:30 and leave between 16:30 and 17:30 while maintaining an 8-hour workday. By implementing thoughtful measures that exceed legal requirements, Qisda upholds its people-oriented management philosophy, enhancing employee well-being and enabling them to excel in both their professional and personal lives. This approach further improves work efficiency and strengthens corporate cohesion.
(3) Childcare Allowance for Ages 0 to 6	Qisda offers a childcare allowance program that provides up to NT$180,000 per child. This benefit is gender-neutral and available to all employees. Each child receives a subsidy of NT$15,000 every six months, totaling NT$30,000 per year. For a family with three children under the age of six, this means an annual childcare allowance of NT$90,000. By introducing this program, Qisda not only helps alleviate employees' financial burdens related to childcare but also demonstrates its commitment to enhancing the quality of family life. Through these tangible support measures, the Company aims to help employees achieve a balance between work and family, enabling them to establish their families with confidence and care for them with peace of mind.

Statistics of the Number of Employees on Unpaid Parental Leave in 2024

Item	Taiwan	
	Male	Female
Number of employees eligible for application for unpaid parental leave in 2024 (people)	111	71
Actual number of employees applying for parental leave in 2024 (people)	4	10
Application rate of unpaid parental leave in 2024 (%)	3.6%	14.1%
Number of employees expected to be returned to work in 2024 (people)	8	13
Actual number of employees returned to work in 2024 (people)	5	10
Return to work rate in 2024 (%)	62.5%	76.9%
Number of Employees returned to work in 2023 (people)	5	9
Number of employees who returned to work in 2023 and were still employed one year after their return (people)	4	6
Retention rate in 2024 (%)	80.0%	66.7%

Remark: Paid maternity leave (primary caregiver): Female employees at Taiwan sites are entitled to 8 weeks of statutory paid maternity leave, and may also apply for parental leave of up to 26 weeks with 80% of insured salary, totaling 34 weeks of childcare leave. Paternity leave (non-primary caregiver): Employees at Taiwan sites are offered 8 days of paternity leave, which exceeds statutory requirements. They may also apply for up to 26 weeks of parental leave with 80% of insured salary, totaling nearly 28 weeks of childcare leave.

Pension

Qisda follows retirement regulations and systems all over the world and protects the rights of employees who are planning for retirement. (Details are described below). For more information about the Compensation Committee, please refer to the "Corporate Governance Operation."

1. Allocation of the Workers' Retirement Reserve Fund in accordance with the Labor Standards Act

The Company makes a contribution to the retirement fund for the employees every month and deposits to the workers' retirement reserve fund account of the Bank of Taiwan in the name of the Labor Pension Fund Supervisory Committee. As of the end of 2024, the fair value of plan asset was NT$405,448 thousand. According to law, the expenses that the Company recognized in 2024 was NT$11,510 thousand. The insufficient fund was presented as accrued pension liabilities. As of December 31, 2024, the total amount of the funds was NT$197,719 thousand.

2. Allocation of the Labor Pension in accordance with the Labor Pension Act

The Company allocates an amount equal to 6% of the monthly wage of an employee to the personal account at the Bureau of Labor Insurance. The amount of the expenses recognized in 2024 was NT$90,140 thousand. The overseas subsidiaries also allocate a pension every month in accordance with local domestic laws and regulations.

Remark:
1. Retiree applicants: Provide retirement benefits (retirement pensions, withdraw employee stock ownership trust accounts), retirement rights and benefits, post-retirement labor insurance and labor retirement application advice consultation, and special personnel to follow up and provide assistance.
2. Those who have reached the retirement conditions but have not reached the mandatory retirement age by law and still want to contribute: The company has rotation plans, including expanding their professional and management experience, and providing a rotation OBP (On Boarding Plan), covering corporate governance, professional management, investment management, cultural integration, etc., to help them adapt to the new environment and tasks.
3. Poor performance: The Performance Improvement Plan (PIP) is applied, and the supervisor will discuss with the employee in person and record how to improve the performance gap, and the improvement period will be 3 months in principle, and the improvement goal will be checked at the end of the period.

Employee Engagement

Qisda firmly believes that employees are determining factors in achieving corporate sustainable operation. The Company has conducted the annual employee engagement survey since 2020 to listen to employees' opinions and feedback and use such feedback to improve the work environment and the employee satisfaction. Our goal is to gain insight into employee needs through these surveys and transform these insights into actions to promote employee happiness and the overall performance of the Company.

Qisda's employee engagement survey covers all factories and units worldwide to ensure the comprehensiveness and representativeness of the results. To guarantee validity and credibility of the survey, we ensure consistency in the structure, questions and analysis methods of questionnaires around the world. We also conduct trend analysis and horizontal comparisons based on the survey data to facilitate a deeper understanding and application of the survey results.

In the 2024 global employee engagement survey, a total of 8,066 employees participated, achieving a participation rate of 87%. The overall employee engagement score reached 4.67 (out of 6), showing an improvement compared to 2023. This result indicates that the Company's initiatives to enhance work resources, provide performance feedback, and promote employee development have been effective. Key improvements include the implementation of AI tools, strengthening communication skills and techniques for managers, and optimizing the performance management and feedback system. These efforts have not only boosted employee engagement but also reinforced employees' sense of belonging and involvement with the Company.

In addition to the annual employee engagement survey, we analyze employee well-being aspects such as job satisfaction, purposes of work, happiness and job stress. The analysis not only enriches our understanding of the employee engagement survey results, but also provides an important reference for the continuous improvement of the Company's system.

Based on this analysis, the Company promotes corresponding improvement measures to create a more satisfactory and supportive work environment for employees.

Aspect	Job Satisfaction	Purpose of Work
Examples of Topic	I am encouraged by others in my career development at work. I feel that I have the opportunity for learning and growth at work.	The goals and vision of the Company make me consider my work important.
Score	4.67	4.67

Aspect	Happiness	Job Stress
Examples of Topic	I receive recognition and praise for outstanding work performance.	I feel that my managers or colleagues care about my personal situation.
Score	4.64	4.69

Based on the results of the 2024 Employee Engagement Survey, the Company has proposed corresponding improvement initiatives to further enhance employee well-being. These initiatives primarily focus on key areas such as work resources, recognition of achievements, and career development. In 2024, the Company plans to further integrate AI tools and learning resources to ensure employees have sufficient resources to complete their tasks efficiently. Additionally, leadership communication and motivation training programs for managers will continue, along with strengthening the Company's and managers' support for employees' career development. These measures aim to improve employee satisfaction with the work environment, enhance motivation, and foster a greater sense of well-being and trust. Through these actions, Qisda is committed to creating a supportive and inspiring workplace, ultimately shaping a superior employee experience and a more attractive employer brand, laying the foundation for the company's long-term sustainable development.

Employee Engagement

Survey Description	Refer to the questionnaire structure of Q12, the questionnaire includes four survey dimensions of basic requirements, manager support, teamwork and learning and growth.
	Distributed to: All the IDL and DL employees of Qisda worldwide
Survey scale	A six-point scale was used: 1 = strongly disagree, 2 = disagree, 3 = slightly disagree, 4 = slightly agree, 5 = agree, 6 = strongly agree
	Definition of Highly Engaged Employees: Individuals who select scores ranging from 4 to 6 on the response options.

Distributed in		2021	2022	2023	2024
		Taiwan, Suzhou (China)	Taiwan, Suzhou (China) and Vietnam	Taiwan, Suzhou (China) and Vietnam	Taiwan, Suzhou (China) and Vietnam
No. of copies of questionnaire		6,404	6,110	5,812	9,271
No. of copies responded		3,979	5,177	4,999	8,066
Response rate		62%	85%	86%	87%
Average engagement		4.55	4.57	4.62	4.67
Engagement (%)		N/A	80%	81%	82%
Gender	Male	4.57	4.60	4.65	4.71
	Female	4.52	4.56	4.57	4.62
Age	< 30	4.53	4.69	4.72	4.80
	30-50	4.57	4.56	4.59	4.63
	> 50	4.56	4.46	4.56	4.64
Job level	Management	4.52	4.56	4.59	4.66
	Non-management	4.58	4.59	4.62	4.67
Area	Taiwan	4.48	4.52	4.62	4.67
	Suzhou, China	4.61	4.63	4.66	4.68
	Vietnam	N/A	4.56	4.59	4.55

Remark: In 2021, the employee engagement survey was conducted only in Taiwan and China. Additionally, since the survey was conducted anonymously by an external consulting firm, there is no original data available for statistical analysis.

Engagement Survey in 2024

Employee Engagement in 2024		4–6 Points (%)
Overall Engagement		82%
Gender	Male	83%
	Female	81%
Age	< 30	87%
	30-50	81%
	> 50	81%
Job level	Management	82%
	Non-management	82%
Area	Taiwan	82%
	Suzhou, China	83%
	Vietnam	78%

Employee Turnover Rate

Qisda hopes to manage the turnover intentions of employees effectively. When an employee submits a resignation letter, the immediate manager will be promptly notified and arrange a meeting to understand the reasons for leaving and attempt to retain an employee. Due to factors such as economic fluctuations and environmental changes, a healthy turnover rate ensures Qisda a continuous flow of new talents. The voluntary turnover rate of Qisda in Taiwan was 7%. Furthermore, in 2024, the structure of overseas direct personnel was adjusted to primarily consist of full-time employees. As a result, a large-scale talent recruitment initiative was launched, leading to a significant increase in new hires. In China, due to the influence of the local labor market, employee turnover rates tend to be higher, especially among direct personnel. To address this, Qisda has implemented several retention strategies, including strengthening leadership capabilities among supervisors, enhancing employees' sense of well-being at the company, and providing job rotation and learning opportunities to create a stable and supportive work environment. Additionally, the Company has explored the use of ergonomics to optimize workflows and reduce employee fatigue. Qisda has also introduced key talent incentive programs, employee referral bonuses, and other retention initiatives to improve working conditions and reduce turnover rates.

Turnover Rate

Turnover Rate		2021	2022	2023	2024
Total turnover rate (%)		24.2%	20.7%	15.8%	24.6%
Voluntary turnover rate (%)		24.0%	20.3%	15.2%	24.4%
Total turnover rate (%)	Male	26.7%	20.2%	23.5%	27.5%
	Female	20.2%	21.6%	15.2%	19.8%
Voluntary turnover rate (%)	Male	26.6%	19.7%	15.7%	27.2%
	Female	19.9%	21.4%	14.3%	19.6%
Total turnover rate (%)	< 30	30.8%	29.2%	20.6%	41.0%
	30-50	18.6%	14.6%	11.8%	14.1%
	> 50	11.7%	7.3%	11.5%	6.7%
Voluntary turnover rate (%)	< 30	30.8%	29.1%	20.5%	41.0%
	30-50	18.5%	14.3%	11.3%	14.0%
	> 50	8.8%	2.6%	5.9%	4.1%
Total turnover rate (%)	Taiwan	10.5%	11.4%	12.0%	8.3%
	Suzhou, China	28.6%	22.6%	14.4%	26.2%
	Vietnam	24.8%	32.6%	29.0%	36.3%
Voluntary turnover rate (%)	Taiwan	9.7%	9.8%	9.9%	7.0%
	Suzhou, China	28.6%	22.6%	14.2%	26.2%
	Vietnam	24.8%	32.6%	28.9%	36.3%
Total turnover rate (%)	Management	3.3%	4.4%	3.9%	2.7%
	Non-management	26.0%	22.2%	16.8%	26.1%
Voluntary turnover rate (%)	Management	3.1%	3.4%	2.7%	1.5%
	Non-management	25.8%	21.9%	16.2%	25.9%
Total turnover rate (%)	Direct labor	34.0%	27.0%	18.7%	31.5%
	Indirect labor	9.5%	10.0%	10.2%	6.9%
Voluntary turnover rate (%)	Direct labor	33.3%	26.7%	18.3%	31.5%
	Indirect labor	9.5%	8.9%	9.2%	6.1%

Remark: The statistics on turnover rate above do not include those employed for less than 3 months.

Talent Development

Qisda implements diverse career development plans to maximize competitive edge for the Company and enable employees to acquire knowledge and skills. We provide ample resources to integrate physical and online learning platforms, providing employees with diverse and comprehensive learning opportunities. We established the job-oriented Qisda Academy and its development blueprints based on the needs of business strategies and organizational growth, aiming to train employees effectively to develop knowledge and skills. We set an average of 26 training hours per indirect employee as the target for 2024. In response to the rise of AI trends, Qisda launched the "AI Future Classroom" development program in 2024. This initiative provides comprehensive training for all employees, including frontline and mid-level managers, to enhance their proficiency in AI tools. As a result, in 2024, indirect personnel accumulated an average of 55.4 training hours per person, while direct personnel reached an average of 24 training hours per person. The Company conducts progress reviews every six months to ensure the effectiveness of the annual training program.

Furthermore, to demonstrate Qisda's commitment to social responsibility, we not only offer courses related to green products but also incorporate essential training on the Responsible Business Alliance (RBA) Code of Conduct, Hazardous Substance Management System (IECQ QC 080000), and Occupational Safety and Health into mandatory courses for all employees. To continuously deepen employees' knowledge of sustainability, we regularly publish e-newsletters, sharing at least three sustainability-related insights per week. Additionally, as part of our "Restroom Literature" initiative, we post at least one sustainability-related piece weekly. On the first weekend of each month, senior managers receive curated news on sustainable management to stay informed about the latest developments and trends in sustainability.

Remark: Training and development resources are provided to all staff (including interns and part-time staff) so that all staff can receive appropriate training according to their future job requirements.

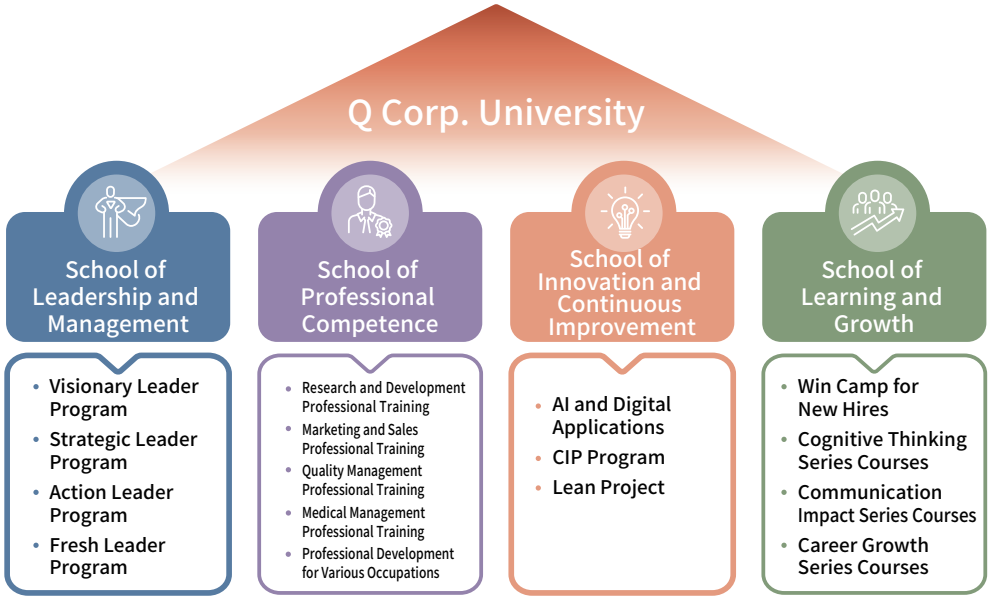
Talent Development System – Qisda Academy

With Qisda Academy as the foundation, the training system is structured with four academies that are divided into the School of Professional Competence, the School of Learning and Growth, the School of Innovation and Continuous Improvement and the School of Leadership and Management based on attributes and target audience. The four schools are committed to helping employees more effectively apply what they have learned in job by providing comprehensive training programs for different learning needs.

To provide employees with more immediate learning resources, we have established the internal QLMS learning platform. In addition to in-person courses, employees can also participate in online courses and knowledge learning through this platform. Since 2019, we have continuously promoted mobile learning, increasing the proportion of digital courses while developing a learning app that allows employees to make full use of fragmented time on their mobile devices to acquire new knowledge. As of the end of 2024, digital courses accounted for 79% of the Company's overall training programs. These initiatives aim to ensure that employees can quickly and conveniently enhance their professional skills to adapt to the rapidly changing work environment.

Training Courses of the Four Schools

School of Professional Competence	Designing related courses for leadership and management of managers with different job levels to help them make further improvement and develop their own leadership
School of Learning and Growth	Covering a complete set of training programs for new employees and internal instructors with four courses related to occupational competence focusing on decision-making capability, influential communication, digital application and self-competition.
School of Leadership and Management	Providing the innovation and development momentum, and introducing resources for the courses in business model innovation and design concepts, enabling the employees to achieve their full potential and create an organizational culture of innovation.
School of Innovation and Continuous Improvement	1. Providing innovative development resources by introducing courses on business model innovation, designing thinking, and more, enabling employees to unleash their creativity and foster a culture of organizational innovation. 2. In response to the rise of AI trends, we have introduced courses on the application of AI-related tools.



1.Inspiring Employees Development Programs

Employee Professional Competency Development

Employee learning blueprints formulated for the employees to develop professional capabilities to take up future challenges

Outstanding talents are the key driving force for sustainable growth of a company. To continuously foster and strengthen the employees' workplace skills for adapting to the internal work environment and responding to external trends and changes, a series of learning courses are provided for the employees, including new hires and senior personnel, with the talent development strategy focusing on decision-making capability, influential communication, digital application and self-competition. We arranged elective courses as well as compulsory courses and integrated physical and digital resources, not only equipping the employees with the skills necessary in the workplace, but also enabling them to create a personalized organizational learning environment by selecting the courses they were interested in based on their work and requirements of career development with the flexibility of space and time. In 2024, a total of 1,318 people participated in related courses; the total training hours reached 18,620 hours, and the average satisfaction rate for learning and growth courses was 4.5 points (out of 5 points).

Competency	Description	Focus Courses
Decision-Making Thinking Capability	Developing systematic thinking to stay on top of the overall situation; ensuring insightful financial thinking to understand the operation focuses of the Company; stimulating creative thinking to develop processes of innovative products; facilitating multi-dimensional thinking to enhance personal capabilities of decision making and innovation at work	Systematic thinking and rational decision-making, problem-solving abilities and mindset, and efficient logical thinking methods
Influential Communication	Understanding the two-way communication of human nature and further extending to the skills of parallel and upward communication; fostering the utilization of simulation scenarios of presentation and business negotiation; building the skills required for both internal and external communication	Workplace communication and negotiation, effective presentations, cross-department communication and coordination, workplace communication strategies, project management mindset and practices
Digital Application	Helping the employees to know accurate problem definition, identifying necessary data and learning data analysis methods, boosting their problem-solving skills with data based on systematic problem-solving methods and data analysis tools	Data analysis in Excel, Power BI data analysis, etc.
	AI Tools Application Training: Helping employees master the basic operations and applications of AI tools, learning how to leverage AI for data prediction and process automation. Through real-case analysis and project implementation, employees will enhance their ability to apply AI tools to solve real-world problems	AI industry trends,fundamental AI concepts and applications, RPA processes, and ChatGPT usage
Self-Competition	With self-management, learning and growth as the core of development, enhancing personal capabilities of work planning and workplace competitiveness through courses on the awareness of personal strengths, creation of highly effective learning patterns, work time management, mindset of career development, etc.	Efficient learning, agile work management, and strategies for the cat generation in the workplace

Key Employee Development Program Results – AI Application Capability Enhancement Plan

In response to the rise of AI trends, we launched the "AI Future Classroom" in 2024. The core of this development program is to educate employees on AI trends and their impact on the industry. The expected benefits for the organization include strengthening employees' proficiency in AI tools, improving internal work efficiency, effectiveness, and execution quality, and fostering continuous innovation to keep pace with industry trends and become experts in the field. The program focuses on professionalism, efficiency, and excellence, aiming to continuously enhance professional standards, optimize workflows, and leverage AI tools to automate repetitive tasks. This allows teams to concentrate on higher-value work, giving employees more time to continuously learn new knowledge and technologies, ultimately striving for excellence in the future.

Development Plan Title	Participant	Demonstration of Training Results				
		Confirmation of development focus	Development method:	Level 1/ Reaction level → Level 2/ Learning level	Level 3 behavioral level	Level 4 result level
AI Future Classroom	All employees	1. Establish fundamental understanding and learn how to effectively use AI tools to enhance individual and team efficiency 2. Gain in-depth knowledge of AI technologies and tools to improve work efficiency 3. Continuously deepen personal expertise and develop AI-skilled talent	**16** AI courses, totaling **32** hours	Number of people who completed the training: **5,447** Satisfaction score: **4.5**	Number of organizational process improvement projects (CIP) utilizing AI tools: **88**	The efficiency improvement achieved through AI-driven process enhancements exceeded **80%**, generating tangible and intangible business benefits of NT$ **204** million for the Company.

In 2024, we launched the "AI Future Classroom" development program, with a total of 32 hours of AI courses offered throughout the year, attracting 5,447 participants. The overall course satisfaction rating reached 4.5, demonstrating strong learning outcomes and value, as well as a significant impact on enhancing AI knowledge and skills, earning widespread recognition from employees. Following the courses, 88 AI application projects were implemented in Continuous Improvement Projects (CIP), successfully optimizing processes by over 80%, showcasing participants' ability to apply AI tools in practice. In the future, we will continue exploring new technologies, enhancing course content, and adjusting based on evolving industry demands to ensure participants master the latest AI application skills. This will help them stay competitive in the workplace while continuously striving for professionalism, efficiency, and excellence.







2.Leadership Development Plan

To develop the critical leadership and management capability required for managers at different levels, and to ensure the capabilities needed for the organizational growth in the future, we established the training and development system for the managers at all levels based on our core management functions. This system provides managers, whether novices with enormous potential or experienced managers, with individualized capability development plans under which they systematically acquired the leadership and management capability necessary for a benchmark leader through planned rank-based management courses and job rotation.

Training targets include managers at all levels. In 2024, a total of 20 executive training courses were provided, and the total number of trainees accounted for 62% of the Company's management positions.

I. Core of the Development Plan:

(1) Systematic Training Resources: Introduce the hybrid learning method of physical and online management courses to diversify learning channels for managers.

A new version of the executive development and training blueprint was launched in 2023. A total of 176 employees completed the training in 2024, with a total of 2,236 learning hours. The average overall satisfaction score of managers with the program was 4.75.

(2) Job Rotation and Experience: Through planned job rotation, managers can accumulate experience in different positions in the organization and develop multiple mindsets and professional capabilities.

In 2024, a total of 115 managerial rotations were conducted, bringing the cumulative rotation rate to 185% by the end of the year. Through job rotations, we promote diverse career development for managers, enhancing their organizational adaptability, multidisciplinary expertise, and leadership breadth and vision.

II. Focuses of the Development Plan:

(1) Target audience: Managers at all levels (potential leader/junior management/middle management/senior managers)

(2) Leadership development focus of managers at all levels:

Title of Development Plan	Participant	Role and Mission	Cultivation Focus in 2024	Physical Course and Online Course for Key Courses in 2024
Fresh Leader Program	Potential talents/New managers	Professional leader Management expert Mentor of subordinates	Arousing management awareness and concepts, providing basic management knowledge, giving an overall picture of leadership, and enhancing the leadership of managers	**Online courses:** Management talent development for new managers, talent recruitment interview
Action Leader Program	Junior management	Professional leader Management expert Mentor of subordinates	Emphasizing managers' skills in employee performance coaching, motivation and feedback techniques, cross-generational leadership, as well as problem analysis, resolution, and managerial decision-making abilities	**Physical courses:** Cross-generational leadership, performance coaching, problem-solving **Online courses:** Motivation and feedback, performance management
Strategic Leader Program：	Middle managements	Strategist Key team member Corporate expert	Emphasizing management case discussions, financial management concepts, and coaching leadership techniques	**Physical course:** Management case studies **Online Courses:** Change management, financial statement analysis, coaching leadership
Visionary Leader Program	Senior managers/Head of business units	Industry pioneer Change driver Management master	Establishing organizational talent development concepts and thinking frameworks, along with practical coaching leadership skills. Cultivate managers' ability to identify high-potential talent and develop succession pipelines	**Physical courses:** Organizational talent development, coaching and mentoring skills **Online courses:** Vision and strategy development, business management and decision-making

III.Leadership Development Methods and Demonstration of Training Results:

Leadership Development System and Demonstration of Training Results

Development Plan Title	Participant	Leadership Development Focus and Development Method			Demonstration of Training Results		
		Confirmation of development focus	Introduction of an education and training with hybrid learning model	Number of job rotation	Level 1 reaction level → Level 2 learning level	Level 3 behavior level	Level 4 result level
					Course satisfaction status	Post-education application plan	Benefits to organizational operational performance
Fresh Leader Program	Potential talents/ New managers	Understanding the role of a manager Establishment of fundamental concepts in leadership management	1. 2 digital courses, totaling 6 hours 2. Number of people who completed the training: 16 3. Total training hours: 96 hours (person-times* course hours)	**30** employees	**4.84**	1. Formulation of a management action plan (16 copies responded) 2. Average score for pre-class management competence: 3.9 points (out of 5 points) 3. Average score for post-class management competence: 4.2 points (out of 5 points)	1. Increase from 4.62 to 4.67 in the employee engagement score in 2024 2. Increase from 81% to 82% in the percentage of highly engaged employees 3. Internal manager promotion rate 16%
Action Leader Program	Junior management	Vision communication Continuous improvement Problem solving Effective talent selection	1. 3 digital courses, totaling 3 hours 2. 3 physical courses, totaling 21 hours 3. Number of people who completed the training: 129 4. Total training hours: 1,702 hours	**35** employees	**4.74**	1. Formulation of a management action plan (208 copies responded) 2. Average score for pre-class management competence: 4 points (out of 5 points) 3. Average score for post-class management competence: 4.3 points (out of 5 points)	
Strategic Leader Program	Middle managements	Vision execution Innovation driving Resources planning Talent development	1. 5 digital courses, totaling 9 hours 2. 1 physical courses, totaling 7 hours 3. Number of people who completed the training: 22 4. Total training hours: 256 hours	**7** employees	**4.76**	1. Formulation of a management action plan (16 copies responded) 2. Average score for pre-class management competence: 3.9 points (out of 5 points) 3. Average score for post-class management competence: 4.2 points (out of 5 points)	
Visionary Leader Program	Senior managers/ Head of business units	Vision guiding Leading innovation Operational decision-making Talent cultivation	1. 5 digital courses, totaling 9 hours 2. 2 physical courses, totaling 28 hours 3. Number of people who completed the training: 9 4. Total training hours: 182 hours	**2** employees	**4.82**	N/A	

Tangible and Intangible Organizational Benefits of the Leadership Development System

Quantifiable Benefits of the Leadership Development System:

Qisda has strengthened internal talent development and management efficiency through its leadership development system, further enhancing employee engagement and the organization's growth potential. The following key outcomes have been achieved:

1. Improved Employee Engagement: In 2024, the employee engagement score increased from 4.62 to 4.67, reflecting optimizations in organizational culture and management mechanisms.
2. Increase in Highly Engaged Employees: The proportion of highly engaged employees rose from 81% to 82%, indicating a stronger alignment with the Company's vision and work values.
3. Enhanced Internal Promotion Opportunities for Managers: The internal promotion rate for managerial positions reached 16% (calculated as: number of promoted managers/Total number of existing managers), demonstrating the Company's commitment to internal talent development and effectively fostering career advancement opportunities within the organization.

Through continuous optimization of the leadership development mechanism, Qisda is committed to building a high-performance, highly cohesive management team, driving sustainable business growth and talent development.

Intangible Benefits of the Leadership Development System:

Through a systematic leadership development framework, enterprises can not only enhance management efficiency and talent development but also generate profound intangible benefits that further support sustainable business operations. The key intangible benefits include:

1. Strengthening Corporate Culture and Value Implementation
   - Leadership development ensures that core corporate values and business philosophies are deeply embedded, enhancing organizational culture consistency.
   - Managers demonstrate corporate values in decision-making and management, further influencing employee behavior and the overall organizational atmosphere.
2. Enhancing Employee Satisfaction and Organizational Commitment
   - Managers with stronger communication, motivation, and team management skills help foster a supportive work environment, improving employee satisfaction.
   - Employees who align with the Company's vision and see growth opportunities are more likely to develop a stronger sense of belonging and loyalty to the organization.
3. Improving Cross-Department Collaboration and Decision-Making Efficiency
   - Leadership development cultivates managers' ability to communicate and collaborate across departments, enhancing internal resource integration and overall efficiency.
   - Strengthening managers' data-driven decision-making and problem-solving skills enables the Company to adapt more quickly to market changes.
4. Fostering a Learning Organization and Driving Innovation
   - Establishing a culture of continuous learning and growth enhances team autonomy in learning and promotes knowledge-sharing.
   - Managers with stronger innovation thinking and change management skills drive continuous organizational innovation and improve competitiveness.
5. Reducing Human Capital Risks and Stabilizing Talent Supply Chain
   - Ensuring that the company maintains high operational efficiency in the event of both planned and unplanned departures of ssenior managerial officers, including the CEO.
   - Developing internal talent reduces reliance on external senior management hires, lowering recruitment and onboarding costs.
   - Preventing talent gaps in key positions ensures stable organizational operations and strengthens long-term business sustainability.

Through these intangible benefits, the leadership development system not only enhances internal management efficiency but also strengthens the Company's ESG competitiveness, driving long-term sustainable development.

3.Key Talent Development Plan for Business Units

(1) Target Audience: Product managers, Account managers.

(2) Business Unit Development Plan: Formulating the development plan for the target audience based on the difference in the required responsibilities and professional knowledge and skills.

(3) Product Manager and Account Manager Development Plan:

Due to fierce competition in the external environment, product managers and account managers play critical roles in business units. As a major technology OEM, we focus on improving the professional knowledge and skills of the Product Managers and Sales Managers to deliver better services to customers. In 2024, we optimized our professional competency development blueprint, tailoring training and development programs based on the required skills at each level. The development plan includes key areas such as project management, business presentation skills, client communication and negotiation, and business strategy planning. Through these specialized training programs, we aim to enhance the individual skills of our sales and business teams, ultimately providing brand clients with an exceptional service experience.

In 2024, the total number of participants of various courses for product managers and sales personnel reached 125; the total training hours reached 1,072 hours.

(4) Results of the Product Manager and Account Manager Development Plan

Stage	Action Plan	Training Focus	Time	Demonstration of Training Results	
				L2 learning levels Completion of training and satisfaction	Level 4 result level Benefits to organizational operational performance
1	Marketing and sales professional training [Fundamentals] [Target Audience: General PMs/Sales in business units]	Project management Communication and expression Data analysis	18 hours	● Number of People who completed training: 66 ● Total training hours: 602 ● Satisfaction: 4.5	1. Key brand customers entrusted Qisda with 40% of their annual orders (YoY +2%) 2. Successfully developed a new key brand customer in 2.2024 3. Qisda ranked first in QBR evaluations among all key brand customers
2	Marketing and sales professional training [Advanced] [Target Audience: General PMs/Sales in business units]	Customer relationship Communication and negotiation Problem solving	10 hours	● Number of People who completed training: 35 ● Total training hours: 174 ● Satisfaction: 4.5	
3	Marketing and sales professional training [Professional] [Target Audience: Key talents in business units]	Market planning Value selling Strategic partner Financial acumen	22 hours	● Number of People who completed training: 24 ● Total training hours: 296 ● Satisfaction: 4.6	

4.Comprehensive Job Development Plan

Qisda has encountered challenging talent management when facing external uncertainties. Therefore, we strive to reduce succession risks and talent shortage by selecting potential talents and establishing talent pool.

Additionally, the Company has developed the “Comprehensive Job Development Plan” since 2022 to implement sustainable growth to the organization and plan for our organization’s future talent needs. Henceforth, we continued executing this Plan in 2024.

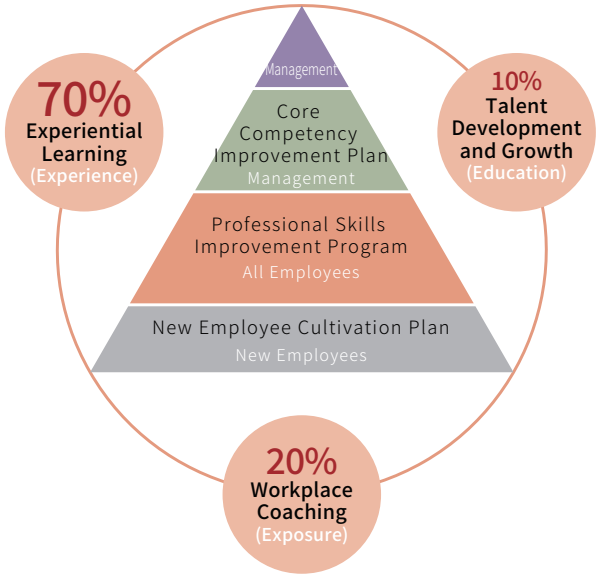
We provide employees with comprehensive training and development for employees with different job levels and set performance goals every six months based on the core competencies of all levels. Simultaneously, we propose competency development plans for supervisors to provide necessary support and offer assistance for personal development.

Implementation methods:

1. Establishing core competency systems of all levels.
2. Defining developmental approaches by different levels and implement personal development plans through the 3E (Experience, Education, and Exposure) model.
3. Implementing personal development plans when setting performance goals every six months, discussing with managers about the items to be developed, and providing support and assistance for employees during the implementation.

Remark:

Learning methods include, but are not limited to, the following:Classroom Training, On-the-Job Training, Coaching/Mentoring, Online Learning/ APP(QLMS), Team Based Project, Project/TaskAssignment, Job Rotation, External Seminar or Training.



5.Cross-cultural Training Program

In the era of rapidly developing global economies, businesses face both challenges and opportunities brought by diverse cultural environments. Qisda deeply understands that cultural diversity is not only a crucial foundation for expanding into international markets but also a key factor in enhancing organizational competitiveness. To address this, we have designed a comprehensive cross-cultural training program specifically for expatriates at our Vietnam plant. This program aims to help expatriates quickly adapt to the local culture, improve cross-cultural communication skills, and enhance teamwork efficiency in local operations. By fostering a deeper understanding and respect for different cultural backgrounds, we enable multicultural teams to integrate and function smoothly. Furthermore, this initiative strengthens inclusive leadership by promoting diversity, equity, and inclusion in managing and leading local employees. At the same time, it helps Vietnamese employees integrate into Qisda’s corporate culture and strengthens their sense of team cohesion with the Taiwan headquarters.

To ensure that expatriate employees assigned to the Vietnam plant can quickly adapt to the local culture and effectively implement headquarters’ operational strategies, Qisda has designed a series of cross-cultural training courses, which include:

1. Cultural Adaptation and Sensitivity Training
   - Through cultural orientation courses, introduce Vietnam’s history, social structure, religious beliefs, and customs to help expatriate employees integrate quickly into the local society.
   - Emphasize cultural sensitivity education to prevent misunderstandings or management conflicts caused by cultural differences.
2. Language Proficiency Enhancement
   - Provide basic Vietnamese language training covering practical phrases for daily interactions and workplace communication, fostering better engagement and trust with local employees.
   - Assist expatriate employees in mastering essential professional terminology to meet real-time communication needs in production operations.
3. Family Support and Local Living Assistance
   - Provide local living guides for expatriate employees and their families, covering housing, transportation, healthcare, and education to help them quickly adapt to life in Vietnam.
   - Establish a dedicated support center offering real-time consultation and assistance to alleviate potential psychological stress during the expatriation period.
4. Cultural Exchange Activities
   - Organize diverse cultural exchange activities within the Company to enhance mutual understanding and collaboration between expatriates and local Vietnamese employees.
   - Encourage both parties to engage in frequent interactions and share work experiences to strengthen trust and teamwork.

Remark : The cross-cultural training program has been implemented in the QVH:
1. IDL's employee turnover rate decreased from 30% in FY2023 to 26% in FY2024.
2. Production capacity increase: The maximum monthly production capacity in 2023 is 318K; The maximum monthly production capacity in 2024 is 448K, and the annual production capacity in 2024 has been increased by 41%

Through this training program, Qisda aims not only to facilitate the successful business expansion of expatriates in Vietnam but also to cultivate global vision and cultural inclusivity among expatriate managers and employees, laying a solid foundation for the Company's sustainable development.

Learning Transfer – Training Result Demonstration

1. In response to the diversification of business operations and global development, Qisda's total global training investment in 2024 amounted to approximately USD $3,832,673, with an average training cost of USD $446.32 per employee. The total global training hours reached 280,762, averaging 32.7 hours per employee. Due to the rapid expansion of AI technology, the Company's global average training hours per employee in 2024 increased compared to 2023. A further breakdown of training hours by employee category shows that the average training hours for indirect labor (IDL) employees in 2024 were 55.4 hours per person, while direct labor (DL) employees received an average of 24 hours of training per person. Additionally, the table below provides a detailed breakdown of average training hours by gender, employee type, and managerial versus non-managerial positions.
2. In response to the trends of digital learning and digital transformation, Qisda launched a new digital learning platform (QLMS) in 2024. In addition to introducing a visually enhanced learning platform, we have rolled out a series of new AI digital learning courses in this era of AI revolution. As a result, digital courses accounted for 79% of our total training programs in 2024.

Average Education and Training Hours of Employees in 2024

Type	Group	Average Training Hours per Person		
		Taiwan	Suzhou, China	Vietnam
Gender	Male	75.6	24.4	31.4
	Female	62.5	19.5	29.5
Employee category	Direct Labor	21.5	22.8	29.7
	Indirect labor	80.6	22.5	38.8
Management level	Management	81.9	20.4	21.5
	Non-management	67.9	22.9	31.0
Type of training	General Competency training	62.9	13.3	23.3
	Job-specific skill training	7.5	9.4	7.3
Average training hours of all employees		32.7		
Average training hours of all IDLs		55.4		
Average training hours of all DLs		24.0		
Average cost of training (NT$)		14,366		

Human Capital Return on Investment (HCROI)	2021	2022	2023	2024
	1.27	1.2	1.19	1.16

Note: Human Capital ROI = (Total Revenue - (Total Operating Expenses - Total employee-related expense))/Total employee-related expense.

CIP

Continuous Improvement Program (CIP)

- Qisda unites and leads the Grand Fleet to execute the CIP (Continuous Improvement Program) projects to create sustainable values. We have executed more than 6,940 CIP projects globally to date, with estimated savings are approximately NT$13.5 billion.
- In 2024, CIP continued to drive enhancements, with 23% of projects utilizing AI and automation tools. The estimated benefits are projected to save NT$204 million.

Qisda has been implementing the Continuous Improvement Program (CIP) since early 2007 to enhance operational efficiency and drive ongoing excellence.

CIP is a program for gaining competitive edge of the Group. With the approaches and application of training and communication, guidance and presentation of improved projects, and continuous reviews and improvements, all of our employees are enabled to acquire the ability of logical thinking and problem solving. The Company is able to conduct effective internal communications and external customer communications efficiently, for producing the culture of continuous improvement.

Continuous Improvement Program

CIP Vision

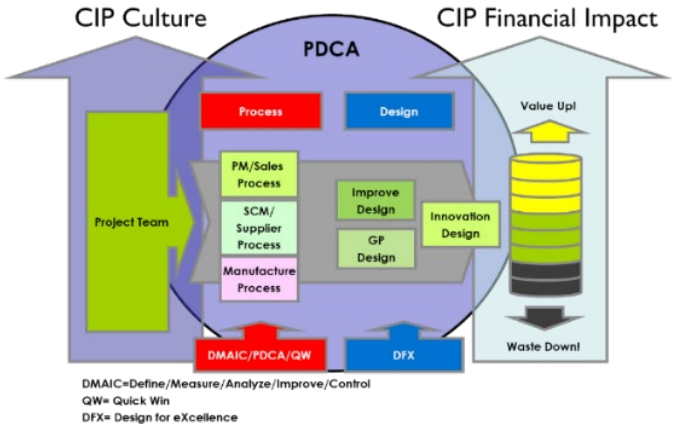
Building the culture of continuous improvement

CIP Mission

To enable employees with the knowledge, skills and attitude to facilitate quality, design and process improvement through voice of customer, time to market and financial impact.

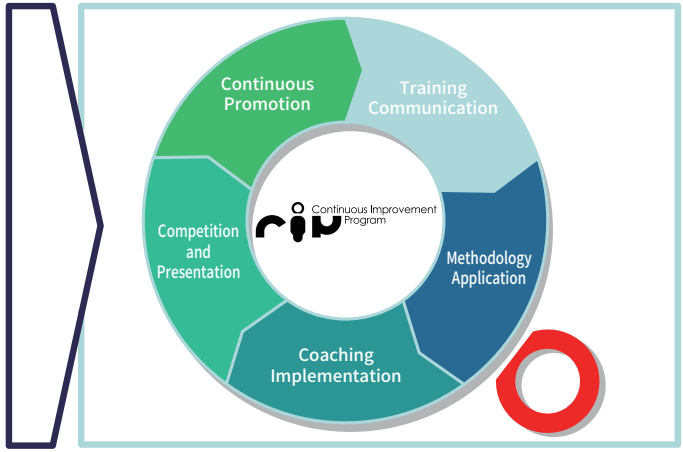
CIP Structure

CIP is conducted based on PDCA cycle and expanded to the Group. The CIP projects not only conduct in the R&D department but also expand to manufacturing department, administration, support units, etc. Through different methods, includes DMAIC, DFX, Lean, QCC, and Quick Win, all employees are enabled to utilize the most suitable tools to improve work performance, reduce waste and enhance value, reaching considerable financial benefits for every year.



Implementation Process of CIP Projects

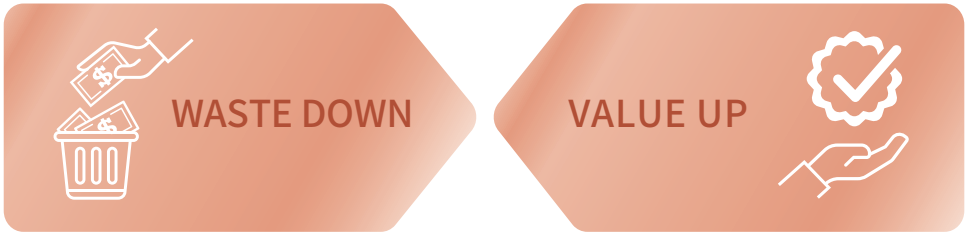
Every year, all Qisda employees participate in CIP activities, which include training, team projects, coaching, competitions, and ongoing implementation. This initiative has become a key part of the Company's culture. Since 2007, Qisda has conducted over 420 training sessions, with more than 10,000 participants. The annual project participation rate exceeds 80%. In 2024, the Group executed 640 CIP projects, bringing the total number of global CIP projects to over 6,940. The accumulated estimated benefits have reached nearly NT$13.5 billion, demonstrating significant improvements.



CIP Sustainable Development

The CIP not only create positive impacts on improvement of our business and the Group but also combines with the 17 Sustainable Development Goals (SDGs) to work with the suppliers, which represents a rare achievement in the industry. With this accomplishment, Qisda received the "2021 Taiwan Sustainability Action Award – Best Action Plan Award" from Taiwan Institute for Sustainable Energy. The CIP enables the suppliers to improve efficiency and yield, and reduce waste. Moreover, it boosts revenue growth of both the suppliers and Qisda, creating a win-win scenario. The support of the Company for the suppliers has shown a good performance. In 2024, a total of 27 CIP projects were executed by the suppliers in Suzhou, with the quantified benefits approximately NT$47 million. To date, a total of 147 suppliers participated in the program and created 396 projects, reaching the quantified benefits to be approximately NT$530 million.

Concept of CIP



2024 CIP Overview

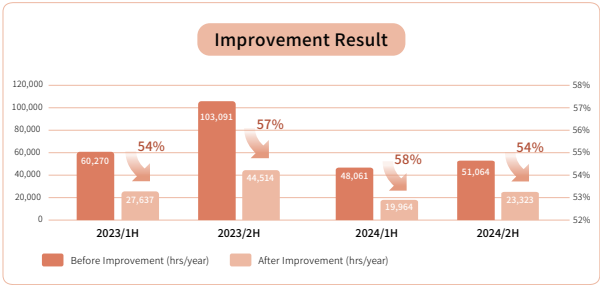
Philosophy and goals of course	Adhering to the spirit of "there is no best, there is always a better", we are committed to continuously providing training and tools for each employee. The goal is for employees to acquire knowledge and skills for capability development.
Participant	50 courses with more than 500 participants. The participants included companies of the Group such as Qisda, BenQ, Alpha Networks, Hitron Technologies, IDT, DFI, DIVA Laboratories, BenQ Healthcare, BenQ BM.
Participant growth and participation	The enthusiasm and active participation of the participants significantly contributed to the success of the course, leading to substantial growth and progress.
Curriculum project effects and contributions	A total of 640 CIP projects were executed in 2024, with estimated savings are approximately NT$1.4 billion, which highlights the substantial contribution of the CIP courses to the Company's performance. These highlights demonstrate the accomplishment the CIP course has made in helping the Group companies to boost business efficiency, improve trainee's capabilities, and save costs. Simultaneously, displaying the commitment to continuous improvement and future development.

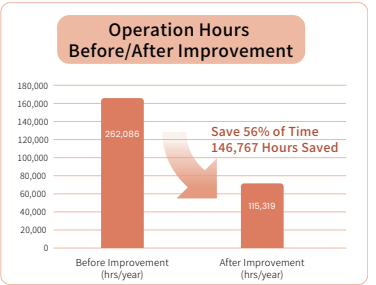
Lean Program – Reducing Releases of Unintentional Waste in Process to Increase Work Value

Qisda introduces Lean Program for employees as a tool and concept of performance improvement. Through the design of a series of courses related to Lean program and the implementation of the Lean project, we help employees to apply learning theories in the workplace. The scope of the Lean project covers the improvement of individuals, departments, and even the entire Company. Additionally, applying a various of methods, such as 7 Wastes/ECRS/VSM/standardization, we can help employees to improve job performance with the most appropriate approaches. The Lean technique not only practices in manufacturing, but also extends to all units (R&D and sales). The program includes training, project execution, coaching, and competitions to ensure continuous progress. In 2024, Qisda executed 82 Lean Programs, saving approximately 55,000 working hours and achieving an improvement rate of 56%.

From 2023 to 2024, a total of 135 Lean programs have been executed over two years, resulting in a cumulative time savings of 146,000 working hours, with an average improvement rate of 56%. Among these programs, 77% leveraged AI, RPA, and process automation systems for improvements. The estimated cumulative benefits exceed NT$150 million, demonstrating significant and impactful results.

Number of Programs	Time Saved	Improvement Rate	Rate of AI/RPA/ Process Automation Utilization	Cumulative Benefits
135	146,000 hours	56%	77%	> NT$150 million





Lean Program	
Program topic	Customer D Reports - Automation
Program description	1. From Monday to Friday, numerous reports need to be completed, with data sourced from customer forecasts, warehouse records, production information, supplier data, and a total of nine different databases. 2. Currently, reports are manually generated, involving steps such as downloading data → copying and pasting → manually comparing data entries → inputting information → double-check → repetitive manual processing → human errors. This process consumes approximately 32,292 hours annually. 3. By leveraging Lean tools such as ECRS (Eliminate, Combine, Rearrange, Simplify) for comprehensive workflow optimization, along with AI-based tools and RPA automation, we can significantly improve report generation speed and accuracy, ultimately enhancing customer satisfaction.
Program benefits	Total benefits of NT$750 thousand, saving 30,019 of work hours. 1. Approximately 14 man-hours are saved annually. 2. By utilizing AI programs and RPA automation, 92% of the operational personnel time is reduced. 3. This program enables the rapid completion and timely delivery of reports to clients, eliminating excessive and unnecessary processes, thereby enhancing customer satisfaction.

Performance Management for Facilitating Growth

Performance Management System

To strengthen the mechanism of top-down communication of strategic goals for the Company, a KPI system is applied to all the employees. We connect the Company, departments and individuals in a top-down manner to pursue the organizational strategic goals at all levels. Additionally, we drive the members to take corresponding actions to achieve the targets by setting quantitative targets, clear scoring principles, and weight of each target. The types of performance evaluations of Qisda include regular performance target setting (including current period performance settlement and target setting for next period), multidimensional feedbacks, performance evaluation, and agile performance management that can be deployed on every occasion. During the performance appraisal process, particular emphasis is placed on the personal development of employees. Through regular setting performance targets, the Company discusses with supervisors to formulate an individual development plan (IDP), from which the manager will offer necessary assistance. We are committed to continuously enhance employees' capabilities and build career development. For the one with the lowest performance rating, an individual performance improvement plan will be devised immediately as support to boost his/her performance.

Management by objectives

Target Group: All employees

Frequency: Twice/year

Implementation Method

Team Management by Objectives:

- Qisda holds an operating target alignment meeting every six months to discuss the targets and development for the next period with the Level-1.
- The targets of the team for each unit will be decided and assigned downward to the team members, enables the employees at all levels work in tandem to attain the organizational strategic goals.

Individual Management by Objectives:

- **Indirect Labor:**
  - After a unit setting team targets, those targets should be filled in the personal performance target form, making unit tasks be understand and reacted by employees.
  - Setting personal performance targets every six months and proposing action plans to facilitate the possibility of target achievement. The performance of the managers may be tracked occasionally and appropriate guidance and feedback may be given to assist employees in achieving their targets.
  - Establishing a daily work feedback mechanism to achieve targets through effective two-way communication. During the target implementation period, employees can use this platform to notify managers at their convenience and seek support and assistance. Conversely, managers can use the platform to provide feedback on the target items occasionally and monitor the progress of the target to achieve a two-way communication mechanism.
  - In the final evaluation stage, employees submit a self-evaluation first and managers evaluate the performance based on the achievement status, including indicators such as target achievement rate, code of conduct, risk management, and information security.
- **Direct Labor:**
  - Linking performance targets to production capacity and quality of the Company.
  - The manager of each plant selects the best team and employee of the month based on indicators such as work quality, discipline, efficiency, and attendance to implement regular management of the targets.

Open and Transparent Business Briefing:

- Holding quarterly business briefings in the form of open meetings, where Level-1 managers explain to all employees business progress of the unit and achievement status of the targets in previous quarter. Therefore, employees can understand the operating status of each unit and the Company. Moreover, they can provide timely updates to their KPI goals.
- Business briefings ensure consistency and transparency of the targets of individuals and organization. The Company provides an evaluation and feedback mechanism to ensure efficiency and quality, which enable employees to grow together with the Company.

Team-based Performance System:

- Starting from the strategic goals of the organization, we connect the Company, departments and individuals in a top-down manner. By setting quantitative targets, clear scoring principles and weight of each target, the Company motivate members to take corresponding actions to achieve the targets, and therefore fulfill the strategic goals of the organization.
- When evaluating performance targets, performance contributions start from junior employees, departments to the Company and gradually progresses upward to form a performance accumulation and sharing mechanism, creating a performance system that operates among team.

Individual development plan (IDP)

Applicable targets: All employees

Frequency: Twice/year

Execution method

During the target setting process, employees must design an Individual Development Plan (IDP) in collaboration with their supervisor based on the competency requirements of different job levels. Also, achieving development targets through experiential learning, job instructions, and training and development. During the final evaluation, supervisors review the progress of the plan and gives feedback.

Performance Rating

Applicable targets: All employees

Frequency: Twice/ Year

Execution method

- **Indirect Labor:**
  - The unit ranks and rates employees by management, non-management, and grade-based groups according to indicators such as the achievement of performance targets within the department and multi-faceted feedback. The ranking and rating are used as a reference for promotion, personal development, improvement of performance, and rewarding.
- **Direct Labor:**
  - Since the performance targets are linked to the Company's production capacity and quality, the manager of each factory ranks direct employees based on their performance quality, discipline, efficiency, attendance and other indicators.

Multi-dimensional feedback

Applicable targets: All employees

Frequency: Once/year

Execution method

We give multi-dimensional feedback once a year to ensure more diverse evaluation channels. The feedback covers the core competencies that the employees are required to have for their respective job levels. Not only do the managers evaluate the subordinates (top-down), but the subordinates give feedback to the managers (down-top). This mechanism is a 180-degree feedback mechanism. The details therein are taken as references for the employees and managers during performance goals setting period, which helps facilitate subsequent career development planning. This type of evaluation was expanded globally in 2023.

Agile performance management

Applicable targets: All employees

Frequency: At any time

Execution method

- Establishment of the daily work feedback mechanism: During the target implementation period, employees can use this platform to notify managers about the assistance they need at their convenience and seek support during this period. Conversely, managers can use the platform to provide feedback on the target from occasionally and monitor the progress of the target to achieve a two-way communication mechanism.
- Dynamic performance target management: Collaborating with the team to set flexible performance targets to cope with environmental changes. Reviewing targets occasionally and timely adjust them to ensure that they are in line with the needs and targets of the organization, thereby proposing the most appropriate action plans to both individuals and the organization for accomplishing performance goals.

New employee mentor guidance system

Applicable targets: New employees

Frequency: At any time

Execution method

Qisda assigns a senior employee as a mentor for each new hire to help them smoothly integrate into the workplace. Mentors provide guidance on job responsibilities and share their experiences, enabling newcomers to quickly grasp their roles and adapt to the Company culture. Additionally, mentors facilitate communication between new employees and their colleagues, provide essential work resources, and offer mental and emotional support beyond the workplace. Through this comprehensive mentorship system, employees can better adapt to the organization, achieve performance goals, and enhance their overall work experience.

2024 Performance Targets and Completion Percentage of Performance Evaluation

Category	Direct Labor		Indirect labor	
Gender	Male	Female	Male	Female
Performance target completion rate	100%	100%	99.8%	99.3%
Performance evaluation completion rate	100%	100%	100%	100%

Remark: The performance targets and the completion percentage of performance evaluation of 2024 are mainly based on the statistics of the Taiwan headquarters.

Rotation and Expatriate Systems

In order to enrich the career development of the talents and encourage diverse career development while simultaneously reducing succession risks, Qisda has implemented a rotation system and set year limits since 2017. Furthermore, we regularly review the status of talent rotation. In addition, the Company has created high value-added businesses by acquiring outstanding companies in Taiwan and overseas companies. We apply strategies of sharing the Groups' resources and extend the rotation system to subsidiaries for cultivating key talents and assigning them to subsidiaries to hold a key position.

Transferring the headquarters' management concepts, systems, and experience to subsidiaries not only enhances the organization's overall competitiveness but also helps in attracting and retaining top talent. Through job rotations and resource-sharing models, the Company can achieve significant progress in operational growth and corporate governance.

Action Plan for Expatriate Management:

	2021	2022	2023	2024
Manager Rotation Rate	101%	141%	162%	185%

Remark: Rotation rate = number of people who have been transferred under rotation/number of people who shall be transferred under rotation

Action Plan

Implementation of the on boarding plan (OBP)

To assist supervisors assigned to subsidiaries in quickly adapting to their new work environment, the headquarters provides four training courses covering corporate governance, professional management, investment management, and cultural integration. These courses aim to enhance the leadership capabilities of these supervisors in their new roles.

Additionally, the Chairmen personally imparts management insights, enabling supervisors to gain valuable experience and wisdom. This helps establish effective leadership communication mechanisms, enabling them to better address various challenges within subsidiaries while playing an active role in corporate governance, management, and cultural integration.

Performance tracking of rotation

The headquarters has systematized the tasks that need to be handed over to subsidiaries, including KPI, job evaluations, shared training resources, compensation structure, group recruitments and CIP projects. This approach ensures those managers assigned to subsidiaries can smoothly adapt to the new environment and maximize their potential.

To strengthen effective communication with the headquarters, inviting supervisors to participate in a business meeting at the end of the year to report status and share goals. We establish a resource-sharing network by building stronger connections among the Group.

Positive talents interaction

As of 2024, the coverage rate of expatriate subsidiaries has reached 80%. Through job rotation, employees significantly enhance their management skills and ability to think from different perspectives, leading to a more well-rounded professional development experience. Additionally, rotating managers have the opportunity to apply for a return to headquarters after several years, bringing back valuable insights and experience accumulated at subsidiaries. This contributes to more comprehensive solutions for the Group, generates higher core value, and fosters a positive talent cycle.

Protection of Human Rights

With people-first values at the root of its operations, Qisda believes that a good work environment can provide support for employees to grow without concern. A well established training system and complete design of activities can help to consolidate the strengths of each employee, enabling happy employees to lead the creation of the shared value among the Company, its employees, and society. We support and comply with internationally recognized human rights regulations and principles, including the UN Universal Declaration of Human Rights, UN Global Compact, UN Guiding Principles on Business and Human Rights, and the ILO Declaration on Fundamental Principles and Rights at Work. Meanwhile, we shape our human rights policy in accordance with the laws and regulations of the places our company is located in and ensure human rights are protected based on the principles of "protect, respect and remedy."

Qisda's Human Rights Policy

Qisda's human rights policy is applicable to Qisda Corporation and its investees, including employees, customers, suppliers, partners and joint ventures. At the same time, we request that our suppliers, partners and joint ventures adhere to other standards equivalent to our policy for human rights protection.

In terms of the material issues related to human rights, the Company has formulated the following implementation approaches:

- Provide a safe and healthy work environment
- Forbid child labor and forced labor
- Ensure equal employment opportunities
- Prohibit discrimination and harassment in any form
- Provide fair and reasonable working conditions, strictly adhering to local labor laws regarding working hours, ensuring that weekly working hours do not exceed 60 hours, and implementing a legally compliant leave and attendance management system
- Pay fair and adequate living wages on time; promote equal pay for equal work, ensuring that salaries are not subject to gender-based discrimination
- Respect the freedom of assembly and association among the employees
- Adhere to ethical values of integrity and anti-corruption and prohibit accepting or offering bribes
- Provide stakeholders with communication channels
- Conduct human rights risk assessments and take appropriate measures to reduce impacts

Human Rights Management Measures

Qisda places a high level of importance on human rights issues, not only protecting the rights of the employees in the internal management system and work environment, but also raising the employees' awareness of the rights they and the relevant stakeholders have through active communication, education, and training. Qisda has implemented the Responsible Business Alliance Code of Conduct (RBA Code; formerly EICC) since 2017. We conduct education and training sessions to enhance awareness of the RBA on a regular basis and incorporate an ethical management system in our CSR and ESH management systems. In addition, the Company has established the Integrity Handbook in accordance with relevant international ethical management regulations and communicated it to the employees at our manufacturing sites all over the world. Recently, the plants in Suzhou, Taiwan and Vietnam have been subject to a third-party audit in response to requests made by our customers. Corrective measures have been taken for any nonconformities identified during the audit to ensure compliance with the RBA Code.

In addition, Qisda declares their commitment to protecting employees' rights and makes multiple channels for communication accessible to its employees. We have established the "Communication Management Procedure" to target and manage internal complaints of the employees. If an employee has experienced or witnessed any sexual harassment of improper treatment, they may report it to the HR unit directly in accordance to the "Whistleblowing and Complaint Handling Regulations." The Company will keep the identity or the whistleblower confidential. If an external stakeholder has any doubts about the issue, they may file the complaint through the CSR mailbox on the official website of the Company; the responsible ESG unit will give a reply.

Human Rights Management System

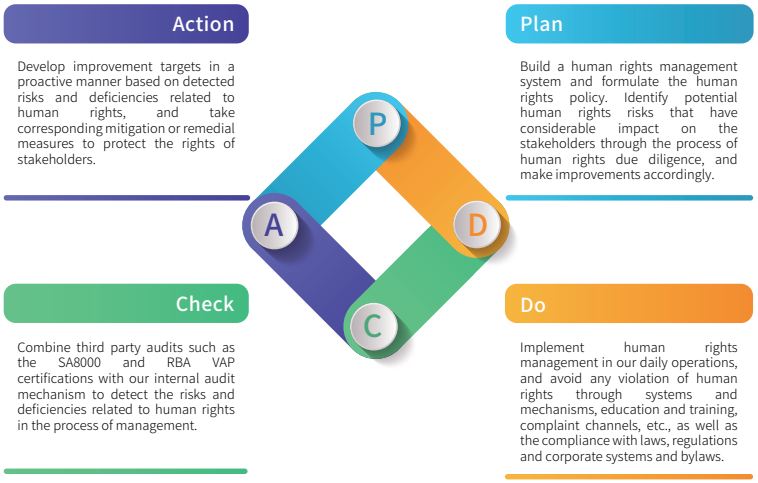
Qisda's human rights management system includes a human rights policy and a human rights due diligence process. Through a comprehensive management framework – comprising planning, execution, review, and action–the system identifies key human rights issues of concern to stakeholders, including Qisda's employees, joint venture partners, suppliers, customers, and local communities. It also provides a grievance mechanism for stakeholders and conducts human rights due diligence to detect potential risks. Based on these findings, appropriate mitigation or remediation measures are implemented to enhance the protection of stakeholders' human rights.

Human Rights Risk Assessment

Qisda refers to the Responsible Business Alliance (RBA) standards and audit results to identify potential human rights risks and has implemented internal management policies, as well as mitigation and remediation measures, across all global manufacturing sites.

In 2024, labor and human rights topics – such as the prohibition of child labor, humane treatment, non-discrimination, and freedom of association – were all in compliance with RBA requirements.

Human Rights Management Process



Prevention, Mitigation and Compensation Measures for Stakeholders' Human Rights Issues

Human Rights Issues	Mitigation and Compensation Measures	Applicable to
Working hours	• Observe local labor laws and the Responsible Business Alliance Code of Conduct (RBA Code) • Encourage employees to get off work on time • Set up a working hour reminder mechanism • Overtime hours are restricted in accordance with local laws and internal regulations, and appropriate overtime compensation is provided	• All employees • Suppliers' and Contractors' Employees
Wages and benefits	• The wages paid to employees comply with local labor laws and the RBA Code, including a pay of no less than the minimum wage and equal remuneration for equal work and qualifications • Participate in investigation of wages in the industry to maintain competitiveness in the wage market	
Data privacy and security	• Observe local laws and the RBA Code • Qisda has established the "Personal Data Management Procedure" as a basis for the implementation of data security management • Provide education, conduct training, and disseminate relevant information	
Emergency preparedness	• Observe local laws and the RBA Code • Formulate the "Emergency Response Management Summary Manual" and act according to the emergency response management procedure • Regularly conduct emergency response drills and awareness campaigns	• All employees • Suppliers' and Contractors' Employees
Occupational safety	• Observe local laws, ISO 45001, and the RBA Code • Implement sourcing management, change management, and hazard identification to eliminate risk factors • Provide education, conduct training, and disseminate relevant information to help employees understand how to use equipment in the workplace • Machinery and equipment are regularly inspected, and operating procedures are provided in languages that employees can understand • In the event of a work-related injury, traffic accident, or critical illness, the Company provides employees with, such as applying for group insurance	
Freedom of assembly	• Respect the employees' freedom of association. Currently, employees in the Suzhou and Vietnam plants organize and join labor unions on their own • Encourage employees to participate in corporate clubs • Regularly hold labor–management meetings	
Occupational injury and illness	• Observe local laws, ISO 45001, and the RBA Code • Investigate accidents and make improvements accordingly	• All employees
Public sanitation, food, and housing	• Observe local laws and the RBA Code	
Sexual harassment and other forms of harassment	• Observe the Gender Equality in Employment Act and the RBA Code • Qisda has established the "Management Regulations of Infringement Prevention during Performance of Duties" as the basis for implementing management concerning sexual harassment • Provide education, conduct training, and promote activities to convey the Company's zero-tolerance stance on sexual harassment • Employees who discover related incidents are authorized to report it according to the "Whistleblowing and Complaint Handling Regulations." Based on the investigation results, the Company will act according to the "Discipline Management Regulations."	• All employees • Female employees

Human Rights Issues	Mitigation and Compensation Measures	Applicable to
Non-discrimination	• Observe the RBA Code • Qisda has formulated the "Work Rules." The Company treats all its employees equally, and promises to prevent unfair recruitment, wages and benefits, promotions, rewards and access to training, dismissal or retirement on the basis of ethnicity, race (including indigenous peoples), social status, skin color, age, gender, sexual orientation, gender identity and expression, national or territorial origin, disability, pregnancy, religion, political affiliation, union membership, family responsibility, veteran status, genetic information or marital status and any other factors specified by law. • There were no incidents of discrimination within the Company in 2024 • Provide education, conduct training, and disseminate relevant information	• All employees • Migrant workers
Freedom to choose an occupation	• Observe local labor laws and the Responsible Business Alliance Code of Conduct (RBA Code) • No forced labor: The Company's work rules clearly prohibit forced labor, slavery, and human trafficking. All employees sign the employment contract to confirm their willingness to work, eliminating any potential causes of forced labor • Employees can terminate the labor contract at their own will • The employment contract signed with employees clearly specifies the minimum notice period required for either party to terminate the contract • In the event of mass layoffs due to operational needs, the Company will provide the required notice period in accordance with local laws • Qisda has 121 foreign migrant workers, and the Company bears all related expenses and handling fees for them to join the Company in Taiwan	• All employees • Migrant workers • Suppliers' and Contractors' Employees
Teenage employees	• Observe local labor laws and the Responsible Business Alliance Code of Conduct (RBA Code) • Qisda has established the "Child and Youth Labor Management Regulations." The Company verifies the identity of employees during the recruitment process and follows the above procedures to ensure that underage cooperative education students are not engaged in work that may bring risk to their safety and health • No child labor: The Company's work rules clearly prohibit child labor	• Teenage employees • Suppliers' and Contractors' Employees
Responsible mineral procurement	• Observe the RBA Code • Qisda establishes the "Conflict Minerals Management Instruction" as a basis for implementing management concerning this topic • If the supplier is confirmed to have hired a smelter that is not in the list under the Responsible Minerals Assurance Process (RMAP), it will be requested to ensure smelters they use are publicly listed by RMAP and informed about related risks	• Suppliers' and Contractors' Employees

Grievance mechanism: Qisda CSR email: csr@Qisda.com

Education and Training on Human Rights Issues

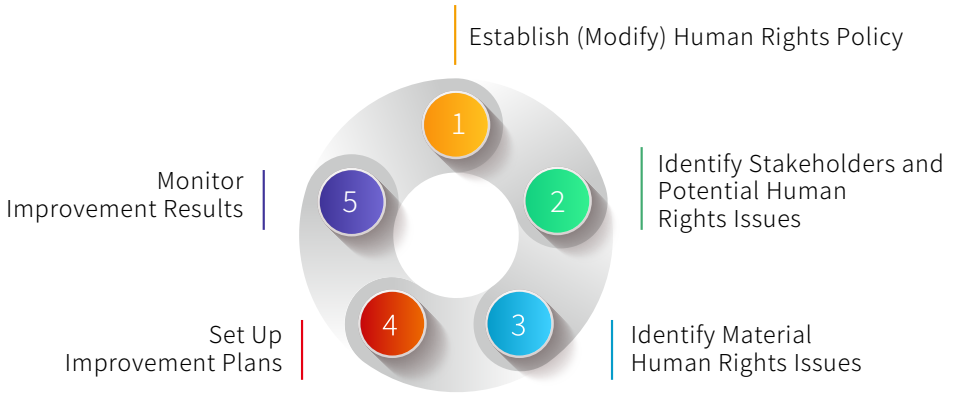
Since the issues of labor and human rights are critical to customers, the Company provides education and training on the Responsible Business Alliance Code of Conduct (RBA Code) and social accountability management systems (SA8000) every year. In 2024, 100% of employees finished the human rights training. Education and training on the RBA Code and human rights are also arranged for contractors such as security guards and cleaning service providers, who work within the premises of the Company or the plants. 100% of contractors finished this training. We also conduct sexual harassment prevention courses for every new employee to convey the Company's zero-tolerance stance on sexual harassment, ensuring that employees understand the importance of human rights and protect the rights of themselves and others.

Human Rights Due Diligence

Qisda has established a human rights due diligence mechanism. We conduct a complete human rights due diligence management cycle once a year with the goal of identifying the impact and frequency of potential human rights issues within the scope of our business, discerning major human rights risk issues, and implementing risk mitigation and remedial measures. We follow up on the achievement of these measures on a regular basis. Since 2024, we have begun to conduct human rights due diligence on joint ventures (JVs) through questionnaires. This mechanism is used to enhance human rights awareness and protect the rights of the Group, ensuring significant human rights risks are detected and mitigated.

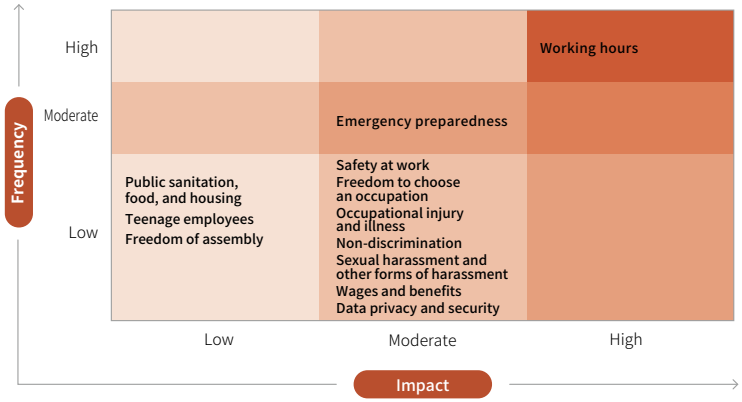
For more details, please refer to Qisda Human Rights Due Diligence Report.

Process of Human Rights Due Diligence



Qisda Human Rights Risk Matrix

Based on the RBA VAP audit reports completed over the three-year period from 2022 to 2024, Qisda conducted an analysis to identify the potential impacts and frequency of human rights issues, thereby determining key human rights risk topics–such as working hours and emergency preparedness. In 2024, the 'emergency preparedness' category was found to be fully compliant, with no audit findings reported.



Significant Human Rights Risks: Mitigation and Remedial Measures

In 2024, Qisda identified "working hours" and "emergency preparedness" as medium-to-high internal human rights risk issues. Corresponding improvement measures were formulated and implemented in the same year.



Human Rights Issues	Plant Area	Annual Mitigation and Remedial Measures	Results
Working hours	Taoyuan, Taiwan Suzhou, China Vietnam	• Education training: All employees are trained to understand the work hour management requirements • System management: Establish a smart system to control work hours 1. Control continuous work hours and total working hours. When the hours approach the target, the system will automatically send alert notifications to managers, reminding them to adjust staffing as needed 2. Timecard machines are equipped with reminders and restrictions • Equipment optimization and system adjustments: 1. Introduce automation facilities to reduce the number of required personnel 2. Optimize capacity planning and scheduling for more efficient operations • Reasonably Arrange staff work schedules reasonably to enhance breaks in the production line rotation In 2024, there were no audit findings related to "working hours" at Qisda's Taoyuan (Taiwan) and Vietnam plants under the RBA VAP assessment.	Relevant countermeasures has been implemented
Emergency preparedness	Taoyuan, Taiwan Suzhou, China Vietnam	• System enhancement: Ensure the fire protection system is complete and conduct regular inspections and maintenance. • Emergency response and reporting: Establish an "Emergency Response Management Summary Manual" and ensure emergency response procedures are in place. Conduct reporting drills and training in accordance with the standard operating procedures for emergency incident reporting. • Conduct regular emergency drills, fire drills, and awareness campaigns. • Accident Improvement: In accordance with the accident management process, conduct investigations to explore the root causes of incidents and implement effective corrective actions and measures. In 2024, there were no audit findings related to "emergency preparedness" at any of the RBA VAP audited plants.	Relevant countermeasures has been implemented

Human Rights Management of the Joint Venture (JV) Companies

Qisda has conducted surveys on the human rights management status of the joint ventures (JVs) through questionnaires. The survey was conducted by the human rights management unit at each company, who assessed the situation of their respective company according to issues laid out in Qisda's internal human rights due diligence.

Distributed to: A total of 12 companies in which Qisda has an equity of more than 10%, excluding companies with less than 30 employees and investment holding companies.

Response rate: Completed questionnaires were received from all 12 companies, resulting in a response rate of 100%

Findings:

(1) Human Rights Policies and Practices

1. Some of our joint ventures have been audited by a third party such as SA8000 or RBA, and have formulated human rights policies to demonstrate the importance they attach to human rights.
2. All joint ventures participating in the survey provide channels for labor communication or anonymous grievances. Additionally, 100% of companies have provided a safe working environment for their workers.

3. No violations of labor conditions resulting in government fines occurred in 2024.
4. In 2024, a total of 2 cases of labor standard violations and unlawful infringement at the workplace were reported. Qisda will continue to track and assist in making improvements.

(2) Risk Assessment, Mitigation, and Remedial Measures

1. 100% of joint ventures assess their own human rights risks, identify potential risks, and implement mitigation and remedial measures.
2. In total, the human rights risks assessed by the joint ventures identified one high risk and two moderate risk issues. All other risks have been evaluated as low risk.

Potential Human Rights Risks of the JV Companies:

High Risk	Working hours
Moderate Risk	Emergency preparedness, safety at work
Low Risk	Wages and benefits, data privacy and safety, freedom of assembly, occupational injury and illness, public sanitation, food and housing, sexual harassment, non-discrimination, freedom to choose an occupation, young workers, forced labor, fair opportunities, workplace bullying, and personal freedom and safety

Internal Communication Channels

In 2024, the Company did not receive any grievances or complaints regarding violations of labor rights, such as human rights issues, discrimination and harassment, workplace violence, and overworking. The RBA VAP and social accountability management systems (SA8000) verification is conducted at our global manufacturing sites every year to continuously protect worker's rights and avoid new occurrences of labor-related incidents that may affect the production capability or reputation of the Company.

To maintain good labor–management relations between the Company and the employees, effective communication channels, such as business meetings, Welfare Committee meetings as well as labor–management meetings, have been set up internally for the employees to receive messages from the Company in a timely manner. Employees are also encouraged to provide suggestions regarding the overall business and development of the Company, which decision makers can later reference and act upon. Well established communication channels are not only favorable to the improvement of the labor–management relations, but also helpful for the Company to understand the needs of the employees and provide a better working environment. In addition to providing smooth internal communication channels for employees, we also encourage employees to engage in communication with the Company. As we consider communication to be one of the keys to the continuous improvement of the internal environment, workers will not be retaliated against for whistleblowing.

From employees in the Suzhou Plant, Taiwan headquarters, and Vietnam Plant, Qisda elects 375 (occupying 6% of the total employees at Suzhou Plant), 11 (occupying 0.6% of the total employees at the headquarters in Taoyuan), and 8 (occupying 0.6% of the total employees at the Vietnam Plant) representatives respectively. According to labor laws and the social accountability management standards, these representatives act on behalf of the employees of their respective business units and hold Welfare Committee meetings, as well as labor–management meetings, on a regular basis. They communicate with the management representatives of the Company on matters related to social accountability management standards at the meetings. At the quarterly labor–management meeting, the representatives can raise proposals regarding labor–management relations, labor conditions, labor welfare and other issues. They communicate with the representatives of the management and collaborate with them to resolve matters concerning labor rights. The Company will assess the feasibility of their proposals and incorporate them in subsequent improvement actions.

Communication Channels for the Employees

Communication Channel	Frequency	Main Topics of Communication
2885 Internal Communication Platform	At any time	Reports on issues encountered during daily life in the plants, suggestions for improving meals and cleanliness, and alerts to the Company regarding the maintenance of malfunctioning equipment, so appropriate response and preventative measures can be taken right away, reducing the risk of equipments' disfunction.
Labor–Management Meeting	Quarterly	Wage, benefits, occupational safety and health, and issues related to labor rights, employee relations, human rights, etc.
President Mailbox	At any time	All issues related to the business operation and sustainable development of the Company
HR Mailbox	At any time	Issues related to personal safety, such as discrimination, workplace violence, sexual harassment, mental health, industrial safety, and human rights.
CSR Mailbox: csr@Qisda.com	At any time	Complaints of human rights issues, and issues related to corporate sustainable development and ESG
Integrity Mailbox: Integrity@Qisda.com	At any time	Reporting of non-compliance with the principles of integrity, conflict of interests and avoidance, fair trade, bribery and illegal payments, etc.
In-Plant Employee Complaint Mailbox	At any time	Inappropriate treatment, punishment, verbal abuse, discrimination, and harassment between managers and subordinates, as well as among colleagues... and other such matters.

Employees' Participation Rate in Labor Unions

No. of Employees with Membership in Labor Unions/Total No. of Employees (%)	2020	2021	2022	2023	2024
	3.69	7.54	10.15	21.12	12.7

The proportion of employees participating in labor unions has increased year by year, with the highest participation rate at the Vietnam plant, where 100% of employees are involved.

Occupational Safety, Health, and Management

As its commitment maintaining a happy and healthy workplace continues to grow, Qisda Environmental protection Employees and society Qisda's health management model has expanded its scope of focus from ESG to ESG+H. Sustainable health management reflects the Company's commitment to employee care, and only when the employees are healthy can corporate competitiveness be enhanced. Thus, we have arranged diverse health promotion activities for our employees, enabling all of them to experience a high-quality work environment and a corporate culture that ensures health and happiness.

Employee Health Management

Qisda values the health management of its employees. In order to maintain the health and vitality of employees, Qisda has set up wellness centers and health management arrangements both in Taiwan and overseas factories since 2001. The Company promotes the physical and mental health of employees through six dimensions: the wellness clinic, parental support and maternity protection, disease prevention and care, emergency injury treatment, health management and follow-ups, and healthy and happy life.

Qisda provides annual health checkups that exceed regulatory requirements, achieving a 95% employee participation rate. This ensures the effective implementation of primary public health management – health screening – enabling early detection, early treatment, and reduced health risks. In terms of maternity protection, in addition to ongoing health monitoring for mothers, Qisda has extended its care to employees' families. Since 2023, the Company has introduced a childcare allowance for children aged 0-6. By 2024, over NT$10 million in childcare subsidies had been distributed to 295 eligible employees. Qisda is committed to fostering a family-friendly workplace environment, allowing employees to work with peace of mind.

Health Management Mode

Qisda is committed to continuously fostering a healthy work environment and enhancing employees' physical, mental, and emotional well-being. In 2024, the Company was awarded the "Badge of Accredited Healthy Workplace" by the Health Promotion Administration, MOHW. This recognition not only supports employees in health promotion but also helps improve access to personal health resources while enhancing psychological and psychosocial work environments. We believe that a healthy workforce strengthens the company's overall growth potential. Therefore, we continuously implement a diverse range of health promotion initiatives, ensuring comprehensive care for employees' well-being and achieving a balanced integration of work and life.

Employees can access the workplace health station function through internal resources. This platform provides a variety of physical, mental, and emotional wellness services, along with related health education articles. The information is also synchronized with the Health Bar system, enabling employees to review their health examination reports, track physiological trends over the years, and monitor their well-being, effectively promoting self-health management.



Qisda's Health Management Model

Clinic (Healthcare at the Workplace)

To make receiving medical services and health consultations more convenient for employees, a clinic covered by the National Health Insurance program has been established on-site in the hopes of providing accessible and prompt health services to employees whenever it is needed.

(1) On-site Health Service:

Safety surveys are conducted to prevent occupational accidents and reduce their occurrence.

(2) Special Health Management:

The employees engaging in the tasks with special health hazards, including those whose work involves ionizing radiation, organic solvents, and noise, are subject to special tracking and management. The Company exceeds national special labor inspection regulations by providing personnel who work with bright lights with regular eye examinations and special protective equipment (goggles).

(3) Health Risk Assessment

Regarding employee health risks, we use the Framingham Cardiac Risk Score assessment tool annually. This tool evaluates the risk of developing ischemic heart disease in the next 10 years based on six indicators: age, cholesterol, high-density lipoprotein cholesterol, blood pressure, diabetes, and smoking. For those at high risk (>20%), we conduct regular phone interviews and send health notification letters to ensure that these high-risk employees are receiving medical treatment and managing their conditions with medication. Additionally, health care follow-up by the plant doctor is arranged. Based on the top three health risks identified in the annual health checkup reports, we plan a series of health promotion activities, such as cancer screenings, fitness programs, updates on disease knowledge, and nutrition-related lectures and events, to encourage employee participation.

The distribution of health risk groups in 2024, based on the assessment by wellness centers (Taiwan), is as follows:

Health Risk Level	Distribution (%)	Management Measures
Low (<10%)	89	Provide health education promotion/related health promotion activities
Moderate (10-20%)	10.1	• Remind employees of their risk levels • Proactively provide health education and care • Arrange follow-up reminders for re-examination 3 months after the health checkup • Provide related health promotion activities
High (>20%)	0.9	• Provide health examination recommendations from a certified doctor • Encourage employees to seek medical treatment on a regular basis (100% regular medical follow-up)

(4) Up to now, no cases of occupational disease have occurred as a result of the work at Qisda, and no employees have been engaged in any work that exposes them to high risk or a heightened incidence rate of disease.

Parental Support and Maternity Protection

1. **Promotion of breast milk:** Since 2007, Qisda has actively promoted workplace breastfeeding policies by setting up dedicated lactation rooms for working mothers, allowing them to express breast milk with peace of mind during work hours. The Company provides comprehensive childcare support and maternity protection policies, offering care for pregnant and breastfeeding employees. In 2024, a total of 17 employees benefited from this initiative. We also conduct health assessments for high-risk employees and implement corresponding prevention and health promotion measures.
2. **Childcare allowance:** In order to acknowledge the hardships of families with newborns and effectively alleviate the burden of childcare, Qisda launched a childcare subsidy program in 2023 for children aged 0 to 6. Each employee is eligible to receive a subsidy of NT$30,000 per child per year. This initiative aims to support employees in balancing work and family life, creating a more family-friendly workplace environment. By 2024, a total of 237 Qisda babies have benefited from the program, highlighting the Company's care and support for employees' families.







Disease Prevention and Care

Disease prevention is a key focus of our health promotion program. The Wellness Center actively carries out disease prevention and health education activities to raise employees' health awareness:

1. Each year, we organize preventive health activities that exceed regulatory requirements, including employee health checkups, cancer screenings, health lectures, vaccination campaigns, and awareness initiatives for infectious diseases currently in circulation.
2. Promotion of special health knowledge: Each month, we publish mental health articles and share health education announcements on topics such as epidemic prevention, food safety, and infectious diseases (such as measles). A total of 15 articles have been shared.
3. Women's Care: We held a women's health and self-defense safety seminar, which attracted 257 employees, with a satisfaction rating of 4.7 out of 5.
4. Mental Health Prevention and Treatment: Since 2012, we have promoted the "Touched Heart Service" Employee Assistance Program to address workplace stress. We set up a free 0800 hotline for employees to use and provide six free face-to-face psychological counseling sessions per person as a welfare benefit.
5. We continue to promote communication and care skills training for supervisors and have established a "Stress Safety Net" – the EAP Supervisor Gatekeeper Program. This professional training, attended by 240 middle-level managers, achieved a 100% completion rate. This program helps supervisors understand and care for employees' workplace interactions, ensuring that any unusual situations are reported and addressed in a timely manner.







Promotion of Special Health Knowledge

- Blood Donation Campaign
- Employee Health Checkup
- Vaccination Program

















Women's Health and Self-Defense Safety Seminar



Emergency Injury Treatment

We have established first aid facilities and professional first aid training to ensure that in the event of an accident in the workplace, prompt and effective treatment can be provided. Training on first aid for common conditions (such as cramps, nosebleeds) and accidents (such as cuts, drowning shock) is offered. These include new employee orientation, first aid certification courses, emergency response training courses, and more.

With the goal of promoting a safe workplace, CPR training for emergency personnel has been conducted since 2022, accumulating a total of 629 trained individuals to date.

In 2024, 41 employees successfully completed CPR + AED first aid training.

2025 Goal: Saving Lives, Not a Single One Left Behind! We plan to conduct training for all employees, with a target completion rate of 100%.




Health Management and Follow-Up

1. Major abnormalities found in annual health checks are 100% followed up, and employees are reminded of the importance of medication and medical consultation.
2. Based on employees' health check data, an electronic health management system is used to identify abnormal items in the reports. Employees are reminded through group notifications, and further arrangements are made for employees to consult with on-site physicians, assisting them in understanding their health conditions and providing follow-up medical consultation services.

Using the ATPIII Framingham Coronary Heart Disease Model (Framingham Risk Score), the 10-year risk of developing ischemic heart disease is assessed, and medium-to-high-risk groups are identified for follow-up through phone calls and health education.

Healthy and Happy Life

In order to enhance the overall well-being of employees, we successfully received the "Badge of Accredited Healthy Workplace" by the Health Promotion Administration, MOHW in 2024. We are committed to continuously creating a healthy work environment. A series of diverse health promotion activities are being implemented, focusing on the physical and mental health of employees to achieve a healthy work-life balance. The list of related activities is presented as follows:

List of Healthy and Happy Life

Blood Donation Campaign	Encouraging employees to actively participate in social welfare activities while also caring for their own health. A total of 4 sessions, donating 164,500cc of blood.
Maternal Protection Lecture - Comprehensive Understanding of Gynecological Diseases	Caring for the physical and mental health of female employees, especially during pregnancy and postpartum periods. A comprehensive understanding of gynecological diseases. A total of 2 sessions, 137 participants, with a satisfaction score of 4.7/5.
Maternal Protection Lecture - Women's Self-Defense Skills	Teaching employees escape techniques when attacked and how to handle different situations with strangers and acquaintances. A total of 2 sessions, 120 participants, with a satisfaction score of 4.7/5.
Healthy Eating and Nutrition Lecture - Eating for Healthy Weight	Promoting healthy eating habits and helping employees develop reasonable dietary concepts. A total of 2 sessions, 195 participants.
Employee Health Check	Offering employees annual health checkup services with a participation rate of 95%. The checkup items exceed regulatory standards (including abdominal ultrasound, cancer screenings, thyroid checks, etc.), allowing employees to understand their health status and trends through the annual health report.
Employee Special Health Check - Cancer Screening	Arranging regular cancer screenings for employees to increase the chances of early detection. A total of 2 sessions, 201 participants.
Vaccination	Regularly providing flu vaccinations to protect employees from illness. A total of 3 sessions, with 363 participants.
CPR Training for All Employees	Promoting a safe workplace by offering CPR (Cardiopulmonary Resuscitation) and other first aid skills training to employees to enhance emergency response capabilities. In 2024, a total of 41 people participated in CPR + AED training, achieving 40% completion. Goal for 2025: 100% completion for all employees.



The Activities of the Wellness Center in Taiwan

The Wellness Center organized health promotion events in six facets depending on the problems and needs of the employees with respect to their health: The Wellness Clinic, parental support and maternity protection, disease prevention and care, emergency injury treatment, health management and follow-up, and healthy and happy life.

The Activities of the Wellness Center in Suzhou, China

A Wellness Clinic is set up in Suzhou, China to treat commonly seen diseases. Two breastfeeding rooms are available for mothers to use at the workplace. Medical checkups are arranged before, after and during work for prevention of occupational diseases. A list of known occupational diseases is maintained to allow for follow-up action to be taken with respect to these diseases. In 2024, case management and tracking were implemented for people with hypertension.

The Activities of the Wellness Center in Vietnam

The Wellness Center introduces health education service leaflets for basics of health checkups, and health education was carried out in 2024.

Occupational Health and Safety Management

Qisda has formed the Corporate Sustainable Development Committee and the Occupational Safety and Health Committee to take actions on workplace health and safety. From top-level to entry-level positions, every employee holds a responsibility to complete their jobs safely. Qisda also meets all safety and health requirements through green operational activities. Qisda has obtained the Occupational Health and Safety Management Systems (ISO 45001:2018) certification for all operating locations since 2019, conducted hazard identification and risk assessment on an annual basis, and continued to ensure processes adhere with the ISO 45001 standards. Meanwhile, Qisda ceaselessly optimizes the occupational health and safety management system to facilitate the improvement of safety. Qisda conducts hazard identification, prioritizing significant items, and risk assessments annually, while continuously validating the results, and plan corresponding action plans.

1. Occupational Safety and Health Policies and Goals

Qisda, based on the practice and promotion of corporate social responsibility, energy management, environmental protection, occupational health and safety management, and quality enterprise safety management, is committed to improving human information life through its products and services. In addition, we are dedicated to environmental protection, enhancing worker rights, and maintaining a safe and healthy work environment as well as a high-quality living environment.

We require employees to understand their roles and responsibilities, and also expect our suppliers, service providers, contractors, subcontractors, logistics partners, group companies, and value chain partners to adhere to Qisda's policies on social responsibility and environmental, health, and safety management. Together, we aim to fulfill our commitments to social responsibility, energy management, and environmental, health, and safety management. When the Company faces market demands and organizational development, such as mergers and acquisitions or business collaborations, we will also conduct objective due diligence.

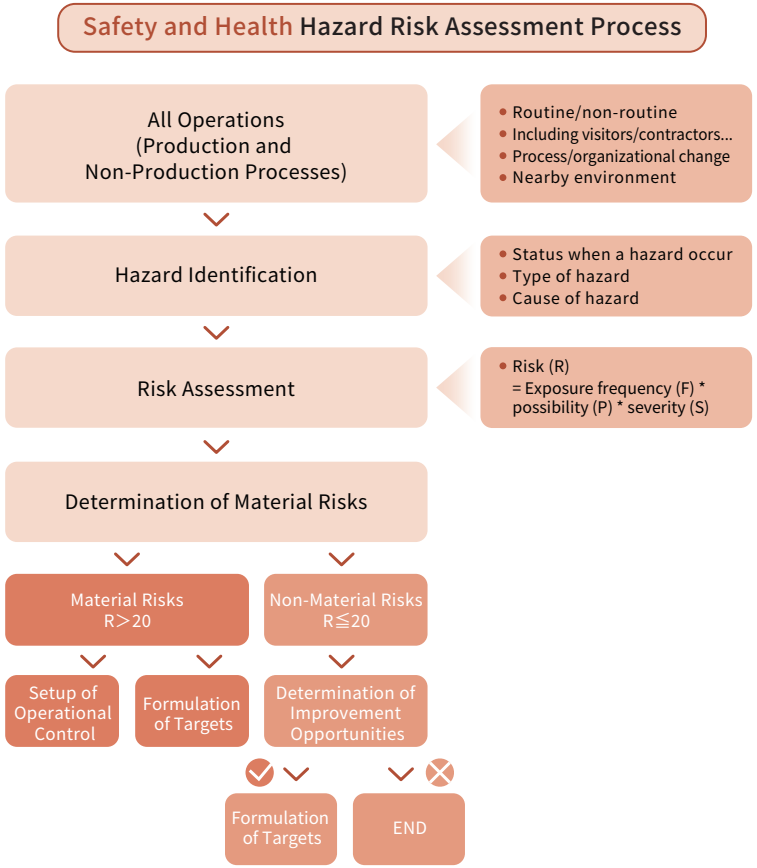
Worker definition: Personnel who work for the organization, including those providing services or engaging in activities on behalf of Qisda

1. Preservation of integrity in corporate management and strict adherence to code of ethics
2. Compliance with laws and regulations, customer requirements, and social responsibility standards
3. Commitment to pollution prevention, waste reduction, energy efficiency improvement, and greenhouse gas emission reduction
4. Provision of a healthy and safe work environment, protection of labor rights, and reduction of occupational safety and health risks
5. Emphasis of workers' rights to consultation and participation; continuous improvement of environmental health and safety management performance
6. Enhancement of product eco-design to reduce impact on product life cycle
7. Driving the Qisda Group to create sustainable operations

2. Safety and Health Hazard Risk Assessment Flowchart

At Qisda, to enhance the safety of the work environment and the overall well-being of our employees, we recognize the significant impact that human factors have on the occurrence of incidents. Therefore, we have optimized the ergonomics of the work environment to ensure that employees work in a comfortable setting, reducing fatigue and errors caused by prolonged improper operations.

We continuously conduct safety monitoring and assessments, identify new risks, and implement corresponding improvement measures. We also provide mental health support to help employees manage stress, further improving their work performance and safety behaviors.



Through the following improvement measures, the Company is committed to creating a safer work environment, reducing human-related hazards, and enhancing employees' overall sense of safety and satisfaction. For example:

1. Introduction of PU soft-soled work shoes to increase comfort for employees and prevent injuries caused by prolonged standing.
2. Addition of rest areas in the workshops, allowing employees to take appropriate breaks.

3. Occupational health and safety management system

Certified Plants	Effective Date
Taiwan	2025/11/30
Suzhou electronics plant, China	2025/12/25
Suzhou optoelectronics plant, China	2025/12/25
Qisda (Suzhou) Co., Ltd	2026/01/06
Suzhou precision industry plant, China	2026/01/06
Hanoi Plant, Vietnam	2027/05/13

4. Occupational Safety Management Measures

Qisda ensures the employees' personal safety and protects the work environment by taking the following actions:

(1) Strict Compliance with Laws of the Countries in which Qisda's Plants Operate in

Qisda complies with laws of the countries in which our factories located, and conducts the following: 1) occupational health and safety education and training, 2) self-inspection of production equipment and operations, 3) monitoring of the operational environment, 4) physical examinations for employees, 5) inspections of fire protection and firefighting systems, and 6) simulation exercises. The occupational safety and health units perform spot checks and patrol inspections regularly or irregularly to confirm the implementation status of each responsible unit. Each quarter, these units gather the management representatives, relevant responsible units and labor representatives for an Occupational Health and Safety Committee meeting, which is held to discuss the progress towards program targets, internal and external concerns, communication topics, ESH management plans and the implementation thereof, occupational disease prevention and health promotion matters, and ESH management performance evaluation, etc. In addition, the OSH management effectiveness is audited through the annual ISO 45001 third-party verification.

(2) Chemical Management

The chemicals used in the process of production have consistently been the focus of our OSH management. Qisda's plants in Taiwan and Suzhou have progressively replaced high-risk organic solvents with low-risk neutral chemicals. With measures such as source management, operational process control and safety protection, we ensure the health and safety of both employees and our plants, and weaken our negative impact on the environment.

The chemicals used within the plant are managed by qualified personnel. Through the implementation of regular safety and health training programs, employees receive education and training on safe operations and emergency response measures. Safety Data Sheets (SDS) are clearly posted on-site for easy access by personnel to review the information at any time. The SDS are regularly reviewed to ensure their validity and timely updates. In the event of an emergency, immediate action can be taken to effectively reduce the occurrence of hazards.

In 2024, none of Qisda's plants in operation sites around the world had any accidents of chemicals, oil, or fuel spill.

(3) Safety Management Regarding Equipment Automation

In response to the trend of plant automation and safety management, Qisda has set up three levels of safety protection mechanisms according to ISO 10218 and TS 15066: effective demarcation, decelerated robots, and contact stop features. First, we make effective use of the workspace and designate working areas for workers and robots, with the manipulators on the inside and the workers on the outside. This way, workers and robots can collaborate with each other's movements. Second, we use grating sensors to slow down the robots the moment workers enter the alert area. Finally, if the workers make direct contact with the manipulators, the robots will stop immediately. These significantly increase the safety of human-robot collaboration by reducing the risks of mechanical collision and being drawn into the machine, as well as reduce the incidence of eye fatigue or other ergonomic hazards caused by remaining in a static position for long periods of time. Furthermore, Qisda has obtained the certification for safety in human-robot collaboration from the third-party industrial equipment verification agency Precision Machinery Research Development Center (PMC). Qisda has officially met the ISO 10218/TS 15066 standards, receiving an international safety certification and becoming the first manufacturer in Taiwan to receive a safe human–robot collaboration certification. This set a new benchmark for smart factories.

(4) Change Management

Qisda has established safety assessment and safety inspection processes for changes in all new construction, reconstruction, and expansion projects, and in all procurement of production equipment, lab equipment and plant equipment for public use. The approval process is monitored via the purchase requisition systems, allowing for the identification of ESH and energy management risks from the source. Safety assessments are carried out for both construction and equipment, and the appropriate safety protection measures are subsequently imposed. Alternatively, high-risk chemicals are replaced with select low-risk chemicals as a control measure to ensure the health and safety of employees and the working environment.

Statistics on Change Management Cases in 2024

Change control application form	Safety inspection and acceptance checklist	Scope
Total 85 (Cases)	Total 55 (Cases)	Taiwan plant, China plant, and Vietnam plant

(5) Occupational Safety and Health Education and Training

Qisda organizes regular training courses to cultivate employees' awareness of safety and health, and to enhance their recognition of hazards related to their job duties. Depending on the nature of the position, employees receive general safety and health education, professional knowledge and skills training, and emergency response training. Examples of these courses include: general labor on-the-job training, chemical hazard awareness training, emergency response drills, forklift operation education, hazard operation supervisor training, and supervisory staff on-the-job training.

By providing education and training based on job positions, employees are able to quickly acquire the necessary skills for their roles upon joining Qisda. Additionally, they gain the knowledge required to respond effectively when incidents occur.

Statistics on Annual Training		No. of Participants	Total Training Hours
Taiwan	Employees	3,763	4,085.5
	Contractors	1,740	1,740
Suzhou	Employees	18,105	76,239
	Contractors	180	8,640
Vietnam	Employees	4,718	4,805
	Contractors	385	385

(6) Safety Management of Contracted Construction

Qisda has standardized operating procedures and inspection record forms for the contractors' entry application, hazard notification to personnel, application for construction, application for dangerous operations, and all inspections before during and after operation. The procedures include the regular convention of consultative organization meetings to disseminate common deficiencies and matters requiring the cooperation of contractors, the inclusion of contractors during the identification and assessment of risks, and discussion of operational risks and control mechanisms prior to construction, etc. Through multiple levels of control as well as mutual communication and cooperation, we lower the construction hazard risks within the plants. When an accident takes place in a contracted case, investigation and analysis of the case will be conducted and the appropriate corrective and preventive measures will be adopted in accordance with Qisda's "Accident Management Instructions."

5. Promotion of Climate Safety Assessments and Activities

The Suzhou (China) Plant continues to perform climate safety assessments. Through drafting and planning health and safety activities, Qisda connects the assessments with green operational performances and implements safety measures for employees from all job levels. This system incorporates continuous improvements of energy saving and health and safety performances, reinforcement of health and safety patrol inspections, implementation of work safety analyses, enhancement of participation in health and safety educational training, promotion of near-miss incident reports, encouragement of health and safety proposals, etc. Through the above measures, we fulfill every requirement for health and safety, further improving the performance of health and safety management and reaching the goal of work safety. Due to the implementation of promotional activities, Qisda continued to keep the score above 90 in 2024.

Type	Frequency of Inspection	No. of Inspections	Defect Improvement Rate
Monthly ESH patrol inspection	Monthly	55	100%
Environmental safety patrol inspection	Irregular		
Joint patrol inspection in plants	Annually		
ISO 45001 management system internal audit	Annually		

6. Occupational Safety Risk and Hazard Management

To effectively prevent occupational accidents, the Company has established procedures of hazard and risk identification. All the routine or non-routine activities of the employees, visitors, permanent suppliers, and contractors that may cause harm to personnel or lead to accidents are subject to the comprehensive operational hazard identification. The risk level of each hazard is determined based on the exposure frequency, possibility, and severity of the hazardous incident. Improvement management targets and occupation controls are set for the material safety and health risks identified, with the purpose of eliminating the unsafe behaviors and environment. In 2024, 7 material safety and health hazard risks were identified. With the risk of fire, damage due to the equipment maintenance and damage due to the use of chemicals as the three main categories, four active OSH management indicators were defined and met in 2024.

2024 OSH Management Indicator	Target Value	Status of Achievement
No. of cases of fire	0	0
Incidence rate of occupational injuries		
Occupational injury frequency rate per million hours worked (F.R)	≦0.320	0.098
Number of days lost due to occupational injuries per million hours worked (S.R)	≦8.46	2.264
No. of occupational disease cases	0	0

7. Internal Audit

Internal Audit

0 non-compliances, all of which were related to operational control, were identified during the ISO 45001 management system internal audit in 2024. To lower the risk of these hazards, system and construction-related improvement have been made, employee education and training has been provided, and checks as well as patrol inspections have been enhanced.



8.Causes of Occupational Accidents and Improvement Measures

Qisda has established an Accident Management Guidelines document. In 2024, occupational injuries involving more than one lost workday were included in the calculation of the injury rate and lost workdays, with a total of two cases recorded. Both incidents were categorized as physical hazards, with no cases related to chemical, biological, ergonomic, or psychosocial hazards, and no fatalities occurred. If an occupational injury occurs, the incident is recorded according to the “Accident Management Procedure,” documenting key details such as personnel involved, events, time, location, and objects. Additionally, unsafe behaviors and environmental root causes are analyzed to implement targeted corrective measures. A horizontal investigation is also conducted to assess the protective devices and preventive measures of similar machinery, ensuring that abnormal incidents do not recur.

Based on calculations, the average Disabling Injury Frequency Rate (FR) across Qisda’s global manufacturing sites in 2024 was 0.098, while the Disabling Injury Severity Rate (SR) was 2.264, and the Comprehensive Injury Index was 0.015. According to the Ministry of Labor’s published industry benchmarks, the Comprehensive Injury Index for the computer and peripheral equipment manufacturing industry is 0.1. This demonstrates Qisda’s strong commitment to workplace safety, with figures significantly lower than the industry standard.

In 2024, there were no workplace fatalities or occupational disease cases reported. At Qisda’s Taiwan sites, a cumulative 36.055 million hours of zero occupational injury work hours have been recorded since 2011, with approximately 2.73 million zero occupational injury work hours in 2024 alone. Additionally, no work-related injuries or fatalities occurred among contractors working on-site.



Statistics on Employee Occupational Accidents

2021		2022		2023		2024	
Male	Female	Male	Female	Male	Female	Male	Female
Total working hours							
32,466,025	9,243,573	27,753,840	8,176,522	20,859,767	6,528,672	13,764,670	6,553,307
Total 41,709,599		Total 35,930,362		Total 27,388,439		Total 20,317,977	
Number of occupational accidents							
5	1	4	0	2	1	2	0
Total 6		Total 4		Total 3		Total 2	
Disabling injury frequency rate (FR)							
0.154	0.108	0.144	0.000	0.096	0.153	0.145	0
Total 0.144		Total 0.111		Total 0.110		Total 0.098	
Disabling injury severity rate (SR)							
4.928	0.108	1.910	0.000	2.637	13.632	3.342	0
Total 3.860		Total 1.475		Total 5.258		Total 2.264	
Comprehensive injury index							
0.0268	0.003	0.017	0	0.016	0.046	0.022	0
Total 0.024		Total 0.013		Total 0.024		Total 0.015	
No. of serious occupational injuries							
0	0	0	0	0	0	0	0
Total 0		Total 0		Total 0		Total 0	
Percentage of serious occupational injuries							
0	0	0	0	0	0	0	0
Total 0		Total 0		Total 0		Total 0	
No. of occupational deaths							
0	0	0	0	0	0	0	0
Total 0		Total 0		Total 0		Total 0	
No. of occupational disease cases							
0	0	0	0	0	0	0	0
Total 0		Total 0		Total 0		Total 0	
Number of work stoppages							
0	0	0	0	0	0	0	0
Total 0		Total 0		Total 0		Total 0	

Statistics on Non-Employee Worker Occupational Accidents

2020		2021		2022		2023		2024	
Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Total working hours									
12,950,292	5,550,125	15,261,877	6,540,805	12,886,264	5,522,684	8,908,579	3,817,962	3,152,985	1,360,320
Total 18,500,417		Total 21,802,682		Total 18,408,948		Total 12,726,541		Total 4,513,305	
Number of occupational accidents									
0	0	0	0	0	0	0	0	0	0
Total 0		Total 0		Total 0		Total 0		Total 0	
Disabling injury frequency rate (FR)									
0	0	0	0	0	0	0	0	0	0
Total 0		Total 0		Total 0		Total 0		Total 0	
Disabling injury severity rate (SR)									
0	0	0	0	0	0	0	0	0	0
Total 0		Total 0		Total 0		Total 0		Total 0	
No. of serious occupational injuries									
0	0	0	0	0	0	0	0	0	0
Total 0		Total 0		Total 0		Total 0		Total 0	
Percentage of serious occupational injuries									
0	0	0	0	0	0	0	0		
Total 0		Total 0		Total 0		Total 0		Total 0	
No. of occupational deaths									
0	0	0	0	0	0	0	0		
Total 0		Total 0		Total 0		Total 0		Total 0	
No. of occupational disease cases									
0	0	0	0	0	0	0	0		
Total 0		Total 0		Total 0		Total 0		Total 0	

Disabling Injury Frequency Rate (FR): The total number of disabling injuries per million work hours; Formula: (Total number of disabling injury cases × 106) ÷ Total work hours

Disabling Injury Severity Rate (SR): The total number of lost workdays due to disabling injuries per million work hours; Formula: (Total number of lost workdays × 106) ÷ Total work hours

Comprehensive Injury Index: An indicator of the overall effectiveness of a factory or business unit in implementing workplace safety, derived from both FR and SR; Formula: (FR × SR ÷ 1000)1/2

Hazard Category, Cause of Accident, and Improvement

Hazard Type	Cause	Percentage	Improvement Measures
Physical hazard	Fall, Pressing injury	100%	1. Non-slip mats are installed in the breakroom and restrooms 2. Warning signs are posted on the staircases 3. Voice reminder devices are added to the staircases 4. Establish protecting device.

- **Physical Hazard Factors:** Abnormal temperatures, abnormal pressure, noise, localized vibration, and radiation.
- **Chemical Hazard Factors:** Dust, organic solvents, strong acids and bases, toxic gases, and heavy metals.
- **Biological Hazard Factors:** Microorganisms (such as bacteria, viruses, molds), parasites (such as roundworms, pinworms, hookworms, liver flukes), insects (such as lice, fleas, mosquitoes, bees), and animals, plants and their by-products (such as animal dander, secretions or excretions, and pollen).
- **Ergonomic Hazard Factors:** Injuries such as spinal damage caused by prolonged heavy lifting or carpal tunnel syndrome due to highly repetitive hand movements. These issues arise from inadequate coordination between the human body and machinery, and are classified as ergonomic hazards.
- **Psychosocial Hazard Factors:** Occupationally induced cardiovascular and cerebrovascular diseases (such as overwork) and mental disorders caused by work-related psychological stressors.

Administrative Measures for Fall Prevention:

“Heads Up” Campaign –

Promote awareness among employees to avoid using mobile phones while walking.





Statistics on occupational accidents and other items are reviewed annually by a third-party certification body of ISO 45001 (occupational safety and health management system). The performance of the Company’s employee absence rate and its employee absence rate in the past four years are as follows. The annual target is 0.53%.

Statistics on Absence Rate

Absence Rate	2021	2022	2023	2024
Absence Rate A (%) Absent days incl. occupational injury leave & sick leave	0.54	1.0	0.54	0.56
Absence Rate B (%) Absent days incl. occupational injury leave, sick leave & personal leave	1.77	2.27	1.66	1.92
Coverage rate %	100	100	100	100

Remark:

- The absence rate calculation includes leave taken due to employee injury, illness, or temporary personal reasons, such as occupational injury leave, sick leave, extended sick leave, menstrual leave, and personal leave. It excludes pre-planned or employer-approved vacations.
- Absence Rate = (Number of Absent Days/Number of Scheduled Work Days) × 100
- The absence rate fluctuated in 2022 due to the Company’s COVID-19 prevention policies.
- In 2024, the Company adjusted the structure of its overseas frontline workforce to focus on full-time employees. This led to a large-scale recruitment drive, and the significant increase in new hires resulted in a change in the absence rate.



Social Care and Influence

At Qisda, we continue to work towards achieving our corporate vision of "Bringing Enjoyment N Quality to Life," embodying the spirit of "Care and Contribution" in alignment with its core values. By leveraging its expertise and integrating strategic efforts with the BenQ Foundation, Qisda actively fosters sustainability. In recent years, under the theme "Together, Make the World Better," Qisda has led the Group in generating a positive and lasting impact on sustainability. Through collective effort and shared commitment, the Company strives to give back to society by mobilizing employees' goodwill and participating in local care initiatives and voluntary activities. These efforts extend into local communities, ensuring that corporate social responsibility is meaningfully and tangibly realized.

The Charity Blueprint

Qisda continues to invest resources in society. In order to measure the impact of our investment and review the overall situation, we refer to the London Benchmark Group (LBG) evaluation mechanism. According to the LBG framework, the three motivations of philanthropic impact activities are "charitable activities," "community investment," and "commercial initiatives in the community" and four types of investment are "cash contributions," "in-kind contributions," "time contribution," and "management cost."

In 2024, Qisda's global employees contributed a total of 4,315 hours to public welfare activities, primarily through cash donations and volunteer initiatives. These efforts included participation in charity events organized by employee clubs, local community care programs, and support for underprivileged groups.

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Categories and Forms of Engagement in Public Welfare Activities

Type of Activity		Charitable activities	Investment in communities	Business activities	Total
2021	Invested Amount (NT$)	525,584	12,621,037	13,848,914	26,995,535
	Proportion (%)	1.9%	46.8%	51.3%	100%
2022	Invested Amount (NT$)	0	7,323,410	9,166,062	16,489,472
	Proportion (%)	0%	44.4%	55.6%	100%
2023	Invested Amount (NT$)	1,534,046	51,524,029	10,600,526	63,658,601
	Proportion (%)	2.4%	80.9%	16.7%	100%
2024	Invested Amount (NT$)	1,433,955	19,240,306	58,385,236	79,059,497
	Proportion (%)	1.8%	24.3%	73.8%	100%

Form of Investment		Cash contributions	In-kind contributions	Volunteer manpower	Management cost	Total
2021	Invested Amount (NT$)	17,270,555	$6,303,209	489,000	3,421,771	27,484,535
	Proportion (%)	62.8%	22.9%	1.8%	12.4%	100%
2022	Invested Amount (NT$)	13,211,539	$1,008,483	2,250(小時)	2,269,450	17,051,972
	Proportion (%)	77.5%	5.9%	3.3%	13.3%	100%
2023	Invested Amount (NT$)	81,715,358	$2,477,431	3,631(小時)	2,295,232	87,395,771
	Proportion (%)	93.5%	2.8%	1.0%	2.6%	100%
2024	Invested Amount (NT$)	73,630,246	1,178,083	4,315(小時)	1,938,470	77,825,549
	Proportion (%)	94.6%	1.5%	1.4%	2.5%	100%

Employees and Society

Qisda adheres to the philosophy of "Happy Workplace for Happy Employees" by organizing various activities and providing benefits. These initiatives not only recognize the hard work of employees and strengthen team cohesion but also create warm moments that foster connections between employees and their families. They help relieve stress during leisure time, achieving the goal of balancing work and life.

In 2024, Qisda focused on "Working Together to Spread Positive Influence," integrating numerous sustainable elements to demonstrate our sustainability value strategy. By continuously instilling sustainable thinking into daily life, employees were invited to take practical actions and join the sustainability movement, creating a greater impact through the synergy of 1+1>2. Throughout the year, over 20,000 people responded to the initiative, resulting in a total carbon reduction of more than 500 tons.

For example, large outdoor events adopted electronic check-in processes to reduce paper usage and printed materials. Stage backdrops did not use single-use fabrics or ribbons, and gift items were made from recycled materials. These efforts embedded sustainable values into the DNA of employees and their families, fully implementing the sustainability strategy.

In addition, volunteer activities were organized in collaboration with charitable organizations, providing opportunities for employees to learn about the stories of these institutions and give back to society through actions, such as supporting orphanages, sorting recyclables, and organizing stream clean-ups. In 2024, the use of volunteer leave increased by 70% compared to 2023.

SDGs	Activity Type	Activity Topic	Description
5 GENDER EQUALITY, 8 DECENT WORK AND ECONOMIC GROWTH	Reward employees for their hard work and enhance employee loyalty	Navigating the Future: ALL WIN Qisda Annual Grand Event	Inviting top-tier performers for live music performances and interactive sessions with professional baseball cheerleading teams. A designated game and relaxation zone is also set up to appreciate employees' hard work.
	Care for employees and their families	Childcare allowance	Provide an annual childcare allowance of NT$30,000 to employees for children aged 0-6
	Happy gifts	Charity gift box	In 2024, we collaborated with charitable organizations, including the Yu-Cheng Social Welfare Foundation and the Yunlin County Welfare Association of the Deaf, to purchase festive gift boxes for occasions such as Mother's Day and the Mid-Autumn Festival as gifts for employees.
	DEI	Vietnam National Day event	Advocating for diversity and inclusion, we organized the annual Vietnam National Day celebration, allowing employees to ease their homesickness.
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Strengthen family relationship of the employees	Group's Family Day	In 2024, we hosted Family Day at the National Museum of Marine Science and Technology in Keelung, fully implementing our sustainability strategy while promoting ESG sustainability awareness and marine environmental education. The event featured VR escape games and theater performances suitable for all ages, ensuring an entertaining experience while embedding sustainability values into the DNA of our employees and their families.
3 GOOD HEALTH AND WELL-BEING, 4 QUALITY EDUCATION, 13 CLIMATE ACTION, 15 LIFE ON LAND	Promotion of sustainability activities	Arbor Day event	Indoor carbon-reducing potted plants were gifted to employees, encouraging them to take part in daily plant care as a hands-on way to contribute to environmental protection and sustainability.
		Sustainable e-Passport	Using an electronic passport model, we widely invited group members to participate in the ESG idea submission campaign. We also launched interactive online games and provided environmental-related reports to guide employees in engaging with sustainability topics that interest them.
		DIY activities	Promoting waste reutilization by engaging employees in DIY crafts, raising environmental awareness, and deepening their understanding of sustainability through circular reuse concepts.
		Together, clean the river	Implementing volunteer leave for the first river cleanup activity, inviting employees to join efforts in cleaning up waste from the river, collectively protecting water sources and the ecological environment, and raising awareness about water quality protection.
	Knowledge power supply	Positive force lecture	Organizing various lectures to enhance knowledge and positive influence. In 2024, invite the most popular baseball head coach and players to share their experiences, covering topics such as environmental issues and life inspiration, enriching employees' knowledge and energy for diverse development.
	Work-life balance and care for the society	Charity runs	Co-sponsoring a large-scale public welfare road race event, promoting health and expanding the scope of social care.
11 SUSTAINABLE CITIES AND COMMUNITIES, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Expand Social Influence	Employee-initiated Charity Activities	Initiated by employee-run charity organizations, these activities invite enthusiastic colleagues to participate in volunteer services, donations, and material purchases for charitable organizations, thereby implementing social impact.

Qisda Group Sports Day

2024 Qisda Group Sports Day

Following the success of 2023, the sports event expanded its activities to include basketball and volleyball, and the scale was further increased, with 22 affiliated companies invited to participate!

The competition began in April, with preliminary rounds leading up to the semifinals. In the end, 79 group teams (28 badminton teams, 24 volleyball teams, and 27 basketball teams) competed against each other. In July, the top 16 teams challenged the grand finals.

With over 600 participants, the event showcased the Group's vibrant sports culture. It aimed to promote employee health and work-life balance in a comfortable, fun, and inclusive environment while fostering team cohesion and strengthening connections among employees within the Group.





Our Clubs Devoted to Charity

The “Loving Care Club” and “Public Welfare Ukulele Club” were organized by the employees full of care and compassion for the community. The purposes of these clubs are to provide a diverse public welfare platform for the employees, so that they can participate in volunteer events, give assistance to public welfare organizations, and take care of disadvantaged groups in society. In particular, the “Public Welfare Ukulele Club” aims to comfort people through music, encouraging employees to make use of their spare time to participate in volunteer music events and bring warmth to the organizations that they help.

Qisda Loving Care Club and Public Welfare Ukulele Club

36 Charity Events

- **Event:** Blood drives, charity bazaars, collection of donations, recruitment of volunteers, provision of companion, fundraising, etc.
- **Target Audience:** Children with intellectual disabilities, elderly people living alone, disadvantaged children, and stray animals etc. The organizations that the public welfare clubs contribute to long-term include the Huashan Social Welfare Foundation, the Genesis Social Welfare Foundation, World Vision, the Hondao Senior Citizen’s Welfare Foundation, Taoyuan Home for the Disabled, Man Fair Social Enterprise, The Carpenter’s House, the Penghu Foundation, the Xinwu Catfirst Cat Shelter, the Parents’ Association for the Visually Impaired, and the Chensenmei Social Welfare Foundation.



Social Care, Volunteering and Philanthropy

Taiwan

The Company’s internal clubs integrate public welfare care, encouraging employees to participate together. This not only demonstrates corporate social responsibility but also reflects the determination to grow alongside the local community. By engaging through participation, voluntary purchasing, and hands-on actions, a platform for public welfare activities is provided to inspire employees to take an active attitude and action. In 2024, a series of achievements in local care were showcased. For example, the organization of three blood donation drives not only effectively promoted employees’ health awareness and public welfare participation but also extended love to those in need. Additionally, for charity donations, special encouragement was given during the Dragon Boat Festival, Mid-Autumn Festival, and pre-Chinese New Year periods, urging employees to donate to those in greater need in society. This enhanced the motivation and resonance for participating in public welfare.

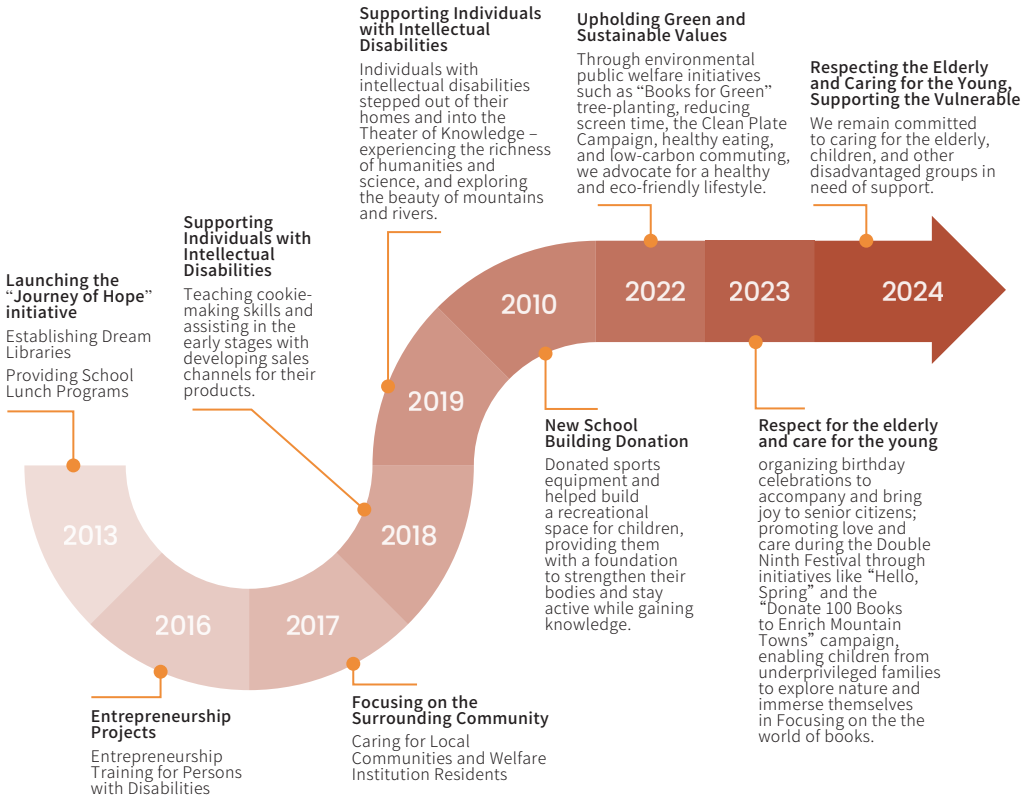
In addition, the “Loving Care Club” and “Public Welfare Ukulele Club” actively encourages their members to participate in community activities, and most significantly, collaborates with local charitable organizations to give back to the community. For example, the “Loving Care Club” shared the Hondao Senior Citizen’s Welfare Foundation’s pioneering “Silver Hair Spoken Word Performance” event, where 25 elderly participants performed stand-up comedy after four months of training. This allowed seniors to express themselves and showcased their passion to the public. The “Loving Care Club” also supported the “Second-hand Computer Dream Project,” inviting Qisda employees to join in donating unused computers from their homes. This initiative provides opportunities for those eager to learn to use the computers while giving a second life to discarded devices!

The Company's communication platform also features announcements to share information about local community events, updates from charitable organizations, volunteer opportunities, and other public welfare-related news. This helps employees understand societal needs and opportunities for participation, encouraging active involvement. For example, during the Mid-Autumn Festival, we purchased pomelos from the elderly farmers in Douliu, which not only cleared their stock but also delivered these warm gifts to disadvantaged families in rural areas. Additionally, the annual "Feed the Elderly" event held at the end of each year encourages employees to contribute to supporting lonely elderly people in society, while also fostering a culture of corporate social responsibility and creating a positive atmosphere of mutual care and participation.



Suzhou, China

Since 2013, Qisda Suzhou has implemented CSR strategies, giving employees one-day volunteer time off to help those in need through public welfare. In 2013, they provided lunches for low-income children at Mingfan Elementary School. In 2016, they trained people with disabilities in life skills, and in 2017, supported communities and welfare organizations. During 2018-2019, they focused on children with intellectual development disorders, teaching them baking skills and developing marketing channels for their products. They also helped these children experience the outside



world. In 2020, Qisda Suzhou donated sporting goods to Mingfan Elementary School. In 2022, they promoted environmental protection through tree planting, "Clean Plate" campaigns, and low-carbon travel. In 2023, they aimed to expand their social influence by promoting care for children and the elderly.

In 2024, with the concept of "Respecting the Elderly, Protecting the Young, and Caring for Vulnerable Groups," we continued to focus on the elderly, children, and other disadvantaged groups in need of assistance. We irregularly visit nursing homes to provide care and companionship. In collaboration with the BenQ Foundation, we funded the tuition fees of 27 elementary school students, helping them to continue their education. Additionally, the Company organized a "Green Environmental Month" internally, encouraging employees to bring their own coffee cups, participate in DIY activities to give old items a new life, and exchange books for vegetables, promoting the concept of green, sustainable development.









Vietnam

In 2024, the Qisda Vietnam plant's Charitable Club promoted a donation campaign to support employees from impoverished families. A total of 132 people participated in the donation, with funds distributed to employees in need, including small gifts and 300,000 VND in cash per person. This initiative assisted 23 employees. The event spread social goodwill, aiming to reduce the burden on impoverished families and strengthen the spirit of unity among everyone.

The Charitable Club's Donation Campaign for Impoverished Families





BenQ Foundation

In August 22, 2002, the Board of Directors of the Qisda Corporation (formerly BenQ Corp.) donated a sum of money to establish the BenQ Foundation. The BenQ Qisda Group is dedicated to the happy life of human beings, while the BenQ Foundation is committed to demonstrating the beauty of Taiwan and communicating the touching genuineness, kindness and beauty of the island.

With consideration for mankind and the land we live in at the core of its projects, the Foundation sets "Implementation of Environmental Protection" and "Social Care" as its two main fields of interest. From the intersection between these fields, they extract four main focal points – "Towards Digital Equality," "Cultivation of Honest and Smart Employees," "Increasing Value in Original Culture" and "Implementation of Environmental Protection" – and combine core competencies with Qisda Corporation to address these issues. Simultaneously, the Foundation also pays special attention to the UN Sustainable Development Goals to guide its operations. It dedicates itself to four major goals: digital equality, fair education, cultural value, and environmental sustainability in relation to issues including "no poverty (SDG 1)," "zero hunger (SDG 2)," "good health and well-being (SDG 3)," "quality education (SDG 4)," "gender equality (SDG 5)," "decent work and economic growth (SDG 8)," "sustainable cities and communities (SDG 11)," "responsible consumption and production (SDG 12)," "life below water (SDG 14)," and "partnerships for the goals (SDG 17)." Moreover, it proposes corresponding actions for each point, follows evidence to review the connections between the project indicators and sustainability, and further engages stakeholders in comprehensive discussions of environmental protection (E), social responsibilities (S) and corporate governance (G) in the hopes of promoting sustainable awareness among civil groups. Externally, the Foundation brings positive influence to societies, and internally, it enhances the corporate culture of the Group to develop talent and cultivate kind members of society.

▸ ESG Performance in 2024

E Environmental Protection

The Foundation continued to support friendly contract farming and the adoption of rice fields, accumulating 120.5 hectares from contract farming between the years of 2008 to 2024. It also encouraged the purchase of local produce, which brought nearly NT$7.35 million in revenue to remote areas, thus uplifting their sustainable food economy. It continued to conduct the "Plan for Beaches in Southern Miaoli" by leading volunteers of the Group to clean the beaches in Yuanli. The Company raises awareness about the environmental impact of marine waste. Through local community engagement, the initiative fosters a mindset of coexistence with the sea. As part of the "ICC International Coastal Cleanup," 2,160 kilograms of marine waste were categorized and uploaded as part of long-term monitoring data.

Focusing on environmental issues, the companies must take responsibility for the impact of their activities on the natural environment. This year, the Company launched a new project titled "Biodiversity Conservation and TNFD Guidance," collaborating with the Department of Soil and Water Conservation at National Chung Hsing University. The project involves ecological surveys and soil sampling in long-term contract farms, including tea plantations in Hengshan Township, Hsinchu County, and Chunyuan in Xizhou Township, Changhua County. Following the framework proposed by the Taskforce on Nature-related Financial Disclosures (TNFD), the initiative integrates biodiversity protection and sustainability into business operations, aiming to enhance the company's long-term value and competitiveness.

S Social Responsibility

With reference to the UN Sustainable Development Goals (SDGs), the BenQ Foundation acted as a bridge between the Group and cities or communities, making efforts to close the digital gap between more developed cities and remote areas. This was done by bringing in high quality, informative, diverse, and cultural education; influencing the way locals engaged with digital technology; and communicating and growing with cities and communities. Through brand empowerment, the Foundation assisted cities and communities in transforming the development of agricultural crafts to digital marketing. It even encouraged female workers to create their own business in small-scale online sales. Furthermore, it emphasized its support of food safety and promoted the economy of sustainable food industries starting from its source.

After having made efforts in digital inclusion and empowerment in remote areas for many years, the Foundation won the "Social Inclusion Leaders' Awards" under the Taiwan Corporate Sustainability Awards (TCSA) in 2021 with its specific performance in the "Practice of Inclusion in the Rural Communities under the Influence of the Technology." The award was a demonstration of the Foundation's strategies in the connection of the economic, cultural and social facets on the basis of the education and its efforts in the implementation of the UN Sustainable Development Goals (SDGs). After having participated in the "Digital Opportunity Center Project" of the Ministry of Education for 17 years, the Foundation won the bronze award of the first "Taiwan Sustainability Action Awards (TSAA)" in 2021 with its "Creation of Community Sustainability: The Centurial Shi Qiang Village as a New Digitized Model of Co-Prosperity"; won the golden award of the "Taiwan Sustainability Action Awards (TSAA)" in 2022 with its "Fushing Tea Road for Creating Sustainable Communities: Shakeng Hongbao to Enrich the Community Industry"; won the golden award of the "Taiwan Sustainability Action Awards (TSAA)" in 2023 with its "DOC Volunteers' Short Trip - Travel Volunteers and Sustainable City and Community Values"; and won the golden award of the "Taiwan Sustainability Action Awards (TSAA) in 2024 with its "Small Farmer Artisan Sustainable Homeland Economy."

In terms of long-term social companionship activities, a total of 202 information courses, healthcare lectures, volunteer events and campus lectures were held. 40,377 people benefitted from volunteer services and relevant digital and educational projects, and of these, 1,075 senior people aged above 65 received professional services such as hearing care and online lectures from pharmacists.

G Corporate Governance

The BenQ Foundation, in collaboration with the Supplier Management Department, organized the 2024 "Qisda Group Supplier Conference," focusing on sustainable development trends and the challenges of global supply chain restructuring. The event attracted 275 suppliers, with over 500 partners from both domestic and international locations participating in-person and online. The total market capitalization of the participating companies exceeded USD $1 trillion. Through keynote speeches from scholars and experts, the conference communicated international trends and sustainability strategies, emphasizing internal communication and governance operations. The goal is to build a resilient supply chain and continuously expand the Group's influence.

Consolidating its efforts over the years, the BenQ Foundation will reposition itself as an ESG expansion platform to further foster the Group's culture of CSR, and take action to influence the overall sustainability of the business ecosystem. It will continue spreading genuineness, kindness, and beauty through projects with the four focal points of "Implementation of Environmental Protection," "Towards Digital Equality," "Cultivation of Honest and Smart Employees," and "Increasing Value in Original Culture."

Annual Performance

202 Activities Held
Information courses, healthcare lectures, volunteer events, campus lectures, etc

40,377 Participants
Number of people benefited from the relevant digital and educational cultivation projects and volunteer services

1,075 Participants
Number of senior people who received hearing care and wellness lectures and services from pharmacists

735 Million
Friendly contract farming, responsible consumption, and local travel promoting the green economy

Core Element of Public Welfare

- Implementation of Environmental Protection
- Towards Digital Equity
- Cultivation of Honest and Smart Employees
- Increasing Value in Original Culture

Assisted Parties

- Friendly producers/NGO workers
- Local smallholders and merchants
- Elderly seniors, indigenous people, and new immigrants
- Elementary school, senior high school, and college students
- Teachers and students in rural schools
- Group employees
- Supply chain partners

Problem Observed

- Environmental degradation and rural challenges
- Urban-rural digital divide, with uneven access to information and education
- Low accessibility to healthcare in rural areas, with the public generally lacking health education knowledge
- Limited exploration spirit and experience in interdisciplinary learning
- Public spaces lack cultural atmosphere and artistic aesthetic in the environmental experience
- Supply chain partners' awareness of environmental and social responsibilities needs improvement

Actions of Social Influence

- Focus on environmental issues and volunteer services to strengthen employees' corporate sustainability culture
- Provide information and learning resources for rural areas, promoting lifelong learning and digital literacy
- Collaborate with group companies to inject medical resources, conduct health education lectures, and provide consultation channels
- Offer thematic lectures and camp experiences to inspire creative thinking among youth and students
- Promote art exhibitions to enhance space aesthetics and employees' artistic literacy
- Strengthen the resilience and competitive collaboration of the supply chain, working together to reduce carbon emissions and achieve sustainable operations

Coexist with Nature

Link to SDGs

		Implementation of Environmental Protection			Towards Digital Equity		Cultivation of Honest and Smart Employees		Increasing Value in Original Culture
Corresponding SDG	The Foundation's Corresponding Action	"DOC Volunteers' Short Trip"	"Friendly Farming" for Rice Contract Farming	Workshop for ESG Sustainability Action	The Ministry of Education's "Hsinchu County and Miaoli County Digital Opportunity Center Project"	BenQ Academy – Intelligent Hearing Aid	BenQ Honest and Smart Experience Workshop	BenQ Dream Action Campus Lecture	BenQ International Sculpture Workshop
Zero Hunger	**Ensure food safety, eliminate hunger and promote sustainable agriculture** ● Referring to the regulations and principles for "organic agriculture and friendly farming" of the Agriculture and Food Agency, Council of Agriculture, Executive Yuan, the Foundation implements contract farming to make sure that the land, environment, and ecosystem are maintained. We maintain a total of 10 hectares of land under contract farming a year to expand local friendly farming areas. ● The Foundation encourages purchasing local friendly farming products and invests company resources to plan the adoption of rice fields by employees, the purchase of produce, and agritourism experiences, driving the employees of the Group to immerse themselves in green production locations and facilitating the cycle of sustainable agricultural economies. ● We donate friendly farming rice to care locations for vulnerable groups and senior people, making sure that they are able to enjoy safe, nutrition-rich and healthy rice	●	●		●				
Good Health and Well-Being	**Ensure and promote healthy life and well-being for all at all ages.** ● In cooperation with BenQ Healthcare Corporation and New Best Hearing International, we connect the Group's medical specialists with potential people in need from remote areas and communities, and plan "Online Health" for remote sharing of healthcare knowledge as well as "BenQ Academy – Intelligent Hearing Aid" interactive courses for hearing care and screening to facilitate people in improving preventive healthcare literacy.				●	●			

		Implementation of Environmental Protection			Towards Digital Equity		Cultivation of Honest and Smart Employees		Increasing Value in Original Culture
Corresponding SDG	The Foundation's Corresponding Action	"DOC Volunteers' Short Trip"	"Friendly Farming" for Rice Contract Farming	Workshop for ESG Sustainability Action	The Ministry of Education's "Hsinchu County and Miaoli County Digital Opportunity Center Project"	BenQ Academy – Intelligent Hearing Aid	BenQ Honest and Smart Experience Workshop	BenQ Dream Action Campus Lecture	BenQ International Sculpture Workshop
Quality Education	**Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all** ● Education on information and communication for all: In line with the government's policy of digital development, the Foundation utilizes the Group's professional capability of information, communication, and branding to provide all people in need from the Hsinchu-Miaoli region, including new immigrants, indigenous people, and elders, with extensive education of digital knowledge such as life in the digital age, healthcare applications and design and marketing to eliminate the digital gap between cities and communities. ● Information and communication accessibility in elementary schools: The Foundation references educators' needs and invites educators, scholars, and R&D teams to make use of scientific knowledge, operate AR and VR equipment, and explore product applications to trigger creative thinking and hardware and software skills in elementary school children. ● Positive career empowerment for high school students: The Foundation invites youths with outstanding performances in their respective fields to serve as lecturers, sharing the process they took to achieve success, and showing persistence and resilience to encourage more high school students to follow their dreams. ● Promotion of art and culture: The Foundation has built an art exchange platform, and as of 2010, has continuously organized six sessions of the "BenQ International Sculpture Workshop." It encouraged and supported the creation of domestic and foreign artists by soliciting submissions, in turn building up experiences and solidifying Taiwan's good image in the international art circle. It has retained 90 sculptural masterpieces in Taiwan. Since 2021, it has created a public art venue for the Group and arranged sculpture model works for exhibition in the Company				●	●	●	●	●
Gender Equality	**Realize gender equality and empower women** ● The Foundation establishes dedicated courses for women to ensure their learning rights. ● We encourage craftswomen to enhance their information and communication capabilities in order to increase income through Internet marketing.				●				

		Implementation of Environmental Protection			Towards Digital Equity		Cultivation of Honest and Smart Employees		Increasing Value in Original Culture
Corresponding SDG	The Foundation's Corresponding Action	"DOC Volunteers' Short Trip"	"Friendly Farming" for Rice Contract Farming	Workshop for ESG Sustainability Action	The Ministry of Education's "Hsinchu County and Miaoli County Digital Opportunity Center Project"	BenQ Academy – Intelligent Hearing Aid	BenQ Honest and Smart Experience Workshop	BenQ Dream Action Campus Lecture	BenQ International Sculpture Workshop
Decent Work and Economic Growth	**Promote inclusive and sustainable economic growth to provide everyone with an ideal job** ● Create visual records of friendly farming practitioners, small-scale farmers, and artisans, and establish an online marketing platform. ● The Foundation brings an average of more than NT$6 million to remote areas every year to facilitate agricultural economies through contract farming, exhibition and sales in bazaars, employees' purchase of produce, agritourism experiences, and procurement of the Group's promotional products. In addition, we ensure that an average of 5.5 dedicated personnel from the contract farming unit are devoted to friendly agriculture.	●	●		●				
Sustainable Cities and Communities	**Make cities and rural areas inclusive, safe, resilient and sustainable** ● Based on the principle of sustainable tourism, the Foundation holds discussions with relevant stakeholders such as local community groups to organize travel itineraries that fulfill local needs for economic benefits, cultural translation and environmental sustainability. ● Combining volunteer services and touring experience, the Foundation not only serves as a bridge between the Company and external communities, but also pays field visits to local communities in the hopes of enhancing the positive collaboration between both parties and reflecting on ways to better improve communities using the PDCA method.	●	●		●				
Responsible Consumption and Production	**Promote green economies and ensure sustainable consumption and production modes** ● Group employees participate in volunteer work or on their days off to assist with farming harvests and coastal cleanups. ● The Foundation supports the purchase of local friendly farming products and plans both the purchase of agricultural products and farming experience activities for employees, facilitating the cycle of sustainable economies.	●	●		●				

		Implementation of Environmental Protection			Towards Digital Equity		Cultivation of Honest and Smart Employees		Increasing Value in Original Culture
Corresponding SDG	The Foundation's Corresponding Action	"DOC Volunteers' Short Trip"	"Friendly Farming" for Rice Contract Farming	Workshop for ESG Sustainability Action	The Ministry of Education's "Hsinchu County and Miaoli County Digital Opportunity Center Project"	BenQ Academy – Intelligent Hearing Aid	BenQ Honest and Smart Experience Workshop	BenQ Dream Action Campus Lecture	BenQ International Sculpture Workshop
Life below Water	**Protect and utilize marine ecosystems in a sustainable way to ensure biodiversity and prevent the marine environment from worsening** ● Collaborate with local towns along the Southern Miaoli coastline, we work together with community partners for beach cleanups and upload waste classification records to the "ICC International Coastal Cleanup" for statistical purposes, actively engaging in the citizen science movement. ● The Foundation lists issues that social groups and partners of the coast care about, then introduces digital recording to assist in disseminating the urgent issue of marine protection.	●			●				
Partnerships for the Goals	**Establish diverse partnerships and promote the vision of sustainability together** ● The Foundation plans an annual ESG general education course to facilitate a common understanding of sustainability for all our partner. ● We encourage the partners of Hsinchu and Miaoli DOCs to set sustainability goals to review, monitor, and make plans for resource allocation and other corresponding goals regarding the three aspects of ESG: the development of local economies, cultural preservation and sustainable natural environments. ● We also comply with the Company's goals of net zero and carbon reduction by introducing courses regarding the ISO 14064 certification for companies of the Group and in the supply chain. This is to assist in cultivating sustainable talents for the Group as well as implementing legal compliance and actualizing our strategy for net zero and carbon reduction.			●	●				

Implementation of Environmental Protection

Problems to be Solved	Ensure food safety and promote sustainable agriculture; Promote green economies and ensure sustainable consumption and production modes; Make cities and rural areas inclusive, safe, resilient and sustainable; Protect and utilize marine ecosystems in a sustainable way to ensure biodiversity and prevent the marine environment from worsening; Establish diverse partnerships, promote the vision of sustainability together and enhance the coherence of sustainable development policies
UN sustainable development goals	
Our roles	• Long-term contracting has become a force that provides stable support for friendly farming farmers: Referring to the regulations and principles for "organic agriculture and friendly farming" of the Agriculture and Food Agency, Council of Agriculture, Executive Yuan, the Foundation implements contract farming to make sure that the land, environment and ecosystem are maintained and expands the area of local land used for friendly farming. Local sustainable food advocates encourage the purchasing of local friendly farmed produce and invests company resources to plan the adoption of rice fields by employees, the purchase of produce, and agritourism experiences. The Foundation ensures stable agricultural sales in remote areas through contract farming, exhibition and sales in bazaars, employees' purchase of produce, agritourism experiences and procurement of the Group's public relations products. Promoter of cultural exchange among cities and communities. Based on the principle of sustainable tourism, The Foundation holds discussions with relevant stakeholders such as local community groups to organize travel itineraries that fulfill local needs for economic benefits, cultural translation and environmental sustainability. The Foundation serves as the bridge between the Company and external communities, enhancing the positive collaboration between both parties and reflecting on ways to better improve communities using the PDCA method. • Becoming a partner of environmental working groups of marine areas in Miaoli. The Foundation lists issues that social groups and partners of the coast care about, then introduces digital recording to assist in disseminating the urgent issue of marine protection. We collaborate with townships on the coast of Southern Miaoli to help local partners clean the beach and upload records according to waste classification to the "ICC International Coastal Cleanup" for statistics, aiming to implement the participation in citizen science-based movements. • The Group's platform for ESG dissemination – consolidating the direction of sustainability for the Group's civil partners. The Foundation plans the annual ESG general education course facilitate a common understanding of sustainability for all our partners. We also comply with the Company's goals of net zero and carbon eduction by introducing courses regarding the ISO 14064 certification for companies of the Group and in the supply chain. This is to assist in cultivating sustainable talents for the Group as well as implementing legal compliance and actualizing our strategy for net zero and carbon reduction. • This year, coinciding with the 25th anniversary of the 921 Earthquake, the Group has adopted a 0.6-hectare greenbelt restoration project at Jiufen Ershan and Zhunguakeng Creek under the "Agency of Rural Development & Soil and Water Conservation." A tree-planting ceremony was held, with 101 employees from nine group companies participating. They also visited the earthquake memorial park and the post-disaster reconstruction model, "Taomi Community," to understand the importance of disaster prevention education and environmental restoration. Additionally, the Group adopted the buffer greenbelt of the Zhunguakeng Creek rehabilitation site. By implementing a "subtractive engineering" approach, the project removed old concrete embankments to create a buffer zone and floodplain, restoring the stream's natural flow. Centered on the "Stream Restoration" concept, trees were planted along the riverbanks to restore the riparian ecosystem. This nature-based solution (NbS) fosters coexistence between humans and nature, aligning with the UN Sustainable Development Goals (SDGs) to protect terrestrial ecosystems and support the Group's carbon reduction pathway. • In collaboration with the Department of Soil and Water Conservation at National Chung Hsing University, the Group conducted ecological surveys and soil sampling investigations at long-term contract farming sites, including the tea plantations in Hengshan Township, Hsinchu County, and Chun Yuan in Xizhou Township, Changhua County. Following the framework recommended by the Taskforce on Nature-related Financial Disclosures (TNFD), the project aims to transparently disclose the Company's resilience and opportunity management in response to natural risks. This initiative aligns with society's growing expectations for sustainable development. • The annual survey results indicate that the Hengshan friendly-farming tea plantation exhibits significant biodiversity, with 58 species recorded within the core area and 37 species in the outer and edge areas. By fostering a habitat-friendly environment, the plantation maintains a balanced tea plantation ecosystem, promoting diversity and a more complete food chain. • The Xizhou friendly-farming rice farms not only exhibit remarkable biodiversity but also maintain crop yields while enhancing long-term soil fertility. Compared to conventional farming methods, each hectare of these fields can store approximately 40 additional metric tons of carbon. The organic carbon content in friendly-farming cultivated fields is generally over 50% higher than in conventionally farmed areas.
Our actions	**"DOC Volunteers' Short Trip" and "Friendly Farming" for Rice Contract Farming:** • The contract farming initiative has provided long-term support to "Nampu Community" in Beipu, Hsinchu, and "Siong Sui Rice" in Xizhou, Changhua. This initiative ensures the cultivation of 10 hectares of rice fields annually, securing employment for 31 agricultural workers. • We collaborated with 12 local cultural organizations (including Yuanli DOC, the Protect Yuanli Coast Association, Xindiaoju, Taiwan Yuan-li Handiwork Association, Hengshan DOC, Guanxi DOC, Xiahengkeng Cultural Industry Development Association, Tongluo DOC, Tongluo Bay Revitalization and Development Association, Miaolichieh Chrysanthemum Baking Center, Nanpu Community Development Association, Hsichou Shangshui Water Farmer Co., Ltd.) led to the design and execution of 6 low-carbon cultural environment education activities. These activities included: Miaoli Yuanli Coastal Beach Cleaning (1 session), Hsinchu Hengshan and Guanxi, Miaoli Yuanli and Tongluo, Changhua Xizhou – 5 agricultural labor services. • The Foundation brought together a total of 461 volunteers from the Group and communities for the activity. 345 family members of the Group's employees also provided services for a total of 2,076 hours. **Workshop for ESG Sustainability Action:** • Held the "Qisda Group Supplier Conference," with over 500 supply chain partners from 275 suppliers participating, and recognized 31 outstanding suppliers. • Organized group training programs: "ESG Sustainable Strategy Workshop," with 19 companies and 60 participants; "Sustainability Manager Certification Training Class" (second session), with 62 participants completing the training and certification; "Net Zero Manager Certification Training Class," with 38 participants completing the training and certification; "Product Carbon Footprint Strategy Workshop," with two sessions, attended by 113 suppliers; "Greenhouse Gas Inventory Supplier Training Class" (English session), with 19 suppliers participating. **Corporate Reforestation Initiative:** • The Company adopted a 0.6-hectare greenbelt as part of the Jiufen Ershan and Zhongguakeng Creek Restoration Project, under the Agency of Rural Development & Soil and Water Conservation's initiative. This area, located in a severely affected zone of the 921 Earthquake, was restored through a "subtractive engineering" approach. To mark the occasion, a land adoption ceremony and a corporate tree-planting event were organized. The rehabilitation project at the Zhunguakeng Creek site involves subtractive engineering, dismantling the original concrete embankments, and creating buffer green belts and flood overflow areas. With "Stream Restoration" at its core, the project includes tree planting along the creek's banks, using Nature-based Solutions (NbS) to achieve the goal of coexistence and symbiosis. • This year marks the 25th anniversary of the 921 Earthquake. In commemoration, we organized an adoption ceremony and a corporate tree-planting event. Participants also visited the Earthquake Memorial Park and the post-disaster reconstruction model, Taomi Village, to gain a deeper understanding of the importance of disaster prevention education and environmental restoration. A total of 101 employees from 9 affiliated companies took part in the event. **Biodiversity Conservation and TNFD Guidance:** • In collaboration with the Department of Soil and Water Conservation at National Chung Hsing University, the Group conducted ecological surveys and soil sampling investigations at long-term contract farming sites, including the tea plantations in Hengshan Township, Hsinchu County, and Chun Yuan in Xizhou Township, Changhua County. Following the framework recommended by the Taskforce on Nature-related Financial Disclosures (TNFD), the project aims to transparently disclose the Company's resilience and opportunity management in response to natural risks. This initiative aligns with society's growing expectations for sustainable development. • The annual survey results show that the Hengshan friendly-farming tea plantation has significant biodiversity, which promotes the food chain's biodiversity and integrity. The Xizhou friendly-farming rice farms, in addition to notable biodiversity, maintain crop yields and improve long-term soil fertility. Each hectare of rice field can store approximately 40 metric tons more carbon compared to conventional farming methods.
Collaboration with stakeholders	Government agencies, experts and scholars, community organizations, agricultural professionals, suppliers, and group employees

1.“DOC Volunteers’ Short Trip”

From 2013 to 2024, the Foundation has dedicated itself to “DOC Volunteers’ Short Trip” for 12 years, incorporating sustainable tourism concepts. It engages with stakeholders and community organizations to discuss labor service travel that aligns with local economic benefits, cultural translation, and environmental sustainability. Through this, it collaborates with small farmers to establish connections with the local community, volunteers, and the DOC, creating a walking and labor experience model. It encourages group employees and their families and friends to participate in agricultural harvesting and coastal cleanup on the southern coast of Miaoli, stepping into the fields, mountains, and oceans, blending the spirit of exploration with the heartfelt connection to land-based labor services.

	2017		2018		2019		2020		2021		2022		2023		2024		Cumulative Total
	Corporate volunteers	Community volunteers	Corporate volunteers	Community volunteers	Corporate volunteers	Community volunteers	Corporate volunteers	Community volunteers	Corporate volunteers	Community volunteers	Corporate volunteers	Community volunteers	Corporate volunteers	Community volunteers	Corporate volunteers	Community volunteers	
Beach cleanups / Number of participants											125	59	46	15	26	13	284
Farming activities / Number of participants	227	35	382	49	340	156	250	75	224	52	105	54	213	63	204	42	2,471
Total annual volunteer / Number of participants	262		431		496		325		276		343		337		285		2,755

“DOC Volunteers’ Short Trip”: Group Earth Volunteer Labor Service – the Meaning of Sweating and Walking




















DOC 志工小旅行



2.“Friendly Farming” for Rice Contract Farming

The United Nations published the 17 Sustainable Development Goals (SDGs) in 2016. For SDG 12, “Ensure sustainable consumption and production patterns,” the BenQ Foundation has advocated for “implementation of environmental protection” and supported “friendly farming” for many years since 2008.

The Foundation has performed contract farming for 17 consecutive years (2008–2024). It adopts rice fields in Northern, Western, Southern, and Eastern Taiwan. Based on the concepts of friendly farming, the Foundation has entered into agreements with local farmers that cover 120.5 hectares of rice fields in Taiwan.

In 2024, the “friendly contract farming” was extended to the “Nanpu Community” in Beipu, Hsinchu County, and the “Shangshuimi” rice fields in Xizhou of Changhua. The contract farming area reached up to 10 hectares.The harvest from both rice seasons was shared with employees in the form of “Rice Gift Boxes,” while 2,694 kilograms of rice were donated to 27 disadvantaged groups in order to encourage farming and eating safe, good rice. Through the autumn rice harvest, employees were led into the fields as volunteers to engage in hands-on agricultural labor, learning about farming practices. Bent over and sweating in the fields, they experienced the hard work of farmers, strengthening their connection to the land and actively practicing the core value of “Implementation of Environmental Protection.”

	2017	2018		2019		2020		2021		2022		2023		2024		Cumulative Total
		Corporate volunteers	Community volunteers	Corporate volunteers	Community volunteers	Corporate volunteers	Community volunteers	Corporate volunteers	Community volunteers	Corporate volunteers	Community volunteers	Corporate volunteers	Community volunteers	Corporate volunteers	Community volunteers	
Area / Hectare	50.5	10		10		10		10		10		10		10		120.5
Volunteer / Number of participants		109	40	145	25	200	23	102	30	147	31	140	20	115	23	1150
Total annual volunteer / Number of participants		149		170		223		132		178		160		138		1150

“Friendly Contract Farming” – Autumn Rice Harvest in Xizhou, Changhua: Group Volunteers Show Their Care for the Land through Action












3.Workshop for ESG Sustainability Action

Since 2022, the BenQ Foundation has launched the “Workshop for ESG Sustainability Action,” dedicated to assisting group employees and supply chain partners in transforming “sustainability” from conceptual thinking into practical action. In 2024, in collaboration with the CommonWealth Magazine Sustainability Council, the foundation organized the “ESG Sustainability Strategy Workshop,” bringing together sustainability experts from the industry, academia, and research institutions. This workshop guided the Group’s sustainability professionals in generating ideas to create positive value and developing strategic thinking for sustainable transformation. A total of 60 participants from 19 companies took part in the training. Additionally, in partnership with the Taiwan Institute for Sustainable Energy (TAISE), the foundation held the second round of the “Sustainability Manager Certification Program” and introduced the “Net Zero Manager Certification Program” for the first time. These two training programs provided systematic learning on ESG and net-zero carbon emissions, integrating practical case studies and certification assessments. As a result, 62 employees obtained the Sustainability Manager certification, and 38 employees earned the Net Zero Manager certification.

To assist supply chain partners in understanding global carbon reduction trends, strengthening supply chain collaboration, and mastering the practical implementation of carbon footprint assessments, two sessions of the “Product Carbon Footprint Strategy Workshop” were conducted, with a total of 113 suppliers participating. Additionally, the “Greenhouse Gas Inventory Supplier Training Program” (English session) was held, attended by 19 suppliers. The “Qisda Group Supplier Conference” gathered 275 suppliers and over 500 supply chain partners. The event recognized 31 outstanding suppliers, shared insights on economic trends and the ASEAN market, and collectively worked towards building a resilient and sustainable supply chain.

The “Workshop for ESG Sustainability Action” Co-creates a Sustainable Value chain for the Group and its Suppliers, Working Together towards the Net-zero Milestone






明基佳世達集團
ESG 永續管理師認證工作坊






攜手同行 共創未來
2024 佳世達集團供應商大會

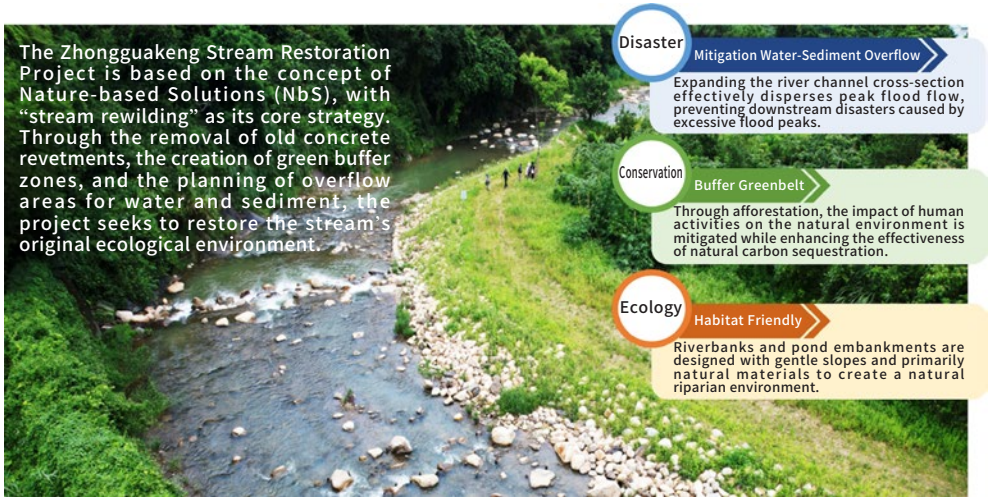

2024 明基佳世達集團 ESG 永續行動工作坊
產品碳足跡
標籤產品碳足跡資訊
可參考之碳足跡資訊
工業技術研究院
黃文輝
Qisda ESG 2024_永續行動工作坊


2024 佳世達集團供應商大會

4.Forest Reforestation Initiative

This year, coinciding with the 25th anniversary of the 921 Earthquake, the Group has adopted a 0.6-hectare greenbelt restoration project at Jiufen Ershan and Zhunguakeng Creek under the "Agency of Rural Development & Soil and Water Conservation." A tree-planting ceremony was held, with 101 employees from nine group companies participating. They also visited the earthquake memorial park and the post-disaster reconstruction model, "Taomi Community," to understand the importance of disaster prevention education and environmental restoration. Additionally, the Group adopted the buffer greenbelt of the Zhunguakeng Creek rehabilitation site. By implementing a "subtractive engineering" approach, the project removed old concrete embankments to create a buffer zone and floodplain, restoring the stream's natural flow. Centered on the "Stream Restoration" concept, trees were planted along the riverbanks to restore the riparian ecosystem. This nature-based solution (NbS) fosters coexistence between humans and nature, aligning with the UN Sustainable Development Goals (SDGs) to protect terrestrial ecosystems and support the Group's carbon reduction pathway.

"Corporate Reforestation Initiative" – Jiufen Ershan Tree-Planting Action: Connecting People and the Environment for Sustainable Prosperity



"Corporate Reforestation Initiative" Adopts the Buffer Green Zone of the Zhunguakeng Creek Rehabilitation Site, Utilizing Nature-based Solutions to Rehabilitate the Wild Stream Ecosystem













5. Biodiversity Conservation and TNFD Guidance:

In collaboration with the Department of Soil and Water Conservation at National Chung Hsing University, the Group conducted ecological surveys and soil sampling investigations at long-term contract farming sites, including the tea plantations in Hengshan Township, Hsinchu County, and Chun Yuan in Xizhou Township, Changhua County. Following the framework recommended by the Taskforce on Nature-related Financial Disclosures (TNFD), the project aims to transparently disclose the Company's resilience and opportunity management in response to natural risks. This initiative aligns with society's growing expectations for sustainable development.

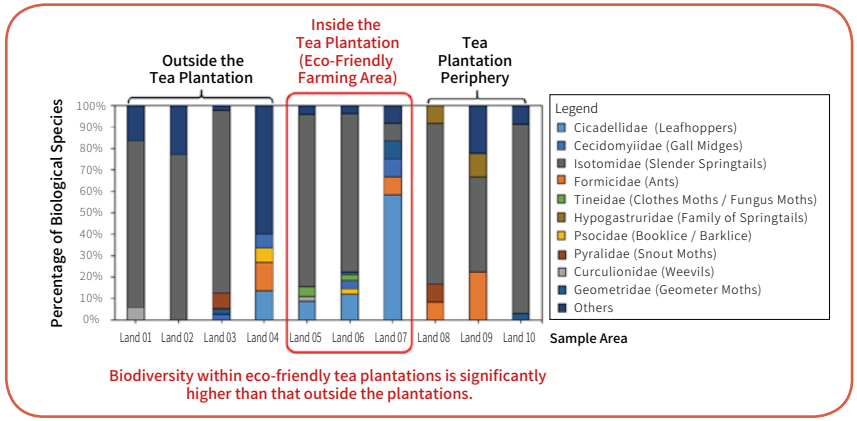
The annual survey results indicate that the Hengshan friendly-farming tea plantation exhibits significant biodiversity, with 58 species recorded within the core area and 37 species in the outer and edge areas. By fostering a habitat-friendly environment, the plantation maintains a balanced tea plantation ecosystem, promoting diversity and a more complete food chain.

The Xizhou friendly-farming rice farms not only exhibit remarkable biodiversity but also maintain crop yields while enhancing long-term soil fertility. Compared to conventional farming methods, each hectare of these fields can store approximately 40 additional metric tons of carbon. The organic carbon content in friendly-farming cultivated fields is generally over 50% higher than in conventionally farmed areas.

"Biodiversity Conservation and TNFD Guidance" Ecological Survey and Soil Sampling Methods

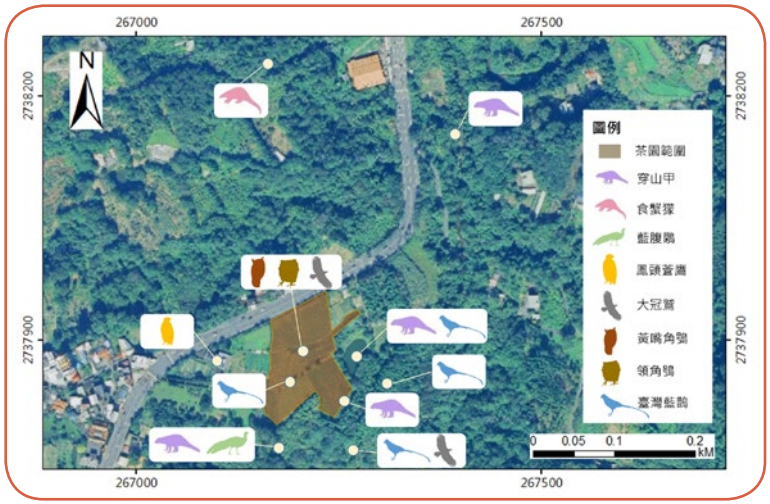


"Biodiversity Conservation and TNFD Guidance" Significant Biodiversity at Hengshan Shakeng Tea Plantation

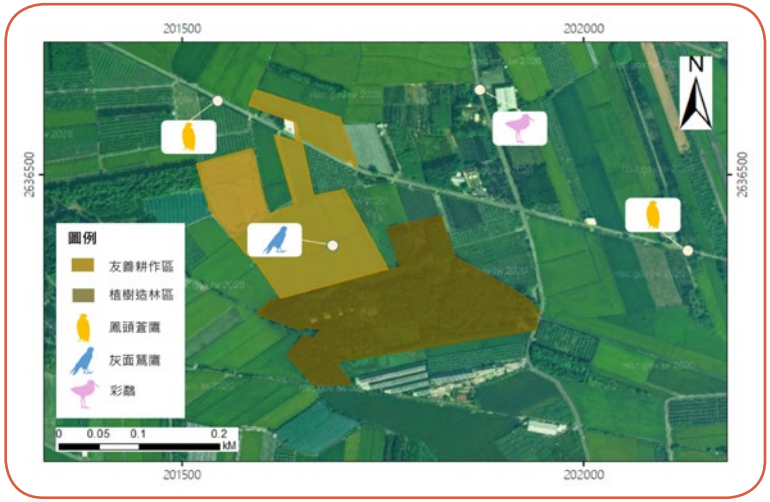


Biodiversity within eco-friendly tea plantations is significantly higher than that outside the plantations.

"Biodiversity Conservation and TNFD Guidance" Distribution of Protected Species at Hengshan Shakeng Tea Plantation



"Biodiversity Conservation and TNFD Guidance" Distribution of Protected Species at Xizhou Shangshui Farmland



Digital Equity

Problems to be Solved	● Ensure and promote healthy lives and well-being for all age groups, ensuring inclusive, equitable, and high-quality education, advocating for lifelong learning, achieving gender equality, and empowering women. Promote inclusive and sustainable economic growth, providing everyone with a good job. Build cities and communities that are inclusive, safe, resilient, and sustainable. Promote a green economy, ensuring sustainable consumption and production patterns. Conserve and sustainably use marine ecosystems to ensure biodiversity and prevent marine environmental degradation. Establish diverse partnerships to collaboratively promote sustainable visions.
UN sustainable development goals	
Our roles	● Using technology to impact ICT education in remote areas and ensuring women's digital learning rights in accordance with national digital development policies, leveraging the Group's ICT and branding expertise. Focusing on the needs of diverse groups in the Hsinchu-Miaoli regions, including the general public, new immigrants, indigenous people, and the elderly, we provide digital literacy education in various aspects such as technology for everyday life, health applications, and design marketing, aiming to bridge the digital divide between urban and rural areas. A dedicated class for women is offered to ensure their learning rights, encouraging female entrepreneurs to join professional recommendations, enhancing ICT skills, and improving economic income through online marketing. ● We empower digital literacy for end-users of medical technology. In cooperation with BenQ Healthcare Corporation and New Best Hearing International, we connect the Group's medical specialists with potential people in need from remote areas and communities, and plan "Online Health" for remote sharing of healthcare knowledge as well as "BenQ Academy – Intelligent Hearing Aid" interactive courses for hearing care and screening to facilitate people in improving preventive healthcare literacy. ● Promoting the green economy and serving as a guide for sustainable circular practices, we empower friendly farming partners, small-scale farmers, artisans, and various skilled workers to establish online platforms for data and image documentation. Through contract farming, market exhibitions, online agricultural product group buying, volunteer trips, and corporate public relations purchases, we connect urban and rural consumption exchanges, annually facilitating over NT$2 million in agricultural economic activity for remote areas. Based on sustainable tourism principles, we engage with stakeholder community groups to discuss labor service journeys that align with local economic benefits, cultural translation, and environmental sustainability, while incorporating the Group's volunteer services to implement local production and sales, as well as SDGs goals. We encourage partners from the Hsinchu-Miaoli Digital Opportunity Centers to reassess and plan their annual key tasks based on SDGs goals, focusing on economic development, cultural preservation, and natural environmental sustainability benchmarks.
Our actions	● The BenQ Foundation has long been implementing the Ministry of Education's "Hsinchu County and Miaoli County Digital Opportunity Center (DOC) Guidance Project," dedicated to digital care in remote areas. Since 2008, the Foundation has assisted the Hsinchu County and Miaoli County DOCs in applying digital capabilities to execute local development work, marketing local agricultural products, and recording community cultural history and cultural heritage. Through care for education, culture, and industry, it promotes the learning of emerging technologies and the enhancement of digital literacy among rural schoolchildren, youth, middle-aged and elderly adults, and new immigrants. ● With education as the foundation, connecting the core strategies of economy, culture, and society, the program combines digital creativity and branding aesthetics experience to develop six major digital power course modules. It guides rural learners to explore emerging learning fields, promoting rural economic growth in the Hsinchu and Miaoli areas through urban-rural sustainable development. The program enhances digital literacy, community digital application education, and meets the public's information capability needs. It also markets industry economies by introducing branding aesthetics design, guiding small farmers, skilled artisans, and professionals to establish marketing platforms, video records, live-streaming promotion, and other marketing skills. Additionally, it documents cultural history, collaborates with local groups to develop unique topics, and accumulates capabilities for local revitalization and transformation.
Collaboration with stakeholders	Government agencies, experts and scholars, community organizations, agricultural professionals, skilled artisans, group employees, and non-profit organizations

1. The Ministry of Education's "Hsinchu County and Miaoli County Digital Opportunity Center Project"

The BenQ Foundation has long been implementing the Ministry of Education's "Hsinchu County and Miaoli County Digital Opportunity Center (DOC) Guidance Project," dedicated to digital care in remote areas. Since 2008, the Foundation has assisted the Hsinchu County and Miaoli County DOCs in applying digital capabilities to execute local development work, marketing local agricultural products, and recording community cultural history and cultural heritage. Through care for education, culture, and industry, it promotes the learning of emerging technologies and the enhancement of digital literacy among rural schoolchildren, youth, middle-aged and elderly adults, and new immigrants.

BenQ Foundation's Operational Effectiveness and Impact:

The BenQ Foundation, in collaboration with the Qisda volunteer team, has dedicated years of effort to the Digital Opportunity Center (DOC) initiative and has established strong partnerships, unearthing and accumulating local economic and cultural values. Through digital empowerment, the foundation strives towards digital equality, promotes local industrial development, supports regional revitalization, and fosters a more equal and harmonious society. In alignment with the Ministry of Education's sixth-phase "Digital Inclusion and Capacity-Building Program," the foundation has planned value-added services to promote sustainable and digital development in the remote areas of Hsinchu and Miaoli. The focus is on urban-rural sustainable development and stimulating rural economic growth, while building a sustainable digital ecosystem for cities and villages, encouraging symbiotic urban-rural development. This enables rural areas to become platforms for innovation practices, where traditional and new businesses can converge and interact.

The foundation assists DOC in executing locally relevant development initiatives. Based on gradual accumulation, the foundation integrates local needs and diverse development strategies, helping areas grow step by step. From initial establishment to daily basic operations, offering both basic and advanced information courses, and supporting DOC in promoting local culture and characteristics, the foundation has achieved significant results.

In 2024, a total of 558 hours of information technology courses will be offered in Hsinchu County and Miaoli County. These courses aim to establish a comprehensive digital empowerment system through a systematic curriculum, dedicated to bridging the digital divide caused by regional and age disparities, and nurturing digital talent in rural areas. This initiative includes courses supported by group resources, such as "DOC Academy – Intelligent Hearing Aid" and "Online Health," which will engage 2,787 individuals in digital learning. As a pioneer in digital applications, the BenQ Foundation is exploring innovative and engaging digital experiences for participants through the curriculum. By integrating the Group's medical and information and communication technology expertise, the foundation continuously develops new course content to enhance the impact on health, well-being, and quality education.

To expand local sustainable impact in the post-pandemic era and amidst the digital transformation wave, as well as the rapid development of the Metaverse and generative AI, the Digital Opportunity Centers (DOCs) in rural agricultural villages and indigenous communities in the Hsinchu and Miaoli regions must further contemplate how to cultivate resilience in response to large-scale environmental changes. In 2024, with the vision of "Building a Sustainable City and Community Digital Ecosystem," three major development themes were planned: "Smart Citizens," "Homeland Economy," and "Cultural Continuity." By integrating digital education with sustainability issues, the aim is to enhance the resilience of rural communities in adapting to global sustainable development trends.

"Smart Citizens": Cultivate the public's ability to engage in local public affairs, enhancing information literacy and awareness of technology ethics.

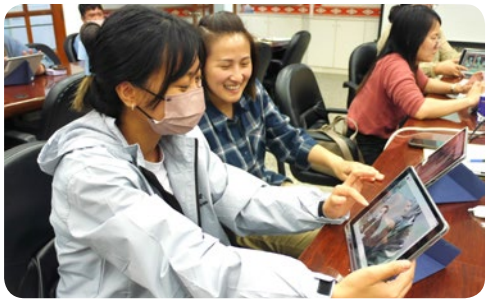
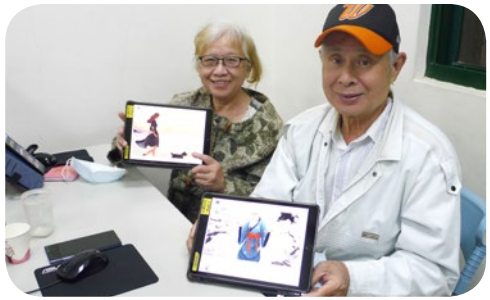
"Homeland Economy": Assist local industries in adopting innovative marketing strategies and developing sustainable community-based business models.

"Cultural Continuity": Utilize emerging technologies to revitalize local cultural assets, promoting intergenerational learning and cultural heritage preservation.

"Smart Citizens": Launched mobile digital lifestyle courses for middle-aged and elderly individuals, enhancing health care and cybersecurity awareness while strengthening the application of emerging digital technologies. Courses were held in 14 townships. "Homeland Economy": Collaborated with communities to support sustainable economic development, offering 45 hours of digital training for small farmers and businesses. Connected 47 small farmers and businesses, and for ten consecutive years, partnered with the Group to implement the "DOC Small Market." Through this market, we raised awareness of environmental care, supported friendly farming practices, and highlighted small farm brands with pure cultivation and a commitment to land preservation. The initiative directly benefited local economies, generating a total of NT$2,465,688 in small farmer economic sales. We also organized "DOC Volunteer Trips," partnering with the Group's Earth Volunteers. Seasonal agricultural tasks and coastal clean-up activities deepened awareness of land, environment, and industry. The initiative involved 230 volunteers from 11 companies and facilitated five ESG action events connecting businesses with rural areas in the Hsinchu and Miaoli regions. "Cultural Continuity": Led community members in preserving local cultural landscapes through digital technology, building digital archives to foster community recognition of local culture. A total of 995 participants engaged in cultural preservation education and advocacy.

The Ministry of Education's "Digital Opportunity Center (DOC) Guidance Project for Hsinchu County and Miaoli County" Focuses on Digital Empowerment, Advancing Digital Equity, Documenting Cultural Landscapes, Marketing Community Industries, and Collaborating on Local Revitalization









2.BenQ Academy — Intelligent Hearing Aid

Leveraging the group's expertise in smart healthcare, the BenQ Foundation, in collaboration with the group's company, New Best Hearing International, has planned the "BenQ Academy – Intelligent Hearing Aid." This initiative partners with local village chiefs and community care centers to organize community health education seminars. The community tour features three key components: presentations by audiologists, individual hearing tests, and health education information dissemination. These sessions introduce hearing health and daily smart healthcare digital resources to the public, promoting the idea that with proper health education and assistive devices, the progression of hearing deterioration can be delayed. Additionally, the program connects with local stores and online customer service systems to offer reliable professional consultations and channels, establishing an effective hearing protection system.

Since 2020, the "BenQ Academy – Intelligent Hearing Aid" project has been executed, with the "Hsinchu County and Miaoli Digital Opportunity Centers" serving as the base. Each year, the initiative has actively expanded its health education services to rural areas. In 2022, the project extended to areas surrounding the group's company headquarters, incorporating care centers in Taoyuan City's Guishan District and Taoyuan District into the service scope. In 2024, the program expanded further to include the Bade District care centers, extending its hearing protection network across Taoyuan City. In 2024, the health education tour included a total of 40 sessions: 5 sessions in Guishan District: Including Dakeng Vil, Chang Gung Vil, Shanding Vil, Xinxing Vil, and Xinlu Vil. 14 sessions in Taoyuan District: Including Xipu Vil, Ruiqing Vil, Huiji Vil, Nanmen Vil, Dongpu Vil, Taipei Veterans General Hospital Taoyuan Branch Care Center, North District Elderly Cultural and Recreational Activity Center, Department of Social Welfare, Taoyuan, U-Land Social Welfare Foundation, Taoyuan City Xiangyang Social Service Association, and Taoyuan City Social Service Care Association (Zhongning). Each of Fenglin Vil and Qingxi Vil had 2 sessions. 11 sessions in Bade District: Including Qieming Vil, Qitong Vil, Ruitai Vil, Ruifeng Vil, Zhuyuan Vil, Da'an Vil, Taiwan Multicultural Social Welfare Association, and two sessions each in Daming Vil and Daqian Vil. Additionally, 10 sessions were held in the Hsinchu-Miaoli region, providing a total of 1,075 elderly individuals with hearing screenings and consultations. This initiative has helped raise awareness among senior citizens about the importance of hearing care and protection.

BenQ Academy – Intelligent Hearing Aid: Hearing Tests, Health Education Knowledge, and Community Outreach Lectures in the Taoyuan, Hsinchu, and Miaoli Regions










County / City	2020		2021		2022		2023		2024		Service Number of Sessions	Service Number of Participants
	Number of Sessions	Number of Participants	Number of Sessions	Number of Participants	Number of Sessions	Number of Participants	Number of Sessions	Number of Participants	Number of Sessions	Number of Participants		
Taoyuan	–		–		20	558	26	736	30	898	76	2,192
Hsinchu	7	123	1	17	5	114	6	136	4	62	23	452
Miaoli	8	167	2	63	7	146	8	188	6	115	31	679
Total	15	290	3	80	32	818	40	1,060	40	1,075	130	3,323

Cultivation of Honesty and Intelligence

Problems Waiting to be Solved	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
UN sustainable development goals	
Our roles	Centered around “Science Popularization and Creative Thinking,” we plan a learning journey that combines science and humanities, integrating creative thinking and experimental spirit into interactive learning. Emphasizing values of integrity, we encourage elementary school students to think critically, explore, collaborate in teams, and cultivate a positive and proactive attitude toward learning. The course focuses on hands-on science education and positive career empowerment for high school students: The Foundation invites youths with outstanding performances in their respective fields to serve as lecturers, sharing the process they took to achieve success, and showing persistence and resilience to encourage more high school students to follow their dreams.
Our actions	“BenQ Honest and Smart Experience Workshop” collaborated with the Indigenous Science Development Center of National Tsing Hua University, the professional teaching team from the Department of Materials Science and Engineering at National Cheng Kung University, and university student mentors to lead elementary students from Shin Shing Elementary School in Hsinchu County, Sanwan Elementary School, Daping Elementary School, Xin Nan Elementary School, Jian Gong Elementary School, and Qiwen Elementary School in Miaoli County. This camp integrated science popularization knowledge and creative thinking into the learning experience. The program included various hands-on science experiments such as “Materials and Rotation,” “The Lenz’s Law and Rotation,” and “The Bernoulli’s Principle and Rotation,” inspiring students to observe and reflect on life through scientific experimentation, and encouraging them to independently explore and solve problems. The “Go Go Giwas” course expanded the students’ cultural perspectives through scientific animations, AR and VR experiences, and artistic creation with the indigenous traditional instrument “kakeng,” showcasing the innovative value of traditional wisdom in the context of technological interaction. “BenQ Dream Action Campus Lecture” Youth Role Model Journey across Taiwan: Taoyuan City, Taichung City, Tainan City, Kaohsiung City, Hsinchu County, Miaoli County, Changhua County, Nantou County, Yunlin County, Chiayi County, Pingtung County, Yilan County, Hualien County, Taitung County, Hsinchu City, Chiayi City, New Taipei City, Taipei City (18 counties and cities). A total of 70 sessions were held throughout the year, reaching 35,959 high school teachers and students, delivering an inspiring driving force for realizing dreams. The event garnered 97 media reports, campus official website features, and social media posts.
Collaboration with stakeholders	Experts, scholars, university faculty and students, elementary school teachers and students, youth role models, high school and vocational school teachers and students

1.BenQ Honesty and Intelligence Experience Workshop

“BenQ Honest and Smart Experience Workshop” is a summer learning journey that sparks knowledge. It explores the world of creativity, challenges the limits of thinking, promotes collaborative learning, and demonstrates a positive and diligent spirit. In collaboration with Professor Fu Li-yu from National Tsing Hua University, Professor Wang-Long Li from National Cheng Kung University, and Former Teacher Cai Zhengli from the Yuan T. Foundation Science Education for All, the camp guides students through science popularization education, scientific inquiry practices, and indigenous culture learning. It inspires an interest in scientific exploration and artistic creation, leading rural students into creative thinking and learning, thereby unlocking imagination, creativity, and a broad cultural perspective.

Year	2020	2021	2022	2023	2024	Total
Total sessions	6	Sessions canceled due to pandemic	2	2	2	12
Number of elementary schools	23		7	3	6	39
Number of attending teachers and students	278		60	86	110	534

The “BenQ Honesty and Intelligence Experience Workshop” Cultivates Values of Integrity through a Journey of Humanities and Science for Students in Rural Areas

















2.BenQ Dream Action Campus Lecture

Inviting youth role models to serve as dream ambassadors and visiting remote mountainous and coastal schools in Taiwan to share their journey of dream realization with senior high and vocational school students, transmitting a positive and proactive message while exploring the infinite possibilities of self-actualization. Since 2015, the lecture series has accumulated a decade of outreach, touring 556 high schools and vocational schools across northern, central, southern, and eastern Taiwan, impacting over 466,787 teachers and students, inspiring countless students to embark on the journey to achieve their dreams.

For the “BenQ Dream Action Campus Lecture” in 2024, the Foundation invited Hsin-Ling Shen, a devotee of public welfare who was selected as one of the ten outstanding youths; Ming-Cheng Huang, who also known as Mr. Candle; Hsing-Ho Chen, a former actor of the Cirque du Soleil; Yoyo Yang, a yo-yo master; Po-Han Huang, a magician of The Magic Castle in Hollywood; Jeff Lee, the magician and winner of the champion at The Grand Master Asia; Chia-Ying Wu, an adversity coach; and Yung-Kun Lai, the responsible person of the Miwan Fruit Shop; Wei-Sheng Cheng, the leader of the Againstwind, and Ya-Sheng Huang, a local education advocate to tour through 18 counties and cities, including Keelung City, Taipei City, New Taipei City, Taoyuan City, Hsinchu City, Hsinchu County, Miaoli County, Taichung City, Nantou County, Changhua County, Yunlin County, Chiayi County, Tainan City, Kaohsiung City, Pingtung County, Yilan County, Hualien County, and Taitung County, engaging with 35,959 teachers and students from 70 high schools and vocational schools. They shared inspiring stories of realizing dreams, offering great role models for students to learn from.

County / City	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
Keelung City	–	–	–	–	–	–	1	–	–	–	1
Taipei City	–	–	–	–	–	–	–	–	–	2	2
New Taipei City	–	–	–	–	1	1	–	1	–	1	4
Taoyuan City	9	10	8	9	1	3	1	3	3	3	50
Hsinchu City	4	5	1	3	–	–	–	1	0	1	15
Hsinchu County	6	4	5	5	2	1	1	1	2	3	30
Miaoli County	4	5	4	7	2	1	2	2	1	4	32
Taichung City		9	13	22	13	11	4	6	5	10	93
Nantou County	1	2	9	7	2	1	–	5	3	5	35
Changhua County	–	5	13	12	9	8	7	3	6	4	67
Yunlin County	–	1	1	8	1	2	–	1	2	1	17
Chiayi County	–	1	3	4	7	4	2	3	3	1	28
Tainan City	–	–	–	3	12	14	4	4	13	15	65
Kaohsiung City	–	–	–	3	14	12	4	6	5	10	54
Pingtung County	–	–	–	2	6	4	1	3	4	3	23
Yilan County	–	1	–	3	1	1	3	2	4	5	20
Hualien County	–	–	–	3	–	4	1	2	1	1	12
Taitung County	–	–	–	–	1	3	–	2	1	1	8
Total sessions	24	43	57	91	72	70	31	45	53	70	556
Number of participants	24,040	42,922	59,000	80,962	77,349	57,046	24,652	30,107	35,299	35,959	467,336

The "BenQ Dream Action Campus Lecture" Features Youth Role Models Who Share Their Life Stories in Educational Settings, Conveying a Positive and Proactive Influence























Increasing Value in Original Culture

Problems to be Solved	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
UN sustainable development goals	4 QUALITY EDUCATION
Our roles	The promotion of original culture builds an international exchange platform, supporting and encouraging domestic and international sculptors to create on-site. The sculptures are displayed in public spaces within the Group's company and donated to county and city government cultural spaces, enhancing the public's appreciation of original culture. The Company regularly holds sculpture exhibitions, fostering employees' aesthetic and art appreciation skills.
Our actions	Arranging sculpture model works for exhibition within the Group's company, creating a public art space.
Collaboration with stakeholders	Experts, scholars, artists, and group employees

BenQ International Sculpture Workshop

The "BenQ International Sculpture Workshop" promotes between domestic and international sculptors. Through a month-long on-site creation format, it attracts young students and the public who are interested in sculpture, allowing them to closely engage with the sculpture creation process. The BenQ Foundation has been deeply involved in modern sculpture art in Taiwan, opening up new perspectives across various fields. Since 2010, it has continuously organized six sessions of the "BenQ International Sculpture Workshop," establishing a positive experience and image of Taiwan in the international art community, and leaving behind 90 sculptural treasures for Taiwan.

Since 2021, the BenQ Foundation has been promoting public art aesthetics by organizing permanent sculpture model exhibitions in the public spaces of 16 group companies, including BenQ Corporation, BenQ Materials, Qisda, Darfon Electronics, DFI, ACE PILLAR, Data Image, AEWIN Technologies, Alpha Networks, Hitron Technologies, Interactive Digital Technologies, Unictron Technologies Corporation, Partner Tech, MetaAge, and WEB-PRO. This initiative enhances employees' appreciation of humanities and aesthetics, allowing them to experience the artistic beauty of sculptures in their daily lives.

The "BenQ International Sculpture Workshop" Sculpture Model Exhibition Highlights the Unique Aesthetic and Artistic Ambiance of the Group company's Public Spaces



5 ESG Sustainability Performance

- 2024 Sustainability Performance
- Development Status of Short, Medium, and Long-Term Goals



2024 Sustainability Performance



Corporate Governance

100% attendance rate of the Board of Directors	Global No.3 projector shipment volume
Global No.2 LCD display shipment volume	Corporate governance assessment: 6 to 20%
Customer satisfaction score: 94	The proportion of local procurement: 75.8%
Acquired 76 high-quality patents	bringing the total to 1,305 valid patents



Employee Society

Code of Conduct Training Completion Rate: 100%	Employee Engagement Score: 4.67
Average employee training hours: 32.7 hours; Proportion of digital courses in response to digital transformation: 79%	Accumulated working hours without occupational accidents: 2.73 million hours
Employees' participation in public welfare activities: A total of 1,349 hours in a year	Annual sustainability talent development in the Group: 62 certified sustainability managers and 38 certified net-zero managers
Upgrades in supplier carbon reduction capability: 2 cohorts of Product Carbon Footprint Training, a total of 113 suppliers were trained during the year	



Environmental Protection

SBTi: Passed the target review	Obtained Gold-level Zero Waste to Landfill certification at the China and Vietnam sites.	The waste recycling rate has increased by 2.93% compared to the previous year	The generation of renewable energy totaled approximately 5.91 million kWh, while the total procurement of renewable energy certificates reached 39,064 MWh.
Energy savings by 2,589 MWh and a reduction in carbon emissions by 1,481 tons CO2e	Annual improvement efficiency of green product energy by product line: 3.39% in monitors; 2.8% in projectors.	All manufacturing sites have passed ISO 14001 environmental management system verification	The exhaust gas collection pipeline at the Suzhou plant site has been fully replaced and has received an environmental protection subsidy of RMB 3.17 million.

Development Status of Short, Medium, and Long-Term Goals

Material Issue	Performance Indicator	2024 Achievements	Goal		
			Short-term	Medium-term	Long-term
Operational and financial performance	Profit from high-value-added business	2024 financial report reveals the impact of climate-related risks	2025: Grow incrementally	2027: Over 50% of the profit	2030: Continuously create long-term value
Customer Relationship Management	Customer satisfaction score	**94**	2025: **93**	2030: **95**	2040: **95**
Sustainable Supply Chain Management	Supplier carbon reduction	One online training session on greenhouse gas inventory (in English) was conducted, with a total of 19 suppliers participated. Two online sessions on product carbon footprint were held, with a total of 113 suppliers participating.	2025: Suppliers reduce carbon emissions by **3%**	2030: Suppliers reduce carbon emissions by **30%**	2040: Continuously manage supplier carbon reduction
Climate Strategy	Absolute reduction: Scope 1 and 2 GHG emissions	A **32.6%** reduction (including renewable energy)	Reduce emissions by **16.8%** by 2025 (compared to 2021)	Reduce emissions by **42%** by 2030 (compared to 2021)	Reach carbon neutrality by 2040
R&D and Innovation of Green Products	Improve energy efficiency of key product lines	Display: **3.39%** Projector: **2.8%**	Improve energy efficiency of display product line to **4%** by 2025 Projector: Increase by **1%** per year	Improve energy efficiency of display product line to **14%** by 2030 Improve the energy efficiency of the projector product line to **7%** by 2030	
Waste Management	Proportion of recyclable waste	**93.9%**	2025: Reach **92.5%**	2030: Reach **95%**	2040: **Become a Zero-Waste factory**
Energy management	Renewable energy consumption	Up to **36.7%** use of renewable energy	2025: **32%** use of renewable energy	2030: **60%** use of renewable energy	2024: **100%** use of renewable energy
Talent Policy	Average Engagement Surve	The result of the Employee Engagement Survey: **4.67**	2025: **4.7**	2030: **4.7**	
Employee Training and Development	Education and training: the effect of Continuous Improvement Program on revenue	Represent **1%** of revenue	Represent **1%** of revenue by 2025	Represent **1%** of revenue by 2030	Represent **1%** of revenue by 2040
Occupational health and safety	Zero occupational disease; FR/SR is superior to the standards announced by the public sector	**0** occupational disease, **0** fire, FR: **0.320**, SR: **8.46**	By 2025: **0** occupational disease, **0** fire, FR<**0.1**, SR<**4.7**	By 2030: **0** occupational disease, **0** fire, FR<**0.08**, SR<**3.8**	By 2040: **0** occupational disease, **0** fire, FR=**0**, SR=**0**

6 Sustainability Disclosure

- GRI Index
- SASB Metrics
- Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies – Sustainability Disclosure Indicators
- TCFD Index
- Table of Quantified Key Performance Indicator for Sustainable Development
- Assessment of the Current Status of Qisda's Compliance with the Financial Supervisory Commission (FSC)'s Roadmap for Sustainable Development
- Qisda's ESG Activity Video
- ISO 26000 Index
- SDG Index
- Qisda Management Systems for SDGs
- Independent Assurance Statement



GRI Index

GRI 2 General disclosures 2021

Goal	Item of disclosure	GRI Disclosure	Corresponding chapter/explanation	Page Number	Remarks	External assurance
The organization and its reporting practices	2-1 Organizational details	2-1-a	About the Report	003		●
		2-1-b	About the Report	003		●
		2-1-c	About the Report	003		●
		2-1-d	About the Report	003		●
	2-2 Entities included in the organization's sustainability reporting	2-2-a	About the Report	003		●
		2-2-b	About the Report			●
		2-2-c	N/A			●
	2-3 Reporting period, frequency and contact point	2-3-a	About the Report	003		●
		2-3-b	About the Report	003		●
		2-3-c	About the Report	003		●
		2-3-d	About the Report	003		●
	2-4 Restatements of information	2-4-a	1.6 Information and Privacy Security 2.7 Green Products and Circularity 3.2 Talent Attraction and Development 3.4 Occupational Health and Safety Management	058 128 147 180	The revised information is detailed in the sections on the left.	●
	2-5 External assurance	2-5-a	About the Report	003		●
		2-5-b	About the Report	003		●

Statement of use: The Qisda 2024 Sustainability Report is reported in compliance with GRI Standards. The reporting period of data and information disclosed is from January 1, 2024 to December 31, 2024
GRI 1 used: Foundation 2021
Applicable GRI Sector Standard/s: N/A

GRI 2 General disclosures 2021

Goal	Item of disclosure	GRI Disclosure	Corresponding chapter/explanation	Page Number	Remarks	External assurance
Activities and workers	2-6 Activities, value chain and other business relationships	2-6-a	Business Overview and Organizational Structure	006		●
		2-6-b	Business Overview and Organizational Structure	006		●
		2-6-c	Business Overview and Organizational Structure	006		●
		2-6-d	Business Overview and Organizational Structure	006		●
	2-7 Employees	2-7-a	Talent Attraction and Development	145		●
		2-7-b	Talent Attraction and Development Recruitment of Diverse Talent	145		●
		2-7-c	Talent Attraction and Development	145		●
		2-7-d	Talent Attraction and Development	145		●
		2-7-e	Talent Attraction and Development	145		●
	2-8 Workers who are not employees	2-8-a	Talent Attraction and Development	145		●
		2-8-b	Talent Attraction and Development	145		●
		2-8-c	Talent Attraction and Development	145		●
Governance	2-9 Governance structure and composition	2-9-a	Organization and Operation of Governance	037		●
		2-9-b	Organization and Operation of Governance	037		●
		2-9-c	Organization and Operation of Governance	037		●
	2-10 Nomination and selection of the highest governance body	2-10-a	Structure and Operation of the Board of Directors	037		●
		2-10-b	Election and Diversity of the Board Members	039		
	2-11 Chair of the highest governance body	2-11-a	Structure and Operation of the Board of Directors	037		●
		2-11-b	Structure and Operation of the Board of Directors	037		●

GRI 2 General disclosures 2021

Goal	Item of disclosure	GRI Disclosure	Corresponding chapter/explanation	Page Number	Remarks	External assurance
Governance	2-12 Role of the highest governance body in overseeing the management of impacts	2-12-a	Organization and Operation of Governance	037		●
		2-12-b	Organization and Operation of Governance	037		●
		2-12-c	Organization and Operation of Governance	037		●
	2-13 Delegation of responsibility for managing impacts	2-13-a	Organization and Operation of Governance	037		●
		2-13-b	Organization and Operation of Governance	037		●
	2-14 Role of the highest governance body in sustainability reporting	2-14-a	Organization and Operation of Governance	037		●
		2-14-b	N/A			●
	2-15 Conflicts of interest	2-15-a	Report and Suggestion Communication Mechanism	045		●
		2-15-b	Organization and Operation of Governance	037		●
	2-16 Communication of critical concerns	2-16-a	Organization and Operation of Governance	037		●
		2-16-b	Organization and Operation of Governance	037		●
	2-17 Collective knowledge of the highest governance body	2-17-a	Election and Diversity of the Board Members	039		●
	2-18 Evaluation of the performance of the highest governance body	2-18-a	Organization and Operation of Governance	037		●
		2-18-b	Evaluation of Board Performance	040		●
		2-18-c	Evaluation of Board Performance	040		●

GRI 2 General disclosures 2021

Goal	Item of disclosure	GRI Disclosure	Corresponding chapter/explanation	Page Number	Remarks	External assurance
Governance	2-19 Remuneration policies	2-19-a	Remuneration System for the Directors and Managers	042		●
		2-19-b	Remuneration System for the Directors and Managers	042		●
	2-20 Process to determine remuneration	2-20-a	Organization and Operation of Governance	037		●
		2-20-b	N/A			●
	2-21 Annual total compensation ratio	2-21-a	Taiwan: 16.8 Suzhou, China: 9.3 Vietnam: 8.0			●
		2-21-b	Taiwan: 3.4 Suzhou, China: 0.7 Vietnam: 2.7			●
		2-21-c	GRI 2-21 The annual total compensation ratio can be calculated using the following formula			●
Strategy, policies and practices	2-22 Statement on sustainable development strategy	2-22-a	Sustainable Corporate Governance	016		●
	2-23 Policy commitments	2-23-a	Qisda's Human Rights Policy	175	The Company has not endorsed any collective bargaining agreements with its employees	●
		2-23-b	Qisda's Human Rights Policy	175		●
		2-23-c	Qisda's Human Rights Policy	175		●
		2-23-d	Qisda's Human Rights Policy	175		●
		2-23-e	Qisda's Human Rights Policy	175		●
		2-23-f	Qisda's Human Rights Policy	175		●
	2-24 Embedding policy commitments	2-24-a	Qisda and Our Stakeholders	023		●

GRI 2 General disclosures 2021

Goal	Item of disclosure	GRI Disclosure	Corresponding chapter/explanation	Page Number	Remarks	External assurance
Strategy, policies and practices	2-25 Processes to remediate negative impacts	2-25-a	Qisda and Our Stakeholders	023		●
		2-25-b	Qisda's Human Rights Policy	175		●
		2-25-c	Human Rights Management Measures	175		●
		2-25-d	Human Rights Management Measures	175		●
		2-25-e	Human Rights Management Measures	175		●
	2-26 Mechanisms for seeking advice and raising concerns	2-26-a	Code of Conduct	044		●
	2-27 Legal Compliance	2-27-a	Legal Compliance	047		●
		2-27-b	Legal Compliance	047		●
		2-27-c	Legal Compliance	047		●
		2-27-d	Legal Compliance	047		●
	2-28 Membership associations	2-28-a	Participation in Associations	011		●
Stakeholder engagement	2-29 Approach to stakeholder engagement	2-29-a	Qisda and Our Stakeholders	023		●
	2-30 Collective bargaining agreements	2-30-a	Internal Communication Channels	179	As no employees in Taiwan participate in labor unions, statistics have only been collected from Suzhou and Vietnam	●
		2-30-b	Internal Communication Channels	179	There is no establishment of a labor union in Taiwan	●

GRI 3 Material Topics Disclosure

	Item of disclosure	Page Number
	3-1 Process to determine material topics	23-25
	3-2 List of material topics	26
	3-3 Management of material topics	27-36

GRI 3 Environment-related Material Topics

GRI Standards	Item of disclosure	Page Number
Green Products and Circularity		
301 Materials	301-1 Materials used by weight or volume	141-143
	301-2 Recycled input materials used	142
302 Energy	302-5 Reductions in energy requirements of products and services	141
417 Marketing and Labeling	417-1 Requirements for product and service information and labeling	141
Climate Strategy		
201 Economic Performance	201-2 Financial implications and other risks and opportunities due to climate change	79-101
305 Emissions	305-1 Direct (Scope 1) GHG Emissions	104
Climate Strategy		
305 Emissions	305-2 Energy indirect (Scope 2) GHG Emissions	104
	305-3 Other indirect (Scope 3) GHG Emissions	105
	305-4 GHG Emission Intensity	102
	305-5 Reduction of GHG emissions	102
	305-6 ODS Emissions	111
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	111
Energy Consumption and Conservation		
302 Energy	302-1 Energy consumption within the organization	102
	302-2 Energy consumption outside of the organization	102
	302-3 Energy intensity	102
	302-4 Reduction of energy consumption	102
	302-5 Reductions in energy requirements of products and services	102 129-131 142-143
Waste and Pollutants		
306: Waste	306-1 Waste generation and significant waste-related impacts	110

GRI 3 Governance-related Material Topics

GRI Standards	Item of disclosure	Page Number
Sustainable Supply Chain Management		
204 Procurement Practices	204-1 Proportion of spending on local suppliers	72-73
205 Anti-Corruption	205-2 Communication and training about anti-corruption policies and procedures	44
301 Materials	301-1 Materials used by weight or volume	140-143
	301-2 Recycled input materials used	142
308 Supplier Environmental Assessment	308-1 New suppliers that were screened using environmental criteria	66
	308-2 Negative environmental impacts in the supply chain and actions taken	67
414 Supplier Social Assessment	414-1 New suppliers that were screened using social criteria	65-66
	414-2 Negative social impacts in the supply chain and actions taken	67-68
Customer Relationship Management		
416 Customer Health and Safety	416-1 Assessment of the health and safety impacts of product and service categories	123-141
	416-2b Incidents of non-compliance concerning the health and safety impacts of products and services	78 138
417 Marketing and Labeling	417-1 Requirements for product and service information and labeling	140
	417-2 Incidents of non-compliance concerning product and service information and labeling	78 138
	417-3 Incidents of non-compliance concerning marketing communications	78 138

GRI Standards	Item of disclosure	Page Number
Client Relationship Management		
418 Customer Privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	61
Self-Disclosure	Customer satisfaction score: 94	76
Operational Performance		
201 Economic Performance	201-1 Direct economic value generated and distributed	47
	201-2 Financial implications and other risks and opportunities due to climate change	79-101
	201-3 Defined benefit plan obligations and other retirement plans	160
202 Market Presence	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	156
	202-2 Proportion of senior management hired from the local community	150
203 Indirect Economic Impacts	203-1 Infrastructure investments and services supported	190
	203-2 Significant indirect economic impacts	27-35
205 Anti-Corruption	205-1 Operations assessed for risks related to corruption	44
	205-2 Communication and training about anti-corruption policies and procedures	44
	205-3 Confirmed incidents of corruption and actions taken	44
206 Anti-competitive Behavior	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	47

GRI 3 Social-related Material Topics

GRI Standards	Item of disclosure	Page Number
Talent Policy		
201 Economic Performance	201-3 Defined benefit plan obligations and other retirement plans	160
202 Market Presence	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	157
	202-2 Proportion of senior management hired from the local community	149
401 Employment	401-1 New employee hires and employee turnover	147 102
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	158
	401-3 Parental leave	159
Employee Training and Development		
404 Training and Education	404-1 Average hours of training per year per employee	167
	404-3 Percentage of employees receiving regular performance and career development reviews	173

GRI Standards	Item of disclosure	Page Number
Occupational Safety, Health, and Management		
403 Occupational Health and Safety	403-1 Occupational health and safety management system	184
	403-2 Hazard identification, risk assessment, and incident investigation	184
	403-3 Occupational health services	180
	403-4 Worker participation, consultation, and communication on occupational health and safety	186
	403-5 Worker training on occupational health and safety	185-186
	403-6 Promotion of worker health	180
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	185
	403-8 Workers covered by an occupational health and safety management system	188-189
	403-9 Work-related injuries	186
	403-10 Work-related ill health	180

SASB Metrics

Metric No.	Disclosure Metrics	Statistics	Relevant Chapter	Page No.	Remarks
Water Management					
TC-ES-140 a.1	(1) Total water withdrawn	379.65 thousand cubic meters	Making Good Use of Water Resources	104	Suzhou Plant and Vietnam Plant are located in water-stressed areas
	(2) Total water consumed, percentage of each in regions with High or Extremely High baseline water stress	80.84%			
Waste Management					
TC-ES-150 a.1	Total amount of hazardous waste	Total amount: 373 metric tons	Waste Recycling	110	
	Recycling rate	Recycling rate: 94%			
Labor Practices					
TC-ES-310 a.1	(1) Number of work stoppages	0	Occupational Health and Safety Management	180	For all factories: No related accidents occurred in 2024
	(2) Total days idle	46 days			
Labor Status					
TC-ES-320 a.1	For full-time employees and contract employees: (1) Recordable injury rate	Injury rate for direct employees: 1.92	Occupational Health and Safety Management	180	
		Injury rate for contract employees: 0			
	For full-time employees and contract employees: (2) Near miss frequency rate	NMFR for direct employees: 0			
		NMFR for contract employees: 0			

Metric No.	Disclosure Metrics	Statistics	Relevant Chapter	Page No.	Remarks
Labor Status					
TC-ES-320 a.2	(1) Percentage of entity's facilities audited in the RBA Validated Audit Process (VAP) or equivalent by: (a) All facilities	83.33%	Sustainable Supply Chain Management	063	a. Facilities: 6 b. Facilities passing the RBA audit: 5 Percentage: 83.33%
	(2) Percentage of entity's facilities audited in the RBA Validated Audit Process (VAP) or equivalent by: (b) High-risk facilities	0%			High-risk facilities: None
	(3) Percentage of Tier 1 suppliers audited in the RBA Validated Audit Process (VAP) or equivalent by: (a) All suppliers	5.69%			Number of Tier 1 suppliers: 686 suppliers Suppliers passing the RBA audit equivalent: 39 Percentage: 5.69%
	(4) Percentage of Tier 1 suppliers audited in the RBA Validated Audit Process (VAP) or equivalent by: (b) High-risk suppliers	N/A			Currently no relevant statistic
TC-ES-320 a.3	(1) The entity's facilities' non-conformance rate with the RBA Validated Audit Process or equivalent	The entity's facilities' non-conformance rate with each audit dimension is shown in the table below (1)	Sustainable Supply Chain Management	063	Amount of non-conformances of each audit dimension for the entity's facilities/ Total amount of non-conformances for the entity's facilities
	(a) The entity's facilities' improvement rate of prioritized deficiencies for the RBA Validated Audit Process or equivalent	0%			Priority non-conformances of facilities: None
	(b) The entity's facilities' improvement rate of other deficiencies for the RBA Validated Audit Process or equivalent	64.71%			Other Priority non-conformances of facilities: Total items: 17 Improved items: 11 Improvement rate: 64.71%

Metric No.	Disclosure Metrics	Statistics	Relevant Chapter	Page No.	Remarks
		Labor Status			
TC-ES-320 a.3	(2) Tier 1 supplier facilities' non-conformance rate with the RBA Validated Audit Process or equivalent	Tier 1 suppliers' non-conformance rate with each audit dimension is shown in the table below (2)	Sustainable Supply Chain Management	063	Amount of non-conformances of each audit dimension for the Tier1 suppliers/Total amount of non-conformances for the Tier1 suppliers
	(a) Tier 1 supplier facilities' priority non-conformance rate with the RBA Validated Audit Process or equivalent	0%			Priority non-conformances of Tier 1 suppliers: 1 item
	(b) Tier 1 supplier facilities' other non-conformance rate with the RBA Validated Audit Process or equivalent	90.63%			Other non-conformances of Tier 1 suppliers: Total items: 128 Improved items: 116 Improvement rate: 90.63%
		Product Lifecycle Management			
TC-ES-410 a.1	Total global recycling of waste products; metric tons (t), (%); percentage of the weight recovered in the weight of products sold	N/A			Qisda is an Original Design Manufacturer (ODM). The ownership of the products is transferred to the customer when they are shipped to the customer together with the package. Therefore, the products cannot be recycled.
		Materials Sourcing			
TC-ES-440 a.1	Description of the management of risks associated with the use of critical materials	Qisda supports the boycott activities of the international society for conflict minerals and establishes the Qisda Conflict Mineral Commitment. In addition, we refer to the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas of the Organization for Economic Cooperation and Development and work with the suppliers to perform conflict mineral investigations in order to prevent direct or indirect purchase of the conflict minerals by the suppliers.	Conflict Minerals Management	073	

TC-ES-320 a.3

(1) Amount of non-conformances of each audit dimension for the entity's facilities/Total amount of non-conformances for the entity's facilities

	Labor	Health and safety	Environment	Ethics	Management system
Proportion ratio in non-compliance of priority non-conformances	0%	0%	0%	0%	0%
Proportion ratio in non-compliance of other non-conformances	76.47%	5.88%	11.76%	5.88%	0%

(2) Amount of non-conformances of each audit dimension for the Tier1 suppliers/Total amount of non-conformances for the Tier1 suppliers

	Labor	Health and safety	Environment	Ethics	Management system
Proportion ratio in non-compliance of priority non-conformances	0%	0%	0%	0%	0%
Proportion ratio in non-compliance of other non-conformances	22.66%	62.50%	7.81%	3.91%	3.13%

Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies – Sustainability Disclosure Indicators

Appendix 1-9: Sustainability Disclosure Indicators -Computer and Peripheral Equipment Industry

No.	Indicator	Indicator Type	Annual Disclosure	Unit	Remarks
I	Total energy consumption, percentage of purchased electricity, utilization rate (renewable energy)	Quantitative	1. Total Global Energy Consumed: 435,428GJ 2. Purchased Electricity (percentage, %) : 72.3% 3. Percentage Renewable: 4.1% 4. Purchased Renewable Energy Certificates: 32.7%	Gigajoules (GJ), percentage (%)	2.3 Energy Consumption and Conservation
II	Total water withdrawn, total water consumption	Quantitative	1. Total water withdrawn: 379,656 thousand cubic meters (m^3) 2. Total water consumption: 303,725 thousand cubic meters (m^3)	Thousand cubic meters (m^3)	2.4 Making Good Use of Water Resources
III	Total hazardous waste generated and percentage recycled	Quantitative	Hazardous Waste: 373(t) Percentage of Hazardous Waste recycled: 44.26% Percentage of Total Waste recycled: 94%	Metric tons (t), percentage (%)	2.5 Waste and Pollutants
IV	Types of, number of employees in and rate of occupational accidents	Quantitative	Occupational Accident: Physical hazards Number of employees: 2 FR: 0.098 SR: 2.264	Percentage (%), quantity	3.4 Occupational Safety, Health, and Management
V	Product Lifecycle Management Disclosure: including weights of scraps and electronic waste and percentage recycled (Note 1)	Quantitative	1. Electronic Waste produced by manufacturing (including scrapped products): 162 tons (t) 2. Recycling rate: 44.26%	Metric tons (t), percentage (%)	
VI	Description of the management of risks associated with the use of critical materials	Qualitative description	Qisda supports the boycott activities of the international society for conflict minerals and establishes the Qisda Conflict Mineral Commitment. In addition, we refer to the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas of the Organization for Economic Cooperation and Development and work with the suppliers to perform conflict mineral investigations in order to prevent direct or indirect purchase of the conflict minerals by the suppliers.	Not applicable	1.7 Sustainable supply chain management
VII	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	Quantitative	Not acted in violation of competition law Total amount of pecuniary loss: NT$ 0	Reporting currency	1.2 Code of Conduct
VIII	Production by product category	Quantitative	LCD Display shipment volume: 16.2 million units	Varies by product category	

Note I: Descriptions including the sale of scraps and the recycling and processing of waste shall be provided.

TCFD Index

Core Elements	Description	Recommended Disclosures	The Company's Management	Corresponding Chapter in the 2023 Report	Page Number
Governance	Disclose of the organization's governance around climate-related risks and opportunities	(a) Describe how the Board oversees climate-related risks and opportunities (b) Describe management's role in assessing and managing climate-related risks and opportunities	● The Corporate Sustainability Development Committee, established at the board level, formulates the vision, strategies, and objectives for corporate sustainability development. The ESG Committee promotes sustainability-related initiatives, while the Risk Management Committee conducts an annual assessment of climate change risks and opportunities. Based on the annual risk identification results, response plans are developed for significant risks, including climate change risks, and the outcomes of these risk responses are reported to the board annually. ● Based on the results of the annual risk identification process, response plans are developed for material risks(including climate-related risks) and the outcomes of these risk responses are reported to the Board of Directors on an annual basis.	Climate Adaptation and Mitigation Governance	080
Strategy	Disclose of the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material	(a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term (b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning (c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios	● Physical risks were assessed using climate simulations for the year 2050 based on the three RCP scenarios defined by the IPCC, in order to identify short-, medium-, and long-term climate-related risks and opportunities. ● Regarding transformation risks, setting the short-, medium-, and long-term targets for carbon reduction and disclosing the operational and financial impacts of both upstream and downstream based on the NDC scenarios. Creating the risk matrix based on likelihood and severity of risk events. Also, the potential operational risks and their financial impacts are responded and addressed by relevant units.	Climate Adaptation and Mitigation Strategy	080
Risk Management	Disclose of how the organization identifies, assesses, and manages climate-related risks	(a) Describe the organization's processes for identifying and assessing climate-related risks (b) Describe the organization's processes for managing climate-related risks (c) Describe how the organization integrates the mechanisms for reviewing, assessing, and managing climate-related risks into its overall risk management system	● Using both internal and external information (external reports on risks and internal material issues) as a reference to assess the risks based on the level of severity and likelihood, identify material risks. Additionally, developing risk reduction measures to make residual risks are well below the risk appetite. ● The Risk Management Committee formulates response strategies for the risks of the year (climate risks have been listed as a significant risk since 2017) each year, and devises the business continuity plan (BCP) for common risks.	Climate Adaptation and Mitigation Risk Management	081
Metrics and Targets	Disclose of the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	(a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management processes. (b) Disclose Scope 1, Scope 2, and, if applicable, Scope 3 greenhouse gas (GHG) emissions, and the related risks. (c) Describe the targets set by the organization to manage climate-related risks and opportunities, and the performance against those targets.	● Qisda has announced its commitment to achieving RE100 by 2040 and net-zero carbon emissions by 2050. ● Required suppliers to cut carbon emissions by 30% by 2030 (compared to the year of 2021) ● Established the short-, medium-, and long-term targets regarding GHG inventory, renewable energy, water resources, water recycling, low-carbon manufacturing, and low-carbon products in response to climate change risks	Climate Adaptation and Mitigation Metrics and Targets	081

Table of Quantified Key Performance Indicator for Sustainable Development

Table of Quantified Key Performance Indicator for Sustainable Development (Past 4 years: 2021~2024)

Environmental							
Item / Year	2021	2022	2023	2024	Note	GRI Disclosure	Chapter
Total Raw Material Consumption							
Tin (solder paste, bars, wire) (tons)	237	192	151	93	Statistical data includes the Vietnam Plant (QVH) starting from 2021	301-1	N/A
Flux (tons)	273	127	111	114			
Hardware (10,000 tonnes)	1.21	1.01	0.90	0.77			
Primary Energy Consumption							
Natural gas (1,000 cubic meters)	637.23	339.16	198.53	314.06	Statistical data includes the Vietnam Plant (QVH) starting from 2021	302-1	2.3.2 Energy Consumption
Gasoline (tons)	13.9	99.97	96.86	193.33			
Diesel fuel (tons)	10.8	14.68	29.58	28.10			
Indirect Energy Consumption							
Purchased electricity (10,000 MWh)	127,900,000	117,846,382	109,008,914	114,919,455	Statistical data includes the Vietnam Plant (QVH) starting from 2021	302-2	2.3.2 Energy Consumption
Total Water Consumption							
Total Global Water Withdrawal (100,000 m^3)	5.18	4.41	4.17	3.80	Statistical data includes the Vietnam Plant (QVH) starting from 2021	303-3 (2018)	2.4.2 Utilization of Water
Water consumption per million USD value (tons)	106	105	142	131	Increased 22.76% compared to that of 2021		2.4.2 Utilization of Water
Total Global Domestic Wastewater Discharge (100,000 m^3)	4.14	3.53	3.33	3.04	Statistical data includes the Vietnam Plant (QVH) starting from 2021	303-2 (2018)	2.4.2 Utilization of Water

Environmental							
Item / Year	2021	2022	2023	2024	Note	GRI Disclosure	Chapter
GHG emissions equivalent							
Total direct GHG emissions (tCO2e)	2,292.75	4,804.97	3,501.04	2,574.93	1. The organization's GHG emissions in each year have been verified by a third party by the standard for GHG inventory (ISO 14064-1:2018) 2. Statistical data includes the Vietnam Plant (QVH) starting from 2021	305-2	2.3.3 GHG Emissions
Indirect GHG emissions from energy consumption (tCO2e)	102,262.35	70,758.59	48,404.86	45,781.74			
Other indirect GHG emissions (tCO2e)	76.39	1,801.85	1,755.84	2,087.02	2020 : Business travels were counted 2021 : Business travels and employee commutes were counted 2022/2023 : Business travels, employee commutes, energy-related upstream activities, and waste disposal at the manufacturing stage were counted	305-3	2.3.3 GHG Emissions
Greenhouse gas emission per million USD value (tCO2e)	21.9	17.7	17.7	16.62	Reduced 24.16% compared to that of 2021	N/A	2.3.4 Reduction Targets and Commitments
Energy consumption per million USD value (kWh)	27,532.32	29,436.44	38,957.51	41,179.74	Increased 49.57% compared to that of 2021	305-4	
Global GHG emissions per personal hourly electricity consumption (kilogram of CO2e)	2.5	1.92	1.77	2.19	Reduced 12.4% compared to that of 2021	305-4	
Waste Management							
Total recyclable waste globally (%)	91.26	90.06	91.55	93.94	Remained the same as 2022	306-2	2.5.1 Waste Management
Total recyclable waste globally (metric tons)	37,619	31,561	24,317	12,873	Statistical data includes the Vietnam Plant (QVH) starting from 2021		
Total burned non-recyclable waste globally (metric tons)	3184	2776	1818	653			
Total non-hazardous waste (metric tons)	40,606	34,174	25,979	13,739			
Total hazardous waste (metric tons)	627	877	721	373	Referring to SASB Disclosure data in 2022 Discloses statistical data for the year 2024		
Released Chemicals and Other Substances							
Total number and volume of released chemicals and other substances	0	0	0	0		306-3	3.4.2 Occupational Health and Safety Management
Violations of Environmental Regulations							
Number of non-compliance with environmental laws and regulations and total monetary value of fines	0	0	0	0		307-1	2.1 Environmental Policy and Management
Environmental Investment							
Total amount of investment/expense in environmental protection (USD$10,000)	697.79	313.74	304.03	122.25		N/A	N/A

Social							
Item / Year	2021	2022	2023	2024	Note	GRI Disclosure	Chapter
Occupational Health and Safety Management Performance							
Number of occupational accidents	4	6	4	3	1. Statistics are recorded for every 1,000,000 hours 2. Statistical data includes the Vietnam Plant (QVH) starting from 2021	403-2	3.4.2 Occupational Health and Safety Management
Disabling Injury Frequency Rate (FR)	6	4	3	2			
Disabling Injury Severity Rate (SR)	0.144	0.111	0.110	0.098			
Occupational diseases rate (ODR)	3.86	1.475	5.258	2.264			
Number of work stoppages (times)	0	0	0	0			
Human Rights Management							
Incidents of discrimination	0	0	0	0		406-1	3.3.3 Human Rights Management System
Human rights complaints	0	0	0	1		103-2	
Employees' participation rate in labor unions (%)	3.69	7.54	10.15	21.12	Data consists of statistics from mainland China and Vietnam		3.3.4 Internal Communication Channels
Employee Code of Conduct Training Percentage							
Taiwan (%)	DL:100 IDL:100	DL:100 IDL:100	DL:100 IDL:100	DL:100 IDL:100	1. DL: Direct labor 2. IDL: Indirect labor	205-2	1.2 Code of Conduct
Suzhou, China (%)	DL:100 IDL:100	DL:100 IDL:100	DL:100 IDL:100	DL:100 IDL:100			
Vietnam (%)	DL:100 IDL:100	DL:100 IDL:100	DL:100 IDL:100	DL:100 IDL:100			
Political contributions							
Sum of political contribution	0	0	0	0		415-1	GRI Standards Index
Violations of Social Relevant Regulations							
Number of social relevant regulation violations and fines	0	0	0	0		419-1	1.3 Legal Compliance

Social							
Item / Year	2021	2022	2023	2024	Note	GRI Disclosure	Chapter
Customer Satisfaction Survey Results (Points)							
Medical image	94	98	95	96	The digital fashion center (Lighting) category was added in 2019	N/A	1.8 Customer Satisfaction
Precision optics	93	94	93	92			
Displays	97	96	94	97			
Manufacturing services	95	93	94	94			
Digital fashion design center	95	95	94	94			
Violations of Marketing Regulations							
Incidents of non-compliance with regulations concerning marketing communications	0	0	0	0		417-3	1.3 Legal Compliance
Customer Privacy							
Customer privacy violation complaints	0	0	0	0		418-1	1.6.3 Privacy Protection
Supply Chain Inspection							
Inspection and audit of social responsibility, and environmental health and safety of key suppliers (number of key suppliers)	24	37	22	39	1. We changed the inspection methods in 1.2016. We act concerning the Responsible Business Alliance (RBA) Code of Conduct and mainly perform on-site audits. 2. All human resources agencies and in-plant service providers have been included since 2019.	302-2 414-2	Please refer to the table on the left
Written inspections and audits of key suppliers Completion rate	96%	97%	95.7%	100%		302-2 414-2	Please refer to the table on the left

Economic							
Item / Year	2021	2022	2023	2024	Note	GRI Disclosure	Chapter
Number of patents							
Number of patents acquired in the year	40	25	52	76		N/A	2.7 Green Products and Circularity

Assessment of the Current Status of Qisda's Compliance with the Financial Supervisory Commission (FSC)'s Roadmap for Sustainable Development

Sustainable Development Action Plans for TWSE/TPEx Listed Companies" (2023) of the Financial Supervisory Commission (FSC)

I. Lead listed companies to reach net-zero:		
Initiative	Plan and Schedule	Qisda's Promotion Status
1、**Promote companies to establish carbon reduction targets, strategies, and specific action plan**	As of 2026, this initiative will be phased according to capital scale. Companies shall disclose the established carbon reduction goals, strategies, and specific action plans for the next year (with the inventory year as the baseline year) in the subsequent year after disclosing the inventory information in the consolidated financial statement.	The Company has set up annual carbon reduction goals in the report released in 2023. Please refer to the following for our methods of setting carbon reduction goals: 1. Committed to absolute emissions reduction in line with the Science Based Targets (SBT) initiative. 2. Committed to RE100 and has formulated renewable energy usage targets: (1) RE 40 by 2025 (2) RE 60 by 2030 (3) RE 100 by 2040
2、**Assisting in the establishment of the carbon credit system for GHG emissions**	Corporations are encouraged to transition toward net-zero emissions. The FSC will study international practices and supervise the TWSE in assisting the Environmental Protection Administration (EPA) in building a GHG emission credit trading platform based on its experience in securities transactions.	The Company has joined RE100 as well as SBT with commitment since December 20, 2022.
3、**Encouraging enterprises to disclose the information of Scope 3 GHG emissions**	The TWSE and TPEx frame recommended Scope 3 disclosure items with reference to international standards and domestic industry characteristics in 2023. The conference will be conducted in 2024 and the feasibility of mandatory disclosure will continue to be studied.	The Sustainability Report disclosed 5 pieces of Scope 3 information.

II. Deepen companies' sustainable governance culture		
Initiative	Plan and Schedule	Qisda's Promotion Status
1、Strengthen functions of independent directors and audit committee	By 2027, All TWSE- and TPEx-listed companies will be required to, at the end of the existing directors' terms, have independent directors make up no less than one-third of board seats with no more than three terms of office.	According to the articles of association, the Board of Directors currently set 9 seats for directors with 3-year terms. They are elected by shareholders' meeting from the list of director candidates and are eligible for re-election. Current term of board director: 2023.05.29-2026.05.28.
2、Gender diversity among directors of listed companies	To strengthen Board Diversity and consider promotion of female directors as an international trend, IPO should appoint at least one female director from 2023. From 2024, all TWSE- and TPEx-listed companies scheduled to hold board elections will be required to appoint at least one female director.	The Company has 2 Female Directors in 2023, reaching the status of gender diversity in corporate governance.
3、Candidate nomination system in emerging stock board companies	To further facilitate the exercise of shareholder activism, all TPEx Emerging Stock Board companies shall adopt the candidate nomination system for the election of directors in 2025.	N/A
4、Reasonable compensation policy	Reasonable performance evaluations and a fair compensation system are crucial to the sustainable development of enterprises. The TWSE incorporates metrics linking executive compensation to ESG performance in the Corporate Governance Evaluation indicators. Meanwhile, studying the feasibility of mandatory reporting of director compensation to shareholders in the AGM.	As of 2023, Qisda has officially linked executive compensation to ESG performance.
5、Encourage establishment of sustainable development committee (Chief Sustainability Officer)	To foster strong values and a culture of sustainability, the TWSE and TPEx publish the template of organizational regulations of sustainable development committee as reference for businesses in 2023. And seminars for exchanging practical experience will be conducted in 2024. In 2025, studying the feasibility of requiring listed companies to establish sustainable development committees.	The Company has established the Corporate Sustainable Development Committee composed of the Board members in 2023. The Vice President, Danny Lin, has been appointed Chief Sustainability Officer.

III. Enhance the disclosure of sustainable information			
Initiative	Plan and Schedule		Qisda's Promotion Status
1、Expanding the scope of sustainability information disclosure	(1) Enhance sustainable information disclosure in annual reports	Annual reporting requirements will be reviewed with reference to international standards to improve sustainable information disclosure. In 2023, the FSC amends the "Regulations Governing Information to be Published in Annual Reports of Public Companies."	The Company has adopted the GRI Standards for the sustainability report to comprehensively disclose the sustainability information.
	(2) Expand the scope of mandatory sustainability reporting to companies with less than NT$2 billion in capital		The Company has paid-in capital of NT$19.7 billion. A Sustainability Report has been created in compliance with regulations.
	(3) Expand adoption of SASB standards by TWSE and TPEx listed companies		SASB disclosure topics has been included in the sustainability report.
2、Improving the quality of sustainability information	(1) Explore expanding the scope of assurance on sustainability reports	In order to improve disclosure quality of sustainability reports, the TWSE and TPEx will study the feasibility of requiring listed companies to obtain assurance on sustainability indicators in 2024.	The AA1000 series standards are adopted for conducting assurance on the Sustainability Report.
	(2) Improve disclosure quality of sustainability reports	The TWSE and TPEx conduct spot checks on sustainability reports starting from 2023 and provide guidance for TWSE- and TPEx-listed companies to improve the disclosure quality of their sustainability reports.	N/A
	(3) Strengthen management of assurance institutions	Starting from 2024, Taiwan Stock Exchange and Taipei Exchange will randomly inspect the working paper for validation and view the validation procedure to see if it complies to the specifications, further enhancing the management of the validating personnel.	N/A
3、Align with ISSB sustainability disclosure standards		Aiming to meet international sustainability disclosure principles, the FSC will study the regulations of internal controls for the management of sustainability information. As well as establish the Sustainability Standards Committee within Accounting Research and Development Foundation. The FSC will explore and develop plans to align with ISSB sustainability disclosure standards following their announcement.	Relevant information is disclosed in the report with reference to the ISSB Sustainability Disclosure Standards.

IV. Strengthen communication with stakeholders		
Initiative	Plan and Schedule	Qisda's Promotion Status
1、Shorten the deadline for filing AGM's agenda handbooks and annual reports	In order to make certain that investors are fully apprised of resolutions to be proposed at the AGM, since 2024, the FSC is phasing in the requirement that listed companies disclose agenda handbooks and annual reports ahead of the AGM. It will be promoted that TWSE- and TPEx-listed companies with paid-in capital of less than NT$10 billion are required to file the shareholders' meeting agenda handbooks and supplementary materials 30 days before the AGM, and annual reports 14 days before the AGM.	It has been referenced.
2、Refine investor relations platform	The TDCC and TWSE will refine the investor relations platform to provide the necessary information to generate automated stewardship reports for institutional investors. The pilot test of investor relations platform will begin in 2024.	N/A
3、Encourage institutional investors to take collective engagements	Stakeholders play an important role in achieving sustainable development of corporation. The TDCC and TWSE will collect and study best practices for collective engagements from other countries and revise the Stewardship Principles in 2024.	N/A

V. Promotion of ESG evaluation and digitalization		
Initiative	Plan and Schedule	Qisda's Promotion Status
1、Establish digital platform for sustainability reporting	A digital platform will be developed to assist TWSE- and TPEx-listed companies to more effectively disclose ESG-relevant information and data in a standardized format. Pilot test of platform will begin in 2024.	N/A
2、Establish ESG database	TWSE will establish an ESG information platform and put it into operation in 2023 to provide one-stop services regarding ESG information. In order to cut down on manual operation costs, the TWSE will study XBRL format adoption to standardize current ESG indicators and for reporting ESG and sustainability-related data.	N/A
3、Create ESG evaluation	The creation of ESG evaluation will help cement sustainability culture within the market. It is expected that the indicators will be fully designed in 2023 and conduct pilot test in 2024. The ESG evaluation will be promoted based on the result of trial implementation.	N/A
4、Compile ESG indices	In order to diversify ESG relevant commodities, Taiwan Stock Exchange will continue to elaborate, compile and then release ESG relevant indices, such as the carbon efficiency index and human capital relevant index, to guide the investment of funds in the market in sustainable development.	N/A

N/A： Meaning "not applicable" or that the FSC has not provided a complete standard, leaving Qisda unable to identify the degree of conformity.

Qisda's ESG Activity Video

Type	Links to multimedia
Corporate image	1. Qisda - Grand Fleet: Growing Together in Strength: https://www.youtube.com/watch?v=NluxnNYNZ-0 2. Qisda - Developing Smart Solutions: https://www.youtube.com/watch?v=gHSzEawW_HQ 3. Qisda - Delivering Secure Medical Solutions: https://www.youtube.com/watch?v=YsVJ6lKVcfM&t=1s 4. Qisda's Smart Technology and Products: https://youtu.be/l9LlzlK4LpA
Development for sustainability	1. Sustainable Achievements: https://youtu.be/jn28zK8x-5w 2. Join RE100: https://youtu.be/TIE38Ab7doE 3. 20% carbon reduction in the supply chain: https://youtu.be/RJmoUfYX-Ro 4. Qisda's vision for ESG: EP1-Qisda: Pioneering Global Carbon Platform, Reports in 1 Hour! EP2-Game-Changing Innovation: Qisda's Low-Carbon Products without Price Hike EP3-162% Cumulative Rotation Rate! How BenQ Qisda Group's Mentorship and Fleet Rotation Strategy is Paying Off EP4-BenQ Qisda Group's Talent Rotation Goes Global! Expanding into Overseas Markets 5. Earth Day Special: https://youtu.be/F60XwgYWhgE?si=JmArS9Y4FwDGh_Vg
Exhibition of smart medical technology (2024)	1. BenQ Qisda Group Medical Technology Showcase: Six Smart AI Healthcare Solutions Debut: https://www.youtube.com/watch?v=d0rYSXT4Kx0

Type	Links to multimedia
COMPUTEX (2024)	1. AI Navigator: BenQ COMPUTEX AI NOW Highlights: https://www.youtube.com/watch?v=QH_Ltd0JYjQ 2. SMART+ AI NOW assists the digital transformation of industries: https://www.youtube.com/watch?v=QoPjZn9dIJQ 3. COMPUTEX: BenQ Qisda Group's Green Expo 2.0 – Building a Low-Carbon, Zero-Waste Exhibition: https://www.youtube.com/watch?v=jY-gsfsI2FA 4. BenQ Qisda Group COMPUTEX 2024 Event Highlights: https://www.youtube.com/watch?v=m7hjO04pEEc
Happy workplace	1. 2024 BenQ Qisda Group's Family Day - Together by the Sea, Together in Happiness: https://www.youtube.com/watch?v=nAdhvctcGQM 2. 2025 BenQ & Qisda Group Spring Party: https://www.youtube.com/watch?v=nAdhvctcGQM

ISO 26000 Index

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	Resolving grievances	Protection of Human Rights	175
	Discrimination and vulnerable groups	Protection of Human Rights	175
	Civil and political rights	Protection of Human Rights	175
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Labor Practices	Employment and employment relationships	Talent Attraction and Development	147
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		Biodiversity and Forest Conservation	112

Core Subjects and Issues		Corresponding Chapter in the ESG Report	Page Number
Fair Operating Practices	Anti-corruption	Legal Compliance	047
	Responsible political involvement	The Company has not participated in any political activity during the current reporting period.	N/A
	Fair competition	Legal Compliance	047
	Promoting social responsibility in the value chain	Sustainable Supply Chain Management	063
	Respect for property rights	Legal Compliance	047
Consumer Topic	Fair marketing, factual and unbiased information and fair contractual practices	Legal Compliance	047
		Information and Privacy Security	058
	Protecting consumers' health and safety	Green Products and Circularity	123
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	Consumer service, support, and complaint and dispute resolution	Customer Satisfaction	075
	Consumer data protection and privacy	Information and Privacy Security	058
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Core Subjects and Issues		Corresponding Chapter in the ESG Report	Page Number
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SDG Index

No.	Goal	SDG Compass Guidance	Corresponding Chapter	Page Number	Remarks
1	 No Poverty	Partner with civil society networks to provide education and entrepreneurial skills training	BenQ Foundation	196	
2	 Zero Hunger	Supporting, encouraging and demonstrating the continued viability of small-scale farming by developing partnerships with small farmers.	BenQ Foundation	196	
3	 Good Health and Well-being	Make investments in health a priority in business operations	BenQ Foundation	196	
		Conduct health promotion activities	Occupational Safety, Health, and Management	180	
4	 Quality Education	Provide employees with continuous opportunities to improve their (job) skills	BenQ Foundation	196	
		Develop cost-effective education products and services that eliminate barriers to access and improve the quality of learning.	BenQ Foundation Talent Attraction and Development	196 147	
5	 Gender Equality	Pay equal remuneration, including benefits, for work of equal value and strive to pay a living wage to all women and men, and establish a zero-tolerance policy towards all forms of violence at work	Talent Attraction and Development	147	
6	 Clean Water and Sanitation	Reduce the likelihood of surface water contamination by treating and processing all waste with exceptional precaution	Making Good Use of Water Resources	106	
		Ensure that all employees and their families have ample access to safe drinking water and adequate sanitation.	Making Good Use of Water Resources	106	

No.	Goal	SDG Compass Guidance	Corresponding Chapter	Page Number	Remarks
7	 Affordable and Clean Energy	Commit to sourcing 100% of operational electricity needs from renewable sources	Energy Consumption and Conservation	102	(1) The Company has joined the RE100 initiative, committing to achieve 100% renewable energy usage by the year 2040 (2) The Company has passed verification of its SBTi targets
		Prioritize energy efficiency across operations through tools such science-based targets (SBTi) and set up an internal carbon price	Sustainable Corporate Governance	016	
		Invest in R&D related to sustainable energy services	Sustainable Corporate Governance	016	
8	 Decent Work and Economic Growth	Increase profitability with diversification, technology enhancement and innovation (No corresponding SDG Target and SDG compass guideline)	Operational Performance Talent Attraction and Development Sustainable Supply Chain Management	047 147 063	
		Eliminate discrimination and pay equal wage for equal work to all women and men (No corresponding SDG Target and SDG compass guideline).	Talent Attraction and Development	147	
		Put in place mechanisms to identify child labor and forced labor throughout global supply chains	Sustainable Supply Chain Management	063	
		Ensure employees' occupational health and safety (No corresponding SDG Target and SDG compass guideline)	Occupational Safety, Health, and Management	180	
9	 Industry, Innovation and Infrastructure	Invest in new, resilient infrastructure to make the existing infrastructure more sustainable	BenQ Foundation	196	
		Establish standards and promote regulations that ensure company projects and initiatives are sustainably managed	Sustainable Corporate Governance	016	
10	 Reduced Inequalities	Ensure equal opportunities and make efforts to reducing inequality (No corresponding SDG Target and SDG compass guideline)	Protection of Human Rights	175	
		Partner with civil society networks to provide education and entrepreneurial skills training	Social Care and Influence	190	
11	 Sustainable Cities and Communities	Reduce environmental impact on cities through management of elements such as air quality and waste (No corresponding SDG Target and SDG compass guideline)	Social Care and Influence	190	
			Waste and Pollutants	110	
		Enhance adaptability in disasters of cities and other human settlements, as well as develop and implement overall management measures for disasters and risks	Risk Management	049	

No.	Goal	SDG Compass Guidance	Corresponding Chapter	Page Number	Remarks
12	 Responsible Consumption and Production	Implement tools to analyze the carbon footprint (CFP) of products	Green Products and Circularity	123	
		Reduce environmental impacts of manufactured products by substituting raw materials with recycled or upcycled materials	Green Products and Circularity	123	
		Apply modular design so that individual components of the product can be easily disassembled and recycled	Green Products and Circularity	123	
		Significantly reduce waste	Green Products and Circularity	123	
		Ensure adoption of sustainable practices and integrate information about sustainability into reporting cycles	Green Products and Circularity	123	
		Sustainability education (No corresponding SDG Target and SDG compass guideline)	Green Products and Circularity BenQ Foundation Sustainable Supply Chain Management	123 196 063	
		Enable sustainable consumption by developing innovative solutions to reduce energy needs	Sustainable Supply Chain Management	063	
		Green procurement	Sustainable Supply Chain Management	063	
13	 Climate Action	Source all electricity the company consumes at its facilities from renewable sources; install renewable energy generation capacity on-site Replace inverter chiller	Energy Consumption and Conservation	102	
		Retrofit the lighting systems of the Company's facilities to energy-efficient LED lighting	Energy Consumption and Conservation	102	
		Increase investment in innovative solutions to improve the efficiency of the Company's products, thereby enabling customers to reduce their GHG emissions	Climate Adaptation and Mitigation	079	
			Green Products and Circularity	123	
		Understand climate-related risks and build resilience into the Company's assets and supply chain	Climate Adaptation and Mitigation	079	
		Improve and increase awareness on the reduction of, impact of and ways to adapt to climate change (No corresponding SDG Target and SDG compass guideline)	Climate Adaptation and Mitigation	079	
		Calculate the carbon footprint (CFP) of products	Green Products and Circularity	123	
		Conduct life cycle assessments (LCA)	Green Products and Circularity	123	

No.	Goal		SDG Compass Guidance	Corresponding Chapter	Page Number	Remarks
14		Life Below Water	Reduce the amount of waste potentially entering the environment by altering the design, manufacture, or use of products and packaging	Green Products and Circularity	123	
			Utilize a value-chain approach to create connections between the design, packaging, marketing and recycling of materials with the goals of reducing products' environmental impact at the end of their life cycle	Green Products and Circularity	123	
15		Life on Land	Commit to and implement responsible sourcing practices	Green Products and Circularity Sustainable Supply Chain Management Biodiversity and Forest Conservation	123 063 112	
16		Peace, Justice and Strong Institutions	Comply with laws and seek to meet international standards; require and support business partners in doing the same	Legal Compliance	047	
			Conduct risk and impact assessments to identify and mitigate risks of contributing to corruption, violence and conflict	Code of Conduct	044	
17		Partnerships for the Goals	Provide manpower and resources to developing countries (No corresponding SDG target and SDG compass guideline)	Social Care and Influence	090	Currently, Qisda only implements community engagement and development programs at its business locations. These include: 1. Assisting vulnerable groups 2. Promoting education and arts and culture 3. Giving back to the community and neighborhoods 4. Initiating charitable donations and other related activities。

Qisda Management Systems for SDGs

Management System Certification		Scope			Contributing to SDGs (with Icons)
Pillars	Name	Taiwan	China	Vietnam	
E	ISO 14001 (Environmental management system)	●	●	●	
	IEC 62430 (Ecological Product Design)	●			
	ISO 14064-1 (GHG Inventory)	●	●	●	
	ISO 50001 (Energy Management Systems)	●	●	●	
	QC080000 (Hazardous Substance Process Management Systems)	●	●	●	
S	ISO 45001 (Occupational Health and Safety Management System)	●	●	●	
	SA 8000 (Social Accountability Management Systems)	●	●	●	
G	ISO 27001 (Information Security Management Systems)	●	●	●	
	ISO 9001 (Quality Management Systems)	●	●	●	
	ISO 13485 (Medical Device Quality Management System)	●	●		

Independent Assurance Statement

INDEPENDENT ASSURANCE STATEMENT

To: The Stakeholders of QISDA CORPORATION

Introduction and objectives of work

Bureau Veritas Certification Taiwan has been engaged by QISDA CORPORATION to conduct an independent assurance of its QISDA CORPORATION 2024 Corporate Sustainability Report. This Assurance Statement applies to the related information included within the scope of work described below.

This information and its presentation in the QISDA CORPORATION 2024 Corporate Sustainability Report are the sole responsibility of the management of QISDA CORPORATION Bureau Veritas was not involved in the drafting of the Report. Our sole responsibility was to provide independent assurance on its content.

The objective of our engagement is to provide assurance to QISDA CORPORATION stakeholders over the accuracy, reliability and objectivity of the reported information and that it covers the issues material to the business and its stakeholders.

Scope of work

The scope of our work was limited to assurance over AA1000 AccountAbility Principles and performance data, included in the ESG Report for the reporting period January 1, 2024, to December 31, 2024. Subject to the limitations and exclusions listed in the section below, our review included:

- Data and information included in QISDA CORPORATION 2024 Corporate Sustainability Report;
- Appropriateness and robustness of underlying reporting systems and processes, used to collect, analyse and review the information reported;
- Evaluation of the Report against the main principles of the AA1000 Accountability Principle (2018)[1]
  - Inclusivity
  - Materiality
  - Responsiveness
  - Impact
- Evaluation of the Report against the principles of Stakeholder Inclusiveness, Sustainability Context, Materiality, Completeness, Balance, Comparability, Accuracy, Timeliness, Clarity, and Reliability, as defined in the GRI Standards.

Reporting Criteria

QISDA CORPORATION 2024 Corporate Sustainability Report has been prepared in reference to relevant best practice reporting frameworks such as the Global Reporting Initiative (GRI), as well as internal definitions set by QISDA CORPORATION for tracking and monitoring the progress against its ESG (Environment, Social, Governance) performance indicators.

Limitations and Exclusions

Our work was subject to the following exclusions:

- Financial data, including financial data that feeds into the calculation of information in the ESG report as these are audited by an external financial auditor and are relied on as accurate for the purposes of our scope of work. This includes but is not limited to any statements relating to production, sales, revenue, salaries, payments, and financial investments;
- Greenhouse gas emissions are verified by verification body selected by QISDA CORPORATION and are relied on as accurate for the purposes of our scope of work.
- Information related to activities outside the defined reporting period or scope;
- Company position statements (including any expression of opinion, belief, aspiration, expectation, aim or future intent) and any QISDA CORPORATION or third-party anecdotes or testimonials;
- Content of external websites or documents linked from the ESG Report and country or business unit specific Reports of other QISDA CORPORATION entities or joint ventures;
- Appropriateness of any new targets, commitments, and objectives established and communicated by QISDA CORPORATION; and
- Appropriateness of definitions and any internal reporting criteria adopted by QISDA CORPORATION for its disclosures.

The following limitations should be noted:

Our work was limited to QISDA CORPORATION Head Office activities where QISDA CORPORATION consolidates and reconciles data provided by its markets, countries of operation, suppliers and other third parties. The reliability of the reported data is dependent on the accuracy of data collection and monitoring arrangements at market and site level, not addressed as part of this assurance.

This High level assurance engagement relies on a risk based selected sample of the information in the ESG report and the associated limitations that this entails.

Responsibilities

The preparation and presentation of the ESG Report are the sole responsibility of the management of QISDA CORPORATION

Bureau Veritas was not involved in the drafting of the ESG Report. Our responsibilities were to:

- Provide High level assurance as per AA1000 over the accuracy, reliability and objectivity of the information contained within the ESG Report;

- Form an independent conclusion based on the assurance procedures performed and evidence obtained; and
- Report our detailed conclusions and recommendations in an internal report to QISDA CORPORATION management.

Assessment Standard

The assurance process was conducted in line with the requirements of the AA1000 Assurance Standard (AA1000AS v3), Type 2 at a High level of assurance.

Summary of work performed

As part of our independent assurance, Bureau Veritas undertook the following activities:

1. Interviews with relevant personnel of QISDA CORPORATION;
2. Review of documentary evidence produced by QISDA CORPORATION;
3. Review performance data listed in report with sampling basis;
4. Visits to 1 site located in Taiwan (Taoyuan City);
5. Evaluate the design of internal systems, processes and controls for data collection, aggregation, analysis and reporting, including assessing the appropriateness of assumptions made, estimation techniques used and reporting boundaries;
6. Confirm where relevant the accuracy of information with third parties and/or partner agencies;
7. Assess the disclosure and presentation of QISDA CORPORATION 2024 Corporate Sustainability Report to ensure consistency with assured information.

Our work was conducted against Bureau Veritas' standard procedures and guidelines for external Assurance of Sustainability Reports, based on current best practice in independent assurance.

The work was planned and carried out to provide reasonable, rather than absolute assurance and we believe it provides a reasonable basis for our conclusions.

Our findings

On the basis of our methodology and the activities described above, it is our opinion that:

- The information and data included in QISDA CORPORATION 2024 Corporate Sustainability Report are accurate, reliable and free from material mistake or misstatement;
- The Report provides a fair representation of QISDA CORPORATION's activities over the reporting period;
- The information is presented in a clear, understandable and accessible manner, and allows readers to form a balanced opinion over QISDA CORPORATION's performance and status during the reporting period;
- The Report properly reflects the organisation's alignment to and implementation of the AA1000 Assurance Standard V3 principles of Inclusivity, Materiality, Responsiveness and Impact in its operations. Further detail is provided below;

- QISDA CORPORATION has established appropriate systems for the collection, aggregation and analysis of relevant information;

Alignment with the principles of AA1000 Accountability Principle (2018)

Inclusivity

QISDA CORPORATION has processes in place for engaging with key stakeholders including socially responsible investors, clients, employees, supply chain and local community; and has undertaken a number of formal stakeholder engagement activities in 2024 covering a range of material topics such as Economic, Social and Environment.

Materiality

The Report addresses the range of environmental, social and economic issues of concern that QISDA CORPORATION has identified as being of highest material importance. The identification of material topics has considered both internal assessments of risks and opportunities to the business, as well as stakeholders' views and concerns.

Responsiveness

QISDA CORPORATION is responding to those issues it has identified as material and demonstrates this in its policies, objectives, indicators and performance targets. The reported information can be used by the organisation and its stakeholders as a reasonable basis for their opinions and decision-making.

Impact

QISDA CORPORATION's management system can monitor, measure and be accountable for how their actions affect their broader ecosystems.

Key areas for ongoing development

Based on the work conducted, we recommend QISDA CORPORATION to consider the following:

- Encouraging the organization to communicate with non-important stakeholders can also be included in the survey of sustainability issues, which will help the organization to respond in an integrated manner. (RESPONSIVENESS)

Statement of independence, impartiality and competence

Bureau Veritas is an independent professional services company that specialises in quality, environmental, health, safety, and social accountability with over 195 years history. Its assurance team has extensive experience in conducting verification over environmental, social, ethical and health and safety information, systems, and processes.

The assurance team has extensive experience in conducting assurance over environmental, social, ethical and health and safety information, systems and processes, has over years combined experience in this field and an excellent understanding of Bureau Veritas standard methodology for the Assurance of Sustainability Reports.

Bureau Veritas has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day to day business activities. We are particularly vigilant in the prevention of conflicts of interest.

No member of the assurance team has a business relationship with QISDA CORPORATION, its Directors or Managers beyond that required of this assignment. We have conducted this verification independently, and there has been no conflict of interest.

Bureau Veritas Certification Taiwan
3F-B, No. 16, Nanjing E. Rd., Sec. 4, Songshan District, Taipei 10553, Taiwan R.O.C.
17th April, 2025

Technical Reviewer: Date:2025/4/17

Verifier: Lily Chuang Date:2025/4/17

AA1000
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