



**Qisda**

Corporate  
Sustainability  
Report 2021



Q Green

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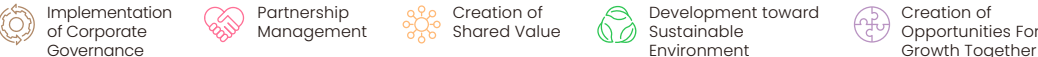
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## About the Report

The information disclosure of this report focuses on the sustainability issues, management strategies, targets, current status and future directions. In order to enhance the responses to the topics the stakeholders are concerned about, Qisda has specifically devised a corporate sustainability website on which our achievements through efforts in different CSR aspects of the most recent year are presented in summary, and on which the previously published corporate sustainability reports are available for all to download or search for:

<https://csr.qisda.com/ch/home.asp>

 This icon means that a link to relevant external information is given.

 This icon means that a link to relevant information in the report is given.



#### About the Cover

Qisda has been devoted to the transformation and established strategic partnership with many more companies. Meanwhile, looking forward to the future, Qisda gathers all the members to work hand in hand for faster development through the strategies such as enhanced investment, lean and focused operations, and operational optimization, and continuously makes efforts for the corporate vision of "Bringing Enjoyment 'N Quality to Life."

#### Release Date & Reporting Period

This report is published in June 2022. Since the publication of Qisda's first "Corporate Social Responsibility Report" in 2007, the Company has been disclosing information and publishing the report in June every year.

#### Report Scope & Boundary

Geographic scope: This includes\* the headquarters of Qisda—Taiwan, and the main manufacturing sites—Suzhou (China) and Vietnam. Besides this, the report has additionally encompassed the CSR-related matters of the subsidiaries\*\* since 2018; the relevant information has been disclosed in "Chapter 5 Creation of Opportunities For Growth Together."

Time scope: January 1, 2021 – December 31, 2021.

#### Data Collection & Calculation

The data of 2021 has been collected based on the aforementioned scope of report; the calculation formulas of the indicators and data have been detailed in the notes of the chapters.

#### Third-Party Verification Policy & Standards

The report was compiled and prepared by the Company's Sustainability Risk Management Office, and internally audited by related personnel to make sure of the consistency, completeness and accuracy of data; when any omissions were found, the data was returned for the head of each department to complement and confirm the information. For external verification, we commissioned the independent third-party verification company, Bureau Veritas Certification (Taiwan) (BVC), to verify the report so that the GRI Standards (comprehensive) and the TYPE II high assurance standards of AA 1000 AS 2008 Addendum are conformed with. Through the internal and external audit mechanisms, the quality of information disclosure has been ensured. In addition, the disclosure of the report also corresponds to the domestic and international standards such as "Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies," "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies," guidance on social responsibility (ISO 26000), UN Sustainable Development Goals (SDGs) and SASB framework.

#### Feedback & Contact Information

Sustainability Risk Management Office, Qisda Corp.  
Ves Lu  
No. 157, Shanying Rd., Guishan Dist., Taoyuan City, 333, Taiwan (R.O.C.)  
TEL: 03-3598800 ext. 3820  
FAX: 03-3599000  
EMAIL: Ves.Lu@Qisda.com  
Csr@Qisda.com

\* Including the companies listed in the financial statements: Qisda Corporation and the subsidiaries listed in the consolidated financial statements, such as 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). For the other companies not listed, please refer to the annual report. In light of the materiality and completeness of disclosed information, the data of certain chapters or performance indicators include overall global data. The data that do not completely cover the Taiwan Plant, Suzhou Plant and Vietnam Plant are described in the notes of respective chapter.

\*\* 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., SYSAGE Technology Co., Ltd., Topview Optronics Corp., 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.

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# Message from the Chairman & President



## Creating a Blue Ocean of Sustainability with the Affiliates by Observing and Seizing Opportunities for Early Deployment

In 2021, while the global economy was impacted by the COVID-19 pandemic, supply chain, critical situation in freightage, potential risk of inflation and other uncertainties, there were also a strong demand for information and communication products and an accelerated long-term opportunity of digital transformation.

Concentrating on the medical business and solutions, Qisda and its alliance of affiliates have managed to grasp the early opportunities to optimize the existing ICT

business and deploy the highly value-added new business. With the successful alliance strategy, we have made timely responses to the demands for ICT products, medical and pandemic prevention supplies, digital transformation of enterprises, network construction, etc., under the pandemic, and achieved outstanding performances on the transformation deployment of highly value-added business and on the ICT business. The Group's revenue of the year reached NT\$226 billion and showed an annual increase of almost 20%, which was a record high in these 15 years. In spite of the challenging pandemic, we had such great achievements to announce as good news.

Having the vision and goal of "getting more than 50% revenue from highly value-added business in 2022," the Company is on the right track of transformation. With the continuous setup of the resource platform of the alliance, we have worked in tandem with the affiliates to engage in the aggressive deployment in four directions: ICT business, medical and health business, smart solutions and 5G network communication business. As we will speed up the transformation to highly value-added business, it is likely that the revenue in 2022 will hit a historic high. With everyone making efforts together to set new records, Qisda and the alliance is undoubtedly going to grow stronger and stronger!

In terms of the Company's values, we not only "pursue excellence" but also "care for and contribute to society" when we have good results in our business. In September 2021, Qisda has won multiple recognitions, including the "Best Companies to Work for in Asia" for the third consecutive years, "World's Best Employers" by Forbes, and eight awards from the "Taiwan Corporate Sustainability Awards and Taiwan Sustainability Action Awards." As the leader of the alliance, Qisda is confident that with the Group's resource platform that ensures mutual benefits and win-win situation, we can gather the partners and members of the alliance to enhance the economic benefit of value transformation. Starting from the three corporate sustainability dimensions of ESG (Environment, Society and Governance), we will jointly strengthen the foundation of sustainability and move towards a sustainable future of co-creation and co-prosperity.

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## Developing Sustainability Powers through Transformation

Playing the leading role of the alliance, we released our first corporate social responsibility (CSR) report in 2007, established carbon management platform earlier than the other companies in the industry in 2010, won the award in the evaluation of sustainable corporations in Asia in 2014, received the Corporate Sustainability Report Platinum Award in 2019, and even obtained the recognition of TCSA's Taiwan Top-10 Best Sustainability Enterprise Award in 2020. These honors reflect the efforts that the Company has made for being a "sustainable company."

The Company has set five main goals for sustainable development management with "E" (environment), "S" (social) and "G" (governance) included in the scope. After receiving a certain level of recognition, the development process has been turned into a set of SOPs that guides the members of the alliance to tailored different suggestions and provide appropriate supports according to the enterprise when necessary.

In particular, for corporate governance, we have established the Risk Management Committee (RMC) in 2005 to manage the risks that exceed the risk tolerance. The committee produces a radar chart of risk sources on an annual basis, and identifies the risks that may result from the wrong decisions or the decisions of no action based on the reports of external experts, experience of material risk incidents, or the trend and prediction of the future risk incidents.

In 2018, the Group has performed a large-scale drill to practice how to respond to the outbreak of a global pandemic. Hence, when the COVID-19 pandemic started to turn serious in the previous year, we took relevant internal response measures right away, such as preparing supplies, encouraging the employees to avoid moving to other places, having each plant to devise response plans for the pandemic progression,

and ensuring mutual support among the plants. Also, we have prepared the three defensive tactics in Taiwan, Vietnam and the U.S. to make early deployment for preventing production chain disruption. In addition, there are corresponding strategies for emergencies like fire, earthquake, and accidents in supply chain.

The Company pays special attention to the environmental protection as well, thereby developing approaches for green products, green operations and green supply chain for different stakeholders. Regarding the design of green products, we make green elements everywhere by starting with the design. 50% of the employees in Taiwan are R&D personnel, and they incorporate the environmental risk assessment factors into the product gene from the very beginning of design. Take the computer screen designed in 2018, for example. The carbon emissions produced by the parts and components, manufacturing and transportation of the computer screen decreased by 7.6% compared to that produced by the model of 2013. That is, if we produce 22 million units of such computer screen every year, the amount of emitted carbon reduced is equivalent to the annual amount of carbon absorbed by 28 Daan Forest Parks.

As for green operations, Qisda endeavors to reduce the energy consumption of the production process from the lighting, the air conditioning, the setup of renewable energy, etc., while considering the protection of the employees' safety and the creation of happiness for the employees as the key factors of corporate sustainability. In addition, for the 1200 suppliers involved in the supply chain, we will actively provide guidance on the reinforcement of CSR and ESH management. Through the three steps of "awareness," "promotion" and "sustainability," we should not only move towards sustainability but also drive the CSR improvement in the supply chain.

Committed to the fulfillment of the social responsibility that a sustainable corporate should shoulder, the Company regards the employees as an important stakeholder and fully protects their human rights, places importance on the enhancement of their

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capabilities, and creates “happiness” for them. By doing so, we take care of the employees’ physical and mental health as well as their livelihood. In recent years, our employees’ parents have even received the blessings from the Company on Father’s Day and Mother’s Day. Only when the employees work not merely for the monthly payments will they think about the Company from the bottom of their hearts, and when they are aligned with the Company’s interests, we can naturally produce more beneficial effects.

## Growth and Transformation Results in 2021

In 2021, with the optimization of the existing ICT business and the deployment of the highly value-added new business, the consolidated revenues of December, Q4 and the whole year have all reached a historic high.

The annual consolidated revenue in 2021 came to NT\$225.974 billion, showing a remarkable achievement of exceeding NT\$200 billion and a growth of 17.9% compared to the year of 2020.

The 2021 revenue increased significantly by NT\$34.3 billion in comparison with the performance in 2020, and this mainly resulted from the ongoing huge demand for ICT products, medical and pandemic prevention supplies, digital transformation of enterprises, network construction, etc., under the pandemic. Looking forward to the future, we will keep structuring the resource platform for our united alliance, and have deeper and wider deployment in the directions of ICT business, medical and health business, smart solutions, and 5G network communication business.

As we moved forward to 2022, the demand for industrial computer remained high, the automation, infrastructure and digital transformation brought a trend of “IPC model changing,” and the fields of automotive products, 5G network communication, AIoT and server, etc., became increasingly popular. We will continue to boost our production capacity to satisfy the customer demand for different applications. For

the future, by working hand in hand with the partners of the Group, we intend to not only focus on the existing automated, 5G or AIoT products, but also expand the market to include the applications of green energy, information security, Fintech and so on, grasping the fast-growing new market opportunities.

Thanks to the Company’s successful deployment of the transformation to highly value-added new business, the revenues and profitability of all the members in the united alliance have increased. With the rapid growth of the new business enabling the alliance to show great promise, this is a fruitful year for sure.

There are, however, some warning signs to which particular attention should be paid. For example, the profitability of the second half of 2021 and of the whole year didn’t reach the expected target. Many of the business units and the affiliates of the alliance received a great deal of orders, yet the operational processes were seriously impacted by material shortage and inventory problems. Further, the world is likely to meet a greater challenge to control the pandemic. As there are lots of variables that we should be mentally prepared for, three defensive tactics have been worked out by considering the possible circumstances and making plans accordingly, in order to prevent the variables from impacting the business sales.

Regarding the alliance’s targets of value transformation, we are almost reaching the Phase 1 target of “getting more than 50% revenue from highly value-added business,” and will then work towards the next target of “having more than 50% profitability of highly value-added business.” In comparison to other industries facing considerable difficulties, we are grateful that our efforts have produced fruitful results in this era full of changes and impacts. After all, how wonderful it is to grow rapidly and create new possibilities with so many hidden champions! In 2022, pursuing further development based on such a solid foundation, we are confident that new records will be made.

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# Qisda Corporation

## Company Profile

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.

In recent years, Qisda has aggressively expanded the deployment in the medical industry. Related results include diagnostic ultrasound, hemodialyzer, dialysis machine, and intraoral scanner; the deployment in the medical field has currently covered the businesses of medical services, medical equipment, medical consumables, digital oral operations, dialysis, and hearing-related operations.

Meanwhile, Qisda has also sped up 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. The services meet the customer requirements at the foremost end, and assist the customers with their digital transformation, empowerment and growth.

As one of the top 2 manufacturers of LCD displays\* and projectors in the world 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. Currently, Qisda has around 7,544 employees all over the world\*\*.

\* The shipment volume of LCD displays in 2021 was around 21.9 million units.

\*\* 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, 2021. 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. (53 dispatched workers in Taiwan; 7,610 contracted workers in Suzhou, China)



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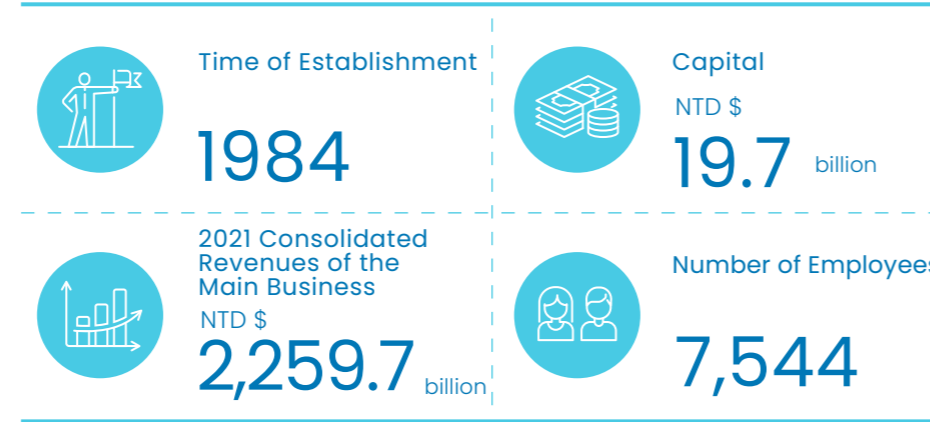
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### Current status of Qisda



Around employees



### 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 self-discipline,” “passion and focus on fundamentals,” “pursuit of excellence,” and “care and contribution.”

#### Core values



**Integrity & Introspection**

Committed to “integrity and self-discipline,” we take no opportunistic or dishonest behaviors, follow the Company’s disciplinary regulations as a model, and keep our promises.



**Execution & Excellence**

In order to “pursue excellence,” we open our mind to innovations and changes, thereby continuously learning, growing and looking for better performance.

**Bring Enjoyment and Quality to Life**



**Caring & Contribution**

With “passion and focus on fundamentals,” we complete our missions in an active manner, show love to our work and partners, and stick to our commitments.



**Passion & Professionalism**

“Caring for and contributing to” the entire society, we fulfill our commitments on environmental protection and sustainable development, and make contributions to the interests of the customers, society and environment.

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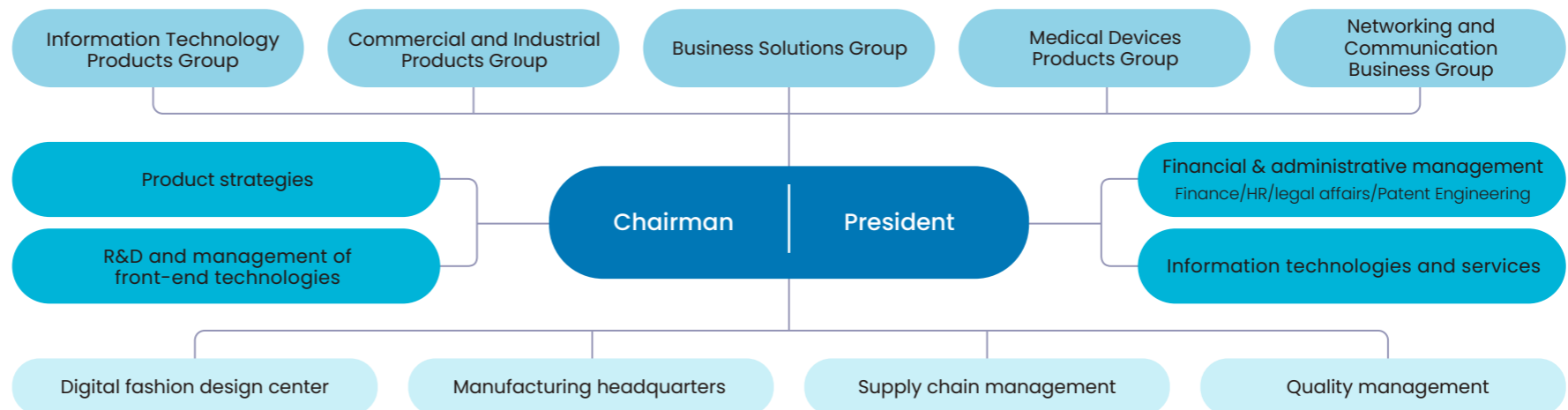
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## Business Overview and Organizational Structure

While based in Taiwan, Qisda adopts internationalized division of production and marketing. The bases in Taiwan are responsible for the R&D of products, design of process, etc., while the overseas subsidiaries of Qisda, namely Suzhu 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 responding to the customer requirements in the most rapid and effective manner. The information about Qisda's share capital, paid-in capital, shareholder structure, and subsidiaries included in the consolidated financial statements has been disclosed in the specific sections of capital raising and financial highlights in the Company's annual report.

### Organizational structure of Qisda



[Inquiry of annual report: https://www.qisda.com/tw/investor/shareholder](https://www.qisda.com/tw/investor/shareholder)

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.

So far, Mr. Peter Chen has been serving as the Chairman and President of Qisda for 31 years since the first day of service in June 2017. Possessing extensive experience in different fields such as product development, global marketing and customer related matters, he has led Qisda to keep on pursuing significant growth.

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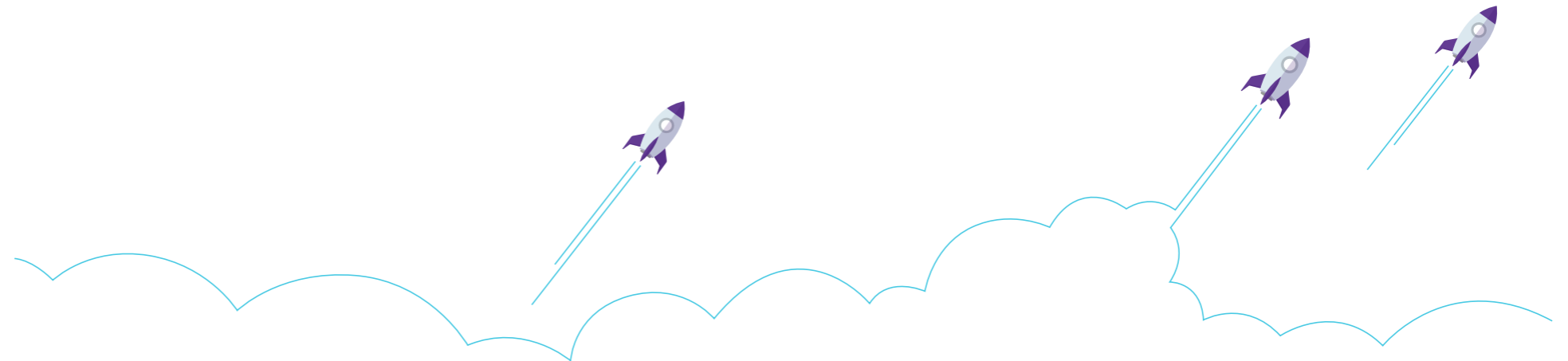
## Advantages and Accomplishments of Qisda



- The shipment volume of our digital light processing (DLP) projectors ranking **NO.1** in the world
- The shipment volume of our LCD displays ranking **NO.2** in the world

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 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 2021, Qisda demonstrated solid operation of major product lines. The display products ranked second in the world. The COVID-19 pandemic facilitated the leading position in the manufacture and sale of projectors due to increased demands for working, learning and entertainment at home. The complete product portfolio from portable to high-end laser models were offered continuously, and 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 IoT hospital and smart hospital, boosted the electronic medical care product lines and deployed them in the global market. Speeding up the development of the six smart solutions is another focus. We have also enhanced the integration relationship with software and hardware service providers, and invested in the 5G network communication business to meet the urgent requirements of the industries for digital transformation under the threat of the pandemic.



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### Qisda's products

**ICT Products**

- Displays
- Projectors

**Medical care electronics**

- Medical care electronics
- Medical equipment and consumables

**Smart Solutions**

- Smart solutions
- Industrial automation

**Network Communication Business**

- On-board products
- Smart IoT

For more information about the products, please visit the following page:  
<https://www.qisda.com.tw/page.aspx?uid=19>



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Furthermore, Qisda is internationally known for its competence of industrial design. Since 2008, the Company has continually received recognition; a total of 153 international awards for design have been granted so far. We have not only the advantage of R&D and manufacturing, but also the advantage of competence for unique product design that ensures our unique competitiveness of the designs of highly value-added products.

## Value-Up Solutions with Forward Thinking Creating Outcomes 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 operational restructuring 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. Further, by combining the integration and application of software, we continue to create the value of the Company, achieve high customer satisfaction, and facilitate the operating strategies of a solution provider.

## Associations

Qisda has actively joined various associations related to the industry of electronic technology, strengthening the connection in the industry, promoting the vertical and horizontal collaboration, and optimizing the competitiveness in the industry.

Besides this, the cross portfolios of the associations of different industries make it easier for Qisda to integrate the capabilities of automation technology, precision machinery, molds, communication, image display, materials, information, electronic and electrical engineering, medical care, education, and services. This allows us to accelerate the industrial enhancement and innovative development.

### Associations and organizations Qisda has joined

No.	Name of the Association/Organization	Regular Member	Director
1	Global Research & Industry Alliance, National Cheng Kung University (GLORIA NCKU)	●	
2	Taiwan Electrical and Electronic Manufacturers' Association	●	
3	Taipei Computer Association	●	
4	Taiwan Automation Intelligence and Robotics Association	●	●
5	Institute of Internal Auditors, R.O.C	●	
6	Taiwan Stock Affairs Association	●	
7	Taiwan Mergers & Acquisitions and Private Equity Council (MAPECT)	●	●
8	Institute for Biotechnology and Medicine Industry	●	●
9	Taiwan Medical and Biotech Industry Association	●	●
10	Video Electronics Standards Association (VESA)	●	
11	HDMI Licensing Administrator (HDMI LA)	●	
12	Taiwan Industry Association of Intelligent Security and Safety	●	●
13	HDBaseT Alliance	●	
14	Taiwan Independent Director Association	●	
15	Chinese Professional Management Association	●	
16	Management Intelligence Sharing Association	●	
17	Taiwan Association of TWSE/TPEX Listed Companies	●	●
18	Taiwan Industry Holding Association	●	
19	Information Management Association	●	●
20	Digital Governance Association	●	●
21	Digital Solution Multimedia Association	●	●
22	Chinese Human Resource Management Association	●	
23	Association of Service Industries, Taiwan	●	
24	GMDN Agency	●	
25	Taiwan Internet and E-Commerce Association	●	

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# Qisda Sustainable Development

"The purpose of a company's existence is to create sustainable value that can contribute to human society and further bring positive effects."

The Honorary Chairman of Qisda Corporation, K.Y. Lee, believes that the purpose of a company's existence is to create sustainable value that can contribute to human society and further bring positive effects. The so-called sustainable operations mean to pursue such permanent value. To become a company with considerable development potential that can stand the test of time, incorporating the historical perspective and cultural mindset into the business model and adopting "integrity" as the top ethical principle of corporate business operation is the only key.

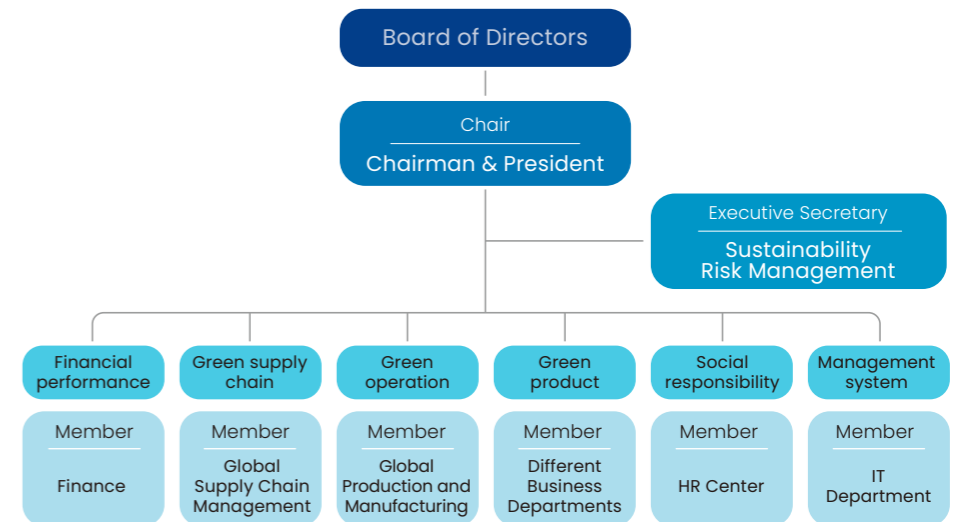
## Corporate Sustainable Development Committee

In order to smoothly conduct a variety of affairs regarding corporate sustainable development and ensure the communication for and responses to the stakeholders' suggestions on our business, Qisda has integrated the relevant departments to form the Corporate Sustainable Development Committee (ESG Committee). The Chairman and President, Peter Chen, serves as the chairman while the senior managers of relevant departments act as the committee members of different dimensions. The executive secretary is responsible for the coordination and promotion of cross-department affairs related to the corporate sustainable development, and convenes quarterly meetings at which the committee members of different dimensions report the implementation status of the performance indicators and CSR report. In addition, the committee annually reports the identification of material topics and the results of performance indicator management of the current year to the Board of Directors as per the "CSR Best-Practice Principles."



- "Best Companies to Work for in Asia" and "WeCare Most Caring Companies Award" of HR Asia in 2021
- "World's Best Employers" award received for the first time in 2021
- "Taiwan Sustainable Enterprise Outstanding Performance Award," "Corporate Sustainability Report – Golden Award," "Taiwan Sustainability Action Awards: Employment and Economic Growth – Silver Award," "Taiwan Sustainability Action Awards: Educational Quality – Bronze Award," and "Social Inclusion Leaders' Awards" of the "Taiwan Corporate Sustainability Awards" presented by Taiwan Institute for Sustainable Energy
- Green Factory Label from MOEA for Qisda's Twin-Star Plant

### Corporate Sustainable Development Committee



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## Our Value Creation Process

### I. Investment

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

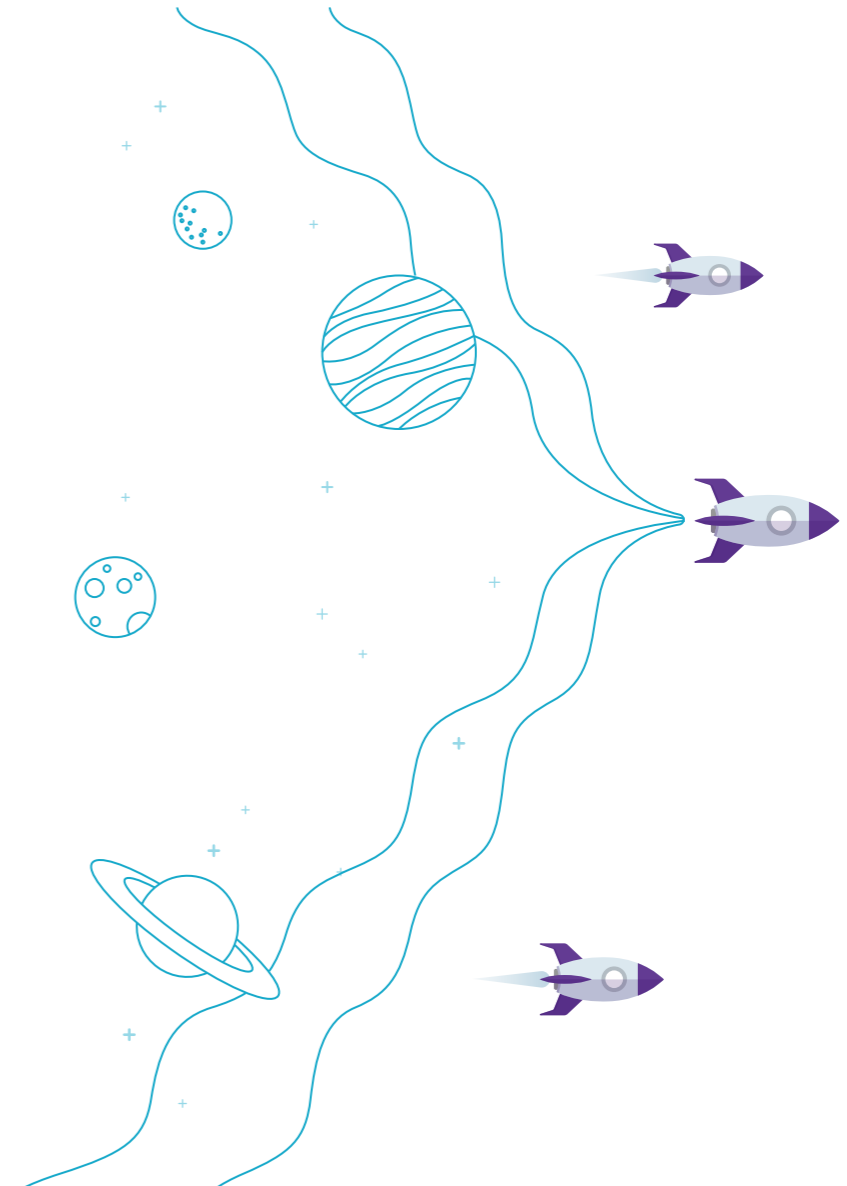
### II. Creation of Value

With Qisda’s vision of corporate sustainable development as the core, we refer to the process of SDG Compass Guide, the suggestions on corporate SDG implementation provided on the SDG Compass website, 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 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. Outputs

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 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 topics of the year that the stakeholders are concerned about; such targets are reviewed and assessed yearly.



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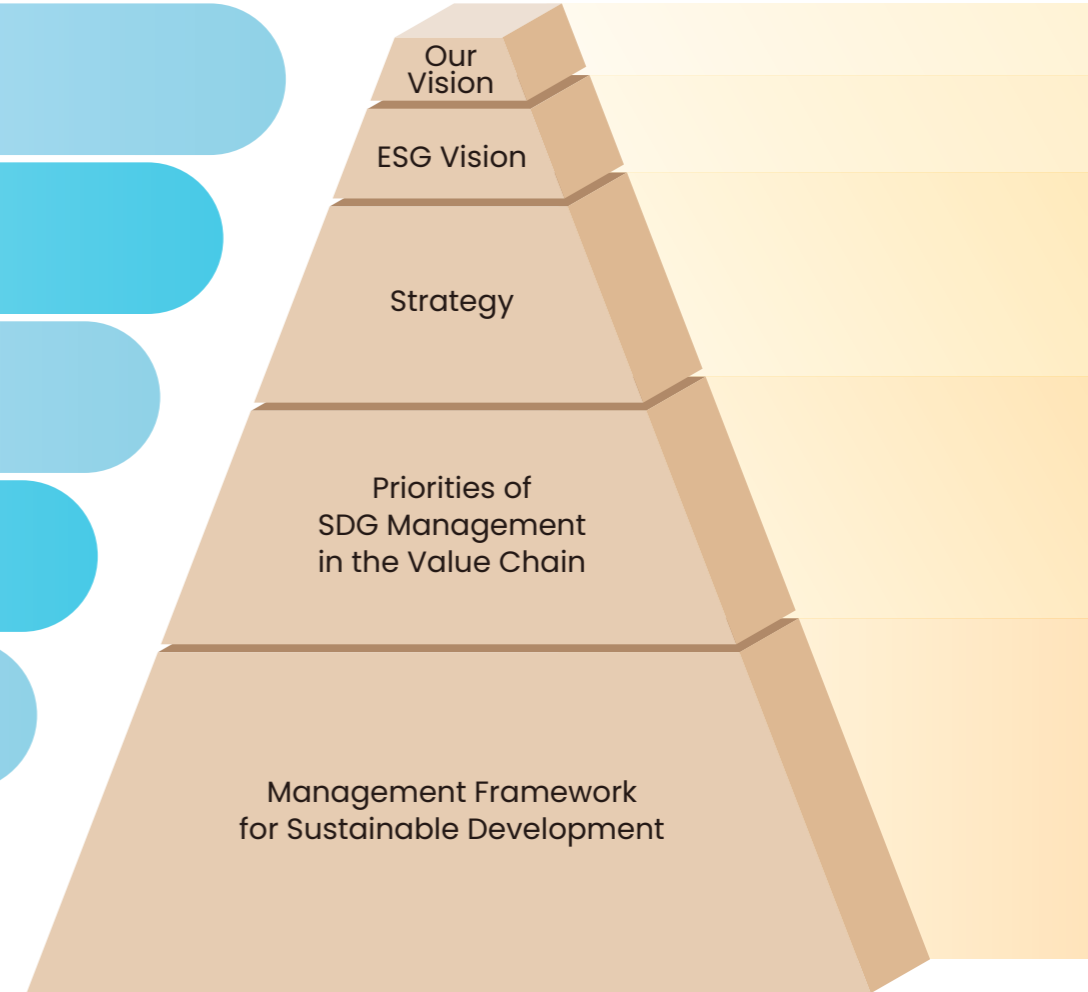
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#### – Value creation process of Qisda

## Investment



## Management Framework for Sustainable Development





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## Creation of Value

Bringing Enjoyment 'N Quality to Life

Being an innovator for the design and manufacturing of ICT and medical products that boosts the quality of human life and stays friendly to the Earth

1. Moving from corporate survival to corporate sustainability, and further pursuing sustainability of the Earth
2. Incorporating sustainability performance with operating strategies
3. Enhancing the value of the Company's investment in sustainability
4. Meeting the international regulations and the expectations about sustainability of the customers, employees, etc.
5. Leading the affiliates to grow and make breakthroughs together



## Outputs in 2021

Green Product	Energy saving (%)	30.47%	SDG 12
	Material reduction (%)	30.73%	SDG 13
	Carbon reduction (%)	33.59%	
Green Operation	Decrease in lost day rate (LDR) (%)	42.2	SDG 8
	Decrease in injury rate (IR) (%)	22%	SDG 8
	Reduction of electricity consumption for each million USD value (%)	Increase by 4.7%	SDG 12 SDG 13
	Reduction of water consumption for each million USD value (%)	34.8%	SDG 6
	Recyclable waste proportion (%)	91%	SDG 12
Green Supply Chain	Written inspection and on-site audit completion rate of the social responsibility, environmental health and safety of key suppliers (%)	96%	SDG 8 SDG 13 SDG 15
Social Responsibility	Percentage of employee code of conduct training	100%	SDG 16
	Care for the local community (number of people receiving the care)	421	SDG 8
	Total hours that the employees in Taiwan spent on charitable events (hours)	1,142	SDG 17
Economic Performance	Increase in the number of essential patents	52	SDG 8
	Risk preparation rate (%)	88%	NA
	Customer satisfaction survey results (points)	95分	NA
	Corporate Governance Evaluation (%)	Top6~20%	NA

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– Short-, medium- and long-term performance indicators of ESG management and the results in 2021

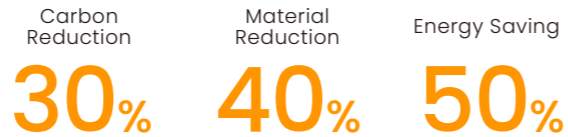
## Green Product

Stakeholders : Customers

### Long-term targets

#### Enhancement of the sustainable value of products

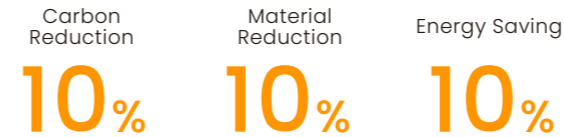
Targets to be achieved by 2030



The base year for the target of carbon reduction is 2011, while that for the other targets is 2009.

### Medium-term targets

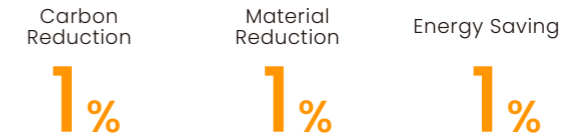
Targets to be achieved by 2025



The base year is 2015.

### Short-term targets

Targets to be achieved every year

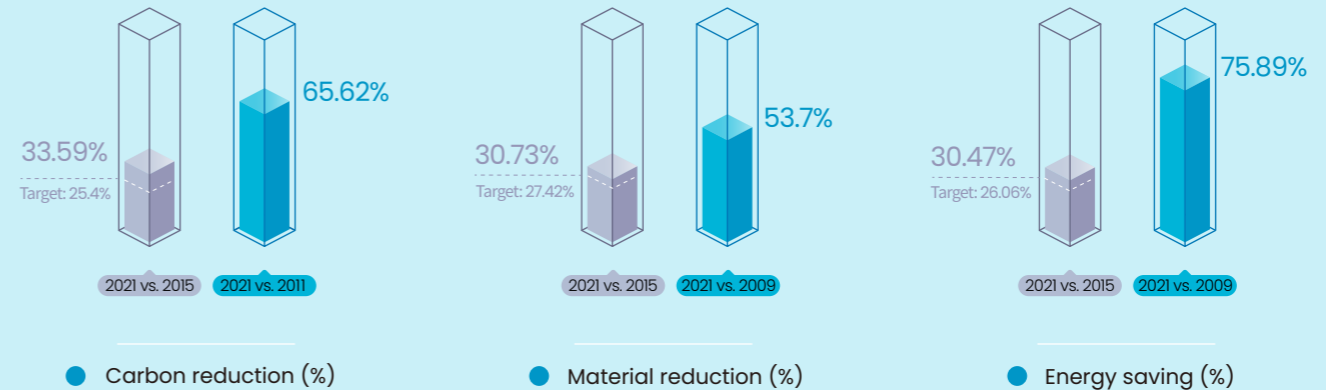
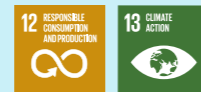


The base year is 2015.

### Mission of SDGs

Qisda believes that the green elements should be incorporated at the very beginning of design, which is the only way to reduce the products' impact on environment at each stage of their life cycle.

### Corresponding SDGs



● Surpassed ○ Achieved ○ Unachieved

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## Green Operation (Safety Management)

Stakeholders : The public. Customers. Employees. Government

### Long-term targets

Continuous improvement and robust development of the culture of green operation

Targets to be achieved by 2030

Lost Day Rate (LDR) Reduction

90%

Injury Rate (IR) Reduction

90%

The base year is 2009.

### Medium-term targets

Targets to be achieved by 2025

Lost Day Rate (LDR) Reduction

60%

Injury Rate (IR) Reduction

20%

The base year is 2015.

### Short-term targets

Targets to be achieved every year

Lost Day Rate (LDR) Reduction

6%

Injury Rate (IR) Reduction

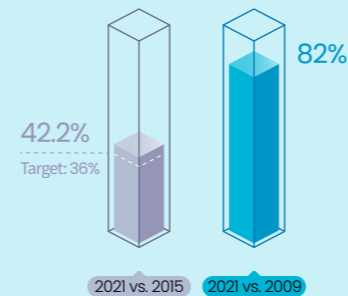
2%

The base year is 2015.

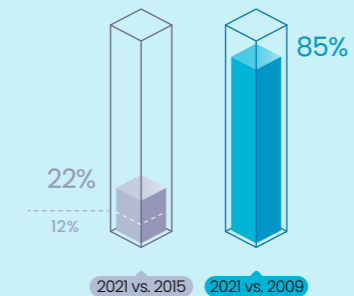
### Mission of SDGs

Qisda is devoted to creating a safe working environment for the employees. Through the management from top to entry-level, we make it a responsibility for all the employees to complete their work safely.

### Corresponding SDGs



● Decrease in lost day rate (LDR) (%)



● Decrease in injury rate (IR) (%)

For related content, please refer to " Safety & Health Management" (P113)

● Surpassed ○ Achieved ○ Unachieved

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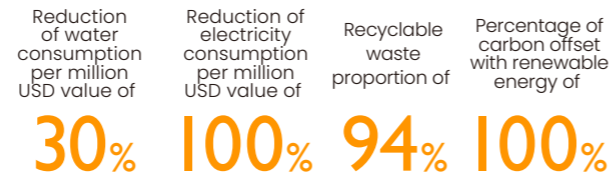
## Green Operation (Energy Saving and Carbon Reduction)

Stakeholder: General Public, Customers, Employees, and Government

### Long-term targets

#### Continuous improvement to achieve carbon neutrality

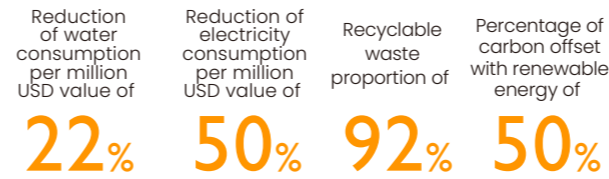
Targets to be achieved by 2030



The base year is 2009.

### Medium-term targets

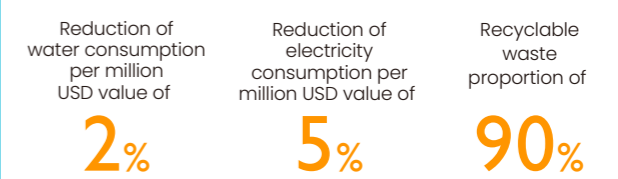
Targets to be achieved by 2025



The base year is 2015.

### Short-term targets

Targets to be achieved every year

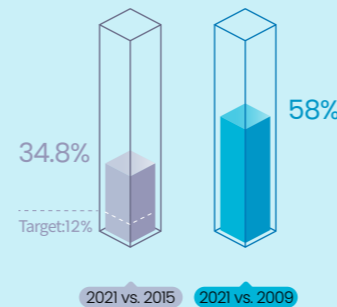


The base year is 2015.

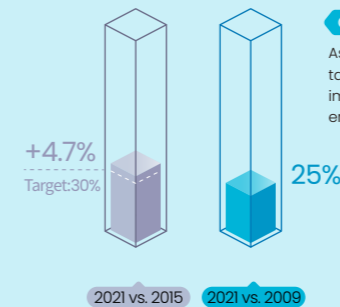
### Mission of SDGs

Qisda is committed to investing resources to make the operational processes more energy-saving and environmentally friendly, so that products that meet the regulations and the customer requirements for health and safety can be manufactured.

### Corresponding SDGs



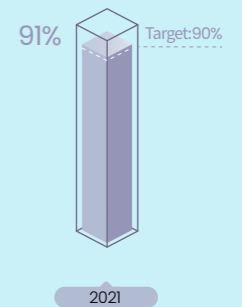
● Reduction of water consumption for each million USD value (tonnes) (%)



○ Reduction of electricity consumption for each million USD value (kWh) (%)

### Corrective plan

As described in the long-term targets, we will make continuous improvement to achieve net zero emissions or carbon neutrality.



● Recyclable waste proportion (%)

For related content, please refer to "Climate Strategy and Carbon Management" (P97)

● Surpassed ○ Achieved ○ Unachieved

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Green Supply Chain Stakeholder: Suppliers, Customers

Long-term targets

Enhancement of the suppliers' independent CSR management capability

Targets to be achieved by 2030

1. Continuous enhancement of the suppliers' independent CSR management capability
2. 40% GHG reduction of Tier 1 Suppliers

Short- to medium-term targets

Targets to be achieved by 2025

1. Completion rate of written inspection and audit about social responsibility, environmental health and safety of key supplier

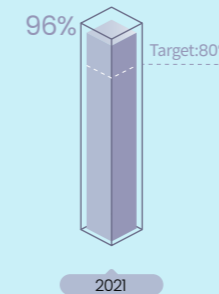
**> = 80%**

2. Information about GHG inventory produced by Tier 1 Suppliers

Mission of SDGs

Qisda asks suppliers to follow local regulations, social standards and environmental protection plans, while launching regular audits and investigations. Qisda and supplier commit to environment, society, add value to product value.

Corresponding SDGs



- Completion rate of written inspection and audit of social responsibility, environmental health and safety of key suppliers (%)

● Surpassed ○ Achieved ○ Unachieved

For related content, please refer to "Creating Green Supply Chain" (P61)

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### Social Responsibility

Stakeholder: Employees, General Public

#### Long-term targets

Targets to be achieved by 2030

**Internalization of the DNA of corporate citizen to exert positive influence on the society**

#### Short- to medium-term targets

Targets to be achieved by 2025

Annual employee code of conduct training percentage of

**100%**

Number of locals we aim to provide care for targeted at

**350** people

Total hours that the employees in Taiwan spent on charitable events targeted at

**2,500** hours

Employee satisfaction and participation rate (HQ) of

**76%**

The base year is 2012

#### Mission of SDGs

Qisda has the mission of “dealing with the customers, suppliers, creditors, shareholders, employees and general public with integrity.” Also, it is our belief that ethical management is the most primary corporate social responsibility and is helpful to the long-term development of a company.

100% Target:100%



2021

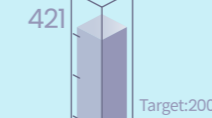
#### Corresponding SDGs



Percentage of employee code of conduct training (%)

#### Mission of SDGs

Based on the core values of “care and contribution,” Qisda gathers the employees to show love while incorporating the Company’s core competitiveness to make a contribution to the society through specific actions.

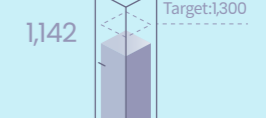


2021

#### Corresponding SDGs



Number of locals receiving our care (people)



2021

Total hours that the employees in Taiwan spent on charitable events

● Surpassed ● Achieved ○ Unachieved

For related content, please refer to “Code of Conduct” (P49), and “Environmental Protection and Social Care” (P85).

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## – Short-, medium- and long-term performance indicators of ESG management and the results in 2021

### Financial Performance

Stakeholder: Stakeholder: Shareholders, General Public

#### Long-term targets

Targets to be achieved by 2030

**Devotion to the enhancement of corporate governance, together with continuous improvement on management and profitability, in order to ensure the rights and interests of the stakeholders**

#### Short- to medium-term targets

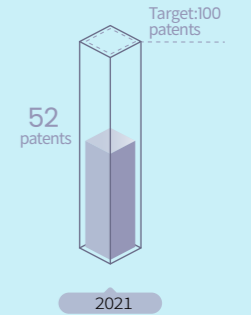
Targets to be achieved by 2025



The base year is 2015

#### Mission of SDGs

Qisda endeavors to increase the number of international patents in anticipation of improving the overall performance of products with more innovation capability for patents.



#### Corresponding SDGs

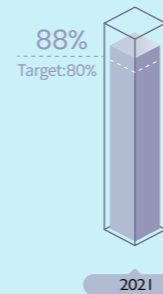


Increase in the number of essential patents

Note: Essential patents: Patents in the U.S. or more than two countries

#### Mission of SDGs

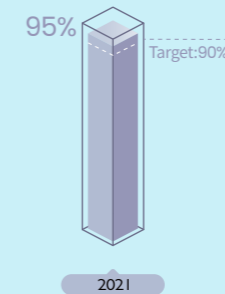
There are no corresponding SDGs for the following indicators. Nevertheless, in light of the significant influence on the Company's management of the following items, we set the indicators for regular review and management.



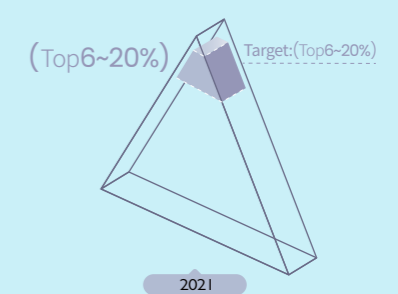
● Risk preparation rate (%)

#### Note

- The preparation rate covers:
1. Preparation setup rate = Defensive tactics prepared or not; weighting of 50%
  2. Availability rate = Ratio of tactics that are not unavailable; weighting of 50%



● Customer satisfaction survey results (points)



◎ Corporate Governance Evaluation (%)



For related content, please refer to "Risk Management" (P41), "Customer Commitment" (P57), and "Corporate Governance" (P35).

● Surpassed ◎ Achieved ○ Unachieved

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## Products and Services in Response to the UN SDGs

To connect 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.

### Qisda's design of products and services in response to the SDGs

Solution	Description	Applied Software and Hardware	SDGs
 <p><b>Smart Energy</b></p>	<p>BenQ Business Solutions, an affiliate of Qisda, is the only "ADR 2.0 Ready" certified energy saving technology company in Taiwan. It creates intelligent green energy and smart management for energy saving and full-time monitoring of IoT equipment used in domestic manufacturing and service industries. In 2021, the service scope has been extended to include the energy creation and storage system; the customers are provided with one-stop energy management services, receiving our support to make plans and progressively fulfill the requirements of net zero carbon emissions that attract more and more attention.</p>	<p><b>Hardware</b> PoE Switch</p> <p><b>Software</b> Automated monitoring system for energy saving of AC and lighting</p>	
 <p><b>Smart Manufacturing</b></p>	<p>We are the first one in the industry to introduce the solution of production and manufacturing information system and provide a platform of high software and hardware integration. In 2017, we set up the Phase 2 smart plant at the headquarters in Taoyuan. As of 2021, AGVs have been adopted by several wafer fabs and automobile factories. Qisda's smart plant has received the first safe human-robot collaboration certification in Taiwan, and the Green Factory Label from MOEA for the second time. Through the setup of smart manufacturing solutions, the production quality can be improved while the waste caused by the sales per unit area can be reduced, which enhances the overall production efficiency of the plants.</p>	<p><b>Hardware</b> Automatic guided vehicle (AGV)</p> <p><b>Software</b> Warehouse management system (WMS), supervisory control and data acquisition (SCADA), smart environmental safety management (SESM), smart cloud situation room (SCSR), radio frequency identification (RFID), traceability, etc.</p>	

For the development and control of performance indicators for SDGs, please refer to "Our Value Creation Process" (P13).



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## — Qisda's design of products and services in response to the SDGs

Solution	Description	Applied Software and Hardware	SDGs
 <p>Smart Education</p>	<p>Based on the core of offering big data learning and analysis services of flipped classroom model and education, the Company makes seamless integration of the software, hardware and teaching/learning experience, supports the learning application scenarios, and provides education cloud services. Ranging from the Campus Security Monitoring, School Administration &amp; Student Information System to Smart Classroom System, we leverage our specialties in information system to comprehensively address the needs of school administration and of the parents, teachers and students.</p>	<p><b>Hardware</b> Large commercial interactive display, ultra-short throw education projector</p> <p><b>Software</b> Comprehensive education cloud system School administration &amp; student information system Campus security monitoring system</p>	
 <p>Smart Health</p>	<p>By combining rich clinical resources and professional technologies of medical equipment and materials, and incorporating the internationalized design capability and software/hardware integration services, we create opportunities for a quality and healthy life. The pandemic prevention and disinfection robots demonstrated their functions during the pandemic in 2021. The UV fluorescent tubes are capable of disinfecting in the hospital at a preset time and in a specified location. The trackless 3D laser and supersonic sensing equipment can work independently and provide additional introductory and transporting functions to reduce the risk of infection to the pandemic prevention personnel. The smart hospital wards, smart emergency room dashboard, clinic check-in and queuing management system and service desk management system all make the treatment-seeking process effectively organized; the efficiency has been boosted, the direct contact has been avoided, and the risk of infection has been reduced.</p>	<p><b>Hardware</b> Medical display, ultrasound scanner, intraoral scanner, surgical table, transporting robots in operation rooms and disinfection robots</p> <p><b>Software</b> 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.</p>	
 <p>Smart Retail</p>	<p>The Company satisfies the needs for diversified one-stop hardware shopping of the retail industry, and puts together a variety of software system services for precision marketing and interactive consumption. We have provided our customers with people flow analysis service for stores; with such support, the customers' revenues of the stores have increased by 20% compared to those of the time before the service implementation. Qisda's affiliates, Partner Tech Corp., LaFresh, etc., have integrated all the online and offline channel platforms in an active manner, providing highly integrated self-order, checkout and kitchen management systems for the stores of catering industry in the popular trend of food delivery and take-away under the pandemic. With systematic process management, such stores can fulfill the consumer needs for food ordering and taking processes that are more feasible and diversified in the pandemic era.</p>	<p><b>Hardware</b> POS terminal, mobile POS, large commercial display, projector and other peripheral equipment</p> <p><b>Software</b> Content management system (CMS), electronic shelf label, hotspot analysis</p>	
 <p>Smart Enterprise</p>	<p>Qisda's affiliate, BenQ Business Solutions, has mature software development capability. Certified by CMMI5, the company, with experience of serving more than 700 well-known customers on the both sides of Taiwan Strait and top-100 companies in China, supports the customers to become smoothly operating smart enterprises by offering highly flexible modular services.</p>	<p><b>Software</b> Human capital management (HCM), supplier relationship management (SRM), business process management (BPM)</p>	

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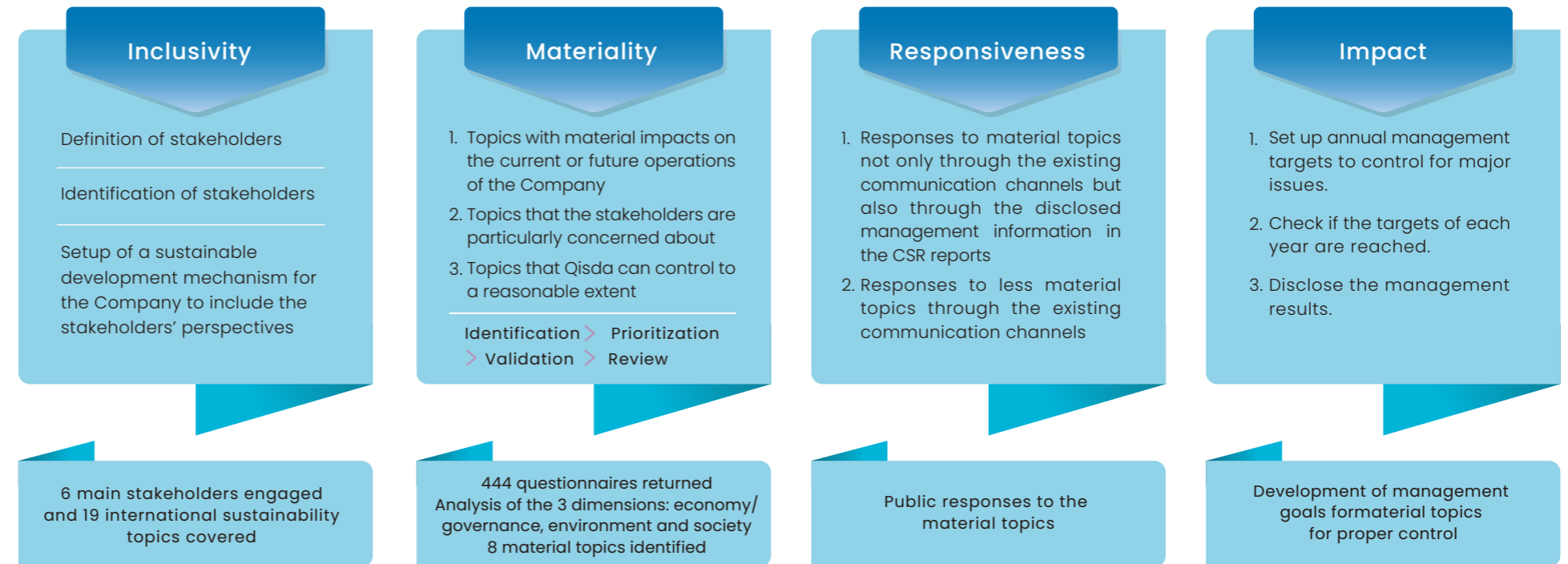
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# Stakeholder Engagement

In order to ensure the timely communication with stakeholder groups, proper inclusion of material topics they are concerned about in the ESG policies, and setup of transparent smooth response mechanism when we make plans and decisions regarding corporate sustainable development, we adopt the AA 1000 Accountability Principle Standard (AA 1000APS) 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.

– Qisda’s compliance with AA 1000APS Accountability Principle Standard



## I. Inclusivity

“Inclusivity” means to include the stakeholders in the scope of consideration when developing responsible and strategic sustainable development approaches. Hence, Qisda takes the following three steps to stick to and keep in line with the spirit of inclusivity:

1. **Definition of stakeholders:** The individuals or groups that have significant impact on our operations or are greatly impacted by our operations.

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2. **Identification of stakeholders:** Based on the definition of interested parties specified by Qisda's ESG framework and the definition of stakeholders, we have identified six main stakeholder groups: employees, customers, shareholders, government, suppliers, and general public.
3. **Setup of a sustainable development mechanism for the Company to include the stakeholders' perspectives:** The topics that the identified six major stakeholder groups above are concerned about all have a certain level of influence on our sustainable development. We have dedicated communication channels for the respective stakeholders, and the corresponding responsible units of the Company collect and give feedback on the opinions of the stakeholders, discuss the material topics of the economic, social and environmental dimensions at the ESG Committee meeting quarterly, and report the stakeholder engagement status at the Board meeting annually, in order to maintain good interaction with the stakeholders. In addition, we compile the information about the major topics the stakeholders are concerned about in the annual corporate sustainability report as reference.

## II. Materiality

"Materiality" means that the decision-maker shall identify and clearly understand the material sustainability topics, and decide the necessary extent of management and the information to be disclosed in the corporate sustainability report. In compliance with the materiality identification method of GRI Standards, Qisda determines the material topics concerning the stakeholders on an annual basis.

This year, mainly through the questionnaire survey for the major six stakeholder groups, Qisda invited the stakeholders to rate the 19 topics that people in the world and society had paid attention to. The questionnaire survey respondents included the employees, customers, suppliers, media, shareholders/banks, and communities. The employees identified the level of impact each topic had on the Company, while the

customers, suppliers, media, shareholders/banks, and communities rated their level of concern for each topic. A total of 444 questionnaires were returned. The level of impact/concern was rated on a scale of 1 (low level) to 10 (high level). The topics were prioritized according to the average rating results, and eight material topics were further determined based on the resolution of the ESG Committee discussion meeting.

## III. Responsiveness

"Responsiveness" refers to a company's management of and responses to topics, challenges and concerns of great materiality through the participation in various operational aspects. After the identification of materiality, we disclose our management of such material topics through the annual corporate sustainability report as well as the existing communication channels. As for our responses to the less material topics, they are presented through the existing communication channels. In addition to the said methods, Qisda has also established an "ESG" website on which the Company's important ESG-related information is disclosed as a reference for all in a timely, transparent and open manner.

## IV. Impact

"Impact" refers to the influence that each material topic has on a company assessed in the process of material topic identification; the scope of impact of each topic is accordingly supervised and measured. Every year, for the material topics identified, Qisda reviews what they mean to the Company and their scope of impact, sets annual management goals to control them, checks the goals and discloses the achievements of the management goals.

 Qisda's ESG website: <https://csr.qisda.com/ch/home.asp>



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## – Communication channels and concerned topics of the stakeholders



### Employees

The employees are one of the capitals for sustainable development as well as the foundation for innovation to the Company. Qisda appropriately manages and trains the employees and has good communication channels with them, in order to retain outstanding talents for the enhancement of our competitiveness.

Current Employees	Concerned Topics	Communication and Interaction Channels	Frequency
<ul style="list-style-type: none"> <li>- Human rights</li> <li>- Labor-management relations</li> <li>- Quality/hazardous substance management</li> <li>- Legal compliance</li> <li>- Talent development</li> <li>- Talent attraction and retention</li> </ul>		- Education and training (incl. drills), training for new hires	> Irregular
		- Newsletter, email, phone call	> Irregular
		- President mailbox	> Irregular
		- HR mailbox	> Irregular
		- 2885 online system	> Irregular
		- Operation presentation	> Quarterly
		- Performance communication system	> Quarterly
		- Welfare Committee meeting, labor-management meeting	> Twice a year
		- Individual interview	> Irregular
		- medical check-up	> Once every two years
		- Complaint mailbox	> Anytime


#### Engagement Results

1. Average training hours: **28.4** hours; completion rate of training in Code of Conduct of employees: **100%**
2. **4** labor-management meetings and Welfare Committee meetings
3. **0** incidents related to human rights
4. 2885 resolution rate: **100%**
5. **0** complaints

#### Sections with More Details

- Legal Compliance
- Code of Conduct
- Learning and Development
- Human Rights Management
- Building a Healthy and Happy Workplace
- Quality/Hazardous Substance Management





### Customers

Considering the improvement of customer satisfaction as the priority, Qisda has set up a Customer Service Division to fully understand the customer needs and solve their problems.

Customers	Concerned Topics	Communication and Interaction Channels	Frequency
<ul style="list-style-type: none"> <li>- Customer privacy protection</li> <li>- Human rights</li> <li>- Labor-management relations</li> <li>- Quality/Hazardous substance management</li> <li>- Legal compliance</li> </ul>		- Customer service hotline	> Irregular
		- Product repair hotline	> Irregular
		- Taiwan customer service manager mailbox	> Irregular
		- Customer rating and questionnaire	> According to customer schedule
		- Dedicated contact point	> Irregular
		- Phone/email	> Irregular
		- Regular and irregular topic reports	> According to customer schedule
		- Customer CSR Forum	

#### Engagement Results

1. Average satisfaction score: **95**
2. SER rating result: **Rank 1**
3. Questionnaire return rate: **100%**
4. Participation in **17** CSR Forums
5. **75** communication cases with customers

#### Sections with More Details

- Customer Commitment
- Human Rights Management
- Green Product
- Quality/Hazardous Substance Management
- Green Operation



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### Shareholders Banks

With the protection of shareholders' equity as one of the issues on which the Company has long placed emphasis, Qisda actively details its overall operational and financial status to shareholders and endeavors to maximize their equity. Also, the Company takes part in the ESG activities of banks to understand the banks' ESG-related awareness and expectation.

Shareholders/Banks	Concerned Topics	Communication and Interaction Channels	Frequency
<ul style="list-style-type: none"> <li>- Financial performance</li> <li>- Risk management</li> <li>- Legal compliance</li> <li>- Code of conduct</li> <li>- Innovation management</li> </ul>		- Spokesperson and deputy spokesperson system	> Irregular
		- Dedicated unit for investor relations	> Irregular
		- Investor mailbox (Investor@Qisda.com)	> Irregular
		- Section for investors on the Company's official website (Qisda.com)	> Irregular
		- Shareholders' meeting	> Annual
		- Investor conference	> Quarterly

- #### Engagement Results
1. Irregular disclosure of financial and operational information in the forms of announcement or press release
  2. Quarterly disclosure of financial statements and operation presentation files on the Company's official website and the Market Observation Post System
  3. Organization of one shareholders' meeting and four investor conferences (March 25; May 13; August 12; November 17)
  4. ESG-linked loan of NT\$13 billion

- #### Sections with More Details
- Corporate Governance
  - Legal Compliance
  - Risk Management
  - Code of Conduct
  - Financial Performance
- 



### Government Agencies

As conforming with the government regulations is the minimum requirement for corporate operation, Qisda has set up a control system and ensures that the operations are in line with the relevant requirements through audit measures.

Government Agencies	Concerned Topics	Communication and Interaction Channels	Frequency
<ul style="list-style-type: none"> <li>- Legal compliance</li> <li>- GHG &amp; energy management</li> <li>- Water resource management</li> <li>- Waste management</li> <li>- Human rights</li> <li>- Occupational health and safety</li> </ul>		- Spot check	> Irregular
		- Visit	> Irregular
		- Official document	> Irregular
		- Labor inspection	> Irregular

- #### Engagement Results
1. Around **10** spot checks, visits, official document correspondence, and labor inspections
  2. EHS and energy: No related deficiencies
  3. Labor conditions: No significant deficiencies
  4. No significant fines imposed
  5. Energy saving that corresponds to the government requirements

- #### Sections with More Details
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### General Public

Based on the core values of "care and contribution," Qisda gathers the employees to show love with the Company's core competitiveness incorporated, and takes part in different local care programs and employee voluntary activities to make a contribution to society through specific actions.

Concerned Topics	Communication and Interaction Channels	Frequency
<b>Environmental Protection Groups</b> <ul style="list-style-type: none"> <li>- Social care</li> </ul>	<ul style="list-style-type: none"> <li>- Phone/email &gt;</li> <li>- Volunteer service &gt;</li> </ul>	<ul style="list-style-type: none"> <li>Irregular</li> <li>Irregular</li> </ul>
<b>Agencies/Organizations</b> <ul style="list-style-type: none"> <li>- Social care</li> </ul>	<ul style="list-style-type: none"> <li>- Corporate website &gt;</li> <li>- Volunteer service &gt;</li> </ul>	<ul style="list-style-type: none"> <li>Irregular</li> <li>Irregular</li> </ul>
<b>Others</b> <ul style="list-style-type: none"> <li>- Social care</li> </ul>	<ul style="list-style-type: none"> <li>- Corporate website &gt;</li> <li>- News of the media &gt;</li> <li>- Internal and external communication &gt;</li> </ul>	<ul style="list-style-type: none"> <li>Irregular</li> <li>Irregular</li> <li>Irregular</li> </ul>

**Government Agencies**

- Company status
- Operating activities
- Social care

**Concerned Topics**

**Communication and Interaction Channels**

- Corporate website >
- Corporate presentation >
- Operation presentation >
- Press release >
- Irregular press conference >
- Irregular media interview >
- Irregular press release announcement >

**Frequency**

- Irregular
- Annual
- Quarterly
- Irregular
- Irregular
- Irregular

**Engagement Results**

**26** news reports (related to the Company's operation and product activities)

**Sections with More Details**


- Code of Conduct
- Financial Performance
- Environmental Protection and Social Care

**Engagement Results**

1. Total hours that the employees spent on charitable events: **1,142** hours
2. Sponsorship provided for **17** units, and a total of NT\$**1.1** million donated by the employees
3. Stimulation for a financial of NT\$**2.26** million in remote areas

**Sections with More Details**

- Environmental Protection and Social Care



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### Suppliers

We set up a supply chain protecting environment, human rights, safety, health and sustainable development with suppliers in a responsible and proactive manner.

Environment Protection Groups	Concerned Topics	Communication and Interaction Channels	Frequency
<ul style="list-style-type: none"> <li>– Supplier sustainability management</li> <li>– Quality/Hazardous substance management</li> </ul>		<ul style="list-style-type: none"> <li>– Survey on the social responsibility, environmental health and safety of suppliers</li> <li>– Internal training</li> <li>– Phone/email</li> <li>– Green Product Management System (GPMS)</li> <li>– Audit</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Annual</li> <li>&gt; Irregular</li> <li>&gt; Irregular</li> <li>&gt; Irregular</li> <li>&gt; Irregular</li> </ul>

#### Engagement Results

1. Completion rate of survey on the new suppliers in the aspects of environment, human rights, ethics and labor rights: **100%**
2. Completion rate of written inspection and audit of key suppliers up to the end of 2021: **96%**

#### Sections with More Details

- Supply Chain Management
- Quality/Hazardous Substance Management





Qisda operation description:  
<https://www.qisda.com/tw/investor/governance/situation>



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## Table of Material Topics

● Surpassed ○ Achieved ○ Unachieved

No	Category	Material Topic	What it Means to Qisda	Boundary			Corresponding GRI Standards	Corresponding Chapter of Management Guidelines
				Internal	External Customer	Supplier		
1	Economy/governance	Legal compliance	Qisda has its operating bases all over the world. To make sure that the Company and the employees comply with the laws and regulations of different countries during the business operation, Qisda pays close attention to policies and laws that might impact our business, establishing relevant compliance regulations and promoting awareness.	●	●	●	102-2.206-1.307-1. 417-2.417-3.419-1	Legal Compliance
2	Economy/governance	Quality/Hazardous substance management	Considering the improvement of customer and business partner satisfaction the priority, Qisda guarantees the satisfaction for the quality to continuously design and produce products that meet the regulations and the customers' requirements.	●	●	●	No corresponding GRI Standards. Qisda has established its own disclosure items Qisda-1	Quality/Hazardous Substance Management
3	Economy/governance	Code of conduct	In order to avoid the distrust by the business partners resulting from unethical conduct, the poor ethics of the employees, and loss to the Company, Qisda has established related bylaws to make sure that all the employees follow the highest standards of conduct during business activities.	●	●	●	102-16.17	Corporate Governance Operation Code of Conduct
4	Society	Customer privacy protection	If a customer privacy breach occurs, customer loyalty and satisfaction may decrease, the business and reputation may be impacted negatively, and the Company may even face legal proceedings. Thus, it is Qisda's promise to the customers that their privacy is surely respected and protected.	●	●		418-1	Customer Privacy Protection



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**Table of Material Topics**

● Surpassed ○ Achieved ○ Unachieved

No	Category	Material Topic	What it Means to Qisda	Boundary			Corresponding GRI Standards	Corresponding Chapter of Management Guidelines
				Internal	External Customer	Supplier		
5	Society	 <b>Human rights</b>	To fulfill the corporate social responsibility and protect the human rights of the employees, Qisda declares that the Company will protect the employees' rights and comply with the local labor regulations and the international standards for the human rights management.	●	●	●	406-1.407-1.408-1. 409-1.410-1.411-1. 412-1.412-2	Creating Green Supply Chain  Management of Human Rights
6	Society	 <b>Labor-management relations</b>	To maintain a great labor-capital relation between the Company and the employees, smooth communication channels have been set up internally to allow the employees to receive messages from the Company in a timely manner. The employees are also encouraged to provide suggestions regarding the overall business and development of the Company so that the decision makers can have some references.	●			102-41	Establishment of Unhindered and Appropriate Labor-Management Communication Channels and Relations
7	Society	 <b>Talent development</b>	The employees are one of the capitals for sustainable development as well as the foundation for innovation to the Company. Qisda appropriately manages and trains the employees and has good communication channels with them, in order to retain outstanding talents for the enhancement of our competitiveness.	●			404-1 404-2	Learning and Development
8	Environment	 <b>Waste management</b>	Qisda manages the waste by adopting the source management strategy, and, with constant energy saving and waste reduction activities, implements waste recycling and sorting in the source management to significantly reduce the waste produced, increase the amount of recycling, and further achieve the goal of waste reduction.	●			306-2.4	Waste Management

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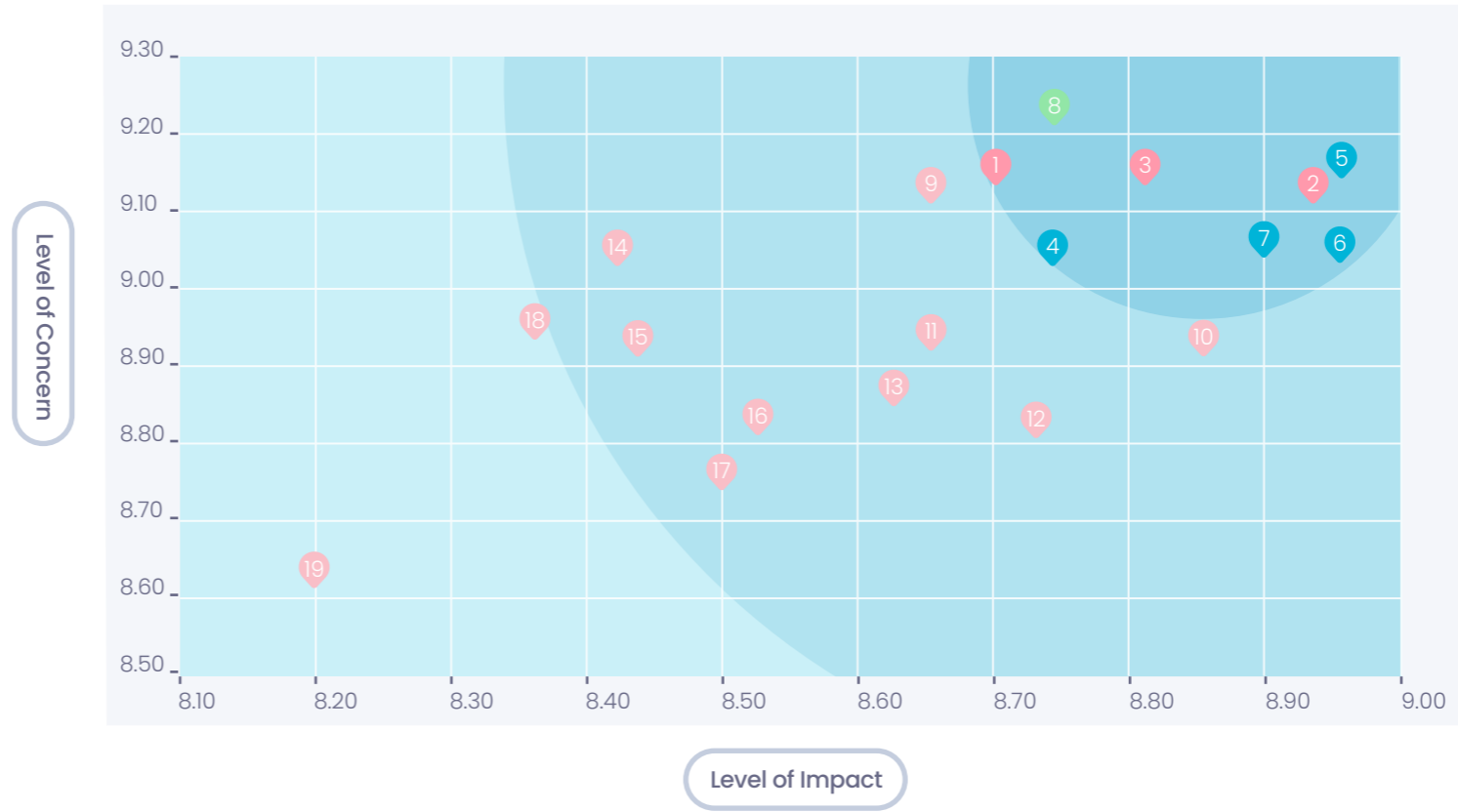
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### Distribution of material topics



- |  |                                    |                                       |                              |
|--|------------------------------------|---------------------------------------|------------------------------|
| 1 Legal compliance                       | 6 Labor-management relations       | 11 Innovation management              | 16 GHG and energy management |
| 2 Quality/Hazardous substance management | 7 Talent development               | 12 Financial performance              | 17 Green product             |
| 3 Code of conduct                        | 8 Waste management                 | 13 Social care                        | 18 Risk management           |
| 4 Customer privacy protection            | 9 Water resource management        | 14 Occupational safety and health     | 19 Biodiversity              |
| 5 Human rights                           | 10 Talent attraction and retention | 15 Supplier sustainability management |                              |

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

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Assessment of impact of material topics on value chain in phases

★ Direct impact ● Indirect impact

Category	Material Topic	Value Chain					Corresponding Chapter
		Materials	Suppliers	Business Operation	Product Use	Product Decommissioning	
Economy/ governance	 Legal compliance	●	●	★			– Legal Compliance
	 Quality/Hazardous substance management		●	★	●		– Quality/Hazardous Substance Management
	 Code of conduct		●	★			– Corporate Governance Operation – Code of Conduct
Society	 Customer privacy protection			★			– Customer Privacy Protection
	 Human rights	●	●	★			– Creating Green Supply Chain – Human Rights Management
	 Labor-management relations			★			– Establishment of Unhindered and Appropriate Labor-Management Communication Channels and Relations
	 Talent development			★			– Learning and Development
Environment	 Waste management			★		●	– Waste Management

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# Implementation of Corporate Governance

## Commitment and Management Strategy

Corporate governance is fundamental to the operation of a company. Qisda is committed to disclosing information about the corporate governance and enhancing the transparency of management performance, while continuously improving the revenue with the operation guidelines of optimization of existing businesses, rapid expansion of medical business, acceleration of solution development, and deployment of key parts and components. Regarding the risks of operations, the Company has managed to reduce the risks and bolster the risk response capabilities through risk control. Meanwhile, the organizational activities have been promoted and supervised in accordance with domestic and international regulations to ensure the development as a robust organization and further protect the rights of stakeholders.

## Outlook

The Company intends to promote the transformation based on the four main operation guidelines, and expand the business scope through the alliance with other companies. Meanwhile, we will leverage our existing governance capabilities to offer resources and guidance and strengthen the relevant management capabilities of the subsidiaries, so that the Group can grow together and produce synergy.

## Key Points of the Chapter

- Corporate Governance SDG 5 SDG 16
- Legal Compliance
- Risk Management SDG 16
- Code of Conduct
- Information Security SDG 3 SDG 8
- Financial Performance

## Material Topics that Stakeholders are Concerned about

For the information about identification of material topics, please refer to "Stakeholder Engagement" (P24).

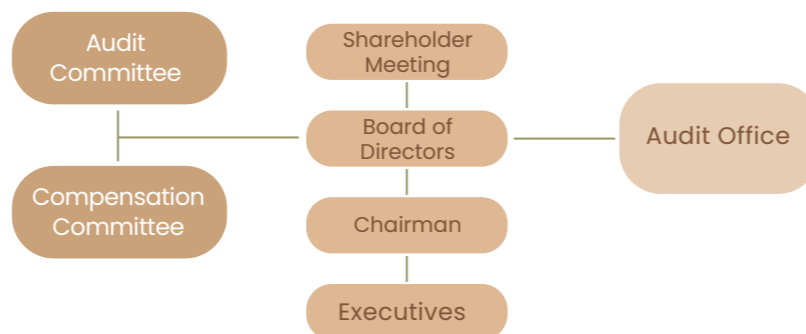
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# Corporate Governance

## Corporate Governance Organizational Structure

The protection of shareholders' rights is one of the issues on which Qisda has long placed emphasis. Since the shareholders' meeting in 2012, Qisda has adopted the electronic voting system and case-by-case voting method for the meeting's agenda, in order to enhance the shareholder attendance at the meeting and make sure the shareholders exercise their rights at the meeting legally. At the meeting, we also actively present our operational and financial overview to the shareholders and receive their inquiries. Having not only a management team consisting of experienced professional executives, but also a Board with members possessing the knowledge, skills and core competencies required to perform their duties, Qisda strives to maximize the shareholders' equity.

### Corporate governance and organizational structure



It is specified in our Articles of Incorporation that the candidate nomination system shall be adopted for the election of directors, and it is set forth in Article 20 of our Corporate

[Inquiry of annual report: https://www.qisda.com/tw/investor/shareholder](https://www.qisda.com/tw/investor/shareholder)



Governance Principles that diversification shall be taken into account for 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 formulate an appropriate diversity policy according to the operations, business type and development needs. In order to reach the ideal goals of corporate governance, the overall Board of Directors has diversified composition and possesses necessary capabilities. The appropriate diversity policy has been developed based on the operations, business type and development needs of the Company; the policy includes, but is not limited to, the criteria of the following two major aspects: 1. Basic qualifications and values (age, identity, etc.); 2. Professional expertise and skills (professional background, professional skills and industry experience).

### Board members

Title	Name <sup>*,**</sup>	Gender	51-61	61-70
Chairman	Peter Chen	Male	●	
Honorary Chairman	K.Y. Lee	Male		●
Director	AU Optronics Corporation Representative: Shuang-Lang (Paul) Peng	Male		●
Director	BenQ Foundation Representative: Joe Huang	Male	●	
Independent Director	Allen Fan	Male		●
Independent Director	Charles Yen	Male		●
Independent Director	Jyuo-Min Shyu	Male		●

\* 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 the section of Corporate Governance Operation in our annual report.

\*\* The details of the directors' continuing education in 2021 have been disclosed in the Corporate Governance Operation of our 2021 Annual Report.

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Currently, there are seven members in the Company's Board of Directors (including three independent directors), two of whom are 51–60 years old, while five of whom are 61–70 years old. Our Board members are elected by all the shareholders through voting at the shareholders' meeting as per the "Procedures for Election of Directors" in accordance with the laws and the Articles of Incorporation. For the committees subordinate to the Board, the members thereof 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, restriction 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. Every year, the Company arranges continuing education about economic, environmental and social issues for the members of the Board and management team, namely our highest governance units, to broaden their knowledge.

## Corporate Governance Operation

Qisda's Board of Directors views the interests of the Company and all the shareholders as the top priorities in performing operational evaluations and passing significant resolutions. The Audit Committee, playing an overseeing role, meticulously reviews the operations of the Company and the Board of Directors.

### 1 Operational Status of the Board of Directors



Qisda's Board meeting is held at least every quarter with a view to thoroughly supervising the Company's operations. With the maximization of shareholders'



equity as the policy, each of the Board members acts as a good administrator and faithfully performs his duties, and uses his power, evaluates the operations and makes significant resolutions based on high self-discipline and carefulness. In 2021, there were four Board meetings convened, with an average attendance rate of 100%; all the members attended all the meetings in person.

To ensure corporate governance and enhance the function of the Board of Directors, we have passed the "Rules for Performance Evaluation of Board of Directors" in 2018, specifying that the performance evaluation of the Board of Directors shall be carried out internally at least once a year and externally at least once every three years.

Each year, the Company makes internal performance evaluations of the "Board of Directors," "Board members," "Audit Committee" and "Compensation Committee." At the end of 2021, we completed the performance evaluations of the Board and the other functional committees. The completion rate of self-evaluation exceeded 98%, reflecting the good overall operational efficiency of our Board of Directors. The evaluation results have been reported to the Board at the ESG-related meeting in Q1 2022.

In 2021, the Company commissioned the independent external evaluation institution, Taiwan Corporate Governance Association, to evaluate the performance of our Board of Directors. The evaluation was made based on eight dimensions: composition, guidance, authorization, supervision, communication, self-discipline, internal control and risk management of the Board; the methods of evaluation included online self-evaluation, review on relevant written documents, and the on-site visit on September 27, 2021. The persons evaluated included the Chairman, three independent directors, the Corporate Governance Officer and the Audit Officer. The performance evaluation results of the Board of Directors were received on October 6, 2021 and reported to the Board on November 12, 2021; also, the relevant external evaluation results have been disclosed in the Board performance evaluation section on our official website.

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**2 Operational Status of the Audit Committee**



The Company has established the Audit Committee in 2008. The committee, consisting of all the independent directors pursuant to the laws and regulations, is subject to the “Audit Committee Charter” formulated by the Board of Directors. It mainly plays the role of auditing, prudently inspecting the operation implementation status of the Company and the Board of Directors. The committee convenes meeting at least once a quarter; in 2021, there were four Audit Committee meetings convened, with an average attendance rate of 100%. Reports and inquiries regarding the audit status of the latest financial statements, internal audit results, major lawsuits, financial and business overview, etc. are made to the Audit Committee members by the accountants (every six months), internal audit unit (quarterly) and units of risk management, legal affairs, finance and accounting (irregularly). This way, the Audit Committee members can ensure the validity of our corporate governance and information transparency for the investors, thereby protecting the shareholders’ equity. The relevant implementation highlights and operational status of the year have been disclosed in the “Operational Status of the Audit Committee” in our 2021 Annual Report. As for the status, topics and results of its communication, the details have been disclosed in the “Communication Status among the Independent Directors, Internal Audit Officer and Accountants” of our website.

**3 Operational Status of the Compensation Committee**



The Company has 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. Qisda’s Compensation Committee holds the meeting at least twice a year; the meeting can be convened at any time when necessary. In 2021, there were three Compensation Committee meetings convened, with an average attendance rate of 100%

- The Compensation Committee members exercise the due care of a good administrator, faithfully perform the relevant duties as per laws, and submit the suggestions to the Board of Directors for discussion. In order to let the committee members know more about the related laws and regulations as well as the Company’s actual operational status, we also arrange meetings to show them the laws and regulations concerning the Compensation Committee and the current compensation and welfare of our high-level executives through presentation.
- Meanwhile, based on the consideration of the industrial risks, the duties of the person in charge, directors and independent directors, and the operational scale, etc., of the Company, and under the principles of correspondence with responsibility as well as reasonable basic compensation, the distribution of the compensation to our employees and directors is subject to the approval of the Compensation Committee and the Board of Directors, and reported at the shareholders’ meeting as a proposal independent from the stakeholders’ opinions. Such distribution can be a method of measuring the management performance of the Company’s top management. The related information about the compensation to our top management such as the Board of Directors and managers has also been appropriately disclosed for all the stakeholders to fully understand the connection between the compensation to high-level executives and corporate ESG performances. For the compensation policies, implementation highlights and operational status of the year, the information has been disclosed in the corporate governance section of our 2021 Annual Report and the “Operational Status of the Compensation Committee” of our website.

For more information, please refer to “Employee Payment and Pension” and the link below for our 2021 Annual Report:  
<https://www.qisda.com/tw/investor/shareholder>



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**4 Operational Status of the Corporate Sustainable Development Committee**



- Qisda has developed related bylaws such as “Corporate Governance Best-Practice Principles,” “CSR Best-Practice Principles,” “Ethical Corporate Management Best-Practice Principles” and “Code of Ethics for Board of Directors and Managers” upon the Board’s resolution in 2015. Also, we authorize the Corporate Sustainable Development Committee, in which the Chairman and President, Peter Chen, serves as the committee chair, to supervise and manage the progress of our corporate sustainable business activities, and take charge of the proposal and implementation of CSR policies, systems or related management guidelines as well as the concrete promotional plans.
- “Dealing with the customers, suppliers, creditors, shareholders, employees and general public with integrity” is not only one of Qisda’s missions, but also the responsibility of all the employees of the Company. 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 the development and implementation oversight of the ethical management policies and related preventive programs, and report to the Board of Directors on a regular basis.
- 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 on the implementation status of CSR and ethical management was given to the Board in Q1 2022, and the related information has been disclosed in the corporate governance section of the 2021 Annual Report and the Company’s website.

For more information, please refer to “Qisda Sustainable Development” (P12).

**Management focuses in 2021 and management plans in 2022**



In 2021, Qisda was ranked among the top 6%–20% in the 7th Corporate Governance Evaluation, and received external performance evaluation of the Board of Directors for the first time. In 2022, we continue to keep track of the revolutionary indicators of corporate governance with an eye to improving the corporate governance system and the evaluation result.

**Conflicts of Interest Management**

Qisda’s Chairman, Peter Chen, serves as the chair of the Board of Directors according to Paragraph 3, Article 208 of the Company Act; in addition to this, the Chairman is also the President of the Company. During the discussion and voting on the proposals at the Board meeting, when a director has a personal interest in the proposal discussed and might impair the Company’s interests, the director shall, 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 chairman of the meeting. Any conflict of interest at the Board meeting will be disclosed in the corporate governance section of our annual report of the year according to the regulations.

**Internal Audit Mechanism**

For the procedures of the daily operating activities, the Company has devised appropriate an internal control mechanism for the operations that might have potential risks related to corruption, legal compliance and business. The Risk Management Committee identifies the risks of corruption, the HR unit arranges related training, and the audit unit makes sure of the adoption and establishment of relevant mechanisms, in order to reduce and prevent corruption or any potential risks to legal compliance and business operation. The audit unit periodically evaluates the management effectiveness of the internal control mechanism, collects the suggestions on the potential risks (including fraud and



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corruption) from high-level executives of different departments, formulates appropriate audit plans and performs relevant audits accordingly. The unit also reports the audit results to the Audit Committee and the Board of Directors every year so that the management can keep track of the current status of corporate governance and reach the goal of management. Also, we carry out 100% internal control risk assessments and audits for the six operational sites in Taiwan, Suzhou (China), Vietnam, Singapore, the U.S. and Japan on a regular basis. The focuses of the assessments and audits include three major issues: financial reporting, procurement operations and sales operations. There were no major corruption risks and incidents found. In 2021, we put more attention to the audits related to key laws to fulfill the requirements for legal compliance.

— Internal audit process



Implementation of Corporate Governance

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Appendix



# Legal Compliance

 - Training on the compliance with anti-trust laws

Management Approach of Material Topic

**Legal Compliance** ● Exceed Goal ◎ Reached ○ Not-Reached

<b>Primary Focus</b>	Customers, suppliers, communities
<b>2021 Management Goal</b>	1.Continuing anti-trust law compliance plan 2.Implementation of GDPR compliance plan
<b>2021 Achievement</b>	All completed   ◎
<b>2022 Management Goal</b>	1. Continuing anti-trust promotion plan 2. Implementation of GDPR compliance plan - Continuous follow-up of the implementation status of remaining public templates - Continuous attention to the development trends related to personal data protection laws in different countries
<b>Medium- to Long-Term Goal</b>	0 cases of violation against anti-trust laws and leakage of personal data
<b>Management Method</b>	<b>Duty</b> Legal Affairs Office
<b>Resource</b>	1. Interdepartmental collaboration to implement training and dissemination 2. Introduction of guidance by external consultants for the emerging compliance issues (i.e. GDPR)
<b>Action</b>	1. Training on and promotion of legal compliance 2. Establishment of a standardized management mechanism for the emerging compliance issues (i.e. GDPR)
<b>Evaluation</b>	Reporting and reviewing on the performance indicators at the Corporate Sustainable Development Committee (ESG Committee) meeting every quarter

 - For details of identifying major topics, please refer to "Stakeholder Engagement" (P24)  
 - For more information about the management approaches with respect to the "Legal Compliance," please refer to this section.

Qisda has its operating bases all over the world. To make sure that the Company and the employees comply with the laws and regulations of different countries during the business operation, Qisda has established policies and regulations related to the laws in Taiwan and other countries covering personal data protection, confidentiality, anti-bribery, anti-discrimination, environmental protection, intellectual property right protection, anti-insider trading, anti-unfair competition, labor protection, etc., and has promoted the corporate social responsibility. In order to ensure the introduction of internal compliance policies, a control system has been set up, and audit measures have been applied to keep the operations in line with relevant requirements. In 2021, the Company faced no lawsuits on antitrust grounds.

All the employees of Qisda pursue the legal compliance policies, escalating the performance of implementation through interdepartmental collaboration. Internally, we request our employees to maintain ethical integrity in an active manner, provide safe and healthy work environment and take pollution prevention actions to enhance occupational safety and health. In terms of the entire product life cycle, we proactively reduce the use of environment-related substances, not only abiding by the environmental regulations but also constantly mitigating our impact on the environment. In 2021, no significant fines\* for legal violations were imposed upon Qisda, and the Company fully carried out the anti-trust law compliance plan internally through education and training for new hires, newsletters, online training courses and dissemination posters. 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. Also, we have tracked and paid attention to the legal development trends of personal data protection laws in different countries to stick to the corporate social responsibility of personal data protection.

\* "Significant fine" is defined as a fine of over NT\$2 million.

Implementation of Corporate Governance

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Appendix

# Risk Management

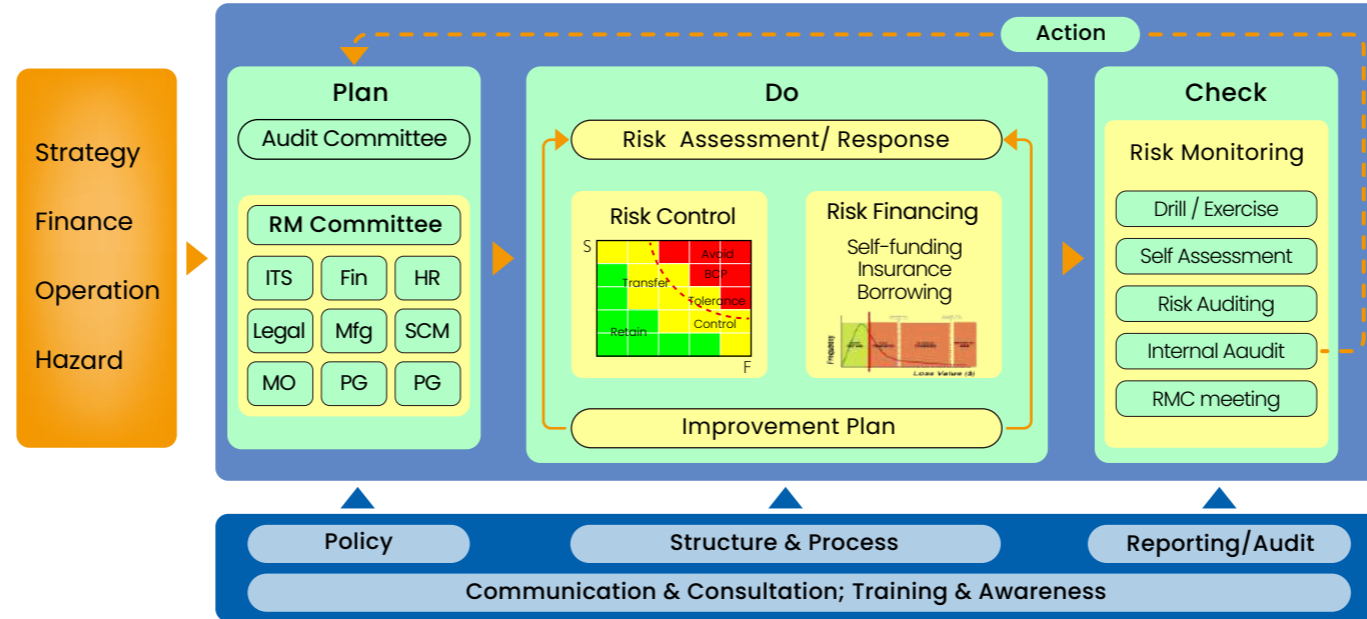
Qisda framed risk management policies and organized the Risk Management Committee (RMC) in 2005 in accordance with the ISO 31000 Risk Management–Principles and Guidelines. With importance placed on the systematic operation of risk management, the vision and policies for risk management are established and the management goals and performance indicators are set up for constant follow-up, which helps 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.

– Risk management structure

**Management focuses in 2021**

In 2021, Qisda’s Risk Management Committee identified a total of 35 key risks based on the risk radar chart and risk checklist. Besides the potential impacts that COVID-19 might have on the Company’s production and employees, information security, supply chain, exchange rate, etc., were also included. During the year, the imbalanced inventories in the supply chain stemming from the rising international shipping price, port congestion, pandemic and other factors affected the Company’s product portfolios. Nevertheless, with the relevant units keeping the problems under control and providing instructions, the impact on the Company’s operation was minimized, making the sales of Qisda Group in 2021 hit a historic high.


Qisda Enterprise Risk Management Structure



- Risk Type
- RM dep. job
- RM Process

- Corporate Governance
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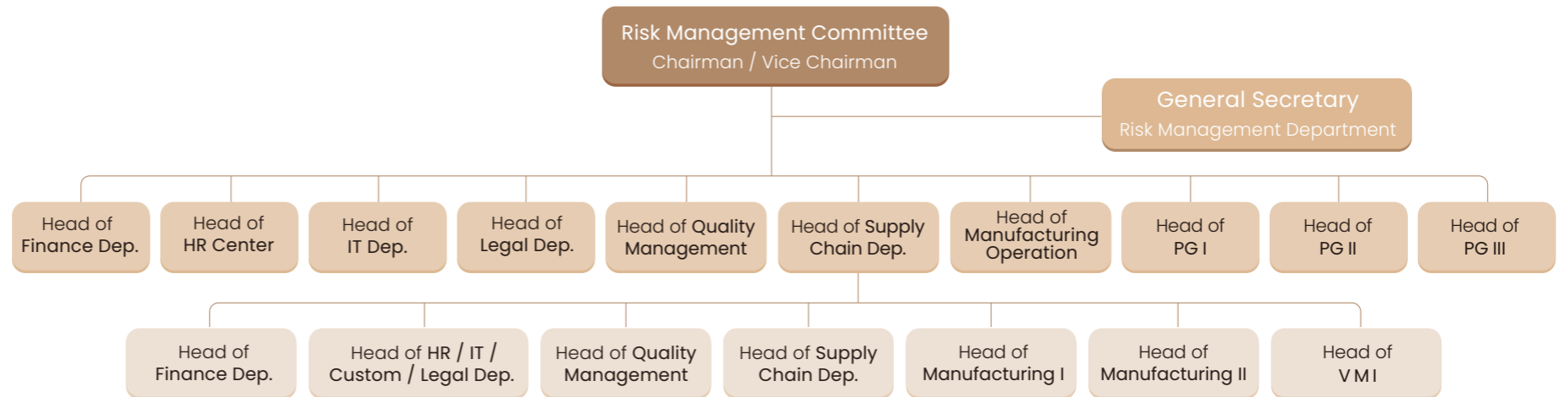


 - Risk preparation rate of **88%**

**I. Vision of Risk Management**

1. The Company is committed to the continuous provision of products and services to create long-term values for the customers, shareholders, employees and society.
2. In terms of risk management, a systematic organization and risk management procedures are required to promptly and effectively identify, assess, handle, report and monitor the significant risks that can impact our business survivability, and raise the employees' awareness of risks.
3. Instead of having "zero" risks, the aim of risk management is the optimization of risk management cost by achieving the greatest profit under the acceptable risks.

**— Risk Management Committee**



**II. Risk Management Policies**

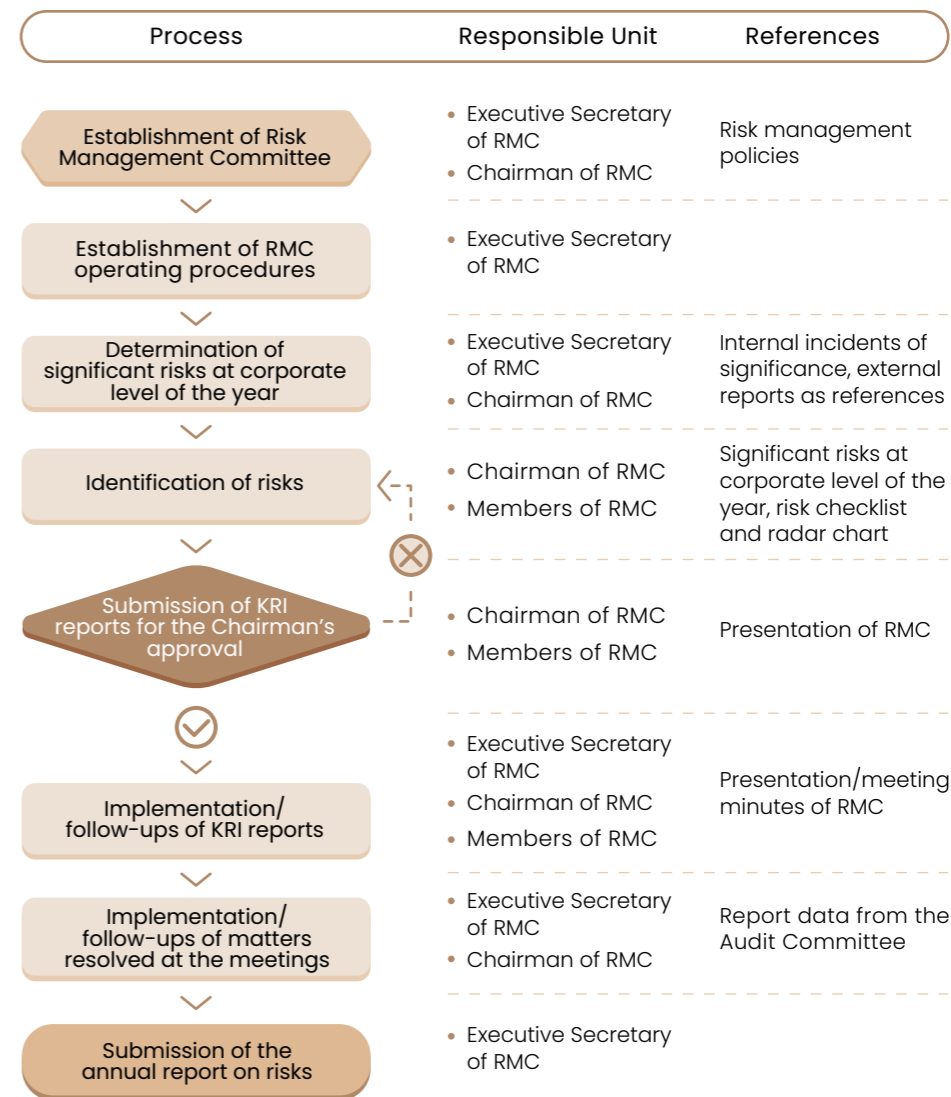
1. With a view to ensuring the sustainable operations of the Company, our Risk Management Committee shall regularly identify, assess, handle, report and monitor the risks that are likely to have negative influence on our operating goals every year.
2. The risks shall be identified and controlled before the occurrence of any accident, the loss shall be minimized when an accident takes place, and the provision of products and services shall be back to normal rapidly after the accident. Meanwhile, business continuity plans shall be devised for the significant risks determined by the Risk Management Committee.
3. Different management tools may be used according to the consideration of risk management cost to deal with the risks below the risk tolerance. However, this does not apply to the following circumstances.
  - The risks have negative impact on the employees' safety.
  - The risks may result in violation of laws and regulations.
  - The risks have negative impact on the Company's goodwill.

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### III. Organization and Operation of the Risk Management Committee

- Established in June 2005, Qisda's RMC is responsible for the risk management in the aspects of strategy, finance, operation and damage to reach the Company's goal of sustainable development and operation. With the President serving as the committee chair and the top-level executives of different units acting as the committee members, it determines the risk management strategies, the annual targets and the risk performance indicators of Qisda. In addition, the Sustainability Risk Management Office is appointed to be the executive secretary to identify the potential risks based on the internal and external matters, prepare risk radar charts, arrange risk management meetings, conduct quarterly follow-ups to the risk targets, stay on top of and improve the implementation status of plans. The operation of the Risk Management Committee is supervised by the Audit Committee/Board of Directors; a report is submitted to the Audit Committee/Board of Directors every year.
- In 2021, a total of 57 Risk Management Committee meetings were held, including 4 regular meetings and 53 temporary meetings (the overseas operational sites held their meetings separately). At the regular meetings, we conducted follow-ups and management based on the key risk indicators (KRI) to make sure of the completion of targets and business continuity of the organization. Also, we reviewed the significant issues, legal changes, abnormal incidents, etc., domestic and abroad at the meetings to propose effective countermeasures.
- In 2021, Qisda's Risk Management Committee identified a total of 35 key risks based on the risk radar chart and risk checklist. Besides the potential impacts that COVID-19 might have on the Company's production and employees, information security, supply chain, hydroelectric power and electricity supply, exchange rate, etc., were also included. The relevant units kept the risks under control and provided corresponding instructions, minimizing the impact on the Company. The risk preparation rate in 2021 was 88%. For the items that didn't match the KRIs, the RMC will keep on controlling them and amend the corresponding instructions in a timely manner in 2022 to reduce the impact on the Company's operation.

### — Operation of the Risk Management Committee

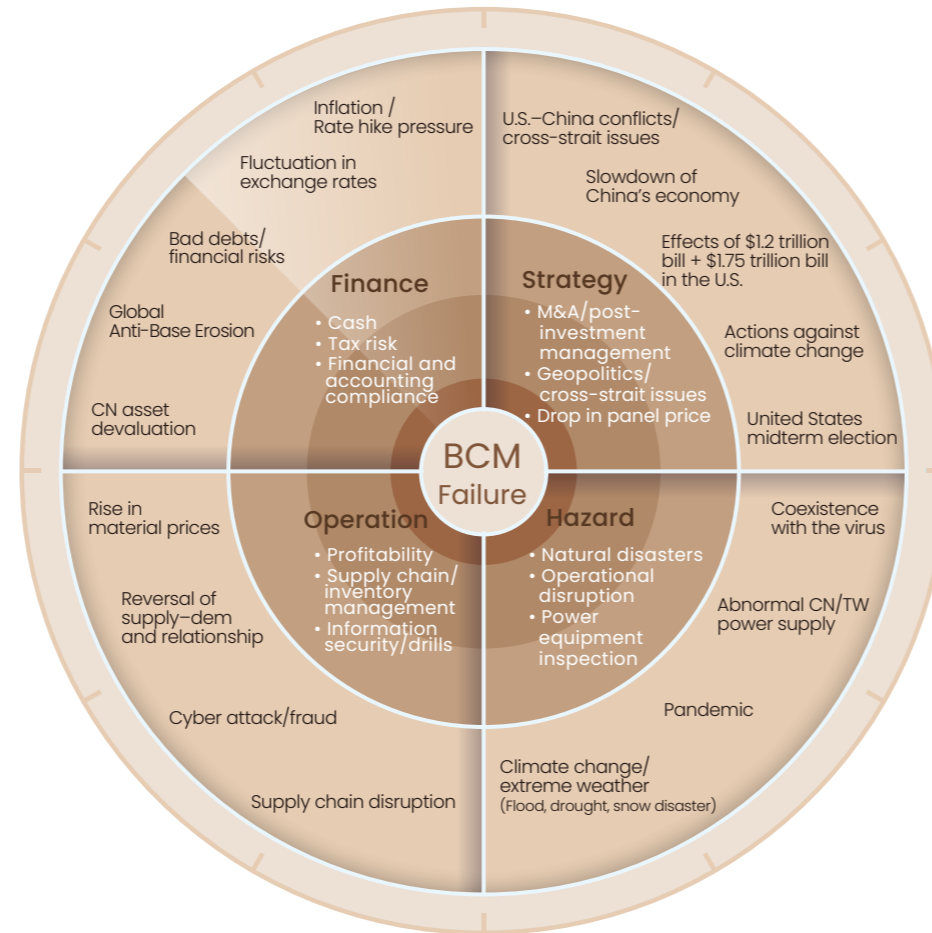


**Implementation of Corporate Governance**

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— Qisda’s 2021 risk radar chart for risk identification



**IV. Business Continuity Management System (BCMS)**

The Risk Management Committee defines the significant risks, simulates the risk scenarios, and assesses the impacts on the organization’s operations. Business continuity plans are developed based on the risk scenarios to ensure that the impacts can be mitigated and the operations can be back to normal as soon as possible when the risks occur.

For Qisda’s risk management, the three pillars—identification and prevention before the accident, loss control and reduction during the accident, and recovery and transfer after the accident—are applied as the fundamental core of the corporate risk management structure and business continuity management system. We formulate corresponding business continuity plans (BCPs) based on the simulation of various significant risk scenarios, and carry on the updates and drills of risk scenarios to make sure that the organizational operation can still go on when being impacted. The operational scope of the business continuity management system (BCMS) covers the entire Qisda Group, including more than 180 companies thereunder. Through the discussions on projects at regular meetings, information integration and sharing of practical experience, we integrate the loss prevention resources of the Group and enhance the Group’s emergency response capabilities to reach the target of risk control.

**V. Implementation Results of Business Continuity Management**

Since 2004, Qisda has successively updated and developed business continuity plans (BCPs) for different scenarios based on the international trends, legal requirements, internal changes in and adjustments to the Company’s product lines, and topics that the customers are concerned over.

BCPs are mainly for 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’ awareness of risks 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 immediately. All the BCPs are described in the “Crisis Management Manual” as the major guidelines of the Company when incidents of significant impact occur.

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In May 2021, the level of pandemic severity in Taiwan increased. Alert to the spread of pandemic in Taoyuan General Hospital, Ministry of Health and Welfare and in Novotel, the Company continually convened the RMC pandemic prevention meetings to adjust the Company's corresponding instructions in a timely and active manner. During the Level 3 epidemic alert in Taiwan announced by the government from May 19 to July 26, 2021, our operations remained undisrupted since we adopted alternate on-site workdays/staggered shifts right away. Meanwhile, as we strengthened the cloud and digital transformation services and maintained the high growth of medical business through deeper and wider deployment, our revenue reached a historic high.

**VI. Group Defense Mechanism**

- A joint defense mechanism of over 180 companies, centering on Qisda, has been established to convene regular meetings, establish reporting channels, set up an information exchange platform, integrate group resources, and bring the unified strength into full play.

In 2021, Qisda Group convened 10 regular meetings in total, introducing the emergency responses, business continuity plans, CSR/ESG and so forth into the companies under the Group through the platform. Via educational training and practical drills, the Group

**— Structure of Qisda corporate risk management and BCMS**



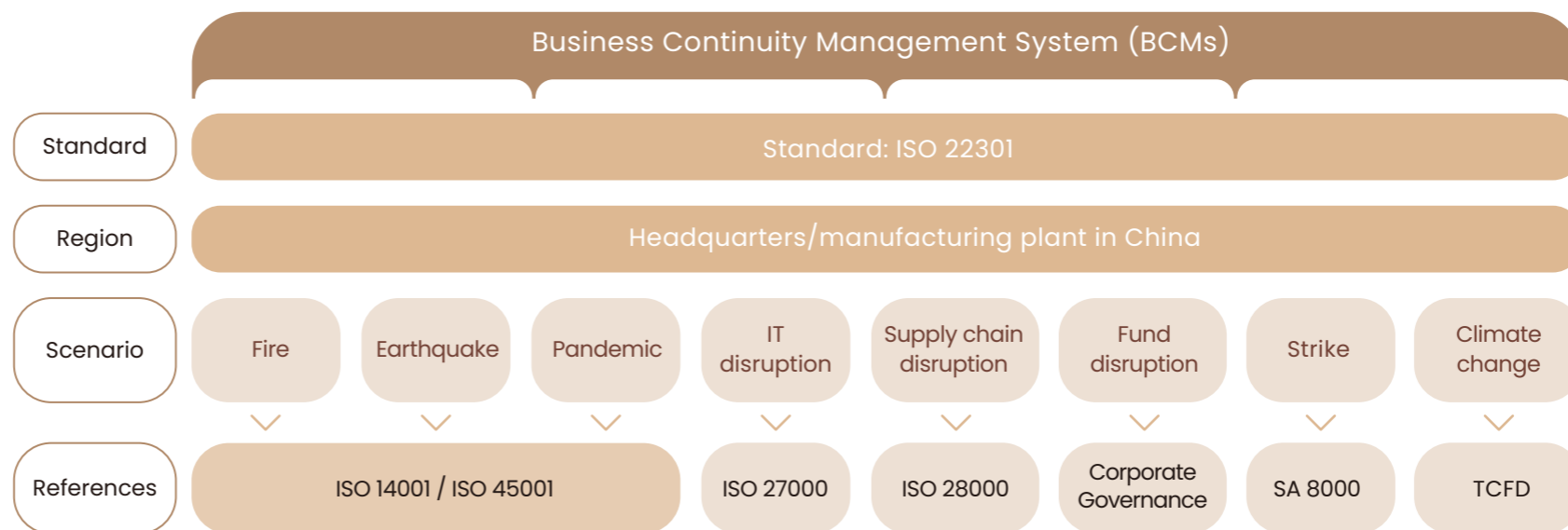
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and the companies have developed rapid crisis response and handling capabilities. The mechanism of sharing resources, information and experience has enabled the Group and the companies to have great prevention and management before the risk events happen as well, reducing the occurrence rate of accidents from the very beginning.

- On November 16, 2021, we even invited Dr. Chong Chiu, an internationally known crisis management expert, to deliver a keynote speech "Creation of Business Miracles under COVID-19 with Error-Free Approaches." The participants include the first-level management of the Group and the employees related to risk management affairs.
- We have grasped three concepts of error-free through the experience shared by Dr. Chong Chiu: Analysis of minor errors to avoid great errors; elimination of deficiencies and single point vulnerabilities; key point quantification and interwoven

— Qisda BCMs Framework



prevention. The attending managers and employees can apply the concepts to their daily operations and management, facing up to the human weaknesses that everyone has and further eradicating the risk of wrong decisions.

VII. Emerging Risks

In 2021, to respond to climate change, the BCP flood drill was conducted at Suzhou Plant, China.

Simulated scenario: Disruption of external public facilities and supply chain due to the 1-meter flood around Suzhou Plant because of the large-scale flood in Yangtze River Basin caused by consecutive days of downpour, and the losses of personnel, equipment and transportation thereof.





### 1 Alert Phase



- It had been reported that the water level of Taihu Lake had exceeded the alert water level (1m) and that the rainfall of the next 24 hours would have reached 200mm (the small in-plant river was 0.5m away from the road); there had been a risk of flood
- More than 10% of the employees had found their houses flooded; the flood had led to economic losses of the families and problems of commuting
- A BCP organization to fight against the flood and disasters had been formed

### 2 Tasks before the Disaster



- Setup of a situation room
- Supply preparation: Preparation for flood prevention supplies, household necessities, and equipment repair supplies
- Setup and inspection of flood prevention facilities at the plant
- Preparation for power transmission for equipment in case of power outage
- Inventory of the suppliers' materials
- Water prevention measures for the goods at the plant

### 3 Responses to the Flood



- Placement of personnel and provision of supplies
- Handling of the water leakage problem at the plant
- Regular plant inspection and safety reporting
- Confirmation of temperature, humidity and storage environment for sensitive materials
- Inventory of the suppliers' materials
- Inventory of the impacted manpower
- Support for the employees suffering from the disaster

### 4 Recovery from the Disaster



- Inventory and repair of damaged facilities
- Preparation for power restoration
- Inventory of manpower
- Inventory of the suppliers' materials
- Adjustment to production plans
- Support for the employees suffering from the disaster

#### Implementation of Corporate Governance

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#### Partnership Management

#### Creation of Shared Value

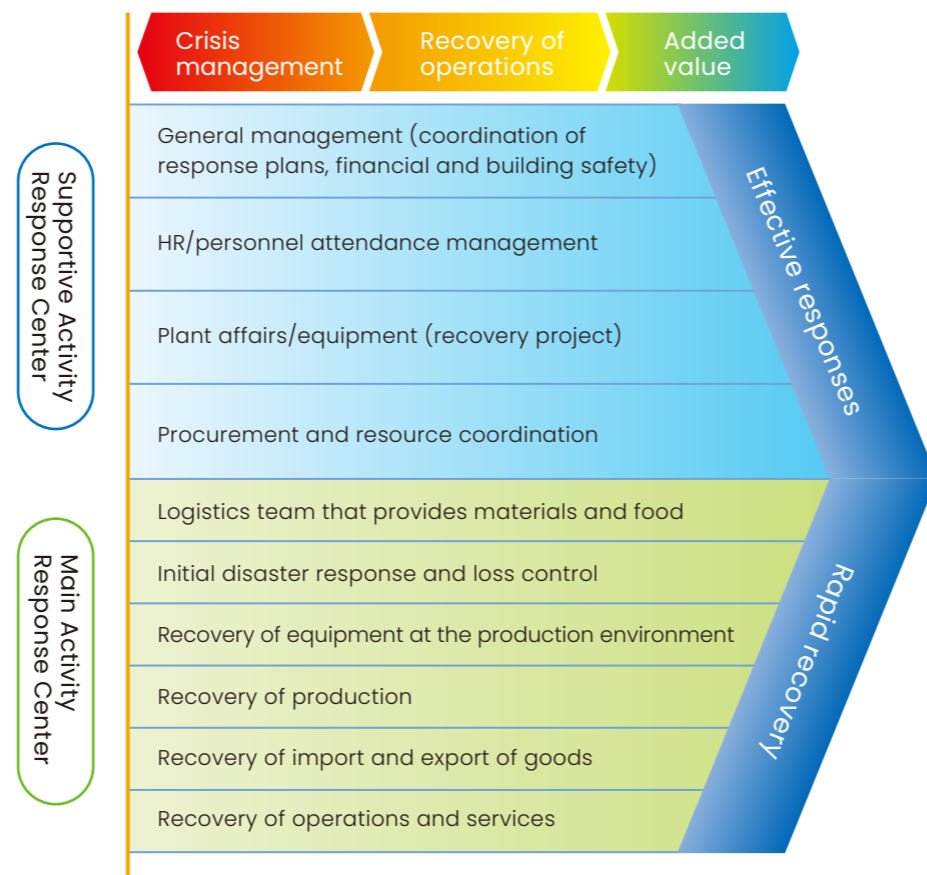
#### Development toward Sustainable Environment

#### Creation of Opportunities For Growth Together

#### Appendix

During the BCP flood drill, 12 inventory forms were produced, and the identification and improvement of the weak points of flood prevention were done. Through the drill, we can avoid the losses of materials and equipment caused by power outage or in-plant flood, and shorten more than half of the days required for recovery from the disaster.

#### — Flowchart of BCP flood drill



#### — Responses to supply chain risks



Risk Scenarios

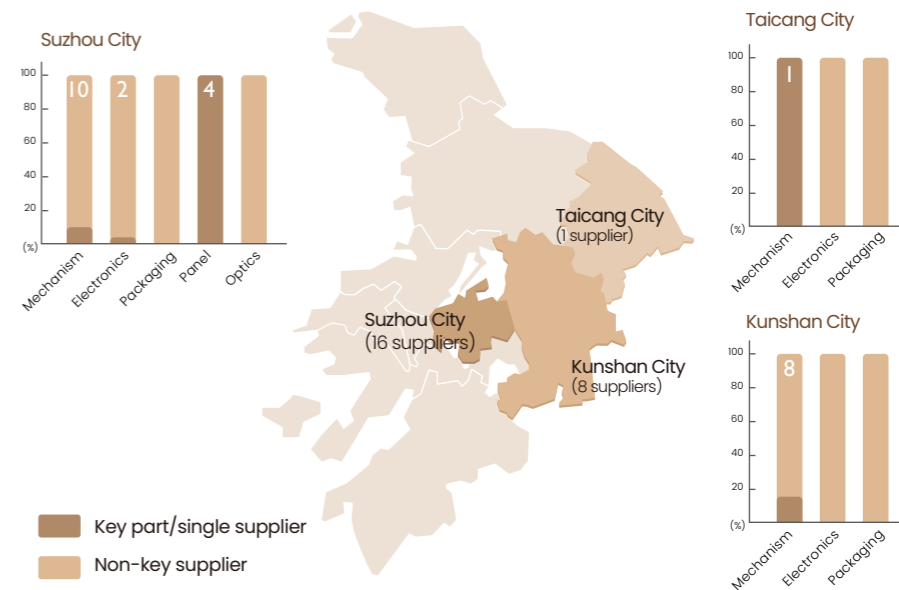
1. Delay of import and export due to traffic congestion
2. Delay of production resulting from material shortage



Countermeasures

1. Adjustments to the air/sea shipping routes and development of alternative plans
2. Joint coordination of sea freight with the customers
3. Joint development of solutions to imbalanced inventories with the customers
4. Increase in the manufacturers and plans for alternative materials for diversified procurement channels
5. Enhancement of the ratio of complete set of materials and systemization of material status simulation


#### — Proportion of key suppliers



For the information about the identified risks and opportunities of climate change, please refer to the section of "Climate Strategy and Carbon Management" (P97).

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# Code of Conduct





- 0 corruption incidents
- Employee code of conduct training percentage of **100%**

## Management Approach of Material Topic

**Code of Conduct** ● Exceed Goal ○ Reached ○ Not-Reached

<p><b>Primary Focus</b></p> <p>Customers, suppliers, communities, employees</p>	<p><b>Management Method</b></p> <p><b>Duty</b> Human Resources Department</p>
<p><b>2021 Management Goal</b></p> <p>Employee code of conduct training percentage of <b>100%</b></p>	<p><b>Resource</b></p> <ol style="list-style-type: none"> <li>Interdepartmental collaboration to execute the projects</li> <li>Corporate Sustainable Development (ESG) Committee</li> </ol>
<p><b>2021 Achievement</b></p> <p><b>100%</b> completion rate of the employee code of conduct training <span style="float: right;">○</span></p>	<p><b>Action</b></p> <ol style="list-style-type: none"> <li>Annual online training on the code of conduct</li> <li>Establishment of Code of Conduct, and disclosure of it on the internal website</li> </ol>
<p><b>2022 Management Goal</b></p> <p>Employee code of conduct training percentage of <b>100%</b></p>	<p><b>Evaluation</b></p> <p>Reporting and reviewing on the performance indicators at the Corporate Sustainable Development Committee (ESG Committee) meeting every quarter</p>
<p><b>Medium- to Long-Term Goal</b></p> <p>Corruption incident: Remaining to be <b>0</b> cases</p>	

 - For details of identifying major topics, please refer to "Stakeholder Engagement" (P24)

 - For more information about the management approaches with respect to the "Code of Conduct" please refer to this section.



**Management focuses in 2021 and management plans in 2022**

The new "Ethical Corporate Management Best-Practice Principles" was supervised and approved by the Board of Directors in 2020. The rate of the employee code of conduct training remained 100% in 2021.

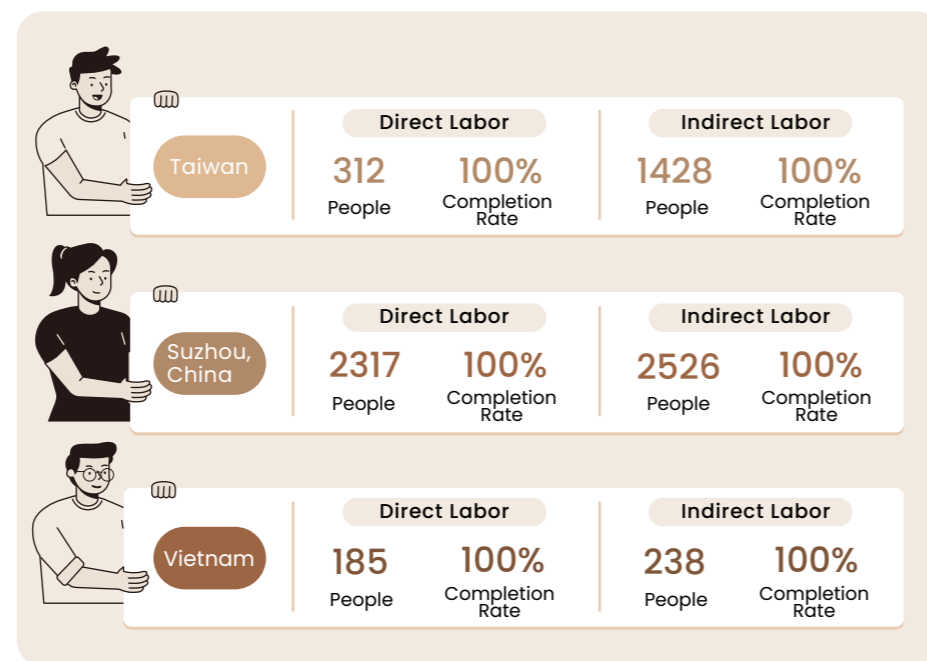
Ethical management is the most primary corporate social responsibility. It is helpful to the operation and long-term development of a company. Unethical behaviors not only bring loss to a company but also lead to low level of morality of the employees and distrust in the relationships with customers and business partners. Lobbying, bribery and other illegal behaviors might subsequently occur, which would impair the corporate governance system and make the overall operational environment 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 "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" was supervised and approved by the Board of Directors, and was further revised in November 2020 upon request of Taiwan Stock Exchange to serve as the code of conduct for all the employees.

The scope of Qisda's Ethical Corporate Management Best-Practice Principles covers integrity, anti-corruption, discrimination and harassment, anti-trust, intellectual property rights, data protection, political involvement, etc. Specific norms of behavior have been set for these respective topics, serving as the highest standards of conduct for all the members of the Company to follow during business activities.

## Training on 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 the newsletters reminding that no external presents shall be accepted, etc., to the employees through email, increasing their awareness of observing the standard. Every new employee is trained on the points of code of conduct at the Win Camp when coming on board. In addition, the Company introduces the corporate culture and related regulations during the internal courses of New Comer Program to make sure that the new hires gain full understanding. For the existing employees, we conduct online training on the code of conduct (including anti-corruption) on an annual basis. The completion rate of training in 2021 is described

### Percentage of communication and training on code of conduct\*



\* The contents of the code of conduct were communicated to the employees in the form of training by October 31, 2021. A total of 7,006 employees participated in the training.  
 • The operators of Suzhou Plant were not included in the statistics on the number of participants as they had already received the training on code of conduct during the course on labor contract when coming on board.

in the following table. Thanks to the training and dissemination with respect to the code of conduct, there was no violation of the ethical management principles in 2021.

Besides the communication with and training of employees with regard to ethical conduct, we have sent anti-corruption promotion letters to all the members of the Board of Directors (currently seven 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 every year. The letter was sent to about 1,041 suppliers in 2021 to achieve our goal of zero corruption incidents. Moreover, the performance of the development and implementation oversight of the ethical management policies and related preventive programs are reported to the Board of Directors at least once a year.

## Report and Suggestion Communication Mechanism

The Company has established the "whistleblowing channel and investigation procedure" and the President mailbox; relevant announcement has been made on our website as well. For serious inappropriate behaviors that violate the principles of integrity, conflict of interests and avoidance, fair trade, bribery and illegal payments, or any illegal behaviors or appropriate treatment, we have a complete set of communication procedures for whistleblowing reports and suggestions. When finding anyone or any matters non-compliant with the spirit of integrity or against the regulations under Ethical Corporate Management Best-Practice Principles, the employees may send messages directly to the President through the President mailbox for the top supervisor to handle such cases. The employees and external parties (such as suppliers, customers or other stakeholders) can also submit reports or appeals via the integrity mailbox: Integrity@Qis da.com (using Chinese, English or other local languages) for the responsible units to launch investigations and compile the investigation reports. Once the facts are confirmed, the cases are handed over to the Personnel Evaluation Committee for further process. Qisda strictly guarantees the confidentiality of the whistleblowers, making sure of their safety and protecting them from revenge attacks. In 2021, the Company did not receive any whistleblowing reports.

Qisda whistleblowing channel and investigation procedure:  
<https://csr.qisda.com/ch/csr.asp?ca=4>



- Corporate Governance
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- Risk Management
- Code of Conduct
- Information Security**
- Financial Performance



# Information Security

## Information Security Policy

To ensure the confidentiality, integrity, availability and compliance of our information assets (hardware, software, data, document and personnel relating to information processing) are not compromised by internal and external intentional or accidental threats while considering the business requirements of the Company, we refer to the international information security standard ISO 27001 to formulate our corporate information security policy. In August 2020, we received the ISO 27001 certification.

## Information Security Management Committee

Qisda has formed the Information Security Management Committee to take charge of the internal promotion of information security, effectively protecting the security of the Company's intellectual property and increasing the employees' awareness of information security through the regulations and tools related to the IT assets. In the Information Security Management Committee, the President serves as the committee chairman, the head of IT Department acts as the vice chairman, and the top-level executives of different units act as the members.

## Information Security and Cyber Risk Assessment

To appropriately protect the activities within Qisda's information security management system, satisfy related regulations and execute the risk assessment procedures, we determine the risk handling measures through risk assessment results and internal meetings to effectively lower, transfer and erase risks. Each year, we review each regulation and make evaluations of as well as adjustments to our internal information security regulations on a regular basis to ensure the legal compliance and effectiveness; all the changes are disseminated to the employees. In terms of the supply chain, we request

third-party service providers to enter into contracts with us to have them follow the regulations regarding non-disclosure and cyber security. Besides performing basic information security-related training when newcomers join us, we regularly hold email social engineering drills, performing educational training for related information security knowledge regarding email delivery and receipt to lower the risk of their clicking malicious emails by mistake. Meanwhile, we arrange employee online educational programs for information security to improve their information security awareness, ensuring that the concept of information security can be incorporated into daily operations.

## Information Security Management

By establishing the information security management system, Qisda sticks to the information security policy, protects customer information and the Company's intellectual output, strengthens the response capabilities for information security events, reaches information security policy evaluation indicators and meets the stakeholder groups' expectation of the Company. Also, with the PDCA (Plan-Do-Check-Act) mechanism, we continue to improve our information security control mechanism. The vulnerability scanning system has also been introduced for regular vulnerability scanning of each system, so that our system safety is guaranteed and no sensitive information will be leaked due to system vulnerability.

A third-party information security monitoring system has been purchased to monitor in various risk aspects, including cyber security, robustness of network name system, vulnerability repair, endpoint security, IP credit rating, app security, etc. We continually analyze the information security system risks, and maintain the score of 95 (out of 100; average score in the industry: 85).

- Corporate Governance
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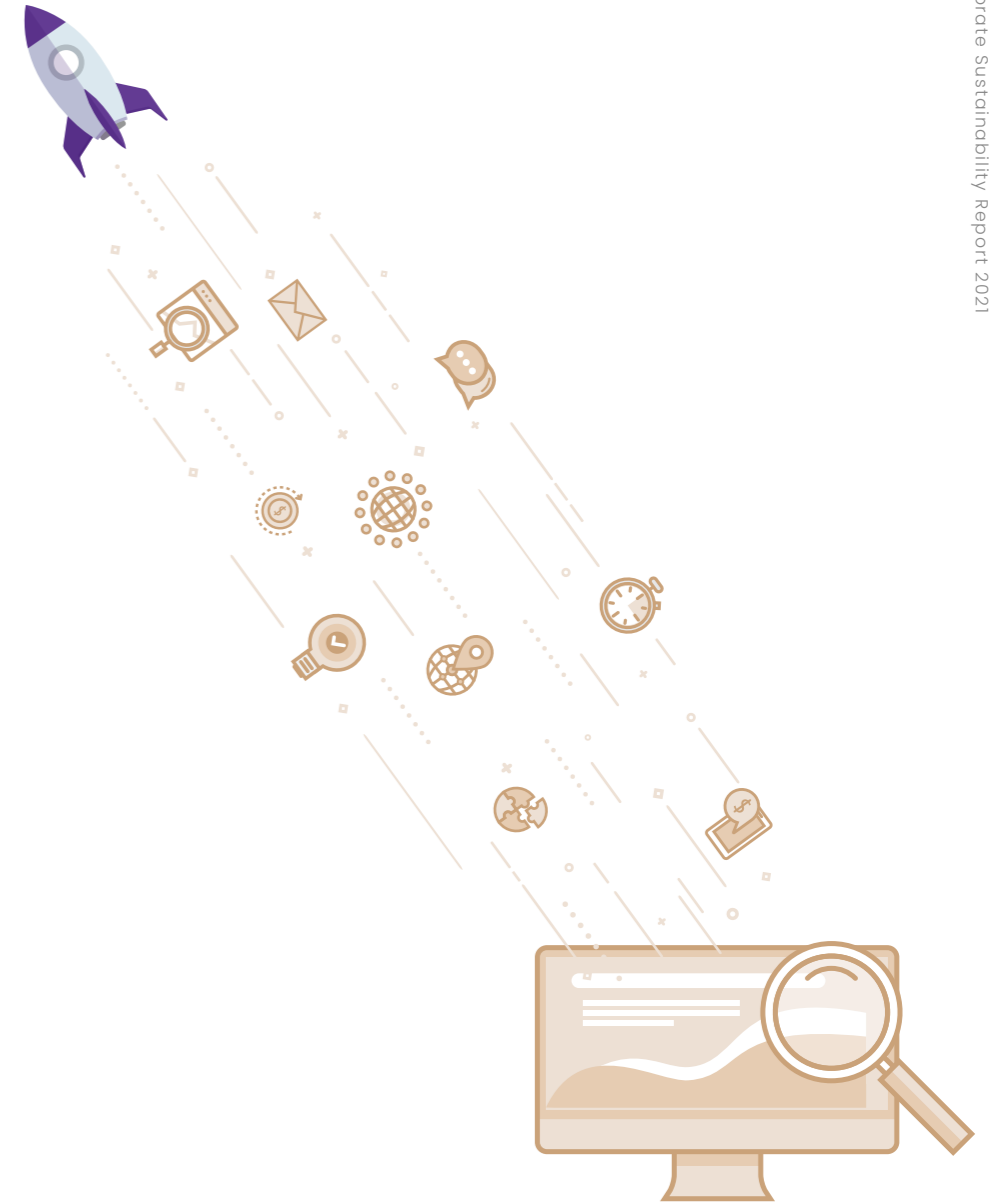
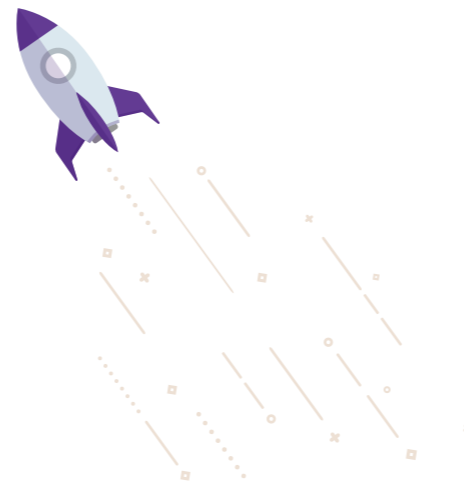


### | Arrangement of Information Security Insurance


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 information security management system, Qisda has enhanced the SOP and drills of internal emergency response process. We will continue to conduct simulation drills 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.



# Financial Performance



- Four operation guidelines: Optimization of existing businesses, rapid expansion of medical business, acceleration of solution development, and deployment of 5G network communication business
- Highest consolidated revenue in the decade with a growth rate of **18%**

In 2021, Qisda's consolidated revenue was NT\$226 billion, which was NT\$34.3 billion more than that of the previous year. The consolidated operating profit totaled NT\$7.4 billion, and the consolidated post-tax profit was NT\$10.5 billion; the net profit attributable to the owners of the parent was NT\$8.3 billion, and the EPS after tax was NT\$4.22.

Qisda has been engaged in the transformation in recent years and formed an alliance with hidden champions around the resource platform of the Group. This idea is recognized by many domestic listed and OTC companies and attracts them to join the alliance. Hence, Qisda had a consolidated revenue rising to a new record high in the recent four consecutive years in the face of the impact of COVID-19 pandemic, challenges in supply chain, rising global trade war jitters and other uncertain conditions. The share of the highly value-added new business in terms of revenue continues to march toward the goal of a share more than half of the total revenue. In 2021, we strove to expand our business territory based on the four operation guidelines.

Qisda maintains the competitive advantages with innovation and technology development. Averagely speaking, the Company invests around 2%–3% of the revenue in the innovation and R&D of products every year; a total of 1,174 patents around the world are currently obtained.

In addition, Qisda has also flung itself into the corporate sustainable operations. In 2021,

the Company kept the information related to ESG (environment, society, and corporate governance) indicators highly transparent, and even led the partners to implement ESG together based on the concept of alliance. As a result, the Group won eight awards from the "Taiwan Corporate Sustainability Awards and Taiwan Sustainability Action Awards." Also, we were granted the "Social Inclusion Leaders' Awards" for the first time, and the Taiwan Sustainable Enterprise Outstanding Performance Award," three awards under the "Corporate Sustainability Report Award," and three awards under the "Taiwan Sustainability Action Award," which demonstrated that Qisda and the alliance partners have spared no effort to work on the sustainable development.

Please refer to the following table for Qisda's operational performances in the past five years. The information has been disclosed in the section of financial highlights in the Company's annual report. As for the consolidated entities covered in the Company's consolidated financial statements, they have been disclosed in our 2021 financial statements.

### – Qisda operational performances in the past five years\*

#### Consolidated Income Statement – International Financial Reporting Standards

Unit: million NT dollars

Item	Year	Financial data in the past five years				
		2021	2020	2019	2018	2017
Operating revenue		225,961	191,702	169,754	155,783	136,862
Operating gross profit		32,557	26,827	23,050	19,243	12,053
Operating income		7,361	6,613	6,228	4,576	3,401

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



— Economic value distribution of Qisda’s parent company in Taiwan

Item	Amount	Note	
<b>A. Direct Economic Value Generated</b>			
a	Revenue of the parent in Taiwan	NT\$104.6 billion	
<b>B. Economic Value Distribution</b>			
b	Operating cost	NT\$100.5 billion	
c	Employee compensation and welfare	NT\$4.48 billion	Employment expenses
d	Payment of interests or allocation of dividends	NT\$3.32 billion	Net amount of interest expense of NT\$370 million; dividends of NT\$2.95 billion allocated to the shareholders
e	Tax	NT\$150 million	Income tax
f	Investment in communities	NA	
<b>Economic Value Retained=A-b</b>			
Total economic value retained		NT\$4.18 billion	

According to laws and regulations, tax preferences such as tax exemption or investment tax credits are applicable as financial assistance from government for Qisda’s capital increase or investment in machinery, equipment and R&D. In 2021, Qisda’s companies and the plant in China received a tax credit of NT\$260 million as per the laws and regulations.

For 2022, despite the uncertainty factors of US-China trade war and COVID-19, etc. in the economic environment, there are long-term opportunities such as automation enhancement and digital transformation acceleration as well. Qisda will continue to focus on the four operation guidelines, looking forward to further improvements and creation of long-term values. The plans are as follows:

1 Optimization of Existing Businesses

2021  
Results

Our two major product lines, namely display and projector, continued to produce steady results and stay in the leading positions. The display segment outperformed the other companies in the overall industry and ranked second in the world. We kept moving towards professional display and medical display of high-end quality and high-ASP. Our DLP projector also ranked top 2 in the world, continuing to play a leading role.

2022  
Plans

We will keep on strengthening our global leading positions for displays and projectors, with the product deployment aimed at the high-end quality, high-resolution and high-value applications.



## Implementation of Corporate Governance

- Corporate Governance
- Legal Compliance
- Risk Management
- Code of Conduct
- Information Security
- Financial Performance

## Partnership Management

## Creation of Shared Value

## Development toward Sustainable Environment

## Creation of Opportunities For Growth Together

## Appendix



### Management focuses in 2021 and management plans in 2022

We continue to explore business opportunities of medical care and solutions based on the strategy of alliance, enter the field of key parts and components, develop innovation and technologies, and maintain our competitive advantages to produce synergy in the supply chain.

## 2

### Rapid Expansion of Medical Business

#### 2021 Results

Qisda expanded the deployment in the medical field in a steady manner in 2021. The two medical centers in Suzhou and Nanjing operated well, with constant improvement made in the quality and management of medical care services. Meanwhile, the Phase-II construction in Nanjing BenQ Medical Center has started for smart health operations. Regarding the medical equipment and channel expansion, the BenQ Qflux Dialyzer produced by BenQ Dialysis Technology Corp. entered the markets in China and Indonesia in 2021. We were devoted to the one-stop services in the manufacturing and sales channel of dialyzers, dialysis solution, and disinfectant, and expanded the foundation of services through the investments in new smart pharmacies and healthcare administration services.

#### 2022 Plans

BenQ Medical Centers will keep pursuing the goal of becoming the top China-based private-owned hospitals. The channel deployment will be the priority of our medical equipment business, especially the deployment in Asia and emerging countries. We are also devoted to the development of in-house products and technologies such as ultrasound, hemodialyzer and intraoral scanner. Our deployment in the professional medical management field will be focused on the product and service development in three major domains: smart health, healthy pandemic prevention, and LOHAS aesthetics. Meanwhile, we will carry on the expansion of medical industry alliances via win-win merger or strategic partnership collaboration models.

## 3

### Acceleration of Solution Development

#### 2021 Results

To provide complete IT (Information Technology) and OT (Operational Technology) deployment, we marched toward the goal of becoming a total software and hardware service system integration provider. The consolidated revenue from intelligent solutions increased to NT\$30 billion in 2021. Qisda continued to provide services in the six intelligent vertical markets that meet the requirements of non-contact and cloud transformation under the pandemic. We aggressively explored the business opportunities of cloud market and cloud and local integration, assisted the manufacturing industry in the enhancement of automation, and even created a solution that incorporated all the online and offline channel platforms for smart catering industry, satisfying the customer requirements.

#### 2022 Plans

We will continue to horizontally integrate the internal technologies and channels for our smart business to meet various vertical market demands. Further, we will more keenly integrate the resources of the invested companies such as DFI and Partner Tech to deliver a business synergy, connect with Sysage in the IT field, and connect with Ace Pillar for its top international agent brands in the OT field, offering customers the best smart solutions, assisting customers with digital transformation, and meeting the requirements for cloud and information security protection.

## 4

### Deployment of 5G Network Communication Business

#### 2021 Results

In consideration of the growing importance of network communication in the future technology life, we provided total broadband services integrated with wired and wireless networks through our subsidiaries Alpha Networks, Hitron Technologies, and IDT.

#### 2022 Plans

With networking as the core, we will offer the products and services needed by the customers, expand private 5G enterprise networks actively, and provide seamless and rapid total broadband services.

2



# Partnership Management

## Commitment and Management Strategy

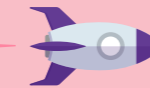
As a comprehensive electronic OEM, Qisda prioritizes the maintenance of customer and supplier relationship for its upstream and downstream value chain management. To protect customers' rights, Qisda is committed to the satisfaction of delivery time, costs, technology, quality, service, related regulations, and overall evaluation. Meanwhile, the Company systematically manages confidential documents to protect customers' privacy. For suppliers, Qisda requests them to adhere to the national laws and regulations of where they are located, social standards and environmental protection plans, so that they work hand in hand with the Company to make environmental and social commitments as well as adding value to the products.

## Outlook

We will continue to perform customer and supplier management according to plans. Since 2019, the Company has included all HR agency companies and in-plant service providers in the scope of the social responsibility, environment, safety and health inspection and on-site audit.

## Key Points of the Chapter

- Customer Commitment
- Supply Chain Management SDG 12 SDG 15 SDG 16



## Material Topics that Stakeholders are Concerned about

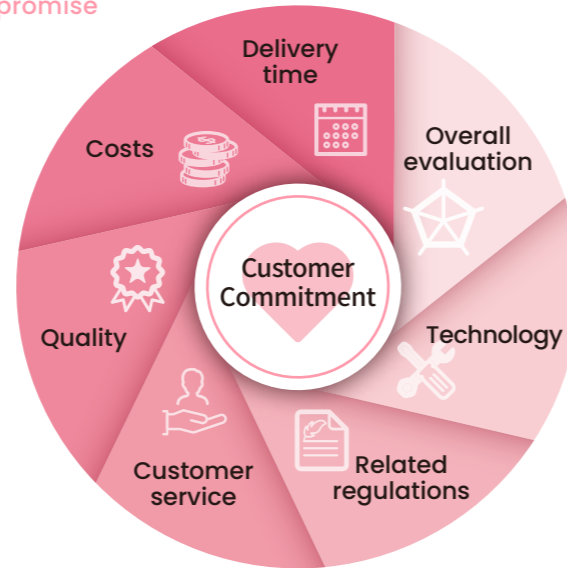
For the information about identification of material topics, please refer to "Stakeholder Engagement" (P24).



# Customer Commitment


With the enhancement of satisfaction of our customers and business partners as the top priority, Qisda is committed to the satisfaction of delivery time, costs, technology, quality, customer service, related regulations, and overall evaluation, to constantly ensure that the customer 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 thoroughly and solve the customers' problems.

## - Customer promise



## | Customer Satisfaction Survey

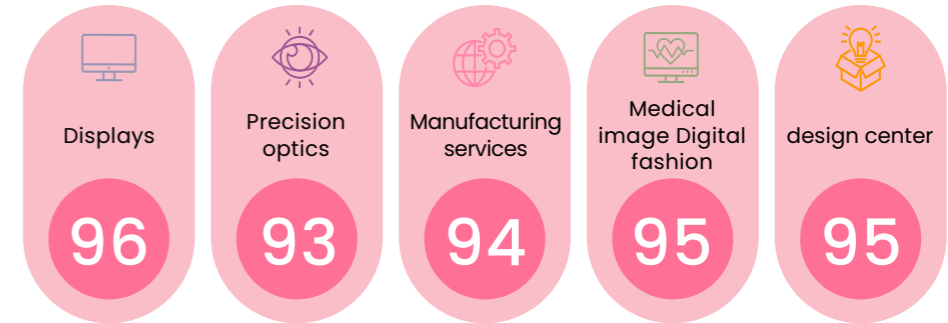
Qisda performs regular customer satisfaction survey to ensure that the customer demands are understood and satisfied. Every January and July, the Company's full-scale customer service satisfaction survey is carried out; the CSD sends notification

 - Average customer satisfaction score: **95**

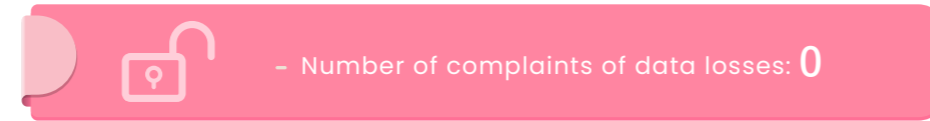
emails to the contact persons of the customers, inviting them to give ratings at Qisda's questionnaire survey system.

The CSD collects the rating results and delivers them to the related 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. The following figure displays the customer satisfaction survey results for each product line in 2021. The average score was 95, showing that Qisda's performance on customer service and satisfaction had won the great recognition from customers. The CSD collects the rating results and delivers them to the related 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.

## - 2021 customer satisfaction survey results (points)



## Customer Privacy Protection



Management Approach of Material Topic

Customer Privacy Protection <span style="float: right;">● Exceed Goal ○ Reached ○ Not-Reached</span>	
<b>Primary Focus</b> Customer, supplier, community, employee	<b>Management Method</b>
<b>2021 Management Goal</b> Number of complaints of data losses: 0	<b>Duty</b> Customer Service Division
<b>2021 Achievement</b> Number of complaints of data losses: 0 <span style="float: right;">○</span>	<b>Resource</b> Incorporation of information management system to limit the access to systems/ documents
<b>2022 Management Goal</b> Number of complaints of data losses: 0	<b>Action</b> 1. Dissemination and training 2. Permission settings from the source of information system
<b>Medium- to Long-Term Goal</b> Constant satisfaction of the customer demands: Remaining 0 complaints of data losses	<b>Evaluation</b> Reviewing whether there have been related incidents at the end of every year

Protection of customer privacy is the goal of the national laws and the Company's policies. If a customer privacy breach occurs, the customer loyalty and satisfaction may decrease, the business and reputation may be impacted negatively, and the Company

- For details of identifying major topics, please refer to "Stakeholder Engagement" (P24)
- For more information about the management approaches with respect to the "Customer Privacy Protection" please refer to this section.


may even face legal proceedings. Thus, it is Qisda's promise to the customers that their privacy is surely respected and protected in the business activities.

Qisda helps the employees understand the importance of information security through the internal dissemination by email and e-learning platform in a constant manner. In addition, the confidential documents are protected based on the permission restriction; except for the related personnel, the employees not close to the work shall obtain signed approval from their direct supervisors to get partial permission. When confidential files are downloaded, the word "Confidential" and the name of the downloading person are watermarked on the background of the file as an alert to the sensitivity and confidentiality of the file, which is another layer of protection for customer privacy and corporate assets, preventing data from inappropriate copy and leakage. To ensure the effectiveness of current management methods, we regularly verify whether there are any incidents of customers reporting data losses each year. Should there be any, we will launch a full-range review. In 2021, there were no complaints of data losses, leakage or threats from customers and appeal incidents from regulatory authorities.

### Customer privacy management structure

<b>Data Protection</b>	<ul style="list-style-type: none"> <li>- The access permissions are set; unrelated personnel who need the data shall apply for their supervisors' signed approval for partial access.</li> <li>- The downloaded documents are printed with the word "Confidential" to remind the personnel of document sensitivity.</li> </ul>
<b>Internal Control</b>	<ul style="list-style-type: none"> <li>- There concept of information security is irregularly promoted to remind the employees of its importance.</li> </ul>
<b>System Management</b>	<ul style="list-style-type: none"> <li>- Customers with account and password can search for the business-related data on the online system.</li> <li>- New account and password is sent to customers by the system; no internal personnel will be able to know the account and password. This ensures that the account is only used by the applicant.</li> </ul>

# Supply Chain Management

 - Implemented local procurement at **73.7%** in China

As a comprehensive cross-domain electronic design OEM, Qisda has around 1,041 suppliers in the world. They can be mainly divided into three kinds: sales, non-sales\* and outsourcing. We set up a supply chain protecting environment, human rights, safety, health and sustainable development with suppliers in a responsible and proactive manner. To work more closely with them, Qisda also strives to implement local procurement to improve the efficiency of material supply and support local economic development. In 2021, the local procurement percentage in China was 73.7%, the local procurement percentage of the plant in Taiwan was 32.8%, and the local procurement percentage of the plant in Vietnam was 13.46%.

## Supplier Selection Procedures

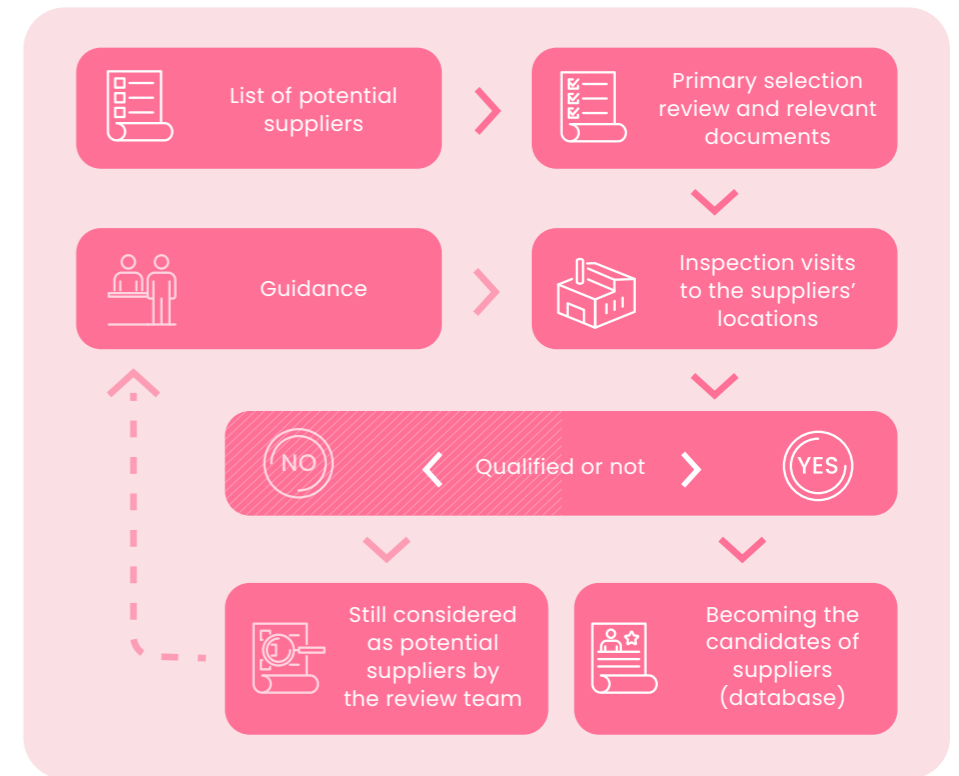
For Qisda’s supplier selection procedures, we investigate the suppliers’ management systems of production capacity, technical innovation ability, quality and services based on our future product demand trend and procurement strategies to see if the Company’s requirements are met. The results are the reference for future selection. When we assess a new supplier, we form an assessment team consisting of the approval units of procurement, quality assurance, R&D, and parts and components. A questionnaire for a variety of capabilities of the supplier is made, and the final review results will be verified by the assessment team. Only the manufacturers who pass the procedures can become a qualified supplier of Qisda and start the verification of its new products.

The review covers the following aspects: basic company information, product information, major customers and financial status, related contracts with Qisda for procurement duties and responsibilities, and documents of control over non-hazardous

\* Suppliers not listed in the bill of materials (BOM).

substances. Moreover, Qisda has updated the online system to keep in line with the revised “Procedures of Supplier Selection Review” in 2015, adding the indicators of environment, human right ethics and labor rights into the new supplier review items. As a result, the new suppliers in 2021 were selected with the environmental and social aspects reviewed.

### – Supplier selection procedures



- Preface
- Implementation of Corporate Governance
- Partnership Management**
- Customer Commitment
- Supply Chain Management**
- Creation of Shared Value
- Development toward Sustainable Environment
- Creation of Opportunities For Growth Together
- Appendix

## Supplier Evaluation

After being qualified, the suppliers shall still be regularly evaluated. We adopt the QISDC evaluation method which includes five dimensions: quality, innovation/technology, speed/response, delivery, and cost leadership. When the supplier performance evaluation is completed, the results will become an important basis of the procurement strategies. The procurement unit will have discussions with the relevant departments to produce a strategic supplier list for key parts which is updated once every six months. The Company determines strategic suppliers for each product line based on the suppliers of key parts and components. The suppliers not listed as the strategic vendors will be viewed as general qualified suppliers. Qisda gives higher priority or higher volume of procurement to the strategic suppliers in business activities.

### Supplier evaluation dimensions

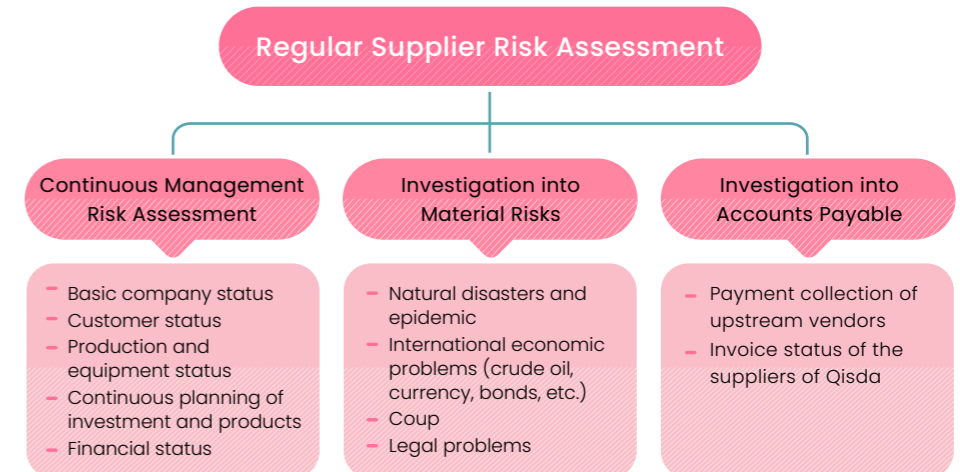


## Supply Chain Risk Management

For existing qualified suppliers, Qisda assesses the supplier risks carefully, investigating into the financial status of suppliers regularly or irregularly and paying attention to high-risk groups to avoid the impacts on shipment or disputes due to unexpected shutdown.

According to the Qisda risk management procedure, material risk investigation must be conducted to suppliers whenever a material incident occurs, such as the outbreak of COVID-19, lockdown, U.S.–China technology cold war, soaring energy prices, large-scale power rationing in China, shortage of panels and other materials in the market, insufficient containers and rising prices in the shipping industry, and port congestion. In all these cases, the suppliers in related regions will be investigated and a comprehensive investigation will be conducted to understand their response capability. Or, communication with the suppliers will be conducted to find out appropriate response approaches that can help Qisda take the most suitable preventive measures to avoid any damage to our business or any impact on the rights and interests of the stakeholders.

### Supplier risk assessment dimensions



## I Creating Green Supply Chain

Enhancing suppliers' corporate social responsibility and creation of a green supply chain are one of the important and ongoing missions of Qisda for our sustainable development. We pay attention to the labor and environment issues as well as the amendments of the regulations, and communicate the international trends and requirements to the suppliers.

We promote the green supply chain in three phases: awareness, implementation and sustainability.

### – Green supply chain implementation structure



– Completion rate of written inspection and on-site audit of key suppliers up to the end of 2021: **96%**

## I. Awareness

Qisda held a supplier meeting in 2006 to announce Qisda's RoHS-related regulations. The Type III Environmental Declaration under EuP was launched in 2008. Qisda educated and assisted suppliers in the self-disclosure of direct materials, indirect materials, energy/resource use inventories, waste emissions, and energy consumption for transportation, and help the suppliers understand the calculation during the life cycle of the products and the potential impact on the ecosystem. Supplier meetings were held during the period from 2009 to 2010 to assist the suppliers in the implementation of the carbon footprint inventories. In consideration that the concern about the issues on the labor rights, environmental protection and social responsibility started late in China and any violation may bring about great impact on the business of the Company and the reputation of the customers, Qisda held green supply chain workshops in 2012 and 2013 to share our practices and outcomes in the sustainable development with key component suppliers and communicate the latest Responsible Business Alliance Code of Conduct (RBA Code), conflict materials bills, ESG report compilation methods, greenhouse gas inventory approaches, and other important international trends to them, in the hope to increase their awareness and the participation rate.

Since 2006, Qisda has required more suppliers to sign the social responsibility and business ethics commitment letter, and requested them to observe the RBA Code and social accountability standards (SA 8000). In addition, the Company has performed inspection of the suppliers' social responsibility, environment, safety and health every year since 2007 to ensure the compliance with the international standards, such as the environmental management system (ISO 14001), occupational safety and health management system (ISO 45001), social responsibility management system (SA8000), RBA Code, and other regulations and standards.



Qisda's website of Supplier Social Responsibility and Business Ethics Code of Conduct: <https://csr.qisda.com/ch/csr.asp?ca=6>





## II. Implementation

Qisda has assessed the ability of the key component suppliers in China to implement sustainable development since 2013. The suppliers were scored in three respects of self-management capability, social responsibility compliance, and ESH management performance. We encouraged the suppliers who have not undergone management system certification to apply for it and cultivate their self-management capability gradually in the hope that they can achieve the goals of the sustainable development together with Qisda.

Since 2016, we have selected key component suppliers, service providers and human resources agencies for written inspection of their social responsibility, environment, safety and health; signature on the social responsibility and business ethics commitment letter; and implementation of audit. The audit items were determined according to the audit handbook under the Responsible Business Alliance Code of Conduct (RBA Code). The labor rights, environment, health and safety, ethics, and management systems were incorporated in the audit. The suppliers were requested to submit an improvement plan for the nonconformities identified during the audit. We took follow-up actions to understand the effectiveness of the improvement and increase the performance in the respect of social responsibility, environment, safety and health along the supply chain. Since 2019, the Company has included all human resources/dispatch work agencies and in-plant service providers in the scope of the social responsibility, environment, safety and health inspection and on-site audit to make supplier management more complete. In 2021, 24 key component suppliers, two human resources/dispatch work agencies, and seven in-plant service providers completed the written inspection and audit of their social responsibility, environment, safety and health. 96% of the key Tier 1 suppliers\* (\*defined as the key suppliers which occupied 70% of the procurement amount of the Qisda in the previous year) finished the written inspection and audit up to the end of 2021. None of the suppliers subjected to the written inspection and audit hire child or forced labor. The rest results of reply met the requirements of the Company or showed completion of the improvement with the support of the Company. In addition, Qisda made use of this opportunity to teach individual suppliers how to perform greenhouse gas inventories and draw up reduction plans in order to strengthen the suppliers in the participation and management with respect to climate change related issues.

## III. Sustainability

For the management in the future, we will still take the Tier 1 suppliers as the main target for which education and training will be arranged and documents will be provided and reviewed. In addition to enhancing the environmental awareness and social responsibility among the suppliers, this approach is helpful for the suppliers to collaborate with Qisda and act as a pioneer of environmental protection in the industry. The self-management capability of the Tier 1 will be improvement by enhancing their practices, in hope that they can present their actual implementation performance in the CSR report. Meanwhile, relevant requirements and management practices may be extended to Tier 2 suppliers by collaborating with Tier 1 suppliers to build a real green supply chain.

– Focuses in the management of supplier's social responsibility, environment, safety and health







## Conflict Mineral Management

As the research reports of SOMO and Enough, two international non-governmental organizations point out, the Congo has been facing the most serious death conflict since the Second World War, and this conflict is attributable to the demands of the electronics industry for the rich metal mines in east of the Democratic Republic of the Congo. The behavior of an electronics company that uses the metal mines procured from the conflict mining area in the Congo is equal to a support for this conflict actions.

For this, the Responsible Business Alliance (RBA) and the Global e-Sustainability Initiative (GeSI) request their members to perform a responsible purchasing procedure to ensure the metal purchasing process meets the requirements of the social and environmental responsibilities.



### Qisda Conflict Mineral Commitment

Qisda supports the boycott activities of the international society for conflict minerals while referring to Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas of the Organization for Economic Cooperation and Development (OECD) and working with suppliers to perform conflict mineral\* investigations, prevent direct or indirect purchase of the conflict minerals from armed groups in the Democratic Republic of the Congo and neighboring countries,\*\* or input conflict minerals acquired by abusing human rights to ensure the mineral purchasing process meets the requirements of the social and environmental responsibilities.

We have a management procedure for the conflict mineral investigations with respect to the suppliers. After the review, we return the documents to the suspected supplier for confirmation. In case of confirming that the supplier uses a smelter not listed in the Responsible Minerals Assurance Process (RMAP), we will ask it to fill in the implementation plan and inform it of related risks.

\* Conflict metals: Those materials extracted under armed conflict and violation of human rights such as minerals including gold, tin, tantalum, tungsten and cobalt.

\*\* Neighboring countries: Those countries neighboring the Democratic Republic of the Congo: Republic of Angola, Republic of Burundi, Central African Republic, Republic of the Congo, Republic of Rwanda, Republic of South Sudan, United Republic of Tanzania, Republic of Uganda and Republic of Zambia.

## – Qisda conflict minerals management history

1

2010: Qisda asked suppliers to sign the Conflict Mineral Investigation Commitment Letter for the first time.

2

2011: Qisda adopted the Conflict Minerals Reporting Template developed by the RBA and GeSI and performed the conflict mineral investigation among the suppliers. Qisda also requested suppliers to undertake not to use minerals from conflict mining areas.

3

2012: Qisda installed a conflict mineral investigation system in response to the US Conflict Mineral Act, which requires disclosure of the metal from conflict mining areas, if any, in the products.

4

2013: The system was used for the conflict mineral investigation among the suppliers for the first time.

5

2016: The words to encourage the smelter submitted by the suppliers to become a qualified smelter under the Responsible Minerals Assurance Process (RMAP) were indicated in the buyer's PO for the first time.

- Employee Status
- Learning and Development
- Human Rights Management
- Building a Happy and Healthy Workplace
- Environmental Protection and Social Care

3



# Creation of Shared Value

## Commitment and Management Strategy

Qisda believes that a good work environment can provide support for the employees to grow without concern. A well-established training system with a complete design of activities is helpful to consolidate the strength of the employees and enables happy employees to play a leading role in the creation of the shared value among the Company, employee and society. For this, Qisda has set up a comprehensive management system to protect the rights of the employees to assure the safety and health at the workplace, and established smooth labor-management communication channels and complaint opportunities for the employees to speak up for themselves. In addition, the Company organizes different events to help the employees make use of the "Off Course" and make a contribution to society with the positive energy of the care.

## Outlook

Qisda will create an atmosphere of multi-creativities at the workplace to improve the awareness of innovation among the employees on an ongoing basis and arouse their imagination in the development of new products. For the subsidiaries, we will continue implementing relevant management measures systematically and have them participate in the social care activities to enhance the influence on the value chain.

## Key Points of the Chapter

- Employee Status SDG 4
- Learning and Development SDG 4
- Management of Human Rights SDG 5 SDG 8 SDG 10
- Building a Happy and Healthy Workplace SDG 5 SDG 8 SDG 10
- Environmental Protection and Social Care SDG 1 SDG 2 SDG 10 SDG 12 SDG 13 SDG 17


## Material Topics that Stakeholders are Concerned about

For the information about identification of material topics, please refer to "Stakeholder Engagement" (P24).

**Employee Status**

- Learning and Development
- Human Rights Management
- Building a Happy and Healthy Workplace
- Environmental Protection and Social Care

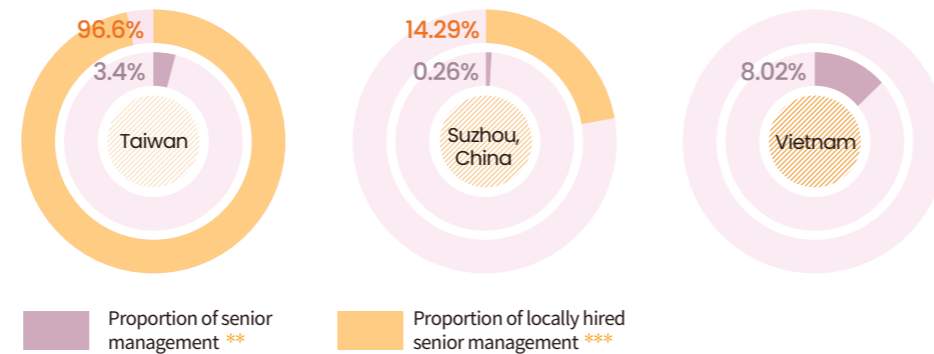
# Employee Status

 - Operation of employer brand: The fans of the Facebook page created more than **5,000** hits every month.

Employees are not only the long-term capital of the Company, but also the foundation stone of the innovation. We have a well-established training system and are dedicated to the improvement of the talent retention rate in order to strengthen the competitiveness of the Company in the industry. For this, we are committed to providing employees with a good work environment and reviewing and moderating the employee management rules on a regular basis with reference to the regulations at the region where the Company is located and the operation status of the Company, in the hope to ensure effective improvement of the work efficiency by providing good work conditions and atmosphere.

Qisda had 7,544 employees in the world up to the end of 2021 (December 31); 1,722 of them were in Taiwan and the other 5,815 employees were distributed in Suzhou, China (5,388), Vietnam (399) and other locations.

**Proportion of senior management\* hired from local communities**



\* Senior management: Executives at the level of director (M8) and above.  
 \*\* Calculation of the proportion of senior management: Total number of senior management/total number of employees at the local site (local: Taiwan, China and Vietnam)  
 \*\*\* Calculation of the proportion of locally hired senior management: Total number of locally hired senior management/total number of senior management at the plant (local: Taiwan, China and Vietnam)

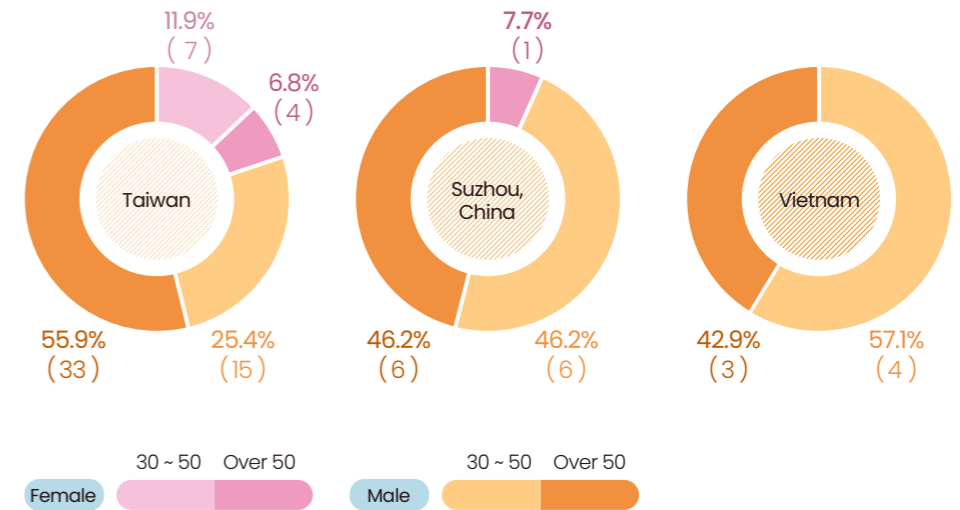
## Recruiting Principles

Qisda publicly selects and recruits employees according to the actual business needs, and is dedicated to developing multi-channel projects for recruitment of direct employees with “the right person in the right place” and “precedence of the internal talents over the external ones” as the principle of the employment. There is no discriminatory treatment involving race, religion, skin color, nationality, gender, or other factors. Child labor is prohibited.

## Employment Status

Qisda gives priority to local candidates for employment. The distribution of the workforce is shown in the following table.

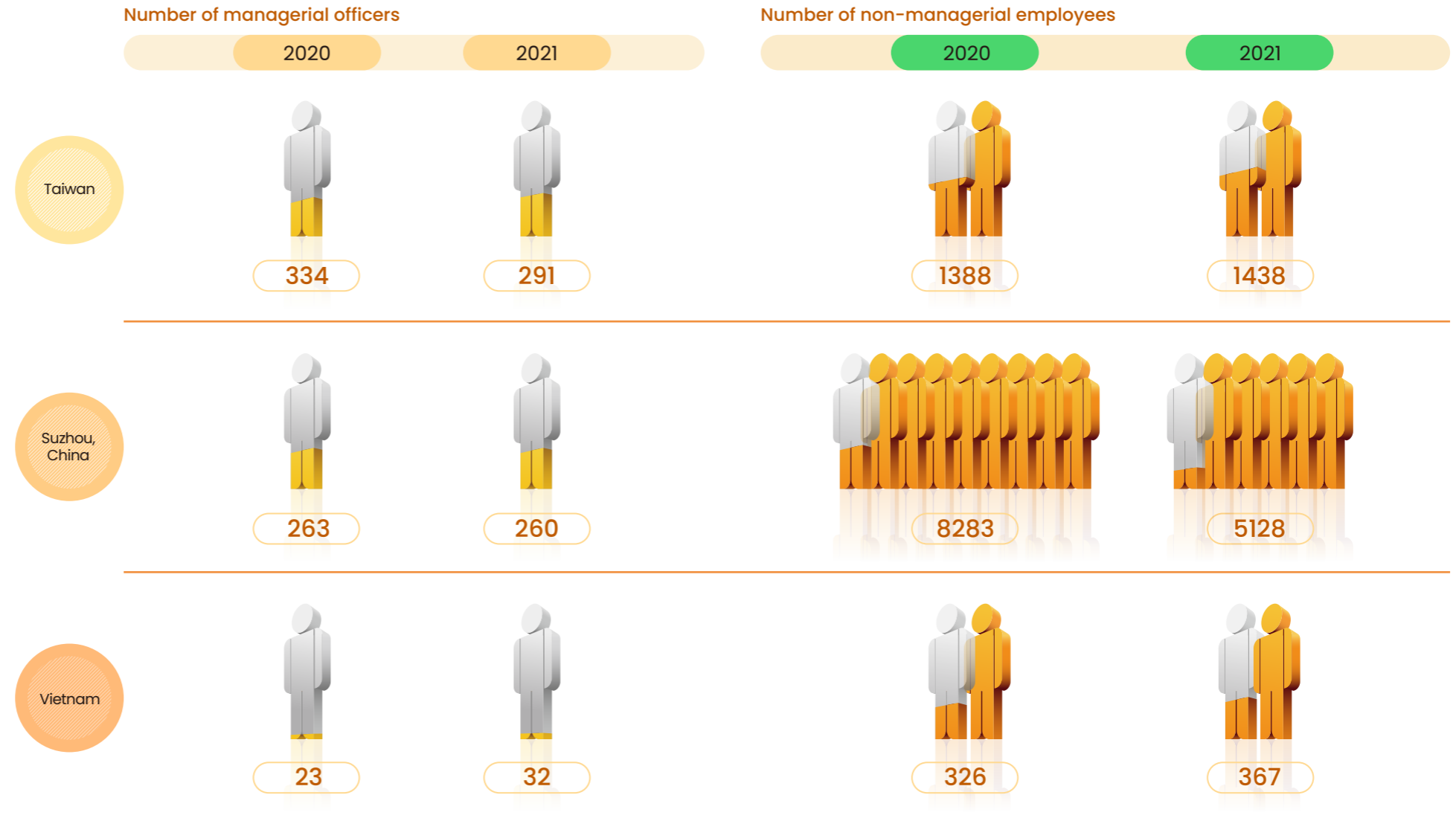
**Senior management by gender and age**



— Employee Status

- Learning and Development
- Human Rights Management
- Building a Happy and Healthy Workplace
- Environmental Protection and Social Care

— Number of full-time non-managerial employees\*



\* Managerial officer: Executives at the level of deputy manager (M5) and above

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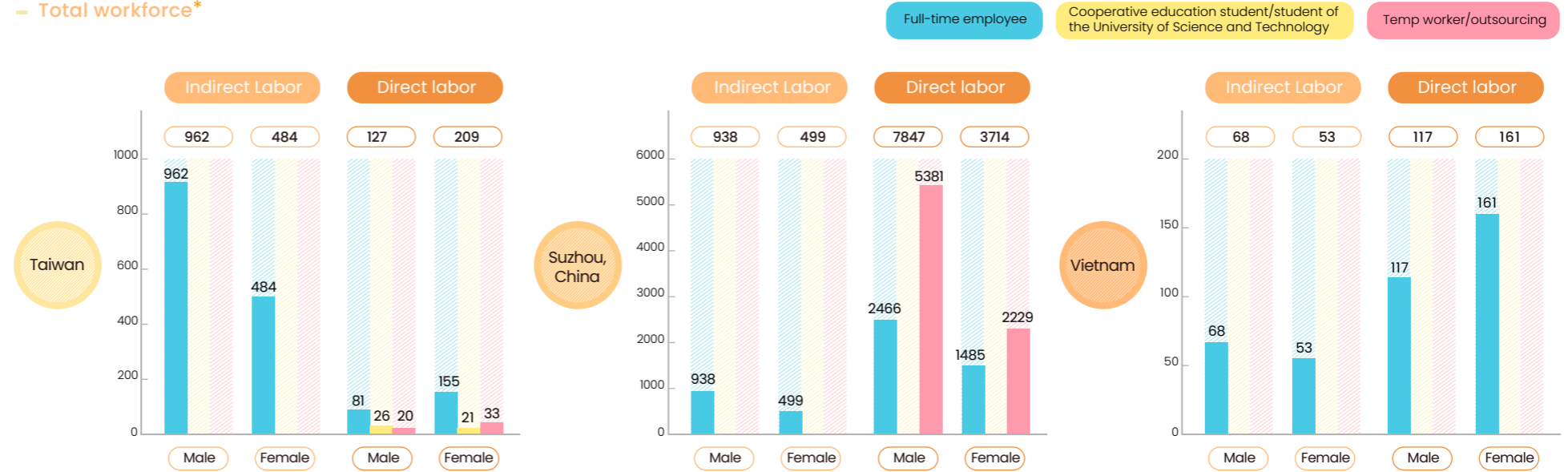
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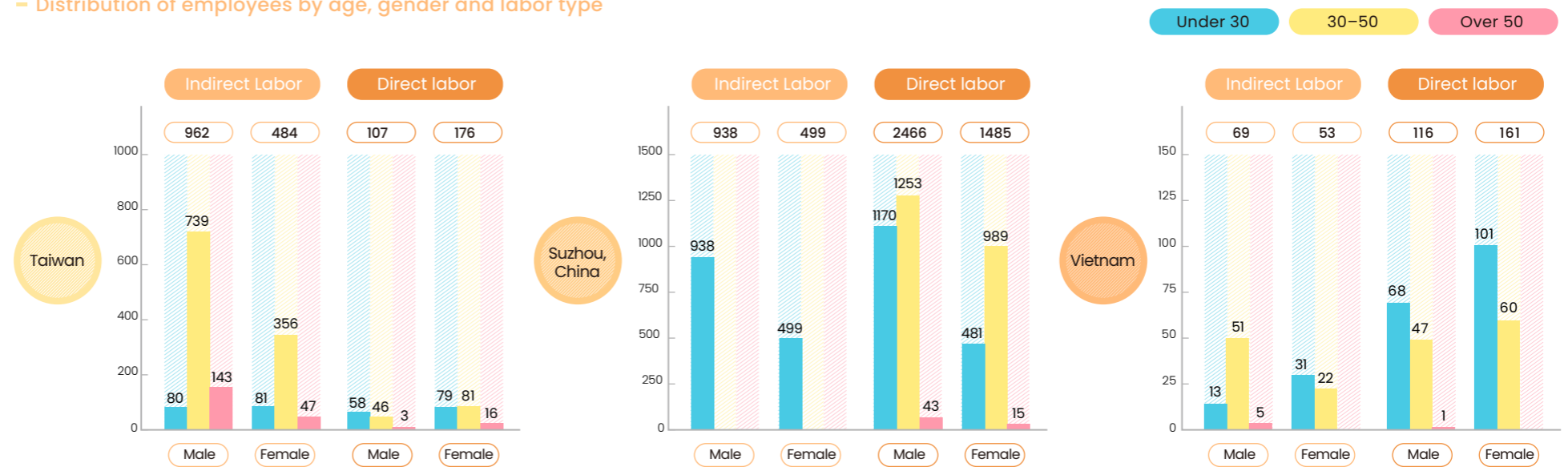
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— Total workforce\*



— Distribution of employees by age, gender and labor type



\* 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 work hours specified by a company or to the statutory work hours. We set 40 normal work hours and, thus, all the employees of the Company are full-time employees.

— Employee Status

- Learning and Development
- Human Rights Management
- Building a Happy and Healthy Workplace
- Environmental Protection and Social Care

— Distribution of employees by nationality and disability

	Taiwan				Suzhou, China				Vietnam			
	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	960	480	67	75	0	0	28	3	12	1	0	0
Japan	0	1	0	0	0	0	0	0	0	0	0	0
Indonesia	0	0	0	1	0	0	0	0	0	0	0	0
Malaysia	1	1	0	0	0	0	6	0	0	0	0	0
Vietnam	1	2	39	100	0	0	0	0	27	52	105	161
Suzhou, China	0	0	1	0	938	499	2432	1482	29	1	11	0
<b>Total</b>	<b>962</b>	<b>484</b>	<b>107</b>	<b>176</b>	<b>938</b>	<b>499</b>	<b>2466</b>	<b>1485</b>	<b>68</b>	<b>54</b>	<b>116</b>	<b>161</b>
<b>Disability*</b>	<b>8</b>	<b>1</b>	<b>3</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

\* There was a total of 12 employees with disabilities and 6 of them were severely disabled. The overall employment of the employees with disabilities was higher than the law requires.

Management focuses in 2021

We continued promoting and operating the employer brand online and offline.

Posts were published every month on the Facebook fan page of the Company and interaction was conducted with the subscribers. The fans created more than 5,000 hits every month and, together with our employees, built a closer link and identification with the Company to improve its reputation and image.



Online



**Qisda – The Only Choice**

<https://www.facebook.com/Qisdafans/?fref=ts>



Company news

Work Benefits

Sidelights on Activities

Job Experience Sharing

We promoted the employer brand with the schools as the basis, such as recruitment at campus, lecture, and visit to the Company. This way, the teachers and students of the target schools could understand more about the transformation of the Group and the development of the Company, and further joined the Company to play an important role in the right place. We provide an internship program every year in the hope to narrow the gap between what the students have learn and the practices by implementing industry–university cooperation, help them become familiar with the workplace earlier, enable the employer to find talents from the interns.



Offline

Campus Recruitment


Lecture

Visit to Qisda

Employee Status

- Learning and Development
- Human Rights Management
- Building a Happy and Healthy Workplace
- Environmental Protection and Social Care

## Employee Turnover Rate\*

 - The average turnover rate in Taiwan was **7.84%**

As for the management of the resignation, the immediate supervisor of the employee who raises a resignation is informed to arrange an interview right after the resignation is received to understand the reason of the resignation and persuade the employee to stay in the Company continuously. In consideration of the fluctuation of the economy, the change of the environment, and that an appropriate turnover rate can guarantee to bring new blood into the Company continuously, the average turnover rate of Qisda in Taiwan was 7.84 %. In general, the turnover rate in China was higher because of the impact on the local labor market.

### Turnover rate by labor type, gender and age

	Taiwan								Suzhou, China								Vietnam													
	< 30		30~50				> 50		Total		< 30		30~50				> 50		Total		< 30		30~50				> 50		Total	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female		
Indirect Labor	0.9%	0.8%	2.9%	1.6%	0.1%	NA	3.9%	2.4%	1.8%	0.4%	NA	NA	NA	NA	1.8%	0.4%	0.4%	2.0%	2.9%	NA	0.3%	NA	3.8%	2.0%	15	8				
Direct Labor	1.1%	2.1%	0.3%	1.3%	NA	NA	1.4%	3.4%	4.5%	1.9%	2.5%	1.1%	NA	0.0%	7.0%	3.0%	31.8%	22.1%	12.0%	17.0%	NA	NA	43.9%	39.1%	127	88	48	68	175	156

### Accession rate by labor type, gender and age

	Taiwan								Suzhou, China								Vietnam													
	< 30		30~50				> 50		Total		< 30		30~50				> 50		Total		< 30		30~50				> 50		Total	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female		
Indirect Labor	3.1%	1.4%	3.2%	2.1%	0.1%	NA	6.4%	3.5%	17.4%	9.3%	NA	NA	NA	NA	17.4%	9.3%	0.5%	2.8%	2.3%	2.3%	NA	NA	2.8%	5.0%	2	11	9	9	11	20
Direct Labor	1.1%	0.7%	0.4%	0.5%	NA	NA	1.5%	1.2%	9.4%	4.0%	4.1%	2.6%	0.1%	0.1%	13.6%	6.6%	32.3%	31.6%	13.0%	21.1%	NA	NA	45.4%	52.6%	129	126	52	84	181	210

\* The turnover of the employees referred to in this section (e.g. turnover rate and accession rate) is calculated with the total number of the employees at the end of the year as the denominator.

# Learning and Development

Management Approach of Material Topic

**Talent Development**

● Exceed Goal ● Reached ○ Not-Reached

**Primary Focus**

Employee, customer

**2021 Management Goal**

1. Implementation of digitized training courses
2. Accomplishment of manager rotation in 2021
3. Definition and enhancement of the core management function system
4. Completed interpretation and analysis of the evaluation
5. Evaluation of the talent development and orientation

**2021 Achievement**

1. Course digitization rate **60.4%**
2. Manager rotation rate **90.6%**  
(number of managers rotated/number of managers to be rotated) ●
3. Interpretation and analysis of talent evaluation completed for 149 case

**2022 Management Goal**

1. Course digitization rate up to **70%**
2. Manager readiness rate > **70%**
3. Continuous implementation of the 2022 manager rotation up to a rate of **100%**  
(number of managers rotated/number of managers to be rotated)
4. Achievement of the goal in the first phase of the 3E talent development program

**Medium- to Long-Term Goal**

1. Application of the digitization concepts to the routine and management
2. Implementation of the Individual Development Plan (IDP) and adjustment of the development direction and resource allocation in an appropriate manner depending on the changes in the organization and environment
3. Continuous implementation of talent development through the 6E model with the rotation as the first priority

**Management Method**

**Duty**  
HR and related department head

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**Resource**

1. Support from senior management
2. IT system
3. External evaluation tools

---

**Action**

1. Conversion of physical courses to meet online training requirements
2. Management and implementation of manager rotation
3. Defined actions for the core management functions
4. Interpretation, analysis and interview with respect to talent evaluation
5. Communication with managers to form a consensus on talent orientation and development

---

**Evaluation**

1. Reporting the implementation progress to the HR department head every quarter
2. Reporting the implementation result to the President every six months

– For details of identifying major topics, please refer to “Stakeholder Engagement” (P24)  
 – For the information about the management approach with respect to the “Talent Management,” please refer to this section.



– An average of **23.6** hours of training per employee in 2021

To improve the overall competitiveness of the employees and help them acquire the knowledge and skills needed for their jobs, we provide the employees with multiple career development plans and learning opportunities by investing adequate resources and integrating physical and virtual learning platforms. Internal and external resources have been used to establish the Qisda Academy for training of the employees and the progress of the training is audited every six months to ensure the implementation of the annual training plan. The Company also invites experts to give lectures on technology, life, public welfare and other topics and helps the employees find the balance between the work, life and spirit. In addition to the green product related courses, the Company incorporates the Responsible Business Alliance (RBA) Code of Conduct, Hazardous Substance Process Management System (IECQ QC080000), and ESH in the required courses for all the employees.

Each employee spent an average of 23.6 hours on the training in 2021. The average training hours measured by gender, type of employee, and managerial and non-managerial functions are described in the following table.

For the strategic development of the Company in the future, we will develop a series of related courses and provide professional knowledge in the fields including key components, medical treatments, and smart IoT to guarantee the provision of the talents that the organization needs in the future. To ensure revivification of the organization and input innovation momentum continuously, a talent rotation police



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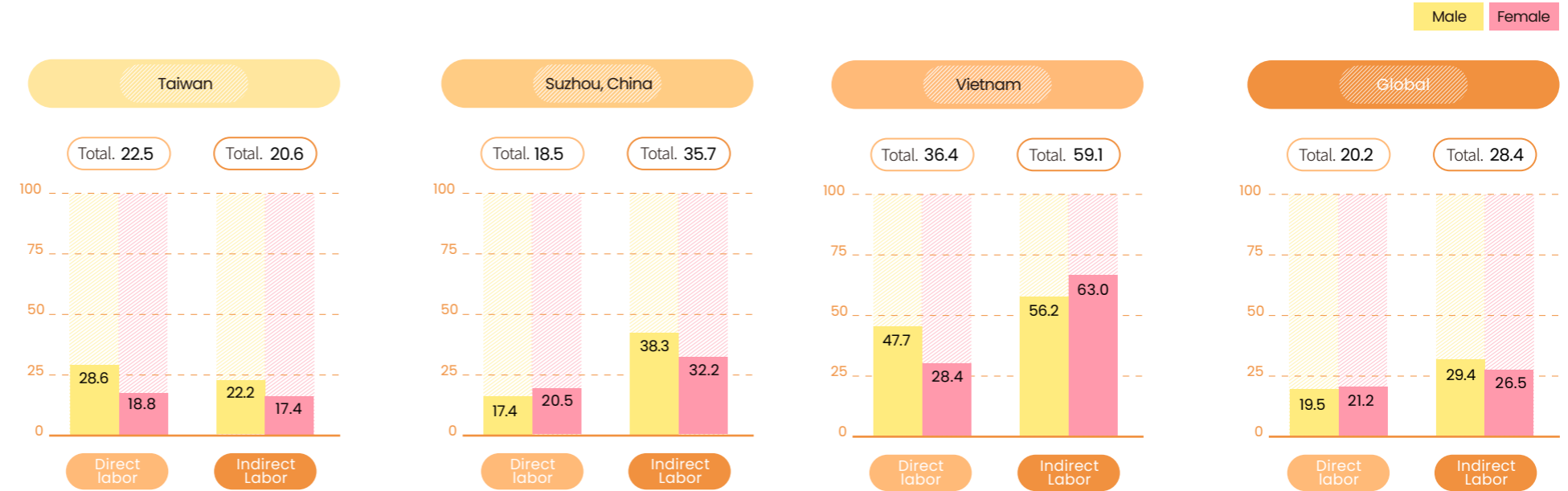
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Appendix



Average employee training hours (unit: hours per person)\*



has been performed within the organization since 2017 to help the employees acquire different professional knowledge and skills to cope with external challenges in the future.

The Company has executed development projects for potential core talents since 2018 to facilitate the sustainable growth of the Company and meet the demands of the Company for the talents under the strategic development of the business. In addition to select potential talents with the help of the assessment tools, we identify the development requirements of each talent and provide a corresponding individual development plan.

\* Number of the employees as the base for the average training hours: the average number of employees at the end of each quarter.

Average employee training hours by function (unit: hours per person)

	Taiwan	Suzhou, China	Vietnam	Global
Management	16.6	18.3	46.5	18.8
Non-management	21.9	23.2	43.0	24.1
Total	20.9	22.9	43.3	23.6



## Management focuses in 2021 and management plans in 2022



1. Implementation of digital and online training in 2021 to enable the employees to learn at any time
2. Focus on the development direction of the managers' leadership in the future with reference to the management function model in 2022

### Diverse career development of the employees

Cross-department job rotation to improve the practical experience and learning in different respects for medium-term and long-term development of the employees

1. Definition of the rotation period for the managers at all the levels
2. Checkup of the candidates qualified for the rotation every year and provision of the name list for the responsible manager to confirm
3. Communication with the candidate and the manager about the career direction in the future to confirm the position suitable for the rotation and development in the next phase.
4. Follow-up of the status and performance after the rotation

### Development of the manager and the potential successor

1. Definition and enhancement of the core management function system
2. Interpretation and in-depth interview based on the talent evaluation to understand personal management style and particularity and analyze the advantages, disadvantages and development direction of the talent
3. Assessment of a talent for his/her positioning based on his/her previous performance, the result of the evaluation, the future potential, and the personal willingness of development
4. The Individual Development Plan (IDP) formulated together with the person concerned and his/her manager in consideration of the functional requirements of 3P (Proactive, Personal and Professional) for the positions at different levels and with reference to the aforementioned 2.3
5. Implementation of the IDP for talents using the 3E (Learning/Exchange & Assistance/Training) model

## | Qisda Academy

We take Qisda Academy as the basis of the training. It is comprised of four schools, namely 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, planned with reference to the properties of the courses and the participants. Comprehensive training plans are provided to meet different learning requirements. Currently, we provide common competency training roadmap for six kinds

of jobs (R&D, marketing/sales, engineering technology, supply chain management, quality management, and production operation), in the hope to provide more complete and in-time training resources and assist employees in exerting their capabilities for their jobs. Meanwhile, for learning channels, Qisda provides physical programs and an internal e-learning platform for the employees to participate in related online courses.

We have promoted mobile learning since 2019. By developing the training APP, we combine existing training resources with the rich online content of the Harvard Business

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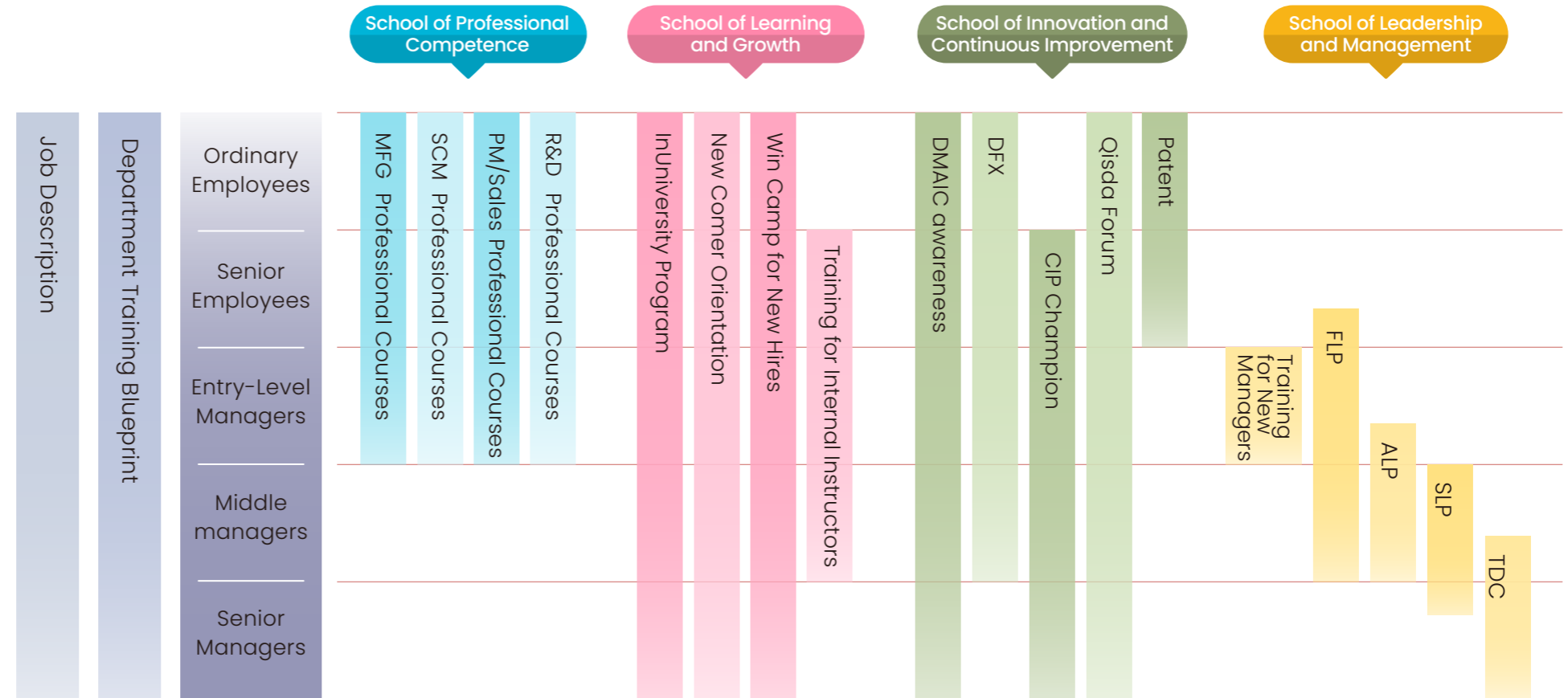


Review for the employees to learn new knowledge at spare time using mobile phones. We have set digitization of the training courses as the goal of 2020 and in the coming years, so that employees can take the courses suitable to them more easily.

As shown in the following chart, the four schools cover different training programs. The “School of Professional Competence” designs related training programs in consideration of the difference between the functions of the Company to improve the professional

capabilities of the employees. The “School of Learning and Growth” covers a complete set of training programs for new employees and internal instructors. It also provides the “in University Program” in line with the industry–university collaboration projects of the government to offer the employees with more choices in the self-development, credit program, certificate program and professional program.

### Qisda Academy



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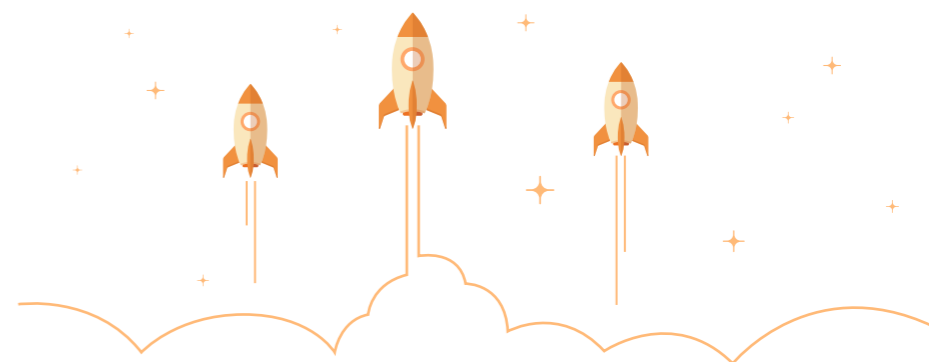
- Qisda unites and leads all the business units under the CIP (Continuous Improvement Program) to create a sustainable value. There were more than **5,116** CIP projects implemented in the world up to now to bring an economical benefit of about NT\$900 million.
- Qisda received the “2021 Taiwan Sustainability Action Award – Best Action Plan Award” from Taiwan Institute for Sustainable Energy.

The “School of Leadership and Management” designs related guiding courses in consideration of the management requirements of the managers at different levels to help them make further improvement and develop their own leadership. In addition to the innovation and development momentum, the “School of Innovation and Continuous Improvement” provides resources for the courses on the business models of innovation and design concepts, which enable the employees to bring their creativity into full play and create an innovative culture for the organization.

In addition, Qisda has implemented the Six Sigma and developed the CIP Continuous Improvement Program (CIP) from the beginning of 2007 to provide the employees with the concepts and tools needed for improvement of their work. With the help of a series of courses and the implementation of the CIP projects, the employees are able to put the knowledge that they have learned into the actual work process. There were 525 CIP projects in 2021 and the total number of the CIP projects implemented globally reached up to more than 5,116 with a cumulative benefit of nearly NT\$9 billion. The result of the improvement is remarkable. The scope of the CIP projects extended to the improvement of individuals, departments, and the entire company. The employees can make use the most suitable tools, such as DMAIC/DFX/Lean/QCC/Quick Win, to improve their work. In addition to the R&D department, the CIP tool is applicable more extensively to the manufacture, administration and supporting units.

In addition to the improvement of the Company, Qisda combines the core competences with the SDGs of the United Nations and assists the suppliers with the implementation of the CIP in every step. This is a pioneering work rarely seen in the industry. The CIP is helpful to improve the yield rate and efficiency of the supplier and reduce the generation of the waste. It also enables an increase in the revenue of the supply chain and Qisda to create a win-win situation in the economy and environmental protection. The support of the Company for the suppliers has had a good performance. In 2021, there were 25 CIP projects implemented for the suppliers in Suzhou to create a benefit of about NT\$20 million. Up to now, a total of 134 suppliers participated in 321 projects to create a total benefit of NT\$420 million. With this performance, Qisda received the “2021 Taiwan Sustainability Action Award – Best Action Plan Award” from Taiwan Institute for Sustainable Energy.

**The meaning of the CIP**





# Human Rights Management

Management Approach of Material Topic

**Human Rights** ● Exceed Goal ◎ Reached ○ Not-Reached

<b>Primary Focus</b> Customers, suppliers, communities	<b>Management Method</b> <b>Duty</b> Sustainability Risk Management Office
<b>2021 Management Goal</b> 1. Passing of the Social Accountability Management Systems (SA 8000) certification and no human rights violation cases 2. Completion of the inspection and on-site audit of the supplier's social responsibility, environment, safety and health.	<b>Resource</b> 1. Interdepartmental collaboration to execute the management system and supply inspection 2. Verification conducted by external audit units
<b>2021 Achievement</b> 1. Acquisition of a new SA 8000 certificate 2. Completion of the inspection and on-site audit of 24 suppliers, at a completion rate of <b>96%</b> , to understand their social responsibility, environment, safety and health <span style="float: right;">◎</span>	<b>Action</b> 1. Maintenance of an effective Social Accountability Management Systems (SA 8000) certificate every year 2. Planning and implementation of supply inspection and audit 3. Implementation of the education and training on the Responsible Business Alliance Code of Conduct (RBA Code)
<b>2022 Management Goal</b> 1. Passing of the Social Accountability Management Systems (SA 8000) certification and no human rights violation cases 2. Completion of the inspection and on-site audit of the supplier's social responsibility, environment, safety and health.	<b>Evaluation</b> Reporting and reviewing on the performance indicators at the Corporate Sustainable Development Committee (ESG Committee) meeting every quarter
<b>Medium- to Long-Term Goal</b> No human rights violation cases	

 For details of identifying major topics, please refer to "Stakeholder Engagement" (P24)  
 For the information about the management approach with respect to the "Human Rights," please refer to this section.




- Qisda passed the Social Accountability Management Systems (SA 8000) certification.
- More than eighty percent (86%) of the employees participated in the training in 2021.

## Protection of the Labor Right

To fulfill the corporate social responsibility and protect the human rights of the employees, Qisda declares that the Company will protect the employees' rights and comply with local labor laws and the following regulations for the management of the human rights.



- Social accountability standards (SA 8000)
- Responsible Business Alliance Code of Conduct (RBA Code of Conduct)
- UDHR (UN Universal Declaration of Human Rights)
- UN Norms (UN Human Rights Norms for Business)
- UNGC (UN Global Compact)
- ILOC (International Labour Organisation Conventions)
- ILO Tripartite Declaration of Principles (International Labor Office's Tripartite Declaration of Principles)
- The California Transparency in Supply Chains Act (California Transparency Act)
- MSA (UK Modern Slavery Act)

**Qisda's Strategies on Human Rights**

The Company provide safe and health work environment, ensure equal employment opportunities and prohibit discrimination in any forms, offer fair and reasonable wage and work conditions, respect the freedom of assembly and association among the employees, forbid hiring child labor and forced labor, adhere to the values of ethics against corruption, prohibit bribery, and provide stakeholders with communication channels.

To meet the requirements of the customers and protect the Company from any negative comments, Qisda is committed not to hiring child or forced labor at all the plants, in particular prohibition of slave and trafficked labor, and is completely compliant with the California Transparency in Supply Chains Act (California Transparency Act) and the UK Modern Slavery Act. The Company has established the “Child and Youth Labor Management Regulations.” The HR unit takes the sole responsibility for the recruitment and appointment of the labors. It shall validate the identity of the candidate during the recruitment by checking his/her ID certification documents and commission an external institution to check the identity in case of suspension. Validation of the identify is also required for the oral examination to avoid fraudulent use of the identity certification documents. As for minor cooperative education students, the Company abides by the aforementioned procedure to ensure they will not be assigned to the work that might be harmful to their safety and health.

The Company provides a simple employment channel. All the employees have entered into an employment agreement to confirm their employment intention and eliminate the sources of forced labor. Since the implementation of the SA 8000 management system, we have not hired child or forced labor due to negligence in the procedure.

As for the issue of fair treatment, the Company adheres to the Responsible Business Alliance Code of Conduct (RBA Code) and is committed to being free of impact on the

recruitment, wage and welfare, promotion, reward and access to training, dismissal, or retirement as a result of ethnic group, nation, race (including indigenous peoples), caste, color, age, gender, sexual orientation, gender identity and expression, national or territorial or social origin, disability, pregnancy, religion, political affiliation, union membership, family responsibility, veteran status, genetic information or marital status and other statutory requirements. The Company treats all the employees equally and ensures no deficiencies exist in the implementation of the aforementioned procedure by performing the internal and external audits under SA 8000. There were no discrimination cases within the Company in 2021.

Since the issues of labor and human rights are critical to the customers, the Company provides education and training on the Responsible Business Alliance Code of Conduct (RBA Code) and SA 8000 every year. More than eighty percent (86%) of the employees participated in the training in 2021\*. The education and training on the RBA Code and human rights are also arranged for the contractors, such as security guard and cleaning service providers, who are doing their duties in the Company or the plant. The training rate of the security guards reached up to 100%. In addition, Qisda declares the protection of the employees’ rights and the availability of multiple communication channels. We have established the “Communication Management Procedure” for the internal complaints of the employees. For any sexual harassment or improper treatment, the employee concerned may report it to the HR unit directly in accordance with the “Whistleblowing and Complaint Handling Regulations.” The Company will keep the identity of the whistleblower confidential. The external stakeholder who has any doubt about this issue may file the complaint through the CSR mailbox on the official website of the Company. The unit responsible for the CSR will give a reply. We did not receive any complaints or grievances about the issues of labor or human rights in 2021. The Social Accountability Management Systems (SA 8000) verification is conducted at our global manufacturing sites every year to avoid occurrence of labor-related incidents that may affect the production or reputation of the Company.

\* The employees took the training on human rights to a total of about 7,628 hours in 2021. Time to summarize the statistics: Suzhou, China: April to June 2021; Taiwan: November to December 2021; Vietnam: April and July 2021; there were 3,455 participants in Suzhou, China.

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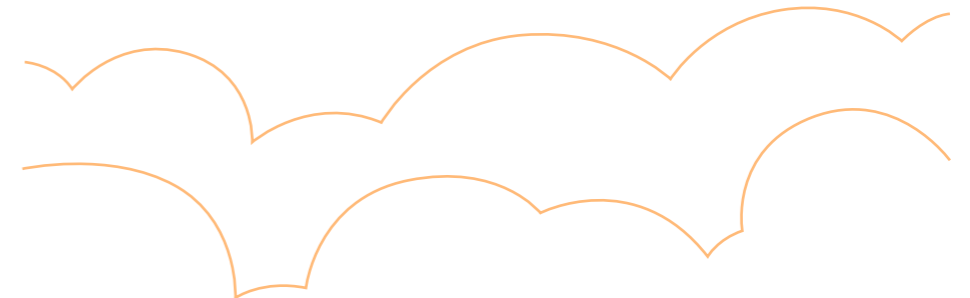
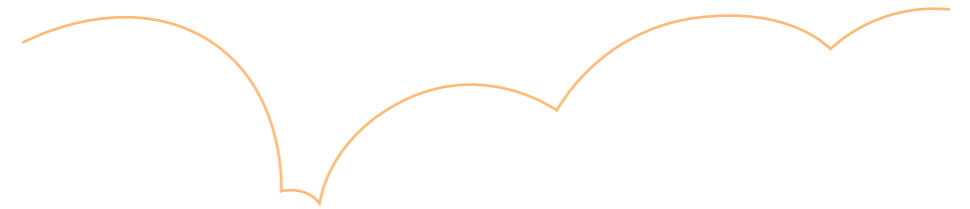
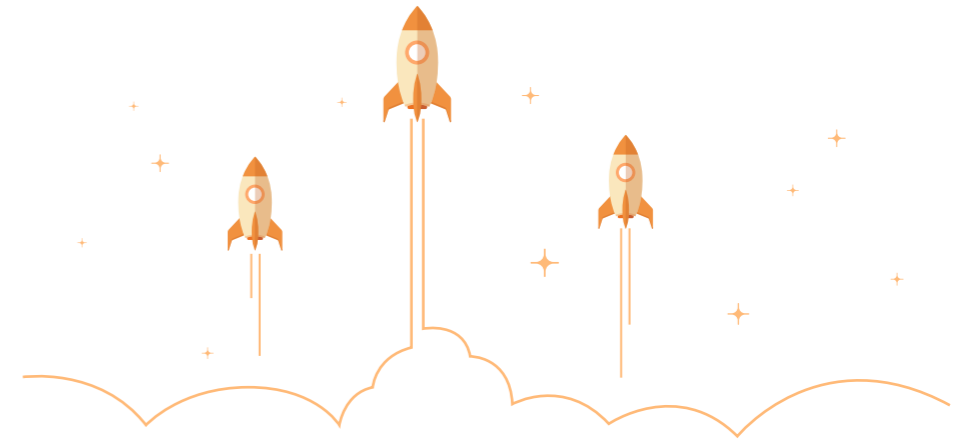
## Implementation of the Responsible Business Alliance Code of Conduct (RBA Code)

Qisda has implemented the Responsible Business Alliance Code of Conduct (RBA Code; formerly EICC) since 2017. We provide education and training to enhance the awareness of the RBA on a regular basis and incorporate the ethical management system in the 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 plants all over the world. Recently, the plants in Suzhou, Taiwan and Vietnam were subject to a third-party audit in response to the request of the customers. Corrective measures have been taken for the nonconformities identified during the audit to ensure the compliance with the RBA Code.

 Qisda human rights policy: <https://csr.qisda.com/ch/csr.asp?ca=7>

 Qisda whistleblowing channel and investigation procedure: <https://csr.qisda.com/ch/csr.asp?ca=4>

 Qisda CSR mailbox: <https://csr.qisda.com/ch/csr.asp?ca=14>



# Building a Happy and Healthy Workplace



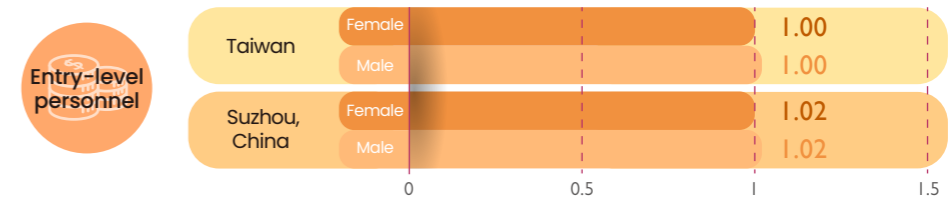
- Received the HR Asia "Best Companies to Work for in Asia" for three consecutive years
- Received the "World's Best Employers" award for the first time in 2021

With the concept of creating a workplace of health and well-being, Qisda has promoted the diverse employee welfare so that all the employees experience a premium working environment and a corporate culture that brings a sense of health and well-being.

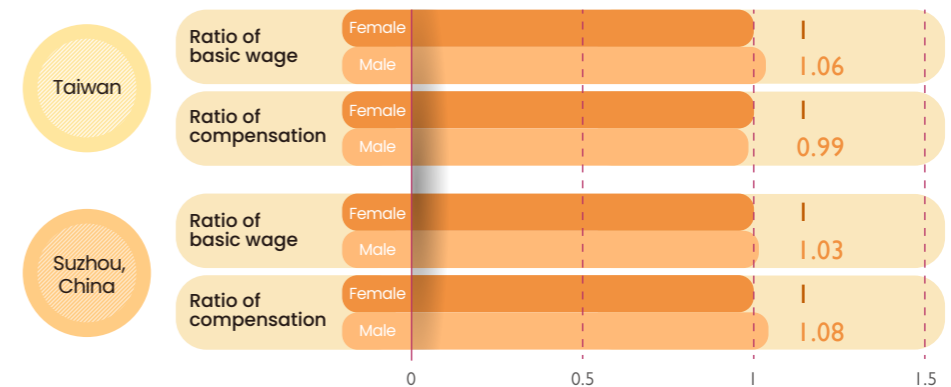
## Employee Payment and Pension

To attract and retain outstanding talents, Qisda observes the labor laws and regulations at the place where our significant operational sites are located. The pay to the employees is not less than the base wage required by the law and there is no difference arising from gender, religion, race, nationality or political party. 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 the wage is 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 achievement of relevant performance indicators at the meeting and determines the scope of the annual compensation. The data on the compensation are detailed in the following table.

### Ratio of standard entry-level wage to local minimum wage\*



### Ratio of the basic wage and compensation of women to men\*\*



\* Calculation method: entry-level starting wage / statutory basic wage

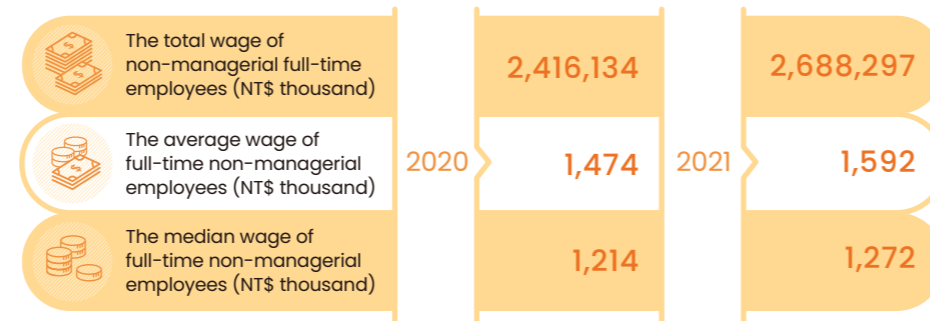
\*\* The average wage of the female employees is about 95.2% of the male employees.



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— Wage of full-time non-managerial employees (NT\$)\*



Qisda follows the regulations and systems of retirement all over the world and protects the rights of the employees who are planning to retire. Details are described below.

**1. The labor pension reserve appropriated in accordance with the Labor Standards Act**

The Company makes a contribution to the pension fund for the employees every month and remit it to the labor pension reserve fund account at the Bank of Taiwan in the name of the Labor Pension Fund Supervisory Committee. The fair value of plan assets up to the end of 2021 was NT\$464,991 thousand. According to the law, the expenses that the Company recognized in 2021 was NT\$14,082 thousand. The insufficient fund was presented as accrued pension liabilities. The total amount of the funds up to the end of 2021 was NT\$415,693 thousand.

**2. The pension appropriated in accordance with the Labor Pension Act**

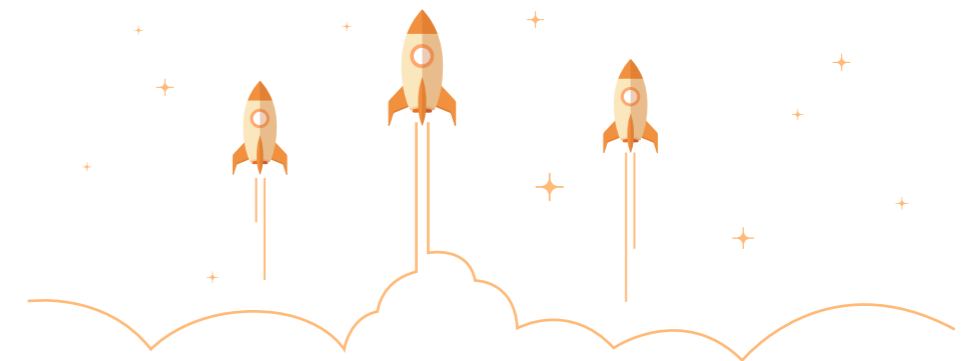
The Company appropriates an amount equal to 6% of the monthly wage of an employee to the personal account at the Bureau of Labor Insurance. The amount of the expenses recognized in 2021 was NT\$90,453 thousand. Overseas subsidiaries also appropriate a pension to the pension management body every month in accordance with local laws and regulations.

\* The calculation is based on the formula and requirement in the "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" of the Taiwan Stock Exchange.

| Employee Welfare

- **10,000** employees participated in the activities organized by the Welfare Committee.
- The annual activity satisfaction was **4.5** points (perfect score: 5 points) on average.

With the concept of creating a workplace of health and well-being, Qisda has promoted the diverse employee welfare so that all the employees experience a premium work environment and a corporate culture that brings a sense of health and well-being. The Company mainly provides the welfare measures as shown in the following table. The temporary workers enjoy the same welfare as the full-time employees except for the performance bonus, which is only provided to the latter. Only a few temporary workers are not incorporated in the scope of the welfare due to their short work time (less than six 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 available for the employees to add to their own insurance. The Company also arranges the personnel of the insurance company to provide consultation services and assist with the application for claims.



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— Qisda's major welfare measures

 <p>Offered according to laws</p>	<p>Taiwan</p> <ol style="list-style-type: none"> <li>1. Health insurance and labor insurance</li> <li>2. Appropriation of labor pension reserve</li> <li>3. Appropriation of wage arrears payment fund</li> <li>4. Appropriation of occupational accident insurance fund</li> <li>5. Infirmary and contracted on-site physician</li> <li>6. parental leave and paternity leave (for male employee)</li> <li>7. Family care leave and vaccination leave</li> </ol>	<p>Suzhou, China</p> <ol style="list-style-type: none"> <li>1. Social insurance (retired life, medical service, unemployment, occupational injury, childbirth)</li> <li>2. Housing provident fund</li> <li>3. Paid annual leave</li> </ol>
 <p>Welfare defined in the GRI Standards*</p>	<p>Taiwan</p> <ol style="list-style-type: none"> <li>1. Year-end bonus/performance bonus</li> <li>2. Group insurance (life insurance, accident insurance, critical illness insurance, and hospitalization insurance)</li> <li>3. Self-paid group insurance for the family members of the employees</li> <li>4. Short-term overseas travel safety insurance</li> <li>5. Free medical checkup</li> <li>6. Profit sharing with employees</li> <li>7. Continuing education plans for employees</li> <li>8. Education and training</li> <li>9. Pension system</li> <li>10. Special offer of homemade products to employees</li> <li>11. Allowance for marriage, funeral, festival, and childbirth; consolation money for injury and illness</li> <li>12. Activities organized by the Welfare Committee</li> <li>13. Labor Day allowance</li> <li>14. Internal consumption voucher</li> </ol>	<p>Suzhou, China</p> <ol style="list-style-type: none"> <li>1. Year-end bonus/performance bonus</li> <li>2. Group insurance (life insurance, accident insurance, critical illness insurance, and hospitalization insurance)</li> <li>3. Short-term overseas travel safety insurance</li> <li>4. Free medical checkup</li> <li>5. Education and training</li> <li>6. Special offer of homemade products to employees</li> <li>7. Allowance for marriage, funeral, and festivities; consolation money for injury and illness</li> <li>8. Subsidies for club activities</li> <li>9. Subsidies for employees' quarterly activities</li> <li>10. Annual leave for employees</li> <li>11. Activities organized by the Welfare Committee</li> </ol>
 <p>Regular welfare</p>	<p>Taiwan</p> <ol style="list-style-type: none"> <li>1. Meal allowance</li> <li>2. Contracted hospital</li> <li>3. Dormitory/uniform</li> <li>4. Sports center and fitness/club courses</li> </ol>	<p>Suzhou, China</p> <ol style="list-style-type: none"> <li>1. Infirmary</li> <li>2. Sports center</li> <li>3. Meal allowance</li> <li>4. Contracted store</li> <li>5. Dormitory/uniform</li> </ol>
 <p>Better than other companies in the industry</p>	<p>Taiwan</p> <ol style="list-style-type: none"> <li>1. Family care leave and vaccination leave</li> <li>2. Self-paid group insurance for the family members of the employees</li> <li>3. Allowance for marriage, funeral, festivities, and childbirth; consolation money for injury and illness</li> <li>4. Internal consumption voucher</li> <li>5. Meal allowance</li> <li>6. Free sports center and fitness/club courses</li> <li>7. Gifts to the family members of the employees for Father's Day and Mother's Day</li> </ol>	<p>Suzhou, China</p> <ol style="list-style-type: none"> <li>1. Education and training</li> <li>2. Subsidies for employees' quarterly activities</li> </ol>

\* Welfare in kind is excluded according to the definition in 401-2 of the GRI Standards.

## Establishment of Unhindered and Appropriate Labor-Management Communication Channels and Relations

Management Approach of Material Topic

Labor-Management Relations <span style="float: right;">● Exceed Goal ◎ Reached ○ Not-Reached</span>	
<b>Primary Focus</b>	<b>Management Method</b>
Community, employee	<b>Duty</b> HR Center
<b>2021 Management Goal</b>	<b>Resource</b>
Announcement of the labor and business statuses within the Company every quarter	1. Business meeting 2. Welfare Committee meeting 3. Labor-management meeting
<b>2021 Achievement</b>	<b>Action</b>
All completed <span style="float: right;">◎</span>	Provision of multiple communication channels for employees to understand the information of the Company in time
<b>2022 Management Goal</b>	<b>Evaluation</b>
Announcement of the labor and business statuses within the Company every quarter	1. Reporting the labor status at the labor-management meeting every quarter 2. Reporting the business status at the business meeting every quarter
<b>Medium- to Long-Term Goal</b>	
At least 4 labor-management meetings every year	

To maintain a great labor-capital relation between the Company and the employees, smooth communication channels have been set up internally, such as business meeting, Welfare Committee meeting and labor-management meeting, to allow the employees to receive messages from the Company in a timely manner. The employees are also encouraged to provide suggestions regarding the overall business and development of the Company so that the decision makers can have some references. Well established communication channels are not only favorable to the improvement of

● For details of identifying major topics, please refer to "Stakeholder Engagement" (P24)  
● For the information about the management approach with respect to the "Labor-Management Relations," please refer to this section.

the labor-management relations, but also helpful for the Company to understand the needs of the employees and provide a more complete work environment.

From the employees in Suzhou Plant, China, and the business headquarters in Taoyuan, Taiwan, Qisda elects 16 (occupying 0.27% of the total employees in Suzhou Plant) and 12 (occupying 0.72% of the total employees in the headquarters) representatives according to the labor laws and the SA 8000 standards to fully represent 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 representative of the Company on the matters related to the SA 8000 standards at the meetings. At the quarterly labor-management meeting, the representatives of the employees can raise proposals of labor-management relations, labor conditions, labor welfare and other issues. They communicate with the representatives of the management and jointly resolve on the matters of labor rights. The Company will assess the feasibility and incorporate them in the subsequent improvement actions.

## Employee Health Management

Qisda places importance on the health management of the employees and believes that maintaining the health and vitality of the employees is helpful to keep up the best competitive strength of the Company. For this, the Company has established a wellness center in Taiwan and Suzhou, China, respectively, to promote the health of the employees. As for the annual medical checkup, about 92% employees participated in the activity on average and the participation rate in 2021 even reached up to 95%, realizing the Grade 1 management (health screening) in the public health domain to find out the illness earlier, take medical treatment earlier, and reduce the risk in health.

### I. The events of the Wellness Center in Suzhou, China

A Wellness Clinic is set up to treat commonly seen and frequently occurring diseases. Two breastfeeding rooms are available for mothers to use at the workplace. Medical checkups are arranged before, after and during the work for prevention of the occupational

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disease. Follow-up actions are taken and a name list with respect to the occupational disease is maintained for this purpose. In addition, the Company provides lectures on healthy and happy life such as the health of the female employees and the healthy life after the retirement.

## II. The events 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: Wellness Clinic, Workplace Breast Milk Program, Illness Tracking and Care, Emergency Injury Treatment, Follow-up and Management of Health, and Healthy and Happy Life.

Qisda also promotes personal health management within the Company. The employees can understand their personal health status at any time through Qisda's health management system and implement the management in their personal health behavior by combining the internal real-time health information and events of the Company.

### — Interface of the health database



### — Homepage of the health management system



## Six facets in the health management model

### 1. Wellness Clinic (healthcare at the workplace)

The clinic is established under the health insurance for the convenience of the employees to receive medical services and health consultations, in the hope to achieve the goals of zero-distance to a clinic and provision of services for the employees whenever needed.

- (1) On-site health service: Occupational safety survey, prevention and control of occupational accidents, and reduction of their occurrence rate.
- (2) Special health management: The employees engaging in the tasks with special health hazards, including those involving ionizing radiation, organic solvent and noise, are subject to special tracking and management. The Company takes the measures better than what the special labor inspection regulations of the government require by providing the personnel engaging in highlight tests with regular precise eye examination and special protection measures (goggles). 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 is exposed to high risk or special incidence rate of disease.

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– Qisda’s health management model



**2. Promotion of breast milk at workplace**

Qisda has promoted breast milk at workplace since 2007. To assure the mothers of working and breastfeeding at the workplace, Qisda attentively provides more convenient and privacy-protective breastfeeding environment and hardware facilities (e.g. refrigerator, stabilizer, milk collection bag, breast pump, and electric heater) at the Wellness Center for the mothers to meet their needs. Maternity health protection has been performed since 2017. In combination with the care management, required maternity health protection measures are taken for the female employees who have become pregnant or given birth within one year or those who are feeding a baby. Twelve

employees were protected in 2021. Their health status and the connection with their tasks as well as the employees whose health is at high risk are reassessed, and required preventive and health promoting measures are taken whenever necessary.

**3. Disease prevention and care**

The Company provides employees with the information on the domestic and overseas epidemic and infectious disease. We communicate the correct health and epidemic prevention concepts to the employees based on the international outbreak and the information of the Taiwan Centers for Disease Control. A global outbreak reporting system has been set up to understand the inventory of the resources and the health status of the employees in each subsidiary in a timely manner. In the meantime, the Company provides newsletters related to the epidemic prevention and health on an irregular basis to remind the employees of their importance.

– Qisda’s breastfeeding room



**4. Emergency injury treatment**

The Company provides training on the first aid for general diseases (e.g. spasm and nose bleeding) and accidents (e.g. cut or incised wound, drowning and shock), for example, education and training for new employees, first aid license course, and emergency treatment course. An AED was set up in the public area on the first floor in

2013 and a second AED was provided in the public area on the first floor of the Twin-Star Plant in 2016. Seed trainers have been trained for the operation of the AED equipment. This is a training program extending from 2016. Four sessions of retraining were held for the first aid personnel in 2020 and 63 participants finished the retraining successfully. The training will continue in the future.

- Disease prevention and care



5. Health management and follow-up

As for the medical checkup data of the employees, the abnormality items indicated in the medical checkup report are highlighted in the electronic health management system and the employee concerned is reminded through the group he/she joins. The employee will be arranged to have a consulting meeting with the on-site physician, who will help the employee understand his/her health and provide subsequent medical consultation services.

The DSHA (Disease Specific Health Assessment) is used for a quantitative assessment of the health status and potential disease and/or the risk of death of an individual or a group of employees. In addition, the Company uses the Framingham Risk Score model in the Adult Treatment Panel III (ATP III) under the US National Cholesterol Educational Program (NCEP) to assess the risk and opportunity of suffering from the ischemic heart disease within ten years and find out the employees of high risk. Health education and follow-up measures have been applied to 60% of the sub-health group members among these employees without prejudice of their privacy.

6. Healthy and happy life

Employees are ensured to participate in health-related lectures and events during off-work hours. The Company also promote cancer prevention screening, special preventive vaccination, and other health promoting and screening events to ensure the effectiveness of the prevention, early identification, and early treatment of diseases.

- Dissemination of prevention of myocardial infarction



- Healthy and happy life



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# Environmental Protection and Social Care



- Total hours that the employees spent on charitable events: **1,142** hours
- Average number of participants in the 2021 Green Party event: **1,000** employees
- An average of more than **4.5** points (perfect score: 5 points) in the satisfaction survey
- Support to Taoyuan City Government for its "Security Program" to screen **1,500** foreign workers of the Delta Electronics, Inc. in Guishan Industrial Park.
- Provision of **40,110** face shields and **8,520** mask protection patches for the personnel of the Cardinal Tien Hospital and the Respiratory Intensive Care Unit (ICU) of the National Taiwan University Hospital.

To realize Qisda's vision of "Bringing Enjoyment 'N Quality to Life" and extend it to local communities, we, based on the core values of "care and contribution," gather the employees to show love with the Company's core competitiveness incorporated, and take part in different local care programs and employee voluntary activities to make a contribution to the to the society through specific actions. Qisda's employees in the world participated in charitable events for a total of 1,142 hours in 2021.

The Board of Directors of the Qisda Corporation (the former BenQ Corp.) adopted a donation for the establishment of the BenQ Foundation on August 22, 2002; that is, the BenQ Foundation was established as a donation of the Qisda Corporation. The BenQ Qisda Group is dedicated to the happy life of the 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.



BenQ Foundation: <http://www.benqfoundation.org/>



The Foundation takes mankind and land as the origins with the "Environmental Protection" and "Social Care" as the vertical and horizontal axes which intersect with four core elements of "Reduction of the Digital Gap," "Cultivation of Honest and Smart Employees," "Improvement of the Value in the Original Culture," and "Implementation of Environmental Protection." It combines the core competencies of the companies to achieve the goals of digital opportunities, kindness education, cultural value, and environmental sustainability. The Foundation inputs positive stimulants in the societies externally and enhances the corporate culture internally to train outstanding talents and cultivate kind social citizens.

After having made efforts 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 14 years, the Foundation won 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"

Facing the impact of the COVID-19 in 2021, the BenQ Foundation collected the resources of the affiliated companies and donated epidemic prevention resources to Taipei City Government, New Taipei City Government, Taoyuan City Government, Cardinal Tien Hospital, and the Respiratory Intensive Care Unit (ICU) of the National Taiwan University Hospital, positively demonstrating the social care responsibilities of the Company and making a contribution to the prevention of the COVID-19 in Taiwan. The Foundation continued implementation of the annual projects under the four core elements of "Cultivation of Honest and Smart Employees," "Improvement of the Value



in the Original Culture,” and “Implementation of Environmental Protection,” and “Reduction of the Digital Gap.”

**I. Donations for COVID-19 Prevention**

To enhance the effectiveness of the epidemic prevention and the capacity of the testing, the BenQ Foundation donated three mobile testing booths and one testing station to Taoyuan City Government, to whose governance the Company is subjected, in first priority to provide rapid tests for the companies and communities in Taoyuan City, speed up the testing procedure, and expand the screening network. On June 9, the Foundation supported Taoyuan City Government for its “Security Program” to screen 1,500 foreign workers of the Delta Electronics, Inc. in Guishan Industrial Park. The positive pressure testing station in the Taoyuan Dome Stadium was set up in July to provide services for the companies in Guishan Industrial Park, and Taipei Veterans General Hospital, Taoyuan Branch, gave assistance with rapid and PCR testing. In addition, the Foundation Provided 40,110 face shields and 8,520 mask protection patches for the personnel of the Cardinal Tien Hospital and the Respiratory Intensive Care Unit (ICU) of the National Taiwan University Hospital.

**– Donations for COVID-19 prevention 1**

Positive pressure mobile testing booths to provide rapid tests for the companies and communities in Taoyuan City, speed up the testing procedure, and increase the screening capacity



**– Donations for COVID-19 prevention 2**

Positive pressure testing station in the Taoyuan Dome Stadium to provide services for the companies in Guishan Industrial Park; Taipei Veterans General Hospital, Taoyuan Branch, gave assistance with rapid and PCR testing.



**– Donations for COVID-19 prevention 3**

Provision of face shields and mask protection patches for the personnel of the Cardinal Tien Hospital and the Respiratory Intensive Care Unit (ICU) of the National Taiwan University Hospital.



**II. Cultivation of Honest and Smart Employees**

**BenQ Dream Action · Campus Lecture**

The BenQ Foundation invites representative youngsters to act as dream ambassadors. They visit the campus in remote mountains and seafronts to share their experience with the students at vocational and senior high schools about how they turned their dreams into actions. They deliver positive power and encourage the teenagers to dream as far as they can and make their dreams come true.

For the “BenQ Dream Action · Campus Lecture” In 2021, the Foundation invited Hsin-Ling Shen, a devotee of public welfare who was selected as one of the ten outstanding young persons; Ming-Cheng Huang, who also known as Mr. Candle; Hsing-Ho Chen,



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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; and Chia-Ying Wu, an adversity coach, to give lectures in Keelung, Taoyuan, Hsinchu, Miaoli, Taichung, Changhua, Chiayi, Tainan, Kaohsiung, Pingtung, Yilan, and Hualien. However, the sessions from May to July were suspended in response to the Level-3 alert measures of the government against the epidemic. The activities resumed in September in line with the epidemic prevention policies of the government. Some of the sessions were provided “online and offline in parallel.” The instructors shared the charming stimulation in the accomplishment of the dreams with more than 25,000 teachers and students of 31 vocational and senior high schools.

– Ideal and practice: “BenQ Dream Doer . Campus Lectures” – delivery of positive influence



– Ideal and practice: “BenQ Dream Doer . Campus Lectures” – delivery of positive influence



III. Improvement of the Value in the Original Culture

1. BenQ International Sculpture Workshop

The purpose of the “BenQ International Sculpture Workshop” is to promote domestic and international exchange of the art and culture of the sculpture. In the form of site-specific creation for a period of one month, the Sculpture Workshop attracts young people, students and the public who are interested in sculpture to experience sculptural works and exchange with the artists in person. The BenQ Foundation is dedicated to the development of the modern sculptural art in Taiwan and creates a new and cross-sector horizon of diversity. The Foundation has organized six sessions of “BenQ International Sculpture Workshop” since 2010 and built up a good image and experience for Taiwan in the international art circle. It has retained 90 master sculpture pieces in Taiwan.

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To promote the aesthetics of the public art, the Foundation donated two works to Taoyuan City Government and Hsinchu County Beipu Township Office in 2021. The works were the master pieces of a couple. They were the “Motion and Emotion” of Petre Petrov and the “Solar Transformation” of Agnessa Petrova. The Taoyuan City Government installed the “Motion and Emotion” at the Taoyuan Arts Plaza of the Taoyuan Arts Center to form an interactive relationship with the art space in the downtown. This was helpful for the public to become more aware of the humanities and cultures, cultivate artistic and cultural spirit, experience the ritual aesthetics of the sculptures in the daily life, and enrich the feelings of the citizens when they are enjoying the arts. With “mankind” as the core of the design, Beipu Township Office installed the “Solar Transformation” at Beipugo in consideration of the reuse of the space. The view was extended with green fields and the citizens were invited to experience the changes in the light and shadow of the sculpture, a beautiful artistic imagery at the “Beipu Old Street” on Tai-3 Road.

— **Urban aesthetics: “BenQ International Sculpture Workshop” – a donation of the masterpiece “Solar Transformation” to Beipu Township Office for Promotion of the public art**



**2. Exhibition of Yun-Chuan Lee’s master pieces at Darfon Electronics Corp.**

To manifest the value of the original culture, Darfon Electronics Corp., an affiliated company of the Group organized an exhibition of “I have a Dream: The Masterpieces of Yun-Chuan Lee” to provide the employees with an opportunity to experience the art space of painting in person.

In his works, Yun-Chan Lee, an illustrator in Taiwan, expressed the conflicts and introspections in the development of the civilization with a combination of simple and repeated points, lines, planes and solids. Visitors could enjoy the painting works of spirit evolving from the true, the good and the beautiful in a surrealistic visual style. The rich color in the recent works reflects the childlike innocence and the self of a dreamer. In 2019, Yun-Chan Lee were invited to participated in the Bologna Illustrators Exhibition with his five painting works of the Faith series. The inspiration came from a scene in his dream: when human beings come back to the destroyed earth for archaeological studies, they find five frescoes in a ruined cave and give each of them a name: Barren, Emergence, Prosperity, Decay, and Regression

— **Support for original culture: “I have a Dream: The Masterpieces of Yun-Chuan Lee” in the Taoyuan headquarters of the Darfon Electronics Corp.**



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## IV.Environmental Protection

### Friendly contract farming and adoption of a rise field

The United Nations published 17 Sustainable Development Goals (SDGs) in 2016. For the SDG 12 “Promote green economies and ensure sustainable consumption and production patterns,” the BenQ Foundation has advocated “environmental protection” and supported “friendly farming” for many years since 2008.

The Foundation has performed contract farming for 13 consecutive years. It adopts rice fields in the Northern, Western, Southern and Eastern Taiwan. Based on the concepts of friendly farming, the Foundation has entered into agreements with local farmers that cover 90 hectares of rice fields in Taiwan.

In 2021, 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 in 2021 reaches up to 10 hectares. Thanks to the plentiful harvests in the spring and autumn, the Foundation shared the “Rice Gift Box” with the

employees of the Group to encourage cultivation and consumption of good rice. The Foundation invited the employees of the Group to participate in the “Support Plus One” project. Whenever an employee adopted a unit, it donated one kilogram of rice to the designated organization in the hope to produce an effect of synergy for the friendly faming and outstanding rice. In addition, the harvesting activity was a means to lead the employees to the soil, help them learn agricultural knowledge, enhance the friendliness to the land by engaging in the labor work, and put the concepts of “environmental protection” into practice. In 2021, Qisda’s employees and their family members participated in the harvesting work enthusiastically in the autumn in Xizhou. They rolled up their sleeves and bent down to cut the rice while experiencing the exhausting labor work of the farmers and coming closer to the land.

### – Farming like a farmer: friendly contract farming “My Small Farmland” – the autumn harvest in Xizhou



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V.Reduction of the Digital Gap

The BenQ Foundation has participated in the “Digital Opportunity Center Project” of the Ministry of Education for many years and been dedicated to the digital care in remote areas. Since 2008, the Foundation has assisted Hsinchu County and Miaoli County with the establishment of the digital opportunity centers and applied digital skills to the development of local features, including marketing of local agricultural products, documentation of the culture and history of the communities, and collection of cultural writings. The Foundation has helped the school children, young people, middle-aged and senior people, and new immigrants learn emerging technologies and improved their digital capabilities.

The BenQ Foundation has organized the “DOC Volunteers’ Short Trip” for nine consecutive years from 2013 to 2021. It gathered the employees and their family members to engage in harvesting work, show their passion for services, and experience what sweating and walking mean by combining the spirit of exploration with the voluntary labor service. In addition to the culture and landscape at different places, the participants experienced various forms of life and became more familiar with the rich culture and landscape at the digital opportunity centers in Hsinchu and Miaoli. The volunteers assisted smallholders in developing the immersive experience and marketing models in connection with the local communities, volunteers and DOCs.

– Farming like a farmer: “DOC Volunteers’ Short Trip” – the meaning of sweating and walking



From the participation in the activities at the place of the production to the dining table, the volunteers communicated their concerns about local industries and cultures and, as a result, aroused the interactive affections between them and local smallholders. The event attracted much attention among Qisda’s volunteers.

The BenQ Foundation has organized the “DOC Small Bazaar” for seven consecutive years from 2015 to 2021. The employees of the Company cared for the environment and supported local agricultural products by participating in the bazaar. They learned about the brands of the smallholders and their attentiveness in pure farming and protection of the land. In addition, they supported agricultural products in a way of group buying to directly benefit the local economy and meet the real demands of the local farmers. The BenQ Foundation assisted the DOC in establishing brands for smallholders, increasing the value and exposure of their products, and building the “Dreamer’s Contract Farming” online marketing platform, and recommending smallholders to shoot the film of “DOC Professionals” to share the stories about the great friendliness, the land, and the origin of food in Taiwan.



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The outcome and influence of the BenQ Foundation in the implementation of the “Digital Opportunity Center Project in Hsinchu County and Miaoli County” organized by the Ministry of Education: The Foundation made use of the teamwork force in collaboration with Qisda’s volunteers to help the DOC perform the unique tasks suitable to develop in local communities. Based on the cumulatively established groundwork, the Foundation combined local demands with multiple developments and assisted local communities with their development step by step. From the initial installation to the basic operation and provision of basic and advanced IT courses, the Foundation helped the DOC promote local cultures and features acquired considerable results accumulatively.

A touching movie comes from a touching story. The BenQ Foundation has been dedicated to the popularity of video creation for many years. In addition to designing related courses for the people at different professional levels and for different purposes, the Foundation trained DOC trainees and aroused their interest in the shooting and production of films, implemented new technologies, and incorporated camera drones and smart phones in the modules of the course. In addition, the Foundation have accumulated abundant new media with the video creations produced at new viewing angles and in a new format by providing the “PeoPo Citizen News,” “Sky is My Home-Seeing Hsinchu and Miaoli,” “Mobile Phone Micro Film,” “Hsinchu and Miaoli Live Stream Online Watch,” and “My Animation Work.” The Foundation has trained the participants to produce 38 films using emerging technologies. Due to the COVID-19 in 2021, the contact with people was restricted and reduced, but the online interactions became much more frequent than ever. “Digital Opportunity Center Project in Hsinchu County and Miaoli County” played an important role of the media. With the help of the online courses, the live stream programs, and the links to local open interactions, the nine special films attracted 21,731 visits, hit 45,071 netizens, and aroused 6,508 interactions. These demonstrated the far-reaching influence of the digital images.

The DOC plays multiple roles in local communities, including the implementation, promotion and application in the respects of education, economy, culture, and society. The first marketing strategy of “Hsinchu and Miaoli Clusters – The Great Power

of DOC” was launched in 2021. The BenQ Foundation gathered 12 DOC Professionals in Hsinchu and Miaoli for this event and implemented the “Learning and Training Together – Upgrade of the Lectures,” “Exclusive Benefits – Customized Booth Bags,” and “Cross-Sector Alliance – Integration of Hsinchu and Miaoli for More Consumption in Urban and Rural Areas,” cultivated DOC professionals, and designed a digital value-added trilogy. This way, the Foundation encouraged the experience in various value-added plans, integration of social resources, consolidation of the DOC cluster power in Hsinchu and Miaoli, support of local smallholders, and gathering of the partners having common goals to help each other in the marketing. A “homeland economy” mode has been formed in Hsinchu and Miaoli. The help of the “DOC Volunteers’ Short Trip,” “DOC Small Bazaar” and the group buying of the employees brought a financial income of NT\$2.26 million to the remote areas. Many people were benefited from this mode that has a far-reaching influence, and we were encouraged to keep exerting and extending this digital power under the DOC.

- Support of smallholders in rural areas: “DOC Small Bazaar” – group buying of the employees; “Hsinchu and Miaoli Clusters – The Great Power of DOC” – training project



110 年參與  
DOC 職人



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- Support of smallholders in rural areas: "DOC Small Bazaar" – group buying of the employees; "Hsinchu and Miaoli Clusters – The Great Power of DOC" – training project



- The BenQ Foundation enabled a financial income of NT\$2.26 million in remote areas in 2021
- Environmental protection and social care: More than NT\$20 million was invested in 2021

In addition to the aforementioned benefits generated for the DOCs in the respects of the education and economy, the BenQ Foundation was concerned about the impact on the social services. By working with the BenQ Hearing Solution and New Best Hearing International of the Qisda Group, the Foundation was dedicated to the improvement of the digital intelligence, communication of the issues on the tendency of the society, popularization of the information and civic literacy, and care for the healthy life of the aged people through the "DOC Academy" under the topics of "Fake News Cleaner," and "Intelligent Hearing Aid." The "DOC Academy" provides 12 sessions of lectures and improved the information literacy of more than 300 digital citizens.

- Care for the health literacy of the aged people: "Intelligent Hearing Aid" for local senior people to ensure equal intelligent healthcare services



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**“Digital Opportunity Center Project”**  
Operational result and influence



The BenQ Foundation has organized the “DOC Volunteers’ Short Trip” for nine consecutive years from 2013 to 2021. It gathered the employees and their family members to engage in harvesting work, show their passion for services, and experience what sweating and walking mean. The BenQ Foundation has organized the “DOC Small Bazaar” for seven consecutive years from 2015 to 2021. The employees of the Company cared for the environment and supported local agricultural products by participating in the bazaar. The Foundation made use of the teamwork force in collaboration with Qisda’s volunteers to help the DOC perform the unique tasks suitable to develop in local communities.

The DOC plays multiple roles in local communities, including the implementation, promotion and application in the respects of education, economy, culture, and society. The first marketing strategy of “Hsinchu and Miaoli Clusters – The Great Power of DOC” was launched in 2021. The BenQ Foundation gathered 12 DOC Professionals in Hsinchu and Miaoli for this event to bring a financial income of NT\$2.26 million to the remote areas. Many people were benefited from this mode that has a far-reaching influence.

In addition to the benefits generated for the DOCs in the respects of the education and economy, the BenQ Foundation was concerned about the impact on the social services. The Foundation was dedicated to the improvement of the digital intelligence, communication of the issues on the tendency of the society, popularization of the information and civic literacy, and care for the healthy life of the aged people through the “DOC Academy” under the topics of “Fake News Cleaner,” and “Intelligent Hearing Aid.” The “DOC Academy” provides 12 sessions of lectures and improved the information literacy of more than 237 digital citizens.

**Taiwan – The “Loving Care Club” and “Public Welfare Ukulele Club”**

The “Loving Care Club” and “Public Welfare Ukulele Club” were organized by the employees full of affectionate love. The purposes of these clubs are to provide a diverse public welfare platform for the employees, so that they can participate in volunteer events and the clubs can give assistance to public welfare organizations and take care disadvantaged groups in society. The “Public Welfare Ukulele Club” pursues the goal to console people with music. For this, employees make use of their spare time and participate in volunteer events with music to give their warmhearted enthusiasm to the organizations that they help.

— Four core elements as the pivot of the public welfare activities



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In consideration of the diversity and to encourage the employees with different demands to participate in public welfare activities, these clubs organized 17 volunteer events in 2021 and showed their love to the people who were really in need of care, such as mentally challenged children, elderly people living alone, disadvantaged children, farmers, global environmental protection, and stray animals. The organizations that the public welfare clubs take care of continuously include Huashan Social Welfare Foundation, Genesis Social Welfare Foundation, World Vision, Hondao Senior Citizen Welfare Foundation, Reindeer Child Home, Child Welfare League Foundation, The Carpenter's House, twhope.org, Taiwan Pawprint K9 Rescue, Xinwu Catfirst, Parents' Association for the Visually Impaired, Chiling Charity Foundation, Chensenmei Social Welfare Foundation, Taiwan Happywork Association, Noordhoff Craniofacial Foundation, etc.

As for raising funds for disadvantaged organizations, a total of 190 volunteers and 748 hours were input, and a total amount of NT\$1,123,360 was raised in 2021 by organizing fundraising events and charity bazaars.

## Green Party to Support the World Earth Day

In 2021, the Company announced the policies of work from home, staggered work schedules or separate work areas to cope with the COVID-19. Many employees could not contact in person and some work modes and activities were changed indirectly. As a response to these circumstances, the Employee Welfare Committee of the Company (hereinafter referred to as the Qisda Employee Welfare Committee) planned multiple online and physical activities, such as organizing the contribution of writings on cooking at home, plank exercise challenge, and Green Party for the environment via social media, and holding team competitions using video equipment and app, including online room escape, step-counting exercise walking, quiz show, conquering, and 14-day exercise habit challenge, in the hope that the employees working from home can join online activities to enhance the balance between the work and life, improve the health of the body mind and spirit, and increase the happiness and fun.

As the epidemic was mitigated, we organized a physical green carnival party to support the World Earth Day. In addition to distributing comforting green plants to be placed on the desk, we organized a challenge to contribute writings on carbon reduction within a period of ten days. This way, the Company could put energy saving and carbon reduction into practice and work with the employees to protect the earth on an ongoing basis.

Most of the activities were canceled or postponed due to the COVID-19. Nevertheless, the Qisda Employee Welfare Committee continued paying attention to the employee welfare by organizing different online and physical events for the benefits of the employees. Fortunately, the employees supported these events passionately and about 1,000 employees participated in each event on average with an overall satisfaction of more than 4.5 points (full score: 5 points). For them, participating in an after-work event either for individuals or groups could make them happy when they stayed at home. This is also helpful for the companies showcase moments of digital transformation and innovation.

### Qisda's green carnival party



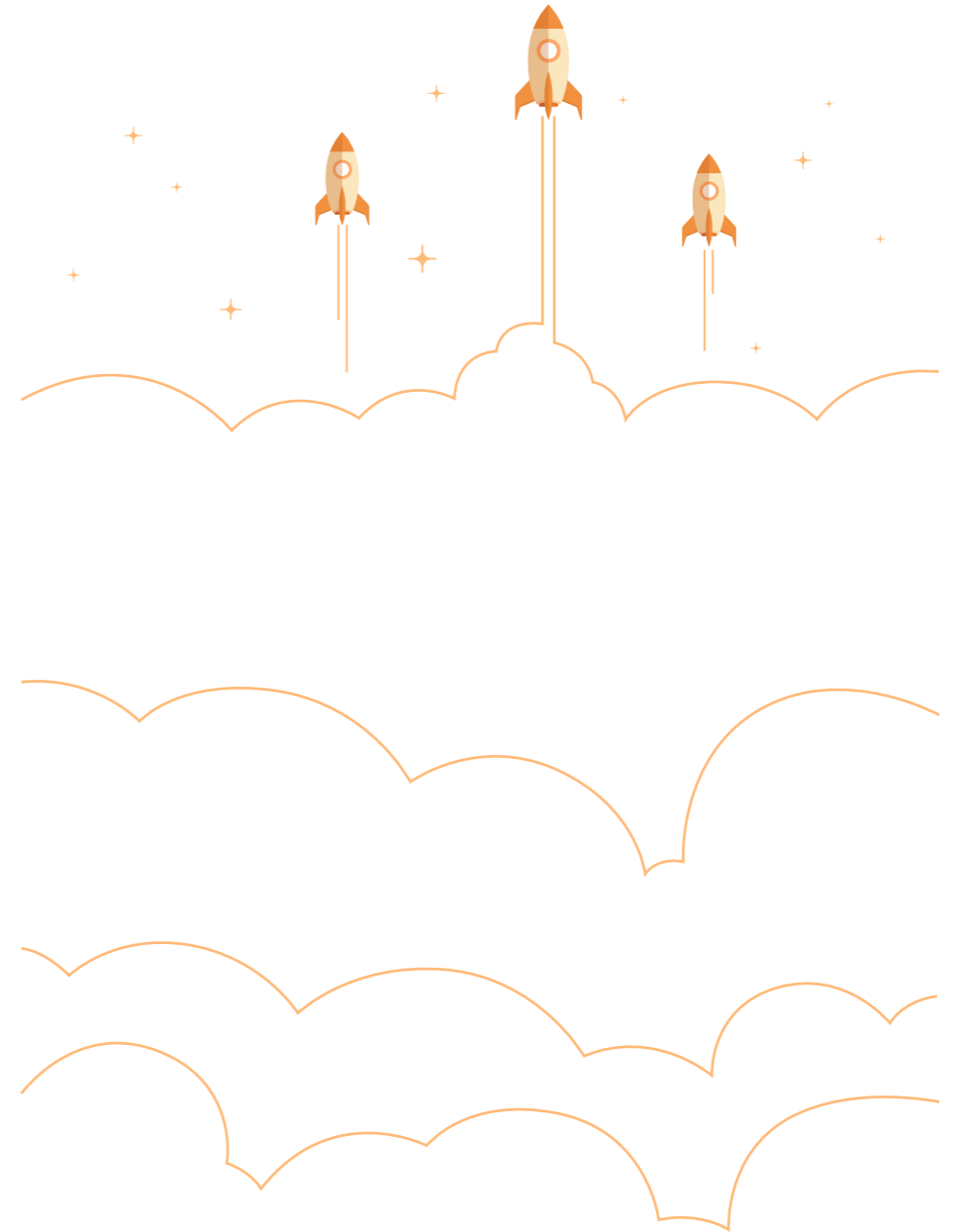


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## | Qisda Suzhou Plant

Qisda Suzhou in China takes the corporate social responsibility and take care of the people in need continuously. Qisda Suzhou has implemented the Trip of Hope project since 2013. It helped the Mingfan Elementary School at the foot of Dabie Mountain in Anhui Province build a dream library and provided lunch for the students in need. In 2016, the company launched a startup project for the people with disabilities to produce handmade flowers and trained them for their startup career. It helped them learn the skill for their livelihood and independent life and realized the meaning and wonder of the life. In 2017, Qisda Suzhou focused on the people around the plant and expressed solicitude for the well-being of the communities, welfare houses, and public welfare associations near the plant. Qisda Suzhou focused on the inner world of the mentally challenged children in 2018. While expressing solicitude for their material and mental life, Qisda Suzhou invited a baking teacher to teach how to make cookies and assisted in the development of the marketing channels for them at the initial stage, then they could sell the products by themselves at the later stage. This way, they could enjoy the results of their endeavor, lean a skill for their survival, and eventually become a member of the society. Qisda Suzhou focused more on the inner world of the mentally challenged children in 2019. This year, the company led the children from their home to a knowledge theater to learn the humanities, to the mountains and rivers to appreciate the natural landscape, and to the traditional festivals to experience the fun in the customs. The Mingfan Elementary School at the foot of Dabie Mountain moved to the new building in 2020. Qisda Suzhou donated sports goods to the school building to set up a paradise for the children and help them improve their physique and strength while learning. Qisda Suzhou focused on disadvantaged people in 2021. It accompanied the mentally challenged children to grow happily, expressed solicitude for the well-being of the aged people, and brought a different color for their later years. Qisda Suzhou worked with the BenQ Foundation to promote the concept of one-day volunteer. It gathered resources for the affected employees in Henan, cared for the aged people, arranged the mentally challenged children for a trip to old towns, and planned marts for public welfare. Qisda Suzhou attracted new blood to the volunteer group and the employees of the company participated in public welfare activities for a total of 1,530 hours in 2021.





# Development toward Sustainable Environment

## Commitment and Management Strategy

Qisda knows that the impact of the human beings on the environment is irreversible and only focusing on the economic and social development is not sufficient to meet the expectations of the stakeholders. Hence, Qisda is committed to inputting resources and dedicated to energy saving and carbon reduction in the product design to ensure both products and processes can save more energy and are more friendly to the environment. Qisda guarantees to manufacture the products that are compliant with relevant laws and meet the requirements of the customers for health and safety, and ensures the continuous improvement in the environmental protection, quality, health and safety based on the management system.

## Outlook

Qisda will continue performing environmental management as planned. We will give support to our subsidiaries continuously and duplicate successful verification and certification experiences to improve the capabilities in the management of the environment and safety and acquire ISO certificates progressively.


## Key Points of the Chapter

Climate Strategy and Carbon Management SDG 7 SDG 13 SDG 14

 Green Product SDG 7 SDG 12 SDG 13 SDG 14

 Green Operation SDG 6 SDG 8 SDG 11

## Material Topics that Stakeholders are Concerned about

 For the information about identification of material topics, please refer to "Stakeholder Engagement" (P24).

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# Climate Strategy and Carbon Management

Fossil fuels have been used to a great extent since the industrial revolution and a great amount of carbon dioxide and other greenhouse gases have been generated as a result. This worsens the greenhouse effect and leads to a rise of the average temperature on the planet. Further, the rising temperature brings about sea level rise, changes the rainfall and climate in some areas, and even alters the entire ecosystem.

The climate change has significantly affected the living environment of all the organisms. More people are concerned about the carbon management issues as the domestic regulations on the reduction of greenhouse gases and the international Paris Agreement have become effective. Hence, In addition to checking the business operations that may be affected by the climate change, Qisda has planned climate strategies and implemented carbon management with the sustainable development of the Company as the core.

We have referred to the recommendation framework of the Task Force on Climate-Related Financial Disclosures (TCFD) to assess the risks and opportunities and formulate countermeasures under the climate change in a progressive manner. The implementation status of the Qisda in this respect is described below with reference to the four TCFD core elements of governance, strategy, risk management, and metrics and targets.

## I. Governance

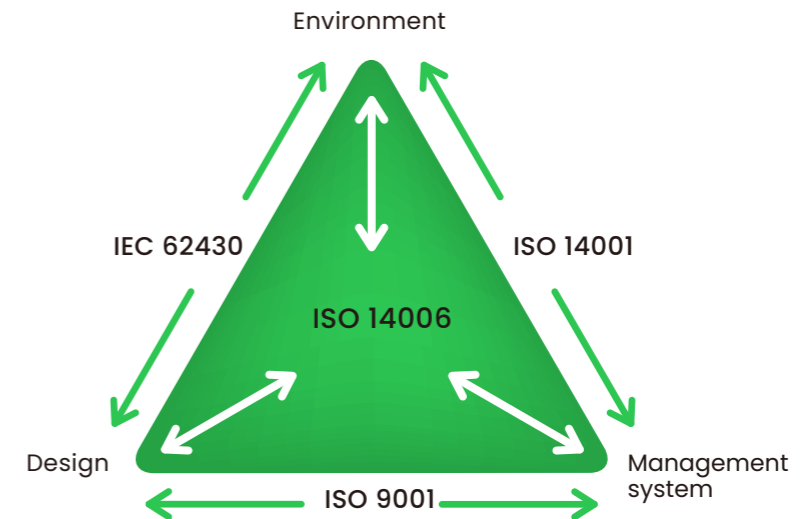
The Board of Directors of the Company is responsible for the review and supervision of the climate change strategies, action plans and annual goals. The Sustainability Officer is authorized to take the responsibility for the draw-up, planning and implementation of the strategies. He/she performs climate change detection and takes relevant actions in the Risk Management Committee and Corporate Sustainability Management Committee every quarter, reports the implementation status to the Board of Directors regularly every year, and review the goal of the greenhouse gas reduction and its

## II. Strategy

Qisda implements the sustainable development in the respect of the environment from the three facets of “green products,” “green operations,” and “green supply chains.” The goals set for the development strategies and management measures are subject to the KPI (Key Performance Indicator).

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 management structure

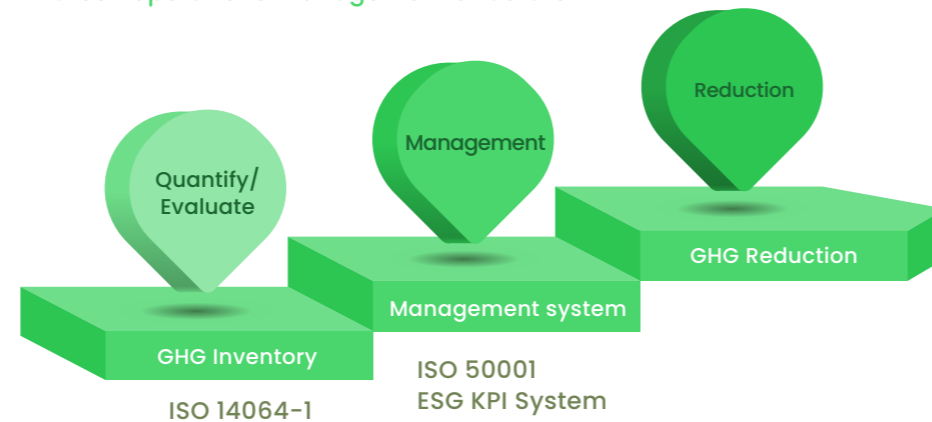




**1. Green Product**

Qisda reviews the carbon emissions of the products and the opportunity of reduction from the viewpoint of the life cycle. 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 management structure



**2. Green Operations**

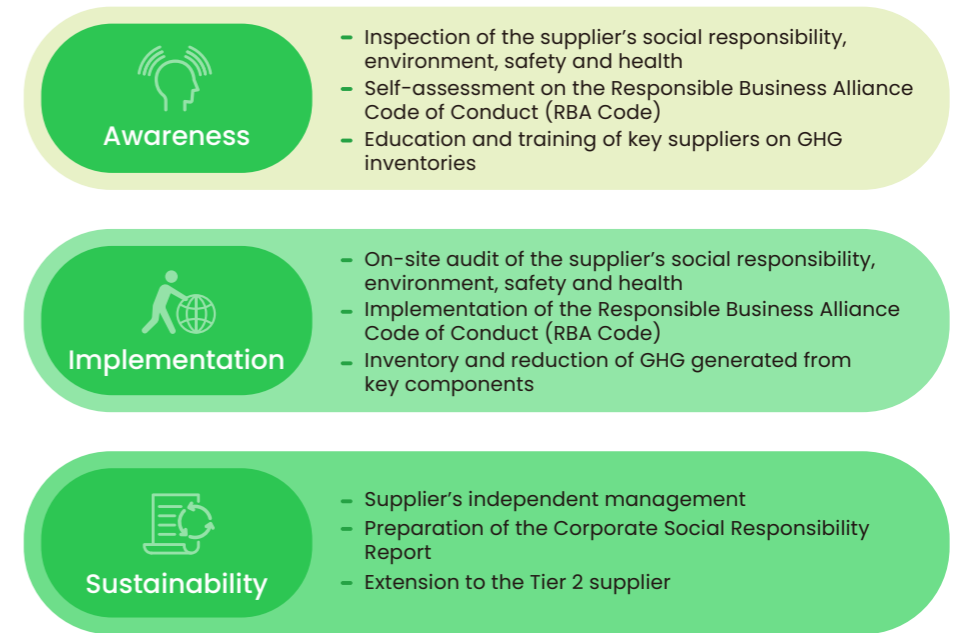
With the quantification/assessment, management and carbon reduction as the core, Qisda takes actions starting from the inventory of the organization’s greenhouse gas emissions (ISO 14064-1) and sets up the energy management system (ISO 50001) and the corporate sustainable development (ESG) KIP management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

**3. 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 Sustainability (ESG) Report.

– Green supply chain implementation structure



**III. Risk Management**

**1. Risk**

**(1) Legal risk:**

The Greenhouse Gas Reduction and Management Act was adopted in 2015. It requires the domestic major greenhouse gas sources to register their emissions. As the

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international Paris Agreement was approved in 2016, the government or international customers have more requirements in the reduction of the carbon emissions. We will keep watching the tendency to ensure coping with relevant issues earlier, such as carbon trade and carbon tax. As a company engaging in the design and manufacture of electronic products, our customers spread widely on the international market. Hence, Qisda shall also be concerned about the international regulations on energy efficiency and the national regulations of the countries where products are sold on the product labeling (such as carbon label).

#### (2) Climate change risk:

The global warming and fierce change of the weather brought about by the greenhouse effect are a threat to the sustainable operations of a company. Qisda shall further make risk assessment of the possible interruption of the operations that may result from the regional extreme climate (e.g. rainstorm, and drought) in the country and the regional where the plants are located to mitigate the climate change risk.

#### (3) Others climate change related risks:

The changes of the consumer awareness will increase the requirements of the customers for green products, and thus whether the Company has the ability to meet the demands of the customers for green design will be a risk. In addition, both consumers and customers have more demands for green and environment-friendly companies and this shall be a material issue that Qisda must be concerned about.

#### (4) Business continuity operation risk

## 2. Opportunity

#### (1) Opportunity for laws and regulations

Qisda conducts GHG inventory annually and holds quarterly meetings to inspect the achievement status of energy saving and material reduction goals. We have also introduced ecological design to actively improve the energy efficiency of our products. Moreover, we establish carbon management platform to calculate the carbon footprint of

product in order to meet the requirements of the product carbon label, making Qisda's products more competitive. Meanwhile, Qisda establishes the energy management system (ISO 50001) to improve energy efficiency and reduce operational costs.

#### (2) Opportunity for climate change


Qisda has set up group joint mechanism for emergency response. Every year, we combine the resources of every group to assess and analyze possible future impacts on operation. For instance, in 2013, we analyzed the potential flooding with computer software and made assessments about the probable maximum loss (PML) and the most possible loss (MPL) as references for risk management policies of major natural disasters. In 2015, we conducted water inspections on companies of the Group with respect to the water shortage issue so as to simulate the supporting scenario. In 2020 and 2021, we made assessments about potential earthquakes, flooding and drought for two consecutive years.

#### (3) Other opportunities related to climate change

Qisda owns the capability of green design and the platform for calculating carbon footprint of product. These makes us capable of providing customers with prompt carbon emission reports of the products and leading the field in assisting customers with product life cycle carbon management. On the other hand, Qisda's subsidiary, the BenQ ESCO Corp., continues to develop energy saving services. Heretofore, the smart energy saving solution has been successfully introduced to all chain stores. Qisda actively promotes corporate sustainable development and implements supply chain GHG management in order to fulfill our commitment to reducing the environmental impacts of our organization and products. This way, we are able to keep up with international trends and live up to the customers' expectations.

## IV. Metrics and Targets

To achieve the goal of becoming a green enterprise, Qisda plans to apply for joining the SBTi in 2022 and set up carbon reduction goals in 2023. In the future, we will march toward RE100 and net zero emissions to engage with the value chain.

 For the information about Qisda's risk management, please refer to the section of "Risk Management". (P37)



## I Assessments and Countermeasures of Climate Change Risks and Opportunities

Qisda has assessed the risks and opportunities with respect to climate change according to the Company's internal risk identification procedures. The assessment is classified into two categories: a) climate change related risks and their financial impact, and b) climate change related opportunities and their financial impact.

### I. Climate Change Related Risks and Their Financial Impact

Risk Type	Climate Change Related Risk	Likelihood	Level of Impact	Level of Financial Impact	Estimated Occurring Time
Policy and Regulation	Proportion of green electricity that customers required	High	Low	Low	1-5 years
	Regulations about energy consumption of products	Low	Low	Low	10
	Regulations about using renewable energy as a must	Low	Low	Low	10
Technology	Product being replaced by better low-carbon products produced by competitors	Low	Low	Low	10
Acute Risk	Typhoons	Medium	Medium	Medium	1-5 years
Chronic Risk	Flooding or water scarcity	Medium	Medium	Medium	1-5 years

### II. Climate Change Related Opportunities and Their Financial Impact

Opportunity Type	Opportunity Related Risk	Likelihood	Level of Impact	Level of Financial Impact	Estimated Occurring Time
Resource Efficiency	Building solar panels	High	Low	Low	years

For the information about the simulation scenarios related to climate change, please refer to the section of "Risk Management – Emerging Risks." (P41)

## III. Climate Change Scenario Analysis

Qisda conducts simulation and analysis with respect to climate change every year. In 2021, we simulated flooding in the Suzhou (China) Plant, analyzed the accountability and pre-incident/incident/post-incident impacts, implemented emergency response mechanisms, and assessed the final benefit. Due to multiple protections, the benefit was decreased by a factor of 420 at most.

### I GHG Inventory

With the issue of global warming becoming more and more severe, Qisda, being a citizen of the Earth, has established a GHG inventory for global manufacturing sites with reference to the requirements of the GHG emission at the organization level (ISO 14064-1) and the GHG Protocol since 2007. GHG inventories and third-party verifications have been conducted annually. Qisda conducted third-party verification according to the ISO 14064-1:2018 standard for the GHG inventory data of all factories around the globe in 2021.

The energy consumption within the Qisda Group, including fuels (natural gas, gasoline and diesel fuel) and electricity in offices and factories, is assessed with the significance guide of the ISO 14064-1:2018. Our major energy consumption is the electricity used in offices and factories (Scope 2 – indirect GHG emissions from energy consumption). For instance, the energy intensity of the Suzhou Plant was 23,361 kWh per million USD production value. The energy consumption within the organization in 2021 is shown as the chart below.

In 2021, the total GHG emission of Qisda and its global sites was around 106,000 tCO<sub>2</sub>e. The emission is mostly the carbon dioxide caused by purchased electricity for operational needs during the process of electricity generation, and holds over 90% of the overall carbon emission of the entire company. To meet the requirements of the ISO 14064-1:2018, Qisda has added two types of Scope 3 indirect GHG emissions from transportation since 2021, including employee business travel and employee shuttle bus for commuters. These two types of GHG emissions are also verified by a third party.

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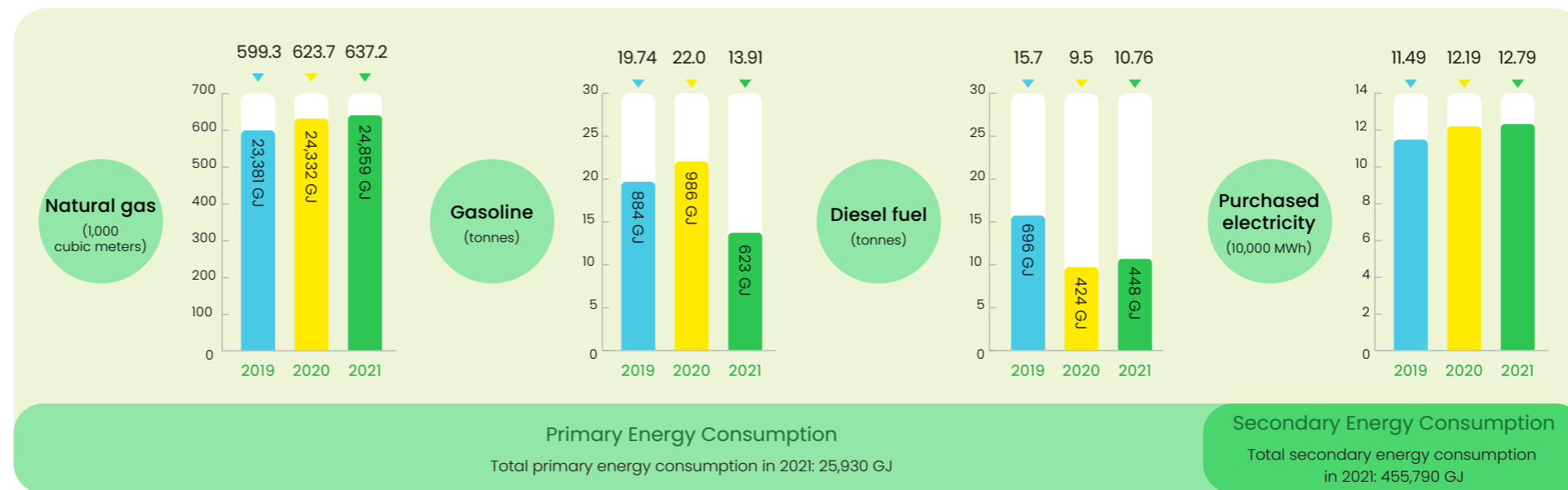
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### – Energy Consumption Within the Organization In 2021\*

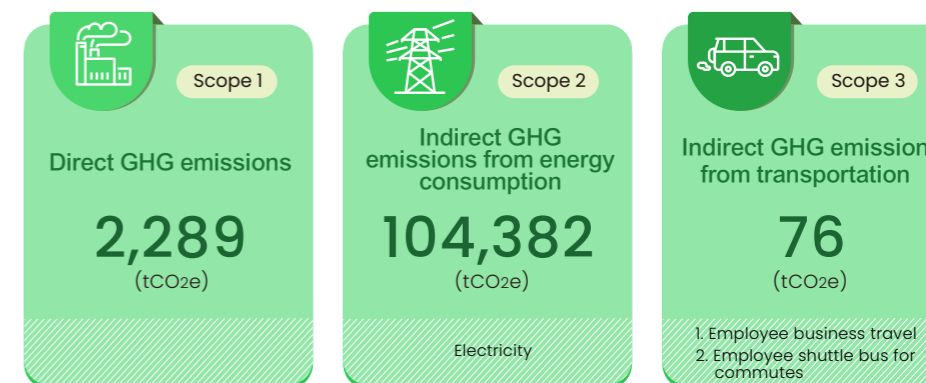


Qisda Taiwan plans to comply with the principles of the National Renewable Energy Certification Center and apply for the Renewable Energy Certificate in 2022. With this certificate, we are announcing that in the future, the carbon dioxide emission of using traditional electricity will be offset. We follow the GHG Protocol Scope 2 Guidance and make disclosures in the CDP survey, describing the plan for offset to conform to the Scope 2 GHG inventory.

\* 1. The standard and methodology used as well as the assumption made during the calculation of the energy consumption within the organization: summing up the volume of consumption shown in the energy bills from the energy suppliers.  
 2. The joule conversions are based on the conversion table shown in the GRI Disclosure 302-1, "energy consumption within the organization" section.  
 3. The unit for energy intensity is "per million USD production value."  
 4. The validation data of climate-related financial risks will be disclosed in the sustainability report 2022.

\*\* 1. The GHG inventory at the organization level is based on the ISO 14064-1:2018 version.  
 2. The Scope 1, Scope 2 and Scope 3 GHG emissions have been verified by a third party.  
 3. Source of the conversion factors used to calculate transportation indirect GHG emissions: we use distance-based calculation in accordance with the International Civil Aviation Organization (ICAO) website, and we also adopt the carbon emissions on the website as the factors in our calculation.

### – GHG Emissions\*\*



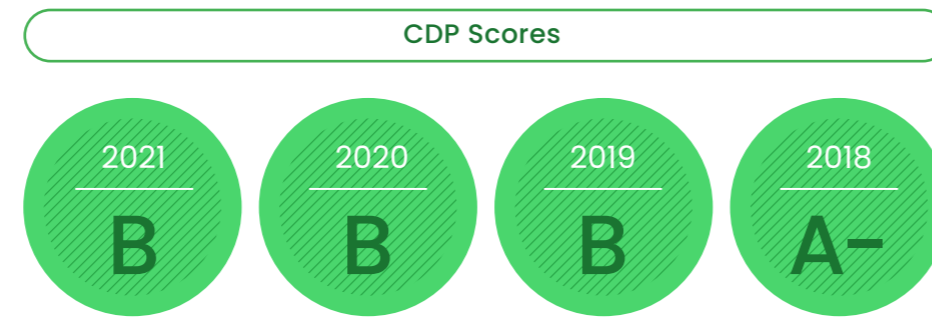


## I Carbon Disclosure Results

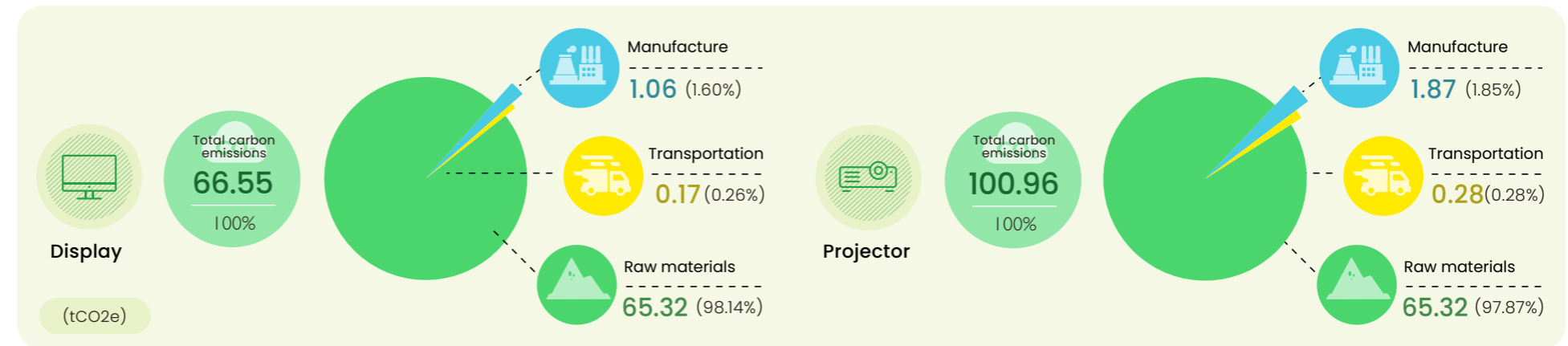
### I. International Carbon Disclosure

Every year, we regularly illustrate the results of sustainability development and the performance of reduction to the stakeholders through corporate social responsibility reports. Qisda also shows concern about the issue of climate change and its management methods by actively participating in the survey under the international Carbon Disclosure Project, and Qisda has been recognized by many for taking this action.

#### - Qisda's Carbon Disclosure Score History



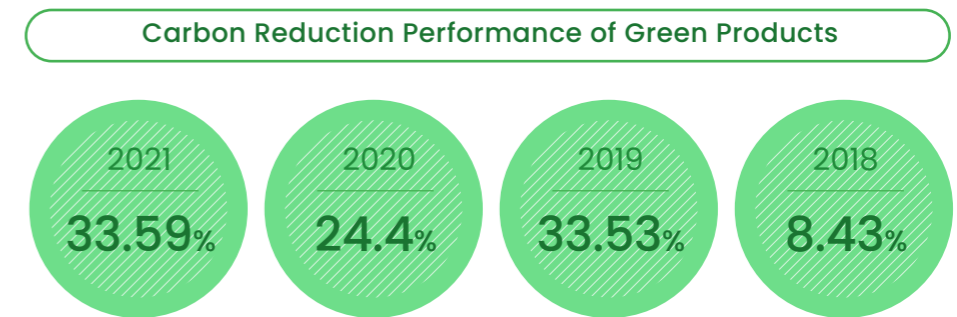
#### - Examples of carbon footprint calculations for Qisda's products



## II. Carbon Footprint of Product

Qisda has established a carbon management platform, enabling it to create a cradle-to-gate (or business-to-business, B2B) based carbon footprint of product (CFP) report along with the declaration of conformity. The calculation method of carbon footprints conforms to the carbon footprint of product (PAS 2050 and ISO 14067) standards. The carbon footprints of product shown in the charts are the B2B emissions.

#### - Carbon reduction performance history of green products



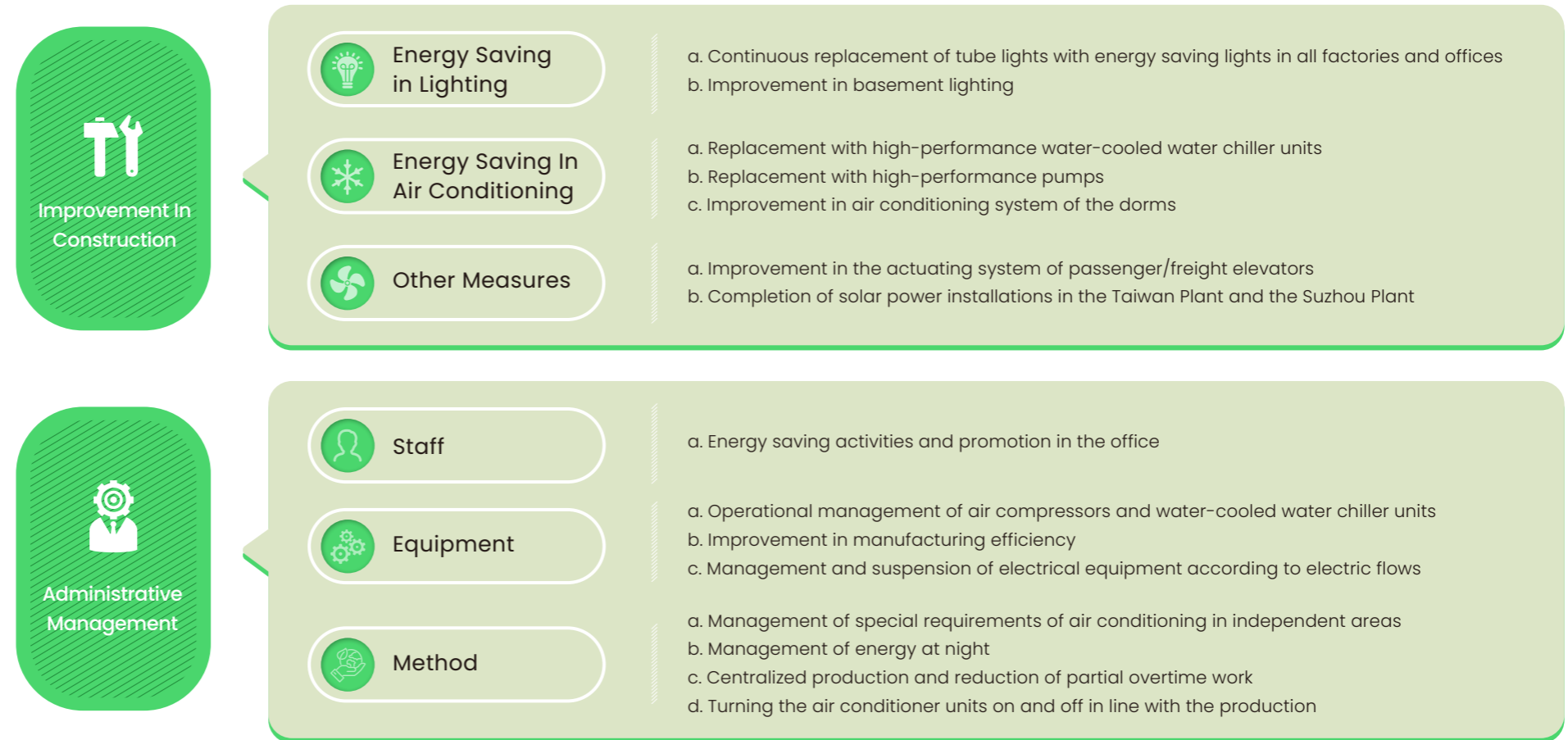




### III. Reduction Measures

In order to reduce the impact of energy consumption on global warming, Qisda has developed GHG reduction-related measures. Based on the GHG reduction plan, we improve in both of the management aspects – construction and administration to implement energy saving, and further achieve the goal of reducing GHG emissions.

#### — Plans to Reduce GHG Emissions




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 – Qisda has been building solar power systems since 2011. In 2021, the systems produced electricity was about **9,680 kWh**, and they helped reducing carbon for around **4.8 tCO<sub>2</sub>e**.

#### IV. Reduction Performance

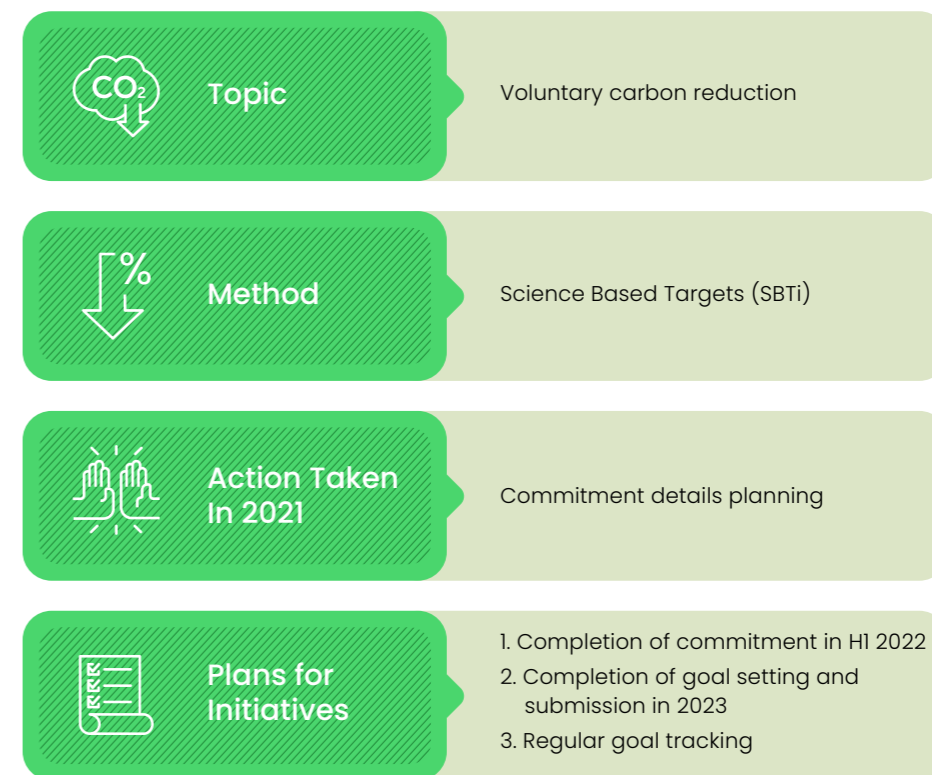
Choosing 2009 as the baseline year, our global carbon emissions per personal hourly electricity consumption was 2.5 kilograms of CO<sub>2</sub>e in 2021. With various energy saving measures, we achieved a 13% reduction in global carbon emissions per personal hourly electricity consumption compared to that of 2009, which was 2.86 kilograms of CO<sub>2</sub>e.

##### – Qisda’s GHG Reduction Performance

	2009 as the Baseline Year	2018	2019	2020	2021	Reduction % (Compared to the Baseline Year)
Total GHG Emissions (10,000 tCO <sub>2</sub> e)	6.49	9.36	9.75	9.56	10.6	<b>-63</b>
Carbon emission per personal hourly electricity consumption (kilograms of CO <sub>2</sub> e)	2.86	2.1	2.4	2.3	2.5	<b>13</b>
Electricity consumption per million USD production value (kWh)	35,219	23,283	26,530	29,339	26,284	<b>25</b>
GHG emission per million USD production value (tonnes of CO <sub>2</sub> e)	35.01	20.63	22.61	23.06	21.91	<b>37</b>

## Sustainability Initiative

Qisda has established management approaches and implementation goals with respect to the issue of climate change and its risks. We are actively planning to join initiatives such as the SBTi, RE100 and Net Zero voluntarily so as to show our support to international initiatives with practical actions. Qisda plans to join the SBTi in 2022 and sets science-based reduction goals according to the organization’s criteria and recommendations. Qisda’s plan to support sustainability initiative is shown as the following chart:





# Green Product

Qisda aims to maintain and implement the vision of corporate sustainable development (ESG): "Being an innovator for the design and manufacturing of ICT and medical products that boosts the quality of human life and stays friendly to the Earth." The process of promoting green, sustainable products can be divided into different phases. We extend our vision from the organizational environment to the whole product environment and focus on the environmental impact of the products after they leave the factories. We implement big picture thinking and consider about the products' impact on the environment during their life cycle.

Tracing from the product environment to the beginning of design, Qisda places importance on introducing the green elements since the beginning of design, believing that it is the only way to reduce the products' impact on the environment at each stage of their life cycle. Qisda combines the methods of green design with the quality process, and further builds a close tie between them and the procedure of product design and R&D. We reach the highest efficiency by conducting inspections and adjustments at every stage of design.

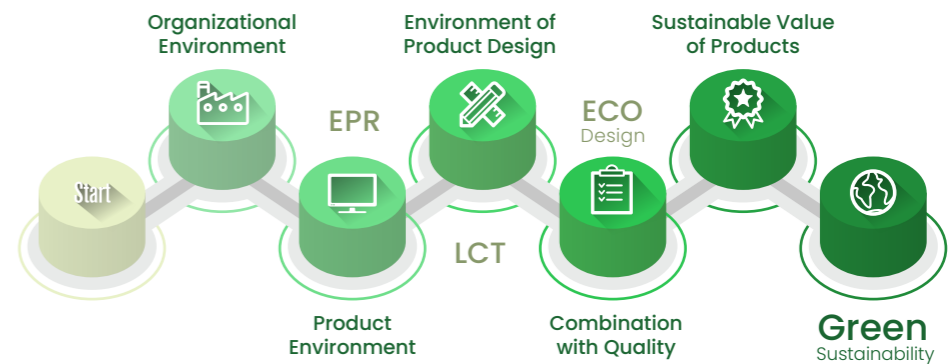
Starting from 2010 (2009 as the baseline year), we have combined the elements of green design with the procedure of product design and R&D, and established management systems with respect to the environmentally conscious design (IEC 62430) and the incorporated ecodesign (ISO 14006) guidelines. After making consistent efforts, Qisda has been recognized by many domestic and international rankings and awards. We won the first prize of Environmentally Friendly Group from Global Views Monthly, the was awarded second place in the evaluation of sustainable corporations in Asia. We were invited to share our practical experience in the Sustainable Industrial Development Quarterly published by the Industrial Development Bureau of MOEA, and the interview is included in the Sustainable Innovation category of the Corporate Sustainable Development Story Collection.



– From 2016 to 2020, we had saved **30.47%** of energy, reduced **30.73%** of volume and reduced carbon for **33.59%** in all production lines averagely.

Qisda combines the concept of life cycle with the procedure of product design and R&D, setting up goals for green design at the early stage of design. We conduct inspections at every stage of design to ensure product compliance with the customers' requirements and the importing countries' laws. Moreover, we make self-improvements, improve energy efficiency of the products, and reduce resource consumption by doing so. Compared to our performance in 2015, we have saved 30.47% of energy, reduced 30.73 % of materials, and reduced 33.59 % of carbon from 2016 to 2021. Qisda has mapped the future for 2025 and continued promoting the green design 555\* (saving energy for 5%, reducing materials\*\* for 5%, reducing carbon\*\*\* for 5%) plan to reduce environmental pressure and increase the efficiency of products, further provide products of even better quality to customers and establish sustainable value in the products.

## – Qisda's Green Product Evolution Stages



\* The targets and results from 2016 to 2021 are calculated compared to that of the baseline year 2015. (On the other hand, if we compare the results of 2015 to that of 2009, we had already saved energy for 45.42%, reduced materials for 22.96%, and reduced carbon for 32.03% in 2015.)  
 \*\* The aspect of material reduction includes reducing volume and weight of the products and the packaging as well as the number of the products' components.  
 \*\*\* As a professional OEM, Qisda builds electronic products for brands or other customers. Thus, the calculation of product carbon reduction does not include usage and disposal.

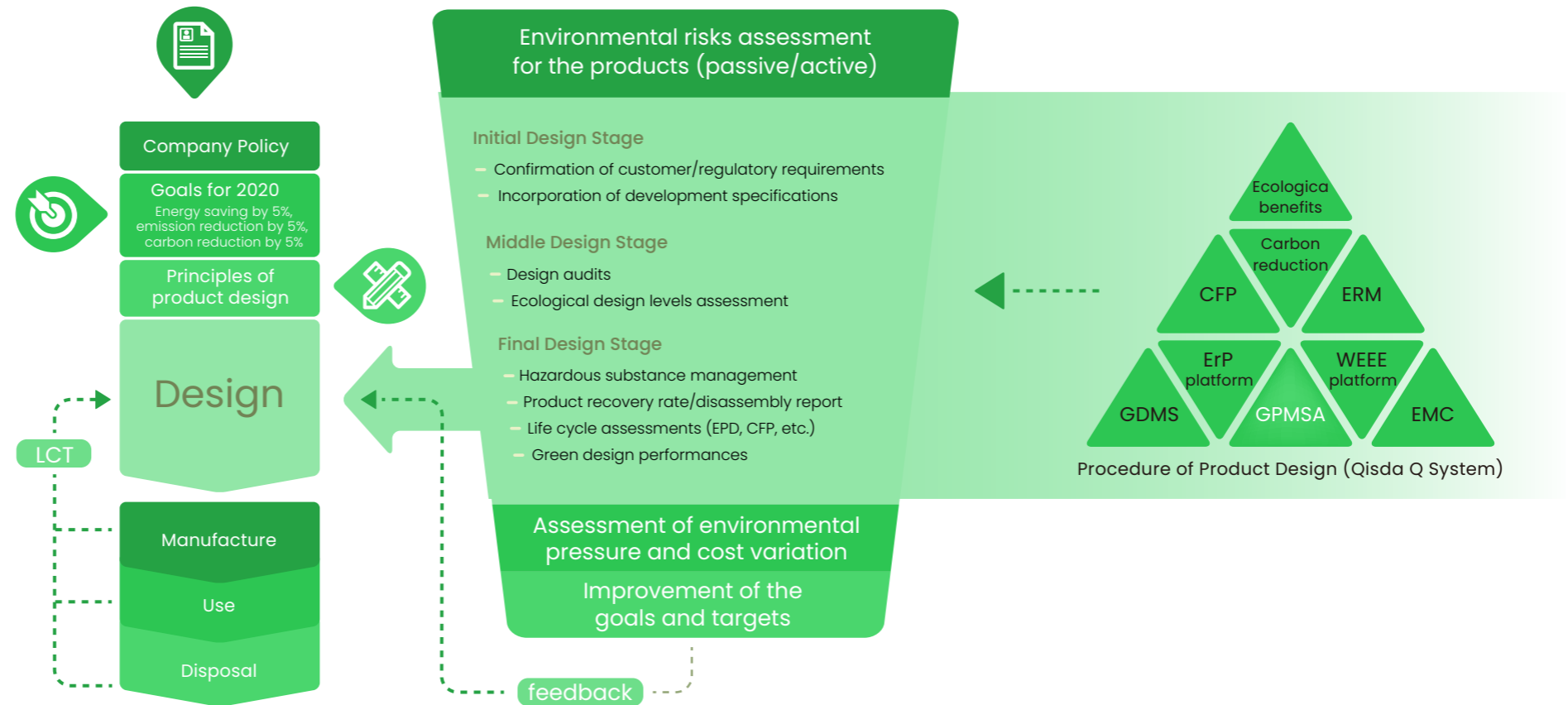


## Concept of Incorporated Design

Qisda has introduced the environmentally conscious design (IEC 62430) since 2010, and continued to promote the concept of product life cycle. We require that green design be included in the beginning of the product R&D 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 reduce the environmental impact from the very beginning of the design. We believe that we should combine ecological design with quality management and produce products that are helpful to the environment with great functionality. Since 2013, we have combined the incorporated design (ISO 14006) with the 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.

### — Qisda's 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.

### I. Principle/Approach of Ecological Design

Qisda requires that green design be included in the beginning of the product R&D to assess the potential environmental impact and risks caused by the designed products/components in different phases of the life cycle. We also requires implementation of proper management from the very beginning of the design. Thus, based on the status and experience in design of each product line, we established interdepartmental green design principles for the R&D staff as a guideline and a choice for related manufacturing procedure.

We place importance on the four major green design approaches during the R&D stage, which are material reduction, hazardous substance management and energy saving. The relevant actions taken and the results are described as follows:

#### 1. Material Reduction

Reduce volume and weight of the products and the packaging as well as the number of the products' components; take modular design into consideration. Until 2021, the weight and the materials of products had reduced by 30.73% in all production lines averagely.

#### 2. Hazardous Substances

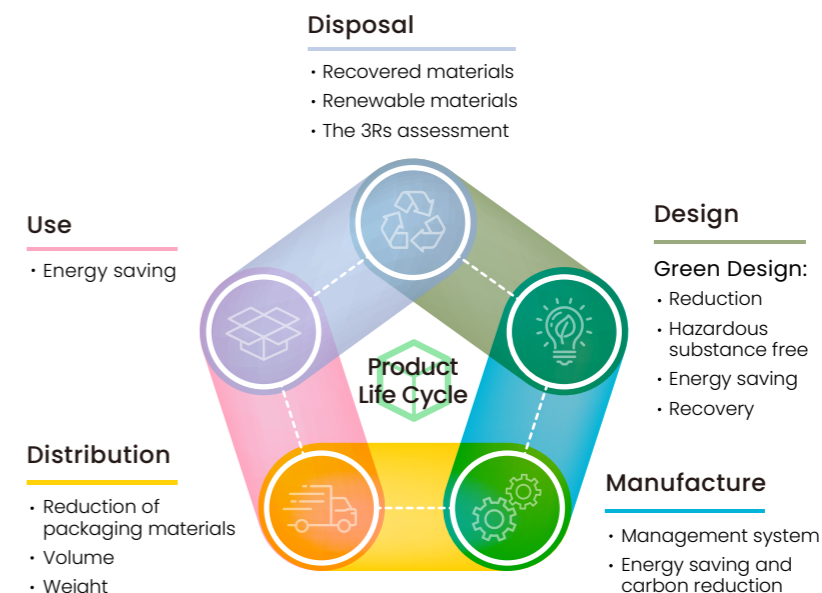
For the chemicals that could be used in products or during the producing process and are harmful to the environment, Qisda establishes the "hazardous substance control list" according to the international regulations and the requirements of customers. Qisda strictly manages the component and material approvals, and strongly inspects imported materials. We establish a systematized management mechanism to ensure that our products comply to international regulations and meet the customers' requirements. We hope to reduce the usage of hazardous chemicals year over year while avoiding damage to human bodies and the environment during product transportation, use and disposal.

#### 3. Energy Saving

Qisda especially focuses on increasing energy efficiency and reducing the energy consumption of shutdown and standby mode. We also compare the data of contemporary

models with that of the previous generation models to confirm the achievement of energy saving performances. Qisda not only meets international requirements (such as ErP, TCO and Energy Star), but also takes self enhancement and continuous improvement as an aim, takes them into consideration and makes them our operation framework. Until 2021, all product lines have increased energy efficiency and saved energy for 30.47% on average.

### - Qisda's Concept of Product Life Cycle



#### 4. Product Disposal

Qisda especially considers the products' recovery rate and the difficulty in disassembling them since the product design process starts. We think about the way of composing the products from the beginning and avoid using materials and 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 of design, we use the internal WEEE platform to make product recovery rate assessments, and see if the recovery rate of the product meets Qisda's basic requirement. The product can only move on to the next stage of the design process after confirmation.

## II. Process of Ecological Product Design

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

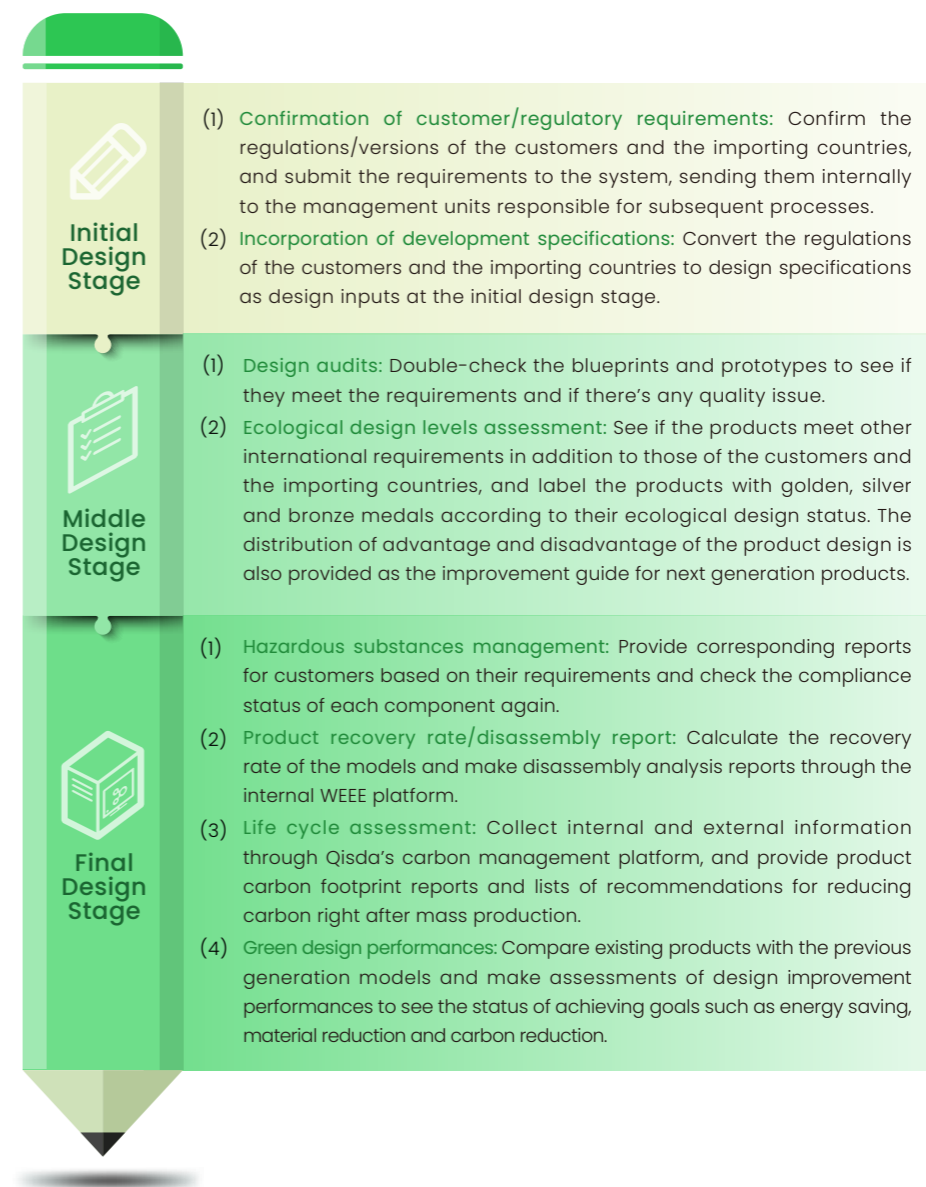
## III. Platform Data Integration

In 2010, Qisda led the field in establishing 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 parameter of each component. Then, we imported the data into the Simapro system before mass production, generating a product carbon footprint report. This way, we immensely reduce the operation time. It used to take six months, and now the products are available right after mass production. We also establish the horizontal development of the carbon inspection, inspecting not only one model, but other product lines and models. Thus, Qisda has achieved the goal of providing carbon footprint reports for all main models since 2012. In the future, Qisda will also integrate the information of product disposal and energy consumption on the WEEE platform so as to present the carbon footprint of the products, from idea to disposal, in a way closer to completion.

In 2013, Qisda established the product-related environmental regulation management platform to completely connect with the customers'/company's requirements. Based on the various requirements of each model, the system converts itself 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 resources to make the most of information, and further reduce time on rework and sending information between departments.

## – Process of ecological product design



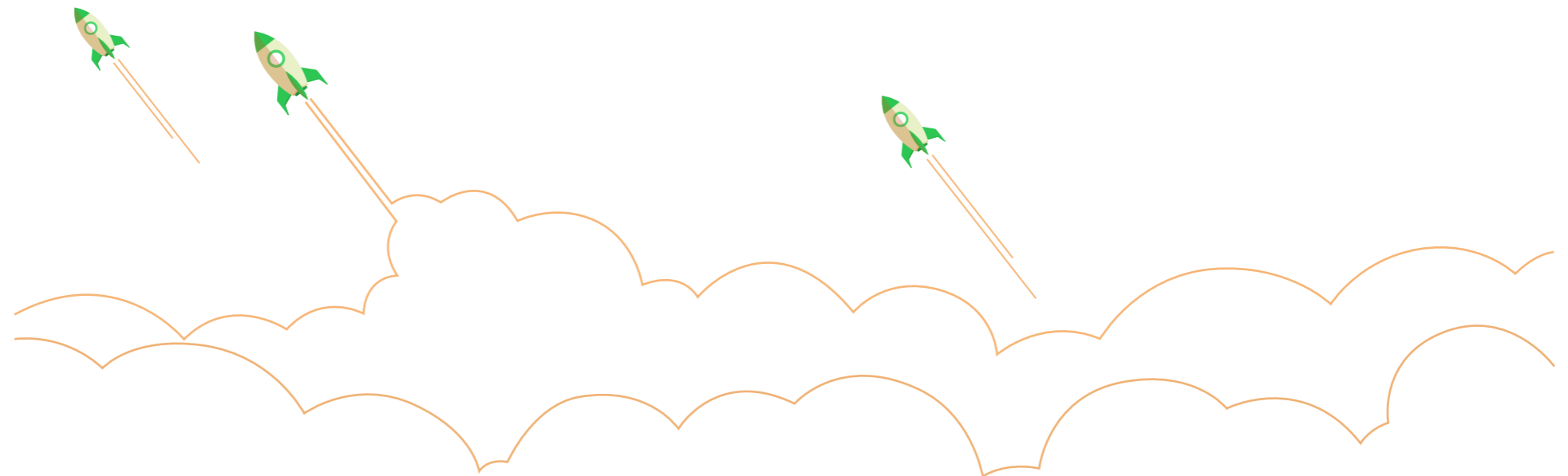


## Training for Green Talents

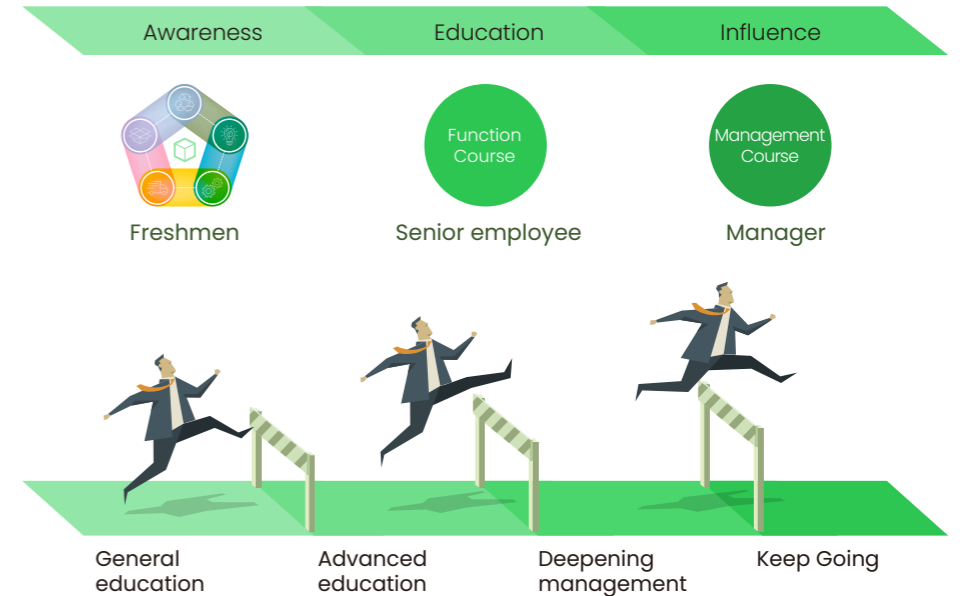
Qisda opens the green product design course “awareness” for new R&D personnel. By playing simple games, we start with product functional design and gradually bring in the elements of green design. Then, we approach the design process and actual cases of Qisda’s green products.

We also open professional courses for senior R&D personnel according to the requirements of each department or project. The knowledge and skills are internalized as internal documents and SOP, and are passed on to the R&D personnel through the courses with the help of software platforms. There are courses relevant to cognition and interpretation of international regulations, life cycle inspections and assessments, ecological design, design methods, product disassembly and analysis, application of software platforms, etc.

As for the R&D executives of the management bodies, we provide courses about green management regularly to let them understand the management status of existing products and areas of enhancement for management. Moreover, the courses allow them to establish suitable management approach based on the status of each product line.



### Plans for training green talents



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## Quality/Hazardous substance management

Management Approach of Material Topic

Quality/Hazardous Substance Management

● Exceed Goal ● Reached ○ Not-Reached

Primary Focus	Management Method	
Customer, supplier, community, employee	<p><b>Responsibility</b> Quality management</p> <p><b>Resource</b> 1. Cooperate with other departments to execute the management system 2. External audit units execute verification.</p> <p><b>Action</b> Ensure the effectiveness of the certificates of quality/hazardous substance management.</p> <p><b>Assessment</b> Review the achievement of the goal at the end of each year</p>	
2021 Management Goal	2021 Achievement	
<p><b>Quality:</b> 1. Maintain the effectiveness of the new certificate version of the quality related management systems (ISO 9001, ISO 13485, and IATF 16949)</p> <p>2. Pass the GMP audit and meet their requirement for documented evidence</p> <p>3. Maintain the obtainment of the EU CE (Conformité Européenne) marking and keep in compliance with the EU Medical Devices Directive (MDD).</p>	<p>Completed third party verification such as ISO 9001, 13548 and 16949. <span style="float: right;">●</span></p> <p>Product safety met the requirements for documented evidence of GMP and MOD. <span style="float: right;">○</span></p> <p>Completed <span style="float: right;">●</span></p>	<p>Completed <span style="float: right;">●</span></p> <p>Completed <span style="float: right;">●</span></p> <p>Completed <span style="float: right;">●</span></p>
<p><b>Product Health:</b> 1. The models meet the latest version (issue 7) of the Canada ICES-003 standard and complete its tests</p> <p>2. The models conform to ErP Lot 5 and 2021 EU Energy Label</p> <p>3. UKCA implemented in the UK</p>	<p>Completed <span style="float: right;">●</span></p> <p>Completed <span style="float: right;">●</span></p> <p>Completed <span style="float: right;">●</span></p>	
2022 Management Goal		
<p><b>Quality:</b> 1. Maintain the effectiveness of the new certificate version of the quality related management systems (ISO 9001, ISO 13485, and IATF 16949) 2. Pass the GMP audit and meet their requirement for documented evidence 3. Maintain the obtainment of the EU CE (Conformité Européenne) marking and keep in compliance with the EU Medical Devices Directive (MDD).</p> <p><b>Product Health:</b> 1. The models meet the TCO Certified, generation 9, for displays requirements and complete the application for certification 2. The models conform to the new EMC standard EN55035</p>		
Medium- to Long-Term Goal		
Number of incidents of non-compliance with product-related laws and regulations remains <span style="font-size: 2em; font-weight: bold;">0</span>		

🔗 - For details of identifying major topics, please refer to "Stakeholder Engagement" (P24)  
🔗 - For the information about the management approach with respect to the "Quality/Hazardous Substance Management" please refer to this section.

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 managementsystem (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 hazardous substance free, and the policies are verified by a third party.


The Chairman and President of Qisda also serves as the person in charge of our quality/hazardous substance management system, who supervises and establishes different levels of QA teams and coordinators to promote the quality/hazardous substance free policies throughout the company and require the employees' compliance. By using communication methods such as educational training, internal announcements on the official website, promotional cards, Qisda guides our employees to be aware of the importance of meeting the requirements of laws and regulations, the quality policies of the Company, the quality goals and the requirements of the customers. We also inspect the suitability of the management system and the usability of resources during management review meetings. We hope to improve the process continuously, reduce defects and waste, and make improvements in quality and productivity by pursuing continuous enhancement and precaution with the most economical methods. Meanwhile, we hope to meet the EU RoHS Directive and the customers' requirements, and further comply our products with the society's expectation and reduce negative impacts to the environment.

In 2021, there was no violation of laws or voluntary standards with respect to the health and safety impacts in the life cycle of products. There was also no violation of any information and labeling regulations or voluntary protocols with respect to products and services.



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 - Received the certifications of quality management (ISO 9001:2015), medical devices quality management system (ISO 13485:2016), automotive quality management system (IATF 16949:2016) and hazardous substance process quality management system (IECQ QC 080000:2017) for factories around the globe.

**Table of Product-related Violations**

Year	Subject of Violation	Violations of regulations and voluntary standards concerning the health and safety impacts in the life cycle of products	Violations of information and labeling regulations or voluntary protocols with respect to products and services
Performance in the last 3 years (2018–2020)		<b>0</b>	<b>0</b>
Performance in 2021		<b>0</b>	<b>0</b>
Future medium- to long-term goal(2022–2030)		<b>0</b>	<b>0</b>

In 2021, a total of 18 models conformed to the voluntary standard of TCO Certified, generation 9, for displays and completed the application for certification to meet the customers' requirements.

In the aspect of management, Qisda covers reasonable requirements to implementation plans through the new product development system. We divide the process of product development, from idea generation to the final stage, into seven phases (Q00-Q60) based on the mission and management goals of each development stage. By doing so, we ensure the quality and reliability of the products.

**Phases of the new product development system**






In addition, Qisda establishes 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 both of the following requirements:

**I. All Products Must Pass the Product Safety Tests**

Qisda's products have to go through the tests below, and Qisda can only start mass production after obtaining product-related certifications in order to ensure that the customers can receive the products without concerns about product safety. The tests include:



The numbers of models qualified for environmental certifications and applications in 2021 are as follows:

Environmental Certification	Number of models submitted in 2021	Note
 <p>TCO Certified Displays 9</p>	18 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.
 <p>China Environmental Labeling (the Ten-Ring Certification)</p>	39 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.
 <p>Taiwan Energy Label</p>	12 models	The Energy Label is a voluntary certification, and its goal is to encourage manufacturers to invest in the development of energy-efficient products. Only products which meet the energy efficiency criteria are allowed to be affixed with energy labels after the manufacturers submitted the application to the Bureau of Energy (BOE), Ministry of Economic Affairs.

**1.1. 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 US UL standards (UL60950-1 E d. 2/ IEC62368-1/UL62368-1), the China CCC standards (GB 4943.1-2011/GB8898-2011), 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 US FCC labeling, the Canada ICES-003 issue 7, the EU CE marking (EMC Directive 2004/108/EC, Low Voltage Directive 2006/95/EC), etc.

**3. Energy Consumption:**


Reduce the energy consumption used in the product life cycle, improve performance, and reduce energy consumption. Such as: US Energy Star, EU ErP Lot 5 and EU Energy Label, China Energy Efficiency Label (CEL), etc.

**II. All Products Must Meet the Requirements of the “Non-hazardous Substance Process Management Procedures”**

1. Qisda’s quality/hazardous substance free policy: 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 for improving the process continuously, 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) and 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 strongly 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.



# Green Operation

 - Recyclable waste proportion reached **91%**

Green operation is an important segment of Qisda's technology sustainable development strategies whereas environment, safety hygiene and health management are the core of green operational management. We are also committed to constantly improving in the performances of pollution prevention, waste reduction and safety/health. In 1997 and 2001, respectively, Qisda introduced environmental management system (ISO 14001) and occupational safety hygiene management system (OHSAS 18001) while performing related trainings for all staff to ensure they consider the impacts on the environment of operational activities and potential safety hygiene risks when working. All new comers should receive awareness trainings for the two management systems starting from new-comer trainings. In 2016, we obtained the Green Factory Label. In 2017, we finished ISO 14001: 2015 environmental management system version-conversion verification. In 2019, we finished occupational safety hygiene management (ISO 45001:2018) new-version verification to realize our commitment of constant improvements.

For indicator disclosure, we started assessing performances of green operational indicators with economic concepts in 2016. For example, for management of electricity for energy preservation and carbon reduction, we changed to use electricity consumption per million US dollar production value as the performance indicator to more accurately measure the benefits of our energy preservation and carbon reduction.



In terms of the promotion of green operational activities, we continue to improve in the engineering of increasing energy efficiency. Furthermore, we continue to perform the assessment of safety culture performances for each factory. When it comes to green operational management, it means reaching the goal of green operation by changing

the employees' concept, improving the machines and equipment, adjusting the operational methods and improving the operational environment. For the last four years, Qisda has not faced any fine or punishment related to environment and safety.

## Waste Management

Management Approach of Material Topic

Waste Management <span style="float: right;">● Exceed Goal ● Reached ○ Not-Reached</span>	
<b>Primary Focus</b>	<b>Management Method</b>
Customer, supplier, community, employee	<b>Responsibility</b> Sustainability Risk Management Office
<b>2021 Management Goal</b>	<b>Resource</b> Contractors
Recyclable waste proportion reach <b>90%</b>	<b>Action</b> 1. Promotion of recycling and waste reduction activities 2. Classification with the assistance of contractors
<b>2021 Achievement</b>	<b>Assessment</b> Reporting and reviewing on the performance indicators at the Corporate Sustainable Development Committee (ESG Committee) meeting every quarter
<b>91%</b> <span style="float: right;">●</span>	
<b>2022 Management Goal</b>	
Recyclable waste proportion reach <b>90%</b>	
<b>Medium- to Long-Term Goal</b>	
Proportion of recyclable waste Medium-term goal: reaching <b>92%</b> , long-term goal: reaching <b>94%</b>	

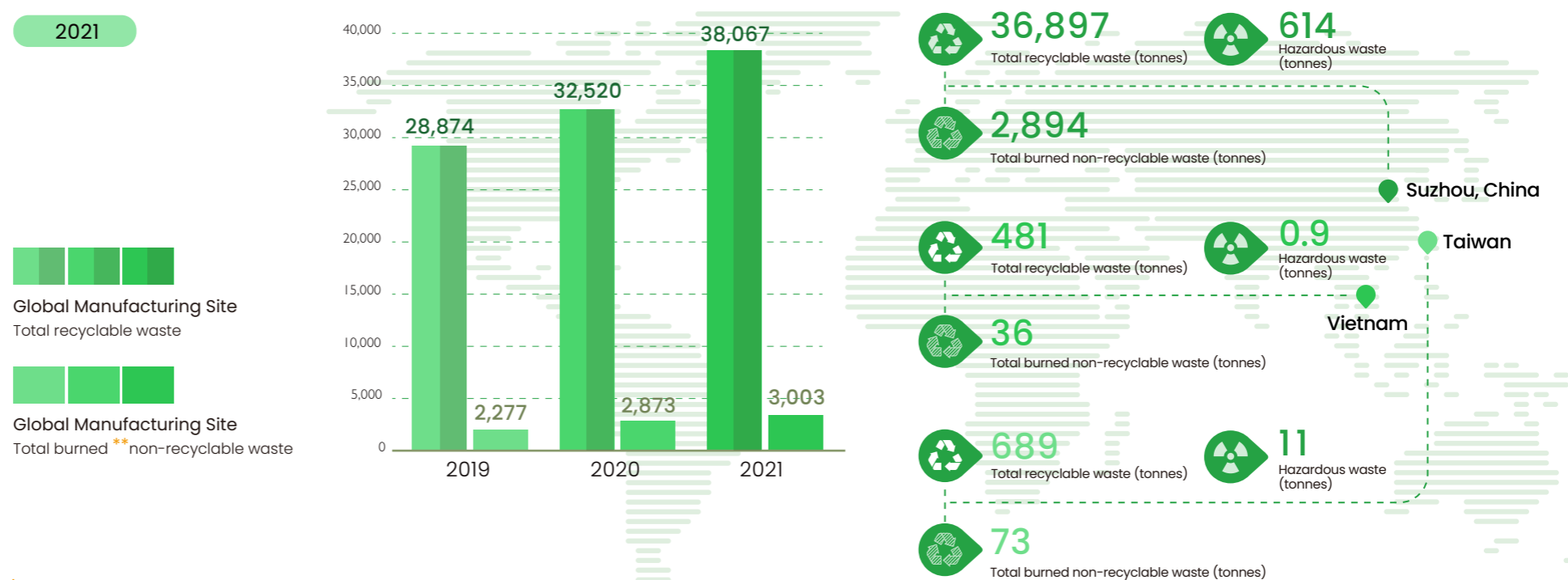
 - For details of identifying major topics, please refer to "Stakeholder Engagement" (P24)  
 - For the information about the management approach with respect to the "Effluents and Waste Management" please refer to this section.

Qisda manages the waste by adopting the source management strategy, and, with constant energy saving and waste reduction activities, implements waste recycling and sorting in the source management to significantly reduce the waste produced, increase the amount of recycling, and further achieve the goal of waste reduction.

The waste generated by Qisda's factories can be classified into different groups: general industrial waste, medical waste, solvent waste, and non-sortable discarded electronic components or electronic waste. During the process of operation and production, Qisda does not generate any hazardous waste in accordance with the Basel Convention's definition. The environmental health and safety officers are responsible for managing most of the waste. Recyclable waste is moved to the resource recovery area for contractors to classify.

In order to increase the proportion of recyclable waste, Qisda has set up waste management procedures and recycling goals. We review our course of action and goals during the corporate sustainable development (ESG) meeting every quarter so as to monitor the issue in long term. The waste management performance in 2021 is shown as the table below. The total production of Qisda has increased significantly compared to that of 2009, and so has the types and amount of recyclable waste. Since we started promoting energy saving and waste reduction activities, the proportion of recyclable waste has reached up to 91%. Since 2009, the cumulative weight of global recyclable waste has reached 288,182 tonnes with the Suzhou (China) Plant generating most of the waste at the amount of 278,237 tonnes.


### Comparison of Waste Management (Tonnes)\*



\* Proportion of recyclable waste = Weight of recyclable waste / Weight of total waste \* 100.  
 \*\* Non-recyclable waste is mostly general domestic refuse.

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## Water resource management

 - A **58%** reduction of water consumption per million USD production value (compared to that in 2009)

Qisda considers cleaner production and environmental protection at the beginning of the product design process. No wastewater is generated during the production process of any product in any factory; there is only domestic sewage. In 2021, Qisda's global operation locations consumed around 517 million liters of water, and discharged about 414 million liters of water. The municipal water supply is the only source of water for all factories. The water consumption of each factory in the last 3 years is shown as the table below.


To implement water resource management, all factories have taken the initiative to concern about the status of tap water use since 2011. According to the ESG data, the water consumed per million USD production value in 2021 was 106 tonnes, which is a 58% reduction compared to that in 2009. Other than that, all factories of Qisda have not extracted groundwater for operational use.

The water pollution control equipment in the Taiwan Plant are operated and maintained by the professional personnel. We use biofilms to treat domestic sewage, whereas the produced sewage is discharged into the sewerage system built by the government. The sewage discharged by the Suzhou Plant is directly discharged into the municipal sewer system, and the sewage discharged by the Vietnam Plant is treated by the internal sewage treatment plant, and then discharged into the sewage treatment plant of the industrial park. The sewage discharged by both plants eventually goes into the sewer management system. Therefore, the generated sewage has not caused any direct impact on water bodies and the land. As for the inspection for sewage quality, the Taiwan Plant surpassed the standard established by the Guishan Industrial Park\*. The Suzhou Plant meets the sewage discharge standard\*\*, and the Vietnam Plant

meets the discharge standard of the industrial park\*\*\*. The water discharged by all factories is regularly monitored and has not been reused by other organizations.

All of Qisda's factories are located in industrial parks; we do not own, rent or manage any factory 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 do not harm the environment and the ecology.

- Table of Total Water Consumption of Global Manufacturing Sites (1000 tonnes)\*\*\*\*

	Taiwan	Suzhou, China	Vietnam	Global
2018	69.52	360.35	—	429.87
2019	72.85	423.22	—	496.08
2020	87.13	474.72	—	561.85
2021	82.99	411.23	23.34	517.56

\* Taiwan: The lowest effluent standards are COD:480mg/L and SS:200mg/L. We use the maximum value from the annual inspection data of the Guishan Industrial Park as our actual data. The actual data of 2021 is COD: 103 mg/L and SS:16.35mg/L.

\*\* Suzhou, China: The lowest effluent standards are COD:500mg/L and SS:400mg/L. We use the maximum value from the inspection data as our actual data. The actual data of 2021 is COD:107 mg/L and SS:23mg/L.

\*\*\* Vietnam: The lowest effluent standards are COD:150mg/L. We use the maximum value from the inspection data as our actual data. The actual data of 2021 is around 25mg/L.

\*\*\*\* 1. The total water discharge is the tap water consumption of global manufacturing sites \* 0.8 (0.2 is the calculated proportion of evaporated water due to the use of air conditioners).  
 2. The organization collects water consumption data based on water bills (which include the tenants' water usage) as a standard for water consumption.  
 3. According to World Resources Institute "Aqueduct Water Risk Atlas," Suzhou (China) and Hà Nam (Vietnam) are regions facing high levels of water stress.

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– Table of Water Withdrawal, Discharge and Consumption (1,000 tonnes)

	All regions	Regions facing high levels of water stress	Percentage of water use in regions with high levels of water stress	
				Water Withdrawal
Water Withdrawal by Source	<b>Surface water (total)</b>			
	Freshwater (≤1,000 mg/L total dissolved solids)	517.56	434.57	84%
	Other water (> 1,000 mg/L total dissolved solids)	0	0	0
	<b>Groundwater</b>			
	Freshwater (≤1,000 mg/L total dissolved solids)	0	0	0
	Other water (> 1,000 mg/L total dissolved solids)			
	<b>Seawater (total)</b>			
	Freshwater (≤1,000 mg/L total dissolved solids)	0	0	0
	Other water (> 1,000 mg/L total dissolved solids)			
	<b>Produced water (total)</b>			
Freshwater (≤1,000 mg/L total dissolved solids)	0	0	0	
Other water (> 1,000 mg/L total dissolved solids)				
<b>Third-party water (total)</b>				
Freshwater (≤1,000 mg/L total dissolved solids)	0	0	0	
Other water (> 1,000 mg/L total dissolved solids)				
<b>Total water withdrawal by source of the third party, Total Water Withdrawal</b>				
Surface water, ground water, seawater, produced water	0	0	0	
<b>Total Water Withdrawal</b>	<b>517.56</b>	<b>434.57</b>	<b>84%</b>	
<b>Surface water (total) + groundwater (total) + seawater (total) + produced water (total) + third-party water (total)</b>				
	517.56	434.57	84%	

	All regions	Regions facing high levels of water stress	Percentage of water use in regions with high levels of water stress	
				Drainage Volume
Total Water Discharge by Destination	Surface water	517.56	434.57	84%
	Groundwater	0	0	0
	Seawater	0	0	0
	Third-party water (total)	0	0	0
	Surface water + ground water + seawater + third-party water (total)	0	0	0
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


	All regions	Regions facing high levels of water stress	Percentage of water use in regions with high levels of water stress
Total Water Consumption	103.51	86.91	84%





## Water Resource Risk Assessment and Response

Qisda is a professional OEM of electronic design. The manufacturing process of Qisda is simple assembly work, and thus does not consume any water. The major risk of using water is that when water shortage occurs, there will be no water for drinking and household needs. Other risk analysis of water resources are shown as the table below. To reduce water consumption, Qisda has formed the Corporate Sustainable Development Committee (ESG Committee), set up water saving KPIs and managed the performance regularly. We also adjust the goals for the next 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 make water limitation-based simulation. 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.

### Table of Risk Assessment of Water Resources

Item	Description / Impact on Qisda's Operation
 <b>Water Withdrawal</b>	<p>Qisda does not consume any water during the manufacturing process, but it needs to provide clean domestic water for employees' daily demands. According to the results analyzed by the WRI (World Resources Institute) Aqueduct's global water risk mapping tool, Taiwan is included in medium and low-risk regions, whereas the regions in which the Suzhou (China) Plant and the Vietnam Plant located are facing "high level" water stress. However, the municipal water supply is the only source of water for all Qisda's factories. As a result, the water shortage only occurred once over the past 15 years. Qisda has established procedures for emergency response with respect to water shortages. If we receive messages from the government or the media about water suspension/limitation due to contaminated water resource following typhoons or water shortage caused by droughts, we will notify contracted water carts to provide water for places that need support. This way, we can avoid operational disruption caused by water shortage.</p>
<b>Level of Risk</b> <b>Low</b>	<b>Coping Strategies/ Management Mechanism</b> 1. Continuous implementation of water saving 2. Drawing up water shortage response plan

Item	Description / Impact on Qisda's Operation
 <b>Drinking water Quality</b>	<p>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.</p>
<b>Level of Risk</b> <b>Low</b>	<b>Coping Strategies/ Management Mechanism</b> None
 <b>Water Pollution Control</b>	<p>The water pollution control equipment in the Taiwan Plant are operated and maintained by the professional personnel. We use biofilms to treat domestic sewage, whereas the produced sewage is 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, the effluent quality is regularly monitored and inspected in accordance with the regulations, and the results have surpassed legal standards. In recent years, there has not been any incident of water pollution for all factories.</p>
<b>Level of Risk</b> <b>Low</b>	<b>Coping Strategies/ Management Mechanism</b> None
 <b>Flooding</b>	<p>According to the results analyzed by the WRI (World Resources Institute) Aqueduct's global water risk mapping tool, all factories located in Taiwan, Suzhou (China) and Vietnam do not face "high level" flood risk. For the last 15 years, there is no loss caused by floods 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 water-gates beforehand lest any issue occurs.</p>
<b>Level of Risk</b> <b>Low</b>	<b>Coping Strategies/ Management Mechanism</b> Regular drills

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Item	Description / Impact on Qisda's Operation	
 <b>Legal Compliance</b>	Qisda regularly checks the compliance with water-related laws and regulations at the end of every quarter. If there are regulatory updates, we comply with them immediately. In recent years, there has not been any violation of water-related laws and regulations.	
<b>Level of Risk</b> Low	<b>Coping Strategies/ Management Mechanism</b>	Maintenance
 <b>Water Bill</b>	Qisda regularly checks the compliance with water-related laws and regulations at the end of every quarter. If there are regulatory updates, we comply with them immediately. In recent years, there has not been any violation of water-related laws and regulations.	
<b>Level of Risk</b> Low	<b>Coping Strategies/ Management Mechanism</b>	Implementation of water saving

## ESH Management

Qisda has formed the Corporate Sustainable Development Committee (ESG committee) and the Occupational Safety and Health Committee to take actions on workplace safety and health. From top-level to entry-level positions, every employee is responsible for completing jobs safely. Qisda also implements all safety and health requirements through green operational activities. Qisda has obtained Occupational Health and Safety Management Systems (ISO 45001:2018) certificates for all operation locations since 2019, conducted hazard identification and risk assessment annually and continued to go through verification processes.

The certificate's expiration date of each operational site is as follows:

Expiration date	Taiwan	Suzhou, China	Vietnam
	2022.11.30	Qisda Optronics 2022.12.26 Qisda Electronics 2022.12.25 Qisda Precision Industry 2023.01.06 Qisda Corporation 2023.01.06	2024.05.13

Qisda ensures the employees' personal safety and protects the work environment by taking the following actions:

### I. Strict Compliance with Laws of the Countries In Which Qisda Operates

Qisda complies with laws of the countries in which our factories located. We conduct 1) occupational safety and health education and training, 2) self-inspection of production equipment and operations, 3) monitoring of the environment of operational areas, 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 responsibility unit, and audits through the annual ISO 45001 external verification. As for construction safety management, we have created standard operating procedures and inspection record forms applicable from the contractors' application for entrance, hazard notification, application for construction, application for dangerous operation to inspection before and after operation. We monitor and observe at different levels to lower hazardous on-site risks. For chemical management, the use of chemicals during the process of production has always been the core of occupational safety and health management, and it definitely should be effectively managed. If chemical solvents



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are spilled, there may be negative impacts on the safety and health of employees working in the field as well as the environment of the factories. In 2021, all Qisda's factories in operation sites around the globe had no accidents of chemicals, oil and fuel spill.

In response to the trend of manufacturing automation and safety management, Qisda has set up three levels of safety and protection mechanism according to ISO 10218 and TS 15066: effective segmentation, decelerated robots, and contact stop features. First, we make use of the workspace and effectively demarcated working areas for workers and robots: the manipulators on the inside, the workers on the outside. This way, workers and robots can collaborate with each other's movements. We also use grating sensors to slow down the robots the moment workers enter the alert area. Finally, if the workers make contact with the manipulators, the robots will automatically stop at the first moment, significantly increasing the safety of human-robot collaboration. Furthermore, Qisda has received third party notarization verification from the Precision Machinery Research Development Center (PMC) and obtained certification of safety in human-robot collaboration. Qisda officially meets the ISO 10218/TS 15066 standards and receives international safety certification, making us the first manufacturer in Taiwan to receive a safe human-robot collaboration certification and setting a new benchmark for smart factories.

## II. Promotion of Safety Climate Assessments and Activities

The Suzhou (China) Plant continues to perform safety climate assessments. Through drafting and planning safety and health activities, Qisda connects the assessments with green operational performances and implements safety measures for employees from top-level to entry-level. This system incorporates continuous improvements of energy preservation, safety and health performances, enhanced safety and health patrol inspections, implementation of job safety analysis, improvement of the participation rate of safety and health educational training, promotion of near miss incident reports, encouragement on safety and health proposals, etc. Through the above measures, we fulfill every requirement for safety and health, further improving the performance of safety and health management and reaching the goal of job safety. With the realization of promotional activities, Qisda continued to keep the score above 90 in 2021.



– The lost day rate decreased 82% and the injury rate decreased **85%** (compared to that in 2009)

Amid the corporate safety culture assessments and activities, we include environmental-protection and energy-conservation activities of each operation location as parts of the competitions. Qisda has asked each factory to set up annual metrics for environmental protection and energy conservation within a reasonably practicable range. After verifying the metrics and implementing them through operations, we have created actual performances for environmental protection and energy conservation. We award factories with high performances, encouraging each factory and department to voluntarily proceed with activities of environmental protection and energy conservation.

## III. Occupational Safety and Disaster Management

The work-related injuries of Qisda's employees are mostly incised wounds cut by hand tools and minor injuries that do not require sick leave. However, a minority of the work-related injuries requires leave, and employees who suffered are entitled to rest. The cases of work-related injuries that require leave for more than a day are included in the calculation of the injury rate and the lost day rate. There are no deaths recorded. In 2021, we recorded an average IR of 0.06 in our global manufacturing sites according to GRI's formula; the LDR was 1.6; the ODR was 0, and there were 0 near miss incidents. In 2021, the LDR decreased around 82% while the IR decreased around 85% compared to those in 2009. There were no occupational disease cases in the workplace. In Taiwan, the total work hours without occupational disaster in 2021 were around 2.97 million hours. At the end of 2021, the cumulative total work hours without occupational disaster had reached 25.58 million. There were no work-related injuries or deaths of contractors working on-site.

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### Global Safety and Health Management Performances Comparison Table (2018–2021)\*

Safety and Health Management Performance Subject	Global Manufacturing Site			
	2018	2019	2020	2021
 GRI Injury Rate (IR)	0.088	0.03	0.046	0.06
 GRI Lost DayRate (LDR)	3.5	1.26	0.6	1.6
 GRI Occupational Diseases Rate (ODR)	0	0	0	0
 GRI Absence Rate (AR)	37.2	13.79	10.5	17.8
 Total Incidents of Line-of-Duty Deaths	0	0	0	0

\* The following is calculated according to GRI Standards formula

- Injury Rate(IR)  
IR=Total # of injuries \*200,000 /Total hours worked
- Last day Rate(LDR)  
LDR=Total # of lost days \*200,000/Total hours worked
- Occupational diseases Rate(ODR)  
ODR=Total # of Occupational diseases cases \* 200,000/Total hours worked
- Absentee rate(AR)  
AR=Total # of missed(absentee)days over the period \*200,000/Total # of workforce days worked for same period

### Safety and Health Management Performances In 2021, By Sex Ratio

2021	Taiwan	Suzhou, China	Vietnam	Global
 GRI Injury Rate (IR)	 0	 0.1	 0	 0.08
	 0	 0.03	 0	 0.03
<b>Total</b>	<b>0</b>	<b>0.07</b>	<b>0</b>	<b>0.06</b>
 GRI Lost DayRate (LDR)	 0	 3.1	 0	 2.56
	 0	 0.03	 0	 0.03
<b>Total</b>	<b>0</b>	<b>2.0</b>	<b>0</b>	<b>2.6</b>
 GRI Occupational Diseases Rate (ODR)	 0	 0	 0	 0
	 0	 0	 0	 0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
 GRI Absence Rate (AR)	 0	 37.1	 0	 28.4
	 0	 0.4	 0	 0.3
<b>Total</b>	<b>0</b>	<b>23.9</b>	<b>0</b>	<b>17.8</b>
 Total Incidents of Line-of-Duty Deaths	 0	 0	 0	 0
	 0	 0	 0	 0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

For chemical management, the use of chemicals during the process of production has always been the core of environment, safety and health management, and it does should be effectively managed. If chemical solvents are spilled, there may be negative influences on the safety and health of on-site employees as well as the environment of the manufacturing sites. In 2021, all Qisda's factories in operation sites around the globe have no accidents of chemicals, oil and fuel spill.

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## Creation of Opportunities For Growth Together

### Commitment and Management Strategy

Qisda continues to stand with hidden champions from each target field. We have faith in expanding the Qisda alliance, and with the cooperation of our subsidiaries, we expect to promote economic, social and environmental growth and even other aspects, further enhancing the influence of the 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 make every effort to make the industry in Taiwan better and help more hidden champions march toward the world to accomplish the most important mission of Qisda.


### Outlook

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 alliance.

### Key Points of the Chapter

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 Material Topics that Stakeholders are Concerned about

 For the information about identification of material topics, please refer to "Stakeholder Engagement" (P24).

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# BenQ Dialysis Technology Corp.

## I. Basic Information

Basic Information	
1. Name of the organization	BenQ Dialysis Technology Corp.
2. Time of establishment	2014
3. Chairman	Harry Yang
4. Headquarters	Taoyuan, Taiwan
5. Number of employees	Around 42
6. Revenue in 2021	NTD 103 million dollars
7. Global locations of operation	Taiwan: R&D, manufacturing and service center
8. Main products or services	Medical devices, electrical appliances and electronic products
Environment	
1. Purchased electricity (2021)	1,093,131 (kWh) 3,935.3 (GJ) Calculation: 1,093,131 (kWh) * 0.0036 = 3935.3 (GJ)
2. Indirect (Scope 2) GHG emissions	1,093,131 (kWh) of purchased electricity * 0.522 = 570,614.4 kg of CO2
3. Water consumption (2021)	4,335 (tonnes)
4. SOx, NOx	BenQ Dialysis Tech does not use diesel fuel or bunker oil as our indirect material during its manufacturing process. It only uses diesel fuel in emergency generators for public use. When diesel fuel burns, it produces infinitesimal amount of SOx emissions. Therefore, no SOx and NOx motoring measures are taken.
5. Chemical spill	None
6. Recorded occupational diseases rate	Number of recorded occupational disease cases in 2021: 0

Environment	
7. GRI Injury Rate (IR)	There was no employee taking leave due to occupational accidents in 2021.
8. GRI Lost Day Rate (LDR)	There was no employee taking leave due to occupational accidents in 2021.
9. Fatal occupational disease rate	Formula: Number of occupational deaths / working hours * 200,000 Note: Working hours: Number of employees * hours worked in a month * 12 = working hours in a year There was no employee taking leave due to occupational accidents in 2021.
10. Violation of Environmental Regulations	None
11. Cases of environmental complaints	None
Society	
1. Number of employees and their categories (male/female) (full-time employees)	Number and percentage of male employees: 33 (79%) Number and percentage of female employees: 9 (21%)
2. Accession rate (full-time employees)	Formula: Until 12/31/2021, number of all the new employees / headcount employees 5/42=11.9%
3. Turnover rate (full-time employees)	Formula: Until 12/31/2021, number of all the employees left / headcount employees 1/42=2.4%

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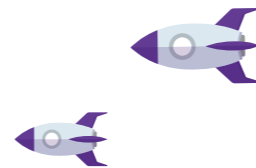
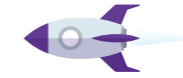
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## Society

4. Equal pay for equal work (full-time employees)	Ratio of the basic wage of men to women: 1:1 Note: 1. Basic wage: the minimum fixed amount of money paid to an employee for fulfilling their jobs without any extras, such as overtime pay or bonus. 2. Basic wage: the basic wage plus extras paid to an employee (Qisda as an example)
5. Discrimination	None
6. Child labor	None
7. Forced or compulsory labor	None
8. Anti-corruption training	100% (Integrity Handbook)
9. Violation of social regulations	None
10. Labor, human right appeal incidents	None

 BenQ Dialysis Tech website: <https://www.benqdialysistech.com/>





## II. Material Topics

A total of 19 issues were subject to survey. Questionnaires were distributed to suppliers, customers, and employees. Of these, 42 were returned and received. Related KPIs were set based on the material topics identified by stakeholders in 2021. The achievement status and management approaches in 2021 are described below.

● Surpassed ◎ Achieved ○ Unachieved

Category	Topic	Boundary	KPI	KPI Achievement Status 2021	Management Guidelines
Economy/ governance	Water resource management	Internal	Average water consumption for each dialyzer	Down 10% Target: 10 L (L/pcs) ◎	BenQ Dialysis Tech is devoted to improving the quality of products and protecting water resources. In 2021, it implemented first-stage RO ozone water treatment to reduce bacteria. This way, its water system doesn't need chemical disinfection or dilution using a huge amount of water. Average water consumption for each dialyzer after 2021: 7.83 L (L/pcs).
	Waste management	Internal	Maintain average weight of produced waste of each dialyzer	<= 0.063 (kg/pcs) ◎	Since medical devices are different from the products of other industries, it's hard to change the materials and reduce the amount considering the functioning and security for all components and package materials. We can only reduce waste by reducing scraps and make effort to maintain the production of waste. As for waste management, each dialyzer generated an average of 0.062 (kg/pcs) of waste in 2021.
Society	Talent development	Internal	Satisfaction of the events organized by the employee welfare committee	4.7分>= 4.0分 (perfect score: 5 points) ◎	The annual events satisfaction in 2021 was 4.7 points according to the information provided by the human resources department.
	Human rights	Internal	Percentage of employees taking SA8000 training	>=90 % ◎	BenQ Dialysis Tech implements SA8000 training in order to improve operational environment for employees and to protect the employees' basic human rights under Qisda's principles. In 2021, the percentage of the employees who received training reached 95.7%. One of the employees took parental leave and could not finish the training.
Environment	Customer Relations Management	External	Customer satisfaction	>=90 分 ◎	BenQ Dialysis Tech makes quality the highest priority and complies to this principle, keeping on improving the manufacturing process of products to achieve the highest quality. As a result, the customer satisfaction rise and reaches the goal.
	Quality	External	Medical device quality management system (ISO 13485)	Pass Audit ◎	BenQ Dialysis Tech is a medical device manufacturer. The R&D and manufacture processes are subject to the highest principles of safety and effectiveness. BenQ Dialysis Tech pays special attention to the management of quality/hazardous substances, and thus successfully passed the ISO 13485 audit in 2021.

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# BenQ Medical Technology Corp.

## I. Basic Information

Basic Information	
1. Name of the organization	BenQ Medical Technology Corp.
2. Time of establishment	1989
3. Chairman	Peter Chen
4. Headquarters	Taipei, Taiwan
5. Number of employees	Around 164
6. Revenue in 2021	NT\$ 1.44 billion
7. Global locations of operation	Headquarters: Taiwan R&D/Manufacturing/Service center: Taiwan
8. Main products or services	Obstetrics and gynecology operating tables and accessories, electric surgical operating tables and accessories, manual surgical operating tables and accessories, surgical lights, fiber optic dental light sources (inspection lamps), dental planning software, the iQOR operating room integration solution series, and medical/surgical mask products
Environment	
1. Purchased electricity (2021)	3951548 (kWh) 12531 (GJ) Calculation: 3,951,548 (kWh) * 0.0036 = 14,225 (GJ)
2. Indirect (Scope 2) GHG emissions	3,951,548 (kWh) of purchased electricity * 0.592 = 2,339,316 kg of CO <sub>2</sub>
3. Water consumption (2021)	16,668 (tonnes)
4. SO <sub>x</sub> , NO <sub>x</sub>	BenQ Dialysis Tech does not use diesel fuel or bunker oil as our indirect material during its manufacturing process. It only uses diesel fuel in emergency generators for public use. When diesel fuel burns, it produces infinitesimal amount of SO <sub>x</sub> emissions. Therefore, no SO <sub>x</sub> and NO <sub>x</sub> motoring measures are taken.
5. Chemical spill	None

6. Recorded occupational diseases rate	Occupational diseases (number of incidents) $2 * 200,000 / \text{Total working hours } 2*200,000 / ((8*247*163)+(8*52))=1.24$
7. Severe occupational diseases rate (excluding deaths)	None
8. Lost day rate (LDR)	Total lost workdays $207 * 200,000 / \text{Total working hours } 207*200,000/((8*247*163)+(8*52))=128.37$
9. Fatal occupational disease rate	1 (died in the line of duty)
10. Violation of Environmental Regulations	None
11. Cases of environmental complaints	None
Society	
1. Number of Employees (male/female) (full-time employees)	Number and percentage of male : 89 (54%) Number and percentage of female : 75 (45%)
2. Accession rate (full-time employees)	9.7%
3. Turnover rate (full-time employees)	42.6%
4. Equal pay for equal work (full-time employees)	Ratio of the basic wage of men to women: 1:1 Ratio of the compensation of men to women: 1:1 Note: 1. Basic wage: the minimum fixed amount of money paid to an employee for fulfilling their jobs without any extras, such as overtime pay or bonus. 2. Basic wage: the basic wage plus extras paid to an employee
5. Discrimination	None
6. Child Labor	None
7. Forced Labor	None
8. Anti-Corruption Training	100%
9. Violation of social regulations	None
10. Labor, human right appeal incidents	None

BenQ Medical Technology Corp. website: <http://benqmedicaltech.com/chi/>



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**II. Material Topics**

A total of 19 issues were subject to survey. We distributed 30 questionnaires to suppliers, customers, and employees. Of these, 28 were returned and received. Related KPIs were set based on the material topics identified by stakeholders in 2022. The achievement status and management approaches in 2021 are described below.

● Surpassed ○ Achieved ○ Unachieved

Category	Topic	Boundary	KPI	KPI Achievement Status 2021	Management Guidelines
Economy/ governance	Quality	Internal	DOA = 0	7 ○	BenQ Medical Tech strives to promote quality management system(ISO 9001,ISO 14001) and medical device quality management system(ISO 13485). It designs and manufactures products that comply with the regulations and meet the requirements of customers' health and safety. Although it did not reach theDOAstandards in 2021, there were no major cases of non-compliance to regulations and product safety issues.
	Customer satisfaction	External	>= 90	91.7 ○	In order to learn about the customers' satisfaction with the products and services of BenQ Medical Tech, it regularly collects customers' satisfaction survey results every year to improve from the inside. In 2021, the average customer satisfaction score was 91.7.
Society	Human rights	Internal	No complaint about labor rights or human rights	0 ○	BenQ Medical Tech has always paid attention to the employees' issues related to labor or human rights and collected relevant information through employee complaint mailbox. There were no complaints filed in 2021.
	Employee compensation and welfare	Internal	Events organized by the employee welfare committee Satisfaction >= 4.0 points (perfect score: 5 points)	3.9 ○	BenQ Medical Tech strongly values the employees' holiday entertainment. The welfare committee regularly holds travel activities every year for employees to improve their relationship and conducts satisfaction surveys after the activities for future improvements. In 2021, the satisfaction score of annual activities was 3.9 (out of 5).



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● Surpassed ◎ Achieved ○ Unachieved

Category	Topic	Boundary	KPI	KPI Achievement Status 2021	Management Guidelines
Environment	Ecological design	Internal	The weight of surgical light sockets decreased >= 15%	17% ◎	BenQ Medical Tech reduces the impact on the environment from the design at the very beginning. Simplification is always the idea of BenQ Medical Tech in the design of products. In 2021, the goal to reduce the weight of the surgical light sockets was achieved.
	Raw material management	Internal	Reduced use of cleaning naphtha per operating table >= 2.0 %	9% ◎	Only managing the use of volatile liquid properly can control the impact on the environment and ensure the safety of the employees in the factory area. The average use per operating table in 2021 was reduced by about 9% compared to that of 2020.
Health and safety	Health management	Internal	Attendance rate of employee medical check-ups > 85%	91% ◎	Employees are the most important assets ofBMT. Even more, their health is the first concern ofBMT. Physical examinations are provided for employees every year. Professional nurses and physicians are commissioned to provide on-site services in the factory area, including medical consultation and health education, and help employees improve their health. In 2021, the attendance rate of employee medical check-ups was 91%.
	Safety of machinery and equipment	Internal	Zero disasterFR=0 (excluding traffic accidents)	0 ◎	BenQ Medical Tech attaches importance to the health/safety of the employees, provides them with a good work environment, and is dedicated to implementing the environmental management system(ISO 14001). BenQ Medical Tech and its employees follow regulations strictly and conduct continual improvement. There was no disaster related to machinery/equipment in 2021.

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# LILY Medical Corp.

## I. Basic Information

Basic Information	
1. Name of the organization	LILY Medical Corp.
2. Time of establishment	1984
3. Chairman	Michael Guan
4. Headquarters	Miaoli, Taiwan
5. Number of employees	Around 118
6. Revenue in 2021	NT\$280 million
7. Global locations of operation	Headquarters: Taiwan R&D/Manufacturing/Service center: Taiwan
8. Main products or services	LILY Medical provides medical supplies, OEM and designs. The main products are: infusion devices (such as precision infusion set and extension tubes that help control volume and concentration of medications injected into human bodies), needle-free devices (for health professionals to lower the risk of being pricked by needles), surgical drainage devices, bags, semi-finished goods and components
Environment	
1. Purchased electricity (2021)	1,580,200 (kWh) 5688.72 (GJ) Calculation: 1,755,305 (kWh) * 0.0036 = 5,688.72 (GJ)
2. Indirect (Scope 2) GHG emissions	1,580,200 (kWh) of purchased electricity * 0.592 = 935,478.4 kg of CO <sub>2</sub>
3. Water consumption (2021)	2,961 (tonnes)
4. SO <sub>x</sub> , NO <sub>x</sub>	Only a small amount of diesel fuel filled in emergency generators, small boilers and forklifts evaporated. Self-inspections on the GHG of the diesel fuel filled were launched.
5. Chemical spill	None

6. Recorded occupational diseases rate	None
7. Severe occupational diseases rate (excluding deaths)	None
8. Lost day rate (LDR)	None
9. Fatal occupational disease rate	None
10. Violation of Environmental Regulations	None
11. Cases of environmental complaints	None

Society	
1. Number of Employees (male/female) (full-time employees)	Number and percentage of male : 30 (26%) Number and percentage of female : 85 (74%)
2. Accession rate (full-time employees)	2 %
3. Turnover rate (full-time employees)	2 %
4. Equal pay for equal work (full-time employees)	Ratio of the basic wage of men to women: 4:3 Ratio of the compensation of men to women: 4:3 Note: 1. Basic wage: the minimum fixed amount of money paid to an employee for fulfilling their jobs without any extras, such as overtime pay or bonus. 2. Basic wage: the basic wage plus extras paid to an employee
5. Discrimination	None
6. Child Labor	None
7. Forced Labor	None
8. Anti-Corruption Training	100%
9. Violation of social regulations	None
10. Labor, human right appeal incidents	None

 LILY Medical Corp. website: <https://www.lily-medical.com/cht/>



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## II. Material Topics

A total of 19 issues were subject to survey. Questionnaires were distributed to suppliers, customers, and employees. Of these, 26 were returned and received. Related KPIs were set based on the material topics identified by stakeholders in 2022. The achievement status and management approaches in 2021 are described below.

● Surpassed ◎ Achieved ○ Unachieved

Category	Topic	Boundary	KPI	KPI Achievement Status 2021	Management Guidelines
Economy/ governance	Quality/ Hazardous substance management	Internal	Monthly customer complaint $\leq$ 70 dppm	Unachieved ○	LILY Medical is dedicated to implementing the medical device quality management system(ISO 13485), designing and producing products and services that can produce intended effectiveness and be used safely to meet the requirements of the customers. Partner Tech persists in this policy. The goal was not achieved during the period from January to September 2020. Improvements related to optimization of the products against which complaints were raised were introduced and the goal was achieved during the period from October to December.
	Legal compliance	External	No violation case	Achieved ◎	Legal compliance is always part of Lily Medical's EHS policy. We observe laws and regulations, implement environmental protection, prevent pollutants, and reduce wastes. Lily Medical did not have violation cases in 2020.
Society	Employee compensation and welfare	Internal	The total expense of the employee welfare committee for all compensation and activities $\leq$ 85% of the income	Achieved ◎	Lily Medical is committed to creating a happy enterprise. The amount of subsidies and expenses of the employee welfare committee in 2020 reached 99% of the income as a contribution to the employees.
	Labor- management relations	Internal	No complaint or protest made by employees	Achieved ◎	Lily Medical deems employees the most important assets of the Company. We provide employees with good work environment, care for their physical health, and are committed to creating a happy enterprise. No employee filed any complaint or protest in 2020.

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● Surpassed ◎ Achieved ○ Unachieved

Category	Topic	Boundary	KPI	KPI Achievement Status 2021	Management Guidelines
Society	Health management	Internal	1. Medical check-up 2. Completion of consultation and improvement measures for the employees of high/medium health risk.	Achieved ◎	Employees are the most important assets of Lily Medical. Their health is the first concern of us. Physical examinations are provided for employees every year. Professional nurses and physicians are commissioned to provide on-site services in the factory area, including medical consultation and health education, and help employees improve their health.
	Occupational accident management	Internal	Injury rate: 0 (excluding traffic accident)	Achieved ◎	LILY Medical attaches importance to the health/safety of the employees, provides them with a good work environment, and is dedicated to implementing the occupational health and safety management system (ISO 45001) and environmental management system (ISO 14001). LILY Medical and its employees follow regulations strictly and conduct continual improvement. There was no disaster in 2020.
Health and safety	Waste management	Internal	The monthly recovery rate of waste cartons delivered to the suppliers $\geq$ 70%	Achieved ◎	Prevention of pollutant and reduction of wastes are also part of LILY Medical's EHS policy. It is dedicated to implementing the environmental management system (ISO 14001) and delivering waste cartons to the suppliers for reuse. The recovery rate reaches 370% to ensure recycle of resources.
	Management of toxic chemicals	Internal	The fine due to toxic chemicals amounting to 0	Achieved ◎	LILY Medical places importance on the operating safety of the employees. It observes laws and regulations, implements environmental protection, prevents pollution, reduces wastes, and takes stricter measures in the management of the toxic chemicals in the factory. No defects were identified during the environmental protection audit and no fines were imposed in 2020.

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# DFI Inc.

## I. Basic Information

Basic Information	
1. Name of the organization	DFI Inc.
2. Time of establishment	1981
3. Chairman	Peter Chen
4. Headquarters	Xizhi, Taiwan
5. Number of employees	Around 666 (including employees abroad)
6. Revenue in 2021	NT\$3.46 billion NT\$13.21 billion (consolidated revenue)
7. Global locations of operation	R&D center: Taiwan Manufacturing centers: Taiwan and Suzhou (China) Service center: Taiwan
8. Main products or services	Industrial motherboards, system-on-modules, industrial computers, industrial panel PCs and displays

Environment	
1. Purchased electricity (2021)	56,123,209 (kWh) 20,204 (GJ) Calculation: 5,258,267 (kWh) * 0.0036 = 20,204
2. Indirect (Scope 2) GHG emissions	3,301,658 kg of CO <sub>2</sub>
3. Water consumption (2021)	24,044 (tonnes)
4. SO <sub>x</sub> , NO <sub>x</sub>	BenQ Dialysis Tech does not use diesel fuel or bunker oil as our indirect material during its manufacturing process. It only uses diesel fuel in emergency generators for public use. When diesel fuel burns, it produces infinitesimal amount of SO <sub>x</sub> emissions. Therefore, no SO <sub>x</sub> and NO <sub>x</sub> motoring measures are taken.
5. Chemical spill	None

Environment	
6. Recorded occupational diseases rate	In DFI, there was 1 employee who required leaves due to occupational injuries in 2021. Work hours: 612*176*12=1,292,544 Occupational diseases rate = (1*200,000)/1,276,496=0.15
7. GRI Injury Rate (IR) (excluding deaths)	None
8. GRI Lost Day Rate (LDR)	In DFI, there was 1 employee who required leaves due to occupational injuries in 2021. Work hours: 612*176*12=1,292,544 Lost day rate = (3*200,000)/1,292,544=0.46
9. Fatal occupational disease rate	None
10. Violation of Environmental Regulations	None
11. Cases of environmental complaints	None

Society	
1. Number of employees and their categories (male/female) (full-time employees)	Number and percentage of male : 317 (47.24%) Number and percentage of female : 354 (52.76%)
2. Accession rate (full-time employees)	Accession rate = Number of new employees / Average headcount employees of the year * 100% Number of new employees in 2021: 206 Average headcount employees in 2021: 681 2021 accession rate: 30.24%
3. Turnover rate (full-time employees)	Annual turnover rate = (Number of employees left / Average headcount employees of the year) * 100% Number of employees left in 2021: 252 Average headcount employees at the end of 2021: 681 2021 turnover rate: 37.00%

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Society	
4. Equal pay for equal work (full-time employees)	Ratio of the basic wage of men to women: 1:10:1 Ratio of the compensation of men to women: 1:1 Note: 1. Basic wage: the minimum fixed amount of money paid to an employee for fulfilling their jobs without any extras, such as overtime pay or bonus. 2. Basic wage: the basic wage plus extras paid to an employee Ratio of the basic wage of men to women: 1:1
5. Discrimination	None
6. Child labor	None
7. Forced or compulsory labor	None
8. Anti-corruption training	100%
9. Violation of social regulations	None
10. Labor, human right appeal incidents	None

 DFI Inc. website: <https://www.dfi.com/tw/#>



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## II. Material Topics

A total of 19 issues were subject to survey. We distributed 30 questionnaires to suppliers, customers, and employees. Of these, 28 were returned and received. Related KPIs were set based on the material topics identified by stakeholders in 2022. The achievement status and management approaches in 2021 are described below.

● Surpassed ◎ Achieved ○ Unachieved

Category	Topic	Boundary	KPI	KPI Achievement Status 2021	Management Guidelines
Economy/ governance	Financial performance	Internal	No incident of non-compliance with financial laws and regulations	0 violation case ◎	To ensure that DFI and its employees follow the laws and regulations of Taiwan during performance of their duties and establish related policies and procedures accordingly, it asks employees to maintain ethical integrity internally and comply with laws when performing their duties. There was no violation of financial laws and regulations in 2021 and no fine was imposed by any competent authority.
	Customer relations management (customer satisfaction, customer data protection)	Internal	No disclosure, steal or loss of customer's data	No accident of data leak, theft or loss ◎	Protection of customer data is the goal of the national laws and DFI's policies. It is also an issue that DFI emphasizes. If a customer's privacy is breached, stolen or lost, the customer loyalty and satisfaction may decrease, the business and reputation may be impacted negatively, and DFI may even face legal proceedings. Hence, DFI helps employees understand the importance of the information security by implementing internal dissemination by email and providing educational training. The privacy declaration specified in theGDPRwas announced on the website of DFI in 2021 and helped 100% of the employees finish the educational training.  No customer complaint or notice about disclosure, steal or loss of customer's data was received.
Society	Product quality management	Internal	With respect to the Hazardous Substance Process Management System (IECQ QC 080000), DFI passed the external audit	Annual audit for 2021 is conducted on October 12, 2021 and DFI successfully passed the audit ◎	
	Employment and retention	Internal	The revenue per employee increases 1.54%	In 2021, the revenue per employee decreases 23.9% compared with that of 2019 due to the impact of DFI'srelocation, material shortage and the pandemic. ◎	

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# Partner Tech Corp.

## I. Basic Information

Basic Information	
1. Name of the organization	Partner Tech Corp.
2. Time of establishment	1990
3. Chairman	Peter Chen
4. Headquarters	New Taipei City, Taiwan
5. Number of employees	Around 350
6. Revenue in 2021	NT\$2.7 billion
7. Global locations of operation	R&D center: Taiwan and Beijing (China)
8. Main products or services	Service centers: China, Singapore, Dubai, the U.S., Germany, the UK, South Africa POS, IOT display and cloud service
Environment	
1. Purchased electricity (2021)	379,685 (kWh) 137 (GJ)
2. Indirect (Scope 2) GHG emissions	173 kg of CO <sub>2</sub>
3. Water consumption (2021)	1,994 (tonnes)
4. SO <sub>x</sub> , NO <sub>x</sub>	None
5. Chemical spill	None
6. Recorded occupational diseases rate	None
7. Severe occupational diseases rate (excluding deaths)	None
8. Lost day rate (LDR)	None
9. Fatal occupational disease rate	None
10. Violation of Environmental Regulations	None
11. Cases of environmental complaints	None

Society	
1. Number of Employees (male/female) (full-time employees)	Number and percentage of male : 212 (61%) Number and percentage of female : 138 (39%)
2. Accession rate (full-time employees)	Calculation: 35/350=10%
3. Turnover rate (full-time employees)	Calculation: 40/350=11%
4. Equal pay for equal work (full-time employees)	Ratio of the basic wage of men to women: 1:1 Ratio of the compensation of men to women: 1:1 Note: 1. Basic wage: the minimum fixed amount of money paid to an employee for fulfilling their jobs without any extras, such as overtime pay or bonus. 2. Basic wage: the basic wage plus extras paid to an employee
5. Discrimination	None
6. Child Labor	None
7. Forced Labor	None
8. Anti-Corruption Training	100%
9. Violation of social regulations	None
10. Labor, human right appeal incidents	None

 Partner Tech website: <https://tw.partner.com.tw/>







## II. Material Topics

AA total of 19 issues were subject to survey. Questionnaires were distributed to suppliers, customers, and employees. Of these, 90 were returned and received. Related KPIs were set based on the material topics identified by stakeholders in 2021. The achievement status and management approaches in 2021 are described below.

● Surpassed ◎ Achieved ○ Unachieved

Category	Topic	Boundary	KPI	KPI Achievement Status 2021	Management Guidelines
Economy/ governance	Quality	Internal	The annualized failure rate of the shipment in 2021 < 5000dppm	2021 AFR POS : 2296 dppm Printer: 1978 dppm ◎	Partner Tech is dedicated to implementing the quality management system (ISO 9001), designing and producing products and services that can produce intended effectiveness and be used safely to meet the requirements of the customers. Partner Tech persists in this policy.
	Customer satisfaction	External	Level 2 issue day to fix average < 10 days Level 1 = issues that can be solved by customers Level 2 = issues that cannot be solved by customers	L2 fix day average 5.5 days ◎	In order to provide the most efficient service to customers, Partner Tech solved the customers' issues in an average of 5.5 days in 2021.
Society	Customer privacy protection	Internal	Complaints filed by external groups and verified by the organization, or complaints made by regulatory agencies; there was no accident of customer data leak, theft or loss.	0 complaints ◎	Partner Tech is especially concerned about the customers' privacy. Due to the global attention to the issue of personal data protection, Partner Tech establishes principles related to data protection so as to keep customer data appropriately. In 2021, there was no accident of customer data leak, theft or loss.
	Employee compensation and welfare	Internal	50 employees participated in the activities organized by the welfare committee.	In 2021, the attendance rate for the annual event reached 99%. ◎	Partner Tech places importance on the physical and mental health of the employee after their work, and different events are organized for the employees in a timely manner.

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● Surpassed ◎ Achieved ○ Unachieved

Category	Topic	Boundary	KPI	KPI Achievement Status 2021	Management Guidelines
Environment	Lifecycle assessment	Internal	100% of the products designed in 2021 met the RoHS Directive.	Before the mass production of any product begins, RoHS declaration is requested. 100% of the products meet the RoHS Directive. ◎	In order to cope with the global environmental crisis, Partner Tech continues to comply with the RoHS Directive from the beginning of the product design process.
	Water resource management	External	Reduction of water waste	Regular water leak inspection ◎	Overall, Partner Tech has reduced water waste by 9% this year.
Health and safety	Occupational accident management	Internal	Employees have to take educational training within the time period pursuant to the laws and regulations. The new employees hired this year are no exception.	0 work-related injuries ◎	Partner Tech pays much attention to the work environment of the employees and establishes health and safety rules. The injury rate in 2021 = 0.
	Health management	Internal	The participation rate of employee health events reached 95%	100% of the employees participated in the medical check-up in 2021. ◎	Partner Tech provides employees with medical check-ups every year to track and manage the health of the employees.

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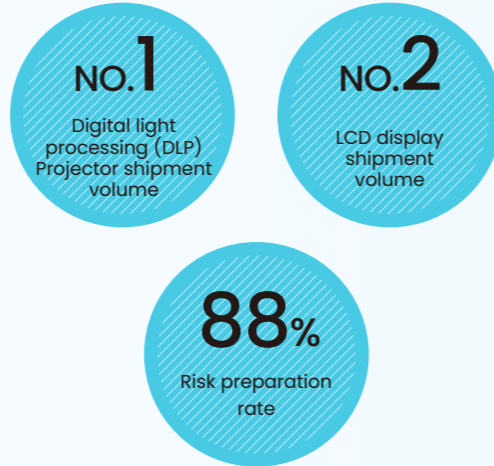
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# Performance Highlights 2021

## Economy/Corporate governance



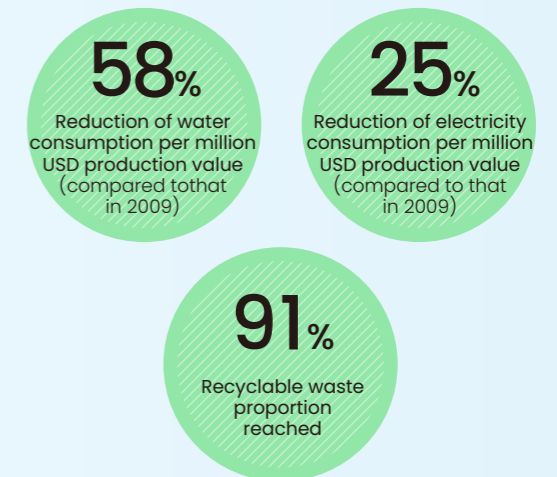
- Consolidated revenue increased by **18%** a year, setting new records for **10** consecutive years
- 52** Essential Patents and **1** Design Excellence Award
- Received "Taiwan Sustainable Enterprise Outstanding Performance Award," "Taiwan Sustainability Action Award: Employment and Economy Growth-Silver ward," "Taiwan Sustainability Action Awards: Educational Quality-Bronze Award," "Golden Award of Electronic Information Manufacturing Industry" in the corporate sustainability report category, and Social Inclusion Leaders' Awards from Taiwan Institute for Sustainable Energy

## Society



- Implemented local procurement at **73.7%** in China
- Up to **96%** of key suppliers completed the written inspection and audit of social responsibility, environmental health and safety
- Provided an average of **28.4** hours of training per employee
- Total hours that the employees spent on charitable events: **1,142** hours
- The BenQ Foundation enabled a financial income of **NT\$2.26 million** in remote areas in 2021
- Environmental protection and social care: More than **NT\$20 million** was invested in 2021

## Environment



- Saved **30.47%** of energy and reduced **30.73%** of volume in the production line
- Reduced **33.59%** of carbon (compared to that in 2015)
- The lost day rate decreased **82%** and the injury rate decreased **85%** (compared to that in 2009)
- No cases of released chemicals and environmental law violations
- Qisda's Twin-Star Plant continues to receive Green Factory Label from Industrial Development Bureau of MOEA

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# Table of Quantified Key Performance Indicator For Sustainable Development 2018–2021

Economic Performance							
Item	2018	2019	2020	2021	Note	GRI Disclosure	Chapter
<b>Economical Value</b>							
Consolidated revenue (100 million)	1557.8	1,698	1,917	2,260	NTD-denominated	201-1	Financial performance
Net income attributed to the owners of the parent (100 million)	40.3	62	50	83			
<b>Patents</b>							
Total received patents	1,144	1,121	1,140	1,192		N/A	N/A
<b>Design Excellence Awards</b>							
Number of received awards	3	2	1	1	The awards include: iF, Red Dot, iF China, G-Mark, Bio, Golden Pin, etc.	N/A	Qisda Corporation

Environmental Performance							
Item	2018	2019	2020	2021	Note	GRI Disclosure	Chapter
<b>Total Raw Material Consumption</b>							
Tin (solder paste, bars, wire) (tonnes)	215.9	220	223	237		301-1	N/A
Flux (tonnes)	178	182	181	273			
Hardware (10,000 tonnes)	1.13	1.2	1.08	1.2			
<b>Primary Energy Consumption</b>							
Natural gas (1,000 cubic meter)	655.2	599.3	623.7	637.2		302-1	GHG Inventory
Gasoline (tonnes)	22.4	19.7	22	13.9			
Diesel fuel (tonnes)	14	12.8	9.5	10.8			

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Environmental Performance							
Item	2018	2019	2020	2021	Note	GRI Disclosure	Chapter
<b>Secondary Energy Consumption</b>							
Purchased electricity (10,000 MWh)	11.49	12.17	12.19	12.79	Statistical data in 2021 includes the Vietnam Plant (QVH)	302-2	GHG Inventory
<b>Total Water Consumption</b>							
Taiwan	69.52	72.85	87.13	82.99	Statistical data in 2021 includes the Vietnam Plant (QVH)	303-3 (2018)	Water resource management
Suzhou, China (million liter)	360.351	423.224	542.953	411.23			
Vietnam (million liter)	-	-	-	23.34			
Global water consumption (million liter)	430	496	630	517			
<b>GHG Emissions</b>							
Scope 2-GHG emissions (10,000 tonnes of CO <sub>1e</sub> )	0.31	0.24	0.22	0.22	1. Annual organizational greenhouse gas emission passed Greenhouse Gas (GHG) check standard (ISO 14064-1) third-party verification	305-2	GHG Inventory
Scope 2-GHG emissions (10,000 tonnes of CO <sub>2e</sub> )	9.05	9.51	9.34	10.4	2. Statistical data in 2021 includes the Vietnam Plant (QVH)		
Other indirect GHG emissions (tonnes of CO <sub>2e</sub> )	241	145	46	76	This only covers emission from global business flying trips, excluding land transportation (airport pickup/drop off). Calculation in 2018 did not consider aviation distance difference between inland cities. After adjustments, we adopted calculation of distance from the International Civil Aviation Organization (ICAO) website, with coefficients using the carbon emission from the website, staying closer to the actual condition.	305-3	GHG Inventory
<b>Environmental Protection Management Performance</b>							
GHG emissions for each million USD value (tonnes of CO <sub>2e</sub> )	20.5	22.61	23.06	21.91	Reduced 37% compared to that of 2009 (35.01)	N/A	GHG Inventory

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Environmental Performance							
Item	2018	2019	2020	2021	Note	GRI Disclosure	Chapter
<b>Environmental Protection Management Performance</b>							
Electricity consumption for each million USD value (kWh)	23,283	26,530	29,338	26,284	Reduced 25% compared to that of 2009 (35,219)	305-4	GHG Inventory
Global GHG emissions per personal hourly electricity consumption (kilogram of CO <sub>2e</sub> )	2.1	2.4	2.3	2.5	Reduced 13% compared to that of 2009 (2.86)	305-4	
Water consumption for each million USD value (tonnes)	93.5	113	135	106	Reduced 58% compared to that of 2009 (254)	303-3 (2018)	Water resource management
Recyclable waste proportion (%)	93	93	91	91	Increased 8.3% compared to that of 2009 (84)	306-2	Waste management
Global sewage emission (million liter)	344	396	449	414		306-1	Water resource management
<b>Amount of waste</b>							
Total recyclable waste in Taiwan (tonnes)	570	564	624	689	Statistical data in 2021 includes the Vietnam Plant (QVH)	306-2	Waste management
Total recyclable waste in Suzhou, China (tonnes)	31,208	28,310	31,896	36,897			
Total recyclable waste in Vietnam (tonnes)	-	-	-	481			
Total recyclable waste globally (tonnes)	31,778	28,874	32,520	38,067			
Total burned non-recyclable wastes in Taiwan (tonnes)	85	81	73	73			
Total burned non-recyclable waste in Suzhou, China (tonnes)	2,198	2,196	2,800	2,894			
Total burned non-recyclable waste in Vietnam (tonnes)	-	-	-	36			
Total burned non-recyclable waste globally (tonnes)	2,283	2,277	2,873	3,003			
Total hazardous waste (tonnes)	NA	NA	479	627	Referring to SASB Disclosure data in 2020		

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Environmental Performance							
Item	2018	2019	2020	2021	Note	GRI Disclosure	Chapter
<b>Released Chemicals and Other Substances</b>							
Total number and volume of released chemicals and other substances	0	0	0	0		306-3	ESH Management
<b>Violations of Environmental Regulations</b>							
Number of non-compliance with environmental laws and regulations and total monetary value of fines	0	0	0	0	0 fine for four consecutive years	307-1	Legal compliance
<b>Environmental Investment</b>							
Total amount of investment/expense in environmental protection	175	123	191	698	The main increased expense is invested in QCS solar energy	N/A	N/A

Social Aspect							
Item	2018	2019	2020	2021	Note	GRI Disclosure	Chapter
<b>Number of Employees</b>							
Taiwan	1,616	1,711	1,722	1,729		401-1	Employee Status
Suzhou, China	7,994	7,985	8,546	5,388			
Vietnam	-	-	-	399			
Service center (Singapore, Japan, the US)	-	-	-	28			
Global manpower	9,638	9,724	10,298	7,544			

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Environmental Performance							
Item	2018	2019	2020	2021	Note	GRI Disclosure	Chapter
<b>Safety and Health Management Performance</b>							
Injury rate (IR)	0.088	0.03	0.046	0.06	1. Calculated according to GRI Standards formula 2. Statistical data in 2021 includes the Vietnam Plant (QVH)	403-2	ESH Management
Lost day rate (LDR)	3.5	1.2	0.6	1.6			
Occupational diseases rate (ODR)	0	0	0	0			
Absence rate (AR)	37.2	13.79	6.9	17.6			
<b>Average Employee Training Hours (Hours per Person)</b>							
Direct labor (DL, Global)	114.92	113.52	102.00	28.4	Statistical data in 2021 includes the Vietnam Plant (QVH)	404-1	Learning and Development
Indirect labor (IDL, Global)	27.39	28.28	20.89	20.2			
<b>Human Rights Management</b>							
Discrimination incidents	0	0	0	0		406-1	Human Rights Management
Human rights complaints	0	0	0	0		103-2	
<b>Employee Code of Conduct Training Percentage</b>							
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	Code of conduct
Suzhou, China (%)	DL:100 IDL:100	DL:100 IDL:100	DL:100 IDL:100	DL:100 IDL:100			
<b>Political Contributions</b>							
Sum of political contribution	0	0	0	0		415-1	GRI Standards Index
<b>Violations of Social Relevant Regulations</b>							
Number of social relevant regulation violations and fines	0	0	0	0		419-1	Legal compliance



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Environmental Performance							
Item	2018	2019	2020	2021	Note	GRI Disclosure	Chapter
<b>Customer Satisfaction Survey Results (Points)</b>							
Medical image	94	94.2	92.1	95	Since 2018, displays were incorporated in the professional displays (SD) investigation result, and the mobile products (MPBU) and industrial automation products (IA) were incorporated in the manufacturing service; the digital fashion design center (Lighting)	401-1	Customer Commitment
Precision optics	94.5	94.8	95.3	93			
Display	93	96.8	96.8	96			
Manufacturing services	95	93.7	93.5	94			
Digital fashion design center	-	97.5	95	95			
<b>Violations of Marketing Regulations</b>							
Incidents of non-compliance with regulations concerning marketing communications	0	0	0	0		N/A	Legal compliance
<b>Customer Privacy</b>							
Customer privacy violation complaints	0	0	0	0		417-3	Customer Privacy
<b>Supply Chain Inspection</b>							
The social responsibility, environmental health and safety of key suppliers Sanitary inspection and audit (number of companies)	45	27	21	24	1. We changed the inspection methods in 2016. We act with reference to the Responsible Business Alliance Code of Conduct (RBA) and mainly perform on-site audit. The total number of inspected companies between 2009 and 2015 was 614. 2. All human resources agencies and in-plant service providers have been included since 2019.	418-1	Customer Commitment
Written inspection and on-site inspection completion rate of key suppliers	88%	73%	73.6%	96%		302-2 414-2	Supply Chain Management

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# GRI Standards

## General Disclosures

Topic	GRI Disclosure	Description	Corresponding Chapter	Page	Remarks	External Assurance
Organizational Profile 2016	102-1	Name of the organization		06, 07		●
	102-2	Activities, brands, products, and services		06, 07		●
	102-3	Location of headquarters		06, 07		●
	102-4	Number and the names of countries where the organization operates		06, 07		●
	102-5	Nature of ownership and legal form		07, 08		●
	102-6	Markets served and their nature		07, 08		●
	102-7	Scale of the organization		07, 08		●
	102-8	Total number of employees by employment type and contract, by gender and legion.	Employment Status	65-67		●
	102-9	A description of the organization's supply chain	Supply Chain Management	59		●
	102-10	Significant changes to the organization's size, structure, ownership, or supply chain during reported period	About the Report	N/A		●
	102-11	Whether and how the organization applies the Precautionary Principle or approach	Risk Management Office	41-48		●
	102-12	A list of externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes, or which it endorses (external CSR principle)	N/A	N/A	There is no external initiative endorsement Participated in SBT initiative in 2022	●
	102-13	Membership of national or international associations	Qisda Corporation	11		●

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## General Disclosures

Topic	GRI Disclosure	Description	Corresponding Chapter	Page	Remarks	External Assurance
Strategy 2016	102-14	A statement about the relevance of sustainability to the organization and its strategy	Message from the Chairman & President Qisda Sustainable Development	3-5 12, 13		●
	102-15	A description of key impacts, risks, and opportunities	Message from the Chairman & President Communication with Stakeholders Risk Management Office Qisda's Climate Strategy and Carbon Management	3-5 24-33 41-43 97-102		●
Organizational Profile 2016	102-16	A description of the organization's values, principles, standards, and norms of behavior on behavioral and ethical code of conduct	Code of conduct	49		●
	102-17	A description of internal and external mechanisms for seeking advice about ethical and lawful behavior and organizational integrity, and for reporting concerns about unethical or unlawful behavior	Code of conduct	50		●
Management Guidelines	103-2	The management approach and its components	Code of conduct	49		
	103-3	Evaluation of the management approach	Code of conduct	49		
Corporate Governance 2016	102-18	Governance structure of the organization, including committees of the highest governance body A description of committees responsible for decision-making on economic, environmental, and social topics	Qisda Sustainable Development Corporate Governance Operation	12 35, 36		●
	102-19	A description of the process for delegating authority for economic, environmental, and social topics from the highest governance body to senior executives and other employees	Corporate Governance Operation	35, 36		●

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## General Disclosures

Topic	GRI Disclosure	Description	Corresponding Chapter	Page	Remarks	External Assurance
Corporate Governance 2016	102-20	A description of whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body	Corporate Governance Operation	35, 36		●
	102-21	Processes for consultation between stakeholders and the highest governance body on economic, environmental, and social topics If consultation is delegated, describe to whom it is delegated and how the resulting feedback is provided to the highest governance body	Corporate Governance Operation Establishment of Unhindered and Appropriate Labor-Management Communication Channels and Relations	35, 36 81		●
	102-22	Composition of the highest governance body and its committees	Corporate governance and organizational structure	35-39	The Board of Directors members do not belong to underprivileged groups	●
	102-23	Whether the chair of the highest governance body is also an executive officer in the organization	Conflicts of Interest Management	38, 39		●
	102-24	Nomination and selection processes for the highest governance body and its committees	Corporate governance and organizational structure	35		●
	102-25	Mechanism and processes for the highest governance body to ensure conflicts of interest are avoided	Conflicts of Interest Management	38, 39		●
	102-26	Highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental, and social topics	Corporate Governance Operation	35, 36		●
	102-27	Report measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental, and social topics	Corporate governance and organizational structure	35		●

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## General Disclosures

Topic	GRI Disclosure	Description	Corresponding Chapter	Page	Remarks	External Assurance
Corporate Governance 2016	102-28	Processes, frequency, and actions taken for evaluating the highest governance body's performance with respect to governance of economic, environmental, and social topics	Corporate Governance Operation	35, 36		●
	102-29	Highest governance body's role in identifying and managing economic, environmental, and social topics and their impacts, risks, and opportunities; whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental, and social topics and their impacts, risks, and opportunities	Corporate Governance Operation Risk Management Office	35, 36 41		●
	102-30	Highest governance body's role in reviewing the effectiveness of the organization's risk management processes	Corporate Governance Operation Risk Management	35 41		●
	102-31	Frequency of the highest governance body's review of economic, environmental, and social topics and their impacts, risks, and opportunities	Corporate Governance Operation	35, 36		●
	102-32	A description of the highest committee or position that formally reviews and approves the organization's sustainability report	Qisda Sustainable Development	12		●
	102-33	A description of the process for communicating critical concerns to the highest governance body	Corporate Governance Operation	35, 36		●
	102-34	A description of total number and nature of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them	Corporate Governance Operation	35, 36		●
	102-35	Remuneration policies for the highest governance body and senior executives	Corporate Governance Operation	35		●

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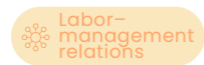
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**General Disclosures**

Topic	GRI Disclosure	Description	Corresponding Chapter	Page	Remarks	External Assurance
Corporate Governance 2016	102-36	A description of the process for determining remuneration, whether remuneration consultants are involved, whether they are independent of management, and any other relationships that they have with the organization	Corporate Governance Operation Employee Payment and Pension	35, 36 41		●
	102-37	If applicable, describe how stakeholders' views are ought and taken into account regarding remuneration along with the results of votes on remuneration policies and proposals.	Corporate Governance Operation	35		●
	102-38	Ratio of the annual total compensation for the organization's highest-paid individual (in each country of significant operations) to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country	N/A	41	Taiwan: 7.88 Suzhou, China: 10.08	●
	102-39	Ratio of the percentage increase in annual total compensation for the organization's highest-paid individual (in each country of significant operations) to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country	N/A	35, 36	Taiwan: 0.44 Suzhou, China: 0.47	●
Stakeholder Engagement 2016	102-40	List of stakeholder groups	Communication with Stakeholders	12		●
	102-41	Percentage of total employees covered by collective bargaining agreements	Establishment of Unhindered and Appropriate Labor-Management Communication Channels and Relations	35, 36	The Company has not endorsed any collective bargaining agreement with employees	●
	102-42	A description of the basis for identifying and selecting stakeholders with whom to engage	Communication with Stakeholders	35, 36		●
	102-43	The organization's approach to stakeholder engagement	Communication with Stakeholders	35		●
	102-44	Key topics and concerns that have been raised through stakeholder engagement and how the organization has responded	Communication with Stakeholders	24~33		●



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Topic	GRI Disclosure	Description	Corresponding Chapter	Page	Remarks	External Assurance
Management Guidelines	103-2	The management approach and its components	Establishment of Unhindered and Appropriate Labor-Management Communication Channels and Relations	81		
	103-3	Evaluation of the management approach	Establishment of Unhindered and Appropriate Labor-Management Communication Channels and Relations	81		
Reporting Practice 2016	102-45	A list of all entities included in the organization's report	About the Report	02		●
	102-46	An explanation of the process for defining the report content and the topic Boundaries	About the Report Communication with Stakeholders	02 30		●
	102-47	A list of the material topics	Communication with Stakeholders	24~33		●
	102-48	The effect of any restatements of information given in previous reports, and the reasons for such restatements	N/A	N/A	No report reorganization	●
	102-49	Significant changes from previous reporting periods in the list of material topics and topic Boundaries	Communication with Stakeholders	24		●
	102-50	Reporting period	About the Report	02		●
	102-51	Date of most recent report	About the Report	02		●
	102-52	Reporting cycle	About the Report	02		●
	102-53	Contact point for questions regarding the report	About the Report	02		●
	102-54	Claims of reporting basis	About the Report	02		●
102-55	GRIContent Index	GRI Standards Index	146-163		●	
102-56	A description of the organization's policy and current practice with regard to seeking external assurance for the report	About the Report	02		●	

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## Economic Topic

Topic	GRI Disclosure	Description	Corresponding Chapter	Page	Remarks	External Assurance
Economic Performance 2016	201-1	Direct economic value generated and distributed, including operating costs, employee wages and benefits, donations and other community investments, value retained, payments to providers of capital and government by country	Financial performance	53		●
	201-2	Financial implications due to climate change	N/A	N/A	There was no critical financial implications posed by climate change. Please see “Climate Strategy and Carbon Management” for other climate change coping methods.	●
	201-3	Defined benefit plan obligations and other compensation plans	Employee Payment and Pension Employee Welfare	78, 79 79, 80		●
	201-4	Financial assistance received from government	Financial performance	53		●
Market Presence 2016	202-1	Ratio of standard entry level wage by gender to local minimum wage in each significant location of operation	Employee Payment and Pension	78		●
	202-2	Proportion of senior management hired from the local community	Employment Status	68		●
Indirect Economic Impacts 2016	203-1	Infrastructure investments, development of services supported and their negative impacts	Environmental Protection and Social Care	85–95		●
	203-2	Significant indirect economic impacts and their extent	Environmental Protection and Social Care	85–95		●
Procurement practices 2016	204-1	Proportion of spending on local suppliers in significant locations of operation	Supply Chain Management	59		●



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**Economic Topic**

Topic	GRI Disclosure	Description	Corresponding Chapter	Page	Remarks	External Assurance
Anti-corruption 2016	205-1	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	Internal Audit Mechanism	38, 39		●
	205-2	Communication and training about anti-corruption policies and procedures	Code of conduct	49, 50		●
	205-3	Confirmed incidents of corruption and actions taken	Internal Audit Mechanism	38, 39		●
Anti-competitive Behavior 2016  Legal compliance	206-1	Number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their results	Legal compliance	40		●
Management Guidelines	103-2	The management approach and its components	Legal compliance	40		
	103-3	Evaluation of the management approach	Legal compliance	40		
Tax 2019	207-1	Tax guidelines	N/A	N/A	The Company implements tax governance and executes regular trading principles pursuant to local tax laws of the countries where our operating bases are located. The Company does not take radical tax plans. We improve the transparency of information by disclosing tax information to stakeholders in our financial reports and local tax returns.	●
	207-2	Tax governance, control and risk management	N/A	N/A	The tax department is responsible for the tax governance of the Company. The financial department of each major subsidiary is responsible for the tax governance of the subsidiary concerned. All the significant transactions and decisions of the Company are planned pursuant to local tax laws and agreements. Whether regular transactions meet local tax laws is verified regularly at each operating base.	● ●

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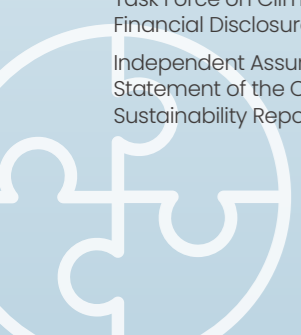
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## Economic Topic

Topic	GRI Disclosure	Description	Corresponding Chapter	Page	Remarks	External Assurance
Tax 2019	207-3	Communication with stakeholders about tax related issues and management of these issues	Financial performance	53	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.	●
	207-4	Country-by-country report	N/A	N/A	The Company submits the country-by-country report of the previous year pursuant to laws and regulations at the end of the year and conducts secondary filing in the Netherlands for the taxation authorities of the countries other than Taiwan to use.	●

## Environmental Topic

Topic	GRI Disclosure	Description	Corresponding Chapter	Page	Remarks	External Assurance
Materials 2016	301-1	Materials used by weight or volume	Table of quantified key performance indicator for sustainable development (2018–2021)	140, 141		●
	301-2	Percentage of recycled input materials used	N/A	N/A	Not applicable, there is no recycled input material used.	●
	301-3	Ratio of sold products to their reclaimed packaging materials	N/A	N/A	This is not applicable because Qisda is an ODM manufacturer. The ownership of the products is transferred to the customer when they are shipped to the customer together with the package. Hence, the products cannot be recovered.	●

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## Environmental Topic

Topic	GRI Disclosure	Description	Corresponding Chapter	Page	Remarks	External Assurance
Energy 2016	302-1	Energy consumption within the organization	GHG Inventory	101		●
	302-2	Energy consumption outside of the organization	GHG Inventory	101		●
	302-3	Energy intensity	GHG Inventory	100, 101		●
	302-4	Energy conservation	Carbon Disclosure Results	102		●
	302-5	Reductions in energy requirements of products and services	Green Product	92		●
Water and Effluents 2018	303-1	A description of how the organization interacts with water, including how and where water is withdrawn, consumed, and discharged, along with the solution used to deal with water-related impacts and the process for setting water-related goals	Water resource management	115		●
	303-2	Management of water discharge-related impacts	Water resource management	115		●
	303-3	Water Withdrawal	Water resource management	116		●
	303-4	Water discharge	Water resource management	116		●
	303-5	Water Consumption	Water resource management	116		●
Biodiversity 2016	304-1	A profile of operational sites owned, leased, managed in, or adjacent to, protected areas	Water resource management	115		●
	304-2	Significant direct and indirect impacts on biodiversity	Water resource management	115		●
	304-3	Habitats protected or restored	Water resource management	115		●
	304-4	Total number of IUCN Red List species and national conservation list species with habitats in areas affected by the operations of the organization, by level of extinction risk	Water resource management	115		●

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## Environmental Topic

Topic	GRI Disclosure	Description	Corresponding Chapter	Page	Remarks	External Assurance
Biodiversity 2016	305-1	Direct (Scope 1) GHG emissions	GHG Inventory	101		●
	305-2	Energy indirect (Scope 2) GHG emissions	GHG Inventory	101		●
	305-3	Transportation indirect (Scope 3) GHG emissions	GHG Inventory	101		●
	305-4	GHG emissions intensity	GHG Inventory	101		●
	305-5	GHG emissions reduced as a direct result of reduction initiatives	Carbon Disclosure Results	102		●
Emissions 2016	305-6	Emission volume of substance depleting the ozone	N/A	N/A	In order to comply with environmental labeling requirements, Qisda avoided using ozone-depleting substances (ODSs) during product manufacturing process and packaging. However, for the refrigerant of air conditioners and fire extinguishers (R123, R404a, R22, etc.), the total weight of CO2e emission falls around 798 tonnes in all manufacturing areas around the globe.	●
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	N/A	N/A	The manufacturing process of Qisda is simple assembly work, and thus we use indirect materials without fuels such as diesel fuel and bunker oil. We only use diesel fuel in the emergency generators for public use and the forklifts in Suzhou. When diesel fuel burns, it produces infinitesimal amount of SOx emissions, which caused little impact to the environment. Therefore, no SOx and NOx measurement is provided. Qisda is equipped with air filtration machines in order to deal with air pollutants. Air pollutants is filtered by primary filter and active carbon before emission.	●

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**Environmental Topic**

Topic	GRI Disclosure	Description	Corresponding Chapter	Page	Remarks	External Assurance
<b>Effluents and Waste 2016</b> 	306-1	Water discharge by quality and destination	Water resource management	116		●
	306-2	Weight of waste with a breakdown by type and disposal method	Waste management	113, 114		●
	306-3	Total number and total volume of recorded significant spills	ESH Management	118, 119		●
	306-4	Transport of hazardous waste (in accordance with the definition in the Basel Convention)	Waste management	113, 114		●
	306-5	Water bodies affected by water discharges and/or runoff	Water resource management	115		●
<b>Management Guidelines</b>	103-2	The management approach and its components	Waste management	113, 114		
	103-3	Evaluation of the management approach	Waste management	113, 114		
<b>Environmental Compliance 2016</b>	307-1	Number of non-compliance with environmental laws and regulations and total monetary value of fines	Legal compliance	40	In 2021, Qisda's products have no violation cases of environmental labeling requirements or regulations, nor is there any non-compliance with relevant laws or fines.	●
<b>Supplier Environmental Assessment 2016</b>	308-1	Percentage of new suppliers that were screened using environmental criteria	Supplier Selection Procedures	59		●
	308-2	Potential negative environmental impacts in the supply chain and actions taken	Creating Green Supply Chain	61-63		●

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**Social Topic**

Topic	GRI Disclosure	Description	Corresponding Chapter	Page	Remarks	External Assurance
<b>Employment 2016</b>	401-1	Total number and rate of new employee hires and employee turnover, by age group, gender and region	Employee Turnover Rate	69		●
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	Employee Welfare	79, 80		●
	401-3	Return to work and retention rates of employees that took parental leave, by gender	N/A	N/A	I. Number of employees entitled to parental leave benefits: 1,729 II. Number of employees applying for parental leave Female: 10 Male: 12 III. Return to work rate Male: 86% (7 employees should return to work at the end of parental leave; 6 of them applied for reinstatement and returned). Female: 100% (5 employees should return to work at the end of parental leave; all of them applied for reinstatement and returned). IV. Retention rate Male: 100% (7 employees returned and none of them left). Female: 100% (5 employees returned and none of them left). Note: 1. The above data is calculated in accordance with the GRI Standards. 2. Definition of employees entitled to parental leave benefits: According to the "Act of Gender Equality in Employment" and "Regulations for Implementing Unpaid Parental Leave for Raising Children," employees can apply for unpaid parental leave after 6 months of work. On the other hand, there's no law or regulation relevant to parental leave in China. 3. Calculation of the number of employees eligible for parental leave: The total number of employees in Taiwan is 1,729, by December 31, 2021. Deduct 118 people employed during July to December 2021. The final number of employees eligible for parental leave is 1611.	●

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**Social Topic**

Topic	GRI Disclosure	Description	Corresponding Chapter	Page	Remarks	External Assurance	
<b>Labor-management relations 2016</b>	402-1	Minimum notice periods regarding significant operational changes	N/A	N/A	None (there's no relevant law or regulation at present)	●	
	<b>Occupational Health and Safety 2018</b>	403-1	Occupational health and safety management system	ESH Management	118, 119		●
		403-2	Hazard identification, risk assessment, and incident investigation	ESH Management	118, 119		●
		403-3	Occupational health services	Employee Health Management	71~84		●
		403-4	Worker participation, consultation, and communication on occupational health and safety	N/A	N/A		●
		403-5	Worker training on occupational health and safety	ESH Management	118, 119		●
		403-6	Promotion of worker health	Employee Health Management	81~84		●
		403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	ESH Management Creating Green Supply Chain	118, 119 61		●
		403-8	Workers covered by an occupational health and safety management system	ESH Management	118, 119		●
		403-9	Work-related injuries	Employee Health Management Safety and Health Management	83 118, 119		●
403-10		Work-related ill health	Employee Health Management	83		●	

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## Social Topic

Topic	GRI Disclosure	Description	Corresponding Chapter	Page	Remarks	External Assurance
<b>Training and Education 2016</b> 	404-1	Average hours of training per year per employee, by employee category and gender	Learning and Development	70		●
	404-2	Programs for upgrading employee skills and transition assistance programs	Learning and Development	70, 71	Qisda provides legal pensions and a severance pay when retirement occurs or an employment agreement expires.	●
	404-3	Percentage of employees receiving regular performance and career development reviews, by gender	N/A	N/A	Qisda conducts performance and career development reviews semiannually. Here's the sex ratio of indirect employees who completed performance audits: Total employees 1,410/Female 474 (33.6%)/Male 936 (66.4%); Performance review completion rate: Female 471 (99.4%)/Male 932 (99.6%) Note: The performances of Qisda's Assistant Vice President and executives above are reflected upon operational effectiveness. Thus, they do not participate in regular performance audits.	●
<b>Management Guidelines</b>	103-2	The management approach and its components	Learning and Development	70		
	103-3	Evaluation of the management approach	Learning and Development	70		
	405-1	Percentage of individuals within the organization's governance bodies and employees per employee category, by gender, age group, minority or other indicators of diversity	Corporate governance and organizational structure Employment Status	35 65-67	Individuals within Qisda's governance bodies do not belong to any minority group, so there is no data of this category	●
	405-2	Ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation	Employee Payment and Pension	78		●



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## Social Topic

Topic	GRI Disclosure	Description	Corresponding Chapter	Page	Remarks	External Assurance
Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Human Rights Management	76, 77		●
Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which workers' rights to exercise freedom of association or collective bargaining may be violated or at significant risk, and the measures taken by the organization intended to support these rights	Human Rights Management Creating Green Supply Chain	76, 77 62, 63		●
Child Labor 2016	408-1	Types of operation and key suppliers considered to have significant risk for incidents of child labor, and the measures taken by the organization intended to contribute to the effective abolition of child labor	Human Rights Management Creating Green Supply Chain	76, 77 62, 63		●
Forced or Compulsory Labor 2016	409-1	Types of operation and key suppliers considered to have significant risk for incidents of forced or compulsory labor, and the measures taken by the organization intended to contribute to the elimination of all forms of forced or compulsory labor	Human Rights Management Creating Green Supply Chain	76, 77 62, 63		●
Security 2016	410-1	Percentage of security personnel who have received formal training in the organization's human rights policies or specific procedures	Human Rights Management	76, 77	There were no incidents of violations involving rights of indigenous peoples in 2021.	●
Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples and actions taken to avoid these incidents	Human Rights Management	76, 77		●
	412-1	Total number and percentage of operations that have been subject to human rights reviews or human rights impact assessments	Human Rights Management	76, 77		●

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Social Topic

Topic	GRI Disclosure	Description	Corresponding Chapter	Page	Remarks	External Assurance
Human Rights Assessment 2016	412-2	Employee training on human rights policies or procedures and percentage of employees trained	Human Rights Management	76, 77		●
	412-3	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	N/A	N/A	Not applicable; there was no significant investment that underwent human rights inspection. Note: Significant investment agreements refers to those endorsed for investments approved by the Board of Directors.	●
Management Guidelines	103-2	The management approach and its components	Human Rights Management	77		
	103-3	Evaluation of the management approach	Human Rights Management	77		
Local Communities 2016	413-1	Percentage of operations with implemented local community engagement, impact assessments, and/or development programs	Environmental Protection and Social Care	85-95	100% (Taiwan and Suzhou, China included)	●
	413-2	Operations with significant actual and potential negative impacts on local communities	N/A	N/A	The only potential negative impact on communities of Qisda's operation is the spray coating exhaust emissions from the Suzhou Plant; however, the chances of impact and the level of severity is highly reduced after active carbon filtration.	●
Supplier Social Assessment 2016	414-1	Percentage of new suppliers that were screened using social criteria	Supplier Selection Procedures	57		●
	414-2	Potential negative social impacts in the supply chain and actions taken	Creating Green Supply Chain	61-63		●
Public Policy 2016	415-1	Total monetary value of financial and in-kind political contributions made by the organization by country and recipient/beneficiary	N/A	N/A	None	●

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## Social Topic

Topic	GRI Disclosure	Description	Corresponding Chapter	Page	Remarks	External Assurance
Customer Health and Safety 2016	416-1	Percentage of significant product categories for which health and safety impacts are assessed for improvement	Quality/Hazardous substance management	110, 111		●
	416-2	Total number of incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of the life cycle of products	Quality/Hazardous substance management	110, 111		●
Marketing and Labeling 2016	417-1	Requirements for product information and labeling made by the organization's procedures, and the percentage of significant products that meet such requirements	Green Product	105-112	Qisda requires that all products include the following information: 1. Component of the hazardous substances in the content of the product 2. Product or service safety 3. Product disposal and its impact on the environment/society	●
	417-2	Incidents of non-compliance with regulations concerning product and service information and labeling	N/A	N/A	None	●
	417-3	Incidents of non-compliance with regulations concerning marketing communications	Legal compliance	N/A	Not applicable; as a professional original equipment manufacturer, Qisda builds electronic products for brands or other customers. Based on the characteristics of the industry, none of Qisda's advertisements appealed to consumers directly.	●
Customer Privacy 2016		Total number of substantiated complaints received concerning breaches of customer privacy or losses of customer data	Customer Commitment	57		●
Management Guidelines	103-2	The management approach and its components	Customer Commitment	57		
	103-3	Evaluation of the management approach	Customer Commitment	57		
Socioeconomic Compliance 2016	419-1	Significant fines and the number of sanctions for non-compliance with laws and/or regulations in the social and economic area	Legal compliance	40		●

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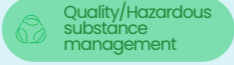
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### | Other Topic




Topic	GRI Disclosure	Description	Corresponding Chapter	Page	Remarks	External Assurance
Quality management 	Qisda-1	Whether obtained valid certificates relevant to quality	Quality/Hazardous substance management	112		●
Management Guidelines	103-2	The management approach and its components	Quality/Hazardous substance management	110, 111		
	103-3	Evaluation of the management approach	Quality/Hazardous substance management	110, 111		
Customer Satisfaction	Qisda-2	Customer satisfaction survey and its results	Customer Satisfaction Survey	57		●
Sustainability strategy	Qisda-3	Quarterly conventions concerning the corporate sustainable development (ESG) and the action of tracking performance indicators	Qisda Sustainable Development (ESG)	12~21		●
Overwork	Qisda-4	ATPIII FraminghamCAD risk calculator (Framingham Risk Score) Assessments: The rate of tracking moderate to high-risk targets reaches 70%.	Employee Health Management	81, 82		●

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# ISO 26000 Index




Material Topics		Corresponding Chapter in the 2021 Report	Page	Remarks
	<b>Organizational Governance</b>	Organizational governance	Message from the Chairman & President 3~5 Qisda Sustainable Development 12~21 Corporate Governance 35~38	
			<b>Human rights</b>	Due diligence
Human rights risk situations	Human Rights Management			75~77
Avoidance of complicity	Supply Chain Management Human Rights Management			59~61 75~77
Resolving grievances	Human Rights Management Establishment of Unhindered and Appropriate Labor–Management Communication Channels and Relations			75~77 81
Discrimination and vulnerable groups	Employment Status Human Rights Management			65~67 75~77
Civil and political rights	Human Rights Management Environmental Protection and Social Care			75~77 85~95
Economic, social and cultural rights	Green Operation			113~120
	<b>Labor Practices</b>	Fundamental principles and rights at work	Employment Status Human Rights Management	65~67 75~77
		Employment and employment relationships	Supply Chain Management Employment Status Employee Turnover Rate Human Rights Management	59~61 65~67 69 75~77

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Material Topics		Corresponding Chapter in the 2021 Report	Page	Remarks
 <b>Labor Practices</b>	Conditions of work and social protection	Employment Status Employee Payment and Pension Employee Welfare	65-67 78, 79 79, 80	
	Social dialogue	Qisda Corporation GRI Standards Index 402-1	06-11 159	
	Health and safety at work	ESH Management	118-120	
	Human development and training in the workplace	Learning and Development	70-72	
 <b>Environment</b>	Prevention of pollution	Waste management Water resource management ESH Management GRI Standards Index 305-6, 305-7	113, 114 115, 116 118-120 156	
	Sustainable resource use	Climate Strategy and Carbon Management Water resource management GRI Standards Index 301-2	97-102 115, 116 154	
	Climate change mitigation and adaptation	Climate Strategy and Carbon Management	97-102	
	Protection of the environment, biodiversity and restoration of natural habitats	Water resource management	115-116	
 <b>Fair operating practices</b>	Anti-corruption	Code of conduct	49-50	
	Responsible political involvement	N/A	N/A	
	Fair competition	Legal compliance	40	
	Promoting social responsibility in the value chain	Environmental Protection and Social Care	85-95 59-63	
	Respect for property rights	Supply Chain Management	40	

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Material Topics		Corresponding Chapter in the 2021 Report	Page	Remarks
 <b>Consumer Topic</b>	Fair marketing, factual and unbiased information and fair contractual practices	Legal compliance Green Product	40 105-109	
	Protecting consumers' health and safety	Green Product	105-109	
	Sustainable consumption	Green Product	105-109	
	Consumer service, support, and complaint and dispute resolution	Customer Commitment	57	
	Consumer data protection and privacy	Customer privacy protection	58	
	Access to essential services	Environmental Protection and Social Care	85-95	
	Education and awareness	Green Product	105-109	
 <b>Community Involvement and Development</b>	Community involvement	Financial performance Human Rights Management	53-55 75-77	
	Education and culture	Human Rights Management	75-77	
	Employment creation and skills development	Supply Chain Management Learning and Development Environmental Protection and Social Care	59-63 70-74 85-95	
	Technology development and access	Environmental Protection and Social Care	85-95	
	Wealth and income creation	Financial performance	53-55	
	Health	Supply Chain Management Environmental Protection and Social Care	59-63 85-95	
	Social investment	ESH Management Environmental Protection and Social Care	118-120 85-95	

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## SDGs Index

No.	SDG Targets	SDG Targets	SDG Compass Guidance	Corresponding Chapter	Page	Remarks
1	 <b>No Poverty</b>	1.B	Partner with civil society networks to provide education and entrepreneurial skills training.	BenQ Foundation-Reduction of the Digital Gap	90-92	
2	 <b>Zero Hunger</b>	2.3	Supporting, encouraging and demonstrating the continued viability of small-scale farming by developing partnerships with small farmers.	BenQ Foundation-Reduction of the Digital Gap	90-92	
3	 <b>Good Health and Well-being</b>	3.8	Make investments in health a priority in business operations.	Financial performance Response to the UN Sustainable Development Goals	53-55 22, 23	
4	 <b>Quality</b>	4.4	Provide employees with continuous opportunities to improve their (job) skills.	Learning and Development	72, 73	
		4.A	Develop cost-effective education products and services that eliminate barriers to access and improve the quality of learning.	Response to the UN Sustainable Development Goals	22, 23	
5	 <b>Education</b>	5.1	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.	Code of conduct Human Rights Management Employee Payment and Pension	49, 50 75-77 78, 79	
6	 <b>Gender Equality</b>	6.1	Reduce the likelihood of surface water contamination by treating and processing all waste with exceptional precaution.	Waste management	113, 114	
			Ensure that all employees and their families have ample access to safe drinking water and adequate sanitation.	Risk Assessment and Coping Methods for Water Resources	117, 118	





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SDGs Index

No.	SDG Targets	SDG Targets	SDG Compass Guidance	Corresponding Chapter	Page	Remarks
7	 <b>Affordable and Clean Energy</b>	7.2	Commit to sourcing 100% of operational electricity needs from renewable sources.	Carbon Disclosure Results	102	Although Qisda hasn't used renewable energy at 100%, but since 2011, we have been building solar power systems. In 2021, we built solar power systems both in Taiwan and in Suzhou; in 2022, we expect to produce 35 million kWh and 200 million kWh of electricity.  In 2022, Qisda has committed to asking specific production lines to 100% produce with green electricity to the customers.
		7.3	Prioritize energy efficiency across operations through tools such as the use of an internal carbon price and science-based target setting.	Climate Strategy and Carbon Management Concept of Incorporated Design	97-99 105-109	
		7.A	Invest in R&D related to sustainable energy services.	Response to the UN Sustainable Development Goals	22, 23	
8	 <b>Decent Work and Economic Growth</b>	8.2	Increase profitability with diversification, technology enhancement and innovation. (No corresponding SDG Target and SDG compass guideline)	Financial performance	53-55	
		8.5	Eliminate discrimination and pay equal wage for equal work to all women and men. (No corresponding SDG Target and SDG compass guideline)	Human Rights Management Employee Payment and Pension	75-77 78-79	
		8.7	Put in place mechanisms to identify child labor and forced labor throughout global supply chains.	Creating Green Supply Chain	62, 63	
		8.8	Ensure employees' occupational health and safety. (No corresponding SDG Target and SDG compass guideline)	ESH Management Response to the UN Sustainable Development Goals	118-120	

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## SDGs Index

No.	SDG Targets	SDG Targets	SDG Compass Guidance	Corresponding Chapter	Page	Remarks
9	 <b>Industry, Innovation and Infrastructure</b>	9.4	Invest in new, resilient infrastructure to make the existing infrastructure more sustainable.	Response to the UN Sustainable Development Goals	22, 23	
		N/A	Establish standards and promote regulation that ensure company projects and initiatives are sustainably managed.	Qisda Sustainable Development	12~21	
10	 <b>Reduced Inequalities</b>	10.3	Ensure equal opportunities and devote in reducing inequality. (No corresponding SDG Target and SDG compass guideline)	Employee Payment and Pension	75~77 78, 79	
		N/A	Partner with civil society networks to provide education and entrepreneurial skills training.	BenQ Foundation – Reduction of the Digital Gap	90~92	
11	 <b>Sustainable Cities and Communities</b>	11.6	Reduce environmental impact on cities through management including air quality and waste.	Waste management GRI Standards Index 305-7	113, 114 156	
		11.B	Enhance adaptability in disasters of the cities and human settlements as well as develop and implement overall management and measures for disasters and risks. (No corresponding SDG Target and SDG compass guideline)	Risk Management Office	41~48	
12	 <b>Responsible Consumption and Production</b>	12.2	Implement product portfolio analysis tools to understand environmental and social footprint of products.	GHG Inventory Green Product Waste Management Water Management	100, 101 105~109	
		12.4			113, 114 115, 116	
		12.A	Enable sustainable consumption by developing innovative solutions can reduce energy need in usage.	Response to the UN Sustainable Development Goals	22, 23	
		12.2	Reduce manufacturing impacts by substituting virgin raw materials in products with post-consumer materials through recycling and upcycling.	GRI Standards Index 301-2	154	

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## SDGs Index

No.	SDG Targets	SDG Targets	SDG Compass Guidance	Corresponding Chapter	Page	Remarks
12	 <b>Responsible Consumption and Production</b>	12.1	Apply modular design, so products' constituent parts will be easily separated.	Concept of Incorporated Design	102-109	
		12.5	Significantly reduce waste.	Waste management	113, 114	
		12.6	Ensure adoption of sustainable practices and integrate sustainability information into reporting cycles.	About the Report	02	
		12.7	Green Procurement	Supplier Selection Procedures Creating Green Supply Chain	60 61-63	
		12.8	Sustainable education (No corresponding SDG Target and SDG compass guideline)	BenQ Foundation-Reduction of the Digital Gap	90-92	
13	 <b>Climate Action</b>	N/A	Source all electricity the company consumes at its facilities from renewable sources or install renewable energy generation capacity on-site.	Carbon Disclosure Results	102	Although Qisda's has not reached 100% in renewable energy usage, it has built solar power systems since 2011. In 2021, we built renewable power systems both in Taiwan and in Suzhou. In 2022, we expect to produce 35 million kWh of electricity in Taiwan and 200 million kWh of electricity in Suzhou.
		N/A	Retrofit the lighting systems of the company's facilities to energy efficient LED lighting.	Carbon Disclosure Results	102	
		N/A	Increase investment in innovation to improve the efficiency of the company's product portfolio, thereby enabling customers to reduce their GHG emissions.	Green Product	105-109	
		13.1 13.2	Understand climate risk and build resilience into the company's assets and supply chain.	Climate Strategy and Carbon Management	97-99	
		13.3	Improve and increase awareness in the reduction, impact and adaption of climate change. (No corresponding SDG Target and SDG compass guideline)	Taiwan – Green Carnival Party	94	

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No.	SDG Targets	SDG Targets	SDG Compass Guidance	Corresponding Chapter	Page	Remarks
14	<b>Life Below Water</b>	N/A	Improve resource efficiency by altering the design, manufacture, or use of products and packaging to reduce the amount of waste that could potentially enter the environment.	Green Product	105-109	
		N/A	Utilize a value-chain approach to create connections between the design, packaging, marketing and recycling of materials with the goals of reducing their environmental impact at the end of their life cycle.	Green Product	105-109	
15	<b>Life on Land</b>	N/A	Commit to and implement responsible sourcing practices.	Supplier Selection Procedures Creating Green Supply Chain Management of Conflict Minerals.	60 62, 63 57	
		16.3 16.B	Comply with laws and seek to meet international standards; require and support business partners to do the same.	Legal compliance Creating Green Supply Chain	40 62, 63	
16	<b>Peace, Justice and Strong Institutions</b>	16.5	Conduct risk and impact assessments to identify and mitigate risks of contributing to corruption, violence and conflict.	Code of conduct	49, 50	
17	<b>Partnerships for the Goals</b>	17.3	Provide manpower and resources for developing countries. (No corresponding SDG Target and SDG compass guideline)	Environmental Protection and Social Care	85-95	Places in which Qisda implements community participation and development at this moment is limited to our operational locations; the activities include assisting disadvantaged groups, introducing educational activities and liberal devoting to communities and neighborhoods, and launching charity donations.

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# SASB Metrics

No.	Description	Chapter	Page
<b>Water management</b>			
TC-ES-140a.1	(1) Total water withdrawn and (2) Total water consumed, percentage of each in regions with High or Extremely High baseline water stress	Water resource management	115-118
<b>Waste management</b>			
TC-ES-310a.1	Amount of hazardous waste from manufacturing, percentage recycled	Waste management	113, 114
<b>Labor practices</b>			
TC-ES-150a.1	Number of (1) work stoppages and (2) total days idle	No related accidents occurring in 2021	N/A
<b>Labor status</b>			
TC-ES-320a.1	Total (1) recordable incident rate (TRIR) and (2) near miss frequency rate (NMFR) for direct employees and contract employees	ESH Management	118-120
TC-ES-320a.2	Percentage of entity's facilities and Tier 1 suppliers audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities/suppliers and (b) high-risk facilities/suppliers	SASBMetrics	174
TC-ES-320a.3	For the entity's facilities and the entity's Tier 1 suppliers, (1) Non-conformancerate with the RBA Validated Audit Process (VAP) or equivalent, and (2) associated corrective action rate for (a) priority non-conformances and (b) other nonconformances	SASBMetrics	174
<b>Product lifecycle management</b>			
TC-ES-410a.1	Total weight recovered from global waste products; percentage of the weight recovered in the weight of products sold	Not applicable; Qisdaisan ODM manufacturer. The ownership of the products is transferred to the customer when they are shipped to the customer together with the package. Hence, the products cannot be recovered.	N/A
<b>Materials sourcing</b>			
TC-ES-440a.1	Description of the management of risks associated with the use of critical materials	Supply Chain Risk Management	57

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#### TC-ES-320a.2

Percentage of entity's facilities and Tier 1 suppliers audited in the RBA Validated Audit Process (VAP) equivalent, by (a) all facilities/suppliers and (b) high-risk facilities/suppliers

- 1.a) Third-party audited facilities/all the facilities of the organization = 4/5=80%
- 1.b) Third-party audited facilities/high-risk facilities of the organization = NA (no high-risk facilities)
- 2.a) Third-party audited suppliers/all the suppliers in continuous trading relationship = 24/1102=2.18%
- 2.b) Third-party audited suppliers/high-risk suppliers = NA (no related statistics currently)

#### TC-ES-320a.2

For the entity's facilities and the entity's Tier 1 suppliers, (1) Non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent, and (2) associated corrective action rate for (a) priority non-conformances and (b) other nonconformances

- 1) The rate of failing the RBA audit is described in the following table:

#### Total deficiencies of each audit dimension/total deficiencies of facilities

	Labor	Health and safety	Environment	Ethics	Management system
Incompliance of prioritized deficiencies	0%	0%	0%	0%	0%
Incompliance of other deficiencies	36.84%	21.05%	10.53%	5.26%	26.32%

#### Total deficiencies of each audit dimension/total deficiencies of Tier 1 suppliers

	Labor	Health and safety	Environment	Ethics	Management system
Incompliance of prioritized deficiencies	0%	0%	0%	0%	0%
Incompliance of other deficiencies	23.77%	60.66%	9.02%	0.00%	6.56%

#### (2a) Audit result – Improvement in prioritized deficiencies

Improvements for prioritized deficiencies of facilities/total prioritized deficiencies	NA (no prioritized deficiencies)
Improvements for prioritized deficiencies of Tier 1 suppliers/total prioritized deficiencies	NA (no prioritized deficiencies)

#### (2b) Audit result – Improvement in prioritized deficiencies

Improvements for prioritized deficiencies of facilities/total prioritized deficiencies	= 11/19=57.89%
Improvements for prioritized deficiencies of Tier 1 suppliers/total prioritized deficiencies	= 114/122=93.44%

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# Task Force on Climate-Related Financial Disclosures (TCFD) Index

Core Elements	Description	Governance	Corresponding Chapter in the 2021 Report	Page
<b>Governance</b>	Disclosure of the organization's governance around climate-related risks and opportunities	<ul style="list-style-type: none"> <li>Executive Board's oversight of climate-related risks and opportunities</li> <li>Management's role in assessing and managing climate-related risks and opportunities</li> </ul>	Climate Strategy and Carbon Management <b>I. Governance</b>	97
<b>Strategy</b>	Disclosure 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	<ul style="list-style-type: none"> <li>Description of climate-related opportunities and risks the company has identified over the short, medium, and long term</li> <li>Impact of climate-related risks on the organization's businesses, strategy, and financial planning</li> <li>Resilience of the organization's strategy, taking into consideration different climate-related scenarios</li> </ul>	Climate Strategy and Carbon Management <b>II. Strategy</b>	97
<b>Risk Management Office</b>	Disclosure of how the organization identifies, assesses, and manages climate-related risks	<ul style="list-style-type: none"> <li>Organization's processes for identifying and assessing climate-related risks</li> <li>Organization's processes for managing climate-related risks</li> <li>Description of how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management</li> </ul>	Climate Strategy and Carbon Management <b>III. Risk Management</b>	98, 99
<b>Metrics and Targets</b>	Disclosure of the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	<ul style="list-style-type: none"> <li>Metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process</li> <li>Disclosure of Scope 1, Scope 2, and Scope 3 (if applicable) greenhouse gas (GHG) emissions, and the related risks</li> <li>Targets used by the organization to manage climate-related risks and opportunities and performance against targets</li> </ul>	Climate Strategy and Carbon Management <b>IV. Metrics and Goals GHG Inventory</b>	99, 100 100-102

# Assurance Statement of the Corporate Sustainability Report



**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 2021 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 2021 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.

**Scope of work**

The assurance process was conducted in line with the requirements of the AA1000 Assurance Standard (AA1000AS, 2008) with 2018 addendum, Type II - AccountAbility Principles and Performance Information engaged. The scope of work included:

- Data and information included in QISDA CORPORATION 2021 Corporate Sustainability Report for the 1<sup>st</sup> January, 2021 to 31<sup>st</sup> December, 2021;
- 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)<sup>1</sup>
  - 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 Sustainability Reporting Standards.


The levels of assurance have been applied as high level assurance.

**Methodology**


As part of its independent assurance, Bureau Veritas undertook the following activities:

- Interviews with relevant personnel of QISDA CORPORATION;

<sup>1</sup> Published by AccountAbility: The Institute of Social and Ethical Accountability  
<http://www.accountability.org>



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- Review of documentary evidence produced by QISDA CORPORATION;
- Review performance data listed in report with sampling basis;
- Visits to 2 site located in Taiwan (Taipei City, Taoyuan City);
- Review of QISDA CORPORATION data and information systems for collection, aggregation, analysis and review.

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 2021 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 1<sup>st</sup> January, 2021 to 31<sup>st</sup> December, 2021;
- The Report properly reflects the organisation's alignment to and implementation of the AA1000 Assurance Standard (AA1000AS, 2008) with 2018 addendum's 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 2020 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**



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Table of quantified key performance indicator for sustainable development (2018–2021)

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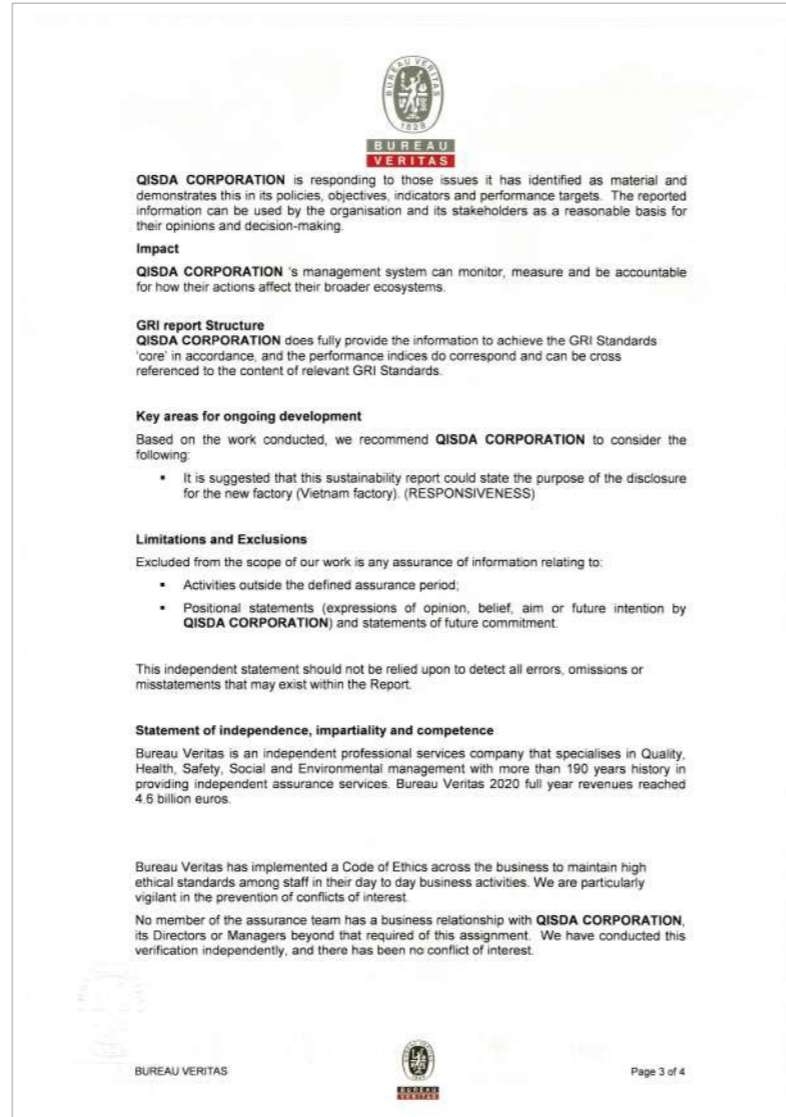
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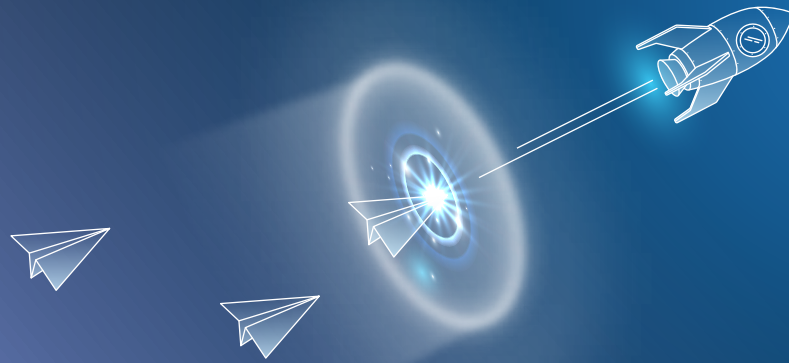
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ALL ROADS LEAD TO  
**GREEN HOPES**