

# About the Report


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


<b>Organizational Boundary</b>	<b>Geographic scope*</b> : This includes the headquarters of Qisda – Taiwan, and the main manufacturing sites – Suzhou (China) and Vietnam. Besides, the report has additionally encompassed the CSR-related matters of the subsidiaries** since 2018; the relevant information has been disclosed in Chapter “Qisda and Sustainable Partners.”
<b>Report Boundary</b>	The financial data covers the overall operating performance of the parent company.
<b>Reporting Period/Frequency</b>	<b>Time</b> : January 1, 2023 to December 31, 2023; publication time of the report for the next year: August 2025. <b>Frequency</b> : Once a year
<b>Data Collection &amp; Calculation</b>	The data of 2023 has been collected based on the aforementioned boundary of report; the calculation formulas of the indicators and data have been detailed in the notes of the chapters.
<b>Report Management Unit</b>	This Report is managed by the sustainability unit of the Company.
<b>Internal Management Process</b>	The compilation and preparation of the contents relevant to this report were established, planned and promoted by the Company’s sustainability unit. This report was also 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 supplement and confirm the information. Finally, this report was approved and disclosed by ESG Committee members.

<b>External Verification Process</b>	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 standards of AA 1000 AS V3 High Assurance Type II 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,” “Sustainable Development Action Plans for TWSE/TPEX Listed Companies” (2023),” guidance on social responsibility (ISO 26000), UN Sustainable Development Goals (SDGs) and SASB framework.  International standards including ISO 9001/27001/14001/45001/14064-1/50001/14006/62430 and SA8000 have been verified and certified by a third party.
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<b>Publication Date</b>	August 2024

\* 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. (QCPIS), 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., MetaAge Corporation, Simula Technology Inc., Alpha Networks Inc. and their consolidated subsidiaries. Please refer to the annual report for all the consolidated subsidiaries. Some of the entities included in the consolidated financial statements are not covered within the scope of the ESG report; in this case, notes will be given in the sections.

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# Qisda Corporation

## Introduction to Qisda

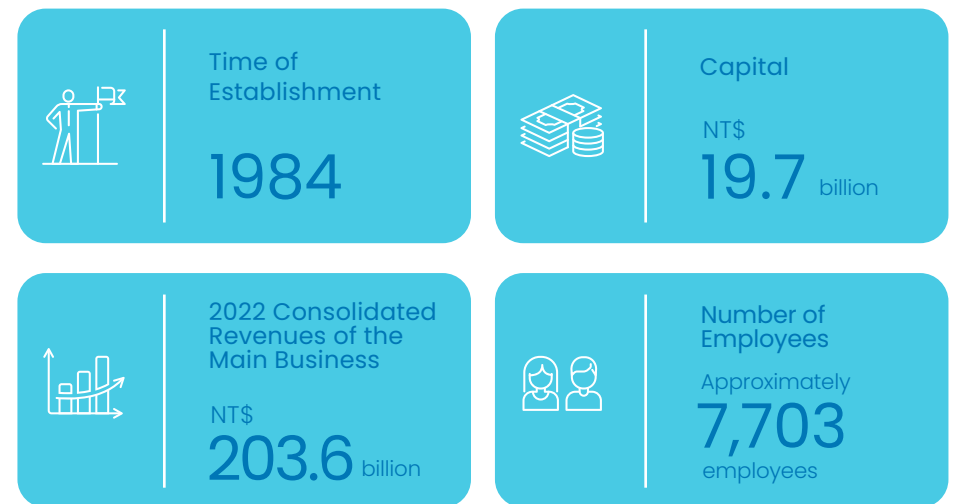
Qisda Corporation (formerly named BenQ Corp.) was founded in 1984, with the headquarters established in Taoyuan, Taiwan. As a global technology group that has an operational scope covering ICT industry, medical business, smart solutions, and 5G network communication business, Qisda not only provides 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 of the medical industry. Related results include 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.

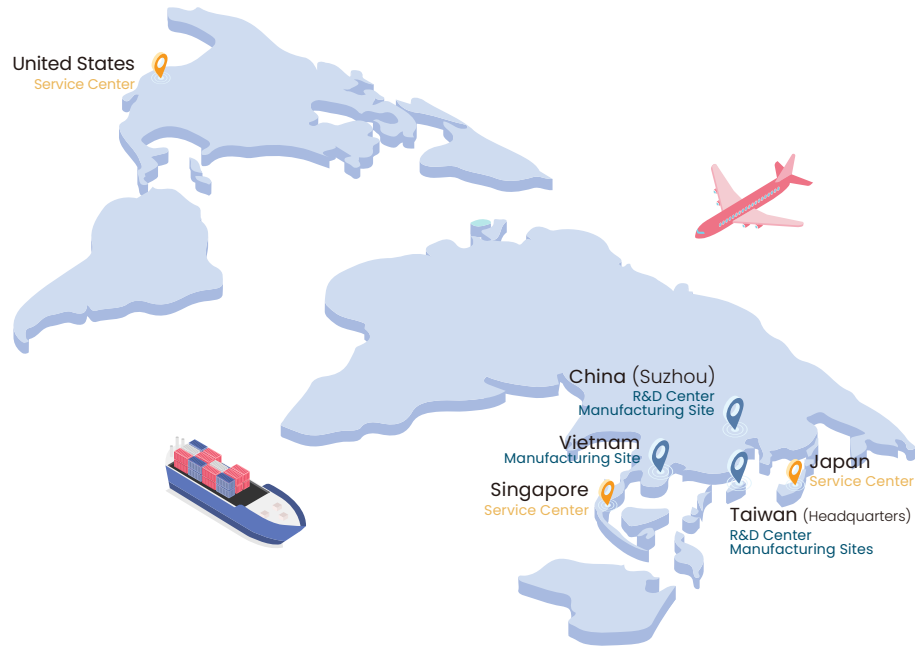
Meanwhile, Qisda has also accelerated the development of the six smart solution fields: smart retail, smart manufacturing, smart education, smart health, smart energy, and smart enterprise. Aiming at “high integration of software and hardware, one-stop shopping, and innovative operation,” the Company offers 30 smart solutions and 10 main kinds of hardware equipment in the 6 main integration fields. The smart solutions satisfy customer needs, and assist the customers with their digital transformation, empowerment and growth.

As one of the world’s top2 LCD displays and projectors manufacturers\*, as well as the first company to be devoted to the R&D of network communication business in Taiwan, Qisda has operating bases, including R&D and manufacturing and service locations, in Taiwan (Taipei, Taoyuan, Hsinchu), China (Suzhou), Vietnam, Singapore, the U.S. and Japan. Qisda currently has approximately 7,703 employees worldwide\*\*.

### Current status of Qisda



\* The shipment volume of LCD displays in 2023 was approximately 16.20 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, 2023. 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. (22 dispatched workers in Taiwan; 3,537 in Suzhou, China; 107 in Vietnam)



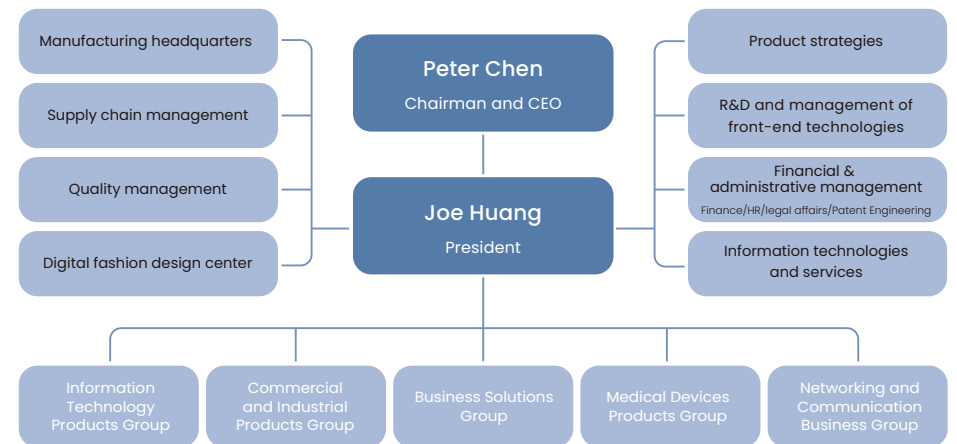
## Business Overview and Organizational Structure

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

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

In June 2017, Qisda was succeeded by Mr. Peter Chen as the Chairman and President. With 33 years of working for the company, Mr. Peter Chen possesses extensive experience in different field such as product development, global marketing and client relationship management. Qisda relentlessly strives for exceptional growth under his leadership.

### Organizational structure of Qisda



# Letter from the Chairman & President

## Letter from the Chairman

邁向淨零里程  
共創集團永續

*Peter Chen*



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

On a consolidated basis, revenue for 2023 was approximately NT\$203.6 billion, representing a decrease of 15% compared to the same period in 2020. Undoubtedly, it has been a tough year for all of us. Despite the ongoing external uncertainties in 2024, including unpredictable negative factors such as war and inflation, we must remain vigilant and take an optimistic outlook for the future. Moreover, we must seize the opportunity of economic recovery this year to raise revenue and maximize profit.

To accomplish the vision of “Achieving Over 50% of Profit from High Value-Added Business by 2027,” we need to enhance profitability by adhering to the principle of “All rivers flow to the sea, but the sea is never full” . Through merger and acquisition, we invite talented person to join our grand fleet, utilizing group resources, power and strength to build bright future together. We must accelerate the pace of optimizing existing business at the same time, advancing both initiatives to drive business growth in the group with operational efficiency in 2024.

Since the advent of generative AI at the end of 2022, an increasing number of companies and individuals have handed over repetitive and fixed tasks to AI, and the trend of a paradigm shift has become very obvious. When external circumstances changes, we should be open-minded to learning and applying new things proactively instead of insisting on working with an old pattern.

Both AI and ESG are currently the most important trends. Last year, the Group collaborated with the alliance and attained a lot of recognitions in the aspect of ESG, winning a total of 29 sustainability-related awards throughout the year. We have set goals to cut carbon emissions from the supply chain by 30% by 2030, switch to 100% renewable energy by 2040, and reach net-zero emissions by 2050 to actively implement sustainable operations. We hope that all employees can work together to improve operational performance and achieve value transformation and sustainable growth!

## Letter from the President

*Together.  
Make The World Better*

黄漢升



Corporate sustainable development is one of Qisda's core values. We are aware that only through SDGs can we protect the Earth's environment, continuously improve employee benefits, and create economic value for the Company.

ESG strategies have been integrated in our business model, aligning with SDGs to ensure corporate sustainability, in the hopes of making positive impacts on the society and environment.

As for research and development of green products, we continue reducing the carbon footprint of products. Green operations emphasize environmental protection measures, promotion of energy conservation and carbon reduction, and driving low-carbon manufacturing and materials.

We take the initiative to use Renewable Energy Certificates to promote clean energy use and minimize environmental impact.

The advent of Generative AI in November 2022 has accelerated our progress as it can automate repetitive and time-consuming tasks. Consequently, Generative AI enable us to boost productivity at work and augment our creativity.

AI will not replace humans, but people who can use AI will replace people who cannot use it. To be up for the challenge of the new era, we can work together and follow the path to excellence together. We are determined to lead the Grand Fleet and face challenges head-on to continue standing at forefront of the industry. Through the three principles of specialize, optimize and pioneer, the Company is required to simplify operations and make good use of resources. There is no best, there is always a better. We should spur ourselves with the highest standards and form an excellent team jointly to provide the best products and services and become a global leader in the industry.

Moreover, we continue fulfilling our social responsibilities, including actively participating in community activities, supporting local education and public welfare organizations, and ensuring that our supply chain and partners are following high standards of social responsibility. We have established a clear and transparent communication mechanism to work with stakeholders in promoting the sustainable development of the society.

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

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

# Philosophy of Sustainable Operations

## Core Values

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



## Qisda's Advantages and Accomplishments

Qisda has the R&D and manufacturing capacities for displays, optics, wireless communication, image, medical use, automotive application, automation, and LED illumination. Such capabilities enable the Company to develop and create diversified product lines, which is an advantage that only few electronic manufacturing companies in the world have. Moreover, we not only grasp the technologies of LCD, LED, electronic paper, touch screen, and IC design by leveraging the synergy of the vertical integration of the Group’ s upstream and downstream partners, but also independently own the vertical integration capabilities of surface-mount technology (SMT), metal stamping, plastic injection and LCD module assembling. The ten main categories of products provided for the customers are displays, projectors, smart IoT, on-board products, industrial automation, medical care electronics, medical equipment and consumables, smart solutions, private 5G network, and network communication. In 2023, Qisda demonstrated solid operation of major product lines. With the display products ranked second in the world, we continued to developing toward advanced and professional displays and medical displays with a high unit price. The manufacture and sale of projectors remained in the global leading position. In addition to completing the product portfolio from portable to high-end laser models, we entered the new Blue Ocean of 3D machine vision with this precise optical technology. As for development of the medical business, our two medical centers in Suzhou and Nanjing operated well. We have been devoted to the construction of the IoT hospital and smart hospital, boosted the electronic medical care product lines and deployed them in the global market. Another focus of our strategy is the development of six smart solutions. We also enhance the integration relationship with software and hardware service providers, and invest in the 5G network communication business to meet the requirements of the industries for digital transformation under the threat of the pandemic.

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



Qisda's products



Digital light processing (DLP) projector shipment volume

Ranking **NO.4** in the world

LCD display shipment volume

Ranking **NO.2** in the world

To Find out More: <https://www.qisda.com/tw/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 organizational change has been covered in the operating strategies. This includes the integration of global manufacturing and supply chain management, enhancement of in-plant vertical integration capabilities, and setup of the production mode featuring low volume, great diversity and customization, which all help improve the Company’ s capabilities of serving customers. Furthermore, by combining the integration and application of software, we continue to maximize the value of the Company, achieve high customer satisfaction, and facilitate the operating strategies of a solution provider.

### Participation in associations

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

The Chairman of Qisda, Peter Chen, was the Chairman of the Taiwan Mergers & Acquisitions and Private Equity Council (MAPECT) for the year 2022 to 2023. He not only aims to keep on building a complete environment for mergers, acquisitions and private equity investments in Taiwan, but also strive to enhance relevant laws and systems, provide the competent authority with suggestions on policies, and widely communicate and cooperate with relevant international organizations.

In response to the significant international initiatives and the impact of climate change, Qisda has actively joined climate action organizations in Taiwan and abroad, such as joining the RE100 and the Technology Based Targets initiative (SBTi) in 2022, and filing submissions for SBTi target review in 2023. We commit ourselves to cutting carbon emissions from the supply

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

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

In 2023, Qisda participated in 30 international and domestic associations, with the expense totaling NT\$6.52 million. From 2020 to 2023, the accumulated expense was NT\$12.81 million in total.

### Associations and organizations in the industry that Qisda joined in 2023 include

Category	Participated associations or organizations	Member	Director/supervisor
Corporate merger and acquisition Industrial development	As a corporation that operates in various industries, including the ICT industry, medical business, smart solutions, etc., Qisda has actively transformed and grown through investments, mergers and acquisitions. The industrial development related associations that we joined in 2023 include:		
	Taiwan Mergers & Acquisitions and Private Equity Council (MAPECT)	●	●
	Taiwan Electrical and Electronic Manufacturers’ Association	●	
	Taipei Computer Association	●	●
	Institute for Biotechnology and Medicine Industry	●	●
	Taiwan Medical and Biotech Industry Association	●	●
	Taiwan Automation Intelligence and Robotics Association	●	●
	Photonics Industry & Technology Development Association (PIDA)	●	
	Taiwan Space Industry Development Association	●	●

\* Qisda has paid attention to material issues and participated in associations and organizations to influence public policies. However, we maintain political neutrality and do not contribute to political activities. During the past 4 years (2020-2023), the Company did not make any political contribution, and had no election or referendum related expense.



Associations and organizations in the industry that Qisda joined in 2023 include

Category	Participated associations or organizations	Member	Director/supervisor
Technological innovation	Qisda has obtained leading positions in the global display and projector industries. Thus, we participated in relevant associations to promote technological innovation and international standards, including:		
	VESA	●	
	HDMI LA	●	
	MHL	●	
	HDBaseT Alliance	●	
	GMDN Agency	●	
	Taiwan Internet and E-Commerce Association	●	
	TPSA	●	
	Smart Display Industrial Alliance (SDIA)	●	
Corporate governance	Attaching importance to shareholder rights and transparent governance, Qisda joined the following corporate governance related associations:		
	Taiwan Association of TWSE/TPEX Listed Companies	●	●
	Taiwan Industry Holding Association	●	
	Institute of Internal Auditors, R.O.C	●	
	Taiwan Stock Affairs Association	●	
	Taiwan Independent Director Association	●	●

Category	Participated associations or organizations	Member	Director/supervisor
Environmental sustainability	Qisda has actively taken climate actions in the hope of leading the partners in the supply chain and of the Group to implement green operation. The environmental sustainability related associations that we joined include:		
	RE100	●	
	Taiwan Climate Partnership	●	●
	CommonWealth Magazine Sustainability Council	●	
	ESG Technology Innovation Promotion Alliance	●	
	SBTi	●	
	TCSA Center for Corporate Sustainability	●	
	Business Council for Sustainable Development Taiwan	●	
	Others	Qisda has valued human capital, industrial design and other issues. Hence, we participated in relevant activities or held a post as a director in groups and organizations, such as:	
Management Intelligence Sharing Association		●	
Artificial Intelligence Foundation		●	●
Taiwan Design Research Institute		●	●
Taiwan Renaissance Platform		●	

# Qisda and Our Sustainable Partners

## Grand Fleet Partners: Create Green Positive Effects

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

### Creating Sustainable Value Together

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

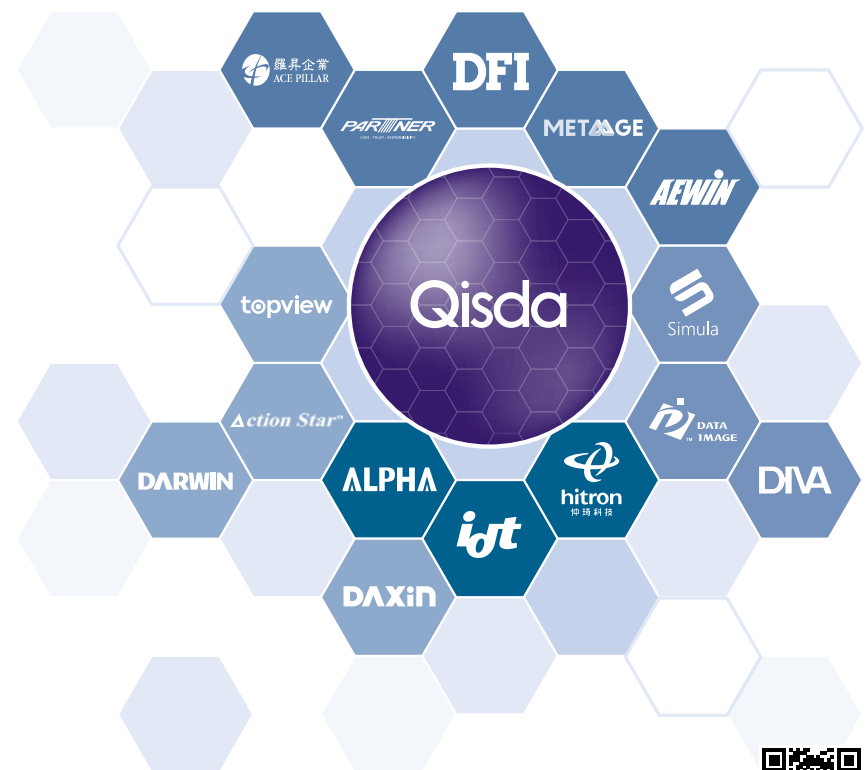
### Synergy of the Group

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

### The Same Text and the Same Track

Qisda continues to stand with hidden champions from each target field; consequently, we have faith in expanding the Qisda Grand Fleet. We look forward to promoting economic,

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



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



## Enhancing the Sustainability Skills of the Grand Fleet

### I. Sustainability Manager

To march toward the net-zero goal, create a sustainable value chain, and respond to the 345 goals of the 2022 Suppliers' Meeting (commitment to reducing carbon by 30% in the supply chain in 2030, RE100 in 2040, and Net Zero in 2050), we uphold the strategies of the Grand Fleet and continue working with the companies in the Grand Fleet to implement the ESG Principles together. We launched an ESG sustainability workshop in early 2023. After 10 weeks and 80 hours, we were dedicated to assisting the employees and the supply chain to transform sustainability from conceptual thoughts to practical actions. A total of 54 employees from 10 companies of Qisda Group have passed the sustainability manager certificate examination. They injecting vitality into the sustainable competitiveness of these companies. It is hoped that the newly recruited sustainability personnel can internalize what they have learned into their jobs and accelerate the net-zero promotion process of the Group.



### II. Practical training of carbon footprint management

Product carbon footprint is a calculation indicating the greenhouse gas emissions of products and services throughout their life cycle (raw material -> manufacturing -> transportation -> use -> waste). It is an important data management tool for achievement of the net zero goal.

We provided a training with respect to this tool in November 2023. To ensure R&D and carbon footprint implementation partners can get started immediately, we commission the team from the Industrial Technology Research Institute (ITRI), an expert of product carbon footprint in Taiwan, to design the workshop. This 2-day and 12-hour theoretical and practical study workshop was conducted in a physical manner, and 30 trainees from 14 companies were taught the ability to calculate the carbon footprint of products to facilitate subsequent carbon reduction planning.

### III. Sustainability report workshop

To reflect ESG efforts and achievements in all aspects, establish trusting relationships with stakeholders, meet FSC's compliance requirements for sustainable development, and assess operational risks, we realize that it is very important for partners to develop sustainability reports that are suitable for the company. In mid-December, we took the initiative to gather 10 subsidiaries and 30 partners, and after a total of 24 hours of training for 3 days, the 6 partners who had developed the report became more familiar with the report preparation process, and the 4 partners who had not yet issued the report were able to deploy in advance to catch up with the progress.



### IV. Circular economy workshop

In December 2023, we invited 40 people from 10 partners of the Group for a circular economy exploration workshop. We hope that employees of the Group can reach a consensus on circular economy. The workshop ended with a practical drill of "circular display/projector

service" to explore new opportunities for internal/external circulation. The partners have identified more than 20 resource circulation opportunities at different levels, including materials, components, products, and services.



## Learning Value Chain Sustainability Together: Building Environmental Influence

### I. The Qisda Group unites 696 suppliers to learn about the transition to net zero value chains

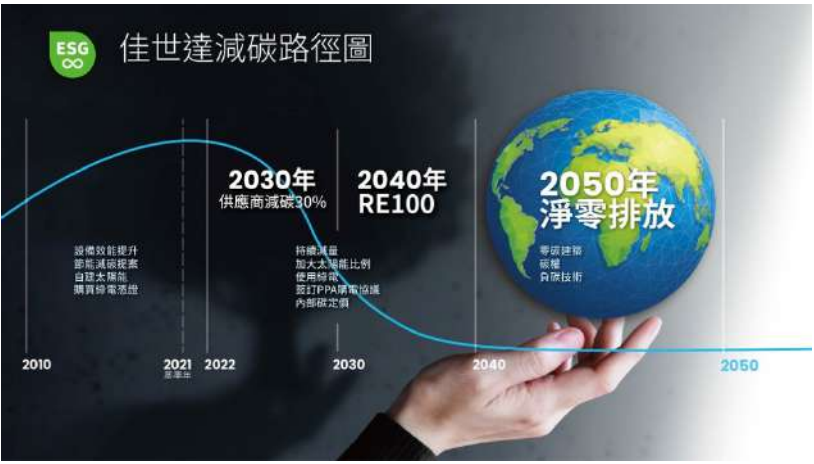
Qisda held a supplier' s meeting centered around 'Together, Reduce Carbon Emissions To Make the World better' in Hsinchu in December 2022. A total of 400 domestic and overseas suppliers attended the meeting through physical and online means. Mid- and high-level managers were committed that suppliers must reduce carbon emissions by 30% by 2030. This is not only a commitment of the Company, but also Qisda' s commitment to social movements. To achieve the 30% carbon reduction commitment, an organized step-by-step strategy must be executed. The ESG sustainability action workshop was established in 2023 to carry out sustainability awareness activities at each stage in the value chain. For upstream suppliers, 18 courses on ISO 14064-1 (Greenhouse Gas Inventory) have been provided. Data plays a crucial role in carbon reduction management. We must ensure the relevance, completeness, consistency and accuracy of the data. We teach suppliers thoroughly to ensure that they are master the skill of conducting carbon footprint inventory. A total of 880 suppliers should complete the training as planned, and 696 of them have finished the training at the first stage at a coverage rate of 80%. The suppliers that have not finished the training yet are requested to take online courses.



### II. Determination of suppliers' carbon reduction goal

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

#### Qisda Suppliers' Carbon Reduction Roadmap



# Sustainable Corporate Governance

## Our Sustainable Development

### Qisda's Sustainability Vision

 <p>Being an innovator for the design and manufacturing of ICT and medical products</p>	 <p>Enhancing the quality of human life</p>	 <p>Being Earth Friendly</p>
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## Our Sustainability Strategy




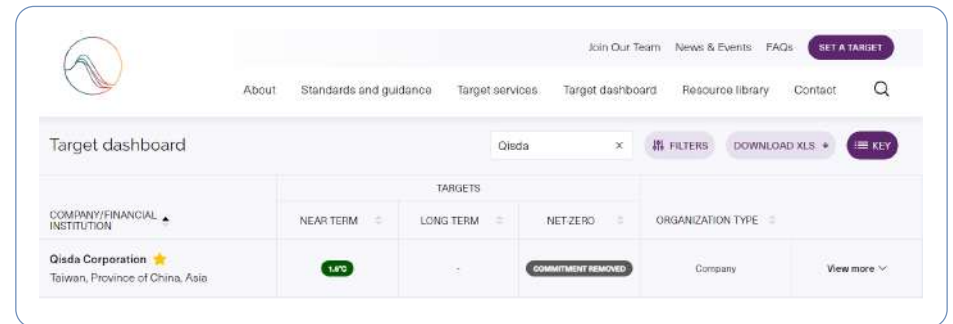
1. Moving from corporate survival to corporate sustainability, and further pursuing global sustainability
2. Incorporating sustainability performance with operating strategies
3. Enhancing the value of the Company's investment in sustainability
4. Complying with international regulations and meeting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

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

## Passing the SBTi target review

Qisda sets science-based reduction targets of limiting global warming to 1.5 ° C. We passed the SBT target review in February 2024 and launched science-based net-zero emissions actions.


Topic	Method	Completed in February 2024	Target Plans by Year
 Voluntary carbon reduction	Science Based Targets (SBT)	 Target review	Passing target setting: Achieved



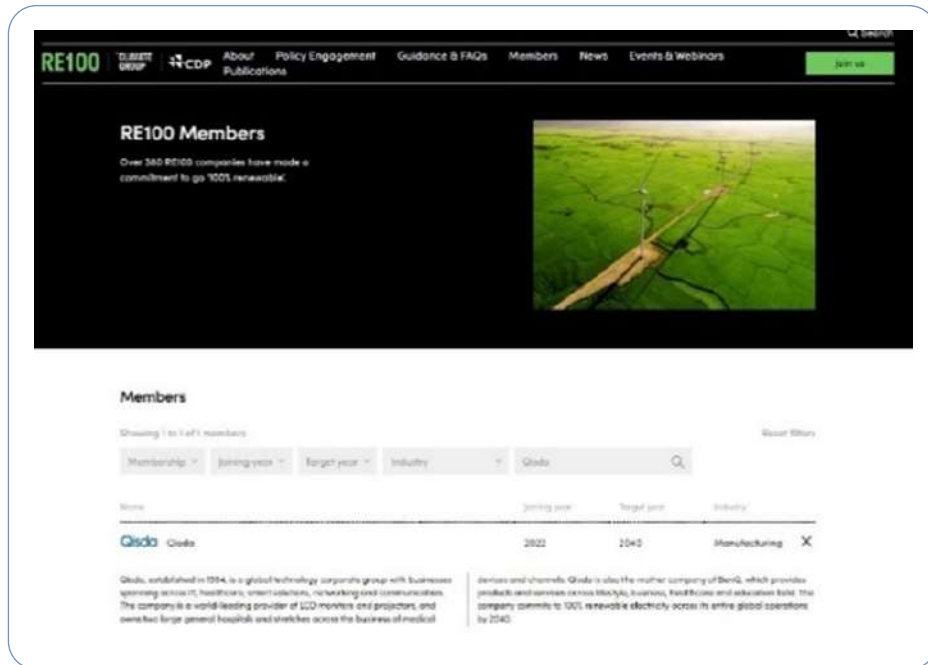
## RE100 Initiative

Qisda Group joined the RE100 Initiative in 2022 and bought renewable energy certificates to offset 21.6% of the company's energy use in 2023 in line with short-term goals.



Topic	Method	Completed in 2023	Target Plans by Year
 <p>Use of renewable energy</p>	Use of green power to reach carbon neutrality	Offset <b>21.6%</b> of energy use via renewable energy certificates With RE100 as boundary	<ol style="list-style-type: none"> <li>Short-term: Using renewable energy by <b>30%</b> in 2025</li> <li>Midterm: Using renewable energy by <b>60%</b> in 2030</li> <li>Long-term: Using renewable energy by <b>100%</b> in 2040</li> </ol>

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



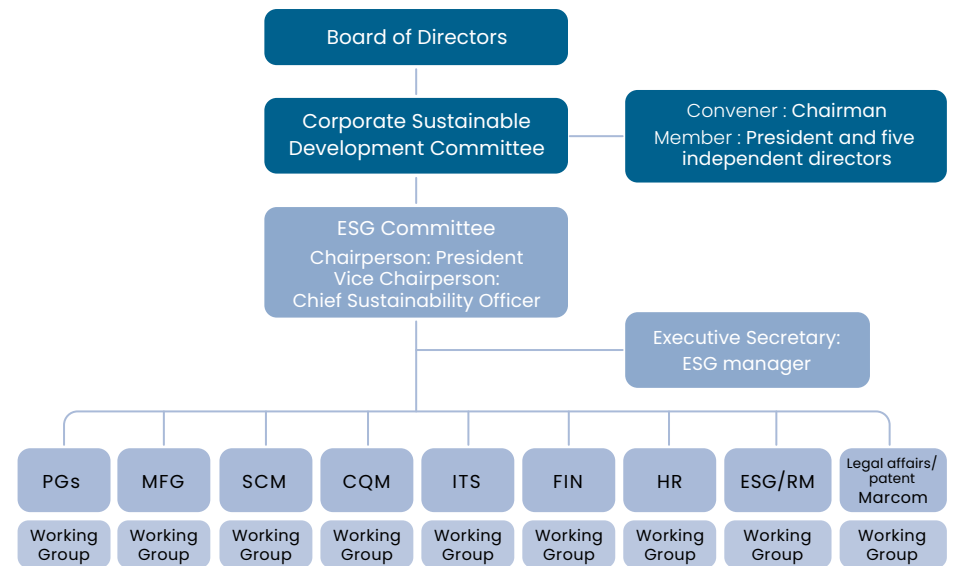
the above efforts, Qisda Group demonstrate by action that our commitment to sustainability to be in line with international standards..

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

### ESG Committee

In order to smoothly conduct ESG affairs and ensure the communication for and responses to the stakeholders’ suggestions on our business, Qisda has integrated the relevant departments to form the ESG Committee. The President, Joe Huang, serves as the chairperson while the senior managers of relevant departments act as the committee members of different dimensions. The Chief Sustainability Officer serves as the vice chairperson and is responsible for establishing and planning matters related to corporate sustainable

### ESG Committee Organization and Management Structure






development. Moreover, the ESG unit coordinates, promotes and guides the implementation by the department concerned. In order to improve the performance continuously, the ESG Committee convenes at least once a quarter. The Chairman and President preside over the meeting together to direct and supervise the senior managers. The committee members of different dimensions report the implementation status of the performance indicators and the progress of the corporate sustainable development relevant issues. Currently, the Committee monitors and discusses 49 indicators. It has held 71 meetings to date. Sustainability personnel and the personnel of each task force perform information and performance validation to ensure the consistency, completeness and accuracy of data; when any omissions are found, the data will be returned to the head of each department to complement and confirm the information. At the final stage, it should be disclosed after the approval of the ESG Committee. In addition, according to Qisda' s "Guidelines for Corporate Sustainable Development," material topics of the year, sustainability performance and the management results of climate governance related issues are reported to the Board of Directors every year on a periodic basis.

The 71st ESG Committee Meeting



Sustainability Statement of ESG Committee Members

BGs (ITG)  
Green Product Member



Information Technology Business Group President

Daniel Hsueh

Leading Qisda' s teams for information and communication products such as LCD displays and professional displays, we continue to upgrade green manufacturing processes to reduce energy consumption and waste generation. With the advanced green products, we are the customers' leanest and most reliable partner in terms of design and manufacturing services.

BGs (CIG)  
Green Product Member



Commercial and Industrial Business Group President

Yuchin Lin

We are committed to implementing comprehensive green management for Qisda' s commercial and industrial products from planning and project management, to sales and the supply chain. Furthermore, we mitigate the impacts on the environment and human health brought by the product lifecycle while ensuring successful delivery to the customers and maintaining profitability of our business.

BGs (MBG)  
Green Product Member



Medical Business Group President

Spark Huang

We innovate medical operation modes, utilize advanced software and hardware technologies, and dedicate ourselves into the four major fields: smart healthcare, hemodialysis, medical equipment and consumables, and medical services through investment as well as merger and acquisition. We not only make further improvement in being friendly to the environment, but also provide the employees with better and more comprehensive medical care for their health.

## Sustainability Statement of ESG Committee Members

**BGs (BSG)**  
Green Product Member



**Wenhsing Tsen**  
President  
Business Solutions Business Group

Qisda' s Business Solutions Group assists the Company in solving the pain point of digital talent shortage to create agile and flexible operational processes. Our subsidiaries not only provide the Company with sustainability plans such as green energy, energy storage, energy saving and carbon reduction, but also plan the "Digital Transformation Program," which includes digital process management and paperless courses, to provide the Company with cloud energy-saving, carbon reduction and digital governance solutions.

**BGs (NCG)**  
Green Product Member



**April Huang**  
President  
Networking and Communication Business Group

Focusing on IoT, Qisda' s Networking and Communication Business Group offers the customers wired and wireless networking products and system integration services. By utilizing technology, we aim to improve the quality of life and reduce digital divide. As we pursue the steady growth of the Company, we are also dedicated to carbon and waste reduction. Simultaneously, we implement vision projects for sustainable development and create a cycle of goodwill and public welfare to pursue a society with common prosperity.

**MFG**  
Member of Green Operation



**Zhenyu Li**  
President of Plants

With green thinking, we guide the overall planning from factories and production lines to machines and products. From single points to all levels, we effectively solve carbon reduction, energy saving, environmental protection and other issues. In addition, we make good use of AI and automation to upgrade our production lines and construct a new generation manufacturing system. This action is to be concerned about both employee well-being and operational efficiency, further creating innovative production and operation modes.

**SCM**  
Member of Green Supply Chain



**Jung-Hua Wu**  
President of Supply Chain

Measures of green management such as carbon emissions reduction have been incorporated in our supply chain management plans. We also discuss and share Qisda' s ESG goals and plans with the suppliers to build consensus and ensure that the suppliers meet our expectations and requirements regarding ESG. We monitor the ESG performance of the suppliers and provide ESG training, technical guidance, and resource sharing to help them improve their ESG performance.

**FIN**  
Member of Financial Performance



**Jasmin Hung**  
Vice President of Finance/spokesperson

We ensure that the sustainability information provided internally/externally is accurate and compliant, and continuously follow up on the financial and non-financial performance related to sustainability of the unit concerned. Through quantitative follow-up and management mechanisms, we make sure that resources of all departments are effectively integrated and aligned with the developmental direction of the Company' s sustainability strategy.

**Vice Chairperson/ HF Member**



**Danny Lin**  
Chief Sustainability Officer/  
Vice President of HR

We ensure that the Qisda Group complies with increasingly complex standards and regulations of sustainable operations. To perform the most effective management, enhancing risk identification and management, assessing the most urgent ESG issues across all sectors in the Company and quantifying their long-term impacts. We also actively build an ESG culture in the Company and guarantee that every unit and individual follow the Company' s ESG strategies, fostering internal consensus and implementing our commitment to ESG.

**ITS**  
Information System Member



**Li-Wen Huang**  
Chief Information Officer

Through digital transformation, we improve organizational agility, enhance cross-system integration and link all information from R&D to manufacturing. With these, we support the calculation of product carbon footprints and life cycles, which becomes an important statistical foundation for the sustainability performance. In addition to promoting the application of green information technologies, we choose energy-efficient equipment and cloud solutions to reduce energy consumption and carbon emissions, and even assist in enhancing green supply chain management through systems.

# ESG Sustainability Achievements

## Sustainability Achievements in 2023



**HR Asia**

Best Companies to Work for in Asia



**DJSI-THQ category**

Being selected in Yearbook 2024



**APEA-Asia Pacific Enterprise Awards**

“Entrepreneur of The Year Award”



**Business Weekly Carbon Competitiveness**

Top 100 Companies



**HR Asia**

Best Companies to Work for in Asia



**The 16th Taiwan Corporate Sustainability Awards**

Platinum Award for Sustainability Report  
Bronze Award for Sustainability Report, English version  
Overall Sustainability Performance Top-100 Best Sustainability Enterprise Award




**Commonwealth Magazine Sustainability Citizen Award**

48th place



**The 16th Taiwan Sustainability Action Awards**

4 awards:  
1 golden, 1 silver, and 3 bronze

- Golden Award for “Travel Volunteers and Sustainable City and Community Values”
- Silver Award for “Circular Economy of Green Medical Devices”
- Bronze Award for “Energy Saving and Carbon Reduction and Turning Waste Heat to Gold”
- Bronze Award for “Go Ahead Bravely and Positive Circulation of Talents”



**AREA-Asia Responsible Enterprise Awards**

2 awards:  
“Green Leadership Award”  
“Corporate Sustainability Reporting Award”



**CDP**

Climate Change B (management level)  
Water Security B (management level)



**Green Building Label**

Silver

**Suzhou City Annual Ranking of Economic Contribution**

Receipt of the Annual Model for Economy Award

**Suzhou City Annual Ranking of Product Innovation**

Receipt of the Contribution to Innovation Award

## Our Sustainability Value Creation Process

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

### I. Investment

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

### II. Creation of Value

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

As a company of electronic design and 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 and management of different programs. Short-, medium- and long-term management indicators are further set for the ESG Committee to review the performances on a regular basis. Since the systematic promotion of ESG in 2009, Qisda has been making efforts to keep in line with the established performance indicators of sustainable operations in the economic, social and environmental dimensions. In addition, annual targets are set for the material topics of the year that the stakeholders are concerned about; such targets are reviewed and reassessed yearly.

### Investment

#### Financial Capital



The foundation of investment in the R&D and production of products and relevant services built via financial management

#### Human Capital



The planning of comprehensive talent development blueprints and provision of necessary training to help employees abide by the Company’s regulations based on “integrity and introspection,” and complete their tasks actively with “passion and professionalism”

#### Manufactured Capital



The maintenance of Qisda’s infrastructure, such as buildings, and of production equipment, together with the collaboration with the supply chain, in order to offer better commodities and services to the customers

#### Social Capital



The collaboration with stakeholders for the engagement in and devotion to social participation to care for and contribute to the entire society

#### Intellectual Capital



The investment in resources, the demand to ourselves to pursue excellence under the highest standards, and the attitude of constancy to do the best for operations, products and services and maintain soft power continuously





#### Natural Capital



The sustainable materials and green designs at the very beginning to proactively reduce the impact of supply chain, operations and products on the environment and biodiversity to fulfill the commitment to environmental protection and sustainable development

## Output-Implementation of SDGs in 2023

SDGs	Action	Corresponding Chapter in the Report
 <p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.</p>	<ul style="list-style-type: none"> <li>Promoting diverse career development plans, invest adequate resources and integrating physical and virtual learning platforms, and providing employees with diverse and comprehensive learning courses.</li> <li>Promoting narrowing of digital gaps, improving digital education for all, and promoting smart health care without differences</li> <li>Continuously taking root downwards, actively promoting Dream Action Campus Lecture, conveying positive power, and achieving unlimited possibilities for self-realization,</li> </ul>	<p>3.2.3 Talent Development</p> <p>3.6.1 Coexist with Nature</p>
 <p>Achieve gender equality and empower all women and girls</p>	<ul style="list-style-type: none"> <li>Organizing activities to protect the power of women from time to time (such as a series of self-defense courses)</li> <li>Maternity protection Measures</li> </ul>	<p>3.4.1 Employee Health Management</p>
 <p>Ensure access to affordable, reliable, sustainable and modern energy for all.</p>	<ul style="list-style-type: none"> <li>Every business department actively invests in developing low-carbon products</li> <li>Suzhou Plant in Mainland China and the office building of the headquarters are actively building green power systems. The annual power generation in Mainland China is 4.67 million kilowatt-hours and in Taiwan 530,000 kilowatt-hours to a total of 5.2 million kilowatt-hours.</li> <li>Energy-consuming equipment is updated for the factory and office in the production and R&amp;D areas. For example, high-efficiency ice machines are used as a replacement in Taiwan to reduce approximately 770,000 kWh per year.</li> </ul>	<p>2.3.3 GHG emissions</p> <p>2.3.4 Reduction Targets and Commitments</p> <p>2.7.2 Green Products</p>
 <p>Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation</p>	<ul style="list-style-type: none"> <li>Enhancing management of hazardous substances and selecting suppliers with management capabilities through establishment of a management system platform to ensure raw materials and products meet regulatory requirements.</li> <li>Establishing a product carbon footprint management platform</li> </ul>	<p>2.7.2 Green Product ; Quality/Hazardous Substance Management</p>








SDGs	Action	Corresponding Chapter in the Report
 <p>Ensure sustainable consumption and production patterns</p>	<ul style="list-style-type: none"> <li>Implementing environmental protection, to which as have been dedicated for more than ten years, introducing sustainable tourism, and promoting the process of "from the place of the production to the dining table" in an immersive manner</li> </ul>	<p>3.6.1 Coexist with Nature</p>
 <p>Conserve and sustainably use the oceans, seas and marine resources for sustainable development.</p>	<ul style="list-style-type: none"> <li>Cleaning the beach 4 times, with 500 volunteers participating in the cleaning</li> <li>Integrating local resources, inviting local marine waste experts to explain sorting of recycled materials, and training volunteers to change their lives and jointly reduce plastics for protection of marine ecology.</li> </ul>	<p>3.5.2 Happy Workplace for Happy Employees</p>
 <p>Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss</p>	<ul style="list-style-type: none"> <li>Joining Taiwan Nature Positive Initiative to conduct risk and dependency risk assessment based on LEAP principles</li> <li>Conducting ecological diversity survey at the factory and other 2 sites</li> </ul>	<p>2.6.1 Biodiversity Risk Assessment and its Scope</p>
 <p>Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development</p>	<ul style="list-style-type: none"> <li>Qisda supports government's net-zero initiative and forms the "Taiwan Climate Partnership" with seven other companies, hoping to use corporate influence to help industries create green business opportunities in the carbon reduction trend.</li> </ul>	<p>Participation in associations</p>












## Products and Services in Response to the UN SDGs

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



Solution	Description	Applied Software and Hardware	SDGs
 <p><b>Smart energy</b></p>	<p>We uphold the notion of smart energy saving with love and care for our environment. We focus on energy-saving technologies, the scope of services includes air conditioning, air compression, heat recovery, lighting, power consumption management, uninterruptible power supply, energy storage, energy management, and IoT. Through sharing energy efficiency benefits, we have established long-term partnerships with customers. Accordingly, our goal is to improve customers' competitiveness through professional energy services, ensuring energy-saving benefits, reducing manpower burdens, and achieving ESG goals.</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>With the advent of Industry 4.0 and the 'Low- Carbon Transition', traditional factories are increasingly moving towards intelligent production. To achieve this goal and meet complex, small-batch production demands, 'automation' and 'intelligitization' have become crucial. Equipment stability, scalability, and the adoption of virtualization technology are essential for integrating ICT and OT. Additionally, the importance of OT cybersecurity has increased with the rapid development of the IoT. In the future, users in industrial automation will only need a single central processor to execute various operating systems, seamlessly integrating a vast amount of shared data for real-time monitoring, remote management, and providing cybersecurity defense. This not only enhances production efficiency, product quality, and process safety but also significantly reduces the time, manpower, and costs associated with infrastructure development, providing an ideal smart solution for automated factories.</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 Radio frequency identification system(RFID), traceability, etc.</p>	 



Solution	Description	Applied Software and Hardware	SDGs
 <p><b>Smart Education</b></p>	<p>We provide various digital tools to support the integration of IT in education and technology in teaching scenarios, and we also provide school administration systems, integrated smart classroom teaching service systems, teacher-student communication platforms, mobile applications, and campus security and resource monitoring. We focus on several key parties such as parents, teachers, students, administrative staff, technical engineers and policy stipulating staff. With such parties as our core, we establish innovative and smart overall solutions for campuses and technical architectures, and we also collect important key data, in order to head towards the direction of individualized learning and adaptive learning.</p>	<p><b>Hardware</b> Campus security monitoring</p> <p><b>Software</b> School administration &amp; student information system smart classroom &amp; teaching integration service system teacher-student friendly platform and 1-Campus APP</p>	
 <p><b>Smart Healthcare</b></p>	<p>We provide medical care solutions integrated with ICT capabilities. Accordingly, we integrate automation, mobilization, hardware and software, with the smart hospital at its core, in order to utilize IoT/IoMT in the four major fields of smart medical consultation, quality care, smart surgical rooms, and green hospitals, thereby preventing and reducing errors. With the integration of the Dashboard application, precision and quality hospital operations can be achieved, and it can also be extended to smart care and healthy living of various medical sectors externally.</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><b>Smart Retail</b></p>	<p>To satisfy the diverse hardware and one-stop shop demands for retailers, we provide integrated and highly-flexible POS systems, CMS, Kiosk, queuing systems, KDS, large commercial displays, projectors and peripheral equipment. In addition, for handheld devices such as mobile phones and tablets, we also provide services for integrating various software systems such as CMS, Beacon technology and surveillance systems, in order to allow customers to effectively obtain store operation information in a timely manner, achieve precision marketing, interactive consumer behaviors, and improve brand competitiveness.</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><b>Smart Enterprise</b></p>	<p>We provide enterprises with one-stop shopping IT solutions and are committed to building a modern IT operation structure for enterprise customers. The overall service scope includes: software and hardware integration, cloud &amp; on-prem integration, IT environment hosting, ERP deployment &amp; maintenance, AI and Big Data applications, RPA, BPM, HRM, MES, ESG Solutions and SaaS applications.</p>	<p><b>Software</b> Human capital management (HCM), supplier relationship management (SRM), business process management (BPM)</p>	 

# Qisda and Our Stakeholders

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

## Materiality Analysis Process

Qisda conducts materiality analysis every year and integrates the impact assessment methodologies developed by the Value Balancing Alliance (VBA) and the Impact-Weighted Accounts of the Harvard Business School based on GRI3: Material Topics 2021 of the GRI Universal Standards 2021 and the EU concept of Double Materiality to construct an impact-based materiality analysis process. In 2023, the materiality analysis process and the results were verified by a third-party organization, Bureau Veritas Certification (Taiwan) Co., Ltd., based on AA1000 Assurance Standard v3(AA1000 AS v3) Type 2 Verification.

## Collection of Sustainability Issues

21 issues were collected in consideration of the international sustainability trends and standards, including GRI Standards, SDGs, SA8000 Social Accountability Standards, RBA, SASB, and major concerns of investment institutions such as DJSI, CDP, TCFD, and TNFD information disclosure frameworks as well as the material issues of industry benchmarks, matched the Company's corporate sustainable development strategies and goals and the process of interaction with stakeholders. Compared with the previous year, we added four new topics, including 'corporate governance', 'integrity management', 'risk management', and 'business and human rights'. We also renamed 'climate mitigation and adaptation', 'pollutant impact management', 'employee education and training', 'work health and safety', and 'workplace inclusion and equality' to 'climate strategy', 'pollution management', 'employee training and development', 'occupational health and safety', and 'diversity and inclusion'; 'the talent hiring and employee benefit' was combined with 'the wage' into 'talent policy'; 'use of raw materials' and 'customer safety and health' were deleted.

## Materiality Analysis

Qisda considers the concept of double-materiality to conduct materiality analysis from three perspectives, including concerns of internal and external stakeholders, impacts on organizational operations, and impacts on sustainable development. Regarding the impact on sustainable development, we integrated the monetized and non-monetized assessment methods into more effective manner. Qisda introduced a new monetized assessment method this year through the sustainability impact valuation. (Refer to the Sustainability Impact Valuation for relevant information.)

- Concerns of internal and external stakeholders: Qisda used questionnaires to investigate the degree of concerns of internal and external stakeholders on ESG issues, including employees (206 copies), investors (2 copies), customers (3 copies), and suppliers (18 copies), partners (4 copies), subsidiaries (1 copy), affiliated companies (2 copies), academic institutions (2 copies), and others (3 copies). A total of 239 stakeholders participated in the survey.
- Impact on organizational operations: The promotion of ESG is an important principle of Qisda in driving corporate sustainability. A total of seven senior executives participated in the survey to measure the impact of each sustainability issue on "revenue growth, employee loyalty, customer satisfaction, and operational risk". Moreover, exploring the degree of impact of each sustainability issue on the Company's operations from the perspective of financial materiality. The Issues were prioritize based on their materiality.
- Impact on sustainable development: Qisda invited 25 executives and employees to participate in the assessment of impact on sustainable development. The impact valuation was conducted to measure the positive or negative, potential or actual impact, and severity (scale, scope, and irremediable character) caused by upstream and downstream products and service as well as Qisda's operations, and the probability of occurrence. We set the threshold for the severity of impact and the probability of occurrence. The impact that reaches the threshold was classified as the significant impact caused or facilitated by Qisda. After which, we proceeded to prioritize the ESG issues. The results of the periodical monetization analyses were integrated to select the issues of significance and materiality.

## I: Identification

Steps and Process	Description
9 types of primary stakeholders	<b>Step 1: Communication partner</b> The 9 stakeholder groups, including employees, investors, customers, suppliers, business partners, subsidiaries, affiliated companies, academic institutions, and others, are the primary stakeholders of Qisda that are identified through the AA1000 Stakeholder Engagement Standard. We communicate and deliver our practices for achieving corporate sustainability to these primary stakeholders.
21 sustainability issues	<b>Step 2: Sustainability issues</b> To thoroughly gather sustainability issues related to Qisda, we collected 21 issues based on domestic and international sustainability norms/standards, sustainability initiatives, feedback from internal and external stakeholders, corporate management strategies, and feedback from internal executives.

Steps and Process	Description
19 impacts	<b>Step 5: Impact on sustainable development and operations</b> According to the Value Balance Alliance (VBA), Harvard Business School's "Impact-Weighted Accounts" research program, and the London Benchmarking Group (LBG), we defined 12 positive impacts and 7 negative impacts to assess the significance of sustainability issues on impacts.
10 material sustainability issues	<b>Step 6: Validation of material issues</b> Based on the survey of degree of concerns, the analysis result of the operational impact, and the approval of the internal ESG office and external experts, 10 material issues were validated and prioritized.

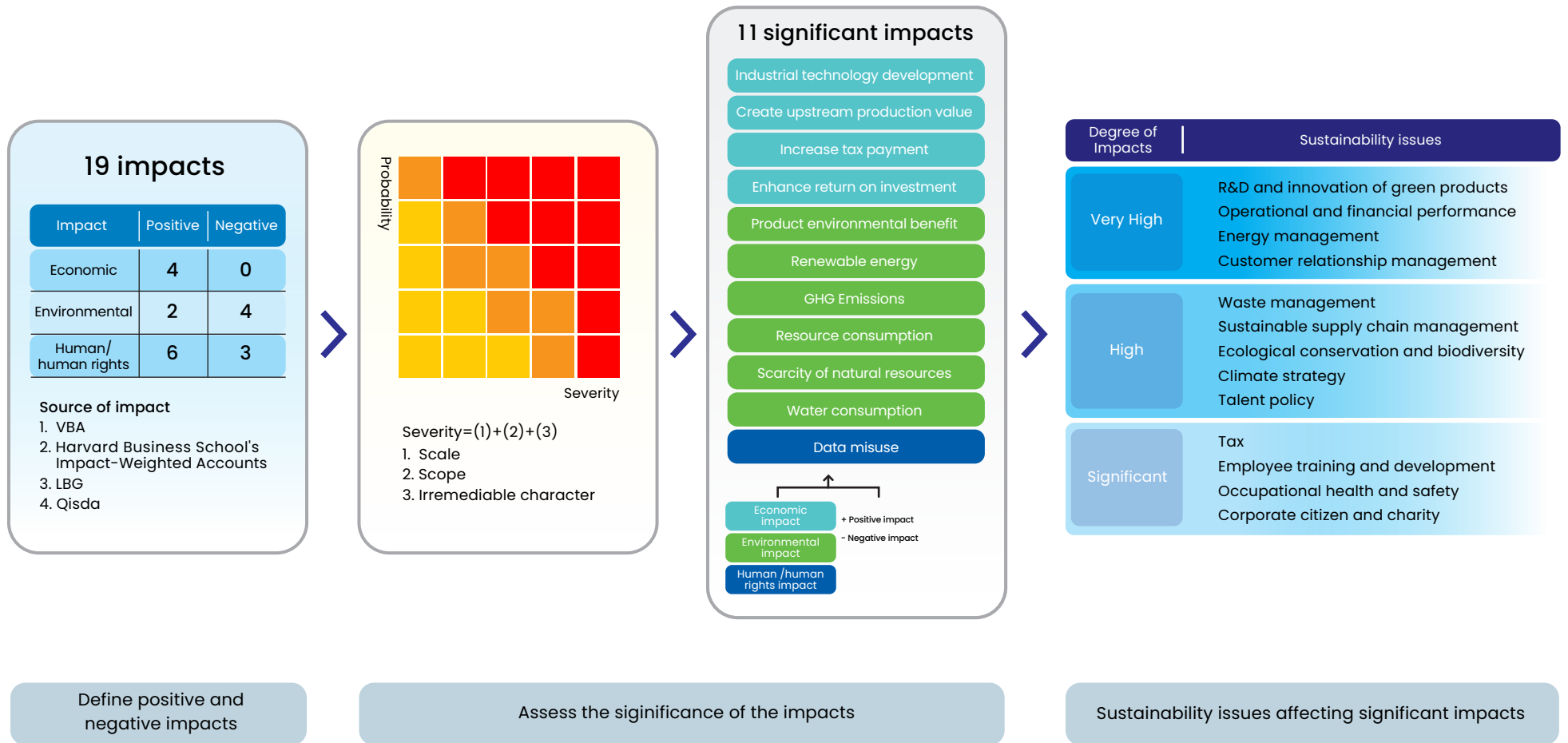
## II: Analysis

Steps and Process	Description
239 valid questionnaires	<b>Step 3: Investigation of degree of concerns</b> Online questionnaires were used to investigate the degree of concerns that primary stakeholders have on various sustainable issues. We received a total of 239 valid questionnaires, including employees (206 copies), investors (2 copies), customers (3 copies), and suppliers (18 copies), partners (4 copies), subsidiaries (1 copy), affiliated companies (2 copies), academic institutions (2 copies), and others (3 copies).
7 senior managers	<b>Step 4: Analysis of impact on operations</b> Seven members of the sustainability team and supervisors participated in assessing the impact of sustainability issues on the Group's operations based on four main factors, including revenue growth, employee loyalty, customer satisfaction, and operational risk.

## III: Validation

Steps and Process	Description
17 GRI topics	<b>Step 7: Review of disclosure contents</b> 10 material sustainability issues were identified corresponding to 17 specific topics in GRI (16 GRI topics and 1 Qisda-defined topic), and based on this to draw the information disclosure boundary of Qisda's value chain (supply chain management, operations, products, society) as the basis for reporting.
10 long-term sustainability goals	<b>Step 8: Formulation of long-term sustainability goals</b> To ensure that all of Qisda's sustainability initiatives can meet stakeholder expectations, we have formulated 10 long-term sustainability goals based on material issues. Moreover, we used them as a reference for internal review of performance achievements.

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



### Prioritize material issues

Material issues screening process includes the results of the questionnaire survey on the "level of stakeholder's concern," "organizational impact," and "sustainability impact," while considering Qisda's long-term goals to determine 10 material issues of "R&D and innovation of green products," "Operational and financial performance," "Customer relationship management," "sustainable supply chain management," "climate strategy," "waste management," "energy management," "talent policy," "employee training and development" and "occupational safety and health". These are reported to the Board of Directors. Material issues are prioritized according to whether they are significant impact issues (TOP 5) in all three questionnaires. Prioritization is conducted after calculating the level of impact. (See the asterisks in the figure below.) Based on the impact scope of the identified material issues in Qisda's value chain, 18 GRI topics were identified against the GRI Standards. The reporting requirements were followed to collect internal information, data, and management guidelines for disclosure.

### Qisda's Material Issues

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

### Qisda's Double- Materiality

Aspect	Material Topics	Operational Impact (Impact Materiality)				Sustainability Impact (Double Materiality)											
		Increased revenue	Customers satisfaction	Operational Risk	Employee loyalty	Industrial technology development (Positive)	Create upstream output values (Positive)	Tax payment (Positive)	Enhance financial returns to investors (Positive)	Product environmental benefit (Positive)	Renewable energy (Positive)	Greenhouse gases (Negative)	Energy/resource consumption (Negative)	Resource depletion (Negative)	Water shortage risk (Negative)	Breach of employee or customer privacy	
Economic Aspect	Operational and financial performance	●				●	●	●	●								
	Customer relationship management		●			●	●	●	●								●
	Sustainable supply chain management	●	●	●		●	●			●				●			
Environmental Aspect	Climate strategy		●	●						●					●		
	R&D and innovation of green products	●	●			●	●	●	●	●	●	●	●	●			
	Waste management									●	●	●	●	●			
	Energy management					●				●	●	●	●	●	●		
Social Aspect	Talent policy				●	●	●		●								
	Employee training and development				●												●
	Occupational health and safety				●												●

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

Qisda's Material Issues across the Value Chain

● Cause ○ Facilitate ⊙ Directly related

Aspect	Material Topics	"GRI Standards" Topic	Value Chain			
			Supply chain	Operation	Product	Society
Economic Aspect	Operational and financial performance	Economic performance (201), Indirect economic impacts (203)		●		
	Customer relationship management	Customer health and safety (416), Marketing and labeling (417), customer privacy (418)		●	⊙	
	Sustainable supply chain management	Procurement practices (204), Anti-corruption (205), Supplier environmental assessment (308), Supplier social assessment (414), Materials (301)	⊙	●		
Environmental Aspect	Climate strategy	Economic performance (201), Emissions (305)		●		
	R&D and innovation of green products	Materials (301), Energy (302), Marketing and labeling (471)		●	⊙	
	Waste management	Waste (306)	⊙	●	⊙	○
	Energy management	Energy (302)		●	⊙	○
Social Aspect	Talent policy	Market presence(202), Economic performance (201), Employment (401), Labor/Management relations (402)		●		○
	Employee training and development	Training and education (404)		●		
	Occupational health and safety	Occupational health and safety (403)		●		

Material Issues and Risk Management

Material Topics	Description of Risk	Type of Risk	Risk Severity <sup>1</sup>	Risk Likelihood	Mitigation Measures
Operation	Low	High	Establish a product development and management mechanism, regularly follow up on market investigation and customer opinions on diverse products.		
Operation	Low	High	Establish a product development and management mechanism, formulate product development and management regulations and make plans in advance, follow up on product improvement progress regularly, and stay informed about the progress of liability for damage.		
Strategy	Low	Moderate	Establish customer service mechanisms and regulations, regularly review results and revise development processes, regularly analyze the causes of customer complaints, and strengthen the maintenance of customer relationships.		



Material Issues and Risk Management

Material Topics	Description of Risk	Type of Risk	Risk Severity <sup>1</sup>	Risk Likelihood	Mitigation Measures	
<b>Customer relationships management</b>	<ul style="list-style-type: none"> <li>Quality defects</li> <li>Incomplete product testing requires frontline personnel to rework</li> <li>Rising energy prices will result in shifting cost to customers.</li> </ul>	Operation	Low	High	Establish quality verification capabilities, limit the scope of quality, prepare Bill of Materials (BOM), have a clearer notification mechanism for changes in the operation method, and request relevant units to review, and require the supervisor for confirmation of the inspection standard procedures.	
			Strategy	Low	Establish a product development and management mechanism, formulate product development regulations and product testing standards, and communicate with customers on a regular basis.	
			Low	Moderate	Meet customer requirements, and take the initiative to implement energy-saving measures internally (including install renewable energy power generation equipment and purchase renewable energy).	
<b>Sustainable supply chain management</b>	<ul style="list-style-type: none"> <li>Political unrest worldwide, inflation, and wars have resulted in raw materials shortages .</li> <li>No alternative and support suppliers for specific materials</li> <li>Suppliers' carbon emissions and green energy performance are not as expected.</li> <li>Rising costs of suppliers to achieve carbon reduction goals.</li> <li>Supplier chain disruptions due to climate events</li> </ul>	Operation	Low	Moderate	Dynamic supplier management mechanism; establish supplier management policies and regulations; regular review supplier sustainability audit	
			Moderate	Very high	Establish supplier management policies and regulations, conduct regular and irregular supplier evaluations, introduce alternative and support suppliers, and establish procurement strategies based on product demand.	
			Low	Very low	Establish supplier management platform for growing together and actively provide guidance for suppliers to improve their carbon reduction capabilities.	
			Low	Moderate	The business unit (BU) negotiates with customers for accepting the pass-on of carbon reduction and environmental protection costs, and finds alternative solutions.	
			Moderate	Very high	Conduct origin investigation and increase the ratio of remote production and 2nd source suppliers.	
<b>Climate strategy</b>	<ul style="list-style-type: none"> <li>Transition failure will result in the damage to corporate image, further result in customers under pressure from media</li> <li>Operational disruption caused by natural disasters</li> <li>Unable to comply with the environmental regulations of various countries and sell products to these countries</li> <li>Transition failure will result in the damage to corporate image, further affect recruitment and retention</li> </ul>	Operation	Low	Very low	Establish and practice a sound crisis communication mechanism, and take the initiative to establish a sound communication mechanism with stakeholders.	
			Damage	Low	Low	Aim to immediately activate the Business Continuity Management (BCM) mechanism to quickly restore operations. All Business Continuity Plans (BCPs) are included in the Crisis Management Handbook, which is the main guiding principle for the Company in the event of a major impact event.
			Strategy	Low	High	Integrate the life cycle thinking into the product design process, including green design in the early design stage. In each design review stage, it is confirmed that the products not only comply with the environmental protection laws and regulations of customers and countries of sale, but also improve accordingly.
			Damage	Low	Very low	Invest in more diverse education and training and regularly promote ESG culture and communicate with employees on a regular basis. Information on ESG results has been added to the official website to demonstrate the Company's emphasis and efforts on sustainability issues, improve stakeholders' positive perception of the Company, and enhance the recruitment process. points.

Material Issues and Risk Management

Material Topics	Description of Risk	Type of Risk	Risk Severity <sup>1</sup>	Risk Likelihood	Mitigation Measures
<b>Waste management</b>	<ul style="list-style-type: none"> <li>Damage to the Company's image due to improper waste disposal</li> </ul>	Damage	Low	Low	Assign dedicated management personnel to proactively track waste flows.
<b>Energy management</b>	<ul style="list-style-type: none"> <li>An increase in operating costs will result in a loss of competitiveness of products</li> </ul>	Operation	Low	Very low	Establish the ISO 50001 management system, include energy indicators as material topics monitored by the ESG Committee, and conduct quarterly reviews to track the progress of carbon reduction.
<b>Talent policy</b>	<ul style="list-style-type: none"> <li>Talents will be poached by competitors</li> <li>Business units have manpower shortage problem and manpower matching is time-consuming.</li> <li>Lack of skilled workers and operators</li> </ul>	Operation	Low	Very low	Formulate human resource policies, establish a human resource management mechanism, and implement leader training programs.
			Low	Very low	Confirm employees' expertise, establish a smooth internal promotion channel, and set deadlines.
			Moderate	Moderate	Establish a database of skilled labor and a personnel training mechanism
<b>Employee training and development</b>	<ul style="list-style-type: none"> <li>The participation rate of employee education and training courses is low, and the training effect is not significant, resulting in a low sense corporate identity among the employees.</li> </ul>	Operation	Low	Very low	Clearly plan courses that are closely related to employees' functions, enable them to master the knowledge and skills required in the workplace.
<b>Operational and financial performance</b>	<ul style="list-style-type: none"> <li>Revenue or profit does not meet the expectations of investors and shareholders, and long-term growth of financial returns cannot be created.</li> </ul>	Operation	Low	Very low	Optimize existing business operations, rapidly expand the medical business, accelerate solution development, and deploy in the network communication business.
<b>Occupational health and safety</b>	<ul style="list-style-type: none"> <li>Accidents involving contractors, resulting in the inability to provide qualified services or products.</li> <li>Insufficient awareness of the disease among employees at each site</li> <li>Employee work-related injuries</li> </ul>	Operation	Low	Very low	Establish an outsourcer management mechanism, implement the feasibility assessment management rules, formulate relevant regulations for contractor management services, and establish contractor performance evaluation management measures.
			Low	Very low	Formulate the Company's environmental safety policies and regulations, set up a dedicated unit to regularly review performance, perform regular/irregular audit inspections, take out insurance, review the causes of work-related injuries and establish mitigation measures, and provide employees with environmental safety and health-related education and training.
			Low	Very low	Establish employee health and safety management mechanisms and regulations, set up a dedicated unit to be responsible for employee health and safety, take out insurance, and provide education and training on environmental safety and health.

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

Note 2 Very High: Occurring more than once a year; High: occurring once every 3 years; Moderate: occurring once every 10 years; Low: occurring once every 30 years.

## Changes in material Issues

Compared to the previous reporting period (2022), we added 1 material issue (both positive and negative). No new material issues were added to the environmental aspect; 'employee wages and benefits' was removed from the social aspect and 'Operational Health and Safety' was added; 'operational and financial performance' was added to the economic aspect.

Aspect	Changes in Material Issues from the Previous Reporting Period (2022)	
	Added topic	Deleted topic
Environment		
Social	Occupational Health and Safety	Employee wages and benefits
Economic	Operational and financial performance	



## Management Practices

### Material Topic /

#### Operational and Financial Performance

Responsible Unit  
Finance

#### Positive Impact

Enhance financial returns to investors, increase tax payment, and create upstream output values

#### Negative Impact

#### Policy

Optimizing the operation of the business, accelerating the expansion of the medical business and development of the smart solutions, and creating strategies for networking communication business.

#### Commitment

Create Value

#### Project/Action

Laying foundation for ESG, expanding high profit margin businesses, exerting influence as the Grand Fleet

#### Performance Indicator

Profit from high-value added business

#### Short-term

2025:  
Grow incrementally

#### Medium-term

2027: Achieve  
over **50%** of profit

#### Long-term

2030: Continuously  
create long-term value

#### Engaged Counterparty

Shareholder, Investment institution, Employees

#### Engagement Channel

Investor conference, Shareholders meeting, Business briefing

#### Frequency of Engagement

Without a fixed schedule, at least once a quarter

#### Connected SDGs



Material Topic /

Customer relationship management

Responsible Unit  
Customer service

Positive Impact

Fully understand customer requirements to improve the quality of products and services, further facilitate the improvement of the Company's reputation, and increase market share/revenue

Negative Impact

1. It may result in a declining customer loyalty and satisfaction as well as some negative impacts on our business and goodwill, even brings lawsuits
2. It could represent a reputational damage to the Company, causes customer chun, and causes a declining market share and revenue.

Policy

Understanding customers' needs and expectations to the Company, and creating improvement plans and providing better services based on the results of customer feedback and satisfaction surveys.

Commitment

Fully comply with customer requirements and deliver a quality services

Project/Action

Establishing corrective actions through customer feedback and satisfaction to improve the quality of products and services

Performance Indicator

Customer satisfaction score

Short-term

2025: 93

Medium-term

2030: 95

Long-term

2040: 95

Engaged Counterparty

- Affiliate
- Shareholder
- Customer

Engagement Channel

- Customer satisfaction questionnaire survey
- Shareholders meeting
- Customer SER rating

Frequency of Engagement

- > Twice a year
- > Quarterly
- > Quarterly

Connected SDGs



Material Topic /

Sustainable supply chain management

Responsible Unit  
SCM

Positive Impact

Disseminate information about the social responsibility to suppliers, enhance the quality of work and life for employees and the sustainable operation goal, control performance periodically, disseminate the spirit of RBA to whole network of suppliers for enabling the operation of the supply chain in line with local laws and regulations and pushing the Company to meet the international trend and goals regarding work environment.

Negative Impact

Supply chain can't move with the times for transition, resulting in the lack of friendly work environments for the employees and violation of local laws and policies. The Company suffering reputational damage internationally.

Policy

Requiring suppliers to comply with local laws and regulations, and social standards, create environmental protection programs, and conduct regular investigation and audits.

Commitment

Improve values in the sustainable supply chain

Project/Action

Establishing corrective actions through customer feedback and satisfaction to improve the quality of products and services

Performance Indicator

Supplier carbon reduction

Short-term

2025: Suppliers reduce carbon emissions by 3%

Medium-term

2030:Suppliers reduce carbon emissions by 30%

Long-term

2040: Continuously manage supplier carbon reduction

Engaged Counterparty

- Suppliers

Engagement Channel

- Suppliers meeting
- Supplier Audit

Frequency of Engagement

- > Once a year
- > Once a year

Connected SDGs



Material Topic /

Climate Strategy

Responsible Unit  
Risk

Positive Impact

Negative Impact

Confronting the risks and challenges posed by climate change, we may suffer the significant impacts and consequences on operation caused by failure of climate change mitigation.

Policy

Setting carbon reduction and net zero goals and turning these goals into action.; Strengthening the corporate climate resilience

Commitment

Apply life cycle thinking to examine carbon emissions through all lifecycle stages and explore opportunities for reduction

Project/Action

Introduced ISO 14006 and IEC 62430 management systems

Performance Indicator

Absolute reduction: Scope 1, 2, and 3 GHG emissions

Short-term

Reduce emissions by  
**16.8%** by 2025  
(compared to 2021)

Medium-term

Reduce emissions by  
**42%** by 2030  
(compared to 2021)

Long-term

Reach carbon neutrality  
by 2040

Engaged Counterparty

Supplier, media, Subsidiary, Government, Shareholder, Customer, Employee

Engagement Channel

- Investor conference, shareholder meeting, sustainability report, the Company's communication platform, and internal educational and training ;
- Risk management committee, internal educational and training

Frequency of Engagement

- Multiple times a year
- 4 times a year

Connected SDGs



Material Topic /

R&D and innovation of green products

Responsible Unit  
PG/Sustainability

Positive Impact

Being eager to conduct climate change mitigation, apply green design thinking to the stage of design, create product values for customers, contribute to the goal of zero carbon emissions

Negative Impact

Overtime work of personnel related to R&D, patent, forward-looking development, and human resources; an increase in price may result in a financial burden of customers; hard to recruit R&D talents and unable to create product with more competitive advantages.

Policy

Applying energy-saving, volume reduction, and carbon reduction strategies to design and develop products and services

Commitment

Design products with 3Rs (Reduce, Reuse, and Recycle); Reduce waste related to operation and improve recycling and reusing waste

Project/Action

Introduced ISO 14006 and IEC 62430 management systems

Performance Indicator

Improve energy efficiency

Short-term

Improve energy efficiency  
by **4%** by 2025

Medium-term

Improve energy efficiency  
by **14%** by 2030

Long-term

Improve energy efficiency  
by **20%** by 2040

Engaged Counterparty

Supplier, Media, Affiliated company, Subsidiary, Government, Shareholder, Customer, Employee

Engagement Channel

- Investor conference,
- Shareholders meeting
- business briefing

Frequency of Engagement

without a fixed schedule, at least once a quarter

Connected SDGs



Material Topic /

Waste management

Responsible Unit  
Environmental safety

Positive Impact

Negative Impact

Ineffective waste management results in increased cost of revenue and directs stakeholders' attention to it.

Policy

Striving to prevent pollution, minimize waste, and reduce GHG emissions

Commitment

Increase the percentage of products and packaging materials used in the 3R practice, starting from source design; reduce the amount of operating waste and increase the reuse and recovery rate.

Project/Action

1. Courses related to green products;
2. Transforming waste into valuable resources, converting plastic waste to fuel

Performance Indicator

Proportion of recyclable waste

Short-term

2025: Reach **92.5%**

Medium-term

2030: Reach **95%**

Long-term

2040: Become a Zero-Waste factory

Engaged Counterparty

- Affiliated company
- Supplier
- Media
- Subsidiary
- Government
- Shareholder
- Customer

Engagement Channel

- Government inspection
- Customer audit
- Shareholder meeting
- Sustainability report
- The Company's communication platform
- ESG Committee
- Monthly Group meeting

Frequency of Engagement

- > Without a fixed schedule
- > Without a fixed schedule
- > 4 times a year
- > 4 times a year
- > Without a fixed schedule
- > Quarterly
- > Monthly

Connected SDGs



Material Topic /

Energy management

Responsible Unit  
Environmental safety

Positive Impact

Negative Impact

An increase in electricity consumption and energy use intensity results in an increase in production cost and a decline in profits, directing stakeholders' attention to it. ; potential carbon fee and carbon tax collection in various countries results in an increase in cost of revenue

Policy

Striving to enhance energy efficiency, and reduce GHG emissions

Commitment

1. Improve energy use efficiency
2. Increase use of renewable energy

Project/Action

1. Utilizing high efficiency equipment to continuously improve energy performance and efficiency;
2. Introducing the concept and methods of carbon reduction to the employees and suppliers to avoid waste;
3. Continuously purchasing renewable energy and establishing renewable power generation system to reach 100% renewable energy;
4. Adding carbon offset projects and setting internal carbon pricing

Performance Indicator

1. Renewable energy consumption
2. Absolute reduction

Short-term

- 2025: **30%** use of renewable energy;
2. Save energy by **1%** a year

Medium-term

- 2030: 1. **60%** use of renewable energy;
2. Continuously save energy by **1%** a year

Long-term

2040: **100%** use of renewable energy

Engaged Counterparty

- Supplier
- Subsidiary
- Government
- Shareholder
- Customer

Engagement Channel

- Board meeting
- Senior managers' meeting
- Media
- Supplier meeting
- Sustainability report
- Internal announcement
- ESG Committee
- Monthly Group meeting

Frequency of Engagement

- > 4 times a year
- > Without a fixed schedule
- > Without a fixed schedule
- > Once a year
- > Issued annually
- > Without a fixed schedule
- > Quarterly
- > Monthly

Connected SDGs





Material Topic /

Talents Policy

Responsible Unit  
HR

Positive Impact

Provide employment opportunities for talents to draw on their strengths, and further increase local employment rate

Negative Impact

Policy

Building quality work environments and diverse channels for career development to attract and retain exceptional talents.

Commitment

Provide quality work environments and good remuneration packages.

Project/Action

Implementing assessment of human rights due diligence risk

Performance Indicator

Completion rate of checklist of human rights risk diligence

Short-term

Cover by **81.5%** by 2025

Medium-term

Cover by **90%** by 2030

Long-term

Cover by **93%** by 2040

Engaged Counterparty

- Employee

Engagement Channel

- Questionnaire survey employee system

Frequency of Engagement

Once a year

Connected SDGs



Material Topic /

Employees training and development

Responsible Unit  
HR

Positive Impact

1. Corporate operation/direct impact
2. Help employees to develop their competency and gain more competitive advantages

Negative Impact

Policy

Completing the educational training system in accordance with the Company' s strategic development and business goals; improving the overall competitive edge of the organization and creating more competitive advantages.

Commitment

Build a complete educational training and development system to provide an environment for diverse learning and development, further attract and retain exceptional talents.

Project/Action

1. Establishing learning blueprints for the four schools
2. Holding learning development courses based on the training need of a year

Performance Indicator

Education and training: the effect of Continuous Improvement Program on revenue

Short-term

Represent **1%** of revenue by 2025

Medium-term

Represent **1%** of revenue by 2030

Long-term

Represent **1%** of revenue by 2040

Engaged Counterparty

Affiliated company, Subsidiary, Employee

Engagement Channel

1. Education and training;
2. New employees training

Frequency of Engagement

Without a fixed schedule

Connected SDGs



Material Topic /

**Occupational Health and Safety** Responsible Unit HR/ OHS

**Positive Impact** Company operations/A good work environment enables talents to work without worries and protect physical and mental health of employees

**Negative Impact** Company operations/investments ;accidents cause reputational damage and business losses to the Company.

**Policy** Protecting our employees, providing them with complete management system and regulations for health and safety.

**Commitment** Continuously manage safety, sanitation, and health in the work environment and create improvement plans

**Project/Action** ISO 45001 effective operation, risk assessment, change management, safety culture, safety proposal, joint inspection by supervisors

**Performance Indicator** Zero occupational disease; FR/SR is superior to standards announced by public sector

<b>Short-term</b>	<b>Medium-term</b>	<b>Long-term</b>
By 2025: 0 occupational disease, 0 fire, FR<0.1, SR<4.7	By 2030: 0 occupational disease, 0 fire, FR<0.08, SR<3.8	By 2040: 0 occupational disease, 0 fire, FR=0, SR=0

<b>Engaged Counterparty</b>	<b>Engagement Channel</b>	<b>Frequency of Engagement</b>	<b>Connected SDGs</b>
Affiliated company, Subsidiary, Government, Employee	<ul style="list-style-type: none"> <li>Internal briefing conference</li> <li>Internal portal</li> <li>Labor inspection unit</li> <li>Labor-management meeting, and OH&amp;S Committee</li> </ul>	<ul style="list-style-type: none"> <li>&gt; 4 times a year</li> <li>&gt; 3 announcements in a year</li> <li>&gt; Without a fixed schedule</li> <li>&gt; 4 times a year</li> </ul>	

Our Actions

**Material Topic** Operational and Financial Performance

**Location of Occurrence** operation

**Our Action/Doings** Expanding high profit margin businesses and exerting influence as the Grand Fleet

**Description** Optimizing the operation of the business, accelerating the expansion of the medical business and development of the smart solutions, and creating strategies for networking communication business.

<b>Performance Indicator (Input)</b>	<b>Profit from high-value added business</b>	<b>Quantified Value</b>	<b>Annual gross margin</b>
			<b>16.2% on average</b>

**Material Topic** Customer Relationship Management

**Location of Occurrence** operation, product

**Our Action/Doings** According to the customer satisfaction procedures:  
 1. Holding a business review meeting periodically to create corrective plans for the results of evaluation  
 2. Establishing communication channel and send satisfaction questionnaire twice a year

**Description** Fully understanding customer requirements to improve the quality of products and services, further facilitating the improvement of the Company' s reputation, and increase market share/revenue

<b>Performance Indicator (Input)</b>	<b>Customer satisfaction score</b>	<b>Quantified Value</b>	<b>94</b>
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**Material Topic** Sustainable Supply Chain Management

**Location of Occurrence** supply chain, operation

**Our Action/Doings** According to the Sustainable Supply Chain Policy:  
 1. Code of Conduct for Sustainable Development of Suppliers  
 2. Sending Supplier Sustainability Risk Questionnaire (SAQ) to the first-tier and non-first-tier suppliers

**Description** 1. Requiring suppliers to comply with local laws and regulations, and social standards  
 2. Creating environmental protection programs, and conducting regular investigation and audits.  
 3. Reviewing supply chain's performance of realizing environmental responsibility periodically by conducting on-site and paper-based audits  
 4. Boosting the value of sustainable supply chain

<b>Performance Indicator (Input)</b>	Supplier social responsibility: completion rate of RBA on-site and paper-based audits	<b>Quantified Value</b>	<b>90%</b> completion rate of RBA on-site and paper-based audits
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**Material Topic** Climate Strategy

**Location of Occurrence** operation

**Our Action/Doings** Evaluating operational and financial impacts and implementing management approaches based on climate transition risk scenario analysis( with SBTi 1.5°C as a parameter)

**Description** 1. Passed the SBTi target review in 2024, with annual carbon reduction 4.2%  
 2. 100% of renewable energy by 2024

<b>Performance Indicator (Input)</b>	1. Reduction in carbon emission per year 2. Proportion of renewable energy consumption	<b>Quantified Value</b>	<b>26.2%</b> of renewable energy
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**Material Topic** R&D and Innovation of Green Products

**Location of Occurrence** operation, product

**Our Action/Doings** Introducing the green design 555 (saving energy by 5%, reducing materials by 5%, reducing carbon by 5%) at the beginning of product R&D stage

**Description** Applying life cycle thinking to examine carbon emissions through all lifecycle stages and explore opportunities for consumption reduction

<b>Performance Indicator (Input)</b>	Proportion of energy saving, carbon reduction, and consumption reduction for green products, based on the baseline year of 2020.	<b>Quantified Value</b>	<b>8.46%</b> more energy saving, <b>13.68%</b> more carbon reducing, <b>8.07%</b> smaller in volume
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**Material Topic** Waste Management

**Location of Occurrence** supply chain,

**Our Action/Doings** Obtained UL2799 Zero Waste to Landfill Validation to control waste.

**Description** Striving to prevent pollution, minimizing pollutants, realizing optimal solutions, and reducing waste

<b>Performance Indicator (Input)</b>	Recycling rate of waste	<b>Quantified Value</b>	<b>91%</b> recycling rate of waste
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**Material Topic** Energy Management

**Location of Occurrence** operation, product, society

**Our Action/Doings**

1. Enhancing energy efficiency and increasing use of renewable energy
2. Strengthening the culture of sustainability

**Description**

Improving energy efficiency and enhancing electricity-efficient solutions:

1. Utilizing high efficiency equipment to continuously improve energy performance and efficiency
2. Introducing the concept and methods of carbon reduction to the employees and suppliers to avoid waste
3. Continuously purchasing renewable energy and establishing renewable power generation system to reach 100% renewable energy
4. Adding carbon offset projects and setting internal carbon pricing

<b>Performance Indicator (Input)</b>	Electricity consumption per million USD production value (kWh)	<b>Quantified Value</b>	<b>38,957 kWh</b>
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**Material Topic** Talents Policy

**Location of Occurrence** operation, society

**Our Action/Doings** Improving Diversity, Equity, and Inclusion (DEI) in the workplace

**Description**

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

<b>Performance Indicator (Input)</b>	1. Completion rate of employee engagement survey 2. Average Employee Engagement	<b>Quantified Value</b>	1. Higher than <b>80%</b> 2. Achieved a score of <b>4.62</b> (out of 6)
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**Material Topic** Employees training and development

**Location of Occurrence** operatio

**Our Action/Doings** Enhancing education and training system, boosting the proportion of online courses, gaining overall competitive edge of the organization

**Description**

Building a strong and comprehensive education and training development system and providing diverse learning and development environment to attract and retain talents:

1. Establishing learning blueprints for the four schools
2. Holding learning development courses based on the training need of a year
3. Education and training for all employees

<b>Performance Indicator (Input)</b>	1. Average training hours per IDL employee 2. Completion rate of taking require corporate policy courses	<b>Quantified Value</b>	1. Short-term, <b>26</b> hours/year 2. <b>100%</b>
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**Material Topic** Occupational Health and Safety

**Location of Occurrence** operation

**Our Action/Doings** With solid health and safety culture of business, our occupational health and safety system is superior to domestic regulations

**Description** Continuously optimizing occupational environment, health and safety management system to enhance employees' thinking.

<b>Performance Indicator (Input)</b>	Probability of occupational injury and severity	<b>Quantified Value</b>	<b>0</b> fire <b>0</b> occupational disease; FR<0.1, SR<4.7
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## Sustainability Impact Valuation

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

In 2023, in the operation stage, Qisda created NT\$86 billion in operating revenue and NT\$15.9 billion in taxes, dividends, employee benefits, R&D investment, interest, leases, depreciation, and amortization. What we have done not only brought stakeholders a positive impact, but also promoted the growth of society and economy. While cultivating our core business, the environmental footprint derived from energy and resource consumption and pollutant production has resulted in an external environmental cost of NT\$110 million. However, the promotion and deployment of renewable energy and water reuse through various energy-saving measures created NT\$24.77 million in environmental benefits. In terms of society, comprehensive training programs have driven the growth of the skills and employability of our employees and created a future career benefit of NT\$200 million; occupational disasters incurred a social cost of NT\$380,000. Although the health risk derived from workload brought a social cost of NT\$3.77 million, a positive benefit of NT\$550,000 were created for employees' health through multiple health education activities and long-term follow-up; at the same time. The Company invested in various local care programs. These and the voluntary activities of the employees created a social value of NT\$160 million.

In the upstream/downstream of the value chain, Qisda's procurement demands drove the supply chain to create NT\$116.9 billion in output value, creating more than 10,000 employment opportunities for supply chain workers and NT\$ 3.8 billion in wage income. For the environmental footprint and resource consumption derived from the supply process of raw materials and services, there was an external environmental cost of NT\$ 1.7 billion. The display products of Qisda created an output value of NT\$169.6 billion for the industry in which our customers are engaged. Although the energy consumption at the product use stage brought about an external environmental cost of NT\$4.5, the innovative product energy-saving design brought in an environmental benefit of NT\$55.23 million. We helped customers achieve their goals and

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

**NT\$286.5** billion to drive the output value in the upstream/ downstream of the value chain

The procurement demand drove the development of the industrial chain to create 2.7 times the economic value; display product sales created 1.96 times the output value for the industry in which our customers are engaged.

**>10,000** supply chain employment opportunities

The procurement demand created employment opportunities in the supply chain, and brought workers wage income of NT\$3.8 billion, of which the electronic parts and components manufacturing industry accounts for the highest proportion.

**95%** of external environmental costs incurred at upstream/downstream

Environmental impacts in the supply chain and at the product use stage accentuate the importance of Qisda's promotion of green supply chain management and environmentally friendly product design.

## Qisda's Sustainability Impact Pathway

Cause of the Impact	Management of ESG Issues	Output Metric	Impact Item	Type of Impact	(Monetary (KNTD))			Impact Stakeholders
					2022	2023		
Supply chain	Sustainable supply chain management	Procurement demand drives supply and demand in the industry.	Social externality – boosting the output value in the supply chain	(Positive, +)	162,819,845	116,900,548	↘	Society
		Procurement demand creates employment opportunities in the supply chain	Social externality - employment income of employees in the supply chain	(Positive, +)	5,211,961	3,767,325	↘	External employees
		GHG emissions from the supply chain	Environmental externality - supply chain GHG emissions	(Negative, -)	1,328,746	990,118	↘	Environment
		Air pollutant emissions from the supply chain	Environmental externality - supply chain air pollutant emissions	(Negative, -)	887,393	646,461	↘	Environment
		Wastewater discharge from the supply chain	Environmental externality - supply chain wastewater discharge	(Negative, -)	6,790	5,163	↘	Environment
		Waste from the supply chain	Environmental externality - supply chain waste disposal	(Negative, -)	15,949	11,830	↘	Environment
Business Operation	Operational and financial performance	Operating Income	Stakeholder gross value added (GVA)	(Positive, +)	8,252,000	2,975,000	↘	Shareholder/Investor
		Cash dividends		(Positive, +)	3,934,787	8,441,851	↗	Shareholder/Investor
		Tax payment		(Positive, +)	410,099	231,145	↘	Society
		Interest and lease		(Positive, +)	540,172	883,260	↗	Suppliers
		Depreciation and amortization		(Positive, +)	418,963	413,976	↘	Suppliers
	Talent policy	Remuneration and benefits		(Positive, +)	3,962,682	3,370,298	↗	Employees
	R&D and innovation of green products	New technology research and development		(Positive, +)	257,286	2,580,555	↗	Customers
	Climate strategy and energy management	GHG emissions from energy use		(Negative, -)	118,620	106,894	↘	Environment
		Use of renewable energy to avoid GHG emissions		(Positive, +)	9,384	23,350	↗	Environment
Advancement of energy-saving measures to avoid GHG emissions		(Positive, +)	1,511	1,399	↘	Environment		



Cause of the Impact	Management of ESG Issues	Output Metric	Impact Item	Type of Impact	(Monetary (KNTD))			Impact Stakeholders
					2022	2023		
Business Operation	Water resources management	Water scarcity due to use of process water	Environmental externality - operational water consumption	(Negative, -)	1,189	1,069	↘	Environment
		Use of recycled water to avoid water scarcity		(Positive, +)	23	19	↘	Environment
		Water pollution due to process wastewater discharge	Environmental externality - operational wastewater discharge	(Negative, -)	942	842	↘	Environment
	Air pollution control	Air pollution from process air emissions	Environmental externality - operational air pollution emissions	(Negative, -)	2,936	3,365	↗	Environment
	Waste management	Environmental impact due to the waste disposal process	Environmental externality - operational waste disposal	(Negative, -)	3,181	2,138	↘	Environment
	Occupational Health and Safety	Employees occupational accidents	Social externality - employees occupational accidents	(Negative, -)	257	381	↗	Employees, society
		Contractors' occupational accidents	Social externality - contractors' occupational accidents	(Negative, -)	0	0		External employees, society
		Number of people at risk for cardiovascular disease	Social externality - employee health risk	(Negative, -)	3,263	3,770	↗	Employees, society
		Number of people with health improved under health management	Social externality - employee health management	(Positive, +)	564	545	↘	Employees, society
	Employee training and development	Skill acquisition and revenue growth	Social externality - future income of employees	(Positive, +)	411,566	200,984	↘	Employees, society
	Corporate citizen and charity	Social engagement, input of resources, and expenses	Social externality - social input value	(Positive, +)	56,814	157,603	↗	Society
	Product and service	Customer relationship management	Product sales drives supply and demand of industry in the downstream	Social externality - boosting output value in the industry chain	(Positive, +)	227,357,098	169,578,546	↘
R&D and innovation of green products		Product energy-saving design to avoid GHG emissions	Environmental externality - energy saving benefits of products	(Positive, +)	47,850	55,229	↗	Environment
		GHG emissions from product use	Environmental externality - product use and disposal	(Negative, -)	625,037	445,356	↘	Environment

- Note 1** The input-output model is used to calculate the increase in supply chain output value, including the economic benefits derived from the supply and demand effect of the industrial chain due to procurement needs, as well as the accompanying environmental issues and the employment opportunities and wages created. Reference sources include the Report on Input-Output Statistics (DGBAS, 2020), Green National Income Account (DGBAS, 2021), Energy Balance (Bureau of Energy, 2021), and EXIOBASE 2 Database. Due to the obvious signs of an economic slump, procurement needs have decreased. In 2023, the impact of the environmental and social externalities in the supply chain decreased significantly. For further details, please refer to Chapter 1.4 "Operational Performance".
- Note 2** Gross Value Added (GVA) refers to the difference between the intermediate inputs and the final output during the operation. It also considers raw inputs, public expenditures, and the benefits these economic activities bring to different stakeholders. As the prolonged industry downturn for 2 to 3 years, the contribution of overall stakeholder GVA shows a downward trend. For further details, please refer to Chapter 1.4 "Operational Performance".
- Note 3** Impact factors of the environmental externality include the social cost of carbon, human health loss costs, and ecosystem damage costs derived from greenhouse gases, air pollution, wastewater, waste, and water resource consumption. For currency conversion, refer to US EPA (2016) and OECD (2012). The environmental benefits resulting from the introduction of energy-saving measures and the reuse of renewable energy and water resources are also taken into consideration. In 2023, the plants' self-generated and purchased renewable energy reached 29.91 million kWh, an increase of 1.4 times over the previous year. For further details, please refer to Chapter 2 "Environmental Protection".
- Note 4** The social cost derived from occupational accidents is calculated based on the value employees are willing to pay to avoid occupational accidents and the investment of medical resources derived from occupational accidents. Refer to UK HSE (2017), Jiune-Jye Ho (2005) and Institute of Labor, Occupational Safety and Health (2013). In 2023, there were no deaths of any employee due to occupational accidents, and the number of working days lost due to occupational accidents decreased by 75% compared to the previous year. There were no occupational accidents to contractors. For further details, please refer to Chapter 3.4 "Occupational Safety, Health and Management".
- Note 5** Employee health management refers to the early detection of hypertension, hyperlipidemia, hyperglycemia, and obesity through regular health checkups, and the formulation of various plans to appropriately control the risk of cardiovascular diseases among employees. For relevant coefficients, refer to WHO (2008) and Chieh-Hsien Lee (2009). For further details, please refer to Chapter 3.4 "Occupational Safety, Health and Management".
- Note 6** Future income of employees is evaluated based on the professional skills and knowledge acquired through the Company's training programs, which not only improve productivity but also bring better employability to career development. Refer to VBA (2021). Since the productivity improvement brought about by employee training has been reflected in the Company's financial statements, this indicator is only used to assess the contribution of employees who have received the Company's training to the welfare of life due to the change in income after changing jobs. For further details, please refer to Chapter 3.2 "Talent Attraction and Development".
- Note 7** For the value of social investment, we refer to the community investment assessment mechanism in the London Benchmark Group (LBG) for calculation of the cash, materials, time and management costs invested in public welfare activities to assess and distribute the quantitative benefits of various projects. In 2023, the value of social investment increased by 84%, mainly due to the people-oriented social value of Qisda and the involvement of social welfare activities to create a sustainable social environment. For further details, please refer to Chapter 3.5 "Social Care and Influence".
- Note 8** The focus is on display products for products and services. The indirect economic value created by product sales and the impact of the environmental externality during the product use phase are assessed by considering the relationship between sales and customer industry output value. In 2023, factors such as war and conflict, China's housing debt crisis, and inflation and interest rate hikes affected the pace of market recovery, resulting in a downward trend in the environmental and social externalities generated by the overall product. For further details, please refer to Chapter 2.7 "Green Products and Circularity".
- Note 9** In consideration of the differences in the economic conditions of countries, the value coefficient is adjusted based on the Gross National Income (GNI) per capita measured by purchasing power parity (PPP) in each region. Inflation and exchange rate factors are also taken into account. The time boundary is aligned to the monetary value with 2021 as the baseline year. The methodology is determined with reference to OECD (2012) and PwC UK (2015).
- Note 10** For further information on the methodology and analysis results of the sustainable impact, please refer to the Qisda 2023 Sustainability Impact Valuation Report.