Qisda

Corporate
Sustainability
Report

2023

Highlights

Content

Letter from the Chairman

遵向淨零里程
共創集團永續

Collaborating to build a sustainable future for the Group and marching towards the Net-zero goal

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,' further utilizing group resources, power and strength to build bright future together. 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.

Both AI and ESG are currently the most important trends. The Group attained a lot of recognitions in the aspect of ESG through collaboration with the alliance in 2023. We have set goals of '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.

Peter Chen

Letter from the President

共創共好
禾續抵佳

Together,
Make the World Better

黃漢州

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

We have integrated ESG strategies into our business model, aligning with SDGs to ensure corporate sustainability. 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. Additionally, 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. To be up for the challenge of the new era, we can work together, thus following the path to excellence. Further leading 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 together to provide the best products and services and become a global leader in the industry.

Finally, I believe that Qisda will continue to create value for society through collaboration with upstream and downstream partners. Qisda will continue creating value for society through contributions, steadily moving towards our noble vision of 'Together, Make the World Better.'

Sustainable corporate governance

Qisda Corporation was founded in 1984, with its headquarters located in Taoyuan, Taiwan, and a capital of NT$19.7 billion. Qisda is a global technology group spanning ICT industry, healthcare business, smart solutions, and 5G network communication. Additionally, it devotes itself to research and development of electronic products, applying in consumer electronic and professional fields for commercial and industrial use.

We are pursuing our vision of 'Bringing Enjoyment' N Quality to Life' by adhering four core values 'integrity and introspection,' 'passion and professionalism,' 'execution and excellence,' and 'caring and contribution'. Further meeting customer needs and supporting them towards digital transformation, enabling them to generate business growth.

Sustainability vision

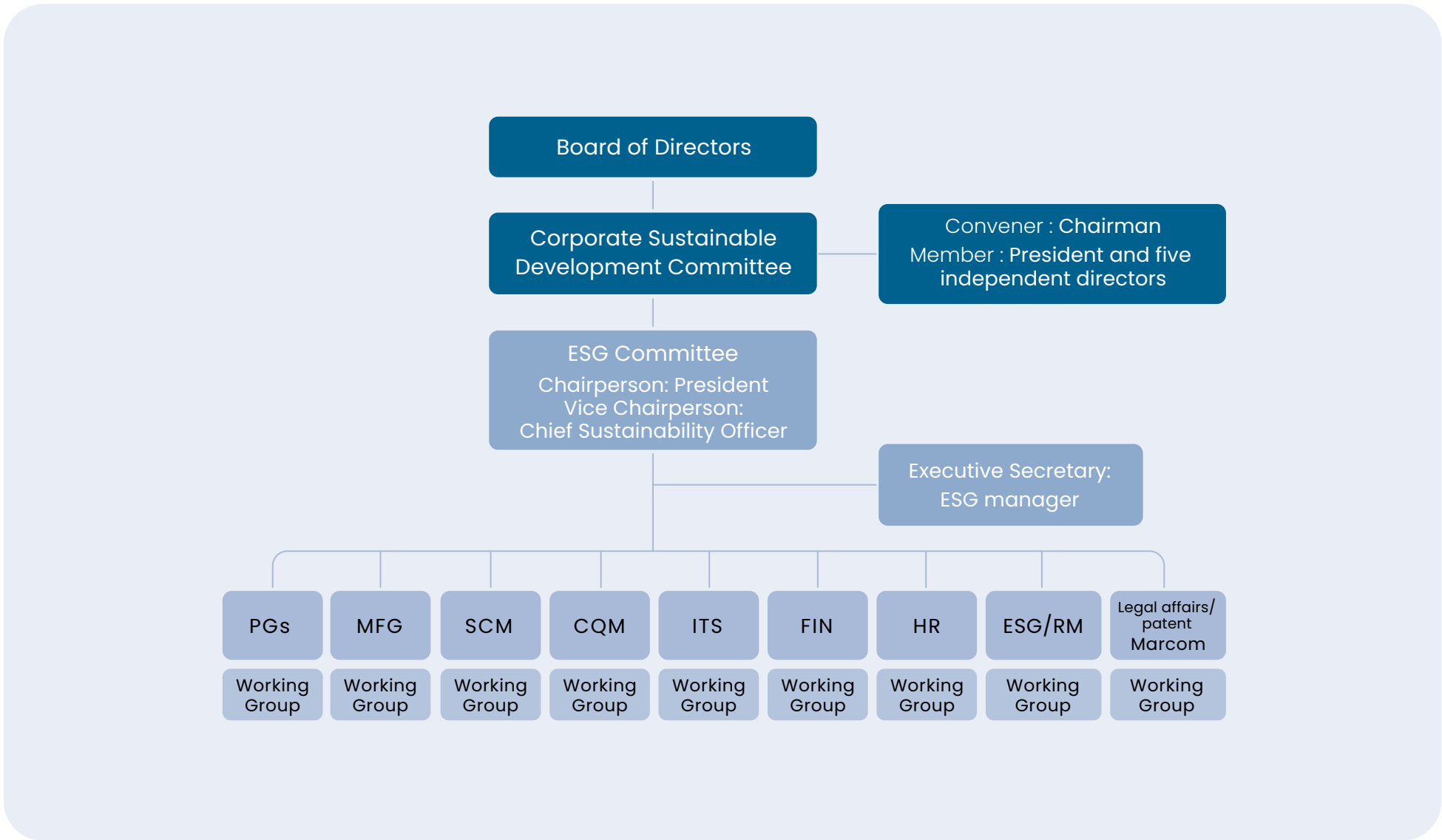| Being an innovator for the design and manufacturing of ICT and medical products	Enhancing the quality of human life	Being Earth Friendly

Our Sustainability Strategy

1. Moving from corporate survival to corporate sustainability, and further pursuing global sustainability

2. Incorporating sustainability performance with operating strategies

3. Enhancing the value of the Company's investment in sustainability

4. Complying with international regulations and meeting stakeholders' expectations for sustainability

5. Leading the affiliates to grow and make breakthroughs together

ESG Committee

Qisda has integrated various departments to form an ESG Committee, chaired by the President. The Chief Sustainability Officer serves as the vice chairperson and is responsible for formulating and planning corporate sustainability initiatives. The ESG unit oversees the promotion of initiatives and provides guidance to other departments, ensuring effective communication between organization and our stakeholders.

The ESG Committee convenes at least once per quarter. The Chairman and President jointly preside over the meeting to direct and supervise the senior managers. Committee members from various departments report on the status of performance indicators and the progress of issues related to corporate sustainable development. Currently, the Committee monitors and discusses 57 indicators and has held 71 meetings to date. Additionally, in accordance with Qisda's "Guidelines for Corporate Sustainable Development," material topics of the year, sustainability performance, and climate governance results are reported to the Board of Directors annually.

ESG Committee organization and management structure

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Board of Directors
        |
Corporate Sustainable          Convener : Chairman
Development Committee  ———      Member : President and five
        |                      independent directors
ESG Committee
Chairperson: President
Vice Chairperson:
Chief Sustainability Officer   ——— Executive Secretary:
        |                          ESG manager
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PGs	MFG	SCM	CQM	ITS	FIN	HR	ESG/RM	Legal affairs/patent Marcom
Working Group	Working Group	Working Group	Working Group	Working Group	Working Group	Working Group	Working Group	Working Group

Progress of phased tasks for sustainability

Material Topic	Responsible Unit
Operational and Financial Performance	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	Medium-term	Long-term
2025: Grow incrementally	2027: Achieve over **50%** of profit	2030: Continuously create long-term value

Engaged Counterparty	Engagement Channel	Frequency of Engagement	Connected SDGs
Shareholder, Investment institution, Employees	Investor conference, Shareholders meeting Business briefing	Without a fixed schedule, at least once a quarter	8 DECENT WORK AND ECONOMIC GROWTH

Material Topic	Responsible Unit
Customer relationship management	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	Medium-term	Long-term
2025: **93**	2030: **95**	2040: **95**

Engaged Counterparty	Engagement Channel	Frequency of Engagement	Connected SDGs
• Affiliate • Shareholder • Customer	• Customer satisfaction questionnaire survey • Shareholders meeting • Customer SER rating	＞ Twice a year ＞ Quarterly ＞ Quarterly	8 DECENT WORK AND ECONOMIC GROWTH

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	Engagement Channel	Frequency of Engagement	Connected SDGs
• Suppliers	• Suppliers meeting • Supplier Audit	> Once a year > Once a year	8 DECENT WORK AND ECONOMIC GROWTH 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION 15 LIFE ON LAND

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	Engagement Channel	Frequency of Engagement	Connected SDGs
Supplier, media, Subsidiary, Government, Shareholder, Customer, Employee	1. Investor conference, shareholder meeting, sustainability report, the Company's communication platform, and internal educational and training ; 2. Risk management committee, internal educational and training	1. Multiple times a year 2. 4 times a year	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION

Material Topic	Responsible Unit
R&D and innovation of green products	**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	Medium-term	Long-term
Improve energy efficiency by **4%** by 2025	Improve energy efficiency by **14%** by 2030	Improve energy efficiency by **20%** by 2040

Engaged Counterparty	Engagement Channel	Frequency of Engagement	Connected SDGs
Supplier, Media, Affiliated company, Subsidiary, Government, Shareholder, Customer, Employee	• Investor conference, • Shareholders meeting • business briefing	without a fixed schedule, at least once a quarter	12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION

Material Topic	Responsible Unit
Waste management	**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	Medium-term	Long-term
2025: Reach **92.5%**	2030: Reach **95%**	2040: Become a Zero-Waste factory

Engaged Counterparty	Engagement Channel	Frequency of Engagement	Connected SDGs
• Affiliated company • Supplier • Media • Subsidiary • Government • Shareholder • Customer	• Government inspection • Customer audit • Shareholdermeeting Sustainability report • The Company's communication platform • ESG Committee • Monthly Group meeting	⟩ Without a fixed schedule ⟩ Without a fixed schedule ⟩ 4 times a year ⟩ 4 times a year ⟩ Without a fixed schedule ⟩ Quarterly ⟩ Monthly	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Material Topic: Energy management
Responsible Unit: Environmental safety

Positive Impact

Negative Impact
An increase in electricity consumption and energy use intensity results in a 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	Medium-term	Long-term
2025: 1.32% use of renewable energy; 2. Save energy by 1% a year	2030: 1. 60% use of renewable energy; 2. Continuously save energy by 1% a year	2040: 100% use of renewable energy

Engaged Counterparty	Engagement Channel	Frequency of Engagement	Connected SDGs
• Supplier • Subsidiary • Government • Shareholder • Customer	• Board meeting • Senior managers' meeting • Media • Supplier meeting • Sustainability report • Internal announcement • ESG Committee • Monthly Group meeting	❯ 4 times a year ❯ Without a fixed schedule ❯ Without a fixed schedule ❯ Once a year ❯ Issued annually ❯ Without a fixed schedule ❯ Quarterly ❯ Monthly	7 AFFORDABLE AND CLEAN ENERGY

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	Medium-term	Long-term
Cover by 81.5% by 2025	Cover by 90% by 2030	Cover by 93% by 2040

Engaged Counterparty	Engagement Channel	Frequency of Engagement	Connected SDGs
• Employee	• Questionnaire survey employee system	❯ Once a year	8 DECENT WORK AND ECONOMIC GROWTH

Material Topic	Responsible Unit
Employees training and development	**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	Medium-term	Long-term
Represent 1% of revenue by 2025	Represent 1% of revenue by 2030	Represent 1% of revenue by 2040

Engaged Counterparty	Engagement Channel	Frequency of Engagement	Connected SDGs
Affiliated company, Subsidiary, Employee	1. Education and training; 2. New employees training	Without a fixed schedule	4 QUALITY EDUCATION / 8 DECENT WORK AND ECONOMIC GROWTH

Material Topic	Responsible Unit
Occupational Safety, Health and Management	**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

Short-term	Medium-term	Long-term
By 2025: 0 occupational disease, 0 fire, FR<0.1, SR<4.7	By 2030: 0 occupational disease, 0 fire, FR<0.0.08, SR<3.8	By 2040: 0 occupational disease, 0 fire, FR=0, SR=0

Engaged Counterparty	Engagement Channel	Frequency of Engagement	Connected SDGs
Affiliated company, Subsidiary, Government, Employee	• Internal briefing conference • Internal portal • Labor inspection unit • Labor-management meeting, and OH&S Committee	› 4 times a year › 3 announcements in a year › Without a fixed schedule › 4 times a year	3 GOOD HEALTH AND WELL-BEING / 8 DECENT WORK AND ECONOMIC GROWTH / 10 REDUCED INEQUALITIES

Qisda and our stakeholders

We conduct 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.

Materiality analysis

In 2023, a total of 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.

1 Identification

Steps and Process	Description
9 types of primary stakeholders	**Step 1: Communication partner** 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 deliever our practices for achieving corporate sustainability to these primary stakeholders.
21 sustainability issues	**Step 2: Sustainability issues** To thoroughly gather sustainability issues related to Qisda, we collected 21 issues based on domestic and international sustainability norms/standards, sustainability initiatives, feedback from internal and external stakeholders, corporate management strategies, and feedback from internal executives.

2 Analysis

Steps and Process	Description
239 valid questionnaires	**Step 3: Investigation of degree of concerns** Online questionnaires were used to investigate tdegree 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	**Step 4: Analysis of impact on operations** 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.

2	Analysis

Steps and Process	Description
19 impacts	**Step 5: Impact on sustainable development and operations** 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	**Step 6: Validation of material issues** 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.

3	Validation

Steps and Process	Description
17 GRI topics	**Step 7: Review of disclosure contents** 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	**Step 8: Formulation of long-term sustainability goals** 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.

Double-materiality

In terms of materiality for Qisda, we not only focused on the results of questionnaires regarding 'stakeholder concerns' , 'organizational impacts' , and 'sustainability impacts' , but also took Qisda's long-term goals into consideration. Material issues are prioritized based on whether they ranked as significant impact issues (TOP 5) across all three questionnaires, with prioritization determined after calculating the level of impact. In 2023, there were a total of 10 material issues, including 'operational and financial performance' , 'R&D and innovation of green products' , 'sustainable supply chain management' , 'talent policy' , 'climate strategy' , 'occupational health and safety' , 'employee training and development' , 'energy management' , 'customer relationship management' , ' waste management' . These material issues were reported to the Board of Directors due to their significance to the Company.

Qisda's Double- Materiality

Aspect	Material Topics	Priority rank	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	1	●				●	●	●	●							
	Customer relationship management	9		●			●	●	●	●		●					●
	Sustainable supply chain management	3	●	●	●		●	●			●				●		
Environmental Aspect	Climate strategy	5		●	●						●		●	●		●	
	R&D and innovation of green products	2	●	●			●	●		●	●	●	●	●	●		
	Waste management	10									●	●	●	●	●		
	Energy management	8					●					●	●	●	●	●	
Social Aspect	Talent policy	4				●	●	●		●							
	Employee training and development	7				●	●										●
	Occupational health and safety	6				●	●										●

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

1 Corporate governance

- Organization and operation

- Operational performance and legal compliance

- Risk management

- Information and privacy security

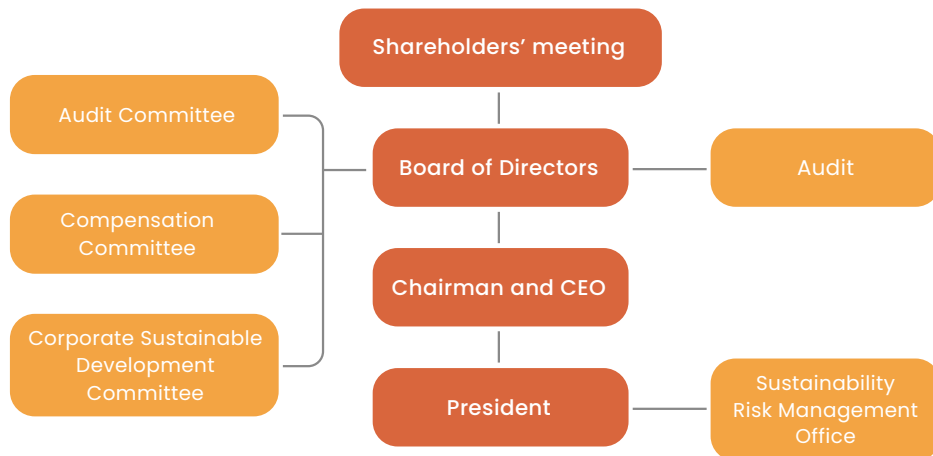- Sustainable supply chain management
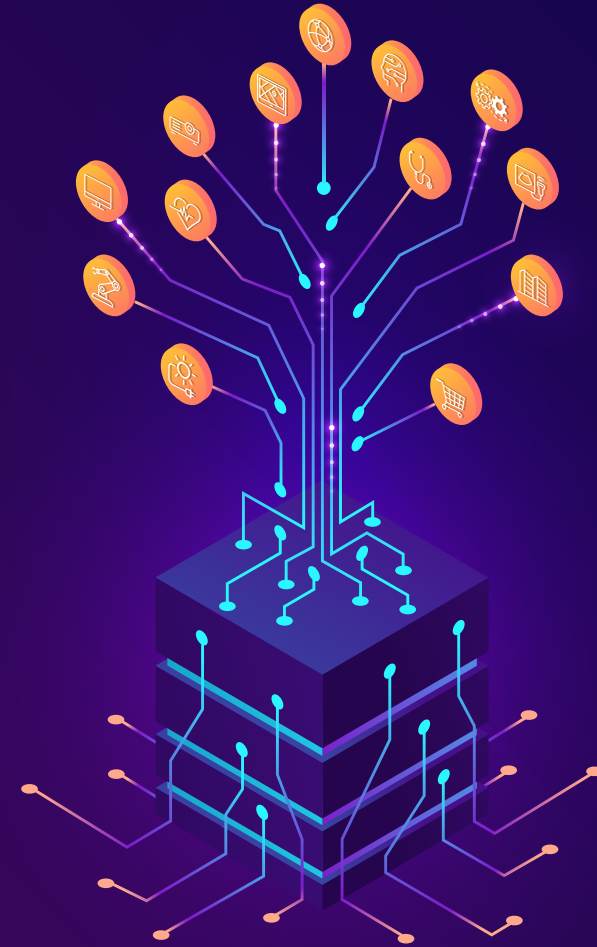
Organization and operation

Ranked among the top

6%–20%

in the Corporate Governance Evaluation in 2023.

☾ Corporate governance organization and structure

Sustainable Development Committee have been established to strength the overall execution of initiatives, maintain the quality and transparency of information disclosure, and move towards sustainable operations.

The Board of Directors adheres to the board diversity rule outlined in the 'Corporate Governance Principles' . In 2023, the board consisted of 9 directors, including 2 female directors and 5 independent directors. The board members possess diverse professional backgrounds and skills, enabling Qisda to maintain effective communication with stakeholders and make decisions that maximize organizational benefits when addressing risks.

To strength business resilience for sustainability, we created long-term compensation plan for the Chairman, President, and other senior managerial officers, rewarding them for their management in relation to ESG performance (performance indicators related to corporate governance, social engagement, and environmental sustainability). The plan grants long-term rewards and compensation based on the achievement of ESG performance indicators every year.

The Board of Directors serves as the top decision-making unit of Qisda Corporation. The board meetings are held quarterly to ensure oversight and accountability in operations management, thus maximizing the benefit of shareholders. At the same time, the Audit Committee, Compensation Committee, and Corporate

Operational performance and legal compliance

Operational performance

In 2023, Qisda Corporation's consolidated revenue was approximately NT$203.6 billion, with net income of approximately NT$4.5 billion, and the Earnings Per Share after tax was NT$1.51.

Tax governance

To implement tax governance, we have formulated tax policy and fully obey tax related laws and regulations of the countries where our operating bases are located. Disclosure of tax information in recent two years are as follows:

☾ Tax information in recent two years

Unit: NT$ thousand

Item \ Year	2022	2023	Average tax rate in global electronics industry
Net profit before tax	16,623,301	6,319,740	
Income tax expense	5,544,231	1,803,661	
Effective tax rate (%)	33.35%	28.54%	22.5
Income taxes paid	2,308,616	5,404,706	
Cash tax rate (%)	14.69%	85.52%	24.35

Note: The average tax rate in global electronics industry is derived from the data published by S&P Global.

Code of Conduct

Qisda has formulated the "Corporate Governance Best-Practice Principles," "CSR Best-Practice Principles," "Code of Ethics for Board of Directors and Managers," and "Ethical Corporate Management Best-Practice Principles" to ensure ethical. Meanwhile, the "Code of Conduct," "Code of Ethics for Board of Directors and Managers" and "Anti-corruption and Anti-bribery Policies" have been developed.

We regularly report progress to the board, and related information will be disclosed in the Corporate Governance chapter of the annual report and on the official website. Additionally, we create online training on Code of Conduct (including anti-corruption) for all employees; the employee training completion rate was 100% in 2023. Furthermore, compliance with the Code of Conduct is linked with performance evaluation. Thanks to the training and dissemination with respect to the code of conduct, there were no violations of the ethical management principles in 2023.

Report and suggestion communication mechanism

The Company has established the "Whistleblowing and Complaint Handling Regulations", President mailbox, and integrity mailbox (Integrity@Qisda.com) to collect any feedback. The Audit Officer is responsible for accepting the whistleblowing reports in relation to integrity, and the dedicated unit will launch investigations and compile investigation reports. Once the facts are confirmed, cases are handed over to the Personnel Evaluation Committee for further processing.

In 2023, the Company did not receive any whistleblowing reports.

Legal compliance

We fully comply with the laws and regulations in Taiwan and different countries, and have established relevant policies and by-laws accordingly, with the scope covering personal data protection, confidentiality, anti-bribery, anti-discrimination and anti-harassment, environmental protection, health and safety, fire protection, intellectual property right protection, anti-insider trading, anti-competition, human rights protection, etc.

Qisda did not have any significant violations or fines in 2023.

Company annual report   https://qcms.qisda.com/static-assets/upload-files/annual-report/Qisda_2023_Annual_Report_%E4%B8%8A%E5%82%B3%E7%89%88_final.pdf?crafterSite=qisda-en
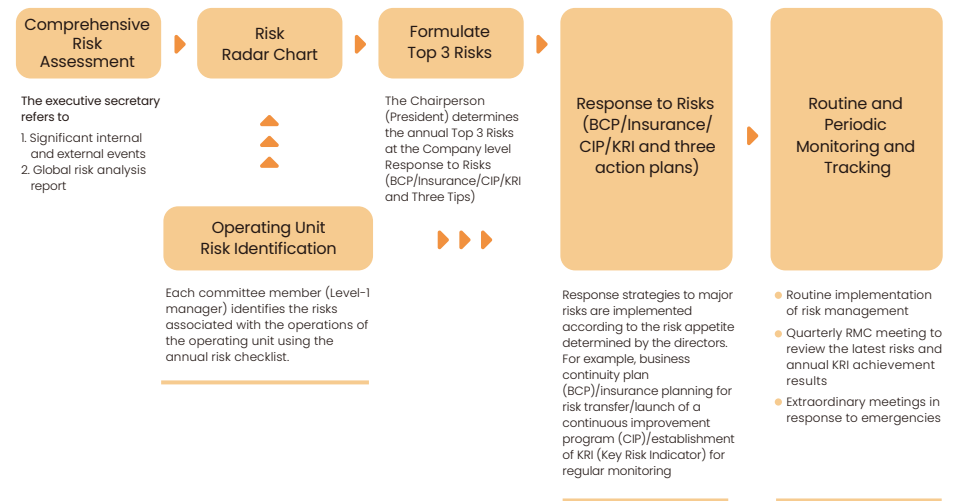
Risk management

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

☾ Risk governance structure


```
Board of Directors
        ↓
Functional Committee
(Audit Committee)
        ↓
Risk Management Promotion Unit / Risk Control Officer
Risk Management Committee / RM Team
Audit Unit / Audit Officer
        ↓
Operating Unit
```

☾ Risk control process

Comprehensive Risk Assessment	Risk Radar Chart	Formulate Top 3 Risks	Response to Risks (BCP/Insurance/CIP/KRI and three action plans)	Routine and Periodic Monitoring and Tracking
The executive secretary refers to 1. Significant internal and external events 2. Global risk analysis report		The Chairperson (President) determines the annual Top 3 Risks at the Company level Response to Risks (BCP/Insurance/CIP/KRI and Three Tips)	Response strategies to major risks are implemented according to the risk appetite determined by the directors. For example, business continuity plan (BCP)/insurance planning for risk transfer/launch of a continuous improvement program (CIP)/establishment of KRI (Key Risk Indicator) for regular monitoring	● Routine implementation of risk management ● Quarterly RMC meeting to review the latest risks and annual KRI achievement results ● Extraordinary meetings in response to emergencies

Operating Unit Risk Identification

Each committee member (Level-1 manager) identifies the risks associated with the operations of the operating unit using the annual risk checklist.
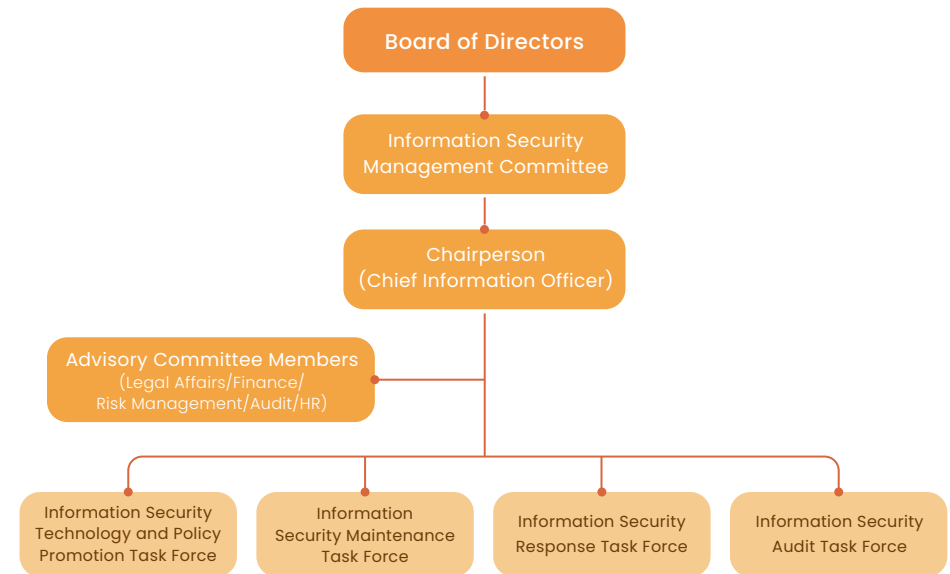
Information and privacy security

We have developed the corporate information security policy in accordance with ISO27001, the international information security standard, and passed and obtained the ISO 27001 certification. The certified scope covers 100% of Qisda's operations and key systems.

In terms of the prevention of information security incidents, the vulnerability scanning system has been introduced for regular vulnerability scanning of each system. Additionally, we arrange a system recovery drill every year.

For the information security management of suppliers, the cyber security risk management system, SecurityScorecard, has been adopted to analyze ten major risk categories, including cyber security, robustness of the network naming scheme, vulnerability repair, endpoint security, IP credit rating, and app security. The information security system risks are thus monitored and continuously analyzed. We have set the target of maintaining an overall SecurityScorecard score of 95 or above (out of 100; the average score in the industry is 85); the score has been maintained at 95 in the past three years.

☾ Organizational Structure of Information Security Governance

```
                    Board of Directors

              Information Security
              Management Committee

                  Chairperson
          (Chief Information Officer)

  Advisory Committee Members
   (Legal Affairs/Finance/
   Risk Management/Audit/HR)

Information Security    Information       Information Security    Information Security
Technology and Policy   Security Maintenance   Response Task Force   Audit Task Force
Promotion Task Force    Task Force
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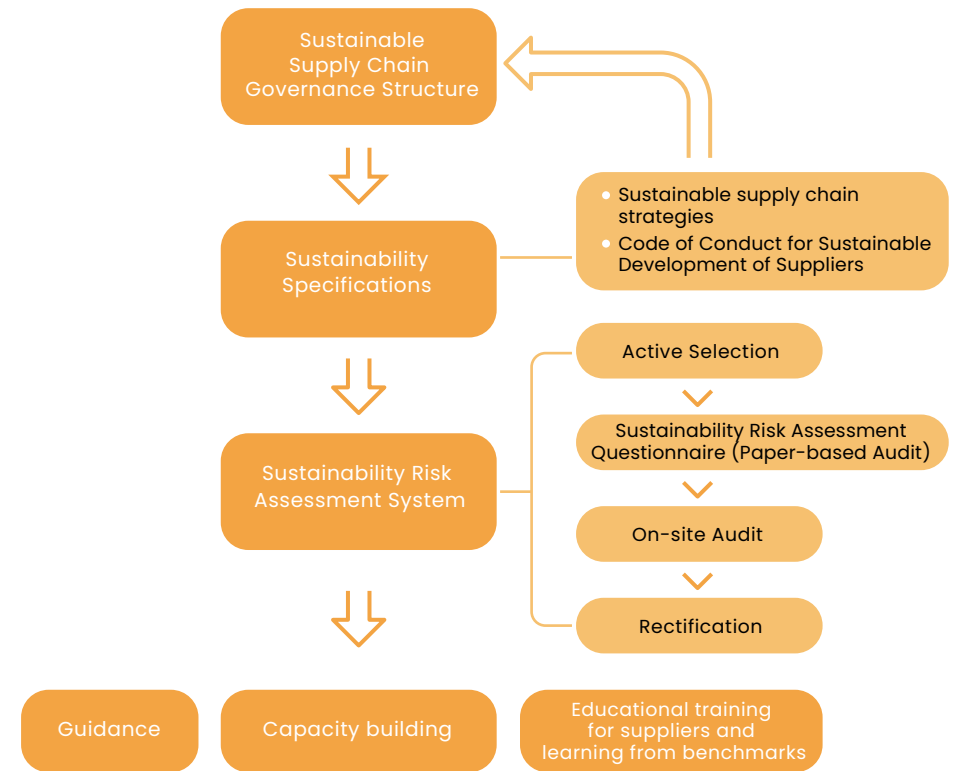
Sustainable supply chain management

We strictly require our suppliers to comply with legal standards by formulating sustainability regulations and a **Suppliers' Code of Conduct for sustainable development. Additionally**, we proactively manage and control relevant risks and opportunities by implementing review process and establishing an assessment system. Furthermore, we offer capacity building projects and educational training, supporting them in strengthening operations and enhancing resilience for addressing sustainability challenges.

In 2023, approximately 99.7% of our suppliers signed the Suppliers' Code of conduct for sustainable development. At the same time, we require suppliers to develop their own sustainability regulations or Code of Conduct and communicate our requirements to the upstream supply chain for ensuring sustainability throughout our value chain.

Supply chain management framework

Sustainable Supply Chain Governance Structure

Sustainability Specifications
- Sustainable supply chain strategies
- Code of Conduct for Sustainable Development of Suppliers

Sustainability Risk Assessment System
- Active Selection
- Sustainability Risk Assessment Questionnaire (Paper-based Audit)
- On-site Audit
- Rectification

Guidance   Capacity building   Educational training for suppliers and learning from benchmarks

2 # Environment

- Climate adaptation and mitigation

- Energy management

- Making good use of water resources

- Waste and pollutants

- Biodiversity and forest conservation

- Green products and circularity

Qisda is dedicated to promoting sustainable development. To achieve this goal, we have established internal management approaches and implementation objectives focused on green operation, green products, and social responsibility. Additionally, we have voluntarily joined initiatives such as SBT, RE100, and Net Zero to demonstrate our support for international sustainability efforts through practical actions.

Passed Science Based Targets initiative (SBTi) validation

Qisda sets science-based reduction targets of limiting the rise in global temperature to 1.5°C. We passed the SBT target validation in February 2024 and continuously responding to carbon emissions issue with science-based actions.

Topic	Method	Completed in February 2024	Target Plans by Year
Voluntary carbon reduction	Science Based Targets (SBT)	Target review	Passing target setting: Achieved
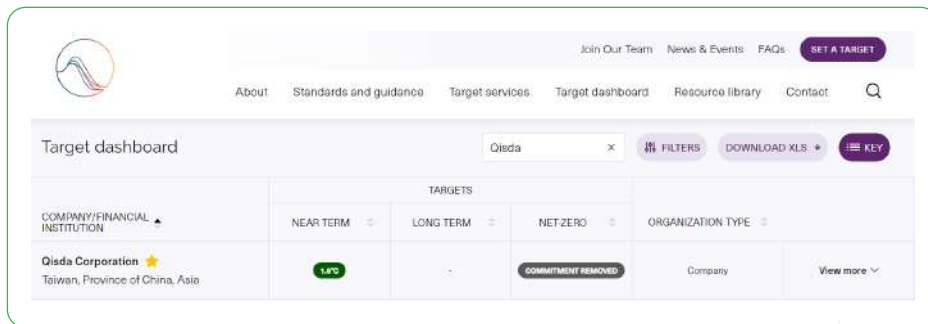
RE100 initiative

Qisda Group has joined the RE100 Initiative in 2022. We 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
Use of renewable energy	Use of green power to reach carbon neutrality	Offset 21.6% of energy use via renewable energy certificates With RE100 as boundary	1. Short-term: Using renewable energy by 40% in 2025 2. Midterm: Using renewable energy by 60% in 2030 3. Long-term: Using renewable energy by 100% in 2040

Climate adaptation and mitigation

Referencing the Task Force on Climate-related Financial Disclosures (TCFD) framework to assess and respond to climate-related risks and opportunities:

Governance

Qisda established the Corporate Sustainability Development Committee under the Board of Directors on August 4, 2023 to define the business vision, create strategies, and set goals for corporate sustainable development. The Committee members are comprised of members from the Board, including 2 directors and 5 independent directors.

The Company deems climate-related risks immediate and highly important, appointing the Chief Sustainability Officer to take the responsibility for climate related issues, and designates the ESG Committee to promote sustainability related developmental affair. All Level 1 executives have been made members of the ESG Committee, and the Chairman and President shall set short-term and medium-term sustainability goals. Relevant issues are discussed at the senior managers' meeting on a quarterly basis, and a report is made to the Board of Directors once a year.

Strategy

Qisda has defined the period for the short term (2021–2025), medium term (2026–2030), and long term (2031–2050). By adopting the climate scenarios of the RCPs, we have identified transition risks, physical risks, and opportunities, further creating a climate risk matrix. In this way, we have completed the management of climate risks and formulated countermeasures. The items that affect the Company's business are transition risks related to domestic and foreign regulations and laws (medium-term and long-term) and customer behavior changes (medium-term), and energy-saving commodities have been identified as an opportunity (medium-term and long-term). In terms of risk, the Company's products may not be allowed into target markets due to new carbon reduction policies or regulation. To meet customers' carbon reduction goals, we conduct carbon emission inventories and obtain certifications for all the plants. A systematic platform has also been adopted to manage product carbon footprint inventory. In addition, the benefits of green product R&D are taken into consideration for our transformation plans, as it will have a positive and long-lasting financial impact on the Company.

Risk management

Qisda's 2 ° C scenario is based on the RCP 2.6, 4.5 and 8.5 climate scenarios of the UN Intergovernmental Panel on Climate Change (IPCC). Further, we not only conduct assessments on transition risks along with immediate and long-term physical risks, but also implement the NDCs' simulation scenarios with respect to transition risks. In this way, we have identified and analyzed the climate-related risks and opportunities within the Company's scope of operations over the short, medium, and long term.

Policy-making and guidance

Periodical report

Board of Directors

Risk Identification

Risk Monitoring

Risk Identification

Review and report

Confirmation

Risk Response

Risk Assessment

All units

All units

Department of Risk Management

Implementation /report

Communication and coordination

We implemented assessments according to the severity and likelihood of the risk in 2023, and followed up on two major risks: production interruption in factories and supply interruption of suppliers. We also established response strategies such as the Business Continuity Plans (BCP).

Metrics and targets

GHG emissions have been listed as one of the important sustainability performance indicators by Qisda and are assessed by the ESG Committee every quarter.

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

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

- **Long term:**
  Compliance of renewable energy use with RE100 by 2040; achievement of zero carbon emissions (net zero) by 2050.

- **Achievement status:**
  Renewable energy usage reached 26.2% in 2023; excluding the reduction of emissions due to lowered business operation, Scope 1 and Scope 2 GHG were still reduced by 29.1%.

Energy management

Greenhouse gas emissions

Currently, the GHG inventory of the organizational boundaries has reached 100%. Qisda further conducted third-party verification according to the ISO 14064-1:2018 standard for the GHG inventory data of all factories around the globe in 2023.

In 2023, the global total Scope 1 and Scope 2 GHG emissions of Qisda amounted to around 51,906 tCO_2e (market-based). The main source of emission was found to be carbon dioxide resulting from the generation of the electricity we purchased for our operations. This accounted for more than 90% of overall emissions of the Company.

Scope (tCO_2e)		2020	2021	2022	2023
Scope 1	Stationary combustion	353.3010	413.5096	742.2685	466.3072
	Mobile combustion	84.4237	71.1329	318.9313	284.4134
	Process emissions	0.0000	0.0000	0.0000	0.0000
	Fugitive emissions	1,799.2807	1,808.1099	3,743.7680	2,750.3169
Subtotal		2237.0054	2,292.7524	4,804.9678	3,501.0375
Scope 2	Location-based	93,414.1813	102,262.3510	73,031.8256	63,083.9485
	Market-based	93,414.1813	102,262.3510	70,758.5866	48,404.8585
Total (Scope 1 & 2)	Location-based	95,651.1866	104,555.1586	77,836.7934	66,584.9860
	Market-based	95,651.1866	104,555.1034	75,563.5544	51,905.8960

Substance of GHG emissions (tCO_2e)	2020	2021	2022	2023
CO_2	93,848.0291	102,927.4345	71,882.5382	49,142.8280
CH_4	848.4418	825.6514	726.5444	776.3730
N_2O	4.0222	3.6326	10.5304	9.3804
NF_3	0.0000	0.0000	0.0000	0.0000
HFC	930.9330	778.6795	2,924.1810	1,956.4792
PFC	0.0000	0.0000	0.0000	0.0000
SF_6	19.7605	19.7605	19.7605	20.8354
Total	95,651.1866	104,555.1586	75,563.5544	51,905.8960

Source of Scope 3 emissions (tCO2e)	2020	2021	2022	2023
Purchased goods and services				
Capital goods				
Fuel- and energy-related activities			1,473.7881 (*QTY)	1,252.6095 (*QTY)
Upstream transportation and distribution				
Waste generated in operations			65.2047 (*QTY)	75.2811 (*QTY)
Business travel	45.9524 (*QTY)	59.6214 (*QTY/QCS)	127.6748 (*QTY/QCS/QVH)	315.9706 (*QTY/QCS/QVH)
Employee commuting		16.7734 (*QTY/QCS)	135.1860 (*QTY/QCS/QVH)	111.9803 (*QTY/QCS/QVH)
Upstream leased assets				
Downstream transportation and distribution				
Processing of sold products				
Use of sold products				
End-of-life treatment of sold products				
Downstream leased assets				
Franchises				
Investments				
Total	45.9524	76.3948	1801.8536	1,755.8415

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

Energy consumption

The energy consumption within the Qisda Group includes electricity used in offices and factories and fuels (natural gas, gasoline and diesel fuel). According to the ISO 14064-1:2018 inventory, the electricity used in offices and factories is the main source of energy consumption. A solar power system has been built in the plants in Taiwan and Suzhou, for self-consumption. In 2023, the Suzhou Plant expanded its second phase of the solar power system, and the in-plant solar power system generated about 5.2 million kWh, accounting for 4.6% of Qisda's

overall electricity consumption. The Company purchased approximately 24,700 MWh of renewable energy certificates for the plants in China and Vietnam, accounting for 21.6% of Qisda's overall electricity consumption. The proportion of renewable energy was 26.2%.

The energy intensity in 2023 was 38,957 kWh per million USD production value.

Energy		Unit	2020	2021	2022	2023
Electricity	Self-consumed & renewable	kWh	9,300	9,680	5,200,534	5,208,939
		MJ	33,480	34,848	18,721,922	18,752,180
	Purchased & renewable	kWh	0	0	3,500,000	24,700,000
		MJ	0	0	12,600,000	88,920,000
	Purchased & non-renewable	kWh	121,900,000	127,900,000	117,846,382	109,008,914
		MJ	438,840,000	460,440,000	424,246,977	392,432,091
Natural gas		1,000 cubic meters	623.7	180.6	339.16	198.53
		kWh	6,759,008	1,957,154	3,675,461	2,151,506
		MJ	24,332,408	7,045,748	13,231,649	7,745,414
Gasoline		Tonnes	22	13.9	99.97	96.86
		kWh	273,778	172,978	1,244,072	1,205,357
		MJ	985,600	622,720	4,478,656	4,339,283
Diesel fuel		Tonnes	9.5	10.8	14.68	29.58
		kWh	118,222	134,400	182,685	368,091
		MJ	425,600	483,840	657,664	1,325,125
Total renewable energy usage		kWh	9,300	9,680	8,700,534	29,908,939
		MJ	33,480	34,848	31,321,922	107,672,180
Total non-renewable energy consumption		kWh	129,051,008	130,164,532	122,948,600	112,733,868
		MJ	464,583,608	468,592,308	442,614,946	405,841,914

Making good use of water resources

In 2023, the total water consumption of Qisda's global manufacturing sites was approximately 410 million liters; total volume of discharge water was approximately 328 million liters. The total water consumption in 2023 was 106,977 tons less than in 2021, and the water consumption per million USD production value was 140 tons, an increase of about 31.7% compared to 2021. All Qisda's factories rely on the municipal water supply as the only source of water. The recycling and reuse of process wastewater accounted for approximately 2% of our total water consumption in 2023. Also, we conduct water stress assessment using the water resource risk assessment tool (Aqueduct Water Risk Atlas) of the World Resources Institute (WRI). The most prominent risk Qisda faces in relation to water use is the inability to supply water for domestic uses in the occasion of a water shortage.

Year	2020	2021	2022	2023
Water withdrawal (Million m^3)	0.562	0.518	0.441	0.417
Water discharge (Million m^3)	0.449	0.414	0.353	0.333
Water consumption (Million m^3)	0.113	0.102	0.088	0.084

1. The total water discharge is the tap water consumption of global manufacturing sites * 0.8 (0.2 is the estimated percentage of water vaporized due to the use of air conditioners).
2. The water consumption is statistically calculated based on the data in the organization's water bill (minus the consumption by the tenants).
3. According to the World Resources Institute's "Aqueduct Water Risk Atlas," Suzhou (China) and Hà Nam (Vietnam) have been identified as regions of water stress.
   Taiwan: The minimum standard of effluent water quality is COD: 480mg/L, SS: 200mg/L. The value we use for comparison to local standards is the maximum value of the annual testing data provided by the Guishan Industrial Park Service Center. The value in 2023 was COD: 49.6 mg/L, SS: 17.8mg/L.

   Suzhou, China: The minimum standard of effluent water quality is COD:500mg/L, SS:400mg/L. The value we use for comparison to local standards is the maximum value of the data in the test report. The value in 2023 was COD: 47 mg/L and SS: 42.0mg/L.

   Vietnam: The minimum standard of effluent water quality is COD: 150mg/L. The value we use for comparison to local standards is the average value in the test report, and the actual value is the average value in the test report . The value in 2023 was about 25mg/L.

Waste and pollutants

Pollutants management

None of the manufacturing processes of Qisda's plants worldwide release SOx and NOx. No use of ozone-depleting substances is also one of a focus of our environmental management. We do not use ozone-depleting substances in our manufacturing processes. However, R22 refrigerant, which has ozone-depleting characteristics, is used in the air conditioners of employee dormitories. The filling amount in 2023 was 0 kg and did not cause the depletion of ozone

VOCs Emissions of volatile organic gases (metric tons)

VOCs	2020	2021	2022	2023
	15.33	11.62	7.33	5.76
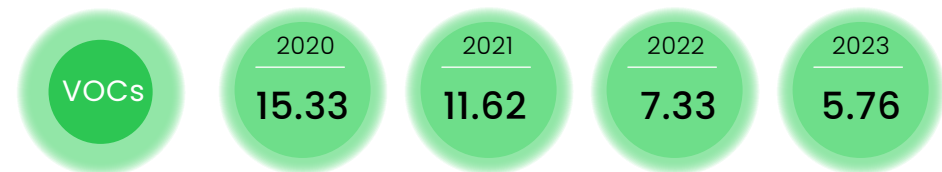
Waste management

Qisda's Suzhou Plant and Vietnam Plant have obtained UL 2799 platinum and gold certifications respectively. We classify types of waste and waste flow to seek opportunities of reducing waste by creating waste volume reduction plan. Moreover, the Company conducts education and training for employees of key units to enhance their awareness of resource recycling and sorting. The rates of reusable and recyclable resources at Qisda have been 90% over the past four years.

	2020			2021			2022			2023		
	Hazardous waste (Ton)	Non-hazardous waste (Ton)	Subtotal (Ton)	Hazardous waste (Ton)	Non-hazardous waste (Ton)	Subtotal (Ton)	Hazardous waste (Ton)	Non-hazardous waste (Ton)	Subtotal (Ton)	Hazardous waste (Ton)	Non-hazardous waste (Ton)	Subtotal (Ton)
Preparation for reuse	-	-	-	-	-	-	-	-	-	-	-	-
Recycling	32,521	16	32,537	37,619	12	37,631	31,561	6	31,567	24,317	127	24,444
Recovery	-	-	-	-	-	-	-	-	-	-	-	-
Incineration with energy recovery	2,838	191	3,029	2,968	196	3,164	2,578	163	2,741	1,599	148	1,747
Incineration without energy recovery	-	-	-	20	0	20	35	0	35	64	8	71
landfilling	-	-	-	-	-	-	-	-	-	-	-	-
Other disposal operations	-	277	277	-	418	418	-	708	708	-	438	438
Total	35,359	484	35,843	40,606	627	41,233	34,174	877	35,051	25,979	721	26,700

Note: Wastes are disposed of off-site.

Biodiversity and forest conservation

Policy and commitment

Qisda has publicly released **Commitment to No-Deforestation and Biodiversity** to demonstrate our determination on the protection of forest ecosystem and prevention of biodiversity loss. Moreover, we regularly report relevant information to corporate sustainable development committee and the board.

We commit to:

> Minimizing negative impacts on biodiversity by 2030.
>
> Achieving No Net Loss (NNL) and Net Positive Impact (NPI) goals regarding no-deforestation and biodiversity by 2050.

Biodiversity risk assessment and its scope

In 2023, Qisda Corporation collaborated with BenQ Foundation and the Department of Soil and Water Conservation of the National Chung-Hsing University to investigate biodiversity dependencies and impacts. The corporation employed the Taskforce on Nature-related Financial Disclosures (TNFD) framework to disclose the natural risks and opportunities management of the corporation.

Qisda's global operating sites are mainly located in industrial parks, and the Company does not conduct any of its business activities in key biodiversity areas. We performed a comprehensive risk assessment for each site by employing the Biodiversity Risk Filter (BRF) and its weightings table provided by the World Wide Fund for Nature (WWF).

Risk assessment results

Region	Taiwan	Suzhou, China	Vietnam
Frequency of operational impact on biodiversity (F)	low	low	low
Severity of operational impact on biodiversity(S)	low	low	low
Degree of risk (R=F*S)	low	low	low
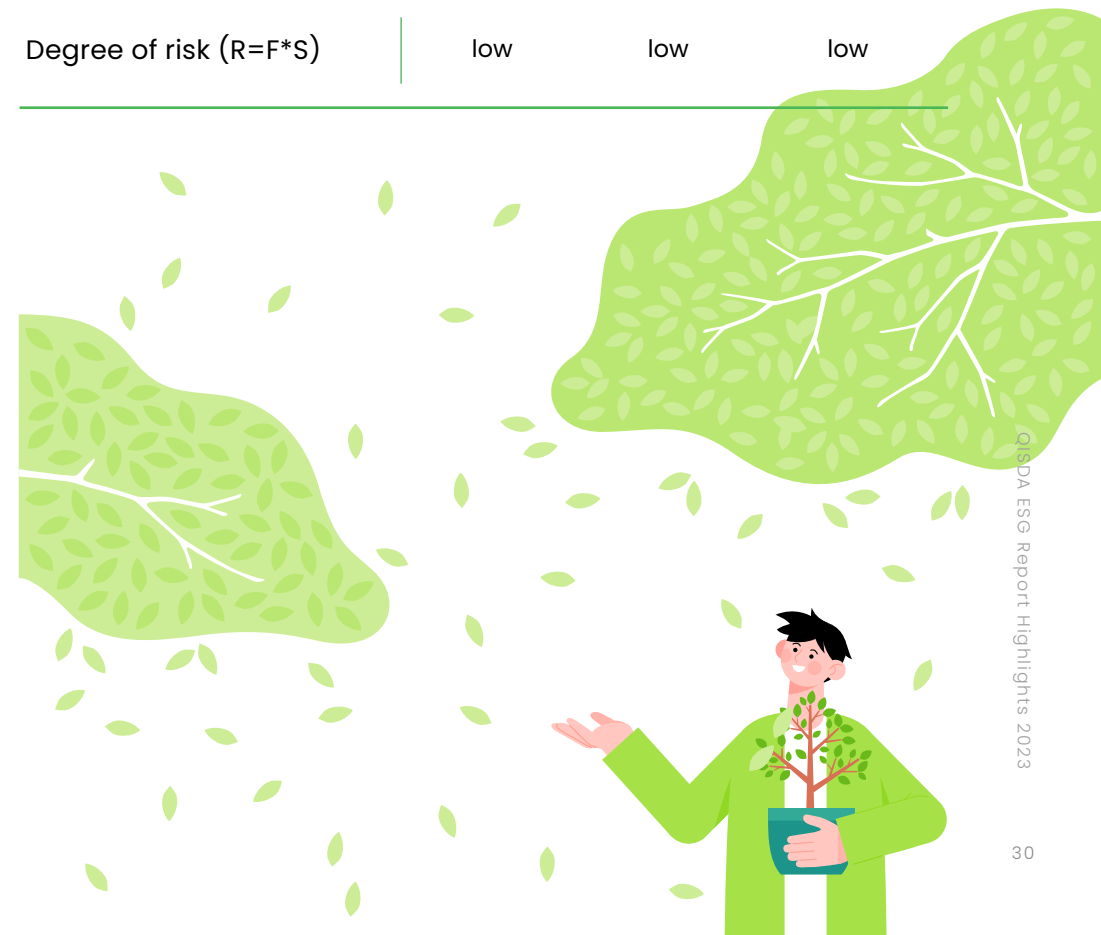
Green products and circularity

Product innovation and responsibility

Qisda spares no effort in the innovation and development of products to maintain our competitive advantages. In the past 4 years, we have invested an average amount of more than 2% of our revenue in the innovation and R&D of products every year. Moreover, the "Regulations for Rewarding Employees with Patents" has been established to encourage the employees to innovate, invent and apply for patents.

Item / Year	2020	2021	2022	2023
Funds invested in R&D (NT$10 thousand)	216,174	227,490	246,451	231,557
Percentage of R&D funds in revenue (%)	2.34	2.17	2.42	3.02
R&D personnel (persons)	588	599	587	581
Percentage of R&D personnel in employees (%)	40.3%	39.7%	37.6%	37.2%
Number of valid patents	1140	1192	1199	1251
Number of patent applications	289	206	238	248
Reward for employees with patents (NT$)	1,942,630	2,279,041	1,808,242	1,819,762

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

Green products

Qisda integrates green concepts into product development, focusing on four key design principles: reducing consumption, managing hazardous substance, saving energy, and recycling.

We have established requirements for each stage of the product life cycle:

Requirements and Cases at each stage of product life cycle

Stage of Life Cycle	Requirements	Actions taken
Raw materials	In addition to considering using parts that consume less energy and reducing the quantity of the parts used, parts used are required to adhere to the EU Restriction of Hazardous Substances (RoHS) Directive or the customer's personal requirements regarding the prohibition and limitation of the use of hazardous substances.	1. In 2023, all of the raw materials of the new products were in compliance with the EU RoHS Directive. 2. The quantity of materials for product design in 2023 was reduced by 8.89%. 3. Continue to promote the use of recycled materials. 4. Continue to promote the use of folded paper or molded pulp materials as packaging filler materials and acquire the FSC certificate.
Manufacture	Qisda has implemented the environmental management system (ISO 14001) since 1997 and introduced the occupational safety and health management system (ISO 45001) in 2001, committing to lowering both the impact on the environment and potential risks during production. We obtained the Green Factory Label in 2016 and established relevant energy saving and waste reduction performance indicators to achieve our green operation goals.	1. Qisda has been building solar power systems since 2022. In 2023, the electricity generated reached approximately 5,208,939 kWh, and helped reduce approximately 2,924 tCO2e of carbon. 2. A new energy-saving project was introduced in 2023, which is expected to reduce electricity by 1.489 million kWh/year. 3. The purchased renewable energy certificates totaled 24,700 MWh, offsetting 21.6% of the total power consumption. 4. In our sites around the world, the carbon emissions per personal hourly electricity consumption were 1.77 kgCO2e in 2023, falling by 29% compared to that of 2021, which was 2.5 kgCO2e. 5. The proportion of recyclable waste reached 91% in 2023.
Distribution	In the early stages of new product design, Qisda considers reducing the packaging volume of finished products and using lighter-weight materials as much as possible. At the same time, the Company optimizes the stacking of finished products to reduce fuel consumption during distribution, and avoid more impact on the environment.	1. Continue to optimize the pallet stacking method to increase transportation volume. For example, the recent shipments of models to Xiamen, China have increased by 8% and 50%, respectively. 2. Increase the loading rate through optimization of packaging material design.
Use	Qisda not only meets international requirements and customer requirements (such as the ErP, TCO and Energy Star), but also takes self enhancement and ongoing improvement as an aim to continue refining the energy consumption of products. In addition, Qisda has established an internal design for service and design verification mechanism to ensure that products meet brand customers' after-sales service and reliability requirements.	Energy consumption at the product use stage was reduced by 2.3% in 2023 as a result of the energy-saving design.
Waste disposal	Qisda takes the products' recyclability and the difficulty of disassembly into consideration since the start of the product design process. We think about the product composition and avoid using materials or manufacturing processes that make products hard to dismantle, such as bonding, soldering or embedding. Products and samples with plastic components that weigh 25g or above should be labeled with a list of materials, and the plastic components used cannot be composed of more than two kinds of materials. In the middle stages of design, we use the internal WEEE platform to make product recyclability assessments, and see if the recyclability of the product meets Qisda's basic requirements. The product can only move on to the next stage of the design process after confirmation that the product complies with all necessary requirements.	From 2020 to 2023, the product recyclability had been in line with the WEEE requirements. **Percentage of products complying with WEEE requirements** 2020 **100%** 2021 **100%** 2022 **100%** 2023 **100%**

Starting from the third quarter of 2023, the emission coefficient quoted on the Carbon Footprint Platform has been updated through the Ecoinvent database, and an independent third-party verification is expected to be carried out in early 2024 to ensure the "Product Carbon Footprint Report" generated by the software platform fulfils its intended purpose and that the GHG emission data outputted by the system for the products are consistent.

Assessment method	Approach	As a percentage of the Company's total product revenue (%)
Full Life Cycle Assessments (Full LCAs)	Qisda utilized the SimaPro software and the Ecoinvent database to conduct LCAs of all products. The Company's LCIA methodology continues to be designed in accordance with the ReCiPe 2016 Midpoint assessment method.	11.45
Simplified Life Cycle Assessments (LCAs)	For only one impact category: climate change, the carbon footprint calculation platform of Qisda and the Ecoinvent database were used for calculation.	43.23
Others (excluding those that have undergone the above two assessments)	Compliant with EU RoHS Directive	45.32
Products of the Company as a percentage of the environmental impact assessment		100

Quality/hazardous substance management

We devote ourselves to promoting the quality management system (ISO 9001), the medical devices quality management system (ISO 13485), the automotive quality management system (IATF 16949) and the hazardous substance process quality management system (IECQ QC 080000). We design and manufacture products that conform to laws, regulations and the requirements for customer safety and health. In the "Quality and No-Hazardous Substance Handbook," we

clearly disclose Qisda's policies for quality and prohibition of hazardous substance use, and the policies are verified by a third party. In 2023, there were no violations of laws and regulations or voluntary standards related to health and safety impacts in the product life cycle, or related to product and service information and labeling.

> **All products must meet the requirements of customers and relevant certification standards**

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

1. Product safety:
Reduction and precaution of product-related danger such as electrical leakage, energy and fire generated by short circuits, heat during operations, chemicals and radiation. For instance, the Taiwan BSMI certification, the U.S. UL standards (UL60950-1 E d. 2/IEC62368-1/UL62368-1), the China CCC standards (GB 4943.1-2011/GB8898-2011), etc.

2. Electromagnetic compatibility (EMC):
Detection of electromagnetic radiation emitted by electronic products and its impact on human bodies, public electrical grid and other electronic products that function normally; testing of whether the electronic products function stably without being affected in electromagnetic environments. For instance, the U.S. FCC labeling, the Canada ICES-003 issue 7, the EU CE marking (EMC Directive 2004/108/EC, Low Voltage Directive 2006/95/EC), etc.

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

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

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

Qisda's policy of quality/non-hazardous substance

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

2. Qisda also makes cards and built a mobile app (Qplay) about the quality policies for all employees to check them out anytime.

3. Relevant certificates are also stored on the internal and external websites.

4. Qisda verifies that its products comply with the EU Restriction of Hazardous Substances (RoHS) Directive and conform to the customers' personal requirement that we prohibit and limit the use of hazardous substances before mass production. Meanwhile, Qisda audits all suppliers regularly, strictly manages component and material approvals, and stringently inspects imported materials. By doing so, we establish a systemized management mechanism to ensure that the customers can receive the products without concerns about health.

Circular economy and recycling

We have formulated Qisda's **Material Sustainability Policy**, defining sustainable materials as 'materials that impose minimal and harmless impact on Earth's environment and human health across the product's life cycle, from resource extraction, product manufacturing, transport, use and disposal.' In Qisda's "Green Product Design Process," R&D personnel are required to follow the Qisda Green Design Guidelines. During the product design and development stage, the four main approaches taken to ensure green design are material reduction, hazardous substance management, energy saving, and recycling. The selection of materials is also included within our green design approach.

For product identification and assessment of environmental aspects and impacts, Qisda conducts IEC62430/ISO 14006/ISO 14001 internal and external audits annually in accordance with our "Impact Source and Risk Identification Management Procedures" in order to reduce the impact of materials on the environment by selecting environment-friendly materials, such as reducing the use of mercury lamps in our projector product lines. An online green design course is held every year for R&D personnel. The courses cover life cycle concepts, application of life cycle thinking, green product redesign, green product architecture and elements.

Material	2023 Consumption (KG)	Recycling Proportion
Plastic	6,884,494	30%
Aluminum	1,572,671	0%
Cobalt	29,672	0%
Copper	578,591	0%
Steel	5,961,202	2%
Nickel	55,092	0%
Lithium	0	0%
Titanium	23,458	0%

3 **Social**

- Talent sustainability

- Talent attraction and development

- Human rights management

- Fulfilling workplace for happy employees

- BenQ foundation
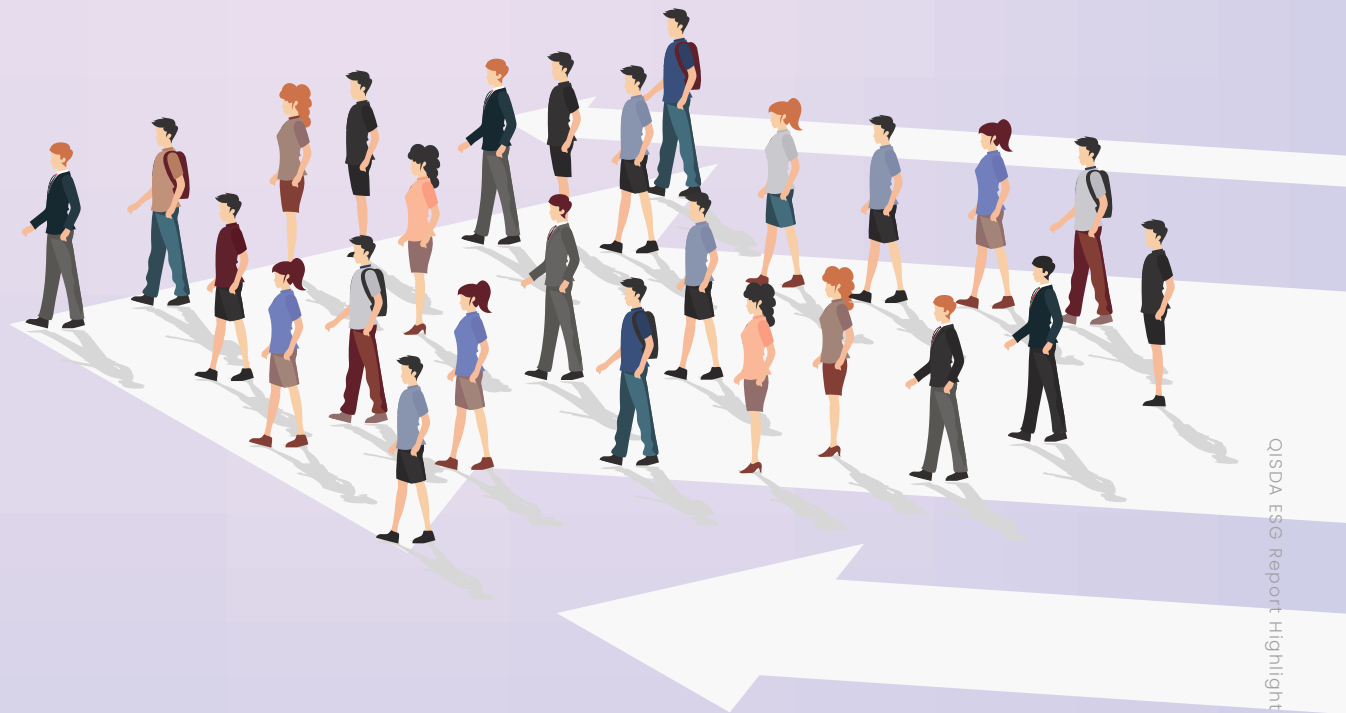
Talent sustainability

Qisda's talent sustainability strategy focuses on three key areas: creating a secure work environment (Environment), enhancing employee engagement (Satisfaction), and establishing a model of success to guide and share best practices (Guidance). This strategy is designed to provide employees with a safe working environment and ample opportunities for career development, which in turn boosts engagement. Through motivating all employees to contribute to the Company, we further drive business value and set an example for our subsidiaries, working together to benefit society.

Qisda has been recognized as one of the 'Best Companies to Work for in Asia' for five consecutive years since 2019, and was honored with the prestigious Golden Award in 2023.

Talent attraction and development

Diverse recruitment channels

To attract outstanding professionals, Qisda has established a diverse recruitment program to recruit potential talents through different platforms including job search platforms, social media, campus talent recruitment activities, industry–academia collaborations, internship, and headhunter firms to enhance industrial competitiveness. We uphold the principle of arranging right people in the right positions and prioritize internal recruitment to establish a talent selection principle that prevent discrimination based on any ground such as race, religion, skin color, gender or nationality. Moreover, the employment of children is also prohibited. A total of 1,484 new employee hires in 2023.

With regarding corporate sustainability as core value, Qisda promotes internal rotation and provides an internal referral mechanism to attract exceptional talent. At the same time, a total of 6 campus lectures were held by the Company in order to enhance our growth momentum.

Employees with disabilities

Qisda encourages diverse talents to create sustained growth momentum for the Company. Also, we comply with employment and labor regulations of our various manufacturing regions to hire talents with disabilities. In 2023, a total of 43 employees with disabilities were hired globally.

Non-discrimination and anti-harassment

Our **Non-Discrimination and Anti-Harassment Policy** has formulated to strictly prohibit any forms of discrimination and harassment, including defamation, offensive and sexually suggestive language, images, objects and physical contacts. The senior managers, employees, job seekers, customers and business partners of the Company are required to comply with the rule, and are also protected by the rule. Any behaviour or environment that could make other employees feel uncomfortable, insulted, threatened or afraid, are strictly forbidden by the Company. Also, no discrimination against the employees is allowed in relation to the recruitment, actual practices, wages, promotions, rewards, access to training, dismissal, or retirement.

Empowering women in technology

In 2023, we appointed two female directors, reinforcing the Company's commitment to gender diversity. At the same time, we set the long-term goal to promote gender equality, aiming for women to hold over 30% of first-line management roles by 2040. Additionally, we introduced action plans across four aspects: company policy, talent cultivation and development, cultural promotion, and employee care, to help achieve this target.

Results of Qisda's action in empowering female employees

Company Policy

1. Exceeding the legal requirements. we added two female directors in 2023.

2. Formulating clear policies and conducting training for all employees to prohibit discrimination and sexual harassment, and emphasizing the Company's commitment to diversity.

3. Supporting female employees in business travel by setting up a female employee business travel section on our internal business travel website. The purpose is to remind them to adapt to new culture when traveling and the precautions they should take.

4. To promote DEI mindset and encourage diverse talents to join Qisda, we have established the "Internal Referral Incentive Regulations." Additional referral rewards will be given if the referral is a woman, foreigner, or indigenouspeople. The Regulations are expected to be officially implemented in 2024. We encourage existing employees to recommend outstanding women to join the Company.

Talent Cultivation and Development

1. For internal vacancies, the human resources team pays special attention to whether there are suitable female candidates and notifies the supervisors. It is emphasized that the candidate's ability, experience, and suitability are considered in the selection for vacancies in order to establish an equal recruitment environment.

2. For managerial vacancies, we simultaneously examine whether there are outstanding female candidates both internally and externally, and recruit them to increase the opportunities of development for female supervisors.

3. In order to more effectively cultivate female leadership talents, the Company planned the leadership training courses in 2023 to focus on cultivating potential outstanding female talents. The participation rate was approximately 30% and the completion rate was approximately 90%.

4. The Company convenes personnel evaluation meetings every six months to review the development and promotion status of talents. We make in-depth analysis and dissemination of the promotion rate of both genders to ensure that female talents have equal opportunities for promotion. The analysis results for the past two years show that the promotion rate of women has increased year by year, which reflects the Company's long-term commitment to promoting women's career development.

Reporting rate	2021	2022	2023
Overall	10.8%	11.0%	9.1%
Male	10.7%	11.0%	7.6%
Female	11.0%	11.0%	12.0%

Note: Promotion percentage for females = listed for promotion (female) / eligible for promotion (female)

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

Culture Promotions

1. Qisda has organized gender-based seminars to help both genders build a healthy and stable foundation for daily life, including managing the gender and family relationship.

2. Women's self-defense activities emphasize the importance of women's safety, including teaching simple self-defense skills on the spot, and promoting the safety of women and children, so that women can improve their self-defense awareness and learn practical defense skills.

3. We plan to add women's leadership talks and occasional diversity-related issue activities to enhance employees' overall awareness of diversity and inclusion.

Employee Care and Concern

1. To be considerate of pregnant female employees, there are dedicated parking spaces and kind baby-raising equipment, and daily flexible breastfeeding time is set to enable female employees to fulfill their duties as a mother at the workplace.

2. The annual childcare allowance of NT$30,000 is exceeded the legal requirement to provide maternity care for women.

3. We provide a flexible working hours system for employees to achieve a balance between work and family life when it comes to time allocation.

Long-term Incentive Plan

Incentive	Applicable to	Implementation Method	Amount
Employee Stock Ownership Trust	After a 3-month probationary period, full-time employees in Taiwan are allowed to apply for the ESOT	The employees participating in the ESOT can purchase the Company's shares according to their respective job levels and the corresponding financial rewards allocated by the Company; the higher the job levels, the greater the allocated financial rewards. Through this way, we motivate employees to strive for the promotion opportunities, meet the performance targets, and thus further contribute to a synergistic effect for overall operational performance of the Company. Employee voluntary contribution: Based on the personal job level, a participant contributes a certain amount from the monthly pay as the trust fund to purchase the Company's shares. Company incentive: The Company also appropriates financial rewards of the amount up to 100% of the employee voluntary contribution (50% for those who working with the Group for 5 years and 100% for those who working for 10 years).	In 2023, the Company's allocated financial rewardsare exceeded **NT$100 million** Employee participation rate **89%**
Retention Bonus	Talents in key positions critical to the organizational development	To ensure that the talents in key positions keep staying in the Company and creating steady long-term operating performance for the organization, we enter into a retention bonus contract with outstanding talents in key positions to reach an agreement that they can receive full retention bonus after staying in the Company for the specified retention years (i.e., 2 years as specified by the retention bonus program in 2023). By distributing retention bonus, we motivate talents in key positions to have better future performance as well as bringing long-term operational benefits to the Company, which reflects a win-win situation.	A total of **55** employees received in 2023, with a retention bonus of approximately **NT$20 million**.
Long-term Incentives for Senior Managers	Senior managers above the vice president level	Since 2023, Qisda has implemented the Long-term Senior Manager Incentive Plan. The plan aligns with the ESG performance goals of senior managers and distributes phantom stocks in three years (first year: 50%; second year: 25%; third year: 25%). The actual number of phantom shares acquired each year will be deposited in the employee's ESOT account in the form of trust assets with reference to the stock price of the Company at that time.	The achievement rate of the ESG goals in 2023 was **100%**. Therefore, **50%** of the phantom shares that are available in the first year under the long-term incentive plan for senior managers are distributed.

Occupational health and sfety management

Health management

We conduct health checkups at a level that exceeds the minimum legal requirements, and the average participation rate of all employees throughout the year is reported to be approximately 95%. In 2023, this number reached 97%, serving as evidence that the Company has properly implemented the first level of public health management –by encouraging employees to undergo

☾ Qisda's health management model

health screening, we enable them to detect health problems early on and seek early treatment, thus reducing further health risks. In addition to following up on the physical health of mothers, we have extended our care to the families of our colleagues as well. Since 2023, we have introduced childcare allowances for children aged 0-6. A total of 351 employees have been paid out over NT$10 million in subsidies to create a family-friendly work environment where employees can work with peace of mind.

Occupational safety management measures

In terms of Qisda's actions for ensuring the employees' personal safety and protecting the work environment, the occupational safety and health units gather the management representatives, relevant responsible units and labor representatives for an Occupational Health and Safety Committee meeting. Moreover, these units perform spot checks and patrol inspections regularly or irregularly to confirm the implementation status of each responsible unit.

The occupational safety and health management effectiveness is audited through the annual ISO 45001 third-party verification, ensuring full compliance with national regulations at all manufacturing sites.

In 2023, none of Qisda's plants in operation sites around the world had any accidents of chemicals, oil, or fuel spill.

In response to the trend of plant automation and safety management, Qisda has set up three levels of safety protection mechanisms according to ISO 10218 and TS 15066. These significantly increase the safety of human-robot collaboration by reducing the risks of mechanical collision and being drawn into the machine, as well as reduce ergonomic hazards. Furthermore, Qisda has obtained the certification for safety in human-robot collaboration from the third-party industrial equipment verification agency Precision Machinery Research Development Center (PMC). Qisda has officially met the ISO 10218/TS 15066 standards, received an international safety certification and became the first manufacturer in Taiwan to receive a safe human–robot collaboration certification. This set a new benchmark for smart factories.

Statistics on Change Management Cases in 2023

Change Control Application Form	Safety Inspection and Acceptance Checklist
52	**49**
Total (Cases)	Total (Cases)

Statistics on annual occupational health and safety training

Statistics on Annual Training		No. of Participants	Total Training Hours
Taiwan	Employees	1,713	2,057
	Contractors	43	43
Suzhou	Employees	3,974	8,092
	Contractors	158	158
Vietnam	Employees	1,656	5,508
	Contractors	230	230

Talent development

Continuous Improvement Program

Continuous Improvement Program (CIP)is conducted based on Plan-Do-Check-Act cycle mode as a management framework. Through project implementations, all employees are enabled to utilize the most suitable tools to intensify and advance competency, thus improving efficiency and enhancing value. Furthermore, it allows Qisda to reach considerable financial benefits for every year. In 2023, a total of 616 projects were executed, with estimated savings of approximately NT$12 billion.

In addition to driving and implementing the CIP within the Group, we are also bringing it to our suppliers as well. In 2023, a total of 24 CIP projects were executed by the suppliers in Suzhou, with the quantified benefits approximately NT$25 million.

Manager leadership development plan

Qisda provides training and development plans for managers at different levels for strengthening their leadership and management skills in workplace. In 2023, a total of 25 executive training courses were provided, and the total number of trainees accounted for 64% of the Company's management positions.

Title of Development Plan	Participant	Role and Mission	Cultivation Focus in 2023	Key Courses in 2023
Fresh Leader Program	Potential talents/ new managers	Professional leader Management expert Mentor of subordinates	Arousing management awareness and concepts, providing basic management knowledge, giving an overall picture of leadership, and enhancing the leadership of managers.	Online courses: Management talent development for new managers, talent recruitment interview
Action Leader Program	Junior Management	Professional leader Management expert Mentor of subordinates	Emphasizing effective delegation skills, new-generation employee cultivation and development, and performance management and communication skills	Physical course: Team building, training of subordinates Online Course: Performance management and communication
Strategic Leader Program	Middle Managements	Strategist Key team member Corporate expert	Emphasizing coaching leadership and employee empowerment, persuasion and influence	Physical Course: Delegation and empowerment, influence and persuasion Online Course: Coaching leadership
Visionary Leader Program	Senior executives/ heads of business units	Industry Pioneer Change driver Management master	Facilitating strategic business planning and deployment thinking, and developing the organizational leadership and the capability to shape the culture and environment	Physical courses: Business management, systematic thinking, strategy planning and implementation Online Course: Business decision-making management

Human rights management

Qisda's human rights policy

Qisda' s **human rights policy** is applicable to Qisda Corporation and its investees, including employees, customers, suppliers, partners and joint ventures.

Human rights due diligence

Qisda has established a human rights due diligence mechanism. We conduct a complete human rights due diligence management cycle once a year with the goal of identifying the impact and frequency of potential human rights issues within the scope of our business, discerning major human rights risk issues, and implementing risk mitigation and remedial measures. We follow up on the achievement of these measures on a regular basis. Since 2023, we have begun to conduct human rights due diligence on joint ventures (JVs) through questionnaires. This mechanism is used to enhance human rights awareness and protect the rights of the Group, ensuring significant human rights risks are detected and mitigated.

For more details, please refer to
Qisda Human Rights Due Diligence Report

Significant human rights risks and mitigation and remedial measures

In 2023, moderate- and high-risk human rights issues at Qisda were "working hours," "emergency preparedness," and "safety at work." Corresponding improvement measures, which were implemented in 2023, are listed below. Relevant action plans are documented in the Qisda Human Rights Due Diligence Report.

Human Rights Issue

Working Hours

Measures for improvement

■ **Communication and training:**
Qisda has developed a human rights policy and declared their full devotion to human rights protection. Each year, education and training on the RBA Code and SA8000 are provided so that all employees understand their rights.

■ **System management:**
Qisda has established a working hour management system. The system sends early warning notifications to the managers to remind them to adjust the workload of the personnel when appropriate

■ **System adjustment:**
1. Production capacity has been optimized, allowing for reasonable arrangement of tasks at the same time.
2. Automated equipment has been introduced to reduce reliance on manpower.

Human Rights Issue

Emergency Preparedness

Measures for improvement

- **Fire protection systems:**

  Ensure access to a complete fire protection system and conduct inspections of the system on a regular basis.

- **Response process and reporting:**

  The Company has established the "Emergency Response Management Summary Manual," has an emergency response management procedure in place, and conducted reporting in accordance with the emergency reporting SOP.

- **Training and drills:**

  The Company arranges emergency drills, fire drills, and dissemination of relevant information on a regular basis.

- **Accident mitigation:**

  As outlined by the accident management procedure, in the event of an accident, the Company will perform an investigation to identify its cause, and take effective measures and actions to prevent further accidents.

Human Rights Issue

Safety at Work

Measures for improvement

- **Risk assessment:**

  Implement sourcing management, change management, and hazard identification to eliminate potential risk factors

  Education and training: Provide health and safety education, conduct training, and disseminate information to help employees understand the safety risks at the workplace.

- **Friendly languages:**

  Provide SOPs and guidelines in languages that employees can understand.

  On-site management: Conduct regular inspections of machinery and equipment, manage chemical use, and distribute protective equipment for personal use.

- **Mitigation of occupational accidents:**

  In the event of an occupational injury, we implement engineering control and management measures, and make improvements to machines similar to the one that caused the injury.

Fulfilling workplace for happy employees

London Benchmark Group evaluation mechanism

Qisda continues to invest resources in society. In order to measure the impact of our investment and review the overall situation, we refer to the London Benchmark Group (LBG) evaluation mechanism.

In 2023, the time that our employees around the world spent on charitable events totaled 3,631 hours. Cash donation prevailed as our most significant form of investment and accounted for 94% of the total hours. This year, the primary focus of our employees' philanthropy shifted from commercial initiatives to community investment. This included club participation in charitable activities, providing local care, and paying attention to disadvantaged groups.

☾ Categories of Philanthropic Influence Activities and Investment Forms

Form of investment		Charitable activities	Community investment	Business activities	Total
2020	Invested amount (NT$)	0	14,403,361	7,124,646	21,528,007
	Proportion (%)	0%	67%	33%	100%
2021	Invested amount (NT$)	525,584	12,621,037	13,848,914	25,955,535
	Proportion (%)	2%	47%	51%	100%
2022	Invested amount (NT$)	0	7,323,410	9,166,062	16,489,472
	Proportion (%)	0%	44%	56%	100%
2023	Invested amount (NT$)	1,534,046	51,524,029	10,600,526	63,658,601
	Proportion (%)	2%	81%	17%	100%

Form of investment		Cash contributions	In-kind contributions	Time contributions	Management cost
2020	Invested amount (NT$)	18,446,836	842,421	2,952(hours)	2,238,750
	Proportion (%)	86%	4%	–	10%
2021	Invested amount (NT$)	17,270,555	6,303,209	1,956(hours)	3,421,771
	Proportion (%)	64%	23%	–	13%
2022	Invested amount (NT$)	13,211,539	1,008,483	2,250(hours)	2,269,450
	Proportion (%)	80%	6%	–	14%
2023	Invested amount (NT$)	81,715,358	2,477,431	3,631 (hours)	2,295,232
	Proportion (%)	94%	3%	–	3%

BenQ foundation

The BenQ Foundation (the Foundation), which was established by the Qisda Corporation, dedicates itself to four major goals: digital equality, fair education, cultural value, and environmental sustainability, further combining core competencies with Qisda Corporation, thus

reposition itself as an ESG expansion platform to further foster the Group's culture of CSR, and take action to influence the overall sustainability of the business ecosystem. It will continue spreading genuineness, kindness, and beauty through projects with the four focal points of 'Towards Digital Equality,' 'Cultivation of Honest and Smart Employees,' 'Increasing Value in Original Culture' and 'Implementation of Environmental Protection.'

☾ Total performance of effective projects in 2023

Annual performance	**200** activities held	**39,093** participants	**1,375** participants	**5.45** million and more
	Information courses, healthcare lectures, volunteer events, campus lectures, etc.	Several people benefited from the relevant digital and educational cultivation projects and volunteer services.	Number of senior people aged above 65 who received hearing care and online lectures and services from pharmacists	Support for friendly farmed food: friendly contract farming and understanding of products from small farms in remote areas.

Core element of public welfare

- Towards Digital Equality
- Cultivation of Honest and Smart Employees
- Increasing Value in Original Culture
- Implementation of Environmental Protection

Assisted parties

- Community residents/smallholders and merchants
- Locations for senior care
- Elementary and senior high school, and college students
- Artists
- Schools in remote areas and education units
- Friendly farming/NGO groups

Problems observed

- Residents in remote areas are not familiar with digital intelligence and applications.
- Medical services have low penetration and accessibility in remote areas.
- Insufficient funds on teaching sites and a lack of choice in lectures.
- Crisis of water resource, labor and food shortage in rural areas.
- Water resource and labor shortage in rural areas.

Actions of social influence

- Providing residents in Hsinchu-Miaoli regions with guidance and courses to learn new information for the long term.
- Contribute the Group's medical resources, holding health education lectures through relevant collaboration and providing channels for after-class consultation.
- Supporting topics outside the curriculum for the youth to explore themselves and make their dreams come true
- Improvement of corporate image
- Focusing on marine and land issues, matching volunteer services, and enhancing the awareness of environmental sustainability

5   # Appendix

- Products and services in response to the UN SDGs

- Qisda management systems for SDGs

Products and services in response to the UN SDGs

Solution	Description	Application of software and hardware	SDGs

Smart energy

We uphold the notion of smart energy saving with love and care for our environment. We focus on energy-saving technologies, the scope of services includes air conditioning, air compression, heat recovery, lighting, power consumption management, uninterruptible power supply, energy storage, energy management, and IoT. Through sharing energy efficiency benefits, we have established long-term partnerships with customers. Accordingly, our goal is to improve customers' competitiveness through professional energy services, ensuring energy-saving benefits, reducing manpower burdens, and achieving ESG goals.

Hardware — PoE switch

Software — Automated monitoring system for energy saving of AC and lighting

SDGs: 7 AFFORDABLE AND CLEAN ENERGY; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 17 PARTNERSHIPS FOR THE GOALS

Smart Manufacturing

With the advent of Industry 4.0 and the 'Low- Carbon Transition', traditional factories are increasingly moving towards intelligent production. To achieve this goal and meet complex, small-batch production demands, 'automation' and 'intelligentization' have become crucial. Equipment stability, scalability, and the adoption of virtualization technology are essential for integrating ICT and OT. Additionally, the importance of OT cybersecurity has increased with the rapid development of the IoT. In the future, users in industrial automation will only need a single central processor to execute various operating systems, seamlessly integrating a vast amount of shared data for real-time monitoring, remote management, and providing cybersecurity defense. This not only enhances production efficiency, product quality, and process safety but also significantly reduces the time, manpower, and costs associated with infrastructure development, providing an ideal smart solution for automated factories.

Hardware — Automatic guided vehicle (AGV)

Software — Warehouse management system (WMS), supervisory control and data acquisition (SCADA), smart environmental safety management (SESM), smart cloud situation room (SCSR), radio frequency identification Radio frequency identification system(RFID), traceability, etc.

SDGs: 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Smart Education

We provide various digital tools to support the integration of IT in education and technology in teaching scenarios, and we also provide school administration systems, integrated smart classroom teaching service systems, teacher-student communication platforms, mobile applications, and campus security and resource monitoring. We focus on several key parties such as parents, teachers, students, administrative staff, technical engineers and policy stipulating staff. With such parties as our core, we establish innovative and smart overall solutions for campuses and technical architectures, and we also collect important key data, in order to head towards the direction of individualized learning and adaptive learning.

Hardware — Campus security monitoring

Software — School administration & student information system

smart classroom & teaching integration service system

teacher-student friendly platform and 1-Campus APP

SDGs: 4 QUALITY EDUCATION

Solution	Description	Application of software and hardware	SDGs
Smart Healthcare	We provide medical care solutions integrated with ICT capabilities. Accordingly, we integrate automation, mobilization, hardware and software, with the smart hospital at its core, in order to utilize IoT/IoMT in the four major fields of smart medical consultation, quality care, smart surgical rooms, and green hospitals, thereby preventing and reducing errors. With the integration of the Dashboard application, precision and quality hospital operations can be achieved, and it can also be extended to smart care and healthy living of various medical sectors externally.	**Hardware** Medical display, ultrasound scanner, intraoral scanner, surgical table, transporting robots in operation rooms and disinfection robots **Software** Group fitness system, health management system, integrated operating room solution, 3D dental implant integration service, dashboard application, clinic check-in and queuing management system, service desk management system, etc.	3 GOOD HEALTH AND WELL-BEING
Smart Retail	To satisfy the diverse hardware and one-stop shop demands for retailers, we provide integrated and highly-flexible POS systems, CMS, Kiosk, queuing systems, KDS, large commercial displays, projectors and peripheral equipment. In addition, for handheld devices such as mobile phones and tablets, we also provide services for integrating various software systems such as CMS, Beacon technology and surveillance systems, in order to allow customers to effectively obtain store operation information in a timely manner, achieve precision marketing, interactive consumer behaviors, and improve brand competitiveness.	**Hardware** POS terminal, mobile POS, large commercial display, projector and other peripheral equipment **Software** Content management system (CMS), electronic shelf label, hotspot analysis	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Smart Enterprise	We provide enterprises with one-stop shopping IT solutions and are committed to building a modern IT operation structure for enterprise customers. The overall service scope includes: software and hardware integration, cloud & on-prem integration, IT environment hosting, ERP deployment & maintenance, AI and Big Data applications, RPA, BPM, HRM, MES, ESG Solutions and SaaS applications.	**Software** Human capital management (HCM), supplier relationship management (SRM), business process management (BPM)	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 17 PARTNERSHIPS FOR THE GOALS

Qisda Management Systems for SDGs

Pillars	Management System Certification		Scope			Contributing to SDGs
	Name		Taiwan	China	Vietnam	
E	ISO 14001 (Environmental Management Systems)		●	●	●	1, 2, 3, 4, 6, 7, 8, 9, 12, 13, 14, 15
	IEC 62430 (Environmentally Conscious Design)		●			12, 9
	ISO 14064-1 (Greenhouse Gases Part 1)		●	●	●	9, 13
	ISO 50001 (Energy Management Systems)		●	●	●	7, 11, 12, 13
	QC080000 (Hazardous Substance Process Management Systems)		●	●		3, 12, 13
S	ISO 45001 (Occupational Health and Safety Management Systems)		●	●	●	3, 5, 8, 9, 10, 11
	SA 8000 (Social Accountability Management Systems)		●	●	●	1, 3, 6, 8, 10
G	ISO 27001 (Information Security Management Systems)		●			9
	ISO 9001 (Quality Management Systems)		●	●	●	1, 9, 12
	ISO 13485 (Medical Device Quality Management System)		●	●		3, 10, 12

ESG ∞

Together,
Make the World Better

THANKS