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# Introduction to Qisda

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

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

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

(2) Name of subsidiaries listed in the consolidated financial statements: The Company's consolidated subsidiaries and listed subsidiaries, BenQ Materials Corp., BenQ Medical Technology Corp., Partner Tech Corp., DFI Inc., Data Image Corp., MetaAge Corporation., Simula Technology Inc., Alpha Networks Inc. and their consolidated subsidiaries. Please refer to the annual report for all the consolidated subsidiaries. Some of the entities included in the consolidated financial statements are not covered within the scope of the ESG report; in this case, notes will be given in the sections.

The data of certain chapters or performance indicators include overall global data. The data that do not completely cover the Taiwan Site, Suzhou Site and Vietnam Site are described in the notes of respective chapter.

|                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Internal Management Process</b>                                                                                                                          | The compilation and preparation of the contents relevant to this report were established by Board of Directors, and planned and promoted by the Company's sustainability department. This report was also internally audited by related personnel of each department to make sure of the consistency, completeness and accuracy of data. Subsequently, the report was submitted to the senior executives of each department, and an external third-party organization performs verification or assurance. Finally, the report is published after submission to and approval by the Board of Directors. |
| <b>External Verification Content</b>                                                                                                                        | External Assurance/Verification/Validation/Certification Unit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Financial Data</b>                                                                                                                                       | KPMG Taiwan                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Greenhouse Gas Emissions: ISO 14064-1</b>                                                                                                                | Bureau Veritas Certification (Taiwan) (BV)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>The report has been assured in accordance with the latest GRI Standards (2021 Comprehensive) and complies with AA 1000 AS V3 High Assurance Type II.</b> | Bureau Veritas Certification (Taiwan) (BV) has issued an assurance statement, which is attached in the appendix of the Report.                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Sustainability-Related Audits and Certifications</b>                                                                                                     | Refer to the Certificate List                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
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| <b>Publication Date</b>                                                                                                                                     | June 2025                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

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

# Qisda Corporation

## ► Company Introduction

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

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

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

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

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

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

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

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

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

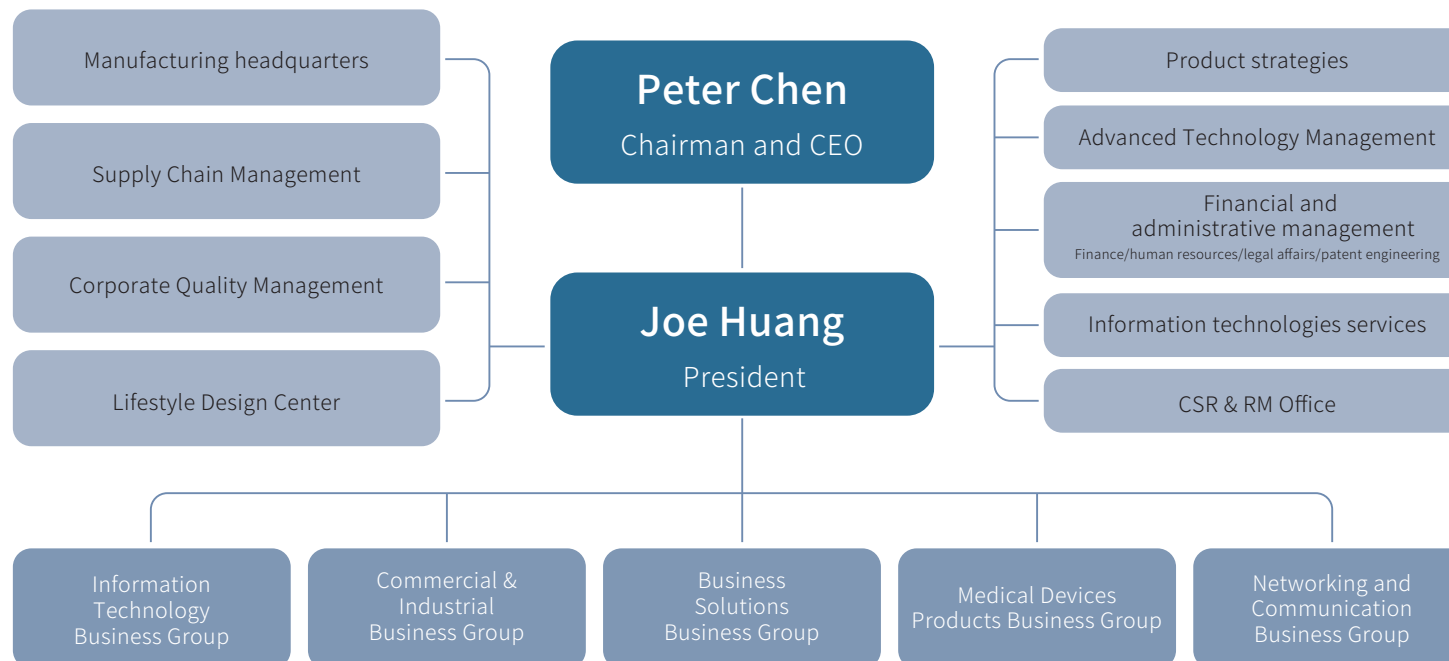
## ► Business Overview and Organizational Structure

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

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

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

### Organizational structure of Qisda



# Letter from the Chairman & President

## ► Letter from the Chairman

邁向淨零里程  
共創集團永續

陳其宏



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

In 2024, the consolidated revenue for the entire year is projected to be NT\$201.7 billion, representing a decrease of 0.95% compared to the revenue of NT\$203.6 billion during the same period in 2023. Although the global market is gradually rising in 2024, the general environment

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

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

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



## ► Letter from the President

共創共好  
永續抵佳

黃漢升



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

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

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

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

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

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

# Philosophy of Sustainable Operations

## ► Core Values

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

- I. With “Integrity & Introspection” ethic promise, no opportunistic fakes, set oneself as an example to follow the disciplines of the company while keeping one’s word.
- II. “Passion & Professionalism”, use active and aggressive attitudes to finish one’s tasks, devoting to one’s job and partners while sticking to one’s promises.
- III. “Execution & Excellence”, open one’s mind, not afraid to innovate and change, continue to learn and grow while non-stop pursuing better spirit.
- IV. “Caring & Contribution” for the overall society, realizing environmental protection and sustainable development promises, making contributions to customer, society and environmental benefits.

## ► Qisda’s Advantages and Accomplishments

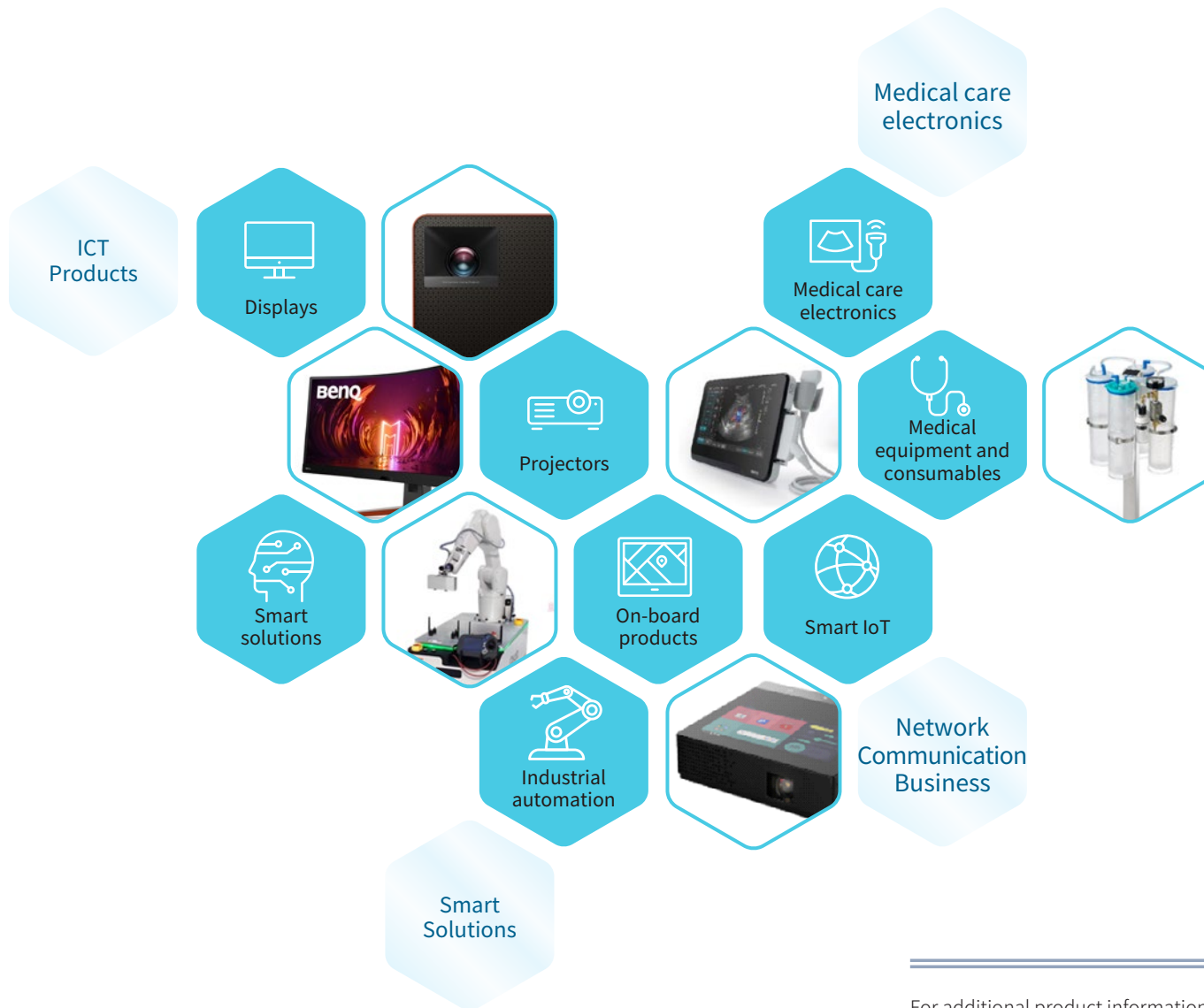
Qisda has the R&D and manufacturing capacities for displays, optics, wireless communication, image, medical use, automotive application, automation, and LED illumination. Such capabilities enable the Company to develop and create diversified product lines, which is an advantage that only few electronic manufacturing companies in the world have. Moreover, we not only grasp the technologies of LCD, LED, electronic paper, touch screen, and IC design by leveraging the synergy of the vertical integration of the Group’s upstream and downstream partners, but also independently own the vertical integration capabilities of surface-mount technology (SMT), metal stamping, plastic injection and LCD module assembling. The ten main categories of products provided for the customers are displays, projectors, smart IoT, on-board products, industrial automation, medical care electronics, medical equipment and consumables, smart solutions, private 5G network, and network communication. In 2024, Qisda demonstrated solid operation of major product lines. With the display products ranked second in the world, we continued to developing toward advanced and professional displays and medical displays with a high unit price. The manufacture and sale of projectors remained in the global leading position. In addition

to completing the product portfolio from portable to high-end laser models, we entered the new Blue Ocean of 3D machine vision with this precise optical technology. As for development of the medical business, our two medical centers in Suzhou and Nanjing operated well. We have been devoted to the construction of the IoT hospital and smart hospital, boosted the electronic medical care product lines and deployed them in the global market. Another focus of our strategy is the development of six smart solutions. We also enhance the integration relationship with software and hardware service providers, and invest in the network communication business to meet the requirements of the various industries for smart transformation.

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

## ► Value-Up Solutions with Forward Thinking: Beyond Expectations

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



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





# Participation in Associations

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

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

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

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

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

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

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

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

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

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

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

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



# Qisda and Our Sustainable Partners

## ► Grand Fleet Partners: Create Green Positive Effects

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

### Creating Sustainable Value Together

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

### Synergy of the Group

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

### The Same Text and the Same Track

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

## Qisda and Grand Fleet Partnership Diagram



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



## ► Enhancing the Sustainability Skills of the Grand Fleet

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

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

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

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



#### II. Product Carbon Footprint Intensive Course

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

2024 明基世達集團 ESG 永續管理師認證 產品碳足跡

可以利用碳抵換來降低碳足跡嗎?

會計第一節環境保護師認證全球。其環境保護的原料有聚丙烯(polypropylene, PP)與油。此時生產聚丙烯的公司就有碳抵換與聚丙烯碳足跡中和了。那我們在計算環境保護師時，可以把聚丙烯的碳足跡當作零嗎?

☐ 可以 ☒ 不可以

★ 答覆: 不可以。因為在計算環境保護師時，不可以把聚丙烯的碳足跡當作零。

2024 明基世達集團 ESG 永續管理師認證 產品碳足跡

常見問題

✓ 近材料來源分配，而近材料來源分配，不可不考慮全廠用量及佔比，僅考慮單一單位之產品使用量(kg)。

✓ 產品中有部分原料成份為商業轉售，該如何處理?

請至少填寫該原料的「主要」成份及比例。(可與值理討論)

✓ 供應商提供的材料，已無法在資料庫中找到合適條目，該如何處理?

請至少填寫該原料的「主要」成份及比例。(可與值理討論)

2024 BenQ Qisda Group Sustainability Action Workshop Supply Chain Training for GHG Inventory

Indirect emissions defined in the GHG Protocol

| System category   | Category title                                                          | Downstream category | Category title                             |
|-------------------|-------------------------------------------------------------------------|---------------------|--------------------------------------------|
| Scope 2 emissions | The emissions from purchased electricity, steam, and heat               | Category 9          | Downstream transportation and distribution |
| Category 1        | Purchased goods and services                                            | Category 10         | Processing of waste products               |
| Category 2        | Capital goods                                                           | Category 11         | Use of sold products                       |
| Category 3        | Fuel and energy-related activities (not included in scope 1 or scope 2) | Category 12         | End-of-life treatment of sold products     |
| Category 4        | Upstream transportation and distribution                                | Category 13         | Downstream leased assets                   |
| Category 5        | Waste generated in operations                                           | Category 14         | Franchises                                 |
| Category 6        | Business travel                                                         | Category 15         | Investments                                |
| Category 7        | Employee commuting                                                      |                     |                                            |
| Category 8        | Upstream leased assets                                                  |                     |                                            |

Scope 1



### III. ESG Sustainability Strategy Workshop

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



## ► Developing Value Chain Sustainability Together: Building Environmental Influence

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

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

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

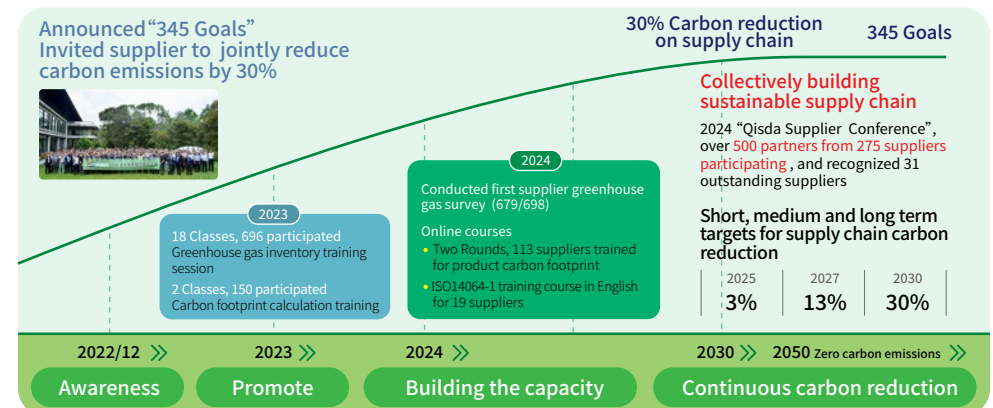
suppliers. In 2024, a total of 679 suppliers completed their greenhouse gas inventories, with 84 of these inventories undergoing third-party verification, representing a 66.67% increase compared to 2023.



## II. Determination of suppliers’ carbon reduction goal

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

### Qisda Suppliers’ Carbon Reduction Roadmap





# Sustainability Governance

## ► Our Sustainable Development

### Qisda's Sustainability Vision



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



Enhancing the quality of human life



Being Earth Friendly

### Our Sustainability Strategy



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

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

### Passing the SBTi target review

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

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



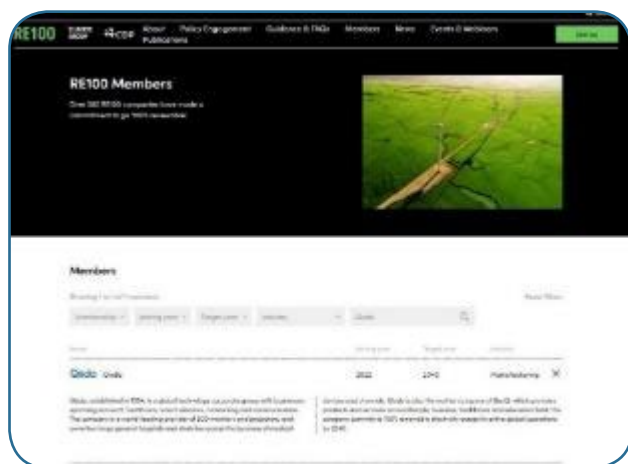
### RE100 Initiative

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

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

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

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



## Corporate Sustainable Development Committee

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

## Composition and Operations of the Corporate Sustainable Development Committee

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

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

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

| Committee Member                        | Meeting Status    |
|-----------------------------------------|-------------------|
| Independent Director,<br>Shu-Chun Huang | March 5, 2024     |
| Independent Director,<br>Chiu-Lien Lin  |                   |
| Independent Director,<br>Liang-Gee Chen | August 30, 2024   |
| Independent Director,<br>Jyuo-Min Shyu  |                   |
| Independent Director,<br>Charles Yen    | November 5, 2024: |
| Director,<br>Joe Huang                  |                   |
| Chairman,<br>Peter Chen                 |                   |

The Committee reviewed the 2023 Sustainability Implementation Report, including the performance of key sustainability indicators such as greenhouse gas emissions, resource and energy management, regulatory compliance, and the execution of sustainability initiatives.

The Committee reviewed the 2023 Sustainability Report, covering the reporting methodology, material sustainability topics, and the disclosure standards adopted.

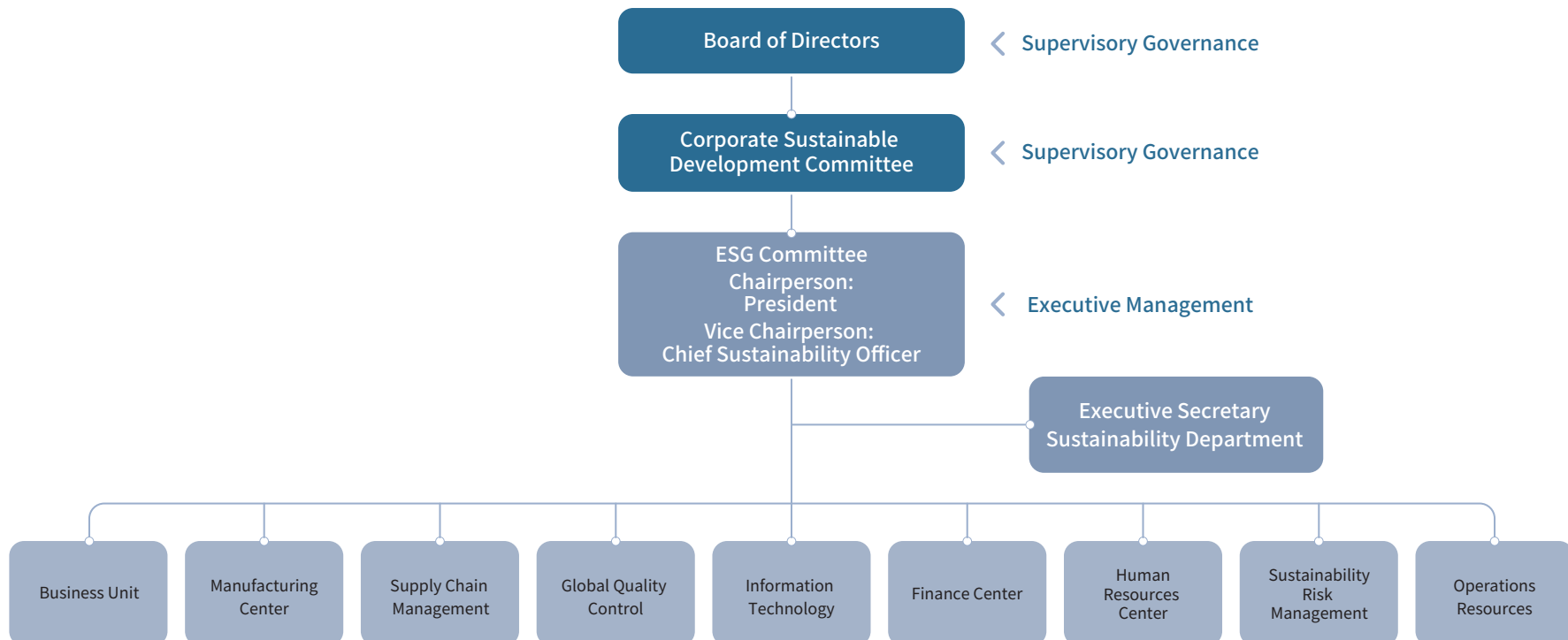
The Committee reviewed the 2024 Sustainability Implementation Report, including the performance of key sustainability indicators such as greenhouse gas emissions, resource and energy management, regulatory compliance, and the execution of sustainability initiatives.

## ESG Committee

In order to smoothly conduct ESG affairs and ensure the communication for and responses to the stakeholders' suggestions on our business, Qisda has integrated the relevant departments to form the ESG Committee. The President, Joe Huang, serves as the chairperson while the senior managers of relevant departments act as the committee members of different dimensions. The Chief Sustainability Officer, Danny Lin, serves as the vice chairperson and is responsible for establishing and planning matters related to corporate sustainable development. Moreover, the ESG unit coordinates, promotes and guides the implementation by the department concerned. In order to improve the performance continuously, the ESG Committee convenes at least once a quarter. The Chairman and President preside over the meeting together to direct and supervise the senior managers. The committee members of different dimensions report the implementation status of the performance indicators and

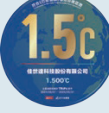
the progress of the corporate sustainable development relevant issues. Currently, the Committee monitors and discusses 51 indicators. It has held 75 meetings to date. Sustainability personnel and the personnel of each task force perform information and performance validation to ensure the consistency, completeness and accuracy of data; when any omissions are found, the data will be returned to the head of each department to complement and confirm the information. At the final stage, it should be disclosed after the approval of the ESG Committee. In addition, according to Qisda's "Guidelines for Corporate Sustainable Development," material issues of the year, sustainability performance and the management results of climate governance related issues are reported to the Board of Directors every year on a periodic basis.

### Organization and Management Structure



## ESG Sustainability Achievements

### Sustainability Achievements in 2024

|                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                           |                                                                                                                                                                                                                                      |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <p>S&amp;P Global<br/>2025 Sustainability Yearbook</p> <p>Top 5% of THQ Categories</p>                                           |  <p>Enterprise Asia<br/>Responsible Enterprise Awards (AREA)</p> <p>Sustainability Report Award<br/>Awarded for two consecutive years</p>                                                                                                                                                       |  <p>Business Weekly<br/>Top 100 Carbon Competitiveness Companies</p> <p>Top 100 Carbon Competitiveness Companies in Taiwan</p>         |  <p>CommonWealth Magazine<br/>Temperature Rising Index for Pathways</p> <p>Corporate Carbon Reduction Commitments Align with the 1.5°C Target</p> |
|  <p>Association For Talent Development, U.S.<br/>BEST Award</p> <p>Recognition of International Learning Organizations</p>        |  <p>Taiwan Institute for Sustainable Energy<br/>The 17th Taiwan Corporate Sustainability Awards</p> <p>Taiwan Top 100 Sustainability Model Corporates Award<br/>Sustainability Report – Platinum Tier<br/>Talent Development Leadership Awards<br/>Creative Communication Leadership Awards</p> |  <p>National Development Council<br/>National Sustainable Development Awards</p> <p>Corporate Sustainability Awards</p>                 |  <p>113th National Sustainable Development Awards<br/>2024 National Sustainable Development Awards</p> <p>Top 100 Sustainable Companies</p>       |
|  <p>HR Asia<br/>Best Companies to Work for in Asia</p> <p>Qisda: Happiness Enterprise<br/>Awarded for six consecutive years</p> |  <p>HR Asia<br/>BEST COMPANIES TO WORK FOR IN ASIA<br/>Celebrates Diversity, Equity &amp; Inclusion</p> <p>Sustainable Homeland Economy for Smallholder Farmers – Gold Tier<br/>Strong Partnership with Employees – Bronze Tier<br/>Ambition for Climate Action – Bronze Tier</p>             |  <p>Taiwan Institute for Sustainable Energy<br/>The 17th Taiwan Sustainability Action Awards</p> <p>Bronze Medal<br/>Silver Medal</p> |  <p>CommonWealth Magazine<br/>Large Enterprise – Manufacturing Category</p> <p>Talent Sustainability Award</p>                                  |



## ► Our Sustainability Value Creation Process

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

### I. Investment

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

### II. Create value

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

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

### III. Output

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

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

## ► Output-Implementation of SDGs in 2024

| SDGs                                                                                | Action                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Corresponding Chapter in the Report                                                                   |
|-------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|
|    | <ul style="list-style-type: none"> <li>Promoting diverse career development plans, invest adequate resources and integrating physical and virtual learning platforms, and providing employees with diverse and comprehensive learning courses.</li> <li>Promoting narrowing of digital gaps, improving digital education for all, and promoting smart health care without differences.</li> <li>Continuously taking root downwards, actively promoting Dream Action Campus Lecture, conveying positive power, and achieving unlimited possibilities for self-realization.</li> </ul>                                                                                     | <p>3.2.3 Talent Development</p> <p>3.6.1 Coexist with Nature</p>                                      |
|    | <ul style="list-style-type: none"> <li>Organizing activities to protect the power of women from time to time (such as a series of self-defense courses)</li> <li>Maternal protection measures</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <p>3.4.1 Employee Health Management</p>                                                               |
|  | <ul style="list-style-type: none"> <li>Every business department actively invests in developing low-carbon products</li> <li>Suzhou Plant in Mainland China and the office building of the headquarters are actively building green power systems. The annual power generation in Mainland China is 4.36 million kilowatt-hours and in Taiwan 490,000 kilowatt-hours to a total of 4.85 million kilowatt-hours.</li> <li>Energy-consuming equipment is updated for the factory and office in the production and R&amp;D areas. For example, high-efficiency ice machines are used as a replacement in Taiwan to reduce approximately 2.7million kWh per year.</li> </ul> | <p>2.3.3 GHG Emissions</p> <p>2.3.4 Reduction Targets and Commitments</p> <p>2.7.2 Green Products</p> |
|  | <ul style="list-style-type: none"> <li>Enhancing management of hazardous substances and selecting suppliers with management capabilities through establishment of a management system platform to ensure raw materials and products meet regulatory requirements</li> <li>Establishing a product carbon footprint management platform</li> </ul>                                                                                                                                                                                                                                                                                                                         | <p>2.7.2 Green Product; Quality/Hazardous Substance Management</p>                                    |

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

## ► Products and Services in Response to the UN SDGs

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

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

# Qisda and Our Stakeholders

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

## ► Materiality Analysis Process

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



### Identification

1

Identify and recognize communication partners

2

Collect sustainability topics

### Analysis

3

Conduct survey on stakeholder concern level

4

Analyze operational impacts

5

Identify sustainability impacts

6

Finalize material issues

### Validation

7

Define scope of impact

8

Disclose and Reporting

## Identification: Stakeholder Engagement and Material Issues Identification

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



## Identification

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

## Analysis: Methodology for Determining Material Issues

### Analysis

| Steps and Process                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Description                     |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|
| <b>Step 3: Stakeholder Survey on Sustainability Issues</b><br>Online questionnaires were used to investigate the degree of concern that primary stakeholders <sup>1</sup> have on various sustainable issues. We received a total of 431 valid questionnaires, including employees (399 copies), investors (4 copies), customers (3 copies), and suppliers (13 copies), partners (1 copies), subsidiaries (8 copy), affiliated companies (2 copies), and others (1 copies).                                                                       | <b>431 valid questionnaires</b> |
| <b>Step 4: Organizational Impact Assessment</b><br>Qisda regards ESG as a core principle in driving corporate sustainability. In this assessment, seven senior executives participated in evaluating the impact of each sustainability topic on revenue growth, employee engagement, customer satisfaction, and operational risk. The analysis also incorporated the concept of financial materiality to assess the significance of each topic on the Company's operations, thereby determining the materiality ranking of the identified issues. | <b>7 executives</b>             |

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

### Step 5: Sustainability Impact Assessment

Qisda adopted international standards – including the Value Balancing Alliance (VBA), the Impact-Weighted Accounts Project by Harvard Business School, and the London Benchmarking Group (LBG) – to identify 12 positive and 7 negative external sustainability impacts in order to assess the influence of sustainability issues on both the enterprise and society. A total of 25 managers and employees participated in the external impact assessment using an Impact Valuation approach. This method comprehensively evaluated the positive and negative impacts across the upstream supply chain, Qisda's own operations, and downstream products and services. Each impact was assessed based on its severity, scope, remediability, and likelihood, with defined threshold values. Impacts that met or exceeded the threshold were classified as significant impacts caused or contributed to by Qisda. As a result, 11 significant impacts highly relevant to Qisda were identified, and corresponding ESG topics were ranked accordingly to ensure the effectiveness and forward-looking nature of the Company's sustainability strategy.

**19 GRI topics connected**

### Step 6: Final Determination of Ten Material Issues

Qisda integrated findings from the stakeholder concern survey, operational impact assessment, and external sustainability impact identification, and aligned them with ESG topics linked to executive compensation to further define the Company's long-term sustainability objectives. Based on this foundation, the internal Sustainability Office, in collaboration with external experts, conducted a comprehensive evaluation. Ultimately, 10 material issues were confirmed and prioritized by level of importance to ensure the precision and effectiveness of the Company's sustainability strategy.

**10 material sustainability issues**

## Disclosure: Comprehensive Disclosure of Material Issues

### Confirmation and Disclosure

| Steps and Process                                                                                                                                                                                                                                                                                                                        | Description                                    |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|
| <b>Step 7: Review of Disclosure Contents</b><br>10 material sustainability issues were identified corresponding to 18 GRI topics and 1 Qisda-defined topic, and based on this to draw the information disclosure boundary of Qisda's value chain (supply chain management, operations, products, society) as the basis for reporting     | <b>18 GRI topics and 1 Qisda-defined topic</b> |
| <b>Step 8: Formulate Long-term Sustainability Goals and Disclose</b><br>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 | <b>10 long-term sustainability goals</b>       |

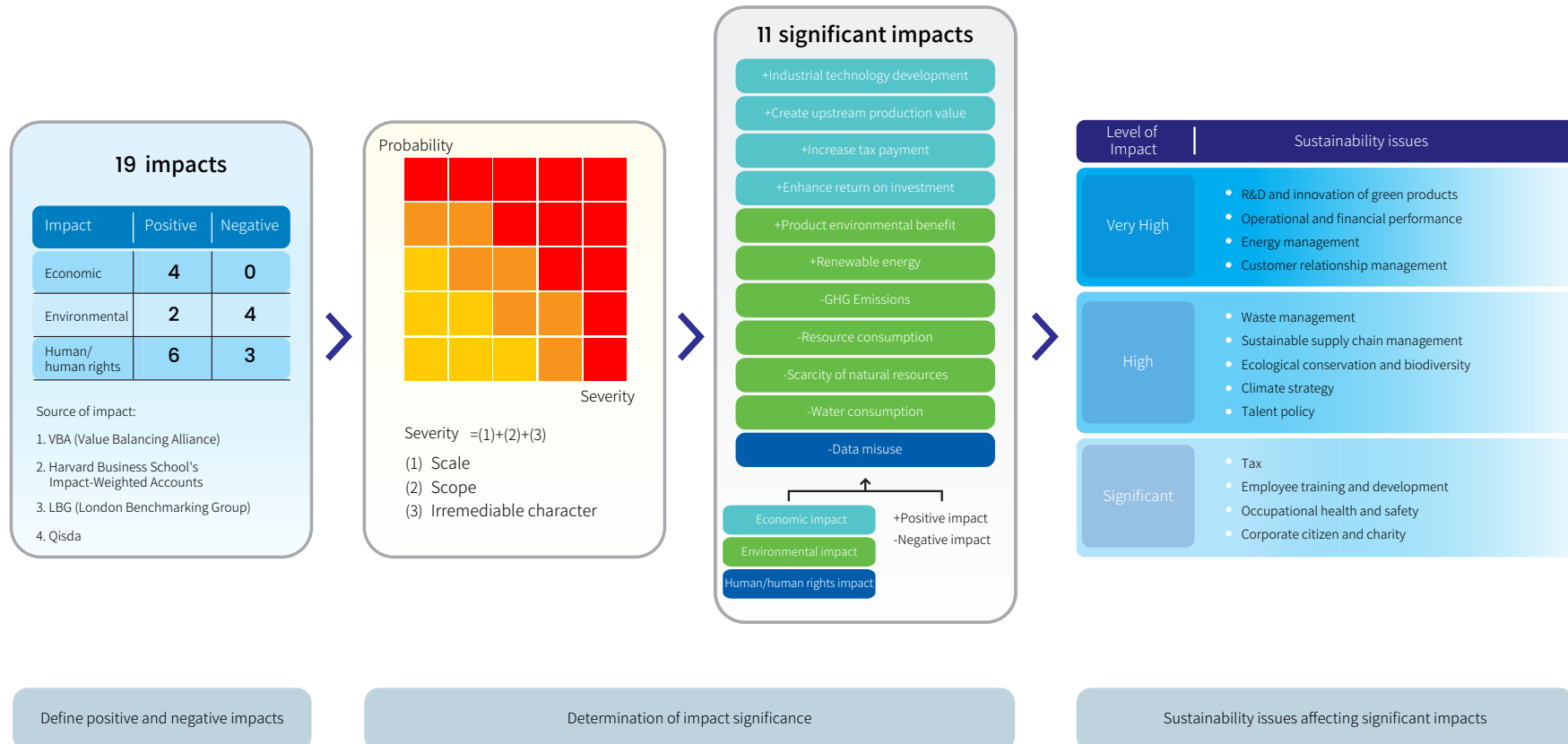
## Confirmation of Ten Material Issues

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

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

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

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



## Qisda's Material Issues

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

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

## Qisda's Material Issues Ranking

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

## Qisda's Double Materiality

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

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

## Qisda's Material Issues across the Value Chain

● Cause; ○ Facilitate; ◎ Directly related

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

## Material Issues and Risk Management

| Material Issues                      | Description of Risk                                                                                                                                                                                                                                                                                                                                                                                                                                        | Type of Risk | Risk Severity <sup>(6)</sup> | Risk Likelihood <sup>(7)</sup> | Mitigation Measures                                                                                                                                                                                                                                                                                           |
|--------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|------------------------------|--------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| R&D and Innovation of Green Products | <ul style="list-style-type: none"> <li>Technology development lags behind peers</li> <li>Apart from displays, other new products demonstrate insufficient growth momentum</li> <li>Products have safety concerns when used by end consumers</li> <li>To comply with the international trend of carbon reduction, conduct repair of development documents when developing green products, as well as the number of years of material preparation</li> </ul> | Strategy     | Low                          | High                           | Establish a product development and management mechanism, formulate product development and management regulations and make plans in advance, and regularly review the progress of new product development.                                                                                                   |
|                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Operation    | Low                          | High                           | Establish a product development and management mechanism, regularly follow up on market investigation and customer opinions on diverse products.                                                                                                                                                              |
|                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Operation    | Low                          | Low                            | Establish a product development and management mechanism, formulate product development and management regulations and make plans in advance, follow up on product improvement progress regularly, and stay informed about the progress of liability for damage.                                              |
|                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Strategy     | Low                          | Moderate                       | Establish customer service mechanisms and regulations, regularly review results and revise development processes, regularly analyze the causes of customer complaints, and strengthen the maintenance of customer relationships.                                                                              |
| Customer Relationship Management     | <ul style="list-style-type: none"> <li>Quality defects</li> <li>Incomplete product testing requires frontline personnel to rework</li> <li>Rising energy prices will result in shifting cost to customers</li> </ul>                                                                                                                                                                                                                                       | Operation    | Low                          | High                           | Establish quality verification capabilities, limit the scope of quality, prepare Bill of Materials (BOM), have a clearer notification mechanism for changes in the operation method, and request relevant units to review, and require the supervisor for confirmation of the inspection standard procedures. |
|                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                            |              | Moderate                     | Low                            | Establish a product development and management mechanism, formulate product development regulations and product testing standards, and communicate with customers on a regular basis.                                                                                                                         |
|                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                            |              | Low                          | Moderate                       | Meet customer requirements, and take the initiative to implement energy-saving measures internally (including install renewable energy power generation equipment and purchase renewable energy).                                                                                                             |

## Material Issues and Risk Management

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

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

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



## Management Approach to Material Issues

| Material Issue                                 |                                                              |                                                                                                                                                                                                |                                                                                     |
|------------------------------------------------|--------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| Operational and financial performance          |                                                              | Responsible Unit : Finance                                                                                                                                                                     |                                                                                     |
| Impact                                         | Positive                                                     | Enhance financial returns to investors, increase tax payment, and create upstream output values                                                                                                |                                                                                     |
|                                                | Negative                                                     | /                                                                                                                                                                                              |                                                                                     |
| Policy                                         |                                                              | Optimizing the operation of the business, accelerating the expansion of the medical business and development of smart solutions, and creating strategies for networking communication business |                                                                                     |
| Commitment                                     |                                                              | Create value                                                                                                                                                                                   |                                                                                     |
| Project/Action                                 |                                                              | Laying foundation for ESG, expanding high profit margin businesses, exerting influence as the Grand Fleet                                                                                      |                                                                                     |
| Performance Indicator                          |                                                              | Profit from high-value-added business                                                                                                                                                          |                                                                                     |
| Engaged Counterparty                           | Engagement Channel                                           | Frequency of Engagement                                                                                                                                                                        | Connected SDGs                                                                      |
| Shareholder, Investment institution, Employees | Investor conference, Shareholders meeting, Business briefing | Without a fixed schedule, at least once a quarter                                                                                                                                              |  |

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

| Material Issue                      |                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                   |
|-------------------------------------|-------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Sustainable Supply Chain Management |                                     | Responsible Unit : SCM                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                   |
| Impact                              | Positive                            | Disseminate information about the social responsibility to suppliers, enhance the quality of work and life for employees and the sustainable operation goal, control performance periodically, disseminate the spirit of RBA to whole network of suppliers for enabling the operation of the supply chain in line with local laws and regulations and pushing the Company to meet the international trend and goals regarding work environment |                                                                                                                                                                                                                                                                                                                                                   |
|                                     | Negative                            | Supply chain can't move with the times for transition, resulting in the lack of friendly work environments for the employees and violation of local laws and policies. The Company suffering reputational damage internationally                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                   |
| Policy                              |                                     | <ol style="list-style-type: none"> <li>1. Requiring suppliers to comply with local laws and regulations.</li> <li>2. Social standards and environmental protection programs, as well as regular surveys and audits, enable suppliers and Qisda to join hands in making commitments to the environment and society, and to enhance product value.</li> </ol>                                                                                    |                                                                                                                                                                                                                                                                                                                                                   |
| Commitment                          |                                     | Improve values in the sustainable supply chain                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                   |
| Project/Action                      |                                     | Establishing supplier dynamic management mechanism, sustainable supplier management regulations, and regular education and training for suppliers                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                   |
| Performance Indicator               |                                     | Supplier carbon reduction                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                   |
| Engaged Counterparty                | Engagement Channel                  | Frequency of Engagement                                                                                                                                                                                                                                                                                                                                                                                                                        | Connected SDGs                                                                                                                                                                                                                                                                                                                                    |
| Suppliers                           | Suppliers meeting<br>Supplier Audit | Once a year<br>Once a year                                                                                                                                                                                                                                                                                                                                                                                                                     |     |

| Material Issue                                                           |          |                                                                                                                                                                                                                                                                            |                                                                                                       |
|--------------------------------------------------------------------------|----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|
| Climate Strategy                                                         |          | Responsible Unit : Risk                                                                                                                                                                                                                                                    |                                                                                                       |
| Impact                                                                   | Positive |                                                                                                                                                                                                                                                                            |                                                                                                       |
|                                                                          | Negative | Confronting the risks and challenges posed by climate change, we may suffer the significant impacts and consequences on operation caused by failure of climate change mitigation                                                                                           |                                                                                                       |
| Policy                                                                   |          | <ol style="list-style-type: none"> <li>1. Setting carbon reduction and net zero goals and turning these goals into action</li> <li>2. Strengthening the corporate climate resilience</li> </ol>                                                                            |                                                                                                       |
| Commitment                                                               |          | Apply life cycle thinking to examine carbon emissions through all lifecycle stages and explore opportunities for reduction                                                                                                                                                 |                                                                                                       |
| Project/Action                                                           |          | Continuously introducing TCFD to deepen climate risk management                                                                                                                                                                                                            |                                                                                                       |
| Performance Indicator                                                    |          | Absolute reduction: Scope 1, 2, and 3 GHG emissions                                                                                                                                                                                                                        |                                                                                                       |
| Engaged Counterparty                                                     |          | Engagement Channel                                                                                                                                                                                                                                                         | Frequency of Engagement                                                                               |
| Supplier, media, Subsidiary, Government, Shareholder, Customer, Employee |          | <ol style="list-style-type: none"> <li>1. Investor conference, shareholder meeting, sustainability report, the Company's communication platform, and internal educational and training</li> <li>2. Risk management committee, internal educational and training</li> </ol> | <ol style="list-style-type: none"> <li>1. Multiple times a year</li> <li>2. 4 times a year</li> </ol> |
|                                                                          |          |                                                                                                  |                                                                                                       |

| Material Issue                                                                               |                                                                                                                            |                                                                                                                                                                                                                                                                    |                                                                                                                                                                          |
|----------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| R&D and Innovation of Green Products                                                         |                                                                                                                            | Responsible Unit : PG/Sustainability                                                                                                                                                                                                                               |                                                                                                                                                                          |
| Impact                                                                                       | Positive                                                                                                                   | Being eager to conduct climate change mitigation, apply green design thinking to the stage of design, create product values for customers, contribute to the goal of zero carbon emissions                                                                         |                                                                                                                                                                          |
|                                                                                              | Negative                                                                                                                   | Overtime work of personnel related to R&D, patent, forward-looking development, and human resources; an increase in price may result in a financial burden of customers; hard to recruit R&D talents and unable to create product with more competitive advantages |                                                                                                                                                                          |
| Policy                                                                                       |                                                                                                                            | Applying energy-saving, volume reduction, and carbon reduction strategies to design and develop products and services                                                                                                                                              |                                                                                                                                                                          |
| Commitment                                                                                   |                                                                                                                            | Applying life cycle thinking to examine carbon emissions through all lifecycle stages and explore opportunities for consumption reduction                                                                                                                          |                                                                                                                                                                          |
| Project/Action                                                                               |                                                                                                                            | Introduced ISO 14006 and IEC 62430 management systems                                                                                                                                                                                                              |                                                                                                                                                                          |
| Performance Indicator                                                                        |                                                                                                                            | Improve energy efficiency                                                                                                                                                                                                                                          |                                                                                                                                                                          |
| Engaged Counterparty                                                                         | Engagement Channel                                                                                                         | Frequency of Engagement                                                                                                                                                                                                                                            | Connected SDGs                                                                                                                                                           |
| Supplier, Media, Affiliated company, Subsidiary, Government, Shareholder, Customer, Employee | Customer questionnaire<br>Supplier questionnaire<br>Shareholders meeting<br>Monthly Group meeting<br>Sustainability report | Regular basis<br>Regular basis<br>Quarterly<br>Monthly<br>Annually                                                                                                                                                                                                 |   |

| Material Issue                                                                                 |                                                                                                                                                                            |                                                                                                                                                                                                 |                                                                                                                                                                             |
|------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Waste Management                                                                               |                                                                                                                                                                            | Responsible Unit: Environmental safety                                                                                                                                                          |                                                                                                                                                                             |
| Impact                                                                                         | Positive                                                                                                                                                                   |                                                                                                                                                                                                 |                                                                                                                                                                             |
|                                                                                                | Negative                                                                                                                                                                   | Ineffective waste management results in increased cost of revenue and directs stakeholders' attention to it                                                                                     |                                                                                                                                                                             |
| Policy                                                                                         |                                                                                                                                                                            | Commitment to pollution prevention, waste reduction, energy efficiency improvement, and greenhouse gas emission reduction                                                                       |                                                                                                                                                                             |
| Commitment                                                                                     |                                                                                                                                                                            | Increase the percentage of products and packaging materials used in the 3R practice, starting from source design; reduce the amount of operating waste and increase the reuse and recovery rate |                                                                                                                                                                             |
| Project/Action                                                                                 |                                                                                                                                                                            | 1. Courses related to green products<br>2. Transforming waste into valuable resources, converting plastic waste to fuel                                                                         |                                                                                                                                                                             |
| Performance Indicator                                                                          |                                                                                                                                                                            | Proportion of recyclable waste                                                                                                                                                                  |                                                                                                                                                                             |
| Engaged Counterparty                                                                           | Engagement Channel                                                                                                                                                         | Frequency of Engagement                                                                                                                                                                         | Connected SDGs                                                                                                                                                              |
| Affiliated company<br>Supplier<br>Media<br>Subsidiary<br>Government<br>Shareholder<br>Customer | Government inspection<br>Customer audit<br>Shareholders meeting<br>Sustainability report<br>The Company's communication platform<br>ESG Committee<br>Monthly Group meeting | Irregular<br>Irregular<br>4 times a year<br>4 times a year<br>Irregular<br>Quarterly<br>Monthly                                                                                                 |   |

| Material Issue                                          |                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                     |
|---------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| Energy management                                       |                                                                                                                                                                     | Responsible Unit: Environmental safety                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                     |
| Impact                                                  | Positive                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                     |
|                                                         | Negative                                                                                                                                                            | <ol style="list-style-type: none"> <li>1. An increase in electricity consumption and energy use intensity results in an increase in production cost and a decline in profits, directing stakeholders' attention to it.</li> <li>2. In response to potential carbon fee and carbon tax collection in various countries results in an increase in cost of revenue.</li> </ol>                                                                                                               |                                                                                     |
| Policy                                                  |                                                                                                                                                                     | Commitment to pollution prevention, waste reduction, energy efficiency improvement, and greenhouse gas emission reduction                                                                                                                                                                                                                                                                                                                                                                 |                                                                                     |
| Commitment                                              |                                                                                                                                                                     | <ol style="list-style-type: none"> <li>1. Improve energy use efficiency</li> <li>2. Increase use of renewable energy</li> </ol>                                                                                                                                                                                                                                                                                                                                                           |                                                                                     |
| Project/Action                                          |                                                                                                                                                                     | <ol style="list-style-type: none"> <li>1. Utilizing high-efficiency equipment to continuously improve energy performance and efficiency</li> <li>2. Introducing the concept and methods of carbon reduction to the employees and suppliers to avoid waste</li> <li>3. Continuously purchasing renewable energy and establishing renewable power generation system to reach 100% renewable energy</li> <li>4. Adding carbon offset projects and setting internal carbon pricing</li> </ol> |                                                                                     |
| Performance Indicator                                   |                                                                                                                                                                     | <ol style="list-style-type: none"> <li>1. Renewable energy consumption</li> <li>2. Absolute reduction</li> </ol>                                                                                                                                                                                                                                                                                                                                                                          |                                                                                     |
| Engaged Counterparty                                    | Engagement Channel                                                                                                                                                  | Frequency of Engagement                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Connected SDGs                                                                      |
| Supplier, Subsidiary, Government, Shareholder, Customer | Board meeting<br>Senior managers' meeting<br>Media<br>Suppliers meeting<br>Sustainability report<br>Internal announcement<br>ESG Committee<br>Monthly Group meeting | 4 times a year<br>Irregular<br>Irregular<br>Annually<br>Issued annually<br>Irregular<br>Quarterly<br>Monthly                                                                                                                                                                                                                                                                                                                                                                              |  |

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

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

| Material Issue                                       |                              |                                                                                                                                        |                                                                                                                                                                                                                                                                   |
|------------------------------------------------------|------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Occupational health and safety                       |                              |                                                                                                                                        | Responsible Unit : HR/OHS                                                                                                                                                                                                                                         |
| Impact                                               | Positive                     | Company operations/A good work environment enables talents to work without worries and protect physical and mental health of employees |                                                                                                                                                                                                                                                                   |
|                                                      | Negative                     | Company operations/investments; accidents cause reputational damage and business losses to the Company                                 |                                                                                                                                                                                                                                                                   |
| Policy                                               |                              | Protecting our employees, providing them with complete management system and regulations for health and safety                         |                                                                                                                                                                                                                                                                   |
| Commitment                                           |                              | Continuously manage safety, sanitation, and health in the work environment and create improvement plans                                |                                                                                                                                                                                                                                                                   |
| Project/Action                                       |                              | ISO 45001 effective operation, risk assessment, change management, safety culture, safety proposal, joint inspection by supervisors    |                                                                                                                                                                                                                                                                   |
| Performance Indicator                                |                              | Zero occupational disease; FR/SR is superior to standards announced by public sector                                                   |                                                                                                                                                                                                                                                                   |
| Engaged Counterparty                                 | Engagement Channel           | Frequency of Engagement                                                                                                                | Connected SDGs                                                                                                                                                                                                                                                    |
| Affiliated company, Subsidiary, Government, Employee | Internal briefing conference | 4 times a year                                                                                                                         |    |



## Our Actions

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

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

## Qisda's Assessment of Impact on Sustainability - Monetization

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

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

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

