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Environmental Protection

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- Climate Adaptation and Mitigation
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Environmental Policy and Management

► Environmental Policy

Qisda knows that the impact of human beings on the environment is irreversible, and only focusing on economic and social development is not sufficient to meet the expectations of the stakeholders. Hence, Qisda is committed to investing resources into reducing volume, saving energy and reducing carbon in the product design, introducing integrated design (ISO 14006) and combining green design (IEC 62430) to ensure both products and processes can save more energy and are more environmentally friendly. Through responsible manufacturing, we ensure our products comply with all applicable laws and regulations, while meeting the health and safety requirements of our customers. Suppliers, service providers, contractors, transportation and logistics providers, group companies, value chain partners, and joint ventures are required to comply with Qisda's environmental policies to achieve Qisda's commitment to social responsibility, environmental protection, and energy.

The scope of Qisda's environmental policy covers Qisda and its subsidiaries, joint ventures, affiliates, suppliers/contractors, and business partners. This policy is approved by the Board of Directors and implemented by the ESG Committee, with the Board of Directors serving as the highest-level decision-making and governance body.

► Environmental Management

Qisda continues to conduct regular environmental audits at global manufacturing sites in accordance with the management system framework, and implement in-plant management to ensure that the operations of the Company comply with local environmental regulations and the expectations of stakeholders. In 2025, all of Qisda's manufacturing sites passed ISO 14001 environmental management system certification.

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

In 2025, Qisda had no environmental violations.

Number of Environmental Violations

2022	2023	2024	2025
0	0	0	0



Climate Adaptation and Mitigation

Extreme climate and ecological imbalance caused by global warming have posed a severe threat to the living environment of organisms and represent a risk that industries must confront in order to achieve sustainable operation. In response to the temperature targets set forth in the "Paris Agreement" and the regulatory trends under Taiwan's Climate Change Response Act, carbon management has evolved from an environmental issue into a core indicator of corporate resilience. In view of this, Qisda, as a responsible global citizen, actively responds to the global net-zero trend by taking climate actions and assessing the potential impacts of climate change on its operations. Guided by its commitment to sustainable corporate development, Qisda formulates climate strategies, advances carbon management initiatives, and plans to implement internal carbon pricing. With reference to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), Qisda has progressively conducted climate change risk

and opportunity assessments and developed corresponding response measures. At the same time, the Company also follows the framework of the Taskforce on Nature-related Financial Disclosures (TNFD) to analyze its dependencies and impacts on nature. Each year, Qisda regularly discloses its sustainability achievements and emissions reduction performance to stakeholders through its Sustainability Report. The Company also actively participates in the Carbon Disclosure Project (CDP) questionnaire to demonstrate Qisda's emphasis on and management of climate change issues, as well as its commitment to strengthening internal momentum for sustainable competitiveness. Amid a rapidly changing environment, Qisda remains dedicated to safeguarding ecological value, realizing the harmonious coexistence and mutual prosperity of business and the environment, and earning recognition from various sectors.



Note: TCFD-related disclosures are based on Qisda Corporation, the parent company of the Qisda Group.

TCFD

Governance

a. The Board's Oversight of Climate-related Risks and Opportunities

To advance corporate sustainability and climate change governance, Qisda established the Sustainable Development and Information Security Committee under the Board of Directors on August 4, 2023. The Committee is responsible for formulating the Company's vision, strategies, and objectives for sustainable development. All members of this functional committee are directors, comprising two directors and five independent directors. Meetings are convened on a regular basis each year. In addition, in alignment with the establishment of the Corporate Sustainable Development Committee, the scope of the existing ESG Committee was expanded concurrently. All first-level managers serve as members of the ESG Committee, while the Chairman and President establish the Company's short- and medium-term sustainability objectives. Through this top-down internal approach, management effectiveness is further enhanced. Since 2023, the Company has implemented a long-term incentive program for the Chairman, Chief Executive Officer, President, and other senior executives. The program is linked to ESG performance, including performance indicators related to corporate governance, social engagement, and environmental sustainability. Long-term incentive compensation is granted based on the achievement of annual ESG performance targets.

b. Management's Influence in Assessing and Managing Climate-related Risks and Opportunities

As climate-related issues continue to intensify, and given that addressing climate risks aligns with Qisda's overall sustainability objectives, the Company regards climate-related risks as immediate and highly significant risks. Accordingly, Qisda has appointed the Chief Sustainability Officer as the executive responsible for climate-related matters, while the ESG Committee drives the implementation of sustainability-related initiatives. Relevant issues are discussed quarterly at senior management meetings and reported to the Board of Directors annually. The Board has committed to achieving net-zero emissions by 2050. For further details, please refer to the "Metrics and Targets" section. Qisda introduced an Enterprise Risk Management (ERM) framework in 2005 and established a Risk Management Committee. In addition to conducting annual risk assessments at the management level through risk radar charts and the identification of the Top 3 Risks, the Company also performs operational-level risk evaluations using risk assessment checklists. Preventive and mitigation measures are implemented for high-risk items, and their progress is monitored on a quarterly basis. Climate change-related risks have been incorporated into the annual risk radar chart since 2016 and are assessed each year based on their severity and likelihood. In 2025, the Company tracked two major risks: power shortage risks resulting from extreme weather events and adaptation to energy consumption regulations. Response strategies, including Business Continuity Plans (BCPs), were established to mitigate potential impacts on operations.

Strategy

a. Identified Climate-related Risks and Opportunities over the Short, Medium, and Long Term

The analysis of short-, medium-, and long-term climate-related risks and opportunities is linked to the Company's sustainability objectives and incorporates assessments of impacts on its operational strategies. Qisda defines the short term as 0-3 years, the medium term as 3-10 years, and the long term as more than 10 years. By adopting Representative Concentration Pathways (RCPs) climate scenarios, the Company identified nine transition risks, three physical risks, and eight opportunities. Through the establishment of a climate risk matrix, assessments are conducted based on two dimensions—"impact/benefit" and "frequency of occurrence"—using five rating levels: "low," "low-medium," "medium," "medium-high," and "high." The impact timeframe for each climate-related risk and opportunity is defined in advance to facilitate effective climate risk management and the development of corresponding response measures. This approach enables the Qisda Group to more accurately estimate the timing of operational impacts arising from climate-related risks and opportunities, understand the effects of climate change on its business, and guide the Company's future responses to and management of climate-related risks and opportunities. Among the identified items, those with more significant impacts on the Company's business include domestic and international regulations and legal requirements (short and medium term), as well as green products and technologies (long term) under transition risks. In terms of opportunities, low-carbon products and services (short and medium term) and energy-efficient products (medium and long term) are considered to have greater business relevance. In terms of risk, the Company has implemented greenhouse gas inventories and verification across all manufacturing sites and manages product carbon footprints through a systematic platform to respond to emerging carbon reduction policies, regulatory requirements, and customer expectations. From an opportunity perspective, the Company promotes the development of low-carbon and green products by introducing low-carbon packaging materials, modular product design, and low-carbon cloud products. These initiatives are expected to generate positive financial outcomes and deliver long-term benefits.

b. Climate-related Risks and Opportunities That Have Significant Impacts on Business, Strategies and Financial Plans

The Company has conducted an inventory of climate-related risks and opportunities and calculated and enumerated the potential impacts of these risks and opportunities on business operations, strategy, and financial performance. Based on the identified climate-related risks and opportunities, each responsible department manages the "risk description," "potential impacts on business, strategy, and financial performance," and "adaptation and response measures," which serve as a reference for the Qisda Group in formulating relevant hedging and risk control measures. (Please refer to the following section on climate-related risks and financial impacts)

c. Taking Different Scenarios of Climate Change into Consideration

Qisda applies climate scenarios RCP 2.6, RCP 4.5, and RCP 8.5 from the Intergovernmental Panel on Climate Change (IPCC), as well as transition risk scenario simulations based on Nationally Determined Contributions (NDCs), to conduct risk assessments of transition risks, acute physical risks, and chronic physical risks. (For detailed simulation data on physical and transition risks, please refer to the following section.)

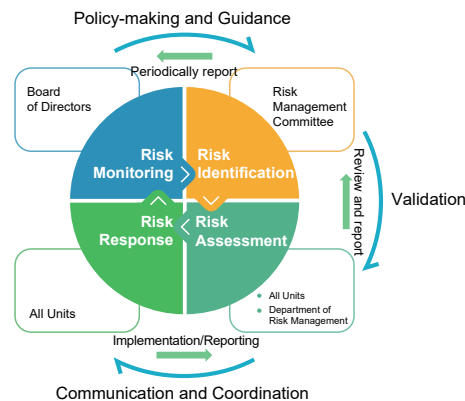
Risk Management

a.Process of Identifying and Assessing Climate-related Risks

The Qisda Group identifies risks and opportunities that may affect business operations, strategy, and financial planning in accordance with the TCFD framework. Risks and opportunities are defined and listed by the relevant departments. Qisda applies climate scenarios RCP 2.6, RCP 4.5, and RCP 8.5 from the Intergovernmental Panel on Climate Change (IPCC) to conduct value chain impact analyses across upstream, midstream, and downstream operations, and performs risk assessments on transition risks, acute physical risks, and chronic physical risks to identify and analyze short-, medium-, and long-term climate-related risks and opportunities within the Company's operational scope. In 2023, extreme heat and drought in Vietnam led to electricity supply shortages, resulting in planned power outages implemented by the Vietnamese government. Qisda's Vietnam plant adopted measures including backup power deployment, energy conservation, and production scheduling adjustments to ensure that operations and production were not affected.

Note:

The Qisda Group has identified the following climate-related risks: policy and regulatory risks (including current regulations, emerging regulations, and legal risks), technological risks, market risks, reputational risks, acute physical risks, and chronic physical risks.



b.Process for Managing Climate-related Risks

To address the transition and physical risks arising from climate change, the Qisda Group formulates corresponding response strategies based on the results of risk identification, with each responsible unit accountable for implementation. Taking carbon reduction as an example, through the operating mechanism of the ESG Committee, relevant targets and action plans are established and implemented upon approval by the Committee Chairperson. Progress toward the achievement of these targets is reviewed on a quarterly basis to ensure the gradual realization of the Company's sustainable development objectives. For the management of physical risks, Qisda develops specific response plans based on the results of climate scenario analyses. In 2020, the Company commissioned Fubon Insurance to conduct a flood risk assessment, which serves as an important reference for formulating adaptation strategies for climate-related physical risks. In addition, considering the risk that climate change may lead to droughts caused by rising average temperatures and flooding resulting from increased extreme rainfall events, Qisda has established the following adaptation and mitigation mechanisms:

1. Drought response plan:

When the water supply alert level in the region where any operating site is located changes to the green alert level, drought response measures are activated. Water usage inventories and the number of days of water storage capacity serve as the primary management indicators. The objective is to maintain operational continuity under a "two days of supply, two days of restriction" water rationing scenario.

2. Flood prevention business continuity plan (BCP):

When potential climate-related risks arise in areas where suppliers operate, Qisda assesses and investigates the suppliers' business continuity plans and, where appropriate, recommends the adoption of necessary adaptation measures. In addition, Qisda engages external experts to conduct climate risk assessments of key production sites within the Group, providing a basis for strengthening flood prevention and climate adaptation measures. Through proactive risk management practices, the Company strives to maintain a stable supply chain during crises, thereby preventing adverse impacts on business operations and safeguarding the interests of stakeholders.

c.Methods of Integrating and Including the Process of Climate-related Risk Identification, Assessment, and Management in the Overall Risk Management

Qisda introduced an Enterprise Risk Management framework in 2005 and established a Risk Management Committee. The Company conducts annual group-wide risk identification and assessments and implements preventive and mitigation measures for high-risk items, with follow-up reviews conducted on a quarterly basis. Climate change-related risks have been incorporated into the annual risk radar chart since 2016 and are assessed each year based on their severity and likelihood. In 2025, the Company tracked two major risks: power shortage risks resulting from extreme weather events and adaptation to energy consumption regulations. Response strategies, including Business Continuity Plans (BCPs), were established to mitigate potential impacts on operations.

Metrics and Targets

a. The Metrics Used to Assess Climate-related Risks and Opportunities in Line with the Strategy and Risk Management Process

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

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

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

Achievement status: Renewable energy usage reached 50.50% in 2025; excluding the reduction of emissions due to lowered business operation, Scope 1 and Scope 2 GHG were still reduced by 40.3%.

b.Scope 1, 2 and 3 Emissions and Relevant Risks

In alignment with the SBTi and the Company's carbon reduction roadmap, Qisda continues to invest in energy efficiency improvements and carbon reduction projects. Qisda has designated greenhouse gas emissions as one of its key sustainability performance indicators, which are evaluated quarterly by the ESG Committee. Affected by the industrial environment in 2025, production output value declined slightly. As a result, greenhouse gas emission intensity increased by 10.47% compared with 2024.

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

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

GHG emissions in 2025

2025 Unit:CO ₂ e	Scope 1	Scope 2	Scope 3
Parent Company	2,494.68	Location-based: 65,031.34 Market-based: 33,987.62	2,730.48
Total for the Parent Company and Subsidiaries	40,581.64	Location-based: 192,118.94 Market-based:154,151.17	873,828.16

Management of Targets for Climate-related Risks and Opportunities and Performance against Targets

Short-term:

Use 40% renewable energy by 2025; Scope 1 and Scope 2 carbon reduction of 21% by 2025. Our short-term targets were achieved in 2025.

Medium-term:

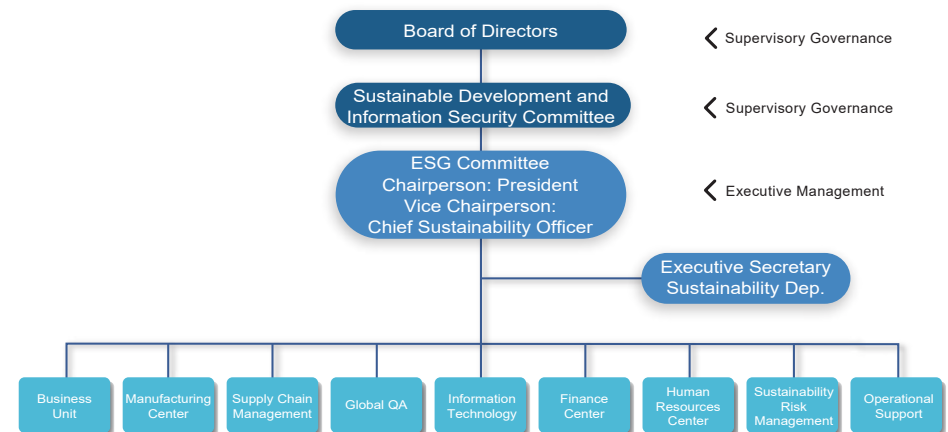
Use 60% renewable energy by 2030; Scope 1 and Scope 2 carbon reduction of 42% by 2030; Scope 3 carbon reduction of 25% by 2030

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

Governance

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

Climate Governance Framework

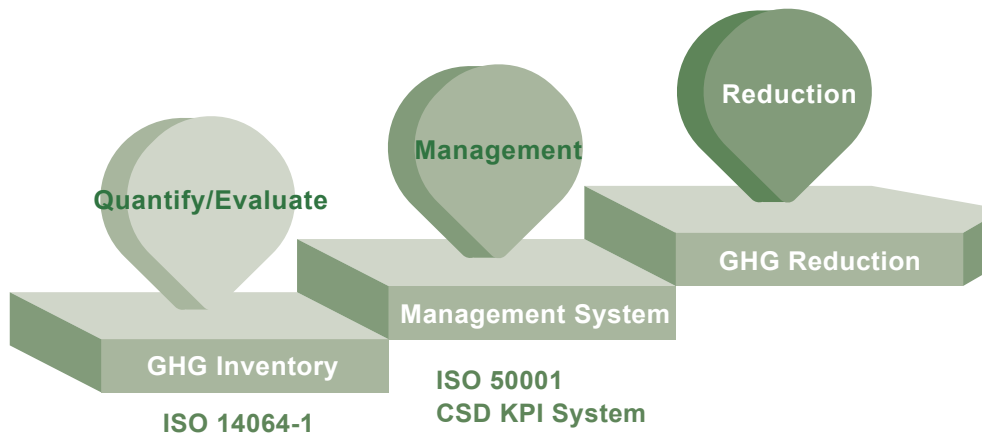


Strategy

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

Green product	Qisda reviews the carbon emissions of the products and identifies opportunities to reduce carbon through the application of life cycle thinking. The Company places importance on green design, uses the eco-design approach, and takes the environmental impact and carbon reduction into account at the design stage. A carbon footprint report is produced via the management platform and the Company takes follow-up and management measures for the performance of the carbon reduction.
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Green operations	With the quantification/assessment, management and carbon reduction as the core, Qisda takes actions starting from the inventory of the organization's greenhouse gas emissions (ISO 14064-1) and sets up the energy management system (ISO 50001) and the corporate sustainable development (ESG) KPI management system to understand the accomplishment status and reduction performance of each energy saving measure.
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Green supply chain	This is implemented in three phases as planned: Awareness, Implementation and Sustainability.
1.Awareness	- Capacity-building stage providing greenhouse gas (GHG) inventory training for key suppliers - Inspection of the supplier's social responsibility, environment, safety and health - Self-assessment on the Responsible Business Alliance Code of Conduct (RBA Code)
2.Implementation	- Encourage key component suppliers to conduct greenhouse gas (GHG) inventories and reductions - On-site audit of the supplier's social responsibility, environment, safety and health - Implementation of the Responsible Business Alliance Code of Conduct (RBA Code)
3.Sustainability	- Supplier's independent management - Preparation of the Sustainability Report - Expand to tier 2 suppliers



Qisda has assessed risks and scenarios. Climate simulation scenarios cover 100% of its operating sites, and corresponding adaptation and response measures have been formulated based on the potential risks identified under each scenario. All planned measures are expected to be implemented within five years. The currently identified risks and scenarios are summarized as follows:

Qisda's Climate Simulation Scenario in 2050

Scenario		RCP 2.6		RCP 4.5		RCP 8.5	
Indicator	mean air temperature	precipitation	mean air temperature	precipitation	mean air temperature	precipitation	
Area	Average temperature in 2050	Average precipitation in 2050	Average temperature in 2050	Average precipitation in 2050	Average temperature in 2050	Average precipitation in 2050	
Taiwan	Increase by 0.3 - 2.1°C	Increase by -5.3 - 12%	Increase by 0.7 - 2.4°C	Increase by -4.7 - 13.6%	Increase by 1 - 3.1°C	Increase by -7.7 - 13%	
Suzhou	Increase by 0.8 - 2.7°C	Increase by 1.7 - 11.3%	Increase by 1.2 - 3.2°C	Increase by 2.1 - 12.8%	Increase by 2 - 4°C	Increase by 3 - 17.1%	
Vietnam	Increase by 0.6 - 1.7°C	Increase by -6.6-10%	Increase by 0.8 - 2.0°C	Increase by -4.6 - 9.9%	Increase by 1.1 - 2.6°C	Increase by -2.7 - 14%	
Possible impact on climate	The annual temperature is expected to increase by 1.7 °C in Vietnam and more than 2°C in both Taiwan and Suzhou, which will possibly result in a temperature rise in plants and their surroundings, further affecting production efficiency. As a result, investment in devices for improvement is required. The increase in precipitation might cause increases in flooding, especially when the maximum rate of precipitation increase in all 3 countries exceeds 10%. If drainage equipment around the plants is poor, the plants can be easily flooded, and losses of raw materials, end products and machines will become highly likely.		The average annual temperature in Taiwan and Vietnam is projected to increase by up to 2.4°C and 2.0°C, respectively, while Suzhou may experience an increase of up to 3.2 °C. This may lead to rising temperatures in factories and surrounding environments, thereby affecting production efficiency and necessitating investment in improvement equipment. In addition, due to the prolonged duration of high summer temperatures in recent years, improvements to ventilation and air-conditioning systems may be required to prevent heat-related illnesses among employees. This is expected to increase electricity costs and equipment maintenance expenses. In addition, the increase in the average precipitation might cause increases in flooding. Currently, the annual precipitation in the locations of Qisda's plants has risen by around 9.9% to 13.6%. If drainage equipment around the plant is poor, the plants can be easily flooded, and losses of raw materials, end products and machines will become highly likely. Furthermore, factors such as the local terrain, drainage and flood prevention measures shall be taken into consideration.		Although Taiwan and Vietnam still have lower temperatures compared to Suzhou, it is possible that temperatures will increase by more than 2°C and further lead to progressively increasing temperatures. As a result, continuous improvements of air conditioning in plants are necessary. The rise of the annual temperature can cause a decrease in the number of typhoons and increase the occurrence of droughts. In extreme climate conditions, floods are more likely to occur in the three regions/countries where Qisda operates when compared to other climate scenarios. Apart from potential flooding in plants, transportation disruptions, employee commuting difficulties, and employee injuries may also occur.		

Note: For individual climate risk analyses of subsidiaries, please refer to the climate governance sections in their respective sustainability reports.

Physical Climate Scenarios	Parametric Hypothesis	Today - 2030	2031-2050	Operational & Financial Impact			Management Methods
				Upstream (Suppliers)	Qisda Corporation	Downstream (Customers)	
RCP2.6	Annual temperature Annual rainfall		Annual temperature: Increase 0.3 - 2.1°C in Taiwan Increase 0.8 - 2.7°C in Suzhou Increase 0.6 - 1.7°C in Vietnam Annual rainfall: Increase -5.3 - 12% in Taiwan Increase 1.7 - 11.3% in Suzhou Increase -6.6 - 10% in Vietnam	If precipitation increases abnormally, it may cause shipping delays and further affect Qisda's production and shipment.	The annual temperature is expected to increase by 1.7 °C in Vietnam and more than 2 °C in both Taiwan and Suzhou, which will possibly result in a temperature rise in plants and their surroundings, further affecting production efficiency. The increase in precipitation might cause increases in flooding, especially when the maximum rate of precipitation increase in all 3 countries exceeds 10%. If drainage equipment around the plants is poor, the plants can be easily flooded, and losses of raw materials, end products and machines will become highly likely.	The customers can require Qisda to prepare materials in the warehouse in advance to respond to a possible material shortage crisis.	Qisda and its suppliers are required to jointly pay attention to the foundation elevation of factory locations to prevent flood risks. The Company regularly monitors whether abnormal natural disasters may affect the operations of both suppliers and Qisda. Qisda has conducted BCP drills for natural disasters, checked the height of the foundation at each plant, and implemented improvement and flood control measures. Finally, sufficient key materials are regularly stored in the warehouse in accordance with the FCST in preparation for unexpected needs.
RCP4.5	Annual temperature Annual rainfall		Annual temperature: Increase 0.7 - 2.4°C in Taiwan Increase 1.2 - 3.2°C in Suzhou Increase 0.8 - 2.0°C in Vietnam Annual rainfall: Increase -4.7 - 13.6% in Taiwan Increase 2.1 - 12.8% in Suzhou Increase -4.6 - 9.9% in Vietnam	Most suppliers are located in Suzhou. If temperatures increase by 3.2°C, this may affect factory workers' attendance or cause health discomfort, potentially resulting in production disruptions and material shortages. If rainfall increases by 10%, it may lead to flooding that affects employee attendance and inundates factories, resulting in halted production and shipment delays, thereby impacting Qisda's production and deliveries. Abnormal natural disasters can also affect the stability of the power supply. If the Company fails to proceed with production, costs will eventually increase.	The average annual temperature in Taiwan and Vietnam is projected to increase by up to 2.4 °C and 2.0 °C, respectively, while Suzhou may experience an increase of up to 3.2 °C. This may lead to rising temperatures in factories and surrounding environments, thereby affecting production efficiency and necessitating investment in improvement equipment. In addition, because the duration of high summer temperatures has become longer in recent years, employees may experience physical discomfort, which would affect the Company's operations. In addition, the increase in the average precipitation might cause increases in flooding. Currently, the annual precipitation in the locations of Qisda's plants has risen by around 9.9% to 13.6%. If drainage equipment around the plant is poor, the plants can be easily flooded, and losses of raw materials, end products and machines will become highly likely. Furthermore, factors such as the local terrain, drainage and flood prevention measures shall be taken into consideration.	In addition to more inventory, customers require an additional second source.	Qisda and its suppliers are required to jointly pay attention to the foundation elevation of factory locations to prevent flood risks. The Company regularly monitors whether abnormal natural disasters may affect the operations of both suppliers and Qisda. Qisda has conducted BCP drills for natural disasters, checked the height of the foundation at each plant, and implemented improvement and flood control measures. In addition to preparing inventory, key materials are imported into the second source.

Physical Climate Scenarios	Parametric Hypothesis	Today - 2030	2031-2050	Operational & Financial Impact			Management Methods
				Upstream (Suppliers)	Qisda Corporation	Downstream (Customers)	
RCP8.5	Annual temperature Annual rainfall		Annual temperature: Increase 1 - 3.1°C in Taiwan Increase 2 - 4°C in Suzhou Increase 1.1 - 2.6°C in Vietnam Annual rainfall: Increase -7.7 - 13% in Taiwan Increase 3 - 17.1% in Suzhou Increase -2.7 - 14% in Vietnam	Higher temperatures and extreme precipitation or drought can result in severe power shortages. Thus, the suppliers may need to spend more money to improve working environments and ensure personnel safety. The time needed for material preparation may be longer, and transportation methods may need to be changed, which will result in increasing costs.	Although Taiwan and Vietnam still have lower temperatures compared to Suzhou, it is possible that temperatures will increase by more than 2 °C and further lead to progressively increasing temperatures. As a result, continuous improvements of air conditioning in plants are necessary. The rise of the annual temperature can cause a decrease in the number of typhoons and increase the occurrence of droughts. In extreme climate conditions, floods are more likely to occur in the three regions/ countries where Qisda operates when compared to other climate scenarios. Apart from potential flooding in plants, transportation disruptions, employee commuting difficulties, and employee injuries may also occur.	The customers hope to have a second or third production site to prevent delivery dates from being affected by disasters in different locations.	Qisda and its suppliers are required to jointly pay attention to the foundation elevation of factory locations to prevent flood risks. The Company regularly monitors whether abnormal natural disasters may affect the operations of both suppliers and Qisda. Qisda has conducted BCP drills for natural disasters, checked the height of the foundation at each plant, and implemented improvement and flood control measures. (The BCP plan and drills were completed and covered 100% of Qisda operations) Qisda has proactively established three production locations in Suzhou, Taiwan, and Vietnam in response to different situations in each region as well as customer requirements.

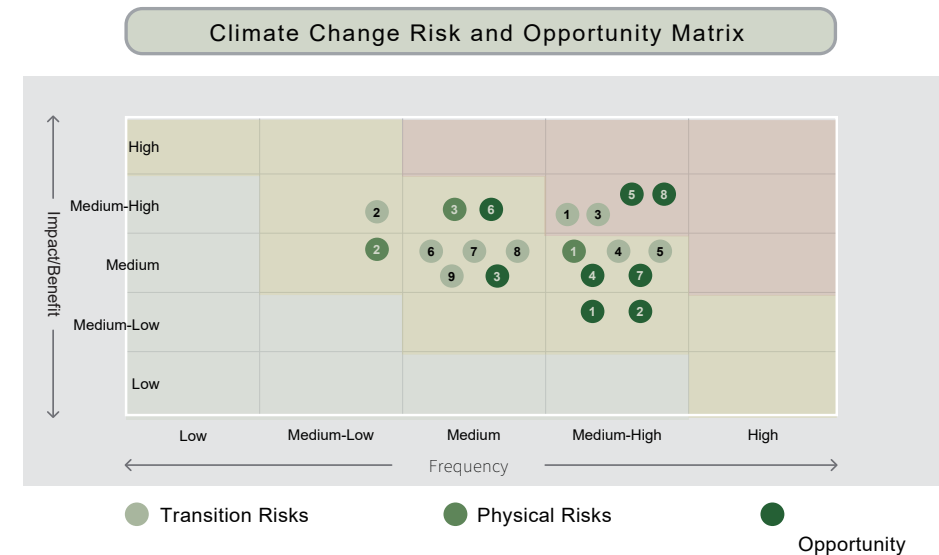
Physical Climate Scenarios	Parametric Hypothesis	Today - 2030	2031-2050	Operational & Financial Impact			Management Methods
				Upstream (Suppliers)	Qisda Corporation	Downstream (Customers)	
NDCs	Net zero emissions SBTi 1.5° C	- Reaching an annual carbon reduction of 4.2% (Scope 1 & 2) - Reaching 60% green power by 2030	- Reaching an annual carbon reduction of 4.2% (Scope 1 & 2) - Reaching 100% green power by 2040 - The commitment to net zero by 2050	Due to the need for industrial transformation: - This will drive the growth of investment in low-carbon products, and the operating costs of the suppliers will inevitably increase. - Suppliers that fail to combat the challenge of low-carbon transformation will gradually lose orders and competitiveness.	In alignment with Taiwan's 2050 net zero pathway and international low-carbon transition trends as well as regulatory and policy pressures, the Qisda Group has set a target of 60% renewable electricity by 2030 and 100% by 2040. According to the Group's product planning and the assessment of the plant capacity, the total electricity consumption in 2030 is estimated at 349,650 MWh, an increase of 20.3% compared to 2021. Therefore, it is necessary to increase the investment in energy-saving practices to accelerate energy transformation and increase the utilization rate of green electricity.	In response to the low-carbon transition trend, customers will focus on enhancing commissioned ODM products derived from green manufacturing and designing low-carbon products. More demands for renewable energy and green products will be placed on upstream suppliers.	- Continue to invest in energy-saving plants for plants, with an estimated electricity reduction of 5.4654 million kWh. - Purchase 51.44 million kilowatt-hours of Renewable Energy Certificates (I-REC) - Achieve a 65.8% reduction in accordance with SBTi reduction measures

Risk Management

In accordance with the adopted RCP climate scenarios, Qisda conducts annual climate change risk and opportunity assessments based on the organizational structure of its Risk Management Committee. Relevant departments identify transition risks, physical risks, and related opportunities, estimate the timing of their potential occurrence (short-, medium-, and long-term), and assess the associated issues and financial impacts. The assessments also take into consideration the frequency of occurrence, severity of impact, and adaptive capacity to formulate management measures and strategies for addressing climate-related risks and opportunities. The assessment results identified a total of nine transition risks, three physical risks, and eight opportunities. Through the development of a climate risk matrix, the Qisda Group is better able to understand the impacts of climate change on its business while also guiding the Company's responses to and management of future climate-related risks and opportunities. Within this matrix, risks and opportunities are evaluated based on two dimensions: "Impact/Benefit" and "Frequency." Each dimension is assessed using five levels—Low, Low-Medium, Medium, Medium-High, and High (corresponding to assessment scores ranging from 1 to 5). In addition, the impact timeframe for each climate-related risk and opportunity is identified in advance, enabling the Qisda Group to more accurately estimate the duration of operational impacts arising from climate-related risks and opportunities. For the identified climate-related risks and opportunities, the responsible departments separately manage the "risk description," "potential business, strategic, and financial impacts," and "adaptation and response measures." These serve as the basis for the Qisda Group in formulating relevant hedging and risk control measures to address the challenges posed by climate change.



2025 Qisda Matrix of Climate Change Risks and Opportunities



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

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

No.	Opportunity
1	Energy-saving benefits (medium- to long-term)
2	Water-saving benefit (short-term)
3	Efficient green building (medium- to long-term)
4	Solar energy installation (medium- to long-term)
5	Low-carbon products and services (short- to medium-term)
6	Sustainable value (medium- to long-term)
7	Green finance (short-term)
8	Energy-saving products (medium- to long-term)

Note: The risk score is determined by multiplying the Frequency (1–5 points) and Impact/Benefit (1–5 points) scores. The severity of the identified risks is classified as follows: Low Risk: 1–4 points; Medium Risk: 5–12 points; High Risk: 15–25 points

Climate-Related Risks and Financial Impacts

Type	Climate Change Related Risk	Impact Period	Description of Risk Content	Potential Impact on Business, Strategies & Finance	Adaptation & Responsive Actions
Transition Risk	Policy and Regulation		Conduct annual reviews of the compatibility of relevant climate change regulations. For regulations with higher risk, Qisda includes them in the assessments of the Risk Management Committee and the ESG Committee. Where potential risks are confirmed, they are managed through quarterly key performance indicators (KPIs)		
	1.Domestic and international regulations and laws	Short-term and medium-term	▲ The Bureau of Energy under the Ministry of Economic Affairs (MOEA) requires companies to reduce electricity consumption by 1% annually and comply with the Executive Yuan's summer electricity-saving measures. ▲ The "Greenhouse Gas Reduction and Management Act," enacted in 2015, requires major energy-consuming companies to disclose relevant information. The FSC requires annual carbon disclosure and assurance. ▲ Possible risks can emerge when product labels (such as carbon labels, green labels) are found to be noncompliant with regulations in areas where we sell our products. ▲ International issues and regulations are becoming increasingly stringent. Domestic and foreign regulations may impose sales bans and controls on high-energy-consumption products. ▲ Addressing regulatory interpretations and penalty cases from competent authorities requires significant time and resources, often necessitating engagement with external legal counsel. ▲ The Financial Supervisory Commission requires companies to disclose ESG-related reports. Relevant talent development and training are necessary to ensure compliance. Annual reports and financial statements are mandatory disclosures under securities regulations, and inaccurate sustainability disclosures in shareholders' meeting annual reports may be subject to penalties. ▲ In response to Western Australia's mandatory green packaging requirements, failure of new products to comply in a timely manner may result in fines of approximately NT\$1 million per product model.	▲ Electricity tariff adjustments implemented in April and October 2024 increased annual electricity costs by approximately NT\$13 million for Qisda's Taoyuan Plant and NT\$2 million for Alpha Networks. ▲ Certification-related costs have increased, including carbon inventory and verification expenses associated with carbon disclosure requirements. ▲ Enhanced government oversight of greenhouse gas emissions requires companies to adopt more environmentally friendly construction and filtration materials, potentially increasing procurement costs. ▲ Qisda's Suzhou Plant adopted more environmentally friendly raw materials and auxiliary materials at a cost of approximately NT\$100,000, while the Vietnam Plant installed additional mobile exhaust gas collection equipment at a cost of approximately NT\$320,000. ▲ Failure to comply with the regulations in a timely manner may result in a potential impact on revenue or the imposition of fines. ▲ The labor cost for the legal affairs department of Qisda and the fees for external professional training courses, consultation, and external law firms are about NT\$560,000 annually. The Vietnam Plant invested approximately NT\$800,000 to train personnel in response to updates to ISO and RBA standards. ▲ MetaAge established a dedicated sustainability unit and recruited professionals to conduct greenhouse gas inventories and sustainability-related work, with estimated costs of approximately NT\$2.56 million in 2025. ▲ Data Image, DIVA Laboratories, Hitron Technologies, Partner Tech, and BenQ Medical Technology incurred approximately NT\$3.45 million in 2025 for greenhouse gas inventories and related verification activities. ▲ To comply with Western Australia's packaging requirements, BenQ prohibited the sale of packaging materials containing EPS, EPE, and EPP from July 2025 onward and completed corresponding product design modifications at an estimated cost of NT\$900,000.	▲ Relevant KPIs have been established within the Sustainable Development and Information Security Committee, with ongoing monitoring of domestic and international regulatory requirements. ▲ Production schedules are flexibly adjusted according to electricity supply conditions, prioritizing periods of sufficient power availability. Smart electricity meters are being progressively installed across plants to monitor abnormal power consumption and reduce electricity usage. ▲ In response to environmental requirements, Qisda's Suzhou Plant requires the procurement of environmentally friendly raw materials and auxiliary materials supported by VOC test reports below specified thresholds. Certain plants have upgraded from single-stage to dual-stage activated carbon systems to improve air purification and reduce carbon emissions. ▲ Certification timelines and resources are planned in advance. ESG considerations have been incorporated into Continuous Improvement Programs (CIP), accompanied by ESG activities, competitions, professional training programs, and the implementation of ISO 14064 and ISO 50001. Supporting systems have been introduced to strengthen carbon inventories, improve carbon hotspot analysis, enhance carbon reduction effectiveness, and obtain certification in line with the FSC's "sustainability roadmap" requirements. ▲ We participate in courses on climate change to stay updated with the latest information. Qisda responds to new regulations in a timely manner, and communicates with customers about plans to introduce relevant requirements into products. For example, the EU bans the sale of 8K TVs. To help employees better understand the risks associated with climate change and transition, we discuss long-term implementation plans with customers and conduct a pilot program starting in Europe. ▲ Regulations related to energy conservation are growing stricter. Qisda will work with suppliers to meet such standards. ▲ Qisda has established a Task Force Team to prepare for the implementation of sustainability-related requirements in 2026 and has engaged external consultants to support implementation in accordance with the competent authority's timeline, including compliance with IFRS S1 and IFRS S2 requirements.

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Transition Risk	Policy and Regulation	Conduct annual reviews of the compatibility of relevant climate change regulations. For regulations with higher risk, Qisda includes them in the assessments of the Risk Management Committee and the ESG Committee. Where potential risks are confirmed, they are managed through quarterly key performance indicators (KPIs)			
	2. Carbon trading and carbon tax	Medium-term	▲ The Carbon Border Adjustment Mechanism (CBAM) has been gradually implemented since 2023. ▲ The US Clean Competition Act (CCA) may impact the Company's business. ▲ Carbon fees continue to increase, requiring the purchase of additional carbon credits. According to regulations issued by the Ministry of Environment, carbon fees are expected to be imposed starting in 2024 on major emitters with annual emissions exceeding 25,000 metric tons of CO₂e. ▲ Internal Carbon Pricing (ICP) has been introduced in response to carbon taxes and carbon fee requirements.	▲ Group companies are progressively implementing carbon pricing-related systems and mechanisms. ▲ Importers will be required to pay EU CBAM charges beginning in 2026, resulting in increased import and export costs. To comply with European customer requirements under CBAM, DFI has established a product carbon footprint inventory system and completed product carbon footprint verification in 2025, at a cost of approximately NT\$210,000. ▲ The Clean Competition Act (CCA), which was expected to be implemented in 2024, is mainly devoted to the establishment of the U.S. carbon tax system and imposes carbon tariffs on various industries.	▲ At present, Qisda's products have not yet been included in the scope of carbon tax. We will continue to pay attention to this trend, and will respond to relevant issues that arise in advance. ▲ To address CBAM requirements, DFI plans to conduct comprehensive carbon inventories using system tools according to the implementation timeline and will perform annual verification in the future, with estimated annual costs of approximately NT\$250,000. ▲ Since 2023, suppliers were required to conduct product carbon inventory and set carbon reduction KPIs. ▲ In 2023, ISO 14064-1 was introduced to complete greenhouse gas (GHG) inventories and obtain third-party verification, enabling a comprehensive understanding of corporate emissions as a basis for carbon reduction assessments. Through the Sustainable Development and Information Security Committee, carbon reduction targets have been established for business units and products, with quarterly reviews conducted and employee awareness enhanced through education and training programs. ▲ Through carbon emissions hotspot analysis, the company's sources and proportions of carbon emissions are assessed, and reduction measures are evaluated based on equipment such as manufacturing, air-conditioning, and air-compression systems. The Company follows the principle of "reduction first, energy transition second" to effectively lower carbon emissions. ▲ A Task Force Team has been established to monitor regulatory developments and ensure compliance with IFRS Sustainability Disclosure Standards in preparation for the implementation of sustainability reporting requirements beginning in 2026. ▲ An internal carbon pricing mechanism has been established to help the company better understand and manage its carbon footprint and encourage more sustainable business practices. ▲ Alpha Networks plans to implement internal carbon pricing in 2026, with an estimated cost of approximately NT\$700,000.

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Transition Risk	Technology	We are able to begin at the earliest stage of product realization—"design"—to minimize environmental impact and carbon emissions. In consideration of stakeholders' increasing awareness of product carbon reduction, Qisda Technology has included this issue in its risk assessment since 2009.			
	3.Green product and technology	Long-term	▲ Energy efficiency requirements under national safety regulations are becoming increasingly stringent. For example, the PRC National Standard "Minimum Allowable Values of Energy Efficiency and Energy Efficiency Grades for Projectors" is scheduled to take effect on June 1, 2026, while the European Union plans to prohibit the use of mercury lamps in projectors by 2027. Failure to comply with energy efficiency requirements (e.g., light output-to-power consumption ratios) and technical testing methods may result in sales restrictions or market access limitations. ▲ If suppliers fail to achieve carbon reduction targets, or if enterprises are unable to procure energy-efficient equipment and materials in a timely manner, the supply chain may be unable to satisfy customer requirements for energy-saving and environmentally friendly materials, leading to supply chain disruption risks or missed green market opportunities. ▲ If an enterprise fails to invest in the development of low-carbon technologies and the training of relevant personnel in a timely manner, it may miss future industry trends and be at a competitive disadvantage in the market. ▲ Failure to implement digital operations (e.g., online workflows) in the internal operations and low-carbon transformation may increase operating costs and diminish brand competitiveness in green markets.	▲ Qisda's R&D guidance and development expenses for introducing recycled materials amounted to NT\$5 million. ▲ BenQ introduced recycled materials into new product models in 2025, resulting in an estimated cost impact of approximately NT\$65 million. The Company also actively expanded the adoption of high-efficiency semiconductor light source projectors and continued increasing the proportion of solid-state semiconductor light source projector products. ▲ In response to low-carbon trends, BenQ Materials incorporated energy-saving solutions into both automotive polarizer products and manufacturing processes, with annual R&D and testing expenditures of approximately NT\$12 million. ▲ We encourage employees to shift daily operations and meeting formats to online processing and communication. Procurement of computer software: The annual cost for software licenses, such as Microsoft Teams, is approximately NT\$2 million. ▲ Replacement of LCD products with low-carbon materials: Costs have increased by approximately NT\$41 million; however, these costs have been absorbed by customers and do not impact the Company's operating expenses. ▲ DIVA Laboratories customers require the use of recycled materials; however, the medical market has stringent material stability requirements, necessitating re-certification when materials are changed. Related R&D and testing expenses in 2025 amounted to approximately NT\$2 million. ▲ AEWIN has shifted from traditional air-cooling technologies to two-phase immersion cooling systems and developed customer platforms, with investments of approximately NT\$8 million. ▲ More than 50% of DFI's standard product portfolio passed ErP Lot 3 requirements in 2025.	▲ In 2010, Qisda officially launched its internal Carbon Management Platform, a carbon footprint calculation system capable of responding to customer requirements. ▲ Qisda has begun to incorporate eco-design concepts into our product development process, such as IEC 62430-verified eco-design, including liquid crystal displays and projectors, to create more environmentally friendly green products. ▲ To comply with regulations and respond to customer requirements for energy-efficient and environmentally friendly materials, plans have been established to implement dedicated coding systems for green energy-saving components to strengthen identification and management efficiency. Professional talent specializing in low-carbon component management—including part number management, BOM selection, component approval, and compliance reporting—will also be developed, with estimated additional annual costs of approximately NT\$1.2 million. ▲ The Company continuously monitors international regulations and customer requirements and collaborates with R&D teams to ensure product designs comply with applicable standards. Repair diagrams are provided in accordance with ErP Lot 5 requirements and the Right-to-Repair, TCO, and EPEAT standards, enabling consumers to perform repairs and extend product lifecycles while reducing e-waste and supporting carbon neutrality commitments. ▲ BenQ LCD products utilize recycled materials, with all newly developed models incorporating plastic housings containing 85% recycled content. Mid- to high-end new models fully adopt paper-folded or paper-plastic cushioning packaging, while collaboration with material suppliers helps reduce implementation costs. Failure to adopt recycled packaging materials could result in an estimated impact of approximately NT\$100 million on sales in Western Australia due to local regulatory requirements. ▲ Data Image plans to replace existing backlight modules with Micro/Mini LED technology and introduce low-carbon technologies and materials. ▲ DIVA Laboratories plans to develop modular product designs to facilitate partial material replacement and reduce barriers to the adoption of low-carbon medical materials, with estimated design cost increases of approximately NT\$2 million. ▲ We encouraged low-carbon and efficient meeting options and tools, such as Teams/Zoom meeting/Skype, etc., to reduce the movement of employees around the world, reduce carbon footprints, and save costs and time. ▲ High-energy-efficiency laser light source optical designs are being developed, supported by image quality and visual calibration technologies to enhance luminous efficiency. Appropriate semiconductor light source technologies are introduced according to the characteristics of different market segments, providing consumers with a broader range of options. Energy efficiency is improved year by year while maintaining excellent color performance, thereby creating a competitive advantage in the marketplace.

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Transition Risk	4. Energy-saving equipment	Medium-term and long-term	▲ Aging equipment may experience reduced operating efficiency, resulting in higher energy consumption and electricity usage, potentially increasing electricity expenses by approximately 5%. ▲ In response to the rising temperature, the demand for air conditioning increases, and the equipment and energy consumption must be reviewed to prevent power outages due to the simultaneous increase in electricity consumption.	▲ Qisda's Taoyuan Plant annually procures energy-saving certified notebooks, PCs, and equipment at an approximate cost of NT\$200,000. Battery replacements to enhance UPS efficiency and reduce generator usage require annual expenditures of approximately NT\$800,000. In 2025, the chiller was replaced at a cost of approximately NT\$13 million. ▲ Qisda's Suzhou Plant will implement compressed air system energy-efficiency upgrades in 2025 at a cost of approximately NT\$16 million and gradually phase out aging ITS equipment at a cost of approximately NT\$8.6 million. The plant will also invest approximately NT\$10 million in automated robotic systems to improve production capacity. ▲ Qisda's Vietnam Plant will invest approximately NT\$2.2 million in compressed air system energy-saving upgrades in 2025. ▲ Partner Tech purchased energy-efficient equipment for approximately NT\$200,000. ▲ Alpha Networks' Changshu Plant replaced air compressors, cooling tower fans, and air-conditioning systems with energy-saving technologies (including variable-frequency drives and intelligent control systems) in 2025, with total expenditures of approximately NT\$4.2 million. ▲ BenQ Medical Center replaced equipment and procured energy-saving certified notebooks, PCs, and equipment in 2025, with total expenditures of approximately NT\$8.2 million.	▲ Regarding electricity-saving strategy, an energy-saving improvement plan was implemented each year, and targets were established through the ESG Committee. Administrative and engineering controls include intelligent lighting systems, lights-off inspections, compressed air system optimization, scheduled power controls for holidays and nighttime operations, and quarterly performance reviews to track results. ▲ Inventory the service life of the equipment and, on a year-by-year basis, draw up and schedule a plan to replace high-voltage equipment. Select high-efficiency equipment to replace aging equipment, and replace the UPS and generators to improve operating efficiency. ▲ Implemented green procurement by purchasing NB/PCs and equipment bearing the Energy Label for power saving and energy conservation. ▲ The company vehicle fleet was fully converted from gasoline-powered vehicles to hybrid vehicles, which reduced fuel consumption by 50% compared with gasoline-powered vehicles. ▲ Qisda's Taoyuan Plant is expected to replace the chilled water pumps for its high-efficiency air-conditioning equipment in 2027, at a cost of approximately NT\$15 million. ▲ In 2026, Qisda's Suzhou Plant is expected to replace its high-energy-consumption tin furnace, at an estimated cost of approximately NT\$1.4 million. ▲ Qisda's Vietnam Plant continued implementing compressed air system energy-efficiency upgrades, with estimated expenditures of approximately NT\$1.16 million. ▲ Alpha Networks plans to replace 4,000 energy-efficient light tubes, reflow ovens, chiller timing-control systems, and air-conditioning units, with total estimated expenditures of approximately NT\$2.6 million.
	5. Purchase green electricity	Medium- and long-term	▲ In response to the RE100 plan, the proportion of purchased green power certificates increases year by year. ▲ The Company enhances the use of green energy and installs solar power-related equipment.	▲ Expenditures for Qisda's solar power generation system were approximately NT\$9.27 million in 2025, while expenditures for renewable energy certificates were approximately NT\$700,000. ▲ Qisda's Taoyuan Plant completed construction of the second-phase solar power generation project, with costs of approximately NT\$24.25 million. ▲ In 2025, Alpha Networks installed a solar photovoltaic facility capable of generating 100,000 kWh of electricity at a cost of approximately NT\$300,000. In addition, it purchased green electricity certificates for approximately NT\$8.57 million. ▲ The cost of purchasing green power by Interactive Digital Technologies was approximately NT\$350,000. ▲ Since 2025, BenQ has begun purchasing green electricity at a cost of approximately NT\$200,000.	▲ Qisda partnered with manufacturers for solar power project development, eliminating construction costs and keeping electricity rates below market price. In addition to installing solar power systems on the plant rooftop for self-generation and self-use, the Company also procured Renewable Energy Certificates to increase its proportion of renewable energy. Each plant site continued to procure additional renewable energy in accordance with the renewable energy procurement target, with an estimated amount of NT\$10 million. The Suzhou Plant and the Vietnam Plant purchased I-REC certificates annually, and the Taoyuan Plant purchased green electricity annually. ▲ Qisda's Vietnam Plant was scheduled to establish a solar optoelectronics system in 2026. ▲ Alpha Networks will continue to build out solar optoelectronic systems, which are expected to generate 400,000 kWh of electricity at a cost of approximately NT\$4.4 million, and will purchase green power and certificates at a cost of approximately NT\$11.8 million. ▲ DFI enhanced energy-saving awareness through employee education and training, and strengthened energy management to reduce reliance on the purchase of carbon credits; with an annual electricity savings rate of 4% as its target, the Company planned to achieve RE60 by 2030. In addition, green power certificates are expected to be introduced starting in 2027, with the purchase ratio increasing from 5% in 2027 to 30% in 2030, in order to reduce the carbon emissions impact of externally purchased electricity; the cumulative demand for green power certificates during the 2027-2030 period is estimated at 5,202 certificates. ▲ BenQ will increase its proportion of green electricity year by year, and it was expected to reach 100% by 2040.

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Transition Risk	Market	Consumers are becoming more and more aware of the environmental impact of the products they purchase. If the environmental performance of our products cannot meet their expectations, there will be market risks.			
	6.Consumer's sustainability awareness	Long-term	▲ The increasing costs of additional labor and work hours associated with conducting LCA studies have eaten away at our revenues and profits. ▲ The market demand for cloud services or low-carbon products increases and transition is required more quickly.	▲ Since 2010, the financial impact of changes in consumer behavior on the cost of conducting Life Cycle Assessment (LCAs) has exceeded NT\$10 million. ▲ Since 2010, Qisda has established a "Carbon Management Platform System." After products entered mass production, the Company provided customers with product carbon footprint reports, and the ESG Committee reviewed the relevant implementation status on a quarterly basis. The costs of establishing and maintaining the product greenhouse gas inventory and subcontractor verification have exceeded US\$342,700. ▲ Agency or development of related cloud and low-carbon products is needed to maintain market competitiveness.	▲ Distributing low-carbon products in the face of competition in the green market: Assist distributors in the sale of low-carbon products (cloud-based, process automation). In the future, we will continue to request transition to carbon reduction technology and low-carbon materials. ▲ We implement carbon reduction practices and performance through transparent disclosure of ESG reports and communication with stakeholders.
	7.Rising costs of raw materials	Short-term and medium-term	▲ Reduced oil production affects transportation related material expenses. ▲ The client requests that the packaging use recyclable materials, and the cost is 20% higher than that of standard materials. ▲ In response to our declaration of cutting carbon emissions by 30% in the supply chain by 2030, suppliers with better carbon-emissions performance but higher costs are selected. ▲ Suppliers who fail to pass the RBA (Responsible Business Alliance) written and on-site audits are required to suspend production, resulting in an inability to continue supplying materials.	▲ The reduction in oil production causes freight rates to rise, prompting the localization of materials and increasing annual costs by approximately NT\$14,000. ▲ Expanding the low-carbon supply chain and reducing the proportion of suppliers unable to comply with carbon reduction requirements, along with modifying R&D designs, has resulted in a cost increase of approximately NT\$1.16 million. ▲ The use of recycled plastics for injection molding increases costs by approximately NT\$26.28 million.	▲ We introduce local procurement to reduce the risk of transportation and material costs, which affect profitability. In response to high-risk suppliers identified as a result of RBA audits, substitute material manufacturers will be organized. Introduce a second source in the supply chain; maintain at least two suppliers for key components (excluding panels); and enhance the bargaining power of the procurement unit. ▲ In response to rising raw material prices and increased regulatory costs, the carbon tax and logistics contingency reserve will become long-term fixed costs. The Company will evaluate relocating its plant for hedging and adopting a low-carbon Circular Economy model to reduce carbon emissions intensity and improve raw material utilization efficiency. ▲ Establish a supply chain climate risk early warning system and plan contingency arrangements for suppliers in high-risk areas; and incorporate climate resilience indicators (such as flood potential) into supplier evaluation and review, promote a joint defense mechanism for critical supply chains, and strengthen operational continuity capability under extreme climate conditions.

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Transition Risk	8.Customer behavior changes	Long-term	▲ The customer sets goals for carbon reduction. ▲ Customers and regulations increase carbon reduction requirements for the supply chain and products. ▲ Customer or regulatory requirements require the use of FSC (Forest Verified) certified paper. ▲ The market and stakeholders' preferences shift toward sustainable products.	▲ Calculating a product's carbon footprint adds additional time and labor. ▲ If carbon-reduction requirements are not addressed in a timely manner, supplier ratings might be affected, and customers might switch orders, affecting revenue. ▲ The customer requires the product to pass PAS 2050 or ISO 14067 in order to apply for EPEAT, thereby increasing the annual product certification fee. ▲ To comply with FSC requirements, paper costs increase by 10% to 15% annually. ▲ In response to international initiatives and customer requirements, Partner Tech completed Energy Star product certification, incurring expenses of approximately NT\$105,000. ▲ If the Company were unable to provide corresponding products and services, it could result in unsold products, reduced shipments, and an adverse impact on overall revenue.	▲ Since 2010, we introduced a carbon footprint calculation system to improve calculation efficiency and meet customer requirements. ▲ We reduce the carbon emissions during transportation, increase the proportion of local procurement, and combine and ship raw materials from the same location to reduce the frequency of transportation. Some mechanical component manufacturers use recycling bins for delivery to reduce the one-time use of boxes. Future requirements will continue to emphasize the transition to low-carbon technologies and low-carbon materials. ▲ Review, on a weekly basis, the energy-saving optimization solutions for clients' existing equipment, as well as whether the agency products meet current market demand. ▲ Incorporate ESG-related indicators into the supplier evaluation and order allocation mechanisms, establish a sustainable supplier evaluation system, and give priority to cooperating with suppliers that meet the requirements. When a supplier relocates its production base, the Company completes a pre-relocation survey for qualification as green products, and at the same time gradually phases out the use of mineral oil-containing inks and reduces the use of printed materials and paper to meet customers' sustainability and low-carbon requirements.
	Reputation	The identification and management of climate risks can affect the way Qisda Group is viewed by external stakeholders and further influence business in the long term.			
	9.Reputational risk	Long-term	▲ Errors in energy-efficient product certifications, or environmental and safety incidents resulting in reputational and property losses, may lead to reduced sales. ▲ Due to poor carbon reduction efficiency, financial ratings are affected and financing costs will increase. ▲ A lack of effective sustainability initiatives or failure to meet stakeholder expectations may indirectly affect the Company's reputation and long-term development. In particular, failure to achieve expected carbon reduction performance may have a negative impact on corporate reputation. ▲ As domestic climate- and sustainability-related regulations increase, operating costs will rise. ▲ Failure to achieve carbon reduction targets will affect corporate reputation, thereby reducing the willingness of talents to apply for jobs.	▲ Customer procurement strategies may be affected, potentially requiring product re-certification and impacting sales of certain products, with an estimated revenue impact of approximately 1%. ▲ As consumers place greater emphasis on the environmental impacts of product manufacturing, failure to prioritize suppliers with high proportions of renewable energy usage could result in an estimated revenue impact of approximately NT\$10 million. ▲ If the supplier cannot continue to supply materials normally, it will lead to production suspension and ultimately affect shipments and turnover. ▲ As sustainability initiatives continue to expand, demand for professional sustainability talent has increased, resulting in higher personnel and training costs. Across the Group, dedicated sustainability units have been established, annual employee training programs are conducted, sustainability reports are prepared, and greenhouse gas inventories and third-party verifications are performed. These efforts have increased operating costs by at least approximately NT\$10.09 million annually. ▲ Failure to meet carbon reduction targets or weak ESG performance may negatively affect employer branding, reducing recruitment competitiveness and potentially impacting employee retention.	▲ Reputational issues identified as high-risk are incorporated into assessments conducted by Qisda's Risk Management Committee and ESG Committee. The ESG Committee establishes dedicated task forces to develop improvement plans and corresponding KPIs for ESG-related issues, including the establishment of carbon reduction targets in collaboration with relevant departments to meet stakeholder expectations. ▲ In accordance with the customers' requirements, Qisda provides the GHG emissions data of the organization and products along with corresponding carbon emissions reduction plans. ▲ Implement carbon reduction measures and performance tracking with transparency, ensuring public disclosure to prevent the deterioration of financial equity. ▲ The Qisda Group discloses ESG achievements and sustainability-related information through its corporate website, demonstrating its ongoing commitment to sustainability issues. ESG content is updated regularly to reflect the latest sustainability developments and achievements. Through continuous disclosure and transparency, the Group strengthens stakeholder trust, enhances corporate reputation and recognition, and increases its attractiveness and persuasiveness to talented professionals and investors. ▲ BenQ plans to incorporate the proportion of renewable energy usage into future supplier evaluation criteria. ▲ ESG initiatives and achievements are promoted through campus recruitment activities, while internship and pre-employment programs are developed in collaboration with university sustainability-related departments to cultivate future sustainability talent.

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Physical Risks	Acute physical risks	Qisda has established a group emergency joint defense mechanism, further integrating the Company and the Group's resources to assess and analyze climate events that may impact the Company's operations every year.			
	1. Typhoon, flood, and snowstorms	Medium-term and long-term	▲ Flooding may disrupt business operations, resulting in suspension of production and product deliveries. For example, certain areas of Qisda's Suzhou Plant are located on relatively low-lying ground and may be vulnerable to flooding during severe rainstorms. ▲ Extreme weather events, including typhoons, heat waves, earthquakes, and lightning strikes, may increase both the frequency and severity of damage to factory and warehouse assets. Containers and frontline warehouses may also be damaged during transportation, resulting in product losses. ▲ Heavy rainstorms or snowstorms causing shipping interruptions of up to three days may adversely affect the supply chain. ▲ The severe flooding disaster will cause interruptions in upstream product production and transportation delays, resulting in delayed deliveries. ▲ Heavy rainfall will pose a threat to employee commuting safety, increasing the Company's personnel safety management costs.	▲ A one-day production interruption at Qisda's Taoyuan Plant would result in estimated losses of approximately NT\$1.29 million. Flooding-induced power outages at the Suzhou Plant could interrupt production for one day, resulting in estimated losses of approximately NT\$600,000 and requiring production schedule adjustments. ▲ Qisda's Taoyuan plant conducts annual maintenance on flood barriers and drainage pump equipment, with an estimated cost of approximately NT\$800,000. ▲ Qisda maintains emergency response and flood prevention supplies at each manufacturing site, with estimated annual expenditures of approximately NT\$120,000. ▲ If goods are damaged, revenue will be affected; insurance premiums will also increase due to climate change factors. ▲ Supply chain suspension and non-arrival of goods: As a result, materials are not completely available for the production line and production and shipment are affected; goods cannot be delivered to customers as scheduled, affecting subsequent payment collections. ▲ DIVA Laboratories estimates that transportation disruptions caused by typhoons or heavy rainfall, particularly affecting urgent air shipments, could increase operating costs by approximately NT\$100,000 and reduce revenue by approximately NT\$20 million. ▲ Data Image invested approximately NT\$2 million to ensure factory buildings comply with seismic design standards and to install seismic protection for precision equipment and raised floors. ▲ In the event of exceptionally heavy rainfall, DFI will suspend operations in accordance with government announcements and activate flood prevention measures in advance, increasing manufacturing costs by approximately 0.3%, or approximately NT\$998,000. ▲ BenQ Medical Technology installed flood barriers at factory entrances at a cost of approximately NT\$100,000.	▲ In 2020, Qisda engaged Fubon Insurance to conduct a comprehensive climate disaster risk assessment for its Taoyuan Plant and implemented a Business Continuity Plan (BCP), including routine inspections, maintenance, emergency drills, and cross-site production support, to minimize operational risks and disaster impacts. ▲ In 2021, we re-configured river drainage pipes for the plant in Mainland China and equipped them with flood prevention materials. In the event of an emergency involving heavy rainfall, we will formulate plans to reschedule the work shift for 2 days. Currently, we continue to monitor the annual water level changes and will take further measures if the risk increases. ▲ In consideration of climate change impacts, the Group introduced compound disaster scenarios into its BCP drills for the first time in 2024 to strengthen emergency response capabilities, operational resilience, crisis management, resource coordination, and business continuity under extreme weather conditions. The simulated scenarios for the drill included continuous heavy rain resulting in severe water accumulation, and a fire accident caused by an electrical short circuit during pumping operations. Under these dual accident and disaster scenarios, personnel were trained in disaster response capabilities to minimize operational impact to the lowest possible level. ▲ Periodically inspect the airtightness of office windows, the waterproofing of exterior walls, and the unobstructed condition of the drainage system to prevent water seepage, and regularly clean the drainage openings; establish a comprehensive remote work mechanism to ensure that employees can work from home during extreme weather to reduce the risk of operational disruptions. If weather conditions affect outdoor operations, the schedule is adjusted or the work content is changed through outsourcing and manpower reallocation to maintain progress. Human Resources issues commuting safety guidance during typhoons and heavy rainfall, while insurance coverage is maintained for transportation, warehousing, and fixed assets to strengthen disaster preparedness. ▲ Flood prevention facilities have been installed in office buildings and warehouses, and emergency response teams have been established to respond to extreme rainfall events. Flood prevention supplies are maintained, while server rooms are equipped with manual flood barriers and emergency pumping systems. The Company The Company evaluated the establishment of an automatic early-warning sensor-based waterproof gate system and the installation of a rainfall early-detection diversion and discharge device on the underground drainage valve foundation (to increase discharge and water storage capacity). ▲ Production capacity allocation plans and alternative suppliers and products are prepared in advance, with priority given to sustainable suppliers. To mitigate logistics disruptions caused by extreme weather, safety stock levels have been increased from two weeks to four weeks, and backup logistics providers have been identified. ▲ To address extremely low temperatures that could cause laboratory environments to fall below required operating conditions, heating fans have been installed to maintain appropriate temperatures in the electrical calibration area, while temperature and humidity data loggers are used to ensure compliance with TAF calibration requirements.

Type	Climate Change Related Risk	Impact Period	Description of Risk Content	Potential Impact on Business, Strategies & Finance	Adaptation & Responsive Actions
Physical Risks	Long-term physical risks	Regarding the long-term global climate trend, Qisda Group has identified risks and progressively adopted responsive strategies to prevent possible impact.			
	2. Water and electricity shortage	Long-term	▲ Under a water rationing scenario in northern Taiwan involving two days of water supply followed by three days of suspension, Qisda's Taoyuan Plant would experience reduced production capacity. ▲ Power shortages may disrupt production at Qisda's Suzhou Plant. ▲ Water shortages in Vietnam may lead to electricity rationing during summer, adversely affecting production capacity at Qisda's Vietnam Plant. Unstable voltage may also disrupt manufacturing operations. ▲ Climate change-induced reductions in global rainfall have increased water scarcity. For example, the severe drought in the Panama Canal in 2023 affected ocean shipping and the global supply chain. ▲ Power shortage affects the supplier's production, and materials cannot be supplied as scheduled. ▲ Unstable electricity supply may result in power outages or frequent generator activation, accelerating wear and tear on related systems and equipment.	▲ Water shortages at Qisda's Taoyuan Plant would increase manufacturing costs by approximately 0.11%, while electricity rationing would reduce production capacity and increase manufacturing costs by approximately 0.44%. However, because the Taoyuan Plant accounts for a relatively small proportion of the Company's overall operations, the overall financial impact would be limited. The plant also plans to increase on-site water storage capacity to maintain at least two days of water supply and install rainwater harvesting systems, with estimated investments of approximately NT\$3 million. ▲ Qisda's Suzhou Plant is most likely to halt production in the summer due to power rationing. If government-imposed power restrictions last for three days, production schedules can be adjusted without significant impact. Under a worst-case scenario involving one day of production suspension per week over July and August (nine days in total), estimated revenue losses would reach approximately NT\$86 million. ▲ A one-day production line shutdown at Qisda's Vietnam Plant is estimated to result in losses of approximately NT\$430,000. To address unstable voltage, the plant invested approximately NT\$1 million in UPS systems, with future annual UPS replacement costs estimated at approximately NT\$100,000. Voltage stabilizers have also been installed for critical equipment, increasing maintenance costs by approximately NT\$540,000. Ace Pillar purchased emergency backup power equipment for approximately NT\$340,000. ▲ If power rationing disrupts production, DFI would adjust workforce allocation to meet production requirements, increasing personnel costs by approximately NT\$660,000 while reducing revenue by approximately NT\$11.12 million. ▲ Lack of materials makes it impossible to produce normally, resulting in loss of the production capacity and turnover. ▲ Establish a cloud operating environment for key systems to reduce the number of on-premises servers that do not store confidential data, with an annual cost of NT\$2 million.	▲ In 2020, Qisda investigated the status of the Group's water use and simulated complementary management plans for water shortage during the occurrence of droughts. ▲ At Qisda's Taoyuan Plant, non-production personnel would implement work-from-home arrangements to minimize operational impacts. This measure would extend available water reserves from 2.5 days to 3.5 days, preventing production disruptions. ▲ To address electricity rationing, the Company utilizes existing solar energy storage systems to support production and adjusts production schedules by increasing night-shift and weekend operations to compensate for lost capacity. ▲ As Qisda has three factories in different countries, if a risk has a long-lasting impact on business in one country, the Company will appropriately allocate work to the other two factories to support production in that country. ▲ Bookings and shipments are made in advance to reduce the risk of port congestion and prolonged delivery time. ▲ We prevent material shortage on the supplier side by introducing a second source. ▲ We establish a cloud operating environment for critical systems and implement offsite backup plans to prevent power shortage.

Type	Climate Change Related Risk	Impact Period	Description of Risk Content	Potential Impact on Business, Strategies & Finance	Adaptation & Responsive Actions
Physical Risks	3. Increase of annual temperature	Medium-term and long-term	▲ More electricity consumption is required to satisfy the need for air conditioning cooling and heating due to the rise of the average temperature. ▲ Environmental factors lead to an increased machine maintenance rate. ▲ Overheating of equipment accelerates asset degradation and reduces operational efficiency. ▲ High temperatures increase the risk of heatstroke for outdoor workers. ▲ Excessive laboratory temperatures exceeding regulatory requirements hinder measurement and calibration tasks (e.g., length calibration and dimensional measurement areas). Overheated equipment (e.g., chambers) may experience shutdowns, impacting testing schedules. ▲ Expenses for purchasing air conditioners may cause a rise in costs. ▲ Electricity costs are expected to increase (the Vietnam Plant estimates an increase of approximately 1%). ▲ Higher repair and maintenance expenses will increase manufacturing costs.	▲ Qisda's Taoyuan Plant schedules system inspections and maintenance plans for energy-saving equipment. Each year, it budgets approximately NT\$16 million for equipment maintenance expenses and maintains the energy efficiency of the equipment through maintenance, such as for air-conditioning equipment, for which the expense is approximately NT\$1.6 million. ▲ To address rising temperatures, Qisda's Taoyuan Plant has installed air-conditioning systems in production areas and added exhaust fans and additional air-conditioning units in server rooms. Air-conditioning expenses are expected to increase by approximately NT\$780,000 in 2025. ▲ Equipment rooms at Qisda's Suzhou Plant are generally equipped with air-conditioning systems and ventilation fans, with related expenditures of approximately NT\$1.29 million. ▲ To prevent heat-related illnesses, reasonable work hour adjustments have been made, along with the provision of cooling measures such as air conditioning, fans, ice, and cold beverages. Employees are also trained in heatstroke prevention and first aid, with an annual expenditure of NT\$400,000. ▲ BenQ Medical Center incurs approximately NT\$5 million annually for regular maintenance of air-conditioning systems and the procurement of energy-efficient equipment. ▲ Simula Technology spends approximately NT\$65,000 annually on air-conditioning maintenance.	▲ In response to rising global temperatures, the Company has implemented energy-saving measures, including maintaining office temperatures at 26°C, strengthening maintenance of air-conditioning systems to sustain high operating efficiency, promoting water and electricity conservation practices, and evaluating green building enhancement projects to reduce energy consumption. ▲ MetaAge plans to implement the ISO 50001 Energy Management System in 2026 to identify major energy consumption hotspots, establish energy baselines and reduction targets, with an estimated budget of approximately NT\$850,000. ▲ The improvement of the air conditioning system in the plant has increased the efficiency and stability of cooling to ensure smooth and on-time calibration and measurement without affecting the plant and R&D product schedule. Air conditioners and blowers are installed to reduce the ambient temperature and increase the cooling efficiency, thus reducing equipment damage and maintenance needs, extending equipment service life, ensuring that the product verification schedule is not affected, and reducing additional expenses for the Company. ▲ Control of the temperature and humidity of basic materials (15-35°C, 30-80% humidity) is performed. When the average climate exceeds the standard, the PCB will be relocated and stored in the same environment as the big warehouse. ▲ When purchasing temperature and humidity regulating equipment, we have introduced an evaluation to assess the water recycling function of the system. ▲ Production equipment areas throughout plants are equipped with air-conditioning units, while server rooms are fitted with additional exhaust fans and air-conditioning units. Should daytime temperatures exceed 45°C over an extended period, operations will shift to nighttime production with daytime rest periods. ▲ The Company continues to optimize energy efficiency and promote energy conservation and carbon reduction initiatives. ▲ The laboratory uses temperature and humidity recorders to monitor the temperature in the length calibration and dimensional measurement areas, maintaining it at $20 \pm 1^{\circ}\text{C}$ to comply with calibration and measurement standard requirements.

Climate-Related Opportunities and Financial Impacts

	Type	Impact Period	Potential Financial Impact	Responsive Actions
Resource Efficiency	1. Energy-saving benefit	Short-term	▲ Qisda implemented server virtualization technology and improved hot and cold aisle management in its data centers, enhancing energy efficiency and reducing annual operating costs by approximately NT\$2 million. ▲ Qisda's Taoyuan Plant implemented holiday electricity-saving measures (including reducing air pressure, closing outside air dampers, and shutting down unused equipment), adjusted the operating schedule of the central air-conditioning system, and increased the chilled water temperature setpoint from 7°C to 9°C, generating annual operating cost savings of approximately NT\$1 million. ▲ In 2025, Qisda's Suzhou Plant completed energy-saving upgrades to the central air-conditioning systems in the S1, S5, and DQ9 areas, as well as energy efficiency improvements to the S1 process chilled water circulation pumps and S2 Measurement Center chilled water piping, with estimated annual savings of approximately NT\$10 million. ▲ In 2025, Qisda's Vietnam Plant completed an energy-saving retrofit of one compressed air system, generating estimated annual savings of approximately NT\$2.2 million. ▲ BenQ Medical Center optimized the intelligent management of data center temperature, humidity, air-conditioning, and power systems, generating estimated annual savings of approximately NT\$3 million. ▲ In 2025, Alpha Networks implemented energy conservation and carbon reduction measures through government-funded technology projects, generating estimated savings of approximately NT\$14 million. ▲ Qisda's Taoyuan Plant achieved savings of approximately NT\$330,000 through the reuse of material pallets and corner protectors. ▲ Qisda's Suzhou Plant recycles defective plastic components by shredding them into pellets for reuse in injection molding production, generating annual savings of approximately NT\$9.6 million. ▲ Qisda's Vietnam Plant installed additional shredding equipment to recycle approximately 80 metric tons of defective plastic products each month, generating annual savings of approximately NT\$6.91 million.	▲ Through the ISO 50001 Energy Management System, the Company conducts energy reviews to monitor energy consumption across its sites, identify high-energy-consuming equipment and processes for improvement, establish energy management and conservation objectives, perform quarterly energy reviews, and continuously monitor and improve energy performance. Energy-saving initiatives prioritize replacing outdated high-energy-consuming equipment with energy-efficient alternatives. Smart electricity meters have also been introduced at manufacturing facilities to analyze production line electricity consumption, identify optimal energy management solutions, and optimize daily production scheduling through an intelligent operations control center. ▲ Qisda continues to use energy conservation data as a basis for achieving its sustainability targets and conducts quarterly reviews to monitor carbon reduction progress. Using 2021 as the base year, the Company aims to achieve a 42% reduction in Scope 1 and Scope 2 greenhouse gas emissions by 2030. ▲ Qisda plans to introduce automated robotic systems and automated warehouse systems to improve logistics and warehousing efficiency while reducing operational energy consumption. Investments will be evaluated based on a targeted payback period of no more than three years. ▲ Qisda's Suzhou Plant continues to implement circular economy initiatives, such as waste heat recovery, to reduce operating costs. ▲ Qisda's Vietnam Plant will continue to implement phased energy-saving upgrades to its compressed air systems. ▲ Norbel Baby will replace conventional lighting with LED lighting across all retail stores. ▲ Alpha Networks expects its cooling towers to save approximately 230,000 kWh of electricity annually in the future, resulting in estimated annual cost savings of approximately NT\$1.035 million. ▲ Employees are encouraged to reduce paper consumption by using scanned electronic files, reusing waste paper, and implementing paperless internal approval processes. ▲ In addition to publishing electronic manuals on the website, the Company will explore other appropriate distribution methods in compliance with customer needs and regulations, such as embedding them in machines or providing them via USB storage devices, thereby reducing operating costs by an estimated 10%–15%. ▲ Production process optimization and automation are continuously implemented to improve efficiency while reducing product carbon emissions per unit and labor costs. ▲ We monitor the risk of abnormal power consumption and immediately correct the problem and equipment. ▲ Energy-saving upgrades are implemented through the replacement of air compressors, energy-efficient air-conditioning water pumps, and optimization of gas supply systems for measurement centers. ▲ The Experimental Testing Center has upgraded to new energy-efficient equipment, achieving an average electricity savings of approximately 45% per unit and a maximum water savings of about 80% per unit at (85°C, 98% RH). ▲ Reusable containers and various types of pallets are promoted for circular use, effectively extending their service life and maintaining a recycling and reuse rate of over 90%.

	Type	Impact Period	Potential Financial Impact	Responsive Actions
Resource Efficiency	2. Water-saving benefit	Short-term	▲ Qisda's Taoyuan Plant has relatively small-scale manufacturing operations and water consumption; therefore, the impact on the Company's overall operating costs is limited. The Vietnam Plant has launched water conservation initiatives by implementing smart technologies such as reduced water pressure and automatic sensor-activated water supply to improve water-use efficiency. At the Suzhou Plant, wastewater recycling measures vary by production line, with recycling rates generally ranging from 70% to 100%. ▲ Engineering improvements and water conservation management measures have been implemented (e.g., the Vietnam Plant is expected to reduce water consumption by 0.05%, resulting in annual cost savings of approximately NT\$54,000).	▲ To reduce water consumption and preserve water resources, the Corporate Sustainable Development and Information Security Committee has established Group-wide water management KPIs. By 2030, the Group aims to reduce water consumption intensity per million US dollars of production value by 18% compared with the 2021 baseline year through continuous improvement initiatives. In 2025, the global manufacturing sites set a target of 124 metric tons of water consumption per US\$1 million of production value and achieved an actual result of 112 metric tons, successfully meeting the target. ▲ Each manufacturing facility shall conduct quality inspection for discharged wastewater in line with the requirements of the local competent authority. ▲ Qisda establishes relevant plans to reduce water consumption and leakage, which fall into one of two categories: engineering improvement and administrative management. These plans include checks on and repair of leakage, replacement of old pipelines, installation of water-saving equipment and promotion of water conservation.
	3. Efficient green building	Medium-term and long-term	▲ Lower indirect (operating) cost. ▲ Obtaining this certification can have positive impacts on the corporate image and facilitate business development. ▲ Due to Qisda Suzhou's outstanding performance in air pollution control, Qisda successfully received an RMB 3.17 million central air environmental protection subsidy from the People's Republic of China in December 2024.	▲ The increase of energy efficiency in plants can bring about energy conservation and cost reduction. Qisda has set up relevant engineering improvement plans to make our buildings more efficient. ▲ In 2023, the Green Building Certification for the Shuangshing Plant at the Taiwan plant was upgraded to the Silver level for an existing building, and in 2025 it continued to maintain its green factory qualification and Silver-level green building status. ▲ We obtained China's Green Factory Certificate of Jiangsu Province for the Suzhou Plant in 2023. For this, we will inventory our existing green products, green design and energy-saving measures as well as expand the scope for the ISO 50001 certification. ▲ Qisda's Suzhou Plant continued to improve in exhaust gas governance and received a national-level award. The exhaust gas treatment facility within the plant area was upgraded from a single-stage activated carbon adsorption system to a two-stage activated carbon adsorption system, further improving exhaust gas treatment efficiency and reducing organic exhaust gas emissions. The non-methane emission concentration was below 20 mg/m³, well below the 60 mg/m³ emission limit required by the local government of Suzhou. The exhaust gas collection pipelines were completely replaced, reducing exhaust gas leakage and effectively improving employees' work environment. The plant continued to maintain platinum-level green factory certification, ISO 50001 Energy Management System, ISO 14064, and S3 plant Zero Waste to Landfill.
Energy Source	4. Solar energy installation	Medium-term and long-term	▲ In 2025, Qisda's Taoyuan Plant generated 570,056 kWh of electricity from its solar power system, resulting in electricity cost savings of approximately NT\$2.3 million. ▲ Qisda's Suzhou Plant completed the Phase II solar photovoltaic project in April 2025. By the end of 2025, cumulative electricity generation had reached 6,494 MWh, saving approximately NT\$2.11 million in electricity costs. ▲ In 2025, MetaAge generated a total of 200,331 kWh of green electricity through its own solar power facilities and purchased renewable electricity. After taking the cost of renewable electricity into account, electricity expenses were reduced by approximately NT\$208,000 in 2025. ▲ BenQ Medical Center saved approximately NT\$1.32 million in electricity costs through solar power generation in 2025.	▲ Since 2021, solar photovoltaic systems have been progressively installed across various sites, including the Taoyuan Twin Star solar grid-connection project, the Suzhou Phase I and Phase II projects, BenQ Medical Center Phase I, and MetaAge. ▲ Qisda's Suzhou Plant collaborates with an energy company by providing installation sites for solar power generation facilities. After commercial operation, the Plant purchases the generated renewable electricity at rates lower than the local utility electricity price. ▲ Under the Xingye Plant redevelopment project, Qisda's Taoyuan Plant plans to install additional solar panels by 2028, which are expected to increase annual power generation by approximately 450,000 kWh and reduce electricity costs by approximately NT\$1 million per year. ▲ Qisda's Suzhou Plant plans to install solar photovoltaic systems on the rooftops of its dormitory buildings, which are expected to save approximately NT\$2 million in annual electricity costs. ▲ Upon completion of the Phase II Four Major Centers Building solar photovoltaic installation, BenQ Medical Center is expected to save approximately NT\$1.76 million in electricity costs annually.
Product and Service	5. Low-carbon products and services	Short-term and medium-term	▲ Qisda provides customers with carbon footprint-certified low-carbon cloud hosting services to meet supply chain decarbonization requirements, generating an estimated additional annual revenue of approximately NT\$2 million. ▲ Qisda has expanded its network of localized material suppliers, reducing two ocean freight shipments per month and saving approximately NT\$520,000 annually. ▲ MetaAge's international low-carbon cloud product revenue increased 20.35% year-over-year in 2025, reaching NT\$720 million. ▲ Data Image's marine navigation and vehicle-mounted products had wide-temperature operating capability, could adapt to severe outdoor temperature fluctuations, and continued selling outdoor-use monitors that complied with IP67/68 waterproof and dustproof ratings, generating revenue of approximately NT\$10 million. ▲ BenQ Materials' "e2cycle" PET recycling technology generates approximately NT\$15 million in annual revenue. In addition, simplified contact lens packaging (eliminating BOPP plastic overwrap) reduces raw material costs by approximately NT\$1.808 million annually.	▲ Establish local repair service centers or partner networks and expand local supplier bases at manufacturing sites to reduce returns to original factories and minimize sea and air freight requirements (e.g., for bulk materials, consolidated shipments, and electronic components), thereby shortening repair lead times, lowering transportation costs, and reducing carbon emissions. ▲ Gather information on domestic and international green product trends to formulate environmental sustainability initiatives, strengthen green procurement management, and enhance manufacturing technologies. ▲ Adopt plastic-free and recyclable packaging designs while optimizing packaging dimensions to improve loading efficiency. Incorporate energy-saving, packaging reduction, and recyclability considerations into component design, reduce packaging materials, introduce recyclable materials, and apply modular product design to minimize waste generation. ▲ Data Image plans to develop next-generation ultra-high-brightness and UV-resistant technologies to extend product lifespan under extreme sunlight and expand applications to disaster command centers and extreme weather monitoring stations, with estimated additional annual revenue of approximately NT\$26 million. ▲ BenQ Materials' Xpore has partnered with Far Eastern New Century to introduce an innovative PET recycling technology that transforms electronic waste into high-performance functional textile materials. ▲ Norbel Baby transports products to morning markets using reusable logistics containers, eliminating additional packaging materials and reducing waste generation.

	Type	Impact Period	Potential Financial Impact	Responsive Actions
Market	6. Sustainable value	Medium- and long-term	▲ In alignment with government sustainability policies, the Group seeks subsidies for low-carbon transition initiatives, reducing operating costs. In 2025, subsidies are estimated at approximately NT\$17 million. ▲ We disclose ESG reports on a regular basis. We show a positive corporate image of sustainability and obtain relevant certifications, such as the TCO certification for promoting industry-leading environmental and ecological protection, in order to win the recognition of customers and increase sales. ▲ Improve supply chain evaluation scores and expand the green market. ▲ Gradually implement renewable energy with the goal of achieving RE100. ▲ Reduce carbon footprint and promote environmental protection by encouraging online meetings, saving approximately NT\$29 million in travel expenses annually.	▲ For display products, we promote TCO certification together with customers to improve product competitiveness. ▲ We assist and request suppliers to comply with domestic and international sustainable supply chain regulations and implement environment-related regulations. ▲ Address and manage non-conformities identified in subcontractor sustainability audits. Integrate sustainability criteria into supplier selection and procurement evaluation processes, and include sustainability questionnaires as part of supplier assessment frameworks. ▲ Utilize low-carbon energy by installing solar panel systems. ▲ Incorporate sustainability value into annual supplier evaluations and strengthen supply chain sustainability management. Establish dedicated sustainability units and personnel, and continuously conduct employee sustainability training to enhance overall ESG performance. ▲ Fully promote online meetings (such as Teams/Zoom meeting/Skype, etc.) to replace physical meetings, reducing the carbon footprint of global conferences, improving work efficiency, and effectively saving travel costs. ▲ ESG initiatives and achievements are promoted through campus recruitment activities, while internship and pre-employment programs are developed in collaboration with university sustainability-related departments to cultivate future sustainability talent.
	7.Green finance	Short-term	▲ The introduction of green finance (financing) reduced operating costs through syndicated loans in 2025, lowering annual interest expenses by approximately NT\$7 million.	▲ The Company complied with the requirements of the bank's joint loan project and continued to achieve ESG indicators. ▲ We implemented carbon reduction measures, carbon inventory, and transparent disclosure. Based on the ESG performance, we continue to look for appropriate financing channels to benefit the Company.

	Type	Impact Period	Potential Financial Impact	Responsive Actions
Resilience	8. Energy-saving commodities	Medium- and long-term	▲ We proactively develop the energy market to boost revenue growth. ▲ ACE Energy generated approximately NT\$560 million in energy service revenue in 2025. ▲ Qisda projector products continue to obtain green certifications such as TGM, CECP/CEL to win tenders. The development of energy-saving solid-state lighting products generated approximately NT\$400 million in revenue in 2025. LCD product models compliant with energy-saving regulations reached 82.6%, accounting for 70.2% of total revenue. ▲ BenQ EPEAT-certified product lines secured tender projects, generating approximately NT\$130 million in revenue. ▲ MetaAge acts as an agent for low-carbon and cloud-based products, increasing opportunities in the green market. In 2025, low-carbon product sales grew by 20.35% compared to the same period last year. ▲ DIVA developed low-power medical displays with smart sensing and high-efficiency backlight modules that meet Energy Star standards, generating approximately NT\$10 million in revenue. Partner Tech has also achieved Energy Star certification, contributing approximately NT\$7 million in revenue.	▲ Qisda Group actively promoted the development of energy-saving and low-carbon products, introduced carbon-reduction technologies and low-carbon materials, and expected the proportion of revenue from green energy products to increase year by year. ▲ The business unit incorporated Energy Label requirement evaluation at the early stage of product development and adjusted product specifications based on requirements during the development process. In addition, our panel plant continued to seek new materials and technologies to reduce energy consumption. Meanwhile, our safety compliance team, contract manufacturers, and panel suppliers also closely monitored the latest regulatory updates from the U.S. Energy Star authority in order to respond to more stringent energy-saving standards. ▲ BenQ actively pursued EPEAT certification to enhance the environmental competitiveness of its products. In response to governments and enterprises listing it as a basic requirement in various bids, this was expected to generate approximately NT\$200 million in revenue in the future. At the same time, it required contract manufacturers to adopt CO2logic's carbon-neutral certification, which was expected to contribute approximately NT\$72 million in revenue. ▲ The representation of low-carbon products and cloud products by MetaAge enhances the company's competitiveness in green products while proactively addressing customer demand for low-carbon goods and services, assisting businesses in their low-carbon transition. ▲ DIVA will develop the Eco-Medical series, highlighting its 5% higher energy efficiency than competing products to secure European Union tenders and is expected to increase revenue by NT\$50 million. ▲ ACE Energy is based on smart energy conservation and ESG sustainability concepts and focuses on providing comprehensive energy services, including energy-saving equipment and data management. Its services cover air conditioning, compressed air, heat recovery, lighting, power usage management, uninterruptible power supply (UPS) systems, energy storage, and power equipment monitoring, with related data integrated into a networked management system through energy-saving benefit sharing and the establishment of green energy systems. It builds long-term partnerships with customers to jointly achieve the SDGs. From design through operation, ACE Energy provided professional energy-saving solutions and maintenance services to ensure safe operation and energy-saving benefits. The representation of low-carbon products and cloud products by ACE Energy enhances the company's competitiveness in green products while proactively addressing customer demand for low-carbon goods and services, assisting businesses in their low-carbon transition. ▲ We implement circular economy and reuse plastic, iron parts, and paper packaging materials. Modular packaging materials help us reduce waste and carbon. ▲ Qisda's Suzhou S3 plant completed the UL 2799 Zero Waste to Landfill certification in 2024. ▲ The Vietnam plant has increased the localization of key material suppliers (such as structural components), reducing the number of freight shipments per month and lowering inventory levels.

Climate Change Risks, Opportunities, and Financial Impact Assessment

Based on the TCFD framework, the financial impacts associated with climate change have been estimated by Qisda Group. In terms of transition risks, technological risks primarily arise from investments in the transition toward green products and technologies, as well as energy-saving improvement measures. These include expenditures in 2025 for the replacement of high-energy-consuming equipment across Taiwan and overseas sites, the procurement of renewable energy, and the construction of solar energy and energy storage systems. Market risks stem from the financial impacts on product life cycle assessments (LCA) resulting from changes in consumer behavior. Policy and regulatory risks include carbon disclosure, GHG inventory, and verification, ESG-related training and consulting, and the implementation of internal carbon pricing mechanisms. In terms of physical risks, the financial assessment mainly considers the impacts of extreme weather events such as heavy rainfall, flooding, and power shortages on the Company's production and shipment operations. High and extremely high flood risk areas were identified using the Aqueduct Water Risk Atlas developed by the World Resources Institute (WRI). Risk assessments and scenario analysis have been completed across 100% of existing and new operations, with adaptation plans and targets to be completed within five years. Preliminary estimates of the financial impacts of the above risk factors have been conducted, as detailed in Table 1 of the Climate-related Financial Impact section.

In addition, Qisda Group has estimated the financial impacts of climate-related opportunities, covering areas such as improving energy and water resource efficiency, actively developing the energy market, complying with sustainability and environmental protection policies to create sustainable value, and the development of low-carbon products and services and green products. Preliminary estimates indicate that climate-related opportunities will generate positive financial benefits for the Company's overall revenue, as detailed in Table 2 of the Climate-related Opportunity Financial Impact section.

A comprehensive analysis shows that, although responding to climate change will increase short-term financial costs, proactively addressing potential climate risks will also create opportunities. Qisda Group will place greater emphasis on low-carbon products and services and build more climate-resilient sustainable operations.

Climate-Related Risks Financial Impacts Table 1

Risk	Reasons for Financial Impact	Amount (NTD 10,000)
Policy and Regulation	Energy-saving policies, GHG inventory and verification, carbon fees and CBAM, introduction of carbon pricing, and ESG consulting.	2,391
Technical Risk	Investment in green products and technological transformation, digitalized operations, equipment replacement, low-carbon materials, and the procurement of green electricity.	20,104
Market Risk	LCA and carbon reduction transformation, sustainable packaging materials, supplier carbon reduction and customer requirements.	3,756
Reputational Risk	Energy-saving certification, carbon-reduction performance, ESG ratings, reputation, and regulatory requirements.	1,009
Physical Risks	Flooding and extreme climate affect plant facilities, shipping, the supply chain, and personnel safety.	15,392
	Water shortages and unstable power supply, as well as drought, affect shipping and supply chain operations.	
	Rising temperatures increase demand for air conditioning, cause equipment overheating, increase maintenance frequency, and heighten operational risks for personnel.	
Total:		42,652

Climate-Related Opportunities Financial Impacts Table 2

Opportunity	Reasons for Financial Impact	Amount (NTD 10,000)
Resource Efficiency	Energy conservation and Circular Economy, process optimization, green labels, and government subsidy opportunities.	4,904
Energy Source	The introduction of solar power generation at multiple plant sites promotes the energy transition.	594
Product and Service	Innovation in low-carbon cloud computing, weather-resistant products, and circular materials responds to customers' carbon-reduction needs.	74,932
Market	Government sustainability policies, ESG assessments, green finance, and RE100 transition opportunities.	5,300
Resilience	Demand for energy-saving and green-certified products, as well as high-efficiency monitors.	110,700
Total:		196,430

Metrics and Targets

Qisda Group committed to the SBTi initiative in 2022 and set carbon reduction targets in 2023 in order to achieve its green enterprise targets. Going forward, it will align with the RE100 and net zero emissions targets and engage with the value chain. Qisda Group attaches great importance to the impacts arising from climate-related issues. Given that the scope of such impacts covers all aspects of execution as well as the Company's future development, the Chairman of the Board personally oversees these matters to ensure that the Board of Directors fully understands the significance of climate change issues to corporate sustainability. At the same time, an effective top-down management approach is adopted internally. ESG performance and achievement levels have been incorporated into the KPIs and remuneration of the CSO and senior management. Starting in 2023, the Company decided to establish a long-term incentive plan for the Chairman, Chief Executive Officer, President, and other senior managerial officers. The plan was linked to sustainability performance indicators (performance indicators for corporate governance, social participation, and environmental sustainability), and long-term incentive compensation was awarded based on the achievement of annual sustainability performance targets. Such incentive compensation accounts for approximately 10% of the annual total remuneration of senior managerial officers.

Energy Consumption and Conservation

► Energy Management

Qisda Energy Management Policy

Qisda is committed to using 100% renewable energy by 2040. The Company is dedicated to the implementation and promotion of energy management practices and principles, and has established an energy management policy. Upholding the principles of improving energy efficiency and reducing greenhouse gas emissions, the Company requires its global facilities to jointly implement effective energy management. The ISO 50001 (Energy Management System) has been introduced to enhance employees' understanding of and participation in energy management, and to ensure that the organization can effectively implement the Energy Management System (EnMS). In 2025, the content of energy management training included energy policies, objectives, energy-saving measures, actions in response to energy risks, and individual roles, with an emphasis on continuous improvement and performance monitoring. Through training, the Company enhances energy-saving awareness, promotes the application of best practices, reduces energy consumption and costs, complies with ISO 50001 requirements, and achieves corporate sustainability objectives.

ISO 50001 (Energy Management System) has been implemented at major operating sites in Taiwan, Suzhou, China (electronics plants and telecom plants), and manufacturing sites in Vietnam. Energy targets are tracked quarterly, energy reviews and supervision are conducted, and management performance is continuously improved. Energy usage across sites is monitored to identify high-energy-consuming equipment and processes, enabling targeted improvement initiatives and the establishment of energy management and energy-saving targets.

The company has established a quantified energy-saving target to reduce absolute energy consumption by 1% year-on-year.

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

Climate Indicator	2021 Baseline Year	2022	2023	2024	2025	Reduction % (Compared to the Baseline Year)
Total GHG Emissions (tCO ₂ e)	106,671.70	77,836.79	66,584.99	71,088.26	67,525.99	-37%
Carbon Emission Per Personal Hourly Electricity Consumption (kgCO ₂ e)	2.50	2.03	2.30	3.28	2.46	-2%
Electricity Consumption Per Million USD Production Value (kWh)	27,532.00	29,436.44	38,956.51	41,179.74	51,088.63	86%
GHG emissions for each million USD value (tCO ₂ e) (Scope 1)	0.47	1.15	1.19	0.89	1.00	112%
GHG emissions for each million USD value (tCO ₂ e) (Scope 2)	21.44	17.47	21.52	23.56	26.00	21%
GHG emissions for each million USD value (tCO ₂ e)	21.91	18.62	22.71	24.44	27.00	23%

Scope of Data Coverage: Qisda (Parent Company Only).

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

Climate Indicator	2021 (Baseline Year)	2022	2023	2024	2025	Reduction % (Compared to the Baseline Year)
Total GHG Emissions (tCO ₂ e)	106,671.70	75,563.55	51,905.90	48,356.67	36,482.27	-66%
Carbon Emission Per Personal Hourly Electricity Consumption (kgCO ₂ e)	2.50	1.92	1.77	2.19	1.29	-49%
Electricity Consumption Per Million USD Production Value (kWh)	27,532.00	29,436.44	38,956.51	41,179.74	51,088.63	86%
GHG emissions for each million USD value (tCO ₂ e) (Scope 1)	0.47	1.15	1.19	0.89	1.00	112%
GHG emissions for each million USD value (tCO ₂ e) (Scope 2)	21.44	16.93	16.51	15.74	13.59	-37%
GHG emissions for each million USD value (tCO ₂ e)	21.91	18.08	17.70	16.63	14.59	-33%

Scope of Data Coverage: Qisda (Parent Company Only).

In 2025, Qisda prioritized the replacement of outdated, energy-intensive equipment with energy-efficient alternatives at its facilities. Smart electricity meters were introduced in production plants to analyze power consumption across production lines and identify optimal energy control solutions. A smart control room was used to adjust daily production planning and resource allocation. These measures are expected to save 3,230 MWh of energy and reduce carbon emissions by 1,714 tons of CO₂e.

Greenhouse Gas Reduction Measures in 2025

Reduction Type	Project	Categorization & Scope of Emissions Reduced	Annual Energy Savings (MWh)	Annual Energy Savings (GJ)	Annual Emission Reduction (tCO ₂ e)
Process Energy Efficiency	S1 Central Air Conditioning Energy-Saving Retrofit	Scope 2	2,060.00	7,417.69	1,093.04
	S5 Central Air Conditioning Energy-Saving Retrofit	Scope 2	320.00	1,152.26	169.79
	S3 Decommissioning of Soldering Exhaust and Integration into VOC Pipeline (Phase I)	Scope 2	100.00	360.08	53.06
	DQ9 Central Air Conditioning Energy-Saving Retrofit	Scope 2	510.00	1,836.42	270.61
	S1 Process Chilled Water Circulation Pump Energy-Saving Improvement	Scope 2	150.00	540.12	79.59
	S2 Measurement Center Chilled Water Pipeline Optimization and Energy-Saving Retrofit	Scope 2	90.00	324.07	47.75
Policy or Behavioral Change	Suzhou Plant Street Lighting Control	Scope 2	2,235.43	8,049.39	1,186.12
Total			5,465.43	19,680.04	2,899.96

Energy Consumption

In 2025, Qisda Group's non-renewable energy percentage reached 86.17%, and its renewable energy usage rate reached 13.83%.

Energy Consumption Statistics	Annual/Unit GJ	2022	2023	2024	2025
Total Non-Renewable Energy Consumption	Parent company	439,484.38	403,354.08	425,967.32	422,672.79
	Subsidiary	1,017,621.11	1,170,392.69	1,265,162.93	1,362,110.36
	Total	1,457,105.49	1,573,746.77	1,691,130.25	1,784,783.15
Total Renewable Energy Consumption	Parent company	43,929.83	107,691.56	158,125.45	232,165.13
	Subsidiary	558.36	559.57	5,084.72	54,263.76
	Total	44,488.19	108,251.13	163,210.17	286,428.90

In addition to engineering improvements, administrative management is also a key component. Qisda actively promotes various administrative measures to reduce energy consumption. In 2025, initiatives such as “large-to-small support” and the complete shutdown of standby equipment during weekends and nighttime non-operating hours were implemented to effectively reduce energy consumption. These measures are expected to save 2,235 MWh of energy and reduce carbon emissions by 1,186 tons of CO₂e.

Energy Type/Energy Consumption (GJ)			Parent company	Subsidiary	Total for the Parent Company and Subsidiaries	Parent and Subsidiary Combined Usage Ratio (%)
Purchased Non-Renewable Energy	Diesel fuel		274.61	5,650.76	5,925.37	0.2861
	Gasoline		567.82	24,922.93	25,490.75	1.2307
	Natural gas		6,930.75	407,167.94	414,098.68	19.9931
	Liquefied petroleum gas		1,797.33	737.42	2,534.75	0.1224
	Electricity		413,102.28	904,690.90	1,317,793.18	63.6243
	Heating		-	1,963.48	1,963.48	0.0948
	Steam		-	16,976.93	16,976.93	0.8197
	Total purchased non-renewable energy		422,672.79	1,362,110.36	1,784,783.15	86.17
Renewable Energy	Wind power		-	17.97	17.97	0.0009
	Solar energy	Self-generated and self-consumed	41,216.91	30,466.27	285,995.84	13.8081
		Green certificates	185,217.33	10,765.94		
		External purchase	5,730.90	12,598.49		
	Hydropower		-	409.06	409.06	0.0197
	Biomass energy		-	6.03	6.03	0.0003
	Total renewable energy		232,165.13	54,263.76	286,428.90	13.83
	Total Energy Consumption			654,837.92	1,416,374.12	2,071,212.04

Note 1: The calorific values are based on the latest “Net Calorific Value of Energy Products” announced by the Ministry of Environment on February 10, 2026. Energy consumption is calculated by multiplying energy usage by the respective unit calorific value and converting the result into gigajoules (GJ).

Note 2: Renewable energy includes externally purchased renewable energy, self-generated and self-consumed renewable energy, and renewable energy certificates (RECs). The disclosed energy consumption in GJ is based on the consumption shown on bills and certificates for externally purchased renewable energy and RECs, while self-generated and self-consumed renewable energy is based on internal meter readings.

Note 3: Scope of Data Coverage: Qisda Consolidated Financial Report Boundary

► Renewable and Non-Renewable Energy Use Over the Past Four Years at Qisda Corporation

The energy consumption within Qisda's operations includes electricity used in plants and fuel consumption (natural gas, gasoline, and diesel). Through inventories conducted in accordance with ISO 14064-1:2018, plant electricity is identified as the primary energy source. Solar photovoltaic (PV) systems for self-generation and self-consumption have been established in facilities in Taiwan and Suzhou, China, along with energy storage systems to achieve peak shaving and load shifting effects. In 2025, the Taiwan and Suzhou facilities continued to reduce reliance on grid electricity through solar PV generation, thereby increasing the share of renewable energy usage. In the same year, self-generated solar power amounted to approximately 11.447 million kWh, accounting for 9.00% of Qisda's total electricity consumption. Renewable electricity purchases in Taiwan totaled 1.5916 million kWh, representing 1.2% of total electricity consumption. In addition, renewable energy certificates (RECs) totaling 51,440 MWh were procured in China and Vietnam, accounting for 40.3% of total electricity consumption. Overall, the renewable energy ratio reached 50.50%. In 2025, the energy intensity was 51,088.63 kWh per million USD of output value.

In 2025, Qisda Corporation's renewable energy usage rate was 35.45%, while non-renewable energy accounted for 64.55%.



Qisda Energy Consumption

Non-renewable Energy	Unit	2021	2022	2023	2024	2025
Diesel Fuel	kWh	134,400.11	147,441.16	297,091.94	180,483.95	76,281.72
	GJ	483.84	530.79	1,069.53	649.74	274.61
Gasoline	kWh	172,977.92	881,987.83	854,540.95	257,114.85	157,728.57
	GJ	622.72	3,175.15	3,076.34	925.61	567.82
Natural Gas	kWh	6,905,631.63	3,181,974.87	1,862,633.50	2,946,518.47	1,925,209.26
	GJ	24,860.25	11,455.10	6,705.48	10,607.46	6,930.75
Liquefied Petroleum Gas	kWh	-	-	-	-	499,258.49
	GJ	-	-	-	-	1,797.33
Electricity	kWh	127,900,000.00	117,846,382.45	109,008,914.21	114,919,454.94	114,729,980.70
	GJ	460,522.88	424,323.34	392,502.73	413,784.51	413,102.28
Total Non-Renewable Energy Consumption	kWh	135,113,009.66	122,057,786.32	112,023,180.61	118,303,572.21	117,388,458.75
	GJ	486,489.69	439,484.38	403,354.08	425,967.32	422,672.79

Renewable Energy	Unit	2021	2022	2023	2024	2025
Self-generated and self-consumed	kWh	9,680.00	8,700,534.00	5,208,939.00	4,851,830.00	11,447,080.00
	GJ	34.85	31,327.56	18,755.56	17,469.73	41,216.91
Green Certificates	kWh	-	3,500,000.00	24,700,000.00	39,064,000.00	51,440,000.00
	GJ	-	12,602.27	88,936.01	140,655.71	185,217.33
Purchased Renewable Electricity	kWh	-	-	-	-	1,591,629.00
	GJ	-	-	-	-	5,730.90
Total Renewable Energy Consumption	kWh	9,680.00	12,200,534.00	29,908,939.00	43,915,830.00	64,478,709.00
	GJ	34.85	43,929.83	107,691.56	158,125.45	232,165.13

Note:

1. Renewable energy consumption (purchased green electricity) is a newly added item for the Taiwan facilities starting from 2025.
2. The methodology for calculating total non-renewable energy consumption has been adjusted for the period 2022–2025. Non-renewable energy consumption includes diesel, gasoline, natural gas, liquefied petroleum gas (LPG), and electricity.
3. Scope of Data Coverage: Qisda (Parent Company Only).

GHG Emissions

In 2025, Qisda Group's greenhouse gas inventory results were as follows: Scope 1 emissions amounted to 40,581.64 metric tons of CO₂e, Scope 2 (market-based) emissions amounted to 154,151.17 metric tons of CO₂e, and Scope 3 emissions amounted to 873,828.16 metric tons of CO₂e.

In 2025, the parent company and subsidiaries included in the Group's consolidated financial statements were verified by Bureau Veritas Certification (BV) to a limited assurance level.

Assurance Year	Assurance Scope	Assurance Institution	Standards	Assurance Opinion
2025	Qisda Corporation (individual entity)	Bureau Veritas Certification (BV)	ISO 14064-1:2018 ISO 14064-3:2019	Scope 1 and 2 comply with the reasonable assurance level as per the verification agreement; Scope 3 complies with the limited assurance level
2025	Qisda Group (consolidated financial reporting boundary)	Bureau Veritas Certification (BV)	ISO 14064-1:2018 ISO 14064-3:2019	Scope 1 and 2 comply with the limited assurance level as per the verification agreement

Notes:

1. Restatement of 2024 greenhouse gas emissions data: The original data source was the Market Observation Post System (MOPS). The figures have been recalibrated due to adjustments in consolidated financial statement activity data, greenhouse gas (GHG) emission factors, and Global Warming Potential (GWP). The detailed revisions are as follows:

-Scope 1: The data were recalibrated based on consolidated financial statement activity data, GHG emission factors, and GWP, resulting in a revision from 60,863.9900 tCO₂e to 40,542.02 tCO₂e.

-Scope 2: The data were recalibrated based on GHG emission factors and GWP under the consolidated financial statements, resulting in a revision from 127,762.2700 tCO₂e to 189,100.00 tCO₂e (location-based).

-Scope 3: The data were recalibrated based on consolidated financial statement activity data, GHG emission factors, and GWP, resulting in a revision from 350,771.7000 tCO₂e to 354,189.19 tCO₂e.

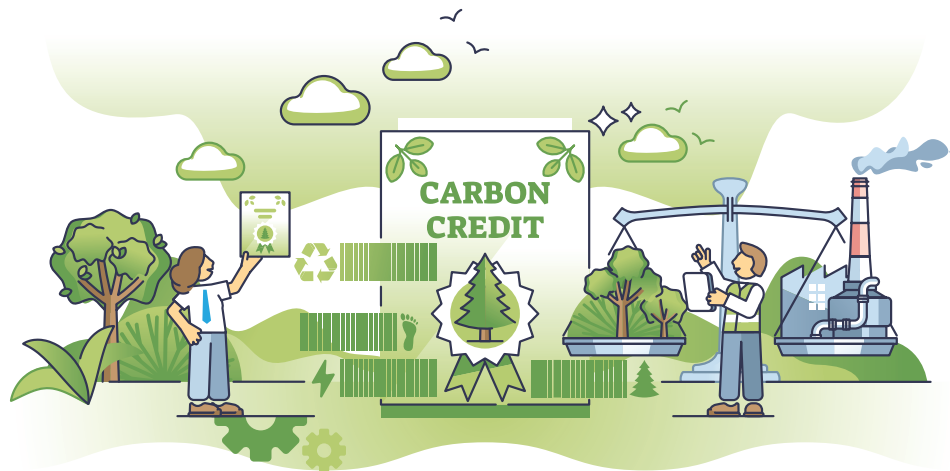
Total Emissions (ton CO ₂ e)		2022	2023	2024	2025
Scope 1 (Direct GHG Emissions)	Parent company	4,804.97	3,501.04	2,574.93	2,494.68
	Subsidiary	-	-	37,967.09	38,086.96
	Total	4,804.97	3,501.04	40,542.02	40,581.64
Scope 2 (Indirect GHG Emissions – Market-based)	Parent company	70,758.59	48,404.86	45,781.74	33,987.62
	Subsidiary	-	-	120,586.67	120,163.55
	Total	70,758.59	48,404.86	166,368.41	154,151.17
Scope 2 (Indirect GHG Emissions – Location-based)	Parent company	73,031.83	63,083.95	68,513.33	65,031.34
	Subsidiary	-	-	120,586.67	127,087.60
	Total	73,031.83	63,083.95	189,100.00	192,118.94
Scope 3 (Indirect GHG Emissions)	Parent company	1,801.85	1,755.84	2,087.62	2,730.48
	Subsidiary	-	-	352,101.57	871,097.68
	Total	1,801.85	1,755.84	354,189.19	873,828.16

► Greenhouse Gas Emissions of Qisda Corporation

Since 2007, Qisda has established a comprehensive greenhouse gas (GHG) emissions inventory covering all global manufacturing sites in accordance with the requirements of ISO 14064-1 (organizational-level greenhouse gas emissions) and the GHG Protocol. The Company conducts annual GHG inventories and third-party verification. At present, the coverage of the organizational boundary inventory has reached 100%. In 2025, GHG inventory data from all global manufacturing sites were verified by a third party in accordance with ISO 14064-1:2018.

In 2025, Qisda's total global Scope 1 and Scope 2 greenhouse gas emissions amounted to approximately 36,482 metric tons of CO₂e (market-based). The primary emission source is purchased electricity required for business operations, which generates carbon dioxide during power generation and accounts for over 90% of the Company's total emissions. In accordance with ISO 14064-1:2018, Qisda began disclosing Scope 3 indirect greenhouse gas emissions in 2021, which have been verified by third-party assurance providers. The Company will continue to progressively expand the scope of disclosure and verification coverage across facilities and categories of indirect greenhouse gas emissions.

For renewable energy tracking and emission reduction purposes, Qisda's Taiwan plants have applied for Taiwan Renewable Energy Certificates (T-RECs) for solar power generation since 2022 in accordance with the regulations of the National Renewable Energy Certificate Center. In addition, the Company's Suzhou (China) and Vietnam facilities have purchased International Renewable Energy Certificates (I-RECs). These actions are disclosed in the CDP questionnaire in accordance with the GHG Protocol Scope 2 Guidance principles and are reported as part of Scope 2 emissions reduction in the greenhouse gas inventory.



Scope (tCO ₂ e)		2022	2023	2024	2025
Scope 1	Stationary combustion	769.02	466.31	689.08	547.16
	Mobile combustion	292.18	284.41	110.75	56.85
	Process emissions	0.00	0.00	0.00	0.00
	Fugitive emissions	3,743.77	2,750.32	1,775.10	1,890.64
Subtotal		4,804.97	3,501.04	2,574.93	2,494.65
Scope 2	Location-based	73,031.83	63,083.95	68,513.33	65,031.34
	Market-based	70,758.59	48,404.86	45,781.74	33,987.62
Total (Scope 1 & 2)	Location-based	77,836.79	66,584.99	71,088.26	67,525.99
	Market-based	75,563.55	51,905.90	48,356.67	36,482.27

Substance of GHG Emissions (tCO ₂ e)	2022	2023	2024	2025
CO ₂	71,882.54	49,142.83	46,574.92	34,590.61
CH ₄	726.54	776.37	957.58	803.57
N ₂ O	10.53	9.38	12.44	14.72
NF ₃	0.00	0.00	0.00	0.00
HFC	2,924.18	1,956.48	790.90	1,052.60
PFC	0.00	0.00	0.00	0.00
SF ₆	19.76	20.84	20.84	20.84
Total	75,563.55	51,905.90	48,356.67	36,482.32

Scope of Data Coverage: Qisda (Parent Company Only)

Source of Scope 3 Emissions (tCO ₂ e)	2022	2023	2024	2025
Purchased Goods and Services	—	—	—	—
Capital Goods	—	—	—	—
Fuel- and Energy-related Activities *	1,473.79 (*QTY)	1,252.61 (*QTY)	1,438.03 (*QTY)	1,651.49 (*QTY)
Upstream Transportation and Distribution	—	—	—	—
Waste Generated in Operations *	65.20 (*QTY)	75.28 (*QTY/QVN)	97.65 (*QTY/QVN)	499.13 (*QTY/QVN)
Business Travel *	127.67 (*QTY/QCS/QVN)	315.97 (*QTY/QCS/QVN)	452.71 (*QTY/QCS/QVN)	551.71 (*QTY/QCS/QVN)
Employee Commute *	135.19 (*QTY/QCS/QVN)	111.98 (*QTY/QCS/QVN)	98.62 (*QTY/QCS/QVN)	28.15 (*QTY/QCS/QVN)
Upstream Leased Assets	—	—	—	—
Downstream Transportation and Distribution	—	—	—	—
Processing of Sold Products	—	—	—	—
Use of Sold Products	—	—	—	—
End-of-life Treatment of Sold Products	—	—	—	—
Downstream Leased Assets	—	—	—	—
Franchises	—	—	—	—
Investments	—	—	—	—
Total	1,801.85	1,755.84	2,087.62	2,730.48

- The GHG inventory at the organization level is based on the ISO 14064-1:2018 version. Operational control is adopted as the method of compiling the amount of GHG.
- The GWP values for global warming potential adopted the IPCC Sixth Assessment Report (2021). Electricity emission factors are calculated using values announced by the central competent authorities in the respective manufacturing facility locations.
- The amount of direct and indirect GHG emissions as well as emissions from imported energy (Scope 1 and Scope 2) has been verified by a third-party verification organization.
- Scope 3 GHG emissions marked with "*" have been verified by a third-party verification institution: verified according to AA1000 in 2020, and verified according to ISO 14064-1 for 2022 to 2025.
- Effective from 2025, due to administrative boundary adjustments in Vietnam, the Company code for Qisda's Vietnam plant has been changed from QVH to QVN.

► Reduction Targets and Commitments

Qisda is committed to short-, medium-, and long-term carbon reduction targets, including a 30% reduction in supplier emissions by 2030, achieving 100% renewable energy usage by 2040, and reaching net-zero emissions by 2050. The Company has also passed the target validation review conducted by the Science Based Targets initiative (SBTi), a globally recognized authority on climate change. Using the financial reporting boundary as the organizational boundary, Qisda has set ambitious decarbonization targets aligned with the Paris Agreement's goal of limiting global temperature rise to 1.5°C. Using 2021 as the base year, the Company aims to reduce Scope 1 and Scope 2 greenhouse gas emissions by 42% and Scope 3 emissions by 25% by 2030.

The primary emission source from Qisda's operations is Scope 2 purchased electricity, which accounts for approximately 90% of combined Scope 1 and Scope 2 emissions. To achieve its carbon reduction targets, Qisda officially joined RE100 in December 2022 and has been actively promoting the installation of on-site renewable energy and energy storage systems across its manufacturing sites. The Company is also implementing carbon reduction initiatives through the replacement of outdated equipment, energy-saving management measures, procurement of renewable energy, and reduction in the use of fossil fuels. After achieving RE100 in 2040, Qisda plans to offset the remaining 10% of emissions through carbon removal technologies or carbon credit trading, depending on the scientific and market conditions at that time, with the ultimate goal of achieving net-zero emissions by 2050.

For Scope 3 emissions, the primary sources are raw material procurement, services, and the product use phase. Qisda has established sustainable supply chain management systems and assists suppliers in conducting carbon inventories through a "large-to-small" approach to comprehensively reduce supply chain carbon footprints. At the product level, Qisda is committed to green design, developing low-carbon products that reduce energy consumption and material usage, thereby further advancing its overall decarbonization objectives.

Qisda's 345 Carbon Reduction Target

Qisda aims to achieve net-zero emissions by 2050. This target has been validated by the Science Based Targets initiative (SBTi), with 2021 as the base year. The total emissions in the base year are defined as 100% and include all emissions from subsidiaries and joint ventures within Qisda's inventory and target boundary. In the base year, Scope 1 and Scope 2 emissions amounted to 106,671.701 metric tons of CO₂e, while Scope 3 emissions amounted to 337,890.91 metric tons of CO₂e.



Making Good Use of Water Resources

Water Management

Qisda references the ISO 46001 framework for water resource management, because it does not have water-intensive manufacturing processes or substantial water demand. After analyzing water demand, most of the demand is for domestic water use, water for plant equipment such as cooling tower use, and a small amount of process water. All manufacturing sites and operational facilities are located within industrial parks, and water supply is sourced from municipal water pipelines provided by local governments. The Company has also implemented process wastewater reuse initiatives to reduce wastewater pollutant concentration. Wastewater discharge is regularly sampled and monitored to ensure compliance with effluent standards required by local environmental authorities, and to prevent adverse impacts on local natural ecosystems and water bodies.

Qisda remains committed to reducing environmental impact. This policy applies to Qisda Corporation and its subsidiaries, joint ventures, affiliates, suppliers, contractors, and business partners

The water resource management policy has been approved by the Board of Directors and is implemented by the ESG Committee, with the Board serving as the highest-level decision-making and governance body.

- ◆ Conduct comprehensive water resource assessments and establish an environmental relevance and trade-off analysis framework to identify risks and opportunities in water resource management
- ◆ Commit to improving water use efficiency by prioritizing the procurement of water-saving equipment, maintaining water conservation practices, avoiding waste, and setting specific targets to reduce water withdrawal and consumption
- ◆ Identify and evaluate trade-offs among water-related issues to enable more effective water management actions
- ◆ Reduce environmental burden by eliminating, substituting, engineering controls, and administrative controls to reduce or eliminate water pollutants, reduce or phase out hazardous substances, and thereby lessen the impact of water use and wastewater discharge on the environment
- ◆ Promote organization-wide awareness and training by engaging employees, customers, suppliers, affiliates, and other stakeholders in environmental education, fostering leadership, and supporting the development of water resource management capabilities and collaborative actions

Utilization of Water

In 2025, the total water withdrawal across all regions of Qisda Group amounted to approximately 2,623.07 thousand cubic meters, while total water discharge was approximately 2,043.56 thousand cubic meters, resulting in a total water consumption of approximately 579.51 thousand cubic meters.

Water Resource Statistics for All Regions	Year/Unit: 1,000 cubic meters (1,000 m ³)	2022	2023	2024	2025
Water Withdrawal	Parent company	441.27	416.63	379.66	437.04
	Subsidiary	1,564.33	1,853.44	1,911.33	2,186.02
	Total	2,005.60	2,270.07	2,290.98	2,623.07
Water Discharge	Parent company	353.02	333.30	303.72	349.63
	Subsidiary	1,220.48	1,371.83	1,485.89	1,693.92
	Total	1,573.49	1,705.13	1,789.61	2,043.56
Water Consumption	Parent company	88.25	83.33	75.93	87.41
	Subsidiary	343.85	470.29	425.44	492.10
	Total	432.10	553.62	501.37	579.51

Note 1: Water discharge and water consumption are calculated in accordance with Qisda Corporation's accounting methodology and calculation policy. Water discharge is estimated as 80% of total water withdrawal, while water consumption is estimated as 20% of total water withdrawal, to satisfy the water balance relationship used in water resource management: Water Withdrawal - Water Discharge = Water Consumption.

Note 2: The parent company's water withdrawal is statistically calculated based on the data in the organization's water bills (minus the consumption by the tenants).

Note 3: Scope of Data Coverage: Qisda Consolidated Financial Report Boundary

Qisda Water Policy

Qisda's total water withdrawal across its operating sites amounted to 437.04 thousand cubic meters in 2025, representing a reduction of 80.52 thousand cubic meters compared with the 2021 base year. Water intensity was 0.175 thousand cubic meters per million USD of output value. Due to changes in output value and workforce during the reporting year, this represented an increase of 64.86% compared with the 2021 base year. All water used at Qisda Corporation's facilities is supplied through municipal water systems, with no groundwater extracted for operational purposes. The Company also complies with applicable local water resource regulations and implements wastewater management practices to ensure compliance with effluent discharge standards. In 2025, total wastewater discharge amounted to approximately 349.63 thousand cubic meters. In addition, process wastewater recycling and reuse projects were implemented, achieving water savings equivalent to approximately 1% of total water withdrawal.

Process Wastewater Recovery and Reuse Project	2025 Water Savings (m ³)	Process Wastewater Reuse Rate (%)
Plant 8 reclaimed water reuse project + low-temperature evaporation system	800	97
Plant 9 reclaimed water reuse project	750	100
S5 washing reclaimed water reuse project	2,856	100
Total	4,406	99

Scope of Data Coverage: Qisda (Parent Company Only).

Qisda Corporation has obtained ISO 14001 Environmental Management System certification to systematically manage energy and resource-related issues. All manufacturing sites of Qisda are located within industrial parks and are not situated in or adjacent to ecological conservation areas or water resource protection zones. Based on the water resource management analysis conducted during product manufacturing and service processes, the Company's activities do not directly impact the local ecological environment. Regarding wastewater management and water quality monitoring, all wastewater discharged from each site is regularly monitored and is not reused by other organizations. The management approaches for each site are as follows:

- ◆ Taiwan (Taoyuan Plant): The water pollution prevention and control facilities are operated and maintained by professional personnel. The influent wastewater standards are more stringent than the local industrial park requirements. Domestic wastewater is treated using the contact aeration process, and the treated effluent is discharged into the government-managed sewer system.

- ◆ Suzhou Plant: Wastewater is directly discharged into the municipal sewer system and complies with local integrated wastewater discharge standards.
- ◆ Vietnam Plant: Wastewater generated is first treated in the on-site wastewater treatment plant and then discharged to the industrial park wastewater treatment facility, in compliance with local industrial park discharge standards. All discharge destinations are sewer systems; therefore, wastewater generated from water use does not directly impact water bodies or land resources.

In wastewater management, Qisda's Taoyuan plant in Taiwan operates and maintains its water pollution prevention and treatment facilities through professional personnel. Domestic wastewater is treated using the contact aeration process, and the resulting effluent is discharged into the government-established sewage system. The Suzhou plant discharges wastewater directly into the municipal sewer system, while the Vietnam plant first treats wastewater in its on-site wastewater treatment facility before discharging it to the industrial park wastewater treatment plant. All discharge destinations are sewer management systems; therefore, wastewater generated from water use does not directly impact water bodies or land resources.

In terms of wastewater quality monitoring, the Taiwan plant performs better than the influent wastewater standards¹ of the Guishan Industrial Park. The Suzhou plant complies with the integrated wastewater discharge standards², while the Vietnam plant complies with industrial park discharge standards³. All wastewater discharge from each site is regularly monitored and is not reused by other organizations. All Qisda plants are located within industrial parks; the Company does not own, lease, or manage any facilities located in ecological conservation areas or water resource protection zones. Furthermore, the Company does not engage in activities that would adversely affect biodiversity, and its product manufacturing and service processes do not cause environmental or ecological impacts.

Note:

1. Taiwan: The minimum standard of effluent water quality is COD: 480mg/L, SS: 200mg/L. The value we use for comparison to local standards is the maximum value of the annual testing data provided by the Guishan Industrial Park Service Center. The value in 2025 was COD: 41.67 mg/L, SS: 10.55 mg/L.
2. Suzhou, China: The minimum standard of effluent water quality is COD: 500mg/L, SS: 400mg/L. The value we use for comparison to local standards is the maximum value of the data in the test report. The value in 2025 was COD: 60 mg/L and SS: 16.0 mg/L.
3. Vietnam: The minimum standard of effluent water quality is COD: 150mg/L. The actual value used for comparison with local standards is the average value in the test report. The value in 2025 was about 112 mg/L.

► Water Risk Assessment

Qisda convenes ESG Committee meetings on a quarterly basis to establish water-saving KPIs and regularly monitor performance. In addition, annual water resource-related risk targets are set for the following year. Under the Group's management mechanism, quarterly meetings are also held to review the water usage status of each subsidiary's manufacturing sites and to establish support mechanisms based on regional water conditions. Scenario-based drills for water restriction conditions are also conducted to enhance response capabilities in the event of water scarcity or water supply restrictions.

In 2025, Qisda Group applied the World Resources Institute (WRI) water risk assessment tool using the Baseline Water Stress (BWS) indicator to identify water withdrawal, discharge, and consumption at operational sites located in high and extremely high water stress regions.

Regions Facing High Levels of Water Stress	Year/Unit: 1,000 cubic meters (1,000 m ³)	2022	2023	2024	2025
Water Withdrawal	Parent company	361.33	350.21	306.92	365.37
	Subsidiary	398.08	727.46	782.44	912.32
	Total	759.41	1,077.67	1,089.36	1,277.70
Water Discharge	Parent company	289.06	280.16	245.54	292.30
	Subsidiary	248.37	480.31	583.64	650.45
	Total	537.44	760.47	829.18	942.75
Water Consumption	Parent company	72.27	70.04	61.38	73.07
	Subsidiary	149.71	247.16	198.80	261.87
	Total	221.97	317.20	260.19	334.95

Note 1: Water discharge and water consumption are calculated in accordance with Qisda Corporation's accounting methodology and calculation policy. Water discharge is estimated as 80% of total water withdrawal, while water consumption is estimated as 20% of total water withdrawal, to satisfy the water balance relationship used in water resource management: Water Withdrawal – Water Discharge = Water Consumption.

Note 2: Scope of Data Coverage: Qisda Consolidated Financial Report Boundary

In 2025, based on the Baseline Water Stress (BWS) analysis conducted using the World Resources Institute (WRI) water risk assessment tool, Qisda identified its Suzhou Plant in China and Ninh Binh Plant in Vietnam as being located in water-stressed areas. The primary risk is that water scarcity may affect employees' domestic water usage. The relevant water resource risk analysis is as follows:

Item	Impact/Description of Qisda's Operations	
Water Withdrawal	All Qisda plants obtain water from municipal supply systems and are not water-intensive manufacturing sites. However, clean domestic water must be provided for employees. Based on WRI water stress assessment results, Taiwan is classified as low-to-moderate risk, while the Suzhou (China) and Vietnam Plants are located in high water stress regions. In response to potential water scarcity, emergency response procedures have been established. When government notifications or media reports indicate suspended or restricted water supply due to typhoons, drought, or turbidity, contracted water truck services are activated to supplement water supply and prevent operational disruptions.	
Level of Risk Low	Coping Strategies/ Management Mechanism	1. Continuous implementation of water saving 2. Drawing up water shortage response plan
Drinking Water Quality	All of Qisda's plants rely on the municipal water supply as the only source of water, and have not extracted groundwater for operational use. We also establish drinking-water filtration systems and regularly inspect water quality in accordance with the laws and regulations so as to ensure safe water.	
Level of Risk Low	Coping Strategies/ Management Mechanism	None

Item	Impact/Description of Qisda's Operations	
Water Pollution Control	The water pollution control equipment in the Taiwan Plant is operated and maintained by professional personnel. We use contact aeration to treat domestic sewage; the processed wastewater is then discharged into the sewerage system built by the government. The sewage discharged by the Suzhou Plant is directly discharged into the municipal sewer system without causing any direct impact on water bodies and the land. Moreover, effluent quality is regularly monitored and inspected in accordance with regulations at all operating sites, and the results have surpassed legal standards. In recent years, there have been no incidences of water pollution at any of the plants.	
Level of Risk Low	Coping Strategies/ Management Mechanism	None
Flooding	Based on WRI water risk analysis, none of the plants are located in high flood-risk areas, and no flood-related losses have occurred. For natural disasters, preventive and emergency response control procedures have been established. Before a typhoon strikes, cleaning personnel are required to clear the drains in advance to facilitate drainage and avoid flooding within the plant area caused by poor drainage. Sandbags, flood barriers, and other emergency response equipment are also prepared in advance as a precaution.	
Level of Risk Low	Coping Strategies/ Management Mechanism	Regular drills
Legal Compliance	Qisda regularly checks our compliance with water-related laws and regulations every quarter. If there are regulatory updates, we comply with them immediately. In 2025, there were no violations of water-related laws and regulations.	
Level of Risk Low	Coping Strategies/ Management Mechanism	Maintenance
Water Bill	None of the operating sites are water-intensive manufacturing facilities, and local governments do not impose water consumption fees; therefore, future cost impact is considered minimal.	
Level of Risk Low	Coping Strategies/ Management Mechanism	Implementation of water saving

Table of Water Withdrawal, Discharge and Consumption of Qisda in 2025

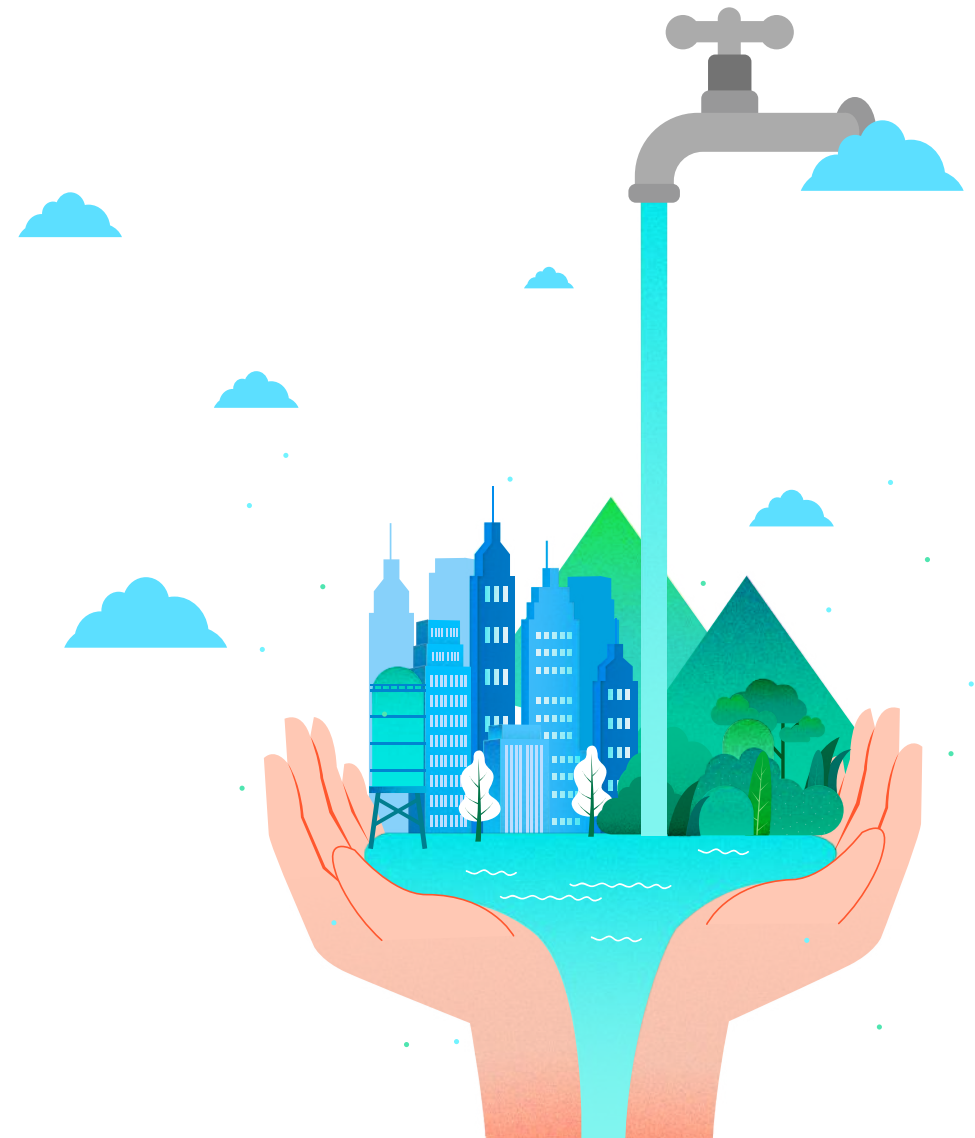
Water Withdrawal by Source		All Regions	Regions Facing High Levels of Water Stress	Percentage of Water Use in Regions with High Levels of Water Stress
Water Withdrawal (Thousand cubic meters)				
Surface Water (Total)	Freshwater ($\leq 1,000$ mg/L total dissolved solids)	0	0	0
	Other water ($> 1,000$ mg/L total dissolved solids)	0	0	0
Groundwater (total)	Freshwater ($\leq 1,000$ mg/L total dissolved solids)	0	0	0
	Other water ($> 1,000$ mg/L total dissolved solids)	0	0	0
Seawater (total)	Freshwater ($\leq 1,000$ mg/L total dissolved solids)	0	0	0
	Other water ($> 1,000$ mg/L total dissolved solids)	0	0	0
Produced Water (total)	Freshwater ($\leq 1,000$ mg/L total dissolved solids)	0	0	0
	Other water ($> 1,000$ mg/L total dissolved solids)	0	0	0
Third-party Destinations (total)	Freshwater ($\leq 1,000$ mg/L total dissolved solids)	437.04	365.37	83.60%
	Other water ($> 1,000$ mg/L total dissolved solids)	0	0	0
Total Water Withdrawal by Source of the Third Party				
Surface Water		437.04	365.37	83.60%
Groundwater		0	0	0
Seawater		0	0	0
Produced Water		0	0	0
Total Water Withdrawal	Surface water (total) + groundwater (total) + seawater (total) + produced water (total) + third-party destinations (total)	437.04	365.37	83.60%

Scope of Data Coverage: Qisda (Parent Company Only)

Water Discharge (Thousand cubic meters)		All Regions	Regions Facing High Levels of Water Stress	Percentage of Water Use in Regions with High Levels of Water Stress
Total Water Discharge by Destination	Surface water			
	Groundwater	0	0	0
	Seawater	0	0	0
	Third-party destinations (total)	349.63	292.30	83.60%
	Surface water + groundwater + seawater + third-party destinations (total)	349.63	292.30	83.60%
Water Discharge by Freshwater and Other Water	Freshwater ($\leq 1,000$ mg/L total dissolved solids)	0	0	0
	Other water ($> 1,000$ mg/L total dissolved solids)	0	0	0

Water Consumption (1,000 cubic meters)	All Regions	Regions Facing High Levels of Water Stress	Percentage of Water Use in Regions with High Levels of Water Stress
Total Water Consumption	87.41	73.07	83.60%

Scope of Data Coverage: Qisda (Parent Company Only)



Waste and Pollutants

Waste Management

Qisda Waste Management Policy

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

In 2025, Qisda's manufacturing sites in China and Vietnam obtained UL 2799 Zero Waste to Landfill certification at the Platinum and Gold levels, respectively. Through comprehensive inventories of waste types and waste flows, the Company identified opportunities to improve waste management performance and developed waste reduction action plans. Qisda also integrated Waste Circularity programs to promote resource reuse and recycling, thereby reducing waste generation at its manufacturing sites and minimizing the amount of waste sent for incineration. In 2025, despite an increase of more than 100% in production output at the Vietnam plant, the recyclable waste rate reached 92.9%, maintaining the Company's target of achieving a waste recycling rate of over 90%. Qisda provides waste management training to employees in key functions to enhance their awareness of waste segregation and resource recycling. These initiatives strengthen the Company's environmental performance and support its commitment to sustainable development.

The waste management process of Qisda is illustrated in the diagram below:

Waste Circularity

In 2025, all waste generated by Qisda Group was managed in accordance with applicable local regulations and entrusted to qualified waste collection and treatment contractors for incineration or recycling. Upholding the principle of extended producer responsibility, the Group also conducts periodic audits of waste treatment contractors to ensure that waste is managed and disposed of properly.

Qisda Group Waste Disposal Statistics for Hazardous and Non-Hazardous Waste in 2025:

Disposition Method	Hazardous Waste	Non-Hazardous Waste	Total
Total Weight Diverted from Disposal (ton)	747.59	33,372.66	34,120.24
Total Weight Directly Disposed of (ton)	854.33	5,133.23	5,987.56
Total Weight (ton)	1,601.91	38,505.89	40,107.80
Recycling Rate	46.67%	86.67%	85.07%

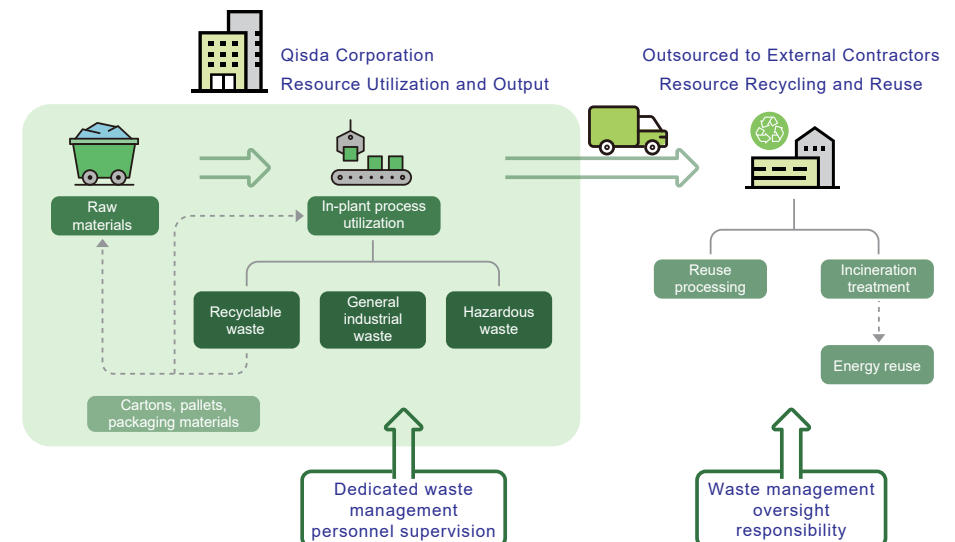
Note 1: All waste diverted from disposal was managed through recycling and recovery.

Note 2: Scope of Data Coverage: Qisda Consolidated Financial Report Boundary

Qisda has appointed dedicated environmental management personnel in accordance with applicable regulations to effectively manage the generation, collection, transportation, and treatment flows of waste. In addition to continuous energy-saving and waste reduction initiatives, the Company also adopts a source-based management strategy for waste reduction:

1. During the design stage, non-toxic raw materials, recycled materials, reusable materials, and easily disassembled structural designs are incorporated to reduce environmental impact at the end-of-life stage of products;
2. During the manufacturing stage, process design is optimized to reduce waste generation, while resource classification (reuse and recycling) is actively implemented to achieve waste reduction at manufacturing sites. No hazardous waste defined under the Basel Convention is generated in the manufacturing processes;
3. In the distribution stage, standardized pallets are used to reduce the use of custom-sized pallets and increase reuse rates;
4. Waste solder dross generated during production processes is recovered and refined by suppliers for reuse, thereby reducing resource waste and environmental impact.

Waste Management Process



Recyclable waste generated by Qisda is sorted in on-site recycling zones and handled by outsourced contractors. To further increase the recycling rate, the Company has established waste management procedures and recycling targets, which are reviewed quarterly in ESG Committee meetings to ensure long-term monitoring effectiveness. Over the past four years, Qisda has consistently maintained a recycling and reuse rate of over 90%.

Unit: Metric Tons

Type	2022			2023			2024			2025		
	Non-Hazardous Waste (Ton)	Hazardous Waste (Ton)	Total (Ton)	Non-Hazardous Waste (Ton)	Hazardous Waste (Ton)	Total (Ton)	Non-Hazardous Waste (Ton)	Hazardous Waste (Ton)	Total (Ton)	Non-Hazardous Waste (Ton)	Hazardous Waste (Ton)	Total (Ton)
Preparation for Reuse			-	-	-	-	-	-	-	-	-	
Recycling	31,560.90	5.95	31,566.85	24,316.83	127.10	24,443.93	17,345.87	160.70	17,506.56	21,421.97	204.85	21,626.82
Other Recycling Operations (Recovery)	-	-	-	-	-	-	-	-	-	-	-	-
Incineration (incinerated with energy recovery)	2,577.60	163.09	2,740.69	1,598.68	148.05	1,746.73	514.89	114.81	629.70	868.23	147.33	1,015.56
Incineration (incinerated without energy recovery)	35.10	0.25	35.35	63.52	7.77	71.28	25.02	1.14	26.16	-	-	-
Landfilled	-	-	-	-	-	-	-	-	-	-	-	
Other Disposal Operations	-	708.20	708.20	-	438.25	438.25	707.73	89.01	796.74	556.51	80.49	637.00
Total	34,173.60	877.49	35,051.09	25,979.02	721.17	26,700.19	18,593.50	365.66	18,959.16	22,846.71	432.67	23,279.38

Notes:

1. All waste generated at all Qisda plants was handled off-site
2. Scope of Data Coverage: Qisda (Parent Company Only)
3. Restatement of data:

Waste data for the past four years have been restated to two decimal places

Qisda's 2024 waste data were also restated because supplier packaging materials collected for recycling at the Suzhou Plant were incorporated into the waste inventory. As a result, non-hazardous waste increased from 13,739 metric tons to 18,593.50 metric tons, hazardous waste was restated from 366 metric tons to 365.66 metric tons, and the total waste generated was revised from 14,105 metric tons to 18,959.16 metric tons.

► Pollutant Management

In 2025, Qisda Group's emissions of volatile organic compounds (VOCs) totaled 114.84 metric tons, while nitrogen oxides (NOx) emissions totaled 12.25 metric tons.

Volatile Organic Compounds (VOC)				
Unit: Metric Tons	2022	2023	2024	2025
Parent company	7.33	5.76	11.67	4.27
Subsidiary	92.60	88.84	89.50	110.57
Total	99.93	94.60	101.17	114.84

Nitrogen Oxides (NOx)				
Unit: Metric Tons	2022	2023	2024	2025
Parent company	0	0	0	0
Subsidiary	12.05	11.46	13.18	12.25
Total	12.05	11.46	13.18	12.25

Note 1: The data source is based on each plant's "Exhaust Gas Emission Testing Report," and the emission volume is estimated by multiplying the "Average Emission Rate" at each emission outlet by the "Annual Actual Total Business (Operating) Hours."

Note 2: Scope of Data Coverage: Qisda Consolidated Financial Report Boundary

Qisda's manufacturing processes primarily generate air emissions from coating lines and soldering operations. These emissions are collected through centralized ducting systems in accordance with standard operating procedures and treated using air pollution control equipment. Regular sampling and monitoring are conducted to ensure compliance with applicable local regulatory requirements. Qisda's manufacturing processes do not generate sulfur oxides (SOx) or nitrogen oxides (NOx) emissions. The Company also closely monitors substances with ozone depletion potential and includes them within its controlled substances management program. At the Company's plants, R22 refrigerant is used in the air conditioning systems of employee dormitories. Although any leakage of R22 has ozone depletion potential, no refrigerant recharge was required in 2025; therefore, no ozone-depleting emissions occurred during the reporting year.

Qisda also continues to enhance the performance of its air pollution control equipment. In response to production line requirements, the Company optimized the configuration of its air treatment systems and improved emission control efficiency. As a result, treatment efficiency improved by 55.87% in 2025 compared with 2024.

As the Taiwan plants do not operate the relevant manufacturing processes, the primary air pollution management strategies at the China and Vietnam plants are as follows: 1. The coating lines have been converted to water-based paints, replacing raw materials at the source. In addition, the end-of-pipe air treatment systems have been upgraded from conventional activated carbon adsorption to an activated carbon adsorption-desorption system, achieving a treatment efficiency of over 80%. 2. Water scrubbers and activated carbon adsorption systems have been installed to treat exhaust gases generated during soldering. The iodine value of the activated carbon is subject to strict quality control, and the replacement frequency has been increased from annually to semi-annually, and is currently quarterly. Furthermore, conventional highly volatile cleaning solvents have been progressively replaced with environmentally friendly water-based cleaning agents.

Biodiversity and Forest Conservation

Maintaining biodiversity is not only fundamental to global socioeconomic development but also represents invaluable natural capital on which businesses depend. In the face of the growing challenges posed by climate change, healthy ecosystems play a critical role in providing key regulating services. Qisda is committed to conserving biodiversity by adopting the Taskforce on Nature-related Financial Disclosures (TNFD) framework and applying the LEAP methodology to identify the Company's dependencies and impacts on nature arising from its operations. These efforts strengthen ecosystem resilience within its operations while helping mitigate the risks and impacts of extreme climate events on the supply chain and the broader economy.

Qisda aligns with the United Nations Sustainable Development Goal (SDG 15) by committing to forest ecosystem protection and halting biodiversity loss. The Company continuously works to stabilize the impact of its value chain on biodiversity, has publicly issued a No Deforestation and Biodiversity Commitment, and regularly reports to the Sustainable Development and Information Security Committee and the Board of Directors.

► Policies and Commitments

All global operating sites of Qisda are located within industrial parks and are not situated in areas of high biodiversity importance. While nature-related issues are not identified as material topics for Qisda, the Company remains committed to safeguarding ecological resources around its facilities. Ecological surveys are conducted around plant sites, and mitigation measures based on the hierarchy of avoidance, restoration, and offsetting are implemented to minimize potential impacts arising from business operations.

We invest in offsite and reforestation compensation, comply with local regulations, and conduct regular monitoring. In collaboration with customers, suppliers, partners (including academic institutions, local communities, and NGOs), we contribute to forest ecosystems and biodiversity. Qisda is committed to avoiding and minimizing biodiversity impacts, actively engaging in ecological restoration, and applying the No Net Loss (NNL) principle to maximize recovery of any residual impacts. Our goal is to achieve a Net Positive Impact (NPI) on biodiversity by 2050, while also ending any form of deforestation (No Gross Deforestation).

Address Nature-Related Risks and Implement the TNFD Framework

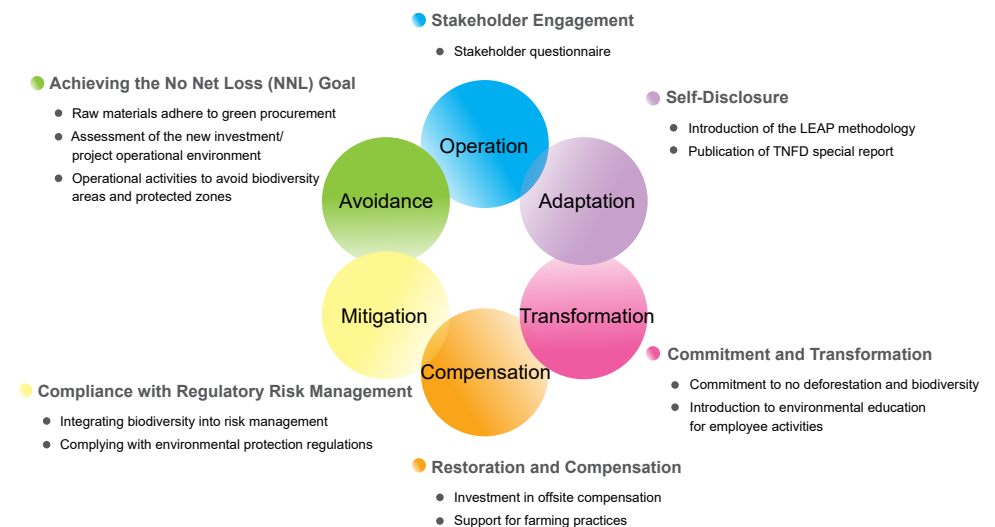
In response to international focus on nature-related issues, Qisda has adopted the Taskforce on Nature-related Financial Disclosures (TNFD) framework and is committed to biodiversity conservation. The Company explores how nature-related risks can be transformed into opportunities for promoting sustainable development and integrates nature-related and biodiversity risks into its decision-making processes. Through the establishment of biodiversity policies and action plans, as well as the development of management targets and indicators, the Company reports regularly to the Board of Directors.

Since 2023, climate change and nature-related risks have been incorporated into the risk management

framework. The Risk Management Committee conducts comprehensive risk assessments annually and holds quarterly meetings on a regular basis. The Company references global risk reports from professional institutions to monitor key risk areas, including climate change, human rights, nature-related risks, and biodiversity, while also assessing their operational impact to approve the annual company-level material risks. Although nature-related and biodiversity risks are not currently classified as top-priority concerns, Qisda remains committed to these issues by regularly tracking risk trends and developing appropriate response strategies.

Qisda also collaborates with external partners, including academic research institutions and local communities, and continues to participate in the "Taiwan Nature Positive Initiative", a platform launched by the Business Council for Sustainable Development Taiwan (BCSD Taiwan). In 2025, the Company joined the BCSD Taiwan SBTN pilot working group to gain a deeper understanding of the standards of the Science-Based Targets for Nature (SBTN) framework, which helps assess the sensitivity and materiality of the spatial characteristics of corporate operating assets and activities.

In addition, Qisda has established long-term biodiversity programs in collaboration with the BenQ Foundation, including but not limited to regular ecological surveys, environmental monitoring, habitat conservation, farmland restoration, and watershed protection. Starting in 2025, the Company has expanded its biodiversity assessment across the value chain, extending the scope to include suppliers throughout business operations and supports the identification of actual and potential risks and opportunities related to nature within the organization's operations lifecycle.



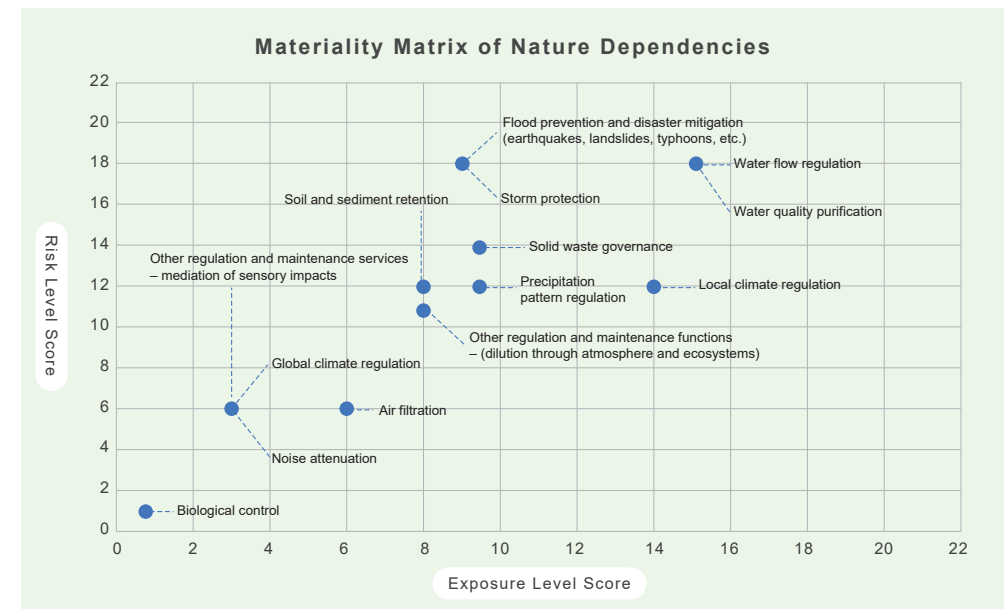
Nature-Related Financial Disclosures

Qisda adopts the LEAP methodology recommended by the Taskforce on Nature-related Financial Disclosures (TNFD) to systematically identify, assess, and manage nature-related risks and opportunities. (for details, please refer to the TNFD Report)

Step	Description	Scope	Purpose
Locate	Locate the Corporation's interface with nature	Qisda's own operating sites, value chain customers and partners	Identify impact areas of operational activities in environmentally sensitive regions, using biodiversity spatial data sources such as the IUCN Protected Area Management Categories and Taiwan datasets
Evaluate	Identify enterprises' dependence on and impacts on nature	Qisda's own operating sites, value chain customers and partners	Analyze the degree of dependence and impact of operational activities on ecosystem services
Access	Assess the enterprises' nature-related risks and opportunities	Qisda's own operating sites, value chain customers and partners	Apply weighting based on operational criticality to understand industry exposure across the supply chain and potential risk levels
Prepare	Respond to nature-related risks and opportunities and disclose to stakeholders	Qisda's own operating sites, value chain customers and partners	Formulate management and adaptation strategies

Assessment of Biodiversity Dependencies and Impacts

Qisda utilizes the Biodiversity Risk Filter provided by the World Wide Fund for Nature (WWF) to screen potential dependency and impact risks faced by the electronic equipment manufacturing industry. In addition, questionnaires are issued to understand risks related to changes in biodiversity and natural environments surrounding the Company's operations among itself and value chain customers and partners. At the same time, the Company applies ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) as a nature-related assessment tool to evaluate the industry's dependencies on and impacts to nature. By integrating Qisda's own operations with those of value chain partners, the Company identifies priority natural factors for further assessment, including water resources, greenhouse gas emissions, and waste and pollutants, which are prioritized as key nature-related impacts and dependencies for further evaluation.

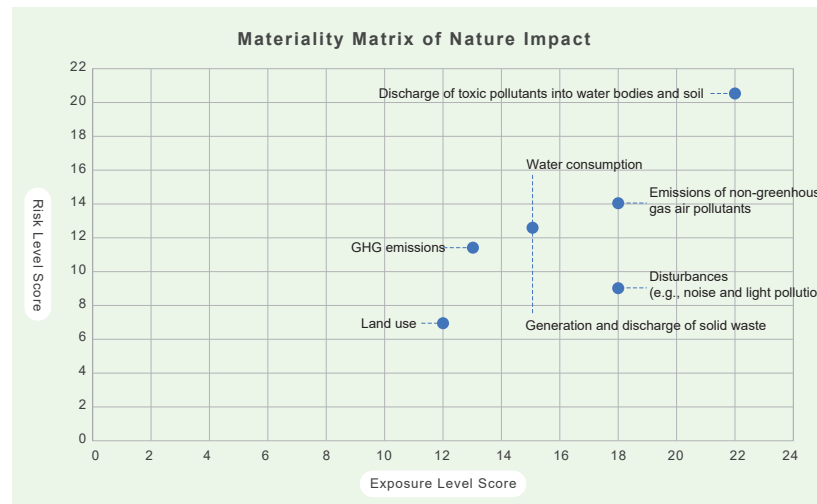


Nature Dependency Indicators and Targets

Natural Ecosystem Service Items	Dependency Items	Scenario	Indicators	Targets	Adaptation Strategies
Regulating and Maintenance	Climate regulation	Extreme high temperatures may lead to unstable power supply and indirectly increase labor and operational costs	- Central Weather Administration (CWA) high temperature forecast - Taiwan Power Company real-time electricity information	- Regularly assess energy management systems and electricity demand across operational sites and suppliers. - Respond to CWA high temperature alerts to reduce impacts on personnel safety and operational efficiency.	- Incorporate extreme heat work-hour adjustments into operational management by adjusting working hours and production planning to reduce impacts. - Increase renewable energy usage to reduce greenhouse gas emissions. - Promote greening and vegetation design to mitigate urban heat island effects and improve local microclimate
	Flood prevention and storm mitigation	Disruption or delay in material supply, delayed shipments, and flooding at operational sites	- CWA heavy rain alerts - Flood susceptibility maps	Flood control facilities are strengthened in disaster-prone areas, and flood prevention and disaster education and training (drills) are conducted before the flood season to enhance disaster response capabilities.	- Incorporate complex disasters into the supply chain resilience assessment to reduce supply chain disruptions caused by a single disaster event. - Establish an extreme weather early warning and response mechanism. - Strengthen flood control facilities - Establish flood-prone locations, production area layout, and supply chain backup mechanisms - Warehouses for finished goods should be located in areas that are not prone to flooding
	Water flow regulation, water resource supply	Water resource scarcity	- Taiwan reservoir real-time water status - Number of occurrences of zonal water supply events - Aqueduct Baseline Water Stress (BWS) database - Water quality monitoring indicators	- Reduce annual water consumption by 1% compared to previous year - Establish a rainwater harvesting system and a wastewater reuse mechanism, establish diversified water supply sources and backup mechanisms, and reduce the risk of disruption to a single water source. - Establishment of drought and flood operating procedures (integrating meteorological information, water-resource warning signals, and other information) - Establishment of a backup water tower in response to zonal water supply restrictions	- Water resource risk is incorporated into operational management. - Improvement of process water-use efficiency and water conservation measures. - Strengthen wastewater treatment to reduce water pollution.

Nature Impact Indicators and Targets

Impact Item	Scenario	Indicators	Targets	Adaptation Strategies
Air Pollutant	Operational activities increase emissions of volatile organic compounds (VOCs)	VOC emissions (kg/year)	Monitor VOC emissions and improve VOC adsorption efficiency to 85%	Strengthen exhaust gas collection and treatment, and increase the replacement frequency of adsorption media to once every quarter
GHG Emissions	Greenhouse gas emissions from operations contribute to climate change	1. Proportion of renewable energy consumption 2. Energy-saving project	Achieve 100% renewable energy use by 2040 and net-zero emissions by 2050. Improve electricity-saving efficiency by 1% year over year. Reduce Scope 1 and Scope 2 greenhouse gas emissions by 4.2% annually.	1. Invest in energy-efficient equipment at manufacturing sites. 2. Achieve RE100 for renewable energy targets by 2040.
Water Pollution	Excessive or abnormal wastewater discharges may affect the Company's reputation.	1. Total wastewater discharge (m ³ /year) 2. Process water recycling rate (%)	1. Install automated water quality monitoring systems to classify and treat wastewater based on pH and pollutant characteristics, integrated with effluent monitoring systems to ensure compliance with wastewater discharge standards. 2. Provide relevant training for new employees to ensure effective implementation of water resource management practices. 3. Rainwater harvesting efficiency 4. Process water recycling efficiency	Strengthen monitoring and classification of process wastewater and adjust operational practices according to site-specific conditions to minimize pollution impacts at individual facilities.
Waste Discharge	Improved resource recycling efficiency	1. Recycling and reuse rate of recyclable waste 2. Reduction in solder bar consumption during manufacturing	1. Conduct comprehensive reviews of waste streams and develop waste reduction action plans. 2. Reduce solder waste generated during manufacturing processes. 3. Achieve Zero Waste to Landfill at manufacturing sites (Suzhou and Vietnam plants certified to UL 2799 Platinum and Gold levels).	Establish internal circular systems, such as waste solder recycling.
Biodiversity	Operational activities may affect surrounding habitats, ecosystems, and biodiversity.	1. Percentage of operating sites located in ecologically sensitive areas (%) 2. Number of supply chain sites located within IUCN protected area categories	1. Conduct training programs to enhance biodiversity awareness and identification capabilities among supply chain partners and stakeholders. 2. Integrate biodiversity enhancement measures into operational activities. 3. Carry out biodiversity monitoring around operating sites and use monitoring results as the basis for nature-related impact adaptation.	Incorporate biodiversity indicators into supply chain management. The number of suppliers located within IUCN or other protected areas is used to determine the intensity of operational management and assess impact risks, thereby reducing biodiversity impacts across the supply chain.



Scope of Locate

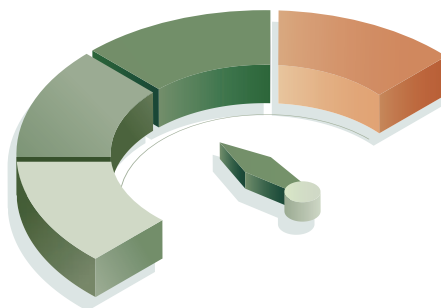
In 2025, none of Qisda's own operations were located within ecologically sensitive areas. In addition, for suppliers that are highly relevant to its operations, the Company selected its top 100 suppliers as priority assessment targets. A total of 133 operating sites were analyzed at the site level to identify nature-related risks and opportunities. A 2-kilometer buffer zone was established around each site to determine whether any operating locations are situated within or adjacent to ecologically sensitive areas. The assessment results will serve as the basis for Qisda's biodiversity management strategies and support the progressive disclosure of nature-related information.

Nature-related risk analyses were conducted using publicly available datasets and tools, including the Aqueduct Water Risk Atlas developed by the World Resources Institute (WRI), the IUCN World Database on Protected Areas (WDPA) maintained by the United Nations Environment Programme (UNEP) and the International Union for Conservation of Nature (IUCN), as well as ecological spatial datasets from Taiwan Ecological Network maintained by the Forestry and Nature Conservation Agency.

Evaluate

To minimize the impacts of its operations on natural resources, ecosystems, and biodiversity, Qisda Corporation identifies its nature-related dependencies and impacts. Among these, water scarcity, extreme heat, and typhoons have been identified as priority issues, enabling the Company to determine the relationship between its operating sites and specific nature-related dependencies and impact factors.

In 2025, Qisda conducted a survey covering 100 key suppliers. Among the 39 suppliers located in Taiwan, the assessment identified 12 suppliers as having high geographic impact risk, 10 suppliers as having medium geographic impact risk, and 11 suppliers as having low geographic impact risk, while the remaining 6 suppliers were assessed as having no geographic risk. Among the 61 suppliers located outside Taiwan, 1 supplier was identified as having high geographic impact risk, 2 suppliers as having medium geographic impact risk, and the remaining 58 suppliers were assessed as having no geographic risk.



Impact Risk Level	Qisda Overseas Geographic Impact Risk Criteria Indicators	Qisda Domestic (Taiwan) Geographic Impact Risk Criteria Indicators
High Risk	1. Buffer zone analysis indicates overlap with an IUCN Category Ia protected area 2. The protected area is designated as a Ramsar Site. 3. Buffer zone analysis indicates overlap with three or more IUCN Category Ib–VI protected areas.	Involving important avian habitats or having a weighted total score of ≥ 2.6
Medium Risk	Buffer zone analysis indicates overlap with two or more IUCN Category Ib–VI protected areas.	Weighted score > 2 and < 2.6
Low Risk	Buffer zone analysis indicates overlap with one or more IUCN Category Ib–VI protected areas.	Weighted score ≤ 2.0
No Risk	No overlap with any IUCN-classified protected area	No overlap with any designated ecological conservation layers

Based on water resource scarcity as a priority consideration, Qisda also overlaid the WRI Aqueduct water stress layer on 100 suppliers to identify potential risks. There were 39 suppliers in Taiwan, including 1 with an extremely high dependence risk, 0 with a high dependence risk, 2 with a moderately high dependence risk, 30 with a moderately low dependence risk, and 6 with a low dependence risk. As for overseas suppliers, there were a total of 61, of which 30 were classified as extremely high dependency risk, 4 as high dependency risk, 12 as moderately high dependency risk, 10 as moderately low dependency risk, and 5 as low dependency risk.

WRI Baseline Water Stress (BWS) Risk Classification	
Risk Level	Score Range
Extremely High	BWS score: 4.0–5.0
High	BWS score: 3.0–4.0
Medium-High	BWS score: 2.0–3.0
Low-Medium	BWS score: 1.0–2.0
Low	BWS score: 0–1.0

Assess of Risk and Impact

To ensure progress toward its 2030 commitment to minimize biodiversity impacts, Qisda has developed more precise and purpose-driven risk management strategies. In 2025, based on the results of the Evaluate phase, the Company further integrated physical and transition risks related to climate and nature across its own operations and value chain partners, gradually establishing a comprehensive biodiversity risk management mechanism for the supply chain.

For its own operations, Qisda implements water efficiency measures to plan water conservation initiatives and analyze water intensity and water consumption. Water-saving targets and water quality monitoring systems are established. Wastewater discharge is regularly monitored to reduce pollutant concentrations and ensure compliance with effluent standards, thereby avoiding indirect impacts on aquatic ecosystems. For the 100 surveyed suppliers, analysis based on questionnaires and weighted assessment results identified 30 suppliers with significant extremely high water dependency risk, including 1 supplier in Taiwan. Further geographic analysis indicates that these 30 suppliers are predominantly located in Jiangsu Province, an industrial hub within the Yangtze River Delta region, where intensive industrial activity coexists with domestic and industrial water demand, resulting in relatively high Baseline Water Stress (BWS) levels in the region.

Prepare

In response, Qisda will continue to implement measures aimed at reducing nature-related impacts and dependencies across its value chain. The Company will actively collaborate with customers and partners to reduce nature-related risks and enhance opportunities. In addition, sustainable supply chain management also continued to ensure that suppliers adopted responsible business practices, while moving toward the 2030 target of jointly reducing carbon emissions across the supply chain by 30%, achieving a biodiversity net positive impact (NPI), and simultaneously ending any form of deforestation (No Gross Deforestation).

For further details, please refer to the 2024 TNFD Report.

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

Since 2023, Qisda, in collaboration with the BenQ Foundation and the Department of Soil and Water Conservation at National Chung Hsing University, has conducted in-depth biodiversity surveys at the Hong Bao Tea Plantation in Hengshan Township, Hsinchu County, and Chun Yuan in Xizhou Township, Changhua County. Through two years of cross-season ecological monitoring, the Company has obtained positive and meaningful findings. At both the Hengshan Shakeng Hong Bao Tea Plantation and the Xizhou Chun Yuan, digital monitoring tools such as infrared automatic cameras and scheduled audio recording devices were used, successfully documenting frequent activity of species including the crab-eating mongoose, pangolins, and bats.

Chun Yuan in Xizhou, Changhua: An Ecological Oasis in the Plains' Farmland

The Chun Yuan area of Xizhou, Changhua, is a typical plain agricultural landscape. Despite geographical limitations, the adoption of eco-friendly farming practices and afforestation has successfully transformed a single agricultural setting into a diverse habitat supporting multiple species.

Bird habitat highlight: The stratified vegetation structure provided by the afforested land has become a stable habitat for plainland birds.

Ecological interface hotspot: Monitoring indicated that the interface between the afforested land and the paddy field exhibited a significant edge effect. The abundant food resources attracted more species to forage there, effectively increasing species richness.

Through ultrasonic recording and acoustic identification, bat species were recorded, including Horikawa's brown bat (Taiwan endemic subspecies) and Tube-nosed bat (Taiwan endemic species). As agricultural pesticide use has been reduced and bats serve as natural pest control agents, their ecological services contribute to maintaining balance within the farmland ecosystem, validating the tangible benefits of eco-friendly farming practices.

Hsinchu Hengshan Shakeng Hong Bao Tea Plantation: Building a Life Corridor within the Taiwan Ecological Network

The Hsinchu Hengshan Shakeng Hong Bao Tea Plantation is located within a key area of the Taiwan Ecological Network and serves as an ecological corridor connecting forests and streams. Survey results in 2025 confirmed that the habitat in this area exhibits high suitability and represents an important environment for supporting species reproduction.

Through infrared imaging monitoring, multiple protected and indicator species were successfully recorded, confirming habitat integrity and ecological resilience:

◆ Soil Engineer

Pangolin: Frequently observed at the interface between the tea plantation and reforested areas. Its behavior of turning over the litter layer promotes soil nutrient cycling, indicating a high-quality and healthy land condition.

◆ Environmental Sentinel

Crab-eating Mongoose: Observed in forest–water interface areas, confirming the ecological health of surrounding stream ecosystems and abundant terrestrial biological resources.

◆ Higher-level Consumers

Swinhoe's Pheasant and Crested Serpent Eagle: The presence of the endemic Swinhoe's Pheasant indicates sufficient canopy cover and a stable food chain structure in the habitat.

◆ Nocturnal Species

Bat Populations: High bat diversity recorded along roads surrounding the tea plantation reflects an open landscape structure and a rich insect ecosystem.



Pangolin



Muntjac



Crab-eating Mongoose



Taiwan Blue Magpie



Swinhoe's Pheasant



Crested Serpent Eagle

► Forest Protection

Public-Private-Academic Collaborative Afforestation to Establish Buffer Forest Belts

In response to the national “Key Strategy for Natural Carbon Sinks” and to support ecological restoration, the Qisda Group, together with the BenQ Foundation, has undertaken stewardship of buffer greenbelts at Zhongguakeng Creek in Jiufen Ershan under the Agency of Rural Development & Soil and Water Conservation, Ministry of Agriculture. From 2024 to 2025, the afforested area reached 0.42 hectares, with approximately 390 trees planted, and afforestation activities continue to expand. Through afforestation and compensation actions, the Group maintains natural ecosystems, helps enhance the water conservation capacity of hillside land, and strengthens the resilience and adaptive capacity of watershed areas, thereby contributing to the mitigation of natural disasters such as landslides. In addition to sustaining ecological functions, these efforts also enhance carbon sequestration potential.

In 2025, through industry–academia collaboration, forest management and operational recommendations were introduced to support seedling maintenance. Adaptive management practices were adopted to increase tree species diversity and thereby reduce the risk of pests and diseases. At the same time, a database was established to support the calculation of vegetation carbon sinks.

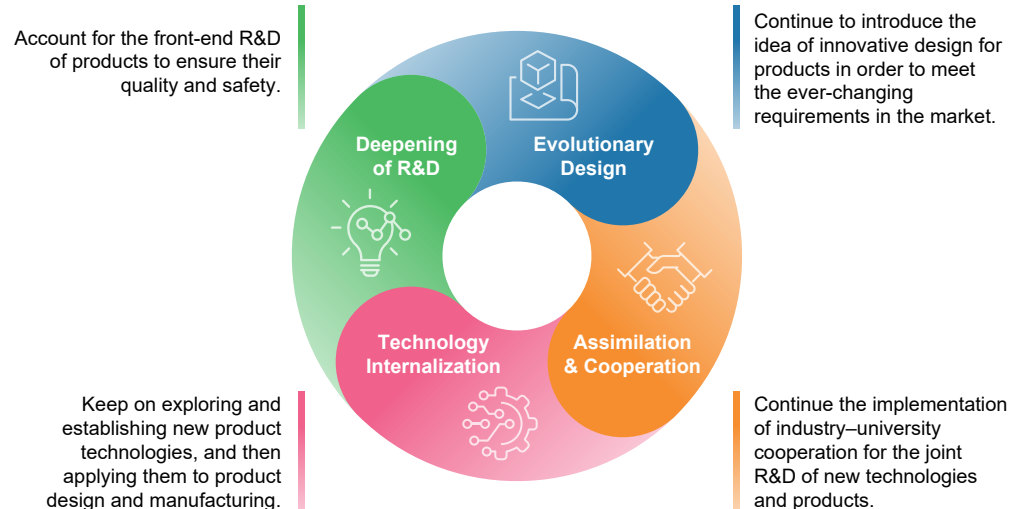


Green Products and Circularity

The Qisda Group is a cross-sector, comprehensive electronic design and manufacturing services (DMS) company. Its product and technology portfolio includes high-end and professional displays, optical precision electronic products, and industrial/commercial computers and peripheral equipment. In recent years, the Group has actively accelerated its expansion into the medical industry and developed intelligent solutions, with the aim of advancing toward blue ocean markets through high value-added product operations. Leveraging strengths in innovative and diversified product design capabilities, strong R&D expertise, high-quality and flexible global manufacturing capacity, vertical integration of group resources, and outstanding industrial design capability, the Group continues to maintain a global leading position in areas such as liquid crystal displays and projectors.

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

Qisda Group's R&D Strategies



Product Innovation and Responsibility

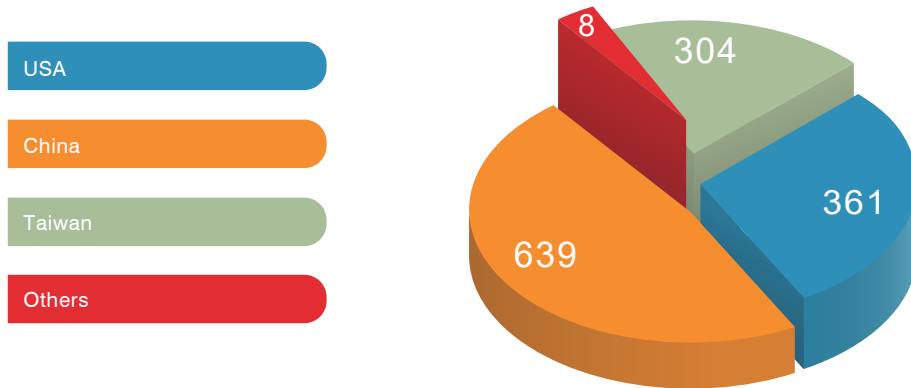
Qisda Group spares no effort in the innovation and development of products to maintain our competitive advantages. In the past 4 years, we have invested an average amount of more than 2% of our revenue in the innovation and R&D of products every year. Moreover, the "Regulations for Rewarding Employees with Patents" has been established to encourage the employees to innovate, invent and apply for patents. In 2025, 56 high-quality patent applications⁽¹⁾ were filed. As of the end of 2025, the cumulative number of valid patents in various countries totaled 1,312.

(1): Essential patents are defined as patents in the U.S. The goal is to obtain 100 essential patents per year by 2030.

Item \ Year	2022	2023	2024	2025
Funds invested in R&D (NT\$ thousand)	2,464,509	2,267,941	1,984,901	1,938,193
Percentage of R&D funds in revenue (%)	2.42	3	2.54	2.70
R&D personnel (persons)	587	581	560	539
Percentage of R&D personnel in employees (%)	37.6	37.2	35	34.2
Number of valid patents	1199	1251	1305	1312
Number of patent applications	238	248	206	167
Reward for employees with patents (NT\$)	1,808,242	1,819,762	1,515,989	1,351,961

Scope of Data Coverage: Qisda Consolidated Financial Reporting Boundary.

Total Number and Regional Distribution of Valid Patents of Qisda Group in 2025



Technologies and Products Successfully Developed in 2025



• OLED Display Products:

- (1) Enhanced refresh rate: QD-OLED 31.5" (UHD 240Hz)
- (2) Dual-mode switching: UHD 240Hz ↔ FHD 480Hz
- (3) DisplayHDR™ 400 True Black

• LCD Display Products:

Fast TN refresh rate improvement: FHD 610Hz

Next-generation G-Sync gaming monitor with Variable Refresh Rate (VRR) and variable-frequency backlight flicker, delivering a smooth, tear-free experience and up to 4× equivalent motion clarity

- (1) Synchronizes brightness and color adjustments based on environmental lighting conditions
- (2) TÜV Eye Comfort 5-star certified eye-care display technology
- (3) Professional color management display for photography and post-production
- (4) Display application software compatible with Windows and Mac



In 2025, new product development continued to focus on solid-state light source platforms, with a total of six platform systems under development, including home 4K entertainment projectors, smart micro projectors, ultra-short-throw home projectors, mainstream business & entertainment projectors, high-end business projectors, and high-end simulation application projectors.

Each platform design is compatible with at least two or more types of solid-state light sources.

For example, the new mainstream business and entertainment projector supports laser phosphor for high brightness or pure RGB laser light sources to meet wide color gamut (BT.2020) requirements.

Efficiency of solid-state light engine systems continues to be improved. In collaboration with laser manufacturers, next-generation light sources and optical designs are adopted to enhance optical engine efficiency by more than 15%.

Improved efficiency reduces projector power consumption and enables further system miniaturization. Product design also incorporates recycled plastics and reduced-plastic packaging.

At the 5,000-lumen platform level, carbon reduction reaches 39%, far exceeding the 10% reduction target.



BenQ Dialysis extended its presence into the cell pharmaceutical supply chain, collaborating with a Taiwanese hollow fiber membrane manufacturer to develop a "TFF tangential flow filtration system," suitable for concentration and purification of protein drugs and cell therapy drugs. TFF tangential flow filtration provides higher yield compared with traditional purification methods.

Smart medical imaging: Development of QMatrix technology, which replaces traditional wear-prone motor-driven 3D imaging with advanced electronic scanning, delivering clearer and real-time 3D ultrasound imaging. The newly developed QMUT micro-electromechanical ultrasonic transducer module has entered pilot production, offering a broader frequency range and improved tissue harmonic imaging performance.

AI digital medical innovation: Co-development of AI-enabled ultrasound intelligent analysis for thyroid nodules, enabling real-time detection of nodules and lesions, automatic labeling and measurement, intelligent analysis, and rapid report generation, thereby improving diagnostic workflow efficiency. In collaboration with National Cheng Kung University, an AI-based abnormality detection system for breast ultrasound imaging has been developed. Through optimized AI models, ultrasound screening and report generation are accelerated, allowing physicians to focus more on diagnosis.

Business Model

Super TN Gaming Monitor

Leveraging its outstanding eye-care technology and innovative design, Qisda's display products have become the official equipment designated for global FPS (first-person shooter) professional esports tournaments. This is not only a marketing achievement, but also evidence that the product specifications are recognized by top-tier users at the highest level, namely professional players. We have achieved industry-leading performance in "motion clarity," making it an indispensable competitive advantage in esports events. Unlike traditional flickering backlights that may cause visual discomfort, the newly designed system provides a softer light output. This allows players to enjoy extremely high motion clarity while enabling the eyes to adapt more comfortably to changes in lighting, thereby reducing visual fatigue during long training sessions.

4K HDR Flagship Gaming Projector

Qisda adopts an eco-friendly product strategy that integrates high-performance projection with energy-saving and sustainability principles, extending a product business model centered on sustainable platforms to deliver dual-use value for both home and commercial applications. With 5,000 ANSI lumens high brightness and Full HD 1080p image performance, combined with a built-in Google-certified Android TV smart system, the product enhances user convenience for both entertainment and business applications, enabling a wider range of usage scenarios. The introduction of laser/LED hybrid light source technology with a lifespan of up to 30,000 hours reduces energy consumption by approximately 48% compared with traditional lamp-based projectors, while also lowering maintenance requirements and total cost of ownership. The product enclosure incorporates 50% post-consumer recycled (PCR) plastics and recyclable packaging materials, implementing circular economy principles and reducing resource waste, thereby helping to lower the carbon footprint. With strong reliability and adaptability—such as 24-hour continuous operation and IP5X dust protection—the product meets diverse demands including commercial displays, education, and home theater applications, expanding its social use value. Overall, the product positioning combines environmental sustainability with high-performance display technology, reflecting the company's commitment to energy conservation, carbon reduction, and a more environmentally friendly society.



TFF Tangential Flow Filtration System

BenQ Dialysis, a subsidiary of the Qisda Group, extended its presence into the cell pharmaceutical supply chain, collaborating with a Taiwanese hollow fiber membrane manufacturer to develop a “TFF tangential flow filtration system,” suitable for concentration and purification of protein drugs and cell therapy drugs. TFF tangential flow filtration provides higher yield compared with traditional purification methods.

BENQ Qflow

HOLLOW FIBER FILTER

mbranfiltra™ mPES membrane
Designed for Tangential Flow Filtration

- High Flux Rates
- Lower Protein Binding
- Customized



Wireless Ultrasonic Surgical Knife

The wireless ultrasonic surgical knife co-developed by a subsidiary of the Qisda Group has been successfully mass-produced and commercialized. It is now applied in general surgery, gynecology, colorectal surgery, and emergency surgery. Compared with conventional electrosurgical knives, the ultrasonic surgical knife significantly reduces tissue thermal damage and produces almost no charred tissue. This enables faster postoperative recovery, reduces side effects such as bloating and urinary retention, and shortens hospital stays. In addition, the device offers multi-functionality in a single instrument, including tissue dissection, hemostasis, and cutting, allowing surgeons to operate more efficiently and conveniently. In endoscopic surgery, it generates almost no smoke, providing a clearer surgical field and further reducing operation and anesthesia time.

In addition, the wireless design of the ultrasonic surgical knife removed the constraints of the power cord, allowing physicians to move more flexibly during operation and to adjust the angle and position of the blade head more conveniently, without having to worry about the limitations of the power cord. This helped improve surgical precision, especially in confined surgical spaces. At the same time, the wireless design also facilitates easier post-operative cleaning and sterilization of the instrument, thereby enhancing operating room hygiene standards.

Conventional Electrosurgical Knife



Ultrasonic Surgical Knife

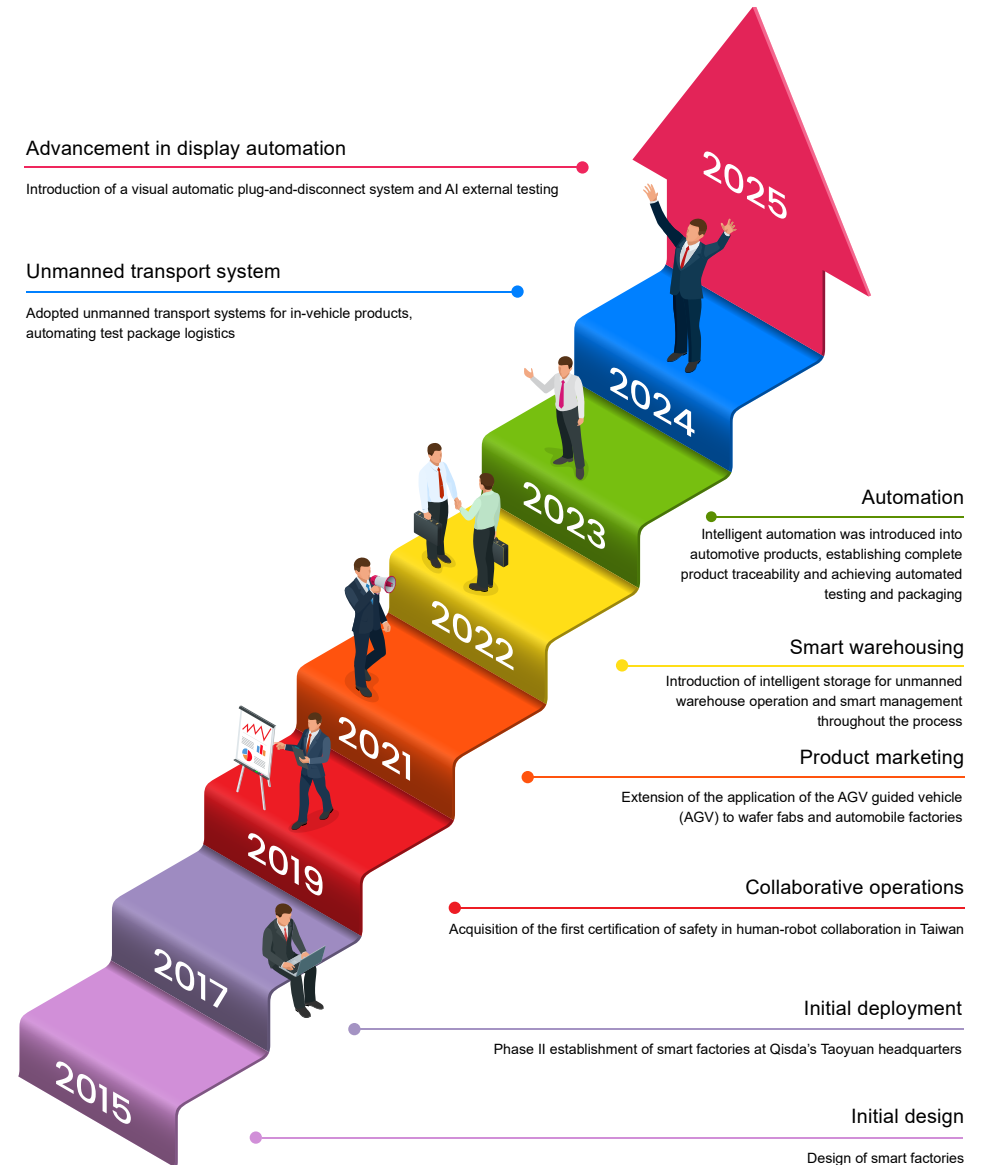


Smart Factory Innovations

Qisda began implementing smart factory design in 2015. The manufacturing process integrates technologies such as data analytics, robotics, and artificial intelligence to achieve a transformation toward intelligent manufacturing, thereby improving production efficiency and product quality. Based on ISO 10218 and TS 15066 standards, the Group has designed a three-layer safety protection mechanism, significantly enhancing the safety of human-machine collaboration. In 2019, it became the first company in Taiwan to obtain a human-machine collaboration safety certification. In recent years, to further improve production quality and reduce inefficiencies in space utilization, automated guided vehicles (AGVs) and smart warehouse systems have been introduced. In 2023, automotive products achieved full product traceability and automated testing and packaging processes. In 2024, AGV systems were introduced into automotive product lines, enabling automated transport of testing and packaging processes and reducing transportation manpower by 50%. In 2025, to enhance automation in display production lines, a vision-based automatic plug-in system and AI inspection system were introduced, increasing per-capita output by 25%.



Key Milestones in Qisda Corporation's Smart Factory Development

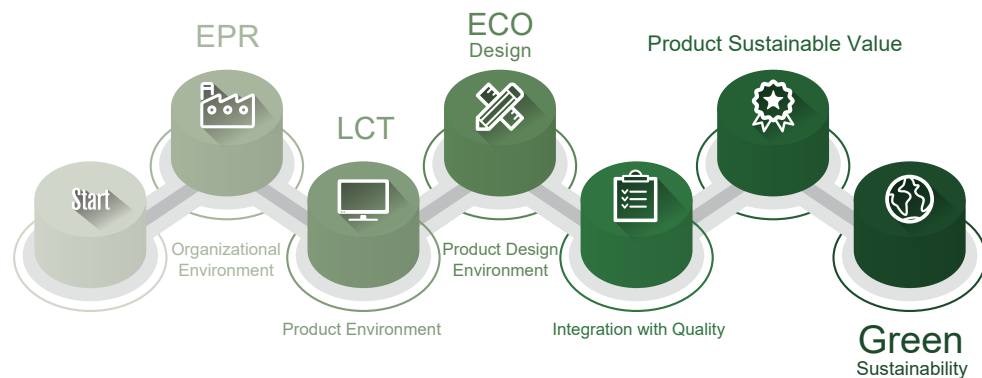


► Green Product

In order to continue and implement the corporate sustainability (ESG) vision—“to be an innovator in the design and manufacturing of information, communications, and medical products, enhancing human quality of life and being environmentally friendly” — the promotion of green sustainable products is divided into several stages, extending from the organizational environment to the product environment, with attention to the environmental impacts after products leave the factory. The overall assessment considers the environmental impact of products throughout their entire life cycle.

Qisda integrates life-cycle thinking into its product design process. Green design objectives are incorporated at the early design stage and reviewed at each development phase to ensure that products not only comply with customer requirements and regulations of sales regions, but also continuously improve themselves by enhancing energy efficiency and reducing resource consumption. Starting from 2010 (using 2009 as the baseline year), we have incorporated the elements of green design within our product design and R&D process, and established management systems with respect to the environmentally conscious design (IEC 62430) and the incorporated ecodesign (ISO 14006) guidelines.

Since 2024, in response to net-zero emission policies, the Company has set ESG annual targets through 2030 for major product lines, aiming to reduce environmental impact while improving product performance, thereby providing customers with higher-quality products and creating sustainable product value.



Qisda's Green Product ESG Goals and Performance

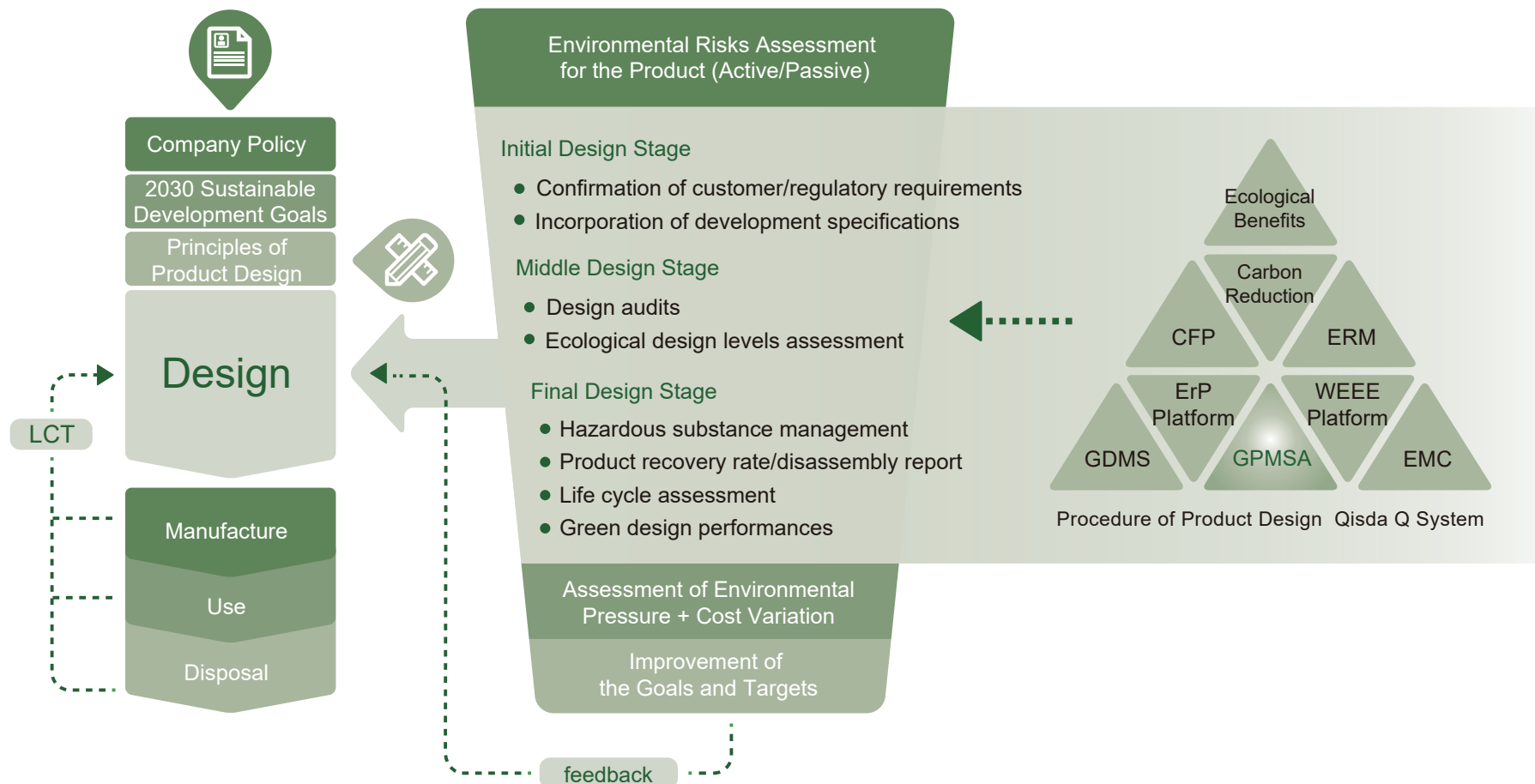
Product Line	Displays			
Goal	Shipment ratio of Energy Star certified products	Manufacturing efficiency improvement: % of models with IF BD single-sided assembly design	Proportion of new models with reduced material usage through thinner plastic design	Proportion of models using recycled steel
2030	90%	80%	80%	80%
2025	82%	70%	67%	71%
2025 Achievement	82.5%	70.3%	71.4%	74.8%

Product Line	Projector		
Goal	Proportion of models using recycled materials (new project models)	Energy efficiency improvement	Proportion of products with mercury lamps
2030	67%	7%	32%
2025	37%	2%	59%
2025 Achievement	38.3%	7.1%	54%

Concept of Incorporated Design

Since 2010, Qisda has adopted Green Design (IEC 62430) and continuously promoted a product life-cycle thinking approach. We require that green design concepts be incorporated at the early stage of product R&D. The potential environmental impacts and risks of products/components across each stage of the life cycle are evaluated, and simplified design is implemented to reduce environmental impacts at the source of design. Since 2013, in consideration of integrating eco-design into quality management to ensure products are both environmentally beneficial and functionally effective, the Company introduced Integrated Design (ISO 14006). Green Design (IEC

62430), Environmental Management Systems (ISO 14001), and Quality Management Systems (ISO 9001) have been integrated into the R&D and design processes, establishing an integrated eco-design framework. Since 2013, products including displays, projectors, smartphones, scanners, multimedia players, and lighting products have been designed in accordance with Integrated Design (ISO 14006) and Green Design (IEC 62430) principles.



Concept

Principle/Approach of ecological design

Requirements

Qisda requires that green design thinking be integrated at the early stage of product R&D. The potential environmental impacts and risks of products/components across all life cycle stages are evaluated, and environmental management is implemented at the design source. Based on accumulated design experience and current conditions across product lines, the Company has established cross-business-unit green design guidelines to provide R&D personnel with direction for eco-design and selection of relevant process workflows. The focus of product development is placed on four major green design directions: material reduction, hazardous substance management, energy saving, and recyclability. In the middle stages of design, we use the internal WEEE platform to make product recyclability assessments, and see if the recyclability of the product meets Qisda's basic requirements. The product can only move on to the next stage of the design process after confirmation that the product complies with all necessary requirements.

Methods

1. Reduction of raw material consumption

Focus on reducing product and packaging volume, weight, and the number of components, and incorporate modular design considerations. In 2025, the proportion of new monitor models adopting plastic thinning designs to reduce material usage reached 71.4%.

2. Hazardous substances

For chemical substances that may be used in products or during manufacturing processes and may affect environmental safety, the Company establishes a "Hazardous Chemical Substances Control List" in accordance with international regulations and customer requirements. Through strict control of component/material approval and finished product inspection, a systematic management mechanism is implemented to ensure compliance with international regulations and customer requirements. The Company aims to gradually reduce the use of hazardous chemical substances and prevent harm to human health and the environment during transportation, use, and disposal.

3. Energy saving

Focus on improving energy efficiency and reducing power consumption in off-mode and standby modes, while comparing current-generation products with previous-generation models to verify energy-saving performance. In addition to complying with international standards (e.g., ErP, TCO, Energy Star), Qisda emphasizes continuous self-improvement. In 2025, 82.5% of display shipments met Energy Star energy consumption requirements, and projector energy efficiency improved by 7.1%.

4. Product disposal

Emphasis is placed on recyclability and ease of disassembly at the design stage. Product connection methods are carefully considered to avoid the use of adhesives, welding, or embedding processes that hinder disassembly. Plastic components in products and samples weighing 25 grams or more must be labeled with material identification, and plastic parts must not mix more than one type of material.

Concept

Process of ecological product design

Requirements

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

Methods

1. Initial Design Stage

- ▲ Confirmation of customer/regulatory requirements: Confirm the regulations/demands of the customers and the importing countries, and submit the requirements to the system, sending them internally to the management units responsible for subsequent processes.
- ▲ Incorporation of development specifications: Convert the regulations of the customers and the importing countries to design specifications as design inputs at the initial design stage.

2. Middle Design Stage

- ▲ Design audits: Double-check the blueprints and prototypes to see if they meet the requirements and if there's any quality issue.
- ▲ Ecological design levels assessment: See if the products meet other international requirements in addition to those of the customers and the importing countries, and label the products with golden, silver and bronze medals according to their ecological design status. The advantages and disadvantages of the product design is also provided as an improvement guide for the next generation of products.

3. Final Design Stage

- ▲ Hazardous substance management: Provide corresponding reports for customers based on their requirements and check the compliance status of each component again.
- ▲ Product recovery rate/disassembly report: Calculate the recovery rate of the models and make disassembly analysis reports through the internal WEEE platform.
- ▲ Life cycle assessment: Collect internal and external information through Qisda's carbon management platform, and provide product carbon footprint reports and lists of recommendations for reducing carbon right after mass production.
- ▲ Green design performances: Compare existing products with the previous generation models and make assessments of design improvement performances to see the status of achieving goals such as energy saving, material reduction and carbon reduction.

Concept

Environmental impact assessment and benefits of products

Requirements

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

Methods

1. Environmental impact assessment for products

Assessment method	Year	Approach	2023	2024	2025
			As a percentage of the Company's total product revenue (%)	As a percentage of the Company's total product revenue (%)	As a percentage of the Company's total product revenue (%)
Full Life Cycle Assessments (Full LCAs)		Life cycle assessment is conducted using the SimaPro software, with the Ecoinvent database. The life cycle impact assessment methodology follows the ReCiPe 2016 Midpoint method.	11.45	12.16	17.1
Simplified Life Cycle Assessments (LCAs)		For only one impact category: climate change, the carbon footprint calculation platform of Qisda and the Ecoinvent database were used for calculation.	43.23	46.54	50.87
Others (excluding those that have undergone the above two assessments)		Compliant with EU RoHS Directive	45.32	40.30	32.03
Products of the Company as a percentage of the environmental impact assessment			100	100	100

2. In 2025, products certified with the Energy Star label accounted for 62.29% of the Company's annual revenue. Based on the measured Typical Energy Consumption (ETEC) of these products compared to the Maximum Typical Energy Consumption (ETEC_max), and assuming an average product lifespan of 6.6 years, it is estimated that a total of 2,387,873 GJ of energy can be saved, equivalent to a reduction of 401,959 tCO₂e in carbon emissions.

Concept

Platform data integration

Requirements

- ▲ In 2010, Qisda led the industry in establishing a carbon management platform. By integrating the Bill of Materials (BOM) system, corresponding components are expanded and linked, and the component approval system is used to collect material and process parameters for each part. Prior to mass production, the data are imported into the SimaPro system to generate product carbon footprint reports. This significantly reduces the processing time from six months to the point where reports can be provided immediately after mass production. The approach has also been extended from a single product model to other product lines and models, achieving 100% carbon footprint reporting coverage for major product models since 2012.
- ▲ In the future, Qisda will also integrate information relating to product disposal and energy consumption on the WEEE platform so as to present the complete cradle-to-grave carbon footprint of the products.
- ▲ In 2013, Qisda established the product-related environmental regulation management platform to connect with the customers'/company's requirements. Based on the various requirements of each model, the system adapts to suitable specifications for mandatory and optional design audits, offering audit lists at the subsequent design stages to ensure that our product design meets the customers'/company's requirements, all the while avoiding rework costs.
- ▲ We will continue to connect/integrate Qisda's systems and resources to make the most of our data, and further reduce time spent on rework and sending information between departments.

Methods

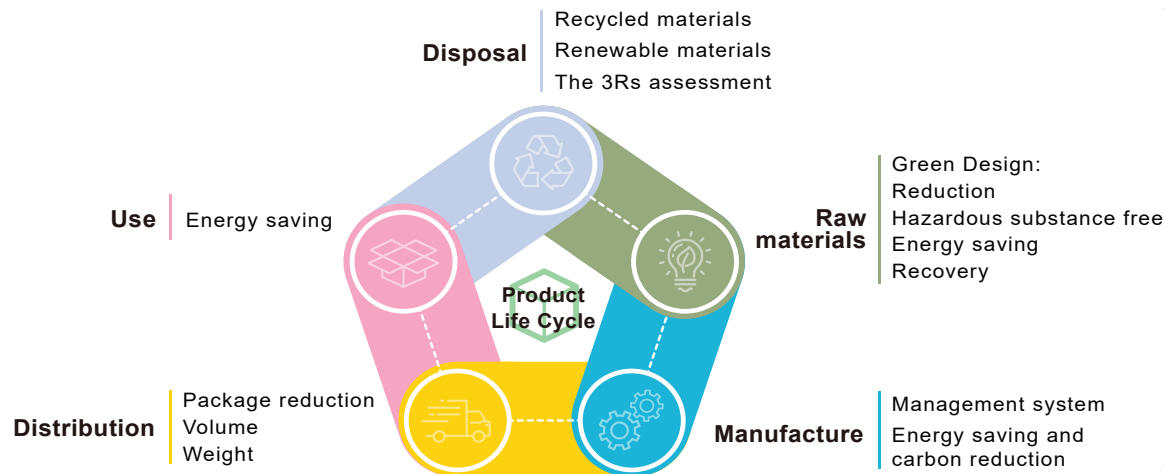
- ▲ Continue to optimize the carbon footprint management system and avoid omissions with inspection reports.
- ▲ Starting from the third quarter of 2023, the emission coefficient quoted on the Carbon Footprint Platform has been updated through the Ecoinvent database, and passed independent third-party verification in early 2024 to ensure the "Product Carbon Footprint Report" generated by the software platform fulfils its intended purpose and that the GHG emission data outputted by the system for the products are consistent. In the future, we will continue to obtain carbon footprint data from suppliers to increase the proportion of primary data.
- ▲ In 2025, a selected 24-inch monitor model underwent third-party independent verification and obtained an ISO 14067:2018 verification statement. The results confirmed that the calculation accurately reflects carbon footprint data and information and complies with the requirements of ISO 14067:2018.
- ▲ Qisda continues to collaborate with suppliers. For material categories that have a significant impact on carbon emissions, the Company collects product carbon footprint primary emission factors or activity data from suppliers. Through ongoing communication with suppliers, the Company also supports the development of their capability to independently estimate product carbon footprints.

Requirements and Cases at Each Stage of Product Life Cycle

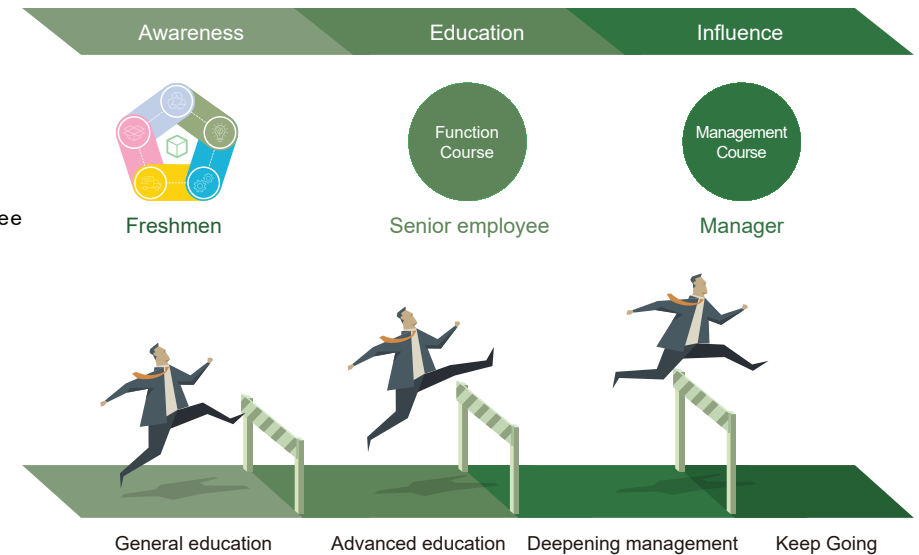
Stage of Life Cycle	Requirements	Action taken
Raw Materials	Requirements: In addition to considering using parts that consume less energy and reducing the quantity of the parts used, parts used are required to adhere to the EU Restriction of Hazardous Substances (RoHS) Directive or the customers' specific requirements regarding the prohibition and restriction of hazardous substances.	- In 2025, all of the raw materials of the new products were in compliance with the EU RoHS Directive. - In 2025, 71.4% of new models featured a slimmed-down plastic design, effectively reducing material usage. - Continue to promote the use of recycled materials: - The recycling ratio for the plastic materials (housing) of new models for major monitor customers shall be at least 85%. For the commercial models of the display's largest customer, the SGCC BKT recycling ratio was upgraded from 50% to 80%. - Some high-end projectors have incorporated recycled plastic materials for their external casing, with a recycled content of approximately 50%. - The reuse or recycling of materials in hemodialyzers reduces over 5,000 kg of PP material and 800 kg of PC material waste annually. - Continuous promotion of eco-friendly packaging materials: - In 2025, all new display models have gradually adopted folded paper or molded pulp packaging. For the largest display customer, the packaging for external cables and power cords in subsequent product models was changed from plastic bags to paper-based cardboard. - In 2025, certain projector customers have implemented fully folded paper or molded pulp cushioning materials in new models, aiming for a 30% adoption rate of molded pulp packaging by 2025. - Starting in 2024, cartons for dialysis devices are manufactured using 85–90% recycled pulp, printed with water-based ink, and supplied by certified eco-friendly vendors.
Manufacturing	Qisda has implemented the environmental management system (ISO 14001) since 1997 and introduced the occupational safety and health management system (ISO 45001) in 2001, committing to lowering both the impact on the environment and potential risks during production. We obtained the Green Factory Label in 2016 and established relevant energy saving and waste reduction performance indicators to achieve our green operation goals.	- In 2025, the solar power generation amounted to 11,466,403 kWh, resulting in an annual carbon reduction of 6,051.73 tCO₂e. - A new energy-saving project was introduced in 2025, which is expected to reduce electricity by 4.011 million kWh/year. - The purchased renewable energy certificates totaled 51.44 million kWh, accounting for 40.3% of its total electricity consumption. - In our sites around the world, the carbon emissions per personal hourly electricity consumption were 1.45 kgCO₂e in 2025, falling by 42% compared to that of 2021, which was 2.5 kgCO₂e. - The proportion of recyclable waste reached 92.9% in 2025.
Distribution	In the early stages of new product design, Qisda considers reducing the packaging volume of finished products and using lighter-weight materials as much as possible. At the same time, the Company optimizes the stacking of finished products to reduce fuel consumption during distribution, and avoid more impact on the environment.	- Continue to optimize the pallet stacking method to increase transportation volume. - Optimization of packaging design to improve loading efficiency: in 2025, for certain models, EPE blocks were introduced in stands to fix tilt angles, thereby optimizing loading efficiency. - Continuous optimization of transport consumables: for certain models, slipsheets have been converted from plastic to paper materials, and combined with standardized international pallets, reducing waste associated with pallet replacement during transshipment. - Since 2023, idle raw material pallets within the group have been repurposed for shipping hemodialyzers, with over 1,200 pallets reused annually, effectively promoting resource recycling and reinforcing the implementation of a circular economy.
Use	Qisda not only meets international requirements and customer requirements (such as the ErP, TCO and Energy Star), but also takes self enhancement and ongoing improvement as an aim to continue refining the energy consumption of products. In addition, Qisda has established an internal design for service and design verification mechanism to ensure that products meet brand customers' after-sales service and reliability requirements.	In 2025, 82.5% of monitor shipments met Energy Star energy consumption requirements. In addition, newly developed projector products achieved a 7.1% improvement in energy efficiency.
Disposal	Emphasis is placed on recyclability and ease of disassembly at the design stage. Product connection methods are carefully considered to avoid the use of adhesives, welding, or embedding processes that hinder disassembly. Plastic components in products and samples weighing 25 grams or more must be labeled with material identification, and plastic parts must not mix more than one type of material. In the middle stages of design, we use the internal WEEE platform to make product recyclability assessments, and see if the recyclability of the product meets Qisda's basic requirements. The product can only move on to the next stage of the design process after confirmation that the product complies with all necessary requirements.	From 2022 to 2025, the product recyclability had been in line with the WEEE requirements. Percentage of Products Complying with WEEE Requirements 2022 100% 2023 100% 2024 100% 2025 100%

Note: The stages and cases of the product life cycle were disclosed based on Qisda entity data

Qisda Product Life Cycle Thinking



Plans for training green talents



Training for Green Talents

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

For senior R&D engineers, specialized advanced courses are offered according to the needs of each business unit or project. Knowledge and technologies are internalized into internal documents and standard operating procedures (SOPs), and combined with software platform operations to be delivered to R&D personnel through training programs. Each year, relevant R&D staff are continuously trained in advanced green product courses, including interpretation of international standards, life cycle inventory and assessment, eco-design, design methodologies, product teardown analysis, and software platform applications. Concepts such as circular economy and the use of recycled materials are also incorporated into the curriculum.

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

Life Cycle Assessment

Qisda follows the requirements of ISO 14044:2006. The product life cycle stages include raw material acquisition, manufacturing, transportation and distribution, consumer use, and end-of-life treatment. Since 2022, life cycle assessments have been conducted for end products such as liquid crystal displays and digital projectors. The system boundary is defined as cradle-to-grave, covering the entire life cycle from raw material acquisition to end-of-life treatment.

The following presents the environmental impact categories and results of the 2025 Life Cycle Assessment (LCA) for a 24-inch LCD monitor:

1) Method of calculation used to determine environmental footprint of products: Environmental footprint = Activity intensity data × emission coefficient

Method of calculation used to determine environmental footprint of products:

Environmental
footprint

=

Activity
intensity data

×

emission
coefficient

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

The principles of allocation are as follows:

During the manufacturing stage, energy demand and material consumption of products are allocated based on the proportion of "production man-hours." For other stages, actual product consumption values are used.

The product assessed in this study follows a "cradle-to-grave" system boundary, covering five life cycle stages: Raw Material, Manufacturing, Transport, Use, and End-of-Life.

This study uses the SimaPro 10.2.0.1 assessment software, in combination with the ecoinvent 3.11 database, and applies the ReCiPe 2016 Midpoint E method for environmental impact assessment. The results show that the total greenhouse gas emissions (carbon footprint) of the HP 524PF over its full life cycle is 181.431 kg CO₂e.

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

Environmental hotspot analysis by stage: The assessment results indicate that the "Raw Material Stage" has the greatest environmental impact, followed by the "Use Stage."

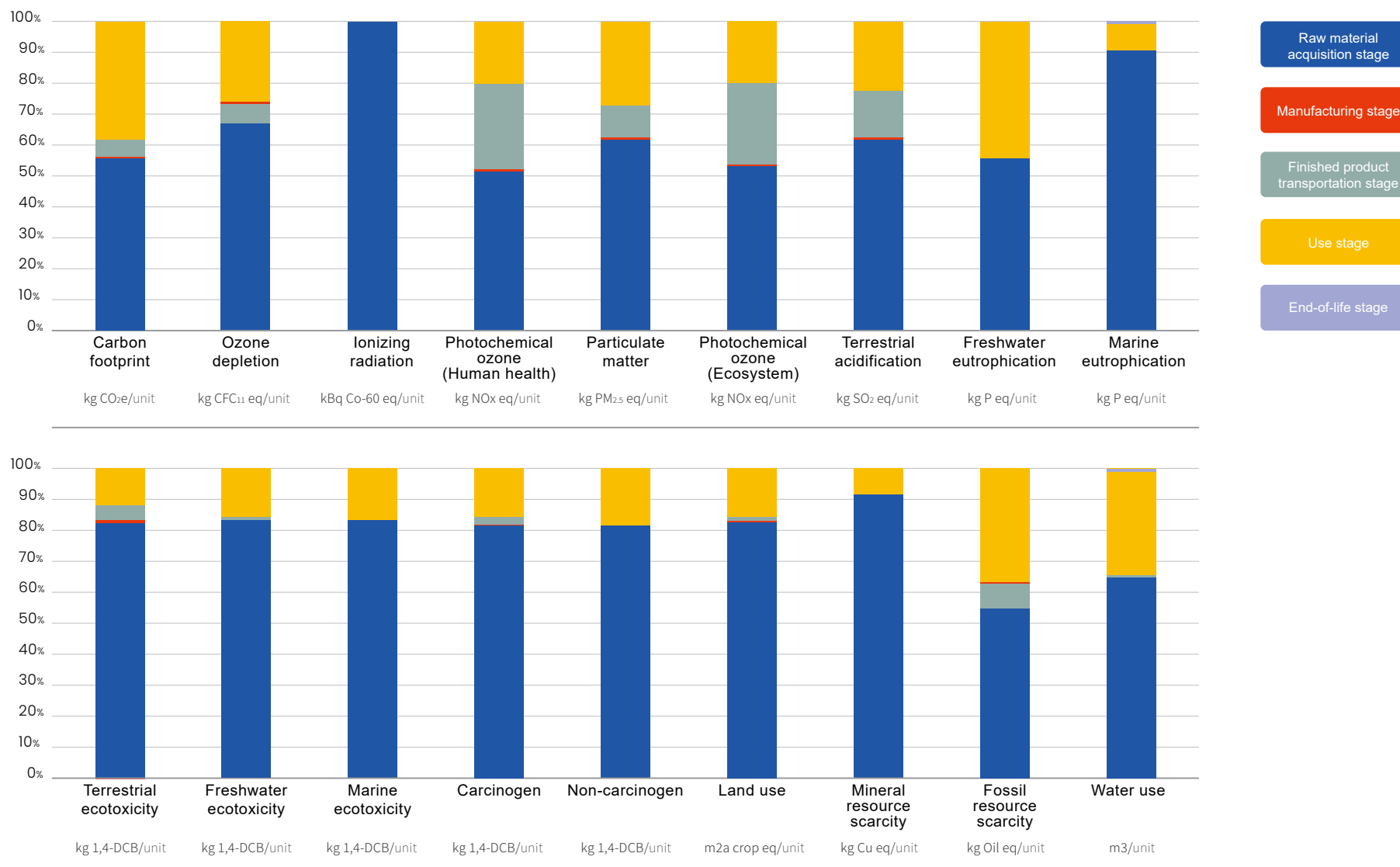
- ▲ Raw material stage: Contributes 103.230 kg CO₂e, accounting for 56.90% of total greenhouse gas emissions. This stage represents the primary environmental hotspot across the product life cycle.
- ▲ Use stage: Contributes 69.747 kg CO₂e, accounting for 38.45% of total greenhouse gas emissions. The principal impact arises from electricity consumption over the product's specified service life, as defined by the Product Category Rules (PCR).
- ▲ Other stages: The Transport and Distribution Stage accounts for 4.40%, the Manufacturing Stage accounts for 0.20%, and the End-of-Life Stage accounts for approximately 0.06% of total greenhouse gas emissions.

Environmental Hotspots	Description	Management and Mitigation Measures
Use Stage	During the use phase of the LCD monitor's lifecycle, the total electricity consumption is relatively high (118.23 kWh). This phase not only contributes significantly to the carbon footprint, but also results in notable impacts on terrestrial ecotoxicity and non-carcinogenic health effects.	In response, Qisda has implemented carbon emission management measures during the product development phase, specifically targeting power consumption: 1. Conduct thorough evaluations to reduce the overall power usage of the device. 2. Adopt modular design to reduce the number of components.
Raw Material Stage – LCD Module (Panel / LCM Unit)	The display panel is the most significant source of environmental impact for the product. The primary hotspots arise from energy-intensive manufacturing processes, such as thin-film deposition, photolithography, and etching, which require substantial electricity to maintain cleanroom environments and high-temperature vacuum operations. In addition, the extraction and refining of glass substrates and critical metals (e.g., indium and copper) contribute significantly to resource scarcity and ecotoxicity impacts.	1. Promote Qisda's environmental requirements to suppliers to encourage improvement efforts, such as waste and carbon reduction in panel raw materials and processes. 2. Suppliers are actively increasing the proportion of raw material recycling, solar power generation, and solvent reuse in chemical material processing on an annual basis.
Raw Material Stage – Stand, Housing, and Mechanical Parts	These components account for a relatively high proportion of product weight and are primarily composed of metals (e.g., steel and aluminum) and plastics (e.g., PCR-ABS and PC). Their environmental impacts mainly result from the energy-intensive production of raw materials, such as metal smelting and resin synthesis. Surface treatment processes (e.g., electroplating and coating) may also generate volatile organic compound (VOC) emissions.	During the product development phase, carbon emission reduction is managed through design strategies: 1. Use of low-carbon materials 2. Use of recycled materials 3. Reduction of material weight 4. Simplification of assembly processes to reduce energy consumption
Raw Material Stage – Printed Circuit Board Assembly (PCB / Electronic Components)	The environmental impacts of PCBs are primarily attributable to electricity consumption during precision manufacturing and the extraction and processing of precious metals such as gold and copper. Chemical cleaning agents and etchants used in PCB manufacturing are also major contributors to freshwater and marine ecotoxicity.	For this model, halogen-free materials have been adopted for the PCB. The controlled thresholds for bromine (Br) and chlorine (Cl) are individually limited to below 900 ppm, with a combined total of less than 1500 ppm.

Environmental Impact Results and Proportions by Life Cycle Stage

Impact category	Unit	Environmental Impact Results					
		Raw material acquisition stage	Manufacturing stage	Finished product transportation stage	Use stage	End-of-life stage	Total
Carbon footprint	kg CO2e/unit	1.03E+2	3.67E-1	7.98E+0	6.97E+1	1.08E-1	1.81E+2
Ozone depletion	kg CFC-11 eq/unit	8.19E-5	1.64E-7	6.28E-6	3.28E-5	1.98E-8	1.21E-4
Ionizing radiation	kBq Co-60 eq/unit	2.37E+7	2.90E-3	5.65E-2	2.73E+1	1.50E-2	2.37E+7
Photochemical ozone – Human health	kg NOx eq/unit	3.02E-1	1.20E-3	1.63E-1	1.16E-1	1.62E-4	5.82E-1
Particulate matter	kg PM2.5 eq/unit	2.51E-1	9.08E-4	4.99E-2	1.10E-1	2.21E-5	4.12E-1
Photochemical ozone - Ecosystem	kg NOx eq/unit	3.18E-1	1.22E-3	1.65E-1	1.19E-1	1.65E-4	6.04E-1
Terrestrial acidification	kg SO2 eq/unit	5.87E-1	2.58E-3	1.55E-1	2.01E-1	6.17E-5	9.46E-1
Freshwater eutrophication	kg P eq/unit	1.13E-1	2.99E-4	4.21E-4	8.42E-2	6.15E-6	1.98E-1
Marine eutrophication	kg P eq/unit	4.39E-2	1.29E-5	5.00E-5	5.62E-3	1.19E-4	4.97E-2
Terrestrial ecotoxicity	kg 1,4-DCB/unit	6.88E+2	8.27E-1	2.70E+1	1.05E+2	1.26E-2	8.20E+2
Freshwater ecotoxicity	kg 1,4-DCB/unit	3.33E+1	3.49E-2	1.09E-1	6.40E+0	2.24E-5	3.98E+1
Marine ecotoxicity	kg 1,4-DCB/unit	1.58E+5	1.34E+2	5.52E+2	3.14E+4	2.74E-1	1.90E+5
Carcinogen	kg 1,4-DCB/unit	3.00E+3	4.63E+0	9.11E+1	5.70E+2	3.49E-4	3.67E+3
Non-carcinogen	kg 1,4-DCB/unit	1.31E+5	1.13E+2	4.06E+2	2.68E+4	3.13E-1	1.59E+5
Land use	m2a crop eq/unit	6.99E+0	7.07E-3	8.48E-2	1.25E+0	3.01E-4	8.33E+0
Mineral resource scarcity	kg Cu eq/unit	2.04E+0	8.98E-4	1.65E-2	1.61E-1	3.72E-4	2.22E+0
Fossil resource scarcity	kg Oil eq/unit	2.75E+1	9.51E-2	2.45E+0	1.89E+1	3.92E-3	4.90E+1
Water use	m3/unit	8.52E-1	1.13E-3	7.66E-3	4.62E-1	7.03E-3	1.33E+0

Environmental Impact Results and Proportions by Stage



Quality/Hazardous Substance Management

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

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

In the past five years (2021-2025), customers’ demands for the control of hazardous substances in products has been continuously updated to a total of 90 requirement versions, and inventories have been carried out in accordance with customers’ requirements and international environmental regulations (EU RoHS regulations and customers’ hazardous substance requirements). The inventory rate and compliance rates are both 100%.

All products are 100% compliant with the EU RoHS Directive and contain no substances restricted under the EU RoHS Directive.

Management of Hazardous Substances in Products	Description of Management Objectives	Actual Achievement
2024	100% compliance with EU RoHS regulations and customer requirements	1. All mass-produced models 100% comply with the EU RoHS Directive and customer requirements 2. The execution details of the directive exemption clauses have not been announced and are included as ongoing monitoring items. The implementation timeline will be re-evaluated once the details are released
2025	100% compliance with EU RoHS regulations and customer requirements	1. All mass-produced models 100% comply with the EU RoHS Directive and customer requirements 2. The implementation details of the directive exemption provisions have not yet been announced. This item is included in the ongoing monitoring items, and the rollout schedule was to be replanned in December 2025.
2026	① 100% compliance with EU RoHS regulations and customer requirements ② To be controlled on December 11, 2026: (Lead)/6(a)	
2027	① 100% compliant with the EU RoHS regulations and customer requirements. ② To be controlled on June 30, 2027: (Lead)/6(a)-I, II/6(b)/6(c)/7(a)/7(c)-I/7(c)-II/7(c)-VI/7(c)-VI; Cadmium 39(a) → 39(b)	
2028	100% compliance with EU RoHS regulations and customer requirements	
2029	100% compliance with EU RoHS regulations and customer requirements	
2030	100% compliance with EU RoHS regulations and customer requirements	

In the past four years, the hazardous substances used in the organization's production have been managed through elimination, replacement, and engineering control. In addition to protecting the safety and health of personnel, these practices have minimized the environmental impact.

Year	Production (Equipment Using Hazardous Substances)	Name of Hazardous Substance	Management through Elimination/Replacement	Scope of Improvement
2022	20 solder pots	Hydrocarbon 15 tons/year	Water-based substitutes for hydrocarbon were introduced in May (reduction of hydrocarbon consumption by 15 tons/year)	SMT/MI shop 200 people
2023	18 solder pots	Water-based 2.8 tons/year	Filter cotton was introduced in November (reduced water-based consumption by 0.3 tons/year)	SMT/MI shop 180 people
2024	18 solder pots and 19 SMT lines	Volatile organic compound emissions	The exhaust gas treatment facilities have been upgraded from activated carbon boxes to a dry filtration system combined with a zeolite rotor adsorption concentration and catalytic combustion system	Reduced volatile organic compound emissions by 29 tons
	22 SMT lines	Volatile organic compound emissions	An additional activated carbon box was added to the exhaust gas treatment system	Reduced volatile organic compound emissions by 5.65 tons
2025	57 molding machines	Volatile organic compound emissions	An additional activated carbon box was added to the exhaust gas treatment system	Reduced volatile organic compound emissions by 0.76 tons

In 2025, Qisda had no incidents of non-compliance with laws, regulations, or voluntary standards concerning the health and safety impacts of products throughout their life cycle. The Company also had no violations of regulations or voluntary codes relating to product and service information and labeling. During the same year, in response to customer requirements, 23 display models complied with and applied for certification under the latest TCO Certified Displays 10 voluntary standard. From a management perspective, Qisda utilizes its new product development system to translate feasible requirements into implementation plans. The product development process is divided into seven stages (Q00–Q60), from initial concept through final phase-out, with each stage defined by specific tasks and management objectives to ensure product quality and reliability. In addition, through this management system, Qisda has established an internal product development process that ensures all products manufactured and delivered to customers fully meet applicable requirements.

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

1. Product Safety

Reduce and prevent hazards associated with electrical leakage, short circuits and fire, high temperatures generated during operation, as well as chemical and radiation-related risks. Examples include compliance with Taiwan BSMI, U.S. UL standards (UL 62368-1 / IEC 62368-1 / UL 62368-1), and China CCC standards (GB 4943.1-2022, GB/T 9254.1-2021, and GB 17625.1-2022).

2. Electromagnetic Compatibility (EMC)

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

3. Energy Consumption of Products

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

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

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

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

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

- Qisda also makes cards and built an internal webpage about the quality policies for all employees to check them out anytime.
- Relevant management system certificates are also stored on the internal and external websites.
- Qisda verifies that its products comply with the EU Restriction of Hazardous Substances (RoHS) Directive and conform to customers' individual requirements for prohibiting and restricting hazardous substances before mass production. Meanwhile, Qisda audits all suppliers regularly, strictly manages component and material approvals, and stringently inspects incoming materials. By doing so, we establish a systemized management mechanism to ensure that the customers can receive the products without concerns about health.

Environmental Certification	Number of Models Submitted in 2025	Remarks
 TCO Certified Displays 10	23 models	On June 11, 2024, TCO announced the updated TCO Certified Displays 10 Final Standard. Applications for TCO Certified Displays 10 were open starting August 19, 2024. Beginning December 5, 2024, new models can only apply for TCO Certified Displays 10, while TCO Certified Displays 9 certificates will expire on December 3, 2026.
 China Environmental Labeling (the Ten-Ring Certification)	3 models	The China Environmental Labeling is a certification launched by the government. Products certified with the label not only pass the quality standard, but also meet the requirement of environmental protection during the process of production, use and disposal. Compared to other similar products, the certified products have advantages in environmental aspects, such as low toxicity and hazardous substances, resource saving, and so on.
 U.S. Energy Star	20 models	The U.S. Energy Star program was launched in 1992 by the U.S. Environmental Protection Agency (EPA) with the objective of reducing energy consumption and greenhouse gas emissions from power generation. The program is voluntary; manufacturers that choose to comply may label qualified products with the Energy Star mark. In 2025, revenue from products certified with the Energy Star environmental label accounted for 62.29% of total product revenue.
 EU RoHS/WEEE	All models	EU RoHS/WEEE is a compulsory standard formulated by the EU, mainly aiming to restrict hazardous substances in electric and electronic devices and further protect human health. It also ensures proper recovery and disposal of waste for environmental protection. Qisda's products that are in compliance with the EU RoHS Directives account for 100% of total product revenue.

Declaration and Label

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

Among the models shipped in 2025, the percentage in product revenue with respect to the environmental labels and declarations is as follows:

Proportion of Product Line in Product Revenue (%)	Total
 Energy star	62.29%
 TCO	54.36%
 China Environmental Labeling	54.39%
 Taiwan ECO Label	24.44%
 Compliant with RoHS	100%

Since 2025, Qisda has, for the first time, included statistics on laws and regulations related to products and services (covering the period 2022–2025). In 2025, no company within the Group received any fines or warnings due to violations of product and service-related regulations.

Unit: Cases			2022	2023	2024	2025
Compliance with Health and Safety Regulations for Products and Services	Incidents resulting in fines	Parent company	0	0	0	0
		Subsidiary	0	1	0	0
		Total	0	0	1	0
	Incidents resulting in warnings	Parent company	0	0	0	0
		Subsidiary	0	0	0	0
		Total	0	0	0	0
	Incidents of non-compliance with voluntary codes	Parent company	0	0	0	0
		Subsidiary	0	0	0	0
		Total	0	0	0	0
Compliance with Product and Service Information and Labeling Regulations	Incidents resulting in fines	Parent company	0	0	0	0
		Subsidiary	5	2	2	0
		Total	5	2	2	0
	Incidents resulting in warnings	Parent company	0	0	0	0
		Subsidiary	6	2	2	0
		Total	6	2	2	0
	Incidents of non-compliance with voluntary codes	Parent company	0	0	0	0
		Subsidiary	0	0	0	0
		Total	0	0	0	0

Circular Economy and Recycling Benefits

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

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

- The proportion of Qisda's recycled materials in terms of weight to the Company's purchased materials (excluding electronic materials) in 2025 is as follows:

Item	Plastic	Metal	Paper packaging materials	Total
Weight of non-recycled materials (tons)	3,712	9,031	-	12,744
Weight of recycled materials (tons)	7,504	5,004	26,356	38,864
Total weight (tons)	11,216	14,036	26,356	51,607
Recycled material weight percentage (%)	67	36	100	75

Taking recycled materials as an example, a total of 12,508 metric tons of plastic and metal recycled materials were procured in 2025. Compared with the use of virgin materials, this is estimated to reduce 26,514 tCO₂e.

Taking paper-based packaging recycled materials as another example, a total of 26,356 metric tons were procured in 2025. Compared with the use of virgin materials, this is estimated to reduce 12,297 tCO₂e.

- The revenue ratio of display models using recycled plastics from 2022 to 2025 is as follows:

Proportion of display products that use recycled plastics in total product revenue	2022	2023	2024	2025
	62%	85%	85%	88%

- The revenue proportion of products using recycled plastics and recycled metals in 2025 is as follows:

Proportion of Full Product Line in Product Revenue (%)	Using Recycled Plastics	Using Recycled Metals
	76.58%	45.11%

- The revenue share of products using recycled/environmentally friendly packaging materials in 2025 is as follows.

Product Line Proportion in Product Revenue (%)	Cartons Using Recycled Pulp	Use of Eco-Friendly Water-Based Ink	Use of Soy-Based Ink	Use of Molded Pulp Material/ Folded Paper
Displays	100.00%	65.73%	38.79%	85.96%
Projector	100.00%	99.46%	0.38%	21.92%
Industrial and Commercial Products	89.61%	87.87%	12.13%	66.68%
Automotive Solutions	100.00%	100.00%	0.00%	64.09%
Others	100.00%	100.00%	0.00%	0.00%
Total	99.35%	69.54%	34.36%	80.38%

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

- The annual waste recycling income of Suzhou and Vietnam plants of Qisda from 2022 to 2025 is as follows:

Currency: NT\$

Item	2022	2023	2024	2025
Suzhou Plant's Income from Waste Recycling	128,665,285.82	94,820,377.97	82,694,306	53,552,233.11
Vietnam Plant's Income from Waste Recycling	2,676,475.77	7,550,330.78	11,694,531	23,610,589.19
Total	131,341,761.59	102,370,708.74	94,388,838	77,162,822.30

Scope of Data Coverage: Qisda (Parent Company Only).

Sustainable Materials

Qisda continues to collaborate with its customers in setting targets for sustainable and recycled materials. For example, for a major display customer, the target for new models launched in 2025 was to use at least 85% recycled plastic in the housing. This target was successfully achieved in 2025.

Qisda's "Sustainable Materials Policy" defines sustainable materials as those that impose minimal and least harmful impact on the global environment and human health throughout the stages of raw material extraction, product manufacturing, distribution, usage, and end-of-life disposal. The Sustainable Materials Policy was approved by the Board of Directors and is implemented and promoted by the ESG Committee, with the Board of Directors serving as the highest-level decision-making and governance body.

Concrete implementation of Sustainable Materials Policy

1. Focus on the environmental impacts of raw material production processes and require suppliers to reduce the negative sustainability impacts associated with raw materials.
2. Avoid the use of raw materials sourced from globally or nationally recognized biodiversity-sensitive areas.
3. Collaborate with external stakeholders to pursue best practices in sustainable raw material sourcing.
4. Increase the use of third-party certified sustainable raw materials.
5. Increase the use of recycled materials without compromising product quality.
6. Consider social impacts in raw material procurement and avoid violations of human rights or harm to local community rights and development.

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

Qisda identifies and evaluates environmental aspects and impacts of products in accordance with the "Impact Source and Risk Identification Management Procedure." The Company conducts annual internal and external audits in compliance with IEC 62430, ISO 14006, and ISO 14001. The purpose is to reduce environmental impacts from raw materials through the selection of environmentally friendly materials, for example, reducing the use of mercury lamps in projector products. Each year, online green design and sustainable materials training courses are organized for R&D personnel. The training content covers life cycle concepts, application of life cycle thinking, green product redesign, and green product architecture and elements. Concepts such as circular economy and the use of recycled materials are also incorporated into the curriculum. (For details, please refer to Training for Green Talents.)

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

The screenshot shows a 'Document Query' interface. It includes search filters for Part No (4D3UM05.331), Site / Factory, Applicant Site, and various status options like Effect, Discard, and Synting. Below the filters is a table with columns: View Form, Approved History, Update, Conclusion, P/N, Description, SA spec file, Ver, Maker, Limited Maker, Effective Date, Form No, and Dept. The first row of data shows a document for 4D3UM05.331, CTN RF 681*145*566 Kg272 NG, with a status of SA and a date of 2024/1/9.

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

Qisda requires its suppliers to comply with the "Code of Conduct for Sustainable Development of Suppliers," which covers labor, health and safety, environment, ethics, and management systems. Suppliers are also required to avoid human rights violations and any harm to the rights or development of local communities when sourcing raw materials. In the environmental dimension, the Code further includes commitments related to no-deforestation and biodiversity protection, aiming to reduce environmental and social impacts. All suppliers are required to fully understand the content of the "Code of Conduct for Sustainable Development of Suppliers" and comply with its requirements. Qisda also conducts supplier audits, including assessments of whether human rights policies properly address forced labor, child labor, young workers, anti-discrimination, anti-harassment, and freedom of association. Regarding deficiencies identified during audits, suppliers are required to create corrective action plans within a specified timeframe. Additionally, we offer improvement suggestions and guidance for prompt resolution.

For the highest revenue-generating display model in 2025, the composition of materials used is as follows:

Material	Consumption (KG)	Recycling Proportion
Plastic	5,684,093	41.01%
Aluminum	1,285,497	94.56%
Cobalt	102	0%
Copper	611,775	0%
Steel	6,603,592	17.66%
Nickel	13,704	0%
Lithium	-	0%
Titanium	5,402	0%