



Qisda²⁰²⁰

Corporate
Sustainability
Report

Q Green

About the Report

The information disclosure of the report is based on sustainability topics, management strategies, goals, current status and future directions. To better respond to topics under the attention of interest parties, Qisda specifically plans the website for corporate social responsibility (CSR). Besides presenting excerpts of the results of endeavors of Qisda in various aspects of CSR in the newest year, the CSR reports of previous years are available for download or search at the website:

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



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Cover story

Cover story: Qisda continues to transform itself and adds many strategic partners. In the future, Qisda will run faster via optimizing resource allocation, continuing to strive for the corporate vision of "Bringing Enjoyment 'N' Quality to Life".

Release Date & Reporting Period

The publish date of the report falls on June, 2020. Qisda, starting from 2007 in publishing the first CSR report, continuously disclose and publish the report each June.

Report Scope & Boundary

Geographical scope: Include* Qisda headquarter - Taiwan and the most important manufacturing site – Suzhou (China). Also, starting from 2018, the report expanded the content of CSR for subsidiaries** and disclosed related information at "the fifth chapter, Grow Together Hand-in-Hand".

Time range: January 1-December 31, 2019.

Data Collection & Calculation

Collect data according to the above report ranges; indicators and calculation formula of data are described in chapter notes.

Third-Party Verification Policy & Standards

The content of the report has been audited internally by related staff, providing those to be amended to supervisors of various departments to add and verify; we also outsource to external independent third-party to audit - Bureau Veritas Group (BVC)-to verify the report meets the Comprehensive and AA 1000 AS 2008 Addendum) High Assurance Type II standards of GRI Standards. Via internal and external audit mechanisms, information disclosure quality can be guaranteed. Also, the disclosure of the report meets standards in Taiwan and abroad such as Corporate Social Responsibility Best Practice Principles, Filing of Corporate Social Responsibility Reports by TWSE Listed Companies, Social Responsibility Guidance (ISO 26000) and Sustainable Development Goals (SDGs).

Feedback & Contact Information

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* Include names of companies and subsidiaries in the financial reports: Qisda Corporation, Qisda (Suzhou) Co., Ltd. (QCSZ), Qisda Electronic (Suzhou) Co., Ltd. (QCES), Qisda Optronics (Suzhou) Co., Ltd. (QCOS) and Qisda Precision Industry (Suzhou) Co., Ltd. (QCPS). For others, please refer to the annual report. The data of certain chapters or performance indicators will include overall global data for the sake of completeness. For data not completely included in that for Taiwan and Suzhou, China, they will be described in the notes of respective chapter.

** Include names of subsidiaries listed in the annual report: BenQ Dialysis Tech Corporation, BenQ Medical Technology Corporation, LILY Medical Corporation, DFI Inc. and Partner Tech Corp.

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Note: Material topics concerned by stakeholders are marked with the following icons.



2020 Sustainability Highlights



Society

95

Average customer satisfaction score reached

4.7

Average activity satisfaction rate reached (Maximum 5)

35%

High-quality patent numbers increased

71.93

Average employee training hours reached

2,123

Number of participants in innovative cultural events reached

3,046

Hours of employee participation of charitable events reached

75.3%

Percentage of China local purchase reached

- Key supplier social responsibility and environmental safety hygiene paper investigation and on-site audit completion rate reached **73.6%**
- TWSE RAFI® Taiwan High Compensation **100** Index
- Taiwan iSports enterprise certificate by Sports Administration under Ministry of Education (MOE)
- 2020 HR Asia Best Companies to Work For In Asia
- 2020 BenQ Foundation enabled **NT\$2.72** million revenues for remote areas

Economy / Corporate Governance

84%

Kit preparation rate reached

NO.1

Digital light processing(DLP) projector shipments top the world

NO.2

LCD monitors shipments ranked second globally

- Consolidated revenues increased **13.8%** annually, third consecutive record high
- Awarded "Taiwan Top-10 Best Sustainability Enterprise Award – Manufacture," "Excellent Practice in Corporate Sustainability: Growth Through Innovation Award," "Excellent Practice in Corporate Sustainability: Creativity in Communication Award," and "Platinum Award of Electronic Information Manufacturing Industry" in the category of Corporate Sustainability Reports from Taiwan Institute for Sustainable Energy.

Environment

91%

Recyclable waste rate was

18%

Electricity consumption increased 18% for each million US dollar value (compared with that in 2009)

46%

Water consumption lowered 46% for each million US dollar value (compared with that in 2009)

- Average energy-saving of production line was **25.06%**, reduction in volume **26.42%**, carbon reduction **24.4%**, ecological benefits increased **44.83%** (compared with that in 2015)
- Disabled injury severity rate (DISR) reduced **93%**, Disabled Injury Frequency Rate (DIFR) reduced **99%**, (compared with that in 2009)
- Qisda Twin-Star factory received again Green Factory certificate from Industrial Development Bureau (IDB) of MOEA

Message from Our Chairman and CEO



Peter Chen

▮ Crisis is Business Opportunity

The year 2020 was a year of upheaval in the whole world. The unexpected COVID-19 pandemic, continuing U.S.–China deadlock, and emergent climate change conditions compelled countries of the world to confront unprecedented challenges. It has become more urgent for the companies to speed up their transformation.

However, we believe that crises are opportunities. We always encourage employees to confront and break through challenges with new thoughts and permanently persist in four operating guidelines: optimize operation of existent business, expand the medical business rapidly, speed up development of solutions, and deploy 5G network communication business. We integrate the sustainability strategies in our operating philosophy and implement tasks including corporate governance, environmental protection, social inclusion, and supply chain management.

Though facing different challenges, the Qisda created an annual revenue of NT\$191.7 billion and a growth rate of 13% in 2020. This result must be attributed to the efforts and contribution of all the employees, the trust of the customers, and the support of the investors. These helped us create outstanding performance under the threat of the pandemic.

Qisda is implementing value transformation toward the goal of “more than half of the revenues in 2022 coming from highly value-added business lines.” In addition to being dedicated to improvement of our profitability at the next phase, we will work with domestic and foreign outstanding hidden champions and combine the sustainability issues with the operating strategies and core capabilities of our affiliates to consolidate and enhance our strength more constructively and innovatively.

▮ Creativity in Addition to Prevention from Pandemic

The pandemic made people anxious and panic and brought about restrictions and inconveniences to our daily life. During this period, our affiliates put new ideas in customer services with their unrestricted creativities in addition to prevention of the pandemic.

Remote working is a good example. BenQ provided customers with a remote working trial, while Sysage Technology checked all the brands under its agency and promoted the Virtual Office project. New Best Hearing International enhanced free on-site services and online promotion activities to minimize the opportunity for customers to go out. To meet the demand of the popular takeout and food delivery services, Lafresh received the orders of software and hardware integration system services for shadow kitchens, while Ace Pillar worked in line with the national team of 60 mask machines. Golden Spirit is the largest leading company of medical disinfectant solution in Taiwan and a big flagship of the Group. It provided important pandemic prevention products during the COVID-19 period.

The pandemic is speeding up the change of our life style and bringing about new needs. It changes the work, learning and life styles and increases the needs for educational and medical products as well as automated production. Our affiliates can work together to create synergy and solve these problems to satisfy the needs of the people.

In the 5G era, we make innovations continuously and break through the traditional restrictions with the help of the technology. In addition to introduction of technology to improve existing complicated manual operating processes, we work with our partners to promote 5G applications, assist retailers with innovations, and help local stores develop from digitization and automation to intellectualization in order to improve the overall efficiency and business growth.

Growth and Transformation Results in 2020

In 2020, Qisda had a consolidated revenue rising to a new record high for three consecutive years. The four operating guidelines created synergy continuously. The overall performance of the DLP projectors and displays was better than the performance of the industry and ranked first and second, respectively, in the global market.

In addition to growth of the revenue, Qisda makes use of digital tools to mitigate the impact of the pandemic and protect the welfare of the employees. We organized the “Online

Sports Day” and “Online Karaoke Contest” and encouraged employees to form teams for the competition in the hope to improve the sports awareness of groups, take care of spiritual health, and give employees an opportunity to demonstrate their talents. We maintained the wage adjustment policy in 2020 and did not let the pandemic affect the compensation to employees. We provided the Employee Stock Ownership Trust (ESOT) program and extended it to the care for retired employees. For this, we won the special honor of Best Companies to Work for in Asia.

As for the sustainability issue, we consecutively won the Platinum Award of “Electronic Information Manufacturing Industry” in the category of Corporate Sustainability Reports from the Taiwan Institute for Sustainable Energy. Besides this, we were recognized with the following special honors in 2020.

Qisda established the sustainable operating goals in consideration of ESG (Environment, Society and Governance) as our three sustainability dimensions. We also combine the SDGs of the United Nations to create a mutually beneficial and win-win resources platform for the Group. We are dedicated to improving the economic benefit of value transformation, developing a medical business that links to the social demands, providing smart solutions to help customers in digital transformation. Digital tools are used to enhance the performance of governance, and the issues of environmental sustainability are coped with via establishment of intelligent energy saving business. With these, we integrate the powerful resources of the affiliates to facilitate co-prosperity and create an intelligent sustainable life for our society. For these, we won the “Taiwan Top-10 Best Sustainability Enterprise Award” in the manufacture category for the first time.

In addition, we won the “Growth Through Innovation Award” with our “Joint Care Management System for Creation of a Premium Smart Long-term Care Application Platform” as an excellent practice case. We fully demonstrate our specialties in the integration of software and hardware and apply them to the long-term care in an aging society. In addition to combining upstream and downstream partners during the process, we serve the

governments, homecare institutions and people to create wider benefits for society. More than 6,000 people and nearly 100 homecare institutions benefited and more than 1 million cases showed the people who received the services. We created the operating revenue and realized the social value while implementing the SDGs.

The BenQ Hearing Solution and New Best Hearing International of the Group are the hearing care experts accompanying the people with hearing loss all the way. The services were not suspended during the pandemic in 2020 and a series of hearing care upgrades including “Telecare Hearing Cloud Care,” “Free On-Site Service” and “Hearing & Love Project” were fully launched to give assistance to disadvantaged families and provide safe, comfortable, convenient and comprehensive hearing care services for the people with hearing loss. We combined cloud and physical communications to provide more communication channels for stakeholders including the communities where our customers live. With these as excellent practice cases, we won the “Creativity in Communication” Award.

In 2020, Qisda conducted engagement and communication with stakeholders with respect to the three dimensions of economy/governance, environment and society and identified eight important issues. Relevant sustainability strategies and management practices were reflected in the report.

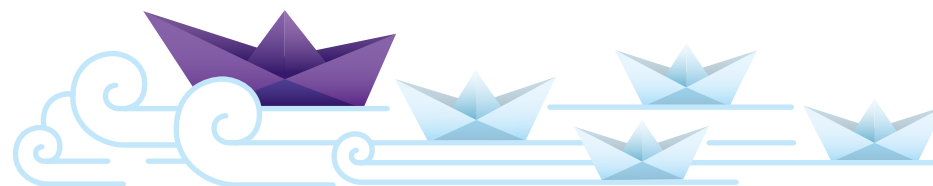
▮ Future Challenges and Preparations

The pandemic in Europe and the U.S.A. became severer at the beginning of 2021, and the economic conditions in wider circumstances must be assessed very carefully. More attention shall be paid to the variables including post-election circumstances in the U.S.A., shortages along the supply chain, and the critical situation in freightage. Benefiting from the effect of the proactive joint deployment, the future of the business is optimistic and continuous growth attributable to the transformation is expected. Facing the global sustainability issue, we will increase the investment in energy saving, carbon reduction and renewable energy and be dedicated to the ESG issues.

We expect a quicker way to find out our best transformation functions and do not satisfy with the outcomes in the past. We will pass on our experiences to the next generation and help them manifest their creativities and create more possibilities. The transformation of the industries in Taiwan must be reflected in profitability in a development trend of small quantity, more diversity, and high added value. More premium services must be provided for customers. Starting from green design, the Company will improve the performance of the products, reduce wastes, facilitate better profitability, increase the wages of employees, and give shareholders more returns.

Qisda has worked with tens of companies to march forward side-by-side. We are confident that the members of our flagship will increase manifold. We believe that successful experiences can be reproduced. Our affiliates share resources and manpower to allow horizontal development of the common issues including corporate governance, quality, risk, environmental protection, sustainability, and social care. These will surely bring the common good with the Group and the flagship.

“A sustainable business group is better than a sustainable company; a sustainable industry in Taiwan is better than a sustainable business group.” We will make every effort to make the industry in Taiwan better and help more hidden champions march toward the world to accomplish the most important mission of Qisda.



Sustainable Development Key Performance Indicators at a Glance

2017~2020

Economic Performance Disclosures							
Category/Item	2017	2018	2019	2020	Note	GRI Disclosure	Corresponding Chapter
Economic Values							
Consolidated Revenues (100 million)	1368.9	1557.8	1,698	1,917	Unit: New Taiwan dollars.	201-I	Financial Performance
After-Tax Revenues/Loss (100 million)	56.6	40.3	62	50			
Number of Patents							
Accumulated Number of Patents Granted	1,117	1,144	1,121	1,140		N/A	N/A
Industrial Design Awards							
Number of Industrial Design Awards Earned	2	3	2	1	Awards include iF 、Red Dot 、iF China 、G-Mark 、Bio 、Golden Pin.	N/A	Qisda Corporation

Environmental Performance Disclosures							
Category/Item	2017	2018	2019	2020	Note	GRI Disclosure	Corresponding Chapter
Use of Raw Materials							
Solder (paste, bar, wire) (tons)	252	215.9	223	220		301-I	N/A
Flux (tons)	138	178	181	182			
Iron (10,000 tons)	0.90	1.13	1.08	1.2			
Direct Energy Usage							
Natural Gas (1,000 cubic meter)	577.7	655.2	599.3	623.7		302-I	Greenhouse Gas Inventory
Petrol (tons)	24.95	22.4	19.7	22			
Diesel (tons)	15.58	14	12.8	9.5			

Sustainable Development Key Performance Indicators at a Glance

2017~2020

Environmental Performance Disclosures							
Category/Item	2017	2018	2019	2020	Note	GRI Disclosure	Corresponding Chapter
Indirect Energy Usage							
Externally Purchased Electricity (10,000 MWh)	10.14	11.49	12.17	12.19		302-2	Greenhouse Gas Inventory
Water Usage							
Taiwan (tons)	77.629	69.52	72.85	87.13		303-3 (2018)	Water Resources Management
Suzhou, China (tons)	378.696	360.351	423.224	542.953			
Global Total (10,000 tons)	456	430	496	630			
GHG Emissions							
Scope 1: GHG Emission (Thousand tonnes CO ₂ e)	2.6	3.1	2.4	0.22	Annual organizational greenhouse gas emission passed Greenhouse Gas (GHG) check standard (ISO 14064-1) third-party verification	305-2	Greenhouse Gas Inventory
Scope 2: GHG Emission (Thousand tonnes CO ₂ e)	79.3	90.5	95.1	9.34			
Other indirect GHG Emission (Tonne CO ₂ e)	867	241	145	46			
Environmental Protection Management Performance							
GHG per million US dollar production value (Tonne CO ₂ e)	21.52	20.5	22.61	23.06	Reduced 34% from 35.01 in 2009	N/A	Greenhouse Gas Inventory
Electricity consumption per million US dollar production value (Kilowatt-hour)	24,555	23,283	26,530	29,338	Reduced 17% from 35,219 in 2009	305-4	

Environmental Performance Disclosures

Category/Item	2017	2018	2019	2020	Note	GRI Disclosure	Corresponding Chapter
GHG emission per personal consumption per hour (Kg CO2e)	2.0	2.1	2.4	2.3	Reduced 19% from 2.86 in 2009	305-4	
Water consumption per million US dollar production value (Tonne)	118	93.5	113	135	Reduced 46% from 254 in 2009	303-3 (2018)	Water Resource Management
Percentage of recyclable waste (%)	91.1	93	93	91	Increased 18.3% from 84 in 2009	306-2	Waste Management
Global living sewage emission (Million litters)	365	344	396	449		306-1	Water Resource Management
Waste Volume							
Taiwan recyclable waste volume (Tonne)	631	570	564	624		306-2	Waste Management
Suzhou (China) recyclable waste volume (Tonne)	22,697	31,208	28,310	31,896			
Global recyclable waste volume (Tonne)	23,328	31,778	28,874	32,520			
Taiwan non-recyclable waste incineration volume (Tonne)	75	85	81	73			
China non-recyclable waste incineration volume (Tonne)	2,201	2,198	2,196	2,800			
Global non-recyclable waste incineration volume (Tonne)	2,276	2,283	2,277	2,873			
Global waste volume (Tonne)	NA	NA	NA	479	Reference to SASB to disclosure 2020 data		
Leakage of Materials Such As Chemicals							
Total number of times and volume of leakage of materials such as chemicals	0	0	0	0		306-3	Safety Hygiene Management

Sustainable Development Key Performance Indicators at a Glance

2017~2020

Environmental Performance Disclosures

Category/Item	2017	2018	2019	2020	Note	GRI Disclosure	Corresponding Chapter
Non-Compliance with Environmental Laws and Regulations							
Sum and number of times violating environmental protection regulations	0	0	0	0		307-1	Legal and Compliance
Environmental Investments							
Total investments/Expenses of environmental protection (Thousand US dollar)	990	1,705	1,230	1,910		N/A	N/A

Social Aspect

Category/Item	2017	2018	2019	2020	Note	GRI Disclosure	Corresponding Chapter
Total Workforce							
Taiwan	1,666	1,616	1,711	1,722		401-1	Employee Profile
Suzhou, China	7,241	7,994	7,985	8,546			
Global Employees	8,936	9,638	9,724	10,298			
Safety & Health Management Performance Indicators							
Disabling Injury Frequency Rate (DIFR)	0.074	0.088	0.03	0.046	Calculate according GRI Standards formula	403-2	Safety & Health Management
Disabling Injury Severity Rate (DISR)	3.3	3.5	1.2	0.6			
Occupational Disease Occurrence Rate (ODR)	0	0	0	0			
Absence Rate (AR)	37.4	37.2	13.79	6.9			

Social Aspect							
Category/Item	2017	2018	2019	2020	Note	GRI Disclosure	Corresponding Chapter
Average Employee Training Hour (Hour/Person)							
Direct Labor (DL, Global)	143.80	114.92	113.52	102.00		404-1	Learning Development
Indirect Labor (IDL, Global)	34.76	27.39	28.28	20.89			
Human Rights Management							
Discrimination Incidents	0	0	0	0		406-1	Human Right Management
Number of human right complaints	0	0	0	0		103-2	
Percentages of Employee Code of Conduct Training							
Taiwan (%)	DL:100 IDL:100	DL:100 IDL:100	DL:100 IDL:100	DL:100 IDL:100	1. DL: Direct Labor 2. IDL: Indirect Labor	205-2	Code of Conduct
Suzhou, China (%)	DL:100 IDL:100	DL:100 IDL:100	DL:100 IDL:100	DL:100 IDL:100			
Political Contributions							
Sum of political contribution	0	0	0	0		415-1	GRI Standard Comparison Table
Violation of Related Regulation of Social Aspect							
Sum of significant fine and number of times of regulation violation	0	0	0	0		419-1	Legal and Compliance
Customer Satisfaction Survey Result (Score)							
Medical Imaging Business Unit	92	94	94.2	92.1	Starting from 2018, System Display (SD) result was added in that of displays, Mobile Product Business Unit (MPBU) and Industrial Automation (IA) were merged in that of manufacturing services; In 2019, added digital fashion design center (Lighting) category	N/A	Customer Commitment
System Display	92	-	-	-			
Mobile Products Business Unit	90	-	-	-			
Precision Optics	94	94.5	94.8	95.3			

Sustainable Development Key Performance Indicators at a Glance

2017~2020

Social Aspect							
Category/Item	2017	2018	2019	2020	Note	GRI Disclosure	Corresponding Chapter
Customer Satisfaction Survey Result (Score)							
Industrial Automation	93	-	-	-	Starting from 2018, System Display (SD) result was added in that of displays, Mobile Product Business Unit (MPBU) and Industrial Automation (IA) were merged in that of manufacturing services; In 2019, added digital fashion design center (Lighting) category	N/A	Customer Commitment
Display	94	93	96.8	96.8			
Manufacturing Service	95	95	93.7	93.5			
Digital Fashion Design Center	-	-	97.5	95			
Violation of Marketing Regulations							
Number of cases violating marketing regulations	0	0	0	0		417-3	Legal and Compliance
Customer Privacy							
Number of complaints from customers for violating privacy	0	0	0	0		418-1	Customer Commitment
Supply Chain Investigation							
Supplier social responsibility and environmental safety hygiene investigations and on-site audit (number of companies)	16	45	27	21	1. In 2016, we changed method of supplier investigation, referred to Responsible Business Alliance Code of Conduct (RBA) audit manual while focusing on on-site audit. Accumulated number of investigated suppliers in 2009-2015 reaches 614. 2. We added all HR agencies and factory on-site service companies in 2019.	302-2 414-2	Supply Chain Management
Completion rate of key supplier paper investigation and on-site audit investigation	84%	88%	73%	73.6%		302-2 414-2	Supply Chain Management

Qisda Corporation

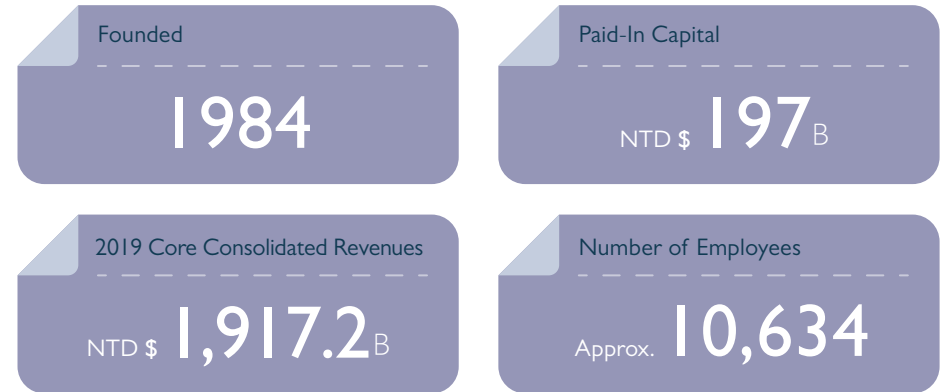
Company Introduction

Qisda Corporation (originally named BenQ Corporation) was established in 1984, with headquarter in Taoyuan, Taiwan. The company is a cross-field omnibearing electronic design OEM company, providing customers with innovative, high-quality and demand-satisfying products and services while Bringing Enjoyment 'N' Quality to Life by improving human life via product technology. Qisda researches, develops and manufactures electronic products, with applications including consumer electronics, business and industrial professional fields. Its products and technologies cover high-end and professional displays such as gaming, graphics, broadcasting, medical and safety monitoring displays; optical precision electronic products such as projector, safety monitoring system and car-use products; industry/business PC and peripherals such as POS printer and barcode scanner. The product line and technology of the company cover LCD display, professional display and digital signage, projector, LCD all-in-one PC, precision scanner, multi-function printer, medical electronics, smartphone, wireless communication module, car-use electronics, industrial automation, various mobile consumer electronic products, LED smart lamp, hanging-lamp, etc.

Recently, Qisda actively deployed medical industry expansion such as supersonic diagnosis, hemodialysis apparatus, dialysis machine and intraoral scanner while speeding up developing six smart solutions: smart retail, smart manufacturing, smart education, smart medical care, smart energy and smart enterprise. The company appeals to “high integration of software and hardware, one-stop-shopping, innovative operation”, offering six integration fields, covering thirty smart solutions and ten hardware equipment types, satisfying the most front-end demand and services for customers.

The world's second largest LCD display and projector manufacturer and the first devoted to R&D of telecommunication business in Taiwan, Qisda has global operational sites for R&D, manufacturing and services in Taiwan (Taipei, Taoyuan, Hsinchu), China (Suzhou), Vietnam, Singapore, the US and Japan. It now has around 10,634 employees globally*.

Qisda Today



* The number of employees is calculated based on the actual hired employees (including full-time and work study program) in December 31, 2019. Since employment agreements of temporary employees are attributable to third-party companies, the real employer is not Qisda; therefore, the above manpower calculation doesn't include the sum of temporary employees (Taiwan: 29, Suzhou (China) 4,477).

Qisda Core Values

“Bring Enjoyment and Quality to Life” is Qisda’s shared vision, and is realized via four values: “Integrity & Introspection”, “Passion & Professionalism”, “Execution & Excellence”, and “Caring & Contribution.”

Qisda Core Values



Operational Status and Organizational Structure

Based in Taiwan, Qisda deploys its global production & sales work division. Taiwan is responsible for product R&D, production design, etc.; the Suzhou (China) plant, an overseas subsidiary of Qisda, is responsible for production. Also, we have maintenance service and sales subsidiaries in the US, Japan, etc., for expansion of our marketing channel in Europe, the US and Asia. We also expect to further serve our customers, providing the most instant and effective feedbacks regarding their demand. Furthermore, our equity source, paid-in capital, shareholder structure and subsidiaries included in consolidated financial reports are all disclosed in the collection status and financial overview chapters in our annual reports.

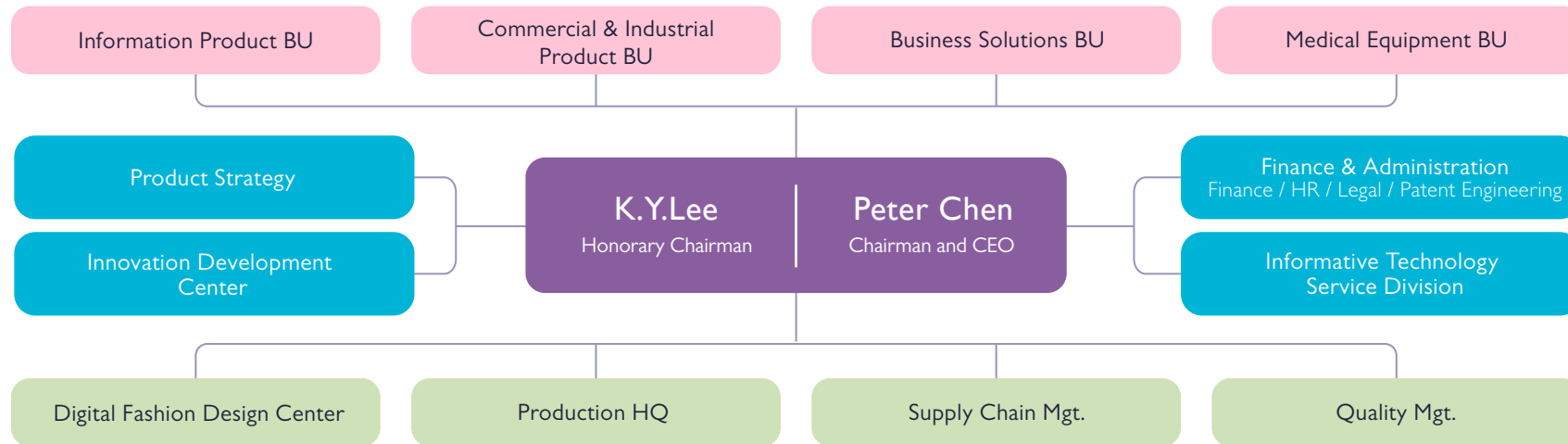
Besides having global consumer electronics brands as customers, Qisda also actively developed the business and industrial markets recently. For operational development demand, our organizational structure is divided into four BUs: Information Product, Business and Industrial Product, Smart Solution and Medical Equipment.

Peter Chen became the chairman and president of Qisda in June, 2017, with over 30 years of experiences in the company, having various rich experiences of product development, global marketing and customer end, leading Qisda to keep pursuing a more good-quality growth.

Annual report search: <https://www.qisda.com/page.aspx?uid=94>



Company Organization Structure



- ▮ DLP projector shipments world's top
- ▮ LCD display shipments world's second

Qisda's Advantages and Performances

Qisda has R&D and manufacturing abilities in display, optical, wireless communication, image, medical, car-use, automation, LED illumination etc. Therefore, it can develop and manufacture various product lines. This is a rare combination of global electronics manufacturer. Besides having vertical integration of the group companies, having technologies of LCD, LED, e-paper, touch and IC design, Qisda has vertical integration abilities such as SMT-surface-mount technology, metal stamping, plastic injection and LCD module assembling. The company offers eight product types: display, projector, smart Internet of

Things (IoT), car-use, industrial automation, medical care electronics, medical equipment consumables and smart solutions. Qisda demonstrated solid operation of major product lines in 2020. The display products ranked second in the world. The COVID-19 pandemic facilitated the leading position in the manufacture and sale of projectors due to increased demands for homecare services, work from home, and entertainment. The complete product portfolio from portable to high-end laser models were offered continuously and we entered the new Blue Ocean of 3D machine vision with this precise optical technology. As for development of the medical business, we have two hospitals in Suzhou and Nanjing with good revenue, and furthermore we have enhanced the electronic medical care product lines and deployed them in the global market. Speeding up the development of the six intelligent solutions is another focus. We also enhance the integration relationship with software and hardware service providers, and invest in the 5G network communication business to meet the requirements of the industries for digital transformation under the threat of the pandemic.

Qisda's Products



Display



Industrial Automation



Projector



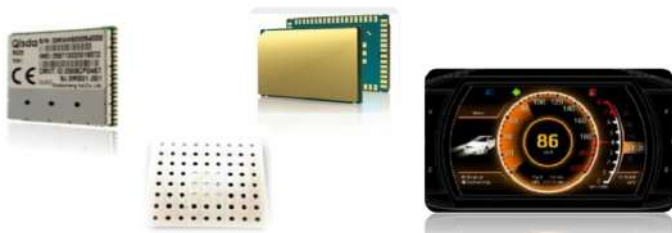
Health care Solutions



Smart IoT



Medical Equipment Consumables



Car-Use Application



Smart Solutions



Although positioning as an OEM company, Qisda owns global well-known industrial design power, constantly winning awards since 2008, with as many as 151 global design awards until now. Qisda now not only has R&D and manufacturing advantages, but is equipped with a unique product design ability, having a special competitiveness of designing high economic added-value products.

Value-Up Solutions that Exceed Expectations

We will keep extending the business deployment of our vision “Bringing Enjoyment 'N' Quality to Life” to LIFE, expanding to key fields of human life such as new businesses of medical service, medical material, software service, integration service platform and enterprise solution. Also, our operational strategy lies in constantly reforming organization including integration of global manufacturing and supply chain management, upgrading in-plant vertical integration ability, small-volume large variety and customization production model establishment, improve the ability to serve customers, combine software integration and application, keep creating company values and high customer satisfaction as well as cultivating the operational strategy of “Solution Provider”.

Association

Qisda actively participates in associations relating to the electronic technology industry, strengthening industrial connection and alliance developments, improving industrial competitiveness. Also, with mix and match of various associations in different industries, Qisda can better integrate abilities of automation technology, precision machinery, mould, communication, image display, material, information, electronic and electrical, medical care, education, service, etc., speeding up industry upgrade and innovative developments.

List of Affiliated Associations and Organizations

No.	Association and Organization	General Member	Council Member
1	GLORIA National Cheng Kung University (NCKU)	●	
2	Taiwan Electrical and Electronic Manufacturers' Association (TEEMA)	●	
3	Taipei Computer Association (TCA)	●	
4	Taiwan Automation Intelligence and Robotics Association (TAIROA)	●	●
5	The Institute of Internal Auditors (IIA)	●	
6	Taiwan Stock Affairs Association (TWSAA)	●	
7	OPEN Alliance	●	
8	Taiwan Merger & Acquisition and Private Equity Council (MAPECT)	●	●
9	Institute for Biotechnology and Medicine Industry (IBMI)	●	●
10	Taiwan Medical and Biotech Industry Association (TMBIA)	●	●
11	Video Electronics Standards Association (VESA)	●	
12	HDMI Licensing Administrator, HDMI LA	●	
13	Taiwan Industry Association of Intelligence Security and Safety (TIAISS)	●	●
14	HDBase T Alliance	●	
15	Taiwan Independent Director Association	●	
16	Chinese Professional Management Association	●	
17	Management Intelligence Sharing Association	●	
18	Taiwan Association of TWSE/TPEX Listed Companies	●	●
19	Taiwan Industry Holding Association	●	●
20	Information Management Association	●	●
21	Digital Governance Association	●	●
22	Digital Solution Multimedia Association	●	
23	Chinese Human Resource Management Association	●	
24	Association of Service Industries, Taiwan	●	

Qisda Corporate Sustainable Development



The purpose of the enterprise existence is to create value that is sustainable, devoting to the human society to deliver a positive influence.

KY Lee, the honorary chairman of Qisda, points out that the purpose of the enterprise existence is to create value that is sustainable, devoting to the human society to deliver a positive influence. Sustainable operation means pursuing this permanent value. To become an enterprise that accumulates experiences and stands the test of time, it must incorporate the concept of history and cultural thinking in its operational model while using “Honesty” as the highest moral principle of corporate operations.

Management Approach of Material Topic

Sustainable Strategy ● Exceed Goal ○ Reached ○ Not-Reached	
Major Interest Target Supplier, employee	management approach Duty Sustainable Risk Management Office <hr/> Resource Corporate Sustainable Development Committee (CSD) <hr/> Action Deploy and promote cross department CSD matters <hr/> Evaluation Launch performance indicator report and inspection each quarter at CSD Committee
2020 Management Goal 1. Reset Qisda's corporate sustainable development key performance index 2. Convene CSD meetings each month and track performance indicators	
2020 Goal Reaching Status Completed ○	
2021 Management Goal Convene CSD meetings each month and track performance indicators	

- For details of identifying major topics, please refer to “Stakeholder Engagement” (P30)
 - For details of management guidelines of “Sustainable Strategy”, please refer to this chapter.

- ▮ 2020 HR Asia Best Companies to Work For In Asia
- ▮ Qisda won the “Taiwan Top-10 Best Sustainability Enterprise Award – Manufacture,” “Excellent Practice in Corporate Sustainability: Growth Through Innovation Award,” “Excellent Practice in Corporate Sustainability: Creativity in Communication Award,” and “Platinum Award of Electronic Information Manufacturing Industry” in the category of Corporate Sustainability Reports from Taiwan Institute for Sustainable Energy.
- ▮ Qisda Twin-Star factory received again green factory certificate from Industrial Development Bureau (IDB) of MOEA


Qisda Value Creation Process

- ### I. Input
- Qisda refers to the process of value creation and focuses on investing in six capitals, financial, manufactured, intellectual, human, social and natural capitals, offering basis for sustainable development.
- ### II. Create Values
- We base our core in our vision of CSD, referring to the SDG Compass Guide process and the corporate execution suggestions of various Sustainable Development Goals (SDGs) from its website to check the risks and opportunities of related existing actions and value chain to inspect the focuses of interest parties and company leverages relating to upstream obtaining materials, supply chain operations, as well as product manufacturing and company operations, along with downstream product sales, usage and disposal processes as an electronic OEM company. This enables us to find out the future prioritized management items in SDGs. Internally, we focus on the three elements of economy, society and environment with “CSD”, elaborating the environmental aspect into “green product”, “green operation” and “green supply chain”, adding with “social responsibility” of the social aspect and the

“financial performance” of the economic aspect, totaling five aspects, to promote the prioritized management items of SDGs. Meanwhile, with promotions of CSD Committee, we strive to realize the corporate vision of Qisda “Bringing Enjoyment 'N' Quality to Life”.


Output

The five aspects of Qisda’s CSD management structure support the progress of our sustainable developments. Each aspect features a long-term goal set according to our core ability as the guideline of promoting each plan while setting short-, mid- and long-term management goals to regularly inspect performances via CSD Committee. We also strive to and march toward our sustainable management performance indicators in economic, social and environmental aspects with the CSD promoted systematically since 2009. Also, we inspect and evaluate the goal targets set each year for the major topics of interest parties that year.

 SDG Compass Guide : <https://sdgcompass.org/download-guide/>



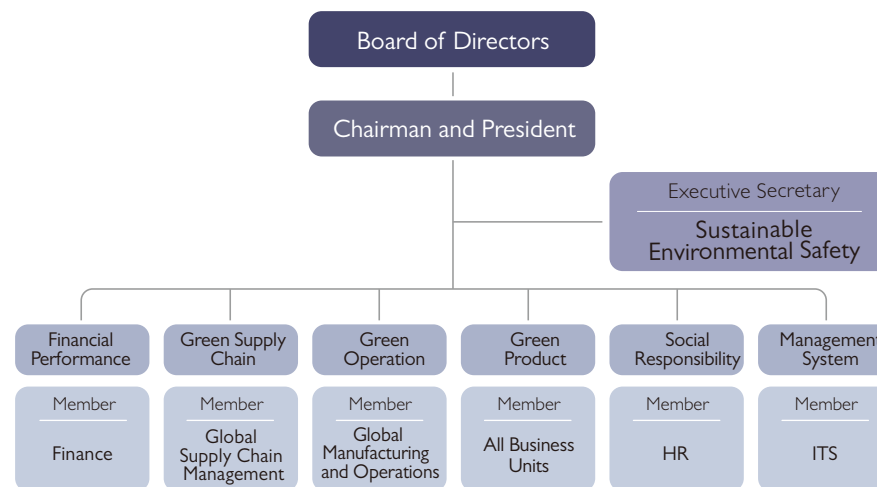
 For more details, please refer to the “Products and Services Responding to SDGs” (P28) and “SDG Comparison Table” (P154)

 **2020Plan**
Reset Qisda’s CSD performance indicators (2021-2025)

Qisda Corporate Sustainable Development Committee

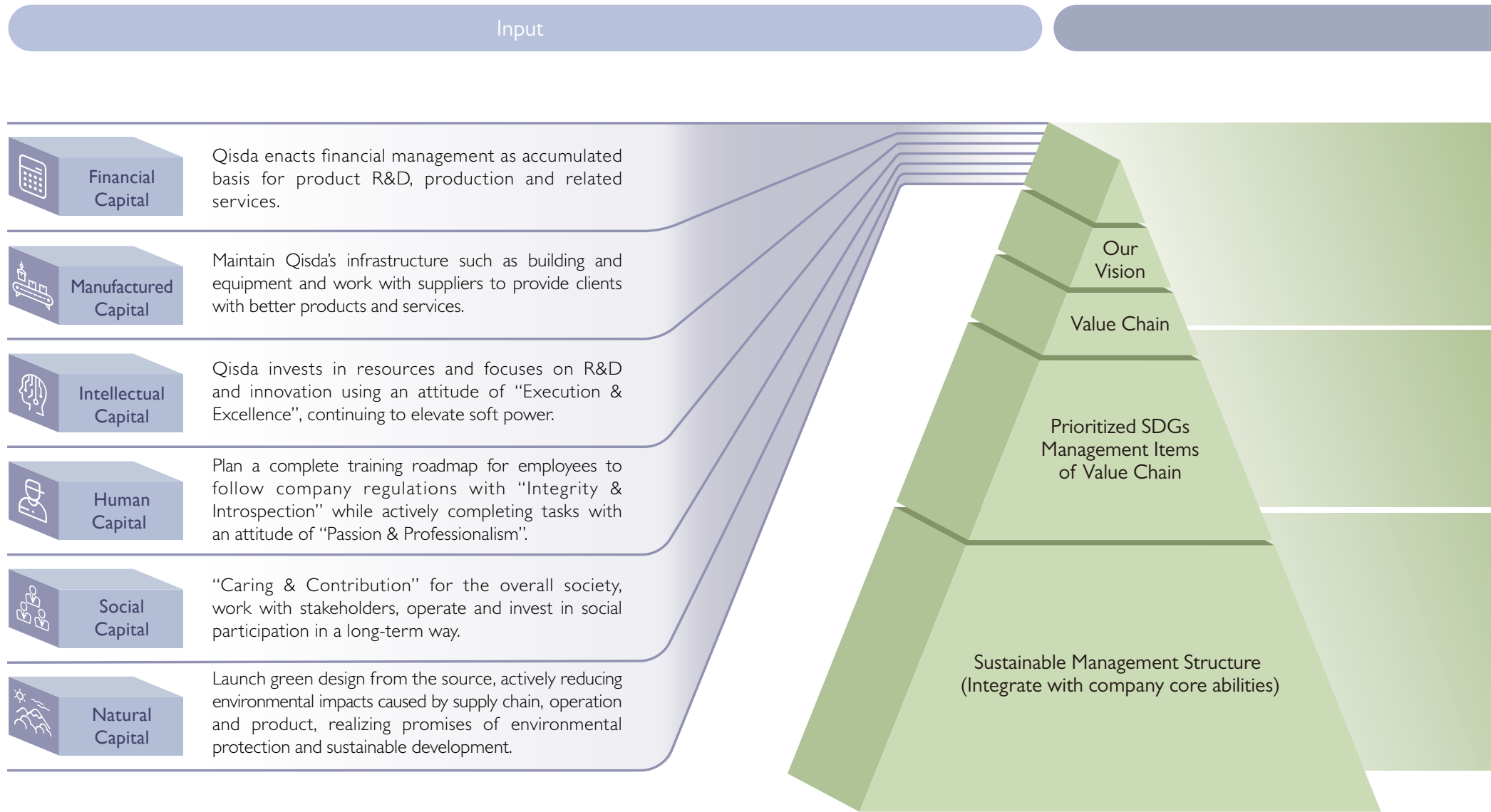
In order to ensure smooth and seamless implementation of all corporate sustainable development operations and to build effective communication to address the opinions of our stakeholders, Qisda has integrated related departments to form the Corporate Sustainable Development Committee (CSD Committee). Peter Chen, chairman and CEO, is the chairman of the committee while high-level executives of each department are members of various dimensions and secretary general is responsible to deploy and promote cross-department corporate sustainable development matters and convene quarterly meetings; members of each dimension update work status of the key performance indicators and corporate sustainability report. In addition, according to Qisda’s “Principle of Corporate Social Responsibility”, the committee regularly reports the management results and the material topics of the year to the Board of Directors each year.

Corporate Sustainability Development Committee (CSD Committee)



 For related content, please refer to “Corporate Governance Operational Status” (P41)

Qisda Value Creation Process



Create Values

When company transforms into an innovative high add-value company,

1. From survival to sustainable for the company, and to sustainable for the earth
2. Combine sustainable performance and operational strategies
3. Improve sustainable investment value
4. Meet international regulations and anticipation of customers and employees for sustainability
5. Lead fleet companies to grow and break through



2020 Output

Green Product	Energy Saving (%)	25.06%	
	Material Reduction (%)	26.42%	SDG 12
	Carbon Reduction (%)	24.4%	SDG 13
	Eco-Efficiency Improving (%)	22.83%	
Green Operation	Reduce SR	93%	SDG 8
	Reduce FR	88%	SDG 8
	Total Electricity Consumption/ Total Output values (MWh / million)	Up 18%	SDG 12 SDG 13
	Total Water Consumption / Total Output values (tons / million)*	46%	SDG 6
	Recyclable Waste Rate (%)	91%	SDG 12
Green Supply Chain	Percentage of Key Component Suppliers Completing Supplier Social Responsibility & Environmental, Safety and Health Survey and On-Site Audit	70%	SDG 8 SDG 13 SDG 15
Social Responsibility	Employee Code of Conduct Training (%)	100%	SDG 16
	Innovation Culture Participation (number of participants)	2,123	SDG 8
	Employee participation of charitable event (hr)	3,046	SDG 17
Economic Performance	Increase in the Number of Essential Patents (%)	35%	SDG 8
	Percentage of Revenues from Medical Segment (%)	7%	SDG 3
	Risk Kit Preparation Ratio (%)	84%	NA
	Customer Satisfaction Survey Result (score)	95分	NA
	Corporate governance evaluation (%)	Top6~20%	NA

Short, Mid and Long-Term CSD Key Performance Indicators (KPIs) and 2020 Results

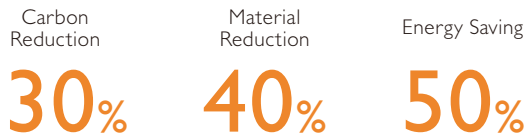
Green Product

Stakeholders : Customers

Long-Term

Enhance product sustainable value.

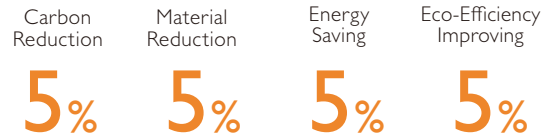
Reach the KPIs below by 2030



The base year of carbon reduction target is 2011, the others are 2009.

Mid-Term

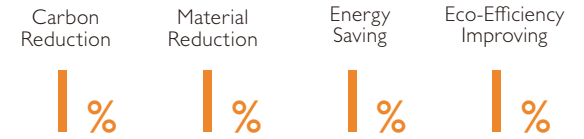
Reach the KPIs below by 2020



2015 is the base year

Short-Term

Reach the KPIs below each year

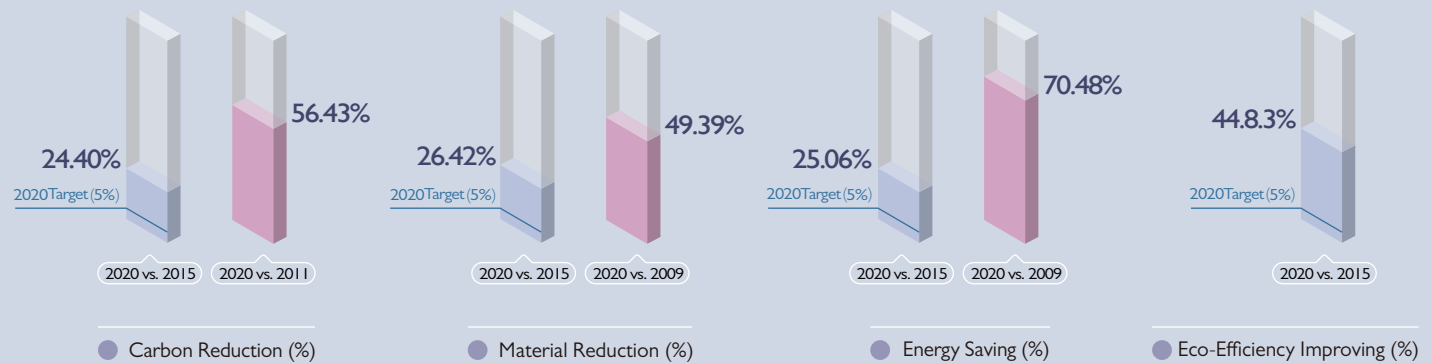


2015 is the base year

SDGs Mission

Qisda thinks that we should implement green elements at the source of design to lower the impact on the environment of the products at each phase of product life cycle

Correspond to SDGs



● Exceed Goal ○ Reached ○ Not-Reached

For related content, please refer to " Green Product" (P100)

Green Operation (Safety Management)

Stakeholders : The public. Customers. Employees. Government

Long-Term

Continually improve, cultivate green operational culture.

Reach the KPIs below by 2030

Lost Day Rate (LDR) Reduction

90%

Injury Rate (IR) Reduction

90%

2009 is the base year

Mid-Term

Reach the KPIs below by 2020

Lost Day Rate (LDR) Reduction

30%

Injury Rate (IR) Reduction

10%

2015 is the base year

Short-Term

Reach the KPIs below each year

Lost Day Rate (LDR) Reduction

6%

Injury Rate (IR) Reduction

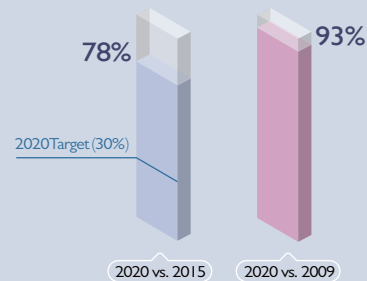
2%

2015 is the base year

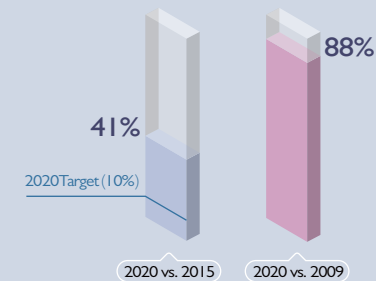
SDGs Mission

Qisda strives to create a safe environment with an overall management from top to down for all employees to finish their jobs safely and with responsibility.

Correspond to SDGs



● Lost Day Rate (LDR) Reduction (%)



● Injury Rate (IR) Reduction (%)

● Exceed Goal ● Reached ○ Not-Reached



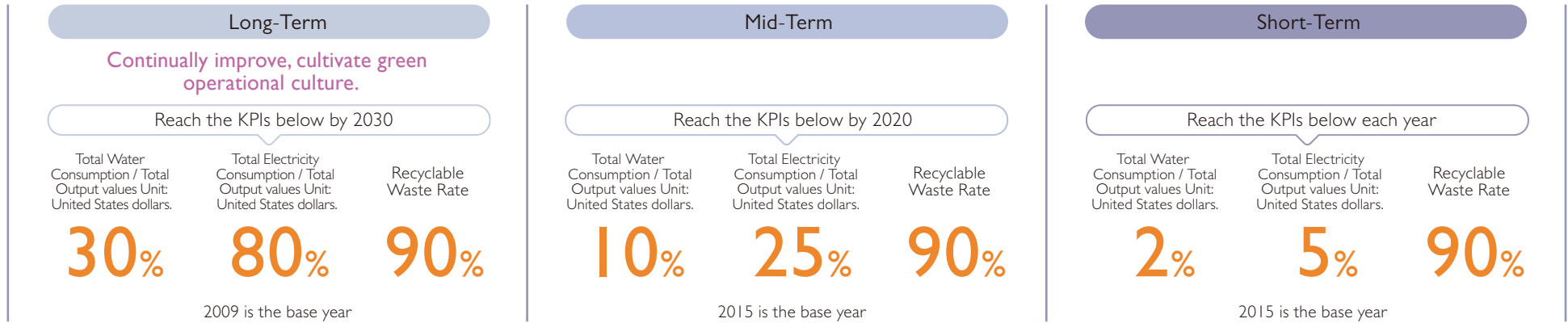
For related content, please refer to " Safety Hygiene Management"

(P113)

Short, Mid and Long-Term CSD Key Performance Indicators (KPIs) and 2020 Results

Green Operation (Energy Saving and Carbon Reduction)

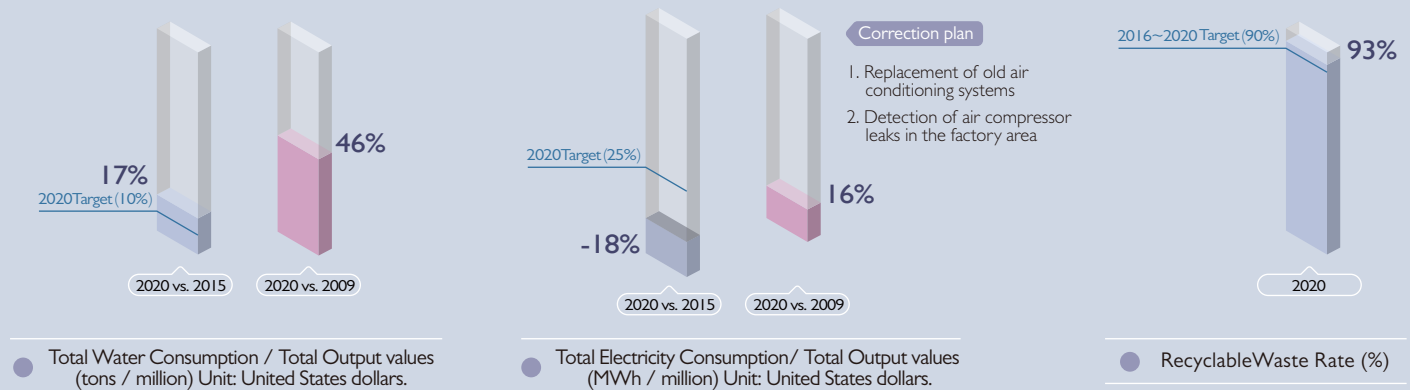
Stakeholders : The public, Customers, Employees, Government



SDGs Mission

Qisda promises to invest resources for operational process to be more energy-saving and protecting environment to create products that meet regulation, customer health and safety demand

Correspond to SDGs



● Exceed Goal ○ Reached ○ Not-Reached

For related content, please refer to " Climate Policy and Carbon Management" (P94)

Green Supply Chain

Stakeholders : Suppliers, Customers

Long-Term

Enhance the independent management ability of corporate responsibility of suppliers.

Mid-Term

Reach the KPIs below by 2020

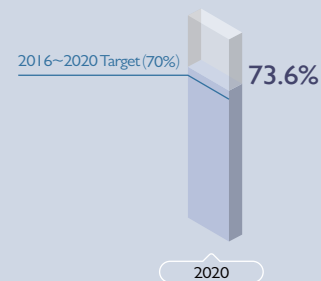
Percentage of Key Suppliers Completing Social Responsibility & Environmental, Safety and Health Survey and On-Site Audit each year

>=70%

SDGs Mission

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

Correspond to SDGs



- Key supplier social responsibility and environmental safety hygiene paper investigation and on-site audit completion rate (%)

● Exceed Goal ○ Reached ○ Not-Reached



For related content, please refer to " Green Supply Chain"

(P63)

Short, Mid and Long-Term CSD Key Performance Indicators (KPIs) and 2020 Results

Social Responsibility

Stakeholders : Employees, The public

Long-Term

Reach the KPIs below by 2030

Internalize corporate citizenship DNA and has a positive influence on the society.

Mid-Term

Reach the KPIs below by 2020

Employee Code of Conduct Training

100%

Innovation Culture Participation

2,100

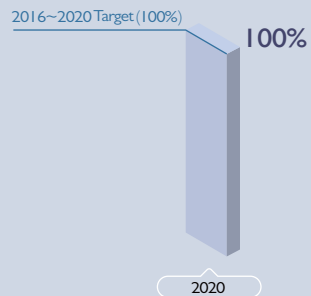
Taiwan employee participation of charitable event (hour)

2,000

2012 is the base year

SDGs Mission

“Treat supplier, customer, shareholder, employee, creditor and society with honesty” is our corporate mission, we believe operating with honesty is the most basic social responsibility of a company and is good for it in long-term growth.



Correspond to SDGs



● Employee code of conduct educational training percentage (%)

SDGs Mission

Qisda promotes innovation, manage and plan system via innovation to decide on resources and investments to provide customers with innovative products that have breakthrough characteristics



Correspond to SDGs



● Innovation Culture Participation (number of participants)

SDGs Mission

Qisda starts from the spirit of core value “care and devotion”, combine employees’ caring with our competitiveness in realizing our feedbacks to the society.



Correspond to SDGs



● Taiwan employee participation of charitable event (hour)

● Exceed Goal ○ Reached ○ Not-Reached



For related content, please refer to “ Code of Conduct” (P48)
“ Friendly to Earth, Care for Society” (P84)

Economic Performance

Stakeholders : Shareholders. The public

Long-Term

Strive to enhance corporate governance, continually improve

Mid-Term

Reach the KPIs below by 2020

Increase in the Number of Essential Patents

50%

Risk Kit Preparation Ratio

>80%

Customer Satisfaction

90

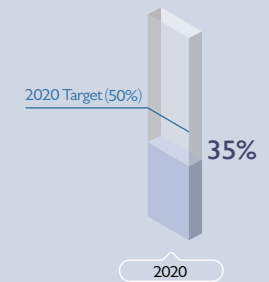
Corporate Governance Evaluation

6%~20%

2015年為基準年

SDGs Mission

Qisda strives to improve overseas patents to improve overall performance of products with better innovative patent ability.



Correspond to SDGs

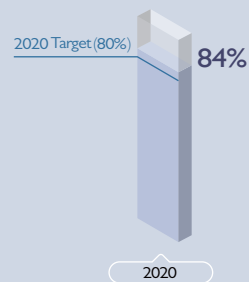


Increase in the Number of Essential Patents (%)

Note Essential patent: patents in the US or in at least two countries.

SDGs Mission

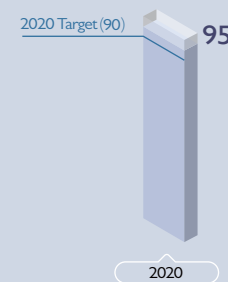
Although the following indicators do not have corresponding SDGs, considering the following items all have major impacts on corporate management, we still set the indicators to regularly review and manage.



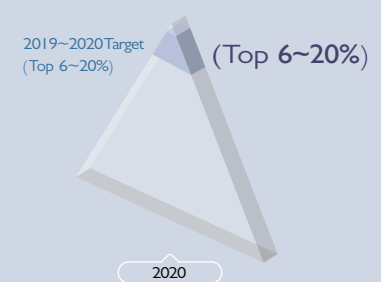
Risk Kit Preparation Ratio (%)

Note

Risk kit preparation rate includes:
 1.Preparation rate=Whether there is a kit, weight 50%
 2.Availability rate=Not red light rate, weight 50%



Customer Satisfaction (score)



Corporate Governance Evaluation (%)

Exceed Goal Reached Not-Reached











For related content, please refer to " Corporate Governance" (P41) , " Risk Management" (P50) , " Customer Commitment", (P58)

Products and Services Corresponding to SDGs

To stay connected to the world, Qisda refers to the SDG Compass Guide and lists items with potential risks to the company's value chain and need to be prioritized in management while setting KPIs (Key Performance Indicators). Qisda also combines original core R&D abilities and operational strategies, cooperating with SDGs to launch various related products and services for the company to respond to the global sustainable development trends.

Products and Services Responding to SDGs

Smart Solution	Description	Product and Service	SDGs
 <p>Smart Energy</p>	<p>BenQ Business Solutions, an affiliate of Qisda, is the only "ADR 2.0 Ready" certified energy saving technology company in Taiwan. It creates intelligent green energy and smart management for energy saving and full-time monitoring of IoT equipment used in domestic manufacturing and service industries. In 2020, BenQ Business Solutions participated in the "Waste Heat Recovery Demonstration and Observation Tour" organized by the MOEA Bureau of Energy, Industrial Technology Research Institute (ITRI) and Vanguard International Semiconductor (VIS). It not only shared the waste heat recovery technology that helped VIS save energy to the amount of NT\$20 million annually, but also communicated its knowledge and experience at the observation tour to extend its positive influence on society.</p>	<p>Hardware PoE Switch</p> <p>Software Air-conditioning lighting energy-saving automatic monitoring system</p>	  
 <p>Smart Manufacturing</p>	<p>Lead peers in launching production manufacturing information system solution, offering highly-integrated software/hardware platform, setting up second-phase smart factory in Taoyuan headquarter in 2017; until 2020, foundry and car company already adopt AGV; Qisda smart factory Received first safety certificate of HRC in Taiwan and received the Green Factory Label from the Ministry of Economic Affairs (MOEA) for the second time; With smart manufacturing solution, production quality can be improved while reduction of surface effect waste can be achieved to improve overall factory production efficiency</p>	<p>Hardware Automatic Guided Vehicle (AGV)</p> <p>Software Warehouse Management System (WMS), Supervisor Control And Data (SCADA), Smart Environment Security Management (SESM), Smart Cloud Situation Room (SCSR), RFID, Traceability, etc.</p>	 

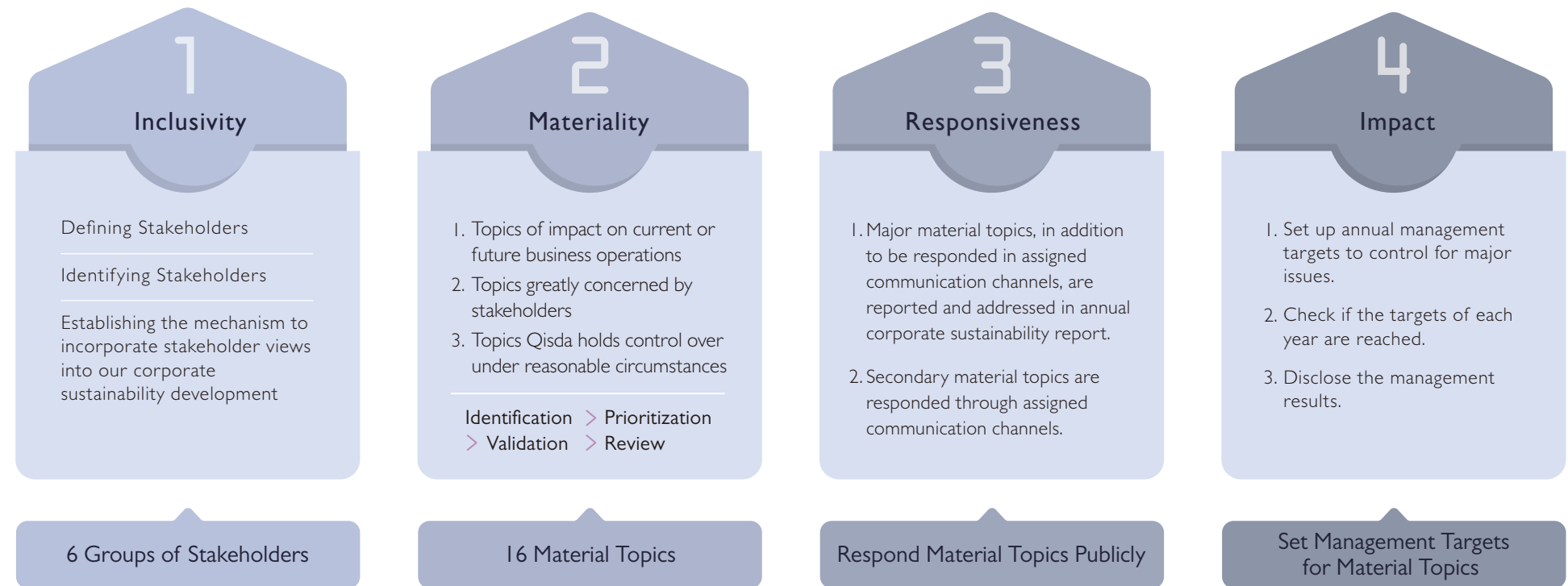
 For SDGs-related KPI setting and control, please refer to the "Our Value Creation Process." (P18)

Smart Solution	Description	Product and Service	SDGs
 Smart Education	<p>Reverse classroom and education big data learning analysis service are the core spirits, seamlessly integrate software/hardware and teach/learn course, support teaching application scenario, offer education cloud service. In 2020, we assisted National Cheng Kung University in building a campus security operation center. In the Panshi Navy Ship case, the intelligent decision-making system assisted with investigation within two days during the pandemic. Arriving at the site within three minutes to meet the urgent needs of the teachers and students was accomplished. We worked with Taipei City Government to build a cloud learning platform named "Taipei CooC-Cloud." It enriches the learning resources with trainees as the core and breaks the restrictions in time and space. The application was extended to distance learning around Taiwan during the pandemic.</p>	<p>Hardware Large business interactive touch display, super short-focus educational projector</p> <p>Software Complete cloud educational system</p>	
 Smart Health	<p>RCombine rich clinical resources, professional medical equipment and material technology, combine international design ability and software/hardware integration service, build a good-quality healthy life; build smart emergency management system and smart Intensive Care Unit (ICU) with NCKU Hospital in improving emergency medical efficiency and medical quality while assist in lowering burden of medical staff. The pandemic prevention and disinfection robots demonstrated their functions during the pandemic in 2020. The UV fluorescent tubes are capable of disinfecting in the hospital at a preset time and in a specified location. The trackless 3D laser and supersonic sensing equipment can work independently and provide additional introductory and transporting functions to reduce the risk of infection to the pandemic prevention personnel.</p>	<p>Hardware Medical display, supersonic scanner, intraoral scanner, operating table</p> <p>Software Group exercise system, health management system, one-stop operating table solution, 3D dental-implanting integration service</p>	
 Smart Retail	<p>Satisfy retail industry demand for various hardware to be purchased in one stop, integrate various software system service, create precision marketing and interactive consumer behavior; offer customer with consumer flow analysis service for shops, assisting in improving revenues of shops by 20%, comparing with before system implementation</p> <p>We finished the AI application service improvement solutions for chain stores in 2020. Various functions were integrated into an "intelligent IoT monitoring platform" functioning like a store manager. This platform is capable of creating a comprehensive panoramic view for decision makers, substantially improving the management dimensions, and helping in reduction of contacts and implementation of remote management. It provides effective management solutions for chain stores during the pandemic.</p>	<p>Hardware Peripherals such as Point of Sale (POS), mobile POS, large business display, projector</p> <p>Software Cloud Content Management System (CMS), E-tag, Crowd hotspot analysis</p>	
 Smart Enterprise	<p>BenQ Business Solutions under Qisda is equipped with mature software development ability and won CMMI5 certificate, has experiences in more than 700 famous customers and top 100 enterprise in China across Taiwan Strait, offering highly-flexible modularized service, assist clients in establishing a smooth operation to become a smart enterprise</p>	<p>Software Human Capital Management (HCM), Supply Chain Management (SCM), Business Process Management (BPM)</p>	

Stakeholder Engagement

To ensure we timely communicate with interest parties, we include the major topics they focus on in our CSD policies and establish an unblocked and transparent response mechanism when we proceed with planning and decisions of CSD, Qisda adopts "AA 1000 Accountability Principle Standard (AA 1000APS)" and meet the four major principles-Inclusivity, Materiality, Responsiveness and Impact to enable us to identify and respond to sustainable information and improve the strictness of disclosing sustainable information.

Qisda AA 1000APS Compliance Approach



Inclusivity

Inclusivity means including interest parties when developing responsible and strategic sustainable development methods. Hence, Qisda adopts the following three steps to follow and meet inclusivity spirit:

1. **Define stakeholders:** Define interest parties: Person or group having major impacts on our operations or are impacted in a major way by our operations.

2. **Identify interest parties:** Qisda identifies six major interest parties according to our CSD structure and definition of interest parties: employee, customer, shareholder, government, supplier and society.
3. **Establish interest party viewpoints and introduce in company sustainable development mechanism:** The topics of interest of the above six identified major interest parties have certain degree of impact on our sustainable developments. For each interest party, we have a corresponding communication channel and have corresponding internal unit to collect and respond to their opinions while they interact with the parties. Also, we collect information of the topics annually in our CSR reports for them to refer to (in the following table).

Materiality

Materiality means evaluating the relative importance of each topic to decide on the needed management depth and content to be included in the CSR report. Qisda follows the GRI Standards for materiality identification method while selecting the major topics cared by interest parties regularly each year.

Qisda mainly invites the six major interest parties to score on the 42 topics of interest for the international society via questionnaire survey. The survey targets employee, customer, supplier, media, shareholder and community while employees identify the impact degree on Qisda for respective topic and customer, supplier, media, shareholder and community to score the degree of interest for the topic. We collected 526 questionnaires in total. The scores of degree of impact/interest ranged from 1 to 10 and were ranked according to the average score of topics in the four aspects of economy/governance, environment, society and health/safety. A total of 16 major topics of four items were selected. Overwork was the new topic identified that year.


Responsiveness

Responsiveness means with participation of each aspect of corporate operations to

manage and respond to major topics, challenge and focus points. With major topic differentiation, the topics are communicated in existing communication channels and CSR report feedbacks for related management content while secondary major topic feedbacks are done through existing communication channels. Also, Qisda establishes “CSR” website, announcing key information of CSD on the instant, transparent and open platform for everyone to refer to.

Impact



Impact means to further evaluate the impact on the enterprise by major topics in the identifying process of major topics while monitoring and evaluating the impact range. Qisda also inspects the meaning and impact range on Qisda by the major topics identified that year while setting annual management goals to control, checking goals annually and disclosing management goal results.

 Qisda “Sustainability” website: <https://csr.qisda.com/en/index.asp>



Stakeholder's Communication Channels

 <p>Employees</p> <p>Employee is company's long-term capital and foundation of innovation, if not appropriately managed, cultivated and communicated with, talent may leave the company in the long term while company competitiveness may be affected</p>	<p>Topics cared by Current Staff</p> <ul style="list-style-type: none"> Learning & Development Corporate Benefit Activities Health Management & Care 	<p>Communication Channel</p> <ul style="list-style-type: none"> Educational Training (including maneuvers and exercises), New Employee Orientation Electronic Newspaper, Emails, and Phone Calls CEO Mailbox 2HR Mailbox 2885 Online System Business Conference Performance Communication System Employee Welfare Committee Labor-Management Committee Individual Consultation Health Examination 	<p>Frequency</p> <ul style="list-style-type: none"> Irregularly Irregularly Irregularly Irregularly Irregularly Once every quarter Once every quarter Twice per year Irregularly Twice per year 	<p>Result of Engagement</p> <ol style="list-style-type: none"> 2020 Qisda employee training hour averaged 71.93 hrs. Re-elect welfare committee and labor/management committee employee representatives, 2 year term of office <p>For more details, please refer to the following chapters.</p> <ul style="list-style-type: none"> > Learning Development > Build Healthy and Happy Workplace 
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 <p>Customers</p> <p>Qisda prioritizes customer satisfaction and sets up Customer Service Division (CSD) for full understanding of customer requirements and assist them in solving problems.</p>	<p>Topics cared by Customers</p> <ul style="list-style-type: none"> Environment, Safety and Health Social responsibility related trainings Customer commitment and service Customer privacy protection Product life cycle evaluation Environmental protection mark Product carbon footprint Green product design Human right and labor right Product quality No-hazardous substance management 	<p>Communication Channel</p> <ul style="list-style-type: none"> Customer service line Product maintenance line Taiwan customer service manager mailbox Customer on-site audit and audit questionnaire Special response window Phone/Email Regular and irregular topic reports Customer CSR Forum 	<p>Frequency</p> <ul style="list-style-type: none"> Irregularly Irregularly Irregularly According to customer schedule Irregularly Irregularly Irregularly According to customer schedule 	<p>Result of Engagement</p> <p>Average customer satisfaction score is 95</p> <p>For more details, please refer to the following chapters.</p> <ul style="list-style-type: none"> > Customer Commitment > Human Rights Management > Green Product > Quality and Hazardous Substances Management > Green Operation 
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Shareholders

Preserve shareholder's rights has always been one of our focus issues. Qisda actively details its operational and financial overview to shareholders while optimizing shareholders' rights.

Topics cared by Shareholders

- Company financial information
- Operational status
- Corporate governance

Communication Channel

- Operational detail report
- Spokesperson and acting spokesperson system
- Department of Investor Relations
- Investor relations mailbox (Investor@Qisda.com)
- Qisda investor relations page on its website (Qisda.com)
- Board of directors meeting, Audit Committee
- Shareholder's meeting
- Investors conference

Frequency

- Once every quarter
- Irregularly
- Irregularly
- Irregularly
- Once every quarter
- Once every year
- Once every year

Result of Engagement

Besides releasing irregular financial and business information in announcement or press release, we disclose them on our website in the form of PPT report each quarter.

For more details, please refer to the following chapters.

- > Corporate Governance
- > Financial Performance




The Government

Minimum requirement of corporate operation is to meet government regulations, Qisda establishes control system and ensure our business meet related requirements via audit measures

Topics cared by Government Agencies

- Legal Compliance
- Environmental Protection
- Labor Rights
- Corporate Governance

Communication Channel

- Random check
- Visit
- Official document
- Labor check

Frequency

- Irregularly
- Irregularly
- Irregularly
- Irregularly

Result of Engagement

Around 10 communication rounds (including random check, visit, official document, labor check) for issues such as environmental safety hygiene and human resources

For more details, please refer to the following chapters.

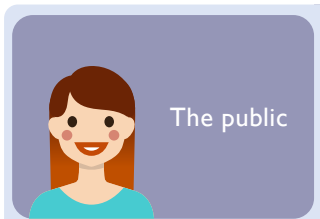
- > Corporate Governance
- > Legal Compliance
- > Human Rights
- > Green Operation



Qisda operation description: <https://www.qisda.com/page.aspx?uid=98>



Stakeholder's Communication Channels



The public

Qisda starts from the spirit of core value "care and devotion", combine employees' caring with our competitiveness in realizing our feedbacks to the society.

Cooperate with various care plans and employee voluntary activities, realizing feedbacks of the company to the society

Topics cared by **Environmental Protection Groups**

- Social care and charitable activities

Communication Channel

- Phone / Email
- Volunteer service

Frequency

- Irregularly
- Irregularly

Topics cared by **Agencies/Organizations**

- Social care and charitable activities

Communication Channel

- Corporate Website
- Volunteer service

Frequency

- Irregularly
- Irregularly

Topics cared by **Media**

- Corporate Financial Information
- Business Operation Status
- Care for the Society & Public Welfare Activities

Communication Channel

- Corporate website
- Corporate report
- Operational briefing
- Press release
- Irregular press conference
- Irregular media visit
- Irregular press release announcement

Frequency

- Irregularly
- Once every year
- Once every quarter
- Irregularly
- Irregularly
- Irregularly

Topics cared by **Other**

- Social care and charitable activities
- Environmental issue

Communication Channel

- Corporate website
- Media news
- Internal/external communication

Frequency

- Irregularly
- Irregularly
- Irregularly

Result of Engagement

1. Besides releasing irregular financial and business information in announcement or press release, we disclose them on our website in the form of PPT report each quarter.
2. Total employee participation of charitable activities reached **3,046** hours.
3. In 2020, there were **22** fund-raising activities and **12** units received donation, assisted social welfare organizations to hold **22** caring activities

For more details, please refer to the following chapters.

- > Goodwill for the Earth, Love for the Society
- > Green Operation
- > Financial Performance





Suppliers

We establish with suppliers a supply chain that protects environment, human right, is safe, healthy and sustainable with a responsible and active attitude

Topics cared by Suppliers

- Supplier CSR
- Conflict metals
- I4064-I GHG check

Communication Channel

- Supplier social responsibility and environmental safety hygiene investigations
- Internal course
- Phone/Email
- Green Product Management System (GPMS)
- On-site audit

Frequency

- Once every year
- Irregularly
- Irregularly
- Irregularly
- Irregularly

Result of Engagement

1. New supplier investigation rate of environment, human right moral and labor right reached 100%
2. Up until the end of 2020, key supplier paper investigation and on-site audit investigation completion rate reached **73.6%**.

For more details, please refer to the following chapters.

- > Supply Chain Management










Qisda operation description: <https://www.qisda.com/page.aspx?uid=98>



Table of Material Topics

● Exceed Goal ◎ Reached ○ Not-Reached

No	Category	Material Topic	Meaning to Qisda	Boundary			GRI Disclosure	Corresponding Chapter
				Inside	Outside Customer	Supplier		
1	Economy/ Governance	 Legal and Compliance	Qisda's offices are around the world. To ensure the company and employees follow global regulations when performing business, we constantly follow up on any policies and regulations that may impact our business while compiling related compliance regulations and promote them.	●	●		102-2.206-1.307-1. 417-2.417-3.419-1	Legal Compliance
2	Economy/ Governance	 Quality Management	Qisda prioritizes improving customer and partner satisfaction, promise the satisfaction of product quality to continue design and manufacture products meeting regulations and customer requirements.	●	●	●	No correspondence, Qisda compiles disclosure item Qisda-1	Quality/Product Health and Safety
3	Economy/ Governance	 Sustainable Strategy	The purpose of a company to exist is to create value, a sustainable value, to devote efforts to the human society to deliver a positive impact.	●	●	●	No correspondence, Qisda compiles disclosure item Qisda-2	Qisda CSD
4	Economy/ Governance	 Code of conduct	In order to avoid the distrust by the business partners resulting from unethical conduct, the poor ethics of the employees, and loss to the Company, Qisda has established related bylaws to make sure that all the employees follow the highest standards of conduct during business activities.	●	●		102-16.17	Corporate governance operation Code of conduct
5	Society	 Customer privacy protection	If a customer privacy breach occurs, customer loyalty and satisfaction may decrease, the business and reputation may be impacted negatively, and the Company may even face legal proceedings. Thus, it is Qisda's promise to the customers that their privacy is surely respected and protected.	●	●		418-1	Customer privacy protection
6	Society	 Human Right	To fulfill CSR and preserve labor human rights, Qisda declares it protects employee rights while meeting local labor regulations and international guidelines in human right management.	●	●	●	406-1.407-1.408-1. 409-1.410-1.411-1. 412-1.412-2	Build Green Supply Chain Human Right Management

● Exceed Goal ○ Reached ○ Not-Reached











No	Category	Material Topic	Meaning to Qisda	Boundary			GRI Disclosure	Corresponding Chapter
				Inside	Outside			
				Customer	Supplier			
7	Society	 Employee Salary and Bonus	With the concept of building a happy and healthy workplace, planning various fair employee welfare for employees to experience a diversified/fair workplace environment and happy corporate culture	●			102-35~39.201-3. 202-1.401-2.405-2	Corporate Governance Operational Status Employee Welfare
8	Society	 Labor/Management Relationship	To maintain the fair labor/management relationship between company and employees, internally creating a smooth communication channel for employees to instantly understand company messages while encouraging to offer suggestions on overall corporate operations and developments for the management team to refer to	●			102-41	Establish Smooth and Fair Labor/Management Communication Channel and Relationship
9	Environment	 Waste Management	Qisda adopts source management to strategically manage wastes and manage from the source via continuous energy-saving, waste-reduction activities, actively realizing energy recycling categorization, drastically reducing waste generation while adding recycling volume to reach the goal of waste reduction	●			306-2.4	Waste Management
10	Environment	 GHG and energy management	Qisda requires that green design be included in the beginning of the product R&D to assess the potential environmental impact and risks caused by the designed products/components in different phases of the life cycle, reducing the environmental impact from the very beginning of the design.	●	●		302-5.417-1	Green product
11	Environment	 Water Resource Management	The products produced at Qisda's manufacturing sites do not generate wastewater, only domestic sewage, each site has actively focused on the tap water usage condition since 2011, using CSD to manage	●			303-1(2018, 306-5:2016) 303-2(2018) 303-3(2018, 303-1:2016) 303-4(2018, 306-1:2016) 303-5(2018).	Water Resource Management
12	Environment	 Ecological Design	Qisda ascertains the R&D initial phase of its products to have green design thinking to evaluate the possible impacts and risks of designed products/components during each phase of life cycle, reduce environmental impact at the source of design	●	●		302-5.417-1	Green Product

Table of Material Topics

● Exceed Goal ○ Reached ○ Not-Reached

No	Category	Material Topic	Meaning to Qisda	Boundary			GRI Disclosure	Corresponding Chapter
				Inside	Outside Customer	Supplier		
13	Health and Safety	 Product Health and Safety	Qisda strives to promote various management system regulations to design and manufacture products meeting demands of customer's health and safety.	●	●		403-3.6.10(2018)	Employee Health Management
14	Health and Safety	 Overwork	Employee is Qisda's important asset, it cares about employee's physical/mental health, regularly performs health check, tracking high-risk groups, hosting regular health forums and activities, launching employee work life index questionnaire to control more their stress index status	●			No correspondence, Qisda compiles disclosure item Qisda-4	Employee Health Management
15	Health and Safety	 Occupational Disaster Management	Via sound Social Responsibility and Environmental Safety Hygiene Management Committee in promoting occupational safety hygiene matters, each employee can safely finish various tasks and realize executing various requirements of safety, hygiene and health	●			403-1.2.7.9(2018)	Employee Health Management Safety & Health Management
16	Health and Safety	 Chemicals management	To prevent the health and safety of employees and the environment from being threatened or impacted by any chemical solvent leakage, chemicals management is the great focus for ESH in Qisda.	●	●	●	403-9.10(2018)	Safety & Health Management

Distribution of Material Topics





Realize Corporate Governance

Commitment and Management Strategy

Corporate governance is the base of corporate operation. Qisda strives to realize the disclosure of corporate governance information, improve management performance transparency while its operational guidelines are optimizing current business operations, rapidly expanding medical business, speeding up solution development and deploying key components to continually improve revenues. In operation, it controls risks via lowering risks and improving risk response abilities. Meanwhile, it continues to promote and audit organizational activities according to domestic and international regulations to achieve a healthy organizational development and protect benefits of interest parties.

Future Outlook

We promote transformation with four operational guidelines and expand territory in alliances while using current governance ability to offer affiliates resources as well as coach and strengthen their related management abilities so that the group can grow together and have synergy.

Key Points of the Chapter

Corporate Governance		
Financial Performance	SDG 3	SDG 8
Code of Conduct	SDG 16	
Risk Management	SDG 11	
Information Security		
Legal Compliance	SDG 5	SDG 16

Material topics concerned by stakeholders

According to the identification of material topics, please refer to "Stakeholder Engagement."

(P30)

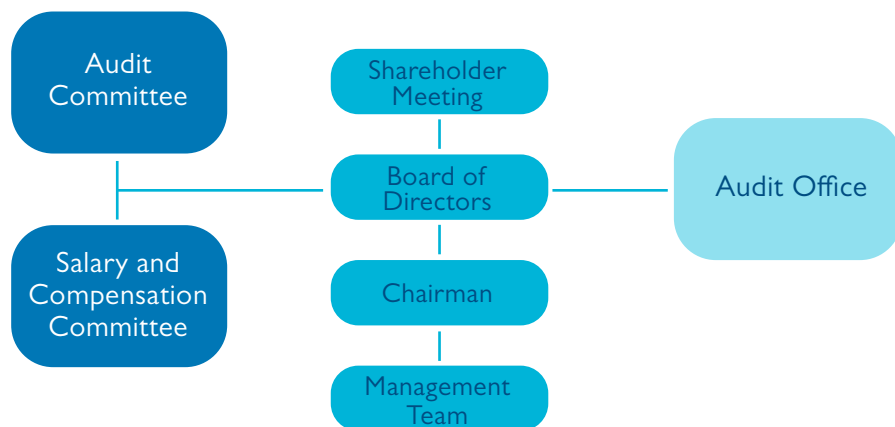
Corporate Governance



Corporate Governance Organizational Structure

Qisda compiles corporate governance structure and executional matters according to the Company Act, Securities and Exchange Act of ROC and other related regulations. Our corporate governance model is divided into three units: meeting of boards of directors, Audit Committee and Compensation Committee. The last two units consist of all independent directors while all directors (including independent directors) are voted by shareholders. The corporate governance organizational structure is as follows:

The Organizational Structure of Qisda Corporate Governance



Maintaining shareholders' rights has always been one of the emphasis of Qisda. The company started electronic voting system since the shareholder's meeting in 2012 and launched by-case voting for the meeting's agenda to raise the percentage of shareholders attending the meeting to ensure they execute their rights at the meeting in a legal way. At the meeting, we also actively describe the company's operational and financial overview to

Board Members

Title	Name*,**	Gender	Age
Chairman	Peter Chen	Male	Over 50
Honorary Chairman	KY Lee	Male	Over 50
Director	Paul SL Peng, representative of AU Optronics (AUO)	Male	Over 50
Director	Joe Huang, representative of BenQ Foundation	Male	Over 50
Independent Director	Allen Fan	Male	Over 50
Independent Director	Yen, Lou-Yu	Male	Over 50
Independent Director	Hsu, Chueh-Min	Male	Over 50

the shareholders and accept their inquiries. Besides possessing a management team consisting of experienced professional managers, our board of directors also possess necessary knowledge, technique and core competencies required by such positions and we strive to optimize shareholders' rights.

Our Articles of Incorporation rules that for electing board of directors, the nomination system is required. Also, the 20th clause of our Corporate Governance Principles rules that we should consider the element of diversification for the members of board of directors. The number of directors holding concurrent position of company managers should not

Annual Report available at Qisda corporate website:
<https://www.qisda.com/page.aspx?uid=94>



* The academic, working backgrounds, terms of office, concurrent posts at other companies, attendance rate, controlling shareholders of company's members of board of directors meeting are all disclosed at the corporate governance chapter of our annual report.
 ** The three directors of the board from Qisda (Suzhou) Co., Ltd, the 100%-owned subsidiary of our company, are all appointed by Qisda and the board of directors meeting is guided by optimizing shareholders' rights, meeting local regulations and actual needs to operate normally.

exceed one third of overall number of directors while the company should compile a diversified policy according to the operations, business type and development needs. There are seven directors (including three independent directors) and they are all males over 50 years' old. The chairman is elected by the directors who all have over five years of working experiences relating to business, legal, financial, accounting or corporate operations. We appoint them and the management team members to continue studying further on issues regarding economy, environment, social, etc. to enhance related knowledge of our highest corporate governance unit. The status of the further study is disclosed in the chapter for corporate governance in our annual report.

Corporate Governance Status

Qisda's Board of Directors considers company and shareholder interests as top priorities in performing operational evaluations and passing significant resolutions. The Audit Committee fulfills an overseeing role through prudent and meticulous supervision over the operations of the company and the Board of Directors.

1

Board of Directors Meeting Operational Status

According to the 8th item under the third part of the 26th clause of the Securities and Exchange Act, Qisda compiles the "Rules of Procedure of the Board of Directors" and related matters all follow the rules. We hold the board of directors meeting at least once a quarter. The members all follow the guidance of optimizing shareholders' rights, fulfilling their duties with duty of care and be faithful in a highly self-disciplinary and careful attitude to make business evaluation and major decisions. In 2020, the attendance rate was 100%. All members participated in all



For more information, please refer to "Employee Salary and Pension"

(P72)



the meetings. Our board of directors meeting passed the "Rules for Performance Evaluation of Board of Directors" in 2018, ruling that the meeting should perform performance evaluation of the members at least once a year. We finished evaluation at the end of 2020 and convened the meeting in March, 2021 to report the results, with completion rate of over 98%. The overall operational efficiency of the meeting is fair while we will perform the first external performance evaluation in 2021 to further realize corporate governance.

2

Audit Committee Operational Status

We follow the Securities and Exchange Act and the decisions of the shareholders' meeting to appoint independent directors and Audit Committee in 2008 while the board of directors meeting stipulated the "Audit Committee Charter." The committee mainly plays the role of auditing, inspecting the status of the company and board of directors meeting in performing business with a strict attitude. The committee convenes at least once a quarter to discuss. At the meeting, accountant, internal audit, risk management, legal and financial units report to the members of the committee about the most recent financial report audit status, internal audit results, major lawsuits, financial and business overview, etc. Therefore, they enable the members to help investors to ensure the trustworthiness of corporate governance and information transparency to protect shareholders' rights.



For more information, please refer to "Qisda's CSR"

(P18)

3

Compensation Committee Operational Status

We finish implementing the Compensation Committee in 2011 while the board of directors meeting stipulated the "Compensation Committee Charter" to strengthen corporate governance as well as the compensation system for directors and managers. The committee convenes at least twice a year and will have temporary meetings according to needs. The committee performs related duties with duty of care and follow the law while offering suggestions to the board of directors meeting to discuss. To enable the members to understand more related regulations and actual operational status of the company, we arrange meetings to report to the members about related regulations and compensation status of high-level executives. Meanwhile, considering industrial risks as well as situations such as the duties and operational scale of the owner, directors and independent directors of the company, under the principle of power and duty corresponding as well as reasonable basic compensation, the appointment of compensation for employees and directors are agreed by the Compensation Committee and board of directors meeting while reporting to the shareholders' meeting to be used as the method of evaluating the managing performance of the company's top management. Related information of compensation of our high-level management team such as the board of directors meeting and managers are also appropriately disclosed in the annual report for all interest parties to fully understand the connection between the compensation of high-level executives and corporate operational performances.

4

CSD Committee Operational Status

Qisda stipulated related regulations such as "Corporate Governance Best Practice Principles", Corporate Social Responsibility Principles", "Ethical Corporate Management Best Practice Principles" and "Code of Business Conduct and Ethics for the Board of Directors and Managers" while authorizing the CSD Committee to be responsible for CSR policies, systems or related management guidelines as well as the offering and execution of concrete promotional plans. In 2015, we also started regularly reporting to the board of directors meeting each year for the CSR and ethical operations performing status of the year to communicate with the directors about related issues. Our CSR activities are audited and managed by Peter Chen, chairman and president of Qisda as well as the chairman of the CSD Committee, for the corporate sustainable operational activity promotions.

Conflict of Interest Avoidance Management

Qisda elects the chairman of its board of directors meeting according to the third item of the 208th clause of the Company Act and Peter Chen, chairman of Qisda, holds the post. He is also the president of the company. When discussing or voting for agenda at the meeting, for avoiding conflict of interest as a director about the company's benefits, he doesn't participate in related actions according to the second item of the 206th clause and the conflict of interest avoidance of the 178th clause. When necessary, the chairman will appoint another director to serve as the chairman of the meeting. If there is a conflict of interest, we disclose it at the corporate governance chapter of our annual report according to regulations.



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<https://www.qisda.com/page.aspx?uid=94>





2020 Management Key Points and 2021 Plans

Improve the corporate governance evaluation score of Qisda under Taiwan Stock Exchange (TSE), participating in related activities of corporate governance, planning for external performance evaluation for the board of directors meeting in 2021

Internal Audit Mechanism

For the operational procedures of daily operational activities, we design an appropriate internal control mechanism for operations with corruption, compliance and operational risk potentials. The Risk Management Committee (RMC) is responsible for identifying corruption

risk, the human resource department is responsible for training while audit is to verify the realization and establishment of related mechanisms to reduce potential risks of corruption, compliance and operations while preventing them from happening. The audit unit regularly evaluates the management results of the internal control mechanism and collect suggestions of high-level executives from each department on potential risks (including fraud and corruption) while compiling an appropriate audit plan as the reference for related check. It will regularly report to the Audit Committee and board of directors meeting each year about the result for the management team to understand the current situation of corporate governance to achieve the end of management. Also, we launch internal control risk evaluation and audit regularly for the two operational sites in both Taiwan and Suzhou (China) including three major issues: financial reports, purchasing operations and sales operations. There were no major corruption risks and incidents. In 2020, we strengthened auditing according to major regulations to meet compliance demand.


The Process of Internal Audit




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<https://www.qisda.com/page.aspx?uid=94>



Financial Performance

- Four operational guidances: optimize current business operations, rapid expansion of medical business, speed up solution development, deploy key components
- Consolidated revenue hit a new record high with a growth rate of **13.8%**.



2020 Management Key Points and 2021 Plans

Continue to explore medical, solution business opportunities with joint fleet strategy, deliver supply chain synergy with key component investments starting.

In 2020, consolidated revenues reached NT\$191.7billion, consolidated operational profits were NT\$6.6 billion, consolidated net profits were NT\$6.4 billion. Net profits attributable to parent company were NT\$5.0 billion, with net EPS of NT\$2.54.

For 2021, although there are elements of uncertainties such as US-China Trade War and COVID-10, there are long-term opportunities such as improving automation and speeding up digital transformation. Qisda will continue to focus on four operational directions, expecting to further improve itself and create long-term values. The plans are as follows:

Recently, Qisda actively transformed itself. With the core of group resource platform, it worked with hidden champions to form a joint fleet. This concept has been recognized by various publicly-listed companies in Taiwan and they have joined us. Therefore, amid uncertainties such as rapid industrial changes, display and projector demand declines and heated global trade war, Qisda's consolidated revenues could still break record for the third consecutive year. The share of the highly value-added new business in terms of revenue reached up to 28% and continuously marched toward the goal of a share more than half of the total revenue. In 2020, we strove to expand business territory in the four operational guidelines:

1


Optimize Current Business Operations


2020 Results

The two major product lines are display and projector. They continued to obtain steady results and leading positions. The display segment outperformed the overall industry and ranked second in the world. We continued to migrate to high-end, high-ASP, professional display and medical display. The projector segment kept its global leadership, ranking top in the DLP segment and we are the only Taiwan-based manufacturer having DLP and LCD projection technologies.

2021 Plans

We will continue to strengthen our global leading positions for displays and projectors, with products migrating to high-end, high-resolution and high-value applications.

 Annual Report available at Qisda corporate website: <https://www.qisda.com/page.aspx?uid=94>

 Financial Report available at Qisda corporate website: <https://www.qisda.com/page.aspx?uid=92>



2

Rapid Expansion of Medical Business

2020
Results

The two hospitals in Suzhou and Nanjing had good revenue in 2020. As for medical devices and extension of sales channels, our Suzhou BenQ Medical Center acquired the JCI certificate and implements hospital management pursuant to international high standards. Its importance in protecting the health of local people is manifested significantly during the pandemic. As for medical devices and extension of sales channels, investment for the dialysis business in Golden Spirit, E.Strong and Indonesian Frismed was made in 2020 to provide one-stop services in the manufacturing and sales channel of dialyzers, dialysis solution, and disinfectant. The bedside care market is developed continuously with our internally developed and manufactured portable supersonic devices. Deployment of digital dental services is another focus of development. We also make more effort to set up channels for hearing devices to meet the demands of the senior population and take care of the health of the general public.

2021
Plans

BenQ Medical Centers will keep aiming to become the top China-based private-owned hospitals. Our medical equipment business will prioritize channel deployment, with focus areas of Asia and emerging countries. We will also develop in-house product technologies such as ultrasound, hemodialysis apparatus and intraoral scanner. Meanwhile, we will integrate group resources to develop medical equipment, medical consumables, digital dentistry integration system and smart dialysis system while expanding medical industry alliances via win-win merger or strategic partnership cooperation models.

3

Rapid Expansion of Medical Business

2020
Results

To provide more complete IT (Information Technology) and OT (Operational Technology) deployment, we march toward the goal of becoming a total software and hardware service system integration provider. The consolidated revenue from intelligent solutions in 2020 was NT\$25 billion. Qisda continuously serves six intelligent vertical markets. To meet the non-contact cloud transformation demands, we worked with National Cheng Kung University to build a campus security operation center, satisfied the intelligent long-term care requirements with the joint care management system, and assisted chain stores in creating a headquarters management platform with a comprehensive panoramic view for decision makers.

2021
Plans

We will continue to horizontally integrate the internal technologies and channels for our smart business to meet various vertical market demands while more keenly integrating those already invested such as DFI, Partner Tech and Apex Technology Inc. to deliver a business synergy, connecting with Sysagein the IT field, with Ace Pillar in the OT field for its top international agent brands such as Cisco, Citrix, DELL(EMC), IBM, Oracle, Redhat, SAP and VMware, offering customers with the best smart solution and assisting them to realize digital transformation.

4

Rapid Expansion of Medical Business

2020
Results

In consideration of the increased importance of the network communication in the future technology life, we increased the shareholding in Alpha Networks in 2020 to provide total broadband services integrated with wired and wireless networks through our subsidiaries Alpha Networks, Hitron Technologies, and IDT.

2021
Plans

We base on current demand and navigate according to future demand to continue scan and seek cooperation opportunities.

For Qisda's five-year operational results until 2020, please refer to the following table, which already is disclosed at the financial overview chapter of our annual report. Also, the consolidated financial reports of our company consists consolidated and unconsolidated results, which are disclosed at the 2020 financial reports of our company. Qisda's historical capital increase or investments such as for equipment and R&D received tax incentives such as tax-free or investment allowances in a legal manner. For details, please refer to the income tax chapter of our 2020 financial reports.

Qisda Operational Performances for the Past Five Years*

Consolidated Income Statement-IFRS

Unit: NT\$ Million

Item	Year	Financial Information for the past 5 Years				
		2020	2019	2018	2017	2016
Revenues		191,702	169,754	155,783	136,862	129,554
Gross Profits		26,827	23,050	19,243	12,053	16,203
Operational Profits		6,613	6,228	4,576	3,401	4,487
Net Profits Attributable to Parent Company		4,988	3,575	4,035	5,291	4,342
Net EPS (NT\$)		2.54	1.82	2.05	2.69	1.10

Qisda Taiwan Parent Company Economic Value Distribution

Item	Amount	Note
A. Direct Economic Value Generated		
a Revenues	NT\$ 92.4 B	
B. Economic Value Distributed		
b Operating Costs	NT\$ 87.4 B	
c Employee Wages and Benefits	NT\$ 3.19 B	Salary
d Payments to Providers of Capital	NT\$ 1.83 B	Interest expense NT\$350M, dividends for shareholders NT\$1.48B
e Payments to Government by Country	NT\$ 120 M	Income tax
f Community Investments	NA	
Economic Value Retained=A-b		
Total	NT\$ 5.0 B	

* Consolidated income statement adopting IFRS; this table includes all consolidated entities of our consolidated financial reports.

Code of Conduct



- 0 corruption incident
- 100% employee code of conduct training



2020 Management Key Points and 2021 Plans

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

Management Approach of Material Topic

Code of Conduct

● Exceed Goal ○ Reached ○ Not-Reached

Major Interest Target

Customer, supplier, community, employee

2020 Management Goal

100%
employee code of conduct training

2020 Goal Reaching Status

100% | ○

2021 Management Goal

100%
employee code of conduct training

management approach

Duty

HR Center

Resource

1. Cross-departmental cooperation to execute projects
2. Social Responsibility and Environmental, Safety and Health Management Committee

Action

1. Conduct online training on the code of conduct every year
2. Establish a code of conduct and publish it on the internal website

Evaluation

Report and review KPIs each quarter at Social Responsibility and Environmental, Safety and Health Management Committee

Ethical operation is the most basic social responsibility of a company. It is beneficial for corporate operations and long-term developments. Unethical matters may not only cause corporate losses, but bring about issues such as low moral standard of employees and distrust between the company and customers as well as business partners. Also, this may lead the company to be involved with illegal behaviors such as lobbying and bribery, thereby damaging corporate governance mechanism and causing overall operational environment to deteriorate. To incorporate the corporate mission of "Treat customers, suppliers, creditors, shareholders, employees and the society with an ethical attitude" into its core corporate culture, Qisda passed the "Code of Business Conduct and Ethics for the Board of Directors and Managers" and "Ethical Corporate Management Best Practice Principles" by its board of directors meeting in May, 2015. The meeting audited and passed the new version of the "Ethical Principles". We revised our "Ethical Corporate Management Best-Practice Principles" in November 2020 upon request of Taiwan Stock Exchange, and serve as the reference of all employees' conduct.

Qisda's ethical principles rule items include ethical behavior, anti-corruption, discrimination and harassment, antitrust, intellectual property (IP) rights, data protection and political participation. Each item has a clear code of conduct for all corporate members to refer to as the highest code of conduct for their business activities.



- For details of identifying major topics, please refer to "Stakeholder Engagement" (P30)
- For details of management guidelines of "Code of Conduct", please refer to this chapter.

Code of Conduct Training

Qisda's code of conduct is disclosed at the homepage of the company's intranet. Before arrivals of important holidays such as Chinese New Year, Dragon Boat Festival and Mid-Autumn Festival or at other necessary timings, we also deliver promotion of code of conduct such as "Do Not Receive External Gifts" in E-newsletter format to employees' email boxes to remind and strengthen code of conduct thinking. When joining the company, each new comer will learn about code of conduct principles at the Win Camp.

Code of Conduct Training Percentages*



* In the fourth quarter of 2020, the company delivered and communicated with employees about code of conduct content with the form of training, 4,198 employees participated (indirect: 3,846, direct: 352); operators in Suzhou (China) already received related trainings when they joined the company under the labor agreement course; therefore, they were not included in the statistics of the number of trainees.

At the New Comer Program, we also deliver corporate culture and related regulations to ensure they fully understand. For current employees, we perform online trainings for code of conduct (including those for anti-corruption). The completion rate of the trainings for 2020 are as follows. Under the execution and promotion of code of conduct, there were no anti-ethical matters in 2020.

Besides ethical communication and training, we started regularly sending anti-corruption promotional letters to members of board of directors (currently seven members) each year in 2014. Anti-corruption clauses have been added to the contracts entered into with our business partners. About 2,369 partners were involved up to 2020. In addition, we send a letter of "Qisda Ethics Promotion" to our suppliers on a regular basis. The letter was sent to about 1,194 suppliers in 2020 to achieve our goal of zero corruption incidents.

Report and Suggestion Communication Mechanism

The company compiled the "Report Channel and Investigation Procedure" while setting up the President's Mailbox and announcing that on our website. For serious inappropriate behaviors such as violating principles of integrity, interest conflict and avoidance, fair trade, bribery and illegal payments or any illegal and mistreatment behaviors, we have a complete set of reporting, suggesting and communicating operational flow. Once we discover people or matters that do not comply with the integrity spirit or violate regulations of the code of integrity, employees can deliver the messages directly to the president via the President's Mailbox to be processed by the top management team; employees and external sources (such as suppliers, customers or other interest parties) can also report or appeal via the integrity mailbox: Integrity@Qisda.com (using Chinese, English or other local languages) for the responsible units to launch investigations and compile the investigation reports. Once the facts are confirmed, they are handed over to the Personnel Evaluation Committee to deal with. Qisda strictly guarantees the confidentiality of the whistle-blower, making sure his/her safety and protect his/her from revenge. In 2019, there were no reports of the kind.



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



Risk Management



Qisda's risk management focuses on the operation of Risk Management System (RMS) and major risk transference planning, stipulating the risk management vision and policy, setting the management goals and performance indicators to keep tracking for effective management of risks exceeding the tolerance limit of our company. We also employ management tools to ensure we optimize risk management costs. With the core being the RMC, we manage the four aspects of risks-strategy, finance, operation and hazard.

I. Risk Management Operations

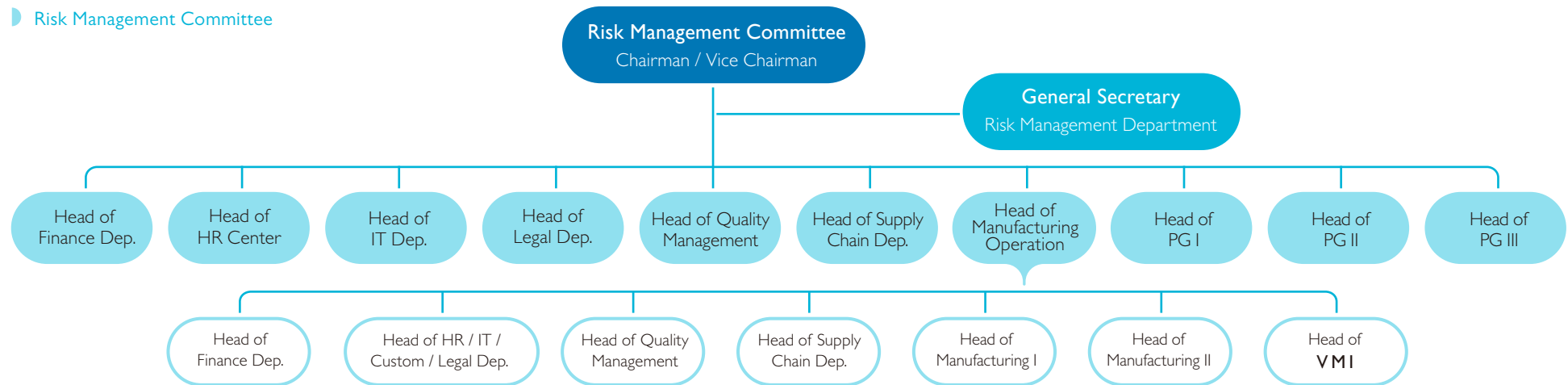
We host RMC meetings each quarter to track the goal-reaching status of risk management and the execution status of improvement plans. We simulate various major risk scenarios, compiling corresponding BCPs with constant updating of risk scenarios and drills, we ensure our operations can be continually operating when receiving impacts. The BCMS covers the whole group, which contains over 140 companies. With regular meeting project discussions, information integrity and practice experience sharing, we integrate the group's damage

prevention resources, strengthen the group's emergency response ability, reaching the goal of risk control.

II. RMC Organization and Structure

Qisda's RMC was established in June, 2005 and is chaired by our president while top-level executives are members who are responsible for deciding on Qisda's risk management strategies, setting annual goals and risk performance indicators. We also appoint an executive secretary held by the Risk Management Office, which is responsible for staying up to date for internal/external incidents while identifying potential risks, deploying and planning risk management meetings, tracking risk goals, managing project-reaching status; each unit identifies high-risk items, offers concrete improvement plans for risks and effectively control risks via risk self-evaluation reports, while the members report at the regular meetings of the RMC. The operations of the RMC are audited by the Audit Committee/board of directors meeting and the committee reports at the Audit Committee each year.

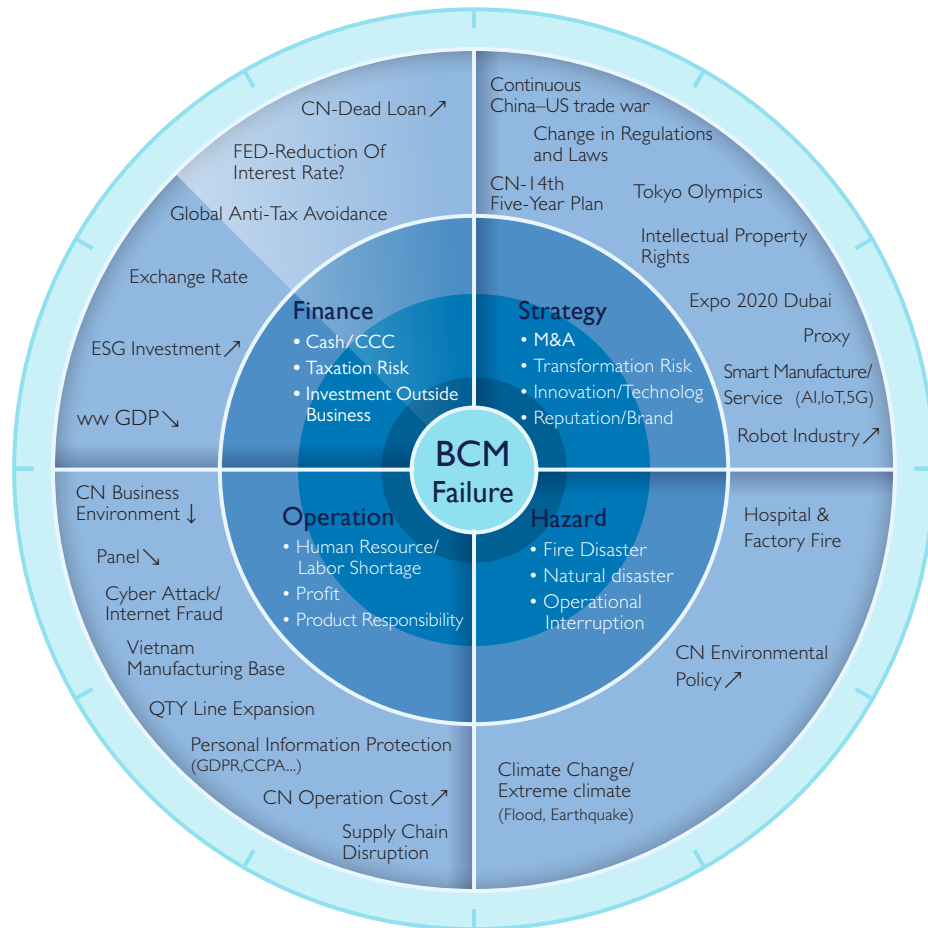
Risk Management Committee





Risk Kit Preparation Rate **84%**

2020 Qisda Risk Management Radar



Response and Management for Qisda's Major Risks in 2019

At the beginning of 2020, the infectious disease response plan was launched before the Chinese lunar new year to cope with COVID-19 to confirm the situations and the tasks of each department. A temporary RMC pandemic prevention meeting was held right after the Company went into operation to decide on the response strategies and integrate the Group's resources depending on the development of the pandemic. Hence, we retained 50% of manpower after the local governments in Mainland China started the border control. The production lines were not suspended and both the work resumption and employee return rates were better than other companies in the industry. This good performance was recognized by the customers.

Qisda defines risks as various events that affect the continuity of our business and reaching of our goals. they can be divided into four kinds: strategy, operation, finance and hazard. Each considers internal/external issues and we draw a risk radar spectrum of graph to manage. In 2020, we hosted fifty five RMC meetings, including four regular meetings and fifty one temporary meetings (overseas sites convened their own ones).

At the regular meetings, we ensure the goal can be reached and organization can continue its operation with Key Risk Indicator (KRI) tracking management. At the meetings, we also review local/overseas major issues, regulation changes, abnormal events, etc. and offer effective response measures.

III. Business Continuity Management System (BCMS)

I. Business Continuity Management Policy (BCMP)

The RMC defines major risks, simulating risk scenarios and evaluate impacts on the organization's operations. It creates corresponding BCPs according to the risk scenario to ensure we can lower impacts and resume operations as soon as possible when risks occur.

Qisda's risk management is centered on three major shafts: before the incident (identify and prevent); during the incident (control and mitigate losses); after the incident (recover and



For All Identified Risks and Opportunities of Climage Changes, Please Refer to The "Cimate Change and Carbon Management Chapter."

(P94)

transfer). These are the core foundation of Enterprise Risk Management (ERM) structure and BCMS.

2. Business Continuity Management Executional Results

Starting from 2014, Qisda gradually updated and established BCPs for different scenarios according to international trends, regulation requirements, internal product line changes and adjustments as well as focused issues of customers.

BCP mostly responds to emergency and major risk incidents. To improve employees' familiarity of executions of plans, we regularly perform BCP drills. We upgrade their risk awareness and

response abilities with sand table scenario planning and repeated operations of response measures under various simulated scenarios. When risk incidents occur, they can swiftly respond and perform the actions, reaching the goal of rapidly resuming operations.

The operations of BCMS is based on the spirit of management system PDCA. We set goals each year, identify major issues, offer management guidelines, track executional performance, renew procedure documents and arrange trainings as well as drills to meet the goal and spirit of management system. All BCMPs are collected in the "Crisis Management Manual", serving as the major guiding principles of the company when major impact incidents occur.

► The Structure of Qisda Corporate Risk Management and Business Continuity Management





2020 Management Key Points

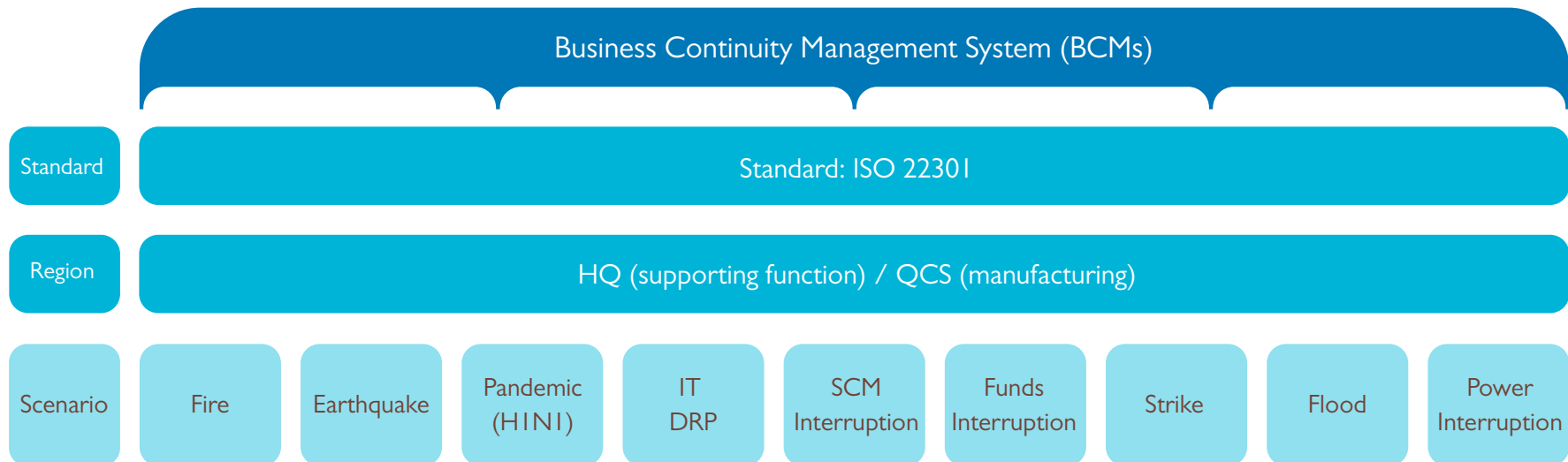
In 2020, by following the BCP in the circumstance of potential infection and making use of the powerful strength of the Group, we collectively purchased pandemic prevention suppliers from other countries to support our subsidiaries in Mainland China. The manpower of the subsidiaries there was dispatched and supported under coordination. The predefined solutions of working in different regions, at different times and from home on a large scale were deployed in advance.

In 2020, Qisda introduced disaster recovery flow and emergency response plans into its group companies. With educational training and drill operation to establish the companies' abilities in swiftly responding and processing when crisis incidents occur. The mechanism of information, message and experience-sharing also enabled them to fulfill prevention management before risk incidents occur to lower risk-occurrence probabilities from the source. In 2020, Qisda held 10 regular meetings and conducted the ESH risk inventory at the Group level and launched the natural disaster risk assessment project in the Taiwan Area. We minimized the disasters and the risk of their impact on the business operation by establishing a foundation base, implementing improvements, and enhancing the overall operational strength of the Group.

IV. Group Defense Mechanism

We center on Qisda and establish a joint defense mechanism of over 170 companies. We also convene regular meetings, establish report channels, set up information exchange platform, integrate group resources and bring the group power spirit into full play.

Qisda BCMs Framework



Information Security

Management Approach of Material Topic



- For details of identifying major topics, please refer to "Stakeholder Engagement" (P30)
- For details of management guidelines of "Information Security", please refer to this chapter.



Information Security Policy

To ensure the confidentiality, integrity, availability and compliance of our information assets (hardware, software, data, document and staff relating to information processing) are not compromised by internal and external intentional or accidental threats while considering the business requirements of our company, we refer to the information security international standard ISO 27001 to compile our enterprise information security policy. In addition, we passed ISO 27001 certification and acquired the certificate in August 2020.

Information Security Management Committee (ISMC)

Qisda formed the Information Security Management Committee (ISMC) to be responsible for promoting internal information safety. It effectively protects the safety of our IPs and improves our employees' information safety awareness with information asset regulations and tools. The committee is chaired by our president; our CIO is the vice chairman while top-level executives of each BU are members.

Evaluation of Information Safety and Internet Risks

To appropriately protect activities within Qisda's technology information safety management system, realize related regulations and execute risk evaluation procedure, we effectively lower, transfer and erase risks with process measures such as risk evaluation results and internal meetings deciding on the risk items. Each year, we regularly inspect each regulation while evaluating and adjusting internal information safety regulations to comply with government laws and stay effective while reminding employees of related changes. In supply chain, we ask to sign contracts with third-party service companies, requesting them to follow the regulations of non-disclosure and internet safety. Besides performing basic information security-related trainings when new comers join us, we regularly hold Email social engineering drills, performing educational trainings for related information security knowledge regarding Email delivery and receipt to lower the risk of their clicking

malicious Emails by mistake. Meanwhile, we hold employee online educational programs for information security to improve their information security awareness, ensuring the information security concept can be incorporated into daily operations.

Information Safety Management

Qisda realizes information security policies, protects customer information and company intelligent output, strengthens the coping ability of information security events, reaches information security policy evaluation indicators and meets the expectation of interest parties of our company via establishing the information security management system. Also, with the PDCA (Plan-Do-Check-Act) mechanism, we continued to improve our information security control mechanism. We also introduced Vulnerability Assessment System to regularly perform vulnerability assessment of each system to ensure their safety, avoiding confidential information leakage due to system vulnerability.

Information Security Insurance Arrangement

Since July, 2017, Qisda started having insurance for enterprise information security risk management for insurance claim for related expenses when information security incidents happen (such as business suspension and forensics). This covers subsidiaries to reduce company losses.

Information Security Emergency SOP

During establishing the information security management system, Qisda strengthens internal emergency coping process SOP and drills and will keep simulating various information security attack incident drills while arranging related staff to participate the drills to ensure we can kick off the emergency process when the incident happens, effectively lowering response time and company losses.



Legal Compliance



Conducted internal anti-trust trainings



2020 Management Key Points and 2021 Plans

Continue to cultivate internal/external management mechanism for GDPR (General Data Protection Regulation)

Management Approach of Material Topic

Legal Compliance ● Exceed Goal ◎ Reached ○ Not-Reached	
Major Interest Target	management approach
Customers, Suppliers, Communitie	<p>Duty Legal office</p> <hr/> <p>Resource 1. Cooperation between departments, perform trainings and promotional affairs 2. Introduce external consultancy for emerging compliance issue (GDPR)</p> <hr/> <p>Action 1. Launch compliance trainings and promotions 2. Establish process management mechanism for emerging compliance issue (GDPR)</p> <hr/> <p>Evaluation Launch performance indicator report and inspection each quarter at CSD</p>
2020 Management Goal	
1. Maintain antitrust law compliance plan 2. Execute GDPR compliance plan	
2020 Goal Reaching Status	
Done ◎	
2021 Management Goal	
1. Extend antitrust law compliance promotional plan 2. Execute GDPR compliance plan - Continue tracking implementation status of remaining public versions - Continue focusing on related development trends of personal data protection law in each country	

Qisda compiles related policies and regulations according to regulations of Taiwan and other countries, covering regulations such as personal data protection, confidentiality, anti-bribery, anti-discrimination, environmental protection, IP protection, anti-insider trading, anti-unfair competition and labor protection. We also push CSR. To ensure our internal regulations follow policy advancements, Qisda establishes a control system to ensure our business meet related requirements via audit measures.

All members of Qisda participate in the compliance policy. With cooperation among each department, we improve our executional performances. We ask employees to actively maintain integrity ethics while offering a safe and healthy working environment, prevent pollution and improve labor safety. For product life cycle, we actively lower usage of environmental-related materials to meet environmental-protection regulations and continue reducing impacts on the environment. In 2019, Qisda did not receive any major fines* due to violation of regulations. We also fully realize our internal anti-trust compliance plan including new-comer educational training, E-newsletter delivery, online program training and related poster promotions. Also, to respond to the EU General Data Protection Regulation (GDPR), we already performed response measures such as educational trainings and analysis of regulation impacts of related departments. Our project teams introduced and implemented compliance mechanism such as related management procedure or public version of forms and documents while kept tracking and focusing on personal data protection regulation development trends of each country to fully realize the CSR of personal data protection.

- For details of identifying major topics, please refer to "Stakeholder Engagement" (P30)
 - For details of management guidelines of "Legal Compliance", please refer to this chapter.

* Major fine refers to fine of NT\$2,000,000 and above.



Realize Corporate Governance

Commitment and Management Strategy

As a full-range electronic OEM, Qisda prioritizes customer and supplier relationship maintenance for upstream and downstream value chain management. To protect customers' rights, Qisda is committed to the delivery time, costs, technology, quality, service, related regulations, overall evaluation satisfaction while systematically manages confidential documents to protect customers' privacy; for suppliers, Qisda asks them to follow local regulations, social standards and environmental-protection plans for them to work with Qisda to commit to the environment and society, adding values to products.

Future Outlook

We continued to perform customer and supplier management according to plans. Starting from 2021, we included all HR agency companies and service companies in our factories in our social responsibility and environmental safety hygiene investigations and onsite audit range.

Key Points of the Chapter

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

Material topics concerned by stakeholders

According to the identification of material topics, please refer to "Stakeholder Engagement."


(P30)

Customer Commitment

Qisda prioritizes customer and partner satisfaction and is committed to the delivery time, costs, technology, quality, customer service, related regulations and overall evaluation satisfaction to continue ensuring customers' demand is satisfied. To respond to customers' various demand in time, Qisda forms CSD to fully understand the Voice of Customer, assisting our customers and solving problems.

Customer Commitment





 Average customer satisfaction score of **95**

Customer Satisfaction Survey

Management Approach of Material Topic

Customer Satisfaction		● Exceed Goal ◎ Reached ○ Not-Reached
Major Interest Target	Customer, supplier, community	management approach
2020 Management Goal	Customer satisfaction score: 92	Duty CSD
2020 Goal Reaching Status	Customer satisfaction score: 95 ●	Resource Cross-department cooperation to solve customer doubts
2021 Management Goal	Customer satisfaction score: 92	Action 1. Perform customer satisfaction survey 2. Provide survey results to related departments to provide improvement solutions
		Evaluation Launch performance indicator report and inspection each quarter at CSD Committee

 - For details of identifying major topics, please refer to "Stakeholder Engagement" (P30)
 - For details of management guidelines of "Customer Commitment", please refer to this chapter.

Qisda regularly performs customer satisfaction survey to ensure their demand is understood and satisfied. Qisda performs full-scale customer service satisfaction surveys each January and July. The CSD is responsible for delivering notification Emails to contact windows of customers, inviting them to score at our survey system.

The CSD collects the results and deliver them to related departments. The departments and high-level executives inspect customers' feedbacks according to the survey results to compile improvement countermeasures to improve product and service quality. The following chart displays the satisfaction survey results of customers for each product line in 2020. The average score was 95, showing Qisda had strong recognition from customers in customer service and satisfaction.

2020 Customer Satisfaction Survey Result (Score)



Number of Reports for Loss of Data is 0

Customer Privacy Protection

Management Approach of Material Topic

Customer Privacy Protection		● Exceed Goal ● Reached ○ Not-Reached
Major Interest Target Customer, supplier, community, employee	management approach Duty CSD	
2020 Management Goal Number of reports for loss of data is 0	Resource Combine with information management system, restrict system access/document access authorization	
2020 Goal Reaching Status Number of reports for loss of data is 0 ● Reached	Action 1. Promote and train 2. Set up authorization from the source of information system	
2021 Management Goal Number of reports for loss of data is 0	Evaluation Inspect whether related incidents occur at year-end each year	

- For details of identifying major topics, please refer to "Stakeholder Engagement" (P30)
 - For details of management guidelines of "Customer Privacy Protection", please refer to this chapter.

Customer privacy protection is the common goal of national regulations and corporate policies. For example, should customer privacy is leaked, customer loyalty and satisfaction may suffer while negative influences of business and reputation even serious impacts such as lawsuits may occur. Therefore, during business activities, Qisda is committed to customers to ensure their privacy is respected and protected.

Qisda continues to let employees understand the importance of information safety via internal Email propaganda and e-learning platform. Also, we use authorization restriction for protecting confidential documents. Except for related operational staff, employees not close to related job content should obtain signed permission from direct supervisors to


obtain partial authorization. When downloading a confidential document, the background is marked with Confidential and the name of the person downloading the document in the format of watermark for reminder of the sensitiveness and confidentiality of the document. This is another layer of protection for customer privacy and corporate asset, preventing data from inappropriate copy and leakage. To ensure the effectiveness of current management methods, we regularly verify whether there are any incidents of customers reporting data losses each year. Should there be any, we will launch a full-range review. In 2019, there were no of complaints of data losses, leakage or threats from customers and appeal incidents from audit units.

Customer Privacy Protection Structure



Supply Chain Management



 The local purchase proportion of China reached **75.33%**

A full-range electronic design OEM, Qisda has around 1,171 global suppliers, mainly dividing into three kinds: sales, non-sales⁹ and outsourcing. We set up a supply chain protecting environment, human right, safety, health and sustainable developments with suppliers in a responsible and active attitude. To work more closely with them, Qisda also strives to realize local purchasing to improve the efficiency of material supply and support local economic growth. The local purchasing percentage in China in 2020 reached 75.3%, with that of in Taiwan accounting for 38%.

Supplier Election Procedure

Qisda's supplier election procedure is based on the company's future product trend demand and purchasing strategies. We investigate the production capacity, technical innovation ability as well as management systems including quality and service of potential suppliers and decide whether they meet our needs for future reference of election. When we evaluate a new supplier, we form a team of evaluation consisting of purchase, quality assurance, R&D and component approval units to offer a questionnaire form for various abilities of the supplier; whereas the team will verify the final review results. Only those passing the procedure can become a qualified Qisda supplier and start verification for its new product.

The review covers the following aspects: basic company information, product information, major customers and financial status, related contracts with Qisda for purchasing duties and responsibilities as well as documents of no-hazardous substance control. Also, Qisda revised its online system to meet the "Supplier Election Review Regulation Operational Procedure, adding indicators of environment, human right ethics and labor rights to new supplier review items. Therefore, our new suppliers in 2019 were all selected with environmental and social items.

Supplier Selection and Qualification Procedures



⁹ Suppliers not included for corresponding BOM (Bill of Material)

Supplier Evaluation

After supplies become qualified Qisda suppliers, they still receive regular evaluations. The QISDC evaluation is divided into five aspects: Quality, Innovation/Technology, Speed/Response, Delivery and Cost Leadership. After each evaluation of supplier performance, the result will become an important reference of purchasing strategies; this means purchasing staff will discuss with related departments, establishing a key component strategic supplier list and renewing that half a year. We select strategic companies for each product line for our key component suppliers. Those not listed will be defined as ordinary qualified suppliers. Those selected will be prioritized in usage or increasing volume of purchase.

Supplier Evaluation QISDC Overview

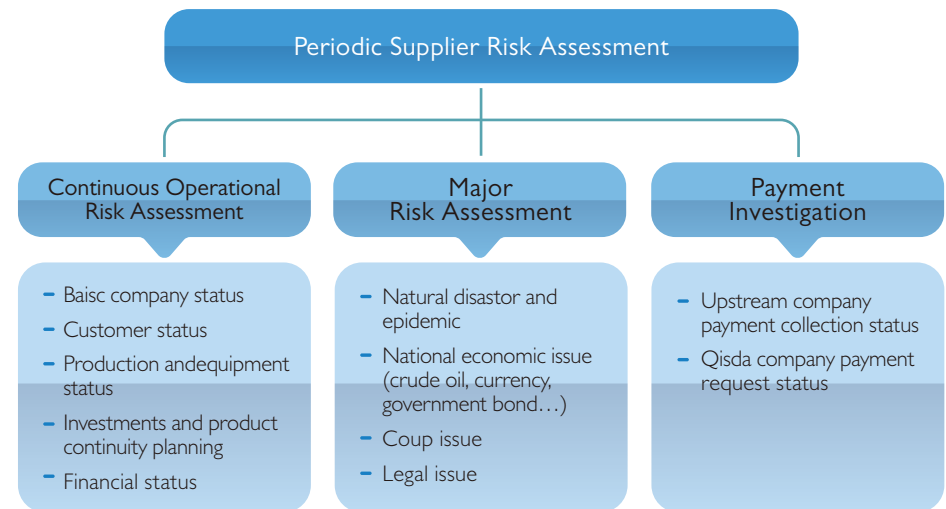


Supply Chain Risk Management

For existing qualified suppliers, Qisda carefully proceeds with supplier risk evaluation. With regular and irregular investigations of operational and financial status while focusing on high-risk groups, we avoid any matters such as shutdown without warning that affects shipments or cause disputes.

According to the Qisda risk management procedure, material risk investigation must be conducted to suppliers whenever a material incident occurs, such as outbreak of COVID-19, lockdown, U.S.–China technology cold war, red supply chain in lieu of Taiwanese companies, disaster caused by strong winds in the U.S.A., no-deal Brexit of the U.K., fire of Unimicron Technology's Guishan Plant, semiconductors and other material in short supply on the market, insufficient containers and soaring prices in the shipping industry, etc. In all these cases, the suppliers in related regions will be investigated and a comprehensive investigation will be conducted to understand their response capability. Or, communication with the suppliers will be conducted to find out appropriate response approaches that can help Qisda take the most suitable preventive measures to avoid any damage to our business or any impact on the rights and interests of the stakeholders.

Supplier Risk Assessment Structure

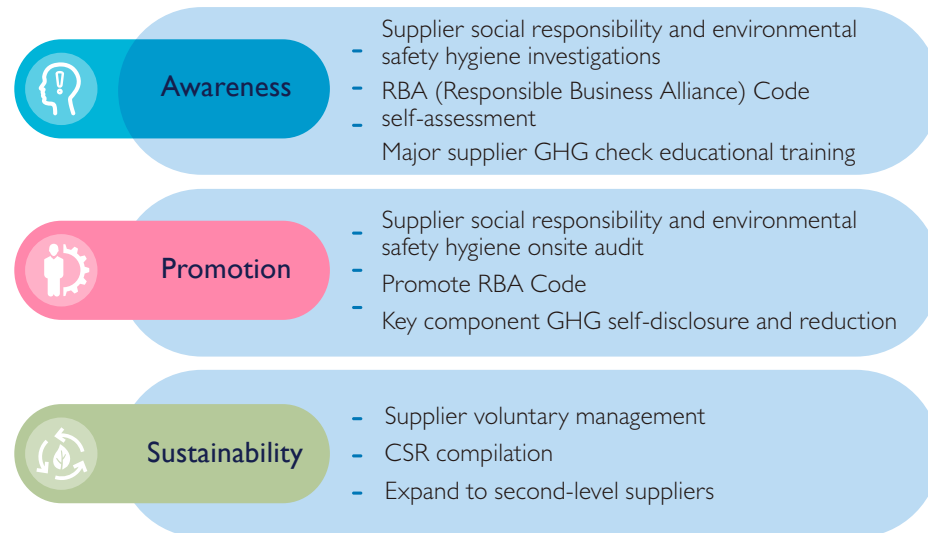


Build Green Supply Chain

Strengthen suppliers' CSR and build a green supply chain are a major and continued work for Qisda's sustainable developments. We carefully focus on renewals of labor environmental protection issues and regulations while delivering the international trends and related demands to suppliers.


Qisda divides promoting works of green supply chain into three phases: awareness, promotion and sustainability. The major goals of each phase is as follows:

Green Supply Chain Management



I. Awareness

In 2006, we hosted a supplier annual meeting to promote Qisda's RoHS (Restriction of Hazardous Substances Directive)-related regulations; in 2008, we kicked off EuP (Energy Using Products) third-type environmental announcement. We let suppliers to realize the calculation methods of their product life cycles and possible impacts on ecology with education and coaching on direct/indirect materials, energy/resource usage check, waste emission and transportation energy consumption self-disclosure. Between 2009 and 2010,




Until the End of 2020, key supplier paper investigation and Onsite audit investigation completion rate was **73.6%**

we also hosted various supplier meetings to help them to perform carbon footprint check activities. Since China is late in issues regarding labor right, environmental protection and social responsibilities, major impacts on corporate operations and customer reputations may occur if there are illegal incidents. Hence, we held green supply chain workshops in 2012 and 2013, sharing with major component suppliers about our CSD actions and results while promoting major international trends such as a new version of RBA Code, Conflict Mineral Act (Dodd-Frank Wall Street Reform and Consumer Protection Act- Section 1502; Dodd-Frank Act), CSD report compilation method and Greenhouse Check (GHG) check method to elevate their related awareness and participation.

In 2006, Qisda started gradually expanding its request for suppliers to sign social responsibility and business ethics agreements, asking them to abide by the RBA Code of Conduct and social responsibility standard (SA8000). Also, starting in 2007, we realized supplier social responsibility and environmental safety hygiene investigations each year to check the compliance status of various international standards such as environmental management system (ISO 14001), environmental safety hygiene management system (ISO 45001), social responsibility management system (SA8000), RBA Code of Conduct, etc. and various regulations. In 2010, we started adding supplier GHG check items to meet international standards and customer requirements. In 2013, we started selecting specific suppliers to fill in the Self-Assessment Questionnaire (SAQ) disclosed by RBA Code of Conduct to understand their compliance status of RBA Code of Conduct for reference of next phase in performing RBA Code of Conduct on-site audit.

II. Promotion

Starting in 2013, Qisda launched CSD ability evaluation for major component suppliers in China, scoring them according to the three aspects: their self-managing ability, social responsibility compliance degree and environmental safety hygiene management



Supplier Social Responsibility and Business Ethics Code of Conduct : <https://csr.qisda.com/en/csr.asp?ca=6>



performance. We also actively encouraged those not yet applying management system verification to apply for that, gradually establishing self-managing ability, expecting them to work with us to reach the goal of CSD.

Starting from 2016, when selecting key component suppliers, service providers and HR agencies, we asked them to undergo social responsibility and environmental safety hygiene paper investigations, sign agreements for social responsibilities and business ethics and receive on-site audit. The audit items refer to the RBA audit manual, including five aspects: labor human right, environment, health/safety, ethics and management system. Also, for any incompatible matters discovered when auditing, we ask them to provide improvement plans and track their improvement performance to improve the performance of social responsibility and environmental safety hygiene of the supply chain. In 2019, we already included all HR agencies and on-site factory service companies in our social responsibility and environmental safety hygiene investigations and on-site audit to enable a more complete supplier management. In 2020, we finished social responsibility and environmental safety hygiene investigations and on-site audit for 21 suppliers, 16 HR agencies and on-site service companies. By the end of 2020, the key first-tier supplier 10 paper investigations and on-site audit investigation completion rate was 73.6%. All suppliers participating in the paper investigations and on-site audit did not use child labor or had forced labor. Other results met our requirements. We also used the on-site audit for teaching each supplier about how to proceed with GHG check and compile reduction plan, strengthening their participation and management of issues relating to climate changes.

III. Sustainability

The future management methods are still focusing on our first-level suppliers in educational trainings and material reviews. Besides improving suppliers' environmental protection awareness and corporate responsibility, with promotions to inspire their voluntary actions, we work with them to lead the environmental demand of the manufacturing industry. By strengthening first-tier suppliers' actual behaviors, we improve their self-managing abilities and expect them to display their actual executional performance at CSR reports. Also, by working with first-tier suppliers, we expand related requirements and management techniques to second-tier suppliers, creating a green supply chain living up to its name.

* Key first-tier suppliers are those accounting for 70% of our overall purchase amount the previous year, non key first-tier suppliers refer to those of the former's upstream companies.

Supplier CSR and Environmental Safety Hygiene Management Key Points



Conflict Mineral Management

Reports of International NGOs (Non-Governmental Organizations) such as Centre for Research on Multinational Corporations (SOMO) and The Enough Project (Enough) indicated that Democratic Republic of the Congo is facing the most serious death conflict since the Second World War. The reasons are mainly demand from electronic products for the rich metal minerals at the eastern part of the Democratic Republic of the Congo. If companies producing electronic products purchase metal materials from the conflict mine areas of the eastern part of Congo, they are adding fuel to the fire for the conflicts.

Therefore, RBA Code of Conduct and Global e-Sustainability Initiative (GeSI) have requested their members to apply the responsible purchasing procedure to ensure their metal purchasing procedure meets social and environmental responsibilities.



Qisda Conflict Mineral Commitment

Qisda supports the boycott activities of the international society for conflict metal while referring to Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas of Organization for Economic Cooperation and Development (OECD), working with suppliers to perform conflict mineral* investigations, preventing direct or indirect purchasing conflict minerals from armed groups in Democratic Republic of the Congo and neighboring countries** or investment of conflict minerals that abuse human rights to ensure its mineral purchasing meets social and environment responsibilities.

We have a management procedure for conflict metal investigations for suppliers. After review, we return the materials for suppliers to verify for suppliers having possible problems. If we verify that they adopt smeltery not listed in the Responsible Minerals Assurance Process (RMAP), we will ask them to fill in their implementation plan and inform them of related risks.

* Conflict metals refer to minerals extracted under armed conflict and violation of human rights such as minerals including gold, tin, tantalum, tungsten and cobalt.

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

Qisda Conflict Minerals Management

01

In 2010, Qisda started to ask suppliers to sign conflict mineral investigation letter of commitment.

In 2011, Qisda adopted Conflict Minerals Reporting Template from RBA and GeSI, kicking off investigation on suppliers for conflict materials and asking them to commit to forsaking usage of minerals from conflict mining areas.

02

03

In 2012, we set up conflict metal investigation system to respond to the request from US Dodd-Frank about whether products use mineral from conflict mining areas.

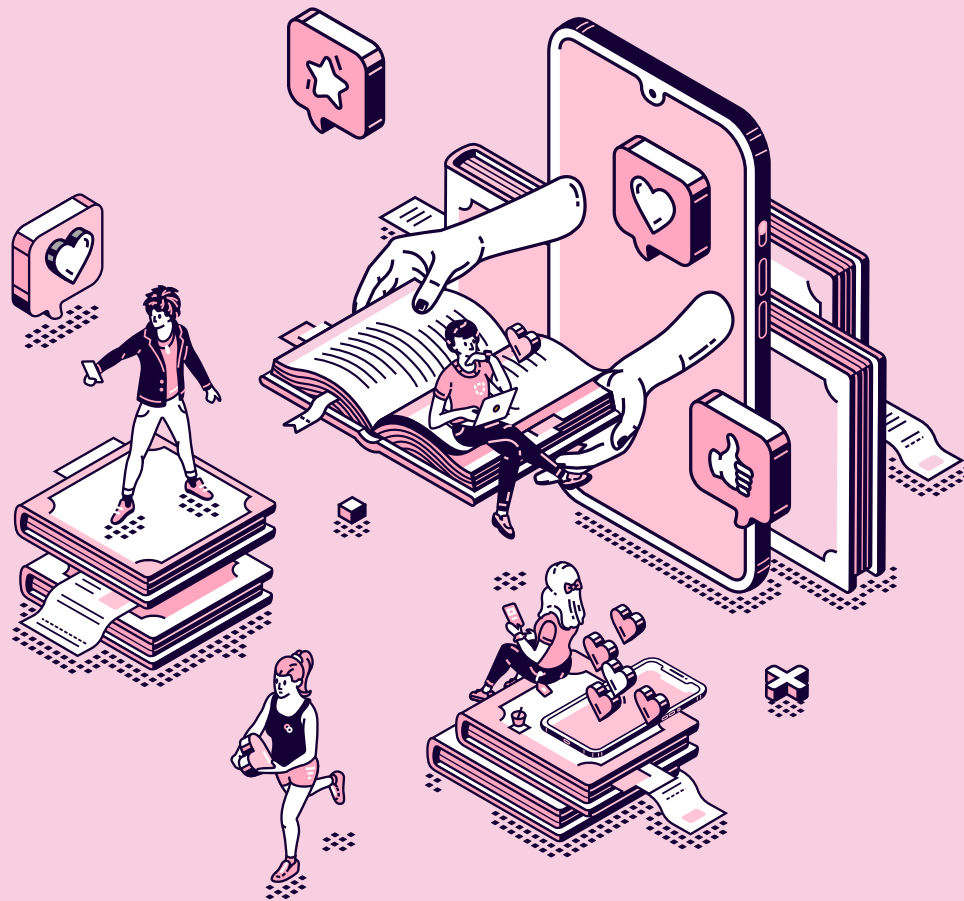
In 2013, we launched conflict mineral investigation each year using system.

04

05

In 2016, we started adding notes in Buyer PO to encourage smeltery reported by suppliers to be qualified smeltery under the Responsible Minerals Assurance Process (RMAP)

CHAPTER
3



Create Shared Value

Commitment and Management Strategy

Qisda believes a fine working environment can support employees to grow with ease; complete training system and activities can further condense employees' sense of belonging, making happy employees become the leading force of the company, creating a shared value of triple wins between the company, employee and society. To achieve this, Qisda establishes a complete management system, protecting employees' rights, maintaining the safety and health of the working environment while setting up a smooth labor/management and appeal channel for them to have a channel to speak up. We also hold various activities for employees to make use of the "Off" philosophy, bringing back the positive energy of caring to the society.

Future Outlook

We strive to create a diverse creative working atmosphere to continue elevate employees' creative awareness, instigating imagination of new products while continuing systematically introducing related management measures for subsidiaries and inviting them to join social care activities, expanding value chain influences together.

Key Points of the Chapter

- Employee Overview SDG 4
- Learning and Development SDG 4
- Human Rights Management SDG 5 SDG 8 SDG 10
- Creating a Happy and Healthy Working Environment SDG 5 SDG 8 SDG 10
- Goodwill for the Earth, Love for the Society SDG 1 SDG 2 SDG 10 SDG 12 SDG 13 SDG 17

Material topics concerned by stakeholders

According to the identification of material topics, please refer to "Stakeholder Engagement." (P30)

Employee Overview

Employee is the long-term capital of the company and the foundation of corporate innovation. If there are no appropriate management and training for employees, talent loss may occur in the long term, influencing corporate competitiveness. Therefore, Qisda strives to provide a fair working environment for employees while regularly evaluate and adjust employee management regulations according to local regulations and company status. With fine working condition and atmosphere, we can efficiently improve employees' working efficiency. Until the end of 2020, the total global manpower of Qisda were 10,298*, 1,722 of which were in Taiwan, with the rest 8,576 containing 8,546 in Suzhou (China) and various overseas sites.

Hiring Principle

Qisda openly recruits staff according to actual business needs. We also strive to develop a diverse-channel project for recruiting direct staff, basing on the principle of putting the right person in the right place and internal hire prioritizing external hire. We don't discriminate between race, religion, skin color, nationality, gender, etc., nor do we hire child labor.

Hiring Status

Qisda prioritizes in hiring local labor. Related breakdown of manpower is as follows.

* The number of employees is calculated based on the actual hired employees (including full-time and work study program) in December 31, 2020. Since employment agreements of temporary employees are attributable to third-party companies, the real employer is not Qisda; therefore, the above manpower calculation doesn't include the sum of temporary employees (Taiwan: 29, Suzhou (China) 4,277).

** High-level management staff definition: Executives and staff of over director (M8) level

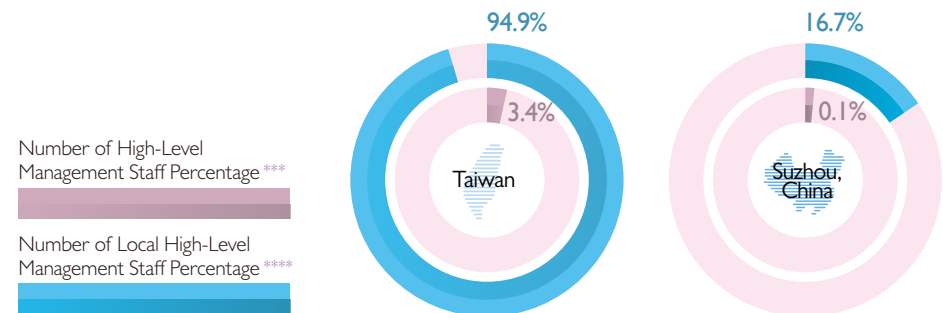
*** High-level management staff percentage calculation method: Number of local high-level management staff/number of total local staff (local: Taiwan and China)

**** Local high-level management staff percentage calculation method: Number of local high-level management staff/number of total high-level management staff in factory (local: Taiwan and China)

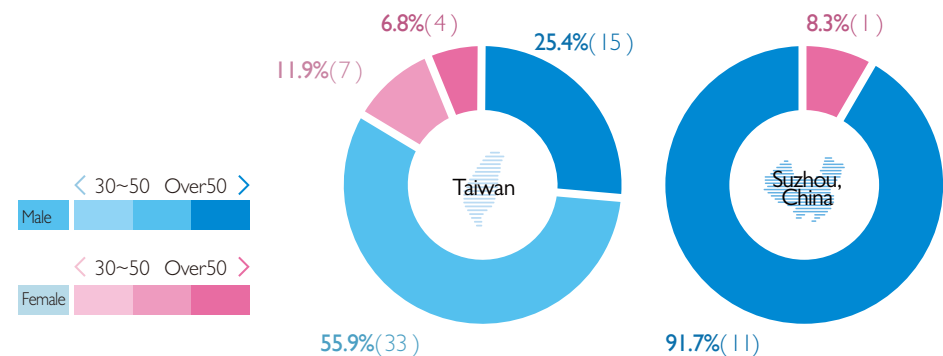


Cultivate employer brand: FB fanpage of over **15,000** viewers each month

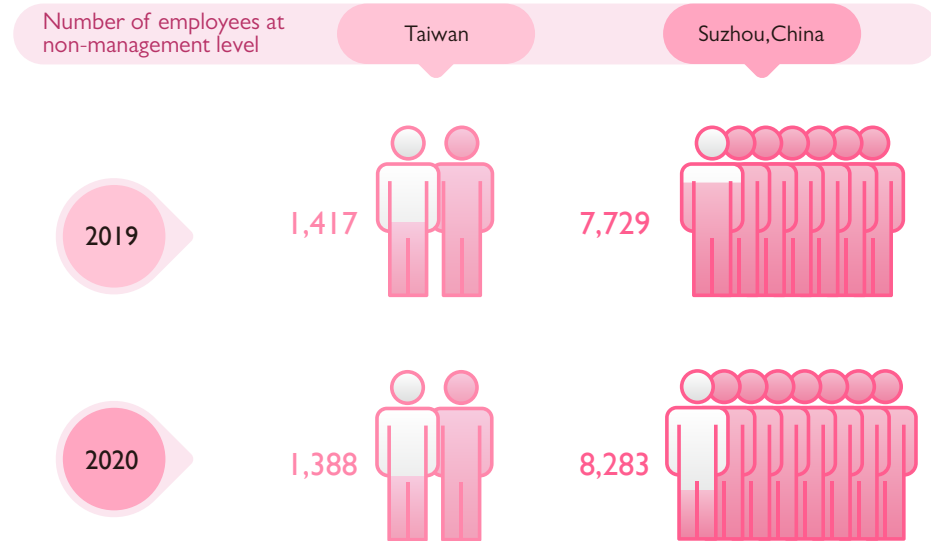
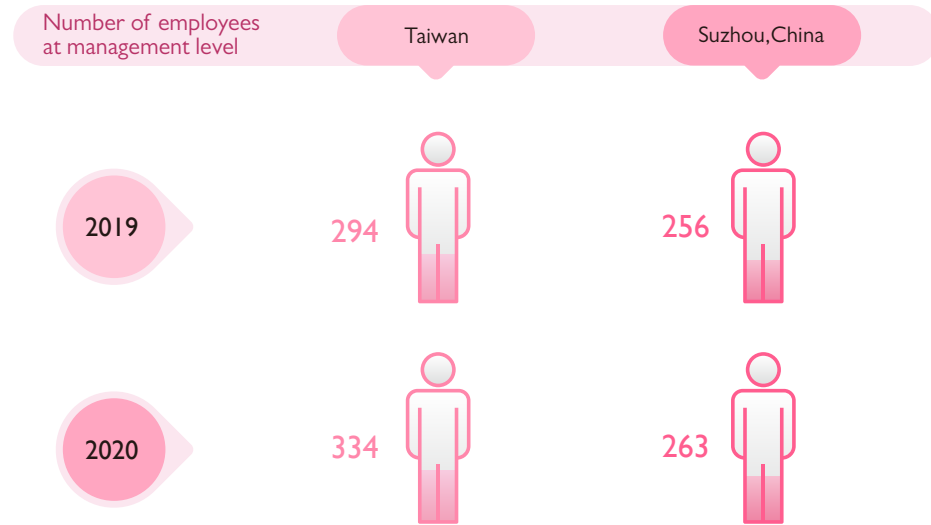
High-Level Management Hiring Local Labor Percentage**



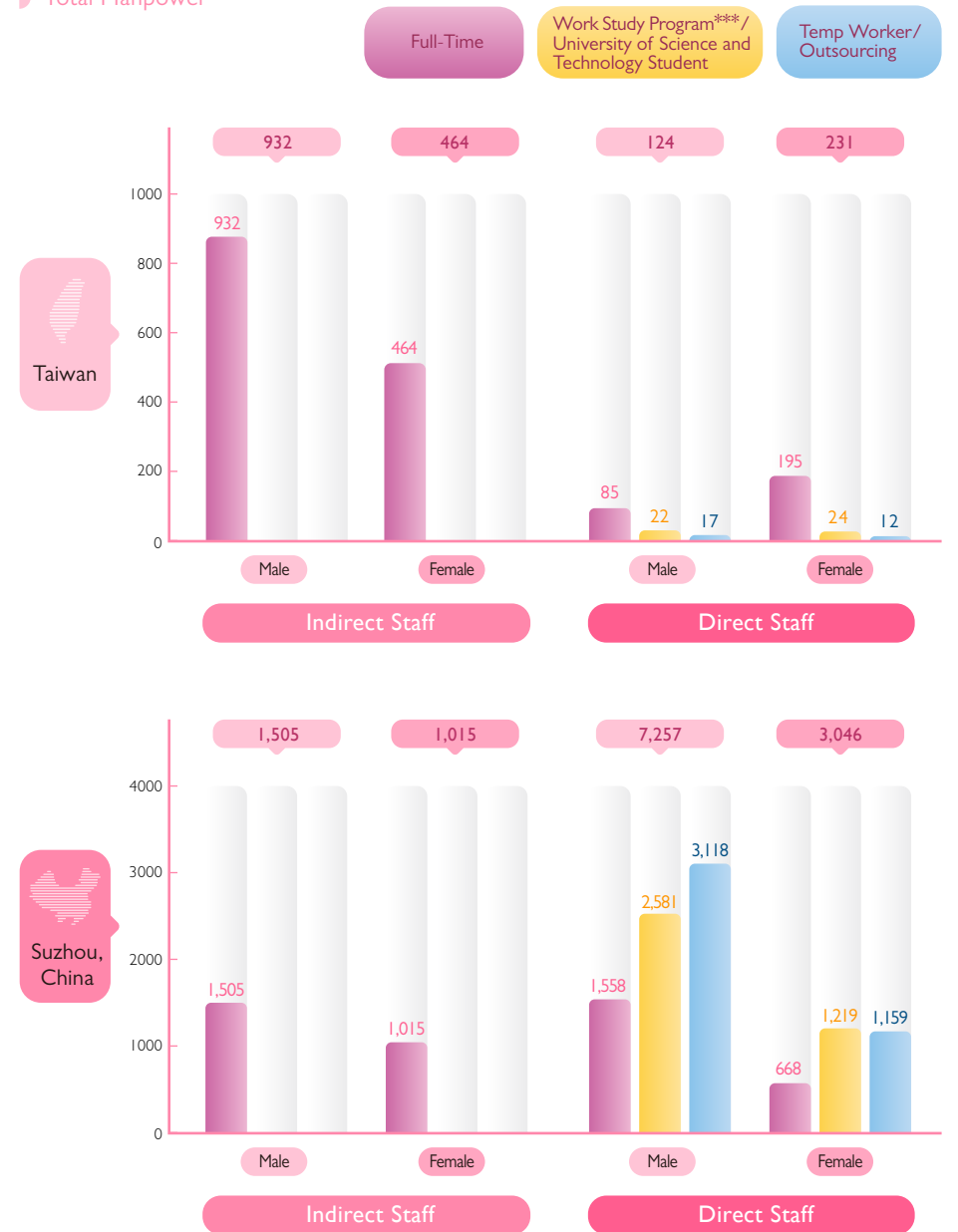
Management Level by Gender and Age



Number of Employees at Non-Management Level 17*



Total Manpower**

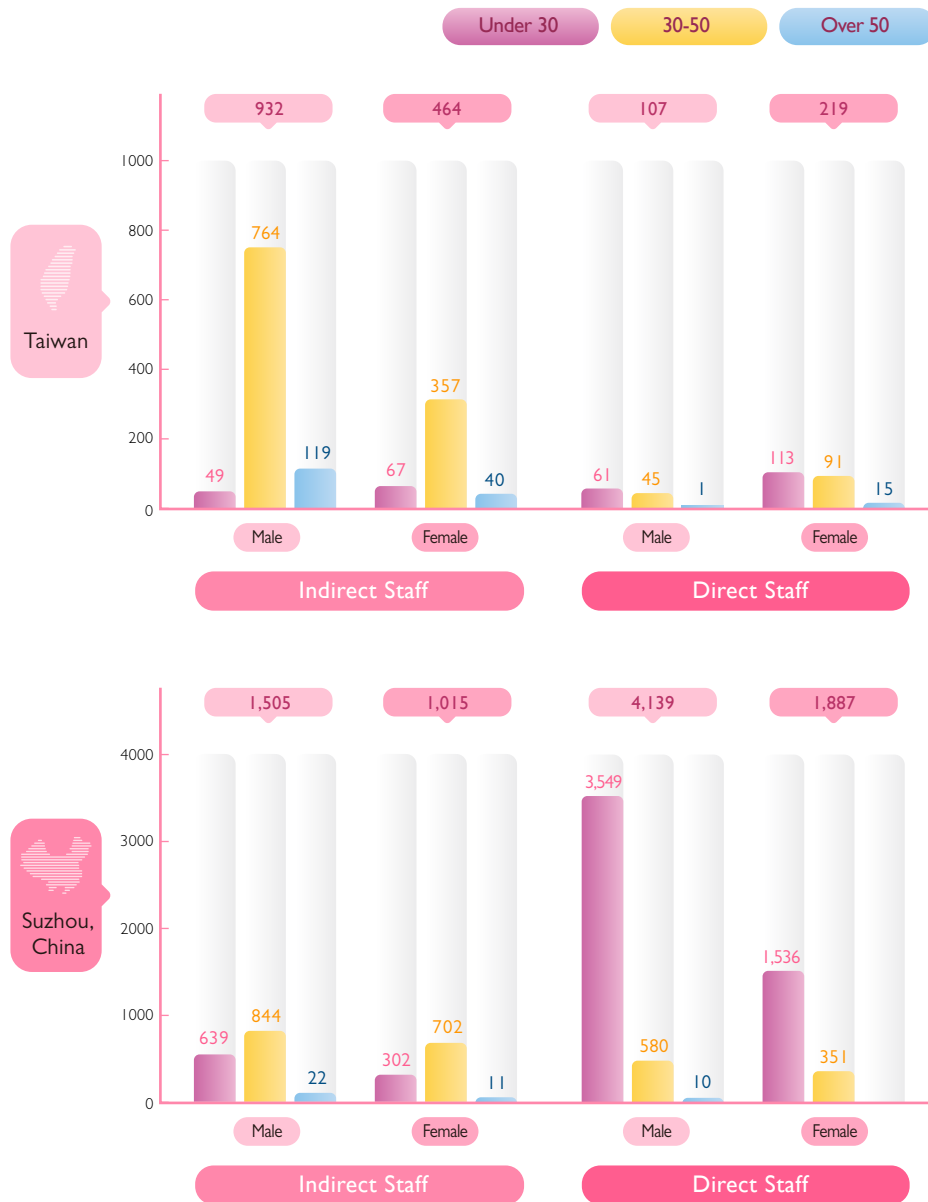


* Executives and staff of over assistant manager (M5) level

** According to the keyword definitions of the Directorate General of Budget, Accounting and Statistics (DGBAS) of Executive Yuan, full-time employees refer to those with working hours reaching the normal working hours of the company or the government regulations. The normal working hours of Qisda is 40. Therefore, all of our company's manpower are to full-time employees.

*** Work Study Program is under agreement with certain period.

Manpower Age, Gender, Hiring Status Breakdowns in Each Factory



Employees by Gender and with Disability

	Taiwan				Suzhou, China			
	Indirect Staff		Direct Staff		Indirect Staff		Direct Staff	
	Male	Female	Male	Female	Male	Female	Male	Female
Taiwan	930	459	64	70	35	3	0	0
Japan	0	1	0	0	0	0	0	0
Indonesia	0	0	0	1	0	0	0	0
Malaysia	1	1	0	0	0	0	0	0
Vietnam	1	3	43	148	0	0	0	0
China	0	0	0	0	1,470	1,012	4,139	1,887
TOTAL	932	464	107	219	1,505	1,015	4,139	1,887
Disability*	8	2	1	3	0	0	0	0

* There were 12 employees with disabilities, 6 among which were of severe degree, the overall hiring percentage of employees with disabilities was higher than regulations.



20202020 Management Key Points and 2021 Plans

Manage employer brand; Qisda continues to manage employer brand promotion with online (social media management) and offline (scholl management). To rejuvenize our company, we continue to have access to the platform and language that youths use.



Online

We use Facebook fanpage to deliver corporate news, living welfare activity excerpts, employee job experience sharing, etc. Each week, we post 2-3 articles and interact with fans subscribing to our channel, achieving over **15,000** monthly viewers so that fans and employees can have better connection and sense of belonging with us, improving our awareness and image.



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



Corporate News

Work Benefits

Sidelights on Various Activities

employee job experience sharing



Off-Line

以學校經營之方式進行，如校園徵才、講座、企業參訪等，讓目標學校之師生能更了解集團轉型與公司發展，未來進一步能加入集團在適合的舞台上發揮長才；另外每年亦會舉辦實習生規劃，期許如此進一步的產學合作方式能縮短學用落差，讓學生提早認識、熟悉職場，讓業主也能透過實習從中找尋千里馬。

Campus Recruit

Lecture

Corporate Visit

Employee Turnover Rate*

For management of employee dismissal, we immediately notify direct supervisors to arrange for a dismissal interview when an employee applies for a dismissal to understand the reason and persuade him/her to stay. With elements of external business cycle and environmental changes, keeping an appropriate dismissal rate can ensure there are constant new comers. The average Taiwan dismissal rate of Qisda stays between 0.1% and 1.21% whereas that in China may be higher amid the local labor market.



Average dimission rate of Taiwan was **0.21%~1.13%**

Dimission Rate by Hiring Type, Gender and Age

Taiwan

	Under30		30~50		Over50		Total	
	Male	Female	Male	Female	Male	Female	Male	Female
	Indirect Staff	0.52% (9)	0.64% (11)	0.46% (42)	0.58% (31)	0.12% (2)	0.06% (1)	3.08% (53)
Direct Staff	0.64% (11)	2.21% (38)	0.18% (8)	0.23% (10)	N/A	N/A	1.10% (19)	2.79% (48)

Suzhou,China

	Under30		30~50		Over50		Total	
	Male	Female	Male	Female	Male	Female	Male	Female
	Indirect Staff	2.41% (206)	0.82% (70)	1.18% (101)	0.42% (36)	0.01% (1)	0.01% (1)	3.60% (308)
Direct Staff	17.82% (1,523)	6.20% (530)	4.41% (377)	2.07% (177)	0.02% (2)	N/A	22.26% (1,902)	8.27% (707)

Accession Rate by Hiring Type, Gender and Age

Taiwan

	Under30		30~50		Over50		Total	
	Male	Female	Male	Female	Male	Female	Male	Female
	Indirect Staff	1.57% (27)	1.34% (23)	1.92% (33)	0.64% (11)	0.17% (3)	N/A	3.86% (63)
Direct Staff	1.57% (27)	3.89% (67)	0.58% (10)	1.68% (29)	N/A	N/A	2.15% (37)	5.57% (96)


Suzhou,China

	Under30		30~50		Over50		Total	
	Male	Female	Male	Female	Male	Female	Male	Female
	Indirect Staff	1.74% (149)	0.75% (64)	0.50% (43)	0.16% (14)	N/A	N/A	6.83% (192)
Direct Staff	20.09% (1,717)	7.50% (641)	5.58% (477)	2.59% (221)	0.01% (1)	0.01% (1)	25.68% (2,195)	10.10% (863)

* About the calculation of turnover rate (dismissal rate, accession rate), the denominator is based on the total number of staff of each factory at year-end.

Learning and Development



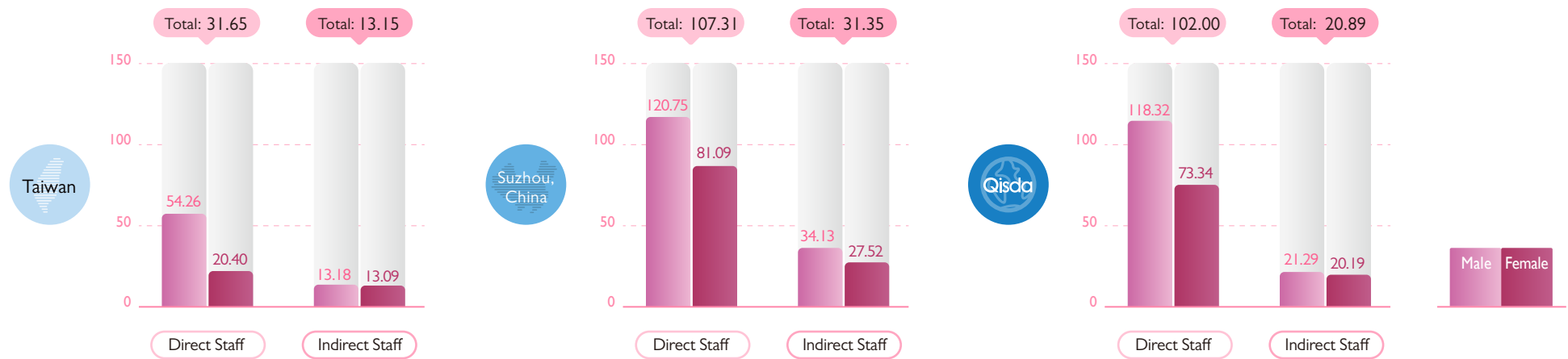

 Average training hour of each Qisda employee in 2020 was **71.93** hours.

Qisda stresses on employee training and development. To provide a clear career development roadmap, we invest in rich resources. Besides integrating physical and internet learning platforms for employees to have a diverse program learning, we introduce internal/external resources, setting up Qisda Academy to train employees while launching progress audit for training execution half a year to realize our annual training plan. The company also invites professionals each year to lectures with topics such as technology, life and public welfare to give employees new knowledge of each aspect, expecting to inspire endless possibilities of work and life. Also, to deliver our emphasis on social responsibilities, we not only open green product-related programs, but include programs relating to RBA Code of Conduct, hazardous substance management system (IECQ QC 080000) and

environmental safety hygiene in the compulsory programs for all Qisda employees. The average training hour of each Qisda employee in 2020 was 71.93 hours.


For our future strategic development direction, we will continue to develop programs relating to innovation and construct knowledge regarding key component, medical and AloT areas to offer talents meeting the future demand of the organization and maintain a learning kinetic energy to meet the demand of corporate developments. Also, we encourage talent adaptive development and anticipate to promote organization activation and innovation. Therefore, we regularly proceed with talent job rotation and offer OBP (On Boarding Program) plan to assist the staff under the job rotation to connect with his/her supervisor and organizational goals; in 2020, we continued to promote developments of our sustainability and talents, underwent business talent database project to respond to the demand for business talent by corporate strategic developments. With selecting potential talents, we underwent the corresponding development projects.

Qisda Average Employee Training Hour (Unit: Hour/Person) *




* The base for the number of employees for average employee training hours: Average number of employees by the end of each quarter.

▶ Average Training Hour of Qisda Employees by Level (Unit: Hour/Person)




	Taiwan	Suzhou, China	Qisda
Management Level	10.15	11.32	10.71
Non- Management Level	17.70	96.10	77.99
Total	16.32	91.18	71.93

 Over 4,591 CIP projects globally until now

Qisda Academy

Qisda's training is based on Qisda Academy and programs can be divided into four kinds of academies according to function and participant types: Professional Development, Learning Development, Innovative Improvement and Leadership Management, offering complete training plans for various learning demand. Currently, we provide common competency training roadmap for six kinds of jobs (R&D, marketing/sales, production operation, engineering technology, supply chain management and quality management), expecting to provide more complete and in-time training resources, assisting employees to be able to exert their capabilities. Meanwhile, for learning channels, besides offering physical programs, Qisda has internal e-learning training channel for employees to have related program learning. In 2020, we continued to promote mobile learning, developing training APP to combine existing training resources and rich online content for them to learn new knowledge at spare time using mobile phones. In 2021, we aim to keep having digital and convenient training programs for employees to have access to programs more suitable for themselves.

As the following chart shows, the four academies cover various training programs: "Professional Development Academy" designs related training roadmap for the professional differences between various jobs to elevate related professional abilities of employees. "Learning Development Academy" covers complete new-comer training and internal lecturer training while working with the collaboration projects between industry and school by the government and launches inUniversity Program, offering employees with more choices for self-development, credit program, certificate program and professional program. "Leadership Management Academy" designs related guiding programs according to the management demands of executives of various levels for them to excel and develop their own leadership. "Innovative Improvement Academy" offers innovative development energy to bring creativity into full play and create an innovative culture for the organization.



2020 Management Key Points and 2021 Plans

Employee Learning

1. We implemented OBP (On Boarding Program) in 2020 to help the personnel in job rotation work in line with the goals of the organization and facilitate digitization of the training. A knowledge sharing platform was developed and made ready for increase of the digital learning rate.
2. We will further implement digitized training in 2021 the help employees take proper training more easily in a timely manner.

Employee Career Development: Plans for Job Rotation Execution

1. Define job rotation term of executives of various levels
2. Check candidates qualified for job rotation each year and offer name list for executives of each BU to verify
3. Communicate with the person to receive job rotation and his/her supervisor to ensure there are suitable post and OBP
4. Perform job rotation and plan to introduce job rotation candidate OBP

Talent Development

1. Establish core management competency
2. Define talent's position by supervisor interviews and past performances
3. Evaluate the suitability of highly-potential talents with a more concrete and objective method of talent evaluation tool
4. Execute Individual Development Plan (IDP)

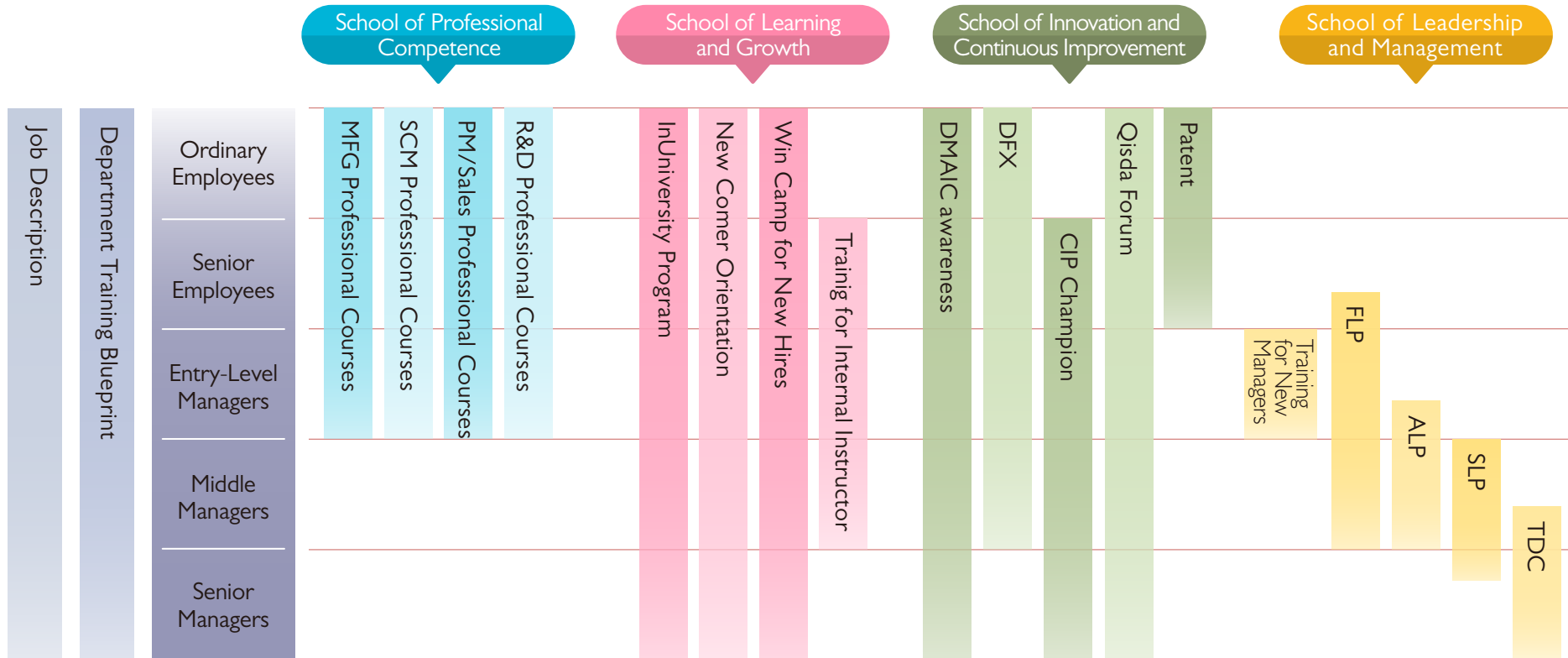
In addition, starting from the beginning of 2007, Qisda has introduced Six Sigma, developing the Continuous Improvement Program (CIP Program) to provide employees with concepts and tools needed to make improvements at work. With the series of courses offered and the implementation of CIP project, our employees can apply their learned knowledge and skills to actual working procedures. In 2020, the number of CIP projects was 437, with over 4,591 CIP projects implemented around the world and total benefits of nearly US\$270 million, indicating impressive improvements. The CIP project covers improvements in individual, department and even the overall company. Through various techniques such as QCC, DMAIC, DFX, Lean, and Quick Win, this project assists employees in adopting the optimal improvement techniques for work improvements.

Qisda has not only implements the CIP technique in R&D department but also in units including manufacturing, supply chain, administration and supporting.

► CIP Concept



► Qisda Academy



Human Rights Management



Management Approach of Material Topic

Human Rights

● Exceed Goal ○ Reached ○ Not-Reached

Major Interest Target

Customer, supplier, community

2020 Management Goal

1. Passed social responsibility system (SA8000) verification and no violation of human rights
2. Complete supplier social responsibility and environmental safety hygiene investigation and on-site audit

2020 Goal Reaching Status

All completed



2021 Management Goal

1. Passed social responsibility system (SA8000) verification and no violation of human rights
2. Complete supplier social responsibility and environmental safety hygiene investigation and on-site audit

Management approach

Duty

Sustainable Risk Office

Resource

1. Cross-department cooperation, execute management system and supplier investigation
2. External audit units perform check

Action

1. Maintain effectiveness of social responsibility system (SA8000) certificate
2. Plan and execute supplier investigation and audit

Evaluation

Launch performance indicator report and inspection each quarter at CSD Committee

Passed social responsibility system (SA8000) verification

Protect Labor Rights

To achieve CSR and protect labor human rights, Qisda pledges to protect the labor rights of its employees. All labor rights managements must be in compliance with local laws and regulations.

- SA8000
- RBA Code of Conduct
- UN Universal Declaration of Human Rights
- UN Human Rights Norms for Business
- UN Global Compact
- International Labour Organisation Conventions
- International Labor Office's Tripartite Declaration of Principles
- California Transparency Act
- UK Modern Slavery Act

- For details of identifying major topics, please refer to "Stakeholder Engagement" (P30)
- For details of management guidelines of "Human Rights", please refer to this chapter.

To meet customer requirements and avoid negative opinions of the company, Qisda prohibits any use of child labor and bans forced labor at all manufacturing sites, particularly labors gained through slavery and human smuggling. Qisda strictly abides by the California Transparency Act and UK Modern Slavery Act. Furthermore, Qisda has established our own “Child and Young Labor Management Regulations”, where the HR BU is required to verify the identity of each potential employee with proved ID documents when recruiting staff. If having any doubts on the job applicant, HR staff will ask outsourced companies to proceed with ID check and verify his/her ID during interviews lest he/she uses false ID documents. For under-age employees under Work Study Program, the company also follows the above-mentioned procedure to ensure that they do not perform operations that will endanger their safety and health. In addition, the company has a simple recruiting channel while all employees sign employment agreements to verify their willingness to be employed to avoid forced labor source. After the launch of SA8000 management system, the company has never used child labor or forced labor due to operational careless mistakes.

For equal treatment issue, the company follows the RBA Code of Conduct and promises it will not let elements such as race (including aborigine), ethic, class, skin color, age, gender, sexual preference, sexual identification and expression, nationality or area, physical disability, pregnancy, religious belief, political stand, group background, family responsibility, retired soldier, gene information or marital status and other stipulated by regulations to affect the chances of recruit, salary, welfare, promotion, reward, training opportunity, dimission or retirement for employees. Qisda treats all employees equally and ensures execution of the above-mentioned flow is without flaw via internal and external audits of SA8000 each year. In 2020, there were no discrimination incidents in the company.

Since labor right and human right issues are always the key points of focus of customers, Qisda launches RBA Code of Conduct and SA8000 educational trainings each year, with the rate of employee receiving trainings reached nearly 80% (82.25%)²³ in 2019. Additionally, we launched RBA Code of Conduct and human right-related educational trainings for outsourced staff performing duties at our company’s factories such as security guard and cleaning staff, with the rate of training for security staff

²³ In 2020, the human-right training hours of employees were 9,018.

reaching 100%. Furthermore, Qisda declares that it protects employee rights and has various communication channels. Qisda has created a “Communication Management Procedure” to handle employee appeals. In regard to “Report and Appeal Regulations”, our employees are granted anonymity and a direct access to report to the HR Unit for any sexual harassment or inappropriate treatment incidents. If external interest parties have reservations on this issue, they are advised to appeal to the CSR mailbox posted on corporate website. Our CSR staff will respond to these inquiries. In 2020, no relevant appeals or complaints have been received. Besides, Qisda continues to perform SA8000 verification for all manufacturing sites each year. It also helps to prevent the occurrence of labor disputes that would jeopardize production or corporate reputation.

Introduce RBA Code of Conduct

Qisda has introduced RBA Code of Conduct (previously named EICC), regularly held RBA awareness educational trainings while integrating ethics management system into Qisda’s social responsibility and environmental safety hygiene management system since 2007. Integrity Handbook was published based on relevant international regulations of ethics to communicate with our employees around the world. Recently, its Taiwan and Suzhou (China) factories have launched third-party audits under customer requirements and executed amendment measures for non-conforming items discovered after the audits to ensure that they follow the RBA Code of Conduct.

Qisda Report and Appeal Management Guidelines available at Qisda website: <https://csr.qisda.com/ch/csr.asp?ca=4>



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



Build A Happy and Healthy Workplace



Won HR Asia Best Companies to Work For In Asia in 2019



Continued to be selected TWSE RAFI® Taiwan High Compensation 100 Index

Qisda plans diverse employee welfare with the concept of creating a happy and healthy work place, enabling employees to experience a corporate culture of fine working environment and healthy happiness.

Employee Salary and Pension

Management Approach of Material Topic

Employee Salary

● Exceed Goal ○ Reached ○ Not-Reached

Major Interest Target

Employee

2020 Management Goal

Keep the starting salary standard unified for new comers no matter the gender

2020 Goal Reaching Status

All completed



2021 Management Goal

Keep the starting salary standard unified for new comers no matter the gender

Management approach

Duty

HR Center

Resource

1. Compensation consultant company salary survey report
2. Compensation Committee

Action

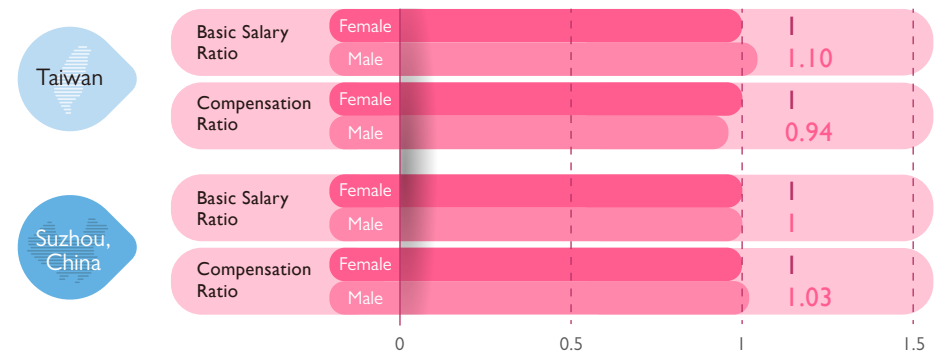
Adjust internal salary standard according to salary survey

Evaluation

Check whether goals are reached at year-end each year

To attract and retain outstanding talents, Qisda follows labor regulations at its major global sites, providing salary of legal basic salary level while there is no difference in salary due to gender, religion, race, nationality and political party differences. To provide employees with a compensation policy that is competitive in the market, we adjust salary according to personal academic/career experiences, professional skills and employee performances to ensure their salary meets the market status and is fair. Each year, Qisda mainly refers to the salary survey reports from third-party independent compensation consulting company and corporate operational status while inspecting whether our goals are reached at year-end. For salary of high-level executives, we inspect whether related annual performance goals are reach at the Compensation Committee while regulating their annual compensation. Related salary data is as follows:

Ratios of Basic Salary and Compensation of Female to Male*



* Calculation Method: Basic Level Starting Salary/Legal Basic Salary

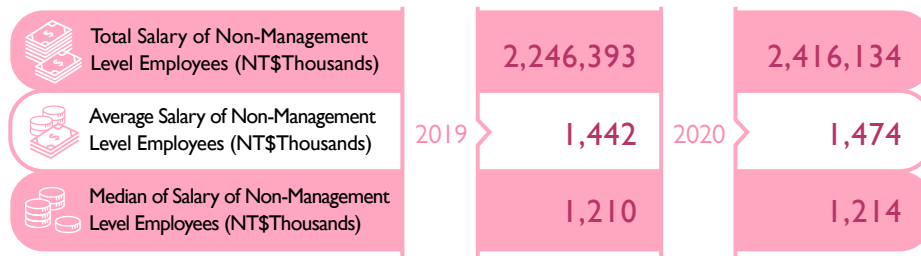


- For details of identifying major topics, please refer to "Stakeholder Engagement" (P30)
- For details of management guidelines of "Employee Salary", please refer to this chapter.

Ratio of Basic-Level Standard Salary to Local Lowest Salary *



Salary of Non-Management Level Employees (NT\$D)**



Qisda follows retirement global regulations and systems to protect employees' retirement rights. Related descriptions are as follows:

I. Retirement Reserve Fund According to Labor Standards Act

The company allots employee pension funds each month and delivers that to the Labor Retirement Fund Audit Committee to be deposited in to a special account of Bank of Taiwan under the name of the committee. By the end of 2020, the fair value of planned asset was NT\$464,178,000. According to related regulations, the recognized expenses in 2020 was NT\$14,241,000. The insufficient amount of the allotment was listed as pension debts. By the end of 2020, the total sum was NT\$381,414.

2. Allotted pension according to Labor Pension Act

We recognized expenses of NT\$88,940,000 in 2020 for the 6% of employee monthly salary allotted to the personal account at the Bureau of Labor Insurance. Its overseas subsidiaries also allot pensions to pension management business each month according to local regulations.

For more details of Compensation Committee, please refer to "Corporate Governance Operational Status" (P41)

* The average salary of our "female" staff is around 102% of that of the male employee of the same post.
 ** Calculated according to the formula and requirements of the "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies" of TWSE

Employee Welfare

- Total participants of Welfare Committee activities reached **10,000**
- Annual average activity satisfaction score reached **4.7** (Out of 5)

Management Approach of Material Topic




Employee Welfare	Legend: ● Exceed Goal ◎ Reached ○ Not-Reached
<p>Major Interest Target</p> <p>Employee</p>	<p>Management approach</p> <p>Duty HR Center</p> <p>Resource</p> <ol style="list-style-type: none"> Company allots welfare funds Employees allot welfare funds External activity marketing company Welfare Committee member meetings <p>Action</p> <p>Each year, the company plans various activities to satisfy various employee demands.</p> <p>Evaluation</p> <ol style="list-style-type: none"> Each quarter, report at Welfare Committee meetings about activity plans and budgets Check whether goals are reached at year-end at year
<p>2020 Management Goal</p> <ol style="list-style-type: none"> Number of Welfare Committee activity participants reaches 10,000. Annual average activity satisfaction score reaches 4.2 (out of 5). 	
<p>2020 Goal Reaching Status</p> <ol style="list-style-type: none"> Number of Welfare Committee activity participants reaches 17,532. Annual average activity satisfaction score reaches 4.3 (out of 5). 	
<p>2021 Management Goal</p> <ol style="list-style-type: none"> Number of Welfare Committee activity participants reached 8,000. Annual average activity satisfaction score reaches 4.3(out of 5). The annual activities were more valued for quality; employees could participate out of free will. 	

For details of identifying major topics, please refer to "Stakeholder Engagement" (P30)
 For details of management guidelines of "Employee Welfare", please refer to this chapter.

With the concept of creating a workplace of health and well-being, Qisda has promoted the diverse employee welfare so that all the employees experience a premium working environment and a corporate culture that brings a sense of health and well-being. Currently, the major welfare measures Qisda offers are as follows. The company provides performance bonus for full-time employees, whereas the welfare of contractors is the same as that of full-time employees. Only a few contractors are not included in the range of

welfare, as they are short-term (less than six months) contractors. Qisda follows related local social insurance regulations and systems of its global sites to protect the basic rights of employees. We also provide relative group insurance for employees to apply while arranging insurance company representatives to provide on-site services of insurance consultancy and settlement of insurance claims.

Major Welfare Measures Qisda Offers

	Taiwan	Suzhou, China
 <p>Legal Offers</p>	<ol style="list-style-type: none"> 1. Health insurance, labor insurance 2. Allot retirement reserve funds 3. Allot repayment, collection of arrear wage debts 4. Allot occupational accident insurance 5. Medical room, contract on-site doctor 6. Maternal leave, paternal leave (male employees) 	<ol style="list-style-type: none"> 1. Social insurance (endowment, medical, unemployment, employment injury, maternity) 2. Housing public accumulation funds 3. Paid annual leave
 <p>GRI Standard-Defined Welfare*</p>	<ol style="list-style-type: none"> 1. Year-end bonus/performance bonus 2. Group insurance (life, accident, dread disease, hospitalization medical) 3. Employee relative group insurance at one's own expense 4. Short-term overseas travel insurance 5. Free health check 6. Employee bonus 7. Employee further study plan 8. Educational training 9. Bereavement compensation system 10. Employee discount for corporate products 11. Subsidies of wedding, funeral, injury and disease 12. Welfare Committee activities 	<ol style="list-style-type: none"> 1. Year-end bonus/performance bonus 2. Group insurance (life, accident, dread disease, hospitalization medical) 3. Employee relative group insurance at one's own expense 4. Free health check 5. Educational training 6. Employee sale for corporate products 7. Subsidies of wedding, funeral, injury and disease 8. Club activity subsidies 9. Quarterly employee activity expense subsidies 10. Employee annual leaves 11. Welfare Committee activities
 <p>Normal Welfare</p>	<ol style="list-style-type: none"> 1. Meal allowance 2. Contract hospital 3. Offer dorm/uniform 4. Sports center and exercise program 	<ol style="list-style-type: none"> 1. Medical room 2. Sports center 3. Meal allowance 4. Contract shop 5. Offer dorm/uniform

* According to the definition of GRI Standards 401-2, the item excludes welfare of physical goods.

Build a Smooth and Fair Labor/Management Communication Channel and Relationship

Management Approach of Material Topic

Labor/Management Relationship	
	● Exceed Goal ◎ Reached ○ Not-Reached
Major Interest Target Community, employe	Management approach Duty HR Center Resource 1. Business briefing 2. Welfare Committee meeting 3. Labor/management meeting Action Offer employees with diverse communication channels and let them immediately understand corporate messages via the channels Evaluation 1. Each quarter, we disclose labor status at labor/management meeting. 2. Each quarter, we disclose business overview at business briefing.
2020 Management Goal Each quarter, we disclose labor status and business overview internally.	
2020 Goal Reaching Status All completed <div style="float: right;"> ◎ </div>	
2021 Management Goal Each quarter, we disclose labor status and business overview internally.	



- For details of identifying major topics, please refer to "Stakeholder Engagement" (P30)
- For details of management guidelines of "Labor/Management Relationship", please refer to this chapter.

To maintain a fair labor/management relationship between the company and employees, we establish smooth communication channels such as business briefing, Welfare Committee meeting and labor/management meeting for employees to immediately understand corporate messages. We also encourage them to offer advice for overall corporate operations and developments for the management to refer to. The complete communication channels not only promote labor/management relationship, but enable us to fully understand employees' needs, offering a better working environment.

Qisda selected 16 (0.27% of staff at its Suzhou manufacturing site) and 12 (0.72% of staff at its Taoyuan headquarter) from the Suzhou (China) manufacturing site and Taiwan headquarter, respectively, according to the labor regulations and SA8000 regulation to 100% represent the employees in all business units, regularly convening Welfare Committee meetings and labor/management meetings to communicate with corporate management representatives for related matters regulated by SA8000. With the quarterly labor/management meetings, they can discuss and decide on the labor expedient matters with management representative for issues such as labor/management relationship, labor conditions and labor welfare with feasibility to be evaluated by the company and included into improvement operations.



Employee Health Management

Management Approach of Material Topic

Health management/Over work

● Exceed Goal ◎ Reached ○ Not-Reached

Major Interest Target

Customer, supplier, community

2020 Management Goal

Health management

Health check participation rate **92%**

Over work

Coronary heart disease (CHD) model
ATP III Framingham risk score evaluation:
for mid- to high-risk groups, tracking rate
is **70%**

2020 Goal Reaching Status

All completed



2021 Management Goal

Health management

Health check participation rate **95%**

Over work

Tracking rate **75%**

Management approach

Duty

HR Center

Resource

External hospital

Action

Work with external hospital to
perform health check project

Evaluation

Inspect at year-end each year whether
goals are reached



- For details of identifying major topics, please refer to "Stakeholder Engagement" (P30)
- For details of management guidelines of "Health management/Over work", please refer to this chapter.

Qisda values employees' health management. Keeping the health and vitality of employees can ensure our company have the best fighting efficiency. Hence, we set up Wellness Centers in Taiwan and Suzhou (China) to promote employee health as our ultimate goal. Besides, Qisda annual health check participation rate reaches 95% in 2020. Indeed, the company implemented public health primary management-health check, meaning to figure out problems, take treatment in early stage, and reduce health risk.

I. Activities at Wellness Center in Suzhou (China)

We set up Wellness Outpatient to deal with ordinary diseases and frequently-occurring diseases while setting up two nursery rooms for career moms. For occupational disease prevention, we launch health checks of occupational diseases before, after and during work while tracking and maintaining a list of occupational diseases. We also hold healthy, LOHAS (Lifestyles of Health and Sustainability) lectures such as female health lectures and health-preserving lectures.

II. Activities at Wellness Center in Taiwan

The Wellness Center promotes related health promotional activities according to the employees' health problem needs by six aspects: health plans such as Wellness Outpatient, Workplace Breastfeeding Plan, Disease Tracking and Care, Emergency Wounded Patient Treatment, Health Management Tracking and LOHAS Activities.

Six Aspects of Health Management Model:

I. Wellness Outpatient (Workplace Health Care)

Set up health insurance outpatient for convenience of employees in outpatient and health consultancy needs, offering medical services, reaching the ends of no-boundary of medical care service and serving employees at any time.

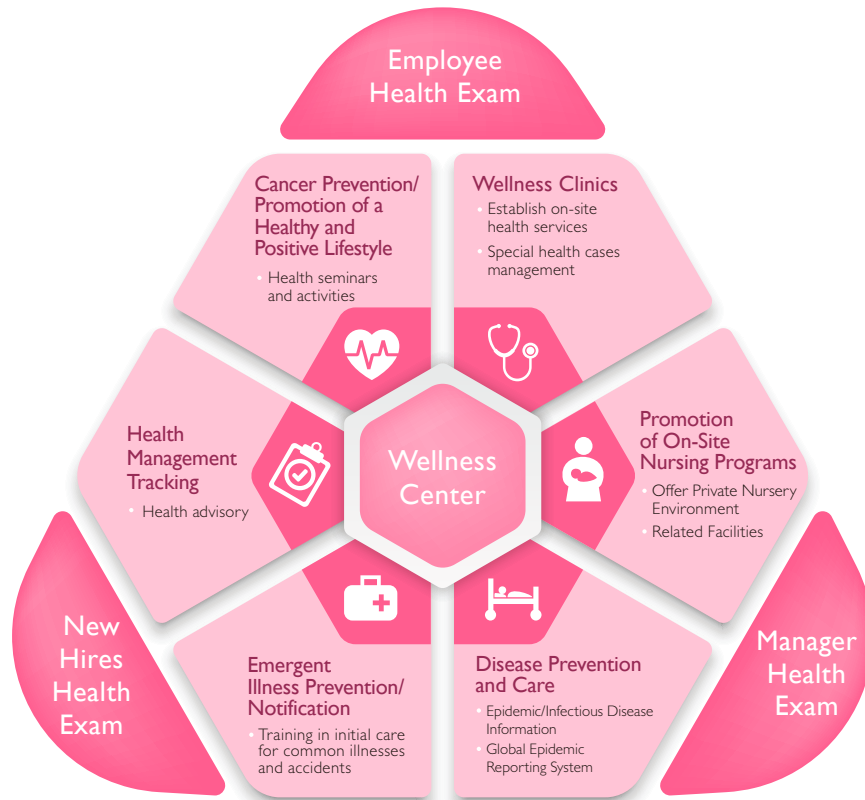
- (1) Establish On-Site Health Service: Occupational security visit, realizing the prevention of occupational disasters, lowering the occurrence rate of occupational disasters.
- (2) Special Health Management: List those operational staff performing operations that may specifically endanger health such as ionizing radiation, organic solvent and noise; provide measures better than the special governmental labor inspection regulations, giving staff performing strong-lighting experiments regular precise eye check and

special protection measures (protective clothing). Until now, there are no examples of Qisda staff having occupational diseases due to reasons relating to work. Its staff do not perform jobs that may have high risks or high occurrence rate of specific diseases.

2. Workplace Breastfeeding Promotion

Starting from 2007, Qisda promoted workplace breastfeeding for career moms to pump milk at ease when working. The Wellness Center expanded more convenient and private nursery environment and facilities (refrigerator, sterilizer, milk-collection bag, breast pump, electric heater, etc.) according to the needs of the users and starting

Qisda Health Management Model



from the viewpoint of being thoughtful. In 2017, we started providing maternal health protection. For pregnant, within one-year after giving birth or breastfeeding female workers, we adopted necessary maternal labor health protection and caring management. In 2020, we protected 27 such employees, proceeding with health risk assessments while adopting necessary prevention and health promotional measures for high-risk employees basing on the connection between the health conditions of protected targets and operations.

3. Disease Prevention and Care

We provide messages of domestic and overseas epidemic and infectious diseases for employees while sharing the right concept of health and epidemic-prevention according to the messages of global epidemic and Taiwan Centers of Disease Control (CDC) while setting up global epidemic reporting system to instantly understand the material stock and employee health tracking status of each office. We also provide irregular e-letters about epidemic prevention and health to remind employees of the importance of health and epidemic prevention.

4. Emergency Wounded Patient Treatment

We offer first-aid trainings for common ordinary diseases (such as cramp and nosebleed) and accidents (such as incised wound and drowning shock) such as new-comer educational trainings, emergency certificate verification programs and emergency incident treatment programs while adding AED (Automated External Defibrillator) at public areas and training seed staff. We extended the 2016 emergency training plan, continuing to unfold a two-year training. We finished the new-version of American Heart Association (AHA) emergency program training for new-comers during January, 2007 and December, 2011 (220 in total).

5. Health Management Tracking

We remind those having abnormal results in health check reports to pay attention with highlight and group communication methods using electronic health management system for employees' health check data. Also, we arrange them to consult with on-site doctors to understand their physical conditions, offering health consultancy services. Meanwhile, we adopt Disease Specific Health Assessment (DSHA), performing quantified assessment for personal or group health conditions and future disease and (or) death dangers. We

adopt the coronary heart disease (CHD) model (Framingham Risk Score) of the Adult Treatment Panel III (ATP III) of National Cholesterol Educational Program (NCEP) for assessment of the opportunity and risk of ischemic heart disease happening in ten years to screen out those with high risks while finishing health education and tracking 70% of the subhealth group when ensuring their privacy is protected.

6. LOHAS Activities

Qisda holds health promotion lectures and activities, such as cancer-prevention health screening and special health vaccination to better control the disease and treat the illness as early as possible.

Employee Assistance Program Workshop



【健康促進計畫】你今天登記血壓了嗎

Peggy Huang 2020/04/24

量完血壓，數據記不得嗎??
快利用血壓計旁的電腦連至健康Bar平台
隨時登入數據，了解自己的血壓變化趨勢
讓自我健康管理更Smart

認識 **健康Bar** 請按此

血壓監測後輸入資料3步驟

1. 填入每日開電腦之帳號和密碼

2. 進入平台>>預約管理>>自主管理>>定時量血壓





**安心當父母~
在愛裡無懼**

馬偕紀念醫院小兒感染科主治醫師
台北醫學大學醫學系
台灣大學臨床醫學研究所博士

黃玢寧 醫師

當我們找回身為父母的自信時，你很快就會發現，
養育子女是人生中無比快樂的事。——黃玢寧

快時代裡的片段資訊，眾說紛紛的育兒知識，令人無所適從、
真偽難辨！教養書看得愈多，焦慮以及不安心境更顯膨脹。
徬徨的你，也經常處於這些兩難困境嗎？
孩子哭的時候，到底抱還是不抱？
為了小孩未來的競爭力，雙語教學越早開始越好？
培養閱讀習慣，可以用電子書或互動式APP進行親子共讀嗎？
怎麼讚美孩子，才能讓他自信卻不自戀？
你，是不是也正陷入「教養恐慌症」？
是否也因各方說法不一，亂了育兒步伐？

黃玢寧醫師深入淺出的為大家，
點出一條讓父母有成長，
讓家庭有幸福感的教養之路。

8/19 (三) 台北T00
14:00-16:00

8/20 (四) 桃園A70
14:00-16:00

立即報名!

專案聯繫人
台北: Sharon Hung 桃園: Peggy Huang

BENQ Qisda

Friendly to Earth, Care for Society



 Total hours of employees participating in charitable activities were **3,046**

To realize the corporate vision of “Bringing Enjoyment 'N' Quality to Life” of Qisda, we further extend to local communities. We start from the spirit of our core value concept “Caring and Devotion,” accumulating caring from various employees, combining our core competitiveness while working with various local caring plans and voluntary employee activities to realize the feedbacks of the company to the society. In 2020, the total hours of global employees participating in charity activities were 3,046.

Taiwan

I. Qisda Love Love Club & Ukulele Charity Club

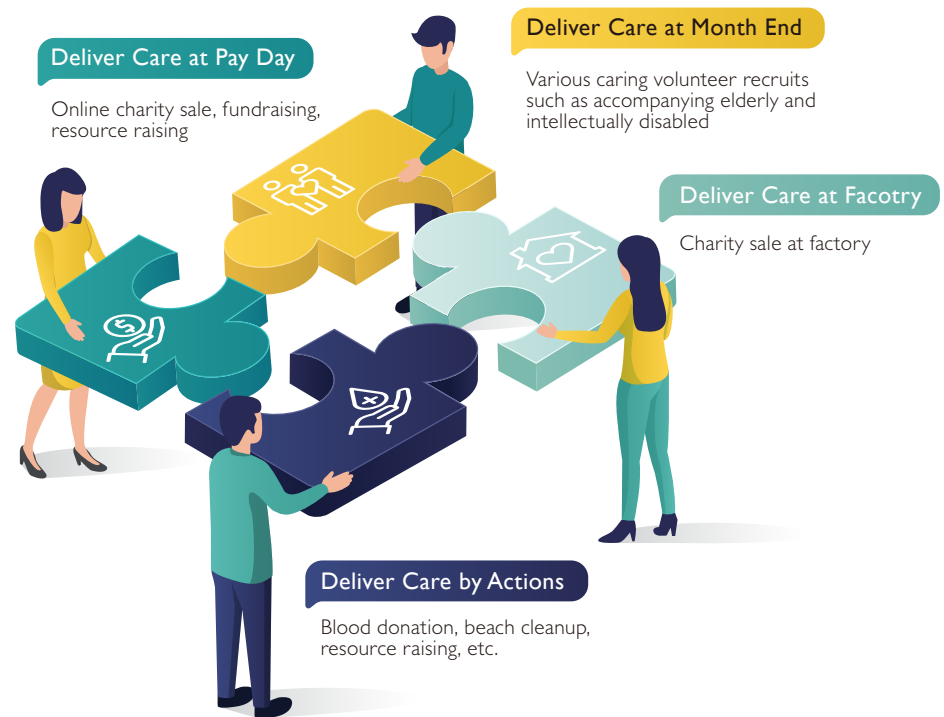
The “Loving Care Club” and “Public Welfare Ukulele Club” were organized by the employees full of affectionate love. The purposes of these clubs are to provide a diverse public welfare platform for the employees, so that they can participate in volunteer events and the clubs can give assistance to public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

In consideration of the diversity and to encourage the employees with different demands to participate in public welfare activities, these clubs organized 22 volunteer events in 2020 and showed their love to the people who were really in need of care, such as children with Intellectual development disorders, elderly people living alone, disadvantaged children, farmers, global environmental protection, stray animals, etc. The organizations that the public welfare clubs take care of continuously include Huashan Social Welfare Foundation, Genesis Social Welfare Foundation, World Vision, Hondao Senior Citizen Welfare Foundation,

Reindeer Child Home, Child Welfare League Foundation, The Carpenter’s House, twhope.org, Taiwan Pawprint K9 Rescue, Xinwu Catfirst, Parents’ Association for the Visually Impaired, Chiling Charity Foundation, Chensenmei Social Welfare Foundation, etc.

As for raising funds for disadvantaged organizations, a total amount of NT\$983,491 was raised in 2020 by organizing fundraising events and charity bazaars.

Charitable Activities Centered on Four Shafts



II. BenQ Qisda Beach Cleaning Activities

Many organizations suspended their planned events in 2020 due to the pandemic. In addition to effectively implementing the pandemic prevention policies, BenQ Qisda worked with the employee welfare committee and tried to perform digitized transformation of the events. The organized online games, online Karaoke contest, kite painting and other interesting activities were widely recognized by the employees. When the pandemic is mitigated, the employee welfare committee will organize small-scaled employee welfare events without prejudice to the pandemic prevention policies.

To support the pandemic prevention and new life strategies of the government and combine the purposes of public welfare education and parent-child relations, the employee welfare committee led the employees and their family members to Alabao Bay in the Heping Island Park, Keelung City, to clean the beach in September during the summer vacation. In the afternoon, the employee welfare committee gave grants to the participants and encouraged them to visit the National Museum of Marine Science & Technology, enjoy the interactive ocean discovering education and learn more knowledge about the ocean.

Beach Cleaning Activities



With the endeavor of the participants, 600 kg of waste was collected most of which being plastic bottles, styrofoam, wine bottles, tin and aluminum cans, and plastic strings, indicating that the ocean is not well treated by mankind. With this event, we successfully extended the participants' vision of public welfare. The employees and their family members started showing their empathy and understanding the structural problems of environmental protection and its importance. On the same day of the event, the participants witnessed the mutually defined environmental conservation goals to be achieved: Garbage will never touch the ground, use of plastics shall be reduced in terms of its frequency, and use of disposable consumables shall be avoided.

By cleaning the beach, we understand that the event can only reduce the burden on the ocean for a while. However, the organizer team of the event firmly believes that the employees will continuously make contributions to society in an attitude of enthusiasm and attentive love. We will organize a related event continuously in the future. We provide support and take concrete actions for the issues of environmental conservation, greening, social welfare and care. We hope that other organizations also have the same awareness of public welfare as the employee welfare committee of BenQ Qisda and work together for the Earth and society.

We moved to the National Museum of Marine Science & Technology, Keelung City, to participate in the ocean discovering education event. The organizer team of the employee welfare committee incorporated knowledge of ocean and environmental protection in the event. Both parents and children were encouraged to place more importance on the issue of environmental protection through manual narration, digital interaction and challenge-defeating activities. Their logical thinking capability with respect to environmental protection was enhanced. Some employees said "though this is a voluntary event without pay, we find it significant and would like to show our appreciation to the employee welfare committee for this parent-child event. We have learned a lot!"

The team of the employee welfare committee found that the outcome of this event was excellent. By combining some welfare resources and ocean discovering education, we successfully brought the values of environmental protection in the mind of the employees and their family members. The team members hoped that employees and their next

generation could think more about the environmental protection issues and take more care of the people in every corner of society. We also expect that employees can make contributions to society through simple volunteer events on a regular basis to build a better society in the future.

Beach Cleaning Activities



Qisda Suzhou Sit

Our Suzhou (China) site integrates CSR and continues to focus on those in need. Starting from 2013, it continued to promote the plan of the Hope Trip. At the foot of the Dabian Mountains of Anhui Province, it helped the Mingfan Elementary School that only had simple facilities to set up a dream library while providing a lunch plan for students with living difficulties in life. In 2016, we pushed the handmade flower startup project for disabled people, launching startup trainings for them, helping them to gain living skills and support themselves, feeling the meaning and beauty of life. In 2017, our Suzhou office focused on peripheral groups, giving cares for those in need in the community, charity

houses and social welfare organizations. In 2018, it mostly focused on the inner world of intellectually disabled, inviting baking teachers to teach them the skills of making cookies while helping them to explore the sales channel initially and enabling them to independently sell their cookies at a later phase so that they can have the ability to support themselves. In 2019, it continued to care for the inner world of the intellectually disabled, helping them to be healthier and grow more. We brought them out of their home and enter the knowledge theater to feel humanities while visiting mountains and rivers to feel the natural landscape, joining traditional holidays to experience the joy of customs. In 2020, the Mingfan Elementary School at the foot of Dabie Mountain moved to the new building. The Qisda Suzhou Plant donated sports goods to the new school building to set up a paradise for the children and help them improve their physique and strength while learning.

BenQ Foundation

The board of directors meeting of BenQ passed the proposal to raise fund and establish BenQ Foundation (BenQ Foundation was established with donation from Qisda) in August 22, 2002. BenQ is dedicated to the mission of providing a joyful life for all human beings while BenQ Foundation is devoted to the long-term vision of carrying forward the beauty of Taiwan with heart. What's more, this is the concrete realization of the enterprise in delivering the inspirations of truth, kindness and beauty to the society. In 2020, the foundation continued to cultivate the four main shafts-Intelligence with integrity character, elevate original cultural value, friendly to earth and shorten digital gap, continuing to deliver the inspirations of truth, kindness of beauty of the society.

I. Cultivate Intelligence with Integrity Character

I. Workshop of Intelligence with Integrity Character

BenQ Foundation plans the “Workshop of Intelligence with Integrity Character” for the summer vacation, aiming at young students to learn together each summer. In



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



2019, we worked with the educational bureaus of Taoyuan City and Hsinchu County, creating a different program mode of camps, accompanying 278 creative teachers and students 23 elementary schools located in Taoyuan City and Taiwan Route 3 in Hsinchu County, fulfilling their summer vacation with happy learning cooperation and with integrity as well as brainstorming for creativity.

► Workshop of Intelligence with Integrity Character-Summer Camp for Students in Remote Areas



2. Dream Action-Campus Lecture

We invited youthful examples to serve as ambassadors of dream, visiting remote areas and costal campus in Taiwan, sharing dream realization process with high school and vocational school students while delivering an active and positive power, encouraging youths to dare to dream, realizing the endless possibility of oneself. In 2019, the “Dream Action Campus Lecture” invited Shen Xinling, a Ten Outstanding Young Persons, Mr. Candle Huang Ming-Zeng, Hsing-Ho Chen, the former member of Cirque du Soleil, Yoyo Yang, a yoyo ball professional, Po-Han Huang, the magician of Hollywood “The Magic Castle”, Jeff Lee, the champion of The Grand Master Asia, and Wu Chia-Ying, an adversity coach, to tour the campus of Taiwan, with more than 57,000 students and teachers from 70 senior high schools and vocational schools in Taoyuan, Hsinchu, Taichung, Changhua, Yunlin, Chiayi, Nantou, Tainan, Kaohsiung, Pingtung, Yilan and Taitung to share the moving charms of realizing dreams.

► “Dream Action Campus Lecture” Delivered Active, Positive Influence



II. Improve Original Cultural Value

BenQ International Sculpture Workshop

“BenQ International Sculpture Camp” lets students and citizens interested in sculpture to interact closely with artists by offering a platform for sculpture arts with a one-month on-site creation for promoting local and overseas sculpture art exchanges. This also helps to cultivate Taiwan’s modern sculpture and open a diverse vision of cross fields. The camp has been held for six years starting from 2010, successfully establishing fine Taiwan experience and image for the international artistic fields while leaving 90 sculpture treasures for Taiwan.

To promote the public art, “BenQ International Sculpture Campaign” donated the art work created by the artistist Zhou, Jie-Fu called– Comprehensive Interpenetration of One and All – to the Hsinchu government. With the cooperation from the government, we blostered the aesthetic beauty, expecting publics can see closely with art of sculpture and making the art as part of the citizen’s life.

► BenQ International Sculpture Workshop” Offers International Artists with Local Creation and Exchange Platform



III. Friendly to Earth-Contract Farming Adoption “My Homeland”

In 2008, Qisda started with contract farming of rice fields, with BenQ Foundation continuing to promote adoption of rice fields for ten consecutive years, supporting the friendly farming concept of Taiwan's northern and central and southern farmers, while total area of field adoption reached over 70 hectares.

In 2020, the “Friendly Farming” featured contract farming of twice a year with two rice fields in Nanpu, Hsinchu (Nanpu Village) and Hsichou, Changhua (Water Rice). The overall area was 10 hectares, offering rice harvested in spring and autumn to be packed into rice gift boxes and shared with group employees. Also, we initiated personal donation, encouraging to share non-toxic fair-quality rice at daily dining table, triggering food farm education. We also led employees to stay close to the earth, experience farming work, learn about agriculture knowledge with labor activities of transplanting rice seedlings and harvest, realizing the concept of “Friendly to

Earth” with actions while condensing identification with the idea of friendly to the land; in 2020, the Hsichou autumn harvest labor activity saw passionate participation of Qisda employees, relatives and friends. They rolled up their sleeves, bent over to harvest, experiencing the hard labor of farmers and staying closer to the land with affection.

► Friendly Contract Farming “My Homeland”: Hsichou, Changhua Autumn Harvest Labor Experience





**溪州
尚水秋稻**

友善心意純團一年再聚，
「回來呀，回來～一起回來呀！」
詩人吳晟朗讀，輕柔傳達土地的親切呼喚，
佳世逢、友逢，明慧材料，遠方，離連一百一
十位同仁眷屬，
早起向兩邊邊樹林純團，在一片低矮稻頭間，
親近彰化溪州「尚水米」農友為集團留下的一
片秋收田，體驗人力農作，學習自然知識，
聆聽從土地字寫出來廣含農作詩歌、環境觀察
的鳥鎮對話。



IV. Shorten Digital Gap

BenQ Foundation has participated for a long time the (Digital Opportunity Center, DOC) of the Ministry of Education (MOE), devoted to digital caring for remote areas. Starting from 2008, the foundation assisted DOCs in Hsinchu and Miaoli Counties to apply digital abilities in local characteristics development tasks, marketing local agricultural special products, recording the humanity histories and cultural treasures of the communities. With caring for the three aspects of education, culture and industry, we promote the digital learning of students, youths, middle aged-to-senior citizens and new immigrants of remote areas.

From 2013 to 2020, we executed for eight years consecutively the “DOC Volunteer Small Trips”, calling for Qisda employees and relatives to keenly participate in labor services, expiring the meanings of sweating and walking while combining exploring spirit with labor service, experiencing the humanity scenery and diverse life aspects of various areas, learning the rich humanity landscapes of DOCs in Hsinchu and Miaoli. From participating in the process from production site to kitchen table, we delivered our care for the local industrial culture, connecting the interactive emotions between volunteers and local small farmers. This has won enormous feedbacks from volunteers of Qisda and farmers.

From 2015 to 2020, we launched the “DOC Small Bazaars” for six years consecutively. BenQ employees cared for the environment, supported local agricultural products and learned about the small farmer brands and their attentiveness in pure farming as well as guarding the land via the bazaars. We used enterprise group purchase to support agricultural products to directly connect with the economic benefits of the real demand of local people. We also gradually assisted DOCs to cultivate small farmer brands, improving the product value and exposure rate, establishing the Internet marketing platform of “Dream Contract Farming”, recommending the small farmers to shoot films of “DOC Professional Website” to share the beautiful people and feelings, land and food source stories of Taiwan.



In 2020, BenQ Foundation created around NT\$2.72 million economic revenues for remote areas.



▶ “DOC Volunteer Small Trips”



▶ “DOC Volunteer Small Trips”



“DOC Counseling Plan”
Performance and Influence



With the help of BenQ Foundation and BenQ volunteer team, we assisted DOCs to execute special tasks most suitable for local developments. Based on the gradual accumulation, integrating local needs and diverse developments, we grew with local people step by step. From establishment to daily basic operation, setting up basic and advanced information courses to assist DOCs to develop culture and characteristics, we have accumulated considerable performances.

Touching films come from touching stories. BenQ Foundation has been promoting image creation popularity. Besides image courses for citizens of various degrees and goals, we cultivated the interest in filming and producing images for DOC students. We opened “PeoPo Citizen News”, “Sky is My Home-Seeing Hsinchu and Miaoli”, “Mobile Phone Micro Film”, “Hsinchu and Miaoli Live Stream Online Watch”, “My Animation Work”, etc., accumulating image creation of rich new media, new viewing angle and new format. Furthermore, we guide publics and the learner to finish 10 films applied with emerging technology.

With long-term cultivation, we more deeply learned that DOCs play multiple roles locally, covering execution, promotion and application in terms of education, culture and industry, gradually forming the “homeland economy” model. Through the “DOC Volunteer Small Trips”, “DOC Small Bazaars” and group employee purchase support, we helped poured in around NT\$2.72 million economic revenues for remote areas in 2020. The influence was enormous while beneficiaries were various. This also encouraged us to keep rooting and extending the digital power of DOCs.

► Pictures the documented the scenery of hometown.



2020 竹苗 DOC 竹苗
 手機攝影大賽
好風景

評審團特別大獎
 BenQ 大獎 華高電器
 東坡偉農大建築獎
 南島美境江自獎
 最佳照片空海獎
 攝影角底前空獎

**徵件
 募集**

2020
 6.1 |
 8.24 |

徵求熱愛家鄉、喜愛拍照的網美、攝影好手與攝影初心者，
 關注竹苗攝影故事和觸動心靈的風景，
 分享攝影原來的愛好。

BenQ 華高電器 東坡偉農大建築獎 南島美境江自獎 最佳照片空海獎 攝影角底前空獎





March toward Sustainable Environment

Commitment and Management Strategy

Qisda believes that the impact of human activities on the environment is irreversible. Only caring about economic and social developments is not enough to respond to the anticipation of interest parties. Hence, Qisda is committed to investing in resources, striving to preserve energy, reduce volume and carbon, letting products and production procedures become more energy-preserving and protecting environment, manufacturing products meeting regulations and requirements of customer health and safety while using management systems to reach the end of protecting environment, continuing improving quality, health and safety.


Future Outlook

We continued to execute environmental management according to plans while keeping coaching subsidiaries, copying a successful verification experience, improving their managing abilities in environment and safety to gradually obtain related ISO standard verifications.

Key Points of the Chapter

- Climate Strategy and Carbon Management SDG 7 SDG 12 SDG 13
-  Green Product SDG 7 SDG 12 SDG 13 SDG 14
-  Green Operation SDG 6 SDG 8 SDG 11

Material topics concerned by stakeholders

 According to the identification of material topics, please refer to "Stakeholder Engagement."

(P30)

Climate Strategy and Carbon Management



Since the Industrial Revolution, the industrial activities of human beings largely use fossil fuel, creating large volume of GHG such as carbon dioxide, increasing the creation of greenhouse effect, causing the average temperature of the Earth to rise; global temperature increase causes higher sea level, changes rainfalls and climates of certain areas; even cause changes to the entire ecological system.

The issue of climate changes has seriously threatened the living environment of all creatures. With the Greenhouse Gas Reduction and Management Act of Taiwan and Paris Agreement, the emphasis of external parties on the carbon management issue will gradually increase. Therefore, we inspect the possible climate change impacts on our operations, planning climate strategies and promoting carbon management with CSR promotions.

Strategy and Method

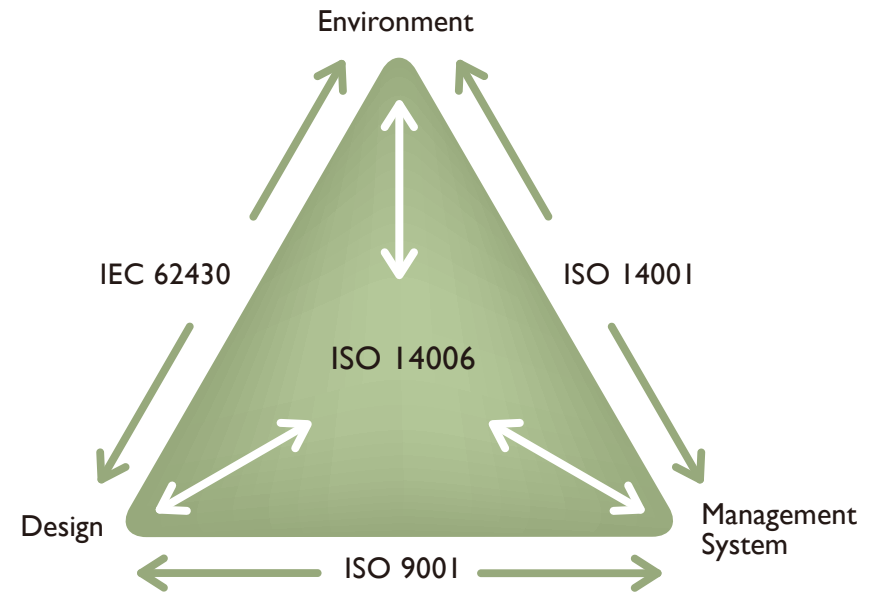
With CSD operations, Qisda expands sustainable development for the environmental aspect into "Green Product", "Green Operation" and "Green Supply Chain. The individual development strategies and management goals are managed with KPIs.

As a company designing and manufacturing electronic products, Qisda not only cares for organizational GHG emission for its carbon management, but analyzes and manages the environmental impacts for its products to meet related international standards such as Directive of Energy-related Products (ErP) or organizational carbon footprints (ISO 14064-1).

I. Green Product

We inspect the carbon emission and reduction opportunities of product life cycle with a product life cycle thinking; emphasize on green design, introduce ecological design techniques, launch environmental impact and carbon reduction from the source of design. We produce carbon footprint reports with our carbon management platform to proceed with the tracking and management of carbon-reduction performance.

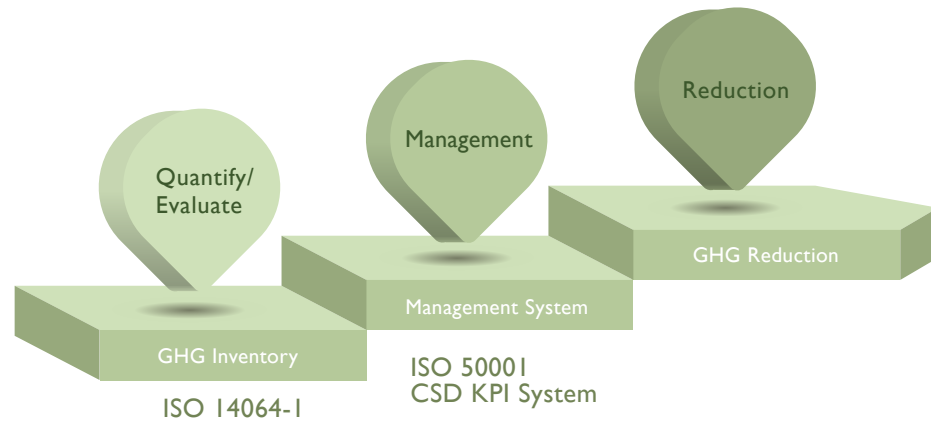
Green Product Management Structure



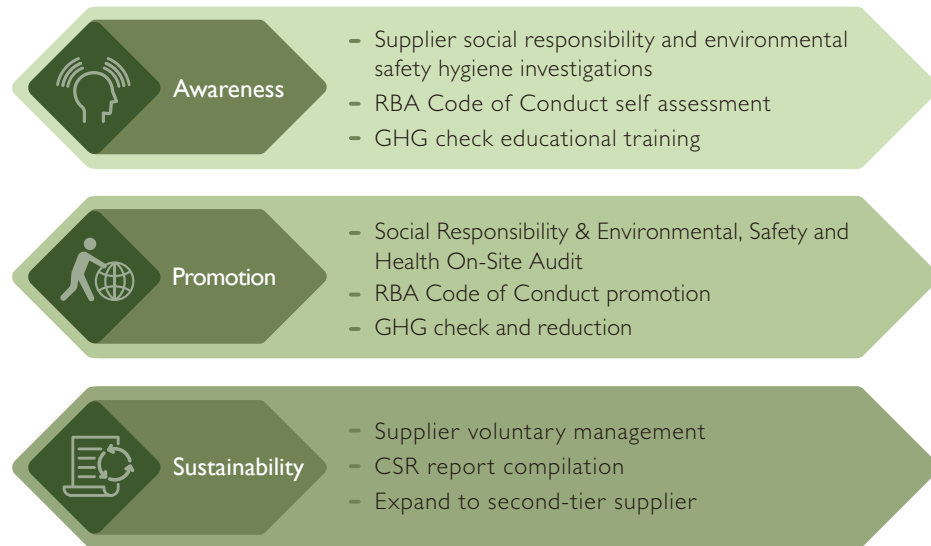
II. Green Operation

We use quantify/evaluate, manage and carbon reduction as our promotional roadmap, starting from checking organizational GHG emission (ISO 14064-1) and establishing energy management system (ISO 50001) as well as CSD KPI management system to track the goal-reaching status and reduction performance of various energy preservation and carbon reduction measures

Green Operation Management Structure



Green Supply Chain Management Structure



III. Green Supply Chain

We plan three promotional phases: Awareness, Promotion and Sustainability. At the recognition elevation phase, we proceed with major supplier GHG check educational trainings. At the promotional phase, we encourage key component suppliers to proceed with GHG check and reduction. At the sustainability phase, we expect to improve suppliers' self-managing abilities and disclose climate change strategies and reduction performance at the CSR report.

Evaluation and Response for Climate Change Risks and Opportunities

Qisda evaluates risks and opportunities of climate changes according to the internal risk identification procedure while dividing the risks/opportunities into those brought by regulations, caused by climate changes and other climates. Details are as follows:

I. Risk

I. Regulation Risks

Taiwan's Greenhouse Gas Reduction and Management Act has passed in 2015, asking major sources of GHG emission to record regularly the emission volume of GHG. In 2016, the Paris Agreement also came into effect; demand from both the government and international customers for carbon reduction will become stronger. Qisda will continue to focus on the trend to respond to related issues as early as possible. The issues include carbon trade and carbon tax. Also, as a company designing and manufacturing electronic products, we have customers around the world. We should also care about the related international regulations of product energy efficiency and regulations that might occur in the sales territories of product marks (such as carbon label) to meet future customer regulations.

For more about Qisda's risk management, please refer to the "Risk Management" Chapter. (P50)

2. Climate Change Risks

The global warming and dramatic climate changes brought by the global warming effect will cause threats for corporate sustainable operations. Therefore, Qisda should further assess the risks of possible operational suspense due to extreme regional weather (such as rainstorm and drought) to lessen the climate change risks.

3. Other Climate Related Risks

The changes of consumer awareness will cause demand hike for green products. Whether we have the designing ability for products that meet customers' green product design needs is also one of the risks. Also, the demand from consumers to customers for a green environmental-protection company is also rising. This is a point that Qisda must pay attention to.

II. Opportunity

I. Drought

Qisda launches GHG check each year and convenes meeting each quarter to inspect the goal-reaching status of energy-preservation and volume reduction. Also, we introduce ecological design, actively improving the energy efficiency of our products, establishing a carbon management platform for products to calculate product footprints, meeting demand for product carbon label and offering competitiveness of Qisda's products. We also set up an energy management system (ISO 50001) to improve energy consumption efficiency and reduce operational costs.

2. Climate Change Opportunities

Qisda has an emergency group joint defense mechanism, joining the group resources to assess and analyze for possible incidents that may affect operations in the future each year. For example, we used computer software to analyze the flood potential in 2013 to assess and calculate the Most Possible Loss (MPL) and Probable Maximum Loss (PML) for references of major natural disaster risk management decisions. In 2015, we investigated the water consumption of group companies for the water shortage issue, simulating the supporting scenario when water shortage happens.

3. Other Climate Related Opportunities

Qisda possesses green designing ability and the platform for calculating product carbon footprints. We can timely offer customers with the reports for product carbon emission, leading the industry in assisting them to launch product life cycle carbon management. Our subsidiary BenQ ESCO Corp. continues to develop energy-preserving services. Our smart energy-preservation solution is now successfully introduced in various major chain stores. Qisda actively promotes CSD and the GHG management for the supply chain. We promise to reduce impact on the environment from the organization and products to meet international trends and customers' expectations.

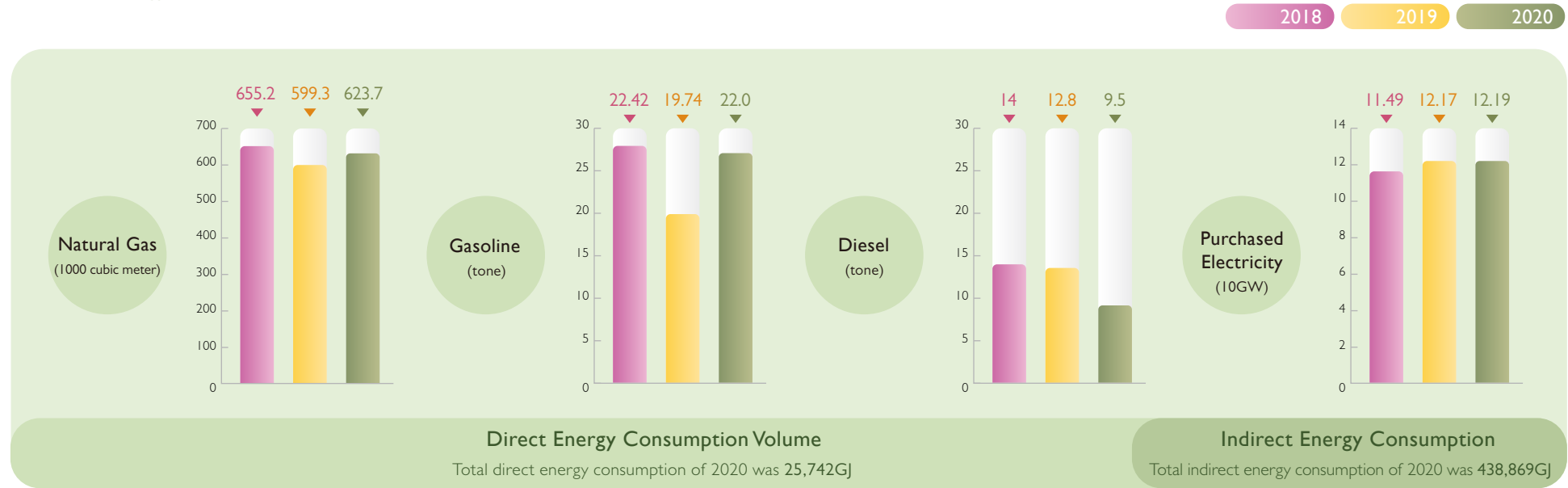
GHG Check

With the worsening issue of global warming, Qisda started referring to the requirements of organizational GHG emission (ISO 14064-1) and GHG check protocol (GHG Protocol) in 2007 as a part of the global citizen to establish a complete GHG emission volume list for its global manufacturing locations. Each year, we proceed with GHG check and have a third-party verification. The GHG emission volume check results of our global sites have passed the third-party verification of ISO 14064-1.

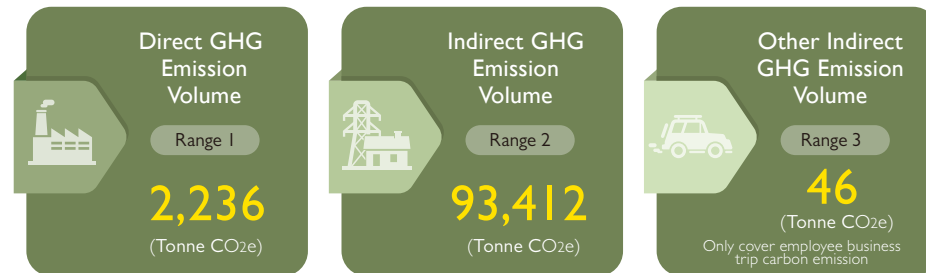
The internal energy consumption includes fuel (natural gas, gasoline and diesel) and factory electricity, the latter being the major energy consumption type. Take our Suzhou factory as an example, the energy density (magnitude) was 24,516 kilowatt-hours per million US dollar production value. The internal energy consumption in 2019 are as shown as below.

The global GHG emission of Qisda in 2020 was 95.6 thousand Kg CO_{2e}, mainly from the carbon dioxide produced during power-generation of purchased electricity for corporate operations and GHG produced by the gas and gasoline used for internal operational activities. Among them, the emission source of purchased electricity accounted for over 90% of our overall emission volume.

Internal Energy Consumption Table*



GHG Emission Volume**



Carbon Disclosure Results

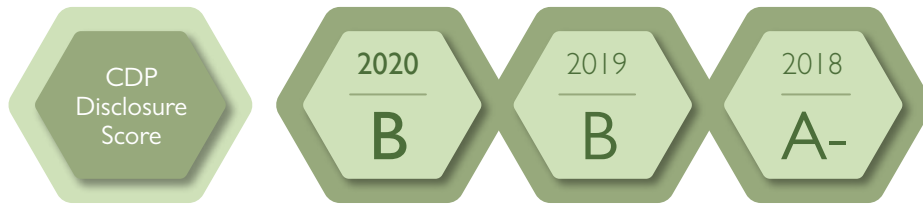
I. International Carbon Disclosure

Each year, we regularly describe to interest parties in the CSR report about the results of sustainable promotions and performance of reduction while actively participating in the survey of Carbon Disclosure Project (CDP) questionnaire to display Qisda's emphasis and management for the climate change issue. This has won approvals from all walks of life.

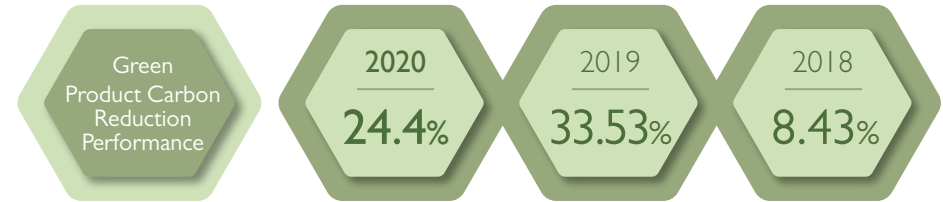
* 1. The standard, methodology and assumption of calculating internal energy consumption adopt the total energy consumption volume from the bills provided to us from energy suppliers.
 2. Joule conversion adopts the conversion table offered by GRI Disclosure 302-1 energy consumption within the organization.
 3. Energy density unit is per million US dollar production value
 4. The direct energy consumption of refrigerant and stream was 0 in 2020.

** 1. Other indirect GHG emission volume calculation standard, methodology and assumption adopt Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard to calculate GHG emission volume from employee business trips (air travel)
 2. The source of convergent coefficient used for calculating other indirect GHG emission volume adopts the distance calculation of International Civil Aviation Organization (ICAO) website, the coefficient also adopts the carbon emission from the website.

Qisda Historical Carbon Disclosure Scores



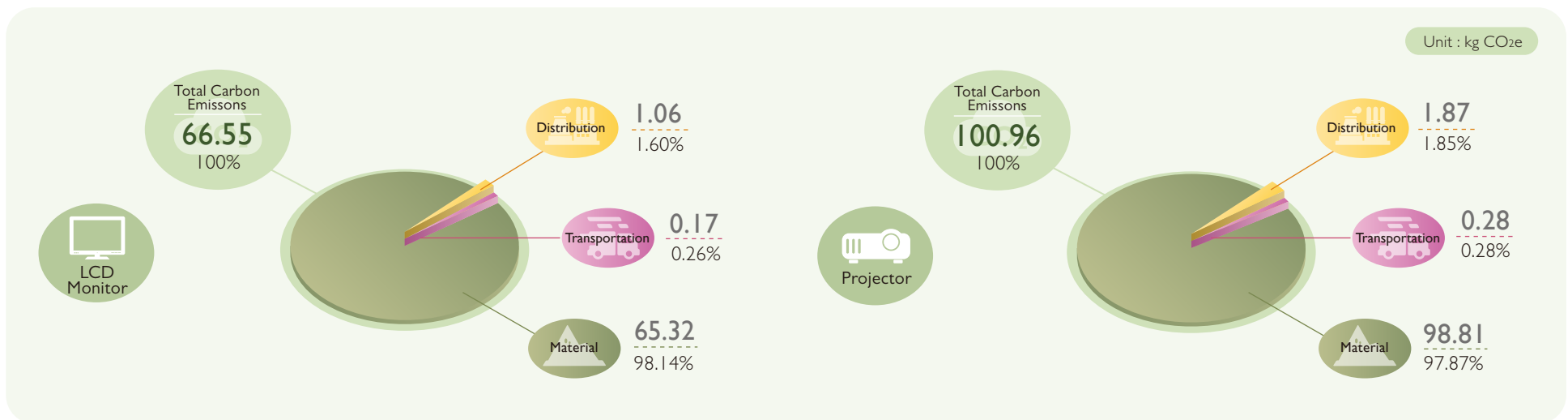
Historical Carbon Reduction Performance of Green Products



II. Product Carbon Footprint

Qisda establishes a carbon management platform. After volume production, we can produce the Carbon Footprint of Product Report (CFP Report) of self-disclosure for products from Cradle-to-Gate or Business-to-Business (B2B). The method of carbon footprint calculation meets the product footprint standards of PAS 2050 and ISO 14067. The listed product footprints are the B2B emission volume.

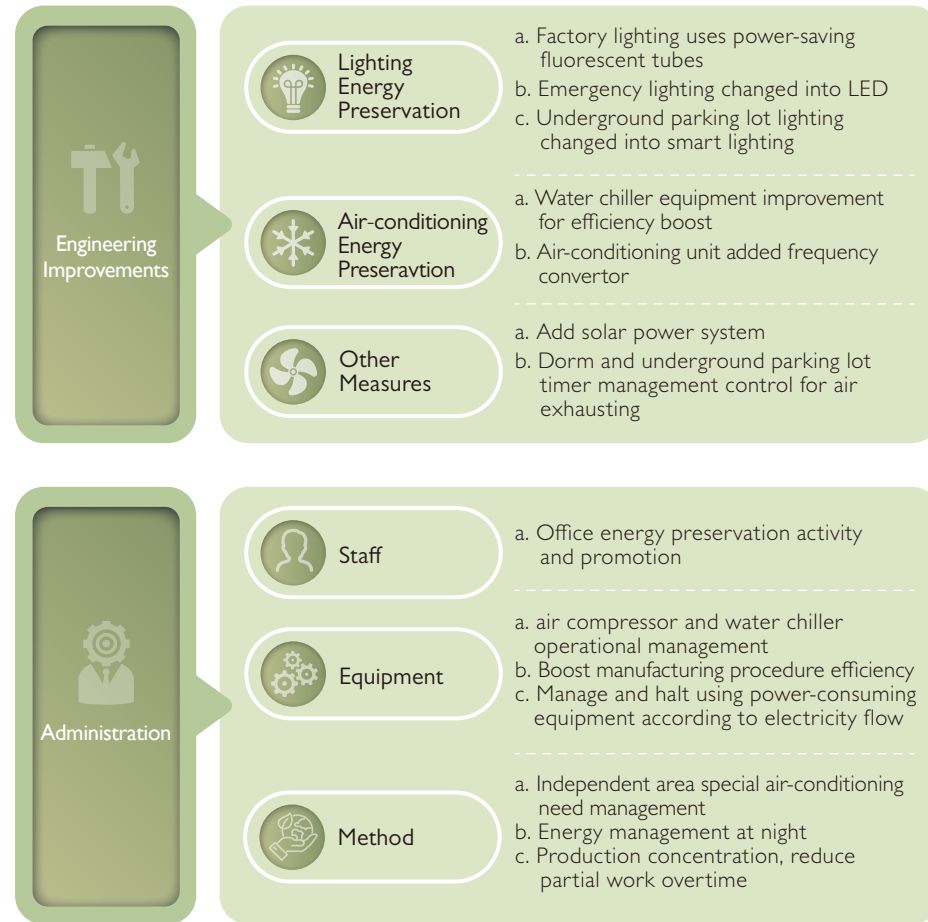
Qisda Product Footprint Calculation Example



III. Volume Reduction Measures

To reduce the impact of energy consumption on warming, Qisda compiles related solutions for GHG volume reduction. In the plan for reducing GHG emission volume, we proceed with energy saving to reach the end of reducing GHG emission by improvements of engineering and administration.

GHG Emission Reduction Program



IV. Volume Reduction Performance

With various energy-preservation measures, the global personal electricity consumption carbon emission per hour in 2019 was 2.4 Kg CO_{2e}, down 16% from 2.86 in 2009.

Qisda built solar power system in 2011. The energy generation volume in 2020 was **9,300** kilowatt-hours, annual carbon reduction volume was **4.8** tonnes CO_{2e}

Qisda GHG Reduction Performance

	2009 (Base)	2017	2018	2019	2020	Reduction (%) (Compared to 2009)
Total GHG emission volume (Thousand Tonnes CO _{2e})	6.49	8.19	9.36	9.75	9.56	-
Electricity consumption carbon emission per person per hour (Kg CO _{2e})	2.86	2.0	2.1	2.4	2.3	19
Electricity consumption per million US dollar production value	35,219	24,555	23,283	26,530	29,339	17
GHG emission per million US dollar production value (Thousand Tonnes CO _{2e})	35.01	21.52	20.63	22.61	23.06	34

Green Product



Management Approach of Material Topic

Ecological Design/ Product Life Cycle Assessment*

● Exceed Goal ◎ Reached ○ Not-Reached

Major Interest Target

Customer, supplier community

2020 Management Goal

Energy reduced **5%**, volume reduced **5%**,
carbon reduced **5%**, ecological benefit
increased **5%**

2020 Goal Reaching Status

All completed ●

2021 Management Goal

- Energy reduced **5%**, volume reduced **5%**,
carbon reduced **5%**, ecological benefit
increased **5%**
- Annual Management Goal
Energy saving by **1%**, emission reduction
by **1%**, carbon reduction by **1%**,
ecological benefit increase by **1%**

Management approach

Duty

Sustainable Risk Office

Resource

1. Cooperation between departments,
perform green design projects
2. External audit unit perform check
3. CSD

Action

1. Introduce green design thinking for
product &D flow
2. Internal system platform connection,
improving information flow efficiency
3. Keep effectiveness of related certificates:
EC 62430, ISO 14006

Evaluation

Launch performance indicator report
and inspection each quarter at CSD
Committee



In average, each product line preserved energy by **25.06%**,
reduced volume by **26.42%**, reduced carbon by **24.4%**,
improved ecological benefits by **44.83%** from 2016 to 2020.

To extend and realize the CSD vision of “Be the Innovator of Electronic Product Design and Manufacturing, Improve Human Life Quality, Friendly to Earth,” we divide the promotion of green sustainable products into several phases, extending from the organizational environment to the product environment, caring about the environmental impact after products go out of factories, considering the impact on the environment of products at the entire product life cycle.

For finding design source of product environment, we should implement green elements at the source of design to lower the impact on the environment of the products at each phase of product life cycle The green-design technique is combined with quality flow and closely combined with product R&D flow. We check and adjust at each design phase to deliver the maximum effect.

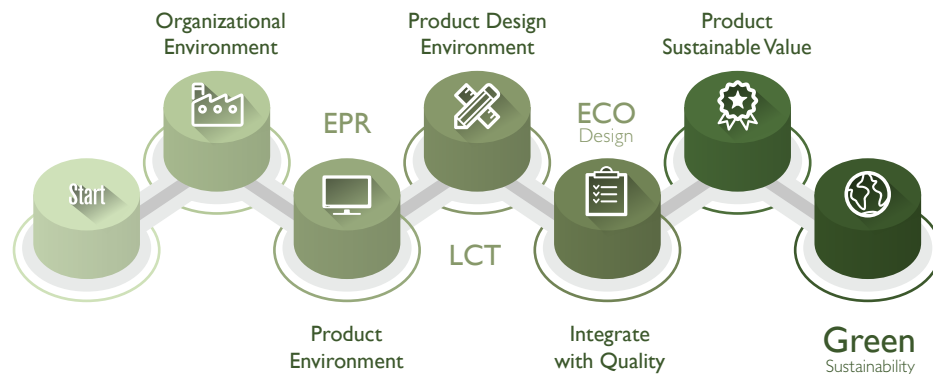
We use 2010 as the starting year (2009 as the base year) to incorporate elements of green design in product R&D design flow, establishing green design (IEC 62430) and integrative design (ISO 14006) management systems. With constant endeavors, we won recognition from domestic and international rankings and awards such as the top award of Environmental Friendly Award from Global Views Monthly, the second in the Asia Top 100 Sustainability Ranking, invited to share our experiences in the Sustainable Industrial Development Quarterly of IDB, MOEA, and included in the

- For details of identifying major topics, please refer to “Stakeholder Engagement” (P30)
- For details of management guidelines of “Ecological Design/Product Life Cycle Assessment”, please refer to this chapter.

* The goals of this major topic are compared with that in 2015; the goal-reaching status is the result comparing with that in 2015.

sustainable innovation type of the Corporate Sustainable Development Stories. For 2020, we will continue to promote green design 555* (Energy preservation 5%, volume reduction**5%, carbon reduction*** 5%) to improve the ecological benefits of products and build the sustainable value of products. From 2016 to 2020, we preserved energy by 25.06%, reduced volume by 26.42%, reduced carbon by 24.40% and improved ecological benefits by 44.83%. Qisda incorporates the product life cycle thinking in product design flow, including the green design goals at the early phase of design, checking at each design phase, verifying products meet customers and regulations of sales country while improving itself, boosting product energy efficiency and reducing energy consumption. We can improve product efficiency amid lowered environmental burden while offering customers with better products.

Qisda Green Product Evolutional Phases



* The goals and results of 2016-2020 are compared with that in 2015, (If comparing the 2015 results with that in 2009, we preserved energy by 45.42%, reduced volume by 22.96%, reduced carbon by 32.03% in 2015).

** Volume reduction aspect covers reducing volume, weight or products and packages as well as number of components of products.

*** Since we are a professional OEM, we manufacture electronic products for brands or other customers, the calculation of product carbon footprints do not include usage and discard phases.

Integrative Design Thinking

We introduced green design (IEC 62430) in 2010 and continued to promote the thinking of product life cycle, asking to implement green elements at the source of design to lower the environmental impacts and risks of the products at each phase of product life cycle for products and components we design while achieving a simple design. In 2013, we incorporated ecological design in quality management, producing products that can both help the environment and have good functions. We thereby

introduced integrative design (ISO 14006), incorporating green design (IEC 64230), environmental management system (ISO 14001) and quality management system (ISO 9001) in the R&D flow, forming a structure that integrates ecological design.

In 2013, we started obtaining integrative design (ISO 14006) and green design (IEC 62430) declarative statements for products such as display, projector, smart phone, scanner, multimedia player and lamp.

I. Ecological Design Guideline/Direction

Qisda requires that we should implement green-design thinking at the initial phase of product R&D to lower the environmental impacts and risks of the products at each phase of product life cycle for products and components we design and perform a fair management at the source of design. Therefore, we set up a cross-BU green design guideline according to the design experience and current status of each production line, offering R&D staff the direction of green design and related manufacturing procedure process choice.

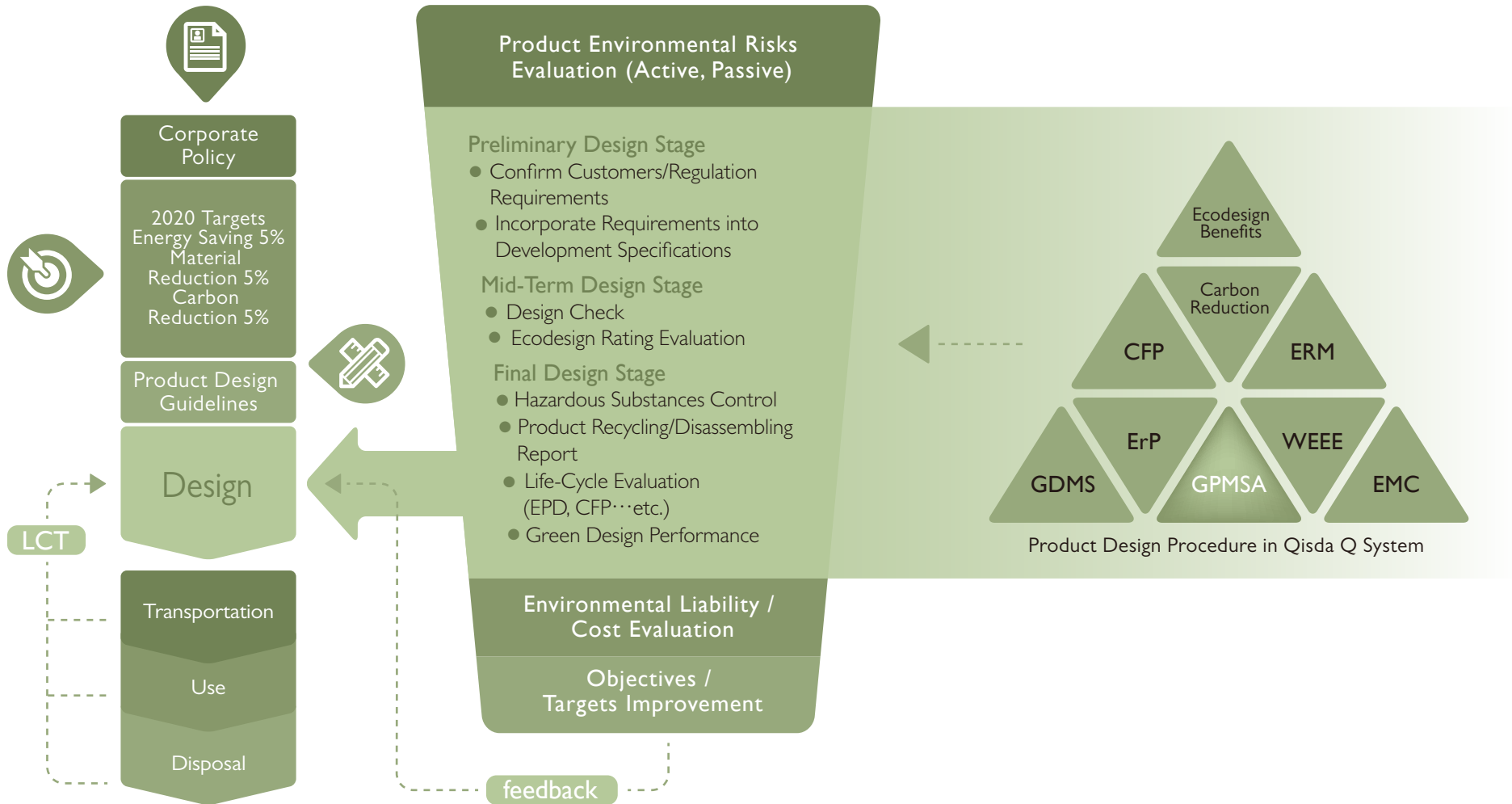
For the design R&D stage, we focus on our four green design directions: Reduce Volume, Manage Hazardous Substance, Preserve Energy and Recycle. Related actions and results are as follows:



For hazardous substance management, please refer to the "Quality and No-Hazardous Substance Management" Chapter

(P107)

Qisda Integrative Ecological Design Structure



I. Reduce Volume

We mainly consider reducing the volume and weight of products and packages as well as the number of components of products while designing with modules. In 2020, the average weight reduction of each product line was 26.42%

2. Hazardous Substance

For products that might use chemical substances during production process that might affect the environmental safety, we compile the “Hazardous Chemical Substance Control List” according to the requirements of international regulations and customers. With strict control in recognizing component materials and inspection on finished products, we ensure our products meet the requirements of international regulations and customers by a systematic management mechanism. We expect to reduce usage of hazardous chemical substances each year while avoiding harms done to human bodies and the environment by products when delivered, used and discarded.

3. Preserve Energy

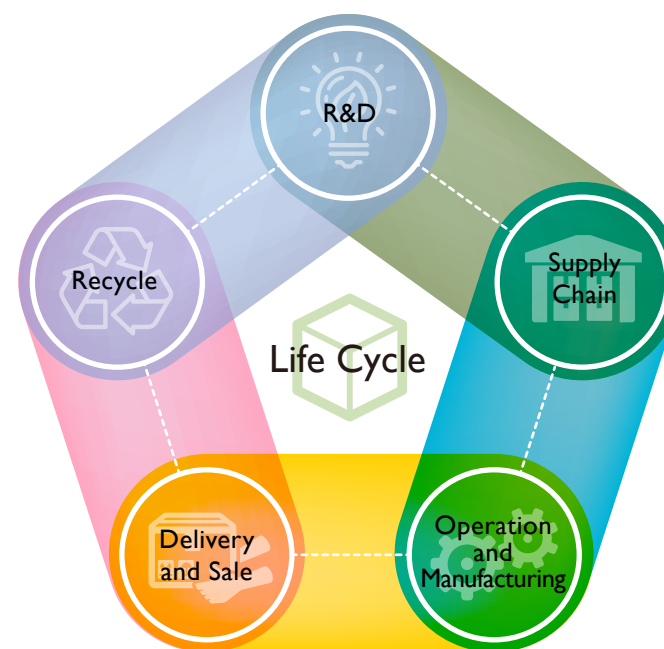
We focus on the improvement of energy efficiency³⁰ and lowering of energy consumption during standby mode while comparing the data of models of the current generation with that of the previous one to verify whether energy preservation performance is reached. Besides meeting international requirements (such as ErP, TCO (Total Cost of Ownership) and Energy Star), Qisda upholds the purpose, consideration and model of self- and constant improvements. In 2020, the average energy preservation was 25.06%.

4. Discard Product

We consider the produce recycling rate and disassembling difficulty at the design phase. We should consider the product joining method at the beginning of design, avoiding materials and manufacturing procedure process not easy to disassemble such as glue, weld or embed. For products and samples with plastic components larger than 25g, there should be a label marking materials used while adopted plastic components should not mix more than two kinds of materials.

At the middle-phase of design, we use the internal WEEE (Waste Electrical and Electronic Equipment Directive 2002/96/EC) platform to assess the product recycling rate and assess whether the rate reaches the required base line before entering the next design phase.

Qisda Product Life Cycle Thinking



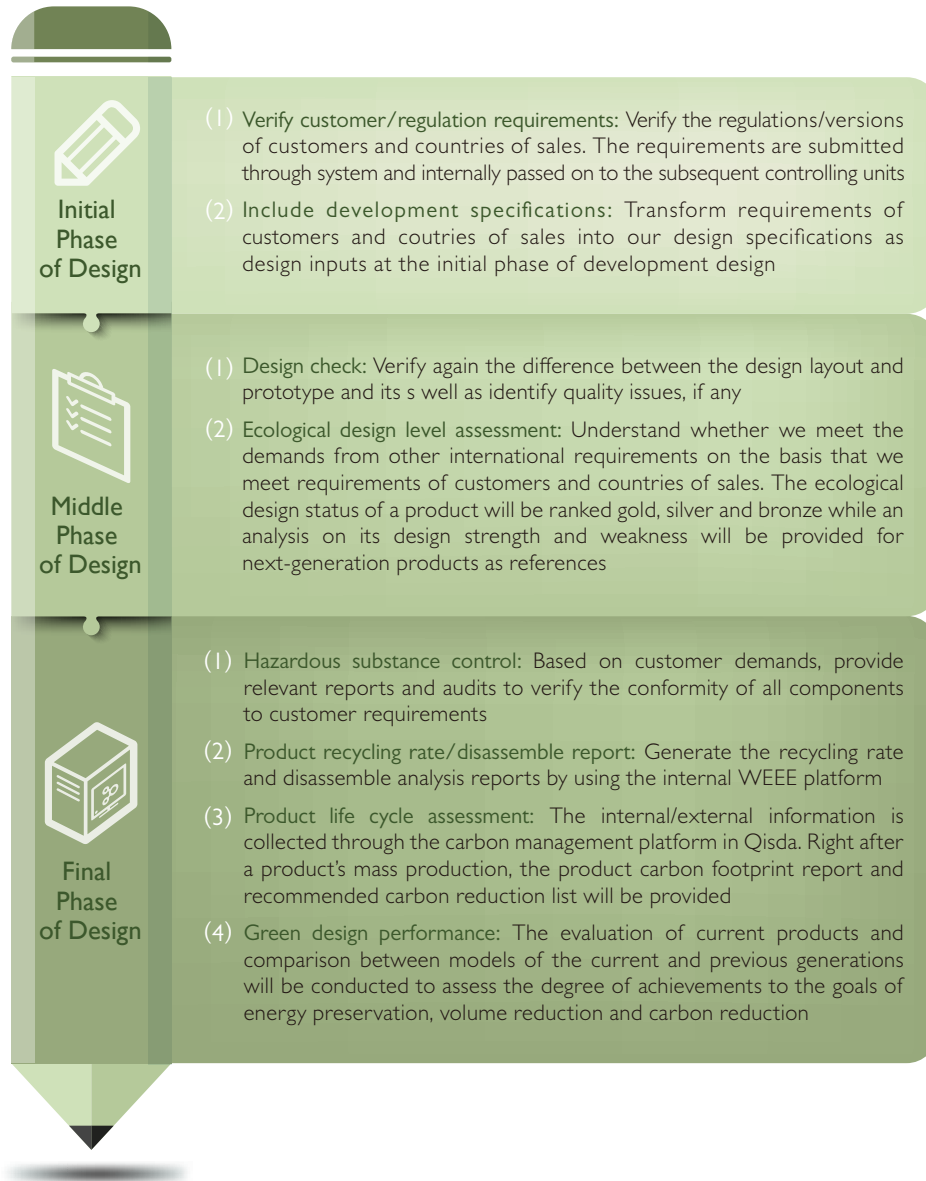
II. Product Ecological Design Flow

To realize ecological design for all models and meet the requirements of customers/countries of sales while continuing to promote volume reduction, energy preservation and carbon reduction, the design flow of models can be divided into the following three phases.

III. Product Environment Risk Assessment

In addition to meeting the demands from customers and countries of sales, Qisda proactively assess whether our products can have more simplified designs to cut down unnecessary manufacturing procedures and components. Annual audits are administered to assess the environmental impacts of individual product category, including the design

Product Ecological Design Flow



specifications/manufacturing procedures between present and future generations of the product lines. Further assessments on the environmental impacts and risks from a product's phases of its life cycle, as well as the comparison between current and previous generations of the models or benchmark products in the industry are conducted to find components and manufacturing procedures with high risks, improvement solutions that lower the burdens on the environment and are economically-feasible for future implementation on the next model.

IV. Ecological Benefit

Since 2010, we have compiled green design goals. Entering the eighth year, we discovered levels of bottlenecks will be encountered amid continued volume reduction, energy preservation and improving recycling rate. This may affect the product itself. The survival of a company is profitability; it must survive so that it can continue to promote sustainability. Therefore, we have reconsidered the original meaning of sustainable development, anticipating our products to gain a balance between the environment and economy. When being friendly to the environment, we need to have enough profits. As a result, we adopt the thinking of ecological benefits, continuing to improve product efficiency on condition that no burden is added on the environment. We also strive to lower burden on the environment for existing products while further set the goal at 5% in 2020 for increasing the sustainable value of products. In 2020, an increase of 44.83% in ecological benefits was observed for all production lines.

V. Integrate Platform Information

In 2010, Qisda established the benchmark carbon management platform in the industry. It integrated the BOM system to expand into corresponding components while collecting information on materials and manufacturing parameters by combining the component recognition system. Before the mass production of products, such information can be entered into the Simapro system to create product carbon footprint reports. This greatly shortens the operational time immediately after the mass production instead of six months. It also expanded from one model to other product lines and models for generating carbon check reports. As a result, we have included carbon footprint reports in 100% of our major models since 2012. In the future, we look forward to integrating the information of the product

discard phase and energy consumption information from the WEEE platform. The complete picture of a product's carbon footprint from cradle to grave can be displayed.

In 2013, we launched the product environmental regulation management platform to completely connect with both customer and corporate requirements. The system transferred the requirements of various models to provide mandatory and optional design check specifications of the model. During the subsequent design phase, it also presents an audit list to ensure that our product design answers to the demands from both customers and the company. Meanwhile, this has saved us from the costs of repetitive work.

In the future, we will continue to synthesize and integrate resources within the corporate systems to make the greatest use of information and reduce the delivery time of information and repetitive work among each BU.

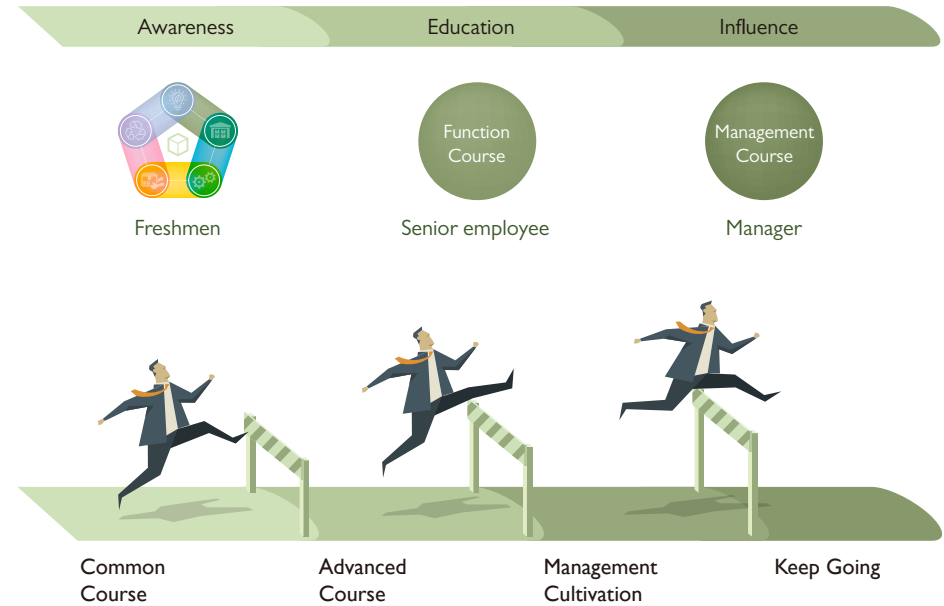
Green Talent Cultivation

For new R&D staff, we regularly hold green product design awareness courses, using simple little games to introduce the elements and directions designing from product functions, thereby leading to Qisda's green product design flow and actual examples.

For senior R&D staff, we teach professional courses according to the needs of each BU or plans, internalizing the knowledge and technologies into internal documents and SOP, coupled with operations of the software platform to deliver to R&D staff. The courses cover international regulation awareness interpretation, life cycle check and assessment, ecological design, design skill, product disassembly and analysis and software platform application.

For management-level R&D executives, we regularly host green-management courses for them to understand the management status of products and management segments that can be strengthened while setting appropriate management methods according to the condition of each product line.

Green Talent Cultivation Plan



Quality/Product Health and Safety

Management Approach of Material Topic

Quality/Customer Health and Safety		● Exceed Goal ◎ Reached ○ Not-Reached	
Major Interest Target		Management approach	
Customer, supplier, community, employee		Duty Quality Management ----- Resource 1. Cross-department cooperation, execute management system 2. External audit units perform check ----- Action Maintain effectiveness of management system certificate ----- Evaluation Launch performance indicator report and inspection each quarter at CSD Committee	
2020 Management Goal	2020 Goal Reaching Status		
Quality: 1. Keep the effectiveness of new-version certificates of quality-related management system (ISO9001, ISO13485, IATF 16949) ----- 2. The Diagnosis-specific supersonic system MDR certificate was acquired in 2020 Q4 ----- Product Health: Maintain the effectiveness of the Hazardous Substance Process Management System (IECQ QC080000) certificate. ----- Product Safety: Meet customer demand, products meet and apply for Energy Star	Completed ◎ ----- Uncompleted ○ ----- Completed ◎ ----- Completed ◎		
2021 Management Goal			
Quality: 1. Keep the effectiveness of new-version certificates of quality-related management system (ISO9001, ISO13485, IATF 16949) 2. Finish the extension for intraoral scanner GMP inspection to ensure the effectiveness of the medical device GMP plant Product Health: Maintain the effectiveness of the Hazardous Substance Process Management System (IECQ QC080000) certificate. Product Safety: 1. The models exported to Canada conform to Canada ICE-003 issue 7 2. The models exported to Europe conform to ErP Lot 5 and 2021 EU Energy Label 3. The models exported to UK conform to UKCA as required by the customer			

Qisda endeavors to promote quality management (ISO 9001), medical equipment quality management system (ISO 13485), car industry quality management system (IATF 16949) and hazardous substance management system (IECQ QC 080000), designing and manufacturing products that meet the requirements of regulations and customers' health and safety. We also disclosed Qisda's quality/no-hazardous substance policies in the "Quality and No-Hazardous Substance Manual" while passed third-party verification and the medical equipment factory audit of FDA (Food and Drug Administration) of the US.

The chairman & president and vice president of Qisda are the highest people in charge of Qisda's quality/no-hazardous substance systems, supervising by levels to set up quality assurance organizations and responsible staff of various levels, carrying out the requirements of quality/no-hazardous substance policies through the company and employees. With various communication methods such as educational training, intranet announcement and propaganda card, we enable all members of the company to recognize the importance of meeting regulation requirements, corporate quality policies, quality goals and customers' requirements while reviewing the appropriateness of the management system and feasibility of resources at management reviews. We expect to pursue constant improvements and problem prevention with the most economical methods to reach the continuous improvement procedure, lowering defects, reducing wastes, improving quality and productivity while reaching requirements of EU RoHS Directive and customers, further enabling our products to meet social expectations and lowering their impacts on the natural environment. In 2020, there were no violations of regulations or voluntary standards of the health and safety in the product life cycle, nor



- For details of identifying major topics, please refer to "Stakeholder Engagement" (P30)
- For details of management guidelines of "Quality/Customer Health and Safety", please refer to this chapter.



Global manufacturing sites obtained certificates of quality management (ISO 9001:2015), medical equipment quality management system (ISO 13485:2016), car industry quality management system (IATF 16949:2016) and no-hazardous substance management system (IECQ QC 080000:2017).

were there violations of rules or voluntary protocols of the information and label of products and services. We also cooperate with customers' requirements; our products meet and apply for the voluntary standard for displays of the US new version of Energy Star 8.0, with the number of covered models of 78.

Qisda transforms the requirements of new product development system into action plans in management. From the initial proposal to the final phase, we divide them into seven phases (Q00-Q60) according to the tasks and management purposes of each phase to ensure the products have enough quality and reliability. Also, Qisda establishes internal product development flow via the above-mentioned system. We also ensure our production and products delivered to customers meet the two following requirements:

I. Products Pass Product Safety Related Tests

Qisda obtains related product certificates based on customers' requirements with the following tests. After that, the products can enter volume production to ensure the products offered to customers are safe such as:

- 1. Product Safety:** Reduce and prevent dangers such as heat, chemical and radiation caused by energy and operation of product electricity leakage and short circuit fires such as Taiwan's BSMI (Bureau of Standards, Metrology and Inspection), the US UL (Underwriters Laboratories) standard (UL60950-1 Ed. 2/UL60065Ed. 7) and China's CCC (China Compulsory Certification) standard (GB 4943.1-2011/GB8898-2011)
- 2. EMC (Electromagnetic Compatibility):** Inspect the electromagnetic radiation generated by electronic products to check their influence on the human body, public grid and other electronic products functioning normally while checking whether they

can stably function under electromagnetic environments such as the US FCC (Federal Communications Commission) and CE (Conformité Européenne) Marking (EMC Directive 2004/108/EC, Low Voltage Directive 2006/95/EC)

- 3. Product Energy Consumption:** Reduce energy consumption during product life cycle, improve efficiency, reduce energy consumption such as the US Energy Star 8.0 and China Energy Label (CEL).

II. Products Meet Requirements of "No-Hazardous Flow Management Procedure"

Qisda verifies its products meet the requirements of the EU RoHS Directive and customers for hazardous substances that are banned to use or allowed restricted usage before they enter volume production while performing audits for all suppliers regularly. With a strict control over recognition of component materials and incoming material inspection, we ensure the products we offer customers are not harmful to health with a systematic management mechanism.

▶ New Product Development System Phases



Green Operation



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

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

For promotions of green operational activities, besides continued actions of energy efficiency engineering improvements, the safety culture performance assessment for each factory is running continuously. The green operational management refers to reaching green operational goals via people's concept change, machinery equipment improvement, operational method changes and operational environment improvement.

 Recyclable waste percentage was **91%**

Waste Management

Management Approach of Material Topic

Waste Management		● Exceed Goal ◎ Reached ○ Not-Reached
Major Interest Target	Customer, supplier community, employee	
2020 Management Goal	Recyclable waste percentage reaches 90%	
2020 Goal Reaching Status	91% ●	
2021 Management Goal	Recyclable waste percentage reaches 90%	
Management approach		
Duty		Sustainable Risk Office
Resource		Outsourcing companies
Action		<ol style="list-style-type: none"> Promote recycle and waste-reduction activities Outsourced companies assist to categorize
Evaluation		Launch performance indicator report and inspection each quarter at CSD Committee

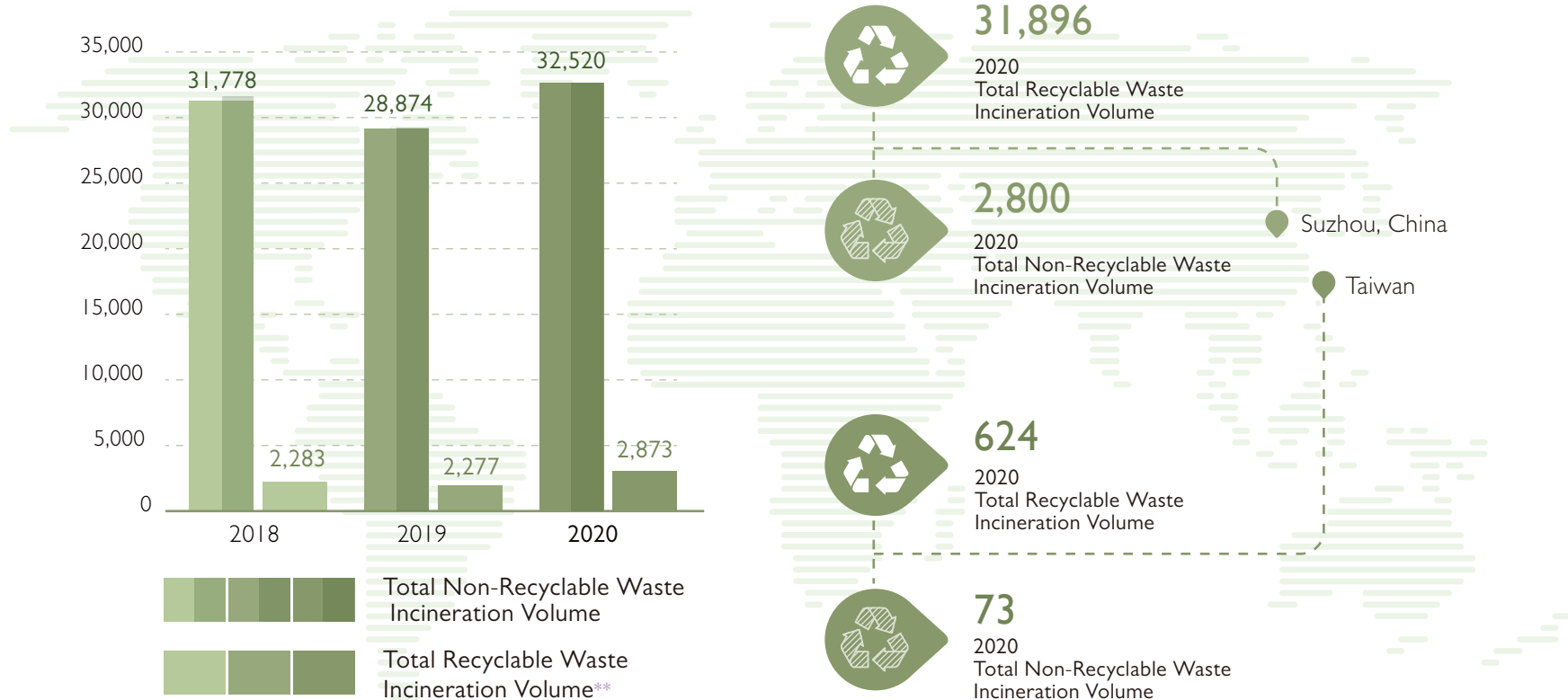
- For details of identifying major topics, please refer to "Stakeholder Engagement" (P30)
- For details of management guidelines of "Waste Management", please refer to this chapter.

Qisda adopts the source management strategy to manage waste. To reach the goal of waste reduction, the company continues to enforce energy preservation and waste reduction activities, actively realizing resource recycling categorization from source, dramatically reducing waste generation and increasing resource recycling volume.

The wastes Qisda's factories create are general business waste, medical waste, solvent waste and electronic component waste that cannot be categorized. In its operational activities and production procedures, there are no hazardous wastes generated as defined by the Basel Convention. The wastes are mainly managed by environmental safety staff whereas the recyclable wastes are moved to the recycling area for outsourced companies to categorize.

To improve the percentage of recyclable wastes, Qisda set up waste management procedure and recycling goals. Each quarter, we review the action plans and goals at the CSD meetings to have the effect of long-term monitoring. In 2020, the performance of waste management was as follows. The overall production manufacturing volume was improved significantly from that in 2009 whereas the type and volume of resource recyclable wastes increased. After promoting energy preservation and waste reduction activities, the percentage of recyclable wastes reached 91%. The accumulated recyclable volume from 2009 reached 250,595 tonnes 241,330 from its Suzhou (China) factory and 477 tonnes of hazardous waste in total.

Waste Management Comparison Table*



* Recyclable waste percentage=recyclable waste weight/total waste weight*100
 ** Those wastes not recyclable are mostly domestic refuse

Water Resource Management



Water consumption per million US dollar production value lowered **46%** (compared with that in 2009)

Management Approach of Material Topic

Water Resource Management*

● Exceed Goal ◎ Reached ○ Not-Reached

Major Interest Target

Customer, supplier community, employee

2020 Management Goal

Lower **10%** of water consumption per million US dollar production value

2020 Goal Reaching Status

Lower **17%** | ●

2021 Management Goal

Lower **12%** of water consumption per million US dollar production value

Management approach

Duty

Sustainable Risk Office

Resource

Cross-department cooperation, execute water preservation project

Action

1. Promote water preservation activities
2. Use sewage recycling system to recycle sewage

Evaluation

Launch performance indicator report and inspection each quarter at CSD Committee

Qisda considers clean production and environmental protection from the start of product design. During the manufacturing process, no wastewater is generated, only domestic sewage. The overall water consumption of Qisda's global manufacturing sites in 2020 reached 561 million liters; overall water discharge volume was 449 million liters. The water consumed at all sites come only from municipal water whereas the three-year water consumption of the sites is as shown in the following table. To realize water resource management, each manufacturing site actively checked its tap water consumption status since 2011. With CSD statistics, the water consumption per million US dollar production value in 2020 was 135 tonnes, down around 46% from that in 2009. Also, there were no underground water consumption for Qisda's factories.

The water pollution prevention equipment at the Taiwan plant is operated and maintained by professional staff. We use the bio-film treatment system to deal with domestic sewage whereas the water generated is discharged into the management system of the sewage sewer of the government. The sewage of the Suzhou plant is directly discharged into the municipal sewer system, with the final destination being the sewer management system. Therefore, there will be no direct influence on the water body and land due to sewage created by water consumption. In the water quality inspection for sewage, our Taiwan site adopts a better treatment of standard of sewage entering factory of the Guishan Industrial Park*. The Suzhou plant meets the combined sewage discharge standard**. The discharged water is regularly monitored and is not reused by other organizations.

Qisda's factories are located in industrial parks and it does not have, lease or manage factories in ecological preservation areas or water resource protection areas. It does not perform any activities that may have negative influences on biodiversity. During the product manufacturing and service processes, there are no influences on the environmental ecology.

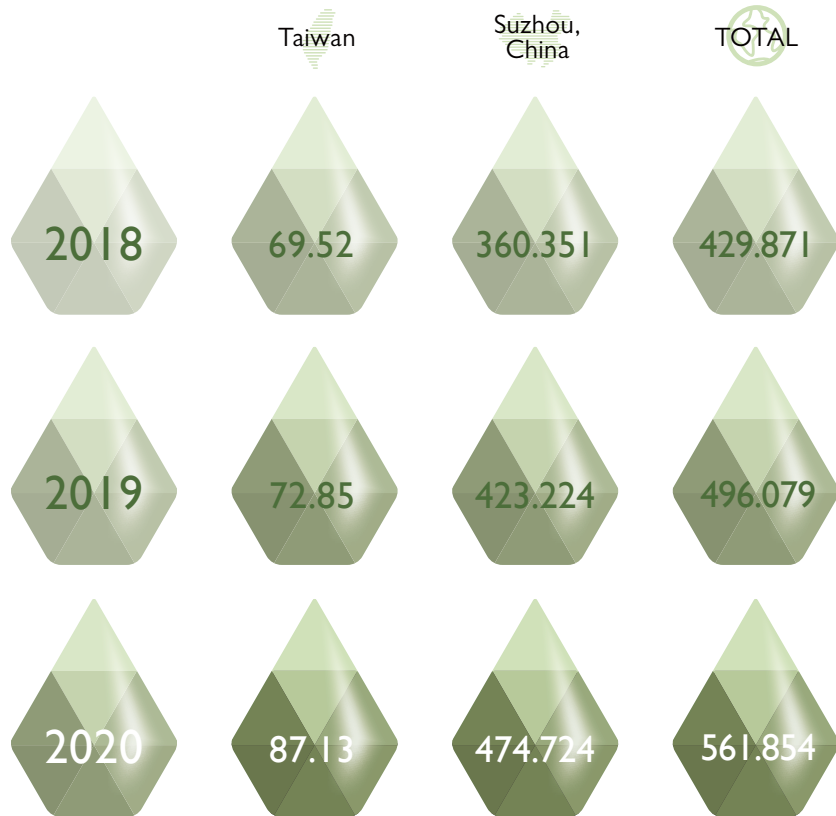


- For details of identifying major topics, please refer to "Stakeholder Engagement" (P30)
- For details of management guidelines of "Water Resource Management", please refer to this chapter.

* Taiwan: The minimum effluent water quality is COD:480mg/L and SS:200mg/L, the real value adopts the maximum value of annual inspection data of Guishan Industrial Park; in 2020: 62.15 mg/L and SS : 11.75mg/L.

** Suzhou: The minimum effluent water quality is COD:500mg/L and SS:400mg/L, the real value adopts the maximum value of sample inspection report data; in 2020: 107 mg/L and SS : 23mg/L.

Site Water Consumption Statistics Table (1,000 Tonnes)*




* 1. Total water drainage volume: Global manufacturing site tap water consumption volume*0.8 (0.2 is the estimated percentage of water volume consumed due to using air conditioner)
 2. Water consumption standard: Water consumption from internal bill statistics (not yet deducting consumption of tenant)
 3. According to the World Resources Institute Aqueduct "Water Risk Atlas," Suzhu (China) is an area with water resource pressure.


Table of Water Intake, Drainage and Consumption (1,000 Tonnes)



Water Intake Volume	All areas	Areas with Water Resource Pressure	Areas with Water Pressure/ All Areas (Percentage)
Surface water (total)			
Freshwater (≤ 1,000 mg/L Total Dissolved Solids)	561.858	474.724	84%
Other water (≤ 1,000 mg/L Total Dissolved Solids)	0	0	0
Underground Water (total)			
Freshwater (≤ 1,000 mg/L Total Dissolved Solids)	0	0	0
Other water (≤ 1,000 mg/L Total Dissolved Solids)			
Seawater (total)			
Freshwater (≤ 1,000 mg/L Total Dissolved Solids)	0	0	0
Other water (≤ 1,000 mg/L Total Dissolved Solids)			
Output Water (total)			
Freshwater (≤ 1,000 mg/L Total Dissolved Solids)	0	0	0
Other water (≤ 1,000 mg/L Total Dissolved Solids)			
Third-party water (total)			
Freshwater (≤ 1,000 mg/L Total Dissolved Solids)	0	0	0
Other water (≤ 1,000 mg/L Total Dissolved Solids)			
Third-Party Total Water Intake Volume by Water Source			
Surface water \ Groundwater	0	0	0
Seawater \ Output water			
Total Water Intake Volume			
Surface water (total) + Underground Water (total) + seawater (total) + output water (total) + third-party water (total)	561.858	474.724	84%

Table of Water Intake, Drainage and Consumption (1,000 Tonnes)



 Drainage Volume		All areas	Areas with Water Resource Pressure	
			Pressure	Pressure/ All Areas (Percentage)
Drainage Volume by Destination	Surface water	449.486	379.779	84%
	Underground Water	0	0	0
	Seawater	0	0	0
	Third-party water (total)	0	0	0
Total Water Intake Volume	Surface water + Underground Water + seawater + third-party water (total)	0	0	0
Drainage Volume of Freshwater and Other	Freshwater (≤1,000 mg/L Total Dissolved Solids)	0	0	0
	Other water (≤1,000 mg/L Total Dissolved Solids)	0	0	0


 Water Consumption Volume		All areas	Areas with Water Resource Pressure	
			Pressure	Pressure/ All Areas (Percentage)
Total Water Consumption		112.372	94.945	84%

Water Resource Risk Assessment and Response

Qisda is a professional electronic OEM mainly manufactures simple assembly operations. There is no need to use water resources. The major risks lie in no drinking and washing water when there is water shortage. Other water resource risk analysis is as follows. To reduce water resource consumption, Qisda convenes CSD meetings to set up water preservation KPI and regularly control performances. Each year-end, we also adjust the goals of next year for water consumption volume and related risks. Furthermore, we hold group company meetings to verify their factory water consumption status, simulate water rationing scenario and assess the supporting mechanism of the group's regional water consumption to improve our response ability for water shortage or rationing.

Water Resource Risk Assessment Table

Item	Content	Risk Level
 Water Intake	<p>Qisda's manufacturing procedures don't require water consumption, but we need to provide clean drinking water for employees. We use the WRI (World Resources Institute) Aqueduct's global water risk mapping tool to analyze results. Taiwan and Suzhou (China) factories are located in areas of mid-level water shortage risks. However, water consumption of all factories only comes from municipal water supply. For the past 15 years, only one incident of water supply shortage occurred. We already set up an emergency response flow for water shortage. If we receive notification from the government or if there is media report about recent water source becoming muddy due to typhoons, or if there is drought and causes temporary water supply suspension or rationing, we will notify contract water wheels to supplement the insufficient amount of water to avoid production line halts due to water shortage.</p>	Low
 Drinking Water Quality	<p>All factory water consumption comes from municipal water supply, no underground water is abstracted for operations; we adopt filtering equipment for drinking water and inspect regularly according to regulations to ensure the water quality is safe.</p>	Low

Item	Content	Risk Level
 <p>Water Pollution Prevention</p>	<p>The water pollution prevention equipment at the Taiwan plant is operated and maintained by professional staff. We use the bio-film treatment system to deal with domestic sewage whereas the water generated is discharged into the management system of the sewage sewer of the government. The sewage of the Suzhou plant is directly discharged into the municipal sewer system, with the final destination being the sewer management system. Therefore, there will be no direct influence on the water body and land due to sewage created by water consumption. Also, the effluent water quality is monitored regularly and inspected according to regulations. The results are better than the regulated standards. For the previous years, there were no water pollution incidents at each factory.</p>	Low
 <p>Water Disaster</p>	<p>According to the WRI Aqueduct's global water risk mapping tool analysis, Taiwan and Suzhou factories are not in areas with high flood risks. In the past 15 years, there were no losses due to floods at factories. Also, we set up controlling flows such as prevention and emergency response. Before typhoons, we will ask cleaning staff to specifically clean ditches to facilitate drainage, avoiding factory floods due to impeded drainage. We also prepare in advance emergency equipment such as sandbag and flood control gate for emergency.</p>	Low
 <p>Regulatory Compliance</p>	<p>At the end of each quarter, we regularly inspect the compliance state of water-related regulations. If there are any updates of regulations, we immediately respond to them. Recently, there were no related illegal incidents about water at factories.</p>	Low
 <p>Water Consumption Expense</p>	<p>No matter in Suzhou (China) or Taiwan, water expenses are low. Taiwan has not started collecting water consumption expenses. Since our factories do not consume much water, the influence on costs in the future will be very low.</p>	Low

Safety Hygiene Management

Management Approach of Material Topic

Occupational Disaster Management* /Chemical Management

● Exceed Goal ◎ Reached ○ Not-Reached

Major Interest Target

Customer, supplier community, employee

Management approach

Duty

Sustainable Risk Office

Resource

1. Cooperation between departments, perform projects
2. External audit unit perform check
3. Social Responsibility and Environmental Safety Hygiene Management Committee

2020 Management Goal

Occupational disaster management:

DIFR reduced **10%**
DISR reduced **30%**

Chemical management: **0** leakage

2020 Goal Reaching Status

DIFR reduced **41%** | ●
DISR reduced **78%** | ●

0 leakage | ◎

2021 Management Goal

Occupational disaster management:

DIFR reduced **12%**
DISR reduced **36%**

Chemical management: **0** leakage

Action

1. Maintain effectiveness of occupational safety hygiene system (ISO 45001:2018) certificate each year
2. Perform educational trainings
3. Work injury incident analysis and improvement

Evaluation

Report and inspect at Social Responsibility and Environmental Safety Hygiene Management Committee and CSD each quarter for performance indicators



- For details of identifying major topics, please refer to "Stakeholder Engagement" (P30)
- For details of management guidelines of "Occupational Disaster Management Chemical Management", please refer to this chapter.

* The goals of this major topic are compared with that in 2015; the goal-reaching status is the result comparing with that in 2015.



2020 Management Key Points

Maintenance certificate for occupational safety hygiene (ISO 45001:2018).

Qisda has a sound Social Responsibility and Environmental Safety Hygiene Management Committee to promote occupational safety hygiene matters. All employees finish their jobs dutifully and safely. We also perform various safety hygiene health requirements via activities of green operational culture. For environmental safety secretary and management representatives, we regularly perform occupational hygiene educational trainings regularly while asking employees to regularly have health checks and monitoring the environment of operational locations. Qisda obtained the occupational safety hygiene (ISO 45001:2018) certificate since 2019. Each year, we launch harm identification and risk assessment while continuing to perform verification and expand the range of worker management.








- DISR reduced **88%** (Compared with in 2009)
- DIFR reduced **93%** (Compared with in 2009)

I. Occupational Safety Disaster Management

The work injuries of Qisda's employees are mostly incision wounds by hand tools. They are minor injuries that do not require sick leaves. However, a minority of the work injuries require leaves and rest. For seriousness of work injuries that requires leaves of more than one day, it is included in the calculation range of work injury leave and lost working date while there have not been any death cases. After calculation, we found our global manufacturing sites had an average DIFR of 0.046 under the GRI (Global Reporting Initiative,) in 2020; the DISR GRI was 3; the OD was 0. The DIFR reduced around 88% while DISR decreased around 93%, comparing with that in 2009. There were no occupational disease cases at the workplace. In Taiwan, the non-occupation disaster working hours in 2020 was around 2.97 million hours. There were no occupational injuries or deaths at on-site works of contractors.

Global Safety Hygiene Management Performance Comparison Table(2017~2020)*

Safety Hygiene Management Performance\Year	Global Manufacturing Site			
	2017	2018	2019	2020
 GRI DIFR	0.074	0.088	0.03	0.046
 GRI DISR	3.3	3.5	1.26	0.6
 GRI ODR	0	0	0	0
 GRI AR	37.4	37.2	13.79	10.5
 Total Number of Incidents of Deaths in Line of Duty	0	0	0	0

* The formula provided in GRI Standards is as follows:

1.Injury Rate(IR)

IR=Total # of injuries *200,000 /Total hours worked

2.Lost day Rate(LDR)

LDR=Total # of lost days *200,000/Total hours worked




































3.Occupational diseases Rate(ODR)

ODR=Total # of Occupational diseases cases * 200,000/Total hours worked

4.Absentee rate(AR)

AR=Total # of missed(absentee)days over the period *200,000/Total # of workforce days worked for same period

► Safety Hygiene Management Performance by Gender in 2020

2020		Taiwan	Suzhou, China	Global Manufacturing Site
	GRI DIFR	 0	 0.06	 0.05
		 0	 0	 0
	Total	0	0.04	0.03
	GRI DISR	 0	 1.13	 0.99
		 0	 0	 0
	Total	0	0.75	0.65
	GRI ODR	 0	 0	 0
		 0	 0	 0
	Total	0	0	0
	GRI AR	 0	 12.6	 10.6
		 0	 0	 0
	Total	0	8.4	6.9
	Total Number of Incidents of Deaths in Line of Duty	 0	 0	 0
		 0	 0	 0
	Total	0	0	0

For chemical management, the use of chemicals during production procedures has always been the focus of environmental safety hygiene management works and should be effectively managed. If chemical solvents are leaked, negative influences may be caused on the safety and health of employees at factories as well as the environment of the factories. In 2020, all factories of Qisda's global manufacturing sites didn't have any leakage incidents of chemicals, oil materials and fuel.

2. Safe Climate Assessment Activity Promotion

The Suzhou (China) plant continued to perform safe climate assessment. With drafting and planning safety hygiene activities, we connect them with green operational performances and let employee to carry out safety measures from top to bottom. The system incorporates continuous improvements of energy preservation and safety hygiene performances, strengthening safety hygiene inspection, performing work safety analysis, improving the participation rate of safety hygiene educational trainings, promoting false alarm incident reports, encouraging safety hygiene proposals, etc. to fully execute various requirements for safety hygiene and health, further increasing the performance of safety hygiene management, reaching the target of work safety. With realization of promotional activities, we kept the score of over 90 in 2020.

Amid the assessment activities of corporate safety culture, we also listed the environmental-protection and energy-preservation activities at each factory as parts of the competitions. Qisda asked each factory to set up goals for environmental protection and energy preservation within the range of feasibility. With operations of factory affairs, we generated actual environmental-protection and energy-preservation performances while encouraging those with high performance, letting each department of each factory to voluntarily proceed with activities of environmental protection and energy preservation.



Hand in Hand and Create Growth Together

Commitment and Management Strategy

Qisda continues to speed up its industry transformation plan, expecting its sales of new business under transformation such as smart solution and medical business to account for more than half of its revenues by 2022. With hidden champions from various target fields, Qisda expands its joint fleet. With cooperation of subsidiaries and Qisda, we expect to expand the influence of Qisda Group by pushing growths in aspects such as economy, society and environment.

Future Outlook

Under the leadership of Qisda, we continue to share group resources and bring the benefits of professional responsibility assignment into full play. In recent years, we have already boosted economic benefits of subsidiaries gradually. Also, we continue to strengthen the sustainable performance of our subsidiaries while expecting to lead subsidiaries to obtain the GHG check (ISO 14064-1:2018) certificate in 2021.

Key Points of the Chapter

- BenQ Dialysis Technology Co.
- BenQ Medical Technology Co.
- Lily Medical Co., Ltd.
- DFI Inc.
- Partner Tech Corp.

Material topics concerned by stakeholders



According to the identification of material topics, please refer to "Stakeholder Engagement."

(P30)

BenQ Dialysis Technology Co.



I. Basic Information

Basic Information	
1. Name of organization	BenQ Dialysis Technology Co.
2. Time of Establishment	2014
3. Chairman	Harry Yang
4. Headquarter	Taoyuan, Taiwan
5. Number of Employees	Around 38
6. 2020 Revenues	NT\$ 59 million
7. Global Operational Sites	a. R&D Centers: Taiwan b. Manufacturing Sites: Taiwan c. Service Centers: Taiwan
8. Major Products or Services	Medical equipment, electronic appliances and products
Environment	
1. Purchased Electricity	680,898 kWh, 2,451.23 GJ
2. Direct GHG Emission	0 tonnes CO ₂ e
3. Indirect GHG Emission	346 tonnes CO ₂ e
4. Water Consumption	3,850 tonnes
5. SO _x , NO _x	None
6. Chemical Leakage	None
7. GRI DIFR	None
8. GRI DISR	None
9. GRI ODR	None
10. Death in line of duty sum	None
11. Violation of Environmental Regulations	None
12. Environmental Appeals	None

Social Aspect	
1. Number of Employees	Number and percentage of male: 30人(79 %) Number and percentage of female: 8人(21 %)
2. Accession Rate	36.8 %
3. Dimission Rate	18.4 %
4. Equal Pay for Equal Work	Basic salary ratio of male to female: 1.1:1 Basic reward ratio of male to female: 1:1
5. Non-Discrimination	Committed to not let elements such as race (including aborigine), ethic, class, skin color, age, gender, sexual preference, sexual identification and expression, nationality or area, physical disability, pregnancy, religious belief, political stand, group background, family responsibility, retired soldier, gene information or marital status and other stipulated by regulations to affect the chances of recruit, salary, welfare, promotion, reward, training opportunity, dimission or retirement for employees, treating all employees equally
6. Child Labor	Factory site promised not hiring child and forced labor
7. Forced Labor	
8. Anti-Corruption Training	100%
9. Violation of social regulations	None
10. Labor, human right appeal incidents	None

BenQ Dialysis Technology Co. : <http://www.benqdialysistech.com/index.html>



II. Major Topics

We investigated 43 issues and issued questionnaires to suppliers, customers and employees, receiving 40 filled ones. In 2020, we set up related KPIs for major topics identified by interest topics. The goal-reaching status and management guidelines in 2020 are as follows:

● Surpassed ◎ Achieved ○ Not Achieved

Category	Topic	Boundary	2020 Management Goal	2020Status	Management Approach
Economy/ Governance	Quality	Internal	Medical equipment quality management system (ISO 13485)	Completed ◎	BenQ Dialysis Technology is in the medical equipment manufacturing industry, upholds the highest principles of safety and efficiency for its R&D and manufacturing procedures while values product quality; passed ISO 13485 in 2020
	Legal and Compliance	Internal	Medical equipment quality management system (GMP)	Completed ◎	BenQ Dialysis Technology is in the medical equipment manufacturing industry, upholds the highest principles of safety and efficiency for its R&D and manufacturing procedures while values product quality; passed GMP in 2019. Note: The GMP audit is conducted once every three years or when application for any new products is filed.
Society	Employee compensation and welfare	Internal	Satisfaction with the events organized by the employee welfare committee ≥ 4.0 points	4.7 points (perfect score: 5 points) ◎	BenQ Dialysis Tech attaches importance to the welfare of the employees. The employee satisfaction standard is set to more than 4.0 points for every event organized by the employee welfare committee. The annual event satisfaction in 2020 was 4.7 points.
	Customer Privacy Protection	External	No customer complaints of data leakage incidents	100% completed ◎	BenQ Dialysis Technology actively promotes the importance of information security. For internal control, its data access requires signed permission. When downloading a confidential document, the background of the documents is marked with Confidential and the name of the person downloading the document in the format of watermark for reminder of the sensitiveness and confidentiality of the document. In 2020, there were no leakage incidents and complaints.

● Surpassed ◎ Achieved ○ Not Achieved

Category	Topic	Boundary	2020 Management Goal	2020 Status	Management Approach
Environment	GHG and energy management	Internal	Collection of energy consumption data	100% completed ◎	The GHG and energy consumption data have been collected since 2020. These data and the production volume will be used as a basis for calculation of the average GHG generation per dialyzer.
	Waste Management	Internal	Waste management and collection	100% completed ◎	Waste management data are collected. The weight of the waste produced by each dialyzer in 2020 was 0.063 (kg/pcs).
Health and Safety	Product health and safety	External	Medical Device Quality Management System (ISO13485)	Completed ◎	BenQ Dialysis Tech Corporation is a medical device manufacturer. The R&D and manufacture processes are subject to the highest principles of safety and effectiveness. The company pays special attention to the quality of the products. It successfully passed the ISO13485 certification in 2020.
	Occupational accident management	Internal	Zero occupational accident	Completed ◎	BenQ Dialysis Tech is dedicated to providing a safe and secured working environment for the employees. There was no employee taking leave due to occupational accidents in 2020.

BenQ Medical Technology Co.



I. Basic Information

Basic Information	
1. Name of organization	BenQ Medical Technology Co.
2. Time of Establishment	1989
3. Chairman	Peter Chen
4. Headquarter	Taipei, Taiwan
5. Number of Employees	Around 200
6. 2020 Revenues	NT\$14.2 billion
7. Global Operational Sites	a. R&D Centers: Taiwan b. Manufacturing Sites: Taiwan c. Service Centers: Taiwan
8. Major Products or Services	Gynecology and obstetrics operating tables and accessories, automatic surgery operating tables and accessories, manual surgery operating tables and accessories, surgery operating lamp, optic fiber dentistry light source (examination lamp), dentistry planning software, operating room integration solution series products (iQOR)
Environment	
1. Purchased Electricity	862,509 kWh, 3,105.03 GJ
2. Direct GHG Emission	0 tonnes CO ₂ e
3. Indirect GHG Emission	439.02 tonnes CO ₂ e
4. Water Consumption	3,141 tonnes
5. SO _x .NO _x	No yet adopting diesel and heavy oil for indirect material in production procedures, only using diesel for emergency generator of public equipment; infinitesimal traces of Sox and NOx are produced when burning diesel; therefore, no monitoring is required

7. Chemical Leakage	0.99
8. GRI DIFR	3.98
9. GRI DISR	None
10. GRI ODR	None
11. Death in line of duty sum	None
12. Violation of Environmental Regulations	None
Social Aspect	
1. Number of Employees	Number and percentage of male: 92人(46 %) Number and percentage of female: 108人(54 %)
2. Accession Rate	37.5 %
3. Dimission Rate	32.5 %
4. Equal Pay for Equal Work	Basic salary ratio of male to female: 1:1 Basic reward ratio of male to female: 1:1
5. Non-Discrimination	None
6. Child Labor	None
7. Forced Labor	None
8. Anti-Corruption Training	100%
9. Violation of social regulations	None
10. Labor, human right appeal incidents	None

BenQ Medical Technology Co. : <https://www.benqmedicaltech.com/webbs-en-us/product.html>



II. Major Topics

We investigated 42 issues and issued questionnaires to suppliers, customers and employees, receiving 26 filled ones. In 2020, we set up related KPIs for major topics identified by interest topics. The goal-reaching status and management guidelines in 2020 are as follows:

● Surpassed ◎ Achieved ○ Not Achieved

Category	Topic	Boundary	2020 Management Goal	2020 Status	Management Approach
Economy/ Governance	Quality	Internal	Dead of arrival, DOA = 0	12 ○	BenQ Medical Technology strives to promote quality management system (ISO 9001), medical equipment quality management system (ISO 13485), designs and manufactures products meeting requirements of regulations and customers' health and safety. In 2020, although DOA indicator goal was not reached, there were no major compliance or product safety issues.
	Customer Satisfaction	Internal	≥ 90	90.3 ◎	To understand the satisfaction of customers using our products, we regularly collect customer satisfaction survey results each year for further internal improvements; the average satisfaction of 2020 was 90.3
Society	Human Right	Internal	No labor right, human right issue appeal incidents	0 ◎	BenQ Medical Technology values strongly the issues of labor and human right while collecting related information via employee appeal mailbox; there were no appeal incidents in 2020.
	Employee Salary and Welfare	External	Satisfaction score of annual activities held by Welfare Committee ≥ 4.0 (out of 5)	4.0 ◎	BenQ Medical Technology values the leisure activities of employees at holidays; the Welfare Committee regularly holds related travel activities each year for employees to participate and improve relationship among them while launching satisfaction survey after the activities for future reference; the satisfaction score of annual activities was 4.68 in 2019 (out of 5)

● Surpassed ◎ Achieved ○ Not Achieved

Category	Topic	Boundary	2020 Management Goal	2020 Status		Management Approach
Environment	Ecological design	Internal	Operating light with reduced power consumption >=50%	120%	◎	BenQ Medical Technology reduces the impact on the environment from the design at the very beginning. Simplification is always the idea of BenQ Medical Technology in the design of products. The goal to reduce the power consumption of the operating lights was achieved in 2020.
	Material Management	Internal	Reduced use of cleaning naphtha per operating table >= 2.5%	13%	◎	Only managing the use of volatile liquid properly can control the impact on the environment and ensure the safety of the employees in the factory area. The use per operating table in 2020 was reduced by about 13% compared to the use in 2019.
Health and Safety	Overwork	Internal	The monthly overtime hours of individual employees ≦ 46 hours	< 46	◎	Due to changes of the work patterns in the industry, some laborers work overtime under high work w. This results in abnormal incidents and excessive workload leads to cerebrovascular and heart diseases. Overworking is always a deeply concerning issue for workers. This is also a concern of BenQ Medical
	Safety of machinery and equipment in the organization	Internal	Zero Disaster	0	◎	BenQ Medical Technology attaches importance to the health/safety of the employees, provides them with good work environment, and is dedicated to implementing the training courses on the occupational safety and health management requirements (ISO 45001). There was no disaster with respect to the safety of machinery and equipment in 2020.

LILY Medical Corporation



Basic Information

1. Name of organization	Lily Medical Co., Ltd.
2. Time of Establishment	1984
3. Chairman	Harry Yang
4. Headquarter	Miaoli, Taiwan
5. Number of Employees	Around 96
6. 2020 Revenues	NT\$ 303 million
7. Global Operational Sites	a. R&D Centers: Taiwan b. Manufacturing Sites: Taiwan c. Service Centers: Taiwan
8. Major Products or Services	Sell medical supplies, OEM, design, major products: fluid infusion type (products that help control the volume and density of infusion of medicine into human bodies such as precision fluid infusion set and extension cube, needle-free type (for medical staff to use needle-free connector to lower danger of their being pricked by needle), drainage type, bag type, semi-finished goods and components

Environment

1. Purchased Electricity	1,755,305 MWh, 6,319.098 GJ
2. Direct GHG Emission	33.4 tonnes CO ₂ e
3. Indirect GHG Emission	893.45 tonnes CO ₂ e
4. Water Consumption	6,560 tonnes
5. SO _x .NO _x	Emergency generator diesel, small boiler diesel and stacker diesel bear small filling amount, causing small-volume evaporation, voluntary check is launched for GHG of filling amount
6. Chemical Leakage	None

7. Chemical Leakage	None
8. GRI DIFR	None
9. GRI DISR	None
10. GRI ODR	None
11. Death in line of duty sum	None
12. Violation of Environmental Regulations	None

Social Aspect

1. Number of Employees	Number and percentage of male: 50人(40%) Number and percentage of female: 72人(60%)
2. Accession Rate	2%
3. Dimission Rate	2%
4. Equal Pay for Equal Work	Basic salary ratio of male to female: 4:3 Basic reward ratio of male to female: 4:3
5. Non-Discrimination	None
6. Child Labor	None
7. Forced Labor	None
8. Anti-Corruption Training	100%
9. Violation of social regulations	None
10. Labor, human right appeal incidents	None



Lily Medical Co., Ltd. : <https://www.lily-medical.com/>



II. Major Topics

We investigated 42 issues and issued questionnaires to suppliers, customers and employees, receiving 23 filled ones. In 2020, we set up related KPIs for major topics identified by interest topics. The goal-reaching status and management guidelines in 2020 are as follows:

● Surpassed ◎ Achieved ○ Not Achieved

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

● Surpassed ◎ Achieved ○ Not Achieved

Category	Topic	Boundary	2020 Management Goal	2020 Status		Management Approach
Environment	Waste management	Internal	The monthly recovery rate of waste cartons delivered to the supplier $\geq 70\%$	Reached	◎	Prevention of pollutant and reduction of wastes are also part of Lily Medical's EHS policy. We are dedicated to implementing the environmental management system (ISO14001) and delivery waste cartons to the supplier for reuse. The recovery rate shall be $\geq 70\%$ to ensure recycle of resources.
	Management of toxic chemicals	Internal	The fine due to toxic chemicals amounting to 0	Reached	◎	Lily Medical places importance on the operating safety of the employees. We observe laws and regulations, implement environmental protection, prevent pollutants, reduce wastes, and take stricter measures in the management of the toxic chemicals in the factory. No defects were identified during the environmental protection audit and no fines were imposed in 2020.
Health and Safety	Health management	Internal	1. Medical check-up 2. Completion of consultation and improvement measures for the employees of high/medium health risk.	Reached	◎	Employees are the most important assets of Lily Medical. Their health is the first concern of us. Physical examination is provided for employees every year. Professional nurses and physicians are commissioned to provide on-site services in the factory area, including medical consultation and health education, and help employees improve their health.
	Occupational accident management	Internal	Injury rate 0 (excluding traffic accident)	Reached	◎	Lily Medical attaches importance to the health/safety of the employees, provides them with a good work environment, and is dedicated to implementing the occupational safety and health management system (ISO 45001) and environmental management system (ISO 14001). The Company and employees follow regulations strictly and conduct continual improvement. There was no disaster in 2020.

DFI Inc.



I. Basic Information

Basic Information

1. Name of organization	DFI Inc.
2. Time of Establishment	1981
3. Chairman	Peter Chen
4. Headquarter	Xizhi, Taiwan
5. Number of Employees	Around 712
6. 2020 Revenues	NT\$ 8.35 billion
7. Global Operational Sites	a. R&D Centers: Taiwan b. Manufacturing Sites: Taiwan, Suzhou, China c. Service Centers: Taiwan
8. Major Products or Services	Industrial motherboard, imbedded PC module, industrial system, industrial touch panel PC and display

Environment

1. Purchased Electricity	4,968,500 MWh, 19,644 GJ
2. Direct GHG Emission	63.38 tonnes CO ₂ e
3. Indirect GHG Emission	2,528.97 tonnes CO ₂ e
4. Water Consumption	27,629 tonnes
5. SO _x , NO _x	No yet adopting diesel and heavy oil for indirect material in production procedures, only using diesel for emergency generator of public equipment; infinitesimal traces of SO and NO _x are produced when burning diesel; therefore, no monitoring is required
6. Chemical Leakage	None
7. GRI DIFR	0.15
8. GRI DISR	None

9. GRI ODR	9.4
10. Death in line of duty sum	None
11. Violation of Environmental Regulations	None
12. Environmental Appeals	None

Social Aspect

1. Number of Employees	Number and percentage of male: 331人(46.49 %) Number and percentage of female: 381人(54.51 %)
2. Accession Rate	15.16 %
3. Dimission Rate	16.72 %
4. Equal Pay for Equal Work	Basic salary ratio of male to female: 1:1 Basic reward ratio of male to female: 1:1
5. Non-Discrimination	None
6. Child Labor	None
7. Forced Labor	None
8. Anti-Corruption Training	100%
9. Violation of social regulations	None
10. Labor, human right appeal incidents	None



DFI Inc. : <https://www.dfi.com/>



II. Major Topics

We investigated 42 issues and issued questionnaires to suppliers, customers and employees, receiving 23 filled ones. In 2020, we set up related KPIs for major topics identified by interest topics. The goal-reaching status and management guidelines in 2020 are as follows:

● Surpassed ◎ Achieved ○ Not Achieved

Category	Topic	Boundary	2020 Management Goal	2020 Status	Management Approach
Economy/ Governance	Financial performance	Internal	No violation of financial/economic laws and regulations	Reached ◎	The Company is dedicated to the health and safety of the employees. We observe the laws and regulations on occupational safety and health, promote friendly and safe environment, and implement ISO 45001. External audit is conducted to check internal occupational safety and health policies, measures and management guidelines in order to ensure that internal executions and occupational safety and health management matters comply with relevant laws and regulations.
	Legal compliance	External	No violation of occupational safety and health regulations	Reached ◎	Protection of customer privacy is the goal of the national laws and the Company's policies. It is also an issue that DFI emphasizes. If a customer privacy breach occurs, the customer loyalty and satisfaction may decrease, the business and reputation may be impacted negatively, and the Company may even face legal proceedings. Hence, DFI helps employees understand the importance of the information security by implementing internal dissemination by email and providing educational training. The privacy declaration specified in the European General Data Protection Regulation (GDPR) was announced on the website of the Company in 2019 and helped 100% of the employees finish the educational training. No customer complaint or notice about disclosure, steal or loss of customer's data was received.

● Surpassed ○ Achieved ○ Not Achieved

Category	Topic	Boundary	2020 Management Goal	2020 Status	Management Approach
Society	Customer privacy protection	Internal	No disclosure, steal or loss of customer's data	Reached ○	DFI deems employees the most important assets of the Company and observes all the regulations and issues of labor and international human rights. We are not involved in child labor, forced labor or discrimination incidents and do not act in violation of labor related laws or regulations. To protect the rights of the employees and their exchanges, we provide an HR mailbox and President mailbox to ensure that employees can express their opinions without obstruction. We also review our implementations and make improvements based on the opinions of the employees to help employees find the balance between work, family and life. No incident of labor rights was received in 2020.
	Human Rights	Internal	1. No child labor, forced labor or discrimination incidents 2. No complaint about labor rights or human rights	Reached ○	Legal compliance is the first priority of DFI. We conduct reexamination, update and modification pursuant to the EU RoHS Directive to ensure that all of our products are within the scope of the Directive. In 2019, 100% of the new raw material met the EU RoHS 2 Directive and 90% of the new products supported active energy consumption limitation function. However, no carbon footprint tracking was introduced in new board products in 2020.

● Surpassed ○ Achieved ○ Not Achieved

Category	Topic	Boundary	2020 Management Goal	2020 Status	Management Approach
Environment	Lifecycle assessment	Internal	1.The raw materials of the new products in compliance with the EU RoHS2 Directive to the extent of 100% 2.New products supporting active energy consumption limitation function to the extent of 90% 3.Carbon footprint tracking introduced in new board products to the extent of 60%	Reached ○	Legal compliance is the first priority of DFI. We conduct reexamination, update and modification pursuant to the EU RoHS Directive to ensure that all of our products are within the scope of the Directive. In 2019, 100% of the new raw material met the EU RoHS 2 Directive and 90% of the new products supported active energy consumption limitation function. However, no carbon footprint tracking was introduced in new board products in 2020.
	GHG management	Internal	1.Introduction of ISO 14064-1 GHG inventory 2.Completion of 1% electricity saving reporting required by the Bureau of Energy, Ministry of Economic Affairs, to big users	Reached ○	DFI introduced ISO 14064-1 in May 2020 and finished the 2019 annual inventory. An external audit institution was commissioned to review the GHG inventory report. DFI is dedicated to participating in the energy saving events of the government. We achieved the goal of 1% electricity saving rate imposed by the Bureau of Energy, Ministry of Economic Affairs, to companies and finished the reporting that must be completed in the current year.
Health and Safety	Product health and safety	Internal	Passing the external audit with respect to the Hazardous Substance Process Management System (IECQ QC080000)	Reached ○	DFI is devoted to promoting the Hazardous Substance Process Management System (IECQ QC080000) in order to design and manufacture the products that meet laws and regulations, satisfy the health and safety requirements of the customer, and pass the third-party verification. We conduct external or revision audit with respect to the hazardous substance management system every year. In 2020, the external audit (P2) of IECQ QC 080000 was completed in June and DFI passed the external audit certification in the current year.
	Chemicals management	Internal	1.Comprehensive checking of chemicals within the factory completed and filed in 2020. 2.Quarterly investigation of chemical solvent usage and completion of reporting to the extent of 100%	Reached ○	DFI finished the comprehensive checking of chemicals within the factory and created files accordingly in 2020. The chemical solvent usage was investigated statically every quarter with a reporting rate of 100%.

Partner Tech Corp.



I. Basic Information

Basic Information	
1. Name of organization	Partner Tech Corp.
2. Time of Establishment	1990
3. Chairman	Peter Chen
4. Headquarter	New Taipei City, Taiwan
5. Number of Employees	Around 424
6. 2020 Revenues	NT\$ 2.7 billion
7. Global Operational Sites	R&D: Taiwan, Beijing (China) Service: China, Singapore, Dubai, US, Germany, UK, South Africa
8. Major Products or Services	POS, IoT display equipment, cloud services
Environment	
1. Purchased Electricity	343,450 MWh, 1,236.42 GJ
2. Direct GHG Emission	0 tons CO ₂ e
3. Indirect GHG Emission	174.82 tonnes CO ₂ e
4. Water Consumption	2,214 tonnes
5. SO _x .NO _x	None
6. Chemical Leakage	None
7. GRI DIFR	None
8. GRI DISR	None
9. GRI ODR	None
10. Death in line of duty sum	None
11. Violation of Environmental Regulations	None
12. Environmental Appeals	None

Social Aspect	
1. Number of Employees	Number and percentage of male: 259人(61 %) Number and percentage of female: 165人(39 %)
2. Accession Rate	2 %
3. Dimission Rate	16 %
4. Equal Pay for Equal Work	Basic salary ratio of male to female: 1:1 Basic reward ratio of male to female: 1:1
5. Non-Discrimination	None
6. Child Labor	None
7. Forced Labor	None
8. Anti-Corruption Training	100%
9. Violation of social regulations	None
10. Labor, human right appeal incidents	None

 Partner Tech Corp. : <https://www.partner.com.tw/>



II. Major Topics

We investigated 36 issues and issued questionnaires to suppliers, customers and employees, receiving 90 filled ones. In 2020, we set up related KPIs for major topics identified by interest topics. The goal-reaching status and management guidelines in 2020 are as follows:

● Surpassed ◎ Achieved ○ Not Achieved

Category	Topic	Boundary	2020 Management Goal	2020 Status	Management Approach
Economy/ Governance	Quality	Internal	Annualized failure rate (AFR) in 2020 < 7500 dppm	AFR = 2,296 dppm. ◎	Partner strives to promote quality management system (ISO 9001), designs and manufactures products and services meeting expected effects and safety usage. Following this policy, in 2020, the AFR was 2,296, reaching goal.
	Customer Satisfaction	Internal	Deal with issues customers cannot solve by themselves, average solving days should be fewer than 11	Deal with issues customers cannot solve by themselves, average solving days was 5.5 ◎	To provide customers with the best service efficiency, the average problem-solving days for them was 5.5 in 2020
Society	Customer Privacy Protection	Internal	Appeals from external groups and verified by the organization, or from audit units; number of data leakage, theft or customer data loss incidents is 0	0 customer complaint ◎	Customer privacy is a valued segment by Partner; for the issue of recent global personal data protection, Partner compiled related rules to appropriately keep customer data; in 2020, there were no data leakage, theft or customer data loss incidents
	Employee compensation and welfare	Internal	There were 50 employees participating in the activities organized by the welfare committee.	More than 300 employees participated in the activities ◎	Partner Tech places importance on the physical and mental health of the employee after their work, and different events are organized for the employees in a timely manner.

II. Major Topics

We investigated 36 issues and issued questionnaires to suppliers, customers and employees, receiving 90 filled ones. In 2020, we set up related KPIs for major topics identified by interest topics. The goal-reaching status and management guidelines in 2020 are as follows:

● Surpassed ◎ Achieved ○ Not Achieved

Category	Topic	Boundary	2020 Management Goal	2020 Status	Management Approach	
Environment	Product Life Cycle Assessment	Internal	Annualized failure rate (AFR) in 2020 < 7500 dppm	Before product volume production, we ask or declare RoHS and 100% meet the regulations of RoHS	◎	In response to the crisis brought by the global environment, Partner continued to meet RoHS regulations from the source design of products.
	Waste Management	Internal	Deal with issues customers cannot solve by themselves, average solving days should be fewer than 11	Declare monthly	◎	Meet regulations, regularly finish declaration management
Health and Safety	Occupational accident management	Internal	Appeals from external groups and verified by the organization, or from audit units; number of data leakage, theft or customer data loss incidents is 0	Injury rate = 0	◎	Partner Tech pays much attention to the work environment of the employees and establishes health and safety rules. The injury rate in 2020 was 0.
	Health management	External	There were 50 employees participating in the activities organized by the welfare committee.	99% of the employees participated in the medical check-up in 2020.	◎	Partner Tech provides employees with medical check-up every year to follow up and management the health of the employees. 99% of the employees participated in the medical check-up in 2020.

GRI Standards Index

General Disclosures

Topic	GRI Disclosure	Description	Report Section	Page	Note	External Assurance
Organizational Overview 2016	102-1	Name of the organization.	Qisda Corporation	13		●
	102-2	Activities, primary brands, products, and/or services.	Qisda Corporation	13		●
	102-3	Corporate headquarter location	Qisda Corporation	13		●
	102-4	Nationality and amount relating to business activities	Qisda Corporation	13		●
	102-5	Characteristics and legal format of ownership	Qisda Corporation	14		●
	102-6	Market and market characteristics of services	Qisda Corporation	14		●
	102-7	Organizational scale	Qisda Corporation	13		●
	102-8	Employee sum by hiring type and hiring agreement while further classified by gender and area	Hiring Status	67~68		●
	102-9	Describe the supply chain of the organization	Supply Chain Management	61		●
	102-10	Any major changes of organizational scale, structure, ownership or supply chain during the report	Qisda Corporation	N/A		●
	102-11	Whether or how the organization offers preventive measures	Risk Management	50~53		●
	102-12	Organization signs the economic, environmental and social articles, principles or other proposals (external CSR principles) of external developments	N/A	N/A	Did not sign any external proposals	●
	102-13	Join domestic and overseas associations	Qisda Corporation	17		●

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General Disclosures

Topic	GRI Disclosure	Description	Report Section	Page	Note	External Assurance
Strategy 2016	102-14	CSD vision and strategy disclaimer	Message from Chairman & President Qisda CSD	4~6 18~21		●
	102-15	Description of major impacts, risks and opportunities	Message from Chairman & President Interest Party Communications Risk Management Climate Strategy and Carbon Management	4~6 30~39 50~53 94~96		●
Ethics and Integrity 2016	102-16	Describe the organizational behavior and value concept, principle, standard and behavioral regulation of code of ethics	Code of Conduct	48		●
	102-17	Report the internal and external pursuit of advice for ethics and compliance behaviors as well as the mechanism for organizational integrity-related matters or reports of related doubts	Code of Conduct	49		●
Governance 2016	102-18	Organizational governance structure including the committee of the highest governing unit; describe the committee responsible for economic, environmental and social topics	Qisda CSD Corporate Governance Operational Status	18 42~43		●
	102-19	Describe the process of authorization of the highest governing unit for economic, environmental and social topics to high-level executives and other employees	Corporate Governance Operational Status	42~43		●
	102-20	Describe whether the organization assigns executives to be responsible for economic, environmental and social topics and whether they report directly to the highest governing unit	Corporate Governance Operational Status	42~43		●

General Disclosures

Topic	GRI Disclosure	Description	Report Section	Page	Note	External Assurance
Governance 2016	102-21	The process of inter-consultation between interest parties and the highest governing unit for economic, environmental and social topics; if the consultation is outsourced, describe the outsourced unit and the procedure of providing feedbacks to the highest governing unit	Corporate Governance Operational Status Build a Smooth and Fair Labor/ Management Communication Channel and Relationship	42~43 80		●
	102-22	The members of the highest governing unit and its committee	Corporate Governance Organizational Structure	42~43	Members of the board of directors are not of the underprivileged group	●
	102-23	Whether the chairman of the highest governing unit also holds an administrative post	Corporate Governance Operational Status	42~43		●
	102-24	The nomination and election processes of the highest governing unit and its committee	Corporate Governance Operational Status	42~43		●
	102-25	Mechanism and procedure of interest-conflict avoidance for board of directors meeting	Corporate Governance Operational Status	42~43		●
	102-26	The roles of the highest governing unit and high-level executives in developing, agreeing and renewing organization and the purpose, value or mission statement, strategy, policy and goal relating to economic, environmental and social topics	Corporate Governance Operational Status	42~43		●
	102-27	Report the condition of promoting and advancing the knowledge of the highest governing unit in economic, environmental and social topics	Corporate Governance Operational Status	42~43		●
	102-28	The assessment flow and frequency of the highest governing unit in economic, environmental and social topics and the measures the organization adopted for the assessment	Corporate Governance Operational Status	42~43		●

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General Disclosures

Topic	GRI Disclosure	Description	Report Section	Page	Note	External Assurance
Governance 2016	102-29	The roles of the highest governing unit in identifying and managing impacts, risks and opportunities of economic, environmental and social topics; whether the consultation of interest parties is used to support the highest governing unit in the identification and management of the impacts, risks and opportunities of economic, environmental and social topics	Corporate Governance Operational Status Risk Management	42~43 50~53		●
	102-30	The effectiveness of the highest governing unit in auditing risk management	Corporate Governance Operational Status Risk Management	42 50		●
	102-31	The frequency of the highest governing unit in auditing the impacts, risks and opportunities of economic, environmental and social topics	Corporate Governance Operational Status	42~43		●
	102-32	Describe the highest-level committee or posts that their duties are to officially inspect and approve organizational sustainable report	Qisda CSD	18		●
	102-33	Describe the procedure of communicating with the highest governing unit in major key topics	Corporate Governance Operational Status	42~43		●
	102-34	Describe the nature and number of times of communicating with the highest governing unit in major key topics, as well as the following mechanism of treatment and of solving	Corporate Governance Operational Status	42~43		●
	102-35	The compensation policy for the highest governing unit and high-level executives	Corporate Governance Operational Status Employee Salary and Pension	42~43 77~78		●

General Disclosures

Topic	GRI Disclosure	Description	Report Section	Page	Note	External Assurance
Governance 2016	102-36	Describe the procedure of deciding on compensation, whether compensation consultants participate in the decision of compensation, whether this is an independent participation and other relationship of the consultants with the company	Employee Salary and Pension	77~78		●
	102-37	If applicable, describe how to seek for opinions of interest parties on compensation and include that into consideration such as compensation policy and the voting results for proposals	Corporate Governance Operational Status Employee Salary and Pension	42 77~78	Taiwan: 7.81 Suzhou, China: 10.65	●
	102-38	Obtain the median ratio of the total compensation of the highest compensation to that of all employees (excluding the person with the highest income) (by major operational sites)	N/A	N/A	Taiwan: 0.27 Suzhou, China: 1.3	●
	102-39	The median ratio of the percentage of raising the total compensation of the highest compensation to that of all employees (excluding the person with the highest income) (by major operational sites)	N/A	N/A		●
Interest Party Negotiation 2016	102-40	Interest party participant list	Interest Party Communication	32		●
	102-41	Percentage of employees reaching consensus of labor/management negotiations	Build a Smooth and Fair Labor/ Management Communication Channel and Relationship	80	No signing of group negotiations with employees	●
	102-42	Describe the reference for selecting interest parties	Interest Party Communications	30~39		●
	102-43	Describe the participation methods of interest parties	Interest Party Communications	30~39		●
	102-44	Report the topics of interest to interest parties and methods of response	Interest Party Communications	30~39		●

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General Disclosures

Topic	GRI Disclosure	Description	Report Section	Page	Note	External Assurance
Report Description 2016	I02-45	Report covered corporate entity	About the Report	I		
	I02-46	Process of defining report content and topic boundaries	About the Report Interest Party Communications	I 30~39		●
	I02-47	List all major topics	Interest Party Communications	30~39		
	I02-48	Reasons and results of reorganizing existing reports	N/A	N/A		
	I02-49	Differences between major topics/topic boundaries and existing reports	Interest Party Communications	31	No report reorganization	●
	I02-50	Report the duration	About the Report	I		●
	I02-51	Report the date of the latest report	About the Report	I		
	I02-52	Report the cycle of publication	About the Report	I		●
	I02-53	Report contact window for response	About the Report	I		
	I02-54	Report the methods the organization chooses to follow	About the Report	I		●
	I02-55	GRI Comparison Table	GRI Standard Comparison Table	133~150		●
	I02-56	Report the policy and existing measures of the organization in seeking external verification of the report	About the Report	I		●

Economic Topics

Topic	GRI Disclosure	Description	Report Section	Page	Note	External Assurance
Economic Benefits 2016	201-1	Economic value generation and distribution such as revenues, operational costs, employee compensation, donation and other community investments, retained earnings, payments by investors and government	Financial Performance	45		●
	201-2	Financial influences caused by climate changes	N/A	N/A	In 2020, there were no major financial influences caused by climate changes: for other climate change responses, please refer to "Climate Strategy and Carbon Management"	●
	201-3	Welfare and indemnity committed by the company	Employee Salary and Pension Employee Welfare	77~79		●
	201-4	Economic subsidy/support provided by the government	Financial Performance	45		●
Market Position 2016	202-1	Ratio of standard starting salary and local lowest salary by gender for new comers at each major operational site	Employee Salary and Pension	77~78		●
	202-2	Percentage of hiring local residents as high-level executives at major operational sites	Hiring Status	67		●
Indirect Economic Influence 2016	203-1	Development and impact of infrastructure investments and supporting services	Friendly to Earth, Care for Society	83~92		●
	203-2	Significant indirect economic impacts including the degree of impacts	Friendly to Earth, Care for Society	83~92		●
Prurchase Practice 2016	204-1	Percentage of local purchase of major operational sites	Supply Chain Management	61		●

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Economic Topics

Topic	GRI Disclosure	Description	Report Section	Page	Note	External Assurance
Anti-Corruption 2016	205-1	Number and percentage of BUs launching bribery risk analysis as well as the major risks identified	Internal Audit Mechanism	44		●
	205-2	Communication and training of anti-corruption policy and procedure	Code of Conduct	48~49		●
	205-3	Verify as corruption incidents and actions adopted	Internal Audit Mechanism	44		●
Anti-Competition Behaviors 2016	206-1	Number and results of anti-competition, antitrust, anti-monopoly behavior lawsuits	N/A	N/A	None	●
Tax 2019	207-1	Tax guidelines	N/A	N/A	The Company implements tax governance and executes regular trading principles pursuant to local tax laws of the countries where our operating bases are located. The Company does not take radical tax plans. We improve the transparency of information by disclosing tax information to stakeholders in our financial reports and local tax returns.	●
	207-2	Tax governance, control and risk management	N/A	N/A	The tax department is responsible for the tax governance of the Company. The financial department of each major subsidiary is responsible for the tax governance of the subsidiary concerned. All the significant transactions and decisions of the Company are planned pursuant to local tax laws and agreements. Whether regular transactions meet local tax laws is verified regularly at each operating base.	●

Economic Topics

Topic	GRI Disclosure	Description	Report Section	Page	Note	External Assurance
Tax 2019	207-3	Communication with stakeholders about tax related issues and management of these issues	N/A	N/A	If the competent taxation authority has questions about any transactions of the Company or significant subsidiary, the tax department of the Company forms a project team to communicate with local taxation authorities about tax related issues.	●
	207-4	Country-by-country report	N/A	N/A	The Company submits the country-by-country report of the previous year pursuant to laws and regulations at the end of the year and conducts secondary filing in the Netherlands for the taxation authorities of the countries other than Taiwan to use.	●

Environmental Topics

Topic	GRI Disclosure	Description	Report Section	Page	Note	External Assurance
Material 2016	301-1	Total usage weight or volume of materials	Sustainable Development Key Qualitative Performance Indicator Table (2017-2020)	7		●
	301-2	Usage ratio of recycling materials	N/A	N/A	N/A, Qisda products do not contain recycled components.	●
	301-3	Percentage of product sales and package material recycling	N/A	N/A	N/A, as Qisda is an ODM, its products and package materials cannot be recycled after shipped to customers since the ownership is transferred to the customers	●

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Environmental Topics

Topic	GRI Disclosure	Description	Report Section	Page	Note	External Assurance
Energy 2016	302-1	Internal energy consumption	GHG Check	96~97		●
	302-2	External energy consumption	GHG Check	96~97		●
	302-3	Energy magnitude	GHG Check	96~97		●
	302-4	Energy preservation	Carbon Disclosure Results	97		●
	302-5	Reduced energy demand of products and services	Green Product	100		●
Water and Effluent 2018	303-1	Describe how the organization and water influence each other including how and where it obtains, consumes and drains water and how to deal with water impacts and set goal	Water Resource Management	110		●
	303-2	Management of water drainage-related impacts	Water Resource Management	110		●
	303-3	Water intake volume	Water Resource Management	111		●
	303-4	Water drainage volume	Water Resource Management	112		●
	303-5	Water consumption volume	Water Resource Management	112		●
Biodiversity 2016	304-1	Overview of the land situated or neighboring conservation areas	Water Resource Management	110		●
	304-2	Major influences of the organization on biodiversity	Water Resource Management	110		●
	304-3	Habitat protection and restoration	Water Resource Management	110		●
	304-4	Describe the total sum of species listed in the IUCN (International Union for Conservation of Nature and Natural Resources) red namelist and national protection list in the habitats influenced by organizational operations according to the degree of endangered risks	Water Resource Management	110		●

Environmental Topics

Topic	GRI Disclosure	Description	Report Section	Page	Note	External Assurance
Emission 2016	305-1	Emission volume of direct GHG (range 1)	GHG Check	96~97		●
	305-2	Emission volume of indirect GHG (range 2)	GHG Check	96~97		●
	305-3	Emission volume of other related indirect GHG (range 3)	GHG Check	96~97		●
	305-4	Emission magnitude of GHG	GHG Check	96~97		●
	305-5	Plan and effect of reducing GHG emission volume	Carbon Disclosure Results	97		●
	305-6	Emission volume of substance depleting the ozone	N/A	N/A	To meet requirements of environmental-protection labels, Qisda does not use Ozone Depleting Substances (ODSs) during its production procedures and packages, whereas the emission of air-conditioning refrigerant and fire extinguisher (R123, R404a, R22, etc.) of global manufacturing sites were around 142 tonnes CO ₂ e.	●
	305-7	Emission volume of SO _x , NO _x and major gas	N/A	N/A	The manufacturing of Qisda is purely assembly, there is no usage of fuel such as diesel and heavy oil for indirect material in production procedures, only using diesel for emergency generator of public equipment in Taiwan and stacker in Suzhou; infinitesimal traces of SO _x and NO _x are produced when burning diesel; therefore, no monitoring is required. For related air pollutants, Qisda has air pollution filtering equipment for air pollutants to be filtered through basic filters and active carbon before releasing into the atmosphere.	●

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Environmental Topics

Topic	GRI Disclosure	Description	Report Section	Page	Note	External Assurance
Sewage and Waste 2016	306-1	Sewage volume by water quality and purpose	Water Resource Management	110		●
	306-2	Waste weight by type and disposal method	Waste Management	110		●
	306-3	Number of times and volume of leakage such as chemicals	Safety Hygiene Management	113		●
	306-4	Hazardous waste according to the Basel Convention	Waste Management	110		●
	306-5	Land with serious influences by sewage and runoff	Water Resource Management	110		●
Environmental Regulation Compliance 2016	307-1	ine and number of times of violating environmental-protection regulations	Legal and Compliance	56	In 2020, there is no violation or fine in environmental laws.	●
Supplier Environmental Assessment 2016	308-1	Percentage of selecting new suppliers by environmental conditions	Supplier Election Procedure	61		●
	308-2	Potential environmental impacts of supply chain and actions adopted	Build Green Supply Chain	63~64		●

Social Topics

Topic	GRI Disclosure	Description	Report Section	Page	Note	External Assurance
Employee Hire 2016	401-1	Calculate new-comer number, percentage and employee dimission number and rate by age, gender and area	Employee Turnover Rate	71		●
	401-2	Offer welfare for full-time employees (excluding temporary or part-time employees) by operational sites	Employee Benifit	78		●
	401-3	Report reinstatement and retention rate after parental leaves by gender	N/A	N/A	<p>1. Number of employees eligible for parental leaves: 1,722</p> <p>2. Number of employees applying for parental leaves Female: 15 Male: 4</p> <p>3. Reinstatement rate: Female: 86% (those that should reinstate: 14, 12 applied, 12 reinstated) Male: 100% (those that should reinstate: 4, 4 applied, 4 reinstated)</p> <p>4. Retention rate: Female: 83% (12 reinstated, 1 resigned) Male: 75% (4 reinstated, 1 resigned)</p> <p>Note:</p> <p>1. Above calculation refers to GRI Standards</p> <p>2. Definition of employees eligible for paternal leaves: according to Taiwan's "Gender Equality in Employment Act" and "Regulations for Implementing Unpaid Parental Leave for Raising Children," employees can apply for unpaid parental leave for raising children after after half a year in joining the company; there are no corresponding regulations in China</p> <p>3. Calculation of employees eligible for paternal leaves: according to the number of current employees in Taiwan in 2020/12/31: 1,722, subtracting the employees joining the company during 2020/7-2020/12: 153</p>	●

GRI Standards Index

Social Topics

Topic	GRI Disclosure	Description	Report Section	Page	Note	External Assurance
Labor/Management Relationship 2016	402-1	Shortest notification period of major organizational changes	N/A	N/A	1. None, there are no related regulations now 2. Although Suzhou (China) has a labor union organization, there are no related group agreements	●
Occupational Safety Hygiene 2018	403-1	Occupational safety hygiene management system	Safety Hygiene Management	113	One third	●
	403-2	Hazard identification, risk assessment and accident investigation	Safety Hygiene Management	113		●
	403-3	Occupational health services	Employee Health Management	80~82		●
	403-4	Occupational safety hygiene worker participation, consultation and communication	N/A	NA	N/A; Taiwan headquarter has no labor union; although Suzhou (China) has one, there are no related health and safety agreements with the company; currently, health and safety policies and measures are handled by the company in a top-down fashion	●
	403-5	Occupational safety hygiene worker trainings	Safety Hygiene Management	113		●
	403-6	Worker health promotion	Employee Health Management	81~83		●
	403-7	Prevent and mitigate impacts of occupational safety hygiene relating directly to business relationship	Safety Hygiene Management Green Supply Chain	113 63~64		●
	403-8	Works covered by occupational safety hygiene management system	Safety Hygiene Management	113		●
	403-9	Occupational injury	Employee Health Management Safety Hygiene Management	81~83 113		●
	403-10	Occupational disease	Employee Health Management	81~83		●

Social Topics

Topic	GRI Disclosure	Description	Report Section	Page	Note	External Assurance
Training and Education 2016	404-1	Calculate average annual employee training hours by employee job level and gender	Learning Development	72		●
	404-2	Offer employee competency and interim assistance solutions	Learning Development Employee Welfare	72~73 78~79	Also, when staff retire or suspend labor/employer relationship, we offer legal pension and severance pay.	●
	404-3	Report the percentage of employees receiving regular performance and career development reviews by gender	N/A	N/A	Qisda launches performance communication and career development review each half year; the percentages of male and female IDL staff receiving performance evaluation in 2020 were 98.9% and 99.1%, respectively, that of the DL staff were 100% and 100%, respectively.	●
Diversification and Opportunity Equality 2016	405-1	Classify high-level executives with gender, age, ethnic minority and other diversified indicators while classifying employees with employee types	Hiring Status	67	All Qisda's high-level executives are not of ethnic minority; therefore, there are no data under this classification	●
	405-2	Divide basic salary ratio and compensation ratio of female to male by major operational sites and employee types	Employee Salary and Pension	77~78		●
No-Discrimination 2016	406-1	Sum or discriminatory incidents and correction actions adopted	Human Right Management	75~76		●
Freedom to Form Association and Group Negotiation 2016	407-1	Find out operational sites or suppliers that may have possible violation or seriously threaten freedom to form association and group negotiation and actions adopted to protect the rights	Human Right Management Build Green Supply Chain	75~76 63~64		●

GRI Standards Index

Social Topics

Topic	GRI Disclosure	Description	Report Section	Page	Note	External Assurance
Child Labor 2016	408-1	Identify possible dangers of operational model and major suppliers for child labor and consider eliminating child labor contribution	Human Right Management Build Green Supply Chain	75~76 63~64		●
Forced Labor 2016	409-1	Identify operational model and major suppliers with forced or compulsory labor risks while consider eliminating contribution of forced labor in all formats	Human Right Management Build Green Supply Chain	75~76 63~64		●
Security Gurard Practice 2016	410-1	Percentage of security guard receiving trainings for operational policy and procedure relating to corporate and human right	Human Right Management	75		●
Aboriginal Right 2016	411-1	Violate aboriginal rights and prevention measures	Human Right Management	75	No incidents of violation of aboriginal right in 2018	●
Human Right Assessment 2016	412-1	Sum and percentage of operational activities under human right audit and (or) influence assessment	Human Right Management	75		●
	412-2	Employees receiving human-right related training and percentage	Human Right Management	75		●
	412-3	Sum and percentage of major investment agreements or agreements containing human-right clauses or already launching human-right selection	N/A	N/A	N/A; no major investments undergone human right audit Note: Major investment agreements are those need to be agreed by the board of directors meeting before being signed	●

Social Topics

Topic	GRI Disclosure	Description	Report Section	Page	Note	External Assurance
Local Community 2016	413-1	Percentage of operational activities in realizing local community participation, influence assessment and development solutions	Friendly to Earth, Care for Society	84~92	100% (including Taiwan and Suzhou)	●
	413-2	Operational activities having major potential or actual negative influences on local community	N/A	N/A	The possible negative impacts of Qisda's operational activities on the community lie mainly in the spray coating operations in Suzhou (China) plant that will generate exhaust and may cause potential influence; however, with active carbon equipment filtering and discharging, the chance and seriousness of influence are not high	●
Supplier Social Assessment 2016	414-1	Percentage of selecting new suppliers by social indicators	Supplier Election Procedure	61		●
	414-2	Potential supply chain social impacts and actions adopted	Build Green Supply Chain	63~64		●
Public Policy 2016	415-1	Total amount of political donation by nationality and beneficiary	N/A	N/A		●
Customer Health and Safety 2016	416-1	The percentage of major product type in the influence assessment for improving health and safety	Quality/Product Health and Safety	106~107		●
	416-2	Total sum of incidents of violation of regulations or voluntary standards for product life cycle health and safety impacts	Quality/Product Health and Safety	100~105		●
Marketing and Label 2016	417-1	Product types that the organizational procedure requires providing product information and label and the percentage of major products meeting this requirement	Green Product	100~105	Qisda asks all products to include the following information: 1. Hazardous substance materials of the product ingredients 2. Product or service safety usage 3. Product treatment and environmental / social impacts	●

GRI Standards Index




Social Topics

Topic	GRI Disclosure	Description	Report Section	Page	Note	External Assurance
Human Right Assessment 2016	417-2	Cases of violating related regulations of product and service message and label	N/A	N/A	None	●
	417-3	Number of cases of violation of marketing regulations	Legal and Compliance	N/A	N/A. We are a professional OEM, we manufacture electronic products for brands or other customers; there are no advertisements directly appealing to customers.	●
Customer Privacy 2016	418-1	Number of appeals of customer privacy violation/data loss	Customer Commitment	59		●
Compliance of Social Economic Regulations 2016	419-1	Significant fines and number of times of violation of social and economic regulations	Legal and Compliance	56		●




Other Topic



Topic	GRI Disclosure	Description	Report Section	Page	Note	External Assurance
Quality Management	Qisda-1	Whether obtained related quality certificates	Quality/Product Health and Safety	100		●
Customer Satisfaction	Qisda-2	Survey and results of customer satisfaction	Customer Satisfaction Survey	58~59		●
Sustainable Strategy	Qisda-3	Convene CSD meeting each quarter and track performance indicators	Qisda CSD	18~29		●
Overwork	Qisda-4	CHD model ATP III Framingham risk score evaluation: for mid- to high-risk groups, tracking rate is 60%	Employee Health Management	81~83		●

ISO 26000 Index








	Major Issue	Report Section	Page	Note
 Organizational Governance	System for Decision-Making and Realization when Executing Goals	Message from Chairman & President Qisda CSD Corporate Governance	4~6 18~29 41~44	
	 Human Right	Compliance Audit	Human Right Management	75~76
Human Right Risk		Human Right Management	75~76	
Avoid Complicity Relationship including Direct, Interest, Silence		Supply Chain Management Human Right Management	61~65 75~76	
Solve Complaints		Human Right Management Build a Smooth and Fair Labor/Management Communication Channel and Relationship	75~76 80	
Discrimination and Underprivileged Group		Hiring Status Human Right Management	67~70 75~76	
Citizen and Political Rights		Human Right Management Friendly to Earth, Care for Society	75~76 84~92	
Economic, Social and Cultural Rights		Green Operation	108~115	
Basic Working Right		Hiring Status Human Right Management	67~70 75~76	
 Labor Practice	Hiring Relationship	Supply Chain Management Hiring Status Employee Turnover Rate Human Right Management	61~65 67~70 71 75~76	
	Working Condition and Social Protection	Hiring Status Employee Salary and Pension Employee Welfare	67~70 77~78 77~78	





ISO 26000 Index

	Major Issue	Report Section	Page	Note
 Labor Practice	Social Dialogue	Qisda Corporation GRI Standard Comparison Table 402-1	13~17 146	
	Work Health and Safety	Safety Hygiene Management	113~115	
	Human Resource Development and Training	Learning Development	72~74	
 Environment	Pollution Prevention	Waste Management Water Resource Management Safety Hygiene Management GRI Standard Comparison Table 305-6.305-7	108~109 110~113 113~115 143	
	Sustainable Resource Utilization	Climate Strategy and Carbon Management Water Resource Management GRI Standard Comparison Table 301-2	94~99 110~113 141	
	Climate Change Mitigation and Adjustment	Climate Strategy and Carbon Management	94~99	
	Natural Environment Protection and Recovery	Water Resource Management	110~113	
 Fair Operational Practice	Anti-Corruption	Internal Audit Mechanism Code of Conduct	44 48	
	Responsible Political Participation	N/A	N/A	No participation in political activities
	Fair Competition	Legal and Compliance	56	
	Promote Value Chain Social Responsibility	Friendly to Earth, Care for Society Supply Chain Management	84~92 61~65	
	Respect IP Right	Legal and Compliance	56	



		Major Issue	Report Section	Page	Note
 Consumer Issue		Fair Marketing, Information and Agreement Practices	Legal and Compliance Green Product	56 100~105	
		Protect Consumer Health and Safety	Green Product	100~105	
		Sustainable Consumption	Green Product	100~105	
		Solutions for Consumer Service, Support, Complaint or Dispute	Customer Commitment	55~60	
		Consumer Data Protection and Privacy	Customer Privacy Protection	59~60	
		Offer Necessary Service	Friendly to Earth, Care for Society	84~92	
		Education and Awareness	Green Product	100~105	
 Social Participation and Development		Community Participation	Financial Performance Human Right Management	45~47 75~76	
		Education and Culture	Human Right Management	75~76	
		Create Employment and Technology Development	Supply Chain Management Learning Development Friendly to Earth, Care for Society	61~65 72~74 84~92	
		Technology Development	Friendly to Earth, Care for Society	84~92	
		Create Wealth and Income	Financial Performance	45~47	
		Health	Supply Chain Management Friendly to Earth, Care for Society	61~65 84~92	
		Social Investment	Safety Hygiene Management Friendly to Earth, Care for Society	113~115 84~92	





SDGs Index

Item	Topic	SDG Targets	SDG Compass Recommendation	Corresponding Chapter	Page	Note
1	 No Poverty	1.B	Work with social network, offer educational or business skill trainings	BenQ Foundation – Shorten Digital Gap	86~92	
2	 Zero Hunger	2.3	Develop cooperation relationship with small farmers to support and encourage their survival	BenQ Foundation – Shorten Digital Gap	86~92	
3	 Good Health and Well-being	3.8	Prioritize health investments during business operations	Financial Performance Response to the UN sustainable development goals	45~47 28~29	
4	 Quality Education	4.4	Offer employees with opportunities to improve working skills	Learning Development	72~84	
		4.A	Develop education-related products or services to improve educational quality	Response to the UN sustainable development goals	28~29	
5	 Gender Equality	5.1	Equal pay and welfare for equal work, establish zero-tolerance policy	Code of Conduct Human Right Management Basic Employee Protection	48~49 75~76 75~76	
6	 Clean Water and Sanitation	6.1	Appropriate disposal of wastes to prevent surface water pollution	Waste Management	108~109	
			Make sure employees can have access to rich and safe, hygiene water	Water Resource Risk Assessment and Response	112~113	
7	 Affordable and Clean Energy	7.2	Committed to 100% using renewable energy	Carbon Disclosure Results	97~99	Although not 100% using renewable energy, started building solar power system in 2011
		7.3	Use tools such as carbon pricing and Science based target (SBT) to optimize operational energy efficiency	Climate strategy and carbon management Integrative Design Concept	94~99 100~104	
		7.A	Invest in sustainable energy service R&D	Response to the UN sustainable development goals	28~29	

Item	Topic	SDG Targets	SDG Compass Recommendation	Corresponding Chapter	Page	Note
8	 Decent Work and Economic Growth	8.2	Achieve better profits with diverse, technology upgrade and innovation (no corresponding items in SDG Target, SDG compass)	Financial Performance	45~47	
		8.5	Equal pay for equal work, no discrimination (no corresponding items in SDG Target, SDG compass)	Human Right Management Basic Employee Protection	75~76 75~76	
		8.7	Feature mechanism to identify child and forced labor in supply chain	Build Green Supply Chain	63~64	
		8.8	Protect the occupational safety hygiene of labor (no corresponding items in SDG Target, SDG compass)	Safety Hygiene Management	113~115	
9	 Industry, Innovation and Infrastructure	9.4	Invest in infrastructure with resilience for original one to be more sustainable	Response to the UN sustainable development goals	28~29	
		N/A	Establish corporate sustainable mechanism to ensure corporate plans and proposals are managed	Qisda CSD	18~27	
10	 Reduced Inequalities	10.3	Make sure there are equal opportunities and strive to lower inequality (no corresponding items in SDG Target, SDG compass)	Human Right Management Basic Employee Protection	75~76 75~76	
		N/A	Work with social network, offer educational or business skill trainings	BenQ Foundation – Shorten Digital Gap	86~92	
11	 Sustainable Cities and Communities	11.6	Lower environmental impacts of city such as air quality and waste management (no corresponding items in SDG Target, SDG compass)	Waste Management GRI Standard (version 2016) Comparative Table 305-7	108~109 143	
		11.B	Improve adaptability and adjustment of cities and human settlements for disasters while developing and launching overall disaster risk management response measures (no corresponding items in SDG Target, SDG compass)	Risk Management	50~53	

SDGs Index

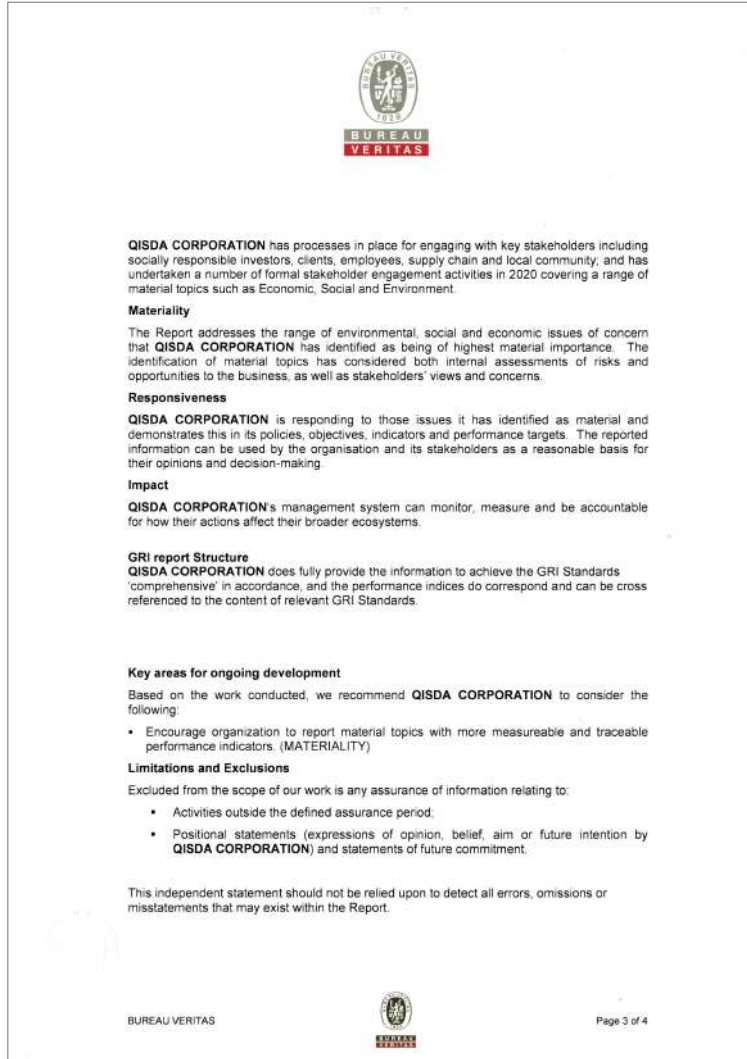
Item	Topic	SDG Targets	SDG Compass Recommendation	Corresponding Chapter	Page	Note
12	 Responsible Consumption and Production	12.2	Analyze environmental footprints of products	GHG Check	96~97	
		12.4		Green Product	100~105	
				Waste Management	108~109	
				Water Resource Management	110~113	
		12.A	With developing innovative solutions of energy preservation	Responses to UN sustainable development goals	28~29	
		12.2	With recycling replacement materials, reduce product influences on environment	GRI Standard (version 2016) Comparison Table 301-2	141	
		12.1	Consider easy to disassemble and recycle elements when at phase of product module design	Integrative Design Concept	101~105	
		12.5	Lower waste volume	Waste Management	108~109	
12.6	Make sure we refer to sustainable practices and incorporate sustainable information in report cycles	About the Report	1			
12.7	Green purchase	Supplier Election Procedure Build Green Supply Chain	61 63~64			
12.8	Sustainable education (no corresponding items in SDG Targets, SDG compass)	BenQ Foundation – Shorten Digital Gap	86~92			
13	 Climate Action	N/A	Purchase renewable energy or install equipment for that	Carbon Disclosure Results	97~99	Although not 100% using renewable energy, started building solar power system in 2011
			Change into LED lamps	Carbon Disclosure Results	97~99	
			Increase investments to improve corporate product efficiency for reducing GHG emission when consumers are using the products	Green Product	100~105	

Item	Topic	SDG Targets	SDG Compass Recommendation	Corresponding Chapter	Page	Note
13	 Climate Action	13.1	Understand climate risks and improve resilience of company and supply chain in facing risks	Climate Risk and Carbon Management	94~99	
		13.2				
		13.3	Improve and increase awareness of climate change mitigation, influence, adjustment, etc. (no corresponding items in SDG Target, SDG compass)	Taiwan - Green Party	84~92	
14	 Life Below Water	N/A	Reduce potential waste volume entering the environment with changes of design, manufacturing and package	Green Product	100~105	
		N/A	Lower product life cycle influence on the environment with adoption of value chain method, creating connection between design, package, marketing and recycling	Green Product	100~105	
15	 Life on Land	N/A	Commit to perform responsible purchase	Supplier Election Procedure Build Green Supply Chain Conflict Metal Management	61 63~64 65	
16	 Peace, Justice and Strong Institutions	16.3	Meet local and international regulations while asking or supporting business partners to meet regulations	Legal and Compliance Build Green Supply Chain	56 63~64	
		16.B				
		16.5	Perform assessment of risks and influences to identify and mitigate corruption, violence and conflict risks	Code of Conduct	48~49	
17	 Partnerships for the Goals	17.3	Pour in resources to help developing countries (no corresponding items in SDG Target, SDG compass)	Friendly to Earth, Care for Society	84~92	Currently, Qisda's community participation and development solution activities are only at its operational sites, they cover helping underprivileged groups, promoting education on art and culture, providing feedbacks to the community and neighborhood, offering charitable donations, etc.

SASB Index

No.	Description	Chapter	Page
Water Management			
TC-ES-140a.1	(1) Total water withdrawn and (2) Total water consumed, percentage of each in regions with High or Extremely High baseline water stress	Water Management	110~113
Waste Management			
TC-ES-310a.1	Amount of hazardous waste from manufacturing, percentage recycled	Waste Management	108~109
Labor Practices			
TC-ES-150a.1	Number of (1) work stoppages and (2) total days idle	None	N/A
Labor Status			
TC-ES-320a.1	Full-time and contracted employees' (1) recordable IR and (2) near miss rate	Safety and health management	113~115
TC-ES-320a.2	The factories and Tier 1 suppliers of the Company implement RBA audit (Validated Audit Process, VAP) or the percentage under equivalent audit by category: (a) all the factories/suppliers of the Company and (b) the Company's factories/suppliers of high risk	SASB Index	159
TC-ES-320a.3	The factories and Tier 1 suppliers of the Company: (1) The audit process (VAP) that did not pass the RBA verification or the percentage of the audited suppliers under equivalent audit and (2) the improvement rate of (a) the deficiencies of first priority and (b) other deficiencies as indicated in the audit result	SASB Index	159
Product Lifecycle Management			
TC-ES-410a.1	Total weight recovered from global waste products; percentage of the weight recovered in the weight of products sold	This is not applicable because Qisda is an ODM manufacturer. The ownership of the products is transferred to the customer when they are shipped to the customer together with the package. Hence, the products cannot be recovered.	N/A
Materials sourcing			
TC-ES-440a.1	Description of the management of risks associated with the use of critical materials	Risk management of supply chain Management of conflict minerals	50~53 65

Independent Assurance Statement



TC-ES-320a.2

The factories and Tier I suppliers of the Company implement RBA audit (Validated Audit Process, VAP) or the percentage under equivalent audit by category: (a) all the factories/suppliers of the Company and (b) factories/suppliers of the Company with high risk

- (1.a) Third-party audited factories/all the factories of the Company = 4/5=80%
- (1.b) Third-party audited factories/factories of the Company with high risk = NA (no factories with high risk)
- (2.a) Third-party audited factories/all the factories trading continuously = 21/1171= 1.79%
- (2.b) Third-party audited factories/factories with high risk = NA (no related statistics currently)

TC-ES-320a.2

The factories and Tier I suppliers of the Company: (1) The audit process (VAP) that did not pass the RBA verification or the percentage of the audited suppliers under equivalent audit and (2) the improvement rate of (a) the deficiencies of first priority and (b) other deficiencies as indicated in the audit result

(1) The rate of failing to pass the RBA audit is described in the following table:

Total deficiencies of each audit dimension/total deficiency of factories

	Labor	Health and safety	Environment	Ethic	Management system
Incompliance of prioritized deficiencies	0%	0%	0%	0%	0%
Incompliance of other deficiencies	35%	41%	6%	0%	18%

Total deficiencies of each audit dimension/total deficiency of Tier I suppliers

	Labor	Health and safety	Environment	Ethic	Management system
Incompliance of prioritized deficiencies	0%	0%	0%	0%	0%
Incompliance of other deficiencies	1.47%	95.59%	1.47%	0%	1.47%

(2a) Audit result – Improvement in prioritized deficiencies

Improvements for prioritized deficiencies/total prioritized deficiencies of factories | **NA**
(no prioritized deficiencies)

Improvements for prioritized deficiencies/total prioritized deficiencies of Tier I suppliers | **NA**
(no prioritized deficiencies)

(2b) Audit result – Improvement in other deficiencies

Improvements for prioritized deficiencies/total prioritized deficiencies of factories | **11/17 = 64.7%**

Improvements for prioritized deficiencies/total prioritized deficiencies of Tier I suppliers | **67/67 = 100%**

Independent Assurance Statement



INDEPENDENT ASSURANCE STATEMENT

To: **The Stakeholders of QISDA CORPORATION**

Introduction and objectives of work

Bureau Veritas Certification Taiwan has been engaged by QISDA CORPORATION to conduct an independent assurance of its **2020 Corporate Sustainability Report**. This Assurance Statement applies to the related information included within the scope of work described below.

This information and its presentation in the **2020 Corporate Sustainability Report** are the sole responsibility of the management of QISDA CORPORATION. Bureau Veritas was not involved in the drafting of the Report. Our sole responsibility was to provide independent assurance on its content.

Scope of work

The assurance process was conducted in line with the requirements of the AA1000 Assurance Standard (AA1000AS, 2008) with 2018 addendum, Type 2 - AccountAbility Principles and Performance Information engaged. The scope of work included:

- Data and information included in **2020 Corporate Sustainability Report** for the **1st January, 2020 to 31st December, 2020**.
- Appropriateness and robustness of underlying reporting systems and processes, used to collect, analyse and review the information reported.
- Evaluation of the Report against the main principles of the AA1000 Accountability Principle (2018)¹
 - Inclusivity
 - Materiality
 - Responsiveness
 - Impact
- Evaluation of the Report against the principles of Stakeholder Inclusiveness, Sustainability Context, Materiality, Completeness, Balance, Comparability, Accuracy, Timeliness, Clarity, and Reliability, as defined in the GRI Sustainability Reporting Standards

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

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



Methodology

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

1. Interviews with relevant personnel of QISDA CORPORATION.
2. Review of documentary evidence produced by QISDA CORPORATION.
3. Review performance data listed in report with sampling basis.
4. Visits to 2 sites located in Taipei City and Taoyuan City, Taiwan.
5. Review of QISDA CORPORATION data and information systems for collection, aggregation, analysis and review.

Our work was conducted against Bureau Veritas' standard procedures and guidelines for external Assurance of Sustainability Reports, based on current best practice in independent assurance.

The work was planned and carried out to provide reasonable, rather than absolute assurance and we believe it provides a reasonable basis for our conclusions.

Our findings

On the basis of our methodology and the activities described above, it is our opinion that:

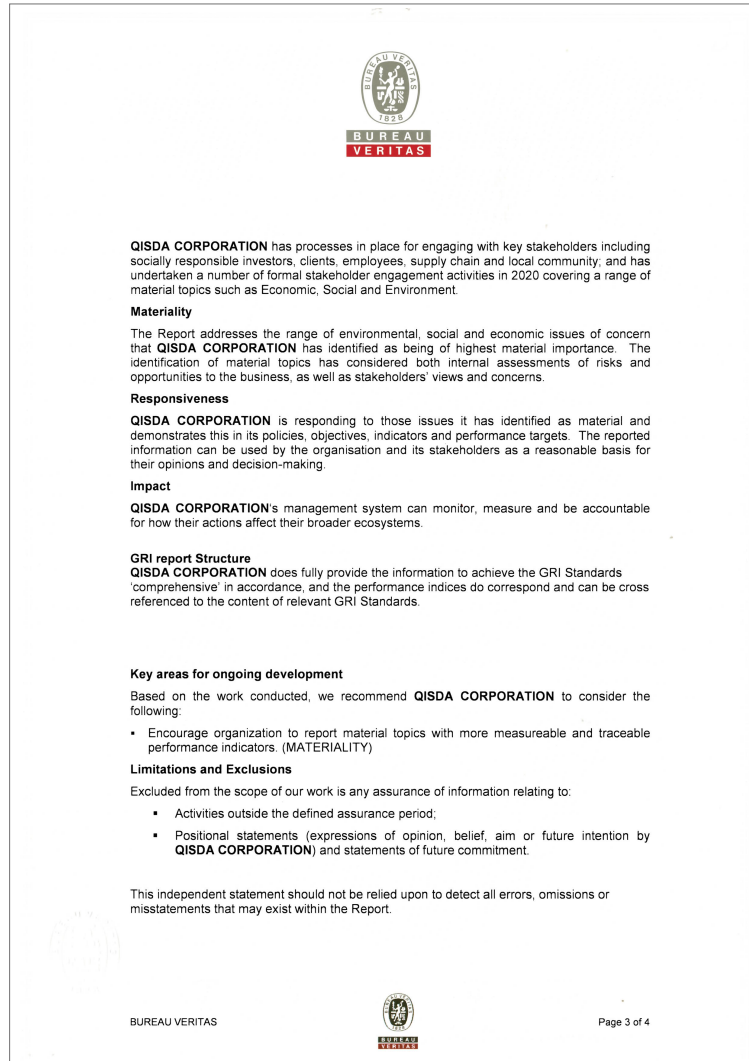
- The information and data included in **2020 Corporate Sustainability Report** are accurate, reliable and free from material mistake or misstatement.
- The Report provides a fair representation of QISDA CORPORATION's activities over the reporting period.
- The information is presented in a clear, understandable and accessible manner, and allows readers to form a balanced opinion over QISDA CORPORATION's performance and status during the **1st January, 2020 to 31st December, 2020**.
- The Report properly reflects the organisation's alignment to and implementation of the AA1000 Assurance Standard (AA1000AS, 2008) with 2018 addendum's principles of Inclusivity, Materiality, Responsiveness and Impact in its operations. Further detail is provided below.
- QISDA CORPORATION has established appropriate systems for the collection, aggregation and analysis of relevant information.

Alignment with the principles of AA1000 Accountability Principle (2018)

Inclusivity



Independent Assurance Statement





ALL ROADS LEAD TO
GREEN HOPES