

2024 Qisda Human Rights Due Diligence Report

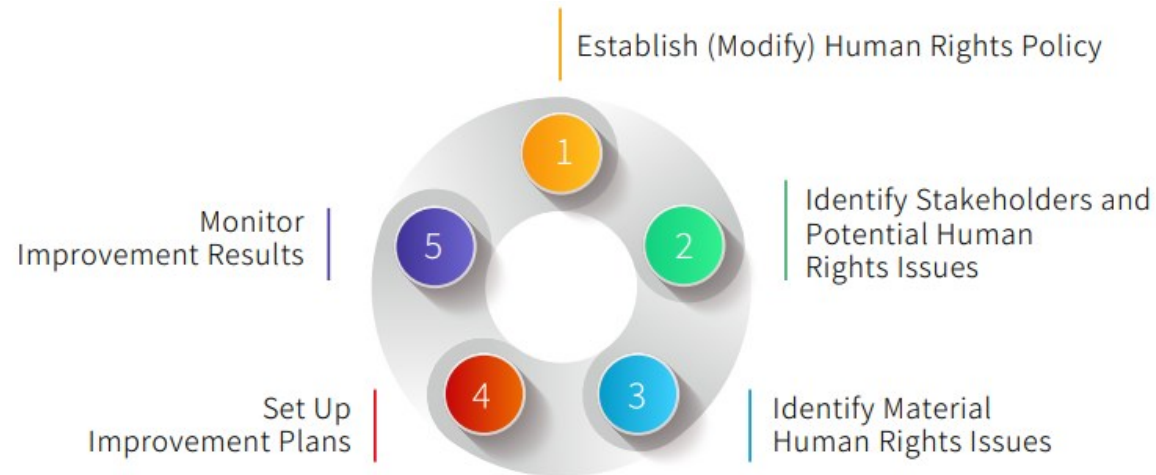


Figure 1: Human Rights Due Diligence Process

I. Human Rights Policy

With people-first values at the root of its operations, Qisda believes that a good work environment can provide support for the employees to grow without concern. A well-established training system and complete design of activities is helpful to consolidate the strengths of each employee, enabling happy employees to lead the creation of the shared value among the Company, its employees and society. We support and comply with the internationally recognized human rights regulations and principles, including the UN Universal Declaration of Human Rights, UN Global Compact, UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the Responsible Business Alliance Code of Conduct. Meanwhile, we shape our human rights

policy in accordance with the laws and regulations of the places our company is located in, and ensure human rights are protected based on the principles of “protect, respect and remedy.”

Qisda’s human rights policy is applicable to Qisda Corporation and its investees, including employees, customers, suppliers/contractors, partners, and joint ventures. At the same time, we request that our suppliers/contractors, partners, and joint ventures adhere to other standards equivalent to our policy for human rights protection.

In terms of the material issues related to human rights, the Company has formulated the following implementation approaches:

- Provide a safe and healthy work environment
- Forbid child labor and forced labor
- Ensure equal employment opportunities
- Prohibit discrimination and harassment in any form
- Arrange reasonable working hours: strictly comply with local laws and regulations and not exceeding 60 hours per week
- Pay overtime according to the law and provide paid annual leave
- Pay a fair and full living wage on time
- Advocate equal pay for equal work, with no wage discrimination based on gender
- Protect the rights and interests of employees: notify employees of major changes in advance on the number of days specified by law
- Respect the freedom of assembly and association among employees
- Adhere to the values of integrity and anti-corruption, prohibit of accepting or offering bribes
- Provide channels for stakeholders to communicate and file complaints
- Conduct human rights due diligence and implement mitigation and remedial measures

(I) Education and training

Since the issues of labor and human rights are critical to the customers, the Company provides education and training on the Responsible Business Alliance Code of Conduct (RBA Code) every year. In 2024, 100% of employees participated in the human rights training. Education and training on the RBA Code and human rights are also arranged for contractors, such as security guards and cleaning service providers, who work within the premises of the Company or the plants. 100% of contractors finished this training. We also conduct sexual harassment prevention courses for every new employee to convey the Company's zero-tolerance stance on sexual harassment, ensure that employees understand the importance of human rights and protect the rights of themselves and others.

(II) Grievance channel

Internal employees can report any violations of human rights policy to the Company's human resources unit in accordance to the "Whistleblowing and Complaint Handling Regulations." The Company will keep the identity of the whistleblower confidential.

The external stakeholder may file the complaint through the CSR mailbox on the official website of the Company; the responsible ESG unit will give a reply.

II. Human Rights Risk Assessment

With reference to the RBA Code and audit results, Qisda has identified the following potential human rights risks and implemented internal management policies as well as mitigation and compensation measures at all of its sites worldwide.

Human Rights Issue	Mitigation and Compensation Measures	Applicable to
Working Hours	<ul style="list-style-type: none">● Observe local labor laws and the Responsible Business Alliance Code of Conduct (RBA Code)● Encourage employees to get off work on time● Set up a working hour reminder mechanism● Limit the number of overtime hours in accordance with local laws and internal regulations, and provide overtime compensation	<ul style="list-style-type: none">● All employees● Employees of suppliers/contractors
Wages and benefits	<ul style="list-style-type: none">● The wages paid to employees comply with local labor laws and the RBA Code, including a pay of no less than the minimum wage and equal remuneration for the employees who are responsible for equal work and qualifications.● Participate in investigation of wages in the industry to maintain competitiveness in the wage market.	

Human Rights Issue	Mitigation and Compensation Measures	Applicable to
Data privacy and security	<ul style="list-style-type: none"> ● Observe local laws and the RBA Code ● Qisda has established the “Personal Data Management Procedure” as a basis for implementing data security management ● Provide education conduct training, and disseminate relevant information 	
Emergency Preparedness	<ul style="list-style-type: none"> ● Observe local laws and the RBA Code ● Formulate the “Emergency Response Management Summary Manual” and act according to the emergency response management procedure ● Regularly hold emergency drills and advocacy 	
Safety at Work	<ul style="list-style-type: none"> ● Observe local laws, ISO 45001, and the RBA Code ● Implement sourcing management, change management, and hazard identification to eliminate risk factors ● Provide education conduct training, and disseminate relevant information to help employees understand how to use equipment in the workplace ● Periodically inspect machinery and equipment, and provide process descriptions in languages that employees can understand ● In the event of a work-related injury, traffic accident, or critical illness, the Company provides employees with assistance, such as applying for group insurance 	

Human Rights Issue	Mitigation and Compensation Measures	Applicable to
Freedom of assembly	<ul style="list-style-type: none"> ● Respect the employees' freedom of association. Currently, employees in the Suzhou and Vietnam plants organize and join labor unions on their own ● Encourage employees to participate in corporate clubs ● Regularly hold labor management meetings 	<ul style="list-style-type: none"> ● All employees
Occupational injury and illness	<ul style="list-style-type: none"> ● Observe local laws, ISO 45001, and the RBA Code ● Investigate accidents and make improvements accordingly 	
Public sanitation, food, and housing	<ul style="list-style-type: none"> ● Observe local laws and the RBA Code 	
Sexual harassment and other forms harassment	<ul style="list-style-type: none"> ● Observe the Gender Equality in Employment Act and the RBA Code ● Qisda has established the "Management Regulations of Infringement Prevention during Performance of Duties" as the basis for implementing management concerning sexual harassment ● Provide education conduct training, and promote activities to convey the Company's zero-tolerance stance on sexual harassment. ● Employees who discover related incidents are authorized to report it according to the "Whistleblowing and Complaint Handling Regulations." 	<ul style="list-style-type: none"> ● All employees ● Female employees

Human Rights Issue	Mitigation and Compensation Measures	Applicable to
	Based on the investigation results, the Company will take action according to the “Discipline Management Regulations.”	
Non-discrimination	<ul style="list-style-type: none"> ● Observe the RBA Code ● Qisda has formulated the “Work Rules.” The Company treats all its employees equally, and promises to prevent unfair recruitment, wages and benefits, promotions, rewards and access to training, dismissal or retirement on the basis of ethnicity, race (including indigenous peoples), social status, skin color, age, gender, sexual orientation, gender identity and expression, national or territorial origin, disability, pregnancy, religion, political affiliation, union membership, family responsibility, veteran status, genetic information or marital status and any other factors specified by law. ● There were no incidents of discrimination within the Company in 2024 ● Provide education, conduct training, and disseminate relevant information 	<ul style="list-style-type: none"> ● All employees ● Foreign employees
Freedom to choose an occupation	<ul style="list-style-type: none"> ● Observe local labor laws and the RBA Code ● No forced labor: The Company’s work rules clearly prohibit forced labor, slavery, and human trafficking. All employees sign the employment contract to confirm their willingness to work, eliminating any potential causes of forced labor 	<ul style="list-style-type: none"> ● All employees ● Foreign employees ● Employees of suppliers/contractors

Human Rights Issue	Mitigation and Compensation Measures	Applicable to
	<ul style="list-style-type: none"> ● Employees can terminate the labor contract at their own will ● The employment contract signed with the employee clearly states the minimum notice required for both parties to terminate the contract ● If the company's operations require mass terminations of employment, the company will provide a notice period in accordance with local laws. For example, according to Taiwan's Act for Worker Protection of Mass Redundancy, prior to initiating mass redundancy, the business entity must notify the competent authority and relevant agencies at least 60 days before implementing mass redundancy by submitting a written notice of the redundancy plan. The business entity must also publicly announce the redundancy plan through appropriate publication methods. The 60-day advance notification is not required if mass redundancy results from unforeseeable circumstances, such as an act of God, calamity, or accident ● Qisda has 121 foreign migrant workers, and the Company bears all the related expenses and handling fees for them to join the Company in Taiwan. 	ctors
Young workers	<ul style="list-style-type: none"> ● Observe local labor laws and the RBA Code ● Qisda has established the "Child and Youth Labor Management Regulations." The Company verifies the identity of employees during the 	<ul style="list-style-type: none"> ● Teenage employees ● Employees of

Human Rights Issue	Mitigation and Compensation Measures	Applicable to
	<p>recruitment process and follows the above procedures to ensure that underage cooperative education students are not engaged in work that may bring risk to their safety and health.</p> <ul style="list-style-type: none"> ● No child labor: The Company's work rules clearly prohibit child labor. 	suppliers/contractors
Responsible mineral procurement	<ul style="list-style-type: none"> ● Observe the RBA Code ● Qisda establishes the "Conflict Minerals Management Instruction" as a basis for implementing management concerning this topic ● If the supplier is confirmed to have hired a smelter that is not in the list under the Responsible Minerals Assurance Process (RMAP), it will be requested to ensure smelters they use are publicly listed by RMAP and informed about related risks 	<ul style="list-style-type: none"> ● Employees of suppliers/contractors
Grievance mechanism: Qisda CSR mailbox: csr@Qisda.com		

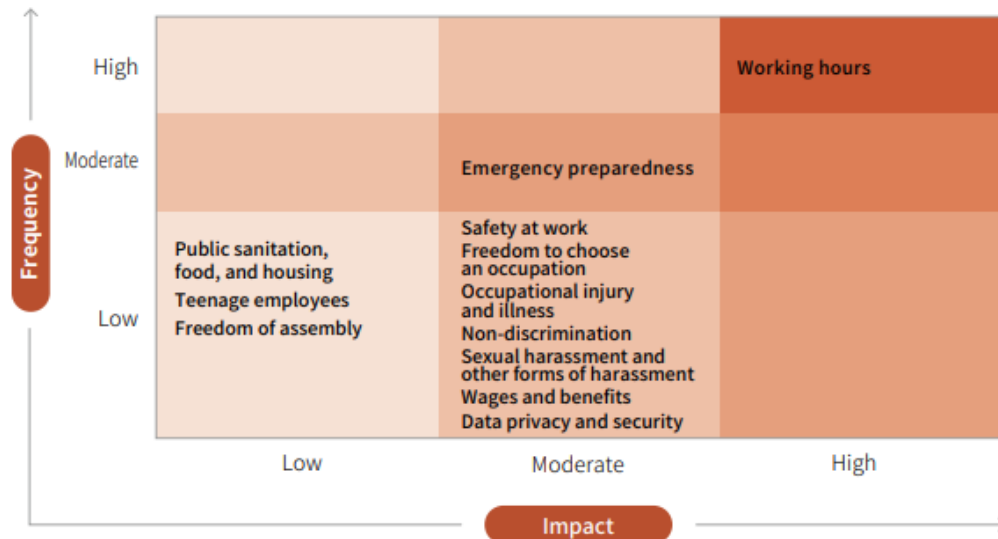
III. Human Rights Due Diligence

Qisda has established a human rights due diligence mechanism. We conduct a complete human rights due diligence management cycle once a year, with the goal of identifying the impact and frequency of potential human rights issues within the scope of our business, discerning major human rights risk issues, and implementing risk mitigation and remedial measures. We follow up on the achievement status on a regular basis. Since 2023, we have

begun to conduct human rights due diligence on joint ventures (JVs) through questionnaires. This mechanism is used to enhance human rights awareness and protect the right of the Group, ensuring significant human rights risks are detected and mitigated.

By analyzing reports of the completed RBA audit (Validated Audit Process) between 2022 and 2024, Qisda identified the impact and frequency of potential human rights topics in 2024, and further pointed out material human rights risks, such as working hours and emergency preparedness. However, in 2024, there are no audit deficiencies of emergency preparedness.

- Qisda Human Rights Risk Matrix



IV. Evaluation Results Based on the Responsible Business Alliance Code of Conduct (RBA Code)

Between 2022 and 2024, Qisda's plants conducted 17 external audits under RBA and 46 items (accounting for 3.1% of all items reviewed during audits for the three years) were listed as risks according to the audit results. Risks falling under the "Labor" and "Health and Safety," sections, which were ranked as the top 2 sections, accounted for 60.9% and 23.9% of overall risks respectively, while the risks categorized under the other three sections totaled 15.2%. In the category of "Labor," the risk of "working hours" ranks first, while the implementation of the labor management system in some sites is the second high risk; in the category of "Health and Safety," the highest risk is "emergency preparedness." However, in 2024, there is no audit deficiencies of emergency preparedness. Other topics relevant to human rights of workers such as avoiding child labor, humane treatment, non-discrimination, and freedom of association were found to be compliant with the RBA Code requirements.

Labor		Health and Safety		Environment. Ethics. Supply Chain Management
Freedom to choose an occupation	6.5%	Safety at Work	8.7%	15.2%
Avoidance of child labor	0.0%	Emergency Preparedness	10.9%	

Working Hours	34.8%	Occupational injury and illness	2.2%	
Wages and benefits	6.5%	Industrial hygiene	0.0%	
Humane treatment	0.0%	Physically demanding work	0.0%	
Non-discrimination	0.0%	Public sanitation, food, and housing	0.0%	
Freedom of association	0.0%	Health and safety communication	2.2%	
Management System	13.0%	Management System	0.0%	
Total	60.9%	Total	23.9%	

(I) Material topics of human rights risks in each site

The risk indicators for each factory are defined by the number of deficiencies with respect to material human rights topics identified in the RBA external audits conducted between 2022 and 2024.

Material Topics/ Plant Area	Taoyuan, Taiwan	Suzhou, China	Vietnam
Working Hours	Low risk	High risk	Low risk
Emergency Preparedness	Low risk	Low risk	Low risk
Risk of material topics=Number of deficiencies in material topics / number of audits conducted by the site High risk: Number of deficiencies in material topics / number of audits conducted by the site $\geq 50\%$ Moderate risk: $50\% >$ number of deficiencies in material topics / number of audits conducted by the site $\geq 30\%$ Low risk: Number of deficiencies in material topics / number of audits conducted by the site $< 30\%$			

1. 2024 Mitigation and remedial measures for significant human rights risks

In 2024, Qisda identified “working hours” and “emergency preparedness” as the high-risk and medium-risk human rights issues. Corresponding improvement measures were formulated and implemented in the same year.

Human Rights Issues	Plant Area	Annual Mitigation and Remedial Measures	Results
Working Hours	Taoyuan, Taiwan Suzhou, China Vietnam	<ul style="list-style-type: none"> ● Training: All employees are trained to understand the work hour management requirements ● System management: Establish a smart system to control work hours <ol style="list-style-type: none"> 1. Control continuous work hours and total working hours. When the hours approach the predetermined limit, the system will automatically send alert notifications to managers, reminding them to adjust staffing as needed 2. Timecard machines are equipped with reminders and restrictions ● Equipment Optimization and system adjustments: <ol style="list-style-type: none"> 1. Introduce automation facilities to reduce the number of required personnel 2. Optimize capacity planning and scheduling for more efficient operations 	Relevant countermeasures have been implemented

		<ul style="list-style-type: none"> ● Arrange staff work schedules reasonably and increase the shift rest of the production line <p>In 2024, there were no audit findings related to “working hours” at Qisda’s Taoyuan (Taiwan) and Vietnam plants under the RBA VAP assessment.</p>	
Emergency Preparedness	Taoyuan, Taiwan Suzhou, China Vietnam	<ul style="list-style-type: none"> ● System enhancement: Ensure the fire protection system is complete and conduct regular inspections and maintenance. ● Emergency response and reporting: Establish an “Emergency Response Management Summary Manual” and ensure emergency response procedures are in place. Conduct reporting drills and training in accordance with the standard operating procedures for emergency incident reporting ● Conduct regular emergency drills, fire drills, and awareness campaigns ● Accident improvement: In accordance with the accident management process, conduct investigations to explore the root causes of incidents and implement effective corrective actions and measures <p>In 2024, there were no audit findings related to “emergency preparedness” at any of the RBA VAP audited plants.</p>	Relevant countermeasures have been implemented

2. Joint venture (JV) human rights management

Qisda has conducted surveys on the human rights management status of the joint ventures (JVs) through questionnaires every year. The survey was conducted by the human rights management unit at each company, who assessed the situation of their respective company according to issues laid out in Qisda's internal human rights due diligence.

- **Distributed to:** A total of 12 companies in which Qisda has an equity of more than 10%, excluding companies with less than 30 employees and investment holding companies.
- **Response rate:** Completed questionnaires were received from all 12 companies, resulting in a response rate of 100%
- **Findings:**
 - (I) Human rights policies and practices
 1. Some of our joint ventures have been audited by a third party such as SA8000 or RBA, and have formulated human rights policies to demonstrate the importance they attach to human rights.
 2. All joint ventures participating in the survey provide channels for labor communication or anonymous grievances. Additionally, 100% of companies have provided a safe working environment for workers.
 3. No violations of labor conditions resulting in government fines occurred in 2024.
 4. In 2024, a total of 2 cases of unlawful infringement at the workplace were reported. Qisda will continue to track and assist in making improvements.
 - (II) Risk assessment
 1. 100% of joint ventures assess their own human rights risks and identify potential risks.

2. In total, the human rights risks assessed by the joint venture identified one high risk and two moderate risk issues. All other risks have been evaluated as low risk.

Table: Potential Human Rights Risks of Joint Ventures

High risk	Working Hours
Moderate risk	Emergency preparedness, safety at work
Low risk	Wages and benefits, data privacy and safety, freedom of assembly, occupational injury and illness, public sanitation, food and housing, sexual harassment, non-discrimination, freedom to choose an occupation, young workers, forced labor, fair opportunities, workplace bullying, and personal freedom and safety

(III) Mitigation and remedial measures

1. 100% of joint ventures implement mitigation and remedial measures for potential human rights risks.
2. Qisda continuously tracks and assists in improvement through internal management audit mechanism.

3. Human rights management statistics

In 2024, Qisda assessed potential human rights issues related to its business activities (including the company itself, suppliers/contractors, and joint ventures). The human rights risk are as follows. All necessary mitigation and remedial measure for human rights risks have been completed.

Category	% of total assessed in 2024	% of total assessed where risks have been identified	% of risk with mitigation actions taken
Qisda (Taoyuan, Taiwan Suzhou, China Vietnam)	100%	3.1%	100%
Suppliers/ Contractors (Tier 1 suppliers)	100%	3.49%	100%
Joint ventures (Qisda invests more than 10%)	100%	9.4%	100%