

DFI

# 2024 Corporate Sustainability Report



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# Introduction

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## About This Report

### Scope of this Report

This report covers DFI Inc. and its operational sites under direct control, including the headquarters in Xizhi, the factory in Taoyuan, and the R&D office in Xindian. Subsidiaries are not included in the scope of sustainability information disclosure. For a complete list of entities within the consolidated financial statements, please refer to the Company's Annual Report.



The information can be accessed or downloaded via DFI's Corporate Sustainability website: <https://www.dfi.com/tw/esg>

### Geographical Scope

The Xizhi Headquarters, Taoyuan Plant, and Xindian R&D Office, which are within the scope of operational control.

- Xizhi Headquarters : 10F, No. 97, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City
- Taoyuan Plant : 1F and 3F, No.157, Shan Ying Rd, Guishan District, Taoyuan City
- Xindian R&D Office : 10F, No. 233-2, Baoqiao Road, Xindian District, New Taipei City

### Report Scope

This report discloses content information related to the Company's primary operational sites, including the headquarters in Xizhi, the factory in Taoyuan, and the R&D office in Xindian. The scope of entities included in the consolidated financial statements differs slightly from that of the sustainability information disclosure, as subsidiaries are not included in the latter. For a complete company structure and list of entities, please refer to the Company's annual report. For more comprehensive information on the company structure and subsidiaries, please refer to DFI's annual report.



Annual report is available at: <https://www.dfi.com/tw/boardofdirector>

### Reporting Period/Frequency

- Period covered: January 1, 2024 to December 31.
- Frequency: Once a year

## Management of the Report

**Initial Setup of Reporting Process:** The Enterprise Risk Management Department is responsible for developing the framework and timeline for the annual report. They also conduct an initial kickoff meeting and provides sustainability-related training to relevant personnel.

**Internal Management Process:** The report is drafted, planned, and coordinated by the Company's Enterprise Risk Management Department. Data collection, compilation, and preliminary verification are carried out by departmental secretaries. The Enterprise Risk Management Department then consolidates and edits the data. An internal review is conducted by designated personnel to ensure consistency, completeness, and accuracy. Any discrepancies or omissions are returned to the respective department heads for correction and confirmation.

**External Verification Process:** An independent third-party verification organization, Bureau Veritas Certification, Taiwan Branch, was commissioned to verify the contents of this report. The verification ensures compliance with the comprehensive disclosure requirements of the GRI Standards and meets the Type 2/High Assurance level of the AA1000 Assurance Standard (AA1000AS v3). Through internal and external auditing mechanisms, ensure the quality and credibility of data disclosure. The verified results and related opinions will be compiled and submitted for review by senior management, and subsequently disclosed publicly after Board approval.

International standards such as ISO 9001, ISO 14001, ISO 14064-1, ISO 50001, ISO 45001, ISO 27001, ISO 13485, and QC 080000 have also successfully passed verification or validation.

**Disclosure of Previous Data :** This report does not revise or restate previously disclosed ESG data. All information is presented based on the current reporting year, with no adjustments made to historical data.

## This Report has been prepared in accordance with these standards

GRI Universal Standards ( 2021 )  
 United Nations Sustainable Development Goals (SDGs)  
 AA1000 Assurance Standard (AA1000AS V3)  
 Sustainability Accounting Standards Board (SASB)  
 Task Force on Climate-related Financial Disclosures (TCFD)

## Feedback and Contact

### Enterprise Risk Management Department

Amber Hsu / Verna Lin

✉ CSR@dfi.com ☎ (02) 2697-2986 ext. 3636/2316

## Links





## Support from Leadership

### From the Chairman

In 2024, the global economy remains affected by uncertainties such as war and inflation. Nevertheless, DFI has achieved steady growth through agile responses and accurate market positioning. In the previous year, consolidated revenue reached **NT\$9.584 billion**, representing a year-on-year increase of **4%**. The gross operating profit was **NT\$2.677 billion**, reflecting a year-on-year increase of **10%**. Operating profit amounted to **NT\$658 million**, marking a year-on-year increase of **21%**. Profit before tax reached **NT\$652 million**, indicating a year-on-year increase of **29%**. Earnings per share (EPS) were **NT\$3.46**, surpassing the **NT\$3.16** recorded in 2023, thereby demonstrating exceptional operational results.

Looking ahead to 2025, DFI will continue to optimize its operational management, focusing on **industrial automation, cybersecurity products, and embedded circuit boards**. The Company will accelerate the development of **edge AI applications in smart cities, automation, and energy sectors**. By enhancing hardware value through **value-added technologies**, DFI aims to maintain a steady course and seek new opportunities amid industry transformation. By fully leveraging the **group's resources and synergies**, the company not only strengthens the core competitiveness of its existing businesses but also actively cultivates future growth momentum. This dual-track strategy drives the Company toward higher levels of development and long-term value creation.

AI and ESG have emerged as key drivers of global industrial transformation. DFI is actively advancing **sustainable development strategies** while simultaneously pursuing technological innovation and business growth. We have set clear **ESG objectives**, including a **30% reduction in supply chain carbon emissions by 2030, 100% renewable energy usage by 2040, and achieving net-zero emissions by 2050**. We will strengthen **green supply chain management**, improve **energy efficiency**, develop **innovative technologies that integrate AI with energy conservation**, and collaborate with industry partners to create sustainable value. Through the integration of technology and corporate responsibility, we drive the low-carbon transformation of industries, generating long-term positive impacts on environmental, social, and economic development.

Looking ahead, we will comply with the core principles of prudent management, innovative growth, and sustainable development. By leveraging our corporate influence, we aim to collaborate with global partners to build a more resilient and sustainable future.

*Peter Chen*



## From the President

### AI for Sustainable Innovation, Together Toward a Greener Future

In 2024, the global economy remains highly uncertain. Inflationary pressures, shifts in U.S. Federal Reserve monetary policy, rising geopolitical tensions, and supply chain volatility continue to exert significant influence on corporate business strategies. At the same time, the rapid advancement of Artificial Intelligence (AI) and digital transformation is reshaping the industrial landscape, bringing both unprecedented opportunities and new challenges.

The global warming crisis continues to intensify as the impacts of climate change become increasingly severe. United Nations Secretary-General António Guterres emphasized at the 29<sup>th</sup> Climate Summit (COP29) the urgent need to keep global temperature rise below the critical 1.5°C threshold. He called on G20 countries to take greater responsibility in achieving this goal. Furthermore, developing countries could face an annual funding gap of up to \$359 billion by 2030 in their efforts to combat climate change. This highlights that climate financing is not only a critical investment for global sustainable development but also a responsibility that businesses must actively embrace.

While the rapid advancement of AI technology has delivered exceptional computational performance, it has also led to growing concerns over energy consumption and carbon emissions. The rapid growth of AI is driving a substantial rise in energy demand for data centers, raising important concerns around ESG (Environmental, Social, and Governance) factors. According to a report supported by the U.S. Department of Energy, data centers in the United States could consume between 6.7% and 12% of the nation's total electricity over the next three years. Meanwhile, from 2017 to 2023, data center power demand has doubled, driven by the widespread deployment of AI servers. AI computing demands ever more powerful chips and high-performance cooling systems, leading to a continuous increase in energy consumption. This trend presents significant challenges to carbon emissions, power infrastructure, and sustainable development, thereby intensifying corporate ESG pressures<sup>Note 1</sup>. These findings underscore the environmental impact of AI and cloud computing and are prompting the industry to actively pursue more sustainable computing solutions.



According to research conducted by the MIC<sup>Note 2</sup>, edge AI technology is characterized by low latency Characteristics such as low latency, low data transmission cost, low energy consumption, and strong privacy have become key drivers of enterprises' digital transformation and carbon reduction strategies. By integrating AI with sustainable technologies, enterprises can enhance operational efficiency while simultaneously advancing energy conservation and carbon reduction goals. This approach not only tackles the challenge of high energy consumption in AI computing but also offers a competitive and sustainable development path for global enterprises.

## AI Sustainable Innovation Practices at DFI

DFI is actively advancing edge AI computing technology, improving AI performance and energy efficiency through innovative value-added solutions. The company is dedicated to delivering efficient, low-carbon, and sustainable intelligent solutions that help enterprises tackle economic and climate challenges while progressing toward a greener future. In 2024, we will launch a multifunctional AI retail machine that combines a high-performance edge computing platform with virtualization technology. This innovation markedly reduces the energy consumption of computing devices while enhancing data processing and intelligent decision-making capabilities. Furthermore, our independently developed Out-of-Band (OOB) management technology has been widely adopted across intelligent transportation, national defense, and smart manufacturing sectors, helping enterprises reduce IT equipment maintenance costs and improve energy efficiency.

## Optimizing ESG and Operational Management: Advancing a Sustainable Future in Smart Energy

Since 2022, DFI has actively demonstrated its commitment to sustainability by engaging in sustainable development initiatives. In its first year of participation, it received the 2022 Taiwan Corporate Sustainability Award (TCSA). Building on this momentum, DFI earned a Gold Medal in the Corporate Sustainability Report category in 2023 and improved product energy efficiency by nearly 40% through green design innovations. By 2024, DFI has won TCSA awards for three consecutive years, underscoring its dedication and long-term commitment to ESG and sustainable business practices.

In operational management, DFI drives the adoption of AI and edge computing technologies across sectors such as smart transportation, retail, defense, healthcare, and intelligent automation through three core strategies: strategic alliances, value enhancement, and operational optimization. By optimizing supply chain management, incorporating green product design, and reducing energy consumption in production, we enhance operational efficiency while meeting ESG evaluation standards—creating greater value for both shareholders and customers.

DFI is also dedicated to advancing intelligent, sustainable transportation and urban development. It actively promotes the integration of smart rail transit and Vehicle-to-Everything (V2X) technology to strengthen information security, improve transportation efficiency, and reduce carbon emissions from urban traffic. At the same time, we have independently developed a low-power edge computing system to support smart energy infrastructure. Leveraging AI, the system monitors and optimizes grid scheduling and distributed energy management, enabling more efficient energy use and further reducing the carbon footprint of transportation and infrastructure.

## DFI Continues to Deepen the Application of AI, Promoting Intelligence and Sustainable Development

Amid the wave of AI-driven digital transformation, enterprises face challenges that go beyond technological innovation—namely, how to balance business growth with sustainable development. DFI will continue to advance edge AI technologies and applications, driving the simultaneous progress of intelligence and sustainable development. Through technological innovation, we aim to lead industry transformation by delivering more efficient, low-carbon, and future-ready solutions—empowering enterprises to embrace a new era of intelligent and green growth.

Note 1: Reuters, "US Data Center Power Use Could Nearly Triple by 2028, DOE-Backed Report Says," December 21, 2024 (Source: <https://www.reuters.com/business/energy/us-data-center-power-use-could-nearly-triple-by-2028-doe-backed-report-says-2024-12-20/>).

Note 2: MIC Report: "Current Status and Prospects of Edge AI Hardware Development," April 30, 2024. (Source: <https://mic.iii.org.tw/aisp/ReportS?docid=CDOC20240318006>).

## About DFI

Founded in 1981, DFI Inc. is a global leader in high-performance AI edge computing and embedded solutions. DFI is committed to innovative design and production of motherboard and system products, while strictly adhering to version control and long-term supply for embedded solutions. Through innovative design and quality management systems, DFI's industrial-grade solutions optimize customer device designs. We provide high reliability, long lifecycle, and all-weather rugged products and services for factory automation, healthcare, gaming, transportation, smart energy, retail, and many other areas.

In addition to its achievements in business operations, DFI has also made new breakthroughs in corporate sustainability, earning the Company a gold award at the 17th Taiwan Corporate Sustainability Awards (TCSA) and the 3rd Taiwan Sustainable Action Awards (TSAA), showcasing DFI's outstanding achievements in sustainable development. In 2024, DFI was recognized with the 33rd Taiwan Excellence Award for its "Multifunctional AI Retail Kiosk." The product leverages virtualization technology, enabling a single computer to run multiple operating systems simultaneously—much like having multiple brains. This allows it to handle various tasks concurrently, including digital advertising, payment processing, and interactive information services. Unlike traditional standalone systems that require separate hardware for each function, this solution offers enhanced multi-functionality with lower power consumption and reduced hardware costs. As a result, it lowers capital investment for enterprises while boosting operational efficiency, aligning with the global priorities of energy conservation and carbon reduction.

In recent years, DFI has been committed to the development of miniaturized motherboards and has made significant efforts to develop Edge AI related products. Through innovative design, high quality management systems, and rigorous quality certification systems, DFI executes comprehensive quality management, continuously enhancing quality from design to production to meet and surpass customer expectations. By incorporating value-added technologies like our independently developed Out-of-Band (OOB) module and virtualization platform, we enhance hardware performance, streamline remote management, and boost AI efficiency—effectively meeting the diverse application needs and energy-saving demands of edge computing.

DFI understands that a robust and adaptable supply chain is necessary to ensure a high quality product delivery. Therefore, our goal is to establish a reliable supply chain by improving our intelligent production management capabilities. This will enable us to meet the needs of our global customers in a timely and adaptive manner.

DFI's customized services offer reliable and comprehensive solutions. Over the past few decades, it has successfully assisted leading system integrators and equipment manufacturers across industries, delivering exceptional product performance and unparalleled quality. We are committed to corporate sustainability and will continue to create value for our customers, shareholders and society.

## Core Value

DFI is a leading industrial computer manufacturer under the Qisda Group, with global-scale operations and service capabilities, focusing on embedded, information security, and smart automation businesses. With years of experience in embedded applications, DFI adheres to the core mission of "stringent product testing to ensure perfection and reliability." Products undergo multiple rigorous tests during development to ensure reliability and durability. These tests include comprehensive testing of all high-speed signals in the design stage, as well as stringent durability tests for extreme temperatures, impact, and vibrations, ensuring that DFI's products can operate reliably even in harsh environments. The Company's vision is "Bringing Enjoyment 'N Quality to Life". When it comes to our products, quality is our guiding principle. We maintain complete control over the entire process, from design to manufacturing to service. In terms of operations, we not only demonstrate concern for environmental protection, public welfare, and the rights of customers and employees, but also consider corporate citizenship to be our responsibility. We maintain a proactive, positive and law-abiding attitude.

### Establishment

1981

### Global Headquarters

Taipei, Taiwan

### Global Locations

**Sales base:** United States, Netherlands, Japan, China, Taiwan, South Korea, India, Vietnam, Germany

**Manufacturing Center :** Taipei, Taiwan and Suzhou, China

### Global workforce

Approximately 665 people (including over 180 R&D personnel)

### Consolidated revenue in 2024

Consolidated revenue of NT\$9.584 billion



## DFI products

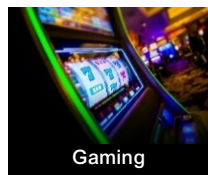
### One-Stop Edge AIoT Platform with Agile Development and Fast Market Entry

#### Global Expansion

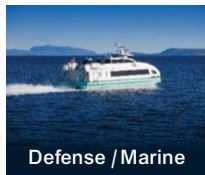
Boost edge AI computing for vertical applications



Factory Automation



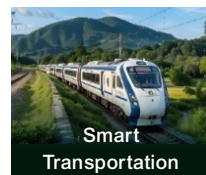
Gaming



Defense / Marine



Smart Medical



Smart Transportation



Gas / Oil / Energy

**Embed in the market for a win-win partnership**  
**BD & Sales:** Insight into global edge AI needs, offering innovative solutions for customer growth.

#### High-Efficiency Drive

Focus on industrial Edge AI and embedded products innovation

##### Motherboards Diverse & rich in size



From 1.8" to EATX & COMe to Q7

##### AIoT Systems Fulfills Edge AI



Fanless, compact, and powerful

##### Edge AI Servers Expandable Edge AI



Designed for AI acceleration and parallel computing

##### Panel PCs & Displays Optimized HMI



Integration of advanced embedded and display tech.

##### Modules Connect more

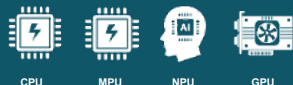


Remote mgmt. I/O Expansion

**Insight into needs, offering diverse flexibility**  
**Product development team:** Versatile, high-quality solutions to meet diverse customer/application needs.

#### One Stop Edge AIoT Platform

##### AIoT + Edge Computing



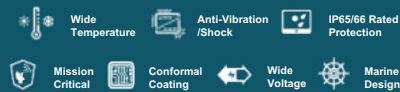
CPU

MPU

NPU

GPU

##### AIoT + Edge Computing



Mission Critical

Conformal Coating

Wide Voltage

Marine Design

##### AIoT + Edge Computing



Agile Development

OOB

Virtualization

#### Comprehensive Support

Multi-platform for embedded tech. flexibility



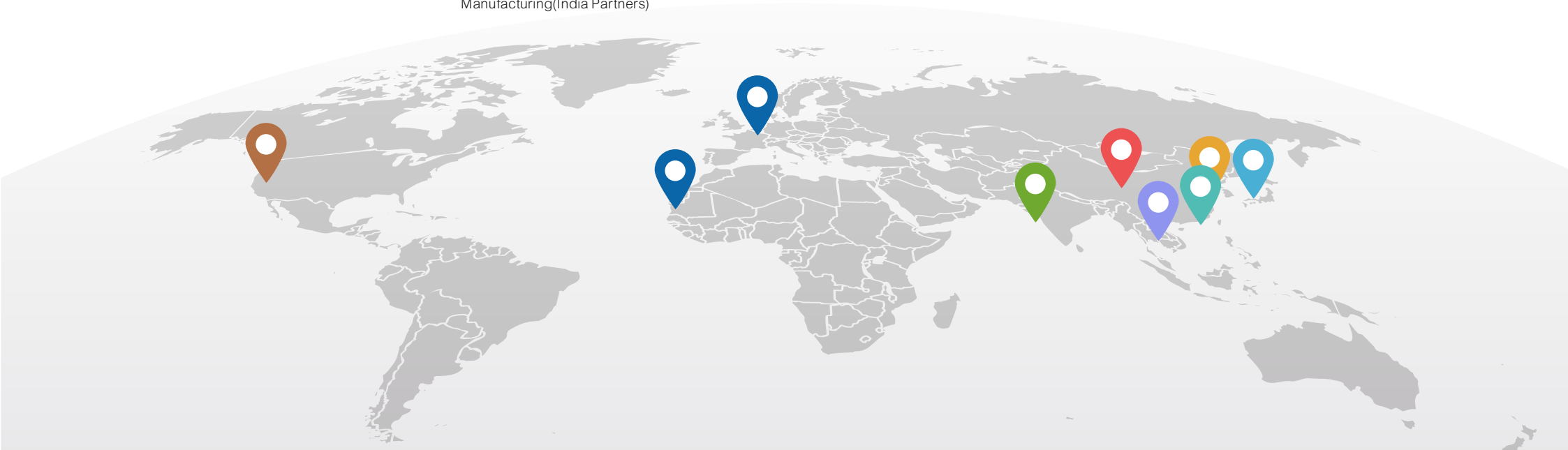
**Integrated software and hardware with agile development R&D team:**  
Supporting x86/Arm platforms with virtualization, OOB management, and value-added tech.

## Business overview and organizational structure

As a pioneer in industrial-grade embedded computing, DFI boasts over 40 years of hardware development experience and is committed to providing high-performance, reliable embedded and industrial computer systems. We are committed to the core business strategy of "Flexibility, Efficiency, and Localization". By combining global supply chain integration with technological innovation, we address the diverse needs of multiple industries and empower enterprises on their path toward intelligent and sustainable development.

Through our technology-driven hardware strategy, DFI continues to optimize product performance while improving energy efficiency, thereby strengthening its market competitiveness. By implementing Intel x86 architecture Slim Bootloader technology, which combines low-power standby and rapid recovery mechanisms, and significantly reduces boot time and energy consumption. This ensures stable device operation in extreme environments, making it suitable for applications in military, aerospace, intelligent transportation, industrial automation, and remote monitoring. Additionally, the Out-of-Band (OOB) remote management module independently developed by DFI provides up to 70% of server-grade Baseboard Management Controller (BMC) functionality and enables remote management and maintenance even if the primary network fails—further enhancing system stability and operational efficiency.

AMERICA	EUROPE	INDIA	CHINA	VIETNAM	TAIWAN	KOREA	JAPAN
<b>SACRAMENTO DFI</b> Sales, Technical Support, RMA, Manufacturing	<b>ROTTERDAM DFI</b> Sales, Technical Support, RMA  <b>LOCAL AGILITY (2025 Q2)</b> <b>DFI X Local Partners</b> Manufacturing(EU Partners)	<b>HARTANA DFI</b> <b>North &amp; West India (Q2/2025)</b> Sales, Technical Support, RMA Manufacturing (CM)  <b>LOCAL AGILITY (2025 Q2)</b> <b>DFI X Local Partners</b> Manufacturing(India Partners)	<b>SUZHOU Qisda</b> <b>SHENZHEN DFI</b> <b>BEIJING AEWIN</b> <b>TIANJIN 德昌金寶</b> Sales, Technical Support, RMA, Manufacturing	<b>HA NAM Qisda</b> Manufacturing(BenQ)	<b>TAIPEI (HQ) DFI</b> R&D, Sales, Technical Support RMA, Logistics, Manufacturing(DFI)	<b>SEOUL DFI AEWIN</b> Sales	<b>TOKYO DFI</b> R&D, Sales, Technical Support, RMA

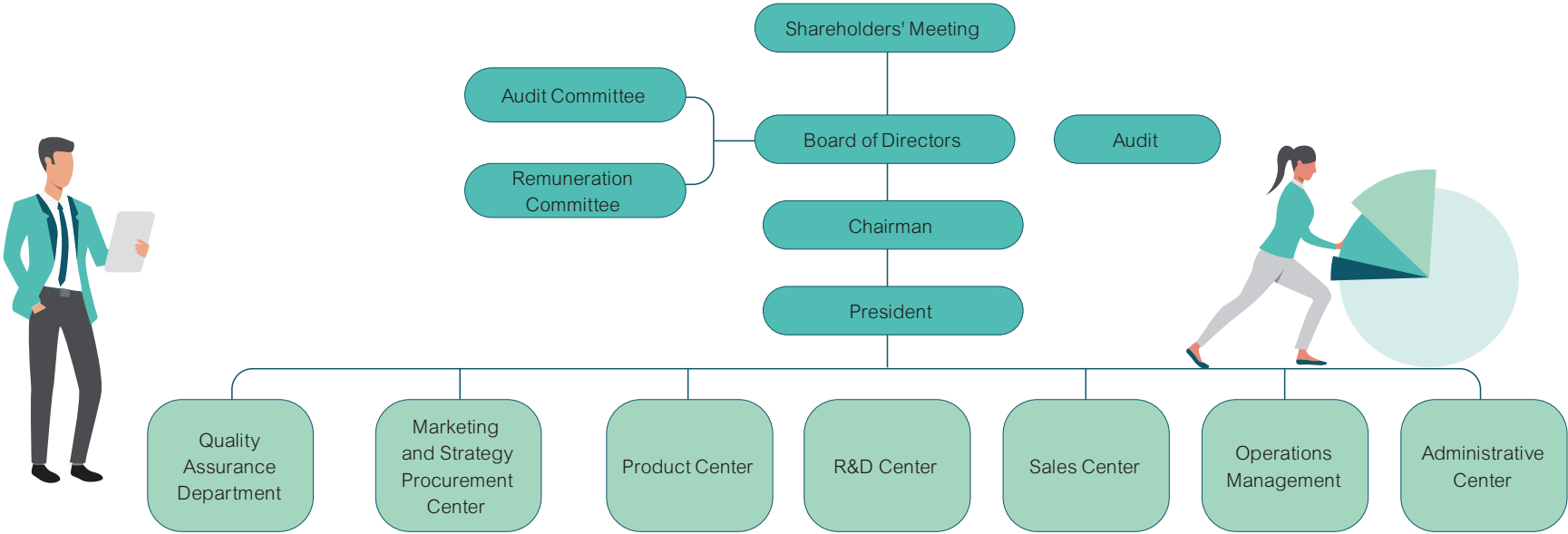


In 2024, DFI further integrated AI into sustainability by launching the "Multi-Functional Artificial Intelligence Retail Machine," which earned the 33rd Taiwan Excellence Award by leveraging efficient AI edge computing and virtualization technology. This product leverages a single CPU to run multiple AI functions simultaneously, significantly reducing hardware costs and energy consumption. Equipped with an Out-of-Band (OOB) remote management module, it meets diverse edge computing needs—offering an optimal solution for smart retail and digital transformation.

DFI's operations span multiple global locations, including its headquarters in Taipei, Taiwan, as well as offices in China (Shenzhen, Shanghai, Beijing, Tianjin), the United States, Japan, the Netherlands, South Korea, India, Vietnam, and Germany. These sites support research and development, production, sales, and technical services. By leveraging a localized supply chain and on-site support, DFI ensures efficient manufacturing and fast delivery. We provide a flexible production model that accommodates both small-batch, diverse product lines and large-scale mass production, allowing us to meet the diverse needs of global markets while delivering dependable embedded computing solutions across industries.

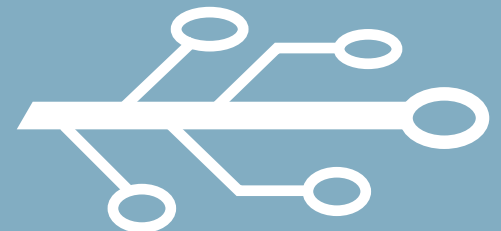
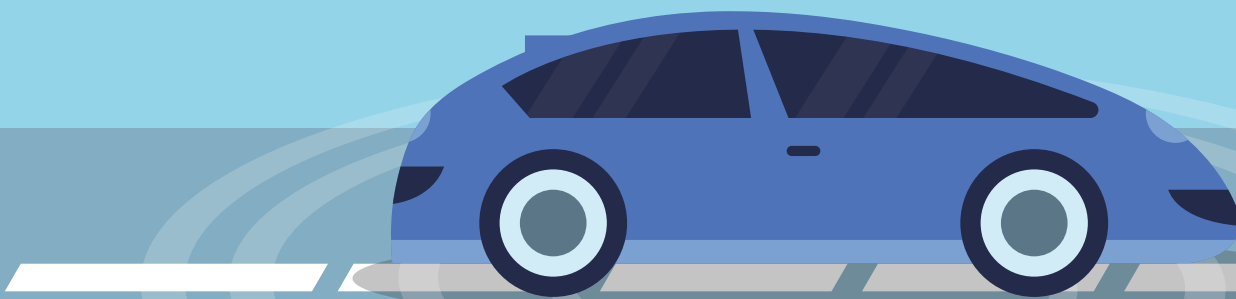
Since becoming part of the BenQ Materials Group in 2017, DFI has significantly enhanced its R&D expertise, supply chain operations, and manufacturing capabilities, boosting its core competitive strengths. By integrating the group's resources, we offer testing laboratories, chassis design, and manufacturing services. Leveraging precise technological planning and industry applications, we drive advancements in smart manufacturing, smart cities, and sustainable development.

DFI embraces Environmental, Social, and Governance (ESG) principles by actively advancing green supply chain management, energy-saving and carbon reduction technologies, and eco-friendly design to strengthen its corporate sustainability and competitiveness. We will continue to propel global industries forward with technological innovation and intelligent solutions, fostering a more efficient, smarter, and sustainable future.



# 📍 Sustainability Journey

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## Sustainable Performance Highlights

### Performance Highlights of 2024

The total carbon emissions—including Scope 1 direct greenhouse gas emissions and Scope 2 indirect emissions from purchased energy—were reduced by **413.16 metric tons** CO<sub>2</sub>e compared to 2023, representing approximately **13%** reduction.

Total electricity consumption decreased by **373,500 kWh** (equivalent to **1,344.6 GJ**) compared to 2023, representing an energy saving of approximately **6.13%**.

**E**

**Zero cases** of occupational diseases, work-related injuries, and fatalities have been reported during the reporting period.

A total of **four** mobile health checkups and **two** pre-vaccination sessions were conducted to promote employee well-being.

Supported small-scale farming by purchasing approximately **NT\$140,000** worth of agricultural products, directly benefiting **27** local farmers.

Promoted a "Cultivating a Vegetable Garden Project," organizing **two** volunteer events with **77** participants contributing a total of **616** volunteer hours.

Employee Satisfaction **76%**

**S**

DFI ranked as Top **6%-20%** of all Taiwanese listed companies in the 11th Corporate Governance Evaluation.

**Zero** compliance violations were recorded during the reporting period.

**100%** training completion rate for the Integrity Handbook, Antitrust Law Compliance, and Insider Trading Prohibition and Prevention.

**Zero** major information security incidents occurred during the reporting period.

Successfully implemented the ISO 27001 Information Security Management Systems

Awards and Certifications:

**Gold Award** for Corporate Sustainability Reporting in the 17th **Taiwan Corporate Sustainability Awards (TCSA)**

Winner of the 2024 Taiwan Mergers and Acquisitions Golden Award - **Mid-sized Enterprise M&A Award**.

Honored with the 33rd **Taiwan Excellence Award**.

Earned the **iSports Enterprise Certification** from the Sports Administration, Ministry of Education

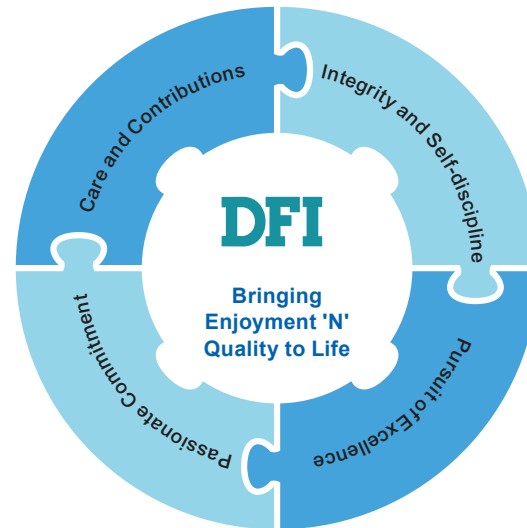
Received the Badge of **Accredited Healthy Workplace** from the **Health Promotion Administration, Ministry of Health and Welfare**

The average employee shareholding ratio reached **78%**, reflecting high levels of employee engagement and alignment with company performance.

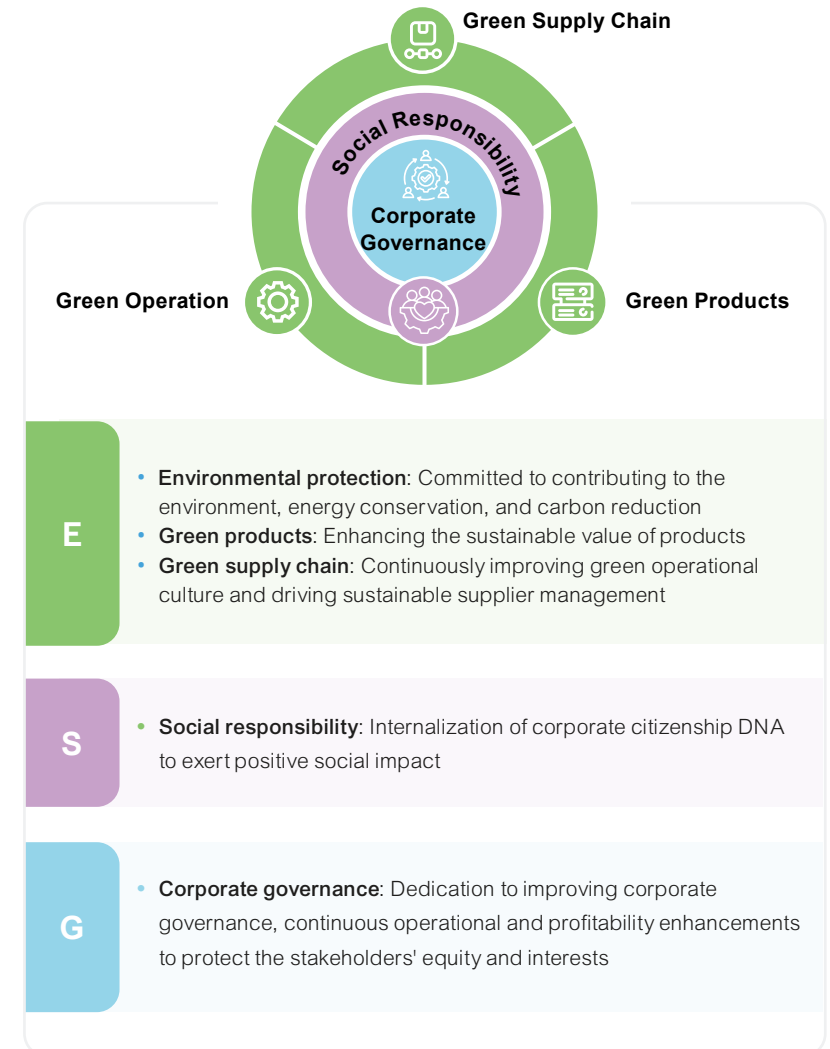
**G**

## Corporate Sustainable Development

Bringing truth, goodness, and beauty to life through technology is not only DFI's corporate vision, but also our core mission. We operate with integrity, viewing responsibility as the cornerstone of our corporate development. We are committed to continuous improvement in technological innovation, exceptional design, advanced manufacturing, and high-quality service. We actively promote environmental sustainability by incorporating green design and low-carbon production practices to minimize our environmental impact. At the same time, we are deeply committed to social responsibility and actively give back to the community through meaningful actions. Respecting the rights of consumers and employees is our fundamental commitment. We uphold principles of fairness and justice, fostering a safe, welcoming, and inclusive work environment that supports employee well-being and growth. As a responsible corporate citizen, we embrace our social responsibilities with a proactive spirit, leveraging innovative technology and sustainable development strategies to build a better future for the global community.



## Five major sustainable development goals



Short, medium, and long-term goals for DFI's sustainable development

Short-term targets (2020)	Mid-term targets (2030)	Long-term targets (2040)
<ul style="list-style-type: none"><li>Achieved 60% of models meeting the ErP Lot 3 standard.</li><li>Innovative Cases of New Products or Technologies Developed as a Result of Climate Transition Risks</li><li>Completed the "Supplier Sustainable Development Code of Conduct" &amp; "Sustainable Risk Assessment Questionnaire."</li></ul>	<ul style="list-style-type: none"><li>60% renewable energy and carbon offset</li><li>Reduce water usage by 5%</li><li>90% recovery rate of recycling</li><li>Achieved 70% of models meeting the ErP Lot 3 standard</li></ul>	<ul style="list-style-type: none"><li>100% Renewable energy and carbon offset</li><li>1% Reduction in water resource usage</li><li>10% Decrease Carbon Footprint of products</li></ul>

DFI sustainability/corporate social responsibility and environmental, safety, and health policies

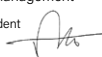
DFI | Desire for Innovation

**DFI's CSR & ESH Policies**

In addition to improving human tech life through products and services, DFI is committed to practicing and promoting social responsibility, energy management, environmental safety and health management, and high-quality corporate safety management. We strive to give back to society, enhance labor rights, improve safety condition, and enhance the quality of living environment. In the future, DFI will integrate social responsibility, energy, environmental safety and health management, high-quality corporate safety management, and current business principles. We pledge to provide necessary resources and information to execute social responsibility and environmental, safety, and health policies in a more efficient manner, in order to achieve the organization's set goals and objectives.

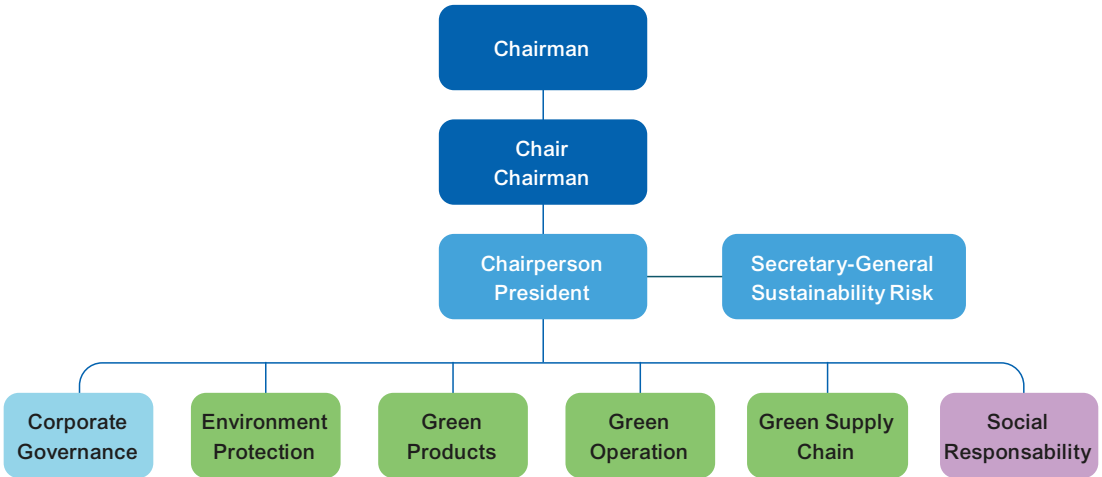
DFI adheres to the following principles to implement CSR, environment, safety, and health policies:

- Integrity management and strict code of ethics
- Comply with regulations and meet customers' demands, abide by social responsibility standards.
- Reduce pollution, save water, safety and health, precautions and improvements
- Value the consultation and participation of workers to safeguard their labor rights and continuously improve our business management
- Strengthen the eco-design of our products to reduce the environmental impact throughout their lifecycle
- Assist suppliers to meet the standards
- Encourage branch offices to create sustainable management

President

DFI Sustainability Development Committee

To deepen corporate sustainable development and fulfill corporate social responsibility, while ensuring effective communication and response to the opinions of stakeholders related to the organizational operations., DFI has to establish the cross-departmental organizational structure of the Social Responsibility and Environment, Health, and Safety Management Committee. The President serves as the Chairman, and senior executives from each center serve as committee members representing different dimensions. The Secretary-General is responsible for coordinating and promoting cross-departmental sustainable development initiatives. Progress reports on performance indicators and corporate social responsibility are provided by committee members representing different dimensions.



## Sustainable Value Creation Process

### 1. Input

DFI follows the Group's principle of consistency and adopts Qisda's value creation process, which encompasses six capitals: financial capital, manufacturing capital, intellectual capital, human resource capital, social capital, and natural capital, providing a foundation for sustainable development.

### 2. Value Creation

Based on DFI's core vision of corporate sustainability, we refer to the SDG Compass Guide's process and the United Nations' Sustainable Development Goals (SDGs) as outlined on their official website. From there, we take inventory of our current actions and the risks and opportunities within our value chain; as a professional manufacturer of industrial computers, we examine our upstream sourcing of raw materials, supply chain operations, product manufacturing, company operations, downstream product sales, usage, and disposal processes. By addressing the concerns of stakeholders and focusing on key areas, we identify management items to be prioritized for DFI's future alignment with the SDGs. Internally, we base our corporate sustainable development on the three pillars of the economy, society, and environment, expanding the environmental dimension into "environmental protection," "green products," and "green supply chain," including the social dimension of "social responsibility" and the economic aspect of "financial performance," a total of five major dimensions are used to promote the priority management items of the SDGs. Furthermore, through the initiatives led by our Sustainability Development Committee (ESG Committee), we are committed to Qisda Corporation's vision to bring enjoyment n' quality to life.

### 3. Output

Since the systematic launch of its sustainability program in 2019, DFI has advanced its efforts through a corporate sustainability management framework built on six core pillars. Each pillar sets clear goals aligned with the company's core competencies, serving as a strategic guide for various initiatives. To ensure continuous progress, DFI has established short-, medium-, and long-term management indicators, with regular performance evaluations conducted by the ESG Committee.

#### Six Major Capitals



##### Financial Capital

Enhance economic value through strong financial management, efficient resource utilization, and strategic investment in product R&D, innovation, manufacturing, and related services.



##### Manufacturing Capital

Maintain production equipment and infrastructure with care to ensure the delivery of high-quality products and services that meet customer needs.



##### Intellectual Capital

Complying to the highest standards in self-requirements for technology research and development as well as innovative applications, we focus on enhancing operations, products, and services. We continuously invest in innovative research and development to strengthen our intellectual capital and leverage our soft power.



##### Human Resource Capital

Actively identify and cultivate top talent, develop a comprehensive growth roadmap, and ensure employees thrive in a safe and supportive environment—fostering a shared future built on integrity, self-discipline, and passionate dedication.



##### Social Capital

Long-term investment in social care and contributions through collaboration with stakeholders.



##### Natural Capital





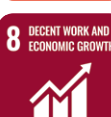

Implement green design practices to minimize the environmental impact of operations and products, while fulfilling our commitments to energy conservation, carbon reduction, and sustainable development.



## Sustainable Value through SDG Implementation in 2024

### Approaches to Implementing SDGs

### Corresponding Chapters of the Report

	<p>Providing long-term support for eco-friendly farming products by establishing stable partnerships and assisting farmers in their transformation and sustainable development.</p>	<p><a href="#">Local Practice</a> <a href="#">Friendly Environment</a></p>
	<p>Promote sustainable agriculture and strengthen food supply stability by supporting agricultural development and food production.</p>	<p><a href="#">Local Practice</a> <a href="#">Friendly Environment</a></p>
	<ul style="list-style-type: none"> <li>• By offering health education via EDM, influenza and COVID-19 XBB vaccinations, blood donation drives, and on-site stress relief massages, we provide comprehensive support for the physical and mental well-being of our colleagues.</li> <li>• Actively promoting a healthy workplace and awarded Badge of Accredited Healthy Workplace by the Health Promotion Administration, Ministry of Health and Welfare.</li> <li>• Actively building a healthy workplace and received the iSports Enterprise Certification by the Sports Administration, Ministry of Education.</li> <li>• During Family Day activities, we set up fitness assessment stations featuring grip strength tests, three-minute step-ups, and seated forward bends. These assessments help employees better understand their physical condition and encourage the adoption of regular exercise habits, actively promoting their physical and mental well-being.</li> </ul>	<p><a href="#">Protecting Health and Well-being of Employees</a></p>
	<ul style="list-style-type: none"> <li>• Promotion of gender equality and diversity, providing equal employment and promotion opportunities to reduce gender gaps.</li> <li>• Maternity protection measures.</li> </ul>	<p><a href="#">Good Labor-Capital Relationship</a> <a href="#">Legal Compliance</a> <a href="#">Human Rights Management</a> <a href="#">Protecting Health and Well-being of Employees</a></p>
	<p>Through mergers and acquisitions, we have successfully expanded our scale and improved productivity, thereby contributing to economic growth and helping stabilize the employment market.</p>	<p><a href="#">Sustainable Performance Highlights</a></p>
	<ul style="list-style-type: none"> <li>• Encourage enterprises and employees to engage in friendly farming activities, support sustainable agriculture, and reduce environmental impact. To date, two events have been held, with a total of 77 participants.</li> <li>• Actively support local agriculture and minimize food loss throughout production and supply chains, including post-harvest losses.</li> </ul>	<p><a href="#">Local Practice</a> <a href="#">Friendly Environment</a></p>

## DFI aligns its products with the United Nations Sustainable Development Goals (SDGs)

### Smart city

Transportation and energy management are crucial components in the development of smart cities. DFI is dedicated to enhancing traffic management and addressing transportation challenges by helping clients optimize onboard systems, traffic monitoring, fleet management, and station management. We offer a high-performance, durable product portfolio designed to ensure stable operation under heavy loads and harsh environments. Electric vehicles play a vital role in achieving net-zero carbon emissions. DFI partners with industry leaders to develop intelligent charging solutions that integrate solar energy with power systems. This approach not only maximizes environmental benefits but also speeds up charging times, reducing costs and saving time for end users—advancing the sustainable development of smart cities.

#### Product Application

- Smart train solution (RC300-CS)
- DFI works with partners to develop electric vehicle fast charging solutions (EC800-CD, EC800-AL, EC70A-SU)



### Smart energy and infrastructure

DFI actively drives the development of smart energy and infrastructure. In smart grid applications, the company provides high-performance, cost-effective solutions designed to operate reliably across a wide temperature range of -40° C to 85° C. This ensures stable performance in extreme environments, enhancing both energy efficiency and system autonomy. In addition, offshore monitoring systems provide comprehensive oversight of maritime assets and surrounding environmental conditions, helping to prevent collisions and environmental damage. By utilizing highly reliable, industrial-grade equipment, these systems ensure long-term durability, reduce equipment wear and replacement issues, and contribute to the sustainable development of smart infrastructure.

#### Product Application

- Smart grid solution (BT700)
- Maritime surveillance system (CS332-C246 paired with Guanghsing 2U chassis GHI-214)



### Smart healthcare

In the development of smart healthcare, the primary goal is to improve safety and hygiene within medical environments while ensuring the highest quality of care. DFI's tumor information system is a high-performance, fanless embedded solution specifically designed for medical settings. It combines practical functionality with antibacterial features, making it ideal for medical carts, operating rooms, healthcare information systems, and integration with OEM medical equipment. This system enhances operational efficiency and stability, ultimately improving the overall quality of healthcare services.

#### Product Application

- Tumor information system (MD711-SU medical-grade system)



### Smart plants

Industry 4.0 marks the manufacturing sector's transition into the era of intelligence, where advanced automation and mechanization are essential for the realization of smart factories. DFI is committed to the development of customized industrial computers and system integration (SI) services to power next-generation autonomous mobile robots. These innovations aim to maximize operational efficiency, enhance production flexibility, and drive economic growth across the industry.

#### Product Application

- Autonomous mobile robot (EC500-SD)



### Smart safety

As food quality and safety concerns grow by the day, DFI provides powerful core computers for X-ray analyzers. These computers boast smooth-running testing software, unique masking functions, and pixel merging algorithms. They are equipped with robust systems for shock resistance, heat dissipation, and power consumption, meeting the requirements of Hazard Analysis and Critical Control Points (HACCP) for food contaminant inspection, ensuring strict food safety standards and enhances the overall quality of people's diets. Besides this, DFI designs firefighting robots with explosion-proof, waterproof, and dustproof mechanisms. These robots feature with all-weather operational capabilities, replacing firefighting and rescue personnel in high-risk disaster situations such as flammable, explosive, toxic, oxygen-deficient, and heavy smoke environments. They possess high-speed mobility, mechanical variable speed capabilities, excellent climbing ability, and high-load capacity. They are suitable for urban firefighting and earthquake disaster relief, protecting the community's security.

#### Product Application

- X-ray analysis device for detecting foreign objects in food (EC70A-SU, EC500-HD)
- Firefighting Robots (SU253 single-board computer industrial motherboard)



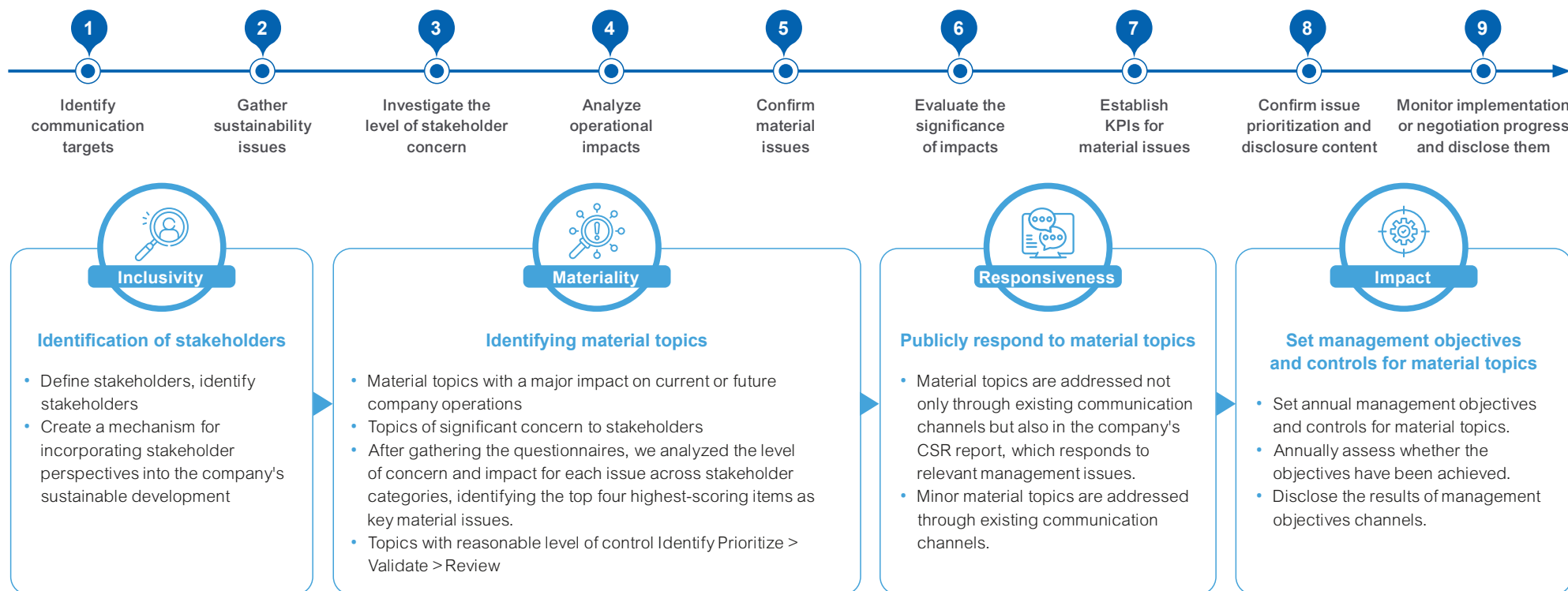
## Stakeholder Communication

To ensure effective communication with stakeholders and incorporate material topics of their concern into our corporate sustainability policies, DFI establishes an open and transparent response mechanism during the planning and decision-making processes of our sustainable development initiatives. DFI has adopted the AA1000 Accountability Principles (AA1000 AP) with a moderate level of assurance under Type 1 and adheres to its four key principles - inclusivity, materiality, responsiveness, and impact. It assists us in identifying and responding to sustainability information, enhancing the rigor of sustainability disclosure. Moreover, we follow the GRI Universal Standards 2021 to assess the significance of material issues impacting the economy, environment, and human rights. This evaluation serves as the foundation for our sustainable development strategy and the basis for the information disclosed in this report.

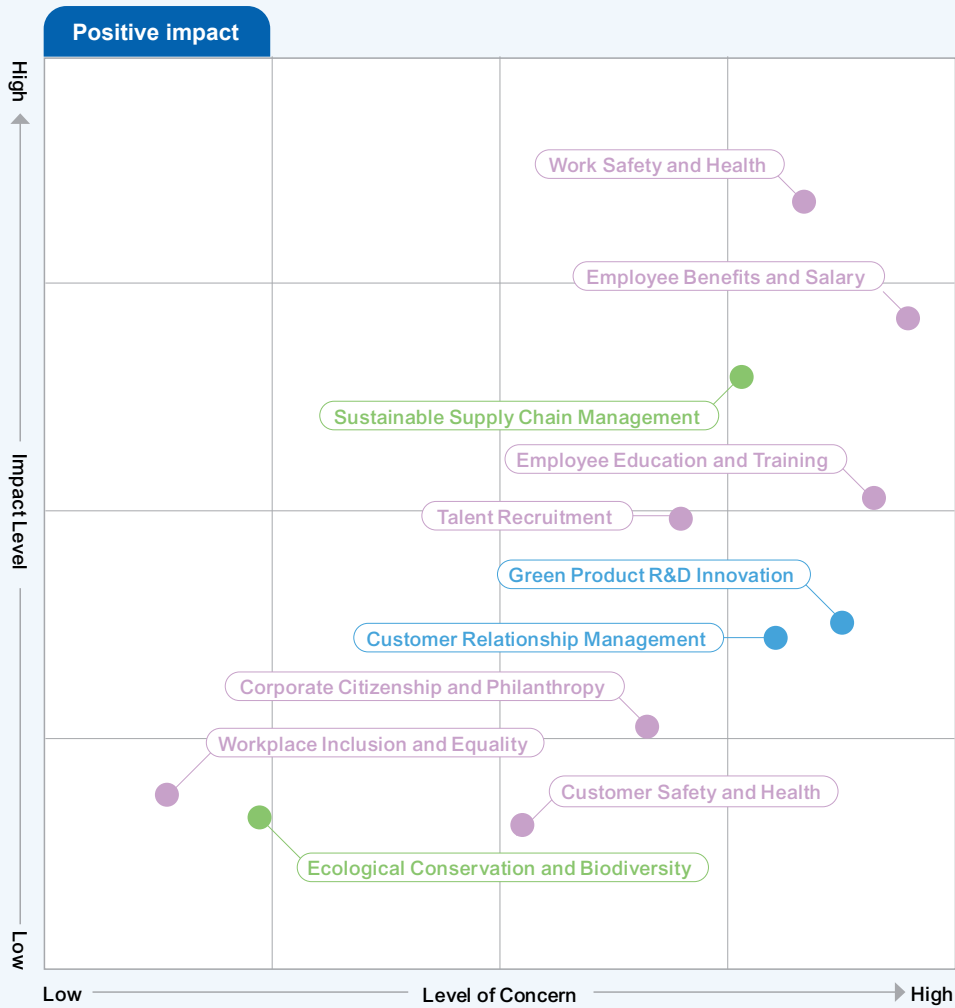
Based on the economic, environmental, social, and occupational safety dimensions outlined in the GRI standards—and aligned with the expected outcomes of the Company's environmental and occupational health and safety management systems—we assess both external and internal issues that may significantly impact our operations or be influenced by them. By consolidating the business characteristics and risk concerns of each department, we preliminarily identify key types of stakeholders. Stakeholder surveys are then conducted to assess the significance of each issue, providing a foundation for shaping the Company's sustainability strategy and prioritizing material topics.

Stakeholders Identified by DFI Include: shareholders, employees, customers, suppliers, affiliated enterprises/subsidiaries, contractors, government, labor unions/industry associations/non-governmental organizations (NGOs/NPOs), academic research institutions/media reporters, as well as community/local groups/general public.

A total of 202 questionnaires were collected, 88 from internal sources and 114 from external sources.













## Material topic matrix





## Identification of Material Topics and their Relationship with the Value Chain

Environment	Topics	Descriptions of DFI's	Positive Impact	Negative impact	Upstream	Operations	Downstream	2023 Material topics	2024 Material topics	GRI Standards	Corresponding chapters
	Raw Material Usage	The usage situation of various raw materials								301-1~3	<a href="#">Green Operation</a> (p.110)
	Water Stewardship	Risk assessment, availability of water sources, water usage and recycling volume, effectiveness of water conservation measures, and management of wastewater treatment and discharge.								303-4~5	<a href="#">Green Operation</a> (p.110)
	Impact Management of Pollutants	Species, reduction methods, and effectiveness of air pollutants			✓	✓	✓			302-1 302-3 302-4 305-1~5	<a href="#">Climate Strategy and Carbon Management</a> (p.101)
	Waste Management	General/hazardous business waste				✓	✓	★	★	306-2~5	<a href="#">Green Operation</a> (p.110)
	Energy Management	Consumption of various energy sources, measures to promote energy conservation, and their effectiveness				✓				302-4	<a href="#">Green Operation</a> (p.110) <a href="#">Climate Strategy and Carbon Management</a> (p.101)
	Ecological Conservation and Biodiversity	Significant impact of operations on biodiversity								304-1~4	
	Climate Mitigation and Adaptation	TCFD, Inventory and Calculation of Greenhouse Gas Emissions, and Various Carbon Reduction Measures							★	302-1 302-3 302-4 305-1~5	<a href="#">Climate Strategy and Carbon Management</a> (p.101)
	Sustainable Supply Chain Management	Green Supplier Management Regulations, Assessment/Audit Results of Supplier Environmental Performance			✓	✓	✓	★	★	204 308-1~2 414-1	<a href="#">Sustainable Supply Chains</a> (p.80)

Society	Topic	Descriptions of DFI's	Positive Impact	Negative impact	Upstream	Operations	Downstream	2023 Material topics	2024 Material topics	GRI Standards	Corresponding chapters
	Talent Recruitment	Human Resource Policies, Employee Performance Evaluation, Compensation and Rewards System, Job Promotion and Rotation Methods							★	402-1 404-3 405-1~2	<a href="#">Good Labor-Capital Relationship</a> (p.62)
	Employee Education and Training	Planning employee career development, educational training content, performance indicators, training effectiveness, and retirement competency management.								404-1 404-3 402-1	<a href="#">Learning and Development</a> (p.59)
	Work Safety and Health	Occupational safety and health management system, disaster prevention, disaster drills, incidence of work-related injuries and occupational diseases, fatality statistics.				✓		★	★	403-1~10	<a href="#">Employee Safety and Environment</a> (p.67) <a href="#">Protecting Health and Well-being of Employees</a> (p.73)
	Employee Benefits and Salary	Various Welfare and Salary Systems						★	★	401-2~3 402-1	<a href="#">Employee Status</a> (p.52) <a href="#">Good Labor-Capital Relationship</a> (p.62)
	Workplace Inclusion and Equality	Diversity, protection of workers' rights, prevention of child labor, elimination of forced and compulsory labor, promotion of freedom of association, employment of minority groups, prevention of discrimination and harassment								2-23~26	<a href="#">Human Rights Management</a> (p.44)

Society	Topic	Descriptions of DFI's	Positive Impact	Negative impact	Upstream	Operations	Downstream	2023 Material topics	2024 Material topics	GRI Standards	Corresponding chapters
	Corporate Citizenship and Philanthropy	Strategies for charity or community engagement, types of charitable activities, and the allocation of resources.	<div><div></div></div>	<div><div></div></div>						203-1	<a href="#">Local Practice</a> <span>p.124</span> <a href="#">Friendly Environment</a> <span>p.127</span>
	Customer Safety and Health	Product and service labeling, customer health and safety, and the legality of marketing promotions.	<div><div></div></div>	<div><div></div></div>						416-2	<a href="#">Green Products</a> <span>p.114</span>

Economy/Governance	Topics	Descriptions of DFI's	Positive Impact	Negative impact	Upstream	Operations	Downstream	2023 Material topics	2024 Material topics	GRI Standards	Corresponding chapters
	Taxation	The Company's tax strategy encompasses its tax management and practices, including tax information transparency and tax risk management.	<div><div></div></div>	<div><div></div></div>					★	207	<a href="#">Financial Performance</a> <span>p.33</span>
	Operational Financial Performance	Financial information related to revenue, expenses, profits, financial management, and market performance	<div><div></div></div>	<div><div></div></div>				★		201-1	<a href="#">Financial Performance</a> <span>p.33</span>
	Green Product R&D Innovation	Investment in R&D, product/process innovation, patent certification, uniqueness	<div><div></div></div>	<div><div></div></div>					★	416-2 417-2	<a href="#">Green Products</a> <span>p.114</span>
	Customer Relationship Management	Diverse practices in customer service management, customer complaints, communication platforms, and technical support	<div><div></div></div>	<div><div></div></div>		✓	✓	★		418-1	<a href="#">Commitment to Clients</a> <span>p.88</span>

## Key Performance Indicators (KPIs) for Significant Stakeholder Issues in 2024

E Environment		Responsible Units	2024 KPI	Explanation of Executed Results	Achievement Rate	GRI Standard	Corresponding Chapters
	Sustainable Supply Chain Management	SCM	The completion rate for the collection of documents from the top 100 suppliers regarding the newly signed "Sustainable Self-Assessment Questionnaire Survey" and "Sustainability Risk Assessment Questionnaire" has reached 30%.	→ In 2024, the document collection rate from the top 100 suppliers reached 30%, achieving a 100% completion rate of the target.	100%	2-6 204 308-1~2 414-1	<a href="#">Sustainable Supply Chains (p.80)</a>
	Waste Management	ERM	• Number of environmental legal violations resulting in a penalty < 1	→ • No environmental legal violations resulting in a penalty	100%	306-2~5	<a href="#">Green Operation (p.110)</a> <a href="#">Energy Resource Management (p.112)</a>
			• Number of hazardous waste treatment tracking events > 4.	→ • In 2024, a total of five instances of hazardous waste were generated. Each case was documented using triplicate forms in compliance with legal requirements and was accompanied by proper disposal records.	100%		
	Climate Mitigation and Adaptation	ERM	• Achieved 100% completion of ISO 14064-1 external assurance	→ • Date of Declaration: April 26, 2024 Declaration Number: TWN13006801GT-3/CRev.1	100%	302-4 305-1~2 305-5	<a href="#">Energy Resource Management (p.112)</a> <a href="#">Climate Strategy and Carbon Management (p.101)</a>
			• The electricity conservation rate for 2024 > 1%	→ • 2024 Total Performance: 1.35%	100%		
			• Number of Energy-Saving Improvement Proposals Submitted > 4	→ • A total of eight improvement objectives have been proposed	100%		
			• Number of 2024 Product Carbon Footprint Self-Declarations > 5	→ • Completion of product carbon footprint inventory standards 770-WL9A31-000G, 770-TGU9A21-000G, 770-EHL7001-100G, 770-CMS6301-000G, and 770-AL9A81-000G	100%		

Society	Responsible Units	2024 KPI	Explanation of Executed Results	Achievement Rate	GRI Standard	Corresponding Chapters
Society	ERM	• Number of Emergency Response Drills > 2	→ • Three evacuation drills were completed in 2024	100%	403-1~10	<u>Employee Safety and Environmental Health</u> (p.67)
		• 100% Completion of ISO 45001 External Verification	→ • Certificate number: TW006455-006 Expiration date: November 30, 2025	100%		
		• Number of Occupational Safety and Health (OSH) Legal Violations Resulting in Fines < 1	→ • No records of fines for legal regulations	100%		
	ADM	• Employee overall satisfaction rate of 80%	→ The overall employee satisfaction rate was 76% in 2024. We will continue to improve employee benefits and compensation.	95%	401-2 401-3 402 405-1	<u>Good Labor-Capital Relationship</u> (p.62)
Governance	FIN	• Implement the arm's length principle in related-party transactions to ensure fair allocation of profits	→ • All handled in accordance with regulations, with no violations or non-compliance	100%	201-1	<u>Financial Performance</u> (p.33)
		• Regarding taxation for Taiwan and its overseas subsidiaries, all planning is conducted in compliance with local laws and tax treaties, with timely filings made as required.				
	R&D Center / Product Center	Chamber energy-saving monitoring and management →	Chamber energy-saving monitoring and management: RD is set to 100% monitoring, and RD maintains monitoring records and statistics.	100%	302-4	<u>Climate Strategy and Carbon Management</u> (p.101)

## Stakeholder Categories, Communication Channels, and Conflict Resolution

Employees			
Communication and Interactive Channels	Topic of Concern	Method of Negotiation	Corresponding Chapters
<ul style="list-style-type: none"> <li>Education and training, practices, new employee training</li> <li>Internal information is distributed through emails and announcements</li> <li>Opinions can be sent to HR at hr.info@dfi.com or by contacting the ER&amp;ES Department. Feedback can also be provided through departmental labor representatives and welfare committee members.</li> <li>Business briefings are held quarterly.</li> <li>Welfare committee meetings are held at least once a year.</li> <li>Labor relations meetings are held quarterly, and performance evaluations are discussed twice a year.</li> <li>Annual health check-ups are offered with individual follow-ups.</li> <li>Annual employee satisfaction surveys</li> </ul>	<p>Employee Benefits and Salary</p> <p>Work Safety and Health</p>	<ul style="list-style-type: none"> <li>Senior executives provide updates on the operational status and future goals during quarterly business briefings</li> <li>Effective Communication through quarterly labor-management meetings</li> <li>Establish multiple internal and external communication channels, such as the President's email, to gather employee feedback.</li> <li>Regularly conduct multiple trainings on occupational safety, fire safety, and human rights</li> </ul>	<p><u>Employee Status</u> (p.52)</p> <p><u>Learning and Development</u> (p.59)</p> <p><u>Good Labor-Capital Relationship</u> (p.62)</p> <p><u>Protecting Health and Well-being of Employees</u> (p.73)</p> <p><u>Employee Safety and Environment</u> (p.67)</p>
Clients			
Communication and Interactive Channels	Topic of Concern	Method of Negotiation	Corresponding Chapters
<ul style="list-style-type: none"> <li>Client Satisfaction Survey (Year)</li> <li>Quarterly business feedback (Q)</li> <li>Customer Grievance Management System (Ad hoc)</li> <li>Supplier conference (Ad hoc)</li> <li>Customer Information Security Questionnaire Survey (Ad hoc)</li> <li>Company website</li> <li>Focus areas for the sustainability report</li> <li>Social media</li> <li>Online meeting for sales and engineers</li> </ul>	<p>Sustainable Supply Chain Management</p> <p>Green Product R&amp;D Innovation</p> <p>Customer Relationship Management</p>	<ul style="list-style-type: none"> <li>By setting up a customer service unit, we facilitate effective two-way communication</li> <li>Proactively conduct customer satisfaction surveys</li> <li>Establishing strong partnerships through high-level exchanges</li> <li>Regularly undergo audits to safeguard customer privacy</li> </ul>	<p><u>Commitment to Clients</u> (p.88)</p> <p><u>Green Products</u> (p.114)</p>





### Shareholders

Communication and Interactive Channels	Topic of Concern	Method of Negotiation	Corresponding Chapters
<ul style="list-style-type: none"> <li>Spokesperson and proxy spokesperson system</li> <li>Dedicated Investor Relations unit and investor email (IR@dfi.com)</li> <li>Investors's section on official website</li> <li>Annual shareholders' meeting</li> <li>Quarterly corporate briefings</li> </ul>	Operational Financial Performance	<ul style="list-style-type: none"> <li>Regular and ad hoc shareholder meetings and reconciliation of interests with stakeholders: corporate governance status and future prospects</li> <li>The Company should report quarterly to the Board on the suggestions received from investors on sustainability issues. This is an important tool for promoting sustainable development.</li> <li>Public financial reports, annual reports and shareholder meeting information are provided to shareholders through public websites.</li> </ul>	<a href="#">Corporate Governance</a> (p.28) <a href="#">Financial Performance</a> (p.33)



### Suppliers

Communication and Interactive Channels	Topic of Concern	Method of Negotiation	Corresponding Chapters
<ul style="list-style-type: none"> <li>Supplier social responsibility and environmental health and safety surveys, supplier evaluations</li> <li>Dedication telephone and email contacts</li> <li>On-site audits of suppliers</li> </ul>	Sustainable Supply Chain Management	<ul style="list-style-type: none"> <li>Regularly attending group meetings and supplier conferences</li> <li>To achieve the goal through effective communication methods</li> <li>Regularly audit suppliers, both regularly and on an ad hoc basis</li> <li>Encourage suppliers to reduce carbon emissions and contribute to sustainable value</li> </ul>	<a href="#">Sustainable Supply Chains</a> (p.80)



### Government

Communication and Interactive Channels	Topic of Concern	Method of Negotiation	Corresponding Chapters
<ul style="list-style-type: none"> <li>Government agencies conduct inspections, visits, correspondence, and labor inspections to gain in-depth understanding of DFI and provide relevant recommendations.</li> <li>DFI periodically sends representatives to participate in government events and conferences, keeping pace with Taiwan's policies.</li> </ul>	Taxation	<ul style="list-style-type: none"> <li>Participate in government-mandated communications on a regular and ad hoc basis to gain an understanding of government initiatives.</li> <li>Regular compliance assessments are conducted to ensure adherence to laws and regulations through a management oversight cycle in accordance with new regulatory requirements</li> </ul>	<a href="#">Corporate Governance</a> (p.28) <a href="#">Legal Compliance</a> (p.43) <a href="#">Employee Safety and Environment</a> (p.67)

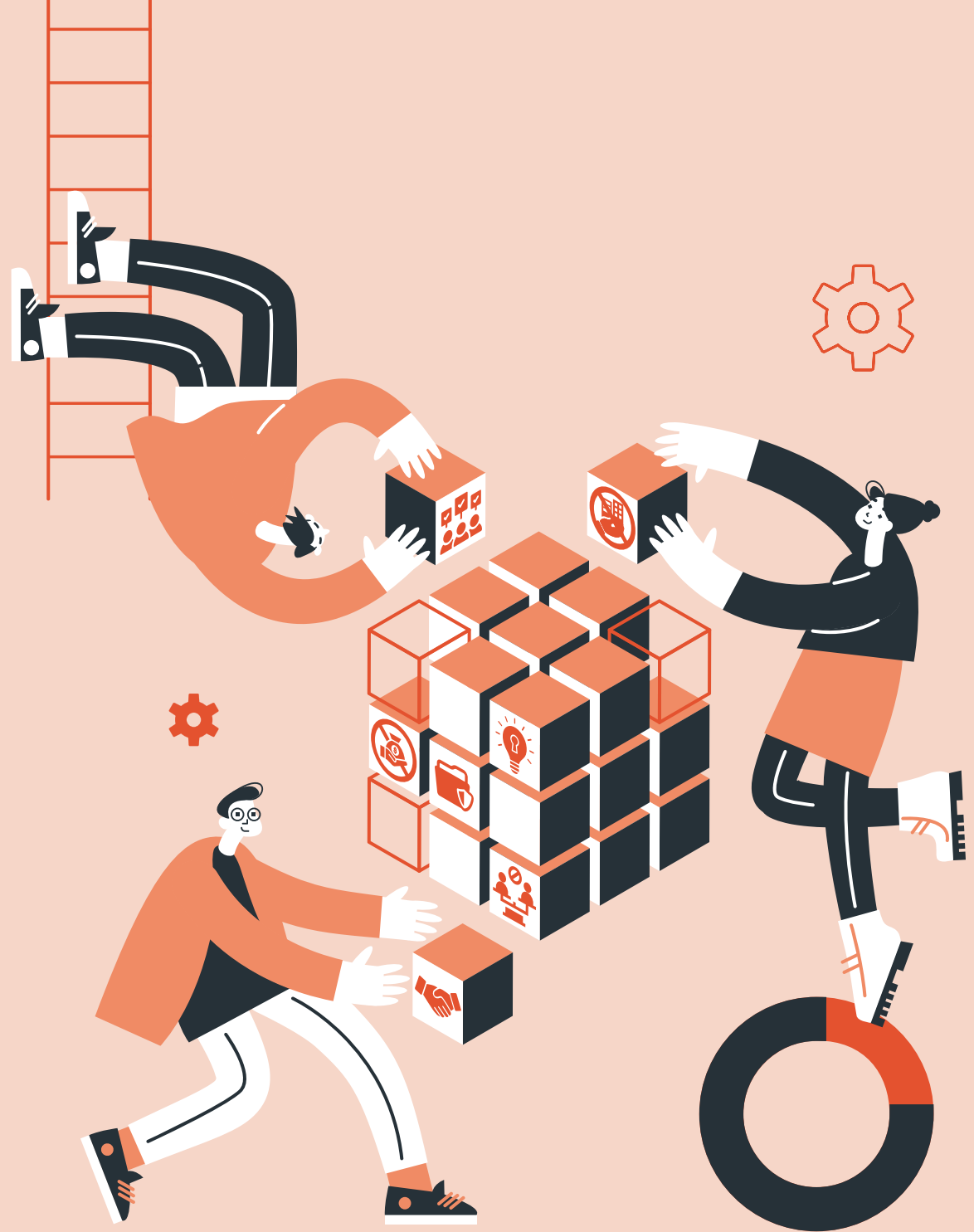


### The general public

Communication and Interactive Channels	Topic of Concern	Method of Negotiation	Corresponding Chapters
<ul style="list-style-type: none"> <li>DFI's public information can be accessed through the corporate website, news media coverage, and social media.</li> <li>Contact DFI project coordinators by phone or email.</li> <li>DFI actively participates in organizing charitable activities.</li> </ul>	Corporate Citizenship and Philanthropy	<ul style="list-style-type: none"> <li>Understand the Company's operations and public welfare efforts through public information provided by DFI.</li> <li>Communicate through the Company's website, social media platforms, and general hotline, or communicate with residents through neighborhood leaders.</li> </ul>	<a href="#">Local Practice</a> (p.124) <a href="#">Friendly Environment</a> (p.127)

# Smart Operations

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## Corporate Governance

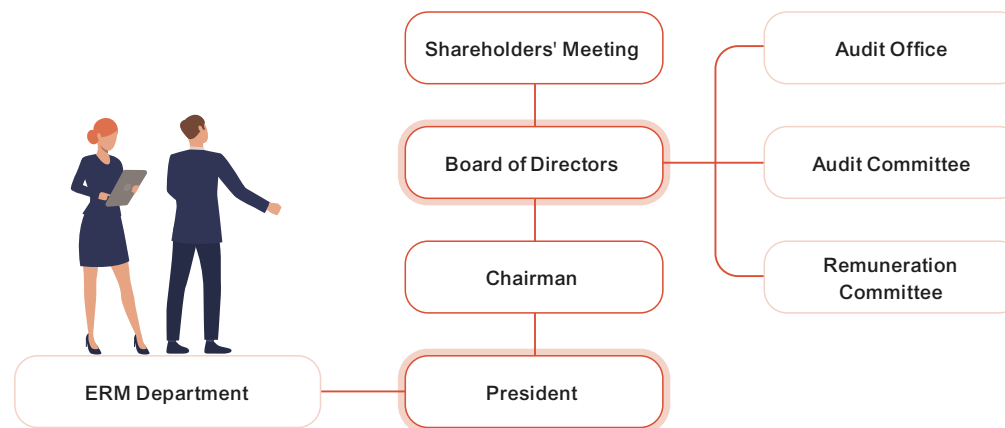
### Organizational Structure of Corporate Governance

DFI created its corporate governance structure and practices in compliance with Company Act, Securities and Exchange Act, and other relevant R.O.C. laws and regulations. DFI's corporate governance model consists of three units: the Board of Directors, Audit Committee, and Remuneration Committee. The Audit Committee and Remuneration Committee are composed entirely of independent directors, while all directors (including independent directors) are elected by shareholders through voting, serving a term of three years. For the organizational structure of corporate governance, please refer to the figure below.

Safeguarding shareholder rights has always been a focus for DFI. Since the 2017 annual shareholders' meeting, DFI has started using electronic voting and conducting voting item-by-item. This aims to increase shareholder attendance at the meetings and ensure that shareholders can exercise their legal rights at the meetings. During shareholders' meetings, DFI also proactively explains the company's operations and financial standing and responds to shareholder inquiries. In addition to a management team composed of experienced professionals, DFI's Board members generally possess the necessary knowledge, skills, and qualities required for their roles. They are committed to maximizing shareholder value.

The Article of Incorporation stipulates a nomination system for director elections, and Article 20 of the Corporate Governance Guidelines specifies that the composition of the Board should consider diversity. Except for directors concurrently serving as company executives, who should not exceed one-third of the total director seats, appropriate diversification policies are developed based on the Company's operations, business model, and development needs. The Board has seven directors (including three independent directors), and the Chairman of the Board is elected by the directors. All directors have more than five years of relevant work experience in business, legal affairs, finance, accounting, or fields required by the Company. Each year, DFI organizes training programs for the Board of Directors and management team members to deepen their knowledge in economic, environmental, social, and other related issues. The details of personnel development are disclosed in the Corporate Governance section of the Company's annual report.

### Organizational structure of corporate governance



### Organizations and Activities for Industry Development

Association	Purpose
Taiwan Electrical and Electronic Manufacturers' Association	Trade shows
TEEIA	Trade shows
New Taipei City Industrial Association	Industrial association for manufacturers
5G Smart Pole Standard Promotion Alliance	1. To formulate technical standards for 5G smart poles and related infrastructure 2. To assist the government in smart city development
Taiwan Computer Emergency Response Team/Coordination Center	To obtain the latest international cybersecurity intelligence and collaborative defense
Information Management Association	To acquire new industry knowledge and applications
Intelligent Computer & AIoT Association	To acquire new industry knowledge and applications

**Inquiry of annual report** <https://www.dfi.com/tw/boardofdirector>



## Diversity Board members

The Company's Board of Directors currently comprises 7 members, including 1 female director, reflecting its commitment to a diverse and inclusive governance structure. The members of the Board of Directors possess professional expertise in risk management, technological development, and sustainability issues related to the Company's products and industry value chain. This collective knowledge enhances the quality of decision-making and strengthens the effectiveness of the Company's sustainable governance.

Title	Name	Gender	Term	Background		Corporate management		Industry experience		
				Education	Primary experience	Management	Leadership	International Market	IT Industry	Finance
Chairman	Representative of Qisda Corporation: Chen Chi-Hong	Male	3	Global Business and Technology Management Program, National Chengchi University MGM, Thunderbird School of Global Management (US)	Chief Executive Officer of Qisda Corp. Chairman of BenQ Medical Technology Corp. Chairman of Partner Tech Corp. Vice Chairman of Alpha Networks Inc.	✓	✓	✓	✓	
Director	Representative of Qisda Corporation: Tseng Wen-Hsing	Male	3	Master of Electric Engineering, National Taiwan University	President of Intelligent Solutions Business Group, Qisda Corp. Chairman of Metaage Corp. Chairman of AEWIN Technologies Co., Ltd. Chairman of Ace Pillar Co., Ltd.	✓	✓	✓	✓	
Director & President	Representative of Qisda Corporation: Tien Chih-Yin <sup>Note 1</sup>	Female	3	MBA, National Chengchi University	Director of AEWIN Technologies Co., Ltd. Director of Ace Pillar Co., Ltd.	✓	✓	✓	✓	
Director	Wei Ren-Yu <sup>Note 2</sup>	Male	3	MBA, National Chengchi University	Partner at ILI Technology Corp. Chairman of Digital Idea Multi-Media Co., Ltd. Chairman of Qi-Fu Capital Co., Ltd. Chairman of Noah Green Technology Capital Management Co., Ltd. Chairman of Dayu Capital Investment Management Consulting Co., Ltd. Director of TEKPAK CORPORATION	✓	✓	✓	✓	✓

Background						Corporate management		Industry experience		
Title	Name	Gender	Term	Education	Primary experience	Management	Leadership	International Market	IT Industry	Finance
Independent Director	Chu Chih-Hao	Male	3	Master of Electric Engineering, National Taiwan University	Adjunct Professor of National Taiwan University National Science and Technology Council Technological Policy Advisory Committee Chairman of VSENSE CO., LTD.	✓	✓	✓	✓	✓
Independent Director	Yeh Te-Chang	Male	3	Master of Economics, National Chengchi University	Independent Director of KIAN SHEN CORP. Independent Director of CARNIVAL INDUSTRIAL CORP. Supervisor of Maxkit Technology Co., Ltd.	✓	✓	✓	✓	✓
Independent Director	Luo Bing-Kuan	Male	3	Master of Laws, Fu Jen Catholic University	Chairman of the Chinese Independent Directors Association Chairman of Hua Xuan International Consultants Co., Ltd. Chairman of Kaida International Capital Corporation Independent Director of Hua Nan Commercial Bank, Ltd. Independent Director of Faraday Technology Corporation Vice Chairman of the Taiwan M&A and Private Equity Council (MAPECT) Director of Monte Jade Science & Technology Association of Taiwan	✓	✓	✓		✓

Note 1: Su Chia-Hung, the corporate representative of Qisda Corporation, resigned on November 4, 2024, and was replaced by Tien Chih-Ying as new representative.

Note 2: At the shareholders' meeting held on May 30, 2024, one director, Wei Ren-Yu, was elected in a by-election.

## Diversified Organizational Governance Unit

At the end of 2024, the composition of the Board of Directors is as follows: 14% of the directors are employees, while 43% are independent. Among the independent directors, 2 have served for 6 years. In terms of age distribution, 3 (43%) of the directors are aged 60-69, another 3 (43%) are aged 50-59, and 1 director is aged 40-49, accounting for 14% of the total. The current directors consists of 6 men and 1 woman.

## Operations of Corporate Governance

The DFI Board of Directors prioritizes the interests of the Company and its shareholders when conducting business evaluations and making material decisions. The Audit Committee plays a supervisory role in carefully examining the Company's and the Board's business operations.



## Board of Directors' Operations

**5 meetings with 100% attendance rate**

Per Article 2 of the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies," DFI has established the "Guidelines for Board of Directors Meeting," which all relevant matters following in their handling. Our Board of Directors meets at least once per quarter, with an average attendance rate of 100% in 2024.

To further enhance corporate governance and strengthen the competencies of the Board, the Company offers directors legal or regulatory updates and courses related to management and corporate governance. In 2024, all members of DFI's Board of Directors completed at least 6 credits of continuing education. In 2019, DFI's Board of Directors approved the "Board of Directors Performance Evaluation Guidelines," which stipulate that an internal board performance evaluation should be conducted annually and an external Board performance evaluation should be conducted at least once every three years by an external professional independent institution or a team of external scholars.

The internal performance evaluation of the Board of Directors for 2024 was completed through self-assessment, and the results of the evaluation were reported to the Board of Directors on February 25, 2025. The performance indicators achieved a score of 90% or above, classified as "excellent," demonstrating the overall operational efficiency of the Board of Directors.

In 2021, DFI appointed an external independent evaluation institution, the "Taiwan Corporate Governance Association," to assess the composition, guidance, authorization, supervision, communication, self-discipline, internal control, and risk management of DFI's Board of Directors. The external Board performance evaluation report was obtained on September 28, 2022, and the evaluation results were reported to the Board of Directors on November 3, 2022. The reports on the results of the internal and external Board performance evaluations are also disclosed on DFI's official website.

DFI regularly reports to the Board of Directors on issues of concern raised by stakeholders. In 2024, there were no significant events regarding stakeholders' concerns.

The Company's sustainability information management procedures are established by the Enterprise Risk Management Department and implemented upon approval by the Board of Directors. Once the sustainability information is prepared, it must be reviewed and approved by the head of the unit responsible for sustainability risk management prior to public disclosure. The sustainability report must also be submitted to the Board of Directors for approval before being released externally.

## Audit Committee operations

**5 meetings with 100% attendance rate**

In 2017, in compliance with the Securities and Exchange Act and shareholder resolutions, DFI established the independent Board of Directors and Audit Committee. The Audit Committee consists of all independent directors and is governed by the "Audit Committee Organizational Regulations," playing a supervisory role in carefully examining the Company's and the Board's business operations.







The Audit Committee shall hold meetings at least once every quarter and convene meetings as needed, inviting relevant department managers, accountants, internal auditors, or other personnel to attend and provide necessary information. This enables the audit committee to assist investors in ensuring the credibility of the Company in terms of corporate governance and information transparency, thereby safeguarding shareholder rights.



Remuneration Committee operations

2 meetings with 100% attendance rate

In 2013, DFI fully established the Remuneration Committee with the "Compensation Committee Organizational Regulations" under the direction of the Board of Directors to strengthen corporate governance and enhance the remuneration system for directors and executives. The Remuneration Committee convenes at least twice a year and as needed. The Committee fulfills its stewardship duties with due care and submits its recommendations to the Board of Directors for discussion. To ensure members have a better understanding of laws and regulations and the actual operations of the Company, DFI holds meetings to brief committee members on the legal requirements related to the Remuneration Committee and the current remuneration and benefits for senior executives. Furthermore, taking into account the industry risks associated with the Company, as well as the responsibilities of executives, directors, and independent directors, the scale of operations, and proportionality to responsibilities with a reasonable base salary, remuneration for employees and directors is subject to approval by the Remuneration Committee and the Board of Directors before being reported to the shareholders' meeting. This serves as a measure of the performance of the highest management units of the Company. Remuneration of the Board and senior executives is appropriately disclosed in the Company's annual report. Relevant regulations are also disclosed on the Company's official website, enabling all stakeholders to fully understand the correlation between senior executive remuneration and the Company's performance.

	Board of Directors	Attendance Frequency 	Attendance Rate 100%
	Audit Committee	Attendance Frequency 	Attendance Rate 100%
	Remuneration Committee	Attendance Frequency 	Attendance Rate 100%

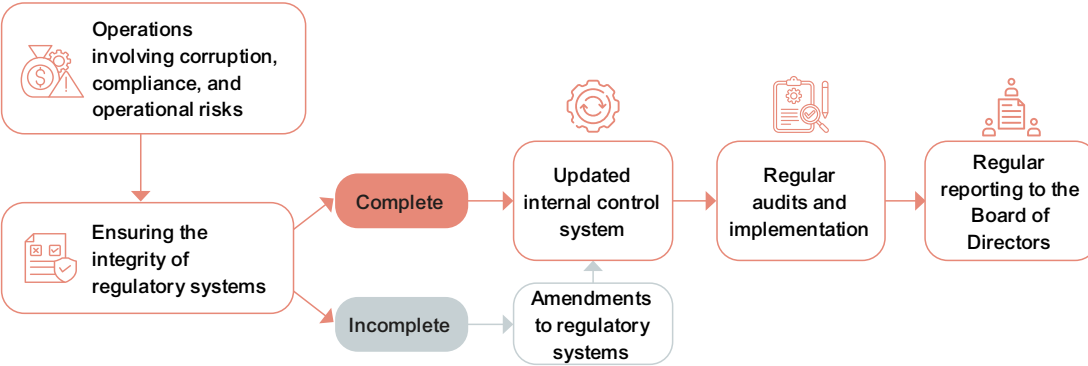
Conflicts of Interest Management

According to Article 208, paragraph 3 of the Company Act, Chairman Chen Chi-Hong, serves as the Chairman of the Board of Directors. In cases where directors have a personal conflict of interest that may harm the Company, as stipulated in Article 206, paragraph 2 of the Company Act, where clauses regarding conflict of interest in Article 178 applies, they shall abstain from participating in the discussion and voting on such matters. If necessary, the Chairman will designate another director to act as the presiding chairman. If conflicts of interest occur within the Board of Directors during a fiscal year, they are legally required be disclosed in the Corporate Governance section of the Company's annual report.

Internal Audit Mechanism

For day-to-day operational activities, the Company has established appropriate internal control mechanisms for procedures with potential corruption, compliance, and operation risks. To reduce and prevent such risks, the Risk Management Committee is responsible for identifying corruption risks, HR oversees training, and Audit ensures the implementation and establishment of mechanisms. The audit department conducts regular evaluations of the effectiveness of internal control mechanisms, gathers suggestions from senior executives in all departments regarding potential risks (including fraud and corruption), formulates appropriate audit plans, and carries out inspections. The audit results are reported to the Audit Committee and the Board of Directors annually. This enables the management to understand the current state of corporate governance and achieve management objectives. Regular internal control risk assessments and substantive audits are conducted, covering three significant issues: financial reporting, procurement operations, and sales operations. No significant corruption risks or incidents have been identified. Audit was emphasized on key regulations in 2024 with continuous improvements to implementation plans to ensure legal compliance.

Internal Audit Process



## Financial Performance

In 2024, DFI's consolidated net revenue amounted to NT\$9.584 billion and grew by 4% compared to that of 2023. Consolidated operating income was NT\$0.658 billion and consolidated net profit after tax was NT\$0.493 billion, of which net profit attributable to the owners of the parent company was NT\$0.397 billion, with basic earnings per share of NT\$3.46.

In the first half of 2024, the global industrial computer industry underwent a market inventory adjustment. Although this adjustment was nearing completion in the second half of the year, the slump in market demand caused delays in the progress of new project developments. As a result, the overall industry momentum did not show significant recovery, and the annual revenue performance of Taiwanese industrial computer manufacturers remained below that of the same period last year. However, DFI maintained stable growth in the first three quarters of the year through its robust operational strategy. In the fourth quarter, its quarterly revenue rebounded, demonstrating strong market competitiveness. Additionally, the Company completed Proof of Concept (POC) for multiple edge AI projects in benchmark markets including the United States, Europe, Japan, South Korea, and India, laying the foundation for the global implementation of AI technology.

In 2024, we integrated AI into sustainability by launching the 'Multi-Functional Artificial Intelligence Retail Machine,' which won the 33rd Taiwan Excellence Award by leveraging efficient AI edge computing and virtualization technology. This product can simultaneously run multiple AI functions on a single CPU, reducing hardware costs and energy consumption. It is also equipped with a self-developed Out-of-Band (OOB) remote management module, enhancing remote management capabilities to meet diverse edge computing requirements.

Through its technology-driven hardware strategy, DFI optimizes product performance while improving energy efficiency, thereby strengthening its market competitiveness. The introduction of Intel x86 architecture Slim Bootloader technology, which combines low-power standby and rapid recovery mechanisms, and reduces boot time and energy consumption. This ensures stable device operation in extreme environments, making it suitable for applications in military, aerospace, intelligent transportation, industrial automation, and remote monitoring. The Out-of-Band (OOB) remote management module provides up to 70% of server-grade Baseboard Management Controller (BMC) functionality, ensuring remote management and maintenance capabilities even during primary network failures, thereby enhancing system stability.

DFI has received the TCSA Taiwan Corporate Sustainability Report Award for three consecutive years, highlighting the Company's dedication to Environmental, Social, and Governance (ESG) principles and sustainable operations. In 2025, DFI will continue to track its product carbon footprints, aiming to achieve net-zero emissions by 2050. This includes adopting renewable

energy in production processes, optimizing supply chains to reduce carbon footprints, and promoting environmentally friendly product design. Furthermore, DFI will continue to implement sustainable operations and actively participate in the realization of the global Sustainable Development Goals (SDGs).

Please refer to the table below for the Company's operating results over the past 5 years, which have been disclosed on the Market Observation Post System (MOPS). The Company's consolidated and individual financial statements are also available in the 2024 Financial Report on our official website.

## DFI's performance over the past 5 years

### Consolidated comprehensive income statement - International Financial Reporting Standards

Unit: NT\$ millions

Item	Financial data over the past 5 years				
	2024	2023 <sup>(Note)</sup>	2022 <sup>(Note)</sup>	2021	2020
Operating revenue	9,584	9,184	10,992	13,312	8,350
Gross Profit	2,675	2,435	2,742	2,542	2,109
Operating Income	658	545	840	527	648
Net profit attributable to owners of the parent company	397	362	528	616	405
Earnings per share (NT\$)	3.46	3.16	4.61	5.38	3.54

\* The consolidated income statement presented here follows the International Financial Reporting Standards (IFRS) and includes all entities in DFI's consolidated financial statement.

Note: In October 2023, the Brainstorm subsidiary was divested, resulting in a restatement of the 2022 and 2023 consolidated financial statements.

Inquiry of financial Report <https://www.dfi.com/tw/financialreport>



## DFI Taiwan's distribution of economic value to the parent company

### A Directly generated economic value

Item	Amount	Note
Revenue of the Taiwanese parent company	NT\$3.222 billion	

### B Economic value distribution

Item	Amount	Note
Operating cost	NT\$2.091 billion	
Employee salaries and benefits	NT\$0.641 billion	
Interest payments or dividend distribution	NT\$0.411 billion	Net interest expense payment of NT\$0.022 billion; dividend distribution to shareholders of NT\$0.389 billion.
Tax Amount	NT\$0.045 billion	Income taxes
Community investment	NA	

Retained economic value = A - B

Item	Amount	Note
Total retained economic value	NT\$0.034 billion	



## Business policies and R&D plan

Develop a diverse Edge AI platform and integrate AI optimization software.



Enhance the development of high-performance server-grade products.



Develop a remote management system and integrate it deeply with the products to meet the demands of the unmanned application market.



Collaborate with medical customers to meet needs with precise specification.



Introduce green product development in response to ESG demand.



Continue to focus on developing high-performance, low-power micro-products.



Strengthen the development of robust specification products with wide temperature, wide pressure, and waterproof, dustproof, and shockproof features.



Develop a containerized software development environment to enhance the flexibility and efficiency of software applications.



Cultivate the market for smart car-related applications.

## Important Business Policies

### 1 Deepening the technological needs of vertical application markets

Providing tailored solutions for clients in various fields. At the smart factory, we strive for real-time hardware data processing, multi-device integration, and industry standard compliance. In smart healthcare, we adhere to medical standards, safety, and integration of multiple devices to provide reliable medical solutions. In the Internet of Things, we emphasize low power consumption, multi-connectivity, and security to address the complexity of the IoT. Finally, in intelligent transportation, we focus on in-vehicle computing power, vibration and earthquake-resistant, and vehicle-to-vehicle network security to support the development of smart transportation. This is the core of our operational plan, aiming to become a leader in the vertical application market through continuous innovation and technological upgrades.

### 2 Actively promoting the integration of automation and artificial intelligence in production innovation

DFI factory is dedicated to the production of automation, particularly in the application of industrial PCs. Even in complex processes and diverse product scenarios, we have successfully achieved gradual advances in automated production. Currently, we have successfully established an automated warehousing system and continue to introduce intelligent fixture testing on the production line to further enhance production efficiency. In addition, we have applied artificial intelligence technology to internal processes and knowledge management within the company. The goal is to gradually replace complex manual processes and document handling, thereby improving overall operational efficiency and continuously achieving significant improvements in quality standards.

### 3 Implementing sustainable development

DFI adheres to the principle of group consistency, with a focus on "sustainable development of the enterprise," incorporating the three elements of economy, society, and environment. We incorporate the environment into "green products," "green operations," and "green supply chain," while emphasizing the social aspect of "social responsibility" and the economic aspect of "financial performance." This forms the five major aspects to promote the "green supply chain" and the SDGs as priority management projects. This continuous effort is achieved through the active promotion of the Sustainability Development Committee.

In 2024, market demands showed new trends, with edge computing and high-performance servers becoming key elements in future industrial upgrades to meet the increasingly complex data processing needs. Meanwhile, the demand for secure networks and intelligent graphics processing units (GPUs) is gradually becoming more prominent, reflecting the key technologies for digital transformation. DFI is actively responding to market changes and will continue to cultivate new energy, automation, financial technology, smart healthcare, smart services, intelligent transportation, and the Internet of Things (IoT) to meet the increasingly diverse needs of end users in various fields. Our commitment is to provide innovative embedded computer solutions to help our customers maintain a competitive advantage in a rapidly changing digital environment.

DFI will play a key role in a rapidly changing environment, leading the development of core technologies and focusing on industry growth trends to reduce multi-operational costs and increase productivity through intelligence and automation. This year, we have strengthened our multi-faceted strategic value chain, further expanded our business layout and project development, and fully explored the enormous business opportunities in industrial PCs. By leveraging past experience, we are committed to continuously enhancing our existing products and operational advantages. With the support of a strong research and development team, we cultivate product strength and technical expertise, gain a deep understanding of future trends, strengthen our competitive foundation, and address customer pain points. At the same time, we actively expand management depth, emphasize talent development, promote corporate social responsibility, drive change, enhance corporate governance and strategy, fulfill the expectations of employees, shareholders, customers, and all stakeholders, and establish a solid foundation for relationships. Our goal is to achieve continuous growth in future revenue and constantly move towards the organization's objectives for sustainable operations. This operational policy and execution strategy aim to instill confidence in investors and anticipate the steady development of the Company.



Tax Policy

- ☑️ Comply with all tax regulations and their legislative intent and meet tax obligations
- ☑️ Intercompany transactions are subject to standard transaction principles and comply with the internationally recognized transfer pricing guidelines published by the Organization for Economic Cooperation and Development (OECD)
- ☑️ Financial and tax information is disclosed in accordance with financial reporting standards and applicable regulations.
- ☑️ Take advantage of legal and transparent tax incentives to achieve tax savings
- ☑️ We strive to maintain a respectful communication relationship with tax authorities based on mutual trust and transparency of information
- ☑️ Considering the tax implications is critical to making important operational decisions and adopting appropriate strategies
- ☑️ Analyzing the operating environment and using management mechanisms to assess tax risk

Tax Governance

DFI implements tax governance and complies with the tax laws and regulations of each location in which it operates, following standard transactional principles. We do not engage in aggressive tax planning or use tax structures without legitimate business purpose to avoid or reduce taxes. We provide tax information to stakeholders through financial reports and local tax filings to promote transparency.

The Financial Management Division is responsible for our Company's tax compliance. The accounting supervisor oversees day-to-day tax operations and tax planning. In addition, our major subsidiaries have finance departments responsible for tax compliance. All significant transactions and decisions are made in accordance with local tax laws and treaties, and regular reviews are conducted to ensure that day-to-day operations at each location are in compliance with local tax regulations.

In addition, our Company pays close attention to tax updates and actively participates in government-sponsored promotional events and tax-related courses. We also enhance the professional knowledge of our colleagues by utilizing the professional services of external tax consulting firms.

Tax Risk Management

The Board of Directors is the highest governing body for tax matters. To promote the implementation of risk management mechanisms and ensure the sustainable operation of the Company, the Board of Directors has approved the "Risk Management Policy and Procedures" and established the Risk Management Committee in accordance with the Company's risk management policy.

The Risk Management Committee consolidates the four main categories of risk: strategic, financial, operational, and hazard. Each year, it identifies, evaluates, manages, reports, and monitors risks that could adversely affect the Company's operational objectives. The committee reports annually to the Audit Committee and the Board of Directors on the progress of risk management. Tax risk management falls under the financial risk category.

For more detailed information on risk management, please refer to our 2024 Annual Report titled "Risk Management."

DFI has also engaged an accounting firm to review tax information and manage annual filings. Any tax disputes, unethical conduct or illegal activities are disclosed in the financial reports. To date, there have been no such incidents.

Tax Information Disclosure in the Past Two Years

Unit: NT\$

Item	2024	2023	Average Tax Rate in the Global Electronics Industry
Income before tax	NT\$0.477 billion	NT\$0.460 billion	
Income tax expenses	NT\$0.080 billion	NT\$0.099 billion	
Effective Tax Rate (%)	16.77	21.52	15.39
Income tax paid	NT\$0.045 billion	NT\$0.087 billion	
Cash Tax Rate (%)	9.43	18.91	15.09

\* Effective Tax Rate = Income tax expenses ÷ income before tax

\* Cash Tax Rate = Income tax paid ÷ income before tax

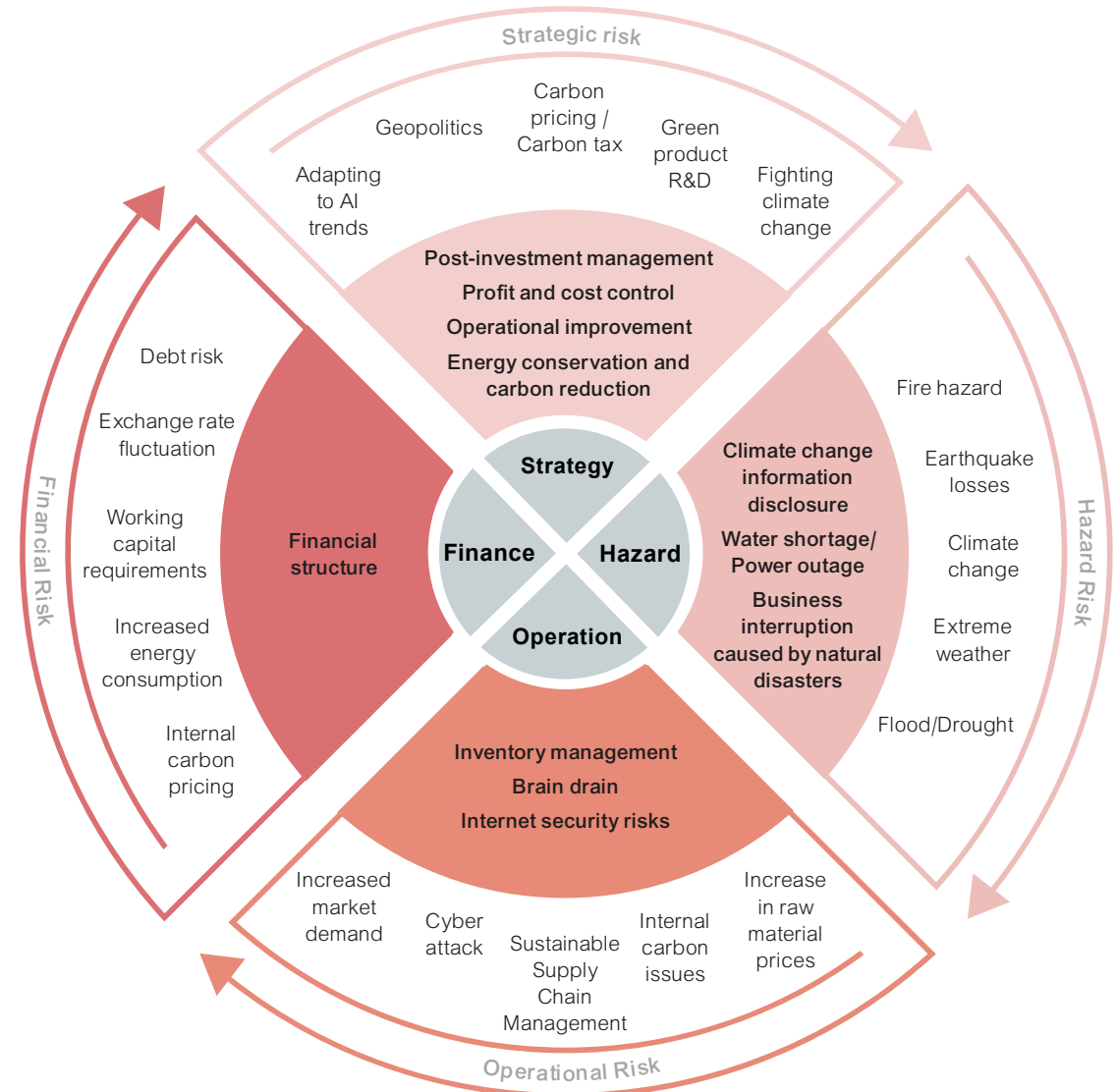
\* The average tax rate for the global electronics industry is determined by the average effective tax rate and the average cash tax rate as stated in the S&P Global CSA Handbook for the Technology Hardware and Equipment sector.

## Risk Management

DFI has established a comprehensive risk management framework, including the "Policies and Procedures for Risk Management," the "Procedures of the Risk Management Committee," and the "Social Responsibility, Environmental Safety, and Health Impact Sources and Risk Identification Management Procedures." These measures ensure the Company's sound operations and sustainable development while establishing a robust risk management mechanism. The core objective of these systems is to systematically identify potential risks enterprises may encounter during their operations. This includes multiple dimensions such as environmental health and safety, social responsibility, and supply chain security. The process involves a thorough analysis of risks related to environmental impact, health and safety, labor management, and supply chain security. Each risk is then assessed for its significance, providing a critical foundation for advancing social responsibility management as well as environmental health and safety systems.

The Risk Management Committee (RMC) plays a vital role in overseeing and managing enterprise risks comprehensively. It classifies risks into four key categories: strategic, financial, operational, and hazard. Through a rigorous risk assessment process, the committee develops effective prevention and response strategies. Furthermore, the Risk Management Committee meets regularly to evaluate the effectiveness of current risk management practices. In response to changes in internal and external environments, the committee promptly adjusts risk control measures to minimize the impact on business operations. This approach ensures the organization maintains stable growth in a highly competitive market while upholding its responsibilities to society and the environment.

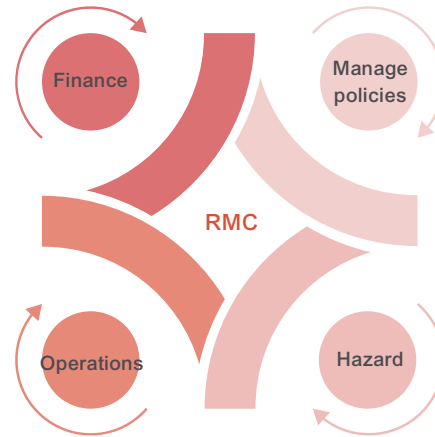
DFI Risk Radar Chart for 2024





## 1 Risk Management Operations

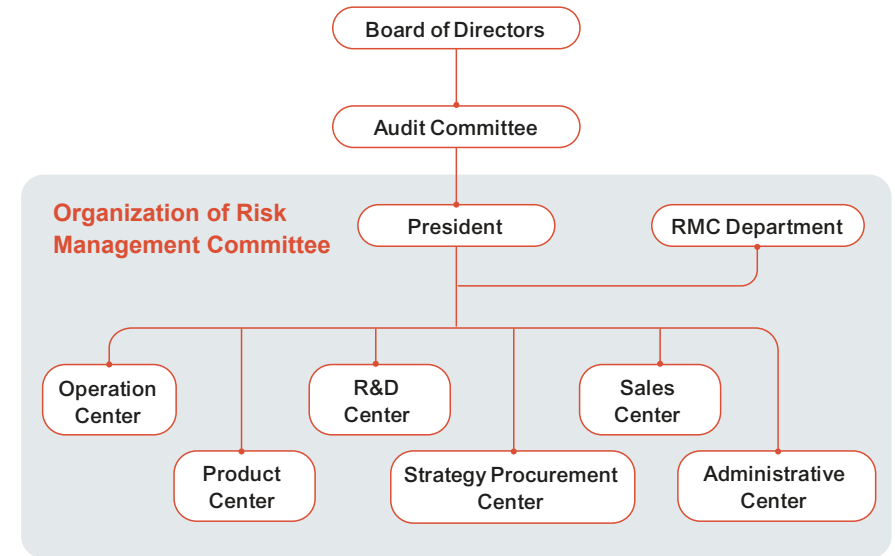
Quarterly Risk Management Committee meetings are held to monitor the achievement of risk management targets and the implementation of improvement plans. Simulations of material risk scenarios are performed to establish Business Continuity Plans (BCP). Through continuous updates of risk scenarios and drills, the organization ensures its ability to sustain operations in the event of disruptions. DFI cooperates with the Qisda Group's Business Continuity Management System (BCMS), conducting regular meetings for project discussions, information integration, and sharing of best practices. We control risks by integrating loss prevention resources and enhancing the Group's emergency response capabilities.



## 2 Risk Management Committee Organization and Structure

The organizational structure and responsibilities of DFI's Risk Management Committee are clearly defined to ensure the effective functioning of the risk management system. The Committee Chairperson is the President, with the Chief Financial Officer serving as Deputy Chairperson. First-level supervisors from each unit act as committee members, collectively responsible for developing the company's overall risk management strategy, setting annual risk management goals and key performance indicators (KPIs), and ensuring stable operations amid a dynamic market environment. Additionally, the Enterprise Risk Management (ERM) team acts as the secretary and primary liaison, tasked with monitoring internal and external developments, proactively identifying potential risks, and conducting thorough analyses of their possible impacts on the company's operations, finances, environment, and supply chain—providing essential insights to support informed decision-making.

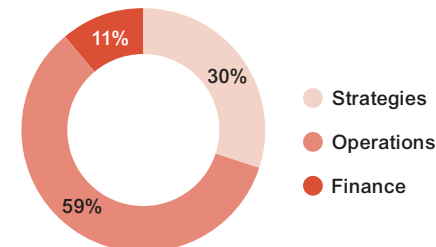
The ERM department coordinates and organizes risk management meetings to ensure comprehensive discussion of risk issues, while also monitoring the progress of risk objectives and the effectiveness of improvement initiatives. Each unit regularly submits risk self-assessment reports to identify high-risk areas and outline targeted improvement plans, thereby strengthening the overall risk management framework. During regular Risk Management Committee meetings, members report on each unit's risk response progress, enabling management to promptly monitor risk developments and adjust strategies as needed to support sustainable corporate growth.



### Top 3 Risks in 2024



### 2024 Risk Categories Pie Chart



## 2024 Risk Categories Overview

Risk level: 😊 Low 😐 Medium 😞 High

No.	Members in charge	Risk item	Risk category	Before addressing	After addressing
1	ERM	Risk Assessment	S	😞	😊
2	ERM	Carbon Inventory	S	😊	😊
3	ERM	Sustainability Report	S	😞	😊
4	ADM	Brain Drain	O	😞	😊
5	FIN	Customer Credit and Accounts Receivable	F	😊	😊
6	FIN	Tax Risks	F	😊	😊
7	FIN	Financial Structure	F	😊	😊
8	ITS	ERP System Account Authorization and Permission Allocation	O	😊	😊
9	ITS	Stability of Power Supply in the Computer Room	O	😊	😊
10	ITS	Information Security	O	😊	😊
11	Marcom	Project Progress Delay	S	😊	😊
12	MFG	Production Capacity and Workforce Variables	O	😊	😊
13	MFG	SMT Equipment Replacement Plan	O	😊	😊
14	MFG	Warehousing Automation	O	😊	😊
15	ADM	Integrity Policy/Fraud	O	😊	😊
16	SCM	S/O, P/O Management	O	😞	😊
17	SCM	Shorten L/T	O	😊	😊
18	SCM	Material Management	O	😞	😊
19	SCM	Excess Material Disposal	O	😞	😊
20	RD	Insufficient R&D Human Resources	O	😊	😊
21	RD	Insufficient Green Products	O	😊	😊
22	PM	Market Demand Slowdown	O	😊	😊
23	PM	Development Timeframe Management	O	😊	😊
24	PM	Correction in the Low-Carbon Product Market	S	😊	😊
25	Sales	Canceled Orders	S	😊	😊
26	Sales	Decrease in Customer Demand	S	😊	😊
27	Sales	Business Quotation Increase	S	😊	😊

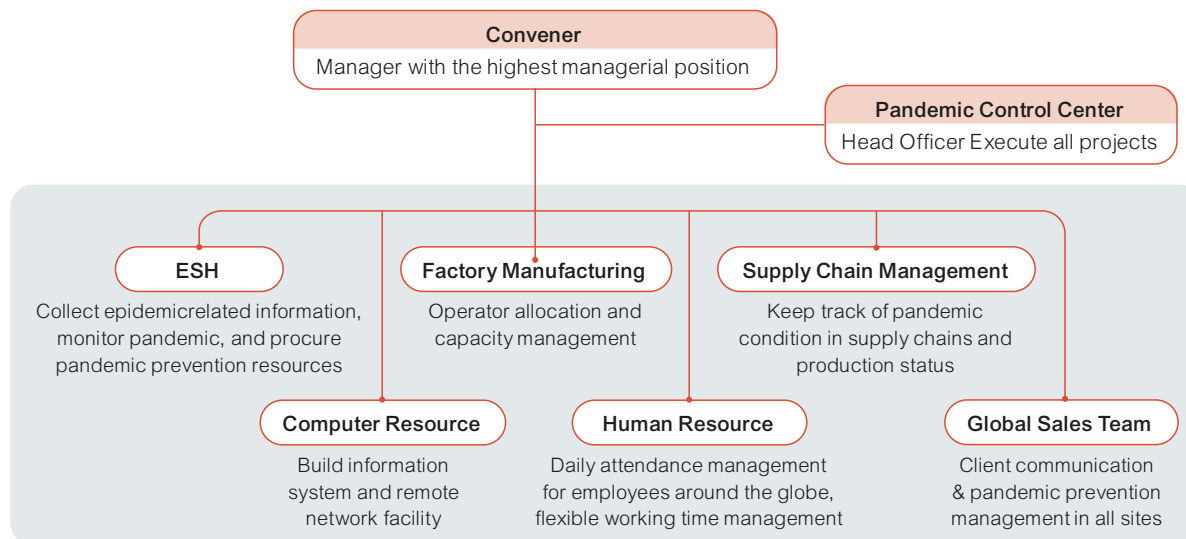
## Business Continuity Plan (BCP)

To ensure the sustainable operation of the company and implement Business Continuity Management (BCM), DFI has developed a Business Continuity Plan (BCP) addressing various risks that may impact operations, including natural disasters, power outages, and infectious diseases. This project aims to simulate various potential risk scenarios, develop the Company's management policies and response strategies, and ensure that all employees are well-versed in emergency procedures through systematic drills and testing. This preparation enables swift action to minimize the impact of unexpected events on business operations.

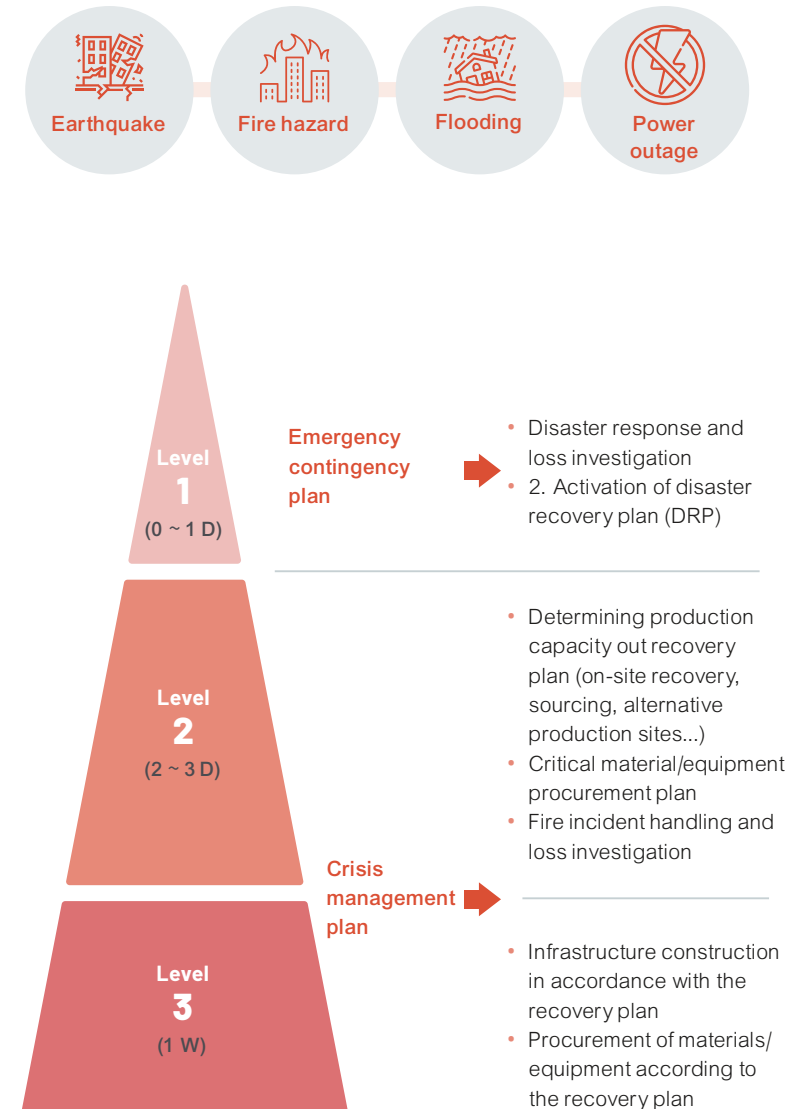
The core of the Business Continuity Plan (BCP) is to proactively identify operational risks and establish Standard Operating Procedures (SOPs) and response mechanisms for potential scenarios, including supply chain disruptions, critical equipment failures, and information security incidents. For example, in the event of a disaster, the company should quickly activate its emergency response mechanisms, ensure the continuity of critical departmental operations, minimize the impact on production capacity, and restore normal operations in the shortest possible time. Additionally, DFI regularly conducts simulation drills to familiarize employees with emergency response procedures, ensuring they can respond swiftly and effectively to minimize damage when an incident occurs.

DFI's comprehensive BCM and BCP systems ensure the Company can quickly resume normal operations and maintain business continuity in the face of unpredictable challenges, such as a pandemic outbreak. This approach protects employee safety and operational stability, strengthening the enterprise's overall resilience and competitiveness.

### DFI's BCP organizational structure



### BCP for earthquake/fire/flood/power outage



## Code of Conduct



### Main Target

Clients, Suppliers, Community, Employees



### 2024 Management Objective

Integrity Handbook training completion rate for all employees: 100%



### 2024 Achievement

100% completed.



### 2025 Management Objective

Integrity Handbook training completion rate for all employees: 100%



### 2024 Management Key Points & 2025 Plans

- Execute employee training in 2024 by using the Integrity Handbook approved by the Board of Directors
- Maintain 100% employee Integrity Handbook training in 2025

Integrity management is the fundamental corporate responsibility that benefits corporate management and long-term development. If an incident of dishonesty occurs, it not only causes business losses but also leads to lower ethical standards among employees, a lack of trust between customers and business partners, and potentially involves illegal activities such as lobbying and bribery. It undermines corporate governance mechanisms and deteriorates the overall business environment. DFI is committed to operating with integrity, transparency, and responsibility. We have formulated a policy based on honesty and it was revised and approved by the Board of Directors on November 10th, 2020, under the title "Ethical Corporate Management Principles." This policy replaces the previous "Ethical Corporate Management Procedure and Code of Conduct" and also establishes the "Integrity Handbook" as a guideline and framework for ethical conduct and moral standards for all employees. This serves as the basis for establishing good corporate governance and risk management mechanisms, aiming to create a sustainable operating environment.

The "Integrity Handbook" of DFI outlines guidelines for integrity, anti-corruption, non-discrimination and harassment, antitrust, intellectual property, data protection, political engagement, and other relevant areas. Each item is accompanied by clear behavioral standards, serving as the highest code of conduct for all members of the company in their business activities.

## Integrity Handbook Training

The DFI Integrity Handbook (including the whistleblowing system) has been made publicly available on the Company's internal website. To ensure the implementation of ethical business practices and behaviors, DFI conducts annual online training and assessments on the Integrity Handbook for all employees. The training and assessments cover the content of the Integrity Handbook (including the whistleblowing system), as well as anti-corruption, antitrust, intellectual property, data protection, political engagement and other relevant topics.

### Training Outlines in 2024

#### I. Integrity Declaration

#### II. Description of Article

- |  |   |
|--|---|
| ① Corruption and Bribery               | ⑮ Diverse, Equitable and Open Work Environment                                |
| ② Conflict of interest                 | ⑯ Alcohol and Drugs   |
| ③ External Part-Time Employment        | ⑰ Negative Information Reporting  |
| ④ Fair Trade and Antitrust             | ⑱ Laws and Regulations Related to International Trade                         |
| ⑤ Insider Trading and Money Laundering | ⑲ Media Interview   |
| ⑥ Political Donations and Activities   | ⑳ Contract Signing and Electronic Signatures                                  |
| ⑦ Lobbying Activities                  | ㉑ The Authenticity and Accuracy of Information Disclosure and Company Records |
| ⑧ Charitable Donations                 | ㉒ Maintenance of Company Resources  |
| ⑨ Information Security                 | ㉓ Whistleblowing Process (DFI)  |
| ⑩ Privacy Rights                       |   |
| ⑪ Intellectual Property Rights         |   |
| ⑫ Human Rights                         |   |
| ⑬ Health and Safety                    |   |
| ⑭ Environment                          |   |

Training Overview for 2024: On December 13th, the Integrity Handbook was covered through a formal training session. A total of 665 employees completed the one-hour course, all of whom passed the assessment with full marks (100 points). Participants included 484 indirect employees (62 from overseas) and 181 direct employees.

Under the training implemented, there was no breach of integrity principles found in 2024.

## Whistleblowing Process

DFI established a physical internal mailbox and an independent mail address: [integrity@dfi.com](mailto:integrity@dfi.com) for external and internal personnel. Regarding serious misconduct related to violations of integrity, conflicts of interest and avoidance, fair trading, bribery, and illegal payments, as well as any unlawful, improper treatment, or discrimination (including gender discrimination and sexual harassment), we have established a comprehensive set of complaint and reporting procedures, outlined as follows.

DFI ensures strict confidentiality of the whistleblower's identity, guaranteeing their safety and protection from retaliation. DFI did not receive reporting cases in 2024.

### The following information shall be provided by the whistleblower:

- Confidentiality of the whistleblower's identity and the reported content. The anonymous report is allowed.
- The name or any other identifiable information of the reported individual.
- Specific evidence that can be investigated.



### The personnel responsible for handling reported matters in our company are required to provide a written statement affirming the confidentiality of the whistleblower's identity and the reported content. We assure the whistleblower that they will be protected from any improper treatment as a result of the report. The reported matters will be handled by our internal audit department according to the following procedures:

- If the reported matter involves employees, the case shall be reported to the supervisor; if the reported matter involves directors or senior managers, it shall be reported to the individual directors.
- Our internal audit department and the notified supervisors or personnel are required to promptly investigate the relevant facts. If necessary, they may seek assistance from regulatory compliance or other relevant departments to ensure compliance with regulations.
- If it is confirmed that the reported individual has indeed violated relevant laws or the company's policies and regulations regarding integrity in business operations, immediate action should be taken to request the cessation of the related behavior and implement appropriate measures. If necessary, legal procedures may be pursued to seek compensation for damages in order to safeguard the reputation and rights of the company.
- The acceptance of reports, investigation processes, and investigation results should all be documented in written form and preserved for a period of five years. These records can be stored electronically if deemed appropriate. If any litigation related to the reported content arises before the expiration of the preservation period, the relevant information should continue to be preserved until the litigation is concluded.
- Upon verifying the validity of a reported matter, the company should require the relevant departments to review internal control systems and operational procedures. They should also propose improvement measures to prevent the recurrence of similar behavior.
- In the event of discovering a significant violation or when there is a risk of significant harm to the company during the investigation, the internal audit department should promptly prepare a report and notify the independent directors in writing.



### Reward Policy:

- After conducting an investigation, if a reported case is verified to be true and beneficial to the company by eliminating wrongdoing, or if the whistleblower provides significant leads or evidence in a reported case, the responsible personnel should report to the President. Appropriate rewards should be given to the whistleblower or individuals who have made a significant contribution.



Legal Compliance



Main Target

Clients, Suppliers, Community, Employees



2024 Management Objective

- Implementation of Integrity Management Plan: 100% Training Completion Rate for the Integrity Handbook
- Implementation of Insider Trading Prohibition and Prevention Compliance Plan: 100% Training Completion Rate for Insider Trading Prohibition and Prevention
- Implementation of Antitrust Law Compliance Plan: 100% Training Completion Rate for Antitrust Law.
- Implementation of the Gender Discrimination and Sexual Harassment Prevention Compliance Plan: 100% Training Completion Rate for Gender Discrimination and Sexual Harassment Prevention.



2024 Achievement

All have been 100% completed



2025 Management Objective

- Sustain integrity management plan and maintain a 100% Integrity Handbook training completion rate.
- Sustain the Insider Trading Prohibition and Prevention Compliance Plan and maintain a 100% Insider Training Prohibition and Prevention training completion rate
- Sustain the Antitrust Compliance plan and maintain a 100% training completion rate
- Sustain Gender Discrimination and Sexual Harassment Prevention Compliance Plan and maintain a 100% training completion rate.

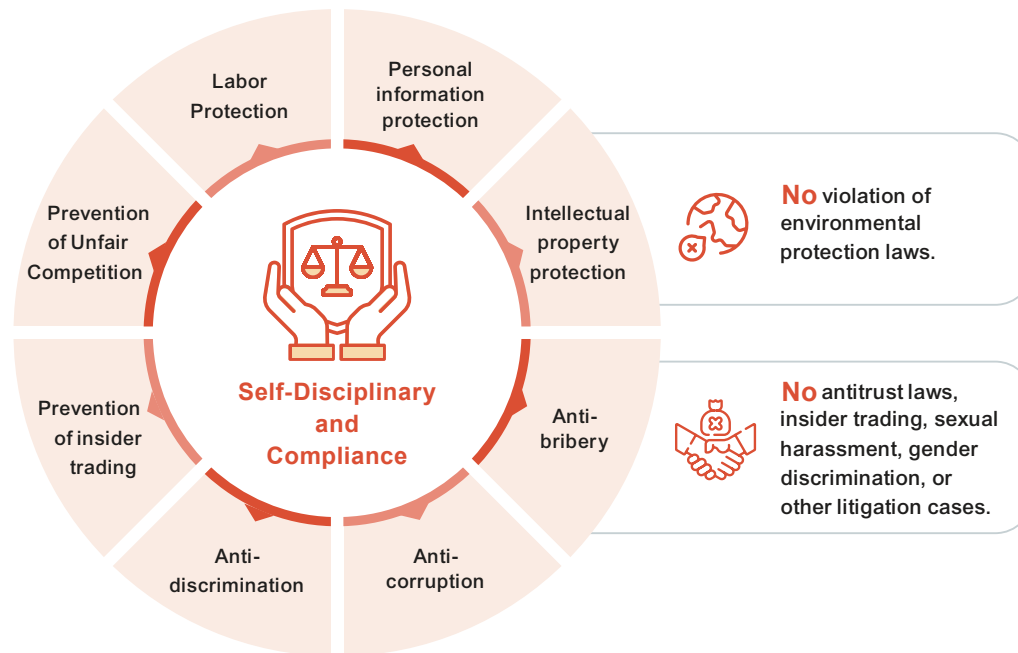


Management methods

- |                |   |
|----------------|---|
| Responsibility | <ul style="list-style-type: none"><li>• Administration Division, Human Resources Department</li></ul>   |
| Resources      | <ul style="list-style-type: none"><li>• Facilitate cross-departmental collaboration, coordinate and implement training programs, and enhance promotional efforts.</li><li>• Incorporate group training resources, such as gender discrimination and sexual harassment prevention etc.</li></ul>                       |
| Action         | <ul style="list-style-type: none"><li>• Conduct an integrity annual training course.</li><li>• Conduct an insider trading prohibition and prevention training course.</li><li>• Conduct an antitrust law trading course.</li><li>• Conduct a gender discrimination and sexual harassment prevention course.</li></ul> |
| Evaluate       | <ul style="list-style-type: none"><li>• the delivery of courses in accordance with the annual training plan and schedule.</li></ul>   |



DFI formulates policies and measures in accordance with the laws and regulations of Taiwan and other countries. The content includes regulations on personal data protection, confidentiality, anti-bribery, anti-corruption, anti-discrimination, environmental protection, intellectual property protection, prevention of insider trading, prevention of unfair competition, and labor protection. We also promote corporate social responsibility.



DFI employees comply with regulations and enhance performance through cross-division collaboration. Inside our company, we ask our employees to actively follow integrity rules, and provide a safe and healthy workplace which prevents contamination and boosts labor safety. Regarding product lifecycle, we actively decrease the use of materials that impact the environment. Other than compliance with the environmental regulations, we mitigate the impacts on the environment. In 2024, no material penalty took place due to legal violation. In response to the #MeToo movement, we have implemented gender discrimination and sexual harassment prevention training. We also actively promote awareness of gender discrimination and sexual harassment prevention in the workplace. These courses cover topics such as understanding the law, recognizing common types of discrimination and harassment, identifying problematic situations and behaviors, and providing practical examples. In addition, we offer guidance on prevention measures and provide both internal and external complaint channels to demonstrate our unwavering commitment to preventing any incidents of gender discrimination or sexual harassment at DFI.

\*A significant fine is defined as a penalty amounting to or exceeding NT\$200,000.

## Human Rights Management

### Human Rights Policies

To fulfill its corporate social responsibility and uphold human rights, DFI is dedicated to safeguarding employee rights. We strictly adhere to domestic labor laws as well as international human rights standards, including the "UN Universal Declaration of Human Rights" and the "International Labour Organization Conventions." DFI is dedicated to fostering a safe, healthy, and inclusive work environment where every employee feels welcomed and valued.

### Human Rights Concerns and Management

#### Provide a Safe and Healthy Work Environment

- The Company has passed the audit and verification of the ISO 14001 Environmental Management System (valid from 2022-2025) and the ISO 45001 Occupational Health and Safety Management System (valid from 2022-2025), providing a safe working environment for company employees.
- A lactation room has been established to meet the needs of female employees. In accordance with Labor Health Protection Act, nursing staff are employed to provide on-site health services for workers, and designated physicians offer on-site medical services.
- Provide annual employee health check-ups and workplace health promotion lectures on an ad-hoc basis.

#### Eliminate Illegal Discrimination and Ensure Equal Employment Opportunities

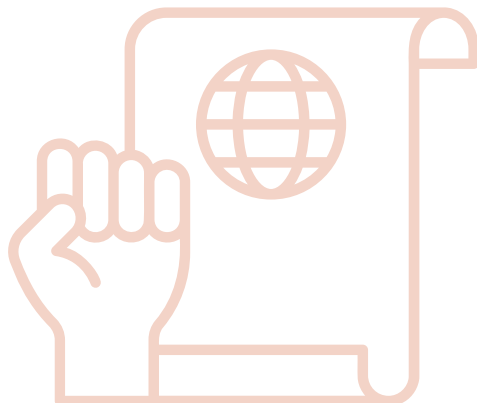
- According to the Employment Service Act and the Company's hiring principles, recruitment is conducted openly with a focus on matching the right talent to the right positions. Recruitment processes and decisions will not be influenced by race, class, language, ideology, religion, political affiliation, place of origin, place of birth, gender, sexual orientation, age, marital status, physical appearance, facial features, physical or mental disability, zodiac sign, blood type, or prior union membership.

### Prohibition of Forced Labor and Compliance with Local Labor Laws

- Under the Labor Standards Act and the Employment Services Act, it is prohibited to employ persons under the age of 15, and any form of slavery or coercion is also prohibited.
- Implement the vacation system to encourage colleagues to pay attention to work-life balance.

### Support Employees in Maintaining Physical and Mental Well-being and Achieving Work-life Balance

- The Company has established various clubs, such as the Badminton Club, Basketball Club, Love Meow Planet Club, Handicraft Club, DFI Slow Living Club, and Succulent Plant Club, and provides appropriate subsidies to support their smooth operation. Encourage employees to participate in club activities to promote emotional exchange.
- Regularly organize various employee activities, such as year-end parties, family days, hiking trips, beach cleanups, and birthday celebrations. Seasonal and festive events are also designed to encourage participation from employees and their families, promoting physical and mental well-being as well as workplace harmony.
- The new employee benefits leave is designed to give newly hired staff additional time to adjust to the work environment and achieve a better work-life balance.



## Human Rights Protection Training Practices

### Orientation

- New employees receive training and education on compliance issues, including sexual harassment prevention, anti-discrimination, anti-harassment, working time management and humane treatment. Regularly update training content to ensure compliance with the latest laws and standards.

### Prevention of Workplace Violence and Workplace Harassment

- In accordance with the Company's procedural guidelines and through internal website promotions, employees are informed of their responsibility to help ensure a workplace free from unlawful harm during the performance of their duties. At the same time, a dedicated hotline will be established to address incidents of sexual harassment.

### Occupational Safety Series Training

- Various safety trainings are provided to employees of different categories in the workplace, including safety and health education training, fire safety training, emergency response training, and first aid training.
- In 2024, regulations compliance advocacy will be conducted for a total of 2,171 employees (including new recruits), with a total duration of approximately 2,221.5 hours. Course materials are also made available through the online learning system, where training is conducted to ensure 100% completion of human rights education. The course covers key topics such as the prohibition of forced labor and child labor, anti-discrimination, anti-harassment, insider trading prevention, antitrust regulations, and codes of ethical conduct.

### Future Outlook

- In the future, we will continue to pay attention to human rights protection issues, promote and implement relevant education and training to raise awareness of human rights protection and reduce the possibility of related risks occurring.

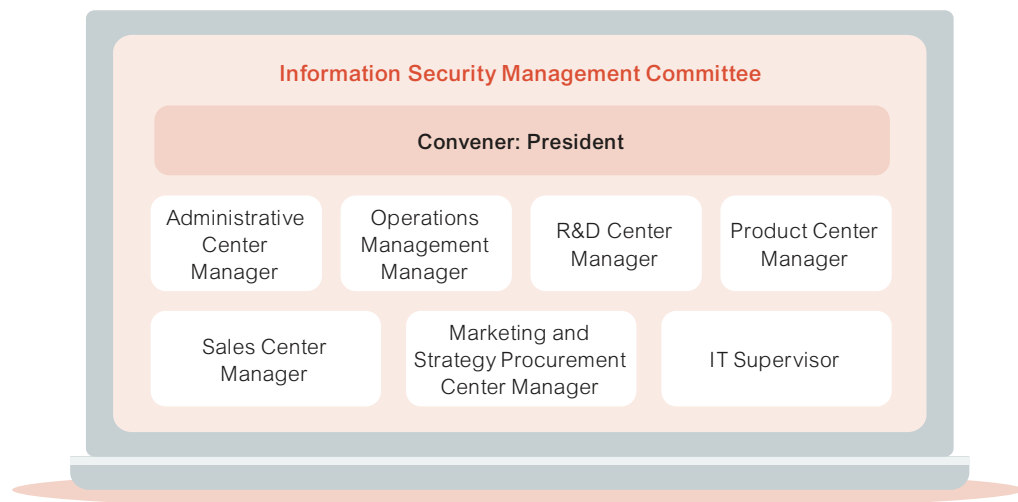
## Information Management

### Information Policies

To ensure the security of our information and communication operations and prevent internal and external disturbances and threats, our Company has established an information and communication security policy. We follow the PDCA cycle and adopt the Cybersecurity Framework 2.0 (CSF) developed by the National Institute of Standards and Technology (NIST) in the United States. We have defined various security implementation tasks in the areas of security governance, security detection, defense in depth, and recovery and response, to ensure the confidentiality, integrity, availability, and legality of our information and communication operations. Our management is committed to maintaining information security and continuously improving the quality of information security and digital resilience to protect the rights of our customers.

### Information Security Management

Information Security Management Committee: The Information Security Management Committee will be established by the end of 2024, chaired by the President, and composed of the heads of various centers and the IT Supervisor. Responsible for reviewing overall information security policies, approving major information security operations, and facilitating cross-departmental communication and resource coordination. The committee shall convene at least once a year and may hold additional meetings as needed.



### Committee Authority

- ✓ Review the information security policy and evaluate the development and implementation of the Company's overall information security management system
- ✓ Review and response measures for major information security incidents
- ✓ Approval of major information security maintenance matters
- ✓ Coordination of responsibilities and authority for cross-departmental information security matters
- ✓ Review matters that are stipulated or required by competent authorities, the Board of Directors, or various information security policies to be reported to the Board of Directors

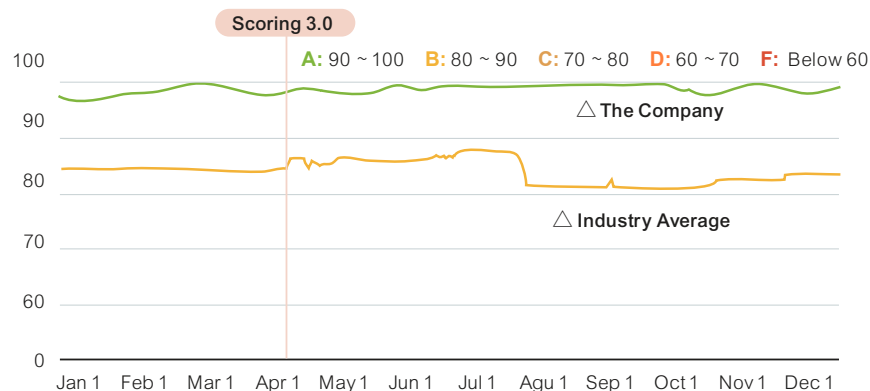
### Information Security Implementation Direction

- ➡ 1 Through regular internal education and practical exercises, we aim to enhance employees' awareness of information security.
- ➡ 2 **External Service Provider Security Management:** To protect the Company's rights and information security, establish a pre-assessment mechanism for external vendors and sign a Non-Disclosure Agreement (NDA) to safeguard the Company's confidential information and prevent unauthorized use or disclosure.
- ➡ 3 **Information Device and Information Environment Access Management:** The construction of fire control and environmental control systems in the information room, real-time video surveillance systems, and access control measures ensure the safety of the information room environment. The endpoint access control system (Network Access Control) has been implemented to actively block unauthorized devices and equipment, ensuring the security of the internal network operating environment.
- ➡ 4 **Permission Management:** Following the principle of least privilege in a zero-trust approach, all permission requests must go through an approval process. Permissions for sensitive data require additional approval from the supervising department. Privileged account permissions are managed through delegation. We implement a Privileged Access Management (PAM) automated mechanism to control the expiration of account permissions and conduct periodic audits to ensure the sensitivity and effectiveness of account permissions.
- ➡ 5 **Constructing a Cybersecurity Joint Defense:** In addition to joining real-time notification networks for vulnerabilities and threat intelligence from various cybersecurity product vendors, we have also joined the TWCERT/CC (Taiwan Computer Emergency Response

Team/Coordination Center) joint defense organization. This allows us to receive the latest international threat intelligence promptly. Furthermore, we have collaborated with leading cybersecurity firms to establish a Security Operations Center (SOC), integrating real-time intelligence and monitoring network activity. This ensures vulnerabilities are patched immediately and threats are handled promptly. Additionally, we conduct monthly reports on the findings from the SOC monitoring, continuously refining our management measures to ensure overall operational security.

**6 Continuous Exposure Management:** The Company has implemented internal endpoint antivirus protection systems, threat detection and response services (MDR), and host threat vulnerability scanning systems. Regularly perform the following risk management tracking tasks.

- ① Real-time anomaly detection and monitoring via antivirus systems and MDR services.
- ② Every week, a vulnerability scan is conducted on all terminal hosts, and an aggregated report is automatically generated for patching and tracking purposes.
- ③ Every month, perform operating system security patch updates or real-time updates for major zero-day vulnerabilities, and track the completion rate of endpoint updates.
- ④ In addition to implementing internal environmental safety measures, the Company has also implemented a third-party information security monitoring and assessment system for continuous monitoring. Every week, the system automatically generates the latest information security ratings and industry benchmarks, allowing for immediate remediation of potential risks. As a result, the Company's average score for the entire year is rated higher than the industry average, achieving a level A rating.



Note: The score for DFI falls between 96 and 99, while the average score for the industry is between 80 and 85.

**7 Business Continuity Plan (BCP):** Conduct Business Impact Analysis (BIA) for information system operations, implement hierarchical management for information services, develop and implement information backup and disaster recovery simulation exercises to ensure continuous operations; thoroughly conduct disaster recovery drills for key systems and document the results, achieving a completion rate of 100%.

## Continuously invest resources in information and communication security management

Information security is an important issue for the Company's operations. The corresponding information security management matters and resource allocation are as follows:

**1 Dedicated personnel:** the Computer Information Department has a dedicated security supervisor and security personnel responsible for the company's information security planning and various technology implementations. The Chief of the Information Department supervises and oversees the progress and execution of all security-related tasks.

**2 Education and Training:** The following training sessions are continuously scheduled every year:

- ① New employees receive information security training upon onboarding.
- ② Publish cybersecurity knowledge and protection awareness on an ad-hoc basis, communicating key regulations on cybersecurity management and operational safety.
- ③ Conduct quarterly Social Engineering Test for all employees, provide additional cybersecurity training for non-compliant personnel, and have major violators submit a Security Improvement Program for approval by their supervisors.
- ④ Conduct and complete one comprehensive cybersecurity training annually for all employees to deepen their information security awareness. Additionally, at least one specialized cybersecurity training session is provided each year for dedicated information and cybersecurity personnel, along with the production of three technical awareness documents for information professionals, further strengthening our cybersecurity capabilities.

**3 Information Security Continuous Plan:** The Company is dedicated to continuously enhancing the security of its information operations to safeguard customer interests. We have established a comprehensive cybersecurity roadmap encompassing short-, medium-, and long-term objectives. Going forward, we will focus on building a zero-trust secure access framework, advancing system cloudification and cloud security, strengthening data leakage prevention (DLP), and securing OT operational environments. Simultaneously, we will actively monitor external threats and continually assess and implement tools or solutions that effectively improve and reinforce our information security posture.

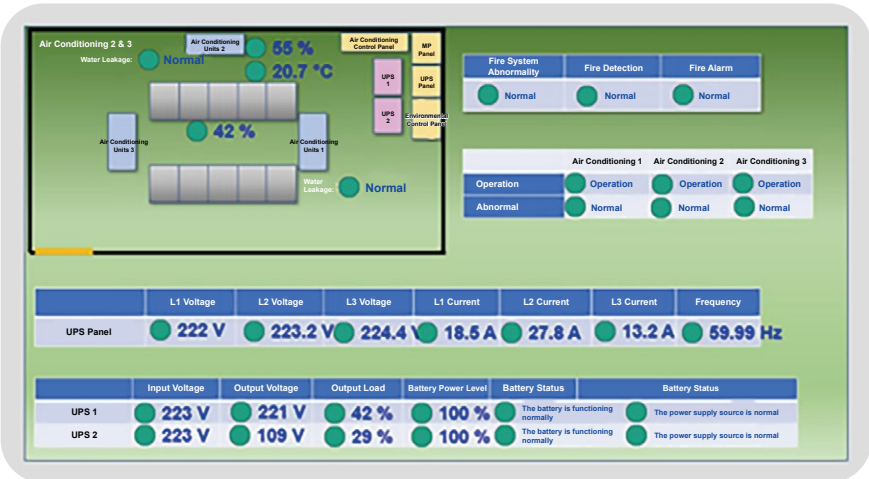
Information Security Management System Certification

The Company has established an information security management system to enhance overall operational security and has successfully obtained ISO 27001:2022 certification. Moving forward, we will continue to reinforce the implementation of information security measures across systems, technology, and regulatory compliance.

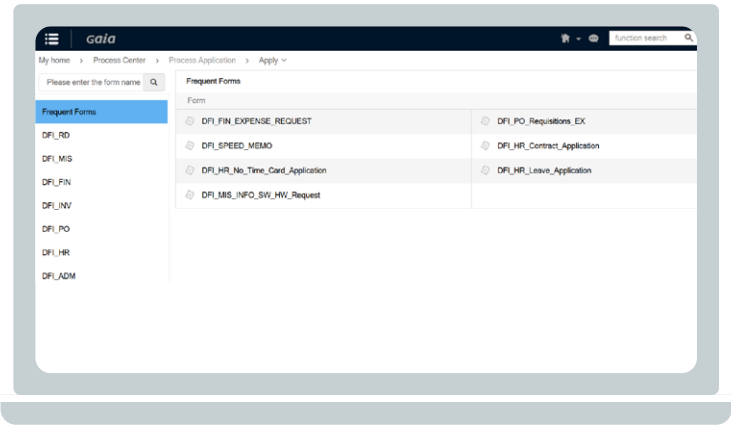
Energy Management

In the era of digital transformation, information technology serves not only as a key driver of business growth but also as a vital enabler of corporate social responsibility and sustainable development. In line with the global trend toward energy conservation and carbon reduction—and to uphold the Company’s commitment to environmental sustainability—we are actively implementing the following energy-saving initiatives:

- 1➡ **Transitioning from Physical to Virtual:** Reducing Hardware Energy Consumption: Transitioning from physical to virtual infrastructure reduces hardware energy consumption. By utilizing virtualization technology to consolidate physical servers, we effectively decrease the number of devices, leading to lower power usage and reduced cooling demands.
- 2➡ **Leveraging Cloud Services to Reduce On-premises Infrastructure:** Gradually migrate select business operations to cloud platforms, leveraging the scalability and advanced technologies of cloud service providers to reduce reliance on on-premises equipment and lower overall energy consumption.
- 3➡ **Replace Outdated Equipment with New Models to Improve Energy Efficiency:** Regularly review existing IT equipment—such as servers, computers, and printers—and progressively replace outdated and energy-intensive devices to enhance energy efficiency. Introduce new, energy-efficient equipment—such as computers featuring energy-saving processors, solid-state drives, and LED displays, along with printers that offer automatic sleep mode and duplex printing—to further enhance energy savings. By replacing outdated equipment, we can effectively reduce overall energy consumption while improving performance and operational stability.
- 4➡ **Establishing an Environmental Control System for the Data Center to Precisely Manage Energy Consumption:** The implementation of an environmental control system in the data center involves setting precise temperature and humidity ranges, coupled with real-time monitoring to ensure air conditioning equipment operates under optimal conditions. By maintaining precise control, energy consumption of air conditioning equipment can be effectively reduced, unnecessary energy waste minimized, and equipment lifespan extended simultaneously.



- 5➡ **Adopting an Electronic Signature Platform:** By establishing an electronic signature platform, the company enables online signing, transmission, and archiving, significantly reducing the need for printing and photocopying paper documents. At the same time, it accelerates document processing efficiency, reducing the time and energy typically spent on traditional paper-based delivery. Through electronic document management, the processing progress of official documents can be tracked more effectively, boosting office efficiency while simultaneously reducing the risk of document loss.

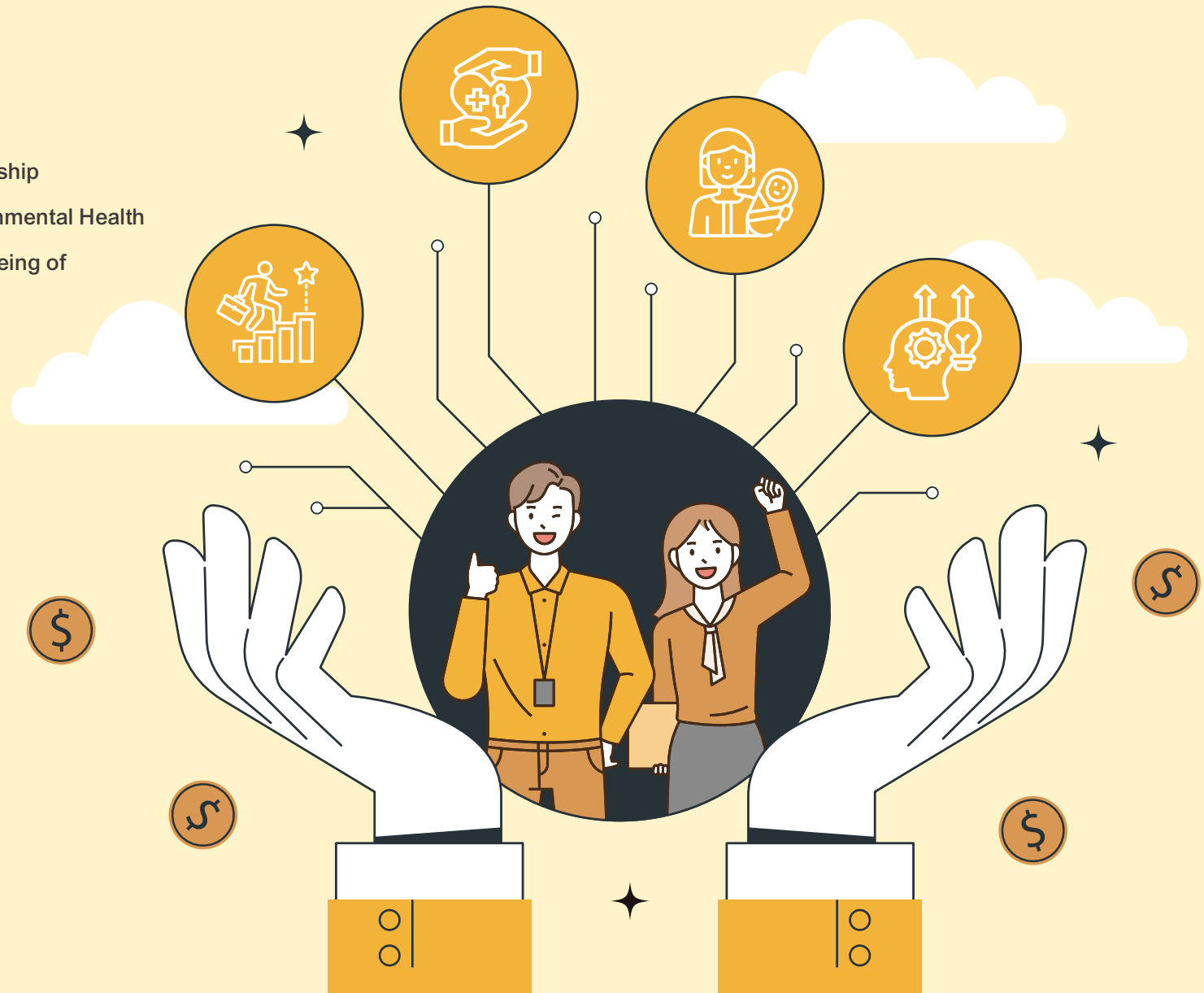


- 6 ➔ **Strengthening the Management of Information Equipment Disposal to Implement a Circular Economy:** The data disposal process will be strictly enforced, ensuring all information equipment undergoes thorough data cleansing before disposal to effectively reduce the risk of data leakage. Collaborate with qualified recycling vendors to ensure waste is managed in compliance with regulations and in an environmentally responsible way, while actively exploring opportunities to reuse electronic waste and promote resource recycling.
- 7 ➔ **Deploying a Carbon Footprint Management Platform to Support ESG Goals:** Enable the system to calculate the Company's greenhouse gas emissions by importing daily carbon emission activities and presenting real-time carbon emission data to help the Company achieve sustainable transformation.



# Happy Growth

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### Policy and Commitment

Diversity and inclusion are essential for sustainable talent development. Accordingly, DFI has established a work environment free from all forms of unlawful discrimination to ensure equal employment opportunities. This commitment aligns with international human rights conventions, such as the "International Convention on the Elimination of All Forms of Racial Discrimination" (ICERD) and the "Convention on the Elimination of All Forms of Discrimination Against Women" (CEDAW), as well as national laws including the "Labor Standards Act," the "Gender Equality in Employment Act," and the "Employment Service Act." The Company strictly prohibits child labor and forced labor, actively fostering an equal, respectful, and safe workplace that encourages employees of diverse backgrounds and characteristics to freely express their perspectives.



### Impact Summary

DFI is dedicated to helping supervisors and employees thoroughly understand the Company's strategic development goals and their own career paths. This approach enables the identification of skill gaps and growth opportunities, ensuring that comprehensive support and development resources are provided. We support employees in developing their skills and gaining practical experience through promotion opportunities, job rotation programs, and a variety of training initiatives. The training program includes new employee orientation, skill development, management capability building, and business management training. Its goal is to empower each employee to apply their expertise, grow with the Company, and boost overall workplace competitiveness. Currently, DFI's human resource development strategy has no adverse impact on the economy, environment, or people (including human rights).

However, if a Company fails to actively develop and nurture its employees, it may encounter the following risks:

- Brain drain – decreased corporate competitiveness, making it difficult to attract and retain outstanding talent.
- Decline in productivity and quality – Employee skills have not kept pace with the times, affecting work performance.
- Talent shortage and rising recruitment costs – Difficulty in filling key positions, leading to increased labor costs.
- Innovation is hindered – Employees lack innovative thinking and problem-solving abilities, affecting long-term business development.



### Targets for 2024

- In 2024, we will follow the "Employee Learning and Development Strategy" to continuously build and expand the learning scope of DFI through four key dimensions: managerial skills, professional expertise, self-development, and onboarding guidance for new employees.
- In 2024, group training resources will include management development programs and DMAIC Awareness Training to strengthen employees' problem-solving and analytical capabilities. Additionally, an English e-newsletter will be introduced to help enhance employees' English proficiency.



### 2024 Achievement

Average training hours

- Direct Employees (DL): Male 7.83 \ Female 7.54
- Indirect Employees (IDL) : Male 20.58 \ Female 20.05
- Managerial position 22.59 \ Non-managerial position 16.03



### Short-term Targets

- In 2025, a new Training Management System (DTMS) will be launched to broaden and deepen the scope of online learning content, while delivering a high-performance mobile learning experience through a dedicated app.



Action Plan  
or Program

- To ensure the long-term competitiveness of the enterprise, DFI actively cultivates talent through the following strategies:
- Comprehensive Cultivation and Development Plan
  - Each year, we design educational training programs to help supervisors and employees align with the company's strategic direction and clarify individual career development paths. This approach identifies development needs and establishes a structured plan to support employee growth.
  - Establishing a comprehensive training system
  - Gradually enhance the training content to include new employee orientation, skill development, management capability building, and business management courses. These initiatives support employees' continuous growth and strengthen their overall competitiveness.
  - Encouraging internal promotions and career development
  - Enhance employee capabilities and experience through promotion opportunities, cross-departmental rotations, and ongoing training programs, fostering the continuous development of internal talent and strengthening the organization from within.
  - Talent cultivation and development are essential to corporate competitiveness—they drive organizational growth, reduce operational costs, enhance market agility, and help build a strong and reputable corporate image. Therefore, DFI regards human resource development as one of its core strategies.
  - Continue to optimize relevant policies and plans to create a more competitive corporate culture.

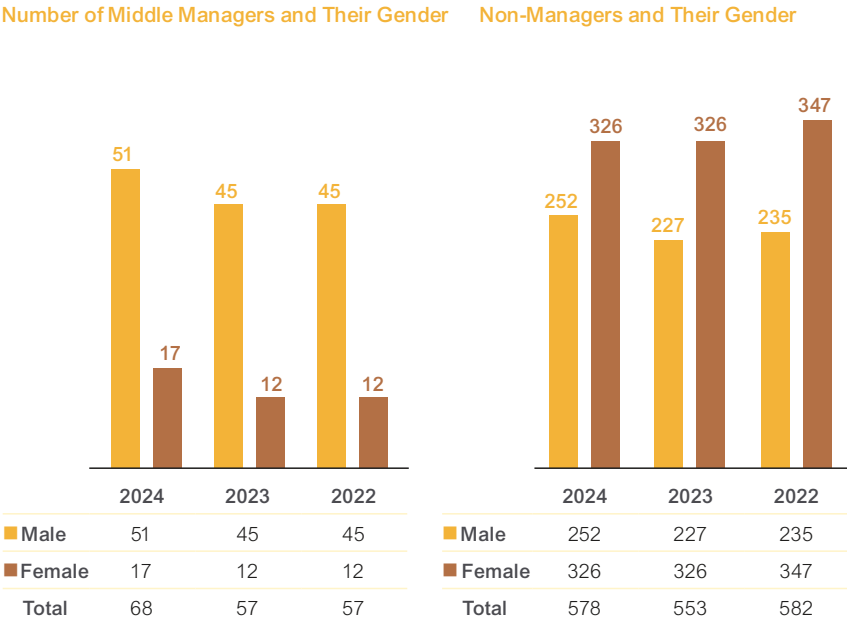
Employee Status

A Friendly Workplace of Equality and Inclusion

Diversity and inclusion are essential for sustainable talent development. Accordingly, DFI has established a work environment free from all forms of unlawful discrimination to ensure equal employment opportunities. This commitment aligns with international human rights conventions, such as the "International Convention on the Elimination of All Forms of Racial Discrimination" (ICERD) and the "Convention on the Elimination of All Forms of Discrimination Against Women" (CEDAW), as well as national laws including the "Labor Standards Act," the "Gender Equality in Employment Act," and the "Employment Service Act." The Company strictly prohibits child labor and forced labor, actively fostering an equal, respectful, and safe workplace that encourages employees of diverse backgrounds and characteristics to freely express their perspectives.

Employee Recruitment

DFI conducts open recruitment based on actual business needs and is committed to developing diverse project channels. In line with the principle of placing the right talent in the right position, the company prioritizes internal candidates over external applicants, demonstrating respect for all employees. DFI provides equal employment opportunities to candidates of all genders, age groups, and individuals with physical or mental disabilities. Furthermore, employee management policies are regularly reviewed and adjusted in accordance with local regulations and the company's evolving circumstances. We effectively enhance employees' work efficiency through good working conditions and atmosphere. There are a total of 665 employees in DFI Taiwan and overseas as of the end of 2024.

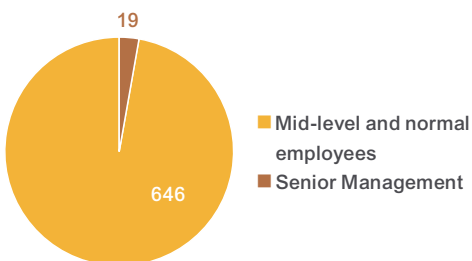


## Employment Status

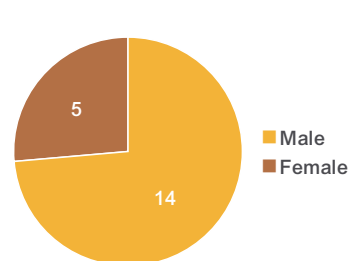
DFI prioritizes the recruitment of local workers in its hiring process. The distribution of manpower is as follows:

The number of employees specified in this section is primarily based on the actual number of employees (full-time and interns) employed by DFI as of December 31, 2024. Due to the employment contracts of dispatched personnel being with third-party companies, and their actual employers being not DFI, the above manpower calculation does not include the number of dispatched employees.

Proportion of Senior Managers



Classification of Senior Executive by Gender



\* Definition of senior supervisors: Individuals who hold managerial positions at the level of Director (M7) or above.

The calculation method for the proportion of senior management is as follows: Taiwan senior management/Total number of employees in Taiwan. The proportion of locally employed senior management is 100%.

\* Definition of middle management: Individuals who hold managerial positions at the level of Assistant Manager (M4) or above.

According to the definition provided by the Directorate-General of Budget, Accounting and Statistics (DGBAS), full-time employees refer to those whose working hours meet the company's designated normal working hours or statutory working hours. In the case of DFI, the normal working hours are defined as 40 hours per week. Therefore, as of December 31, 2024, the total number of full-time employees in the Company is 665.

## Employee Structure

DFI complies to a DEI (Diversity, Equity, and Inclusion) cultural mindset, with a human-centered core value, viewing talent as the most important asset. Employees come from various parts of the world and possess diverse cultural backgrounds, which enriches the team with diversity and fosters an inclusive workplace. The composition and distribution of different employee structures are presented in the table below.

Distribution of Human Resources by Operational Region

Total Workforce Distribution		Taiwan	China	Japan	USA	Europe
Type of Contract	No fixed term	488	21	13	16	8
	Fixed term	115	0	3	0	1
Total		603	21	16	16	9
Type of Employment	Full-time employees	602	21	13	16	8
	Part-time*	1	0	3	0	1
Total		603	21	16	16	9

\* Interns in Taiwan and overseas contracted personnel are classified as part-time employees



Distributed Based on Age, Gender and Employment Status in Each Region

Year2024						2023				2022			
Total Number of Employees665						629				657			
Gender		Male		Female		Male		Female		Male		Female	
Employee Distribution		Number	Proportion	Number	Proportion	Number	Proportion	Number	Proportion	Number	Proportion	Number	Proportion
		316	47.5%	349	52.5%	286	45.5%	343	54.5%	297	45.2%	360	54.8%
Age	Below 30	24	3.6%	60	9.1%	26	4.1%	67	10.7%	37	5.6%	82	12.5%
	31-50	245	36.8%	237	35.6%	221	35.1%	231	36.7%	227	34.6%	237	36.1%
	Above 51	47	7.1%	52	7.8%	39	6.2%	45	7.2%	33	5.0%	41	6.2%
Type of Employment	Direct employees	27	4.1%	154	23.2%	30	4.8%	168	26.7%	34	5.2%	188	28.6%
	Indirect employees	289	43.4%	195	29.3%	256	40.7%	175	27.8%	263	40.0%	172	26.2%
Regions	Taiwan	286	43.0%	317	47.6%	-	-	-	-	-	-	-	-
	China	7	1.1%	14	2.1%	-	-	-	-	-	-	-	-
	Japan	10	1.5%	6	0.9%	-	-	-	-	-	-	-	-
	USA	9	1.4%	7	1.1%	-	-	-	-	-	-	-	-
	Europe	4	0.6%	5	0.7%	-	-	-	-	-	-	-	-

Distribution of Nationalities and Number of Employees with Disabilities

Employee Nationality	Indirect employees		Direct employees		Total	Nationality Distribution
	Male	Female	Male	Female		
Taiwan	261	166	18	47	492	73.9%
China	8	15	0	0	23	3.5%
Japan	7	0	0	0	7	1.1%
USA	9	7	0	0	16	2.4%
Europe	4	5	0	0	9	1.4%
Malaysia	0	1	0	0	1	0.2%
The Philippines	0	1	9	107	117	17.5%
Total	289	195	27	154	665	100.0%
Employees with disability	3	0	0	0	3	0.5%

Proportion of Local Talent Employment

2024 Local Employees	Entry-level Employees		Mid-to-Senior Management	
	Number	Proportion	Number	Proportion
Taiwan	405	67.2%	78	12.9%
China	21	100.0%	0	0.0%
Japan	5	31.3%	2	12.5%
USA	13	81.3%	3	18.8%
Europe	7	77.8%	2	22.2%

## Employee Turnover Rate

DFI has a proactive approach to employee resignation management. When an employee submits a resignation, their immediate supervisor is promptly notified to arrange an exit interview to understand the reasons for the employee's resignation and explore possible retention measures. Due to external economic fluctuations and environmental changes, maintaining an appropriate turnover rate ensures a continuous influx of new talent into the company. The overall employee turnover rate for DFI in 2024 was 10.4%, which represents a decrease of approximately 7.6% compared to the previous year (2023 turnover rate was 18.0%).

### Employee Turnover Rate

Year		2024						2023						2022					
Turnover Rate		Male		Female		Total		Male		Female		Total		Male		Female		Total	
		Number	Proportion	Number	Proportion	Number	Proportion	Number	Proportion	Number	Proportion	Number	Proportion	Number	Proportion	Number	Proportion	Number	Proportion
Age	Below 30	5	0.7%	6	0.9%	11	1.6%	14	2.2%	14	2.2%	28	4.3%	14	2.2%	21	3.3%	35	5.5%
	31-50	14	2.1%	35	5.1%	49	7.2%	32	5.0%	44	6.8%	76	11.8%	68	10.8%	59	9.3%	127	20.1%
	Above 51	7	1.0%	4	0.6%	11	1.6%	8	1.2%	4	0.6%	12	1.9%	6	1.0%	5	0.8%	11	1.7%
	Total	26	3.8%	45	6.6%	71	10.4%	54	8.4%	62	9.6%	116	18.0%	88	13.9%	85	13.4%	173	27.4%
Nationality	Taiwan	21	3.1%	24	3.5%	45	6.6%	54	8.4%	36	5.6%	90	14.0%	88	13.9%	55	8.7%	143	22.6%
	China	2	0.3%	0	0.0%	2	0.3%	-	-	-	-	-	-	-	-	-	-	-	-
	USA	2	0.3%	0	0.0%	2	0.3%	-	-	-	-	-	-	-	-	-	-	-	-
	Netherlands	1	0.1%	1	0.1%	2	0.2%	-	-	-	-	-	-	-	-	-	-	-	-
	The Philippines	0	0.0%	20	3.0%	20	3.0%	0	0.0%	25	3.9%	25	3.9%	0	0.0%	30	4.7%	30	4.7%
	Indonesia	0	0.0%	0	0.0%	0	0.0%	0	0.0%	1	0.2%	1	0.2%	-	-	-	-	-	-
	Total	26	3.8%	45	6.6%	71	10.4%	54	8.4%	62	9.6%	116	18.0%	88	13.9%	85	13.4%	173	27.4%

\* Formula for calculating the turnover rate:  $\text{Number of employees who left} / ((\text{number of employees at the beginning of the year} + \text{number of employees at the end of the year}) / 2)$ .

\* The calculation of the number of resignations includes full-time employees, interns and foreign workers

\* The calculation of the turnover rate includes voluntary resignations, involuntary terminations, and retirements

Employee Hiring Rate

Year		2024						2023						2022					
Hiring Rate		Male		Female		Total		Male		Female		Total		Male		Female		Total	
		Number	Proportion	Number	Proportion	Number	Proportion	Number	Proportion	Number	Proportion	Number	Proportion	Number	Proportion	Number	Proportion	Number	Proportion
Age	Below 30	3	0.4%	3	0.4%	6	0.8%	13	2.0%	16	2.5%	29	4.5%	25	4.0%	56	8.9%	81	12.8%
	31-50	17	2.5%	14	2.1%	31	4.6%	27	4.2%	23	3.6%	50	7.8%	74	11.7%	73	11.5%	147	23.2%
	Above 51	0	0.0%	0	0.0%	0	0.0%	4	0.6%	0	0.0%	4	0.6%	5	0.8%	1	0.2%	6	1.0%
	Total	20	2.9%	17	2.5%	37	5.4%	44	6.8%	39	6.1%	83	12.9%	104	16.4%	130	20.6%	234	37.0%
Nationality	Taiwan	17	2.5%	10	1.5%	27	4.0%	39	6.1%	17	2.6%	56	8.7%	100	15.8%	83	13.1%	183	28.9%
	China	2	0.3%	0	0.0%	2	0.3%	-	-	-	-	-	-	-	-	-	-	-	-
	Japan	1	0.1%	0	0.0%	1	0.1%	-	-	-	-	-	-	-	-	-	-	-	-
	USA	0	0.0%	1	0.1%	1	0.1%	-	-	-	-	-	-	-	-	-	-	-	-
	Netherlands	0	0.0%	1	0.1%	1	0.1%	-	-	-	-	-	-	-	-	-	-	-	-
	The Philippines	0	0.0%	5	0.8%	5	0.8%	5	0.8%	21	3.3%	26	4.0%	4	0.6%	46	7.3%	50	7.9%
	Malaysia	0	0.0%	0	0.0%	0	0.0%	0	0.0%	1	0.2%	1	0.2%	-	-	-	-	-	-
	Indonesia	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	-	1	0.2%	1	0.2%
	Total	20	2.9%	17	2.5%	37	5.4%	44	6.8%	39	6.1%	83	12.9%	104	13.9%	130	13.4%	234	27.4%

\* Formula for calculating the newly hired rate: Number of new employees/((number of employees at the beginning of the year + number of employees at the end of the year )/2)

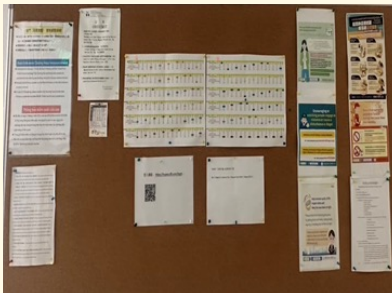
\* The calculation of the number of new employees includes full-time employees, interns, and foreign workers

## Care for Migrant Workers

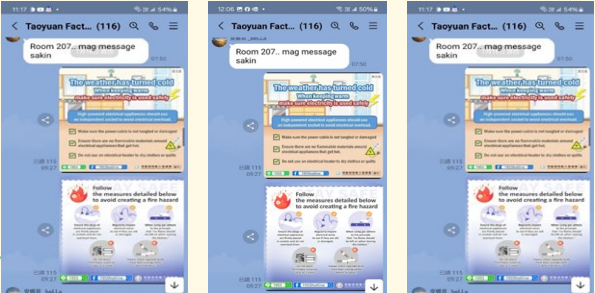
DFI's workforce reflects a rich diversity of backgrounds, nationalities, and cultures. In 2024, there were a total of 119 foreign employees in Taiwan, accounting for 17.9% of the overall workforce. Among them, female foreign employees made up 16.5% of all staff. We uphold the spirit of diversity and inclusion and are committed to building a friendly and inclusive workplace.

D	<b>Encouraging the Development of Learning</b>	We actively support the learning and development of foreign colleagues by offering additional opportunities for promotion, as well as allowances and bonuses, to encourage continuous skill enhancement. Through these initiatives, we aim to foster a supportive environment that promotes personal and professional growth, enabling each employee to find greater satisfaction and fulfillment in their career while contributing increased value to the Company.
	<b>Safe and Healthy Accommodation Environment and Diverse Recreational Spaces</b>	The enhancement of personal space includes buffet-style lunch and dinner services, along with dedicated leisure rooms and kitchens, providing foreign colleagues with a comfortable and welcoming environment. Annual evacuation drills will be conducted in the dormitories to ensure safety preparedness. Additionally, regular electrical inspections and disinfections will be performed to maintain a safe and hygienic living environment. These measures are designed to enhance the quality of life for our foreign colleagues, helping them feel the comfort and warmth of home during their time here.
E	<b>Using Licensed Intermediaries</b>	We work with licensed foreign employment service agencies to ensure compliance with relevant regulations and to attract exceptional foreign talent, thereby improving the overall quality and efficiency of our team.
	<b>Proper Medical Assistance</b>	Arrange dedicated transportation for medical appointments and assign staff to assist foreign colleagues, ensuring they receive proper support throughout the healthcare process. In addition, health consultation services are offered to nurses and physicians to help them better understand their health status. Annual health check-ups are arranged to ensure that the physical well-being of foreign employees receives continuous attention and care. Through these measures, we aim to raise their health awareness, empowering them to maintain good health both at work and in their personal lives.
	<b>Direct Employment</b>	To encourage outstanding foreign employees to continue their employment after the expiration of their contracts, the company proactively inquires about their willingness to remain and assists in the reappointment process prior to the contract's expiration. This way, employees do not have to go through the cumbersome hiring process again, and the company can reduce recruitment costs and worker waiting periods—achieving a win-win outcome. Furthermore, contract renewals can strengthen foreign employees' sense of commitment and pride in the company, enhancing their identification with and loyalty to the organization.
I	<b>Effective Communication Pathways</b>	Provide a 24/7 service hotline and communication platform to ensure that foreign employees can communicate at any time and from any location without barriers. The dormitory is staffed with 24-hour life counselors fluent in the native language, offering comprehensive support to foreign colleagues living alone in a new country. The Company and the intermediary regularly conduct information sharing on legal regulations, health care, and related measures, and encourage employees to provide feedback to promote two-way communication. Through these measures, we aim to create a more welcoming and supportive living environment for our foreign colleagues, helping them feel cared for and supported while living abroad.
	<b>Thoughtful On-Site Service</b>	Given foreign employees' limited familiarity with the local living environment and potential language barriers when traveling alone, dedicated staff and transportation have been arranged to provide airport transfers. This arrangement not only ensures personal safety but also helps ease the anxiety that can arise from unfamiliar surroundings. In addition, assistance will be provided to foreign colleagues in opening bank accounts, which is crucial for them to remit their earnings back to friends and family overseas. We provide tailored support based on individual needs to help foreign colleagues adapt more quickly to their new environment and feel a sense of warmth and care in both their work and personal lives. Through these measures, we aim to help foreign colleagues build a strong foundation for their lives, ensuring a smoother and more comfortable experience living here.
	<b>Diverse Activities</b>	To promote cultural integration, we actively organize various activities, including the annual year-end banquet, departmental gatherings, family day, and festive celebrations, inviting all colleagues and their families to participate. These activities not only offer an excellent platform for communication but also foster emotional connections among participants, enabling everyone to understand each other and build friendships in a relaxed and enjoyable atmosphere. Through these diverse activities, we aim to foster a harmonious work environment where every colleague feels supported and cared for, thereby strengthening our collective cohesion.





Bulletin Board



24/7 Service Hotline and Communication Platform (Line Group)



Departmental Gathering/Movie Appreciation



Activity Photos



Education and training



## Learning and Development

The average total training hours per employee at DFI in 2024 was **16.89** hours.

DFI places great emphasis on learning and development, for employees with the Human Resources Management unit leading the effort and a dedicated Training Center managing training affairs. While the Training Center oversees planning, other departments are responsible for the execution and implementation of training programs. Each year, training needs are gathered through departmental surveys, and the Training Center verifies the proposed content and course hour arrangements. These inputs are then consolidated into an "Annual Training Plan," which serves as the foundation for effective execution.

In addition to the training courses listed in the annual training plan mentioned above, DFI also provides a variety of learning resources and tools to encourage employees to engage in continuous learning activities that are not limited by time, location, or format. Employees are encouraged to align their learning activities with the Company's growth direction, organizational needs, and individual performance requirements to continuously enhance their work performance. DFI has introduced various internal and external resources to support learning and development for all employees. In addition to implementing Qisda Academy (QLMS) as an online learning platform, we also collaborate with professionals invited by Qisda to share insights on various topics such as technology, lifestyle, and public welfare through seminars and lectures. These initiatives aim to provide employees with new knowledge and perspectives in different areas, with the goal of inspiring unlimited possibilities in both work and life. In addition, to demonstrate DFI's commitment to corporate social responsibility, the company has included the Hazardous Substance Process Management System (IECQ QC 080000) as mandatory training programs for all employees.

The average total training hours per employee at DFI in 2024 was 16.89 hours. DFI recognizes the strong connection between employees' learning and development and the Company's growth. In line with our future strategic direction, we continuously develop relevant courses, covering areas such as key component manufacturing, healthcare, and smart networking. This initiative aims to equip the organization with the talent needed for the future by setting clear short-, medium-, and long-term goals (outlined in the table below), ensuring sustained learning momentum and supporting the Company's ongoing development needs and actions.



### Target indicators

- ✓ Average training hours per employee
- ✓ The completion rate of courses with policy relevance (compliance) is **100%**

### Long-term targets (by 2040)

### Medium-term targets (by 2032)

### Short-term Targets (by 2027)

- |  |   |   |
|--|---|---|
| <ul style="list-style-type: none"> <li>• The average hours increased by 5%, reaching 18 hours per year</li> <li>• The completion rate of courses with policy relevance (compliance) is 100%</li> </ul> | <ul style="list-style-type: none"> <li>• The average hours increased by 10%, reaching 19 hours per year</li> <li>• The completion rate of courses with policy relevance (compliance) is 100%</li> </ul> | <ul style="list-style-type: none"> <li>• The average hours increased by 15%, reaching 20 hours per year</li> <li>• The completion rate of courses with policy relevance (compliance) is 100%</li> </ul> |
|--|---|---|

\* Note: The increase in average training hours for short-, medium-, and long-term goals is calculated based on the 2024 average.

To evaluate the effectiveness of the training outcomes, validation will be conducted based on the four evaluation levels proposed by American scholar Donald L. Kirkpatrick, which include reaction, learning, behavior, and results. (Introduce appropriate assessment levels based on the nature of the course)



In 2024, DFI followed the "Employee Learning and Development Strategy" to continuously build and expand the learning scope through four key dimensions: managerial skills, professional expertise, self-development, and onboarding guidance for new employees. We encourage all employees to pursue continuous learning and self-improvement. The key training content across various areas is outlined below:

- **Managerial Skills:** Introducing Qisda Group's leadership training programs (SLP and ALP) to enhance management, leadership, and interpersonal communication skills across all levels of supervisors. In 2024, a total of 7 training sessions were held, with 19 participants completing the program, resulting in a cumulative training duration of 133 hours.
- **Professional Expertise:** By closely collaborating with suppliers and customers, we arrange seminars and courses to provide all colleagues with an understanding of industry and product development trends. In 2024, a total of 19 specialized seminars were conducted, with 1,372 participants and a cumulative training duration of 2,031.5 hours.
- **Self-Development:** The Company encourages employees to actively participate in external courses to enhance their skills. This not only improves job performance but also enables the application of these skills in everyday life, creating a positive impact on society. In 2024, employees applied for a total of 85 external training courses, accumulating 1,385.17 hours of training.

Average total training hours per employee at DFI Unit: Hours/person

	Direct Employees (DL)		Indirect Employees (IDL)	
	Male	Female	Male	Female
Average training hours	7.83	7.54	20.58	20.05
Total	7.58		20.37	

Average training hours per employee based on different functions Unit: Hours/person

Categories	Managerial position	Non-managerial position
Average training hours	22.59	16.03

\* Note: All values are rounded to two decimal place.

2024 Management Key Points & 2025 Plans

Employee Learning

- In 2024, we followed the "Employee Learning and Development Strategy" to continuously build and expand the learning scope of DFI through four key dimensions: managerial skills, professional expertise, self-development, and onboarding guidance for new employees.
- In 2024, DFI introduced group training resources, including leadership programs designed to enhance supervisors' abilities in team management, leadership, and interpersonal communication. We also implemented DMAIC Awareness Training to strengthen employees' problem-solving and analytical skills. Additionally, an English e-newsletter was launched to support employees in improving their English reading and writing proficiency through diverse learning methods.
- In 2025, a new Training Management System (DTMS) will be launched to broaden and deepen the scope of online learning contents, while delivering a high-performance mobile learning experience through a dedicated app.

Managerial Competency

SLP\_Management Practical Case Discussions In-person  
ALP\_Employee Performance Counseling and Handling Techniques In-person  
ALP\_Decision Making and Problem Solving In-person

Professional Skills

English Electronic Newsletter Online  
PM/RD Lecture Course In-person/Online

Self Development

Problem Analysis and Resolution Series Course In-person  
Personal External Training Courses In-person/Online

Orientation

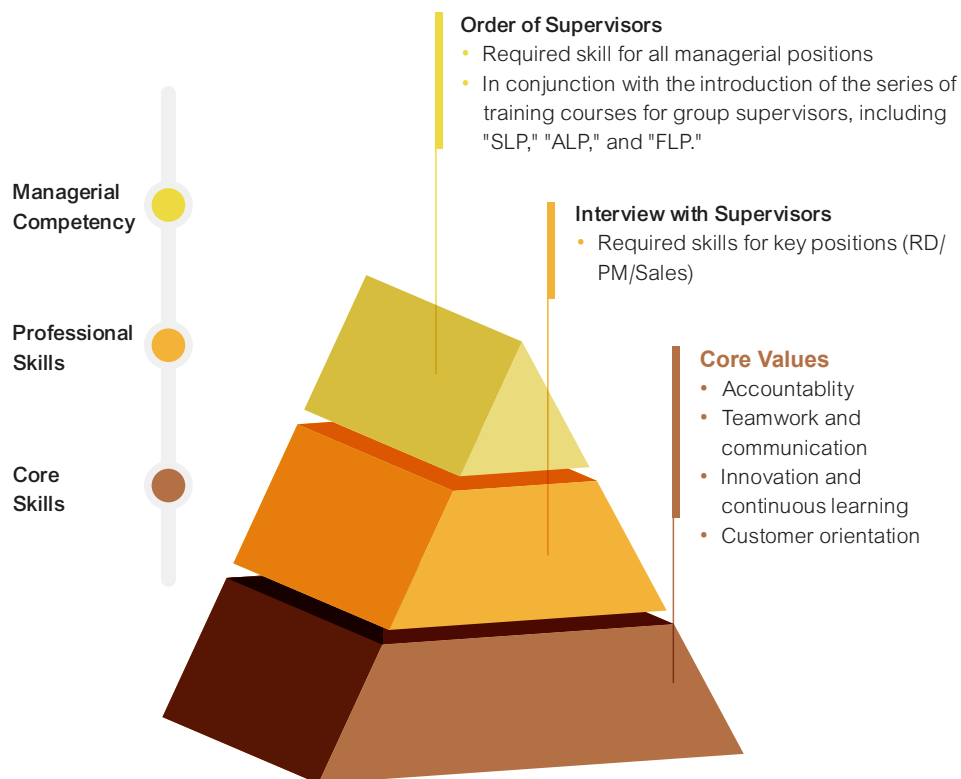
IDL Online courses 5+1  
OMC Training In-person  
New-Hired Orientation In-person/Online



## Employee Career Development

- Introduce the competency model roadmap to define the qualifications and criteria for promotion, appointment to managerial positions, or other job positions.
- The performance evaluation of employees is conducted through a two-step process: initial assessment by the supervisor followed by a secondary review. This process aims to clearly identify and define the performance scores for core job competencies, professional competencies, and managerial competencies.

Managerial competency includes result orientation, problem solving, subordinate management, integrity leadership, and communication. In conjunction with the introduction Qisda leadership training programs such as "SLP" and "ALP," we provide learning opportunities for supervisors at all levels to develop and enhance their management skills.



## DFI continues to promote online educational video courses

### Online Learning

In terms of learning channels, in addition to physical courses, DFI also utilizes Qisda Academy (QLMS), an online learning platform introduced by the group, for the employees of DFI. This platform allows employees to engage in relevant training courses and workshops in a real-time and flexible manner. In 2024, the "Core-Corner English Newsletter" was launched, enabling employees to make use of their spare moments to access the platform and read the newsletter content, thereby improving their English reading and writing skills. By the end of the year, a total of 2,152 readings were completed, with an overall average completion rate of 48.3%.

Additionally, we will enhance the use of online meeting tools and technology by organizing specialized lectures and courses in a hybrid format, featuring vendors, clients, and industry experts. This approach allows all employees to participate in learning more conveniently and effectively. In 2025, our goal is to continue promoting the digitization and enrichment of training courses, aiming to make it easier for all employees to access a wide range of courses that suit their needs.

## Since 2018, DFI has implemented a total of 69 CIP projects

### Problem Solving: Continuous Improvement Program (CIP)

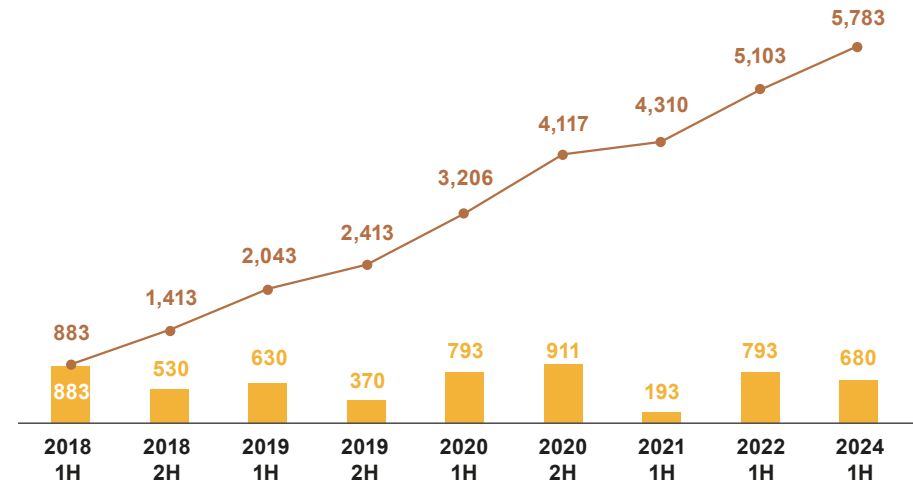
Since 2018, DFI has been implementing Six Sigma in collaboration with the group, and has developed the Continuous Improvement Program (CIP) to provide employees with the necessary concepts and tools for work improvement. Through a series of course designs and the execution of the Continuous Improvement Program (CIP), employees are assisted in applying the knowledge and skills acquired from the courses to their actual work processes. From 2018 to 2024, a total of 69 CIP projects have been implemented, with an estimated cumulative (tangible) actual benefits amounted to NT\$57.83 million, demonstrating significant improvement results. The scope covers improvements in individuals, departments, and overall company. By utilizing DMAIC methodology, employees can be assisted in using the most appropriate improvement techniques to enhance their work performance. The CIP methodology is not only implemented in the R&D department but also extended to all units, including manufacturing, supply chain, administration, and technical support/sales.



Year	2018		2019		2020		2021	2022	2024	Total
Dept.	1H	2H	1H	2H	1H	2H	1H	1H	2H	
OMC	4	5	5	5	5	4	1	1	3	33
PC+RD	4	4	6	4	4	4	3	1	0	30
SC	0	0	0	1	1	1	0	0	0	3
ADM	0	0	0	1	1	1	0	0	0	3
Total	8	9	11	11	11	10	4	2	3	69

In the first half of 2024, one DMAIC Awareness training course was held, aimed at building employees' foundational understanding of the five core DMAIC methodologies. A total of 34 employees completed the training. In the second half of the year, implemented three improvement projects, enabling colleagues to effectively apply the DMAIC methodology to assess and enhance work processes, thereby improving related efficiency and effectiveness: The cumulative tangible benefits have reached NT\$6.8 million.

CIP Project Financial Tangible Benefits Over the Years



## Good Labor-Capital Relationship

### Remuneration Policy and Pensions

DFI ensures compliance with local labor laws in all operating locations by paying salaries not less than the legal minimum wage. There should be no salary differentiation based on gender, religion, race, nationality or political affiliation. To offer employees a competitive compensation policy, salaries are adjusted based on individual qualifications, professional skills, and performance evaluations to ensure fairness and market competitiveness. DFI refers to annual salary surveys conducted by independent third-party compensation consulting firms and evaluates the company's operational status to review if the goals have been achieved. The compensation for senior executives is reviewed during the Compensation Committee meetings, considering the attainment of annual performance indicators and setting guidelines for their annual remuneration. Please refer to the following salary data.

Analysis of Fixed Salary and Average Compensation Gender Gap

		2024		2023		2022	
		Median	Average	Median	Average	Median	Average
Fixed Salary	Direct employees	19.4	13.9	20.0	14.8	21.1	16.5
	Indirect employees	25.1	22.4	26.1	26.5	26.1	27.3
	All employees	43.4	38.1	45.2	41.3	46.2	42.1
Average Salary	Direct employees	12.8	13.1	12.1	15.3	10.9	12.3
	Indirect employees	29.8	26.6	30.6	29.0	25.4	25.4
	All employees	46.2	41.6	50.4	44.9	40.1	39.7

\* The average pay gap between men and women is expressed as a ratio to the average pay of men, with a value of 1.

\* Calculation formula: (1 - ratio of female to male remuneration) × 100

\* The ratio of standard salary for entry-level employees to the local minimum wage is 1:1.

The indicators that affect the highest individual salary and overall salary structure changes	Ratio for 2024	Ratio for 2023	Ratio for 2022
<b>Annual Total Compensation Rate</b> = Highest annual individual compensation/Median annual total compensation of all employees	7.07	9.02	8.89
<b>Annual total remuneration change rate</b> = Percentage increase in the annual total remuneration of the highest-paid individual in the organization / Percentage increase in the median annual total remuneration of all employees	-1.56	-0.86	0.38

\* The annual total compensation of the highest individual should not be included when calculating annual total compensation of all employees.

#### Salary of non-managerial employees at DFI

Unit: NT\$Thousand)

Categories	2024	2023	2022
Total salary of non-managerial employees	515,002	512,831	522,284
Average salary of non-managerial employees	863	819	905
Median salary of non-managerial employees	683	644	711

\* According to the definition provided by the Directorate-General of Budget, Accounting, and Statistics (DGBAS), full-time employees refer to those whose working hours meet the Company's designated normal working hours or statutory working hours. In the case of DFI, the normal working hours are defined as 40 hours per week. Therefore, all of the Company's employees are full-time employees.

\* Total compensation includes base salary, overtime pay, various allowances and bonuses, and employee remuneration.

\* Average salary of the employee = Total salary of full-time employees not in supervisory positions ÷ total number of full-time employees

DFI follows retirement regulations and policies to ensure the rights and benefits of its employees upon retirement. We also provide a voluntary retirement plan to offer our employees the option of early and flexible retirement arrangements, allowing them to enjoy a fulfilling post-retirement life. Explanation is as follows.

#### 1 Pension allocated in accordance with the Labor Standards Act

The Company allocates a monthly contribution to the employee pension fund, which is deposited in a dedicated account in the name of the Labor Pension Fund Supervisory Committee at the Bank of Taiwan. As of the end of 2024, the fair value of the plan assets is

reported as NT\$ 60,481 thousand. In accordance with relevant regulations, the Company recognized an expense of NT\$323 thousand in 2024

#### 2 Pension allocated in accordance with the Labor Pension Act

According to the employee's monthly salary, 6% is allocated to the individual account at the Bureau of Labor Insurance. The expense recognized in 2024 for this purpose amounted to NT\$22,238 thousand.

## Diversity & Equal Opportunity

DFI is committed to providing employees with a respectful and safe working environment. We uphold the principles of diversity in employment, fairness in compensation and promotion opportunities, and ensure that employees are not discriminated against, harassed, or treated unfairly based on race, gender, religion, age, political beliefs, or any other protected status under applicable laws and regulations.

Indicators of employment equality	2024		2023		2022	
	Number	%	Number	%	Number	%
Female employees in total workforce	349	52.5	343	54.5	364	55.1
Female managers in total managers	23	26.4	17	22.4	12	21.1
Female senior managers	6	31.6	5	26.3	5	22.8

#### All employees undergo regular performance and career development assessments

Categories	Direct Employees (DL)		Indirect Employees (IDL)	
	Male	Female	Male	Female
Ratio of employees under assessment	100%	100%	100%	99%

\* Note: Only includes employees with Taiwanese citizenship

## Build Good Relationship and Communication Approach between Employers and Employees

### Employee Relations and Communication

To maintain a good relationship between the company and its employees, we have established effective communication channels within the company. These include welfare committee meetings, and labor-management meetings. These channels enable employees to stay updated on company information and encourage them to provide suggestions regarding the overall operations and development of the company, which can be considered by decision-making units. In the event of significant operational changes that may affect employee rights, a notice will be given at least 4 weeks in advance. These well-established communication channels not only foster labor-management relations but also allow the company to understand the needs of its employees better, thereby providing a more conducive work environment.

According to labor laws and the SA 8000 standard, DFI has selected 12 employees to serve as members of the Welfare Committee, representing their respective business units. The Welfare Committee holds regular meetings to discuss related matters. Additionally, 5 employees are chosen as labor representatives for the Labor-Management Meeting, with another 5 representatives selected from the management side. The labor-management meeting is held periodically, aiming to communicate with the management team about issues stipulated in SA 8000 standard. The quarterly meetings allow the labor representatives to raise relevant issues regarding labor relations, working conditions, employee welfare, and other topics. They engage in communication with the management representatives and jointly make decisions on labor-related matters. After evaluating the feasibility of the proposals, the company incorporates them into the improvement process.

In order to continuously improve and strengthen the good labor-management relationship between the Company and its employees, the Company engages in various discussions and exchanges of opinions regarding various welfare systems and measures. This makes it possible to provide more comprehensive and improved protection. For example, every year the Company provides group insurance for employees, including life insurance, critical illness insurance, hospitalization and surgery insurance, cancer medical insurance, and other items. We also offer employee stock ownership plans, which provide employees with more financial options and greater security. It also promotes harmony and cohesion between employees and management. As of the end of 2024, the average percentage of employees holding shares across different job levels was 78%, and the percentage of shares held by employees was 0.69%.

### Proportion of Employees Who Returned to Work after Taking Parental Leave

To promote work-life balance, employees who have been with the Company for at least six months may request unpaid parental leave until their child reaches the age of three. The maximum leave period is two years. Employees raising two or more children at the same time should have their parental leave periods combined, up to a maximum of 2 years. The length of leave should be based on the age of the youngest child being cared for. During the period of unpaid parental leave, employees can continue to participate in their original social security plan and the Company's group insurance plan. Applying for unpaid parental leave is open to all employees regardless of gender, and colleagues are encouraged to return to the Company after their leave ends. The Company also makes advanced arrangements to support returning employees, ensuring a smooth transition back into their roles and workplaces. The statistics on the number of individuals on unpaid parental leave are as follows:



Item	2024			2023			2022		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
(a) Number of eligible applicants for parental leave in the current year	3	1	4	5	10	15	4	8	12
(b) Number of employees who actually applied for parental leave in the current year	1	0	1	0	7	7	0	6	6
(c) Number of employees returning to work after taking parental leave in the current year	1	4	5	0	6	6	0	3	3
(d) Number of employees who actually returned to work after applying for parental leave in the current year.	1	3	4	0	6	6	0	3	3
(e) Number of employees who actually returned to work from parental leave in the previous year	0	4	4	0	3	3	1	0	1
(f) Number of employees who continued working for one year after returning from parental leave in the previous year	0	4	4	0	3	3	0	0	0
Maternity Leave Application Rate b/a	33%	0%	25%	-	70%	47%	-	75%	50%
Maternity Leave Return-to-Work Rate d/c	100%	75%	80%	-	100%	100%	-	100%	100%
Parental Leave Retention Rate f/e	-	100%	100%	-	100%	100%	-	-	-

\* Note: The "number of eligible applicants for parental leave" is estimated based on the number of employees who applied for maternity leave, paternity leave and accompanying leave in the last three years.

## Employee Satisfaction Survey

Employee is the most important asset of a company! Employee satisfaction in the workplace is not just a slogan but also a goal that we strive to achieve with full dedication. We believe that it is the foundation for the sustainable operation of the company. Through a competitive compensation system, DFI is dedicated to creating a diverse and interactive workplace environment. We are committed to helping our employees enhance the necessary skills for their positions and fostering a friendly work environment. We strive to cultivate a culture of positive interaction and aim to provide our employees with a high-quality working area where they can fully utilize their strengths and grow together with the company. This forms the solid foundation of DFI's business operations.

### DFI's Talent Policy, Commitment, and Management System

- ✓ Establish competitive compensation, employee benefits, and a pension system.
- ✓ Build comprehensive and transparent performance management and promotion approach.
- ✓ Provide complete employee development and growth training.
- ✓ Gender equality

### Employee Satisfaction Execution and Feedback

Employee satisfaction is the key indicator of corporate happiness, which reflects employees' attitudes toward workplace and current job. This enables managers to better understand whether the work content meets employees' expectation. In the meantime, employees can use this system to give feedback to managers, allowing managers to know what employees care about. Employee satisfaction is a comprehensive indicator that reflects employees' loyalty, cohesion, and sense of belonging to the Company. Since 2022, DFI has conducted an annual employee core value opinion survey to gauge employees' satisfaction with the Company. The survey covers U-Town Office (HQ), Xindian Office, and Taoyuan Factory; The survey consists of 12 questions and filled out upon the employee's free will. To promote ESG and energy-saving and carbon-reduction initiatives, the survey is conducted anonymously via an online Google Form. Based on the total number of 603 employees in December 2024, a total of 179 employees responded to the survey, resulting in a response rate of 30%. The goal of the satisfaction rate is 76%.

To effectively address employee feedback on areas for improvement, the following action plans have been proposed to demonstrate the company's commitment to employee satisfaction.

1 Regular Adjustment of Work/Learning Direction

The Company should regularly adjust employees' work content and provide clear learning pathways. By assigning new tasks tailored to individual circumstances, it can help boost motivation and engagement.

2 Regular Review of Internal Work Processes

Regularly review all aspects of the workflow, and when opportunities for optimization are identified, develop targeted improvement plans to reduce time spent on repetitive tasks. This approach not only enhances employee satisfaction and sense of belonging but also improves overall organizational efficiency.

3 Regular Confirmation of Internal Management Practices

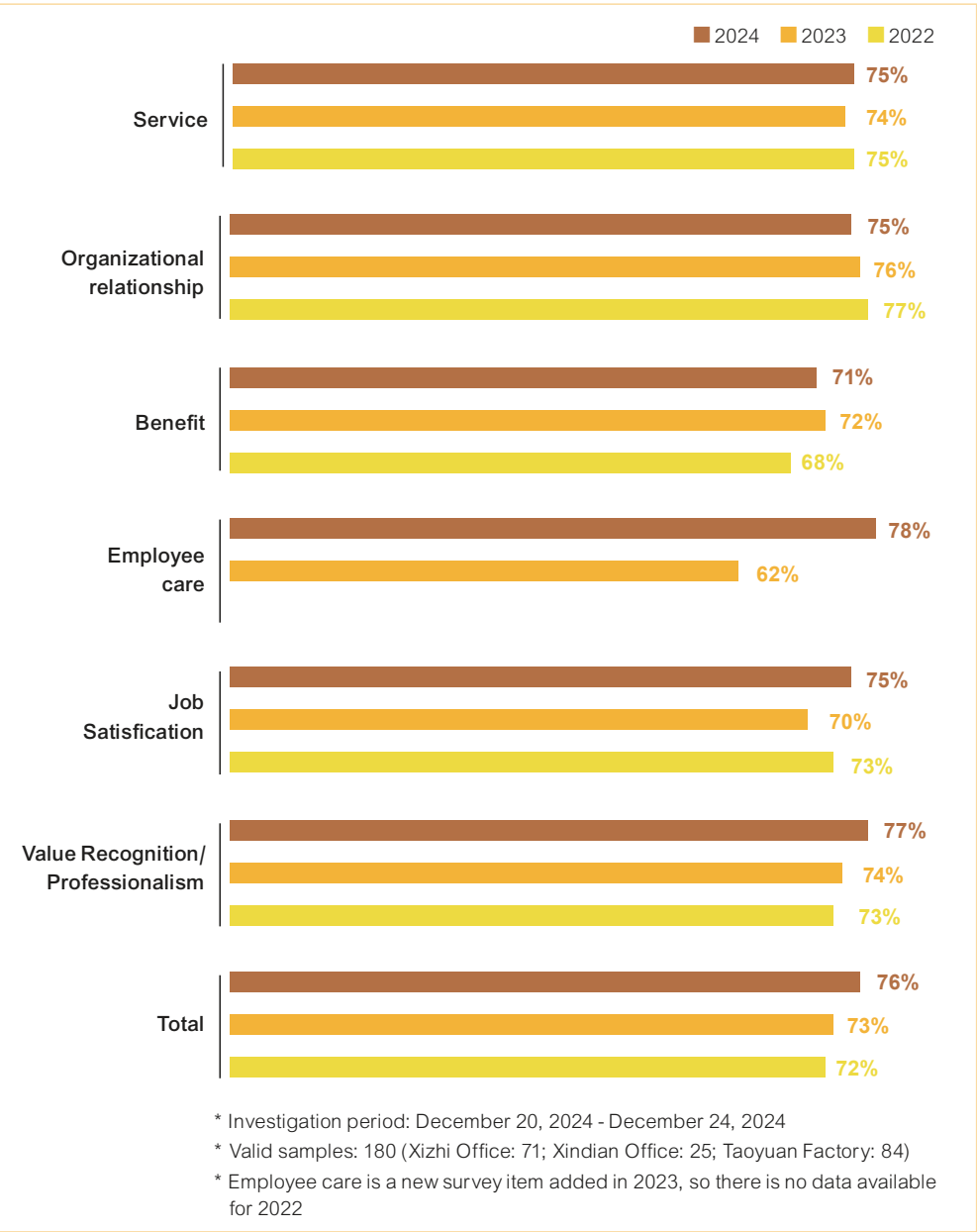
Employees may experience a lack of fulfillment and belonging if their efforts go unrecognized. To address this, it is important to regularly evaluate the management styles and practices of frontline supervisors, minimizing ineffective or inappropriate approaches and ultimately improving employee satisfaction.

4 Provide Employees with External Resources

To create a more comprehensive benefits plan that helps employees feel valued by the Company, the following benefit items—identified as the most favored through informal feedback—have been highlighted.

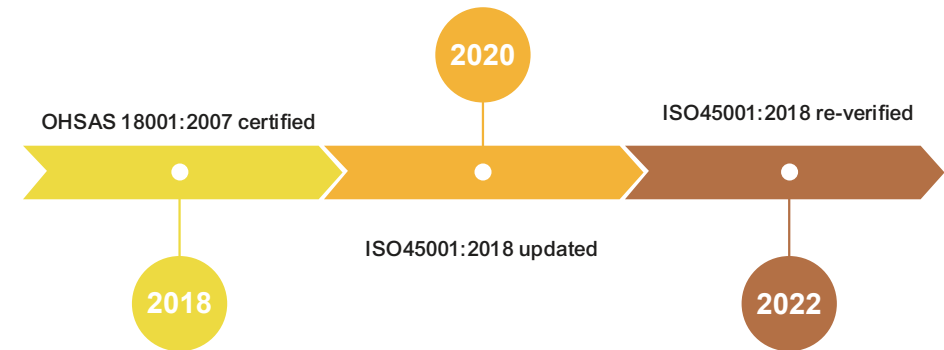
- Gift Vouchers: In 2025, we will introduce the Edenred Electronic Gift Voucher, allowing employees to choose and purchase items they prefer directly
- Birthday Leave: Allow employees to take meaningful time off on important days, reflecting the company's commitment to personalized and employee-centered care.
- Various bonuses, profit-sharing, and allowances: These incentive programs motivate employees to perform at their best while fostering a sense of the Company's commitment to sharing its success.

5 Increasing the frequency of environmental cleaning at the Xindian site and improving employee care.



## Employee Safety and Environmental Health

DFI has established a comprehensive Social Responsibility and Environmental Health and Safety Management Committee, which is responsible for coordinating and promoting matters related to occupational safety and health. Occupational safety and health initiatives are implemented across DFI's operational sites, including the headquarters in Xizhi, Taoyuan factory, and R&D in Xindian. The Company employs a total of 606 personnel within its management systems, comprising 603 directly hired employees (99.5%) and 3 supervised staff members (cleaning personnel), accounting for 0.5%. All employees are responsible for performing their duties safely. They must undergo comprehensive education and training and adhere to health policies to comply with occupational safety and health requirements. Occupational safety and health training includes new hires and existing employees. Regular health check-ups and health education are arranged for employees, and the workplace is monitored to maintain a good working environment. DFI obtained ISO 45001:2018 Occupational Health and Safety Management Systems certification in 2018. Through the management system, all workers receive comprehensive general occupational safety training, ensuring 100% participation, while qualified internal auditors are actively involved in hazard identification and risk assessment, and make improvements based on the assessment results. For example, specialized training is provided to different units to reduce the likelihood of hazards and continuously improve the occupational health and safety management system. DFI will continue to pursue ongoing verification to maintain the operation of the ISO 45001:2018 system.

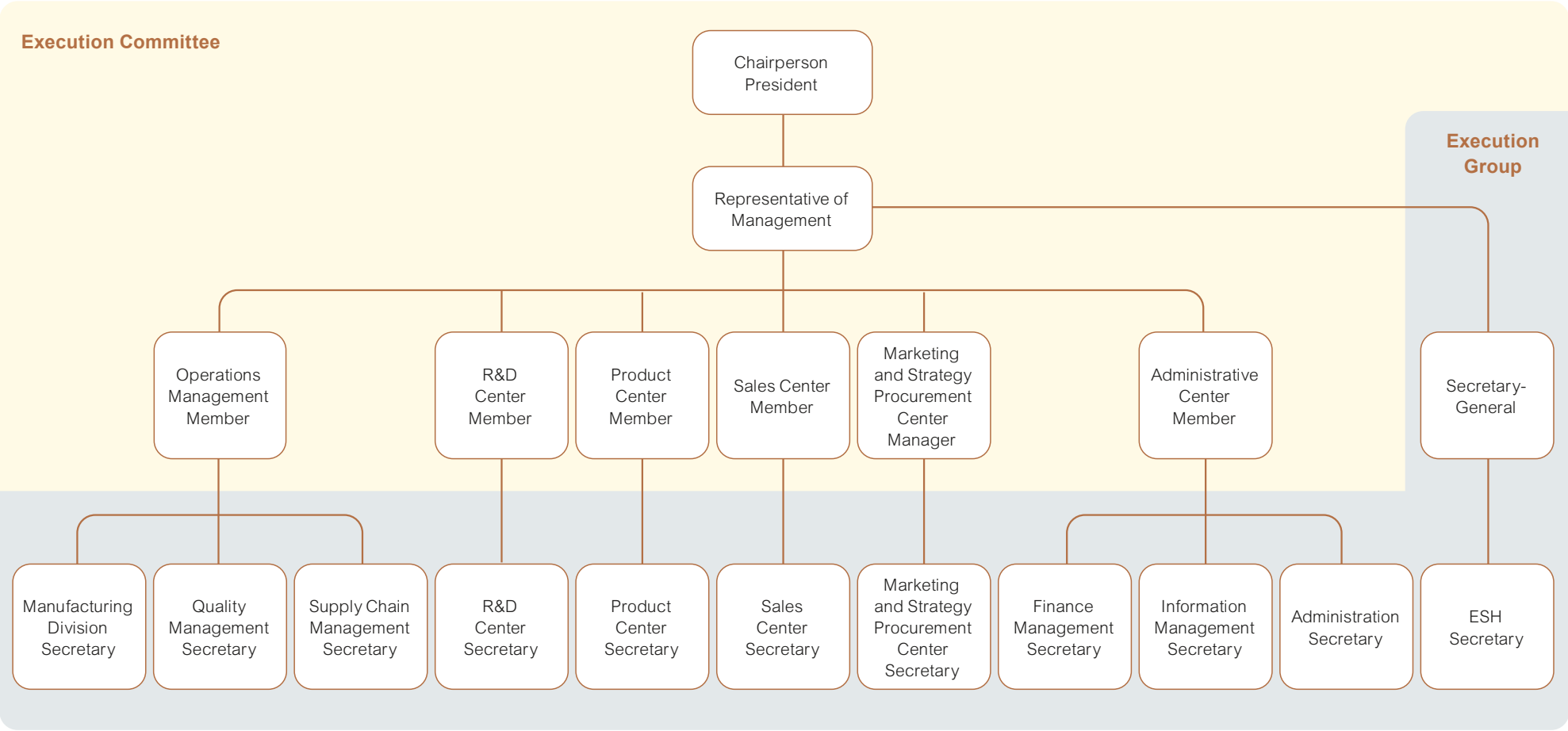


### 2024 implementation status of ISO 14001/ISO 45001 objectives and targets

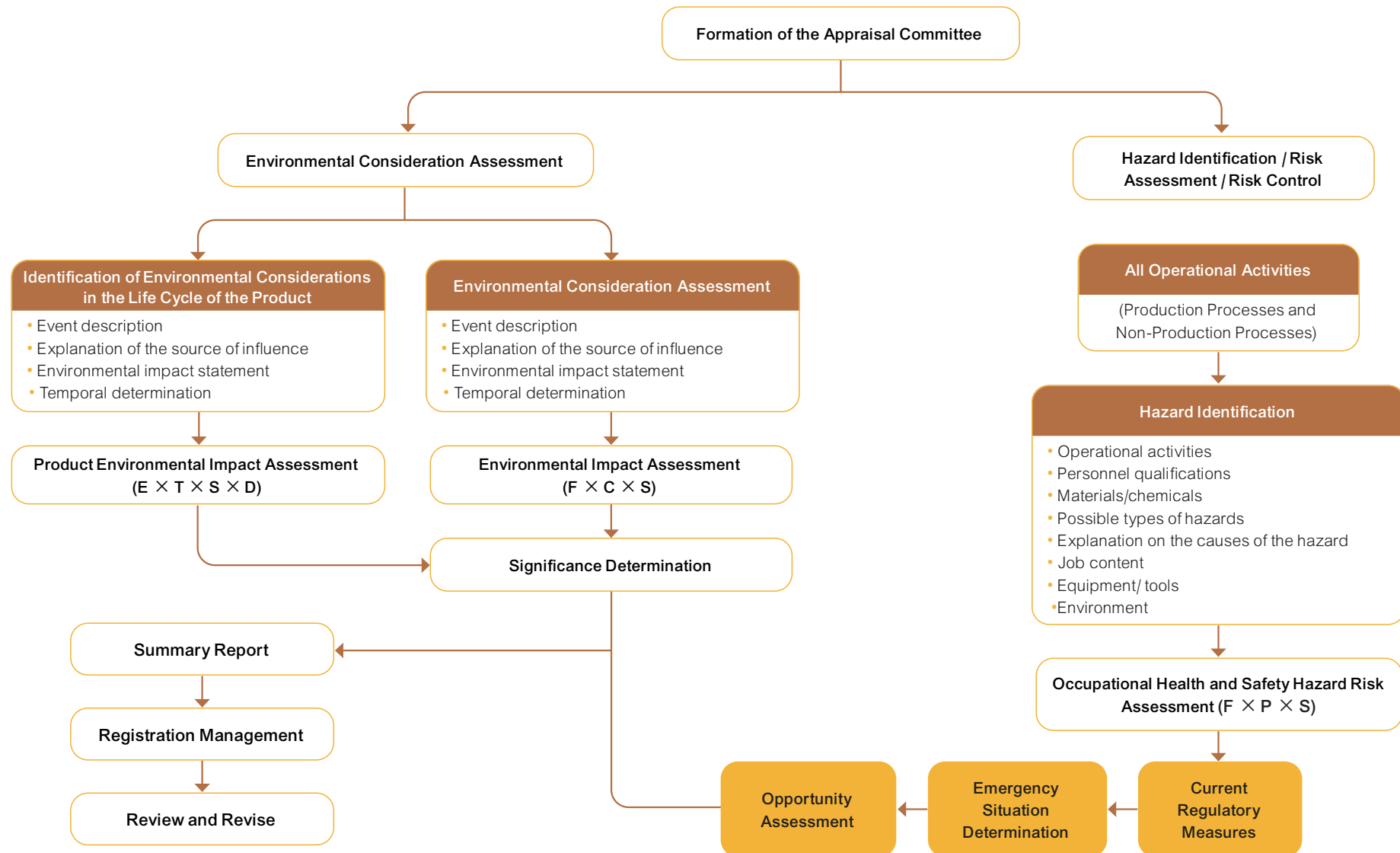
System category	Target objective	KPI	Achievement rate for 2024	Supporting documentation	Remarks
ISO 45001	Compliance with occupational safety and health regulations	1. Number of Emergency Response Drills > 2	100%	Drills conducted on: Dec. 6 (Taoyuan), Dec. 19 (Xindian), Dec. 26 (Farglory)	Response to Stakeholder Issues for 2024
		2. 100% Completion of ISO 45001 External Verification	100%	Certificate number: TW006455-006 Expiration date: November 30, 2025	
		3. Number of OSH Legal Violations Resulting in Fines < 1	100%	No fines recorded in 2024	
ISO 14001	Comply with environmental protection laws and regulations	1. Number of environmental legal violations resulting in a penalty < 1	100%	No environmental violations recorded	Response to Stakeholder Issues for 2024
		2. Number of hazardous waste treatment tracking events > 4	100%	In 2024, a total of five instances of hazardous waste were generated. Each case was documented using triplicate forms in compliance with legal requirements and was accompanied by proper disposal records.	

## Occupational Safety and Health Committee

The Occupational Safety and Health (OSH) Committee is composed of the President, management representatives, and the heads of each center. Implementation teams are established by relevant departments under the Committee and coordinated by the Secretary-General. Committee meetings are convened quarterly, and management review meetings are held annually to communicate and coordinate safety and health issues, as well as to assess the progress and effectiveness of OSH related initiatives.

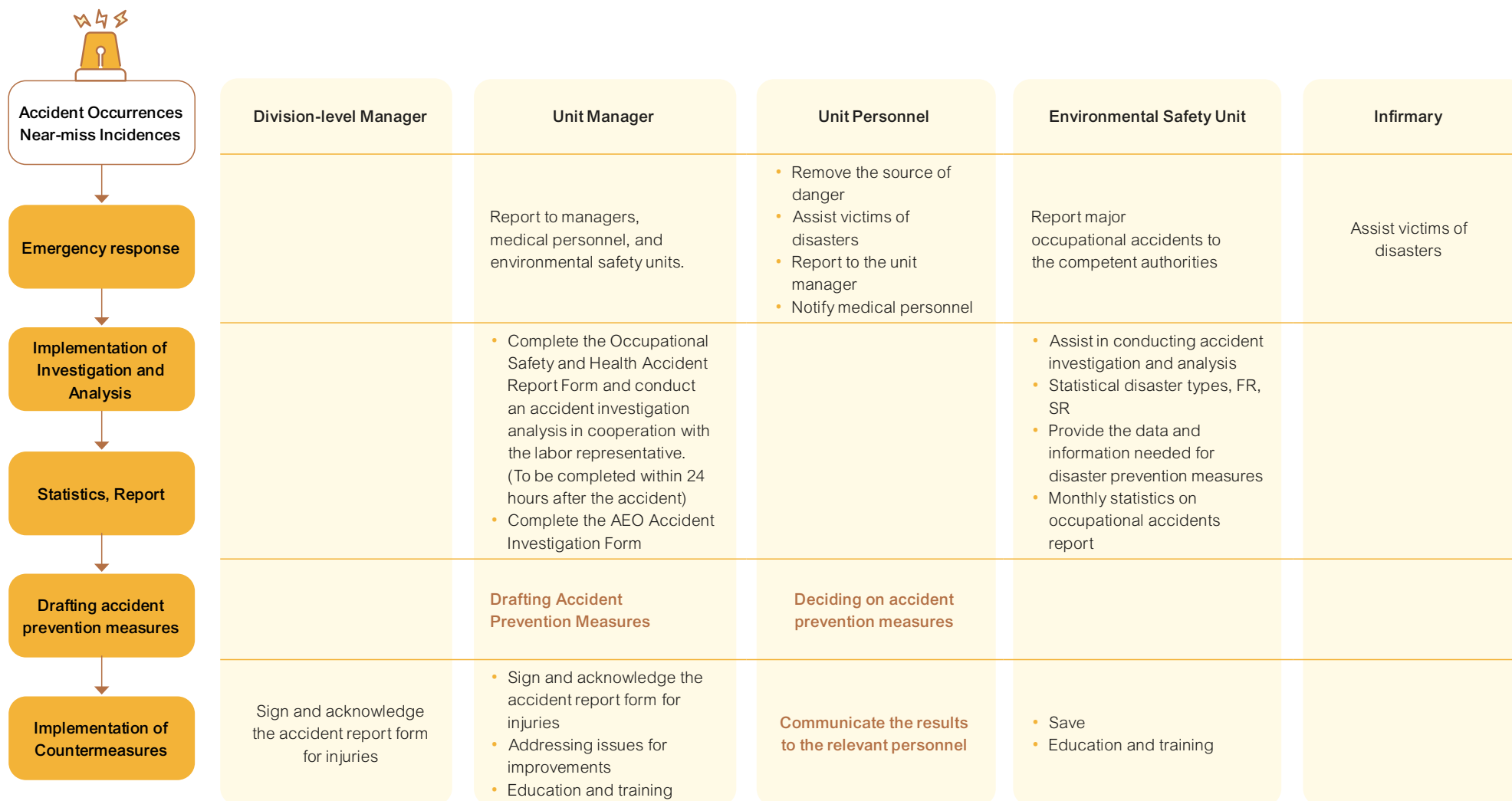


## Occupational Safety and Health Management System and Occupational Injury Risk Classification



Any incident occurring within company activities that results in personal injury, fatality, or property damage is classified as an accident. These incidents are managed under the Accidental Incident Management Policy, which outlines the procedures for handling occupational hazards and potentially dangerous situations. The policy also ensures that employees are protected from disciplinary action when reporting such incidents. In compliance with the Occupational Safety and Health Act, the Company adheres to established work safety procedures. Employees have the right to stop work if they believe that continuing may pose a risk of injury or illness. DFI guarantees that no disciplinary measures will be taken against employees who exercise this right in good faith.

The procedure of managing unexpected incidents is as follows:



## Occupational Safety and Health Training and Certifications

DFI strictly adheres to the Occupational Safety and Health Act and related training regulations, regularly conducting all necessary training programs with certifications that surpass minimum legal requirements.

In 2024, we significantly enhanced our emergency evacuation drills, focusing on strengthening physical evacuation procedures and the assembly roll-call process. To ensure employees can reach designated safe assembly areas more quickly during an emergency, consistent drills were carried out across all our sites.



Occupational safety manager



Occupational safety and  
health administrator



Occupational Safety and Health  
Class A Business Manager



Labor health service nursing  
practitioners



First responders



Fire safety administrators



Energy management  
administrators



Lead operation supervisors



Organic solvent operation  
supervisors



Radiation operators

DFI's operational sites are staffed with qualified occupational safety managers, occupational safety and health administrators, occupational safety and health business supervisors, occupational health service nursing practitioners, fire safety personnel, first aid personnel, and energy management personnel. These professionals regularly participate in refresher training courses to continuously enhance their knowledge and understanding of occupational safety, reinforcing each department's focus and commitment to safety. Additionally, employees performing specific tasks such as Lead-associated operations, organic solvent operation, and ionizing radiation operation are conducted with relevant certifications and in compliance with regulations.



## Preventing and Mitigating Occupational Health and Safety Impacts on Direct Stakeholders

### Safety Management Measures

DFI is committed to preventing and reducing occupational health and safety risks throughout the Company and its affiliated units, ensuring a safe working environment for all personnel. To prevent work-related injuries, health issues, illnesses, and accidents, the company has established the "Contractor Safety and Health Management Procedures." These procedures effectively oversee all external personnel entering the facility for construction, maintenance, or repair activities. Furthermore, for clients visiting the factory for tours or audits, DFI has implemented a strict application process. Relevant departments are responsible for planning the timing and itinerary of the visits to ensure the safety of all employees, suppliers, contractors, and visitors. Through these rigorous management measures, DFI ensures that all personnel entering the facility meet safety standards, significantly thereby reducing the likelihood of occupational accidents.

### Work-Related Injuries Statistics and Case Analysis

In 2024, the total working hours at DFI's Taoyuan factory amounted to 650,544 hours. We are proud to report zero employee fatalities and no cases of severe work-related injuries during this period. A total of two occupational injury cases were recorded. The specific cases are as follows:

- Case No. 20240924-01: An employee sustained a laceration to the right middle finger, causing bleeding, while attempting to test a fan without waiting for it to come to a complete stop. The incident resulted in a loss of 4 work hours.
- Case No. 20241127-01: While assisting the Engineering Department with S6 maintenance, an employee wore appropriate protective equipment during the operation. However, upon removing the safety goggles at the end of the task, improper placement of a cleaning agent caused it to splatter, resulting in redness and swelling of the right eye. Medical attention was required, and the incident led to a loss of 4 work hours.

In 2024, our Occupational Injury Frequency Rate (FR) was 3.07, and our Occupational Injury Severity Rate (SR) was 0.16, both calculated per million working hours. It is noteworthy that there have been no recorded incidents of employee commuting accidents this year. Furthermore, the working hours of non-employees (such as contractors and suppliers) have not yet been included in the calculations. However, there were no reported cases of work-related injuries throughout the year, nor were there any incidents resulting in occupational fatalities or serious injuries.

### High-Risk Operations and Improvement Measures

Although DFI's operational environment does not involve inherently high-risk activities, certain job functions—such as repetitive tasks in assembly or storage units—may still pose a potential risk of musculoskeletal injuries due to prolonged heavy lifting. The Company will continue to monitor these issues and, through hazard risk analysis, will further optimize work platform design and provide appropriate protective equipment to effectively reduce the risk of work-related injuries.

### Management of Work-Related Diseases

In 2024, DFI did not report any cases of occupational disease-related fatalities associated with work. Additionally, there were no confirmed cases of occupational diseases diagnosed by specialists in occupational medicine, nor were there any cases requiring notification related to special health examinations for personnel classified as Level Four. This year's special inspections covered noisy operation and ionizing radiation operation. The detailed management data for these examinations are as follows:

- Noisy Operation: There is one individual at Level 1 management and one individual at Level 2 management.
- Ionizing Radiation Operation: There is one individual at Level 1 management and one individual at Level 2 management.

All abnormal health examination results have been determined to be unrelated to work. Occupational health nurses and physicians will provide follow-up health guidance and education accordingly.

### Health Promotion and Occupational Safety Management

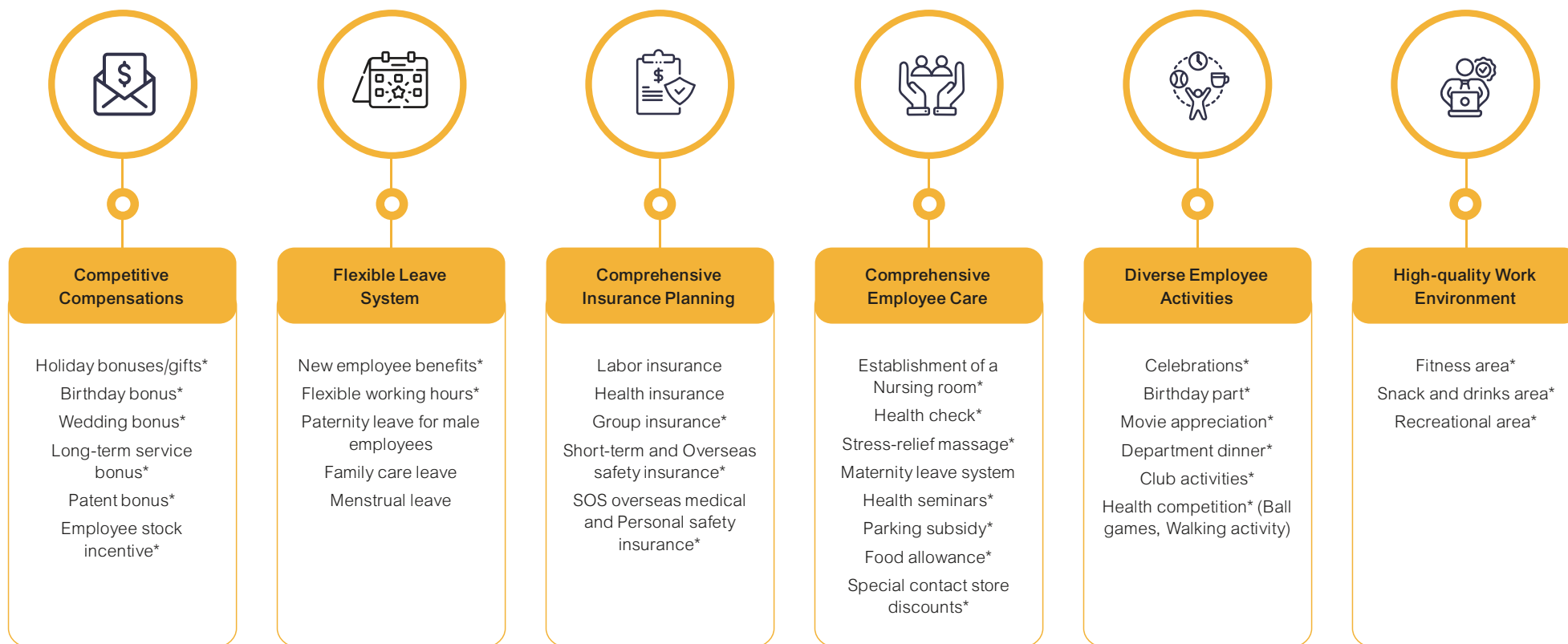
The occupational safety management team (occupational safety personnel, occupational health nurses, contracted occupational physicians, Human Resources Department, and department supervisors) collaboratively promotes employee health protection and wellness programs. The Occupational Medicine and Nursing teams conduct annual assessments to evaluate the correlation between employees' health status and workload through health checkup questionnaires. Individualized health guidance is provided to high-risk employees to ensure their occupational well-being.

In addition, the Company continues to raise employee awareness of occupational safety through safety education, training programs, newsletters, and other initiatives. Management units also strengthen supervision and inspection of the work environment to minimize the risk of accidents. The Company is committed to achieving the goal of 'zero occupational accidents' to ensure sustainable operations and safeguard employee health and well-being.

## Protecting Health and Well-being of Employees

### Diverse Welfare System

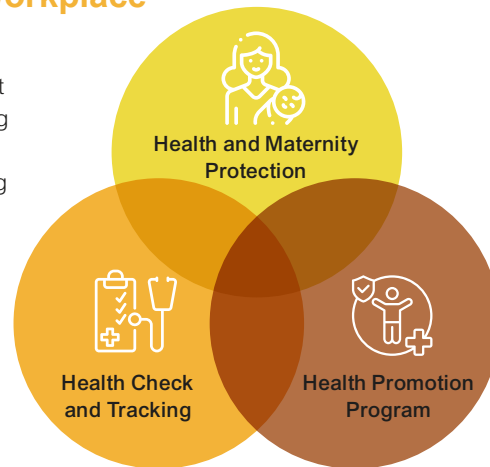
DFI firmly believes that talent is the most valuable asset of any enterprise. This belief is reflected in our comprehensive welfare system, which is designed to create a high-quality work environment. In addition to strengthening talent development initiatives, we strive to ensure that every employee can fully leverage their expertise while also enjoying the meaningful care and support DFI provides beyond the workplace. The Company provides a diverse range of benefits that go beyond legal requirements, including the creation of social and recreational spaces, regular employee health check-ups, team wellness challenges, cultural and recreational activities, as well as various employee facilities and social events. These initiatives not only promote employee health and well-being but also enhance team cohesion. To support employee welfare, the Welfare Committee allocates 0.15% of monthly revenue and 0.5% of employee salaries to fund a variety of initiatives. These include subsidies for marriage, bereavement, and childbirth, as well as support for employee clubs, holiday celebrations, and birthday point rewards. The Welfare Committee also holds regular meetings to continuously advance a wide range of employee care and benefit programs, aiming to foster a happy and supportive workplace that attracts top talent and drives the Company's development vision forward.



\* Better than government welfare programs

## Comprehensive Healthy Workplace

DFI is committed to supporting the holistic health of its employees, firmly believing that a healthy workforce is essential to achieving exceptional performance. We are actively cultivating a healthy workplace by providing regular health check-ups, promoting wellness programs, and enhancing the office environment. These initiatives aim to help employees manage physical and mental stress, creating a comfortable, vibrant, and supportive work atmosphere.



## Three Key Health Guidance and Management Measures

- In 2024, the employee health check-up rate reached 99%, and a total of 4 mobile health checks were conducted.

### Health Check

#### All employees undergo annual health checks

DFI values the health of its employees and offers health benefits that go beyond legal requirements. Every employee, regardless of age, is entitled to a free annual health examination. If any abnormalities are found in the results or if employees have concerns about their reports, medical professionals are proactively arranged to provide health guidance and relevant consultations.



Health Checkups at Each Site

### Health Promotion Program

- In 2024, a total of 27 health education via EDMs were published, along with influenza and COVID-19 XBB vaccinations, blood donation drives, and on-site stress relief massages, we provide comprehensive support for the physical and mental well-being of our colleagues.
- In 2024, a total of 12 on-site health care services were provided by contracted physicians, with a total of 71 consultations.
- Based on the results of the health examination assessment data, the following improvement plans related to the prevention and control of the three-highs (high blood pressure, high blood sugar, high cholesterol) and obesity have been initiated:

#### 1 Health Education Consultation

- For employees with metabolic syndrome risk factors exceeding the standard, DFI has arranged for contracted on-site physicians to provide health education and consultation services.
- Continuously monitor the subsequent medical treatment status of colleagues who require referral to medical care.

#### 2 Food and Beverage Management:

- Provide health-conscious group meal choices that are low in oil and low in salt.
- Provide seasonal fruits twice a week to promote the importance of consuming five servings of fruits and vegetables for health.

#### 3 Exercise Programs

- Organize annual hiking and online walking, these challenges are age-inclusive and aim to enhance the willingness of middle-aged and older employees to engage in physical exercise.
- A small-scale sports ball game competition is held annually, aiming to motivate teammates to engage in physical exercise through team formation.

DFI is committed to fostering a healthy workplace by promoting healthy lifestyles among employees, enhancing their physical and mental well-being, providing comprehensive health resources, and conducting thorough assessments to improve both the physiological and psychosocial work environment, thereby fulfilling its corporate social responsibility.

It was awarded the Badge of Accredited Healthy Workplace by the Health Promotion Administration, Ministry of Health and Welfare in 2024.

### Prevention Program for Diseases Induced by Abnormal Workload

To prevent employees from developing illnesses due to excessive work-related stress, appropriate health management measures will be provided for those workers who may be at risk of such conditions. This initiative aims to prevent workers from suffering from brain and cardiovascular diseases due to overexertion, and to achieve early detection and early treatment, thereby ensuring the physical and mental well-being of the relevant employees.

**Overwork-related Coronary Heart Disease Risk Assessment using ATPIII Framingham Model (Framingham Risk Score)** : 88% follow-up rate for individuals classified as medium-high risk in 2024 (total of 41 medium-high risk individuals identified, 1 has resigned, 36 have received health education consultations, 4 have been placed under observation and follow-up).

	2022	2023	2024
Achievement Rate	78%	92%	88%

### Human Factors Hazard Prevention Program

To prevent musculoskeletal disorders caused by poor posture, excessive force, or repetitive tasks, and to ensure a safe, comfortable, and productive work environment, the Occupational Health and Safety Department conducts an annual survey of employees' physical conditions using a musculoskeletal symptom questionnaire. This initiative is designed to protect employee health and well-being while enhancing overall work efficiency. In 2024, a total of 14 employees who self-reported symptoms scoring above 3 on the musculoskeletal questionnaire received care consultations.

### Illegal Infringement Prevention Plan

The prevention plan for unlawful infringements during the performance of duties aims to create a safe working environment that safeguards the physical and mental well-being of employees. Each year, occupational safety personnel conduct workplace environmental inspections and require each unit to carry out self-assessments of their internal management practices. Additionally, the Company regularly provides all employees with training on the prevention of unlawful infringements, aiming to enhance their awareness and response capabilities. This proactive approach helps prevent incidents in the workplace, mitigates potential risks, and ensures a safe and secure working environment for all employees.

In 2024, the New Taipei City Labor Inspection Office conducted a special inspection regarding unlawful infringements at the Xizhi office. After review, no deficiencies were found, and there were no records of penalties imposed, indicating that the Company's efforts in workplace safety management have been recognized.



DFI actively promotes a healthy workplace and was awarded Badge of Accredited Healthy Workplace by the Health Promotion Administration, Ministry of Health and Welfare



The 2024 DFI Season will feature internal sports competitions within the company, including regular team events in volleyball, badminton, and basketball. A total of 18 teams have registered, comprising 117 participants.



DFI is actively building a healthy workplace and received the iSports Enterprise Certification by the Sports Administration, Ministry of Education.





In 2024, the DFI PLAYWITHUS and DFI One-Day events will feature a special fitness assessment station. Using 'Technological Fitness,' the assessment will include three components: a grip strength test, a three-minute step test, and a seated forward bend, allowing participants to better understand their physical fitness levels. This event also aims to encourage everyone to develop regular exercise habits, fostering a healthier lifestyle.



DFI is dedicated to supporting employee health and has partnered with massage therapists from the Eden Social Welfare Foundation, who are visually impaired professionals.

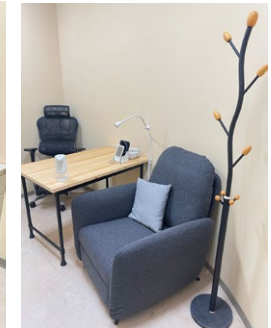
This collaboration not only provides employees with stress relief and relaxation through massage but also empowers the therapists to utilize their skills in serving the community and giving back to society.



## Health and Maternity Protection

### Maternal Care and Concern

- **Nursery room:** DFI has established a convenient, comfortable, and private lactation environment to support colleagues in providing breastfeeding for newborns. The room is designed to meet the needs of mothers as well as equipment standards and is staffed by an occupational nurse who provides care and consultations. This allows working mothers to express milk in the workplace with peace of mind.
- **Maternal health:** Provide essential maternal health protection and care for female employees who are pregnant or within one year of giving birth. Implement necessary health protection and care management. In 2024, a total of 3 female employees were included as recipients of maternal health protection and care.
- **Maternity allowance:** A huge congratulations on the new addition to the family. To acknowledge the dedication of new parents, a maternity allowance of NT\$6,000 per birth is granted.
- **Statistics on parental leave applications and retention after returning to work:** Employees with childcare needs may apply for parental leave. DFI adheres to legal regulations regarding the parental leave system and also encourages colleagues to return to work after their maternity leave ends. (Related statistics on parental leave are detailed in the section on good labor relations.)



## Creating a Happy and Friendly Work Environment

- Coffee machines, a variety of snacks, fruits, and beverages are available in the office for colleagues to enjoy.
- There is a social and leisure area where colleagues can interact, relax, and relieve stress during work.
- A gym is available for colleagues to use during their break time, promoting personal health.



## Company Welfare Activities

In addition to organizing various festivities and birthday celebrations, DFI also hosts a variety of competitive activities to encourage colleagues to get together and have fun. This helps to foster camaraderie among employees and strengthen the team spirit.



Department gathering



Birthday celebration



Creative calligraphy event



National Museum of Marine Science and Technology family day

## Diverse Clubs and Activities

- DFI respects employees' freedom of assembly and association, encouraging them to actively pursue healthy interests and lifestyles. The company supports the formation of diverse clubs, including animal volunteering, botany and floral arts, handicrafts, and sports. These initiatives provide employees with greater opportunities for social interaction and personal development, fostering physical and mental well-being as well as strengthening team cohesion.
- In 2024, two new clubs, the Bowling Club and the Volleyball Club, were established, bringing the total number of sports-related clubs within the Company to six.



Handicraft Club



Slow living club



Table tennis club



Basketball Club



# Cooperation and Mutual Prosperity

80 Sustainable Supply Chains

88 Commitment to Clients







### Policy and Commitment

As a professional manufacturer and service provider in the field of industrial computers, DFI is committed to responsible procurement. We leverage our influence to lead both upstream and downstream suppliers in continuous improvement across various aspects such as technology, quality, delivery, environmental protection, human rights, safety, and health. Our goal is to create a green and sustainable supply chain within DFI, where all stakeholders work together to promote responsible practices and contribute to a better future. Consistently uphold the highest ethical standards and the latest environmental protection regulations in all supply chain and production practices. In addition to regular assessments of supplier product quality, on-time delivery, cooperation, occupational health and safety management, and sustainable management, we also maintain ongoing communication with our suppliers. "Corporate social responsibility and sustainable supply chain management" is incorporated into our supply chain assessment criteria. We actively engage with our suppliers to promote sustainable development within the supply chain, ensuring a safe working environment, dignified labor relations, ethical operations, and environmental protection. With a goal of sustainable business operations, we aim to implement our existing supplier management system and lead our suppliers in practicing corporate social responsibility. Through collaboration between suppliers and our Company, we strive to achieve the highest product quality, service, and sustainable value at the lowest cost.



### Impact Description

DFI regards green design and product sustainability responsibilities as key risks and opportunities, actively responding to market trends and regulatory requirements. As global stakeholders—including customers—place growing emphasis on environmental sustainability, and as countries implement regulations on carbon reduction and resource recycling, such as energy-efficient product design, the use of recycled materials, and eco-friendly packaging, businesses will face increasingly stringent standards and requirements.

In the short term, DFI must allocate additional research and development resources and funding to overcome the technical challenges of green design. However, from a medium- to long-term perspective, actively advancing green design not only reinforces the Company's commitment to environmental sustainability but also generates positive impacts on both the environment and the economy. By implementing green design, DFI is not only able to promote sustainable transformation among its internal research and development teams and suppliers, but also enhance the overall competitiveness and market influence of the enterprise.

#### Potential Risks and Challenges

Although the green transition offers long-term benefits, companies that fail to respond promptly to market demands and regulatory changes may face the following adverse impacts:

- Declining Market Competitiveness — Failure to meet customer demand for low-carbon and sustainable products can gradually erode a company's competitive advantage.
- Obstructed Supply Chain Decarbonization — If carbon reduction initiatives are not advanced in coordination with supply chain partners, the overall sustainability of the supply chain will be hindered, impacting the company's long-term competitiveness.

Therefore, DFI considers green design and product sustainability as core strategies, consistently investing in innovation and R&D to ensure that both the Company and its supply chain advance steadily on the path toward low-carbon transformation, jointly promoting environmental sustainability.



### 2024 Targets

- 30% of the top 100 suppliers have signed the updated Sustainable Development Code of Conduct and completed the Sustainability Risk Assessment Questionnaire
- Introduction of carbon footprints for 5 products



### 2024 Achievement

- 30% of the top 100 suppliers have signed the updated Sustainable Development Code of Conduct and completed the Sustainability Risk Assessment Questionnaire
- In 2024, preliminary carbon footprint calculations were completed for five products.



Short-term Targets

- Annual Procurement Strategy Review (Based on the procurement performance of the previous year, this year's procurement strategy is formulated)
- Achieved a 100% response rate in the Top 100 Major Suppliers' Sustainable Self-Assessment Questionnaire Survey
- Achieve a 100% response rate in the Top 100 Major Suppliers' Sustainable Development Code of Conduct Survey
- One of the new supplier conditions is to prioritize suppliers that comply with ISO 14001 and ISO 14064-1.
- Product Carbon Footprint System Implementation: 5 BOMs completed in 2024, with 53 BOMs expected to be completed in 2025.



Action Plan or Program

DFI requires new suppliers to sign procurement contracts and supply quality assurance letters during the supplier approval stage to ensure adherence to delivery schedules, quality standards, and warranty requirements. In the event of delivery delays caused by natural disasters or other unforeseen circumstances, suppliers are obligated to provide immediate notification. For electronic components with high commonality, DFI has established a second-source management mechanism for substitute parts. Safety stock is maintained for critical materials to mitigate risks associated with shortages or quality issues. DFI classifies materials and assigns dedicated procurement personnel to analyze market information. Through regular meetings and periodic market reviews, a centralized procurement strategy is implemented to establish a preferred vendor list (PVL). This approach streamlines and improves cooperation efficiency, resulting in high-quality materials and stable delivery schedules.

Our supplier selection criteria include RoHS (HSF), QC080000, ISO 14001, ISO 45001, and local sourcing in alignment to standards. We emphasize that suppliers must uphold fundamental human rights and comply with labor regulations.

## Sustainable Supply Chains

### Responsible Procurement

As a professional manufacturer and service provider in the field of industrial computers, DFI is committed to responsible procurement. We leverage our influence to lead both upstream and downstream suppliers in continuous improvement across various aspects such as technology, quality, delivery, environmental protection, human rights, safety, and health. Our goal is to create a green and sustainable supply chain within DFI, where all stakeholders work together to promote responsible practices and contribute to a better future.

In the fourth quarter of 2023, we will revise and require suppliers to re-sign the "Sustainable Development Code of Conduct" and the "Sustainable Risk Assessment Questionnaire." Our 2024 goal is to achieve a 30% response rate from the top 100 major suppliers for the updated version, targeting 100% response by 2025. This corresponds to a 6.7% recovery rate relative to the total supplier base. Looking ahead, we aim to engage 80% of major suppliers by 2030 and achieve full (100%) participation by 2040.

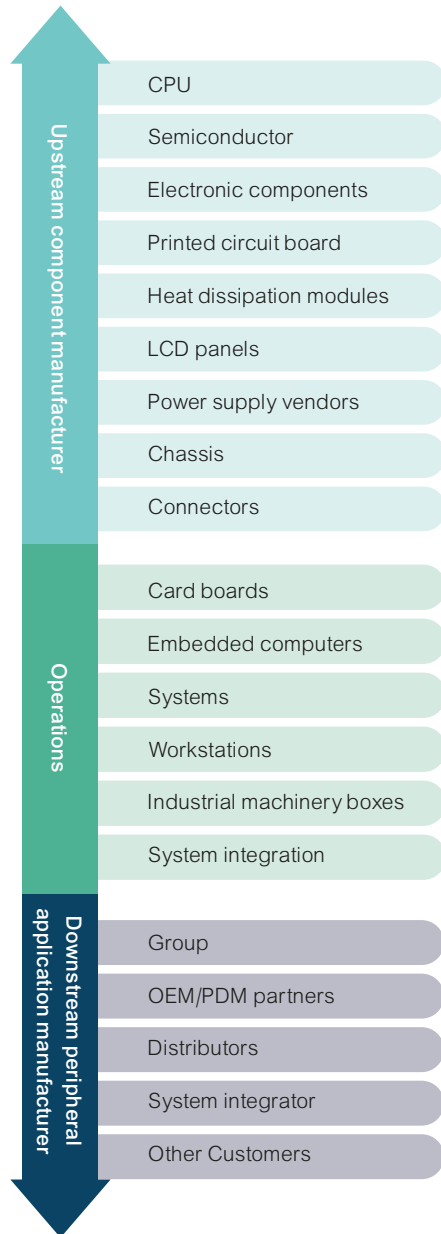
Note: A total of 446 suppliers were involved, with the top 100 major suppliers accounting for 92% of the total transaction volume.

Establishing Delivery Commitments with Suppliers:

- Must comply with the regulations of the United States conflict minerals law.
- Must comply with import and export controls, sanctions, and prohibitions related to forced labor regulations applicable in the United States, the European Union, and other relevant jurisdictions.

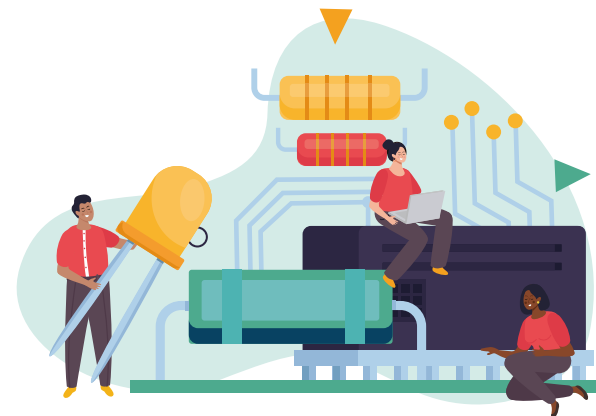
#### Green Operation

- Continuously increase localized procurement. By 2024, there will be a total of 94 major suppliers among the top 100, with the total number of suppliers currently at 446
- Product Carbon Footprint System Implementation: 5 BOMs completed in 2024, with 53 BOMs expected to be completed in 2025.



## Goals & Strategies

DFI is committed to driving a positive cycle within the industry and supply chain. Our business philosophy is centered around creating win-win situations with both suppliers and customers, and establishing a sustainable ecosystem within the IoT supply chain. We constantly ensure that our supply chain and production processes adhere to the highest ethical standards and comply with the latest environmental regulations. As an industrial IoT service provider, our Company follows a model where we purchase components from upstream component manufacturers and assemble them in our own facilities before delivering the finished products to our customers. Due to the nature of our industry, our Company deals with a wide range of products and highly customized solutions. Currently, our supplier database consists of tens of thousands of items. We regularly conduct supplier evaluations and assessments through our procurement and quality assurance departments to ensure the stability of our supply chain and the quality of the supplied products. These evaluations also help us understand the capabilities of our suppliers in terms of their manufacturing processes. In addition to regular assessments of supplier product quality, on-time delivery, cooperation, occupational health and safety management, and sustainable management, we also maintain ongoing communication with our suppliers. "Corporate social responsibility and sustainable supply chain management" is incorporated into our supply chain assessment criteria. We actively engage with our suppliers to promote sustainable development within the supply chain, ensuring a safe working environment, dignified labor relations, ethical operations, and environmental protection. With a goal of sustainable business operations, we aim to implement our existing supplier management system and lead our suppliers in practicing corporate social responsibility. Through collaboration between suppliers and our Company, we strive to achieve the highest product quality, service, and sustainable value at the lowest cost.



## Long-term (2040)

## Midterm (2030)

## Short-term (2025)

A  
Supply chain  
management  
(cost)

Annual Procurement Strategy Review (Based on the procurement performance of the previous year, this year's procurement strategy is formulated).

Achieve a 100% response rate in the Top 100 Major Suppliers' Sustainable Self-Assessment Questionnaire Survey.

Achieve a 100% response rate in the Top 100 Major Suppliers' Sustainable Development Code of Conduct Survey.

Compliance with ISO 14001 and ISO 14064-1 is one of the criteria for selecting new suppliers.

Product Carbon Footprint System Implementation: 5 BOMs completed in 2024, with 53 BOMs expected to be completed in 2025.

The DFI Factory in Taoyuan and its suppliers carry out packaging material recycling without performing statistical analysis of the process.

- Five organizations have agreed to implement recycling, and one has already been completed.
- DFI comprehensively recycles electronic materials, auxiliary materials, and outer packaging materials, carrying out the process without performing statistical analysis.

Measures to reduce finished product packaging.

- EPE optimized design replaced with folded paper eco-friendly material, completed for a total of 17 models.
- EPE optimized design replaced with eco-friendly paper-plastic material, completed for a total of 3 models.

Supplier audits should focus on developing sustainable supply chains, selecting suppliers that meet the criteria, and achieving reasonable prices.

Achieved an 80% response rate in the Suppliers' Sustainable Self-Assessment Questionnaire Survey.

Achieve an 80% response rate in the Suppliers' Sustainable Development Code of Conduct Survey.

The compliance rate of new suppliers with ISO 14001 and ISO 14064-1 should be 80%.

Product carbon footprint is expected to be completed for 400 BOMs.

The DFI factory in Taoyuan and its suppliers continue to recycle packaging materials without carrying out a statistical analysis of the process.

Measures to reduce finished product packaging.

- EPE optimized design replaced with folded paper eco-friendly material and is continuously been implemented.
- EPE optimized design replaced by eco-friendly molded pulp material and is continuously been implemented.

The compliance rate of new suppliers with ISO 14001 and ISO 14064-1 should be 100%.

Achieved an 100% response rate in the Suppliers' Sustainable Self-Assessment Questionnaire Survey.

Achieve an 100% response rate in the Suppliers' Sustainable Development Code of Conduct Survey.

Full implementation of product carbon footprint in the BOM.

The DFI factory in Taoyuan and its suppliers continue to recycle packaging materials without carrying out a statistical analysis of the process.

Measures to reduce finished product packaging.

- EPE optimized design replaced with folded paper eco-friendly material and is continuously been implemented.
- EPE optimized design replaced by eco-friendly molded pulp material and is continuously been implemented.

## Supplier Composition

DFI collaborates with over a thousand suppliers globally, providing products and services in the fields of Internet of Things (IoT), automation, and embedded computing. Our main supplier categories include raw material and packaging suppliers, as well as processing factories, engineering, transportation, security, and cleaning contractors. Raw material suppliers have a significant impact on our operations and production, so we categorize them into two types based on their attributes: direct material suppliers (materials directly related to production) and packaging material suppliers (materials indirectly related to production or packaging materials). To effectively manage raw material suppliers and allocate resources, we identify key suppliers by screening their annual purchase amounts, critical raw materials, and suppliers that cannot be easily replaced. These key suppliers undergo integrated management to ensure their critical status in the supply chain.

## Collaborates With Local Suppliers

To establish close partnerships with local domestic partners, create local employment opportunities, and reduce carbon dioxide emissions generated during manufacturing and transportation, DFI continuously promotes a localization procurement strategy. The company prioritizes the use of local suppliers in Taiwan and requires their products to comply with environmental regulations such as RoHS/HSF, gradually increasing the proportion of local procurement. In 2024, among the top 100 major suppliers, 94 are local transactions, accounting for 91.30% of the total annual procurement amount. As of now, there are a total of 446 primary suppliers.

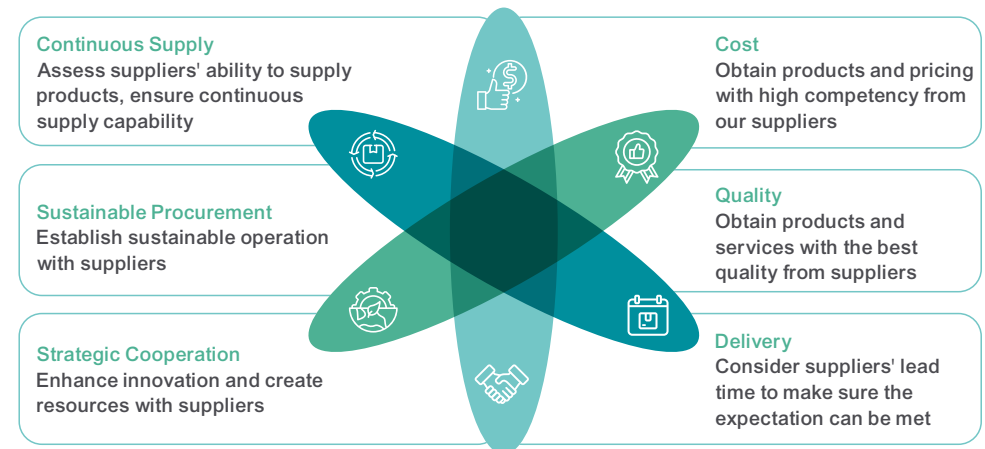


Item	Details
Top 100 suppliers	100 Companies
Among them, local suppliers	94 Companies
Proportion of local supplier procurement	91.30%
Total number of all major suppliers	446 Companies
Key points for promoting local procurement	Prioritize collaboration with domestic suppliers

## Supplier Management Strategies

DFI requires new suppliers to sign procurement contracts and supply quality assurance letters during the supplier approval stage to ensure adherence to delivery schedules, quality standards, and warranty requirements. In the event of delivery delays caused by natural disasters or other unforeseen circumstances, suppliers are obligated to provide immediate notification. For electronic components with high commonality, DFI has established a second-source management mechanism for substitute parts. Safety stock is maintained for critical materials to mitigate risks associated with shortages or quality issues. DFI classifies materials and assigns dedicated procurement personnel to analyze market information. Through regular meetings and periodic market reviews, a centralized procurement strategy is implemented to establish a preferred vendor list (PVL). This approach streamlines and improves cooperation efficiency, resulting in high-quality materials and stable delivery schedules.

### DFI's Supplier Management Strategies



DFI actively invests in supply chain development to ensure sustainable goals can be achieved together with suppliers. Our procurement strategy involves sourcing from two or more suppliers to create interchangeability and competitiveness, thus mitigating procurement risks and reducing costs. In addition to focusing on suppliers' cost, quality, delivery, and continuity of supply, we have established the DFI Supplier Code of Conduct to guide suppliers in adhering to ethical business practices. Promote corporate social responsibility and initiatives such as the Conflict Mineral regulation. At the moment, our supplier selection criteria include RoHS (HSF), QC080000, ISO 14001, ISO 45001, and local sourcing in alignment to standards. We emphasize that suppliers must uphold fundamental human rights and comply with labor regulations.

## DFI Supplier Code of Conduct

Suppliers are required to sign the "DFI Supplier Code of Conduct for Sustainable Development," which entails full compliance with the laws and regulations of their respective operating countries/regions. The codes set the standards for business conduct in areas such as labor rights, health and safety, environment, corporate ethics, and management systems to establish a sustainable procurement system. At the same time, suppliers are required to communicate these requirements to their next-tier suppliers and ensure ongoing compliance monitoring.

Since 2022, DFI has required raw material suppliers to complete an ESG sustainability risk assessment questionnaire covering legal compliance, sustainability management, supplier management, conflict minerals management, environmental protection, health and safety, labor rights, and human rights. This enables DFI to monitor suppliers’ sustainability risks and ensure their performance meets company standards. In 2024, supplier audits found no cases of significant negative environmental impact.

To enhance the overall sustainability performance of the supply chain, DFI consistently requires and encourages both existing and new suppliers to obtain international standard certifications, including ISO 9001, IATF 16949, ISO 14001, ISO 45001, and ISO 14064-1. In 2024, among the top 100 major suppliers, 51 have obtained ISO 14001 certification, representing 11.43% of the total 446 suppliers; 16 have achieved ISO 14064-1 certification, accounting for 3.59%; and 23 have received ISO 45001 certification, comprising 5.16%.

This result demonstrates the Company's continued efforts to promote high-level sustainable management throughout the supply chain by implementing institutional requirements and fostering collaborative mechanisms, while strengthening responsibility coordination and risk resilience between upstream and downstream partners.

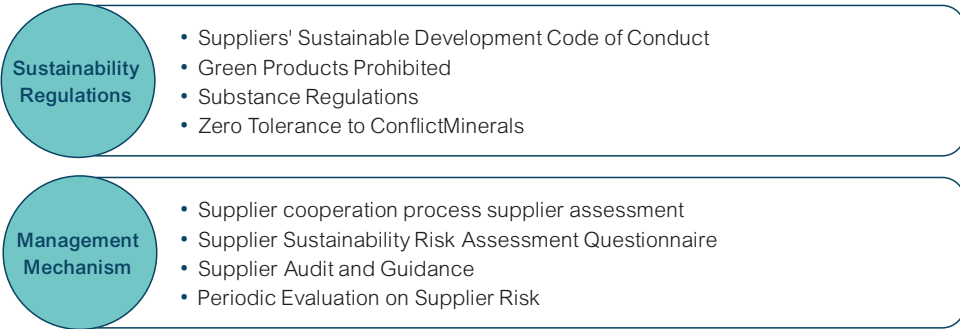
Certifications	Number of companies approved	Proportion of total suppliers
ISO 14001	51 Companies	11.43%
ISO 14064-1	16 Companies	3.59%
ISO 45001	23 Companies	5.16%

## DFI Sustainable Supply Chains

Through a globally unified brand, DFI deepens relationships with global customers and partners, striving to create sustainable corporate value. Requires the entire supply chain to adhere to the relevant regulations of the supplier's country. DFI expects suppliers to enhance their self-management capabilities and jointly build a green supply chain, promoting sustainable

development in the supply chain. For example, DFI does not allow suppliers to engage in forced labor or employ child labor, and if such instances are found to be significant, the business relationship will be terminated. As of now, there have been no instances where cooperation with a supplier has been terminated due to forced labor or the employment of child labor.

## DFI Sustainable Supply Chain Architecture



To implement DFI's purchasing and supply chain policies, we have established a phased approach to supply chain sustainability management. Through continuous improvement and iteration on an annual basis, we ensure that suppliers meet our standards and enhance their sustainable performance.

In addition, in order to understand the sustainability status of the supply chain and to address sustainability risks, we will revise and implement the Sustainable Development Code of Conduct and the Sustainable Risk Assessment Questionnaire for all suppliers starting in 2024, in addition to the existing supplier assessments. The aim is to identify suppliers' economic, environmental, and social performance and ensure that their risks can be effectively managed and reduced. It also ensures that suppliers' sustainability meets our standards.

## Supplier Sustainable Management Process





## Quality Management Operations Procedures

To implement DFI's purchasing and supply chain policies and ensure that suppliers meet our standards, DFI has established the "Supplier Quality Management Work Process." Through clear management and operational procedures, we ensure that suppliers' delivery schedules, product quality, technology, and hazardous substances meet DFI's expectations and customer requirements. Currently, DFI manages and supports raw material suppliers through the following three stages:

### Supplier Development and Work Process

- ✓ Holding ISO 9001 verification and other registration letter of Company, factory, or business.
- ✓ Assessment of the supplier's ability in quality, pricing, innovation, and production.
- ✓ During the evaluation stage, new suppliers must sign a Quality Assurance Agreement, a Sustainable Development Code of Conduct, and a Sustainable Risk Assessment Questionnaire.
- ✓ If the assessment result is qualified and approved, the supplier will be listed in the qualified supplier list.

According to DFI's supplier management guidelines based on the procurement procedures, DFI conducts periodic on-site audits for suppliers with high-risk profiles. These audits include assessing the vendor's processes, quality control, environmental health and safety practices, labor conditions, and CSR management. Supplier evaluations are conducted based on the audit findings, including assessments of quality, delivery, and cooperation. Corresponding measures are implemented based on the evaluation results. If a supplier receives a rating of C or below for price or delivery performance continuously for one year, DFI requires the supplier to propose improvement measures until the improvements are confirmed. If the supplier fails to make improvements within one year, the procurement unit will initiate the search for new suppliers. For high-risk component manufacturers, DFI focuses on conducting audits to ensure compliance with safety regulations. Additionally, DFI establishes a second-source management mechanism and maintains safety stock for critical materials to mitigate risks associated with material shortages or quality issues.

### Supplier Assessment

- ✓ Quarterly or half-year audit is conducted on raw material suppliers
- ✓ Aspects to be evaluated include material quality, delivery, cooperation, and customer complaint
- ✓ Based on the assessment score, suppliers will have different treatment.

After becoming an approved supplier for DFI, suppliers are subject to regular evaluations in

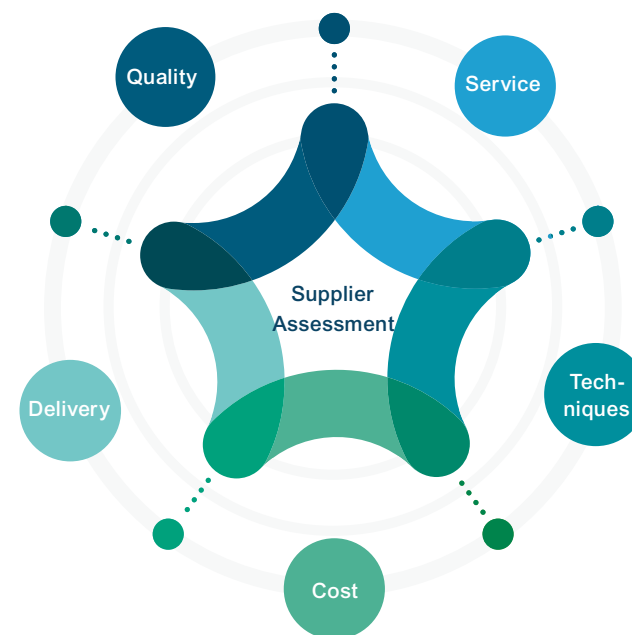
five dimensions: Technical Capability (Innovation/Technology), Quality Capability, Delivery Capability, Cost Leadership Capability, and Service Team Capability (Speed/Response). The evaluation results play a crucial role in determining the procurement strategy. For key component suppliers, specific strategies are formulated for each product line. Suppliers who are not included in the strategic supplier list are referred to as general qualified suppliers. Being designated as a strategic supplier means they will receive priority usage or increased procurement volume from DFI.

### Risk Evaluation Identification

Category	Regular basis	Non-routine
Frequency	Every quarter or every 6 months	Ad hoc basis (on-site audit and visit)
Assessment level	Level A: $95 \leq \text{Score} \leq 100$ Level C: $60 \leq \text{Score} \leq 74$	Level B: $75 \leq \text{Score} \leq 94$ Level D: $\text{Score} < 60$

\* Outstanding suppliers will be selected and awarded based on the periodic assessment (quarterly/half-year)

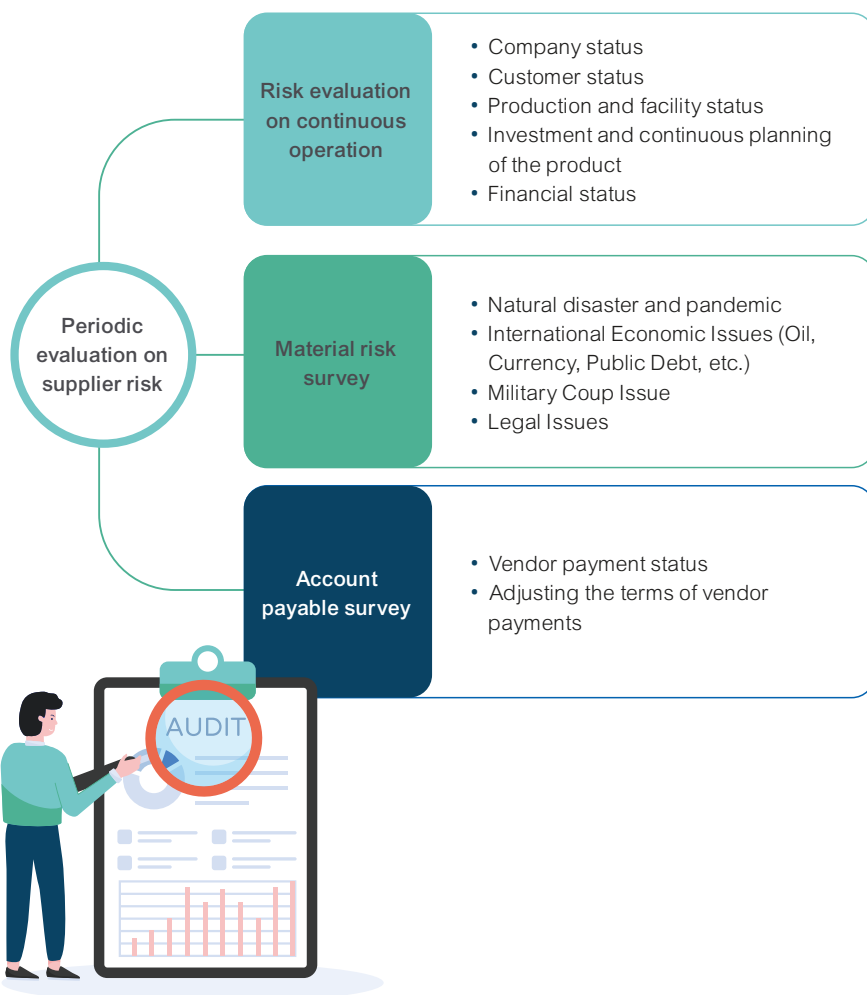
### Supplier Assessment Aspects





### Continuous Improvement

- ✓ Regular/ad-hoc audit is carried out every year based on the material quality.
- ✓ Audit covers quality system, manufacturing process, hazardous substances, and corporate social responsibility.
- ✓ Follow-up guidance and post-audit will be conducted based on the audit result.



### Supplier Risk Management

The five major risks in the global supply chain are shorter lead time, localization, bankruptcies of smaller and specialized suppliers, production base, restrictions on air freight in multimodal logistics, and cyberattacks. Companies must maintain supply chain resilience and establish flexibility to mitigate the impact of the pandemic. Regarding existing qualified suppliers, DFI also conducts careful supplier risk assessments. This includes regular and ad hoc investigations into suppliers' operations and financial conditions, with a focus on high-risk groups. The purpose is to prevent unforeseen closures that may impact deliveries or result in disputes. In addition, major risk investigations are conducted on suppliers, particularly during periods of high influenza outbreaks, labor shortages, exposure of European countries' public debt, and global military tensions. Suppliers in those regions are thoroughly investigated to assess their ability to cope with such situations. Effective communication with suppliers is established to determine appropriate contingency measures. This enables DFI to implement the most suitable preventive measures along the supply chain and avoid operational risks.

### Management Policy of Conflict Minerals

DFI is committed to implementing a green supply chain that aligns with customer needs and international justice. It deeply understands the management practices of its suppliers regarding conflict minerals and adheres to the "Three Nos" principle, which means it does not support, accept, or use conflict minerals. In addition to its own commitment to not accepting the use of metals from conflict-affected areas, DFI also requires its suppliers to comply with and commit to these principles. This ensures that DFI's supply chain respects human rights and avoids involvement in conflict activities. Starting in 2024, delivery commitments will be established with suppliers. The Company must comply with the U.S. Conflict Minerals regulations, as well as import and export control, sanctions, and forced labor prohibition laws applicable in the EU and other relevant jurisdictions. DFI communicates its policy and requirements regarding the non-use of conflict minerals to suppliers through its green procurement initiatives. Key suppliers are required to comply with this policy and cascade it to their respective lower-tier suppliers. We ask suppliers to conduct a reasonable country of origin inquiry (RCOI) to identify and verify the sources of conflict minerals (3TG\*) used in the manufacturing and servicing of products, ensuring they are not from conflict-affected regions. The RCOI investigation includes the following steps:

- Conducting supplier mineral source investigations and obtaining signatures through the Conflict Minerals Reporting Template (CMRT) to identify the sources of 3TG minerals and smelters.
- Suppliers are required to sign a commitment letter confirming their adherence to the conflict minerals policy of DFI and ensuring the accurate and complete disclosure of the sources of their smelters.

Note: 3TG refers to minerals sourced from the Democratic Republic of Congo and neighboring countries, including Cobalt (Co), Gold (Au), Palladium (Pd), Tantalum (Ta), Tin (Sn), and Tungsten (W)

## Hazardous Substance Management Policy

DFI will continue to ensure that all processes comply with international regulations and customer environmental requirements. We will periodically update the regulations on the restriction of hazardous substances and establish a "Hazardous Substance Restriction Management" verification department. We will define clear standards for the use of hazardous substances in products and ensure compliance with environmental control requirements.

DFI complies with the following regulatory requirements:

### EU RoHS 2.0 (recast) Directive 2011/65/EU



which restricts the concentration levels of lead (Pb) (<1,000ppm), Cadmium (Cd) (<100ppm), Mercury (Hg) (<1,000ppm), Hexavalent Chromium (Cr6+) (<1,000ppm), Polybrominated Biphenyls (PBB) (<1,000ppm), Polybrominated Diphenyl Ethers (PBDE) (<1,000ppm), Di(2-ethylhexyl) Phthalate (DEHP) (<1,000ppm), Benzyl Butyl Phthalate (BBP) (<1,000ppm), Dibutyl Phthalate (DBP) (<1,000ppm), and Diisobutyl Phthalate (DIBP) (<1,000ppm) in products. All of our products meet the aforementioned requirements, and we will continue to strive for development to meet the needs of our customers.

### EU REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) Regulation



DFI's products comply with the requirements of the EU REACH regulation, which pertains to the hazardous substances listed under REACH and the Substances of Very High Concern (SVHC) subsequently announced by the EU.

### EU WEEE (Waste Electrical and Electronic Equipment) Directive (2012/19/EU)



The directive requires manufacturers to take responsibility for the collection, treatment, and proper disposal of waste electrical and electronic equipment. The objective is to reduce electronic waste, protect human health, and prevent environmental harm from hazardous substances.

### EU Regulation (EU) No. 757/2010 and its updated regulation (EC) No. 850/2004



on Persistent Organic Pollutants (POPs), textiles and other coated materials (1g/m<sup>2</sup>), finished products, semi-finished products, and components (1,000 ppm), as well as substances or preparations (10 ppm).

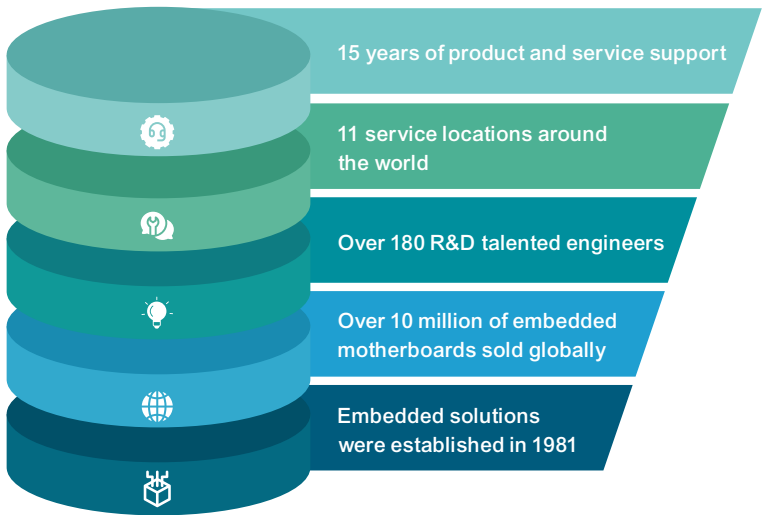


# Commitment to Clients

DFI, founded in 1981, is a global pioneer in high-performance computing technology. With over 40 years of expertise, DFI specializes in developing innovative, advanced boards and system-level products for embedded applications and the manufacturing sector. These products are renowned for their rigorous version control and long product lifecycle. Leveraging the latest technology platforms and manufacturing processes, DFI delivers highly cost-effective products that are widely applied in medical diagnostics and imaging, ATM/POS systems, industrial control, security surveillance, digital signage, gaming, and various other embedded applications.

DFI upholds innovation and quality as core values, continuously striving to set industry benchmarks in both areas. Through its products and services, DFI aims to deliver innovation and quality to customers, helping them maximize value.

In addition, DFI has developed a variety of application-specific systems to help system integrators (SIs) achieve rapid integration of hardware and software. These systems are optimized and deployed for diverse applications such as smart transportation, healthcare, and gaming. In addition to offering a long-term embedded product line, DFI also provides excellent customer support services to ensure rapid solution integration, shorten time-to-market, accelerate delivery cycles, and meet customers' customized requirements.



## TOP 3 IPC LEADER

A Leading Provider of Embedded Solutions Our Commitment is to Provide High-Valued Products for You

PRODUCT	MANUFACTURE	SERVICE
In-Depth & Fast Development	Large & Small-Scale Capacity	Quick & Dedicated Support
40+ CPU Platforms Designs	300% Picking Increased	20+ Global Sites Support
2 Weeks 8 Months Product Deviation ODM Development	30% 99% Capacity Enhanced Inspection Accuracy	5 Days 8 Hours Draft Report Issues Solved

Computer on Module

World's smallest SBC design

Military-grade Low-power AI Platform Integration

Computer in Box

Industrial Mini Computer

Automated Applications

Connected Vehicle Applications

Computer with Panel

Bar-shaped Tablet PC

Displays for Medical

In-vehicle Tablet PC

Touch Screen Tablet PC

Bar-shaped Display

Touchscreen Display

Manufacturing

In-Vehicle

Energy

Medical

Defense Industry

Retail Gaming

Artificial Intelligence Server

AGV/AMR



## Computer in Box Application



AGV For PCB Industry

EC70A-SU Industrial Computer



Real-Time License Plate Recognition

ES220-CS Industrial Computer



Police Vehicle System

VC230-AL In-vehicle System



Food Sorting System

EC70A-SU Industrial Computer

## DFI Product Applications in Medical Equipment



Dental X-Ray Imaging

EC500-SD Industrial Computer



Surgical Imaging Equipment

KD330-Q170 microATX



CT Machine

PT630-NRM ATX



Medical Video Recorder

ODM Medical System

## 2024 Exhibition & Conference

### Computex

2024/06/04-06/07



### Automation Expo

2024/08/21-08/24



### Inno Trans

2024/09/24-09/27



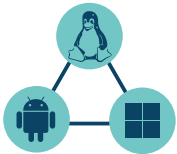
### Embedded World

2024/10/08-10/10



Software and Services

DFI not only focuses on delivering exceptional industrial hardware solutions but also provides top-tier services from design through production. This comprehensive support helps clients enhance equipment compatibility and functional performance, ensuring optimal results across diverse application scenarios. DFI's Customized Services (DCS) offer reliable and comprehensive solutions that have helped numerous industry-leading application providers achieve outstanding product performance and unparalleled quality over the past decades. Our goal is to establish long-term, mutually beneficial partnerships with customers through customer-centric design services, rigorous quality certification systems, and global logistics and technical support.



ODM/OEM Services



OS Custom Services



Custom Software Services



BIOS Custom Services



Design and Manufacturing Services



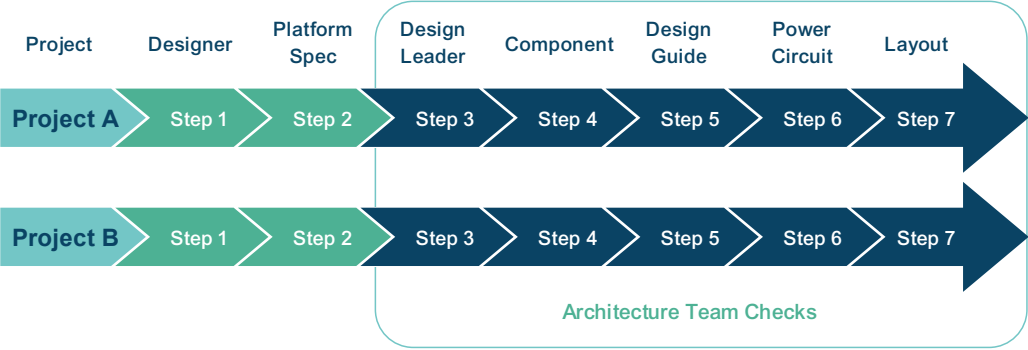
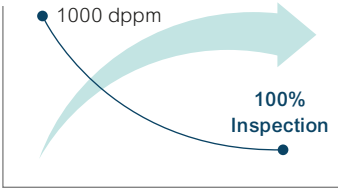
Reliable Technical Services



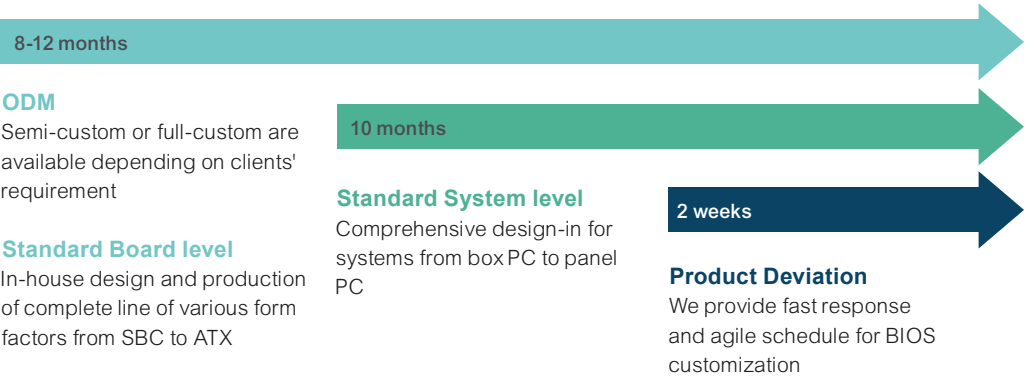
Extended Warranty

Rigorous Product Testing to Ensure Reliability and High Quality

DFI's products undergo multiple rigorous tests during the development process to ensure reliability and durability. These tests encompass thorough inspections of all high-speed signals during the design phase, along with stringent durability assessments under extreme conditions such as temperature fluctuations, shocks, and vibrations. Through these tests, DFI ensures its products maintain stable operation even in harsh environments.



100+ Developing Products The timeframe of product development



## 100% Quality Control From Design To Production

DFI employs a Total Quality Management (TQM) system, continuously optimizing quality throughout every stage from design to production to meet and exceed customer expectations.

### Design Phase

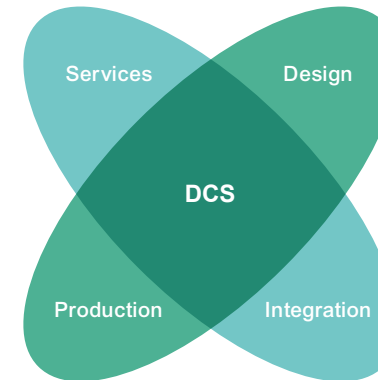
A dedicated professional team conducts testing and inspection of circuits, mechanical structures, and components to ensure that the design and quality of each project consistently maintain a high standard.

### Production Phase

All products undergo a thorough internal inspection process before shipment, effectively reducing the repair rate and minimizing customers' additional maintenance costs and downtime.

- Excellent Revision Control
- After-Sales Severices
- Worldwide Onsite Technical Support

- Strict Product Validation
- Small-Volume, Large-Variety Production
- 100% Product Inspection



- Embedded Boards with Requested Features and From Factors
- Various Peripheral Modules (M.2 / PoE / COM)

- Desired System Enclosure, Panel and Mechanical / ID Design
- Customized BIOS / OS/ Software

## Flexibility-ruggedized & Custom Design for Exterme Applications

<b>Wide Temperature</b>	<b>Wide Voltage</b>	<b>IP65/66 Rated Protection</b>	<b>Anti-Vibration /Shock</b>	<b>Conformal Coating</b>	<b>Marine Design</b>	<b>Mission Critical</b>
-40° C -85° C Durability	9-36V DC Input	Dust / Particles Protection	Stable / Reliable Performance	Parylene / Conformal Coating	IEC60945	3s after booting into OS image
Optimized Thermal Solution HALT Test	Over Current Protection	Water Protection	IEC60068 Frequent Vibration/ Shock Resistance	Excellent Adhesion Corrosion Resistance	power isolation Anti-noisy High radiation	VPX development capability



## Manufacturing Base and Standards Certified by Global Certification

For many years, DFI has been deeply engaged in the embedded field, consistently making the production of high-quality products its core mission. DFI is committed to ensuring that all products comply with strict regulatory standards and international certifications to fully meet customer requirements.

Factory	Product
ISO 9001	ISO 14064-1
ISO 14001	CCC China
ISO 13485	Sony Green Partner
IECQ QC 080000	ESD S20.20 2007
ISO 45001	(Suzhou Factory)
ISO 50001	
	CE FCC cULus
	RoHS CCC E13
	FCC Part 18 Class B
	EN 60601-1-2

## AI Technology and Environmental Costs: The Emergence of Edge Computing

According to NVIDIA's survey, over 60% of large retailers have adopted AI technology, with more than 80% of them applying it in three or more scenarios. McKinsey Digital estimates that the annual potential value of artificial intelligence in the retail and fast-moving consumer goods market ranges from \$400 billion to USD 660 billion. However, training and operating AI models demand substantial computational power, which not only drives up energy consumption but also intensifies the environmental impact.

Chia-I Chang, President of the Product Center at DFI, highlighted that the challenges posed by AI technology have driven a rapid surge in demand for edge computing. He stated, "The demand for real-time decision-making and the growing scale of data at the edge are key factors driving this transformation." Bringing data processing closer to the source not only reduces latency but also enhances privacy protection. By integrating virtualization technology, DFI consolidates multiple computing workloads onto a single industrial computer platform. This enables efficient resource allocation and remote management, boosting system performance while effectively lowering customers' total cost of ownership (TCO). This approach represents a breakthrough solution for advancing AI development and sustainable operations. )

## High-Efficiency, Energy-Saving Edge AI Innovation Solutions

The traditional architecture typically requires four independent hardware platforms and supports only a single operating system, with an overall power consumption of approximately 40 watts. DFI has enabled multi-operating system and multifunctional support with the ATX industrial-grade motherboard RPS630-R680E/Q670E. Testing showed power consumption of just 32.2 watts, significantly reducing energy use.

The "Smart AI Retail Terminal," featuring the built-in Mistral 7B AI large language model and powered by Intel® Arc™ GPU, enhances AI computational performance. It delivers 80% language understanding accuracy and generates responses within 2 seconds. Using the Intel® OpenVINO™ toolkit, businesses can swiftly deploy trained AI models onto new systems with ease. Furthermore, the integration of remote management technology allows for management and BIOS updates to be performed remotely—even when the equipment is powered off—further reducing operational costs and ensuring uninterrupted business continuity.

The innovative design of the "Smart AI Retail Terminal" harmonizes energy conservation and carbon reduction with operational efficiency, enabling breakthrough advancements in edge AI applications. This technological concept extends beyond smart retail, finding broad applications in healthcare, transportation, digital advertising, and other fields to address the diverse needs of unmanned intelligent services.

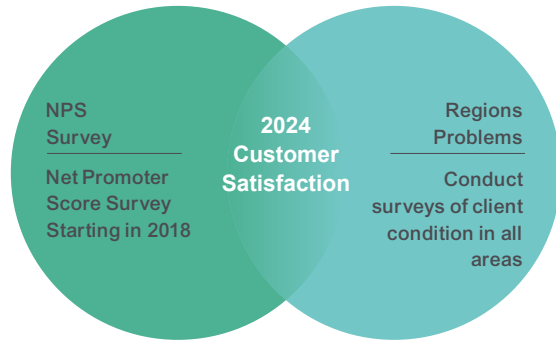
## Focus Case

DFI, a leading global brand in embedded motherboards and industrial computers, was honored with the 33rd Taiwan Excellence Award for its innovative "Multifunctional AI Retail Kiosk." The product combines a high-performance AI edge computing platform with virtualization technology, allowing multiple operating systems to run simultaneously on a single hardware unit. It supports a variety of functions, including facial recognition, digital advertising, payment processing, and device-side LLM intelligent services. This not only significantly reduces hardware costs and power consumption but also, with built-in Out-of-Band (OOB) management technology, helps enterprises accelerate their digital transformation—meeting the diverse application needs and energy-saving demands of edge computing.





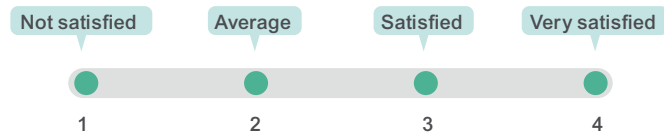
## 2024 Satisfaction Survey



### Overview of the Survey

- The survey conducted this time utilized the customer list of 2024 or the questionnaire distribution
- In order to accurately represent customer feedback on DFI, no sample screening was performed.

Continuing the calculation method introduced in 2021, customer satisfaction is measured by assigning different scores to indicate the level of satisfaction: very satisfied, satisfied, average and dissatisfied. (For more information, please refer to the satisfaction score indicators below.)

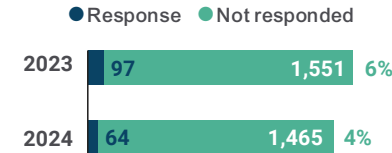


Assumption: 4 points represent "Very satisfied," 3 points represent "Satisfied," 2 points represent "Average," and 1 point represents "Not satisfied." By calculating the arithmetic mean, we can determine the overall satisfaction score. The objective is to gather a more comprehensive satisfaction score from customers using this method and accurately document and present the findings in this report.

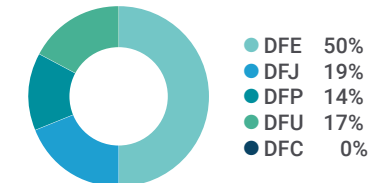
## Questionnaires in 2024

	Responded customer count	Customer count
2023	97	64
2024	74	50

### Questionnaires in 2023 & 2024



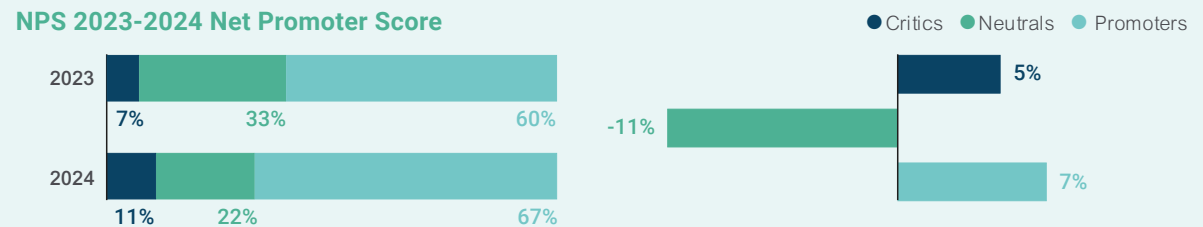
### Response Rate by Region in 2024



- \* The list for distribution in 2024 consists of transaction customer data from the years 2018 to 2024, with a response rate of 4% for 2024.
- \* The top response rates were from Europe, Japan, and the United States.

## NPS Analysis Over the Past Two Years

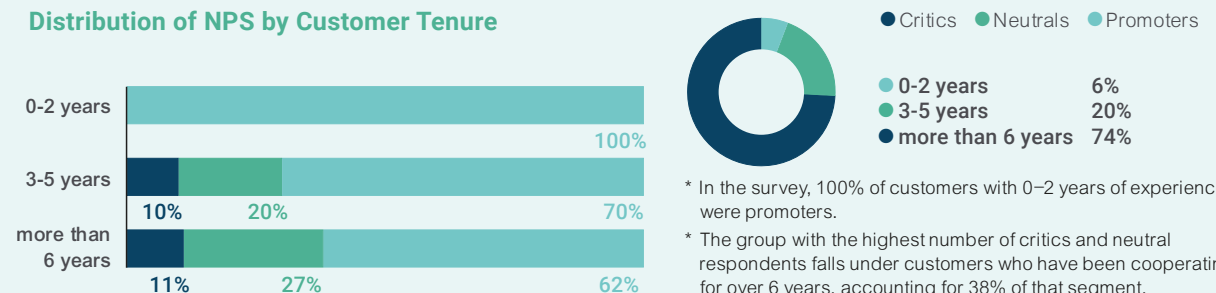
### NPS 2023-2024 Net Promoter Score



- NPS in 2024 was 56, a 3 point increase compared to 2023 (53)
- Scores 0-6 (critics) accounted for 11% of the overall survey responses.
- Scores 7-8 (neutrals) accounted for 22% of the overall survey responses.
- Scores 9-10 (promoters) accounted for 67% of the overall survey responses.

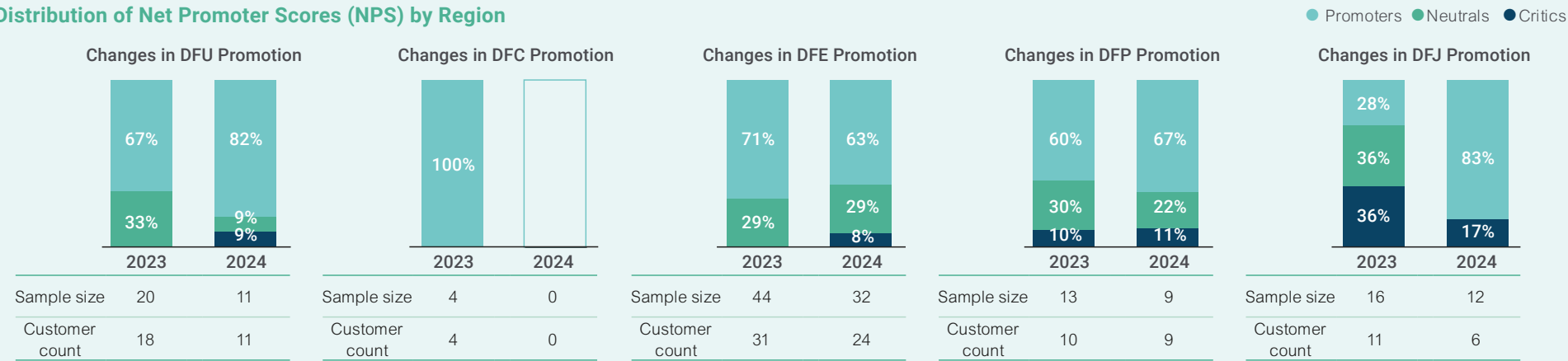
Overall, the number of neutral customers (NPS 7-8) has significantly decreased, while the number of promoters has increased by 7%. It is also noteworthy that the number of critics has risen by 5%, totaling seven customers classified as detractors. Among these, the DFE customer provided further feedback, primarily concerning the substantial increase in RMA service costs, long lead times, and the no stock policy.

### Distribution of NPS by Customer Tenure



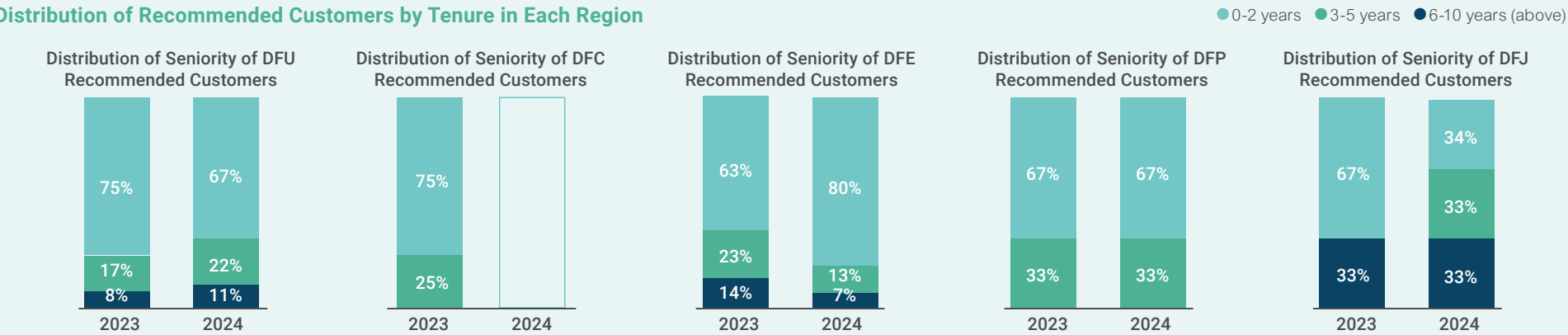
- \* In the survey, 100% of customers with 0-2 years of experience were promoters.
- \* The group with the highest number of critics and neutral respondents falls under customers who have been cooperating for over 6 years, accounting for 38% of that segment.

Distribution of Net Promoter Scores (NPS) by Region



- DFJ has seen a relatively significant increase in the proportion of recommendation-based customers.
- DFE has seen a slight decline in the proportion of recommendation-based customers, with some transition to the critics.
- Lastly, for the DFC segment, no responses were collected this year, possibly because email is not the primary communication channel for local customers. A follow-up assessment will determine whether to provide a tailored approach for DFC. Satisfaction with Other Delivery Channels

Distribution of Recommended Customers by Tenure in Each Region

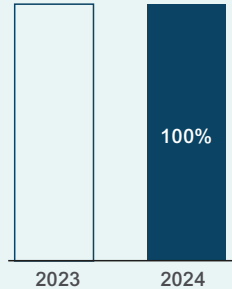


- Overall, the majority of customers who completed the questionnaire have been partners for 6-10 years (and above), with DFE having the highest number among them.
- For DFE, the number of promoter clients has reached 21 (accounting for 80% of DFE).
- DFJ found that different employees from the same client, gave significantly

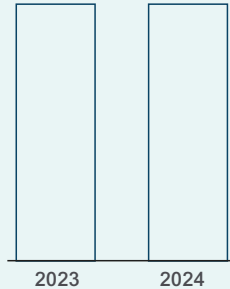
### Distribution of Seniority of Critical Customers from All Regions

● 0-2 years ● 3-5 years ● 6-10 years (above)

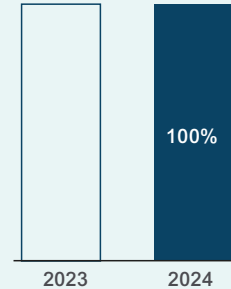
Distribution of Seniority of DFU Critical Customers



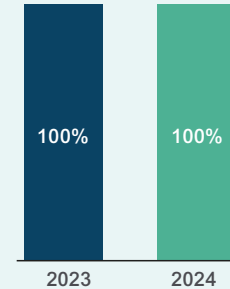
Distribution of Seniority of DFC Critical Customers



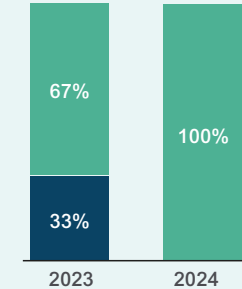
Distribution of Seniority of DFE Critical Customers



Distribution of Seniority of DFP Critical Customers



Distribution of Seniority of DFJ Critical Customers



- The number of critics is relatively low, with essentially only one critic in each region.
- The distribution of years of service predominantly falls within the range of 6-10 years (and above.)

### Changes in Satisfaction Indicators in the Most Recent 2 Years

● 2023 (Sample count: 97 / Customer count: 74) ● 2024 (Sample count: 64 / Customer count: 50)



Client Satisfaction Survey

To assess the satisfaction levels of different tiers of customers regarding the Company's products and services, and to optimize improvements based on this assessment, in order to better align with customer needs and enhance overall satisfaction.

Survey Frequency and Timing

The survey is generally conducted once a year, typically scheduled for December.

Improvement and Corrective Measures

For any items marked as "dissatisfied" in customer feedback, a corrective action report addressing the identified deficiencies will be prepared based on the customer satisfaction survey results. The business unit can further analyze customer demand trends and present them at the Company's management review meeting to evaluate alignment with the quality policy. These insights will also serve as a basis for future optimization and strategic planning.



Customer Information Protection

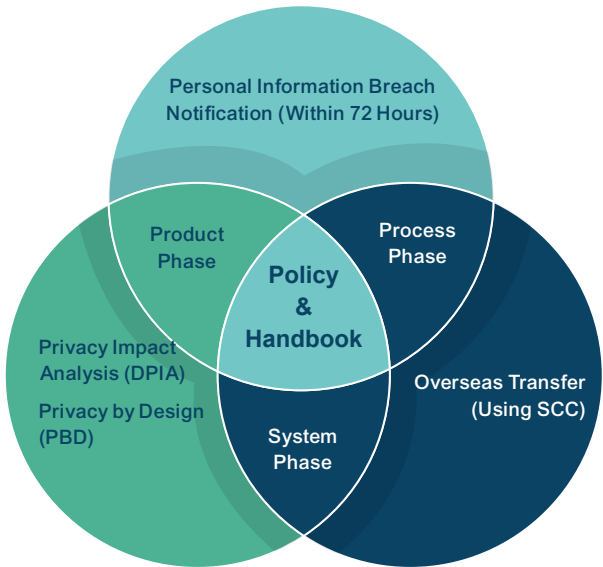
"Integrity management and strict code of ethics" is DFI's firm commitment to the privacy rights of its customers. To ensure the proper protection and management of personal data, we have established a privacy policy in compliance with local regulations and the European Union's General Data Protection Regulation (GDPR), serving as our highest guiding principle. This policy applies to DFI, its subsidiaries, and joint ventures with significant influence. It covers all internal personnel, as well as suppliers, contractors, external consultants, and other partners. The policy outlines clear regulations for the use and protection of personal data, requiring all members and partner organizations to strictly comply with these guidelines to safeguard the security and rights of personal information.

To enhance privacy protection mechanisms, we provide dedicated channels for reporting and appeals. If any potential privacy violations or breaches of the privacy policy are identified, please report them via email at inquiry@dfi.com. In addition, we regularly conduct privacy protection training for all employees and evaluate its effectiveness to ensure proper implementation of the policy. DFI adopts a "zero tolerance" principle regarding privacy rights, and any violations will be penalized in accordance with the Company's code of conduct.

We strictly comply to our privacy policy and do not reuse customer data; therefore, the rate of secondary data usage is 0%. In 2024, there were no privacy-related complaints from external organizations or regulatory authorities, fully demonstrating our strong commitment to data security and effective implementation.



- **SCC** : Standard Contractual Clauses
- **PBD** : Privacy By Design
- **DPIA** : Data Protection Impact Assessment



## Customer Relationship Management

### 2024 KPI Objective

Ensure that no incidents of customer data leakage, loss, or theft occur.

### Execution Results

To date, no cases of customer data leakage or loss have been reported. We continue to collaborate with the group, actively monitoring changes in global personal data regulations and proactively preparing appropriate responses.

### Achievement Rate

100%.

### What DFI Offers for Clients



Know-how of vertical market **top 10** customers and offer reasonable prices



Professional product consultation and fast response within **24 hrs**



Quickly find the best solution for customers within **7 days**



Global **20+** sites for timely or on-spot sales service

“

Whether in reliability for high-end solution, product performance, or responsive services, DFI always stays one-step ahead of customers!.

Thomas Wollesky, CEO of



We offer comprehensive issues analysis include:

Problem description

Issue reproduce & cause analysis

Solution / workaround

Corrective action plan

## Customer Intellectual Property Management

### Identification and Verification of Client Assets

#### Client Property-Hardware Asset

- Establish a management list requiring the completion of the "Individual Customer Asset Management Form" and the "Comprehensive Customer Asset Summary Form" to ensure thorough asset tracking.
- Regarding the provision of materials to customers as production supplies, supervision and control will be carried out in accordance with the "Customer Supply Management Operating Procedures."
- Customer hardware assets will be registered and managed following the coding principle "Customer Abbreviation – Project Name – XXX" to ensure clear identification and effective control of assets.

#### Client Property-Software

- Documents or files provided by the client will be forwarded to the Engineering or R&D departments for review and testing. Once approved, the DCC department will manage distribution and record-keeping to ensure traceability and compliance in document handling.
- Other intangible intellectual property, including patent rights, copyrights, trademark rights, circuit layout rights, and trade secrets, are all included within the scope of asset protection and management to ensure that customer rights are not infringed.



### Transfer and Protection of Client Assets

#### 1 Client Property-Hardware Asset Management

- Before Mass Production: Relevant units are responsible for storage or other uses.
- After Formal Mass Production: The Engineering or R&D Department is responsible for transferring the asset to the Manufacturing Department for mass production. This process must comply with the "New Product Development Procedure" and the "OEM Products Document Control Procedure" for release and control.

#### 2 Review of Damage and Suitability

In the event that the client's hardware or software assets are damaged or deemed unsuitable, the Engineering or R&D Department will conduct an assessment and take appropriate action.

#### 3 Asset Confidentiality and Sharing Restrictions

Assets provided by the client must not be shared with other clients or external parties without the client's explicit authorization.

If it is necessary to provide assets to suppliers, the supplier must sign a Non-Disclosure Agreement (NDA), and the management records must be properly filed and archived.

#### 4 Confidential Information Protection

Materials and assets provided by clients are considered confidential. Company employees are required to strictly comply to confidentiality obligations, and any form of disclosure is prohibited to ensure that clients' rights and interests are fully protected.

# ◉ Move Towards a Green Future

- 101 Climate Strategy and Carbon Management
- 110 Green Operation
- 112 Energy Resource Management
- 114 Green Products
- 121 Carbon Footprint







### Policy or Commitment

DFI is deeply committed to addressing global warming and the greenhouse effect. In fulfilling its corporate social responsibility, DFI has integrated international management systems such as ISO 14064-1, ISO 14001, ISO 45001, and ISO 50001 to establish a comprehensive Environmental, Health, and Safety (EHS) management framework tailored to the Company's needs. Through this integrated management system, DFI not only strengthens its overall performance in environmental sustainability, occupational health and safety, and energy management, but also ensures effective strategies are in place to address climate change challenges, achieve carbon reduction goals, and foster the development of a green operation model. DFI will continue to strengthen its greenhouse gas management mechanisms, optimize carbon reduction strategies, and actively adopt innovative environmental technologies to achieve its long-term carbon neutrality goals and contribute to global sustainable development.



### Impact Description

#### DFI's Climate Change Management Strategy: Risks and Opportunities Coexist

DFI views climate change as both a critical risk and a strategic opportunity in its business operations, and implements a comprehensive management approach focused on two key pillars: reduction and adaptation.

#### Potential Impacts and Corporate Response

As global attention on climate change intensifies, stakeholders—particularly customers—are placing greater demands on low-carbon product designs. This includes expectations around product carbon footprints and the Company's use of renewable energy. In response, DFI actively implements green design and is committed to using renewable energy to meet market demands and align with sustainability goals.

#### Strategy and Actions

- Continue Investing in Green Energy — gradually increase the use of renewable energy to reduce operational carbon emissions.
- Development of Energy-Saving Products and Solutions — Integrate the Company's core business to drive energy-efficient and sustainable technologies, fulfilling market demand for low-carbon products.
- Transforming Risks into Competitive Advantages — Through innovation and technological breakthroughs, transform climate change challenges into new business opportunities to enhance the Company's market competitiveness.
- Through these actions, DFI not only reduces climate-related risks but also enhances its sustainability capabilities, securing a leading position in the green economy.



### 2024 Targets

No target set for 2024



### 2024 Achievement

No target was set for 2024, but the following results were achieved:

- Commitment to climate change strategy and net zero vision.
- Disclosed climate-related information in accordance with the TCFD framework.
- The Qisda Group collectively supports RE100 membership, publicly committing to achieving the RE100 goal by 2040, while actively promoting the use of renewable energy and implementing energy-saving measures.
- Launch a greenhouse gas inventory and verification program for key overseas operations.
- Completed carbon footprint self-declarations for five products, with plans to obtain ISO 14067 certification for the first product in 2025.



### Short-term Targets

- Ongoing implementation of energy-saving and carbon reduction measures, with an annual target of 4%.
- 100% greenhouse gas inventory and verification completed for key overseas operations.
- ISO 14067 certification for the carbon footprint of the first product.



#### Action Plan or Program

- Through clear policy objectives, targeted action plans, regular performance evaluations, and a commitment to continuous improvement, we ensure that our energy usage complies with regulatory standards and aligns with customer and market expectations. Furthermore, DFI has identified major sources of energy consumption based on the operational characteristics of each facility and developed targeted improvement plans to ensure the effective implementation of energy-saving strategies.
- DFI will continue to identify major energy consumption sources based on each facility's operational characteristics and develop targeted improvement plans to ensure the effective implementation of energy-saving strategies.
- Annual assessments are conducted to evaluate the environmental impact of each component. This includes considering the current and future design specifications/ processes of the product line and assessing the potential environmental impact and risks at various stages of the product's life cycle. Comparisons are made with previous-generation models and industry benchmarks to identify components and processes with higher environmental risks. Feasible and economically viable improvement measures that reduce environmental impact are formulated in conjunction with carbon footprint assessments. Low-carbon materials are selected for use in the design process and implemented in the next generation of models.

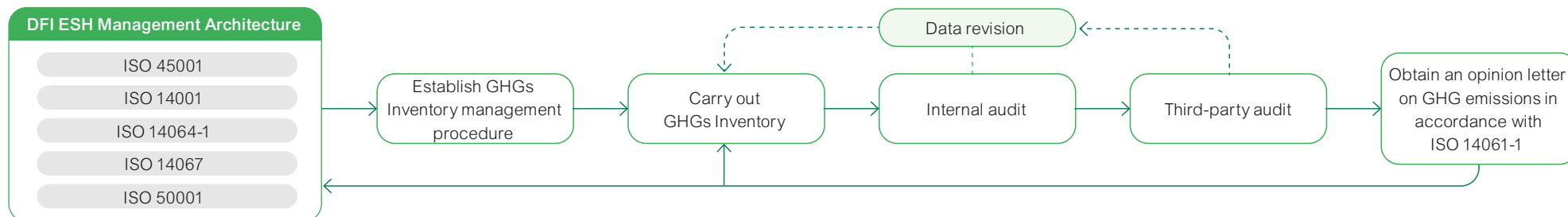
## Climate Strategy and Carbon Management

### Management System and Greenhouse Gas Inventory Certification

DFI is deeply committed to addressing global warming and the greenhouse effect. In fulfilling its corporate social responsibility, DFI has integrated international management systems such as ISO 14064-1, ISO 14001, ISO 45001, and ISO 50001 to establish a comprehensive environmental, health, and safety management framework specifically tailored to DFI's needs. Through this integrated management system, DFI not only strengthens its overall performance in environmental sustainability, occupational health and safety, and energy management, but also ensures effective strategies are in place to address climate change challenges, achieve carbon reduction goals, and foster the development of a green operation model.

To ensure the accuracy of greenhouse gas (GHG) inventory results and the credibility of the report, as well as to improve the quality of the inventory process, DFI conducts both an internal review and annually external verification. The internal audit process rigorously follows the ISO 14064-1:2018 standard, performing a thorough review of emission sources within the Company's operational boundaries to ensure data completeness and compliance with the standard's requirements. Simultaneously, all internal auditors have undergone professional training in ISO 14064-1 to ensure that verification is conducted with impartiality and expertise. Furthermore, to enhance the credibility of the report, DFI has commissioned a third-party certification organization to conduct an independent verification, ensuring that the inventory results comply with international standards.

The results of DFI's 2024 greenhouse gas inventory successfully passed external certification under ISO 14064-1:2018 in February 2025, demonstrating DFI's proactive efforts and commitment to carbon management and environmental sustainability. (Certificate details can be found in the appendix) In the future, DFI will continue to strengthen its greenhouse gas management mechanisms, optimize carbon reduction strategies, and actively adopt innovative environmental technologies to achieve its long-term carbon neutrality goals and contribute to global sustainable development.

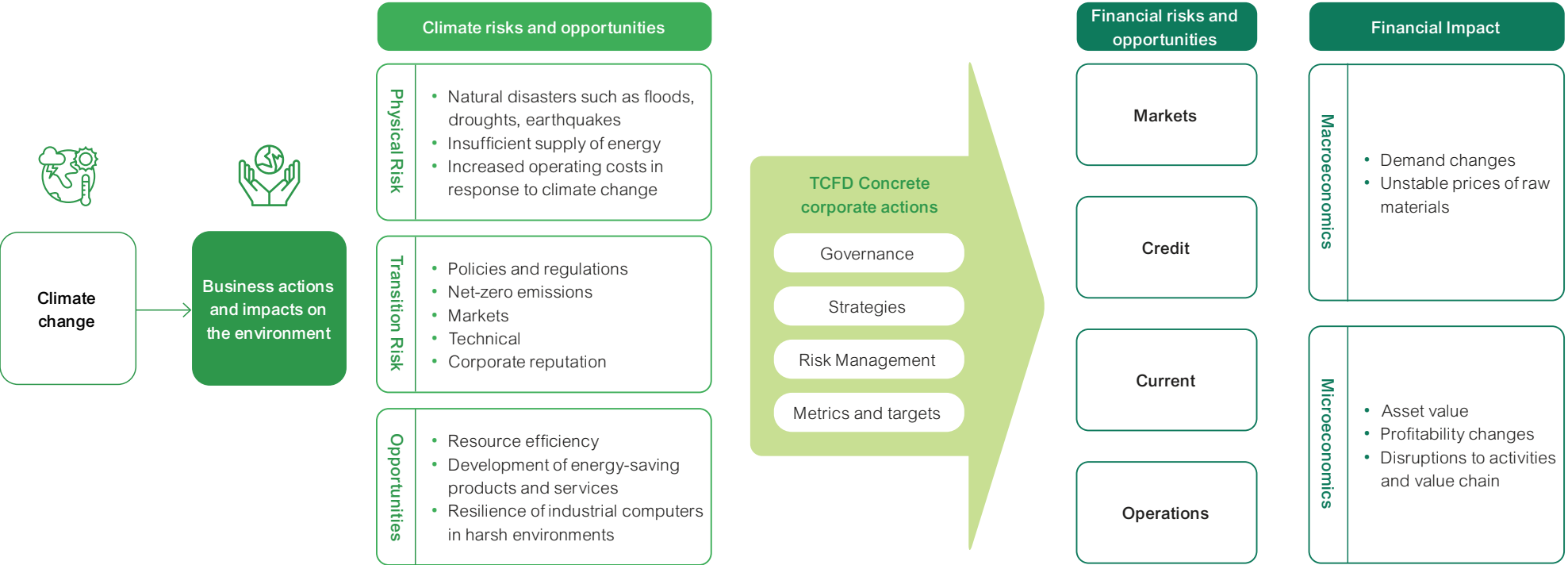


## Climate Risks and Opportunities

DFI proactively addresses international climate change management trends by establishing a comprehensive climate risk management framework in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The Company comprehensively discloses the impact of climate change on its financial and operational performance across four core areas: Governance, Strategy, Risk Management, and Metrics & Targets. It evaluates potential risks and opportunities over the short, medium, and long term to strengthen climate resilience and maintain robust business operations.

In terms of governance, the Company has established a dedicated team led by senior management to oversee risks and opportunities related to climate change, ensuring that relevant decisions align with corporate development strategies. When it comes to strategies, scenario analyses are conducted regarding factors such as extreme weather, policy changes, and technological developments to assess their potential impacts on operations and finances, and to adjust business strategies to enhance market competitiveness. risk management involves identifying and mitigating potential risks posed by climate change, such as supply chain disruptions and increased carbon costs, through internal monitoring and evaluation mechanisms to ensure operational stability. The metrics and targets dimension includes the setting of specific carbon emission reduction goals and tracks the Company's progress in improving energy efficiency and increasing the proportion of renewable energy use, ensuring that carbon reduction outcomes meet international standards and stakeholder expectations.

DFI regularly communicates its latest climate governance achievements through its sustainability report, ensuring transparency and proactively addressing the concerns of the market and investors. Going forward, the Company will continue to enhance its climate risk management, adopt innovative low-carbon technologies, and advance its green business model to align with global sustainability trends and achieve long-term sustainable operations.



## Climate risk identification and response

Risk item	Impact descriptions	Risk response	Financial impact
Low-carbon technology transition	<ol style="list-style-type: none"> <li>Decreased demand for products and services resulting in order losses</li> <li>Expenditure on the development of new and alternative products</li> <li>Capital investment in technology development</li> </ol>	<p>Proxy Carbon Emission Data AI Platform integrates innovative ideas for carbon reduction, assisting businesses in improving their production environment and processes. Innovation IT solutions enable businesses to operate more sustainably, achieving the goal of a green supply chain with net-zero emissions.</p>	<p><b>Policy and regulatory risks:</b> Compliance to Taiwan's regulations on energy reduction and equipment energy efficiency results in increased operational costs for energy-saving and carbon reduction measures (such as introducing ISO 50001, self-owned power facilities, and carbon credits)</p> <p><b>Technical risks:</b> The Market has raised thresholds for product technologies, and failure to keep up with market demands on the part of R&amp;D may lead to product replacement by more energy-efficient, lower environmental footprint, or innovative technological alternatives, potentially affecting order quantity and market share</p>
Market changes	<ol style="list-style-type: none"> <li>Changes in consumer preferences leading to a decrease in demand for goods and services</li> <li>Fluctuations in input costs (such as energy, water) and changes in output requirements (such as waste management) leading to higher production costs</li> <li>Unexpected changes in energy costs - revenue composition and source changes</li> <li>Repricing of assets (such as petrochemical fuel reserves, land valuation, securities valuation)</li> </ol>	<p>In the process of assisting companies in low-carbon digitization, we keep optimizing carbon reduction solutions, including comprehensive services such as initial implementation, mid-term application, and consultation in later stages, to enhance our opportunities and competitiveness in the green market. Furthermore, we track customer evaluations and feedback to develop well-rounded, comprehensive solutions that combine marketing strategies.</p>	<p><b>Market risk:</b> Customer requirements for enhancing brand image and reputation may include:</p> <ol style="list-style-type: none"> <li>Gradual improvement in energy efficiency,</li> <li>Or environmentally friendly raw materials and packaging materials,</li> <li>Resulting in increased R&amp;D investment or operational costs</li> </ol>
Concerns and negative feedback from stakeholders	<ol style="list-style-type: none"> <li>Decrease in demand for goods/services</li> <li>Decline in production capacity (e.g. production stoppage, delayed planning agreement, supply chain disruption)</li> <li>Impact on labor management and planning (e.g. recruitment and retention of employees) - reduced available capital</li> </ol>	<p><b>Externally:</b> Actively monitoring ESG trends and updating international standards, guiding suppliers towards a greener and lower-carbon path, maintaining the Company's good reputation.</p> <p><b>Internally:</b> The Company not only complies with environmental regulations but also keeps up with international trends. In addition to the greenhouse gas inventory for Categories 1 and 2 required by the FSC, the Company has already begun the inventory for Categories 3 and 4, preparing for the inventory scope to be completed in six years later, meeting stakeholders' expectations for environmental protection.</p>	<p><b>Reputation risks:</b></p> <ol style="list-style-type: none"> <li>Low impression and evaluation from customers or stakeholders regarding the organization's commitment to low-carbon transition leading to a decrease in demand for goods/services.</li> <li>Active implementation of ESG and greenhouse gas inventory for Categories 1 to 3 under ISO 14064-1 to meet stakeholders' expectations for environmental protection</li> </ol>

Risk item	Impact descriptions	Risk response	Financial impact
Extreme climates	<ol style="list-style-type: none"> <li>1. Decrease or disruption in production capacity (e.g. production stoppage, transportation difficulties, supply chain disruption)</li> <li>2. Impact on labor management and planning (e.g. health, safety, absenteeism)</li> <li>3. Write-off and premature retirement of existing assets (e.g. property and asset damage in "high-risk" areas)</li> <li>4. Increase in operating costs (e.g. insufficient water supply for hydroelectric power plants or cooling water for nuclear and thermal power plants)</li> <li>5. Increase in infrastructure costs (e.g. facility damage)</li> <li>6. Decrease in sales/output resulting in decreased revenue</li> <li>7. Increased premiums and difficulty in insuring assets located in "high-risk" areas</li> </ol>	<p><b>Short-term:</b> In response to the continued increase in annual average temperature, the Company has included climate risks as a discussion item in the Risk Management Committee.</p> <p><b>Mid-term:</b> Establishing appropriate flood-control facilities and planning an emergency response team to cope with future extreme rainfall. Future site planning will also consider whether the geographical location is in the most vulnerable risk areas. Enhancing digitalization of climate risk data and improving online data management to reduce the probability of employees encountering extreme weather hazards.</p> <p><b>Long-term:</b> Improving water efficiency, introducing green energy systems, and promote energy- and water-saving habits. Collecting water usage data from subsidiaries and integrating external information to develop a Water Intelligence Center platform, providing timely water supply and water conditions data for companies.</p>	<p><b>Physical impact - extreme rainfall:</b></p> <ol style="list-style-type: none"> <li>1. Extreme rainfall resulting in employees unable to attend work, leading to a decrease or interruption in production capacity</li> <li>2. Inventory items affected by extreme rainfall, resulting in scrapping or the inability to deliver shipments</li> <li>3. Potential increase in insurance costs for production bases</li> </ol>

## Reduction measures and performance

DFI embraces the principles of caring for the earth and protecting the environment. The Company actively engages in various environmental protection initiatives and is committed to managing greenhouse gas emissions as part of its corporate social responsibility. Since 2021 DFI has commissioned a third-party verification agency annually to validate its ISO 14064-1 GHG inventory results, ensuring data accuracy, transparency, and credibility. VS the Company has commissioned a third-party verification agency each year to validate the results of the ISO 14064-1 greenhouse gas inventory, ensuring the accuracy and credibility of the data. These inspection results serve as a vital foundation for the Company's greenhouse gas reduction strategies and help prepare for increasingly stringent carbon regulations. Additionally, they support continuous monitoring of emissions reductions to achieve long-term carbon goals.

According to the latest greenhouse gas inventory results, the majority of the Company's emissions come from Scope 2 (indirect energy emissions), primarily due to procured electricity. Therefore, DFI continues to advance various energy-saving initiatives based on inventory results, aiming to improve energy efficiency, reduce carbon emissions, and implement a green business model. For many years, the Company has successfully reduced greenhouse gas emissions through systematic energy-saving initiatives and energy management programs, ensuring that business growth aligns with environmental sustainability.

To continuously advance greenhouse gas emission reductions, DFI has implemented a range of energy-saving and carbon-reduction measures, including but not limited to:

- **Energy Efficiency Improvement**  
Deploying high-efficiency lighting, smart energy management systems, and energy-saving air conditioning technologies to reduce energy consumption.
- **Renewable Energy Application**  
Actively evaluating and promoting the procurement of green electricity to increase renewable energy usage and reduce dependence on conventional energy sources.
- **Equipment and Process Optimization**  
Upgrading outdated equipment and implementing automated management systems to minimize energy waste and improve production efficiency.
- **Employee Participation and Education**  
Promote internal energy-saving awareness and training to boost employees' environmental consciousness and foster collective low-carbon practices.

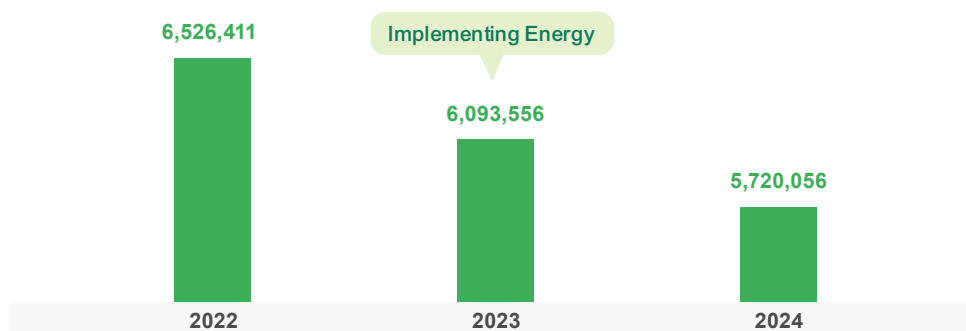
Moving forward, DFI will continue to strengthen its greenhouse gas management systems, advance energy-saving and carbon reduction strategies, and actively align with global carbon reduction goals to achieve its vision of sustainable development.

### Comparison of Annual Procured Electricity Consumption in Various Plants from 2022 to 2024

Year	HQ in Xizhi	Factory in Taoyuan	Xindian R&D Office	Total
2022	455,289 (1639.04GJ)	5,604,012 (20174.44GJ)	467,110 (1681.6GJ)	6,526,411 (23495.08GJ)
2023	436,071 (1569.86GJ)	5,205,965 (18741.47GJ)	451,520 (1625.47GJ)	6,093,556 (21936.8GJ)
2024	406,026 (1461.69GJ)	4,857,760 (17487.94GJ)	456,269 (1642.57GJ)	5,720,056 (20592.2GJ)

\* Percentage of Procured Electricity in 2024: 96.81%

### Electricity Consumption from 2022 to 2024



Continued operations of ISO 50001 in 2024 included enhancing the use of renewable energy by setting up solar power generation at the Taoyuan plant, coupled with enhanced management and replacement of outdated electrical equipment, achieving a total procured electricity saving of 373,500 kWh (1,344.60 GJ), approximately 6.13% compared to 2023.

To further implement the greenhouse gas inventory, DFI expanded the scope of inventory to Category 3 starting from 2022. This includes the carbon emissions generated by all employees' commuting. We continuously promote using public transportation to the employees. In 2024, we also enhanced our internal travel reimbursement system to record employees' carbon footprints for domestic and international business trips. At the same time, we also calculated emissions from electricity, upstream water supply, and waste disposal under Category 4 to gain a more comprehensive understanding of the organization's greenhouse gas inventory.

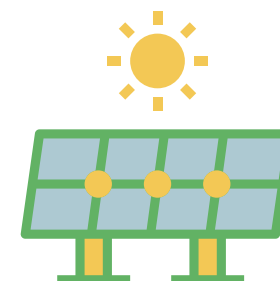
### Comparison of carbon emissions from 2022 to 2024

In 2024, following the implementation of various energy saving and carbon reduction measures, the Company's total carbon emissions, calculated by combining Category 1 direct greenhouse gas emissions and Category 2 indirect emissions from energy inputs, decreased by 413.16 metric tons (approximately 13%) compared to 2023, and by 635.25 metric tons (approximately 18%) compared to 2022, demonstrating effective management outcomes.

Year	Category 1+2	Categories 3 to 6	Total carbon emissions
2022	3,486.79	14,379.89	17,866.68
2023	3,264.69	1,108.62	4,373.31
2024	2,851.54	2,187.65	5,039.19

### Solar Energy Installation

In 2023, DFI invested NT\$5.77 million to establish an 80.8 kW solar power facility at the Taoyuan plant. Officially launched in December of the same year, the facility generated a total of 85,269 kWh (306.97 GJ) of electricity, an increase of 80,949.6 kWh (291.42 GJ) compared to the 4,319.4 kWh (15.55 GJ) generated earlier in 2023, demonstrating strong performance. In 2024, renewable energy is projected to account for 1.47% of the company's total energy consumption, reflecting a gradual integration of green energy to enhance the sustainability of its energy mix. Looking ahead, the Company will continue to expand its renewable energy initiatives to further increase its share, supporting the transition toward net-zero emissions.





Introduction to ISO 50001

In response to global supply chain trends, organizations are increasingly undertaking carbon inventory and carbon neutrality initiatives to meet evolving market expectations and regulatory requirements. However, beyond carbon management, energy management remains a crucial issue that must not be overlooked. As global energy demand rises and climate change intensifies, businesses and organizations face growing pressure to reduce energy consumption, improve energy efficiency, and uphold their commitments to sustainable operations and environmental responsibility.

In this context, DFI has long been committed to energy management, following the ISO 50001 Energy Management System. By applying the PDCA (Plan-Do-Check-Act) methodology, the Company has established a systematic and effective energy management framework. Through clear policy objectives, targeted action plans, regular performance evaluations, and a commitment to continuous improvement, we ensure that our energy usage complies with regulatory standards and aligns with customer and market expectations. Furthermore, DFI has identified major sources of energy consumption based on the operational characteristics of each facility and developed targeted improvement plans to ensure the effective implementation of energy-saving strategies.

According to the 2024 energy-saving action plan, DFI achieved an energy-saving rate of 1.35% through initiatives such as equipment optimization, process improvement, and smart energy management—demonstrating the Company's effectiveness in energy management. Looking ahead to 2025, we will further advance energy-saving technologies, enhance energy usage optimization, and actively adopt green energy and intelligent management systems. Our goal is to increase the annual energy-saving target to 4%, continuing our transition toward a low-carbon, high-efficiency operational model.

Looking ahead, DFI will continue to optimize its energy management systems. Through technological innovation and improved management practices, the Company aims to enhance energy efficiency and actively align with global carbon reduction trends, contributing greater value to sustainable business operations and environmental stewardship.

2024 Energy management objectives and targets

Goals	Key Performance Indicators	Person in Charge/ Department	2024											
			Q1			Q2			Q3			Q4		
			Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Taoyuan - Energy-saving improvement for the air compressor	<ul style="list-style-type: none"><li>Energy consumption of the air compressor system reduced by more than 1%</li><li>Regular maintenance (every 3000 hours per instance)</li><li>Based on data from the energy consumption survey, estimate the equipment energy-saving plan explanation (including descriptions of the improvement methods and performance evaluation for the following targets)</li></ul>	Engineering Department	<ul style="list-style-type: none"><li>Evaluate the pressure adjustment of the air compressor, with a pressure differential of 0.2 bar for each unit, and maintain the operating pressure at 7 bar</li><li>A total of three maintenance executions were conducted in Q1</li></ul>			<ul style="list-style-type: none"><li>In Q2, the implementation of the air compressor pressure adjustment energy-saving plan resulted in an actual energy savings of 12,914 kWh</li><li>One maintenance execution was conducted in Q2</li></ul>			<ul style="list-style-type: none"><li>According to the air compressor energy-saving measures plan, the actual energy savings in Q3 amounted to 19,731 kWh.</li><li>A total of two maintenance executions were conducted in Q3</li></ul>			<ul style="list-style-type: none"><li>According to the air compressor energy-saving measures plan, the actual energy savings in Q4 amounted to 19,731 kWh</li><li>A total of two maintenance executions were conducted in Q4</li></ul>		



Goals	Key Performance Indicators	Person in Charge/ Department	2024											
			Q1			Q2			Q3			Q4		
			Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Taoyuan - Energy-saving improvement for the dessiccant wheel	<ul style="list-style-type: none"> <li>Discussed and planned energy-saving solutions for the dessiccant wheel with ACE Energy</li> <li>Regular equipment maintenance (Seasonal)</li> <li>Energy consumption surveys of desiccant wheel are conducted to evaluate and plan equipment energy-saving solutions. (including the improvement methods and performance evaluation for the following targets)</li> </ul>	Administration Division	<ul style="list-style-type: none"> <li>Discussed, planned, and designed energy-saving solutions for the dessiccant wheel with ACE Energy</li> <li>Execution of Q1 maintenance on April 2</li> </ul>			<ul style="list-style-type: none"> <li>An energy conservation meeting was held on April 29 to discuss implementing energy consumption monitoring and recording for the dehumidification wheel system, scheduled between June and July</li> <li>Execution of Q2 maintenance on June 6</li> </ul>			<ul style="list-style-type: none"> <li>Implement actual energy consumption monitoring and recording for the desiccant wheel from June 16 to July 18</li> <li>Performed Q3 maintenance on August 26</li> </ul>			<ul style="list-style-type: none"> <li>Performed Q4 maintenance on December 30</li> </ul>		
Xizhi - Lighting energy saving Improvements	<ul style="list-style-type: none"> <li>Office lighting system energy consumption reduced by over 1%</li> <li>Based on data from the energy consumption survey, estimate the equipment energy-saving plan explanation (including descriptions of the improvement methods and performance evaluation for the following targets)</li> </ul>	Administration Division	<ul style="list-style-type: none"> <li>Evaluate and adjust lighting schedules to optimize timer settings</li> </ul>			<ul style="list-style-type: none"> <li>In Q2, implementing the lighting energy-saving plan by adjusting the two-wire timer, the actual energy savings for the quarter reached 393 kWh</li> </ul>			<ul style="list-style-type: none"> <li>In Q3, following the lighting energy-saving plan, the actual energy savings for the quarter reached 393 kWh</li> </ul>			<ul style="list-style-type: none"> <li>In Q4, following the lighting energy-saving plan, the actual energy savings for the quarter reached 393 kWh</li> </ul>		
Xizhi - Air conditioning energy saving Improvements	<ul style="list-style-type: none"> <li>Energy consumption of the air conditioning system reduced by over 1%</li> <li>Perform regular maintenance once (Yearly)</li> <li>Based on data from the energy consumption survey, estimate the equipment energy-saving plan explanation (including descriptions of the improvement methods and performance evaluation for the following targets)</li> </ul>	Administration Division	<ul style="list-style-type: none"> <li>Evaluate and adjust to optimize air conditioning schedule settings</li> <li>Q1 execution of annual major maintenance for air conditioning</li> </ul>			<ul style="list-style-type: none"> <li>Adjusted air conditioning timer settings and implemented the energy-saving plan in Q2, achieving actual energy savings of 352 kWh for the quarter</li> </ul>			<ul style="list-style-type: none"> <li>According to the air conditioning energy-saving measures plan, the actual energy savings in Q3 amounted to 352 kWh</li> </ul>			<ul style="list-style-type: none"> <li>According to the air conditioning energy-saving measures plan, the actual energy savings in Q4 amounted to 352 kWh</li> </ul>		

Goals	Key Performance Indicators	Person in Charge/ Department	2024											
			Q1			Q2			Q3			Q4		
			Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Each site - Energy-saving improvement for screen sleep mode	<ul style="list-style-type: none"> <li>Screen energy consumption reduced by over 1%</li> <li>Screen sleep mode activation rate exceeds 50%</li> <li>Based on data from the energy consumption survey, estimate the equipment energy-saving plan explanation (including descriptions of the improvement methods and performance evaluation for the following targets)</li> </ul>	Information Technology Service Division	<ul style="list-style-type: none"> <li>Evaluate the overall server configuration to automatically activate sleep mode after five minutes of inactivity</li> </ul>			<ul style="list-style-type: none"> <li>Implemented server configuration energy-saving plan in Q2, achieving actual energy savings of 1,395 kWh for the quarter</li> <li>Out of a total of 749 screens, 451 are adjustable, resulting in an activation rate exceeding 60%</li> </ul>			<ul style="list-style-type: none"> <li>According to the screen sleep mode energy-saving plan, actual energy savings in Q3 amounted to 1,395 kWh</li> </ul>			<ul style="list-style-type: none"> <li>According to the screen sleep mode energy-saving plan, actual energy savings in Q4 amounted to 1,395 kWh</li> </ul>		
Taoyuan - Energy-saving improvements for material storage lighting	<ul style="list-style-type: none"> <li>Energy consumption of the AGV platform lighting system reduced by over 1%</li> <li>Based on data from the energy consumption survey, estimate the equipment energy-saving plan explanation (including descriptions of the improvement methods and performance evaluation for the following targets)</li> </ul>	Materials TEAM	<ul style="list-style-type: none"> <li>Evaluate and adjust to optimize the lighting usage time in the AGV operation area.</li> </ul>			<ul style="list-style-type: none"> <li>In Q2, the lighting energy-saving plan was implemented with on-site personnel overseeing controls, resulting in actual energy savings of 4,921 kWh for the quarter</li> </ul>			<ul style="list-style-type: none"> <li>Following the lighting energy-saving plan, the actual energy savings for the Q3 reached 4,921 kWh</li> </ul>			<ul style="list-style-type: none"> <li>Following the lighting energy-saving plan, the actual energy savings for the Q4 reached 4,921 kWh</li> </ul>		

## Energy Management Performance/Measures in 2024





Type of Factory	Goals	Action Plan	Estimated Performance	Energy-saving Benefits / kWh				Resources
				Q1	Q2	Q3	Q4	
Xizhi	Lighting Energy-saving Improvements	<ul style="list-style-type: none"> <li>Maintain the current status from Monday to Thursday</li> <li>Adjustment of Friday operating hours: 8:00–19:00 to 8:00–17:00 (50 weeks x 2 hours = ⬇️ 100 hours/year)</li> <li>Adjusted annual usage time ⬇️ 100 hours/year</li> </ul>	<ul style="list-style-type: none"> <li>Before the adjustment: 43,658 kWh/year; After the adjustment: 42,087 kWh/year</li> <li>Estimated energy savings: 1,571 kWh/year; Actual energy savings: 1,179 kWh</li> <li>(To be implemented through management measures starting April 1, 2024)</li> </ul>	Assessments	393	393	393	None

Type of Factory	Goals	Action Plan	Estimated Performance	Energy-saving Benefits / kWh				Resources
				Q1	Q2	Q3	Q4	
Xizhi	Air Conditioning Energy-saving Improvements	<ul style="list-style-type: none"> <li>Summer:               <ol style="list-style-type: none"> <li>Maintain the current status from Monday to Thursday;</li> <li>Adjustment of Friday operating hours: 8:00–19:00 to 8:00–18:00 (25 weeks x 1 hour = ⬇️ 25 hours)</li> </ol> </li> <li>Winter:               <ol style="list-style-type: none"> <li>Adjusted operating hours from Monday to Thursday: 8:00–19:00 to 8:00–18:30 (100 x 0.5 = ⬇️ 50 hours)</li> <li>Adjustment of Friday operating hours: 8:00–19:00 to 8:00–17:00 (25 x 2 = ⬇️ 50 hours)</li> </ol> </li> <li>Adjusted usage time: ⬇️ 125 hours/year</li> </ul>	<ul style="list-style-type: none"> <li>Before the adjustment: 44,609 kWh/year; After the adjustment: 43,200 kWh/year</li> <li>Estimated energy savings: 1,409 kWh/year; Actual energy savings: 1,056 kWh</li> <li>To be implemented through management measures starting April 1, 2024</li> </ul>	Assessments	352	352	352	None
Each Site	Energy-saving Improvements Through Screen Saver Settings	<ul style="list-style-type: none"> <li>A total of 749 monitors are installed across all sites. Except for monitors used for specific purposes, all have screen saver settings applied</li> <li>Adjusted 451 monitors with a ⬇️ 1 hour usage setting</li> </ul>	<ul style="list-style-type: none"> <li>Before the adjustment: 83,420 kWh/year; After the adjustment: 77,839 kWh/year; Estimated energy savings: 5,581 kWh/year; Actual energy savings: 4,185 kWh</li> <li>To be implemented through management measures starting April 1, 2024</li> </ul>	Assessments	1,395	1,395	1,395	None
Taoyuan	Lighting Energy-saving Improvements in the Materials Area (AGV operating zone)	<ul style="list-style-type: none"> <li>Previously operated 24 hours per day, now adjusted to approximately 2 hours per day</li> <li>A total of 196 light tubes were adjusted</li> </ul>	<ul style="list-style-type: none"> <li>Before the adjustment: 21,474 kWh/year; After the adjustment: 1,789 kWh/year</li> <li>Estimated energy savings: 19,685 kWh/year; Actual energy savings: 14,763 kWh</li> <li>To be implemented through management measures starting April 1, 2024</li> </ul>	Assessments	4,921	4,921	4,921	None
Taoyuan	Energy Saving Improvements for Air Compressors	<ul style="list-style-type: none"> <li>A total of 7 air compressors were adjusted, with supply pressure modified as follows:               <ol style="list-style-type: none"> <li>Compressors #6 and #7 maintained the original output pressure of 8.5 bar</li> <li>Compressor #1 ⬇️ 7.5 bar, Compressor #2 ⬇️ 7.7 bar, Compressor #3 ⬇️ 7.9 bar, Compressor #4 ⬇️ 8.1 bar, Compressor #5 ⬇️ 8.3 bar.</li> <li>Air compressor adjustments were carried out by the Engineering Department's standard operating procedures</li> <li>The standard pressure value for the air compressors is 7 bar</li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>Before the adjustment: 675,074 kWh/year; After the adjustment: 597,590 kWh/year</li> <li>Estimated energy savings: 77,484 kWh/year; Actual energy savings: 51,656 kWh</li> <li>To be implemented through management measures starting May 1, 2024</li> </ul>	Assessments	12,914	19,371	19,371	None

2024 Total Energy Performance: **72,839 kWh/Year**

## Green Operation

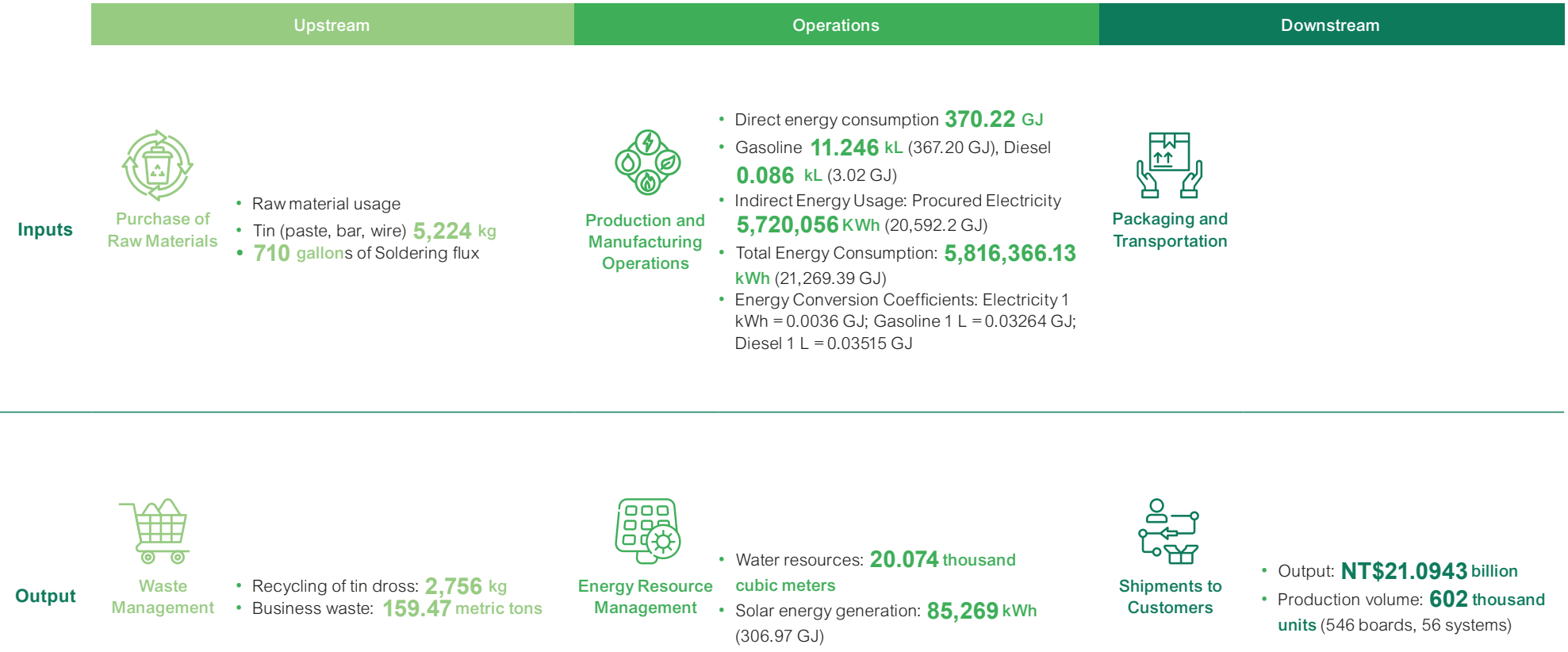


Long term (2040)				
Short term (2025)			Mid term (2030)	
	<b>Green materials</b>	<ul style="list-style-type: none"><li>Introduce materials that are both environmentally friendly and energy-efficient, accounting for 50%</li></ul>	<ul style="list-style-type: none"><li>Introduce materials that are both environmentally friendly and energy-efficient, accounting for 70%</li></ul>	<ul style="list-style-type: none"><li>Introduce materials that are both environmentally friendly and energy-efficient, accounting for 80%</li></ul>
	<b>Green energy-saving manufacturing</b>	<ul style="list-style-type: none"><li>Control the air conditioner between 24-26 degrees, and reduce air conditioner use in winter</li><li>Reassessing the power consumption of the new and old machines</li></ul>	<ul style="list-style-type: none"><li>Feasibility of reevaluating and replacing materials or equipment for high energy consuming machines</li></ul>	<ul style="list-style-type: none"><li>Replace energy-efficient devices</li></ul>
	<b>Waste recycling</b>	<ul style="list-style-type: none"><li>The recycling of tin dross is ongoing</li></ul>	<ul style="list-style-type: none"><li>By introducing hydrogen gas into certain SMT equipment, the production of tin dross can be minimized, aiming for a reduction rate of around 20%.</li></ul>	<ul style="list-style-type: none"><li>By introducing hydrogen gas into the SMT process can reduce the generation of tin dross, aiming to reduce tin dross proportion by approximately 50%</li></ul>
	<b>Green packaging</b>	<ul style="list-style-type: none"><li>Designing to increase the sharing of packaging materials at the source, reducing the development of new packaging materials</li><li>Supplier packaging recycling, reducing waste</li></ul>	<ul style="list-style-type: none"><li>Reduce packaging materials and increase the recycling rate to 50%</li></ul>	<ul style="list-style-type: none"><li>Reduce packaging materials and increase the recycling rate to 80%</li></ul>

Environmental resource inputs and output

As a Company which specializes in motherboards and industrial PCs, DFI procured all raw materials externally. To prepare for future environmental impact assessments and identify potential areas for improvement, the Company applies the life cycle assessment (LCA) concept when collecting and managing data related to raw material inputs, resource utilization, waste emissions, and wastewater discharge at each of its manufacturing facilities.

The waste emissions generated from raw material procurement, operational activities, and production processes in 2024 are indicated below:



## Energy Resource Management

DFI, a manufacturer of embedded motherboards and industrial computers, sources all its raw materials externally. Its primary energy consumption comes from electricity, with a minor portion from fossil fuels. Therefore, the Company is committed to enhancing energy efficiency and increasing the share of renewable energy use as a core aspect of its energy management policy.

To promote sustainable development, DFI has established strategies for reducing greenhouse gas emissions and actively adopted the ISO 50001 Energy Management System. By implementing standardized processes and systematic management, the Company optimizes energy efficiency and ensures compliance with international energy management standards. Furthermore, the Company has integrated the concept of Life Cycle Assessment (LCA) to inventory and analyze data on raw material inputs, energy and resource consumption, waste emissions, and wastewater treatment at each manufacturing site, enabling a comprehensive evaluation of its environmental impact.

By collecting and analyzing this data, DFI can more precisely identify environmental impact hotspots, develop targeted plans for carbon reduction, energy conservation, and resource recycling, continuously drive process improvements, reduce energy and resource consumption, and explore opportunities to apply renewable energy and low-carbon technologies to enhance overall environmental performance.

In the future, DFI will continue to identify major energy consumption sources based on each facility's operational characteristics and develop targeted improvement plans to ensure the effective implementation of energy-saving strategies.

Energy	Unit	2022	2023	2024
Electricity	kWh	6,526,411 (23,495.08 GJ)	6,093,556 (21,936.80 GJ)	5,720,056 (20,592.20 GJ)
Diesel	Liter	0	0.148 (5.19 GJ)	0.086 (3.02 GJ)
Gasoline	Liter	3.614 (118.03 GJ)	1.016 (33.16 GJ)	11.246 (367.20 GJ)

## Water stewardship

Due to the nature of its industry, DFI uses minimal water resources in its production processes and does not discharge industrial wastewater, thereby minimizing its impact on environmental water resources. All water used at the locations is sourced from the municipal water supply, with no additional extraction from rivers, lakes, or groundwater sources, ensuring the sustainable use of water resources. Furthermore, the Company does not own, lease, or manage any facilities within ecological protection zones or water resource protection areas, ensuring that its operations do not impact the local aquatic ecosystem.

Regarding water resource management, the water pollution prevention equipment at the Taoyuan factory is operated and maintained by professionals from the Qisda Group. The facility uses a contact aeration to treat domestic wastewater, improving treatment efficiency and minimizing environmental impact. Treated wastewater is incorporated into the government sewage system in compliance with regulatory requirements, ensuring the treatment process meets legal standards and minimizes potential impacts on local water resources and community water use. Following an internal assessment, the Company has concluded that its operations have minimal impact on the water environment, aligning with environmental protection and sustainable development goals.

metric thousand cubic meters / year	2022	2023	2024
Tap water	22.155	23.421	20.074
Surface water	0	0	0
Groundwater	0	0	0
Others	0	0	0
Total	22.155	23.421	20.074

To further advance water resource management, DFI not only minimizes water waste through equipment maintenance and improved water use efficiency but also actively encourages water conservation awareness among employees. This is accomplished through internal training and encouraging behavioral changes that promote water-saving habits. For example, efforts include optimizing daily water usage, reducing unnecessary consumption, and regularly inspecting pipelines and equipment for leaks. Furthermore, the Company regularly evaluates water resource management technologies and techniques in collaboration with group partners, aiming to improve water use efficiency through data monitoring and management systems, thereby minimizing its water footprint in corporate operations.

In the future, DFI will continue to monitor global trends in water resource management, actively pursuing innovative water-saving technologies and management models. The Company aims to enhance water use efficiency and is committed to developing a business model that minimizes environmental impact and promotes sustainability, fostering a harmonious and prosperous relationship between the enterprise and the environment.



## Materials and Recycling

DFI actively manages waste and promotes energy-saving and waste reduction initiatives. Implement resource sorting and recycling management at the source to effectively reduce waste generation and improve recycling rates, thereby achieving waste reduction targets. Zero Waste is the ultimate goal of the Company's long-term waste management initiatives. By implementing strategies to reduce overall waste volume and enhance resource recovery, we aim to maximize the value of resource reuse while minimizing environmental impact.

To achieve this goal, DFI reduces waste generation through source management measures such as minimizing raw material usage. The Company also actively promotes waste resource recovery by reusing packaging materials and recycling, replacing traditional disposal methods and transforming waste into reusable resources. This approach not only effectively promotes resource circulation but also lowers the energy consumption and costs associated with waste disposal, further boosting operational efficiency and environmental benefits.

In 2024, DFI generated a total of 159.47 metric tons of waste, comprising 82.552 metric tons of recyclable waste, 68.49 metric tons of general municipal waste, and 4.828 metric tons of hazardous industrial waste. In response to hazardous industrial waste, DFI has implemented resource recovery measures, achieving a recycling and reuse rate of 51.8%. This demonstrates the Company's proactive efforts in waste resource management and its commitment to environmental responsibility.

In addition, DFI conducts regular annual audits and assessments of its waste contractors to ensure compliance with regulatory requirements. If any contractual breaches or violations of government regulations are identified, appropriate corrective actions—such as guidance, mandated improvements, or contractor replacement—are taken to ensure lawful and compliant waste management. In 2024, none of DFI's waste contractors committed any significant breaches of contract or regulatory violations, reflecting the Company's strict requirements and high standards in waste management.

The waste generated across DFI's various locations is categorized as follows:

1. General industrial waste
2. Waste Solvent
3. Unclassified Waste of Electronic Components

During operational activities and production processes, no hazardous waste, as defined by the Basel Convention, was generated, ensuring full compliance with international environmental protection standards.

In recent years, a significant increase in overall production and manufacturing volume has led to a corresponding rise in both the types and quantities of recyclable waste. DFI has therefore further enhanced its efforts in energy conservation, waste reduction, and resource recycling

and reuse. By continuously refining its waste management systems, the Company aims to minimize environmental impact and advance toward a more sustainable operational model.

In the future, DFI will continue to improve resource recycling efficiency and explore innovative green management technologies to achieve zero waste, fulfill its corporate social responsibility, and contribute to sustainable environmental development.

Types of Waste		Description	Treatment	Final disposal methods
General household waste	Bottles and cans	PET bottles, styrofoam, tin cans, etc.	Dedicated personnel for recycling	Re-use
	Paper	Newspapers, magazines, photocopy papers, printing papers, cardboard boxes, etc	Dedicated personnel for recycling	Re-use
	General glass	Beverage bottles, etc.	Dedicated personnel for recycling	Circulation
	General plastic	Beverage bottles, waste containers, etc.	Dedicated personnel for recycling	Circulation
	Other recyclables	Batteries, toner cartridges, light bulbs, etc.	Headquarters/photocopier companies	Circulation
	Food waste recycling	Composting, pig comestibles, etc.	Management Committee	Fertilizer
	Domestic garbage	Office waste, etc.	Management Committee	Incineration (Taiwan)
Industrial waste	General industrial waste	PCB peripheral waste/ electronic components/ waste sponges/waste adhesive, etc.	Dedicated personnel for recycling	Incineration (Taiwan)
	Hazardous industrial waste	Waste tin dross/ chemical waste, etc.	Contracting qualified removal and disposal service providers for disposal	Solidification, landfill, incineration, and recycling

## Green Products

In order to sustain and implement the Corporate Sustainable Development (CSD) vision of being an innovator in electronic product design and manufacturing, improving the quality of human life while being environmentally friendly, several stages can be identified in promoting green and sustainable products. These stages extend from organizational to product environment, focusing on the environmental impact of products throughout their life cycle post-shipment.

Tracing the product environment back to its design, attention should be given to incorporating green design elements at the source to minimize the product's impact on the environment across its life cycle. The techniques of green design are combined with quality processes and tightly integrated with the product design and development process. The effect is maximized through reviews and adjustments at each stage of the design.

After joining the Qisda Group, DFI has also introduced ISO 14001:2015 Environmental Management Systems. This optimization of design and processes throughout the product lifecycle ultimately achieves environmental protection and enhances environmental performance. DFI has established new product design and development procedures and is dedicated to introducing green design to the entire product lineup. Moreover, there are operational procedures for managing environmental substances in components. The PGC module of the engineering database (PLM) is utilized for hazardous substance management and GP-related approvals, effectively avoiding the use of environmentally harmful substances in products.

By incorporating a life cycle mindset into the product design process, DFI includes green design objectives at the early design stages and conducts review at each design phase to ensure compliance with customer requirements and regulations of the sales country. This also allows for self-improvement, enhancing energy efficiency, reducing resource consumption, minimizing environmental burden, while improving product performance. Consequently, we can provide customers with higher-quality products and establish the enduring value of sustainability in our products.

## Integrated design thinking

DFI continues to promote product development with a focus on green design principles in the early stages of product development. This involves evaluating the potential environmental impacts and risks of the designed products/components throughout their life cycle and achieving streamlined designs to minimize

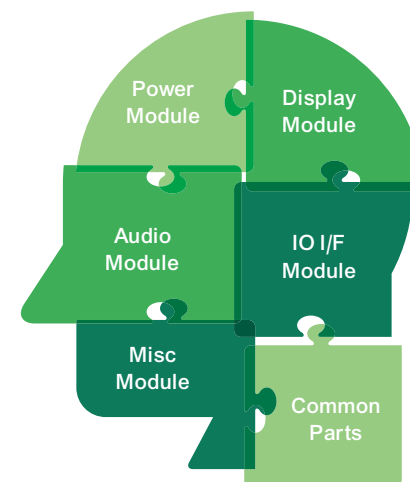
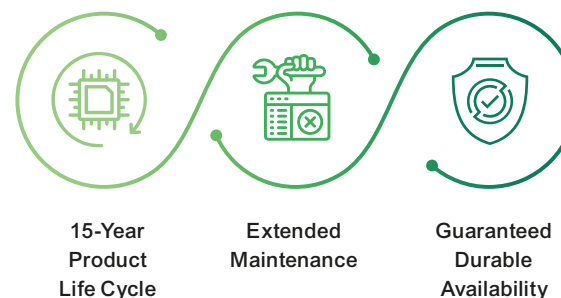
environmental impact from the outset. DFI integrates customer needs to promote efficient resource use, reduce carbon emissions, and enhance energy efficiency, all centered on sustainable development. By leveraging intelligent control systems—such as optimized traffic management, industrial automation, and smart control solutions—DFI contributes to smarter city operations. This approach helps minimize energy waste, optimize energy distribution, and significantly reduce the overall carbon footprint.

## I. Ecological design guidelines/directions

### Reduction

DFI is committed to precise product design that meets the majority of market demands, aiming to reduce environmental burdens caused by excessive products. Our methods include:

- 1 Circuit Design: Modular design is adopted to enable reuse of developed modules across different product lines and generations.
- 2 System Product: shared Riser cards, I/O expansion cards, power modules, LCD/Touch modules, etc. Modules, adopting standard boards, help reduce development resources.
- 3 Adopting electronic or mechanical modules developed by partners or within the group, minimizing the need duplicate development
- 4 Product designs can achieve a service life of over 10 years, extending replacement cycles and reducing the generation of discarded products
- 5 Using local suppliers to reduce transportation-related carbon emissions



## Requirements for general prohibited/limited substances

Additionally, DFI simplifies and minimizes product design and packaging to reduce the number and weight of components, effectively decreasing carbon emissions during transportation.

Year	System	MB	Sub-total	Reduce
2022	10	16	26	10%
2023	10	18	28	-8%
2024	10	18	28	0%

The 2024 standard product development initiative centers on three key themes: AI integration, product miniaturization and lightweight design, and improved performance efficiency. This initiative targets applications in smart transportation, AI-assisted agriculture, and streamlined remote management, enhancing the versatility of proprietary products. While maintaining the same number of standard product development projects as in 2023, the initiative also strengthens the scalability of these products, aligning with the principle of resource reduction.

### Use environmentally friendly, non-toxic, and harmless materials

For potential chemicals in products or in production processes that have an impact on environmental safety, we have established the "Procedure for Environmental Management of Components" based on international regulations and customer requirements. The requirements for general prohibited/limited substances should comply with the EU RoHS Directive and REACH regulations. If there are Substances of Very High Concern (SVHC) used in quantities exceeding 1000 ppm, it should be noted in the declaration.

DFI requires suppliers to ensure that the substances they provide comply with EU's hazardous substance regulations starting from the component end. Upon receipt of materials from suppliers, the incoming inspection unit uses XRF to sample components for excessive hazardous substances. Components with excessive lead (Pb) are checked for applicability to exemption clauses. The revenue percentage of products requiring substance declaration in 2024 is 0%.

Material Substance	Limit *	Restrictions	Basis
Cadmium (Cd) and cadmium compounds	100 ppm	All products, parts, and components	RoHS Directive (2011/65/EU)

\* mg substance/kg homogeneous material = ppm

Material Substance	Limit *	Restrictions	Basis
Cadmium (Cd) and cadmium compounds	20 ppm	Regardless of whether they are installed in equipment, portable batteries, LMT batteries, and other automotive batteries must not contain more than 0.002% cadmium by weight (expressed as cadmium metal)	EU Directive on Batteries and Accumulators, Waste Batteries and Accumulators (EU) 2023/1542
Lead (Pb) and lead compounds	100 ppm	1. Starting from August 18, 2024, portable batteries—regardless of whether they are installed in electrical equipment—must not contain more than 0.01% lead by weight (expressed as lead metal). 2. The restriction outlined in point 1 does not apply to portable zinc-air button cells until August 18, 2028.	EU Directive on Batteries and Accumulators, Waste Batteries and Accumulators (EU) 2023/1542
Mercury (Hg) and mercury compounds	5 ppm	Regardless of whether they are installed in equipment, batteries, LMT batteries, and other automotive batteries must not contain more than 0.0005% mercury by weight (expressed as mercury metal)	EU Directive on Batteries and Accumulators, Waste Batteries and Accumulators (EU) 2023/1542

\* mg substance/kg homogeneous material = ppm

Material Substance	Limit *	Scope of Application	Basis
Lead (Pb) and lead compounds	1000 ppm	All products, parts, and components	RoHS Directive (2011/65/EU)
Mercury (Hg) and mercury compounds	1000 ppm	All products, parts, and components	RoHS Directive (2011/65/EU)
Hexavalent cadmium compounds (Cr(VI))	1000 ppm	All products, parts, and components	RoHS Directive (2011/65/EU)
Polybrominated biphenyls (PBBs)	1000 ppm	All products, parts, and components	RoHS Directive (2011/65/EU)
Polybrominated diphenyl ethers (PBDEs)	1000 ppm	All products, parts, and components	RoHS Directive (2011/65/EU)

Material Substance	Limit *	Scope of Application	Basis
Di (2-ethylhexyl) phthalate (DEHP)	1000 ppm	All products, parts, and components	RoHS Directive (2011/65/EU)(2015/863)
Butyl benzyl phthalate (BBP)	1000 ppm		RoHS Directive (2011/65/EU)(2015/863)
Dibutyl phthalate (DBP)	1000 ppm	All products, parts, and components	RoHS Directive (2011/65/EU)(2015/863)
Diisobutyl phthalate (DIBP)	1000 ppm	All products, parts, and components	RoHS Directive (2011/65/EU)(2015/863)
Substance of Very High Concern (SVHC)	Quantities over 1000 ppm must be noted in the declaration.		REACH (EC)1907/2006
Substances listed in Annex XIV of REACH	Following REACH requirements	Following REACH requirements	REACH (EC)1907/2006
Hazardous materials listed in Annex XVII of REACH	Following REACH requirements	Following REACH requirements	REACH (EC)1907/2006
Cadmium + Hexavalent chromium + Lead + Mercury	100ppm	Packaging materials	EU Packaging and Packaging Waste Directive (EU 94/62/EC)

Requirements for prohibited/restricted substances in batteries are governed by the EU Directive on Batteries and Accumulators, Waste Batteries and Accumulators ((EU) 2023/1542).

### Conflict mineral policy

Controlled substances	Policy	List of smelters	Remarks
Gold (Au), Tantalum (Ta), Tin (Sn), Tungsten (W), Cobalt (Co), Mica	All parts provided by suppliers shall be sourced from smelters certified by the Responsible Minerals Assurance Process (RMAP) and shall complete the CMRT/EMRT developed by RMI in accordance with the latest versions published by RMI	<u>RMI Eligible Facilities List</u>	<b>RMI:</b> Responsible Minerals Initiative  <b>RMAP:</b> Responsible Minerals Assurance Process

### Energy Conservation

- Product Design :** DFI's power design incorporates synchronous switching ICs to lower switching frequency under light load conditions, thereby improving power efficiency. Additionally, a deep standby mode is implemented to minimize energy consumption during both active operation and idle periods. At the same time, unnecessary power sources are disabled during both shutdown and standby modes, ensuring the product complies with international energy-saving standards (e.g., ErP, Energy Star, etc.).
- Usage Context :** DFI is dedicated to the application of industrial products, assisting various fields in achieving energy-saving goals. In addition, we are developing smart city application products that incorporate intelligent gateways and integrated HMIs to consolidate and optimize household electricity usage, minimizing unnecessary waste and progressively reducing carbon emissions year over year.

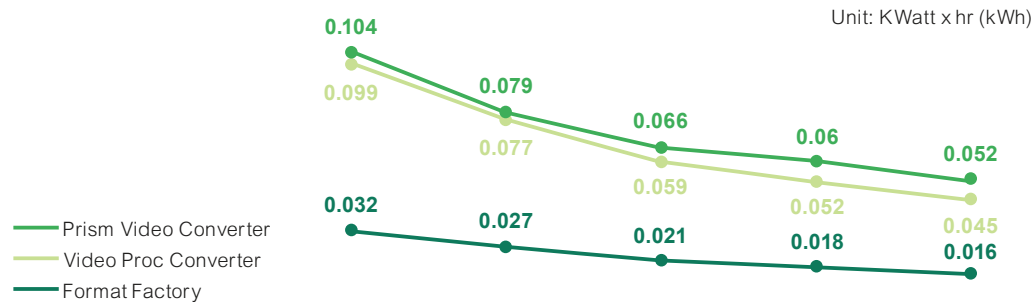


The following table illustrates the percentage of standard models produced from 2022 to 2024 in relation to models compliant with ErP Lot 3:

Year	Standard model production quantity	Approval of the Quantity of ErP Lot3 compliant models (percentage)
2022	35	14 (40%)
2023	57	23 (40.35%)
2024	26	26 (46%)

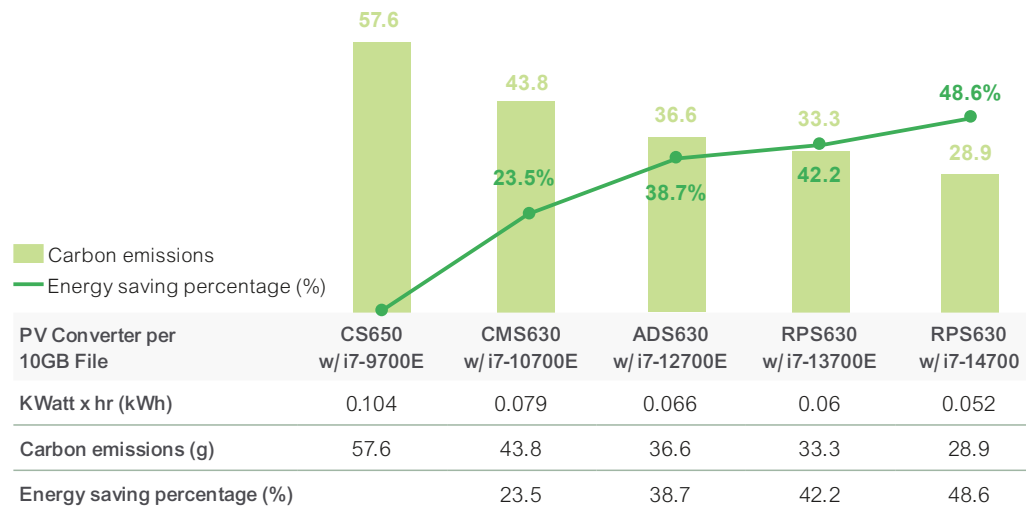
Beginning in 2024, DFI will collaborate with the Qisda Group to establish annual goals, setting the energy-saving certification target at 45% for the year. Moving forward, the percentage of products meeting ErP Lot 3 or Energy Star 9.0 standards will increase by 5% annually. In 2024, sales revenue from DFI's standard products—including energy-saving models compliant with ErP Lot 3 (EU 617/2013) regulations—accounted for 14.41% of total standard product sales. While this represents a 2.1% decrease from 16.51% in 2023, steady progress toward annual targets indicates that revenue from energy-efficient models is expected to grow in the near future.

## DFI IMB latest 5 Gen Models Consumption



10GB File for Test Tool (KWatt x hr)	CS650 w/i7-9700E	CMS630 w/i7-10700E	ADS630 w/i7-12700E	RPS630 w/i7-13700E	RPS630 w/i7-14700
A. Prism Video Converter	0.104	0.079	0.066	0.06	0.052
B. Video Proc Converter	0.099	0.077	0.059	0.052	0.045
C.Format Factory	0.032	0.027	0.021	0.018	0.016

After calculating the carbon emissions (g) and energy-saving rate (%) based on the above A, the results are shown in the following figure



## Product Disposal

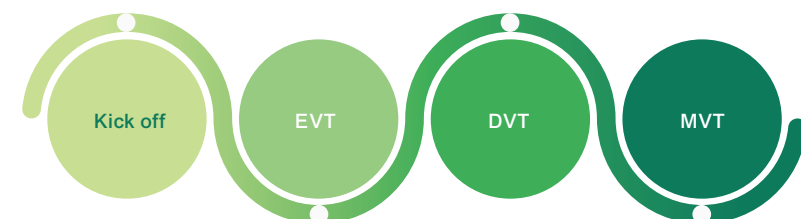
Emphasis is placed on considering the recyclability and ease of disassembly of products during design stages. From the outset, connections of the product is taken into account, avoiding the use of materials and manufacturing processes such as adhesives, welding, or embedding that hinder disassembly, making the recycling process more efficient. Over 80% of the system standard designs utilize recyclable steel plates and aluminum components. Aluminum die-castings come from directly smelting and casting waste aluminum components of the same nature in a high-temperature furnace. Waste steel can also be reprocessed in a simplified manner and smelted in a furnace, which is more environmentally friendly compared to recycling processes involving strong acid treatment required for other precious metals.

Model	Total Weight (grams)	Weight of Recyclable Materials (grams)	Recycling rate
EC600-RPS	4270	3750	87.8%
EC700-ADN	820	620	75.6%
EC900-8MM	460	380	82.6%
EC180-CS	3750	3350	89.33%
EC70A-ADP	1092	892	81.68%

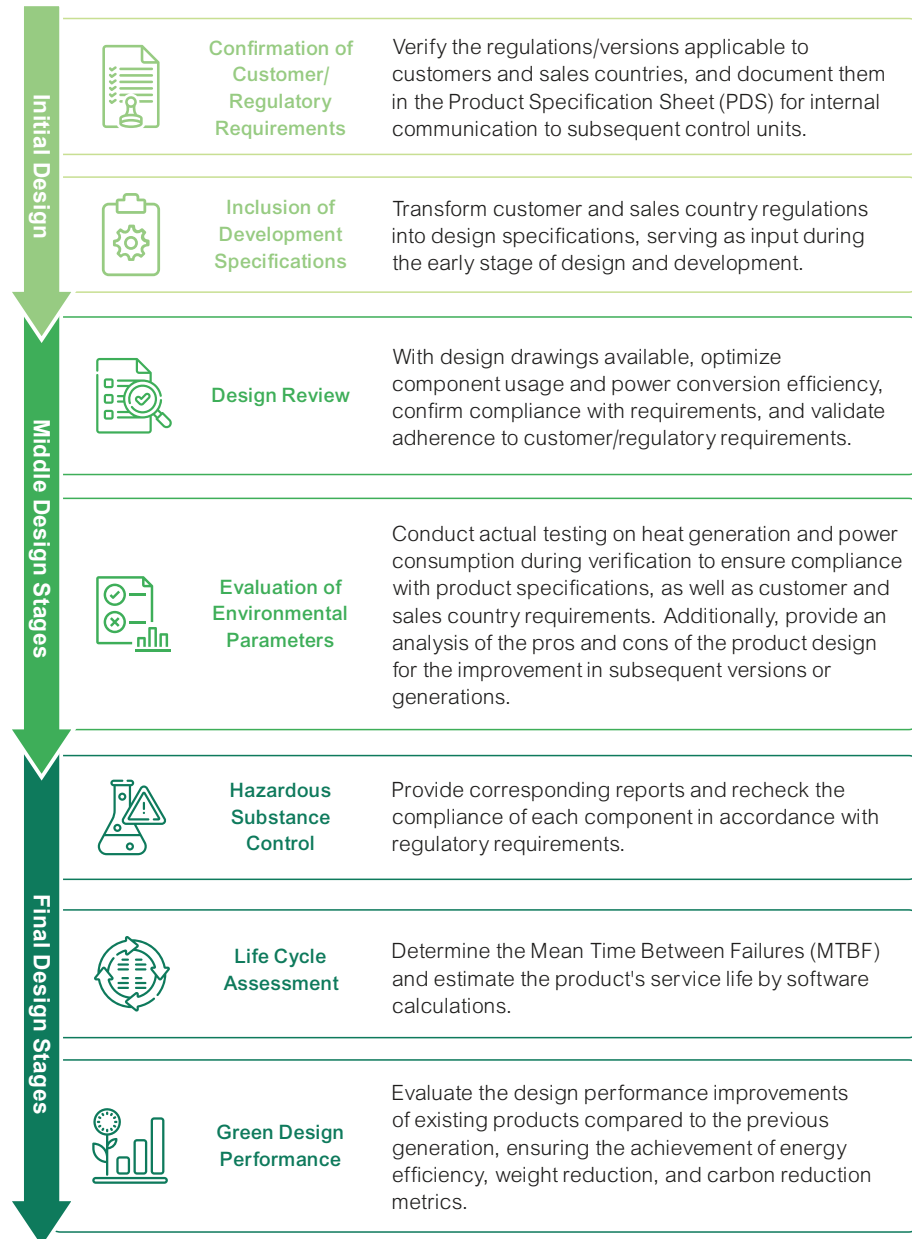
## II.Product Eco-design process

To ensure eco-design across all models, meeting customer/sales country requirements, and continuously promoting weight reduction, energy efficiency, and emissions reduction, the design process for models can be broadly divided into three stages, as shown in the table on the right:

## DFI's development process for new products







### III. Green talents

#### Development of R&D talents

"Circular Economy" is a crucial approach to sustainable development! The key to net-zero emissions lies in reducing the need for "manufacturing" through the circular use of products, components, and materials. This reduces emissions during the manufacturing process of products and components, along with those from raw material extraction and processing. Both the UN and EU have emphasized the decisive contribution of resource circulation to net-zero emissions. The international organization Circle Economy estimated that a circular economy can bring about a 39% reduction in carbon emissions. (Note: Data cited from the Circular Taiwan Network <https://circular-taiwan.org/net-zero/>)

The Group also recognizes that no single company can achieve net-zero alone, so germane dialogues will be engaged through GRD (abbreviation for Group RD platform). For example, courses on international standard awareness and interpretation, life cycle inventory, eco-design, design techniques, product disassembly analysis, software platform applications.

The Group arranges annual exchange activities, to help us understand the concepts of net-zero emissions and the circular economy. We look forward to bringing together upstream and downstream companies in brainstorming from different perspectives on new proposals for circular technology, in order to accelerate the initiation of R&D towards a circular economy and net-zero emissions.

Additionally, suitable courses and mentoring will be arranged for R&D personnel with different levels of experience. R&D employees, during their training, will be introduced by mentors to the elements and direction of green design, starting from product functionality design, gradually towards the Company's design process and case studies of green products. Senior R&D personnel are offered professional courses that cater to the requirements of the product department or project. Once the knowledge and techniques are internalized into internal documents and SOPs, they will be communicated to R&D personnel on the knowledge management platforms. R&D managers at the managerial level are encourage to participate in industry green management courses. This will help them understand the latest in product management and identify areas to improve management. Suitable management approaches will be determined for each product line.

### IV. Product environmental risk assessment

In addition to the requirements in the product specifications, DFI takes initiatives in assessing whether products can achieve further streamlined design, eliminating unnecessary processes and components. Annual assessments are conducted to evaluate the environmental impact of each component. This includes considering the current and future design specifications/processes of the product line and assessing the potential environmental impact and risks at various stages of the product's life cycle. A comparison is made with previous-generation models or industry benchmark products to identify high-risk components and processes. Feasible and economically viable improvement measures that reduce environmental impact are formulated in conjunction with carbon footprint assessments. Low-carbon materials are selected for use in the design process and implemented in the next generation of models.



## Quality Management

2024	Management Objectives		Achievements
	Quality	maintain the validity of the new version of quality management system certificates (ISO 9001, ISO 13485, IECQ QC080000)	All third-party verification has been completed
	Hazardous Substance Management	100% compliance with EU RoHS regulations and customer requirements	Achieve 100% compliance

2025	Management Objectives		Achievements
	Quality	Maintain the effectiveness of the new version of quality management system certificates (ISO 9001, ISO 13485, IECQ QC080000)	
	Hazardous Substance Management	100% compliance with Euro RoHS regulations and customer requirements	

DFI is committed to quality management systems (ISO 9001), medical device quality management systems (ISO 13485), and hazardous substance process management systems (IECQ QC 080000). We design and manufacture products that comply with regulations and meet customer health and safety requirements. Our "Quality and Hazardous Substance Manual" clearly discloses DFI's quality/non-hazardous substance policy, which has also been verified by independent third party audits.

The President serves as the top executive responsible for DFI's quality/non-hazardous substance management systems. We have established quality assurance organizations and designated personnel at different levels to supervise and ensure the implementation of quality/non-hazardous substance policies throughout the Company and among employees. By communicating through training, intranet announcements, and awareness campaigns, we ensure that all members of the Company understand the importance of compliance, our quality policies, quality objectives, and customer requirements. We review the suitability of the management systems and resource availability at management review meetings. We aim for continuous improvement and problem prevention in the most cost-effective manner to enhance processes, reduce defects, minimize waste, bolster quality and productivity, and comply with the EU RoHS Directive and customer requirements. This will enable our products to meet societal expectations and reduce their impact on the natural environment.

In 2024, there were no violations of laws or voluntary standards related to health and safety impacts during product lifecycles, and there were no violations of regulations or voluntary agreements regarding product and service information and labeling.

## Product Non-Compliance Table

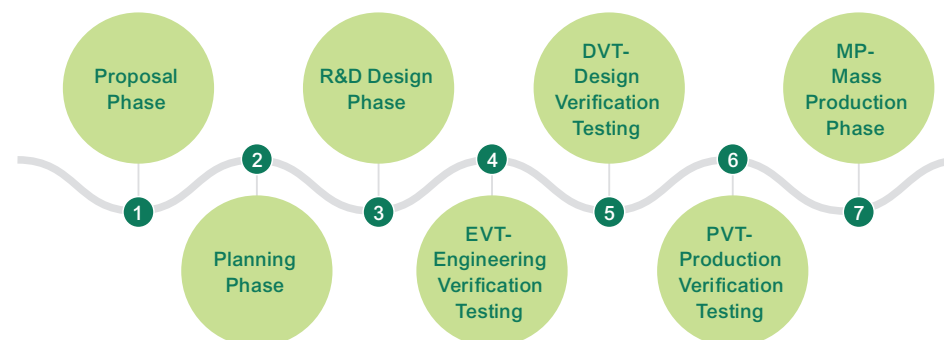
Violations	2022	2023	2024
Violations of laws or voluntary standards related to health and safety impacts during product lifecycles	0	0	0
Violations of regulations or voluntary agreements regarding product and service information and labeling	0	0	0

## I. Products must undergo product safety testing

To ensure product safety for our customers, DFI subjects its products to the following tests in accordance with customer requirements and obtain relevant product certifications before entering mass production. For example:

- ➊ **Product Safety:**  
Reducing and preventing hazards such as electric leakage, short circuits, fire, heat generated during operation, and chemical and radiation risks. For example: Taiwan BSMI, US UL standards (IEC62368-1/UL62368-1/IEC60601/UL60601/IEC61010/UL61010), China CCC standards (GB4943.1-2022/GB/T 9254.1-2021), EU Low Voltage Directive (2014/35/EU)...
- ➋ **Electromagnetic Compatibility (EMC):**  
Testing the impact of electromagnetic radiation generated by electronic products on human health, public power grids, and the proper functioning of other electronic products, as well as assessing whether electronic products can operate stably in electromagnetic environments without interference. For example: Taiwan BSMI, US FCC Part15/Part18, Canada ICES-003 issue 7, EU CE Marking (EMC Directive 2014/30/EU).

## New Product Development System



## II. Products must comply with the requirements of the "Management Procedure for Hazardous Substance Processes"

### 1 DFI Information Quality/Hazardous Substance Policy:

"We are committed to ensuring that our products and services meet the highest standards of quality, specification, cost and delivery. Customer satisfaction is our number one priority and we strive to meet all of our commitments to our customers. Our product design and manufacturing should be dedicated to energy conservation, and environmental protection, and consistent with the Company's social responsibility." Under our quality/non-hazardous substance policy, we are actively promoting the establishment of the ISO 9001 Quality Management Systems and the IECQ QC 080000 Hazardous Substance Process Management Systems in accordance with international quality standards. By engaging in cost-effective activities and pursuing continuous improvement and problem prevention, we aim to achieve sustained process enhancement, reduce defects, minimize waste, and enhance quality and productivity, while complying with hazardous substance regulations (such as EU RoHS and REACH (annex XIV, XVII and SVHC)) and customer requirements. Through these efforts, we aim to meet societal expectations and mitigate our impact on the natural environment with our products.

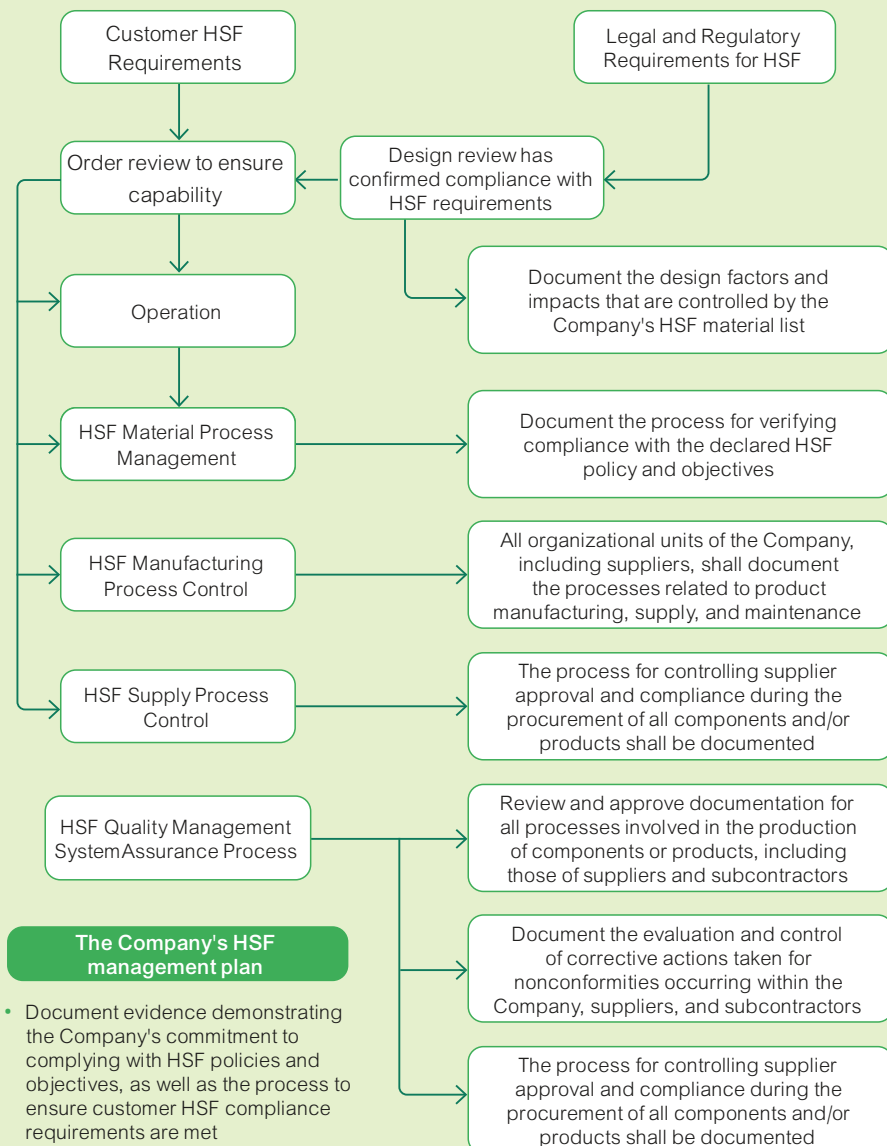
Relevant quality certificates are also available on the internal and official website.

- 2 Before mass production, DFI ensures that products comply with the EU Restriction of Hazardous Substances Directive (RoHS) and specific customer requirements regarding the prohibition and limitation of hazardous substances. Regular audits of all suppliers are conducted, and strict control and inspection of incoming materials ensure systematic management that guarantee the safety of the products we provide to our customers.
- 3

### ISO 9001:2015 Quality Management System Diagram

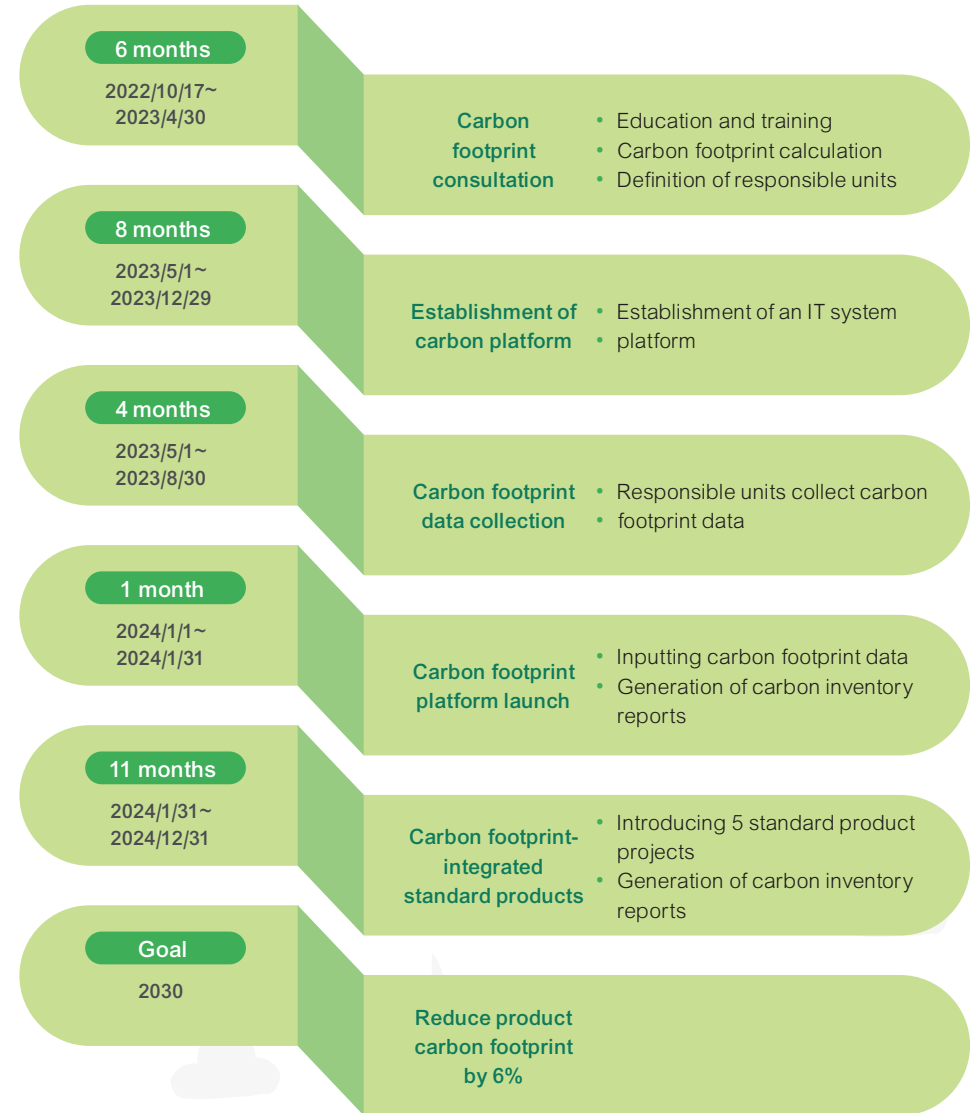
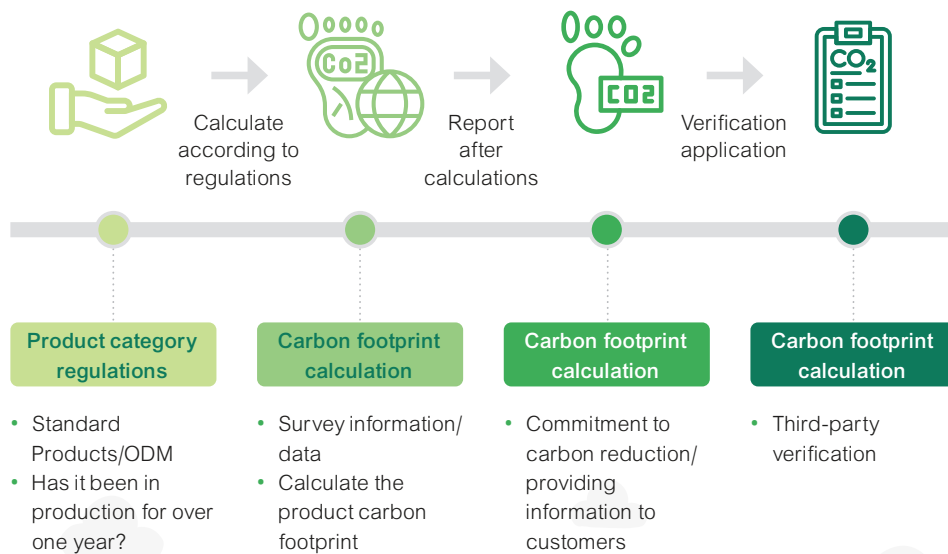


### IECQ QC 080000:2017 Quality Management System Diagram



## Carbon Footprint

To comply with product carbon footprint assessment standards, integrate with the quality management system, and achieve ISO 14067 certification through accredited verification, DFI aims to complete carbon footprint assessments for five projects by the end of 2024, culminating in a self-declaration. Carbon emissions for each product will be calculated based on defined process maps, production volumes, raw material and consumable usage, transportation distances, energy consumption, waste generation, and disposal distances. The timeline for establishing the carbon footprint platform is shown in the accompanying diagram. Starting in 2025, the Company plans to assess the carbon footprint of 18 models in the first half of the year and 35 models in the second half, to supply DFI products aligned with global carbon footprint trends. The goal is to reduce product carbon emissions by 6% by 2030.



# Rooted in Compassion

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### Policy or Commitment

"Bringing Enjoyment 'N' Quality to Life" is DFI's corporate vision. Beyond revenue and profit, we firmly believe that sustainable management is the essential foundation for long-term business success. DFI upholds its core values of "Caring and Contribution" by actively engaging in public welfare initiatives. Through a combination of corporate community care programs and employee-led activities, we work together to promote social development and generate meaningful social value.



### Driving Force

Dedicated to integrating technology with compassion, we continuously engage in public welfare activities to create a better life, give back to society, and fulfill a sustainable vision of truth, goodness, and beauty.



### 2024 Implementation Plan

- Visually Impaired Massages and Healthcare - Eden Foundation Volunteer club - Xizhi Cat Lovers' Planet
- Blood Donation for Happiness Campaign
- Supporting Small-Scale Farming
- Charity gift box/Charity event meal box
- Cultivating a Vegetable Garden Project - Yue Guang Rice (Supporting biodiversity cultivation)
- Volunteer Trip - Caring for the Earth, Promoting Biodiversity



### Benefits and Outcomes

- In 2024, a total of 117 participants took part in the health massage activity for the visually impaired.
- By caring for stray cats or cat shelters, we not only promote animal welfare but also help reduce the potential impact of stray animals on the ecological environment.
- Actively participating in blood donation drives, DFI demonstrates its care for society through meaningful actions and encourages employees to take part enthusiastically in public welfare initiatives. Through organizing blood donation drives, not only is employees' awareness of their own health heightened, but by sharing health, love and hope for life are extended—demonstrating the Company's care and responsibility toward society.
- Assisted 27 producers/Procured 915 kg of locally grown agricultural products.
- In 2024, 620 Mid-Autumn Festival charity gift boxes were purchased to support the Children Are Us Foundation through meaningful, tangible action.
- For Family Fitness Day, meal boxes were purchased from local sheltered workshops in Taoyuan, demonstrating practical support for their operations and development while helping disadvantaged groups move toward greater self-sufficiency.
- Organizing volunteer activities to lead colleagues alongside farmers, allowing them to personally participate in the production process and experience the changes and risks of nature. A total of 77 participants contributed 616 hours of volunteer service.
- DFI actively participates in the foundation's goodwill activities, taking concrete actions to promote sustainable agricultural practices. The Company is dedicated to fostering a healthy, toxin-free environment, contributing to the protection of our planet. During 2024, three advocacy activities were organized and supported.



### ESG Scope Performance

SDG1、SDG2、SDG3、SDG8、SDG12、SDG15



### Area of Focus

- Volunteer training and participation in activities
- Friendly Earth
- Genuine support for small farmers/Disadvantage social groups



## Local Practice

"Bringing Enjoyment 'N' Quality to Life" is DFI's corporate vision. Beyond revenue and profit, we firmly believe that sustainable management is the essential foundation for long-term business success. DFI upholds its core values of "Caring and Contribution" by actively engaging in public welfare initiatives. Through a combination of corporate community care programs and employee-led activities, we work together to promote social development and generate meaningful social value.

### Vision

Dedicated to integrating technology with compassion, we continuously engage in public welfare activities to create a better life, give back to society, and fulfill a sustainable vision of truth, goodness, and beauty.

### Direction

Humanities  
Environment

### SDGs



### Visually Impaired Messages and Healthcare - Eden Foundation

DFI upholds the principle of caring for its employees while actively contributing to society. DFI has partnered with the Eden Foundation to organize health massage and wellness activities, offering stable employment opportunities to individuals with physical and mental disabilities. This activity helps employees relax and relieve stress, while simultaneously creating more job opportunities for individuals with visual impairments. It has not only improved employees' physical and mental well-being but also revitalized the socio-economic landscape, fully reflecting the Company's commitment to and practice of social responsibility.

Note: In 2024, a total of 117 participants took part in the health massage activity for the visually impaired



### Volunteer club - Xizhi Cat Lovers' Planet

DFI actively encourages and supports its employees to participate in public welfare activities. Internally, a group of employees who uphold the philosophy of animal protection has initiated the establishment of the DFI's Xizhi Cat Lovers' Planet Volunteer Club. This organization collaborates with the Xizhi Midway Home's "Feliformia" to jointly safeguard animal lives. Volunteers regularly organize Volunteer Days to visit the cat shelter, assisting with cleaning the environment, conducting socialization training for the cats, and promoting adoption activities as part of their compassionate service. By caring for stray cats or cat shelters, we not only promote animal welfare but also help reduce the potential impact of stray animals on the ecological environment.





## Blood Donation for Happiness Campaign

"One bag of blood donated, one life saved." Responding to the call of the BenQ/Qisda Group, DFI actively participates in blood donation drives, demonstrating its care for society through meaningful actions and encouraging employees to enthusiastically engage in public welfare initiatives. Through organizing blood donation drives, not only is employees' awareness of their own health heightened, but by sharing health, love and hope for life are extended—demonstrating the Company's care and responsibility toward society.



## Supporting Small-Scale Farming

To encourage local farmers to adopt organic and natural farming methods, promote the development of agriculture in Taiwan, and achieve sustainable coexistence between people and the land, DFI has collaborated with Buy Directly from Farmers Co., Ltd. since 2022 to actively support small-scale farmers and promote locally grown, eco-friendly agricultural products. At the same time, quarterly food and agriculture seminars are held to cultivate employees' awareness of diet and agriculture, offering an in-depth understanding of the journey from crop production to the dining table, covering both the production and consumption aspects. Through these efforts, awareness and support for locally grown agricultural products and sustainable farming practices are strengthened, further advancing the vision of a harmonious and sustainable relationship between people and the land.



	2023	2024
Assisted producers and collaborating producers	24	27
Quantity of Purchase	869.8 kg	915 kg
Purchase Amount (in NT\$)	NT\$ 139,483	NT\$ 141,479



## Charity Gift Box

DFI believes that everyone should have equal opportunities and respect in the workplace. We are also keenly aware of the many challenges individuals with intellectual disabilities encounter throughout the job-seeking process. By purchasing Mid-Autumn Festival charity gift boxes from the Children Are Us Foundation, we actively support and promote the employment rights of individuals with intellectual disabilities. We hope this support will enhance their education, training, and career development, create more opportunities, and bring warmth and hope—ultimately making a positive impact on their lives. The Mid-Autumn Festival symbolizes gratitude and the warmth of family reunions. For DFI, it marks an important step toward building a more inclusive and unified society, working together to create a better future.



In 2024, under the name of the Welfare Committee, 620 Mid-Autumn Festival charity gift boxes were purchased to actively support the Children Are Us Foundation. (Source of gift box image: Children Are Us Sefun facebook page)



## Charity Event Meal Box

DFI prioritizes the health and well-being of its employees and their families. To support this, the Company organized a Family Fitness Day filled with wellness activities and lively team competitions, creating a fun and energetic experience for everyone involved. At the same time, lunch boxes were specially purchased from a local sheltered workshop in Taoyuan, taking concrete action to support its operations and development—helping disadvantaged groups move toward independence and improve their quality of life. Employees and their families not only enjoyed the benefits of healthy physical activity but also actively supported local sheltered workshops in Taoyuan, reflecting a shared commitment to social inclusion and compassion.



DFI believes that every act of care and support affirms the efforts and value of sheltered workshop employees, adding a deeper sense of warmth and meaning to the event. This event not only promotes health and strengthens team cohesion, but also represents a meaningful step in practicing corporate social responsibility, fostering community connection, and working together toward a better future.



On the day of the PLAYWITHUS & DFI event held in 2024, DFI ordered a total of 335 meal boxes produced by LeYa Sheltered Workshop, demonstrating corporate compassion and social responsibility through tangible actions.



## Friendly Environment

### I. No harm to biodiversity

DFI does not own, lease, or operate any facilities located in ecological or water resource protection zones within its jurisdiction. The Company strictly adheres to environmental protection principles across all operations and refrains from any activities that could negatively impact biodiversity. Furthermore, its product manufacturing and service delivery processes are designed to avoid causing harm to the ecological environment.

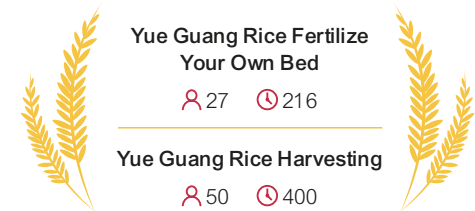
### II. Supporting biodiversity cultivation

#### Cultivating a Vegetable Garden Project - Yue Guang Rice

DFI remains committed to deepening its efforts in social care and environmental sustainability. In addition to promoting and supporting locally produced, sustainable agricultural products, the Company officially launched the "Cultivating a Vegetable Garden Project" in 2023. Building on this initiative, DFI successfully organized volunteer activities in both the first and third quarters of 2024, where employees worked alongside farmers - actively engaging in the production process and gaining firsthand insight into the challenges and uncertainties of nature.

Due to climate and environmental factors, the yield of Yue Guang Rice in Taiwan is low and highly susceptible to lodging, making it difficult to cultivate. Despite these challenges, DFI has taken concrete action to support farmers in growing this local variety—encouraging continued cultivation, expanding rice variety options, and enriching the quality of food on our tables. During the activities, employees assisted with farm work and witnessed firsthand the farmers' dedication to eco-friendly farming, gaining a deep appreciation for the value of food.

"Food is no longer just a commodity on store shelves; it is the culmination of the hard work of farmers and their families, as well as a gift from nature." Through the "Cultivating a Vegetable Garden" project, we have deepened our connection with the land and local farmers while fulfilling our commitment to environmental sustainability and food safety. Each story behind the food we enjoy has become a meaningful chapter that we cherish and protect together.



Number of Participants Volunteer Hours



### Volunteer Trip - Caring for the Earth, Promoting Biodiversity

DFI actively participates in the foundation's goodwill activities, taking concrete actions to promote sustainable agricultural practices. The Company is dedicated to fostering a healthy, toxin-free environment, contributing to the protection of our planet. DFI recognizes the vital connection between people and the environment. To encourage employee participation in volunteer work, the Company introduced a "Volunteer Leave" policy in 2022. Under this system, employees can apply for volunteer leave upon completing service activities and receiving approval from their supervisors - reflecting DFI's strong commitment to sustainable development and social responsibility.

- 2024/11/16 Volunteer Activity at Xizhou for Autumn Harvest - Bending Down to Cut Rice and Listening to the Song of the Earth
- 2024/09/04 Exploring Guanxi, the Village of Longevity – An Educational Tour of Mesona (Grass Jelly) Harvesting Fields
- 2024/07/06 Hand-picking One Bud and Two Leaves — Giving Back to the Land and Protecting the Sustainable Renewal of the Hongbao Tea in Hengshan

 BenQ Foundation



# 📍 Appendix

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## Sustainable Development Key Quantitative Performance Metrics

### Key Quantitative Performance Metrics for Sustainable Development (2022–2024)

Corresponding Chapters	Topics	Topics	2022	2023	2024	Note	GRI disclosure
Financial Performance	Economic value	Consolidated revenue (in NT\$ thousands)	16,189,529	9,184,172	9,583,892	in NTD	201-1
	Economic value	Earnings after tax attributable to owners of the parent company (in NT\$ thousands)	603,957	388,016	396,611		201-1
Green Products	Number of patents	Cumulative number of patents acquired	26	27	10	According to the Taiwan Patent Search System	-
Green Operation	Total raw material usage	Tin (paste, bar, wire) (kg)	8,615	5,052	5,224		301-1
	Total raw material usage	Tin paste (kg)	2,860	1,750	1,660		301-1
	Total raw material usage	Tin bar (kg)	5,700	3,242	3,504		301-1
	Total raw material usage	Tin wire (kg)	55	60	60		301-1
	Total raw material usage	Soldering flux (gallons)	1,250	670	710		301-1
	Direct energy consumption	Gasoline (kL)	3.614 (118.03 GJ)	1.016 (33.16 GJ)	11.246 (367.20 GJ)		302-1
	Direct energy consumption	Diesel (kL)	0	0.148 (5.2 GJ)	0.086 (3.02 GJ)		302-1
	Indirect energy consumption	Procured electricity (kWh)	6,526,411 (23,495.08 GJ)	6,093,556 (21,936.80 GJ)	5,720,056 (20,592.20 GJ)		302-2
	Total water consumption	Domestic water usage (thousand cubic meters)	22.155	23.421	20.074		303-2
Carbon Management	GHG emissions	Direct GHG emissions (tons of CO <sub>2</sub> e) (Scope 1)	164.8466	150.2631	140.2321		305-2
	GHG emissions	Indirect GHG emissions (tons of CO <sub>2</sub> e) (Scope 2)	3321.9431	3114.4308	2711.3064		305-2
	GHG emissions	Total GHG emissions (tons of CO <sub>2</sub> e)	3486.7897	3,264.6939	5039.1888		305
	GHG emissions	Indirect GHG emissions (tons of CO <sub>2</sub> e) (Scope 3)	14,379.89	1,108.6164	2,187.6503		305-3



Corresponding Chapters	Topics	Topics	2022	2023	2024	Note	GRI disclosure
Financial Performance	Environmental performance in protection and management	Production value (in NT\$100 millions)	64.2354	48.7052	21.0943	in NTD	-
	Environmental performance in protection and management	Production quantity (1000 units)	1,025	748	602		-
Green Operation	Environmental performance in protection and management	Electricity consumption per NT\$100 millions output (MWh)	101.6423	125.1202	271.166		305-4
	Environmental performance in protection and management	Water consumption per NT\$100 millions output (tons)	344.896	480.8727	951.6315		305-4
	Environmental performance in protection and management	GHG emission intensity per NT\$100 million output (tons)	54.2814	67.0297	140.0635	Calculation of category 1 + 2 GHG emissions	305-4
	Waste	Total waste (tons)	117.2000	127.1333	159.47		306-3~5
	Waste	Total recyclable waste (tons)	43.87	45.483	82.552	<ul style="list-style-type: none"> <li>Recycle waste disposal in 2024: R-2408 activated carbon waste: 2.07 metric tons</li> <li>2024 material usage for recycling: R-0601 waste paper: 56.024 metric tons, R-0201 waste plastic: 24.458 metric tons</li> </ul>	306-3~5
	Waste	General waste - domestic solid waste (tons)	69.79	73.1313	68.49	Incineration	306-3~5
	Waste	Total hazardous waste (tons)	3.54	6.119	4.828	<ul style="list-style-type: none"> <li>Thermal treatment in 2024 (excluding incineration): C-0301 Waste liquid with flash point below 60°C (excluding alcoholic waste with ethanol concentration below 24%): 1.68 metric tons</li> <li>Physical treatment in 2024: E-0217 waste electronic components, offcuts, and defective products: 1.948 metric tons E-0221 waste printed circuit boards with metal and their scraps: 1.2 metric tons</li> </ul>	

Corresponding Chapters	Topics	Topics	2022	2023	2024	Note	GRI disclosure
Green Operation	Waste	Non-hazardous waste (tons)	0	2.4	3.6	Overseas disposal in 2024: D-2527 does not include 1.8 metric tons of mixed metal waste that meets the criteria for hazardous industrial waste in Appendix 2. D-0299 does not include 1.8 metric tons of plastic waste or mixtures thereof that are not eligible for recycling or reuse as specified.	306-3~5
Employee Safety and Environment	Chemical and substance spills	Total number of spills and volumes of chemical spills	0	0	0		-
	Violations of environmental regulations	Fines and numbers of violations of environmental regulations	0	0	0		307-1
-	Eco-friendly investments	Total environmental investment/ expenditure (NTD)	3,760,558	8,926,309			-
Employee Status	Total number of employees	Taiwan	661	629	665		401-1
Employee Safety and Environment	Safety and health management performance	Disabling injury frequency rate (FR)	0.79	1.6	3.07	FR = (Total number of disabling injuries * 10 <sup>6</sup> )/Total work hours, rounded to the third decimal place	403-2
	Safety and health management performance	Disabling injury severity rate (SR)	0	2	0.16	SR = (Total lost workdays due to disabling injuries * 10 <sup>6</sup> )/Total work hours, rounded to the nearest whole number	403-2
	Safety and health management performance	Total injury frequency-severity index (FSI)	0	0.05	0.02	FSI = $\sqrt{((SR \times FR)/1000)}$ , rounded to the third decimal place	403-2
Learning and Development	Average training hours per employee (hours/person)	Direct labor (DL, Taiwan)	4.94	25.52	7.58		404-1
	Average training hours per employee (hours/person)	Indirect labor (IDL, Taiwan)	11.91	32.45	20.37		

Corresponding Chapters	Topics	Topics	2022	2023	2024	Note	GRI disclosure
Human Rights Management	Human Rights Management	Discrimination incidents	0	0	0		406-1
	Human Rights Management	Number of human rights complain	0	0	0		103-2
Legal Compliance	Percentage of employees trained on the code of conduct	Direct labor (DL, Taiwan) (%)	100	100	100		205-2
	Percentage of employees trained on the code of conduct	Indirect labor (IDL, Taiwan) (%)	100	100	100		205-2
Financial Performance	Political contributions; Violations of Social-Related Regulations	Amount of political contributions	0	0	0		415-1
	Political contributions; Violations of Social-Related Regulations	Significant fines and number of legal violations	0	0	0		419-1
Commitment to Clients	Customer satisfaction survey results	Overall satisfaction (scale)	3.35	3.48	3.44	Very satisfied (4 points), satisfied (3 points), dissatisfied (2 points), very dissatisfied (1 point)	N/A
Legal Compliance	Violations of marketing regulations	Number of cases violating marketing regulations	0	0	0		417-3
Commitment to Clients	Customer privacy	Number of customer privacy infringement complaints	0	0	0		418-1
Sustainable Supply Chains	Supply chain investigation	Supplier screening (number of companies)	51	47	12		-

## GRI Standards comparison table

\* All GRI disclosures have been externally verified and received Type 2 / High Assurance. General Disclosure.

### General Disclosure

Item	GRI	Description	Corresponding Chapters	Material topic
Organizing and reporting practice	2-1	Organization information	About the Report About DFI Inc.	○
	2-2	Entities included in organizational sustainability reporting	About the Report	○
	2-3	Reporting period, reporting frequency and contacts	About the Report	○
	2-4	Information reorganization	About the Report	○
	2-5	External assurance/ verification	About the Report	○
Activities and workers	2-6	Activities, value chains and other business relationships	About DFI Inc.	○
	2-7	Employees	Employee Status	○
	2-8	Non-employee workers	Employee Status	○
Governance	2-9	Governance structure and composition	Corporate Governance	○
	2-10	Nomination and selection of the highest governance body	Corporate Governance	○
	2-11	Chairman of the highest governance body	Corporate Governance	○
	2-12	Supervisory role of the highest governance body in impact management	Risk Management	○

Item	GRI	Description	Corresponding Chapters	Material topic
Governance	2-13	Person in charge for impact management	Risk Management	○
	2-14	Role of the highest governance body in sustainability reporting	Corporate Governance	○
	2-15	Conflict of interest	Corporate Governance	○
	2-16	Communication of key significant events	Corporate Governance	○
	2-17	Collective intelligence of the highest governance body	Corporate Governance	○
	2-18	Performance assessment of the highest governance body	Corporate Governance	○
	2-19	Remuneration policy	Corporate Governance	○
	2-20	Remuneration determination process	Corporate Governance	○
	2-21	Annual total compensation ratio	Good Labor Relations	●
	2-22	Statement on sustainability strategies	Support from Leadership Corporate Sustainable Development	○

Item	GRI	Description	Corresponding Chapters	Material topic
Strategies, policies and practices	2-23	Policy commitment	Support from Leadership Corporate Sustainable Development Human Rights Management * Note: The company has not entered into a collective bargaining agreement with employees.	○
	2-24	Included in policy commitment	Support from Leadership Corporate Sustainable Development Corporate Sustainable Development Stakeholder Communication Sustainable Supply Chains Legal Compliance Human Rights Management	○
	2-25	Procedures for addressing negative impacts	Corporate Sustainable Development Risk Management Stakeholder Communication Human Rights Management Code of Conduct Employee Safety and Environment	○
	2-26	Mechanisms for seeking advice and raising concerns	Corporate Sustainable Development Stakeholder Communication Human Rights Management Code of Conduct Employee Safety and Environment	○

Item	GRI	Description	Corresponding Chapters	Material topic
Strategies, policies and practices	2-27	Regulatory compliance	Legal Compliance Code of Conduct	○
	2-28	Membership qualification of unions and associations	Corporate Governance	○
Stakeholder engagement	2-29	Stakeholder engagement policy	Stakeholder Communication	○
	2-30	Group agreements	(No group agreements)	-

## Thematic Disclosure

Item	GRI	Description	Corresponding Chapters	Material topic
Governance	201-1	Direct economic value generated and distributed by the organization	Financial Performance	●
	201-2	Financial impacts of climate change and other risks and opportunities	Risk Management Climate Strategy and Carbon Management	○
	202-1	Ratio of standard wages for non-managerial staff of different genders to the local minimum wage	Good Labor Relations	●
	202-2	Percentage of local residents employed in senior management positions	Employee Status	○
	203-1	Investment in infrastructure and development and impact of support services	Local Practice Friendly Environment	○
	203-2	Significant indirect economic impacts	Stakeholder Communication	○

Item	GRI	Description	Corresponding Chapters	Material topic
Governance	204	Procurement practices	Sustainable Supply Chains	●
	205-2	Communication and training on anti-corruption policies and procedures	Code of Conduct Legal Compliance	○
	207	Taxation	Financial Performance	●
Environment	302-1	Energy consumption within the organization	Energy Resource Management	○
	302-3	Energy intensity	Energy Resource Management	○
	302-4	Reduce energy consumption	Energy Resource Management	○
	303-4	Water discharge	Energy Resource Management	○
	303-5	Water consumption	Energy Resource Management	○
	305-1	Direct (Scope 1) GHG emissions	Climate Strategy and Carbon Management	●
	305-2	Energy indirect (Scope 2) GHG emissions	Climate Strategy and Carbon Management	●
	305-3	Other indirect (Scope 3) GHG emissions	Climate Strategy and Carbon Management	●
	305-4	GHG emissions intensity	Climate Strategy and Carbon Management	●
	305-5	Reduction of GHG emissions	Climate Strategy and Carbon Management	●
	306-2	Management of significant waste-related impacts	Energy Resource Management	●




Item	GRI	Description	Corresponding Chapters	Material topic
Environment	306-3	Waste generation	Energy Resource Management Sustainable Development Key Quantitative Performance Metrics	●
	306-4	Disposal and transfer of waste adopting environmental standards for screening new suppliers	Energy Resource Management Sustainable Development Key Quantitative Performance Metrics	●
	306-5	Direct disposal of waste	Energy Resource Management Sustainable Development Key Quantitative Performance Metrics	●
	308-1	Adopting environmental standards to screen new suppliers	Sustainable Supply Chains	●
	308-2	Environmental impact of the supply chain and actions taken	Sustainable Supply Chains	●
	401-1	New hires and employee turnover	Employee Status	○
Society	401-2	Benefits provided to full-time employees (excluding temporary or part-time employees)	Protecting Health and Well-being	●
	401-3	Parental leave	Good Labor Relations	○
	402-1	Labor-capital relationship	Good Labor Relations	●
	403-1	Occupational health and safety	Employee Safety and Environment	●
	403-2	Hazard identification, risk assessment, and incident investigation	Employee Safety and Environment	●



Item	GRI	Description	Corresponding Chapters	Material topic
Society	403-3	Occupational health services	Protecting Health and Well-being	●
	403-4	Involvement, consultation, and communication of workers in occupational health and safety	Employee Safety and Environment	●
	403-5	Working training on occupational health and safety	Employee Safety and Environment	●
	403-6	Health promotion for workers	Protecting Health and Well-being	○
	403-7	Prevention and mitigation of occupational health and safety impacts directly related to business operations	Employee Safety and Environment	●
	403-8	Workers covered by the occupational health and safety management system	Employee Safety and Environment	●
	403-9	Occupational injuries	Employee Safety and Environment	●
	403-10	Occupational diseases	Employee Safety and Environment	●
	404-1	Average hours of training per employee per year	Learning and Development	○
	404-3	Percentage of employees undergoing regular performance and career development reviews	Good Labor Relations	○
	417-2	Incidents of non-compliance with regulations on information and labeling of products and services	Green Products	○

Society	418-1	Customer privacy	Commitment to Clients	○
	405-1	Diversification of governance body and employees	Employee Status	○
	405-2	Ratio of female to male in basic salary and remuneration	Good Labor Relations	●
	414-1	Screening of new suppliers using social standards	Sustainable Supply Chains	●
	416-2	Incidents of non-compliance with health and safety regulations related to products and services	Green Products	○

## SDGs comparison table

SDGs		
	DFI, through its stable compensation system and comprehensive welfare measures, enhances the stability of employee livelihoods, thereby realizing the sustainable goals of eradicating poverty and promoting social well-being. Concurrently, DFI has long-term supported friendly farming agricultural products, establishing stable cooperative relationships to actively support the development of local agriculture and sustainable farming.	Good Labor Relations, Local Practice
	DFI supports agricultural products from rural small-scale farmers, provides employees with quality meals, and strives for shared prosperity and well-being in society.	Local Practice
	DFI offers its employees comprehensive health services and benefits, as well as develops products suitable for improving medical environments.	Protecting Health and Well-being
	DFI provides employees with ample opportunities for continuing education and diverse learning services, with various club activities for family education.	Learning and Development
	DFI promotes gender equality and diversity, providing equal employment and promotion opportunities to reduce gender gaps.	Good Labor Relations, Legal Compliance, Human Rights Management
	DFI's factories do not extract groundwater, have comprehensive wastewater treatment measures, and implement water conservation practices in day-to-day operations.	Green Operation
	DFI adopts solar energy and promotes the development of renewable energy while continuously advocating for energy efficiency and emissions reduction.	Green Operation, Climate Strategy and Carbon Management
	We provide safe and fair working conditions and create employment opportunities to foster sustainable economic growth.	Financial performance, Human Rights Management, Employee Status, Employee Safety and Environment, Green Operation
	DFI promotes industry innovation, continuously develops efficient and energy-saving IPCs, and drives industrial automation.	Corporate Sustainable Development, Green Products

SDGs		
	DFI creates fair employment opportunities and remuneration systems to reduce social and economic inequality.	Human Rights Management, Good Labor Relations, Protecting Health and Well-being
	In response to urban sustainability issues, DFI utilizes professional expertise to promote smart factories and electric vehicle infrastructure, fostering sustainable social development and improving quality of life.	Corporate Sustainable Development, Green Products, Green Operation, Local Practice
	DFI advocates for green design and the concept of circular economy, reducing resource consumption and environmental impact during product manufacturing and usage stages.	Green Operation, Green Products, Sustainable Supply Chains, Local Practice, Friendly Environment
	DFI continues to expand its GHG inventory and carbon footprint verification scope as a basis for energy conservation and emissions reduction goals, and jointly supports the RE100 initiative with the Group.	Support from Leadership, Corporate Sustainable Development, Climate Strategy and Carbon Management, Carbon Footprint
	DFI provides marine monitoring system products to protect vessels at sea and reduce marine waste generation.	Corporate Sustainable Development
	DFI values environmental protection and requires its supply chain to avoid the use of hazardous materials in research and development.	Sustainable Supply Chains
	DFI upholds social justice and the rule of law, eliminating corruption and illegal activities to ensure effective and responsible institutional operations.	Code of Conduct, Legal Compliance, Human Rights Management, Sustainable Supply Chains
	DFI provides products to international partners through collaborative relationships and works with the Group to achieve sustainable development goals, sharing knowledge and resources.	Commitment to Clients, Sustainable Supply Chains

\* DFI's product lines align with the Sustainable Development Goals (SDGs). Please refer to the Corporate Sustainability Development section for details (P.xx)

## SASB Comparison Table

### Technology and Communication - Hardware disclosure metrics

Disclosure themes	Metric numbering	Nature	Disclosure metrics	Remarks	Corresponding Chapters										
Product Security	TC-HW230a.1	Qualitative	Methods for identifying and addressing data security risks in products.	Establish information security management system, implement information security policies, protect customer data and corporate intellectual property, tracked quarterly by the Risk Management Committee.	Information Management Risk Management										
Employee Diversity & Inclusion	TC-HW-330a.1	Quantitative	Percentage representation of gender and racial/ethnic groups among management, technical personnel, and all other employees.	Please refer to section for distribution of employee demographics.	Employee Status										
Product Lifecycle Management	TC-HW-410a.1	Quantitative	Percentage of revenue from products that require declaring in IEC 62474.	In 2024, the revenue percentage from products requiring declaring was 0%.	Green Products										
	TC-HW-410a.3	Quantitative	Percentage of qualified products (by revenue) that comply with ENERGY STAR® standards or equivalent requirements.	Revenue from sales of energy-saving products that comply with ErP Lot3 (EU 617/2013) accounts for 14.41% of standard product sales.											
Materials Sourcing	TC-HW440a.1	Qualitative	Description of risk management related to the use of critical materials.	Please refer to section for supplier management strategy and supply chain risk management.	Sustainable Supply Chains										
Activity Metrics	TR-AP-000.A	Quantitative	Number of units produced by product category.	<table><tr><td>Company</td><td>Board</td><td>System</td><td>Others</td><td>Total</td></tr><tr><td>DFI</td><td>545</td><td>56</td><td>0</td><td>602</td></tr></table>	Company	Board	System	Others	Total	DFI	545	56	0	602	key quantitative performance metrics
	Company	Board	System	Others	Total										
	DFI	545	56	0	602										
TR-AP-000.B	Quantitative	Total area of manufacturing facilities.	7,567.3 m <sup>2</sup> (including 3800 m <sup>2</sup> on the third floor of the headquarters, 2,123.6 m <sup>2</sup> on the first floor of the headquarters, 203.6 m <sup>2</sup> mezzanine on the second floor of the headquarters, and 1,440 m <sup>2</sup> on the second to fourth floors of the interview building)												
TR-AP-000.C	Quantitative	Percentage of production from owned facilities.	All production comes from owned facilities.												

## TCFD comparison table

	Governance	Strategy	Risk Management	Metrics and Targets
<b>Description</b>	Discloses how the organization manages climate-related risks and opportunities	Discloses existing and potential climate-related risks that may impact the organization's financial planning	Discloses the process for assessing, evaluating, and managing climate-related risks within the organization	Discloses key metrics and targets for assessing and managing climate-related risks and opportunities for the organization
<b>Corporate Governance</b>	<ul style="list-style-type: none"> <li>Describes the Board's supervision of climate-related risks and opportunities</li> <li>Describes the role of management in assessing and managing climate-related risks and opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Describes the organization's awareness of short, medium, and long-term climate-related risks and opportunities</li> <li>Describes the potential impacts of climate-related risks and opportunities on the organization's operations, strategies, and financial planning</li> <li>Describes the organization's flexible strategies in response to different climate scenarios</li> </ul>	<ul style="list-style-type: none"> <li>Describes the process for reviewing and evaluating climate-related risks within the organization</li> <li>Describes the procedures for managing climate-related risks within the organization</li> <li>Describes how the organization integrates the mechanisms for reviewing, evaluating, and managing climate-related risks into the overall risk management system</li> </ul>	<ul style="list-style-type: none"> <li>Discloses the metrics used to assess climate-related risks and opportunities in the organization's strategy and risk control processes</li> <li>Discloses GHG emissions and related risks in Scope 1, Scope 2, and Scope 3</li> <li>Describes the organization's goals and achievement levels in managing climate-related risks and opportunities</li> </ul>
<b>Corresponding Sections</b>	Corporate Sustainable Development Corporate Governance	Support from Leadership DFI corporate sustainable development Climate Strategy and Carbon Management	Risk Management	Corporate Sustainable Development Climate Strategy and Carbon Management

\* Note: For the climate risk and opportunity correlation diagram and details on climate risk identification and response, please refer to the [Risk Management](#) section (P.37)

## TCFD

Dimensions	Recommended Disclosure Items by TCFD	The Company's Response Measures		
Governance	Board oversight of climate-related risks and opportunities	The Risk Management Committee focuses on identifying and assessing the Company's relevant risks on an annual basis. Risk management decisions are implemented following approval by the Board of Directors and the Audit Committee. The President, the Head of the Sustainable Risk Management Department, and other senior executives will track and discuss matters during quarterly meetings, and will report to the Board of Directors annually.		
	The role of management in assessing and managing climate-related risks and opportunities	The Risk Management Committee of DFI is chaired by the President, with the Deputy Chairman being the CFO. Departmental senior managers serve as committee members and are responsible for determining DFI's risk management strategies, setting annual targets, and establishing risk performance indicators. In addition, the ERM team serves as the Secretary-General and primary point of contact, responsible for monitoring internal and external events to identify potential risks, coordinating risk management meetings, tracking risk indicators, and overseeing the progress of mitigation plans. Each department actively monitors risks through self-assessment reports, identification of high-risk areas, and the development of targeted risk improvement plans. These efforts are regularly reported to the Risk Management Committee during scheduled meetings.		
Strategies	Identified short-, medium-, and long-term climate-related risks and opportunities	Short-term	Mid-term	Long-term
		<ul style="list-style-type: none"> <li>Physical Risks: Rising environmental temperatures increase the need for energy and cooling systems to maintain factory operations and a comfortable office environment.</li> <li>Transition Risk: Policy and regulatory changes related to climate change have led to shifts in industry demand.</li> <li>Market Risk: Use of low-emission energy and the research, development, and innovation of new products and services</li> </ul>	<ul style="list-style-type: none"> <li>Market Risks We face market risks stemming from evolving carbon reduction policies and regulations. These could potentially lead to our products being unable to export to target markets. Furthermore, meeting customer decarbonization goals necessitates comprehensive company-wide carbon emission inventories and certifications.</li> <li>Transition Opportunities We see significant transition opportunities in our sustainability efforts. Our company is continually developing ERP Lot 3 energy-saving products. Additionally, we're executing a green power initiative, which included the construction of solar photovoltaic facilities at our Taoyuan factory in 2023. Utilizing renewable energy is expected to lower our greenhouse gas emission costs, representing a positive and long-term financial impact.</li> </ul>	<ul style="list-style-type: none"> <li>Financial Risks: Potential costs due to business interruption or supply chain disruption may include fixed operating costs, equipment repair costs, fixed labor costs such as employee wages, and should also calculate time costs for days of shutdown and penalties caused by delayed deliveries. In response to low-carbon product development, various costs may increase, including operating costs such as R&amp;D design and new product technologies.</li> </ul>

Dimensions	Recommended Disclosure Items by TCFD	The Company's Response Measures		
Strategies	Impacts of climate-related risks and opportunities on business, strategy, and financial planning	<p>The Company conducts a comprehensive assessment of the actual and potential impacts of climate change on its business, operations, and financial planning, following the disclosure recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and commits to transparent reporting. The major climate risks faced by the Company primarily stem from stakeholders' demands for the reduction of greenhouse gas emissions and compliance with product energy efficiency standards. Due to the nature of the IPC industry, over 99% of resource consumption comes from electricity use. Nevertheless, we maintain a strong focus on environmental and climate issues. Failing to keep pace with advancements in net-zero emissions, water resource management, and energy efficiency could threaten our industry standing and lead to significant consequences. Therefore, gradually adopting these initiatives not only mitigates risks but also creates new opportunities. To effectively address these risks and opportunities, the company has implemented a series of management policies. These include enhancing climate risk management frameworks, optimizing resource allocation, and pursuing innovative solutions for green development. The goal is to simultaneously mitigate risks and capitalize on opportunities, ensuring the Company's sustainable growth.</p>		
Strategies	Impacts of climate-related risks and opportunities on business, strategy, and financial planning	Key Transition Risks and Opportunities	Key Physical Risks and Opportunities	Key Climate Risks
		<ul style="list-style-type: none"> <li>Changes in consumer preferences leading to a decrease in demand for goods and services</li> <li>Fluctuations in input costs (such as energy, water) and changes in output requirements (such as waste management) leading to higher production costs</li> <li>Changes in energy costs - Revenue composition and source changes</li> <li>Repricing of assets (such as petrochemical fuel reserves, land valuation, securities valuation)</li> </ul> <p>In the process of assisting companies in low-carbon digitization, we keep optimizing carbon reduction solutions, including comprehensive services such as initial implementation, mid-term application, and consultation in later stages, to enhance our opportunities and competitiveness in the green market. Furthermore, we track customer evaluations and feedback to develop well-rounded, comprehensive solutions that combine marketing strategies.</p>	<ul style="list-style-type: none"> <li>Decreased demand for products and services resulting in order losses</li> <li>Expenditure on the development of new and alternative products</li> <li>Capital investment in technology development</li> </ul> <p>Proxy Carbon Emission Data AI Platform integrates innovative ideas for carbon reduction, assisting businesses in improving their production environment and processes. Innovation IT solutions enable businesses to operate more sustainably, achieving the goal of a green supply chain with net-zero emissions.</p>	<ul style="list-style-type: none"> <li>Decrease or disruption in production capacity (e.g. production stoppage, supply chain disruption)</li> <li>Impact on labor management and planning (e.g. health, safety, absenteeism)</li> <li>Write-off and premature retirement of existing assets (e.g. property and asset damage in "high-risk" areas)</li> <li>Increase in operating costs (e.g. insufficient water supply for hydroelectric power plants or cooling water for nuclear and thermal power plants)</li> <li>Increase in infrastructure costs (e.g. facility damage)</li> <li>Decrease in sales/output resulting in decreased revenue</li> </ul> <p>Increased premiums and difficulty in insuring assets located in "high-risk" areas</p> <ul style="list-style-type: none"> <li>Short-term: In response to the continued increase in annual average temperature, the Company has included climate risks as a discussion item in the Risk Management Committee.</li> <li>Mid-term: Establishing appropriate flood prevention facilities and planning an emergency response team to cope with future extreme rainfall. Future site planning will also consider whether the geographical location is in the most vulnerable risk areas. Enhancing digitalization of climate risk data and improving online data management to reduce the probability of employees encountering extreme weather hazards.</li> <li>Long-term: Improving water efficiency, introducing green energy systems, and promoting water and energy habits. Collect water usage data from subsidiaries and integrate external information to develop a Water Intelligence Center platform that provides real-time water status updates to each company.</li> </ul>



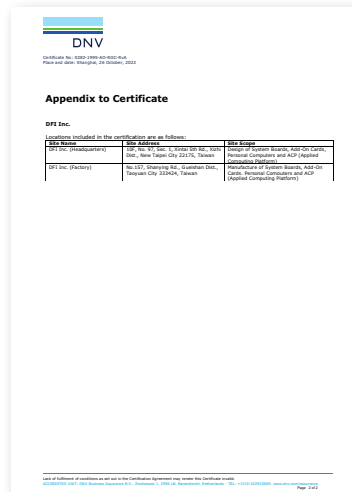
Dimensions	Recommended Disclosure Items by TCFD	The Company's Response Measures
Strategies	Strategic resilience, taking into account different climate-related scenarios	The Company is headquartered in Xizhi District, New Taipei City, with its factory located in Guishan District, Taoyuan City. According to the 3D Disaster Potential Map from the National Science and Technology Center for Disaster Reduction, neither the headquarters nor the Taoyuan factory is directly situated in areas prone to heavy rainfall or rockfalls. However, there are zones nearby with landslide risks, including debris flow streams and steep slopes. (See Appendix One for details.) Therefore, the risk of flooding or landslides disrupting the Company's operations is minimal. However, for risk management purposes, the Company continues to calculate potential property losses resulting from climate-related events that could unfortunately cause short-term work stoppages. Since the Company produces products based on customer demand, any work stoppage would primarily result in losses related to fixed costs and financial costs.
Risk Management	Identification and assessment process of climate-related risks	Through collaboration between the Group's large fleet and relevant internal units, we gather information on external market, regulatory, technological, and physical climate trends. This enables us to identify the climate-related risks and opportunities the Company may encounter. By assessing both the potential impact and likelihood of these factors, we prioritize the most significant climate risks and opportunities. In the simulated scenarios, both financial risks and opportunities, as well as their impacts on finances, are taken into account and converted into financial figures. In accordance with the Group's RE100 phased target of RE60, which aims to achieve 60% renewable energy usage by 2030, it is estimated that the demand for renewable energy certificates will reach as high as NT\$37,292 thousand. This calculation is based on the cost of renewable energy certificates in China at NT\$3 thousand per 10,000 kWh and in Taiwan at NT\$60 thousand per 10,000 kWh, resulting in a demand of NT\$66 thousand for China and NT\$37,226 thousand for Taiwan.
	Within the climate-related risk management framework	To promote the implementation of risk management mechanisms and ensure the sustainable operation of the Company, the Board of Directors has approved the "Risk Management Policy and Procedures" and established the Risk Management Committee in accordance with the Company's risk management policy. The Risk Management Committee consolidates the four main categories of risk: strategic, financial, operational, and hazard. Each year, it identifies, evaluates, manages, reports, and monitors risks that could adversely affect the Company's operational objectives. The committee reports annually to the Audit Committee and the Board of Directors on the progress of risk management.
	How the identification, assessment, and management of climate-related risks are integrated into the Company's overall risk management system	Climate change is incorporated as a key issue in sustainable development and included as a key item in stakeholder engagement surveys. Based on the Risk Management Committee's RA factor assessments for each unit, risk factors are incorporated into the management system and monitored on a quarterly basis. Through the committee's implementation plans, response measures are developed across areas such as operations, products, and supply chain management.
Metrics and Targets	Description of the indicators used by the Company to assess climate-related risks and opportunities in accordance with its strategy and risk management processes	Financial performance, green products, carbon management, green operation are used as the primary key indicators for quantitative assessment. Energy management is evaluated using indicators related to the use of renewable energy, as well as electricity and water consumption at major operational sites

Dimensions	Recommended Disclosure Items by TCFD	The Company's Response Measures		
Metrics and Targets	Risks related to Scope 1, Scope 2, and Scope 3 GHG emissions	Since 2021, greenhouse gas inventories have been conducted in accordance with the ISO 14064-1 standard, with verification statements obtained. The greenhouse gas emissions for 2024 (measured in metric tons of CO2e) are as follows:		
		Scope 1: 140.2321	Scope 2: 2711.3064	Scope 3: 2187.6503
	The targets used to manage climate-related risks and opportunities, and the performance in achieving those targets	<b>Carbon management and energy management objectives</b>	<b>Product energy efficiency improvement management objectives</b>	<b>Waste management objectives</b>
		<ul style="list-style-type: none"><li>Using 2021 as the base year, electricity consumption will be reduced by 4% annually</li><li>Starting in 2024, product carbon footprints will be gradually self-declared, with certification for one product model's carbon footprint to be completed by 2025</li></ul>	<ul style="list-style-type: none"><li>More than 60% of models met the ErP Lot 3 standards in 2025</li></ul>	<ul style="list-style-type: none"><li>Reduction of recyclable waste by more than 2%.</li></ul>

# Certificate

Please refer to the latest certificate on the official DFI website <https://www.dfi.com/tw/about/companyinformation>

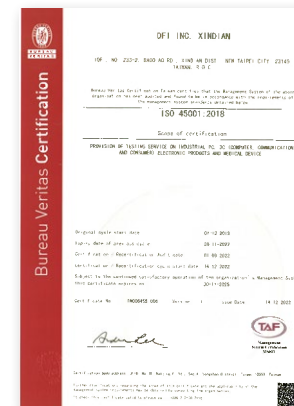
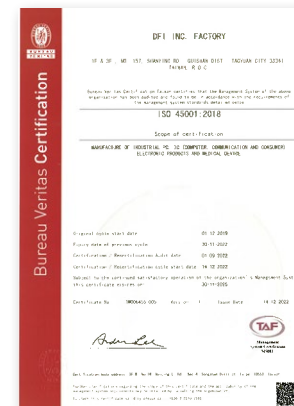
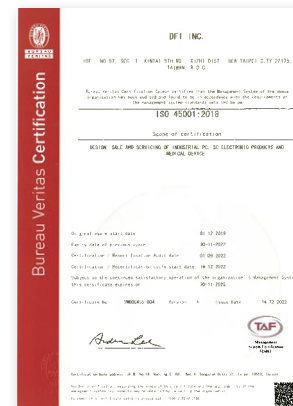
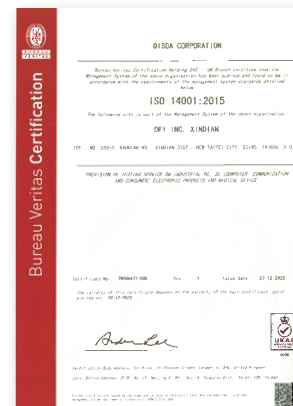
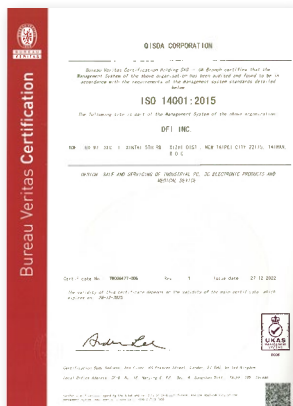
## ISO 9001 Certification



## ISO 13485 Certification

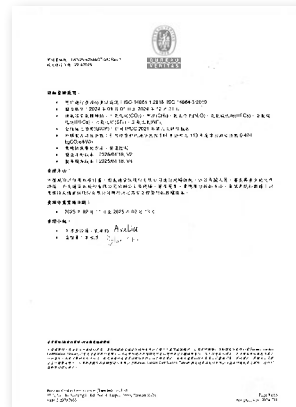
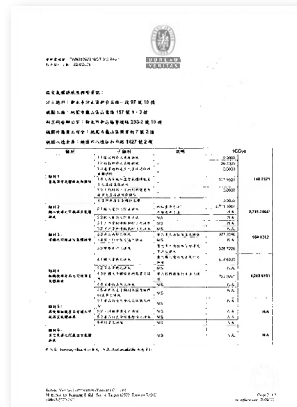


## ISO 14001 & 45001 Certification

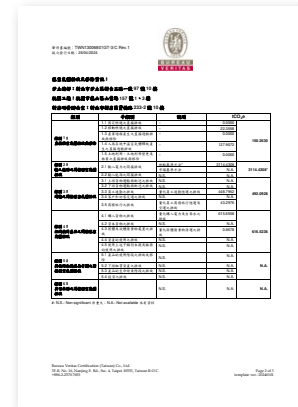


## ISO 14064-1 Certification

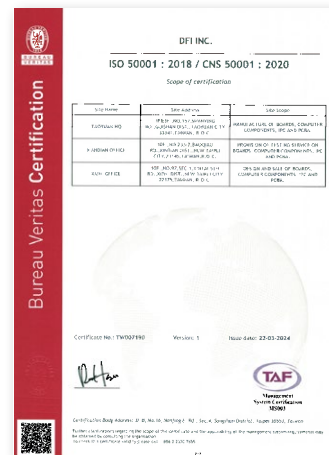
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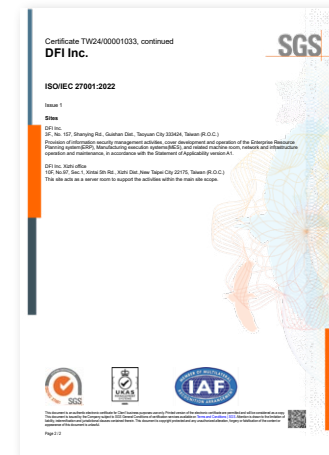
2023



## ISO 50001 Certification









## ISO 27001



## QC 080000 Certification



## GRI

<p></p> <p><b>INDEPENDENT ASSURANCE STATEMENT</b></p> <p>To: The Stakeholders of DFI INC.</p> <p><b>Introduction and objectives of work</b></p> <p>Bureau Veritas Certification Taiwan has been engaged by DFI INC. to conduct an independent assurance of its DFI INC. 2024 Sustainability Report. This Assurance Statement applies to the related information included within the scope of work described below.</p> <p>This information and its presentation in the DFI INC. 2024 Sustainability Report are the sole responsibility of the management of DFI INC. Bureau Veritas was not involved in the drafting of the Report. Our sole responsibility was to provide independent assurance on its content.</p> <p>The objectives of our engagement is to provide assurance to DFI INC. stakeholders over the accuracy, reliability and objectivity of the reported information and that it covers the issues material to the business and its stakeholders.</p> <p><b>Scope of work</b></p> <p>The scope of our work was limited to assurance over AA1000 Accountability Principles and performance data, included in the ESG Report for the reporting period January 1, 2024, to December 31, 2024. Subject to the limitations and exclusions listed in the section below, our review included:</p> <ul style="list-style-type: none"><li>• Data and information included in DFI INC. 2024 Sustainability Report;</li><li>• Appropriateness and robustness of underlying reporting systems and processes, used to collect, analyze and review the information reported;</li><li>• Evaluation of the Report against the main principles of the AA1000 Accountability Principle (2018):<ul style="list-style-type: none"><li>◦ Inclusivity</li><li>◦ Responsiveness</li><li>◦ Impact</li></ul></li><li>• Evaluation of the Report against the principles of Stakeholder Inclusiveness, Sustainability Context, Materiality, Competence, Balance, Comparability, Accuracy, Timeliness, Clarity, and Reliability, as defined in the GRI Standards.</li></ul> <p><b>Reporting Criteria</b></p> <p>DFI INC. 2024 Sustainability Report has been prepared in reference to relevant best practice reporting frameworks such as the Global Reporting Initiative (GRI), as well as internal definitions set by DFI INC. for tracking and monitoring the progress against its ESG (Environment, Social, Governance) performance indicators.</p> <p><b>Limitations and Exclusions</b></p> <p>Our work was subject to the following exclusions:</p> <p>Bureau Veritas Certification (Taiwan) Co., Ltd. 1/5 15 April 2025</p>	<p></p> <ul style="list-style-type: none"><li>• Financial data, including financial data that feeds into the calculation of information in the ESG report as these are audited by an external financial auditor and are relied on as accurate for the purposes of our scope of work. This includes but is not limited to any statements relating to production, sales, revenue, salaries, payments, and financial investments;</li><li>• Greenhouse gas emissions are verified by verification body selected by DFI INC. and are relied on as accurate for the purposes of our scope of work;</li><li>• Information related to activities outside the defined reporting period or scope;</li><li>• Company position statements (including any expression of opinion, belief, aspiration, expectation, aim or future intent) and any DFI INC. or third-party anecdotes or testimonials;</li><li>• Content of external websites or documents linked from the ESG Report and country or business unit specific Reports of other DFI INC. entities or joint ventures;</li><li>• Appropriateness of any new targets, commitments, and objectives established and communicated by DFI INC.; and</li><li>• Appropriateness of definitions and any internal reporting criteria adopted by DFI INC. for its disclosures.</li></ul> <p>The following limitations should be noted:</p> <p>Our work was limited to DFI INC. Head Office activities where DFI INC. consolidates and accounts data provided by its markets, countries of operation, suppliers and other third parties. The reliability of the reported data is dependent on the accuracy of data collection and monitoring arrangements at market and site level, not addressed as part of the assurance.</p> <p>This High level assurance engagement relies on a risk based selected sample of the information in the ESG report and the associated limitations that this entails.</p> <p><b>Responsibilities</b></p> <p>The preparation and presentation of the ESG Report are the sole responsibility of the management of DFI INC.</p> <p>Bureau Veritas was not involved in the drafting of the ESG Report. Our responsibilities were to:</p> <ul style="list-style-type: none"><li>• Provide High level assurance as per AA1000 over the accuracy, reliability and objectivity of the information contained within the ESG Report;</li><li>• Form an independent conclusion based on the assurance procedures performed and evidence obtained; and</li><li>• Report our detailed conclusions and recommendations in an internal report to DFI INC. management.</li></ul> <p><b>Assurance Standard</b></p> <p>The assurance process was conducted in line with the requirements of the AA1000 Assurance Standard (AA1000AS v3). Type 2 at a High level of assurance.</p> <p>Bureau Veritas Certification (Taiwan) Co., Ltd. 2/5 15 April 2025</p>	<p></p> <p><b>Summary of work performed</b></p> <p>As part of our independent assurance, Bureau Veritas undertook the following activities:</p> <ol style="list-style-type: none"><li>1. Interviews with relevant personnel of DFI INC.;</li><li>2. Review of documentary evidence produced by DFI INC.;</li><li>3. Review performance data listed in report with sampling basis;</li><li>4. Visits to 1 site located in Taiwan (New Taipei City);</li><li>5. Evaluate the design of internal systems, processes and controls for data collection, aggregation, analysis and reporting, including assessing the appropriateness of assumptions made, estimation techniques used and reporting boundaries;</li><li>6. Confirm where relevant the accuracy of information with third parties and/or partner agencies;</li><li>7. Assess the disclosure and presentation of DFI INC. 2024 Sustainability Report to ensure consistency with assured information;</li></ol> <p>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.</p> <p>The work was planned and carried out to provide materials, rather than absolute assurance and we believe it provides a reasonable basis for our conclusions.</p> <p><b>Our findings</b></p> <p>On the basis of our methodology and the activities described above, it is our opinion that:</p> <ul style="list-style-type: none"><li>• The information and data included in DFI INC. 2024 Sustainability Report are accurate, reliable and free from material misstatements or mismanagement;</li><li>• The Report provides a fair representation of DFI INC.'s activities over the reporting period;</li><li>• The information is presented in a clear, understandable and accessible manner, and allows readers to form a balanced opinion over DFI INC.'s performance and status during the reporting period;</li><li>• The Report properly reflects the organization's alignment to and implementation of the AA1000 Assurance Standard v3 principles of Inclusivity, Materiality, Responsiveness and Impact in its operations. Further details is provided below;</li><li>• DFI INC. has established appropriate systems for the collection, aggregation and analysis of relevant information;</li></ul> <p><b>Alignment with the principles of AA1000 Accountability Principle (2018)</b></p> <p>Inclusivity</p> <p>Bureau Veritas Certification (Taiwan) Co., Ltd. 3/5 15 April 2025</p>	<p></p> <p>DFI INC. has processes in place for engaging with key stakeholders including socially responsible investors, clients, employees, supply chain and local community, and has undertaken a number of formal stakeholder engagement activities in 2024 covering a range of material topics such as Economic, Social and Environment.</p> <p><b>Materiality</b></p> <p>The Report addresses the range of environmental, social and economic issues of concern that DFI INC. has identified as being of highest material importance. The identification of material topics has considered both internal assessments of risks and opportunities to the business, as well as stakeholders' views and concerns.</p> <p><b>Responsiveness</b></p> <p>DFI INC. is responding to these issues it has identified as material and demonstrate this in its policies, objectives, indicators and performance targets. The reported information can be used by the organization and its stakeholders as a reasonable basis for their opinions and decision-making.</p> <p><b>Impact</b></p> <p>DFI INC.'s management system can monitor, measure and be accountable for how their actions affect their broader ecosystems.</p> <p><b>Key areas for ongoing development</b></p> <p>Based on the work conducted, we recommend DFI INC. to consider the following:</p> <ul style="list-style-type: none"><li>• Optimize the data review process. Ensure that the data and indicators disclosed in the report have undergone a reliable and comprehensive internal control and review process to verify the quality of the data, thereby enhancing the confidence of report users. (Responsiveness)</li></ul> <p><b>Statement of independence, impartiality and competence</b></p> <p>Bureau Veritas is an independent professional services company that specializes in quality, environmental, health, safety, and social accountability with over 195 years history. Its assurance team has extensive experience in conducting verification over environmental, social, ethical and health and safety information, systems, and processes.</p> <p>The assurance team has extensive experience in conducting assurance over environmental, social, ethical and health and safety information, systems and processes. We are particularly vigilant in the prevention of conflicts of interest.</p> <p>No member of the assurance team has a business relationship with DFI INC., its Directors or Managers beyond that required of this assignment. We have conducted this verification independently, and there has been no conflict of interest.</p> <p>Bureau Veritas Certification (Taiwan) Co., Ltd. 4/5 15 April 2025</p>	<p></p> <p><b>Bureau Veritas Certification Taiwan</b> 25-3, No. 15, Nanping E. Rd., Sec. 4, Songshan District, Taipei 10555, Taiwan R.O.C. 26 May, 2025</p> <p>Technical Reviewer/ Carter Lu Verifier/ Lily Chuang, Gary Hsu, Ryan Man</p> <p></p> <p>AA1000 Licensed Report 000-76/V3-C23E-V</p> <p>Bureau Veritas Certification (Taiwan) Co., Ltd. 5/5 15 April 2025</p>
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