



DFI

DFI 2023



**Corporate
Sustainability
Report**

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Preface

— *Bringing Enjoyment 'N' Quality to Life*

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About the Report

Scope of the Report

The information disclosure in this report is organized around sustainability themes, including strategies, goals, current status and future directions.

Geographical Scope

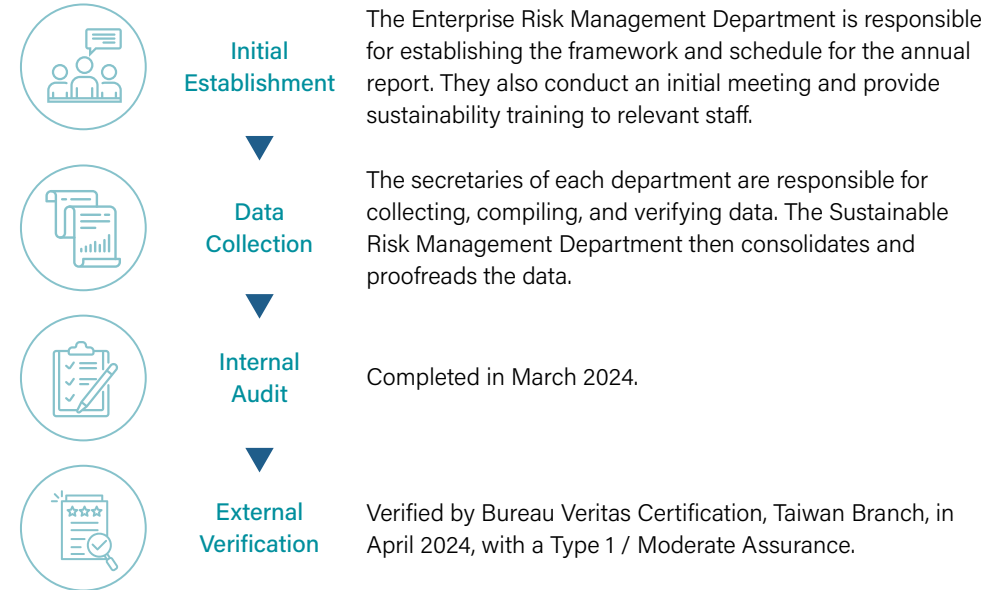
The Xizhi Headquarters, Taoyuan Plant, and Xindian R&D Office, which are within the scope of operational control.



Reporting Period

From January 1 to December 31, 2023. The report is prepared and publicly disclosed annually. The disclosure period for this report covers fiscal year 2023 and includes specific activities and performance data across all aspects of ESG. To ensure completeness of projects and activities, certain content may include data from other annual periods.

Management of the Report



The Report follows these standards

- GRI Universal Standards 2021
- Sustainable Development Goals (SDGs)
- Sustainability Accounting Standards Board (SASB)
- Task Force on Climate-related Financial Disclosures (TCFD)

Feedback and Contact

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Links



Support from Leadership

From the CEO

“ **Achieve net-zero and co-create corporate sustainability** ”

DFI's consolidated annual revenue was NT\$9.184 billion, down 16% from the previous year. We have all experienced the challenges this year has brought. Although there are still many external variables in 2024, such as war and inflation, which represent negative black swan factors, we must maintain a cautious but optimistic attitude. By seizing the opportunity of this year's economic recovery, we aim to increase sales and maximize profits.

To achieve the vision of Qisda's parent company to make more than half of its high-value-added businesses profitable by 2027, DFI, as a member of the Qisda fleet, will synchronize various operational indicators with the group's goals. We will improve profitability, ensure stable operations, and utilize the Group's resources, energy, and capabilities to drive DFI's operational expansion in 2024.

Since the emergence of Generative AI in late 2022, more and more businesses and individuals have been entrusting AI with repetitive and fixed tasks. This paradigm shift is becoming increasingly apparent. As the external environment evolves, it's crucial not to cling to outdated work patterns. Rather, we should embrace open-mindedness and actively pursue learning to integrate new concepts into our practices.

AI and ESG are currently the most important trends. In the past year, Qisda and the fleet have made significant progress in ESG initiatives, earning a total of 29 sustainability awards. DFI was recognized by the judges for its clear sustainability goals and innovative OT technology, winning the Gold Award at the 16th Taiwan Corporate Sustainability Awards (TCSA) and the 3rd Taiwan Sustainable Action Awards (TSAA). DFI also received the Master Entrepreneur Award at the prestigious Asia Pacific Enterprise Awards, the most influential business management indicator in the Asia Pacific region. DFI and Qisda jointly launched the RE100 campaign to achieve three major goals by 2030: a 30% reduction in supply chain emissions, a complete transition to renewable energy by 2040, and net-zero by 2050 through active sustainable management. We hope that all colleagues can work together to improve operational performance and achieve value transformation and sustainable growth!



Peter Chen

From the President

Challenges and opportunities presented by global economic turmoil and climate change

Looking back to 2023, on the economic front, the global COVID-19 situation gradually improved and border control measures were relaxed. However, during a period of economic recovery, the world faced constant stimulation of sensitive nerves due to the Federal Reserve's decision to fight inflation by raising interest rates, geopolitical tensions, and ongoing border conflicts. As a result, the investment market became turbulent and uncertain.

In terms of climate, while the sustainability awareness of various countries has been steadily increasing in recent years and efforts to reduce carbon emissions have seen some success, United Nations Secretary-General António Guterres highlighted at the United Nations Climate Change Conference (COP28) that 2023 will be the hottest year on record since the dawn of mankind. As a result, accelerating the low-carbon transition has become a concern and an inescapable responsibility for countries and even major corporations.

Given the uncertain global political and economic situation and the need to address climate issues, we also saw an opportunity to facilitate business transformation and improve competitiveness. As sustainability issues become a pressing corporate social responsibility, it is critical to understand trends and plan ahead. By adopting international standards, companies can establish and implement sustainable key performance indicators (KPIs) and integrate them into their own sustainable management capabilities. This is essential for leading the team towards growth. To accelerate transformation, we actively establish new ESG (Environmental, Social, Governance) milestones. We will further strengthen our commitment to "green manufacturing" by improving energy efficiency and reducing our carbon footprint, thereby contributing to the sustainable development of the environment.

Review and outlook for 2023

Turning crisis into opportunity. Despite facing the same international challenges, DFI has leveraged AI edge computing to accelerate the Company's products and play a critical role in various vertical industries such as industrial automation, automotive, healthcare, and energy. This has also propelled DFI toward its goal of sustainable operations, resulting in impressive results. In 2023, DFI received the prestigious Asia-Pacific Enterprise Award in the Asia-Pacific region. This award recognizes DFI's excellence in business growth, value creation, talent development, corporate social responsibility activities, and workplace innovation. Out of nearly 200 nominees, DFI stood out and received the Corporate Excellence Award. Thanks to the efforts and dedication of all our colleagues, the trust of our customers and the support of our investors, we were able to minimize the impact of the economic slowdown on our



business and achieve optimized growth in our core gross margin. In addition to achievements in business operations, DFI has also made new breakthroughs in corporate sustainability. The Company's clear sustainability goals and innovative OT technologies were recognized by the judges, earning the Company a Gold Award at the 16th Taiwan Corporate Sustainability Awards (TCSA) and the 3rd Taiwan Sustainable Action Awards (TSAA), showcasing DFI's outstanding achievements in sustainable development.

The development of AI applications and infrastructure updates in various countries has led to increased demand for new infrastructure projects focused on 5G, AI, and industrial IoT, resulting in higher growth potential. Coupled with companies progressively deploying global and local productions, labor shortages have become the most pressing challenge for business to solve. For example, companies and factories that rely heavily on manual labor need to accelerate their efforts to implement digital transformation and achieve production automation. By using unmanned automated equipment to minimize the need for human labor and enable remote control, companies can not only maintain their competitiveness, but also establish a global supply chain. As a result, they can quickly respond to localized production

demands from customers and further reduce carbon emissions associated with component transportation.

Over the past year, DFI has maintained strong partnerships with major technology companies, leveraging its deep embedded expertise and ability to rapidly develop products with long lifecycles. In line with the release schedules of leading chip manufacturers such as Intel and AMD, DFI is committed to integrating miniaturized edge computing products and improving energy efficiency. Micro-sizing and low-power product design can reduce carbon emissions generated during transportation and operation processes, thus reducing environmental burden. We have also participated in the development of safety standards for AMRs and their charging stations. With these verification standards, we aim to eliminate or minimize hazards in the operating environment.

The World Meteorological Organization (WMO) has announced that the global average temperature will reach 1.4°C in 2023. As a result, countries around the world are actively formulating policies to achieve net-zero emissions by 2050. This has also spurred the development of new technologies in the electric vehicle sector. Electric vehicles not only provide transportation, but also serve as mobile data centers. Information security has become a critical technology for integrating vehicle systems. In addition, a United Nations report indicates that urbanization will continue to increase, leading to more severe traffic congestion in cities. Against this backdrop, DFI is actively positioning itself in the field of intelligent transportation. By integrating embedded systems and vehicle-to-vehicle communication technology, we aim to enhance information security and improve transportation efficiency, providing flexible and advanced solutions for cities.

Through equipment intelligence, automation, and miniaturization, we reduce operational costs, conserve energy, reduce waste, and enhance productivity. Going forward, DFI will improve profitability and synergize group resources, core technologies, and global sustainability within the group.

Outlook and sustainable planning for 2024

Looking ahead to 2024, despite the impact of last year's slowdown in terminal market demand on shipping operations, there are signs of declining inflation in major economies. In addition, emerging applications and trends in green energy development, as well as the demand for high-speed AI edge computing, high-performance AI servers, rapid networking, information security, and GPU graphics computing, are critical to the industry's future progress. In the medium to long term, the urgent needs in fields such as information security, automation, smart healthcare, applications of new energy, and railway transportation remain unchanged. These will continue to provide momentum for DFI's growth. DFI will continue to establish core competitive technologies and prioritize innovative design, excellent quality, and flexible and reliable supply services. Together, we aim to create maximum value for clients. We view the earth as our most valuable asset, and we proactively engage in sustainable practices and carefully adapt to global economic challenges, shifts in the international political arena, and fluctuations in the supply chain.

With significant international attention on environmental energy issues, sustainable planning has become critical. Measuring and evaluating sustainable performance is now a top priority for companies worldwide. As a result, future development will focus on low-carbon business models and product trends, with the goal of enhancing companies' competitiveness in the international arena. We are dedicated to the principles of environmental care and protection, and we are fully committed to managing and reducing greenhouse gas emissions. From 2017 to 2023, we have seen a steady decrease in electricity consumption at our headquarters, which is a testament to our ongoing efforts to conserve energy. In addition, we ensure that our carbon reduction targets are effectively monitored and verified through an ISO 14064-1 greenhouse gas inventory verification. We will implement the ISO 50001 energy management system in the fiscal year 2023. We will increase the use of renewable energy by installing solar power generation at the Taoyuan Plant. In addition, we will improve the management of energy-consuming equipment and replace outdated equipment. Between 2022 and 2023, we successfully achieved a total energy saving and carbon emission reduction of over 6.67%. Going forward, we will further strengthen our commitment to energy conservation and carbon reduction, align it with our corporate values, and make a positive impact on climate change mitigation.



About DFI

About the Company

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.

DFI is a leading global IPC company that has not only been recognized as one of the Top 100 Fastest Growing Companies by CommonWealth Magazine from 2020 to 2022, but also as one of the Top 500 High-Growth Enterprises in Asia-Pacific by the Financial Times. DFI received the prestigious Asia-Pacific Enterprise Award in the Asia-Pacific region. The award recognizes DFI's excellence in business growth, value creation, talent development, corporate social responsibility activities, and workplace innovation. Out of nearly 200 nominees, DFI stood out and received the Corporate Excellence Award.

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 16th Taiwan Corporate Sustainability Awards (TCSA) and the 3rd Taiwan Sustainable Action Awards (TSAA), showcasing DFI's outstanding achievements in sustainable development. DFI has consistently improved its sustainable governance in the preparation of sustainability reports. It has set short-, medium- and long-term sustainability goals, adopted international standards and norms, and implemented green design guidelines. As a result, product energy efficiency has increased by nearly 40%, and over 90% of system products now use recyclable materials. DFI has also joined the Group in promoting the RE100 initiative. Concrete actions are being taken through our participation in the "Happiness Bus" transformation project of the Taoyuan City Government's Department of Transportation. We are using our innovative OT technology and working with partners to help thousands of rural residents shorten the distance to their homes. In addition, we are eager to participate in and develop more projects that prioritize the needs of individuals and ensure that no effort is spared.

Establishment

1981

Global Headquarters

Taipei, Taiwan

Global Locations

Sales base: United States, Netherlands, Japan, China, and Taiwan

Manufacturing Center: Taipei, Taiwan and Suzhou, China

Global workforce

pproximately 1400 people

(including over 300 R&D personnel)

Consolidated revenue in 2023

NT\$9.184 billion



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 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.

DFI's industrial-grade solutions enhance the performance and ensure high reliability, long-term lifecycle, and uninterrupted, all-weather operations of customer equipment. We offer cost-effective products for medical diagnosis and imaging, ATM/POS, industrial control, public information stations, security monitoring, digital signage, gaming, and other embedded applications.

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.


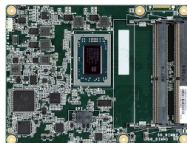


DFI's customized services offer reliable and comprehensive solutions. Over the past few decades, it has successfully assisted leading system integrators and equipment manufacturers across industries, delivering exceptional product performance and unparalleled quality. We are committed to corporate sustainability 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. DFI insists on ensuring that its products comply with regulatory standards and international certifications. Additionally, it is listed in the IPC QML Trusted Supplier List and is the first domestic company to achieve IPC QML Level 001/610 certification. We are the first Company to obtain IPC QML 001/610 Level 3 certification. DFI will continue to provide customers with trusted, long-lifecycle products and technologies.

The Company's vision is to bring enjoyment and 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.

DFI products

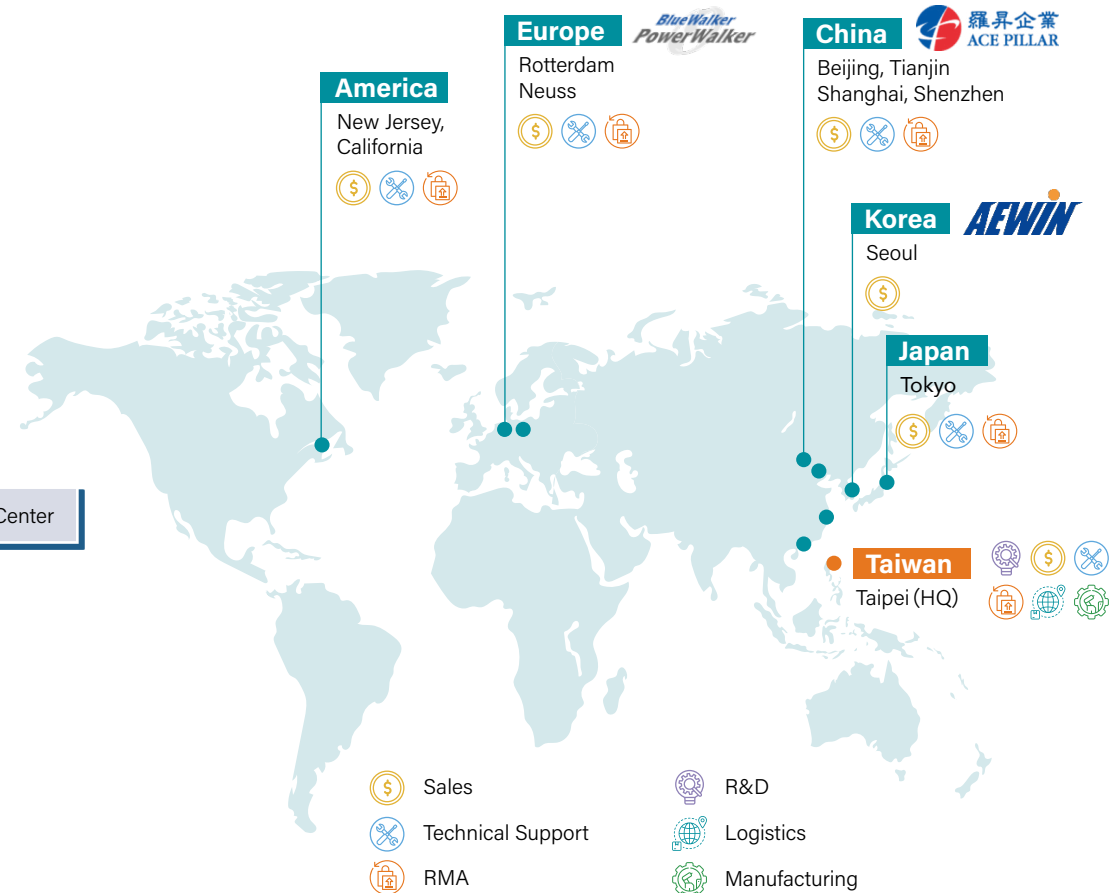
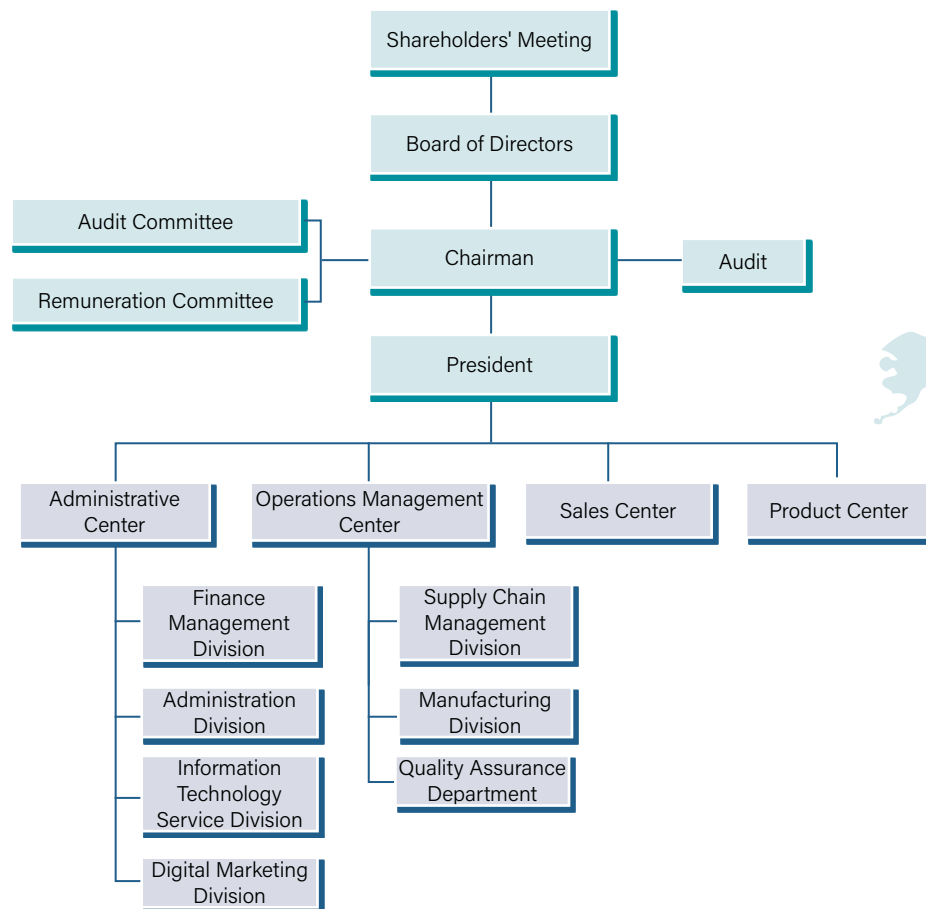
<p>Industrial Motherboards</p> <p>From 1.8" to EATX</p>  <p>World Smallest Industrial Pi-Sized SBC</p>	<p>System-On Modules</p> <p>From COM Express to Qseven</p>  <p>Military Critical Grade Ultra-low 15W SoC</p>	<p>Industrial Computers</p> <p>From Performance PC to Fanless System</p>  <p>Compact Industrial Computer</p>	<p>Industrial Panel PCs & Displays</p> <p>From Industrial Display to Fanless Touch Panel PC</p>  <p>Modularize Industrial Panel PC</p>
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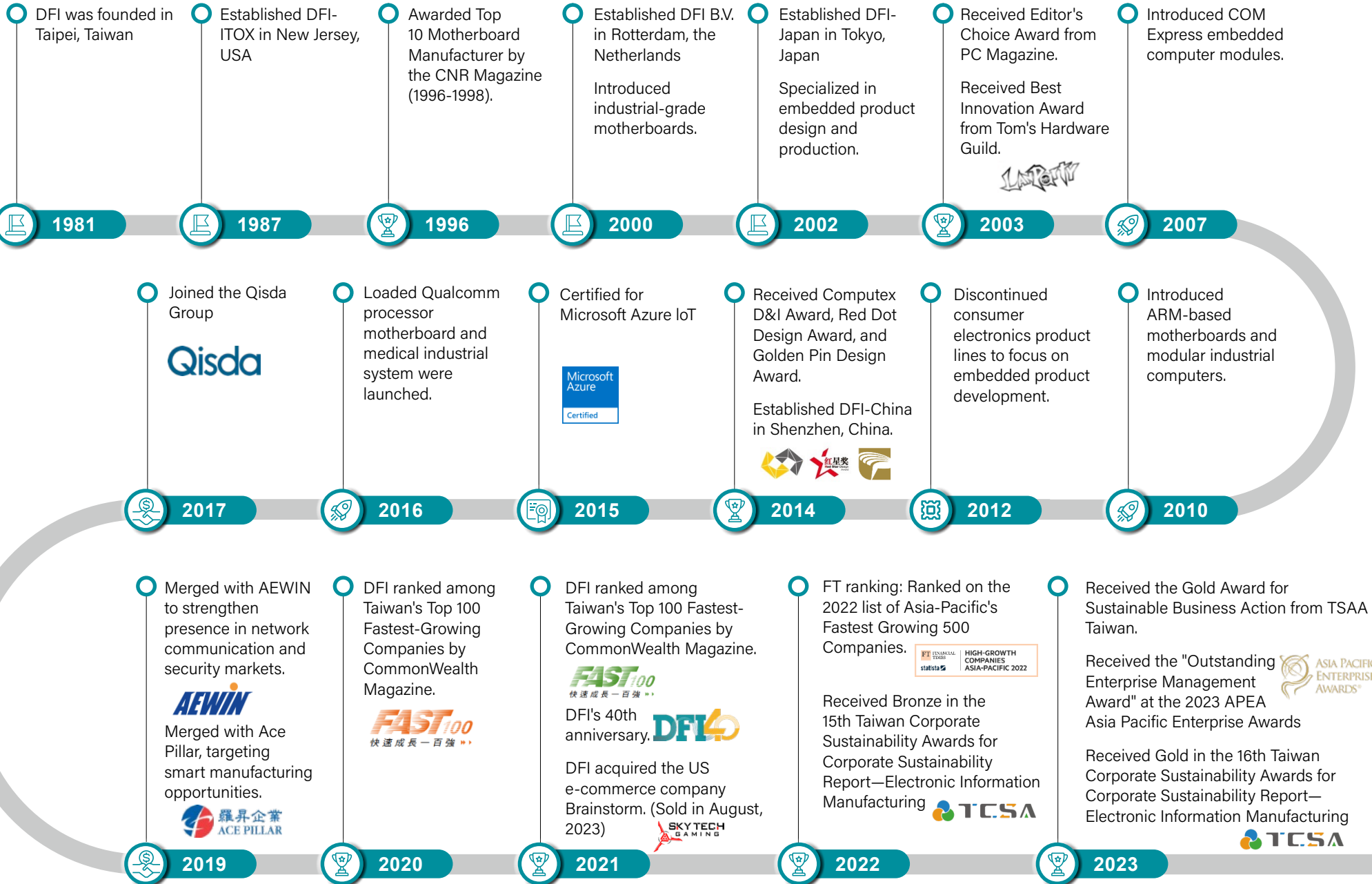
FROM MODULES & BOARDS TO INTEGRATED SYSTEMS AND EMBEDDED SOLUTIONS

Business overview and organizational structure

As a pioneer in industrial embedded applications, DFI boasts an experienced R&D team and sales personnel. Through customer-oriented design services, rigorous quality certification systems, global logistics, and technical support, DFI establishes long-term and mutually beneficial partnerships with its customers. DFI's global operations encompass R&D, manufacturing, and service locations in Taiwan (Taipei), China (Shenzhen, Shanghai, Beijing, Tianjin), the Netherlands, the US, and Japan.

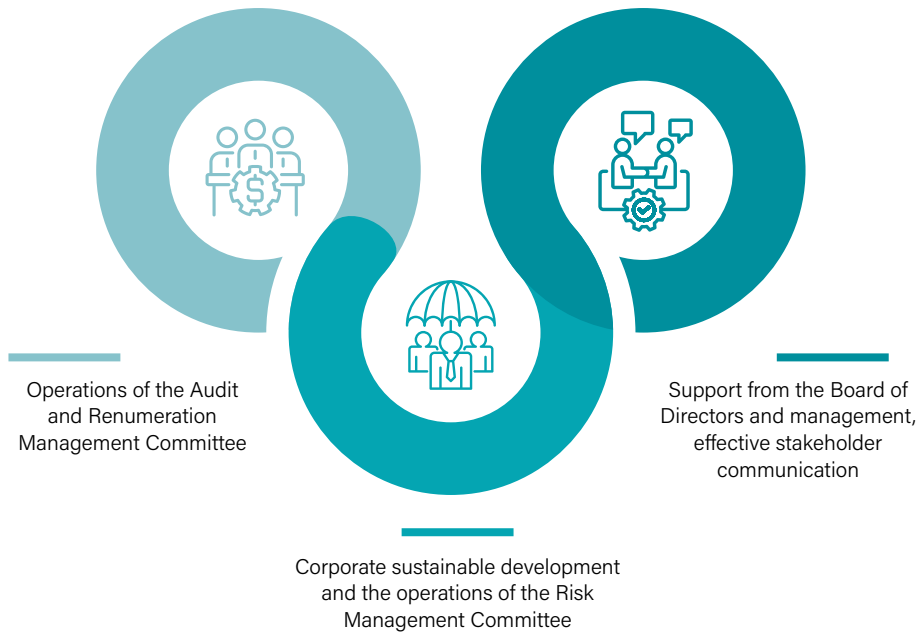
In late 2017, DFI officially joined the BenQ Qisda Group, further elevating its R&D capabilities, supply chain management, and manufacturing capacity to new heights. This integration enhances core competitiveness and provides customers with higher added value. Moreover, by leveraging the abundant resources within the group, DFI is able to offer a wide range of embedded computing products and advanced services, including in-house LCD integration, PCBA and system assembly, measurement laboratories, and enclosure design and manufacturing. Furthermore, we can provide flexible low-volume, high-variety production or cost-effective high-volume production services based on customers' business needs. These services cover various applications such as factory automation, intelligent healthcare, smart energy, and IoT.





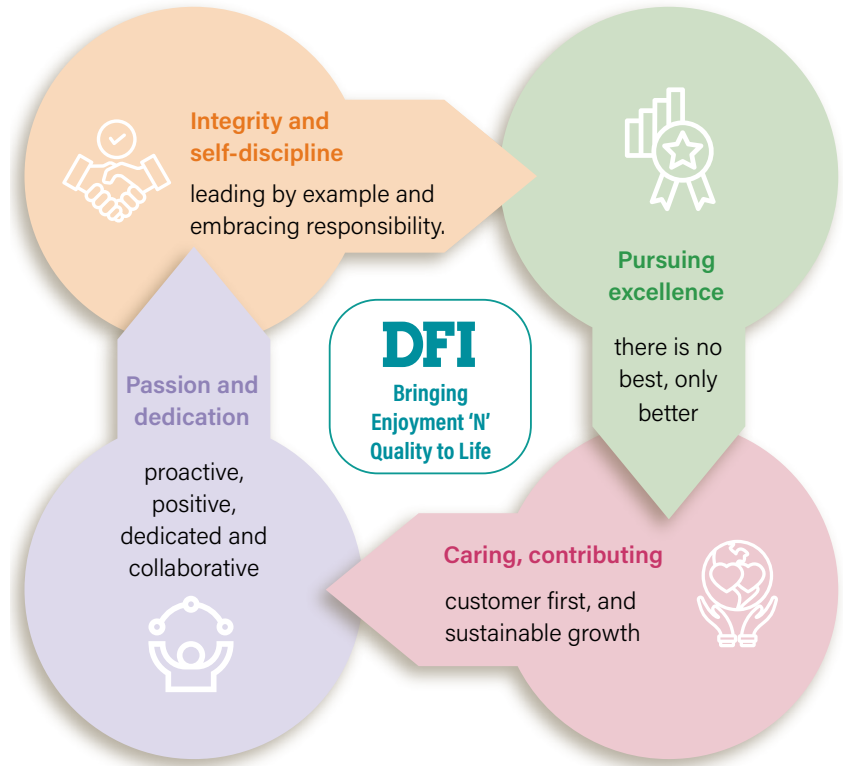
Corporate Sustainable Development

The purpose of a company's existence is to create value and contribute to human society in a sustainable manner and catalyze positive impact. K. Y. Lee, Honorary Chairman of Qisda Group, states that the purpose of a company's existence is to create value and contribute to human society in a sustainable manner and catalyze positive impact. Sustainable business aims to achieve long-lasting values. To become a deeply rooted and enduring enterprise, it is essential to incorporate historical perspective and cultural thinking into the business model, with "integrity" as the highest moral principle.



After joining Qisda/BenQ Group, DFI has made significant progress by leveraging the strength of the group alliance, reaching new heights in supply chain management and manufacturing productivity. DFI's embedded computing capabilities and solutions have expanded with the support of group resources. We also emphasize the group's CSR policies and implementation strategies, fulfilling our role as responsible corporate citizens, while seeking niche markets in smart applications and automation across various industries globally.

DFI's core values in sustainable development



DFI's core vision of corporate sustainable development is to bring enjoyment 'n' quality to life, embodying ESG values with values of integrity and self-discipline, pursuit of excellence, passionate commitment, and community contribution.

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



Design 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:

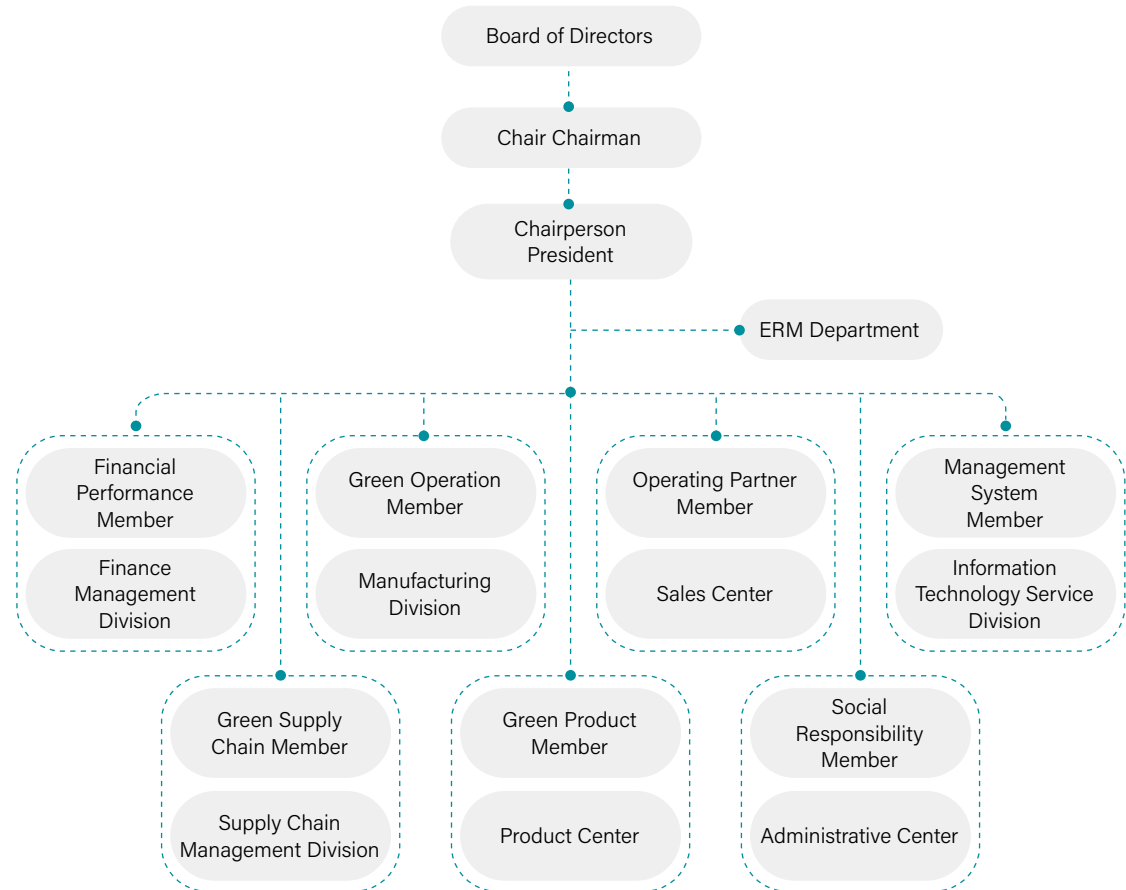
1. Integrity management and strict code of ethics
2. Comply with regulations and meet customers' demands, abide by social responsibility standards.
3. Reduce pollution, save water, safety and health, precautions and improvements
4. Value the consultation and participation of workers to safeguard their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

President



DFI Sustainability Development Committee

To facilitate sustainable corporate development and ensure effective communication and responsiveness to stakeholders' opinions related to 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, as well as convening quarterly meetings. Progress reports on performance indicators and corporate social responsibility are provided by committee members representing different dimensions.



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



Smart plants



Autonomous mobile robot (EC500-SD)

DFI is committed to developing customized industrial computers and system integration (SI) services to enhance automation and mechanization for businesses. By creating state-of-the-art autonomous mobile robots, DFI aims to maximize operational efficiency and drive business and economic growth.



Smart healthcare



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

The tumor information system is a high-performance, fanless embedded system designed for medical environments. It meets both functional and environmental antimicrobial requirements, making it suitable for medical carts, operating rooms, medical information systems, and medical OEM equipment integration. Its primary objective is to improve the safety and hygiene of medical environments, ensuring the highest quality of healthcare.



Smart transportation



Smart train solution (RC300-CS)

To address transportation management issues worldwide, DFI assists customers with their needs in areas such as in-vehicle systems, traffic monitoring, fleet management, and station management systems. DFI offers a comprehensive lineup of high-performance products designed for all-weather, uninterrupted operation and rugged industrial environments, capable of withstanding challenging and high-load transportation conditions.



Smart energy



Smart grid solution (BT700)

With environmental sustainability becoming a major concern, smart grid solutions provide a cost-effective method to reduce energy consumption and improve energy independence. DFI provides suitable solutions for smart meter applications, featuring a wide temperature range of -40°C to 85°C, ensuring reliable operation even in extremely harsh operating environments.



Maritime surveillance



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

The maritime surveillance system provides a comprehensive traffic view around maritime assets and records information on vessels and targets within the areas protected, thus preventing collisions and damage to the marine environment. In addition, to adapt to the high humidity and salinity of the marine environment, DFI offers highly reliable industrial-grade systems to ensure longevity and durability, reducing machine wear and disposals.



Smart charging



DFI works with partners to develop home electric vehicle fast charging solutions (EC800-CD, EC800-AL, EC70A-SU)

Electric vehicles are a key strategy in zero-carbon emissions. To meet the growing demand in the global EV market, DFI works with partners to create smart charging solutions that integrate solar power with conventional electricity systems. This not only achieves environmental objectives but also potentially accelerates EV charging speeds, saving time and money for end users.



Food Safety



X-ray analysis device for detecting foreign objects in food (EC70A-SU, EC500-HD)

As food quality and safety concerns grow by the day, DFI provides powerful core computers for monitoring 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.



Fire rescue



Firefighting robots (SU253 single-board computer industrial motherboard)

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.

Sustainability Goals and Performance

Performance Highlights of the Year

Integrity and self-discipline



0 legal violations



Integrity Handbook training rate **100%**



Antitrust Law Compliance training rate **100%**



Insider Trading Prohibition and Prevention Training Rate **100%**



There have been **no** major information security incidents.



The "**Outstanding Enterprise Management Award**" at the 2023 APEA Asia Pacific Enterprise Awards.

Passionate Commitment



Average customer satisfaction **exceeds satisfaction** in all areas.



Supplier support to ESG-related issues



The average total training hours per employee was **31.38 hours** (domestic).



The average employee shareholding ratio was **78.95%**.



The employee satisfaction rate overall was **73%**.

Pursuit of Excellence



Total carbon emissions decreased by **222.1 metric tons**, or approximately 6.37%, compared to 2022.



Total electricity consumption decreased by **435,476 kWh** compared to 2022, resulting in energy savings of approximately 6.67%



Improvement in lighting at the Xizhi headquarters reduces energy consumption by **3%**



Energy-saving improvement for the air compressor at the Taoyuan factory



The improvement in air conditioning at the Xindian office reduces energy consumption by **3%**



Chamber energy monitoring and control

Care and Contributions



Zero cases of occupational diseases, work-related accidents, and fatalities have been reported.



Over **NT\$2.5 million** invested in philanthropic activities



Supported small-scale farming activities by purchasing approximately **NT\$140,000** worth of products, thereby assisting **24 farmers**

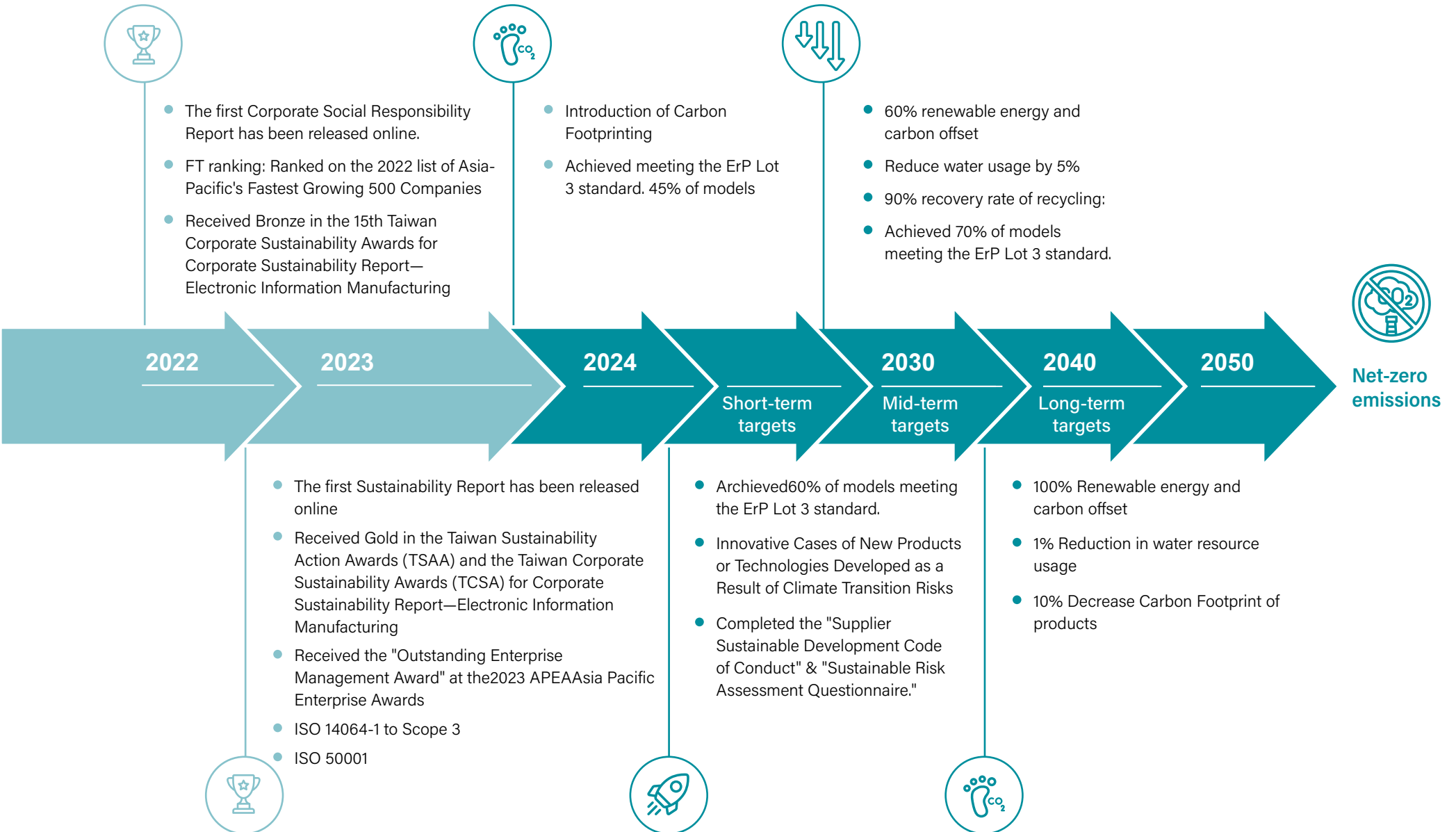


Approximately **497 people** participated in the mountain cleanup, resulting in the collection of approximately **7 tons** of waste.

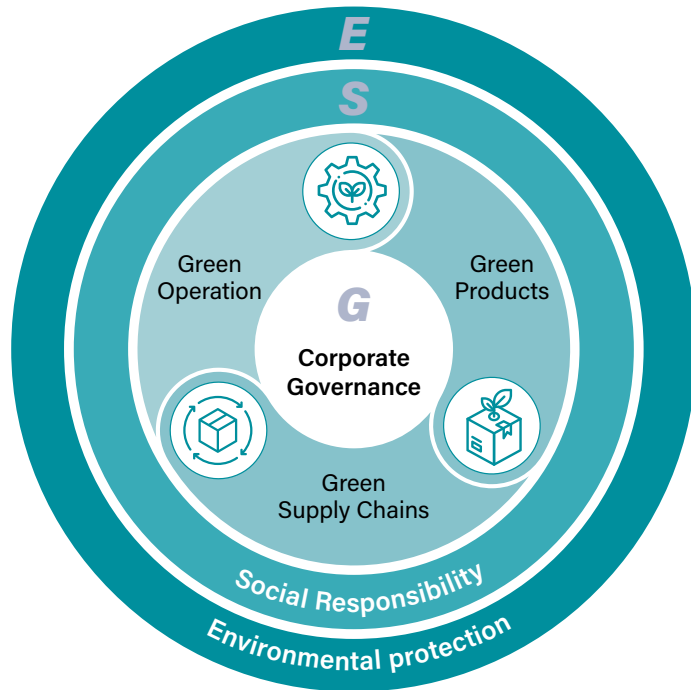


In 2023, we took part in the evaluation of the "CHR Health Corporate Citizen" by Commonhealth Magazine and received the **Healthy Citizen Pledge Enterprise Label**

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



Five major sustainable development goals



E Environmental protection-

Committed to contributing to the environment, energy conservation, and carbon reduction

- Green products- Enhancing the sustainable value of products
- Green operations - Continuous improvement of a green operational culture
- Green supply chain - Driving sustainable supplier management

S Social responsibility-

Internalization of corporate citizenship DNA to exert positive social impact

G Corporate governance-

Dedication to improving corporate governance, continuous operational and profitability enhancements to protect the stakeholders' equity and interests

Value creation process



Inputs

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.



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 "green products," "green operations," and "green supply chain." We build a "green supply chain" and prioritize managing SDGs in five key dimensions by incorporating the additional social aspect of "social responsibility" and the economic aspect of "financial performance." Furthermore, through the initiatives led by our ESG Committee, we are committed to Qisda Corporation's vision to bring enjoyment 'n' quality to life.



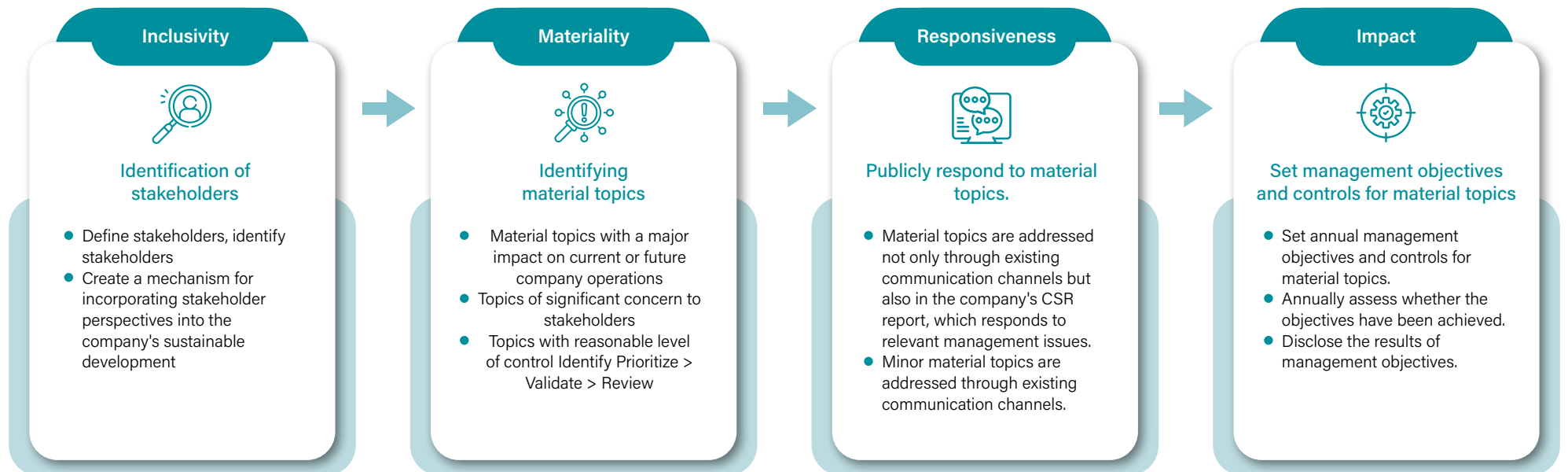
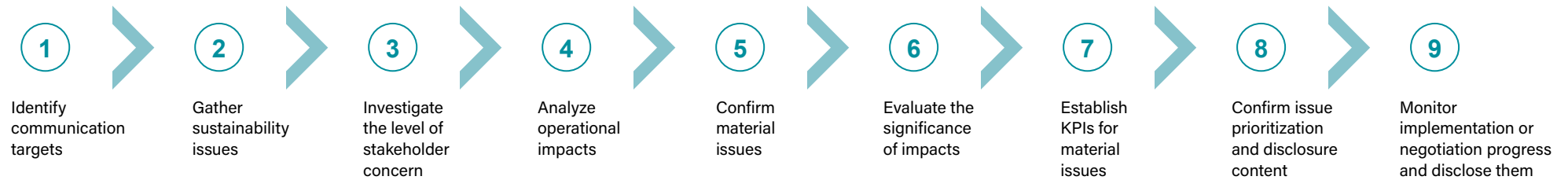
Output

DFI's corporate sustainability management framework is supported by five dimensions, each of which establishes long-term goals based on our core competencies. These goals serve as guiding principles for project implementation, and we further set short, medium, and long-term management indicators. The ESG Committee regularly reviews our performance, ensuring that since the systematic implementation of corporate sustainability in 2019, DFI has been striving towards our established sustainability management performance targets in the economic, social, and environmental aspects. In addition, we annually review and reassess our objectives regarding material topics of interest to stakeholders in the given year.

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.

A total of 209 questionnaires were collected, 78 from internal sources and 131 from external sources.



Material topic matrix



E

- 1 Ecological Conservation and Ecodiversity
- 2 Sustainable Supply Chain Management

S

- 3 Talent Recruitment
- 4 Employee Education and Training
- 5 Employee Benefits and Salary
- 6 Workplace Inclusion and Equality
- 7 Corporate Citizenship and Philanthropy
- 8 Customer Safety and Health

G

- 9 Operational Financial Performance
- 10 Green Product R &D Innovation
- 11 Customer Relationship Management

E

- 12 Raw Material Usage
- 13 Water Stewardship
- 14 Impact Management of Pollutants
- 15 Waste Management
- 16 Energy Management
- 17 Climate Mitigation and Adaptation
- 18 Sustainable Supply Chain Management

S

- 19 Work Safety and Health

G

- 20 Taxation

Identification of Material Topics and their Relationship with the Value Chain

Dimensions	Topics	Descriptions of DFI's material topics	Positive Impact	Negative impact	Upstream	Operations	Downstream	2022 Material topics	2023 Material topics	GRI Standards	Corresponding chapters
Environment	Raw Material Usage	The usage situation of various raw materials	○	✓	○	○	○	○	○	-	Green Operation
	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	Green Operation
	Impact Management of Pollutants	Species, reduction methods, and effectiveness of air pollutants	✓	○	✓	✓	✓	✓	○	302-1.3.4 305-1~5	Climate Strategy and Carbon Management
	Waste Management	General/hazardous business waste	○	○	○	✓	✓	○	✓	306-2~5	Green Operation
	Energy Management	Consumption of various energy sources, measures to promote energy conservation, and their effectiveness	○	○	○	✓	○	○	○	302-4	Green Operation Climate Strategy and Carbon Management
	Ecological Conservation and Biodiversity	Significant impact of operations on biodiversity	○	○	○	○	○	○	○	-	-
	Climate Mitigation and Adaptation	TCFD, Inventory and Calculation of Greenhouse Gas Emissions, and Various Carbon Reduction Measures	✓	○	○	○	○	○	○	302-1.3.4 305-1~5	Climate Strategy and Carbon Management
	Sustainable Supply Chain Management	Green Supplier Management Regulations, Assessment/Audit Results of Supplier Environmental Performance	✓	○	✓	✓	✓	✓	✓	2-6 204 308-1.2 414-1	Sustainable Supply Chains
Society	Talent Recruitment	Human Resource Policies, Employee Performance Evaluation, Compensation and Rewards System, Job Promotion and Rotation Methods	○	○	○	○	○	✓	○	404-1.3 402-1	Good Labor Relations
	Employee Education and Training	Planning employee career development, educational training content, performance indicators, training effectiveness, and retirement competency management.	○	○	○	○	○	○	○	-	Learning and Development



Dimensions	Topics	Descriptions of DFI's material topics	Positive Impact	Negative impact	Upstream	Operations	Downstream	2022 Material topics	2023 Material topics	GRI Standards	Corresponding chapters
Society	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	Employee Safety Environment, Happy and Healthy Workplace
	Employee Benefits and Salary	Various Welfare and Salary Systems	○	○	○	○	○	○	✔	401-2~3 402-1 405-1	Employee Overview
	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	○	○	○	○	○	○	○	-	Human Rights Management
	Corporate Citizenship and Philanthropy	Strategies for charity or community engagement, types of charitable activities, and the allocation of resources.	○	○	○	○	○	○	○	203-1	Caring for Society, Nurturing the Earth
	Customer Safety and Health	Product and service labeling, customer health and safety, and the legality of marketing promotions.	○	○	○	○	○	○	○	-	-
Economy/ Governance	Taxation	The Company's tax strategy encompasses its tax management and practices, including tax information transparency and tax risk management.	○	✔	○	○	○	○	○	-	Financial Performance
	Operational Financial Performance	Financial information related to revenue, expenses, profits, financial management, and market performance	✔	○	○	○	○	○	✔	201-1	Financial Performance
	Green Product R&D Innovation	Investment in R&D, product/process innovation, patent certification, uniqueness	✔	○	○	○	○	✔	○	302-1.3 416-2 417-2	Quality/Hazardous Substance Management, Green Products
	Customer Relationship Management	Diverse practices in customer service management, customer complaints, communication platforms, and technical support	✔	○	○	✔	✔	✔	✔	418-1	Commitment to Clients





※ The major themes for 2022, "Product Quality" and "Business Ethics," have been consolidated into "Customer Safety and Health," "Innovation in Green Product Research and Development," and "Customer Relationship Management."

Key Performance Indicators (KPIs) for Significant Stakeholder Issues in 2023

Dimensions	Item	Responsible Units	2023KPI	Explanation of Executed Results	Achievement Rate	GRI Standards	Corresponding Chapters
Environment	Sustainable Supply Chain Management	SCM	<ul style="list-style-type: none"> The completion rate for the 'DFI Supplier Sustainable Management Self-Assessment Questionnaire' and the 'DFI Supplier Declaration of Social Responsibility and Business Ethics' documents has reached 80%. 	<ul style="list-style-type: none"> According to the top 20 suppliers (excluding customers and affiliates), 14 out of 20 will be recovered in 2023, while 6 remain unrecovered Starting in 2024, a re-survey will be conducted using the updated version of the Supplier Sustainable Development Code of Conduct and the Sustainable Risk Assessment Questionnaire. Two of the remaining respondents have submitted revised responses, while the others are still being monitored. 	70%	2-6 204 308-1.2 414-1	Sustainable Supply Chains
	Waste Management	ERM	<ul style="list-style-type: none"> Received a fine for violating environmental regulations: Once Reduce waste paper recycling by 2% 	<ul style="list-style-type: none"> Received a fine for violating environmental regulations Reduce waste paper recycling by 5% 	100%	306-2~5	Key Quantifiable Performance Indicators for Green Operations and Sustainable Development
Society	Work Safety and Health	ERM	<ul style="list-style-type: none"> No workplace injuries 	<ul style="list-style-type: none"> No major workplace accidents resulting in injuries occurred in 2023 	100%	403-1~10	Employee Safety and Environment
	Employee Benefits and Salary	ADM	<ul style="list-style-type: none"> Employee overall satisfaction rate of 80% 	<ul style="list-style-type: none"> The overall employee satisfaction rate was 73% in 2023. In 2024, we will continue to improve employee benefits and compensation. 	91.3%	401-2 401-3 402 405-1	Good Labor Relations
Economy/ Governance	Operational Financial Performance	FIN	<ul style="list-style-type: none"> No violation of legal compliance 	<ul style="list-style-type: none"> No violation of legal compliance in 2023 	100%	201-1	Financial Performance
	Customer Relationship Management	Sales Center/ Audit	<ul style="list-style-type: none"> Maintain customer data security index at or above 99% 	<ul style="list-style-type: none"> No violation of legal compliance in 2023 	100%	418	Commitment to Clients

Stakeholder Categories, Communication Channels, and Conflict Resolution

Stakeholders	Communication and Interactive Channels	Topic of Concern	Method of Negotiation	Corresponding Chapters
 <p>Employees</p>	<ol style="list-style-type: none"> 1. Education and training, practices, new employee training 2. Internal information is distributed through emails and announcements 3. Opinions can be sent to HR at hr.info@dfi.com or by contacting the ER&ES Department. Feedback can also be provided through departmental labor representatives and welfare committee members. 4. Business briefings are held quarterly. 5. Welfare committee meetings are held at least once a year. 6. Labor relations meetings are held quarterly, and performance evaluations are discussed twice a year. 7. Annual health check-ups are offered with individual follow-ups. 8. Annual employee satisfaction surveys 	<ul style="list-style-type: none"> • Employee Benefits and Salary • Work Safety and Health 	<ul style="list-style-type: none"> • Senior executives provide updates on the operational status and future goals during quarterly business briefings • Effective Communication through quarterly labor-management meetings • Establish multiple internal and external communication channels, such as the President's email, to gather employee feedback. • Regularly conduct multiple trainings on occupational safety, fire safety, and human rights 	<ul style="list-style-type: none"> • Employee Overview • Learning and Development • Good Labor Relations • Happy and Healthy Workplace • Employee Safety and Environment
 <p>Clients</p>	<ol style="list-style-type: none"> 1. Client Satisfaction Survey (Year) 2. Quarterly business feedback (Q) 3. Customer Grievance Management System (Ad hoc) 4. Supplier conference (Ad hoc) 5. Customer Information Security Questionnaire Survey (Ad hoc) 6. Company website 7. Focus areas for the sustainability report 8. Social media 9. Online meeting for sales and engineers 	<ul style="list-style-type: none"> • Sustainable Supply Chain Management • Green Product R&D Innovation • Customer Relationship Management 	<ul style="list-style-type: none"> • By setting up a customer service unit, we facilitate effective two-way communication • Proactively conduct customer satisfaction surveys • Establishing strong partnerships through high-level exchanges • Regularly undergo audits to safeguard customer privacy 	<ul style="list-style-type: none"> • Commitment to Clients • Quality/Hazardous Substance Management

Stakeholders	Communication and Interactive Channels	Topic of Concern	Method of Negotiation	Corresponding Chapters
 <p>Shareholders</p>	<ol style="list-style-type: none"> Spokesperson and proxy spokesperson system Dedicated Investor Relations unit and investor email (IR@dfi.com) Investors's section on official website Annual shareholders' meeting Quarterly corporate briefings 	<ul style="list-style-type: none"> Operational Financial Performance 	<ul style="list-style-type: none"> Regular and ad hoc shareholder meetings and reconciliation of interests with stakeholders: corporate governance status and future prospects 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. Public financial reports, annual reports and shareholder meeting information are provided to shareholders through public websites. 	<ul style="list-style-type: none"> Corporate Governance Financial Performance
 <p>Suppliers</p>	<ol style="list-style-type: none"> Supplier social responsibility and environmental health and safety surveys, supplier evaluations Dedication telephone and email contacts On-site audits of suppliers 	<ul style="list-style-type: none"> Sustainable Supply Chain Management 	<ul style="list-style-type: none"> Regularly attending group meetings and supplier conferences To achieve the goal through effective communication methods Regularly audit suppliers, both regularly and on an ad hoc basis Encourage suppliers to reduce carbon emissions and contribute to sustainable value 	<ul style="list-style-type: none"> Sustainable Supply Chains
 <p>Government</p>	<ol style="list-style-type: none"> Government agencies conduct inspections, visits, correspondence, and labor inspections to gain in-depth understanding of DFI and provide relevant recommendations. DFI periodically sends representatives to participate in government events and conferences, keeping pace with Taiwan's policies. 	<ul style="list-style-type: none"> Taxation 	<ul style="list-style-type: none"> Participate in government-mandated communications on a regular and ad hoc basis to gain an understanding of government initiatives. Regular compliance assessments are conducted to ensure adherence to laws and regulations through a management oversight cycle in accordance with new regulatory requirements 	<ul style="list-style-type: none"> Corporate Governance Legal Compliance Employee Safety and Environment
 <p>The general public</p>	<ol style="list-style-type: none"> DFI's public information can be accessed through the corporate website, news media coverage, and social media. Contact DFI project coordinators of by phone or email. DFI actively participates in organizing charitable activities. 	<ul style="list-style-type: none"> Corporate Citizenship and Philanthropy 	<ul style="list-style-type: none"> Understand the Company's operations and public welfare efforts through public information provided by DFI. Communicate through the Company's website, social media platforms, and general hotline, or communicate with residents through neighborhood leaders. 	<ul style="list-style-type: none"> Caring for Society, Nurturing the Earth

DFI's Integrity and Self-Discipline

— The Company's operating system complies with laws, ethics, social public interests, and regulatory guidelines.

- Corporate Governance ————— (25)
- Financial Performance  ————— (28)
- Risk Management ————— (31)
- Code of Conduct  ————— (34)
- Legal Compliance   ————— (36)
- Human Rights Management     ————— (37)
- Information Management ————— (38)



Corporate Governance

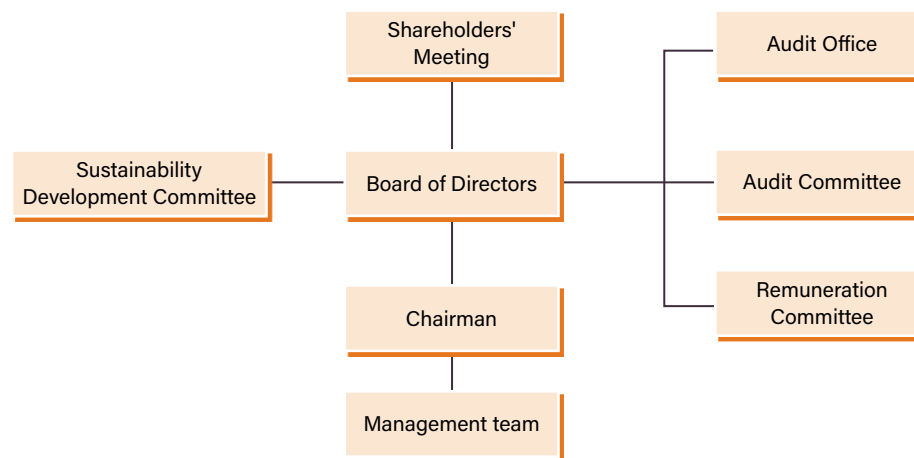
Organizational structure of corporate governance

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 on the right.

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



[Inquiry of annual report](#)

Organizations and activities for industry development

Association	Purpose
Taipei Computer Association	Trade shows
Taiwan Electrical and Electronic Manufacturers' Association	Trade shows
New Taipei City Industrial Association	Industrial association for manufacturers
MIH Consortium	To become a member of the EV ecosystem and participate in the formulation of key EV technical standards
5G Smart Pole Standards 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

Diversity Board members

Background					Corporate management		Industry experience			
Title	Name	Gender	Term	Education	Primary experience	Management	Leadership	International Markets	IT Industry	Finance
Chairman	Representative of Qisda Corporation: Chi-Hong Chen	Male	3	Science and Technology Management Class of National Chengchi University International MBA, Thunderbird School of Global Management Master of Business Management	<ul style="list-style-type: none"> Chief Executive Officer of Qisda Corp. Chairman of BenQ Medical Technology Corp. Chairman of Partner Tech Corp. Vice Chairman of Alpha Networks Inc. 	✓	✓	✓	✓	
Deputy Chairman	Representative of Qisda Corporation Chang-Hung Li ^{Note 1}	Male	3	Ph.D. in Electrical Engineering, National Taiwan University	<ul style="list-style-type: none"> President of Intelligent Solutions Business Group, Qisda Corp. Chairman of Ace Pillar Co., Ltd. Chairman of AEWIN Technologies Co., Ltd. Chairman of Metaage Corp. 	✓	✓	✓	✓	
Director & President	Representative of Qisda Corporation: Chia-Hung Su	Male	3	Master of Electrical Engineering, National Taiwan University	<ul style="list-style-type: none"> Director of Ace Pillar Co., Ltd. COO of AEWIN Technologies Co., Ltd. 	✓	✓	✓	✓	
Director	Ming-Shan Li ^{Note 2}	Male	3	MBA, National Chengchi University	<ul style="list-style-type: none"> Chairman of ILI Technology Corp. Chairman of MagiCap Venture Capital Co., Ltd. 	✓	✓	✓		✓
Independent Director	Chih-Hao Chu	Male	3	Master of Electric Engineering, National Taiwan University	<ul style="list-style-type: none"> Chairman of IP Venture Investment and Management Co. Chairman of VSENSE CO., LTD. Chairman of FONTRIP TECHNOLOGY CO., LTD. President of Industrial Technology Investment Corp. 	✓	✓	✓	✓	✓
Independent Director	Te-Chang Yeh	Male	3	Master of Economics, National Chengchi University	<ul style="list-style-type: none"> Independent Director of KIAN SHEN CORP. Independent Director of CARNIVAL INDUSTRIAL CORP. Consultant of Wafer Works Corp. 	✓	✓	✓	✓	✓
Independent Director	Bing-Kuan Luo	Male	3	Master of Laws, Fu Jen Catholic University	<ul style="list-style-type: none"> 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 Mergers and Acquisitions and Private Equity Association Director of Monte Jade Science & Technology Association of Taiwan 	✓	✓	✓		✓

Note 1:Qisda Corp. Legal Representative Director: Chang-Hung Li was dismissed on March 22, 2024, and was replaced by representative Wen-Hsing Tseng.

Note 2:Director Ming-Shan Li was relieved of his duties due to his passing on January 26, 2024.

Diversified Organizational Governance Unit

The number of directors in the capacity of employees accounts for 14%, while the independent directors account for 43%; as of the end of 2023, 2 independent directors have length of service for 4-6 years; 3 directors are 60-69 years old; 3 directors are 50-59 years old; 1 director is 40-49 years old. All current directors are male.

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 94% 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 94% in 2023.

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 2023, 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 2023 was completed through self-assessment, and the results of the evaluation were reported to the Board of Directors on March 4, 2024. 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 2023, there were no significant events regarding stakeholders' concerns.

Audit Committee operations 4 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.

Conflicts of Interest Management

According to Article 208, paragraph 3 of the Company Act, CEO Chi-Hong Chen 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.

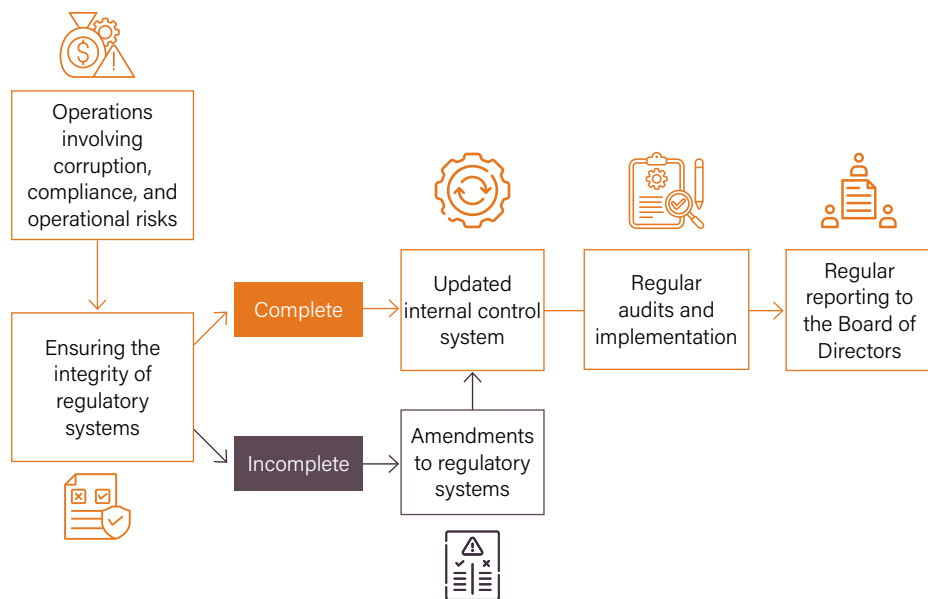


Corporate Governance

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 2023 to ensure compliance.

Internal audit process



Financial Performance

DFI's consolidated revenue for 2023 amounted to NT\$9.184 billion, with consolidated operating income of NT\$0.545 billion, The consolidated net profit after tax reached NT\$0.35 billion, of which NT\$0.362 billion was attributable to the owners of the parent company, resulting in earnings per share of NT\$3.16.^(Note)

This year, DFI is committed to improving operational efficiency by adjusting its product portfolio to increase gross profit margin, reduce inventory, and increase cash holdings. We continue to recruit talented individuals and strive for sustainable business operations.

The global economy has also entered an adjustment phase under the continuous interest rate hikes in the United States. Due to the rising interest rates in various regions, the cost of borrowing has increased, leading to a conservative approach towards equipment procurement in various industries. As a result, the demand for industrial PCs has also started to decline. In terms of regional markets, mainland China has been most affected by the dual pressures of manufacturing relocation due to the US-China trade war and a burst in the real estate bubble, which has led to a shortage of funds. Growth was sustained in regions that have replaced its manufacturing rolesuch as the Indian market. In addition to its well-established sales team in India, DFI participated in the Automation Expo, a major industrial automation exhibition in India, for the first time this year, accelerating the development of this growing sector.

Automation is the core application area for industrial PCs, and DFI has achieved significant success in this area in recent years. Automation sales have also continued to grow, contributing to an increasing percentage of the company's revenue. In addition to strategic partnerships with CPU partners, we will further develop a low-power, high-performance platform for AMR/ Robot. We will continue to invest in research and development resources and industry-academia cooperation to develop a flexible real-time control system based on software-defined technology. As our product line expands, the applicability in different automation fields will also increase.

The intelligitization of electric vehicles has become the most important new business opportunity in the industrial PC market in recent years. The quality and competitiveness of DFI's SOM (System on Module) products are widely recognized. With SOM's ability to easily upgrade computing power and high backward compatibility, it has gained favor from international brand manufacturers this year. It has been designed into their new unmanned vehicle projects, smart transportation, and vehicle systems, which are the markets DFI has been focusing on in recent years. Its benefits are gradually emerging.

In 2022, based on obtaining ISO14064 greenhouse gas inventory third-party certification, in 2023, DFI increased the capacity of solar power generation in its factories, improved product energy efficiency, and used recyclable materials in its system products to assist in reducing

the urban-rural gap in the Northern Cross-Island Highway rural region. As a result, DFI received the Gold Award in the Corporate Category of the Sustainable Action Awards and the Gold Award in the Taiwan Corporate Sustainability Report, which reflects the increasing importance that European and American customers attach to ESG and demonstrates DFI's determination and commitment to sustainable operations.

For the operational results of the Company in the past five years, please refer to the table below, as disclosed in the Financial Overview section of DFI's 2023 Annual Report. Additionally, the consolidated financial statements, including both consolidated and individual financial information, are disclosed on the Company's official website under the 2023 Financial Statements section.

DFI's performance over the past 5 years

Consolidated comprehensive income statement - International Financial Reporting Standards

Item \ Year	Recent Five-Year Financial Data				
	2019	2020	2021	2022 ^{Note}	2023 ^{Note}
Operating revenue	7,032	8,350	13,312	10,992	9,184
Gross Profit	1,994	2,109	2,542	2,742	2,435
Operating income	784	648	527	840	545
Net profit attributable to owners of the parent company	630	405	616	528	362
Earnings per share (NT\$)	5.51	3.54	5.38	4.61	3.16

(in NT\$ millions)

※ 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](#)

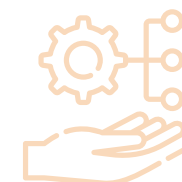
DFI Taiwan's distribution of economic value to the parent company

(Unit: NT\$)

Item	Amount	Note
A. Directly generated economic value.		
a. Revenue of the Taiwanese parent company	NT\$4.009 billion	
B. Economic value distribution		
b. Operating cost	NT\$2.796 billion	
c. Employee salaries and benefits	NT\$0.651 billion	
d. Interest payments or dividend distribution	NT\$0.374 billion	Net interest expense payment of NT\$0.031 billion; dividend distribution to shareholders of NT\$0.343 billion.
e. Tax Amount	NT\$0.087 billion	Income taxes
f. Community investment	NT\$0.003 billion	Donations to the BenQ Foundation
Retained economic value = A - B		
Total retained economic value	NT\$0.098 billion	

Business policies and R&D plan

1. To develop CPU-integrated FPGA design capabilities to provide more diversified customized services.
2. To maintain our focus on efficient and low-power miniaturized products.
3. Foster a development environment for open-source operating systems (OS) and strengthening OS software compatibility.
4. To work with medical customers to meet precise specifications.
5. To cultivate the smart automotive application market.
6. To improve rugged specifications for wide temperature, wide voltage, and waterproof, dustproof, and shockproof capabilities.
7. To introduce green product development in response to ESG demands



Important Business Policies



Manufacturing ability in the United States

With the onset of the U.S.-China trade war, U.S. policy has shifted towards reshoring manufacturing to the U.S., while increasing the share of American-made electronic products. For embedded products, this entails initial system assembly followed by long-term board-level assembly. DFI will initially focus on strengthening its relationship and cooperation with system assembly factories in the United States, taking advantage of the favorable relationship between marketing and politics. Subsequently, it will explore opportunities for local board assembly in the United States.



Implementing a sustainable development strategy

Under the new wave of infrastructure driven by global industrial automation and digital transformation, the adoption of smart manufacturing has become an essential long-term goal. DFI will work with its group partners and subsidiaries to promote various energy-saving and carbon-reduction operations and improve energy efficiency. While fulfilling its social and civic responsibilities, it will help enterprises accelerate the transformation plan and meet the needs of the clients, continue to innovate and improve production capacity, create maximum value for clients, and become the best partner for enterprise OT intelligence.

In 2023, in the post-pandemic era, AI edge computing, high-performance servers, security network requirements and smart GPUs are elements that are highly demanded for future industrial upgrading. In the future, DFI will continue to strategically focus in applications such as intelligent transportation equipment, smart-auto equipment, medical equipment, semiconductor equipment, and new energy equipment.

DFI will play a critical role in these dynamic trends, spearheading the advancement of core technologies and prioritizing industry growth patterns. Through intelligent and automated means, reduce multi-party operating costs to increase productivity. This year, within the strategic value chain, business layout and project development of multiple parties, significant business opportunities for industrial computers can be observed. Furthermore, we will consistently enhance the strengths of our current products and operations, drawing from our previous experience. The close-knit R&D team promotes product strength and technical expertise, anticipates future trends, strengthens a solid competitive base, and meets customer needs. To improve management, develop talent, promote corporate social responsibility and transformation, strengthen inclusiveness, corporate governance and strategy to meet the expectations of employees, shareholders, customers and all stakeholders, build a strong foundation for revenue growth and work toward the organization's sustainable business goals.

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 2023 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 \ Year	2022	2023	Average Tax Rate in the Global Electronics Industry
Income before tax	NT \$0.629 billion	NT \$0.46 billion	-
Income tax expenses	NT \$0.098 billion	NT \$0.099 billion	-
Effective Tax Rate (%)	15.58	21.52	15.39
Income tax paid	NT \$0.123 billion	NT \$0.087 billion	-
Cash Tax Rate (%)	19.55	18.91	15.09

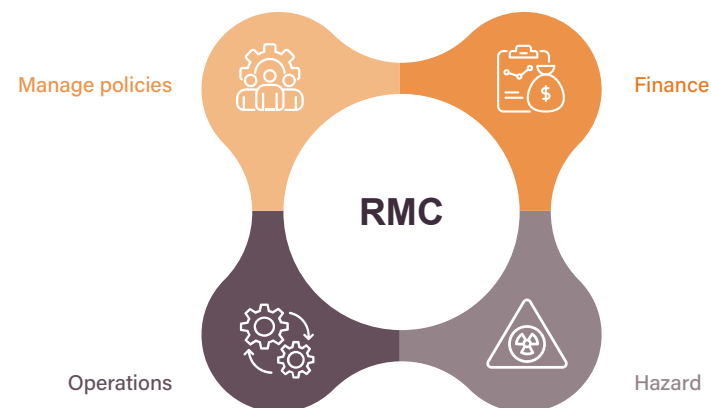
※ Effective Tax Rate = Income tax expenses ÷ Income before tax

※ 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 "Policies and Procedures for Risk Management," the "Procedures of the Risk Management Committee," and "Social Responsibility, Environmental Safety, and Health Impact Sources and Risk Identification Management Procedures." These measures ensure the Company's sustainable operations and robust risk management and evaluate the environmental health, social responsibilities, and supply chain safety within our organizational operations by analyzing impact to the environment, safety, health, labor management, and supply chain safety management and assessing their significance, which is used to guide social responsibility management and environmental safety and health systems. The Risk Management Committee (RMC) serves as the core organization, managing risks in four key areas: strategic, financial, operational, and hazard risks.



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.

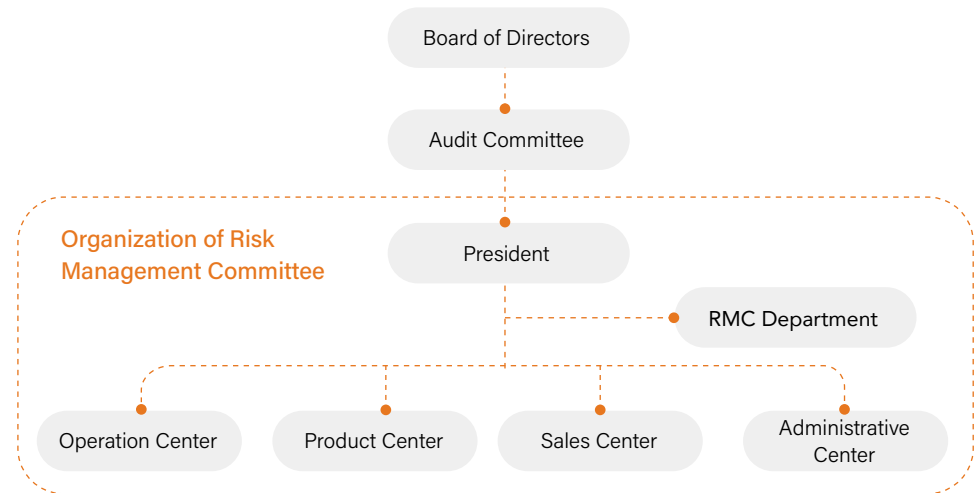
We control risks by integrating loss prevention resources and enhancing the Group's emergency response capabilities.

DFI Risk Radar Chart for 2023



Risk Management Committee Organization and Structure

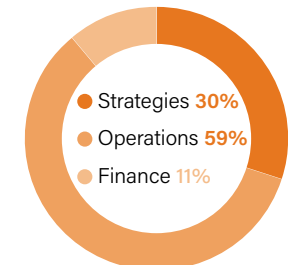
The Risk Management Committee of DFI is chaired by the President, with the Deputy Chairman being the CFO. Departmental senior managers serve as committee members and are responsible for determining DFI's risk management strategies, setting annual targets, and establishing risk performance indicators. In addition, ERM serves as the Secretary-General and contact in charge, responsible for monitoring internal and external events to identify potential risks, coordinating risk management meetings, tracking risk targets, and managing the progress of management plans. Each department effectively monitors risks through self-assessment reports, identification of high-risk areas, and the proposal of specific risk improvement plans. These efforts are presented to the Risk Management Committee during regular meetings.



Top 3 Risks in 2023



2023 Risk categories pie chart



2023 Risk Categories Overview

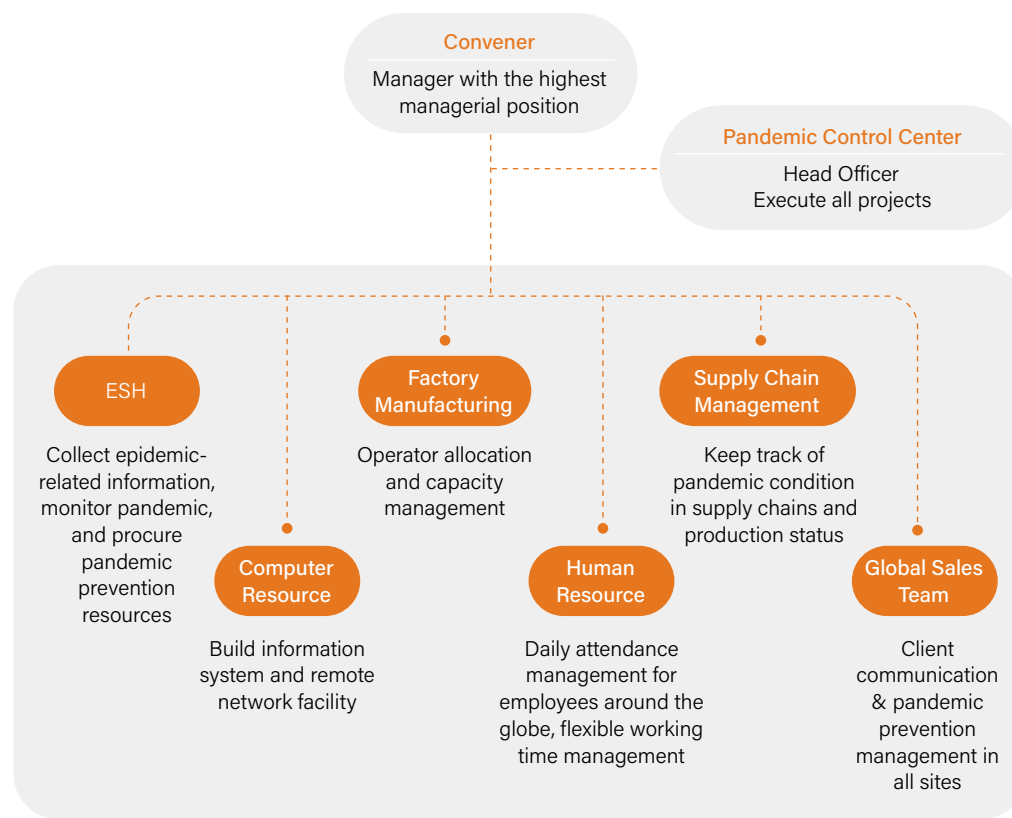
😊 Low 😐 Medium 😞 High

No.	Members in charge	Risk item	Risk category	Before addressing	After addressing
1	ESH	Risk Assessment	S	😞	😐
2	ESH	Carbon Inventory	S	😐	😊
3	ESH	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	😐	😊

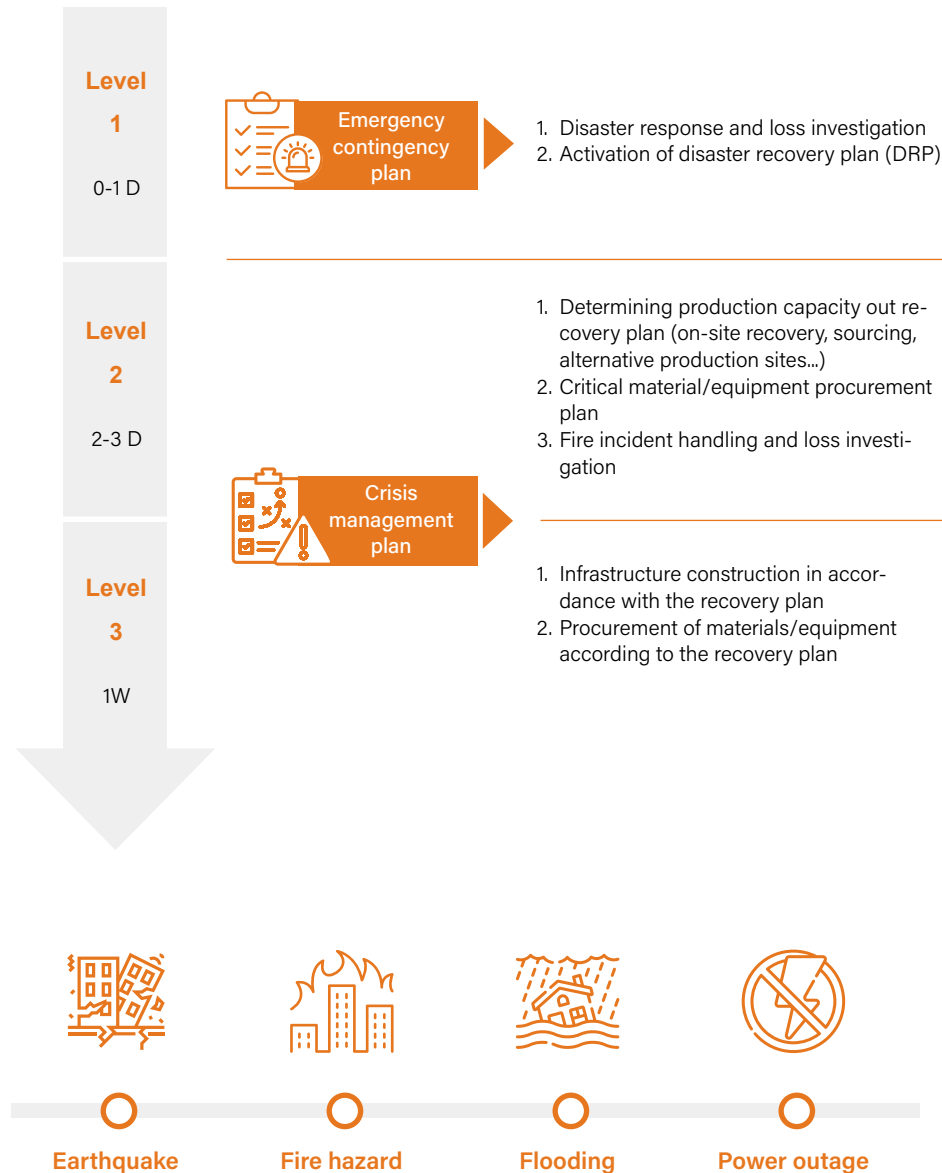
Business Continuity Plan (BCP)

To achieve sustainable operation and implement Business Continuity Management (BCM), DFI has developed a Business Continuity Plan (BCP) for scenarios such as natural disasters, power outages, and infectious diseases. The plan simulates management policies and response strategies for different situations, and actual exercises and drills are conducted with company personnel. The following scenarios outline how to respond, adapt, and activate contingency measures to ensure uninterrupted operation of critical business functions and services, evaluate the impact on production capacity, and implement necessary adjustments. DFI is prepared with this plan to swiftly restore normal operations and employee activities in the event of an impact from a pandemic.

DFI's BCP organizational structure



BCP for earthquake/fire/flood/power outage



Code of Conduct

	Main Target	Clients, Suppliers, Community, Employees
	2023 Management Objective	Integrity Handbook training rate: 100%
	2023 Achievement	Completed.
	2024 Management Objective	Integrity Handbook training rate: 100%
	2023 Management Key Points & 2024 Plans	<ul style="list-style-type: none"> Execute employee training in 2023 by using the Integrity Handbook approved by the Board of Directors Maintain a 100% training rate for Integrity Handbook in 2024

Integrity management is the fundamental corporate responsibility that benefits corporate management and long-term development. Dishonesty not only causes losses for businesses, 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 homepage of the company's internal website. To ensure the implementation of ethical business practices and behaviors, DFI executes 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 and other relevant topics.

Training Outlines in 2023



The training completion status for 2023 is as follows: In the fourth quarter of 2023 (12/20), the Integrity Handbook was taught and communicated through training. A total of 695 employees received 1 hour of training. The number of indirect employees was 490, including 66 overseas employees, and the number of direct employees was 205.

Under the training executed, there was no breach of integrity principles found in 2023.

Whistleblowing Process

DFI established a physical internal mailbox and an independent mail address: 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, 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 2023.



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 directors or senior 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



2023 Management Objective

- Sustain integrity management plan
- Integrity Handbook training rate 100%
- Implement Antitrust Law Compliance Plan
- Antitrust Law Compliance training rate 100%
- Implement Insider Trading Prohibition and Prevention Compliance Plan
- Insider Trading Prohibition and Prevention training rate 100%



2023 Achievement

Completed



2024 Management Objective

- Sustain the Integrity management plan
- Maintain a 100% rate for Integrity Handbook training
- Sustain the Antitrust Compliance plan
- Maintain a 100% rate for Antitrust Law training
- Sustain the Insider Trading Prohibition and Prevention Compliance Plan
- Maintain a 100% rate for Insider Trading Prohibition and Prevention training
- Add the a Gender Discrimination and Sexual Harassment Prevention Compliance Plan



Management Methods

- Responsibility Resources
 - Legal Compliance Office
 - 1. Facilitate cross-departmental collaboration, coordinate and implement training programs, and enhance promotional efforts.
 - 2. Incorporate group training resources, such as gender discrimination and sexual harassment prevention.
- Action
 - 1. Execute the Integrity Handbook training
 - 2. Execute the Antitrust Law Compliance training
 - 3. Execute the Insider Trading Prohibition and Prevention training
- Evaluate
 - the delivery of courses in accordance with the annual training plan and schedule.

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.



No antitrust laws, insider trading, sexual harassment, gender discrimination, or other litigation cases.



No violation of environmental protection laws.

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 2023, 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 Policy and Management Plan

Human Rights Policies

In order to implement the corporate social responsibility and protection of human rights, DFI declares that it protects the rights and interests of employees, complies with national labor laws and regulations in human rights management, and follows the principles enshrined in international human rights conventions such as the United Nations Universal Declaration of Human Rights and the International Labor Organization Conventions, in addition to providing a reasonable and safe workplace, and building an inclusive and friendly workplace.

Human Rights Concerns and Management



Workplace Safety and Health

- 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.
- Our Company has a lactation room to meet the needs of our female employees. In accordance with the regulations of the Labor Health Protection Act, we have hired dedicated nursing staff to provide on-site health services for our employees. We have also engaged physicians who specialize in labor health services to provide on-site medical services.
- The Company offers annual employee health check-ups and occasional workplace health promotion lectures.



Eliminate illegal discrimination and ensure equal employment opportunities

- According to the Employment Service Act and the Company's hiring principles, recruitment is conducted openly based on actual business needs, 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 Use of Child Labor

- 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 to force employees into involuntary labor is also prohibited.



Physical and Mental Health and Work-Life Balance

- The Company has established various clubs, such as the DFI 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. The Company encourages employees to participate in club activities to build emotional connections among colleagues.
- Participate in the group's year-end banquet, family day, hikes, beach cleanups, and company-sponsored birthday celebrations. Design festive activities and invite colleagues and their families to participate. These activities are designed to promote employees' physical and mental well-being, build team cohesion, and foster a friendly workplace culture.

Human Rights Protection Training Practices



Orientation

- New employees receive training and education on relevant compliance issues, including sexual harassment prevention, anti-discrimination, anti-harassment, working time management and humane treatment.



Prevention of Workplace Violence and Workplace Harassment

- Assist employees in understanding their responsibility to prevent illegal violations in the course of their duties, as well as the Company's procedures for handling incidents of sexual harassment, in accordance with the procedure manual and internal website promotion. Provide information about the complaint hotline to foster a friendly work environment that encourages communication and open management.



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 2023, regulations compliance advocacy will be conducted for a total of 2,300 employees and new recruits, with a total duration of approximately 2,416 hours, and built course-related materials on the internal employee training platform, and conducted online course training, achieving 100% completion of human rights protection training. The course content includes: prohibition of forced labor, prohibition of child labor, anti-discrimination, anti-harassment, prevention of insider trading, integrity training, and anti-trust, while providing a healthy and safe environment.

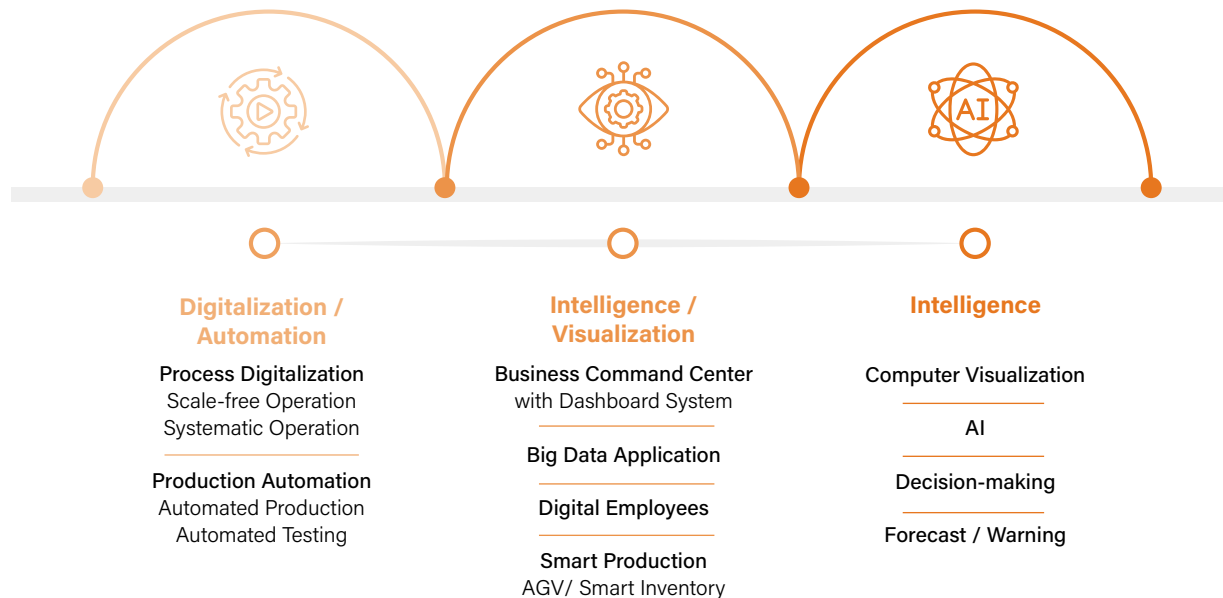
In the future, we will continue to pay attention to human rights protection issues, promote and implement relevant education and training to raise awareness of human rights protection and reduce the possibility of related risks occurring.

Information Management

Information Policies

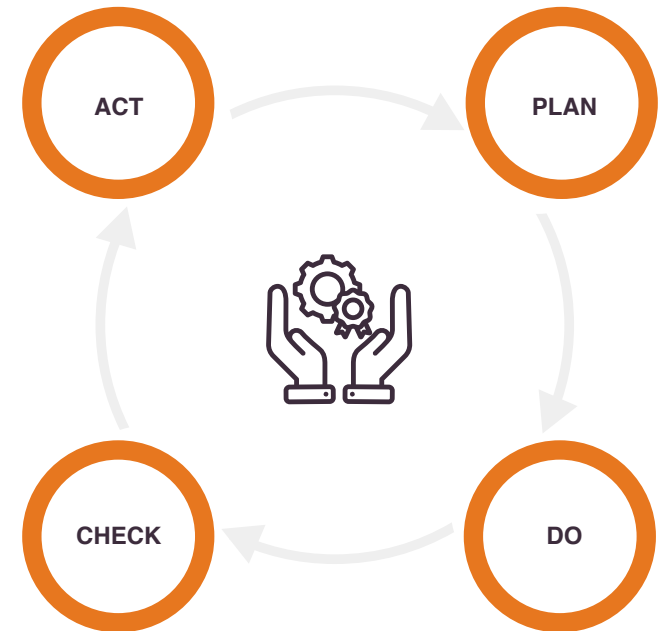
DFI has implemented enhanced measures to promote and enforce corporate information security. Through the use of regulations and tools governing information assets (including hardware, software, data, documents, and personnel related to information processing), the Company effectively safeguards the security of its intellectual property. These measures ensure the confidentiality, integrity, availability, and legality of information assets and prevent intentional or accidental threats from internal or external sources. When signing contracts with third-party service providers, DFI requires them to adhere to confidentiality and cybersecurity regulations. Every year, DFI conducts regular reviews of various regulations and assesses the need for internal revisions to its information security policies. This ensures compliance with regulations and promotes effectiveness. Any updates or changes are communicated and disseminated among employees through announcements to enhance their awareness of information security.

Furthermore, DFI is committed to ongoing digital transformation. It has developed a five-year blueprint for information development, gradually moving towards goals of digitization, automation, and cloud management. This includes strengthening digital capabilities, improving process efficiency, and establishing a business command center with a dashboard system. By analyzing key information from multiple system sources and consolidating vital indicators, the Company aims to enhance business decision-making and organizational business intelligence strategies.



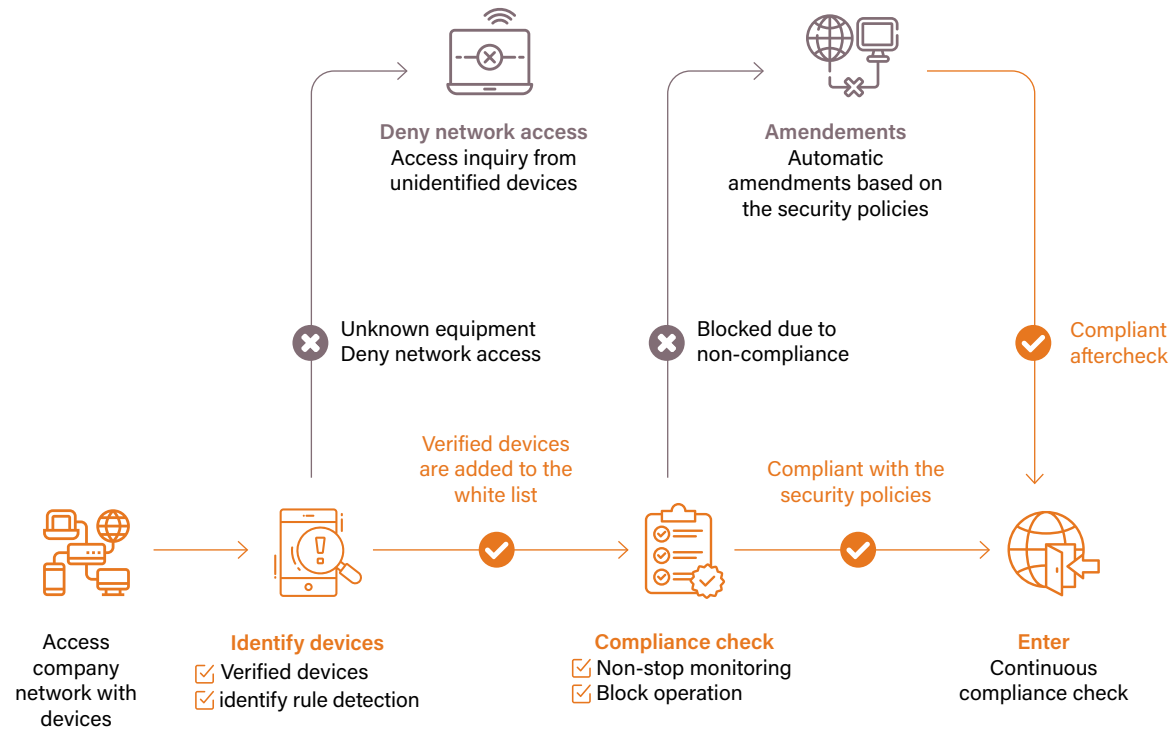
Information Security Management

DFI has implemented an information security management system and has established the ISO 27001 Information Security Management System to establish and enforce information security policies. This ensures the protection of customer data and the Company's intellectual property. By strengthening incident response capabilities and meeting information security policy metrics, DFI aims to meet stakeholder expectations. The Company also continuously improves its information security controls through the PDCA cycle.



PDCA Quality Management

DFI implemented external management facilities



Vulnerability scanning system is implemented to regularly scan various systems for vulnerabilities, ensuring that sensitive data is not compromised due to system vulnerabilities or weaknesses. We have also implemented an external device management system that automatically checks and retrieves complete device information, including identifying the IP and physical location. This system effectively prevents unauthorized devices from accessing the internal network. All unauthorized devices are strictly regulated through an application process, ensuring comprehensive management of external devices and compliance with information security standards.

Regular email social engineering drills are conducted to provide employees with education and training on email communication and other relevant information security knowledge. These drills aim to reduce the risk of employees clicking on malicious emails and enhance their awareness of information security. By integrating information security concepts into daily operations, we ensure that information security practices become ingrained in our employees' behavior.

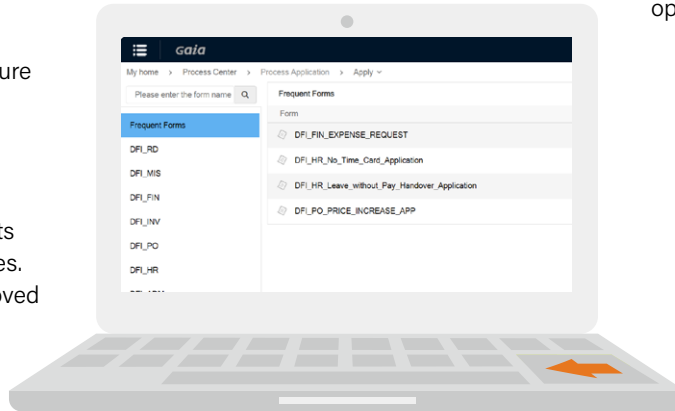
Countermeasures to Material Information Security Events

Introduction to SOC (Security Operations Center) and EDR (Endpoint Detection and Response) cybersecurity protection. During the establishment of our information security management system, DFI has strengthened internal emergency response procedures (SOP) and conducted drills. We continuously simulate various cybersecurity attack scenarios and involve relevant personnel in these drills. This ensures that in the event of an incident, the emergency procedures can be activated promptly, reducing the response time and minimizing the company's losses.



Paperless Operation and Action Taking

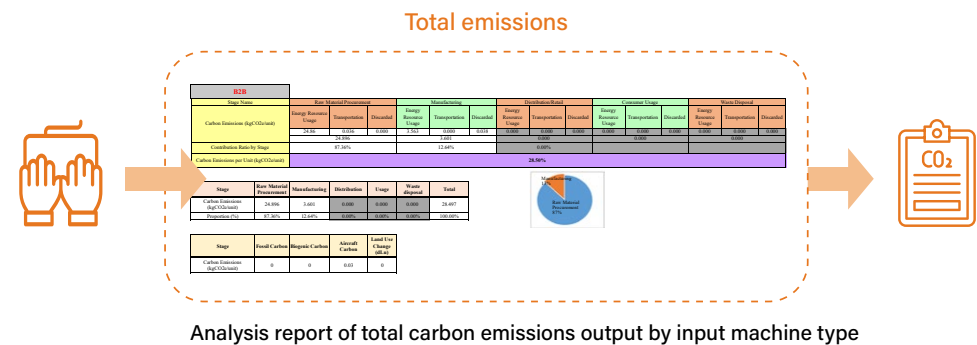
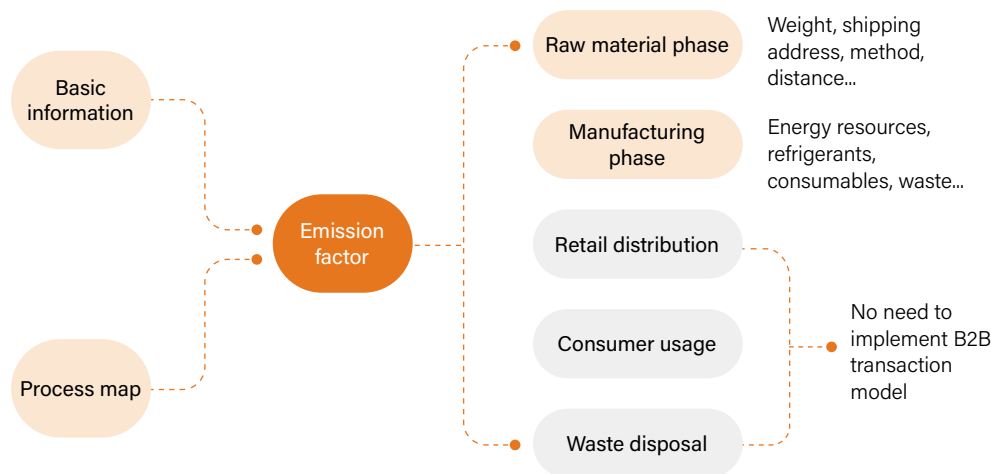
As DFI expands its organization and experiences a significant increase in business demands, our offices are now located globally. This expansion has led to increasingly complex administrative processes and approval workflows. To effectively reduce the need for paper printing and physical document transmission, we have implemented an electronic workflow and approval platform known as Business Process Management (BPM). By replacing paper-based approvals with the electronic signature platform, we are able to save over 80,000 paper printouts per year. Regardless of the location, there is no longer a need for paper-based transmission for operational requests made by colleagues in various offices. The related processes can be approved electronically using computers, resulting in a reduction of over 20,000 transport trips per year.



Introducing a business command center with a dashboard system to provide colleagues from different departments with access to relevant information at all times. Purchasing colleagues can view the status of work order materials, production line colleagues can use the dashboard to track production progress, and sales colleagues can monitor the status of finished products. All information is easily accessible from the dashboard, increasing the operational efficiency of each station.



Establish an ESG carbon footprint platform that automatically calculates 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.



Passion & Practicality of DFI

— A robust team of employees collaborates with a stable supply chain, committed to providing the highest quality passion and service to our customers

Employee Status		42
Learning and Development		45
Good Labor-Capital Relationship	  	48
Green Supply Chains	   	51
Commitment to Clients		58



Employee Status

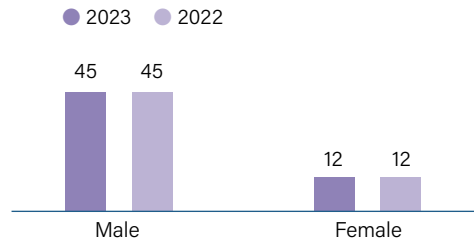
Employees are the long-term assets of the company and the cornerstone of innovation. If employees are not properly managed and trained, it may lead to talent loss in the long run and affect the company's competitiveness. Therefore, DFI is committed to providing its employees with a favorable working environment. The Company regularly assesses and adjusts employee management regulations based on local regulations and the Company's situation. We effectively enhance employees' work efficiency through good working conditions and atmosphere. There are a total of 629 employees in DFI Taiwan as of the end of 2023.

Employment Principles

DFI openly recruits and selects candidates based on actual business needs. The Company is also committed to developing diverse channels and projects, following the principle of matching the right talents and giving priority to internal candidates before considering external hires. Respecting each employee, ensuring gender equality in employment, and promoting diversity in hiring are fundamental principles of our company. We comply with the Labor Standards Act, the Employment Equity Act, and the Employment Service Act, which prohibit discrimination in employment. We provide equal employment opportunities to applicants of all genders, ages, and disabilities, and we strictly prohibit the employment of child labor.

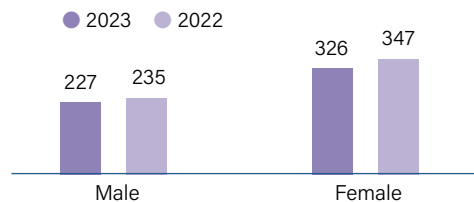
Number of Managers and Their Gender

	2023	2022
Male	45	45
Female	12	12
Total	57	57



Non-Managers and Their Gender

	2023	2022
Male	227	235
Female	326	347
Total	553	582

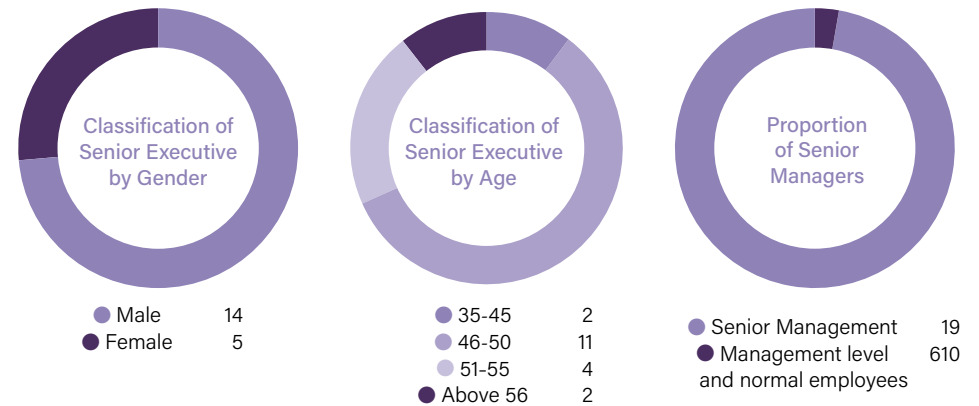


Employment Status

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, 2023. 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. Currently, DFI does not have any long-term dispatched employees or contractors.

Proportion of Senior Managers



※ Definition of senior executives: 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 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, 2023, the total number of full-time employees in the Company is 629.

Total

Year	2023				2022			
	Full-time employees		Intern		Full-time employees		Intern	
Indirect employees	256	167	0	1	263	170	0	6
Direct employees	30	175	0	0	34	188	0	0

Distributed based on age, gender, and employment status

Year	2023				2022			
	Indirect employees		Direct employees		Indirect employees		Direct employees	
Below 30	16	25	10	42	25	32	12	50
31-50	204	120	17	111	207	121	20	116
Above 51	36	23	3	22	31	19	2	22

Proportions of Local Employees in Each Plant

Factory	Number of Local Employees	Total Number of Hires	Percentage
Xizhi	72	218	33.03%
Xindian	10	63	15.87%
Taoyuan	203	348	58.33%
Total number of workers	285	629	45.31%

Nationality & Headcount of disability

Year	2023				2022			
	Indirect employees		Direct employees		Indirect employees		Direct employees	
Taiwan	256	165	21	53	263	175	30	60
China	0	1	0	0	0	1	0	0
The Philippines	0	1	9	122	0	0	4	127
Indonesia	0	0	0	0	0	0	0	1
Malaysia	0	1	0	0	0	0	0	0
Total	256	168	30	175	263	176	34	188
Employees with disability	3	0	0	1	4	0	0	1



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 2023 was 17.98%, which represents a decrease of approximately 9.37% compared to the previous year (2022 turnover rate was 27.35%).

Employee Turnover Rate

2023		Male		Female		Total	
		Number	Proportion	Number	Proportion	Number	Proportion
Age	Below 30	14	2.17%	14	2.17%	28	4.34%
	31-50	32	4.96%	44	6.82%	76	11.78%
	Above 51	8	1.24%	4	0.62%	12	1.86%
	Total	54	8.37%	62	9.61%	116	17.98%
Nationality	Taiwan	54	8.37%	36	5.58%	90	13.95%
	Indonesia	0	0.00%	1	0.16%	1	0.16%
	The Philippines	0	0.00%	25	3.88%	25	3.88%
	Total	54	8.37%	62	9.61%	116	17.98%

2022		Male		Female		Total	
		Number	Proportion	Number	Proportion	Number	Proportion
Age	Below 30	14	2.21%	21	3.32%	35	5.53%
	31-50	68	10.75%	59	9.33%	127	20.08%
	Above 51	6	0.95%	5	0.79%	11	1.74%
	Total	88	13.91%	85	13.44%	173	27.35%
Nationality	Taiwan	88	13.91%	55	8.70%	143	22.61%
	The Philippines	0	0.00%	30	4.74%	30	4.74%
	Total	88	13.91%	85	13.44%	173	27.35%

- Formula for calculating the turnover rate: Number of employees who left / ((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 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

2023		Male		Female		Total	
		Number	Proportion	Number	Proportion	Number	Proportion
Age	Below 30	13	2.02%	16	2.48%	29	4.50%
	31-50	27	4.19%	23	3.57%	50	7.75%
	Above 51	4	0.62%	0	0.00%	4	0.62%
	Total	44	6.82%	39	6.05%	83	12.87%
Nationality	Taiwan	39	6.05%	17	2.64%	56	8.68%
	Malaysia	0	0.00%	1	0.16%	1	0.16%
	The Philippines	5	0.78%	21	3.26%	26	4.03%
	Total	44	6.82%	39	6.05%	83	12.87%

2022		Male		Female		Total	
		Number	Proportion	Number	Proportion	Number	Proportion
Age	Below 30	25	3.95%	56	8.85%	81	12.81%
	31-50	74	11.70%	73	11.54%	147	23.24%
	Above 51	5	0.79%	1	0.16%	6	0.95%
	Total	104	16.44%	130	20.55%	234	37.00%
Nationality	Taiwan	100	15.81%	83	13.12%	183	28.93%
	Malaysia	0	0.00%	1	0.16%	1	0.16%
	The Philippines	4	0.63%	46	7.27%	50	7.91%
	Total	104	16.44%	130	20.55%	234	37.00%

- Formula for calculating the newly hired rate: Number of employees who left / ((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

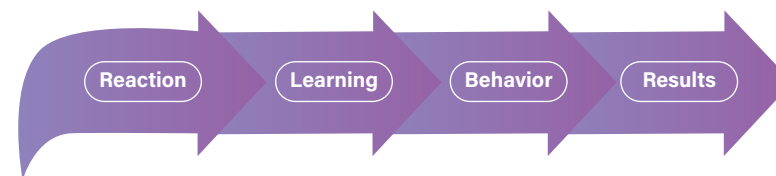
Learning and Development

The average total training hours per employee at DFI in 2023 was **31.38 hours** (domestic).

DFI places great emphasis on employee training and development. The Human Resources Department takes the lead in organizing and promoting various training activities. A dedicated Training Center is responsible for handling training-related matters, while other departments are responsible for implementing and executing specific training programs. An annual survey is conducted to gather training requirements from each department. The Training Center reviews the submitted training needs, including course topics and duration, to ensure their suitability. These requirements are then consolidated into an "Annual Training Plan" for implementation. At the end of the year, any unfinished training courses from the annual plan are reviewed, and the reasons for non-completion are documented to ensure the implementation of the annual training plan.

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. The Company has introduced various internal and external resources to support employee learning and development. In addition to implementing Qisda Academy (eHRD) as an online learning platform for DFI employees, we also collaborate with professionals invited by the Company 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) and related courses on occupational health and safety as mandatory training programs for all employees.

In 2023, DFI provided a total of 15,723.88 training hours to its employee (with Taiwanese citizenship), with an average training hours of 31.38 hours per employee. To ensure 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. (the application will be based on the contents of the course)



In light of the Company's future strategic development direction, DFI will continue to develop relevant courses, including but not limited to specialized knowledge in areas such as building key components, healthcare, and the The Artificial Intelligence of Things (AIoT). These courses will provide the talent that the organization will need in the future and maintain a learning momentum to align with the company's development needs. Furthermore, the personal learning and development of employees are closely related to the Company's growth: personal learning and development not only contribute to improving job performance, but also provide colleagues with the opportunity to apply it in their daily lives, generating a positive impact on society and progress. Therefore, the company encourages all colleagues to actively enroll in external training courses to cultivate and enhance their skills. This not only benefits the employees themselves but also helps them contribute to the growth of the Company and society as a whole.

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

Categories	Direct Employees (DL)		Indirect Employees (IDL)	
Average training hours	18.10	28.30	34.65	29.10
Average Total	25.52		32.45	

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

Categories	Managerial position	Non-managerial position
Average training hours	63.64	25.62

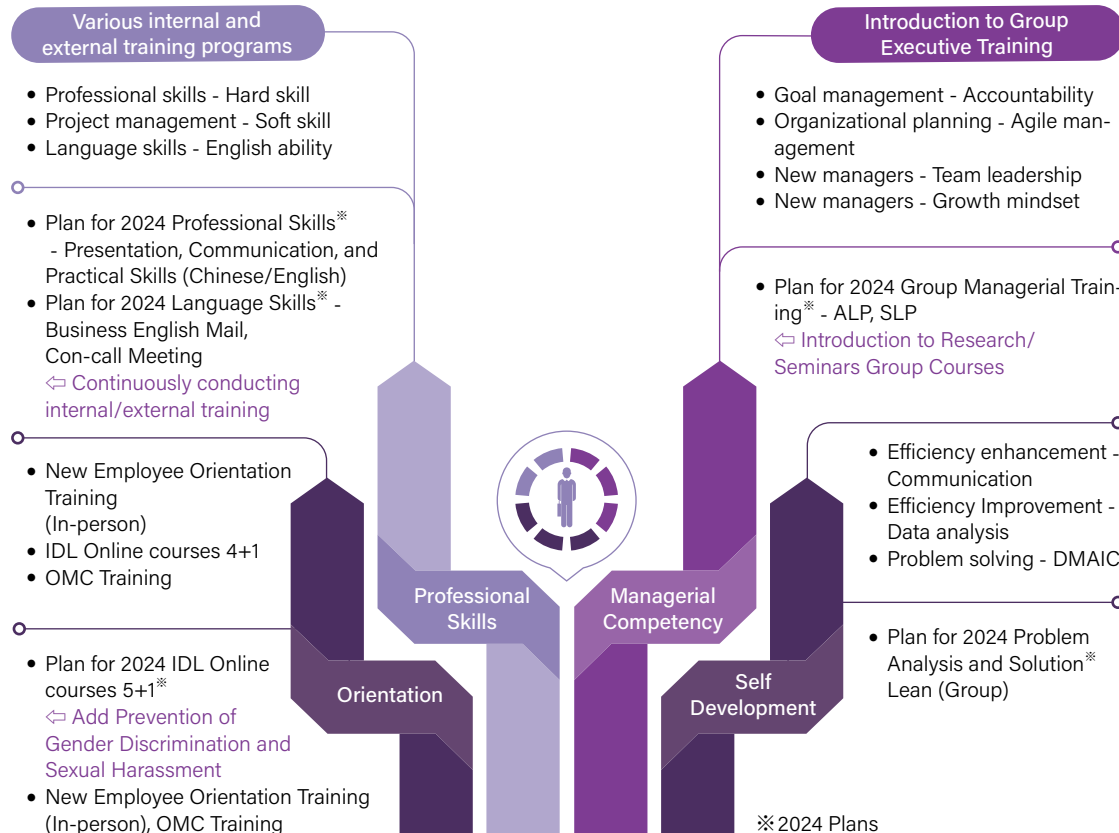
※ Note 1: The calculation only includes local employees, including foreign spouses

※ Note 2: All values are rounded to two decimal place.

2023 Management Key Points & 2024 Plans

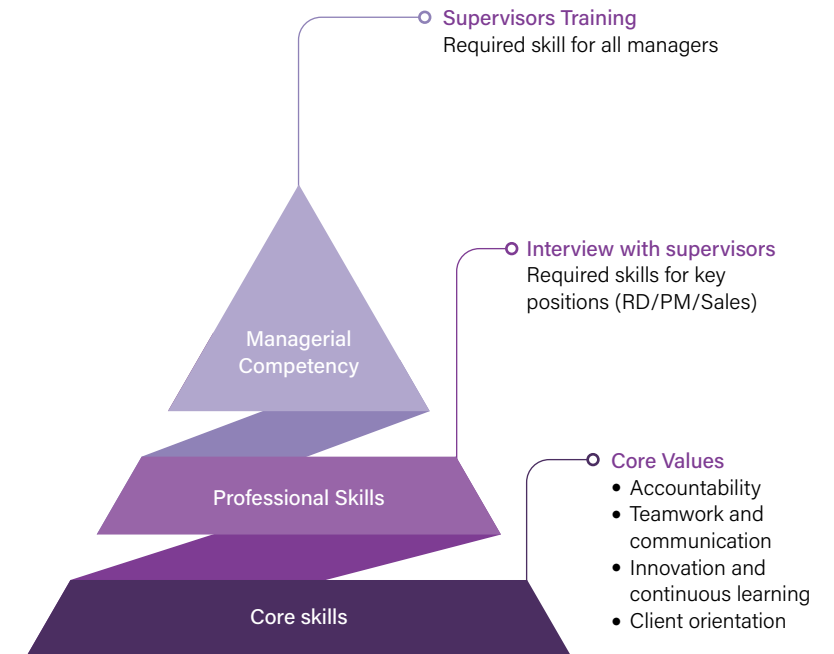
Employee Learning

1. In the second half of 2023, as the pandemic situation improved, certain physical training courses resumed, resulting in a significant increase in training hours compared to 2022.
2. In 2023, we will continue to promote digital training by offering a wide range of online courses. This will give our colleagues immediate and unrestricted access to a variety of training opportunities.
3. 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.



Employee Career Development

1. Introduce the competency model roadmap to define the qualifications and criteria for promotion, appointment to managerial positions, or other job positions.
2. 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.
3. Managerial competency includes result orientation, problem solving, subordinate management, integrity leadership, and communication.



DFI continues to promote online video courses.

Online Learning

In terms of learning channels, in addition to physical courses, DFI also utilizes Qisda Academy (eHRD), 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 2023, we expand our online learning contents by introducing "CommonWealth Online Video Courses" to allow colleagues to watch videos on the platform in their spare time and gain new knowledge. In addition, we will optimize the use of online meeting software and hardware to deliver special lectures and courses from vendors, customers, and industry experts. These courses will be delivered both in-person and online, making it more convenient for all colleagues to participate in learning.

In 2024, the goal is to continue to promote the digitization and enrichment of training courses, including but not limited to English newsletters and various business English courses, etc., to make it easier and more diverse for all colleagues to access courses that suit them.



Communication



Data Analytics



Coaching 1-3



Growth Mindset



Organizational Credibility



Agile Management

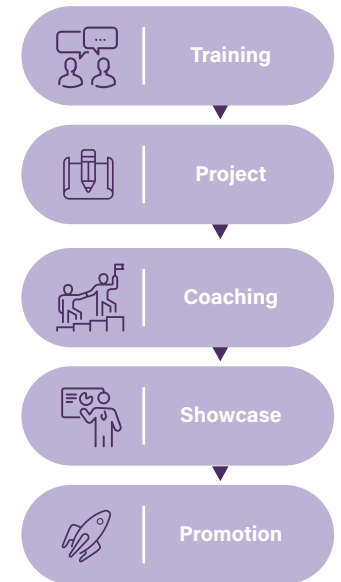
Since 2018, DFI has implemented a total of 65 CIP projects.

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 CIP projects, employees are assisted in applying the knowledge and skills acquired from the courses to their actual work processes. From 2018 to 2023, a total of 65 CIP projects have been implemented, with an estimated cumulative benefit of NT\$155 million (in total), 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 improve 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.

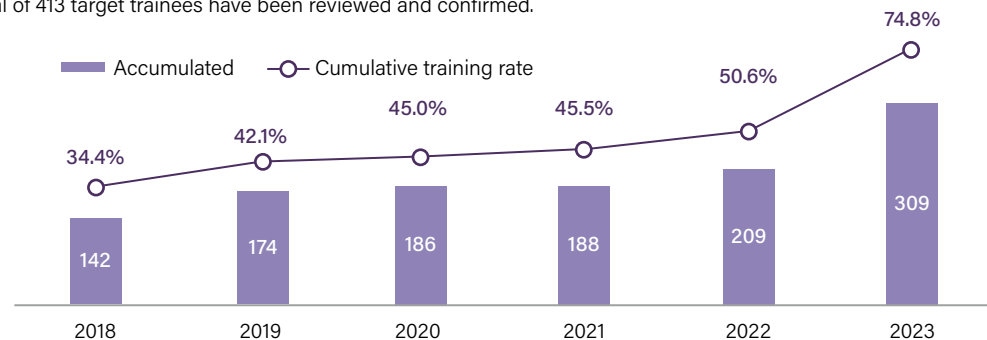
In 2023, DFI put emphasis on DMAIC Awareness training courses, with a total of 3 sessions held, involving 100 colleagues learning and understanding the five major techniques and content of DMAIC. In 2024, we will continue to provide guidance and support for improvement projects. We expect our colleagues to apply the knowledge and skills learned in the course to their work processes, maximizing the impact and benefits of improved outcomes.

CIP (Continuous Improvement Program)



Proportions of participants over the years in DMAIC Awareness Training (Cumulative)

※ A total of 413 target trainees have been reviewed and confirmed.



Good Labor Relations

Employee Salary & Pensions

DFI will ensure compliance with local government labor laws 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

		2023		2022	
		Difference of median salary	Difference of average salary	Difference of median salary	Difference of average salary
Fixed Salary	Direct employees	20.0	14.8	21.1	16.5
	Indirect employees	26.1	27.3	26.1	27.3
	All employees	45.2	41.3	46.2	42.1
Average Salary	Direct employees	12.1	15.3	10.9	12.3
	Indirect employees	30.6	29.0	25.4	25.4
	All employees	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: $(1 - \text{ratio of female to male remuneration}) \times 100$
- 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 2023	Ratio for 2022
Annual Total Compensation Rate = Highest annual individual compensation/Median annual total compensation of all employees	9.02	8.89
Annual total remuneration change rate = 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	-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 (NT\$Thousand)

Categories	2023	2022
Total salary of non-managerial employees (NT\$Thousand)	512,831	522,284
Average salary of non-managerial employees (NT\$Thousand)	819	905
Median salary of non-managerial employees (NT\$Thousand)	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
- Calculated based on the formula and requirement listed in Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies

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.

	2023		2022	
	Number	%	Number	%
Female employees in total workforce (%)	343	54.5	364	55.1
Female managers in total managers (%)	17	22.4	12	21.1
Female senior managers (%)	5	26.3	5	22.8

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 2023, the fair value of the plan assets is reported as NT\$ 55,715 thousand. In accordance with relevant regulations, the Company recognized an expense of NT\$594 thousand in 2023.

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 2023 for this purpose amounted to NT\$22,177 thousand.

All employees undergo regular performance and career development assessments.

Ratio of employees under assessment

Direct Employees (DL)



100%



100%

Indirect Employees (IDL)



99%



100%

※ 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 business briefings, 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 2023, the average percentage of employees holding shares across different job levels was 78.95%, and the percentage of shares held by employees was 0.425%.

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. Requesting parental leave is not limited to any specific gender, and colleagues are encouraged to return to work at the end of their parental leave.

The Company has made advance arrangements for returning colleagues to help them transition smoothly back into their roles and workplaces.

Below are statistics on the number of employees on parental leave:

	2023			2022			2021		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
a. Number of eligible applicants for parental leave in the current year	5	10	15	4	8	12	8	7	15
b. Number of employees who actually applied for parental leave in the current year	0	7	7	0	6	6	1	1	2
c. Number of employees returning to work after taking parental leave in the current year	0	6	6	0	3	3	2	1	3
d. Number of employees who actually returned to work after applying for parental leave in the current year.	0	6	6	0	3	3	2	0	2
e. Number of employees who continued working for one year after returning from parental leave in the previous year	0	3	3	1	0	1	1	0	1
f. Number of employees who continued working for one year after returning from parental leave in the previous year	0	3	3	0	0	0	1	0	1
Parental leave application rate	-	70%	47%	-	75%	50%	13%	14%	13%
Parental leave reinstatement rate	-	100%	100%	-	100%	100%	100%	-	67%
Parental leave 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 a comprehensive and transparent performance management and promotion approach.

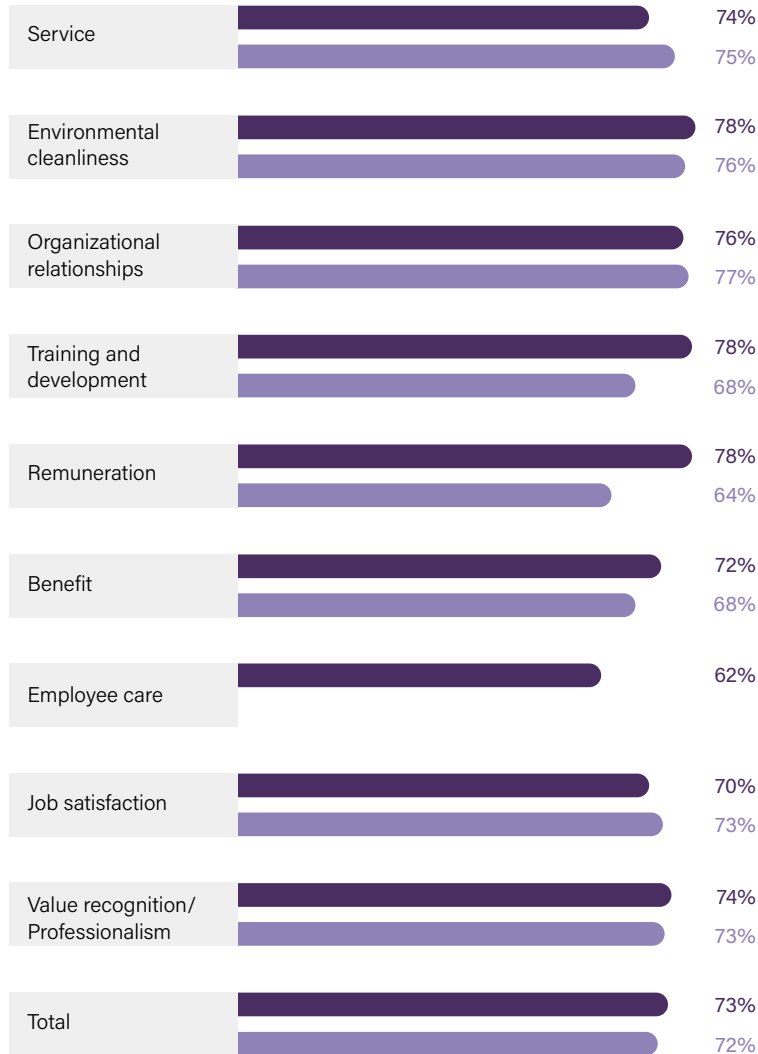


Provide complete employee development and growth training.



Gender equality.

● 2023 ● 2022



- Date of survey: December 2023
- Valid samples: 326 (Xizhi Office: 119; Xindian Office: 41; Taoyuan Factory: 166)
- Employee care is a new survey item added in 2023, so there is no data available for 2022
- There are a total of 9 aspects, and the satisfaction rate is 73% (2023 goal: 80%)

Sustainable Supply Chains

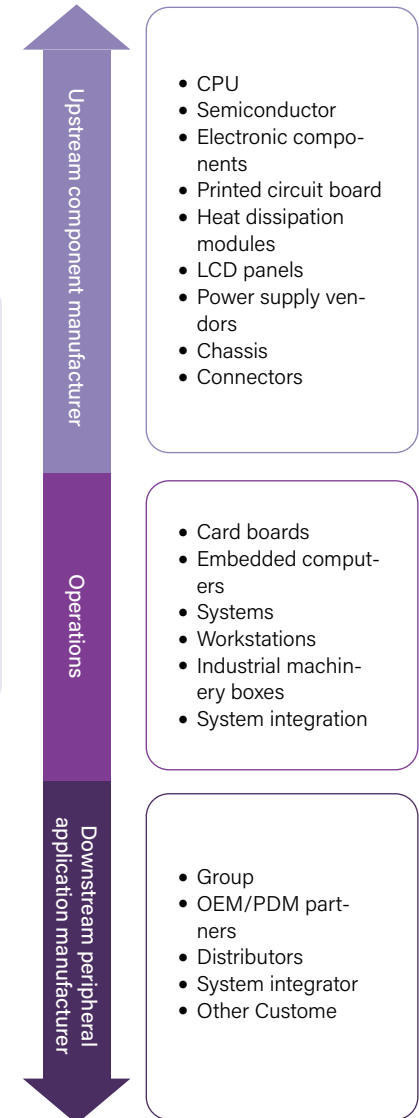
Responsible Procurement

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.

A review will be conducted on 2023's Q4, and suppliers will be requested to sign the 'Code of Conduct for Sustainable Development' and the 'Sustainable Risk Assessment Questionnaire'. The aim is to achieve an 80% recycling rate from the top 100 suppliers by 2025, 90% by 2027, and 100% by 2030.

The supplier must sign a Non-Conflict Minerals Procurement Agreement

Localization procurement: In 2023, there are 17 new suppliers, bringing the total number of suppliers to 595



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.

	Short-term (2025)	Midterm (2027)	Long-term (2030)
(A) Supply chain management (cost)	<ul style="list-style-type: none"> Annual Procurement Strategy Review (Based on the procurement performance of the previous year, this year's procurement strategy is formulated) Achieved an 80% response rate in the Top 100 Suppliers' Sustainable Self-Assessment Questionnaire Survey Achieve an 80% response rate in the Top 100 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. 	<ul style="list-style-type: none"> Supplier audits should focus on developing sustainable supply chains, selecting suppliers that meet the criteria, and achieving reasonable prices. Achieved a 90% response rate in the Top 100 Suppliers' Sustainable Self-Assessment Questionnaire Survey Achieve an 90% response rate in the Top 100 Suppliers' Sustainable Development Code of Conduct Survey The compliance rate of new suppliers with ISO 14001 and ISO 14064-1 is 50%. 	<ul style="list-style-type: none"> The compliance rate of new suppliers with ISO 14001 and ISO 14064-1 is 80%. Achieved a 100% response rate in the Top 100 Suppliers' Sustainable Self-Assessment Questionnaire Survey Achieve a 100% response rate in the Top 100 Suppliers' Sustainable Development Code of Conduct Survey
(B) Inventory Turnover (Quantity)	<ul style="list-style-type: none"> The recycling rate for supplier packaging materials has reached 20%. Reduce the packaging of finished products by 10% 	<ul style="list-style-type: none"> The recycling rate for supplier packaging materials has reached 50% Reduce the packaging of finished products by 50% 	<ul style="list-style-type: none"> The recycling rate for supplier packaging materials has reached 80% Reduce the packaging of finished products by 80%
(C) Operational Risk (Delivery)	80% ratio of top 100 suppliers in line with sustainable development	90% ratio of top 100 suppliers in line with sustainable development	100% ratio of top 100 suppliers in line with sustainable development

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 relationships with domestic partners, create local job opportunities, and reduce carbon dioxide emissions from manufacturing and transportation processes, DFI continues to implement a localization procurement strategy. We prioritize sourcing from local suppliers, and our products comply with RoHS/HSF regulations. Since 2016, DFI production base has relocated from mainland China back to Taiwan, and has actively sought to localize suppliers. In 2023, the local procurement supplier ratio is approximately 94%.



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. Since 2019, we have also adopted the Responsible Business Alliance (RBA) management system, which promotes corporate social responsibility and initiatives such as the Conflict Mineral regulation. Our supplier selection criteria now include RoHS (HSF), QC080000, ISO 14001, ISO 45001, and local sourcing in alignment with RBA standards. We emphasize that suppliers must uphold fundamental human rights and comply with labor regulations.

DFI Supplier Code of Conduct

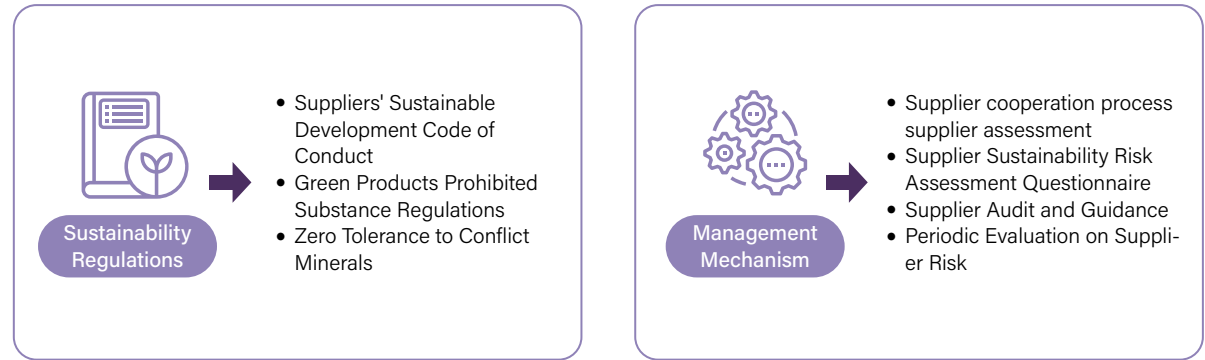
Suppliers are required to sign the "DFI Supplier Code of Conduct for Sustainable Development," which entails full compliance with the laws and regulations of their respective operating countries/ regions. In addition, the code sets standards for business conduct in areas such as labor rights, health and safety, environment, corporate ethics, and management systems, aiming to establish sustainable procurement practices. Suppliers are also expected to communicate these requirements to their own downstream suppliers and monitor their compliance.

Starting from 2022, DFI has consistently required and expanded the scope of assessment for raw material suppliers. The assessment covers areas such as regulatory compliance, sustainable management, supplier management, conflict mineral management, environmental protection, health and safety, labor rights, and human rights. This is done through an ESG sustainability risk assessment questionnaire to understand the sustainability risks associated with suppliers and ensure that suppliers' sustainability meets our standards. At the same time, DFI expects suppliers to continuously improve their sustainability performance. Therefore, we require/encourage both existing and new suppliers to obtain relevant international certification standards such as ISO 9001, IATF 16949, ISO 14001, ISO 45001, ISO 14064-1, and others.

DFI Sustainable Supply Chains

Through a globally unified brand, DFI deepens relationships with global customers and partners, striving to create sustainable corporate value. DFI voluntarily adheres to the Responsible Business Alliance (RBA) Code and requires the entire supply chain to comply with this code and 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 2023, 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:

1 Supplier Development and Work Process

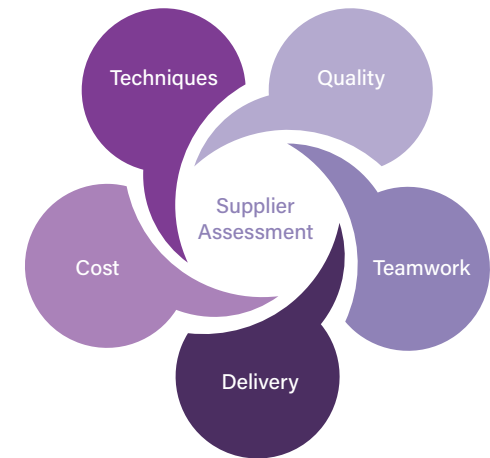
- Holding ISO 9001 verification and other registration letter of company, factory, or business.
- Assessment of the supplier's ability in quality, pricing, innovation, and production.
- During the evaluation stage, new suppliers must sign a Quality Assurance Agreement, a Sustainable Development Code 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.

2 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.



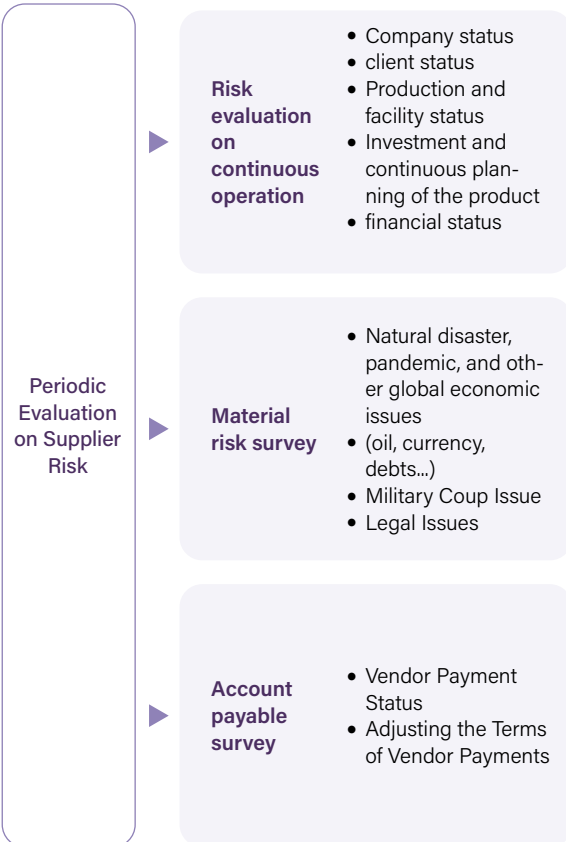
Risk Evaluation Identification

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

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

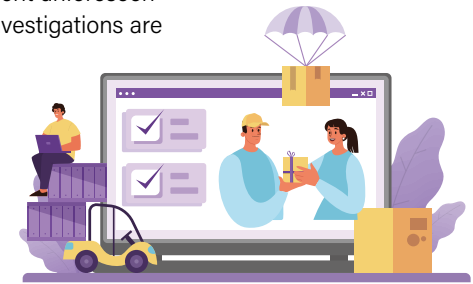
3 Continuous Improvement

- Regular/irregular audit is carried out every year based on the material quality.
- Audit covers quality system, manufacturing process, hazardous substances, and corporate social responsibility.
- Consulting and review 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 Responsible Business Alliance (RBA) Code of Conduct. The company follows 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. As of 2023, 100% of DFI's key suppliers have signed the Declaration of Non-Use of Conflict Minerals. 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), bis(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 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/m²), finished products, semi-finished products, and components (1,000 ppm), as well as substances or preparations (10 ppm).



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.



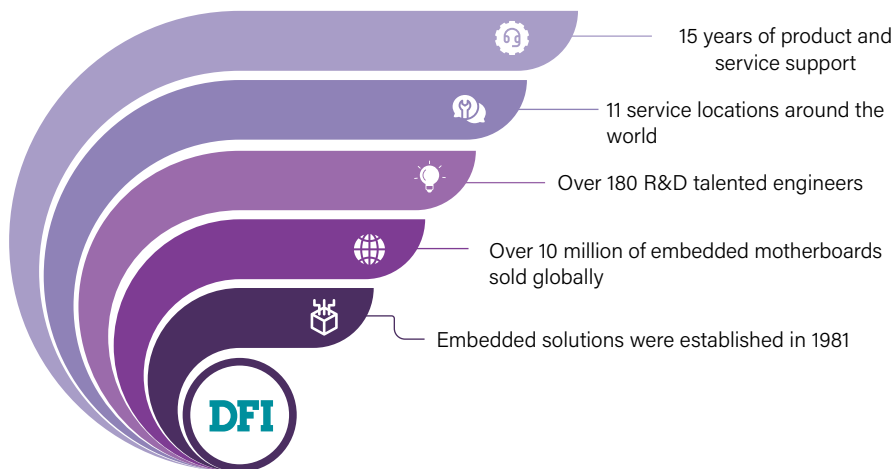
Commitment to Clients

Innovation and Quality Benchmark of IPC Reliable Quality Remarkable Innovation

DFI was established in 1981 and is a global leader in high-performance computing technology. With more than 40 years of experience, DFI specializes in the innovative design of advanced printed circuit boards and system-level products for embedded applications and manufacturing. Our expertise lies in meeting the demands of tight version control and ensuring long-term availability. DFI uses state-of-the-art technology platforms and manufacturing techniques to produce cost-effective products for a variety of industries, including medical diagnostics and imaging, ATM/POS, industrial control, security monitoring, digital signage, gaming, and other embedded applications.


DFI values innovation and emphasizes quality, striving to exceed benchmark standards in both aspects. Through our products and services, we aim to deliver innovation and quality to our customers, enabling them to derive value from their experiences.

DFI has developed several specialized application systems to assist System Integration (SI) departments in rapidly integrating software and hardware. Optimal deployment for specific and diverse applications such as intelligent transportation, healthcare, and gaming is essential. DFI offers not only a wide range of embedded products, but also high-quality support services. Our goal is to seamlessly integrate complete solutions, reduce time to market, shorten lead times, and meet custom requirements.




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




In-vehicle Tablet PC




Bar-shaped Display





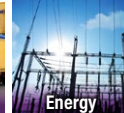





Displays for Medical



Touch Screen Tablet PC



Touchscreen Display

DFI Core competencies

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

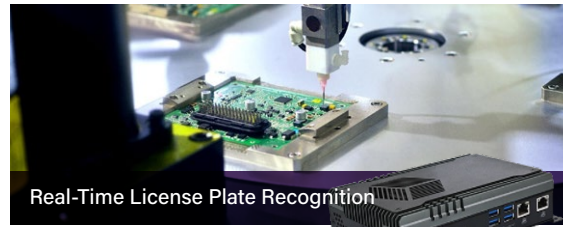
PRODUCT	MANUFACTURE	SERVICE
In-Depth & Fast Development	Large & Small-Scale Capacity	Quick & Dedicated Support
40+ CPU Platforms Designs	300% Picking Increased	20+ Global Sites Support
2 Weeks Product Deviation	8 Months ODM Development	30% Capacity Enhanced
	99% Inspection Accuracy	5 Days Draft Report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

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

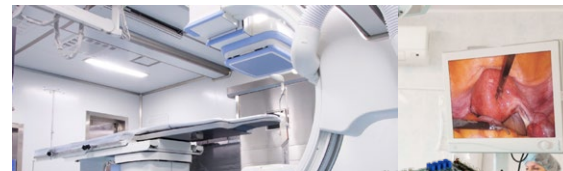
EC70A-SU Industrial Computer

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

2023 Exhibition & Conference

Embedded World

2023/3/14-3/16



Computex

2023/5/30-6/2



Automation Expo

2023/08/23-2023/08/26



DSEI UK

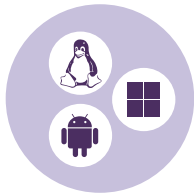
2023/09/12-2023/09/15



Software and Services

DFI is committed to providing not only high-quality industrial hardware solutions, but also world-class services from design to production. These services help customers optimize device compatibility and functionality, resulting in improved performance in various applications.

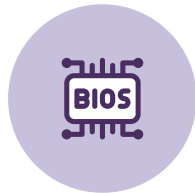
DFI Customization Service (DCS) provides reliable and comprehensive solutions that have helped many of the industry's leading application providers achieve exceptional product performance and unparalleled quality over the past several decades. Our goal is to establish long-term, mutually beneficial partnerships with our customers by providing customer-focused design services, implementing rigorous quality certification systems, and offering global logistics and technical support.



OS Custom Services



ODM/OEM Services



BIOS Custom Services



Custom Software Services



Design and Manufacturing Services



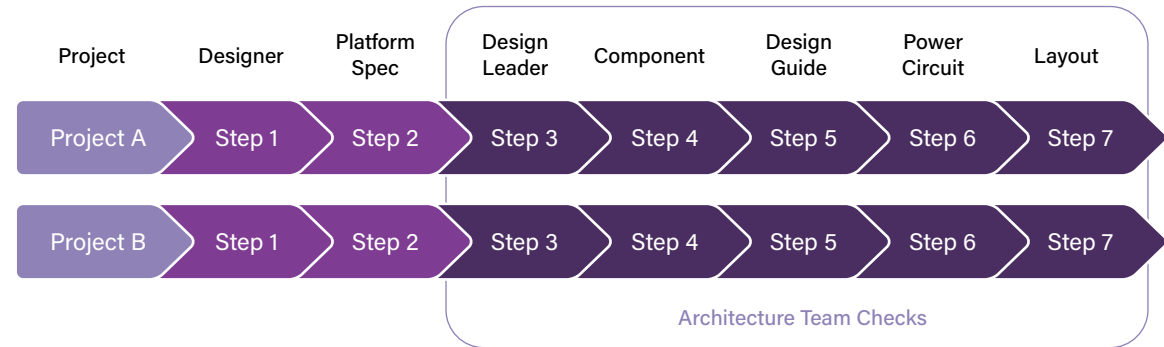
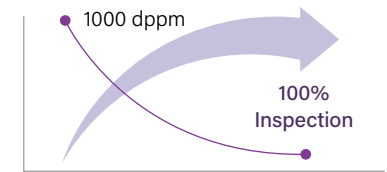
Reliable Technical Services



Extended Warranty

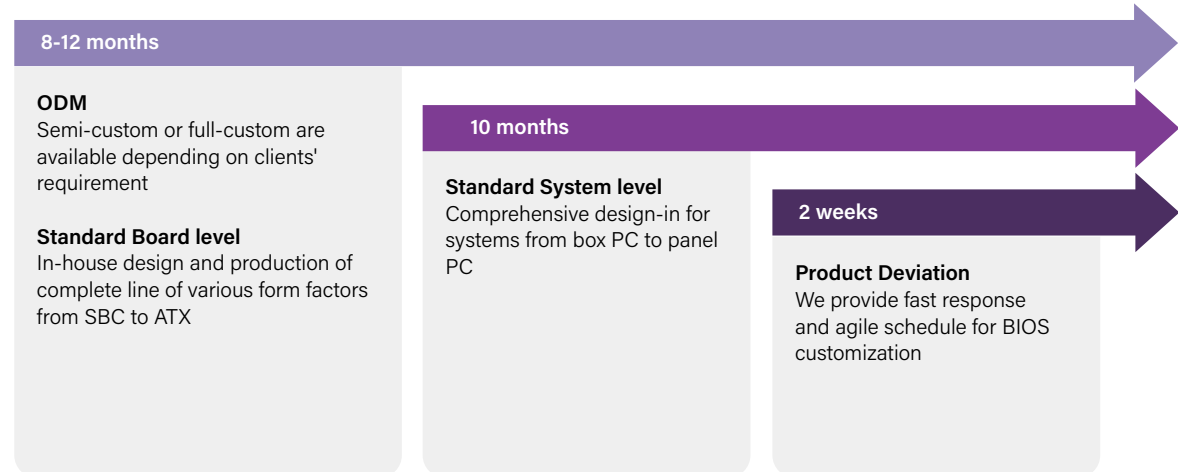
Rigorous product testing to ensure reliability and high quality

DFI's products undergo multiple rigorous tests during the development process to ensure reliability and durability. These tests 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.



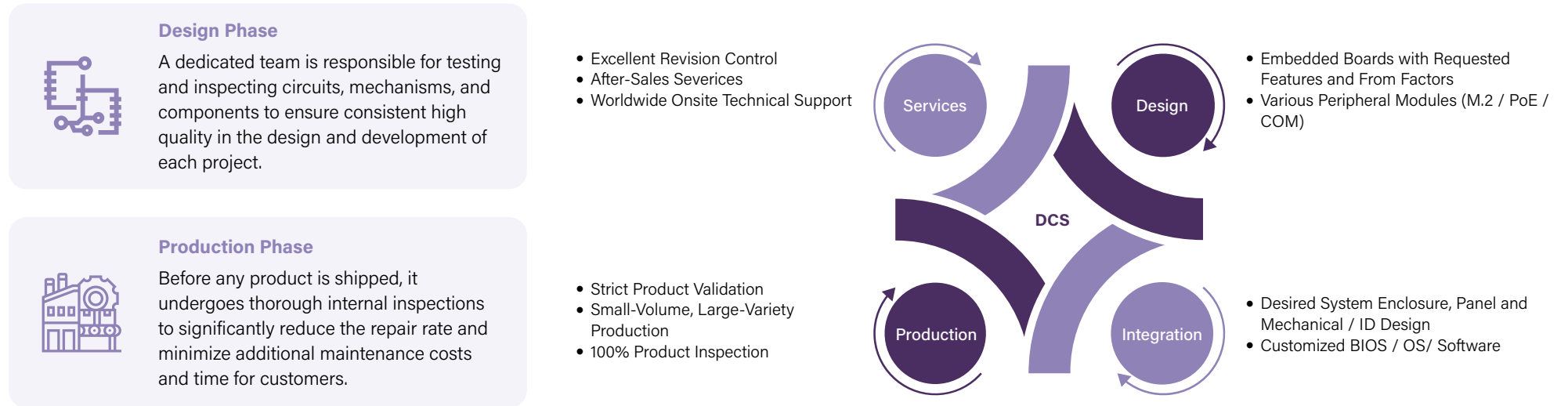
100+ Developing Products

The timeframe of product development



100% Quality Control From Design To Production

DFI implements Total Quality Management (TQM) throughout the entire process, from design to production, continuously improving quality to meet and exceed customer expectations.



Flexibility-ruggedized & Custom Design for Extreme Applications

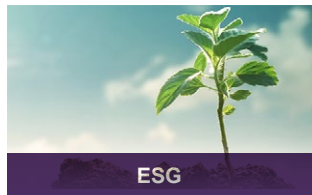
<p>Wide Temperature</p> <p>-40°C-85°C Durability</p> <p>Optimized Thermal Solution</p> <p>HALT Test</p>	<p>Wide Voltage</p> <p>9-36V DC Input</p> <p>Over Current Protection</p>	<p>IP65/66 Rated Protection</p> <p>Dust / Particles Protection</p> <p>Water Protection</p>	<p>Anti-Vibration / Shock</p> <p>Stable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

With years of dedication in the embedded field, producing high-quality products has always been a core philosophy that DFI values greatly. DFI insists that its products meet regulatory standards and international certifications to fully satisfy customer needs.



- ISO 9001
- CCC China



- ISO 14001
- ISO 45001
- IECQ QC080000
- RoHS-10 Compliant
- ISO 14064-1 (Greenhouse Gas Inventory Certification)



- ISO 13485
- EN 60601-2:2015



- IATF 16949^{**}
 - ISO7637-2 / E-Mark
 - MIL-STD-810F
 - EN50155, EN45545, EN61373
- (^{**} Suzhou factory only)

In response to the United Nations' Sustainable Development Goal 9, which aims to promote inclusive and sustainable industrialization and foster innovation

As emerging technologies such as Artificial Intelligence (AI), cloud computing, and the Internet of Things (IoT) mature, the concept of autonomous vehicles is transitioning from imagination to reality. The changing nature of the global workforce, along with other factors, has motivated experts from industry, government, academia, and research to enter the arena of this potential multi-billion dollar business opportunity and accelerate technology development. DFI, a leading global manufacturer of embedded systems and industrial computers, has leveraged its extensive experience in the automotive industry to partner with the Automotive Research & Testing Center (ARTC) and several Taiwanese companies. Together, they have developed the VC900-M8M, a dedicated system for automotive applications, and provided technical support for system integration and security vulnerabilities. Their collaboration has resulted in the development of the first MIT (Made in Taiwan) self-driving electric minibus, WinBus, which meets the Level 4 autonomous driving standards defined by the Society of Automotive Engineers (SAE) in the United States.

Industry Transportation
Application Telematics Box (T-Box) System
Solution [VC900-M8M](#) Vehicle System

Self-driving cars are expected to be a viable solution to address the shortage of professional drivers and reduce global warming

The trend of declining birth rates and aging populations has made labor shortages as important an issue as net-zero carbon emissions for countries around the world in recent years. In the transportation industry, the shortage of drivers is particularly acute in the passenger and freight sectors. For instance, in an article published in early 2023, the International Road Transport Union (IRU) highlighted the shortage of 600,000 bus and truck drivers in Europe. If the situation continues, that number is expected to rise to 2 million by 2026. More recently, Texas media outlet KBTX reported that 16 out of 116 bus routes in the area are currently without drivers, impacting local students' access to education.

Self-driving cars are seen as one of the solutions and have attracted active participation from various sectors. "Fortune Business Insights", an international research unit, has estimated that the global autonomous vehicle market is projected to surpass USD 19.9 billion by 2029, with a compound annual growth rate (CAGR) of 42.97% from 2022 to 2029. Another research firm,

Factory			Product			
ISO 9001	IPC J-STD-001*	TS16949	CE	FC	UL US E131107	RoHS
ISO 14001	IPC-A-610*	ESD S20.20 2007	CCC	E13	EN 60601-1-2	Part 18 Class B
ISO 13485	CCC China	(Suzhou Factory)				
IECQ QC 080000	Sony Green Partner					
JHSAS 18001						

"Future Market Insights", also holds a positive outlook on the market, forecasting that the market size will exceed USD 70 billion by 2033.

A key growth driver being discussed in various sectors is the replacement of traditional vehicles with self-driving cars equipped with advanced technologies such as LiDAR. This not only improves road efficiency and safety, but has also become a major factor and industry consensus. Future Market Insights also believes that self-driving electric vehicles have the potential to contribute to global energy conservation and carbon reduction. To fully realize the benefits of self-driving cars, vehicle-to-everything (V2X) technology is essential and critical. This is where the value of the T-Box lies.

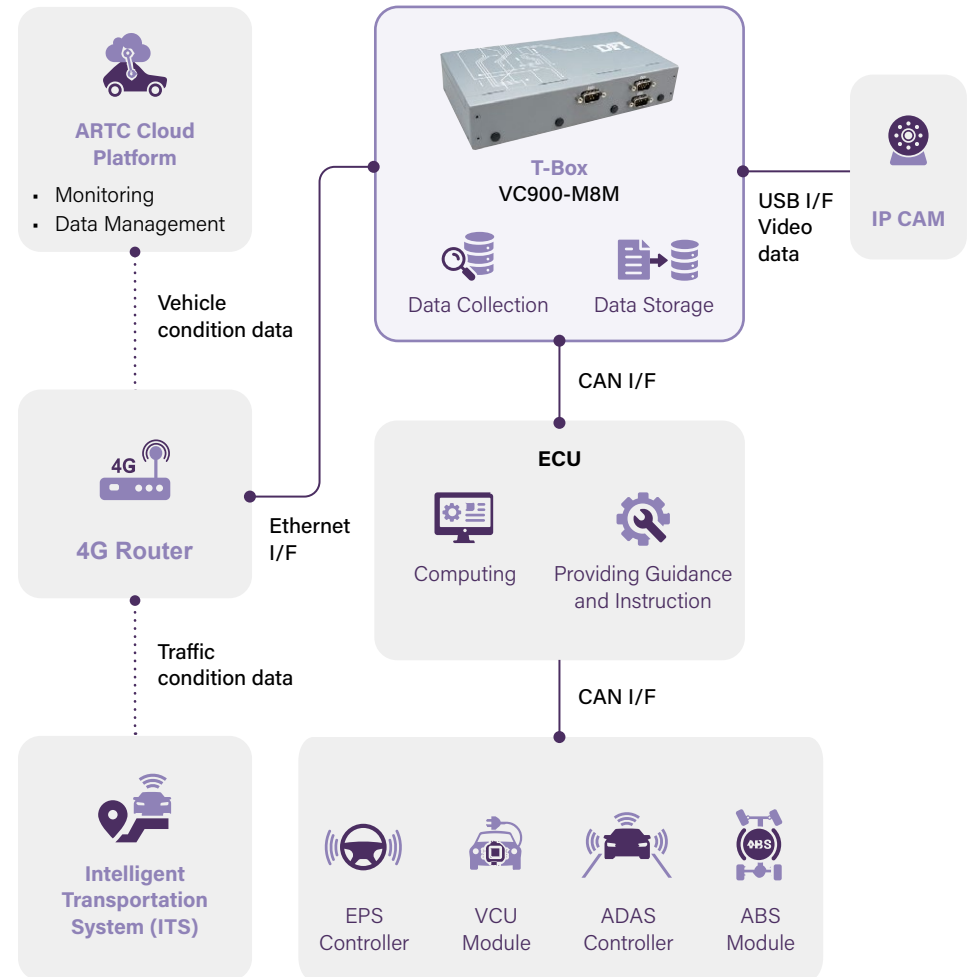


The key to transforming self-driving cars into carbon reduction aides: Connectivity

According to a report by the European Automobile Manufacturers Association (ACEA), carbon emissions can be reduced by 5 to 20% by avoiding frequent braking and acceleration. To achieve this, vehicles need to be connected to an Intelligent Transportation System (ITS) via the Internet. This connection allows them to access real-time traffic conditions and perform actions such as route prediction and preemptive braking.

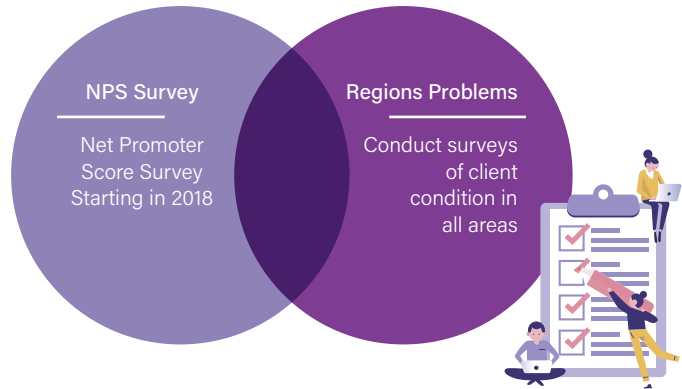
"VC900-M8M", as the data analysis platform in Winbus, can be considered as the central nervous system of the entire vehicle. Its main function is to establish a connection between the cloud platform and on-site devices, ensuring continuous data storage and collection. By connecting the 4G router to the ITS system via Ethernet facilitates the exchange of real-time traffic information. This includes receiving updates on the status and duration of nearby traffic lights, as well as accessing video data from IP cameras to assess interactions with surrounding vehicles.

The electronic control units (ECUs) that are connected to the vehicle control unit (VCU), advanced driver assistance system (ADAS Controller), electric power steering (EPS Controller), and anti-lock braking system (ABS) calculate the data received from the T-Box and provide instructions to the respective units to perform actions such as braking and acceleration. All vehicle data is collected and, after compression, transmitted to ARTC's cloud management platform. This enables remote monitoring of vehicle conditions and management of the data stored in the T-Box. The structure is depicted in the diagram below:



2023 Satisfaction Survey

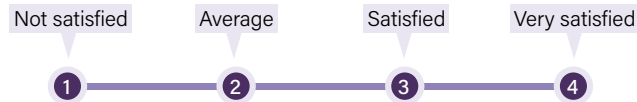
2023 Customer Satisfaction



Overview of the Survey

1. The survey conducted this time utilized the customer list from 2018 to 2023 for questionnaire distribution. A total of 1,648 emails were sent out.
2. In order to accurately represent customer feedback on DFI, no sample screening was performed.
3. 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.

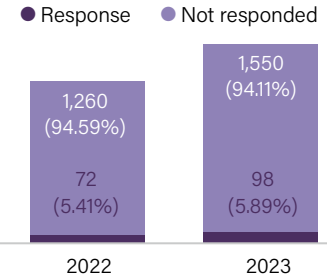


Assumption: 4 points represent "Very satisfied," 3 points represent "Satisfied," 2 points represent "Average," and 1 point represents "Not satisfied." By calculating the arithmetic mean, we can determine the overall satisfaction score. The objective is to gather a more comprehensive satisfaction score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

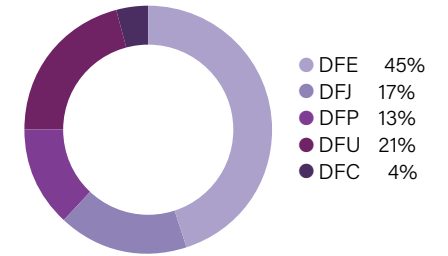
Questionnaires in 2023

	2022	2023
Sample count	72	97
Customer count	58	74

Questionnaires in 2022 & 2023



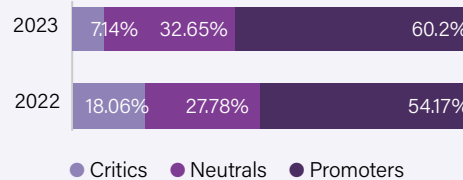
Response Rate by Region in 2023



※ The list of deliveries in 2023 consists of transactional customer data from 2018 to 2023. The response rate in 2023 showed a slight increase of 0.48%. It is speculated that this increase is due to the fact that this delivery is sent according to the customers' time zone.

NPS Analysis Over the Past Two Years

NPS 2022-2023 Net Promoter Score

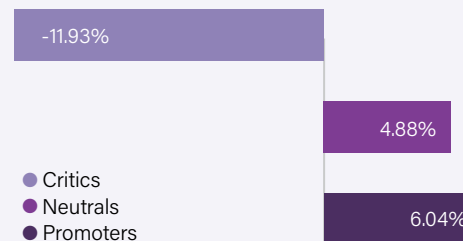


NPS in 2023 was 55, a 19 point increase compared to 2022 (36)

The Company's ongoing efforts to improve order and material preparation have resulted in a positive improvement in the overall rating in 2023.

- Scores 0-6 (critics) accounted for 7.14% of the overall survey responses. (2022: 18.6%)
- Scores 7-8 (neutrals) accounted for 32.65% of the overall survey responses. (2022: 27.78%)
- Scores 9-10 (promoters) accounted for 60.2% of the overall survey responses. (2022: 54.17%)

Changes of the type of customers in 2023

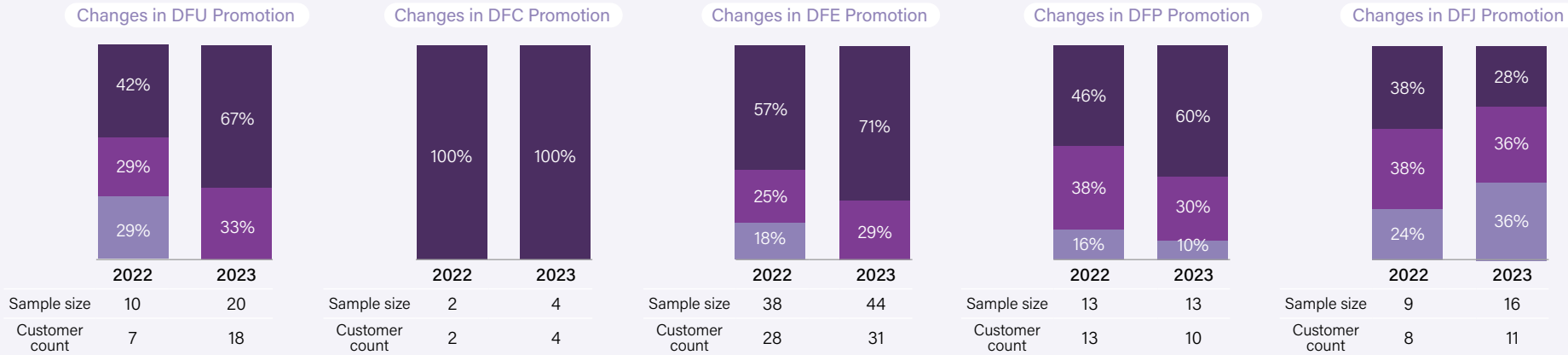


Overall, the percentage of critical customers decreased by approximately 11.93% in 2023 compared to the previous year. Looking more closely at customer ratings from 0 to 6 points, most customers provided less feedback in 2023 compared to 2022 regarding extended delivery times and material shortages. However, there is still room for improvement, as highlighted by customers, particularly in the areas of pricing and maintenance. Below are recommendations from customers in each region:

- DFE: Opportunities for improvement in pricing and lead time
- DFP: Decrease the time needed for product delivery and repair returns
- DFJ: Price needs to be more competitive
- DFU: The lead time and delivery time need to be improved

Distribution of Net Promoter Scores (NPS) by Region

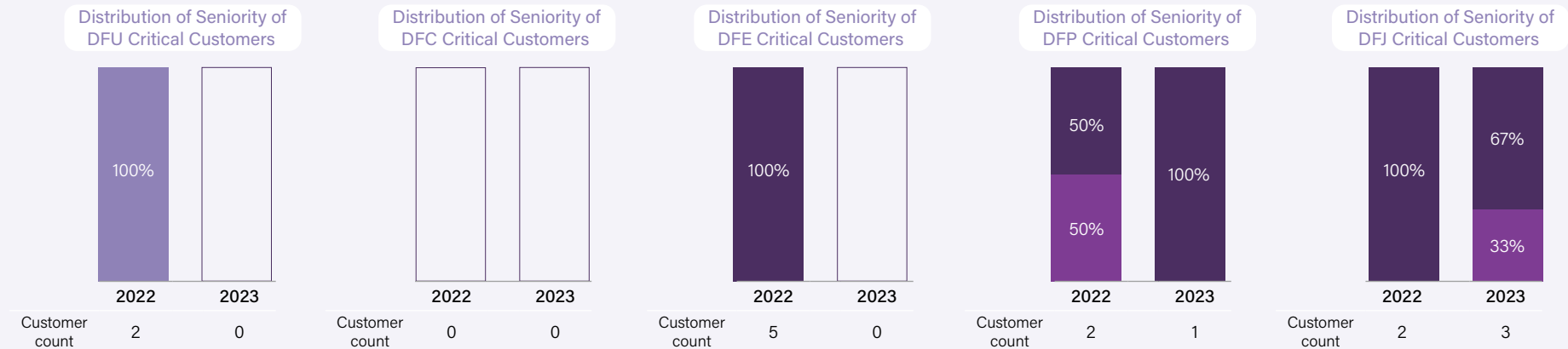
● Critics ● Neutrals ● Promoters



- In addition to maintaining the recommended type of customer in DFC, the number of recommended type customers in DFU, DFE, and DFP has increased by 8% to 24% compared to 2022.
- The number of DFJ recommended type customers decreased by 11% compared to 2022, while the number of critical type customers increased by approximately 11%. When comparing data from the two years, customers who switched from recommended to critical type provided feedback that prices were high, delivery time was long, and response to survey reports was slow.

Distribution of Seniority of Critical Customers from All Regions

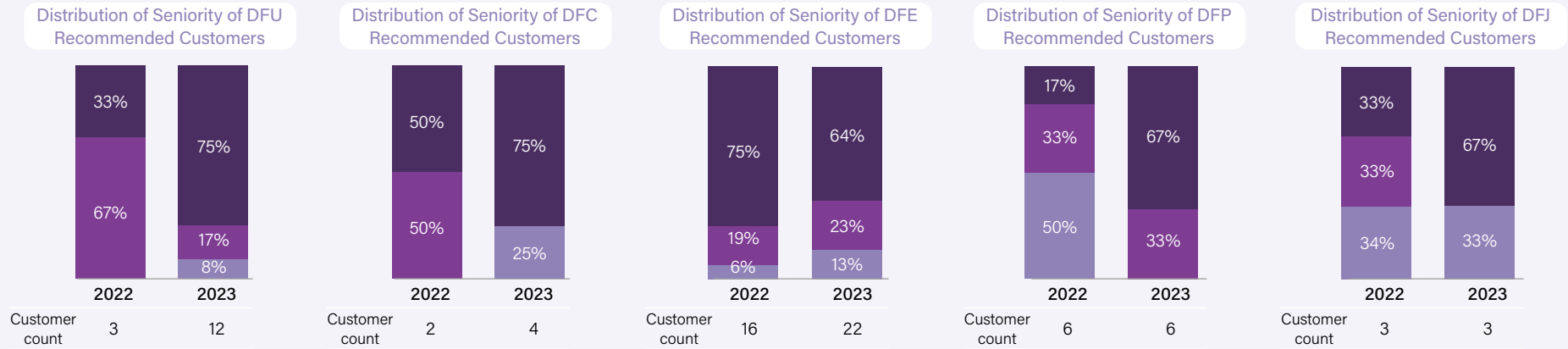
● 0-2 years ● 3 to 5 years ● 6-10 years



- The number of critical customers decreased from 11 (19%) in 2022 to 4 (5%) in 2023.
- In 2023, DFC had no critical customers, and the number of critical customers for DFU and DFE also decreased to zero. DFP's number of critical customers decreased to 1, while DFJ added one more critical customer (3-5 year customers).

Distribution of Recommended Customers by Tenure in Each Region

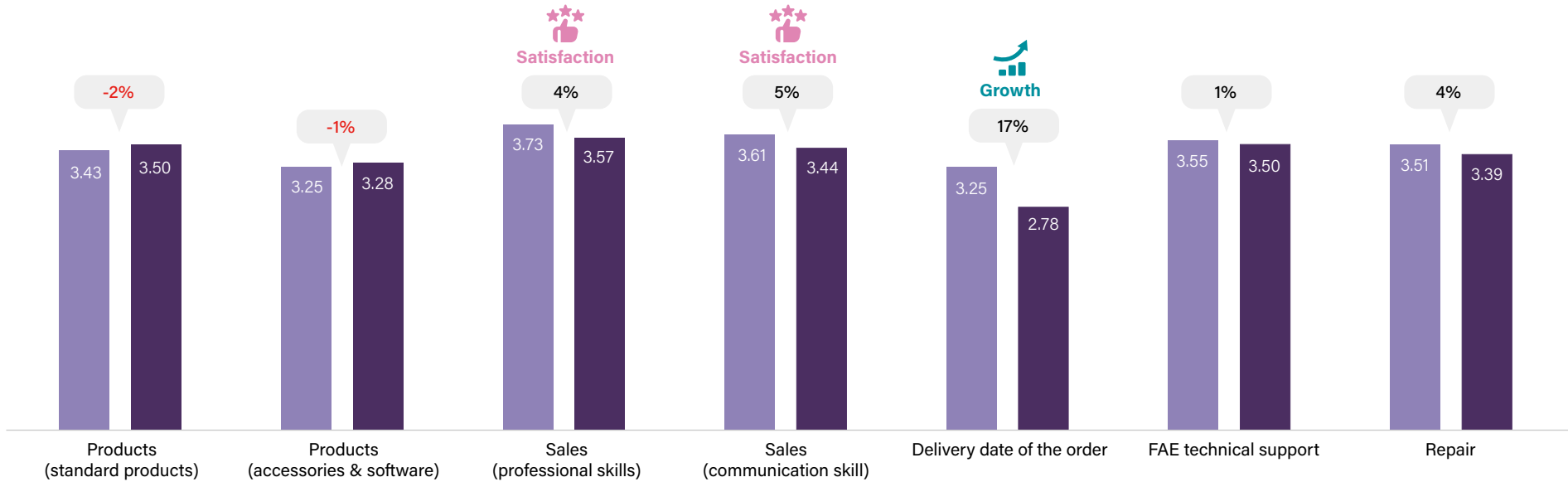
● 0-2 years ● 3 to 5 years ● 6-10 years



- The percentage of recommended customers with more than 6 years of experience in DFU, DFC, DFP, and DFJ has increased significantly.
 - In 2023, 43% of referred customers in each region have been with us for more than 6 years. (Comprising 28% in 2022)

Changes in Satisfaction Indicators in the Most Recent 2 Years

● 2023 ● 2022



Client Satisfaction Survey

In order to understand the satisfaction level of customers at various levels with the products and services provided by DFI, and to enhance improvement that aligns with customer needs and increases customer satisfaction.

Frequency

Once a year, the survey will be conducted, preferably in December of each year.



Countermeasures

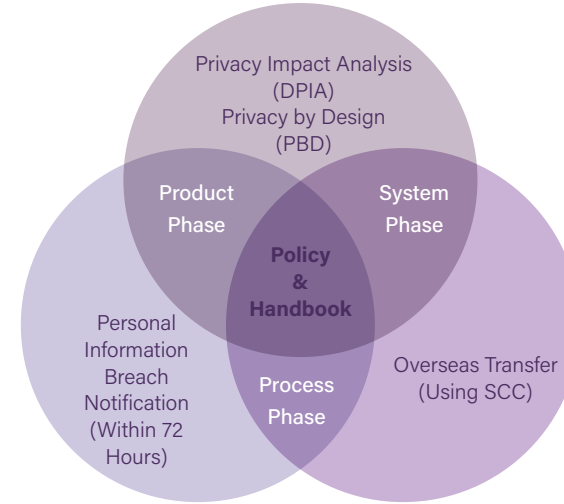
For feedback items classified as "dissatisfied" based on the comprehensive analysis of the satisfaction survey, a corrective action report on the missing satisfaction survey will be generated. The sales unit will analyze customer satisfaction and demand trends and present them at the company's management review meetings to evaluate if they comply with the company's quality policy and initiate discussions if necessary.

Customer Information Protection

Protecting Customer's Privacy: DFI is committed to upholding customer privacy rights through "Integrity Management, Adhering to Ethical Standards." To implement the protection and management of personal data, DFI complies with the local regulations of the country in which it operates and the relevant requirements of the European Union's General Data Protection Regulation (GDPR). We have established a Privacy Policy as the highest principle of privacy protection. This policy applies to DFI, its subsidiaries, significant joint ventures, employees, suppliers, contractors, external consultants, and other business partners. This policy sets forth clear rules and requirements for the use and protection of personal information. We expect all members and partners to strictly comply with this policy to ensure effective protection of personal information and rights.

We have a privacy reflection and reporting channel called [Privacy Policy | DFI](#). If there is a possibility of a privacy violation or breach of the Privacy Policy, you may file a complaint or report through the privacy hotline at +886 (2) 2697-2986 or by email at inquiry@dfi.com. To ensure privacy, we also conduct regular privacy training for all employees and evaluate the effectiveness of the training. Our company has a zero-tolerance policy for privacy violations, and any employee found in violation will be subject to disciplinary action in accordance with our Code of Conduct.

DFI strictly complies to its privacy policy and does not engage in secondary use of customer information. As a result, the percentage of secondary data use is 0%. From 2018 to 2023, there have been no complaints or cases related to privacy rights from external sources or regulatory authorities.



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

SERVICE RESPONSIVE TECHNICAL AFTER SALES SUPPORT

8 Hours	5 Days	10 Days	30 Days
Quick Response for Regular Technical Issues Solution	Draft Report for Product Application Issues Solution	Mid-Report for Product Design Issues Solution	Final CAR Report for Manufacturing & Parts Issues Solution

We offer comprehensive issues analysis include:

Problem description

Solution / workaround

Issue reproduce & cause analysis

Corrective action plan

Client Intellectual Property Management - Client property identification and verification

Client Property-Hardware

1. List management involves filling out the "Individual Customer Asset Management Form" and the "Overall Customer Asset Management Summary."
2. For materials related to production, they are controlled according to the "Customer Supply Quality Control Operation Procedure."
3. For customer hardware property, they are managed and coded according to the principle of "Customer Abbreviation-Project Abbreviation-XXX" for effective control.

Client Property-Software

1. Documents or file data provided by customers are transferred to the engineering or R&D department for identification and testing purposes. Upon release, they are distributed and recorded by the Document Control Center (DCC) department for proper control.
2. Others: Patents, copyrights, trademarks, circuit layout rights, trade secrets, etc.



Client Intellectual Property Management - Client property transfer and protection

1. Before mass production: For relevant units to use or to keep them in protection.
2. After mass production: Transfer the assets to mass production by engineering team or RD team. The assets are managed pursuant to the New Product Development Procedure and OEM Products Document Control Procedure.
 - When there is damage or inapplicability of this hardware or software property, the aforementioned two units are responsible for handling the situation.
 - Customer-provided assets shall not be provided to other customers for reference or external use without the customer's consent. If there is a need to provide the assets to suppliers, it is required to have the suppliers sign a Non-Disclosure Agreement (NDA), and the agreement should be kept on record without being classified as a document.
 - Suppliers' products are classified items. Employees shall be obliged to keep them confidential and shall not leak them.

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 **QCL**

”

DFI's Pursuit of Excellence

— Progress does not stop at perfection but strives for excellence, continuously fostering research and innovation

Climate Strategy and Carbon Management  (70)

Green Operation  (75)

Quality Management  (78)

Green Products  (80)

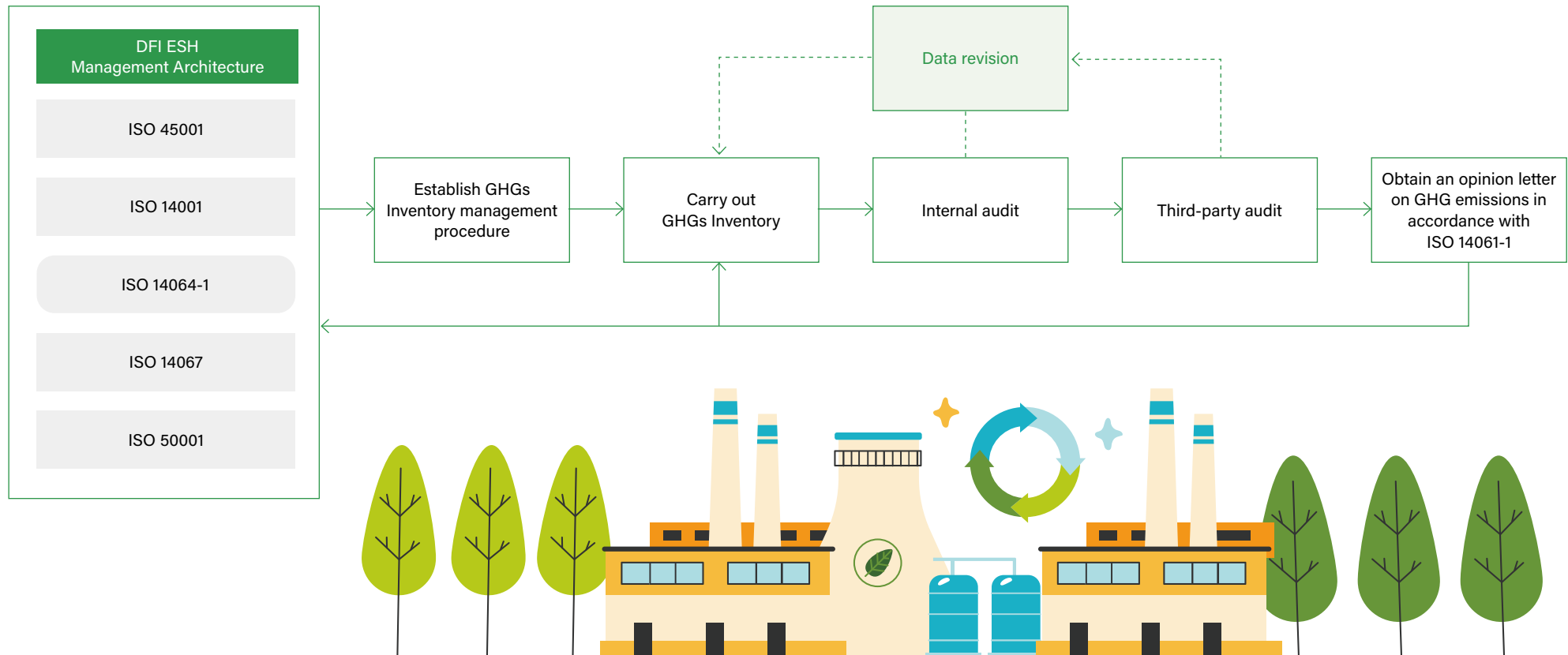
Carbon Footprint  (85)



Climate Strategy and Carbon Management

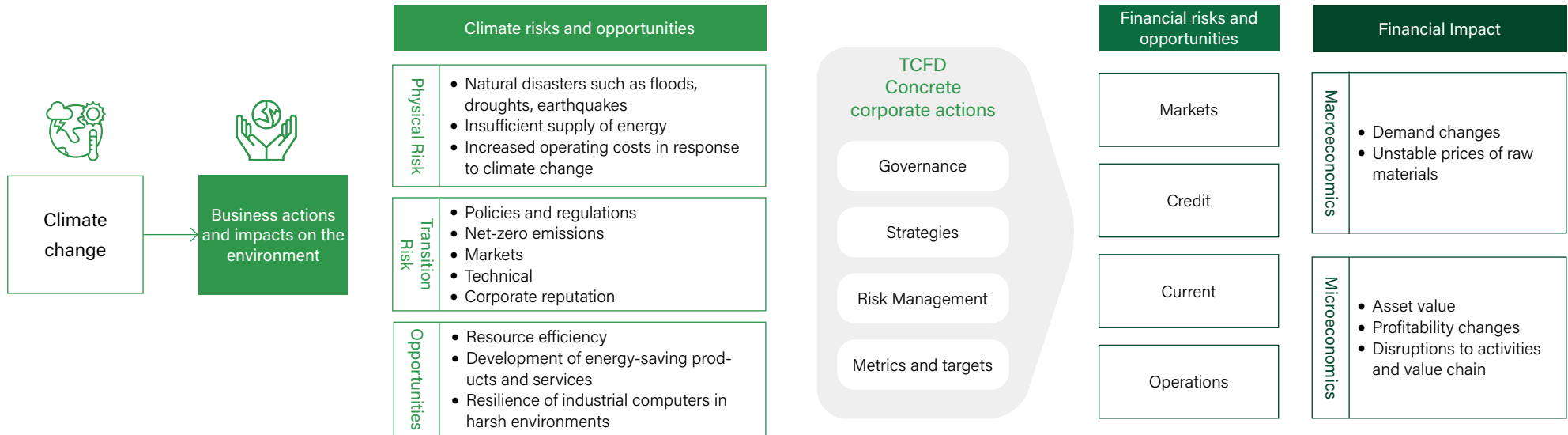
Management System and Greenhouse Gas Inventory Certification

DFI pay immense attention to the global greenhouse effect and is committed to fulfilling its corporate social responsibility. To this end, DFI integrates ISO 14064-1, ISO 14001, ISO 45001, ISO 50001 and other management systems in DFI's framework for corporate social responsibility and environmental health and safety management. To ensure the credibility of greenhouse gas inventory results and reports while enhancing the quality of greenhouse gas inventories, DFI conducts an annual internal inspection and external verifications. DFI's internal audits and inspections follow the ISO 14064-1:2018 standard for emissions sources within the boundaries defined in the Report. To ensure the reliability and compliance of internal audit and verifications, internal inspectors receive training on ISO 14064-1. External verification is carried out by third-party certification bodies. The 2023 inventory results were certified by an external organization according to ISO 14064-1:2018 in January 2024. (Please refer to the appendix for more information.)



Climate risks and opportunities

We follow the framework of the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in disclosing climate-related risks through governance, strategy, risk management, indicators, and targets. The recent climate governance achievements are disclosed in the ESG Report.



Climate risk identification and response

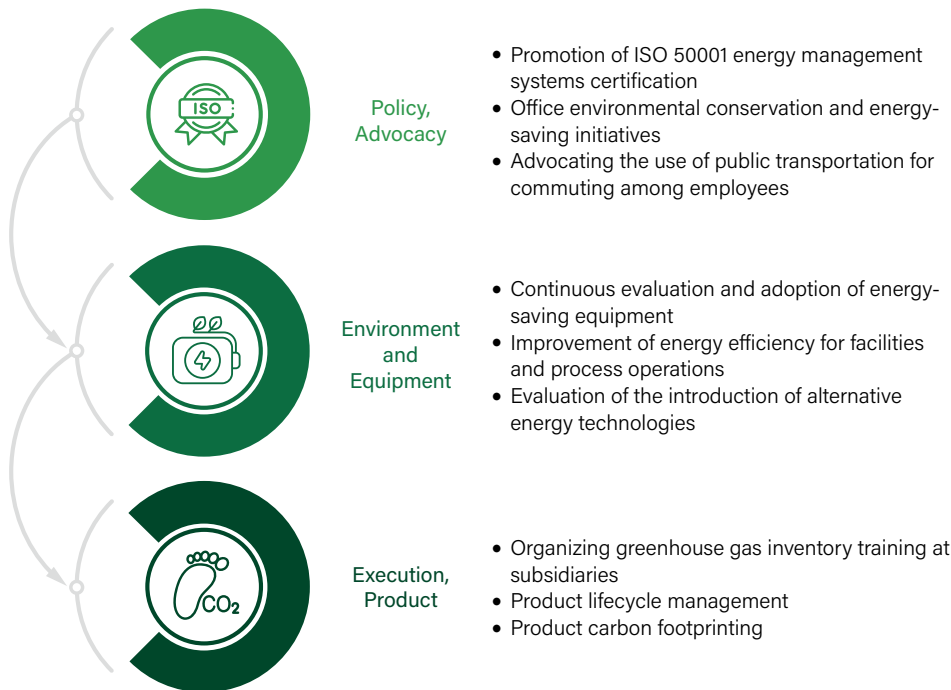
Risk item	Impact descriptions	Risk response	Financial impact
Low-carbon technology transition	<ol style="list-style-type: none"> Decreased demand for products and services resulting in order losses Expenditure on the development of new and alternative products Capital investment in technology development 	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>Policy and regulatory risks</p> <p>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>Technical risks</p> <p>The Market has raised thresholds for product technologies, and failure to keep up with market demands on the part of R&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>

Risk item	Impact descriptions	Risk response	Financial impact
Market changes	<ol style="list-style-type: none"> Changes in consumer preferences leading to a decrease in demand for goods and services. Fluctuations in input costs (such as energy, water) and changes in output requirements (such as waste management) leading to higher production costs. Unexpected changes in energy costs - revenue composition and source changes. Repricing of assets (such as petrochemical fuel reserves, land valuation, securities valuation). 	<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>Market risk</p> <p>Customer requirements for enhancing brand image and reputation may include:</p> <ol style="list-style-type: none"> Gradual improvement in energy efficiency, Or environmentally friendly raw materials and packaging materials, Resulting in increased R&D investment or operational costs.
Concerns and negative feedback from stakeholders	<ol style="list-style-type: none"> Decrease in demand for goods/services Decline in production capacity (e.g. production stoppage, delayed planning agreement, supply chain disruption). Impact on labor management and planning (e.g. recruitment and retention of employees) - reduced available capital. 	<p>Externally: 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>Internally: 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 6 years later, meeting stakeholders' expectations for environmental protection.</p>	<p>Reputation risks</p> <ol style="list-style-type: none"> 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. Active implementation of ESG and greenhouse gas inventory for Categories 1 to 3 under ISO 14064-1 to meet stakeholders' expectations for environmental protection.
Extreme climates	<ol style="list-style-type: none"> Decrease or disruption in production capacity (e.g. production stoppage, transportation difficulties, supply chain disruption). Impact on labor management and planning (e.g. health, safety, absenteeism). Write-off and premature retirement of existing assets (e.g. property and asset damage in "high-risk" areas). Increase in operating costs (e.g. insufficient water supply for hydroelectric power plants or cooling water for nuclear and thermal power plants). Increase in infrastructure costs (e.g. facility damage). Decrease in sales/output resulting in decreased revenue. Increased premiums and difficulty in insuring assets located in "high-risk" areas. 	<p>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.</p> <p>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.</p> <p>Long-term: Improving water efficiency, introducing green energy systems, and promoting water and energy 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>Physical impact - extreme rainfall</p> <ol style="list-style-type: none"> Extreme rainfall resulting in employees unable to attend work, leading to a decrease or interruption in production capacity. Inventory items affected by extreme rainfall, resulting in scrapping or the inability to deliver shipments. Potential increase in insurance costs for production bases.

Reduction measures and performance

DFI devotes itself to environmental activities with the eco-friendly mission to protect and love the earth. Regarding GHG management, starting from 2021, DFI annually engages verification agencies to validate the results of ISO 14064-1 inventories. The results serve as a reference for our GHG reduction strategies, enabling us to meet future reduction requirements and conduct reduction assessments.

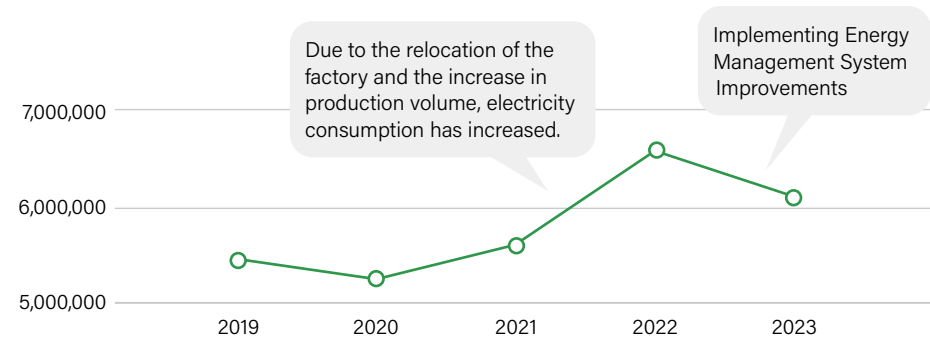
GHG inventory data shows that the majority of emissions within the organization are classified as Category 2 (indirect energy and electricity). Therefore, we will continue to promote energy-saving initiatives to reduce GHG emissions. DFI has long been engaged in energy-saving activities and management, and through the implementation of energy-saving initiatives, we have effectively reduced GHG emissions. The following are the related energy-saving and reduction activities and management initiatives:



Comparison of Annual Electricity Consumption in Various Plants from 2019 to 2023

Year	HQ in Xizhi	Factory in Xizhi (Closed)	Factory in Taoyuan	R&D in Xindian Office	Total
2019	488,180	4,968,500	-	-	5,456,680
2020	442,089	4,817,300	-	-	5,259,389
2021	464,080	2,554,425	2,593,815	-	5,612,320
2022	455,289	-	5,604,012	467,110	6,529,032
2023	436,071	-	5,205,965	451,520	6,093,556

Electricity Consumption from 2019 to 2023



In 2023, the introduction of ISO 50001 involved 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 electricity saving of 435,476 kWh (approximately 6.67%) compared to 2022.

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 2023, we improved our internal business travel reimbursement system to synchronously record the carbon footprint of employees' domestic and international business trips. We will expand the scope of inspection to include Category 3 employee travel and also calculate Category 4 electricity, tap water usage, and waste disposal, in order to have a more comprehensive understanding of the organization's greenhouse gas inventory.

Comparison of Carbon Emissions from 2021 to 2023

Year	Category 1+2	Categories 3 to 6	Total carbon emissions
2021	3,301.66	-	3,301.66
2022	3,486.79	14,379.89	17,866.68
2023	3,264.69	1,108.62	4,373.31

After implementing various energy saving and carbon reduction measures in the Company in 2023, the total carbon emissions decreased by 222.1 metric tons (approximately 6.37% decrease) compared to 2022 and by 36.97 metric tons (approximately 1.12% decrease) compared to 2021, demonstrating the effectiveness of the management.*

*The calculation of carbon emissions for Category 3 to 6 is temporarily not comparable due to changes in verification methodology (changes in boundary checks and coefficient conversion) in 2023.

Solar Energy Installation







DFI invested NT\$5.77 million in 2023 to establish an 80.8 kWh solar power facility at the Taoyuan plant. It was officially launched in December of the same year, and the total electricity generated in 2023 was 4,319.4 kWh.



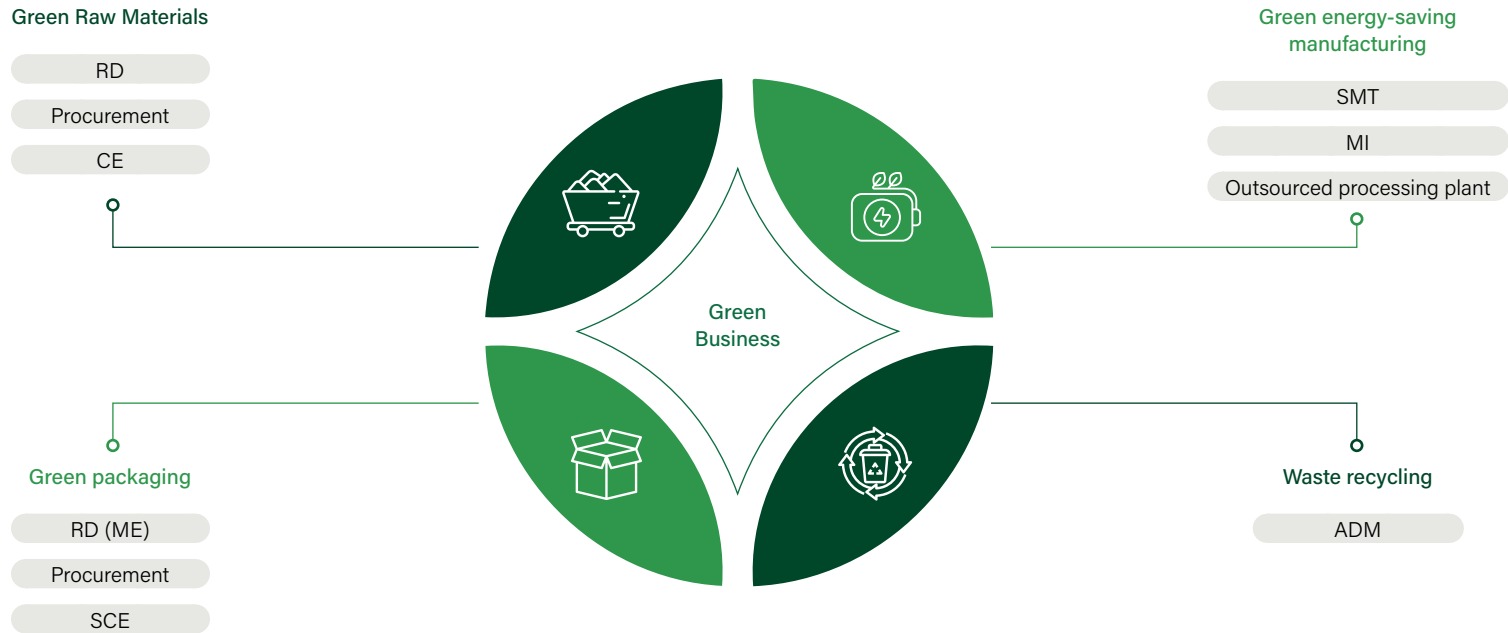
Introduction to ISO 50001

In response to the global supply chain, companies are actively implementing measures to reduce their carbon footprint and achieve carbon neutrality. However, it is important not to overlook the critical aspect of energy management. As global energy demand continues to rise and concerns about climate change grow, companies and organizations are under unprecedented pressure. In this context, DFI implemented the ISO 50001 management system in 2023, we have established the necessary management procedures and implemented the PDCA (Plan-Do-Check-Action) cycle to fulfill our policy commitments, take action, and improve energy performance while complying with regulations and meeting customer requirements. Based on the characteristics of each facility, we have identified key energy performance areas and established plans to implement improvements (as shown in the table below). Our goal is to achieve 6.67% energy savings through efficiency improvements by 2023. In 2024, we will further improve our management practices, resulting in an estimated additional 4% energy savings.

Energy Management Performance/Measures in 2023

HQ in Xizhi	 Lighting improvement saved 3% of the energy	<ul style="list-style-type: none"> • Adjustment of the number of light tubes • Placing power off slogans next to light switches
	 Chamber energy monitoring and control	<ul style="list-style-type: none"> • First, install centralized electricity meters in a reliable laboratory to monitor monthly energy consumption
Factory in Taoyuan	 Energy Saving Improvements for Air Compressors	<ul style="list-style-type: none"> • Record the Daily Operating Hours of Equipment • According to the Standard Operating Procedure (SOP), the unit should perform power on/off operations before and after production • Equipment maintenance and service is performed based on the operating hours of each piece of equipment
	 Energy-saving Improvement for Reflow Oven	<ul style="list-style-type: none"> • Set up automatic startup preheating time (changed from manual - 6:30 to system control - starting at 7:00) • Regular maintenance and upkeep should be performed once a month, depending on the usage
R&D in Xindian	 Air conditioning improvement saves 3% of the energy	<ul style="list-style-type: none"> • Install additional electric meter monitoring and water tower temperature control switches • By using the method of estimating energy consumption using equipment brand data and comparing the energy consumption of the water tower temperature control electric meters, we have estimated monthly energy savings of 111 kWh and annual energy savings of 1,333 kWh. However, considering the variation in actual operating hours, it is estimated that the annual energy savings could exceed 3%.
	 Chamber energy monitoring and control	<ul style="list-style-type: none"> • Addition of independent electricity meter monitoring • "Power off" signs • Follow the SOP process for operation • Equipment maintenance and servicing

Green operation









	Short term (2025)	Mid term (2027)	Long term (2030)
<p>Green materials</p>	<ul style="list-style-type: none"> Introduce materials that are both environmentally friendly and energy-efficient, accounting for 50% 	<ul style="list-style-type: none"> Introduce materials that are both environmentally friendly and energy-efficient, accounting for 70% 	<ul style="list-style-type: none"> Introduce materials that are both environmentally friendly and energy-efficient, accounting for 80%
<p>Green energy-saving manufacturing</p>	<ul style="list-style-type: none"> Control the air conditioner between 24~26 degrees, and reduce air conditioner use in winter Reassessing the power consumption of the new and old machines 	<ul style="list-style-type: none"> Feasibility of reevaluating and replacing materials or equipment for high energy consuming machines 	<ul style="list-style-type: none"> Replace energy-efficient devices
<p>Waste recycling</p>	<ul style="list-style-type: none"> The recycling of tin dross is ongoing 	<ul style="list-style-type: none"> By introducing hydrogen gas into certain SMT equipment, the production of tin dross can be minimized, aiming for a reduction rate of around 20%. 	<ul style="list-style-type: none"> By introducing hydrogen gas into the SMT process can reduce the generation of tin dross, aiming to reduce tin dross proportion by approximately 50%
<p>Green packaging</p>	<ul style="list-style-type: none"> Designing to increase the sharing of packaging materials at the source, reducing the development of new packaging materials Supplier packaging recycling, reducing waste 	<ul style="list-style-type: none"> Reduce packaging materials and increase the recycling rate to 50% 	<ul style="list-style-type: none"> Reduce packaging materials and increase the recycling rate to 80%

Environmental resource inputs and outputs

As a Company which specializes in motherboards and industrial PCs, DFI procured all raw materials externally. To prepare for future environmental impact analysis and improvement opportunities, we apply the concept of lifecycle when taking inventory of the data related to raw material inputs, resource utilization, waste emissions, and wastewater discharge at each manufacturing site.

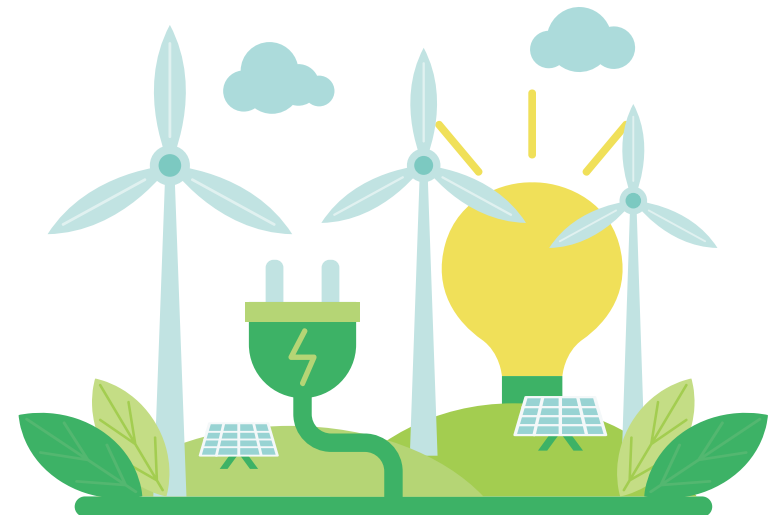
The waste emissions generated from raw material procurement, operational activities, and production processes in 2023 are indicated below

	Upstream	Operations	Downstream
Inputs ▷	 <p>Purchase of Raw Materials</p> <ul style="list-style-type: none"> Raw material usage Tin (paste, bar, wire) 5,052 kg Flux 670 gallons 	 <p>Production and Manufacturing Operations</p> <ul style="list-style-type: none"> Direct energy consumption 38,358,912 KJ (gasoline: 1.016 kg per liter, Diesel: 0.148 kg per liter) Indirect energy consumption: 21,936,801,600 KJ (purchased electricity: 6,093,556 kWh) Conversion Factors for Various Types of Energy: Electricity: 1 kWh = 3,600 KJ; Gasoline: 1 L = 32,635.2 KJ; Diesel: 1 L = 35,145.6 KJ 	 <p>Packaging and Transportation</p>
	 <p>Waste Management</p> <ul style="list-style-type: none"> Recycling of tin dross: 2,613 kg Business waste: 127,133 metric tons 	 <p>Energy Resource Management</p> <ul style="list-style-type: none"> Water resources: 23.421 metric tons Solar energy generation: 4,319.4 kWh 	 <p>Shipments to Customers</p> <ul style="list-style-type: none"> Output: NT\$4.87052 billion Production volume: 748 thousand units (669 boards, 79 systems)

Energy Resource Management

As a manufacturer of embedded motherboards and industrial computers, DFI purchases all of its raw materials externally. The primary source of energy consumption is electricity, with a small portion derived from fossil fuels. As a result, DFI's energy management policy focuses on improving energy efficiency and increasing the use of renewable energy sources. In addition to formulating greenhouse gas reduction plans, DFI has implemented the ISO 50001 energy management system in 2023. The Company is also using a life-cycle approach to examine data on raw materials, energy resource consumption, waste emissions, and wastewater discharges at each manufacturing site, with the aim of analyzing future environmental impacts and opportunities for improvement.

Energy	2020	2021	2022	2023
Electricity (kWh)	5,244,955	5,612,320	6,529,032	6,093,556
Diesel (Liter)	2.089	5.135	0	0.148
Gasoline (Liter)	0.362	0.452	3.614	1.016



Water Stewardship

Due to the nature of the industry, DFI does not rely heavily on water resources in its production process, nor does it produce wastewater. All water used in our facilities comes exclusively from municipal water supplies and is not separately withdrawn from rivers, lakes or underground sources for operational purposes. In addition, we do not own, lease, or manage any factories located in ecological reserves or water resource protection zones. Qisda Group's professional personnel operate and maintain the water pollution prevention and control equipment at the Taoyuan Plant. Domestic wastewater is treated by contact aeration, and the treated wastewater is discharged into the public sewerage system, with no significant impact on water sources and community water use. To implement water resource management, DFI also promotes the improvement of water conservation efficiency by encouraging changes in employee behavior regarding water use.



Water volume (metric tons) /year	2020	2021	2022	2023
Tap water	29,477	29,393	22,155	23,421
Surface water	0	0	0	0
Groundwater	0	0	0	0
Others	0	0	0	0
Total	29,477	29,393	22,155	23,421

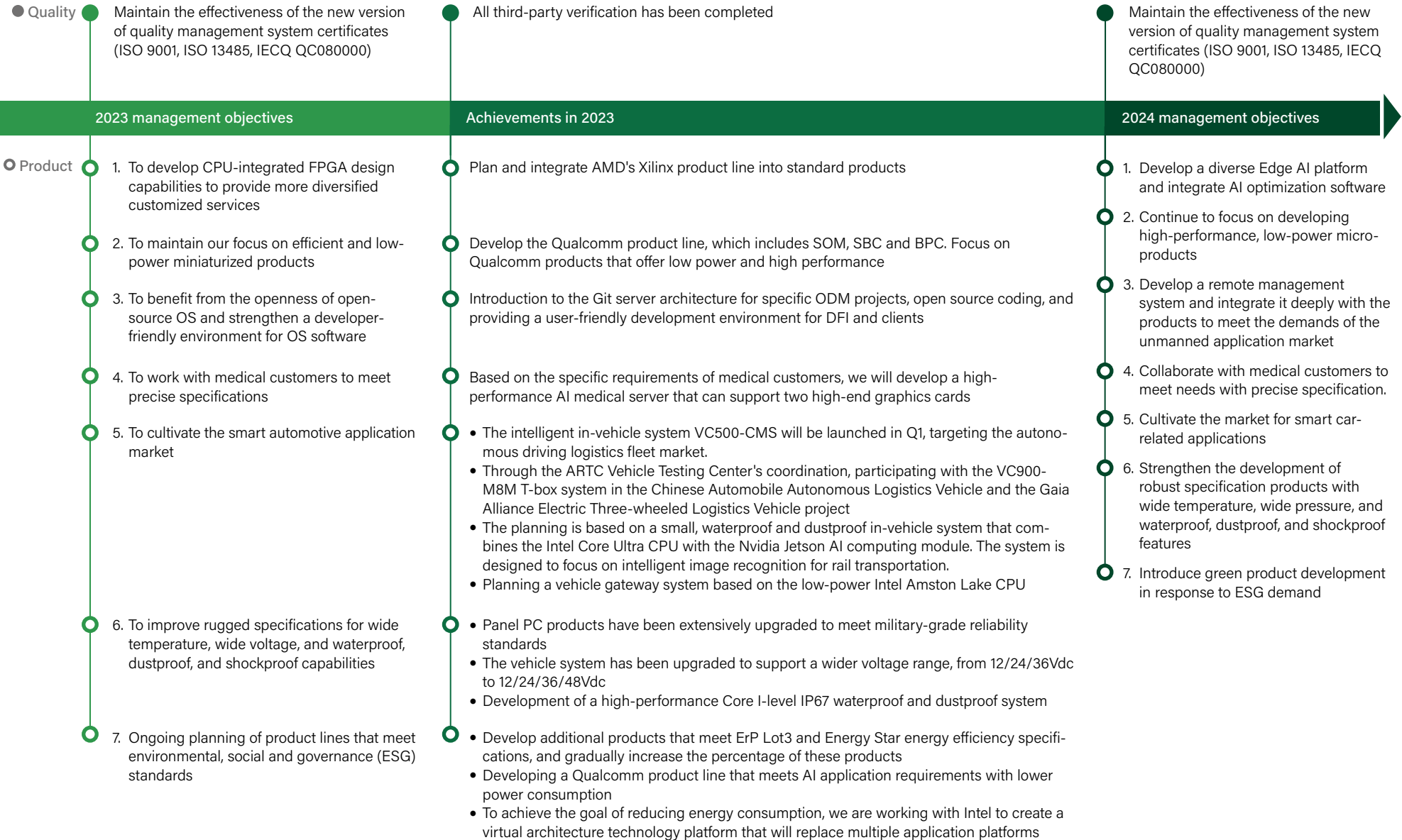
Materials and Recycling

DFI actively manages waste and promotes energy-saving and waste reduction initiatives. Starting from waste management at the source, DFI implements resource recycling, significantly reducing waste generation and increasing recycling volumes to achieve waste reduction targets. Zero waste is the ultimate goal of DFI waste management, with strategies focused on reducing total waste and promoting waste recycling. In addition to measures such as reducing raw material consumption to minimize waste generation, DFI actively promotes waste recycling. For example, by reusing packaging materials through recycling, it replaces existing disposal methods and turns waste into useful resources. This not only achieves a true resource cycle but also reduces the energy consumption and costs associated with waste disposal. DFI maintains regular monitoring and engagement with waste contractors each year. In case of contract breaches or legal violations by contractors, appropriate actions, consultation, or replacement measures will be taken.

In the fiscal year 2023, DFI did not experience any significant breaches or violations of contract with waste disposal contractors. The types of waste generated in the Company's various factory areas can be divided into general industrial waste, waste solvents, and unclassified waste electronic components. These hazardous waste materials, as defined by the Basel Convention, are not generated during our operations and production processes. Due to the significant increase in overall production volume in recent years, the types and quantities of recyclable waste have also increased. DFI actively promotes energy-saving, waste reduction, and resource recycling measures to minimize waste generation.

	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

Quality Management



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 third parties.

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 cards, 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 2023, 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	2019	2020	2021	2022	2023
Violations of laws or voluntary standards related to health and safety impacts during product lifecycles	0	0	0	0	0
Violations of regulations or voluntary agreements regarding product and service information and labeling	0	0	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:

1. 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)... etc.

2. 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)... etc.

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

1. DFI Information Quality/Hazardous Substance Policy:

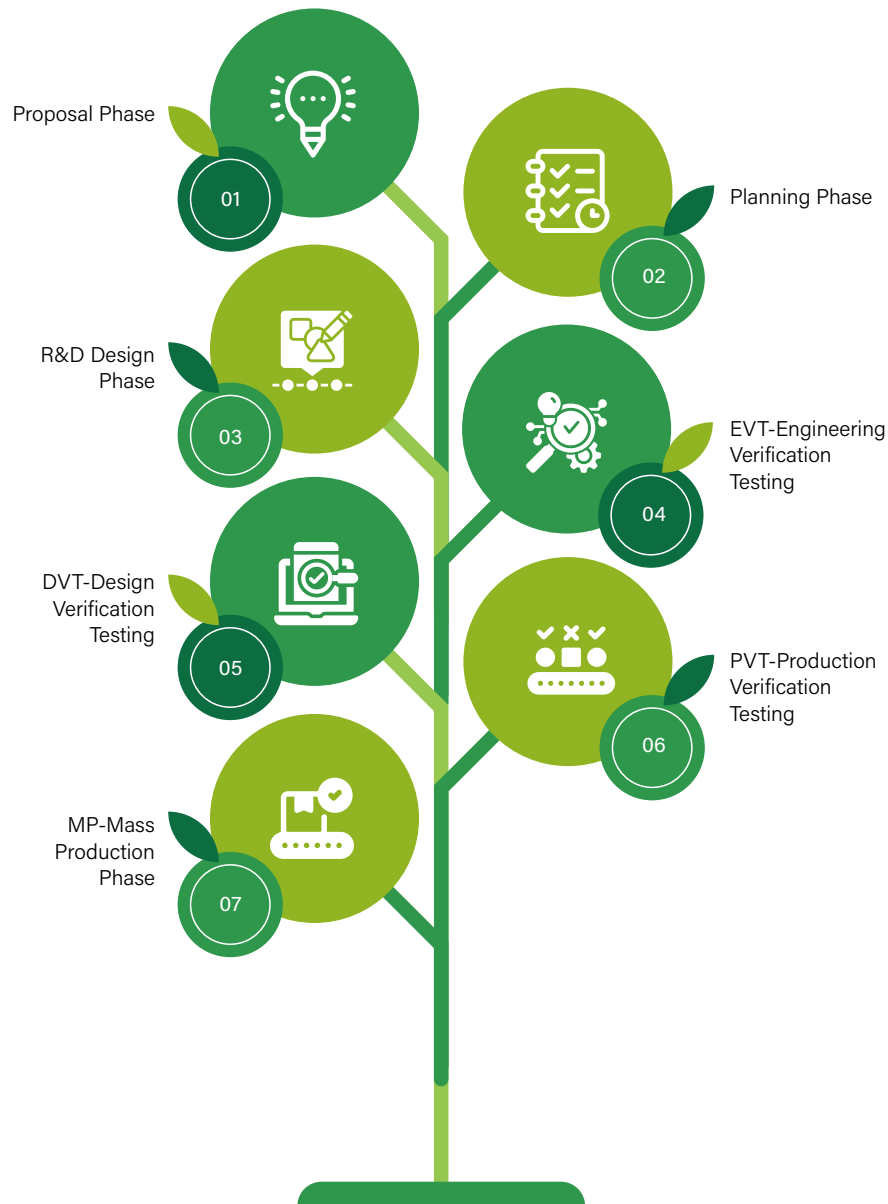
"We are committed to ensuring that our products and services meet the highest standards of quality, specification, cost and delivery. Customer satisfaction is our number one priority, and we strive to meet all of our commitments to our customers. Our product design and manufacturing should be dedicated 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 customer requirements. Through these efforts, we aim to meet societal expectations and mitigate our impact on the natural environment with our products.

2. The quality policy is also accessible to all Company employees at any time through small cards and an app called Qplay.

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

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.

New Product Development System



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.

With DFI 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 a product life cycle mindset, requiring green design thinking 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.

I. Ecological Design Guidelines /Directions

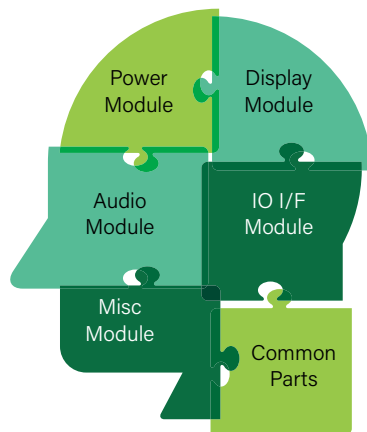
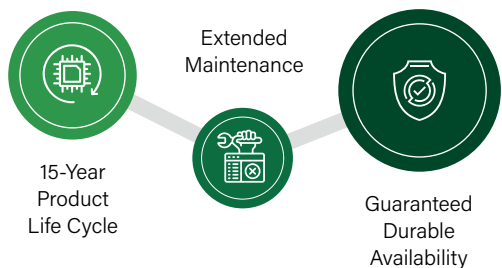
Based on the design experience and current status of each product line, DFI has formulated green design guidelines to provide R&D staff with direction for green design and relevant process selection.

The focus during the design and development stage is on four main green design directions at DFI: reduction, hazardous substance management, energy efficiency, and recycling. The actions and achievements related to these directions are described as follows:

1. 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:

- i. The modular design mechanism enables the reuse of developed modules across different product lines and generations of products. This includes the shared riser card, I/O expansion card, power module, LCD/Touch module, and more.
- ii. System products primarily adopt DFI standard boards, avoiding the need for board redesign.
- iii. Adopting electronic or mechanical modules developed by partners or within the group, minimizing the need for DFI's independent development.
- iv. Extending product supply and maintenance lifespan to reduce waste generation.
- v. Engaging local suppliers to avoid long-distance transportation and increase carbon emissions.



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

Year	STD			
	System	MB	Sub-total	Reduce
2020	16	25	41	-
2021	16	13	29	29%
2022	10	16	26	10%
2023	10	18	28	-8%

Compared to 2022, there is an increase in the number of standard product cases opened in 2023. This increase can be attributed to the introduction of DFI's latest M.2 A Key expansion module solution and the development of low-power standard product motherboards using Qualcomm chips. "M.2 A Key" expansion modules are compatible with many standard DFI motherboards after Intel's 11th generation CPU products. The key feature is the wide range of display options, including traditional VGA, advanced DP, HDMI and eDP, as well as the common LVDS in specific application scenarios. Users can choose the display module that best suits their needs and preferences. This solution enhances system functionality by supporting multiple displays, storage options, communications, and PSE requirements. It can be seamlessly integrated with PCIe modules, allowing existing standard motherboards to achieve improved functionality and carbon reduction effects without the need for redesign and development. The new generation of DFI standard motherboards, designed with Qualcomm chips, have high thresholds for software and hardware design. Additionally, their energy consumption is relatively low, meeting the specifications of ErP lot3 with power consumption of less than 1W. This emphasis on energy efficiency is a key feature of the new products.

2. Hazardous Substances

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 2023 is 0%.

Requirements for General Prohibited/Limited Substances

Substance	Limit (mg substance/kg homogeneous material = ppm)	Scope of Application	Basis
Cadmium (Cd) and cadmium compounds	100ppm	All products, parts, and components	EU RoHS Directive(2011/65/EU)
	20ppm	The cadmium (Cd) limit for portable batteries and accumulators is 0.002%.	EU Directive on Batteries and Accumulators, Waste Batteries and Accumulators (2006/66/EC and Amendment 2013/56/EU)
	<p>Exclusions:Portable batteries and accumulators used in the following products are not subject to the aforementioned limit requirements:</p> <p>a. Emergency lighting and escape systems</p> <p>b. Medical devices</p> <p>c. Cordless power tools</p> <p>As of January 1, 2017, the exclusions for cordless power tools have been lifted, and the batteries used in such products must also comply with the 20ppm requirement</p> <p>Exclusions:Portable batteries and accumulators used in the following products are not subject to the aforementioned limit requirements:</p> <p>a. Emergency lighting and escape systems</p> <p>b. Medical devices</p>		
Lead (Pb) and lead compounds	40ppm	Battery parts and components	EU Directive on Batteries and Accumulators, Waste Batteries and Accumulators (EU 2013/56/EU)
	1000ppm	All products, parts, and components	RoHS Directive (2011/65/EU)
Mercury (Hg) and mercury compounds	5ppm	The mercury (Hg) limit for batteries is uniformly set at 5ppm. The exclusion for button cell batteries was lifted on October 1, 2015.	EU Directive on Batteries and Accumulators, Waste Batteries and Accumulators (EU 2013/56/EU)
	1000ppm	All products, parts, and components	RoHS Directive (2011/65/EU)
Hexavalent cadmium compounds (Cr+6)	1000ppm	All products, parts, and components	RoHS Directive (2011/65/EU)

Substance	Limit (mg substance/kg homogeneous material = ppm)	Scope of Application	Basis
Polybrominated biphenyls (PBBs)	1000ppm	All products, parts, and components	EU RoHS Directive(2011/65/EU)
Polybrominated diphenyl ethers (PBDEs)	1000ppm	All products, parts, and components	RoHS Directive (2011/65/EU)
Di (2-ethylhexyl) phthalate (DEHP)	1000ppm	All products, parts, and components	RoHS Directive (2011/65/EU) (2015/863)
Butyl benzyl phthalate (BBP)	1000ppm	All products, parts, and components	RoHS Directive (2011/65/EU) (2015/863)
Dibutyl phthalate (DBP)	1000ppm	All products, parts, and components	RoHS Directive (2011/65/EU) (2015/863)
Diisobutyl phthalate (DIBP)	1000ppm	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.	All products, parts, and components	REACH (EC)1907/2006
Substances listed in Annex XIV of REACH	Following REACH requirements	Following REACH requirements	REACH (EC)1907/2006
Substances listed in Annex XVII of REACH	Following REACH requirements	Following REACH requirements	REACH (EC)1907/2006
Cadmium + Hexavalent Cadmium + 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 013/56/EU).

Conflict Mineral Policy

Controlled substances	Gold (Au), Tantalum (Ta), Tin (Sn), Tungsten (W), Cobalt (Co), Mica
Policy	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.
List of smelters	RMI Eligible Facilities List
Remarks	RMI : Responsible Minerals Initiative RMAP : Responsible Minerals Assurance Process



The Responsible Minerals Initiative (RMI), initiated by RBA and the Global Enabling Sustainability Initiative (GeSI), has developed a policy for sourcing conflict minerals, including gold, tin, tantalum, tungsten, cobalt, mica and other materials. The policy and conflict minerals report are available on the company's official website.

3. Energy Conservation

DFI incorporates low static current functional ICs and BIOS settings to reduce CPU power consumption. In addition, unnecessary power is turned off during shutdown and standby modes. Power conversion uses synchronous switching ICs to significantly improve conversion efficiency by reducing switching frequency under light loads. These measures enable our products to meet international energy saving requirements such as ErP and Energy Star.



The following table illustrates the percentage of standard models produced from 2020 to 2023 in relation to models compliant with ErP Lot 3:

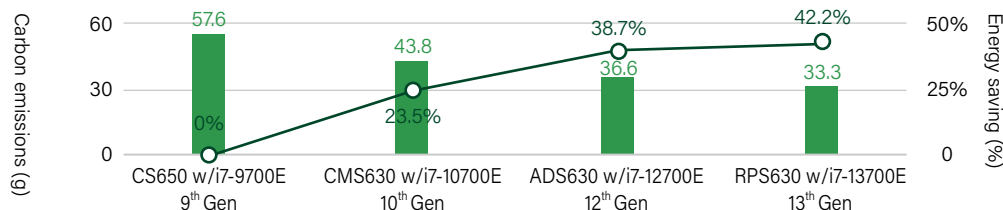
	2020	2021	2022	2023
Standard model production quantity	45	51	35	57
Approval of the Quantity of ErP Lot3 compliant models (percentage)	20 (44%)	27 (53%)	14 (40%)	23 (40.35%)

As to 2022's 35 standard models, due to material shortages caused by the pandemic in 2021, the main focus shifted to revising standard models to address the shortage to

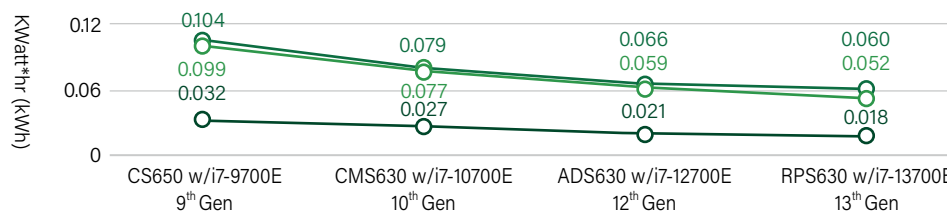
meet customer expectations. DFI internally developed products utilizing self-produced standard motherboards to maximize material sharing and save design resources. In 2022, 14 models (40%) met ErP Lot 3 specifications. Among the 57 standard models scheduled for mass production in 2023, 23 have successfully met the ErP lot3 specifications, representing 40.35% of the total. DFI has set a goal of achieving a 45% energy certification rate by 2024 and aims to progressively increase the proportion of products that meet either the ErP lot3 or Energy Star 9.0 standards in the future.

Based on DFI's standard product sales in 2023, energy-efficient products compliant with ErP Lot 3 (EU 617/2013) accounted for 10.91% of standard product sales in 2022 and 16.51% of growth in 2023.

DFI IMB latest 4 Gen Models Consumption



	CS650 w/i7-9700E	CMS630 w/i7-10700E	ADS630 w/i7-12700E	RPS630 w/i7-13700E
KWatt*hr (kWh)	0.104	0.079	0.066	0.06
Carbon emissions (g)	57.6	43.8	36.6	33.3
Energy saving percentage (%)		23.5	38.7	42.2



	CS650 w/i7-9700E	CMS630 w/i7-10700E	ADS630 w/i7-12700E	RPS630 w/i7-13700E
Prism Video Converter	0.104	0.079	0.066	0.06
Video Proc Converter	0.099	0.077	0.059	0.052
Format Factory	0.032	0.027	0.021	0.018

4. Product Disposal

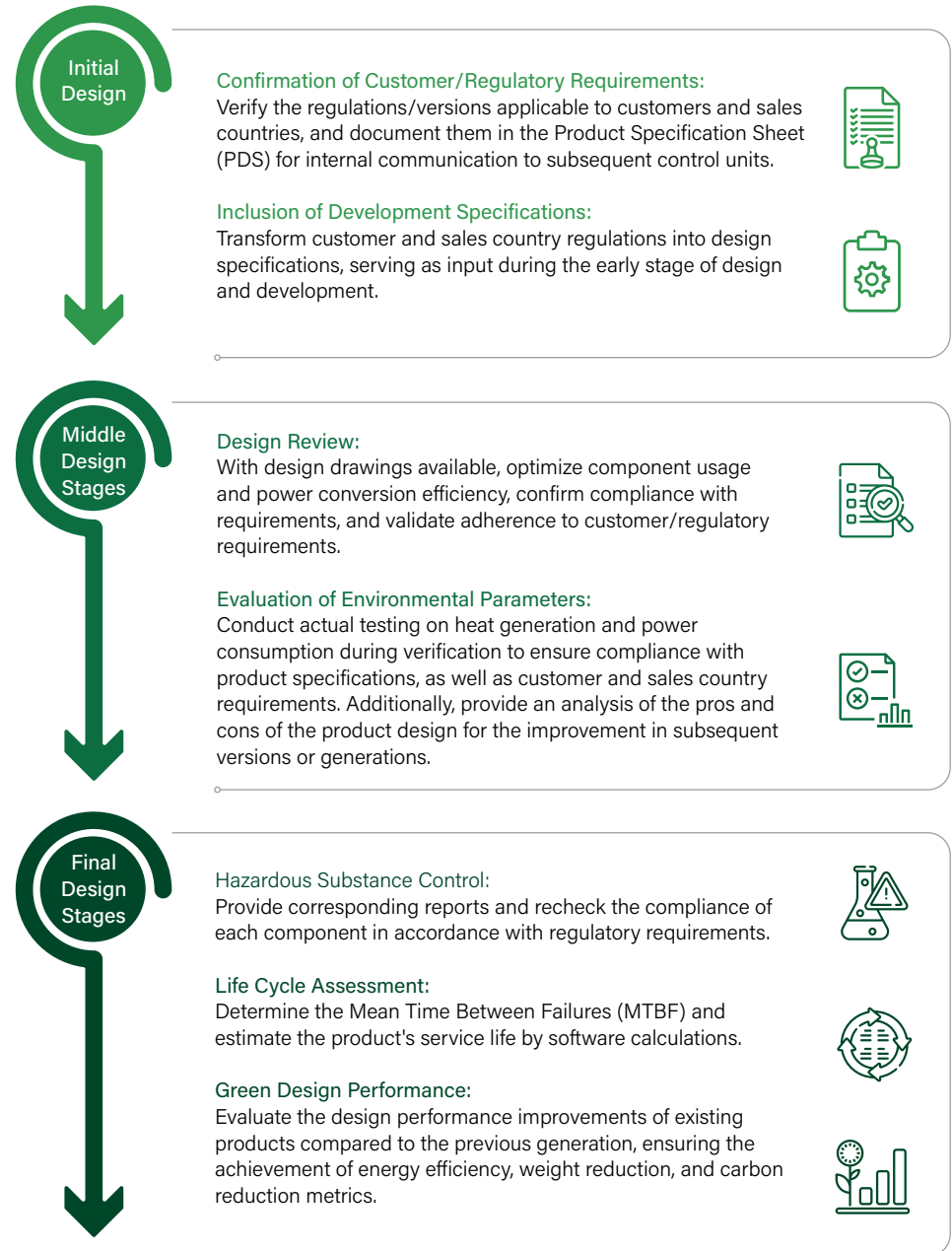
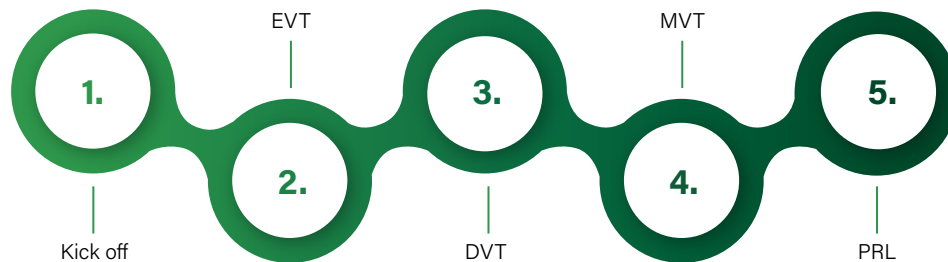
Emphasis is placed on considering the recyclability and ease of disassembly of products during design stages. From the outset, connections of the product is taken into account, avoiding the use of materials and manufacturing processes such as adhesives, welding, or embedding that hinder disassembly. 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
EC70A-SU	1,410	1,210	85.8%
EC500-SD	3,500	3,100	88.6%
EC900-FS6	500	410	82.0%
EC700-BT	675	515	76.2%
EC70A-TGU	1,410	1,210	85.8%

II. Product Ecodesign Process

To ensure ecodesign 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 from Circular Taiwan Network)

The Group also recognizes that no single company can achieve net-zero alone, so germane dialogues will be engaged through the Group's General Director's Roundtable (GDR). For example, courses on international standard awareness and interpretation, life cycle inventory, ecodesign, 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.

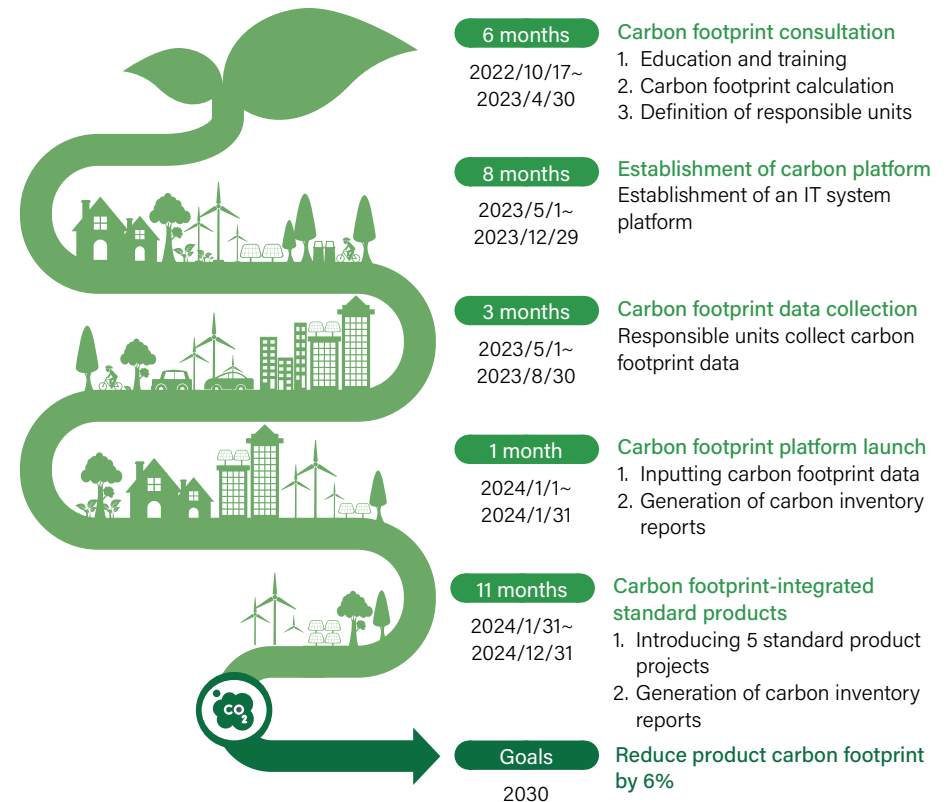
Additionally, suitable courses and mentoring will be arranged for R&D personnel with different levels of experience. R&D employees, during their training, will be introduced by mentors to the elements and direction of green design, starting from product functionality design, gradually towards the Company's 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 encouraged 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 product category. 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 the previous generation models or industry benchmark products to identify high-risk components and processes. Feasible, economically viable improvement measures that can reduce environmental impact are formulated and implemented in the next generation of models.

Carbon Footprint

To meet the requirements of product carbon footprint inventory standards and integrate with quality management systems, and with the goal of third-party verification for ISO 14067, DFI has been working since 2021 with the Plastics Industry Development Center to establish a carbon emissions platform. Each product's carbon emissions can be calculated based on data such as defined process maps, production volume, raw material and consumables usage, transportation distance, energy consumption, waste generation and disposal distance. The timeline for establishing the carbon footprint platform is shown in the figure below. Starting from 2024, we will implement a large-scale production project of standard products with higher market demand to supply future global DFI products compliant with carbon footprint trends. We aim to reduce product carbon emissions by 6% by 2030.



DFI's Care and Contribution

— With attentive care internally, the Company creates a warm environment for our employees and strives together to contribute externally, building a better society hand in hand.

Employee Safety and Environment



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Happy and Healthy Workplace



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Biodiverse Environment

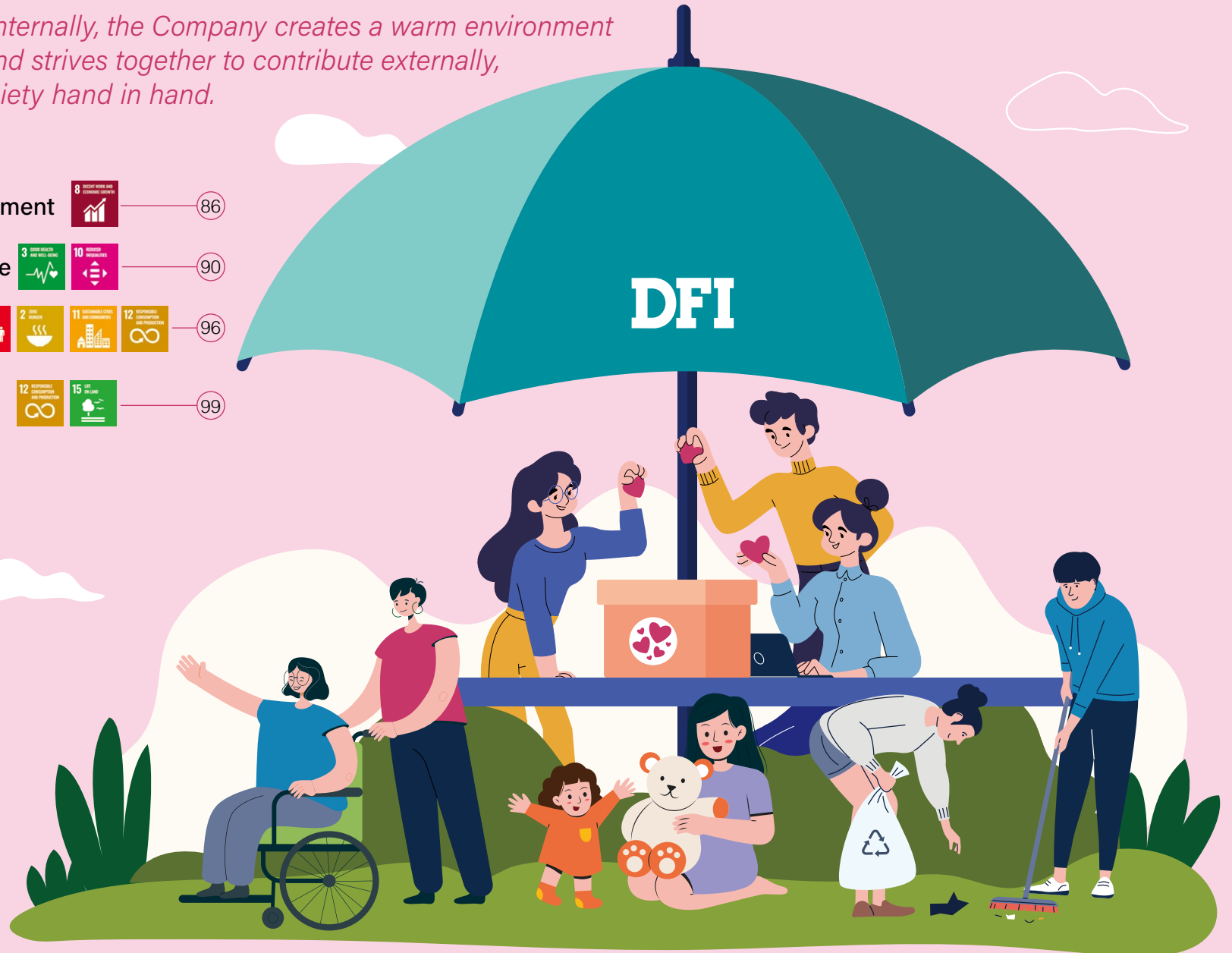


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Caring for Society, Fostering a Friendly Environment

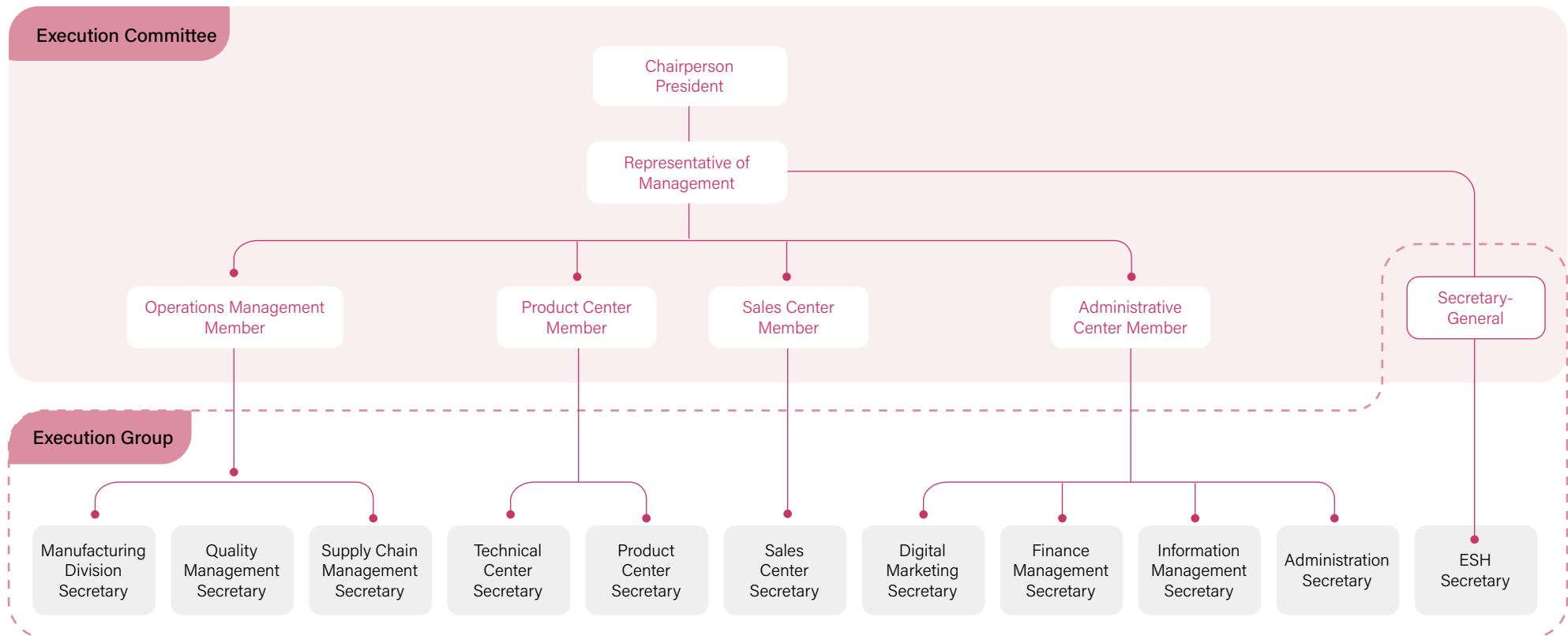
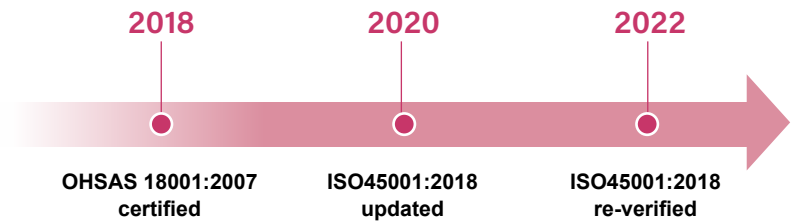


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Employee Safety and Environment

DFI has a robust Social Responsibility and Environment, Health, and Safety Management Committee to promote occupational safety and health across the HQ in Xizhi, Taoyuan factory and the R&D Unit in Xindian. Each employee has the responsibility to perform their work safely, and comprehensive education and training are provided to implement various safety, health, and hygiene requirements. Occupational safety and health training includes new hires and existing colleagues. Regular health check-ups and health education are arranged for employees, and the workplace is monitored to maintain a good working environment. DFI received ISO 45001:2018 Occupational Health and Safety Management Systems certification in 2018. The management systems involve all 629 employees 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 with verification to maintain the operation of the ISO 45001:2018 system.

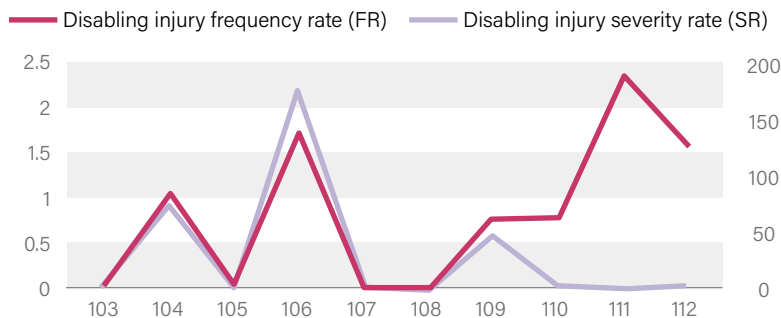


Occupational Safety Committee

The Occupational Safety and Health Committee comprises the President, Management Representative, Center Managers, and Labor Representatives. Regular meetings of the Occupational Safety and Health Committee are conducted to ensure the implementation and enforcement of various occupational safety and health regulations. Since 2018, DFI has been integrating and consistently enhancing its occupational health and safety management system, leading to a continuous improvement in health and safety management performance.

I. Occupational Safety and Accident Management

In 2023, there were only 2 work-related incidents among all employees at DFI. Both incidents involved minor injuries requiring leave and rest (with a severity of 3 days of disablement), and were categorized as slip-and-fall cases included in the calculation of the accident rate and lost workdays. There were no fatalities. Based on calculations, the average frequency rate (FR) of disabling injuries for manufacturing sites in 2023 was approximately 1.60, the severity rate (SR) of disabling injuries as defined by GRI was approximately 2, and the frequency-severity index (FSI) was approximately 0.050. The occupational disease incidence rate was 0. The trend chart below shows the frequency rate (FR) and severity rate (SR) of disability injuries from 2014 to 2023. In 2023, the severity rate (SR) of disability injuries is 2, due to a significant decrease in days away from work. No cases of occupational diseases were reported in the workplace, and there were no work-related accidents or fatalities involving subcontractors on-site.

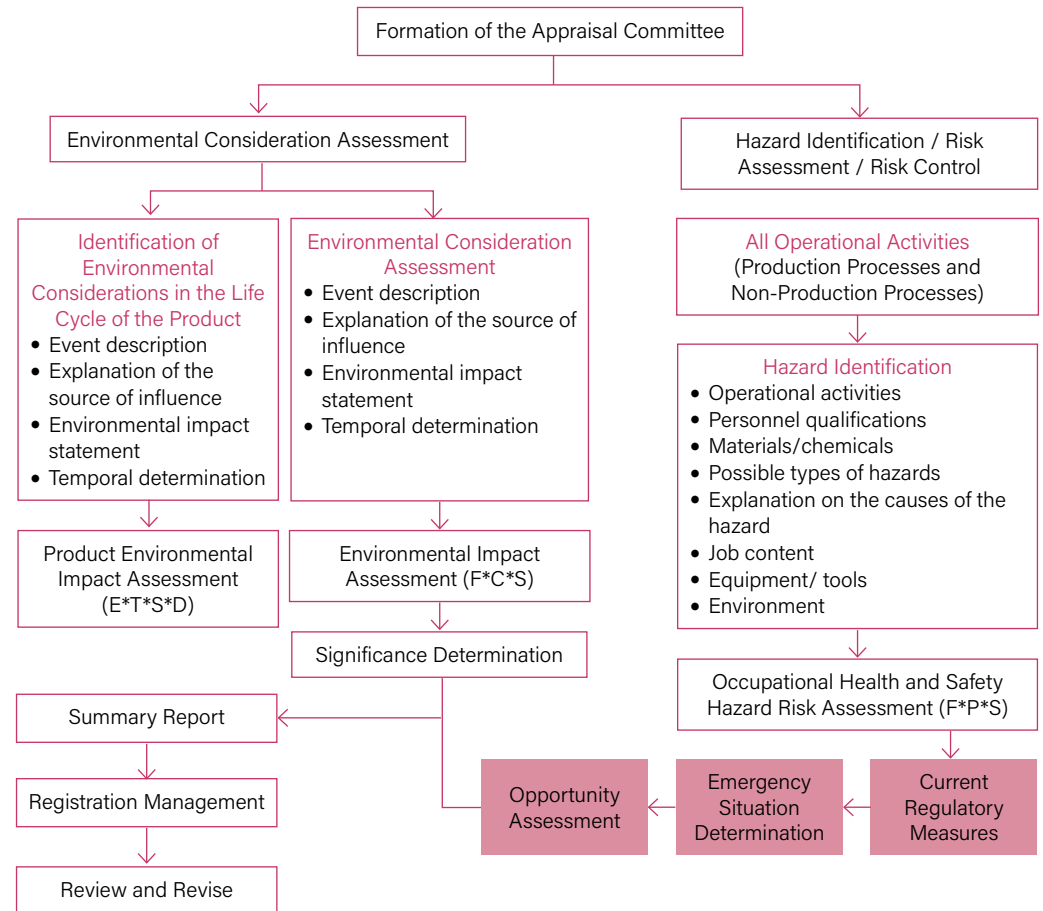


Note: The calculation method for disabling injury frequency rate (FR) = (Total number of disabling injuries * 10⁵) / Total work hours, rounded to the third decimal place. Disabling injury severity rate (SR) = (Total lost workdays due to disabling injuries * 10⁵) / Total work hours, rounded to the nearest whole number. Total injury frequency-severity index (FSI) = √((SR × FR) / 1000), rounded to the third decimal place.

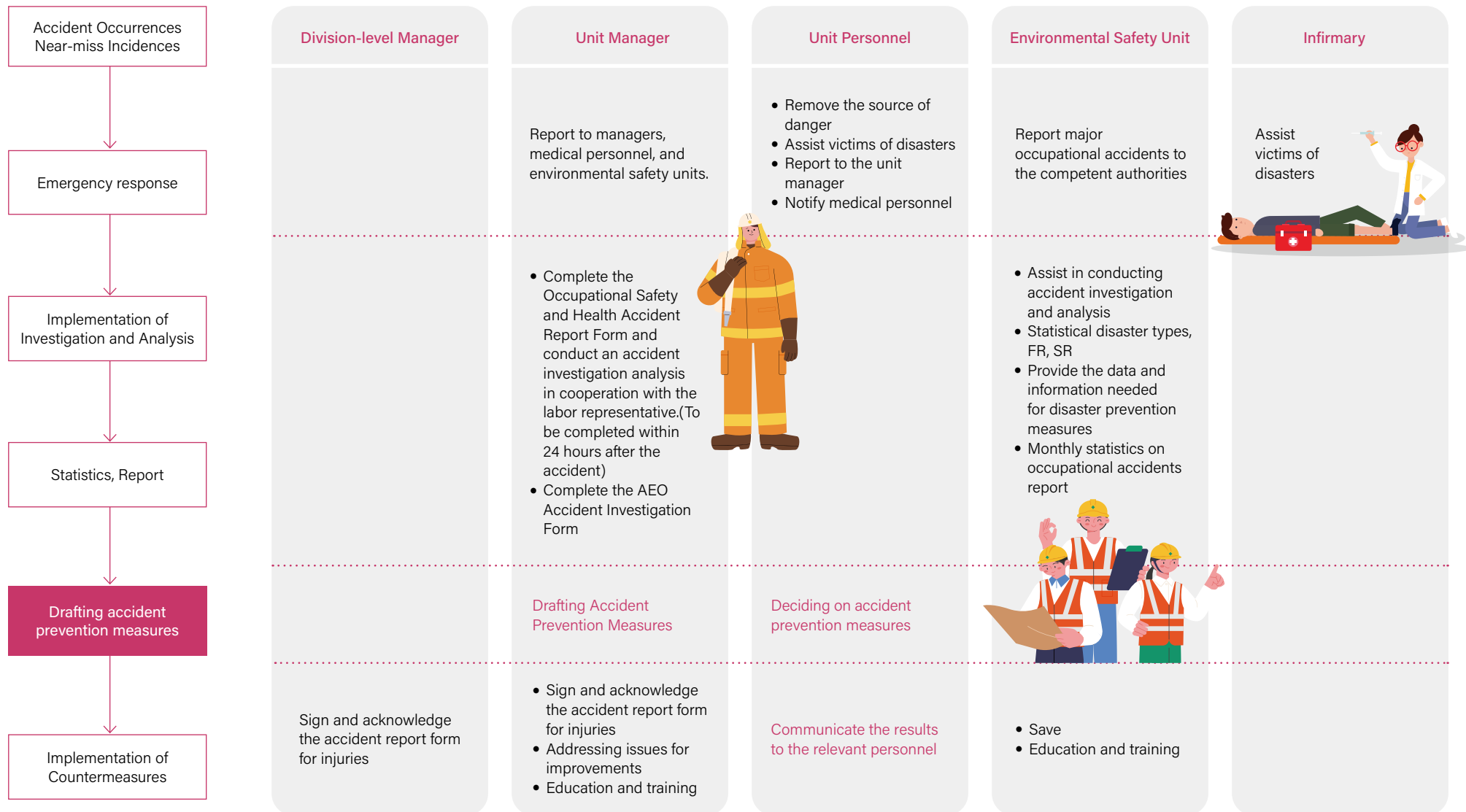
Safety and Health Management Performance Per GRI Standards

- Occupational fatality rate = [Number of deaths due to occupational injuries / Total work hours] x 1,000,000 = 0
- High consequence work-related injury (excluding fatalities) = [Number of serious occupational injuries (excluding fatalities) / Total work hours] x 1,000,000 = 0
- Recordable occupational injury rate = [Number of recordable occupational injuries / Total work hours] x 1,000,000 = [2 / 1,248,992] x 1,000,000 = 1.6

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



The process for managing unexpected accidents is as follows:

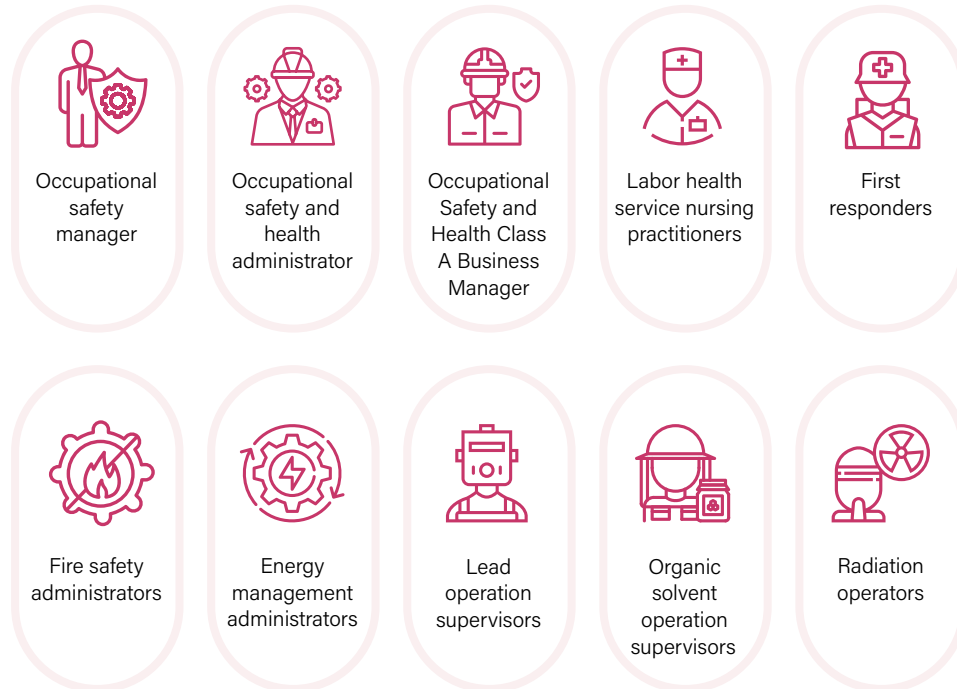


Accidental incidents are those that occur during company activities and result in personal injury, death or property damage. These incidents are managed in accordance with the Accidental Incident Management Policy, which is designed to help employees understand the process of occupational hazards and dangerous situations and to protect them

II. Occupational Safety and Health Training and Certifications

DFI follows the Occupational Safety and Health Act and related training regulations, regularly conducting necessary training programs with certifications exceeding legal requirements.

To ensure that every employee is familiar with the Company's safety and health management mechanisms and occupational safety regulations, a one-hour on-the-job safety and health training was conducted for all Taiwanese-national indirect employees in 2023, with a total of 461 participants.



DFI's operational sites have occupational safety managers, occupational safety and health administrators, occupational safety and health business supervisors, labor health service nursing practitioners, fire safety administrators, first responders, and energy management administrators. They regularly participate in refresher training courses to continuously enhance their understanding and awareness of occupational safety, strengthening the attention and importance given to occupational safety in each department. Additionally, specific operations (such as lead operation, organic solvent operation, and radiation handling) are conducted with relevant certifications and in compliance with regulations.

III. Chemical Management

In terms of chemical management, the use of chemicals in the production process has always been a focal point of environmental, safety, and health management.

Effective management of chemicals is necessary, and corresponding measures for managing different types of chemicals are in place. The hazardous substance list and material safety data sheets are regularly updated. The main chemical solvent used by DFI is isopropyl alcohol. To prevent misuse, solvent containers are clearly labeled, and proper storage areas and rinse solutions are implemented to minimize the risk of leakage. In work areas, absorbent pads are in place to prevent potential spreading. DFI prioritizes the safety, health, and environmental impact of its employees and the factory premises. In 2023, DFI did not experience any incidents of chemical, oil, or fuel leakage.

IV. Proper Implementation of Operational Environmental Testing

We conduct biannual operational environmental monitoring in compliance with regulations by professional contracted organizations. To understand workers' exposure risks, we do planning, sampling, testing, and analyses based on the simulated behaviors and exposure conditions of workers in different plant areas.

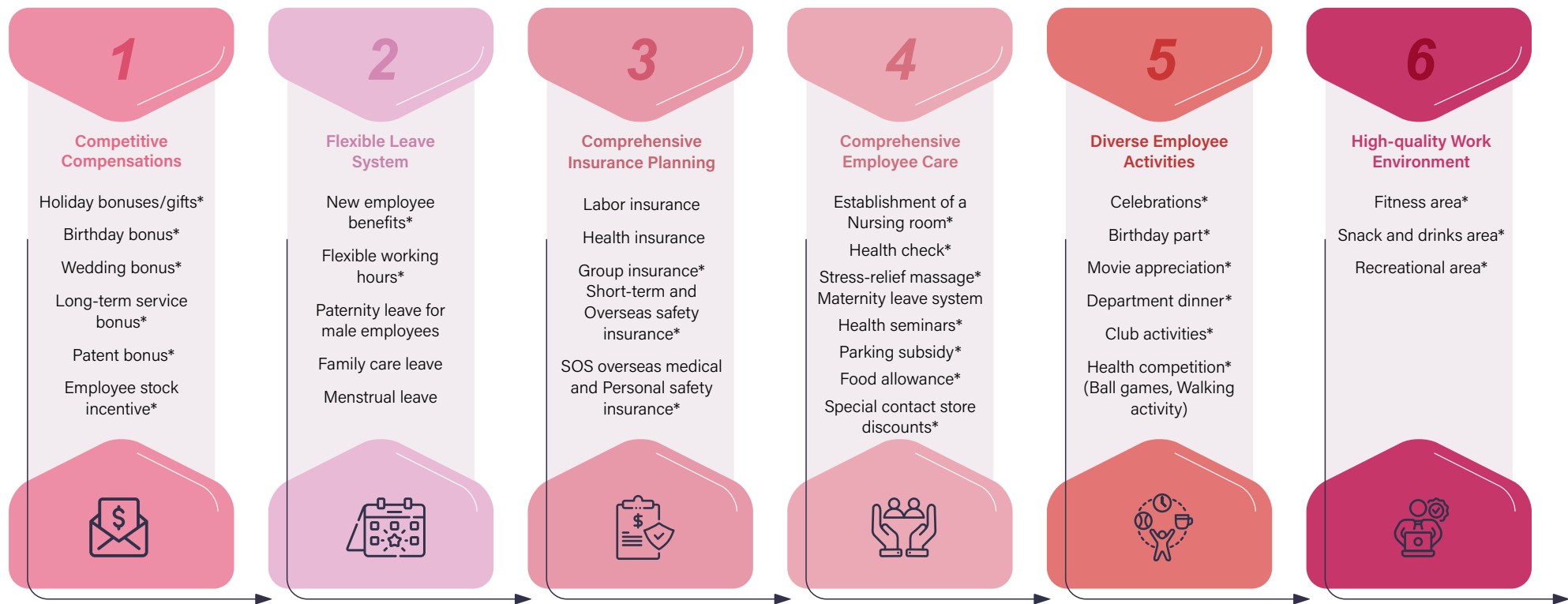
DFI's 2023 monitoring results show that chemical factors are significantly below the permissible concentrations (Level 1 Management: exposure concentrations are below half of the permissible exposure standards), and physical factors meet the standards. This ensures a healthy and safe working environment for our employees.



Happy and Healthy Workplace

Comprehensive Benefits Planning

DFI considers talent to be its most valuable asset and is committed to creating a quality work environment. We implement various measures to enhance talent development and enable individuals to fully utilize their strengths. In addition, DFI goes beyond the legal requirements by offering a range of welfare programs, including various types of leave and health check-ups. We have also established several employee facilities and organize recreational activities for our employees. These initiatives not only foster a sense of unity among colleagues, but also promote employee well-being and relaxation outside of work. The Welfare Committee allocates 0.15% of monthly revenues and 0.5% of employee salaries to organize various employee activities. In addition, the committee holds regular meetings and consistently promotes various employee care and benefits to foster a positive work environment and attract talented individuals who are in line with the company's development vision.



* Better than government welfare programs

All Employees Undergo Annual Health Checks

♥ Superior to regulations, providing all employees, regardless of age, with a complimentary annual health check-up



2023 Annual health check Ups at DFI

Maternal Care and Concern

- ♥ We set up a nursery room that everyone can use during working hours.
- ♥ Annual health checks provide convenient time slots for examinations
- ♥ Grant 7 days of paternity leave and provide accompanying paternity check-up in accordance with the law



A secure and private space for female employees to breastfeed

Diverse Clubs and Activities

♥ DFI respects individual freedom of assembly and association, encourages employees to enhance their well-being, and supports the establishment of various clubs, such as animal volunteers, plant floral art, handicrafts, sports, and ball clubs.



Slow Living Club

Table Tennis Club

Handicraft Club



Department social activity

Hutou mountain cleaning day

Hutou mountain cleaning day



Slow Living Club

Succulent Plant Club

Xizhi Cat Lovers' Planet



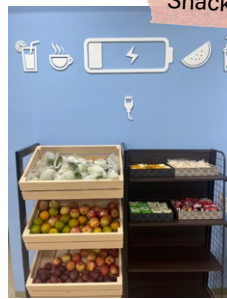
Badminton challenge

Birthday celebration

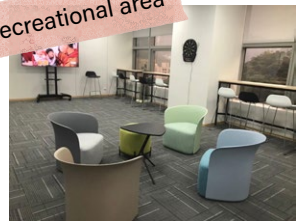
Pomelo Peeling Competition

Employee Welfare Facilities

- ♥ 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.



Snacks, beverage, and coffee bar



Gym

Care Measures for Foreign Employees at DFI

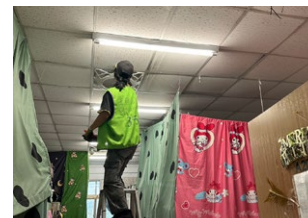
According to the personnel employment situation, in 2023, DFI had a total of 134 foreign colleagues from the Philippines, accounting for 21.3% of the total workforce. The highest percentage of female foreign colleagues was 125 individuals, representing 19.87% of the total number of employees. From the first day of employment, DFI upholds the core value of being 'people-oriented' and ensures that all colleagues receive the benefits they are entitled to under the law.



Education and Training



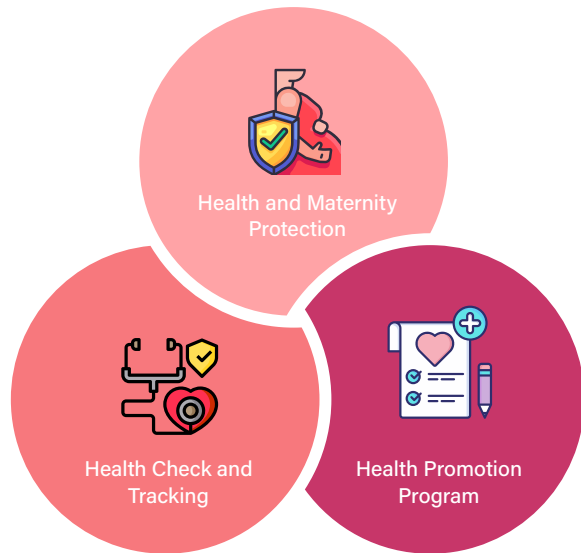
Highlights outside of work



Employee Health Management

Employee health is critical to a company's competitiveness. DFI is dedicated to sustainable health management, demonstrating our commitment to employee well-being and creating a positive work environment. We organize a range of employee health promotion activities with the ultimate goal of improving the well-being of all our colleagues. Together, we strive to realize the company's vision for growth in a high quality, healthy and enjoyable workplace.

Three Key Health Guidance and Management Measures



Healthy Workplace Badge

In 2023, DFI took part in the evaluation of the "CHR Health Corporate Citizen" by Commonhealth Magazine and received the Healthy Citizen Pledge Enterprise Label, and actively promote colleagues, health through the four dimensions of knowledge, diet, exercise, and support



Promoting "Knowledge"
Delivering EDMs with relevant knowledge about health and diseases to all employees.

"Food" for a Healthy Diet
DFI offers daily staff meals and complimentary fruits to its employees on a weekly basis as a means of promoting a healthy diet

"Exercise" for Healthy Living
In addition to establishing sports clubs, we also organize regular sports and fitness competitions to encourage our colleagues to be physically active and maintain their fitness levels.

"Assist" is used for auxiliary medical care
Through annual health screenings and self-assessment questionnaires, we identify high-risk colleagues and arrange medical consultations to ensure the well-being of our employees.

Health Check and Tracking

Health Check

- DFI values the health of its employees and provides health benefits that exceed legal requirements. Every employee, regardless of age, is offered a free annual health examination. In case of abnormal check-up results, proactive arrangements are made for medical professionals to provide health guidance and relevant consultations.
- In 2023, the employee health check-up rate reached 98%, and a total of 4 mobile health checks were conducted.

	2021	2022	2023
Number of health checks	437	470	471
Inspection rate	97%	96%	98%

The Risk Assessment of Coronary Heart Disease Model (Framingham Risk Score) in ATPIII Framingham for Overwork

- In 2023, 92% of the subjects classified as medium to high risk were successfully tracked. Out of a total of 38 screened subjects, 3 have already resigned from their positions. We are currently actively monitoring 35 subjects.

	2021	2022	2023
Achievement Rate	77%	78%	92%

Health and Maternity Protection

To address issues related to preventing overwork, protecting mothers, personal factors, and unlawful infringement in compliance with the Occupational Safety and Health Act, DFI has implemented a comprehensive health management program with employees as the primary focus. This program has successfully achieved health management protection and goals.

Maternity Protection

- 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 and is staffed by a factory nurse who is available for consultation at any time. 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 colleagues who are pregnant or within one year of giving birth. Implement necessary health protection and care management for female employees who are pregnant, within one year of giving birth, or breastfeeding. A total of 7 people will be covered in 2023.
- Maternity allowance:** To acknowledge the dedication of new parents, a maternity allowance of NT\$6000 per birth is granted.
- Statistics on parental leave applications and retention after returning to work:** 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.)



Health Promotion Program

Employee Health Promotion Program

- In 2023, a total of 20 health column EDMs were published, and 1 health lecture was organized. In addition, 12 health promotion activities were organized to comprehensively take care of employees' physical and mental health.
- Complete 12 on-site health service care visits by 2023.

On-site Health Services	Xizhi, Xintai	Taoyuan Guishan	Xindian Baoqiao	Consultation Count: Subtotal
Management and follow-up consultation for abnormal health examination results in 2022	18	17	4	39
Third-level management reassessment of special health examination (lead operation) in 2022	-	1	-	1
Maternal Health Protection Program (including 1 foreign national + 2 returning to work)	4	3	-	7
Follow-up care after investigating workplace misconduct incidents	-	2	-	2
Employee appointment counseling service	1	-	-	1
Occupational health disease records and consultation	-	1	-	1
Identify and evaluate occupational hazards that affect the physical and mental well-being of employees in the workplace environment, operations, and internal organization, and make recommendations for implementing improvement measures.	-	-	1	1
Total number of employees	1			52

- Based on employee health concerns, five major health promotion plans have been proposed, and detailed operational activities have been implemented.

Categories	Schedule	Operations
Health Promotion Program I	DTH: Wednesdays DTY: Tuesdays and Thursdays DTS: Online reservation	<ul style="list-style-type: none"> Health Services: blood pressure measurement, basic wound care, and other services for employees. Health Consultation: Offering online appointment booking for employees and providing health-related education, medication knowledge, and medical assistance.
Health Promotion Program II	Weekly	Delivering EDMs with relevant knowledge about health and diseases to all employees.
Health Promotion Program III	On-site Health Services	<p>Providing on-site health services by collaborating with physicians:</p> <ul style="list-style-type: none"> Employee health check management and follow-up interviews and support. Interviews and support for employees who are pregnant or within one year after childbirth. Interviews and support for employees at risk of diseases due to abnormal workloads. Ergonomic management and control of musculoskeletal injuries. Assisting employers in assigning suitable tasks for employees. Other items that need to be carried out in accordance with regulations.
Health Promotion Program IV	Health Seminar	<ul style="list-style-type: none"> Provide online questionnaire surveys on stress relief and health promotion topics. Based on the survey results, select the topics that colleagues are interested in and use them as the themes for health lectures. Health seminars conducted by on-site service physicians, nurses, professional lecturers, etc., for colleagues.
Health Promotion Program V	Health promotion activities	<p>Health promotion:</p> <ul style="list-style-type: none"> Annual health check-ups organized by the Company. Blood Donation (Co-organized with Health Center). Hiking (Organized by Welfare Committee).

Caring for Society

“Realizing the true beauty of a technology-driven life” is DFI's corporate vision that extends to local communities. Complying to the core values of “caring and contributing,” DFI combines the compassion of its employees with the core competitiveness of the company. By participating in local care projects and employee-initiated activities, DFI actively fulfills its commitment to give back to society.

Charitable Sponsorship

Sponsoring charitable activities organized by the BenQ Foundation

DFI is committed to philanthropy. In 2023, we will donate NT\$2.5 million to the BenQ Foundations. By aligning the foundation's core values with our internal resources, we aim to bridge the urban-rural divide, promote ecological conservation, and actively support all segments of society. We are committed to fulfilling our corporate social responsibility to contribute to society.



Caring for Society

Technology for people: Happy Bus Transforms Rural Distances

DFI will implement the plan by putting people first and fostering a culture of compassion. In 2023, DFI also received the TSAA Award. To fulfill its social responsibility, a company should not only donate goods and money, but also strengthen its commitment to social welfare and engage in long-term planning to address the needs of the community. DFI is committed to supporting the Taoyuan City Government's Department of Transportation's "Bus for Happiness" transformation project. By integrating our core competencies, innovative R&D technology, and collaboration with partners, our goal is to improve transportation in remote areas and provide rural residents with better access to their homes.

DFI understands the importance of a safe ride home. To address the issues of equipment vibration caused by rough road conditions, unstable power supply, and temperature fluctuations, DFI has conducted extensive research and development of its vehicle system. This commitment to reliability ensures the safety of drivers and passengers while improving transportation and quality of life for residents of Fuxing District.



“ The Company's core competency is providing vehicle systems that improve transportation in remote areas, making the journey home easier for rural communities. ”



DFI has received **GOLD** in the TSAA Award

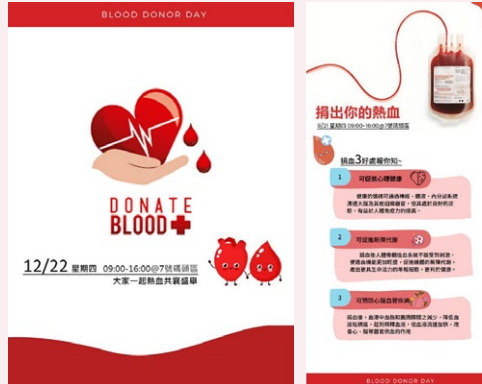


DFI will use this success as a model and continue to develop business strategies based on sustainability and human-centered principles. We are committed to replicating this success and bringing happiness to every corner to achieve the true essence of technology-driven life.

Employee Participation

Blood Donation for Happiness Campaign

"One bag of blood donated, one life saved." DFI cooperated with Qisda Group to participate in a blood donation event, demonstrating practical care for society and encouraging colleagues to engage in social welfare. By organizing blood donation activities, it also promotes employee well-being and fosters a culture of health sharing, ensuring that love and life endure.



Visually Impaired Messages and Healthcare - Eden Foundation

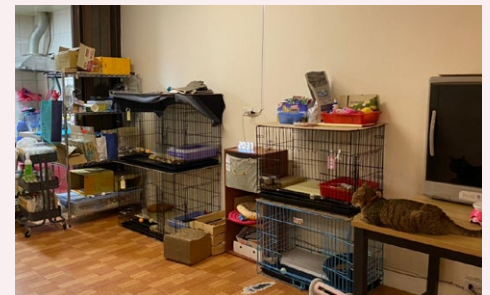
DFI is committed to both the well-being of its employees and to making a positive impact on society. In partnership with the BenQ Qisda Group and the Eden Foundation, DFI organizes massage and wellness programs. In addition to donations, providing employment opportunities for people with disabilities is a preferred option. This activity allows colleagues to relax their muscles and relieve emotional stress, while creating employment opportunities for the visually impaired. This not only promotes employee well-being, but also stimulates economic activity, thereby fulfilling corporate social responsibility.



Highlights of Activities in the Offices of Xizhi, Taoyuan, and Xindian

Volunteer club - Xizhi Cat Lovers' Planet

DFI encourages and supports colleagues to participate in various public welfare activities. Internally, a group of like-minded animal lovers who have a caring attitude toward animals have come together and formed the DFI Xizhi Cat Lovers' Planet Volunteer Club in cooperation with Xizhi Midway Home's "Feliformia". Volunteers regularly organize a volunteer day to help clean the cat house, train cats, and facilitate adoptions. They also plan activities to give children the opportunity to experience being a volunteer for a day. The goal of this initiative is to foster compassion for animal life in children and plant a seed of love. Through this process, children learn to respect all living beings, develop empathy, and contribute to economic vitality while fulfilling corporate social responsibility.



Supporting Small-Scale Farming

To promote agricultural development in Taiwan and encourage young farmers to adopt organic, natural farming methods, DFI has partnered with Buy Directly From Farmers Co., Ltd. starting in 2022. In addition to actively supporting small-scale agricultural production and promoting locally friendly agricultural products, DFI will also organize seasonal agricultural lectures to enhance employees' understanding of food, agriculture, and the journey of crops from the farm to the table. This initiative aims to promote recognition and support for domestically produced agricultural products and environmentally friendly farming practices, ultimately achieving sustainability between people and the environment.



Crops	Pingtung Aiwen Mango	Tainan Madou Pomelo	Taichung Fushoushan "Hui" Apple	Total
Assist Producers and Collaborators (person)	9	9	6	24
Quantity of Purchase (kgs)	251.8	468	150	869.8
Purchase Amount (in NT\$)	52,105	60,830	26,548	139,483
Reduced Carbon Emissions (tCO ₂ e)	0.2	0.3	2,310,487.8	2,310,488.53

Note: The data source is provided by "Buy Directly From Farmers Co., Ltd."

Cultivating a Vegetable Garden Project - Yue Guang Rice

To strengthen our social commitment and develop more sustainable initiatives, DFI not only promotes and supports locally grown agricultural products, but also plans to launch the "Grow a Table of Dishes" project in 2023. By establishing long-term partnerships with farmers, we will unite our colleagues to support farmers in 2024 by actively participating in the production process and addressing the challenges posed by natural fluctuations.



Due to climatic and environmental factors, the yield of Taiwanese fragrant rice is low and susceptible to lodging. Successful cultivation of Taiwanese fragrant rice is rare. To support the local cultivation of fragrant rice, DFI is taking steps to encourage farmers to grow it. This will also provide farmers with an additional option for rice cultivation, thereby enriching the variety of excellent food on our tables.

Food is no longer just a commodity on store shelves; it is the result of the hard work and dedication of farmers and their families, as well as a gift from nature. "The Grow a Table of Dishes program aims to strengthen the connection between friends, the land, farmers and the environment, and to take collective responsibility for the impact of food and environmental change."



Source: [Buy Directly From Farmers Co., Ltd](#)

Nurturing the Earth

No Harm to Biodiversity

Within DFI's jurisdiction, we do not own, lease, or manage any factories located within ecological reserves or water resource protection zones. We do not engage in activities that would have a negative impact on biodiversity. Throughout our product manufacturing and service processes, we ensure that there is no negative impact on environmental ecology.

Supporting Biodiversity Cultivation

Green Party - Tree Planting Green Carnival

In celebration of Arbor Day, DFI actively participated in the Green Carnival organized by Qisda Group. Despite the intense heat, the dedicated DFI colleagues worked together to plant 5,000 saplings, demonstrating great unity and cooperation. In addition to the tree planting campaign, all on-site exchanges are paperless. Various promotional materials can be recycled and reused, and attendees are encouraged to bring their own eco-friendly containers to support efforts to reduce plastic waste. Through these actions, we aim to demonstrate our commitment to the environment and help create a better ecological landscape.



Volunteer Trip - Caring for the Earth, Promoting Biodiversity

In addition to continuing to donate to support the BenQ Foundation, DFI actively participates in the foundation's "Friendly Earth" activities. Through concrete actions, we adopt environmentally friendly farming practices, refrain from using chemical fertilizers and herbicides, and actively strive to create a healthy and non-toxic environment, thus contributing our efforts to nurturing a friendly earth. DFI recognizes the inextricable link between individuals and the environment. To encourage colleague involvement in various volunteer activities, we have implemented the "Volunteer Leave" policy starting in 2022. Colleagues who participate in volunteer activities may be granted leave with the approval of their department supervisor, thus demonstrating the company's unwavering support.

6/3 Taoyuan Zhuwei Ocean Conservation, Inviting You +1

8/5 Yilan Zhuangwei Ocean Conservation, Inviting You +1

11/18 Miaoli Tongluo Hand picking Chrysanthemums in full bloom in late autumn, exploring the cultural landscape of Tongluo

7/22 Taichung Dajia Ocean Conservation, Inviting You +1

8/12 Miaoli Tongluo Visit the Hometown of Jujubes and Participate in the Harvest of the Gonguan Jujubes

Group Beach Cleanup

Volunteer Excursion

BenQ Foundation
benqfoundation.org

Mountain Cleanup - Green Connection, Protecting the Environment and Mountains

In addition to participating in the BenQ Qisda beach cleanup in 2023, DFI aims to promote the connection between environmental protection and fitness by encouraging colleagues to enjoy nature outdoors. In addition, DFI has planned for colleagues to use a fitness app to track the distance they walk and record their exercise progress. Taking a leisurely walk in the woods to experience the healing effects of phytoncides, relieving stress through walking, and having colleagues pick up litter along the way, lightening the burden in the mountainous area. A total of approximately 497 employees from DFI participated in this event, and about 7 tons of garbage were collected and removed from the mountains.



Encourage colleagues to bring their families to participate in mountain cleanup activities. This is an opportunity to educate and entertain while working together for a sustainable environment.



Recognize the top three colleagues who walk the most steps, using a competitive format to encourage colleagues to participate in walking for health.

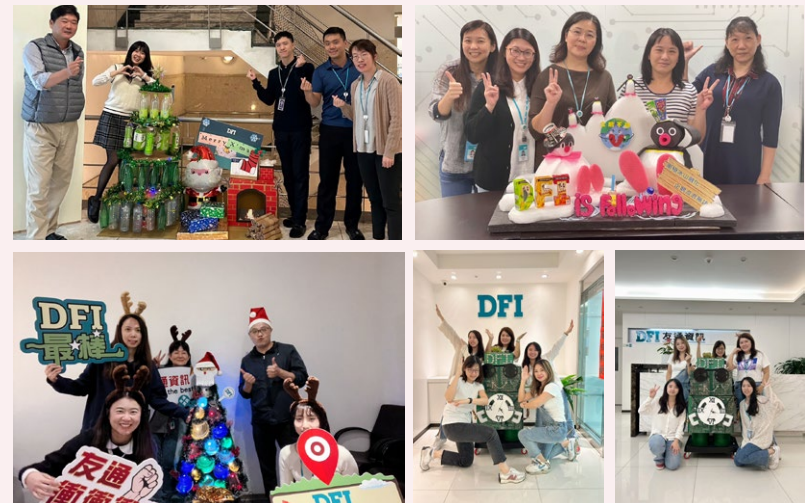


DFI Hiking Challenge

Cumulative Steps: 17,746,933
Converted distance: 11,903km
Equivalent to circling Taiwan 12.7 times

Waste Creation Design Competition - Creative Friends, Old Aid Action

To promote colleagues' awareness and commitment to the environment, DFI organized the "Creative Friends, Old Aid Action" Waste Creation Design Competition." This event aims to encourage waste reduction and resource regeneration while promoting concepts such as environmental protection, resource recycling, object preservation, and energy conservation. It also serves as a platform to inspire creativity and foster team spirit through collaborative competitions.



By organizing competitions, colleagues are encouraged to make environmental issues a priority. These contests promote teamwork and foster a sense of unity among colleagues.



Appendix

Sustainable development key quantitative performance metrics (103)

GRI Standards comparison table (107)

SDGs comparison table (110)

SASB comparison table (111)

TCFD comparison table (112)

Certificate (113)



Sustainable Development Key Quantitative Performance Metrics

Sustainable development key quantitative performance metrics 2021-2023

Corresponding Chapters	Topics	Item	2021	2022	2023	Note	GRI disclosure
Financial Performance	Economic value	Consolidated revenue (in NT\$ thousands)	13,312,180	16,189,529	9,184,172	in NTD	201-1
	Economic value	Earnings after tax attributable to owners of the parent company (in NT\$ thousands)	575,471	603,957	388,016		201-1
Green Products	Number of patents	Cumulative number of patents acquired	25	26	27	According to the Taiwan Patent Search System	-
Green Operation	Total raw material usage	Tin (paste, bar, wire) (kg)	6,453	8,615	5,052		301-1
	Total raw material usage	Tin paste (kg)	2,832	2,860	1,750		301-1
	Total raw material usage	Tin bar (kg)	3,545	5,700	3,242		301-1
	Total raw material usage	Tin wire (kg)	76	55	60		301-1
	Total raw material usage	Soldering flux (gallons)	1,285	1,250	670		301-1
	Direct energy consumption	Gasoline (tons)	0.452	3.614	1.016		302-1
	Direct energy consumption	Diesel (tons)	5.135	0	0.148		302-1
	Indirect energy consumption	Procured Electricity (10 GWh)/(J)	0.5612/2.02032*10 ¹³	0.6526/2.34936*10 ¹³	0.6094	1 kWh=3.6 x 10 ⁶ J	302-2
	Total water consumption	Domestic water usage (tons)	29,393	22,155	23,421		303-2
Carbon Management	GHG emissions	Direct GHG emissions (tons of CO ₂ e) (Scope 1)	484.2737	164.8466	150.2631		305-2
	GHG emissions	Indirect GHG emissions (tons of CO ₂ e) (Scope 2)	2,817.3846	3,321.9431	3,114.4308		305-2

Corresponding Chapters	Topics	Item	2021	2022	2023	Note	GRI disclosure
Carbon Management	GHG emissions	Total GHG emissions (tons of CO ₂ e)	3301.6583	3486.7897	3,264.6939	Only includes emissions from Scope 1 and Scope 2. The operational boundary for 2021 is the Farglory Headquarters in Xizhi, Xizhi Plant (now closed), and the Taoyuan Plant, and for 2022 is the Farglory Headquarters in Xizhi, Taoyuan Plant (including the new Bade Warehouse), and Xindian R&D Office.	305
	GHG emissions	Indirect GHG emissions (tons of CO ₂ e) (Scope 3)	-	14,379.89	1,108.6164	Calculation of carbon emissions for Categories 3 to 6, impacted by changes in verification methodology (boundary adjustments and coefficient conversion).	305-3
Financial Performance	Environmental performance in protection and management	Production value (in NT\$100 millions)	46.0333	64.2354	48.7052	in NTD	-
	Environmental performance in protection and management	Production quantity (1000 units)	789	1,025	748		-
Green Operation	Environmental performance in protection and management	Electricity consumption per NT\$100 millions output (MWh)	121.9117	101.6423	125.1202		305-4
	Environmental performance in protection and management	Water consumption per NT\$100 millions output (tons)	638.5262	344.896	480.8727		305-4
	Environmental performance in protection and management	GHG emissions per NT\$100 millions output (tons)	71.7233	54.2814	67.0297		305-4
	Waste	Total waste (tons)	362.2115	117.2000	127.1333		306-3~5
	Waste	Total recyclable waste (tons)	336	43.87	45.483	<ul style="list-style-type: none"> Recycle waste disposal in 2023: R-2408 activated carbon waste: 1.96 metric tons 2023 material usage for recycling: R-0601 wastepaper: 19 tons, R-0201 waste plastic: 24.523 metric tons 	306-3~5
Waste	General waste - domestic solid waste (tons)	59.74	69.79	73.1313	Incineration	306-3~5	

Corresponding Chapters	Topics	Item	2021	2022	2023	Note	GRI disclosure
Green Operation	Waste	Total hazardous waste (tons)	0.459	3.54	6.119	<ul style="list-style-type: none"> Thermal treatment in 2023 (excluding incineration): C-0301 Waste liquid with flash point below 60°C (excluding alcoholic waste with ethanol concentration below 24%): 3.04 metric tons. Physical treatment in 2023: E-0217 waste electronic components, offcuts, and defective products: 0.679 metric tons E-0221 waste printed circuit boards with metal and their scraps: 2.4 metric tons. 	306-3~5
	Waste	Non-hazardous waste (tons)	25.7525	0	2.4	Overseas disposal in 2023: D-2527 does not include 0.8 metric tons of mixed metal waste that meets the criteria for hazardous industrial waste in Appendix 2. D-0299 does not include 1.6 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)	2,972,777	3,760,558	8,926,309	In 2023, a new solar module equipment was added to the Taoyuan factory at a cost of NT\$6,058,500.	-
Employee Status	Total number of employees	Taiwan	604	661	629		401-1
Employee Safety and Environment	Safety and health management performance	Disabling injury frequency rate (FR)	0.81	0.79	1.6	FR = (Total number of disabling injuries * 10 ⁶) / Total work hours, rounded to the third decimal place.	403-2
	Safety and health management performance	Disabling injury severity rate (SR)	2	0	2	SR = (Total lost workdays due to disabling injuries * 10 ⁶) / Total work hours, rounded to the nearest whole number.	403-2

Corresponding Chapters	Topics	Item	2021	2022	2023	Note	GRI disclosure
Employee Safety and Environment	Safety and health management performance	Total injury frequency-severity index (FSI)	0.04	0	0.05	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)	19.63	4.94	25.52		404-1
	Average training hours per employee (hours/person)	Indirect labor (IDL, Taiwan)	9.37	11.91	32.45		-
Human Rights Management	Human Rights Management	Discrimination incidents	0	0	0		406-1
	Human Rights Management	Number of human rights complaints	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 laws related to the social dimension	Amount of political contributions	0	0	0		415-1
	Political contributions, violations of laws related to the social dimension	Significant fines and number of legal violations	0	0	0		419-1
Commitment to Clients	Customer satisfaction survey results	Overall satisfaction (scale)	3.25	3.35	3.48	Very satisfied (4 points), satisfied (3 points), dissatisfied (2 points), very dissatisfied (1 point)	-
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)	122	51	47		-

GRI Standards Comparison Table

※ All GRI indicators have been verified by a third party and have received Type 1 Moderate Assurance.

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	Sustainable Supply Chains	●
	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	○
	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	○

Item	GRI	Description	Corresponding Chapters	Material topic
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-Capital Relationship	●
Strategies, policies and practices	2-22	Statement on sustainability strategies	Support from Leadership Corporate Sustainable Development	○
	2-23	Policy commitment	Support from Leadership Corporate Sustainable Development	○
	2-24	Included in policy commitment	Support from Leadership Corporate Sustainable Development Stakeholder communication	○
	2-25	Procedures for addressing negative impacts	Corporate Sustainable Development Risk Management	○
	2-26	Mechanisms for seeking advice and raising concerns	Corporate Sustainable Development Stakeholder communication	○
	2-27	Regulatory compliance	Legal Compliance	○
	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	Significant
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, TCFD comparison table	○
	202-1	Ratio of standard wages for non-managerial staff of different genders to the local minimum wage	Good Labor-Capital Relationship	●
	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	Caring for society, fostering a friendly environment	○
	203-2	Significant indirect economic impacts	Stakeholder communication	○
	204	Procurement practices	Sustainable Supply Chains	●
	205-2	Communication and training on anti-corruption policies and procedures	Code of Conduct	○
Environment	302-1	Energy consumption within the organization	Green Operation	○
	302-3	Energy intensity	Green Operation	○
	302-4	Reduce energy consumption	Green Operation	○
	303-4	Water discharge	Green Operation	○
	303-5	Water consumption	Green Operation	○
	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	○

Item	GRI	Description	Corresponding Chapters	Significant
Environment	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	Green Operation	●
	306-3	Waste generation	Key Quantifiable Performance Indicators for Green Operations and Sustainable Development	●
	306-4	Disposal and transfer of waste adopting environmental standards for screening new suppliers	Key Quantifiable Performance Indicators for Green Operations and Sustainable Development	●
	306-5	Direct disposal of waste	Key Quantifiable Performance Indicators for Green Operations and Sustainable Development	●
	307	Compliance with environmental protection regulations	Compliance with the law and green operations	○
	308-1	Adopting environmental standards to screen new suppliers	Supply Chain Management	●
	308-2	Environmental impact of the supply chain and actions taken	Supply Chain Management	●
Society	401-1	New hires and employee turnover	Employee Status	○
	401-2	Benefits provided to full-time employees (excluding temporary or part-time employees)	Happy and Healthy Workplace	●

Item	GRI	Description	Corresponding Chapters	Significant
Society	401-3	Parental leave	Good Labor-Capital Relationship	○
	402-1	Labor-capital relationship	Good Labor-Capital Relationship	○
	403-1	Occupational health and safety	Employee Safety and Environment	●
	403-2	Hazard identification, risk assessment, and incident investigation	Employee Safety and Environment	●
	403-3	Occupational health services	Happy and Healthy Workplace	○
	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	Happy and Healthy Workplace	○
	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	○

Item	GRI	Description	Corresponding Chapters	Significant
Society	404-3	Percentage of employees undergoing regular performance and career development reviews	Good Labor-Capital Relationship	○
	405-1	Diversification of governance body and employees	Employee Status	○
	405-2	Ratio of female to male in basic salary and remuneration	Good Labor-Capital Relationship	●
	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	Quality Management	○
	417-2	Incidents of non-compliance with regulations on information and labeling of products and services	Quality Management	○
	418-1	Customer privacy	Commitment to Clients	●
	419-1	Compliance with socio-economic regulations	Legal Compliance	○

SDGs Comparison Table

SDGs	Description	Corresponding Chapters
 1 NO POVERTY	DFI provides its employees with appropriate remuneration and multiple allowances, supporting transportation in rural areas to reduce wealth disparity.	Good Labor Capital Relations Caring for Society
 2 ZERO HUNGER	DFI supports agricultural products from rural small-scale farmers, provides employees with quality meals, and strives for shared prosperity and well-being in society.	Caring for Society
 3 GOOD HEALTH AND WELL-BEING	DFI offers its employees comprehensive health services and benefits, as well as develops products suitable for improving medical environments.	Happy and Healthy Workplace
 4 QUALITY EDUCATION	DFI provides employees with ample opportunities for continuing education and diverse learning services, with various club activities for family education.	Learning and Development
 5 GENDER EQUALITY	DFI promotes gender equality and diversity, providing equal employment and promotion opportunities to reduce gender gaps.	Good Labor Capital Relations Legal Compliance Human Rights Management
 6 CLEAN WATER AND SANITATION	DFI's factories do not extract groundwater, have comprehensive wastewater treatment measures, and implement water conservation practices in day-to-day operations.	Green Operation
 7 AFFORDABLE AND CLEAN ENERGY	DFI adopts solar energy and promotes the development of renewable energy while continuously advocating for energy efficiency and emissions reduction.	Green Operations Climate Strategy and Carbon Management
 8 DECENT WORK AND ECONOMIC GROWTH	We provide a safe and fair working conditions and create employment opportunities to foster sustainable economic growth.	Financial Performance Human Rights Management Employee Profile Employee Safety Environment Green Operations
 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	DFI promotes industry innovation, continuously develops efficient and energy-saving IPCs, and drives industrial automation.	Corporate Sustainable Development Green Products

SDGs	Description	Corresponding Chapters
 10 REDUCED INEQUALITIES	DFI creates fair employment opportunities and remuneration systems to reduce social and economic inequality.	Human Rights Management Good Labor Capital Relations Happy and Healthy Workplace
 11 SUSTAINABLE CITIES AND COMMUNITIES	In view of urban sustainability issues, DFI utilizes professional expertise to promote smart factories and electric vehicle equipment, fostering social sustainable development and improving quality of life.	Corporate sustainable development Green Products Green Operations Social Care
 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	DFI advocates for green design and the concept of circular economy, reducing resource consumption and environmental impact during product manufacturing and usage stages.	Green Operations Quality Management Green Products Sustainable Supply Chain Social Responsibility Environmentally Friendly
 13 CLIMATE ACTION	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.	Leadership Support Corporate Sustainable Development Climate Strategy and Carbon Management Carbon Footprint
 14 LIFE BELOW WATER	DFI provides marine monitoring system products to protect vessels at sea and reduce marine waste generation. DFI also organizes beach cleaning events to protect the marine environment.	
 15 LIFE ON LAND	DFI values environmental protection and requires its supply chain to avoid the use of hazardous materials in research and development. We organize mountain cleaning and tree planting activities to promote biodiversity.	Sustainable Supply Chain Environmentally Friendly
 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	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 Chain
 17 PARTNERSHIPS FOR THE GOALS	DFI provides products to international partners through collaborative relationships and works with the Group to achieve sustainable development goals, sharing knowledge and resources.	Customer Commitment Sustainable Supply Chain

※ DFI's product lines align with the Sustainable Development Goals (SDGs). Please refer to the Corporate Sustainability Development section (P.13) for details.

SASB Comparison Table

Technology and Communication - Hardware Disclosure Metrics

Disclosure Themes	Metric Numbering	Nature	Disclosure Metrics	Remarks	Corresponding Chapters															
Product Security	TC-HW 230a.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 2023, 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 16.51% of standard product sales.	Green Products															
Materials Sourcing	TC-HW 440a.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 border="1"> <thead> <tr> <th>Company</th> <th>Board</th> <th>System</th> <th>Others</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>DFI</td> <td>669</td> <td>79</td> <td>0</td> <td>748</td> </tr> <tr> <td>AWN</td> <td>240</td> <td>61</td> <td>15</td> <td>316</td> </tr> </tbody> </table>	Company	Board	System	Others	Total	DFI	669	79	0	748	AWN	240	61	15	316	Sustainable Development
	Company	Board	System	Others	Total															
	DFI	669	79	0	748															
AWN	240	61	15	316																
TR-AP-000.B	Quantitative	Total area of manufacturing facilities.	7567.3 m ² (including 3800 m ² on the third floor of the headquarters, 2123.6 m ² on the first floor of the headquarters, 203.6 m ² mezzanine on the second floor of the headquarters, and 1440 m ² on the second to fourth floors of the interview building)	Key Quantitative Performance Metrics																
TR-AP-000.C	Quantitative	Percentage of production from owned facilities.	All production comes from owned facilities.	Key Quantitative Performance Metrics																

TCFD Comparison Table

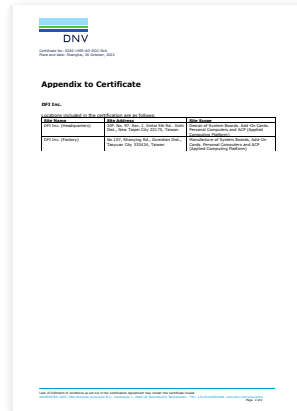
	Description	Corporate Management	Corresponding Chapters
Governance	Discloses how the organization manages climate-related risks and opportunities.	<ul style="list-style-type: none"> • Describes the Board's supervision of climate-related risks and opportunities. • Describes the role of management in assessing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

※ or the climate risk and opportunity correlation diagram and details on climate risk identification and response, please refer to the Risk Management section (P.70).

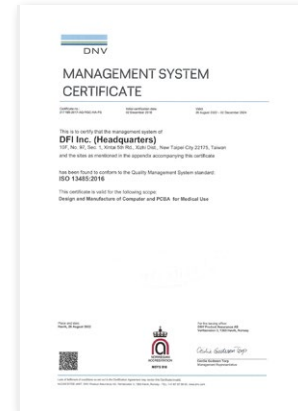
Certificate

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

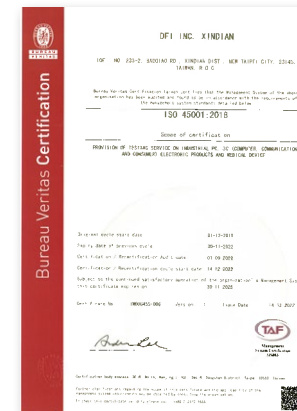
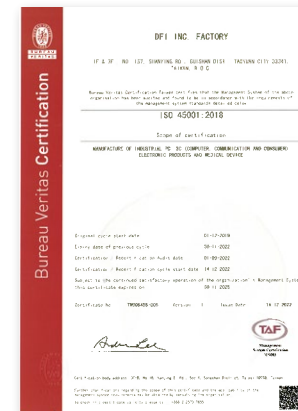
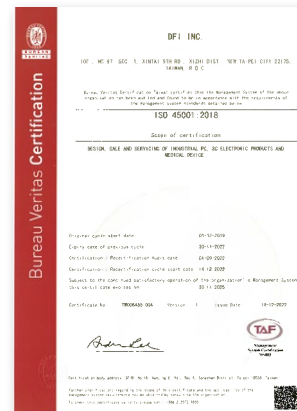
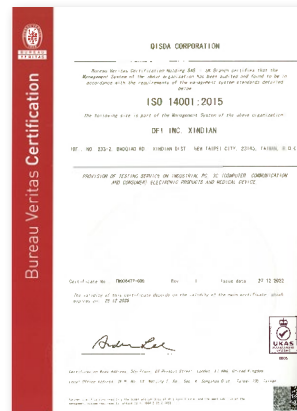
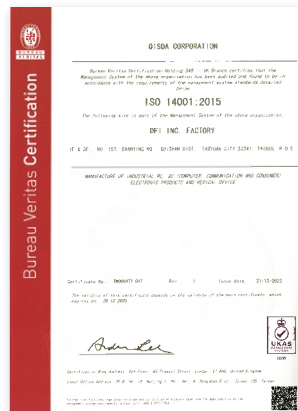
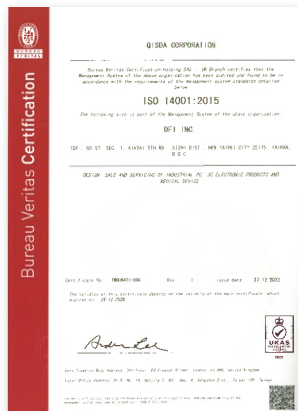
ISO 9001 Certification



ISO 13485 Certification

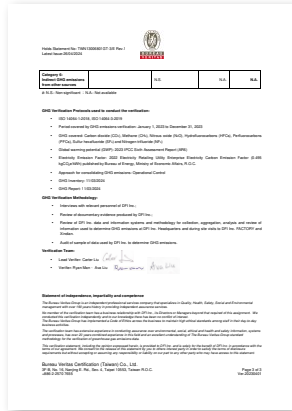
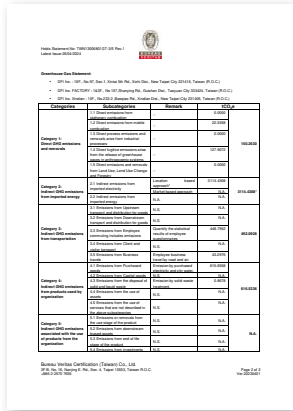


ISO 14001 & 45001 Certification

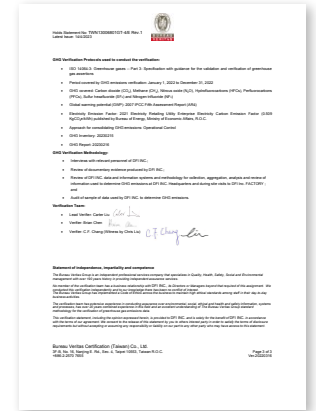
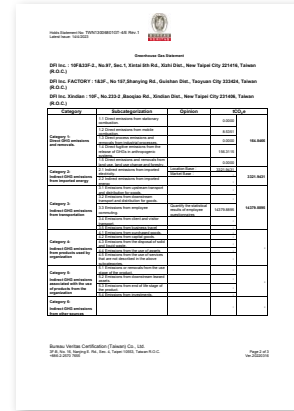


ISO 14064-1 Certification

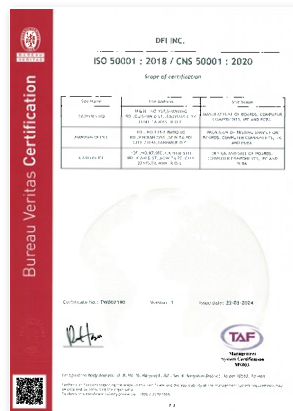
2023



2022




ISO 50001 Certification



QC 080000 Certification



GRI



INDEPENDENT ASSURANCE STATEMENT

To: The Stakeholders of DFI INC.

Introduction and objectives of work

Bureau Veritas Certification Taiwan has been engaged by DFI INC. to conduct an independent assurance of its DFI INC. 2023 ESG Report. This Assurance Statement applies to the related information included within the scope of work described below.

This information and its presentation in the DFI INC. 2023 ESG 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.


Scope of work


The assurance process was conducted in line with the requirements of the AA1000 Assurance Standard V3, Type 1 - Accountability Principles engaged. The scope of work included:

- Data and information included in DFI INC. 2023 ESG Report for the 1st January, 2023 to 31st December, 2023.
- Appropriateness and robustness of underlying reporting systems and processes, used to collect, analyse and review the information reported.
- Evaluation of the Report against the main principles of the AA1000 Accountability Principle (2018)¹
 - Inclusivity
 - Materiality
 - Responsiveness
 - Impact
- Evaluation of the Report against the principles of Stakeholder Inclusiveness, Sustainability Context, Materiality, Completeness, Balance, Comparability, Accuracy, Timeliness, Clarity, and Reliability, as defined in the GRI Sustainability Reporting Standards.

The levels of assurance have been applied as Moderate assurance.

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

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Methodology

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

- Interviews with relevant personnel of DFI INC.;
- Review of documentary evidence produced by DFI INC.;
- Review performance data listed in report with sampling basis;
- Visits to 3 site located in Taiwan (New Taipei City – Xuhf Headquarters, Xindian Office, Taoyuan City – Taoyuan Factory);
- Review of DFI INC. data and information systems for collection, aggregation, analysis and review.


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


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

Our findings

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

- The information and data included in DFI INC. 2023 ESG Report are accurate, reliable and free from material misstate or misstatement.
- The Report provides a fair representation of DFI INC.'s activities over the reporting period;
- The information is presented in a clear, understandable and accessible manner, and allows readers to form a balanced opinion over DFI INC.'s performance and status during the 1st January, 2023 to 31st December, 2023;
- The Report properly reflects the organisation's alignment to and implementation of the AA1000 Assurance Standard V3 principles of Inclusivity, Materiality, Responsiveness and Impact in its operations. Further detail is provided below;
- DFI INC. has established appropriate systems for the collection, aggregation and analysis of relevant information.

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Alignment with the principles of AA1000 Accountability Principle (2018)

Inclusivity

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 2023 covering a range of material topics such as Economic, Social and Environment.

Materiality

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.

Responsiveness

DFI INC. is responding to those issues it has identified as material and demonstrates this in its policies, objectives, indicators and performance targets. The reported information can be used by the organisation and its stakeholders as a reasonable basis for their opinions and decision-making.

Impact

DFI INC.'s management system can monitor, measure and be accountable for how their actions affect their broader ecosystems.

Report Structure

DFI INC. does fully provide the information to achieve the GRI Standards and SASB in accordance, and the performance indices do correspond and can be cross referenced to the content of relevant GRI Standards and SASB.

Key areas for ongoing development

Based on the work conducted, we recommend DFI INC. to consider the following:


- Encouraging the organization to communicate with non-important stakeholders can also be included in the survey of sustainability issues, which will help the organization to respond in an integrated manner. (RESPONSIVENESS)


Limitations and Exclusions

Excluded from the scope of our work is any assurance of information relating to:

- Activities outside the defined assurance period;
- Positional statements (expressions of opinion, belief, aim or future intention by DFI INC.) and statements of future commitment.

This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist within the Report.

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Statement of independence, impartiality and competence


Bureau Veritas is an independent professional services company that specialises in Quality, Health, Safety, Social and Environmental management with more than 195 years history in providing independent assurance services. Bureau Veritas 2023 full year revenues reached 5.9 billion euros. The Group's adjusted net profit for 2023 reached 930.2 million euros.



Bureau Veritas has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day to day business activities. We are particularly vigilant in the prevention of conflicts of interest.


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.

The assurance team has extensive experience in conducting assurance over environmental, social, ethical and health and safety information, systems and processes; has over years combined experience in this field and an excellent understanding of Bureau Veritas standard methodology for the Assurance of Sustainability Reports.

Bureau Veritas Certification Taiwan
3F, B. No. 16, Nanjing E. Rd., Sec. 4, Songshan District, Taipei 10553, Taiwan R.O.C.
30 April 2024



Technical Reviewer:  Date: 2024/4/30
Verifier:  Lily Chung Date: 2024/4/30

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DFI