Preface

Message from the President

In 2025, the global landscape continued to evolve rapidly. Geopolitical tensions, the pace of energy transition, technological advancement, and supply chain restructuring collectively reshaped the business environment. At the same time, differing perspectives on ESG and sustainability also emerged worldwide. With the inauguration of a new U.S. administration, greater uncertainty and discussion have arisen regarding the future direction of climate policy, sustainability disclosure, and corporate responsibility.

For BenQ Materials, however, sustainability has never been a short-term response to changing policy trends. Instead, it is a core driver of long-term competitiveness and corporate resilience. We firmly believe that meaningful sustainability practices are built upon proactive risk management, efficient resource utilization, and a long-term commitment to people and society.

Over the past year, BenQ Materials has continued to integrate ESG deeply into corporate governance and operational decision-making. From an environmental perspective, in addition to continuously strengthening energy management and implementing energy-saving and carbon-reduction initiatives, we further established Scope 3 greenhouse gas reduction targets to incorporate value chain emissions into our overall climate management framework. Meanwhile, through the operation of the Internal Carbon Fee Review Committee, we systematically embedded carbon cost considerations into equipment investment and R&D decision-making processes. By evaluating projects based on marginal abatement cost-effectiveness, we provided corresponding resource support and investment incentives, thereby enhancing consistency in low-carbon transition decision-making across the organization.

Beyond our ongoing efforts in climate governance and carbon reduction management, we continue to incorporate sustainability thinking into product development processes and promote the application of low-carbon products and circular materials. Throughout 2025, the Company continued to expand assessments for the introduction of recycled PET, process-recycled materials, and other circular raw materials. Through product lifecycle thinking, carbon reduction, resource efficiency, and circular design are incorporated into product development decisions. Concurrently, the Company continues to develop application solutions for recycled materials from electronic waste. Through circular innovation models such as e2cycle, recycled resources are reintroduced into the product value chain, gradually enhancing the environmental value and market competitiveness of products.

In terms of sustainability disclosure and performance, BenQ Materials maintained a B Level rating in both the Climate Change and Water Security questionnaires of CDP. In particular, our Climate Change score improved across multiple key dimensions, including value chain engagement, energy management, governance structure, and climate-related risk and opportunity identification, reflecting the continued advancement of our climate governance and management maturity. Furthermore, we have begun adopting the framework and assessment approach of the Taskforce on Nature-related Financial Disclosures (TNFD), progressively identifying our operational and value chain dependencies and impacts on nature.

We are also incorporating nature-related risks and opportunities into our broader sustainability risk management framework, laying the governance foundation for addressing biodiversity and natural capital issues in the future. From a social perspective, we continued to strengthen talent development initiatives by comprehensively enhancing employees' digital and AI capabilities, while further improving family-friendly and diversity, equity, and inclusion (DEI) workplace practices. New support measures, including leave benefits for employees with children entering elementary school, were introduced during the year. These efforts also led to our first recognition with the Family-Friendly Workplace Award presented by CommonWealth Magazine, demonstrating the practical implementation of our people-oriented values in both systems and corporate culture.

At the same time, we deeply recognize that Taiwan is facing long-term demographic challenges arising from a declining birth rate. This is not only a societal issue, but also one that directly affects future corporate competitiveness and operational resilience. As the available workforce gradually declines, companies must establish comprehensive talent development systems and supportive workplace cultures that enable employees to continuously learn and grow professionally amid rapidly changing industries. By strengthening employees' sense of identity and belonging, we can retain critical talent while continuing to attract the next generation of high-potential professionals, thereby reinforcing the foundation of BenQ Materials' long-term sustainable competitiveness.

In supply chain management, we continued to deepen engagement and alignment with our business partners. Through our annual supplier conference, we focused on key sustainability topics such as low-carbon transformation and circular collaboration, while recognizing suppliers with outstanding sustainability performance. At the same time, we once again reaffirmed our strong commitment to supply chain decarbonization and human rights issues, with the goal of working together with value chain partners to build a sustainable supply chain ecosystem characterized by responsibility, resilience, and long-term value creation. Regarding sustainability disclosure and overall ESG performance, BenQ Materials received multiple domestic and international recognitions during the year.

Notably, in the S&P Global Corporate Sustainability Assessment (CSA), our overall score increased significantly by 53% compared to the previous year, and we were selected for the Sustainability Yearbook for the first time. This achievement reflects the growing maturity of our ESG governance and management systems on a global scale.

Looking ahead, global ESG development will continue to evolve amid the combined pressures of climate transition, geopolitical shifts, and intensifying industrial competition. Sustainability is no longer merely a matter of compliance or disclosure; it will increasingly influence corporate investment decisions, technological capabilities, and value chain management. Under this trend, the key challenge for companies is not simply responding to external expectations, but continuously creating long-term value for society and future generations in an increasingly uncertain world.

Rooted in material science, BenQ Materials connects human well-being with planetary sustainability. We will continue strengthening climate risk governance, improving green manufacturing processes and resource efficiency, and actively expanding recycled material applications and circular economy strategies. Together with our employees, supply chain partners, and broader society, we aspire to build a sustainable future that is resilient, inclusive, and growth-oriented throughout the transformation journey.

Z.C. Chen
BenQ Materials Chairman & CEO

2 Sustainability Governance

- Sustainability Governance and Operations
- Stakeholder Engagement
- Materiality Identification and Analysis
- Management Approach for Sustainability Issues

Sustainability Governance and Operations

Sustainable Strategy Implementation Framework

BenQ Materials' Board of Directors serves as the highest governance body and oversees the Company's management of its impacts on the economy, environment, and people. To strengthen the Board's supervision of sustainability issues, the Company established the Sustainability Committee, a functional committee under the Board of Directors, in 2025. The Committee is convened by the Chairman and joined by independent directors. The Chairman is responsible for reviewing and overseeing major sustainability strategies and policies, risk and opportunity identification, annual targets, and performance results, and reports regularly to the Board of Directors.

At the management level, the Company has established the ESG Committee, under which five functional task forces are formed. Senior executives are responsible for promoting work related to sustainable materials and green products, green production, corporate governance and legal compliance, social participation, and employee care. Through material topic assessment, risk management mechanisms, and the promotion and tracking procedures of each functional task force, the Company continuously identifies, assesses, and manages actual and potential impacts on the economy, environment, and people. The ESG Committee generally meets quarterly to review the progress of each plan, target achievement, and implementation results, and continuously reviews the effectiveness of relevant management procedures.

In addition, the Company collects external issues of concern and recommendations through stakeholder engagement. The relevant responsible units compile such information and submit it to the ESG Committee and the Sustainability Committee as a basis for adjusting sustainability strategies, management priorities, and targets. The Sustainability Committee convenes at least once a year and may convene at any time as needed to assist the Board of Directors in reviewing sustainability-related management procedures and their implementation.

Task Organization	Main Goals		SDGs Alignment	Committee Member
Sustainable Supply Chain Team	Emphasizing Labor Rights Collaborating on Energy Saving and Carbon Reduction Increasing the Proportion of Green Procurement		13	Materials Logistics Division Senior Director
Product Life Cycle and Innovation Team	Developing Green Products and New Energy Technologies		13, 12, 9	Chief R&D OfficerVice President
Environmental Policy and Management Team	Increasing the Proportion of Green Factories Climate Change Response and Management Reduction and Circular Economy		12, 13, 6, 7	Manufacturing Improvement Center Senior Director
Social Care Team	**Internal**	Creating a Diverse, Equitable, and Inclusive Environment Employee Development and Talent Cultivation	10, 8, 2, 3, 4, 5	Human Resources Department Senior Director
	External	Supporting Local Agriculture Caring for the Underprivileged and Young Students Environmental Sustainability Actions		
Corporate Governance	Information Security Transparent and Responsible Governance Legal Compliance and Ethical Business Practices		16	Finance Center Senior Manager

Sustainable Governance Report to the Board

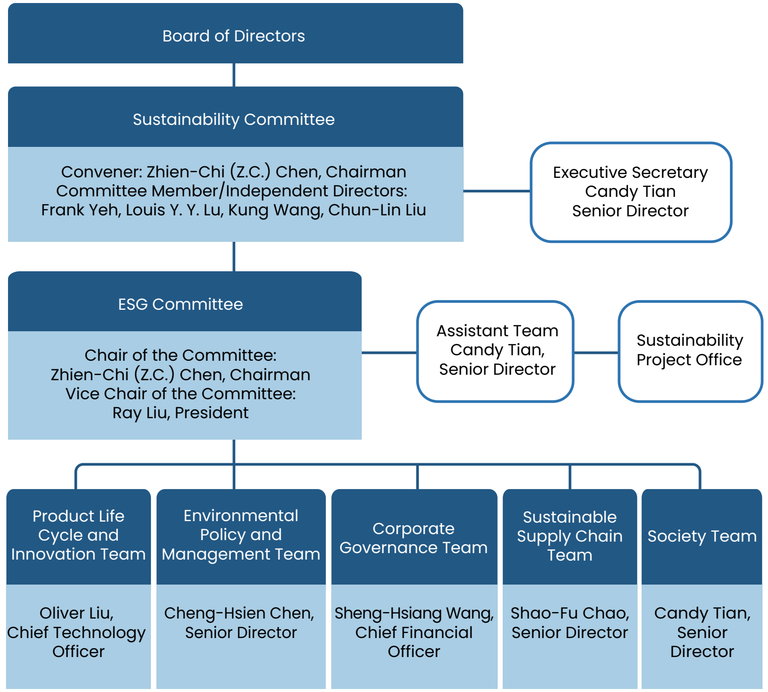
BenQ Materials has established an ESG Committee, with the Board of Directors responsible for overseeing the Company's ESG strategies and performance. The committee is required to report to the Board at least once annually on sustainability achievements and future plans. The Board provides supervision and strategic guidance accordingly. To further strengthen sustainability governance at the Board level, the Company formally established the "Sustainability Committee," a functional committee under the Board of Directors, at the end of 2025. The Committee is authorized by the Board to review and oversee major sustainability-related matters. Starting from 2026, the Sustainability Committee will regularly report to the Board of Directors in accordance with its duties, and the Board will formally manage and supervise sustainability strategies, goals, and performance through the committee operating mechanism.

In 2025, the Board of Directors focused on the following ESG-related oversight and recommendations:

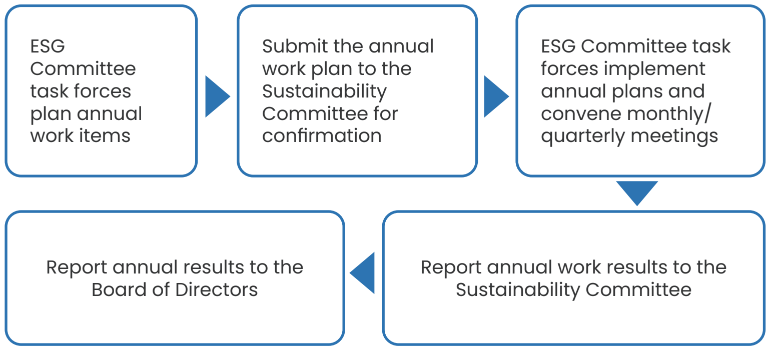
- Reviewed the Company's 2024 ESG performance, assessed progress toward sustainability goals, and provided improvement suggestions (Board meeting held on April 30, 2025)
- Accelerated the development of Scope 3 GHG data collection mechanisms, to align ESG targets with international standards.
- Monitored the implementation of green electricity procurement plans to ensure on-track progress toward the RE100 target of 100% renewable energy by 2040.
- Reviewed and approved the 2024 Sustainability Report, aiming to enhance disclosure quality and information transparency (Board approval granted on July 30, 2025).

Sustainable Development Goals

Since 2021, the ESG Committee of BenQ Materials has adopted internationally recognized ESG frameworks to systematically promote sustainability across three key dimensions: Environmental (E), Social (S), and Governance (G). Under this structure, the Company drives six core sustainability missions: Responsible Governance, Responsible Products, Environmental Sustainability, Partnership Engagement, Inclusive Workplace, and Social Care. Each mission aligns with relevant United Nations Sustainable Development Goals (SDGs) and material sustainability topics. The Company has established clear strategic pillars, sustainability performance indicators (KPIs), and short-, medium-, and long-term targets to ensure effective progress tracking and continuous improvement. In addition, for each strategic initiative, BenQ Materials is formulating quantifiable targets and implementation roadmaps, gradually building a comprehensive sustainability management and disclosure framework. These efforts aim to enhance organizational resilience and foster stakeholder trust.



Operational Procedures of the ESG Committee



BenQ Materials			Short-Term Goals				Medium-Term Goals	Long-Term Goals
Sustainability Mission	**Material Topic**	**Sustainability Indicators**	**2025 Target**	**2025 Result**	**Target Achievement Status**	**2026 Target**	**2027 Target**	**2030 Target**
Responsible Governance	**Corporate Governance**	Corporate Governance Evaluations	Top 6 to 20%	Top 6 to 20%	★	Top 6 to 20%		
	Business Ethics & Integrity	Zero Integrity Violations	Zero integrity-related incidents	Zero integrity-related incidents	★	Zero integrity-related incidents		
	Information Security	Data Security Guarantee	Zero material information security incidents	Zero material information security incidents	★	Zero material information security incidents		
Responsible Product	**Product Responsibility**	Carbon footprint reduction for key products, using 2020 as the baseline	↓ 30%	Achievement of 50% of the main products	▲	Existing items decreased by 35%	—	Existing items decreased by 55%
	Innovation Management	New Product Revenue Ratio	Increase year by year, reaching 20% in 2027	—	—	Increase year by year, reaching 20% in 2027	20%	Greater than 30%
	Quality Management	Overall Business Unit Customer Satisfaction (Score)	90 points	The overall achievement rate was 85.71%	▲	90 points		
	Product Safety and Marketing	Major violations related to marketing, product labeling, and instructions for use	Zero major violations	Zero major violations	★	Zero major violations		
Environmental Sustainability	**Climate Strategy**	Reduce greenhouse gas emissions (Scope 1 and 2), using 2020 as the base year	↓ 15%	↓ 20.61%	★	↓ 18%	↓ 21%	↓ 30%
		Reduce greenhouse gas emissions (Scope 3) compared with the previous year	○	○	—	↓ 2.5% per year		
		Increase the proportion of renewable energy	23.8	24.98%	—	Increase usage year by year	Increase usage year by year	50%
	Energy Management	Reduce energy consumption intensity (non-renewable energy), using the base year (2020) as the comparison basis	↓ 25%	20.51%	X	↓ 26%	↓ 28%	↓ 45%
		Annual reduction in energy consumption through employee actions	>1.5%	4.07%	★	>1.5%		
	Water Resource Management	Reduce water withdrawal intensity (non-recycled water), using the base year (2020) as the comparison basis	↓ 25%	21.78%	X	↓ 25%	↓ 26%	↓ 30%
		Enhance the water reuse rate	>95%	96.7%	★	>95%		
	Waste Management	Waste resource recovery rate	>77%	82.04%	★	>77%	>77.5%	>80%

BenQ Materials Sustainability Mission	Material Topic	Sustainability Indicators	Short-Term Goals				Medium-Term Goals	Long-Term Goals
			2025 Target	2025 Result	Target Achievement Status	2026 Target	2027 Target	2030 Target
Partnership	Sustainable Supply Chain	ESG audit completion rate for critical tier 1 suppliers	Complete the supplier ESG risk inventory and audit prioritization	Re-identify the list of critical tier 1 suppliers	★	Select high-risk vendors and conduct on-site audits	—	—
		Promote carbon management jointly with suppliers	↓ 5% per year	The target adjustment was set at a 3% annual decrease, with data collection expected to be completed in 2026	▲	↓ 3% per year		
Friendly Workplace	Talent Attraction and Retention	Average training hours per indirect employee (including other companies)	35 hours	43.9 hours	★	43 hours	45 hours	39 hours
		Key talent retention rate	90%	93%	★	90%		
	Diversity and Inclusion	Percentage of female supervisors at the section level and above	Greater than 30%	36.26%	★	Greater than 30%		
		ESG audit material deficiencies closure rate	◯	100%	★	100%		
Social Care Team	Social Impact	Total Procurement Volume under Taiwan Local Food Action Plan	5 metric tons	6.13 metric tons	★	Changed from total procurement volume to supporting at least 20 smallholder farmers	Supporting at least 20 smallholder farmers	
		Cumulative Beneficiaries of the Vision Care Program	2,650 attendees	2,895 attendees	★	Changed from the number of service visits to the eyeglass fitting rate ≥ 70%	Eyeglass fitting rate ≥ 70%	
		Number of STEM Education Outreach Sessions	5 sessions	6 sessions	★	5 sessions	6 sessions	
		Number of Environmental Sustainability Activities	3 sessions	3 sessions	★	15 sessions		

Note 1: " ★ " = Target achieved; " ▲ " = Partially achieved; "X" = Not achieved; " ◯ " = New strategic target established in 2026; " — " = No target set for the year and only the annual result is presented.
Note 2: average training hours of indirect employees and percentage of female supervisors at the section level and above cover subsidiaries; all other targets are set within the boundaries of BenQ Materials.

Progress in the Implementation of the IFRS Sustainability Disclosure Standards

BenQ Materials has planned to adopt the IFRS Sustainability Disclosure Standards (IFRS S1 and S2) and is gradually advancing related work in accordance with the implementation schedule prescribed by the competent authority. The implementation progress is as follows:

2025 to 2026 (Planning and Development Stage)	• Launch the IFRS Sustainability Disclosure Standards implementation project and establish a cross-departmental project team • Conduct a gap analysis for IFRS S1 and S2 to identify differences between current disclosures and the requirements of the standards • Plan the internal control system and division of responsibilities for sustainability information disclosure
After 2027 (Integration and Disclosure)	• Identify material sustainability and climate-related risks and opportunities in accordance with IFRS S1 and S2, and conduct scenario analysis • Establish climate-related quantification methods, including GHG inventory, as well as management indicators (KPIs) and targets • Continuously optimize sustainability data collection and disclosure processes, and gradually integrate them with financial information • Plan to incorporate IFRS sustainability disclosure information into the annual report to enhance information transparency

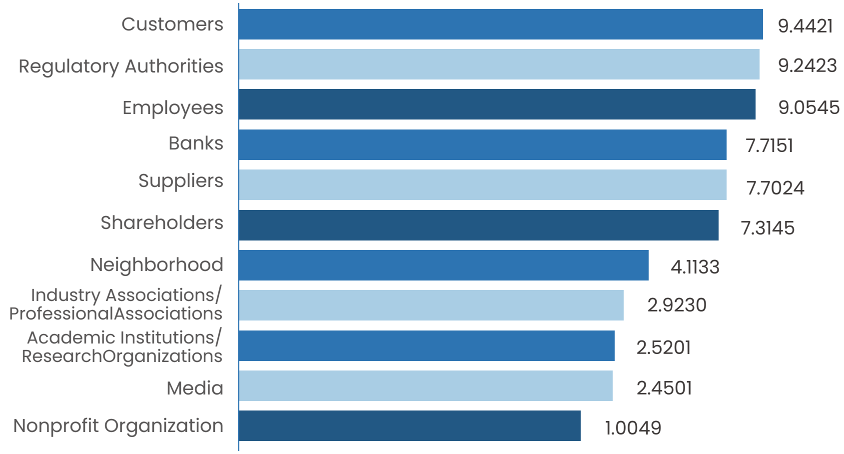
Stakeholder Engagement

Identification of Key Stakeholders

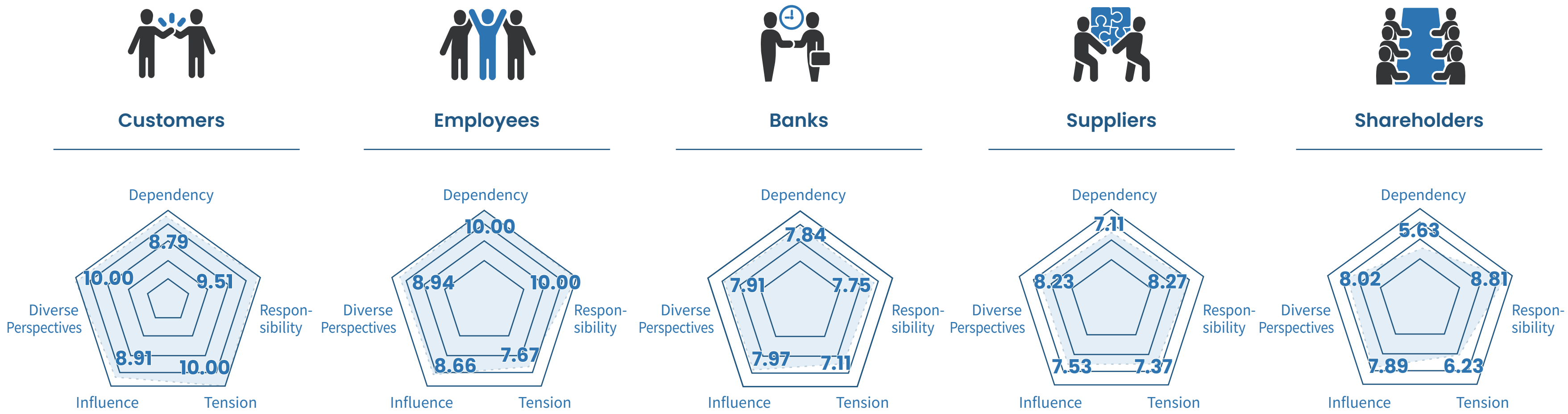
BenQ Materials follows the AA1000 SES Stakeholder Engagement standard, which includes five dimensions: accountability, influence, tension, diversity of perspectives, and dependency. In 2021, senior executives responsible for sustainability at BenQ Materials conducted evaluations and discussions to identify key stakeholders, ultimately determining five main categories: customers (including end customers), employees, banks, suppliers, and shareholders. Following a review conducted by the Sustainability Committee in 2025, it was confirmed that there were no significant changes to the stakeholder identification results. The key stakeholder categories remain consistent with those identified in the previous reporting year.

Note: Due to differences in engagement formats and methods of information access compared with other stakeholders, competent authorities are not currently included as direct engagement targets. However, the Company continues to understand its main issues of concern through regulatory compliance requirements, official policies, and supervisory interactions.

Comprehensive Stakeholder Identification Results



Key Stakeholder Evaluation by Five Dimensions



Key Stakeholder Engagement

BenQ Materials values the opinions and expectations of stakeholders. To continuously understand external concerns regarding the Company's sustainability issues, the Company has established a "Stakeholder Sustainability Materiality Topic Concern Survey" section on its official ESG website, allowing stakeholders to provide online feedback on their level of concern and suggestions regarding various sustainability issues. The survey results will be compiled and analyzed by the ESG Committee as a reference for materiality assessment, sustainability strategy, and annual target planning. The results will also be used to strengthen engagement mechanisms and guide resource allocation, ensuring that the Company's sustainability governance continues to respond to stakeholder concerns and external trends.

Stakeholder Type	Customers (including end users)	Employees	Banks	Suppliers	Shareholders
Significance to BenQ Materials	Customers are not only the source of revenue but also key partners in driving continuous innovation in products and technologies. BenQ Materials aims to collaborate with customers to advance sustainability performance.	Employees are the foundation of the Company's sustainable operations. BenQ Materials fosters a competitive and inclusive workplace to attract top talent and grow together toward future success.	Banks are a major source of operating capital in addition to capital market fundraising. Through close communication and engagement, BenQ Materials secures stable financing with competitive interest rates, ensuring sound business operations.	Through close collaboration with suppliers, BenQ Materials is able to deliver high-quality products and services to customers. Enhancing sustainable supply chain management and capabilities is a key objective for the next stage of development.	Responsible investment is gaining importance, and investor interest in BenQ Materials' sustainability performance continues to grow. Sustainability management and information transparency are core company priorities. Ongoing communication with shareholders and key investors regarding sustainability strategies and outcomes is crucial to long-term growth.
Key Topics of Concern	Business Ethics & Integrity Quality Management Innovation Management Sustainable Supply Chain Occupational Safety and Health	Quality Management Occupational Safety and Health Business Ethics & Integrity Human Capital Development Product Responsibility	Business Ethics & Integrity Waste Management Sustainable Supply Chain Information Security Air Pollution Management	Occupational Safety and Health Quality Management Waste Management Product Responsibility Business Ethics & Integrity	Business Ethics & Integrity Innovation Management Quality Management Waste Management Talent Attraction and Retention
Responsible Unit	Product Life Cycle and Innovation Team	Social Participation Team	Corporate Governance Team	Sustainable Supply Chain Team	Corporate Governance Team
Engagement Method/ Frequency	Customer satisfaction surveys (quarterly) Supplier audits conducted by customers (annually) Supplier conferences hosted by customers (annually)	Labor-management meetings (quarterly) Business briefings (quarterly) Welfare committee meetings (quarterly) On-site forums (irregular) Grievance mechanism for misconduct (available at any time) Employee feedback app (available at any time) GM Mailbox (available at any time) External whistleblower email (available at any time)	Bank visits and engagement (irregular)	Key supplier performance evaluations (semiannual) Supplier documentation audits (annually) On-site coaching and assessments (irregular) Briefings on hazardous substance management policies (irregular) Supplier conference (biennial)	Board and Audit Committee reports (quarterly) Annual General Shareholders' Meeting (annually) Investor conferences (quarterly) Market Observation Post System disclosures (irregular) Spokesperson system (irregular) Company website and investor mailbox (available at any time)
Engagement Outcomes	Customer satisfaction surveys (4 times) Supplier audits conducted by customers (1 time) Supplier conferences hosted by customers (1 time)	Labor-management meetings (4 sessions) Business briefings (4 sessions) Welfare committee meetings (4 sessions) Employee Feedback App: 100% case resolution rateConducted an employee engagement survey (Response rate: 85.3%)	Maintained close relationships with banks and secured the loan facilities required by BenQ Materials (including the syndicated loan linked to ESG performance indicators)	Key supplier performance evaluations (100%) Supplier documentation audits (100%) Held one supplier coaching workshop Conducted ESG audits of two companies Signature rate for hazardous substance management policies (100%) Held the supplier conference	Board and Audit Committee reports (5 times) Annual General Shareholders' Meeting (1 time) Investor conferences (4 times) Market Observation Post System disclosures (irregular) Spokesperson system (irregular) Company website and investor mailbox (irregular)

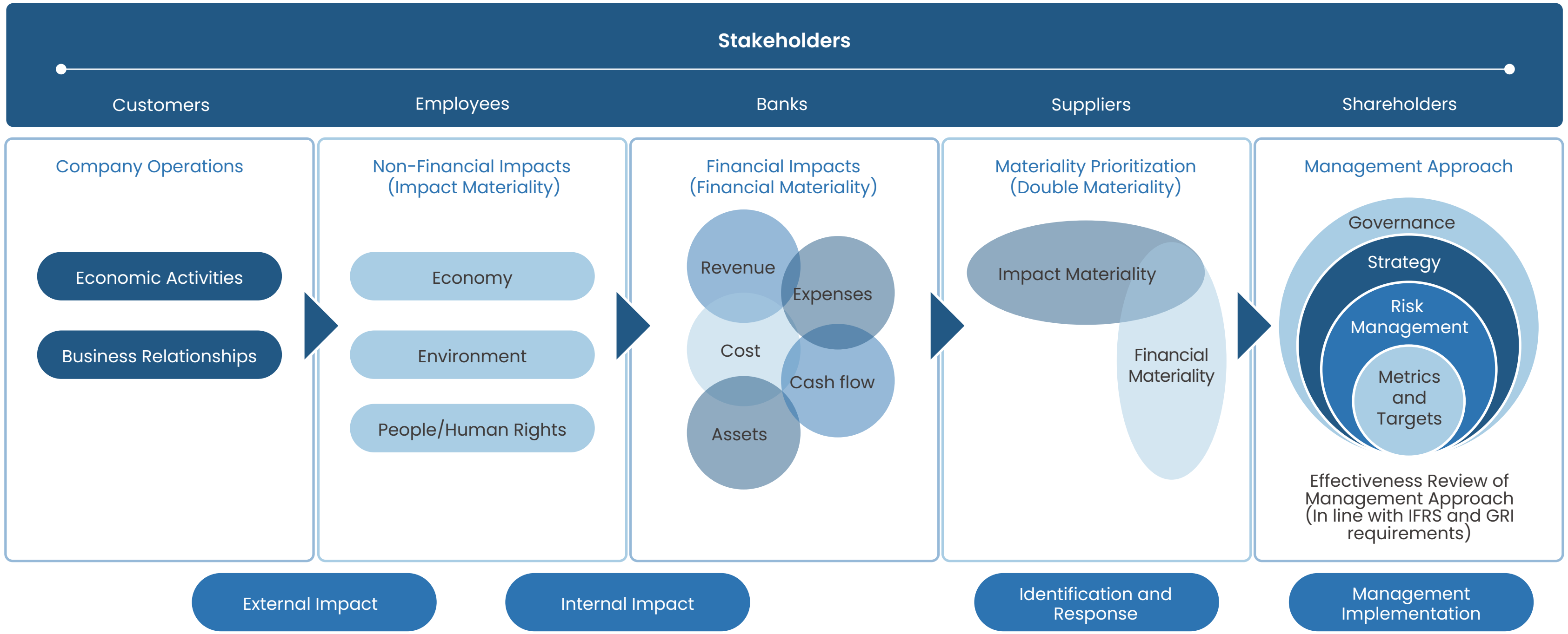
Note: For details on the communication of sustainability issues with stakeholders, please refer to Section 2.4. Management Approach for Sustainability Issues - Stakeholder Engagement.

BenQ Materials Corp

Materiality Identification and Analysis

BenQ Materials conducts a sustainability impact assessment every two years to review and identify high-impact issues that serve as the basis for formulating its sustainability strategies and action plans. For each key issue, the Company sets short-, medium-, and long-term goals to guide continuous improvement. In 2024, the International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards and the European Sustainability Reporting Standards (ESRS) were officially released. Consequently, BenQ Materials has based its approach on "GRI 3: Material Topics 2021" while also considering the guidelines from IFRS and ESRS regarding sustainability impacts. Utilizing the principle of "Double Materiality," the Company incorporates sustainability impacts into both Impact Materiality and Financial Materiality. A five-stage identification process is conducted to assess the impact of BenQ Materials' operational activities on various sustainability dimensions, including social, environmental, human, and human rights impacts (external impacts). Additionally, the financial impacts (internal impacts) resulting from external impacts require management to allocate resources. The analysis weighs both internal and external impacts to produce a sustainability impact analysis result, which is then used to prioritize material sustainability issues for reporting.

In 2025, BenQ Materials held an annual discussion about material issues. Following the Q4 ESG Committee meeting, "talent attraction and retention" was elevated from a secondary to a material topic. The other material topics remained consistent with the previous reporting year. According to the biennial sustainability impact assessment plan, the next full assessment is expected in 2026.



Sustainability Impact Assessment Description

1. Understanding the Organizational Context

- Identify key concerns and potential impacts raised by five major stakeholder groups.
- Analyze potential impacts arising from economic activities and upstream/ downstream supply chain relationships within operational activities.
- Map potential impacts to 20 predefined sustainability issues.

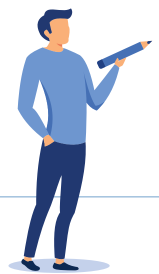
2. Identifying External Impacts (Impact Materiality)

- Negative impacts: Impact materiality = severity (scale, scope, remediability) × likelihood
- Positive impacts: Impact materiality = benefit magnitude (scale, scope) × likelihood

3. Identifying Internal Impacts (Financial Materiality)

- Financial materiality: For each of the 20 sustainability topics, the responsible departments assess how external impacts could cause short-, medium-, or long-term financial impacts on operations. Impact severity is evaluated using financial reporting materiality principles, with relevance to BenQ Materials' value. The 2025 revenue forecast is used as the basis for assessing the magnitude of impact in the 2024 financial materiality assessment.
- In assessing financial materiality, BenQ Materials referenced relevant topics under the IFRS Sustainability Disclosure Standards, SASB Standards (Semiconductor industry), and other comparable financially material issues to ensure the completeness of sustainability-related risks and opportunities.
- Assessment indicator:
  Financial materiality = Operational impact severity × likelihood

Note: Financial impacts refer to changes in revenue, costs, expenses, cash flow, and financing reflected in financial statements.



4. Prioritizing Topic Significance

- Consolidate materiality results for all issues across both impact and financial dimensions. Rank each topic based on positive and negative impacts, and validate prioritization with input from departments based on BenQ Materials' future operational plans.
- Assess SASB industry-specific disclosure topics. Some may not have significant impacts under current management levels but are retained as secondary topics for ongoing monitoring and disclosure when necessary.

5. Determining Material Sustainability Issues

- As of January 2025, the ESG Committee finalized the priority material topics for disclosure.
- Corresponding GRI topics/disclosure indicators (corresponding to 6 GRI topic standards and 2 custom topics).
- Corresponding SASB industry standard metrics for: Technology and Communications, Hardware, Medical Equipment & Supplies under Health Care
- After fully considering the double materiality of each issue, following a comprehensive discussion and assessment by the ESG Committee in 2025, “Talent Attraction and Retention” was also included as the 10th issue.

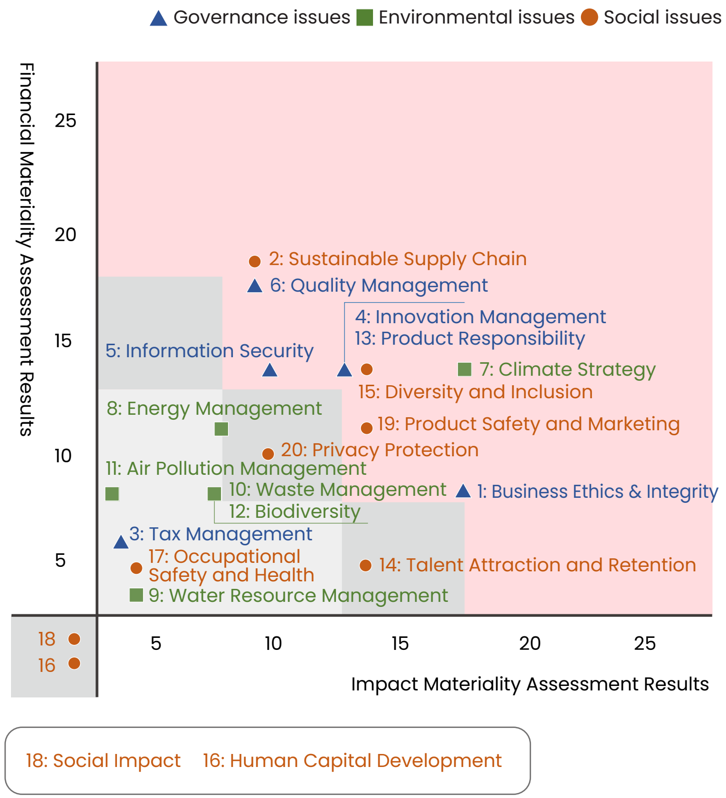
6. Governance Integration

- Results from the January 2025 sustainability impact assessment have been formally submitted to the ESG Committee as part of its meeting agenda.

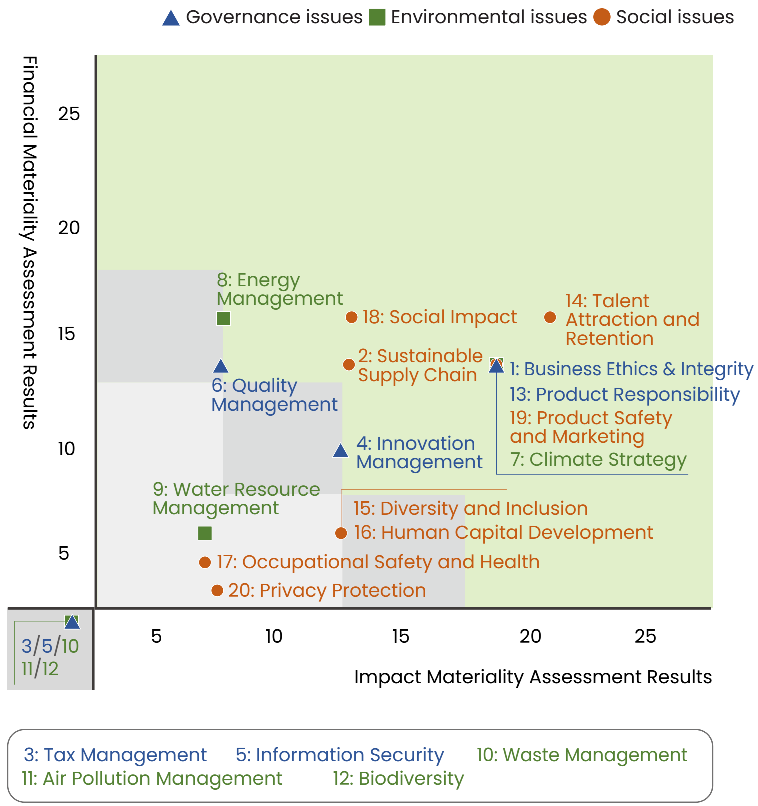
Material Topics Identified and Disclosed

Based on the results of the 2024 impact analysis, which adopted the double materiality assessment methodology for the first time, the Company identified a total of 9 negatively material topics and 8 positively material topics. In addition, 3 negative and 4 positive topics were classified as secondary material topics for ongoing monitoring. The 9 topics with significant negative impacts—Climate Strategy, Diversity and Inclusion, Sustainable Supply Chain, Innovation Management, Product Responsibility, Information Security, Product Safety and Marketing, Quality Management, and Business Ethics and Integrity—are prioritized for disclosure in this report, including their management approaches and implementation outcomes. In addition, following comprehensive discussion and evaluation by the ESG Committee in 2025, Talent Attraction and Retention was included as the 10th topic, serving as a key focus for the Company's continued enhancement of management and disclosure.

Double Materiality Matrix (Negative)



Double Materiality Matrix (Positive)



Sorting	Impact Materiality		Financial Materiality		Double Materiality	
	Negative	Positive	Negative	Positive	Negative	Positive
1	Business Ethics & Integrity	Talent Attraction and Retention	Sustainable Supply Chain	Energy Management	Climate Strategy	Talent Attraction and Retention
2	Climate Strategy	Business Ethics & Integrity	Innovation Management	Talent Attraction and Retention	Diversity and Inclusion	Business Ethics & Integrity
3	Talent Attraction and Retention	Climate Strategy	Information Security	Social Impact	Sustainable Supply Chain	Climate Strategy
4	Diversity and Inclusion	Product Responsibility	Quality Management	Business Ethics & Integrity	Innovation Management	Product Responsibility
5	Product Safety and Marketing	Product Safety and Marketing	Climate Strategy	Sustainable Supply Chain	Product Responsibility	Product Safety and Marketing
6	Innovation Management	Sustainable Supply Chain	Product Responsibility	Quality Management	Information Security	Social Impact
7	Product Responsibility	Innovation Management	Diversity and Inclusion	Climate Strategy	Product Safety and Marketing	Sustainable Supply Chain
8	Information Security	Diversity and Inclusion	Energy Management	Product Responsibility	Quality Management	Innovation Management
9	Privacy Protection	Human Capital Development	Product Safety and Marketing	Product Safety and Marketing	Business Ethics & Integrity	Energy Management
10	Sustainable Supply Chain	Social Impact	Waste Management	Innovation Management	Privacy Protection	Quality Management
11	Quality Management	Privacy Protection	Air Pollution Management	Water Resource Management	Energy Management	Diversity and Inclusion
12	Energy Management	Quality Management	Biodiversity	Diversity and Inclusion	Talent Attraction and Retention	Human Capital Development
13	Water Resource Management	Energy Management	Business Ethics & Integrity	Human Capital Development	Waste Management	Water Resource Management
14	Waste Management	Water Resource Management	Privacy Protection	Occupational Safety and Health	Biodiversity	Occupational Safety and Health
15	Biodiversity	Occupational Safety and Health	Tax Management	Privacy Protection	Air Pollution Management	Privacy Protection
16	Tax Management		Talent Attraction and Retention		Water Resource Management	
17	Air Pollution Management		Occupational Safety and Health		Tax Management	
18	Occupational Safety and Health		Water Resource Management		Occupational Safety and Health	

Note: Red and Green indicate primary areas of concern; Yellow indicates secondary areas of concern.

Material Sustainability Topics and Corresponding Standards

We reviewed the 31 GRI Sustainability Reporting Standards topic standards and aligned them with our material issues. We selected six relevant GRI topic standards and four self-defined topics. Then, we performed the mapping in accordance with the SASB industry standards for the hardware and medical equipment and supplies sector to begin preparing this report.

Material Topic	Positive Impact	Negative Impact	Impact Aspect				Value Chain Impact Scope					Correspondence with GRI Topic Standards and SASB Standard Metrics
			Economy	Environment	People	Human Rights	Upstream Suppliers	Tier 1 supplier	BenQ Materials	Customers	End Users	
Climate Strategy	◉	◉	◉	◉			◉	◉	◉	◉	◉	• GRI 305: Emissions 2016
Diversity and Inclusion	◉	◉			◉		◉	◉	◉	◉		• GRI 405: Diversity and Equal Opportunity 2016 • GRI 406: Non-discrimination 2016 • TC-HW-330a.1
Sustainable Supply Chain	◉	◉	◉				◉	◉	◉	◉		• GRI 204: Procurement Practices 2016 • GRI 414: Supplier Social Assessment 2016 • GRI 308: Supplier Environmental Assessment 2016 • TC-HW-430a.1 • TC-HW-430a.2 • HC-MS-430a.1 • HC-MS-430a.2 • HC-MS-430a.3
Innovation Management	◉	◉	◉		◉		◉	◉	◉	◉	◉	• Customized Topic: Revenue Share of New Products
Product Responsibility	◉	◉	◉	◉	◉	◉	◉	◉	◉	◉	◉	• Customized Topic: Product Carbon Emissions Reduction • TC-HW-410a.1 • TC-HW-410a.4 • HC-MS-410a.1~2
Information Security		◉	◉			◉		◉	◉	◉	◉	• Customized Topic: Information Security Incidents
Product Safety and Marketing	◉	◉	◉			◉		◉	◉	◉	◉	• TC-HW-410a.1 • TC-HW-410a.4 • HC-MS-250a.1~4 • HC-MS-270a.1~2 • GRI 416: Customer Health and Safety 2016 • GRI 417: Marketing and Labeling 2016
Quality Management	◉	◉	◉		◉			◉	◉	◉	◉	• Customized Topic: Customer Satisfaction
Business Ethics & Integrity	◉	◉	◉						◉	◉		• GRI 205: Anti-corruption 2016 • HC-MS-510a.1~2
Talent Attraction and Retention	◉	◉	◉		◉			◉	◉			• GRI 401: Employment 2016 • GRI 404: Training and Education 2016

Time Horizon and Scope of Impacts for Material Sustainability Topics

Material Disclosure Topics	Risk and Opportunity Scenario		Impact on Economy, Environment, People, or Human Rights (Impact Materiality)	Impact on Own Operations (Financial Materiality)		Time Horizon of Impact			
				Financial Impact Description	Type of Financial Impact (Cost/ Revenue/Risk)	Already Occurred	Future Impact		
							Within 1-2 Years	Within 3-5 Years	Over 5 years
Climate Strategy	Regulations Climate change	Negative	• Failure to comply with IFRS Sustainability Disclosure Standards (IFRS S2) may result in regulatory risk under securities laws. • Amendments to the Climate Change Response Act may expand regulatory obligations, posing compliance risks. • Global warming driven by climate change may alter end-consumer demand for apparel and destabilize raw material supply.	• Financial outlays related to climate change regulations may include penalties or legal liabilities for inaccurate or incomplete sustainability disclosures, and costs from being classified as a liable entity for carbon fee payment. • Decline in end-consumer demand may negatively impact revenue performance. • Instability in raw material supply may disrupt production processes.	• Increased costs • Reduced revenue • Heightened operational risks	◉			
		Positive	• Proactively implementing product carbon footprint assessments and disclosures enhances the Company's climate resilience by identifying decarbonization opportunities, reducing operational costs, strengthening its green corporate image, and increasing market competitiveness. • In response to potential changes in outdoor activity patterns due to climate change, the Company is expanding its product lines for outdoor apparel applications. • Implementation of the Company's sustainability strategy — such as low-carbon manufacturing processes, low-emission products, and the use of recycled or renewable materials — generates positive environmental impact.	• Anticipated future reductions in carbon tax expenditures. • Development of new product lines for various applications and price segments. • Low-carbon and sustainable products are increasingly preferred by customers and consumers, leading to growing demand for such offerings.	• Reduced cost • Increased revenue • Increased revenue	◉			
Diversity and Inclusion	Regulations Market	Negative	• The Company operates globally and faces the risk of noncompliance with local labor regulations or failing Responsible Business Alliance (RBA) audits conducted by customers.	• Non-compliance with labor-related regulatory requirements or failure to meet RBA audit standards may result in contract termination by key customers, leading to significant impacts on revenue.	• Heightened operational risks		◉		
		Positive	• The Company actively recruits international talent from diverse nationalities to foster cross-cultural exchange and build an inclusive workplace environment. This approach enhances innovation and employee engagement, while leveraging diverse market insights to optimize product and service offerings that align with customer needs — ultimately strengthening customer relationships and competitive advantage.	• These efforts are expected to support international market expansion, improve customer retention, and drive revenue growth.	• Increased revenue	◉			
Sustainable Supply Chain	Market Geopolitics	Negative	• The Company's focus on developing high-value products potentially affected the procurement volume of certain low-value raw materials. This resulted in a decrease in the overall procurement amount, reducing the Company's bargaining power within the supply chain. • Some customers request the adoption of local sourcing. Without sufficient validation of the relevant materials, their stability and quality could vary. When applied to specific products, this could affect quality and client-side yields, creating operational risks.	• Based on volume-price agreements with current suppliers, a reduction in procurement volumes may affect the prices and costs. • If customers request local procurement, it will result in significant financial impacts due to product verification time, increased material costs, and quality-related issues.	• Increased costs • Increased costs		◉		
		Positive	• The Company gradually developed local supply capabilities by introducing evaluated and verified local suppliers in a strategic manner. This approach reduced procurement costs and helped address local procurement trends. As a result, supply chain resilience and market competitiveness improved.	• The reduction in raw material acquisition costs enables the Company to offer more competitively priced products.	• Reduced cost	◉			

Material Disclosure Topics	Risk and Opportunity Scenario	Impact on Economy, Environment, People, or Human Rights (Impact Materiality)		Impact on Own Operations (Financial Materiality)		Time Horizon of Impact			
				Financial Impact Description	Type of Financial Impact (Cost/ Revenue/Risk)	Already Occurred	Future Impact		
							Within 1-2 Years	Within 3-5 Years	Over 5 years
Innovation Management	Technological innovation Market Operational processes Human capital shortage	Negative	• There is a risk that innovation efforts in high-value products, novel materials, or new manufacturing processes may fail, which could adversely affect customer or end-user demand.	• Failure to innovate may result in customer compensation claims, or a shortage of skilled professionals may lead to higher R&D costs and negatively impact revenue.	• Heightened operational risks	◉			
		Positive	• The Company's sustainability strategy focuses on the development of low-carbon and high-value products using advanced, environmentally friendly technologies aimed at reducing energy consumption and material waste per production cycle.	• Once sustainable products and manufacturing technologies mature, they are expected to unlock significant market opportunities.	• Increased revenue	◉			
Product Responsibility	Regulations Operational processes Market Environmental pollution Climate change	Negative	• During the development, design, and verification process of low-carbon products, failure to introduce low-carbon or environmentally friendly materials or to verify related materials successfully may result in an increased environmental impact throughout the product's life cycle. This would also affect the product's competitiveness in the market and its regulatory compliance.	• The costs of adopting low-carbon materials and obtaining verification will increase.	• Increased costs	◉			
		Positive	• In alignment with the Company's sustainability strategy and evolving market trends, product lifecycle sustainability is being enhanced by prioritizing material friendliness, durability, material minimization (thinning), and the use of recycled inputs — aimed at reducing environmental impact. • The outbreak of war has increased demand for hemostatic products and wound dressings. The Company is accelerating the development of diverse, antibacterial, long-shelf-life, and home-use medical devices to enhance public health and well-being.	• The adoption of sustainable materials and expansion of new sustainable product lines require significant resource investment and may raise short-term costs; however, substantial long-term market opportunities are anticipated. • In the event of global conflicts, demand for disposable medical devices may rise significantly, potentially increasing revenue.	• Increased revenue	◉			
Information Security	Cybercrime	Negative	• Due to the recent surge in cybersecurity incidents affecting both domestic and international enterprises, a major information security breach—such as a ransomware attack — may disrupt the Company's operations and production lines, impact shipment schedules, and result in potential leakage of trade secrets or personal data belonging to customers and end-users.	• Should a significant cyberattack occur, resulting in an IT system outage and production halt, the Company may face substantial financial losses due to operational disruptions.	• Heightened operational risks	◉			
Product Safety and Marketing	Reputation Regulations Operational processes	Negative	• If a significant defect occurs during the manufacturing process of medical products, or if severe adverse reactions arise post-market, this may result in unforeseen medical interventions for patients and damage to the Company's brand reputation. • There is a risk of non-compliance with Taiwan's Ministry of Health and Welfare regulations concerning medical device advertising. • Increasingly stringent regulatory requirements in the European market for product raw materials (e.g., under EU MDR for medical devices) pose compliance risks. • Regulatory restrictions regarding per- and polyfluoroalkyl substances (PFAS) in the EU may affect customers' product sales.	• Post-market adverse events may lead to product recalls, reduce customer trust, and significantly impact future revenue performance. • Inaccurate or misleading marketing may result in fines under advertising laws. • Increased costs for MDR certification in the European market. • Failure to comply with PFAS restrictions may prevent product shipments to Europe, leading to decreased revenue.	• Reduced revenue		◉		
		Positive	• BenQ Materials proactively addressed PFAS-related concerns during the early stages of international discussions by integrating this issue into product development planning. In addition to minimizing environmental impact, the Company has maintained a competitive edge compared to industry peers.	• The Company has completed the development and deployment of PFAS substitute materials, which enhance its market competitiveness and are expected to contribute to increased product revenue.	• Increased revenue	◉			

Material Disclosure Topics	Risk and Opportunity Scenario	Impact on Economy, Environment, People, or Human Rights (Impact Materiality)		Impact on Own Operations (Financial Materiality)		Time Horizon of Impact			
				Financial Impact Description	Type of Financial Impact (Cost/ Revenue/Risk)	Already Occurred	Future Impact		
							Within 1-2 Years	Within 3-5 Years	Over 5 years
Quality Management	Operational processes Regulations Market	Negative	• If quality control during the manufacturing stage is insufficient, product safety risks may arise and affect the quality of customers' products. • The introduction of raw materials from non-Taiwanese suppliers may involve quality and stability risks if not fully verified, which may in turn affect customers' product performance. • Medical and aesthetic medicine products must comply with the environmental and quality regulations of various countries. Non-compliance may affect product launch and customer cooperation.	• Risk of product recalls and compensation claims from customers due to defective products. • Increased compliance-related costs, such as setting up cosmetic manufacturing facilities, obtaining quality system certifications, and conducting product verifications.	• Reduced revenue • Increased costs		◉		
		Positive	• Addressing the special certification mechanisms in the Southeast Asian market helps expand the Southeast Asian market, enhance product competitiveness, and benefit end consumers. • By optimizing product quality verification processes, the Company reduces the consumption of testing materials and production resources while improving product development efficiency and employee productivity.	• Expected revenue growth from expanded market access. • Improved operational efficiency reduces labor hours and lowers operational costs.	• Increased revenue	◉			
Business Ethics & Integrity	Regulations	Negative	• In response to the FSC (Financial Supervisory Commission) regulations requiring sustainability disclosures in financial reports, the risk of information omissions or misstatements may impact investor decision-making.	• Increased sustainability disclosure requirements may lead to additional costs, such as implementing new operational processes, third-party assurance, or penalties for regulatory non-compliance.	• Increased costs	◉			
		Positive	• Sustainable investment may enhance the Company's intangible asset value and expand future market opportunities.	• Intangible asset value may lead to valuation premiums, especially if BenQ Materials is included in sustainability indices, thereby increasing investor interest and future market opportunities.	• Increased revenue	◉			
Talent Attraction and Retention	Labor Shortage	Negative	• If BenQ Materials' operating sites face talent shortages or challenges in talent retention, this may delay product development or production schedules, increase recruitment costs, or increase workloads for existing employees due to manpower shortages, potentially causing excessive overtime or affecting the Company's operations.	• The Company may be fined by the competent authority due to excessive overtime resulting from talent shortages. • Difficulties in recruiting or retaining key talent may stall important project progress, delay product launches, or lead to customer complaints, resulting in a significant impact on the Company's revenue.	• Reduced revenue • Increased costs	◉	◉	◉	◉

BenQ Materials Corp

Management Approach for Sustainability Issues

Climate Strategy

Policy	In compliance with the Financial Supervisory Commission's disclosure requirements on climate change, BenQ Materials aligns with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) to identify climate-related risks and opportunities, and assess impacts on business operations, strategy, and financial planning.	
Commitment	A climate response strategy has been formulated to drive transformation toward low-carbon production, renewable energy use, green product R&D, and partnerships for sustainability — advancing the Company toward a low-carbon, green, and sustainable enterprise.	
Responsibility	• ESG Committee/Chief Executive Officer • Risk Management Committee/Chief Executive Officer	
Targets	**2025**	• 15% reduction in Scope 1 and Scope 2 GHG emissions (tCO_2e) (base year: 2020) • Renewable energy accounted for 23.8%.
	Short-Term (1-2 years)	• 2030: 30% reduction in Scope 1 and Scope 2 GHG emissions (tCO_2e) (base year: 2020) • Scope 3 GHG emissions: 2.5% annual reduction year-on-year • 50% renewable energy integration by 2030
	Mid- to Long- Term (3+ years)	• Achieve 100% renewable energy by 2040 • Achieve net zero emissions by 2050
Action Plan	• Continue implementing the TCFD project to evaluate risks and opportunities and implement mitigation and adaptation actions • Expand GHG inventory and third-party verification across all operational sites • Extend ISO 50001 Energy Management System coverage • Install on-site solar PV systems for self-consumption • Introduce energy-efficient technologies and equipment to improve energy performance	
Annual Performance	• Greenhouse gas emissions (Scope 1 and Scope 2) in 2025 decreased by 20.61% compared to 2020 (target achieved) • 24.98% of electricity sourced from renewables in 2025 (Target achieved) • Target: Scope 3 GHG emissions decreased by 2.5% annually	
Monitoring & Review	• Monthly meetings of the Environmental Policy and Management Task Force to review performance against energy and carbon reduction KPIs. • Quarterly ESG Committee meetings to evaluate climate mitigation and adaptation measures.	
Stakeholder Engagement	• Encourage full employee participation in energy-saving and carbon-reduction activities • Strategic discussions between senior leadership and transformation teams on climate adaptation • Collaborations with academia and industry associations to advance decarbonization R&D	

Note: The above targets are set only within the boundary of BenQ Materials and have not yet included subsidiaries.

Diversity and Inclusion

Policy	Committed to aligning with the Responsible Business Alliance (RBA) Code of Conduct and the Company's Human Rights Policy to ensure diversity and inclusion are upheld in the workplace.	
Commitment	Provide a fair and equitable working environment, ensuring no discrimination based on gender, age, ethnicity, nationality, religion, sexual orientation, or disability.	
Responsibility	• Human Resources Department/Senior Director	
Targets	**2025 / Short-Term (1-2 years) / Mid- to Long- Term (3+ years)** • ESG audit material deficiencies closure rate: 100% • Percentage of female supervisors at section level and above >30%	
Action Plan	• Regularly review whether the Company complies with RBA or local labor regulation-related indicators to ensure the mitigation of negative impacts. • Organize cross-cultural awareness and inclusiveness programs to strengthen employee understanding of diversity issues. • Promote flexible working hours, remote work, and childcare subsidies to support women's career development and retention. • Offer post-maternity flexible hours, nursing rooms, and parenting allowances to ensure smooth return-to-work transitions.	
Annual Performance	• A total of 16 findings were identified in third-party RBA audits conducted by customers, and improvement reports were completed within the prescribed deadline. (Target achieved) For details, please refer to 3-7 Human Rights Management • The percentage of female supervisors at the section level and above reached 36.26% (Target achieved)	
Monitoring & Review	• Tracking through monthly and quarterly ESG meetings to assess the progress of the Social Participation Team.	
Stakeholder Engagement	**Customers**	• Provided feedback on migrant worker programs and requested gradual improvements to align with RBA expectations.
	Employees	• Anonymous grievance channels established to ensure concerns about workplace discrimination or inclusion can be expressed safely and addressed appropriately.

Note 1: The target for the percentage of female supervisors at the section level and above covers subsidiaries; the closure rate of major ESG audit deficiencies is set within the boundary of BenQ Materials.

Note 2: For human rights-related adverse impacts, refer to the grievance handling procedures disclosed on the BenQ Materials ESG website and in Chapter 3.7 Human Rights Management.

Sustainable Supply Chain

Policy	Comply with BenQ Materials' Supplier Code of Conduct for Corporate Social Responsibility, and benchmark ESG performance of Critical Tier 1 Suppliers using the RBA Validated Audit Process (VAP) standard.	
Commitment	Launch ESG improvement plans for key suppliers to enhance their ESG governance and build mutually beneficial, long-term partnerships.	
Responsibility	• Supply Chain Management Division/Senior Director	
Targets	**2025**	• Re-order key and critical tier 1 suppliers • Promote carbon management jointly with suppliers
	Short-Term (1-2 years)	• Select high-risk vendors and complete the first phase of the audit • Supplier carbon emissions data collection will be completed in 2026, with the target adjusted to an annual reduction of 3%
	Mid- to Long- Term (3+ years)	• Carbon emissions will be reduced by 3% annually compared to the previous year
Action Plan	• SAQ self-assessments will be conducted for critical Tier-1 suppliers, and suppliers that fail the assessment will be subject to on-site or online audits • Strengthen supplier classification management and risk management. • Strengthen local supplier and alternative material verification mechanisms. • Supplier conferences will be held, and outstanding suppliers will be invited to share their ESG implementation results • A supplier management platform will be established to facilitate subsequent carbon management data collection	
Annual Performance	• Completed ESG audits for two companies. • The carbon reduction target will be adjusted at the Supplier Conference to an annual reduction of 3% compared to the previous year.	
Monitoring & Review	• Tracking through monthly and quarterly ESG meetings to assess the progress of the Sustainable Supply Chain Team.	
Stakeholder Engagement	**Customer**	• Conduct supplier ESG risk assessments based on transaction status, CSR self-assessment scores, and published sustainability reports. ESG audits are conducted for high-risk critical tier 1 suppliers, with feedback and improvement suggestions provided through the audit engagement.

Note 1: The above targets are set only within the boundary of BenQ Materials and have not yet included subsidiaries.
Note 2: For human rights-related adverse impacts, refer to the grievance handling procedures disclosed on the BenQ Materials ESG website and in Chapter 3.7 Human Rights Management.

Innovation Management

Policy	BenQ Materials has established a systematic product innovation management mechanism to ensure that new product development aligns with market needs, technological foresight, and sustainability goals. Our innovation strategy encompasses technological breakthroughs, business model innovation, and sustainable material applications, while integrating internal and external resources to accelerate the transition from R&D to commercialization.	
Commitment	We are committed to continuously investing in R&D and technological innovation to ensure that our new products meet evolving market demands, emerging technology trends, and sustainability standards. Our goal is to increase the revenue contribution from sustainable products year by year.	
Responsibility	• R&D Center/Vice President • Business Units/Department Heads and above	
Targets	**Short-Term (1-2 years)**	• 2027 New product revenue ratio > 20%
	Mid- to Long- Term (3+ years)	• 2030 New product revenue ratio > 30%
Action Plan	• Develop a roadmap for low-carbon products and future technology development. • Strengthen capabilities in the development of low-carbon and environmentally friendly materials. • Introduce product lifecycle thinking into R&D processes. • Cultivate cross-disciplinary innovation and sustainable R&D talent. • Expand external technology cooperation and strategic investment assessment.	
Annual Performance	• Revenue from new products has increased year by year, reaching 20% in 2027.	
Monitoring & Review	• Annual strategy meetings: Review product innovation outcomes and technology trends to fine-tune innovation strategy. • Regular financial meetings: Monitor sustainable product revenue ratio to ensure innovation contributes to growth.	
Stakeholder Engagement	**Suppliers**	• Collaborate on key material technology development to strengthen supply chain resilience and sustainability.
	Customers	• Co-develop sustainable products with key customers to enhance product competitiveness and customer retention.

Note: The above targets are set only within the boundary of BenQ Materials and have not yet included subsidiaries.

BenQ Materials Corp

Product Responsibility

Policy	BenQ Materials is committed to rigorous product lifecycle management to ensure that our products—from design and manufacturing to usage and disposal—meet the highest quality standards. We proactively minimize environmental and social impacts throughout the lifecycle to respond to market demands and enhance sustainable competitiveness.	
Commitment	We are dedicated to delivering environmentally friendly products and materials tailored to customer needs. We continuously improve the sustainability performance of product design, material sourcing, manufacturing processes, logistics, product usage, and end-of-life management. Through transparent disclosure, stakeholders can clearly understand the sustainability impacts across the product lifecycle. We actively promote the transition to low-carbon products.	
Responsibility	• R&D Center/Vice President	
	• Business Units/Department Heads and above	
Targets	2025	• 30% reduction in carbon emissions for major existing products (Base year: 2020)
	Short-Term (1-2 years)	• Achieve a 35% reduction in carbon emissions for major existing products by 2026, compared to the base year (2020)
	Mid- to Long- Term (3+ years)	• Achieve a 55% reduction in carbon emissions for major existing products by 2030, compared to the base year. (2020)
Action Plan	• Promote product optimization through low-carbon materials, low-carbon manufacturing, and low-carbon packaging solutions. • Implement product carbon footprint assessments and annually review decarbonization performance.	
Annual Performance	• 50% of major products achieved a 30% carbon reduction compared to the base year (2020) (Partially achieved)	
Monitoring & Review	• Tracking through monthly and quarterly ESG meetings to monitor target achievement, review improvement status, and propose action plans.	
Stakeholder Engagement	Customer	• Collect feedback on eco-design, energy efficiency, and recycling mechanisms through annual customer satisfaction surveys or regular meetings.
	Suppliers	• Establish ESG performance evaluation for suppliers and promote the use of renewable energy and low-carbon materials across the supply chain.

Note: The above targets are set only within the boundary of BenQ Materials and have not yet included subsidiaries.

Information Security

Policy	Aligned with the international standard ISO/IEC 27001, BenQ Materials has established an "Information Security Operating Procedure" and an "Information Security Manual" to reduce operational-level information security risks.	
Commitment	To safeguard the confidentiality, integrity, and availability of BenQ Materials' information assets and protect employee data privacy.	
Responsibility	• Information Security Management Committee/Chief Information Security Officer	
	• Information Security Section/Information Security Supervisor	
Targets	2025	• "Zero" material information security incidents
	Short-Term (1-2 years)	
	Mid- to Long- Term (3+ years)	
Action Plan	• Maintain and continuously improve the information security management system • Strengthen information system protection and information security management projects • Perform vulnerability scanning and remediation management • Implement malware detection and regular information security health checks • Strengthen business continuity and system recovery capabilities • Enhance employees' information security awareness and reporting capabilities • Mitigate the financial impact of incidents through cybersecurity insurance	
Annual Performance	• "Zero" material information security incidents (target achieved)	
Monitoring & Review	• External: Maintained ISO/IEC 27001 certification through third-party verification. • Internal: Regular Information Security Committee meetings to ensure system effectiveness and plan implementation.	
Stakeholder Engagement	Employees	• Regularly held Cybersecurity Awareness Month activities and general education and training.

Note: A major information security incident is defined as an event that results in production interruption, leakage of confidential or personal data, or malfunction of critical information infrastructure.

Quality Management and Product Safety & Marketing

Policy	The Company is committed to implementing comprehensive quality management and product safety controls across all stages—from product design to marketing. Through internationally recognized management systems, we ensure our products meet the highest standards of quality, safety, and regulatory compliance. We also strive to fulfill market expectations with transparent and accurate information, enhancing customer trust and long-term competitiveness.	
Commitment	We are committed to fostering a culture of quality and product safety, implementing risk prevention management in product design and manufacturing, and ensuring product safety and compliance. Through systematic quality training, supply chain management, and rapid response mechanisms, we continue to enhance quality, safety, and market trust. We also adhere to responsible marketing principles to ensure that product information is truthful and transparent, and that marketing content is accurate and not exaggerated.	
Responsibility	• R&D Center/Vice President • Marketing Department/Directors • Business Units/Department Heads and above	
Targets	**2025** **Short-Term (1-2 years)** **Mid- to Long- Term (3+ years)**	• Quality Management and Product Safety: Overall customer satisfaction >90 points • Product Marketing: There were zero violations involving the marketing communication, product service information, and labeling-related regulations for medical products.
Action Plan	• Strengthen quality management and product safety education and training • Conduct product specification certification and regulatory compliance verification • Establish product safety and quality abnormality handling mechanisms • Implement compliance review of medical device marketing and advertising content • Track PFAS and international raw material regulatory requirements • Strengthen verification for the introduction of new suppliers and new raw materials • Conduct supplier quality audits and improvement tracking • Regularly collect customer satisfaction and quality feedback	
Annual Performance	• Quality Management and Product Safety: six of the seven business units achieved the satisfaction target, resulting in an overall achievement rate of 85.71%. Please refer to Chapter 6.3 Customer Service for details. • Product Marketing: there were zero violations involving product marketing, labeling, health services, or safety-related incidents for all medical products (Target achieved).	
Monitoring & Review	• Regular ISO management review meetings for quality systems • Certification audits for international quality and product standards • Regular customer satisfaction surveys • Customer supplier audits	
Stakeholder Engagement	**Internal**	• Weekly QRM (Quality Review Meetings) involving pre-/post-process teams to review and track corrective actions for customer complaints and internal quality incidents.
	Suppliers	• Annual Quality Technical Conference, covering new material integration and raw material issue resolution.
	Customers	• Monthly quality briefings with clients, including complaint handling, yield performance, and various quality smart manufacturing projects.

Note 1: Due to the high degree of relevance between quality management and product safety & marketing, the two management approaches are presented jointly.
Note 2: The above targets are set only within the boundary of BenQ Materials and have not yet included subsidiaries.

Business Ethics & Integrity

Policy	The Company adheres to the highest ethical standards to ensure that all business operations align with its core principles of integrity.	
Commitment	We have a zero-tolerance policy toward corruption and unethical business practices. Integrity is embedded at the core of all transactions and decision-making. We ensure that all employees and supply chain partners adhere to our code of business ethics, provide regular training, and transparently disclose ethics-related policies, incident handling procedures, and annual performance outcomes.	
Responsibility	• Finance Center/Chief Financial Officer (CFO)	
Targets	**2025** **Short-Term (1-2 years)** **Mid- to Long- Term (3+ years)**	• Strengthened internal review mechanisms to ensure zero violations of business integrity.
Action Plan	• Establish business ethics & integrity policies and codes of conduct • Strengthen internal control and transparent decision-making mechanisms • Implement external information disclosure review • Establish reporting and grievance mechanisms • Promote annual business ethics & integrity education and training	
Annual Performance	• No violations of business ethics & integrity events (target achieved)	
Monitoring & Review	• ESG Committee monthly and quarterly meetings: Supervise the implementation and risk anomalies related to business integrity.	
Stakeholder Engagement	**Employees**	• Provide internal reporting channels to ensure anonymous reporting and whistleblower protection. • Conduct regular business integrity training to ensure employee understanding of ethical standards.
	Investors and Regulators	• Disclose business integrity indicators and internal control performance in annual reports to increase transparency.

Note 1: For human rights-related adverse impacts, refer to the grievance handling procedures disclosed on the BenQ Materials ESG website and in Chapter 3.4 Business Ethics & Integrity and Chapter 3.7 Human Rights Management.
Note 2: The above targets are set only within the boundary of BenQ Materials and have not yet included subsidiaries.

Talent Attraction and Retention

Policy	The Company regarded talent attraction and retention as a key management issue supporting the development of core technologies, the continued advancement of projects, and operational stability. In response to intensified competition for talent in the industry and the increasing difficulty of securing professional talent, the Company implements systematic workforce planning, focusing on workforce allocation and cultivation for key competencies. This ensures that the organization has the human capital foundation needed to support new technology R&D and the execution of important projects, thereby reducing the potential risks of talent gaps to operations and revenue.	
Commitment	The Company is committed to providing market-competitive remuneration and benefits, establishing clear career development and learning mechanisms, and creating a safe, healthy, and supportive work environment to enhance employee engagement and organizational identification. By continuously strengthening talent cultivation and retention measures, the Company is committed to maintaining the stability of key talent, supporting technology transfer and project continuity, and promoting long-term value creation.	
Responsibility	• Human Resources Department/Senior Director	
Targets	**2025**	• Average training hours per indirect employee: 35 hours • Key talent retention rate: 90%
	Short-Term (1-2 years)	• Average training hours per indirect employee: 43 hours • Key talent retention rate: 90%
	Mid- to Long- Term (3+ years)	• Average training hours per indirect employee: 45 hours • Key talent retention rate: 90%
Action Plan	• Regularly conduct employee engagement surveys and improvement tracking • Strengthen recruitment channels and employer branding • Promote credit-based training maps and digital transformation training • Implement talent management and key talent cultivation plans • Optimize career development and retention mechanisms • Strengthen workforce allocation and workload management	
Annual Performance	• Average training hours per indirect employee: 43.9 hours (Target achieved) • Key talent retention rate: 93% (Target achieved)	
Monitoring & Review	• Tracking through monthly and quarterly ESG meetings to assess the progress of the Social Participation Team.	
Stakeholder Engagement	**Employees**	• Through regular employee engagement surveys, the Company collected employees' opinions and needs regarding the work environment, career development, remuneration and benefits, and organizational culture, which served as an important basis for identifying talent retention risks and areas for improvement.

Note: The target for average training hours of indirect employees covers subsidiaries; the key talent retention rate is set only within the boundary of BenQ Materials.