



BenQ
Materials Corp



Corporate Sustainability Report 2023



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Message from the President

Chairman & CEO



In recent years, the world has been undergoing rapid changes. Wars, pandemics, and inflation have impacted corporate operations and the overall economy, causing significant turbulence and challenges. Furthermore, according to recent analyses and reports, the effects of climate change on our living environment have become more severe. The pressure on companies to address these compounded issues is more urgent than ever.

Environmental Sustainability Achievements

Faced with numerous operational challenges, we have strived to adapt and adjust while maintaining our commitment to sustainable business practices. In 2023, BenQ Materials' renewable energy usage reached 22%, surpassing our original target. Moreover, we have moved our RE100 target from 2050 to 2040, while maintaining our goal of achieving net-zero carbon emissions by 2050.

In recent years, we have set progressively advanced targets for environmental sustainability issues to drive the continuous advancement of our company's sustainable transformation. This year, we obtained carbon credits

through the "RTO Waste Heat Recovery Equipment Offset Project," the first non-power-based carbon offset project approved by the Environmental Protection Administration. Our efforts in reducing carbon emissions have been highly recognized. Additionally, we received leadership-level recognition in the CDP (Carbon Disclosure Project) questionnaire for scope 1 and 2 emissions, emission reduction measures, and low-carbon products. BenQ Materials will continue to deepen its environmental sustainability efforts, gradually achieving net-zero emissions.

Digital Transformation and AI Integration

Reducing carbon emissions in manufacturing is equally important. Recent breakthroughs in artificial intelligence applications have enabled us to enhance the application of AI technology within the company. We have established a Digital Transformation Committee to promote AI and digital transformation tools among all employees. By using these tools for simulation and prediction, we aim to improve production efficiency and further help us achieve energy-saving and carbon reduction goals.

Collaborating with the Value Chain

I believe that our carbon reduction strategy must start with product development. BenQ Materials prioritizes the development of sustainable products and materials as a key principle for future green products. All product development departments must start new product development with this understanding. Only then can we truly expand sustainable product design to sustainable and low-carbon production and use, achieving our desired goals from the source.

BenQ Materials is a company specializing in material technology. We aim to ensure that our customers' products achieve sustainability goals by using our materials. This year, we have also collaborated with supplier partners to set an annual carbon reduction target of 5%, hoping to extend the impact of sustainable products upstream and throughout the entire value chain.

Commitment to Employees and Human Rights

BenQ Materials values its employees and strives to provide equal treatment and care to every employee, regardless of their background or life stage, under the principles of Diversity, Equity, and Inclusion (DEI). In line with international human rights commitments, we have established the company's "Human Rights Policy" and conducted our first internal due diligence survey in 2023 to ensure that all employees working at BenQ Materials are protected and enjoy basic rights. We will extend these human rights due diligence surveys to the value chain in the future, aiming to ensure that all employees of our value chain partners are treated equally.

BenQ Materials continues to work on various measures and improvements to reduce carbon emissions, aiming to collaborate with customers and suppliers towards shared goals. At the same time, we aspire to promote greater social integration, using BenQ Materials' resources to assist disadvantaged groups and environmentally friendly communities. By aligning with the SDGs, we aim to advance our society towards sustainability and inclusivity.



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Honors and Recognition in 2023

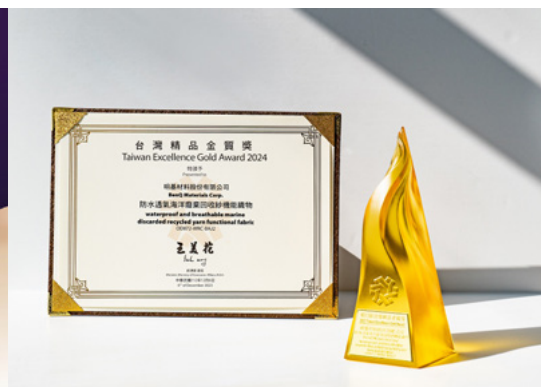
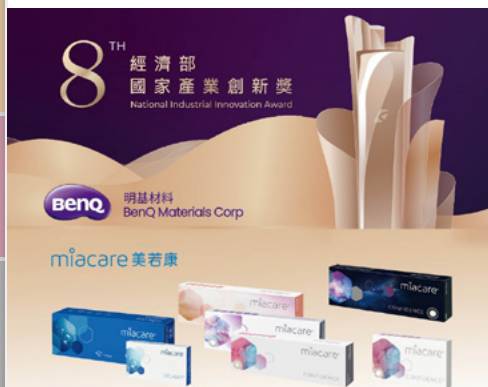
Sustainability Report Awards

| Name of Award | Award Presentation Unit |
|---|--|
| Carbon Disclosure Project Level B | Carbon Disclosure Project Organization |
| Sustainability Report Chinese Version - Platinum Award | Taiwan Institute for Sustainable Energy |
| Sustainability Report English Version - Silver Award | Taiwan Institute for Sustainable Energy |
| Asia-Pacific and Taiwan Sustainable Action Award SDG2 Zero Hunger - Silver Award | Taiwan Institute for Sustainable Energy |
| National Enterprise Environmental Award - Silver Award | Taiwan Executive Yuan Ministry of Environment |
| Enterprise Carbon Reduction Thermometer - Excellence Level | CommonWealth Magazine x Tunghai University |
| Ministry of Environment Certification "RTO Waste Heat Recovery Equipment Offset Project" | Taiwan Executive Yuan Ministry of Environment |
| Asia Corporate Social Responsibility Award - Human Capital Investment Award | Enterprise Asia |
| Suzhou Industrial Park Most Socially Responsible Enterprise | Suzhou Industrial Park Human Resources and Social Security Bureau |
| TTQS Talent Development Quality Management System Evaluation - Silver Medal | Taiwan Ministry of Labor Workforce Development Agency |
| Healthy Workplace Certification | Taiwan Ministry of Health and Welfare National Health Promotion Administration |
| Taiwan I Sports Corporate Certification | Taiwan Ministry of Education Sports Administration |
| Taiwan Intellectual Property Management System (TIPS) A-level Certification Passed | Taiwan Ministry of Economic Affairs Industrial Development Bureau |
| Corporate Governance Evaluation "Small and Medium-sized Enterprises Group Ranking Top 6%~20%" | Taiwan Stock Exchange |



Innovative Products

| Name of Award | Award Presentation Unit |
|--|--|
| National Industrial Innovation Award - New Generation Silicone Hydrogel Material | Taiwan Ministry of Economic Affairs |
| Taiwan Excellence Award Gold Award - Xpore Waterproof and Breathable Ocean Waste Recycled Yarn Functional Fabric | Taiwan Ministry of Economic Affairs International Trade Bureau |
| Etouch Green Interior Design Award Diamond Award - 2023 Touch Taiwan | Taiwan Display Union Association |
| Innolux "Energy-saving Partner Leadership Award" | Innolux Corporation |
| Huikex Outstanding Supplier | Huikex Corporation |
| Gold Panel Awards 2023 Optical Decoration Film | Taiwan Display Union Association |
| ISPO Textrends Fall/Winter 25/26 Top Ten-OD1011 | ISPO Munich International Sporting Goods Exhibition |
| ISPO Textrends Fall/Winter 25/26 Selection-OD773 | ISPO Munich International |





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Annual Investment and Output

Financial Capital

| Description | Investment in 2023 | Output in 2023 | Result for 2023 | Corresponding Chapter/Section |
|---|---|---|--|--|
| Achieve most optimal financial performance through proper business management capability. | <ul style="list-style-type: none"> Total assets invested: NTD 20.557 billion | <ul style="list-style-type: none"> Revenue: NTD 17.12 billion Income tax expense: NTD 127 million | <ul style="list-style-type: none"> EPS:NTD 1.29 | <ul style="list-style-type: none"> 3-2 Business Performance |

Manufacturing Capital

| Description | Investment in 2023 | Output in 2023 | Result for 2023 | Corresponding Chapter/Section | | |
|--|--|--|---|---|--|---|
| Seek optimization of process efficiency, in order to achieve most optimal manufacturing efficiency and yield rate. | <ul style="list-style-type: none"> Display Materials: <ul style="list-style-type: none"> Process Switching Time Reduction Project Coating Line Glue Machine Speed Enhancement Introduction of Robotic Processes Advanced Battery Materials: <ul style="list-style-type: none"> Addition of Ergonomic Arm Equipment Speed Enhancement Engineering Changes Introduction of Automated Operations Extension of Roll Length Operations | <ul style="list-style-type: none"> Medical and Nursing Products: <ul style="list-style-type: none"> Improvement of Gauze Manufacturing Process Introduction of Automated Folding Machine for Acne Patches Recycling of Contact Lens Steel Plates Improvement of Packaging Film Manufacturing Process Waterproof and Breathable Fabrics: <ul style="list-style-type: none"> Introduction of Fabric Processing Machines Introduction of Automated Packaging Machines Introduction of Conveyor Belts to Replace Manual Labor | <ul style="list-style-type: none"> Display Materials: <ul style="list-style-type: none"> Increased production capacity by 3% Increased production capacity by 3% Reduced 675 hours per quarter Advanced Battery Materials: <ul style="list-style-type: none"> Increased operating rate by 5% Increased speed by 14%; increased production capacity by 12% Increased efficiency by 40% Increased roll length by 87.5% | <ul style="list-style-type: none"> Medical and Nursing Products: <ul style="list-style-type: none"> Improved yield by 0.6% Achieved 100% recycling rate Reduced electricity consumption by 15% Waterproof and Breathable Fabrics: <ul style="list-style-type: none"> Increased production capacity by 50% Increased packaging production capacity by 50% Increased daily production capacity by 1.5 hours | <ul style="list-style-type: none"> Improve product yield Increase operating rate Increase recycling rate Reduce process electricity consumption Reduce production working hours | <ul style="list-style-type: none"> 4-2 Product Innovation and Sustainable Design |

Human Resource Capital

| Description | Investment in 2023 | Output in 2023 | Result for 2023 | Corresponding Chapter/Section |
|---|---|---|---|---|
| Select appropriate talent, commit to employee growth and development, and provide competitive remuneration and welfare. | <ul style="list-style-type: none"> Employ 2,851 people (including temporary staff) Non-employee workers: 1,018 (including catering, security, cleaning, contractors, etc.) Invested NTD 6.18 million in training expenses Implemented 4 major safety improvement measures | <ul style="list-style-type: none"> 238 in-person courses, with a total of 50,431 training hours, and an average of 17.69 training hours per employee. Environmental health and safety courses had 25,405 participants, totaling 21,660.5 hours. | <ul style="list-style-type: none"> Average training hours for indirect employees: 43 hours Comprehensive Injury Frequency Index (FSI): 0.04 | <ul style="list-style-type: none"> 7-2 Manpower Overview 7-3 Talent Cultivation 7-6 Workplace Safety |

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Natural Capital

| Description | Investment in 2023 | Output in 2023 | Result for 2023 | Corresponding Chapter/Section |
|--|--|--|---|--|
| Through various energy resource use improvement projects, commit to the reduction of steel materials, energies and water, and achieve reduction of waste output. | <ul style="list-style-type: none"> Natural gas consumption: 6.1463 million cubic meters Electricity consumption: 63.3785 million kWh Gasoline consumption for vehicles: 13,400 liters Diesel consumption: 1,800 liters Water withdrawal: 342.45 million liters Established ISO 46001 system at the Taoyuan plant | <ul style="list-style-type: none"> Greenhouse gas emissions (Scope 1 and Scope 2): 41,744 tons CO₂e Greenhouse gas emissions (Scope 3): 31,090.88 tons CO₂e Implemented 23 energy-saving initiatives, reducing carbon emissions by 732.75 tons CO₂e Implemented 5 gas-saving initiatives, reducing carbon emissions by 178.4 tons CO₂e Solar power generation: 2.79 million kWh Implemented 8 water-saving initiatives, saving 12.87 million liters of water Obtained carbon offset projects approved by the Environmental Protection Administration Waste generated: 12,609.83 tons | <ul style="list-style-type: none"> Greenhouse gas emission intensity (Scope 1 and Scope 2): 2.44 (tons CO₂e/million NTD), a 36.25% reduction compared to 2020. Energy consumption intensity: 27.46 (GJ/million NTD), a reduction compared to 2022. Total water withdrawal intensity: 2.00 (ML/billion NTD revenue), a 31.97% reduction compared to 2020. Waste direct disposal intensity: 0.16 (tons/million NTD revenue). | <ul style="list-style-type: none"> 5-2 Climate Change Management 5-3 Energy Management 5-4 Water Management 5-6 Circular Economy |

Intellectual Capital

| Description | Investment in 2023 | Output in 2023 | Result for 2023 | Corresponding Chapter/Section |
|--|---|---|---|--|
| Improve high-strength material application, continue to obtain mechanical design patents and product certifications, in order to enhance the product competitive advantages. | <ul style="list-style-type: none"> Invested NTD 939 million in research and development expenses Implemented the Taiwan Intellectual Property Management System (TIPS) Implemented ISO 27001 | <ul style="list-style-type: none"> 78 patent applications in 2023 33 patents granted in 2023 Passed the TIPS Taiwan Intellectual Property Management System A-level re-certification Passed ISO 27001 certification in 2023 | <ul style="list-style-type: none"> As of the end of 2023, a total of 1,200 patent applications have been submitted globally, with 800 patents granted. Zero major information security incidents. | <ul style="list-style-type: none"> 3-6 Information Security 4-1 Core Technology and Intellectual Property Management |

Social Capital

| Description | Investment in 2023 | Output in 2023 | Result for 2023 | Corresponding Chapter/Section |
|--|---|--|---|---|
| Promote local industry upgrade, achieve industry common growth, and contribute and return business outcome of BenQ Materials to surrounding communities. | <ul style="list-style-type: none"> Key suppliers must sign a Corporate Social Responsibility (CSR) commitment for project control. Conflict metals disclosure initiative: conducting investigations with suppliers on the use of conflict minerals. Made three charitable donations. Invested in the "Vision Hope Project," providing free eyeglasses to children from low-income families. Promoted the Taiwan Agriculture and Food Program, now in its 8th year. Promoted the Science Camp Program, now in its 10th year. | <ul style="list-style-type: none"> Required first-tier suppliers to sign a Corporate Social Responsibility (CSR) commitment, with a 95% signing rate in 2023. 17 polarizer suppliers, 14 optical materials customers, and 5 battery materials customers signed conflict-free minerals guarantee certificates. Donated 5,300 medical drapes, 11,750 pieces of sports equipment, and scar removal patches. Provided eyeglasses to a total of 2,307 individuals. The Taiwan Agriculture and Food Program's annual procurement amount reached NTD 410,000. The Science Camp Program achieved a 71% annual social impact. | <ul style="list-style-type: none"> All procured materials are free from conflict minerals. We hope that healthy eyes will create a colorful life, helping underprivileged children have a brighter vision. Assisting farmers in solving product overstock issues to achieve social co-prosperity. Helping to solve education and resource insufficiency problems in remote areas. | <ul style="list-style-type: none"> 6-3 Supply Chain Management CH8 Social Participation |



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Report Introduction

Relevant information for the establishment of the 2023 Corporate Sustainability Report (referred to as "this Report") of BenQ Materials Corporation (referred to as "BenQ Materials") is as follows:

Disclosure basis

This report follows the Global Reporting Initiative (GRI) Sustainability Reporting Standards (GRI Standards) issued by the Global Sustainability Standards Board (GSSB). It also discloses information based on the Sustainability Accounting Standards Board (SASB) for the Technology and Communications sector, specifically the Hardware industry, and the Health Care sector, specifically Medical Equipment & Supplies. Additionally, the report draws on the spirit of the International Integrated Reporting Framework formulated by the International Integrated Reporting Council (IIRC).

Reporting period

This report was first issued in July 2021 for the year 2020.

Reporting period for this report January 1, 2023, to December 31, 2023.

Release date of this Chinese version: August 2024; release date of this English version: August 2024.

Release date of the previous Chinese version: June 2023 release date of the previous English version: July 2023.

Future publication frequency: once a year.

Disclosure scope

The disclosure scope includes BenQ Materials Corporation and its subsidiaries: United Medical Devices Co., Ltd., BenQ Materials Ltd., Dexin Medical Technology (Suzhou) Co., Ltd., BenQ Materials Medical Technology (Suzhou) Co., Ltd., Suzhou United Medical Co., Ltd., BenQ Materials (Wuhu) Co., Ltd., Jinjet Biotech Co., Ltd., Shuochen Biomedical Co., Ltd., and Wayken Industries Co., Ltd. It covers their performance in economic, social, and environmental aspects. The key operational sites of BenQ Materials and the aforementioned subsidiaries include the Taoyuan and Longke plants in Taiwan, the Yunke plant, and the Suzhou and Wuhu plants in mainland China. Subsequent reports will not provide separate explanations. [For details, see section 9-5 on data disclosure scope.](#)

Disclosure explanation

The sustainability information and performance disclosed by this Report are also synchronously disclosed in the [BenQ Materials' ESG official website](#). Furthermore, for the product information and the financial data of the business performance disclosure, the disclosure is based on the financial report information certified by the CPA after the auditing of KPMG Taiwan. Other relevant data in this Report is obtained via self-statistical analysis of the BenQ Materials Disclosure Team, and the conventional value description approach

is adopted along with the standard rounding method in principle.

Preparation process

This report is compiled by a disclosure team consisting of designated personnel from various departments. After the disclosure team prepares the report, it is consolidated by the secretaries of the ESG Committee. The report is then reviewed by the members of the ESG Committee and finally approved by the Chairman.

External review

In order to enhance the transparency and reliability of the information, the verification process conducted by a third party (SGS Taiwan Ltd.) confirms that this report conforms to the standard specifications of AA1000 AS v3 Type 1 Medium Assurance Level and GRI Standards 2021. [Please refer to the Appendix of this report for the verification statement.](#)

Contact information

For any questions on this Report or any recommendations to BenQ

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