



Sustainability Governance

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Sustainable Governance and Operations

Sustainable Strategy Implementation Framework

BenQ Materials upholds sound corporate governance as the foundation of its sustainability strategy, striving to balance the interests of all stakeholders, protect the environment, and engage meaningfully with society.

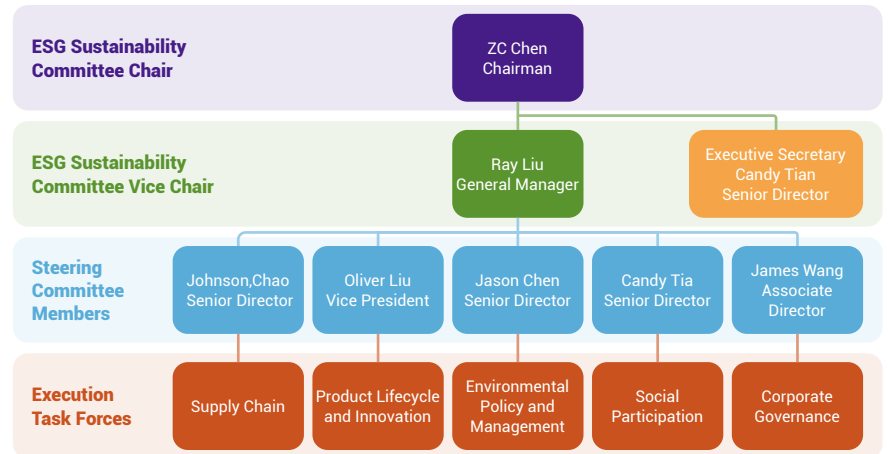
To implement its sustainability strategy, the company has established an ESG Sustainability Committee, which is responsible for overseeing ESG initiatives and setting strategic goals. The committee is led by the Chairman and CEO, and is organized into five functional task forces, each headed by a senior executive serving as the convener.

The committee's focus areas include:

- Development of sustainable materials and green products
- Corporate governance and regulatory compliance
- Green manufacturing
- Social engagement and employee well-being

The ESG Committee convenes quarterly to review the progress, goal alignment, and execution results of each task force's initiatives.

Task Organization	Main Goals	Corresponding SDGs	Members
Supply Chain Team	<ul style="list-style-type: none"> • Emphasizing Labor Rights • Collaborating on Energy Saving and Carbon Reduction • Increasing the Proportion of Green Procurement 	13 Climate Action	Director of Procurement
Product Lifecycle and Innovation Team	<ul style="list-style-type: none"> • Developing Green Products and New Energy Technologies 	9 Industry, Innovation and Infrastructure; 12 Responsible Consumption and Production; 13 Climate Action	Vice President of Research and Development
Environmental Policy and Management Team	<ul style="list-style-type: none"> • increasing the Proportion of Green Factories • Climate Change Response and Management • Reduction and Circular Economy 	6 Clean Water and Sanitation; 7 Affordable and Clean Energy; 12 Responsible Consumption and Production; 13 Climate Action	Vice President of Manufacturing
Social Participation Team	<p>Internal</p> <ul style="list-style-type: none"> • Creating a Diverse, Equitable, and Inclusive Environment • Employee Development and Talent Cultivation <p>External</p> <ul style="list-style-type: none"> • Supporting Local Agriculture • Caring for the Underprivileged and Young Students • Environmental Sustainability Actions 	2 Good Health and Well-being; 3 Good, Healthy and Well-being; 4 Quality Education; 5 Gender Equality; 8 Decent Work and Economic Growth; 10 Reduced Inequalities	Senior Director of Human Resources
Corporate Governance Team	<ul style="list-style-type: none"> • Information Security • Transparent and Responsible Governance • Legal Compliance and Ethical Business Practices 	16 Peace, Justice and Strong Institutions	Deputy Director of Finance



How the ESG Committee works



Sustainable Governance Report to the Board

BenQ Materials has established an ESG Sustainability 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.

In 2024, the Board of Directors focused on the following ESG-related oversight and recommendations:

- Reviewed the company's 2023 ESG performance, assessed progress toward sustainability goals, and provided improvement suggestions (Board meeting held on May 6, 2024)
- 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 2023 Sustainability Report, aiming to enhance disclosure quality and information transparency (Board approval granted on August 1, 2024)




Sustainability Goal




Since 2021, the ESG Sustainability 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
- 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

Sustainability Mission	SDGs	Strategic Focus	Material Topic	KPI	Short-term Goals			Medium Term Goals	Long Term Goals
					2024 Target	2024 Result / Status	2025 Target	2027 Target	2030 Target
Responsible Governance		Transparent and Responsible Governance	Corporate Governance	Corporate Governance Evaluation	Top 6%–20%	Top 6%–20%/ ★		Top 6%–20%	
		Compliance and Ethical Business & Promoting Corporate Integrity	Ethical Business	Zero Integrity Violations	<div><div></div></div>	Zero integrity-related incidents reported in 2024		Zero integrity-related incidents	
				100% Integrity Training Coverage	Full employee participation in training programs (100%)	Full employee participation in training programs (100%)/ ★		Full employee participation in training programs (100%)	
		Information Security Management	Information Security	Zero Major Cyber Incidents	Zero major cybersecurity incidents	Zero major cybersecurity incidents/ ★		Zero major cybersecurity incidents	

Sustainability Mission	SDGs	Strategic Focus	Material Topic	KPI	Short-term Goals			Medium Term Goals	Long Term Goals
					2024 Target	2024 Result / Status	2025 Target	2027 Target	2030 Target
Responsible Product		Green Product Development	Product Responsibility	Carbon Footprint Reduction of 11 Key Products (Baseline: 2020)	-	Among our key products, carbon footprint has been reduced by over 30% for 4 items, over 20% for 3 items, and over 10% for 4 items.	30% reduction compared to the 2020 baseline year	-	55% reduction compared to the 2020 baseline year
	Sustainable Innovation		Percentage of revenue from sustainability-driven new products	<div><div></div></div>	<div><div></div></div>	Over 20% of total revenue	Over 30% of total revenue		
		Key Product Customer Satisfaction	Quality Management	Customer satisfaction with display material products	Over 80%	91.1% / ★	Over 90%		
		Medical Product Compliance and Disclosure	Product Safety and Marketing	Number of violations related to marketing, labeling, and instructions for use	Zero major violations	Zero major violations / ★	Zero major violations		

Note: 「★」 indicates the target was achieved. / 「▼」 indicates the target was not achieved. / 「○」 indicates a newly defined strategic target starting from 2025. / 「-」 indicates the target is under development or not yet defined.



Sustainability Mission	SDGs	Strategic Focus	Material Topic	KPI	Short-term Goals			Medium Term Goals	Long Term Goals
					2024 Target	2024 Result / Status	2025 Target	2027 Target	2030 Target
Environmental Sustainability		Climate Change Response	Climate Strategy	Reduction in Scope 1 and Scope 2 GHG emissions Baseline Compared to 2020 baseline year	12% reduction	↓ 12.9% / ★	15% reduction vs. 2020	21% reduction vs. 2020	30% reduction vs. 2020
				Renewable energy as a percentage of total energy consumption	Reach 20%	23.7% / ★	Gradually increase usage year over year		Reach 50%
				Proportion of Green Factory Certifications	Reach 20%	20% / ★	55%	75%	100%
		Improve Energy Efficiency	Energy Management	Reduction in non-renewable energy consumption intensity Baseline: Compared to 2020 baseline year	20% reduction	↓ 28.3% / ★	To be redefined after inclusion of subsidiaries		
				Annual reduction in energy consumption through employee actions	1.5% annual reduction	↓ 2.3% / ★	>1.5%	>1.5%	>1.5%
		Improve Water Efficiency	Water Resource Management	Reduction in water withdrawal intensity (non-recycled water) Baseline: Compared to 2020 baseline year	25% reduction	↓ 28.8% / ★	To be redefined after inclusion of subsidiaries		
				Improve Water Reuse Rate	Greater than 95%	97.3% / ★	Maintain water reuse rate above 95%		
		Waste Reduction and Circularity Toward Zero Waste Production	Waste Management	Waste resource recovery rate	Greater than 75%	78.3% / ★	>77%	>79%	>80%
Sustainability Mission	SDGs	Strategic Focus	Material Topic	KPI	Short-term Goals			Medium Term Goals	Long Term Goals
					2024 Target	2024 Result / Status	2025 Target	2027 Target	2030 Target
Partnership		Respect for Labor and Human Rights	Sustainable Supply Chain	ESG audit completion rate for Tier-1 critical suppliers	4 suppliers	4 suppliers/ ★	Complete ESG risk assessment and audit prioritization	18 suppliers audited	-
		Green Procurement		Increase Green Procurement Ratio	-	NT\$177.48 million	-	-	-
		Collaborative Carbon Management with Suppliers		Supply chain carbon emissions reduction	↓ 5%	Data to be compiled in 2025 and disclosed in the 2025 Sustainability Report	↓ 10%	↓ 20%	↓ 35%

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Sustainability Mission	SDGs	Strategic Focus	Material Topic	KPI	Short-term Goals			Medium Term Goals	Long Term Goals
					2024 Target	2024 Result / Status	2025 Target	2027 Target	2030 Target
Friendly Workplace		Employee Development and Talent Cultivation	Talent Attraction and Retention	Average training hours per indirect employee	33 hours	46.1/ ★	35 hours	37 hours	39 hours
				Retention rate of top-performing employees	90%	98%/ ★		90%	
		Occupational Health and Safety	Occupational Health and Safety	Achieve zero workplace injuries and incidents	Zero injuries	0.12/ ▼		Zero injuries	
		Diversity, Equity, and Inclusion (DEI)	Inclusive Workplace	Percentage of female managers	○	33.96%		Greater than 30%	
				Zero Non-Conformities in RBA Labor Practices	○	6 non-conformities/ ▼		Zero violations	
				Postpartum One-Year Retention Rate	75%	89%/ ★		Maintain 75%	
				Retention Rate of International and Diverse Talent	80%	81.8%/ ★		Maintain 80%	
				Grievance Resolution Rate	100%	100%/ ★		Maintain 100%	
Social participation		Support for Local Agriculture	Social Impact	Total Procurement Volume under Taiwan Agri-Food Action Program	4.5 metric tons	5.1 metric tons/ ★		5 metric tons	
		Care for Underprivileged and Youth Education		Cumulative Beneficiaries of the Vision Care Program	2,450 persons	2,618 persons/ ★	2,650 persons	3,200 persons	4,000 persons
				Number of STEM Education Outreach Sessions	5 sessions	5 sessions/ ★	5 sessions	6 sessions	6 sessions
		Environmental Sustainability Actions		Number of Environmental Sustainability Engagement Events	3 sessions	3 sessions/ ★		3 sessions	

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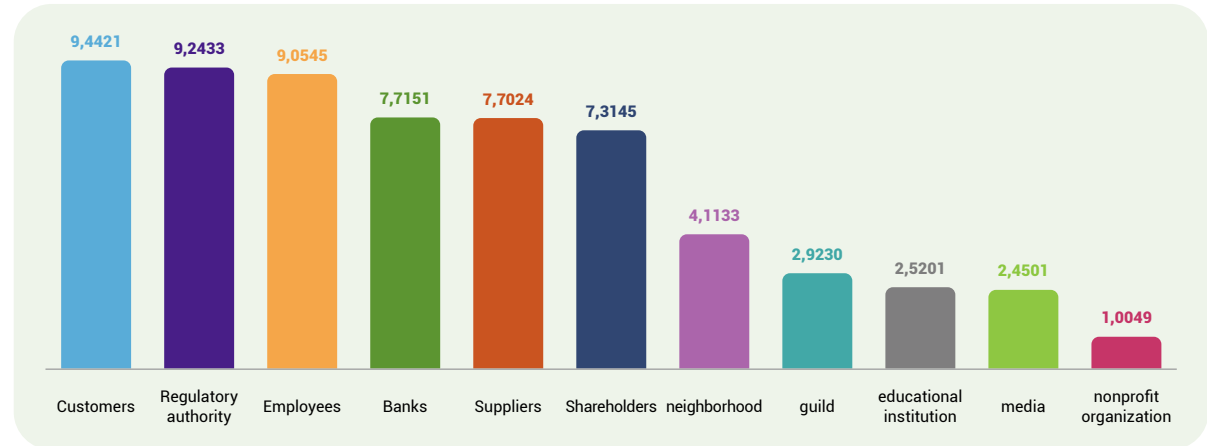
Stakeholder Engagement

Identification of Key Stakeholders

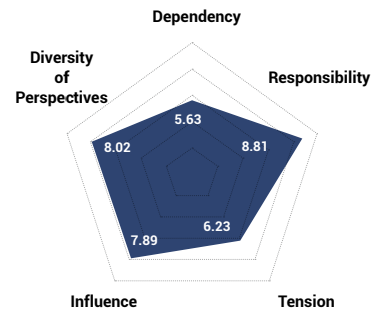
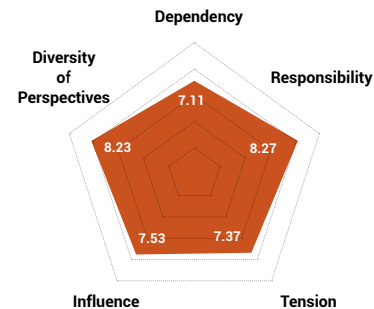
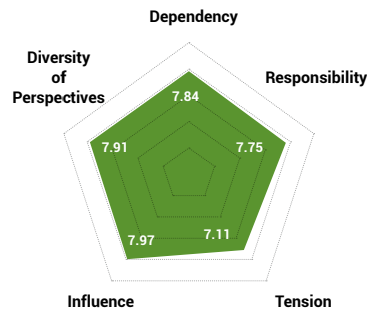
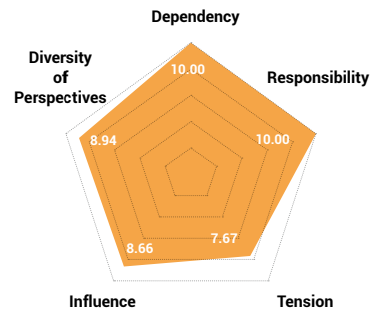
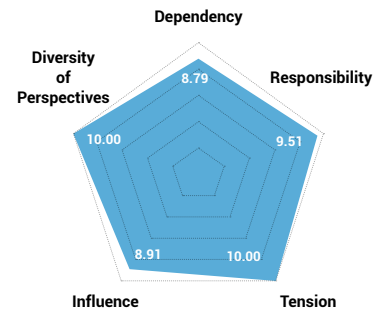
BenQ Materials identifies key stakeholders based on the five dimensions outlined in the AA1000 Stakeholder Engagement Standard (AA1000 SES): Responsibility, Influence, Tension, Diverse Perspectives, and Dependency. In 2021, the company conducted an evaluation led by senior executives overseeing sustainability initiatives and identified five key stakeholder groups: customers (including end users), employees, banks, suppliers, and shareholders.

Following a review conducted by the Sustainability Committee in 2024, 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.

Stakeholder Mapping Summary








Key Stakeholder Evaluation by Five Dimensions

**Customers****Employees****Banks****Suppliers****Shareholders**



Key Stakeholder Engagement

Stakeholder Type	Significance to BenQ Materials	Key Topics of Concern	Responsible Unit	Engagement Method / Frequency	Engagement Outcomes	Key Engagement Issues
 Customers (including End Users)	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.	<ul style="list-style-type: none"> Business Ethics Quality Management Innovation Management Sustainable Supply Chain Occupational Health & Safety 	Product Lifecycle and Innovation Team	<ul style="list-style-type: none"> Customer satisfaction surveys (quarterly) Supplier audits conducted by customers (annually) Supplier conferences hosted by customers (annually) 	<ul style="list-style-type: none"> 4 customer satisfaction surveys conducted 1 supplier audit completed 1 supplier conference held 	BenQ Materials is committed to eliminating PFAS-related substances in all materials. All new products have already transitioned, and legacy products are undergoing phased replacement.
 Employees	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.	<ul style="list-style-type: none"> Quality Management Occupational Health & Safety Business Ethics Human Capital Development Product Responsibility 	Social Participation Team	<ul style="list-style-type: none"> Labor-management meetings (quarterly) Business briefings (quarterly) Welfare committee meetings (quarterly) On-site forums (irregular) Grievance mechanism for misconduct (available anytime) Employee feedback app (available anytime) GM mailbox (available anytime) External whistleblower email (available anytime) 	<ul style="list-style-type: none"> 4 labor-management meetings 4 business briefings 4 welfare committee meetings 22 feedback cases submitted via employee app, 100% resolved 	A satisfaction survey was conducted for foreign migrant workers in 2024, with an overall satisfaction rate of 94.3%. For details, refer to Section 7-4-6 Employee Communication .
 Banks	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.	<ul style="list-style-type: none"> Business Ethics Waste Management Sustainable Supply Chain Information Security Air Emissions Management 	Corporate Governance Team	Bank visits and engagement (irregular)	<ul style="list-style-type: none"> Maintained strong banking relationships Secured required loan facilities, including syndicated loans linked to ESG performance indicators 	In 2024, BenQ Materials continued ESG-related dialogue with banks and successfully met all ESG-related goals set by partner banks.
 Suppliers	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.	<ul style="list-style-type: none"> Occupational Health & Safety Quality Management Waste Management Product Responsibility Business Ethics 	Supply Chain Team	<ul style="list-style-type: none"> Key supplier performance evaluations (semiannual) Supplier documentation audits (annual) On-site coaching and assessments (irregular) Briefings on hazardous substance management policies (irregular) Supplier conference (biennial) 	<ul style="list-style-type: none"> 100% completion rate for key supplier evaluations 100% completion rate for supplier documentation audits 3 supplier coaching workshops conducted 4 ESG audits executed 100% compliance with hazardous substance management policies Supplier conference scheduled for 2025 	In 2024, supplier coaching sessions focused on vendors with lower scores on the ESG self-assessment questionnaire. For further details, refer to Section 6-3-5: Supplier Engagement and Coaching.
 Shareholders	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.	<ul style="list-style-type: none"> Business Ethics Innovation Management Quality Management Waste Management Talent Attraction and Retention 	Corporate Governance Team	<ul style="list-style-type: none"> 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 anytime) 	<ul style="list-style-type: none"> 4 Board and Audit Committee reports submitted 1 Annual General Shareholders' Meeting held 4 investor conferences conducted Ongoing disclosures via the Market Observation Post System, spokespersons, and investor communication channels 	No specific ESG-related engagement topics were raised by shareholders or investors in 2024.

Note: For details on the communication of sustainability issues with stakeholders, please refer to Section 2-4 [Sustainability Topic Management Approach](#) – "Stakeholder Engagement."



Materiality Identification and Analysis

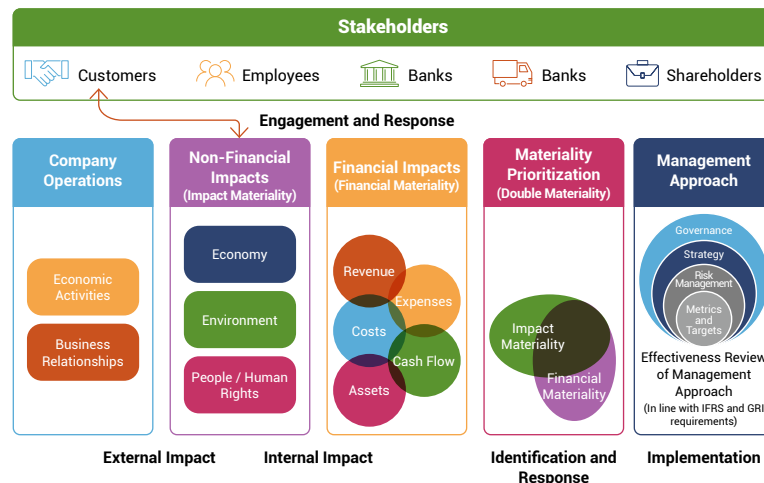
BenQ Materials conducts a sustainability impact assessment every two years to review and identify high-impact issues that serve as the basis for formulating its sustainability strategies and action plans. For each key issue, the company sets short-, medium-, and long-term goals to guide continuous improvement.

In light of the formal release of the IFRS Sustainability Disclosure Standards and the European Sustainability Reporting Standards (ESRS) in 2023, BenQ Materials adopted the GRI 3: Material Topics 2021 as its foundational framework. At the same time, it integrated the principles and guidance from IFRS and ESRS regarding sustainability impacts to implement the Double Materiality approach.

This approach incorporates:

- **Impact Materiality:** The company's impacts on the economy, environment, people, and human rights (external impacts); and
- **Financial Materiality:** How those external impacts create or change financial risks and opportunities for the company (internal impacts).

BenQ Materials applies a five-stage materiality identification process, evaluating the company's operational impacts across various sustainability dimensions. The results are synthesized to prioritize material topics for disclosure, based on a balanced analysis of both external and internal impacts.



Materiality Identification and Analysis

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:** $\text{Impact materiality} = \text{severity (scale, scope, remediability)} \times \text{likelihood}$
- ★ **Positive impacts:** $\text{Impact materiality} = \text{benefit magnitude (scale, scope)} \times \text{likelihood}$

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 a baseline to quantify the level of financial impact.
 - 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 :**
 - ★ $\text{Financial materiality} = \text{Operational impact severity} \times \text{likelihood}$
- 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 Topics

- As of January 2025, the ESG Sustainability Committee finalized the priority material topics for disclosure.
- Topics align with GRI Topic Standards (6 core + 2 custom topics)
- Also mapped to SASB industry standards for:
 - Technology and Communications – Hardware
 - Health Care – Medical Equipment & Supplies
- Based on full consideration of double materiality, a total of 9 material topics were confirmed for reporting after Committee review.

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 double materiality impact analysis, BenQ Materials 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, to be continuously monitored.

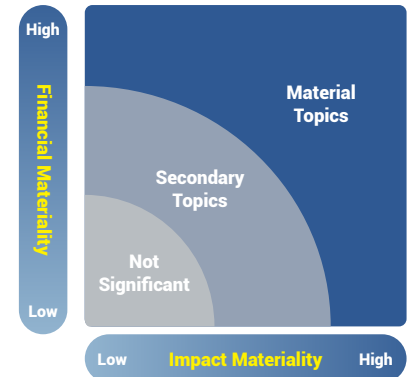
Following a comprehensive review and evaluation by the ESG Sustainability Committee, the following 9 topics with significant negative impacts were prioritized for disclosure in this report. These are the topics for which management approaches and implementation outcomes are discussed in detail:

- Climate Strategy
- Innovation Management
- Product Safety and Marketing
- Diversity and Inclusion
- Product Responsibility
- Quality Management
- Sustainable Supply Chain
- Information Security
- Business Ethics

This year marks the first adoption of the double materiality assessment methodology. In light of increasing global focus on human rights, diversity and inclusion has emerged as a critical factor in responsible business practices. Furthermore, the growing frequency of extreme weather events poses direct and indirect risks to the hardware and medical device industries, increasing the relevance of product responsibility and product safety and marketing. Lastly, business ethics remains a foundational principle of corporate operations.

As a result, compared to the previous reporting year, four new topics have been added to the list of material topics for priority disclosure:

- Diversity and Inclusion
- Product Responsibility
- Product Safety and Marketing
- Business Ethics



Impact Materiality

Negative	Positive
Business Ethics	Talent Attraction & Retention
Climate Strategy	Business Ethics
Talent Attraction & Retention	Climate Strategy
Diversity & Inclusion	Product Responsibility
Product Safety & Marketing	Product Safety & Marketing
Innovation Management	Sustainable Supply Chain
Product Responsibility	Innovation Management
Information Security	Diversity & Inclusion
Privacy Protection	Human Capital Development
Sustainable Supply Chain	Social Impact
Quality Management	Privacy Protection
Energy Management	Quality Management
Water Resource Management	Energy Management
Waste Management	Water Resource Management
Biodiversity	Occupational Health & Safety
Tax Governance	–
Air Emissions	–
Occupational Health & Safety	–

Financial Materiality

Negative	Positive
Sustainable Supply Chain	Energy Management
Innovation Management	Talent Attraction & Retention
Information Security	Social Impact
Quality Management	Business Ethics
Climate Strategy	Sustainable Supply Chain
Product Responsibility	Quality Management
Diversity & Inclusion	Climate Strategy
Energy Management	Product Responsibility
Product Safety & Marketing	Product Safety & Marketing
Waste Management	Innovation Management
Air Emissions	Water Resource Management
Biodiversity	Diversity & Inclusion
Business Ethics	Human Capital Development
Privacy Protection	Occupational Health & Safety
Tax Governance	Privacy Protection
Talent Attraction & Retention	–
Occupational Health & Safety	–
Water Resource Management	–

Double Materiality

Negative	Positive
Climate Strategy	Talent Attraction & Retention
Diversity & Inclusion	Business Ethics
Sustainable Supply Chain	Climate Strategy
Innovation Management	Product Responsibility
Product Responsibility	Product Safety & Marketing
Information Security	Social Impact
Product Safety & Marketing	Sustainable Supply Chain
Quality Management	Innovation Management
Business Ethics	Energy Management
Privacy Protection	Quality Management
Energy Management	Diversity & Inclusion
Talent Attraction & Retention	Human Capital Development
Waste Management	Water Resource Management
Biodiversity	Occupational Health & Safety
Air Emissions	Privacy Protection
Water Resource Management	–
Tax Governance	–
Occupational Health & Safety	–

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



Mapping of Material Sustainability Topics to Reporting Standards

A review was conducted of all 31 GRI Topic Standards, and those relevant to BenQ Materials' identified material topics were mapped accordingly. As a result, 6 applicable GRI Topic Standards and 3 organization-specific (custom) topics were selected.

In addition, relevant disclosure topics from the SASB Standards for the Hardware and Medical Equipment & Supplies industries were also referenced to align with industry-specific expectations. This mapping formed the foundation for initiating the preparation of this sustainability report.

Material Topic	Positive Impact	Negative Impact	Impact Area				Value Chain Scope of Impact					Correspondence with GRI Standards and SASB Metrics
			Economic	Environmental	People	Human Rights	Upstream Suppliers	Tier-1 Suppliers	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	●	●	●		●		●	●	●	●	●	Custom Topic : Energy Consumption and Efficiency
Product Responsibility	●	●	●	●	●	●	●	●	●	●	●	TC-HW-410a.1 TC-HW-410a.4 HC-MS-410a.1~2
Information Security		●	●			●		●	●	●	●	Custom Topic : Information Security Incidents TC – HW – 230a.1
Product Safety & 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	●	●	●		●			●	●	●	●	Custom Topic : Customer Satisfaction
Business Ethics	●	●	●						●	●		GRI 205 : Anti-corruption 2016 HC – MS – 510a.1~2



Time Horizon and Scope of Impacts for Material Sustainability Topics

Material Topic	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	Beyond 5 Years
Climate Strategy	• Regulatory • Climate Change	Negative	<ul style="list-style-type: none">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.	<ul style="list-style-type: none">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.	<ul style="list-style-type: none">Increased costsReduced revenueHeightened operational risks	●			
		Positive	<ul style="list-style-type: none">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.	<ul style="list-style-type: none">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.	<ul style="list-style-type: none">Reduced costIncreased revenueIncreased revenue	●			
Diversity and Inclusion	• Regulator • Market	Negative	<ul style="list-style-type: none">The company operates globally and faces the risk of non-compliance with local labor regulations or failing Responsible Business Alliance (RBA) audits conducted by customers.	<ul style="list-style-type: none">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 adverse impacts on revenue.	<ul style="list-style-type: none">Heightened operational risks		●		
		Positive	<ul style="list-style-type: none">The company actively recruits international talents 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.	<ul style="list-style-type: none">These efforts are expected to support international market expansion, improve customer retention, and drive revenue growth.	<ul style="list-style-type: none">Increased revenue	●			
Sustainable Supply Chain	• Market • Geopolitical	Negative	<ul style="list-style-type: none">The company plans to prioritize the development of high-value products, which is expected to result in a decrease in the total volume of raw material procurement. This may adversely affect existing commercial relationships with Tier-1 suppliers that provide lower-value materials.There is a risk associated with customer-imposed localization requirements in China, which may compel the company to shift to local Chinese suppliers.	<ul style="list-style-type: none">Based on volume-price agreements with current suppliers, a reduction in procurement volumes may lead to the withdrawal of preferential pricing or financial support.If localization is enforced by Chinese clients, additional product qualification time and costs could cause significant financial impact.	<ul style="list-style-type: none">Increased costsIncreased costs		●		
		Positive	<ul style="list-style-type: none">By diversifying key supplier sources and shifting the procurement of certain critical materials to non-Taiwan-based suppliers, the company not only enhances the commercial opportunities for international vendors but also significantly reduces procurement costs, thereby increasing value for shareholders and employees.	<ul style="list-style-type: none">The reduction in raw material acquisition costs enables the company to offer more competitively priced products.	<ul style="list-style-type: none">Reduced cost	●			



Material Topic	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	Beyond 5 Years
Innovation Management	<ul style="list-style-type: none">Technology InnovationMarketOperational ProcessesHuman Capital Constraints	Negative	<ul style="list-style-type: none">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.	<ul style="list-style-type: none">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.	<ul style="list-style-type: none">Heightened operational risks	<div></div>			
		Positive	<ul style="list-style-type: none">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.	<ul style="list-style-type: none">Once sustainable products and manufacturing technologies mature, they are expected to unlock significant market opportunities.	<ul style="list-style-type: none">Increased revenue	<div></div>			
Product Responsibility	<ul style="list-style-type: none">RegulatoryOperational ProcessesMarketEnvironmental PollutionPandemicClimate Change	Negative	<ul style="list-style-type: none">Failure in new product development and design, such as integrating recycled or low-carbon materials, may result in increased environmental impact throughout the product lifecycle.	<ul style="list-style-type: none">The cost of sourcing low-carbon materials and verifying their environmental attributes is increasing.	<ul style="list-style-type: none">Increased costs	<div></div>			
		Positive	<ul style="list-style-type: none">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 infectious diseases 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.	<ul style="list-style-type: none">The adoption of sustainable materials and expansion of new sustainable product lines requires significant resource investment and may raise short-term costs; however, substantial long-term market opportunities are anticipated.In the event of global conflicts or pandemics such as COVID-19, demand for disposable medical devices may rise significantly, potentially increasing revenue.	<ul style="list-style-type: none">Increased revenue	<div></div>			
Information Security	Cybersecurity	Negative	<ul style="list-style-type: none">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.	<ul style="list-style-type: none">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.	<ul style="list-style-type: none">Heightened operational risks	<div></div>			



Material Topic	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	Beyond 5 Years
Product Safety & Marketing	<ul style="list-style-type: none"> Reputation Regulatory Operational Processes 	Negative	<ul style="list-style-type: none"> 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' ability to sell products, posing downstream revenue risks. 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> The company has completed the development and deployment of PFAS substitute materials, which enhances its market competitiveness and is expected to contribute to increased product revenue. 	• Increased revenue	●		
Quality Management	<ul style="list-style-type: none"> Operational Processes Regulatory Market 	Negative	<ul style="list-style-type: none"> Potential safety issues arising from quality defects during the manufacturing stage. Quality stability risks associated with introducing non-Taiwanese raw materials, which may impact customer product performance. Regulatory compliance risks for environmental requirements in various countries, particularly for medical and cosmetic products. 	<ul style="list-style-type: none"> 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 cost	●		
		Positive	<ul style="list-style-type: none"> The new Yuntech factory is expected to obtain Halal certification in Malaysia, potentially expanding market access across Southeast Asia and benefiting from increased acceptance among end consumers. Optimization of operational processes related to the verification of early-stage product quality planning reduces material consumption and production-related resources during product testing, thereby enhancing product development efficiency and employee productivity. 	<ul style="list-style-type: none"> Expected revenue growth from expanded market access. Improved operational efficiency reduces labor hours and lowers operational costs. 	• Increased revenue	●		
Business Ethics	Regulatory	Negative	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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 cost	●		
		Positive	<ul style="list-style-type: none"> Sustainable investment may enhance the company's intangible asset value and expand future market opportunities. 	<ul style="list-style-type: none"> 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	●		



Sustainability Topic Management Approach

Material Topic

Climate Strategy

Policy / Commitment	Policy: <ul style="list-style-type: none">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.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. Commitment: <ul style="list-style-type: none">BenQ Materials is committed to implementing its climate strategy across multiple fronts—including low-carbon production, renewable energy adoption, and green innovation—toward the long-term goal of corporate sustainability.	
	Responsibility <ul style="list-style-type: none">ESG Committee / CEORisk Management Committee / CEO	
Targets	2024	<ul style="list-style-type: none">12% reduction in Scope 1 and Scope 2 GHG emissions (base year: 2020)20% of electricity from renewable sources
	Short-Term (1–2 years)	<ul style="list-style-type: none">30% reduction in Scope 1 and 2 GHG emissions by 203050% renewable energy by 2030
	Mid- to Long-Term (3+ years)	<ul style="list-style-type: none">100% renewable energy by 2040 (RE100)Net-zero emissions by 2050
Action Plan	<ul style="list-style-type: none">Continue implementing the TCFD project to evaluate risks and opportunities and implement mitigation and adaptation actionsExpand GHG inventory and third-party verification across all operational sitesExtend ISO 50001 Energy Management System coverageInstall on-site solar PV systems for self-consumptionIntroduce energy-efficient technologies and equipment to improve energy performance	
Annual Performance	<ul style="list-style-type: none">12.9% reduction in Scope 1 & 2 GHG emissions vs. 2020 baseline23.7% of electricity sourced from renewables in 2024	
Monitoring & Review	<ul style="list-style-type: none">Monthly meetings of the Environmental Policy and Management Task Force to review performance against energy and carbon reduction KPIsQuarterly ESG Committee meetings to evaluate climate mitigation and adaptation measures	
Stakeholder Engagement	<ul style="list-style-type: none">Encourage full employee participation in energy-saving and carbon-reduction activitiesStrategic discussions between senior leadership and transformation teams on climate adaptationCollaborations with academia and industry associations to advance decarbonization R&D	

Material Topic

Diversity and Inclusion

Policy / Commitment	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	2024	<ul style="list-style-type: none">Zero non-compliance with RBA Labor standardsRetention rate of international and diverse talent > 80%Retention rate one year after maternity leave > 75%Female leadership ratio > 30%100% resolution rate for employee feedback and grievance cases	
	Short-Term (1–2 years)		
	Mid- to Long-Term (3+ years)		
Action Plan	<ul style="list-style-type: none">Conduct regular internal assessments to ensure compliance with RBA labor standards and achieve zero violationsProvide language and cultural adaptation training to enhance international employee retentionOrganize cross-cultural awareness and inclusiveness programs to strengthen employee understanding of diversity issuesPromote flexible working hours, remote work, and childcare subsidies to support women's career development and retentionOffer post-maternity flexible hours, nursing rooms, and parenting allowances to ensure smooth return-to-work transitions		
Annual Performance	<ul style="list-style-type: none">6 non-compliance findings in 2024 from an RBA audit by customer (Innolux); all findings were rectified within the customer's deadlineInternational talent retention rate reached 81.8%Post-maternity one-year retention rate reached 89%Female leadership ratio reached 33.8%100% resolution rate for employee feedback and complaints		
Monitoring & Review	Progress tracked through monthly and quarterly ESG Committee meetings, with reviews led by the Social Subcommittee		
Stakeholder Engagement	Customer: 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 : For human rights-related adverse impacts, refer to the grievance handling procedures disclosed on the BenQ Materials ESG website and in [Chapter 7-1 on Human Rights Management](#).



Material Topic

Sustainable Supply Chain

Policy / Commitment	Policy: Comply with BenQ Materials' Supplier Code of Conduct for Corporate Social Responsibility, and benchmark ESG performance of key 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 <ul style="list-style-type: none">Supply Chain Management Division / Senior Director	
Targets	2024	<ul style="list-style-type: none">Complete ESG audits for 30% of high-risk Tier 1 key suppliersRecognize outstanding suppliers in energy-saving and carbon reduction performance at the Supplier Conference
	Short-Term (1-2 years)	<ul style="list-style-type: none">Set green procurement targets by 2025Complete ESG audits for 100% of high-risk Tier 1 key suppliers by 2026
	Mid- to Long-Term (3+ years)	<ul style="list-style-type: none">Achieve a 30% carbon reduction in Tier 1 key supply chain by 2030 (base year: 2022)
Action Plan	<ul style="list-style-type: none">Conduct supplier due diligence and local supplier engagement programsEstablish a two-way supplier information sharing platformConduct ESG audits based on supplier risk segmentation	
Annual Performance	<ul style="list-style-type: none">Completed 4 ESG audits in 2024, achieving 100% of the annual targetGreen procurement amount reached TWD 17.748 million in 2024, representing a 115% increase compared to the previous yearInternal decision made to host the Supplier Conference every two years; outstanding low-carbon suppliers will be awarded during the 2025 conference	
Monitoring & Review	<ul style="list-style-type: none">Monthly and quarterly ESG Committee meetings are used to review the implementation progress of the Supply Chain Subcommittee	
Stakeholder Engagement	Customer Engagement: Conduct supplier ESG risk assessments based on transaction status, CSR self-assessment scores, and published sustainability reports. ESG audits are conducted for high-risk Tier 1 key suppliers, with feedback and improvement suggestions provided through audit engagement	

Material Topic

Innovation Management

Policy / Commitment	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 <ul style="list-style-type: none">R&D Center / Vice PresidentBusiness Units / Department Heads and above	
Targets	2024	<ul style="list-style-type: none">Baseline year for target setting; no performance target defined for 2024.
	Short-Term (1-2 years)	<ul style="list-style-type: none">Sustainable product revenue ratio > 20%
	Mid- to Long-Term (3+ years)	<ul style="list-style-type: none">Sustainable product revenue ratio > 30%
Action Plan	<ul style="list-style-type: none">Develop a forward-looking technology roadmap to guide product R&D direction and innovation pathwaysCultivate cross-disciplinary innovation talent through training and project-based collaborationStrengthen breakthroughs in material technologies to improve resource efficiency and reduce environmental impactEvaluate potential mergers and acquisitions related to emerging technologies and markets to accelerate innovation implementation	
Annual Performance	<ul style="list-style-type: none">As 2024 is the baseline year for setting targets, no performance data is available for the year	
Monitoring & Review	<ul style="list-style-type: none">Annual strategy meetings: Review product innovation outcomes and technology trends to fine-tune innovation strategyRegular 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 : For human rights-related adverse impacts, refer to the grievance handling procedures disclosed on the BenQ Materials ESG website and in [Chapter 7-1 on Human Rights Management](#).



Material Topic

Product Responsibility

Policy / Commitment

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

Short-Term
(1–2 years)

- By 2025, achieve a 30% reduction in carbon emissions for major existing products (baseline: 2020)

Mid- to Long-Term
(3+ years)

- By 2030, achieve a 55% reduction in carbon emissions for major existing products (baseline: 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

- 2024 carbon footprint reduction status for key existing products compared to the baseline year:
4 products achieved a reduction of over 30%,
3 products achieved a reduction of over 20%,
4 products achieved a reduction of under 10%.

Monitoring & Review

- Monthly and quarterly ESG meetings to monitor target achievement, review improvement status, and propose action plans

Stakeholder Engagement

Customers:

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

Material Topic

Information Security

Policy / Commitment

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
- Information Technology Department / Chief Information Security Officer (CISO)

Targets

2024

Short-Term
(1–2 years)

- Zero major information security incidents

Mid- to Long-Term
(3+ years)

Action Plan

- Maintain and continuously improve the ISO/IEC 27001 Information Security Management System (ISMS)
- Implement projects related to protection and simulation drills for information security
- Maintain regular cybersecurity insurance coverage to mitigate potential liabilities
- Conduct cybersecurity training to raise employee awareness
- Perform quarterly vulnerability scanning, patching, and ERP system recovery drills
- Conduct periodic security check-ups and malware scans

Annual Performance

- Zero major information security incidents

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

Conducted Cybersecurity Awareness Month and general training sessions

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.

**Material Topic** Quality Management and Product Safety & Marketing**Policy / Commitment****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 pledge to foster a culture of quality and product safety by implementing risk prevention management across product design and manufacturing. We ensure safety and compliance while enhancing quality, reliability, and market trust through systematic quality training, supply chain oversight, and rapid response mechanisms. We adhere to responsible marketing principles to ensure that product information is truthful, transparent, and non-exaggerated.

Responsibility

- R&D Center / Vice President
- Business Units / Senior Managers
- Marketing Department / Directors

Targets

2024

Quality Management and Product Safety:

- Display Materials: Customer satisfaction rate > 80%
- Advanced Battery Materials: Zero customer complaints; Tier 1 customer supplier rating: Grade S
- Healthcare and Medical Products: All new products to meet verification and certification requirements
- Waterproof & Breathable Fabrics: Customer satisfaction rate > 80%

Short-Term
(1–2 years)Mid- to Long-Term
(3+ years)**Product Marketing:**

- Medical products: Zero incidents of non-compliance with advertising, product labeling, or health-related service regulations

Action Plan

- Continuous implementation of quality management training
- Product certification and verification
- Annual customer satisfaction surveys and supplier quality audits

Annual Performance**Quality Management and Product Safety:**

- Display Materials: 2024 customer satisfaction rate reached 91.1%
- Advanced Battery Materials: Zero complaints; awarded S-grade supplier rating by Japanese Tier 1 customer for three consecutive cycles
- Healthcare and Medical Products: All 2024 launched products met certification standards
- Waterproof & Breathable Fabrics: Customer satisfaction rate reached 100%

Product Marketing:

- No incidents of non-compliance regarding product marketing, labeling, or health & safety regulations in 2024

Monitoring & Review

- Regular ISO management review meetings for quality systems
- Certification audits for international quality and product standards
- Routine 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

External:

- Suppliers: Annual Quality Technical Conference, covering new material integration, raw material issue resolution, and carbon footprint goal alignment
- Customers: Monthly quality briefings with clients, including complaint handling, yield performance, and updates on quality improvement and carbon footprint tracking projects

Note: Due to the high degree of relevance between quality management and product safety & marketing, the two management approaches are presented jointly.

Material Topic**Business Ethics & Integrity****Policy / Commitment****Policy:**

The company adheres to the highest ethical standards to ensure that all business operations align with its core principles of integrity.

Commitment:

- Zero tolerance for corruption and unethical business practices; integrity is embedded in all transactions and decision-making processes.
- Ensure that all employees and supply chain partners comply with the company's code of business ethics, supported by regular training programs.
- Transparently disclose ethics-related policies, incident-handling procedures, and annual performance outcomes.

Responsibility

- Finance Center / Chief Financial Officer (CFO)

Targets

2024

Short-Term
(1–2 years)Mid- to Long-Term
(3+ years)

- Completed company-wide business ethics training with 100% employee participation.
- Strengthened internal review mechanisms to ensure zero violations of business integrity.

Action Plan

- Establish business integrity policies and internal control mechanisms to ensure transparency and fairness in all decisions.
- Strengthen internal audits and whistleblower mechanisms to allow anonymous reporting of violations.
- Conduct annual business ethics training to ensure all employees understand anti-corruption and conflict-of-interest management principles.

Annual Performance

- 100% completion rate of Code of Conduct training in 2024.
- 100% completion rate of training on corporate culture and values related to business integrity in 2024.
- Zero violations of business integrity in 2024.

Monitoring & Review

- ESG monthly and quarterly meetings to supervise the implementation and risk anomalies related to business integrity.
- Internal audit and compliance reports to regularly review risk management mechanisms and ensure internal control compliance.

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: If the negative impact involves human rights, relevant grievance mechanisms and handling measures can be found on the BenQ Materials ESG website, as well as in Section 3-4 Business Integrity and Section 7-1 Human Rights Management.