



Friendly Workplace

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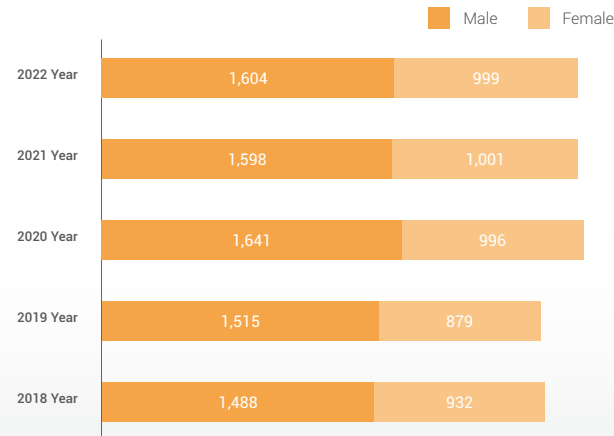
Manpower Overview

» Recruitment Policy

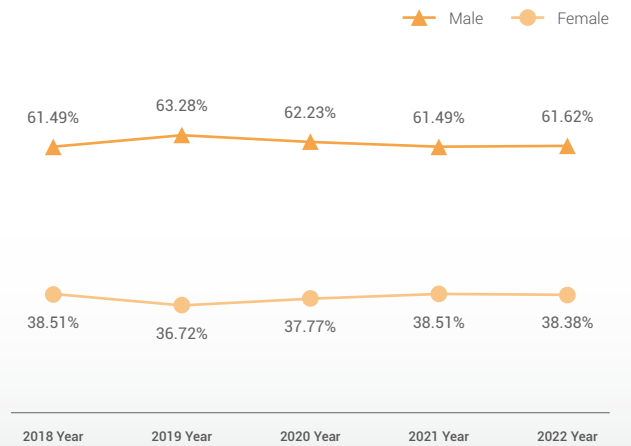
Through fair, just and open recruitment mechanism, BenQ Materials aims to establish diverse, inclusive, friendly and lively working environment. Comply with relevant labor laws and international human rights convention of the country where each business operation office is located. The company is committed to the protection of employee human rights, and the employment policy does not involve any discrimination in gender, race, social and economic level, age, marriage and family status, etc. In addition, the company implements equality and fairness in the employment, recruitment criteria, remuneration, welfare, training, evaluation and promotion opportunity. The aforementioned employment policy is specified in the work rules and is also included in the employment contract and training materials for new employee orientation. BenQ Materials expects to achieve outstanding and open working atmosphere, in order to effectively increase work efficiency and team coherence.



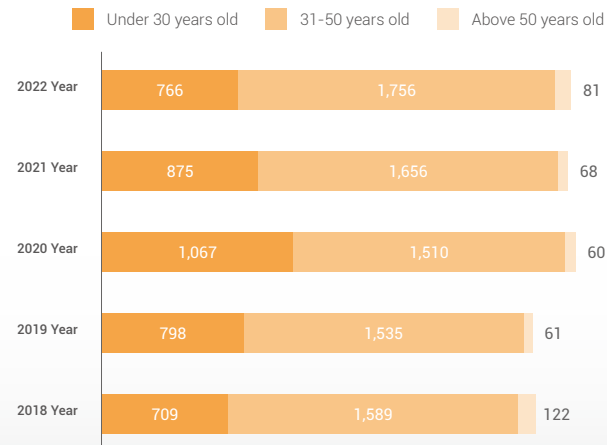
Historical Total Number of Employees (According to gender)



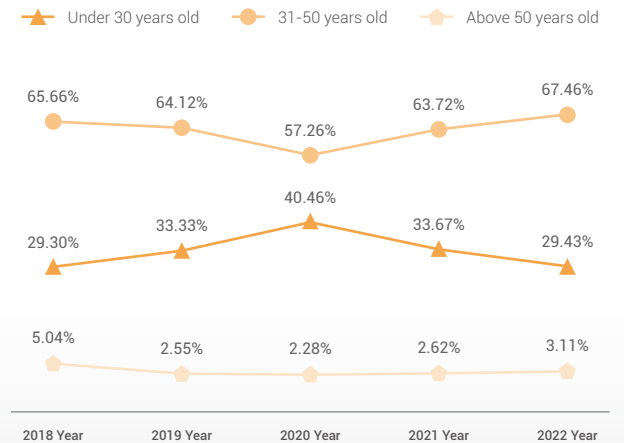
Historical Employee Gender Ratio



Historical Total Number of Employees (According to age)



Historical Employee Age Ratio



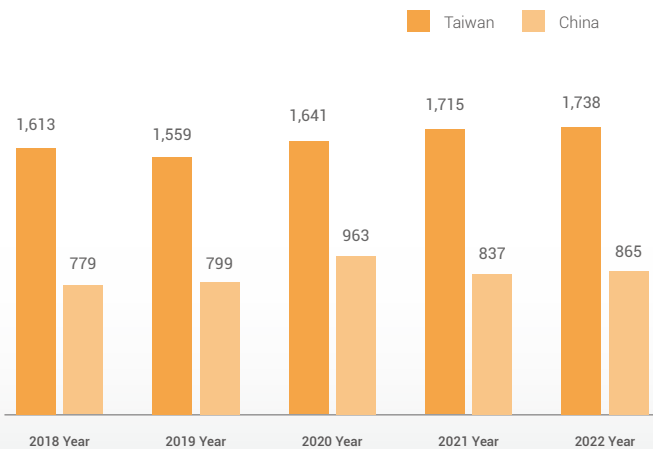


» Employee Statistics

Up to the end of 2022, the global total number of employees of BenQ Materials was 2,603 people (including dispatched manpower of 365 people). Each business location had no major change in the number of employees in 2022. The number of employees in the business locations in Taiwan was 1,738 people, and the number of employees in Suzhou, China and Wuhu Plant in China was 865 people.

The workforce is divided by employment type into 1,989 regular employees and 249 contract employees. The non-employee workers primarily consist of 365 dispatched personnel assigned by external dispatch companies to provide material services for the company. Among them, the dispatched personnel are mainly stationed at the Suzhou plant and are responsible for tasks such as quality inspection and packaging on the Suzhou plant production line. The selection of dispatched personnel is primarily based on the efficiency and recruitment methods of local recruitment. The company commissions manpower dispatch companies to handle the recruitment process and also collaborates with students for internships. Therefore, the proportion of dispatched personnel and contract employees is higher compared to other operational locations.

Historical Business Location Number of Employees Statistics



Historical Employment Contract Number of Employees (Statistics according to business location)



Note 1: The scope of manpower data disclosure includes Taiwan and mainland China. The employee statistics for Taiwan include the headquarters, Longke Plant, Yunko Plant, Lianhe Medical, Jingjie, and Shuochen. The employee statistics for mainland China include the Suzhou Plant and Wuhu Plant.

Note 2: The 365 dispatched personnel in the table mainly assist in the basic packaging work for BenQ materials processing and do not include a total of 1,138 personnel from outsourced/contracted vendors (including security guards, janitors, catering staff, waste management personnel, and construction workers).

Note 3: The number of employees is calculated based on the number of employees in service as of December 31, 2022.

According to the contract type, there are only 4 part-time employees (0.15% of the total) across various operational locations in Taiwan. All 4 individuals are based in the Taoyuan Plant, with 3 females and 1 male.

In terms of gender statistics for 2022, females account for 38.38% of the workforce, while males make up 61.62%. In terms of age distribution, the average age is 36.2 years. The main age group among employees in 2022 is 31-50 years old (67.46%), with 29.42% being below 30 years old and 3.11% being above 51 years old.

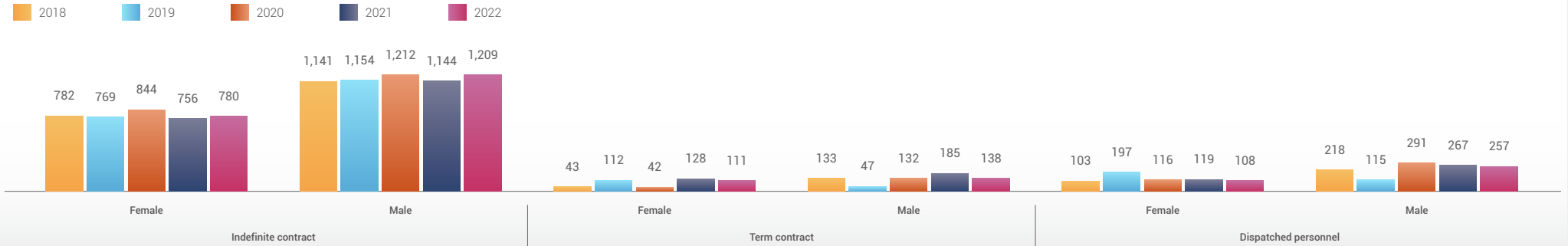
Analyzing gender ratios based on job levels and functions, the percentage of female executives (73.59%) is higher than that of males. The percentage of female frontline supervisors (34.76%) is roughly equivalent to the overall gender ratio of the company. The percentage of female senior executives (32.03%) and female engineers (32.30%) is slightly lower than the overall gender ratio, but the difference is not significant.

In 2022, 77% of the mid-to-senior-level executives hired in Taiwan were Taiwanese nationals, while the Suzhou Plant and Wuhu Plant had a ratio of 64% for hiring Chinese nationals as mid-to-senior-level executives.

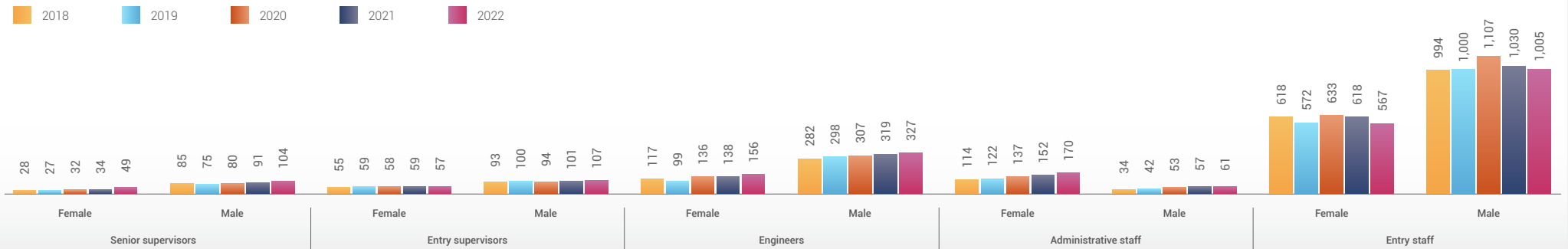
BenQ Materials pays attention to job opportunities for individuals with disabilities. In 2022, there were 17 applicants with disabilities in Taiwan, out of which 14 were actually hired. For the remaining positions, BenQ Materials plans to conduct a job inventory for business support and administrative positions and discuss with departments how to arrange and design work to suit individuals with disabilities, in order to facilitate future recruitment and employment.



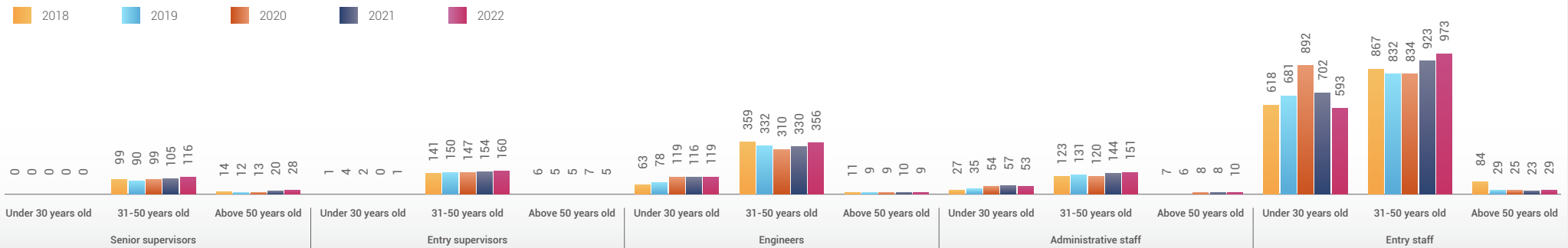
Historical Total Number of Employees (Contract type)



Historical Total Number of Employees (Job rank and gender)



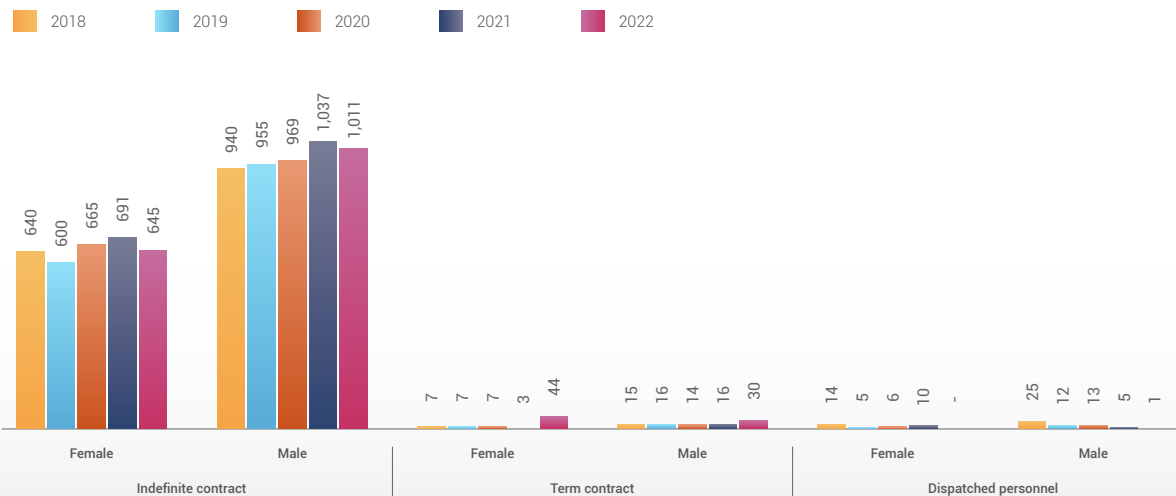
Historical Total Number of Employees (Job rank and age)



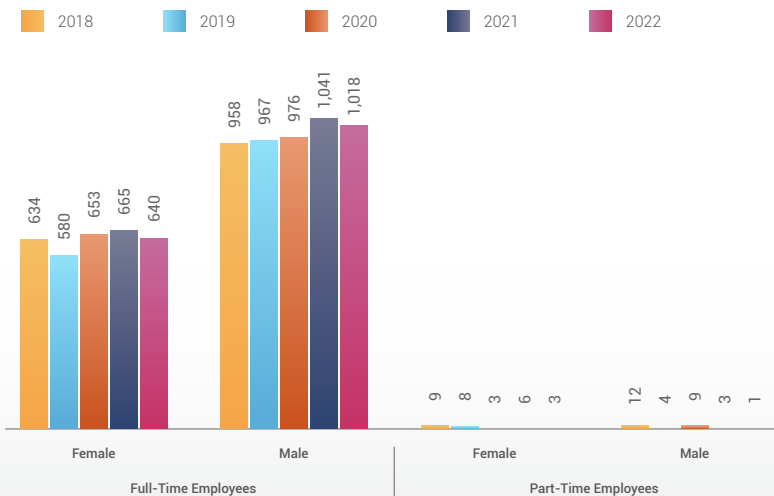
Note: Middle and senior supervisors: manager level or above; junior supervisors: deputy manager level supervisors; engineers: engineers and researchers; executives: commissioner level and clerks; junior staff: those who do not belong to the aforementioned categories in the factory.



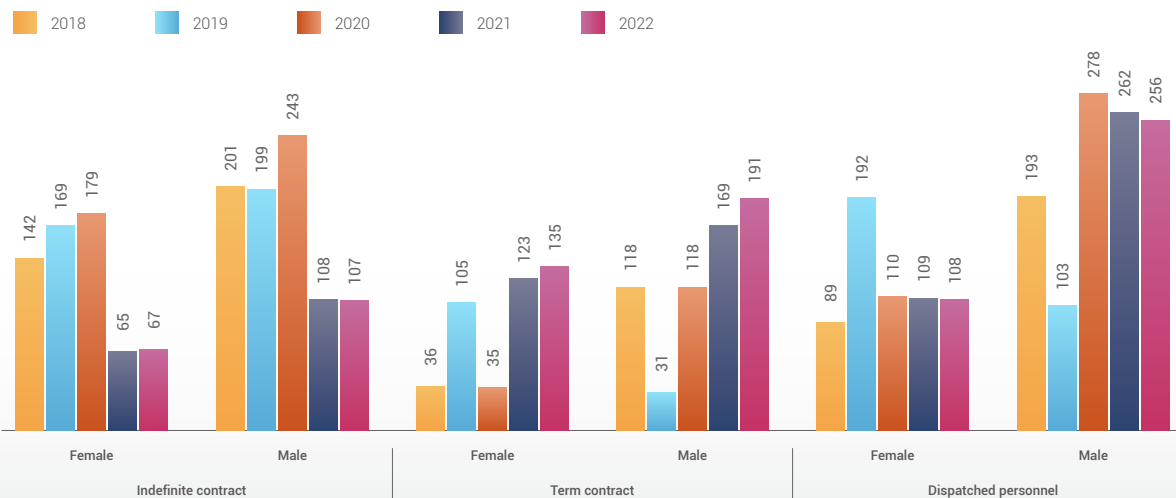
Historical Total Number of Employees (Contract type and gender/Taiwan)



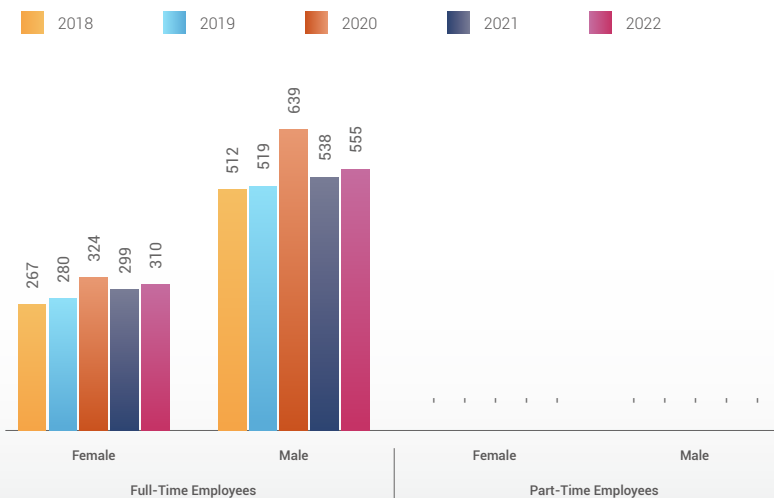
Historical Total Number of Employees (Gender and Employment types/Taiwan)



Historical Total Number of Employees (Contract type and gender/China)



Historical Total Number of Employees (Gender and Employment types/China)



Note: BenQ Materials does not have employees with guaranteed working hours. BenQ Materials in mainland China does not have part-time employees.



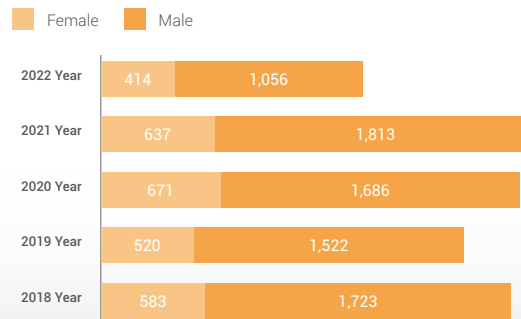
» Staff Turnover

In 2022, the turnover rate for regular employees, including both regular and non-regular contract employees, in various plants in Taiwan (including the headquarters, Taoyuan Plant, Longke Plant, Yunko Plant, and Sigma; Medical) was 31.3%. Analyzing the turnover rate by gender, the turnover rate for males was 29.46%, while for females, it was 34.11%. Looking at the turnover rate by age group, the turnover rate for employees below 30 years old was 47.60%, for employees aged 31-50 it was 26.85%, and for employees above 51 years old, it was 8.33%. The turnover rate for each age group is proportionate to the distribution of employees in those age groups. The new hire rate in Taiwan (total number of new hires in the year divided by the total number of employees at the end of the year) was 29.71%. The new hire rate for males was 27.93%, while for females, it was 31.49%. In terms of gender ratio among employees, the new hire rate for females is slightly higher than for males. Analyzing the new hire rate by age group, it was 52.86% for employees below 30 years old, 22.38% for employees aged 31-50, and 5.56% for employees above 51 years old. Due to the growing scale of operations, there is a higher new hire rate for employees below 30 years old. The new hire rate in Taiwan is relatively consistent with the turnover rate.

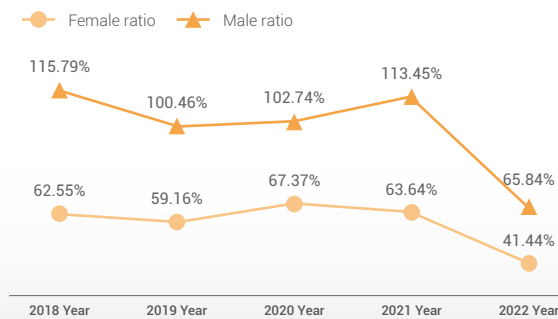
For the Wuhu Plant, the turnover rate in 2022 was 36.21%, which is not significantly different from the average of the various plants in Taiwan. However, the turnover rate for males was 44.32%, which is higher than the rate of 10.71% for females. Analyzing the turnover rate by age group, it was 51.16% for employees below 30 years old and 31.94% for employees aged 31-50. The turnover rate is relatively higher for employees below 30 years old. The new hire rate for the Wuhu Plant in 2022 was 38.79%, with a new hire rate of 45.45% for males and 17.86% for females. The new hire rate is relatively higher for males. Analyzing the new hire rate by age group, it was 51.16% for employees below 30 years old and 31.94% for employees aged 31-50.

Due to a labor shortage in the local labor market and increasing competition for talent, the Suzhou Plant mainly relies on cooperation with manpower agencies to recruit manpower through dispatch and regular contract arrangements. As a result, there is a higher proportion of short-term contract employees, leading to a significantly higher turnover rate in 2022, reaching 129.91%. However, due to the continuous expansion of operations, the new hire rate in 2022 was 122.16%, slightly lower than the turnover rate. The new hire rate for males (154.82%) was also higher than the turnover rate, while the new hire rate for females (68.09%) was lower than the turnover rate. Analyzing the turnover rate by age group, it was 231.82% for employees below 30 years old, 67.91% for employees aged 31-50, and 12.5% for employees above 51 years old. The new hire rate was 191.6% for employees below 30 years old, 80.22% for employees aged 31-50, and 25% for employees above 51 years old.

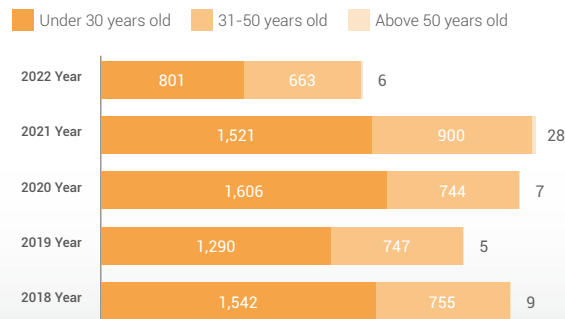
Historical Number of New Employees (According to gender)



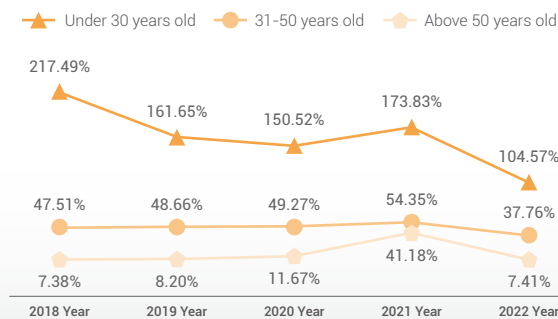
Historical New Employee Rate (According to gender)



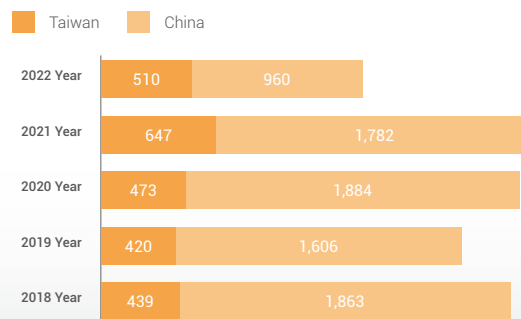
Historical Number of New Employees (According to age)



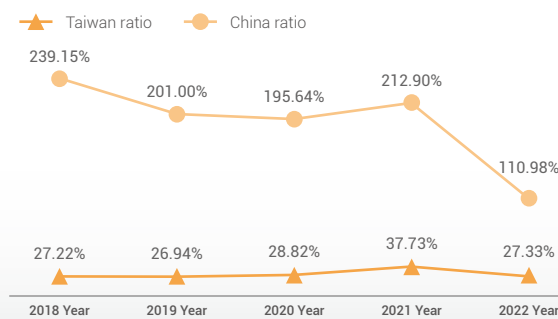
Historical New Employee Rate (According to age)



Historical Number of New Employees (According to region)



Historical New Employee Rate (According to region)



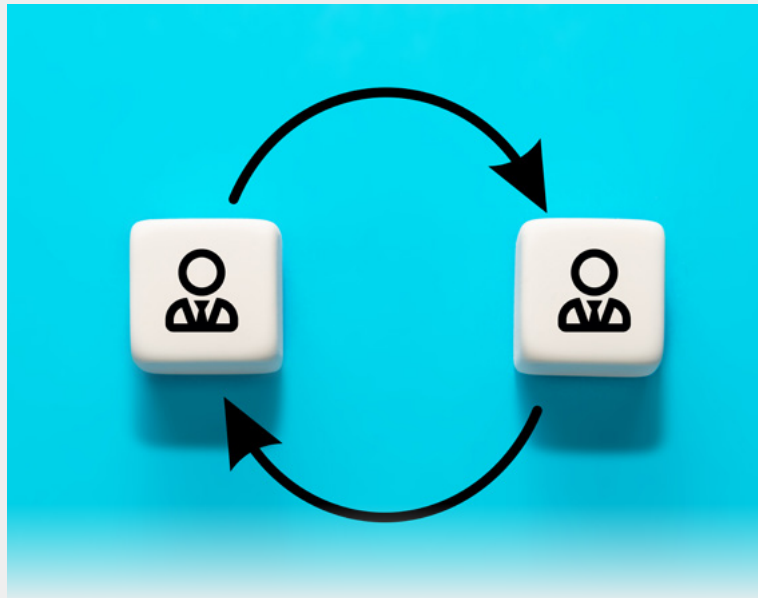


» Talent Development Strategy

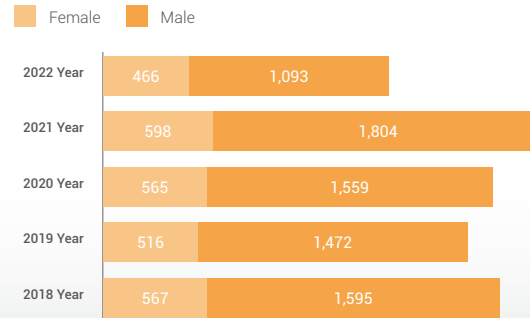
Based on the company's medium to short-term development direction and strategy, BenQ Materials identifies the future composition of talents, including manufacturing and R&D talents at the grassroots level, talents in new businesses and technologies, as well as marketing and business talents. The company establishes talent recruitment action plans, including engineering elite training programs, deep cultivation of local campuses, industry-academia collaborations, and the establishment of diverse talent acquisition channels. Various training and development opportunities are provided to meet the talent needs for the company's future operational development.

» Job Rotation Mechanism

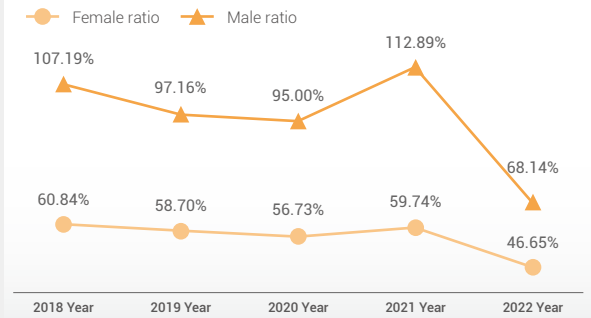
BenQ Materials encourages employees to engage in job rotation to cultivate their diverse capabilities and promote internal retention of excellent talents. The company prioritizes internal recruitment for managerial positions, and establishes a transparent internal job rotation platform. A well-established mechanism for job rotation application and matching is in place. Through planned job rotations, a total of 106 rotations were completed in 2022.



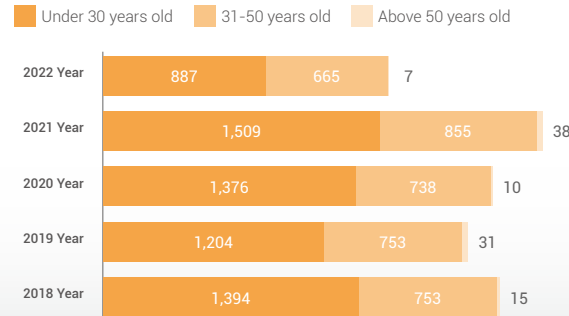
Historical Number of Resigned Employees (According to gender)



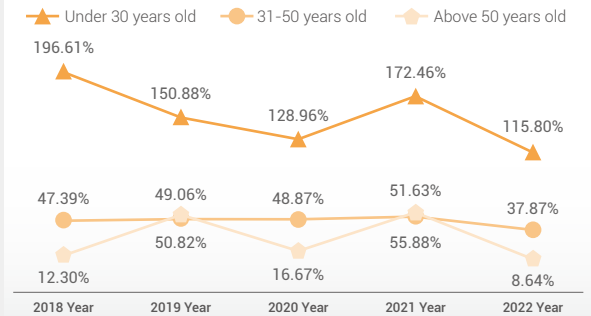
Historical Employee Turnover Rate (According to gender)



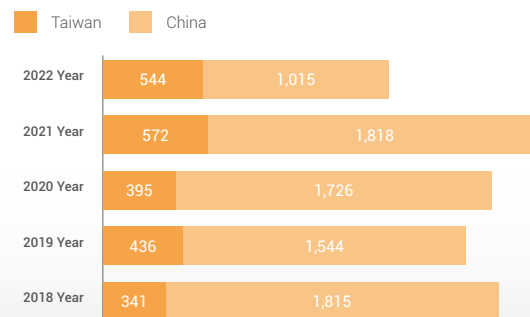
Historical Number of Resigned Employees (According to age)



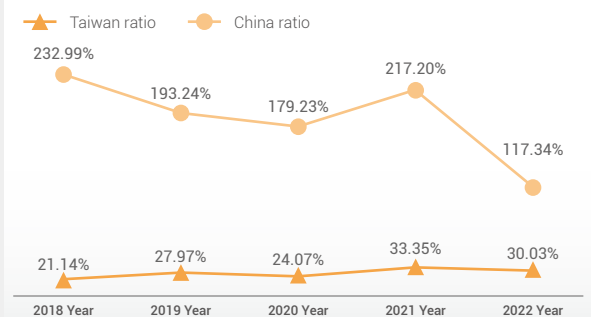
Historical Employee Turnover Rate (According to age)



Historical Number of Resigned Employees (According to region)



Historical Employee Turnover Rate (According to region)





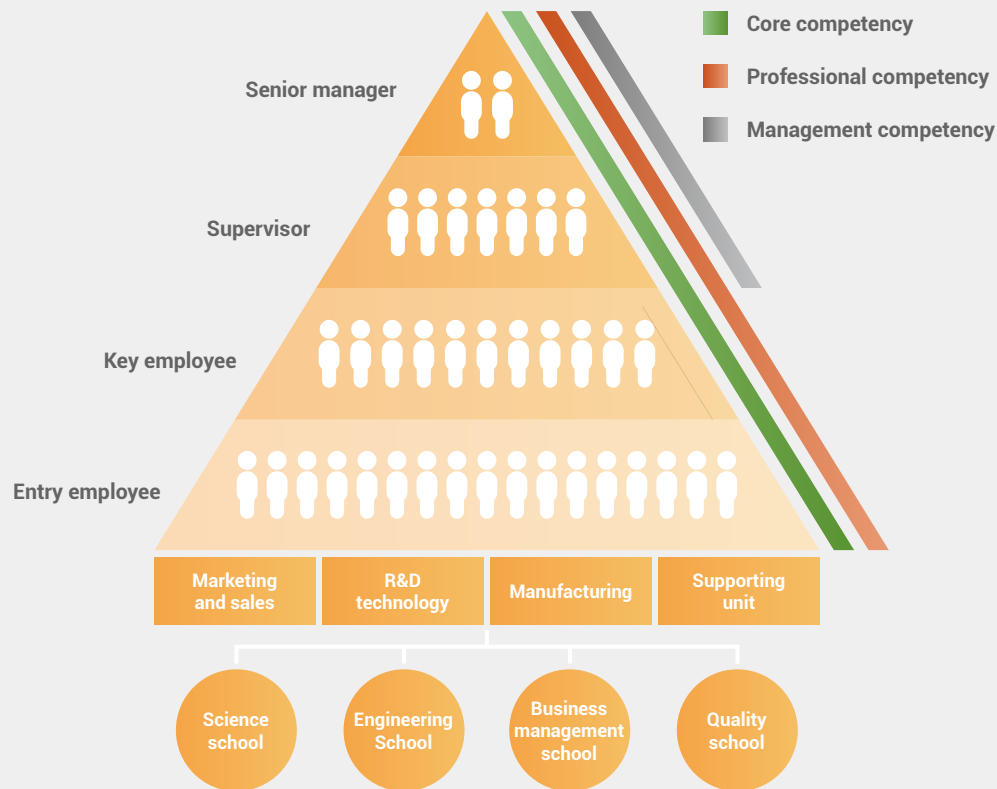
Talent Cultivation

» Training Structure

While facing a highly competitive environment, the company is committed to allow employees to continuously improve one's own competency and to uphold the learning passionate, thereby constructing a comprehensive and quality education and training system. The company also establishes the talent development blueprint along with the utilization of rich internal and external resources in order to encourage employees to continue learning. Education and training courses can be classified into four main schools according to the professional job function development, including the science school, quality school, engineering school and business management school.

Subject

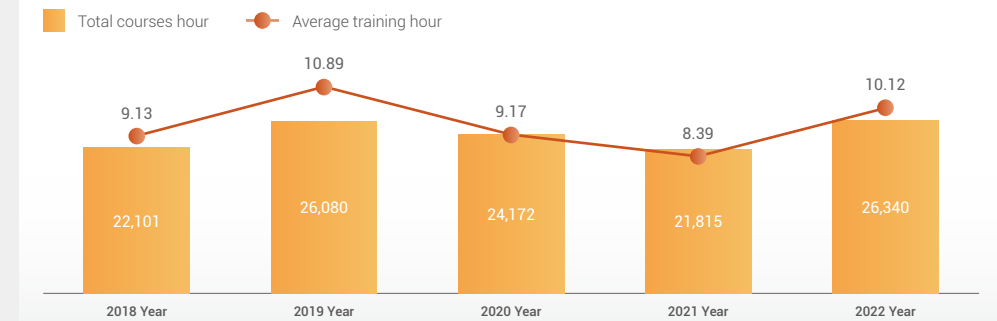
Develop competency



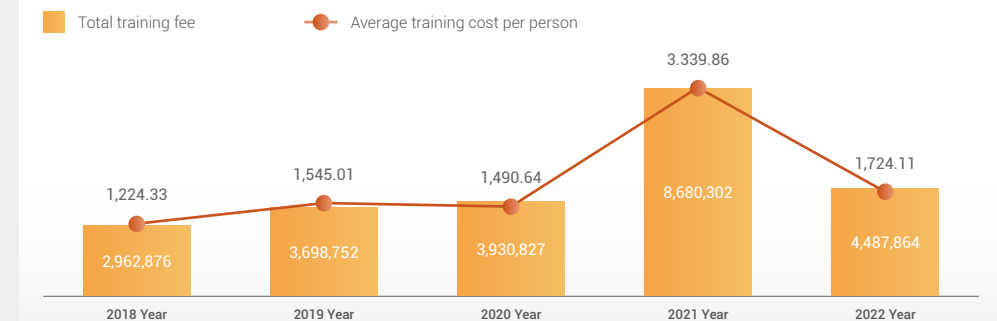
» Training Outcome

BenQ Materials opened 229 physical courses in 2022, and the total training fees invested was NT\$ 4,487,864. The total number of training hours was 26,340 hours, and the employee average training hours was 10.12 hours. Compared to 2021, the increase was mainly due to the acquisition of external online learning and internal training system licenses in 2022, in response to the pandemic. A total of 12 monthly topics were launched online, with 32 online courses available, and a total of 4,361 unique viewers engaged in effective reading. The employee average training hours classified according to the job rank and job function, the number of training hours was 22.76 hours for middle and senior supervisors, 34.39 hours for entry supervisors, 18.74 hours for engineers, 15.2 hours for administrative staff, and 4.96 hours for entry staff respectively. For the employee average training hours classified according to the gender, the number of training hours was 24.4 hours for female staff, and 21.05 hours for male staff.

Total hours of education and training courses offered over the years



Overview of funds invested in education and training over the years





• Talent Management and Development

Developing managerial talent is crucial for the company's sustainable operation. The Talent Development Committee regularly discusses organizational talent issues and implements a comprehensive talent development program, known as the Business Management Program (BMP). This program combines physical courses, case seminars, experience sharing lectures, senior mentors, job rotations, and task assignments to cultivate future business unit supervisors and facilitate the achievement of the company's long-term strategic goals. In 2022, the "A+ Development Program" was launched to provide high-potential talents with learning courses that encompass both breadth and depth. The aim is to provide pre-training for management positions and assist individuals in quickly adapting after promotion.

In 2022, external professional instructors were invited to conduct online courses to train all managers and employees in career counseling skills, assisting them in understanding their future career development and learning directions. This ensures that outstanding talents can be effectively utilized within the organization. Additionally, in 2022, a training program for frontline supervisors in the production line was held, focusing on basic management concepts and practical skills. The program incorporated role-playing exercises, and participants were required to present their achievements one month after the training, ensuring the integration of theory and practice.

• Diverse and Inclusion Course

BenQ Materials emphasizes human rights issues. In addition to providing explanation and reminder during the reporting to work of new employees/guidance of supervisors, the company also provides diversity, inclusion and human rights protection information during the physical courses of labor regulation entry courses and talent recruitment interview skills, etc., in order to ensure that employees are equipped with the core values of protection and respect of human rights. The information of relevant courses in 2022 is as shown in the following table.

Course Name	Course Type	Annual Number of Courses (Lectures)	Course Hour (hours)	Total Training Hours (hours)	Training Completion Rate of Required Trainees
Workplace unlawful infringement education and training	Online	1	0.5	854.5	100%
Understanding Workplace Violence and Sexual Harassment	Physica	1	2	120	Free to join
Labor law basics	Physica	1	3	42	83.0% ²
Talent recruitment interview skills	Physica	1	7.5	112.5	100%
New employee/supervisor guidance	Physica/Online	Performed regularly during the reporting to work date, and the training completion rate is 100%			

Note 1: Students are required to complete the 0.5-hour course and qualified the test for the completion of training. Employees not participating in the online course are tracked continuously for the course completion rate.

Note 2: Labor law basics is a required course for new supervisors, and when some of the students cannot complete the course, next session of the course is arranged in order to allow trainees to complete the course.

» School Campus Development

BenQ Materials continues to cultivate inter-school relationships by leveraging its own multiple brands and group resources. It aims to utilize industry resources to explore unknown possibilities for students, create the best employer experience, enhance interaction with outstanding international talents, and cultivate future industry workforce.

Project	Project Content and Results
Campus Ambassadors	<p>Project Content:</p> <ul style="list-style-type: none"> Collaborating with 9 students from different campuses to work on employer brand-related projects. Providing benefits such as scholarships and project bonuses during the tenure as Campus Ambassadors. <p>Project Results:</p> <ul style="list-style-type: none"> Social media following grew by 128% compared to the previous year. Total expenditure on benefits reached 210,000 NTD. Overall satisfaction rating for campus activities reached 4.7 out of 5. Overall satisfaction rating for Campus Ambassadors reached 4.5 out of 5.
Campus Executive Lecture Series	<p>Project Content:</p> <ul style="list-style-type: none"> To help students understand how their studies can be applied in the workplace and stay updated with the latest industry trends, senior executives from the company are invited to personally attend campus lecture series, providing students with a unique perspective and experience. <p>Project Results:</p> <ul style="list-style-type: none"> In 2022, a total of 13 universities participated in the program, including National Taiwan University, National Tsing Hua University, National Cheng Kung University, and National Chengchi University.
Campus Corporate Visits	<p>Project Content:</p> <ul style="list-style-type: none"> Every year, we organize corporate visit activities with major universities and colleges. These visits allow participating students to gain insights into the company's culture and work environment, inspiring them in their career planning. In 2022, we collaborated with Chang Gung University, National Tsing Hua University, and Yunlin University of Science and Technology for the visits. <p>Project Results:</p> <ul style="list-style-type: none"> Total participation of 167 individuals. Satisfaction rating of 4.6 out of 5. Successfully matched 2 interns for semester-long internships.



Project	Project Content and Results
AI Campus Talent Training	<p>Project Content:</p> <ul style="list-style-type: none"> In response to the flourishing development of AI technology, we collaborated with the Department of Industrial Management at Yuan Ze University to enhance the overall level of AI talent. Over a period of three months, two projects were completed. <p>Project Results:</p> <ul style="list-style-type: none"> Total participation of 7 students in the project. Provided a scholarship of 10,000 NTD to each participant.
Engineering Technology Talent Scholarship	<p>Project Content:</p> <ul style="list-style-type: none"> Engineering technology is a key focus for maintaining competitiveness at BenQ Materials. To ensure that talents can align with practical needs at an early stage, the company provides engineering technology talent scholarships and establishes collaborative relationships with the awardees. <p>Project Results:</p> <ul style="list-style-type: none"> Total participation of 7 individuals, with 1 person ultimately receiving the award.
Factory-Industry Collaboration	<p>Project Content:</p> <ul style="list-style-type: none"> In recent years, talent recruitment has been affected by the declining birth rate. The Social Engagement Subcommittee of the Sustainability Committee has held multiple discussions and formulated plans for factory talent development and training projects. In collaboration with schools located in advantageous geographical areas, factory talent development and training projects were initiated starting from September 2022. <p>Project Results:</p> <ul style="list-style-type: none"> In 2022, 7 individuals joined the Taoyuan factory. In 2023, 7 individuals joined the Yunlin Science and Technology factory. In 2024, a plan is in place to recruit 15 individuals for the Yunlin Science and Technology factory. A tuition subsidy of 30,000 NTD per semester (60,000 NTD per year) is provided to the students.

Project	Project Content and Results
Research and Development Industry-Academia Collaboration	<p>Project Content:</p> <ul style="list-style-type: none"> As a leader in materials science, BenQ Materials has a high demand for research and development of new materials. In the past, the company has regularly collaborated with top academic institutions in Taiwan to conduct specific research projects. This collaboration provides students with the best opportunity to combine theory with practical experience. <p>Project Results:</p> <ul style="list-style-type: none"> Investment of 600 million NTD in research and development industry-academia collaboration. Collaboration with the following institutions: National Taiwan University, National Taiwan University of Science and Technology, Yang-Ming University, National Tsing Hua University, National Cheng Kung University, and Chang Gung University.
Q Seed Summer Internship	<p>Project Content:</p> <ul style="list-style-type: none"> The Q Seed Summer Internship program continues to offer a project-based and mentorship-oriented internship experience, which is the highlight for attracting students. Through diverse training and presentation of their accomplishments, students are provided with a unique summer internship experience. <p>Project Results:</p> <ul style="list-style-type: none"> A total of 5 students from National Central University, National Chiao Tung University, National Cheng Kung University, and Yunlin Science and Technology University were accepted into the program. Four training courses were conducted, covering topics such as onboarding, work management, presentation skills, and personal branding.





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foreword

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BenQ
Materials

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Responsible
Governance

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Responsible
Product

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Employee Care

» Human Rights Policy

BenQ Materials adheres to the principles of the United Nations Universal Declaration of Human Rights (UDHR), the United Nations Guiding Principles on Business and Human Rights (UNGPs), and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises. The company also follows the Responsible Business Alliance (RBA) Code of Conduct to fulfill its commitment to human rights.

enQ Materials conducts regular human rights due diligence processes to identify and assess risks related to human rights issues. This helps the company effectively manage the impact and consequences of human rights risks and make necessary adjustments accordingly. The company's human rights policy can be found in detail on its [ESG website](#).

The draft of the Human Rights Policy for the year 2022 has been approved by the Chairman's signature.

It is expected to be officially approved by the Board of Directors in 2023.

the company will initiate the planning for the due diligence process.

» Promoting workplace diversity

To promote workplace diversity, BenQ Materials not only continues to recruit professionals from different nationalities globally but also encourages internal departments to conduct internal meetings and presentations in English. Additionally, to ensure that employees of different nationalities can properly understand company systems, policies, work rules, and announcement messages, bilingual versions are provided to ensure that all employees can promptly access important information.

In striving to create a diverse and inclusive workplace, the company ensures that job qualifications do not discriminate based on gender or sexual orientation during talent recruitment. Recruitment advertisements are also gender-neutral and do not contain discriminatory language. Furthermore, talent promotion and selection are based on consistent qualification criteria. In 2022, the proportion of female executives increased by 6% compared to 2021, with women holding 33% of managerial positions.

» Welfare Measures

In addition statutory related welfare measures, BenQ Materials has planned dining, accommodation and recreation facilities satisfying certain level for all plant sites along with complete welfare system, in order to establish a friendly workplace, allowing all employees to enjoy working at BenQ Materials.

Welfare Items Superior to Regulations

- The company provides employee group insurance, in order to provide greater safety and security to employees
- New employees are permitted to take 7 days of annual paid leave in advance, in order to facilitate employees to arrange their time.
- One day of paid volunteer leave is provided annually, allowing employees to participate in volunteer activities
- Flexible clock-in system for indirect employees, allowing employees to adjust their commute to work time depending upon the family needs.
- COVID-19 insurance is provided (such as vaccination insurance, epidemic control insurance)
- New employees on-board of the jobs for half a year are entitled to 3 days of annual paid leave.

• Employee Retirement System

For employees in various operating locations in Taiwan, BenQ Materials follows the regulations of the Labor Standards Act and Labor Pension Act. Under the old system, retirement benefits were provided based on actuarial reports, with regular contributions made to the statutory retirement accounts. Under the new system, monthly transfers are made to individual retirement accounts. In China, the local labor laws are followed, and employees are covered by the endowment insurance system to ensure post-retirement security.

Retirement reserve funds are allocated monthly based on the Labor Standards Act and deposited into a dedicated account at Taiwan Bank, under the name of the Labor Retirement Reserve Supervisory Committee. As of the end of 2022, the fair value of planned assets is 50,266 million NT dollars. In accordance with relevant regulations, an expense of 2,089 million NT dollars was recognized in 2022, and any shortfall in the allocation has been recorded as an accrued retirement benefit liability, amounting to 19,831 million NT dollars as of the end of 2022.

Retirement benefits are also allocated based on the Labor Pension Act, with 6% of employees' monthly salaries contributed to individual accounts managed by the Bureau of Labor Insurance. An expense of 64,564 million NT dollars was recognized in 2022 for these contributions. Overseas subsidiaries also make monthly contributions to retirement funds in accordance with local regulations.

• BenQ Materials Employee Welfare Committee

BenQ Materials has established the BenQ Materials Co., Ltd. Employee Welfare Committee in Taiwan in compliance with the law. Committee members are elected or selected proportionally from each department, and regular meetings are held quarterly to make decisions on welfare systems and plan various employee activities.

In addition to the holiday bonuses, the Employee Welfare Committee provides a self-selected festival welfare platform, birthday welfare points exchange, and various subsidies including maternity, marriage,



condolence, and emergency assistance. In terms of sports and recreational activities, there are club activities, contracted stores, sports seasons, art lectures, and diverse competitions, catering to the diverse needs of employees. To continuously provide employees with better and more diverse welfare and strengthen the sound financial operation of the Welfare Committee, the company increased the allocation of welfare funds from 0.05% to 0.08% of the company's revenue starting in 2021. In 2022, proposals were made to increase the funeral and hospitalization allowances, employee housing damage assistance, and electronic vouchers for foreign employees. After being approved by the Welfare Committee, these adjustments were officially implemented, demonstrating BenQ Materials' commitment to enhancing employee welfare.

Program	Number of Applications in 2022	Total Amount of Benefits
Maternity Allowance	37	133,200
Condolence Support	30	75,000
Marriage Subsidy	29	58,000
Hospitalization Allowance	28	80,000

» Consistent Holder of the Asia's Best Enterprise Employer

BenQ Materials remains committed to creating a friendly and attractive work environment. In 2022, the company was once again recognized with the HR Asia "Best Companies to Work for in Asia" award. The overall evaluation of the survey results surpassed industry standards, demonstrating the high level of employee satisfaction and identification with the organization.



» Remuneration Management

BenQ Materials attracts talented individuals to join its workforce through a diverse and market-competitive overall compensation design. The salary conditions for new hires are evaluated based on the job position, individual qualifications, knowledge and skills, and work experience, without any differences based on gender, religion, race, political affiliation, marital status, etc. For entry-level employees without work experience, their salaries are set above the minimum wage mandated by local labor regulations in the operating locations, and gender does not impact the salary. However, there may be slight variations in salary due to differences in local regulations and living standards in the Suzhou and Wuhu factories in China.

The minimum wage at each operating location is a multiple of the local regulatory minimum wage of 2022

- Taiwan: 1.08
- Suzhou: 1.43
- Wuhu: 1.47

BenQ Materials regularly participates in market salary surveys and makes adjustments based on market levels for job positions and individual performance. Annual salary adjustments for regular employees are performance-based, with an average increase of 6% in 2022. BenQ Materials does not differentiate based on gender in terms of hiring, performance evaluation, salary adjustments, and promotions. However, when analyzing the average salaries across different job levels, there are still some variations based on ethnic groups and locations. Factors such as performance, educational composition, average years of work experience, differences in salary distribution within the same group, and variations caused by the number of individuals can contribute to the slight difference in salaries where male employees in Taiwan may have slightly higher salaries than female employees, or where female employees in Chinese factories may have slightly higher salaries than male employees.

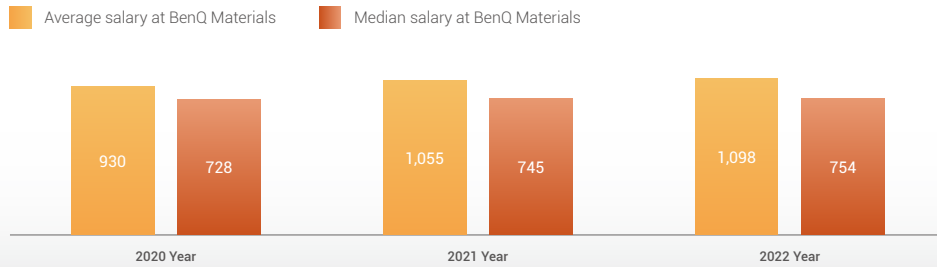
Location	Plants in Taiwan				Plants in China			
	Basic Salary		Basic Salary + Bonus		Basic Salary		Basic Salary + Bonus	
Gender	Male	Female	Male	Female	Male	Female	Male	Female
Middle and senior supervisor	1	1	1	0.83	1	1.07	1	1.08
Entry supervisor	1	0.97	1	0.93	1	1.03	1	1.07
Engineers	1	0.89	1	0.77	1	1.02	1	1.05
Administrative staff	1	0.93	1	0.82	1	1.05	1	1.20
Entry staff	1	0.98	1	1.07	1	0.98	1	1.02

Note: The above table presents the average salary calculated based on the total salary amount and the number of individuals in each job level for the year 2022. The calculation includes both the "base salary" and "bonus" based on the withholding statement. The calculation of the "base salary" is based on the full salary (excluding variable pay) of employees in December 2022.

In addition, according to the regulations of the "Full-time Employees of Non-supervisor Position Salary Information Declaration Operation Guidelines" announced by TWSE, the average salary of employees at all business locations of BenQ Materials in Taiwan is calculated. After the inspection and verification by accountant, the weighted average number of full-time employees of non-supervisor positions was 1,628 people in 2022, and the mean salary of full-time employees of non-supervisor positions was NT\$1,098 thousand, and the employee salary median was NT\$754 thousand. The average salary and median increased by 4% and 1% from the values in 2021 respectively.



Full-time employee salary excluding managerial positions



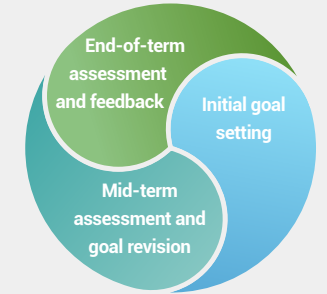
» Incentive System

To encourage employees to continue achieve new highs, the company has established the reward issuance guidelines for various goals, in order to provide different types of incentives to relevant employees, thereby promoting collaboration among departments, and sufficiently simulating employees' working potential.

Item	Explanation
Year-end bonus	The fixed year-end bonus is equivalent to one-month salary, and holiday bonus equivalent to half-month salary is issued on Moon Festival and Dragon-boat Festival respectively.
Profit sharing and performance bonus	Depending upon the business operation of the company, and based on the employee's performance, profit sharing and performance bonus is issued at the end of each year.
Patent reward	R&D Department has established the patent application goal, and when such goal is achieved, reward is issued.
Referral reward	For direct personnel of some departments, employee referral reward is established, in order to encourage employees to refer to friends and relatives to join the company.
Contest reward	CIP program is organized annually, and for crossdepartment project team with outstanding performance, reward is issued as encouragement.
Excellence reward	Excellence reward presentation ceremony is the annual role model employee election event, and award winner is announced at the end of each year, and medal and monetary reward are issued to the winners.
Seniority gift	The reward is calculated on a five-year interval, and for employees of long seniority is presented with medal and gift at the end of each year periodically
Certification Allowance	Direct staff members who possess relevant professional certifications and are actively engaged in related job responsibilities are eligible for an allowance.
External Training Subsidy	All employees who participate in external professional training or pursue on-the-job education are eligible to apply for training subsidies.

» Performance Evaluation

To effectively achieve the business plan of the company, department and personal goal achievement environment and incentives, the company has established the management system, in order to use it as the key basis for talent promotion and development as well as the remuneration issuance and salary adjustment. The Management by Objective (MBO) is used as the basis, and the evaluation focus includes the routine action performance and key mission achievement rate. The goal is to promote employees to achieve missions effectively and to request their conduct at work to comply with the cultural characteristics of BenQ Materials. Performance evaluation operations are performed two times annually.



The performance management system is to assist supervisors and staff to perform two-way communication, to stimulate personal and team potential. According to the operational strategy, future focus items and personal goals are established. For those with inadequate performance, the Performance Improvement Plan (PIP) has been established, in order to provide improvement assistance and guidance mechanism, thereby assisting employees to improve personal performance and to achieve mission goals.

Performance Management System at BenQ Materials is based on the principles of fairness, equity, and transparency. It operates through a transparent workflow that encourages employees to provide feedback on their supervisors and engage in appropriate communication. Currently, all global regular employees (excluding those in the probationary period) undergo regular performance assessments and reviews.

Starting from the end of 2022, sustainability indicators have been incorporated as one of the performance assessment criteria for senior executives. This integration ensures that sustainability goals are effectively integrated into job management. Concrete outcomes are expected to be achieved by the end of 2023 as a result of this initiative.

Performance Management System

Mid-term evaluation (May-June of each year)

Review the work target set at the beginning of the year and personal mission achievement status. Perform adjustment according to the interactive feedback of the supervisor and employee under evaluation, in order to achieve consensus on the work target planned to be activated in the next half of year.

Final evaluation (November-December of each year)

Provide feedback and evaluation outcome on the work mission achievement level and daily performance of the current year. Through one-on-one communication method, allow employees to actively propose recommendations beneficiary to the organization or personal development, and allow supervisors to understand the current status of the employee under evaluation, in order to use it as the focus for the work development in the next year.



» Employee Communication

BenQ Materials has established a diversified communication mechanism, ensuring the careful confidentiality and handling of employee complaints or incidents involving personal information. The company actively shapes an environment that promotes respect, care, and the protection of human rights, safeguarding the rights of labor organizations and collective bargaining. This approach aims to foster a healthy and positive labor-management relationship. In addition to listening to employee voices and suggestions, the company also strives to ensure timely and accurate dissemination of information to relevant staff members. Furthermore, appropriate feedback is provided as a reference for enhancing overall operational efficiency.

Communication Meetings (Quarterly)	Communication Platforms	Survey Communication
Labor-Management Meetings	Employee Suggestion Box (Ongoing)	Overall Employee Activity Satisfaction (Annually)
Meal Committee Meetings	Employee Feedback via App	Meal Satisfaction Survey (Twice a Year)
Welfare Committee Meetings	General Manager Inbox on Official Website	Satisfaction Surveys for Various Activities (Ad hoc)
Business Briefings (Various Business Units)	-	Employee Satisfaction Survey (Every Two Years)

» New Employee Care

BenQ Materials places great importance on the experiences and feedback of new employees. In addition to periodic proactive care from supervisors and HR, a Line public account called "BenQ&A" was established in 2021. By the end of 2022, it had been used by 270 individuals. The account provides consolidated information and frequently asked questions regarding policies on attendance, salary/meal expenses, administrative services, performance evaluations, new employee training, and employee benefits. This platform assists new employees in accessing information in real-time, and through the Line Q&A feature, their questions can be promptly addressed.

For new employees under newly appointed supervisors, a mentorship system and a care program for new supervisors have been established. Experienced supervisors guide new supervisors, helping them quickly adapt to the company culture and providing assistance tailored to their needs. This mentorship system acts as a guiding compass for their career development.

In 2022, to improve the satisfaction of new colleagues, a new employee symposium was held. Seventeen newly hired indirect colleagues had the opportunity to participate in a work discussion meeting with the General Manager to assess their job adaptation status. Follow-up actions were taken based on the issues discussed during the symposium, including work hours and overtime, in order to enhance the retention status of new employees.

• Improving Employee Living Quality

In 2021, BenQ Materials invested nearly millions in leasing and renovating a large dormitory in the company's vicinity. This created a completely new living and accommodation space. In February 2022, a total of 84 foreign migrant workers moved into the dormitory. Apart from reducing the risks associated with employee commuting, this initiative also enhances their living quality and satisfaction.

Employee Housing Damage Subsidy

- BenQ Materials provides a housing damage subsidy for all employees who experience home damage due to natural disasters. Eligible employees can apply for this subsidy.

Digitization of Paper Gift Certificates

- Gifts such as festival and birthday bonuses for foreign migrant workers have been fully digitized, offering more diverse purchasing channels.

» Maternal Health

In response to the government's maternity policy and to show care for new parents balancing their responsibilities between children and work, BenQ Materials has proposed a plan that goes beyond the requirements of labor laws. The aim is to provide ample leave and financial assistance to pregnant employees for pre-natal preparation and postpartum recovery. Additionally, employees with children under the age of 3 are provided with a monthly childcare subsidy of NT\$5,000. As of the end of 2022, there have been 232 applications, with a total subsidy amount of NT\$7,308,833. Furthermore, to safeguard the rights of postpartum employees, the performance evaluation system has been adjusted since 2021. The performance assessment of postpartum employees is no longer based on department rankings, but is determined directly by the supervisor based on individual job performance.

Type	BenQ Materials Employee Program
Maternity leave	<ul style="list-style-type: none"> Seniority of 6 months and above: 12 weeks of full-month salary paid maternity leave (8 weeks according to the law) Seniority less than 6 months: 12 weeks of half-month salary paid maternity leave (8 weeks according to the law) Miscarriage after pregnant for more than 2 months but less than 3 months: 1 week of half-month salary paid maternity leave (no maternity leave according to the law) Miscarriage after pregnant for less than 2 months: 5 days of half-month salary paid maternity leave (no maternity leave according to the law)
Pregnancy leave	<ul style="list-style-type: none"> Pregnancy leave is calculated independently, and is not counted as sick leave (counted as sick leave according to the law) When the pregnancy leave does not exceed 30 days in one year, half-month salary is paid for the leave (partial payment of half month salary according to the law)
Childcare allowance	<ul style="list-style-type: none"> For each child, allowance of NT\$5,000 is issued monthly, until the child reaches 3 years old in full.



» Maternity Leave Statistics

BenQ Materials Taiwan factory follows the Gender Equality in Employment Act, and eligible employees can apply for maternity leave without pay based on their needs. In 2022, a total of 8 employees applied for maternity leave. Among the employees who should have returned to work, there were 12 individuals. Among the 7 male employees, 3 returned to work after the leave period (a return rate of 42.86%). Among the 5 female employees, all 5 returned to work after the leave period (a return rate of 100%). The reasons for not returning to work were all related to individual career planning factors. Additionally, in 2021, a total of 2 employees returned to work, but both left the company in 2022 due to personal career planning, resulting in a 0% one-year retention rate for returnees.

Year	2021		2022	
	Female	Male	Female	Male
Number of employees qualifying for parental leave without pay (A)	42	89	37	74
Number of employees applying for parental leave without pay (B)	1	4	7	1
Number of employees scheduled for reinstatement in that year (C)	5	2	5	7
Actual number of employees of reinstatement (D)	1	1	5	3
Number of employees remain at their position after 12 months of reinstatement (E)	5	2	0	0
Parental leave without pay application rate (B)/(A)	2.4%	4.5%	19.01%	1.35%
Reinstatement rate after leave maturity (D)/(C) 2	20.00%	50.00%	100.00%	42.86%
Retention rate after reinstatement for one year(E)/ previous year(D)	100.0%	100.0%	0%	0%

Note: The maternity leave system is governed by Taiwan's Gender Equality in Employment Act and is a labor right. The statistics provided only disclose the application overview of Taiwanese employees. The number of eligible individuals for maternity leave is calculated based on the number of individuals who have applied for maternity leave or paternity leave within the past three years.

» Employee Activities



• Family Day

In 2022, as the COVID-19 situation improved, BenQ Materials organized a family day event in September at the Xihu Resort in Miaoli. The event aimed to encourage employees to step outdoors and enjoy the festivities with their family members. The event featured renowned artist Pan Ruodi, who led the BenQ Materials family in engaging in healthy physical activities, sweating it out, and enjoying the pleasure of recreational sports. Additionally, there were food options and various challenging activities, providing an opportunity for BenQ Materials employees to have fun, indulge in delicious food, relax with their families, and rejuvenate their mind, body, and soul.



• Excellence Award Presentation

To recognize and encourage outstanding performance of employees and teams, BenQ Materials holds an annual True, Good, and Beautiful (TGB) Awards Ceremony at the end of each year. The event is promoted through internal newsletters and bulletin boards, acknowledging the employees' dedication and hard work. As of 2022, a total of 13 ceremonies have been held, honoring 252 employees.



• Year-end Party

To bring employees together and celebrate a joyful time at the end of the year, an annual Grand Year-end Party is organized to enhance the emotional connection and team cohesion among the staff. The event serves as an occasion to recognize the hard work and achievements of employees throughout the year, allowing them to feel valued and appreciated by the company. It also serves as a source of motivation for them to strive harder in their future.



Health Management

In order to create a more diverse employee experience, BenQ Materials offers several initiatives that go beyond legal requirements. These include a healthy and diverse employee cafeteria that provides lunch subsidies and allows employees to enjoy meals with small payments. Additionally, the company provides annual health check-ups, access to affiliated hospitals, stress relief workshops, and on-site physical therapists and massage therapists for employees. Regular health information newsletters are also distributed to ensure employees can stay up-to-date with the latest health knowledge and focus on maintaining their optimal well-being.

» Health Examination

BenQMaterials goes beyond legal requirements by organizing annual health check-ups, which are divided into three categories: "Employee Health Check-ups," "Special Health Check-ups," and "Self-Paid Health Check-ups." After the check-ups, data is collected and analyzed to identify high-risk groups, and health tracking and consultation are provided accordingly.

To effectively manage employee health data, given the continuous growth in the number of employees, a health software system was implemented in 2022. This system allows occupational health personnel to manage and access multi-year health check-up data, closely monitor changes in relevant indicators for high-risk groups, and enables employees to check their own health check-up records and sign up for health promotion activities through their smartphones. If they have relevant body composition, blood pressure, or blood glucose measurement data, they can also upload and record them on the system.

Healthcare Type	Content	Frequency	Compliance/Exceeding Regulations	Execution Effectiveness	Management Mechanism Description
Employee Health Checkup	Employee Health Examination	Once per year	Better than legal requirements	<ul style="list-style-type: none"> The check-up rate is 98.6%, with a total of 1,205 people undergoing health examinations 	General health checks are classified into four levels of management. Individuals suspected of having a disease at level three or above, or those classified as high-risk according to the law, undergo interviews.
Special Operations Health Checkup	Employee Health Examination	Once per year	Only the Yunlin factory exceeds legal requirements, while the other factories comply with legal requirements.	<ul style="list-style-type: none"> 175 individuals comply with legal requirements, with a check-up rate of 100%. 19 individuals have a noise work environment that exceeds legal requirements, with a check-up rate of 100%. The re-evaluation result for non-noise work environment testing is at level four. After assessment by an occupational medicine specialist, individuals can continue working and will be re-evaluated the following year. 	Special health checks are managed according to the Labor Health Protection Regulations.
Self-Paid Health Checkup	Screening for the Top 10 Cancer Causes and Ultrasonography	Once to twice per year	Better than legal requirements	<ul style="list-style-type: none"> There are a total of 125 individuals. 	-
Cervical Pap Smear Test	Cervical Pap Smear Test with Both Self-payment and Full Health Insurance Subsidy	Once per year	Better than legal requirements	<ul style="list-style-type: none"> 50 individuals underwent the examination. 	-
Vaccination	COVID-19 Vaccination and Influenza Vaccination	Once per year	Better than legal requirements (voluntary flu vaccine)	<ul style="list-style-type: none"> A total of 137 individuals. 	-
Occupational Health Consultation	Health Consultation for Abnormal Cases, Follow-up Management, Four Major Programs, Respiratory Protection Program, Personal Injury/Illness Consultation	Once per week	Physician on-site service frequency exceeds legal requirements	<ul style="list-style-type: none"> A total of 379 individuals were included in abnormal tracking. 	Managed according to the Labor Health Protection Regulations plan.
Health Management for Middle-aged and Senior Employees	For individuals aged 45 and above, adding a Work Ability Index Questionnaire during health examinations.	Once per year	Better than legal requirements	<ul style="list-style-type: none"> For individuals over 45 years old, 93.2% of questionnaires were collected, and one person recommended arranging a physician interview. 	When the score is less than 27, an interview with a physician is arranged to further assess the need for job adjustments.



» Health and Fitness Activities

In order to encourage employees to stay active and maintain vitality, apart from offering 9 sports clubs, BenQ Materials holds regular annual sports competitions, including various ball games such as soccer, softball, basketball, and bowling. Through these activities, we aim to attract more employees to participate in diverse sports and fitness endeavors.



Type	Content	Frequency	Execution Effectiveness
Club Activities	1. Softball Club	Every week	The Welfare Committee submits quarterly reports on the operation of the clubs and provides a quarterly social fund of 8,000 dollars to support the clubs' financial needs.
	2. Yoga Club		
	3. Aerobic Boxing Club		
	4. Zumba Club		
	5. Basketball Club		
	6. Cycling Club		
7. Badminton Club			
8. Running Club			
9. High Jump Club			
10. Mountaineering Club Environmental Service Club (New in 2022)			
Hiking and Nature Walks	Encourage colleagues to go outdoors during their vacations and experience the healing power of nature for their physical and mental well-being.	Feb.~April.	Through the hiking note-taking feature, colleagues can record their routes and submit their hiking records, allowing us to track their progress. A total of 32 individuals completed the 30km challenge.
Sports Facilities	Facilities such as fitness centers, dance studios, and basketball courts are available.	Every week	Colleagues have free access to facilities such as the gym, dance studio, and basketball court.
Seasonal Sports Competitions	The sports season runs from April to August each year, featuring basketball, softball, human foosball, and bowling as part of the activities.	April.~Aug.	Sporting events are organized to foster camaraderie among colleagues and maintain a healthy habit of exercise. In 2022, there were a total of 400 participants in these sports-related events.

» Health Promotion

The World Health Organization (WHO) defined "workplace health promotion" in 1997 as the implementation of comprehensive programs that create a supportive environment in the workplace to promote employee health and enhance their ability to control their own health. Therefore, every year, based on health check-ups and employee satisfaction surveys, BenQ Materials designs various health promotion activities to meet the needs of its colleagues. The 2022 health promotion activities included health lectures, weight loss competitions, first aid courses, and other initiatives.



Type	Content	Execution Effectiveness
Physical Therapy	Manual Therapy 、 Exercise Therapy 、 Orthopedic Physical Therapy 、 Myofascial Release	Reservation rate: 100%
Visually Impaired Massage	Hiring certified massage therapists to provide massage services to employees	Reservation rate: 100%
Health Lectures	Expert guidance on achieving a lean body through proper eating habits	Participation: 35 people / Satisfaction: 4.8
	Offering healthy and delicious light meals for a balanced diet	Participation: 17 people / Satisfaction: 4.9
	Rehabilitation instructor teaching techniques for muscle and joint relaxation	Participation: 38 people / Satisfaction: 4.9
Weight Loss Competition	Professional instructors teaching scalp protection and healthy care	Participation: 20 people / Satisfaction: 4.9
	On-site examinations to address the excessive use of electronic devices and prevent eye disorders	Participation: 56 people / Satisfaction: 4.8
Basic First Aid Course	Setting weight loss goals and encouraging employees to exercise through competitive activities for a perfect body shape	Participation: 200 people / Average weight loss per person: 4.5%
Blood Donation Event	Installation of AED devices in the factory and conducting annual education training	Participation: 54 people / Satisfaction: 4.9
	Encouraging employees to participate in blood donation activities within the factory premises due to insufficient blood supply in blood banks.	Participation: 223 people / Total of 328 bags



» Epidemic Control Management

In 2022, due to the variant strains of the COVID-19 virus causing a widespread pandemic, there was initially a shortage of medical capacity, and quarantine facilities or hotels were unavailable for isolation. The company, facing the pandemic, took care of its employees by providing hotel accommodations with independent bathrooms and air conditioning for isolation, along with catering services. Each room was equipped with fingertip pulse oximeters, axillary thermometers, and home rapid antigen test kits.

The company implemented a rolling policy in line with government quarantine measures. Custom-made acrylic dividers were installed in restaurants and meeting rooms, and later removed when necessary. Remote work arrangements were provided, especially during the peak of the pandemic. Additionally, professional disinfection companies were hired to conduct thorough disinfection in the factory area during the peak period of the outbreak.

» Employee Assistance Plan (EAP)

To strengthen the employees' ability to cope with work-related stress, BenQ Materials places great emphasis on the mental and physical well-being of its employees. Each year, the company signs a contract with an external counseling and coaching company. All employees within the operational locations have access to a free hotline counseling service for legal, psychological, managerial, and adaptive issues. Professional case managers provide expert counseling or emergency assistance through this service. Additionally, an unlimited email consultation service is available to discuss relevant topics. The privacy of the employees is protected in accordance with relevant privacy laws and regulations, ensuring their peace of mind when using the service. In 2022, a total of 111 individuals utilized this service.

External Assistance

- Employee Assistance Program (EAP): Provides a free helpline staffed by psychologists, as well as email consultations and individual counseling sessions.
- On-site Counseling: Counselors are available on-site every Tuesday or Thursday for free consultations. Appointments can be made in advance.
- Periodic Workshops: Organizes stress relief workshops to help employees manage their mental well-being.

Internal Assistance

- Monthly Mental Health Articles: Offers articles on popular topics in today's society to enhance employees' knowledge of mental health and self-awareness.
- Relief and Support via Line@: A Line@ account called "Relief and Support Little Lion" provides a platform for employees to share their thoughts and relieve stress through text messages, breaking the barriers of distance and time.

2023 Planning

- Expansion of On-site Services: Expands the scope of on-site counseling services to reach more employees.
- Multilingual Mental Health Promotion: Provides mental health materials and resources in multiple languages to cater to diverse employee needs.
- Support for Significant Life Events: Extends care and support to employees experiencing major life events such as marriage, childbirth, bereavement, and more.





Workplace Safety

» Occupational Safety and Health Management System

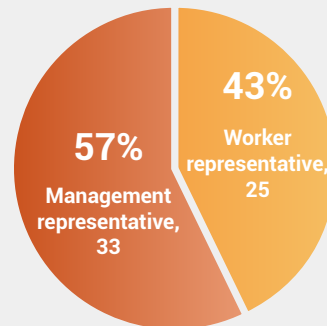
Since 2005, we have obtained the Occupational Health and Safety Assessment Series (OHSAS) 18001 certification. Our current management system is based on ISO 45001:2018, which establishes the Occupational Health and Safety Management System. The certified scope includes our Taoyuan, Longke, Yunko, Suzhou, and Wuhu plants, covering both production and non-production areas. It encompasses routine and non-routine operations and includes all activities of external personnel entering the premises of our company.

As of the end of 2022, the total workforce within the certified scope was 3,655 employees, accounting for 57.65% of the total workforce. In addition, there were 1,503 non-employee workers, including dispatched personnel, on-site security guards, cleaning staff, catering company personnel, and contracted construction workers, accounting for 40.08% of the total workforce. The overall coverage rate of the certified scope is 97.73%.

However, our Haihu Plant and subsidiaries Jinjie and Shuochen have not undergone ISO 45001 management system certification as the number of employees in these locations is below 200. The total workforce in these locations is 85, representing 2.27% of the total workforce.

» Social Responsibility and Environmental Health and Safety Management Committee

In accordance with the Occupational Safety and Health Management Regulations, the "Social Responsibility and Environmental Health and Safety Management Committee" has been established to promote occupational safety and health matters. The committee's term is 2 years, and it holds meetings once per quarter. The Vice General Manager serves as the Chairman of the Committee. There are a total of 58 committee representatives, including 25 worker representatives, accounting for 43% of the total committee members. This exceeds the legal requirement of worker representatives comprising over one-third of the committee. The committee engages in communication, participation, and consultation on occupational safety and health law requirements and related issues. It tracks the annual occupational health and safety management plan and reviews the effectiveness of training. During the operation of the management system, regular occupational health education and training are provided to management representatives and safety and health officers to enhance the professional competence of personnel in occupational safety and health management systems across departments.



Note: Suzhou Plant and Wuhu Plant conduct quarterly meetings online, jointly promoting occupational safety and health matters with the Taiwan Social Responsibility and Environmental Health and Safety Management Committee.

» Hazard Identification and Risk Assessment

A regular hazard identification and risk assessment of occupational safety and health hazards is conducted at the end of each year. This involves examining the operational processes, steps, frequencies, and the causes of potential hazards and opportunities. Taking into account the existing management measures, an assessment and classification of the overall safety and health risks are performed. The results of the risk assessments for various operations that rank within the top 20% of the company's overall assessment are considered as unacceptable risks or high acceptable risks. These risks are documented in the "Unacceptable Risk and High Acceptable Risk Control Form" along with the explanation of improvement or control measures. In 2022, a total of 18 management plans were included in the tracking and management process. Examples of these plans include machine safety improvements and operational procedure enhancements. As of the end of 2022, 15 management plans have been successfully implemented, while 3 plans are still in progress.

In cases where there are changes or additions to products/services/processes that may result in changes to the organization, environment, equipment, workforce, or conditions of work, non-routine hazards may arise. In such instances, the "Environmental Safety and Health Change Management Evaluation Application Form" is completed to reassess the hazard identification and risks associated with the specific operation. In 2022, a total of 133 application forms were submitted. For risks assessed as unacceptable hazards or high risks and opportunities, improvement plans are implemented to reduce the risks. This may involve a sequence of actions such as elimination, substitution, and engineering improvements, along with administrative measures such as personnel qualifications, warnings, protective equipment, monitoring, and emergency response. Continuous improvement efforts are made to mitigate risks.





» Accident Investigation and Injury Prevention

BenQ Materials follows the ISO 45001 standard and has established an Accident Investigation Management Procedure. Accident investigations include identifying the causes of the accident, hazard identification, follow-up improvement measures, and ongoing care and monitoring to assess return-to-work readiness. Employees are encouraged to report work conditions that may lead to hazards or illnesses without fear of punishment, and each department is encouraged to report environmental and safety improvement projects on a monthly basis to enhance safety management in the work environment. In addition, a safety reporting incentive mechanism for potential risk events has been established, and commendations and bonuses are awarded during the company's monthly safety meetings held on the 10th of each month.

BenQ Materials provides education and guidance on emergency evacuation rights for labor safety during employee onboarding and safety month meetings. If an employee encounters an immediate danger in the work environment that could jeopardize the safety of others, they have the right to stop work and evacuate to a safe place without jeopardizing the safety of other workers.



» Safety Improvement

Type	Safety Improvement Item	Content	Tracking/Improvement Mechanism
Risk Control	Abnormality Exclusion Safety Protection Mechanism Audit	The abnormality exclusion involves safety measures that are not part of the primary routine operations and are more likely to be overlooked. Therefore, by simulating/checking the operational methods from the perspective of colleagues, improvements are made to enhance machine safety in the factory. In 2022, a total of 144 high-risk areas were inspected, and 50 inspections have been completed with ongoing inspections.	Analysis of occupational injury causes in the past 3 years ⇒ Inspection of safety protection mechanisms ⇒ Improvement of unsafe machinery (with a focus on engineering solutions supported by administrative management.)
	Improvement of Working Environment Odor	Improvements are made by utilizing an environmental monitoring system and handheld instruments to inspect and identify the causes of unusual odors, supported by CCTV footage. In 2022, two instances of odor issues in the work environment were addressed, resulting in a significant decrease in both the frequency and intensity of the odors.	Regular monitoring of odor issues to ensure their absence.
	Electrostatic Prevention Zone Improvement	Enhancements were implemented to strengthen the safety measures in the electrostatic control zones within the factory premises. These improvements focused on ensuring the safety of personnel, chemical management, operational safety, fire facilities, and electrostatic management. In 2022, a total of 35 improvements were successfully implemented in these areas.	Inspection of static control areas ⇒ Compilation of missing item lists ⇒ Tracking improvement progress ⇒ Confirmation of results.
Education and Training	Professional Course Training (Newly Added in 2022)	In addition to providing the mandatory regulatory courses, extra professional safety training was offered to enable employees to apply their knowledge in their work and enhance the safety culture within the company. In 2022, a total of 236 individuals participated in these training sessions.	Topic selection for inspection courses ⇒ Development of course materials ⇒ Course scheduling ⇒ Attendance of personnel.
	Current Affairs Course on Safety Knowledge (Newly Added in 2022)	By compiling and providing up-to-date information on recent incidents, timely knowledge on work and home safety was shared to prevent disasters. In 2022, a total of 1,457 individuals participated in these courses.	Monitoring of news and current events ⇒ Compilation of course topics ⇒ Development of course materials ⇒ Course scheduling ⇒ Attendance of personnel.
Incident and Injury Safety	Organizing Interactive Experience Activities	Animations and gaming experiences were utilized to replace traditional print materials and poster campaigns. This allowed employees to engage in a more interactive way and experience traffic safety knowledge firsthand, applying defensive driving skills during commutes and business trips. In 2022, a total of 2 events were organized, with 212 individuals participating in these experiential activities.	Regular tracking of the number and causes of work-related accidents ⇒ Formulation of corresponding improvement measures.
Management System Optimization	Documentation of Education and Training System Records	The personnel training record management system was enhanced by implementing an E-learning system. This system allows for the integration and documentation of personnel occupational safety training records, providing a mechanism for checking and verifying training completion.	Testing/trialing of E-learning system functionality ⇒ Importing/Archiving training records.
	Establishing a Dynamic Safety Promotion Mechanism	During shift handovers, safety precautions and regulations are communicated by online personnel on a rotational basis. This practice aims to enhance employees' awareness of work safety and adherence to safety protocols.	Inspection of unit operations ⇒ Development of awareness plans ⇒ Safety awareness campaigns (periodic audits of awareness by occupational safety personnel).



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» Workplace Misconduct

Every year, all employees receive education and training to provide a smooth reporting mechanism. Supervisors arrange annual hazard identification and risk assessment, self-checklists, and organize courses by lawyer Xue Jinkun from the Cheng Cheng Law Firm. Supervisor courses include Workplace Communication Boundaries, understanding workplace violence and harassment issues. In addition, we collaborate with external organizations such as the Chinese Mental Health Foundation to provide telephone consultation, email consultation, or in-person counseling. Furthermore, in 2022, we partnered with qualified counseling psychologists to provide regular on-site counseling services within the company, making it more convenient for our colleagues.

Workplace misconduct handling process:



» Occupational Safety and Health Training

Worker safety awareness and disaster prevention and response are important cornerstones of occupational safety. BenQ Materials values training and safety promotion for supervisors and employees at all levels to establish emergency response capabilities and safety concepts, enhancing worker safety awareness and preventing accidents caused by unsafe behaviors. BenQ Materials includes safety and health education and training for new employees, hazard general education training (hazardous chemical management), machinery safety, emergency response, operators of elevating work platforms with a capacity of over one ton, operators of lifting equipment with a capacity of over 0.5 tons and up to 3 tons, users of lifting gear, boiler operators, and operation of safety and health management systems in the annual training plan. In 2022, environmental health and safety-related courses were provided to 35,962 individuals, including employees and non-employees (dispatched personnel, on-site security guards, on-site cleaning personnel, cafeteria staff), with a total of 41,089 person-hours.

BenQ Materials adheres to a diverse occupational safety and health education and training system that replaces traditional face-to-face teaching methods. This includes utilizing digital learning platforms provided by the Occupational Safety and Health Administration, incorporating external educational and training resources, training foreign employees to serve as professional instructors (providing training content that is close and easily understandable in colloquial language), and organizing external professional seminars to deepen employees' awareness of workplace safety and maintain a safe and healthy work environment.





» Contractor Occupational Safety Education and Training

In addition, to implement contractor management systems and protect every construction worker entering BenQ Materials, all construction personnel are required to undergo safety training provided by BenQ Materials before commencing work on the premises. In 2022, a total of 1,666 individuals completed the training. In addition to safety training for contractors, a "Contractor Supervisor Management System" has been established, requiring qualified supervisor personnel to be responsible for outsourcing projects to ensure construction quality and safety standards. In 2022, a total of 87 individuals completed supervisor safety training. No abnormal incidents involving contractors occurred in 2022.

» Disability Injury Statistics

BenQ Materials' occupational accident statistics are disclosed in accordance with the definition of occupational accidents under the Occupational Safety and Health Act and the GRI 403-9 Occupational Injury Statistics Indicator published by the Global Reporting Initiative (GRI). In 2022, there were no fatalities or severe occupational accidents among all workers (employees and non-employees). A total of 11 occupational accidents were recorded, primarily involving entrapment hazards. Among them, there were 7 cases of disabling injuries, resulting in a total of 238 days of disability. The number of work-related disabling injuries and the total days lost due to disability were higher for males than females. These injuries were primarily caused by failure to follow standard operating procedures during machine maintenance operations, resulting in entrapment. After a review conducted by occupational safety personnel and relevant departments, a total of 144 high-risk areas were inspected, focusing on addressing abnormal machine issues and ensuring the installation of safety protective devices in high-risk areas during cleaning. Occupational safety personnel, unit supervisors, and operators worked together to simulate safe operating procedures to improve the safety of unsafe equipment and achieve the goal of zero occupational accidents, thereby preventing occupational accidents from occurring. In 2022, there were no recordable occupational injuries among non-employee workers on the premises throughout the year.



Employees Disability Injury Statistics

Item	2018	2019	2020	2021	2022
Whole-year working hours	4,036,698	1,115,620	3,116,150	2,036,168	5,152,318
Number of people of occupational injury and death	0	0	0	0	0
Occupational injury and death ratio	0	0	0	0	0
Number of severe occupational injuries	0	0	0	0	0
Rate of severe occupational injuries	0	0	0	0	0
Number of recordable occupational injuries	7	4	7	4	11
Rate of recordable occupational injuries	2	4	2	2	2
Number of disabling injuries	5	2	5	2	7
Number of days lost due to disabling injuries	214	24	183	55	238
Disability injury frequency (FR)	1.23	1.79	1.6	0.98	1.35
Disability injury severity (SR)	53	21	58	27	46
Frequency severity indicator (FSI)	0.25	0.19	0.3	0.16	0.24

Non-Employees Disability Injury Statistics

Whole-year working hours	111,034	1,149,300	867,942	392,392	1,260,334
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Note 1: The data includes Taoyuan Plant, Longke Plant, Yunlin Plant, Suzhou Plant in Mainland China, Wuhu Plant, and subsidiaries including Jingjie and Shuo Chen.

Note 2: The calculation of employee working hours is based on the standard of day shift and shift rotation. Day shift is calculated as 8 hours per day, and shift rotation is calculated as 10 hours per day. The working hours of non-employees, including dispatched personnel, on-site security guards, on-site cleaning staff, and on-site catering staff, are calculated based on the nature of their work. Dispatched personnel and on-site security guards are calculated as 10 hours per day, while cleaning staff are calculated as 8 hours per day. (The working hours of non-employees do not include contract workers in construction, as their entry time to the plant is not fixed and it is difficult to calculate their actual working hours. Systematic management will be planned for the future.)

Note 3: The calculation method of the indicators does not include transportation accidents:

Occupational fatality rate = (Number of occupational fatalities × 10⁶) ÷ total annual working hours

Rate of severe occupational injuries = (Number of severe occupational injuries (excluding occupational fatalities) × 10⁶) ÷ total annual working hours

Rate of recordable occupational injuries = (Number of recordable occupational injuries × 10⁵) ÷ total annual working hours

Frequency rate (FR) of disabling injuries = (Number of occupational injuries × 10⁵) ÷ total annual working hours

Severity rate (SR) of disabling injuries = (Number of days lost due to disabling injuries × 10⁵) ÷ total annual working hours

Frequency-severity index (FSI) = √((FR × SR) / 1000)

*"Number of severe occupational injuries" refers to injuries that result in permanent disability (e.g., amputations) or the inability to return to work within six months.

*"Number of recordable occupational injuries" includes fatalities, severe injuries, and occupational injuries requiring internal or external medical treatment.

*"Disabling injuries" refer to injuries that temporarily (or permanently) prevent the injured person from returning to work. The days lost due to disabling injuries do not include the day of injury or the day of return to work but include any intervening days (including Sundays, holidays, or days when the business unit is not in operation) and any additional days of inability to work due to the injury after returning to work.