



Message from the President

The impacts of climate change have raised concerns worldwide, leading countries to declare and take actions towards achieving net-zero emissions. In 2022, Taiwan officially announced its 2050 net-zero pathway strategy. As responsible global citizens, we must actively respond to these challenges. Our company is committed to sustainable operations and continuously takes actions in the areas of governance, environment, and society to achieve phased goals and move towards the path of net-zero emissions and sustainable development.

In the sustainable development process, in 2023, BenQ Materials will enter a new phase. While maintaining the unchanged target of reaching net-zero emissions by 2050, we will not only continue implementing short, medium, and long-term plans but also gradually align with international trends and undertake corresponding actions.

» Governance

BenQ Materials has always prioritized integrity and compliance in corporate governance. However, as the level of enterprise digitization continues to increase and the world becomes highly reliant on information technology, information security has become one of the top ten risks for global businesses. Faced with these threats, BenQ Materials has heightened its focus on information security. Since 2021, we have continuously obtained ISO 27001 certification for information security. Additionally, we conduct security assessments of our supplier partners, urging them to prioritize information security as well, in order to enhance the operational resilience of the entire value chain.

» Environmental Sustainability

In terms of renewable energy, in addition to increasing the deployment of our own solar power generation, we have officially started procuring green energy since 2023 and gradually increasing the proportion of renewable energy usage. We aim to achieve the RE100 goal by 2040. With the trial implementation of the European Union's carbon border tax in 2023 and the introduction of carbon fees in Taiwan, carbon emissions will eventually have a cost. To proactively align with domestic and international policies, the company has established an internal carbon pricing mechanism. This mechanism aims to enhance the carbon reduction awareness of various business units internally, treat carbon as a cost, and incorporate it into their operational decision-making considerations.

» Diversity and Inclusion

Diversity, inclusivity, and equality are advocated internationally in terms of human rights. BenQ Materials values the rights of every employee and has established a "Human Rights Policy" in accordance with international human rights commitments. This policy ensures that every employee at BenQ Materials enjoys their rightful entitlements and care.

» Social Care

Externally, we continue to support localization efforts and care for disadvantaged groups. In 2022, we provided medical material resources to local governments and vulnerable communities in areas where our factories are located, such as Yunlin and Taoyuan. We offer timely assistance when they encounter difficulties. Combining our business operations with social contributions is the aspiration of BenQ Materials in our business management. In the future, we hope to create more impactful initiatives in social care actions.



Chairman & CEO



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foreword

Message from the President

Honors and Recognition in 2022

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Honors and Recognition in 2022

Sustainability Report Awards

» Name of Award

Taiwan's Top 50 Large Companies for Sustainable Citizenship Award

Taiwan Corporate Sustainability Award: Top 100 Companies in Overall Performance

Silver Award for Sustainability Report

» Award Presentation Unit

Taiwan World Magazine

Taiwan Sustainable Energy Research Foundation

Taiwan Sustainable Energy Research Foundation

Sustainable Glory-E

» Name of Award

Silver Award for National Enterprise Environmental Protection

Suzhou Industrial Park Environmental Management Partnership Program - Enterprise Environmental Management Enhancement Award

» Award Presentation Unit

Environmental Protection Administration, Executive Yuan, Taiwan

Suzhou Industrial Park, Mainland China

Sustainable Glory-S

» Name of Award

Sustainable Single Performance-Talent Development Award

Best Employer in Greater Suzhou

Best Corporate Employer Award in Asia

Taoyuan City Maternal Health Alliance Model Enterprise Award

Ministry of Labor's Excellent Occupational Safety and Health Unit Award (Yunlin Plant)

Excellent Occupational Safety and Health Unit Award (Longtan Factory)

Suzhou City Labor Relations Harmony Enterprise

BOE Best Partner Award

AUO Best Partner Award

» Award Presentation Unit

Taiwan Sustainable Energy Research Foundation

Human Resources and Social Security Bureau, Suzhou, China

HR Asia

Taoyuan City Government, Taiwan

Yunlin County Government, Taiwan

Taoyuan City Government, Taiwan

Human Resources and Social Security Bureau of Suzhou City, China

BOE Co.

AUO Corp.

Sustainable Glory-G

» Name of Award

Taiwan Intellectual Property Management System (TIPS) Grade A Verification

Enterprise in Corporate Governance Evaluation: Top 6%~20% of Small and Medium Market Capitalization Group

National New Innovation Award - SIMO

Industry Contribution Award - Biomedical Materials

Taiwan Excellence Award - ANSLCF, UHDEP, Xpore

Taiwan Excellence Silver Award - SOF

Gold Panel Awards 2022

ISPO Textrends Awards - Top Ten

ISPO Textrends Awards - Selection

Green Decoration Design Award - Diamond Quality Award - Touch Taiwan

» Award Presentation Unit

Industrial Development Bureau, Ministry of Economic Affairs, Taiwan

Taiwan Stock Exchange

Taiwan Medical Technology Research Center

Institute of Biomedical Materials and Drug Formulation, R.O.C.

Bureau of International Trade, Taiwan Ministry of Economic Affairs

Bureau of International Trade, Taiwan Ministry of Economic Affairs

Taiwan Display Industry Federation

Munich International Sporting Goods Show

Munich International Sporting Goods Show

Taiwan Display Industry Federation



Annual Investment and Output

Capital	Description	Investment in 2022	Output in 2022	Result for 2022	Corresponding Chapter/Section
Financial Capital	Achieve most optimal financial performance through proper business management capability.	<ul style="list-style-type: none"> Asset investment total amount of NT\$13.704 billion 	<ul style="list-style-type: none"> Revenue of NT\$15.540 billion Tax expense of NT\$470 million 	<ul style="list-style-type: none"> Earnings Per Share (EPS) of NT\$4.04, an increase of NT\$1.01 in comparison to EPS in 2021 	<ul style="list-style-type: none"> 3-2 Business Performance
Manufacturing Capital	Seek optimization of process efficiency, in order to achieve most optimal manufacturing efficiency and yield rate.	<ul style="list-style-type: none"> Display material: <ul style="list-style-type: none"> - Coil wire guide for the inkjet machine. - Speed enhancement of the coating line's glue machine. - Optimization of the inspection-free rate specification. - Streamlined operation line. Advanced battery material: <ul style="list-style-type: none"> - Increase the number of extension layers. - Multi-layer simultaneous extension process. Medical and care products: <ul style="list-style-type: none"> - Introduction of an automatic folding machine. - Improved yield of the fast pad manufacturing process. - Introduction of an automatic identification system. - Introduction of an automatic optical inspection. - Machine speed optimization and automatic import. Waterproof and breathable fabrics: <ul style="list-style-type: none"> - Introduction of a fabric handling machine. - Automatic packaging machine. 	<ul style="list-style-type: none"> Display materials: <ul style="list-style-type: none"> - Increase monthly production capacity of laminating line by 5%. - 3% increase in monthly production capacity of the coating line. - Increase inspection-free rate by 9%. - Save 25 hours per day in labor handling. Advanced Battery Materials: <ul style="list-style-type: none"> - 130% increase in unit area output. - 9.2% reduction in electricity usage. Medical and care products: <ul style="list-style-type: none"> - 56% increase in production capacity. - Improved product yield by 10%. - 28.1% reduction in inspection volume. - 27% increase in crop rate. - Productivity optimization by 20%. Waterproof Breathable Fabric: <ul style="list-style-type: none"> - Increase production capacity by 50%. - Increase packaging capacity by 50%. 	<ul style="list-style-type: none"> Increase monthly production capacity. Increase output per unit area. Increase product yield. Increase production rate. Reduce process power consumption. 	<ul style="list-style-type: none"> 4-4 Product Innovation and Sustainable Design



Capital	Description	Investment in 2022	Output in 2022	Result for 2022	Corresponding Chapter/Section
Human Resource Capital	Select appropriate talent, commit to employee growth and development, and provide competitive remuneration and welfare	<ul style="list-style-type: none"> Number of employees of 2,603 people (including dispatched manpower) Training investment cost of NT\$4.48 million Promote digital learning Promote 4 major types of safety improvements 	<ul style="list-style-type: none"> Total training hours of 26,340 hours, and average training hours of an employee is 10.12 hours 32 online courses, with effective reading people of 4,361 people-time. Environmental safety and health related courses reached 35,962 people-time, and total of 41,089 people-hour Frequency Severity Indicator (FRI) of 0.21 only 	<ul style="list-style-type: none"> The overall average satisfaction rate of the courses reached 4.89%. 	<ul style="list-style-type: none"> 7-2 Talent Cultivation 7-5 Workplace Safety
Natural Capital	Through various energy resource use improvement projects, commit to the reduction of steel materials, energies and water, and achieve reduction of waste output.	<ul style="list-style-type: none"> Natural gas consumption of 6.8197 million cubic meters Power consumption of 73,555.1 million kWh Diesel consumption of 19.9 thousand liters Water consumption of 432.74 million liters Taoyuan and Yunlin construction of renewable energy generation equipment 	<ul style="list-style-type: none"> Greenhouse gas emission (Scope 1, Scope 2, Scope 3) of 62,568.39 tons CO₂e Promote twenty-five energy-saving solutions, and achieve power saving of 2,460,000 kWh Promote four gas saving solutions, and achieve gas saving of 294,000 cubic meters Total solar power generation capacity of 2,530,591 kWh Promote four water saving solutions, and achieve water saving of 12.56ML Waste generation volume of 14,616.89 tons 	<ul style="list-style-type: none"> Greenhouse gas emission intensity (Scope 1, Scope 2) is 3.41 (tons CO₂e/million dollars), a decrease of 10.92% from 2020. Energy consumption intensity of 33.64 (GJ/million dollars), a increase of 1.29 from 2021 Water consumption intensity of 2.78 (ML/revenue of NT\$100 million), a decrease of 5.3% from 2020 Waste direct disposal intensity (tons/revenue of NT\$1 million) of 0.21. 	<ul style="list-style-type: none"> 5-2 Climate Change Management 5-3 Energy Management 5-4 Water Management 5-6 Circular Economy



Capital	Description	Investment in 2022	Output in 2022	Result for 2022	Corresponding Chapter/Section
Intellectual Capital	Improve high-strength material application, continue to obtain mechanical design patents and product certifications, in order to enhance the product competitive advantages.	<ul style="list-style-type: none"> Invest NT\$887 million in research and development expense Implement Taiwan Intellectual Property Management System (TIPS) Introduction to ISO 27001 	<ul style="list-style-type: none"> Filed 39 applications in 2022 Obtained 38 granted patents in 2022 Qualified for TIPS Class A certification ISO 27001 acquisition 	<ul style="list-style-type: none"> Up to the end of 2022, a total of 1,180 patent applications have been filed worldwide, and 770 granted patents have been obtained Plan to increase the textile recycled material use ratio, from 30% in 2021 to 80% in 2024. 	<ul style="list-style-type: none"> 4-1 Core Technology and Intellectual Property Management
Social Capital	Promote local industry upgrade, achieve industry common growth, and contribute and return business outcome of BenQ Materials to surrounding communities.	<ul style="list-style-type: none"> For key supplier project control, corporate social responsibility undertaking is required to be signed. For conflict mineral disclosure initiative, perform survey on whether suppliers use any conflict minerals for their materials. Committed to five social welfare donations Invest in "Vision and Hope Project," and provide the service of offering glasses to children of medium- and low-income households at free of charge Organize "Green Party" tree planting activity for the 12th consecutive year Promote Taiwan agricultural food plan for the 7th year 	<ul style="list-style-type: none"> Require suppliers to sign ESG pledges We will require suppliers to sign a ESG pledge with a 95% signatory rate by 2022.Seven-teen polarizer customers, eight optical film customers and two battery material customers have signed and returned the non-use conflict mineral guarantee letter. Donated 1,000 medical-grade hemostatic gauze. Donated 600 acne cleansers. Donated 11,000 medical kits. Donated a disaster relief vehicle. Number of people with free offering of glasses accumulates to 1,982 people Planted more than 9,371 trees in all plant sites throughout Taiwan Taiwan agricultural food plan with purchase amount in the current year reaches NT\$670 thousand 	<ul style="list-style-type: none"> All purchased woven materials do not use conflict minerals Assist disadvantaged children in vision care for healthy eyes and vision to achieve colorful lives. Assist sluggish sale of agricultural products of community farmers, and achieve social co-prosperity effect. Helping to solve the problem of insufficient educational resources in remote areas 	<ul style="list-style-type: none"> 6-3 Supply Chain Management CH8 Social Care



Report Introduction

Relevant information for the establishment of the 2022 Corporate Sustainability Report (referred to as "this Report") of BenQ Materials Corporation (referred to as "BenQ Materials") is as follows:

Disclosure basis

This report follows the GRI Sustainability Reporting Standards (GRI Standards) published by the Global Sustainability Standards Board (GSSB) of The Global Reporting Initiative (GRI). The GRI Sustainability Reporting Standards (GRI Standards), published by the Global Sustainability Standards Board (GSSB), are also based on the Sustainability Accounting Standards Board (SASB)'s Technology and Communications sector. In addition, the disclosure is made in accordance with the International Integrated Reporting Framework (IIRC) developed by the International Integrated Reporting Council (IIRC).

Reporting period

This report was first issued in July 2021, covering the 2020 reporting period.

The reporting period for this current report is from January 1, 2022, to December 31, 2022.

The Chinese version of this report was released in June 2023, while the English version was released in July 2023.

The previous Chinese version was issued in July 2022, and the previous English version was issued in September 2022.

The future issuance frequency will be once per year.

Disclosure scope

The disclosure scope covers BenQ Materials Corporation and its subsidiaries, including BenQ Materials (Lianhe) Corporation, BenQ Materials Limited, Daxin Medical Technology (Suzhou) Co., Ltd., BenQ Materials Medical Technology (Suzhou) Co., Ltd., Suzhou Lianhe Medical Materials Co., Ltd., BenQ Materials (Wuhu) Limited, Jingle Biotech Co., Ltd., and Shuo Chen Biomedical Co., Ltd. It provides an overall disclosure of performance in economic, social, and environmental aspects. The key operational locations of BenQ Materials and the aforementioned subsidiaries include Taoyuan Plant and Longtan Plant in Taiwan, Yunlin Plant, Suzhou Plant in mainland China, and Wuhu Plant. Further explanations will not be provided in subsequent reports. [Please refer to Section 9-6 for detailed information on the disclosure scope.](#)

Disclosure explanation

The sustainability information and performance disclosed by this Report are also synchronously disclosed in the BenQ Materials' ESG official website (<https://ESG.benqmaterials.com/>).

Furthermore, for the product information and the financial data of the business performance disclosure, the disclosure is based on the financial report information certified by the CPA after the auditing of KPMG Taiwan. Other relevant data in this Report is obtained via self-statistical analysis of the BenQ Materials Disclosure Team, and the conventional value description approach is adopted along with the standard rounding method in principle.

Preparation process

The report is prepared by the ESG Committee and summarized by the ESG Committee officers. The report is then reviewed by the ESG Committee members and finally approved by the Chairman of the Board of Directors and submitted to the Board of Directors.

External review

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

Contact information

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