BenQ Materials Corp

Corporate Sustainability Report 2024

BenQ Materials Corp

CONTENTS

Message from the President

The global sustainability wave has been advancing at an unprecedented pace in recent years. From the European Union's Corporate Sustainability Reporting Directive (CSRD), which mandates the disclosure of "double materiality," to the release of IFRS S1 and S2 by the International Sustainability Standards Board (ISSB), and the widespread adoption of the Task Force on Climate-related Financial Disclosures (TCFD) framework, corporate ESG responsibility is no longer confined to reporting—it now demands fundamental transformation across strategy, operations, and corporate culture.

Amidst this international trend, climate change has evolved from an environmental issue into a financial and governance matter, serving as a litmus test for corporate resilience and competitiveness. BenQ Materials fully understands its responsibilities and mission and continues to strengthen its climate governance. We focus on three main pillars: low-carbon manufacturing, green design, and resource circulation, and we are committed to translating these into concrete actions.

In 2024, we implemented 21 electricity-saving projects and 6 natural gas-saving projects, achieving carbon reduction benefits totaling 1,242 metric tons of CO_2e. In terms of energy efficiency, our overall energy intensity decreased by 28.3% compared to the baseline year. Our self-built solar power generation exceeded 3.38 million kWh, and including externally purchased green power, renewable energy accounted for 23.7% of our total energy consumption, steadily progressing toward our RE100 target for 2040. On the production front, we have introduced automation and smart scheduling, significantly improving production efficiency and material utilization rates. We are also continuously upgrading equipment to reduce electricity and natural gas consumption, with further improvements expected to manifest over the coming years. Through these sustained efforts, BenQ Materials has achieved a CDP Climate Change and Water Security rating of "B," demonstrating our capability and determination to align with global standards.

In product development, we are actively promoting low-carbon materials and carbonreduction designs, with several products achieving over 30% reductions in carbon footprints. In response to the EU's PFAS ban and increasingly stringent global chemical management trends, we have proactively adopted non-toxic processes and alternative materials to ensure product compliance and market competitiveness.In response to the call for biodiversity and forest conservation, we are fully incorporating FSC-certified packaging materials and expanding the use of recycled materials. By 2030, we aim to achieve the goal of using low-carbon, eco-friendly, or recycled materials in over 70% of our products across various applications.

Our employees are the primary driving force behind the company's growth, and providing robust support for them is also our responsibility. The company continuously considers employees' needs and has designed a credit-based learning system in alignment with individual development roadmaps, encouraging employees to engage in continuous self-learning and growth within the organization. We have also observed that, with Taiwan's aging population, an increasing number of our colleagues are bearing responsibilities for caring for elderly parents. In response, we provide three days of fully paid long-term care leave annually, allowing employees with such needs to take time off without concern.

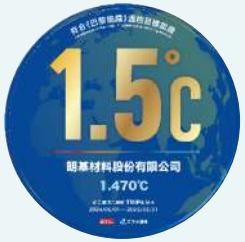
In 2024, the global geopolitical landscape and sustainability issues have intertwined, creating turbulent conditions and challenging the consensus around ESG. As a result, global businesses now operate in an increasingly complex decision-making environment. In such uncertain times, we believe that the essence of a corporation lies not only in generating profits but also in creating value for the future. From our foundation in materials science, we seek to connect human well-being with the planet's future. We will continue to deepen our climate risk governance, enhance the efficiency of green manufacturing processes, and expand our strategies for recycled materials and the circular economy, working hand-in-hand with all our colleagues, supply chain partners, and society to co-create a resilient, inclusive, and prosperous sustainable future.

Chairman & CEO

Honors and Recognition in 2024

Environmental Sustainability

CDP Assessment
Climate Change：B
Water Security：B



Paris Agreement Temperature Goal Certification：Corporate Temperature Alignment: 1.470°C

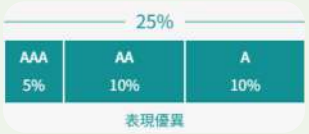
Business Weekly Carbon Competitiveness Top 100：
Ranked 1st in Optoelectronics Industry

Sustainability Governance

Taiwan Corporate Sustainability Awards (TCSA)
- Sustainability Report – Platinum Award
- Top 100 Companies in Comprehensive Sustainability Performance

CommonWealth Sustainability Citizenship Award：Ranked 28th in Manufacturing Sector – Large Enterprise Category

Global Views Corporate Sustainability Awards：Comprehensive Performance – Model Award in Electronics & Technology Sector



Taiwan Sustainability Ratings：
Rating AAA

臺灣證券交易所 Taiwan Stock Exchange

Corporate Governance Evaluation：
Ranked in Top 6%–20% of Listed Companies

Taiwan Intellectual Property Management System (TIPS)
Certification Level: A
(Certificate No. TIPS-2024-cert.-044)

Friendly Workplace and Social participation

Asia-Pacific Sustainability Action Awards：SDG 4 Quality Education – Silver Award: Science Camp Project

Taiwan Sustainable Talent Alliance (TSTA)

Suzhou Industrial area：
Most Socially Responsible Enterprise Award

104 Employer Branding Award
– Best Employer Award

Taoyuan Corporate Awards：
ESG Best Workplace Award

Annual Investment and Output

Financial Capital

Description	Investment in 2024	Output in 2024	Result for 2024	Corresponding Chapter/ Section
Achieve most optimal financial performance through proper business management capability.	• Total Assets Invested: NT$22.632 billion.	• Revenue:NT$18.59 billion • Income Tax Expense: NT$127 million.	• Earnings Per Share (EPS): NT$0.62.	• Indicator 3-2: Economic Performance

Manufacturing Capital

Description	Investment in 2024		Output in 2024		Result for 2024	Corresponding Chapter/Section
Seek optimization of process efficiency, in order to achieve most optimal manufacturing efficiency and yield rate.	• Display Materials - Implemented cycle time reduction projects for production line switching. - Introduced robotic process automation (RPA) to streamline workflows. • Advanced Battery Materials - Adopted automated production systems. - Transitioned to long-roll continuous processing. - Promoted autonomous maintenance of production equipment.	• Medical and Healthcare Products - Optimized gauze manufacturing processes for wound care. - Applied flexible magnetic knives in skincare product processing. - Recycled steel plates in vision care product manufacturing. - Enhanced scheduling efficiency for medical packaging production. • Waterproof and Breathable Fabrics： - Installed automated packaging machines. - Improved production speed of machinery.	• Display Materials - Increased monthly production capacity by 10,000 square meters. - Reduced cumulative processing time by 369 hours per quarter. Advanced Battery Materials - Improved operational efficiency by 40% compared to the previous year. - Reduced production energy consumption by 22% year-over-year. - Achieved 83% autonomous maintenance rate.	• Medical and Healthcare Products - Improved product yield by 0.9%. - Reduced tooling costs by 90%. - Achieved 100% recycling of steel plates used in vision care products. - Estimated reduction of 5 metric tons of material waste per month. • Waterproof and Breathable Fabrics - Increased packaging capacity by 50%. - Achieved 38% increase in total production volume compared to the previous year.	• Increase monthly production capacity. • Enhance output per unit area. • Improve product yield rate. • Increase equipment utilization rate. • Improve material recycling rate. • Reduce energy consumption in production processes. • Shorten production cycle time.	• Indicator 4-2: Product Innovation and Sustainable Design

Human Resource Capital

Description	Investment in 2024	Output in 2024	Result for 2024	Corresponding Chapter/ Section
Select appropriate talent, commit to employee growth and development, and provide competitive remuneration and welfare	• Total workforce: 3,213 employees. (including dispatched workers) • Non-employee workers:1,106 individuals. • Training investment: NT$5.72 million. • Four key categories of safety improvement measures implemented.	• Delivered 239 in-person training sessions, totaling 49,306 hours, with an average of 15.3 training hours per employee. • The AI Training Program reached a cumulative total of 1,754 participants in 2024, with 3,310 total training hours. • Environment, Health, and Safety (EHS) courses engaged 28,431 participants, totaling 25,140.5 training hours.	• The AI Training Program generated an estimated cumulative benefit of NT$100 million. • Employee Total Frequency Severity Index (FSI): 0.12. • Non-employee Total Frequency Severity Index (FSI): 0.00.	• Indicator7-2:Workforce Profile • Indicator7-3:Talent Development and Training • Indicator 7-6: Workplace Health and Safety

Natural Capital

Description	Investment in 2024	Output in 2024	Result for 2024	Corresponding Chapter/Section
Through various energy resource use improvement projects, commit to the reduction of steel materials, energies and water, and achieve reduction of waste output.	• Natural Gas Consumption: 6.2735 million cubic meters. • Electricity Consumption: 68.8586 million kilowatt-hours .(kWh) • Gasoline Consumption (for vehicles): 10,900 liters. • Diesel Consumption: 5,800 liters. • Total Water Withdrawal: 357.25 million liters.	• Greenhouse Gas Emissions: - Scope 1 and Scope 2: 50,109.36 metric tons CO_2e. - Scope 3: 77,764.14 metric tons CO_2e. • Carbon Reduction Initiatives: - Implemented 21 electricity-saving projects, reducing emissions by 653.66 metric tons CO_2e. - Implemented 6 gas-saving projects, reducing emissions by 588.49 metric tons CO_2e. • Renewable Energy Generation: - Solar power generation: 3.38 million kWh. • Water Conservation: - Water saved through conservation initiatives: 7.23 million liters. • Waste Generation: - Total waste generated: 12,778.87 metric tons.	• GHG Emissions Intensity (Scope 1 & 2): 2.70 metric tons CO_2e per NT$1 million revenue - a 29.49% reduction compared to the 2020 baseline year. • Energy Consumption Intensity: 26.74 GJ per NT$1 million revenue - a 0.71% reduction compared to 2023. • Water Withdrawal Intensity: 1.92 megaliters per NT$100 million revenue - a 34.69% reduction from the 2020 baseline year. • Direct Waste Disposal Intensity: 0.13 metric tons per NT$1 million revenue.	• Indicator 5-2: Climate Change Management • Indicator 5-3: Energy Management • Indicator 5-4: Water Resource Management • Indicator 5-6: Circular Economy

Intellectual Capital

Description	Investment in 2024	Output in 2024	Result for 2024	Corresponding Chapter/Section
Improve high-strength material application, continue to obtain mechanical design patents and product certifications, in order to enhance the product competitive advantages.	• R&D Investment: NT$1.084 billion allocated to research and development. • Intellectual Property Management: Implemented the Taiwan Intellectual Property Management System (TIPS) and achieved A-level certification. • Information Security: Adopted the ISO 27001 Information Security Management System.	• 64 patent applications filed in 2024. • 40 patents granted in 2024. • Successfully passed A-level re-certification of the Taiwan Intellectual Property Management System .(TIPS) • Certified under the ISO 27001 Information Security Management System.	• As of the end of 2024, a cumulative total of 1,290 patent applications have been filed globally, with 830 patents granted. • Zero major cybersecurity incidents reported.	• Indicator 3-6: Information Security • Indicator4-1:Core Technologies and Intellectual Property Management

Social Capital

Description	Investment in 2024	Output in 2024	Result for 2024	Corresponding Chapter/Section
Promote local industry upgrade, achieve industry common growth, and contribute and return business outcome of BenQ Materials to surrounding communities.	• Key suppliers are required to sign a Corporate Social Responsibility (CSR) Commitment Letter as part of project-level oversight. • Conducted conflict minerals due diligence, requesting suppliers to disclose the use of any materials containing conflict minerals. • Contributed to 2 charitable donation initiatives. • Continued the Vision Care Hope Program, providing free eyeglasses to children from low- and middle-income families. • Advanced the Taiwan Agricultural and Food Initiative, now in its 9th year. • Promoted the Science Camp Program, reaching its 11th year.	• Required Tier-1 suppliers to sign a Corporate Social Responsibility (CSR) Commitment Letter, achieving a 95% signing rate in 2024. • Supported due diligence efforts for customers in downstream sectors: - 13 customers in polarizer materials. - 1 customer in optical materials. - 2 customers in battery materials. • Confirmed that all investigated materials contained no conflict minerals, with supplier guarantee letters obtained accordingly. • Community Engagement and Public Welfare. • Donated 2,005 mattress protectors, 90 waterproof and windproof functional jackets, and 3,000 hemostatic gauze pieces. • Provided eyeglasses to a cumulative total of 2,618 beneficiaries under the Vision Care Hope Program. • Through the Taiwan Agricultural and Food Initiative, purchased NT$550,000 worth of local agricultural products. • The Science Camp Program achieved a 75% social impact rate, evidenced by improved children's willingness to learn science, increased participation, and higher homework completion rates.	• All procured materials are free from conflict minerals, ensuring compliance with responsible sourcing principles. • Upholding the belief that healthy vision enables a colorful life, the company continues to support underprivileged children in gaining clear sight and brighter futures. • Assisted in addressing the issue of unsold agricultural products, contributing to shared prosperity with local farmers. • Helped bridge educational and resource gaps in rural areas, supporting equal learning opportunities for all.	• Indicator 6-3: Supply Chain Management • Chapter 8: Social Engagement

Report Introduction

Relevant information for the establishment of the 2024 Corporate Sustainability Report (referred to as "this Report") of BenQ Materials Corporation (referred to as "BenQ Materials") is as follows:

Disclosure basis

This report has been prepared in accordance with the GRI Sustainability Reporting Standards issued by the Global Sustainability Standards Board (GSSB) under the Global Reporting Initiative (GRI). It also discloses information with reference to the Sustainability Accounting Standards Board (SASB) standards for the Technology and Communications – Hardware industry and the Health Care – Medical Equipment & Supplies industry. In addition, the report incorporates principles from the International Integrated Reporting Framework developed by the International Integrated Reporting Council (IIRC) and aligns with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) under the Financial Stability Board (FSB).

Reporting period

This sustainability report was first published in July 2021, covering the reporting year 2020.

The current reporting period is from January 1 to December 31, 2024.

The publication date of the current Chinese and English versions is August 2025.

The previous Chinese and English versions were published in August 2024.

The report is issued annually.

Disclosure explanation

The sustainability information and performance disclosed by this Report are also synchronously disclosed in the BenQ Materials' ESG official website.

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

Preparation process

This report was compiled by a designated disclosure task force formed by representatives from various departments. After the initial draft was completed by the task force, the content was consolidated by the ESG Committee Secretariat. The draft was then reviewed by all members of the ESG Committee and subsequently approved by the Chairperson and endorsed by the Board of Directors.

Disclosure scope

This report covers BenQ Materials Corporation and its subsidiaries, including:

- Sigma Medical Co., Ltd.
- BenQ Materials Ltd.
- Dashing Medical Technologies (Suzhou) Co., Ltd.
- BenQ Materials Medical Technologies (Suzhou) Co., Ltd.
- Suzhou Lian He Medical Co., Ltd.
- BenQ Materials (Wuhu) Co., Ltd.
- GENE JET Biotech Corporation
- Cenefom Corp Biomedical Co., Ltd.
- Web-pro Industries Co., Ltd.
- Web-pro Industries Co., Ltd. (Vietnam)

The major operational sites of BenQ Materials and its subsidiaries include:

Taoyuan Plant, Longtan Plant, and Yuntech Plant in Taiwan, as well as the Suzhou and Wuhu Plants in Mainland China. These sites will not be described separately throughout the report unless otherwise specified.

For the detailed scope of economic, social, and environmental data disclosures, please refer to Indicator 9-1: Scope of Data Disclosure.

Internal assurance

In accordance with the regulations of the Financial Supervisory Commission (FSC), the management of sustainability information has been incorporated into the company's Internal Control System and Internal Audit Implementation Rules.

The internal audit unit, based on the annual audit plan, conducts inspections of the sustainability information disclosure processes and management mechanisms to ensure that the collection, consolidation, review, and external disclosure of Environmental, Social, and Governance (ESG) data are consistent, traceable, and accurate.

External assurance

To enhance the transparency and reliability of disclosed information, this report has undergone external assurance by SGS Taiwan Ltd., in accordance with the AA1000 Assurance Standard (AA1000AS v3). The assurance was conducted at a Type 1, moderate level of assurance.

The verification confirmed that this report adheres to the AA1000 Accountability Principles and complies with the GRI Standards 2021.

For details, please refer to the assurance statement in the appendix of this report.

Contact information

If you have any questions regarding this report or suggestions for BenQ Materials, please feel free to contact us through the following channels:

Contact Person: Secretariat, Sustainability Committee
Company Address: No. 29, Jianguo East Road, Guishan District, Taoyuan City 333, Taiwan
Telephone: +886-3-3748800 ext. 2948
Email: ESG@benqmaterials.com

BenQ Materials Introduction

01

Company Profile

Founded in July 1998, BenQ Materials initially focused on the research, development, and manufacturing of high-quality, high-capacity optical discs to store users' knowledge and joy. Adhering to the philosophy of "Innovation Everywhere," the company has continuously developed materials science products. With a strong foundation in materials science, BenQ Materials is committed to independent research and development, specializing in two major materials technologies: optical multilayer film design and polymer synthesis.

The company also excels in four major manufacturing technologies: roll-to-roll processing, precision engraving, precision coating, and injection molding. By leveraging core technologies in these areas, BenQ Materials has expanded into four main application categories: display materials, advanced battery materials, medical and nursing products, and waterproof breathable fabrics. This approach provides customers with high-quality and comprehensive solutions.

To learn more about the milestones of BenQ Materials, please scan the QRCODE

Company Name	Stock Code	Chairman
BenQ Materials Corporation	8215(TWSE)	Chien-Chih Chen
Date of Establishment	**TWSE Listing Date**	**Revenue Scale**
1998/07	2010/11	NTD 18.589 billion (2024)
Capital	**Number of Employees**	**Product Line**
NTD 3.207 billion (as of 12/31/2024)	3,213 employees (as of 12/31/2024)	Functional films, advanced battery materials, medical products, functional textiles
Company Headquarters	**Service Market**	
No. 29, Jianguo E. Rd., Guishan Dist., Taoyuan City	Taiwan, China, Malaysia, Singapore, U.S.A., and Japan, etc.	

Business Location

- Taoyuan Plant: No. 29, Jianguo East Road, Guishan District, Taoyuan City
- Longtan Plant: No. 288, Longyuan 1st Road, Longtan District, Taoyuan City
- Yunlin Plant: No. 29, Kezhong 7th Road, Douliu City, Yunlin County
- Suzhou Plant: No. 13, Chunhui Road, Suzhou Industrial Park, Suzhou, Jiangsu Province, China
- Wuhu Plant: No. 106, Huajin South Road, High-Tech Development Zone, Yijiang District, Wuhu City, Anhui Province, China
- GENEJET Biotech Corporation：No. 56, Lane 77, Xing'ai Road, Neihu District, Taipei City, Taiwan
- Cenefom Biomedical Co., Ltd.：No. 50-5, Kexue Road, Zhunan Township, Miaoli County, Taiwan
- Web-Pro Industries Co., Ltd. (Yongan Plant)：No. 4, Yonggong 3rd Road, Yongan District, Kaohsiung City, Taiwan
- Web-Pro Industries Co., Ltd. (Nanzi Plant)：No. 231, Chaoren Road, Nanzi District, Kaohsiung City, Taiwan
- Web-Pro Industries Co., Ltd. (Tree Valley Plant)：No. 27, Titanggong Road, Xinshi District, Tainan City, Taiwan
- Web-Pro Industries Co., Ltd. (Vietnam Plant)：Lot 8, Phase 2, Nhon Trach 3 Industrial Park, Hiep Phu Commune, Nhon Trach District, Dong Nai Province, Vietnam

Business Philosophy

Vision

BenQ Materials aims to achieve the true beauty of technological life by leveraging innovative technologies and applications to create value.

Mission

Based on the principle of integrity, BenQ Materials strives to continuously innovate and become a leader in the field of materials science.

We aspire to be the most trusted and reliable long-term partner in the value chain. We are committed to developing environmentally sustainable products and technologies. We value social impact, care for the community, and cherish Earth's resources.

Business Objectives

BenQ Materials aims for a multi-product, multi-technology, and multi-application development, striving for innovation in every aspect to deliver unique value to our customers and maximize benefits for our employees and shareholders.

Participation in External Organizations

Position of Director and Supervisor

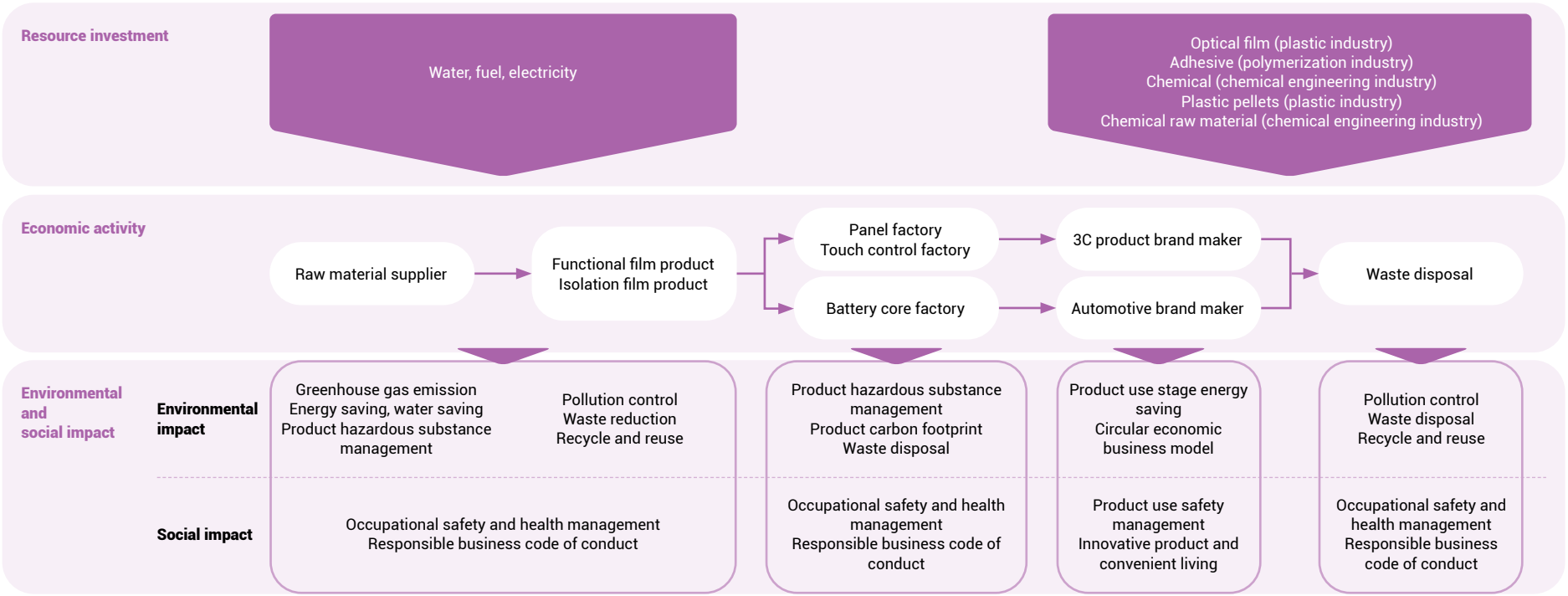
- Committee Member, Flexible Hybrid Electronics Committee, SEMI Taiwan
- Director, Society for Information Display (SID), Taiwan Chapter
- Vice Chairman / Supervisor, Taiwan Medical and Biotech Industry Association
- Director and Supervisor, Taiwan Battery Association (TBA)
- Director, Taiwan Display Material & Device Industry Association (TDMDA)
- Director, Taiwan Display Union Association (TDUA)
- Director / Advisor, Taipei Eyewear Trade Association
- Director, Tainan Optometry and Eyewear Technician Union

Member Enrollment

- Taiwan Science Park Industry Association
- Taiwan Electrical and Electronic Manufacturers' Association (TEEMA)
- Yunlin Technology Industrial Park Manufacturers' Association
- Chinese Society of Interior Design (CSID)
- Taiwan Pressure Sensitive Tape Industry Association
- Advanced Filtration Technology Academia-Industry Alliance
- Sterile Barrier Association (SBA)
- Deutsches Flachdisplay-Forum e.V. (DFF)
- Taiwan Battery Association (TBA)
- MIH Consortium for Open Electric Vehicle Development
- Lithium-ion Battery Academia-Industry Alliance
- Advanced Battery Materials Industry Alliance
- Taiwan Optometry Society
- Taipei Eyewear Trade Association
- Tainan Optometry and Eyewear Technician Union
- Taiwan Silk Dyeing & Finishing Industrial Association
- Taiwan Technical Textiles Association
- Taiwan Flexographic Printing Association (TFTA)
- Taiwan Electronic Equipment Industry Association (TEEIA)

Value Chain

Display Materials and Advanced Battery Materials Value Chain



Medical and Care Products, and Waterproof Breathable Fabrics Value Chain

Resource investment

- Water, electricity
- Adhesive (polymerization industry)
  Film (plastic industry)
  Plastic pellets (plastic industry)
  Chemical raw material (chemical engineering industry)
  Biological material (biotech industry)
- Nonwoven fabric (textile industry)
  Fabric (textile industry)
  Moisture permeable film (textile industry)
  Paper (paper industry)
  Printing ink (chemical product industry)

Economic activity

Raw material supplier → Non-functional film products → Medical hospitals and clinics, Medical device manufacturer / Channel operator, E-commerce platform / Garment manufacturer, Bedding manufacturer → Waste disposal

Environmental and social impact

	Non-functional film products	Medical hospitals and clinics, Medical device manufacturer	Channel operator, E-commerce platform / Garment manufacturer, Bedding manufacturer
Environmental impact	Energy saving and water saving Process waste reduction Packaging material reduction Product hazardous substance management Pollution control Waste reduction	Product hazardous substance management	Pollution control Waste reduction
Social impact	Product use safety management Responsible business code of conduct Product marketing and labeling Occupational safety and health management	Product use safety management Product marketing Consumer personal information protection	Occupational safety and health management Responsible business code of conduct

Profile of Product Sector

Display Materials

BenQ Materials' proprietary display materials are widely applied in mobile devices, as well as consumer, commercial, and in-vehicle displays. With a strong commitment to eye protection and compliance with the highest automotive safety standards, these materials are designed to effectively reduce reflections and glare caused by complex ambient lighting, thereby improving screen visibility and user focus.

Beyond visual performance, these materials also offer outstanding weather resistance and aesthetic functionality, such as the high-contrast Smoke OCA (Optically Clear Adhesive). These features support diverse display and application needs with premium quality and high-definition clarity.

To learn more about the display material products, please scan the QRCODE

Advanced Battery Material

BenQ Materials' battery separator films serve as a critical safety barrier between the anode and cathode in lithium-ion batteries, specifically designed to meet the demands of high-performance applications in electric vehicles and energy storage systems.

The proprietary Armarator™ ceramic-coated separator features an advanced structural design that delivers exceptional mechanical strength at elevated temperatures up to 250˚C. This makes it ideally suited for high-power batteries requiring stringent safety standards, such as those used in electric vertical take-off and landing aircraft (eVTOL), unmanned aerial vehicles (UAVs), and hybrid electric vehicles (HEVs).

Armarator™ is also engineered for compatibility with high-speed winding and stacking assembly processes, allowing battery manufacturers to adopt it without modifying existing production lines—delivering a cost-effective solution ready for mass production.

To learn more about the isolation film products, please scan the QRCODE

Waterproof and breathable textiles

BenQ Materials' proprietary textile brand Xpore® derives its name from "Explore" and "Nano Pores," symbolizing the brand's pioneering spirit and nanotechnology roots. After years of dedicated research, Xpore® has redefined nanoporous membrane technology, opening new frontiers for functional textiles while embodying a commitment to environmental sustainability.

At its core lies a unique ultrathin membrane that is non-toxic, solvent-free, and free of PFCs (perfluorinated compounds). Each square inch of the membrane contains 10 billion nanopores, which are 20,000 times smaller than a water droplet. This ensures outstanding waterproof and windproof protection, while allowing sweat vapor to escape, keeping users dry and comfortable during extended activity.

Xpore® reimagines textile innovation by blending sustainability, high performance, and material diversity. Inspired by nature, it represents a breakthrough in eco-conscious, high-function textile design, driving the industry forward through responsible innovation and circularity.

The Xpore® product line encompasses five core series — Ultra, LiteTech, Agile, AirTech, and DynaX — each engineered to meet specific environmental conditions and functional needs. These collections showcase high adaptability, enabling diverse and innovative applications across textile markets.

Each series delivers outstanding technical performance and is compatible with a wide range of materials, offering designers greater flexibility to create garments that combine both aesthetic appeal and functionality. This empowers brands to enhance product differentiation and build a competitive edge in the market.

Xpore® technology is suitable for various fabric types and excels in applications ranging from outdoor sportswear to urban lifestyle apparel, ensuring versatile and reliable performance in every setting.

To learn more about the Xpore® textile products, please scan the QRCODE

xpore | LinkedIn | Instagram

Healthcare Products

Setting out from our core technology in materials science, we design various healthcare products to provide consumers with new options for health and safety. Our healthcare products deliver a wide range of applications, including the silicone hydrogel contact lens for eye health protection, biotech skincare products, convenient and effective wound management products, and medical sterilization packaging for healthcare professionals, demonstrating our R&D capacity and materials science expertise in the healthcare sector.

Skincare Products

DermaAngel, our skincare product brand, aims at restoring skin affected by non-genetic physiological factors and environmental stress back to the originally angel-like healthy, balanced, and natural skin with skincare products made with professionally proven effective ingredients through safe and delicate methods based on the scientific research spirit.

To learn more about the skincare products, please scan the QRCODE

DermaAngel

Vision Care

Miacare, our contact lens brand, develops the world's first solvent-free next-generation silicone hydrogel with patented materials science technology. This material provides consumers with healthy, comfortable, eco-friendly silicone hydrogel contact lens that accentuates self-confidence and beauty.

To learn more about the vision care products, please scan the QRCODE

Miacare

GemMonster

Professional Healthcare

With innovative materials science technology, we develop medical packaging materials and wound management products that provide advanced sterilization barrier films and develop professional healthcare solutions for healthcare professionals and patients to enjoy better protection and care.

SIGMA, our healthcare product brand, primarily provides healthcare sterilization packaging products and solutions, aiming to protect patients against infection during medical treatment. Anscare focuses on providing wound management products at every stage, with product ranges covering hemostasis, wound care, negative pressure wound therapy (NPWT), and scar nursing applications, hoping to help patients resume normal life more quickly.

To learn more about the wound management products, please scan the QRCODE

Anscare

To learn more about the medical sterilization packaging products, please scan the QRCODE

SIGMA

Business Development

BenQ Materials focuses on the research and development of advanced functional optical films, with applications spanning TFT-LCD, OLED, and Micro-LED technologies. As next-generation production capacities come online and foldable devices gain traction, the average display size is increasing rapidly, driving stronger demand for high-performance functional film materials. Amid market consolidation—marked by certain players exiting and capacity investment stabilizing—the supply-demand balance in the industry is gradually recovering.

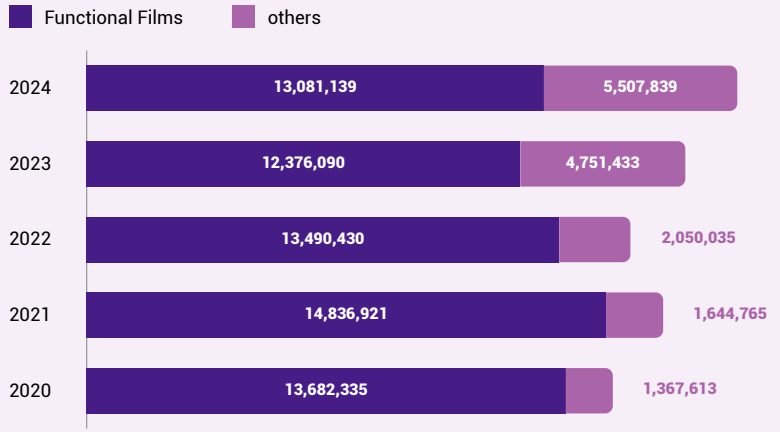
In the healthcare sector, BenQ Materials' business scope includes medical devices, eyewear, and medical-grade chemical products. Driven by an aging population, the demand for healthcare services and elderly care continues to rise, leading to expanded service offerings and diversified care systems. In recent years, cross-sector collaboration between healthcare and technology has accelerated, and the post-pandemic environment has further propelled growth in medical and health-related industries.

For a detailed overview of operations and short-, medium-, and long-term strategic plans, please refer to page 34 of the BenQ Materials 2024 Annual Report.

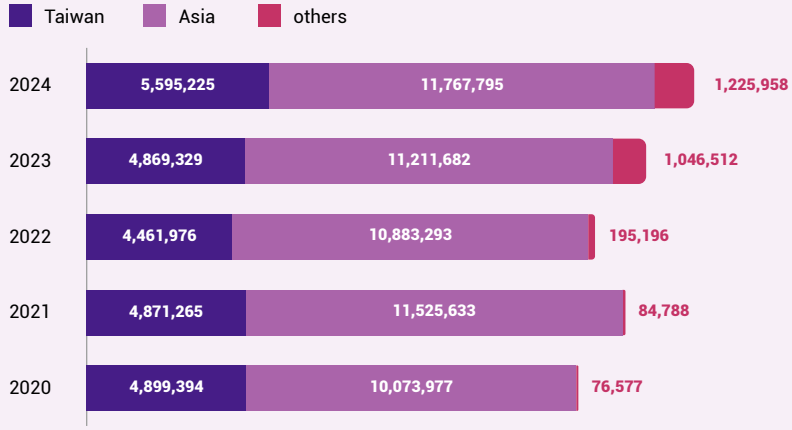
Revenue Overview

n recent years, BenQ Materials has begun to see tangible results from its strategic transformation efforts. Looking ahead, the company will continue to expand the revenue contribution from its medical product portfolio, aiming to mitigate the operational impact of cyclical fluctuations in the display panel market.

Revenue by Region Over the Years (in thousands of NT dollars)



The revenue figures by area category (in thousands of NT dollars)



Sustainability Governance

02

Sustainable Governance and Operations

Sustainable Strategy Implementation Framework

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

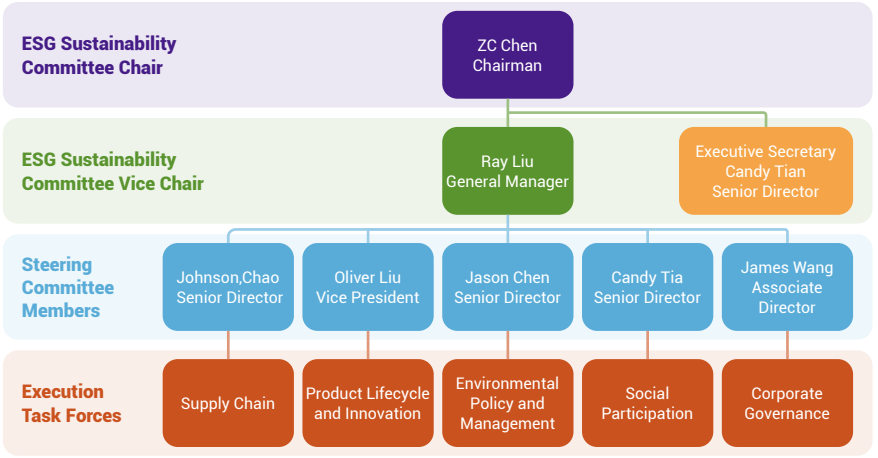
To implement its sustainability strategy, the company has established an ESG Sustainability Committee, which is responsible for overseeing ESG initiatives and setting strategic goals. The committee is led by the Chairman and CEO, and is organized into five functional task forces, each headed by a senior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

The committee's focus areas include:

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

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

Task Organization	Main Goals	Corresponding SDGs	Members
Supply Chain Team	• Emphasizing Labor Rights • Collaborating on Energy Saving and Carbon Reduction • Increasing the Proportion of Green Procurement		Director of Procurement
Product Lifecycle and Innovation Team	• Developing Green Products and New Energy Technologies		Vice President of Research and Development
Environmental Policy and Management Team	• increasing the Proportion of Green Factories • Climate Change Response and Management • Reduction and Circular Economy		Vice President of Manufacturing
Social Participation Team	**Internal** • Creating a Diverse, Equitable, and Inclusive Environment • Employee Development and Talent Cultivation **External** • Supporting Local Agriculture • Caring for the Underprivileged and Young Students • Environmental Sustainability Actions		Senior Director of Human Resources
Corporate Governance Team	• Information Security • Transparent and Responsible Governance • Legal Compliance and Ethical Business Practices		Deputy Director of Finance



How the ESG Committee works

Planning Annual Work Items for the Sustainability Committee → Confirmation of Work Plan by the Chairman (CEO) → To execute and hold monthly/quarterly meetings → Report the execution status and achievements to the Board of Directors

Sustainable Governance Report to the Board

BenQ Materials has established an ESG Sustainability Committee, with the Board of Directors responsible for overseeing the company's ESG strategies and performance. The committee is required to report to the Board at least once annually on sustainability achievements and future plans. The Board provides supervision and strategic guidance accordingly.

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

- Reviewed the company's 2023 ESG performance, assessed progress toward sustainability goals, and provided improvement suggestions (Board meeting held on May 6, 2024)
- Accelerated the development of Scope 3 GHG data collection mechanisms, to align ESG targets with international standards
- Monitored the implementation of green electricity procurement plans, to ensure on-track progress toward the RE100 target of 100% renewable energy by 2040
- Reviewed and approved the 2023 Sustainability Report, aiming to enhance disclosure quality and information transparency (Board approval granted on August 1, 2024)

Sustainability Goal

Since 2021, the ESG Sustainability Committee of BenQ Materials has adopted internationally recognized ESG frameworks to systematically promote sustainability across three key dimensions: Environmental (E), Social (S), and Governance (G). Under this structure, the company drives six core sustainability missions:

- Responsible Governance
- Responsible Products
- Environmental Sustainability
- Partnership Engagement
- Inclusive Workplace
- Social Care

Each mission aligns with relevant United Nations Sustainable Development Goals (SDGs) and material sustainability topics. The company has established clear strategic pillars, sustainability performance indicators (KPIs), and short-, medium-, and long-term targets to ensure effective progress tracking and continuous improvement.

In addition, for each strategic initiative, BenQ Materials is formulating quantifiable targets and implementation roadmaps, gradually building a comprehensive sustainability management and disclosure framework. These efforts aim to enhance organizational resilience and foster stakeholder trust

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

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

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

Sustainability Mission	SDGs	Strategic Focus	Material Topic	KPI	Short-term Goals			Medium Term Goals	Long Term Goals
					2024 Target	2024 Result / Status	2025 Target	2027 Target	2030 Target
Environmental Sustainability	13	Climate Change Response	Climate Strategy	Reduction in Scope 1 and Scope 2 GHG emissions Baseline Compared to 2020 baseline year	12% reduction	↓ 12.9% / ★	15% reduction vs. 2020	21% reduction vs. 2020	30% reduction vs. 2020
				Renewable energy as a percentage of total energy consumption	Reach 20%	23.7% / ★	Gradually increase usage year over year		Reach 50%
				Proportion of Green Factory Certifications	Reach 20%	20% / ★	55%	75%	100%
	7	Improve Energy Efficiency	Energy Management	Reduction in non-renewable energy consumption intensity Baseline: Compared to 2020 baseline year	20% reduction	↓ 28.3% / ★	To be redefined after inclusion of subsidiaries		
	12			Annual reduction in energy consumption through employee actions	1.5% annual reduction	↓ 2.3% / ★	>1.5%	>1.5%	>1.5%
	6	Improve Water Efficiency	Water Resource Management	Reduction in water withdrawal intensity (non-recycled water) Baseline: Compared to 2020 baseline year	25% reduction	↓ 28.8% / ★	To be redefined after inclusion of subsidiaries		
				Improve Water Reuse Rate	Greater than 95%	97.3% / ★	Maintain water reuse rate above 95%		
	12	Waste Reduction and Circularity Toward Zero Waste Production	Waste Management	Waste resource recovery rate	Greater than 75%	78.3% / ★	>77%	>79%	>80%

Sustainability Mission	SDGs	Strategic Focus	Material Topic	KPI	Short-term Goals			Medium Term Goals	Long Term Goals
					2024 Target	2024 Result / Status	2025 Target	2027 Target	2030 Target
Partnership	13	Respect for Labor and Human Rights	Sustainable Supply Chain	ESG audit completion rate for Tier-1 critical suppliers	4 suppliers	4 suppliers/ ★	Complete ESG risk assessment and audit prioritization	18 suppliers audited	-
		Green Procurement		Increase Green Procurement Ratio	-	NT$177.48 million	-	-	-
		Collaborative Carbon Management with Suppliers		Supply chain carbon emissions reduction	↓ 5%	Data to be compiled in 2025 and disclosed in the 2025 Sustainability Report	↓ 10%	↓ 20%	↓ 35%

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

Sustainability Mission	SDGs	Strategic Focus	Material Topic	KPI	Short-term Goals			Medium Term Goals	Long Term Goals
					2024 Target	2024 Result / Status	2025 Target	2027 Target	2030 Target
Friendly Workplace		Employee Development and Talent Cultivation	Talent Attraction and Retention	Average training hours per indirect employee	33 hours	46.1/ ★	35 hours	37 hours	39 hours
				Retention rate of top-performing employees	90%	98%/ ★	90%		
		Occupational Health and Safety	Occupational Health and Safety	Achieve zero workplace injuries and incidents	Zero injuries	0.12/ ▼	Zero injuries		
		Diversity, Equity, and Inclusion (DEI)	Inclusive Workplace	Percentage of female managers	○	33.96%	Greater than 30%		
				Zero Non-Conformities in RBA Labor Practices	○	6 non-conformities/ ▼	Zero violations		
				Postpartum One-Year Retention Rate	75%	89%/ ★	Maintain 75%		
				Retention Rate of International and Diverse Talent	80%	81.8%/ ★	Maintain 80%		
				Grievance Resolution Rate	100%	100%/ ★	Maintain 100%		

Sustainability Mission	SDGs	Strategic Focus	Material Topic	KPI	Short-term Goals			Medium Term Goals	Long Term Goals
					2024 Target	2024 Result / Status	2025 Target	2027 Target	2030 Target
Social participation		Support for Local Agriculture	Social Impact	Total Procurement Volume under Taiwan Agri-Food Action Program	4.5 metric tons	5.1 metric tons/ ★	5 metric tons		
		Care for Underprivileged and Youth Education		Cumulative Beneficiaries of the Vision Care Program	2,450 persons	2,618 persons/ ★	2,650 persons	3,200 persons	4,000 persons
				Number of STEM Education Outreach Sessions	5 sessions	5 sessions/ ★	5 sessions	6 sessions	6 sessions
		Environmental Sustainability Actions		Number of Environmental Sustainability Engagement Events	3 sessions	3 sessions/ ★	3 sessions		

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

Stakeholder Engagement

Identification of Key Stakeholders

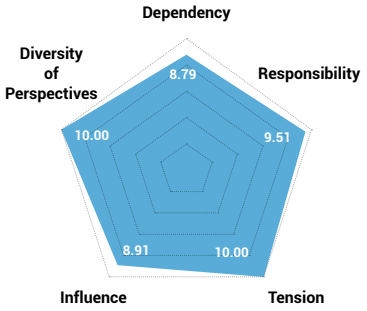
BenQ Materials identifies key stakeholders based on the five dimensions outlined in the AA1000 Stakeholder Engagement Standard (AA1000 SES): Responsibility, Influence, Tension, Diverse Perspectives, and Dependency. In 2021, the company conducted an evaluation led by senior executives overseeing sustainability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

Following a review conducted by the Sustainability Committee in 2024, it was confirmed that there were no significant changes to the stakeholder identification results. The key stakeholder categories remain consistent with those identified in the previous reporting year.

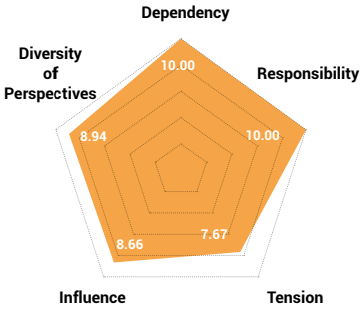
Stakeholder Mapping Summary

Key Stakeholder Evaluation by Five Dimensions

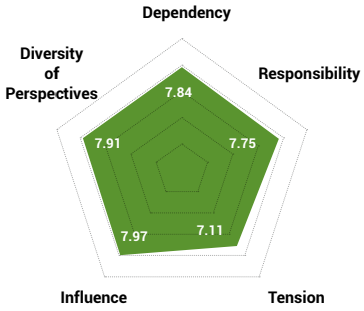
Customers



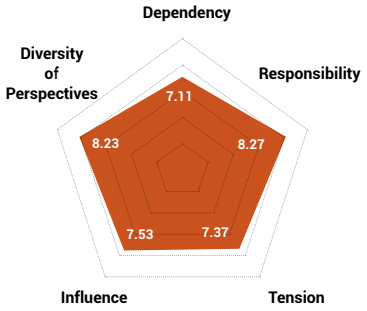
Employees



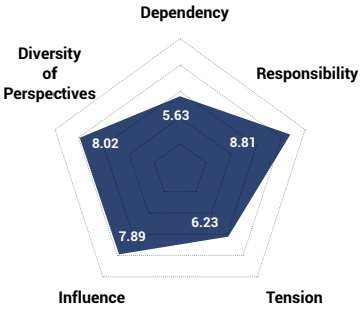
Banks



Suppliers



Shareholders



Key Stakeholder Engagement

Stakeholder Type	Significance to BenQ Materials	Key Topics of Concern	Responsible Unit	Engagement Method / Frequency	Engagement Outcomes	Key Engagement Issues
Customers (including End Users)	Customers are not only the source of revenue but also key partners in driving continuous innovation in products and technologies. BenQ Materials aims to collaborate with customers to advance sustainability performance.	• Business Ethics • Quality Management • Innovation Management • Sustainable Supply Chain • Occupational Health & Safety	Product Lifecycle and Innovation Team	• Customer satisfaction surveys (quarterly) • Supplier audits conducted by customers (annually) • Supplier conferences hosted by customers (annually)	• 4 customer satisfaction surveys conducted • 1 supplier audit completed • 1 supplier conference held	BenQ Materials is committed to eliminating PFAS-related substances in all materials. All new products have already transitioned, and legacy products are undergoing phased replacement.
Employees	Employees are the foundation of the company's sustainable operations. BenQ Materials fosters a competitive and inclusive workplace to attract top talent and grow together toward future success.	• Quality Management • Occupational Health & Safety • Business Ethics • Human Capital Development • Product Responsibility	Social Participation Team	• Labor-management meetings (quarterly) • Business briefings (quarterly) • Welfare committee meetings (quarterly) • On-site forums (irregular) • Grievance mechanism for misconduct (available anytime) • Employee feedback app (available anytime) • GM mailbox (available anytime) • External whistleblower email (available anytime)	• 4 labor-management meetings • 4 business briefings • 4 welfare committee meetings • 22 feedback cases submitted via employee app, 100% resolved	A satisfaction survey was conducted for foreign migrant workers in 2024, with an overall satisfaction rate of 94.3%. For details, refer to Section7-4-6 Employee Communication.
Banks	Banks are a major source of operating capital in addition to capital market fundraising. Through close communication and engagement, BenQ Materials secures stable financing with competitive interest rates, ensuring sound business operations.	• Business Ethics • Waste Management • Sustainable Supply Chain • Information Security • Air Emissions Management	Corporate Governance Team	Bank visits and engagement (irregular)	• Maintained strong banking relationships • Secured required loan facilities, including syndicated loans linked to ESG performance indicators	In 2024, BenQ Materials continued ESG-related dialogue with banks and successfully met all ESG-related goals set by partner banks.
Suppliers	Through close collaboration with suppliers, BenQ Materials is able to deliver high-quality products and services to customers. Enhancing sustainable supply chain management and capabilities is a key objective for the next stage of development.	• Occupational Health & Safety • Quality Management • Waste Management • Product Responsibility • Business Ethics	Supply Chain Team	• Key supplier performance evaluations (semiannual) • Supplier documentation audits (annual) • On-site coaching and assessments (irregular) • Briefings on hazardous substance management policies (irregular) • Supplier conference (biennial)	• 100% completion rate for key supplier evaluations • 100% completion rate for supplier documentation audits • 3 supplier coaching workshops conducted • 4 ESG audits executed • 100% compliance with hazardous substance management policies • Supplier conference scheduled for 2025	In 2024, supplier coaching sessions focused on vendors with lower scores on the ESG self-assessment questionnaire. For further details, refer to Section 6-3-5: Supplier Engagement and Coaching.
Shareholders	Responsible investment is gaining importance, and investor interest in BenQ Materials' sustainability performance continues to grow. Sustainability management and information transparency are core company priorities. Ongoing communication with shareholders and key investors regarding sustainability strategies and outcomes is crucial to long-term growth.	• Business Ethics • Innovation Management • Quality Management • Waste Management • Talent Attraction and Retention	Corporate Governance Team	• Board and Audit Committee reports (quarterly) • Annual General Shareholders' Meeting (annually) • Investor conferences (quarterly) • Market Observation Post System disclosures (irregular) • Spokesperson system (irregular) • Company website and investor mailbox (available anytime)	• 4 Board and Audit Committee reports submitted • 1 Annual General Shareholders' Meeting held • 4 investor conferences conducted • Ongoing disclosures via the Market Observation Post System, spokespersons, and investor communication channels	No specific ESG-related engagement topics were raised by shareholders or investors in 2024.

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

Materiality Identification and Analysis

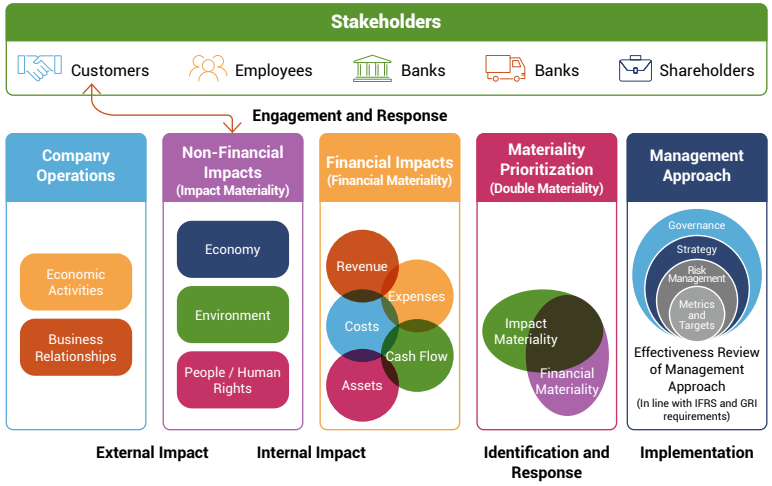
BenQ Materials conducts a sustainability impact assessment every two years to review and identify high-impact issues that serve as the basis for formulating its sustainability strategies and action plans. For each key issue, the company sets short-, medium-, and long-term goals to guide continuous improvement.

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

This approach incorporates:

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

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



Materiality Identification and Analysis

1	Understanding the Organizational Context	• Identify key concerns and potential impacts raised by five major stakeholder groups. • Analyze potential impacts arising from economic activities and upstream/ downstream supply chain relationships within operational activities. • Map potential impacts to 20 predefined sustainability issues.
2	Identifying External Impacts (Impact Materiality)	★ Negative impacts: Impact materiality = severity (scale, scope, remediability) × likelihood ★ Positive impacts: Impact materiality = benefit magnitude (scale, scope) × likelihood
3	Identifying Internal Impacts (Financial Materiality)	• Financial materiality: For each of the 20 sustainability topics, the responsible departments assess how external impacts could cause short-, medium-, or long-term financial impacts on operations. • Impact severity is evaluated using financial reporting materiality principles, with relevance to BenQ Materials' value. The 2025 revenue forecast is used as a baseline to quantify the level of financial impact. • In assessing financial materiality, BenQ Materials referenced relevant topics under the IFRS Sustainability Disclosure Standards, SASB Standards (Semiconductor industry), and other comparable financially material issues to ensure the completeness of sustainability-related risks and opportunities. • Assessment indicator： ★ Financial materiality = Operational impact severity × likelihood Note: Financial impacts refer to changes in revenue, costs, expenses, cash flow, and financing reflected in financial statements.
4	Prioritizing Topic Significance	• Consolidate materiality results for all issues across both impact and financial dimensions. Rank each topic based on positive and negative impacts, and validate prioritization with input from departments based on BenQ Materials' future operational plans. • Assess SASB industry-specific disclosure topics. Some may not have significant impacts under current management levels but are retained as secondary topics for ongoing monitoring and disclosure when necessary.
5	Determining Material Topics	• As of January 2025, the ESG Sustainability Committee finalized the priority material topics for disclosure. • Topics align with GRI Topic Standards (6 core + 2 custom topics) • Also mapped to SASB industry standards for: - Technology and Communications – Hardware - Health Care – Medical Equipment & Supplies • Based on full consideration of double materiality, a total of 9 material topics were confirmed for reporting after Committee review.
6	Governance Integration	• Results from the January 2025 sustainability impact assessment have been formally submitted to the ESG Committee as part of its meeting agenda.

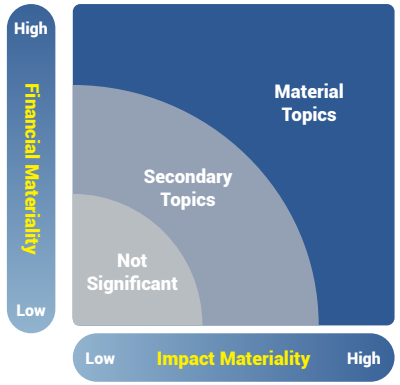
Material Topics Identified and Disclosed

Based on the results of the double materiality impact analysis, BenQ Materials identified a total of 9 negatively material topics and 8 positively material topics. In addition, 3 negative and 4 positive topics were classified as secondary material topics, to be continuously monitored.

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

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

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



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

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

Impact Materiality

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

Financial Materiality

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

Double Materiality

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

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

Mapping of Material Sustainability Topics to Reporting Standards

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

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

Material Topic	Positive Impact	Negative Impact	Impact Area				Value Chain Scope of Impact					Correspondence with GRI Standards and SASB Metrics
			Economic	Environmental	People	Human Rights	Upstream Suppliers	Tier-1 Suppliers	BenQ Materials	Customers	End Users	
Climate Strategy	●	●	●	●			●	●	●	●	●	GRI 305：Emissions 2016
Diversity and Inclusion	●	●			●				●	●		GRI 405：Diversity and Equal Opportunity 2016 GRI 406：Non-discrimination 2016 TC — HW — 330a.1
Sustainable Supply Chain	●	●	●				●	●	●	●		GRI 204：Procurement Practices 2016 GRI 414：Supplier Social Assessment 2016 GRI 308：Supplier Environmental Assessment2016 TC — HW — 430a.1 TC — HW — 430a.2 HC — MS — 430a.1 HC — MS — 430a.2 HC — MS — 430a.3
Innovation Management	●	●	●		●		●	●	●	●	●	Custom Topic：Energy Consumption and Efficiency
Product Responsibility	●	●	●	●	●	●	●	●	●	●	●	TC-HW-410a.1 TC-HW-410a.4 HC-MS-410a.1~2
Information Security		●	●			●		●	●	●	●	Custom Topic：Information Security Incidents TC — HW — 230a.1
Product Safety & Marketing	●	●	●			●		●	●	●	●	TC — HW — 410a.1 TC — HW — 410a.4 HC — MS — 250a.1 ~ 4 HC — MS — 270a.1~2 GRI 416：Customer Health and Safety 2016 GRI 417：Marketing and Labeling 2016
Quality Management	●	●	●		●			●	●	●	●	Custom Topic：Customer Satisfaction
Business Ethics	●	●	●						●	●		GRI 205：Anti-corruption 2016 HC — MS — 510a.1~2

Time Horizon and Scope of Impacts for Material Sustainability Topics

Material Topic	Risk and Opportunity Scenario	Impact on Economy, Environment, People, or Human Rights (Impact Materiality)		Impact on Own Operations (Financial Materiality)		Time Horizon of Impact			
				Financial Impact Description	Type of Financial Impact (Cost/Revenue/Risk)	Already Occurred	Future Impact		
							Within 1-2 Years	Within 3-5 Years	Beyond 5 Years
Climate Strategy	• Regulatory • Climate Change	Negative	• Failure to comply with IFRS Sustainability Disclosure Standards (IFRS S2) may result in regulatory risk under securities laws. • Amendments to the Climate Change Response Act may expand regulatory obligations, posing compliance risks. • Global warming driven by climate change may alter end-consumer demand for apparel and destabilize raw material supply.	• Financial outlays related to climate change regulations may include penalties or legal liabilities for inaccurate or incomplete sustainability disclosures, and costs from being classified as a liable entity for carbon fee payment. • Decline in end-consumer demand may negatively impact revenue performance. • Instability in raw material supply may disrupt production processes.	• Increased costs • Reduced revenue • Heightened operational risks	●			
		Positive	• Proactively implementing product carbon footprint assessments and disclosures enhances the company's climate resilience by identifying decarbonization opportunities, reducing operational costs, strengthening its green corporate image, and increasing market competitiveness. • In response to potential changes in outdoor activity patterns due to climate change, the company is expanding its product lines for outdoor apparel applications. • mplementation of the company's sustainability strategy—such as low-carbon manufacturing processes, low-emission products, and the use of recycled or renewable materials—generates positive environmental impact.	• Anticipated future reductions in carbon tax expenditures. • Development of new product lines for various applications and price segments. • Low-carbon and sustainable products are increasingly preferred by customers and consumers, leading to growing demand for such offerings.	• Reduced cost • Increased revenue • Increased revenue	●			
Diversity and Inclusion	• Regulator • Market	Negative	• The company operates globally and faces the risk of non-compliance with local labor regulations or failing Responsible Business Alliance (RBA) audits conducted by customers.	• Non-compliance with labor-related regulatory requirements or failure to meet RBA audit standards may result in contract termination by key customers, leading to significant adverse impacts on revenue.	• Heightened operational risks		●		
		Positive	• The company actively recruits international talents from diverse nationalities to foster cross-cultural exchange and build an inclusive workplace environment. This approach enhances innovation and employee engagement, while leveraging diverse market insights to optimize product and service offerings that align with customer needs—ultimately strengthening customer relationships and competitive advantage.	• These efforts are expected to support international market expansion, improve customer retention, and drive revenue growth.	• Increased revenue	●			
Sustainable Supply Chain	• Market • Geopolitical	Negative	• The company plans to prioritize the development of high-value products, which is expected to result in a decrease in the total volume of raw material procurement. This may adversely affect existing commercial relationships with Tier-1 suppliers that provide lower-value materials. • There is a risk associated with customer-imposed localization requirements in China, which may compel the company to shift to local Chinese suppliers.	• Based on volume-price agreements with current suppliers, a reduction in procurement volumes may lead to the withdrawal of preferential pricing or financial support. • If localization is enforced by Chinese clients, additional product qualification time and costs could cause significant financial impact.	• Increased costs • Increased costs		●		
		Positive	• By diversifying key supplier sources and shifting the procurement of certain critical materials to non-Taiwan-based suppliers, the company not only enhances the commercial opportunities for international vendors but also significantly reduces procurement costs, thereby increasing value for shareholders and employees.	• The reduction in raw material acquisition costs enables the company to offer more competitively priced products.	• Reduced cost	●			

Material Topic	Risk and Opportunity Scenario	Impact on Economy, Environment, People, or Human Rights (Impact Materiality)		Impact on Own Operations (Financial Materiality)		Time Horizon of Impact			
				Financial Impact Description	Type of Financial Impact (Cost/Revenue/Risk)	Already Occurred	Future Impact		
							Within 1-2 Years	Within 3-5 Years	Beyond 5 Years
Innovation Management	• Technology Innovation • Market • Operational Processes • Human Capital Constraints	Negative	• There is a risk that innovation efforts in high-value products, novel materials, or new manufacturing processes may fail, which could adversely affect customer or end-user demand.	• Financial outlays related to climate change regulations may include penalties or legal liabilities for inaccurate or incomplete sustainability disclosures, and costs from being classified as a liable entity for carbon fee payment. • Decline in end-consumer demand may negatively impact revenue performance. • Instability in raw material supply may disrupt production processes.	• Heightened operational risks	●			
		Positive	• The company's sustainability strategy focuses on the development of low-carbon and high-value products using advanced, environmentally friendly technologies aimed at reducing energy consumption and material waste per production cycle.	• Once sustainable products and manufacturing technologies mature, they are expected to unlock significant market opportunities.	• Increased revenue	●			
Product Responsibility	• Regulatory • Operational Processes • Market • Environmental Pollution • Pandemic • Climate Change	Negative	• Failure in new product development and design, such as integrating recycled or low-carbon materials, may result in increased environmental impact throughout the product lifecycle.	• The cost of sourcing low-carbon materials and verifying their environmental attributes is increasing.	• Increased costs	●			
		Positive	• In alignment with the company’ s sustainability strategy and evolving market trends, product lifecycle sustainability is being enhanced by prioritizing material friendliness, durability, material minimization (thinning), and the use of recycled inputs—aimed at reducing environmental impact. • The outbreak of infectious diseases has increased demand for hemostatic products and wound dressings. The company is accelerating the development of diverse, antibacterial, long-shelf-life, and home-use medical devices to enhance public health and well-being.	• The adoption of sustainable materials and expansion of new sustainable product lines requires significant resource investment and may raise short-term costs; however, substantial long-term market opportunities are anticipated. • In the event of global conflicts or pandemics such as COVID-19, demand for disposable medical devices may rise significantly, potentially increasing revenue.	• Increased revenue	●			
Information Security	Cybersecurity	Negative	• Due to the recent surge in cybersecurity incidents affecting both domestic and international enterprises, a major information security breach—such as a ransomware attack—may disrupt the company's operations and production lines, impact shipment schedules, and result in potential leakage of trade secrets or personal data belonging to customers and end-users.	• Should a significant cyberattack occur, resulting in an IT system outage and production halt, the company may face substantial financial losses due to operational disruptions.	• Heightened operational risks	●			

Material Topic	Risk and Opportunity Scenario	Impact on Economy, Environment, People, or Human Rights (Impact Materiality)		Impact on Own Operations (Financial Materiality)		Time Horizon of Impact			
				Financial Impact Description	Type of Financial Impact (Cost/Revenue/Risk)	Already Occurred	Future Impact		
							Within 1-2 Years	Within 3-5 Years	Beyond 5 Years
Product Safety & Marketing	• Reputation • Regulatory • Operational Processes	Negative	• If a significant defect occurs during the manufacturing process of medical products, or if severe adverse reactions arise post-market, this may result in unforeseen medical interventions for patients and damage to the company's brand reputation. • There is a risk of non-compliance with Taiwan's Ministry of Health and Welfare regulations concerning medical device advertising. • Increasingly stringent regulatory requirements in the European market for product raw materials (e.g., under EU MDR for medical devices) pose compliance risks. • Regulatory restrictions regarding per- and polyfluoroalkyl substances (PFAS) in the EU may affect customers' ability to sell products, posing downstream revenue risks.	• Post-market adverse events may lead to product recalls, reduce customer trust, and significantly impact future revenue performance. • Inaccurate or misleading marketing may result in fines under advertising laws. • Increased costs for MDR certification in the European market. • Failure to comply with PFAS restrictions may prevent product shipments to Europe, leading to decreased revenue.	• Reduced revenue		●		
		Positive	• BenQ Materials proactively addressed PFAS-related concerns during the early stages of international discussions by integrating this issue into product development planning. In addition to minimizing environmental impact, the company has maintained a competitive edge compared to industry peers.	• The company has completed the development and deployment of PFAS substitute materials, which enhances its market competitiveness and is expected to contribute to increased product revenue.	• Increased revenue	●			
Quality Management	• Operational Processes • Regulatory • Market	Negative	• Potential safety issues arising from quality defects during the manufacturing stage. • Quality stability risks associated with introducing non-Taiwanese raw materials, which may impact customer product performance. • Regulatory compliance risks for environmental requirements in various countries, particularly for medical and cosmetic products.	• Risk of product recalls and compensation claims from customers due to defective products. • Increased compliance-related costs, such as setting up cosmetic manufacturing facilities, obtaining quality system certifications, and conducting product verifications.	• Reduced revenue • Increased cost		●		
		Positive	• The new Yuntech factory is expected to obtain Halal certification in Malaysia, potentially expanding market access across Southeast Asia and benefiting from increased acceptance among end consumers. • Optimization of operational processes related to the verification of early-stage product quality planning reduces material consumption and production-related resources during product testing, thereby enhancing product development efficiency and employee productivity.	• Expected revenue growth from expanded market access. • Improved operational efficiency reduces labor hours and lowers operational costs.	• Increased revenue	●			
Business Ethics	Regulatory	Negative	• In response to the FSC (Financial Supervisory Commission) regulations requiring sustainability disclosures in financial reports, the risk of information omissions or misstatements may impact investor decision-making.	• Increased sustainability disclosure requirements may lead to additional costs, such as implementing new operational processes, third-party assurance, or penalties for regulatory non-compliance.	• Increased cost	●			
		Positive	• Sustainable investment may enhance the company's intangible asset value and expand future market opportunities.	• Intangible asset value may lead to valuation premiums, especially if BenQ Materials is included in sustainability indices, thereby increasing investor interest and future market opportunities.	• Increased revenue	●			

Sustainability Topic Management Approach

Material Topic	Climate Strategy	
Policy / Commitment	**Policy:** • In compliance with the Financial Supervisory Commission's disclosure requirements on climate change, BenQ Materials aligns with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) to identify climate-related risks and opportunities, and assess impacts on business operations, strategy, and financial planning. • A climate response strategy has been formulated to drive transformation toward low-carbon production, renewable energy use, green product R&D, and partnerships for sustainability—advancing the company toward a low-carbon, green, and sustainable enterprise. **Commitment:** • BenQ Materials is committed to implementing its climate strategy across multiple fronts—including low-carbon production, renewable energy adoption, and green innovation—toward the long-term goal of corporate sustainability.	
Responsibility	• ESG Committee / CEO	• Risk Management Committee / CEO
Targets	2024	• 12% reduction in Scope 1 and Scope 2 GHG emissions (base year: 2020) • 20% of electricity from renewable sources
	Short-Term (1–2 years)	• 30% reduction in Scope 1 and 2 GHG emissions by 2030 • 50% renewable energy by 2030
	Mid- to Long-Term (3+ years)	• 100% renewable energy by 2040 (RE100) • Net-zero emissions by 2050
Action Plan	• Continue implementing the TCFD project to evaluate risks and opportunities and implement mitigation and adaptation actions • Expand GHG inventory and third-party verification across all operational sites • Extend ISO 50001 Energy Management System coverage • Install on-site solar PV systems for self-consumption • Introduce energy-efficient technologies and equipment to improve energy performance	
Annual Performance	• 12.9% reduction in Scope 1 & 2 GHG emissions vs. 2020 baseline • 23.7% of electricity sourced from renewables in 2024	
Monitoring & Review	• Monthly meetings of the Environmental Policy and Management Task Force to review performance against energy and carbon reduction KPIs • Quarterly ESG Committee meetings to evaluate climate mitigation and adaptation measures	
Stakeholder Engagement	• Encourage full employee participation in energy-saving and carbon-reduction activities • Strategic discussions between senior leadership and transformation teams on climate adaptation • Collaborations with academia and industry associations to advance decarbonization R&D	

Material Topic	Diversity and Inclusion	
Policy / Commitment	**Policy:** Committed to aligning with the Responsible Business Alliance (RBA) Code of Conduct and the company's Human Rights Policy to ensure diversity and inclusion are upheld in the workplace. **Commitment:** Provide a fair and equitable working environment, ensuring no discrimination based on gender, age, ethnicity, nationality, religion, sexual orientation, or disability.	
Responsibility	• Human Resources Department / Senior Director	
Targets	2024 Short-Term (1–2 years) Mid- to Long-Term (3+ years)	• Zero non-compliance with RBA Labor standards • Retention rate of international and diverse talent > 80% • Retention rate one year after maternity leave > 75% • Female leadership ratio > 30% • 100% resolution rate for employee feedback and grievance cases
Action Plan	• Conduct regular internal assessments to ensure compliance with RBA labor standards and achieve zero violations • Provide language and cultural adaptation training to enhance international employee retention • Organize cross-cultural awareness and inclusiveness programs to strengthen employee understanding of diversity issues • Promote flexible working hours, remote work, and childcare subsidies to support women's career development and retention • Offer post-maternity flexible hours, nursing rooms, and parenting allowances to ensure smooth return-to-work transitions	
Annual Performance	• 6 non-compliance findings in 2024 from an RBA audit by customer (Innolux); all findings were rectified within the customer's deadline • International talent retention rate reached 81.8% • Post-maternity one-year retention rate reached 89% • Female leadership ratio reached 33.8% • 100% resolution rate for employee feedback and complaints	
Monitoring & Review	• Progress tracked through monthly and quarterly ESG Committee meetings, with reviews led by the Social Subcommittee	
Stakeholder Engagement	**Customer:** Provided feedback on migrant worker programs and requested gradual improvements to align with RBA expectations **Employees:** Anonymous grievance channels established to ensure concerns about workplace discrimination or inclusion can be expressed safely and addressed appropriately	

Note：For human rights-related adverse impacts, refer to the grievance handling procedures disclosed on the BenQ Materials ESG website and in Chapter 7-1 on Human Rights Management.

Material Topic	Sustainable Supply Chain	
Policy / Commitment	**Policy:** Comply with BenQ Materials' Supplier Code of Conduct for Corporate Social Responsibility, and benchmark ESG performance of key suppliers using the RBA Validated Audit Process (VAP) standard. **Commitment:** Launch ESG improvement plans for key suppliers to enhance their ESG governance and build mutually beneficial, long-term partnerships.	
Responsibility	• Supply Chain Management Division / Senior Director	
Targets	2024	• Complete ESG audits for 30% of high-risk Tier 1 key suppliers • Recognize outstanding suppliers in energy-saving and carbon reduction performance at the Supplier Conference
	Short-Term (1–2 years)	• Set green procurement targets by 2025 • Complete ESG audits for 100% of high-risk Tier 1 key suppliers by 2026
	Mid- to Long-Term (3+ years)	• Achieve a 30% carbon reduction in Tier 1 key supply chain by 2030 (base year: 2022)
Action Plan	• Conduct supplier due diligence and local supplier engagement programs • Establish a two-way supplier information sharing platform • Conduct ESG audits based on supplier risk segmentation	
Annual Performance	• Completed 4 ESG audits in 2024, achieving 100% of the annual target • Green procurement amount reached TWD 17.748 million in 2024, representing a 115% increase compared to the previous year • Internal decision made to host the Supplier Conference every two years; outstanding low-carbon suppliers will be awarded during the 2025 conference	
Monitoring & Review	• Monthly and quarterly ESG Committee meetings are used to review the implementation progress of the Supply Chain Subcommittee	
Stakeholder Engagement	**Customer Engagement:** Conduct supplier ESG risk assessments based on transaction status, CSR self-assessment scores, and published sustainability reports. ESG audits are conducted for high-risk Tier 1 key suppliers, with feedback and improvement suggestions provided through audit engagement	

Note：For human rights-related adverse impacts, refer to the grievance handling procedures disclosed on the BenQ Materials ESG website and in Chapter 7-1 on Human Rights Management.

Material Topic	Innovation Management	
Policy / Commitment	**Policy:** BenQ Materials has established a systematic product innovation management mechanism to ensure that new product development aligns with market needs, technological foresight, and sustainability goals. Our innovation strategy encompasses technological breakthroughs, business model innovation, and sustainable material applications, while integrating internal and external resources to accelerate the transition from R&D to commercialization. **Commitment:** We are committed to continuously investing in R&D and technological innovation to ensure that our new products meet evolving market demands, emerging technology trends, and sustainability standards. Our goal is to increase the revenue contribution from sustainable products year by year.	
Responsibility	• R&D Center / Vice President • Business Units / Department Heads and above	
Targets	2024	• Baseline year for target setting; no performance target defined for 2024.
	Short-Term (1–2 years)	• Sustainable product revenue ratio > 20%
	Mid- to Long-Term (3+ years)	• Sustainable product revenue ratio > 30%
Action Plan	• Develop a forward-looking technology roadmap to guide product R&D direction and innovation pathways • Cultivate cross-disciplinary innovation talent through training and project-based collaboration • Strengthen breakthroughs in material technologies to improve resource efficiency and reduce environmental impact • Evaluate potential mergers and acquisitions related to emerging technologies and markets to accelerate innovation implementation	
Annual Performance	• As 2024 is the baseline year for setting targets, no performance data is available for the year	
Monitoring & Review	• Annual strategy meetings: Review product innovation outcomes and technology trends to fine-tune innovation strategy • Regular financial meetings: Monitor sustainable product revenue ratio to ensure innovation contributes to growth	
Stakeholder Engagement	**Suppliers:** Collaborate on key material technology development to strengthen supply chain resilience and sustainability **Customers:** Co-develop sustainable products with key customers to enhance product competitiveness and customer retention	

Material Topic	Product Responsibility	
Policy / Commitment	**Policy:** BenQ Materials is committed to rigorous product lifecycle management to ensure that our products—from design and manufacturing to usage and disposal—meet the highest quality standards. We proactively minimize environmental and social impacts throughout the lifecycle to respond to market demands and enhance sustainable competitiveness. **Commitment:** We are dedicated to delivering environmentally friendly products and materials tailored to customer needs. We continuously improve the sustainability performance of product design, material sourcing, manufacturing processes, logistics, product usage, and end-of-life management. Through transparent disclosure, stakeholders can clearly understand the sustainability impacts across the product lifecycle. We actively promote the transition to low-carbon products.	
Responsibility	• R&D Center / Vice President	• Business Units / Department Heads and above
Targets	Short-Term (1–2 years)	• By 2025, achieve a 30% reduction in carbon emissions for major existing products (baseline: 2020)
	Mid- to Long-Term (3+ years)	• By 2030, achieve a 55% reduction in carbon emissions for major existing products (baseline: 2020)
Action Plan	• Promote product optimization through low-carbon materials, low-carbon manufacturing, and low-carbon packaging solutions • Implement product carbon footprint assessments and annually review decarbonization performance	
Annual Performance	• 2024 carbon footprint reduction status for key existing products compared to the baseline year: 4 products achieved a reduction of over 30%, 3 products achieved a reduction of over 20%, 4 products achieved a reduction of under 10%.	
Monitoring & Review	• Monthly and quarterly ESG meetings to monitor target achievement, review improvement status, and propose action plans	
Stakeholder Engagement	**Customers:** Collect feedback on eco-design, energy efficiency, and recycling mechanisms through annual customer satisfaction surveys or regular meetings **Suppliers:** Establish ESG performance evaluation for suppliers and promote the use of renewable energy and low-carbon materials across the supply chain	

Material Topic	Information Security	
Policy / Commitment	**Policy:** Aligned with the international standard ISO/IEC 27001, BenQ Materials has established an "Information Security Operating Procedure" and an "Information Security Manual" to reduce operational-level information security risks. **Commitment:** To safeguard the confidentiality, integrity, and availability of BenQ Materials' information assets and protect employee data privacy.	
Responsibility	• Information Security Management Committee • Information Technology Department / Chief Information Security Officer (CISO)	
Targets	2024	• Zero major information security incidents
	Short-Term (1–2 years)	
	Mid- to Long-Term (3+ years)	
Action Plan	• Maintain and continuously improve the ISO/IEC 27001 Information Security Management System (ISMS) • Implement projects related to protection and simulation drills for information security • Maintain regular cybersecurity insurance coverage to mitigate potential liabilities • Conduct cybersecurity training to raise employee awareness • Perform quarterly vulnerability scanning, patching, and ERP system recovery drills • Conduct periodic security check-ups and malware scans	
Annual Performance	• Zero major information security incidents	
Monitoring & Review	**External:** Maintained ISO/IEC 27001 certification through third-party verification **Internal:** Regular Information Security Committee meetings to ensure system effectiveness and plan implementation	
Stakeholder Engagement	Conducted Cybersecurity Awareness Month and general training sessions	

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

Material Topic	Quality Management and Product Safety & Marketing
Policy / Commitment	**Policy:** The company is committed to implementing comprehensive quality management and product safety controls across all stages—from product design to marketing. Through internationally recognized management systems, we ensure our products meet the highest standards of quality, safety, and regulatory compliance. We also strive to fulfill market expectations with transparent and accurate information, enhancing customer trust and long-term competitiveness. **Commitment:** We pledge to foster a culture of quality and product safety by implementing risk prevention management across product design and manufacturing. We ensure safety and compliance while enhancing quality, reliability, and market trust through systematic quality training, supply chain oversight, and rapid response mechanisms. We adhere to responsible marketing principles to ensure that product information is truthful, transparent, and non-exaggerated.
Responsibility	• R&D Center / Vice President • Marketing Department / Directors • Business Units / Senior Managers
Targets	2024 Short-Term (1–2 years) Mid- to Long-Term (3+ years) **Quality Management and Product Safety:** • Display Materials: Customer satisfaction rate > 80% • Advanced Battery Materials: Zero customer complaints; Tier 1 customer supplier rating: Grade S • Healthcare and Medical Products: All new products to meet verification and certification requirements • Waterproof & Breathable Fabrics: Customer satisfaction rate > 80% **Product Marketing:** • Medical products: Zero incidents of non-compliance with advertising, product labeling, or health-related service regulations
Action Plan	• Continuous implementation of quality management training • Product certification and verification • Annual customer satisfaction surveys and supplier quality audits
Annual Performance	**Quality Management and Product Safety:** • Display Materials: 2024 customer satisfaction rate reached 91.1% • Advanced Battery Materials: Zero complaints; awarded S-grade supplier rating by Japanese Tier 1 customer for three consecutive cycles • Healthcare and Medical Products: All 2024 launched products met certification standards • Waterproof & Breathable Fabrics: Customer satisfaction rate reached 100% **Product Marketing:** • No incidents of non-compliance regarding product marketing, labeling, or health & safety regulations in 2024
Monitoring & Review	• Regular ISO management review meetings for quality systems • Certification audits for international quality and product standards • Routine customer satisfaction surveys • Customer supplier audits
Stakeholder Engagement	**Internal:** • Weekly QRM (Quality Review Meetings) involving pre-/post-process teams to review and track corrective actions for customer complaints and internal quality incidents **External:** • Suppliers: Annual Quality Technical Conference, covering new material integration, raw material issue resolution, and carbon footprint goal alignment • Customers: Monthly quality briefings with clients, including complaint handling, yield performance, and updates on quality improvement and carbon footprint tracking projects

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

Material Topic	Business Ethics & Integrity
Policy / Commitment	**Policy:** The company adheres to the highest ethical standards to ensure that all business operations align with its core principles of integrity. **Commitment:** • Zero tolerance for corruption and unethical business practices; integrity is embedded in all transactions and decision-making processes. • Ensure that all employees and supply chain partners comply with the company's code of business ethics, supported by regular training programs. • Transparently disclose ethics-related policies, incident-handling procedures, and annual performance outcomes.
Responsibility	• Finance Center / Chief Financial Officer (CFO)
Targets	2024 Short-Term (1–2 years) Mid- to Long-Term (3+ years) • Completed company-wide business ethics training with 100% employee participation. • Strengthened internal review mechanisms to ensure zero violations of business integrity.
Action Plan	• Establish business integrity policies and internal control mechanisms to ensure transparency and fairness in all decisions. • Strengthen internal audits and whistleblower mechanisms to allow anonymous reporting of violations. • Conduct annual business ethics training to ensure all employees understand anti-corruption and conflict-of-interest management principles.
Annual Performance	• 100% completion rate of Code of Conduct training in 2024. • 100% completion rate of training on corporate culture and values related to business integrity in 2024. • Zero violations of business integrity in 2024.
Monitoring & Review	• ESG monthly and quarterly meetings to supervise the implementation and risk anomalies related to business integrity. • Internal audit and compliance reports to regularly review risk management mechanisms and ensure internal control compliance.
Stakeholder Engagement	**Employees:** • Provide internal reporting channels to ensure anonymous reporting and whistleblower protection. • Conduct regular business integrity training to ensure employee understanding of ethical standards. **Investors and Regulators:** • Disclose business integrity indicators and internal control performance in annual reports to increase transparency.

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

Responsible Governance

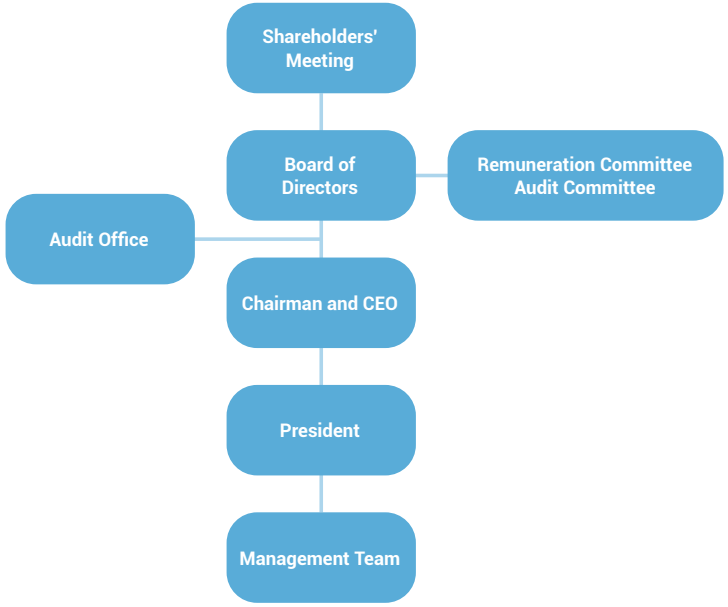
03

Corporate Governance

Board of Directors

BenQ Materials has established its corporate governance framework and implementation practices in accordance with the Company Act, the Securities and Exchange Act, and other relevant laws and regulations of the Republic of China (Taiwan). Under the Board of Directors, two functional committees have been established: the Audit Committee and the Remuneration Committee. Both committees are composed entirely of independent directors. All directors, including independent directors, are elected by shareholders.

The Board of Directors is the highest governance body of BenQ Materials. It is primarily responsible for setting corporate strategies, supervising management, overseeing the implementation of corporate governance practices, and being accountable to the company and its shareholders. In accordance with Article 26-3, Paragraph 8 of the Securities and Exchange Act, BenQ Materials has adopted the "Rules of Procedure for Board Meetings," and all related matters are conducted accordingly. The Board convenes at least four times a year. In 2024, the Board held four meetings. For details, please refer to page 12 of the BenQ Materials Annual Report: "Corporate Governance Operations."



Composition and Nomination Process

According to the Articles of Incorporation of BenQ Materials, the election of directors (including independent directors) follows a candidate nomination system, conducted in accordance with the Company Act, the Securities and Exchange Act, and other relevant regulations. Additionally, Article 20 of the Corporate Governance Best Practice Principles stipulates that the composition of the Board of Directors shall consider diversity. Except for directors concurrently serving as managerial officers, who shall not comprise more than one-third of the board seats, appropriate diversity policies should be established based on actual operational needs and business development.

As of 2024, the Board of Directors consists of nine members, including four independent directors. All members possess over five years of relevant experience in fields such as business, law, finance, accounting, or other areas related to the company's operations.

The Chairperson of the Board also serves as the Chief Executive Officer, acting as both the highest governance authority and a member of executive management. This dual role aims to enhance operational efficiency and execution of strategic decisions. To strengthen board independence, the company actively develops internal successors. Moreover, the Chairperson maintains close communication with all board members to ensure transparent updates on business performance and strategic direction, thereby upholding sound corporate governance.

item	Number of Board Seats	Independent Directors	Directors Holding Executive Positions	Female Directors
Number of Seats	9	4	2	0
% of Total Board Seats	100%	44.44%	22.22%	0%
Consecutive Terms of Independent Directors	In compliance with regulatory term limits			
Average Tenure of All Directors	13.33 years			

Board Diversity

All current board members are nationals of the Republic of China (Taiwan), reflecting the Company's primary operational locations and market focus in the Asia region. While there are no foreign directors at present, several members possess extensive experience in multinational corporate management and international market operations, enabling the Board to effectively address global business needs.

To further implement the Board Diversity Policy, the Company plans to appoint one female director in 2025, with the goal of enhancing board competence and strengthening its oversight function.

Name	Title	Gender	Seniority of Independent Director			Professional Knowledge or Skill				Age			Employee Identity (Note 2)	Sustainability roles	Industry Experience GICS Level 1 (Note 3)
			Less than 3 years	3-9 years	More than 9 years	Corporate Management	Academic Sector	Industry Knowledge	Legal, Financial, Accounting Background	50-60 years old	61-65 years old	66-70 years old			
Chieh-Chih Chen	Chairman	Male				★		★			★		★	Serve as the Chair of the ESG Committee, responsible for overseeing and coordinating committee decisions and actions.	Information Technology (GICS 45)
Kun-Yao Li	Director	Male				★		★				★			Industrials (GICS 20)
Chi-Hung Chen	Director	Male				★		★			★				Industrials (GICS 20)
Jia-Ray Liu	Director	Male				★		★		★			★	Serve as the Vice Chair of the ESG Committee, ensuring effective implementation of committee decisions and actions.	Industrials (GICS 20)
Wen -de Li	Director	Male				★		★			★				Industrials (GICS 20)
Fu-Hai Yeh	Independent Director	Male			★	★		★				★			Information Technology (GICS 45)
Yu-Yang Lu	Independent Director	Male		★			★		★			★			Information Technology (GICS 45)
Gong Wang	Independent Director	Male	★			★	★		★			★			Industrials (GICS 20)
Jun-lin, Liu	Independent Director	Male	★				★			★					Health Care (GICS 35)

Note 1: Members of the 11th Board of Directors. / Note 2: Stakeholder (employee) representative. / Note 3: Industry experience is assessed based on the Level 1 classification of the Global Industry Classification Standard (GICS), as defined by S&P.

Category	Male	Female	Non-gender-specific
Executive Directors	2	0	2
Non-Executive Directors	7	0	7
Total	9	0	9
Independent Directors	4	0	4

Age Group	Male	Female	Total
51-55 years	2	0	2
61-70 years	5	0	5
71-75 years	2	0	2

Note: 100% of board members are aged over 50.

Number of board members holding directorships in fewer than 4 other companies	8
Number of independent or non-executive directors with industry experience	4
Number of non-executive directors with expertise in risk management	4
Average board meeting attendance rate for the year	97%

Board Diversity Objectives

In accordance with the "Corporate Governance Best-Practice Principles," the Company has established a board diversity policy. The composition of the board considers the Company's actual operations, business model, and development needs, and adopts a diversity approach that includes gender, age, cultural background, and professional experience.

As of today, the Board comprises nine members (including four independent directors), with more than half possessing expertise in business management and relevant industry knowledge. Among the independent directors, Lu Yu-Yang, Wang Gong, and Liu Jun-Lin have extensive academic and research backgrounds, while independent director Yeh Fu-Hai is the Vice Chairman of WPG Holdings, bringing significant experience in corporate leadership and strategic decision-making.

The percentage of board members who are also employees is 22%, and independent directors account for 44%. In terms of age distribution, two directors are aged between 50 and 60, five between 61 and 70, and two are over 71.

The Company has set specific targets for board diversity, as detailed in the following table.

Category	Diversity Target	Achievement Status
Gender	At least one female director	Not yet achieved; one female director is expected to be appointed in 2025
Tenure	More than half of the independent directors should not serve more than three terms	Achieved
Concurrent Roles	• No more than one-third of board members should concurrently serve as company executives • Independent directors shall not concurrently serve as independent directors of more than three other listed companies	Achieved
Professional Expertise	At least one-third of board members and independent directors shall possess industry or business management expertise	Achieved

Key Topic Communication

BenQ Materials' highest governance body convenes regular meetings where independent directors are briefed and consulted by representatives from accounting, internal audit, legal, finance, and risk control departments. These briefings cover the latest audited financial statements, internal audit results, ongoing litigation, and overall financial performance, ensuring that independent directors can assist investors in validating the company's governance and information transparency, thereby safeguarding shareholder interests.

Board members and senior management maintain continuous and close communication. In addition to scheduled meetings, the management team regularly reports on the company's key sustainability implementation progress to the Board of Directors, allowing for feedback collection and strategic alignment. The key annual action items and operational updates are disclosed in the 2024 Annual Report of BenQ Materials under "Board Functioning" and "Audit Committee Operations."

Accounting Department: Quarterly financial statement reporting	**Information Security Department:** Annual regular reporting
Audit Department: Quarterly internal audit findings report	**Intellectual Property Department:** Annual regular reporting
Risk Management Department: Annual regular reporting	**ESG-related Departments:** Annual regular reporting

Conflict of Interest

During board discussions and resolutions, if any director has a personal interest in the matter that may compromise the interest of the Company, the director shall comply with Article 206, Paragraph 2 of the Company Act, which refers to Article 178 regarding conflict-of-interest avoidance. Such directors shall abstain from the discussion and voting on the related proposal. When necessary, the Chair may assign another director to preside over the discussion. The Annual Report discloses the names of directors who recused themselves, the subject matter of the resolution, and the reason for the conflict of interest.

In addition, information related to cross-shareholdings with stakeholders, existence of controlling shareholders, and related-party transactions are disclosed in the Annual Report to mitigate or avoid potential conflicts of interest. In 2024, all recusal cases involved directors, committee members, or executives abstaining from discussions and voting due to their roles in the matters under deliberation. Details regarding board-level conflict-of-interest recusal cases are disclosed in the Corporate Governance chapter of the Annual Report.

BenQ Materials has amended its Corporate Governance Best Practice Principles and Procedures for Handling Material Information and Preventing Insider Trading in accordance with regulatory updates. The Company strictly prohibits insiders from trading securities using undisclosed material information. Trading restrictions include, but are not limited to, blackout periods for directors during the 30 days before the announcement of the annual financial report and 15 days before the announcement of quarterly financial results.

ESG Training for the Board of Directors

BenQ Materials provides regular ESG-related training to members of the Board of Directors to strengthen their understanding of key sustainability topics and enhance their oversight capabilities. In 2024, training sessions covered areas such as sustainable supply chain management, carbon reduction strategies, business ethics, information security, and corporate governance.

Audit Committee

BenQ Materials established its Audit Committee on November 16, 2007, following approval at an extraordinary shareholders' meeting. The Audit Committee is composed entirely of independent directors, with no fewer than three members, in compliance with legal requirements. The current term began after the re-election in June 2022.

The Audit Committee convenes regularly on a quarterly basis, with at least four meetings held each year. In 2024, the committee convened four times. Details regarding the attendance of each member and other relevant information can be found in BenQ Materials' annual report or on the company website.

Remuneration Committee

BenQ Materials established its Remuneration Committee on October 25, 2011. As of December 31, 2024, the committee comprised four independent directors.

The Remuneration Committee meets at least twice a year and may convene additional meetings as needed. In 2024, two meetings were held. Acting with due diligence and fiduciary responsibility, the committee submits recommendations to the Board of Directors for discussion.

The committee assists the Board in evaluating the linkage between the remuneration of directors and executives and the company's performance, determining bonus allocation ratios, and providing input on compensation policies. The committee also ensures that the company's compensation strategies are aligned with industry competitiveness, operational performance, and market benchmarks.

Relevant remuneration details for board members and senior executives are disclosed in the company's annual report, providing transparency for all stakeholders regarding the relationship between executive compensation and corporate performance.

Executive Remuneration Strategy

To incentivize the management team to create long-term shareholder value while attracting, retaining, and developing top talent, BenQ Materials has established an executive compensation strategy grounded in these principles. The total compensation and benefits for senior management are designed in accordance with the remuneration policies formulated and approved by the Remuneration Committee.

Executive compensation is benchmarked against annual market survey reports and determined based on the company's overall operational performance, individual performance, and contributions. To promote the implementation of corporate sustainability initiatives, the performance outcomes of sustainability-related projects—within each executive's scope of responsibility—are integrated into their annual performance goals.

These sustainability-related targets span across environmental impact reduction, social responsibility, green product development, and corporate governance. At least 20% of each executive's performance evaluation is weighted toward these four ESG dimensions, based on their managerial responsibilities.

Final performance evaluations are comprehensively reviewed by the Remuneration Committee and submitted to the Board of Directors for approval prior to determining annual bonuses or incentive payouts.

Executive Compensation Structure

Fixed Remuneration	Fixed remuneration is designed in accordance with the compensation policy established by the Remuneration Committee. It is regularly reviewed and approved by the committee, serving as a foundation for talent attraction and retention. The remuneration level is benchmarked against annual market survey data to ensure competitiveness and fairness, and is designed to be attractive for senior executive positions.
Variable Remuneration	Variable remuneration is based on the company's overall business performance and individual contributions. The Remuneration Committee conducts a holistic performance assessment and submits the results to the Board of Directors for final approval. • Sustainability KPIs: Senior executives' performance evaluations incorporate sustainability project execution outcomes. Based on their scope of responsibility, performance targets cover four key ESG dimensions—Environmental (e.g., GHG emissions reduction, renewable energy usage), Social (e.g., regulatory violations and penalties), Green Products, and Corporate Governance. These sustainability indicators account for at least 20% of the annual performance evaluation weighting. • Financial KPIs: Key financial indicators include revenue, operating profit, and earnings per share (EPS).

Note: Please refer to Section 2-1-3 Sustainability Goals for the relevant indicators.

Ratio of Highest Organizational Pay to Employee Pay

Ratio of the highest total annual compensation to the average employee compensation (Note1)	Ratio of the highest total annual compensation to the median employee compensation (Note2)	Pay ratio increase of the highest-paid individual compared to the median employee pay increase (Note3)
12.85	16.23	-21.14 (Note4)

Note1：Annual total compensation ratio = Total annual compensation of the highest-paid individual / Average total annual compensation of all employees (excluding the highest-paid individual)
Note2：Total compensation of the highest-paid individual / Median total compensation of all full-time, non-supervisory employees
Note3：(Increase in total compensation of the highest-paid individual) / (Increase in median employee compensation, excluding the highest-paid individual)
Note4：The highest-paid individual received a lower total compensation compared to the previous year, while the median employee pay increased; hence, the value is negative.

Executive Shareholding Status

Executive Officer (Note1)	Ratio of Shareholding Value to Annual Fixed Compensation (Note2)
Chairman, Chien-Chih Chen	6.13
General Manager, Chia-Jui Liu	1.76 (Note3)
Vice President, Pei-Yi Liu	

Note1：Refers to senior executives based in Taiwan only.
Note2：Calculated based on the closing share price as of December 31, 2024.
Note3：Ratio of average shareholding value to average fixed compensation.

Board of Directors Performance Evaluation

On May 6, 2019, the Board of Directors approved the "Board Performance Evaluation Policy," which requires the Company to conduct an annual self-assessment of the Board and its members, and an external evaluation at least once every three years. The most recent self-assessment was completed at the end of 2024, and the results were reported to the Board in February 2025. The average self-assessment score of directors reached 98.9 points, and the Board achieved a 100% attendance rate in 2024, indicating sound operational performance.

Additionally, in October 2024, the Company engaged the Taiwan Corporate Governance Association to conduct an external evaluation, covering the period from October 2023 to September 2024. This evaluation comprehensively reviewed the Board's operational effectiveness, focusing on five key dimensions:

❶ Board composition and role allocation.
❷ strategic guidance and oversight.
❸ delegation of authority and risk management.
❹ communication and collaboration.
❺ self-discipline and continuous improvement.

These efforts aim to enhance governance quality and operational efficiency. For more details, please refer to the 2024 BenQ Materials Annual Report (p.12).

Five Main Aspects of Internal Self-Evaluation of the Board of Directors

Participation in the operation of the company	Improvement of the quality of the Board of Directors' decision making	Composition and structure of the Board of Directors	Election and appointment of directors	Continuing education and internal control

Internal Audit

BenQ Materials has established an Internal Audit Office to assist the Board of Directors and management in inspecting and reviewing deficiencies in the internal control system, as well as evaluating the effectiveness and efficiency of operations. The office provides timely recommendations to ensure the continuous and effective implementation of internal controls.

The Internal Audit Office is an independent unit under the Board of Directors. It is staffed with two full-time internal auditors, including the Chief Audit Executive. All internal audit personnel meet the legal qualification requirements and participate annually in professional training courses offered by certified institutions to continuously enhance their audit knowledge and skills.

The appointment or dismissal of the Chief Audit Executive is subject to the approval of the Audit Committee and the Board of Directors, in accordance with the "Audit Committee Charter" and the "Rules of Procedure for Board Meetings." The appointment or dismissal of other internal audit personnel is approved by the Chairperson based on the proposal from the Chief Audit Executive.

An annual audit plan is developed based on risk assessments and statutory audit items, and is implemented upon approval by the Board of Directors. Audit reports and follow-up reports are submitted to the Chairperson for review and are delivered monthly via email to the Independent Directors. The Chief Audit Executive reports audit activities to the Audit Committee and the Board of Directors on a regular basis.

The "Internal Control System" and "Internal Audit Procedures" were updated to include provisions on "Sustainability Information Management" and the revisions were approved by the Board of Directors on October 31, 2024.

Shareholders' Rights

BenQ Materials has established comprehensive communication channels to ensure that shareholders and investors can access and understand the company's operational information in a timely manner. This is facilitated through the "Investor Relations" section of the corporate website and the company's "ESG Website."

To ensure equal treatment of shareholders and uphold fairness in securities trading, the company has established the "Material Information Handling and Insider Trading Prevention Procedures." These procedures ensure that material information is managed and disclosed appropriately, preventing improper information leaks. The company also ensures all employees are informed and aware of these rules and requirements, and strictly prohibits insiders from trading securities based on undisclosed material information.

In response to the Taiwan Stock Exchange's encouragement to enhance communication with investors and improve operational transparency, BenQ Materials held and participated in a total of four investor conferences in 2024.

Establishment of external communication channel → Establishment of "Procedures for Handling Material Information and Prevision of Insider Trading" → Periodic disclosure of operation and sustainability information → Annual convention of external meetings periodically

Regulatory Compliance

Legal and Regulatory Compliance

BenQ Materials has established a dedicated Legal Department and implemented a contract review system that requires all external contracts and trademark application documents from each department to be reviewed by legal personnel. Given the company's involvement in the production and sale of medical devices, a Medical Regulatory Affairs Division has also been established to ensure compliance with domestic and international medical device regulations and standards related to manufacturing, labeling, and marketing. Other relevant regulations are monitored regularly by responsible departments—such as Environmental Health and Safety (EHS), Plant Operations, Quality Assurance, Human Resources, and Finance—who track government announcements. When regulatory updates or new laws are issued, the responsible unit coordinates the dissemination of related notices throughout the company.

From 2021 to 2024, the company was not subject to any environmental or ecological administrative fines exceeding NT$300,000 (approximately USD 10,000) per case. In 2024, BenQ Materials also did not experience any major violations related to social or governance aspects, including but not limited to: labor disputes, human rights violations, major workplace safety incidents, fraud, financial misstatements, violations of related party transaction rules, or other breaches of corporate governance principles or legal requirements. Relevant information is disclosed in the company's 2024 Annual Report (p.38).

Item	2021	2022	2023	2024
Number of Environmental Violations	3	1	2	0
Total Amount of Environmental Fines (NTD)	$129,000(Note 2)	$60,000(Note 2)	$504,000	$0
Environmental Liabilities Accrued at Year-End (NTD)	$0	$0	$0	$0

Note 1: Any single fine exceeding NT$1 million is considered a material violation. No material violations occurred in 2024.
Note 2: These fines were due to reporting deficiencies and did not result in any environmental pollution.

EU Medical Device Regulation (MDR)

The EU Medical Device Regulation (MDR) (EU) 2017/745 governs medical devices entering the European Economic Area. It officially took effect on May 25, 2017, replacing Directive 93/42/EEC (Medical Device Directive, MDD), thereby elevating the regulatory instrument from a directive to a binding regulation, with a transitional period of three years. Products certified under the MDD may continue to be placed on the market for a limited grace period, provided there are no significant changes to their design or intended use. The final expiry date of this grace period is May 26, 2024.

Due to the COVID-19 pandemic, Regulation (EU) 2020/561 was published in the Official Journal of the European Union, postponing the MDR implementation date from May 26, 2020, to May 26, 2021. Subsequently, on March 20, 2023, an amendment—Regulation (EU) 2023/607—was enacted and became effective immediately. This amendment extends the MDR transition period under specific regulatory conditions to December 31, 2027 (for Class III and Class IIb implantable devices) and December 31, 2028 (for Class IIa, Class IIb non-implantables, Class Is, and Class Im devices).

BenQ Materials has already aligned its quality system with the MDR requirements and obtained a Notified Body Confirmation Letter. The validity of its MDD certificate has been extended accordingly, and the company plans to complete MDR certification for its products within the aforementioned transitional period.

Business Performance

In 2024, BenQ Materials reported consolidated annual revenue of NT$18.59 billion, representing an 8.5% increase compared to 2023. However, consolidated operating profit for the year was NT$437 million, a decrease of 15.5% from 2023. Net income after tax was NT$250 million, with earnings per share (EPS) of NT$0.62.

Throughout 2024, BenQ Materials continued to actively comply with the sustainability-linked loan requirements of its syndicated lenders, which incorporate ESG-related criteria encompassing environmental protection, social responsibility, and corporate governance. By achieving the agreed ESG performance indicators, the company was granted corresponding interest rate reductions, demonstrating a joint commitment between the banking consortium and BenQ Materials to corporate social responsibility and long-term sustainable value creation.

R&D expenditures in 2024 amounted to approximately NT$1.0 billion, accounting for 5.83% of total revenue—a five-year high. This underscores the company's strong commitment to innovation and its strategic investment in enhancing technological competitiveness and product advancement. For further details, please refer to Section 4-1: Core Technologies and Intellectual Property Management.

	2021	2022	2023	2024
Human Capital Return on Investment (HCROI)	6.70	5.57	6.12	6.03

Note: Human Capital Return on Investment (HCROI) =OperatingRevenue−(OperatingExpenses−EmployeeCompensationandBenefits) / Employee Compensation and Benefits.

Historical Revenue and Profit Performance

Unit: NT$ million	2020	2021	2022	2023	2024
Operating Revenue	**15,050**	**16,482**	15,540	17,128	18,589
Operating Costs	12,776	13,425	12,462	13,945	15,226
Gross Profit	**2,274**	**3,057**	**3,078**	**3,183**	**3,363**
Operating Expenses	1,726	2,079	2,382	2,591	2,926
Selling Expenses	870	1,050	1,174	1,311	1,479
Administrative Expenses	216	270	321	341	363
R&D Expenses	640	759	887	939	1,084
Others	0	0	0	0	0
Operating Profit	**547**	**977**	**697**	**592**	**437**
Non-operating Income (Expenses)	-38	231	1,058	39	-106
Profit Before Tax	**510**	**1,208**	**1,755**	**631**	**331**
Income Tax Expense	114	238	470	127	82
Net Income	**396**	**970**	**1,285**	**504**	**249**
Other Comprehensive Income (Net)	**-49**	-21	34	-26	110
Total Comprehensive Income	**347**	**949**	**1,319**	**478**	**359**
Earnings Per Share (EPS) (NT$)	**1.23**	**3.03**	**4.04**	**1.29**	**0.62**
Disclosure of Specific Expenditure Items (Unit: NT$ million)					
Employee Compensation and Benefits	2,120.67	2,527.53	2,877	2,840	3,112
Interest and Dividend Payments	-217.44	-263.57	-531	-755	-512
Government Grants (Investment & R&D subsidies)	12	18	20	68	52
R&D Expenses as % of Revenue	**4.25%**	**4.61%**	**5.71%**	**5.48%**	**5.83%**
Direct/Indirect Political Contributions	0	0	0	0	0
Community Investment Spending	3.84	4.77	15.04	22.8	7.14

Note: From 2020 to 2024, BenQ Materials did not make any political contributions, incur any lobbying expenses, or support any specific political parties or candidates.

Tax Governance

BenQ Materials, in response to international trends in tax governance, upholds the principle of integrity in business operations and is committed to full compliance with tax regulations as part of its pursuit of sustainable development. The company has established tax governance principles, with responsible units assigned to implement the policy and report to management to ensure the effective operation of the tax management system, thereby protecting the rights and interests of the company and its investors.

In 2024, the income tax expense amounted to NT$28 million, representing 0.15% of the total annual revenue.

Tax Governance Principle

1. The Company's tax strategy complies with the tax laws and legislative intent of all jurisdictions where it operates.
2. Transactions between related parties follow the arm's length principle and comply with internationally recognized transfer pricing guidelines issued by the OECD.
3. Financial reporting is transparent, and tax disclosures are handled in accordance with applicable regulations and standards.
4. The Company does not use tax havens or engage in tax planning with the intention of tax avoidance.
5. The Company does not shift profits to low-tax jurisdictions.
6. The Company maintains a mutually respectful relationship with tax authorities based on trust and transparency.
7. All major corporate decisions take into account their tax implications.
8. The Company analyzes the operating environment and utilizes management mechanisms to assess tax risks.

Tax Risk Management

BenQ Materials conducts operations and business expansion in overseas markets while complying with tax regulations across jurisdictions. To effectively manage tax risks, tax risk management has been incorporated into the Company's overall risk management program. The risk management organization regularly reports to the Audit Committee on the risk environment, key risk areas, risk assessments, and mitigation measures. For more details on risk management, please refer to Section 3-5 Risk Management.

Tax Management

BenQ Materials designates the Board of Directors as the highest decision-making and supervisory body for tax governance. In collaboration with senior management, the Board formulates tax governance strategies and conducts monthly reviews to ensure responsiveness to emerging risks. The Finance Department is responsible for tax management, with the Chief Financial Officer serving as the highest authority overseeing tax matters. Daily tax operations are carried out by the Head of Accounting, supported by qualified and experienced tax professionals. Additionally, BenQ Materials engages external tax advisory firms to enhance professional capabilities and ensure compliance.

Tax Payment Status

Income Tax Related Information	2021	2022	2023	2024
Profit Before Tax	1,198,417	1,481,351	470,695	227,508
Income Tax Expense	226,862	185,681	56,343	28,302
Effective Tax Rate on the Books	18.9%	12.5%	12%	12.4%
Payment of Income Tax	123,510	102,005	27,767	0
Effective Cash Tax Rate	10.3%	6.9%	5.9%	0%

Note 1: Tax situations are primarily disclosed in Taiwan.
Note 2: Book effective tax rate = current year income tax expense ÷ current year profit before tax; Cash effective tax rate = current year paid income tax ÷ current year profit before tax.

Ethical Management

Code of Conduct

BenQ Materials has established a comprehensive Anti-Bribery and Anti-Corruption Policy, which is incorporated into the company's Code of Integrity approved by the Board of Directors. This policy explicitly prohibits all forms of bribery and improper benefits, including directly or indirectly offering, promising, soliciting, or accepting cash, gifts, political contributions, inappropriate hospitality, or donations.

The policy applies to directors, senior executives, employees, subsidiaries, suppliers, customers, agents, and contractors, and includes, but is not limited to, the following key elements (please refer to the full Code of Integrity for details):

1. Prohibition of bribery and acceptance of bribes
2. Prohibition of illegal political contributions
3. Prohibition of improper charitable donations or sponsorships
4. Prohibition of unreasonable gifts, hospitality, or other improper benefits
5. Prohibition of unfair competitive practices
6. Annual integrity, anti-bribery, and anti-corruption training for all employees and senior executives

Promotion Work Item	Responsible Department	Execution Method
Regulation establishment and educational promotion	Human Resource Division	Employee Code of Ethical Conduct" emphasizing the ethical management culture has been established, and the 'Regulations for Disciplinary Actionsfor various violation events have beens pecified
Assessment and Inspection of integrity risk	Human Resource Division	Enhance each operation process, implement responsibility allocation and reduce occurrence of fraud through system control.
Handling of violation of ethics	Senior supervisors form the Major Disciplinary Committee to perform review	For major violation of integrity, the execution status is reported to the Board of Directors according to relevant regulations and operation procedure

Grievance Mechanism

To strengthen integrity governance and provide an effective communication and grievance mechanism, BenQ Materials not only requires suppliers to sign an Integrity Cooperation Commitment Letter, but has also established a formal whistleblowing and grievance platform. This platform allows suppliers, contractors, and other stakeholders to report concerns regarding violations of business ethics or improper conduct, either anonymously or with their identity disclosed.

The company explicitly commits to maintaining whistleblower confidentiality and has implemented anti-retaliation measures to ensure that individuals raising concerns are not subject to any form of punishment or adverse treatment. If any violation of integrity cooperation principles is verified, the company may terminate the partnership in accordance with the agreement or permanently blacklist the party involved. Related handling procedures, contact information, and statistical data are disclosed regularly in the sustainability report or on the company's official website.

If the reported matter involves general employees, it should be submitted to the department supervisor. If it concerns directors or senior executives, it should be submitted to the Audit Committee.

In 2024, there were no cases of violations related to integrity management or anti-corruption.

Internal Complaint Channel（Human resource）

Director supervisor | Human resource supervisor | Auditor | President's mailbox

Report Business Conduct Violations:
Integrity@BenQMaterials.com

Integrity Education Promotion and Training

In 2024, BenQ Materials continued to promote integrity awareness (including anti-corruption content) through various training programs. These included the Code of Conduct online course, integrity training for new employees, insider trading prevention, trade secrets regulations, data confidentiality and Personal Data Protection Act, and anti-trust law awareness. A total of 3,928 participants attended these sessions.

2024 Integrity-Related Training Summary

Training Program	Duration (hrs)	Description	Number of Participants	Total Training Hours
New Employee Integrity Course (including Anti-Corruption)	0.5	Mandatory for all new hires	783	391.5
Code of Conduct Online Course (including Anti-Corruption)	0.25	Mandatory online course for all employees	1,703	425.75
Insider Trading Prevention	2	Regularly conducted for managers and relevant employees	213	426
Trade Secret Regulation Awareness	2	Promoted via internal newsletters for managers and relevant staff	492	984
Data Confidentiality (Personal Data Protection Act)	1	Mandatory for all indirect employees and department assistants	646	646
Anti-Trust	2	Targeted training for managers and relevant personnel	91	182

Note: The above data does not include subsidiaries GENEJET, Cenefom, and Web-Pro.

BenQ Materials Code of Conduct (including Anti-Corruption Policy) Communication and Training Results

	Management			Employees			Suppliers (Note 2)		
Region	Taiwan Sites	China Sites	Vietnam Site (Note 3)	Taiwan Sites	China Sites	Vietnam Site	Taiwan Sites	China Sites	Vietnam Site
Participants	248	72	6	1,809	753	0	239	10	0
Coverage Rate	90.2%	98.6%	100%	91.8%	99.3%	0%	94.84%	100%	0%

Note 1: Data includes subsidiaries GENEJET, Cenefom, and Web-Pro.
Note 2: Supplier training participants are calculated by the number of Tier-1 supplier companies.
Note 3: Vietnam site training for management was delivered to Taiwanese expatriate managers; no relevant training has yet been conducted for local employees.

Risk Management

In 2010, BenQ Materials established the Risk Management Committee (RMC), focusing on the risk management system and risk transfer planning in corporate governance. The committee sets out the risk management vision and policies, analyzes internal and external strategic risks, financial risks, operational risks, and hazard risks, and conducts risk identification and evaluation, improvement plans, and regular management reviews to effectively manage risks exceeding the risk tolerance. The aim is to build BenQ Materials into a resilient company capable of withstanding risks.

In 2020, the Board of Directors approved the "Risk Management Policy and Procedures." On August 8, 2022, the Taiwan Stock Exchange Corporation issued the "Practical Guidelines for Risk Management of Listed and OTC Companies" (Letter No. 1110015360), and the first Board meeting in 2023 completed the revisions and approval.

Risk Management Policy

To ensure the company's sustainable operations, a Risk Management Committee shall be established to identify, assess, manage, report, and monitor risks that may adversely impact the company's operational objectives on a regular annual basis.

- Before incidents occur, risks should be identified and controlled.
- During incidents, damage should be contained.
- After incidents, rapid recovery of product and service provision should be ensured.

For material risk scenarios identified by the Risk Management Committee, Business Continuity Plans (BCPs) and Emergency Response Manuals shall be formulated and updated regularly.

For risks that do not exceed the company's risk tolerance, cost-effectiveness of risk management should be considered and appropriate management tools applied.

However, exceptions apply in cases involving:

- Negative impacts on employee safety,
- Legal or regulatory violations,
- Reputational damage to the company.

Risk management goals

- Effective resource allocation
- Achieving corporate objectives
- Providing reliable information
- Enhancing management efficiency

Risk Management Vision:

- Commit to continuously providing products and services that create long-term value for customers, shareholders, employees, and society.
- Risk management requires a systematic risk management process and organizational structure, along with timely and effective identification, assessment, treatment, reporting, and monitoring of major risks that could impact the company's survivability, while enhancing employees' risk awareness.
- The goal of risk management is not to pursue "zero risk," but rather to optimize risk management costs by striving for maximum benefit under acceptable risk conditions.

Risk Assessment and Monitoring

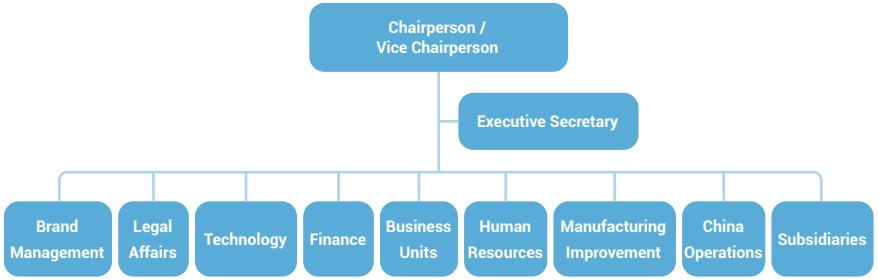
BenQ Materials' Risk Management Committee is chaired by the Chairman and CEO, with the President serving as Vice Chair. The Chief Financial Officer concurrently serves as the Executive Secretary and leads the Risk Management Unit. Heads of major business units serve as committee members. The committee regularly reports to the Board of Directors and the Audit Committee on an annual basis.

The Board of Directors, Audit Committee, Risk Management Committee, Risk Management Unit, and operational units each hold defined responsibilities for risk oversight and management. For further details, please refer to the BenQ Materials official website.

Risk Governance Structure

Board of Directors → Audit Committee → Risk Management Committee

Risk Management Committee Organizational Chart



Each year, all adverse events that may affect the achievement of the company's operational objectives are categorized into four major risk types: strategic, operational, financial, and hazard risks (including consideration of emerging risks, which are classified based on their nature). A risk radar chart is developed based on risk identification, analysis, and evaluation to support risk management.

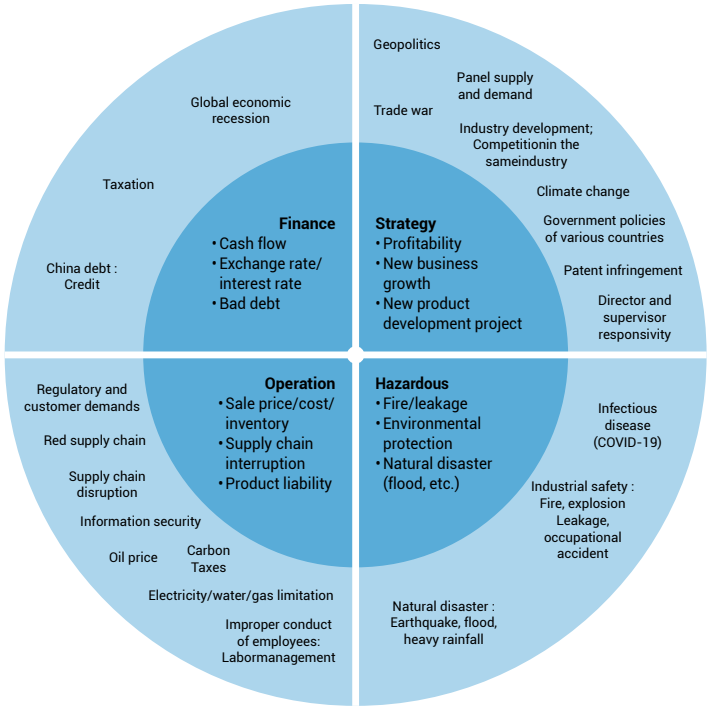
Each business unit formulates risk response measures by considering:

- The company's annual top-level risk mitigation objectives
- Results of internal unit-level risk identification and assessment
- Other events that may impact operations

Management review meetings are held semi-annually to report, discuss, monitor, and review the effectiveness of risk management implementation.

The overall operation of the risk management system is overseen by the Audit Committee and the Board of Directors, with annual reports delivered to both bodies on a regular basis.

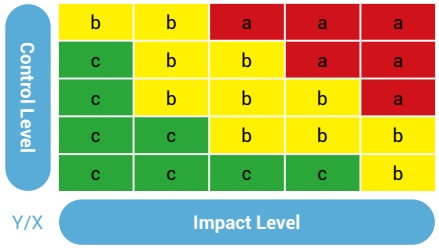
risk radar



Risk Control Flowchart：

Risk Identification and Assessment	Define Top 3 Risks	Response and Follow-up	Regular Monitoring and Tracking
• Each business unit uses the "Risk Assessment Checklist" annually to identify and evaluate its risk items.	• Review and monitoring of external risk events • Internal operations and risk improvement • Internal monitoring and reporting statistics • Risk assessment results output	• Each business unit formulates a "Risk Mitigation Plan" based on the Top 3 Risks, risk identification and assessment results, and other events that may impact operations.	• Follow RMC emergency reporting and investigation procedures • Conduct management review meetings semi-annually • Track progress of risk mitigation plans quarterly

Risk Appetite



Note 1: Impact Level = Likelihood of Occurrence × Magnitude of Impact (Magnitude of Impact includes: financial loss, property damage, casualties, impact on company reputation, etc.)
Note 2: Risk Value = Impact Level × Control Level

In 2024, two risk management review meetings were held, during which a total of 27 risk mitigation plans were managed. Nearly 40% of these were mid- to long-term plans that will continue into 2025.

Additionally, in response to climate change risks, the company has followed the Task Force on Climate-related Financial Disclosures (TCFD) framework to identify and assess risks and opportunities, and has formulated response plans for major risks. A total of 24 adaptation action plans have been developed for the short, medium, and long term. (For details, see Section 5-2-2 Climate Change Management Strategy and Actions.) The report was presented to the Audit Committee and the Board of Directors on October 31, 2024.

Risk Response Case Studies

Risk Category		Risk Description	Potential Impact	Response Measures
Strategic Risk	Economic Conditions /Industry Trends	Geopolitical tensions and policy changes resulting from elections (with 2024 being a global election year), uncertainties around inflation and interest rates, fluctuations in oil and raw material prices, and volatile monetary policies may impact the overall economy; slower economic growth could lead to reduced end-market demand	A decline in end-market demand affects the company's revenue and profitability.	• Develop high-value-added products and optimize product mix to improve profit structure. • Diversify business layout to accelerate growth in other business units and expand market reach. • Strengthen customer engagement to monitor market conditions and dynamically adjust material preparation and production plans. • Strict control over costs and inventory levels.
Operational Risk	Supply Chain Disruptions / Shortages	External factors such as natural disasters, climate change, cybersecurity threats, and geopolitical issues may cause supply chain disruptions or material shortages.	Raw material shortages may lead to production halts, delays, or changes in production plans; failure to deliver products on time could impact short- and mid-term orders.	• Continue implementing dual sourcing. • Evaluate alternative materials during material selection and development. • Monitor external developments and supplier conditions. • Regularly review inventory level fluctuations. • Use air freight as a contingency when necessary.

Business Continuity Planning (BCP)

For scenarios identified as significant risks by the Risk Management Committee, all departments are required to jointly formulate Business Continuity Plans (BCPs) to manage potential incidents. This includes pre-incident risk identification and control assessments, preventive improvement measures, loss containment strategies during incidents, and rapid recovery of product or service delivery post-incident.

BenQ Materials has established BCPs for fire, earthquake, flooding, strikes, infectious diseases (such as influenza and major novel diseases like COVID-19), and information security interruptions. To ensure the effectiveness of these plans, they are reviewed and updated annually. In 2024, the BCP system was migrated to the cloud.

Risk Management Audit

The internal audit unit of BenQ Materials reports directly to the Board of Directors and the Audit Committee. It supervises all operating units and subsidiaries by regularly assessing the implementation of the internal control system. During the periodic evaluations of internal control effectiveness, the audit process incorporates risk management factors to conduct audits on organizational operations and risk management

The audit unit also participates in the semi-annual management review meetings convened by the Risk Management Committee and provides timely recommendations.

Risk Culture Development

To embed enterprise risk management (ERM) into the company's operational fabric, BenQ Materials actively fosters a risk-aware culture across all levels of the organization. Risk considerations are integrated into daily decision-making processes and core business activities to strengthen organizational resilience.

In 2024, the company established top-priority risk improvement targets (Top 3 Risks) - including profitability and product quality - and explicitly linked these to corporate strategic objectives to reinforce alignment between risk mitigation and performance outcomes.

To institutionalize accountability and incentivize risk-conscious behavior, BenQ Materials implements structured human capital policies, including the Employee Incentive Policy, Compensation Management Policy, and Performance Appraisal Framework. These are used to evaluate individual and departmental contributions to risk mitigation, and to align variable compensation with the achievement of defined risk-related KPIs.

2024 Board Training on Risk Management-Related Topics

No.	Risk Category	Course Title
1	Operational Risk	Carbon Connections: Carbon Fees, Taxes, Credits, and Trading
2		Cybersecurity Oversight Strategies for the Board
3		Intellectual Property Risk Management Based on TIPS Framework
4		Labor Dispute Prevention and Corporate Governance
5		Understanding and Preventing Workplace Misconduct
6		2024 Insider Trading Compliance and Legal Briefing
7	Financial / Operational Risk	Introduction to IFRS Sustainability Disclosure Standards and Global Net-Zero Trends
8	Strategic Risk	Short- and Long-Term Economic Trends Every Executive Should Know

The Risk Management Unit periodically conducts awareness campaigns and risk alerts. In 2024, a total of 17 internal communications were issued, supplemented by ad hoc risk reminders from the Chair and Vice Chair of the Risk Management Committee, aiming to embed risk awareness into daily operations and strategic decision-making processes.

BenQ Materials integrates risk-related topics as part of routine business practices. In addition to regular communications, the company also delivers annual training programs targeting all employees or specific stakeholder groups, as outlined below:

No.	Risk Category	Course Title
1	Operational Risk	Gender Equality and Workplace Sexual Harassment Prevention
2		Risk of Financial Misstatement and Legal Liability
3		Insider Trading Practices and Prevention
4		Trade Secrets Protection and Case Studies
5		Fair Trade Act Compliance
6		Annual AEO (Authorized Economic Operator) Training
7		TIPS (Taiwan Intellectual Property Management System) Training
8		Personal Data Protection Act (PDPA) Compliance Training
9		Information Security Awareness Training
10		Annual Integrity and Ethics Training
11	Strategic Risk	2025 Global Economic Outlook and Trends
12	Hazard Risk	EHS Monthly Meeting Awareness / Training
13		Advanced Chemical Substance Management Training

In addition to the aforementioned training programs, BenQ Materials further integrates risk management thinking and sustainability principles into its product development processes. The company ensures that all new products incorporate Environmental, Social, and Governance (ESG) risks and opportunities from the design phase.

Currently, BenQ Materials follows four internal Standard Operating Procedures tailored to different product categories:

- Functional Film Product Design and Development Management Procedure
- Medical Business Product Design and Development Management Procedure
- Advanced Battery Material Product Design and Development Procedure
- Functional Textile Product Design and Development Management Procedure
- During the Planning Phase of product development, teams are required to produce a Planning Report, which serves as the foundation for subsequent development decisions. This report not only consolidates the Feasibility Study, Quality Targets, and Design Specifications, but also emphasizes Risk Assessment and the Evaluation of ESG Targets and Feasibility, thereby enhancing the product's sustainability value and risk resilience.

Emerging Risk Response

In response to the constantly evolving global landscape, BenQ Materials has identified long-term emerging risks based on the World Economic Forum (WEF) risk categories, focusing on two key dimensions: economic and technological. For each identified risk, the company outlines the potential impact and proposes concrete response strategies to strengthen its sustainability performance and risk management capabilities.

BenQ Materials – Long-Term Emerging Risks

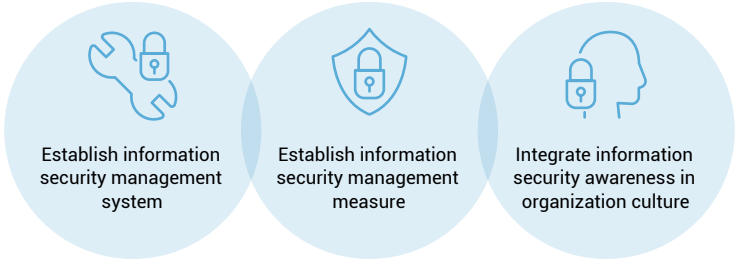
Risk Category	Risk Description	Impact or Potential Consequences	Response Strategies
Economic	The 2024 U.S. presidential election and Trump's tariff policies may increase government revenues and encourage manufacturing reshoring to the U.S., but also elevate manufacturing costs, potentially passed on to consumers and exacerbating inflation.	• Economic slowdown and intensified inflation may reduce consumer demand for non-essential or non-medical products, leading to supply-demand imbalance. • Due to tariff barriers, enterprises (customers/competitors/suppliers) may accelerate capacity relocation to the U.S. or third countries, impacting industry trends, company strategy, and operational planning.	• Monitor policy and external changes; assess and respond to potential impacts on the company. • Diversify business layout; accelerate growth of professional healthcare business and expand market coverage. • Develop high-value-added products and optimize product portfolio. • Strictly control costs and inventory levels.
Technological	The widespread application of emerging technologies such as artificial intelligence (AI) intensifies cybersecurity threats including cyber espionage, cyberwarfare, and misinformation.	• Cyberattacks may paralyze systems, disrupt production and delivery, affecting business operations. • Misuse or poor management may lead to data breaches or decision-making pitfalls, eroding customer trust and causing revenue loss.	• Adhere to ISO 27001 Information Security Management System; see details in Section 3-6: Information Security. • Conduct relevant training and awareness programs.

Note: Risk categories are classified in accordance with the World Economic Forum (WEF) framework, which includes Economic, Environmental, Geopolitical, and Technological risks.

Information Security

Information Security Policy

BenQ Materials has established a secure and trustworthy computerized operating environment to ensure the security of data, systems, equipment, and networks, as well as to maintain uninterrupted operations. (For details, please refer to the Information Security Policy.) The "Information Security Policy and Procedures" were developed in accordance with the Cybersecurity Management Act, Personal Data Protection Act, Copyright Act, Electronic Signature Act, and based on international information security standards such as ISO 27001.



Information Security Management Policy:

1 Strengthen the company's information security management to establish reliable information application systems.

2 Protect electronic information assets to prevent and mitigate business losses.

3 Enhance business interests and ensure sustainable corporate operations.

Information Security Management Objectives:

1 Protect the security of the company's information services and ensure that information is only accessible to authorized personnel to maintain confidentiality.

2 Protect the security of the company's information services by preventing unauthorized modifications to ensure accuracy and integrity.

3 Establish a business continuity plan for information services to ensure uninterrupted operations.

4 Ensure that all company information services comply with relevant laws and regulations.

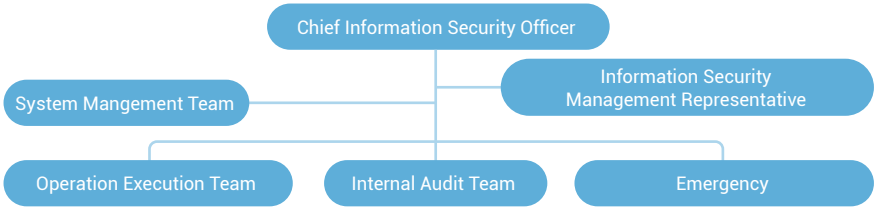
Information Security Management Organization

In 2021, BenQ Materials established the Information Security Management Committee and appointed a Chief Information Security Officer (CISO) along with an Information Security Representative (Dedicated Security Manager) to strengthen its information security management framework.

To respond to evolving cybersecurity trends and comply with policies set by the Financial Supervisory Commission, the company holds at least one annual review meeting on information security management. In 2023, the role of CISO was officially instituted. In April 2024, the company further enhanced its cybersecurity governance by expanding the organizational structure of the IT department into the Digital Technology Center and establishing a dedicated cybersecurity unit—Information Security Section.

This section is staffed with a dedicated security manager and one additional full-time security personnel. It operates under the Digital Technology Center and also encompasses the Smart Application Division and the Machine Vision Division of the Advanced Equipment Development Department.

Information Security Management Committee Organizational Chart



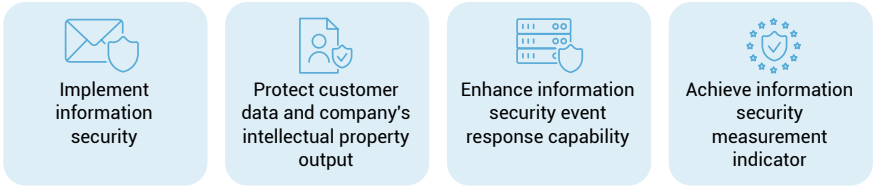
Information Security Management System

To ensure proper protection of information assets, BenQ Materials implements risk assessment procedures, establishes and enforces relevant regulations to determine the risk level of its information assets. Based on the results of these risk assessments and internal meetings, the company determines appropriate treatment measures—such as risk mitigation, transfer, elimination, or acceptance—to effectively manage risks.

BenQ Materials obtained ISO 27001:2013 certification in 2021. To further enhance the comprehensiveness of its information security management system, the company adopted the ISO 27001:2022 standard in 2024 and successfully passed the updated certification in 2025.

The scope of ISO 27001 certification covers major production sites in Taiwan and Mainland China, as well as key systems such as ERP, FEOL MES (Front End of Line Manufacturing Execution System), and FlowER (Business Process Management System). In 2024, beyond these data centers and systems, the company extended ISO 27001 principles to the Smart Application Division and the Machine Vision Division of the Advanced Equipment Development Department.

Information Security Management System Construction Goal



Information Security Risk Assessment

BenQ Materials, in accordance with its Information Security Risk Assessment and Management Procedures, defined the risk levels for Taiwan and Mainland China in 2022 and developed improvement plans for high-risk items. In 2023, the company conducted a reassessment of the information security systems in both Taiwan and Mainland China, completing the evaluation in the third quarter. Two higher-risk issues were identified and incorporated into the company's risk management operations, with improvement plans initiated in 2024.

Information Security Management Measures

Hardware Protection

- Equipment Inspection: Maintenance contracts are signed with vendors for important systems and equipment, and regular inspections of equipment status are conducted.
- Establish Data Backup Mechanism: A backup system has been set up, performing daily backup operations for servers and databases. In addition, a high availability (HA) mechanism has been established for important equipment.

Network Security Protection and Monitoring

BenQ Materials has established the "Website Information Security Management Inspection Guidelines." Since 2021, the company has conducted vulnerability scans and remediation for key system hosts and websites. In 2024, the scope of scanning was further expanded by increasing both the number and frequency of scans on network devices and system hosts to enhance overall system security strength.

- Security Protection: Quarterly vulnerability scans and remediation are conducted on systems and network devices. Systems must be updated before going online to prevent outdated versions from being scanned during scheduled assessments.
- Monitoring Mechanism: In 2023, security assessments were conducted on equipment, hosts, and networks. The scope included malware scans, event analysis and response, and firewall policy reviews. Improvement plans were proposed based on the findings and tracked for implementation.
- Incident Monitoring and Response: In 2024, the company introduced Endpoint Detection and Response (EDR) and Network Detection and Response (NDR) systems for real-time continuous monitoring, critical server data collection, and advanced correlation analysis to detect and respond to suspicious activities on hosts and endpoints. Managed Detection and Response (MDR) services were also adopted to provide external professional support and 24/7 monitoring, enabling rapid threat detection and response, including pre-incident alerts and mitigation.

Information Security Incident Response Plan

- Annual Disaster Recovery Drills: In 2024, BenQ Materials conducted a disaster recovery drill for the shipping cycle system to strengthen its disaster response capability and minimize potential losses in the event of an incident.

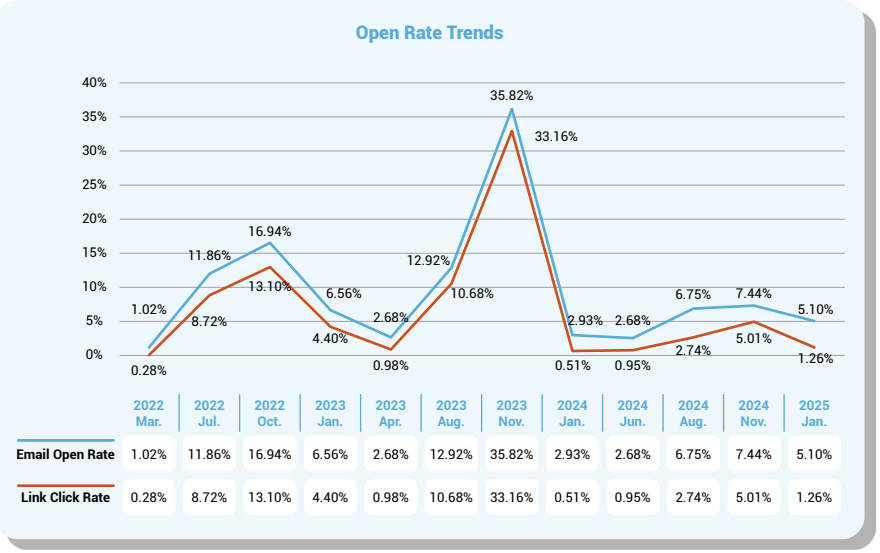
Information Security Education and Training

- Internal Training: Every October is designated as Cybersecurity Month at BenQ Materials. In 2024, the company conducted online cybersecurity courses for all employees and held dedicated cybersecurity seminars for mid- and senior-level managers. Awareness was further raised through posters and email announcements. Company-wide online cybersecurity training achieved a pass rate of 83%, while mandatory seminar courses for senior management saw a 78% pass rate. Efforts to improve participation and pass rates are ongoing through active promotion of relevant training.
- External Training: To enhance mid- and senior-level managers' awareness of cybersecurity risks, external consultants delivered a course on "Case Study and Incident Response in Cybersecurity" in 2024. Dedicated information security personnel also completed certifications including IEC 62443-2-1, ISO 27017 & 27018, and ISO 27001, ensuring cybersecurity concepts are embedded in daily operations.

Social Engineering Drills

Since April 2021, BenQ Materials has conducted monthly email-based social engineering simulations to educate employees on information security practices related to email usage. These exercises aim to reduce the risk of employees clicking on malicious emails and to strengthen awareness of email security.

In 2024, the drills were further enhanced by improving the realism of phishing emails and expanding participation to include subsidiaries. As a result of ongoing awareness campaigns and employee retraining, the click-through rate continued to decline during Q1 2024.



	2022 Mar.	2022 Jul.	2022 Oct.	2023 Jan.	2023 Apr.	2023 Aug.	2023 Nov.	2024 Jan.	2024 Jun.	2024 Aug.	2024 Nov.	2025 Jan.
Email Open Rate	1.02%	11.86%	16.94%	6.56%	2.68%	12.92%	35.82%	2.93%	2.68%	6.75%	7.44%	5.10%
Link Click Rate	0.28%	8.72%	13.10%	4.40%	0.98%	10.68%	33.16%	0.51%	0.95%	2.74%	5.01%	1.26%

Group-Level Information Security Management

BenQ Materials has joined the cybersecurity governance structure of its parent company, Qisda, and complies with the corresponding security requirements. A cybersecurity maturity rating system has been established, and BenQ Materials, including its affiliated subsidiaries, is required to meet the parent company's cybersecurity evaluation standards, with continuous efforts made each year to enhance cyber resilience.

Supplier Information Security Management

In 2024, an information security risk assessment was conducted for the top 10 suppliers of each product business unit, covering a total of 71 suppliers. The purpose was not only to provide an external risk reference for the company but also to offer cybersecurity guidelines to suppliers to improve overall maturity and reduce potential risk exposure.

Supplier Information Security Evaluation

Each business unit ranked suppliers based on procurement amount and conducted self-assessment for the top 10. A total of 71 suppliers were subject to self-evaluation. The cybersecurity self-assessment guideline uses a weighted scoring system based on performance in various areas, with suppliers categorized as follows:

Grade A+ (Excellent)	Supplier has a comprehensive and effectively implemented information security management system; weighted score ≥ 90%.
Grade A (Good)	Supplier has a well-established information security management system; weighted score ≥ 80%.
Grade B (Fair)	Supplier has a basic information security management system in place; weighted score ≥ 60%.
Grade C (Needs Improvement)	Supplier lacks an implemented information security management system; weighted score < 60%.

The overall average cybersecurity rating for 2024 was 75.6 points, categorized as Grade B (Fair), showing improvement from the previous year. Suppliers rated as Grade C (Needs Improvement) were provided with information security guidelines and recommended actions to strengthen their cybersecurity measures.

Cybersecurity Insurance Arrangement

Since December 2020, BenQ Materials has procured corporate cybersecurity risk insurance to cover expenses incurred from information security incidents, such as business interruption, incident response, and recovery costs. The coverage includes subsidiaries in which BenQ Materials holds a majority shareholding, thereby mitigating potential losses from security breaches. In 2024, the company continued its cybersecurity insurance coverage.

Information Security Planning

- Governance and Policy Framework:

  The company aligns its cybersecurity policies with the ISO/IEC 27001 international standard and obtained ISO 27001 certification in April 2022. In 2024, the company adopted the updated ISO/IEC 27001:2022 version and successfully obtained the renewed certification in 2025. In parallel, the company established key cybersecurity performance indicators to continuously strengthen and improve its cybersecurity governance mechanisms and enhance its ability to respond to and recover from cybersecurity incidents.

- Technology Implementation:

  In 2024, the company implemented Multi-Factor Authentication (MFA), Endpoint Detection and Response (EDR), and Managed Detection and Response (MDR) systems to strengthen access control and enhance real-time detection and response capabilities. In 2025, BenQ Materials plans to further align with the cybersecurity rating requirements of its parent company by deploying a Security Operations Center (SOC), Security Information and Event Management (SIEM), source code scanning, privileged account management, and sensitive data governance mechanisms.

- Business Continuity Management:

  Under its Business Continuity Management (BCM) framework, BenQ Materials aims to expand cybersecurity response drills to all business units in 2025. The objective is to ensure that, in the event of a natural disaster or human-caused incident, critical operations can be sustained without disruption from information system failures. This will enable the organization to maintain a minimum acceptable level of operations under all circumstances and reduce the risk of existential operational failure.

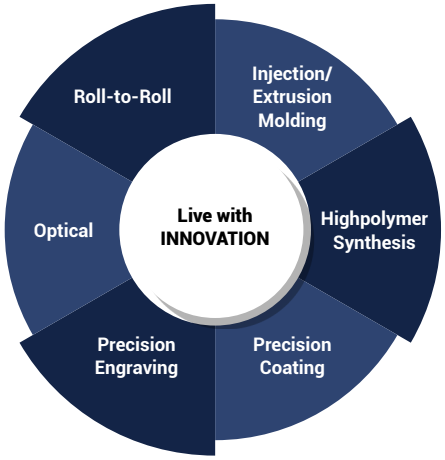
Responsible Product

04

Core Technology and Intellectual Property Management

Six Core Technologies

BenQ Materials has established six core competencies through years of advancement in optical design, material development, and process optimization. These include two material technologies—optical multilayer film design and polymer synthesis—along with four process technologies: roll-to-roll processing, precision embossing, precision coating, and injection and extrusion molding.



Production Processes

BenQ Materials categorizes its products into Display Materials, Battery Materials, Medical and Healthcare Products, and Functional Textiles. Manufacturing is conducted in-house across five major operational sites, each aligned with specific product lines and production processes.

- Display Materials and Battery Materials are distributed directly to B2B clients.
- Medical and Healthcare Products and Functional Textiles are delivered through various channels, including B2B clients, distributors, healthcare institutions, and e-commerce platforms, depending on product characteristics.

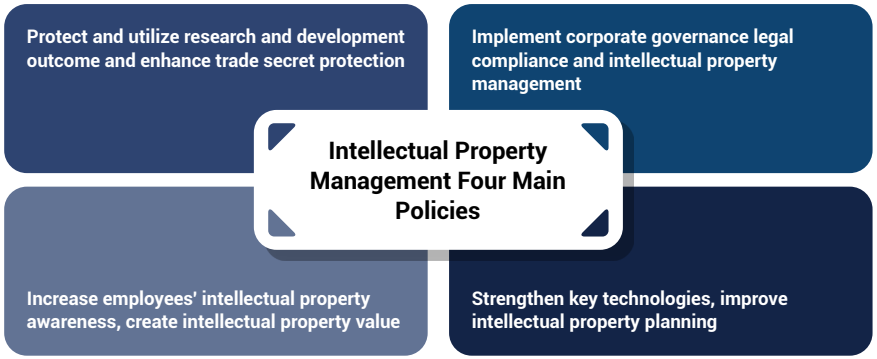
Each production line is integrated with its respective operational site and manufacturing technology, ensuring process efficiency, quality assurance, and traceability across the value chain, in alignment with sustainable operations and product responsibility principles.. The corresponding operating sites and production processes of each product line can be found on the BenQ Materials ESG website.

Intellectual Property (IP) Management

Intellectual property (IP) plays a key role in safeguarding R&D outcomes and maintaining technological competitiveness. BenQ Materials is committed to continuously developing core technologies by integrating R&D with product innovation. Through the reinforcement of IP strategies and regular performance reviews, the company aims to enhance IP robustness, ensure freedom to operate, and strengthen its competitive edge.

BenQ Materials has formulated an intellectual property management plan that is closely aligned with its business strategy. The plan is implemented through a comprehensive management system to ensure the timely protection, effective management, and optimal utilization of high-potential technologies and innovations derived from R&D, manufacturing, and operations.

As a diversified brand operator, the company also focuses on enhancing and protecting brand value to ensure a strong professional image and sustained market competitiveness. In 2024, BenQ Materials' IP policies and goals are centered on strengthening IP portfolio deployment, steadily accumulating IP assets, increasing employee awareness of IP, and reinforcing the protection of R&D outcomes and confidential information — thereby maximizing the value of intellectual property.



Intellectual Property Management Goals

1	Develop intellectual property management plans linked to operational goals and continuously promote the TIPS intellectual property management system, regularly reporting the implementation status of intellectual property management plans to the Board of Directors and disclosing them on the official website.
2	Implement intellectual property management, integrating various intellectual property management regulations, and clearly establishing the relevance of various intellectual property-related operating procedure documents.
3	Strengthen the R&D document management system, fully digitizing R&D records.
4	Establish a patent information monitoring system.
5	Regularly conduct internal audits and hold management review meetings, as well as organize education and training courses for working groups.
6	To enhance employees' intellectual property awareness, organize educational training courses, including: (a) Intellectual property courses for new employees. (b) Advanced intellectual property courses for R&D personnel. (c) Advanced training courses for intellectual property specialists.

Intellectual Property Management System

BenQ Materials actively promotes the implementation of its intellectual property (IP) management system by strengthening the scope of IP governance and embedding operational procedures into daily practices. In 2021, the company obtained certification under the Taiwan Intellectual Property Management System (TIPS), receiving an A-grade (TIPS-2021-cert.-052). This certification was successfully renewed in both 2022 and 2024, with A-grade certifications (TIPS-2022-cert.-015 and TIPS-2024-cert.-044), valid through December 31, 2026.

Intellectual Property Management Measures and Objectives

1 Optimization of the TIPS Management System

In accordance with the Taiwan Intellectual Property Management System (TIPS) standards, BenQ Materials has established an IP management manual to serve as the operational basis for implementing its IP management system, ensuring the effectiveness of IP governance and execution.

2 Patent Management

Patent management encompasses R&D recordkeeping, patent application and maintenance assessments, incentive mechanisms, and portfolio strategies aimed at strengthening the company's overall patent quality and competitive edge. Additionally, a review mechanism is in place to evaluate R&D outcomes before public disclosure, thereby safeguarding trade secrets and mitigating the risk of information leakage.

3 Trademark Management

BenQ Materials enforces a structured process for trademark application and usage oversight. The company regularly updates its trademark inventory and monitors usage to prevent infringement risks, while actively planning and deploying brand-related trademark strategies.

4 Brand Management

In alignment with internal brand management policies, brand assets are systematically managed. Awareness sessions on brand usage standards are held within the organization to reinforce compliance.

5 IP-Related Education and Awareness

Internal Training: Annual online training on general IP concepts and trade secret protection is mandatory for all employees, with dedicated courses for R&D staff. In 2024, TIPS and trade secret protection e-learning courses were conducted company-wide, with a 94% completion rate. Additionally, advanced patent courses were delivered to senior R&D staff, with a 100% pass rate.

External Training: IP officers completed the 2024 TIPS Tiered IP Management Training for A-level and AA-level certification (2 attendees) and participated in other specialized external courses, accumulating 71.5 hours of professional training over the year.

Intellectual Property Management Achievements

Patents

As of December 2024, BenQ Materials has filed over 1,290 patent applications globally and has been granted more than 830 patents. The company's patent portfolio spans key markets and countries, including Taiwan, the United States, the European Union, Japan, Mainland China, South Korea, India, and Southeast Asia.

In 2024 alone, BenQ Materials filed more than 64 new patent applications and received 40 granted patents. The core technological fields include battery separator films, functional optical film technologies, and biomedical dressings.

Aligned with the company's commitment to circular economy and sustainable development, a portion of the 2024 patent filings focused on innovations utilizing recycled materials—specifically, the application of regenerated polyester derived from recycled polyester waste in functional textiles and optical films. For further details, please refer to the BenQ Materials official website.

Patent Outcome	2020	2021	2022	2023	2024
Number of Applications	63	44	39	78	64
Number of Certificates Granted	30	37	38	33	40

Trademarks

BenQ Materials has filed over 500 trademark applications globally and has been granted 484 trademark registrations. In 2024, the company filed 30 new trademark applications and successfully obtained 30 trademark rights. The trademark portfolio covers major markets including Taiwan, the United States, the European Union, Japan, Mainland China (including Hong Kong), Southeast Asia, and Oceania (Australia and New Zealand).

Region	Taiwan	United States	China	European Union	Southeast Asia	Others	Total
Registered Trademarks	161	7	181	19	81	35	484

Collaborative Innovation with Academia

To continuously enhance its innovation capabilities and product competitiveness, BenQ Materials has actively engaged in academic-industry collaborations with leading research institutions in Taiwan in recent years. Strategic partners include:

- Industrial Technology Research Institute (ITRI)
- National Tsing Hua University
- National Cheng Kung University
- National Taiwan University of Science and Technology
- Chang Gung University
- National Yunlin University of Science and Technology
- Far East University

These partnerships span diverse technology domains such as smart healthcare, solid-state battery materials, advanced material development, and biomedical engineering.

In 2024, BenQ Materials executed five collaborative R&D projects, with a total investment of over NTD 6 million in joint research and development efforts.

Sustainable Product Design and Lifecycle Integration

To realize sustainable product value creation, BenQ Materials has formally incorporated the requirement that "100% of new product developments must comply with internal sustainability criteria" into its official Product Development Procedures. The company has adopted a Lifecycle Thinking approach that encompasses all stages—from design, manufacturing, and logistics, to usage, maintenance, and end-of-life disposal.

Product design principles are aligned with circular economy concepts and are assessed through an internal sustainability evaluation checklist across six key dimensions:

- Structural Optimization
- Use of Environmentally Friendly Raw Materials
- Incorporation of Recyclable Materials
- Low Environmental Impact Components
- Reduction in Product Packaging
- User Safety and Health Considerations

Several products have already obtained third-party carbon footprint certifications (refer to Section 5-2-3: Greenhouse Gas Management for details).

GHG Reduction Targets for Major Products	2025	2027	2030
Baseline year:2020	-30%	-45%	-55%
Low-Carbon Strategies for Existing Products	Low-Carbon Materials	• Material down-gauging and weight reduction design • Adoption of bio-based and recycled materials • Improved material utilization to minimize waste	
	Low-Carbon Processes	• Streamlining of manufacturing processes • Enhanced output efficiency • Energy-efficient equipment upgrades	
100% Sustainability Compliance for New Products Incorporated into the Product Development Procedures across all major product lines: ☑ Display Materials ☑ Advanced Battery Materials ☑ Medical and Healthcare Products ☑ Waterproof and Breathable Textiles	Planning Phase	• Material selection must meet low-carbon and environmentally responsible sourcing criteria • Application of DOE (Design of Experiments) methodology for dosage optimization • Product structure must enable recyclability • Process design emphasizes low energy consumption	
	Design Verification Phase	• Packaging and logistics methods reviewed and optimized to reduce GHG emissions • Product carbon footprint testing and inventory assessment conducted	
	Mass Production Verification Phase	• Carbon reduction improvement plans established, targeting >20% emission reduction within five years	

Display Materials

Aspect	Design Principle	Environmental Benefits
Design	**Structure optimization**	**The goal of structural optimization is to reduce material thickness while maintaining functional specifications, with actual product thickness determined by customer requirements.** Polarizer: • OLED products reduced from 130 μm to 98 μm, achieving a 25% total thickness reduction. • Overall layer thickness reduced by 30%, decreasing material consumption. • Automotive products reduced from 133 μm to 118–122 μm, lowering total thickness by 8–11%. • For thinner TV polarizers, base film reduced from 80 μm to 40 μm (22% reduction). Based on 150K 85-inch TVs per month, this saves 32.2 tons of plastic—equivalent to 1.48 million PET bottles. PDLC Smart Optical Film: • Adhesive layer is the thinnest in the industry at 8–10 μm (industry average 15–20 μm). • Conductive layer is the thinnest in the industry at 125 μm (industry average 188 μm).
	Eco-Friendly Raw Materials	Polarizer: • Solvent-free pressure-sensitive adhesive: formulation and process redesigned to reduce carbon emissions by 18%. • PFAS-free pressure-sensitive adhesive: in development, targeted for completion by end of 2025. • PFAS-free protective film: under validation for automotive applications, targeted for completion by end of 2025. PDLC Smart Optical Film: • Transparent conductive films deliver industry-best visual quality and optical performance. Series 97/95 offers the highest transparency and lowest haze. Optical Adhesives: • Biomaterial introduction targeted for 2025, projected to reduce emissions by 6% vs baseline. • New product development goal for 2025: 25% carbon reduction vs baseline.
	Recyclable Materials	Polarizer: • Recovery of process chemicals and reuse of packaging materials reduces total waste (see 5-6 Circular Economy). Optical Adhesives: • In 2024, passed PET recycling validation; full implementation expected in 2025.
	Low-Impact Components	Optical Adhesive • Solvent-free production eliminates oven baking, reducing electricity consumption and GHG emissions. Acid-free formulation enhances safety and reduces environmental harm. • In 2024, EAC (ethyl acetate) usage reduced by 6% through resin reformulation. PDLC Smart Optical Film: • Waste mainly consists of glass, which has lower environmental impact during treatment and recycling.
	Product safety	Polarizer: • All raw materials comply with EU RoHS regulations. Optical Adhesives: • YUNTECH facility certified to ISO 9001, ISO 14001, and IATF 16949. • PFAS alternatives are under evaluation. PDLC Smart Optical Film: • Complies with REACH, RoHS, and Green Product (GP) standards.

Aspect	Design Principle	Environmental Benefits
Manufacture	High-Efficiency Production	• Process speed-up from 10m to 15m/min through bottleneck upgrades, increasing monthly output by 10km². • Introduced 21 RPA (robotic process automation) improvements in 2024, saving 369 hours per quarter.
Logistics	Green Packaging	Polarizer: • Low-carbon packaging reduced 3 tons CO_2e compare to 2023 (For detailed information, please refer to section 4-3-3) • Average recycling rate of circular packaging: 93% (For detailed information, please refer to section 4-3-4)
	High-Performance Delivery	• Low-carbon transportation saved 3,208 tons CO_2e (For detailed information, please refer to section 4-3-2)
Use, Maintenance, End-of-Life	High-Performance Products	Polarizer: • Low-reflective coating increased transmittance by 2%, reducing required LED backlights and energy use. • Adjusted iodine concentration, stretching ratio, and molecular alignment to increase transmittance by 2% without sacrificing polarization. Optical Adhesive: • Improved panel transmittance by ~20%, reducing power consumption. PDLC Smart Optical Film: • Certified as Taiwan's first green building smart film: blocks >99% UV and >87% IR, reducing indoor heat. Compared to regular glass, tested to cut electricity use by 19%, or ~96.38 kg CO_2e. • Energy saving compared to thermal film: 10–13% in transparent mode, 13–18% in opaque mode.
	Product Lifetime	Polarizer: • Ongoing development of high-durability versions (thermal resistance from 500h to 1,000h), adjusting process chemicals and parameters. Completion expected mid-2025. PDLC Smart Film: • Passed 2,500–3,000h internal weather resistance tests and verified by NCKU Lab (QUV 1,500h), exceeding industry standards. Now offered with 5-year warranty, lifespan estimated at 10+ years (vs. 1-year industry norm).
Social Contribution	Environmental Impact	Polarizer: • High-transmittance versions reduce energy consumption by 2%, confirmed by customer testing. PDLC Smart Film: • Indoor heat insulation reduces energy use by 19%, equating to 96.38 kg CO_2e reduction.
	Social Impact	Polarizer: • The reflectance of low-reflection polarizers has been reduced from 5% to below 2%, thereby minimizing the impact of ambient light on the human eye. This effectively reduces eye fatigue during prolonged use of displays. Optical Adhesives: • Boost panel light output; near-zero hazardous emissions during production minimize user health risks. PDLC Smart Film: • Filters indoor UV radiation, protecting occupants and furniture.

Advanced Battery Materials

Aspect	Design Principle	Environmental Benefits
Design	Structure optimization	• Product thickness in 2024: 10 μm; 2025 target: 9 μm. • Coating thickness in 2024: 1 μm; 2025 target: 0.8 μm.
	Low-Impact Components	• Utilization of polyolefin materials, which are relatively environmentally friendly. • Separator production adopts an organic solvent-free (dry) process, minimizing environmental impact. • Next-generation high-power separator (Armarator) is under development, emphasizing ceramic coating, water-based processing, and environmentally friendly design.
	Product safety	• Established independent quality verification mechanisms aligned with ISO, IQC, IPQC, FQC, OQC, and IATF 16949 standards to ensure optimal product quality and safety during customer integration into battery/cell production processes. • In-house battery testing line: Development-stage separators are benchmarked against competitor products and diverse models to validate performance and simulate downstream application scenarios, increasing product development success rate.
Manufacture	High-Efficiency Production	• Automation has improved material supply and inspection efficiency by 40% compared to 2022. • Roll length per unit increased by 87.5%, with a 0.1% yield improvement and a 16% increase in slitting equipment utilization. • Process optimization in 2024 reduced material waste by 1% and energy consumption by 22% (vs. 2023). • Equipment self-maintenance rate reached 83% in 2024.
Logistics	Green Packaging	• Optimized packaging reduced material use and improved container utilization, resulting in cost savings. Core reuse lowered waste by 59.2 metric tons; 53,267 cores were recycled with a reuse rate of ~98%. • Additional recovery systems for supporting cores and pallets introduced, reducing packaging material expenditure by an estimated 22%. • Discontinued certain cushioning foams in 2024, reducing packaging waste by 75%. • Switched from wooden pallets to reusable plastic pallets in 2024, projected to reduce 90 tCO_2e.
Use, Maintenance, End-of-Life	Product Lifetime	• Low internal resistance process improves battery cycle life; precision pore control technology helps mitigate performance degradation post-cycling. • Next-gen high-power separator (Armarator) features improved durability: melt-down temperature exceeds 300˚C and brittle point reaches 250˚C—higher than industry average. • Developed lithium-replenishment technology in 2024 to significantly extend battery cycle life.
Social Contribution	Environmental Impact	• Process efficiency and yield improvements have led to a 64% reduction in carbon emissions compared to the 2020 baseline. • In 2023, obtained ISO 14067:2018 Product Carbon Footprint certification for one separator product.

Healthcare and Nursing Products

Aspect	Design Principle	Environmental Benefits
Design	**Structure optimization**	Skin Care: • Mass production of crescent-shaped patches improves film material utilization by ~19.8% and release liner utilization by ~10.6% compared to acne patches. • Square-shaped patches improve film material utilization by ~20.2%. • At the Yunlin plant, producing 12mm acne patches achieves ~5.0% higher film utilization and ~15.0% higher liner utilization than at the original Taoyuan plant. Vision Care: • Manufacturing process adopts low-polypropylene plastic lids, reducing polypropylene usage by 60%. Wound Care: • New hemostatic product under development is expected to reduce carbon emissions from materials and processes by ~50%.
	Eco-Friendly Raw Materials	Medical packaging: • In-house film production integrated with solvent-free lamination reduces impact on human health and the environment. • Over 40% of bag-making medical films now use this method. • EVA water-based adhesive to be introduced in 2025. Skin Care: • Skincare products formulated without alcohol, fragrance, or color additives. • Sunscreen uses ocean-friendly formulations and excludes ingredients banned by Palau. Vision Care: • Future plans to adopt more comfortable materials for end-user wear. Wound Care: • Developing antimicrobial hydrogels using natural polymers with low toxicity, derived from renewable resources (in progress).
	Recyclable Materials	Skin Care: • Switching to recycled plastic for release liners is expected to cut carbon emissions by 47.8% compared to originals, reducing ~14.8% carbon per acne patch. Full implementation targeted for 2025 Q3. Vision Care: • Since 2022, consumer campaigns in Taiwan and China promote recycling of polypropylene lens cups.
	Low-Impact Components	Skin Care: • Uses solvent-free materials and manufacturing, minimizing health and environmental risks from volatile organic compounds (VOCs). Vision Care: • Proprietary EautraSil®Plus hydrophilic silicone technology eliminates solvent use, avoiding solvent residues and minimizing eye irritation and allergy risks. Wound Care: • In developing next-gen antimicrobial products, current substances on the REACH Substances of Very High Concern (SVHC) list are being replaced with alternatives to reduce environmental impact while enhancing product performance.
	Product safety	Medical packaging: • Certified under EU MDR and US FDA compliance. Skin Care: • Acne patches pass cytotoxicity, sensitization, and aging tests; skincare products pass high-standard stability, dermal compatibility, and functionality tests. Vision Care: • All contact lens products comply with GP standards and medical device regulations in respective countries. Wound Care: • Certified under ISO 13485 (Medical Device QMS) and ISO 10993 (Biocompatibility).
Manufacture	**High-Efficiency Manufacturing**	Wound Care: • Process improvement in 2024 increased gauze yield by 0.9%. • Alcohol recovery system for gauze production introduced in 2024, reducing alcohol use by ~80 metric tons. Skin Care: • Introduction of magnetic soft blades in 2024 enhanced efficiency by 80% and reduced blade cost by 90%. Vision Care: • 100% automated surface optical inspection; 2024 utilization rate reached 82%, a 4% increase from previous year. • 100% recovery of printing steel plates used in contact lens manufacturing. • 100% recovery of polypropylene molds from preform stages for downstream reuse. • Process optimization extended alcohol usability, saving 4 tons in 2024. • Replacement of high-energy equipment in 2024 led to a 59% carbon emission reduction compared to 2021 baseline. • Tray system introduced for product storage, replacing zipper bags. • Nitrogen-saving system implemented in 2024, reducing consumption by 28% per unit. Medical packaging: • Production scheduling optimization in Q4 2024 estimated to reduce material waste by 5 metric tons/month. • Equipment upgrades in 2024 increased overall production capacity by over 20% compared to 2023.
Logistics	**Green Packaging**	Wound Care: • 100% FSC-certified packaging achieved for new products; 65% for total product portfolio. Remaining gaps due to certification delays for hemostatic products in the EU. • 2024 packaging optimization project consolidated carton SKUs, saving ~250 units per stock cycle. Skin Care: • Achieved 100% FSC certification across all products in 2024. • Switched to recycled paper boxes in Taiwan, achieving a 34% transition rate and reducing total packaging carbon emissions by 6.1%. • Replaced aluminum foil packaging with recycled paperboard, lowering material carbon emissions by 62%, saving 16% in production cost, and reducing total packaging carbon emissions by 14%. China plant to implement by 2025. • QR codes and product claims are now directly printed on packaging; China's 2024 implementation rate reached 90%, reducing carbon emissions by 34% and packaging material by 0.1%. Vision Care: • 100% FSC adoption for new products in 2024, accounting for 15% of SKUs. Legacy products are being phased out and not updated. • Product instruction manuals now printed inside boxes in China, reducing paper use and ~1.48 tCO_2e emissions. • Plastic wrap sealing for new products to be eliminated in 2025. Medical packaging: • Reduced external carton strapping usage by over 400 kg annually. • Stopped printing customer logos on domestic shipment cartons. • Modified packaging for large film rolls, cutting carton usage. • Converted paper cores to reusable plastic cores in 2024, saving over 2 metric tons of material.

Aspect	Design Principle	Environmental Benefits
Logistics	**High-Performance Delivery**	Wound Care: • Centralized sterilization via third-party providers reduced trips during production planning; compared to 2023, cut travel by 1,800 km and fuel use by 225L in 2024, lowering emissions by ~520 kg CO_2e. Skin Care: • Double stacking of shipping containers increased efficiency by 33% (67 containers planned, 45 shipped). • Switched from loose cargo to palletized shipping, cutting costs by ~62.3%. Vision Care: • Some logistics partners transitioned to low-emission vehicles. Medical packaging: • Adopted multi-drop domestic delivery routes, reducing freight costs by ~25%.
Use, Maintenance, End-of-Life	**High-Performance Products**	Wound Care: • QuikNing Gauze demonstrates superior exudate absorption, with an average absorption ratio exceeding 14 times its weight. Clinical trials show it achieves twice the bleeding control effectiveness compared to conventional gauze. Skin Care: • DermaAngel Acne Patch delivers 3–5 times the absorption efficiency of leading market brands. • Surface features matte finish technology to reduce reflectivity and enhance discreet wear. Vision Care: • Oxygen permeability (Dk/t) reaches 193, six times higher than conventional hydrogel lenses, promoting ocular respiration. • Triple-layer encapsulation technology (Color Lock Technology) ensures pigment security and non-fading performance.Solvent-free formulation reduces allergen risk and environmental impact. • Proprietary EautraSil®Plus hydrophilic silicone technology creates a highly hydrophilic matrix, reducing protein/lipid deposition and enhancing clarity while lowering risks of allergic reaction and bacterial infection. • Enhanced moisture retention and prolonged wear comfort. • Ergonomic optical design improves lens shape for enhanced comfort. • Multi-curve lens architecture fits the eye anatomy precisely, reduces displacement and foreign body sensation; clinical satisfaction increased by 9%.
	Product Lifetime	Wound Care: • QuikNing Gauze features a five-year shelf life, exceeding the industry norm of three years through advanced manufacturing processes. Medical packaging: • Some product shelf lives extended from three to five years starting in 2024.

Aspect	Design Principle	Environmental Benefits
Use, Maintenance, End-of-Life	**Circular Economy**	Vision Care: • As part of the Green Action Initiative launched in China (since Sep 2022), over 130,000 used PP blister cups have been collected by end of 2024.  Medical packaging: • Maintained 90% reuse rate of wastewater from printing processes. • All factory waste converted into Solid Recovered Fuel (SRF) in 2024, reducing landfill waste by at least 200 metric tons. Skin Care: • Waste adhesive film from acne patch production repurposed into SRF; with 40 tons of waste film in 2024, an estimated 4.92 tCO_2e reduction was achieved.
Social Contribution	**Environmental Impact**	Skin Care: • Solvent-free manufacturing reduces Volatile Organic Compound (VOC) emissions versus traditional solvent-based adhesive processes. • Packaging light-weighting efforts—including material evaluation and structural optimization—reduce both physical volume and transportation-related carbon emissions. Vision Care: • Continued 100% recycling of polypropylene materials in 2024, reducing environmental impact through reuse. Wound Care: • Development of antimicrobial wound gel derived from natural polymers, offering lower carbon footprint due to renewable sourcing and enhanced biodegradability, helping mitigate environmental harm from medical waste.
	Social Impact	Wound Care: • Enhances home-based care, supporting elderly and disabled populations in improving quality of life. • Donated foam and hydrocolloid dressings to National Taiwan University Hospital Yunlin Branch for low-income patients, addressing healthcare equity in under-resourced regions. Vision Care: • Through the Vision of Hope Project, in partnership with Child Welfare League Foundation and Kobayashi Optical since 2014, Myoken has provided free prescription eyewear to over 2,600 economically disadvantaged children by the end of 2024. (See section 8-2-1 for details.) Medical packaging: • Sterile barrier systems help prevent hospital-acquired infections among healthcare workers and patients, supporting public health outcomes.

Waterproof and breathable textiles

Aspect	Design Principle	Environmental Benefits
Design	Structure optimization	• Advanced film microstructure design and optimized composite adhesive applications significantly enhance product performance and reliability. • e2cycle technology enables the recycling of PET from electronic waste into high-performance, eco-friendly textiles, showcasing Xpore's innovation in sustainable materials. This technology bridges environmental responsibility with functionality in technical apparel. The e2cycle mono-material polyester composite textile is scheduled for mass production in Q2 2025.
	Recyclable Materials	• Xpore is committed to sustainable textile innovation. The e2cycle product line utilizes recycled electronic polarizing film waste to manufacture high-performance textiles. • To reduce petrochemical dependency and support marine waste removal and purification initiatives, BenQ Materials combines its eco-friendly microporous membranes with ocean-recycled nylon yarns in domestic lamination facilities powered by renewable energy, launching waterproof and breathable fabrics using marine-recycled materials.
	Low-Impact Components	• Solvent-free lamination process emits no volatile organic compounds (VOCs), reducing environmental and health risks.
	Product safety	• Materials certified by Intertek to be free from PFOS and PFOA, aligning with global sustainable application trends. • The Xpore Ultra series features nano-scale waterproof-breathable membrane technology that passes the wet bacterial penetration resistance test (TTRIENISO 22610), supporting post-pandemic microbial barrier requirements.
Manufacture	High-Efficiency Manufacturing	• Introduction of automatic packaging machines increased packaging capacity by 50%. Replacing manual handling with conveyor belts reduced daily round-trip handling by 120 trips. • In 2024, improved production line speed boosted output by approximately 38% compared to 2023.
Logistics	Green Packaging	• Core pulp thickness of some shipping rolls reduced from 3 inches to 2 inches, allowing longer fabric rolls and better container volume efficiency, reducing shipment frequency. • In 2024, carton size reduced from 40 cm to 26 cm, significantly lowering paper consumption and reducing CO_2emissions by an estimated 1%.
	High-Performance Delivery	• Through communication with customers to optimize delivery schedules and consolidate shipments, pallet reuse was sustained. In 2024, the reuse rate reached approximately 60%.
Use, Maintenance, End-of-Life	High-Performance Products	• BenQ Materials' proprietary composite technology extends product life cycles, ensuring long-term reliability.
	Product Lifetime	• Xpore Ultra uses hydrophobic and breathable membranes, inherently more resistant to hydrolytic degradation than common polyurethane materials. • A new process developed in Q4 2024 is expected to increase product durability by 30%, with mass production planned for Q4 2025.
Social Contribution	Environmental Impact	• All Xpore products are 100% fluorine-free and non-toxic, prioritizing consumer safety. • All manufacturing processes strictly adhere to environmental regulations, ensuring no air or water pollution.

e2cycle: Innovative PET Recycling Technology Transforming Electronic Waste into High-Performance Textiles

According to the Global E-waste Monitor 2024, the volume of global electronic waste has reached 62 million metric tons and is projected to grow to 82 million metric tons by 2030. However, only 20% of this waste is properly recycled, with the remainder often causing severe environmental harm due to improper handling.

e2cycle: Pioneering a New Era of Sustainability through E-Waste

e2cycle technology recycles PET from electronic waste and converts it into high-performance, eco-friendly textiles—demonstrating Xpore's innovative capabilities in sustainable materials. This technology not only fulfills environmental responsibilities but also enhances functionality, enabling the development of high-value functional apparel and offering a comprehensive PET recycling solution that balances performance and sustainability.

The Urgent Challenge of Electronic Waste Collaborative Innovation for a Circular Future

The e2cycle PET recycling technology integrates BenQ Materials' expertise in electronics and material science with Far Eastern New Century's strength in textile manufacturing. This partnership transforms electronic waste into high-quality textile materials.

From polo shirts made with recycled PET sourced from electronic waste to waterproof functional jackets produced from discarded smartphone materials, e2cycle goes beyond traditional recycling approaches. It exemplifies the synergistic potential of the electronics and textile industries in advancing sustainable development.

Green Logistics

Green Logistics Policy

Achieving net-zero emissions is a global imperative for corporations. In addition to continuously optimizing manufacturing processes and improving water efficiency, BenQ Materials prioritizes low-carbon circular logistics management, placing low-carbon transportation and the reduction of emissions from logistics operations at the core of its logistics strategy.

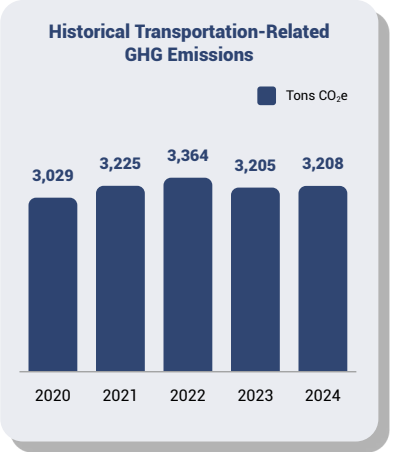
Recently, BenQ Materials has initiated product carbon footprint verification to gradually establish a product-level carbon emissions database. This database supports the development of low-carbon and energy-efficient products. Through low-carbon circular logistics practices, the company aims to realize its low-carbon manufacturing objectives.

Low-carbon Transportation	Product packaging material reduction	Packaging Material/Pallet Recycle
Planning for transportation optimization, implementation of combined type of transportation route, in order to reduce air freight weight, thereby achieving the goal of sustainable logistics and reduction of carbon emission.	Change the disposable cartons to recyclable packaging boxes for the shipping method, and increase the times of use of use of packahing material, in order to reduce generation of waste.	Use recyclable and reusable pallets for shipping, in order to prevent the use of disposable pallets, that may cause unnecessary wastes.

Low-Carbon Transportation

To reduce the carbon footprint associated with logistics operations, BenQ Materials revised its transportation strategy starting in 2023, gradually shifting from air freight to sea freight. In 2024, transportation-related greenhouse gas (GHG) emissions totaled 3,208 metric tons of CO_2e—representing a reduction of 156 metric tons of CO_2e compared to 2022, prior to the strategic adjustment.

Looking ahead, the company plans to further increase the share of low-carbon transport and adopt carbon intensity–based performance indicators to enhance logistics-related climate performance.



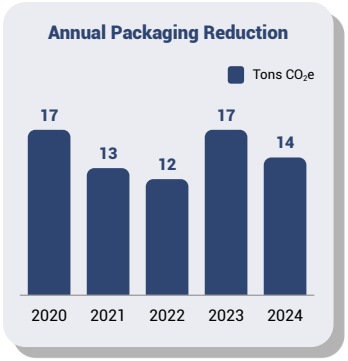
Note: Carbon reduction formula: Number of transports × [Carbon emissions per trip before implementation - Carbon emissions per trip after implementation]

Low-carbon packaging

BenQ Materials continues to implement policies such as "Recyclable Carton Box Verification," "Reduction of Outbound Shipment Frequency and Air Freight Usage," and the promotion of "Reusable Packaging Boxes" to encourage and lead customers in adopting sustainable packaging practices.

The company transitioned from single-use corrugated boxes to low-carbon packaging for outbound shipments. By applying design-for-reduction principles and using mono-materials, the packaging volume has been reduced and its environmental impact minimized through reuse.

In 2024, the polarizer production site's outbound shipment data showed that the adoption of recyclable packaging boxes significantly reduced the use of single-use packaging materials. The estimated reduction in packaging-related carbon emissions reached 3 metric tons of CO_2e, compared to 2023.



Note 1:Packaging Material Recycling Rate is calculated as the monthly volume of each type of recycled packaging material for polarizer products divided by the monthly outbound volume of the corresponding packaging material.
Note 2:The emission reduction coefficient for packaging boxes is based on data from Rong Cheng Paper Corp., indicating that the production of 1 kg of recycled cardboard using waste paper emits approximately 0.8 kg CO_2e.

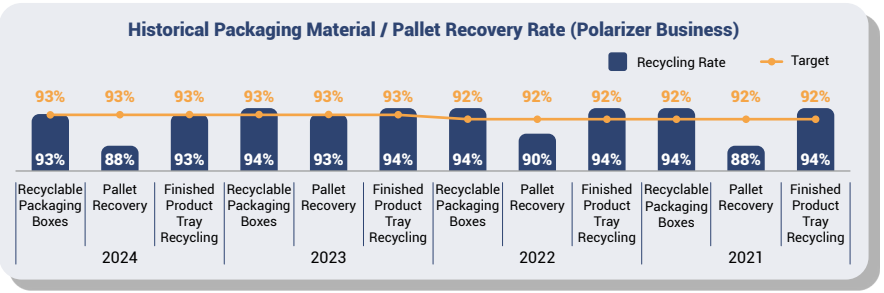
Low-Carbon Recycling Loop

The Display Materials Business adopts recyclable packaging materials and pallets for shipments, incorporating a low-carbon circular management system to track packaging material recovery volumes, recovery rates, and achievement levels. Through a packaging material recovery management mechanism, the company ensures recovery quality and extends the life cycle of packaging materials, thereby reducing material usage and cost, as well as minimizing waste generation.

In 2024, recovery performance included:

- Recyclable packaging boxes recovery rate: 93%
- Recycled pallets recovery rate: 88%
- Recycled product trays recovery rate: 93%
- Overall recovery rate: 91%, representing a 2% decrease compared to 2023.

BenQ Materials continues to monitor customers' recovery performance and arranges timely transport for recovered items to reduce the use of single-use packaging. The recovery rate target for 2025 is set at 93%.



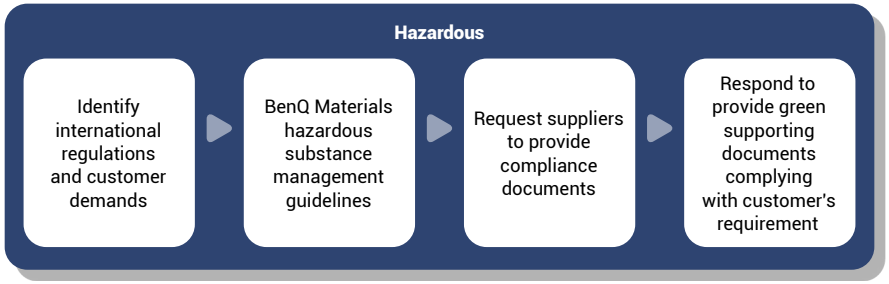
Hazardous Substance Management

Product Hazardous Substance Management

BenQ Materials established its GP Core Team in 2010 to proactively promote Hazardous Substance-Free (HSF) management. Each year, the company reviews its hazardous substance management practices based on international regulations, customer requirements, and environmental trends, and updates the "Environmental Quality Assurance Management System Operational Standard" accordingly.

All products must comply with international laws and customer requirements, including the EU Restriction of Hazardous Substances Directive (EU RoHS), the EU Registration, Evaluation, Authorisation and Restriction of Chemicals regulation (EU REACH), the Packaging and Packaging Waste Directive, and the EU Waste Electrical and Electronic Equipment Directive (WEEE).

A material hazardous substance management system has been established to ensure that the company's functional films and battery material products comply with all relevant international regulations and customer specifications. In 2024, a total of 391 product hazardous substance tests were conducted, achieving a 100% compliance rate.



Product Category	Number of Applications	Compliance Rate
Display Materials	324	100%
Specialty Products	41	100%
Battery Materials	6	100%
Biomedical Products	18	100%
Medical Packaging	2	100%
Total	391	100%

PFAS Reduction Plan

In light of the growing global concerns over the use of PFAS (Per- and Polyfluoroalkyl Substances) and increasing demands from many customers to prohibit the use of PFAS starting next year, the company has included relevant PFAS substances in its environmental management checklist and requires suppliers to control PFAS content to non-detectable (ND) levels.

To achieve the goal of completely phasing out PFAS, the company has launched the following reduction initiatives and plans to fully prohibit the use of PFAS in non-medical businesses by 2027:

Current State Assessment:

1. Continuously inventory all PFAS substances used in company products and processes, as well as their areas of application.
2. Establish a PFAS substance management database to facilitate subsequent monitoring and tracking.

Supply Chain Management:

1. Notify and require all suppliers to comply with the company's PFAS prohibition policy and provide relevant material testing reports.
2. Assist suppliers in researching and testing alternative materials to PFAS.

The phased implementation of PFAS reduction includes:

1. By 2025: Achieve complete substitution of high-risk PFAS substances, with PFAS test results in products reaching ND levels.
2. By 2027: Completely eliminate the use of all PFAS substances in products and processes.
3. Collaborate with the R&D department to assess and verify the feasibility and quality stability of alternative materials.
4. Conduct testing on alternative materials used by suppliers to ensure no additional environmental or health risks are introduced.

Customer Communication and Collaboration:

1. Product managers (PMs) or sales units proactively engage with customers to discuss alternative material solutions.
2. Continuously respond to customers' needs for PFAS reduction and substitution, assisting customers in complying with regulations and market trends.

Policy Review and Updates:

Annually review international regulatory trends, industry developments, and technological progress, and adjust the PFAS reduction roadmap and strategies accordingly.

Product Chemical Substance Management Achievements

1. Full Compliance with EU RoHS Directive:
   All BenQ Materials' products comply with the EU RoHS concentration limits for lead, cadmium, mercury, hexavalent chromium, polybrominated biphenyls (PBB), and polybrominated diphenyl ethers (PBDE). In response to RoHS 2.0 regulatory requirements since 2016, phthalates (DEHP, BBP, DBP, DIBP) have also been included in testing, with results consistently showing "not detected."
2. Halogen-Free Requirements for Electronic Products:
   While general customer requirements specify individual bromine and chlorine content <900 ppm and total halogen content <1500 ppm, BenQ Materials enforces stricter limits of <800 ppm each for bromine and chlorine. All products meet these enhanced standards.
3. Disclosure of Hazardous Substance Listings:
   Under the EU REACH regulation and its Substances of Very High Concern (SVHC) list, BenQ Materials proactively investigates suppliers upon each SVHC update and discloses results transparently to customers.

In 2024, seven new substances were added to the SVHC list, bringing the total to 242. BenQ Materials conducted and disclosed results for 484 customer requests, covering 17 display materials customers, 1 specialty product customer, and 2 battery materials customers.

To align with EU regulations (e.g., RoHS and REACH) and customer standards (e.g., green product criteria, processes, and procurement), BenQ Materials enhances its compliance assurance through ISO 9001-based process and system management. To further reinforce quality assurance and customer confidence, the company successfully maintained QC080000 certifications at both the Taoyuan and Longtan plants in October 2024.

Chemical Management in the Supply Chain

BenQ Materials connects upstream suppliers—raw material providers, processing chemical suppliers, post-cutting plants, and shipping packaging suppliers—into an effective green product value chain. This collaborative framework ensures source-level control, enabling product compliance with green product standards while minimizing environmental impact during the manufacturing process.

Supplier Management Process:

BenQ Materials manages chemical-related disclosures via a Supplier Portal. Suppliers submit required documentation through the portal → internal approval is conducted → all files remain accessible in the system. Test reports provided by suppliers must be updated and re-uploaded annually.

Product Safety and Marketing Labels

Medical Device Standards and Certifications

All medical device products sold by BenQ Materials must obtain regulatory approval and certification from the respective countries prior to market entry. Certifications acquired include those from Taiwan (TFDA), the European Union (CE), the United States (FDA), and China (NMPA). Details of each country's product certifications are available on the BenQ Materials ESG website.

During clinical trials, products must comply with ISO 14971:2019, the standard for medical device risk management, and ISO 14155:2020, the guideline for clinical evaluation of medical devices. These standards govern risk management during product development and the scientific design, execution, documentation, and reporting of clinical trials to ensure reliable and valid results.

In addition, medical devices intended for direct human contact must pass biocompatibility testing under the ISO 10993 series before market release.

Medical Device Manufacturing and Sales Permits

BenQ Materials is a licensed medical device manufacturer, having obtained official approval and registration to produce related medical device products. These products comply with the safety and manufacturing standards of various countries, and the company holds all necessary manufacturing licenses.

For product sales, BenQ Materials must also acquire a medical device distribution license and complete product registration before any product can be legally marketed. Additionally, since contact lenses are classified as medical devices, they must be sold through physical retail channels that hold valid medical device distribution licenses before reaching end consumers.

Medical Device Product Labeling and Marketing Regulations

Transport Packaging Labeling Requirements

1 Outer Packaging:

Must be clear, easily identifiable, and permanent, including the following details:

- Product catalog number
- Quantity
- Manufacturer or supplier name/logo
- Production date in ISO 8601 format
- Batch/lot number
- Basis weight (grams per square meter)
- Roll width (cm) and length (m)
- Recommended storage conditions

2 Inner Packaging or Roll Labels:

Must be clearly visible and firmly attached, including:

- Quantity
- Manufacturer or supplier name/logo
- Batch number
- Basis weight (grams per square meter)

Medical Device Labeling Requirements

All BenQ Materials' medical device labels must comply with the local medical device regulations of each target sales market. In addition, labeling follows ISO 15223-1:2021, which provides standardized symbols for labeling and product information used in medical devices.

For products governed under Taiwan's Medical Devices Act, labels, instructions, or packaging must include:

- Product name
- License number or registration number
- Performance/intended use or indications
- Manufacturing date and expiration/shelf life
- Model/specification or key components
- Warnings, precautions, usage limitations, and foreseeable side effects
- Name and address of the license holder or registrant
- Name and address of the manufacturer
- Lot number or serial number
- Any other items announced by the central competent authority

Medical Device Marketing Requirements

Marketing of medical devices must strictly comply with the relevant advertising and marketing laws in each jurisdiction.

For example, in Taiwan:

- Pre-approval is required from competent authorities for any promotional materials, including text, graphics, or verbal content.
- Promotional practices are restricted: it is prohibited to advertise through impersonation, disguised publications, interviews, or other improper methods.

Taking contact lenses as an example (regulated as medical devices), all advertisements—whether print or digital—must comply with Taiwan FDA advertising review guidelines. The Ministry of Health and Welfare regularly communicates updated rules and review principles to ensure proper implementation.

For influencer collaborations, BenQ Materials requires all branded product review content to be pre-screened by the regulatory affairs department to ensure compliance with advertising laws.

Environmental Sustainability

05

Environmental Management

Environmental Development Progress

2020
- Implemented material flow cost accounting analysis project

2021
- Yunlin Tech Plant and Suzhou Plant constructed self-generated solar photovoltaic system for self-use

2022
- Implementation of ISO 14067 Verification for Two Products
- Installation of Self-Consumption Solar Photovoltaic System at Taoyuan Factory

2023
- Taoyuan Plant Obtained ISO 46001 Certification
- Longke and Suzhou Plants Obtained ISO 50001 Certification
- Yunke Polymer Plant Established a Self-Generated Solar Photovoltaic System

2024
- Taoyuan Plant passed the Cleaner Production Assessment System Compliance Determination.
- Yunlin Manufacturing Plant 1 received the LEED Silver Certification from the U.S. Green Building Council and the Gold-Level Green Building Label from the Taiwan Architecture & Building Center.
- Suzhou Plant was certified as a Class 3A Green Factory by the Suzhou Bureau of Industry and Information Technology.
- Yunlin Polymer Plant, Yunlin Manufacturing Plant 3, and Wuhu Plant obtained ISO 50001 certification.
- Yunlin Manufacturing Plant 1 installed a new self-use solar photovoltaic system.

Note: For the complete environmental development progress, please refer to the ESG website.

Environmental Management Goals

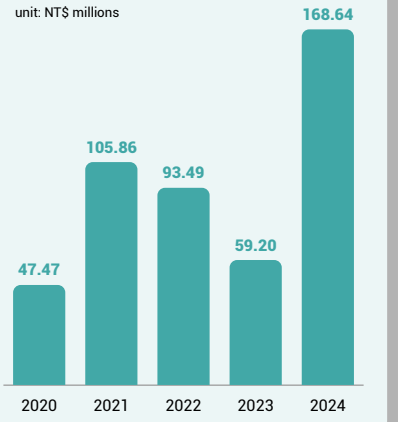
BenQ Materials has established a comprehensive environmental management framework covering energy and greenhouse gas management, water resource management, and waste management, with corresponding policies in place to actively manage resource use across multiple aspects. Specific environmental management targets have also been set.

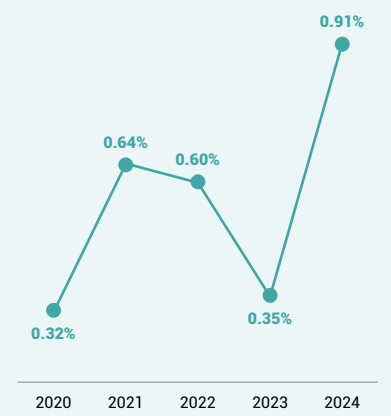
In alignment with global environmental concerns and trends, BenQ Materials conducts annual internal audits and third-party verifications to ensure the effectiveness of its management systems. The company's major operational sites are certified under the ISO 14001 Environmental Management System. Additionally, the Taoyuan site is certified under the ISO 46001 Water Efficiency Management System.

Furthermore, the Taoyuan, Longtan, Suzhou, Wuhu, Yunlin Polymer, and Yunlin Manufacturing Site III have obtained ISO 50001 Energy Management System certification. ISO 14067 Carbon Footprint verification has also been completed for products including polarizers, textile fabrics, and battery materials. For more information, please refer to Appendix 9-7: Overview of Management System Implementation.

Environmental Management Item	Environmental Management Goal
Climate Change Response	Reduce greenhouse gas emissions (Scope 1 and 2), using the baseline year 2020 as the reference.
	Increase the share of renewable energy usage.
Energy Management	Reduce non-renewable energy consumption intensity, using the baseline year 2020 as the reference.
	Promote company-wide energy-saving initiatives annually.
Water Resource Management	Reduce water withdrawal intensity (excluding reclaimed water), using 2020 as the baseline.
	Increase water reuse rate.
Zero Waste to Landfill (Reduction and Circularity)	Increase the waste resource recovery rate.

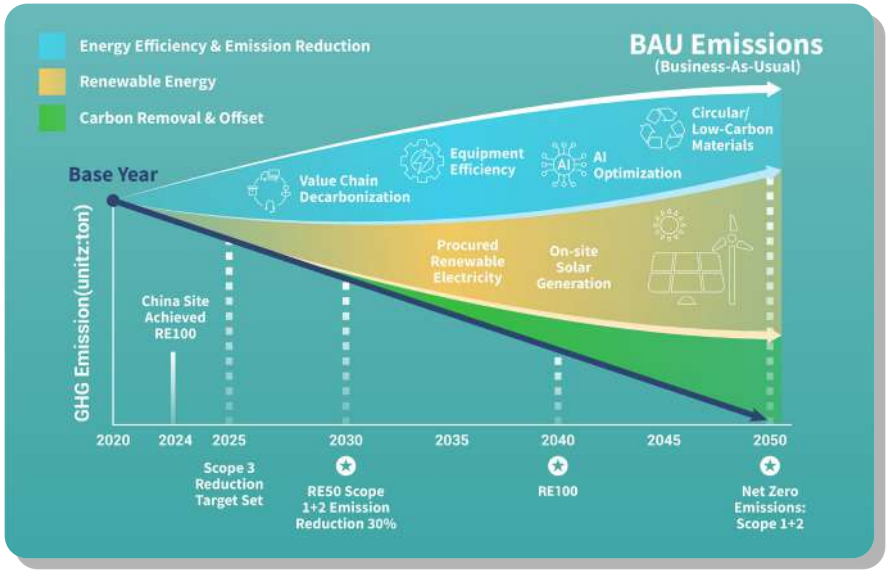
Environmental Investment Costs





Note: Environmental expenditures include costs for waste treatment, pollution control, and capital expenditures on equipment. In 2024, the primary investments were made in establishing new production processes at BMY with environmentally friendly pollution control considerations; replacing outdated boilers, regenerative thermal oxidizers (RTO), and blowers at the Taoyuan plant; as well as routine replacements of RTO heat exchange media, chemical dosing for the wastewater system, and maintenance of water treatment facilities. The total environmental expenditure amounted to NT$168.64 million, representing 0.91% of the annual revenue.

Climate Change Management



In 2021, BenQ Materials officially set its 2050 net-zero emissions target through the ESG Sustainability Committee. In alignment with the results of its greenhouse gas (GHG) inventory and the company's development trends, BenQ Materials has formulated short-, medium-, and long-term carbon reduction goals and strategies. To address climate change mitigation and adaptation, the company continues to implement the ISO 14001 Environmental Management System and ISO 50001 Energy Management System while carrying out various energy-saving, carbon-reduction, and resource efficiency improvement initiatives.

In recent years, the company has proactively invested in the application of artificial intelligence (AI) technology and new equipment to enhance production efficiency and achieve low-carbon transformation. Additionally, BenQ Materials has installed on-site solar power systems at its facilities to expand the use of renewable energy and is dedicated to developing low-carbon, green products. The company collaborates closely with sustainable supply chain partners, comprehensively advancing toward low-carbon, green, and sustainable corporate development.

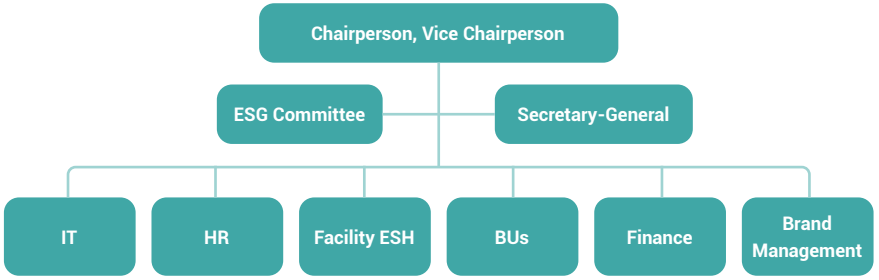
BenQ Materials supports the Paris Agreement and commits to limiting global warming to well below 2˚C and strives to pursue efforts to limit the temperature increase to 1.5˚C. Although the company has not yet obtained certification for the 1.5˚C target under the Science Based Targets initiative (SBTi), it has completed its carbon inventory and formulated carbon reduction pathways and targets. In the future, BenQ Materials will carefully assess the feasibility of applying for SBTi certification based on actual operating conditions and industry development trends.

Every year, BenQ Materials engages in regular dialogues with the Taiwan Panel & Optoelectronic Materials and Device Association (TPSA) and the Taiwan Climate Partnership (TCP), discussing sustainability topics related to climate change, including the application of carbon reduction technologies, renewable energy procurement strategies, and industry sustainability trends, as well as sharing practical experiences and challenges. Through ongoing collaboration and dialogue, the company ensures that its actions and those of its industry partners are aligned with the Paris Agreement goal of limiting global warming to 1.5˚C.

Moreover, the company regularly reviews the climate positions of its industry sectors and the trade associations it participates in to ensure alignment with its own climate commitments and the targets of the Paris Agreement. If any inconsistencies are identified, appropriate actions will be taken, including expressing its stance to the associations or re-evaluating its membership.

Climate Change Management Working Team

BenQ Materials has established the "Climate Change Management Task Force," with the CEO and General Manager serving as Chairman and Vice Chairman, respectively. The first-level supervisors from each unit serve as committee members, and the CFO/Risk Management Unit serves as the Secretary General. This task force is responsible for promoting activities related to climate change management.

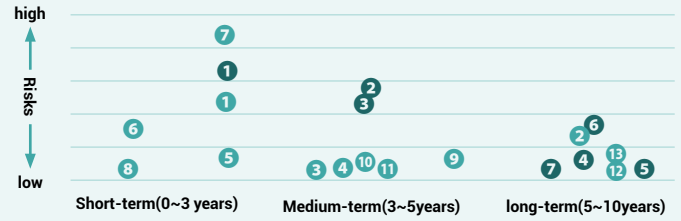


Climate Change Management Strategy and Actions

BenQ Materials manages climate-related risks and opportunities in alignment with the Task Force on Climate-related Financial Disclosures (TCFD) framework. The company identifies and evaluates five key climate-related risks and opportunities, taking into consideration potential financial impacts, urgency, co-benefits, economic viability, and technological feasibility. Based on this assessment, climate adaptation action plans are formulated and implemented.

BenQ Materials conducts internal management review meetings annually, and integrates climate risk management with its existing enterprise risk management framework. Climate strategies, targets, and action plans are reported to the Audit Committee and Board of Directors each year to ensure oversight and strategic guidance.

Aspect	BenQ Materials Strategy and Action Plan
Governance	1 The Board of Directors Regularly Reviews Climate-Related Risks and Opportunitie • Since 2022, BenQ Materials has reported annually to the Board of Directors and Audit Committee on the management of climate-related issues. The most recent report was completed on October 31, 2024. • The Climate Change Management Task Force organizational structure is shown above. Each year, the company identifies and assesses climate-related risks and opportunities. Based on a comprehensive evaluation of potential financial and other impacts, the task force formulates climate adaptation plans, which are reviewed in management review meetings chaired by the Chairperson/Vice Chairperson, ensuring alignment with corporate strategy and timely resource allocation.
Strategy	1 According to the climate-related risk and opportunity assessment methodology, internal definitions are as follows: • Time horizon for potential impacts: – Short-term: 0–3 years – Mid-term: 3–5 years – Long-term: 5–10 years • Impact severity is assessed based on: – Effects on assets and financials – Impacts on products and services – Impacts on personnel – Reputational impacts 2 Through the identification and assessment process, five key risks and opportunities have been prioritized: • Risks: – Extreme weather events (short-term) – Raw material shortages or increased costs (short-term) – Rising average temperatures (mid-term) – Changes in precipitation patterns (mid-term) – Stricter carbon disclosure requirements / carbon pricing mechanisms (short-term)



Transition Risks:

1. Strengthened carbon emission disclosure requirements/carbon pricing mechanisms
2. Requirements and regulations for existing products and services
3. Mandatory use of renewable energy
4. Insufficient training on new policies and regulations
5. Low-carbon alternative products and services
6. Stricter product regulations
7. Raw material shortages or cost increases
8. Labor market issues
9. Changes in consumer preferences
10. Increased stakeholder concerns
11. Poor performance in international initiative evaluations
12. Changes in consumer habits
13. Industry stigmatization

Physical Risks:

1. Extreme weather events
2. Average temperature rise
3. Changes in rainfall patterns
4. Wildfires
5. Food shortages
6. Increased likelihood of infectious diseases
7. Rising insurance premiums

• Opportunities:
– Research and innovation in new products and services (short-term)
– Renewable energy and energy-saving opportunities (short-term)
– Development and/or expansion of low-carbon products and services (short-term)
– Reduction of water usage and consumption (long-term)
– Recycling and reuse initiatives (short-term)

Aspect	BenQ Materials Strategy and Action Plan
Strategy	 **Opportunities:** 1. Adoption of more efficient production and distribution processes 2. Recycling and reuse 3. Transition to more efficient buildings 4. Reduction in water use and consumption 5. Work From Home (WFH) 6. Renewable energy and energy-saving initiatives 7. Development and innovation of new products and services 8. Development and/or increase of low-carbon products and services 9. Changes in consumer preferences 10. Use of new technologies 11. Entry into new markets 12. Sustainability-linked syndicated loans 3 Scenario Development Approach Includes: • Transition Scenario: Based on changes in regulations, policies, product demand, and green inflation-related transition assumptions. • Physical Scenario: Refers to SSP5-8.5 (very high emissions scenario) from the IPCC Sixth Assessment Report (AR6); due to limited external literature, China-based facilities refer to RCP8.5 from the IPCC Fifth Assessment Report (AR5).
Risk Management	1 Establishing a Climate Risk Identification Process Using the TCFD Framework: • Risks are identified and assessed following the TCFD framework, covering both transition risks (such as current and emerging regulations, legal, policy, technology, market, and reputational risks) and physical risks (both acute and chronic). • Identified risks are prioritized and analyzed based on the assessment results, and findings are reported to the Climate Change Management Task Force during its annual management review meetings to ensure effective implementation. 2 Integration of Climate-Related Issues into Enterprise Risk Management Processes: • High-risk climate issues are incorporated into executive-level management discussions. • Transition and physical risks are reviewed annually, and the corresponding adaptation action plans are adjusted dynamically. (Refer to Section 3-5 Risk Management in this report.)
Metrics and Targets	1 Climate Performance Management Indicators and Targets: • Greenhouse Gas Emissions: 30% reduction by 2030 compared to the baseline year 2020. • Renewable Energy Usage: 50% by 2030 and 100% by 2040. • Carbon Reduction for Existing Products: 55% reduction by 2030 compared to the baseline year. • Ultimate Goal: Achieve net-zero emissions by 2050. 2 Annual GHG Inventory and Strategy Review under ISO 14064-1:2018: • Conduct greenhouse gas inventory in accordance with ISO 14064-1:2018 and obtain third-party assurance statements. • Target a 30% reduction in emissions by 2030 compared to the 2020 baseline. • Strive for net-zero emissions by 2050 and achieve key climate-related goals in product design. • For detailed climate adaptation actions, please refer to the table below.

Climate Change Adaptation Action Plan

Climate-Related Risk/ Opportunity	Category	Time Horizon	Potential Impact	Potential Financial Impact	Management Strategy / Response	Response Cost
Physical Risk	Extreme Weather Events	Short term (0–3 years)	Power/water outage or factory flooding affecting production	Over 20M	• Strengthen factory power system resilience • Enhance factory water system resilience • Consider extreme weather risks in new facility design stage	Over 20M
	Changes in rainfall patterns and extreme weather	Mid term (3–5 years)	Labor shortage due to travel disruption, increased facility maintenance costs	5M-10M	• Identify low-lying roads near plants • Assess and introduce water-saving irrigation systems (Automation already implemented in plants)	1M-5M
Transition Risk	Policies & regulations, including carbon pricing and renewable energy mandates	Short to Mid term (0–5 years)	Carbon fees, higher product costs, potential penalties due to unmet green electricity requirements	10M-15M	• Install solar PV systems • Promote energy-saving and carbon-reduction measures • Participate in Taiwan green power market, integrate renewable energy	Over 20M
	Market: raw material cost increase or shortage	Mid to Long term (3–10 years)	Unstable raw material supply, cost increase	Over 20M	• Develop substitute material programs • Assist suppliers in energy-saving and carbon-reduction	Over 20M
	Technology: investment/ R&D failure in low-carbon alternatives	Short term (0–3 years)	Inability to meet customer expectations, potential revenue loss	Revenue-related, may affect financial forecasts	• Develop low-carbon products • Reduce production waste and promote circular reuse • Reduce packaging	Over 20M
	Consumer behavior change	Short term (0–3 years)	Order decline	Revenue-related, may affect financial forecasts	• Adjust product portfolio, expand other application fields	5M-10M
Opportunity	Develop or expand low-carbon goods and services	Short to Mid term (0–5 years)	Cost reduction, meet customer expectations, increase revenue	Revenue-related, may affect financial forecasts	• Introduce low-carbon materials • Green manufacturing • Reduce raw material usage • Equipment optimization	Over 20M
	R&D and innovation of new products and services	Long term (5–10 years)	New products contribute to increased revenue	Revenue-related, may affect financial forecasts	• Apply innovative technologies, develop alternative materials	1M-5M
	Use of more efficient production and distribution processes	Short term (0–3 years)	Reduce direct costs	1M-5M	• Process optimization	1M-5M
	Recycling and reuse	Short term (0–3 years)	Reduce indirect costs, increase revenue	15M-20M	• Packaging recycling • Rework of consumables • Regeneration and reuse	1M-5M

Currency: NTD

Greenhouse Gas Management

GHG inventory

BenQ Materials has established a comprehensive greenhouse gas (GHG) inventory mechanism in accordance with ISO 14064-1:2018 and the Greenhouse Gas Protocol issued by the World Resources Institute (WRI). Since 2008, the company has progressively built complete GHG emissions inventories for each manufacturing site and conducts annual GHG inventories.

Beginning in 2023, subsidiaries such as Cenefom Corp. and Jenjet Biotech Co., Ltd. initiated the implementation of self-inventoried GHG emission systems.

BenQ Materials' GHG emissions primarily originate from two major sources:

1 Scope 2-Indirect emissions from purchased electricity used in operations.

2 Scope 1-Direct emissions from internal activities involving the combustion of fuels such as natural gas and gasoline.

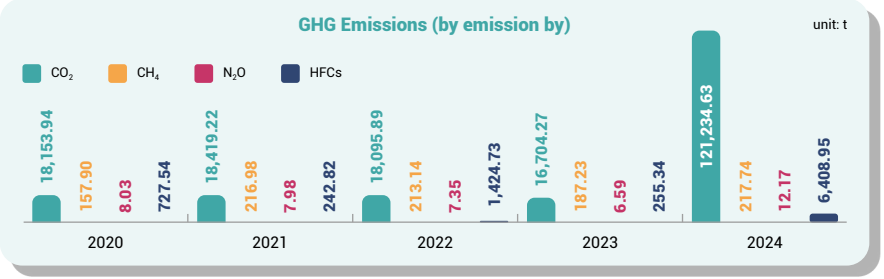
In 2023, the company re-identified and assessed Scope 3 categories, prioritizing based on the accessibility of activity data and emission factors. Selected Scope 3 categories included upstream transportation and distribution, business travel, employee commuting, purchased goods and services, capital goods, and waste generated in operations.

- In 2023, the Scope 3 boundary expanded to include employee commuting and downstream transportation and distribution.
- In 2024, additional Scope 3 items were inventoried, including purchased goods and services and upstream transportation and distribution.

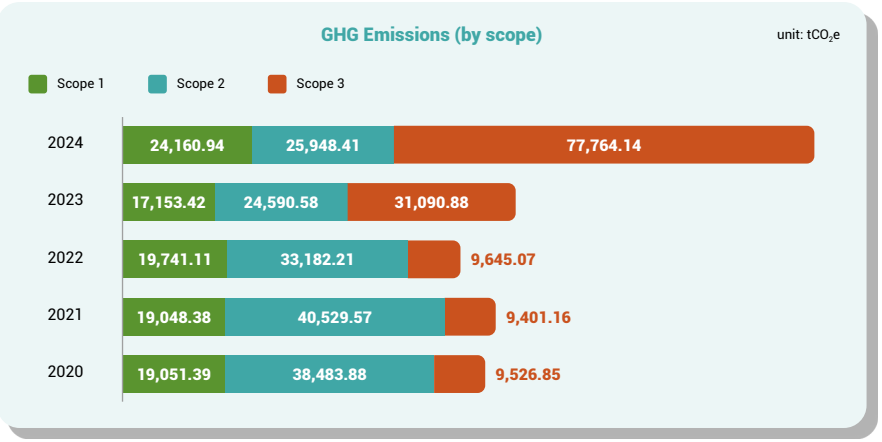
In 2024, combined Scope 1 and Scope 2 emissions totaled 50,109.36 metric tons of CO_2e, representing a 20.04% increase from 2023, mainly due to emissions from newly established production lines. However, this also reflects a 12.91% reduction compared to the 2020 baseline.

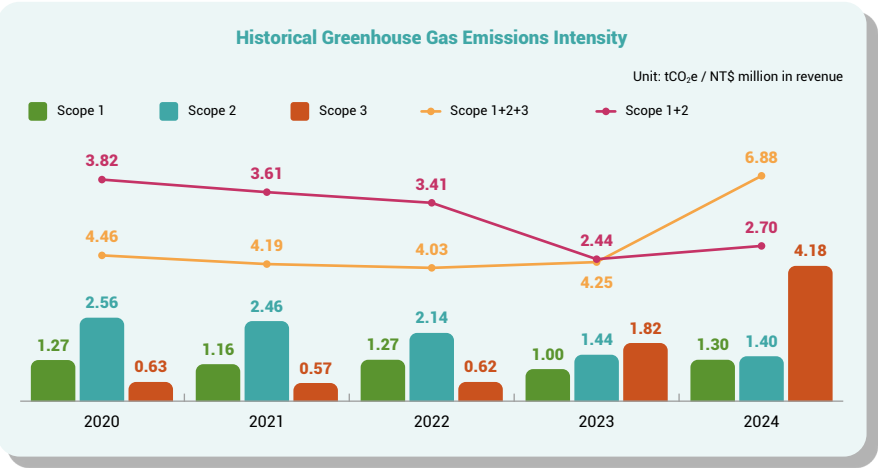
GHG emissions intensity (Scope 1 + 2) has steadily decreased since 2017. In 2024, emissions intensity reached 2.70 metric tons CO_2e per NT$ million revenue, reflecting a 10.60% increase from 2023 but a 29.49% reduction compared to 2020, driven by the adoption of renewable energy and carbon reduction investment projects.

Scope 3 emissions in 2024 totaled 77,764.14 metric tons of CO_2e, marking a 150.12% increase from 2023 and a 716.26% increase from 2020. The rise is primarily due to the expanded Scope 3 boundaries based on facility-specific characteristics and improved accessibility of emission factors, particularly in categories such as purchased goods and services and upstream transportation and distribution.



Note: BenQ Materials does not emit greenhouse gases such as perfluorocarbons (PFCs) or sulfur hexafluoride (SF_6), nor does it generate any biogenic GHG emissions.





Note 1: The operational sites verified by a third-party include: BenQ Materials Headquarters, Taoyuan Plant, Lungke Plant, Yunkang Plant, Suzhou Plant, Wuhu Plant, Lienhwa Medical, Hailu Plant, BMC (No. 28), BMM, and DTB. Scope 3 emissions have been accounted for at headquarters and Taiwan sites since 2019, and for overseas sites starting in 2022. Subsidiaries including Web-Pro, Cenefom, and GENE JET Biotech have only completed internal inventories; data from these sites are not yet disclosed in the current scope but are expected to be included after third-party verification in 2025.

Note 2: The GHG inventory is conducted based on ISO 14064-1:2018. As of 2023, all sites have completed third-party verification.

Note 3: The electricity emission factor for Taiwan sites is based on the 2023 emission factor published in 2024 by the Bureau of Energy: 0.494 tCO_2e/MWh.

Note 4: The electricity emission factor for China sites is based on the 2022 national average carbon emission factor published by the Ministry of Ecology and Environment of China: 0.5366 tCO_2e/MWh.

Note 5: The organizational boundary for BenQ Materials Headquarters, Taoyuan Plant, Lungke Plant, Yunkang Plant, Suzhou Plant, Wuhu Plant, Lienhwa Medical, Hailu Plant, BMC (No. 28), BMM, and DTB is set using the Operational Control approach.

Note 6: GWP values used for emissions calculations:

For BenQ Materials Headquarters, Taoyuan Plant, Lungke Plant, Yunkang Plant, Lienhwa Medical, Hailu Plant, and BMC (No. 28): IPCC Fifth Assessment Report (AR5).

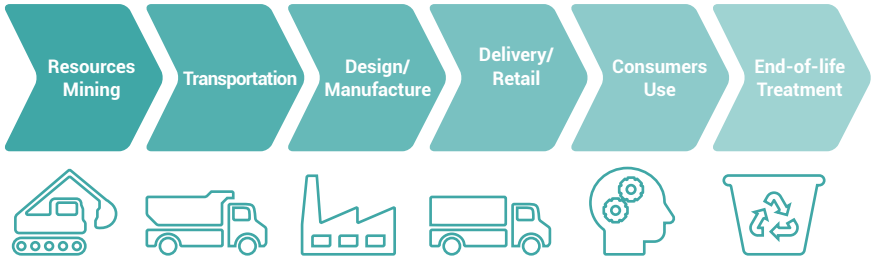
For Suzhou Plant, Wuhu Plant, BMM, and DTB: IPCC Sixth Assessment Report (AR6).

Product carbon footprint verification

BenQ Materials initiated product carbon footprint assessments starting in 2022.

To date, carbon footprint inventories have been completed for three product categories: waterproof breathable functional fabrics, polarizers for display materials, and advanced battery separator films.

All products have obtained carbon footprint statements based on a cradle-to-gate boundary.



Completed carbon footprint inventory and the proportion of carbon emissions at each stage for each product

Product Type	Raw Material Stage	Transportation Stage	Manufacturing Stage
Waterproof and Breathable Functional Fabric	92.68%	1.87%	5.45%
Display Material (Polarizer) Products	55.49%	0.48%	44.03%
Advanced Battery Separator Membrane Products	26.92%	0.17%	72.91%

Internal Carbon Pricing and Carbon Fee

BenQ Materials has long aligned with national greenhouse gas reduction policies and actively invests in energy-saving and carbon-reduction initiatives. Since 2021, the company has implemented an internal carbon pricing mechanism to proactively manage future carbon emission risks and enhance internal awareness of carbon management. Each year, reduction targets and performance reviews are governed through the ESG Committee oversight platform.

To accelerate its company-wide net-zero transition and promote decarbonization across operations, BenQ Materials launched an internal carbon fee system in 2023. Under this mechanism, a uniform carbon fee is applied to each business unit based on actual monthly energy-related emissions. A fee of NTD 900 per metric ton of CO_2e was initially adopted, with revenues collected into a centralized decarbonization fund, designated for investments in in-house energy efficiency upgrades and procurement of renewable energy.

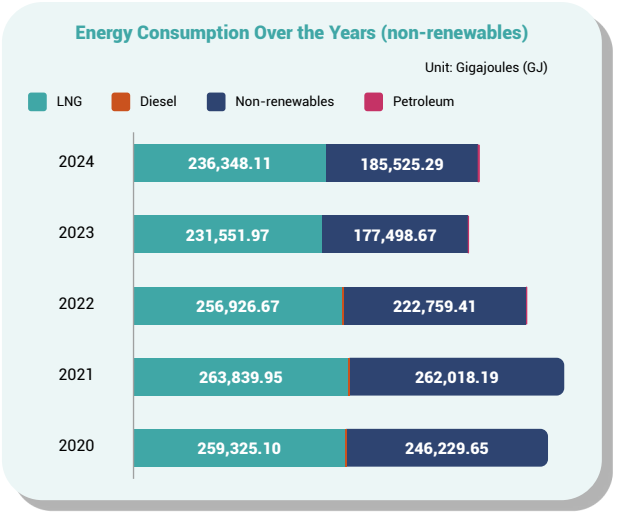
In 2024, the internal carbon price was increased to NTD 1,100 per metric ton (approximately USD 33.8).

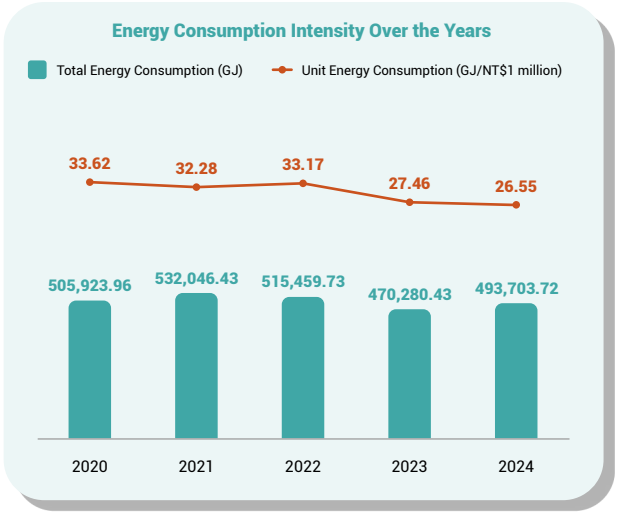
Energy Management

Energy Usage Data

In 2024, the main sources of energy used by BenQ Materials were natural gas and purchased non-renewable electricity, followed by diesel. The total energy consumption in 2024 included 6.2735 million cubic meters of natural gas, 68.8586 million kWh of electricity (including both non-renewable and renewable electricity), 10.9 thousand liters of gasoline, and 5.8 thousand liters of diesel. This equates to a total energy consumption of 497,266.58 GJ, representing an increase of 26,986.14 GJ or 5.74% compared to 2023.

Using revenue as the denominator, the 2024 energy intensity (defined as energy consumption per NT$1 million in revenue) was 26.74 GJ/million NT$, reflecting a decrease of 0.71 GJ/million NT$ or 2.60% compared to 2023.





Note 1: The 2024 disclosure scope for energy management includes the following operational sites: BenQ Materials Headquarters, Taoyuan Plant, Lungke Plant, Yungkang Plant, Suzhou Plant, Wuhu Plant, Hailu Plant, BMC (No. 28), BMM, and DTB.

Note 2: Energy consumption data from 2021 to 2024 has been updated. Data for subsidiaries (Web-Pro, Cenefom, and GENE.JET Biotech) is not included in the current disclosure and is expected to be incorporated in 2025 upon completion of third-party verification.

Emission Reduction Actions and Outcomes

To mitigate global warming and reduce operational risks associated with climate change, BenQ Materials continuously promotes green manufacturing by implementing energy-saving, emission-reduction, and resource-circulation initiatives aimed at minimizing resource use and consumption.

In 2024, a total of 21 electricity-saving projects were implemented, resulting in an annual electricity savings of 1.2623 million kWh and a corresponding reduction of 635.66 metric tons of CO_2e emissions. Additionally, six natural gas-saving projects were carried out, achieving an estimated annual reduction of 310.2 thousand cubic meters of natural gas and cutting carbon emissions by 588.49 metric tons of CO_2e.

Item	Main Energy-Saving Measures Implemented in 2024
1	Energy-Efficient Operation of Nitrogen Generators Upgraded operational controls to improve the energy efficiency of nitrogen generation systems.
2	Replacement of Lighting Fixtures with High-Efficiency Models Phased replacement of traditional lighting with energy-saving LED or high-efficiency fixtures across facilities.
3	Installation of Heat Pumps in MAU Systems at Yunlin Plant II Enhanced energy performance of Make-Up Air Units (MAUs) by adding heat pump systems.
4	Replacement of FFU AC Units with DC Motors / RCU with EC Fans Upgraded from alternating current (AC) motors to direct current (DC) and electronically commutated (EC) fans to increase ventilation energy efficiency.
5	Replacement of Aging Motors with High-Efficiency Permanent Magnet Motors Improved operational efficiency by replacing obsolete motors with energy-efficient permanent magnet types.
6	Installation of High-Efficiency Boilers at Taoyuan Plant Replaced outdated boilers with newly installed high-efficiency energy-saving boilers to enhance thermal efficiency.

Year	Electricity conservation effectiveness (kWh)	Emissions reduction effectiveness (tCO_2e)
2020	707,809	355.32
2021	779,358	391.24
2022	2,405,830	1,264.99
2023	1,413,562	732.75
2024	1,262,304	635.66

Note:All reduction measures fall under Scope 2.

Year	Natural gas conservation effectiveness (m3)	Emissions reduction effectiveness (tCO_2e)
2020	341,808	646.02
2021	505,615	950.05
2022	293,972	552.37
2023	87,777	178.40
2024	310,197	588.49

Note:All reduction measures fall under Scope 1.

Energy Transition – Use of Renewable Energy

In 2023, BenQ Materials, following the renewable energy strategic goals of the Qisda Group, advanced its original RE100 target timeline from 2050 to 2040 and established a concrete strategic roadmap for achieving RE100. In addition to continuing investments in self-built solar power generation systems for on-site use, the company has actively collaborated with renewable energy electricity providers to gradually expand its procurement of renewable energy, thereby fulfilling its commitments to energy transition and net-zero carbon emissions.

As of 2024, BenQ Materials' total annual renewable energy consumption reached 16,336.3 MWh (equivalent to 16.3363 million kWh), comprising:

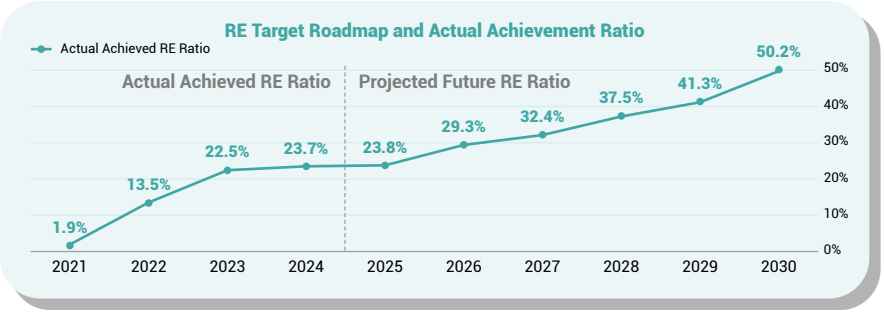
- Electricity generation from self-built solar power systems totaling 3,384.3 MWh (338.43 million kWh).
- Procurement of externally purchased renewable energy totaling 2,451.0 MWh (245.10 million kWh).
- Purchase of China-issued GEC/I-REC renewable energy certificates for the China facilities, totaling 10,501.0 MWh (1,050.10 million kWh).

The above renewable energy usage has been utilized to offset the carbon emissions associated with externally purchased electricity across all sites during 2024, as part of the company's voluntary carbon reduction initiatives.

Looking ahead to 2025, the company will continue to increase investments in self-built solar power generation systems for on-site use and further expand external procurement of renewable energy, moving steadily toward achieving the RE100 targets set by the Group and the ESG Sustainability Committee.

Among these efforts, BenQ Materials' textile production facility located in Yunlin (hereinafter referred to as the "Yunlin Textile Plant") completed the installation of its solar power generation system in 2024. The system operates under a "self-generation and self-consumption" model, supplying electricity required for the plant's operations. According to statistics, the total electricity consumption of the Yunlin Textile Plant in 2024 amounted to 287,862 kWh, all of which was supplied by the self-installed solar power system, thereby achieving the goal of 100% renewable energy usage for the plant's annual electricity needs.

To enhance transparency and ensure credibility in external disclosures, the Yunlin Textile Plant has also applied for and obtained a total of 804 "Self-Use Renewable Energy Certificates" from the Taiwan Renewable Energy Certificate Center (T-REC), corresponding to its actual renewable electricity generation for the year. The certificates fully cover the facility's total annual electricity consumption.



Self-Generated Renewable Energy

Since 2021, solar power systems have been progressively installed at various plants to supply electricity for internal use, thereby reducing purchased electricity and carbon emissions. In 2024, a new solar power installation project was completed and commissioned at the YCT Manufacturing Plant 1. The total electricity generated across all plants in 2024 reached 3.3843 million kWh. In 2025, the scale of solar power generation systems will continue to expand at YCT Manufacturing Plant 1 and Plant 2. It is estimated that the total electricity generation across all plants will reach 5 million kWh in 2025.

Year	Generation capacity (kWh)
2021	1,379,200
2022	2,530,591
2023	2,796,485
2024	3,384,296

Green Building Certification

In 2024, the YCT Manufacturing Plant 1 obtained the LEED BD+C Silver certification from the U.S. Green Building Council, and in 2025, it received the Golden Level Green Building Label from the Taiwan Architecture & Building Center. The facility is designed as a central air-conditioning-type plant using top-tier energy-efficient chilled water systems. The three-story steel-frame building features an energy-saving envelope and high-reflective Low-E glass windows to reduce external heat transfer and increase natural lighting for energy conservation. The plant is equipped with high-efficiency LED lighting, including LED panel lights in office areas. Rooftop solar panels provide green electricity and serve as thermal insulation to reduce air-conditioning energy consumption. During construction, recyclable building materials were reused to minimize construction waste. For water conservation, water-saving certified fixtures were installed, and both air conditioning condensate and rainwater are reused for cooling towers and landscape irrigation.

Promotion of Green Factory Certification

In response to global climate change and environmental protection trends, and upholding the spirit of corporate sustainable development, BenQ Materials actively promotes the attainment of green factory certifications for its facilities in both Taiwan and overseas, striving to create environmentally friendly, energy-efficient, and high-performance manufacturing environments.

The company is committed to reducing resource waste at the source, improving energy efficiency, and adopting low-carbon, low-pollution production technologies. It has implemented ISO 14001 environmental management systems and energy management systems, while strengthening waste sorting, recycling, and reuse mechanisms to realize green supply chain management. Employees are encouraged to participate in green initiatives and environmental education to enhance overall environmental awareness.

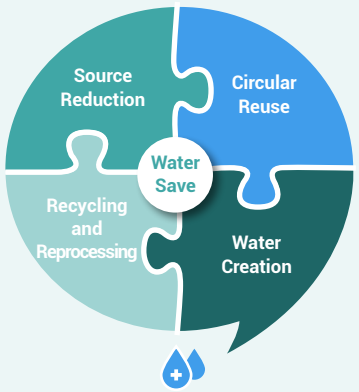
In 2024, the Suzhou plant obtained the 3A-level Green Factory Certification from the Suzhou Municipal Bureau of Industry and Information Technology. Establishing green factories not only reduces operational risks and costs but also reflects the company's commitment to corporate social responsibility. BenQ Materials will continue taking concrete actions to implement green principles and move toward a low-carbon, sustainable future.

Water Resource Management

Starting from the sustainable use of water resources, BenQ Materials follows three main principles: water inventory, water-saving measures, and recycling and reuse. These principles extend to four strategic stages: wastewater reduction, wastewater recycling, development of new water sources, and zero wastewater discharge. Wastewater reduction and recycling are approached from four main water usage areas: domestic, process, air conditioning systems, and boiler water. The company aims to gradually improve water use efficiency and strategies. In 2023, the Taoyuan Plant introduced the ISO 46001 Water Efficiency Management System and passed the verification.

Starting from Sustainable Water Resource Utilization, Implementing Four Major Water Usage Directions to Enhance Water Reuse Rate

- Using water-saving facilities, such as water-saving toilets and faucet aerators
- Improving the water production rate of the pure water system
- Utilizing rinsing in the production line to replace high water-consuming membranes to reduce water usage

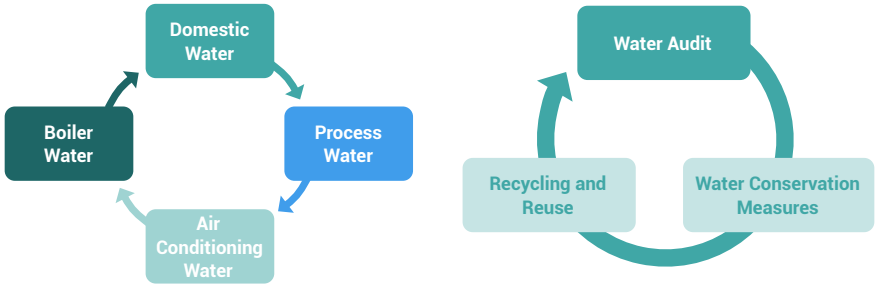


- Recycling steam condensate
- Filtering and circulating water in production line tanks
- Circulating water usage in cooling towers

- Classifying and recycling wastewater from production processes
- Recycling and reusing pure water system wastewater
- Recycling and reusing domestic wastewater

- Recycling and using air conditioning condensate
- Storing and using rainwater/reclaimed water for toilet flushing and irrigation

Water Principles and Directions



Water Consumption Overview

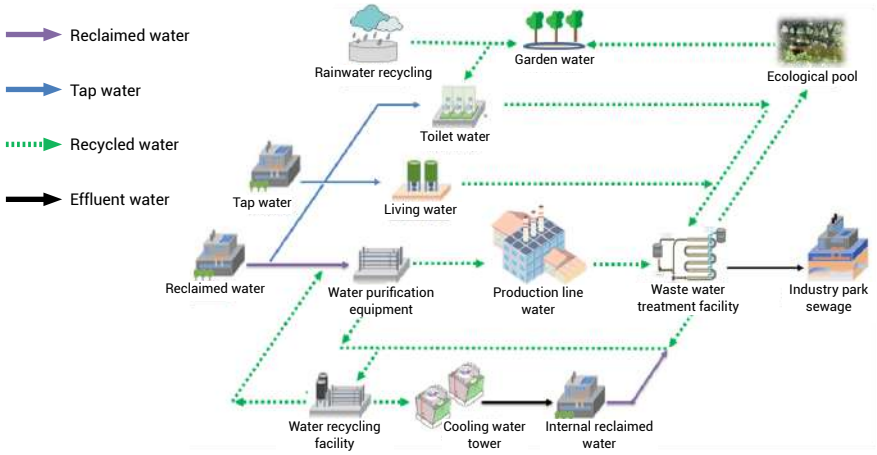
BenQ Materials' main water uses at each plant can be divided into process water, fire-fighting water, and domestic water. The water sources and supply units are specified according to their respective locations.

Business Location	Withdrawal Source	Usage			Supply Unit
		Process	Firefighting	Living	
Taoyuan Plant	Shihmen Reservoir, and some from groundwater	●	●	●	Taiwan Water Company
Longtan Tech Plant	Shihmen Reservoir	●	●	●	Taiwan Water Company
Yunlin Tech Plant	Hushan Reservoir and Jiji Weir	●	●	●	Taiwan Water Company
Suzhou Plant	Yangcheng Lake Area (Yangtze River water consumption scope)	▲	●	●	Suzhou Qingyuan Water Resource Ltd.
Wuhu Plant	Yangtze River	●	●	●	Wuhu Huayen Water Resource Ltd.

Note: The scope of water resource disclosure for 2024 includes: BenQ Materials Headquarters, Taoyuan Plant, Longtan Plant, Yuntech Plant, Suzhou Plant, Wuhu Plant, Lianhe Medical Materials, Hailu Plant, BMC (No. 28), BMM, and DTB.

Currently, all plants in Taiwan are equipped with on-site wastewater recycling and treatment facilities. 100% of the discharged wastewater is directed to the industrial park wastewater treatment plants for further processing. Each industrial park treatment plant has established influent standards that must be met for discharge. At the Suzhou plant, domestic wastewater is discharged into the municipal sewage system and treated by the municipal wastewater treatment center. At the Wuhu plant, process wastewater from coating roller cleaning undergoes coagulation, sedimentation, and filtration, then is combined with domestic sewage, treated via a septic tank, and finally discharged into the sewage pipeline. In 2024, no water quality abnormalities were reported at any plant.

Plant Water Consumption Process



Wastewater discharge standard and inspection items

Business Location	Wastewater Discharge Standard	Inspection Item
Taoyuan Plant	Sewage Water Quality Standard of Guishan Industrial Zone Service Center Sewage Treatment Plant	Water temperature, pH, BOD, COD, SS, boron, fluoride salts, copper, zinc, nickel
Longtan Tech Plant	Longtan Park Sewage Usage Fee Calculation Standard of Hsinchu Science Park Bureau, Ministry of Science and Technology	Water temperature, hydrogen ion concentration index (pH), biochemical oxygen demand (BOD), chemical oxygen demand (COD), SS, boron, fluoride salt, copper, zinc, nickel, anionic surfactant, ammonia nitrogen, nitrate nitrogen, cyanide, cadmium, total chromium, hexavalent chromium, total mercury, arsenic, lead, indium, gallium, molybdenum, true color
Yunlin Tech Plant	Sewage Water Quality Standard of Yunlin Technology Park	Water temperature, pH, COD, SS, ammonia nitrogen
Suzhou Plant	"Sewage Comprehensive Discharge Standard" GB8978-1996, "Sewage Water Quality Standard for Discharging Sewage into Cities and Towns" GB/T31962-2015	Animal and vegetable oils, pH, COD, SS, ammonia nitrogen, total phosphorus (TP)
Wuhu Plant	"Sewage Comprehensive Discharge Standard" GB8978-1996 Level 3 standard	Animal and vegetable oils, pH, BOD, COD, SS, ammonia nitrogen

In 2024, BenQ Materials (excluding subsidiaries) recorded a total water withdrawal of 357.25 million liters (ML) across all facilities, representing an increase of 14.80 ML compared to 2023. The total wastewater discharge amounted to 276.48 ML, which was directed to industrial park wastewater treatment plants—an increase of 7.24 ML compared to 2023. The water consumption was 80.77 ML, mainly due to evaporation losses from cooling towers in the chilled water system.

In 2024, the discharge rate (wastewater discharge / total water withdrawal) for BenQ Materials was 76.03%. Considering internal water reuse, including process water recovery, scrubber water recovery, reclaimed process water treatment, ROR circulation reuse, wastewater treatment reuse, and HVAC water reuse, the R2 (reuse rate) reached 86.73%. Including water reused from cooling towers, the R1 (total plant reuse rate) reached 97.39%.

Statistics of Water Withdrawal Over the Years

Unit: Megaliters (ML)

Withdrawal Source	Type	2020	2021	2022	2023	2024
Groundwater	Freshwater	0.16	9.17	0.07	0.10	0.4
Water from third party	Freshwater	442.36	439.02	425.85	342.35	356.85

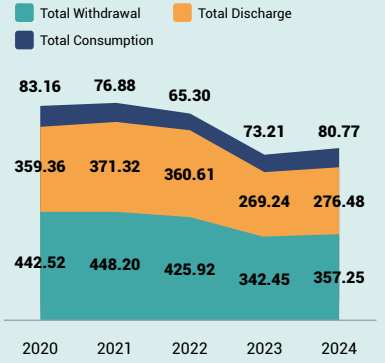
Statistics of Historical Water Discharge Amount

Unit: Megaliters (ML)

Withdrawal Source	Type	2020	2021	2022	2023	2024
Discharge amount according to destination	Water from third party	359.36	371.32	360.61	269.24	276.48
Discharge amount according to water quality	Freshwater	359.36	371.32	360.61	269.24	276.48
Discharge by level of water quality treatment	Primary treatment	68.39	77.54	75.96	61.85	63.67
	Secondary treatment	204.66	203.75	207.89	136.69	136.29
	Tertiary treatment	86.32	90.02	76.76	70.70	76.53

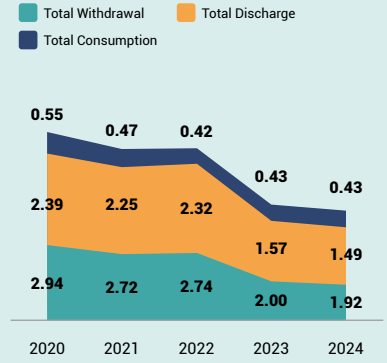
Annual water resource utilization intensity

Unit: million cubic meters per hundred million dollars



Annual water resource utilization overview

Unit: hundred cubic meters



Note 1: BenQ Materials uses the WRI Aqueduct water risk assessment tool to analyze the geographical locations of its operating sites. In the short term, only the Suzhou facility in mainland China is identified as a high water stress risk area, accounting for approximately 11.93% of total water withdrawal.

Note 2: The scope of 2024 water resource disclosures includes the following operational sites: BenQ Materials Headquarters, Taoyuan Plant, Longtan Plant, Yungke Plant, Suzhou Plant, Wuhu Plant, Lianhe Medical Materials, Hailu Plant, BMC (Plant 28), BMM, and DTB.

Note 3: Water resource data for the years 2021–2024 have been updated. The disclosed figures do not include subsidiaries (Web-Pro, Cenefom, and GENE.JET Biotech). Third-party verification is expected to be completed in 2025, after which these subsidiaries will be included in the disclosure scope.

Water risk management

According to the Global Risks Report 2023 by the World Economic Forum (WEF), the fourth most severe global risk over the next decade is natural resource crises, which includes water scarcity. Referencing data from the AQUEDUCT Water Risk Atlas by the World Resources Institute (WRI), BenQ Materials has assessed the water-related risks of its operational sites.

The assessment results show that in the short term, only the Suzhou facility in mainland China faces a high water stress risk. Other sites are considered to be at low water risk levels.

However, taking long-term climate change impacts into account, the Yungke site in Taiwan is projected to experience increased water stress and a shift to medium-level water risk. Accordingly, response strategies must be developed to enhance water risk resilience at this location.

Analysis of Significance of Water Impact

Business Location	Supplier	Supply Volume1 (Ml/day)	Consumption Volume2 (Ml/day)	Significance of Impact3
Taoyuan Plant	Danna Purification Plant	38.25	0.03	0.09%
Longtan Tech Plant	Longtan Purification Plant	13.76	0.04	0.28%
Yunlin Tech Plant	Yunlin Tech Purification Plant	1.6	0.002	0.14%
Suzhou Plant	Suzhou Qingyuan Water Resource Ltd.	45	0.008	0.02%
Wuhu Plant	Wuhu Huayen Water Resource Ltd.	87	0.002	0.002%

Note 1: Water supply data source: Official data published by the local government.
Note 2: Water consumption data source: Average water volume statistics from the plant.
Note 3: Usage impact = (Water consumption ÷ Regional water supply) × 100%

Water is one of the key global resources. Additionally, the risk and importance of water availability and use matter our operational activities and supply for the supply chain. In response to business disruption resulting from the potential risk of water suspensions and droughts due to climate change, we have established three major risk response strategies: external water information reporting system, internal water management system, and emergency response mechanism to enhance overall water risk resilience.

Water risk management approaches

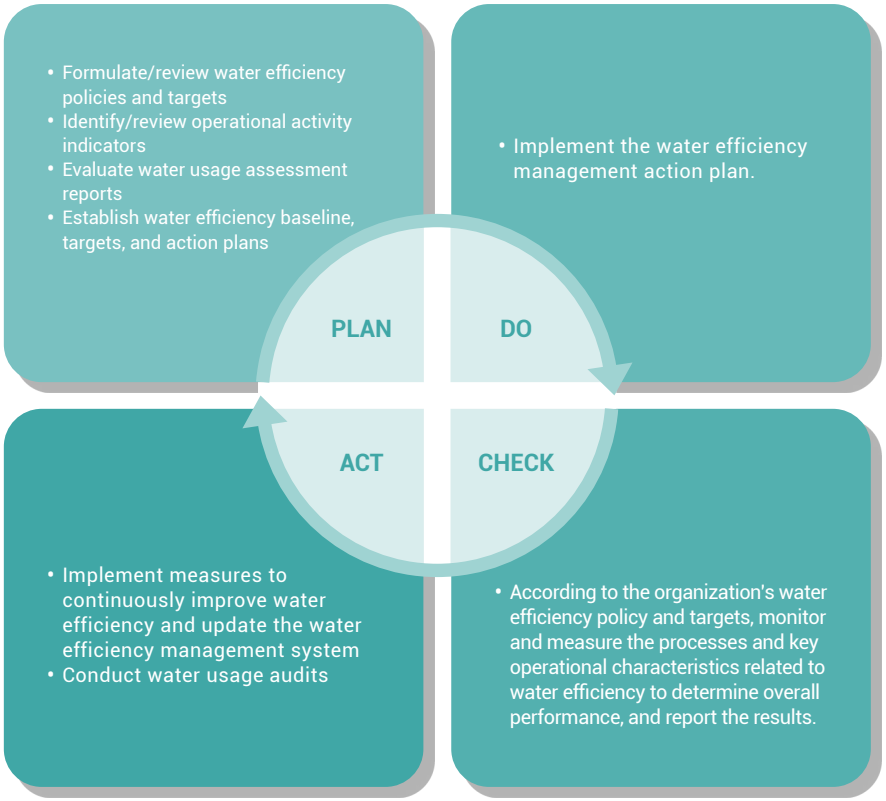
- Establish a plant-wide water conservation management program and implementation plan and set up a task force.
- Analyze, inventory, and calculate plant water consumption, establish feasible solutions, and implement water conservation plans.
- Take the water conservation awareness education courses and training organized by the government and professional organizations.
- Enhance awareness and enrich professional knowledge of water conservation through awareness education and internal training.
- Each department sends seed personnel to implement water conservation work.
- Establish the water incoming and suspension information management report system to enhance the warning and response capabilities of water risks.
- Establish the drought response mechanism according to the government's water condition indicator.

Drought Response Mechanism

	Rationing Stage	Government Policy	BenQ Materials' Response Plan
Condition Blue Normal Water Conditions	NA	Water supply stabilization	Normal withdrawal for production use
Condition Green Slightly Tight Water Conditions	NA	Recommendation for fallowing	Trial operation of the well water system every two weeks Notification of water tank contractors
Condition Yellow First Stage Water Restrictions Nighttime Reduced Pressure Supply	Stage 1 rationing	Supply with reduced pressure at off-peak hours and specific periods	Trial operation of the well water system every week Notification of water tank contractors
Condition Orange Second Stage Water Restrictions Reduced Supply of Non-Essential Water	Stage 2 rationing	1,000MT/month for industrial users Supply reduction by 5-20%	Initiation of the well system at Taoyuan Plant Notification of water tank contractors
Condition Red Third or Fourth Stage Water Restrictions Rotational Water Supply	Stage 3 rationing	Supply by region or time-based water suspension	Initiation of the well system at Taoyuan Plant Activation of water tank supply

Establishment of the water efficiency management system

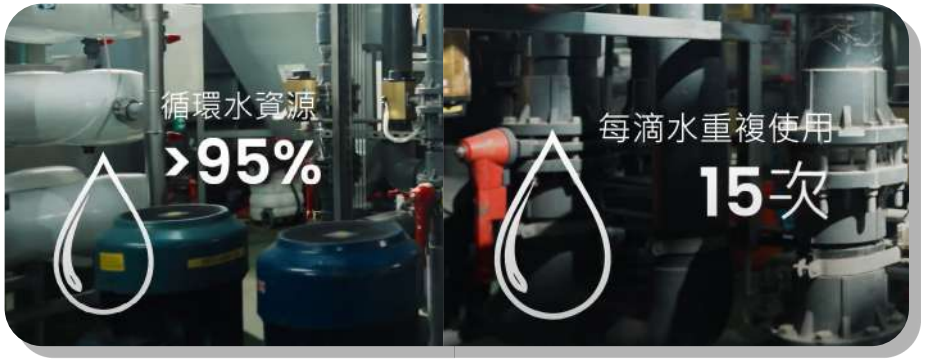
In 2023, the Taoyuan Plant began establishing the operational system for the ISO 46001 Water Efficiency Management System. By the end of 2023, the plant completed the verification and introduced a water use baseline. Daily audits of water use rationality were conducted to enhance the company's water resource management level and achieve environmental sustainability goals.



Water Conservation Solutions

In 2024, BenQ Materials continued to implement water-saving initiatives, including ongoing collaboration with production lines to recover regenerated ultrapure water, enhance the efficiency of wastewater recovery systems, improve process wastewater recycling, and recover condensate water—consistently reducing water resource consumption in manufacturing processes.

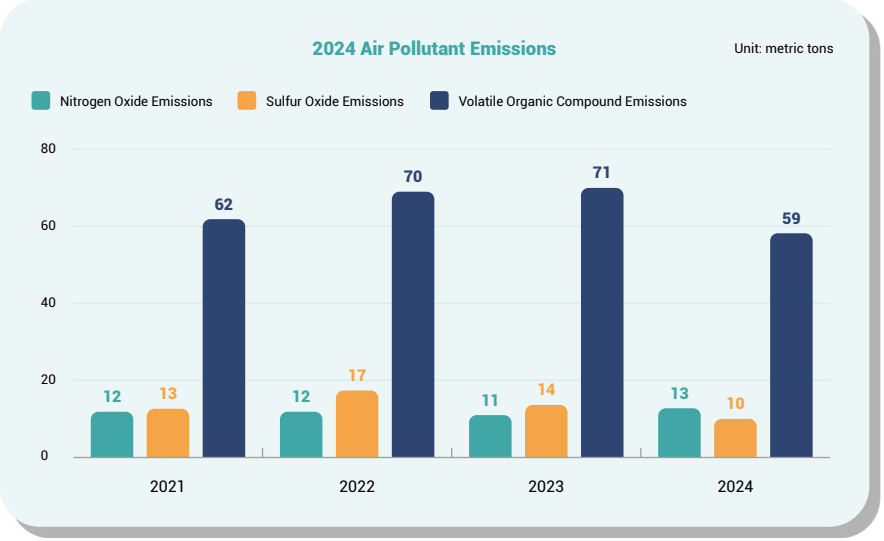
Year	Effectiveness (m3)
2020	14,290
2021	49,439
2022	12,562
2023	12,879
2024	**7,238**



Air Population Control

BenQ Materials monitors air pollutant emissions through its ISO 14001 environmental management system and has installed pollution control equipment such as regenerative thermal oxidizers (RTO), scrubbers, and baghouse dust collectors to treat process exhaust gases and minimize air pollution impacts. All pollution control facilities are operated and maintained by dedicated personnel, and monitoring is strengthened through centralized control systems and inspection mechanisms, with a focus on controlling volatile organic compounds (VOCs).

From 2021 to 2024, VOC emissions showed a decreasing trend. In 2024, the total VOC emissions amounted to 59 metric tons, representing a reduction of approximately 16.9% compared to 2023. This data covers the Taoyuan, Lungke, and Yungkang sites, which are the only sites with VOC emissions, achieving 100% coverage. VOC treatment efficiency has remained stable at over 98%, surpassing the regulatory requirement of 92%, and all emissions data have been subject to unannounced inspections and audits by environmental authorities.



Note 1: Air pollutant emissions at BenQ Materials mainly include nitrogen oxides (NO), sulfur oxides (SO), and volatile organic compounds (VOCs). Emissions data cover the Taoyuan, Lungke, and Yungkang sites. These sites do not emit persistent organic pollutants (POPs), hazardous air pollutants (HAPs), or particulate matter (PM). The Suzhou and Wuhu sites, as well as subsidiaries Cenefom, GENE.JET Biotech, and Web-Pro, do not generate air pollutant emissions.

Note 2: Air pollutant emissions are estimated based on emission factors from the "Air Pollution Control Fee Collection Regulations."

Circular Economy

Waste Management

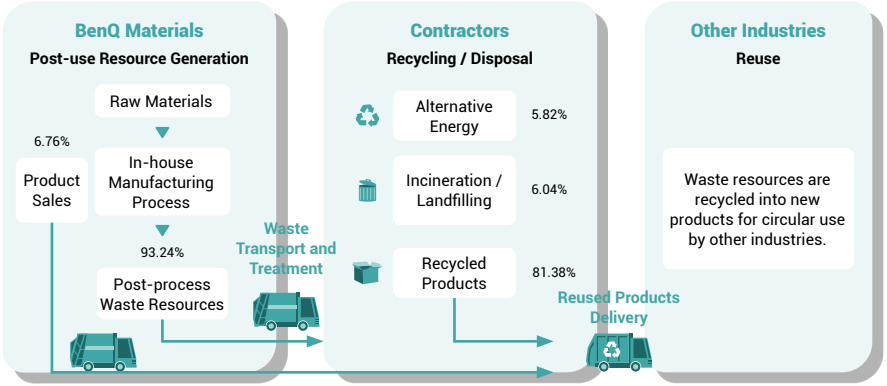
The waste generated during business operations must be properly managed, as improper disposal can cause severe environmental pollution and negatively impact the quality of life of local communities. BenQ Materials is committed to minimizing the environmental impact of its products throughout their life cycle—from raw material selection, manufacturing, storage, transportation, and use to disposal. The company actively promotes responsible production and pursues a "zero production waste" goal through reduction and circular management strategies.

All major operational sites are certified under the ISO 14001 Environmental Management System, ensuring that environmental issues are systematically managed, effectively controlled, and continuously improved. Each year, BenQ Materials sets concrete environmental improvement targets and implements waste reduction and resource optimization strategies to lower environmental impact and reduce waste generated during production.

At the source, BenQ Materials actively evaluates strategies to minimize resource consumption (Reduce), optimizes material usage parameters and process technologies, and collaborates with supply chain partners to enhance material utilization efficiency—reducing waste generation at its root.

In alignment with circular economy principles, BenQ Materials prioritizes material recycling and energy recovery through meticulous resource sorting and classification. Waste materials that can no longer be used in-house are handled by qualified waste processors for proper reuse, with incineration or landfill reserved only as a last resort when recycling is not feasible. This ensures minimal environmental impact.

Through these initiatives, BenQ Materials not only reinforces its environmental responsibility but also advances toward a more sustainable production model—achieving a balance between environmental protection and economic development.

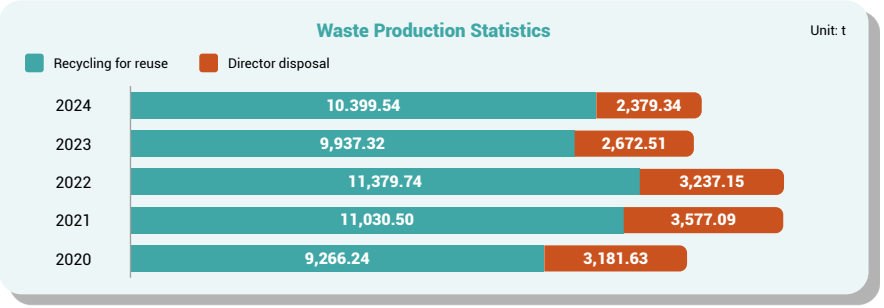


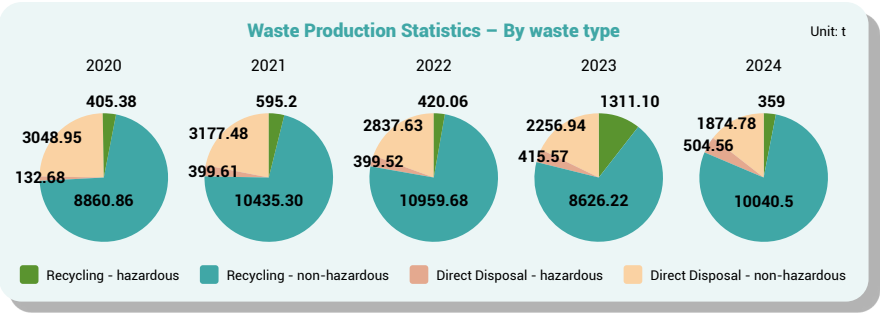
Waste Production Volume

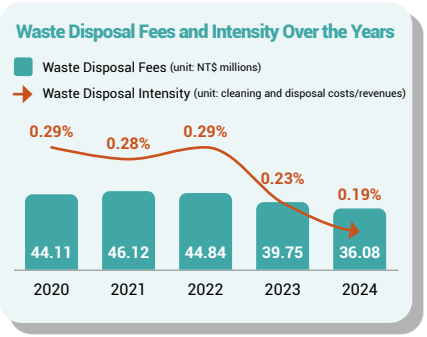
The types of waste generated at each BenQ Materials facility can be classified into seven categories: general industrial waste, potassium iodide, membrane waste, waste liquids and adhesives, recyclable waste liquids, solid waste, and recyclable resources.

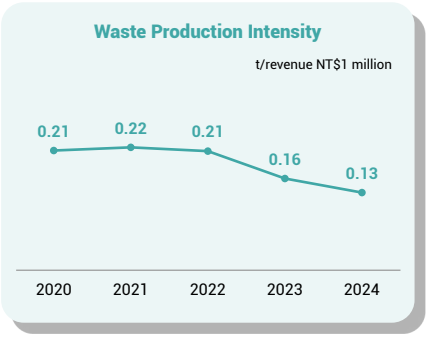
In 2024, the total waste generated was 12,778.87 metric tons, representing an increase of 169 metric tons compared to the previous year. The waste recycling and reuse rate in 2024 was 81.38%, an increase of 2.57% from the previous year. The waste removal and disposal cost in 2024 was approximately NT$36.08 million, accounting for 0.19% of revenue.

In 2024, the waste direct disposal intensity (direct disposal waste weight per NT$ million in revenue, excluding recycling) was 0.13









Waste Resource Recycling and Circular Reuse

BenQ Materials conducts monthly reviews of its waste recycling targets to ensure that all action plans are effectively implemented. To increase the recycling ratio of resource waste, the company has established formal waste management procedures and recovery goals. These are reviewed quarterly by the ESG Sustainability Committee to ensure long-term monitoring and performance tracking.

The company continuously explores reuse methods for various types of waste—either by developing new products or enabling circular reuse. Current efforts focus on distilled ethyl acetate (EAC), which is reused internally at production sites to reduce raw material consumption and waste generation. Additionally, BenQ Materials collaborates with external industries to use distilled EAC as their raw material.

The company is also seeking partners to reuse non-iodine white film waste as feedstock for other industries and continues to evaluate alternatives to auxiliary fuel as a disposal method.

BenQ Materials' main revenue-generating product is polarizers, whose primary material is base film. Due to current technological limitations, recycled materials from polarizers or other electronics cannot be reprocessed into base film suitable for polarizer production. Therefore, the company does not implement product take-back programs or e-waste recovery but instead handles waste through internal recycling or authorized external reuse channels.

In 2023, three circular reuse projects were launched and are still ongoing. The company continues to refine internal practices to enhance resource efficiency and promote environmental sustainability.

Distilled EAC (Ethyl Acetate) On-site Circular Reuse

Management Approach:
1. Conduct distillation treatment of waste solvent.
2. Perform quality verification on the recovered EAC.
3. Reintroduce distilled EAC into the production process for reuse.

Reduction Performance:
- Monthly replacement of virgin raw materials by approx. 5,295 kg of reused EAC.
- Circular reuse rate: 60%

Reusing Waste White Film as Raw Material for Other Industries

Management Approach:
1. Collect, sort, and recover waste film at production line.
2. Ensure that the recovered material meets downstream customer specifications.
3. Inspect edge cut and winding quality of film before shipment.

Reduction Performance:
- Waste film is reused as feedstock in other industries.
- Monthly waste volume reduced by 28 metric tons, simultaneously reducing treatment cost.

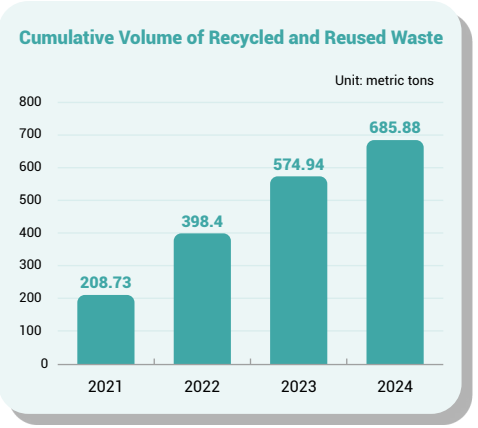
100% Reuse of Potassium Iodide (KI)

Management Approach:
1. Modify pipeline to collect discharged KI solution for reuse.
2. Use low-temperature circulation filtration to purify the solution.
3. Concentrate the diluted solution after replacement for reuse.

Reduction Performance:
- Annual reduction in KI consumption: 3,093 kg
- Waste chemical solution discharge reduced by 1,050 metric tons

Recycling and Circular Resource Utilization Data

In 2024, the recycling and reuse rate of waste reached 81.38%, showing a 2.57% improvement compared to 2023. The efficiency of PSA adhesive distillation units was further optimized, enhancing the distillation quality and characteristics. The recovered material was fully reintegrated into the production process, achieving 100% substitution of virgin materials, which effectively reduced raw material procurement and created economic value.



Since 2021, a cumulative total of 685.88 metric tons of reclaimed material has been reused on-site. The company continues to seek qualified downstream recyclers and industrial partners to upcycle waste as secondary raw materials or remanufactured products for factory reuse.

For detailed waste data, please refer to Appendix 9-1-1 Environmental Performance Data.

To advance toward a circular economy, BenQ Materials is exploring innovative production technologies, alternative raw materials, waste reduction measures, green supply chain initiatives, and "zero-discharge" solutions. In 2024, the company already introduce Solid Recovered Fuel (SRF) manufacturing units to convert in-plant waste into SRF, which can be reused as fuel for industrial boilers, replacing part of coal consumption.

In addition to SRF initiatives, the company is also exploring waste-to-product applications. Currently under testing, one project aims to repurpose residual film waste into construction bricks, extending the life cycle of materials and giving waste a "second life," thus embodying the circular economy concept.

Partnership

06

Customer Service

BenQ Materials is a global leader in display materials solutions. Our diverse product portfolio ranges from functional films and advanced battery materials to professional medical, personal aesthetic, and waterproof breathable fabrics. Due to the wide variety of product types, our clientele includes enterprises, distributors, and end consumers. We are committed to providing our customers with satisfactory products and high-quality services. At the same time, we value customer communication and maintaining good interactions to create maximum value for our customers.

Customer Service Mechanism

Display Materials

BenQ Materials has established a structured customer complaint handling process based on the urgency and severity of each event. Upon receiving a complaint, Technical Service personnel (ES) follow standard operating procedures to conduct case evaluation, identify root causes, implement corrective actions, and verify the effectiveness of solutions in a timely manner to resolve customer issues.

In 2024, enhancements in quality control capabilities and broader evaluation in new product development led to a total of 30 customer complaints related to display materials, representing a decrease of 1 case (-3%) compared to 2023.

Advanced Battery Materials

In 2024, the company implemented continuous improvement projects targeting zero customer complaints. After completing several preventive risk mitigation measures, the company achieved zero customer complaints throughout the year.

Healthcare Products

- **Medical packaging**

  The complaint handling process for sterile medical packaging is managed and tracked in accordance with the customer complaint procedure, with responses required within specified timeframes based on the severity and urgency of the issue. Safety-related defects must be responded to within 1 working day, major functional defects within 3 working days, and minor cosmetic defects within 5 working days.

- **Wound Care**

  All feedback and suggestions from Anscare users/customers are recorded through the electronic Customer Complaint Management System (CCMS). Each case is reviewed by the relevant department heads to determine appropriate response actions. If the feedback is related to product use or safety, it is formally registered through the customer complaint process, and a corrective action project is initiated and tracked to ensure effective improvement in product quality.

- **Skin Care**

  Derma Angels has established various channels for customer service, including the official Derma Angels's website, Facebook , Instagram, customer service hotline, and customer service email. Consumers can provide real-time feedback through these multiple channels. The customer service team is committed to providing accurate and professional responses within 24 hours. Furthermore, they continuously monitor and review consumer opinions, providing ongoing care and attention to customer feedback within a two-week timeframe.

- **Vision Care**

  Miacare provides multiple channels for customer service and complaint handling, including a customer service email, consumer service hotline, Facebook/Instagram community messages, and QR codes for the brand's e-commerce platform. These various methods are available to assist consumers with product inquiries and provide a diverse range of customer service channels for lodging complaints. This approach enables prompt responses and efficient handling of subsequent issues to address any consumer concerns in the shortest possible time.

Waterproof and breathable textiles

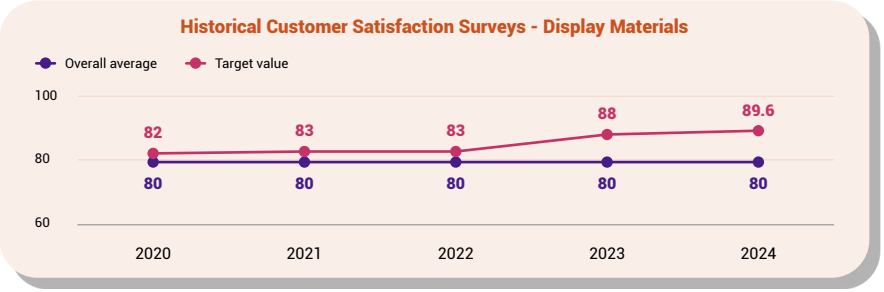
Xpore categorizes customer complaints into three major types: service, general, and major complaints. Upon receiving customer complaints, Xpore conducts analysis and assessment based on the content of the complaint. Depending on the customer's needs, appropriate services and recommendations are provided in response to the complaint.

Customer Satisfaction

Display Materials

For the functional film product line, customer satisfaction surveys are conducted quarterly, covering areas such as product quality, service quality, delivery performance, and R&D capabilities. The survey results are consolidated and communicated to relevant departments to ensure customer needs are understood and addressed through appropriate improvement actions aimed at enhancing customer satisfaction.

In addition to scheduled surveys, ad-hoc customer evaluations are also reviewed as needed, with root cause analyses and corrective actions systematically implemented. In 2024, the customer satisfaction score for the functional film business reached 89.6%, meeting the company's internal target.

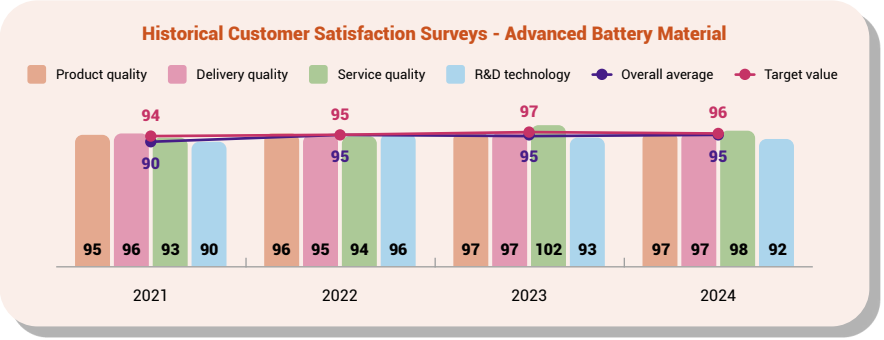


Advanced Battery Material

Quarterly customer satisfaction surveys are conducted across four key dimensions: product quality, delivery performance, service quality, and R&D capabilities.

In 2024, the company received an "S" grade supplier rating from a Japanese Tier 1 customer for three consecutive evaluations, as well as "A" grade supplier ratings from a major Tier 1 customer in China and a key customer in Thailand.

The overall customer satisfaction score in 2024 reached 96.3%, meeting the company's target.

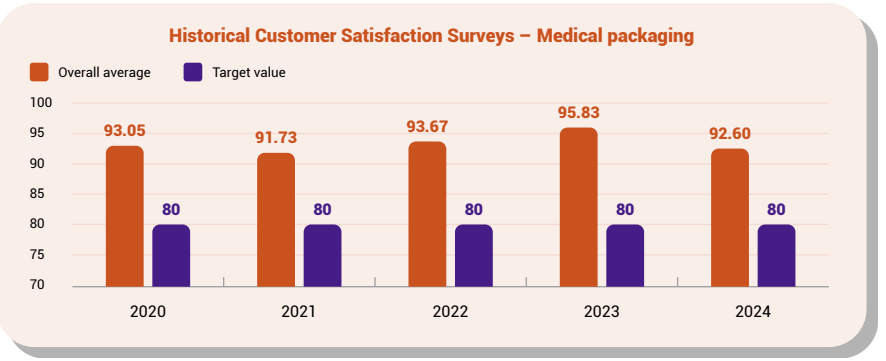


Note: A comprehensive customer satisfaction survey program has been in place since 2019.

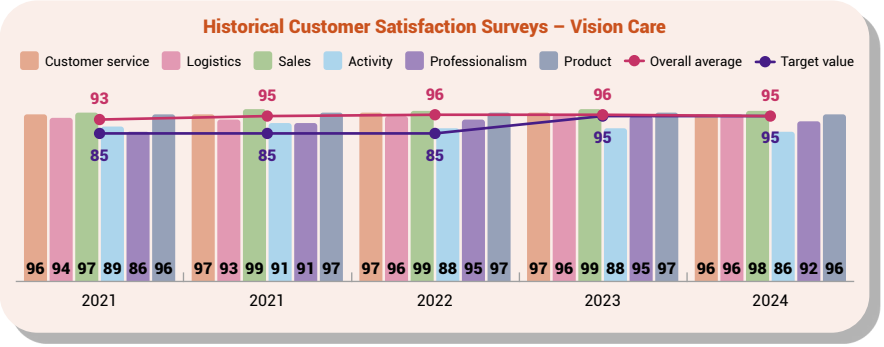
Healthcare Products

1. Wound Care : Each year, a customer satisfaction survey is conducted with distributors (external channels, chain pharmacies, hospitals), focusing on five key aspects: product quality, logistics, business services, after-sales service, and product training. In 2024, the average customer satisfaction reached a highly satisfactory level (4–5 points), exceeding all target values.

2. Medical packaging：In 2024, the response rate for the domestic customer satisfaction survey was 60%, with an average satisfaction score of 92.6. A total of 8 complaints related to sterilization packaging materials were received during the year. Compared to previous defect rates, there has been a downward trend in safety-related defects. Continuous improvement measures include:
   - Abnormal products are automatically removed after material changeover on the machines.
   - Abnormal items during the printing process are marked with colored pens during machine adjustments.
   - Optimization of equipment inspection mechanisms (e.g., mold fixation and shaft sleeves before production startup).
   - Implementation of a weight control mechanism to ensure quantity accuracy.



3 Vision Care：An annual satisfaction survey is conducted targeting distributors (including chain stores and independent retailers). In 2024, the overall average score reached 95, matching the ambitious target set. This level of satisfaction indicates that the brand's management has been widely recognized and affirmed by most distribution partners.



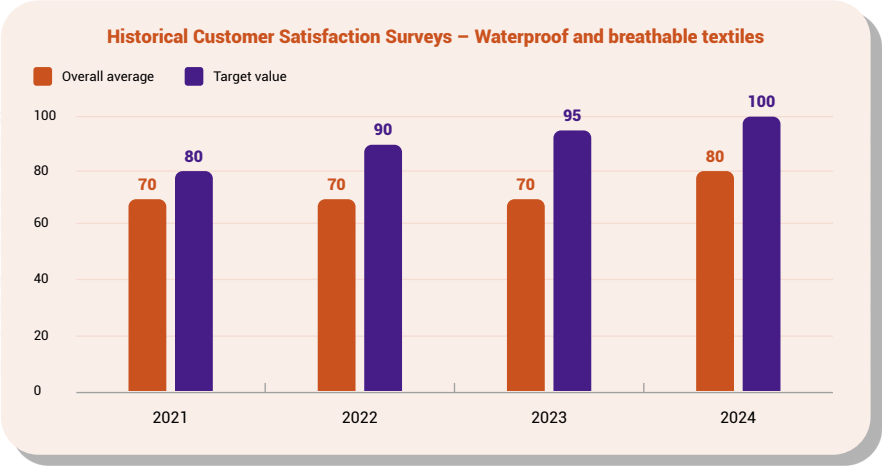
4 Skin Care： Every year, DermaAngel conducts customer satisfaction surveys via email targeting its key domestic and international partners, including distributors and channel agents. In 2024, the overall customer satisfaction score reached 94%, slightly below the target of 95%. Lower satisfaction ratings were primarily related to product training and product quality. In response, the company implemented the following improvements. The 2024 customer complaint rate was 3.2 dppm, marking a 40% reduction compared to 5.3 dppm in the previous year:

- Adhesion issue of acne patches: Optimized the die-cutting process, introduced lower blade temperatures, and increased blade maintenance frequency to reduce gel overflow caused by cutting, resulting in a 70% reduction in complaint rate.
- Short-packed finished products: Implemented a mid-pack weighing mechanism to ensure the accuracy of box quantities, leading to a 50% reduction in complaint rate.
- Appearance defects in acne patches: Strengthened quality control mechanisms by introducing blind defect testing assessments and stricter sampling rejection criteria, achieving a 76% reduction in complaint rate.

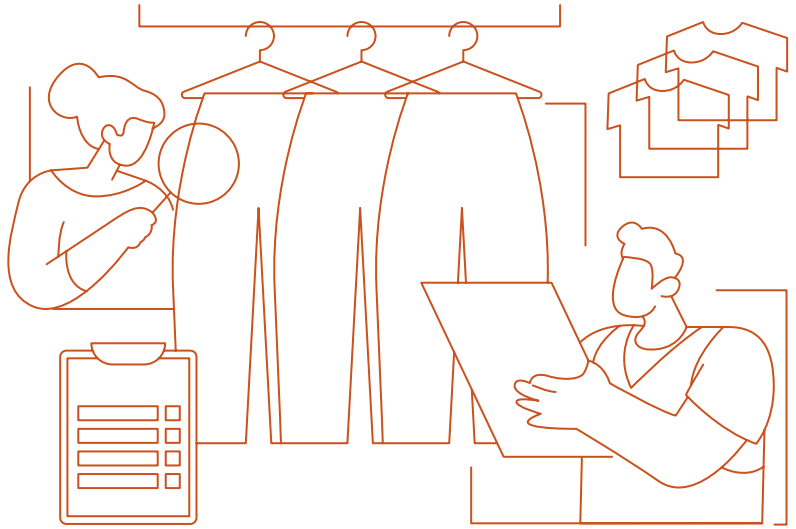
Note: A comprehensive customer satisfaction survey has been conducted since 2021.

Waterproof and breathable textiles

Confirm customer requirements and key specifications during the development phase by understanding the customer's application and related specifications. If necessary, hold regular meetings for discussion. In 2024, the average satisfaction score reached 100 points. If the score falls below the target threshold (70 points), the company will engage with the customer to review and implement corrective actions.



Note: A comprehensive customer satisfaction survey has been conducted since 2021.

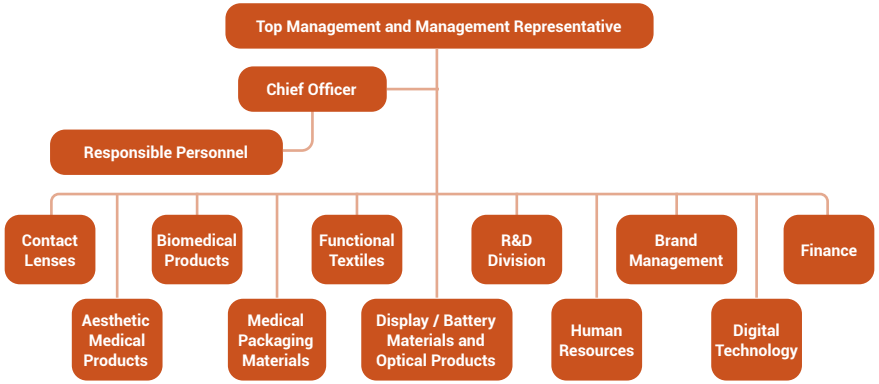


Privacy Protection Policy and Practices

BenQ Materials recognizes the critical importance of data security and regulatory compliance in maintaining customer trust and ensuring long-term corporate sustainability. To this end, the company continuously strengthens its personal data protection mechanisms to ensure alignment with international regulations and best practices. Details regarding the company's privacy policy can be found on the BenQ Materials ESG website.

In 2023, the company officially established the "Personal Data Management Policy", along with six additional personal data management guidelines. A dedicated personal data protection organization was also set up, including the following key roles:

- Personal Data Committee Members: 11 senior executives responsible for overseeing the implementation of data protection measures across departments to ensure the effectiveness of the privacy policy.
- Chief Data Protection Officer: Appointed from the legal department to coordinate privacy protection strategies and management mechanisms.
- Dedicated Data Protection Personnel: In charge of day-to-day data management operations and internal coordination.
- Personal Data Management Representative: Held by the Chairman, to ensure privacy protection receives the highest level of attention and support.



Continued Advancement of Privacy Protection Measures

1. Enhancing Employee Privacy Education and Training
   - Since 2018, the company has regularly provided General Data Protection Regulation (GDPR) training for all employees to enhance awareness and practical knowledge of personal data protection.
   - Starting in 2023, company-wide training was implemented to strengthen understanding of the importance of Taiwan's Personal Data Protection Act, ensuring that the concept of privacy protection is embedded into daily operations. Additionally, internal seminars on China's Personal Information Protection Law (PIPL) were held to ensure correct interpretation and compliance with regulatory requirements.
2. Strengthening Compliance with Privacy Regulations
   - Since 2021, the company has regularly participated in group meetings regarding updates on international privacy laws to ensure timely awareness of legal developments and compliance requirements.
   - In 2022, external experts were engaged to assess the current status of the company's privacy management, identify potential risks, and provide improvement recommendations.
   - Beginning in 2023, the company initiated annual personal data inventory reviews and risk assessments to ensure regulatory compliance and continual improvement in data management practices.
   - In 2024, the company completed the personal data inventory and risk evaluation process, ensuring that the personal data management system aligns with the latest privacy regulations and standards.
3. Enhancing System and Contract Management
   - In 2024, the company renewed agreements with key system service providers to ensure that privacy protection clauses meet current regulatory standards and reinforced privacy protection in consumer-facing systems. Updated versions of the privacy policy in both Chinese and English were released to ensure that all stakeholders clearly understand the company's data management principles and practices.
4. Strengthening Internal Audits and External Professional Support
   - In 2024, the company signed a contract with a professional law firm to arrange internal personal data audits and related professional services in 2025, ensuring that privacy protection management continues to comply with international standards and regulatory expectations.

Quality Management

Quality Policy

BenQ Materials is committed to delivering high-quality products and services that meet customer needs and comply with regulatory requirements. The company continuously promotes the effective operation and improvement of its quality management system. We have obtained international quality certifications including ISO 9001, IATF 16949, and IECQ QC080000 (please refer to the ESG website for details). Guided by a risk-based approach, full employee participation, and a culture of continuous improvement, we implement quality control throughout the entire value chain—from R&D, procurement, production to delivery—to ensure product safety, reliability, and customer satisfaction.

Quality Risk and Preventive Management

To ensure product quality and customer satisfaction, BenQ Materials has established a comprehensive quality management framework. For both new product development and changes to existing products, we implement APQP (Advanced Product Quality Planning) and EC (Engineering Change) procedures, which are integrated with our overall quality management systems (such as ISO 9001 and IATF 16949)

APQP: New Product Design and Development Process

The APQP process is led by the Project Manager (PM) and follows four major phases: Planning → DVT (Design Verification Test) → MVT (Mass Verification Test) → MP (Mass Production). It covers product design, testing, validation, and production readiness to ensure that new products meet internal quality standards and customer requirements from concept through mass production. With stage-gate reviews and risk assessments, the process identifies technical challenges and potential failure risks early on to minimize quality issues during mass production

EC: Design, Material, and Process Change Management in Mass Production

The EC process is applied to manage engineering changes during the mass production phase. It is initiated by the change requester (PM / Sales / MM / MFG) and involves the following steps: ECR (Engineering Change Request) → ETR (Engineering Test Request) → EAR (Engineering Analysis Report) → ECN (Engineering Change Notice). Before any change is implemented, cross-functional defect verification (involving MFG / Process Engineering / QA / ES) is conducted to ensure the change does not negatively impact product quality or process stability.

Quality Training

BenQ Materials promotes continuous improvement through course design and implementation of Continuous Improvement Program (CIP) projects. Training topics include QC Story problem-solving methodology, the Seven Quality Control Tools (QC 7 Tools), Statistical Process Control (SPC), and Design of Experiments (DOE), helping employees apply learned knowledge and skills directly to their work processes.

The continuous improvement initiatives consist of CIP and VSM projects, in which cross-departmental teams are formed to address specific issues. These teams use QC Story methods to conduct analysis and develop solutions.

From 2009 to 2024, a total of 287 project teams successfully completed their initiatives. In 2024 alone, 59 projects were concluded, generating an estimated financial benefit of NT$267 million.

Quality Mechanisms

Item	Display Materials	Advanced Battery Materials	Healthcare and Nursing Products	Waterproof and breathable textiles
Quality Management Measures	• Optimized validation criteria during new product development to meet customer needs and achieve 100% sample approval success rate. • Enhanced process parameters and equipment to eliminate raw material defects and foreign matter, improve cleanliness and process capability, resulting in zero customer complaints. • Continued development and optimization of validation indicators for new film materials. • Simulated and analyzed end-user behavior to further upgrade product capabilities. • Used historical OK/NG data for machine learning to identify key process factors. • Deployed IoT-based predictive equipment monitoring and automated data collection. • Upgraded automated optical inspection systems to reduce defect rate and production cost. • Applied quality tools such as FMEA and continuous improvement projects.	• Received "S-grade Excellent Supplier" rating from Japanese Tier 1 customer for three consecutive evaluations. • Reduced external audit findings by 20% and IPQA audit findings by 18%. • Completed 39 risk improvement actions, including 15 automation upgrades, 2 root cause improvements, 1 new risk control mechanism, and 21 OCAP implementations. • Passed high-rating customer audits from Japanese and Chinese Tier 1 clients. • Established PFMEA/ CP guidance and coating outsourcing control mechanisms at Yunlin Plant.	Vision Care: • Maintained existing quality system for product control. • Formed dedicated task force for complaint improvement (CIP) focused on contact lens comfort. • 2024 complaint rate at 316 dppm, meeting quality target (≤500 dppm). Skincare: • Passed ISO 13485 certification at Yunlin Plant in 2024. • Achieved Halal certification at Yunlin and Wuhu Plants. • Achieved QMS sterilization product certification. Medical Packaging: • Renamed verification lab as Lianhe Packaging Validation Lab, recertified under TAF ISO 17025. • QMS certified for dental tray holders. Wound Care: • Hemostatic and NPWT products legally launched in the EU, submitted MDR applications after clinical trials. • Obtained DSTU EN ISO 13485:2018 and Ukrainian market approval for SIMO product.	• Raw materials inspected at incoming, in-process, and pre-shipment stages. • Ongoing quality improvements: PU+ medium-denier curl defect rate down 11.9%; PO+ low-denier curl defect rate down 39.7%. • Certified under ISO 9001. • Obtained Bluesign®, Higg Index, GRS, and OEKO-TEX® certifications. See Xpore website for details.
Supplier Quality Management	• COA (Certificate of Analysis) integrated with SPC (Statistical Process Control). • Semi-annual QBRs (Quarterly Business Reviews). • On-site audits conducted for suppliers with quality issues.	• Comprehensive management across 12 dimensions: from raw material inspection to quality goals, assurance mechanisms, acceptance, nonconformance handling, engineering change, continuous improvement, and supplier audits.	Vision Care: • Maintained existing quality system. Skincare: • 6 new and 10 returning suppliers evaluated with 100% completion rate. Medical Packaging: • Adjusted audit criteria to increase differentiation and highlight competitive or underperforming suppliers. Wound Care: • Selected key suppliers based on transaction volumes for audits; 2024 audit completion rate: 54%.	• Used Bluesign®-approved chemicals and raw materials. • Conducted multi-faceted supplier assessments (processes, organization, testing, environmental, human rights, health & safety); 4 self-assessed suppliers with 100% pass rate.
Product Returns	• 2024 return rate: 0.19%, meeting the set target (≤0.2%). • No customer product recalls.	• RMA return value reduced by 93% compared to 2023. • No customer product recalls.	No product returns or recalls.	No product returns or recalls.

Supplier Management

Sustainable Supplier Management Framework

BenQ Materials has established a sustainable supply chain management framework that requires all suppliers to comply with the company's sustainability policies or related documents. This includes signing the following agreements:

- Supplier Code of Conduct Commitment,
- Declaration of Compliance with Conflict-Free Minerals Requirements, and Hazardous Substances Management Policy.

The company conducts on-site audits, implements corrective actions, and develops supplier capabilities for both new and existing suppliers to mitigate supply chain risks and enhance supplier sustainability performance.

Through a comprehensive sustainable management process, BenQ Materials encourages suppliers to grow together with the company, creating greater shared value and positive impact across the supply chain.

Supplier Classification
Raw Materials and Packaging Materials (BOM)
Contract Manufacturing
Parts and Consumables
Equipment
Engineering (including labor services)

Supplier Classification	2023	2024
Number of Tier 1 Suppliers	233	262
Number of Tier 1 Key Suppliers	67	82

*Currently, there is 1 supplier certified under RBA VAP.

Supplier Classification			Sustainability Policy Documentation Requirements				Search and Selection		Audit and Guidance		
			CSR Commitment	Hazardous Substances Policy	Integrity Commitment	Conflict Minerals Management	Initial Evaluation	ESG Evaluation	Evaluation	ESG Audit	ESG Training
New Supplier	BOM Material	Critical	✓	✓	✓	✓	✓	✓		✓	✓
		Non-critical	✓	✓	✓	✓	✓				✓
	Non-BOM	Critical	✓		✓						✓
		Non-critical	✓		✓						✓
Existing Supplier	BOM Material	Critical	✓	✓	✓	✓		✓	✓	✓	✓
		Non-critical	✓	✓	✓	✓			✓		✓
	Non-BOM	Critical	✓		✓						✓
		Non-critical	✓		✓						✓

- Tier 1 Suppliers: Suppliers that may cause production disruption (unable to resume within 72 hours), or those with more than three transactions annually and a total transaction amount exceeding NTD 5 million.
- Key Suppliers: Tier 1 suppliers whose cumulative transaction amount accounts for the top 85% of the total.
- Sustainability Policy Documentation Requirements: Signing of the Supplier Corporate Social Responsibility Commitment Letter, the Hazardous Substance Management Policy, the Supplier Integrity Commitment Letter, and compliance with responsible mineral sourcing (submission of a guarantee statement confirming no use of or violation regarding conflict minerals).
- Supplier Search and Selection: Includes supplier search and basic review. New material suppliers are required to establish a quality agreement in advance. Evaluation criteria cover financial status, delivery reliability, quality systems, R&D capabilities, and environmental, safety, and health requirements. In 2023, sustainability performance evaluation and information security risk assessment were also introduced.
- Existing Supplier Audits and Guidance: Includes regular and ad hoc evaluations (document review or on-site audit), ESG audits, information security assessments, and thematic supplier improvement coaching.

Sustainability Policy Document Requirements

Signing of Supplier Corporate Social Responsibility Commitment Letter

BenQ Materials has established the "Supplier Code of Conduct for Corporate Social Responsibility," which is based on the Responsible Business Alliance (RBA) Code of Conduct, CSR management manuals, and customer requirements. This Code covers five key aspects: Ethics, Labor, Health & Safety, Environment, and Management Systems. Suppliers are further required to sign the "Supplier Corporate Social Responsibility Commitment Letter."

In 2024, 95% of Tier 1 suppliers signed the commitment letter. For new suppliers providing BOM (Bill of Materials) materials, the signing rate reached 100%. Existing suppliers were already in compliance with internal policies and had agreed to adhere to BenQ Materials' internal regulations; therefore, no additional documentation was required.

Responsible Mineral Sourcing Management

BenQ Materials supports international initiatives on responsible mineral sourcing and conducts due diligence on Conflict Minerals (CM) procurement in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals and the framework of the Responsible Minerals Initiative (RMI), as well as customer requirements. The company strictly prohibits the use of conflict minerals originating from the Democratic Republic of the Congo and its neighboring conflict-affected regions to avoid indirectly financing human rights violations, armed violence, or environmental destruction. For more information, refer to the BenQ Materials Green Partner Policy.

BenQ Materials communicates its responsible minerals policy and requirements to suppliers through written declarations and mandates full compliance. In 2024, the signing rate for all Bill of Materials (BOM) suppliers reached 100%, including those who proactively provided the Conflict Minerals Reporting Template (CMRT).

To ensure supplier compliance, the company has verified that the sources of gold (Au), tantalum (Ta), tin (Sn), tungsten (W), cobalt (Co), and mica are not from conflict-affected areas. In 2024, BenQ Materials supported due diligence processes for 13 customers in the polarizer segment, 1 customer in the optical materials segment, and 2 customers in the battery materials segment, confirming that no relevant minerals were used and requiring suppliers to issue written guarantees.

Supplier Search and Selection

Search and Selection of New Suppliers

New supplier evaluations primarily assess the supplier's financial status, delivery reliability, quality management system, and R&D capability. Suppliers who pass the evaluation will proceed to sample provision and small-batch production testing.

For the procurement of new materials, a quality agreement is established with suppliers. If specifications are undefined or quality concerns arise, shipment is permitted only upon approval from BenQ Materials. Suppliers are required to proactively report any abnormalities to ensure effective two-way communication. Additionally, if incoming raw materials are found to be out of specification and confirmed to be supplier-related, the supplier must immediately attend an on-site evaluation. If the issue is verified to be the supplier's responsibility, a Supplier Non-Conformance Notice is issued for corrective action.

In 2024, evaluation criteria were expanded to include corporate sustainability policy and cybersecurity risk assessments. Suppliers failing to meet the standards must undergo negotiation for improvement or will be disqualified. A total of 18 new suppliers were onboarded in 2024, all of which were selected using environmental criteria in accordance with the supplier evaluation guidelines.

Selection of Key Suppliers

In the process of identifying first-tier key suppliers, BenQ Materials not only considers the number of transactions, transaction amounts, and whether the supplier provides critical materials or technologies, but also evaluates potential negative impacts related to environmental, social, and governance (ESG) aspects of the business. This includes the following criteria:

Selection Dimensions	Evaluation Content
Business Ethics	Strict compliance with ethical business conduct, information transparency, prohibition of improper benefits, fair trade, fair advertising and competition, protection of identity and prevention of retaliation, intellectual property rights protection, responsible sourcing of metals, and data privacy and cybersecurity policies
Labor	In line with internationally recognized standards, commit to upholding and respecting labor rights. Adopt a "zero tolerance" policy for workplace misconduct and build a culture of safety, dignity, non-discrimination, mutual respect, inclusion, and equal opportunity for all workers.
Health and Safety	Referencing OHSAS 18001 and ILO guidelines, should cover: occupational safety, emergency response policies, injury and illness management, industrial hygiene, manual labor control, equipment safeguarding procedures, public health and housing, and health and safety communication and training
Environmental Sustainability	In accordance with ISO 14001 and EMAS standards, environmental criteria should include: environmental permits and reporting, pollution prevention and resource conservation, hazardous substance control, material management, and emissions control for air, water, and waste
Management System	A system should be established to: comply with all business- and product-related laws and customer requirements; define corporate social and environmental responsibility policies; identify and mitigate operational risks
Energy Saving and Carbon Reduction	Obtain environmental certifications (ISO 14064, ISO 50001), and demonstrate actions and achievements in water resource management, waste reduction, and improvements in energy efficiency

Existing Supplier Management

Supplier Audit and Guidance

BenQ Materials conducts regular and ad-hoc evaluations of qualified suppliers for critical materials based on four key criteria: Quality, Technology, Delivery, and Cost. Suppliers with actual transactions within the year are audited once annually, with the audit schedule for the following year finalized by the end of December. In special circumstances, ad-hoc audits or guidance may be conducted as needed.

Reasons for Conducting Unscheduled Audits and Supplier Guidance

- Occurrence of major quality issues (e.g., material shortage, causing significant losses to BenQ Materials or customers)
- Critical nonconformities at suppliers requiring corrective action verification
- Specific purposes (e.g., new personnel training, ongoing quality issue follow-up)
- Exempted suppliers (excluding consumables and non-material suppliers)
- Changes in critical supplier 4Ms (Man, Machine, Material, Method)

Audit ratings are categorized into three levels: A, B, and C.

- level suppliers are qualified, but they are still required to submit improvement plans and reports for any poorly rated items, with incoming inspection personnel regularly monitoring their progress.
- B-level suppliers are conditionally qualified, requiring discussions about supply modes and corresponding measures, along with continuous improvement and reporting.
- C-level suppliers are deemed unqualified.

Procurement strategies are adjusted based on evaluation results, prioritizing orders and increasing purchase volumes from highly rated suppliers. Unqualified suppliers must improve within a set timeframe, after which relevant departments discuss whether to continue procurement. Special guidance plans are implemented if necessary, requiring improvement within six months. If no improvement is observed after long-term reviews or on-site guidance, the supplier's qualification is revoked.

First-time audits for new suppliers and regular audits for qualified suppliers can be conducted as paper-based or on-site evaluations depending on the situation. On-site audits require supervisor approval or discussion in meetings before proceeding with the audit process.

Supplier Type	Number of Audited Suppliers	2024 Audit Result	Audit Ratio
Polarizer suppliers	56 suppliers	Class A suppliers 50 Class B suppliers 6	100%
Optical film suppliers	3 suppliers	Class A suppliers 2 Class B suppliers 1	100%
Optical adhesive suppliers	20 suppliers	Class A suppliers 18 Class B suppliers 2	100%
Smart Optical Film	5 suppliers	Class A suppliers 4 Class B suppliers 1	100%
Advanced Battery Material	7 suppliers	Class A suppliers 6 Class C suppliers 1	100%
Vision Care	27 suppliers	Class A suppliers 27	100%
Skin Care	16 suppliers	Class A suppliers 16	100%
Waterproof and breathable textiles	81 suppliers	Class A suppliers 4	100%
Wonder Care suppliers	4 suppliers	Class A suppliers 16	100%
Medical packaging suppliers	47 suppliers	Class A suppliers 33 Class B suppliers 12 Class C suppliers 2	100%

ESG Auditor

In 2024, BenQ Materials continued conducting ESG audits of suppliers, adopting the Responsible Business Alliance (RBA) framework. Cross-functional teams—including procurement, EHS, and HR—underwent RBA auditor training. Based on supplier transaction values, high-risk suppliers were identified and categorized as mandatory ESG audit targets.

The audit methodology was based on suppliers' self-assessment scores and ESG/CSR reports, with risk levels classified into four tiers: A, B, C, and D. Suppliers classified as C (medium-high risk) and D (high risk) are deemed high priority for ESG audits. In 2023, four ESG audits were completed, with all suppliers passing the assessments.

Between 2024 and 2026, BenQ Materials plans to complete ESG audits for 14 suppliers identified as medium-high or high risk (originally 15; one was delisted in 2024). Four suppliers were audited in 2024, and the remaining 10 are scheduled for assessment during 2025–2026. Audit targets will be adjusted on a rolling basis according to actual implementation progress to ensure targets are met and to mitigate ESG-related supply chain risks.

Starting in 2025, exemption criteria for ESG audits will be established:

- Suppliers who have obtained ISO 14001 (Environmental Management System) certification and publish an ESG/CSR report with disclosed practices and commitments in environmental protection, labor rights, and social contribution may be exempted.
- Suppliers who hold third-party ESG certifications such as RBA VAP (Validated Assessment Program), SA8000 (Social Accountability Standard), or reports aligned with the GRI (Global Reporting Initiative) Standards may also qualify for exemption.

Supplier Engagement and Capacity Building

In 2024, BenQ Materials implemented targeted supplier engagement and capacity-building initiatives. The program focused on suppliers identified through ESG audits as having lower self-assessment scores. Key areas of engagement included contractor safety management, energy-saving and carbon reduction case sharing, and ESG trend briefings.

A total of 89 suppliers participated in the program, with 106 participants across all sessions. These initiatives aimed to enhance supplier awareness of sustainability expectations and promote alignment with BenQ Materials' ESG goals.

Supplier Engagement Activities and Overview	Description	Event Photos
Contractor Safety Management Seminar	Participants: 19 non-sales engineering-related suppliers (19 participants). Overview: The session enhanced supplier awareness of safety requirements in contracted operations, clarified regulatory responsibilities, and improved risk identification and incident prevention capabilities. Real-world case studies were used to reinforce on-site safety practices and strengthen overall supply chain resilience.	
Energy Saving and Carbon Reduction Case Sharing	Participants: 36 local raw material/ packaging/intermediate suppliers in Taiwan (48 participants). Overview: Shared best practices on carbon reduction, including emissions accounting and energy efficiency improvements. Guided suppliers in aligning low-carbon transition strategies with operational needs, driving green supply chain development.	
ESG for Net Zero Transition	Participants: 34 Tier-1 suppliers (39 participants). Overview: Focused on global ESG trends and practical guidance. Helped suppliers understand sustainability priorities and improve self-assessment indicators. Strengthened ESG awareness and enhanced their ability to meet customer sustainability expectations.	

Supplier Information Security Management

In 2024, each business unit of BenQ Materials conducted a renewed information security assessment targeting the top 10 suppliers by procurement value. The assessment was completed in July and will serve as the basis for future supplier management. Furthermore, BenQ Materials will adopt ISO 27001 certification as a key selection criterion for future collaborations with system service providers, ensuring comprehensive alignment with the organization's information security needs and management practices. (For more details, please refer to Section 3-6-5: Supplier Information Security Management.)

Local Purchase

Local Procurement Ratio Analysis (Functional & Non-Functional Films)

In 2024, the overall local procurement ratio (for both functional and non-functional films) in Taiwan reached 21.3%, reflecting a 1.1% increase compared to 2023 (20.2%).

For functional film-related products (including polarizers, optical films, separator films, and smart window films), most materials are only available from foreign suppliers. In cases where local (Taiwan-based) vendors exist, their product specifications often fail to meet BenQ Materials' requirements. As a result, both the number of local suppliers and the local procurement ratio remain relatively low. However, the number of local suppliers has shown significant growth in 2024, following a 5-year trend. Moving forward, BenQ Materials aims to strengthen collaboration with local suppliers, increase local procurement value, reduce carbon emissions from transportation, and support the local economy.

For non-functional film-related products, the local procurement ratio in Taiwan in 2024 reached 33.1%, marking a notable increase of 8.1% compared to 2023 (25%).

In China, performance remained stable. In 2024:

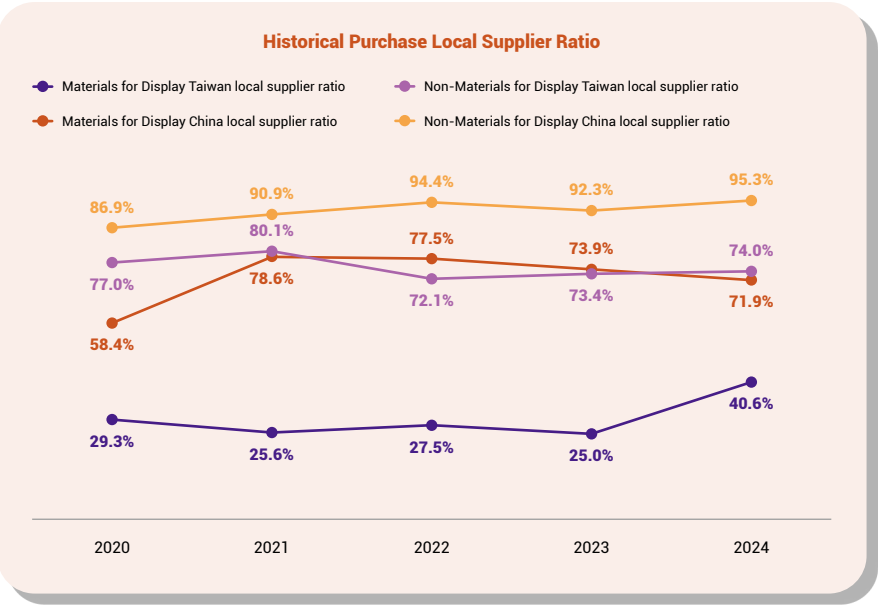
- Functional film local supplier ratio: 71.9% (by number of suppliers), 95.2% (by procurement value).
- Non-functional film local supplier ratio: 95.3% (by number of suppliers), 64.0% (by procurement value).

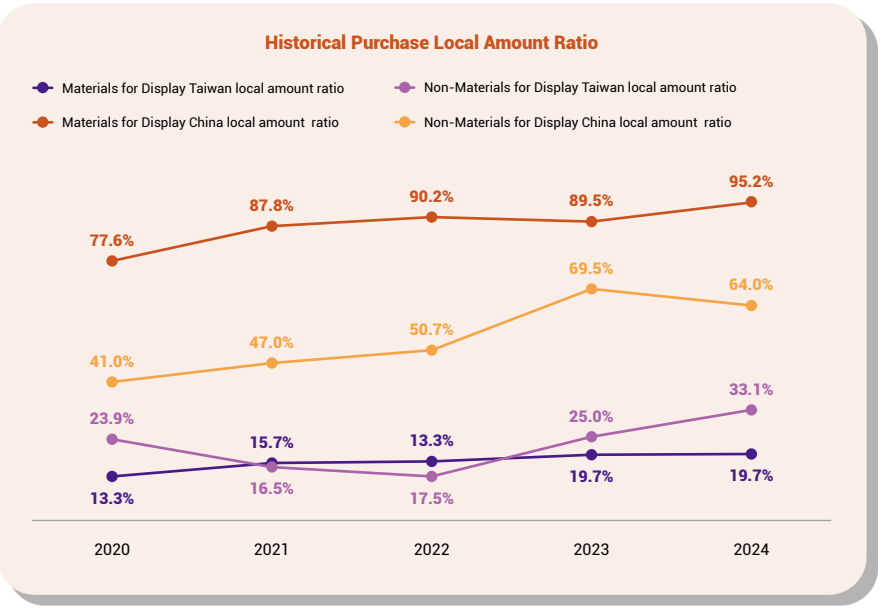
Green Procurement

BenQ Materials actively supports the Ministry of Environment's green procurement policy.

The procurement department adheres to green procurement principles by reducing purchases of single-use items and prioritizing products and services certified with eco-labels recognized by the Ministry of Environment. In recognition of these efforts, BenQ Materials was honored as an "Outstanding Private Enterprise in Promoting Green Procurement for 2023" by the Ministry.

In 2024, the company reported a total green procurement amount of NT$17.748 million. Moving forward, BenQ Materials will continue to expand its initiatives to demonstrate responsible procurement through concrete actions.





Note: The local procurement ratio in Taiwan is calculated based on the proportion of materials purchased by each business unit in Taiwan from local (Taiwan-based) suppliers.The local procurement ratio in China is based on the proportion of materials purchased by each operational site in China from local (China-based) suppliers.d

Friendly Workplace

07

Human Rights Management

BenQ Materials is committed to upholding human rights principles as outlined in the Universal Declaration of Human Rights (UDHR), the United Nations Guiding Principles on Business and Human Rights (UNGPs), and the OECD Guidelines for Multinational Enterprises. The company further adopts the practices set forth by the Responsible Business Alliance (RBA) Code of Conduct to fulfill its commitment to human rights.

BenQ Materials conducts regular human rights due diligence to identify and assess potential risks related to human rights issues. This process enables the company to effectively manage and mitigate adverse impacts and continuously adjust its strategies accordingly.

For more details, please refer to the BenQ Materials Human Rights Policy available on the company's ESG website.

Human Rights Due Diligence

BenQ Materials continuously strengthens its human rights risk management system in accordance with international human rights standards, including the Responsible Business Alliance (RBA) Code of Conduct and relevant local human rights regulations. In 2023, the company completed a human rights due diligence process for internal employees. In 2024, BenQ Materials expanded the scope to include key Tier-1 suppliers by integrating human rights topics into ESG audits, thereby enhancing the identification and management of potential human rights risks across the supply chain.

According to the findings, no significant human rights risks have been identified within the current supply chain. Going forward, BenQ Materials plans to conduct comprehensive human rights due diligence every 2 to 3 years across its operational sites, value chain, and affiliated businesses. These assessments will prioritize and manage risks based on their likelihood and potential impact.

Through continuous risk evaluation and dynamic management, BenQ Materials is committed to minimizing the potential impact of human rights issues on business operations, fulfilling its corporate social responsibility, strengthening stakeholder trust, and fostering a safe, respectful, and inclusive working environment.

Policy Establishment	Establish human rights policy and supplier code of conduct
Risk Assessment	Assess 16 human rights topics and conduct ESG audits of suppliers6
Mitigation and Adaptation	Set goals and actions for high-risk human rights issues
Tracking and Communication	Regularly track goal achievement status
Public Disclosure	Disclose in the sustainability report and ESG website

Human Rights Due Diligence Process

Risk Assessment and Identification

In alignment with the UN Guiding Principles on Business and Human Rights and the Responsible Business Alliance (RBA) Code of Conduct, BenQ Materials evaluates 16 key human rights topics. The assessment also references the AA1000 Stakeholder Engagement Standard (AA1000 SES) and GRI Standards. The following are the human rights issues BenQ Materials prioritizes:

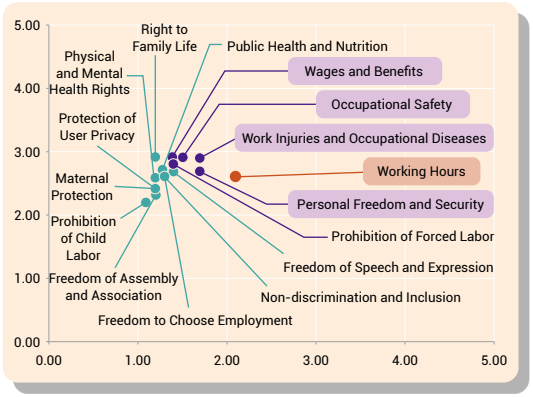
Governance issues	Protection of User Privacy
Labor rights	Personal Freedom and Security, Working Hours, Wages and Benefits, Freedom of Assembly and Association, Prohibition of Child Labor, Physical and Mental Health Rights, Freedom of Speech and Expression, Maternal Protection, Non-discrimination and Inclusion, Freedom to Choose Employment, Prohibition of Forced Labor, Right to Family Life
Health and safety	Occupational Safety, Work Injuries and Occupational Diseases, Public Health and Nutrition

Human Rights Risk Matrix

In 2023, BenQ Materials conducted a human rights risk assessment for internal employees, covering all formal staff at its operational sites in Taiwan (Taoyuan, Longtan, and Yunlin). A total of 467 survey responses were collected. Based on internal data analysis, no significant human rights risks were identified. The topic of "working hours" was found to approach a low-to-moderate risk level, while other issues such as wages and benefits, occupational safety, work-related injuries and illnesses, and personal freedom and security were all assessed as low risk.

In 2024, in addition to continuing management of the aforementioned five topics, BenQ Materials proactively incorporated additional human rights issues into its scope of management, including the prohibition of child labor, maternity protection, and diversity and inclusion. For issues that do not have a direct or indirect impact on human rights, compensatory actions are not required.

The 2024 supplier ESG audit scope also included human rights-related assessments. All suppliers evaluated met the compliance requirements, and no human rights risks were identified. Looking forward, BenQ Materials will continue to enhance supply chain due diligence, expand assessment coverage, and improve governance across the supply chain. For more information, please refer to Section 6-3-4: Existing Supplier Management.



Tracking and Communication

Risk Groups	Human Rights Issues	Management Measures	Risk Assessment	Mitigation Measures	Remediation Measures	Types of Remediation Measures	Implementation of Remediation Measure	Communication Channels
Employees Suppliers	Occupational Safety and Work-Related Injuries	• Occupational Safety Code of Conduct • OSH Management Manual • Secondary and Tertiary OSH Procedures	• Health examination results for general/ specific hazards • Regular monitoring • Annual hazard identification and risk assessment • Supplier ESG audits	• Establish OSH Committee and conduct regular reviews • Promote hazard identification and risk assessment • Implement ISO 45001 • Provide safety training	• Legally mandated work stoppage during emergencies • Incident investigation and EAP • Incident reporting procedures • Legal provision of injury leave and wage compensation	Follow internal management regulations	In 2024, 16 recordable occupational injury cases occurred. Injury leave (138 days) and wage compensation provided. Return-to-work assessments completed prior to resumption of duties.	• Monthly Safety Meetings • OSH Committee Meetings
	Working Hours	• Working Hours Policy and Overtime Request System	• Overtime hours monitoring • Labor-management meetings • Employee satisfaction surveys • Supplier ESG audits	• Strict overtime approval • HR resource allocation optimization • Periodic attendance record review by managers	• Provide compensatory leave or overtime pay • Request managerial improvements • Adjust manpower and scheduling	Follow internal management regulations	No human rights impacts identified	• Employee suggestion box • Labor-management meetings
Employees	Compensation and Benefits	• Competitive and fair compensation & benefits policy	• Benchmarking with external salary data • Welfare program planning based on regulations and peers	• Regular review to ensure compliance and competitiveness	• Reimbursement and corrective measures if non-compliance is found	Monetary Compensation	No human rights impacts identified	• Internal system • Employee app • Welfare notifications
	Personal Safety and Freedom	• Safe, healthy, and harassment-free work environment	• Investigation records • Feedback channels	• Policy for Protection Against Unlawful Acts • Regular employee training	• Disciplinary action for perpetrators • Psychological support or job reassignment for victims	Non-monetary Compensation	No human rights impacts identified	• CEO mailbox • Employee suggestion box • Unlawful conduct complaint hotline
Female Employees Suppliers	Maternity Protection	• Maternity protection program and risk classification in compliance with law	• Maternity center reports • Supplier ESG audits	• Enhanced policies: parental leave, lactation rooms, reserved parking, prohibition of night shifts	• Inform HR for job or shift adjustments	Non-monetary Compensation	No human rights impacts identified	• Maternity protection hotline
Employees Children Suppliers	Prohibition of Child Labor	• Prohibit hiring workers under 15 years old • ID and background checks during recruitment and onboarding	• Recruitment process audits • Supplier ESG audits	• Document verification during hiring • Secondary verification upon onboarding	• In accordance with labor rules	Follow internal management regulations	No human rights impacts identified	• CEO mailbox • Suggestion box • Labor-management meetings
Migrant Workers	Diversity and Inclusion	• In line with RBA labor indicators	• RBA self-assessment • RBA client audits	• Ban on document retention and illegal fees by brokers • Equal pay and benefits • Migrant worker satisfaction surveys	• If non-compliance with RBA is found, corrective actions required and migrant workers informed of remedies	Follow internal management regulations	6 RBA client audit findings in 2024, all corrective actions completed on time	• Labor-management meetings • RBA client audits • Broker agencies

Human Resources Overview

Employment Policy

BenQ Materials adheres to the principles of fairness, justice, and transparency in talent recruitment, aiming to foster a diverse, inclusive, friendly, and dynamic workplace. We fully comply with local labor laws at each operating site and align with international human rights conventions to safeguard employees' fundamental rights and labor conditions.

Our employment policy strictly prohibits any form of discrimination based on gender, ethnicity, socioeconomic status, age, marital or family status. We ensure equal and fair opportunities for all candidates throughout recruitment, employment, compensation, benefits, training, performance evaluation, and promotion processes.

These principles are embedded in our internal regulations, such as the Corporate Social Responsibility Code of Conduct and the Direct/Indirect Employee Recruitment and Appointment Policy, which serve as institutional mechanisms for upholding human rights and fair employment practices.

Moreover, we conduct periodic reviews and updates of relevant policies to ensure alignment with international trends and local legal requirements, thereby enhancing the forward-looking nature and effectiveness of our HR strategies. Through institutionalization and internalization, BenQ Materials is committed to cultivating a high-quality, open, and cohesive work environment, thereby strengthening organizational efficiency and long-term sustainability.

Inclusive Recruitment Strategy

BenQ Materials embraces a recruitment philosophy grounded in diversity and inclusion. We actively seek and attract high-potential talent through a variety of channels. As our internal workforce becomes increasingly diverse, we tailor recruitment strategies based on job roles and candidate profiles to ensure that individuals from different backgrounds can find the right platform for development. This approach enhances team diversity and drives innovation.

Our recruitment channels include online platforms, campus activities, international talent recruitment, employee referrals, and industry-academic collaboration, all designed to expand our recruitment outreach and promote a more inclusive workplace.

Recruitment Channel	Targeted Job Types
104 Online Job Platform	General Positions
LinkedIn	Technical Experts, International Sales Talent
Career Fairs	Production Engineers, Product Development Roles
Campus Internship Program	General Positions
International Job Fairs	International Business Personnel
Internal Referrals	General Positions
Industry-Academic Programs	Direct Labor / Production Line Personnel

Employee Statistics

As of December 2024, BenQ Materials employed a total of 3,213 employees globally, marking a net increase of 362 employees compared to 2023.

The major factors contributing to this growth include:

- 231 new hires at the Yunlin Plant (Yunlin, Taiwan), in response to expanded production capacity.
- 89 employees from Web-Pro Corp. (Vietnam) were included in the headcount following the company's official consolidation.

Workforce Distribution by Region:

- Taiwan: 2,286 employees
- China (Suzhou and Wuhu Plants): 838 employees
- Vietnam: 89 employees

Workforce by Employment Type:

Of the global total, 2,054 employees are permanent hires under open-ended contracts. The remaining 1,159 are temporary workers, consisting of 1,066 contract employees and 93 dispatched workers.

- Contract employees are primarily hired under open-ended terms as part of a flexible workforce strategy tailored to regional operational needs.
- Temporary workers are mostly concentrated in China and Vietnam:

  At the Wuhu and Suzhou Plants, contract and dispatched workers are flexibly assigned to seasonal or capacity-related production activities, such as inspection and packaging.

  In Vietnam, all temporary employees are employed under fixed-term contracts in compliance with local labor regulations and to maintain stable employment relationships.

  As of the end of 2024, BenQ Materials employed a total of 1,106 non-employee workers, primarily consisting of two categories: on-site outsourced service personnel and contracted project workers. The on-site outsourced personnel include support services such as catering, security, and cleaning, totaling 152 individuals, including 45 security staff. Contracted project workers are dispatched by external contractors to perform technical or construction-related tasks related to production equipment, plant infrastructure, or project-based engineering works, totaling 953 individuals.

  As of the end of 2024, a total of six part-time employees were employed across Taiwan operations, accounting for 0.2% of the total workforce. These include 2 at the Taoyuan Plant, 1 at the Yunlin Plant, and 3 at Cenefom. By gender, there were 2 female and 4 male part-time employees. No part-time employees were hired in the Mainland China and Vietnam operations.

Category Employees	Total Employees	Permanent Employees	Temporary Employees	Employees with No Guaranteed Hours	Full-time Employees	Part-time Employees
Female Count	1,224	815	409	0	1,222	2
Male Count	1,989	1,239	750	0	1,985	4
Total Count	3,213	2,054	1,159	0	3,207	5
Female %	38.1%	39.7%	35.3%	-	38.1%	33.3%
Male %	61.9%	60.3%	64.7%	-	61.9%	66.7%
Taiwan Count	2,286	1,936	350	0	2,280	6
China Count	782	118	720	0	838	0
Vietnam Count	89	0	89	0	89	0
Region Total	3,213	2,054	1,159	0	3,207	6
Taiwan %	72.4%	94.3%	30.2%	-	71.1%	100.0%
China %	24.8%	5.7%	62.1%	-	26.1%	0.0%
Vietnam %	2.8%	0.0%	7.7%	-	2.8%	0.0%

Note 1: Workforce data includes operations in Taiwan (including subsidiaries), China, and Vietnam. Taiwan employee data covers headquarters, Longtan Plant, Yunlin Plant,GENEJET Biotech , BMC, Cenefom, and Web-Pro; China includes Suzhou and Wuhu plants; Vietnam data refers to Web-Pro (Vietnam)h.

Note 2: All figures are based on active employee headcount as of December 31, 2024.

Gender and Age Distribution

- The overall gender distribution was 61.9% male and 38.1% female. The average employee age was 32.7 years. By age group:
- Employees aged 30 and below: 27.0%
- Employees aged 31 to 50: 68.1% (main age group)
- Employees aged above 50: 5.0%

Gender Distribution by Position and Function

Female administrative staff accounted for 58.4%, exceeding the male proportion. Female engineers represented 38.6%, slightly above the overall female workforce percentage (38.1%). Female representation among mid-to-senior managers was 31.3%, and among first-line managers was 36.0%—both slightly below the overall female workforce ratio.

Ethnic and National Diversity

As BenQ Materials' operations are primarily based in Asia (Taiwan, Mainland China, and Vietnam), the employee population is predominantly Asian, with no representation from African, Latin American, Caucasian, or other Western ethnic groups. As of 2024, the workforce demonstrated international diversity:

- Taiwanese employees: 58.9%
- China employees: 25.9%
- Filipino employees: 8.9%
- Vietnamese employees: 5.9%

Nationality Composition of Mid-to-Senior Management

BenQ Materials actively promotes localization in management hiring. Among mid-to-senior managers in Taiwan, 99.4% are of local nationality. In Mainland China (Suzhou and Wuhu Plants), 75.0% of mid-to-senior managers are Chinese nationals.

BenQ Materials remains committed to upholding the employment rights of persons with disabilities and providing inclusive job opportunities. In 2024, a total of 21 employees with disabilities were hired in Taiwan, accounting for 0.9% of the total workforce in the region—an increase of 3 individuals compared to 2023. In accordance with the People with Disabilities Rights Protection Act, the statutory quota for employing persons with disabilities in Taiwan was 20. BenQ Materials exceeded this requirement with a fulfillment rate of 105%, demonstrating efforts beyond legal compliance to foster a diverse and inclusive workplace.

Analyzed by site, the Taoyuan Plant and Yunlin Plant were collectively required to employ 17 persons with disabilities, and both sites met the requirement exactly with 17 hires in 2024, achieving a 100% compliance rate. Although Cenefom Corp. was not subject to a legal hiring requirement, it voluntarily employed 2 persons with disabilities. Web-Pro Corp. was required to hire 2 individuals but employed only 1. In response, the company has initiated an internal assessment to review job functions in administrative and support roles, aiming to identify suitable positions and facilitate the recruitment of qualified candidates with disabilities.

BenQ Materials also values employment opportunities for Taiwan's Indigenous peoples. In 2024, the legal requirement was to hire 17 Indigenous employees. The company exceeded this requirement with 27 Indigenous employees hired, representing 1.2% of the total workforce in Taiwan and a fulfillment rate of 158.8%. This underscores BenQ Materials' dedication to building a diverse and inclusive workplace and ensuring equal employment opportunities for underrepresented groups.

Data Category	Statistical Item	Middle and Senior Managers	Junior Supervisors	Engineering Employe	Administrative Employe	Junior Employe	Total
Job Level/ Gender	Number of Females	55	71	153	239	706	1,224
	Number of Males	121	126	243	170	1,329	1,989
	Total Number	176	197	396	409	2,035	3,213
	Female Percentage	31.3%	36.0%	38.6%	58.4%	34.7%	38.1%
	Male Percentage	68.8%	64.0%	61.4%	41.6%	65.3%	61.9%
Job Level/ Age Group	Number of Employees Under 30	-	5	72	97	692	866
	Number of Employees Aged 31-50	129	184	302	288	1,284	2,187
	Number of Employees Over 51	47	8	22	24	59	160
	Total Number	176	197	396	409	2,035	3,213
	Percentage Under 30	0.0%	2.5%	18.2%	23.7%	34.0%	27.0%
	Percentage Aged 31-50	73.3%	93.4%	76.3%	70.4%	63.1%	68.1%
	Percentage Over 51	26.7%	4.1%	5.6%	5.9%	2.9%	5.0%

Note 1:Mid-to-senior management refers to employees at the manager level and above;First-line management includes assistant manager level supervisors;Engineering personnel include those at engineer and researcher levels;Administrative personnel refer to staff-level and clerical positions;Frontline personnel refer to plant-based employees not classified under the aforementioned categories.

Note 2:BenQ Materials does not employ any workers under zero-hour contracts.No part-time employees were hired in Mainland China operations.

Employee Turnover

In 2024, BenQ Materials hired 1,522 new employees, with a hiring rate of 47.4%. The average recruitment cost per hire was NTD 8,339.

In Taiwan, the overall annual hiring rate was 43.92%, with a female hiring rate of 50.12% and a male hiring rate of 40.14%, indicating a slightly higher proportion of female new hires. By age group, employees aged under 30 had an annual hiring rate of 72.69%, significantly higher than other age groups—37.32% for those aged 31–50 and 9.52% for those above 51. This reflects an expansion in operations and an increase in entry-level openings, making the younger generation the primary source of new hires.

The overall annual turnover rate in Taiwan was 34%, with a voluntary turnover rate of 33.3%. By gender, the male turnover rate was 29.6%, while the female rate was 41.3%, indicating a higher attrition rate among female employees. By age group, employees under 30 had a turnover rate of 47.2%, compared to 31.8% for those aged 31–50, and 9.5% for those over 51. When comparing turnover against the age composition of the workforce, the under-30 group accounted for the majority of employee departures. Overall, the annual turnover rate in Taiwan remained slightly below the hiring rate, reflecting a workforce structure still in a growth phase.

In mainland China (including Suzhou and Wuhu plants), the overall hiring rate was 60.0%, while the annual turnover rate reached 141.5%. This is mainly due to a tight labor supply in the local market and the use of temporary and fixed-term labor contracts to meet flexible production demands, resulting in a significantly higher turnover rate. By gender, the male hiring rate was 67.1% and the turnover rate was 154.3%, while the female hiring rate was 49.35% with a turnover rate of 122.2%.

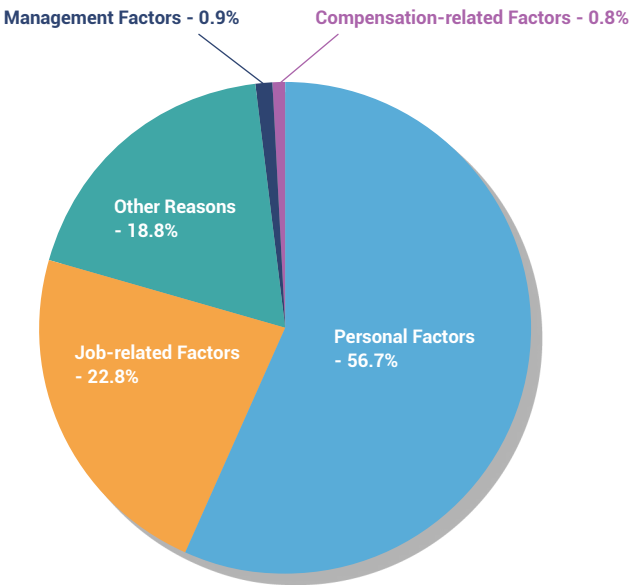
By age, employees under 30 had a hiring rate of 93.9% and a turnover rate of 166.6%, marking them as the most mobile group. For those aged 31–50, the hiring rate was 41.9% and the turnover rate was 127.2%, while those over 51 had a hiring rate of 37.5% and a turnover rate of 187.5%.

Note 1: Annual hiring rate = (total new hires in the year / total number of employees at year-end)

Note 2: Annual turnover rate = (total departures in the year / total number of employees at year-end)

Overall Turnover Analysis

According to the statistics on employee turnover reasons, approximately 56.7% of departures were due to personal factors. These include, but are not limited to, seeking other job opportunities, family caregiving responsibilities, health concerns, and personal career planning. Such data insights enable the company to better understand employee mobility trends and potential needs, serving as a critical foundation for the development of talent retention strategies and employee care initiatives.



Analysis and Management of Direct Labor Turnover

To more effectively monitor turnover trends and reasons among production line direct labor, BenQ Materials implemented a structured exit survey system in October 2024 to collect and analyze workforce data. As of the end of December, a total of 34 valid responses were received. Survey analysis revealed that the top three reasons for leaving were: difficulty adapting to the working environment (45%), receiving alternative job offers (21%), and a mismatch between job expectations and actual duties (15%).

Based on survey feedback, the company has taken immediate action to implement improvements, including enhancing pre-onboarding job briefings to ensure candidates have a clearer understanding of job content and the actual working environment. In addition, feedback related to "work environment mismatch" has been consolidated and shared with relevant departments as a reference for optimizing workplace conditions and management approaches, thereby increasing job compatibility and retention willingness among direct labor and stabilizing the workforce at the frontline level.

Regular Dialogue with Migrant Workers

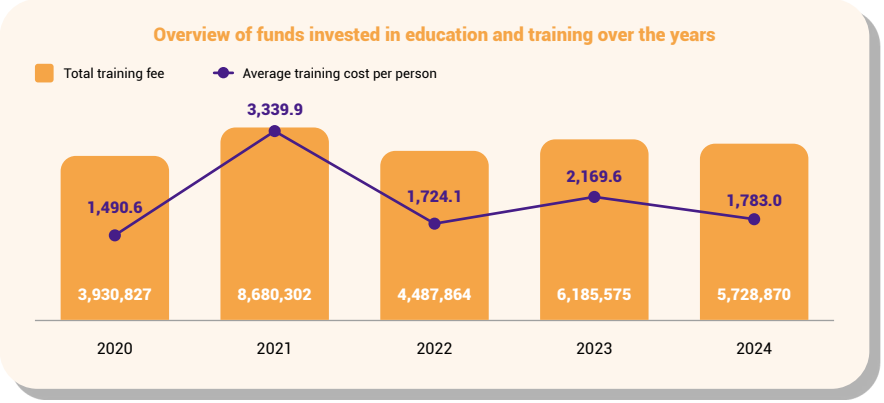
BenQ Materials places strong emphasis on the well-being and workplace adaptation of migrant workers. In 2024, the company held seven dialogue sessions with foreign workers to foster mutual communication and understanding between labor and management. These meetings involved company supervisors, HR representatives, and partnering manpower agencies, providing a platform for in-depth exchanges on key concerns.

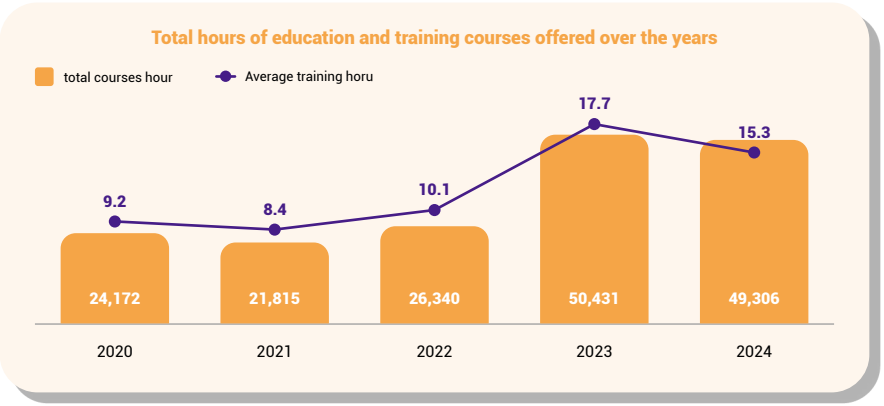
Discussions focused on improvements to dormitory conditions, work management systems and communication practices, and the alignment of job responsibilities with training arrangements. Through these regular meetings, the company has strengthened migrant workers' understanding of and alignment with company policies, reinforced mutual trust and cooperation, and fostered a more inclusive and supportive working environment—ultimately enhancing their overall satisfaction and sense of belonging.

Talent Development and Training

Training Framework

In a highly competitive environment, it is BenQ Materials' commitment to ensure that employees continuously stay current and maintain a passion for learning. We have established a comprehensive and high-quality education and training system with a clearly defined talent development roadmap. Leveraging internal and external resources, we encourage employees to pursue continuous learning. Our training system has been refined by aligning development paths with competency needs, and organizing training into specialized academies: Management Academy, Business Academy, Science & Engineering Academy, Biomedical Academy, Sustainability Academy, Quality Academy, and General Education Academy. Through this Learning and Development Map, we provide training resources that support both corporate and individual career growth, while enhancing organizational competitiveness.





Training Outcomes

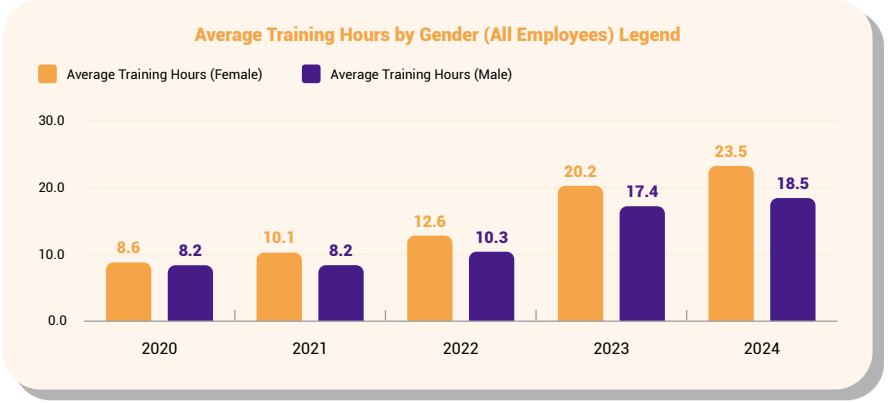
In 2024, a total of 239 in-person courses were offered, with a training investment of NT$5,728,870 and a total of 49,306 training hours. The average training hours for indirect employees reached 46.1 hours. The increase in learning performance is primarily attributed to the implementation of the credit-based learning system, which fostered a proactive learning culture—shifting from assigned training to self-initiated learning and increasing total learning time.

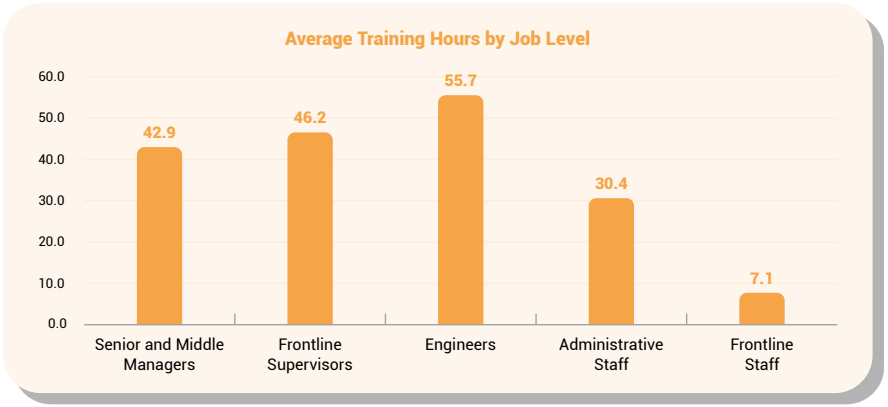
The average training hours by job grade and function are as follows:

- Senior and mid-level managers: 42.9 hours
- First-line supervisors: 46.2 hours
- Engineering staff: 55.7 hours
- Administrative staff: 30.4 hours
- Direct labor: 7.1 hours

By gender, the average training hours are:

- Female employees: 23.5 hours
- Male employees: 18.5 hours





Comprehensive Employee Training Programs

Program	Program Description	Business Benefits of the Program	Impact of Business Benefits	Coverage Proportion of the Total Employee
AI Training Program	Since 2023, BenQ Materials has formally established the AI and Digital Transformation Committee, dedicated to advancing the company's digital development. The training platform aims to enhance employees' AI literacy through courses and activities with practical application. In 2024, a total of 1,754 training attendances were recorded, with 3,310 hours of cumulative training.	Strengthens digital transformation and AI capabilities. Department-led projects incorporate process automation and data analysis applications, improving yield and reducing costs.	Approx. NT$100 million in accumulated benefits	94%
Credit-Based Learning	Building on the results of 2023, the company launched the "Credit System 2.0" in 2024 to foster a culture of innovation and value co-creation. By promoting self-directed learning, the initiative aims to enhance both professional and managerial skills. Credits are tied to performance management and promotion criteria, encouraging active learning. This program has been extended to Suzhou and Wuhu plants.	Enhances professional and managerial capabilities through continuous learning and external knowledge, creating added value in specialized fields.	8.5% revenue growth	100%
Managerial Talent Development	A Talent Development Committee regularly discusses talent-related matters. Since 2022, the "A+ Development Program" has provided high-potential talents with broad and deep learning opportunities. It includes external management potential assessments and uses IDPs (Individual Development Plans) to align learning and practice for leadership growth.	Cultivates high-performing managers, strengthens operational stability, improves employee satisfaction, reduces leadership succession risks, and enhances internal promotion to reduce external recruitment costs.	2024 Key Talent Retention Rate: 98%Management Promotion Rate: 36%Job Grade Promotion Rate: 63%	7%
CIP (Continuous Improvement Program)	BenQ Materials promotes a culture of continuous improvement. CIP projects are planned and executed using tools taught through the Quality Academy, including QC Story, QC 7 Tools, SPC, and DOE. Cross-functional teams are formed to address specific issues and apply improvement strategies using QC Story methodology.	Implements QC Story tools for ongoing improvement projects to boost efficiency, reduce costs, and generate both tangible and intangible benefits.	CIP projects in 2024 generated approx. NT$267 million in financial impact.	40.3%

AI Training Program

In 2024, BenQ Materials officially launched the AI Academy and initiated the company-wide "AI-Man Training Program." The program aims to comprehensively enhance employees' digital capabilities and organizational resilience, fostering the development of π -shaped talent for future needs. The AI Academy serves as the core platform for this initiative, supplemented by diverse training formats to accommodate varying learning preferences across the workforce.

Category	Format	Description
AI Knowledge Awareness and Applications	Foundational Online AI Courses	Provides learners with basic knowledge of artificial intelligence and its applications, establishing a common language for the AI era and foundational skills for human-AI collaboration.
	Generative AI Practical Courses	Designed by internal AI coach teams and continuously updated, these sessions train all indirect employees on the concepts and operation of generative AI tools, fostering diverse AI application possibilities.
	Hands-on AI Workshops & Digital Transformation Newsletter	AI applications are regularly shared through monthly newsletters and live showcases, keeping all employees updated with the latest AI developments.
	"Fun with Digital" Campaign	Since 2023, this initiative encourages employees to apply AI and digital tools in their daily work. Participation and proposal-sharing accelerate AI use-case development and foster cross-disciplinary innovation. To date, 128 participants have submitted 78 proposals.
Developing AI Application Talent and Enhancing Technical Skills	Power BI Data Analysis Tools	Workshops and tool-based courses are organized based on functional needs, enabling employees to solve real business problems and improve efficiency. Over 100 internal seed employees have been trained with one-on-one coaching and project-based development.
	RPA – Robotic Process Automation	
	Python Programming	
	AutoML – Automated Machine Learning	
	AI Image Generation Tools	
	AI Tech Sharing Sessions	Internal AI enthusiast teams regularly explore and evaluate market tools, then share findings and use cases in internal forums, enhancing AI knowledge exchange and cross-team learning.
Strengthening Digital Leadership for Transformation	AI Leadership Seminars	External experts and consultants are invited to conduct deep dives for mid-to-senior leaders on the impacts of generative AI across industries and society, highlighting practical transformation strategies to enhance business innovation and efficiency while securing a sustainable competitive edge.

Credit-Based Learning System

[Promoting Self-Directed Learning Through a Credit System and Recognition Incentives]

To systematically drive employee learning and career development, BenQ Materials launched a credit-based learning system in 2023. Each employee receives an annual personalized learning plan based on the company's business objectives and job function requirements, with designated training programs aligned accordingly.

In 2024, the company advanced the system to Credit System 2.0, integrating it with performance management. Credit attainment became a prerequisite for promotion and performance evaluation. The scope was expanded to include the Suzhou and Wuhu sites. The increase in average training hours per employee demonstrates that the credit system has effectively enhanced learning engagement.

To further incentivize learning motivation, a "Learning Incentive Scheme" was introduced alongside the credit system. In Q4 each year, employees who meet the required number of mandatory and elective credits may convert their annual training hours into incentive points—1 point for every 10 hours. These points can be redeemed for designated rewards.

Additionally, the top three employees with the highest total training hours accumulated during the year are awarded learning gift cards of NT$5,000, NT$3,000, and NT$2,000, respectively, in recognition of their commitment to continuous learning. Over two years, 321 instances of participation were recorded, with a total of NT$80,000 in learning incentives awarded.

This phased incentive mechanism fosters a culture of friendly competition, motivating employees to make productive use of idle time for continuous development. The credit system tracks learning quantity and outcomes, while the incentive program provides timely positive reinforcement—transforming learning from "I have to learn" into "I want to learn." This synergy builds a self-reinforcing, growth-oriented talent development ecosystem.

Management Talent Development

In 2022, BenQ Materials launched the "A+ Talent Development Program" to cultivate high-potential individuals by offering both broad and in-depth learning opportunities. The program aims to prepare participants for future managerial roles in advance. It incorporates external management potential assessment tools to identify individual leadership traits and capability gaps, which are then addressed through personalized Individual Development Plans (IDPs) and a series of structured training sessions designed to balance theoretical knowledge with practical leadership experience.

The program is implemented on a biennial basis, and as of 2024, two cohorts have been launched. The latest results are as follows:

- 56 employees participated
- 26 individuals were assigned IDPs
- 20 employees were promoted to managerial roles (managerial promotion rate: 36%)
- 35 employees were promoted in job grade (job grade promotion rate: 63%)

To strengthen managerial competencies, in addition to standard management training courses, BenQ Materials conducts a 360-degree multi-rater feedback review every two years. The review gathers feedback from subordinates, direct supervisors, peers, and self-assessment to evaluate the behavioral performance of each managerial competency. The results help managers develop greater self-awareness of their strengths and development areas. Furthermore, the aggregated feedback is analyzed to identify common weaknesses across management levels, which is then used to design targeted management training programs or developmental initiatives.

Online Learning Program
[Always Be Learning" Digital Learning Initiative – Empowering a Culture of Diverse Learning]

The "Always Be Learning" program promotes a culture of continuous development by offering diverse digital learning resources, including video-based courses, interactive exercises, and reflective learning feedback. Department heads are encouraged to integrate these online resources into departmental book clubs, motivating employees to select courses aligned with their functional development needs. The blended learning approach—combining online learning with offline group sharing sessions—enhances learning outcomes at the organizational level.

As of the end of 2024, the program has offered nearly 40 digital learning courses, with over 2,600 course enrollments. On average, each employee completed more than two courses. Based on feedback collected through course satisfaction surveys, many employees reported that they were able to quickly acquire new knowledge through the LMS and apply it effectively to their daily work.

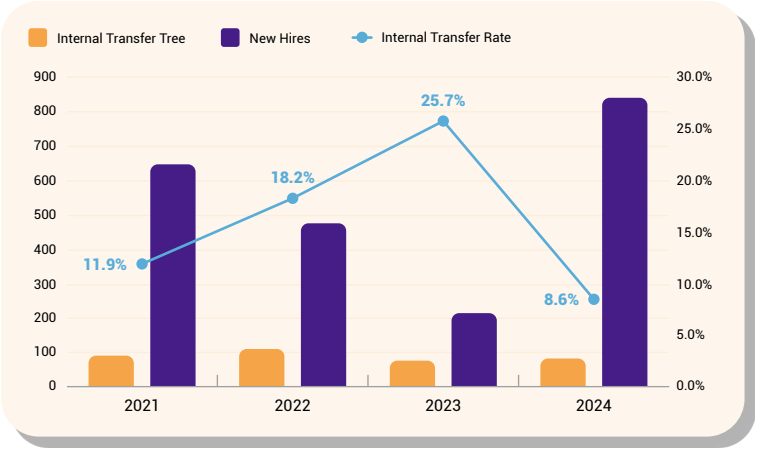
Internal Mobility and Career Development Mechanism

BenQ Materials is committed to cultivating a flexible and growth-oriented career environment, actively encouraging employees to pursue internal job rotations. This initiative aims to foster cross-functional competencies and enhance overall organizational agility. To support internal mobility, the company has established a transparent internal job transfer platform along with a well-structured application and matching process that enables employees to explore cross-departmental assignments aligned with their career interests and functional potential.

In 2024, a total of 73 employees in Taiwan completed internal job transfers, resulting in an internal mobility rate of 8.6%, representing a slight decrease compared to 2023. This change reflects a strategic shift in response to expanded production capacity and urgent frontline staffing needs. As such, the company significantly increased its external recruitment efforts. The surge in new hires during the year underscores the company's proactive response to business growth and increasing customer demand, strengthening its frontline workforce through the rapid onboarding of new talent.

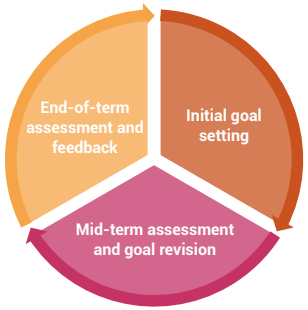
Note 1: Internal mobility rate = Number of internal transfers / (Number of internal transfers + Number of new hires in the same year)

Note 2: The internal mobility rate in 2024 was affected by a rise in new hires due to organizational expansion.



Performance Management System

To effectively support the achievement of corporate strategies, departmental goals, and individual objectives, BenQ Materials has implemented a Performance Management System as a key mechanism for talent development, career progression, compensation adjustments, and salary review. Built on the principles of Management by Objectives (MBO), the system emphasizes both behavioral performance and task achievement. The objective is to ensure that employees not only meet their goals but also demonstrate behaviors aligned with the company's cultural values. Performance reviews are conducted twice annually.



The system is designed to facilitate two-way communication between managers and employees, unleash individual and team potential, and align future focus areas and personal goals with business strategies. For underperforming employees, a Performance Improvement Plan (PIP) is available as a structured support mechanism to help enhance performance and meet expectations.

BenQ Materials upholds the principles of fairness, transparency, and consistency in performance management. Under a clearly defined process, employees are encouraged to provide upward feedback and engage in open dialogue with their managers. Currently, 100% of permanent employees globally (excluding those in probationary periods) undergo regular performance evaluations.

Performance Review Structure

Employee	Mid-Year Review (May–June)	Year-End Review (November–December)
Indirect Labor (IDL)	Review progress against goals and personal objectives set at the beginning of the year. Adjustments are made based on mutual feedback between the manager and employee to align priorities for the second half of the year.	Evaluate overall performance based on task completion and daily behavior. One-on-one feedback sessions allow employees to propose suggestions for their development while enabling managers to understand employee needs and align future development plans.
Direct Labor (DL)	Monthly performance-based allowances are aggregated and ranked for biannual reviews. High-performing individuals, including foreign workers, may be promoted to senior blue-collar positions.	

Campus Recruitment and Industry-Academia Collaboration

Leveraging its multi-brand and group-wide resources, BenQ Materials continues to strengthen campus engagement to unlock new opportunities for students and enhance the employer brand. The company seeks to cultivate future industry talent by increasing interaction with high-potential international students and offering impactful employer experiences.

Program Name	Program Description and Outcomes
Campus Talent Innovation Competition	**Program Description:** BenQ Materials, rooted in optical technologies and dedicated to materials innovation, launched an annual scholarship competition to inspire Taiwan's youth to explore innovative and sustainable applications in materials science. Themed "Green Material Imagination," the competition invited students to propose innovative product ideas in areas such as display materials or biomedical materials, aligned with the Taiwanese EPA's "Sustainable Green Living" framework across food, clothing, housing, transport, shopping, and recreation. Projects were expected to demonstrate creative and sustainable value in material usage and product design. **Outcomes:** A total of 7 teams (30 participants) advanced to the finals, showcasing excellence in product innovation and environmental sustainability. Among them, 2 teams focused on product innovation, and 5 on environmental themes. **Scholarship Awards**  1 Gold Award: NT$300,000 1 Silver Award: NT$200,000 1 Bronze Award: NT$100,000 4 Excellence Awards: NT$10,000 each Total scholarship value: NT$640,000

Program Name	Program Description and Outcomes
Executive Lectures on Campus	**Program Description:** To bridge the gap between academia and the workplace, senior executives were invited to share industry trends, practical applications, and career insights with university students. **Outcomes:** 2 sessions held at Yuan Ze and National Central University, with a total of 100 attendees. 
校園企業參訪	**Program Description:** We collaborate with multiple schools each year to host corporate visits, helping students gain firsthand insight into our corporate culture and work environment. These experiences aim to inspire and guide students in their career planning. In 2024, we welcomed visitors from Yilan Chemical Materials Department, National Central University Chemical Materials Department, National Tsing Hua University IMBA program, and Fufeng Junior High School. **Outcomes:** With a total of 150 attendees. 

Program Name	Program Description and Outcomes
Industry-Academia Collaboration for Factory Talent Development	**Program Description:** Partnering with geographically adjacent schools, BenQ Materials implemented an internship and scholarship program to cultivate operational talent. Students receive NT$30,000 tuition support per semester and an additional NT$50,000 retention bonus upon full-time employment after graduation. **Outcomes:** In 2024, 3 new hires at Taoyuan Plant and 11 at Yunlin Plant.
Southeast Asia Talent Program	**Program Description:** In collaboration with NYCU, BenQ Materials launched a cross-border talent program targeting Vietnamese undergraduate and graduate students. Participants receive NT$20,000 monthly scholarship support during their studies in Taiwan and are eligible for direct employment post-graduation. **Outcomes:** Successfully recruited 1 Vietnamese student to begin graduate studies in Taiwan in 2025.
R&D Academic Collaboration	**Program Description:** As a leader in materials science, BenQ Materials maintains ongoing research partnerships with top academic institutions to co-develop advanced materials projects. These initiatives also provide valuable opportunities for students to apply theoretical knowledge in real-world settings. For more details, please refer to section 4-1 Core Technology and Intellectual Property Management
Summer Internship Program	**Program Description:** The company's summer internship "Q Seed Program" continues to adopt a project-based and mentorship-driven model. With diverse training and final presentations, students enjoy a distinctive and rewarding internship experience. **Outcomes:** In 2024, 6 students participated. Training included 5 courses: New Hire Orientation, ESG Sustainability Trends, E-Commerce Branding, Power BI, and Presentation Skills. 

Employee Well-being and Diversity & Inclusion

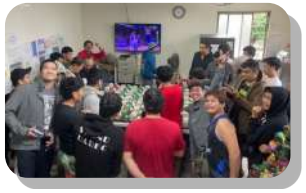
Multiculturalism

To foster a diverse and inclusive workplace, BenQ Materials actively recruits professionals from various nationalities and encourages departments to conduct internal meetings and presentations in English. To ensure all employees, regardless of nationality, can fully understand company policies and procedures, bilingual versions of work rules and internal announcements are provided, enabling timely access to important information.

In 2024, the company launched a series of cultural awareness campaigns targeting employees of different nationalities and gender identities. Through internal newsletters, we introduced festivals and cultural traditions from countries such as Japan, Vietnam, India, and the Philippines to deepen employees' understanding of diverse backgrounds and values. We also provided educational content on gender diversity and immigrant communities to enhance awareness of gender-related issues.

Additionally, BenQ Materials hosted its first Southeast Asia Cultural Festival, promoting cross-cultural exchange through activities such as Southeast Asian food markets, themed menus in the employee cafeteria, traditional games, and interactive experiences. These initiatives created a relaxed and engaging environment for employees to explore different cultures, cultivate open-mindedness, and contribute to a workplace that values harmony, mutual respect, and inclusivity.



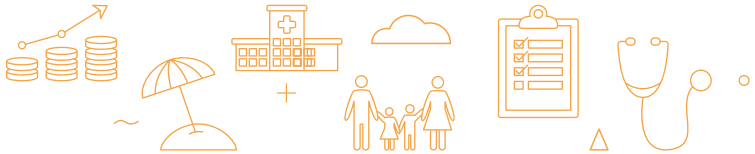



Internationalized Workplace Communication	Bilingual Internal Documentation	Multinational and Multicultural Diversity	Diversified Welfare System
• Bilingual internal presentations • Bilingual internal meetings • Chinese language learning platform and subsidies	• Bilingual newsletters • Bilingual policy documents • Bilingual internal systems	• New hire onboarding – Introduction to Taiwanese culture • Cultural introductions of various national holidays • Southeast Asia Cultural Festival	• Local sauces from the Philippines and Vietnam provided for migrant workers • Christmas dinners for Filipino and Vietnamese migrant workers • Dormitory improvement plans for Filipino and Vietnamese migrant workers

Employee Welfare Measures

In addition to legally required benefits, BenQ Materials has established comprehensive welfare measures across all sites, covering food, clothing, housing, transportation, education, and leisure. Specially designed benefits are also provided to employees with specific needs, aiming to foster a friendly and inclusive workplace where every employee can work with peace of mind and a sense of security.

Employee Benefits Category	Classification	Items	2024 Implementation Outcomes and Practices
Employee Benefits	Subsidies	• Maternity, funeral, marriage, hospitalization, and disaster assistance • Department team-building subsidies • Club activity subsidies • Meal subsidies • Birthday/festival reward	• A total of 175 applications were approved for maternity, funeral, marriage, hospitalization, and disaster assistance, amounting to NT$606,800 in subsidies. • NT$500 per person per quarter was granted for departmental team-building, totaling NT$3,470,500. • Each club received a quarterly subsidy of NT$8,000, totaling approximately NT$440,000. • Daily meal subsidies amounted to NT$49 per meal. • NT$4,951,022 was granted in birthday and festival reward points.
	Leave System	• Advance annual leave for new employees • Paid volunteer leave • Annual leave entitlement for new employees	• New employees may advance up to 7 days of annual leave. • All employees are entitled to 3 days of paid volunteer leave annually. • After 6 months of employment, new employees receive an additional 3 days of annual leave.
	Activities	• Family Day • Trendy lifestyle seminars • DIY workshops • Annual party	• Family Day held annually, with approximately 1,500 participants and a satisfaction score of 4.73. • Organized seminars on sustainable fashion, home organization, and MBTI personality testing. • Held a DIY starry sky workshop with 60 participants; satisfaction score: 4.94. • Mother's Day DIY event with 70 participants; satisfaction score: 4.8. (Satisfaction is rated on a 5-point scale; for more details, refer to Section 7-4-3 Employee Engagement Activities)



Employee Benefits Category	Classification	Items	2024 Implementation Outcomes and Practices
Health Promotion	Sports and Health Care	• Annual health examination • On-site occupational physician consultations • On-site massage and physical therapy by visually impaired therapists • Seasonal sports competitions • Various health seminars and activities • Multi-functional fitness facilities	• One free labor health examination per year with a participation rate of 99.2%. • Weekly on-site occupational health consultations. • 6 hours per week of on-site massage and therapy services. • Monthly sports-related activities. • Regular health promotion programs. • Facilities include a gym, dance studio, vitality center, squash courts, and basketball courts.
Working Conditions	Employee Support	• Employee Assistance Program (EAP) • On-site counseling services • Flexible working hours for indirect employees • Remote working options for indirect employees • Part-time arrangements for indirect employees	• Free consultation via hotline, email, and Line@. • Free on-site counseling available every Tuesday and Thursday. • 30-minute flexible start time upon request. • Remote work applications accepted based on personal needs. • Reduced working hours available for caregiving or personal reasons.
Family Support	Maternity and Childcare Friendly	• Paternity leave exceeding legal standards • Maternity leave exceeding legal standards • Miscarriage leave exceeding legal standards • Prenatal care leave exceeding legal standards • Childcare allowance until age three • Breastfeeding rooms provided in accordance with the law • Post-maternity performance appraisal system	• 10 days fully paid paternity and prenatal check-up leave. • 12 weeks of fully paid maternity leave for those with over 6 months of service; 12 weeks of half-paid leave for others. • For miscarriage: 1 week half-paid leave (after 2 months pregnancy), 5 days half-paid (before 2 months). • Prenatal care leave is calculated separately and does not count against sick leave. • NT$5,000 monthly childcare subsidy per employee; total disbursed NT$27,248,664. • Breastfeeding rooms accessible 24hrs. • Post-maternity employees are exempt from peer performance ranking; managers directly determine appraisal results.
	Elder Care	• Elder care leave	• 3 days of elder care leave annually, available to employees with parents aged 70 or above or requiring care.
Diversity & Inclusion	International Support	• Southeast Asia Cultural Festival • Cross-cultural introductions • Southeast Asian condiment offerings • Chinese language learning subsidies	• Hosted Southeast Asian cultural challenge, food fairs, and Vietnamese sandwich meals. • Issued 6 editions of What a Different Culture newsletter featuring cultures such as India, Japan, and the Philippines. • Weekly provision of Vietnamese and Filipino-style condiments in staff cafeterias to offer a taste of home. • Subsidies available for Chinese language learning and certification.

Employee Retirement System

BenQ Materials complies with the Labor Standards Act and the Labor Pension Act of Taiwan to provide retirement benefits for employees. For employees under the old pension system, the company makes regular contributions to a dedicated pension reserve account, based on actuarial calculations by a certified actuary. For employees under the new pension system, the company contributes 6% of each employee's monthly salary to their individual pension accounts managed by the Bureau of Labor Insurance.

In mainland China, retirement benefits are provided in accordance with local labor laws, through mandatory enrollment in the national social pension insurance schemes, ensuring comprehensive retirement protection for all employees across regions.

Under the old system governed by the Labor Standards Act, BenQ Materials contributes monthly to a pension reserve fund deposited under the name of the Labor Pension Reserve Supervisory Committee in a dedicated account at Bank of Taiwan. As of the end of 2024, the fair value of the plan assets totaled NT$56,285 thousand. The amount contributed in 2024 was NT$2,265 thousand. Any shortfall has been recognized as an accrued pension liability, amounting to NT$6,087 thousand as of year-end 2024.

Under the new system governed by the Labor Pension Act, the company contributed NT$70,377 thousand in 2024 to individual pension accounts at the Bureau of Labor Insurance, based on 6% of employees' monthly wages.

Overseas subsidiaries also comply with their respective local labor laws, contributing to local pension funds through authorized retirement fund management entities.

Employee Engagement Activities

Lihpao Land Family Day

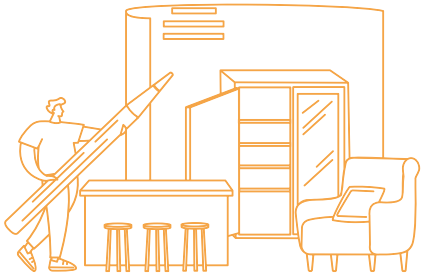
Demonstrating the company's commitment to employee well-being and family cohesion, BenQ Materials hosted a large-scale Family Day at Lihpao Land. In addition to enjoying the amusement park facilities, the event featured hands-on craft sessions for young children and their parents, interactive games, and stage performances. These activities strengthened bonds between employees and their families, fostered workplace camaraderie, and created a relaxing atmosphere outside of work.

Sustainable Fashion Styling Seminar

In alignment with the company's Low Carbon Lifestyle Month, this seminar explored a variety of topics such as sustainable materials, eco-fashion trends, and clothing reuse techniques. Through interactive demonstrations, employees learned how to lower their carbon footprint by choosing organic cotton, repurposed materials, second-hand clothing, and clothing rental models—promoting awareness of the intersection between sustainability and fashion.

Home Organization & Sustainability Talk

This session introduced practical decluttering methods, upcycling techniques, and sustainable storage choices to help employees maintain efficient living and working environments. Emphasizing the concept of "subtractive organization," the speaker encouraged participants to sort, exchange, and recycle items, supporting waste reduction and ESG values in everyday life.



Starry Night Art Workshop

To support employee wellness through creativity, a professional art instructor guided employees in painting dreamy night skies using blending and layering techniques. The relaxing environment encouraged mindfulness, stress relief, and creative expression—helping participants cultivate new skills and draw inspiration for their professional lives.

MBTI Personality Workshop

A licensed psychologist delivered an engaging seminar on the popular MBTI framework, using relatable workplace examples to spark discussion. Employees gained deeper self-awareness and interpersonal understanding, reflected in a high satisfaction rating of 4.6 out of 5.

Supporting Local Professional Basketball Team

Acknowledging employees' passion for basketball, the company not only operates an internal basketball club and tournament but also supports local teams. During the championship event, a game ticket lottery was held, and a company-organized outing was arranged to attend a P. League+ game in support of the Taoyuan Pilots. These initiatives reflect BenQ Materials' commitment to local sports culture and fostering a healthy, energetic workplace.

Year-End Party

The annual "Wang Nian Hui" celebration expresses gratitude to employees for their contributions throughout the year. The event enhances team spirit and provides a platform to recognize outstanding performance, strengthening a culture of appreciation and motivation for future success.

Compensation Management

BenQ Materials adopts a diverse and market-competitive total compensation framework to attract and retain top talent. Compensation for new hires is determined based on the nature of the job, educational background, professional experience, and individual competencies—without discrimination based on gender, religion, ethnicity, political affiliation, or marital status.

Entry-level employees without prior experience are hired at wage levels exceeding the local statutory minimum wage, with no differences by gender. Wage levels at the Suzhou and Wuhu sites vary slightly due to regional legal standards and living costs.

Minimum Wage Multiples by Operating Site in 2024

Taiwan Sites	1
Suzhou Plant	1.64
Wuhu Plant	1.14
Vietnam Plant	1.01

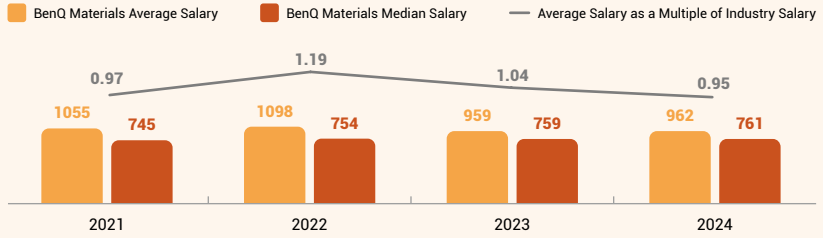
To ensure external competitiveness and internal equity, BenQ Materials regularly participates in market salary surveys and adjusts compensation based on market benchmarks and individual performance. For full-time employees, annual salary adjustments are linked to performance outcomes. In 2024, the average salary increase was 4.5%.

BenQ Materials maintains a policy of non-discrimination across recruitment, performance evaluation, salary adjustment, and promotion. Nevertheless, when analyzing average salary by job level, differences may be observed across genders and sites. These variances are attributed to factors such as performance, educational attainment, average tenure, variations in salary distribution within comparable groups, and headcount composition. For example, average salaries for male employees in Taiwan may be slightly higher than for female employees, while in certain China-based sites, the reverse may occur.

	Male	Female	Remarks
Average Salary (TWD)	1,008,270	887,550	Data excludes subsidiaries
Median Salary (TWD)	788,900	733,913	
Average Pay Ratio (F/M)	1	0.9	
Median Pay Ratio (F/M)	1	0.9	

In accordance with the Taiwan Stock Exchange's "Instructions for Reporting the Salary Information of Full-Time Non-Supervisory Employees," BenQ Materials calculated the average salary of full-time non-supervisory employees across its Taiwan operations. After verification by an external auditor, the weighted average number of full-time non-supervisory employees in 2024 was 1,674. The average salary for this group was NT$962,000, while the median salary was NT$762,000. Compared to 2023, the average and median salaries increased by 0.3% and 0.4%, respectively.

Salaries of Full-Time Employees Not in Supervisory Positions (Unit: Thousands)



Location	Taiwan				China				Vietnam			
Pay Category	Base Salary		Base + Bonus		Base Salary		Base + Bonus		Base Salary		Base + Bonus	
Gender	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Supervisors	1	0.92	1	1.03	1	1.08	1	1.16	1	0.86	1	0.84
Senior Managers	1	0.90	1	0.89	1	1.07	1	1.05	1	0.95	1	0.98
Engineers	1	0.78	1	0.78	1	0.85	1	0.87	1	0.69	1	0.69
Administrative Staff	1	1.04	1	0.87	1	1.03	1	1.09	1	1.05	1	1.03
Frontline workers	1	1.03	1	0.93	1	1.00	1	1.00	1	0.00 註3	1	0.00 註3

Note1:The above figures represent the average salary per group, calculated as total compensation for each job level divided by the number of employees.Base salary is calculated by dividing the total fixed monthly salary (excluding variable pay) by the number of months employed.Base salary + bonus includes total annual compensation (base salary plus bonuses) for non-managerial employees.

Note2:The data includes subsidiaries Web-Pro, Cenefom, and GENEJET Biotech. Salary data for the Vietnam site reflects information from the subsidiary Web-Pro Vietnam.

Note3:There were no female frontline employees at the Vietnam site in 2024; therefore, the gender pay ratio could not be calculated for that group.

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.

Employee Communication

BenQ Materials has established diverse communication channels to safeguard employee rights and ensure confidentiality in all complaint handling and incident processes. All matters are handled prudently according to established procedures, with a strong commitment to fostering a respectful, caring, and human rights–oriented workplace culture.

We uphold employees' legal rights to organize unions and participate in collective bargaining, promoting a healthy and constructive labor-management relationship. Continuous feedback mechanisms are in place to ensure that company policies and communications are delivered promptly and accurately, with appropriate feedback incorporated to enhance operational efficiency and organizational communication.

As of now, labor unions have been established at the Suzhou and Wuhu sites in China, with union participation rates of 30% and 100%, respectively. In Taiwan and Vietnam, no labor unions have been formed,the overall employee union membership coverage rate is 0.07%. thus, BenQ Materials complies with local labor laws by establishing labor-management committee systems and holding regular meetings as formal dialogue platforms. These meetings cover topics such as working conditions, compensation and benefits, occupational safety, and employee rights, with conclusions serving as critical input for future policy adjustments and management decisions, thereby reinforcing the company's commitment to protecting labor rights.

BenQ Materials respects and supports all employees' legal rights to freely form, join, and participate in labor unions and collective bargaining without restriction. According to our Human Rights Policy, we strive to ensure a fair, equitable, and safe working environment for all employees. While no formal Collective Bargaining Agreements (CBAs) have been signed at any operating sites, all union or employee proposals can be communicated and negotiated through the labor-management meeting system to ensure that their concerns are fully expressed and properly addressed.

Item	Description
Year-End Bonus	A fixed year-end bonus equivalent to one month's base salary is granted. An additional half-month salary is provided as a festival bonus during the Dragon Boat and Mid-Autumn Festivals.
Profit Sharing & Performance Bonus	Performance-based bonuses and profit-sharing are distributed annually at year-end based on the company's financial performance and individual employee evaluations.
Patent Incentive Bonus	R&D departments set patent filing targets. Bonuses are granted upon achieving these targets.
Referral Bonus	Certain departments offer a referral bonus program to encourage employees to recommend friends and family to join the company.
Project Competition Bonus	Cross-functional project teams are rewarded annually for outstanding performance through the Continuous Improvement Program (CIP).
Excellence Award Bonus	The annual "True, Good, and Beautiful" Award recognizes model employees through a formal ceremony, with plaques and monetary awards presented.
Long-Service Gift	Employees are recognized at the end of each year for long service in five-year increments, with commemorative plaques and gifts.
Professional Certification Allowance	Subsidies are provided to front-line employees who hold job-relevant professional certifications and are actively engaged in related work.
External Training Subsidy	Employees participating in external professional training or continuing education may apply for training subsidies.
Transfer Incentive	Employees reassigned between northern and southern plants due to job needs are eligible for relocation-related allowances.
Long-Term Incentive Bonus	In the China plant, a long-term incentive scheme is in place to retain critical technical talents. Bonuses are granted every six months based on two-year performance, calculated as a percentage of fixed salary.

Communication Channel	Description	Frequency
Labor-Management / Welfare Committee Meetings	A platform for two-way communication and negotiation on labor and welfare-related issues	Quarterly
Meal Committee Meetings	Feedback and improvements on meal quality and catering benefits	Quarterly
Business Briefings	Regular updates on business performance and future direction to enhance transparency and engagement	Quarterly
Employee Suggestion Mailbox	Anonymous channel for employees to provide feedback and express concerns	irregularly
Mobile App Feedback System	Convenient, real-time feedback tool for mobile use	irregularly
CEO Mailbox on Corporate Website	Direct access to senior leadership; CEO personally responds to employee messages	irregularly
Online Facility Repair Request System	Platform to report facility or equipment issues for timely resolution	irregularly
Annual Employee Activity Satisfaction Survey	Annual feedback survey to assess employee satisfaction with company-organized events	Annually
Catering Feedback Survey	Collect employee opinions on meal services to support quality and content improvements	Biannually
Post-Event Satisfaction Surveys	Immediate feedback collection on event satisfaction and improvement suggestions	irregularly
Employee Engagement Survey	Comprehensive survey on employee satisfaction regarding workplace environment and benefits	Every two years
Labor Unions (Suzhou and Wuhu Plants)	Region-specific labor union organizations established in accordance with local labor regulations	irregularly

Employee Engagement Survey

To foster a positive and inclusive work environment, BenQ Materials conducts a comprehensive employee engagement survey across all sites every two years. The survey evaluates five key dimensions: overall satisfaction, sense of trust, sense of purpose, stress levels, and happiness, providing a holistic view of employee engagement.

In 2023, the company distributed 942 questionnaires to indirect employees and received 693 valid responses, achieving a response rate of 73.6%. Results showed an overall satisfaction increase of 3.5% compared to the previous survey. Among the respondents, 90.9% expressed satisfaction with the company overall, with trust and purpose dimensions both exceeding 90% satisfaction.

In 2024, BenQ Materials conducted its first engagement survey among foreign migrant workers from Vietnam and the Philippines, achieving an overall satisfaction score of 92.3%. However, scores related to agency services and dormitory conditions were lower, and these have been identified as priority areas for improvement.

2023 Employee Engagement Survey Results (Local Employees)

Survey Scope	Dimension Example	Sample Statement	Engagement Score
Overall Satisfaction	Overall Dimension	I am proud to be a member of BenQ Materials.	90.9%
Trust	Communication and Interaction	I believe the company fosters an open and trustworthy working environment.	93.6%
Sense of Purpose	Vision and Strategic Objectives	My department communicates BenQ Materials' business direction and goals to me.	90.6%
Stress Level	Job Content and Environment	My job provides many opportunities for learning and growth.	88.3%
Happiness	Culture and System	Working at BenQ Materials is a joyful experience.	89.8%

Note 1: The full score for the engagement survey is 100%.

Note 2: The engagement score is calculated based on the percentage of respondents who selected "Strongly Agree" and "Agree" for each dimension.

Category	Overall Engagement Score	Change Compared to Previous Survey
Male	90.1%	+2.83%
Female	89.1%	+4.25%
Age		
Under 30	86.3%	+1.13%
30–39 years old	87.4%	+5.47%
40–49 years old	92.5%	+1.79%
50 years old and above	93.4%	-0.95%
Years of Service		
Less than 1 year	91.3%	+1.49%
1–3 years	85.3%	+0.92%
1–3 years	86.8%	+15.75%
5–10 years	88.3%	+1.04%
Over 10 years	94.4%	+3.32%
Site		
Taoyuan Site	89.7%	+3.87
Yunlin Site	92.1%	+6.3%
Longtan Site	87.8%	-2.33%
Wuhu Site	90.3%	-3.3%
Suzhou Site	95.1%	+5.47

2024 Foreign Migrant Worker (Vietnam + Philippines) Satisfaction Survey Results

Survey Dimension	Example Focus Area	Example Focus Area	Engagement Score
Overall Satisfaction	General Dimension	Working at BenQ Materials makes me feel happy.	92.3%
Trust	Work Environment	BenQ Materials fosters an open and trustworthy work environment.	97.3%
Sense of Purpose	Leadership Style	My direct supervisor provides clear and specific work instructions.	96.1%
Stress Level	Work Commitment	I believe the responsibilities I bear at work are fair.	87.2%
Happiness	Organizational Commitment	Working at BenQ Materials makes me feel happy.	86.5%

Note 1: Maximum engagement score is 100%.

Note 2: Scores represent the percentage of respondents selecting "Strongly Agree" or "Agree" in each category.

Nationality	Gender	Overall Engagement Score
Philippines	Male	90.9%
Vietnam	Female	95.2%

Parental Leave

BenQ Materials' Taiwan sites comply with the Gender Equality in Employment Act, allowing eligible employees to apply for parental leave without pay based on their needs. In 2024, a total of 13 employees applied for parental leave, with 12 scheduled to return. Among the 3 male employees, 1 returned to work after the leave period (return-to-work rate: 33.33%). All 9 female employees returned after the leave period (return-to-work rate: 100%). The remaining employee did not return due to personal career planning.

Additionally, among employees who returned from parental leave in 2023, 2 males remained employed in 2024, while 4 out of 5 females remained employed. This results in a one-year retention rate of 100% for males and 80% for females.

Year	2021		2022		2023		2024	
Gender	**Female**	**Male**	**Female**	**Male**	**Female**	**Male**	**Female**	**Male**
Employees eligible for parental leave (A)	42	89	37	74	53	75	69	80
Employees who applied for parental leave (B)	1	4	7	1	12	3	10	3
Employees scheduled to return to work in the year (C)	5	2	5	7	9	3	9	3
Employees who actually returned to work (D)	1	1	5	3	5	2	9	1
Employees still employed 12 months after return (E)	6	1	0	0	4	1	4	2
Parental leave application rate (B / A)	2.4%	4.5%	19.0%	1.4%	22.6%	4.0%	14.5%	3.8%
Return-to-work rate (D / C)	20.0%	50.0%	100.0%	42.9%	55.6%	66.7%	100.0%	33.3%
Retention rate after 12 months (E / prior-year D)	100.0%	100.0%	0.0%	0.0%	80.0%	33.3%	80.0%	100.0%

Note 1: The parental leave system is a legally protected employee benefit under Taiwan's Gender Equality in Employment Act. The statistics above only cover Taiwan employees.Eligibility (A) is defined as employees who applied for maternity leave, prenatal check-up leave, or paternity leave.

Applications (B) refer to employees who applied for parental leave within the same year.

Note 2: The two sites in China and the three Taiwan subsidiaries implement parental leave in accordance with local laws and regulations.

Health Management and Care

BenQ Materials' commitment to a friendly workplace includes comprehensive employee health care initiatives. In terms of nutrition, the employee cafeteria offers regular healthy meal options. Employees can make informed dietary choices using weekly menus labeled with calorie counts and a traffic-light system (red, yellow, green) for food items, helping them manage their diet more effectively.

Employee health checkups exceed legal requirements both in frequency and scope. The company has partnered with designated hospitals, organizes health promotion seminars, and provides stress relief massage rooms offering physical therapy and massage services. Health-related e-newsletters are distributed regularly, enabling employees to stay informed on health topics and to care for their physical well-being through proactive health maintenance and movement-based wellness practices.

Note 1: This section only covers health management actions in Taiwan facilities and does not include overseas sites or subsidiaries.

Note 2: The three Taiwan-based subsidiaries are not required to provide designated health services due to having fewer than 50 employees.

Note 3: There are no health management requirements under local regulations in the China sites; therefore, the related operations follow the standards and procedures of the Taiwan sites.

Health Examination

To support employee health, the company's medical examination program exceeds regulatory requirements in both frequency and scope. Each year, three categories of health checkups are offered: General Labor Health Examinations, Special Health Examinations, and Self-paid Health Examinations.

Based on the results of health reports and questionnaire data, the company conducts risk analysis to identify high-risk groups. These groups are categorized into four levels of risk and are placed under a tiered management system, which includes follow-up actions and arrangements for medical consultations with healthcare professionals.

Type of Health Service	Description	Frequency	Compliance with Regulations	Implementation Results	Management Mechanism Summary
General Labor Health Examinations	On-the-job physical exams, including abdominal ultrasound	Once per year	Exceeds regulations	99.2% participation rate; total of 1,427 employees across Taiwan sites	Based on examination reports and health questionnaires, employees are classified into four risk levels. Levels 3 and above are considered suspected illness cases or require mandatory consultations.
Special Health Examinations	Physical exams for employees engaged in special operations	Once per year	Exceeds regulations	• 259 total examinations; 100% participation • Noise exposure exams for 26 persons; 100% participation • Follow-up exams and job reassignment arranged for Level 3 cases	Managed according to the Occupational Health Protection Regulations
Self-paid Health Examinations	Screening for top 10 causes of death including cancer; various ultrasound examinations	Once or twice per year	Exceeds regulations	• 346 participants	–
Pap Smear Screening	In-factory screening provided by medical teams	Annually	Company covers cost for those not covered by NHI	• 72 participants	–
Vaccination Programs	Influenza vaccination	Annually	Exceeds regulations	• 51 COVID-19 vaccinations; 67 influenza vaccinations	–
On-site Occupational Physicians	Consultations for high-risk groups, mandatory interview cases (e.g., respiratory program, ergonomic risks, maternal health, senior workers), and general medical consultations	Weekly	Frequency exceeds legal requirement	• 249 consultations under 4-tier risk management • 198 under respiratory protection program • 21 under maternal health program	Managed in accordance with the Occupational Health Protection Regulations

Health Promotion and Exercise Initiatives

The World Health Organization (WHO) defined "Workplace Health Promotion" in 1997 as a comprehensive initiative that provides supportive environments and accessible resources within the workplace to promote employee health and enhance individuals' capacity to manage their own health.

In alignment with this concept, BenQ Materials annually designs and implements various health promotion and fitness programs based on employee health examination results and satisfaction surveys to address the needs of the workforce. The following summarizes the related initiatives for the year 2024:

Health Promotion Activities

Category	Description	Execution Outcome (2024)
Physical Therapy	Manual therapy, exercise therapy, orthopedic physiotherapy, fascia release	On-site service 6 hours per week; 402 participants
Massage by the Visually Impaired	Licensed Category B massage therapists were hired to provide massage services for employees	On-site service 6 hours per week; 831 participants
Health Promotion Activities / Seminars	Vegetarian Delights - DIY Plant-Based Cooking	58 participants
	Healthy Eating Made Easy	32 participants; satisfaction score: 4.9
	Fat Burning Class	32 participants
	Fascia Self-Therapy: At-Home Fascia Tool Techniques	23 participants
	Dental Health and Aesthetics Seminar	32 participants
	Shockwave Therapy Experience	30 participants
	You Are Not Alone in Long-Term Care (online course)	79 participants
	Smart Eating Out for Weight Loss (online course)	64 participants
	Vision Health Screening Activity	30 participants
Weight Loss and Fat Reduction Program	Introduced body composition analyzer; set up group-based fat reduction goals with incentive rewards. Targeted participants with moderate to severe fatty liver or BMI >35. The 43-month program included walking challenges, dietary control, and workout classes. Participation or achievement earned rewards.	256 participants; total weight loss: 756.8 kg; average reduction: 1.1%; 90% full participation rate
Basic First Aid Training	AEDs installed in all sites; annual training provided	43 participants
Blood Donation	Promoted in-factory donation activities to support iron balance and long-term cardiovascular health	142 participants

Sports Promotion Activities

To encourage employees to stay active and maintain their energy, BenQ Materials has established 14 sports clubs and regularly organizes various sports competitions, including basketball, bowling, and softball tournaments. These initiatives have successfully attracted more employees to engage in diverse physical activities. In recognition of its efforts, the company was awarded the "Sport-Friendly Corporation" certification by the Sports Administration, Ministry of Education in 2023 (valid through 2026).

Type	Implementation Summary	Frequency	Effectiveness
Club Activities	1 Softball Club 2 Yoga Club 3 Aerobic Boxing Club 4 Zumba Club 5 Basketball Club 6 Cycling Club 7 Badminton Club 8 Jogging Club 9 Gao-Fei Club 10 Mountaineering Club 11 Squash Club 12 Skateboard Club	Weekly	Clubs report status quarterly; each receives NT$8,000/ quarter. Annual subsidies totaled ~NT$440,000.
Fitness Classes	Professional strength and conditioning coach hired to conduct fitness training for senior management, encouraging healthy exercise habits. Mid-year challenge events and year-end ecological hiking and beach clean-up activities were included.	Weekly	Held weekly classes for senior managers, conducted fitness challenge mid-year, and hiking & beach clean-up at year-end.
Exercise Facilities	Facilities include fitness center, gym, aerobics classroom, basketball court, etc. In 2024, upgraded facilities at Taoyuan and YKC plants with new fitness and stretching equipment.	Weekly	Employees can access facilities anytime. Equipment and space added at Taoyuan and YKC sites in 2024.
Sports Season Competitions	From April to August, sports season included new events in 2024 such as dodgeball, volleyball, and Arena of Valor esports. Promoted team bonding and exercise habits.	Monthly	Total of 618 participants in 2024 events; enhanced camaraderie and fitness engagement.
Qisda Group Competitions	Joint competitions with Qisda Group including basketball, volleyball, badminton, and singing contests. BenQ Materials won gold (basketball), silver (volleyball), and 3rd in singing.	Annually	Internal teams competed among 21 group companies, achieving basketball gold, volleyball silver, and 3rd in singing.

foreword 0
BenQ Materials Introduction 1
Sustainability Governance 2
Responsible Governance 3
Responsible Product 4
Environmental Sustainability 5
Partnership 6
Friendly Workplace 7
Social participation 8
Appendix 9

The Workplace Health Promotion Certification

BenQ Materials was certified in 2024 under the Healthy Workplace Accreditation, awarded by the Health Promotion Administration of Taiwan. This recognition highlights the company's commitment across four dimensions:

- Physical Work Environment
- Psychosocial Work Environment
- Personal Health Resources
- Enterprise Community Involvement

The certification process follows a continuous eight-step improvement cycle:

Initiation → Integration → Needs Assessment → Prioritization → Planning → Implementation → Evaluation → Improvement

BenQ Materials distinguished itself by implementing inclusive and comprehensive health tracking mechanisms and by embedding health promotion deeply across all employee groups. Through ongoing health initiatives, the company fosters both physical vitality and psychological resilience, establishing a supportive and fulfilling workplace culture.

Employee Assistance Program (EAP)

To strengthen employees' resilience and support their mental and emotional well-being, BenQ Materials partners with external Employee Assistance Program (EAP) service providers annually. All employees at operating sites are eligible to access free consultation services on topics such as legal issues, mental health, management, and personal adjustment.

Employees can call a 24-hour toll-free hotline or submit unlimited inquiries via email. All consultations are handled by professional case managers and are conducted in full confidentiality, ensuring employee privacy in compliance with data protection laws.

In 2024, a total of 237 cases were recorded, with the majority of issues relating to emotional stress. In terms of proactive support, the company continues to issue care letters to targeted employee groups and publishes monthly mental wellness articles, translated into English and Vietnamese. In addition, licensed counseling psychologists were invited to give talks on "Identifying Emotional Distress and Psychological First Aid Techniques," helping managers and employees to better recognize emotional warning signs and provide timely support.

External Assistance

- Employee Assistance Program (EAP): Provides free access to professional counseling services via telephone hotline, email consultation, and one-on-one psychological counseling sessions.
- On-site Counseling Services: Licensed psychologists are stationed at the Taoyuan and Yunlin sites every Tuesday or Thursday. Employees can make appointments online to access services free of charge.
- Occasional Workshops: Psychological wellness talks and stress-relief seminars are held on an ad-hoc basis.

Internal Assistance

- Monthly Mental Wellness Articles: Curated content on contemporary mental health topics to enhance awareness and self-reflection.
- "Lion's Line" Chat Support via Line@: A text-based emotional support channel allowing employees to share their thoughts anytime, overcoming the constraints of time and location.
- Care Letters for Specific Life Events: Personalized letters of care are sent to employees experiencing major life events, such as childbirth, marriage, bereavement, illness, or return-to-work situations. (Bilingual versions introduced in 2024.)

Workplace Safety

Occupational Safety and Health Management System

BenQ Materials has established the "Environment, Safety, Health, Energy, and Corporate Social Responsibility Policy" to build a safe, healthy, and sustainable workplace, while implementing a robust occupational health and safety management system. Since 2005, the company has been certified under OHSAS 18001, and the current system has been aligned with ISO 45001:2018. The certification covers routine and non-routine operational activities in both production and non-production areas across Taoyuan, Lungke, Yunlin, Suzhou, and Wuhu sites, including on-site activities by external personnel.

In addition, Taoyuan, Lungke, and Yunlin sites have adopted CNS 45001 and obtained certification under the Taiwan Occupational Safety and Health Management System (TOSHMS).

As of the end of 2024, 2,750 workers were covered under the certification scope, representing 63.67% of the total workforce. An additional 999 non-employee workers—including dispatched personnel, security guards, cleaning staff, catering service providers, and contractors—are also included, bringing the total coverage to 3,749 people, or 86.80% of the workforce.

The remaining 570 personnel at the Hailu site and subsidiaries GENE JET Biotech, Cenefom, and Web-Pro are not included in the ISO 45001 certification due to headcount being below 200, accounting for 13.20% of the total workforce.

Note: The contractor headcount is calculated as the average monthly number of personnel entering the site for outsourced engineering projects and specialized equipment installations.

Social Responsibility and Environmental Health and Safety Management Committee

In accordance with the Occupational Safety and Health Management Regulations, BenQ Materials has established the "Corporate Social Responsibility and Occupational Health and Safety Committee" to oversee and promote occupational safety and health (OSH) matters. The committee has a two-year term and convenes quarterly. It is chaired by the Vice President, with a total of 87 members, including 35 labor representatives—accounting for 40% of the committee—exceeding the regulatory requirement of one-third labor representation.

The committee serves as a platform for communication, participation, and consultation on OSH-related legal obligations. It is responsible for tracking the progress of the annual OSH management plan, reviewing the effectiveness of safety trainings, and supporting overall system implementation. Throughout the management system operation, the management representative and OSH officers regularly conduct occupational health and safety training to enhance departmental expertise in the management system.

At the Suzhou and Wuhu sites, in addition to quarterly joint meetings with headquarters, monthly safety meetings are held with managers and OSH officers to track safety management performance and monitor the progress of key initiatives.

Subsidiaries GENE JET Biotech and Cenefom, having fewer than 100 employees, are exempt from establishing an OSH committee under Article 10 of the OSH Management Regulations. However, Web-Pro has proactively established an OSH committee ahead of legal requirements. For cross-entity OSH initiatives, subsidiaries follow the corporate-level implementation framework as planned by headquarters.

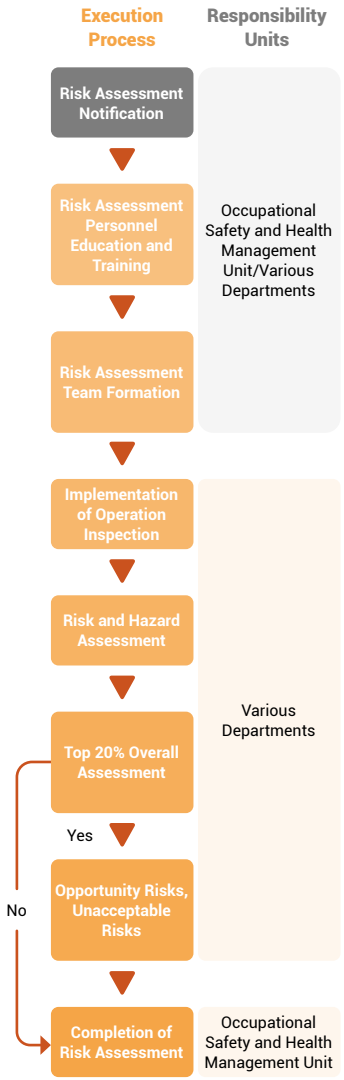
Hazard Identification and Risk Assessment

BenQ Materials conducts annual hazard identification and risk assessments to evaluate overall occupational health and safety (OHS) risks, taking into account existing control measures. Risks identified among the top 20% of all assessed scores are categorized as either "unacceptable" or "acceptable high-risk." For these, a "Unacceptable and High-Risk Control Form" must be completed, outlining required improvement or mitigation actions.

In 2024, a total of 11 high-risk mitigation programs were designated for follow-up tracking. These included improvements such as machine guarding enhancements and task procedure optimization. By the end of 2024, 100% of these improvement programs had been completed.

In situations involving changes to products, services, or operational processes that alter the workplace organization, environment, equipment, workforce, or conditions—and may introduce non-routine hazards—employees are required to submit a "Change Management Assessment Form for EHS." This form triggers a reassessment of hazards and risks associated with the revised activities.

In 2024, 120 such forms were submitted. When the reassessment results indicate unacceptable hazards or high risks and opportunities, corrective measures are implemented following the hierarchy of controls: elimination, substitution, engineering controls, followed by administrative controls such as qualification requirements, warnings, personal protective equipment (PPE), monitoring, and emergency response planning. These measures are continuously improved to reduce risk and ensure workplace safety.



Safety Improvement

Category	Improvement Item	Improvement Item	Monitoring & Follow-up Mechanism
Risk Control	Regulatory Compliance Cloud	Implementation of a cloud-based legal compliance platform to enhance accuracy and efficiency in identifying applicable regulations. The system automatically updates and matches relevant laws and standards.	Digital solution assessment → Feasibility evaluation → Vendor consultation → Access approval → Implementation
	Chemical Management Cloud	Deployment of a chemical cloud platform to manage complex multi-regulatory chemical classifications. The system supports auto-updated regulatory databases and risk categorization.	Digital solution assessment → Feasibility evaluation → Vendor consultation → Access approval → Implementation
	Contractor Management	A systematic risk control process for contractor operations: pre-assessment of high-risk tasks, joint supervision during execution, random audits, and post-project safety and quality evaluation.	Task scheduling → Risk identification → Joint supervision → On-site supervisor/safety team audits → Contractor evaluation and feedback
Training	Professional Safety Training	In addition to legally required training, extra job-specific safety courses are offered. In 2024, 435 employees participated.	Topic planning → Course material preparation → Course delivery → Attendance tracking
	Safety Awareness via Current Events	Workplace and home safety lessons based on recent news incidents to raise hazard awareness. In 2024, 16,229 participations recorded.	News monitoring → Topic development → Course material preparation → Course delivery → Attendance tracking
Interactive Experience	Road Safety Interactive Sessions	Replacing posters with interactive animations and games to improve employee engagement in traffic safety awareness. In 2024, two events were held with 4,081 participants.	Monitoring traffic incidents → Identifying root causes → Developing responsive corrective actions
System Optimization	Training History Digitalization	Implementation of an E-learning system to manage and audit occupational safety training records, ensuring traceability and compliance.	E-learning system testing → Importing and archiving training records
	Dynamic Safety Briefing Mechanism	Shift handover safety briefings conducted by front-line employees on a rotating basis to enhance real-time awareness of safety protocols.	Task identification → Program planning → Safety briefings (with unscheduled audits by safety officers)

Accident Investigation and Injury Prevention

BenQ Materials has established an incident investigation management procedure aligned with ISO 45001 standards. All workplace incidents are systematically investigated to determine root causes, identify associated hazards, and implement corrective and preventive measures. Follow-up monitoring and care are conducted to support employees' return-to-work evaluations and ensure sustained improvements.

Employees are encouraged to report unsafe conditions or potential occupational hazards without fear of retaliation. No disciplinary action is taken for such reports. Departments are incentivized to proactively submit environment, health, and safety (EHS) improvement suggestions on a monthly basis. A safety reporting reward mechanism has also been implemented to promote identification of near-miss incidents and potential risks.

During onboarding and regular safety meetings, employees are informed of their right to withdraw from dangerous work. If a worker identifies an immediate danger in the work environment, they are authorized to cease operations and evacuate to a safe area, provided it does not endanger others. The employee must then report the situation to the Emergency Response Center of their site. This will activate internal emergency protocols. Employees exercising their right to refuse unsafe work are protected from dismissal, reassignment, suspension of wages, or any other form of unfair treatment.

Workplace Violence and Harassment Prevention

To safeguard the physical and mental health of all employees from unlawful infringement while performing their duties, BenQ Materials adopts a zero-tolerance policy against any form of workplace bullying, violence, or harassment, whether from internal staff or external parties such as clients or contractors. The policy explicitly prohibits:

- Physical violence
- Psychological abuse
- Verbal aggression
- Sexual harassment
- Stalking or other forms of harassment

Such incidents, whether explicit or implicit, that compromise the safety, well-being, or health of employees in the course of work—including during commutes—are strictly forbidden.

For incidents involving sexual harassment, the company follows its internal "Prevention, Complaint, and Disciplinary Measures for Workplace Sexual Harassment" in line with relevant labor laws and human rights policies.

For more information, please refer to our official ESG website for the complete Zero Tolerance Policy on Workplace Violence and Harassment.

Annual Workplace Violence Risk Assessment

BenQ Materials conducts an annual workplace violence risk assessment across its Taiwan sites. Department heads are tasked with completing a risk identification questionnaire covering 13 internal and external risk indicators associated with potential unlawful conduct.

If any risk item is flagged as high-risk, the company immediately initiates in-depth interviews and investigations to implement appropriate preventive actions.

In the 2024 assessment, 13.63% of participating departments reported elevated risk in the following areas:

- Incidents involving inappropriate verbal or behavioral treatment by supervisors or colleagues
- Presence of employees displaying signs of emotional distress, despair, or fear and requiring care and attention
- Workers experiencing excessive overtime or high levels of work-related stress
- Job roles requiring interaction with clients known to have a history of violent behavior

According to the company's communication and grievance mechanisms, no workplace violence incidents were reported in 2024. BenQ Materials remains committed to proactive prevention and targeted training, aiming to strengthen risk awareness and mitigate high-risk situations.

Workplace Violence Prevention Training

BenQ Materials places strong emphasis on human rights protection. In addition to onboarding sessions for new employees and leadership orientation, the company incorporates related topics—such as diversity and inclusion and human rights respect—into in-person courses including "Labor Law Essentials" and "Interview Techniques for Talent Acquisition." These efforts ensure employees internalize core values on human rights protection and respect.

The following table outlines workplace violence prevention and gender equality training conducted in 2024:

Course Title	Delivery Mode	No. of Sessions (Annual)	Duration (hrs)	Total Training Hours	No. of Participants
Workplace Violence Prevention Training	Online	1	1	1,859	1,859[1]
Gender Equality & Workplace Harassment Prevention	In-person	1	2	178	89
Gender Equality & Workplace Harassment Prevention	Online	1	1.5	24	16
New Hire / Manager Orientation	In-person/Virtual	Conducted on onboarding dates with 100% completion rate			

Note: This is a mandatory training course for all employees. Those who were unable to complete due to work duties will be scheduled to complete the training in the following year.

Workplace Violence Incident Handling Procedure

In the event of unlawful conduct—such as physical, psychological, verbal abuse, sexual harassment, or stalking—BenQ Materials promptly initiates a response process upon receiving a complaint. An Investigation and Review Committee is immediately formed to examine the case and is required to complete the investigation and resolution within a prescribed timeframe.

Based on the investigation findings:

- Disciplinary actions are imposed on the perpetrator
- Protective and support measures are provided to the victim
- Case documentation and reports are maintained to ensure traceability and accountability
- A root cause analysis is conducted to identify contributing factors and implement preventive actions to avoid recurrence of similar incidents

Occupational Safety and Health Training

Occupational safety begins with strong safety awareness and emergency preparedness. BenQ Materials prioritizes safety training and awareness across all levels of management and frontline employees to build robust emergency response capabilities and instill safety-first mindsets—proactively reducing unsafe behaviors that may lead to accidents.

The annual safety training program includes:

- General Occupational Safety and Health Training for new hires and general employees
- Hazard Communication Training (Hazardous Chemicals Management)
- Machine Safety
- Emergency Response
- Forklift Operation (for loads exceeding one metric ton)
- Crane Operation (for loads between 0.5 and 3 metric tons)
- Lifting Gear Usage
- Boiler Operation
- Occupational Health and Safety Management System Training

In 2024, a total of 28,431 training attendances were recorded for contractors and non-employees (including dispatch workers, onsite security personnel, cleaning staff, and catering service staff), totaling 25,140.5 training hours.

To strengthen its occupational health and safety culture, BenQ Materials has adopted a multi-faceted training approach beyond traditional classroom formats. This includes:

- Utilizing digital learning resources from the Occupational Safety and Health Administration (OSHA Taiwan)
- Incorporating external training providers
- Cultivating foreign workers to serve as peer trainers using simplified and localized language
- Hosting external professional safety seminars

These efforts ensure employees are equipped with the knowledge and skills necessary to work safely and contribute to a secure and healthy workplace.

Contractor Occupational Safety Education and Training

To ensure effective contractor safety management, all construction personnel entering BenQ Materials facilities must complete a mandatory safety training program prior to commencing any onsite work. The training covers site-specific safety protocols and regulations for high-risk operations. In 2024, a total of 2,964 contractor participants completed the required safety training.

In addition to contractor training, BenQ Materials has implemented a Contractor Supervision and Oversight System. Under this system, only certified supervisors are authorized to commission outsourced engineering or maintenance projects. This approach ensures both the safety and quality standards of contractor operations are upheld.

In 2024, a total of 276 employees received certified training for contractor supervision.

Note: There were no abnormal incidents involving contractors in 2024.

Occupational Injury Statistics

BenQ Materials' occupational injury statistics are disclosed in accordance with the definition of occupational injury under the Occupational Safety and Health Act and the Global Reporting Initiative (GRI) GRI 403-9 occupational injury statistics indicators. In 2023, no fatalities or severe occupational injuries occurred among all workers (employees and non-employees). A total of 17 recordable occupational injuries were reported, mainly involving entanglement hazards, including 6 disabling injuries, resulting in a total of 96 days of lost time due to disability.

The primary types of occupational injuries for employees were entanglement and cutting, caused by inadequate machine safety guards or incomplete standard operating procedures. There were 2 occupational injuries among non-employee workers at BenQ Materials, mainly due to being struck or entangled because of failure to follow standard operating procedures. Safety inspections and improvements for machinery, operating procedures, and environmental safety across the entire plant have been conducted.

Employees Disability Injury Statistics

Metric	2020	2021	2022	2023	2024
Total Hours Worked	3,116,150	2,036,168	5,152,318	6,640,976	8,176,546
Occupational Fatalities (number)	0	0	0	0	0
Occupational Fatality Rate	0	0	0	0	0
Number of Serious Occupational Injuries	0	0	0	0	0
Serious Injury Rate	0	0	0	0	0
Recordable Occupational Injuries (number)	7	4	11	15	16
Total Recordable Incident Rate (TRIR)	2	2	2	2	1.96
Lost-Time Injuries (number)	5	2	7	4	8
Lost Days Due to Injuries	183	55	238	26	138
Lost-Time Injury Frequency Rate (FR)	1.6	0.98	1.35	0.6	0.97
Lost-Time Injury Severity Rate (SR)	58	27	46	3	16
Frequency-Severity Index (FSI)	0.3	0.16	0.24	0.04	0.12
Lost-Time Injury Frequency Rate (LTIFR)	1.6	0.98	1.35	0.6	0.97

Non-Employees Disability Injury Statistics

Metric	2020	2021	2022	2023	2024
Total Hours Worked	867,942	392,392	1,260,334	1,217,134	523,166
Occupational Fatalities (number)	0	0	0	0	0
Occupational Fatality Rate	0	0	0	0	0
Number of Serious Occupational Injuries	0	0	0	0	0
Serious Injury Rate	0	0	0	0	0
Recordable Occupational Injuries (number)	0	0	0	2	3
Total Recordable Incident Rate (TRIR)	0	0	0	2	5.73
Lost-Time Injuries (number)	0	0	0	2	0
Lost Days Due to Injuries	0	0	0	66	0
Lost-Time Injury Frequency Rate (FR)	0.00	0.00	0.00	1.64	0.00
Lost-Time Injury Severity Rate (SR)	0	0	0	54	0
Frequency-Severity Index (FSI)	0.00	0.00	0.00	0.29	0.00
Lost-Time Injury Frequency Rate (LTIFR)	0.00	0.00	0.00	1.64	0.00

Note1:The data covers BenQ Materials' Taoyuan Plant, Longtan Plant, Yunlin Plant, Suzhou Plant, Wuhu Plant, and subsidiaries GENE JET Biotech, Cenefom, and Web-Pro.

Note2:Working hours are calculated as follows:

- For direct employees on day shifts: 8 hours per day.
- For shift workers: 10 hours per day.
- For non-employees (e.g., dispatched workers, on-site security, cleaning, catering, and convenience store staff):
- Dispatched workers and security: 10 hours per day.
- Others (cleaning, catering, convenience store): 8 hours per day.
- For contracted construction workers, man-hours are calculated based on average monthly in-plant visits × 8 hours per person per visit.

Note3:The following indicators exclude commuting-related injuries:

- Occupational Fatality Rate = (Number of Occupational Fatalities × 10) ÷ Total Working Hours
- Serious Occupational Injury Rate = (Number of Serious Occupational Injuries excluding fatalities × 10) ÷ Total Working Hours
- Total Recordable Incident Rate (TRIR) = (Number of Recordable Occupational Injuries × 10) ÷ Total Working Hours
- Lost-Time Injury Frequency Rate (FR) = (Number of Lost-Time Injuries × 10) ÷ Total Working Hours
- Lost-Time Injury Severity Rate (SR) = (Lost Workdays × 10) ÷ Total Working Hours
- Frequency-Severity Index (FSI) = √ ((FR × SR) ÷ 1,000)
- Lost-Time Injury Frequency Rate (LTIFR) = (Number of Lost-Time Injuries × 10) ÷ Total Working Hours

Note4:Definitions:

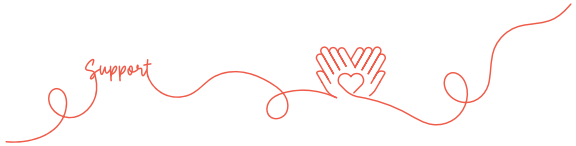
- Serious Occupational Injury: An injury resulting in permanent harm (e.g., amputation), or inability to return to pre-injury work within six months.
- Recordable Occupational Injuries: Total number of occupational incidents requiring external/internal medical treatment, including fatalities and serious injuries.
- Lost-Time Injuries: Injuries that cause the affected worker to be temporarily or permanently unable to work. Lost days exclude the day of injury and the day of return to work, but include all intermediate days (including weekends, holidays, and business closures), and any further absence due to the same injury after returning to work.

Social participation

08

Inheriting the BenQ Group's corporate vision of "Bringing Enjoyment and Quality to Life," BenQ Materials embraces its social responsibility by actively advancing initiatives in environmental sustainability and social engagement. To fulfill this mission, the company not only makes regular charitable donations, but also promotes a wide range of sustainability efforts under four key pillars: Community Care, Education Empowerment, Green Action, and Arts & Culture.

Employees are encouraged to participate in community engagement through a 3-day paid volunteer leave policy, supporting self-initiated involvement in various local initiatives. Through these ongoing actions, BenQ Materials strives to address social challenges and give back to the land of Taiwan with commitment and care.



Type	Item	Starting Year	Indicator	2024 Goal	2024 Actual Outcome	2024 Achievement Rate	2025 Goal	2024 Investment Amount
Community Care and Welfare	Vision Hope Project	2014	Assist mediumand low-income household children Accumulated number of people with glasses fitting	2,200	2618	140%	2850	179,300
Educational Development	Science Camp	2014	Accumulated number of children serviced	5	5	100%	5	182,542
Green Action	Green Party	2011	Accumulated tree planting quantity	Determine the number of trees to plant based on the size of the designated planting area for the year.				
	Taiwan agricultural food plan	2016	Purchase amount of current year	4.5 Tons	5.1 Tons	113%	5.0 Tons	550,783
Art and Culture	Promotion of Local Arts and Culture	2014	Annual Sponsorship of Various Types of Arts and Cultural Groups or Events					

Charitable donations

Donation of Waterproof and Breathable Textile Products

In 2024, BenQ Materials' textile brand Xpore donated a total of 1,995 protective items with a combined market value of approximately NT$1.55 million, including:

- 190 mattress protectors to Genesis Social Welfare Foundation,
- 1,400 mattress protectors to Shilin Bread of Life Church in Hsinchu,
- 90 waterproof and windproof functional jackets to Rotary Club of Taipei Yuanhuan,
- 315 mattress protectors to Chung Yi Social Welfare Foundation,
- 100 mattress protectors to Yongan Nursing Home.

Donation of Wound Care Products

Recognizing the unpredictable risks and challenges faced by police officers during law enforcement operations, BenQ Materials' medical brand Anscare donated 3,000 hemostatic gauze dressings to the police departments of Taipei City, New Taipei City, and Tainan City in 2024. The total market value of this donation was approximately NT$3 million.

Community Care and Welfare

Vision Hope Project

"Healthy eyes create a colorful life" — this belief is the foundation of BenQ Materials' Mirokron vision care brand. Upholding this conviction, BenQ Materials has partnered with Kobayashi Optical and various branches of the Taiwan Fund for Children and Families (TFCF) to help underprivileged children across Taiwan obtain free eyeglasses. In this partnership, BenQ Materials provides the lenses while Kobayashi Optical supplies the frames.

The Vision Hope Project, now in its 11th year, has provided eyeglasses to a total of 2,618 children. In 2024 alone, 484 students applied for the program. However, it was found that fewer than 70% of those applicants actually followed through with their eyeglass fitting.

After in-depth discussions with TFCF, the gap was traced to challenges faced by disadvantaged families and those under grandparental care, which often limit their ability to access services. To ensure these resources are used more effectively, BenQ Materials will develop a follow-up mechanism for eyeglass fitting in 2025, reaffirming its commitment to improving visual health for underprivileged children.

Medical Packaging Seminar

In 2024, BenQ Materials' medical brand Sigma organized a medical film and paper seminar in collaboration with Cheng Hsin General Hospital, National Taiwan University Hospital, and En Chu Kong Hospital. A total of 49 healthcare professionals participated in the event.

Participants noted that the seminar content was clear and easy to understand, making it highly suitable for clinical research applications. Many expressed interest in regular knowledge exchange sessions in the future to further strengthen their professional expertise in product usage.

Educational Development

Science Camp

Project Origin

BenQ Materials is deeply committed to the development of children in Taiwan and addressing the issue of unequal access to educational resources between urban and rural areas. In alignment with UN Sustainable Development Goal 4 – "Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all" – we believe that beyond hardware donations, long-term care, companionship, and appropriate educational content are key to achieving education equity.

For over a decade, we have been driving the "Science Camp" program to support rural science education. Through one-day and half-day hands-on STEM activities, we leverage corporate expertise and volunteer power to bring educational resources and diverse learning opportunities to underserved schools, cultivating children's scientific literacy and curiosity while narrowing the urban-rural education gap.

Integrating Core Technologies

Guided by the principle of integrating business strengths, BenQ Materials recruits knowledgeable volunteers and instructors to deliver fun, interactive science lessons and experiments at remote and suburban elementary schools. These activities help children learn scientific concepts in an engaging way, foster independent thinking and problem-solving skills, and enhance both academic performance and interest in science as part of daily life.

The Invisible Impact

As of 2024, we have held 30 sessions, reaching 887 students. To deepen the program's educational impact, we implemented a multi-layered feedback system to collect both qualitative and quantitative insights from teachers and students. In 2024, the average satisfaction rating from schools and volunteers was 4.9 out of 5.

Our SROI (Social Return on Investment) assessment revealed a 75% positive impact – reflected in increased interest in science learning, higher class participation, and improved assignment completion – a 4% improvement from the previous year.

Additionally, BenQ Materials donated polarizer teaching kits for the New Taipei City Science Day, further demonstrating our commitment to advancing local science education.

2024 Upgrades to Amplify Educational Impact

To further strengthen the effectiveness of the Science Camp, three new initiatives were launched in 2024:

Integration of Medical Expertise

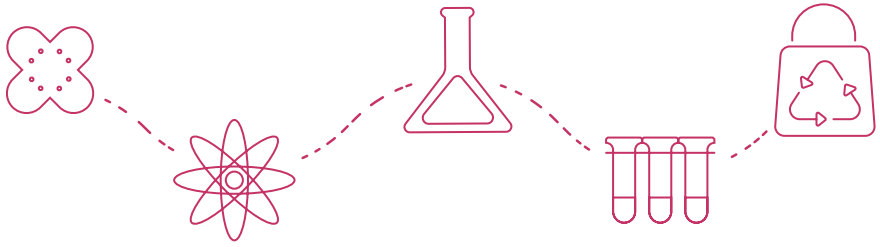
Developed new curriculum modules that teach basic wound care using the company's medical knowledge. Artificial skin kits were donated to school infirmaries for hands-on learning.

Science Education Grants

Provided funding for rural schools to purchase science lab equipment, empowering students to gain practical experience in natural sciences.

Sustainability & Branding

Introduced custom eco-friendly tote bags to promote sustainability and enhance program visibility, allowing students to carry home both memories and values of lifelong learning.



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Volunteer Reflections:

- "The activity atmosphere was excellent – fun, educational, and full of joy for the kids."
- "Pre-event training with hands-on demos was really helpful. It prepared us to handle any situation smoothly."
- "I'll definitely keep participating in the Science Camps whenever possible!"

School Feedback:

- "Thank you for bringing students meaningful experiences beyond the standard curriculum."
- "The interactive approach made science easier to understand and more relatable to daily life."
- "Volunteers were professional and created a space for children to lead and ask questions – a wonderful learning experience."

Children's Words:

- "Thank you to all the big brothers and sisters for teaching me how to do and how to play!"
- "The acrylic art we made looked just like stained-glass windows in a cathedral."
- "The Light and Color class really stuck with me – I now know where light comes from!"

TSAA SDG Award Jury Comments:

"The project demonstrates a clear educational vision and strong stakeholder engagement. Through science camps, it brings valuable educational resources to remote schools and inspires interest in science, fulfilling a real local need."

In 2024, BenQ Materials was honored with the Silver Award for SDG 4 – Quality Education at the Taiwan Sustainable Action Awards (TSAA), recognizing our decade-long dedication to educational equity. Looking forward, we remain committed to enhancing our science education programs, expanding partnerships, and introducing more innovative teaching resources to ensure equal access to quality learning for every child in Taiwan.

Green Actions

Low-Carbon Living Month

To echo Earth Day 2024 and promote the concept of sustainable low-carbon lifestyles, BenQ Materials launched its annual "Low-Carbon Living Month" campaign in April 2024. Aligned with Earth Day's theme on plastic reduction, the campaign integrated knowledge sharing, behavior-based initiatives, and measurable outcome tracking, encouraging company-wide engagement in environmental action and strengthening employee awareness on climate action.

Raising Awareness: Sustainability Begins with Daily Actions

- Earth Hour: Lights Off for One Hour

BenQ Materials joined the global Earth Hour initiative by turning off lights across all facilities from 8:30 to 9:30 p.m., reinforcing energy-saving and carbon-reduction consciousness.

- Ending Fast Fashion – Embracing Sustainable Style

A themed seminar on Sustainable Fashion was held to explore the industry's shift toward eco-friendly practices. The event achieved an **89% attendance rate** and a high **satisfaction score of 4.87 out of 5.**

Tackling Plastic Waste and Promoting Circularity

- Understanding Health Risks of Plastics

An internal quiz titled "Know Your Plastics" engaged **129 employees**, raising awareness about the health risks associated with plastic exposure.

- Optimizing Waste Sorting

Waste management procedures were enhanced to improve **plastic waste separation and recycling**, supporting internal circular economy goals.

Hands-on Participation: Coastal and Urban Clean-ups

- Beach Clean-Up

In Taoyuan, 75 employees participated in a coastal cleanup, achieving a 92.6% participation rate and removing 429 kg of waste.

- Street Clean-Up

In Yunlin, the initiative was extended to community street cleaning with 39 employees participating to help maintain local environmental cleanliness.

Building a Plastic-Free Work Environment

- Eco-Friendly Dining Initiatives

From April, BenQ Materials piloted a plastic-free policy across employee dining areas, eliminating single-use utensils. The program extended to onsite convenience stores and fruit bars in May, resulting in an estimated carbon reduction of 605 kg CO_2e.

Taiwan agricultural food plan

Project Origin

The Taiwan Local Food Action Plan initiated by BenQ Materials began with a mission to address the issue of unsold agricultural products in the Mariguang Tribe of Jianshi Township, Hsinchu. In line with our corporate social responsibility, the company proactively sourced surplus and organic produce directly from local farmers and incorporated them into our employee cafeteria supply chain. The initiative also encouraged employee participation through a direct purchase program, allowing staff to enjoy healthy, chemical-free local food while supporting local agricultural producers through tangible action—promoting shared value and inclusive growth.

Strengthening Local Connections & Employee Engagement

As of 2024, the program has been running for nine consecutive years, with NT$4.8 million in cumulative purchases and NT$550,000 in 2024 alone. Partner communities have expanded beyond Mariguang to include local agro-food platforms such as San-Small Market in Yunlin and Buy Directly From Farmers in Taoyuan. In 2023, the initiative extended support to a family of young farmers with cerebral palsy in Lala Mountain, launching a cabbage subscription and kimchi DIY event in early 2024. Further, BenQ Materials co-hosted the "Farmer-to-Company" campaign, inviting producers to share ecological insights on bee conservation and honey identification, reinforcing employee awareness of agriculture and environmental sustainability.

Stabilizing Rural Economies

By engaging in long-term, stable procurement, the program helps mitigate overproduction and reduce food waste by absorbing "imperfect" or surplus produce, providing consistent economic support to smallholder farmers. In recognition of its meaningful impact, BenQ Materials received the Silver Award under SDG 2: Zero Hunger at the 2023 Taiwan Sustainability Action Awards (TSAA). This acknowledgment reflects the company's dedication to advancing sustainable agriculture and food security through action-oriented social responsibility. Looking ahead to 2025, BenQ Materials aims to broaden its partnerships and scale the local food initiative, ensuring every purchase contributes to a more resilient local economy and a sustainable future.

Biodiversity: Creating a Green Oasis

BenQ Materials' Yunlin Plant, located in Douliu, Yunlin, spans 11 hectares of vast land. Over the past decade, the company has been committed to creating a green environment, planting more than 4,000 trees. In addition to regular pruning and maintenance, some areas follow a natural ecological method. These trees, with minimal human intervention, have added vitality to the plant and provided rich resources for the local ecosystem.

To further enrich biodiversity, the plant has extensively planted native species and honey plants, such as camphor trees, pomelos, and longan trees. These trees not only provide beautiful scenery but also offer habitats and food sources for local birds and other wildlife, further enhancing the plant's ecological environment.

In addition, the plant actively engages in carbon sequestration activities by planting a large number of trees and regularly pruning branches to enhance their carbon sequestration capabilities. Along the Yunlin River, they plant locally common and high carbon-sequestration species like Phyllostachys pubescens (green bamboo) to further green the plant's environment. BenQ Materials' Yunlin Plant is not just a production base but also a potential biodiversity treasure. The company plans to continue green-related projects in the future, hoping to create more diverse green oases.

Art and Culture

Since 2016, BenQ Materials has partnered with the AAE Foundation for Arts and Education to host quarterly themed art exhibitions at our corporate premises. These exhibitions provide employees with an opportunity to engage with diverse art forms—cultivating an atmosphere of cultural enrichment that enhances mental well-being while also inspiring creativity and imagination.

Through this ongoing initiative, the company has invested over NT$200,000 to date. By integrating art into the workplace, we aim to foster a more human-centered and inspiring work environment that aligns with our broader goals of employee well-being and cultural inclusiveness.

Appendix

09

Scope of Data Disclosure

BenQ Materials Corporation and its subsidiaries [Note1]	Important operational locations.					Subsidiaries [Note2]			
	Taoyuan Plant	Longtan Plant	Yunlin Plant	Suzhou Plant	Wuhu Plant	GENEJET Biotech Co., Ltd	Cenefom Biomedical Co.,Ltd.	Web-pro Co.,Ltd	Web-Pro Co., Ltd. (Vietnam Plant)
BenQ Materials Corporation	●	●	●						
BenQ Materials (Sigma) Corporation			●						
BenQ Materials Co., Limited				●					
Daxin Medical Technology (Suzhou) Co., Ltd				●					
BenQ Materials Medical Technology (Suzhou) Co., Ltd.				●					
Suzhou Sigma Medical Materials Co., Ltd				●					
BenQ Materials (Wuhu) Limited					●				
Governance									
Executive Remuneration Strategy	●	●	●	●	●				
Financial performance	●	●	●	●	●	●	●	●	●
Tax Payment Status	●	●	●						
Integrity Education Promotion and Training	●	●	●	●	●	●	●	●	●
Environment									
Environmental management system	●	●	●	●	●				
Greenhouse gas emissions	●	●	●	●	●				
Energy management	●	●	●	●	●				
Water resource management	●	●	●	●	●				
Air pollution management	●	●	●	Note3	Note3	Note3	Note3	Note3	Note3
Waste management	●	●	●	●	●				
Social									
Employee Statistics [Note4]	●	●	●	●	●	●	●	●	●
Training Outcomes	●	●	●	●	●	●	●	●	●
Employee Welfare Measures	●	●	●						
Compensation Management	●	●	●	●	●	●	●	●	●
Parental Leave	●	●	●						
Health Management and Care	●	●	●						
Occupational Health and Safety (OHS) Management	●	●	●	●	●	●	●	●	●

Note 1: 100% owned subsidiary
Note 2: Non-100% owned subsidiary
Note 3: No air pollution emissions
Note 4: Includes new hires and turnover

Environmental Performance Data

Historical Waste Statistics (by Disposal Method and Facility) (Unit: Tons)

Disposal Tpye	Hazard Category	Disposal Method	2020	2021	2022	2023	2024
Off-site disposal	Recycle and reuse	Hazardous	Ready to resue	-	-	-	-	-
			Regeneration and reuse	-	21.07	7.77	5.33	5.45
			Other recycling operation	405.38	574.13	412.29	1,305.78	353.55
		Non-Hazardous	Ready to resue	-	-	-	-	-
			Regeneration and reuse	8,676.61	-	-	24.98	746.39
			Other recycling operation	184.25	10,435.30	10,959.68	8,601.24	9,294.14
	Direct disposal	Hazardous	Incineration (including energy recycle)	132.68	-	4.36	3.29	-
			Incineration (excluding energy recycle)	-	258.16	203.56	193.94	267.23
			Landfill	-	-	-	-	-
			Other disposal operation	-	141.45	191.60	218.34	237.33
		Non-Hazardous	Incineration (including energy recycle)	376.00	51.36	459.39	426.06	409.80
			Incineration (excluding energy recycle)	-	730.75	132.27	194.61	226.00
			Landfill	-	-	-	-	-
			Other disposal operation	2,672.95	2,395.37	2,245.97	1,636.27	1,238.98

Total	Type	2020	2021	2022	2023	2024
	Recycle and reuse — Hazardous	405.38	595.20	420.06	1,311.10	359.00
	Recycle and reuse — Non-Hazardous	8,860.86	10,435.30	10,959.68	8,626.22	10,040.53
	Direct disposa — Hazardous	132.68	399.61	399.52	415.57	504.56
	Direct disposa — Non- Hazardous	3,048.95	3,177.48	2,837.63	2,256.94	1,874.78
	Covered Operational Sites	100%[Note1]	100%[Note1]	100%[Note1]	100%[Note1]	100%[Note1]

Total	Type	2020	2021	2022	2023	2024
	Recycle and reuse — Hazardous and Non-Hazardous	9,266.24	11,030.50	11,379.74	9,937.32	10,399.54
	Direct disposa — Hazardous and Non- Hazardous	3,181.63	3,577.09	3,237.15	2,672.51	2,379.34
	Covered Operational Sites	100%[Note1]	100%[Note1]	100%[Note1]	100%[Note1]	100%[Note1]

Note:Includes 100% of BenQ Materials' major operational sites; excludes operational sites of subsidiaries.

Social Performance Data

Employee Nationality and Job Level Distribution in 2024

Ethnicity / Nationality	Asian [Note]									
	Taiwanese	%	China	%	Filipino	%	Vietnamese	%	Other	%
Middle and Senior Managers	146	80.7%	24	13.3%	0	0%	9	5%	2	1%
Junior Supervisors	136	71.6%	40	21.1%	0	0%	12	6.3%	2	1%
Engineering Employe	273	69.9%	99	25.1%	0	0%	22	5.7%	1	0.1%
Administrative Employe	346	84.8%	37	9.1%	0	0%	12	2.9%	13	3.2%
Junior Employe	983	48.2%	633	31%	287	14.1%	136	6.7%	0	0%

Employee Distribution by Site and Ethnic Group in 2024

	Taiwan Sites	China Sites	Vietnam Site
Taiwanese Employees	1,880	7	5
Mainland Chinese	2	831	0
Filipino Employees	287	0	0
Vietnamese Employees	107	0	84
Others	10	0	0

Note: As all BenQ Materials' operational sites are located in Asia (Taiwan,China, and Vietnam), the workforce is predominantly of Asian ethnicity. There are currently no employees of African, Latin, Caucasian, or other Western descent.

Employee Turnover and Hiring Statistics (2024) by Region

Category	Taiwan		Mainland China		Vietnam	
	Overall Hiring Rate	Overall Turnover Rate	Overall Hiring Rate	Overall Turnover Rate	Overall Hiring Rate	Overall Turnover Rate
整體	43.9%	34.0%	60.0%	141.5%	16.9%	34.8%
Female	50.1%	41.3%	49.2%	122.2%	28.0%	60.0%
Male	40.1%	29.6%	67.1%	154.3%	12.5%	25.0%
Age <30	72.7%	47.2%	93.9%	166.6%	22.6%	54.8%
Age 31–50	37.3%	31.8%	41.9%	127.2%	15.1%	24.5%
Age >50	9.5%	9.5%	37.5%	187.5%	0.0%	20.0%

Note: Formula = Number of new hires or leavers in category / Total headcount in same category.

New Hire Profile (2020–2024)

Category	2020	2021	2022	2023	2024
Female Hires	671	637	414	248	605
Male Hires	1,686	1,813	1,056	852	917
Female %	67.37%	63.64%	41.44%	23.11%	49.43%
Male %	102.74%	113.45%	65.84%	47.92%	46.10%
Age <30	1,606	1,521	801	501	676
Age 31–50	744	900	663	588	829
Age >50	7	28	6	11	17
Age <30 %	150.52%	173.83%	104.57%	64.73%	78.06%
Age 31–50 %	49.27%	54.35%	37.76%	30.06%	37.91%
Age >50 %	11.67%	41.18%	7.41%	9.09%	10.63%
Taiwan	473	668	510	217	1,004
Mainland China	1,884	1,782	960	702	503
Vietnam	-	-	-	-	15
Taiwan %	28.26%	37.91%	29.51%	12.18%	43.92%
China %	195.64%	212.90%	110.98%	88.86%	60.02%
Vietnam %	-	-	-	-	16.85%

Note: 2024 is the first year Vietnam site is included in disclosure.

foreword 0
BenQ Materials Introduction 1
Sustainability Governance 2
Responsible Governance 3
Responsible Product 4
Environmental Sustainability 5
Partnership 6
Friendly Workplace 7
Social participation 8
Appendix 9

Employee Turnover Profile (2020–2024)

Category	2020	2021	2022	2023	2024
Female Hires	565	598	466	294	780
Male Hires	1,559	1,804	1,093	939	1,215
Female %	56.73%	59.74%	46.65%	27.40%	63.73%
Male %	95.00%	112.89%	68.14%	52.81%	61.09%
Age <30	1,376	1,509	887	498	761
Age 31–50	738	855	665	712	1,204
Age >50	10	38	7	23	30
Age <30 %	128.96%	172.46%	115.80%	64.34%	87.88%
Age 31–50 %	48.87%	51.63%	37.87%	36.40%	55.05%
Age >50 %	16.67%	55.88%	8.64%	19.01%	18.75%
Taiwan	398	584	540	314	778
Mainland China	1,726	1,818	1,015	778	1,186
Vietnam	-	-	-	-	31
Taiwan %	23.78%	33.14%	31.25%	17.63%	34.03%
China %	179.23%	217.20%	117.34%	98.48%	141.53%
Vietnam %	-	-	-	-	34.83%

R&D Talent Composition

Year	2020	2021	2022	2023	2024
Male Headcount	107	117	130	131	126
Female Headcount	57	69	68	71	70
Male %	65%	63%	66%	65%	64%
Female %	35%	37%	34%	35%	36%

Governance Performance Data

Political Contributions and Public Policy Influence (TWD)

Category	2021	2022	2023	2024
Lobbyists and lobbying organizations / interest groups	0	0	0	0
Political parties or individual candidates	0	0	0	0
Industry/trade associations or think tanks influencing campaigns/laws	0	0	0	0
Others (e.g., ballot initiatives, referendums)	0	0	0	0
Total	0	0	0	0

Note 1: Figures exclude subsidiaries.

Note 2: The company did not engage in any political donations, lobbying expenditures, or support for specific political parties/candidates in the past four years.

Integrity-Related Violations

Violation Category	Number of Cases in 2024
Bribery / Corruption	0
Fraud / Misappropriation	0
Privacy Breaches / Data Protection	0
Conflict of Interest / Money Laundering	0

GRI Sustainability Reporting Standards Content Index

GRI Statement of use

Statement of use	BenQ Materials has reported its activities following the GRI guidelines for the period from 2024/1/1-2024/12/31
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	No

GRI 2: General Disclosures 2021

Disclosure	Description	Reference	Page	Notes
Organizational and Reporting Practices				
2-1	Organizational details	1-1 Company Profile	8	
2-2	Entities included in the organization's sustainability reporting	- Report Introduction	6	
2-3	Reporting period, frequency and contact point	- Report Introduction	6	
2-4	Restatements of information	7-4-7 Parental Leave	108	
2-5	External assurance	- Report Introduction	6	
Activities and Workforce				
2-6	Activities, value chain and other business relationships	1-1-3 Value Chain 6-1 Customer Service	9 78	
2-7	Employees	7-2-2 Employee Statistics	92	
2-8	Workers who are not employees	7-2-2 Employee Statistics	92	
Governance				
2-9	Governance structure and composition	3-1-1 Board of Directors	33	
2-10	Nomination and selection of the highest governance body	3-1-1 Board of Directors	33	
2-11	Chair of the highest governance body	3-1-1 Board of Directors	33	
2-12	Role of the highest governance body in overseeing the management of impacts	3-1-1 Board of Directors	33	
2-13	Delegation of responsibility for managing impacts	2-1 Sustainable Governance and Operations 2-4 Sustainability Topic Management Approach	16 28	
2-14	Role of the highest governance body in sustainability reporting	- Report Introduction 3-1-1 Board of Directors	6 33	
2-15	Conflicts of interest	3-1-1 Board of Directors	33	
2-16	Communication of critical concerns	3-1-1 Board of Directors	33	
2-17	Collective knowledge of the highest governance body	3-1-1 Board of Directors	33	
2-18	Evaluation of the performance of the highest governance body	3-1-5 Board of Directors Performance Evaluation	36	
2-19	Remuneration policies	3-1-4 Executive Remuneration Strategy	35	
2-20	Process to determine remuneration	3-1-4 Executive Remuneration Strategy	35	
2-21	Annual total compensation ratio	3-1-4 Executive Remuneration Strategy	35	
Strategies, Policies, and Practices				
2-22	Statement on sustainable development strategy	- Message from the President	2	
2-23	Policy commitments	3-4-1 Code of Conduct 7-1 Human Rights Management	40 90	
2-24	Embedding policy commitments	3-4 Ethical Management	40	
2-25	Processes to remediate negative impacts	2-4 Sustainability Topic Management Approach 3-4-2 Grievance Mechanism 7-4-6 Employee Communication	28 40 106	
2-26	Mechanisms for seeking advice and raising concerns	3-1 Corporate Governance 3-4 Ethical Management	33 40	
2-27	Compliance with laws and regulations	3-1-8 Corporate Governance 3-4-2 Grievance Mechanism	33 40	
2-28	Membership associations	1-1-2 Participation in External Organizations	9	
Stakeholder Engagement				
2-29	Approach to stakeholder engagement	2-2 Stakeholder Engagement	20	
2-30	Collective bargaining agreements	7-4-6 Employee Communication	106	

GRI 3: Material Topics 2021

GRI Disclosure	GRI Standard Title	Report Section Correspondence	Page	Notes
3-1	Process to determine material topics	2-3 Materiality Assessment and Analysis	22	
3-2	List of material topics	2-3-2 Identified Material Topics	22	
Material Topic 1: Sustainable Supply Chain				
3-3	Management of material topic	2-4 Sustainability Topic Management Approach	28	
204-1	Proportion of spending on local suppliers	6-3-7 Local Procurement	88	
308-1	New suppliers screened using environmental criteria	6-3-3 Supplier Selection	85	
308-2	Negative environmental impacts in the supply chain and actions taken New suppliers screened using social criteria	6-3-3 Supplier Selection; 6-3-4 Existing Supplier Management	85 86	
414-1	Negative social impacts in the supply chain and actions taken	6-3-3 Supplier Selection	85	
414-2	Proportion of spending on local suppliers	6-3-3 Supplier Selection 6-3-4 Existing Supplier Management	85 86	

GRI Disclosure	GRI Standard Title	Report Section Correspondence	Page	Notes
Material Topic 2: Innovation Management				
3-3	Management of material topic	2-4 Sustainability Topic Management Approach	28	
-	Custom Topic: Structural Optimization & Efficiency	4-2 Sustainable Product Design and Lifecycle Integration	52	
Material Topic 3: Information Security				
3-3	Management of material topic	2-4 Sustainability Topic Management Approach	28	
-	Custom Topic: Information Security Incidents	6-1-2 Information Security	78	
Material Topic 4: Quality Management				
3-3	Management of material topic	2-4 Sustainability Topic Management Approach	28	
-	Custom Topic: Customer Satisfaction	6-1-2 Customer Satisfaction	78	
Material Topic 5: Climate Strategy				
3-3	Management of material topic	2-4 Sustainability Topic Management Approach	28	
305-1	Direct (Scope 1) GHG emissions	5-2-3 Greenhouse Gas Management	66	
305-2	Energy indirect (Scope 2) GHG emissions	5-2-3 Greenhouse Gas Management	66	
305-3	Other indirect (Scope 3) GHG emissions	5-2-3 Greenhouse Gas Management	66	
305-4	GHG emissions intensity	5-2-3 Greenhouse Gas Management	66	
305-5	Reduction of GHG emissions	5-2-3 Greenhouse Gas Management	66	
305-6	Emissions of ozone-depleting substances (ODS)	-	-	No ODS emissions during operations
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	5-5 Air Population Control	74	
Material Topic 6: Diversity and Inclusion				
3-3	Management of material topic	2-4 Sustainability Topic Management Approach	28	
405-1	Diversity of governance bodies and employees Ratio of basic salary and remuneration of women to men	3-1-1 Board of Directors 7-2-2 Employee Statistics	33 92	
405-2	Incidents of discrimination and corrective actions taken	7-4-4 Compensation Management	105	
406-1	Diversity of governance bodies and employees	7-4-6 Employee Communication	106	No incidents of workplace discrimination in 2024
Material Topic 7: Product Responsibility				
3-3	Management of material topic	2-4 Sustainability Topic Management Approach	28	
-	Custom Topic: Product Carbon Footprint Reduction	4-2 Sustainable Product Design and Lifecycle Integration	52	
Material Topic 8: Product Safety and Marketing				
3-3	Management of material topic	2-4 Sustainability Topic Management Approach	28	
416-1	Assessment of the health and safety impacts of product and service categories	4-5 Product Safety and Marketing Labels	60	
416-2	Incidents of non-compliance concerning the health and safety impacts	3-1-8 Regulatory Compliance	37	No such incidents in 2024
417-1	Requirements for product and service information and labeling	4-5 Product Safety and Marketing Labels	60	
417-2	Incidents of non-compliance concerning product/service info & labeling	3-1-8 Regulatory Compliance	37	No such incidents in 2024
417-3	Incidents of non-compliance concerning marketing communications	3-1-8 Regulatory Compliance	37	No such incidents in 2024
Material Topic 9: Business Ethics & Integrity				
3-3	Management of material topic	2-4 Sustainability Topic Management Approach	28	
205-1	Operations assessed for risks related to corruption	3-4-3 Integrity Education Promotion and Training	41	
205-2	Communication and training about anti-corruption policies and procedures	3-4-1 Code of Conduct 3-4-3 Integrity Education Promotion and Training	40 41	
205-3	Operations assessed for risks related to corruption	3-4-2 Grievance Mechanism	40	No incidents of corruption in 2024

Voluntary Disclosures of GRI Topics and Indicator

Disclosure	Description	Reference	Page	Notes
GRI 200：Economic Series				
GRI 201：Economic Performance 2016				
201-1	Direct economic value generated and distributed	3-2 Business Performance	38	
201-2	Financial Impacts, Risks, and Opportunities Arising from Climate Change	5-2-2 Climate Change Management Strategy and Actions	63	
201-3	Defined Benefit Obligations and Other Retirement Plans	7-4-2 Employee Welfare Measures	102	
201-4	Financial Subsidies Received from the Government	3-2 Business Performance	38	
GRI 202：Market Presence 2016				
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	7-4-4 Compensation Management	105	
202-2	Proportion of Local Residents Employed in Senior Management Positions	7-2-2 Employee Statistics	92	

Disclosure	Description	Reference	Page	Notes
GRI 206: Anti-competitive Behavior 2016				
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	3-4-3 Integrity Education Promotion and Training	41	No relevant incidents in 2024
GRI 300：Environmental Series				
GRI 302：Energy 2016				
302-1	Energy consumption within the organization	5-3-1 Energy Usage Data	68	
302-3	Energy intensity	5-3-1 Energy Usage Data	68	
302-4	Reducing energy consumption	5-3-2 Emission Reduction Actions and Outcomes	68	
GRI 303：Water 2018				
303-1	Interactions with water as a shared resource	5-4 Water Resource Management	70	
303-2	Management of impacts related to water discharge	5-4-1 Water Consumption Overview	70	
303-3	Water withdrawal	5-4-1 Water Consumption Overview	70	
303-4	Discharge volume	5-4-1 Water Consumption Overview	70	
303-5	Water consumption	5-4-1 Water Consumption Overview	70	
GRI 306：Waste 2020				
306-1	Waste generation and waste related significant impact	5-6-1 Waste Management	75	
306-2	Management of waste related significant impact	5-6-1 Waste Management	75	
306-3	Waste generation	5-6-2 Waste Production Volume	75	
306-4	Waste disposal transfer	5-6-4 Recycling and Circular Resource Utilization Data	76	
306-5	Waste direct disposal	5-6-4 Recycling and Circular Resource Utilization Data	76	
GRI 400：Social Topic				
GRI 401：Employment 2016				
401-1	New employee hires and employee turnover	7-2-2 Employee Statistics	92	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	7-4-2 Employee Statistics	102	
401-3	Parental leave	7-4-7 Parental Leave	108	
GRI 402：Labor relation 2016				
402-1	Minimum notice periods regarding operational changes	-	-	BenQ Materials will provide advance notice and notification in accordance with local regulations in the event of significant operational changes.
GRI 403：Occupational safety and health 2018				
403-1	Occupational health and safety management system	7-6-1 Occupational Safety and Health Management System	112	
403-2	Hazard identification, risk assessment, and incident investigation	7-6-3 Hazard Identification and Risk Assessment	112	
403-3	Occupational health services	7-5-1 Health Examination	109	
403-4	Worker participation, consultation, and communication on occupational	7-6-4 Accident Investigation and Injury Prevention	113	
403-5	Worker training on occupational health and safety	7-6-7 Occupational Safety and Health Training 7-6-8 Contractor Occupational Safety Education and Training	114 115	
403-6	Promotion of worker health	7-5 Health Management and Care	109	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked to business operations	7-6-3 Hazard Identification and Risk Assessment	112	
403-8	Workers covered by an occupational healthand safety management system	7-6-1 Occupational Safety and Health Management System	112	
403-9	Occupational Injuries	7-6-9 Occupational Injury Statistics	115	
GRI 404：Education and Training 2016				
404-1	Average Hours of Training per Year per Employee	7-3-2 Training Outcomes	96	
404-3	Percentage of employees receiving periodic performance and occupational development reviews	7-3-4 Performance Management System	100	
GRI 407：Freedom of Association and Collective Bargaining 2016				
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	7-1 Human Rights Management 7-4-6 Employee Communication 6-3-4 Existing Supplier Management	90 106 86	
GRI 408：Child Labor 2016				
408-1	Operations and suppliers at significant risk for incidents of child labor	7-1 Human Rights Management	90	No relevant incidents in 2024
GRI 409：Forced or Compulsory Labor 2016				
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	7-1 Human Rights Management	90	
GRI 410：Security Practices 2016				
410-1	Security personnel trained in human rights policies or procedures	7-2-3 Employee Turnover 7-1 Human Rights Management	94 90	
GRI 411：Rights of Indigenous Peoples 2016				
411-1	Incidents of violations involving rights of Indigenous peoples	7-1 Human Rights Management	90	
GRI 415：Public Policy 2016				
415-2	Political contributions	3-2 Business Performance	38	
GRI 418 Customer Privacy 2016				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	6-1-3 Privacy Protection Policy and Practices	81	No relevant incidents in 2024

SASB Disclosure Indicator

Hardware Disclosure Indicator

Type：Technology & Communications

Category：Hardware

Issue	Indicator Content	Indicator No.	Corresponding Chapter/Section	Page
Product Information Security	Explanation for product information security identification and handling method	TC-HW-230a.1	BenQ Materials primarily produces materials and medical devices, therefore, product attributes are not applicable.	-
Workforce Diversity and Inclusion	❶ The gender and ethnicity/race representation ratios of management, ❷ technical staff, and ❸ all other employees.	TC-HW-330a.1	9-1-2 Social Performance Data BenQ Materials currently operates primarily in Asia, with most of its senior and mid-level managers and employees being of Asian descent. Position / Male (%) / Female (%) Executive Managers 66.2% 33.8% Technical Staff 61.4% 38.6% All Other Employees 61.3% 38.7	127
Product Lifecycle Management	Use of the product sales amount percentage of the materials covered by the IEC 62474 standard of electronics industry	TC-HW-410a.1	4-4 Hazardous Substance Management Functional film related products 100% comply with IEC 62474 standard	58
	Sales amount percentage of conforming products complying with the standard of EPEAT or equivalent standards.	TC-HW-410a.2	Non-EPEAT standard products	-
	Sales amount percentage of conforming products complying with the standard of ENERGY STAR®.	TC-HW-410a.3	Non-ENERGY STAR® standard products	-
	Obtain the weight and recycling percentage of products at end of lifecycle or electronic wastes	TC-HW-410a.4	5-6-3 Waste Resource Recycling and Circular Reuse BenQ Materials primarily produces material-based products, which are not applicable to electronic waste categories. The company continuously seeks methods to reuse various types of waste by developing them into products or enabling circular reuse. One key initiative focuses on the recovery and reuse of distilled ethyl acetate (EAC) within the facilities to reduce raw material consumption and waste generation. In addition, the company collaborates with other industries that use distilled EAC as their raw material. In 2024, a total of 5.3 metric tons of distilled EAC was recovered, with a circular reuse rate of 60%. Membrane products account for the largest share of the company's revenue, and waste recovery efforts are primarily centered on membrane waste. In 2024, the recycling of discarded white membranes reduced monthly waste by 28 metric tons.	76
Supplier Management	Percentage of Level 1 suppliers qualifying the audit of RBA VAP or equivalent audit, according to (a) all Level 1 suppliers' plant sites (b) all Level 1 suppliers' plant sites classified as high-risk plant sites	TC-HW-430a.1	6-3-4 Existing Supplier Management In 2024, BenQ Materials had a total of 262 Tier-1 suppliers, among which one supplier was certified with the Responsible Business Alliance (RBA) certificate. Therefore, the proportion of suppliers that underwent RBA audit and verification processes was 0.4%. Additionally, in 2024, BenQ Materials conducted ESG audits on four key Tier-1 suppliers based on RBA standards, accounting for 1.5% of all Tier-1 suppliers. No high-risk suppliers were identified.	86
	Level 1 supplier ❶ percentage of nonconforming with RBA VAP (or similar audit) ❷ corrective measure ratio, according to (a) priority level nonconformity ❸ Other level nonconformity	TC-HW-430a.2	6-3-4 Existing Supplier Management In 2024, BenQ Materials conducted ESG audits on four key Tier-1 suppliers based on Responsible Business Alliance (RBA) standards, and all of them successfully passed the audits.	86
Raw Material Procurement	Explanation of risk management for key raw material use	TC-HW-440a.1	6-3-2 Sustainability Policy Document Requirements BenQ Materials has established a sustainable supply chain management framework, requiring all suppliers to comply with sustainability-related policies or documented regulations. This includes signing a Corporate Social Responsibility (CSR) Commitment Letter, adhering to conflict minerals requirements with supplier-issued declarations, and signing a Hazardous Substance Management Policy.	85
Number of Units Produced by Product Category		TC-HW-000.A	26,366 kilometers	-
Production Facility Area		TC-HW-000.B	The display materials production area in the Taiwan site covers a total of 14,449.12 square meters.	-
Percentage of Production in Owned Facilities		TC-HW-000.C	In 2024, 100% of display materials were produced in the company's own facilities.	-

Medical Equipment and Products Industry Disclosure Indicator

Type：Health Care

Category：Medical Equipment & Supplies

Issue	Indicator Content	Indicator No.	Corresponding Chapter/Section	Page
Affordability & Pricing	Description of how price information for each product is disclosed to customers or to their agents	HC-MS-240a.2	Not disclosed at this time.	-
	Percentage change in: ❶ weighted average list price and ❷ weighted average net price across product portfolio compared to previous reporting period	HC-MS-240a.3	Not disclosed at this time.	-
Product Safety	❶ Number of recalls issued, ❷ total units recalled	HC-MS-250a.1	6-2-3 Quality Mechanisms No Product Recalls in 2024	83
	Products listed in any public medical product safety or adverse event alert database	HC-MS-250a.2	6-2-3 Quality Mechanisms No Products Listed in Adverse Event Alert Database in 2024	83
	Number of fatalities associated with products	HC-MS-250a.3	6-2-3 Quality Mechanisms No Deaths Related to Product Use in 2024	83
	Number of enforcement actions taken in response to violations of good manufacturing practices (GMP) or equivalent standards, by type	HC-MS-250a.4	6-2-3 Quality Mechanisms No Violations of GMP or Equivalent Standards in 2024	83
Ethical Marketing	Total amount of monetary losses as a result of legal proceedings associated with false marketing claims	HC-MS-270a.1	3-1-8 Regulatory Compliance	37
	Description of code of ethics governing promotion of off-label use of products	HC-MS-270a.2	3-4-3 Integrity Education Promotion and Training Annual integrity promotion and training are required for all employees.	41
Product Design & Lifecycle Management	Discussion of process to assess and manage environmental and human health considerations associated with chemicals in products, and meet demand for sustainable products	HC-MS-410a.1	4-2 Sustainable Product Design and Lifecycle Integration Medical products are designed based on the principles of structural optimization, environmentally friendly raw materials, recyclable materials, low-impact components, packaging reduction, and product safety.	52
	Total amount of products accepted for take-back and reused, recycled or donated, broken down by: ❶ devices and equipment and ❷ supplies	HC-MS-410a.2	4-2 Sustainable Product Design and Lifecycle Integration For information regarding product take-back and reuse, please refer to the section on "Recyclable Materials."	52
Supply Chain Management	Percentage of ❶ entity's facilities and ❷ Tier 1 suppliers' facilities participating in third-party audit programmes for manufacturing and product quality	HC-MS-430a.1	6-2-3 Quality Mechanisms BenQ Materials' medical products are subject to annual audits by regulatory authorities. Additionally, certifications such as ISO 13485, QMS, and MDR have been obtained to ensure quality throughout the manufacturing process.	83
	Description of efforts to maintain traceability within the distribution chain	HC-MS-430a.2	6-2-3 Quality Mechanisms Please refer to the Supplier Quality Management Mechanism for further information.	83
	Description of the management of risks associated with the use of critical materials	HC-MS-430a.3	6-3-2 Sustainability Policy Document Requirements BenQ Materials has established a sustainable supply chain management framework, requiring all suppliers to comply with sustainability-related policies or documented regulations. This includes signing a Corporate Social Responsibility (CSR) Commitment Letter, adhering to conflict minerals requirements with supplier-issued declarations, and signing a Hazardous Substance Management Policy.	85
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	HC-MS-510a.1	3-4-2 Grievance Mechanism No incidents of corruption or bribery occurred in 2024.	40
	Description of code of ethics governing interactions with health care professionals	HC-MS-510a.2	3-4-3 Integrity Education Promotion and Training All employees are required to undergo annual integrity awareness and training.	41
	Number of units sold by product category	HC-MS-000.A	Not disclosed at this time.	-

Sustainable Disclosure Indicators for the Optoelectronics Industry

No.	Indicator	Indicator Type	Disclosure content of 2024
1	Total Energy Consumption (in billion joules), Percentage of Purchased Electricity, and Renewable Energy Usage Rate (in percentage)	Quantitative	• Total Energy Consumption: 497,266.58 billion joules • Percentage of Purchased Electricity: 57.99% • Renewable Energy Usage Rate: 23.70%
2	Total Water Intake and Total Water Consumption (in thousand cubic meters)	Quantitative	• Total water withdrawal: 357.25 megaliters (ML) • Total water consumption: 80.77 megaliters (ML)
3	Weight of Hazardous Waste Generated (in metric tons) and Recycling Percentage (in percentage)	Quantitative	• Weight of Hazardous Waste: 863.56 metric tons • Percentage of Hazardous Waste Recycling: 41.57%
4	Description of Occupational Accident Categories, Number of Incidents (quantity), and Ratio	Quantitative	• Type of occupational injury: Entrapment injury incident • Number of Incidents:8 • Ratio: 0.0024
5	Disclosure of Product Lifecycle Management: Weight of Scrap and Electronic Waste (in metric tons) and Recycling Percentage (in percentage) Note1	Quantitative	5-6-3 Waste Resource Recycling and Circular Reuse • BenQ Materials primarily produces materials and medical products, not consumer electronics; therefore, there are no end-of-life electronic products or e-waste recycling practices applicable. • The company continuously seeks ways to reuse various types of waste through product development or circular reuse. In particular, distilled ethyl acetate (EAC) is reused within the facility to reduce raw material consumption and waste generation. Additionally, distilled EAC is supplied to other industries as a raw material. In 2024, 5.3 metric tons of distilled EAC were recovered, achieving a recycling rate of 60%. • As membrane products represent the company's highest revenue segment, recycling management focuses primarily on membrane waste. In 2024, recycling of white membrane waste reduced monthly waste by 28 metric tons.
6	Description of Risk Management related to Key Materials	Qualitative	6-3-2 Sustainability Policy Document Requirements • BenQ Materials has established a sustainable supply chain management framework, requiring all suppliers to comply with sustainability-related policies or documented regulations. This includes signing a Corporate Social Responsibility (CSR) Commitment Letter, adhering to conflict minerals requirements with supplier-issued declarations, and signing a Hazardous Substance Management Policy.
7	Total Monetary Losses from Legal Litigations related to Anti-Competitive Practices (reported currency)	Quantitative	• In 2024, BenQ Materials was not involved in any legal actions related to anti-competitive behavior regulations.
8	Primary Product Production Volume by Product Category	Quantitative	• Display materials remained the company's primary revenue source, with a production volume of 26,366 kilometers in 2024.

Note 1: Including the sale of offcuts or other recycling processes, relevant explanations should be provided.

Greenhouse Gas Verification and Assurance Status

BenQ Materials Corporation is a company with a capital of over NT$2 billion (Photonics Industry). According to the Sustainable Development Pathway for Listed Companies, it has reached the mandatory audit schedule. The greenhouse gas emission information in this report is audited based on ISO 14064-1, with the operational boundary including Scope 1, Scope 2, and Scope 3. For details on the organizational boundary and assurance scope, please refer to the "Description of Organizational Boundary" table.

Greenhouse gas emissions (Scope1, Scope2)

Emission scope	Total emissions (metric tons CO_2e)	Intensity (metric tons CO_2e/ million dollars)	Assurance Bodies	Assurance Statement Explanation
Scope1				
BenQ Materials Corporation	24,160.94	1.30		
Taoyuan Plant	7852.65			
Longtan Plant	8025.55			
Yunlin Plant	7056.89			
Suzhou Plant	538.66			
Wuhu Plant	687.19			
Scope2			DNV(Taiwan) SGS(China)	DNV and SGS have conducted a verification process for BenQ Materials' greenhouse gas emissions. Reasonable assurance was provided for Scope 1 and Scope 2 emissions, while limited assurance was provided for Scope 3 emissions. The organizational boundary for the verification was established based on the operational control approach and includes a total of five operational sites. For detailed site information, please refer to the "Organizational Boundary Description" table below.
BenQ Materials Corporation	25,948.41	1.40		
Taoyuan Plant	14520.02			
Longtan Plant	6268.13			
Yunlin Plant	5160.26			
Suzhou Plant	0			
Wuhu Plant	0			

Greenhouse gas emissions(Scope3)

Emission scope	Total emissions (metric tons CO_2e)	Assurance Bodies	Assurance Statement Explanation
Scope3			
Scope 3 Total	77,764.14	DNV(Taiwan) SGS(China)	Taoyuan, Longtan, and Yunlin plants received limited assurance; Suzhou and Wuhu plants received reasonable assurance. For detailed information, please refer to the verification statement.
3-1 Purchased goods and services	64,500.02		
3-2 Capital goods	30.16		
3-3 Fuel- and energy-related activities (not included in Scope 1 or 2)	8,173.11		
3-4 Upstream transportation and distribution	1015.30		
3-5 Waste generated in operations/wastewater	1118.38		
3-6 Business travel	192.34		
3-7 Employee commuting	1,286.28		
3-9 Downstream transportation and distribution	1,290.19		
3-12 Final Disposal of Sold Products	158.35		

Organizational Boundary Explanatio

Operational Sites	Operational Sites Explanation	Verification	Assurance
Consolidated Financial Reporting Company	The emissions of the consolidated financial reporting companies in the above table represent the total emissions of all audited operational locations listed below. Currently, not all consolidated financial reporting companies are included.		
BenQ Materials Corporation BenQ Materials (Sigma) Corporation	Taoyuan Plant、Longtan Plant、Yunlin Plant	✓	✓
BenQ Materials Corporation Daxin Medical Technology (Suzhou) Co., Ltd BenQ Materials Medical Technology (Suzhou) Co., Ltd. Suzhou Sigma Medical Materials Co., Ltd BenQ Materials (Wuhu) Limited	Suzhou Plant、Wuhu Plant	✓	✓

Exclusion scope	Explanation
Investment Holding Companies	NA
Operational Sites Not Included	Due to the fact that the subsidiaries –GENEJet Biotech Co., Ltd., Cenefom Corp., Web-Pro Corp., and Web-Pro Co., Ltd. (Vietnam) – have not yet completed third-party verification of their greenhouse gas inventory data, disclosure in the sustainability report is scheduled after verification is completed in 2025.

SDGs Disclosure Indicator

Corresponding SDGs	Sub- target No.	Corresponding SDG Sub-target	Corresponding Chapter/Section	Page
	2.3	Ensure that the incomes of small-scale food producers are stable, and that they have access to secure and fair markets.	8-4-2 Taiwan agricultural food plan	121
	2.4	Support sustainable food production systems.		
	2.c	Take measures to ensure the proper functioning of food commodity markets and their derivatives, and promote timely access to market information.		
	3.3	Eliminate epidemic diseases causing infection through mouth foam, contact, vector mosquito, water and others	7-5 Health Management	109
	3.4	Through prevention, therapy and promotion of physical and mental health to reduce the fatality rate of non-infectious disease	7-5 Health Management	109
	3.9	Significantly reduce hazardous chemicals and death and number of patients due to air, water and soil contamination.	5-6 Circular Economy	75
	4.1	Eliminate gender disparities in education and ensure equal access for the vulnerable	8-3 Educational Development	118
	4.5	Ensure that all male and female employees equally receive quality technical, occupational and advanced education suitable to their jobs		
	4.7	Significantly increase and manage relevant skills necessary for employment, suitable jobs and startup		
	4.a	Build inclusive and effective learning environments		
	5.1	Eliminate all forms of discrimination on women and girls	7-1 Human Rights Management	90
	5.5	Ensure that women have equal opportunities for effectively participating in economic decision making and entering the decision-making management level	7-2-2 Employee Statistics	92
	6.3	By 2030, water quality is to be improved through the following methods: Reduce pollution and eliminate waste dumping, and reduce the hazardous chemical and material emission to the minimum level, reduce untreated wastewater ratio to half, and significantly increase the global waste recycle and safe reuse	5-4 Water Resource Management	70
	6.4	By 2030, all industries shall significantly increase the water consumption efficiency, and ensure sustainable use and supply of freshwater, in order to overcome the water shortage issue and to significantly reduce the number of people suffering from water shortage	5-4 Water Resource Management	70
	7.2	Significantly increase the ratio of renewable energies in the global energy structure	5-3 Energy Management	68
	7.3	Increase the energy improvement rate to two times higher by 2030	5-3 Energy Management	68

Corresponding SDGs	Sub- target No.	Corresponding SDG Sub-target	Corresponding Chapter/Section	Page
	8.2	Adopt diverse operation, technology improvement and innovation to achieve economic production capability of higher level	3-2 Business Performance	38
			4-1 Core Technology and Intellectual Property Management	50
	8.4	Gradually improve resource use efficiency for consumption and production	5-6 Circular Economy	75
	8.5	Provide sufficient employment and suitable works with production capability without gender difference, and implement same remuneration for same job	7-2 Human Resources Overview	92
			7-4 Employee Well-being and Diversity & Inclusion	102
	8.8	Protect labor rights, and create safe and secured working environment for all employees	7-4 Employee Well-being and Diversity & Inclusion	102
			7-6 Workplace Safety	112
	9.4	Adopt actions according to one's competence, upgrade infrastructure, improve industry, in order to increase resource use efficiency, and adopt greater cleaning and eco-friendly technologies and processes.	4-2 Sustainable Product Design and Lifecycle Integration	52
	9.5	Enhance science research, improve technical skills, encourage innovation and increase R&D personnel and R&D expenditures.	4-1 Core Technology and Intellectual Property Management	50
	10.2	Enhance and promote social, economic, and political inclusion for all, regardless of age, gender, disability, race, ethnicity, religion, economic status, or any other distinction.	7-1 Human Rights Management	90
	10.3	Ensure equal opportunities and reduce inequalities by eliminating discriminatory laws, policies, and practices, and promote appropriate legislation, policies, and actions.	7-4 Employee Well-being and Diversity & Inclusion	102
	12.4	Achieve the hazard-free environment management for chemicals and all wastes in the entire product lifecycle, reduce the probability of emission into the atmosphere and infiltration into the water and soil, in order to reduce negative impacts on the human health and environment.	5-6 Circular Economy	75
	12.5	Significantly reduce waste generation through prevention, reduction of emission, recycling and reuse.	5-6 Circular Economy	75
	13.1	Enhance the capability to reduce and adapt climate related accidents and natural disasters	3-5 Risk Management	42
	13.2	Response to climate change will be included in the policies, strategies and plans	5-2 Climate Change Management	63
	16.5	Significantly reduce all forms of corruption and bribery actions	3-4 Ethical Management	40

Overview of Management Systems Implementation

ISO Standard	Certified Site	Valid Until	Coverage Rate	Certification Body
ISO 14001:2015 Environmental Management	Taoyuan Plant	2026/10/19	100%	SGS Taiwan Ltd.
	Longtan Plant	2028/04/26		
	Yunlin Plant	2028/01/05		
	Suzhou Plant	2026/03/05		China Quality Certification Centre (CQC)
	Wuhu Plant	2027/03/11		
ISO 14064-1:2018 GHG Inventory Verification	Taoyuan Plant	Permanent	100%	DNV (Scope 1 & 2: Reasonable Assurance; Scope 3: Limited Assurance)
	Longtan Plant			
	Yunlin Plant			
	Suzhou Plant			SGS Taiwan Ltd. (Scope 1, 2, 3: Reasonable Assurance)
	Wuhu Plant			
ISO 14067:2018 Product Carbon Footprint	Polarizer Products	Permanent	3 cases	Bureau Veritas Certification Holding SAS – UK Branch
	Textile Products			
	Battery Separator Film			SGS Taiwan Ltd.
ISO 45001:2018 Occupational Health & Safety	Taoyuan Plant	2026/10/19	100%	SGS Taiwan Ltd.
	Longtan Plant	2028/04/26		
	Yunlin Plant	2028/01/05		
	Suzhou Plant	2026/03/05		China Quality Certification Centre (CQC)
	Wuhu Plant	2027/03/05		

ISO Standard	Certified Site	Valid Until	Coverage Rate	Certification Body
ISO 50001:2018 Energy Management System	Taoyuan Plant	2027/12/08	100%	BSI Taiwan
	Longtan Plant	2026/12/02		
	Yunlin Plant	2028/01/14		DNV
	Suzhou Plant	2026/11/06		China Quality Certification Centre (CQC)
	Wuhu Plant	2027/11/10		
ISO 46001:2019 Water Efficiency Management	Taoyuan Plant	2026/11/28	20%	SGS
ISO 27001:2022 Information Security	Taoyuan Plant	2028/03/31	60%	BSI Taiwan
	Longtan Plant			
	Yunlin Plant			
ISO 9001:2015 Quality Management System	Taoyuan Plant	2026/08/21	100%	DQS Taiwan Ltd.
	Longtan Plant	2026/09/05		
	Yunlin Plant	2025/10/31		
	Suzhou Plant	2026/12/03		
	Wuhu Plant	2026/12/03		
IATF 16949:2016 Automotive QMS	Taoyuan Plant	2026/08/21	100%	DQS Taiwan Ltd.
	Longtan Plant	2026/09/05		
	Yunlin Plant	2025/10/31		
	Suzhou Plant	2026/12/03		
	Wuhu Plant	2026/12/03		
IECQ QC 080000:2017 Hazardous Substance Process Management	Taoyuan Plant	2026/10/10	40%	DQS Taiwan Ltd.
	Longtan Plant	2026/10/11		

External Guarantee Certificates

SGS

ASSURANCE STATEMENT

SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE BENQ MATERIALS CORPORATION'S CORPORATE SUSTAINABILITY REPORT FOR 2024

NATURE AND SCOPE OF THE ASSURANCE
SGS Taiwan Ltd. (hereinafter referred to as SGS) was commissioned by BenQ Materials Corporation (hereinafter referred to as BenQ Materials) to conduct an independent assurance of the Corporate Sustainability Report for 2024 (hereinafter referred to as the Report). The assurance is based on the SGS Sustainability Report Assurance methodology and AA1000 Assurance Standardv3 Type 1 Moderate level during 2025/04/01 to 2025/05/29. The boundary of this report includes BenQ Materials Taiwan and China operational and production sites. It is not the same as BenQ Materials' consolidated financial statements.
SGS reserves the right to update the assurance statement from time to time depending on the level of report content discrepancy of the published version from the agreed standards requirements.

INTENDED USERS OF THIS ASSURANCE STATEMENT
This Assurance Statement is provided with the intention of informing all BenQ Materials' Stakeholders.

RESPONSIBILITIES
The sustainability information in the BenQ Materials' Corporate Sustainability Report of 2024 and its presentation are the responsibility of the directors or governing body and management of BenQ Materials.

SGS has not been involved in the preparation of any of the material included in the Report.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of assurance based upon sufficient and appropriate objective evidence.

ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE
The assurance of this report has been conducted according to the AA1000 Assurance Standard (AA1000AS v3), a standard used globally to provide assurance on sustainability-related information across organizations of all types, including the evaluation of the nature and extent to which an organization adheres to the AccountAbility Principles (AA1000AP,2018).

Assurance has been conducted at a type 1 moderate level of scrutiny.

SCOPE OF ASSURANCE AND REPORTING CRITERIA
The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance information as detailed below and evaluation of adherence to the following reporting criteria:

Select specific reporting criteria included in the contract

Reporting Criteria Options	
1	AA1000 Accountability Principles (2018)
2	GRI (In Accordance with)

TWLPP 5008 Issue 2502

- AA1000 Assurance Standard v3 Type 1 evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2018) is conducted at a moderate level of scrutiny, and therefore the reliability and quality of specified sustainability performance information is excluded.
- The evaluation of the report against the requirements of GRI Standards, includes GRI 1, GRI 2, GRI 3, 200, 300 and 400 series claimed in the GRI content index as material and is conducted in accordance with the standards.

ASSURANCE METHODOLOGY
The assurance comprised a combination of desktop research, interviews with relevant employees, superintendents, ESG Sustainability Committee members and the senior management in Taiwan; documentation and record review and validation with external bodies and stakeholders where relevant.

LIMITATIONS
Financial data drawn directly from independently audited financial accounts, Task Force on Climate-related Financial Disclosures (TCFD) and SASB related disclosures has not been checked back to source as part of this assurance process.

INDEPENDENCE AND COMPETENCE
The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm our independence from BenQ Materials, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with professional qualifications such as ISO 26000, ISO 20121, ISO 50001, RBA, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SRA Assurance service provisions.

FINDINGS AND CONCLUSIONS
ASSURANCE OPINION
On the basis of the methodology described and the assurance work performed, we are satisfied that the specified performance information included in the scope of assurance is accurate, reliable, has been fairly stated and has been prepared, in all material respects, in accordance with the AA1000 AccountAbility Principles (2018).

We believe that the organisation has chosen an appropriate level of assurance for this stage in their reporting.

ADHERENCE TO AA1000 ACCOUNTABILITY PRINCIPLES (2018)

INCLUSIVITY
BenQ Materials has demonstrated a strong commitment to stakeholder inclusivity and engagement. The organization has effectively integrated stakeholder engagement processes into its governance, strategy, and decision-making frameworks, ensuring involvement from senior management, cross-functional teams, and diverse geographical regions. Through various engagement initiatives, including surveys and communications with employees, customers, investors, suppliers, CSR experts, and other stakeholders, BenQ Materials fosters a comprehensive understanding of stakeholder concerns.

TWLPP 5008 Issue 2502

MATERIALITY
BenQ Materials has established and integrated a multifaceted methodology, incorporating monetization processes, to identify the organization's material issues. It has developed an impact-based materiality analysis process and established corresponding sustainability objectives. This report appropriately addresses the identified issues based on their materiality and priority.

RESPONSIVENESS
BenQ Materials has adequately demonstrated responsiveness towards the material topics and their impacts that were identified through the review process. The report includes coverage given to stakeholder engagement and channels for stakeholder feedback.

IMPACT
BenQ Materials has demonstrated a process on identifying impacts that fairly encompass a range of environmental, social and governance topics from wide range of sources, such as activities, policies, programs, decisions and products and services, as well as any related performance. Impacts related to material topics were in place at target setting with qualitative and quantitative measurements and evaluation.

ADHERENCE TO GRI
The report, BenQ Materials' Corporate Sustainability Report of 2024, is reporting in accordance with the GRI Universal Standards 2021. The significant impacts were assessed and disclosed in accordance with the guidance defined in GRI 3: Material Topic 2021 and the relevant 200/300/400 series Topic Standard related to the material topics claimed in the GRI content index. The report has properly disclosed information related to BenQ Materials' contributions to sustainability development. In the future, progressively adopting systematic data collection and integration with IFRS standards can further enhance alignment with the expectations of investors and other stakeholders.

Signed:
For and on behalf of SGS Taiwan Ltd.

AA1000 Licensed Report 000-8/V3-3CNVG

Stephen Pao
Business Assurance Director
Taipei, Taiwan
02 July, 2025
WWW.SGS.COM

TWLPP 5008 Issue 2502

BenQ Materials Corp