



# Sustainability Report 2021



# Table of contents

 CONTRIBUTION	<b>1</b>	<b>Our Responsibility for Sustainability</b>	
 INTEGRITY		Unchangeable promise	1
 DRIVE	<b>3</b>	<b>Identification of Material Issues</b>	
		3.1 Sustainable Organization – BenQ CSR Committee	14
		3.2 Communication with Stakeholders	15
		3.3 Identification of Material Issues	20
 IMPACT	<b>4</b>	<b>Environmental and Greenhouse Gas Management</b>	
		4.1 Environmental Safety and Health Management	23
		4.2 Greenhouse Gas Management	24
 GROWTH	<b>5</b>	<b>Social Responsibility</b>	
		5.1 Employee Profile	26
		5.2 Learning and Development	28
		5.3 Labor Conditions	33
		5.4 BenQ Foundation	35
	<b>2</b>	<b>About BenQ</b>	
		2.1 BenQ Profile	4
		2.2 Governance Organization	5
		2.3 Global Business Strategy	7
		2.4 Business Context	8
		2.5 BenQ Core Values and Culture	11
		2.6 Milestones	12
		2.7 Participation in Associations	13



ETHICS



SENSITIVITY



GOALS



CONTRIBUTION

## 6 Ethical Corporate Management Best Practice Principles

6.1 Ethical Corporate Management Best Practice Principles	43
6.2 Legal Compliance	45
6.3 Supervision and Risk Management	45
6.4 Risk Response	47
6.5 Vendor Risk Assessment	48
6.6 Information Security	48
6.7 Personal Data Privacy	50



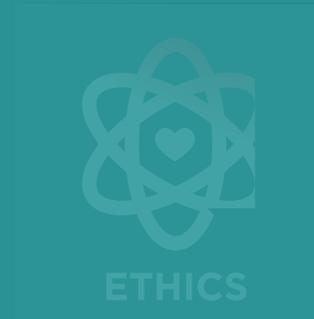
INTEGRITY

## 7 The Spirit of Sustainable Innovation

7.1 Brand management	52
7.2 Innovation Strategy and Values	54
7.3 Green Design and Packaging	62
7.4 Sustainability-Oriented Quality Control	65
7.5 Environmental Labeling	68
7.6 Customer Service Quality Management	71



DRIVE



ETHICS

## 8 Environmental and Greenhouse Gas Management

8.1 Supply Chain Risk Management	75
8.2 Selection of New Vendors	76
8.3 Performance Evaluation	78
8.4 Sustainable Development of BenQ's Transportation	80



IMPACT



SENSITIVITY

## 9 About the Report

9.1 About the Report	81
9.2 GRI Standards Comparison Table (ver. 2016)	82



GROWTH



GOALS



## Chapter 1

# *Our Responsibility for Sustainability*

## Unchangeable promise

The sustainability of a company depends on its robust ESG management: the ways it manages its environmental, social and governance affairs.

Since its establishment, BenQ has continued to deepen its corporate vision of “bringing enjoyment ‘n’ quality to life”. From 3c products to the four areas of I.I.F.E (living better, increasing efficiency, feeling healthier, enhancing learning), we aim to bring our customers a better digital lifestyle, higher-performance operations, more advanced medical equipment services, and more flexible learning. We pursue profit and growth while fulfilling our corporate responsibilities and having positive impact on society and the public to achieve sustainable operations.

With regard to corporate governance, BenQ is committed to sustainable corporate development. Since its establishment in July 2010, BenQ’s CSR committee has integrated CSR objectives into the company’s daily work goals. In 2022, the committee will be renamed and reorganized as BenQ’s ESG implementation committee to further strengthen our management of ESG issues of importance to stakeholders and track its efficacy.

In 2021, BenQ adhered to its philosophy of serving human needs through technology. We strove to integrate eye-protection technology with the TÜV Rheinland Low-Blue-Light eye-protection certification, our exclusive “CinematicColor™” color management technology”, and “ClassroomCare™”, our technology for healthy and smart classrooms, into our products. We also focused on creating retouching monitors for photographers based on the WYSIWYP-principle (“what you see is what you print”), fast-rendering gaming monitors for e-sports players, home and mini projectors designed for epidemic prevention and

cinema needs, anti-bacterial interactive touch monitors to help teachers and students use cloud-based learning resources, and the world's first eye-protecting desk lamp specially designed for screen reading, parent-child reading, and piano practice.

With regard to the environmental dimension, BenQ products are designed on the basis of "product lifecycle" thinking, whereby during the r&d and design stages the products' impacts on the environment are considered, from product delivery and use through recycling, by adopting energy-saving, packaging reduction, and other features and measures.

Through improvement in all these areas, we create environmentally-friendly products with a lower impact on the environment. For instance, the bl2780t is made with up to 65% recycled plastic to reduce environmental impacts. The gv30 projector has been awarded the "g-mark" and "golden pin" design awards for the innovative design of its mechanism, which has eliminated the need for traditional tripods and metal torque structures to adjust the projection angle—it consists of fewer parts, thus reducing environmental pollution. Our environmental management also regularly undergoes verification by third parties and we encourage our employees to participate.

With regard to the social dimension, we believe that talent is our most important asset and the key to business growth. Therefore, BenQ strives to create a safe working environment and invests in education and training to foster employees' innovative and competitive strengths, which adds to the company's potential for sustainable growth. Since 2019, BenQ has won the "asia's best employer



award" four times in a row, which reflects that our employees recognize our efforts in nurturing talent and building a good working environment.

Since 2016, BenQ has been awarded the "sports enterprise certification" by the ministry of education's sports administration every year and continuously invested in sports facilities and events to provide a five-star workplace environment that lets employees "work smart, play hard".

Amid the epidemic containment measures in 2021, we adopted innovative approaches and digital technologies to replace physical activities with their online equivalents using digital tools such as online ktv, online sports, online positive force seminars, online health seminars..Etc. In addition,



Our activities and events are above the industry average. We also provide incentives above the industry standard: we encourage our employees to participate in the employee ownership trust (eot) program to integrate company performance and employee interests, and to take care of employees' retirement. Since the plan's inception, the employee participation rate has reached nearly 90%—feeding a virtuous cycle for the company and its employees.

To keep our sustainable development aligned with worldwide practice, BenQ also actively responds to the United Nations Sustainable Development Goals (SDGs), committing itself to “quality education”, “good health and well-being”, and “climate action”. Our sustainable operations respond to the SDGs relating to clean energy, responsible production, and climate action, all of which are implemented in our daily operations.

Taking quality education and health benefits as cases in point, BenQ updated its anti-bacterial displays in 2021 to prevent them from becoming infection vectors and to protect users' health. When it comes to building the smart classrooms of the future, the epidemic has changed the traditional teaching field—smart electronic whiteboards are breaking down the barriers of classroom walls, space, distance, and the epidemic, bridging the learning gaps caused by the epidemic. In Taiwan, 300,000 teachers and students benefit every day from our interactive designs for high-quality classroom teaching.

BenQ is a people-centered brand. We believe that design and technology should meet the real needs of consumers to function optimally. If we can start from our own people and extend to all of society, we can spread our good corporate values and have a positive influence on society. We hope that BenQ's spirit can reach every corner of Taiwan to “bringing enjoyment ‘n’ quality to life”.



Chapter 2

**About BenQ**

## 2.1 BenQ profile

Company Name	BenQ Corporation (In Chinese: 明基電通股份有限公司)
Establishment Of The Company	April 21, 1984 (OEM activities were fully spun off on September 1,2007)
Establishment Of The Brand	December 5, 2001
Capital	TWD 5,396,000,000
Turn-over	TWD 29,700,000,000 (global revenue in 2021)
Head office	No. 16 Jihu Road, Neihu District, Taipei City 114, Taiwan
Number Of Employees	Global: 1,672 employees; Taiwan: 522 employees (as of December 2021)
Chairperson Of The Board Of Directors	K.Y. Lee
General Manager And CEO	Conway Lee

LCD monitors and displays: 11th position worldwide in terms of sales volume in 2021 (24" or more). Total sales volume was about 2.8M units.

Projectors: 5th position worldwide in terms of sales volume in 2021 (general projectors and mini projectors)



## 2.2 Governance Organization

### 2.2.1 Organizational Structure of the Board of Directors

The BenQ's corporate governance operations are guided by strengthening the operations of the Board of Directors as the highest principle. The Board of Directors of BenQ is composed of four Directors and one Supervisor, all of whom are legal representatives of the single corporate shareholder Qisda Technology Co. Ltd. The Chairman of the Company is Mr. K.Y. Lee, who does not hold any concurrent positions within the Company.

These Directors and Supervisor are all professional managers familiar with our business.

In addition, according to Article 14-2 of the Securities and Exchange Act, a company that has issued stock in accordance with this Act may appoint independent directors. Being a private company, BenQ does not have independent directors. Although BenQ does not have Independent Directors, the Directors and Supervisors elected by the shareholders of the Company all have more than five years of experience in business, law, finance, accounting, or others field relevant to the Company. From time to time, we arrange continuing education on economic, environmental, and social issues for the Board of Directors and the management team to enhance the knowledge of the senior management on economic, environmental, and social issues.

Information about BenQ's Directors and Supervisor can be found in the Public Information Inquiry System for Business Registrations on the Commerce Administration Services Portal of the Department of Commerce, Ministry of Economic Affairs.

**Table 2.1 BenQ Directors and Supervisor**

Position	Name	Main education and experience	Current position in the Company and other companies
Chairman	K. Y. Lee	MBA, IMD Business School, Switzerland BA, Electrical Engineering, National Taiwan University Chairman, Qisda Corporation Director, AU Optronics Corp.	Chairman of BenQ Corp. Director of Qisda Corp. Director of BenQ Materials Corp. Director of Darfon Electronics Corp. Chairman of BenQ Foundation Director of BenQ BM Holding Corp. Director of BenQ BM Holding Cayman Corp.
Director	Peter Chen	MBA, US Thunderbird International Technology MBA, Nation Chengchi University BA, Electrical Engineering, National Cheng Kung University President, BenQ Product Technology Center President, Qisda Corp.	Director of BenQ Corp. Chairman & President of Qisda Corp. Director of Darfon Electronics Corp. Chairman of DFI Inc. Chairman of Partner Tech Corp. Chairman of BenQ Medical Technology Corp. Chairman of Alpha Networks Inc. Director of Hiron Technologies Inc. Director of BenQ Materials Corp. Director of BenQ Foundation Director of BenQ Healthcare Consulting Corp. Director of Nanjing BenQ Hospital Co., Ltd. Director of Suzhou BenQ Hospital Co., Ltd. Director of BenQ Hospital Management Consulting (NanJing) Co., Ltd. Director of BenQ BM Holding Corp. Director of BenQ BM Holding Cayman Corp. Director of Qisda (Hong Kong) Limited Director of Qisda (L) Corp. Director of Darly Venture (L) Ltd.
Director	Jasmin Hung	MBA, California State University, Fullerton CFO, Daxon Technology Assistant Vice President of Finance Center, Qisda Corp.	Director of BenQ Corp. CFO of Qisda Corp. Director of Alpha Networks Inc. Director of MetaAge, Inc. Director of Data Image Corp. Director of Darfon Electronics Corp. Director of K2 International Medical Inc. Chairman of Darly Venture Inc. Chairman of Darly2 Venture Inc. Chairman of Darly Consulting Corp. Director of BenQ Healthcare Consulting Corp. Director of Qisda Optronics Corp. Chairman of BenQ Co., Ltd. Director of BenQ (Hong Kong) Co., Ltd. Director of BenQ Hospital Management Consulting (NanJing) Co., Ltd. Director of BenQ Biotech (Shanghai) Co, Ltd. Director of Nanjing BenQ Hospital Co., Ltd. Director of Suzhou BenQ Hospital Co., Ltd. Director of Suzhou BenQ Investment Co., Ltd. Director of Shanghai Tech Filter Co., Ltd. Director of Qisda (Hong Kong) Limited Director of BenQ BM Holding Corp. Director of BenQ BM Holding Cayman Corp. Director of Qisda (L) Corp. Director of Qisda Sdn. Bhd. Director of Darly Venture (L) Ltd.

Position	Name	Main education and experience	Current position in the Company and other companies
Director	Conway Lee	MBA, South Mississippi University Chairman, BenQ Materials Corp Deputy General Manager, Qisda Corp.	Director & President of BenQ Corp. Chairman of BenQ Asia Pacific Corp. Director of BenQ Materials Corp. Chairman of BenQ INFTY Lab Ltd. Chairman of BenQ (Shanghai) Co., Ltd. Chairman of BenQ Intelligent Technology (Shanghai) Co., Ltd. Director of BenQ Intelligent Technology (Hong Kong) Co., Ltd. Director of BenQ Foundation Chairman of BenQ Europe B.V. Chairman of BenQ America Corp. Chairman of BenQ Latin America Corp. Director of BenQ Foundation
Supervisor	Ta-Wen Liu	Department of Accounting, National Chengchi University KPMG Accounting Office Financial Executive of BenQ Europe	Supervisor of BenQ Corp. Director of MetaGuru, Inc. Director of E-Strong Medical Technology Co., Ltd. Director of BenQ Dialysis Technology Corp. Director of BenQ Guru Software (Suzhou) Co., Ltd. Director of Qisda (L) Corp. Director of Qisda (Hong Kong) Limited Supervisor of Qisda Optronics Corp. Supervisor of Darly Venture Inc. Supervisor of Darly2 Venture Inc. Supervisor of Darly Consulting Corp. Supervisor of K2 International Medical Inc. Supervisor of Golden Spirit Co., Ltd. Supervisor of Bigmin Bio-Tech Company Ltd. Supervisor of BenQ Healthcare Consulting Corp. Supervisor of Qisda Japan Co., Ltd. Supervisor of Nanjing BenQ Hospital Co., Ltd. Supervisor of Suzhou BenQ Hospital Co., Ltd. Supervisor of BenQ Hospital Management Consulting (NanJing) Co., Ltd. Supervisor of Suzhou BenQ Investment Co., Ltd. Supervisor of Qisda (Suzhou) Co. Ltd. Supervisor of Qisda Electronics (Suzhou) Co. Ltd. Supervisor of Qisda Optronics (Suzhou) Co. Ltd. Supervisor of Qisda (Shanghai) Co. Ltd. Supervisor of Suzhou Qisda Precision Industry Co. Ltd. Supervisor of Qisda Vietnam Co. Ltd.

### 2.2.2 Corporate Governance Operations

BenQ's corporate governance operations follow Taiwan's Corporate Governance Best Practice Principles, with the five major principles listed below.

- Protecting shareholders' rights and interests
- Strengthening the functions of the Board of Directors
- Developing the functions of the Supervisor
- Respecting stakeholders' rights and interests
- Enhancing information transparency

BenQ's Board of Directors operates in the best interest of the Company and all its shareholders. Each quarter, it conducts quarterly business reviews and adopts major resolutions. In a major event, an extraordinary board meeting may be held urgently. If a resolution of such board meeting affects the interests of the Directors and the risk of damaging the Company's rights and interests, the Company's board members will withdraw in accordance with Article 15 of BenQ's Board Of Directors' Rules Of Procedure.

In addition to the regular management by the Board of Directors, the Company's Supervisor and accountants also play a supervisory role to carefully examine the Company and the Board of Directors in their business execution, to implement the corporate governance rules listed above of protecting the shareholders' rights and interests and strengthening the functions of the Board of Directors and Supervisor.

## 2.3 Global Business Strategy

BenQ's global operations are divided into five regions: Europe, North America, Latin America, China, and Asia-Africa-Middle East, with 44 operating bases in 30 countries and marketing to more than 100 countries.



Fig. 2.1 Company business locations

BenQ's management team follows an operational strategy of "global decision making at the headquarters and local execution at the regional marketing centers" and a growth strategy of "deepening the core markets and pursuing innovation-based growth" to bring the BenQ brand into the global area and achieve the goal of sustainable operations.

- Global decision making at the headquarters and local execution at the regional marketing centers  
To strengthen the foundation of its international brand, BenQ has set up a decision center for global marketing and a service management system at its global headquarters to streamline and optimize its marketing and service management to understand the market, predict demand, improve service management and vendor management, and raise overall operational efficiency.
- Deepening the core markets and pursuing innovation-based growth  
We continuously develop our products and expand our markets. We integrate with upstream technology partners to launch market-leading and differentiated products, such as eye-protecting monitors, gaming monitors, DLP 4K projectors, large commercial displays, interactive touch displays for educational settings, and smart eye-protecting desk lamps, to enhance our product competitiveness and brand value and consolidate our brand position. Leveraging our R&D strengths in vision technology, mobile technology, and design capabilities, as well as our extensive advantages in key components and technologies, we remain committed to developing value-added, innovative products and expanding our market footprint by keeping ahead of market trends.

## 2.4 Business Context

### 2.2.2 Corporate Governance Operations

**LCD monitors and displays:** In 2021, the epidemic drove the demand for work-from-home and distance learning. Although the terminal market has grown from 2020 to the first half of 2021, products remained out of stock due to serious shortages in the supply chain and a lack of shipping containers. As vaccination rates increased significantly, demand for online communications dropped significantly. In the second half of the year, the B2C market demand decreased significantly while the B2B market saw a recovery. In 2021, the sales of mid-to-high-end models increased, and revenue grew 2.7% YoY. BenQ continued to differentiate its marketing communications from the initial consumer journey to the various market segments.

**Projectors:** The global market saw a slight increase in shipments in 2021, with projectors benefiting from high-price models as the main drivers of sales, resulting in a revenue growth of 6% YoY. We continued to develop the home cinema market with 4K high-resolution projectors and the world-leading "CinematicColor™ color management technology"; we integrated Android TV and added gaming to develop new markets; we added niche markets such as mini projectors and interactive entertainment such as sports and aerial simulation. In response to the shortage of key components, we adjusted our product portfolio and inventory management to reduce the epidemic's impact on our supply chain, and we focused on the production and sale of models with high profit margins.

### 2.2.2 Corporate Governance Operations

#### (1) Current status and development of the industry

- LCD Displays: In 2021, the global LCD market grew 4.9% YoY as reported by market research firms. Looking ahead to 2022, the display market will likely decline slightly compared to 2021, as the strong demand from the home economy (work-from-home and distance learning) will slow down and commercial applications will take over as the main drivers of demand. The supply of semiconductor materials will remain tight, especially semiconductor materials for mature processes. Therefore, it will be an important challenge to maintain stable supply, introduce more alternative materials, and plan production and shipment wisely. We will leverage our good supply chain relationships to meet customer needs and market demand, to maintain our overall competitiveness.
- Projectors: Market research firms estimate that global projector shipments amounted to approximately 6.5 million units in 2021, and the global projector rate is expected to remain flat or increase slightly in 2022. Only the proportion of high-brightness, high-resolution and non-lamp projectors will continue to increase. The home projector market keeps growing in popularity, with the home market with 1080P and 4K growing the most. The education and business projector markets are likely to decline due to the impact of large size panels.

#### (2) Industry Development Trends and Competition

- LCD Displays: The LCD Display market is mature and saturated. In addition to cost and delivery flexibility, the industry is competing through new features, differentiation, and special applications such as gaming, cloud connectivity, wireless applications, or niche products with thin designs, curved shapes, color quality, high resolution or high dynamic contrast (HDR). This presents opportunities for display brands

and system assembly plants to collaborate closer. In addition, system assembly plants are vertically integrating into the fields of panel module assembly and design, which increases the added value and help differentiate product design.

- Projectors: In recent years, business displays have been continuously innovated through improved resolution and brightness and they have become flatter and lighter. In combination with price reduction strategies of vendors, these innovations have increased the market's willingness to use projectors. The global projector market size is expected to remain driven by a demand for high-brightness and high-resolution projection in large conference rooms and multimedia audio-visual rooms at home. Finally, as personal mobility devices and wireless transmission applications grow ever more popular, personal and home audio and video are expected to surpass the commercial and educational markets.

### 2.4.3 Operation Status

Item	Amount (TWD \$1M)
Net operating income	18149
Operational cost	16547
Salaries and benefits	1183
Interest payments and dividend distribution	1261
Income tax	377

Operating income in 2021 increased 7.8% from TWD 18.149 billion in 2020 to TWD 16.836 billion in 2021, and operating profit increased by TWD 175,134,000.

For information on BenQ's total assets/liabilities/net worth and operating income/earnings after tax in the current period listed above, please refer to the information on affiliated companies disclosed in the annual report of Qisda Technology Corporation, the parent company of BenQ, on the Market Observation Post System of the Taiwan Stock Exchange.

BenQ employees who meet the legal requirements for voluntary or mandatory retirement may apply for retirement at any time, and the criteria for pension payments are in line with Taiwan's Labor Standards Act and Labor Pension Act. Our Labor Standards Act Pension Supervisory Committee manages the contributions and payments of retirement benefits. In full accordance with the Labor Standards Act, our Company has established a Labor Retirement Reserve Supervision Committee to manage the allocation and payment of retirement reserves, and to allocate monthly pensions for employees in accordance with the Labor Pension Act.

(1) Labor Standards Act Retirement System: Each month, the Company deposits the full amount of its monthly retirement reserve contribution based on the total employee salaries to our "Company Retirement Fund Account" with the Bank of Taiwan.

(2) Labor Pension Act: Each month, the Company contributes 6% of its employees' salaries to the individual pension accounts established by the Bureau of Labor Insurance. For employees that voluntarily contribute to this

pension fund, their voluntary contribution is deducted from their monthly salary and deposited to their individual pension accounts with the Bureau of Labor Insurance.

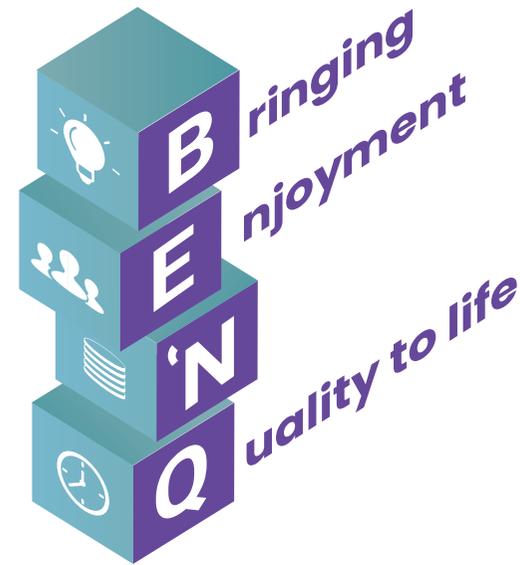
#### 2.4.4 Market Analysis, Risks and Opportunities

- LCD Displays:
  - A. Positive factors: The rise of digital marketing, especially in niche products (e.g., high-end displays and gaming monitors), allows brands to communicate directly with end users, building up a detailed understanding the needs of specific user groups and communicating brand and product values to them to expand sales.
  - B. Negative factors: The industry is maturing, which makes it difficult to maintain economies of scale as the biggest players squeeze out others.
  - C. Response measures:
    - a. Provide full-size LCD products and continue to promote large-size and high-end specialty displays by leveraging existing advantages. Safeguard and leverage strategic relationships in the panel supply chain.
    - b. Extend the added value across the value chain (e.g., panel modular assembly), integrate the design and manufacturing of backlight modules and displays, and increase vertical integration through more in-house manufacturing of metal and plastic parts.
    - c. Optimize the product portfolio and focus on large and high-end displays by leveraging the Group's strengths in the vertical integration of key components and technology leadership.
    - d. Segment the market to take on the multi-display era, develop monitors and displays with more added value, stay away from price competition, and increase average unit prices and gross margins.
    - e. Cultivate digital marketing capabilities.



- Projectors:
  - A. Positive factors: As a market leader in brand projectors, we can expand our product portfolio and increase our market share through adding innovative models and phasing out older models.
  - B. Negative factors:
    - a. Low hardware technology threshold for small LED projectors, with many Chinese competitors entering the market at low price points, threatening the mainstream projection market with higher LED brightness.
    - b. The commercial and educational market is shifting to large displays.
  - C. Response measures:
    - a. Strengthen our product portfolio, integrate our platform for the intelligent development of new light sources, and increase the proportion of products with high unit prices and high margins.
    - b. Develop market segmentation, using our rich and diverse projectors for non-planar, penetrating, and small-space projection.
    - c. Use digital marketing to target consumers, listen to their needs, and communicate persuasive selling points.
    - d. Maintain economies of scale.
    - e. Leverage Group resources to integrate software and hardware to create intelligent, value-added audio and video projection systems.

## 2.5 BenQ Core Values and Culture



**Fig. 2.2 Company vision**

### Corporate Vision and Brand Mission

BenQ is a people-oriented brand. We believe that design and technology must meet the true needs of consumers in order to display their full functionality. Inspired by our vision of “Bringing Enjoyment ‘N’ Quality to Life”, through diversification from 3C products to the four fields of L.I.F.E. We aim to bring our customers a better digital lifestyle, higher-performance operations, more advanced medical equipment services, and more flexible learning. We pursue profit and growth while fulfilling our corporate responsibilities and having positive impact on society and the public.

## Core Values

In addition to the direction and ideal corporate vision we jointly pursue, BenQ has adopted the four values of “Integrity and Self-Discipline”, “Passion and Service”, “Pursuit of Excellence”, and “Care and Contribution” as the beliefs and basic principles for all its employees.

- Integrity and Self-Discipline: a commitment to moral integrity, not to play the market unfairly, to lead by example, abide by the Company’s disciplinary rules, and to do as we say.
- Passion and Service: complete tasks with a proactive attitude and love our work and our colleagues.
- Pursuit of Excellence: be open-minded about innovation and change, continuously learn and grow, and constantly pursue improvement.
- Care and Contribution: be committed to environmental protection and sustainable development, and serve the interests of our customers, society and the environment.



## 2.6 Milestones



BenQ’s unique design positioning has been recognized by the international design community ever since its establishment. Through the years we have garnered over 300 design awards, and we have received seven international design awards in 2021. In addition, the 4K professional-grade post-production video display and MindDuo 2 Plus smart desk lamp with sitting posture reminder have won the “Taiwan Excellence Award”. BenQ’s design strength has also drawn the attention of international media and has been featured on the cover of BusinessWeek several times, commending BenQ’s innovative design for breaking free from the shackles of slim profits and maintaining Taiwan’s competitiveness. As the Lifestyle Design Center is drawing people’s attention, Taiwan’s overall design strength is increasingly receiving exposure and recognition.

Table 2.2. International design awards 2002-2021

IF DESIGN AWARD	151
RED DOT AWARD	56
G MARK	72
IDEA	6
GOLDEN PIN	28
OTHER	36
More than 349 International design awards	

Table 2.3 List of design awards

2021	IF Design Award for BenQ Gaming Monitor ZOWIE XL series
2021	Good Design Award (G-Mark) and Golden Pin (Best Design) for BenQ GV30 Smart Portable LED Projector
2021	Good Design Award (G-Mark) and Golden Pin for BenQ X3000i Gaming Projector
2021	Golden Pin for BenQ Sim Racing Monitor
2021	Golden Pin for BenQ GP500 Projector
2021	Good Design Award (G-Mark) for BenQ ScreenBar Halo

## 2.7 Participation in Associations

Industry associations and professional associations are important references for BenQ's operational strategy. Through these associations, BenQ can obtain relevant resources for its business development (e.g., through industry events, brand management, government projects, etc.) or provide its CSR results as feedback (e.g., experience sharing, results presentations, etc.). BenQ joined the following associations related to the information industry in 2021:

Association name	Management role	Membership role
Neihu Technology Park Development Association (NTPDA)	■	■
Taiwanese Excellent Brand Association (TEBA)	■	■
International Color Consortium (ICC)	■	■
Taiwan Electrical and Electronic Manufacturers' Association (TEEMA)	□	■

In addition, BenQ continues to pay attention to energy conservation and carbon footprint management through Climate Savers Computing and the Carbon Trust, as well as the international advocacy from Greenpeace and the International Electronics Manufacturing Initiative (INEMI) aimed at eliminating harmful substances and developing halogen-free products.

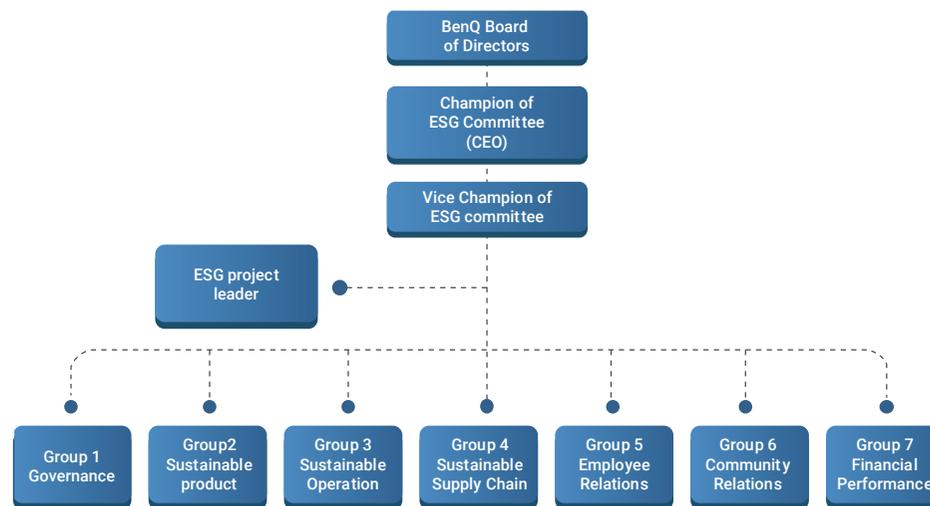


Chapter 3

# Identification of Material Issues

## 3.1 Sustainable Organization BenQ CSR Committee

To advance CSR in a more comprehensive manner, BenQ’s CSR Committee was established in July 2010 to integrate CSR goals into daily work objectives to and achieve co-prosperity of individuals, our enterprise, society, and the environment. The committee will be renamed and reorganized as the BenQ ESG Promotion Committee in 2022.

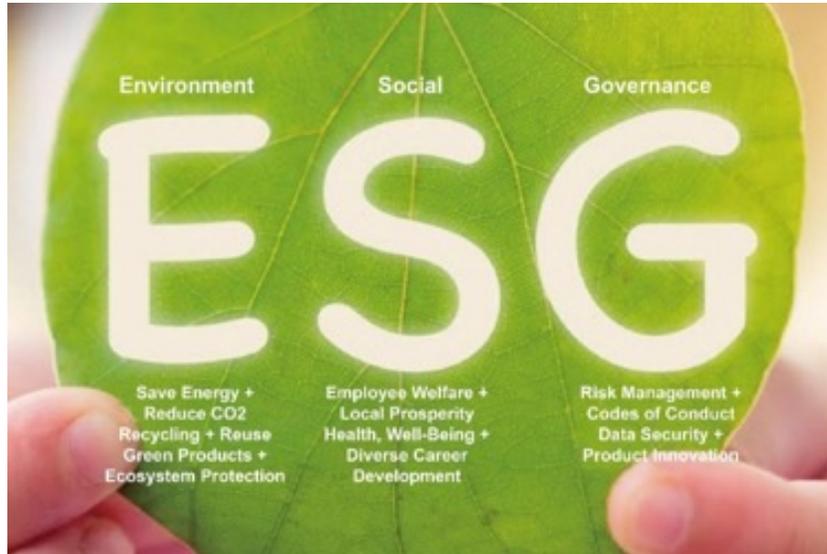


**Fig. 3.1 BenQ ESG Committee organizational chart**

ESG Policy – BenQ’s Corporate Social Responsibility Pledge We are committed to transforming BenQ into a green enterprise, pursuing the triple outcomes of economic growth, social responsibility, and environmental protection under our corporate structure of stable profit and sustainable growth, working as a positive force in society and creating better co-existence between humans and the Earth. This is BenQ’s firm commitment to corporate sustainability.

## 3.2 Communication with Stakeholders

Fig. 3.2 ESG structural chart



As a global brand, BenQ believes in maintaining barrier-free communication to fully understand stakeholders' thoughts and needs. To understand stakeholders' concerns and doubts, and to incorporate the critical issues of their concern into our corporate sustainability policy, BenQ follows the GRI Standards (2016) published by the Global Reporting Initiative (GRI) and the AccountAbility's AA1000 Series of Standards (AA1000 APS) to help us identify and respond to sustainability information and increase the rigor of our sustainability disclosures. BenQ's approach to the AA1000 APS standard is shown in the chart below. The specific practices to meet the three principles—Inclusivity, Materiality, and Responsiveness—are explained below:

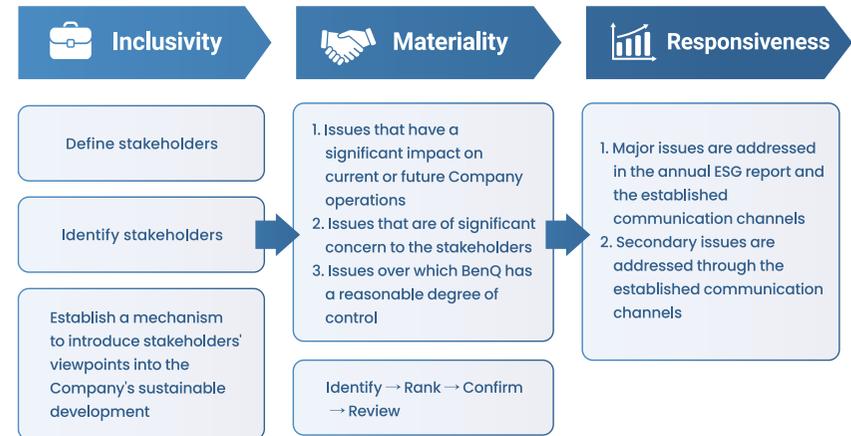


Fig. 3.3 BenQ follows the AccountAbility's AA1000 Series of Standards (adjust Qisda/ CSR → ESG/BenQ in the figure)

1. Define stakeholders: Individuals or groups that have a significant impact on or are significantly impacted by BenQ's operations.
2. Identify stakeholders: Based on each department's internal and external communications and our definition of stakeholders, we have identified five major stakeholder groups: shareholders (the parent company Qisda), customers (of the local branches), employees (at the headquarters), vendors, and communities and social groups.
3. Apply stakeholder perspectives to build the Company's sustainable development mechanism: The five main stakeholder groups identified above all have a certain degree of impact on the Company's sustainable development. For each stakeholder group, we have dedicated communication channels, and we regularly collect and share stakeholder opinions to maintain interaction with stakeholders (see Table 3.1). In addition, an annual sustainability report on issues of concern to stakeholders is provided for the stakeholders' reference.

**Table 3.1 Stakeholder communication channels**

Stakeholder	Communication frequency and channels	BenQ response method	Material issues
Investors	Quarterly business presentations, quarterly board meetings	BenQ is a non-public company 100% owned by Qisda Technology Corporation, the parent company. The Company's business overview is reported to Qisda's Board of Directors on a quarterly basis so that investors can understand BenQ's operations, and quarterly business presentations are held for employees to propose suggestions and business directions through this channel. In addition, the Company also disseminates important information through Qisda Technology Corporation to enhance information transparency.	Customer rights and social responsibility Brand management Innovative technology products and services
Customers	Customer service telephone, website	Through our customer service center and website, customers can learn about BenQ's products. In addition, BenQ proactively responds to various product regulations and creates and adopts energy-saving and carbon-reducing designs to ensure product compliance for our customers.	Customer rights and social responsibility Human rights assessment, social diversity and inclusion Innovative technology products and services
Employees	Daily employee e-newsletter, monthly business briefings, quarterly brand/culture activities, quarterly Welfare Committee meetings, quarterly labor meetings, quarterly Food Committee meetings, biennial employee opinion surveys	BenQ keeps employees informed of important company information, state of business, and future development through its daily e-newsletter and monthly business briefings. Through various brand/culture activities, videos/posters, and employee opinion surveys, employees can come to better understand and love our brand and culture. We also set great store by employee welfare: every quarter, representatives from the Welfare Committee and the Food Committee review the activities and welfare measures, as well as the services and quality of our food and beverage vendors. In addition, we also participate in internal medicine 'sociations' meetings to actively enhance the convenience of work and life.	Employee welfare and care, talent cultivation, recognition, and retention Human rights assessment, social diversity and inclusion Personal data privacy and information security

Stakeholder	Communication frequency and channels	BenQ response method	Material issues
Vendors	Quarterly Business Review (QBR)	BenQ conducts the Quarterly Business Review with its vendors to communicate its annual policies, goals, green product specifications, and green supply chain management.	Personal data privacy and information security Innovative technology products and services Sustainable supply chain management
Communities and social groups	Quarterly NTPDA meetings, BenQ Foundation, representative mailbox, fax, telephone	BenQ participates in the Neihu Technology Park Development Association (NTPDA) to directly or indirectly collaborate with government policy and engage in advocacy and report the results of its social responsibility work. BenQ Foundation is the best spokesperson for us to assist/ sponsor various social welfare activities.  Global sustainability issues have become the active responsibility and obligation of manufacturers. BenQ collects inquiries through its representative's mailbox, fax, and telephone, and responds immediately after the relevant departments have analyzed and confirmed the matters raised.	Greenhouse gases and climate change Social welfare Human rights assessment, social diversity and inclusion

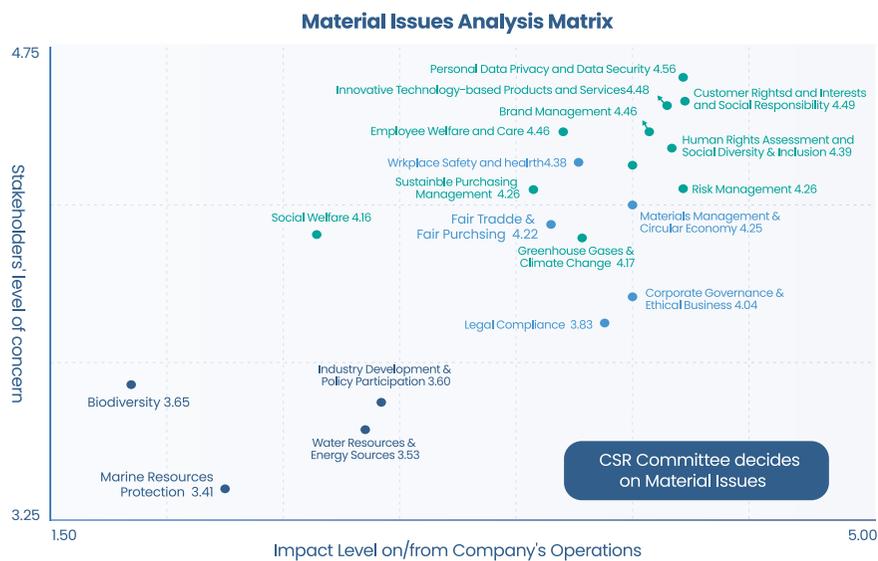
Based on the disclosure items under the GRI Standards, and taking reference from international trends and industry practices, we have consulted with experts inside and outside the Company to determine 20 issues for identification. Through a questionnaire among the five stakeholder groups, BenQ invited stakeholders to rate the 20 issues of international concern. 352 questionnaires were collected, and 16 senior executives were invited to evaluate the degree of impact of these issues on BenQ.



# 3.3 Identification of Material Issues

Based on the two dimensions of “stakeholder concern” and “company impact”, a matrix analysis was conducted, and 10 material issues were discussed and selected by the Sustainability Committee.

**Fig. 3.4 Distribution of material issues**  
 (X-axis: degree of impact on company operations; Y-axis: degree of stakeholder concern)



The following material issues selected for analysis in 2021 correspond to the GRI Standards, as shown in the table below:

**Table 3.2 Analysis of material issues**

Item	Category	Material Issue	Indicator	Section	Stakeholder	Explanation of materiality (reasons for selection)
1	Environment	Greenhouse gases and climate change	GRI 305	4	shareholders	International trends and direction set by the Group
2	Social	Customer rights and interests and social responsibility	Topics set by us	7.5	Shareholders Vendors Social groups	Direct impact on the Company's production value
3	Social	Employee benefits and care, talent development, recognition and retention	GRI 401 GRI 404	5	Employees Customers Social groups	Employees are the most important factor for competitiveness
4	Social	Social welfare	Topics set by us	5.6	Social groups	Expanding the Company's social impact
5	Social	Human rights assessment, social diversity and inclusion	GRI 412	5.3.1	Customers Employees Social groups	Expanding the Company's social impact and direct impact on the Company's production value
6	Governance	Risk management and control	Topics to be set by us	6.3	Vendors	Direct impact on the Company's production value
7	Governance	Brand management	Topics set by us	2.7	Shareholders Employees Social groups	Expanding the Company's social impact and direct impact on the Company's production value
8	Governance	Personal data privacy and information security	GRI 418	6.6 & 6.7	Shareholders Employees Vendors Social groups	Direct impact on the Company's production value
9	Governance	Innovative technology-driven products and services	Topics set by us	7	Shareholders Customers Vendors	Direct impact on the Company's production value
10	Governance	Sustainable supply chain management	GRI 308-1 GRI 414-1	8	Vendors	Direct impact on the Company's production value

**Table 3.3 Material issues: Policies, management directions, and KPIs**

Item	Material Issue	Policy	Management Direction	2021 KPIs
1	Greenhouse gases and climate change	Support environmentally sustainable development and implement energy conservation and carbon reduction.	We set energy conservation and carbon-reduction targets annually through phased and target-oriented planning across our Group. We monitor the impact of climate change on the Company and work to achieve carbon neutrality by 2030 and net zero emissions by 2050.	With 2020 as the baseline year, we will continue to reduce carbon by 1% per year. We achieved 13.53% carbon reduction in 2021.
2	Customer rights and interests and social responsibility	Customer rights and interests: BenQ's priority is to improve the quality of customer service. We are committed to providing better products and services to ensure customers' needs are met.	Our systematic management mechanism tracks customer quality feedback improvements to optimize product and service processes. Our regular product knowledge and technical service training helps improve customer service quality and efficiency. We actively listen to and collect customers' opinions and needs to enhance our products and meet market demand.	The target for the timely processing of customer quality feedback was > 95%. In 2021 we achieved 98%. The target for the product and technical service education and training participation rate was > 95%. In 2021 we achieved 100%.
		Social responsibility: BenQ recruits employees based on the principles of equal opportunity, matching the right talent to the right job, and priority of internal over external appointments.	enQ gives priority to employing local workers	The percentage of local employees hired in each region is over 90%, and over 90% of the management is hired locally as well.
3	Employee benefits and care, talent development, recognition and retention	BenQ regards employees as its most important asset. Our robust welfare and care system includes a diversified training system to enhance overall employee competitiveness and to facilitate employees to acquire the knowledge and skills required for their positions.	In line with our business strategy and organizational development needs, BenQ runs a comprehensive and diversified education and training system comprising job orientation and training courses for employees' career development to enhance their professional knowledge and skills. We do not discriminate based on race, gender, marital status, age, political stance or religious beliefs in our recruitment and retention of talent.	The Company's 2021 target of 13 hours of training per capita was met this year.

Item	Material Issue	Policy	Management Direction	2021 KPIs
3	Employee benefits and care, talent development, recognition and retention	BenQ regards employees as its most important asset. Our robust welfare and care system includes a diversified training system to enhance overall employee competitiveness and to facilitate employees to acquire the knowledge and skills required for their positions.	Salaries and benefits are in accordance with regulatory and industry standards, and salaries are not reduced for disciplinary purposes. We maintain a healthy and safe work environment. Our diverse and open communication system includes smooth communication channels for employees' rights and interests. Employees can set up their own clubs to promote labor-management harmony.	The Company's 2021 target of 13 hours of training per capita was met this year.
4	Social welfare	"From the influence of technology to the social integration of rural communities"	With people and the land as the basis, and "Caring for the Earth" and "Caring for Society" as the vertical and horizontal axes, the four main axes of "Reducing the Digital Divide", "Cultivating Honest and Smart People", "Enhancing our Original Culture and Values", and "Caring for the Earth" are integrated with the Company's core competencies, to cultivate outstanding talent and good citizens.	Awarded the "Social Inclusion Leadership Award" at the Taiwan Corporate Sustainability Awards.
5	Human rights assessment, social diversity and inclusion	Do not discriminate based on race, ethnic or social origin, ancestry, social class, nationality, religious beliefs, physical disability, gender, sexual orientation, family responsibilities, marital status, union membership, pregnancy, age, or political party, and do not employ child labor and forced labor.	1. We comply with local minimum age laws and regulations prohibiting child labor. 2. We respect the wishes of employees and prohibit forced labor of any kind. 3. We do not treat employees in an inhumane manner, prohibit any type of insulting behavior, and care about working conditions.	In 2021, BenQ had a 100% completion rate of human rights education and training for all new employees to ensure awareness of the importance of human rights in the Company.
6	Risk control	BenQ's business continuity plan (BCP) manages the major risk situations identified by the Risk Management Committee: identification and prevention before events occur; response and mitigation when events occur; recovery and risk transfer after events have occurred.	Through regular drills and exercises, BenQ collects, integrates, evaluates, assesses, and decides on situations in real time, and achieve the recovery objectives, to strengthen employees' familiarity with our BCP.	We participated in 10 regular meetings of the Group in 2021 to enhance risk awareness and strengthen risk response capabilities.



Item	Material Issue	Policy	Management Direction	2021 KPIs
7	Brand management	Inspired by its vision of "Bringing Enjoyment 'N' Quality to Life", BenQ aims to bring our customers a better digital lifestyle, higher-performance operations, more advanced medical equipment services, and more flexible learning. We pursue profit and growth while fulfilling our corporate responsibilities and having positive impact on society and the public.	Integrity and Self-Discipline: a commitment to moral integrity, not to play the market unfairly, to lead by example in abiding by the Company's disciplinary rules, and to do as we say. Passion and Service: complete tasks with a proactive attitude and love our work and our colleagues. Pursuit of Excellence: be open-minded about innovation and change, continuously learn and grow, and constantly pursue improvement. Care and Contribution: be committed to environmental protection and sustainable development, and serve the interests of our customers, society and the environment.	Maintain brand competitiveness and implement green product design.
8	Personal data privacy and information security	BenQ complies with ISO 27001, the international standard for information security, in setting up and following information security policies to ensure the confidentiality, integrity, availability, and legality of information and prevent intentional or accidental threats.	Through its information security management system, BenQ implements information security policies, protects customer data and the Company's intellectual output, enhances information security incident response capabilities, meets information security policy measurement targets and stakeholder expectations, and continuously improves the Company's information security control mechanism through the PDCA mechanism. This all helps improve the Company's competitiveness.	In 2021, 85% of our employees passed the email social engineering test. We also held an online information security course for all employees to enhance their awareness of information security. 98.32% of our employees completed the course, which helped ensure that information security concepts become integrated into daily operations.

Item	Material Issue	Policy	Management Direction	2021 KPIs
8	Personal data privacy and information security	BenQ respects and is committed to protecting the privacy of customers, employees and vendors. BenQ complies with laws and regulations regarding the protection of personal privacy and the security of personal information. We are committed to ensuring the privacy of customers when doing business with them.	We regularly train new employees on personal information protection and privacy related issues. We conduct personal data privacy protection inventories for the major risk points in information systems, service platforms, products under development, and customers and vendors relating to each department of our Company. Each unit must improve the identified deficiencies.	In 2021, 95% of headquarter staff completed legal compliance training on GDPR.  2021 performance/KPI: 0 penalties 2022 target: 0 penalties
9	Innovative technology-driven products and services	To make the Company sustainable and in line with the world, BenQ actively responds to a number of United Nations Sustainable Development Goals (SDGs). We are committed to "quality education", "good health and well-being", and "climate action".	We provide incentives and professional assistance to create quality patents, to encourage innovation. Through diversified development, we encourage industry-academia collaboration, expand R&D capabilities, and cultivate outstanding talent for society. We are customer-oriented, address consumer feedback, run innovative technology processes, improve products and services, and solve consumer pain points. Responding to the needs of society, we improve our products to save energy, reduce carbon emissions and protect the environment.	The target for flat panel monitors and displays sold with an Energy Star label was > 50%. In 2021, we achieved 51.6%. The target for semiconductor light sources (laser or LED) sold without lamp consumables was > 50%. In 2021, we achieved 16.3%.
10	Sustainable supply chain management	BenQ works actively with vendors to build a sustainable supply chain that protects the environment, human rights, safety, health, and sustainable development.	BenQ conducts rigorous written and on-site audits for vendor selection, and requires ISO certification documents and conflict minerals investigation forms to establish long-term relationships through a mechanism that jointly fulfills the spirit of corporate social responsibility.	All existing partner vendors with BenQ have completed 100% of the relevant documentation audits, signatures, and tracking thanks to BenQ's counseling and active communication.





## Chapter 4

# Environmental and Greenhouse Gas Management

To advance CSR in a more comprehensive manner, BenQ's CSR Committee was established in July 2010 to integrate CSR goals into daily work objectives to and achieve co-prosperity of individuals, our enterprise, society, and the environment. The committee will be renamed and reorganized as the BenQ ESG Promotion Committee in 2022.

## 4.1 Environmental Safety and Health Management

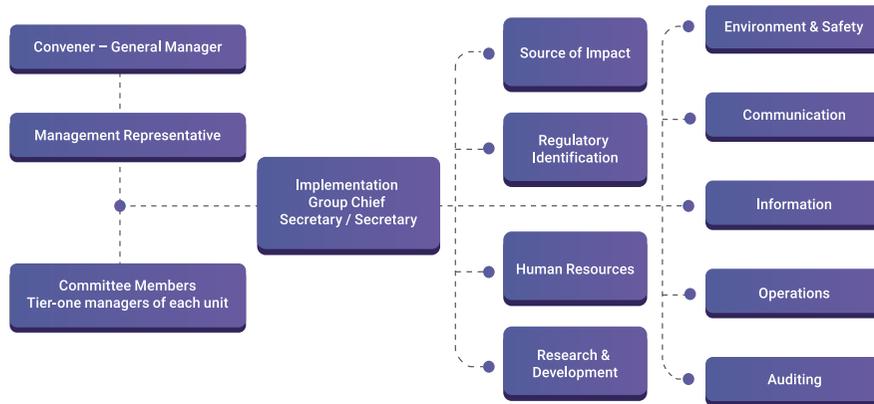
### 4.1.1 Social Responsibility and Environmental Safety and Health Policy

BenQ sets and implements social responsibility and environmental safety and health policies based on the following principles:

- Promote corporate social and environmental responsibility and comply with regulatory standards.
- Design green products to reduce the use of substances that may impact the environment.
- Prevent pollution, save energy, ensure safety and health, and continuously improve processes and products to reduce safety and health risks.
- Provide a safe and healthy work environment to maintain employees' physical and mental health.
- Engage all employees to participate in the continuous improvement of the Company's environmental, safety and health performance through audits and communications.

Management direction

- Internal checks, reviews, and improvements to improve the rights of employees
- Invest in green product design, reduce pollution, protect the environment, and do our part as an environmental citizen
- Actively prevent pollution and save energy, continuously improve to maintain safety and health
- Comply with government standards and regulations and meet customer requirements
- Educate employees about the importance of the environment, safety, and health, so they can fully understand and implement related policies



**Fig. 4.2 Organizational Chart of Social Responsibility and Environmental Safety and Health Management Committee**

**4.1.2 Environmental Safety and Health Organization and Responsibility**

To implement environmental safety and health management, BenQ’s President convenes the heads of all departments as the “Social Responsibility and Environmental Safety and Health Management Committee” at the headquarters. The President assigns a management representative to manage environmental and safety matters and set up an implementation team within the Company. The policy direction of environmental safety and health implementation is formulated by the President, then planned and implemented in detail by the management representative and the implementation team. Through regular social responsibility and environmental safety and health management review meetings, members are briefed on implementation performance and they can propose future directions.

**4.1.3 Environmental Safety and Health Certification and Monitoring**

BenQ follows ISO 14001 Environmental Management Systems and ISO 45001 Occupational Health and Safety Management Systems at its headquarters, and has been certified for both standards. The current structure of BenQ’s environmental safety and health certification and monitoring is as follows. Internal audits are conducted once a year so that departments can observe and monitor each other

- A third-party certification company conducts external audits every year
- We request our vendors to work with us to protect the environment and maintain employee safety and health

**Fig. 4.3 ISO 14001 and ISO 45001 certificates**



**4.1.4 Waste Management**

BenQ's adopts a proactive waste management approach. We save energy and reduce waste wherever we can. In our sourcing we classify materials by recyclability and increase resource recovery to achieve waste reduction. We hold 3R (Reduce, Reuse, Recycle) energy saving and waste reduction competitions to embed the habits of energy saving and waste reduction into our corporate culture. Through the competitions, all departments strengthen their efforts to promote energy saving and encourage team members to help save energy and reduce waste to make BenQ a green brand that truly loves the earth.

BenQ generates general waste, paper, aluminum cans, metal cans, PET bottles, plastic bottles, aluminum foil packaging, and food waste. The performance of waste management in 2021 is shown in Table 4.1.

**Table 4.1 Waste/resource recovery statistics for 2020-2021 (Unit: kg)**

Time	General Waste	Paper	Aluminum Cans, Metal Cans	PET Bottles, Plastic Bottles	Aluminum Foil Packaging
2020	31,777	5,955	822	351	275
2021	30,745	4,345	756	301	220

**4.1.5 Water Resource Management**

BenQ does not produce industrial wastewater during product design, only domestic wastewater is generated. To control the domestic wastewater, oil and water separation tanks are installed and maintained by specialized personnel. They are incorporated into the public sewage management system and help prevent impact on water sources and land.

The government also monitors the quality of our discharge water every six months and conducts regular and irregular sampling and analysis.

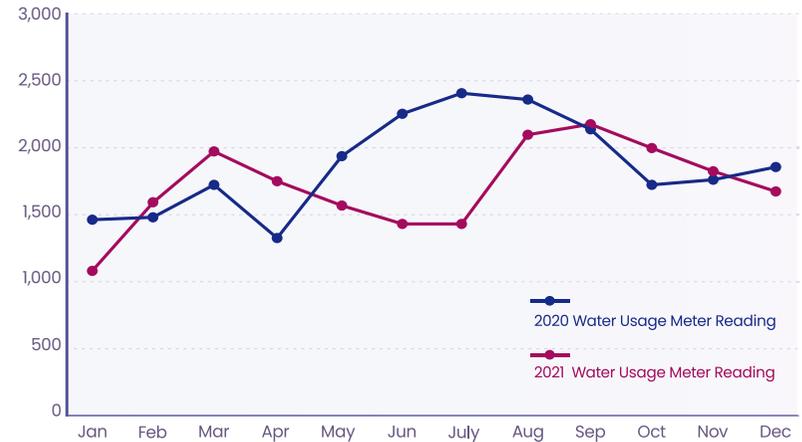
Every year, a wastewater testing company approved by the Environmental Protection Agency (EPA) is entrusted to sample and test the quality of our discharge water to understand its quality. The EPA also supervises the quality of our discharge water every six months. Sampling and analysis are carried out at unscheduled moments. The standard results of water quality analysis used during government inspections of discharge water are shown in Table 4.2.

**Table 4.2 Water quality inspections in 2021**

Inspection Date	Item	Norm	Test Result	2021/11/24
	Hydrogen ion concentration index	pH 5-9	8	Passed
	Water temperature	45 °C	22.5	Passed
	Suspended solids	600 mg/L	144	Passed
	Chemical oxygen demand	1200 mg/L	237	Passed
	Biochemical oxygen demand	600 mg/L	79.7	Passed
	Total oil and grease	Oil minerals: 10 mg/L	4.8	Passed
		Oil and grease animals and plants: 30 mg/L		
	Sulfide	90 mg/L	0.02	Passed

BenQ's total water consumption in 2021 was approximately 20,000 m<sup>3</sup>/year. In the water management performance section, the total water consumption was thus reduced by approximately 0.1% in 2021 compared to 2020, and we will keep up our efforts to save water. In addition, BenQ does not extract groundwater for its operations. The building is equipped with an air-conditioning condensate recycling system, and the recycled water is mostly used for spraying and watering plants and flushing toilets. BenQ's headquarters use only small amounts of chemical solvents in the design process of the products, and no chemical solvents are spilled during the process.

Water Usage Meter Reading Comparison Table	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	Annual Total Amount
2020 Water Usage Meter Reading	1,450	1,471	1,730	1,282	1,971	2,343	2,386	2,333	2,083	1,700	1,746	1,787	22,182
2021 Water Usage Meter Reading	1,147	1,593	1,976	1,735	1,585	1,438	1,437	2,087	2,098	1,976	1,794	1,635	20,501



#### 4.1.6 Ecological Management

The headquarters of BenQ are located in the Neihu Technology Park. BenQ does not own, lease, or manage any office building located in an ecological protection zone or water resource protection zone. BenQ is purely a branding and design company without production lines, except for the diesel-powered emergency generators in its public facilities. This diesel fuel, when burned, produces a very small amount of SO<sub>x</sub>, which has a minimal impact on the environment, so SO<sub>x</sub> and NO<sub>x</sub> are not measured. BenQ also does not engage in any activities that would have a negative impact on biodiversity. Our product design, development and service processes do not affect the environment and ecology.

## 4.2 Greenhouse Gas Management

BenQ conducts greenhouse gas inventory and verification program and refers to ISO 14064-1 and greenhouse gas inventory protocol requirements to complete the greenhouse gas emissions inventory and establish a greenhouse gas inventory standard mechanism. Through third-party verification, BenQ's total greenhouse gas emissions in 2021 were approximately 625.2647 tCO<sub>2</sub>e/year, as shown in Table 4.4.

BenQ's greenhouse gas emission sources are mainly carbon dioxide (CO<sub>2</sub>) generated during power generation outside of the Company's operations and greenhouse gases from gasoline used in the Company's internal operations. There was no significant change in these in 2021. Our internal energy use in 2021 is shown in Table 4.5.



**Table 4.4 Internal energy consumption in 2021**

Item	2020	2021
Volume of direct energy consumption		
Natural gas (1,000 m <sup>3</sup> )	0	0
Gasoline (m <sup>3</sup> )	4.9661	3.7533
Diesel (m <sup>3</sup> )	0	0
Refrigeration (MT)	0.039	0
Volume of indirect energy consumption		
Purchased electricity (kWh)	1,217.6763	1,166.1735

**Fig. 4.5 Volume of greenhouse gas emissions in 2021**

Scope	Emissions in 2020 (tCO <sub>2</sub> e/year)	Emissions in 2021 (tCO <sub>2</sub> e/year)
Direct greenhouse gas emissions (Scope I)	67.4964	8.8626
Indirect greenhouse gas emissions (Scope II)	619.7972	585.4195
Scope I + Scope II	687.2936	594.2821

Committed to sustainable development, BenQ cannot simply stop emitting greenhouse gases without making significant changes to its processes. Therefore, the benefits of our new environmentally-friendly refrigerants adopted in 2020 showed only in our achievements in 2021, when our greenhouse gas emissions were reduced by a significant 13.53% in Scope I emissions in 2021. BenQ will continue its program to significantly reduce greenhouse gas emissions in line with the efforts of the international community. BenQ's reduction program is as follows:

<sup>1</sup> Standards, methodologies and assumptions used in the calculation of internal energy consumption: the energy consumption is added up from the bills provided from the energy supplier to the Company.

<sup>2</sup> Joule conversion: The conversion table of the EN3 Direct energy consumption by primary energy source of the Indicator Protocols Set: EN was used for this.

1. Greenhouse gas emissions are aggregated as follows: greenhouse gas emissions = energy use x greenhouse gas emission factor x GWP (global warming power) value.
2. Emission coefficients are based on the "Management Table of Greenhouse Gas Emission Coefficients (Version 6.0.4)", as published by the Environmental Protection Administration, Executive Yuan.
3. The GWP value is based on the fifth IPCC Report published in 2013.
4. The electricity emission coefficients are based on the 2020 Annual Electricity Emission Coefficient of 0.502 kgCO<sub>2</sub>e/kWh as published in 2020 by the Bureau of Energy, Ministry of Economic Affairs.
5. The energy boundary is the headquarters of BenQ Taiwan (No. 18, Jihu Road, Neihu District, Taipei).
6. The method of aggregating greenhouse gas volume is based on the operation control rights method, excluding tenants.

**Table 4.6 BenQ's energy conservation program**

Equipment replacements or upgrades	Energy conservation measures
1. Fit lighting fixtures with energy-saving lamps	1. Manage ice and water-based server cooling equipment
2. Upgrade server cooling equipment with ice and water to enhance performance	2. Implement BenQ Esco energy management
3. Change escape lights to LEDs	3. Manage air-conditioning separately per area
4. Replace office lights with LEDs	4. Manage and switch off power-consuming equipment based on flow rates
5. Replace sports center lights with LEDs	5. Hold events to boost office energy saving
6. Replace bathrooms lights with LEDs	6. Manage night-time energy use
7. Replace elevator lights with LEDs	7. Fit drinking water dispensers with timers
8. Replace staircase indirect lights with LEDs	8. Adjust lobby air-conditioning hours
	9. Adjust air-conditioning hours in office areas



BenQ has always invested much in environmental protection as a key policy issue. As global warming and greenhouse gases gain attention, BenQ actively works on energy conservation and carbon emissions reduction through improvement measures that have proven outstandingly effective.

Since the establishment of the ESG Committee in 2022, BenQ has gradually been progressing towards the target of net zero carbon emissions by 2050 set by Taiwan's National Development Council, and is working on strategies to save energy and reduce carbon emissions while taking reference from Qisda Group's implementation direction.



## Chapter 5

# Social Responsibility

## 5.1 Employee Profile

### 5.1.1 Employment Principles

BenQ hires employees based on its business needs and strives for equal opportunity, matches between candidates and positions, and gives priority to internal transfers over external hiring. We do not discriminate based on race, ethnic or social origin, ancestry, social class, nationality, religious beliefs, physical disability, gender, sexual orientation, family responsibilities, marital status, union membership, pregnancy, age, or political affiliation, and do not employ child labor.

### 5.1.2 Employment Overview

To promote the development of BenQ in Taiwan, our hiring principle is to give priority to Taiwanese workers. Our local hiring ratio reaches 100%; 100% of the management level (vice president or above) are local hires. As of December 31, 2021, BenQ had 522 regular employees in Taiwan, not counting students and interns, as shown in Table 5.1 below. In response to business demand and manpower investment, the number of regular employees in Taiwan increased by 53 at the end of 2021 compared to 2020. Of these 34 were male and 19 were female. Analyzed by management level, 7 of the 34 male hires were managers (20.5%), and 3 of the 19 female hires were managers (15.8%). Due to the nature of the IT industry, most of our employees are male, but BenQ does not discriminate or treat anyone unfairly based on gender; it is our policy to hire people based on merit.

**Table 5.1 Statistics on the number of permanent, full-time employees in Taiwan by rank and gender**

Total employees								
Gender		Male			Female			Total
Age bracket		<30	30-50	>50	<30	30-50	>50	
Year	2020	27	212	22	38	162	8	469
	2021	49	216	30	56	162	9	522

Management								
Gender		Male			Female			Total
Age bracket		<30	30-50	>50	<30	30-50	>50	
Year	2020	0	42	10	0	22	4	78
	2021	0	46	13	0	25	4	88

Non-management								
Gender		Male			Female			Total
Age bracket		<30	30-50	>50	<30	30-50	>50	
Year	2020	27	170	12	38	140	4	391
	2021	49	170	17	56	137	5	434

### 5.1.3 Employee turnover rate

When an employee submits a resignation application, BenQ immediately notifies the supervisor to arrange a resignation interview, so as to understand the reason for their resignation and offer incentives or measures to stay. The average turnover rate of BenQ in Taiwan in 2021 was 12.6%. Table 5.2 shows the turnover rate by gender and age.

**Table 5.2 General employee turnover rate and new employee turnover rate in 2020 and 2021**

Year	2020	2021
Total employees	469	522
New employees	57	88
Leaving employees	59	56
Onboarding rate	12.2%	16.9%
Turnover rate	12.6%	10.7%

Note: The turnover rate of general employees includes redundant and retiring employees; however, it does not include employees on unpaid leave.

**Table 5.2 Turnover rate by gender and age**

Year 2020							
Gender	Male			Female			Total
Age bracket	<30	30-50	>50	<30	30-50	>50	
New employees	15	18	0	16	8	0	57
Hiring rate	3.2%	3.8%	0.0%	3.4%	1.7%	0.0%	12.2%

Year 2021							
Gender	Male			Female			Total
Age bracket	<30	30-50	>50	<30	30-50	>50	
New employees	26	22	1	29	10	0	88
Hiring rate	5.0%	4.2%	0.2%	5.6%	1.9%	0.0%	16.9%

Year 2020							
Gender	Male			Female			Total
Age bracket	<30	30-50	>50	<30	30-50	>50	
Leaving employees	13	26	3	3	13	1	59
Turnover rate	2.8%	5.5%	0.6%	0.6%	2.8%	0.2%	12.6%

Year 2021							
Gender	Male			Female			Total
Age bracket	<30	30-50	>50	<30	30-50	>50	
Leaving employees	5	25	0	7	19	0	56
Turnover rate	1.0%	4.8%	0.0%	1.3%	3.6%	0.0%	10.7%

## 5.2 Learning and Development

### 5.2.1 Material Issue Management Policy: Talent Development and Retention

BenQ's sustainable operations and growth depend on employees fully utilizing their professional and managerial talents. Therefore, talent management is a key factor for us to surpass the industry. BenQ regards employees as its most important assets and invests significantly in the cultivation and development of talent. To enhance employee competitiveness and promote the knowledge and skills required for their positions, BenQ has a diversified training system to continuously upgrade employees' professional knowledge and skills, to enhance their team spirit and loyalty and commitment towards the Company.

Based on our business strategy and organizational development needs, we have built a comprehensive and diversified education and training system that includes job orientation and training for employees' career development. The Company met its target of 13 hours of training per capita in 2021; details are shown in Table 5.3 and Table 5.4 below.

#### Management Target for 2022

In 2022, the average number of training hours per employee was at least 14 hours. To enable everyone to learn anytime anywhere, we aim to deliver 65% of all learning through digital courses.

**Table 5.3 Total training and average training hours of BenQ's permanent, fulltime employees in Taiwan in 2021 (Unit: hours/person)**

Gender	Number of people	Total training hours	Average training hours
Male	295	4,080.8	13.8
Female	227	3,273.2	14.4
Total	522	7354	14.1

Note: Excluding students on temporary contracts.

**Table 5.4 Average training hours by position and gender of BenQ's permanent, fulltime employees in Taiwan in 2021 (Unit: hours/person)**

Position/gender	Number of people	Number of people receiving training	Average training hours
<b>Manager</b>	<b>88</b>	<b>1,384.2</b>	<b>15.7</b>
Manager/male	59	720	12.2
Manager/female	29	665	22.9
<b>Non-manager</b>	<b>434</b>	<b>5,970</b>	<b>13.8</b>
Non-manager/male	236	3,361	14.2
Non-manager/female	198	2,609	13.2

BenQ's job-oriented learning and development system is divided into three main categories: newcomer training, specialized training, and leadership and management development programs. A systematic structure is used to nurture and develop talent.

### 5.2.1 Newcomer Training Program

To enable new employees to adapt to the environment and improve their job competency as quickly as possible, we start the "Newcomer Orientation Program" within 90 days of new employees taking up their posts. This program includes: newcomer orientation on the first day of employment, covering the Company's business strategy, objectives, organizational chart, culture and values, employee code of conduct, basic IT systems, company policies and rules. Newcomers need to complete the online Newcomer Orientation Program (5.5 hours) within 90 days. 484 hours of new employee training were given in 2021. In addition, to help new employees quickly integrate into the workforce and find like-minded partners, we offer a two-day-one-night Win Camp Workshop with 16 hours of training away from the office, with topics

including: introduction to our corporate culture, goal setting and management, issue analysis and solution thinking, and team building. This way, we can quickly integrate newcomers into the Company, and enhance our retention rate. After these courses and the camp, newcomers receive on-the-job training in their departments. On top of this, new employees may attend internal or external training courses to keep developing their knowledge and skills as their jobs may require.

### 5.2.2 Professional Development Plan

BenQ offers training programs help employees develop their skillsets and competitiveness to face the changes and challenges of the new era and their future duties, to upgrade their knowledge and skillsets, and to further their careers. To enable the comprehensive development and improvement of competencies, BenQ, We also promote job rotation, provide an online learning platform and online learning resources according to the different job needs of employees,, and encourage employees to attend external seminars and training courses, with the costs fully subsidized by the Company, to encourage each employee to continue to refine and grow in their professional field.

In 2021, we organized the “Marketing Data Analysis Talent Development Program” to strengthen our data analysis capabilities. We selected data analysis talents from different positions in the company for a four-stage talent development plan for them. The development content included 116-hour training course and a six-month counseling plan for each participant. This way, we developed 31 marketing information data analysis talents. Their training time totaled 3,596 hours. A graduation ceremony was held to give all participants a certificate of completion as an incentive.

### 5.2.3 Leadership and Management Development Plan

Our leadership and management development program for managers is divided into two stages: the first is a function-oriented leadership and management training program suited to participants’ ranks and positions, and the second is the development of knowledge, skills, and leadership through job rotation.

(1) Leadership and management training system at all levels.

A. Development for general managers:

1. Re-examine the model of leadership and management functions to help managers develop their direction.
2. Function-based training program for managers.

Construct a tiered managerial function system and, based on that, a tiered supervisory leadership and management development program. The Company’s tiered (junior/middle/senior) supervisory leadership and management development plan is shown in the table below. It adopts a systematic curriculum to progressively train managers to build their management and leadership skills required for different levels as they lead their teams to achieve organizational goals.

 Senior managers	<b>Top Development Program (TDP)</b> Focus on vision, values, and leadership roles; enhance business judgment, business management and organizational talent development skills
 Middle managers	<b>Strategic Leader Program (SLP)</b> 1. Develop strategic leadership thinking and awareness; fulfill the role of middle manager leading top-down 2. Develop systematic thinking, decision-making skills, and persuasion and influencing skills
 Junior managers	<b>Action Leader Program (ALP)</b> 1. Learn to set and develop departmental goals, coach employees, and develop communication skills 2. Build skills in staff development, advising, and counseling
 High-potential talent	<b>Fresh Leader Program (FLP)</b> 1. Build awareness of personal work management and process improvements 2. Develop good communication skills for top-down and bottom-up management 3. Develop abilities to set targets and identify skills needed

#### B. High-Potential Talent Development Program

In 2018, the Company established a high-potential talent development program to support our sustained growth and serve the demand for business talent that comes with it. We select high-potential talent through assessment tools, identify their individual development needs, and provide personal development plans.

#### (2) Diverse Career Development

To promote revitalization and innovation in our organization, we enhance the practical experience and learning of managers through rotation to build their diverse medium and long-term development. We also develop managerial talent with even more diversified functions through this program.

1. Define the rotation period for managers at various levels
2. Make an annual inventory of candidates eligible for rotation
3. Communicate with the rotating candidates and their managers on their future career direction to identify the next stage of suitable positions for their rotation and development
4. Post-rotation status and performance tracking

A Company's long-term survival and thriving come not only from product innovation and process improvement, but also require the organization to be like an organism that grows and adjusts to its competitive environment all the time. BenQ values talent and invests in talent development to strengthen organizational competitiveness and meet future challenges.

## 5.3. Labor Conditions

### 5.3.1 Human Rights Management

#### Human Rights Goals

- Goals for 2021: Each new employee must complete 100% of the human rights policy training. The implementation result in 2021 is that 88 new employees (16.9%) have completed 100% of the 2 hours of human rights policy training, making for a 176 hours of human rights policy training for new employees.
- Goals for 2022:
  1. Zero violations of the human rights management policy.
  2. 100% completion rate of human rights policy training courses for all permanent employees in Taiwan.

#### Human Rights Policy

"Putting people first" is a core value of BenQ. Therefore, BenQ supports and follows the internationally recognized human rights norms and principles, including the United Nations Universal Declaration of Human Rights, the United Nations Global Compact, the United Nations Guiding Principles on Business and Human Rights, and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, and complies with the laws and regulations of the jurisdiction where the Company is located when formulating and implementing its human rights policies. We will implement human rights protection through the human rights principles of "protection, respect, and remedy".

### Scope of Application

BenQ's human rights policy applies to BenQ and its investee companies, including its employees, customers, vendors, and partners. We also require our vendors and partners to uphold human rights to the same standards as our policy.

### Human Rights Management Guidelines

**Table 5.5 Human rights management policy**

No child labor	Comply with local minimum age laws and regulations and ban child labor.
No forced labor	Respect employees' wishes and ban any type of forced labor practices.
Healthy and safe working environment	Obtain ISO 14001 Environmental Management Systems and ISO 45001 Occupational Safety and Health Management Systems certifications to provide a good working environment.
Smooth communication channels for employee rights	Establish a diversified and open communication system, allow employees to set up their own clubs, and emphasize labor-management harmony.
No discrimination	Do not discriminate based on race, gender, marital status, age, political stance, or religious beliefs in our recruitment and retention of talent
Disciplinary measures	Do not treat employees in an inhumane manner, ban any type of insulting behavior, and care about the working conditions of our employees.
Working hours	Working hours are in accordance with laws and regulations.
Basic salary	Salaries and benefits are in line with regulations and industry standards, and salaries are not reduced for disciplinary purposes.

BenQ follows these guidelines from the very beginning of its hiring process. We have never used child labor, nor has there been any dispute regarding forced labor, improper discipline, or discrimination.

To ensure the rights and interests of both the employees and the employer, the employee handbook handed out on the first day of employment states the minimum notice period required for each change of operations. The employment contract between BenQ and the employees also clearly states the minimum notice period for contract termination.

Since labor rights and human rights issues have our customers' attention, BenQ arranges human rights training for new employees within 90 days of their arrival as part of the "Newcomer Orientation Program". Each new employee is required to complete this training within 90 days. In 2021, BenQ provided human rights training to 88 new employees. The completion rate is 100%, with each employee receiving 2 hours of training to ensure that they are aware of the importance of human rights in our Company. To protect employees' rights and interests, we offer multiple internal communication channels as shown in Table 5.6, and we have "Communication Management Procedures" for employee grievances, so that employees who experience sexual harassment or improper treatment can respond directly to our human resources department or the "President's Mailbox" in accordance with the "Reporting and Complaint Handling Rules". The Company has not received any complaints or grievances regarding labor rights or human rights issues.

BenQ has social responsibility and environmental safety and health policies and related management procedures in place. We emphasize integrity, strictly abide by ethical regulations, and constantly improve our management. Every year, our auditing unit audits each unit in the Company in accordance with our human rights policies and management guidelines. In 2021, no human rights violations occurred within the Company. All employees' rights and interests are in line with local regulations, international standards, and the needs of interest groups to protect and continuously improve employee rights and interests. In addition, the Company also complies with social responsibility standards and related regulations and customer requirements in this regard in order to reach the goal of sustainable operations.

**Table 5.6 BenQ's pledges**

BenQ's pledges										
1.Salaries and benefits	<p>1. Our salaries for new employees are based on job responsibilities and personal competences. We do not differentiate starting salaries based on race, religion, political affiliation, gender, marital status, or labor union affiliation.</p> <p>2. Our salaries comply with relevant laws and regulations. The average salary for all employees is above the statutory minimum wage of TWD 24,000.</p> <p>3. The starting salary for new employees for both men and women is 1.91 times the local minimum wage at all major operating locations.</p> <p>4. We never deduct any amount from a salary by way of disciplinary action.</p> <p>5. The salaries of non-managerial employees are shown in the following table (Unit: TWD 1,000):</p> <table border="1"> <thead> <tr> <th>Item</th> <th>2020</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td>Average annual salary of non-managerial employees (TWD 1,000)/person</td> <td>1,254</td> <td>1,371</td> </tr> <tr> <td>Average median salary of non-managerial employees (TWD 1,000)/person</td> <td>1,141</td> <td>1,251</td> </tr> </tbody> </table> <p>* Non-managerial positions refer to permanent, fulltime employees, excluding employees on fixed-term or part-time contracts.</p>	Item	2020	2021	Average annual salary of non-managerial employees (TWD 1,000)/person	1,254	1,371	Average median salary of non-managerial employees (TWD 1,000)/person	1,141	1,251
Item	2020	2021								
Average annual salary of non-managerial employees (TWD 1,000)/person	1,254	1,371								
Average median salary of non-managerial employees (TWD 1,000)/person	1,141	1,251								
2.Labor insurance and health insurance	<p>1. We provide employees with labor insurance and health insurance on the day they report to work and contribute the employer's share of the insurance premiums.</p> <p>2. We offer additional benefits such as group insurance for employees, including life insurance, accident injury insurance, cancer insurance, accident medical insurance, outpatient/inpatient medical insurance, and aviation accident insurance. The maximum claimable amount is 36 times one's monthly salary.</p> <p>3. All BenQ employees are provided with a comprehensive life insurance plan in accordance with the local laws and regulations of global operating locations.</p>									
3.Leave	<p>1. We provide employees with the statutory holidays and leaves.</p> <p>2. We offer one day of paid volunteer leave per year, to encourage volunteer work.</p> <p>3. We offer paid engagement leave to express our care for our employees.</p>									
4.Pensions and welfare	<p>1. Employees in Taiwan are required to make regular contributions to their statutory pension accounts or personal pension accounts in accordance with the provisions of the Labor Standards Act and the Labor Pension Act of Taiwan.</p> <p>2. Global operating locations are also governed by local laws and regulations.</p>									
5.Incentives	<p>1. Performance appraisals are conducted every six months for all permanent employees and the results bear on promotion and bonuses.</p> <p>2. All appointments, evaluations and promotion criteria are fair and just. We do not discriminate based on race, gender, age, nationality, religion or political orientation.</p>									
6.Communication channels	<p>1. Department meetings</p> <p>2. HR mailbox</p> <p>3. Labor-management meetings Special leave follows the calendar year and cannot be carried forward.</p> <p>4. Employee Welfare Committee</p> <p>5. Food Committee</p> <p>6. Employee opinion surveys</p> <p>7. Secretary/assistant seminars</p> <p>8. 2885 Online Response System</p> <p>9. Employee representatives</p>									
7.Notice period for important changes that affect employee rights and interests	<p>1. Employees that have served the Company between three months and one year are informed at least 10 days in advance before a significant change in the Company's operations is implemented that may affect employee rights and interests.</p> <p>2. Employees that have served the Company between one and three years are informed at least 20 days in advance.</p> <p>3. Employees that have served the Company for more than three years are informed at least 30 days in advance.</p>									

BenQ has not only declared its commitment to protect employees' rights and interests and safeguard human rights in its policies, but also has rules and management procedures at the management level to ensure effective implementation. Ever since our establishment, the relationship between the employer and employees has been harmonious, and the needs and opinions of employees are directly responded to.

In addition, all employees sign employment contracts and work in accordance with their wishes. Overtime work is voluntary, without forced labor, without physical or psychological coercion, and without discrimination based on race, gender, age, nationality, religion, or political orientation. Therefore, no discrimination cases have ever been taken to court.

**5.3.2 Safe Work Environment**



**Fig. 5.1 Workplace safety management mechanism**

BenQ has an active Social Responsibility and Environmental Safety and Health Management Committee and implements various safety, hygiene, and health measures. BenQ has had no cases of occupational diseases, and the average injury rate in 2021 was 0 cases per 1 million working hours and the incidence of occupational diseases was 0. The number of injuries was reduced from 1 to 0 cases in 2009 and this zero rate has been maintained until 2021.

**Table 5.7 shows a breakdown of our safety and health management performance in 2021, which reflects our efforts to protect the safety, health, and environment of our employees.**

**Table 5.7**

2021	Taiwan		
	Male	Female	Total
Disabling injury rate (DIR), as defined by GRI	0	0	0
Disabling injury severity rate (DISR), as defined by GRI	0	0	0
Occupational diseases rate (ODR), as defined by GRI	0	0	0
Absentee rate (AR), as defined by GRI	0	0	0
Total number of fatal accidents on duty	0	0	0

Absence rate (AR) = Total days absent / Total days worked × 200,000\* (\*: refers to the rate per 100 employees based on 40 hours per week for 50 weeks per year.)

Definition of absence: An employee is absent from work due to incapacity (not due to occupational injury or occupational disease). It includes sick leave and personal leave.

**5.3.3 Healthy Workplace**

BenQ has always endeavored to create a healthy and dynamic working environment, so that employees can be free from worries and devote themselves wholeheartedly to their jobs. Since 2005, BenQ has participated in the Healthy Workplace Contest in Taipei City and has surpassed more than 100 contestants to win the highest award for healthy workplaces for two consecutive years. In 2007, BenQ was designated an Outstanding Enterprise independently certified by the Health Promotion Administration, Executive Yuan.

In 2011, BenQ was awarded the highest honor of the three-star award “Taipei City Happy Enterprise”. In recent years, BenQ has received the following awards and achievements:

**Table 5.8 Awards and achievements**

2005	Taipei City Healthy Workplace Special Award
2006	Taipei City Healthy Workplace Special Award
2007	Health Leadership Award, Health Promotion Administration, Department of Health
2007	Health Promotion Badge of Workplace Health Autonomy Certification
2008	Visit to Healthy Workplaces by the Director of the National Health Bureau
2009	Health Promotion Badge for Workplace Health Autonomy Certification
2010	Taipei City Excellent Breastfeeding Room
2011	Taipei City Excellent Breastfeeding Room
2011	Taipei City Three Stars Award, the highest honor for a Happy Enterprise
2012	Health Promotion Badge of Workplace Health Autonomy Certification
2012	Taipei City Excellent Breastfeeding Room
2013	Taipei City Outdoor Smoking Certification
2014	Taipei City Outdoor Smoking Certification
2016	Health Promotion Badge of Workplace Health Autonomy Certification
2016	Sports-Friendly Enterprise Certification
2017	Taipei City Excellent Breastfeeding Room
2018	Taipei City Excellent Breastfeeding Room
2019	Sports-Friendly Enterprise Certification
2019	Taipei City Excellent Breastfeeding Room
2020	Taipei City Excellent Breastfeeding Room



BenQ helps maintain employees' physical and mental health in an all-round way, through annual health checkups above and beyond regulations, with a 94% employee participation rate in 2021, with return visits or follow-up as needed, and a 90% follow-up rate for major abnormalities; monthly consultation services by family medicine physicians, fun and interesting health promotion events, regular health and hygiene education preventive medicine education, preventive health education for major diseases, first aid education and training, and workplace health teaching by physiotherapists in our physiotherapy room where they assist employees with musculoskeletal assessment and correction of poor posture using computers, which 1,000 employees have taken advantage of. With regard to maternal and infant health, there is also nursing room for mother and child. Two baby-care magazines have rated this room with five stars. In 2021, 6 employees used the nursing room for more than 6 months. Committed as we are to creating a healthy working environment, we regularly teach and promote occupational safety knowledge to create a workplace free of occupational accidents.

### 5.3.4 Employee Relations

Employee representatives of BenQ's labor-management meeting and Welfare Committee, elected by the Company's employees, can make suggestions on employee welfare and the Company's systems, and communicate with the management face-to-face on a regular basis. Employees that encounter sexual harassment or mistreatment can directly report it to the Company through this channel, and the Company guarantees the confidentiality of the whistleblower's identity. So far, the Company has not had any labor disputes or cases of improper treatment.



Enterprises have a civic duty to uphold social morality. BenQ is committed to cultivating honesty and trustworthiness in its employees, to convey the principle and demands of integrity to the people in society, to avoid moral disputes, and to improve the social atmosphere. BenQ regards integrity as its responsibility to its shareholders, customers, vendors, business partners, and employees, and strictly prohibits corruption, bribery, and blackmail, and expects its employees to actively improve our daily practices in terms of integrity.

BenQ upholds the highest standards of ethics, the protection of consumer rights, and the law. We protect business secrets and company assets, avoid conflicts of interest and transfers of benefits, and ban the abuse of privileges to engage in conduct that is unlawful or against our codes. For vendor management, we have a business ethics agreement to select honest and reliable vendors, develop honest and reliable relationships with them, and conduct transparent and fair collaborations and transactions.

In addition, BenQ has a Vendor Social Responsibility and Environmental Safety and Health Survey Form to survey vendors who have passed certifications for their social responsibility management system, environmental management system, and occupational safety and health management system. We actively encourage vendors that have not yet been certified, to apply for relevant certifications. We offer assistance and experience sharing, and track the progress of vendor certifications.

## 5.4 BenQ Foundation

On August 22, 2002, Qisda Technology (formerly known as BenQ Telecom) established the BenQ Foundation through a donation from Qisda's Board of Directors. In line with Qisda Group's mission to provide enjoyment and quality of life to all people, the BenQ Foundation is a concrete manifestation of the Group's mission of "conveying a sense of truth, kindness, and beauty" by promoting the beauty of Taiwan.

With people and the land as the basis, and "Caring for the Earth" and "Caring for Society" as the vertical and horizontal axes, the four main axes of "Reducing the Digital Divide", "Cultivating Honest and Smart People", "Enhancing our Original Culture and Values", and "Caring for the Earth" are integrated with the Company's core competencies to invest in the four goals of digital opportunities, good education, cultural values, and environmental sustainability, to externally support the positive power of community and internally cultivate our corporate culture. BenQ is committed to fostering a culture of excellence and corporate citizenship.

Thanks to years of hard work, the BenQ Foundation was awarded the "Social Inclusion Leadership Award" at the Taiwan Corporate Sustainability Awards for its performance in "Promoting Social Inclusion in Rural Areas through the Impact of Technology", affirming the BenQ Foundation's long-term education-oriented strategy that links the economy, culture, and society together, as well as the foundation's commitment to helping implement the United Nations' Sustainable Development Goals (SDGs). The Taiwan Digital Opportunity Center's Counseling Program of the Ministry of Education, which has been in operation for 14 years, has honored the BenQ Foundation with the

first Taiwan Sustainable Action Award for "Creating Community Sustainability: A New Model for Digital Co-prosperity in Ancient Villages".

In 2021, when COVID-19 shook Taiwan's society, the BenQ Foundation monitored the development of the epidemic and coordinated the distribution of resources of the Group and its subsidiaries and affiliates to donate epidemic prevention materials to the city governments of Taipei City, New Taipei City, and Taoyuan City, and to National Taiwan University Hospital's Respiratory Care ICU and Cardinal Tien Hospital, demonstrating its corporate social responsibility and contributing to epidemic prevention efforts throughout Taiwan. We also implemented projects along the four main axes of "Reducing the Digital Divide", "Cultivating Honest and Smart People", "Enhancing our Original Culture and Values", and "Caring for the Earth" to convey a sense of truth, kindness, and beauty.

### 5.4.1 Support for COVID-19 Prevention

To help stem the epidemic, the BenQ Foundation donated three mobile screening kiosks and one screening station to the Taoyuan City Government, the city where our headquarters is located, to provide fast screening to enterprises and communities in Taoyuan City to speed up testing times and expand screening capacity. On June 9, we supported the Taoyuan City Government's "Solid Security Project" to screen 1,500 migrant workers of Delta Electronics in the Guishan Industrial Park. In July, a positive pressure sampling station was set up at the Taoyuan Arena to serve manufacturers in the Guishan Industrial Park. We also supported the Taoyuan Veterans Hospital's rapid PCR testing unit and

provided the Respiratory ICU and Cardinal Tien Hospital with 40,110 protective masks and 8,250 mask protection patches to staff at the two medical centers.



Donations for COVID-19 epidemic prevention: Mobile positive-pressure sampling kiosks, Taoyuan City enterprises and community rapid testing, to accelerate testing times and expand screening capacity



Donations for COVID-19 epidemic prevention: Positive-pressure sampling stations, installed in Taoyuan Arena, serving manufacturers in Guishan Industrial Park and Taoyuan Veterans Hospital for joint rapid testing and PCR testing



Donations for COVID-19 epidemic prevention: Providing protective face masks and mask patches for staff at two health care centers at National Taiwan University Hospital's Respiratory Care ICU and Cardinal Tien Hospital

#### 5.4.2 Training Smart and Honest People

##### BenQ Dream Action - Campus Talks

Young role models in our Company visited schools in remote mountainous and coastal areas in Taiwan as Dream Ambassadors to share their experience realizing their dreams with high school and vocational school students, to convey positive energy and encourage them to have bold dreams and pursue self-realization.

In 2021, the "BenQ Dream Action - Campus Talks" invited the top-ten outstanding young philanthropist Shen Hsin-ling, Huang Ming-cheng a.k.a. Mr. Candle, former Cirque du Soleil member Chen Hsing-he, yo-yo expert Yang Yuan-ching, Hollywood "Magic Castle" magician Huang Pai-han, Asian Magic Master Competition champion Lee Shih-feng, and adversity guidance coach Wu Chia-ying to tour Keelung, Taoyuan, Hsinchu, Miaoli, Taichung,

Changhua, Chiayi, Tainan, Kaohsiung, Pingtung, Yilan, and Hualien counties and cities. After a suspension from May to July in response to the government’s Level 3 epidemic prevention measures, the tour resumed in September in line with epidemic prevention policy. Some sessions were conducted in a hybrid online and offline manner, reaching more than 25,000 teachers and students from 31 high schools and vocational schools with their touching charm and stories about realizing their dreams, safely surviving the epidemic, learning from role models, and having bold dreams.



Ideals and Practice: “BenQ Dream Action – Campus Talks” conveyed positive influence

### 5.4.3 Enhancing the Value of Original Culture

#### I. BenQ International Sculpture Camp

The “BenQ International Sculpture Camp” promotes cultural exchange between sculpture and art from home and abroad. Through a month of on-site creation, students and citizens interested in sculpture had the opportunity to interact up close with artists, deepen their knowledge of modern sculpture in Taiwan, and open up new horizons of cross-disciplinary diversity. Since 2010, we have staged six editions, building up wonderful experiences and projecting images of Taiwan in the international art world, leaving behind 90 sculptural treasures for Taiwan.

To promote the aesthetics of public art, the BenQ Foundation donated two works to the Taoyuan City Government and the Beipu Township Office in Hsinchu County in 2021, both works happening to have been created by husband-and-wife artists Petre Perloff and Agness Petrova from Bulgaria: Petre Petrov’s “Motion and Emotion”, and Agness Petrova’s “Solar Transformation”. The Taoyuan City Government placed “Motion and Emotion” at the Taoyuan Exhibition and Performance Center’s Arts Plaza, creating interaction with the downtown art scene, promoting the public’s humanistic perception, cultivating the spirit of art and culture, enriching daily life with the ritual beauty of art, and fostering the public’s appreciation of art. The Hsinchu County’s Beipu Township Office, setting out from human design and spatial revitalization, placed “Solar Transformation” at the “Beipu Exit”, inviting the public to observe the interplay of light and shadow between the sculpture and the artistic imagery of Beipu Old Street along Provincial Highway No.3 with its broad vision of greenery.



Urban Aesthetics: “BenQ International Sculpture Camp” promoted public art and donated the sculpture “Movement and Emotion” to the Taoyuan City Government



Urban Aesthetics: “BenQ International Sculpture Camp” promoted public art and donated the sculpture “Solar Transformation” to the Beipu Township Office

## II. Touring Exhibition of Lee Yun-chuan’s Paintings

To promote the value of original culture, the “I Have a Dream: Lee Yun-chuan’s Paintings” exhibition was held in the public area of Qisda’s headquarters, to provide employees with an art space to paint and create their own works.

Taiwanese illustrator Lee Yun-chuan’s works express the conflicts and reflections in the evolution of civilization through simple and repetitive dots, lines, and planes. From a surreal visual style, he evolved toward a painting of truth, goodness, and beauty

The rich colors in his recent paintings return to concentricity and to the Self that loves dreaming. The five works of Lee Yun-chuan’s “Faith”, selected for the 2019 Illustrators Exhibition in Bologna, Italy, were inspired by an image that he’d seen in a dream: “When mankind returned to the destroyed earth to do archaeological excavations, they saw five murals in a cave. They are defined as Desolation, Rise, Prosperity, Decay, and Back to Zero.”



Selected for the 2019 Illustrators Exhibition in Bologna, Italy Taiwanese illustrator Lee Yun-chua



Supporting Original Culture: “I Have a Dream: Lee Yun-chuan’s Paintings” exhibition at Darfon Electronics Corporation’s headquarters in Taoyuan

### III. Caring for the Earth

#### Friendship in Action, Rice Field Adoption

In 2016, the United Nations announced the 17 Sustainable Development Goals (SDGs), of which Goal 12 is “responsible consumption and production”. The BenQ Foundation has advocated “being friendly to the land” since 2008 and supports the core concept of “eco-friendly farming”.

For 13 years, the BenQ Foundation has adopted 90 hectares of rice fields in the north, middle, south, and east of Taiwan to support eco-friendly farming.

In 2021, the “Friendship in Action Project” covered an area of 10 hectares in the Hsinchu Beipu “Nanpu Community” and Changhua Xizhou “Shangshui Rice” rice fields. “Rice Gift Boxes” for the spring and autumn rice harvests were shared with the Group’s employees to encourage the growing and eating of good rice, and to invite the Group’s employees to respond to the “Support One More” proposal. For every unit adopted by the Group’s employees, the BenQ Foundation donated one pound to a designated social organization. Through this “One Gift, One Smile”, the impact of friendly food was spread. Harvesting activities led employees into the land to experience farming and learn agricultural knowledge. For the autumn harvest of 2021, Qisda employees and family members participated enthusiastically in cutting rice with their sleeves rolled up and bent over, experiencing the hard work of farmers and getting closer to the land.



Earth Experience: Friendship in action, “My Own Acre” autumn harvest in Xizhou, Changhua

#### IV. Reducing the Digital Divide

BenQ Foundation has long participated in the Taiwan Digital Opportunity Center's (DOC) counseling program of the Ministry of Education and is committed to digital care in remote areas. Since 2008, we have supported the DOCs in Hsinchu County and Miaoli County to apply our digital capabilities to develop local characteristics, market local agricultural products, record the history and culture of local communities, and promote digital learning for students, youth, middle-aged and elderly, and immigrants in rural areas.

From 2013 to 2021, Qisda organized "DOC Volunteer Trips" for nine years, calling on Qisda employees and their families to help with harvesting at farms, to show their service spirit, experience the fulfillment of physical labor, curiously explore and experience the lifestyles in these local communities, and learn about the rich cultural landscape around these two DOCs. These "DOC Volunteer Trips" also helped small farmers create an immersive experience marketing model that linked their local community with volunteers and DOC. This participation from farm to table draws attention to local entrepreneurship culture and helps build rapport between volunteers and local small farmers. The volunteers from Qisda loved it.

From 2015 to 2021, the DOC Fair was held for seven consecutive years. By visiting and buying at these fairs, Qisda employees had a way to care for the environment, support local farm products, get to know small farmer brands and their dedication to pure cultivation and land conservation, and make group purchases for colleagues, directly benefiting these farmers and their communities. We helped DOCs cultivate small farmer brands, increase product value and exposure, set up an online marketing platform called "Dreams in Action", and sponsored smallholder farmers to make videos

on the DOC Staff Network to share the stories of Taiwan's beautiful people, land, and food.

Efficacy and impact of the "Digital Opportunity Center Counseling Program in Hsinchu and Miaoli Counties":

By leveraging the strength of the BenQ Foundation and Qisda's volunteer teams, the DOCs have been able to carry out unique work that supports local development. We have gradually integrated local needs and diversified development, and have grown closer to these local communities, through helping set up daily basic operations, offering basic and advanced IT training, and assisting these DOCs to develop their cultures and features, with considerable results.

Moving videos come from moving stories. The BenQ Foundation has long been committed to promoting video creation. In addition to video courses for different target groups, the foundation cultivates DOC students' interest in video shooting and production, and introduces them to emerging technologies. BenQ Foundation has also provided training on drone cameras and smart phones through courses like "PeoPo Citizen News", "My Home in the Sky - Seeing Miaoli", and "Mobile Phone Short Film". Through these courses, students have built up a wealth of new media, new perspectives, and new forms of video creation. The students have created 38 videos with emerging technology applications. Due to the epidemic, physical meetings had been limited, but online interaction flourished. The "Digital Opportunity Center Counseling Program in Hsinchu and Miaoli Counties" has proven to be an effective medium for creating online courses and promoting livestreaming. Nine videos generated 21,731 views.

reached 45,071 netizens, and generated 6,508 interactions, demonstrating the far-reaching influence of digital communication.

The Digital Opportunity Centers play multiple roles in their local communities, from educational to economic, cultural, and social aspects of implementation, promotion, and application. In 2021, the DOCs launched their first marketing strategy, “DOCs in Hsinchu and Miaoli: United We Stand”, recruiting 12 staff members to attend the “Co-Learning Training—Building on the Features Taught by Teachers” and “Exclusive Benefits—Creating Tailor-Made Exhibitions and Booth Kits” “Interdisciplinary Alliance – Hsinchu and Miaoli Linked to Develop Urban and Rural Consumption”, a trilogy of digital value-added for DOC workers and small farmers. The DOC staff and small farmers engaged in multi-faceted value-added planning, linked community resources, harnessed the energy of the DOC community, supported local small farmers, and encouraged like-minded people to help one another with marketing. The Hsinchu and Miaoli DOC found shape as the “Homeland Economy” Thanks to the “DOC Volunteer Trips”, “DOC Fair”, and group purchases, the DOCs have generated TWD 2.26 million in income for these remote villages, which has had a profound impact and benefited many people. This inspires us to keep growing these roots and spread the digital power of DOC.

In addition to the above-mentioned educational and economic benefits, the DOCs also focus on the social impact of their services. In 2021, the DOC Goodwill Academy used two major themes—“Fake News Cleaner” and “Smart Listening”—to enhance digital knowledge, spread social trends, popularize information and civic literacy, and take care of the healthy lives of senior citizens. 12 seminars of the DOC Goodwill Academy have helped 237 digital citizens enhance their information literacy.



Earth Experience: “DOC Volunteer Trips” physical labor and hiking



110 年參與  
DOC 職人



DOCs in Hsinchu and Miaoli: United We Stand  
DOC staff participating in 2021



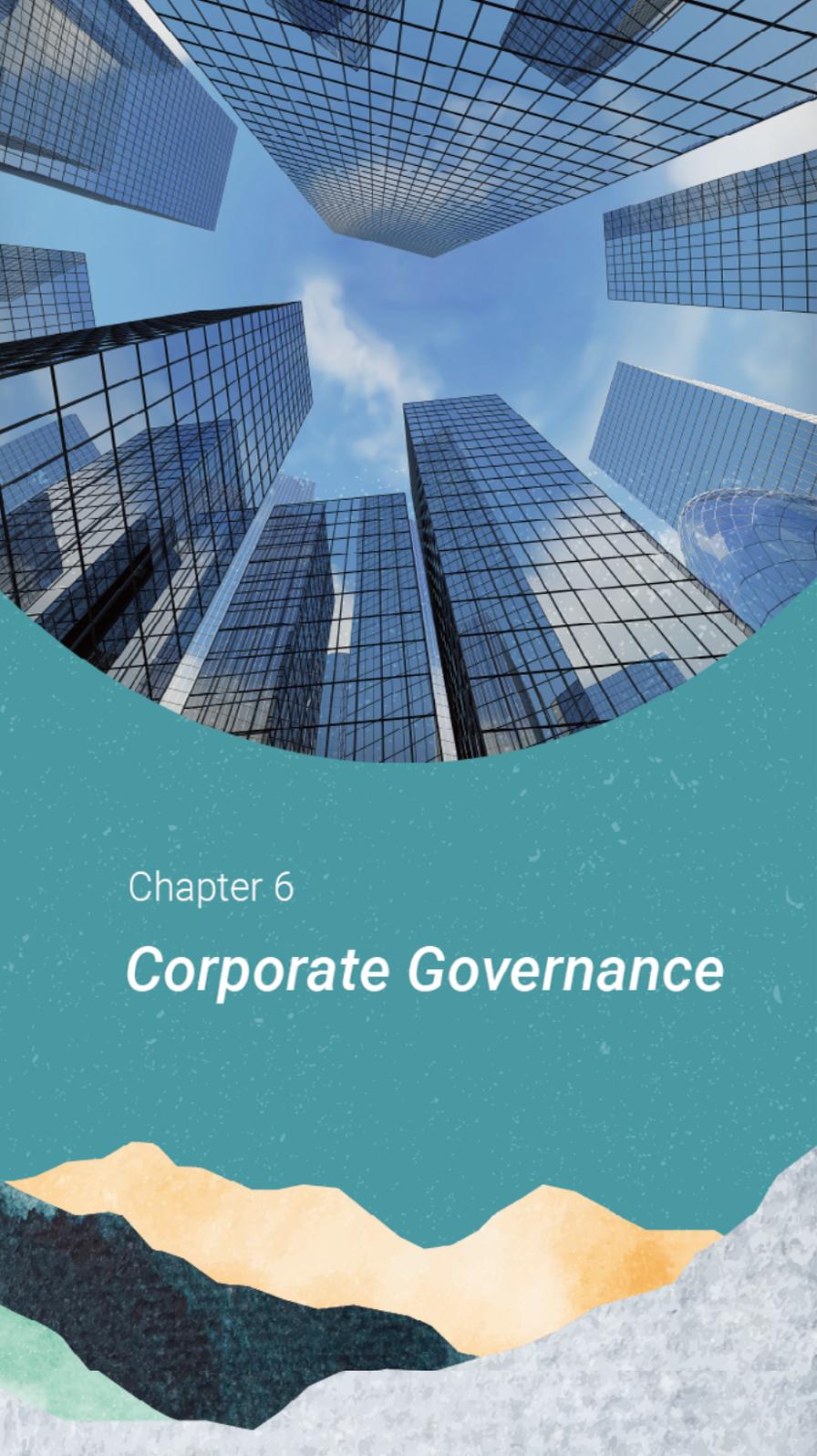
Support for small farmers in remote areas: "DOC Fair" group purchases and the "Hsinchu and Miaoli DOCs: United We Stand" development project



Smart Hearing Assistance  
Smart Hearing Assistance for a Better Life  
Did you know? Hearing loss has been linked to dementia, depression, and cardiovascular disease.



Health knowledge for senior citizens: "Smart Hearing Assistance" serving seniors in remote areas and promoting smart health care to bridge the divide



## Chapter 6

# Corporate Governance

## 6.1 Ethical Corporate Management Best Practice Principles

Ethical corporate management is the most basic social responsibility of BenQ, which benefits the Company's business and long-term development. To this end, BenQ has established its "Ethical Corporate Management Best Practice Principles" based on the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" as a reference for all employees' behavior.

BenQ's "Ethical Corporate Management Best Practice Principles" lay down norms for integrity, anti-corruption, and bribery, bans on unfair competition, infringement of intellectual property rights, illegal political contributions and improper charitable donations or sponsorships, and more. For each topic, clear norms for conduct are given, representing the highest standard of conduct for all members of the Company when conducting their business.

The "Ethical Corporate Management Best Practice Principles" are available on our website and the home page of our intranet, where employees can easily view and access it whenever they switch on the computer. We also send newsletters to employees to remind them of the "Ethical Corporate Management Best Practice Principles" and to reinforce their awareness of the need to follow it.

The Company also offers an annual online training course on integrity compliance, which each employee is required to take once a year. In 2021, the training completion rate in Taiwan was 100%.



BenQ promotes integrity through multiple channels. In 2021, there were no cases of violation of integrity by employees, nor did the Company receive any reported cases.

The Company's "Report and Complaint Management Regulations" have been announced on the internal and external websites. For serious misconduct such as breach of integrity, conflict of interest and recusal, fair trade, bribery, and illegal payments, or unlawful or improper conduct, there are various complaint and reporting procedures. Once someone or something seems incompatible with the spirit of integrity, or in violation of the "Ethical Corporate Management Best Practice Principles", colleagues may send a message directly to the President through the President's Mailbox, and the Company's senior management will handle it. Employees may also use [integrity@BenQ.com](mailto:integrity@BenQ.com) and communicate in Chinese, English or other local languages to submit a report or complaint. A dedicated unit will investigate, and an investigation report will be made within one month. Once the facts have been ascertained, the case will be dealt with appropriately according to the severity of the case. BenQ will punish the wrongdoing severely and refer the matter to the judicial authorities for investigation if necessary. The Company strictly guarantees the confidentiality of the identity of the whistleblower to ensure their safety and protection from retaliation.

For its operating procedures for daily business activities, our Company has an appropriate internal control mechanism for operations that may carry corruption risks, The Risk Management Committee is responsible for identifying corruption risks, the Human Resources Department is responsible for training, and the Auditing Office is responsible for confirming implementation of the mechanisms to reduce and prevent corruption. The Auditing Office regularly evaluates the efficacy of the internal control mechanism and collects suggestions from the senior management of all departments regarding potential risks (including fraud and embezzlement), prepares and executes auditing plans, and reports the audit results to the Audit Committee and the Board of Directors each year so that senior management can understand the state of corporate governance and achieve management objectives. In 2021, we conducted the regular internal control risk assessments and substantive audits on the three major issues of financial reporting, purchasing operations, and sales operations, and no significant corruption risks or incidents were found.

## 6.2 Legal Compliance

Enterprises have the social responsibility to abide by laws and regulations, and this is also key to sustainable operations. BenQ's bases can be found all over the world, To ensure that the Company and its employees comply with the laws and regulations of each jurisdiction, BenQ closely studies and monitors domestic or foreign policies and legal trends that may have significant impact on the Company's operations. We have established a comprehensive compliance system through tracking and evaluation, company rules, compliance plans, and compliance education and training.

All BenQ employees take part in legal compliance policy and all departments work together to carry out social responsibility. BenQ not only complies with environmental laws and regulations and actively reduces the use of substances that impact the environment, but also provides employees with a safe and healthy work environment that increases occupational safety and prevents pollution. With regard to internal training, BenQ requires its employees to actively maintain integrity, abide by the Company's internal antitrust regulations and implement the EU General Data Protection Regulation (GDPR) compliance plan, including through new employee training, e-newsletter distribution, online Course training and related poster promotion. BenQ's policies and practices are in line with the laws and regulations of Taiwan and other countries, including those relating to personal data protection, confidentiality, bribery, discrimination, environmental protection, intellectual property protection, insider trading, unfair competition, and labor standards.

In terms of its active implementation of social responsibility, BenQ has not been subject to significant penalties or non-financial sanctions for violating any relevant laws and regulations in 2021. Moving forward, BenQ will continue to abide by the laws and regulations of each jurisdiction where it operates and actively enforce compliance to fulfill its corporate social responsibility. \* Significant penalties are defined as fines of TWD 1 million or more.

## 6.3 Supervision and Risk Management

BenQ's risk management focuses on operating the risk management system and planning major risk transfers, formulating the risk management vision and policies, and setting management targets and performance indicators for tracking to effectively manage risks that exceed the Company's risk tolerance, while using management tools to optimize risk management cost. The Risk Management Committee (RMC) at the core of this manages risks in the four major areas of strategy, finance, operations, and hazards.

### I. Risk Management Operations

As a key member of Qisda's Risk Management Committee (RMC), we regularly participate in RMC meetings to propose risk improvement plans, including specific improvement plans for BenQ. Based on major risk scenarios, we formulate business continuity plans (BCPs) to ensure the effective operation of the Business Continuity Management System (BCMS). This includes simulation exercises and field tests. With regard to risk control, Qisda's joint prevention mechanism strengthens the damage prevention mechanism, enhances emergency response capabilities, and reduces disaster losses through experience sharing and resource sharing under the Group's policy.

### II. Risk Management Committee (RMC)

BenQ's Risk Management Committee (RMC) participates in the operation of Qisda's Risk Management Committee to establish, implement, monitor, and maintain risk management plans. The RMC monitors risks through risk self-

assessment reports and specific improvement plans, and tracks and evaluates risk management performance through its annual risk management plans.

The RMC meets quarterly and manages events that may affect the achievement of the Company's operational goals. These events are divided into four categories: strategic risk, operational risk, financial risk, and hazard risk. They are then further divided into internal or external issues to create a risk radar map.

In order to effectively manage and track performance, we have defined key risk indicators (Key Risk Indicator, KRI) related to organizational operations, to strengthen risk monitoring and track management performance, Risk checklists and other tools are used to inventory various risks faced by our business units for optimal risk identification. The meetings also address current major domestic and international events, regulatory changes, review of abnormal risks, and proposals for and implements of contingency measures.

In 2021, we participated in 55 RMC meetings in 2021, including 4 regular meetings and 51 ad hoc meetings.

In response to COVID-19, the RMC initiated an infectious disease response plan in January 2020. As the epidemic situation developed, the RMC held daily or weekly ad hoc meetings on epidemic prevention. According to the severity of the epidemic, contingency strategies are decided during the meeting, such as work diversion, immigrant worker control, independent rapid screening of high-risk personnel, WFH, fully online meetings, distribution of epidemic prevention materials to colleagues, so as to replace restaurant meals, etc. We actively supported the zero-COVID policy of Taiwan's Central Epidemic Command Center by reducing the clustering of personnel to avoid affecting the Company's operations due to confirmed diagnoses.

### III. Business Continuity Management System (BCMS)

#### 1. Business Continuity Management Policy

BenQ's Business Continuity Management System (BCMS) manages major risk situations identified by the RCM: identify and prevent before an event; respond and mitigate during an event; and recover and transfer risk after an event.

Our enterprise risk management framework and BCMS help ensure the Company's continuous operation in case of major incidents or disasters, and minimize the impact and disruption time caused.

#### 2. Business Continuity Management Implementation Results

We continuously develop our business continuity plans (BCPs) for major emerging risk scenarios.

In addition to BCPs, we also conduct regular drills and exercises to collect, integrate, evaluate, assess, and decide on real-time information about the situation and pursue recovery, and strengthen our staff's familiarity with the BCPs. Our crisis management manual is updated regularly to document contingency measures and steps to take, should major incidents occur.

### IV. Emergency Response Joint Defense Mechanism

Since Qisda is an important supply chain partner of BenQ, a Group-level joint prevention mechanism has been established to strengthen our damage prevention mechanism, enhance our emergency response capabilities, and reduce disaster losses through experience sharing and resource sharing within the Group. In 2021, Qisda participated in 10 regular meetings of the Group companies to enhance risk awareness and strengthen risk response capabilities.

## 6.4 Risk Response

Global currencies have risen and fallen sharply due to international political and economic instability and the continued impacts of the COVID-19 epidemic. BenQ has maintained its policy of not engaging in high-risk or high-leverage investments, not lending funds to unrelated parties, and not endorsing or issuing guarantees for unrelated parties. Our derivatives trading strategy is risk-averse and does not include speculative trading, so there was no operational risk related to derivatives trading in 2021. Moving forward, BenQ's derivatives trading will continue to be solely conducted for hedging risks arising from fluctuations in exchange rates or interest rates. We will continue to regularly evaluate our foreign exchange positions and risks to reduce our operational risks. In recent years, prices have been rising steadily; BenQ will continue to monitor inflation and adjust product prices and inventory levels appropriately to reduce the impacts of inflation.

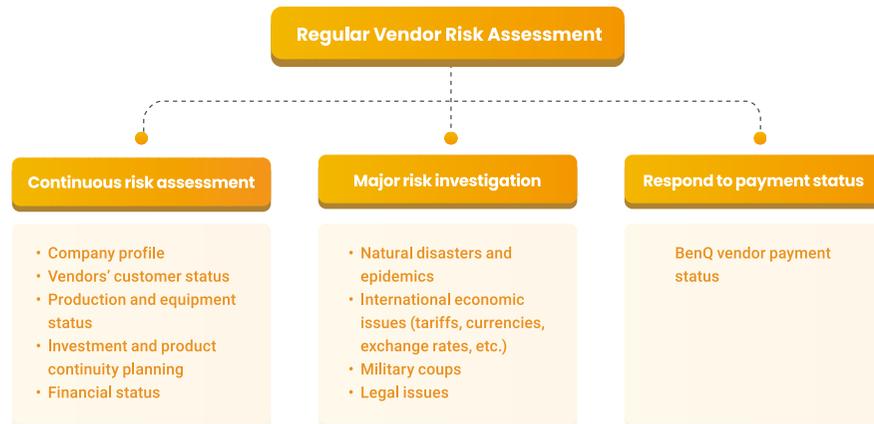
### Operation risk management under COVID-19

Under the economic stimulus of COVID-19 vaccine launches and loosening monetary policy in 2021, large shipments were exported to Europe and the U.S. Air, sea, and land modes of transportation faced constraints in storage space, transportation equipment, availability of finding terminal and trucking workers, and high freight rates. On top of that, the accident of the Evergreen container ship Chang Ci got stuck in the Suez Canal, blocking more than 400 vessels from passing through, which aggravated port congestion, schedule disruptions and strikes, and put the supply chain under great strain.

In the face of these incidents and risks, BenQ collected market-related information, including economic indicators (e.g. crude oil and BDI), freight indices (e.g. Shanghai Containerized Freight Index, SCFI), and market reports, supplemented by our own assessments, and shared those with our staff through monthly shipping reports (e-news published monthly since 2016), so that they could fully understand the trends in the transportation market, freight cost, and shipping durations. In response to changes in the ocean and air freight markets, we have adjusted our transportation planning strategy, such as increasing the number of tenders we join and adjusting the range and frequency of (re)negotiations, as well as preparing a standard procedure book for unexpected events, to safeguard our transportation to cope with rapid changes in the market.



## 6.5 Vendor Risk Assessment



(1) Business risks are raised in regular procurement meetings, such as: vendor shipment status, plant relocations, organizational changes, etc.; (2) major risks are investigated immediately after they occur, such as: COVID-19, China power rationing, earthquakes, the US-China trade war, etc.; (3) accounts payable status is investigated by the Finance Department at the end of each month to monitor vendors' requests for payment. BenQ protects itself against potential and unknown business risks through these internal risk assessment mechanisms on a regular basis.

## 6.6 Information Security

### 6.6.1 Information Security Policy (Internal Control and SOP)

To ensure the confidentiality, integrity, availability, and legality of our information assets (hardware, software, data, documents, and personnel, etc. related to information processing), prevent intentional or accidental internal and external threats, and safeguard the Company's business needs, BenQ complies with the ISO 27001 international standard for information security to formulate an enterprise information security policy. We obtained ISO 27001 certification in August 2020.

### 6.6.2 Information Security Committee

BenQ's Information Security Committee leads information security efforts within the Company. We protect the security of our intellectual property through information asset regulations and tools, and raise the awareness of information security among our employees. The Information Security Committee is chaired by the President himself, with the Chief Information Officer as the Vice Chairman and the first-level managers of each unit as members.



### **6.6.3 Information Security and Network Risk Assessment**

Risk assessment results and internal meetings are used to decide on risk handling measures to reduce, transfer and eliminate risks, to protect the activities within our information security management system, implement relevant regulations, and execute risk assessment procedures.

Every year, we review laws and regulations and amend our own internal information security rules to ensure legal compliance and efficacy. We publicize the changes to our employees.

In the supply chain environment, we require contracts with third-party service providers to comply with confidentiality and network security requirements.

In addition to basic information security training for new employees, we also hold regular email social engineering drills to educate employees about information security, such as sending and receiving emails, to reduce the risk of employees accidentally clicking on malicious emails. In 2021, 85% of staff passed the email social engineering drill test. Also, an online education course on information security was offered to all employees to enhance their awareness of information security. The training completion rate is 98.32%, which helps integrate information security awareness into daily operations.

### **6.6.4 Information Security Management**

Through our information security management system, we implement our information security policy, protect customer data and the Company's intellectual output, strengthen our information security incident response capabilities, create and use information security policy measurement indicators, and meet the expectations of our stakeholder groups. We continue to strengthen the Company's information security control mechanism through the PDCA method, which will help improve our Company's competitiveness.

Our vulnerability scanning system regularly scans the vulnerability of our systems to ensure their security and to prevent leakage of sensitive information due to loopholes or vulnerabilities in the systems.

### **6.6.5 Information Security Arrangement**

BenQ has taken out enterprise information security risk management insurance since July 2017 to cover costs incurred in the event of an information security incident (e.g. business interruption, compromised information). The insurance coverage includes controlled subsidiary companies in which BenQ holds more than 50% of the shares, to reduce losses to the Company.

### **6.6.6 Measures for major information security incidents**

BenQ strengthens its internal emergency response SOPs and drills through its information security management system, and holds various information security attack drills for relevant personnel to ensure that the emergency procedures are properly activated when an incident occurs and reduce response times and losses to the Company.

# 6.7 Personal Data Privacy

2021 KPI 0 penalties  
 2022 target 0 penalties

## 6.7.1 Personal Information Protection Privacy Policy

BenQ respects and protects the privacy of customers, employees, and vendors. We are committed to complying with laws and regulations that govern the protection of personal privacy and the security of personal information of our customers. It is our commitment to our customers to ensure customer privacy as we do business. As part of our Company's overall data security, access to confidential documents is restricted by authorization levels and they are destroyed periodically. Restricted documents can only be opened by non-authorized employees with one-of approval of their immediate supervisors.

## 6.7.2 GDPR Compliance Working Group

In response to the implementation of the European Union's General Data Protection Regulation (GDPR), the Company has established a GDPR Compliance Committee to handle compliance issues for the Group. There is a GDPR Working Group under the committee, which convenes internal experts, meets every month and monitors the dynamics of global privacy laws (including but not limited to GDPR), and adjusts the Company's legal compliance matters as needed.

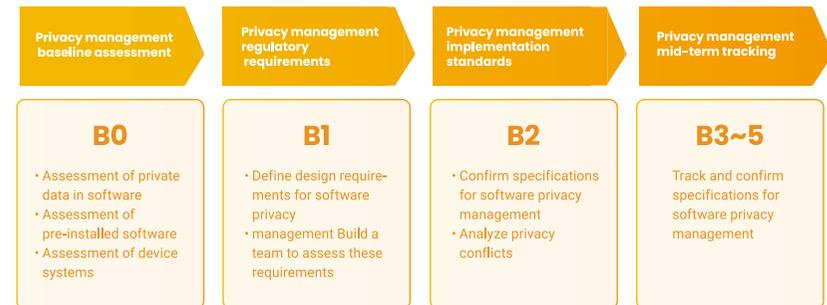
## 6.7.3 Management of work related to personal data and privacy

- We regularly offer education and training on personal information protection and privacy issues to new employees. We emphasize that the collection, use, and management of personal information must comply with personal

information protection laws and regulations of the jurisdictions where we operate. The basic principle is to make personal information subjects aware of and exercise their rights to consent, correct, and delete their personal information. In 2021, the completion rate of training for all headquarters employees on GDPR compliance was 95%.

- Our GDPR Working Group, consisting of internal experts from the Legal Department, Information System Department, Software Platform Development Department, Customer Service Department, and Cloud Product Business Department, conducts irregular personal information privacy protection checks on the major risk points of our information systems, service platforms, products under development, and customers and vendors used by various departments in order to prevent the leakage of personal information during various activities within BenQ. In addition, we inventory personal data privacy protections and require each unit to improve process management deficiencies within a set period of time.

## 6.7.4 Management Approach - Integrating Privacy Engineering into Product Design and System Design





BU	Complete GDPR (B0-B5, mass production)	B0 only, new case initiator
PDP	8	2
PRJ	7	0

BenQ emphasizes privacy engineering in product design. In combination with the B System—BenQ’s unique product development management process—we require the product development team to apply the privacy design checklists at each important stage to verify that the products, software services, and IT system platforms under development comply with privacy laws and our own privacy policy to protect consumer rights to keep improving the privacy and security of product design. In 2021, 15 product projects were developed and reviewed for privacy. In addition, we manage user privileges on all IT systems and platforms, and regularly review them for personal information leakage risks.

#### 6.7.5 Personal Information Breach Notifications

- We independently perform the personal information breach notification process within the security notification process. Only certain senior managers and members of the GDPR Working Group can conduct an inventory or risk assessment, send internal and external notifications, develop action plans, and follow up on personal data breach cases. In 2021, no complaints were received from groups outside the organization that were substantiated by the organization nor from regulatory authorities. No data breach, theft or loss of customer information occurred, and zero penalties were given.



## Chapter 7

# *The Spirit of Sustainable Innovation*

## 7.1 Brand management

### 7.1.1 Brand Positioning

From its vision of “Bringing Enjoyment ‘N’ Quality to Life”, BenQ strives to be a leading company in technology products and integrated solutions. We offer a wide range of innovative products that enhance the quality of life, operational efficiency, health care, and flexible learning applications, including projectors, LCD monitors, large commercial displays (interactive, digital signage), wireless speakers, and smart desk lamps, enriching life through technology.

### 7.1.2 External Communication of the Brand – Calling for Green Brand Corporate Social Responsibility

In addition to providing consumers with technological innovations in lifestyle applications, BenQ strives to become a green brand enterprise through green product design, green procurement, green production, green marketing, electronic and electrical waste recycling and reuse, and a series of other green activities linked to BenQ’s green value chain.

“Nature conservation and environmental protection” have always been important parts of the core values of BenQ’s corporate culture. We embraced the concept of green products back in 2004. From merely meeting the requirements of environmental laws in the past, to adopting green product design and information disclosure of its own accord today, all BenQ products have ever since taken environmental protection and energy conservation into consideration, and several have been awarded the R.O.C. Energy Star certification. For example, the WiT smart desk lamp is made of environmentally-friendly green materials instead of the cheap plastic used in most desk lamps. The lamp shade and arm are made of an aerospace-grade aluminum alloy, which is light and strong and provides good heat dissipation for the LED light source; this prevents any potential release

of plasticizer as general plastic lamp heads do. For the joints, which must be strong and reliable, the WiT lamp uses a strong zinc alloy created through a die-casting process. Even for the parts that need to be made of plastic, we leave them unpainted to protect the earth.

BenQ actively develops earth-friendly green products that not only meet the requirements of environmental laws but are also green and regenerative. BenQ is confident it can fulfill its corporate citizenship responsibilities in combination with stable profits and continuous growth, pursuing the triple results of business growth, social responsibility, and environmental protection. We aim to be a positive power in society and create a better coexistence between human beings and the earth. BenQ is fully committed to sustainable development.

### **7.1.3 Internal communication of the brand and consensus on the four values of corporate social responsibility**

BenQ's corporate vision of "Bringing Enjoyment 'N' Quality to Life" is realized through the four values of "Integrity and Self-Discipline", "Passion and Service", "Pursuit of Excellence", and "Care and Contribution". "Integrity and Self-Discipline" stands for our commitment to moral integrity, not playing the market unfairly, leading by example in abiding by the Company's disciplinary rules, and doing as we say. "Passion and Service" means completing tasks with a proactive attitude and loving our work and our colleagues. "Pursuit of Excellence" refers to being open-minded about innovation and change, continuously learning and growing, and constantly pursuing improvement. "Care and Contribution" is about our commitment to environmental protection and sustainable development, and serving the interests of our customers, society, and the environment.

We believe that a good corporate culture can influence its employees' way of thinking, so that correct thoughts lead to good actions that lead to positive impacts outside the Company, thus fulfilling our corporate social responsibility.

### **7.1.4 Sustainability**

BenQ is a human-centric brand. We believe that design and technology must meet the real needs of consumers for them and us to function optimally.

BenQ's sustainability depends on a solid foundation of environmental, social, and corporate governance. Only through continuous implementation can we accumulate energy for future sustainable growth.

To align the Company's sustainability with the world, we actively respond to several United Nations Sustainable Development Goals (SDGs), committing ourselves to "quality education", "good health and well-being", and "climate action".

In response to SDG 4 (quality education), BenQ is committed to creating a quality educational environment; in its product design, we respond to SDG 3 on health and well-being by incorporating and enhancing technologies such as eye protection, ear protection, and antibacterial features into our products, for which we have received third-party certification. With regard to earth-friendly, sustainable operations, we are committed to contributing to the SDGs around clean energy, responsible production, and climate action, all of which are implemented in our daily business operations.

In quality education, for instance, we updated our antimicrobial ds in 2021 to prevent touch screens from becoming vectors of infection and to protect the health of users. When it comes to building the smart classrooms of the future, the epidemic has changed the traditional teaching field—smart electronic whiteboards are breaking down the barriers of classroom walls, space, distance, and the epidemic, bridging the learning gaps caused by the epidemic.

With regard to good health and well-being, BenQ, as a leading brand of eye-care technology, protects the eyes of modern people who cannot stay away from the screen by having developed “zero-flicker, low blue light” dual eye-care screens reflective laser TV projectors to reduce eye fatigue. In addition, the treVolo U learning speaker detects the user’s distance through intelligent ear protection technology and emits the most comfortable volume level to protect the user’s health.

As for climate action, BenQ follows the “whole product lifecycle” mindset to consider environmental impacts during the R&D and design stages, and we adopt energy conservation, packaging reduction, and easy recycling designs. For instance, the MindDuo 2 Plus parent-child reading lamp has a 3-minutes light-off design that saves energy and reduces carbon emissions. The BL2780T business monitor is made of 65% recycled plastic to reduce impact on the environment. The GV30 projector contains fewer parts and eliminates the need for a conventional tripod and metal torque structure to adjust projection angles. The GV30 has been awarded the “G-Mark” and “Golden Pin” design awards.

## 7.2 Innovation Strategy and Values

### Management Policy

- We encourage innovation, offer incentives and professional assistance to create quality patents.
- We diversify development, encourage industry-academia collaboration, expand our research and development capabilities, and cultivate outstanding talents for society.
- We are customer-oriented, address consumer feedback, apply innovative technology processes, improve products and services, and solve consumer pain points.
- We respond to social needs, continuously improve our products to meet the needs of society as regards carbon emissions reduction and environmental protection.

### 2021 Targets

- 50% of flat panel display sales with Energy Star certification. With 51.6% of panel displays sold in 2021 having the certification, our performance met the target.
- 15% of projector sales from solid state light sources (laser or LED) without lamp consumables. In 2021 our performance stood at 16.3%, slightly above target.

### Medium- and Long-Term Targets

- 50% of flat panel displays with Energy Star certification.
- Continued investment in eye-protecting display technology to protect consumer health.
- Continuous improvement of the energy efficiency of solid state light source projectors to enhance price/performance ratio and competitiveness.

### Management Approach

1. Encourage innovation, offer incentives and professional assistance to create quality patents.
2. Diversify development, encourage industry-academia collaboration, expand research and development capabilities, and cultivate outstanding talents for society.
3. Be customer-oriented, address consumer feedback, apply innovative technology processes, improve products and services, and solve consumer pain points.
4. Respond to social needs, continuously improve products to meet the needs of society as regards carbon emissions

Achieved

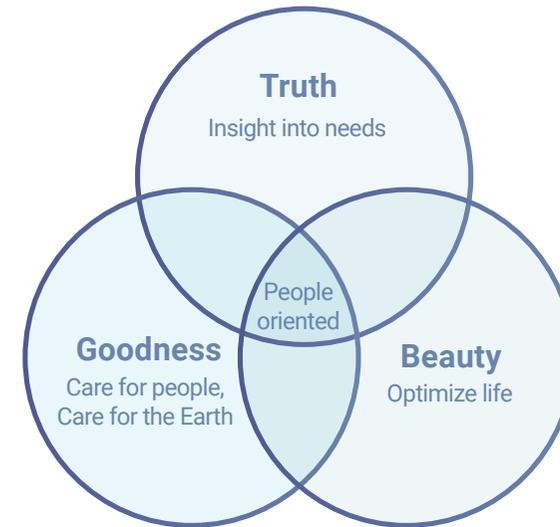
### 2021 Targets

1. 50% of flat panel display sales with Energy Star certification. With 51.6% of panel displays sold in 2021 having the certification, the target was met.
2. 15% of projector sales from solid state light sources (laser or LED) without lamp consumables. In 2021, performance stood at 16.3%, slightly above target.

### Medium- and long-term targets

1. 50% of flat panel displays with Energy Star certification.
2. Continued investment in eye-protecting display technology to protect consumer health.
3. Continuous improvement of the energy efficiency of solid state light source projectors to enhance price/performance ratio and competitiveness.

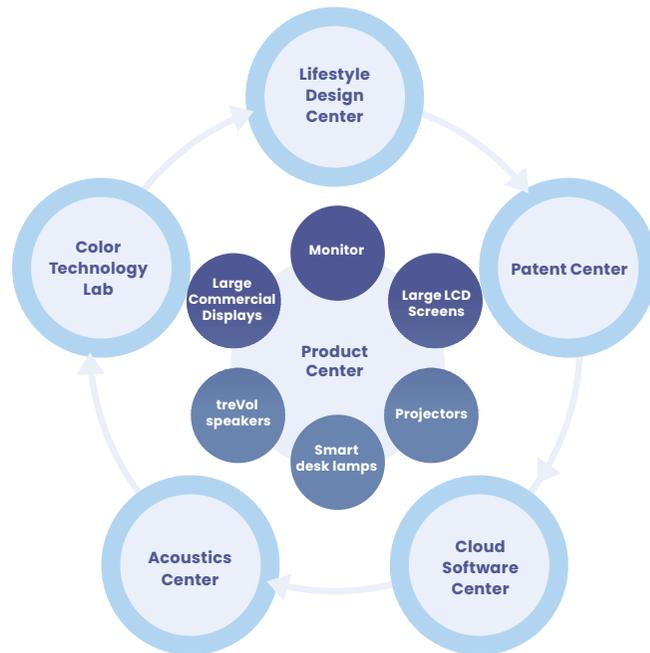
BenQ believes that “value” is created by combining thoughtful design and rational technology with a human-centered approach. By listening to consumers’ voices with empathy, focusing on real needs and addressing them through caring and environmentally friendly services and products, BenQ is able to create high-end lifestyle aesthetics based on sustainable innovation and value through design thinking that combines academic research and business ideas.



#### 7.2.1 Innovative product design: organization and process

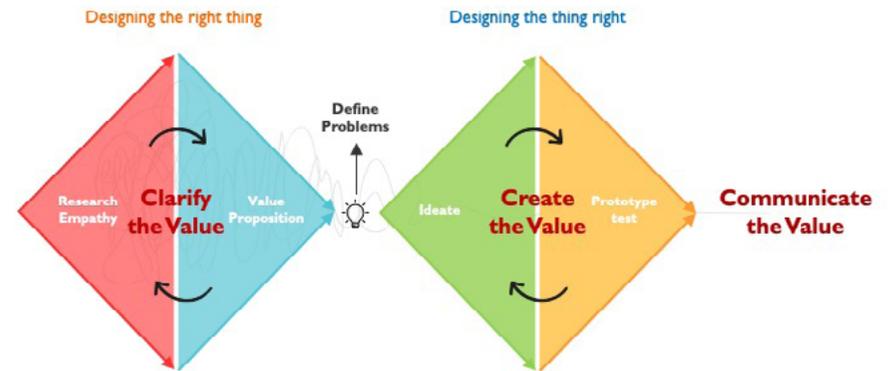
The Product General Manager’s Office has a Color Technology Lab, Acoustics Center, Cloud Software Center, Design Center, and Patent Center devoted to in-depth research and development in these various fields, which together form the Product Center, a technological fortress that protects and accelerates our

product development. With continuous investment and technology accumulation over many years, BenQ has maintained its competitiveness in color vision, acoustic engineering, and human-oriented engineering. In addition to developing our internal technology specializations, we encourage each product division to collaborate with academia as needed, bringing in external energy to expand our research and development results and foster our excellent talent.



### Lifestyle Design Center (LDC)

BenQ Lifestyle Design Center uses design thinking and empathy in the early stages of product development to understand consumer needs and pain points, and define product value propositions. In the concept development stage, the Lifestyle Design Center (LDC) generates hypotheses and solutions from different perspectives through brainstorming and prototype testing to confirm that products and services under development meet real user needs. Before a product is launched, the designers will run multiple rounds of product trials to ensure an excellent user experience. In the final marketing stage, the LDC focuses on the delivery of product value and carefully listens to feedback from consumers. This is the core work of BenQ's Lifestyle Design Center.



To deliver innovative value and the best experience to consumers, the LDC is organized around six functional teams:

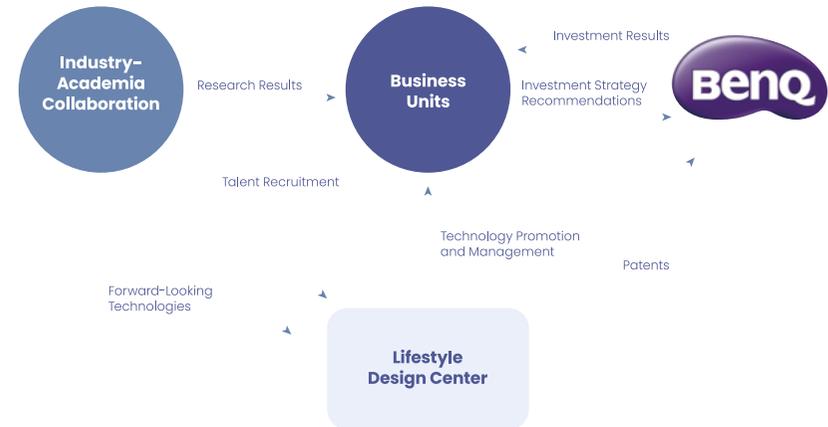
- User Research: Conduct user and market research to discover consumer needs.
- User Experience: Use prototypes to clarify needs and propose user-friendly experiences.
- Product Design: Create high-end lifestyle aesthetics through attractive product design.
- CAID Studio: Use the latest computer-aided industrial design technology to improve design efficiency.
- Mock-up Studio: Test the feasibility by making prototypes to turn concept ideas into reality.
- Product Marketing: Communicate product value in ways that consumers understand.



These six functional teams intersect and collaborate with each other while retaining their independence and specializations to ensure that they can do the right things before doing things right. The products and services completed through this ring-type team structure have been recognized by hundreds of international design awards and continue to provide BenQ with sustainable innovation.

### Lifestyle Design Center - Continuous Innovation Process

Innovation has always been key to BenQ's sustainable management. To achieve continuous innovation, BenQ Lifestyle Design Center employs design thinking and in-depth collaboration between industry and academia through systematic processes to develop innovative technologies and talents, and then transforms the results into technology assets and patents to create new value in a cycle of reiterations.

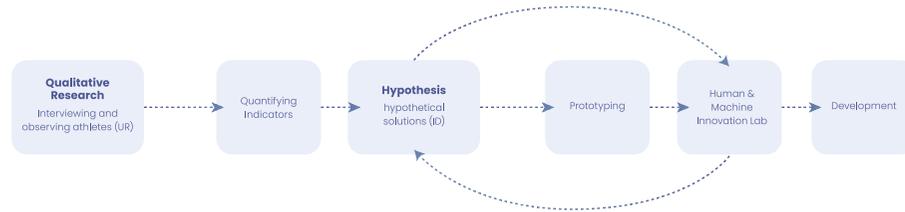


## 7.2.2 Industry–Academic Collaboration

### A. Industry–Academic Collaboration – ZOWIE

BenQ ZOWIE is a brand created for professional e-sports players. In 2020, BenQ collaborated with the Biomechanics and Motion Diagnosis Laboratory of National Taiwan University of Sport (NTUS) to apply sports science into the development process of e-sports mice and enhance the quality of decision-making in product development.

BenQ's Lifestyle Design Center conducted in-depth research on specific games and interviewed gamers in the early stages of the project, and then worked with NTUS to identify and develop game winning key factors. On this basis, the product designers (ID) put forward several concepts, and the NTUS laboratory team designed experimental tasks, and used scientific experiments and user-researcher (UR) interviews to build a comprehensive qualitative and quantitative analysis. After developing and validating the design, the best solution was developed: the EC3-C professional gaming mouse with more flexible operation. It achieved good sales results in the market.



## Process of Concept Validation through Sports Science



National Taiwan University of Sport Biomechanics and Movement Diagnosis Lab (left)  
ZOWIE EC3-C gaming mouse (right)

In 2021, BenQ established the Man–Machine Lab within the Lifestyle Design Center with the goal of validating product development, improving product quality, and inspiring horizontal collaboration among teams to develop new product concepts.



Human & Machine Innovation Lab at the BenQ Lifestyle Design Center

## **B. Industry–Academic Collaboration – Color Technology Lab**

Laser projectors do not require light source consumables, which has gradually become an important option in this age of environmental awareness. However, laser light sources have a high spectrum concentration, quite different from the broadband spectrum of natural light. This causes the human eye to perceive colors inconsistently and below expectations. To ensure that users do not need to compromise on color performance when choosing eco-friendly displays, and foster public acceptance of eco-friendly displays, BenQ's Color Technology Lab and the Color, Imaging, and Illumination Center at National Taiwan University of Science and Technology (NTUST) collaborate together to find solutions to this by understanding human eye perception.

This research collaboration around “Comparison of color perception between laser and mercury lamp light sources” used psychophysical experiments to find the best color adjustment strategy from the perspective of the human eye, so that the color performance of laser projectors can be as good as that of mercury lamp projectors. The projection process of laser projectors is less polluting, and their low-energy use is better for the environment; this research project has shown improvements to the color performance of laser projectors, and it will undoubtedly add advantage to eco-friendly projectors.

During the collaboration project, BenQ supported PhD experts in color science to guide students in executing experiment design, color measurement, characterization model construction, psychophysical experiments, and data analysis. Through industry-academia collaboration, industry experts injected their professional experience into academia to revitalize the curriculum, so that students could experience the spirit of applying what they have learned. In return, BenQ could benefit from the research

power of academia to develop new technologies for waste reduction and environmental protection that are beneficial to society, thus achieving the “triple win” effect of sustainable management.

## **7.2.2 Industry–Academic Collaboration**

### **A. Innovations Caring for Consumers' Health**

Smart desk lamp with sitting posture reminder function

In accordance with the 2021 White Paper of the International Myopia Institute, 30% of the world's population is currently myopic (near-sighted) and this is expected to increase to 50% by 2025, in particular in Asian countries. For Taiwan, statistics published in 2017 by the Health Promotion Administration of the Ministry of Health and Welfare show that the prevalence of myopia in grade 1 of primary school is 19.8%, but by the sixth grade it's as high as 70.6%, indicating that the proportion of children in Taiwan who become myopic during primary school is extremely high. The causes of myopia are not only hereditary, but bad eye habits like long hours of short-distance viewing and insufficient lighting in the reading environment also are important factors.

Recent technological progress has led to innovative table lamps with novel functions. The issue of insufficient light can be solved, but the issue of children's sitting posture is something only parents themselves can remind their children of. Many parents worry about this because they cannot be with their children all the time, and they are afraid of nagging too much. To solve this, BenQ developed the MindDuo 2 Plus, a lamp that combines excellent lighting for children with sensor technology that reminds them to sit up straight.



**Ultrasonic distance sensor**  
Detects whether the child's head is at the proper height

**Human body infrared sensor**  
Confirms whether the child is slumping their back under the lamp



BenQ MindDuo 2 Plus Smart Desk Lamp

Principle of sitting posture detection

BenQ's research and development team integrated the Group's internal resources, including mechanical structure, hardware design, and software algorithm design, using rapidly developing sensors to develop this lamp, specially designed to improve children's reading posture. This product solves the issue of poor sitting posture and insufficient lighting in one go, and helps children prevent myopia. The MindDuo 2 Plus parent-child reading table lamp uses an ultrasonic sensor, human body infrared sensor, light sensor, and a built-in sitting posture assessment algorithm to detect and remind the child user of its sitting posture, and prevents children's reading hunched over their books. When it detects that the child is slumping over the table, it will send out a voice reminder to tell the child to sit properly.

## B. Innovations in Information Security

Wireless presentation systems provide easy pre-set-up in conference rooms. During the epidemic, their wireless connectivity made it possible for presenter and audience to maintain the required distance. The seating location of the presenter is not limited by the length of the wire, and it can prevent the need for frequent replacement of the presentation computer and thus maintain social distance. In addition, information security is another concern for consumers, especially for corporate users such as financial companies and semiconductor manufacturers.

Through an innovative process from product conceptualization, concept testing, to product development, the BenQ team developed a wireless presentation system that protects consumer information from being compromised by the installation or execution of malicious software or network backdoor programs on the client's computer. The special design of BenQ's InstaShow protects the privacy of users and prevents malware from invading users' computers:

- a. No Software: Users can use wireless projection without installing, configuring, or running any software. BenQ's unique design allows the user to access the BenQ InstaShow Button, which the operating system only treats as a Virtual Display, without a need for installing or running any software. We know that running any software may bring risks of data leakage, so this 100% software-free solution helps prevent these risks.
- b. Extended Desktop: Building on the design of Virtual Display, we provide



users with an option to prevent meeting participants seeing the content of the presenter's computer during projection. the contents of the computer in order to avoid being seen by the participants during the projection, including folders, file names, etc.,. The "Extended Mode" allows users to choose to place files on the extended screen for projection when making presentations, without possibly revealing the content of the computer like the "Duplicate Mode".

c. Display Technology Innovation for Professional Users

In addition, our InstaShow solution attaches great importance to the security of the device itself. To prevent the device from becoming an intermediary springboard and vulnerability when it is connected to a corporate intranet, all models of our WDC10 and WDC20 series are tested by qualified information security laboratories for vulnerability assessment, and they have all been issued certificates by these laboratories.



<BenQ InstaShow WDC20 Multi-Person Wireless Presentation System>

Ultra-low reflection display for 4K professional photography and post-production

With its A.R.T. display panel technology and ultra-low reflection displays, BenQ leads the world in display effects that come close to real paper.

The surface of this panel is covered with the latest special anti-reflective technology coating, which decreases screen reflection by 90% and helps reduce eye fatigue. This A.R.T. panel has an extremely low average gloss value of 0.47, significantly ahead of the average value of 15.53 for matte panels and even lower than 1.13 for semi-glossy paper in the market. Its excellent performance can reduce the extent of color misperception caused by light when retouching, ensuring that the final product can truly convey the user's intended look and feel.

The special screen uniformity compensation technology helps maintain accurate color output across the entire screen for a calmer view and more peace of mind and efficiency when viewing and adjusting your work.

d. Eye Protection Technology to Protect Consumers' Eyes



- BenQ AQCOLOR adjustment technology
- 16bit 3DLUT color chip
- 99% Adobe RGB
- 95% DCI-P3
- Delta ES2





BenQ has developed eye-protecting monitors to protect consumers' eye health. The industry-leading eye-protecting technology enables consumers to reduce eye strain during long hours of screen use.

 Flicker-free	 Low Blue Light	 Brightness Intelligence (B.I.)	 e-Paper Mode	 Color Weakness mode	 Eye-CareU
Flicker-Free	Low Blue Light	Brightness Intelligence (B.I.)	e-Paper Mode	Color Weakness	Eye-CareU
BenQ's GW2480, certified by TÜV Rheinland, is an eye-protective display that eliminates flickering invisible to the naked eye, reducing eye fatigue and relieving eye stress.	BenQ's leading Low Blue technology allows consumers to adjust the blue light intensity of the eye-protecting display in accordance with different usage situations, offering comfortable eye protection even during prolonged viewing, while maintaining a realistic and vibrant color performance. The GW2785TC is certified by TÜV Rheinland and Eyesafe as a "low blue light monitor".	The GW2785TC/ GW2485TC series use BenQ's unique Brightness Intelligent eye-protecting display function patented in multiple countries (Taiwan, the US, Europe, China), which actively senses changes in ambient lighting and adjusts the corresponding screen brightness quickly and appropriately.	The GW2780 has a mode that simulates an e-book for crisp, unobtrusive black and white reproduction with enough screen brightness to deliver crisp text for a comfortable reading experience.	The EW2780's color-assisted mode, developed for the color-impaired community, simulates an e-book for clear, interference-free black and white reproduction with sufficient screen brightness to provide clear text and a comfortable reading experience.	The BenQ GW2485TC is designed for use with a wide range of colors, from light intelligence to low blue light and various color modes in an easy-to-understand operation list. From time of use reminders to brightness adjustment, the BenQ GW2485TC with eye-protecting software provides an excellent combination of hardware and software for eye protection.



Brightness Intelligence (B.I.) Eye Protection Technology has been patented in Taiwan, the US, Europe, and China

## 7.3 Green Design and Packaging

### BenQ Green Product Design Policy

BenQ is committed to using green product design to reduce the impact of products on the environment and damage to the ecosystem, and actively responds to sustainability-related issues to fulfill its corporate responsibility when it comes to sustainability. By proactively designing sustainable packaging and reducing the use of plastic and paper, BenQ has been able to create products that meet usability expectations while improving environmental protection by incorporating the spirit of environmental protection through innovation and carbon footprint reduction.



Sustainability | Earth Solutions: 2021 Design Action Summit

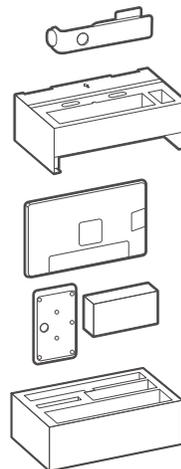
### Simple Design

This projector's projection angle can be adjusted without the traditional tripod and metal torque structure. It also features fewer parts, which helps reduce waste and pollution. Innovative in form, this projector meets the needs of consumers. And has won such recognitions as the Taiwan Excellence Award, Golden Pin Design Award, and Japan Good Design Award 2021.



<GV30 projector: schematic diagram of the adjustment projection structure>

This display has been developed through an innovative assembly process and key structure. With clear easy installation guidance, consumers can easily assemble and use the product by themselves. Self-assembly saves packaging volume and makes it easier for consumers to transport.



This display monitor saves packaging space thanks to its easy-to-disassemble structure

### Recycled Material Use

Assuming that 140 million monitors are sold worldwide each year, and that each monitor contains 1 kg of plastic, the global display industry will consume more than 140,000 tons of plastic every year just for its appearance. Since 2010, BenQ has applied recycled plastics in its business display models and entry-level display models to reduce the impact on the environment and waste of resources.

The GW2780 and BL2780T displays are a case in point: the total weight of ABS plastic embedded in the GW2780 display is 1425.54 g. The outer casing of this model is made with 35% recycled ABS+rABS plastics with a weight of 332.77g. The recycling ratio of the entire device (including panel and internal components) is 23.34%. As another example, the BL2780T contains up to 65% recycled plastics, with a weight of 1198.33 g of ABS and 778.91 g of rABS for the outer casing. 46.56% of this device is recycled. Based on their sales volume in 2021, the total amount of recycled plastics in these displays is more than 700 MT.



Devices with embedded recycled plastics, compatible with quality and a perfect environment

BenQ further reduced the volume of packaging materials to optimize transportation efficiency through smart design and an innovative assembly process and development of novel structures, while ensuring stable quality after product assembly. The simplified assembly process and smarter packaging helped reduce the amount of packaging materials used.

Since 2018, BenQ has developed and designed a new generation of carton boxes that contain up to 80% recycled paper and up to 70% less ink. Key information and brand identification colors were transferred to a label to enable multiple models to share the same type of packaging. Sharing materials this way helps keep inventory down and allow for more flexible use of packaging stock. This reduces the carbon footprint and avoids waste of resources.



Packaging designs used before 2018



Next-generation packaging design reduces ink use in printing by up to 70%

BenQ is concerned about the increasing global marine pollution caused by plastic waste and is actively working to reduce the amount of single-use plastic packaging used in its products. The packaging for the SW Series of LCD displays uses recycled paper instead of expanded polystyrene (EPS) as the main cushioning structure material, reducing the use of plastics in packaging cushioning materials by 90%.

Moving forward, we will work with our supply chain to further convert the packaging materials for more accessories and wires to plastic-free packaging solutions.



Our PD and SW monitor series now use packaging materials consisting of recycled paper and environmentally-friendly water-based ink



Our wireless USB card TDY31 packaging was changed from a plastic tray (left) to product protection made from recycled paper (right)

#### Digital marketing to reduce resource waste

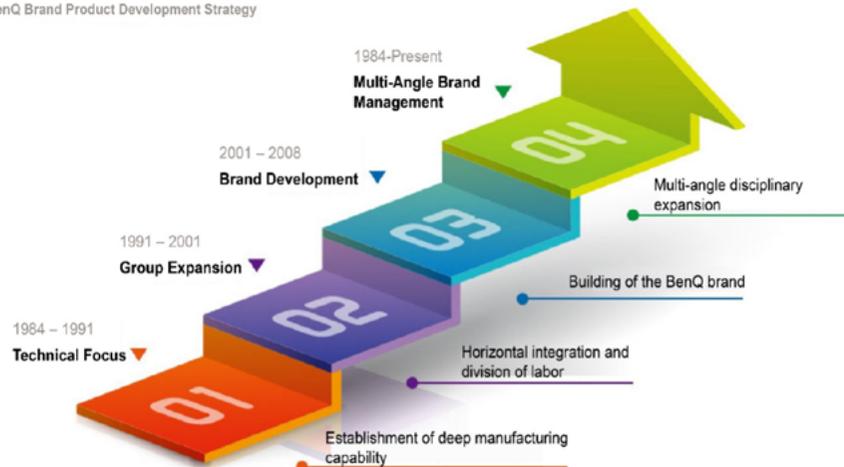
Our Marketing Department started its transformation in 2016. Digital communication has become its main channel, and content will be published in the digital environment as much as possible. All content has been imported onto the official website, and paper printed product brochures are being phased out.

In 2020, we started to digitize our "User Manuals", eliminating CD-ROMs and replacing them with clickable online instructions. 98% of our product manuals have been digitized so far, reducing the waste created by paper and CD-ROMs.

# 7.4 Sustainability-Oriented Quality Control

BenQ has gone through changes, from focusing on technology based on manufacturing, to group expansion, brand building, and diversified brand management.. In addition to innovating products and functions and making consumers enjoy its technology, BenQ also pays increasing attention to the impact of its products and services on consumers and society, including product quality and potential impacts on the environment during the product life cycle. Therefore, we have built a quality and hazardous materials management system that meets international standards, and through the commitment of senior managers, audits, and management reviews, we implement source and process management.

BenQ Brand Product Development Strategy



## 7.4.1 BenQ's Quality Policy

BenQ's quality policy is "to deliver competitive products and services with zero defects to customers on time" Through continuous improvement to raise product quality and customer satisfaction, BenQ implements the above concepts and policies through systematic quality management, inspection, and continuous improvement, and through the certification by a third-party certification company.

BenQ's quality management system has been continuously supported by the Bureau of Standards, Metrology and Inspection (BSMI), Taiwan's Electronics Testing Center, and Société Générale de Surveillance, Taiwan Branch (SGS) for many years and is tracked and certified by third-party entities.



## 7.4.2 Total Quality Management (TQM)

BenQ is committed to promoting its quality management system certified under ISO 9001. BenQ's Chairman, President, and Vice President are the highest responsible persons for the Company's quality system, tasked with supervising the designation of responsible persons and the operation of quality management organizations in different divisions at different levels to apply BenQ's quality standards throughout the Company. Through

various communication methods such as education and training, announcements on the official website, and promotional cards, all employees are made aware of the importance of compliance with the law, the Company's quality policy and quality objectives, and customer requirements. The appropriateness of the quality management system and the availability of resources are reviewed in management review meetings. In addition, we cultivate daily habits in our employees to achieve continuous improvement and prevent problems, reduce defects, reduce waste, and improve quality. We ensure that the Company's philosophy and requirements on sustainability issues are implemented in all stages of product design and manufacturing.

The Company implements Total Quality Management (TQM), a customer-oriented system, based on which we promote four major action components of BenQ's quality:



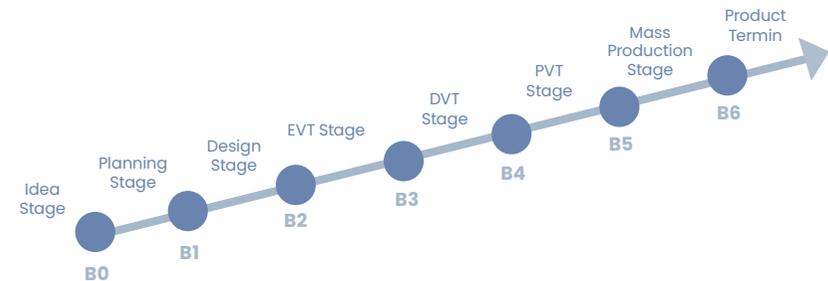
<The four major action components of BenQ's quality>

Through these four action components, BenQ ensures the vendor quality, product design and development quality, and production and process quality, and maintains a systematic quality management system through collecting feedback on product quality information from the market. Through this source flow and process management and a spirit of sustainable improvement, BenQ's management philosophy and quality policy are implemented and its quality objectives achieved.

The following describes the main content of these four quality actions:

#### 1. Pre-MP Quality Management

- Within the product development system, we perform Engineering Verification Testing (EVT), Design Verification Testing (DVT), and Production Verification Testing (PVT) to meet the quality management goals and objectives of each design phase.



#### 2. Mass Production Quality Management

- Through on-site quality inspection, we monitor the quality of production processes and the quality of the goods to be shipped.
- At regular quality review meetings at all levels, we invite different levels of managers and customer representatives to participate in weekly/monthly/quarterly and annual quality meetings to review the status of achieving our quality objectives and the available resources for continuous improvement.

### 3. Field Site Quality Management

- Through the Market Quality Monitoring System, we collect and analyze product quality data on the market side in real time to improve our Initial Failure Rates (IFR) and Annual Failure Rates (AFR).
- The Customer Service Unit conducts customer satisfaction surveys to understand customer satisfaction and analyzes this data with senior management to track quality improvement and customer satisfaction

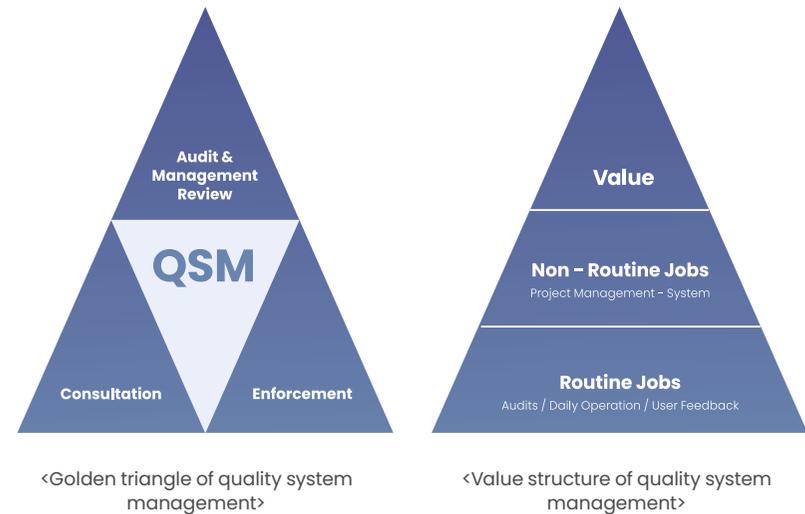
### 4. Quality System Management

- BenQ holds product safety, EMC, Safety, and GP certifications from various countries, as product features may require.
- BenQ holds the ISO 9001 international quality system certification for its electronic and information products.



<ISO 9001 certificate>

BenQ uses the golden triangle of quality system management to maintain its quality management operations: Audit & Management Review, Consultation, and Enforcement. Under this quality system, we carry out daily management and quality audits, review the existing system operations, identify system issues, and establish project improvement teams to strengthen the operation of our existing system. This helps us enhance our core competences and the value of our quality management system, which we constantly improve and upgrade to the level of our operational objectives.



### 7.4.3 Management of Hazardous and Non-Hazardous Substances

All BenQ products comply with the updated version 13 of the Specifications for Restriction of Hazardous Substances in Green Products (SUP-QM-07-02), which covers RoHS and other statutorily or voluntarily controlled substances. BenQ tracks the substances of high concern as annually announced by the European Chemicals Agency. All announced substances are placed on our control list, which we communicate to our vendors to ban or control the use of substances with carcinogenic, mutagenic, or reproductive toxicity.

BenQ also monitors international research and emerging control standards for potentially environmentally relevant substances in electronic products, such as from the International Network for Electronics Manufacturing Initiative (iNEMI), Greenpeace, and the European Union. We have met the following targets for the control of environmentally relevant substances.

- Mercury (Hg): replace conventional CCFLs with energy-saving mercury-free LEDs
- Brominated flame retardants (BFR): cannot be used in any products with over 25 grams of plastic housing
- Polyvinyl chloride (PVC): banned in packaging materials and plasticized parts of all products
- Phthalate: banned in all products

Currently, BenQ also provides recycling services in Europe, the US, and Taiwan in conjunction with local recycling systems to ensure that waste products and packaging are properly disposed of. More information on these local recycling pipelines is given on BenQ's website in each country. Our product material recycling rate, part/component reuse rate, and energy recovery rate together reach over 80%. In addition, our "Product Disposal and Recycling Stage" complies with the European Union's Waste Electrical and Electronic Equipment Recycling Directive (WEEE).



## 7.5 Environmental Labeling

### 7.5.1 Energy conservation labels

#### A. Energy-Saving Design Principles

Because electronic products consume most energy during their use phase, BenQ products are designed with the following energy-saving design principles in mind:

<ul style="list-style-type: none"> <li>• Optional power saving mode or high conversion efficiency parts</li> <li>• High luminous efficiency and low power LED panels</li> <li>• Automatically adjusting backlight with Ambient Light Sensors</li> <li>• Proximity Sensors to detect whether people are in front of the screen to switch off the backlight automatically</li> <li>• Power saving mode when there is no image, power off mode after a few minutes</li> </ul>	<ul style="list-style-type: none"> <li>• Peripheral devices automatically enter standby mode when there is no image</li> <li>• Burst mode when PWM enters power off to reduce standby loss</li> <li>• Eco preset mode and power saving % display</li> <li>• Increased power consumption index when backlighting to remind users of the power consumption</li> <li>• OSD timer to remind users of rest time, also to reduce power consumption</li> </ul>
--	---

#### B. International Energy Standards and Norms

BenQ displays are designed to meet Energy Star's updated version 8.0 energy requirements for standby and off modes. External power supplies (adapters) meet the US Department of Energy's latest Tier VI energy efficiency requirements.

#### C. Energy Saving Award Winning Products: Energy Star Most Energy Efficient Products

Through the above optimized design, 46 display models and 42 large commercial display models by BenQ qualified as Energy Star products in 2021. In addition, 10 display models were recognized as Energy Star Most Efficient Products in 2021—concrete results of BenQ's long-term investments in display innovation.



 <b>BenQ</b>	 <b>BenQ</b>
<small>GW2480, GW2480E, BL2480, GW2480L, GW2480EL, BL2480L</small>	<small>GW2780, GW2780E, BL2780, BL2780T</small>

Only about 20–30% of advanced products in the market can meet green product specifications as defined by green labels. BenQ not only proactively implements such green design concepts as energy conservation, carbon emissions reduction, low environmental impact, and environmentally-friendly materials, but also verifies that its target models meet the latest green product specifications by applying for green labels.

BenQ has obtained various types of energy conservation and green labels around the world, including the US EnergyStar and EPEAT, the Swedish TCO, Taiwan Green Label (TGM), Taiwan Energy Saving Label (TEL), etc.

2021 Number of products with energy conservation and green labels					
	US EnergyStar	US EPEAT	Sweden TCO	Taiwan TGM	Taiwan TEL
Monitors (incl. large commercial displays)	88	46	52	30	7

### 7.5.3 BenQ ecoFACTS Label – Voluntary Label

BenQ is committed to designing and developing greener products with the ultimate goal of achieving a low carbon society. Besides complying with international regulatory requirements and standards on environmental management, BenQ also invests in initiatives to integrate life-cycle design into material selection, manufacturing, packaging, transportation, use, and disposal of products.

To develop earth-friendly green products, BenQ not only actively makes its products meet green regulations, but also actively make all its products green and regenerative! ecoFACTS represents BenQ's serious efforts in eliminating harmful substances, responsible material selection, packaging design, energy-saving design, etc.



Since 2011, all BenQ products have been marked with the ecoFACTS green label, which communicates the green design and green materials used in these products. The ecoFACTS label lists the main environmental design highlights of each product to assure consumers that they're making a wise green purchasing decision. Please visit BenQ's ESG website to learn about BenQ's commitment to the environment and achievements: <https://www.BenQ.com/en-us/about-BenQ/leadership.html>

#### 7.5.4 Energy Conservation Measures for Other Products

##### Laser projector energy efficiency improvement

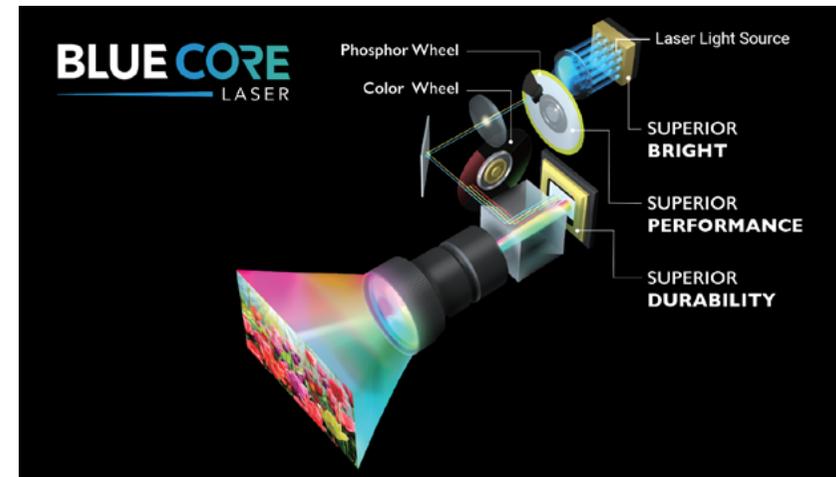
Projectors usually consume a high wattage because of the need to project larger images. As energy efficiency improves, the environment impact will be obviously alleviated.

BenQ works closely with industry stakeholders to improve the power efficiency of its laser projectors. By working with our upstream component manufacturers to increase the luminous density per unit area, the light source dispersion can be better controlled and focused on the image output unit, resulting in improved optical efficiency. In addition, we have designed a special heat dissipation system to improve the laser output unit's photoelectric conversion. We also work with key component manufacturers to develop efficient color conversion phosphor wheels and filters. Year after year, we improve the optical system's accuracy and light transmission rate to improve the optical efficiency.

In 2021, BenQ's new laser projectors consumed at least 14% less power for the same brightness of optical output than the 2018 models. Applied to the number of BenQ laser

projectors sold in 2021, a 14% increase in power savings means nearly 600,000 kWh of energy saved each year based on an average of 200 days of use per year and 4 hours of use per day. This is equivalent to the carbon absorption capacity of 0.2 Daan Forest Parks per year.

(According to the data published by the Bureau of Energy of the Ministry of Economic Affairs in 2021, the carbon emission coefficient of electricity is 0.502 kg CO<sub>2</sub>e/kWh, and according to the data of the Council of Agriculture, one hectare of forest can absorb 15 MT of carbon per year; the Daan Forest Park is 25.8 hectares.)



<Laser projector optics schematic diagram>

## 7.6 Customer Service Quality Management



### Management targets and directions

- Establish a system management mechanism to track customer quality feedback to optimize product and service processes
- Organize regular product knowledge and technical service training to improve the quality and efficiency of customer service
- Actively listen to and collect customers' opinions and needs to enhance products and meet needs in the marketplace

### 2021 targets

- Target for timely processing of customer quality feedback > 95%; achieved 98% in 2021
- Target for product and technical service education and training participation rate > 95%; achieved 100% in 2021

### Intermediate targets for the medium and long term

- Achievement target for timely processing of customer quality feedback: > 95%
- Completion target for product and technical service education and training: > 95%

BenQ's priority focus is on improving the quality of customer service and providing better products and services to ensure that customers' needs are met. To quickly respond to and satisfy customer needs, we have set up a global customer service center at our headquarters to gain a full understanding of customer needs around the world (Voice of the Customer). We collect and analyze this customer feedback and input to improve our product design and to swiftly and decisively resolve customer issues, be they around purchase, use, maintenance, or technical support.

### 7.6.1 Customer Quality Feedback Management



BenQ has established a quality feedback and collaboration system to provide customers with a platform to give feedback on quality issues and efficiently handle customer complaints about quality issues, in order to provide solutions to customers. It also helps reduce the frequency of recurrence of undesirable events, protects user safety, helps us understand and improve user experience (UX), and enhances the quality of our products and customer service.

Upon receipt of a quality case from a customer, the Customer Service Center will first trace back the case: identify the root cause, find short-term and long-term improvement solutions, provide the customer with a solution, and ensure that the solution meets the customer's needs and the customer closes the case. All cases are saved in the quality feedback and collaboration system and used to extract lessons learned for internal product development to ensure that future product designs meet market expectations, to prevent recurrence of similar design issues, and to reduce the impact and damage to the environment during defective product maintenance.

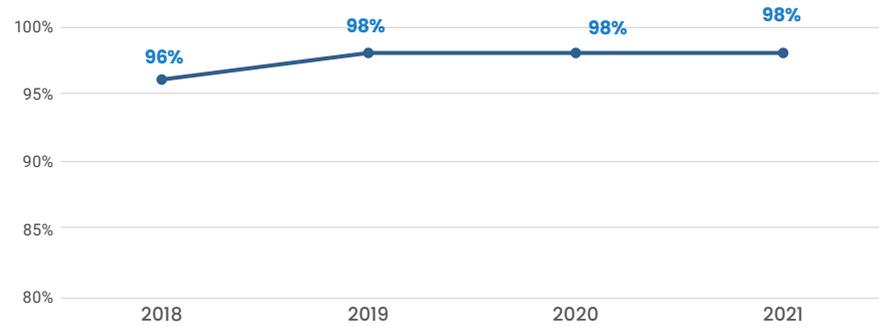


BenQ is committed to effectively resolving customers' quality issues and has set targets in terms of business days to collect the necessary information to clarify the issue. After confirming the issue category of the feedback, we aim to resolve the quality issue within 10 business days, and to provide a solution or explanation for the product specification or service issue within 5 business days. After providing the solution, the Customer Service Center will monitor the improvement program to ensure that the customer's issue is eliminated and product quality and product competitiveness are strengthened.

#### Customer quality feedback management results

In 2021, we received 44 cases of quality feedback from our customers in our regional sales centers around the world, and 43 cases were completed within the target number of business days, with solutions provided, improvements identified, and responses received. This was done even faster than the target timeline, with an achievement rate of 98%.

**Completion percentage of client quality feedback target**



Building on its strengths, BenQ has reviewed the areas for improvement. With our customer-first attitude, we integrate and improve our customer service platform to solve all customer issues in a swift and definite manner and to provide a robust communication channel. BenQ invests in building good relationships by providing the outstanding customer service quality.

### **7.6.2 Enhancement of product knowledge and technical service training**

BenQ regularly trains its technical service personnel and first-line customer service personnel to ensure that they have sufficient knowledge and know-how to resolve consumers' issues. This training includes technical training on product features, installation, maintenance, use, and FAQs. BenQ regularly organizes internal education and training on new product expertise for its technical service personnel and front-line customer service personnel through its internal online education and training platform called eLearning every six months. We also hold physical education and training at headquarters, covering product function introduction, installation, maintenance, use,

FAQ, with online post-class assessment to confirm that trainees have acquired sufficient professional knowledge after receiving education and training.

For after-sales maintenance and product-related inquiries, our online eSupport knowledge platform helps authorized service centers and first-line customer service personnel obtain the latest product knowledge, software service tools, and answers to frequently asked questions. We will continue to improve the quality and efficiency of our customer service.

### **Product knowledge and technical service training results**

In 2021, due to the impact of the epidemic, BenQ held 318 online product training sessions (through the eLearning platform) across all product lines for its technical service personnel worldwide, with a 100% training pass rate. We hope to enhance the product expertise of our technical service staff to achieve better customer service and build good relationships with our customers through excellent service.



### 7.6.3 Annual tracking of customer feedback

Customer feedback is the source for BenQ to improve and stay ahead. Therefore, we collect and listen to customer feedback to understand customer needs and ensure that their needs are met. We keep improving our strengths and give feedback to the departments that need to review and improve to better respond to customer requirements and changing trends. The quality, value and service of our products enhances overall customer satisfaction.

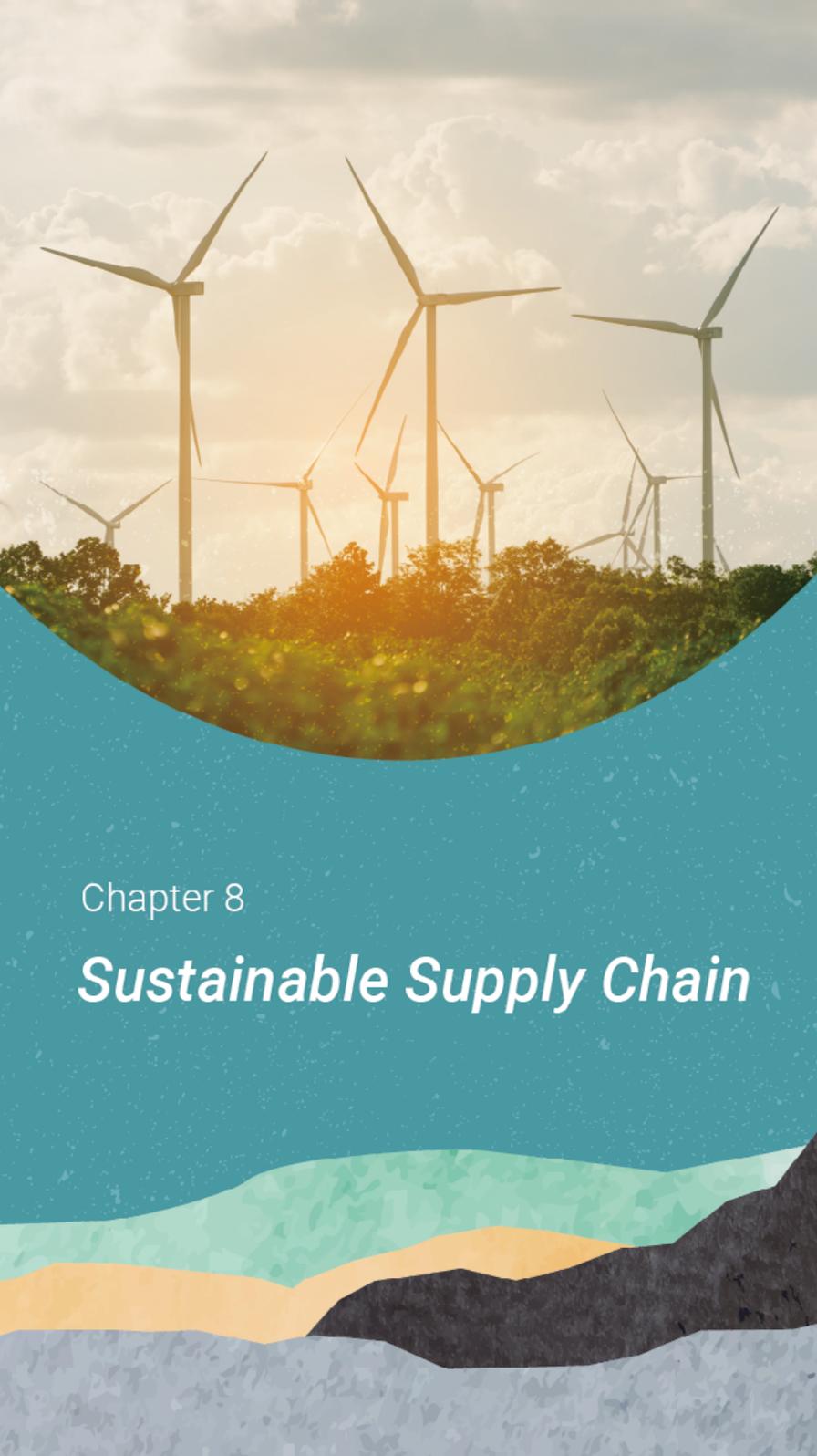
Every January, BenQ conducts a comprehensive customer opinion and feedback survey to ensure that customer needs continue to be met. We listen for the actual and potential needs of our customers to ensure that our product design and product services are in line with market trends and deliver an optimized user experience (UX). We also review whether customer opinions and needs have been incorporated into our service processes and product improvement process during the past year. The feedback survey is conducted by the Global Customer Service Center (GCC) through a system that centrally informs the Global Customer Response Window (GCRW) of the Company's overall product and after-sales service assessment and other recommendations for the coming year. The GCRW provides evaluation and feedback through a questionnaire survey system.

The Global Customer Service Center compiles the survey results and transmits them to the departments at headquarters. These departments use the results of the survey to review whether the customers' comments and needs have been incorporated into the product plans or service processes, clarify matters with relevant departments,

and, in response to unmet needs, adjust processes as needed or draw up implementation plans for product improvement countermeasures to raise product and service quality. If the customers' comments and needs have already been included in product plans or service processes, this will be communicated. Through this annual customer feedback tracking management, BenQ maintains high quality and competitive products and services that meet customer expectations and needs.

To serve a wide range of customers and create better product and service experiences, BenQ provides a wide range of product, information, and technical support services in a spirit of innovation to meet a wide range of customer needs. We live by our tenet of "integrity, honesty, and doing what we say" and listen to customers' voices to understand their real needs and deliver what they need.

Our customer service department not only runs its service model from the customer's point of view, but also holds itself to high standards in collecting, tracking, and using customer quality feedback to improve product and service quality. The department enhances service quality and efficiency through product knowledge training, and uses customer feedback to optimize product and service quality. We invest in building good and long-term relationships with customers by providing outstanding service through sophisticated customer service quality management.



## Chapter 8

# Sustainable Supply Chain

## 8.1 Supply Chain Risk Management

To reduce the operational impact of potential supply chain disruptions, BenQ follows this supply chain risk management strategy:

- In addition to a single exclusive technology vendor, we maintain at least two other active vendors. If one vendor stops supplying and providing services, another vendor will be able to supply and provide these services within the shortest possible time.
- We cultivate, validate, and develop potential vendors. Even if all current vendors cease to supply and provide services, another vendor will be able to supply and service in the shortest possible time.

In addition, BenQ carefully assesses vendor risks for existing qualified vendors through scheduled and unscheduled investigations of their operational and financial status and monitoring high-risk groups to prevent unannounced closures that may affect shipments or cause disputes.

We also conduct major risk surveys of vendors, such as regarding shortages of key components worldwide due to COVID-19's impact on shipping and logistics (air/sea/rail/inland), port congestion at terminals, the red supply chain effect, and other special events. We also conduct comprehensive surveys on the ability of vendors in relevant regions to respond or communicate appropriate response measures to vendors. This allows BenQ to take appropriate precautionary measures in the supply chain to prevent operational hazards and impacts on stakeholders' rights and interests.

## 8.2 Selection of New Vendors

As a multi-product brand company, BenQ has 14 major vendors including ODM vendors and key component vendors around the globe, mostly located in Greater China. We actively work with these vendors to maintain a sustainable supply chain that protects the environment, human rights, safety, and health.

Based on product quality and consumer safety, BenQ conducts rigorous written and on-site audits to select vendors. We require vendors to hold ISO 9001 certification and to submit other ISO certifications and conflict mineral investigation forms, to develop long-term relationships based on a spirit of corporate social responsibility.

In our management system and processes, potential vendors must facilitate ESG audits and document audits on environmental health and social responsibility before they can join BenQ's Qualified Vendor List (QVL).

### Risks and opportunities from supply chain shocks

Supply Chain Shock	Risks	Opportunities
Global shortage of IC/major components	Production lines break down, shipping comes to a standstill	<ol style="list-style-type: none"> <li>1. Switch to replacement materials</li> <li>2. Negotiate supply directly with original manufacturers on the basis of whole-year forecasts</li> <li>3. Increase inventory levels</li> </ol>

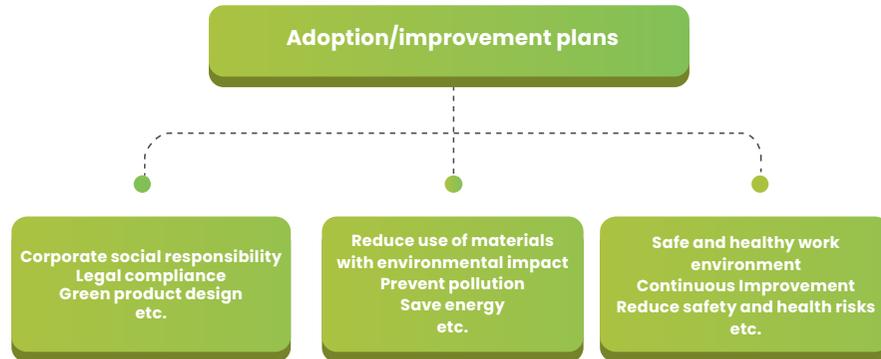
### New vendor quality mechanism:



I. Written audits: Vendors are requested to provide ISO 9001 (mandatory), ISO 14001, ISO 45001, and SA8000 certificates, and they must comply with training and quality system auditing standards.



(I-1) Vendors that are unable to provide ISO 14001 or ISO 45001 certificates are required to provide plans to adopt those systems or other improvement plans, such as: promoting corporate social and environmental responsibility, compliance with regulatory standards, green product design, reducing the use of environmentally related substances, pollution prevention, energy conservation, a safe and healthy work environment to maintain the physical and mental health of employees, continuous improvements to reduce safety and health risks, etc.



(1-2) Vendors that are unable to provide SA8000 certification may provide BSCI (Business Social Compliance Initiative) certification instead. If neither of the above is available, one of the following documents must be provided:

- Vendor Social Responsibility Survey (e.g. whether child labor as defined by local regulations is used; whether the company’s terms of employment contain discriminatory provisions; whether the company has plans and/or procedures to ensure that regular working hours comply with local laws and that overtime hours do not exceed legal limits; etc.).
- Sign the Vendor Social Responsibility Pledge (e.g. banning child labor and not placing children or young workers in dangerous or unhealthy environments; providing a safe and healthy work environment for employees, preventing occupational hazards, providing regular health and safety training to employees; providing clean, safe drinking water, toilets and dormitories; respecting the right of employees to communicate with the company and ensuring they are heard; ensuring that employees that communicate issues with the company are not subject to discrimination, harassment, coercion or retaliation; etc.).

BenQ plans to change its vendor management in 2022, replacing the Vendor Social Responsibility Survey and Vendor Social Responsibility Pledge with a broader Vendor Social Responsibility and Business Ethics Pledge, which new vendors will be required to sign. This broader consent form covers environmental protection, social responsibility, and corporate governance in the spirit of the Responsible Business Alliance (RBA).

All existing partner vendors of BenQ have completed 100% of their document reviews, having signed the required documents and tracked their performance thanks to our guidance and active communication.

II. On-site audits:

During audits at vendors’ locations, our Quality Management Department assesses the vendor site through a Supplier System Audit (SSA), which covers: whether the operating environment is maintained in optimum 6S (5S+SAFETY) conditions; whether the stocked listed substances (hazardous, volatile, corrosive, toxic, etc.) are properly defined and controlled to prevent quality changes and safety concerns; whether crisis management procedures (power

outages, earthquakes, fires, personal injury, etc.) and safety facilities are in place; whether flammable, corrosive, and toxic materials are separately and properly stored, in case of emergency events such as fires and floods; whether there is an emergency response plan; etc. If the vendor does not pass the audit, it cannot join the Qualified Vendor List.

Even after their selection as a Qualified Vendor, BenQ's Quality Management and Product Certification Department will regulate the quality of vendors' finished products through Requests For Quotation (RFQs) and applying such criteria as product specifications, cost, handover, service, etc., before moving on to collaboration and discussion on mass production and mass supply. REACH, WEEE, ErP or related energy saving and safety regulations (e.g. conflict of interest), electromagnetic compatibility, etc. that apply to the products are explicitly stipulated in the RFQs. If a vendor fails to complete these requirements, it will not be qualified to bid. Through such gate-keeping, we ensure that our products meet our specifications and consumers' needs.

### Conflict Minerals

BenQ supports the international boycott of conflict minerals. As a member of the Responsible Minerals Initiative (RMI), we work with vendors and require that they meet the following requirements:

- a. Fulfill social and environmental responsibilities.
- b. Ensure that products do not use "conflict minerals" from the Democratic Republic of the Congo and its neighboring countries and regions.
- c. Trace the sources of gold (Au), tantalum (Ta), tungsten (W), tin (Sn) and cobalt (Co) contained in all products to ensure that these metals do not come from "conflict mines".
- d. Communicate these requirements to their upstream vendors.

## 8.3 Performance Evaluation

Depending on the operation status of each product, BenQ's Strategic Procurement Department is responsible for holding a Quarterly Business Review (QBR) meetings with the business, product, technology, supply chain management, customer service, quality control, and safety compliance departments and vendors to review the performance in the current quarter and the basis for the regular vendor evaluation. Vendors are evaluated on the five aspects of IQSDC: Innovation/Technology, Quality, Service, Delivery, and Cost Leadership. The results are important inputs for our procurement strategy.

In addition to these performance evaluations, BenQ also uses the QBR meetings to review the current status of vendors' ISO certificates. In 2021, we also requested our vendors to support our Corporate Social Responsibility Pledge by paying special attention to social responsibility, environmental safety and health, and ethical corporate management.

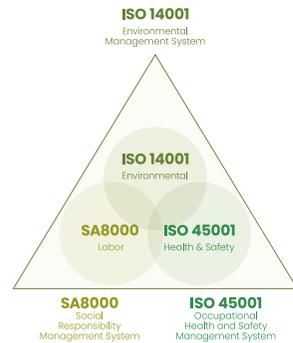


### BenQ's requirements and compliance items for suppliers

To help us fulfill our corporate social responsibility, BenQ invites you to join us in caring about the environment and protecting labor rights. Please provide the following documents.

Certification System	Certificate	Implementation/Improvement Plan	Pledge/Assessment Table	Remarks
ISO 9001	●			
ISO 14001	●	●		If you cannot provide a certificate, please complete the implementation or improvement plan.
ISO 45001	●	●		If you cannot provide a certificate, please complete the implementation or improvement plan.
SA8000	●		●	If you are unable to provide a certificate, please sign an annual pledge or complete a survey form each year.

If your company provides an implementation or improvement plan, pledge, or survey form, the ultimate goal is still to obtain certification through system verification.



#### BenQ Social Responsibility and Environmental Safety and Health Policy

Promote CSR to meet regulatory standards. Design green products with fewer environmentally related substances and less environmental impact. Prevent pollution, save energy, ensure safety and health, and continuously improve to reduce safety and health risks. Provide a safe and healthy work environment to maintain employees' physical and mental health. All employees contribute to the continuous improvement of environmental, safety and health performance through audits and communication.

**TCO Pledge:**  
BenQ supports the international boycott of conflict minerals and works with suppliers to carry out conflict mineral investigations to prevent direct or indirect procurement of conflict minerals from armed groups in the Democratic Republic of Congo and its neighboring countries to ensure that its mineral procurement is socially and environmentally responsible.

BenQ is committed to promoting the **TCO SMR (Senior Management Representative):**  
We will promote SRM under the TCO Certification by asking our suppliers and upstream vendors to comply with our "Corporate Management Best Practice Principles", "Anti-Corruption Policy", and "Business Ethics".

## Integrity Statemen

- We uphold the highest ethical standards
- We respect the law and company regulations
- We act in good faith in word and deed
- We do not abuse our privileges to engage in unlawful conduct
- We strive to avoid any suspicion of transfer of benefits
- We will not engage in any unethical conduct
- We seek assistance when we are unsure of what to do
- We cooperate fully with investigations into unlawful conduct
- We immediately report unlawful incidents
- We extend our integrity standards to our business partners
- We protect our employees' rights and interests in good faith



BenQ requires its vendors to comply with the letter and spirit of the SA8000 and applicable ISO standards and realize this spirit in their corporate governance and sustainable development. Vendors must confirm that their operations comply with BenQ's human rights standards and policies, such as basic respect and dignity for their employees under the law, as well as non-discrimination, no child labor, and anti-corruption. We expect that they will gradually extend these human rights standards and policies to their own vendors.

BenQ holds a survey among stakeholders every year to inventory their material issues. These constitute important directions for BenQ when formulating its sustainable development goals and strategies and goals, and are also helpful to our vendors. For this reason, we help our vendors, through active counseling, become long-term partners in sustainable development and contribute to the earth and society together. The vendors' response rate in the 2021 stakeholder survey was 100%.

## 8.4 Sustainable Development of BenQ's Transportation

Throughout the entire supply chain, Logistics Service Provider are crucial to crossborder logistics and last-mile delivery. When selecting Logistics Service Provider, BenQ not only evaluates service specifications and prices, but also has requirements regarding their sustainable development and environmental management, such as ISO 14001 certification and ESG/sustainability reports. Statistics of our Logistics Service Provider contractors show that 50% of contractors have such reports, and the 60% target is expected to be reached by 2022.

According to the data, most manufacturers with licenses are companies with European and American backgrounds. To encourage Taiwanese enterprises to move toward sustainable development, BenQ has been communicating the necessity and importance of these certifications from time to time. A company with ISO 14001 certification or green energy and carbon emissions reduction measures in place will be given priority in becoming a tRevise to Logistics Service Provider for us. We also support local enterprises through volume incentives within a controlled score to encourage them to join us in environmental protection and carbon emissions reduction.

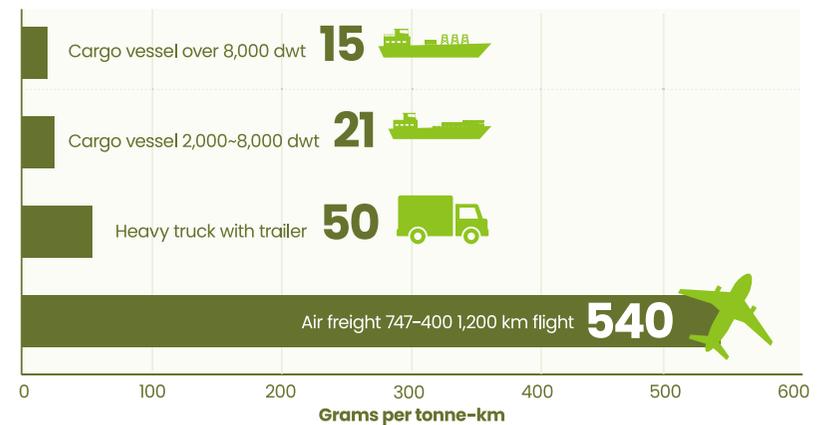
With regard to carbon emissions reduction, BenQ is aware that among various international transportation modes, air transport has the highest carbon emissions and sea transport the lowest, especially since container ships are controlled by the United Nations' International Maritime Organization (IMO) norm requiring ships to reduce carbon emissions by 2% per year from 2023 to 2026. Therefore, sea transportation is our preferred mode of international transportation, and we stay away from Revise Air

freight as much as possible. This is in line with the spirit of IMO's policy, saves cost, reduces carbon emissions while meeting customers' requirements for green delivery and servicing of our green products.

The carbon emissions from transportation by Revise Air freight, truck, small container ship, and large container ship are shown in the figure below:

**Comparison of CO2 emissions between different modes of transport**

Source NTM, Sweden



Reducing the container volume is also a way to reduce carbon emissions. The change from 40' standard container to 40' standard high-cube container for large interactive panel displays has reduced the container volume exported to Europe and the United States by 35%, reducing carbon emissions by about 155 MT. The same measure for projectors is currently being evaluated, with a follow-up analysis forthcoming.



Chapter 9

About the Report

## 9.1 About the Report

### » Distribution

BenQ Corporation was established in 1984 and currently focuses on the global operation of the BenQ brand business. To demonstrate its commitment to corporate social responsibility, BenQ has been publishing its CSR report since 2021, with the last publication date being June 2021. In 2022, the corporate social responsibility report will be revised into a sustainability report.

To serve its stakeholders, BenQ has established a CSR website, where our CSR achievements in the past year are presented as well as CSR reports from previous years. These reports can be viewed or downloaded on the website: <http://www.BenQ.com.tw/about/csr>

### » Report Boundary and Scope

This report contains disclosures from January 1, 2021, through December 31, 2021. The disclosure period of the financial report is the same as this sustainability report. The scope of this report is defined as BenQ’s headquarters (Taipei). Its subsidiaries reported in the consolidated financial statement—BenQ Europe, BenQ North America, BenQ Latin America, BenQ China, and BenQ Asia Pacific—are excluded from this sustainability report.

Category	Scope of disclosure	Difference with scope of disclosure of the financial report	External assurance
Environment, Social, Governance	BenQ headquarters in Taiwan	BenQ headquarters in Taiwan	The British Standards Institution (BSI) was commissioned as a third party to assure this report based on the AA1000 ASv3 standard.
Financial Information	BenQ headquarters in Taiwan	BenQ headquarters in Taiwan	Financial report: CPA

The accountant and the assurance organization have no shareholding or management relationship with the Company, they have been commissioned only to provide external assurance or confirmation of the financial report and sustainability report.

» **Compiling Principle**

BenQ's 2021 Environmental (E), Social (S), and Corporate Governance (G) related issues are disclosed in accordance with the Core Option of the Global Sustainability Reporting Standards (GRI Standards), which are available for download in English and Chinese on the GRI website.

» **Contact Information**

For any suggestions or questions regarding this report, please contact us at:

BenQ Corporation

Address: No. 16, Jihu Road, Neihu District, Taipei 114, Taiwan

Tel: +886-2-2727-8899

Fax: +886-2-2797-9288

Website: <http://www.BenQ.com.tw/about/csr>

Contact: Simon Huang / Wenny Lan

Email: [simon.huang@BenQ.com](mailto:simon.huang@BenQ.com) / [wenny.lan@BenQ.com](mailto:wenny.lan@BenQ.com)

## 9.2 GRI Standards Comparison Table (ver. 2016)

• **General Disclosures**

Topic	GRI disclosure	Description	Section or Description	Note
Organizational Profile	102-1	Name of the organization.	About BenQ	3
	102-2	Activities, brands, products, and services	About BenQ	3
	102-3	Location of headquarters	About BenQ	3
	102-4	Location of operations	Global Business Strategy	8
	102-5	Ownership and legal form	Organizational Structure of the Board of Directors	4
	102-6	Markets served	Global Business Strategy	8
	102-7	Scale of the organization	About BenQ Global business strategy Business Context	3 8 10
	102-8	Information on employees and other workers	Employment Overview	27
	102-9	Supply chain	Selection of New Vendors	81
	102-10	Significant changes to the organization and its supply chain	Nothing to report this year.	
	102-11	Precautionary Principle or approach	Supervision and Risk Management	48
	102-12	External initiatives	We haven't signed external pledges or declarations.	
	102-13	Membership of associations	Participation in Associations	14
Strategy	102-14	Statement from senior decision-maker	Message from the President	1
Ethics and Integrity	102-16	Values, principles, standards, and norms of behavior	Ethical Corporate Management Best Practice Principles	47
Governance	102-18	Governance structure	BenQ CSR/ESG Committee	15

Topic	GRI disclosure	Description	Section or Description	Note
Stakeholder Engagement	102-40	List of stakeholder groups	Communication with Stakeholders	16
	102-41	Collective bargaining agreements	In our Company there is no labor union, therefore there is no collective bargaining.	
	102-42	Identifying and selecting stakeholders	Communication with Stakeholders	17
	102-43	Approach to stakeholder engagement	Communication with Stakeholders	17
	102-44	Key topics and concerns raised	Communication with Stakeholders	17
Reporting Practice	102-45	Entities included in the consolidated financial statements	About the Report	89
	102-46	Defining report content and topic Boundaries	Identification of Material Issues	18
	102-47	List of material topics	Communication with Stakeholders	18
	102-48	Restatements of information	First edition	
	102-49	Changes in reporting	First edition	
	102-50	Reporting period	About the Report	89
	102-51	Date of most recent report	About the Report	89
	102-52	Reporting cycle	About the Report	89
	102-53	Contact point for questions regarding the report	About the Report	89
	102-54	Claims of reporting in accordance with the GRI Standards	About the Report	16
	102-55	GRI content index	GRI Standards Comparison Table	90
	102-56	External assurance		
Material Topics	103-1	Explanation of material issues and Boundaries	Materiality Analysis	20
	103-2	The management approach and its components	Materiality Analysis	20
	103-3	Evaluation of the management approach	Materiality Analysis	20

### • Economic Topic

Topic	GRI disclosure	Description	Section or Description	Note
Economic Performance	201-1	Direct economic value generated and distributed	Business Context	10
	201-3	Defined benefit plan obligations and other retirement plans	Business Context Labor Conditions	10 32

### • Environmental Topics

Topic	GRI disclosure	Description	Section or Description	Note
Emissions	305-1	Direct (Scope 1) greenhouse gas emissions	Greenhouse Gas Management	25
	305-2	Energy indirect (Scope 2) GHG emissions	Greenhouse Gas Management	25
	305-5	Reduction of GHG emissions	Greenhouse Gas Management	25
Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	Sustainable Supply Chain	81





• **Social Topics**

Topic	GRI Disclosure	Description	Section or Description	Note
Emissions	401-1	New employee hires and employee turnover	Employee Turnover Rate	27
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Human Rights Management	31
Training and Education	404-1	Average hours of training per year per employee	Learning and Development	28
Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	Sustainable Supply Chain	81
Human Rights Assessment	412-1	Operations that have been subject to human rights reviews or impact assessments	The internal auditing mechanism at the headquarters in Taiwan has not found violations of human rights requirements	
	412-2	Employee training on human rights policies or procedures	Our RBA training includes human rights-related training, so the completion rate is 100%	
Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	New Vendor Assessment	82
Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Customer Privacy Protection	53

• **Other Topics**

Topic	GRI Disclosure	Description	Section or Description	Note
Customer Rights and Social Responsibility	Own topic	Customer satisfaction survey	Customer Satisfaction Survey	
Social Welfare	Own topic	Social welfare activities	BenQ Foundation	
Risk Management	Own topic	Risk management mechanism	Supervision and Risk Management	
Risk Response				
Brand Management	Own topic	Branding and implementation management	The Spirit of Sustainable Innovation	
Innovation-based Products and Services	Own topic	Implementation of innovative technology and products and services	The Spirit of Sustainable Innovation	