Message from our President

The sustainability of a company lies in the strong foundation of economic, environmental and social aspects. Only through constant realization can one accumulate energy for future sustainable growths. BenQ continued to strengthen its corporate vision of “Bringing Enjoyment ‘N’ Quality to Life”. Through diversified operational methods, we entered the L.I.F.E four areas from 3C products, hoping to provide consumers with a better digital fashion life, highly-efficient corporate operation, complete and advanced medical equipment service as well as more flexible application of educational learning. We also expect to fulfill corporate duties when pursuing profits and growths, bringing a positive influence to the society and people.

In the economic environmental aspect, due to slow global information electronic product demand in 2019, the overall market slightly lagged. BenQ focused on professional, high-end and high added-value to respond to the situation of market decline and low-end product volume reduction. Take LCD monitor as an example, BenQ continued to focus on sales and development of professional, gaming and large-size high-end displays. We lead in introducing a new-generation eye-protection display technology, combined with TUV Rheinland eye-protection certificate, further strengthening our leading position in the global eye-protection display market. BenQ LCD display will continue to steadily grow toward innovative applications, differentiation in function and special application; our projector segment taps the global DLP revenues for 11 consecutive years. Our team members incessantly cultivate customer demand experience, deep ploughing the home market with world’s leading “exclusive color management technology CinematicColor™” while actively develop the diversified operational method, we enter the L.I.F.E foundation of economic, environmental and social aspects.

BenQ is a brand based on human beings. We believe that design and technology should meet the true needs of human beings to perform the best functions. If we can extend from human beings to the society, we can better deliver a fair value of the enterprise and bring positive influence over the society. Because if it matters to you, it matters to us; as such, we hope that BenQ philosophy can be further expanded to every corner of Taiwan, realizing the truth, goodness and beauty of technology life.

In product design, we had significant performance in 2019. BenQ Projector Molded Pulp Packaging reduce impacts on the environment from e-commerce packages by innovative packaging in material and structure. It wins three international design awards: “iF Design Gold Award”, “IDEA Gold Award” (International Design Excellence Awards) and “G-Mark Award” (Good Design Awards); the PD professional display series designed for computer graphics professionals won “G-Mark” and “Golden Pin”; the mobile projectors GV1, G52 and home projectors W1700 and W5700 won various design awards, displaying the observation and feedbacks of BenQ for the demand of projector users. In addition, PanoLight smart piano lamp and MindDuo parent-child reading lamp won “Taiwan Excellence Awards”. The unique design position of BenQ not only receives attention from international design fields, each product considers environmental protection and energy saving while winning certificate from Energy Star.

In the environmental management aspect, BenQ extends its “full product lifecycle” thinking, considers the impacts on the environment of product delivery and usage phases, adopting designs such as energy-saving, package reduction and easy to recycle. Via improvements in each segment, we create green products that are environmental friendly and have lower impacts on the environment such as BenQ W1Fi smart lamp that doesn’t use cheap plastic materials used by most lamps while adopting green materials that are environmental friendly. Even for the parts that require plastic materials, we avoid spray-painting method that is not friendly to the earth and replace with the purest design to care for the earth and respond to the anticipation of related interest parties. BenQ also regularly receives verification of third parties, executing environmental management and encourages employees to participate.

In the social aspect, we believe talent is the most important asset of the company and the key to business growth. Hence, BenQ strives to create a safe and relax working environment. We also actively invest in various educational trainings to cultivate employee creativity and competitiveness, accumulating power for the company to grow. In 2019, BenQ received “Best Company to Work for in Asia” from HR Asia with evaluation methods such as corporate investigation report, anonymous employee survey and on-site environmental visits. BenQ performed much better than its peers in anonymous employee survey, showing employees highly recognize its efforts in cultivating talents and creating a fair working environment.

Starting in 2016, BenQ has received “Taiwan iSports enterprise certificate” by Sports Administration under Ministry of Education (MOE), continuing to innovate in sports hardware equipment and activity planning, offering a “Work Smart, Play Hard” five-star working environment. In 2019, we built a creative sofa area featuring various facilities for creative thinking and discussions for employees to speed up creative thinking with a relax mood. Also, our related employee services are upgraded to better than the five-star hotel level. All factories now are equipped with washlet toilet seats. We added a bread machine costing more than NT$10,000 as well as Italian-style coffee machine. Our employee restaurant is converted to a you-can-eat buffet with various healthy and delicious food as well as fruit and drink bars for free usage. In promoting work/life balance, we hold various healthy and interesting activities such as family day, little happy hours, exercises and activities, positive power forum and artistic cultural activities, fully creating a happy enterprise, offering all-around body and spiritual cares for employees.

BenQ is a brand based on human beings. We believe that design and technology should meet the true requirements of human beings to perform the best functions. If we can extend from human beings to the society, we can better deliver a fair value of the enterprise and bring positive influence over the society. Because if it matters to you, it matters to us; as such, we hope that BenQ philosophy can be further expanded to every corner of Taiwan, realizing the truth, goodness and beauty of technology life.
<table>
<thead>
<tr>
<th>Company Name</th>
<th>BenQ Corporation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Founded</td>
<td>April 21, 1984 (Spin-off of OEM business finished on September 1, 2007)</td>
</tr>
<tr>
<td>Date of Brand Creation</td>
<td>December 5, 2001</td>
</tr>
<tr>
<td>Capital</td>
<td>NT$4.068 billion</td>
</tr>
<tr>
<td>Revenues</td>
<td>NT$28.1 billion (2019)</td>
</tr>
<tr>
<td>Headquarter</td>
<td>16 Jihu Road Neihu, Taipei 114 Taiwan</td>
</tr>
<tr>
<td>No. of employees</td>
<td>Global-1,509, Taiwan-466 (Until December, 2019, part-time worker not included)</td>
</tr>
<tr>
<td>Chairman</td>
<td>K.Y. Lee</td>
</tr>
<tr>
<td>President &amp; CEO</td>
<td>Conway Lee</td>
</tr>
</tbody>
</table>
Global Operational Strategy

BenQ global sales regions are divided into five regions: Europe, North America, Latin America, China, and Asia/Africa/Middle-East. There are 43 operational locations in 30 countries, with marketing covering over 100 countries.

BenQ’s management team adopts the operational strategy of “operational headquarters makes global decision, regional sales center executes locally” and the growth strategy of “cultivate core market, pursue innovative growth”, so that BenQ brand can march toward the platform of international competition, reaching the goal of enterprise sustainable operation.

Operational headquarters makes global decision, regional sales center executes locally

To strengthen the basis of developing international brand, BenQ establishes a decision center at its headquarters for global sales and service management system, systematically and optimizing sales and service management to control market, strictly predict needs, improve service management and vendor management and speed up overall operational efficiency.

Cultivate core market, pursue innovative growth

BenQ continues to cultivate 3C product operation and sets foothold on business-use market, use integration with upstream technical partners to launch products that “lead the market” and “differentiate” such as eye-protection screen, gaming screen, three-square feet, short-throw side projector and large-size business-use monitors to elevate product competitiveness and brand value while strengthening its brand position. BenQ uses R&D power built by visual technology, mobile technology and design ability area as well as the rich related key component and technical advantages of BenQ Group to control market pulse and trend, striving to developing...
BenQ Culture

Our Vision and Mission

BenQ starts from the vision of Bringing Enjoyment ‘N’ Quality to Life, striving to become a leading company of IT products and integrated solutions. We learn about the demand of human life with heart and invest in digital life, corporate operation, health care and educational learning areas, offering diversified innovative products that can improve the quality of life, increase operational efficiency, bring complete health care and create flexible learning application.

Core Value

“Bring Enjoyment and Quality to Life” is Qisda’s shared vision, and is realized via four values: “Integrity & Introspection”, “Passion & Professionalism”, “Execution & Excellence”, and “Caring & Contribution.”

With “Integrity & Introspection” ethic promise, no opportunistic fake, set oneself as an example to follow the disciplines of the company while keeping one’s words.

“Passion & Professionalism”, use active and aggressive attitudes to finish one’s tasks, devoting to one’s job and partners while sticking to one’s promises.

“Execution & Excellence”, opens one’s mind, not afraid to innovate and change, continue to learn and grow while non-stop pursuing better spirit.

“Caring & Contribution” for the overall society, realizing environmental protection and sustainable development promises, making contribution to customer, society and environmental benefits.

Milestone

The unique design position of BenQ also receives various attentions from international design fields since announcing its brands, with over 300 design awards received. In 2019, it had 11 international design awards while winning 147 iF awards, 56 Red Dot awards, 6 IDEA awards and 67 G-Mark awards since establishment. The obvious design ability also brings attention to major international media. We are on the front page of BusinessWeek several times; the media praises us in using creative design to successfully break free of minimum profits, keeping competitiveness of Taiwan. With the highly-recognized design fashion center, it also raises the exposure of overall design ability of Taiwan.

Awards

2019

- BenQ Projector Molded Pulp Packaging won iF Design Gold Award”, “IDEA Gold Award” and “G-Mark” award
- BenQ GV1 mobile projector won “IF Design” and “Golden Pin” awards
- BenQ GS2 mobile projector won “G-Mark” and “Golden Pin” awards
- BenQ home projector W1700 and W5700 won “IF Design” awards
- BenQ professional display PD20 series won “G-Mark” and “Golden Pin” awards
Associations
Industry associations or organizations are key references for BenQ’s operational strategies. Via associations or organizations, BenQ can obtain related resources of operational developments (such as industry event, brand operation, government project plans, etc.) or provide feedback of its corporate social responsibility achievements (such as experience sharing, presentation, etc.). In 2019, BenQ joined the following associations/organizations relating to the information industry:

<table>
<thead>
<tr>
<th>Association Role</th>
<th>Association Name</th>
<th>Management Role</th>
<th>Member Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taipei Neihu Technology Park Development Association</td>
<td>●</td>
<td>●</td>
<td></td>
</tr>
<tr>
<td>Taiwan Excellent Brand Association (TEBA)</td>
<td>●</td>
<td>●</td>
<td></td>
</tr>
<tr>
<td>ICC (International Color Consortium)</td>
<td>●</td>
<td>●</td>
<td></td>
</tr>
<tr>
<td>Taiwan Electrical and Electronic Manufacturers’ Association (TEEMA)</td>
<td>○</td>
<td>●</td>
<td></td>
</tr>
</tbody>
</table>

In addition, BenQ continues to pay attention to the issues of energy-saving, carbon reduction and product carbon footprint of Climate Savers Computing Initiative and Carbon Trust, as well as Green Peace, the international promotion of issues including eliminating hazardous substance and halogen-free products by iNMEI (International Electronics Manufacturing Initiative).

Brand Management
Brand Position
BenQ starts from the vision of “Bringing Enjoyment ‘N’ Quality to Life” and strives to become a leading company in technology product and integrated solutions, learning human life needs with its heart, devoted to digital life, corporate operation, medical care and educational learning fields, offering various innovative products that boost life quality, improve operational efficiency, bring complete health care and create flexible learning applications. The products include a series of projectors, special-use LCD displays, large business displays (interactive, digital signage), speakers, Internet wizards, consumer cloud products and WiT eye-protection smart lamps, Bringing Enjoyment ‘N’ Quality to Life.

External Brand Communication Focuses on Green Brand CSR
Besides providing technological innovation in living applications for consumers, BenQ strives to position itself as a green brand enterprise including a series of green activities such as green product design, green purchase, green production, green marketing, electronic and electrical waste recycle and reuse, connecting them and becoming the BenQ green value chain.

“Conserve the Nature, Realize Environmental Protection” has always been the major item of BenQ’s corporate cultural core value concept. Starting from 2004, the company introduced the green product concept, from meeting regulation requirements to voluntary “green product design” and “information disclosure”, BenQ’s products include the concepts of environmental protection and energy saving while winning the Energy Star certificate of the ROC (Republic of China). For example, the WiT smart lamp uses green material that is friendly to the environment instead of commonly-used cheap plastic materials; the lamp head and arm adopt aerospace engineering aluminum alloy materials that are light and strong, offering a better heat dissipation for LED lighting source and avoid doubts of plasticizer emitted by ordinary plastic lamp head in heat dissipation; for the joint part that requires strong and reliable qualities, WiT uses zinc alloy die casting manufacturing procedure that has a stronger characteristics, ensuring each adjustment of lamp joint is as good as its first usage; even for those parts requiring plastic materials, we avoid the spray painting method that is not environmental friendly and uses the purest design to care for the earth.

In 2019, BenQ joined the following associations/organizations relating to the information industry.

By 2019, BenQ believes that a good corporate culture can affect the behavior and thinking of employees, so that good thinking and action can incessantly influence and expand while further realizing CSR.
Corporate Social Responsibility

Corporate Social Responsibility (CSR) has always been the focal point of BenQ as a global citizen, and is the philosophy and cultural footing stone of the company. We incorporate CSR in our operational strategies including company policy, internal operational management model, various executional procedures and educational training plans.

For achieving corporate sustainability, we carry out the following according to CSR protocols:

- Obey Protocols
- Free Employment
- Treat with Humanity
- Forbid Discrimination
- Establish Communication System
- Sound Salary and Welfare
- Vocational Education
- Integrity Management
- Respect Intellectual Property Rights
- Open Information to the Public
- Promote Social Culture and Care for the Weak
- Promote CSR

BenQ Corporate Social Responsibility Committee

To better realize a comprehensive promotion of CSR, in July 2010, BenQ kicked off its CSR committee. By incorporate CSR goals in daily job goals, BenQ expects to promote CSR implementation in a more comprehensive way, achieving the horizon of co-existence and co-prosperity of person, corporate, society and environment.

BenQ CSR Declaration

Emphasize on making BenQ a green brand under an enterprise of stable profits earning and sustainable growth to fulfill Corporate Social Responsibility. With the achievements of economic growth, social responsibility and environmental protection, we hope that we can have a positive effect on society to create a better future and sustainable living, which is our consistent commitment.

Inclusivity

Inclusivity refers to the engagement and involvement of all stakeholders in creating accountable and strategic corporate sustainable development plans. BenQ has taken the following measures to abide by and meet the spirit of inclusivity:

1. Define stakeholders:
   Those who have an impact on our business operation, or on whom we have an impact.
2. Identifying stakeholders:
   Based on the definition of stakeholders, BenQ has identified the key stakeholders and made our commitments while defining our corporate mission (also the corporate sustainability development mission). The six key stakeholder groups identified are: investors, customers, employees, vendors, communities and NGOs.
3. Establishing the mechanism to incorporate stakeholder views into our corporate sustainability development:
   The six groups of key stakeholders listed above have substantial influence over our corporate sustainable development with regard to the topics they may hold interests in. BenQ has assigned each group with its own exclusive communication channel, and appointed corresponding departments to collect and respond to any questions that they may wish to share.

Materiality

Materiality refers to the thorough evaluation and assessment of the relative importance of the topics raised. It guides an organization to determine the relevancy and significance of an identified topic over its management operations, and thus to decide whether or not to incorporate it into the sustainability development report. BenQ follows the material identification process of GRI Standards to identify the material topics concerned by stakeholders each year.

BenQ mainly invites stakeholders to rate 43 topics cared by international society. A total of 111 response to the survey were received from the two groups—employees and vendors. Employees verify the impact rating of the topic on BenQ and suppliers assess the significance rating of the topic.

Two ratings were given from 1~10 to indicate level of low to high degree of significance/impact. Ratings were averaged respectively for the two groups and then the average ratings were ranked. As a result, there are 8 material topics as indicated in the following table. Lastly, BenQ will inspect whether the report already completely discloses related messages for the reference of next year.

Responsiveness

Responsiveness refers to the involvement of many functions in business operations as a measure to manage and respond to material topics, challenges and concerns. Two classifications are established in the process: major topics are to be reported and addressed in annual CSR report, and secondary topics are to be responded mostly through the assigned communication channels.
Table of Communication Channels with Stakeholders

<table>
<thead>
<tr>
<th>Stakeholders</th>
<th>Major Topics</th>
<th>Medium</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investor</td>
<td>1. Revenue</td>
<td>Quarterly business conference</td>
<td>Our company is not a public company and is 100%-owned by Qisda Corporation. Each month, BenQ reports business status to Qisda board of directors to let investors know about company operational status. In addition, through quarterly business conference, employees can offer suggestions or operational directions via the channel. In addition, BenQ releases material information via Qisda to raise the information transparency.</td>
</tr>
<tr>
<td>Customer</td>
<td>1. Environmental related substance</td>
<td>Customer service phone number</td>
<td>Via call center contact and website message, customers can learn about BenQ product information. Additionally, BenQ actively responds to various product regulations and proactively introduce energy-saving and carbon-reduction design, ensuring the product compatibility of channel customers.</td>
</tr>
<tr>
<td>Employee</td>
<td>1. Working environment</td>
<td>Daily e-letter</td>
<td>BenQ lets employees to control company material information, business status and future development by daily e-letter and monthly business conference. With various brand/culture events, video/poster promotion and employee questionnaire, employees can learn and further grow fond of company brand and culture. Also, BenQ stresses on various employee welfare. Each quarterly, the welfare committee and catering committee both inspect activity and welfare planning, as well as on-site catering vendors service and quality by their representatives. What’s more, it participates in Taipei Neihu Technology Park Development Association and Taipei Neihu Technology Development Association meetings, actively increasing the convenience of work and life.</td>
</tr>
<tr>
<td>Supplier</td>
<td>1. Supply chain management</td>
<td>Quarterly Business review (QBR)</td>
<td>Each Quarter, BenQ hosts business review meetings with suppliers and communicate about issues such as annual policy goal, green product specification and green supply chain management. For other products, we will decide whether to hold meetings according to operational status.</td>
</tr>
<tr>
<td>Community</td>
<td>1. CSR</td>
<td>Quarterly Taipei Neihu Technology Park Development Association</td>
<td>BenQ participates in Taipei Neihu Technology Park Development Association and Taipei Neihu Technology Development Association meetings, directly or indirectly cooperates with government regulation propaganda and provides feedbacks to do its best in CSR results. BenQ Foundation is the best endorser of our assistance/sponsor of various social charitable activities.</td>
</tr>
<tr>
<td>Non-Profit Organization</td>
<td>1. Environmental related substance</td>
<td>Mail box</td>
<td>Global environmental protection issue has become the active duty and responsibility of the manufacturer. BenQ collects related inquiries via company mail box, fax and phone. Related departments will study, analyze and</td>
</tr>
</tbody>
</table>

Table of Material Topics

<table>
<thead>
<tr>
<th>Item</th>
<th>Type</th>
<th>Issue</th>
<th>Chapter</th>
<th>Boundary</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Economic</td>
<td>Quality management</td>
<td>Brand management</td>
<td>Internal: ●</td>
</tr>
<tr>
<td>2</td>
<td>Economic</td>
<td>Quality</td>
<td>Quality management</td>
<td>Internal: ●</td>
</tr>
<tr>
<td>3</td>
<td>Social</td>
<td>Customer privacy protection</td>
<td>Customer privacy protection</td>
<td>Internal: ●</td>
</tr>
<tr>
<td>4</td>
<td>Social</td>
<td>Human right</td>
<td>Human right management</td>
<td>Internal: ●</td>
</tr>
<tr>
<td>5</td>
<td>Environmental</td>
<td>Product lifecycle evaluation</td>
<td>Quality management</td>
<td>Internal: ●</td>
</tr>
<tr>
<td>6</td>
<td>Environmental</td>
<td>Greenhouse gas and energy management</td>
<td>Climate change</td>
<td>Internal: ●</td>
</tr>
<tr>
<td>7</td>
<td>Health and Safety</td>
<td>Product health and safety</td>
<td>Customer health and safety</td>
<td>Internal: ●</td>
</tr>
<tr>
<td>8</td>
<td>Health and Safety</td>
<td>Chemical management</td>
<td>Product design improvement</td>
<td>Internal: ●</td>
</tr>
</tbody>
</table>

Distribution of Material Topics
Corporate Governance
Corporate Governance

Organizational Structure of Corporate Governance

In terms of corporate governance operation, BenQ regards the strengthening of board of directors operation as the highest creed. Our directors are all appointed by Qisda. There are four directors and one supervisor, all legal representatives of Qisda. Our chairman is K.Y. Lee, who does not take other duties in our companies. Our directors and supervisor are all professional managers well familiar with company business operations.

In addition, according to the second section of the 14 article of the Securities and Exchange Act, public companies should have independent directors. Since our company is not a public one, we do not have any independent directors. Despite so, the members of our directors and supervisor selected by shareholders all have more than five years of related experiences of business, legal, financial, accounting or required business of our company. Qisda encourages its management team members to participate in continuous learning to improve the knowledge of the highest governing unit for economic, environmental and social issues.

For public information of our directors and supervisor, search for the commerce industrial registration information at the Commerce Industrial Service Portal search system.

Members of BenQ Directors and Supervisor

Peter Chen
- MBA, IMD Business School, Switzerland
- BA, Electrical Engineering, National Chiao Tung University
- Director, AU Optronics Corp.

Current extra position at BenQ and other companies
- Director, BenQ Corporation
- President, BenQ Product Technology Center

Conway Lee
- MBA, South Mississippi University
- Chairman, BenQ Materials Corp.

Current extra position at BenQ and other companies
- Director and President, BenQ Corporation
- Chairman, BENQ ASIA PACIFIC CORP.
- Director, BenQ Materials Corp
- Director, BenQ (Europe) Corp
- Director, BenQ (North America) Corp.
- Director, BenQ (Latin America) Corp.
- Director, BenQ Foundation

Felix Huang
- MA, Dept. of Management Science, National Chiao Tung University
- BA, Electric Control Engineering Dept. National Chiao Tung University
- Director, BenQ Biotech (Shanghai) Co., Ltd.

Current extra position at BenQ and other companies
- Director, BenQ Corporation
- President, BenQ Corporation Product & Marketing Strategic Center
- Director, Zowie Gear
- Chairman, QCSH
- Director, BenQ Intelligent Technology (Shanghai) Company Limited
- Director, BenQ Intelligent Technology (Hong Kong) Company Limited

Jasmin Hung
- MBA, California State University, Fullerton
- CFO, BenQ Materials Corp.

Current extra position at BenQ and other companies
- Supervisor, BenQ Corporation
- CFO, Qisda Corporation
- Director, DATAPlage Corporation
- Director, SYSSAGE Technology Co., Ltd.
- Director, Simula Technology, Inc.
- Director, Darfon Electronics Corp.
- Director, K2 International Medical Inc.
- Chairman, Darly Venture Inc.
- Chairman, Darly Venture Ltd.
- Chairman, Darly Consulting Corporation
- Chairman, BenQ Healthcare Consulting Corporation
- Supervisor, QISDA OPTRONICS CORP.
- Chairman, BenQ Corporation
- Director, BenQ (Hong Kong) Limited
- Director, BenQ (Nanjing) Medical Center Consulting, Ltd.
- Director, BenQ Biotech (Shanghai) Co., Ltd.
- Director, BenQ (Nanjing) Medical Center Consulting, Ltd.
- Director, BenQ (Shanghai) Medical Center Ltd.
- Director, BenQ (Shanghai) Venture, Ltd.
- Director, Qisda (HK) Corp.
- Director, Darly Venture (HK) Ltd.

K.Y. Lee
- MBA, IMD Business School, Switzerland
- BA, Electrical Engineering, National Taiwan University
- Chairman, Qisda Corporation
- Director, AU Optronics Corp.

Current extra position at BenQ and other companies
- Chairman, BenQ Corporation
- Director, Qisda Corporation
- Director, AU Optronics Corp.
- Director, BenQ Materials Corp
- Director, Darfon Electronics Corp.
- Chairman, BenQ Foundation
- Director, BenQ BPI Holding Corp.
- Director, BenQ BPI Holding Cayman Corp.

Corporate Governance Status

The corporate governance operation of BenQ follows Taiwan’s Corporate Governance Best Practice Principles and can be divided into five principles as follows:

- Protect shareholder’s rights
- Strengthen board of director competency
- Fulfill supervisor function
- Respect stakeholder rights
- Elevate information transparency

Our board of directors operation prioritizes the interest of company and all shareholders. Each quarter, the board proceeds with operational evaluation and material decision. For major events, the board also urgently convenes interim board of directors meeting. If the decision of the meeting may damage the company’s rights due to interest conflict of directors, our members will avoid such incident from happening according to the fifteenth article of our board of directors rules of procedure.

Besides regular management of board of directors for the company, the supervisor and accountant also play the role of supervision, inspecting the status of execution of related business of the company and board directors in a careful manner to reach the aforementioned corporate governance principles of protecting shareholder’s rights, strengthening board of directors competency and fulfilling supervisor function.

Communication with Investors

For respecting interest party rights and improving information transparency, we will lawfully announce material information via parent company Qisda Corporation, informing interest parties and improving information transparency to reach the goal of corporate governance.

Striving to create profits for shareholders and further giving feedbacks to the society have always been our basic belief. We support and promote operational transparency and fairness of information delivery for shareholders, customers and interest parties to have a unified channel to obtain instant business and financial information of BenQ.

We are not a public company and are owned 100%
by Qida. We report to Qida's meeting of board of directors about our business overview for investors to understand our operational status. Also, we convene business briefing each quarter for employees to offer suggestion or operational direction.

Furthermore, for performance management of employees and executives, we set a half/year goal every half year and decide on performances according to the goal-reaching status to issue bonus for management performance of meeting of board of directors, annual shareholders' meeting will decide on the rewards for directors.

In the future, we will maintain a healthier decision and executional organization, continuing to improve our operational efficiency and realize corporate governance via actions.

**Operational Status**

**Financial Performance**
The operational revenues in 2019 reduced 5.71% from NT$17,572,083,000 to NT$16,568,984,000 whereas operational profits declined NT$1,152,315,000.

For our asset sunability/sunvet value and above-listed operational revenues/net profit information, please refer to the 6. Affiliate Operational Overview in the segment of affiliate information in the annual report information disclosed at the Taiwan Stock Exchange (TSE) Market Observation System (MOPS) by parent company Qida.

Our company set pension according to regulations in 2019 and issued pension for our retired employees.

**Operational Description**

**LCD Display Product:**
In 2019, the overall market slight grew while LCD display shipments declined and global market share slid 0.1%. we continued to promote marketing of professional gaming, high-end professional and eye-protection displays focused on target audience, continued to precisely communicate with them and strengthen brand image; worked closely with professionals of various fields; increased the depth and frequency of communication content according to the focus of consumers in special topics and strengthened BenQ’s professional brand image.

**Projector Product:**
The segment continued to be the second top global projector brand and the top DLP projector brand for the 11th year. The branded projector segment of BenQ had 11% of the market. It took the top share of the 4K market in Asia Pacific and Middle East and continued to combine its “CinematicColor™ exclusive color management technology”. Not only does it have a high resolution, it meets the Rec.709-DCI-P3 color gamut of the movie industry to cultivate further the home market. The development and application of business models were gradually realized while we promoted the smart projectors from China to the global market to improve competitiveness; keep cultivating our professional market segments; applying in segments such as interactive entertainment, sports/flight simulation and digital media art.

**Industry Overview and Impact**

**I. Industry Status and Development**

**LCD Display Product:**
In 2019, the volume of global LCD display market rose with a slight 0.6% according to market survey. For 2020, since the COVID-19 (coronavirus disease 2019) disease has changed human life, to control the disease from expanding, work from home is on the rise, with over one billion students studying from home globally, creating a demand surge for purchasing computers at online stores, pushing an obvious growth in end-user demand. However, restricted by an unsmooth supply chain, demand still surpassed demand significantly. The management and deployment of purchase sales and inventory are vital. In 2019, panel prices jumped, new capacity from China ramped up, Korea-based companies started vastly adjusting operations-reducing capacity and manpower since September, 2019 and gradually announced plans to speed up shifting capacity from LCD to OLED (organic light-emitting diode), fully invested in developing the new-generation display technology. From the viewpoint of the general industry environment, China is expected to reallocate its resources while reducing the subsidy amount on China-based panel makers. With the exit of LCD market announced by the Korean makers, the general demand and supply competition of the panel industry will be more sensible. Our company will strive to develop large-size and differentiation of products to improve added value, strengthen supply chain, improve vertical integration while keeping an appropriate economy of scale to maintain an overall competitiveness.

**Projector Product:**
According to market survey, in 2019, global shipments of projectors of above 500-kams were around 6.1 million units. In 2020, due to the dual impact on the business and educational projector markets by the small projectors and large-size panels, the overall projector market is expected to decline 16%. The percentage of high-brightness, high-resolution and no-lamp projectors continued to surpass 50%, the high-resolution 4K home market grew; small projector integrating streaming service is the rising star of home projectors. Our company will continue to develop professional high-end products while applying new lighting sources with various efforts to improve the competitiveness of different market segments.

**II. Industry Development Trend and Competition Status**

**LCD Display Product:**
The LCD display market has matured and saturated. In competitiveness of the industry, besides considering costs and delivery flexibility, various new functions, differentiation and special applications such as niche products including gaming, cloud connection, wireless application or high-color, high-brightness and HDR (High Dynamic Range) ones are all opportunities of brands and system assembly companies to work and develop together. In addition, system assembly companies can improve add value and product design differentiation ability with vertical integrating the upstream panel module assembly and design fields.

**Projector Product:**
Projector products have saturated in the business and educational markets. In the trend of work/study from home, projectors not only have to grow in brightness and resolution in the future, but integrate meeting room equipment and can be compatible with long-distance meeting and mobile devices to increase the replacement willingness of users. In the home segment, with popularity of digital audio/video streaming and personal smart devices, projector applications in home audiovisual entertainment, personal entertainment and parent/child co-learning will contribute to major revenue sources.

**III. Market Analysis**

**LCD Display Product:**

A. **Advantages:**Digital marketing is on the rise, especially for niche products (such as high-end professional and gaming display), so that brands can directly communicate with end users via digital marketing, accumulating understanding of specific TAI’s requirements, further delivering brand and product values and expand sales volume.

B. **Disadvantages:**The industry is becoming mature whereas large players keep their positions and it is hard to maintain an economy of scale for the industry.

C. **Counter Measures:**
   a. Provide full-size LCD display products and use existing advantages to continue promote large-size and high-end special application display revenues, ensure the strategic relationships of panel supply chain is valid.

   b. Vertical integration tasks including extending the added value of supply chain (such as panel module assembly), integrating design and manufacturing of panel back-light module and display, improving in-house percentage of metal and plastic parts.

   c. Improve product mix, use the vertical integrating of key components and technical leading ability advantages of the group to continue to promote percentages of large-size/high-end professional display products.

   d. Product market segmentation; with the arrival of multi-screen age, develop related display products to increase the product added value, avoid pricing competition, raise average selling price (ASP) and gross margin.

   e. Cultivate digital marketing ability.

**Projector:**
A. **Advantages:**Branded projector market is becoming...
regularly participates in RMC meetings while offering
risk management tools to optimize risk
management, we can effectively manage
risk transference, considering four risks: strategy,
operations, finance, and hazard. The incidents are further divided into
goals into four types: strategy, operation, finance
and hazard. At the meetings, we collect instant information of the
scenario, integrate, evaluate, judge and make decisions
during which we collect instant information of the
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The RMC convenes each quarter. It divides incidents
that may affect the company in reaching operational
goals into four types: strategy, operation, finance
and hazard. The incidents are further divided into
internal and external issues with risk radar chart to
manage.

In 2019, there were five RMC meetings, including
four regular meetings and one interim meeting.

II. BCM Achievements
Continue to add or establish BCPs for major emerging
risk scenarios.

Emergency Coping Group Joint
Defense Mechanism
Since BenQ Group and Qisda/BenQ are important partners in the supply chain, with the establishment
of group joint defense mechanism, we strengthened
the damage defense mechanism with experience and
resource sharing spirits while elevating emergency
coping ability and reducing damage losses.

We have participated in five company regular joint
group meetings in 2019 to enhance risk awareness and
strengthen risk response capabilities.

Financial Risk Response
Global currency fluctuation is dramatic due to
unstable international political and economic matters and
continued intensification of China-US trade
crisis. BenQ follows its policy in not making in
large-scale loans and high-leverage investments, not lending
its funds to non-interest parties and not endorsing and
guaranteeing for non-interest parties. Derivatives
product deals are under the strategy of avoiding risks
and the company does not participate in opportunistic
deals. Therefore, BenQ did not have any related
operational risk in derivatives product deals in 2019. In the future, BenQ derivatives product deals
will still be under the principle of avoiding risks
caused by fluctuation of exchange and interest rates
and the company will continue to assess regularly
foreign exchange position and risks to lower company
operational risks. Recently, commodity prices have
steadily risen and BenQ will still closely monitor the
status of inflation, appropriately adjusting product
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Business Continuity Management System (BCMS)
I. Business Continuity Management Policy
For the major risk scenarios identified by the RMC,
BenQ have compiled BCPs to manage: Identify and
prevent before the incidents happen; respond and
minimize damages when they happen; recover and
transfer risks after they happen.

With realizing corporate risk management structure
and BCMS, we ensure the continuous operation of the
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time brought by the disasters.
Supply Chain Effect while investigating in full scale about their coping ability or communicating with them about the suitable response methods for BenQ to adopt the most appropriate prevention measures for its supply chain, avoiding operational damages, further impacting rights of interest parties.

### Vendors Risk Assessment Structure

#### Periodic Vendor Risk Assessment
- **Continuous Operational Risk Assessment**
  - Company Information
  - Vendor’s customer status
  - Manufacturing system and facilities
  - Investment and continuous product planning
  - Financial Status
- **Major Risk Assessment**
  - Natural disasters and epidemic diseases
  - International financial crisis (tariff, currency rate, bond, etc)
  - Military coup issues
  - Legal issues
- **Payment Investigations**
  - BenQ vendor payment collection status.

#### Key Impact and Risk/Opportunity

<table>
<thead>
<tr>
<th>Key Impact</th>
<th>Risk</th>
<th>Opportunity</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>US/China Trade War</strong></td>
<td><strong>Starting from September 1, 2019, the US will impose a 10% customs tax on China’s 300 billion goods</strong></td>
<td><strong>PRJ: 1. Prepare products in advance 2. Evaluate change of LCD plant production: Models for the US shifted to Vietnam</strong></td>
</tr>
</tbody>
</table>

### Climate Change Risk Assessment
IPCC (Intergovernmental Panel on Climate Change) has issued five climate change assessment reports since 1990, hoping to provide responsive strategies for climate changes and arouse the attention of people. Currently, the observed climate change phenomena such as global warming are mainly caused by over-emission of greenhouse gas (GHG) by human activities; climate change has caused major impact on global ecological system, water resources and coastal areas and direly or indirectly impacted human life. Hence, governments and enterprise of various countries have set reduction of greenhouse gas as indispensable responsibility and duty of sustainable development.

With the passing of domestic law, Greenhouse Gas Reduction Act, and international one, Paris Agreement, there will be more and more emphasis on the carbon management issue. BenQ understands the possible risk and impact aspects of climate change.

### Supplier Requirements

<table>
<thead>
<tr>
<th>Required Item</th>
<th>Disclosure Method</th>
<th>Required Timing</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>ISO 9001</td>
<td>Certificate</td>
<td>When new vendor starts implementation</td>
<td>If unable to provide certificate, required to provide implementation or improvement plan</td>
</tr>
<tr>
<td>ISO 14001</td>
<td>Certificate</td>
<td>When new vendor starts implementation</td>
<td>If unable to provide certificate, required to provide implementation or improvement plan</td>
</tr>
<tr>
<td>OHSAS 18001</td>
<td>Certificate</td>
<td>When new vendor starts implementation</td>
<td>If unable to provide certificate, required to provide implementation or improvement plan</td>
</tr>
<tr>
<td>SA 8000</td>
<td>Certificate</td>
<td>When new vendor starts implementation</td>
<td>Those fail to provide certificates should provide RBA Responsibility Business Alliance Report or BSCI Social Responsibility Certificate. For those unable to provide the above-mentioned certificates, they should sign a letter of undertaking each year or fill out a questionnaire each year.</td>
</tr>
<tr>
<td><strong>Green Product</strong></td>
<td>Disclosure Method</td>
<td>When developing new product</td>
<td>Strategic purchase unit promotes during quarterly business review meetings.</td>
</tr>
<tr>
<td><strong>Conflict Mineral Report</strong></td>
<td>Disclosure Method</td>
<td>Major suppliers of LCD/PRJ/PDP are required to provide Conflict Mineral Reporting Template</td>
<td>Strategic purchase unit promotes during quarterly business review meetings. Currently, companies providing Conflict Mineral Reporting Template are Qista, TPV, Delta, Foxconn AND CVTE</td>
</tr>
</tbody>
</table>
we believe in using our talent, innovative R&D ability and fair risk management ability, we can transform risk into opportunity. Besides tackling in green consumer market with environmental-awareness, BenQ can do its best in fulfilling environmental protection and CSR, further improving the brand’s green image and reaching sustainable development goal.

- **Risk/Opportunity in Various Aspects**

<table>
<thead>
<tr>
<th>Impacted Area</th>
<th>Potential Risk</th>
<th>Advantage and Opportunity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance</td>
<td>Increased costs by such as energy / insurance / shipment ones</td>
<td>BenQ actively observes possible additional costs incurred out of climate change and developments trends of GHG management acts/ regulations of various countries; in low-carbon economy, BenQ has deployed green energy industries in advance.</td>
</tr>
<tr>
<td>Management</td>
<td>Risk management strategy and ability</td>
<td>BenQ regularly assess and tracks risk management, and studies/compiles strengthening crisis management procedure</td>
</tr>
<tr>
<td>Product and Service</td>
<td>Green procurement/low-carbon product</td>
<td>BenQ team has strong innovative power in R&amp;D, having launched various low-carbon/energy-saving products.</td>
</tr>
<tr>
<td>Supply Chain</td>
<td>Product supply chain carbon disclosure / carbon footprint inventory</td>
<td>Major BenQ vendors have started establishing the ability of lifecycle/carbon footprint inventory; BenQ prioritizes forwarders with more energy-saving transportation service.</td>
</tr>
</tbody>
</table>

- **Code of Conduct**

Integrity operation is the most basic social responsibility of an enterprise and this is beneficial for company operation and long-term development. Unethical matters not only bring losses to an enterprise, but give rise to problems such as low employee ethical level and no trust from customer and business partner. This may even bring the employee ethical level and no trust from customer and business partner. When our employees leave posts, retire or are no longer involved in our business, their personal data are destroyed after keeping for five years according to law. Our employees can also log in to their personal account via internal company website to edit and change their personal information; in addition, we regularly perform information security risk assessment and audit to ensure no risk will happen.

- **Political participation:**

When protecting the freedom of employees in participating politics, we have political participation regulations to avoid illegal matters such as bribery and lobbying. For company to participate in political activities, it is required that local laws are strictly followed and the act have been carefully judged. If we would like to participate in political donation using company’s name, it is to be very carefully evaluated and after official authorization of the management team for proceeding with the activities. It is strictly prohibited that anyone use company’s name in supporting specific political candidate, political stance or donate politically. The related information and detail of lobbying activities should be completely transparent for checking.

Our code of conduct is disclosed at our company website and internal website homepages. When each employee opens his/her computer, he/she can enter from internal website homepage link to check on the detailed content. We will deliver code of conduct such as “do not receive external gifts” as e-newsletters to the email account of each employee at major holidays such as dragon-boat and mid-autumn festivals and Chinese New Year, as well as other necessary timing, reminding and strengthening our employee knowledge of following related regulations. Within 90 days of arriving at the post, new employee will receive two-day New Comer Program and four days of Win Camp of our group. During the trainings, teachers will speak about company values, code of conduct, corporate culture and policy regulations, delivering key points and policy items to be promoted related to the code of conduct. Additionally, each employee will participate in the events each year; the finish rate of such trainings in 2019 is 100%. Through various channels in promoting integrity-related code of conduct, there were no case of violation of our integrity principle from our employees in 2019, nor did we receive any report cases.

Our company has a “Report and Appeal Management Guideline” and is posted on internal and external websites. For serious inappropriate manners as to violation of principles such as integrity, interest conflict and avoidance, fair trade, bribery and illegal payment, or behaviors such as illegal and inappropriate treatment, we have a set of complete appeal and report operational procedure. Once we discover violation of integrity philosophy by someone or related to some matter, or regulations of integrity principles are violated, our employees can directly deliver the message to the president via our president mailbox for the highest executive of the company to deal with; employees and external parties can also report or appeal via the integrity email: Integrity@BenQ.com (using Chinese, English or other local languages) for responsible units to investigate and finish investigation report within a month. Should the matter be verified, it will be handled by Human Resource Evaluation Committee. Our company strictly guarantees the confidentiality of the whistle-blower to ensure his/her safety to avoid from being retaliated.

For various operational procedure of daily business activities, we design an appropriate internal control mechanism for operations with corruption risks and the Risk Management Committee will be responsible to identify corruption risk, HR is responsible for training and auditor will be responsible to verify the realization of related mechanism to reduce the possibility of corruption behavior occurrence and prevent it from happening. The auditing unit will regularly evaluate the management effect of internal control mechanism, while collecting suggestions of high-end executives of each department on various potential risks (including fraud and corruption) to compile appropriate audit plans and use these to perform related checking, reporting to the Audit Committee and Board of Directors each year.
regularly about the result of the checking for the management team to understand the current status of corporate governance and reach the end of management. In 2019, our regular internal control risk evaluation and substantial checking including three major issues, financial report, purchase operation and sales operation, does not reveal any major corruption risk and incident.

Legal Compliance

With business services around the world, BenQ should pay close attention to any amendment in policies or regulations that affect our business operations in those countries. Therefore, BenQ has established a complete set of corporate guiding principle that incorporates relevant policies and regulations in Taiwan and other countries from where our business operates to determine our corporate governance structure and business implementation. The content covers personal information protection and confidentiality, anti-bribery, anti-discrimination, environmental protection, intellectual property protection, anti-insider trading, anti-unfair competition, and labor protection.

BenQ has established a management and control system. Furthermore, we employ audit approaches as a safeguard for our complete compliance. All employees at BenQ participates in compliance with bylaws and regulations. We encourage collaboration among business units to increase the efficiency of our execution. Within our corporate, we ask all employees to take proactive roles in anti-corruption prevention to remain the highest level of integrity, meanwhile provide a safe, healthy and pollution-free working environment to ensure the safety of our workforce.

In regard to product design and manufacturing, we reduce the use of environment-related substances to the lowest possible level in order to comply with environmental regulations and reduce the environmental impacts.

In 2019, BenQ continues to impose internal Antitrust Act compliance including e-newsletter delivery, online program training and related poster advertisement. We also actively promoted GDPR compliance matters to cope with the reinforcement of EU GDPR.
Environmental, Safety and Health Management
Environmental, Safety and Health

Social Accountability and Environmental, Safety & Health Policy

BenQ Corporation executes the Social Accountability and Environmental, Safety & Health Policy with the following guiding principles:

- **Executional Policy:**
  - Internal inspection, review and improvement to ameliorate employee rights
  - Invest in green product design, striving to reduce pollution impact, responding to environmental protection and doing best of environmental citizen
  - Actively prevent pollution and implement energy saving, continually improve to maintain safety and health
  - Follow and conform to governmental standard and law and meet client request
  - Promote and educate the importance of environment, safety and health for employees to fully understand and implement related ideas

- **BenQ Social Accountability and Environmental, Safety & Health Policy**

Environmental Safety Health Organization and Responsibility

To fulfill the management of environmental safety health, BenQ president asks divisional heads to form the “Social Responsibility and Environmental Safety Health Management Committee” and appoints a management representative for management of various safety matters and forms a promotional team according to company organization. The policy direction of environmental safety health execution is ruled by the president while the management representative and promotional team proceed with elaborate planning and realization. With regular social responsibility and environmental safety health management examination meeting, member of the committee can control the execution performance and offer future key directions.

Environmental Safety Health Certificate and Monitor

BenQ headquarter has implemented ISO 14001 Environmental Management System and OHSAS 18001 Occupational Health and Safety Assessment Series and has obtained certificates. Currently, the aspects of our certification and monitoring on environmental safety health are as follows:
- Annual internal audit for each department to observe and supervise each other.
- Annual invitation for third-party certification authority to launch external audit.
- Ask vendors’ cooperation, value and strive to protect environment and maintain employee safety health together.

Waste Management

BenQ’s waste management method is active management. In overall reduction, the company continues to enforce energy-saving and waste reduction activities. In source management, the company actively realizes waste classification and recycling, dramatically reducing waste generation and increase resource recycling volume to reach the goal of waste reduction. BenQ also holds 3R energy-saving, waste reduction competition for the habit of energy-saving and waste reduction to be realized in corporate culture in a comprehensive way. With the competition, each department can

Social Responsibility and Environmental Safety Health Management Committee Organization Chart

ISO 14001, OHSAS 18001 Certificates
strengthen the promotion of energy-saving ability, encouraging employees to actively participate in energy-saving and waste-reduction actions so that BenQ can become a true earth-loving green brand. The wastes BenQ creates are general waste, paper, aluminum can, metal can, PET bottle, plastic bottle, aluminum foil package and kitchen waste. In its operations, there are no hazardous wastes generated as defined by the Basel Convention. The performance of waste management and 3R energy-saving, waste-reduction competition in 2018 is shown in the table below.

### 2019 Water Quality Examination

<table>
<thead>
<tr>
<th>Examination Date</th>
<th>Standard</th>
<th>Examination Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Item</td>
<td></td>
<td>2019/11/21</td>
</tr>
<tr>
<td>Index of hydrogen ion concentration</td>
<td>ph5~9</td>
<td>8.6</td>
</tr>
<tr>
<td>Water temperature</td>
<td>45 degree Celsius</td>
<td>24.5</td>
</tr>
<tr>
<td>Suspended solid</td>
<td>600 mg/l</td>
<td>403</td>
</tr>
<tr>
<td>Chemical oxygen demand</td>
<td>1200 mg/l</td>
<td>958</td>
</tr>
<tr>
<td>Biochemical oxygen demand</td>
<td>600 mg/l</td>
<td>395</td>
</tr>
<tr>
<td>Total oil</td>
<td>Mineral oil 10 mg/l</td>
<td>0.7</td>
</tr>
<tr>
<td></td>
<td>Animal and vegetable oils 30 mg/l</td>
<td>27.8</td>
</tr>
<tr>
<td>Sulphide</td>
<td>90 mg/l</td>
<td>0.08</td>
</tr>
</tbody>
</table>

### Ecology Management

With all of BenQ’s manufacturing sites located within industrial parks, the company does not own, lease or manage any manufacturing facility located within ecological conservation areas or water conservation areas. It does not engage in any kind of activity that creates a negative influence toward biodiversity. It is BenQ’s commitment to ensure that during its product manufacturing and service process, it does not present a negative influence on the ecology.

### Climate Change

BenQ established a comprehensive greenhouse gas emissions inventory in accordance with the ISO 14064-1 and GHG protocols. Annual greenhouse gas inventory verification is performed by an independent third party. The 2019 result of greenhouse gas emissions inventory of its global manufacturing sites has passed ISO 14064-1 third-party verification.

Additionally, BenQ does not rely on groundwater abstraction for operational purpose and the company building has air conditioned condensate recycling usage system. Recycled water is mostly used in spraying planted green plant and toilet flush. BenQ headquarters only uses few chemical solvent in product design process and there is no chemical solvent leakage during the process.
Striving to fulfill its philosophy of CSR, BenQ will not stop in greenhouse gas inventory despite no major changes. We continue to proceed with related projects of greenhouse gas reduction to stay compatible with the issues of international society in reducing greenhouse gas emission.

Environmental protection has always been one of the focuses of BenQ. Global warming and GHG have received more attention, and BenQ has strived in saving energy and reducing carbon, with various improvement measures having strong performance results.

### Direct and Indirect Energy Use in 2019 *

<table>
<thead>
<tr>
<th>Item</th>
<th>2019</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Direct Energy Consumption</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Natural Gas (1,000 cubic meter)</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Gasoline (kl)</td>
<td>4.9</td>
<td></td>
</tr>
<tr>
<td>Diesel (kl)</td>
<td>1.06</td>
<td></td>
</tr>
<tr>
<td>Refrigerant (ton)</td>
<td>0.063</td>
<td></td>
</tr>
<tr>
<td><strong>Indirect Energy Consumption</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchased Electricity (10,000 MWh)</td>
<td>1026.61</td>
<td></td>
</tr>
</tbody>
</table>

* 1. The standard, methodology and assumption used for calculating internal energy consumption: Total energy consumption is added up by the volume of electricity recorded on the electricity bills.  
2. Joule conversion: Use Indicator Protocols Set; the conversion table offered by the direct energy consumption by primary energy source of EN3 of EN.

### GHG Reduction Measures

#### Equipment Change and Improvement
1. Lighting uses electricity-saving lamp  
2. Chiller equipment to improve and increase performance  
3. Use of LEDs in emergency escape lighting  
4. Use of LEDs in office  
5. Stadium lamps use LED instead  
6. Restrooms lamps use LED instead  
7. Type of elevator-lighting changed to LED

#### Energy-Saving Measure
1. Chiller equipment operations management  
2. Implement BenQ Esco energy-efficiency management  
3. Independent, area-specific air conditioning management  
4. Manage and stop usage of electrical equipment according to consumption  
5. Energy saving activities in the office  
6. Night-time energy management  
7. Install timer for water dispenser  
8. Adjust lobby air-conditioner opening time  
9. Adjust office air-conditioning closing time
Product and Service
Marketing Promotion

All BenQ marketing promotional activities follow local regulations, respect intellectual property right, customer right and compete in a fair way; BenQ did not violate marketing promotional regulations in 2019.

BenQ strives to create green products, leading the industry in realizing environmental protection and promote low-carbon society. The company uses actions to realize CSR, employs ecoFACTS mark on its product package and advertisement materials, actively disclose “energy-saving, carbon-reduction degree”, “refuse usage of hazardous substance” and “material recyclable usage rate” of its products to the consumers. Not only can this satisfy consumers’ right to know, they are encouraged to buy green products to reduce pollution to the earth.

Customer Promise

Qisda gives top priority to the satisfaction of our customers and business partners on quality, specification, cost and due date of delivery to continuously sustain the satisfaction of customer needs. In addition, to timely respond to and meet the various demands from our customers, we set up global customer service center at headquarters and Taiwan customer service department for Taiwanese customers to fully understand “Voice of Customer”. CSD provides our customers with speedy and strong supports, assisting our customers in solving problems regarding product purchase, usage, maintenance and technical supports.

Customer Service

To serve a wide range of customers, BenQ has upheld the innovative spirit, offering various products and information as well as technical support services for various customer needs. We continue to adhere to the creed of “integrity, lean, keep promise” to ask our employees to listen to the customer and learn their true needs to fulfill them. We take the angle of customers as our overall service model. BenQ’s customer service department demand itself in an ever-better attitude, realizing a fair relationship with consumers and partners.

Customer Satisfaction

The truthful opinion feedbacks of consumers and business partners have been the source of progress and leadership of BenQ. Therefore, BenQ regularly collects immediate responses of clients and ensure their needs are understood and satisfied. For the acknowledged advantages, we keep doing our best. For the adjustable parts, we provide feedbacks to related departments for improvements so that we meet customers’ needs and changes of trends.

Customer Satisfaction Survey

Major Operational Location

Taiwan is a major operational location of BenQ and our Taiwan office launches customer satisfaction survey each month, with Customer Care Center (CC) conducting the survey via phone calls, asking customers to evaluate and suggest on our company’s overall products and after-sales services. CC will then compile and deliver the results to related departments for them and high-end executives to examine customer demands in a comprehensive way, followed by clarifications of items with the departments and appropriate adjustments of flows to improve product and service quality.

Major Product/Service Type

BenQ mainly produces large-size LCDS, Large commercial LCD displays, projectors and eye-protection smart lamps. For the end users of the repaired parts of the five products of the month, we took 7% of them for maintenance service satisfaction survey, with items including personnel service attitude, maintenance time/efficiency and overall service satisfaction rate.

Customer Satisfaction Survey Results

The overall service satisfaction rate of repair-service customers averaged at 94 in 2019. While keeping its advantages, BenQ also reviews in depth possible improvement areas. The attitude of prioritizing its customers enables BenQ to continue launching integration and improvement, hoping to establish a more efficient customer service platform; solve all customer problems with a swift and concrete fashion and provide a sound and fair communication channel. We hope by a more advanced customer service management, we can provide the best service quality to establish a fair partner relationship.

Customer Privacy Protection

BenQ provides its promise to clients that it values information safety. During business behavior, customer privacy is intact. Besides the necessity in internal promotion of information safety, BenQ’s confidential documents are protected and are under authorization control. The documents are also regularly destroyed. Except for related operational staff employees of no close relationship with related tasks should wait for executive approval to have partial access.

In 2019, there were no external appeals verified by the organization, or appeals from authorization entities; nor were there any incidents of information leakage, theft or loss of customer information.
Quality Management

Quality Vision and Strategy
Starting from the vision of Bringing Enjoyment ‘N’ Quality to Life, BenQ strives to become a leading company in IT products and integrated solutions, learning about human life demands with heart, investing in a fashionable life, corporate operation, medical equipment service and educational learning areas, offering diversified innovative products that improve living quality and operational efficiency, bring complete health care and create flexible learning applications. The products include full-series projectors, large-size eye-protection LCD series, professional design and filming displays, gaming LCD displays, large business displays (interactive, digital signage), Bluetooth speaker and smart eye-protection lamps for Bringing Enjoyment ‘N’ Quality to Life.

Design and Technology Based on Human Beings
BenQ thinks that design and technology should meet the real demand of human beings to deliver the best functions. The concept is deeply rooted in our human-based design and technology integration utilization.

The BenQ brand product development strategy is as follows:
2001-2006 BenQ strived to realize the brand promise of “Enjoy Happy Technology”, deliver innovative digital fashion products to people.
2007-2017 BenQ continues to extend the corporate vision “Bringing Enjoyment ‘N’ Quality to Life” to LIFE, expanding to corporate solution products for the key aspects of human life such as new business medical service, medical equipment, software service and integration service.

LIFE Introduction (Bringing Enjoyment ‘N’ Quality to Life)
LIFE business deployment include the following four areas: fashionable life, corporate operation, medical equipment service and educational learning.

BenQ learns about human life demand with heart, invests in a fashionable life, corporate operation, medical equipment service and educational learning areas, offering diversified innovative products that improve living quality and operational efficiency, bring complete health care and create flexible learning applications.

BenQ thinks that design and technology should meet the true needs of people to have the best function. The belief is rooted in our design that is based on human beings while integrating and using technology in it such as the products of low-blue light and eye-protection displays that lead the markets.

Better Digital Fashionable Life
Digital products and living solutions using the newest technologies; create high-standard digital fashionable life

Highly-Efficient Corporate Operation
Complete and advanced medical equipment service
Fleixlbly-applied educational training; Business and professional product and equipment
Corporate operation and smart integrated solution
Improve productivity and competitiveness

Complete and Advanced Medical Equipment Service
Medical service centered on patients
Advanced medical technology and equipment
Personal aesthetic medicine product
Create high-quality healthy life

Innovative digital learning equipment, no matter where you are, you can more flexibly learn

Flexibly Applied Educational Learning
BenQ wins various global and regional award recognition by basing on human being, having beauty and function and green environmental design concept.

BenQ strives to enforce quality management system (ISO9001), medical equipment quality control system (ISO13485); its products should meet requirement of green product hazardous substance restriction of usage.

BenQ chairman, president and vice president are the highest responsible people of BenQ’s quality system, overseeing and establishing various responsible staff and quality control organization, realizing the requirement of quality/green product hazardous restriction of usage throughout the company and employees. They also let the thinking of all members of the company to meet the importance of regulation and law requirements, company quality policy, quality goal and customer requirement via various communicational methods such as educational training, official website announcement and propaganda card, while reviewing the management system appropriateness and resource usefulness during management review meetings.

We expect to pursue continuous improvement and problem prevention in the most economical way to continue improve process, lower deficiency, reduce waste, improve quality while meeting requirement of EU RoHS directive, so that our products meet the expectation of the society and have lowered impact on the natural environment.

Supplier Quality Requirement
BenQ starts its requirement action from the review of Quality Vendor List (QVL), listing in the WI of supplier survey that suppliers shall provide ISO9001(TAF), ISO14001, OHSAS18001 and SA8000 certificate copies (or EICC report).

Certified BenQ suppliers should reach the strict level that BenQ rules for design/develop (design innovation) and manufacturing (quality) to pass the QVL review and become certified suppliers of BenQ. BenQ suppliers all win global quality management system or other global management system standard verification and perform related activities with accuracy.

Internal Quality Requirement
BenQ has unique B System
BenQ (Bring enjoyment n Quality to life) means that the company brings the truth, goodness and beauty of information life to the society while meeting customers’ demand, let them enjoys happy technology and a better life quality. With such operational belief, we design a complete set of product development system, dividing the lifecycle of a product from initial idea to the termination phase into six phases (B0-B6) according to tasks and management purposes of various phases.

Besides striving to innovate new products and functions, letting consumers to enjoy happy technology, we respect the influence of quality brings to the society. Therefore, we have built a quality management system meeting the international standard. With high-end executive promise, audit and managing examination, we realize source and process management. BenQ quality policy we compiled is to “timely deliver products and services with zero defect and are competitive to the customers.” With continuous improvements, we increase product quality and customer satisfaction. By plan, do, check and continuously improve the quality management system and certificate from third-party authority, we realize the above-mentioned belief and policy.

BenQ quality management system wins certificates from BSMI (Bureau of Standards, Metrology and Inspection, MOEA), ETC (Electronics Testing Center, Taiwan) and SGS while continuing to maintain third-party tracking/verification.
Total Quality Management (TQM)
We realize and promote Total Quality Management (TQM), which is an operation that focuses on customers.

BenQ’s quality policy is: “deliver on time products and services with zero defects and are competitive to customers”. Based on the belief, we lay foundation of BenQ quality four action plans:

- Pre-MP Quality Management
- Mass Production Quality Management
- Field Site Quality Management
- Quality System Management

With the four perspectives, ensuring vendor quality, product design development quality, production and production procedure quality and maintain a systematic quality management system via active collection and feedback of product quality information of the market. With realizing source and process management and fulfilling the quality spirit of sustainable improvement to fulfill our operational belief, quality policy and quality goal.

The following section explains the major content of the four quality perspectives:

- Pre-MP Quality Management
  - Filter and select qualified vendors via vendor audit system to establish QVL (Qualified Vendor List).

BenQ uses the golden triangle of quality system management, Audit & Management Review, Consultation and Continued Enforcement, to maintain our quality management operation. We us quality system daily management and quality audit operation to inspect existing system operation and discover system problems, further establishing project improvement team to strengthen our existing system operation and elevate the core ability and value of BenQ quality management system, improving quality management to the level to quality operation.

- Use vendor selection system to select and work with the most suitable vendor meeting the various function conditions of RFQ (Request For Quotation).
- Use product development system to execute tests such as EVT (Engineering Verification Test), DVT (Design Verification Test) and PVT (Production Verification Test) to meet goals and purposes of quality management in different design phases.

Mass Production Quality Management
- Monitor production procedure quality and shipment quality level by On-site Quality Inspection
- Convene quality review meetings regularly for each level, inviting executives of various levels or customer representatives to participate in weekly, monthly, quarterly and annual meetings to review the status of quality goal fulfillment and improving resources to ensure effective fulfillment of continuous improvements.

Field Site Quality Management
- Immediately and actively collect and analyze product quality status in the market by the market quality monitoring system for IFR (Initial Failure Rate) and AFR (Annual Failure Rate) improvement references.
- Control consumer satisfaction status via customer satisfaction survey done by the customer service unit while inspecting and indicating the improvement of status of customer satisfaction with management examination participated by high-end executives.

Quality Management System
- Quality management system certificate: For various products, we have obtained certificates of international quality systems:
  1. For electronic, electric and information products, we have obtained ISO9001 international quality system certificate.
  2. For medical equipment products, we have finished certification of ISO13485 medical equipment quality systems.

BenQ quality management system global system and third-party certificates

ISO
TAF
ETC
SGS
USAS

Value
Non-Routine Jobs
Project Management - System
Consultation
Audit & Management Review
Enforcement
Routine Jobs
Audits / Daily Operation / User’s feedback
Quality System Management Golden Triangle

ISO9001 Certificate
ISO13485 Certificate

Quality System Management Value Structure
Green Product

Besides innovation of product functions, BenQ also continues to develop and manufacture green products, realizing the belief of environmental sustainability by our products.

We continue the four perspectives we have compiled (1. Product design improvement 2. Package improvement 3. Energy-saving, carbon reduction 4. Substance management) and keep growing further, using methods such as CSR website and product ecoFACTS mark to disclose product environmental feature information for the channel of communicating with the consumers about green products.

In addition, BenQ continues to focus on worldwide related researches of possible environmental-related substances of electronic products and suggested control standards such as International Electronics Manufacturing Initiative (iNEMI), Greenpeace International and European Union (EU) initiatives and reach the following environmental-related substance control goals:
- Hg: Replace CCFL by energy-saving, Hg-less LED
- Brominated Flame Retardant (BFR): No BFR for plastic casing over 25g of all products
- Poly(Vinyl Chloride) (PVC): No PVC for package material and plastic body part of all products
- Phthalate: No usage of Phthalate on all products

Currently, BenQ has cooperated with local recycling systems and offer recycling services in Europe, the US and Taiwan to ensure wasted products and packages are appropriated processed. For detailed recycling channel information, check BenQ international websites. The recycling rates of BenQ product materials, reuse rates of its components/body parts and energy recovery rates all reach 80%. The last “product waste and recycle phase” follows EU’s Waste Electrical and Electronic Equipment Directive (WEEE).

II. Recycle and Renew Plastic

To respond to the green product design concept of from cradle to cradle, the recyclable and renewable plastic materials BenQ uses exceed 25% (calculated by plastic component total weight) of several major models.

### BenQ Green Product Four Perspectives

- **Product Design Improvement**
  - Environmental-Related Substance Management
  - Easy-to-Recycle Design
  - Recycle and Renew Plastic

- **Energy Saving, Carbon Reduction**
  - Global Energy-Consumption
  - Standard/Regulations
  - Energy-Saving Design

- **Package Improvement**
  - Reduce Package Volume
  - Recycle and Renew Packaging Materials
  - Environmental-Protecting Ink Printing

- **Green Environmental Projection Mark**
  - Eco-labeling/ICO
  - CE/P/SEPA
  - TCO
  - KCI/EUROTRUST

### BenQ Green Product

- **Renew Plastic**
- **Recyle and**
- **Design**
- **Substance Management**
- **Environmental-Related**
- **Packaging Materials**
- **Recyle and Renew**
- **Volume**
- **Reduce Package**

### Substances

- **Diisobutyl phthalate (DIBP)**
- **Dibutyl phthalate (DBP)**
- **Butyl benzyl phthalate (BBP)**
- **Red Phosphorus**
- **Perfluorocaprylic acid (PFOS)**
- **Perfluorooctane sulfonate (PFOS)**
- **Bis(2-ethylhexyl)phthalate (BEHP)**
- **Brominated Flame Retardant (BFR)**
- **Dimethyl fumarate**
- **Azo compound**
- **Chlorinated flame retardants**
- **Perchloroethylene (PERC)**
- **Chloroalkanes (C10-13)**
- **Beryllium and its compound**
- **Nickel and its compound**
- **Asbestos**
- **Bis(2-ethylhexyl)phthalate (BEHP)**
- **Asbestos**
- **Chromium (VI) compound**
- **Cadmium and its compound**
- **Cadmium and its compound**
- **Polyvinyl chloride (package material/mechanism part)**
- **Butyl benzyl phthalate (BBP)**
- **Monobenzyl phthalate (MBP)**
- **Dimethyl fumarate**
- **Formaldehyde**
- **Polycyclic aromatic hydrocarbons (PAHs)**

### BenQ Controlled Substance

<table>
<thead>
<tr>
<th>RoHS Substance</th>
<th>Other Legal and Voluntary Controlled Substance</th>
<th>2019 Added and Adjusted Controlled Substance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Package material (Cadmium+Lead+mercury+hexavalent chromium)</td>
<td>Asbestos, Dioxin-like polychlorinated biphenyls (PCBs)</td>
<td>VOCS</td>
</tr>
<tr>
<td>Lead and its compound</td>
<td>Chlorinated Phenylenethane</td>
<td>Perfluorooctane sulfonate (PFOS)</td>
</tr>
<tr>
<td>Malignant and its compound</td>
<td>Chlorinated</td>
<td>Perfluoropolyethylene acid</td>
</tr>
<tr>
<td>Hexavalent chromium and its compound</td>
<td>Organozine compound</td>
<td>Perfluoroalkane (PFAS)</td>
</tr>
<tr>
<td>Polynitrated biphenyls</td>
<td>Polynitrated biphenyls</td>
<td>Polynitrated biphenyls (BBP)</td>
</tr>
<tr>
<td>Polynitrated diphenyl ethers, PBDEs</td>
<td>Azos compound</td>
<td>Butyl benzyl phthalate (BBP)</td>
</tr>
<tr>
<td>Bis(2-ethylhexyl)phthalate (BBP)</td>
<td>Dibutyl phthalate (DBP)</td>
<td>Butyl benzyl phthalate (BBP)</td>
</tr>
<tr>
<td>Butyl benzyl phthalate (BBP)</td>
<td>Dimethyl fumarate</td>
<td>Beryllium and its compound</td>
</tr>
<tr>
<td>Dibutyl phthalate (DBP)</td>
<td>Polychlorinated napthalene</td>
<td>Chlorine coming from Chlorine flame retardants or Polychlorinated (PVC)</td>
</tr>
<tr>
<td>Diisobutyl phthalate (DBBP)</td>
<td>Formaldehyde</td>
<td>Bromine coming from Brominated flame retardant</td>
</tr>
<tr>
<td>Polyoxymethylene</td>
<td>Polyoxymethylenol</td>
<td>Bromine coming from Brominated flame retardant</td>
</tr>
</tbody>
</table>

### Projector

- **Monitor**
  - Use power-saving mode function or high-energy conversion efficiency component
  - Use high-light-emitting efficiency and low-power LED panel
  - Use ambient light sensor to automatically adjust backlight
  - Use proximity sensor to detect whether the person is before the screen and automatically shut down backlight
  - When no image, close backlight and enter power saving mode, and enter power-off mode after several minutes

- **Projection Mark**
  - Use high-energy efficiency electronic components
  - Use power-saving LED lighting source
  - Us ecolor wheel allocation to increase light and color transmission rate to improve system efficiency
  - Add the circuit design of zero-power consumption for AC power switch component

- **Reduce screw and bolt types**
- **No use of external coating technology and metal deposition processing unless necessary**
- **Avoid back-end procedure of spraying paint, electro-plating and printing as much as we can**
- **Use shared channel or volume-produced paint as much as we can**

- **Use recyclable and renewable plastic materials as much as we can**
Energy-Saving Design

I. Global Energy-Consumption Standards/Regulations

The energy-consumption designs of BenQ products when at standby state or power off mode meet the Energy Star 7.1 version energy-consumption requirement. External adapter also meets Energy Star External Power Supply sixth level requirement.

II. Energy-Saving Design

Since more energy is consumed of electronic products during the usage phase, BenQ prioritizes the following energy-saving design principles in the product design phase.

III. Award Winning Product

BenQ had six display products winning the US ENERGY STAR Most Efficient 2020 award in 2019.

The ENERGY STAR Most Efficient requires products to further consume at least 35% less energy comparing with products of the same class. This shows BenQ’s concrete performance of investing in the R&D and innovation of display management.

ENERGY STAR Most Efficient 2020 models

- GW2480-B
- GW2780-B
- GL2480-B
- GL2780-TF
- BL2581T-B
- PD2700U-B

Package Improvement

Product package design is also an important aspect of BenQ green product design. We review product package design to reduce space waste, increase carrying capacity rate and lower transportation energy and costs.

I. Reduce Package Material Types

By buffering materials, we use paper plastic to replace polystyrene (EPS) to effectively increase recycling and reuseage proportion of package materials. The slim appearance not only helps reducing package materials, but improves the usage space of freight, further lowering transportation costs and environmental impact.

II. Reduce Package Volume

Use paper plastic to replace clapboard, electronic file replacing paper manual while calculating in details the sizes of packages and pallets to optimize stacking and reduce package volume.

III. Recycle and Renew Packaging Materials

Use 85% recycled, renewed papers to pack.

IV. Environmental-Proecting Ink Printing

Use environmental-protecting soybean ink single-color printing to not only save ink but better allow package box recycling. Increase proportion of soybean ink printing for product package color box while using soybean ink printing in product manuals.

Green Environmental Projection Mark

Only around 20-30% of advanced products in the market meet the definition of green product specifications by green marks. Besides actively implement green design concepts such as energy-saving and carbon-reduction, low environmental impact, environmental-friendly materials, BenQ verifies its major models meet the newest green product specifications by applying for green marks.

BenQ has obtained various green marks in various countries including EnergyStar, EPEAT of the US, PIC3R of Japan, TCO of Sweden, energy-saving mark of China, environmental-protection mark of Taiwan and energy-saving mark of Taiwan.

Customer Health and Safety

BenQ establishes internal product development flow to ensure all products that are produced and delivered by BenQ to customers meet the following two requirements. Moreover, there were no violations of product health and safety regulations or voluntary standard in 2019.

1. A product prototype must pass all relevant product safety tests
2. BenQ’s product prototype must pass following tests such as Product Safety, EMC, Energy Consumption and so on. In addition, its products must obtain related product safety certificate of each region or country before able to be volume produced. This step ensures that the products received by our customers are free from safety concerns.

II. A product must adhere to the requirement defined in “Non-Use of Hazardous Substances Management Procedure”

All BenQ products meet the Restriction of Hazardous Substance Guideline (SUP-QM-07-02) version 11, with controlling range covering RoHS and other legal or self-control substances. This approach ensures that the products received by our customers are free from health concerns.

Product and Service Information and Labeling

BenQ establishes internal product development flow to ensure all products that are produced and delivered by BenQ to customers meet the following requirements. In 2019 no violations of regulations or self-controlled guidelines of products and service information mark happened.

<table>
<thead>
<tr>
<th>Item</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>The sourcing of the components of the product or service</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Content, particularly with regard to substances that might produce an environmental or social impact</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Safe use of the product or service</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disposal of the product and environmental/social impacts</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Vendor and Forwarder
Supplier Selection

As a brand company in various fields, BenQ works with 15 suppliers globally (including OEMs and part companies), most of which are in the greater China region. BenQ takes it as a serious responsibility to actively involve all suppliers in building a safe, healthy, and sustainable supply chain that protects the environment and values human rights.

BenQ sticks to the philosophy of good quality and guard a pass to consumers; therefore, it has always executed review and supervision of vendor selection in a strict manner, asking vendors to provide related proving information such as certificate copies of ISO9001, ISO14001, ISO45001 (OHSAS18001) and SA8000. BenQ expects to establish a long-term partnership with vendors through fulfilling corporate social responsibility philosophy together. However, only medical vendors are required to provide ISO13485 certificates.

In the management system and procedure of BenQ, potential vendors that want to enter the Qualified Vendor List (QVL) of BenQ should actively cooperate with audit and document evaluation activities relating to environmental hygiene and social responsibility.

For vendors unable to provide certificate copies of ISO9001, ISO14001 and 45001, BenQ will ask for implementation or improvement plans and continue to track the status. Those fail to provide SA8000 certificate copies should provide RBA Responsibility Business Alliance Report or BSCI Social Responsibility Certificate. For those unable to provide the above-mentioned certificates, they should provide supplier social responsibility questionnaire or sign the letter of undertaking for supplier social responsibility.

For those unable to provide or sign the above documents, we ask them to provide implementation or improvement plans or related proving information and continue to track related status while irregularly launch review operations for the suppliers.

For the above-mentioned operation procedures, existing partnering vendors of BenQ all undergo guidance of and active communication with BenQ and 100% of them have finished related document evaluation and tracking. In the meantime, for companies in the QVL, BenQ will specify standards of its production quality using Request for Quotation (RFQ) procedure and require their products to meet various environmental assessments and safety certificate standards before cooperation and further communication regarding volume production and supply of products.

Forwarder Selection

Transportation contractors, playing the role of cargo delivery, are an indispensable part of the supply chain. When BenQ selects its transportation contractors, besides verifying their service specifications and prices, we prioritize those having ISO14001 certificate or related coordinated sets of measures regarding green energy and carbon reduction. Meanwhile, we regularly launch performance evaluation to ensure their service quality is satisfying.

The major influence on the environment of transportation tools is carbon emission. The carbon-emission coefficients of various transportation, from high to low, are air-truck-railroad-river-ocean transportations. To reduce carbon emission, we continued to monitor and adjust the methods of transportation such as reducing the rate of using air transportation, reducing carbon emission and using river transportation to replace trucks in areas with convenient river transportation (emits 15% fewer carbon than that of trucks) such as China and Europe.

For ocean transportation, to reduce ocean pollution of ships, the International Maritime Organization (IMO) rules that starting from 2020, the sulfur rate of global bunkers shall not exceed 0.5%. Old ships of carriers should be equipped with desulfurization plant, use low sulfur oil or purchase LNG liquid chemical tanker to meet requirements. By then, the carbon emission coefficient will further reduce. Ocean transportation is the major transportation method of BenQ.

The international railroad transportation service steadily grows each year, with carbon emission about 10% of air transportation. For production site being in China while customers are located in areas such as central Asia, Europe, etc., if ocean transportation is unable to meet the delivery schedules of cargos for customers, railroad transportation can replace air transportation, meeting customers’ requirements while protecting the environment and lowering transportation costs.

For the sustainability of the Earth, when selecting transportation contractors, BenQ will prioritize those meeting requirements of environmental protection and energy-saving while controlling the transportation market; green transportation which has an economic efficiency and the most suitable transportation.

Internally, we continued to improve the method of packing products. No matter the transportation carrier type, the goal is the raise the loading rate of cargos to reduce the needs of volume. These are the directions and endeavors of BenQ in transportation for protecting the environment and sustainable operations.
Employee Profile

Recruiting Principles

The recruitment of employees of BenQ depends on requirement while is based on the principles of equal in opportunity, suitable talent for suitable post as well as internal talents are prioritized over external ones. BenQ will not discriminates due to reasons such as race, ethnic group, social upbringing, blood, social class, nationality, religious belief, body disability, gender, sex preference, family responsibility, marital status, labor union member, pregnancy, age or political party, etc. It will not hire child labor.

Employee Hiring Status

To help local development, BenQ employee recruitment is based on the principle that local labor first. There is over 90% of local hiring in each area while over 90% of its management staff is from local area.

As of December, 31, 2019 the number of global full-time employee of BenQ (excluding part-time workers) was 1,509 with the employees stationed at regions such as Asia, Australia, Europe and the Americas; while nationalities cover over 50 countries, with 31% of them from Taiwan headquarter and 69% in other overseas areas, as shown in the table below.

Global Employee Statistics 2019

<table>
<thead>
<tr>
<th>Region</th>
<th>Male (No. of People)</th>
<th>Female (No. of People)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taiwan</td>
<td>268</td>
<td>198</td>
</tr>
<tr>
<td>China</td>
<td>272</td>
<td>176</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>124</td>
<td>145</td>
</tr>
<tr>
<td>Americas</td>
<td>112</td>
<td>57</td>
</tr>
<tr>
<td>Europe</td>
<td>146</td>
<td>75</td>
</tr>
</tbody>
</table>

* (As of December 31, 2019 Taiwan and China are no included in Asia Pacific due to management requirement)

Employee Turnover Rate

The average accumulated global turnover rate of BenQ was 10.99% in 2019 with average monthly resignation rate at 1.59%. In terms of region, the highest accumulated resignation rate in 2019 was in Latin America at 41.94%, the lowest being Europe at 16.29%.

Learning and Development

Talent is the most important competitiveness of a company. The cultivation and development of talents are the most important operational concept of BenQ. We fulfill the constant learning to pursue improvement of corporate competitiveness. BenQ plans the educational programs for employee techniques and executive management ability study program according to the needs of organizational developments. We flexibly and actively adjust the training plans regarding the strategies and paces of business units. Our complete educational training system won national TTQS (Taiwan TranQual System) certificate and National TrainQual Prize (NTQP) recognition. All new comers responsible for educational trainings receive TTQS professional trainings.

BenQ trainings are divided into three aspects: new employee training, leadership and management trainings as well as trainings based on job skills. Each employee participates in various courses and training plans according to personal and departmental needs via internal training system. To deliver effective information, we chart environmental safety hygiene educational courses by combining regulation requirement, company environment and industry characteristics. The courses include on-site courses such as safety hygiene, management system, emergency response, green product, environmental protection and social responsibility. Besides providing internal courses, BenQ offers information of external training plans for employees to participate and receive subsidy, encouraging them to participate in external classes and continue education.

Complete New Employee Training

From joining the company to offering new comers with a training plan, besides offering our group Win Camp, we also develop New Comer Orientation Program training plan, covering corporate guidelines and culture, CSR concept and related policies, environmental safety hygiene-related policies, stress management, related HR support services, etc. Also, for various job content of new comers, we familiarize them with their tasks and environment rapidly with a series of professional program trainings. With the digital transformation trend, we gradually transformed the new comer programs into online format starting from 2019.

Professional Training Based on Job Skill

Currently, with dramatic changes of the overall environment and global situation, to assist employees to face the changes and challenges of the new age, constantly excel and grow in personal career and have a full development and improvement for competency, BenQ designs various training programs to assist them to develop related professional skills to strengthen workplace competitiveness according to demands of various skills and job ranks. Meanwhile, we inventory all common programs for employees of various levels, seniority and departments to be equipped with common basic working mental cultivation methods. In 2019, to respond to organizational strategies, we invited design thinking professionals to teach new comers of product units design thinking with the foundation of field research and anthropology.

Talent Training Programs for Various Stages

<table>
<thead>
<tr>
<th>Program Name</th>
<th>Fresh Leader Program</th>
<th>Action Leader Program</th>
<th>Strategic Leader Program</th>
<th>Top Development Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participant</td>
<td>Potential talent</td>
<td>Supervisor</td>
<td>Mid-level executive</td>
<td>Top-level executive</td>
</tr>
<tr>
<td>Session I</td>
<td>Immediate management knowledge</td>
<td>- Upward management</td>
<td>- Systematic thinking and decision strategy</td>
<td>- Role and mission of top-level executives</td>
</tr>
<tr>
<td>Session II</td>
<td>PDCA and work improvement</td>
<td>- OJT</td>
<td>- Systematic thinking and decision strategy</td>
<td>- Top-level executive authorization technique</td>
</tr>
<tr>
<td>Session III</td>
<td>Communication and coordination</td>
<td>- Outstanding team leader and build up</td>
<td>- Subordinate training and development</td>
<td>- Change leadership</td>
</tr>
<tr>
<td>Session IV</td>
<td>Subordinate training inspiration</td>
<td>- Problem analysis and solution technique</td>
<td>- Strategic thinking and decision making</td>
<td>- Organizational development and re-arrangement of strategies</td>
</tr>
<tr>
<td>Session V</td>
<td>Talent recruit interviewing technique</td>
<td>- Project management practice</td>
<td>- Build up strategic partnership</td>
<td>- Corporate operation and management</td>
</tr>
</tbody>
</table>

* (Note: PDCA refers to Plan-Do-Check-Action, OJT is On Job Training, HRM is Human Resource Management).
Leadership and Management Training

In leadership management training, we plan a series of executive training programs according to different management levels. Besides Manager Induction Program for newly-appointed executives that is tailored according to individual situation, our package of grass-root and mid-level executive programs (TLP/ALP/SLP) is as shown in the following chart. For top management program (TDP), we plan at least 100 hours of training programs, using systematic program packages to assist executives to shift the role of management and improve management competency. We expect to actively cultivate management talent with the full-range management programs to respond to organization expansion and fully improve the executives’ ability to cultivate, coach and encourage staff, so that they can lead the team to obtain organizational goals. In 2019, for new executives, we offered a flexible On Boarding Program to enable them to swiftly excel at their posts with a series of assistance of dialogues and resources.

We understand that the sustainable operation of the enterprise not only lies in product innovation and procedure improvement, the organization also needs to be like an organism that constantly adjust and grow with the competitive environment. With such philosophy, BenQ continuously cultivates and develops talents, strengthening organizational learning growth power to keep competitiveness facing future challenges and opportunities.

BenQ Human Right Management Guidance

### Working Condition

**Human Right Management**

The BenQ Human Right Management Guidance is as shown in the above table.

From recruiting employees, BenQ follows various criterion. Therefore, BenQ never hires child labor, nor does it have any disputes due to unwilling labor, nor does it has any disputes due to unwilling labor, inappropriate punitive method or identity discrimination.

BenQ compiles social responsibility and environmental safety and health policy and related management procedure, highlighting company ethical operation, strict observation of ethical regulation and continually improve operational management. All labor rights meet local regulations, international regulations and related interest group requirements to protect employee rights and continually improve itself. For social responsibility, BenQ also follows social responsibility standard and meet requirements of regulation and customer to reach the goal of corporate sustainable operation.

Besides declaring the will to protect employee right and maintain human right in its policy, BenQ also sets various regulations and management procedures to ensure its executional performance. Since
Absence definition: Employee absent from post due to loss of ability to work.

Absence Rate (AR) = Total absence days / total work days x 200,000

Operational Environment Safety Management Process

Safety Hygiene Management Performance According to Gender Percentage

<table>
<thead>
<tr>
<th>Year</th>
<th>GRI Injury Rate of GRI (IR)</th>
<th>GRI Lost Day Rate of LDR</th>
<th>GRI Occupational Disease Rate of ODR</th>
<th>(AR) GRI Absence Rate (AR)</th>
<th>Number of Death on Duty Incident</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taiwan</td>
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<tr>
<td>Female</td>
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<td>0</td>
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</tr>
</tbody>
</table>

Employee Relationship

BenQ has focused on creating a healthy and energetic working environment to save employees from any worries and can devoted wholesheartedly to work. Starting in 2005, BenQ Taiwan participated in the selection of Taipei Healthy Workplace and won the highest award “Excellent Healthy Workplace” for two consecutive years, beating over a hundred companies. It also won self-certification excellent company by Bureau of Health Promotion of Executive Yuan in 2007. In 2011, BenQ won a three-star ward, the highest honor of Taipei Best Company. Recent awards and achievements of BenQ are as follows:

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Related Awards and Achievements

<table>
<thead>
<tr>
<th>Year</th>
<th>Award</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>Excellence Award, Taipei Healthy Workplace</td>
</tr>
<tr>
<td>2006</td>
<td>Heritage Award, Taipei Healthy Workplace</td>
</tr>
<tr>
<td>2007</td>
<td>Pilot Award, Bureau of Health Promotion, Department of Health, Executive Yuan</td>
</tr>
<tr>
<td>2008</td>
<td>Visited Excellent Healthy Workplace</td>
</tr>
<tr>
<td>2009</td>
<td>Workplace health self-certification healthy promotion mark</td>
</tr>
<tr>
<td>2010</td>
<td>Taipei excellent breastfeeding room</td>
</tr>
<tr>
<td>2011</td>
<td>Highest honor three-star award, Taipei Best Company</td>
</tr>
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<td>Taipei Superior Breastfeeding Room certification</td>
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<tr>
<td>2019</td>
<td>Taiwan Sports Certificate Mark</td>
</tr>
</tbody>
</table>

BenQ protects employee physical and mental health in a comprehensive way such as annual regular health check covering items more than stipulated by regulations. The health check rate of employees reached 93% in 2019, with major abnormality tracking (if any, according to degree) further consultation rate reached 90%. Each month, professional family medicine attending physician provides visit service, lively and fun health promotional event, regular health hygiene education and teaches how to prevent medical knowledge and major disease prevention education, first aid educational training, etc. BenQ also works with physical therapist and establishes physical therapy room to assist employees to evaluate their muscle and bone and adjust inappropriate pose when using computer, with a thousand participants joined the events. For maternal health, BenQ provides breastfeeding room, which has been rated as five-star by two nursery magazines. In 2019, the number of employees having occupational breastfeeding for over six months after giving birth reached over 10. In addition, BenQ strives to create a perfect working environment, regularly teaches and promotes related occupational safety knowledge, creating a working environment with no occupational hazard.

Safety and Health

1234 System

Offers a platform for employees to provide opinions at any time.

Entrance guard management

Protect the basic safety of employees.

Various emergency procedure

With educational training and actual practice, employees can be familiar with coping method and equipment usage. We hope to lower employees can be familiar with coping method and equipment usage. We hope to lower

Operational Environment Safety

BenQ has a sound social responsibility and environmental safety hygiene management committee and promotional organization, while realizing execution of various requirements of safety hygiene health. Until now, BenQ does not have any health occupational disease due to working issues. In 2019, the average industrial injury rate was 0.1 unit/million work hour, the occurrence rate of occupational disease was 0% while the occupational injury number reduced from one in 2009 to zero in 2019 and the number has been the same until now. Table 8.5 is the comparative table of safety hygiene management performance in 2019. This proves the hard work BenQ invests in protecting employee safety, health and environment.

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Employee Relationship

BenQ labor and capital meeting and welfare committee employee representatives are voted by internal employees. They can provide suggestions regarding employee welfare and company policy and regularly communicate face to face with the management level. The company also compiles employee appeal process regulations. If employees face any sexual harassment or inappropriate treatment, they can directly appeal to the company via the channel while the company will protect the identity of the person issuing the appeal. Until now, there is
BenQ upholds the highest standard in regarding all ethical regulations, stressing on protecting consumer rights, sticking to laws and company policies, protecting business secrets and company assets, avoiding interest conflict and tunneling, prohibiting abuse of privilege to perform illegal behaviors. For supplier management, our company has compiled business integrity agreement, selecting trustworthy partners with integrity, forming honest and reliable relationship with suppliers while working and exchanging fairly that is transparent.

Additionally, BenQ establishes supplier social responsibility and environmental safety health survey forms to review step-by-step that suppliers pass social responsibility management system, environmental management system, and occupational safety health management system certificates. We aggressively encourage those suppliers not yet certified to apply for related certificates, offering support and experience sharing at our best and continue tracking the certification status of the suppliers.

not any labor and capital disputes or inappropriate treatment cases at BenQ.

The enterprise has the citizen duty of protecting social ethics. BenQ strives to train each employee to become a person of integrity and can be trusted; bringing the integrity concept and requirement to others in the society, avoiding integrity disputes and purifying social atmosphere. BenQ thinks that sticking to integrity is the responsibility toward shareholder, customer, supplier, business partner and colleague and we strictly prohibit any behaviors of corruption, bribery and threat while further asking employees to actively differentiate and improve our daily behaviors to achieve integrity.

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Social Care
BenQ Foundation

The board of directors of BenQ passed the proposal to raise fund and establish BenQ Foundation in August 22, 2002. BenQ is dedicated to the mission of providing a joyful life for all human beings while BenQ Foundation is devoted to the long-term vision of carrying forward the beauty of Taiwan with heart. What’s more, this is the concrete realization of the enterprise in delivering the inspirations of truth, kindness and beauty to the society. In 2019, the foundation continued to cultivate the four main shafts—honest smart people, elevate original cultural value, friendly to the earth and shorten digital gap, continuing to deliver the inspirations of truth, kindness of beauty.

Cultivate Honest and Smart People

I. Faithful Smart Camp

BenQ Foundation plans the “Workshop of Intelligence with Integrity Character” for the summer vacation, aiming at young students to learn together each summer. In 2019, we worked with the educational bureaus of Taoyuan City and Hsinchu County, creating a different program mode of camps, accompanying 194 creative teachers and students in Taoyuan City and Taiwan Route 3 Elementary School in Hsinchu County, fulfilling their summer vacation with happy learning cooperation and with integrity as well as brainstorming for technology creativity.

The Department of Education, Taoyuan sets an example by offering core concept program integrating character and STEAM (Science, Technology, Engineering, Art, and Mathematics), taking cross-field knowledge organizational innovation, encouraging students to start from caring for the environment and ecology, finding solutions via peer dialogues, co-working in employing computer programming and technical kits to develop concrete strategies and creation while finally reaching the “Shared” achievements, learning the literacy to discuss and interact with admired groups.

The Department of Education of Hsinchu County worked with youthful volunteers from universities such as National Tsing Hua University (NTHU), Chung Yuan Christian University (CYCU) and Minghsin University of Science and Technology (MUST) to design program activities meeting the moral core value of “12-year Basic Education”. They led students from Beipu, Shalu, Shih Guang, Jinshan, Po-Ai, Feng Tien, Dong An, Changan and Jaudung elementary schools, cultivating positive value concepts such as “Respect Life, Be Pious/Friendly/Loving, Honest/Loyal, Self-Discipline/Responsible, Humble/Tolerate, Appreciative/Thankful, Caring/Loving and Fair/Just”, letting them become the important seeds of delivering values of truthfulness, friendliness and beauty to the society in the future.

II. Dream Action · Campus Lecture

We invited youthful role models to act as dream diplomats, visiting remote mountain areas and seaside campus of Taiwan, sharing the realization process of dreams with senior high school and vocational school students, cultivating positive value concepts such as “Respect Life, Be Pious/Friendly/Loving, Honest/Loyal, Self-Discipline/Responsible, Humble/Tolerate, Appreciative/Thankful, Caring/Loving and Fair/Just”, letting them become the important seeds of delivering values of truthfulness, friendliness and beauty to the society in the future.

In 2019, the “Dream Action Campus Lecture” invited Shen Xinling, a Ten Outstanding Young Persons, Mr. Candle Huang Ming-Zeng, Hsing-Ho Chen, the former member of Cirque du Soleil, Yoyo Yang, a yoyo ball professional, Po-Han Huang, the magician of Hollywood “The Magic Castle”, Jeff Lee, the champion of The Grand Master Asia, and Wu Chia-Ying, an adversity coach, to tour the campus of Taiwan, with more than 77,000 students and teachers from 72 senior high schools and vocational schools in Taoyuan, Hsinchu, Taichung, Changhua, Yunlin, Chiayi, Nantou, Tainan, Kaohsiung, Pingtung, Yilan and Taitung to share the moving charms of realizing dreams.

“Dream Action · Campus Lecture” delivered active and positive influence.
III. Coding Plan

“Technology Changes Life, Industry is Transforming, Education Needs Turns”. The AI smart age has arrived and computer programming has become the future communication language trend. To cultivate the new generation’s communication ability, BenQ Foundation worked with Coding Alliance in promoting computer programming programs at remote and underprivileged areas, rooting computer programming language education and cultivating information technology learning.

In 2019, we poured subsidies to support Taoyuan City, Hsinchu City and County, Miaoli County and Taichung City for 50 remote and underprivileged elementary schools, performing computer programming language educational plan. With the “Scratch,” we opened the AI smart vision of elementary students, cultivating their expressing ability of programming language.

I. BenQ International Sculpture Camp

“BenQ International Sculpture Camp” lets students and citizens interested in sculpture to interact closely with artists by offering a platform for sculpture arts with a one-month on-site creation for promoting local and overseas sculpture art exchanges. This also helps to cultivate Taiwan’s modern sculpture and open a diverse vision of cross fields. The camp has been held for six years starting from 2010, successfully establishing fine Taiwan experience and image for the international artistic fields while leaving 90 sculpture treasures for Taiwan at public spaces, enriching the daily esthetics feeling experiences for citizens.

In 2019, the “BenQ International Sculpture Camp” built a sculpture exchange platform and selected 12 artists’...
pieces from Taiwan, Italy, Bulgaria, Greece, China and South Korea from 267 pieces in 57 countries to enter the Mabuville to create arts. During the activity, we arranged a culture experience trip, leading international artists to enter Taiwan's humanity landscape, staying close to local customs and practices, promoting exchanges of western and eastern cultures while invigorating Taiwan's creative power. This year, the 12 sculpture pieces were showcased at the creative camp of Mabuville till June, 2020, opening to group employees, art students and groups to visit and admire, delivering sculpture art beauty. To promote public art aesthetics, the “BenQ International Sculpture Camp” donated the piece “Cocoon” to the Taoyuan City Government to be displayed at the leisure farm of Luzhou District, actively improving the opportunities and space of citizens in participating artistic appreciation.

II. BenQ Chinese Cinema Fiction Award
To promote the cinematic industry content development and find a good script, BenQ established the essay competition of “BenQ Chinese Cinema Fiction Award” in 2010, winning supports from cinematic and literary fields from Chinese regions and across the Taiwan Strait. The competition has been held for seven years, covering award-winning pieces that were recognized by key cinematic and cultural professionals as well as writers in Taiwan.

Hu Bo, the winner of the sixth “BenQ Chinese Cinema Fiction Award”, with the full-length film “An Elephant Sitting Still”, won awards from 2018 Internationalen Filmfestspiele Berlin and Taipei Golden Horse Film Festival. The script was rewritten from a story with the same name as that of the film from a mid-short-novel compilation “Great Rift”. In 2018-2019, several pieces were published: “Great Rift”, “Farewell to the Faraway” and “Bullfrog”.

The seven competitions included 33 award-winning pieces and were nominated five times by “Taipei International Book Exhibition—Book Meets Film Forum” of the Ministry of Culture and “XMEDIAMATCH” as the strongly-recommended pieces. Debt Collection Company”, “Desire and Fear” and “Chase, Hurry, Run, Jump, Boom!” were authorized to be rewritten into films.

“BenQ Chinese Cinema Fiction Award” encourages Chinese cinema literature creation

“BenQ International Sculpture Camp” donated “The space between” sculpture to the Hsinchu City Government to promote public art
Friendly to the Earth

III. Friendly Farming—“My Acre of Farmland”

In 2008, BenQ started with contract farming of rice fields, with BenQ Foundation continuing to promote adoption of rice fields for ten consecutive years, supporting the friendly farming concept of Taiwan’s northern and central and southern farmers, while total area of field adoption reached over 70 hectares.

In 2019, the “Friendly Farming” featured contract farming of twice a year with two rice fields in Nanpu, Hsinchu (Nanpu Village) and Hsichou, Changhua (Water Rice). The overall area was 10 hectares, offering rice harvested in spring and autumn to be packed into rice gift boxes and shared with group employees. Also, we initiated personal donation, encouraging to share non-toxic fair-quality rice at daily dining table, triggering food farm education. We also led employees to stay close to the earth, experience farming work, learn about agriculture knowledge with labor activities of transplanting rice seedlings and harvest, realizing the concept of “stay close to the earth” with actions while condensing identification with the idea of friendly to the land; in 2019, the Hsichou autumn harvest labor activity saw passionate participation of BenQ employees, relatives and friends. They rolled up their sleeves, bent over to harvest, experiencing the hard labor of farmers and staying closer to the earth with affection.

Shorten Digital Gap

BenQ Foundation has participated for a long time the (Digital Opportunity Center DOC) of the Ministry of Education, devoted to digital caring for remote areas. Starting from 2008, the foundation assisted DOCs in Hsinchu and Miaoli Counties to apply digital abilities in local special field development tasks, marketing local agricultural special products, recording the humanity histories and cultural treasures of the communities. With caring for the three aspects of education, culture and industry, we promote the digital learning of students, youths, middle aged-to-senior citizens and new immigrants of remote areas.

From 2013 to 2019, we executed for seven years consecutively the “DOC Volunteer Small Trips”, calling for BenQ employees and relatives to keenly participate in farming harvest, experiencing the meanings of sweating and walking while combining exploring spirit with labor service, experiencing the humanity scenery and diverse life aspects of various areas, learning the rich humanity landscapes of DOCs in Hsinchu and Miaoli. The “DOC Volunteer Small Trips” assisted small farmers to create the immersive experience marketing mode of local areas, volunteers and small farmers. From participating in the process from production site to kitchen table, we delivered our care for the local industrial culture, connecting the interactive emotions between volunteers and local small farmers. This has won enormous feedbacks from volunteers of Qisda and farmers.

From 2015 to 2019, we launched the “DOC Small Bazaars” for five years consecutively. BenQ employees cared for the environment, supported local agricultural
products and learned about the small farmer brands and their attentiveness in pure farming as well as guarding the land via the bazaars. We used enterprise group purchase to support agricultural products directly connect with the economic benefits of the real demand of local people. We also gradually assisted the DOCs to cultivate small farmer brands, improving the product value and exposure rate, establishing the Internet marketing platform of "Dream Contract Farming", recommending the small farmers to shoot films of "DOC Professional Website" to share the beautiful people and feelings, land and food source stories of Taiwan.

"DOC Counseling Plan" Performance and Influence:
With the help of BenQ Foundation and BenQ volunteer team, we assisted DOCs to execute special tasks most suitable for local developments. Based on the gradual accumulation, integrating local needs and diverse developments, we grew with local people step by step. From establishment to daily basic operation, setting up basic and advanced information programs to assist DOCs to develop culture and characteristics. As a result, we have accumulated considerable performances.

Touching films come from touching stories. BenQ Foundation has been promoting image creation popularity. Besides image programs for citizens of various degrees and goals, we cultivated the interest in filming and producing images for DOC students. We opened "PeoPo Citizen News", "Sky is My Home-Seeing Hsinchu and Miaoli", "Mobile Phone Micro Film", "Hsinchu and Miaoli Live Stream Online Watch", "My Animation Work", etc., accumulating image creation of rich new media, new viewing angle and new format.

We even represented MOE in 2018 to film a mobile access film "Scroll Through Scenery" to record the details of delight of elderly people using tablet PCs. We see the power of the internet, the digital harvest, the joy of touch, step-by-step solid program and condense fun in learning as well as assemble emotion exchange and sharing. In 2019, the image power was expanded to the whole country. We visited Huxi Township of Penghu Islands, Gongguan Township of Miaoli County, and Kouhu Township of Yunlin County. We gathered the achievements of the DOCs, recorded the rich
digital programs, local warm human feelings, special humanity and history and economic industrial growth in the “National DOC Achievement Film”, extending the lifelong learning spirit, promoting local digitization and reaching consensus with culture, thereby creating more intangible values.

With a long-term cultivation, we more deeply learned that the DOCs played multiple roles locally, covering execution, promotion and application in educational, economic, cultural and social aspects. We gradually formed “Homeland Economy” mode, “DOC Volunteer Small Trips”, “DOC Small Bazaars” and employee group purchase support. In 2019, around NT$2.4 million revenues were generated for the remote areas, having a strong influence and benefiting many. This also encouraged us to keep rooting and expanding DOC’s digital power.

- MOE “Digital Application Promotion Project in Remote Areas” DOC Achievement Films
- “Scroll Through Scenery” MOE “Digital Application Promotion Project in Remote Areas” Mobile Access Documentary Films
- “DOC Small Bazaars” BenQ employees supported pure fine goods of small farmers
Social and Environmental Care

[2019 Green Party]

Yilan Tree-Planting Activity

This year, Qisda had many new partners to plant 2,500 small saplings for this beautiful land. The tree-planting in Yilan has become a fixed activity each year! Although it rained and blew hard this year, we still had joyous laughter accompanied by rain and sweat. All grown-ups and children spent a very joyful green carnival!

As a typical green enterprise, we hope to contribute more passion and energy and be more friendly to the environment. With the power of the brand, we can unleash social influence for Taiwan to stay sustainable with its inhabitants.
### General Disclosures

<table>
<thead>
<tr>
<th>Topic</th>
<th>GRI Disclosure</th>
<th>Description</th>
<th>Report Section</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>102-1</td>
<td>Name of the organization</td>
<td>BenQ Corporation</td>
<td>G4-3</td>
<td></td>
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<tr>
<td>102-2</td>
<td>Activities, primary brands, products, and/or services</td>
<td>BenQ Corporation</td>
<td>G4-4</td>
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<tr>
<td>102-3</td>
<td>Location of organization’s headquarters</td>
<td>BenQ Corporation</td>
<td>G4-5</td>
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<tr>
<td>102-4</td>
<td>Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report</td>
<td>Global Operational Strategy</td>
<td>G4-6</td>
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<tr>
<td>102-5</td>
<td>Nature of ownership and legal form</td>
<td>Communication with Investors</td>
<td>G4-7</td>
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<tr>
<td>102-6</td>
<td>Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries)</td>
<td>Global Operational Strategy</td>
<td>G4-8</td>
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<tr>
<td>102-7</td>
<td>Scale of the reporting organization</td>
<td>BenQ Corporation Global Operational Strategy</td>
<td>G4-9</td>
<td></td>
</tr>
<tr>
<td>102-8</td>
<td>Total number of employees by employment type and employment contract broken down by gender and region</td>
<td>Employee Profile</td>
<td>G4-10</td>
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<tr>
<td>102-9</td>
<td>Describe the organization’s supply chain</td>
<td>Supplier Selection</td>
<td>G4-12</td>
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<tr>
<td>102-10</td>
<td>Report any significant changes during the reporting period regarding the organization’s size, structure, ownership, or its supply chain</td>
<td>N/A</td>
<td>G4-13</td>
<td>No changes.</td>
</tr>
<tr>
<td>102-11</td>
<td>Explanation of whether and how the precautionary approach or principle is addressed by the organization</td>
<td>Risk Management</td>
<td>G4-14</td>
<td></td>
</tr>
<tr>
<td>102-12</td>
<td>Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses</td>
<td>N/A</td>
<td>G4-15</td>
<td>BenQ did not subscribe or endorse any charters, principles, or initiatives.</td>
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<tr>
<td>102-13</td>
<td>Memberships in associations (such as industry associations) and/or national/international advocacy organizations</td>
<td>Associations</td>
<td>G4-16</td>
<td></td>
</tr>
<tr>
<td>102-14</td>
<td>Provide a statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and the organization’s strategy for addressing sustainability</td>
<td>Message from our President</td>
<td>G4-1</td>
<td></td>
</tr>
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### Strategy

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<td>102-15</td>
<td>Description of key impacts, risks, and opportunities</td>
<td>Message from our President Risk Management</td>
<td>G4-2</td>
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### Ethics and Integrity

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<td>102-16</td>
<td>Describe the organization’s values, principles, standards and norms of behavior such as codes of conduct and codes of ethics</td>
<td>Code of Conduct</td>
<td>G4-56</td>
<td></td>
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<tr>
<td>102-17</td>
<td>Report the internal and external mechanisms for seeking advice and reporting concerns about ethics, codes of conduct, and codes of ethics</td>
<td>Code of Conduct</td>
<td>G4-57.58</td>
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### Governance

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<tr>
<td>102-18</td>
<td>Report the governance structure of the organization, including committees of the highest governance body, identify any committees responsible for decision-making on economic, environmental and social topics</td>
<td>BenQ Corporate Social Responsibility Committee</td>
<td>G4-34</td>
<td></td>
</tr>
<tr>
<td>102-21</td>
<td>Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body.</td>
<td>Communication with Investors</td>
<td>G4-37</td>
<td></td>
</tr>
<tr>
<td>102-22</td>
<td>Report the composition of the highest governance body and its committees</td>
<td>Organizational Structure of Corporate Governance</td>
<td>G4-38</td>
<td></td>
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<tr>
<td>102-23</td>
<td>Indicate whether the Chair of the highest governance body is also an executive officer</td>
<td>Organizational Structure of Corporate Governance</td>
<td>G4-39</td>
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</tr>
<tr>
<td>102-25</td>
<td>Processes in place for the highest governance body to ensure conflicts of interest are avoided</td>
<td>Corporate Governance Status</td>
<td>G4-41</td>
<td></td>
</tr>
<tr>
<td>102-27</td>
<td>Report the measures taken to develop and enhance the highest governance body’s collective knowledge of economic, environmental and social topics</td>
<td>Organizational Structure of Corporate Governance</td>
<td>G4-43</td>
<td></td>
</tr>
<tr>
<td>102-35</td>
<td>Report the remuneration policies for the highest governance body and senior executives</td>
<td>Communication with Investors</td>
<td>G4-51</td>
<td></td>
</tr>
</tbody>
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### Stakeholder engagement

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<tbody>
<tr>
<td>102-40</td>
<td>List of stakeholder groups engaged by the organization</td>
<td>Stakeholder Engagement</td>
<td>G4-24</td>
<td></td>
</tr>
<tr>
<td>102-41</td>
<td>Percentage of employees covered by collective bargaining agreements</td>
<td>Working Condition</td>
<td>G4-11</td>
<td>Company does not sign any group negotiation agreement with employees.</td>
</tr>
<tr>
<td>102-42</td>
<td>Basis for identification and selection of stakeholders with whom to engage</td>
<td>Stakeholder Engagement</td>
<td>G4-25</td>
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### General Disclosures

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<tbody>
<tr>
<td>102-43</td>
<td>Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.</td>
<td>Stakeholder Engagement</td>
<td>G4-26/PR5</td>
<td></td>
</tr>
<tr>
<td>102-44</td>
<td>Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.</td>
<td>Customer Satisfaction Survey Stakeholder Engagement</td>
<td>G4-PR5/G4-27</td>
<td></td>
</tr>
<tr>
<td>102-45</td>
<td>List all entities included in the organization’s consolidated financial statements or equivalent documents.</td>
<td>About This Report</td>
<td>G4-17</td>
<td></td>
</tr>
<tr>
<td>102-46</td>
<td>a. Explain the process for defining the report content and the topic boundaries. b. Explain how the organization has implemented the Reporting Principles for Defining Report Content.</td>
<td>Stakeholder Engagement</td>
<td>G4-18</td>
<td></td>
</tr>
<tr>
<td>102-47</td>
<td>List all the material topics identified in the process for defining report content.</td>
<td>Stakeholder Engagement</td>
<td>G4-19</td>
<td></td>
</tr>
<tr>
<td>102-48</td>
<td>Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement.</td>
<td>N/A</td>
<td>G4-22/No restatements.</td>
<td></td>
</tr>
<tr>
<td>102-49</td>
<td>Report significant changes from previous reporting periods in the material topics and topic boundaries.</td>
<td>Stakeholder Engagement About This Report</td>
<td>G4-23</td>
<td></td>
</tr>
<tr>
<td>102-50</td>
<td>Reporting period (e.g., fiscal/calendar year) for information provided.</td>
<td>About This Report</td>
<td>G4-28</td>
<td></td>
</tr>
<tr>
<td>102-51</td>
<td>Date of most recent previous report (if any).</td>
<td>About This Report</td>
<td>G4-29</td>
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</tr>
<tr>
<td>102-52</td>
<td>Reporting cycle (annual, biennial, etc.)</td>
<td>About This Report</td>
<td>G4-30</td>
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<tr>
<td>102-53</td>
<td>Contact point for questions.</td>
<td>About This Report</td>
<td>G4-31</td>
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<tr>
<td>102-54</td>
<td>Claims of reporting in accordance with the GRI Standards.</td>
<td>About This Report</td>
<td>G4-32a</td>
<td></td>
</tr>
<tr>
<td>102-55</td>
<td>GRI content index</td>
<td>GRI Standards Index</td>
<td>G4-32b</td>
<td></td>
</tr>
<tr>
<td>102-56</td>
<td>External assurance</td>
<td>About This Report</td>
<td>G4-32/G4-33/No seeking external verification</td>
<td></td>
</tr>
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### Economic Topics

<table>
<thead>
<tr>
<th>Topic</th>
<th>GRI Disclosure</th>
<th>Description</th>
<th>Report Section</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>201-1</td>
<td>Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.</td>
<td>Financial Performance</td>
<td>G4-EC1</td>
<td></td>
</tr>
<tr>
<td>201-2</td>
<td>Financial implications and other risks and opportunities for the organization’s activities due to climate change.</td>
<td>Climate Change Risk Assessment</td>
<td>G4-EC2</td>
<td>No significant financial impact was caused due to climate change in 2018. Refer to “Climate Change Risk Assessment” for more details on initiatives for addressing climate change.</td>
</tr>
<tr>
<td>201-3</td>
<td>Coverage of the organization’s defined benefit plan obligations.</td>
<td>Financial Performance Human Right Management</td>
<td>G4-EC3</td>
<td></td>
</tr>
<tr>
<td>201-4</td>
<td>Financial assistance received from government.</td>
<td>N/A</td>
<td>G4-EC4</td>
<td></td>
</tr>
<tr>
<td>202-1</td>
<td>Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.</td>
<td>Human Right Management</td>
<td>G4-EC5</td>
<td></td>
</tr>
<tr>
<td>202-2</td>
<td>Proportion of senior management hired from the local community at significant locations of operation.</td>
<td>Employee Hiring Status</td>
<td>G4-EC6</td>
<td></td>
</tr>
<tr>
<td>203-1</td>
<td>Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.</td>
<td>Social Care</td>
<td>G4-EC7</td>
<td></td>
</tr>
<tr>
<td>203-2</td>
<td>Understanding and describing significant indirect economic impacts, including the extent of impacts.</td>
<td>Social Care</td>
<td>G4-EC8</td>
<td></td>
</tr>
<tr>
<td>205-1</td>
<td>Total number and percentage of services provided for risks related to corruption and the significant risks identified.</td>
<td>Code of Conduct</td>
<td>G4-SC3</td>
<td></td>
</tr>
<tr>
<td>205-2</td>
<td>Communication and training on anti-corruption policies and procedures.</td>
<td>Code of Conduct</td>
<td>G4-SC4</td>
<td></td>
</tr>
<tr>
<td>205-3</td>
<td>Confirmed incidents of corruption and actions taken.</td>
<td>Code of Conduct</td>
<td>G4-SC5</td>
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## GRI Standards Index

### Environmental Topics

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<th>Note</th>
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</thead>
<tbody>
<tr>
<td>301-1</td>
<td>Materials used by weight or volume.</td>
<td>N/A</td>
<td>G4-EN1</td>
<td>No statistics due to no production</td>
</tr>
<tr>
<td>302-1</td>
<td>Energy consumption within the organization</td>
<td>Climate Change</td>
<td>G4-EN1</td>
<td></td>
</tr>
<tr>
<td>302-2</td>
<td>Energy consumption outside of the organization</td>
<td>Climate Change</td>
<td>G4-EN1</td>
<td></td>
</tr>
<tr>
<td>302-3</td>
<td>Energy intensity</td>
<td>Climate Change</td>
<td>G4-EN1</td>
<td></td>
</tr>
<tr>
<td>303-1</td>
<td>Total water withdrawal by source.</td>
<td>Water Resource Management</td>
<td>G4-EN1</td>
<td></td>
</tr>
<tr>
<td>303-2</td>
<td>Water sources significantly affected by withdrawal of water.</td>
<td>N/A</td>
<td>G4-EN1</td>
<td>Not applicable. As we cannot obtain water source information from the supply of water plants, we are unable to disclose information of water source seriously impacted out of water usage</td>
</tr>
<tr>
<td>303-3</td>
<td>Percentage and total volume of water recycled and reused.</td>
<td>Water Resource Management</td>
<td>G4-EN1</td>
<td></td>
</tr>
<tr>
<td>304-1</td>
<td>Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.</td>
<td>Ecology Management</td>
<td>G4-EN1</td>
<td></td>
</tr>
<tr>
<td>304-2</td>
<td>Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.</td>
<td>Ecology Management</td>
<td>G4-EN1</td>
<td></td>
</tr>
<tr>
<td>304-3</td>
<td>Habitats protected or restored.</td>
<td>Ecology Management</td>
<td>G4-EN1</td>
<td></td>
</tr>
<tr>
<td>304-4</td>
<td>Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.</td>
<td>Ecology Management</td>
<td>G4-EN1</td>
<td></td>
</tr>
</tbody>
</table>

### Environmental Topics

<table>
<thead>
<tr>
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</tr>
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<tbody>
<tr>
<td>305-1</td>
<td>Direct greenhouse gas (GHG) emissions (scope 1)</td>
<td>Climate Change</td>
<td>G4-EN1</td>
<td></td>
</tr>
<tr>
<td>305-2</td>
<td>Energy indirect greenhouse gas (GHG) emissions (scope 2)</td>
<td>Climate Change</td>
<td>G4-EN1</td>
<td></td>
</tr>
<tr>
<td>305-3</td>
<td>Reduction of greenhouse gas (GHG) emissions.</td>
<td>Climate Change</td>
<td>G4-EN1</td>
<td></td>
</tr>
<tr>
<td>305-4</td>
<td>Emissions of ozone-depleting substances (ODS).</td>
<td>Climate Change</td>
<td>G4-EN1</td>
<td></td>
</tr>
<tr>
<td>306-1</td>
<td>Total water discharge by quality and destination.</td>
<td>Water Resource Management</td>
<td>G4-EN1</td>
<td></td>
</tr>
<tr>
<td>306-2</td>
<td>Total weight of waste by type and disposal method.</td>
<td>Waste Management</td>
<td>G4-EN1</td>
<td></td>
</tr>
<tr>
<td>306-3</td>
<td>Total number and volume of significant spills.</td>
<td>Water Resource Management</td>
<td>G4-EN1</td>
<td></td>
</tr>
<tr>
<td>306-4</td>
<td>Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.</td>
<td>Waste Management</td>
<td>G4-EN1</td>
<td></td>
</tr>
<tr>
<td>307-1</td>
<td>Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.</td>
<td>Legal Compliance</td>
<td>G4-EN1</td>
<td></td>
</tr>
</tbody>
</table>
Operations of Qisda and its suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.

Security personnel trained in human rights policies or procedures.

Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.

Percentage of operations with implemented local community engagement, impact assessments, and development programs.
## GRI Standards Index

### Social Topics

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<tr>
<td>Community</td>
<td>414.1</td>
<td>Percentage of new suppliers that were screened using social criteria.</td>
<td>Supply Chain Risk Management Supplier Selection</td>
<td>G4-SO9.LA14.JHR10</td>
</tr>
<tr>
<td></td>
<td>414.2</td>
<td>Significant actual and potential negative social impacts in the supply chain and actions taken.</td>
<td>Supply Chain Risk Management Supplier Selection</td>
<td>G4-LA15.HR11.SO10</td>
</tr>
<tr>
<td>Supplier Social Assessments</td>
<td>415-1</td>
<td>Total value of political contributions by country and recipient/beneficiary.</td>
<td>N/A</td>
<td>G4-SO6 Stakeholders do not have special public policy stand, nor does BenQ</td>
</tr>
<tr>
<td>Public Policy Customer Health and Safety</td>
<td>416-1</td>
<td>Percentage of significant product and service categories for which health and safety impacts are assessed for improvement.</td>
<td>Customer Health and Safety</td>
<td>G4-PR1</td>
</tr>
<tr>
<td></td>
<td>416-2</td>
<td>Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes.</td>
<td>Customer Health and Safety</td>
<td>G4-PR2 None</td>
</tr>
<tr>
<td>Product and Service Labeling</td>
<td>417-1</td>
<td>Type of product and service information required by the organization’s procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements.</td>
<td>Product and Service Information and Labeling</td>
<td>G4-PR3</td>
</tr>
<tr>
<td></td>
<td>417-2</td>
<td>Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.</td>
<td>Product and Service Information and Labeling</td>
<td>G4-PR4 None</td>
</tr>
<tr>
<td></td>
<td>417-3</td>
<td>Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes.</td>
<td>Marketing Promotion</td>
<td>G4-PR7</td>
</tr>
<tr>
<td>Customer Privacy</td>
<td>418-1</td>
<td>Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.</td>
<td>Customer Privacy Protection</td>
<td>G4-PR8</td>
</tr>
<tr>
<td>Compliance</td>
<td>419-1</td>
<td>Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations in the social and economic area.</td>
<td>Legal Compliance</td>
<td>G4-PR9 SO8</td>
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### Other Topic

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<tr>
<td>Customer Satisfaction</td>
<td>BenQ-2</td>
<td>Won corporate image evaluation award</td>
<td>Customer Satisfaction Survey</td>
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About This Report

Publish Note
BenQ Corporation was established in 1984, focusing on global operation of BenQ brand business. To exhibit CSR promises, BenQ has published CSR reports each year since 2008. This report is the CSR report for 2019.

For responding to issues of interest to stakeholders, BenQ has established own CSR website to offer excerpts of BenQ CSR results in the latest year while CSR reports of previous years can also be downloaded or searched at the website: http://www.benq.com.tw/about/csr

Report Coverage
This report covers related strategy, goal, measure and performance of BenQ Taiwan in 2019.

Compiling Principle
BenQ refers to GRI Standards.

Contact Information
For any suggestions or questions on the report, please contact us:

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