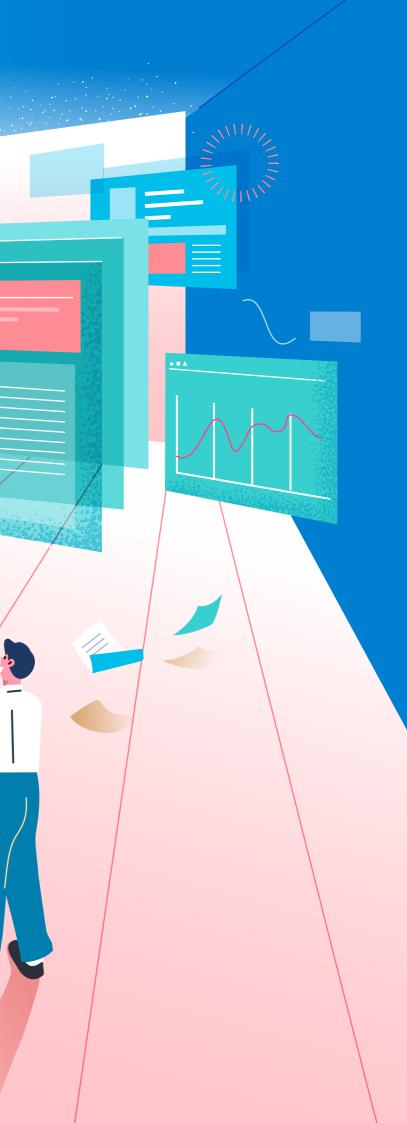
Vendor and Forwarder

> Supplier Selection

> Forwarder Selection

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



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.

With the insistence on the quality and the spirit of ensuring good products for consumers, BenQ has been serious and careful about the review and supervision for the screenings of suppliers. Suppliers are required to provide relevant certificate information such as the photocopy of certifications ISO 9001, ISO 14001, ISO 45001 and SA8000 (or Responsible Business Alliance (RBA) Report or BSCI Social Responsibility Certification) that verifies that they are qualified. Moreover, suppliers are required to provide Conflict Mineral Reports. It is our hope that through the mechanism for joint fulfillment of the corporate social responsibility, issues regarding quality/environmental protection/human rights are valued and long-lasting partnerships can be formed. Only the suppliers for medical field are required to provide ISO 13485 certification.

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.

Supplier Review Mechanism



2020 Review Result

| Certificate Document | Certificate | Implementation Schedule | RBA Responsibility Business Alliance Report | BSCI Social Responsibility Certificate | Letter of Intent | Review Template |
|-------------------------|-------------|----------------------------|---|--|---------------------|--------------------|
| ISO 9001 | 14 | | | | | |
| ISO 13485 | I | | | | | |
| ISO 14001 | 12 | 2 | | | | |
| OHSAS 18001 | 10 | 4 | | | | |
| SA 8000 | 4 | | 0 | I | 4 | 5 |

During the RFQ stage, besides conditions such as product specifications, BenQ departments relating to quality management and product certification will specify standards of finished-good quality of vendors in its official documents while officially rule the related regulations of products such as RoHS, REACH, WEEE, EuP, or related energy-saving and standards such as safety certificate and electromagnetic compatibility. If vendors cannot finish related requirements, RFQ audit will not proceed. With such quality control, BenQ ensures that the products provided can meet company standards and consumer requirements.

Forwarder Selection

Among the whole supply chain, forwarders, as the ones responsible for the cross-border logistics and the last mile of shipment, are indispensable to BenQ. During the process of forwarder selection, in addition to the evaluation of service specifications and the prices, companies with ISO 14001 certification or complementary measures related to green energy and carbon reduction will be first selected as BenQ's forwarders. The green energy competitiveness and service quality are ensured through regular company updates and performance evaluation.

Carbon emissions are the key indicator of transportation to the environment. The order of different transportation methods, in descending order based on their carbon emission coefficients, is air, truck, railway, river and ocean transport. To reduce carbon emission, we have continuously monitored and adjusted transportation methods, such as reducing the ratio of air freight to cut emissions, replacing inland truck transport with inland river transport in regions that have well-developed inland river transport systems, such as China and Europe. A carbon emission reduction of around 15% has been achieved.

For ocean transport, to reduce the marine pollution caused by the emission from ships, International Maritime Organization (IMO) has set up regulations specifying that the sulfur content of the oil used by ships shall not exceed 0.5%. To meet the requirements, ocean carriers must install desulfurizers in old ships or use low sulfur fuel oil for such ships, or purchase new LNG ships. The first carbon-neutral vessel with no fossil fuel used is going to be put in operation by the largest container shipping company of the world, Maersk, by 2023. The vessel is planned to be fueled with green methanol, which is expected to encourage other companies to follow. By then, the carbon emission coefficient of shipping companies will go down again and ocean transport is the primary transportation method of BenQ.

Besides, the cross-national rail transportation service has developed steadily year by year. The carbon emission of such service is around 10% of that of air transportation.