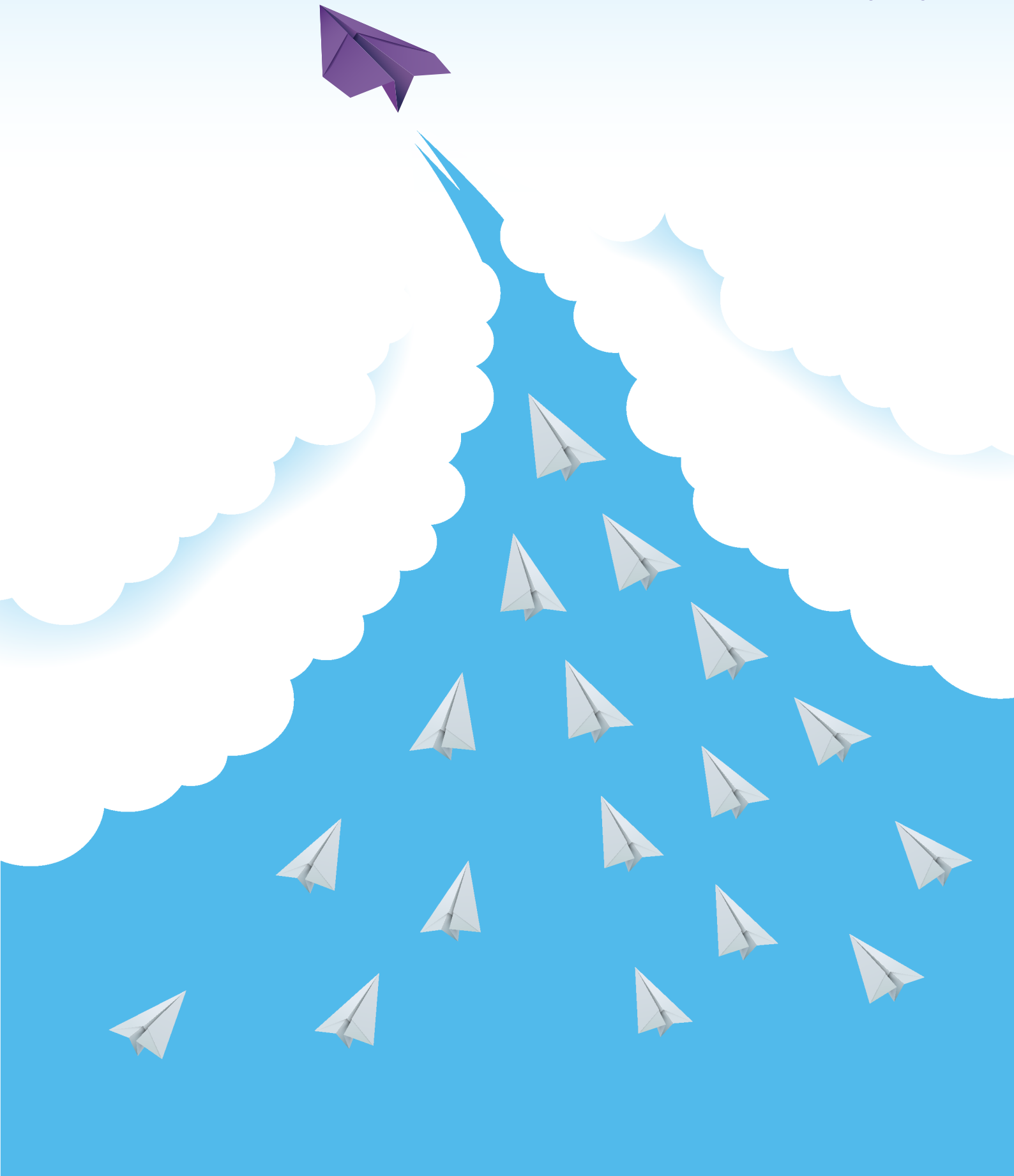




# CSR REPORT 2020



# Sustainable Responsibility Unaltered Promise



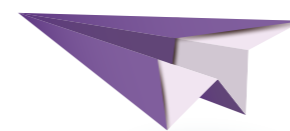
## Message from our President

President & CEO, BenQ Corporation



The sustainability of an enterprise depends on robust foundations built upon economic, environmental and social governance. Continued practice is also essential to pave the way for sustainable growth in the future. BenQ is continuing to develop our corporate vision of "Bringing Enjoyment 'N' Quality to Life." The diversification of our business portfolio has seen BenQ expand beyond 3C products into the four fields of L.I.F.E. in the hope of providing consumers products and solutions to Live better, increase efficiency, feel healthier, and enhance learning. We also expect to fulfill corporate duties when pursuing profits and growths, bringing a positive influence to the society and people.

On the economic environment level, many countries placed their cities under lockdown during the course of 2020 to try and contain the COVID-19 pandemic. The shift to working from home and online learning due to school closures triggered an online buying spree for computers and monitors. Despite the growth of the LCD market in 2020, the pandemic also pushed back or delayed demand for projectors in commercial, education and exhibition/display applications. BenQ nevertheless maintained our development strategy of concentrating professional, high-end and high value-added products to meet the demand from home and professional customers. An example of this was LCD monitors where BenQ continued to



concentrate on the development and sale of professional displays, e-sports displays, and large high-end displays. We pioneered the introduction of the latest EyeCare technology together with TÜV Rheinland's eye comfort certification to further consolidate the leadership of EyeCare displays in the global market. For LCD monitors, BenQ is aiming for sustained and steady growth through innovative applications, functional differentiation and special applications; BenQ projectors in particular have been the best-selling DLPs in the world for 12 straight years. Our team have continued to dig into customer requirements and built up a strong following in the home market with our proprietary world-leading CinematicColor™ color management technology. At the same time, active investment in the market for commercial and high-end engineering applications means we are extending our lead in terms of global market share.

Key gains were made in product design in 2020. The integration of different types of conferencing equipment to create a unified user experience and generate more co-creation activities by the BenQ Uni UI application software was recognized with the "iF Design" international design award; the Gaming

Monitor ZOWIE XL series for PC gaming, designed to provide gamers with a smooth, responsive and crystal-clear gaming experience, won the "G-Mark" and "Golden Pin" awards; and the mobile projector GS2, the i965L/i960L/V6000/V6050/V6000i/V6050i series of home projectors, the GK100 projector, and the Smart TriColor Laser TV i985/i980L series all collected a host of design awards that reflected how BenQ observed then responded to the needs of projector users. The 4K professional photographic post-production display, and the MindDuo 2 Plus smart posture reminding desk lamp won the "Taiwan Excellence" award as well. The unique design approach of BenQ has not only captured the attention of the international design community on multiple sessions, but its products take the environment and energy-efficiency into account as well and have received Energy Star certification.

In terms of environmental management, BenQ products continued to embrace the "Total Product Life Cycle" mindset. The environmental impact of future product use and transportation is taken into account during the design and development phase through energy-saving design, packaging reduction and ease of recycling.



Refinements at every stage help create green products that are environmentally friendly and have less environmental impact. The BenQ WiT smart desk lamp for example chose eco-friendly green materials over the cheap plastics found in most desk lamps. Even if plastic had to be used, environmentally damaging spray painting was not used. Instead, purity in design was used to protect the planet and respond to stakeholder expectations. BenQ undergoes third-party verification on a regular basis as well. Environmental management is enforced and employee participation encouraged.

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.

In the social aspect, we believe that people are a company’s most important asset and are also crucial to business growth. For this reason, BenQ strives to create a safe and relaxing working environment. We also actively invest in diverse education and training options. The cultivation of innovation and competitiveness among employees provide the driving force for the company’s sustained growth. In 2020, BenQ was again named “HR Asia Best Companies to Work For in Asia” and also presented with the “WeCare” employee care award, making us one of the eight companies to receive the award. The accolades all show that BenQ employees appreciate the efforts made by the company in talent cultivation and the creation of a positive working environment.

Since 2016, BenQ has received the “Taiwan iSports” mark for sporting enterprises from the Sports Administration of Ministry of Education every year. We have made continued innovations in sporting equipment, facilities and activities to provide employees with a 5-star workplace where they “Work Smart, Play



Hard.” Actual measures included the innovation sofa zone, 5-star hotel quality lunches, toasters, espresso machines and soda machines for healthy, delicious food and a great environment. To promote work–life balance, we organized fun and healthy activities such as family days, happy hours, sporting activities, positivity classes, and arts and cultural activities. Every effort was made to create a happy enterprise that looks after employees’ physical, mental and spiritual well-being. The COVID-19 pandemic in 2020 meant that existing arrangements were enhanced through innovative methods and digital technology. Activities where face-to-face contact was impractical were redesigned into online versions using digital tools. Examples of these included epidemic prevention pack – giveaways of practical epidemic prevention trinkets, online kite painting competition, cinema at home – movie appreciation event, online KTV, online sports carnival, online positivity seminar, online health seminars and more. Employee benefits actually increased. Employees found the unprecedented design of activities to be novel and fun. The use of digital technology meant an expansion in employee participation to all affiliated enterprises. The greater participation in turn fostered more networking among employees.



To ensure the sustainability of the company and connect with international trends, BenQ actively responded to a number of UN Sustainable Development Goals (SDGs) as well. Technology was used to promote the development of quality education. In Taiwan, 300,000 teachers and students benefit from our interactive design each day during instruction on campus. Features such as double windows, germ-resistant screen, and Eye-Care solution deliver a quality teaching and learning experience for teachers and students. Particular emphasis was also placed on good health and well-being, gender equality. In terms of sustainable operations, clean water resources and affordable clean energy have all been actively implemented into BenQ’s routine business operations.

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.



# BenQ Corporation

- Company Name

BenQ Corporation

- Founded

April, 21, 1984 (Spin-off of OEM business finished on September, 1, 2007)

- Date of Brand Creation

December, 5, 2001

- Capital

NT\$5.396billion

- Revenues

NT\$27.5 billion (2020)

- Headquarter

16 Jihu Road Neihu, Taipei 114 Taiwan

- No. of employees

Global-1,501, Taiwan-576 (Until December, 2020, part-time worker not included)

- Chairman

K.Y. Lee

- President & CEO

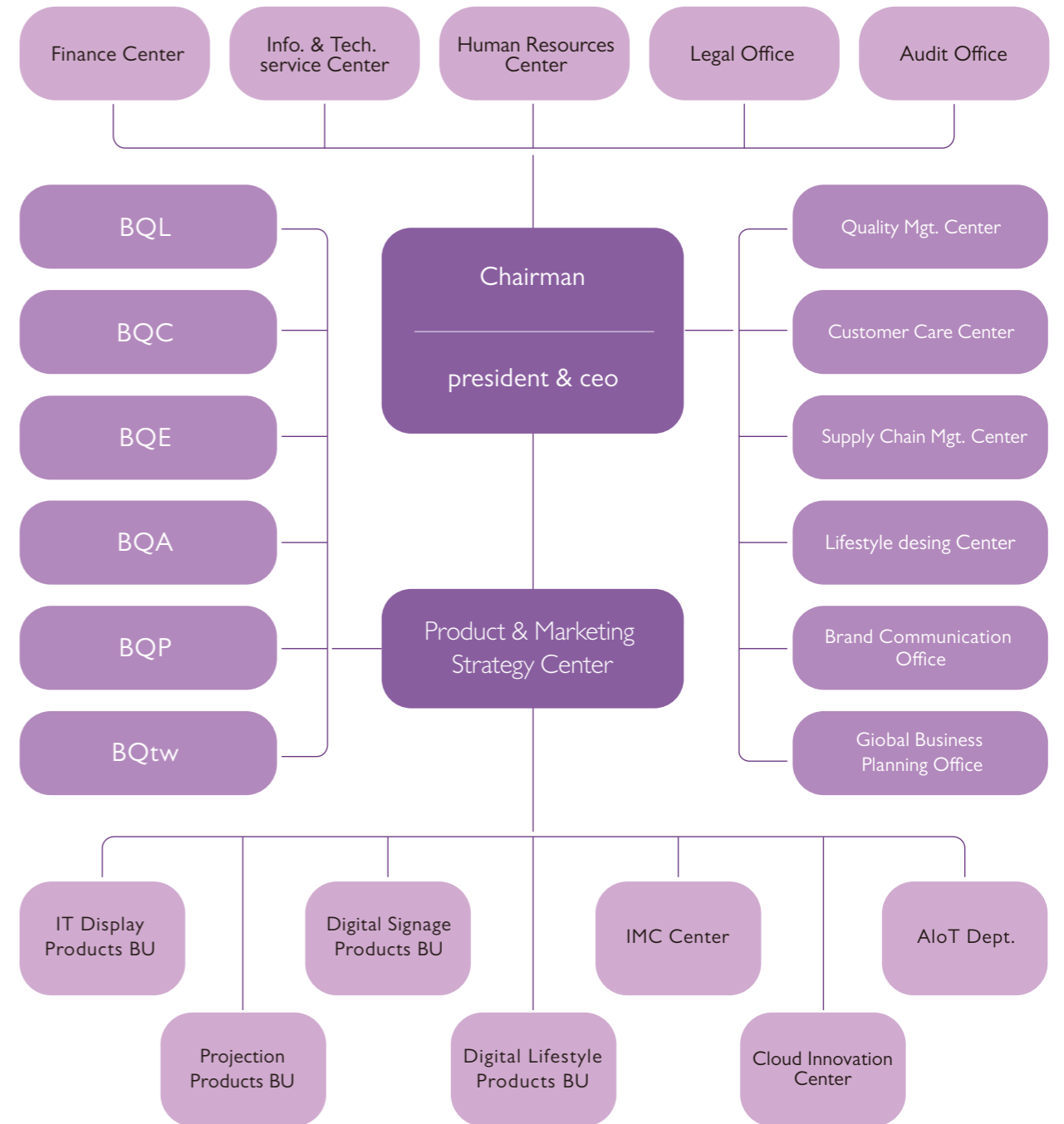
Conway Lee





# Company Organization

## < Company Organization Structure



# 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 headquarter 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.

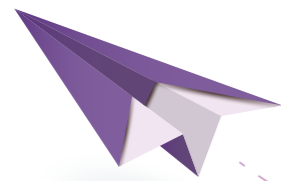
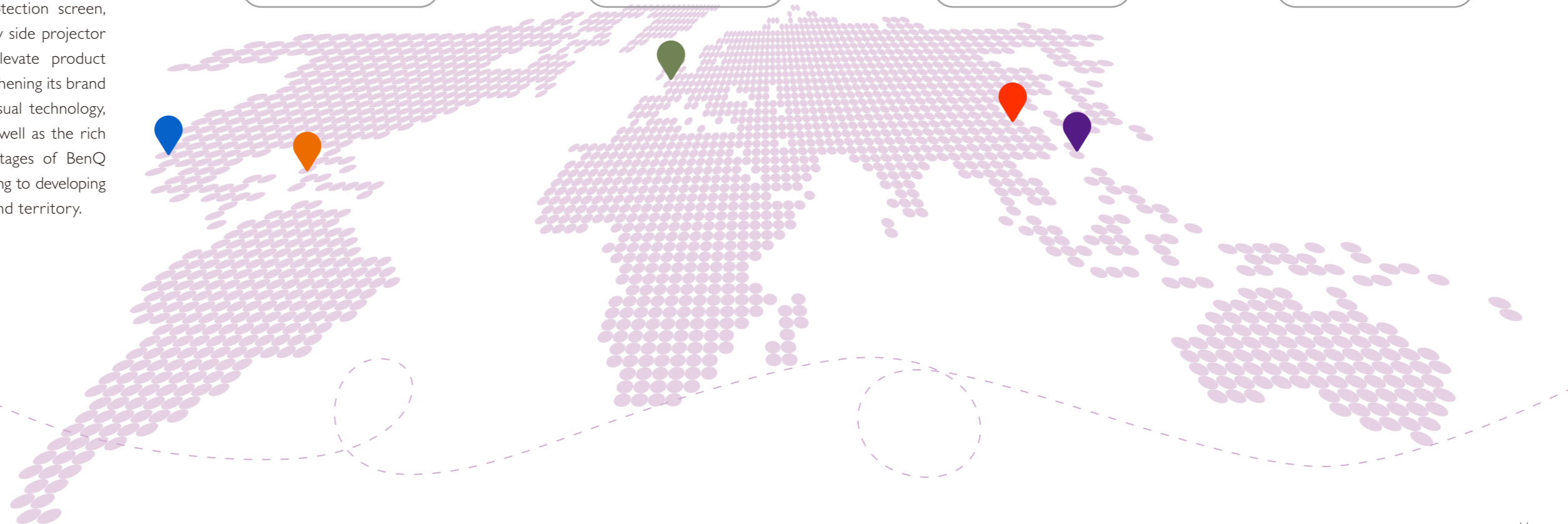
## Operational headquarter makes global decision, regional sales center executes locally

To strengthen the basis of developing international brand, BenQ establishes a decision center at its headquarter 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 value-innovative product and expanding brand territory.

< Company Operational Locations

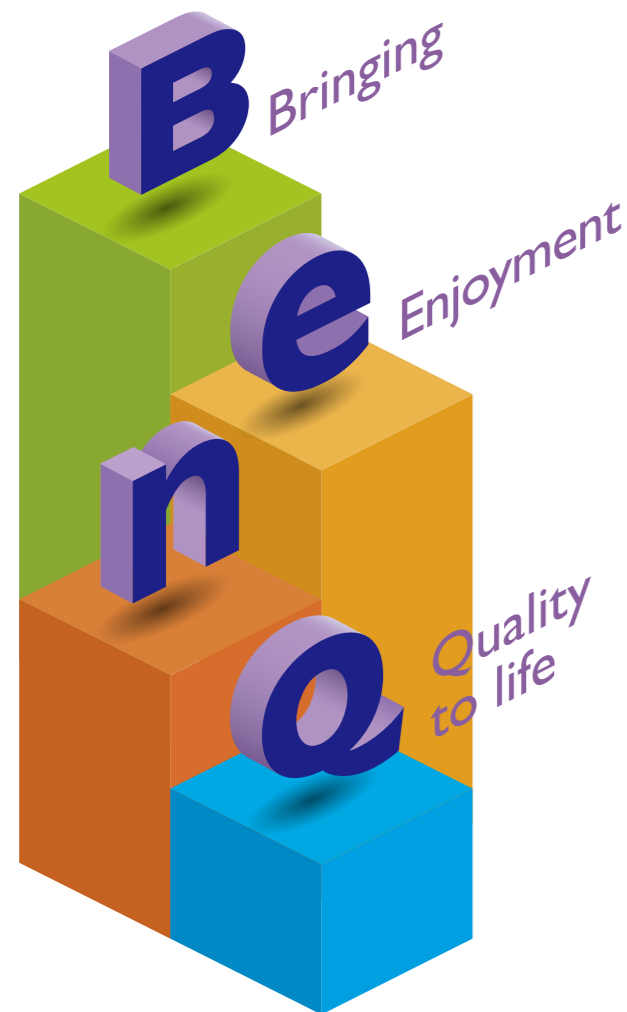


# BenQ Culture

## > 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.

< Our Vision



< Core Value



## > Core Value

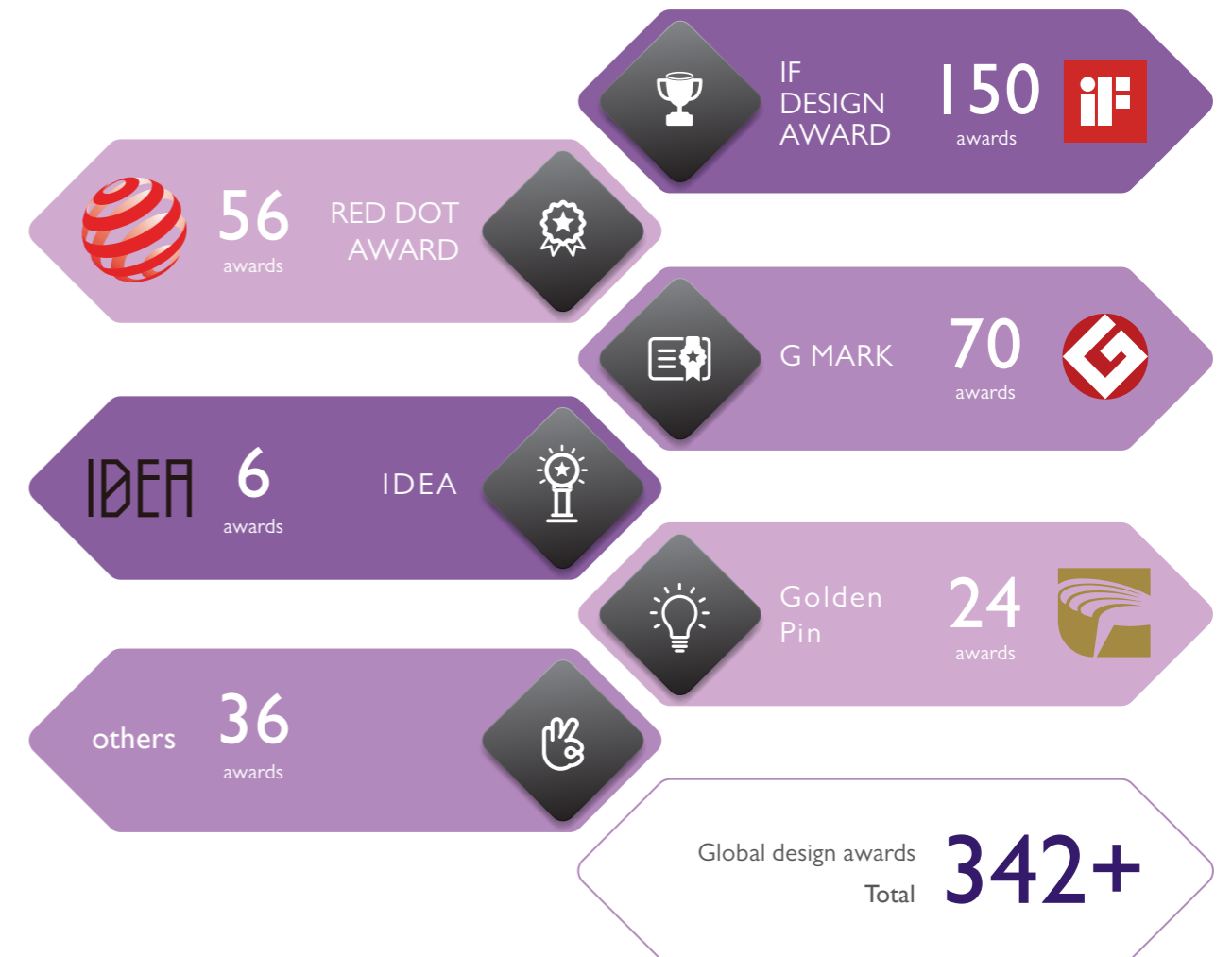
"Bring Enjoyment and Quality to Life" is Qisda's shared vision, and is realized via four values: "Integrity & Introspection", "Passion & Professionalism", "Execution & Excellence", and "Caring & Contribution."

- 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 2020, it had 7 international design awards while winning 150 iF awards, 56 red dot awards, 6 IDEA awards and 70 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.

< Global design awards 2002~2020



< Awards

## 2020

- BenQ Home Projector i965L/i960L/V6000/V6050/V6000i/V6050i series won the iF DESIGN AWARD
- BenQ GS2 Portable Projector won the iF DESIGN AWARD
- BenQ Uni UI application software won the iF DESIGN AWARD
- BenQ Gaming Monitor ZOWIE XL series won the GOOD DESIGN AWARD (G-Mark) and the Golden Pin Design Award
- BenQ Home Projector GK100 won the GOOD DESIGN AWARD (G-Mark)
- BenQ Smart TriColor Laser TV i985L/i980L Series won the GOOD DESIGN AWARD (G-Mark)



## 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 2020, BenQ joined the following associations/organizations relating to the information industry.

### < Association Role

Association Name	Management Role	Member Role
Taipei Neihu Technology Park Development Association	●	●
Taiwan Excellent Brand Association (TEBA)	●	●
ICC (international Color Consortium)	●	●
Taiwan Electrical and Electronic Manufacturers' Association (TEEMA)		●

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.

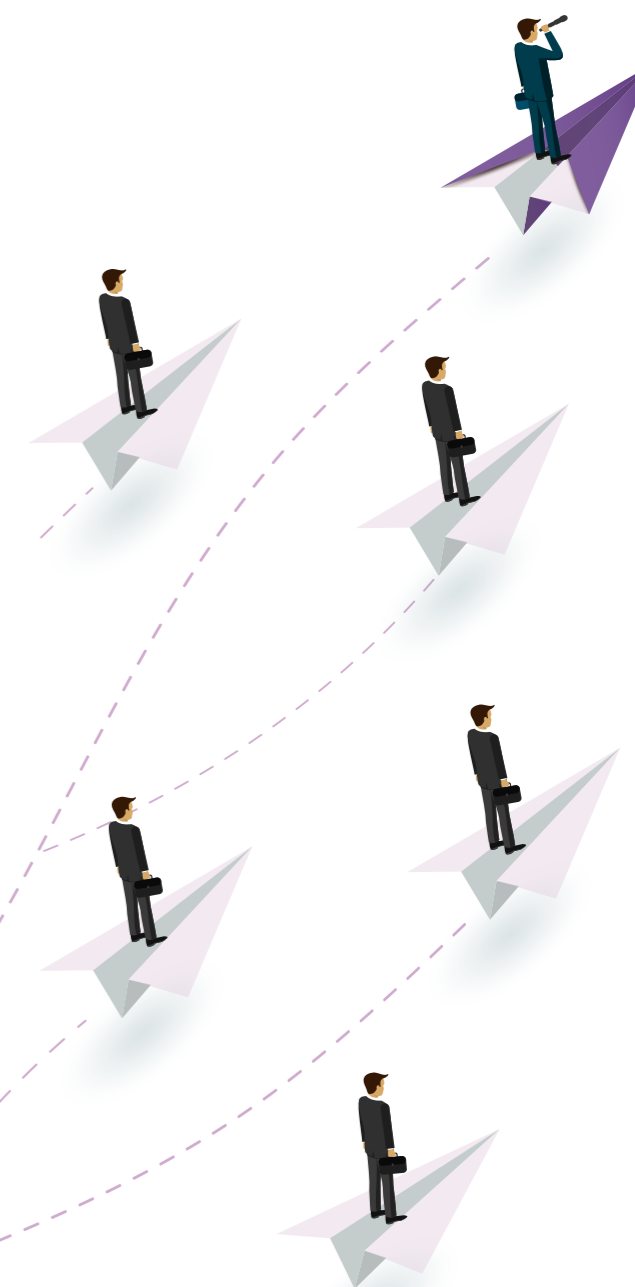
BenQ actively develops green products that are friendly to the earth, with products meeting green

regulation requirements, ensuring them to be green and reusable. We expect to fulfill our corporate citizen duties with a corporate constitution of steady profits and continuous growth while pursuing the three-fold achievements of economic growth, social responsibility and environmental protection, bringing a positive and upward power for the society and creating a co-living beauty for the human being and earth; this is also our persistence and commitment for the corporate sustainable development.

### Internal Brand Communication Coheres Consensus of Four Value Concepts Realizing CSR

BenQ holds "Bringing Enjoyment 'N' Quality to Life" as its corporate vision. We realize the vision by four value concepts "Honesty and Self-discipline", "Enthusiastic and Practical", "Pursue Excellence", "Care and Devotion". "Honesty and Self-discipline" means commits to one's moral character, not speculative and fake while setting example by doing what's right and follow the company's disciplinary rules, keeping one's words. "Enthusiastic and Practical" means finish one's job with an active and positive attitude, be passionate about one's work and partners, sticking to one's promise. "Pursue Excellence" means having the spirit of opening one's heart and is keen to innovate and change, continue to learn and grow, constantly pursuing a better result. We also have "Care and Devotion" for the whole society, realizing the promise of environmental protection and sustainable development, contributing to customer, social and environmental benefits.

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.



# BenQ Corporate Social Responsibility



## 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 Week
- 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.

### CSR Structure



## Stakeholder Engagement

As a well-known global brand, BenQ believes keeping unhindered communication can help fully understand stakeholder thoughts and needs. To ensure timely communication with stakeholders in the planning and decision-making processes of all corporate sustainability development operations, as well as to address the material topics identified by stakeholders in this scope, BenQ has resorted to a transparent and unimpeded response mechanism: AA 1000 Accountability Principle Standard (AA 1000APS). It is our commitment to recognize and respond to information concerning sustainability development with the highest credibility and quality. BenQ's adherence to AA 1000APS standards, following three major principles: inclusivity, materiality, and responsiveness.

### BenQ AA 1000APS Compliance Approach



### 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 views 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 topics

relevancy and significance of an identified topics 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 86 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 the annual corporate sustainability development report, in addition to the utilization of assigned communication channels; while secondary topics are to be responded mostly through the assigned communication channels.



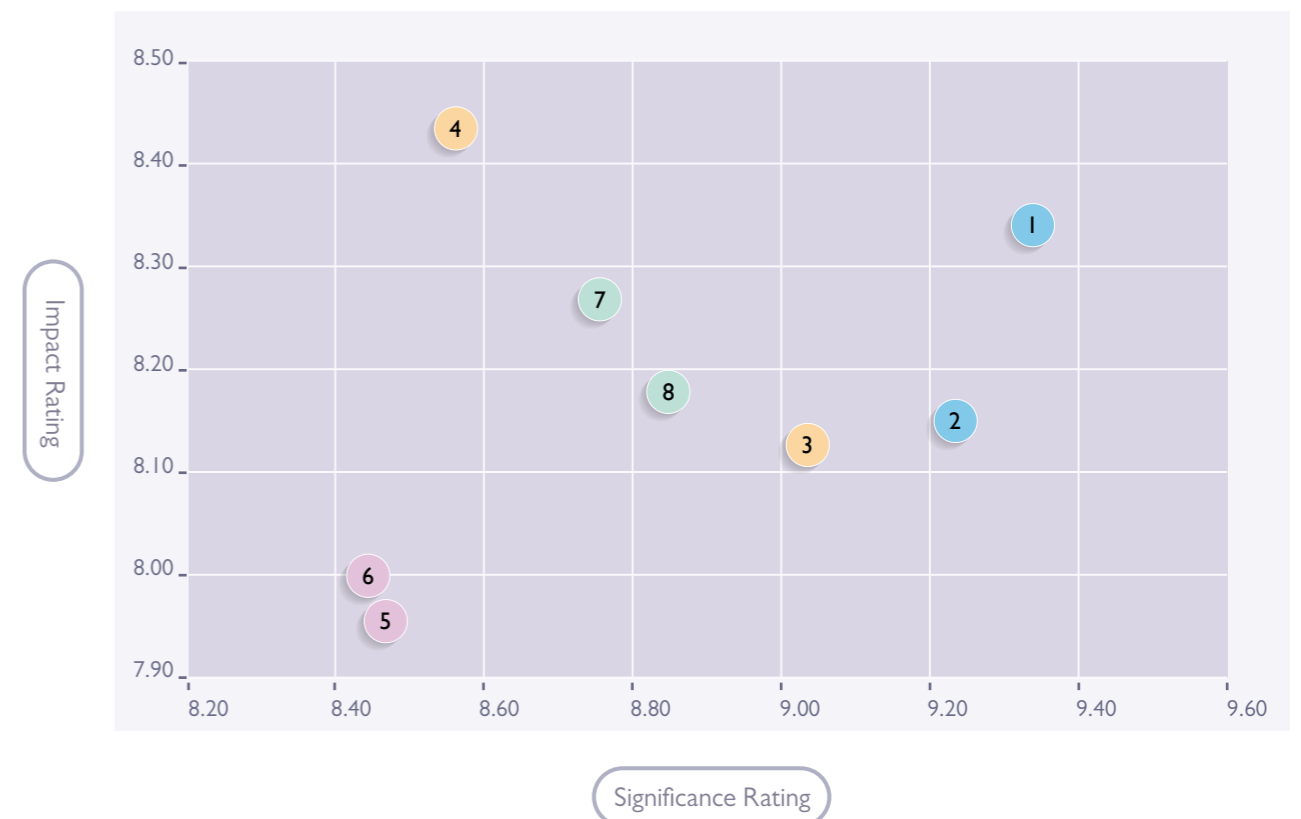
< Table of Communication Channels with Stakeholders

Stakeholders	Major Topics	Medium	Responses
 Investor	1.Revenue 2.profit 3.future business growth	<ul style="list-style-type: none"> <li>Quarterly business conference</li> <li>Quarterly board of directors meeting</li> <li>Annual shareholder's meeting</li> </ul>	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.
 Customer	1.Environmental related substance 2.Product specifications, 3.environmental protection mark product	<ul style="list-style-type: none"> <li>Customer service phone number</li> <li>Website</li> </ul>	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.
 Employee	1.Working environment 2.Employee welfare 3.Human right 4.Future business growth	<ul style="list-style-type: none"> <li>Daily e-letter</li> <li>Monthly business conference</li> <li>Quarterly brand/culture activity</li> <li>Quarterly welfare committee</li> <li>Quarterly Labor-management meeting</li> <li>Catering committee</li> <li>Biannual employee questionnaire</li> </ul>	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.
 Supplier	1.Supply chain management, 2.Green product specifications	<ul style="list-style-type: none"> <li>Quarterly Business Review (QBR)</li> </ul>	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.
 Community	1.CSR, 2.Social charitable activity	<ul style="list-style-type: none"> <li>Quarterly Taipei NeiHu Technology Park Development Association</li> <li>Taipei NeiHu Technology Development Association meetings</li> <li>Benq Foundation</li> </ul>	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.
 Non-Profit Organization	1.Environmental related substance 2.Green product	<ul style="list-style-type: none"> <li>Mail box</li> <li>Fax</li> <li>Phone</li> </ul>	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

< Table of Material Topics

Item	Type	Issue	Chapter	Boundary	
				Internal	External
1	Economic	 Quality management	Brand management	●	●
2	Economic	 Quality	Quality management	●	●
3	Social	 Customer privacy protection	Customer privacy protection	●	●
4	Social	 Human right	Human right management	●	
5	Environmental	 Product lifecycle evaluation	Quality management	●	●
6	Environmental	 Greenhouse gas and energy management	Climate change	●	●
7	Health and Safety	 Product health and safety	Customer health and safety	●	
8	Health and Safety	 Chemical management	Product design improvement	●	

< Distribution of Material Topics





# Pursuit of Innovation



# In Pursuit of Safe and Sustainable Innovations

The BenQ Public Display Products (PDP) department is committed to designing and delivering innovative display solutions that help schools and businesses effectively create functional spaces conducive to active learning and collaboration. In line with this goal are our ongoing commitments to help organizations maintain safe and engaging learning environments and workspaces and adhere to the sustainable development goals (SDGs) set forth by the United Nations Development Program (UNDP).

Of the 17 SDGs detailed by the UNDP, we have focused on three that best match our department's core competencies. As a technology brand that heavily caters to educational institutions and businesses, with a special focus on health-focused innovations, we believe that we can contribute by actively promoting good health, quality education, and sustainable innovations.

UNDP SGD	<b>Good health and well-being</b> Strengthen the capacity of organizations to manage critical health risks	<b>Quality education</b> Upgrade educational facilities and enable learners to acquire skills and knowledge required for sustainable development	<b>Industry, innovation, and infrastructure</b> Upgrade infrastructure and technological capabilities through energy-efficient, sustainable innovations
	<b>Help organizations maintain healthy spaces</b> BenQ offers interactive displays fitted with SIAA and TÜV-certified features that help safeguard the well-being of our users and prevent the spread of germs in classrooms and workspaces.	<b>Provide state-of-the-art educational tools</b> BenQ equips schools with interactive displays that come with innovative features that help facilitate active and hybrid learning, ensuring educational resilience and the continued development of students' 21st century skills.	<b>Adhere to sustainable global production standards</b> BenQ produces solutions that are globally certified for being energy-efficient, eco-friendly, and safe for use. Our production processes adhere to the strictest environmental standards set by prominent international organizations.
	<b>BenQ PDP commitments</b>		

Percentage of BenQ display solutions that have passed global environmental protection standards

Environmental protection certificate	BenQ display solutions	
	Interactive displays	Digital signage
European Energy-related Products (ErP) Directive	100%	100%
European Waste Electrical and Electronic Equipment (WEEE) Directive	100%	100%
European Restriction of Hazardous Substances (RoHS) Directive	100%	100%
Energy Star	100%	89%



## Help organizations maintain healthy spaces

In order to help organizations create and sustain safe and healthy spaces for both education and business, we at BenQ continuously develop products with user health and safety as key considerations. Currently, we focus on three areas of user health: eye care, good air quality, and disease prevention by limiting germ transmission.

### Eye-care technologies

BenQ has fitted our displays with three different eye-care technologies that aim to protect our users' eyesight.

### Flicker-free screens

As early as 2012, our displays come with flicker-free panels that prevent both visible and faint screen flickering that may cause eye strain and fatigue.

### Blue light filter

Added in 2013, our displays' blue light filter protects users from exposure to harmful blue light, which is known to have negative long-term effects on eyesight, including blurry vision and macular degeneration.

## Anti-glare screen

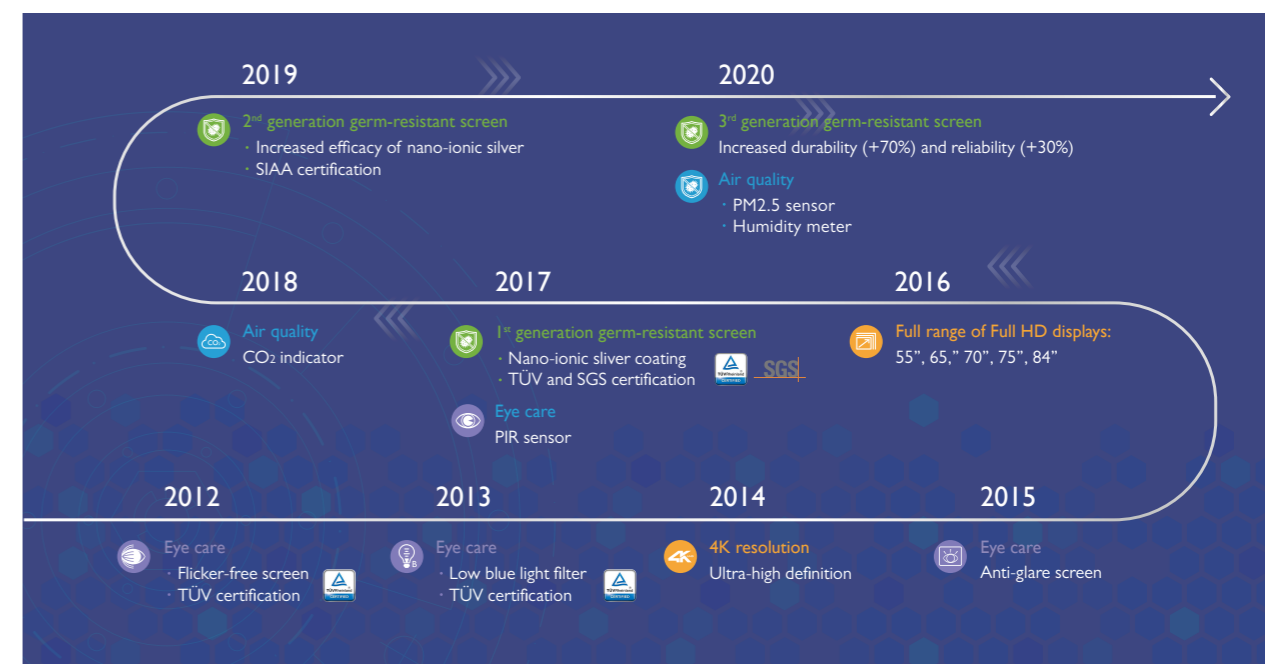
Starting 2015, our displays come with screens that have an anti-glare coating, designed to significantly reduce the amount of reflected light on the glass panel and increases the visibility of on-screen content.

## TÜV- and SIAA-certified germ-resistant screen

Germs can latch onto devices for up to several months, increasing the risk of disease transmission in classrooms and offices. Knowing this, BenQ developed the world's first germ-resistant screen for large-format displays.

Since 2017, we've been using nano-ionic silver, which is globally recognized by the scientific community for its efficacy against bacteria and other harmful microbes. The silver releases ions that inhibit germs by disrupting their DNA. BenQ's 3rd generation screen has the strongest concentration of nano-ionic silver that is carefully applied using a proprietary manufacturing process, where the glass and agent are heated at high temperatures until they fuse and bond, ensuring long-lasting antimicrobial efficacy.

Certified by renowned international testing organizations, BenQ's germ-resistant screen is proven effective and safe to use.



**TÜV Rheinland** is one of the world's leading testing service providers. Established in 1872, the company employs highly qualified experts to test and certify technical systems and solutions based on international standards. They have tested several BenQ solutions, such as our built-in eye care technologies as well as our germ-resistant screens, for efficacy and reliability. Based on results, BenQ's germ-resistant screens are effective against common germs like Escherichia coli, Staphylococcus aureus, and Pseudomonas aeruginosa.



The **Society of International sustaining growth for Antimicrobial Articles (SIAA)** is an organization of manufacturers and antimicrobial testing institutions that uphold the strictest quality and safety standards for products with antimicrobial properties. Only products that pass the following criteria are allowed to use the SIAA label:

- **Antimicrobial efficacy:** After a series of tests conducted in accordance with the ISO 22196 international standard, the bacteria on the surface of the treated product is 1/100 or less than that of the bacteria found on the surface of a non-treated product.
- **Safety:** The product is nontoxic and is safe for human use.
- **Appropriate labeling:** The product is clearly labeled with the type of antimicrobial agent used.



**Software support to reduce exposure risks**

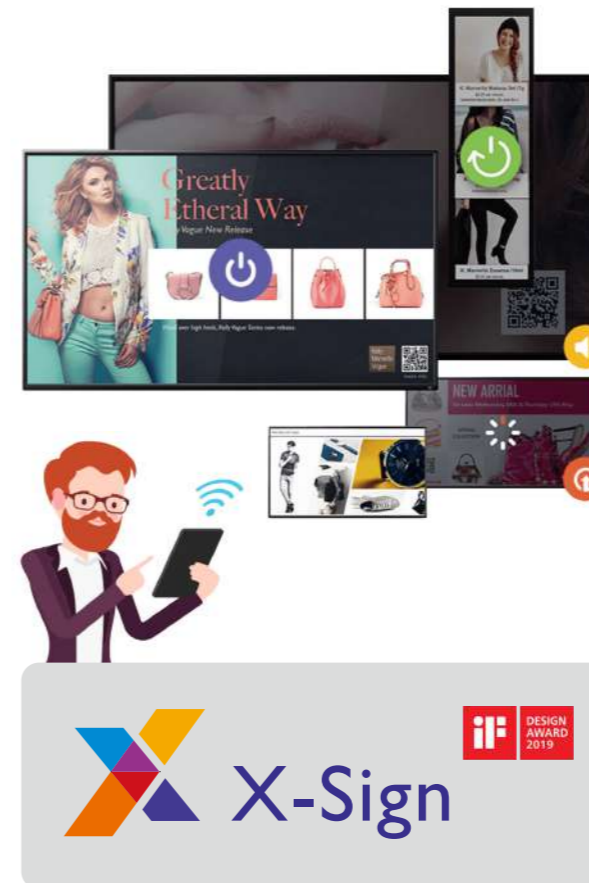
Another way to protect user health in places like schools and offices is by creating more resilient spaces. This means that, in the case of a pandemic, organizations can quickly apply social distancing measures or even hybrid and remote work.

For this, BenQ has software solutions that help educational and corporate institutions minimize physical interaction and hardware sharing in meeting rooms (via wireless screen sharing) and cloud-based services designed for the remote management of BenQ displays and signage content.

**Remote management of displayed content**

Due to the pandemic, many businesses have had to pivot to some form of fully remote or hybrid working setup. For those tasked to maintain building signage or commercial displays, BenQ supports them through our X-Sign system, a cloud-based service that gives users the ability to design, push, and play visual content without ever having to physically be on site. Through X-Sign, content managers can perform the following tasks remotely, from wherever they are:

- Design and create content
- Manage and schedule content playlists
- Remotely control the display power
- Monitor the performance of the content, and, if the displays are touchscreen, analyze the interaction data



Since our smart signage and display solutions can be accessed and managed via the internet, administrators can safely stay at home, easily log into X-Sign Manager, update the played content, turn displays on and off, and review display analytics.

**Wireless projection reducing exposure risks**

With the sharing of equipment such as displays and cables becoming a possible transmission vector of disease-causing germs during meetings, it may be good for organizations to consider wireless alternatives.

BenQ InstaShare makes contactless meetings possible. It allows users to instantly present content and share their screens while eliminating the need for data cables and other shared peripherals like meeting room keyboards and mice. All users need when presenting on a BenQ display is their own personal device.

To start sharing, they simply need to ensure that their devices are on the same network as the display, turn on InstaShare, and then begin casting their content onto the screen. This setup works regardless of whether users have a Windows laptop, MacBook, iPhone, iPad, or an Android phone or tablet.



**InstaShare**



**InstaShare 2**

(Ready to bring you a new experience in 2021)



## Case Studies

### Chang Gung Memorial Hospital uses BenQ displays to meet changing medical demands

The Chang Gung Memorial Hospital installed BenQ SL series displays in their operating rooms. Since it's a large-format 4K display, the SL series gives surgeons enough space to view all relevant information—such as surgical parameters and vital signs—on one screen, allowing them to better concentrate on the surgery at hand.

“We keep operating rooms very cold to prevent bacteria growth. Because of this, the internal temperature of displays is relatively high. For many brands that we tested, it resulted in a lot of condensation on the screen. BenQ’s displays never had this problem,” says Dr. Shih-Che Chen. “When I and other medical staff were testing the BenQ displays, we were particularly satisfied by its high-resolution, flicker-free screen. Compared to all other displays we tested, we knew BenQ was our preferred option.” Moreover, the true colors replicated by the SL series’ Pantone mode produce accurate images that doctors refer to during operations.

The hospital also acquired RP series interactive displays for their offices, granting them an easy way to plan and schedule medical procedures.

Kuei-Chi Chung, Technical Development Project Manager of the hospital's Information Business Department, says: “We are about to usher in a new medical era. Given the complexity of the medical industry, it's difficult to determine whether a product will meet the needs of on-site staff without conducting field tests. Based on our experience, BenQ displays have been very stable and reliable.”



Shih-Che Chen, Assistant General Manager of General Manager Office, Chang Gung Medical Technology Co., Ltd.

### Royal Berkshire Hospital overcomes COVID-19 setbacks through BenQ interactive displays

The Royal Berkshire Hospital (RBH) originally acquired BenQ DuoBoards to fulfill their meeting requirements. The large-format displays gave them a wider screen for their presentations—a feature that helped with their internal COVID-prevention efforts. “What the DuoBoard has done is enable us to have group discussions in a socially distanced environment. The screen was large enough for our staff to see all the details being shared. It allowed more interaction compared to when we had meetings using desktops and laptops,” says Dr. Sumith Perera, clinical lead of the Prince Charles Eye Unit of RBH.

With the emergence of COVID-19, they were not only able to maximize the DuoBoard for social distancing, but they also managed to smoothly transition into an operational hybrid working setup: “We had 10% of our staff on-site while the rest were working remotely or from home,” notes Dr. Perera. “We used the BenQ cameras with a wide field of view so that remote staff can clearly see everyone in the room.”

“Surgeries involve multidisciplinary input from teams and staff from different sites,” explains Dr. Perera. “We need to factor in pre-operative assessments, COVID swabbing, theatre nursing staff allocations, anesthetic and surgeon allocations. The BenQ solutions allow us to meet regularly to discuss these items. The DuoBoard has been particularly useful when we're showing facts and figures to staff participating from different sites.”



Experts and students using BenQ's DuoBoard in mixed training



### Provide state-of-the-art educational tools

Quality education is crucial in order to achieve sustainable development. This means that schools need to go beyond traditional modes of learning that only require one-way lectures, notetaking, and rote memorization and recitation of facts and figures.

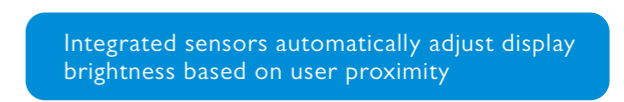
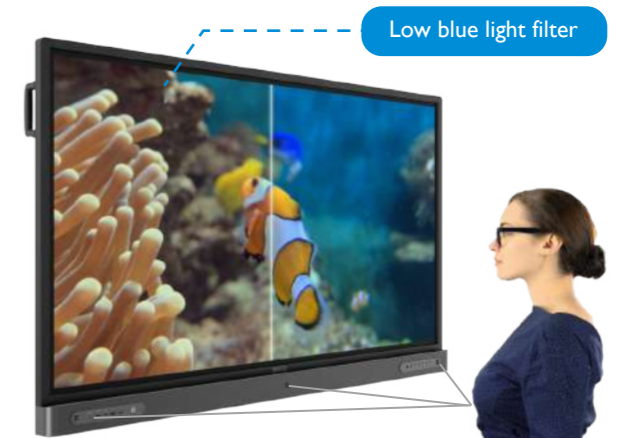
At BenQ, we recognize that the most effective way to equip students with the necessary 21st century skills they need in order to flourish in the real world is through active learning—a pedagogy characterized by the more active role students take in the processing of information presented to them. Through this approach, students learn to find ways to apply their acquired knowledge through practical applications.

In order to facilitate active learning activities in the classroom, teachers will need the right tools that would allow their students to participate more in discussions and collaborate with their peers in coming up with new concepts related to their field of study.

The most commonly used tools in class are whiteboards, projectors, tablets, and multimedia systems. BenQ is able to merge all these functionalities into our interactive displays for education, the features of which, we have detailed as follows:

#### Feature 1: Integrated eye care technologies

Built-in motion and light sensors automatically adjust the display brightness based on ambient light and the proximity of the user is to the display. When users are closer to the screen, its brightness gets dimmer and easier on the eyes. In addition, the flicker-free screen's anti-glare coating coupled with the display's low blue light filter prevent users from experiencing eye strain while using the display for long periods of time.

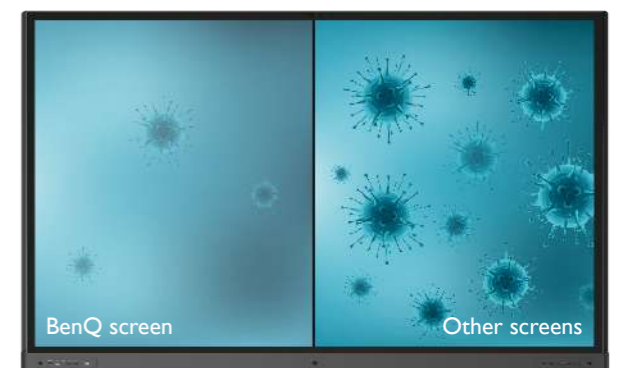


#### Feature 2: Germ-resistant screens

The prevalence of touchscreen displays in public settings makes them hotbeds for disease transmission. This is why BenQ became the first solutions provider to offer large-format interactive displays that feature germ-resistant screens.

BenQ uses nano-ionic silver, a globally recognized antimicrobial agent proven to inhibit germs from spreading further either through cell division or replication.

BenQ's germ-resistant screens have undergone thorough testing and have been certified for reliability, 99.9% efficacy, and user safety by reputable international organizations such as TÜV Rheinland, SIAA, and SGS.





### Feature 3: Air quality sensors

The built-in air quality sensors can help users assess a room's indoor air quality based on the particular matter (PM2.5 and PM10) concentration and CO2 levels in a room. Poor air quality is known to affect alertness and concentration, thereby reducing user performance. With the help of these sensors and the real-time reports summarized on the display's home screen, users can immediately adjust the room's ventilation to improve air circulation and mitigate the effects of poor air conditions.



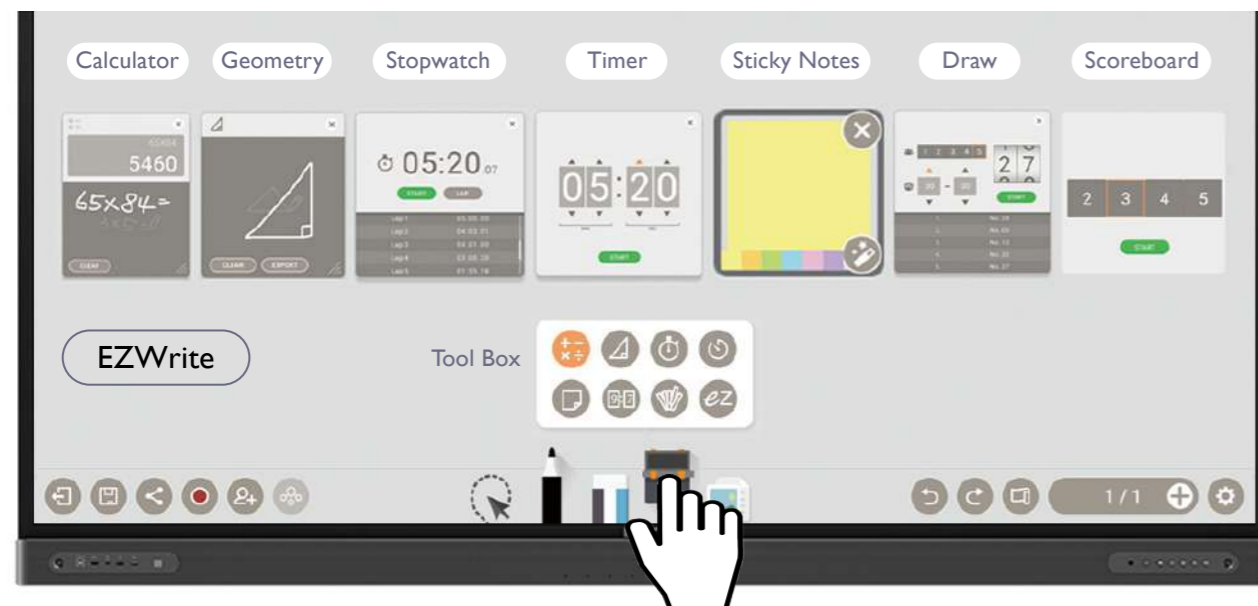
### Feature 4: Interactive whiteboarding

BenQ interactive displays are equipped with EZWrite, BenQ's feature-packed whiteboarding software designed for highly engaging lessons. Its multi-touch support allows several students to come up to the board and write at the same time. EZWrite's machine learning handwriting recognition feature lets users convert their scribbles into editable text, which they can alter using a keyboard.

More than just text, EZWrite opens up a world of possibilities by giving teachers the freedom to import multimedia files on the board. They can add photos and illustrations, load PDF pages and slides, and even paste screenshots that they can write over, resize, and reposition.

EZWrite also has a full-feature toolbox that has everything they need to roll out their lessons: a calculator for math problems, a geometry tool for drawing accurate shapes, a stopwatch and timer for experiments, a number draw and scoreboard for games, and sticky notes for quick real-time surveys.

BenQ interactive displays also come with the Floating Tool, a moveable tool menu that teachers can access any time over any app opened on their display. From the Floating Tool, they can tap the pen tool for on-screen annotation, its eraser, as well as other features like screen recording and screenshots. They can save screenshots as image files or import them directly on EZWrite as part of an ongoing discussion.



### Feature 5: Wireless screen sharing

BenQ software solutions such as InstaShare allow for quick and easy screen sharing in the classroom without the need for extra wires and peripherals. Teachers can simply open the InstaShare app on their BenQ display so that they and their students can simultaneously cast or mirror their device screens—regardless of whether they're using laptops, tablets, or smartphones—for highly engaging lessons.



Because InstaShare is wireless, teachers are free to move around the classroom during discussions. They can interact with their students more closely while controlling the board from a tablet. And since students can also share their own screens, it becomes easier to host collaborative activities. Teachers can hold fun educational games or facilitate peer critiques where students can get more hands on through InstaShare's two-way touch and annotation features.

### Feature 6: Easy account access and permission management

Installing interactive displays in classrooms may tempt students to use them inappropriately during lulls in between classes, perhaps as large gaming tablets or digital graffiti boards. With the BenQ Account Management System (AMS), administrators can guarantee that only authorized personnel like teachers can use BenQ displays for official purposes such as holding classes or hosting in-campus staff or PTA meetings.

By utilizing AMS, teachers can also cut their setup time in half as it allows them to access their cloud storage accounts directly from the display. They can log in with a just tap of their ID card on the display's built-in NFC sensor\* and then load their teaching materials straight from the cloud. They no longer need to bring USB drives or other bulky peripherals.

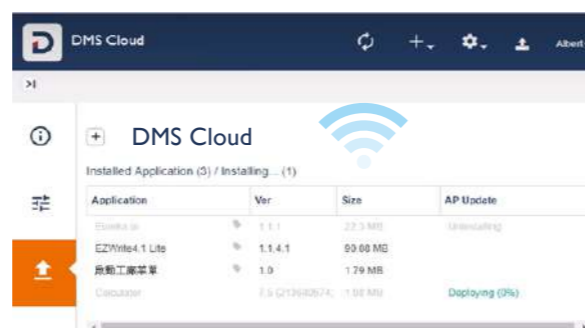
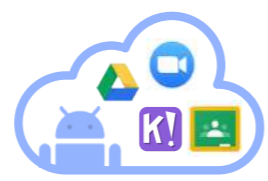


\* Available only for certain models



### Feature 7: Real-time alert and broadcasting system

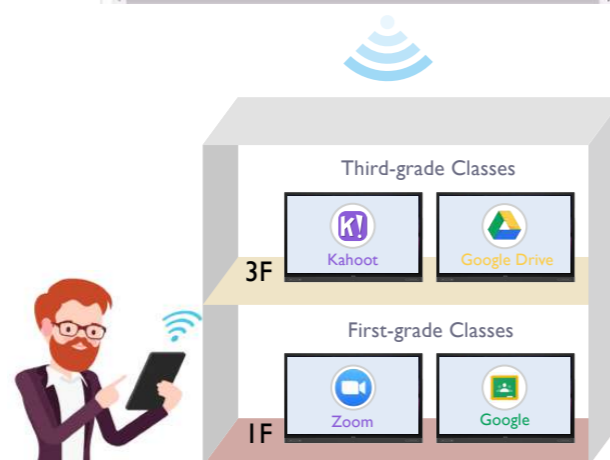
Through X-Sign Broadcast, BenQ's cloud-based public announcement system, users can send scheduled content or real-time alerts via their BenQ displays. This feature is especially useful for emergencies. School administrators can easily draft messages and push them to several classrooms simultaneously, giving both teachers and students any vital information they may need in case they're required to evacuate or take action.



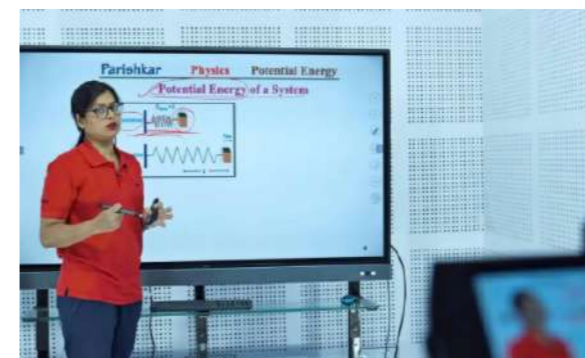
### Feature 8: Convenient app and update management

With the BenQ Device Management Solution (DMS), administrators can remotely oversee all their displays via a single cloud-based console. Through DMS, they can monitor the real-time status of their devices, install or remove applications, and even update their firmware.

By granting administrators the flexibility to remotely manage their displays, saves them both the time and the effort they would normally use to go to each display and manually perform these tasks on site.



## Case Studies



### Parishkar International College ensures educational resilience with BenQ interactive displays

The physical restrictions brought about by the pandemic posed a challenge to educators at Parishkar International College, who needed to find ways to take their classes online. Teachers had to convert their in-person lessons into pre-recorded or livestreamed sessions. With regular whiteboards, teachers had to write or post their lesson content to the board before they could start—a setup that proved time consuming. They were able to solve this issue with BenQ education displays.

College Director Dr. Savita Paiwal explains: "Teachers get to save a lot of time they used to spend writing on the board. They can prepare their presentations beforehand and are able to add videos and visuals. Through these displays, we are able to deliver a lot more study material in less time."

Both old and new teachers have noted how the displays have transformed their way of teaching. They can, for example, import multimedia diagrams, videos, and animation, move them around on the EZWrite whiteboard, and annotate over them to highlight key points.

### Broca English School promotes active learning through BenQ interactive displays

As part of their mission to create world-class learning experiences for their students, the Boca English School

sought out BenQ's help to give their classrooms a much-needed upgrade. By installing RP interactive displays in their classrooms, they were able to transform what were once passive teaching areas into highly interactive learning spaces.

The connectivity offered by the RP series allows teachers to access an abundance of educational content hosted online. Not only does loading cloud content help them cut down the time used to set up their classes, but it also gives them more creative ways to roll out their lessons. They can now play and write over videos, hold online quizzes, and start video calls with ease.

Previously, classes merely involved students taking notes while listening to teachers give lectures. Now, students get to play a more active role in their learning. Because the displays are touchscreen, lessons become more hands-on. Students can go up to the display and explore concepts more closely by interacting with objects on the screen.

Teachers utilize the EZWrite whiteboard for annotations, easily importing images to better visualize the topics they're discussing. They also pull up tools like the timer and scoreboard to gamify their lectures, creating an exciting and engaging atmosphere conducive to active learning. Since using the RP series displays, they've noted how students have become more attentive and receptive to knowledge.







## > Adhere to sustainable global production standards

The PDP Department continuously develops sustainable solutions that are energy efficient, environmentally friendly, and safe for human use.

### Energy conservation

#### Energy efficient design

All BenQ interactive displays and the majority (90%) of our digital signage meet the requirements of the Energy Star program as well as the ErP directive. This ensures that our solutions are produced with energy efficiency in mind.

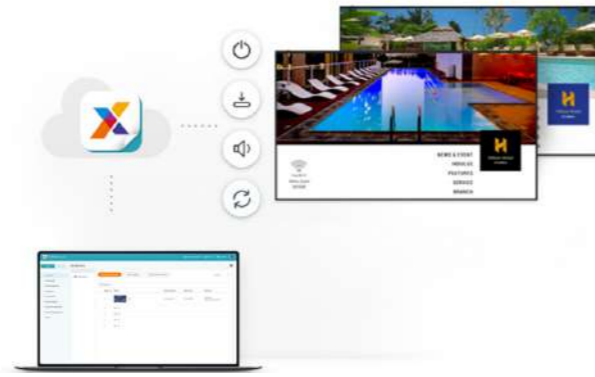
**Energy Star** is a program that seeks to promote energy efficiency in products and building materials. It was launched by the U.S. Environmental Protection Agency in 1992 with the aim of reducing the energy consumption and greenhouse gas emission of power plants. Products that meet the program qualifications can be marked with an Energy Star label.



#### Built-in energy saving measures

Our users can utilize software like X-Sign Manager and DMS to remotely switch off their displays in real time or set a power schedule to save energy when the displays are not in use.

In addition to this, our displays are also equipped with light sensors that detect if users are in close proximity to the display. The light automatically dims if there's a user nearby, protecting their eyesight and reducing energy use.



All BenQ displays sold in Europe meet the requirements of the ErP directive.

The **Energy-related Products (ErP) directive** is a framework of regulations set forth by the European Union to reduce the energy consumption and other negative environmental impacts of products. All products which use, generate, transfer, or measure energy, as well those which have an impact on energy consumption, are covered by the directive. Meeting the ErP directive requirements represents compliance with EU energy regulations.



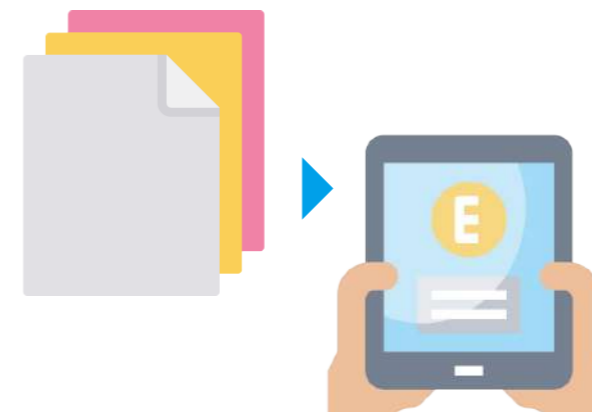
### Efficient scheduling of shipments to reduce carbon emissions

In order to limit the carbon emissions related to the international shipping of our products, we accumulate and schedule regional orders so that they can be transported in one go instead of splitting them across multiple trips.



### Going digital to minimize paper consumption

Hardware solutions almost always come with thick printed user manuals that consume a significant amount of paper. More often than not, these manuals are read only once and then discarded. In our effort to reduce paper waste, BenQ's PDP department has decided to go digital. Our customers can download manuals online, giving them quick and easy access to the information they need while minimizing the use of paper.



### Safe to use

User health and safety is one of our top priorities, so we at BenQ always ensure that before our products go to market, they pass rigorous safety testing and inspection. Our large-format display solutions meet the strict safety regulations imposed by various countries. All our displays sold in Europe, for example, comply with the standards specified in both the REACH and RoHS directives.

**Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH)** is a European Union regulation supervising chemical substance production and use, as well as the impact these have on human health and the environment. Virtually all chemical substances exported to markets in the European Union must be registered with competent authorities. Exporters are required to conduct safety inspections and register chemicals in compliance with the regulation.

REACH aims to protect human health and the environment by addressing the dangers of potentially toxic substances and forcing the use of harmful chemicals to eventually be phased out.



**The Restriction of Hazardous Substances (RoHS) directive** came into effect in 2006 to restrict the use of hazardous materials in electronic products and electrical equipment in the European Union. RoHS defines manufacturing standards that address the global issue of consumer electronics waste to protect public health and the environment. The list of hazardous materials regulated by RoHS includes lead, mercury, cadmium, hexavalent chromium, polybrominated biphenyls, polybrominated diphenyl ether, as well as four phthalates used as plasticizers. The RoHS standard specifies that electronic products and equipment must not contain more than 0.1% of lead.



### Waste management and recycling

According to the UN's 2020 Global E-Waste Monitor report, the total global e-waste in 2019 amounted to 53.6 million metric tons. That marks a 21% growth within a span of five years. Of this amount, only 17.4% was reportedly recycled.

E-waste, short for electronic waste, refers to any appliance or electronic device that has been discarded and is meant to be recycled or fully disposed of. Improper disposal of e-waste is known to cause serious environmental damage, such as marine pollution, and may also expose affected communities to numerous health risks, such as lead poisoning and various respiratory and neurological diseases.

In line with our goal to observe sustainable global production standards, BenQ actively makes steps to

properly manage and recycle electronic waste. For BenQ devices that have reached the end of their life cycle, we adhere to the guidelines for proper waste disposal that have been set by the local governing bodies. These guidelines include the collection, handling, disassembling, segregation, and recycling of components and materials.

In Taiwan, for example, we follow the directive from the country's Environmental Protection Administration, which has set up numerous waste collection channels that specialize in the correct handling of e-waste.

BenQ also closely complies with the rules stipulated in the WEEE directive to ensure that any possible negative impact to the environment associated with our e-waste is effectively minimized.

**The Waste Electrical and Electronic Equipment (WEEE) directive** was established by the European Union in 2003 to regulate the collection, recycling, and recovery of electronic and electrical equipment. The directive was passed to ensure the proper disposal of electronic waste and reduce the negative environmental impact of any hazardous substances these goods contain. The WEEE directive also aims to reduce the quantity of electronic and electrical waste, and more recently has set restrictions on the material manufacturers can use when creating new electronic equipment to be released in the EU market.



All BenQ interactive displays meet the requirements of the Energy Star program. All our products exported to Europe are also compliant with the ErP directive and meet the requirements of RoHS, REACH, and WEEE directives.



RP Series



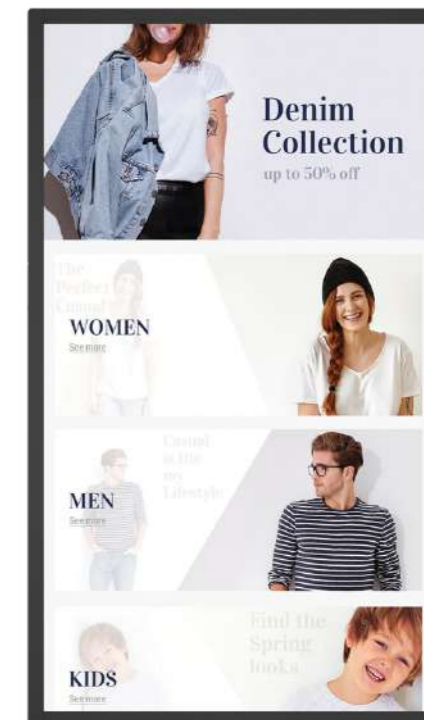
CP Series



RM Series



RE Series



IL Series



Almost 90% of our digital displays meet the requirements of the Energy Star program. All our products exported to Europe are also compliant with the ErP directive and meet the requirements of RoHS, REACH, and WEEE directives.



SL Series



CS Series



ST Series



BH Series

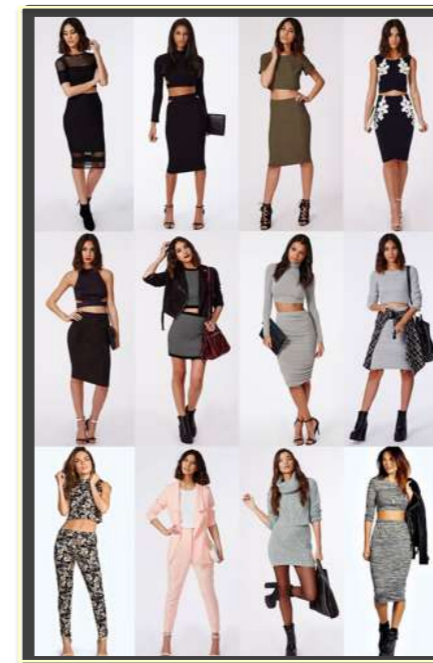
BenQ will release more exciting products in 2021. We always take health, education and environmental protection into consideration while pursuing innovation.



RM03 Series



ST02S Series



IL01 Series



Meeting Room Solutions

For more details, visit our portals online.



BenQ Business Display



BenQ Business Display



BenQ Business Display

# Corporate Governance

> Corporate Governance

> Operational Status

> Audit and Risk Management



> Code of Conduct



> Legal Compliance



## 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

#### K.Y. Lee

Chairman

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 of BenQ Corp.  
Director of Qisda Corp.  
Director of AU Optronics Corp.  
Director of BenQ Materials Corp.  
Director of Darfon Electronics Corp.  
Chairman of BenQ Foundation  
Director of BenQ BM Holding Corp.  
Director of BenQ BM Holding Cayman Corp.

#### Peter Chen

Director

MBA, US Thunderbird International  
Nation Chengchi University Technology MBA  
BA, Electrical Engineering, National Cheng Kung University  
President, BenQ Product Technology Center

#### Current extra position at BenQ and other companies

Director of BenQ Corp.  
Chairman & President of Qisda Corp.  
Chairman of DFI Inc.  
Chairman of Partner Tech Corp.  
Chairman of BenQ Medical Technology Corp.  
Chairman of Alpha Networks Inc.  
Director of Hitron Technologies Inc.  
Director of Darfon Electronics Corp.  
Director of BenQ Materials Corp.  
Director of Darly2 Venture Inc.  
Director of Darly Consulting Corp.  
Director of BenQ Healthcare Consulting Corp.  
Director of Phoenix Innovation Venture Capital Corp.  
Director of Phoenix2 Innovation Venture Capital Corp.  
Director of Phoenix3 Innovation Venture Capital Corp.  
Director of BenQ Foundation  
Director of Nanjing BenQ Hospital Co., Ltd.  
Director of Suzhou BenQ Hospital Co., Ltd.  
Director of BenQ Hospital Management Consulting (Nanjing) Co., Ltd.  
Director of BenQ BM Holding Corp.  
Director of BenQ BM Holding Cayman Corp.  
Director of Qisda (Hong Kong) Limited  
Director of Qisda (L) Corp.  
Director of Darly Venture (L) Ltd.

#### Conway Lee

Director

MBA, South Mississippi University  
Chairman, BenQ Materials Corp

#### Jasmin Hung

Supervisor

MBA, California State University, Fullerton  
CFO, BenQ Materials Corp. (formerly Daxon Technology)

#### Current extra position at BenQ and other companies

Director of BenQ Corp.  
CFO of Qisda Corp.  
Director of Alpha Networks Inc.  
Director of SYSAGE Technology Co., Ltd.  
Director of Simula Technology Inc.  
Director of Data Image Corp.  
Director of Darfon Electronics Corp.  
Director of K2 International Medical Inc.  
Chairman of Darly Venture Inc.  
Chairman of Darly2 Venture Inc.  
Chairman of Darly Consulting Corp.  
Director of BenQ Healthcare Consulting Corp.  
Director of Qisda Optronics Corp.  
Chairman of BenQ Co., Ltd.  
Director of BenQ (Hong Kong) Co., Ltd.  
Director of BenQ Hospital Management Consulting (Nanjing) Co., Ltd.  
Director of BenQ Biotech (Shanghai) Co, Ltd.  
Director of Nanjing BenQ Hospital Co., Ltd.  
Director of Suzhou BenQ Hospital Co., Ltd.  
Director of Suzhou BenQ Investment Co., Ltd.  
Director of Shanghai Tech Filter Co., Ltd.  
Director of Qisda (Hong Kong) Limited  
Director of BenQ BM Holding Corp.  
Director of BenQ BM Holding Cayman Corp.  
Director of Qisda (L) Corp.  
Director of Qisda Sdn. Bhd.  
Director of Darly Venture (L) Ltd.

#### Current extra position at BenQ and other companies

Director & President of BenQ Corp.  
Chairman of BenQ Asia Pacific Corp.  
Director of BenQ Materials Corp.  
Chairman of BenQ INFTY Lab Ltd.  
Chairman of BenQ (Shanghai) Co., Ltd.  
Chairman of BenQ Intelligent Technology (Shanghai) Co., Ltd.  
Director of BenQ Intelligent Technology (Hong Kong) Co., Ltd.  
Director of BenQ Foundation  
Chairman of BenQ Europe B.V  
Chairman of BenQ America Corp.  
Chairman of BenQ Latin America Corp.  
Director of BenQ Foundation

#### Ta-Wen Liu

Supervisor

Department of Accounting, National Chengchi University  
KPMG Accounting Office  
Financial Executive of BenQ Europe

#### Current extra position at BenQ and other companies

Supervisor of BenQ Corp.  
Director of Topview Optronics Corp.  
Director of BenQ Guru Corp.  
Director of E-Strong Medical Technology Co., Ltd.  
Director of BenQ Dialysis Technology Corp.  
Director of BenQ ESCO Corp.  
Director of BenQ Guru Software (Suzhou) Co., Ltd.  
Director of Qisda (L) Corp.  
Director of Qisda (Hong Kong) Limited  
Supervisor of Qisda Optronics Corp.  
Supervisor of Darly Venture Inc.  
Supervisor of Darly2 Venture Inc.  
Supervisor of Darly Consulting Corp.  
Supervisor of K2 International Medical Inc.  
Supervisor of Golden Spirit Co., Ltd.  
Supervisor of Bigmin Bio-Tech Company Ltd.  
Supervisor of BenQ Healthcare Consulting Corp.  
Supervisor of Qisda Japan Co., Ltd.  
Supervisor of Nanjing BenQ Hospital Co., Ltd.  
Supervisor of Suzhou BenQ Hospital Co., Ltd.  
Supervisor of BenQ Hospital Management Consulting (Nanjing) Co., Ltd.  
Supervisor of Suzhou BenQ Investment Co., Ltd.  
Supervisor of Qisda (Suzhou) Co. Ltd.  
Supervisor of Qisda Electronics (Suzhou) Co. Ltd.  
Supervisor of Qisda Optronics (Suzhou) Co. Ltd.  
Supervisor of Qisda (Shanghai) Co. Ltd.  
Supervisor of Suzhou Qisda Precision Industry Co. Ltd.  
Supervisor of Qisda Vietnam Co. Ltd.



## 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 Qisda. We report to Qisda'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 2020 increased 1.61% from NT\$16,568,984,000 to NT\$16,836,188,000 whereas operational profits declined NT\$75,089,000.

For our asset sum/liability sum/net 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 Qisda.

Our company set pension according to regulations in 2020 and issued pension for our retired employees.

### Operational Description

#### LCD Display Product:

In 2020, due to the COVID-19 pandemic, lockdowns have been implemented in numerous countries for disease control. The shift to remote working and learning prompted people to buy computer screens from stores selling electronic products, increasing the sales of such products in the global market and bringing a small increase of 0.2% in the global market share of BenQ displays. According to the demand trend analysis of the remote working and learning period, at first, most of the products purchased were entry level models with BenQ's exclusive eye care function. As the lockdowns continued, the demands have further changed to models for entertainment. The sale of the designer displays that help improve work efficiency

has also risen significantly. BenQ has long been making deployment decisions for marketing communication based on the consumer journey, and the product differentiation for meeting the needs in various market segments has received consumers' recognition under this stay-at-home economy.

#### Projector Product:

The shipments of the global market decreased in 2020. BenQ's shipment of projectors thus decreased and showed a decline of 0.9% in the global market share. The home projectors, with their 4K resolution, have constantly been at a leading position in the global market, and BenQ's CinematicColor™ technology has been helping the Company develop the market of home theaters. The Company has also integrated Android TV and added Gaming products to explore new markets, and added mini projectors as well as interactive entertainment products with sports/flight simulation, etc., for professional market segments. To respond to the out-of-stock of key parts and components, BenQ has lessened the impact the pandemic brought to the supply chain through the product portfolio adjustment and inventory management, and has given a greater focus on models with high profit margins for both production and marketing.

## Industry Overview and Impact

### I. Industry Status and Development

#### LCD Display Product:

With the remote working and learning as well as the demands of the stay-at-home economy caused by the pandemic, and with the continuing remarkable consumption ability in Europe and America, the promotion of LCD displays mainly focusing on the consumer market has brought a rise to the shipments of LCD displays despite the tough situation. In 2020, the quantity and market of LCD displays around the world have significantly grown by 9%. In the first half of 2021, the level of requirements for shipment in the LCD display market was still high. However, the supply chains of panels, parts and components were not able to satisfy the requirements, which somehow slowed down the growth of shipment in the first half of 2021. In the second half of the year, the COVID-19 pandemic has become less severe with the increasingly widespread vaccination, leading to changes in consumer

demand. Also, the production of LCD monitor panels has slowly increased to reduce the pressure on the production capacity of TV panels, which has consequently increased brand owners' stocks. Moreover, the rising price of panels has slowly impacted the end consumers, and the demand has thus fallen. All of these have made the consumer market demand slow down gradually. However, as many enterprises in Europe and America have let their employees work back in the office, there has been a demand for device replacement and device procurement in the business market. In recent years, with the rising of panel industry in China, Samsung's LCD business has been heavily impacted by the price war. Samsung Display therefore resolved to exit the market gradually to turn to the development of OLED, and expand the scope of the collaboration with panel factories in Taiwan and China, including AUO, Innolux and BOE, for LCD.

In March 2020, the company announced that it was going to stop LCD production by the end of the year. Yet shortly after its announcement of LCD exit, the panel prices have been rising steadily again since mid-2020 thanks to the business opportunities brought by remote working and learning and the stimulation of the stay-at-home economy, which prompted the Korea panel factory to postpone the plan to close the LCD factory several times. In 2021, it is said that Samsung Display postponed LCD exit to 2022. However, it is observed that Samsung Display has only one LCD factory with Gen 8.5 production lines left within the territory of Korea for the production, which shows that the Korean factory is undoubtedly getting out of the LCD market. The Company will be devoted to the R&D of large-sized and differentiated products to increase added value, optimize the supply chain and promote the vertical integration while keeping an appropriate scale of economy to maintain the overall competitiveness.

#### Projector Product:

Marketing research agencies estimated that globally speaking, around 6.1 million projectors would be shipped in 2020, with a 22% reduction in the year. As we moved forward to 2021, the work/study-from-home lifestyle has started to come to an end, bringing an opportunity for market development of business and education projectors. However, owing to the out-of-stock of the supply chain and the corrosion in large-sized panels, the shipment of the year is estimated to have only a slight increase of 6%. The

Company will keep on developing professional high-end products, and make full use of the high resolution and new light sources. Also, we will incorporate content streaming services, and integrate the supply chain and process management to improve the performance in different market segments and the overall competitiveness.

## 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:

The business and education markets for projector products have been nearly saturated. With the trend of hybrid working & hybrid learning, it is necessary that mainstream models for commercial and educational use be able to integrate video conference plans and support distance education. As for the home projectors, with the widespread digital streaming media and personal smart devices, projectors that can be applied to home audiovisual entertainment or even personal audiovisual entertainment and parent-child learning will make a key contribution to the revenue.

## 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 displays), so that brands can directly communicate with end users via digital marketing, accumulating understanding of specific TA'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:**
- 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
  - 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
  - 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
  - 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
  - Cultivate digital marketing ability

### Projector:

- A. Advantages:** The leading brand of the branded projector market can promote the product portfolio and, with the world's elimination of those not competitive, increase the market share.
- B. Disadvantages:**
- It doesn't require a lot to have the technology of small-sized LED projector hardware, so many China-funded competitors have been involved in the market with low prices. As the LED brightness increases, they have become a threat to the mainstream projector market.
  - The business and education markets have turned to large-sized displays for device replacement.
- C. Counter measures:**
- Strengthen the product portfolio and develop new light source platforms with the integration of

intelligent technology to increase the ratio of products with high unit prices and high gross margins.

- Develop the professional market segments with projectors that can display images in a wide diversity of ways and be applied to non-planar projection, penetrable projection and small space projection.
- Carry out digital marketing strategies that are aimed at target consumers by listening to what users need and communicating the exclusive selling points to them.
- Maintain the scale of economic.
- Incorporate software and hardware with the Group's resources, and raise the value of projector systems with technologies of intelligence, audio and image.

## Audit and Risk Management

BenQ's risk management focuses on the operation of risk management system and the planning of material risk transfer. The vision and policy for risk management have been established and the management goals and constant follow-up of performance indicators have been set up to effectively control the risks that exceed the company's risk tolerance. Meanwhile, management tools are utilized to ensure the optimization of total risk management cost. With Risk Management Committee (RMC) as the core, we manage risks in four main aspects, which are strategy, finance, operation and damage.

### I. Risk Management Operations

BenQ is a major member of Qisda's RMC and regularly participates in RMC meetings while offering its improvement plans and concrete improvement solutions. We compile Business Continuity Plans (BCPs) according to major risk scenarios, teaming with simulation drills and on-site tests to ensure the Business Continuity Management System (BCMS) are effectively operating, reaching the end of business continuity. In group risk control, we cooperate with BenQ Group's policy to establish a joint defense mechanism, strengthening the damage-prevention mechanism, improving emergency responding ability and lowering damage losses with the spirit of experience and resource sharing.

### II. Risk Management Committee (RMC) Organization and Structure

We participate in Qisda's RMC operations, realizing

implementation, promotion, audit and maintenance of risk management plans. The committee effectively monitors risks via concrete improvement solutions such as risk self-assessment reports and risk improvement plans while tracking and evaluating risk management performance via annual risk management reports.

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 2020, there were 55 RMC meetings, including four regular meetings and 51 interim meeting.

To effectively manage and track performance, we define Key Risk Indicators (KRIs) relating to organizational operations to strengthen risk monitoring and track management performance. With tools such as risk examination form, we inventory various risks faced by each business unit to improve the completeness of risk identification. At the meetings, we also track and reflect on the contemporary domestic and overseas major events, regulation changes and abnormal risks while offering and adopting effective response measures.

To cope with COVID-19, the infectious disease response plan was launched in January 2020 to confirm the situations and the tasks of each department. A temporary RMC pandemic prevention meeting was held right after the Company went into operation to, based on the development of the pandemic, decide on the response strategies, such as collectively purchasing pandemic prevention supplies and delivering such supplies to overseas employees, providing assistance for major suppliers in their resumption of business, etc., so as to ensure the operation of front-end market and normal supply.

## III. Business Continuity Management System (BCMS)

### I. Business Continuity Management Policy (BCMP)

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 company under emergency when major accidents or disasters occur, minimizing the impact and suspension time brought by the disasters.

**2. BCM Achievements**

Continue to add or establish BCPs for major emerging risk scenarios

Besides establishing BCP, we regularly perform drills, during which we collect instant information of the scenario, integrate, evaluate, judge and make decisions as well as reaching recovery goals. We constantly practice to strengthen the familiarity of the BCP of our employees. We regularly renew corporate risk management manual, documenting the response measures and steps for major events.

**IV. 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 10 company regular joint group meetings in 2020 to enhance risk awareness and strengthen risk response capabilities.

**> Financial Risk Response**

Global currency fluctuation is dramatic due to Covid-19 and economic matters and continued intensification of China-US trade war. BenQ follows its policy in not making in high-risk 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 prices and inventory level to lower the impact of inflation on us.

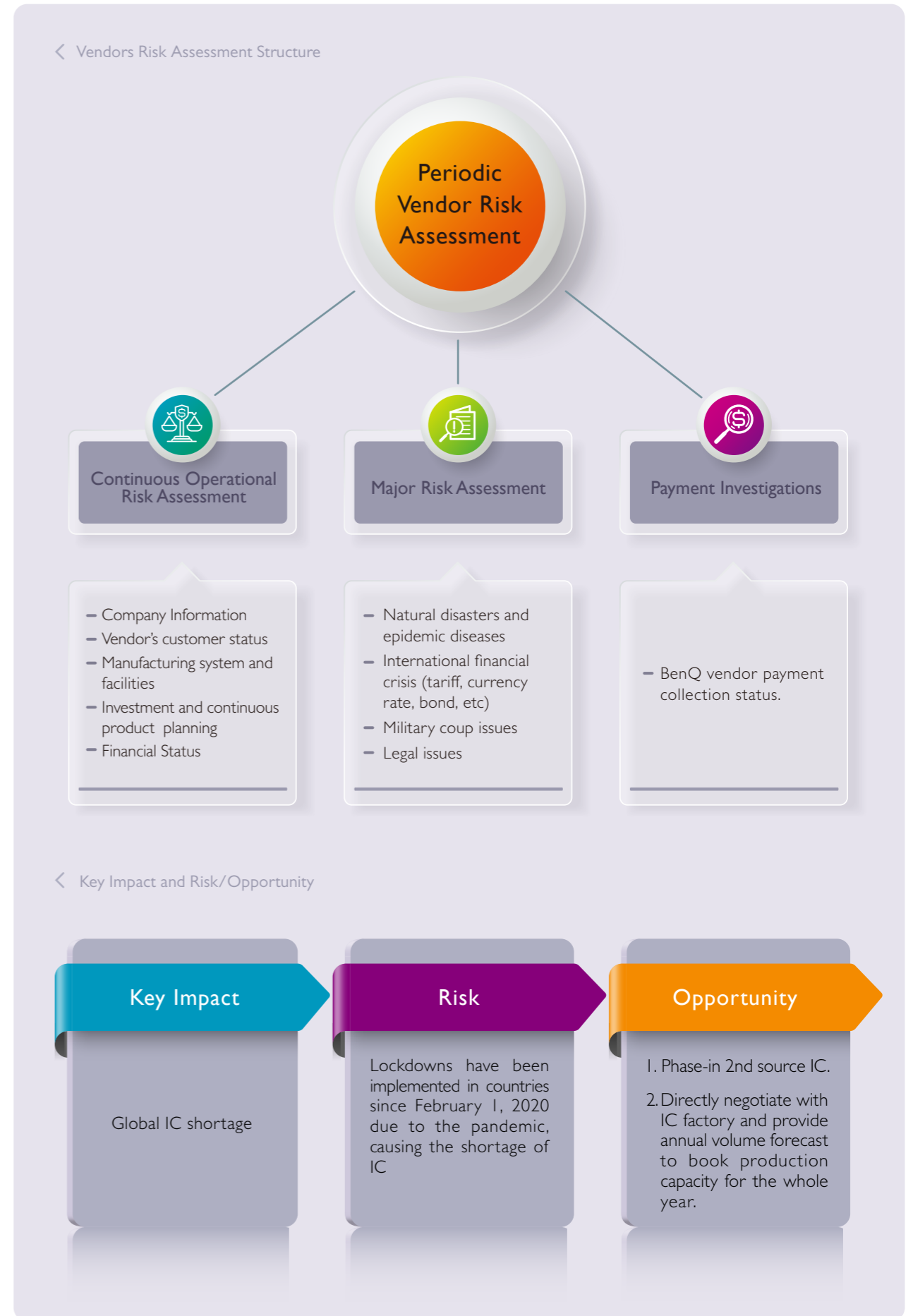
**> Supply Chain Risk Management**

To lower the operational impacts brought by the suspension of supply chain, our risk management strategies for the supply chain are as follows:

- Besides exclusive and singular special technology suppliers, at least two suppliers are at hand, if certain supplier stop supplying stocks and services, shift to another to supply and serve under the shortest period of time
- Cultivate, verify and establish potential suppliers, if current suppliers all stop providing stocks and services, shift to another to supply and serve under the shortest period of time

Also, for existing certified suppliers, BenQ carefully evaluates their risks. With regular and irregular investigation of their operational and financial status while focusing on high-risk groups, we avoid any matters such as closedown without warnings that influence shipments or cause disputes.

In addition, material risk investigation has been conducted to suppliers. Whenever a special incident, such as out-of-stock of key parts and components due to the ongoing impact of COVID-19 to the world, transport trucks for shipping logistics (by air/sea/railway/inland) all being affected, port congestion resulting from infection cases at wharves, impact of the red supply chain, etc., takes place, the suppliers in related regions will be investigated and a comprehensive investigation will be conducted to understand their response capability. Or, communication with the suppliers will be conducted to find out appropriate response approaches that can help BenQ take the most suitable preventive measures to avoid any damage to our business or any impact on the rights and interests of the stakeholders.





< Supplier Requirements

Required Item	Disclosure Method						Required Timing	Note
	Certificate	Implement or Improvement Plan	RBA Responsibility Business Alliance Report	BSCI Social Responsibility Certificate	Agreement / Survey Form	Self-Disclosure		
ISO 9001	●						When new vendor starts implementation	
ISO 14001	●	●					When new vendor starts implementation	- If unable to provide certificate, required to provide implementation or improvement plan
OHSAS 18001	●	●					When new vendor starts implementation	- If unable to provide certificate, required to provide implementation or improvement plan
SA 8000	●		●	●		●	When new vendor starts implementation	- 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
Green Product							When developing new product	- Strategic purchase unit promotes during quarterly business review meetings. - Executive unit: Product Division
Conflict Mineral Report						●	Major suppliers of LCD/PRJ/PDP are required to provide Conflict Mineral Reporting Template	- Strategic purchase unit promotes during quarterly business review meetings. - Currently, companies providing Conflict Mineral Reporting Template are Qista, TPV, Delta, Foxconn AND CVTE

> 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 green-house 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, we believe in using our talent, innovative R&D ability and fair risk

management ability, we can transform risk into opportunity. Besides tacking 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

Impacted Area	Potential Risk	Advantage and Opportunity
 Finance	<ul style="list-style-type: none"> <li>- Increased costs by such as energy / insurance / shipment ones</li> <li>- Costs caused by GHG management acts of various countries</li> <li>- Low-carbon economy asset allocation investment strategy</li> </ul>	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.
 Management	<ul style="list-style-type: none"> <li>- Risk management strategy and ability</li> <li>- Physical disaster damage/crisis management ability</li> <li>- Corporate green strategy / energy-saving, carbon-reduction promise</li> </ul>	BenQ regularly assess and tracks risk management, and studies/compiles strengthening crisis management procedure
 Product and Service	<ul style="list-style-type: none"> <li>- Green procurement/low-carbon product energy-saving product</li> <li>- Product carbon-footprint information</li> <li>- Better energy-saving and environmental protecting service content</li> </ul>	BenQ team has strong innovative power in R&D, having launched various low-carbon/energy-saving products
 Supply Chain	<ul style="list-style-type: none"> <li>- Product supply chain carbon disclosure / carbon footprint inventory</li> <li>- Vendor delivery date/stable commodity-delivery ability</li> <li>- Forwarder energy-saving transportation service</li> </ul>	Major BenQ vendors have started establishing the ability of lifecycle/carbon footprint inventory; BenQ prioritizes forwarders with more energy-saving transportation service.

> 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 company to be involved with illegal behaviors such as lobbying and bribery, compromising company governance mechanism and causing overall business environment to deteriorate. Hence, BenQ specifically compiles "code of conduct" as the reference of all employee behaviors.

The code of conduct we compiles rules the items regarding integrity, anti-corruption, anti-Trust, intellectual property, data protection and political participation. Each item bears concrete conduct regulation, serving as the highest code of conduct for all members of the company in proceeding with business activities. The major points are as follows:

**Integrity, anti-corruption**

Our company strictly prohibits any behaviors such as corruption, bribery, blackmail and embezzlement of public fund.

### Anti-Trust

Due to the necessity of globalization cross-country operation, we need to stress on and follow various regulations of anti-Trust and Competition Law, while keeping alert and be careful in our acts.

### Intellectual Property

Respect the rights of other companies' brand, design, software, article and other assets protected by law, prohibiting employees to use, copy, steal or sell unauthorized intellectual property

### Data Protection

Our company collects and keeps necessary employee data according to law, but strictly protects it from leakage and does not use this to serve other ends not related to our business or sells for profits. 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 one-day internal training called New Comer Program and let them take part in the Group's two-day Win Camp. 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 2020 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 2020 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.

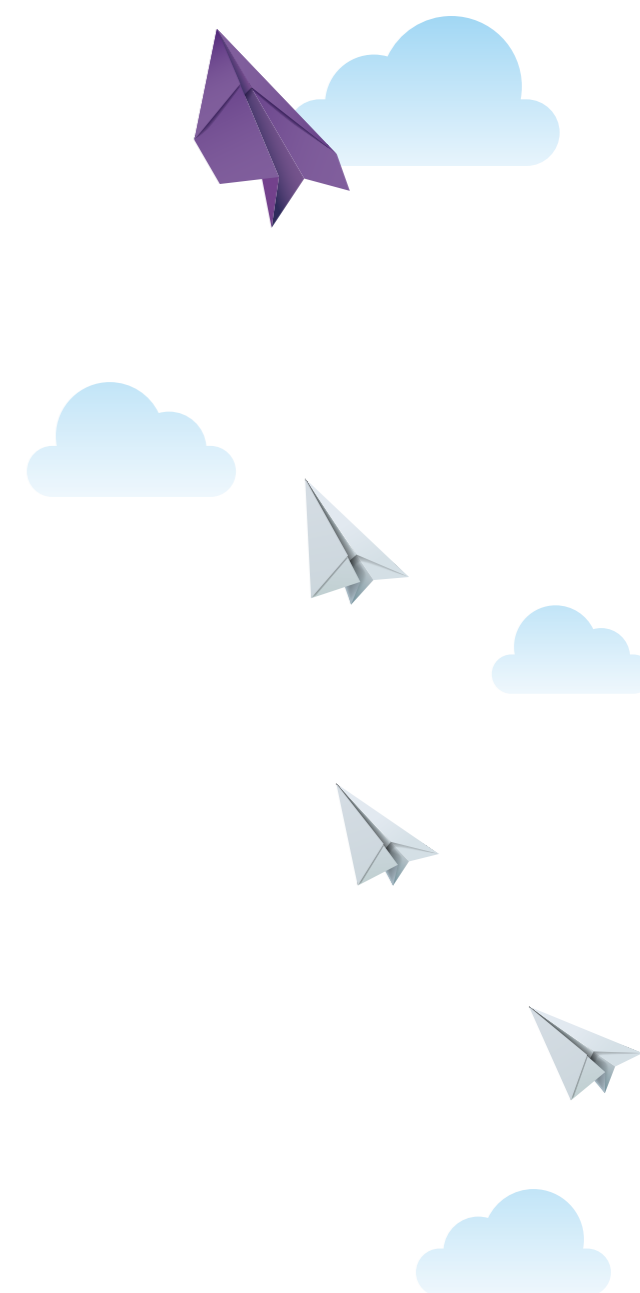
## > Legal Compliance

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 2020, 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



> Climate Change





## 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:

#### Execuational 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 execuational performance and offer future key directions.

### Environmental Safety Health Certificate and Monitor

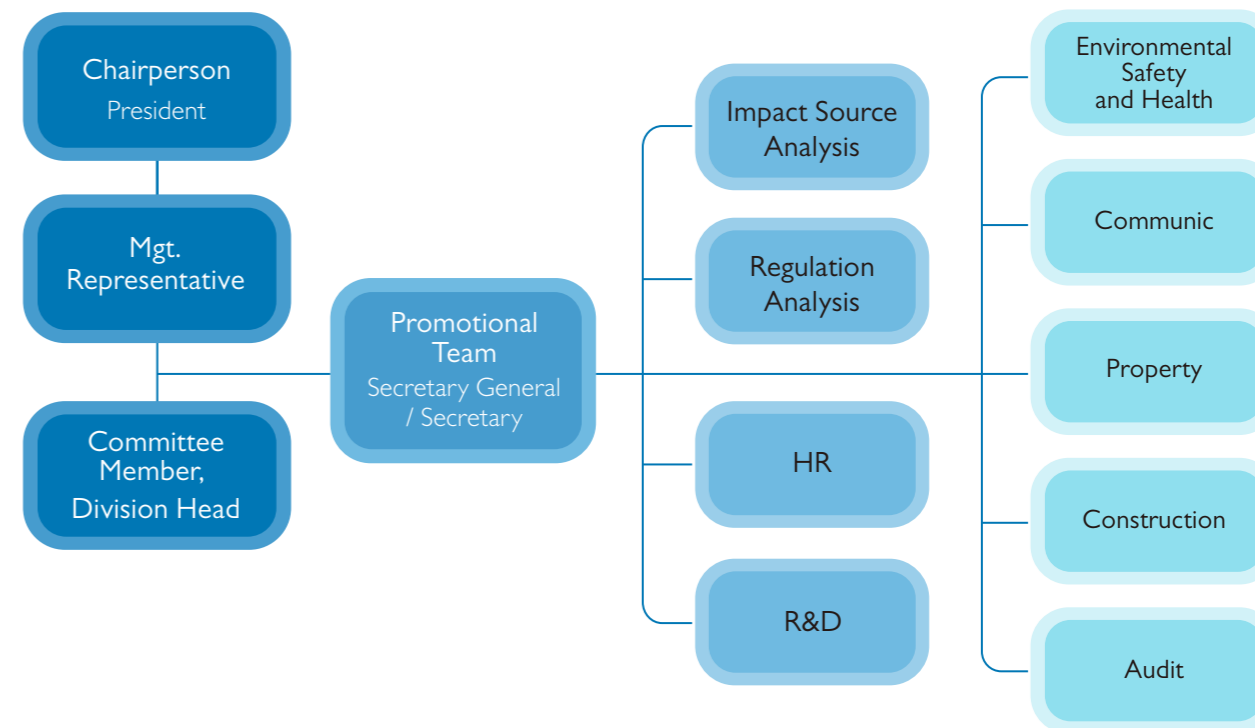
BenQ headquarter has implemented ISO 14001 Environmental Management System and OHSAS 18001 Occupational Health and Safety Assessment Series and has obtained certificates. Currently, the aspects of our certification and monitoring on environmental safety health are as follows:

- 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

### Social Responsibility and Environmental Safety Health Management Committee Organization Chart



### ISO 14001, ISO 45001 Certificates



in corporate culture in a comprehensive way. With the competition, each department can 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 2020 is shown in the table below.

< Waste/Resource Recycling Statistics in 2010-2020 (Unit: KG)

Time	General Waste	Paper	Aluminum, Metal Can	PET Bottle, Plastic Bottle	Aluminum Foil Package
2010	32260	11786	998	533.8	314.4
2011	37095	13639	939.6	758.6	548
2012	31280	10167	974	787	515
2013	30656	7062	951	651	380
2014	29321	7547	932	490	288
2015	28046	8397	1027	574	309
2016	33712	8313	1169	529	433
2017	32903	6301	959	480	552
2018	33922	7315	1129	473	510
2019	26315	7790	1337	508	506
2020	<b>31777</b>	<b>5955</b>	<b>822</b>	<b>351</b>	<b>275</b>

> Water Resource Management

During the product design process of BenQ, no wastewater is generated, only domestic sewage. For the control of domestic sewage, oil separation tank is established for professional staff to operate and maintain. The domestic sewage from BenQ is emitted to the government sewage management system and will not affect water source and land due to sewage generated from water usage. Each year, BenQ also outsources to wastewater detection company acknowledged by the Environmental Protection Administration (EPA) to sample and examine effluent water quality to understand the effluent water

quality status. Meanwhile, the government will supervise the effluent water quality of the company each half year, adopting regular but sporadic sampling analysis. The standard result of government-examined effluent water quality analysis is as shown in table 5.2, displaying our fair performance in waste water prevention.

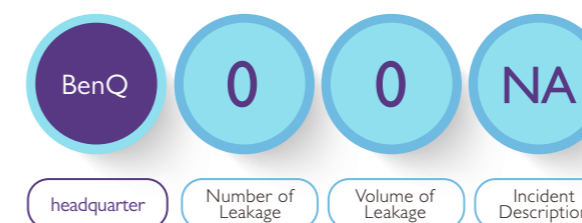
In 2020, the overall water consumption of BenQ was 22,000 m3/year for the water resource management performance; hence, the overall water consumption in 2020 increased around 1.6% from that in 2019. This is an abundant result and we keep our water preservation status.

< 2020 Water Quality Examination

Examination Date	Standard	Examination Result	
Item		2020/11/30	
Index of hydrogen ion concentration	ph5~9	7.8	Qualified
Water temperature	45 degree Celsius	26.3	Qualified
Suspended solid	600 mg/l	311	Qualified
Chemical oxygen demand	1200 mg/l	464	Qualified
Biochemical oxygen demand	600 mg/l	236	Qualified
Total oil	Mineral oil 10 mg/l	4.4	Qualified
	Animal and vegetable oils 30 mg/l	29.3	
Sulfide	90 mg/l	0.08	Qualified

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 headquarter only uses few chemical solvent in product design process and there is no chemical solvent leakage during the process.

< Number of Leakage List



> Ecology Management

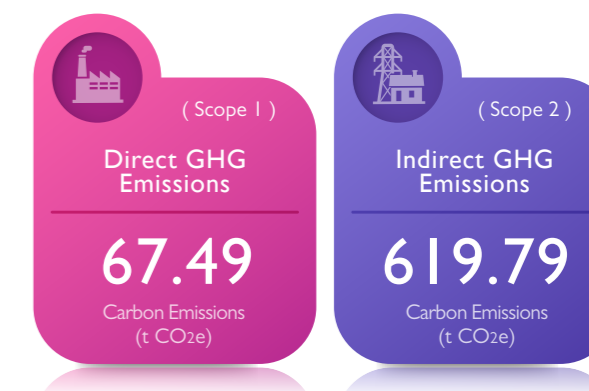
With all of BenQ's manufacturing sites located within industrial parks, the company does not own, lease, or manage any manufacturing facility located within ecological conservation areas or water conservation areas. It does not engage in any kind of activity that creates a negative influence toward biodiversity. 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 2020 result of greenhouse gas emissions inventory of its global manufacturing sites has passed ISO 14064-1 third-party verification. According to 2020 GHG emission inventory results, the GHG emissions of BenQ are 687 t CO<sub>2</sub>e.

The energy resources utilized within BenQ include fossil fuels (gasoline and diesel) and electricity used in manufacturing operations. Among them, electricity used in manufacturing operations accounts for the major energy consumption. The corporate internal energy consumption details in 2020 are as shown in the table below.

< Greenhouse Gas Emissions in 2020



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.


< Direct and Indirect Energy Use in 2020 \*

Item	2020	Note
<b>Direct Energy Consumption</b>		
Natural Gas (1,000 cubic meter)	0	
Gasoline (kl)	4.96	
Diesel (kl)	0	
Refrigerant (ton)	0.18	
<b>Indirect Energy Consumption</b>		
Purchased Electricity (10,000 MWh)	1017.67	

\*  
 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.


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.

< 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
8. Changed to Led in Staircase



### 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





# Corporate Governance

> Corporate Governance

> Operational Status

> Audit and Risk Management



> Code of Conduct



> Legal Compliance



# 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

#### K.Y. Lee Chairman

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 of BenQ Corp.  
 Director of Qisda Corp.  
 Director of AU Optronics Corp.  
 Director of BenQ Materials Corp.  
 Director of Darfon Electronics Corp.  
 Chairman of BenQ Foundation  
 Director of BenQ BM Holding Corp.  
 Director of BenQ BM Holding Cayman Corp.

#### Peter Chen Director

MBA, US Thunderbird International  
 Nation Chengchi University Technology MBA  
 BA, Electrical Engineering, National Cheng Kung University  
 President, BenQ Product Technology Center

#### Current extra position at BenQ and other companies

Director of BenQ Corp.  
 Chairman & President of Qisda Corp.  
 Chairman of DFI Inc.  
 Chairman of Partner Tech Corp.  
 Chairman of BenQ Medical Technology Corp.  
 Chairman of Alpha Networks Inc.  
 Director of Hitron Technologies Inc.  
 Director of Darfon Electronics Corp.  
 Director of BenQ Materials Corp.  
 Director of Darly2 Venture Inc.  
 Director of Darly Consulting Corp.  
 Director of BenQ Healthcare Consulting Corp.  
 Director of Phoenix Innovation Venture Capital Corp.  
 Director of Phoenix2 Innovation Venture Capital Corp.  
 Director of Phoenix3 Innovation Venture Capital Corp.  
 Director of BenQ Foundation  
 Director of Nanjing BenQ Hospital Co., Ltd.  
 Director of Suzhou BenQ Hospital Co., Ltd.  
 Director of BenQ Hospital Management Consulting (Nanjing) Co., Ltd.  
 Director of BenQ BM Holding Corp.  
 Director of BenQ BM Holding Cayman Corp.  
 Director of Qisda (Hong Kong) Limited  
 Director of Qisda (L) Corp.  
 Director of Darly Venture (L) Ltd.

#### Conway Lee Director

MBA, South Mississippi University  
 Chairman, BenQ Materials Corp

#### Current extra position at BenQ and other companies

Director & President of BenQ Corp.  
 Chairman of BenQ Asia Pacific Corp.  
 Director of BenQ Materials Corp.  
 Chairman of BenQ INFTY Lab Ltd.  
 Chairman of BenQ (Shanghai) Co., Ltd.  
 Chairman of BenQ Intelligent Technology (Shanghai) Co., Ltd.  
 Director of BenQ Intelligent Technology (Hong Kong) Co., Ltd.  
 Director of BenQ Foundation  
 Chairman of BenQ Europe B.V  
 Chairman of BenQ America Corp.  
 Chairman of BenQ Latin America Corp.  
 Director of BenQ Foundation

#### Jasmin Hung Supervisor

MBA, California State University, Fullerton  
 CFO, BenQ Materials Corp. (formerly Daxon Technology)

#### Current extra position at BenQ and other companies

Director of BenQ Corp.  
 CFO of Qisda Corp.  
 Director of Alpha Networks Inc.  
 Director of SYSAGE Technology Co., Ltd.  
 Director of Simula Technology Inc.  
 Director of Data Image Corp.  
 Director of Darfon Electronics Corp.  
 Director of K2 International Medical Inc.  
 Chairman of Darly Venture Inc.  
 Chairman of Darly2 Venture Inc.  
 Chairman of Darly Consulting Corp.  
 Director of BenQ Healthcare Consulting Corp.  
 Director of Qisda Optronics Corp.  
 Chairman of BenQ Co., Ltd.  
 Director of BenQ (Hong Kong) Co., Ltd.  
 Director of BenQ Hospital Management Consulting (Nanjing) Co., Ltd.  
 Director of BenQ Biotech (Shanghai) Co, Ltd.  
 Director of Nanjing BenQ Hospital Co., Ltd.  
 Director of Suzhou BenQ Hospital Co., Ltd.  
 Director of Suzhou BenQ Investment Co., Ltd.  
 Director of Shanghai Tech Filter Co., Ltd.  
 Director of Qisda (Hong Kong) Limited  
 Director of BenQ BM Holding Corp.  
 Director of BenQ BM Holding Cayman Corp.  
 Director of Qisda (L) Corp.  
 Director of Qisda Sdn. Bhd.  
 Director of Darly Venture (L) Ltd.

#### Ta-Wen Liu Supervisor

Department of Accounting, National Chengchi University  
 KPMG Accounting Office  
 Financial Executive of BenQ Europe

#### Current extra position at BenQ and other companies

Supervisor of BenQ Corp.  
 Director of Topview Optronics Corp.  
 Director of BenQ Guru Corp.  
 Director of E-Strong Medical Technology Co., Ltd.  
 Director of BenQ Dialysis Technology Corp.  
 Director of BenQ ESCO Corp.  
 Director of BenQ Guru Software (Suzhou) Co., Ltd.  
 Director of Qisda (L) Corp.  
 Director of Qisda (Hong Kong) Limited  
 Supervisor of Qisda Optronics Corp.  
 Supervisor of Darly Venture Inc.  
 Supervisor of Darly2 Venture Inc.  
 Supervisor of Darly Consulting Corp.  
 Supervisor of K2 International Medical Inc.  
 Supervisor of Golden Spirit Co., Ltd.  
 Supervisor of Bigmin Bio-Tech Company Ltd.  
 Supervisor of BenQ Healthcare Consulting Corp.  
 Supervisor of Qisda Japan Co., Ltd.  
 Supervisor of Nanjing BenQ Hospital Co., Ltd.  
 Supervisor of Suzhou BenQ Hospital Co., Ltd.  
 Supervisor of BenQ Hospital Management Consulting (Nanjing) Co., Ltd.  
 Supervisor of Suzhou BenQ Investment Co., Ltd.  
 Supervisor of Qisda (Suzhou) Co. Ltd.  
 Supervisor of Qisda Electronics (Suzhou) Co. Ltd.  
 Supervisor of Qisda Optronics (Suzhou) Co. Ltd.  
 Supervisor of Qisda (Shanghai) Co. Ltd.  
 Supervisor of Suzhou Qisda Precision Industry Co. Ltd.  
 Supervisor of Qisda Vietnam Co. Ltd.

## 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 Qisda. We report to Qisda'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 2020 increased 1.61% from NT\$16,568,984,000 to NT\$16,836,188,000 whereas operational profits declined NT\$75,089,000.

For our asset sum/liability sum/net 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 Qisda.

Our company set pension according to regulations in 2020 and issued pension for our retired employees.

### Operational Description

#### LCD Display Product:

In 2020, due to the COVID-19 pandemic, lockdowns have been implemented in numerous countries for disease control. The shift to remote working and learning prompted people to buy computer screens from stores selling electronic products, increasing the sales of such products in the global market and bringing a small increase of 0.2% in the global market share of BenQ displays. According to the demand trend analysis of the remote working and learning period, at first, most of the products purchased were entry level models with BenQ's exclusive eye care function. As the lockdowns continued, the demands have further changed to models for entertainment. The sale of the designer displays that help improve work efficiency

has also risen significantly. BenQ has long been making deployment decisions for marketing communication based on the consumer journey, and the product differentiation for meeting the needs in various market segments has received consumers' recognition under this stay-at-home economy.

#### Projector Product:

The shipments of the global market decreased in 2020. BenQ's shipment of projectors thus decreased and showed a decline of 0.9% in the global market share. The home projectors, with their 4K resolution, have constantly been at a leading position in the global market, and BenQ's CinematicColor™ technology has been helping the Company develop the market of home theaters. The Company has also integrated Android TV and added Gaming products to explore new markets, and added mini projectors as well as interactive entertainment products with sports/flight simulation, etc., for professional market segments. To respond to the out-of-stock of key parts and components, BenQ has lessened the impact the pandemic brought to the supply chain through the product portfolio adjustment and inventory management, and has given a greater focus on models with high profit margins for both production and marketing.

## Industry Overview and Impact

### I. Industry Status and Development

#### LCD Display Product:

With the remote working and learning as well as the demands of the stay-at-home economy caused by the pandemic, and with the continuing remarkable consumption ability in Europe and America, the promotion of LCD displays mainly focusing on the consumer market has brought a rise to the shipments of LCD displays despite the tough situation. In 2020, the quantity and market of LCD displays around the world have significantly grown by 9%. In the first half of 2021, the level of requirements for shipment in the LCD display market was still high. However, the supply chains of panels, parts and components were not able to satisfy the requirements, which somehow slowed down the growth of shipment in the first half of 2021. In the second half of the year, the COVID-19 pandemic has become less severe with the increasingly widespread vaccination, leading to changes in consumer

demand. Also, the production of LCD monitor panels has slowly increased to reduce the pressure on the production capacity of TV panels, which has consequently increased brand owners' stocks. Moreover, the rising price of panels has slowly impacted the end consumers, and the demand has thus fallen. All of these have made the consumer market demand slow down gradually. However, as many enterprises in Europe and America have let their employees work back in the office, there has been a demand for device replacement and device procurement in the business market. In recent years, with the rising of panel industry in China, Samsung's LCD business has been heavily impacted by the price war. Samsung Display therefore resolved to exit the market gradually to turn to the development of OLED, and expand the scope of the collaboration with panel factories in Taiwan and China, including AUO, Innolux and BOE, for LCD.

In March 2020, the company announced that it was going to stop LCD production by the end of the year. Yet shortly after its announcement of LCD exit, the panel prices have been rising steadily again since mid-2020 thanks to the business opportunities brought by remote working and learning and the stimulation of the stay-at-home economy, which prompted the Korea panel factory to postpone the plan to close the LCD factory several times. In 2021, it is said that Samsung Display postponed LCD exit to 2022. However, it is observed that Samsung Display has only one LCD factory with Gen 8.5 production lines left within the territory of Korea for the production, which shows that the Korean factory is undoubtedly getting out of the LCD market. The Company will be devoted to the R&D of large-sized and differentiated products to increase added value, optimize the supply chain and promote the vertical integration while keeping an appropriate scale of economy to maintain the overall competitiveness.

#### Projector Product:

Marketing research agencies estimated that globally speaking, around 6.1 million projectors would be shipped in 2020, with a 22% reduction in the year. As we moved forward to 2021, the work/study-from-home lifestyle has started to come to an end, bringing an opportunity for market development of business and education projectors. However, owing to the out-of-stock of the supply chain and the corrosion in large-sized panels, the shipment of the year is estimated to have only a slight increase of 6%. The



Company will keep on developing professional high-end products, and make full use of the high resolution and new light sources. Also, we will incorporate content streaming services, and integrate the supply chain and process management to improve the performance in different market segments and the overall competitiveness.

## 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:

The business and education markets for projector products have been nearly saturated. With the trend of hybrid working & hybrid learning, it is necessary that mainstream models for commercial and educational use be able to integrate video conference plans and support distance education. As for the home projectors, with the widespread digital streaming media and personal smart devices, projectors that can be applied to home audiovisual entertainment or even personal audiovisual entertainment and parent-child learning will make a key contribution to the revenue.

## 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 displays), so that brands can directly communicate with end users via digital marketing, accumulating understanding of specific TA'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:**
- 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
  - 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
  - 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
  - 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
  - Cultivate digital marketing ability

### Projector:

- A. Advantages:**  
The leading brand of the branded projector market can promote the product portfolio and, with the world's elimination of those not competitive, increase the market share.
- B. Disadvantages:**
- It doesn't require a lot to have the technology of small-sized LED projector hardware, so many China-funded competitors have been involved in the market with low prices. As the LED brightness increases, they have become a threat to the mainstream projector market.
  - The business and education markets have turned to large-sized displays for device replacement.
- C. Counter measures:**
- Strengthen the product portfolio and develop new light source platforms with the integration of

intelligent technology to increase the ratio of products with high unit prices and high gross margins.

- Develop the professional market segments with projectors that can display images in a wide diversity of ways and be applied to non-planar projection, penetrable projection and small space projection.
- Carry out digital marketing strategies that are aimed at target consumers by listening to what users need and communicating the exclusive selling points to them.
- Maintain the scale of economic.
- Incorporate software and hardware with the Group's resources, and raise the value of projector systems with technologies of intelligence, audio and image.

## Audit and Risk Management

BenQ's risk management focuses on the operation of risk management system and the planning of material risk transfer. The vision and policy for risk management have been established and the management goals and constant follow-up of performance indicators have been set up to effectively control the risks that exceed the company's risk tolerance. Meanwhile, management tools are utilized to ensure the optimization of total risk management cost. With Risk Management Committee (RMC) as the core, we manage risks in four main aspects, which are strategy, finance, operation and damage.

### I. Risk Management Operations

BenQ is a major member of Qisda's RMC and regularly participates in RMC meetings while offering its improvement plans and concrete improvement solutions. We compile Business Continuity Plans (BCPs) according to major risk scenarios, teaming with simulation drills and on-site tests to ensure the Business Continuity Management System (BCMS) are effectively operating, reaching the end of business continuity. In group risk control, we cooperate with BenQ Group's policy to establish a joint defense mechanism, strengthening the damage-prevention mechanism, improving emergency responding ability and lowering damage losses with the spirit of experience and resource sharing.

### II. Risk Management Committee (RMC) Organization and Structure

We participate in Qisda's RMC operations, realizing

implementation, promotion, audit and maintenance of risk management plans. The committee effectively monitors risks via concrete improvement solutions such as risk self-assessment reports and risk improvement plans while tracking and evaluating risk management performance via annual risk management reports.

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 2020, there were 55 RMC meetings, including four regular meetings and 51 interim meeting.

To effectively manage and track performance, we define Key Risk Indicators (KRIs) relating to organizational operations to strengthen risk monitoring and track management performance. With tools such as risk examination form, we inventory various risks faced by each business unit to improve the completeness of risk identification. At the meetings, we also track and reflect on the contemporary domestic and overseas major events, regulation changes and abnormal risks while offering and adopting effective response measures.

To cope with COVID-19, the infectious disease response plan was launched in January 2020 to confirm the situations and the tasks of each department. A temporary RMC pandemic prevention meeting was held right after the Company went into operation to, based on the development of the pandemic, decide on the response strategies, such as collectively purchasing pandemic prevention supplies and delivering such supplies to overseas employees, providing assistance for major suppliers in their resumption of business, etc., so as to ensure the operation of front-end market and normal supply.

## III. Business Continuity Management System (BCMS)

### I. Business Continuity Management Policy (BCMP)

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 company under emergency when major accidents or disasters occur, minimizing the impact and suspension time brought by the disasters.

**2. BCM Achievements**

Continue to add or establish BCPs for major emerging risk scenarios

Besides establishing BCP, we regularly perform drills, during which we collect instant information of the scenario, integrate, evaluate, judge and make decisions as well as reaching recovery goals. We constantly practice to strengthen the familiarity of the BCP of our employees. We regularly renew corporate risk management manual, documenting the response measures and steps for major events.

**IV. 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 10 company regular joint goup meetings in 2020 to enhance risk awareness and strengthen risk response capabilities.

**> Financial Risk Response**

Global currency fluctuation is dramatic due to Covid-19 and economic matters and continued intensification of China-US trade war. BenQ follows its policy in not making in high-risk 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 prices and inventory level to lower the impact of inflation on us.

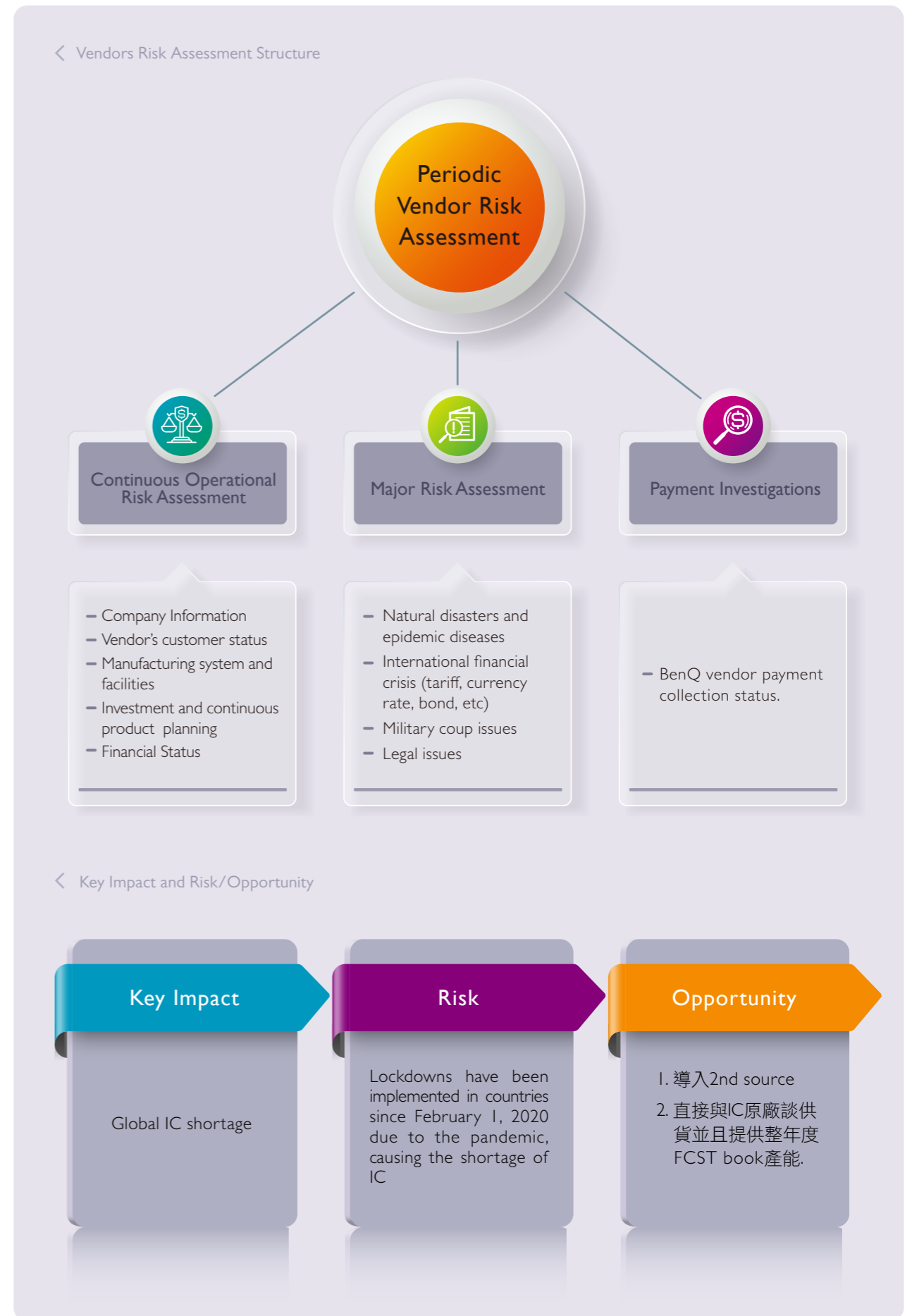
**> Supply Chain Risk Management**

To lower the operational impacts brought by the suspension of supply chain, our risk management strategies for the supply chain are as follows:

- Besides exclusive and singular special technology suppliers, at least two suppliers are at hand, if certain supplier stop supplying stocks and services, shift to another to supply and serve under the shortest period of time
- Cultivate, verify and establish potential suppliers, if current suppliers all stop providing stocks and services, shift to another to supply and serve under the shortest period of time

Also, for existing certified suppliers, BenQ carefully evaluates their risks. With regular and irregular investigation of their operational and financial status while focusing on high-risk groups, we avoid any matters such as closedown without warnings that influence shipments or cause disputes.

In addition, material risk investigation has been conducted to suppliers. Whenever a special incident, such as out-of-stock of key parts and components due to the ongoing impact of COVID-19 to the world, transport trucks for shipping logistics (by air/sea/railway/inland) all being affected, port congestion resulting from infection cases at wharves, impact of the red supply chain, etc., takes place, the suppliers in related regions will be investigated and a comprehensive investigation will be conducted to understand their response capability. Or, communication with the suppliers will be conducted to find out appropriate response approaches that can help BenQ take the most suitable preventive measures to avoid any damage to our business or any impact on the rights and interests of the stakeholders.



< Supplier Requirements

Required Item	Disclosure Method						Required Timing	Note
	Certificate	Implement or Improvement Plan	RBA Responsibility Business Alliance Report	BSCI Social Responsibility Certificate	Agreement / Survey Form	Self-Disclosure		
ISO 9001	●						When new vendor starts implementation	
ISO 14001	●	●					When new vendor starts implementation	– If unable to provide certificate, required to provide implementation or improvement plan
OHSAS 18001	●	●					When new vendor starts implementation	– If unable to provide certificate, required to provide implementation or improvement plan
SA 8000	●		●	●		●	When new vendor starts implementation	– 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
Green Product							When developing new product	– Strategic purchase unit promotes during quarterly business review meetings. – Executive unit: Product Division
Conflict Mineral Report						●	Major suppliers of LCD/PRJ/PDP are required to provide Conflict Mineral Reporting Template	– Strategic purchase unit promotes during quarterly business review meetings. – Currently, companies providing Conflict Mineral Reporting Template are Qista, TPV, Delta, Foxconn AND CVTE

> 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 green-house 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, we believe in using our talent, innovative R&D ability and fair risk

management ability, we can transform risk into opportunity. Besides tacking 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

Impacted Area	Potential Risk	Advantage and Opportunity
 Finance	<ul style="list-style-type: none"> <li>– Increased costs by such as energy / insurance / shipment ones</li> <li>– Costs caused by GHG management acts of various countries</li> <li>– Low-carbon economy asset allocation investment strategy</li> </ul>	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.
 Management	<ul style="list-style-type: none"> <li>– Risk management strategy and ability</li> <li>– Physical disaster damage/crisis management ability</li> <li>– Corporate green strategy / energy-saving, carbon-reduction promise</li> </ul>	BenQ regularly assess and tracks risk management, and studies/compiles strengthening crisis management procedure
 Product and Service	<ul style="list-style-type: none"> <li>– Green procurement/low-carbon product energy-saving product</li> <li>– Product carbon-footprint information</li> <li>– Better energy-saving and environmental protecting service content</li> </ul>	BenQ team has strong innovative power in R&D, having launched various low-carbon/energy-saving products
 Supply Chain	<ul style="list-style-type: none"> <li>– Product supply chain carbon disclosure / carbon footprint inventory</li> <li>– Vendor delivery date/stable commodity-delivery ability</li> <li>– Forwarder energy-saving transportation service</li> </ul>	Major BenQ vendors have started establishing the ability of lifecycle/carbon footprint inventory; BenQ prioritizes forwarders with more energy-saving transportation service.

> 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 company to be involved with illegal behaviors such as lobbying and bribery, compromising company governance mechanism and causing overall business environment to deteriorate. Hence, BenQ specifically compiles "code of conduct" as the reference of all employee behaviors.

The code of conduct we compiles rules the items regarding integrity, anti-corruption, anti-Trust, intellectual property, data protection and political participation. Each item bears concrete conduct regulation, serving as the highest code of conduct for all members of the company in proceeding with business activities. The major points are as follows:

**Integrity, anti-corruption**

Our company strictly prohibits any behaviors such as corruption, bribery, blackmail and embezzlement of public fund.



### Anti-Trust

Due to the necessity of globalization cross-country operation, we need to stress on and follow various regulations of anti-Trust and Competition Law, while keeping alert and be careful in our acts.

### Intellectual Property

Respect the rights of other companies' brand, design, software, article and other assets protected by law, prohibiting employees to use, copy, steal or sell unauthorized intellectual property

### Data Protection

Our company collects and keeps necessary employee data according to law, but strictly protects it from leakage and does not use this to serve other ends not related to our business or sells for profits. 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 one-day internal training called New Comer Program and let them take part in the Group's two-day Win Camp. 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 2020 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 2020 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.

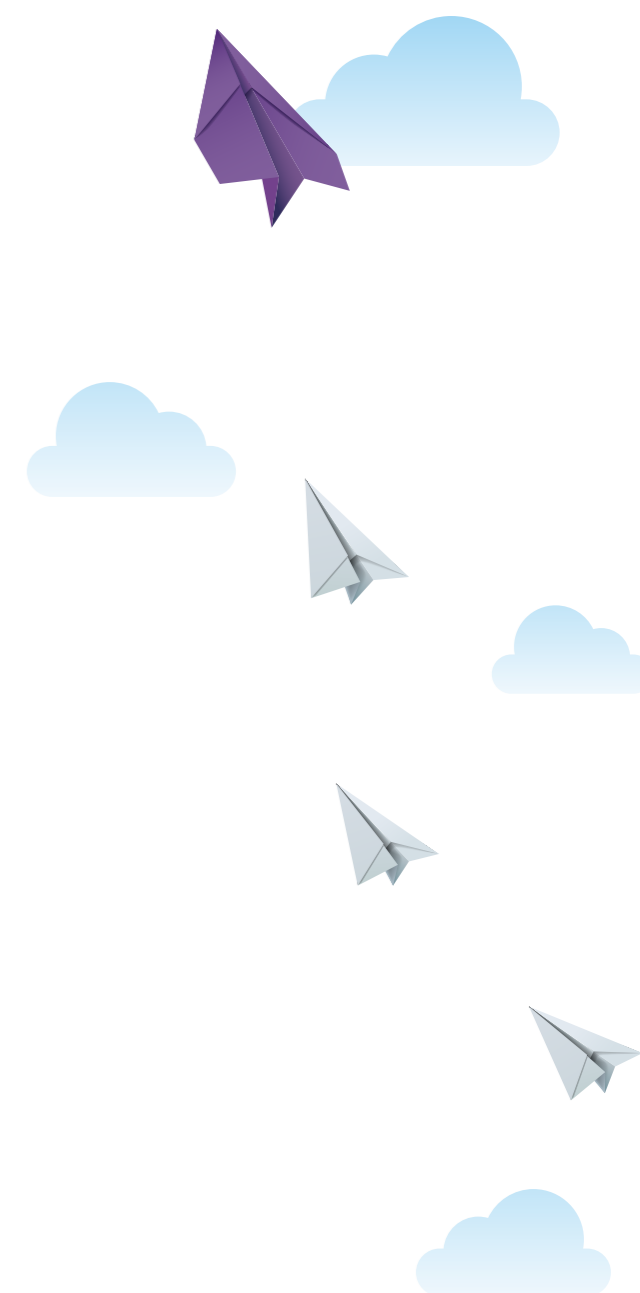
## > Legal Compliance

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 2020, 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



> Climate Change



# 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:

### Execuational 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 execuational performance and offer future key directions.

## Environmental Safety Health Certificate and Monitor

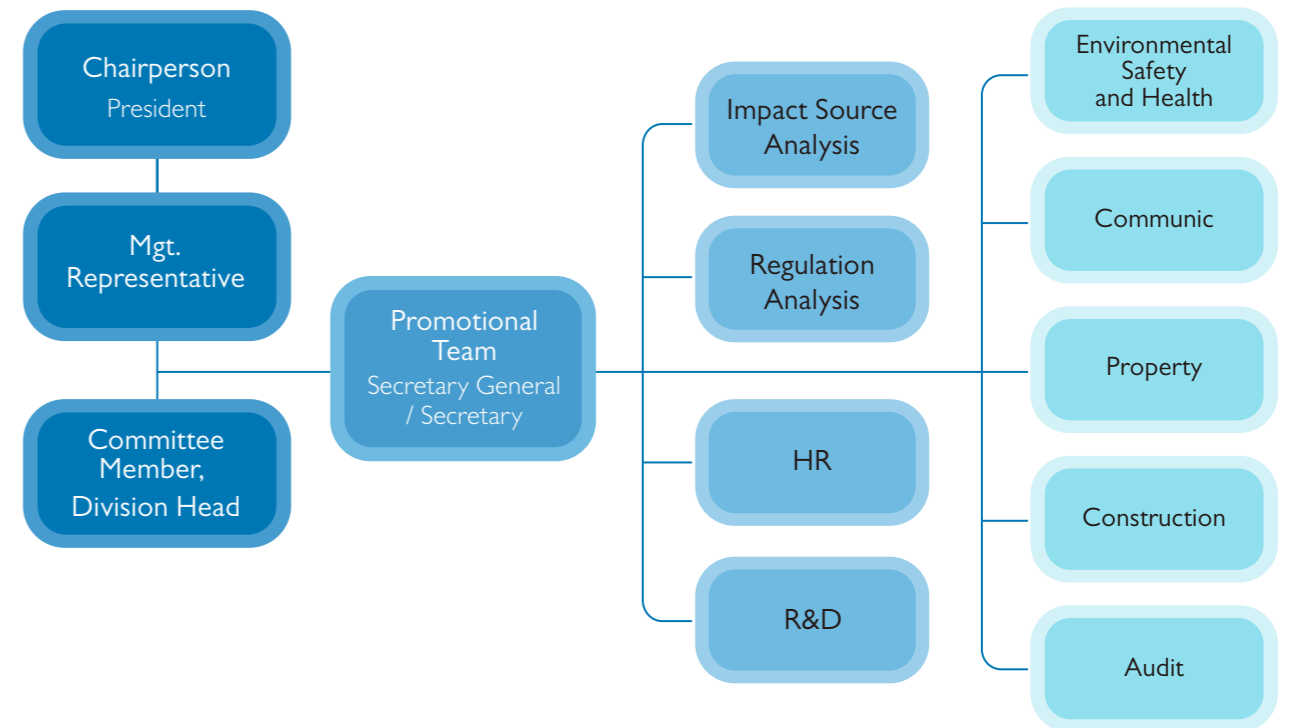
BenQ headquarter has implemented ISO 14001 Environmental Management System and OHSAS 18001 Occupational Health and Safety Assessment Series and has obtained certificates. Currently, the aspects of our certification and monitoring on environmental safety health are as follows:

- 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

Social Responsibility and Environmental Safety Health Management Committee Organization Chart



ISO 14001, ISO 45001 Certificates





in corporate culture in a comprehensive way. With the competition, each department can 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 2020 is shown in the table below.

< Waste/Resource Recycling Statistics in 2010-2020 (Unit: KG)

Time	General Waste	Paper	Aluminum, Metal Can	PET Bottle, Plastic Bottle	Aluminum Foil Package
2010	32260	11786	998	533.8	314.4
2011	37095	13639	939.6	758.6	548
2012	31280	10167	974	787	515
2013	30656	7062	951	651	380
2014	29321	7547	932	490	288
2015	28046	8397	1027	574	309
2016	33712	8313	1169	529	433
2017	32903	6301	959	480	552
2018	33922	7315	1129	473	510
2019	26315	7790	1337	508	506
2020	<b>31777</b>	<b>5955</b>	<b>822</b>	<b>351</b>	<b>275</b>

> Water Resource Management

During the product design process of BenQ, no wastewater is generated, only domestic sewage. For the control of domestic sewage, oil separation tank is established for professional staff to operate and maintain. The domestic sewage from BenQ is emitted to the government sewage management system and will not affect water source and land due to sewage generated from water usage. Each year, BenQ also outsources to wastewater detection company acknowledged by the Environmental Protection Administration (EPA) to sample and examine effluent water quality to understand the effluent water

quality status. Meanwhile, the government will supervise the effluent water quality of the company each half year, adopting regular but sporadic sampling analysis. The standard result of government-examined effluent water quality analysis is as shown in table 5.2, displaying our fair performance in waste water prevention.

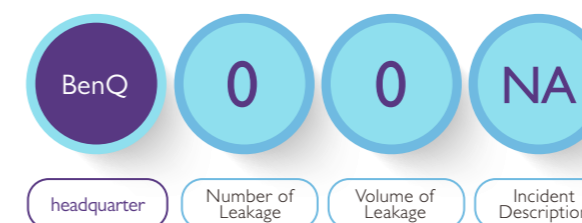
In 2020, the overall water consumption of BenQ was 22,000 m3/year for the water resource management performance; hence, the overall water consumption in 2020 increased around 1.6% from that in 2019. This is an abundant result and we keep our water preservation status.

< 2020 Water Quality Examination

Examination Date	Standard	Examination Result	
Item		2020/11/30	
Index of hydrogen ion concentration	ph5~9	7.8	Qualified
Water temperature	45 degree Celsius	26.3	Qualified
Suspended solid	600 mg/l	311	Qualified
Chemical oxygen demand	1200 mg/l	464	Qualified
Biochemical oxygen demand	600 mg/l	236	Qualified
Total oil	Mineral oil 10 mg/l	4.4	Qualified
	Animal and vegetable oils 30 mg/l	29.3	
Sulfide	90 mg/l	0.08	Qualified

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 headquarter only uses few chemical solvent in product design process and there is no chemical solvent leakage during the process.

< Number of Leakage List



> Ecology Management

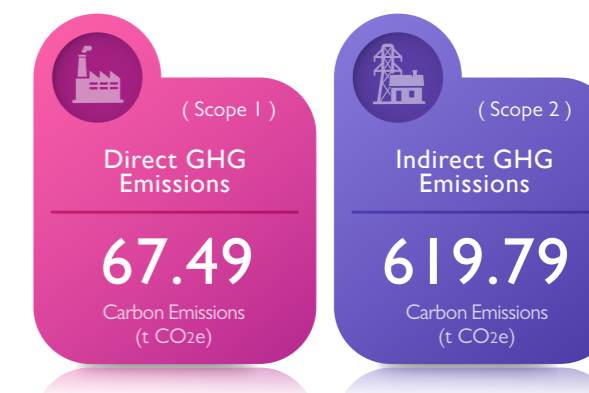
With all of BenQ's manufacturing sites located within industrial parks, the company does not own, lease, or manage any manufacturing facility located within ecological conservation areas or water conservation areas. It does not engage in any kind of activity that creates a negative influence toward biodiversity. 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 2020 result of greenhouse gas emissions inventory of its global manufacturing sites has passed ISO 14064-1 third-party verification. According to 2020 GHG emission inventory results, the GHG emissions of BenQ are 687 t CO<sub>2</sub>e.

The energy resources utilized within BenQ include fossil fuels (gasoline and diesel) and electricity used in manufacturing operations. Among them, electricity used in manufacturing operations accounts for the major energy consumption. The corporate internal energy consumption details in 2020 are as shown in the table below.

< Greenhouse Gas Emissions in 2020



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.


< Direct and Indirect Energy Use in 2020 \*

Item	2020	Note
<b>Direct Energy Consumption</b>		
Natural Gas (1,000 cubic meter)	0	
Gasoline (kl)	4.96	
Diesel (kl)	0	
Refrigerant (ton)	0.18	
<b>Indirect Energy Consumption</b>		
Purchased Electricity (10,000 MWh)	1017.67	

\*  
 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.


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.

< 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
8. Changed to Led in Staircase



### 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

---

> Customer Promise

---

> Quality Management

---

> Green Product





## 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 2020.

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.

### < ecoFACTS label



### < Product Package Exterior



## 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 headquarter 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 89 in 2020. 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

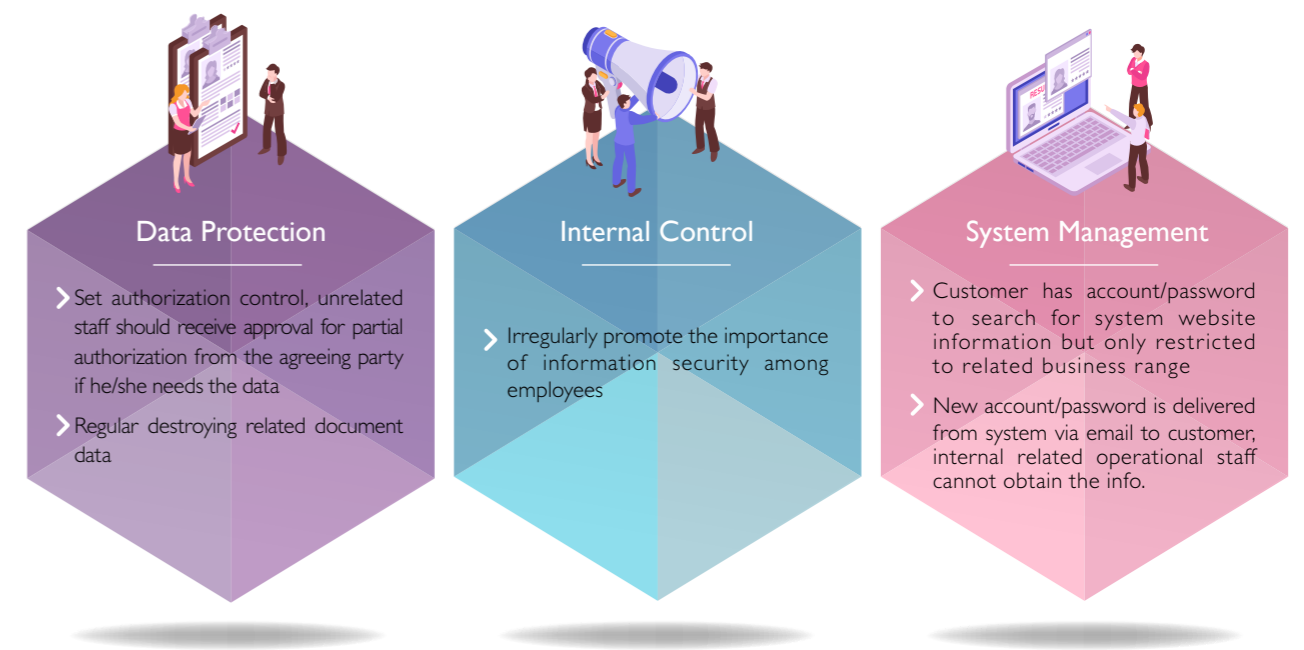
customer problems with a swift and concrete fashion and provide a sound and fair communication channel. We hope by a more advanced customer service management, we can provide the best service quality to establish a fair partner relationship.

### > 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 2020, 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.

### < Customer Privacy Protection Mechanism



< BenQ corporate vision and brand mission: "Bringing Enjoyment 'N' Quality to Life"



## Quality Management

### > Quality Vision and Strategy

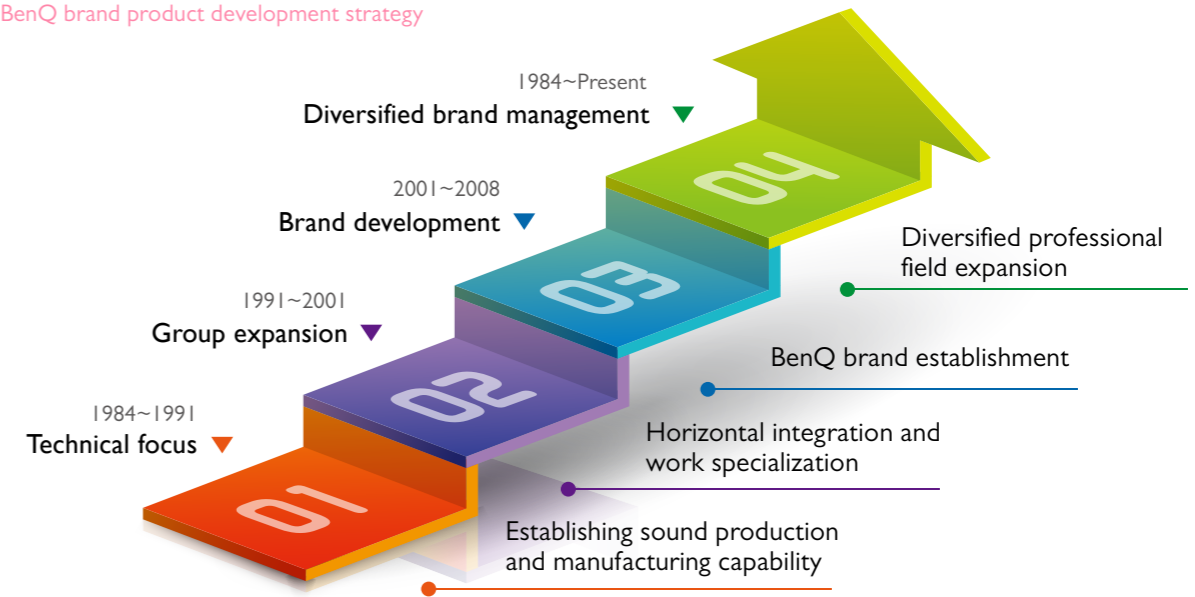
Starting from the vision of Bringing Enjoyment 'N' Quality to Life, BenQ strives to become a leading company in IT products and integrated solutions, learning about human life demand with heart, investing in a fashionable life, corporate operation, medical equipment service and

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.

< BenQ "Design and Technology Based on Human Being"



< BenQ brand product development strategy



## 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.

## 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 Business Deployment LIFE expand to key aspects of human life

<p><b>Better Digital Fashionable Life</b></p> <p>Digital products and living solutions using the newest technologies; create high-standard digital fashionable life</p> <p>BenQ consumer electronics products</p>	<p><b>Highly-Efficient Corporate Operation</b></p> <p>Complete and advanced medical equipment service Flexibly-applied educational training Business and professional product and equipment Corporate operation and smart integrated solution Improve productivity and competitiveness</p> <p>BenQ Corporate solution BenQ Professional and business products Qisda Industrial automatic products and system design</p>	<p><b>Complete and Advanced Medical Equipment Service</b></p> <p>Medical service centered on patients Advanced medical technology and equipment Personal aesthetic medicine product Create high-quality healthy life</p> <p>BenQ Hospital Medical care BenQ Medical Technology Medical equipment and consumables BenQ Materials Optical film and Personal Hygiene as well as aesthetic medicine products BenQ Consumer products</p>	<p><b>Flexibly Applied Educational Learning</b></p> <p>Innovative digital learning equipment, no matter where you are, you can more flexibly learn</p> <p>BenQ Projection equipment and interactive panel</p>
---	---	---	---



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.

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



### Quality and Hazardous Substance Free Management

BenQ strives to enforce quality management system (ISO 9001), medical equipment quality control system (ISO 13485); 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.

#### BenQ Product Development System





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 Policy



**BenQ Quality Policy**  
To deliver Defect-free,  
Competitive Products and Services  
to our Customer on time.

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 quality management system global system and third-party certificates

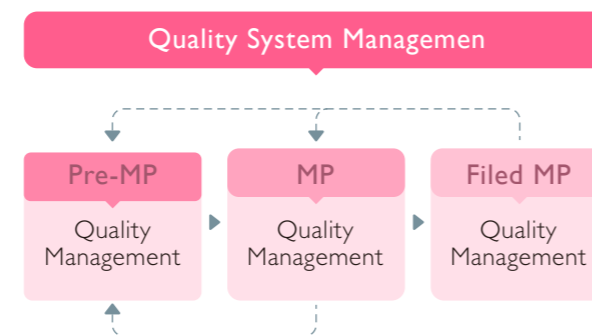


BenQ's quality policy is: “deliver on time products and services with zero defects and are competitive to customers”. Basing on the belief, we lay foundation of BenQ quality four action planes:

- 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.

BenQ Quality Four Action Planes



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).

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 on 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 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.

ISO 9001 Certificate



ISO 13485 Certificate

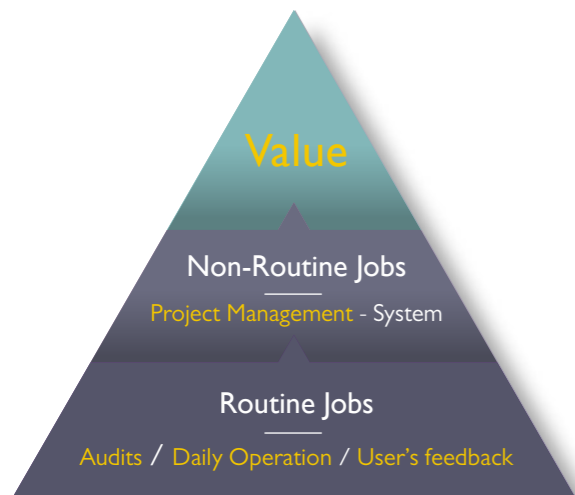


BenQ uses the golden triangle of quality system management, Audit & Management Review, Consultation and Continued Enforcement, to maintain our quality management operation. We use quality system daily management and quality audit operation to inspect existing system operation and discover system problems, 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.

Quality System Management Golden Triangle



Quality System Management Value Structure

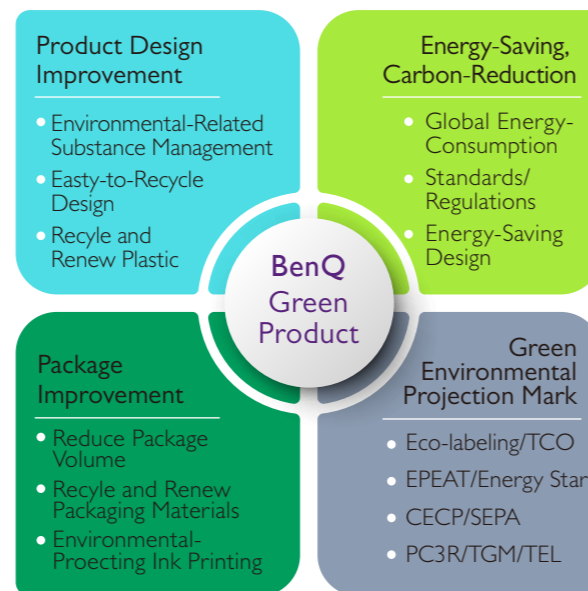


## Green Product

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 mark, 4. Green environmental protection mark) 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.

BenQ Green Product Four Perspectives



### Product Design Improvement

#### I. Environmental-Related Substance Management

All BenQ products should conform to the green product Restriction of Hazardous Substance Guideline (SUP-QM-07-02)-version 12, with the controlling range including RoHS and other legal or self-control substances. BenQ continues to track the disclosed substances of very high concern (SVHC) by the European Chemicals Agency (ECHA) each year. The company also has included the disclosed substances in its control sheet and communicating with vendors in a two-way fashion to prohibit or control usages of carcinogenesis, mutagenicity and toxicity to reproduction.

BenQ Controlled Substance

RoHS Substance	Other Legal and Voluntary Controlled Substance	2020 Added and Adjusted Controlled Substance
Package material (cadmium+lead+mercury+hexavalent chromium) total sum	Asbestos	Bexabromo-cyclododecane (HBCD) VOCs
Cadmium and its compound	Greenhouse gas with fluorine	Perfluorooctane sulfonate (PFOS) Red Phosphorus
Lead and its compound	Chlorodiphenyl Methane Substance damaging ozone layer	Perfluorocaprylic acid REACH SVHC: 20TH batch
Mercury and its compound	Organotin compound	Chloroalkanes (C10-13) REACH SVHC: 19TH batch
Hexavalent chromium and its compound	Polychlorinated biphenyls and Polychlorinated triphenyls	Polyvinyl chloride (package material/mechanism part) Bis(2-ethylhexyl)phthalate (BEHP)
Polybrominated biphenyls	Radioactive substance	Arsenic and its compound (panel) Butyl benzyl phthalate (BBP)
Polybrominated diphenyl ethers, PBDEs	Azo compound	Nickel and its compound Dibutyl phthalate (DBP)
Bis(2-ethylhexyl)phthalate (BEHP)	Dibutyltin hydrogen borate	Beryllium and its compound Diisobutyl phthalate (DIBP)
Butyl benzyl phthalate (BBP)	Dimethyl fumarate	Antimony and its compound TCO ASL
Dibutyl phthalate (DBP)	Polychlorinated naphthalene	Chlorine coming from Chlorine flame retardants or Polyvinyl chloride (PVC)
Diisobutyl phthalate (DIBP)	Formaldehyde	Bromine coming from Brominated flame retardant
		Polycyclic aromatic hydrocarbons (PAHs)

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
- PolyVinyl Chloride (PVC): No PVC for package material and plastic body part of all products
- Phthalate: No usage of Phthalate on all products

#### II. Easy-to-Recycle Design

To lower environmental impact and help recycling for reuse of materials, BenQ considers the following principles of easy to recycle during product design phase:

- Use single material for plastic component as much as we can
- Plastic component can be dismembered by general tools

- Plastic component can be dismembered by general tools
- Mark the materials of plastic components of over 25g according to the ISO 11469 international standard.
- Use recyclable and renewable plastic materials as much as we can
- Fix body parts with engaging structure as much as we can, avoiding gluing or welding
- 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

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).

### III. 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.

## > Energy-Saving mark

### 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.

#### < Energy-saving design principles of BenQ products



**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
- When no image, peripherals can enter automatically the standby mode
- When PWM enters power off, use burst mode method to reduce standby loss
- Increase eco preset mode and show percentage of power saving
- When increase backlight, signal power-consumption index by icon to remind user of power-consumption message
- Increase OSD timer to remind user the rest time to reduce loss

### 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.

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).

### III. Recycle and Renew Plastic

TBenQ had six display products winning the US ENERGY STAR Most Efficient award in 2020

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 model




**The Year's Best of ENERGY STAR Energy Efficiency and Innovation**

**Most Efficient 2020**

WHEN ONLY THE BEST WILL DO.

Looking for the ENERGY STAR label is a simple way to save you money and protect the environment. Now EPA offers ENERGY STAR Most Efficient 2020, a distinction recognizing products that deliver cutting edge energy efficiency along with the latest in technological innovation. It is an award that truly represents the best of ENERGY STAR.

					
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 reuse 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 clipboard, 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

#### < 2020 models of Green Environmental Projection Mark



				
15	15	15	15	16
Energy Star	EPEAT	TCO	Taiwan Energy Label	Taiwan Green Mark



#### IV. Environmental-Protecting 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, PC3R 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 2020.

#### I. A product prototype must pass all relevant product safety tests

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 2020 no violations of regulations or self-controlled guidelines of products and service information mark happened.

#### < Product and Service Information and Labeling

Item	Yes	No
The sourcing of components of the product or service	●	
Content, particularly with regard to substances that might produce an environmental or social impact	●	
Safe use of the product or service	●	
Disposal of the product and environmental/social impacts	●	



# Vendor and Forwarder

- > Supplier Selection
- > Forwarder Selection



## 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	1					
ISO 14001	12	2				
OHSAS 18001	10	4				
SA 8000	4		0	1	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.



# Employee

> Employee Profile

> Learning and Development



> Working Condition



## 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.

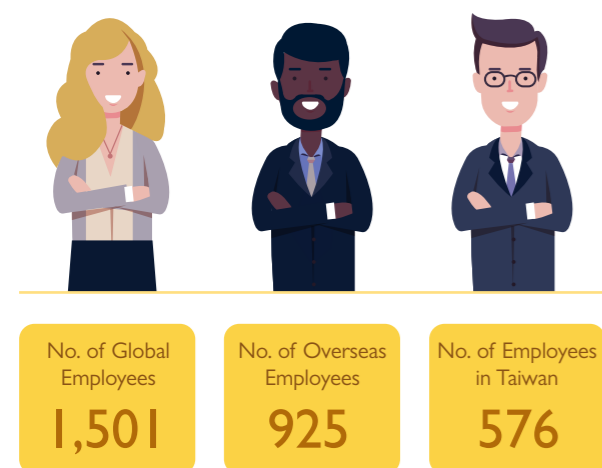
### > Employee Hiring Status

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, 2020 the number of global full-time employee of BenQ (excluding part-time workers) was 1,501 with the employees stationed at regions such as Asia, Australia, Europe and the Americas; while nationalities cover over 50 countries, with 38% of them from Taiwan headquarter and 62% in other overseas areas, as shown in the table below.

### < Global Employee Statistics

**2020** (no including part-time workers)



• As of December, 31, 2020, the number of global full-time employee of BenQ (including part-time workers) is 1,501

### < Global Employee No. by Region

Region	Male (No. of People)	Female (No. of People)
Taiwan	310	266
China	245	175
Asia Pacific	123	163
Americas	62	41
Europe	93	48

• ( As of December, 31, 2020 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 18.34% in 2020 with average monthly resignation rate at 1.53%. In terms of region, the highest accumulated resignation rate in 2020 was in Europe at 44.94%, the lowest being America at 6.47%.

## 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 TrainQuali System) certificate and National TrainQuali 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. To follow the trend of digital transformation, the 2020 new

employee training courses have all been changed to online mode, allowing employees to learn in a more timely manner.

### > 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 2020, 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

Program Name	Fresh Leader Program	Action Leader Program	Strategic Leader Program	Top Development Program
Participant	Potential talent	Supervisor	Mid-level executive	Top-level executive
Session I	<ul style="list-style-type: none"> <li>Immediate management knowledge</li> </ul>	<ul style="list-style-type: none"> <li>Upward management</li> </ul>	<ul style="list-style-type: none"> <li>Systematic thinking and decision strategy</li> </ul>	<ul style="list-style-type: none"> <li>Role and mission of top-level executives</li> <li>Leading and executing power of vision and value concept</li> </ul>
Session II	<ul style="list-style-type: none"> <li>PDCA and work improvement</li> </ul>	<ul style="list-style-type: none"> <li>OJT</li> <li>Problematic employee dealing technique</li> <li>Confrontation management and negotiation</li> </ul>	<ul style="list-style-type: none"> <li>Subordinate training and development</li> <li>Interviewing techniques involving performance setting and review</li> <li>Effectively authorizing and ordering subordinate</li> </ul>	<ul style="list-style-type: none"> <li>Top-level executive authorization technique</li> <li>Change leadership</li> <li>Organizational development and re-engineering amid changes</li> <li>Train successor</li> <li>Strategic planning and management</li> <li>Corporate operation and management</li> </ul>
Session III	<ul style="list-style-type: none"> <li>Communication and coordination</li> </ul>	<ul style="list-style-type: none"> <li>Outstanding team leading and build up</li> <li>Departmental work planning and goal reaching</li> <li>Adjust to changes</li> </ul>	<ul style="list-style-type: none"> <li>Persuasion and influencing techniques</li> <li>Managing upward and reporting techniques</li> </ul>	<ul style="list-style-type: none"> <li>Corporate speech technique</li> </ul>
Session IV	<ul style="list-style-type: none"> <li>Subordinate training inspiration</li> </ul>	<ul style="list-style-type: none"> <li>Problem analysis and solution technique</li> <li>Project management practice</li> </ul>	<ul style="list-style-type: none"> <li>Build up strategic partnership</li> <li>Cross-department negotiation technique</li> </ul>	<ul style="list-style-type: none"> <li>Value-oriented financial management</li> </ul>
Session V	<ul style="list-style-type: none"> <li>Talent recruit interviewing technique</li> </ul>		<ul style="list-style-type: none"> <li>Strategic thinking build-up and management</li> <li>Leading amid changes</li> </ul>	

• (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 (FLP/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 2020, 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

	
No child labor	BenQ follows local minimum working age laws and regulations, forbidding hiring of child labor.
No compulsory labor	BenQ respects employee willingness and bans any forms of compulsory labor behaviors.
Establish healthy and safe working environment	BenQ has ISO 14001 environmental management system and OHSAS 18001 Occupational Health and Safety Assessment Series certificates, offering a sound working environment.
Ensure employee right communication channel is open	BenQ establishes various open communicational channel; employees can form clubs while labor and capital relationship is harmonious.
No discrimination	Selection, utilization, training and retention of employees base on the principle of suitable talent for suitable post, no discrimination occurs for reasons such as race, sex, marital status, age, political stand or religious belief.
Punitive measure	BenQ doesn't treat employees in inhumane ways, restricts any forms of insults and cares for working conditions of employees.
Work hour	Work hour regulation follows government regulations.
Meet basic salary	Salary and welfare follow regulations and industry standard, and there is no salary reduction for punitive purpose.

## 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 has any disputes due to unwilling labor, inappropriate punitive method or identity discrimination.

To ensure the rights of BenQ and employees, the employee manual issued at the entry date of an employee states the shortest notification period for various operational changes. During the time, the hiring agreement signed by both parties also explains the shortest notification time for agreement termination.

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 right 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 establishment, the labor-management relations of BenQ are harmonious; its employee requirement and opinion can be directly issued and receive feedback.

In addition, all employees sign a hiring agreement, reaching the agreed tasks with the company according to their will. Overtime work is out of one's own will and there is absolutely no compulsory labor. Employees are not threatened either physically or mentally and not discriminated

## < BenQ Promise

BenQ Promise			
Salary Welfare	<ol style="list-style-type: none"> <li>1. BenQ considers job post responsibility and personal ability to decide on salary level for new employee, and this will not differ due to race, religion, political stand, gender, marital status or member of labor union.</li> <li>2. BenQ's salary levels meet related regulations, with overall employee average salary higher than stipulated basic salary of 23,100 and is more than 1.9 times higher than average salary of computer, electronic product and optical industries announced by Department of Budget, Accounting and Statistics, Executive Yuan.</li> <li>3. In each major operational location, the ratio of standard minimum salary point to local minimum salary of a new employee is 2.2 and the same for male and female.</li> <li>4. No one can ask for salary reduction in terms of punitive measure.</li> </ol>		
Labor/health insurance	<ol style="list-style-type: none"> <li>1. At the arrival of post for each employee, BenQ provides labor and health insurance for the employee and is responsible for the insurance fee that the employer should pay.</li> <li>2. BenQ additionally offers welfare measures such as employee group insurance, including life insurance, accident insurance, cancer insurance, health insurance, outpatient/admission insurance and air accident insurance, with the highest claim sum at 36-time monthly salary.</li> <li>3. Global operational locations also follow local regulations so that all BenQ employees can have more complete life protection.</li> </ol>		
Leave	<ol style="list-style-type: none"> <li>1. BenQ gives employees holidays and leaves according to the law.</li> <li>2. There is one paid volunteer leave each year for employees to enjoy volunteering.</li> <li>3. There is paid engagement leave that expresses care of the company for employees.</li> </ol>		
Retire Welfare	<ol style="list-style-type: none"> <li>1. For Taiwan employees, BenQ follows the pension regulations of Taiwan Labor Standard Law and Labor Pension Act, regularly extract reserve to legal pension account or personal pension account.</li> <li>2. For global operational spots, BenQ also follows local regulations.</li> </ol>		
Reward	<ol style="list-style-type: none"> <li>1. Every half year, BenQ launches performance audit for all full-time employees, and the results are the basis of promotion and reward.</li> <li>2. All hiring, appraisal and promotion standard are fair and just and do not discriminate due to race, gender, age, nationality, religion or political preference.</li> </ol>		
Communication Channel	<table border="0"> <tr> <td> <ol style="list-style-type: none"> <li>1. Department meeting</li> <li>2. HR mailbox</li> <li>3. Labor-management meeting</li> <li>4. Labor welfare committee</li> </ol> </td> <td> <ol style="list-style-type: none"> <li>5. Catering management committee</li> <li>6. Employee questionnaire</li> <li>7. Secretary/assistant symposium</li> <li>8. 2885 online reaction</li> <li>9. Employee representative</li> </ol> </td> </tr> </table>	<ol style="list-style-type: none"> <li>1. Department meeting</li> <li>2. HR mailbox</li> <li>3. Labor-management meeting</li> <li>4. Labor welfare committee</li> </ol>	<ol style="list-style-type: none"> <li>5. Catering management committee</li> <li>6. Employee questionnaire</li> <li>7. Secretary/assistant symposium</li> <li>8. 2885 online reaction</li> <li>9. Employee representative</li> </ol>
<ol style="list-style-type: none"> <li>1. Department meeting</li> <li>2. HR mailbox</li> <li>3. Labor-management meeting</li> <li>4. Labor welfare committee</li> </ol>	<ol style="list-style-type: none"> <li>5. Catering management committee</li> <li>6. Employee questionnaire</li> <li>7. Secretary/assistant symposium</li> <li>8. 2885 online reaction</li> <li>9. Employee representative</li> </ol>		
Notice period of major changes that will affect labor rights	<ol style="list-style-type: none"> <li>1. When the company's operation has major changes and may affect labor rights, BenQ will notify employees serving for 3-12 months at least ten days before the changes.</li> <li>2. BenQ will notify employees serving for 1-3 years at least twenty days before the changes.</li> <li>3. BenQ will notify employees serving for more than three years at least thirty days before the changes.</li> </ol>		



< Operational Environment Safety Management Process



due to race, gender, age, nationality, religion or political preference. Therefore, there was no legal case of any identity discrimination in the past.

> Healthy Workplace

BenQ has focused on creating a healthy and energetic working environment to save employees from any worries and can devoted wholeheartedly 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 award, the highest honor of Taipei Best Company. Recent awards and achievements of BenQ are as follows:

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 2020, 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

< Related Awards and Achievements

- 2005 ▶ Excellence Award, Taipei Healthy Workplace
- 2006 ▶ Heritage Award, Taipei Healthy Workplace
  - ▶ Pilot Award, Bureau of Health Promotion, Department of Health, Executive Yuan
- 2007 ▶ Workplace health self-certification healthy promotion mark
- 2008 ▶ 2008, director of Bureau of Health Promotion visited Excellent Healthy Workplace
- 2009 ▶ Workplace health self-certification healthy promotion mark
- 2010 ▶ Taipei Excellent breastfeeding room
  - ▶ Taipei Excellent breastfeeding room
- 2011 ▶ Highest honor three-star award, Taipei Best Company
  - ▶ Workplace health self-certification healthy promotion mark
  - ▶ Taipei Excellent breastfeeding room
- 2012 ▶ Taipei outdoor spot smoke self-management certificate
- 2013 ▶ Taipei outdoor spot smoke self-management certificate
- 2014 ▶ Badge of Accredited Healthy Workplace
  - ▶ Exercise Enterprise Certification Mark
- 2016 ▶ Taipei Superior Breastfeeding Room certification
- 2017 ▶ Taiwan iSports Certificate Mark

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.

> Employee Relationship

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 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.

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.

< Safety Hygiene Management Performance According to Gender Percentage

2020 Taiwan	GRI injury rate of GRI (IR)	GRI lost day rate of (LDR)	GRI occupational disease rate (ODR)	GRI absence rate (AR)	Number of death on duty incident
Male	0	0	0	0	0
Female	0	0	0	0	0
Total	0	0	0	0	0

- Absence Rate (AR)=Total absence days/total work days×200,000\*(\*:refers to 50 weeks a year, 40 work hours a week. The rate of each 100 employees)
- Absence definition: Employee absent from post due to loss of ability to work (not due to occupational injury or disease)



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 2020, the number of employees having occupational breastfeeding for over six months after

# Social Care

> BenQ Foundation



> Social and Environmental Care





## BenQ Foundation

The board of directors meeting 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 2020, the foundation continued to cultivate the four main shafts-Intelligence with integrity character, elevate original cultural value, friendly to earth and shorten digital gap, continuing to deliver the inspirations of truth, kindness of beauty of the society.

### < Workshop of Intelligence with Integrity Character-Summer Camp for Students in Remote Areas



## > Cultivate Intelligence with Integrity Character

### I. Workshop of Intelligence with Integrity Character

BenQ Foundation plans the "Workshop of Intelligence with Integrity Character" for the summer vacation, aiming at young students to learn together each summer. In 2020, we worked with the educational bureaus of Taoyuan City and Hsinchu County, creating a different program mode of camps, accompanying 278 creative teachers and students 23 elementary schools located in Taoyuan City and Taiwan Route 3 in Hsinchu County, fulfilling their summer vacation with happy learning cooperation and with integrity as well as brainstorming for creativity.

## II.. Dream Action-Campus Lecture

We invited youthful examples to serve as ambassadors of dream, visiting remote areas and costal campus in Taiwan, sharing dream realization process with high school and vocational school students while delivering an active and positive power, encouraging youths to dare to dream, realizing the endless possibility of oneself. 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

57,000 students and teachers from 70 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, Positive Influence





➤ Improve Original Cultural Value  
BenQ International Sculpture Workshop

“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.

To promote the public art, “BenQ International Sculpture Campaign” donated the art work created by the artist Zhou, Jie-Fu called- Comprehensive Interpenetration of One and All – to the Hsinchu government. With the cooperation from the government, we bolstered the aesthetic beauty, expecting publics can see closely with art of sculpture and making the art as part of the citizen’s life.



➤ “BenQ International Sculpture Workshop” Offers International Artists with Local Creation and Exchange Platform



➤ Friendly to Earth  
Contract Farming Adoption “My Homeland”

In 2008, Qisda 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 2020, 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 “Friendly to Earth” with actions while condensing identification with the idea of friendly to the land; in 2020, the Hsichou autumn harvest labor activity saw passionate participation of Qisda employees, relatives and friends. They rolled up their sleeves, bent over to harvest, experiencing the hard labor of farmers and staying closer to the land with affection.



溪州  
尚水秋稻

友善心意純園一年再聚，  
「回來呀，回來，一起回來呀」  
詩人吳晟朗讀，輕柔傳遞土地的親切呼喚，  
佳世達、友達、明基材料、達方、隆達一百一  
十位同仁眷屬，  
早起向南彎進樹林純園，在一片低矮稻頭間，  
親近彰化溪州「尚水米」農友為集團留下的一  
片秋收田，體驗人力農作，學習自然知識，  
聆聽從土地孕育出來廣含農作詩歌、環境觀察  
的島嶼對話。





< Friendly Contract Farming "My Homeland": Hsichou, Changhua Autumn Harvest Labor Experience



> Shorten Digital Gap

BenQ Foundation has participated for a long time the (Digital Opportunity Center, DOC) of the Ministry of Education (MOE), 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 characteristics 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 2020, we executed for eight years consecutively the "DOC Volunteer Small Trips", calling for Qisda employees and relatives to keenly participate in labor services, expiring 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. 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 2020, we launched the "DOC Small Bazaars" for six 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 to directly connect with the economic benefits of the real demand of local people. We also gradually assisted 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 Volunteer Small Trips"





< “DOC Volunteer Small Trips”



“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 courses to assist DOCs to develop culture and characteristics, we have accumulated considerable performances.

Touching films come from touching stories. BenQ Foundation has been promoting image creation popularity. Besides image courses 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. Furthermore, we guide publics and the learner to finish 10 films applied with emerging technology.

With long-term cultivation, we more deeply learned that DOCs play multiple roles locally, covering execution, promotion and application in terms of education, culture and industry, gradually forming the “homeland economy” model. Through the “DOC Volunteer Small Trips”, “DOC Small Bazaars” and group employee purchase support, we helped poured in around NT\$2.72 million economic revenues for remote areas in 2020. The influence was enormous while beneficiaries were various. This also encouraged us to keep rooting and extending the digital power of DOCs.

Social and Environmental Care

> BenQ Qisda Beach Cleaning Activities

On September 5, 2020, BenQ Qisda worked with the employee welfare committee To support the pandemic prevention and new life strategies of the government and combine the purposes of public welfare education and parent-child relations, the employee welfare committee led the employees and their family members to Alabao Bay in the Heping Island Park, Keelung City, to clean the beach in September during the summer vacation. In the afternoon, the employee welfare committee gave grants to the participants and encouraged them to visit the National Museum of Marine Science & Technology, enjoy

the interactive ocean discovering education and learn more knowledge about the ocean.

With the endeavor of the participants, 600 kg of waste was collected most of which being plastic bottles, styrofoam, wine bottles, tin and aluminum cans, and plastic strings, indicating that the ocean is not well treated by mankind. With this event, we successfully extended the participants’ vision of public welfare. The employees and their family members started showing their empathy and understanding the structural problems of environmental protection and its importance. On the same day of the event, the participants witnessed the mutually defined environmental conservation goals to be achieved: Garbage will never touch the ground, use of plastics shall be reduced in terms of its frequency, and use of disposable consumables shall be avoided.





By cleaning the beach, we understand that the event can only reduce the burden on the ocean for a while. However, the organizer team of the event firmly believes that the employees will continuously make contributions to society in an attitude of enthusiasm and attentive love. We will organize a related event continuously in the future. We provide support and take concrete actions for the issues of environmental conservation, greening, social welfare and care. We hope that other organizations also have the same awareness of public welfare as the employee welfare committee of BenQ Qisda and work together for the Earth and society.





We moved to the National Museum of Marine Science & Technology, Keelung City, to participate in the ocean discovering education event. The organizer team of the employee welfare committee incorporated knowledge of ocean and environmental protection in the event. Both parents and children were encouraged to place more importance on the issue of environmental protection through manual narration, digital interaction and challenge-defeating activities. Their logical thinking capability with respect to environmental protection was enhanced. Some employees said "though this is a voluntary event without pay, we find it significant and would like to show our appreciation to the employee welfare committee for this parent-child event. We have learned a lot!"

The team of the employee welfare committee found that the outcome of this event was excellent. By combining some welfare resources and ocean discovering education, we successfully brought the values of environmental protection in the mind of the employees and their family members. The team members hoped that employees and their next generation could think more about the environmental protection issues and take more care of the people in every corner of society. We also expect that employees can employees can make contributions to society through simple volunteer events on a regular basis to build a better society in the future.





# 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:

BenQ Corporation  
16 Jinu Road, Neihu, Taipei 114  
TEL:+886-2-2727-8899  
FAX:+886-2-2797-9288  
<http://corp.benq.com.tw/>



## GRI Standards Index

### General Disclosures

Topic	GRI Disclosure	Description	Report Section	Note
Organizational Profile	102-1	Name of the organization.	BenQ Corporation	G4-3
	102-2	Activities, primary brands, products, and/or services.	BenQ Corporation	G4-4
	102-3	Location of organization's headquarters.	BenQ Corporation	G4-5
	102-4	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.	Global Operational Strategy	G4-6
	102-5	Nature of ownership and legal form.	Communication with Investors	G4-7
	102-6	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Global Operational Strategy	G4-8
	102-7	Scale of the reporting organization.	BenQ Corporation Global Operational Strategy	G4-9
	102-8	Total number of employees by employment type and employment contract broken down by gender and region.	Employee Profile	G4-10
	102-9	Describe the organization's supply chain.	Supplier Selection	G4-12
	102-10	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain.	N/A	G4-13 No changes.
	102-11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Risk Management	G4-14
	102-12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	N/A	G4-15 Benq did not subscribe or endorse any charters, principles or initiatives.
	102-13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations.	Associations	G4-16
Strategy	102-14	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.	Message from our President	G4-1

### General Disclosures

Topic	GRI Disclosure	Description	Report Section	Note
Strategy	102-15	Description of key impacts, risks, and opportunities.	Message from our President Risk Management	G4-2
Ethics and Integrity	102-16	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	Code of Conduct	G4-56
	102-17	Report the internal and external mechanisms for seeking advice and reporting concerns about ethics.	Code of Conduct	G4-57.58
Governance	102-18	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.	BenQ Corporate Social Responsibility Committee	G4-34
	102-21	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.	Communication with Investors	G4-37
	102-22	Report the composition of the highest governance body and its committees.	Organizational Structure of Corporate Governance	G4-38
	102-23	Indicate whether the Chair of the highest governance body is also an executive officer.	Organizational Structure of Corporate Governance	G4-39
	102-25	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Corporate Governance Status	G4-41
	102-27	Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.	Organizational Structure of Corporate Governance	G4-43
	102-35	Report the remuneration policies for the highest governance body and senior executives.	Communication with Investors	G4-51
	102-40	List of stakeholder groups engaged by the organization.	Stakeholder Engagement	G4-24
	Stakeholder engagement	102-41	Percentage of employees covered by collective bargaining agreements.	Working Condition
102-42		Basis for identification and selection of stakeholders with whom to engage.	Stakeholder Engagement	G4-25



# GRI Standards Index

## General Disclosures

Topic	GRI Disclosure	Description	Report Section	Note
Ethics and Integrity	102-43	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Stakeholder Engagement	G4-26 PR5
	102-44	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.	Customer Satisfaction Survey Stakeholder Engagement	G4-PR5 G4-27
Report Profile	102-45	List all entities included in the organization's consolidated financial statements or equivalent documents.	About This Report	G4-17
	102-46	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.	Stakeholder Engagement	G4-18
	102-47	List all the material topics identified in the process for defining report content.	Stakeholder Engagement	G4-19
	102-48	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement.	N/A	G4-22 No restatements.
	102-49	Report significant changes from previous reporting periods in the material topics and topic Boundaries.	Stakeholder Engagement About This Report	G4-23
	102-50	Reporting period (e.g., fiscal/calendar year) for information provided.	About This Report	G4-28
	102-51	Date of most recent previous report (if any).	About This Report	G4-29
	102-52	Reporting cycle (annual, biennial, etc.)	About This Report	G4-30
	102-53	Contact point for questions.	About This Report	G4-31
	102-54	Claims of reporting in accordance with the GRI Standards.	About This Report	G4-32a
	102-55	GRI content index	GRI Standards Index	G4-32b
	102-56	External assurance	About This Report	G4-32 G4-33 No seeking external verification

## Economic Topics

Topic	GRI Disclosure	Description	Report Section	Note
Economic Performance	201-1	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.	Financial Performance	G4-EC1
	201-2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Climate Change Risk Assessment	G4-EC2 No significant financial impact was caused due to climate change in 2020. Refer to "Climate Change Risk Assessment" for more details on initiatives for addressing climate change.
	201-3	Coverage of the organization's defined benefit plan obligations.	Financial Performance Human Right Management	G4-EC3
	201-4	Financial assistance received from government	N/A	G4-EC4
Market Presence	202-1	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	Human Right Management	G4-EC5
	202-2	Proportion of senior management hired from the local community at significant locations of operation.	Employee Hiring Status	G4-EC6
Indirect Economic Impacts	203-1	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Social Care	G4-EC7
	203-2	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Social Care	G4-EC8
Corruption	205-1	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified.	Code of Conduct	G4-SO3
	205-2	Communication and training on anti-corruption policies and procedures.	Code of Conduct	G4-SO4
	205-3	Confirmed incidents of corruption and actions taken.	Code of Conduct	G4-SO5

## GRI Standards Index

### Environmental Topics

Topic	GRI Disclosure	Description	Report Section	Note
Materials	301-1	Materials used by weight or volume.	N/A	G4-EN1 No statistics due to no production
	301-2	Percentage of materials used that are recycled input materials.	Product Design Improvement	G4-EN2
	301-3	Percentage of products sold and their packaging materials that are reclaimed by category.	Product Design Improvement	G4-EN28
Energy	302-1	Energy consumption within the organization	Climate Change	G4-EN3
	302-2	Energy consumption outside of the organization	Climate Change	G4-EN4
	302-3	Energy intensity	Climate Change	G4-EN5
	302-4	Reduction of energy consumption.	Climate Change	G4-EN6
	302-5	Reductions in energy requirements of products and services.	Energy-Saving mark	G4-EN7
Water	303-1	Total water withdrawal by source.	Water Resource Management	G4-EN8
	303-2	Water sources significantly affected by withdrawal of water.	N/A	G4-EN9 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
	303-3	Percentage and total volume of water recycled and reused.	Water Resource Management	G4-EN10
Biodiversity	304-1	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Ecology Management	G4-EN11
	304-2	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Ecology Management	G4-EN12
	304-3	Habitats protected or restored.	Ecology Management	G4-EN13
	304-4	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Ecology Management	G4-EN14

### Environmental Topics

Topic	GRI Disclosure	Description	Report Section	Note
Emissions	305-1	Direct greenhouse gas (GHG) emissions (scope 1)	Climate Change	G4-EN15
	305-2	Energy indirect greenhouse gas (GHG) emissions (scope 2)	Climate Change	G4-EN16
	305-5	Reduction of greenhouse gas (GHG) emissions.	Climate Change	G4-EN19
	305-6	Emissions of ozone-depleting substances (ODS).	N/A	G4-EN20 CO <sub>2</sub> e emission of refilled air-conditioning coolant (R134-A) in 2020 was around 0 ton
	305-7	NO <sub>x</sub> , SO <sub>x</sub> , and other significant air emissions.	Ecology Management	G4-EN21
	306-1	Total water discharge by quality and destination.	Water Resource Management	G4-EN22
	306-2	Total weight of waste by type and disposal method.	Waste Management	G4-EN23
Effluents and Waste	306-3	Total number and volume of significant spills.	Water Resource Management	G4-EN24
	306-4	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.	Waste Management	G4-EN25
	306-5	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	Water Resource Management	G4-EN26
Environmental Compliance	307-1	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Legal Compliance	G4-EN29



## GRI Standards Index

### Social Topics

Topic	GRI Disclosure	Description	Report Section	Note
Employment	401-1	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	Employee Turnover Rate	G4-LA1
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Human Right Management	G4-LA2
Labor/ Management Relations	402-1	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	Human Right Management	G4-LA4
Occupational Health and Safety	403-1	Percentage of workers whose work, or workplace, is controlled by the organization, that are represented by formal joint management-worker health and safety committees.	Operational Environment Safety	G4-LA5 One third
	403-2	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	Operational Environment Safety	G4-LA6
	403-3	Workers with high incidence or high risk of diseases related to their occupation	Operational Environment Safety	G4-LA7
	403-4	Health and safety topics covered in formal agreements with trade unions.	N/A	G4-LA8 No labor union, thus not applicable.
Training and Education	404-2	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Learning and Development	G4-LA10
	404-3	Percentage of employees receiving regular performance and career development reviews by gender.	Human Right Management	G4-LA11
Diversity and Equal Opportunity	405-1	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	Employee Hiring Status	G4-LA12

### Social Topics

Topic	GRI Disclosure	Description	Report Section	Note
Diversity and Equal Opportunity	405-2	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	Human Right Management	G4-LA13 Ratio of basic salary: Taiwan male/female ratio: 1: 0.86 Ratio of remuneration: Taiwan male/female ratio: 1: 0.89
Non-discrimination	406-1	Total number of incidents of discrimination and corrective actions taken.		G4-HR3
Freedom of Association and Collective Bargaining	407-1	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	Supplier Selection	G4-HR4
Child Labor	408-1	Operations of Qisda and its suppliers identified as having significant risk for incidents of child labor, and measures taken to the effective abolition of child labor.	Human Right Management	G4-HR5
Forced and compulsory labor	409-1	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.	Human Right Management	G4-HR6
Security Practices	410-1	Security personnel trained in human rights policies or procedures.	N/A	G4-HR7 100% of security guards have received related trainings
Human Rights Assessment	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	N/A	G4-HR1 Not applicable, no major investments receive human right reviews Note: Major investment agreements are agreements signed after investments are agreed by the board of directors
Community	413-1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	Social Care	G4-SO1 100%(Taiwan and Suzhou, China are included).

# GRI Standards Index

## Social Topics

Topic	GRI Disclosure	Description	Report Section	Note
Supplier Social Assessment	414-1	Percentage of new suppliers that were screened using social criteria.	Supply Chain Risk Management Supplier Selection	G4-SO9.LA14..HR10
	414-2	Significant actual and potential negative social impacts in the supply chain and actions taken.	Supply Chain Risk Management Supplier Selection	G4-LA15.HR11.SO10
Public Policy	415-1	Total value of political contributions by country and recipient/beneficiary.	N/A	G4-SO6 Stakeholders do not have special public policy stand, nor does BenQ
Customer Health and Safety	416-1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement.	Customer Health and Safety	G4-PR1
	416-2	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.	Customer Health and Safety	G4-PR2 None
Product and Service Labeling	417-1	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.	Product and Service Information and Labeling	G4-PR3
	417-2	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	Product and Service Information and Labeling	G4-PR4 None
	417-3	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	Marketing Promotion	G4-PR7
Customer Privacy	418-1	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Customer Privacy Protection	G4-PR8
Compliance	419-1	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.	Legal Compliance	G4-PR9. SO8

## Other Topic

Topic	GRI Disclosure	Description	Report Section	Note
Quality Management	BenQ-1	Quality certificate. Customer satisfaction survey result.	Quality Management	
Customer Satisfaction	BenQ-2	Won corporate image evaluation award	Customer Satisfaction Survey	



## SDGs Index

Item	Topic	SDG Target	SDG Compass Recommendation	Corresponding Chapter
1	 No Poverty	1.B	Work with social network, offer educational or business skill trainings	BenQ Foundation
2	 Zero Hunger	2.3	Develop cooperation relationship with small farmers to support and encourage their survival	BenQ Foundation
3	 Quality Education	4.4	Offer employees with opportunities to improve working skills	Learning Development
4	 Gender Equality	5.1	Equal pay and welfare for equal work, establish zero-tolerance policy	- Code of Conduct - Human Right Management
5	 Clean Water and Sanitation	6.1	Appropriate disposal of wastes to prevent surface water pollution	Waste Management
6	 Affordable and Clean Energy	7.3	Use tools such as carbon pricing and Science based target (SBT) to optimize operational energy efficiency	- Climate Change Risk Assessment - Climate Change
7	 Decent Work and Economic Growth	8.7	Feature mechanism to identify child and forced labor in supply chain	Human Right Management
8	 Reduced Inequalities	10.3	Make sure there are equal opportunities and strive to lower inequality	Human Right Management
9	 Sustainable Cities and Communities	11.6	Lower environmental impacts of city such as air quality and waste management	Waste Management
10	 Responsible Consumption and Production	12.2	Analyze environmental footprints of products	- Climate Change - Green Product - Waste Management - Water Resource Management
		12.5	Lower waste volume	Waste Management
		12.7	Green purchase	Forwarder Selection
11	 Climate Action	13.1	Understand climate risks and improve resilience of company and supply chain in facing risks	- Climate Change Risk Assessment - Climate Change
12	 Partnerships for the Goals	16.3 16.B	Meet local and international regulations while asking or supporting business partners to meet regulations	Legal and Compliance

