

S U S T A I N A B I L I T Y





Sustainable Responsibility Unaltered Promise

Message from our President



Message from our President

The sustainability of the enterprise depends on the solid foundation of operations from three aspects: economy, environment and society. It is through accumulation of realization that the energy can be accumulated for future sustainable growth. In 2015, BenQ Corporation continued to cultivate its enterprise vision “realize the truth, goodness and beauty of IT life” and steps into the four areas: L.I.F.E from 3C products via diversified operation. BenQ expects to provide better digital fashionable life, highly-efficiently enterprise operation, complete and advanced medical equipment service and educational learning with more agile applications. It also expects to lives up to its enterprise responsibility amid the pursuit of profits and growths, delivering a proactive and positive influence over the society and public.

BenQ keeps its promise of corporate sustainability development and brings enjoyment'n'quality to life in being the first to releasing DLP 4K UHD projectors globally in 2016, winning the top-tier dual-certificates of THX®; multiple-people wireless reporting system InstaShow won “IF Design”and “Good Design”awards while entering the evaluation of the Silver and Gold Award of Taiwan Excellence Award; BenQ treVolo S and A static-electricity Bluetooth speakers both won “G-Mark 2016”; 55-inch 4K UHD HDR large-size eye-protection Internet LCD and 65-in 4K UHD eye-protection large-size LCD received “Taiwan Excellence Award”; BenQ WiT screen reading desk lamp received “2016 24th Taiwan Excellence Award”, the unique design position of BenQ have not only received attention of the global design field, its products are also designed under the thinking of environmental protection and energy-saving while winning certificate of Energy Star.

In the economic performance segment, although the global information electronic market slightly declined in 2016 due to slowed demand growth, BenQ continued its strategy of focusing on high-end, high value-added products amid the volume reduction of low-end product market scale. Take BenQ products for examples, we continue to focus on the sales and

high-end professional, gaming and large-size LCD displays while steadily growing our various functions, differentiation and special-application products; for projectors, we won the top spot of global DLP sales market for eight consecutive years and continued to cultivate customer demand experience, focusing on four areas : education, home, business and professional engineer model markets. In 2017 we will speed up and increase the volume of 4K high-end models, focusing on high value-added models such as dust-prevention, short-focus and super short-focus to keep our global leading position.

In environmental management, BenQ continues to consider overall product delivery and usage phase environmental impacts during product R&D phase such as energy saving, package reduction and easy-to-recycle designs with product life cycle thinking. With improvement of various segments, BenQ creates green products that are environmental-friendly and have lower impact on the environment to respond to stakeholder expectation. For WiT smart desk lamp, we do not use cheap plastic materials used by various competing desk lamps and adopt environmental-friendly green materials. Even for those parts requiring using plastic materials, we avoid earth-unfriendly paint-spraying method while using the most pure design to love and care for our earth to respond to the anticipation of related interest parties. In the mean time, we regularly receive third-party verification, realizing environmental management tasks. In 2016, BenQ building adopted smart energy-saving for electricity including controlling indoor temperature, adding sunscreen curtain, successfully reducing air-conditioning load while our electricity-consumption reduced around 4% per year.

In the social aspect, we believe that talent is the key to corporate growth. Therefore, BenQ cultivates employee creativity and competitiveness while further accumulating strength for the company by devoting to various trainings and creating a safe and care-free working environment. In 2016,

we actively enforced and built up steady exercise habit of employees, continuing to innovate our sports utility and activity planning, offering blood-pressure, body temperature and heart-rate cloud measurement. We also have comfortable shower space for employees to have a work smart, play hard five-star career environment, winning “2016 Exercise Enterprise Certification Award”of the Sports Administration of the Ministry of Education, realizing the “corporate social responsibility” of caring for employees; meanwhile, we showed our social influence by brand power, establishing a responsible unit or staff to promote environmental protection, hosting “Guard the Environmental Volunteer Day”, hosting outdoor education training program at the Zhishan Cultural and Ecological Garden while launching clearing foreign species activities, experiencing the importance of environmental protection.

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.



Conway Lee 
President & CEO, BenQ Corporation



2 BenQ Corporation

Company Name	BenQ Corporation
Founded	April, 21, 1987 (Spin-off of OEM business finished on September, 1, 2007)
Date of Brand Creation	December, 5, 2001
Capital	NT\$4.068billion
Revenues	NT\$28.6 billion (2016)
Headquarter	16 Jihu Road Neihu, Taipei 114 Taiwan
No. of employees	Global-1,246, Taiwan-384 (Until December, 2016)
Chairman	K.Y. Lee
President & CEO	Conway Lee

Global Sales Volume Share in 2014

Global Sales Volume Share in 2015

Global Sales Volume Share in 2016



LCD Monitor

Top 8

Top 10

Top 8

Projector

Top 2

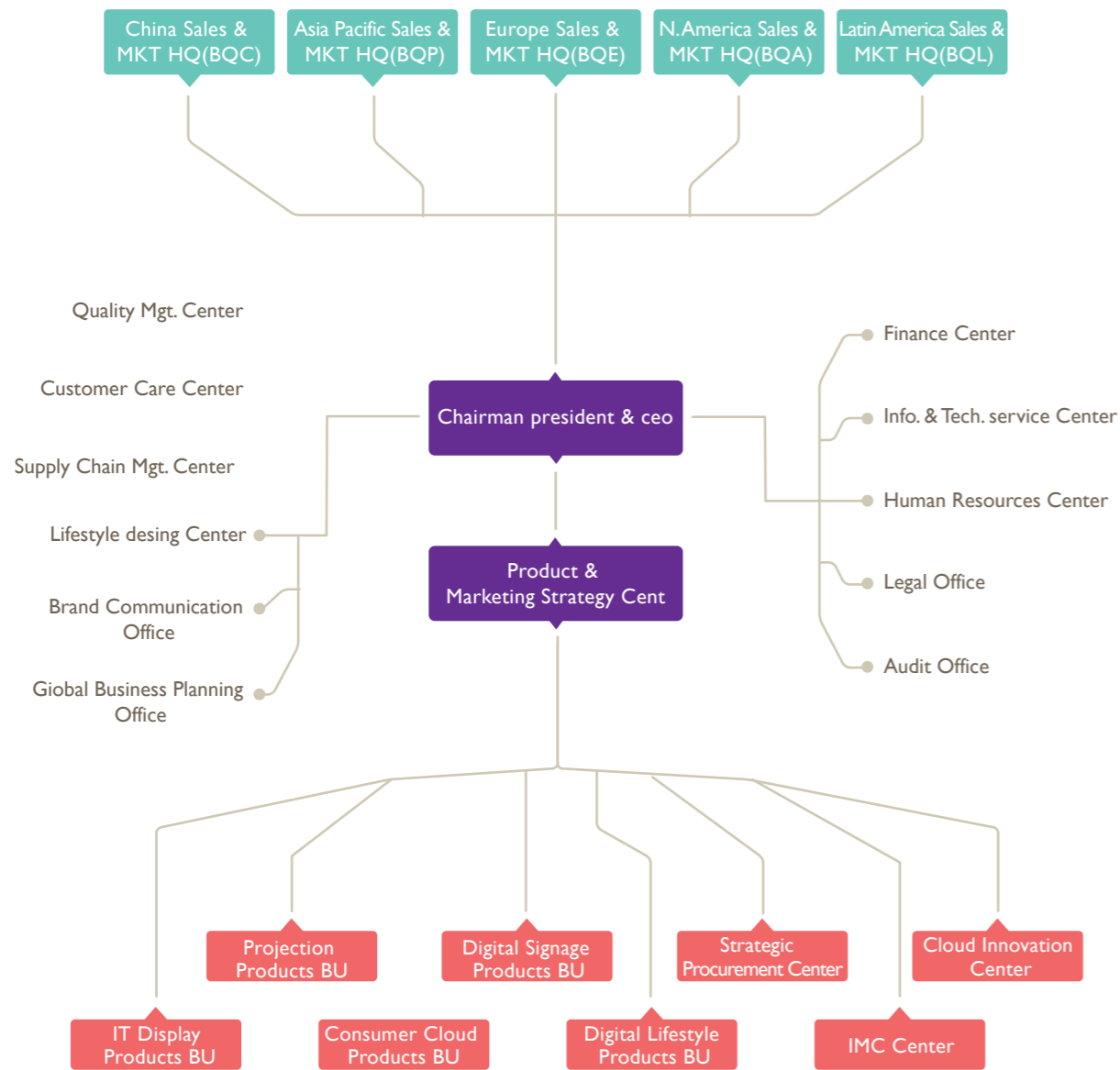
Top 2

Top 2

<p>Projector</p>	<p>LCD Monitor</p>	<p>Cloud Consumer Electronic Product</p>
<p>Mobile Communication Product</p>	<p>Digital Display</p>	<p>LED Design Lighting</p>



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

North America

Canada, United States

China

Beijing, Chengdu, Fuzhou, Guangzhou, Hangzhou, Jinan, Shanghai, Shenyang, Shenzhen, Suzhou, Tianjin, Hong Kong, Wuhan, Xi'an, Zhengzhou.

Latin America

Brazil, Mexico

Europe

Austria, Switzerland, Germany, Sweden, the United Kingdom, the Netherlands, Italy, France, Spain, Russia. Eastern Europe - Czech, Slovenia, Hungary, Romania, Ukraine, Poland.

Asia Pacific

Australia, India, Japan, Korea, Malaysia, Singapore, Thailand, Taiwan, Turkey, United Arab Emirates.

►► Our Vision and Mission

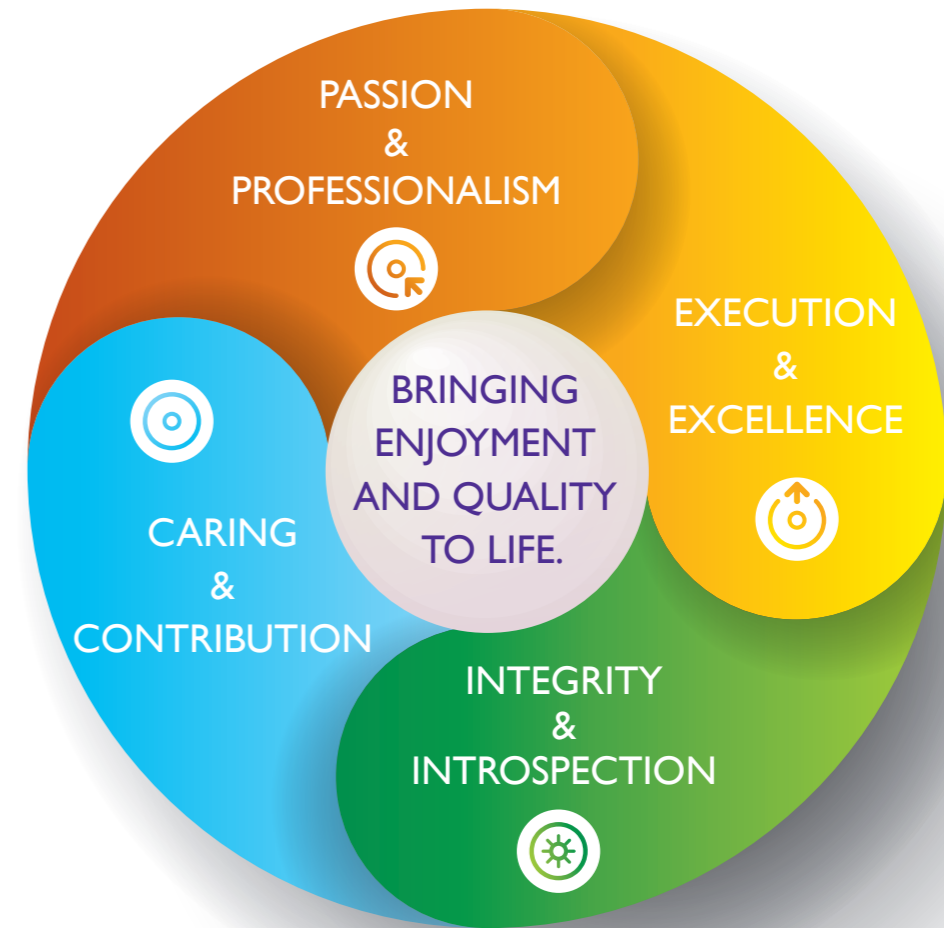
Bringing Enjoyment and Quality to Life. BenQ Group strives to develop technology applications in life to bring better life for consumers and create a driving force for the human society.

- Replace the original “information life” with “technology life”, expand the group to new technical development applications such as bio-medical, green energy, lighting and material
- Unending pursuit after the ideal life of “truth, goodness and beauty” as our univocal striving direction
- Regarding the following as our ultimate goal, “bring consumer better life and create progressive driving force for the human society”

►► 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 is under the spotlight of global design field since its brand introduction, with 312 design awards in total, covering 72 iF awards, 60 red dot awards, 5 IDEA awards and 58 G Mark awards in the four major global design award segments. The nonnegligible design power has also won attention of major global media. BenQ has been on the cover pages of BusinessWeek for several times, praised for its successful break from low-margin chain with innovative design, keeping Taiwan's competitiveness. With the attention over its digital fashion center, BenQ also helps to raise the awareness of Taiwan's overall design ability.

▶▶ Global design awards 2010~2016





★ Awards

Year	Award
2016	★ BenQ multiple-people wireless reporting system InstaShow won "IF Design" and "Good Design" awards
2016	★ BenQ side projector director model w2000 won "EISA award for European Home Theatre Projector 2016-2017"
2016	★ BenQ treVolo S static-electricity Bluetooth speakers won "G-Mark 2016"
2016	★ BenQ treVolo A static-electricity Bluetooth speakers won "G-Mark 2016"
2016	★ BenQ flagship home theater projector W11000 won "THX/isf top-tier dual certificate, 4K home theater BenQ is Taiwan's first and world's fourth projector brand receiving THX® recognition"
2016	★ BenQ WiT monitor reading desk lamp won "2016 24 th Taiwan Excellence Award"
2016	★ BenQ multiple-people wireless reporting system InstaShow won "Good Design"
2016	★ BenQ LED smart projector i500 won "2016 Taiwan Golden PIN Design Award"
2016	★ BenQ projector W8000 received "hifitest.de Outstanding Award"
2016	★ BenQ flagship home theater projector W11000 received "2016 Technology Trend Gold Award"
2016	★ BenQ treVolo S static-electricity Bluetooth speaker won "Golden Pin 2016"

Year	Award
2016	★ BenQ XR Series won "2016 Design Awards"
2016	★ BenQ VZ70 Series won "2016 Design Awards"
2016	★ BenQ E7 Series received "2016 Design Awards"
2016	★ BenQ RL55 Series received "2016 Design Awards"
2016	★ BenQ SA900 won "2016 Design Awards"
2016	★ BenQ ER Series won "2016 Design Awards"
2016	★ BenQ CHI00 received "2016 Design Awards"
2016	★ BenQ multiple-people wireless reporting system InstaShow won "2016 Design Awards"
2016	★ BenQ treVolo S static-electricity Bluetooth speaker won "2016 Design Awards"
2016	★ BenQ treVolo A static-electricity Bluetooth speaker won "2016 Design Awards"



IDEA

LOVE 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 2016, BenQ joined the following associations/organizations relating to the information industry in Taiwan.

★ Association Role

Association Name	Management	Member Role
Taipei Neihu Technology Park Development Association	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Taiwan Excellent Brand Association (TEBA)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
CEO Summit	<input type="checkbox"/>	<input checked="" type="checkbox"/>
ICC(international Color Consortium)	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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”, striving to become the leading enterprise of technical product and integrated solution, understanding human-life demand by heart, devoting to digital life,, corporate operation, medical care and educational learning areas, offering various innovative products that improve life quality, promote operational efficiency, bring complete health care and create agile learning application including a series of projectors, special-use LCD displays, business-use large-size displays (interactive, digital board), speaker, Internet wizard, consumer cloud products, mobile communication products, luxurious LED light decoration, etc, realizing Bringing Enjoyment `N Quality to Life.

▶▶ External Brand Communication Focuses on Green Brand CSR

Besides offering consumers with technical innovation in living application, BenQ strives to become a green-brand enterprise including a series of green activities such as green product design, green purchasing, green production, green marketing as well as electronic and electric waste recycling and reuse, connecting the BenQ green supply chain and enforced establishment of management systems: “product carbon neutralization” and “product carbon footprint evaluation”, setting up the “BenQ 2020” vision goal and aims to reduce its product carbon footprint by 50% by 2020.

“Conserve the nature, realize environmental protection” has always been the major items of BenQ’s corporate cultural core value concept. We started introducing the green-product concept in 2004. In the past, we only meet the demand of green regulations. Now, we proactively adopt “green product design” and information disclosure”. Until now, BenQ products consider environmental-protection and energy-saving while receiving certificate of Energy Star. For example, our WiT smart desk lamp does not use cheap plastic materials used by various other desk lamps and use green materials that are environmental friendly; lamp cap and arm use aviation and space-use aluminum alloy material. The material is light and yet strong, while offering fair heat diffusion for LED lighting source, avoiding the concern of plasticizer that may be emitted by normal plastic lamp cap due to heat diffusion. For the joint part that should be strong and reliable, WiT adopts strong aluminum alloy die-casting procedure, insuring that after adjustment, the lamp is the same as the initial status. Even for those need plastic materials, we avoid the paint-spray method that is unfriendly for the earth, using the most pure design to love and care for the earth.

BenQ actively develops earth-friendly green products, for the products to meet the requirements of green regulations while all products can be green and reusable. We hope to be responsible for corporate citizenship under the corporate constitution of steadily profitable and continual growth, pursuing

the three results of economic growth, social responsibility and environmental protection, bringing the society a positive and upward power while creating a wellbeing that coexists between human being and earth; this is also our persistence and promise for corporate sustainability development.

▶▶ Internal Brand Communication Focus on Four Value Concepts and Realizes CSR Consensus

Basing on the corporate vision of “Bringing Enjoyment `N Quality to Life“, BenQ realizes the vision by the four value concepts: integrity and self-discipline, passion and focus on basic foundation, pursue after excellence and care for the society. The “integrity and self-discipline” character promise is not to speculate and fake, using self as example and follow company

With the passing of domestic law, disciplines and regulations while being true to one’s word; “passion and focus on basic foundation” is to actively finish one’s task, love one’s job and partner and stick to one’s promise; “pursue after excellence” is to open one’s heart and be innovative and willing to change, continuing to learn and grow while keeping in pursuing better philosophy; “care for the society” for the overall society is to realize environmental protection and sustainable development promises, contributing to customer, society and environmental interests.

BenQ believes that a good corporate culture can influence the thinking of behaviors of our employees, letting the fair thoughts and actions continuously spread out to influence, diffuse and further realize CSR.



3 BenQ Corporate Social Responsibility

Corporate social responsibility has always been the focus of the mind as a citizen of the Earth, but also BenQ to build a sustainable business spirit and cultural foundation.



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 executive 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.

- Social** Promote social care and life welfare.
- Economic** Promise corporate continuous profit growth.
- Environment** Safeguard human and earth co-exist and co-prosper.

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.

►► 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 (Table 3.1).

★ BenQ AA 1000APS Compliance Approach



★ Communication Channels with Stakeholders

Stakeholders	Major Topics	Medium	Responses
Investor	Revenue, profit, future business growth	Quarterly business conference, quarterly board of directors meeting, annual shareholder's meeting	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	Environmental related substance, product specifications, environmental protection mark product	Customer service phone number, website	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	Working environment, employee welfare, human right, future business growth	Daily e-letter, monthly business conference, quarterly brand/culture activity, quarterly welfare committee, quarterly labor-management meeting, catering committee, biannual employee questionnaire.	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	Supply chain management, green product specifications	(QBR) Quarterly Business Review	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	CSR, social charitable activity	Quarterly Taipei Neihu Technology Park Development Association and Taipei Neihu Technology Development Association meetings	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	Environmental related substance, green product	Mail box, fax, phone	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 verify and provide feedback instantly.

►► 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 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 30 topics cared by international society. A total of 116 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 12 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.

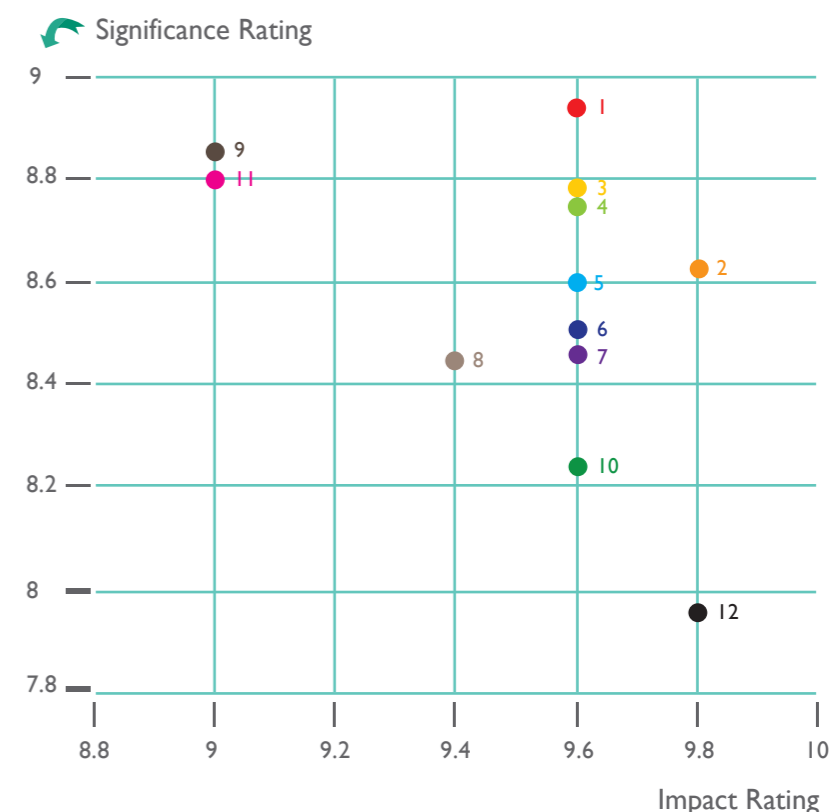
►► Responsiveness

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 Material Topics

Item	Type	Issue	Chapter	Boundary	
				Internal	External
1	Economic	Quality Management	● Brand Management	●	●
2	Social	Code of Conduct	● Code of Conduct	●	
3	Social	Quality	● Quality Management	●	●
4	Social	Customer Privacy Protection	● Customer Privacy Protection	●	●
5	Social	Customer Health and Safety	● Customer Health and Safety	●	●
6	Economic	Risk Management	● Audit and Risk Management ● Financial Risk ● Supply Chain Risk Evaluation ● Climate Change Risk Assessment	●	●
7	Social	Compliance	● Compliance	●	
8	Social	Professional Safety Hygiene	● Operational Environment Safety	●	
9	Social	Employee Salary and Welfare	● Human Right Management	●	
10	Social	Human Right	● Human Right Management	●	
11	Economic	Financial Performance	● Financial Performance	●	
12	Economic	Information Transparent and Open	● About the Report	●	

★ TDistribution of Material Topics



4 Corporate Governance





Corporate Governance

► Organizational Structure of Corporate Governance

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

In addition, according to the second section of the 14 article of the Securities and Exchange

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

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

★ Members of BenQ Directors and Supervisor

Title	Name	Major Experience (Education)	Current extra position at BenQ and other companies
Chairman	K.Y. Lee	MBA, IMD Business School, Switzerland BA, Electrical Engineering, National Taiwan University VP, Product Planning Dept., Acer	Director, AUO Qisda Corporation honorary chairman & director Chairman, BenQ Director, BenQ Materials Director, Darfon Electronics Corp. BenQ Foundation chairman
Director	Peter Chen	EMBA, National Chengchi University EMBA, Thunderbird School of Global Management BA, Electrical Engineering, National Cheng Kung University President, BenQ Product Technical Center	Qisda Corporation chairman and president Partner Tech Corp. chairman Director, BenQ Medical Technology AU Optronics Corp. director Director, Darfon Electronics Corp. Director, BenQ Materials Corp. Director, Partner Tech. Corp. Director, Crystalvue Medical Corporation Director, BenQ Foundation
Director	Felix Huang	MA, Dept. of Management Science, National Chiao Tung University BA, Electric Control Engineering Dept. National Chiao Tung University Co-Head, BenQ Division director, NEXGEN Mediatech Inc.	Director, BenQ Product & Marketing Strategic Center president Director, Zowie Gear
Director	Conway Lee	MBA, South Mississippi University	Director & president of BenQ Chairman, BenQ Asia Pacific, Corp. Director, BenQ Materials Corp. Director, Zowie Gear BenQ Foundation director
Supervisor	David Wang	MA, Electrical Engineering and Computer Science, MIT CEO, YAGEO Ferroxcube	Director, Darfon Electronics Corp. Director, Partner Tech. Corp. BenQ Medical Technology director Qisda Corporation senior financial vice president QSControl Corp. director DFI supervisor BenQ Corporation supervisor

► 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 stakeholder rights and elevating information transparency, our company will also release material message to inform stakeholder via our parent company Qisda to elevate the information transparency, reaching the goal of corporate governance.

Striving to create profit for shareholders and further provide feedback to the society has always been our company's basic creed. We uphold and promote operational transparency and the fairness of information delivery, so that the shareholders, customers and stakeholder of our company can have a unified channel to

obtain immediately company business and financial information.

We are not a public company and is 100%-owned by parent company Qisda. Each quarter, we report to the board of directors of Qisda about our business status for investors to understand our operational situation. Also, we convene business conference each quarter to let employees to provide suggestions or operational directions via the channel.

In addition, for performance management of employees and managers, we set up goals for the next quarter each half year and decide on performance results according to the status of goal-reaching. For management performance of board of directors, shareholder's meeting held each year decides on the compensation of directors and supervisor.

In the future, we will maintain a more sound decisional and executional organization, continue to improve corporate operational efficiency and fulfill corporate governance with actions.





Operational Status

▶▶ Financial Performance

In 2016, revenues decreased 3.29% from NT\$19,742,574,000 to 19,092,168,000. However, operational profits jumped 570%. In 2016, we received government award and subsidy of NT\$183,760 due to compliance with smart electricity-saving and Human Resource Enhancement Plan application.

For our asset sum/liability sum/net asset value and all the above-mentioned operational revenues/net profit of the period, check the section six, various affiliate operational status of the affiliate information in the annual report information at the Market Observation Post System (MOPS) disclosed by Qisda.

Our company allocated pension according to regulations in 2016 and pay retired employees the pension.

Each year, our company regularly donates to BenQ Foundation for various charitable events.

▶▶ Operational Description

- LCD monitor : BenQ LCD monitor shipment and global market share slightly increased from 2015 ; continually expanding its sales in professional gaming, high-end professional and large-size displays ; while deeply developing new functions, actively developing professional and integrated design LCD products, proactively entering the professional display market.

- Projector: BenQ keeps its market share of global second spot in projector brands and world's first DLP projector brands ; as compared with 2015, the overall projector market declined by around 5% while BenQ kept its 12% share ; meanwhile, BenQ continues to devote to high-end and professional model development and marketing and launched changeable-lens engineer projector and the first DLP 4K home-use projector that passes THX certification, so that it can further cultivate the professional engineer and high-end home-use markets.

▶▶ Industry Status and Impact

A. Industry Current Status and Development

- LCD display: due to expanding replacement effect of smart mobile devices, traditional PC/NB product demand growth stagnated while the LCD display market continues to shrink. According to market investigating institution reports, LCD monitor shipments reduced 1.4% to around 125 million units in 2016 while that in 2017 will still slightly decline by 1.3% to around 123 million units. However, due to fast growth of 4K UHD and QHD high-resolution displays thanks to consumer favor, the segment will become next star products that push the shipment volume. Amid the reducing display market scale and fluctuating international material prices, system assembly companies will see even fiercer market competition and cost pressure. In the future, we will maintain appropriate economy of scale while striving to develop high-end professional display products, elevating added-value, optimizing supply chain and strengthening vertical integration to keep overall competitiveness.

- Projector : According to market investigating institution reports, the market volume reduced 5% to around 7.4 million units in 2016. The global projector market is estimated at 7.2-7.4 million units in 2017 while mid- to high-end brightness engineer models should be the major driving force of growth.

B. Industry Development Trend and Competition Status

- LCD display: In recent years, the LCD display market has become mature. In the future, besides considering costs and shipment delivery flexibility, various new functions, differentiation and special applications such as high-resolution LCD display panel, wide viewing-angle LCD display panel, curve-surface display panel, brimless display design, cloud connection, professional special application or niche customized products also become the areas where branded customers and system assembling factories can work together.

- Projector: In recent years, projectors develop toward high-brightness and high-resolution while the mainstream is using fixed lighting source. The advance of laser lighting source speeds up replacement of traditional mercury light. In response to personal mobile device population and wireless transmission application, it is expected that personal and home AV usage will be more popular as opposed to the business and education markets in the past. Meanwhile, engineer projector application is also growing, especially for laser lighting source ones.

C. Market Analysis

a. LCD Display :

(a) Advantage : Global large-size display demand continues to grow. In 2016, shipments of over 24-inch products took up of over 35% of the overall market. In the meantime, demand for gaming/high-end professional and high-resolution displays also grew.

(b) Disadvantage :

Display market continues to reduce each year and the replacement effect of handheld smart display product over PC industry affects the end-user consumer and enterprise user demand for display products. In 2016, competition continued to occur for high-resolution panels in the display industry. The inexpensive-pricing versus high-end specification phenomenon of end-user consumer products drove the market scale to grow. Price has become a major considering factor for consumers.

(c) Counter Measure :

a. Strengthen Product Mix, continue to increase percentage of large-size/high-end professional display products with group key component vertical integration and technical leading power advantages

b. Product Market Segment, develop related products and increase product added-value according to various professional display demand, avoid price competition, elevate average prices and margin

b. Projector :

(a) Advantage: Brand preference has become the major reason of choice when consumer buys products. Therefore, projector brands are centralizing. The world's second largest projector brand is helpful for enlarging the distance with competitors while global-leading technical competitive advantages help to keep boosting market share

(b) Disadvantage: Large-size LCD panels gradually replace business, education and home-projectors, influencing the growth of overall projector market; currency fluctuation and depreciation of Japanese Yen (favorable for Japanese companies) and poor global economic condition

(c) Counter Measure:

- Speed up development of fixed new lighting source
- Strengthen product mix, increasing percentage of products with better margin
- Peripheral equipment and solution operation
- Strengthen inventory management



Audit and Risk Management

BenQ's risk management focuses on corporate governance risk management system and risk transference planning; strategic risk is for parent company Qisda Audit Committee to audit financial, operational and damage risks. Qisda Risk Management Committee manages and participates with BenQ; ruling risk management vision and policy, effectively managing risks exceeding company risk tolerance and use risk management tools to optimize risk management costs.

A. Risk Management Operation

BenQ regularly convenes Risk Management Committee (RMC), rolling out various membership improvement plans to manage risk and offer concrete improvement solution. For various major risk scenarios, BenQ compiles business continuity plans, regularly updates documents and on-site tests and launches drills each year via continuous flow enforcement to ensure Business Continuity Management Systems (BCMs) are effectively operating to achieve the end of business continuity. Meanwhile, the company works with BenQ Group policy to establish joint defense prevention mechanism, integrating group damage avoidance and prevention and strengthen emergency response ability to achieve the end of disaster prevention.

B. Risk Management Committee, RMC

BenQ works with parent company Qisda's Risk Management Committee (RMC) to more effectively control risk management and realize the mechanism of implement, promote, audit and maintain risk management plan. The RMC effectively monitor and control risks via concrete risk improvement programs such as risk self-assessment report and risk improvement plans while analyzing risk distribution with risk management annual report to compile risk improvement policy. The RMC operates by the auditing of parent company Qisda's Audit Committee (board of directors) and reports to parent company Qisda's Audit Committee about risk management annual report.

BenQ works with parent company Qisda's RMC regularly to convene meetings to manage risk and achieve business continuity goal. It categorizes various negative incidents impacting corporate business goals into four kinds-Strategy, Business, Finance and Damage. Each kind is further divided into internal and external risks and are managed according to risk radar spectrum.

In 2016, we run four RMC meetings and tracked executional performances such as risk improvement plan executional results, case studies and important regulation changes as well as impact evaluation via meetings and work groups, reviewing regularly domestic and overseas major events, abnormal risks, etc., adopting effective counter measures. Also, we complete risk database via KRI (Key Risk Indicator) and strengthen current risk evaluation method. With risk physical examination sheet establishment and promotion, our departments launch head-to-toe physical examination on various risk items to elevate the risk identification effect and completeness, strengthening risk data maintenance and systemize management while passing on shared risk communicational language.

C. Business Continuity Management Systems (BCMs)

a. Business Continuity Management Policy
BenQ compiles business continuity plans to launch management using major risk scenarios identified by parent company Qisda's RMC, identifying and controlling risks before incidents occur, restraining losses during incidents, swiftly recovering product and service provision after the incidents. With realizing corporate risk management structure and business continuity management system, we ensure corporate business continuity during emergency caused by major accidents or disasters, minimizing impacts and hold-up time brought by disasters. In 2016, our parent company Qisda worked with Belfor (Asia) Pte Ltd., a Singapore-based disaster recovery professional company, in signing red alert priority solution to strengthen Qisda and BenQ recovery ability after incidents.

b. Business Continuity Management Executional Result

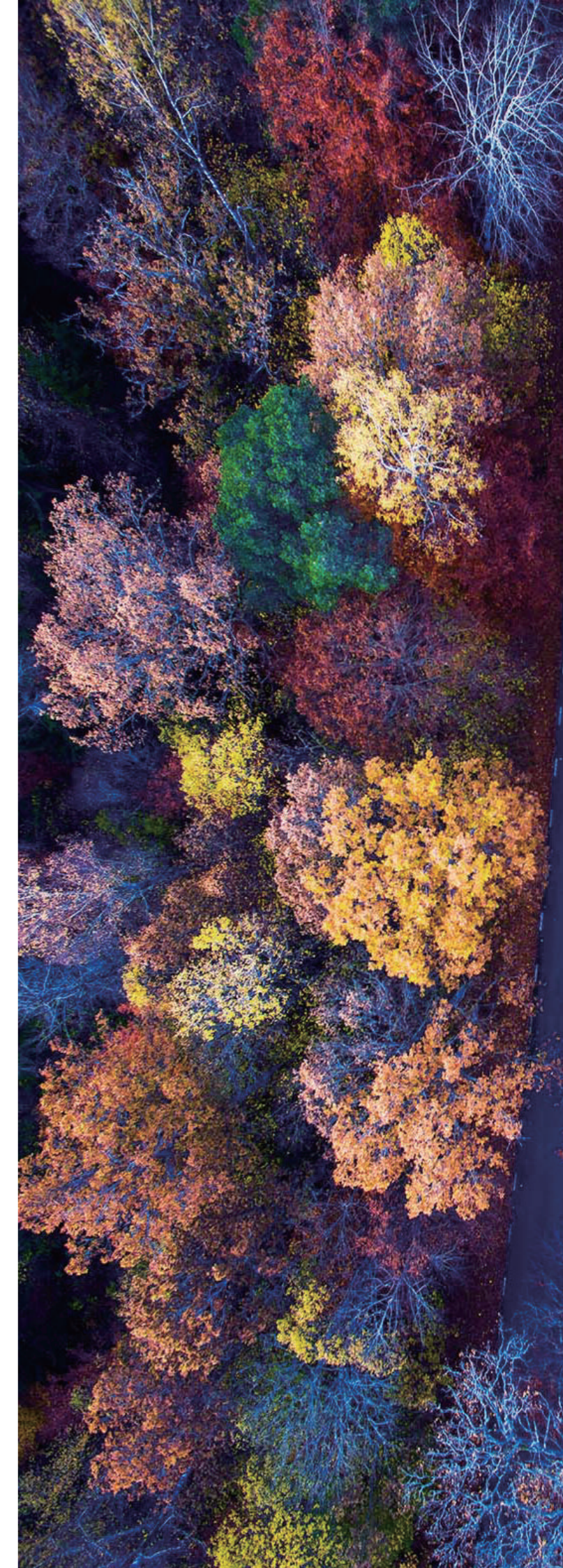
Continue to implement various major risk scenario business continuity plans and gradually renew and increase various scenario BCMS.

Besides building BCM plans, we regularly launch BCM recovery drills, planning, testing and reaching the goals of recovery of capacity via various situations during the process of recovery drills. In the execution of business continuity management system, we continue to enforce related procedure, regularly renew documents and perform on-site tests as well as drills and offer following improvement plans each year to ensure effective operation of the system and achieve the end of business continuity.

In 2016, we continued the business continuity-risk simulation drills (epidemic disease scenario), having top-level executives to face crisis directly via training and real scenario simulation to improve crisis awareness, strengthening crisis coping ability. We also compile company crisis management manual for reference during major events.

D. Emergency Response Mutual Aid System

For emergency response group joint defense, considering BenQ Group and Qisda/BenQ have an important partner supply chain relationship, we established group joint defense mechanism, integrating group damage prevention mechanism and educational trainings to strengthen overall emergency response ability. In 2016, we also launched 30 experience exchange meetings via group joint defense platform to reach the goal of disaster prevention. Meanwhile, we held four professional classes to elevate the professional ability of group members. We start from the source management, lowering accident occurrence rate to reach group risk damage prevention management.



►► Financial Risk Response

In 2016, global currency fluctuation range was more significant than that in 2015 due to instability of international political and economic matters. 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 2016. 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



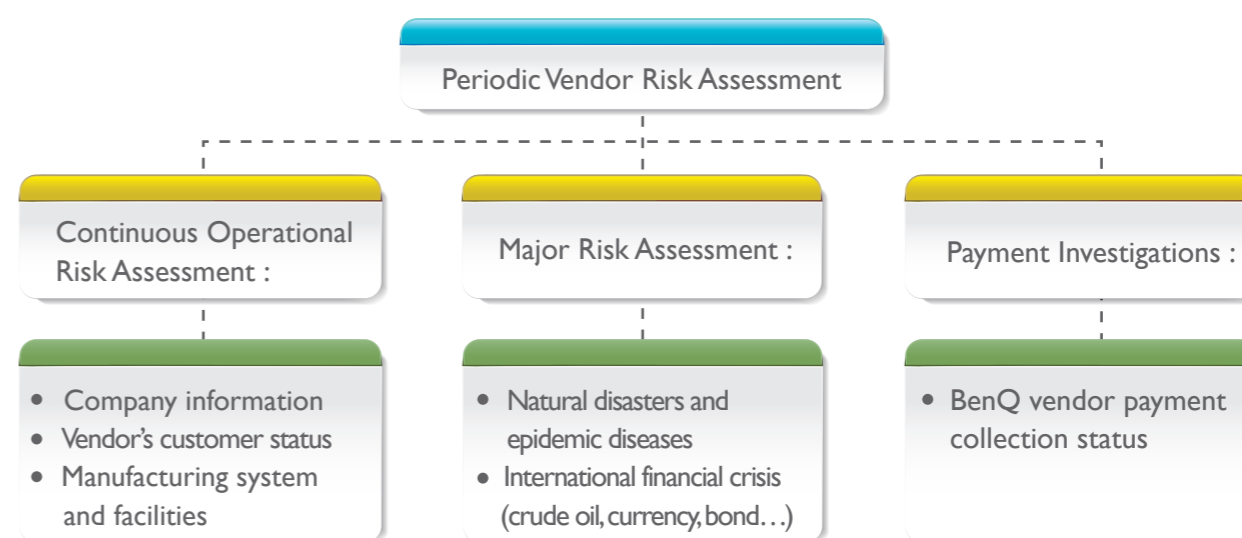
To lower operational impacts brought by supply chain halt, BenQ's supply chain risk management strategy is as follows:

- Except for special technical vendors such as monopoly and sole ones, at least two vendors should be in the list, so that if one of them stop supplying commodity and service, the other can provide and serve in the shortest time.
- Cultivate, verify and establish potential vendors; if current cooperating suppliers all stop providing commodity and service, another supplier can provide and serve in the shortest time.

In addition, for current qualified vendors, BenQ is careful in launching vendor risk assessment. With regular and irregular investigation on vendor operation and financial status while focusing on high-risk ones, the company can avoid incidents such as shipment impact or dispute caused by close down without warning.

In addition, Qisda continuously performs risk assessments on its vendors. For example, Greek debt crisis occurred due to global economy changes, bad debt to sales increased due to stock market crash in China, impact of red supply chain effect, TPK reorganization, oil price slump, as well as specific incidents such as CPT leave with no salary, China bird flu, MERS, Tianjin explosion, western US port, Po Chen Group labor strike and Taiwan PCB maker water shortage. In facing those extreme events, vendors located in the affected areas underwent thorough investigations for contingency plans, or were advised to take appropriate adaptation measures. By taking a proactive role in risk management, Qisda is able to maintain a stable supply chain during crisis and therefore, to prevent damages in its business operation in order to protect the benefits and rights of its stakeholders.

★ Vendors Risk Assessment Structure



★ Key Impact and Risk/Opportunity

Key Impact	Risk	Opportunity
North Korea military tension	Korea company panel supply chain imbalance	<ul style="list-style-type: none"> • TV : Transfer one by one from previous LG display models to CSOT; at least establish CSOT as 2nd source to respond to the following shipment delivery risks of LG OC
2017 BRICS summit (2017/8/31~2017/9/7)	Goods cannot be delivered on time	<ul style="list-style-type: none"> • L&T : Security identification is tagged to the door of containers exported from Xiamen by sea, this is the policy for ensuring smooth shipment during BRICs summit • TPV : <ol style="list-style-type: none"> a. Containers pulled to pier before 8/31 to the best of our ability, prioritizes international flights for factory schedules, and then China-sku b. Only Fujian (Min) D car can freely enter and exit Xiamen City, will confirm with LSP whether ETD before 9/6 should be shipped earlier than expected, or communicate with BenQ that shipment delivery may be postponed for a week c. BenQ mostly uses FOB term, trucks are arranged by factories, and they should verify whether it is compulsory to ship at the controlled time slot and is there any problem with truck arrangement d. No arrangement of air shipment during 8/31-9/6

★ Supplier Requirements

Required Item	Disclosure Method					Required Timing	Note
	Certificate	Implement or Improvement Plan	EICC Report	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	If unable to provide certificate, required to provide EICC report, if not, sign letter of intent or reporting template each year
Green Product						When developing new product	Strategic purchase unit promotes during quarterly business review meetings
Conflict Mineral Report					●	Major suppliers of LCD/PR/ 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"> Increased costs by such as energy/insurance/shipment ones Costs caused by GHG management acts of various countries Low-carbon economy asset allocation/ investment strategy 	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"> Risk management strategy and ability Physical disaster damage/crisis management ability Corporate green strategy/energy-saving, carbon-reduction promise 	BenQ regularly assess and tracks risk management, and studies/compiles strengthening crisis management procedure
Product and Service	<ul style="list-style-type: none"> Green procurement/low-carbon product/energy-saving product Product carbon-footprint information Better energy-saving and environmental protecting service content 	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"> Product supply chain carbon disclosure/ carbon footprint inventory Vendor delivery date/stable commodity-delivery ability Forwarder energy-saving transportation service 	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 keep 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.

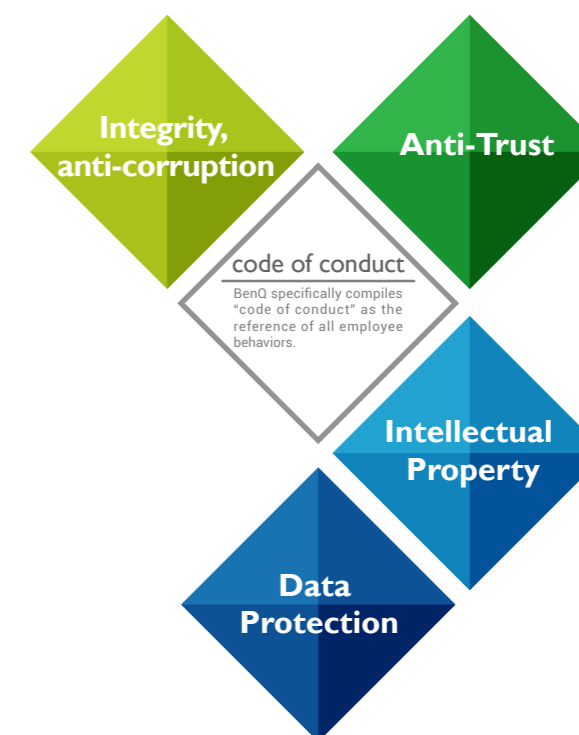
Our code of conduct is disclosed at our company website and internal website homepages. When each employee opens his/her computer, he/she can enter from internal website homepage link to check on the detailed content. We will deliver code of conduct such as “do not receive external gifts” as e-newsletters 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 two-day New Comer Program and four days of Win Camp of our group. During the trainings, teachers will speak about company values, code of conduct, corporate culture and policy regulations, delivering key points and policy items to be promoted related to the code of conduct. Additionally, each employee will participate in the events each year; the finish rate of such trainings in 2016 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 2016, 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, 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 2016, 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.

Each employee at BenQ participates in compliance with by laws and regulations. We encourage collaboration among business units to increase the efficiency of our execution. Within our corporate, we ask all employees to take proactiveroles in anti-corruption prevention to remain the highest levelof 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 possiblelevel in order to comply with environmental regulations andreduce the environmental impacts.In 2016, BenQ did not violate any related laws or receive fine while we strengthened internal observation of anti-Trust law including e-newsletter delivery, online program training and related poster promotion.



An aerial photograph of a winding asphalt road through a lush green mountain valley. The road curves from the bottom left towards the center right. The landscape is dominated by vibrant green grass and rocky outcrops. In the distance, a small blue lake is visible in a valley. The sky is clear and blue. A semi-transparent green banner is overlaid at the top, containing a large yellow number '5' and the text 'Environmental, Safety and Health Management' in white.

5 Environmental, Safety and Health Management

Environmental, Safety and Health

► Social Accountability and Environmental, Safety & Health Policy

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

★ BenQ Social Accountability and Environmental, Safety & Health Policy



Executorial 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

► Environmental Safety Health Organization and Responsibility

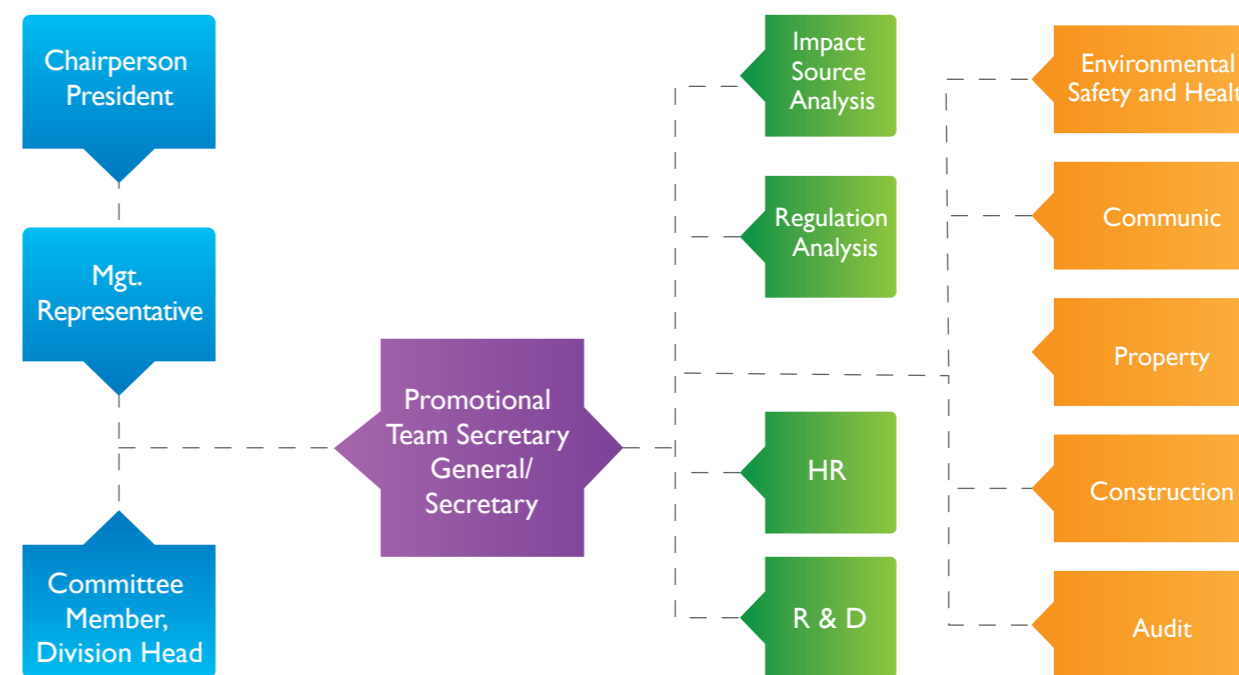
To fulfill the management of environmental safety health, BenQ president asks divisional heads to form the “Social Responsibility and Environmental Safety Health Management Committee” and appoints a management representative for management of various safety matters and forms a promotional team according 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 executorial 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.

★ Social Responsibility and Environmental Safety Health Management Committee Organization Chart



★ ISO 14001, OHSAS 18001 Certificates



►► Waste Management

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

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 2016 is shown as bellow.

★ Waste/Resource Recycling Statistics in 2010-2015 (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

★ Waste/Resource Recycling Statistics in 2010-2015 (Unit: KG)

Item	Description	Average	Item NO.1	Overall Performance
Reuse	Repeated usage rate of copy paper	8%	16%	Repeated usage of 2281 copy paper
Reduce	General waste reduction rate	2%	7%	Reducing waste by 40 kgs
Recycle	Recycle increase rate	13%	45%	Recycle increase by 76 kgs

►► 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.

BenQ's overall water consumption in 2016 was around 21,000 m³/year. In the performance of water resource management, we changed the major group meal delivery method to takeout delivery service; therefore, the overall water consumption in 2016 reduced around 6.8% from that in 2015. This is an abundant result and we keep our water preservation status. Therefore, the water usage reduced 13.9% in 2015, which is a fair result and the company will keep its water-saving status. 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.

★ 2015 Water Quality Examination

Examination Date	Standard	Examination Result	
		2016/11/15	
Item			
Index of hydrogen ion concentration	ph5~9	8.4	Qualified
Water temperature	45 degree Celsius	25	Qualified
Suspended solid	600 mg/l	498	Qualified
Chemical oxygen demand	1200 mg/l	603	Qualified
Biochemical oxygen demand	600 mg/l	289	Qualified
Total oil	Mineral oil 10 mg/l	3.1	Qualified
	Animal and vegetable oils 30 mg/l		
Sulfide	90 mg/l	0.21	Qualified

★ Number of Leakage List

Location	Number of Leakage	Volume of Leakage	Incident Description
BenQ headquarter	0	0	N/A

► Ecology Management

With all of Qisda'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 Qisda'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 2016 result of greenhouse gas emissions inventory of its global manufacturing sites has passed ISO 14064-1 third-party verification. According to 2016 GHG emission inventory results, the GHG emissions of BenQ are 939 t CO₂e.

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 2016 are as shown in the table below.

★ Greenhouse Gas Emissions

Scope	Carbon Emissions (t CO ₂ e)
Direct GHG Emissions (Scope 1)	399
Indirect GHG Emissions (Scope 2)	540

★ Direct and Indirect Energy Use

Item	2016	Note
Direct Energy Consumption		
Natural Gas (1,000 cubic meter)	0(0GJ)	Total direct energy use: 181 GJ
Gasoline (ton)	4.04(181GJ)	
Diesel (ton)	0(0GJ)	
Refrigerant (ton)	0	
Steam (ton)	0	
Indirect Energy Consumption		
Purchased Electricity (10,000 MWh)	0.1023	Total indirect energy use: 3682GJ

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.

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.

★ GHG Reduction Measures

Equipment Change and Improvement	Energy-Saving Measure
<ul style="list-style-type: none"> Lighting uses electricity-saving lamp Chiller equipment to improve and increase performance Use of LEDs in emergency escape lighting Use of LEDs in office 	<ul style="list-style-type: none"> Chiller equipment operations management Implement BenQ Esco energy-efficiency management Independent, area-specific air conditioning management Manage and stop usage of electrical equipment according to consumption Energy saving activities in the office⁶. Night-time energy management Install timer for water dispenser Adjust lobby air-conditioner opening time Adjust office air-conditioning closing time

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. In 2015, related awards are as follows :

- Participate in Taipei Energy-Saving Leadership Award ; BenQ received "Business A Team Excellence Award"



- Participate in Carbon-Reduction Action Award ; BenQ receives "Carbon-Reduction Action Excellence Award"



- Participate in Taipei Energy Manager Selection ; BenQ energy manager won "Energy Management Excellence Award"



6

Product and Service



Marketing Promotion

All BenQ marketing promotional activities follow local regulations, respect intellectual property right, customer right and compete in a fair way; BenQ did not violate marketing promotional regulations in 2015. 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.

A. 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.

B. 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

A. 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.

B. Major Product/Service Type

BenQ’s main products are large-size LCD TV (LTV), LCD monitor (LCD), projector (PRJ), smartphone (WIR) and digital camera (DSC). We pull out 7% of the end consumers finishing repairs of the five products of the month to launch repair service satisfaction survey. Items include staff service attitude, repair efficiency and overall service satisfaction rate.

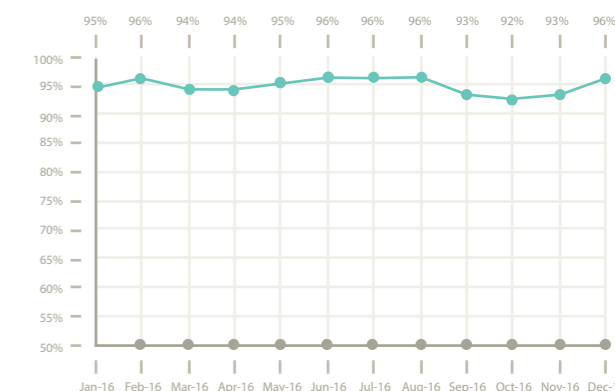
C. Customer Satisfaction Survey Results

The overall service satisfaction rate of repair-service customers averaged at 95 in 2016. 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.

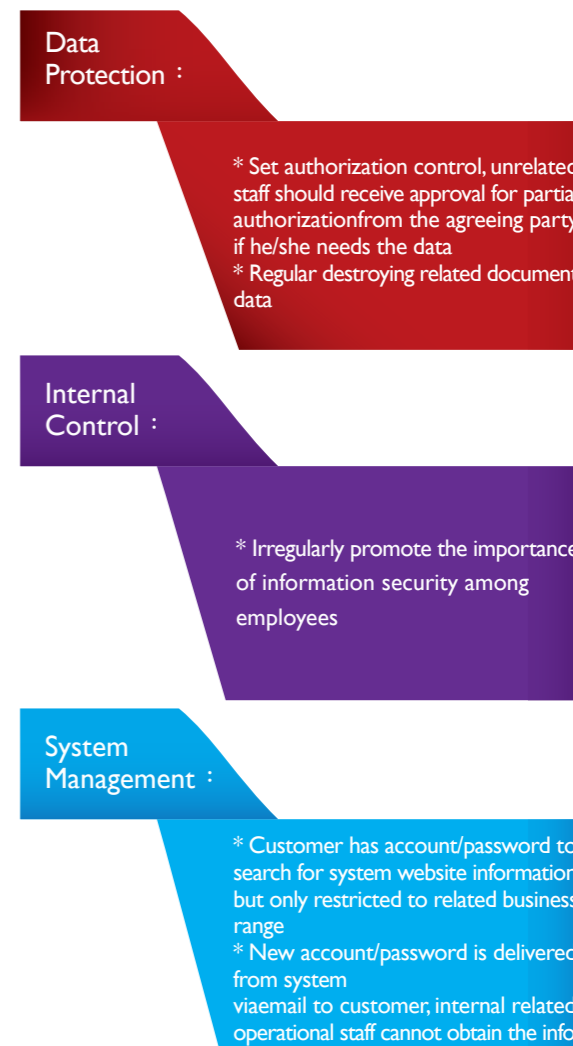
Customer Privacy Protection

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 2016, 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.

★ Monthly Satisfaction Score in 2016



★ Customer Privacy Protection Mechanism



Quality Management

►► Quality Vision and Strategy

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

Bringing Enjoyment 'N' Quality to Life



BenQ Group:

Striving in developing living application of technology, anticipating to bring a better life for consumers and create driving force for advancement for human society. Use "technological life" to replace the original "information life", expanding the group to technical development applications of new areas such as bio-medical, green energy, lighting and material. The endless pursuit of the ideal living boundary of "Truthfulness, Goodness and Beauty" is our consistent striving direction.

Our ultimate goal is "bring a better life to the consumer and make it to create a driving force for the human society".

The BenQ brand product development strategy is as follows:

2001-2006 BenQ strived to realize the brand promise of "Enjoy Happy Technology", deliver innovative digital fashion products to people.

2007-2017 BenQ continues to extend the corporate vision "Bringing Enjoyment 'N' Quality to Life" to LIFE, expanding to corporate solution products for the key aspects of human life such as new business medical service, medical equipment, software service and integration service.

★ BenQ "Design and Technology Based on Human Being"

Design and Technology Based on Human Being



★ BenQ Business Deployment LIFE expand to key aspects of human life

<p>L Life Living Better Better Digital Fashion Life</p>	<p>I Enterprise Increasing Efficiency Highly-Efficient Enterprise Operation</p>
<p>F Health Care Feeling Healthier Complete Advanced Health Care Equipment Service</p>	<p>E Education Enhancing Learning More Flexible Application Educational Learning</p>

BenQ learns about human life demand with care, devotes to digital life, enterprise operation, health care and educational learning aspects, offering various innovative products that improve life quality, promote business efficiency, bring complete health care and create flexible learning application.

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 (Interest Party Major Topic)

- ISO 9001
- ISO 13485
- BenQ Green Product Hazardous Substance Limited Specifications

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 ISO 9001 (TAF), ISO 14001, OHSAS 18001 and SA 8000 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.

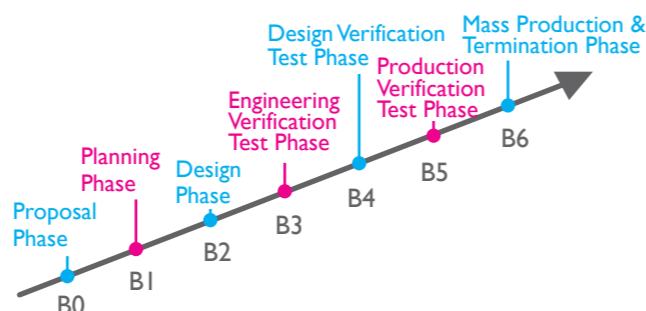
BenQ suppliers all win global quality management system or other global management system standard verification and perform related activities with accuracy.

▶▶ Internal Quality Requirement

A. 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.

- B0 : Proposal Phase
- B1 : Planning Phase
- B2 : Design Phase
- B3 : Engineering Verification Test Phase
- B4 : Design Verification Test Phase
- B5 : Production Verification Test Phase
- B6 : Mass Production & Termination Phase

★ 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 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 managementsystem 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.

★ BenQ quality management system global system and third-party certificates



▶▶ Total Quality Management (TQM)

We realize and promote Total Quality Management (TQM), which is an operation that focuses on customers.

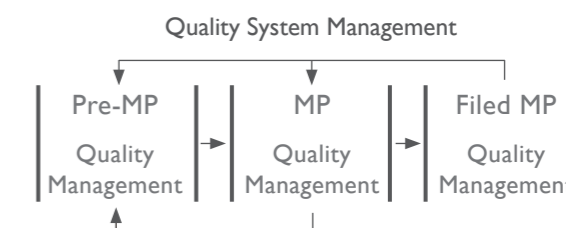
BenQ's quality policy is : "deliver on time products and services with zero defects and are competitive to customers". Basing on the belief, we lay foundation of BenQ quality four action plans :

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

With the four perspectives, ensuring vendor quality, product design development quality, production and production procedure quality and maintain a systematic quality management system via active collection and feedback of product quality information of the market.

With realizing source and process management and fulfilling the quality spirit of sustainable improvement to fulfill our operational belief, quality policy and quality goal.

★ BenQ Quality Four Action Planes



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

A. Pre-MP Quality Management

- a. Filter and select qualified vendors via vendor audit system to establish QVL (Qualified Vendor List).
- b. Use vendor selection system to select and work with the most suitable vendor meeting the various function conditions of RFQ (Request For Quotation).
- c. 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.

B. Mass Production Quality Management

- a. Monitor production procedure quality and shipment quality level by On-site Quality Inspection
- b. 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.

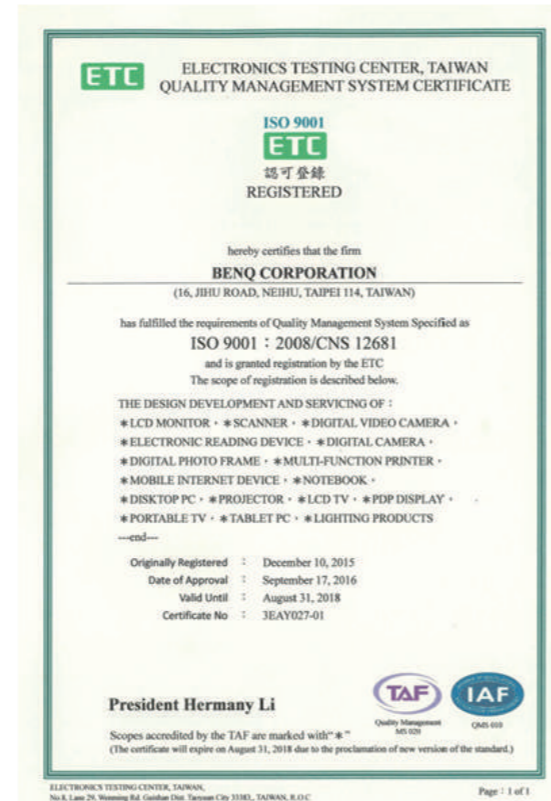
C. Field Site Quality Management

- a. 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
- b. 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

D. Quality Management System

- a. Quality management system certificate : For various products, we have obtained certificates of international quality systems :
 - (a) For electronic, electric and information products, we have obtained ISO 9001 international quality system certificate.
 - (b) For medical equipment products, we have finished certification of ISO 13485 medical equipment quality systems.

★ ISO 9001 Certificate



★ ISO 13485 Certificate

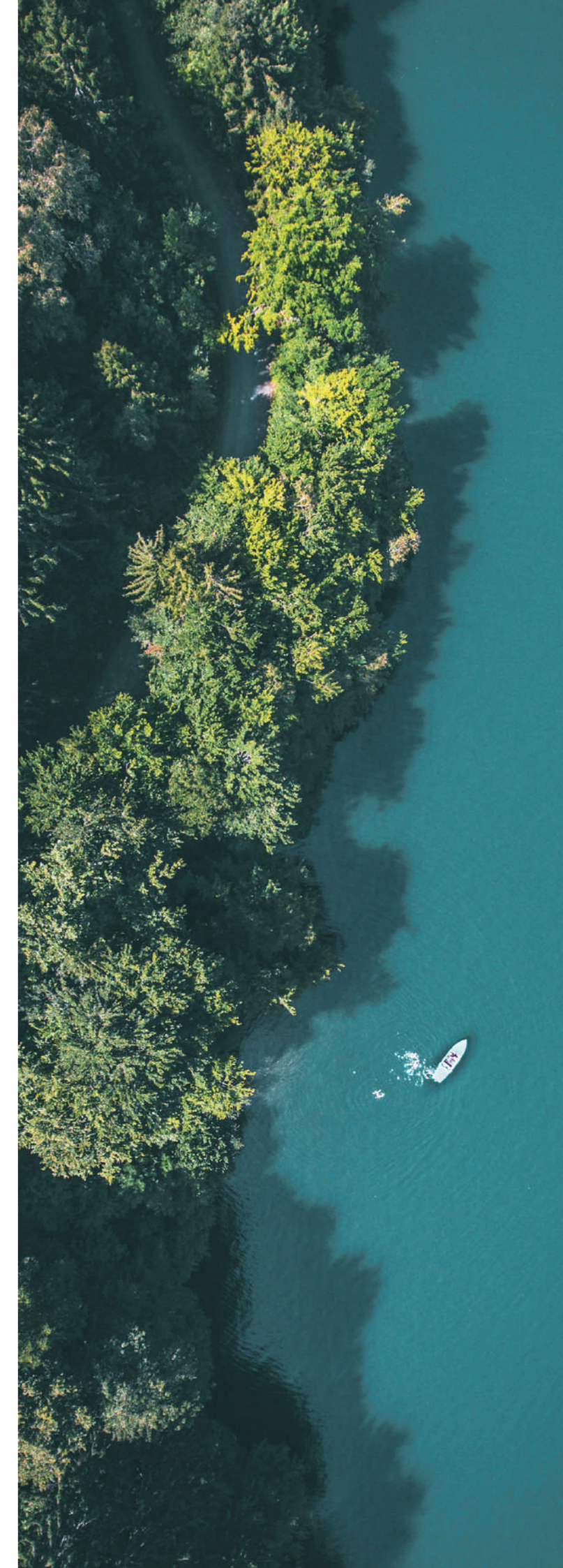
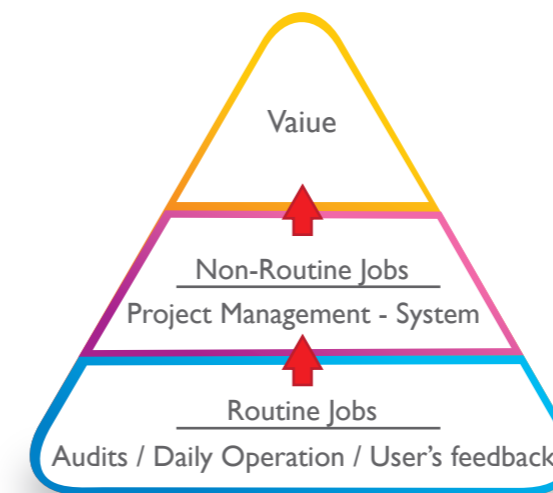


BenQ uses the golden triangle of quality system management, Audit & Management Review, Consultation and Continued Enforcement, to maintain our quality management operation. We use quality system daily management and quality audit operation to inspect existing system operation and discover system problems, 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 of 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 ecoFACTSmark to disclose product environmental feature information for the channel of communicating with the consumers about green products.

★ BenQ Green Product Four Perspectives

01

Product Design Improvement

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

03

Energy-Saving, Carbon-Reduction

- Global Energy-Consumption Standards/Regulations
- Energy-Saving Design

02

Package Improvement

- Reduce Package Volume
- Recycle and Renew Packaging Materials
- Environmental-Proecting Ink Printing

04

Green Environmental Projection Mark

- Eco-Labeling/TCO
- EPEAT/Energy Star
- CECP/SEPA
- PC3R/TGM/TEL

▶▶ Product Design Improvement

A. Environmental-Related Substance Management
All BenQ products should conform to the green product Restriction of Hazardous Substance Guideline (SUP-QM-07-02)-version 10, 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		2016 Added and Adjusted Controlled Substance
<ul style="list-style-type: none"> ● Package material (cadmium + lead + mercury + hexavalent chromium) total sum ● Cadmium and its compound ● Lead and its compound ● Murcury and its compound ● Hexavalent chromium and its compound ● Polybrominated biphenylsPoly brominated diphenyl ethers (PBDEs_ 	<ul style="list-style-type: none"> ● Asbestos ● Greenhouse gas with fluorine ● Chlorodiphenyl Methane ● Substance damaging ozone layer Organotin compound ● Polychlorinated biphenyls and Polychlorinated triphenyls ● Radioactive substance ● Azo compound ● Dibutyltin hydrogen borate ● Dimethyl fumarate ● Polychlorinated naphthalene ● Formaldehyde 	<ul style="list-style-type: none"> ● Bexabromo - cyclododecane (HBCD) ● Perfluorooctane sulfonate (PFOS) ● Perfluorocaprylic acid ● Chloroalkanes (C10-13) ● Polyvinyl chloride (package material / mechanism part) ● Arsenic and its compound (panel) ● Nickel and its compound ● Berylliumand its compound ● Antimony and its compound ● Chlorine coming from Chlorine flame retardants or Polyvinyl chloride (PVC) ● Bromine coming from Brominated flame retardant ● Polycyclic aromatic hydrocarbons (PAHs) 	<ul style="list-style-type: none"> ● Specific phthalates (PAEs) ● VOCs ● REACH SVHC : Batch 15th ● REACH SVHC : Batch 16th

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

B. 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
- 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).

C. 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

A. Global Energy-Consumption Standards/Regulations

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

B. 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.

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

Projector

- Use high-efficiency/conversion efficiency electronic components
- Use power-saving LED lighting source
- Use color wheel allocation to increase light and color transmission rate to improve system efficiency
- Add the circuit design of zero-power consumption for AC power switch component
- Use software to control lighting source to enter the ECO energy-saving mode
- Flexible control various module switches, so that system reaches lowest consumption in standby mode
- Improve lightness performance, increasing system utilization efficiency


C. Award Winning Product






BenQ had five display products winning the US ENERGY STAR Most Efficient 2017 award in 2016.

★ ENERGY STAR Most Efficient 2017 model

The Year's Best of ENERGY STAR for Energy Efficiency and Innovation
WHEN ONLY THE BEST WILL DO

Introducing ENERGY STAR Most Efficient 2017, a new distinction that recognizes products that deliver cutting edge energy efficiency along with the latest technological innovation. It is an award that truly represents the best of ENERGY STAR.



				
BenQ GL2450-B	BenQ GL2460-B	BenQ BL2420-TF	BenQ GL2450-T	BenQ BL2420-TU

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.

►► 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.

A. 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.

B. Reduce Package Volume

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

C. Recycle and Renew Packaging Materials

Use 85%-recycled, renewed papers to pack.







D. 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.

★ 2016 models of Green Environmental Projection Mark

Marks							
Models	15	9	14	8	144	12	6

▶▶ **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 2016.

A. 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.

B. 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 10, 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**

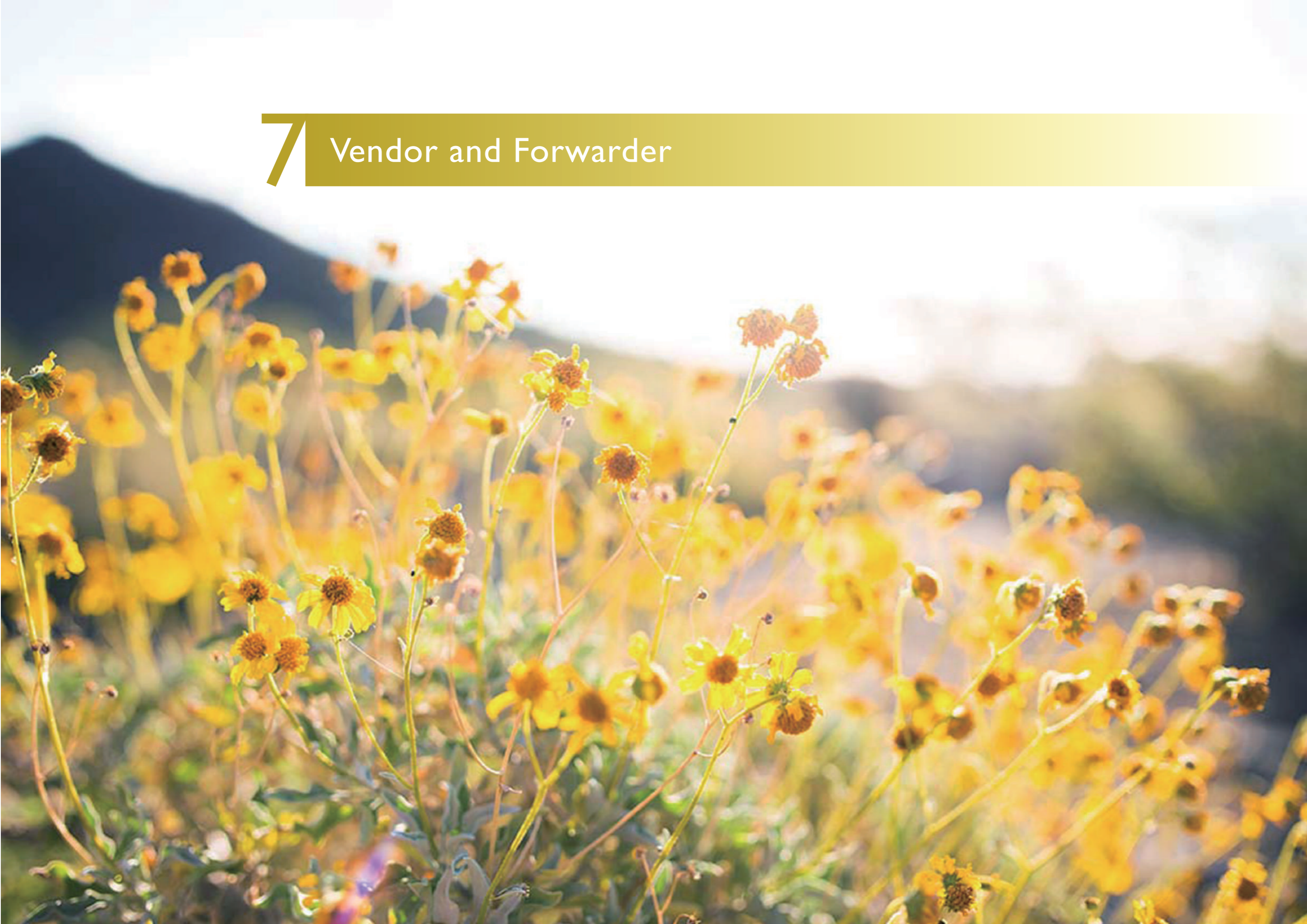
BenQ establishes internal product development flow to ensure all products that are produced and delivered by BenQ to customers meet the following requirements. In 2016, no violations of regulations or self-controlled guidelines of products and service information mark happened.

★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	●	



7 Vendor and Forwarder



Supplier Selection

As a brand company in various fields, BenQ works with 13 suppliers globally (including OEMs and part companies), most of which are in the greater China region. BenQ takes it as a serious responsibility to actively involve all suppliers in building a safe, healthy, and sustainable supply chain that protects the environment and values human rights.

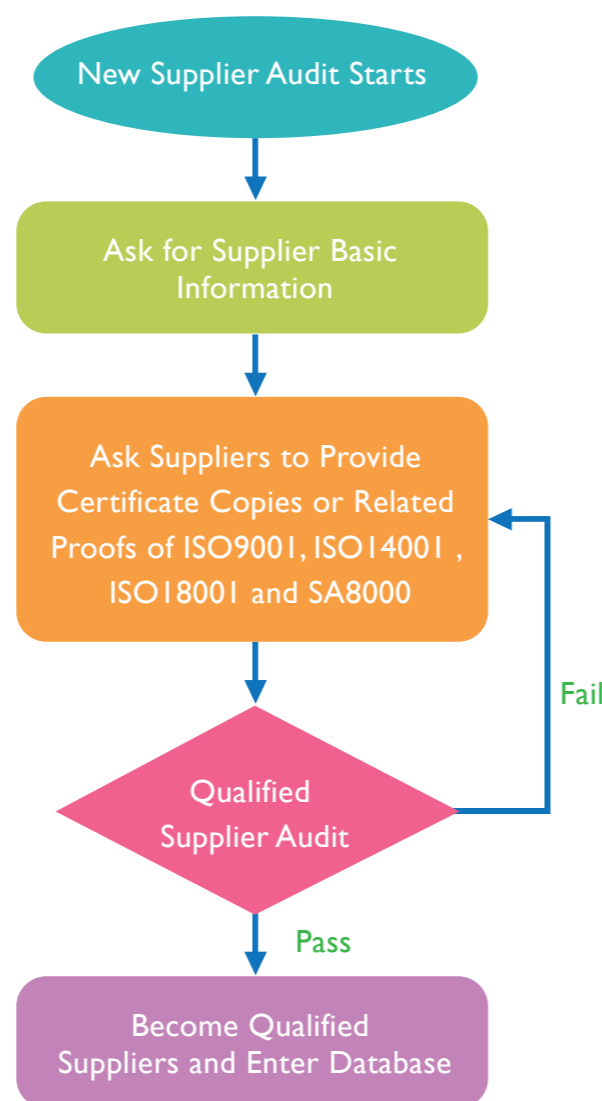
BenQ sticks to the philosophy of good quality and guard a pass to consumers; therefore, it has always executed review and supervision of vendor selection in a strict manner, asking vendors to provide related proving information such as certificate copies of ISO 9001, ISO 14001, OHSAS 18001 and SA 8000. BenQ expects to establish a long-term partnership with vendors through fulfilling corporate social responsibility philosophy together. However, only medical vendors are required to provide ISO 13485 certificates.

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

For vendors unable to provide certificate copies of ISO 9001, ISO 14001 and OHSAS 18001, BenQ will ask for implementation or improvement plans and continue to track the status; for vendors unable to provide SA 8000 certificate copies, BenQ will ask them to provide EICC audit report, vendor social responsibility investigation sheet or sign vendor social responsibility letter of commitment. For those yet unable to provide or sign the documents, BenQ will ask them to provide implementation or improvement plans or related proving information while continue to track the status and launch review operations for vendors irregularly.

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

★ Supplier Review Mechanism



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.

★ 2016 Review Result

Certificate Document	Certificate	Implementation Schedule	Audit Report	Letter of Intent	Review Template
ISO9001	14				
ISO13485	1				
ISO14001	12	2			
OHSAS18001	8	6			
SA8000	2		1	4	7

Forwarder Selection

Our company business relies on the cooperation of various companies while forwarder also plays a key role in the supply chain. BenQ also regularly launches performance review on suppliers to ensure the service quality is good.

In terms of transportation method, the carbon dioxide emission volume per unit weight being transported of sea transport is much lower than that of air transport. To protect the eco-environment, we continue to monitor the ratio of sea and air transport to lower the carbon dioxide emission volume of container transportation, in specific areas with convenient river transport such as China and Europe, we use river transport to replace land transport truck, as the carbon emission of a cargo is 15% less of that of a truck. In addition, we include the package material reduction concept in our product design, so that no matter what transport tool is used, the transport load factor can be increased.

Also, the railway service of Europe and Asia has become stable while the carbon emission of railway is less than one tenth of that of air transportation. However, since some container yards of railway transportation have yet to reach the service specifications, BenQ still focuses on sea transportation. Since sea transportation requires longer period of time, we have evaluated whether to replace sea transportation with air transportation for those unable to delivery before deadline to clients and decided to use railway to replace air transportation if it is feasible to use railway transportation at the sales region, meeting client delivery date, environmental protection and cost demand at the same time.

In the industry of sea transportation, most shipping lines have phased out old ships to reduce maintenance expenses while buying new ships to meet economic and environmental-protection benefits. International Maritime

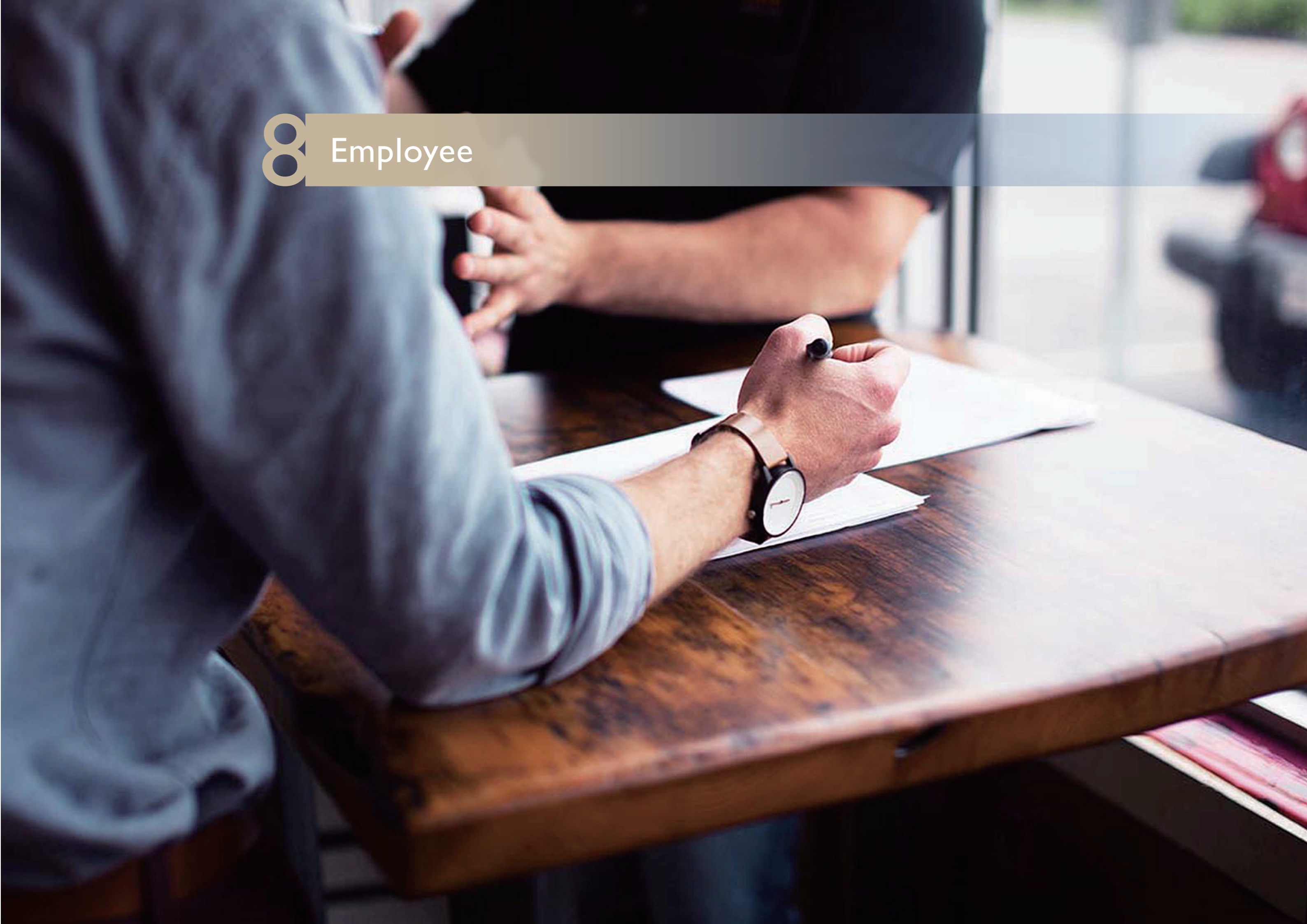
Organization (IMO) even raises the specification of ship manufacturing to lower ship pollution of the ocean.

While selecting external forwarders, BenQ will consider first those who meet environmental-protection and energy-saving requirements while actively control the transportation market to see if there is green transportation having better effects of energy-saving and carbon-reduction. Internally, we strengthen the method of product package material reduction. No matter the transportation tool, we maximize the transportation loading rate to reduce transportation volume demand. We reduce package material volume while selecting the most appropriate transportation tool and green forwarder. This is the conduct we have in transportation to protect environment and realize sustained business.





Employee



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, 2016 the number of global full-time employee of BenQ (excluding part-time workers) was 1,246 with the employees stationed at regions such as Asia, Australia, Europe and the Americas; while nationalities cover over 50 countries, with 30% of them from Taiwan headquarter and 70% in other overseas areas, as shown in Table 8.1.

★ Global Employee Statistics (no including part-time workers)

Year	No. of Global Employees	No. of Overseas Employees	No. of Employees in Taiwan
2016	1246	862	384

As of December, 31, 2015, the number of global full-time employee of BenQ (including part-time workers) is 1,286.

★ Global Employee No. by Region

Region	Male (No. of People)	Female (No. of People)
Taiwan	214	170
China	192	156
Asia Pacific	137	82
Americas	96	54
Europe	100	45

(As of December, 31, 2016 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 20.38 in 2016 with average monthly resignation rate at 1.68%. In terms of region, the highest accumulated resignation rate in 2016 was in China at 49.72%, the lowest being Europe at 11.65%.

Learning and Development

Talent is the most important competitiveness of a company and cultivation as well as development of talent are important operation philosophy of BenQ. We sticks to continuous learning to pursuit after the increase of corporate competitiveness. BenQ plans for employee function cultivation classes and executive management ability advancement projects according to organizational development demand. We adjust our training planning flexibly and actively at any time with the changes of strategies and paces of business units. The complete educational training development system has received gold certificates of national TTQS and National TrainQuali Prize (NTQP) high-end acknowledgement.

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 employee joining the company and offering new comers educational training plans, besides providing group Win Camps, we develop the New Comer Orientation Program training plan, covering the company's corporate guidance, culture, social responsibility and related policies, environmental safety hygiene related policies, work/time/stress management, etc. Meanwhile, we help new comers to rapidly become familiar with and smoothly adopt to the environment via a series of professional program trainings according to various job task content of new comers.

▶▶ Professional Training Based on Job Skill

With the overall environment and global condition changing dramatically, to help employee face new-era innovation and challenge, incessantly advance and grow in personal career; enable competency to develop and improve comprehensively, BenQ designs different training programs according to various specialties of employees to assist them to develop related professional skills to strengthen workplace competitiveness. At the same time, we review all common programs, letting employees from various levels, seniority and departments have common basic work mental cultivation method. The training unit also flexibly adjusts training pace according to corporate business strategy and appropriateness. In 2016, we hosted a series of B2B business strategy programs for our organizational strategies while applying that to our decisional process according to the learning result.

▶▶ Leadership and Management Training

In leadership and management, BenQ plans a series of manager training courses according to various management levels. Besides launching Manager Induction Program that is tailored to each new manager, BenQ plans training courses of at least 200 hours for associate and senior managers (FLP/ALP/SLP) and high-end leading management level training (TDP), helping managers to switch in management role and improve self management skill. We anticipate to actively train related management staff via the all-encompassing management programs to respond to organizational expansion and comprehensively elevate the training ability and guiding as well as encouraging techniques of executives for subordinates, helping the executives to lead the team and reach the organizational goals. In 2016, we flexibly opened highly-efficient coach leadership programs for mid-to high-end executives not only for improving work performance, but also actively train them the ability to lead subordinates.

★ Talent Training Programs for Various Stages

Program Name	Fresh Leader Program	Action Leader Program	Strategic Leader Program	Visionary Leader Program
Participant	Potential talent	Supervisor	Mid-level executive	Top-level executive
Session I	* Immediate management knowledge	* Necessary HRM knowledge for supervisors * Necessary legal knowledge for supervisors * Financial management knowledge and cost thinking build up * Managing upward	* Necessary HRM knowledge for md-level executives * Necessary legal knowledge for md-level executives * Financial report analysis and budgeting * Systematic thinking and decisional technique	* Role and mission of top-level executives * Leading and executing power of vision and value concept
Session II	* PDCA and work improvement	* OJT * Problematic employee dealing technique * Confrontation management and negotiation	* Subordinate training and development * Interviewing techniques involving performance setting and review * Effectively authorizing and ordering subordinate	* Top-level executive authorization technique * Change leadership * Organizational development and re-engineering amid changes * Train successor * Strategic planning and management * Corporate operation and management
Session III	* Communication and coordination	* Outstanding team leading and build up * Departmental work planning and goal reaching * Adjust to changes	* Persuasion and influencing techniques * Managing upward and reporting techniques	* Corporate speech technique
Session IV	* Subordinate training inspiration	* Problem analysis and solution technique * Project management practice	* Build up strategic partnership * Cross-department negotiation technique	* Value-oriented financial management
Session V	* Talent recruit interviewing technique		* Strategic thinking build-up and management * Leading amid changes	

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

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.

 Working Condition

▶▶ Human Right Management

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.

★ 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.

★ BenQ Promise

BenQ Promise	
Salary Welfare	<ul style="list-style-type: none"> 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. BenQ's salary levels meet related regulations, with overall employee average salary higher than stipulated basic salary of 20,008 and is more than 1.5 times higher than average salary of computer, electronic product and optical industries announced by Department of Budget, Accounting and Statistics, Executive Yuan. 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. No one can ask for salary reduction in terms of punitive measure.
Labor/health insurance	<ul style="list-style-type: none"> 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. BenQ additionally offers welfare measures such as employee group insurance, including life insurance, accident insurance, cancer insurance, accident and health insurance, outpatient/admission insurance and air accident insurance, with the highest claim sum at 36-time monthly salary. Global operational locations also follow local regulations so that all BenQ employees can have more complete life protection.
Leave	<ul style="list-style-type: none"> BenQ gives employees holidays and leaves according to the law. There is one paid volunteer leave each year for employees to enjoy volunteering. There is paid engagement leave that expresses care of the company for employees.
Retire Welfare	<ul style="list-style-type: none"> 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. For global operational spots, BenQ also follows local regulations.
Reward	<ul style="list-style-type: none"> Every half year, BenQ launches performance audit for all full-time employees, and the results are the basis of promotion and reward. All hiring, appraisal and promotion standard are fair and just and do not discriminate due to race, gender, age, nationality, religion or political preference.
Communication Channel	<ul style="list-style-type: none"> Department meeting HR mailbox Labor-management meeting No Labor-Management Negotiation Issue in 2016 Labor welfare committee Catering management committee Employee questionnaire Secretary/assistant symposium 2885 online reaction Employee representative
Notice period of major changes that will affect labor rights	<ul style="list-style-type: none"> 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. BenQ will notify employees serving for 1-3 years at least twenty days before the changes. BenQ will notify employees serving for more than three years at least thirty days before the changes.

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

▶ Operational Environment Safety

★ Operational Environment Safety Management Process

OHSAS 18001 Certificate
Social Responsibility and Environmental, Safety and Health Management Committee - Held each quarter, five representatives each from labor and capital (50% of employee numbers) to inspect on major issues to ensure proper handling or management, opinions of members and employees are important basis of improvement execution measures.
1234 System - Offers a platform for employees to provide opinions at any time
Entrance guard management - Protect the basic safety of employees Various emergency procedure - With educational training and actual practice, employees can be familiar with coping method and equipment usage. We hope to lower damages to the lowest extent within the shortest time when emergency happens.

BenQ has a sound social responsibility and environmental safety hygiene management committee and promotional organization, while realizing execution of various requirements of safety hygiene health. Until now, BenQ does not have any health occupational disease due to working issues. In 2016, the average industrial injury rate was 0 unit/million work hour, the occurrence rate of occupational disease was 0% while the occupational injury number reduced from one in 2009 to zero in 2016 and the number has been the same until now. Table 8.5 is the comparative table of safety hygiene management performance in 2016. This proves the hard work BenQ invests in protecting employee safety, health and environment.

★ Safety Hygiene Management Performance According to Gender Percentage Death in Line of Duty Total Sum

2016	Taiwan		
	Male	Female	Total
GRI injury rate of GRI (IR)	0	0	0
GRI lost day rate of (LDR)	0	0	0
GRI occupational disease rate (ODR)	0	0	0
(AR) GRI absence rate (AR)	198.89	632.90	831.80
Number of death on duty incident	0	0	0

Note : Absence Rate (AR)=Total absence days/total work daysx200,000*(*: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)

►► 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 :

★ Related Awards and Achievements

- 2005 Excellence Award, Taipei Healthy Workplace
- 2006 Heritage Award, Taipei Healthy Workplace
- 2007 Pilot Award, Bureau of Health Promotion, Department of Health, Executive Yuan
- 2007 Workplace health self-certification healthy promotion mark
- 2008 director of Bureau of Health Promotion visited Excellent Healthy Workplace
- 2009 Workplace health self-certification healthy promotion mark
- 2010 Taipei Excellent breastfeeding room
- 2011 Taipei Excellent breastfeeding room
- 2011 Highest honor three-star award, Taipei Best Company
- 2012 Workplace health self-certification healthy promotion mark
- 2012 Taipei Excellent breastfeeding room
- 2014 Taipei outdoor spot smoke self-management certificate

- 2016 Badge of Accredited Healthy Workplace
- 2016 Exercise Enterprise Certification Mark
- 2017 Taipei Superior Breastfeeding Room certification

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 97% in 2015, with major abnormality tracking (if any, according to degree) further consultation rate reached 90%. Each month, professional family medicine attending physician provides visit service, lively and fun health promotional event, regular health hygiene education and teaches how to prevent medical knowledge and major disease prevention education, first aid educational training, etc. BenQ also works with physical therapist and establishes physical therapy room to assist employees to evaluate their muscle and bone and adjust inappropriate pose when using computer, with a thousand participants joined the events. For maternal health, BenQ provides breastfeeding room, which has been rated as five-star by two nursery magazines. In 2016, the number of employees having occupational breastfeeding for over six months after giving birth reached over 20. 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

BenQ labor and capital meeting and welfare committee employee representatives are voted by internal employees. They can provide suggestions regarding employee welfare and company policy and regularly communicate face to face with the management level. The company also compiles

employee appeal process regulations. If employees face any sexual harassment or inappropriate treatment, they can directly appeal to the company via the channel while the company will protect the identity of the person issuing the appeal. Until now, there is 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.

💡 Creative culture

Facing global technology advancement and market requirement fast changes, it is vital for the industry developments to continually launch business approaches and design/develop with a creative thinking. BenQ promotes creativity, offering a creative management planning system while decide on the development direction and investment of required creative resources to understand the requirements and technology application to raise employee creative power while satisfy and offer clients with ground-breakingly creative and cost-effective solution or product. To ensure that the creative culture can be passed on in the company, the HR department of Qisda arranges related classes and activities (Such as: design thinking, service design, business model innovation, etc.) according to company policies; and continue to improve activities to search for innovative solution methods. From 2015 H2 to the end of 2016, we have executed 40 projects, saving US\$110 million. We also initiated the ‘Turn Idea into Gold’ activity, letting employees to receive innovative idea development-related concept and tool. They can grow and demonstrate their talents. We also create an innovative idea platform for employees to provide innovative ideas at any time to encourage them to bring up excellent innovation.



9 Social Care



BenQ Foundation

In November 2003, BenQ Group established BenQ Foundation, making its vision to be “Carry forward Taiwan’s beauty with its whole heart, realize corporate feedbacks to society.” In recent years, BenQ Foundation has promoted four topics: Bridge the Digital Gap, Cultivate Honest and Smart People, Original Cultural Values and Goodwill to the Earth. Through these endeavors, all companies in the Group realize their role as responsible corporate citizens to give back to the society. BenQ Foundation started to work with farmers in 2008 using the contract farming method to deliver the fair value of stay close to the land. We encourage farmers to adopt friendly farming to help land sustainable operation and protect their harvest. Until now, we have adopted over 42-hectare farmland in 13 townships such as Hsinchu and Changhua.

The foundation calls for employees to support friendly farming adoption and donation plan, transforming the concept of caring for the land into concrete action. Employees are passionate in answering the calls and the area of contract farming grew 1.3 times from that in the previous year. To meet the solar term and growth cycle, we arrived at the contract farmland to transplant rice seedlings in Nanpu, Hsinchu and Xicho, Changhua in August, 2016. At the end of November, harvest was done and our employees felt the fragrance and beauty of land while experiencing the hardship and labor of farming.

★ Autumn Plowing/Autumn Harvest Small Trip and Number of Participants

Item	Time	Number of Participants (Employee)	Number of Participants (Employee + Family Member)
Autumn Plowing Small Trip	2016/8/6	2	6
Autumn Harvest Small Trip	2016/11/27	9	17

★ Group Autumn Plowing Small Trip Activity Photo



Social and Environmental Care

▶▶ World Earth Day Activities

The World Earth Day is on April, 22; this was initiated in the US in the 1970s and has become an internationally important environmental-protection festival. BenQ plans the World Earth Day activities each April since 2010 basing on promoting caring for the ecological environment of the Earth to encourage employees to care for the Earth and treat the environment we rely on to live with a friendly attitude.

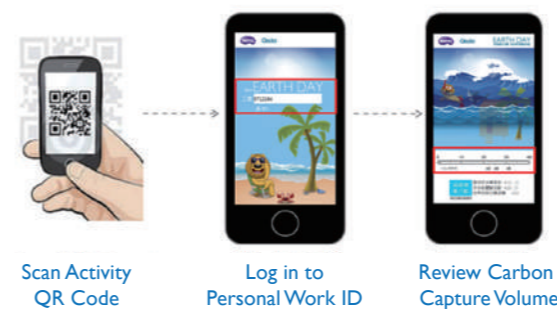
The topic of 2016 BenQ World Earth Day activity is “Carbon Dioxide Reduction”. Carbon dioxide is closely related to greenhouse effect and the rise of sea level. If the world continues to warm up by 4 degree Celsius, 600 million people will be homeless! To remind the attention of everyone of loving the Earth, BenQ used group mascot “BenQ Lion” as the symbol for 2016 series of World Earth Day Activities, leading each employee to capture and collect carbon dioxide. Each person has his/her

own BenQ Lion carbon dioxide capture-and-collect page. The more participation from the employees, the more BenQ Lion will be kept from drowning by flood. (for details, refer to table as below)

★ Carbon Capture Activity Content

Carbon Capture Activity	Carbon Capture Content	CO2 Capture and Collect Volume
Green Class	<ul style="list-style-type: none"> Love the Earth popside revolution ~ Stone Lee, founder of Spring Trading Company ~ 	3 kg
Green Activity	<ul style="list-style-type: none"> Handwriting paper experience activity 	3 kg
	<ul style="list-style-type: none"> Capture-and-collect CO2 action 	1kg/Question
Green Market	<ul style="list-style-type: none"> World Earth Day Fair NT\$100 (and) above spent per stall per day 	2kg/Stall
	<ul style="list-style-type: none"> Online pre-order for NT\$200 (and) above 	2 kg

★ Carbon Capture Process



★ Carbon Capture Process



★ World Earth Day Theme Poster



★ World Earth Day Handwriting Paper experience activity



▶▶ Zhishan Cultural and Ecological Garden Volunteer Activity

There goes a saying: Where there is land, there are residents. BenQ believes that the goal of running an enterprise is not only for profits and enter the global stage, it is more important to make a firm promise to the land and residents. We value the training of “people” while stressing on the devotion and feedback to the Taiwan land, praising for the nature and providing feedback to the land are our honor and responsibility. BenQ establishes responsible unit and staff to promote environmental protection, hosting “Protect Environment Volunteer Day”. In 2016, the Protect Environment Volunteer Day was set at Zhishan Cultural and Ecological Garden. During the activity, we let employees participating in physical labor to experience the most intimate interaction with nature via the most simple but most befitting method of the requirements of the environment. Besides providing a literary/historical ecological tour, we also smoothly clean the Zhishan Rock trail and external species of plants to let employees to understand ecological competition and balance mechanism, maintaining the balance of Zhishan Rock ecology by hand. As a green enterprise having representativeness, we hope to contribute more passion and vitality to let the environment become friendlier. We use the brand power to display social influence and let the land and residents of Taiwan to coexist sustainably.

★ Zhishan Cultural and Ecological Garden Volunteer Activity Photo



▶▶ Public Welfare Club Activity

The public welfare club “Love Love Club” has been established since May 2006. For 11 years, under the support of employees, we have held over 200 charity events while the Love T-Shirt activity of the Child Welfare League Foundation and activities such as supporting the year-end party activity of Huashan elderly people living alone started from 2009 until now.

In 2013, the Love Love Club initiated the “Payday Caring Activity”, starting the journey of planning blessing and sowing. In March of the same year, we applied to join the “Peace and Harmony Program” of the Ministry of the Interior and passed the review to become an official member of social welfare groups the next month. Till 2016, BenQ employees helped 16 social welfare units, participating in 25 love donations or love product purchase activities, with overall donation and purchase amount reaching NT\$80,495 (Details of units receiving donation shown as below).

Love Love Club aims to become a multiple-function charity platform between employees and social welfare groups, caring with heart, giving with heart while loving oneself and others; we believe everyone has the ability to give more to the person, event and substance of the land, as the world will certainly not change because of what people do today, but some person, event and substance will definitely change because of what is done today.

★ List of Unit Receiving Charity Donation

NO	Unit Receiving Donation	Number of Participants	Total Sum (NTD)
1	Huashan Social Welfare Foundation	23	24,250
2	The Carpenters Coffee Bar	12	15,000
3	Find TY Angel Association	9	7,000
4	Child Welfare League Foundation	3	750
5	Guei Shan Junior High School	7	4,500
6	Hundao Volunteer Association	6	7,900
7	Chensenmei Social Welfare Foundation	6	4,300
8	Guide Dog Association	6	2,400
9	ChihLingCharity Foundation	4	1,596
10	Taitung	3	4,000
11	Happiness Community	3	6,000
12	RenyouSanatorium	1	1,180
13	Taiwan Foundation for Rare Disorders	2	600
14	Taiwan Fund for Children and Families	1	99
15	Taiwan Cat Lovers' Association	1	200
16	Ruth Society for Disability Services	1	720
Total		88	80,495

GRI Standards Index

★ General Disclosures

Topic	GRI Disclosure	Description	Report Section	Note
Organizational Profile	102-1	Name of the organization.	BenQ Corporation	
	102-2	Activities, primary brands, products, and/or services.	BenQ Corporation	
	102-3	Location of organization's headquarters.	BenQ Corporation	
	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	
	102-5	Nature of ownership and legal form.	Communication with Investors	
	102-6	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Global Operational Strategy	
	102-7	Scale of the reporting organization.	BenQ Corporation Global Operational Strategy	

Topic	GRI Disclosure	Description	Report Section	Note
Organizational Profile	102-8	Total number of employees by employment type and employment contract broken down by gender and region.	Employee Profile	
	102-9	Describe the organization's supply chain.	Supplier Selection	
	102-10	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain.	N/A	No changes.
	102-11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Risk Management	
	102-12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	N/A	Qisda 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.	Message from our President	

Topic	GRI Disclosure	Description	Report Section	Note
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	
	102-15	Description of key impacts, risks, and opportunities.	Message from our President Risk Management	
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	
	102-17	Report the internal and external mechanisms for seeking advice and reporting concerns about ethics.	Code of Conduct	
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	

Topic	GRI Disclosure	Description	Report Section	Note
Governance	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	
	102-22	Report the composition of the highest governance body and its committees.	Organizational Structure of Corporate Governance	
	102-23	Indicate whether the Chair of the highest governance body is also an executive officer.	Organizational Structure of Corporate Governance	
	102-25	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Corporate Governance Status	
	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	
	102-35	Report the remuneration policies for the highest governance body and senior executives.	Communication with Investors	

Topic	GRI Disclosure	Description	Report Section	Note
Stakeholder engagement	102-40	List of stakeholder groups engaged by the organization.	Stakeholder Engagement	
	102-41	Percentage of employees covered by collective bargaining agreements.	Working Condition	Company does not sign any group negotiation agreement with employees.
	102-42	Basis for identification and selection of stakeholders with whom to engage.	Stakeholder Engagement	
	102-43	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Stakeholder Engagement	
	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	
Report Profile	102-45	List all entities included in the organization's consolidated financial statements or equivalent documents.	About This Report	

Topic	GRI Disclosure	Description	Report Section	Note
Report Profile	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	
	102-47	List all the material topics identified in the process for defining report content.	Stakeholder Engagement	
	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	No restatements.
	102-49	Report significant changes from previous reporting periods in the material topics and topic Boundaries.	Stakeholder Engagement About This Report	
	102-50	Reporting period (e.g., fiscal/calendar year) for information provided.	About This Report	
	102-51	Date of most recent previous report (if any).	About This Report	
	102-52	Reporting cycle (annual, biennial, etc.)	About This Report	
	102-53	Contact point for questions.	About This Report	

Topic	GRI Disclosure	Description	Report Section	Note
Report Profile	102-54	Claims of reporting in accordance with the GRI Standards.	About This Report	
	102-55	GRI content index	GRI Standards Index	
	102-56	External assurance	About This Report	

★ 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.	SFinancial Performance	
	201-2	Financial implications and other risks and opportunities for the organization's activities due to climate change	Climate Change Risk Assessment	No significant financial impact was caused due to climate change in 2016. 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	

Topic	GRI Disclosure	Description	Report Section	Note
Economic Performance	201-4	Financial assistance received from government	N/A	
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	
	202-2	Proportion of senior management hired from the local community at significant locations of operation	Employee Hiring Status	
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	
	203-2	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Social Care	
	205-1	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified.	Code of Conduct	
	205-2	Communication and training on anti-corruption policies and procedures.	Code of Conduct	
	205-3	Confirmed incidents of corruption and actions taken.	Code of Conduct	

★ Environmental Topics

Topic	GRI Disclosure	Description	Report Section	Note
Materials	301-1	Materials used by weight or volume.	N/A	
	301-2	Percentage of materials used that are recycled input materials.	Product Design Improvement	Not applicable; cannot obtain water source information of water supplied by water plants; therefore, cannot disclose water source information seriously influenced by water usage
	301-3	Percentage of products sold and their packaging materials that are reclaimed by category.	Product Design Improvement	
Energy	302-1	Energy consumption within the organization	Climate Change	
	302-2	Energy consumption outside of the organization	Climate Change	
	302-3	Energy intensity	Climate Change	
	302-4	Reduction of energy consumption.	Climate Change	
	302-5	Reductions in energy requirements of products and services.	Energy-Saving mark	
Water	303-1	Total water withdrawal by source.	Water Resource Management	

Topic	GRI Disclosure	Description	Report Section	Note
Water	303-2	Water sources significantly affected by withdrawal of water.	N/A	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	
	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	
	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	
	304-3	Habitats protected or restored.	Ecology Management	
	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	

Topic	GRI Disclosure	Description	Report Section	Note
Emissions	305-1	Direct greenhouse gas (GHG) emissions (scope 1)	Climate Change	
	305-2	Energy indirect greenhouse gas (GHG) emissions (scope 2)	Climate Change	
	305-5	Reduction of greenhouse gas (GHG) emissions.	Climate Change	
	305-6	Emissions of ozone-depleting substances (ODS).	N/A	CO2e emission of refilled air-conditioning coolant (R134-A) in 2106 was around 389.6 ton
	305-7	NOx, SOx, and other significant air emissions.	Ecology Management	Qisda mainly specifies in assembly operation. The manufacturing processes do not use diesel or heavy fuels as indirect materials used in production, only the emergency power generators and forklifts in Suzhou manufacturing site are powered by diesel. As the amount of SOx generated when burning diesel is slight and does not have significant impacts on the environment, no further analysis on tracing SOx and NOx is required. For related aerialcontaminant, Qisda has air pollution filtering equipment so that the aerial contaminant is only emitted to the air after filtered with first-level filter and active carbon. aeri-contaminant is only emitted to the air after filtered with first-level filter and active carbon.

Topic	GRI Disclosure	Description	Report Section	Note
Effluents and Waste	306-1	Total water discharge by quality and destination.	Water Resource Management	
	306-2	Total weight of waste by type and disposal method.	Waste Management	
	306-3	Total weight of waste by type and disposal method.	Water Resource Management	
	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	
	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	
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	

★ 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	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Human Right Management	
Labor/Management Relations	402-1	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	Human Right Management	
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	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	
	403-3	Workers with high incidence or high risk of diseases related to their occupation	Operational Environment Safety	

Topic	GRI Disclosure	Description	Report Section	Note
Occupational Health and Safety	403-4	Health and safety topics covered in formal agreements with trade unions.	N/A	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	
	404-3	Percentage of employees receiving regular performance and career development reviews by gender.	Human Right Management	
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	
	405-2	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.		Ratio of basic salary :Taiwan male / female ratio:1:1 Ratio of remuneration: Taiwan male / female ratio:1.04:1

Topic	GRI Disclosure	Description	Report Section	Note
Non - discrimination	406-1	Total number of incidents of discrimination and corrective actions taken.	Human Right Management	
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	
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	
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	
Security Practices	410-1	Security personnel trained in human rights policies or procedures.	N/A	100% of security guards have received related trainings

Topic	GRI Disclosure	Description	Report Section	Note
Human Rights Assessment	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	N/A	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 agreements are agreed 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	100%(Taiwan and Suzhou, China are included).
Supplier Social Assessment	414-1	Percentage of new suppliers that were screened using social criteria.	Supply Chain Risk Management Supplier Selection	
	414-2	Significant actual and potential negative social impacts in the supply chain and actions taken.	Supply Chain Risk Management Supplier Selection	
Public Policy	415-1	Total value of political contributions by country and recipient/beneficiary.	Legal Compliance	Stakeholders do not have special public policy stand, nor does BenQ

Topic	GRI Disclosure	Description	Report Section	Note
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	
	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	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	
	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	None

Topic	GRI Disclosure	Description	Report Section	Note
Product and Service Labeling	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	
Customer Privacy	418-1	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Customer Privacy Protection	
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	

★ Social Topics

Topic	GRI Disclosure	Description	Report Section	Note
Quality Management	BenQ-1	Quality certificate.	Quality Management	
Customer Satisfaction	BenQ-2	Customer satisfaction survey result.	Customer Satisfaction Survey	
Brand Management	BenQ-3	Won corporate image evaluation award Nominated for corporate image evaluation	Brand Management	

An aerial photograph of a serene forest landscape. A clear, turquoise lake is nestled within a dense forest of tall, green coniferous trees. The water's surface is calm, reflecting the surrounding forest and the sky. The white text box is positioned in the upper left quadrant of the image, providing information about the report.

▶▶ 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 2016.

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.beq.com.tw/about/csr>

■ Report Coverage

This report covers related strategy, goal, measure and performance of BenQ Taiwan in 2016.

■ Compiling Principle

BenQ refers to GRI Standards.



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