SUSTAINABILITY REPORT
2022

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Our Responsibility Toward Sustainability

Unchangeable promise

The sustainability of a company relies on a solid management of its environmental, social, and corporate governance affairs. Only through continuous implementation of ESG management can we accumulate momentum for sustainable growth in the future.

Since its establishment, BenQ has continued to expand its corporate vision of "Bringing Enjoyment 'N' Quality to Life." BenQ has diversified its operations and expanded from 3C products to the four areas of L.I.F.E. (Living Better, Increasing Efficiency, Feeling Healthier, Enhancing Learning) with the aim of providing our customers with a more enjoyable digital lifestyle, higher-performance operations, advanced medical equipment services, and more flexible learning. We also hope to pursue profits and growth while fulfilling our corporate responsibility and having a positive impact on society and the public to achieve sustainable operations.

Fulfilling ESG Commitments and Bringing Enjoyment 'N' Quality to Life

With regard to corporate governance, BenQ is committed to sustainable corporate development. Since its establishment in July 2010, BenQ's Corporate Social Responsibility Committee has integrated CSR objectives into the Company's daily work goals. In 2022, the committee was renamed and reorganized as BenQ's ESG Implementation Committee to further strengthen our management of ESG issues deemed to be important by our stakeholders and track our efficacy.

In 2022, BenQ adhered to its philosophy of serving the needs of people through technology and strived to integrate eye-protection technologies certified by TÜV Rheinland – our exclusive "CinematicColor™ color management technology," and "ClassroomCare™," our technology for healthy and smart classrooms – into our products. We also continued to create products to fulfill a wide variety of needs, including retouching monitors for photographers based on the WYSIWYP-principle ("what you see is what you print"), fast-rendering gaming monitors for e-sports players, mini home projectors, interactive touchscreens for learning, and desk lamps that help protect the eyes.

With regard to the environmental aspect of ESG management, BenQ products are designed with the entire product life cycle in mind. During the R&D and design stages, the products' impact on the environment from delivery to usage is considered, and measures to reduce energy consumption and packaging and to make products more recyclable have been adopted.

Through improvements made to each part of the production process, we have created green products that are environmentally friendly. For instance, our process for the development of projector light sources is completely mercury-free to reduce the impact of pollutants on the environment. The GV series of miniature projectors has been awarded the "G-Mark" and "Golden Pin" design awards for the innovative designs of their mechanisms, which have eliminated the need for traditional tripods and metal torque structures to adjust the projection angle. All of BenQ's products are environmentally friendly and energy-efficient, and have earned the Energy Star certification. In addition, BenQ regularly undergoes verification by third parties to ensure that work regarding environmental management is carried out, and we encourage our employees to take part in the work.

With regard to the social aspect of ESG management, we believe that talent is our most important asset and the key to business growth. Therefore, BenQ actively invests in diversified education and training to foster employees' innovative and competitive strengths, which adds to the Company's organizational capacity and competitiveness for sustainable growth. From 2019 to 2023, BenQ has won the "Asia's Best Employer Award" for five consecutive years, which shows that our employees recognize our efforts in nurturing talent and fostering a good working environment.

Since 2016, BenQ has been awarded the "Sports Enterprise Certification" by the Ministry of Education's Sports Administration every year, and continuously innovated in sports facilities and events to provide a five-star workplace environment that lets employees "Work Smart, Play Hard." In 2022, we bade farewell to the pandemic, and became more innovative in the design of our events. For example, digital tools are used for Family Day events to avoid the use of paper tickets and to be more environmentally friendly. Also, we provide incentives above the industry standard: we encourage our employees to participate in the Group Stock Ownership Trust Plan to integrate Company performance and employee interests, which enables the Company to take care of our employees' life after retirement. Since the plan's inception, employee participation rate has reached nearly 90%, facilitating a virtuous cycle for the Company and its employees.

Aligning with SDGs, education, health, and earth-friendly sustainable development

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

Taking quality education as an example, BenQ implemented smart education in 2022 by supporting learning, such as providing health checks and updates for school infrastructure and equipment as well as organizing education seminars to help teachers enhance their digital teaching skills. We have reached out to around 210,000 students through the participation of 887 teachers in the activities . In the classrooms, teachers and students interact through interactive displays and tablets, transforming the traditional teaching field and creating a smart classroom of the future. Additionally, we work with Teach For Taiwan to support education in remote regions of Taiwan and reduce inequality in education.

BenQ is a people-centered brand. We believe that design and technology should meet the real needs of consumers to function optimally. If we can expand our efforts from individuals to all of society, we can spread our good corporate values and have a positive influence on society. We hope that BenQ's spirit can reach every corner of society and make "Bringing Enjoyment 'N' Quality to Life" a reality.

CHAPTER 02

About BenQ

2.1 BenQ profile

Company name	BenQ Corporation
Establishment date of the company	April 21, 1984 (OEM operations were fully spun off on September 1, 2007)
Establishment date of the brand	December 5, 2001
Capital	TWD 3.2 billion
Turnover	TWD 29.9 billion (2022 global revenue)
Head office	No. 16, Jihu Road, Neihu District, Taipei City, Taiwan 114
Number of employees	1,809 employees worldwide / 582 employees in Taiwan (as of December 2022)
Chairperson	K. Y. Lee
President and CEO	Conway Lee

LCD displays: Among the top 11 in terms of global sales volume in 2022 (24 inches and above). Total sales volume was about 2.1 million units.

Projectors: Among the top 5 in terms of global sales volume in 2022 (general projectors and mini projectors).

Commercial Display

Large LCD Displays

Smart Lighting

LCD Displays

Projectors

Wireless Speakers

2.2 BenQ's Core Corporate Culture

Bringing Enjoyment 'N' Quality to life

Corporate Vision and Brand Mission

BenQ is a people-centered brand. We believe that design and technology should meet the real needs of consumers to function optimally. With our vision of "Bringing Enjoyment 'N' Quality to Life" as our starting point, BenQ has diversified its operations and expanded from 3C products to the four areas of L.I.F.E. (Living Better, Increasing Efficiency, Feeling Healthier, Enhancing Learning) with the aim of providing our customers with a more enjoyable digital lifestyle, higher-performance operations, advanced medical equipment services, and more flexible learning. We also hope to pursue profits and growth while fulfilling our corporate responsibility and having a positive impact on society and the public to achieve sustainable operations.

Core Values

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

- Integrity and Self-Discipline: We are committed to moral integrity, leading by example, abiding by the Company's code of conduct and regulations, upholding our promises, and not engaging in dishonest tactics.

- Passion and Service: We complete tasks with a proactive attitude, and treat our work and colleagues with care.

- Pursuit of Excellence: We are open-minded about innovation and change, and we continuously learn, grow, and seek improvement.

- Care and Contribution: We are committed to environmental protection and sustainable development, as well as the interests of our customers, society, and the environment.

2.3 Status of Operations

2.3.1 Operating Principles

BenQ's corporate governance operations adhere to Taiwan's Corporate Governance Best-Practice Principles, whose five major principles are listed below:

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

2.3.2 Global Business Strategy

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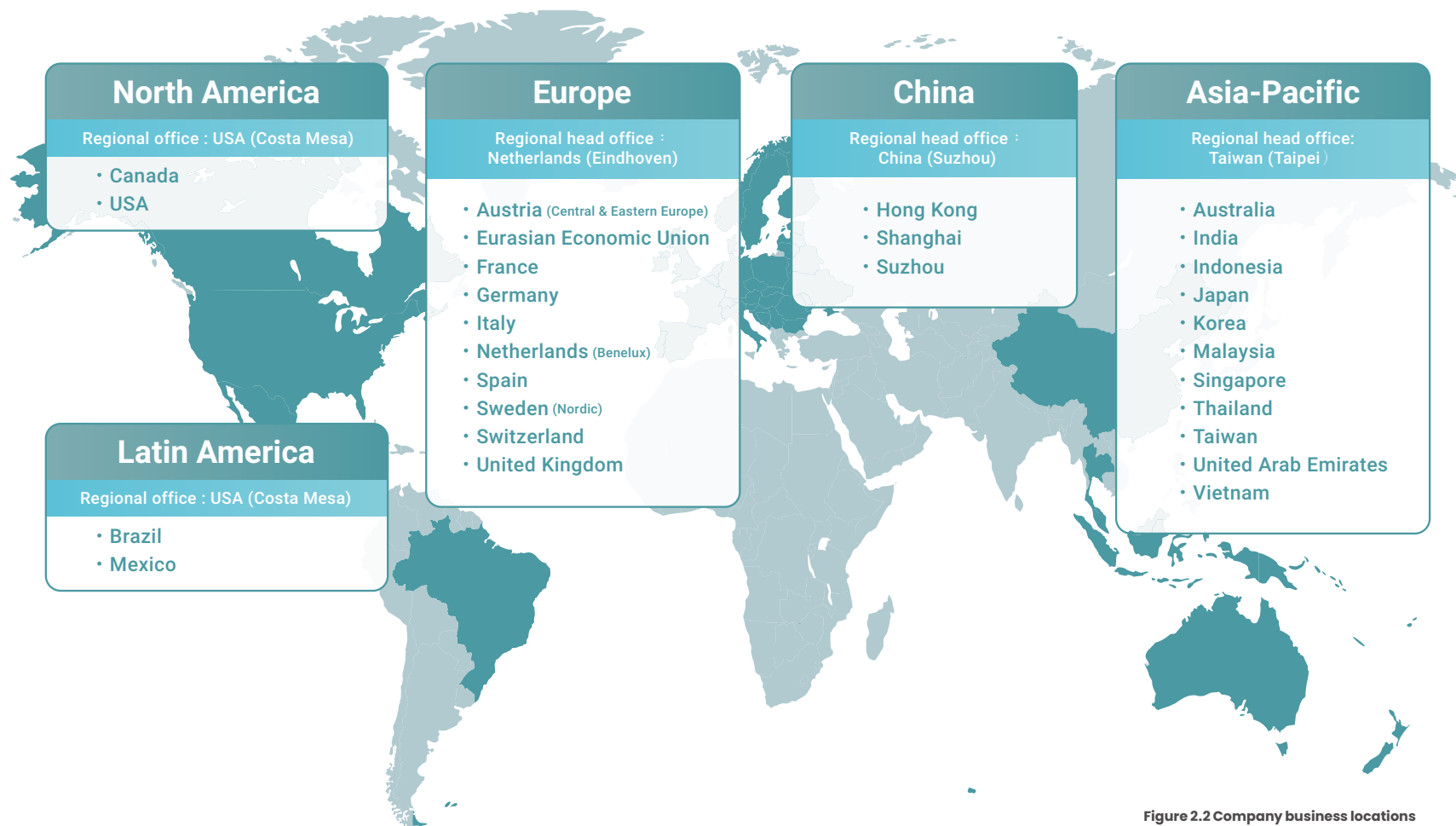
North America
Regional office : USA (Costa Mesa)

- Canada
- USA

Latin America
Regional office : USA (Costa Mesa)

- Brazil
- Mexico

Europe
Regional head office：Netherlands (Eindhoven)

- Austria (Central & Eastern Europe)
- Eurasian Economic Union
- France
- Germany
- Italy
- Netherlands (Benelux)
- Spain
- Sweden (Nordic)
- Switzerland
- United Kingdom

China
Regional head office：China (Suzhou)

- Hong Kong
- Shanghai
- Suzhou

Asia-Pacific
Regional head office: Taiwan (Taipei）

- Australia
- India
- Indonesia
- Japan
- Korea
- Malaysia
- Singapore
- Thailand
- Taiwan
- United Arab Emirates
- Vietnam

Figure 2.2 Company business locations

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

- Global decision making at the headquarters and local execution at the regional marketing centers. To strengthen the foundation of its international brand, BenQ has set up a decision center for global marketing and a service management system at its global headquarters to streamline and optimize its marketing and service management to understand the market, predict demand, improve service management and vendor management, and raise overall operational efficiency.

- Deepening the core markets and pursuing innovation-based growth We continuously develop our products and expand our markets. We integrate with upstream technology partners to launch market-leading and differentiated products, such as eye-protecting monitors, gaming monitors, DLP 4K projectors, large commercial displays, interactive touchscreens for educational settings and smart eye-protecting desk lamps, to enhance our product competitiveness and brand value and consolidate our brand position. Leveraging our R&D strengths in vision technology, mobile technology, and design capabilities, as well as our extensive advantages in key components and technologies, we remain committed to developing value-added, innovative products and expanding our market footprint by keeping ahead of market trends.

2.3.3 Description of Operations

LCD displays:

People's budget for consumer electronics have significantly given way to household goods due to increasing inflation, freezing the demand for LCD displays. Coupled with a significant slowdown in commercial applications due to corporate budget cuts, recession in pandemic-driven demand and global political and economic instability, global LCD display sales in 2022 has reduced significantly. In 2022, the sales volume decreased by 24% YoY, and the turnover decreased by 16% YoY. The Chinese market continued to grow by 5% YoY, the North American market decreased by 7% YoY, the Asia-Pacific market decreased by 16% YoY, and the European market saw the greatest decrease by 37% YoY due to the war between Russia and Ukraine. Despite the economic slowdown, the Company continued to focus on specific markets: The MAC Friendly marketing campaign was launched for professional displays in the fourth quarter and a collaboration with Pantone began on the sale of digital color swatches; even though there was a 27% YoY decline in sales, business has returned to a state of steady growth, with a 16% QoQ growth. MOBIUZ Gaming monitors, designed for gamers who enjoy immersive gaming experience, saw sales increasing 32% YoY and 64% QoQ despite facing the challenge of competition by various brands through price cuts. We continued to strengthen the communication of gaming experience through marketing and maintained the momentum for growth. A new generation of high-end gaming monitors was launched in the fourth quarter, and the market response was favorable, driving the sales of 240Hz/360Hz ZOWIE gaming monitors equipped with the exclusive DyAc technology to grow by 11% YoY and 18% QoQ in the fourth quarter.

Projectors:

In a market characterized by rising inflation, global market shipments decreased by 2.2% YoY in 2022. Revenues from projector sales grew by 5% YoY due to higher-priced models being the mainstay of sales. The Company continues to cultivate the home theater market with 4K resolution and our world-leading CinematicColor™ color management technology; we have integrated Android TV and added gaming to expand into new markets, and we have included new professional areas to segment the market, such as miniature projectors and sports/aircraft simulation and other interactive entertainment. In response to the shortage of key components, we adjusted our product portfolio and inventory management to minimize the impact on our supply chain, and focused on models with high profitability in both production and sales.

2.3.4 Industry Overview and Impacts

(1) **Current situation and development of the industry**

- LCD displays: In 2022, the global LCD display market experienced a negative annual growth of 6.6% according to market research organizations. Looking forward to 2023, with the pandemic easing and countries around the world lifting controls, the demand for consumer and gaming products is rapidly declining; the market for commercial applications has also been impacted by inflation and excess inventory, and demand continues to be sluggish. The overall display market is expected to continue to decline compared to last year. Therefore, how to reduce the inventory of finished products and control the inventory level of materials has become an important issue and

challenge. In addition, meeting the urgent needs of customers and finding new demands and opportunities in the market are also important tasks. We will put our utmost efforts into utilizing the influence of our well-established supply chain to satisfy the needs of customers and the market in order to maintain our overall competitiveness.

- Projectors: Market research organizations estimated that the global projector shipments amounted to approximately 6.2 million units in 2022, and the global projector market growth rate is expected to remain steady or grow slightly in 2023. However, the proportion of high brightness, high resolution and lamp-free projectors will continue to increase, and the home projector market will continue to rise, leading to the continued growth of the 1080P and 4K home projector market. The market for projectors used in educational or commercial settings may decline due to large-size panels being impacted.

(2) Trends in the industry's development and competitiveness

• LCD displays: The LCD display market has become mature and saturated. In addition to cost and delivery flexibility, competition in the industry is driven by a variety of new functions, differentiation and special applications, such as gaming, cloud connectivity, wireless applications, or niche products such as thin, curved, high-color, high-resolution, and high-dynamic-contrast (HDR) products, which are all opportunities for brand customers to engage in collaborations with system assembly plants. In addition, the vertical integration of system assembly plants into the field of panel module assembly and design will not only increase added value, but also increase the ability to differentiate product design. Seeking production bases outside of China is a key issue strongly promoted by international brand customers. Qisda's Vietnam plant is the first DMS in the display foundry industry to produce a large number of products outside of China, and we will capitalize on this niche to further our leading position.

• Projectors: In recent years, commercial projectors have undergone continuous innovation and have seen improvements in resolution and brightness, as well as becoming smaller in size and lighter in weight, which, along with vendors' price-reduction strategies, has increased the market's willingness to use projectors. The scale of the global projector market is expected to be driven by the demand for high-brightness, high-resolution projections in large conference rooms and multimedia applications in home audiovisual rooms. In addition, with the popularity of personal mobile devices and the adoption of wireless transmission, it is expected that the use of personal and home audiovisual applications will become more popular than in the past, when the commercial and educational uses were the mainstay of the market.

2.3.5 Status of Operations

Unit: NTD/100 million

Item	Amount
Net operating income	151.49
Operating costs	141.21
Salaries and benefits	12.96
Interest payments or dividend distribution	16.94
Income tax	20.9

Operating income in 2022 was NTD 15,149,187,000, a decrease of 16.5% from NTD 18,149,380,000 in 2021; operating profit decreased by NTD 983,992,000.

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

In addition, the Company made contributions to the pension fund and paid pensions to retired employees in accordance with the law in 2022.

2.4 Board of Directors' Governance Structure

2.4.1 Selection of Directors

All members of BenQ's Board of Directors are appointed by a single corporate shareholder, Qisda Corporation, and their terms of office are in accordance with their appointment. There are no independent directors because the Company is a privately held company, but all of the members of the Board of Directors have more than five years of experience in business, law, finance, accounting or other fields required by the Company.

2.4.2 Structure and Operation of the Board of Directors

BenQ's Board of Directors operates in the best interest of the Company and all its shareholders. Each quarter, it conducts quarterly business reviews and adopts major resolutions. In a major event, an extraordinary board meeting may be held urgently. The Board consists of four directors, of which three are male and 1 is female; the Chairman does not hold any other position in the Company, while two of the directors also serve as employees of the Company.

None of the directors are related to each other, and in order to avoid conflicts of interest, the directors strictly observe the principle of recusal, and refrain from joining in discussions and voting on issues that involve their own interests.

K. Y. Lee, Chairman of the Board of Directors for this term, has the ability to lead, manage and communicate with various departments, and has the ability to plan and manage the blueprints and goals for sustainable development in the areas of environmental protection (E), social responsibility (S), and corporate governance (G). He therefore has the ability to communicate well with the directors and heads of the various departments through his extensive experience in the industry, to accurately and efficiently fulfill the needs of customers, and to give back to stakeholders through his holistic principles of sustainable development.

Item	1	2
Name	K. Y. Lee	Peter Chen
Gender	Male	Male
Role Position	Chairperson	Director
Specialty (including management skills of ESG material topics)	1. MBA, IMD Business School, Switzerland; BA, Electrical Engineering, National Taiwan University 2. With regard to sustainability issues, K. Y. Lee leverages his professional competence and experience in the Company's business and corporate governance as well as the promotion of environmental protection and social responsibility to focus on and lead the Company's efforts in the material sustainability topics of greenhouse gases and climate change, customer interests and social responsibility, employee welfare and care, talent cultivation and retention, social welfare, human rights assessment and social inclusion, risk management, brand management, privacy and information security, innovative technology products and services, and sustainable supply chain management.	1. MBA, US Thunderbird International; Technology MBA, Nation Chengchi University; BA, Electrical Engineering, National Cheng Kung University 2. With regard to sustainability issues, Peter Chen leverages his professional competence and experience in the Company's business and corporate governance as well as the promotion of environmental protection and social responsibility to focus on and lead the Company's efforts in the material sustainability topics of greenhouse gases and climate change, social welfare, human rights assessment and social inclusion, risk management, brand management, and innovative technology products and services.
Attendance Rate	100%	100%
Current position(s) in the Company and other companies	Chairman of Qisda Corp. Chairman of AUO Corp. Chairman of BenQ Corp. Director of BenQ Materials Corp. Director of Darfon Electronics Corp. Chairman of BenQ Foundation Director of BenQ BM Holding Corp. Director of BenQ BM Holding Cayman Corp.	President of BenQ Technology Product Center President of Qisda Corp. Director of BenQ Corp. Chairman and CEO of Qisda Corp. Director of Darfon Electronics Corp. Chairman of DFI Inc. Chairman of Partner Tech Corp. Chairman of BenQ Medical Technology Corp. Vice Chairman of Alpha Networks Inc. Director of Hitron Technologies Inc. Director of BenQ Materials Corp. Director of BenQ Foundation Director of BenQ Healthcare Consulting Corp. Director of Nanjing BenQ Hospital Co., Ltd. Director of Suzhou BenQ Hospital Co., Ltd. Director of BenQ Hospital Management Consulting (NanJing) Co., Ltd. Director of BenQ BM Holding Corp. Director of BenQ BM Holding Cayman Corp. Director of Qisda Corp. Director of Qisda (L) Corp. Director of Darly Venture (L) Ltd.

Table 2.1 BenQ's Directors and Supervisors

Item	3	4
Name	Jasmin Hung	Conway Lee
Gender	Female	Male
Role Position	Director	Director
Specialty (including management skills of ESG material topics)	1. MBA, California State University, Fullerton 2. With regard to sustainability issues, Jasmin Hung leverages her professional competence and experience in the Company's business and corporate governance as well as the promotion of environmental protection and social responsibility to focus on and lead the Company's efforts in the material sustainability topics of greenhouse gases and climate change, employee welfare and care, talent cultivation and retention, risk management, and sustainable supply chain management.	1. MBA, South Mississippi University 2. With regard to sustainability issues, Conway Lee leverages his professional competence and experience in the Company's business and corporate governance as well as the promotion of environmental protection and social responsibility to focus on and lead the Company's efforts in the material sustainability topics of greenhouse gases and climate change, customer interests and social responsibility, employee welfare and care, talent cultivation and retention, social welfare, human rights assessment and social inclusion, risk management, brand management, privacy and information security, innovative technology products and services, and sustainable supply chain management.
Attendance Rate	100%	100%
Current position(s) in the Company and other companies	CFO of Daxon Technology Inc. Finance Manager of Qisda Corp. Director of BenQ Corp. CFO of Qisda Corp. Director of Alpha Networks Inc. Director of MetaAge Corp. Director of Data Image Corp. Director of Darfon Electronics Corp. Director of K2 International Medical Inc. Chairman of Darly Venture Inc. Chairman of Darly2 Venture Inc. Chairman of Darly Consulting Corp. Director of BenQ Healthcare Consulting Corp. Director of Qisda Optronics Corp. Director of BenQ Hospital Management Consulting (NanJing) Co., Ltd. Director of BenQ Biotech (Shanghai) Co, Ltd Director of Nanjing BenQ Hospital Co., Ltd. Director of Suzhou BenQ Hospital Co., Ltd. Director of Suzhou BenQ Investment Co., Ltd. Director of Shanghai Tech Filter Co., Ltd. Director of Qisda Corp. Director of BenQ BM Holding Corp. Director of BenQ BM Holding Cayman Corp. Director of Qisda (L) Corp. Director of Qisda Sdn. Bhd. Director of Darly Venture (L) Ltd.	Director and President of BenQ Corp. Chairman of BenQ Materials Corp. Vice President of Qisda Corp. Chairman of BenQ Asia Pacific Corp. Director of BenQ Materials Corp. Chairman of BenQ INFTY Lab Ltd. Chairman of BenQ (Shanghai) Co., Ltd. Chairman of BenQ Intelligent Technology (Shanghai) Co., Ltd. Director of BenQ Intelligent Technology (Hong Kong) Co., Ltd. Director of BenQ Foundation Chairman of BenQ Europe B.V. Chairman of BenQ America Corp. Chairman of BenQ Latin America Corp.

Table 2.1 BenQ's Directors and Supervisors

Item	5
Name	Ta-Wen Liu
Gender	Male
Role Position	Supervisor
Specialty (including management skills of ESG material topics)	1. Department of Accounting, National Chengchi University
Attendance Rate	100%
Current position(s) in the Company and other companies	Head of Finance of BenQ Europe Supervisor of BenQ Corp. Director of E-Strong Medical Technology Co., Ltd. Director of BenQ Dialysis Technology Corp. Director of BenQ Guru Software (Suzhou) Co., Ltd. Director of Qisda (L) Corp. Director of Qisda Corp. Supervisor of Qisda Optronics Corp. Supervisor of Darly Venture Inc. Supervisor of Darly2 Venture Inc. Supervisor of Darly Consulting Corp. Supervisor of K2 International Medical Inc Supervisor of Golden Spirit Co., Ltd. Supervisor of Bigmin Bio-Tech Company Ltd.. Supervisor of BenQ Healthcare Consulting Corp. Supervisor of Qisda Japan Co., Ltd. Supervisor of Nanjing BenQ Hospital Co., Ltd. Supervisor of Suzhou BenQ Hospital Co., Ltd. Supervisor of BenQ Hospital Management Consulting (NanJing) Co., Ltd. Supervisor of Suzhou BenQ Investment Co., Ltd. Supervisor of Qisda (Suzhou) Co. Ltd. Supervisor of Qisda Electronics (Suzhou) Co. Ltd. Supervisor of Qisda Optronics (Suzhou) Co. Ltd. Supervisor of Qisda (Shanghai) Co. Ltd. Supervisor of Suzhou Qisda Precision Industry Co. Ltd. Supervisor of Qisda Vietnam Co. Ltd.

Note: Public information on BenQ's directors and supervisors can be found in the Commercial Industrial Services Portal's Commercial and Industrial Registration Information Publication and Search System.

Table 2.1 BenQ's Directors and Supervisors

2.4.3 Mechanism for the Board of Directors to Supervise Operations and Sustainable

Development Issues

The Board of Directors is the highest governance as well as risk management and supervision body, supervising the Company's development strategies and management-level executives and being accountable to the Company and its shareholders. The Board of Directors carries out its duties according to the operational processes, internal controls and internal audit procedures in the corporate governance system, laws and regulations, the Company's Articles of Incorporation, and resolutions passed at shareholders' meetings; in addition, the Board of Directors must also review and approve the annual financial statements, quarterly financial statements, and an assessment of the effectiveness of the internal control system.

Independent operation and transparency are emphasized for the Board of Directors, with directors exercising their duties independently and supervisors assisting the Board in overseeing the Company's quality and integrity in the execution of accounting, auditing, financial reporting processes and financial controls, internal controls, compliance with laws and regulations, and investment decisions, in order to enhance the performance of the Company's corporate governance.

On sustainability issues, the Chairman and CEO (who serve as directors) participate in ESG Promotion Committee meetings to listen to reports on operations and sustainability-related action strategies and risk management measures; check the contents of reports as well as obstacles and results arising from the measures' implementation; effectively supervise progress and resource investment; confirm short-, mid-, and long-term plans; and manage performance assessment results. Units in charge of executing the measures may report to the Chairman and CEO (who serve as directors) on a regular basis or sporadically depending on the issues' significance to include relevant resolutions for follow-up.

For each year's sustainability report, the ESG Promotion Committee discusses material topics with each unit as well as reviewing and examining the contents of the report. In order to ensure the completeness and accuracy of the sustainability report, an independent third-party verification agency is appointed to verify the contents of the report, and the Board of Directors participates in the process with a supportive and proactive attitude or assigns employees to complete the task. The final sustainability report is presented to the members of the Board of Directors before it is released.

2.4.4 Continuing Education for Directors

Through continuing education courses on the Company's business and sustainability issues that the Company's staff organize or help to enroll them in, members of the Board of Directors continually enhance their knowledge, competence, legal literacy, decision-making quality and operational effectiveness on economic, environmental and social issues, as well as acquiring a certain level of knowledge on new trends, the Company's operations, and sustainability issues.

2.4.5 Directors' Remuneration and Performance

BenQ is a wholly owned subsidiary of Qisda. The directors of BenQ are directly appointed by the parent company, Qisda, to serve as directors without receiving any remuneration. The parent company appoints candidates based on the operational status of the Company and the performance of the directors during their term in office. In addition, the parent company will continue to focus on sustainable development and have the members of the Board of Directors enhance their capabilities to manage impact from ESG material topics and include it in the performance evaluation from the Group's perspective.

2.4.6 Other Mechanisms

In addition to regular management by the Board of Directors, the supervisor and the accountant also play a supervisory role to prudently review the execution of operations by the Company and the Board of Directors, in order to implement the aforementioned principles of corporate governance for the protection of shareholders' rights and interests, the enhancement of the Board of Directors' functions, and the fulfillment of the supervisor's functions.

2.5 Accolades

International awards Total **342+**

24 awards	56 awards	70 awards	6 awards	150 awards	36 awards
Golden Pin	RED DOT AWARD	G MARK	IDEA	IF DESIGN AWARD	Other

BenQ's unique design positioning has been recognized by the international design community ever since its establishment. Through the years we have garnered over 300 design awards, and we have received five international design awards in 2022. Since its establishment, BenQ has won four major international design awards, including 153 iF awards, 56 red dot awards, 6 IDEA awards, and 74 G Mark awards. In addition, the "Taiwan Excellence Award" was given to the Interactive Displays for Education, the GV30 Mini LED Portable Projector, the EW3880R monitor with eye-protection technology, and the ScreenBar Halo screen lamp.

BenQ's design strength has also drawn the attention of international media and has been featured on the cover of BusinessWeek several times, commending BenQ's innovative design for breaking free from the shackles of slim profits and maintaining Taiwan's competitiveness. As the Lifestyle Design Center draws people's attention, Taiwan's overall design strength is increasingly receiving exposure and recognition.

2022	2022	2022	2022
IF Design Award and Golden Pin	**IF Design Award**	**Good Design Awards (G-Mark)**	**Good Design Awards (G-Mark)**
for the BenQ E60 Projector	for the BenQ Palette Master Ultimate	for the ZOWIE EC Series Wireless Mouse	for the ZOWIE RX Series Gaming Monitor

Table 2.3 List of awards

2.6 Participation in Associations

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

In 2022, BenQ joined the following associations related to the information industry:

Table 2.4 Role in associations

Name of association	Management Role	Membership Role
Neihu Technology Park Development Association (NTPDA)	✓	✓
Association of Taiwan Bio-based and Sustainable Material Industry (TBSM)		✓
Taiwan Excellent Brand Association (TEBA)	✓	✓
ICC (International Color Consortium)	✓	✓
Taiwan Electrical and Electronic Manufacturers' Association (TEEMA)		✓

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

3.1 Sustainable Organization —BenQ ESG Committee

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

BenQ's ESG Committee is chaired by the Chairman of the Board of Directors, and each functional team is led by the CEO (who is a director); the head of the relevant unit serves as the team leader, and reviews, formulates, and promotes action strategies and risk management measures. They jointly identify short-, medium-, and long-term plans; manage the results of the performance evaluation; and report them to the Chairman of the Board of Directors and the CEO (as a director) at least once a year.
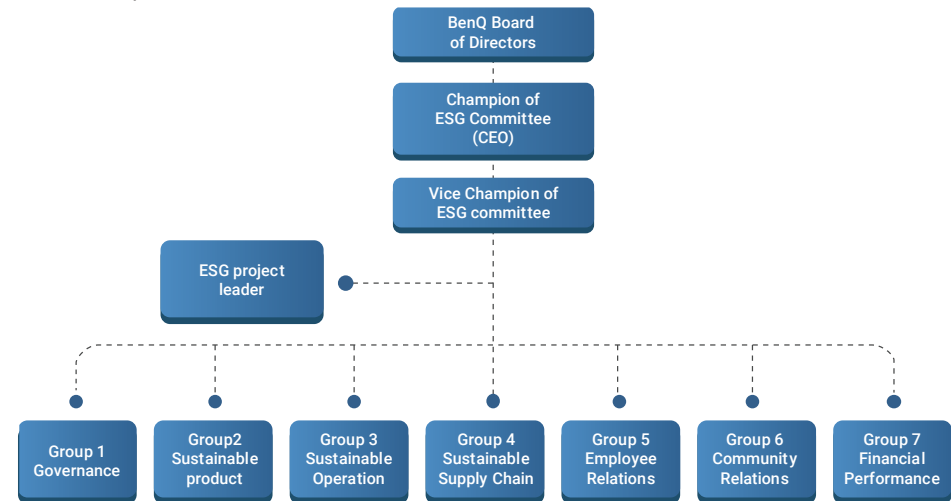
CHAPTER 03

Material Topics

BenQ Board of Directors

Champion of ESG Committee (CEO)

Vice Champion of ESG committee

ESG project leader

| Group 1 Governance | Group2 Sustainable product | Group 3 Sustainable Operation | Group 4 Sustainable Supply Chain | Group 5 Employee Relations | Group 6 Community Relations | Group 7 Financial Performance |

Figure 3.1 Organization of the BenQ ESG Committee

The functional teams, which includes employees from the Company's departments and sustainability-related organizations, collects information on sustainability trends and issues from the government, customers, industry peers and from around the world; reviews the results of the risks and opportunities identified by each unit through the Company's risk management and performance evaluation mechanisms; and manages the progress of the implementation of the measures, the obstacles that have arisen from implementation of the measures, and the results of the performance evaluation.

ESG Policy – BenQ's Corporate Social Responsibility Pledge

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

Table 2.4 Role in associations

3.2 Analysis of Material Topics

1.Understanding the organizational context

1. Identifying stakeholders: As a global brand, BenQ believes that maintaining barrier-free communication facilitates the full understanding of the ideas and needs of stakeholders. Therefore, based on the five principles of the AA1000 SES (Stakeholder Engagement Standard, 2015 edition) – namely dependency, influence, tension, responsibility, and diverse perspectives – and the stakeholders listed by our industry peers, the ESG Committee has identified five categories of stakeholders after discussion and confirmation: shareholders (BenQ's parent company Qisda), customers (branch offices), employees (those at the head office), suppliers, and communities and social groups.

2. Collecting issues of concern: We analyzed global trends, industry characteristics, internal and external business activities, and international standards and guidelines (GRI, TCFD, SASB), and then we collected and inventoried sustainability issues that are of concern, totaling 20 issues of concern.

2.Identification of actual and potential impacts

In order to set a good example for the industry, BenQ takes into account the interests of all stakeholders; responds to, formulates, and implements action plans through the communication channels listed in the table below; continuously communicates with stakeholders; collects and identifies actual and potential impacts of each issue of concern; and provides feedback in order to achieve the goal of sustainable development.

Stakeholder	Purpose of engagement	Issue of concern	Communication method/involvement of top governance body	Frequency of communication	Effectiveness of engagement
Investor	To continuously create profit, strengthen corporate governance, control and manage risks in a steady manner, promote innovative products and services, and achieve the goal of sustainable development. **Target of communication** Parent company	Customers' interests and social responsibility Brand management Innovative technology products and services	Business presentations Board of Directors	Quarterly Quarterly	Please refer to Chapter 2 and Chapter 7 for details.
Customers	The Company has to interact with customers, only by maintaining close relationships, strengthening innovative services, improving quality and satisfying customer demand can the Company expand and develop. **Target of communication** Customers of BenQ's main business	Customers' interests and social responsibility Human rights assessment, social diversity and inclusion Innovative technology products and services	Customer service hotline Website/system platform Channel vendors	Anytime Anytime Anytime	Please refer to Sections 7.4 and 7.6 of Chapter 7 for details.
Employees	We are only able to pursue steady sustainable development if we value our employees and view them as the cornerstone of our company, make employee retention our goal, respect labor rights, adopt a strategy of nurturing and retaining talent plus diverse communication strategies, and create a healthy and friendly workplace culture. **Target of communication** All employees	Employee welfare and care; talent cultivation, recognition, and retention Human rights assessment, social diversity and inclusion Privacy of personal data, information security	E-newsletters Business presentations Brand/cultural events Welfare Committee Labor–management meetings Welfare Committee Employee feedback surveys	Daily Monthly Quarterly Quarterly Quarterly Quarterly Biannually	Please refer to Chapter 5 for details.
Suppliers	The Company's operation and development has always needed the support and growth of suppliers. Therefore, in the pursuit of environmental protection, social responsibility and corporate governance of sustainable development issues, it is even more necessary to continue to communicate with suppliers and grow hand in hand with them as we march toward shared sustainability goals. **Target of communication** Suppliers of raw materials, equipment, or services	Privacy of personal data, information security Innovative technology products and services Sustainable supply chain management	Quarterly business reviews (QBR)	Quarterly	Please refer to Chapter 8 for details.
Communities and Social groups	To participate in activities organized by communities and social groups to promote sustainable development and co-create sustainable prosperity. **Target of communication** Local communities Corporation aggregates and charitable foundations	Greenhouse gases and climate change Social welfare Human rights assessment, social diversity and inclusion	Taipei Neihu Technology Park Management Association/Taipei Neihu Technology Park Development Association meetings BenQ Foundation Representative's mailbox, fax, and telephone	Quarterly Sporadically Anytime	Please refer to Section 5.5 of Chapter 5 for details.

Table 2.4 Role in associations

3. Evaluation of significance of impact

We evaluate the degree of actual and potential impacts of the issues of concern and the feedback stated by the stakeholders, compile the information for the ESG Committee so that it can make decisions on and rank material topics of the current year and report to the Board of Directors.

4. Prioritization of the most significant impact for reporting

The ESG Committee (with 16 members present) took into account the important information compiled from the first three steps on material topics of 2022, and analyzed the degree of impact of each topic after consulting with experts from both inside and outside the Company in light of international trends and industry practices, and then ranked the topics of the year by most significant impact to be published in this report.

After the ESG Committee discussed factors such as impact on operations and customer demand, it was decided that this year's material topics would continue to be modeled after the material topics of 2021, totaling 10 topics. BenQ will respond with our practices and approaches for the material topics in each section of this report, and formulate action plans and management measures.

Item	Material topic	Indicator	Stakeholder group	Aspect impacted	Impact assessment
1	Greenhouse gases and	GRI305	Shareholders	Environmental aspect Actual negative impact	Due to laws and regulations as well as trends in the market, we will continue to invest resources and manpower in greenhouse gas inventories every year, and at the same time take into account the risks and opportunities of climate change in order to achieve the Company's goal of sustainable development.
2	climate change	Customized topic	Shareholders Suppliers Social groups	Social (social responsibility-employee) aspect Actual positive impact	We continuously optimize the quality of our products and services, enhance the quality management of our customer service, provide the best service quality, and deepen the good relationships and long-term collaborations we have with customers in order to implement our goal of being the industry benchmark.
3	Customer interests and	GRI401	Employees Customers Social groups	Social (social responsibility-employee) aspect Actual positive impact	We see our employees as important assets. In addition to responding to the requirements stipulated in the labor laws and regulations of local governments, the Company is also actively building a system of employee welfare, care and talent cultivation to gain employee recognition and retain talent for the Company's sustainable and stable development.

Table 3.2 Analysis of material topics

Item	Material topic	Indicator	Stakeholder group	Aspect impacted	Impact assessment
4	social responsibility	GRI404	Social groups Customers Employees Social groups	Social (social responsibility) aspect Actual positive impact	We have long paid attention to public welfare, and we are fulfilling our corporate social responsibility by continuously investing in healthcare, education, the environment, as well as assistance and support for public welfare organizations, thus enhancing the Company's social influence.
5	Employee welfare and care; talent cultivation, recognition, and retention	Customized topic	Suppliers	Social (social responsibility-employee) aspect Actual positive impact	Increase the Company's social influence by recognizing the human rights of labor and providing a reasonable salary, bonus, and welfare system
6	Social welfare	Customized topic	Shareholders Employees Social groups	Economic (corporate governance) aspect Potential negative impact	In order to meet the expectations of our stakeholders, we must establish a sound governance structure that can identify and control risks and proactively respond to impacts so as to ensure the stable growth of our Company's performance.
7	Human rights assessment and	Customized topic	Shareholders Employees Social groups	Economic (corporate governance) aspect Actual positive impact	We continuously add value to our brand, and actively develop our products and services so as to increase our market influence and make us a leader in the market.
8	social diversity and inclusion	Customized topic	Shareholders Employees Suppliers Social groups	Economic (corporate governance) aspect Potential negative impact	We maintain the privacy of the personal data kept by the Company and information security of our systems, and actively protect our customers' information and business secrets in order to effectively safeguard our customers' interests and corporate competitiveness.
9	Risk management	GRI 418	Shareholders Customers Suppliers	Social (social responsibility-customer) aspect Actual positive impact	Through innovative technology and continuous investment, we improve our products and services, gain recognition in the international market, and build up our Company's capability for sustainability; this is a key strategy for future business development and environmental protection.
10	Brand management	Customized topic	Suppliers	Environmental and social (social responsibility) aspects Potential negative impact	To us, suppliers are important partners in achieving sustainable development, and only when they share the same philosophy and proactive attitude as us can we effectively realize our sustainable development goals.

Table 3.2 Analysis of material topics

3.3 Summary of policy commitments and management approaches for material topics

Item	Material topic	Policy commitments	Management approach
1	Greenhouse gases and climate change	We support sustainable development, and implement energy conservation and carbon reduction measures.	We set energy conservation and carbon-reduction targets annually through phased and target-oriented planning across our Group. We monitor the impact of climate change on the Company. BenQ's future goals will be to achieve a 20% reduction in carbon emissions in the supply chain and RE60 for the Company by 2030, RE100 by 2040, and net-zero emissions by 2050.
2	Customers' interests and social responsibility	Customer interests: BenQ's priority is to improve the quality of customer service. We are committed to providing better products and services to ensure customers' needs are met.	• Our system management mechanism tracks customer feedback on product or service quality in order to make improvements and to optimize product and service processes. • Our regular product knowledge and technical service training helps improve customer service quality and efficiency. • We actively listen to and collect customers' opinions and needs to enhance our products and meet market demand.
		Social responsibility: BenQ recruits employees based on the principles of equal opportunity, matching the right talent to the right job, and prioritizing internal over external appointments.	BenQ gives priority to hiring local workers.
3	Employee welfare and care; talent cultivation, recognition, and retention	BenQ regards employees as its most important asset. Our robust welfare and care system allows employees to be worry-free; our diversified training system helps to enhance overall employee competitiveness and facilitate the acquirement of the knowledge and skills	• In line with our business strategy and organizational development needs, BenQ runs a comprehensive and diversified education and training system that consists of job orientation and training courses for employees' career development to enhance their professional knowledge and skills in a comprehensive manner. • We do not discriminate based on race, gender, marital status, age, political stance or religious beliefs in our recruitment and retention of talent.
4	Social welfare	"From the influence of technology to the social integration of rural communities"	With people and the land as the basis, and "Caring for the Earth" and "Caring for Society" as the vertical and horizontal axes, the four main axes of "Reducing the Digital Divide," "Cultivating Honest and Smart People," "Enhancing our Original Culture and Values," and "Caring for the Earth" are integrated with the Company's core competencies, to cultivate outstanding talent and good citizens.

Table 3.3 Policy commitments and management approaches for material topics

Item	Material topic	Policy commitments	Management approach
5	Human rights assessment, social diversity and inclusion	Not to discriminate based on race, ethnic or social origin, ancestry, social class, nationality, religious beliefs, physical disability, gender, sexual orientation, family responsibilities, marital status, union membership, pregnancy status, age or political affiliations, and not to employ child labor and forced labor.	• We comply with local minimum age laws and regulations prohibiting child labor. • We respect the wishes of employees and prohibit forced labor of any kind. • We care about working conditions and do not treat employees in an inhumane manner; we prohibit any type of insulting behavior.
6	Risk management	BenQ's business continuity plan (BCP) manages the major risk situations identified by the Risk Management Committee: Identification and prevention before events occur; response and mitigation when events occur; recovery and risk transfer after events have occurred.	Through regular drills and exercises, BenQ collects, integrates, evaluates, assesses, and decides on situations in real time, and achieves our recovery objectives in order to strengthen our employees' familiarity with BCP. BenQ gives priority to hiring local workers.
7	Brand management	With our vision of "Bringing Enjoyment 'N' Quality to Life" as our starting point, BenQ aims to provide our customers with a more enjoyable digital lifestyle, higher-performance operations, advanced medical equipment services, and more flexible learning. We also hope to pursue profits and growth while fulfilling our corporate responsibility and having a positive impact on society and the public to achieve sustainable operations.	• Integrity and Self-Discipline: We are committed to moral integrity, leading by example, abiding by the Company's code of conduct and regulations, upholding our promises, and not engaging in dishonest tactics. • Passion and Service: We complete tasks with a proactive attitude, and treat our work and colleagues with care. • Pursuit of Excellence: We are open-minded about innovation and change, and we continuously learn, grow, and seek improvement. • Care and Contribution: We are committed to environmental protection and sustainable development, as well as the interests of our customers, society, and the environment.
8	Privacy of personal data, information security	BenQ complies with ISO 27001, the international standard for information security, in setting up and following information security policies to ensure the confidentiality, integrity, availability, and legality of information and to prevent intentional or accidental threats.	Through its information security management system, BenQ implements information security policies, protects customer data and the Company's intellectual output, enhances information security incident response capabilities, meets information security policy measurement targets and stakeholder expectations, and continuously improves the Company's information security control mechanism through the PDCA mechanism, all of which helps to improve the Company's competitiveness.
		BenQ respects and is committed to protecting the privacy of customers, employees and vendors. BenQ complies with laws and regulations regarding the protection of personal privacy and the security of personal data. We are committed to ensuring the privacy of customers when doing business with them.	• We regularly train new employees on personal data protection and privacy related issues. • We conduct personal data privacy protection inventories for the major risk points in information systems, service platforms, products under development, and customers and vendors in contact with each department of our Company. Each unit must make improvements when deficiencies are identified.
10	Sustainable supply chain management	BenQ takes responsibility and actively works with vendors to build a sustainable supply chain that protects the environment and upholds human rights, safety, health, and sustainable development.	BenQ conducts rigorous written and on-site audits for vendor selection, and requires ISO certification documents and conflict minerals investigation forms to establish long-term relationships through a mechanism that jointly fulfills the spirit of corporate social responsibility.

Table 3.3 Policy commitments and management approaches for material topics

CHAPTER 04

Environmental, Health and Safety Management and Greenhouse Gas Management

Management approach

As a member of the global community, BenQ has been demonstrating its support for sustainable development and implementing energy conservation and carbon reduction measures for years, and has set sustainable development goals through phased, goal-oriented planning.

2022 targets and results:

Item	Target	Performance
1. With 2020 as the base year, BenQ's head office in Taiwan has continued to reduce carbon emissions annually.	1%	Not Yet Achieved
2. Compared to 2021, per capita electricity consumption was reduced in 2022.	1%	Achieved
3. Zero occupational accidents and fires throughout the year	0	Achieved

*Notes on targets that were not achieved: GHG Scope 1 and 2 emissions increased by 4.5% in 2022 compared to 2020, mainly due to an increase in the number of employees, which led to an increase in the total amount of electricity used. If converted to per capita carbon emissions, then there is a decrease: 1.47 (tCO2e/year) in 2020; 1.24 (tCO2e/year) in 2022.

2023 targets:

1. With 2020 as the base year, BenQ's head office in Taiwan has continued to reduce carbon emissions by 1% annually.

2. Compared to 2022, electricity consumption in public areas has reduced by 1% in 2023.

3. Zero occupational accidents and fires throughout the year

4.1 Environmental Health and Safety Management

4.1.1 Social Responsibility and Environmental Health and Safety Policy

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

- Promote corporate social and environmental responsibility, and comply with regulatory standards.
- Design green products to reduce the use of substances that may impact the environment.
- Prevent pollution, save energy, ensure health and safety, and continuously improve processes and products to reduce risks to health and safety.
- Provide a healthy and safe working environment to maintain the physical and mental health of employees.
- Provide a safe and healthy work environment to maintain employees' physical and mental health.

The Social Accountability and Environmental Safety & Health Policy

> Facilitating corporte social and environmental responsibility & complying with laws and regulations.

> Reducing the use of environmental-related substances & eliminating environmental impacts with green design.

> Preventing pollution, conserving energy, improving safety & health, and continuously reducing hygiene risks.

> Creating a safe and healthy workplace for better physical and mental health of the employees.

> Fully participating in continuous enhancement to the environment, safety, and health through auditing and communication.

Fig. 4.1 BenQ's social responsibility and environmental health and safety policy

Approach:

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

4.1.2 BenQ's Environmental Health and Safety Organization and Responsibilities

To implement environmental health and safety management, BenQ's President convenes the heads of all departments to form the "Social Responsibility and Environmental Health and Safety Management Committee" at our head office. The President assigns a management representative to manage environmental and safety matters and set up a promotion team within the Company. The implementation of BenQ's environmental health and safety policy is formulated by the President, and the details of the planning and implementation are carried out by the management representatives and the promotion team. Through regular social responsibility and environmental health and safety management reviews, committee members are briefed on implementation performance and can propose approaches to take for the future.
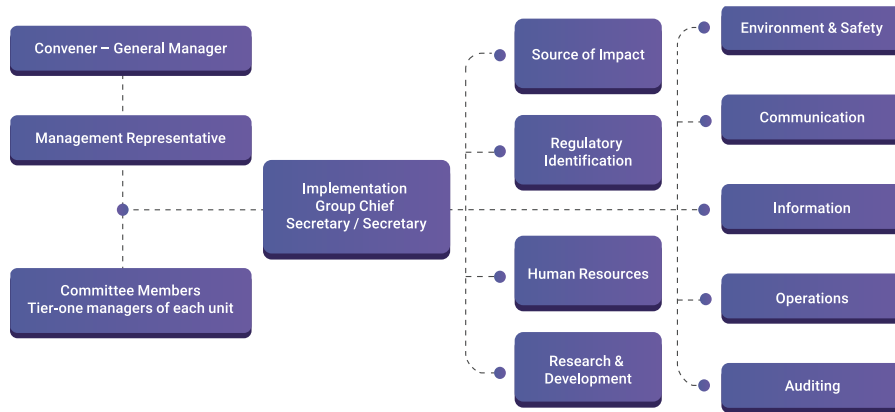

Figure 4.2 Organizational Chart of the Social Responsibility and Environmental Health and Safety Management Committee

4.1.3 Environmental Health and Safety Certification and Monitoring

BenQ follows the ISO 14001 Environmental Management System and the ISO 45001 Occupational Health and Safety Management System at its head office, and has been certified for both standards. Currently, the structure of BenQ's environmental health and safety certification and monitoring is as follows:

- Internal audits are conducted once a year so that departments can observe and monitor each other.

- A third-party verification agency conducts external audits every year.

- We request our partner vendors to work with us to protect the environment and maintain employee health and safety.

- We conduct labor working environment monitoring every six months to understand what the working environment is actually like for employees in order to ensure their health and safety.

- We execute automatic inspection programs at the frequency required by law to ensure safe operation of equipment.

- We regularly conduct on-the-job education and training sessions on health and safety as well as fire drills to enhance our employees' safety and fire awareness.

BenQ has a well-established Social Responsibility and Environmental Health and Safety Management Committee and a promotion team to make sure that health, safety, and hygiene requirements are met. Up until now, BenQ has not had any cases of occupational diseases caused by work, and the average occupational injury rate for 2022 is 0 per million working hours, and the incidence rate of occupational diseases is also zero.

Item	2020			2021			2022		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Disabling Frequency Rate (FR)	0	0	0	0	0	0	0	0	0
Lost Day Rate (LDR)	0	0	0	0	0	0	0	0	0
Occupational Diseases Rate (ODR)	0	0	0	0	0	0	0	0	0

Table 4.1 Comparison chart of performance in health and safety management

- Note 1: Disabling Frequency Rate (FR) = Cases of occupational accidents × 200,000* / total number of hours worked (* refers to the rate per 100 employees based on 40 hours of work per week for 50 weeks per year.)

- Note 2: Lost Day Rate (LDR) = Total number of lost workdays × 200,000 / total number of hours worked.

- Note 3: Occupational Diseases Rate (ODR): Total number of cases of occupational disease × 200,000 / total number of hours worked.

- Note 4: Occupational accidents refer to cases in which a worker's performance of duties results in death, permanent total disability, permanent partial disability, temporary total disability, or other injuries or illnesses that result in a loss of more than one day (including traffic accidents that occur during commute).

- Note 5: Occupational diseases refer to diseases caused by long-term exposure to chemical, physical, biological, anthropogenic, and psychosocial hazards during the performance of one's duties, which results in a physical illness, and is diagnosed by a specialist physician or identified as an occupational disease by the competent authority.
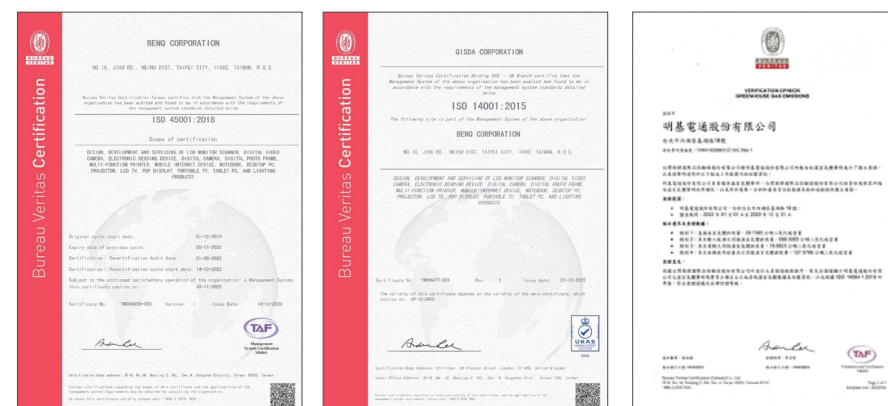

Figure 4.3 ISO 14001, ISO 45001, ISO14064-1 certificates

4.1.4 Waste Management

BenQ adopted a proactive approach to waste management. We continue to save energy and reduce waste wherever we can; we reduce waste at the source by classifying materials by recyclability and increase resource recovery. We hold 3R (Reduce, Reuse, Recycle) energy saving and waste reduction competitions to embed the habits of energy saving and waste reduction into our corporate culture. Through the competitions, all departments strengthen their efforts to promote energy saving and encourage employees to help save energy and reduce waste to make BenQ a green brand that truly loves the Earth.

Currently, the types of waste generated by BenQ are general waste, paper, aluminum cans, metal cans, PET bottles, plastic bottles, aluminum foil packaging and food waste, and we produce no hazardous waste as defined by the Basel Convention in our operations. In 2022, due to the easing of the pandemic, employees gradually returned to the office and the number of employees grew, thus the amount of general waste increased along with the amount of resources recovered. The implementation of the multiple-use drinking cup policy within the Company has effectively reduced the use of paper cups, and the amount of paper recycled has decreased significantly.

Table 4.2 Waste/resource recovery statistics for 2020–2022 (Unit: kg)

Time	General waste	Paper	Aluminum and metal cans	PET and plastic bottles	Aluminum foil packaging
2020	31,777	5,955	822	351	275
2021	30,745	4,345	756	301	220
2022	37,698	4,048	1,013	310	228

4.1.5 Water Resource Management

BenQ does not generate any wastewater in its operations, product design and development processes, and provision of services; only domestic wastewater is produced. Therefore, to manage domestic wastewater, oil-water separators operated and maintained by professionals have been installed, and they are incorporated into the government's sewage system, having no impact on water sources or the land in the process.

In addition, a wastewater testing company accredited by the Environment Protection Administration is commissioned to take samples of our wastewater discharge and test their quality every year; at the same time, the government also monitors the quality of the Company's wastewater discharge every six months, and take samples for analysis on a regular basis and at random intervals.

Table 4.3 Standards and results of the 2022 government inspection of discharge water quality

Inspection date Item	Standard	Result 2022/11/29	
Hydrogen ion concentration index	pH 5–9	7.9	Passed
Water temperature	45ºC	25.9	Passed
Suspended solids	600 mg/L	100	Passed
Chemical oxygen demand	1200 mg/L	261	Passed
Biochemical oxygen demand	600 mg/L	526	Passed
	Lipids (mineral): 10 mg/L	4.6	
Total lipids	Lipids (animal and plant): 30 mg/L	7.2	Passed
Sulfides	90 mg/L	0.02	Passed

BenQ's total water consumption in 2022 was about 21,000 m3/year. In terms of water resource management, the Company adopted the work-from-home model in 2021

due to the pandemic, thus water consumption decreased. However, the pandemic eased in 2022, so the Company's employees returned to the office. Our employees cooperated with the Company's policy on water consumption, so

 total water consumption in 2022 increased slightly by about 3.8% compared to 2021. The Company will continue to execute water conservation measures. In addition, BenQ does not extract groundwater for its operations. Also,

the office building is equipped with an air-conditioning condensate recycling system, and most of the recycled water is used by the sprinklers to water plants and the toilets for flushing.

BenQ uses only a small amount of chemical solvents (for surface cleaning) in the product design process, and there is no spillage of chemical solvents during the process.
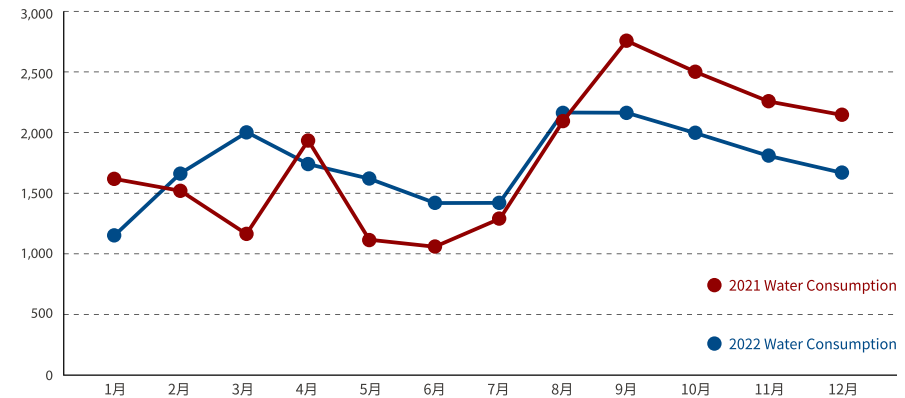
4.1.6 Ecological Management

The headquarters of BenQ are located in the Neihu Technology Park. BenQ does not own, lease, or manage any office building located in an ecological protection zone or water resource protection zone. BenQ is purely a branding and design company without any production line, and does not engage in any activity that would have a negative impact on biodiversity. Our operations, product design and development processes, and provision of services do not affect the environment and ecosystems.

As for utility equipment, we use diesel to power emergency generators. This diesel fuel, when burned, produces a very small amount of SOx, which has a minimal impact on the environment, so SOx and NOx are not measured.

Comparison of water consumption in 2021 / 2022													
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Annual Total
2021	1147	1593	1976	1735	1585	1438	1437	2087	2098	1976	1794	1635	20501
2022	1635	1494	1159	1917	1108	1031	1340	2058	2751	2464	2226	2116	21299

Table 4.4 Water consumption from 2021 to 2022

4.2 Greenhouse Gas Management

BenQ conducts greenhouse gas inventories and verification programs, and refers to ISO 14064-1 and the requirements of greenhouse gas inventory protocols to complete our greenhouse gas emissions inventory and establish a greenhouse gas inventory standard mechanism. Through third-party verification, BenQ's total greenhouse gas emissions in 2022 were about 925.7264 tCO2e/year, as shown in Table 4.6.

The sources of BenQ's greenhouse gas emission are mainly carbon dioxide (CO_2) produced through the external generation of power needed for the Company's operations and greenhouse gases from gasoline used in the Company's internal operations. The increase in the amount of gasoline and diesel fuel consumed in 2022 is mainly due to the inclusion of the amount of gasoline used by manager's vehicles, and there is no significant change in the rest of the sources of GHG emissions. Our internal energy consumption in 2022 is shown in Table 4.5.

Table 4.5 Internal energy consumption in 2022

Item	2020	2021	2022	Note
Direct energy consumption				
Natural gas (1,000 m3)	0	0	0	
Gasoline (1000 L)	4.9661	3.7533	10.1013	Fuel consumption of new vehicles for managers
Diesel fuel (1000 L)	0	0	2.2429	Fuel consumption of new vehicles for managers
Indirect energy consumption				
Purchased electricity (kWh)	1,217.6763	1,166.1735	1,352.6650	

Note 1: Standards, methodologies and assumptions used for calculating internal energy consumption: The amount of energy consumed is the sum of the amount of consumption on the bills provided to the Company by the energy provider.
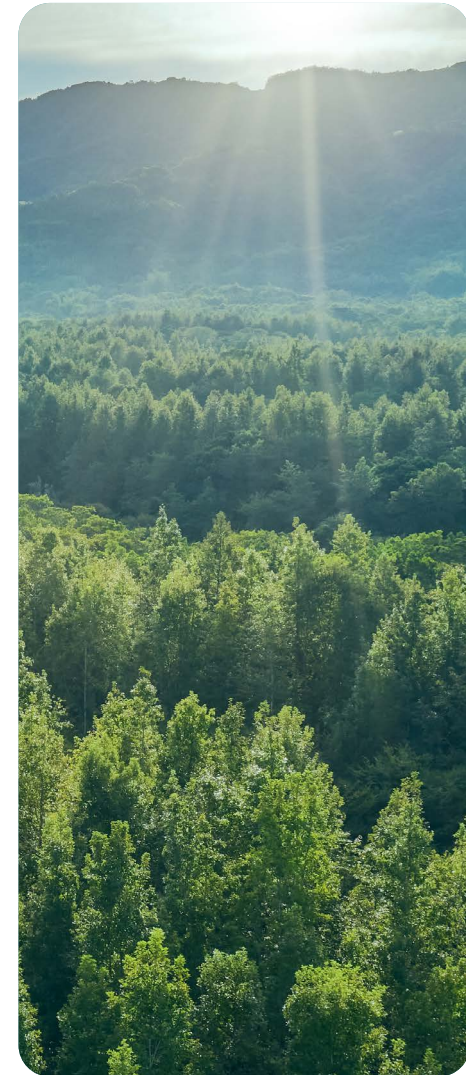
Table 4.6 Greenhouse gas emissions in 2022[1]

Scope	Category	2020 Emissions (tCO2e/year)	2021 Emissions (tCO2e/year)	2022 Emissions (tCO2e/year)
Scope 1	(Category 1) Direct GHG emissions	67.4964	8.8626	29.7585
Scope 2	(Category 2) Indirect GHG Emissions from energy input	619.7972	585.4191	688.5065
Scope 3	(Category 3) Indirect GHG emissions from transportation – business travel	Not calculated	30.8830	79.8825
	(Category 4) Indirect GHG emissions from organization's use of products – upstream energy emissions	Not calculated	Not calculated	127.5789
	Total GHG emissions	687.2936	625.1647	925.7264

1. Greenhouse gas emissions are aggregated as follows: greenhouse gas emissions = energy use x greenhouse gas emission factor x GWP (global warming power) value.
2. Emission coefficients are based on the "Management Table of Greenhouse Gas Emission Coefficients (Version 6.0.4)," as published by the Ministry of Environment.
3. The GWP value is based on the sixth IPCC Report published in 2022.
4. The electricity emission coefficients are based on the 2021 Annual Electricity Emission Coefficient of 0.509 kgCO2e/kWh as published in 2022 by the Bureau of Energy, Ministry of Economic Affairs.
5. The boundary for calculating energy use is BenQ's head office in Taiwan (No. 18, Jihu Road, Neihu District, Taipei City).
6. The approach used to consolidate GHG emissions is the operational control method; tenants are excluded.

Table 4.7 Description of GHG emissions by type of gas

Gas Type	Emissions (tCO2e/year)	Percentage in total emissions (%)
CO2	924.6842	99.89%
CH4	0.2385	0.03%
N2O	0.8036	0.09%
HFCs	0.000	0.00%
PFCs	0.000	0.00%
SF6	0.000	0.00%
NF3	0.000	0.00%

Under BenQ's philosophy of sustainable development, we do not halt our efforts simply because there are no significant changes to the sources of greenhouse gas emissions. We have continued to expand our inventory of indirect greenhouse gas emissions, and have included employee business travel in the calculation of Category 3 GHG emissions since 2021 and upstream energy emissions in that of Category 4 since 2022.

BenQ will continue to carry out energy saving and GHG reduction programs in response to the international trend of reducing GHG emissions. The programs that the Company is currently implementing are listed below. Since electricity consumption takes up the majority of our consumption, focusing on saving energy and reducing GHG in Scope 2 is estimated to be able to reduce our emissions by 34.14 tCO2e/year compared to the previous year.

Major programs	Estimated annual electricity savings (MWh)	Estimated annual energy savings (GJ)	Estimated annual carbon reduction (tCO2e/year)
Reduction type : Equipment Optimization			
Office lighting replaced with LEDs	2.98	10.71	1.51
Lights in fire escape signs replaced with LEDs	4.77	17.16	2.43
Reduction type : Operation optimization			
The running time of chillers was adjusted	57.27	206.17	29.15
Nighttime energy management	1.88	6.75	0.95
The air conditioning in the lobby was optimized	0.19	0.67	0.10

Table 4.8 BenQ's energy conservation programs

BenQ has always invested much in environmental protection as one of its key policies. As the issues of global warming and greenhouse gases gradually gain attention, BenQ has already been active in energy conservation and carbon emissions reduction through improvement measures that have proven outstandingly effective.

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

CHAPTER 05

Social Responsibility

5.1 Protection of Human Rights

Human Rights Management Policy

- Provide a safe and healthy working environment
- Ensure equal job opportunities
- Prohibit any form of discrimination and harassment
- Provide fair and reasonable wages and working conditions
- Respect employees' freedom of assembly and association
- Prohibition of child labor and forced labor
- Adhering to the values of integrity, anti-corruption, prohibition of accepting or offering bribes
- Provide communication channels for stakeholders
- Assess potential human rights issues and implement appropriate mitigation actions

2022 targets and results :

Item	Target	Performance
1. Zero violations of our guidelines to human rights management.	0 cases	0 cases
2. Completion rate of human rights policy education and training courses for all employees in Taiwan (those with indefinite contracts).	100%	98.5%

2023 targets :

1 Zero violations of our guidelines to human rights management.

2 Completion rate of human rights policy education and training courses for all employees in Taiwan (those with indefinite contracts) being 100%.

BenQ conducts greenhouse gas inventories and verification programs, and refers to ISO 14064-1 and the requirements of greenhouse gas inventory protocols to complete our greenhouse gas emissions inventory and establish a greenhouse gas inventory standard mechanism. Through third-party verification, BenQ's total greenhouse gas emissions in 2022 were about 925.7264 tCO2e/year, as shown in Table 4.6.

The sources of BenQ's greenhouse gas emission are mainly carbon dioxide (CO2) produced through the external generation of power needed for the Company's operations and greenhouse gases from gasoline used in the Company's internal operations. The increase in the amount of gasoline and diesel fuel consumed in 2022 is mainly due to the inclusion of the amount of gasoline used by manager's vehicles, and there is no significant change in the rest of the sources of GHG emissions. Our internal energy consumption in 2022 is shown in Table 4.5.

5.1.1 Human Rights Policy

"People-oriented" has always been the focus of BenQ technology values. BenQ supports and follows internationally recognized human rights norms and principles, including the "United Nations Universal Declaration of Human Rights", "United Nations Global Covenant", "United Nations Guiding Principles on Business and Human Rights " And the Declaration of Fundamental Principles and Rights of Work issued by the International Labor Organization. Human rights policies are formulated in accordance with the local laws and regulations of the company, and human rights protection is implemented through human rights principles "safeguard, respect, and remedy" for our employees, customers, suppliers, and partners. We also require our suppliers and partners to uphold human rights to the same standards as this policy.

5.1.2 Human Rights Management Mechanism

In addition to declaring our determination to protect employees' rights and interests and safeguard human rights in our policies, BenQ adopted the P-D-C-A method for global management to promote our human rights management mechanism. At the same time, BenQ has formulated a number of regulations and management procedures, such as the employee handbook and work rules, which have been published to serve as concrete criteria for the implementation of our policies and to help track the effectiveness of the Company's policy implementation. Furthermore, the Company also evaluates and adjusts policies in the labor–management meetings to continuously promote the protection of human rights and labor rights.

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

Table 5.1 Human Rights Management Mechanism

Plan	• We established a human rights policy. • We have internal education and training programs. • We integrated human rights policies into each unit's operating procedures, regulations and management procedures, such as employee handbooks and work rules. • We established complaint channels.
Do	In our daily operations, we follow human rights policies, rules and regulations, and management procedures in order to manage affairs, implement education and training, and respond to complaints in order to minimize the extent of human rights violations.
Check	Through the Company's auditing mechanism, we regularly detect human rights management risks or violations in our management system, and require units to correct and prevent them in order to achieve self-improvement.
Action	• We regularly evaluate and optimize the management mechanism, workflow, rules and regulations, and management procedures. • In response to the results of the audit, the Company takes appropriate mitigation or remedial measures, formulates an improvement plan, and continuously tracks the improvements.

As of December 31, 2022, in accordance with labor laws, there has been no case of child labor, discrimination, harassment, forced labor, or prevention or hinderance of employees' freedom of association found through BenQ's auditing mechanism, and we have not received any human rights complaints.

Table 5.2 Human Rights Management Measures and Implementation

Management measure	Description	Effectiveness of implementation in 2022
We maintain a healthy and safe work environment.	We obtained the ISO 14001 environmental management system and the ISO 45001 occupational safety and health management system certificates, which shows we provide a good working environment.	There have been no major incidents, and the work environment has been continuously optimized according to the management system.
No discrimination	All the factors unrelated to work shall be excluded from the considerations for decisions of recruiting and retaining talent. We do not discriminate based on race, gender, marital status, age, political stance or religious beliefs in our recruitment and retention of talent.	0 complaints filed.
Zero tolerance for harassment	To convey our zero-tolerance stance on harassment, new employees take a sexual harassment prevention course as soon as they join the Company	0 complaints filed.
Provide fair and reasonable wages and working conditions	• Hours of work adhere to local labor laws and regulations. • alaries and benefits are in accordance with local laws and industry standards, and wages are not reduced for disciplinary purposes.	Handled in accordance with labor laws.
Prohibition of child labor	In accordance with the minimum age regulated by local laws and regulations, child labor is prohibited.	There has been no cases of child labor.
Prohibition of forced labor	• We respect the wishes of employees and prohibit forced labor of any kind. • All employees sign an employment contract to protect their rights and interests and to perform the work he or she agreed upon with the Company according to their wishes. • Overtime work is voluntary, and there is no forced labor or physical or psychological coercion.	There has been no cases of forced labor.
Respect employees' freedom of assembly and association	We have established a diversified and open communication system. Employees can form their own associations, and we emphasize harmony between labor and management.	There has been no cases of prevention or hinderance of employees' freedom of association.

5.1.3 Human Rights Education and Training

To ensure that all employees are aware of the importance that the Company places on human rights and labor rights, the Company requires each employee to complete 2 hours of human rights training per year. The human rights education and training courses for all employees at BenQ's locations in Taiwan (those with indefinite contracts) in 2022 have not been completed by some of the employees due to the pandemic and the training and tracking model used in 2022, resulting in a completion rate of 98.5%.

5.1.4 Reporting and Supervision Mechanisms

BenQ has formulated policies and management procedures for social responsibility, the environment, health and safety, emphasizing the Company's ethical management, strict adherence to ethical norms, and continuous improvement in management. Each year, the Company's internal auditing department follows human rights policies and management approaches to conduct its audit of the Company's various units. In 2022, there were no human rights violations within the Company, and the labor rights and interests of all employees were in compliance with local laws and regulations, international norms, and the requirements of organizations with relevant interests.

In terms of social responsibility, the Company complies with social responsibility standards and meets the requirements of customers as well as laws and regulations in order to achieve our goal of business sustainability.

5.2 Talent Recruitment

5.2.1 Hiring Principles

BenQ recruits employees based on actual business needs, and strives for equal opportunity, fitness for purpose, and internal appointments over external appointments. We prohibit the use of child labor; and do not discriminate or treat employees differently based on factors such as race, ethnicity, social origin, ancestry, social class, nationality, religious beliefs, physical disability, gender, sexual orientation, family responsibilities, marital status, union membership, pregnancy status, age, or political affiliations.

5.2.2 Employment Overview

In order to promote the development of Taiwan, BenQ has prioritized the hiring of Taiwanese laborers, who take up 98.6% of the workforce; 100% of the management (above the assistant manager level) are local workers. As of December 31, 2022, BenQ had 582 full-time employees in Taiwan (including 5 people with physical or mental disabilities, excluding workers who were still at school and interns). Overall, in order to cope with the business demands and continuous investment in talents, the total number of full-time employees in Taiwan at the end of 2022 increased by 54 compared to 2021, with an increase of 27 male and 27 female employees.

Table 5.3 Human Resource Structure Analysis

Employee Distribution		2020				2021				2022			
		Male		Female		Male		Female		Male		Female	
		Number of people	Percentage	Number of people	Percentage	Number of people	Percentage	Number of people	Percentage	Number of people	Percentage	Number of people	Percentage
Type of employment	Direct labor	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0%
	Indirect labor	264	100%	210	100%	299	100%	229	100%	326	100%	256	100%
Age	Under 30	26	9.9%	35	16.7%	45	15.0%	54	23.6%	55	16.9%	73	28.5%
	30–50	215	81.4%	167	79.5%	226	75.6%	165	72.0%	232	71.1%	170	66.4%
	50 or above	23	8.7%	8	3.8%	28	9.4%	10	4.4%	39	12.0%	13	5.1%
Position	Managerial position	53	20.1%	26	12.4%	57	19.1%	28	12.2%	58	17.8%	29	11.3%
	Professional position	211	79.9%	184	87.6%	242	80.9%	201	87.8%	268	82.2%	227	88.7%
Managerial staff	Under 30	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
	30–50	43	81.1%	22	84.6%	43	75.4%	24	85.7%	42	72.4%	24	82.8%
	50 or above	10	18.9%	4	15.4%	14	24.6%	4	14.3%	16	27.6%	5	17.2%
Non-managerial staff	Under 30	26	12.3%	35	19.0%	45	18.6%	54	26.9%	55	20.5%	73	32.2%
	30–50	172	81.5%	145	78.8%	183	75.6%	141	70.1%	190	70.9%	146	64.3%
	50 or above	13	6.2%	4	2.2%	14	5.8%	6	3.0%	23	8.6%	8	3.5%

Table 5.3 Human Resource Structure Analysis

Item					Taiwan	
					Male	Female
Contract type	Permanent employment (non-fixed contract)				326	256
	Fixed term (fixed contract)				27	50
Total					353	306
Type of employment	Full-time				326	256
	Part-time (Note 1)				27	50
Total					353	306
Non-employee workers	Type	Organizational activity	Job description	Legal relations	Male	Female
	Contractor	Dispatched (outsourced)	On-site workers with highly repetitive work	Contractual relationship	0	0
	(Note 2)	Cleaners	Cleans workplace environment	Contractual relationship	1	7
	Contractor	Security guards	Maintains workplace safety	Contractual relationship	4	0
	Contractor	Group catering	Provides Company with catering services	Contractual relationship	2	4

Notes:
- Interns in Taiwan are categorized as part-time workers but are not counted as part of the regular workforce; their contracts are still an employment contract.
- The number of dispatch workers vary according to business volume.
- There were no significant changes in the total number of employees during the reporting period.

5.2.3 Employee Recruitment and Turnover Analysis

BenQ maintains a respectful attitude toward its employees and actively retains them through a reasonable remuneration system, an all-around employee care mechanism, and a prudent and thorough talent cultivation mechanism. Therefore, in 2022, even though some of our employees had left the team due to their own plans, BenQ continued to attract new talent to join the team and work together for the same philosophy.

Table 5.5 Analysis of New Recruits in Taiwan

Item		2020		2021		2022	
		Number of people	Percentage	Number of people	Percentage	Number of people	Percentage
Gender	Male	39	14.8%	53	17.7%	56	17.2%
	Female	25	11.9%	43	18.8%	49	19.1%
Age	Under 30	31	50.8%	55	55.6%	64	50.0%
	30–50	33	8.7%	40	10.2%	41	10.2%
	50 or above	0	0.0%	1	2.6%	0	0.0%
Type of employment	Direct employee	0	0.0%	0	0.0%	0	0.0%
	Indirect employee	64	13.5%	96	18.2%	105	18.0%
Rank	Management	0	0.0%	0	0.0%	0	0.0%
	Non-management	64	16.2%	96	21.7%	105	21.2%

Note 1: Based on the number of employees as of December 31, 2022, the end date of the reporting period.
Note 2: In the calculation of the percentage, the total number of employees in each category serves as the denominator, e.g. the denominator of the percentage of new employees under the age of 30 is the total number of employees under the age of 30.
Note 3: There were no significant changes in the total number of employees during the reporting period.
Note 4: Employees in management are those who are actually in charge of the unit.

Table 5.6 Recruitment Rate and Internal Vacancy Replacement Rate in Past Years

Item	2020	2021	2022
Total number of new recruits	64	96	105
Recruitment rate (%)	13.5%	18.2%	18.0%
Internal vacancy replacement rate (%)	60.1%	52.6%	60.9%

Note 1: Recruitment rate = total number of new recruits / total number of employees.
Note 2: Internal vacancy replacement rate = (Number of promotions + number of appointed managerial positions + number of internal transfers) / (human resource application forms + number of promotions + number of appointed managerial positions)

Table 5.7 Analysis of Internal Replacement of Vacancies

Category		2020	2021	2022
Gender	Male	61	57	71
	Female	34	43	46
Age	< 30	10	8	17
	30–50	83	89	96
	> 50	2	3	4

With regard to the management of employee resignations, when an employee makes an application to leave the Company, he or she will be notified immediately to arrange for an exit interview to understand the reasons for the employee's departure and to retain the employee in a timely manner The average cumulative turnover rate of BenQ in Taiwan was 10.8% in 2022.

Table 5.8 Analysis of Turnover Statistics

Year		2020		2021		2022	
		Number of people	Ratio	Number of people	Ratio	Number of people	Ratio
Total turnover rate (%)		56	11.8%	51	9.7%	63	10.8%
Voluntary turnover rate (%)		52	11.0%	50	9.5%	61	10.5%
Total turnover rate (%)	Male	37	14.0%	27	9.0%	36	11.0%
	Female	19	9.0%	24	10.5%	27	10.5%
Voluntary turnover rate (%)	Male	33	12.5%	26	8.7%	35	10.7%
	Female	19	9.0%	24	10.5%	26	10.2%
Total turnover rate (%)	Under 30	9	13.8%	4	3.8%	18	13.4%
	30–50	43	11.4%	46	12.1%	45	11.6%
	50 or above	4	12.1%	1	2.4%	0	0.0%
Voluntary turnover rate (%)	Under 30	8	12.3%	4	3.8%	18	13.4%
	30–50	42	11.2%	45	11.8%	43	11.1%
	50 or above	2	6.1%	1	2.4%	0	0.0%
Total turnover rate (%)	Management	3	3.8%	3	3.5%	3	3.4%
	Non-management	53	13.4%	48	10.8%	60	12.1%
Voluntary turnover rate (%)	Management	2	2.5%	3	3.5%	3	3.4%
	Non-management	50	12.7%	47	10.6%	58	11.7%

Note:The above turnover rate statistics do not include employees with less than 3 months of service.

Note 1: Based on the number of employees as of December 31, 2022, the end date of the reporting period.

Note 2: Total turnover rate = (number of voluntary resignations + number of involuntary departures + number of retirees) / total number of employees; voluntary resignation rate = number of voluntary resignations / total number of employees.

Note 3: There were no significant changes in the total number of employees during the reporting period.

Note 4: Employees in management are those who are actually in charge of the unit.

5.3 Talent Retention

Management approach

We comply with labor laws and regulations, strive to enhance labor rights and interests, and uphold an attitude of non-discrimination and respect for employees. Through a reasonable salary, bonus and welfare system and a comprehensive talent cultivation mechanism, we provide an excellent place for outstanding talents to develop and realize their worth, a place where we can perform and share in the results of our efforts together.

5.3.1 Remuneration Management System

5.3.1.1 Remuneration Policy and System

In order to attract and retain outstanding talents, BenQ not only follows the labor laws and regulations for starting salary, salary, bonuses and employee remuneration, but also does not have any differential or discriminatory treatment based on factors such as race, class, language, religion, politics, nationality, gender, age, marriage, or union status.

Therefore, in order to provide employees with a competitive salary, the Company adjusts employee salaries based on individual education and experience, professional skills, and performance to ensure that employee salaries are in line with market conditions and fair.

BenQ will never pay employees (including those in managerial positions) less than the statutory basic wage. Therefore, every year, BenQ refers to the salary survey report of an independent third-party salary consultant, the Company's

operational status, and the evaluation of the academic qualifications, work experience, professional skills, job responsibilities, potential for development and work performance of employees as the basis for the payment of salaries and bonuses. After analyzing the results, the ratio of the standard salary of entry-level staff to the local minimum wage in Taiwan in 2022 was 1.

**Table 5.9 Analysis of Internal Replacement of Vacancies**

Item	Description
Remuneration	• The Company does not pay salaries below the statutory minimum wage. • Adjustment shall be made with reference to the salary survey report of a third-party independent salary consultant and the status of the Company. • Salaries depend on the overall status of the Company and an overall evaluation based on the employee's academic qualifications, work experience, professional skills, job responsibilities, future potential, and performance.
Bonus/dividend	• Distributed according on the Company's performance and the performance of employees in the current year. • Three-festival bonus: Bonuses for Mid-Autumn Festival, Dragon Boat Festival, and the end of the year. • Performance bonus. • Employee dividend.
Long-term incentive program	Employee stock ownership trust.

BenQ is a wholly owned subsidiary of Qisda. Our remuneration system for senior managers follows the approach of our parent company, Qisda; annual remuneration is given after an examination of the achievement rate of the performance index related to the annual remuneration.

5.3.1.2 Performance Evaluation Management System

In order to strengthen the mechanism of transmitting the Company's strategic goals down the hierarchy, the Company has implemented a KPI system for all employees, which starts from the organization's strategic goals, which are linked top-down to the goals of the Company, the departments, and the individuals. Through quantitative goal setting, clear scoring principles, and the allocation of weights to different goals, the members are driven to take actions to achieve targets.

Top Down

Company
Company strategic targets

Department
Departmental targets

Individual
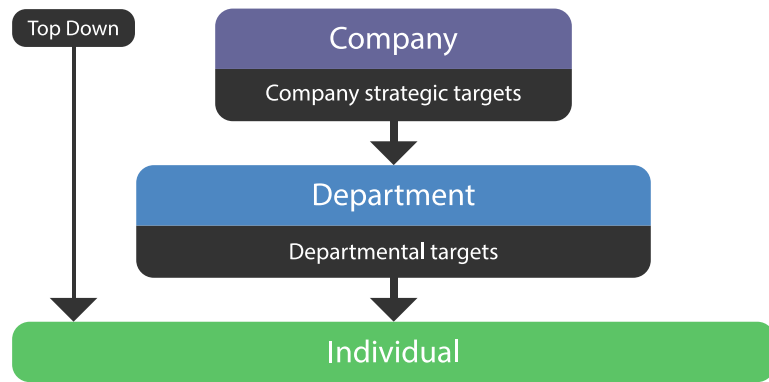
The Company conducts a multi-dimensional performance evaluation every six months, which includes such things as performance target setting (settlement of the performance of the current period and target-setting for the next period), multi-faceted feedback, and performance rating. For those who rank at the bottom of the performance evaluation list, a performance improvement plan is drawn up for them to provide appropriate and timely counseling as well as resources and assistance in order to continuously help employees improve their performance.

Table 5.10 Performance Management Methods

Approach	Target	Method
Unit KPI system	All of the company	Every six months, the Company holds an alignment meeting with all first-level units to discuss the next period's operating targets, and then develop targets by each unit and then by each grade; the targets are then assigned to unit members, who will work together to achieve the organization's strategic targets.
Performance target management	All employees	• The Company sets individual performance goals and development plans every six months according to the goals of each unit. • At the end of the evaluation period, employees submit a self-assessment before their managers evaluate their performance. • In addition to the achievement rate of performance goals, the evaluation also assesses whether employees have complied with the Company's code of conduct, risk management, information security and other behavioral indicators.
Multi-faceted feedback	All employees	In order to have more diversified channels for evaluation, multi-faceted feedback is conducted once a year. The feedback pertains to the core functions that employees should possess in their respective positions. In addition to managers evaluating their subordinates, subordinates are also allowed to give feedback to their managers, and in the course of setting performance goals for that period, the feedback is provided to both employees and managers for reference to facilitate subsequent career planning.
Performance rating	All employees	All employees are grouped by management positions, non-management positions and different grade groups, and ranked and rated based on the achievement of departmental performance goals and multi-faceted feedback for the purposes of promotion, personal development, performance improvement, and remuneration planning.

Table 5.11 Performance Targets and Performance Evaluation Analysis for 2022

	Performance Target Completion Rate	Performance Target Completion Rate
Male	98.7%	98.7%
Female	99.1%	99.1%

5.3.1.3 Long-term Incentive Program

BenQ provides long-term incentives to attract and retain talented employees and to achieve the goal of having talented employees working with the Company for the long term to realize the Company's vision. The long-term incentives are as follows.

Table 5.12 Implementation of Long-term Incentive Programs

Incentive program	Employee stock ownership trust		Talent retention bonus
Target	At the end of the probation period (i.e. three months after being hired), full-time employees in Taiwan may apply to join the employee share ownership trust.		Talents in key positions that are critical to the development of the organization
Content	• Employees who participate in the employee share ownership trust will be entitled to purchase shares of the Company based on their rank and the Company's incentive payments. • The higher the rank of the employee, the higher the amount of incentive payment from the Company, so this encourages employees to work hard to achieve their performance goals in order to have the opportunity to advance in rank, which in turn has a multipli er effect on the Company's overall business performance.	• Employee contributions: Participants contribute a fixed amount of their monthly salary to purchase company stock based on their individual rank. • Company incentive bonus: The Company provides an amount equal to 100% of the employee's contribution as an incentive • Employees who have served in the Group for five and ten years respectively are eligible to receive 50% and 100% of the company incentive bonus.	To ensure the retention of key talents in the organization and to create long-term stable operating results, a three-year guaranteed annual salary is provided to key talents with outstanding performance through retention bonus contracts.
Effectiveness	During 2022, the total amount of incentive payments was over NTD 40 million.		The total amount of talent retention bonus in 2022 was approximately NTD 3 million.

5.3.2 Employee Care and Welfare Mechanisms

BenQ strives to create a happy and healthy workplace, and has planned a variety of employee benefits to enable all employees to enjoy a quality workplace environment and a healthy and happy corporate culture. As of now, benefits include the following:

Table 5.13 Care and Welfare Measures at BenQ's Locations in Taiwan

Type	Purpose	Measures and activities for employee care and welfare	
Insurance system	We comply with local social insurance laws and regulations to protect the basic rights and interests of our employees. We have further established a company insurance system to provide group insurance for employees and their dependents; they may take out additional insurance at their own discretion. At the same time, we have arranged for an insurance company to be stationed at our offices to provide insurance counseling and claim application services.	1. Period leave, maternity leave, paternity leave (male employees) 2. Leave for caring for family members who have Covid-19, vaccination leave 3. Vaccination leave. 4. Volunteer leave, engagement leave. 5. Expected to be added in 2023: 6. Paid prenatal check-up leave days, paid paternity leave days.	
Subsidies	Comprehensive employee and dependents care mechanism to facilitate emergency relief or living subsidies.	1. Contribute to retirement reserve funds. 2. Contribute to the wage advance fund. 3. Health insurance and labor insurance. 4. Contribute to occupational accident insurance. 5. Group insurance: life insurance, accident insurance, critical illness insurance, hospitalization insurance).	6. Self-funded group insurance for employees' families. 7. Travel insurance for short business trips abroad. 8. Pandemic prevention insurance.
Training subsidies	Talent cultivation to enhance employees' capabilities and experiences so they can add value to themselves.	1. Meal subsidies. 2. Subsidies for weddings, funerals, illnesses, injuries, and births. 3. Labor Day subsidies. 4. Subsidies for the Company cafeteria. 5. Father's Day and Mother's Day appreciation gifts for employees' dependents. 6. Expected to be added in 2023: Childcare subsidies from the Employee Welfare Committee. 7. Compensation system.	
Welfare activities	Talent cultivation to enhance employees' capabilities and experiences Planning and promoting diverse activities to create a quality environment for work–life balance.	1. Fitness courses. 2. Welfare Committee activities. 3. Employee discount for company products.	
Club Activities	We help employees cultivate hobbies and provide them with activities after work.	Employees form clubs of different nature on their own, and are provided with funding and resources.	
Workplace facilities	By building facilities, we have enhanced spaces to provide employees with care and convenience so as to create a friendly working environment.	1. Employee canteen. 2. Doctor's office. 3. Breastfeeding room. 4. Exercise center	5. Parking lot. 6. Coffee machine. 7. ATMs.
Healthcare	Continuous care and tracking of employees' health.	1. Contracted hospitals. 2. Contracted resident doctors. 3. Regular physical examination for employees.	

5.3.3 Childcare Leave

BenQ allows employees of any gender to apply for childcare leave as long as they are eligible, and they will not be discriminated against. This is to allow employees to take proper care of their children, to comply with local labor laws and regulations, to protect the rights and interests of employees, and to enable them take care of their families so that they can work and not have to worry about the matter.

Table 5.14 2022 Statistics on Employee Suspension and Reinstatement Due to Childcare Leave at BenQ's Locations in Taiwan

Gender	Male	Female
Number of applicants eligible for childcare leave in the current year	26	23
Number of applicants who applied for childcare leave in the current year	4	5
Estimated number of reinstatements in the current year(A)	0	4
Actual number of people reinstated(B)	0	3
Reinstatement rate(B)/(A)	0%	75%
Number of employees who remained on the job for more than 12 months after ceasing childcare leave(C)	1	1
Actual number of people who were reinstated after taking childcare leave in the previous year (D)	1	1
Retention rate (C)/(D)	100%	100%

5.3.4 Retirement Mechanism

BenQ complies with local retirement laws and regulations; employees who are eligible for retirement can apply for retirement at any time. The standard of pension payment is in accordance with the relevant labor laws to protect the rights of employees.

1. **Contributions to the retirement reserve in accordance with the Labor Standards Act**
    The Company makes monthly contributions to an employee's pension fund, which is given to the Labor Pension Fund Supervisory Committee and then deposited by the Committee into an account at the Bank of Taiwan dedicated to the employee. As of the end of 2022, the fair value of the plan assets was NTD 191,406,000, and NTD 0 was recognized as expense for the year 2022. The shortfall in the contributions has been recorded as an accrued pension liability, and the amount as of the end of 2022 was –NTD 37,324,000.

2. **Pension Contributions under the Labor Pension Act**
    Contributions based on 6% of the employees' monthly wages are deposited into their individual accounts at the Bureau of Labor Insurance, and the recognized expense amounted to NTD 35,034,000 as of the end of 2022.

5.3.5 Diversified and Smooth Communication Channels

5.3.5.1 Communication Mechanism

In order to protect the rights and interests of employees, BenQ has set up diverse and open communication channels within the Company. Employees can communicate through the suggestion box, email, phone, and face-to-face appointments. At the same time, to allow employees to have the opportunity to express their opinions or give suggestions at any time, the Company promotes these communication channels to all employees regularly to ensure that employees fully understand and dare to use those channels to help them resolve issues regarding labor rights and interests. In addition, the Company takes a proactive and prudent attitude to employee feedback, and engages in appropriate communication and handling measures so that employee feedback can be dealt with as soon as possible to drive the optimization of the rules and systems, and the case can be closed in an appropriate manner. The Company strives to meet the expectations and needs of employees, enhance the rights and interests of all employees, and promote barrier-free communication in the workplace while complying with the laws and regulations and principles of fairness and reasonableness. As a result, since the establishment of the Company, labor–management relations have been harmonious, and the Company has been able to respond directly to employee's needs and opinions and receive adequate feedback.

Table 5.15 Diverse Communication ChannelsChildcare Leave at BenQ's Locations

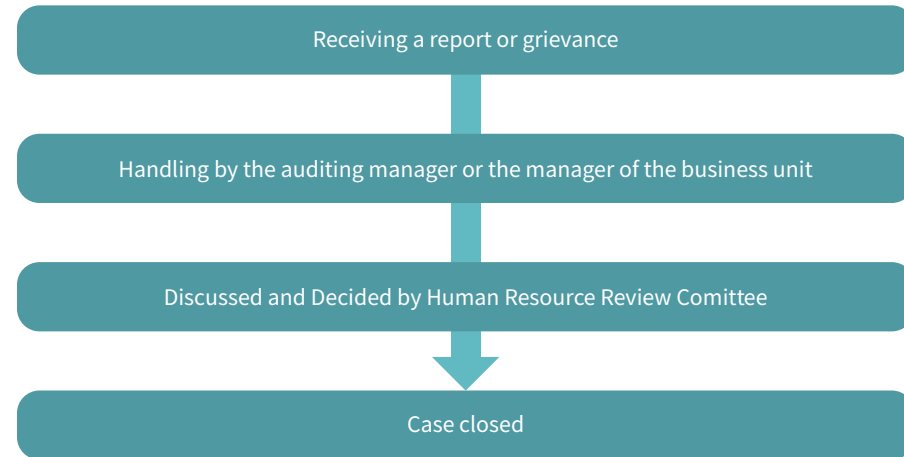| Item	Description
Communication mechanism	• The Company has an encouraging attitude towards communications with employees and maintains open grievance channels; cases are handled by immediate supervisors or communicated directly to the human resources department. • Employees can make suggestions for improvement of work practices and measures, voice unfair treatment, report illegal activities or sexual harassment, or mention other rights and interests they wish to defend in life and work.
HR mailbox	This collects employees' feedback and suggestions, so that employees' feedback can be handled as soon as possible so as to enhance the rights and interests of all employees.
2885 Online Feedback System	A channel for employees to voice concerns about issues in their daily lives, such as assisting with improvements to meals and the cleanliness of the environment as well as notifications of equipment failures, so that the Company can take immediate action and preventive measures to minimize the risk of serious failures.
Employee Welfare Committee	The Employee Welfare Committee meets on a regular and irregular basis to discuss and decide on what activities to organize during the year. It boosts employee morale and strengthens labor–management relations through various benefits and activities.
Labor–management meetings	• Quarterly labor–management meetings are held to coordinate labor–management relations, improve work efficiency, and promote cooperation and communication between labor and management. • During the meetings, we report on labor dynamics and discuss labor conditions, labor welfare planning, revision of work rules, work environments, and employee feedback.
Other channels	Employee opinion surveys, Welfare Committee, secretary/assistant seminars, and showing care to workers on a regular basis.

5.3.5.2 Reporting or Grievance Mechanisms

A set of "Communication Management Procedures" has been established for internal employee grievances. Employees who experience any sexual harassment or mistreatment may make a complaint directly to the human resources department or the President's mailbox in accordance with the "Reporting and Grievance Handling Procedure."

In 2022, the Company did not receive any grievances related to labor rights or human rights.

Flowchart for reports or grievances

Receiving a report or grievance

↓

Handling by the auditing manager or the manager of the business unit

↓

Discussed and Decided by Human Resource Review Comittee

↓

Case closed

5.3.5.3 Employee Engagement

BenQ firmly believes that employees are the key to the Company's sustainable operations. Since 2020, the Company has been listening to employee opinions and feedback through employee dedication surveys, conducting annual surveys and tracking. The scope of the surveys focuses on indirect employees at the Taiwan headquarters, and the results of the surveys are published. Through the employee engagement survey, the Company can ascertain its own strengths, areas that need improvement, and employees' expectations of the Company, so that it can continue to capitalize on its strengths and plan for improvements, demonstrating the importance that the Company attaches to the opinions of its employees. BenQ strives to create a better working environment for its employees, who in turn will lead to the enhancement of the Company's operations and management.

In order to make the survey more scientific and credible, the survey structure, questions and analysis methods are consistent. In addition, the Company also conducts trend and horizontal comparison analyses for different employee groups, regions and survey years so as to enhance the overall effectiveness of the survey. In the 2022 Taiwan indirect employee engagement survey, a total of 561 people participated, and the number of responses was 489, with a response rate of 87%. The overall engagement result of indirect employees between Taiwan company bases was 4.58 points (out of 6 points).

Through analyses of the survey results, it was found that the Company's employees have a certain degree of dedication; however, in terms of managerial support as well as learning and growth, employees have more expectations and needs. In response to this, the Company organized a cross-generational leadership and management course in 2022 to help junior and middle-level managers understand the values that different generations have towards work, and establish appropriate leadership and management concepts and skills. We expect that the program will continue in 2023 to strengthen the leadership of managers at all levels.

In addition, with the easing of the pandemic, the Company will gradually resume in-person courses and continue to promote online courses to provide employees with more diversified and real-time learning resources to help them learn and grow.

Table 5.16 2020-2022 Statistics from the Employee Engagement Surveys

Survey content and target

1. Survey content: Refers to the Q12 questionnaire structure and includes four components: basic needs, manager support, teamwork, and learning and growth.

2. Survey target: Indirect employees (IDL) of BenQ's Taiwan headquarters.

Questionnaire Scale

6-point scale: 1=Strongly disagree, 2=Disagree, 3=Slightly disagree, 4=Slightly agree, 5=Agree, 6=Strongly agree.

Year	Number of surveys sent	Number of surveys received	Response rate	Overall average dedication score (out of 6)	Gender		Age			Rank	
					Male	Female	Under 30	30–50	50 or above	Management	Non-management
2020	507	213	42%	4.42	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2021	561	300	53%	4.56	4.63	4.48	4.62	4.44	4.61	4.65	4.46
2022	561	489	87%	4.58	4.65	4.51	4.64	4.47	4.63	4.67	4.49

Table 5.15 Diverse Communication ChannelsChildcare Leave at BenQ's Locations

Item	Percentage of highly dedicated employees among all employees	Gender		Age			Rank	
		Male	Female	Under 30	30–50	50 or above	Management	Non-management
Percentage of highly dedicated employees (4–6 points) (%)	81%	82%	79%	81%	77%	86%	87%	75%

Note: No raw data is available for 2020 and 2021 as an external consultant was commissioned to do the surveys, which were completed anonymously.

5.4 Learning Development (LD)

Management Policy

The sustainable operation and growth of the Company depends on the full utilization of the professional and managerial skills of its employees. Talent management is a key factor for an enterprise to surpass its peers. To this end, BenQ considers its employees as its most important asset and spares no effort in talent cultivation and development, providing a diversified training system to enhance the overall competitiveness of its employees and to promote the knowledge and skills required for their duties. This enable employees to continue to grow in their professional knowledge and skills, and it also strengthens their sense of loyalty towards the Company, as well as their high level of commitment to the organization.

5.4.1 Employee Training Development System

The Company has built a comprehensive and diversified education and training system based on job duties. Training courses required for employees' career development are systematically planned in order to enhance their professional knowledge and skills.

In 2022, BenQ's Taiwan headquarters invested a total of USD 899,806 in training for a total of 22,251.48 hours of training, with an average of USD 1,557 per employee and an average of 38.5 hours of training per employee. In addition, in order to enable employees to learn anytime, anywhere, the percentage of the Company's digital courses reached 75% by the end of 2022.

Table 5.16 2020-2022 Statistics from the Employee Engagement Surveys

Category	Gender		Age			Rank		Average of all employees
Group	Female	Male	Under 30	30-50	50 or above	Management	Non-management	
Average training hours per capita	37.7	39.1	46.0	37.6	24.7	45.8	37.2	38.5

5.4.2 Talent Development Programs

BenQ has devised a job-oriented learning and development system and a systematic structure for talent cultivation and development, which can be divided into: employee training programs, leadership and management development programs, and high-potential talent development programs. The key points for 2022 are as follows:

(1) **Professional Function Development Programs for Employees: Constructing a 4C capability development blueprint to create all-around talents.**

Excellent talents are the key driving force of the Company's sustainable growth. In order to continuously cultivate and enhance our employees' skills so that they can adapt to the Company's work environment and cope with external changes, a series of learning and growth courses are planned for all employees, from new recruits to veterans, to build a talent cultivation strategy for cognitive thinking, communication and influence, digital application, and self-competitiveness. A total of 172 people participated in the courses in 2022, and the average satisfaction rating of the courses in 2022 reached 4.52.

(1) Cognitive Thinking: To cultivate employees' systematic thinking, gain a macroscopic perspective, understand the Company's operational priorities through financial thinking, stimulate creative thinking to develop innovative product processes, develop multi-faceted thinking and enhance personal decision-making and innovation in the workplace.

(2) Communication and Influence: Based on the understanding of human nature through two-way communication, the course extends to parallel and upward communication skills, as well as their applications in presentations and business negotiation scenarios, building the necessary skills required for communication in and outside of the Company.

(3) Digital Application: This course helps employees understand how to define problems, identify necessary data, and learn data analysis methods. Through systematic problem solving methods and the application of data analysis tools, students enhance their problem-solving skills through the use of data.

(4) Self-competitiveness: The development of self-management, learning and growth is the main focus of the course, which includes topics such as understanding one's own strengths, creating an efficient learning mode, work time management, and career growth mindsets, serving to enhance one's work planning and competitiveness in the workplace.

Through the combination of compulsory and elective courses, and physical and digital courses, the program equips employees with the necessary skills for the workplace, and also allows them to flexibly choose the courses they want to take at any time and place according to their needs at work and in career development, thus creating a more personalized learning environment in the organization.

Blueprint of BenQ's Employee Learning and Growth Program

New employee development program
Courses for new employees

Win Camp
- Teamwork
- Group culture
- Target management
- Problem analysis and solution

Code of conduct / Awareness of laws and regulations

Professional training

Competence development
Courses for all employees

Core competencies
- Cognitive thinking
- Communication and influence
- Digital application capabilities
- Self-competitiveness

Blueprint for Employee Learning and Growth

In order to help employees face changes that come with a new era and the challenges of work in the future, continue to improve and grow in their careers, and develop their competencies in all areas, the Company has planned different training programs according to the needs of employees in different positions to help them develop relevant professional skills and strengthen their competitiveness in the workplace.

In addition, the Company promotes internal job rotation, provides online learning platforms and online learning resources, and encourages employees to participate in external professional seminars and training courses organized by training institutions, the relevant costs of which are fully subsidized by the Company, in order to encourage each employee to continue to improve and grow in their professional fields.

(2) Leadership Development Program for Managers

BenQ Corp. is committed to cultivating essential leadership and management capabilities required for executives at different levels, and building reserves to meet future organizational growth challenges. Therefore, aligned with the Company's core managerial competencies, a comprehensive training and development system has been established for executives at various levels. Whether it's a promising novice in management or an experienced executive, there is a dedicated blueprint for skill development. Through the implementation of progressive hierarchical management courses and job rotations, individuals systematically learn the leadership and management skills essential for benchmark leaders.

Training target: Managers of different levels, amounting to a total of 56 trainees (64% of managers).

Development method:

1. Learning mode: In-person or online management courses.
2. Job rotation: 80% of managers were rotated by 2022.

Table 5.19 Description of Leadership Development Program for Managers

FRESH LEADER	ACTION LEADER
Training Target High-potential talents /new managers	**Training Target** First-line managers
Training focus Inspiration of management awareness and concepts, and provision of basic management knowledge and understanding of leadership	**Training focus** Cultivation of management and leadership skills in order to lead teams and accomplish the tasks and goals assigned by upper management.
STRATEGIC LEADER	Visionary Leader Program
Training Target Middle-level managers	**Training Target** High-level executive s / business unit managers (BU Head)
Training focus Emphasis on departmental strategic goal planning and execution, and development of the ability to take on and implement the strategic goals of the senior management	**Training focus** Establishment of strategic planning and business layout thinking, development of organizational leadership and cultural environment shaping skills

(3) High-Potential Talent Development Program

Since 2018, the Company has been committed to fostering sustainable growth and addressing the talent needs arising from the ongoing corporate strategy development. In addition to providing comprehensive training and development opportunities for employees, the organization recognizes the challenges posed by external uncertainties. In response to succession and appointment challenges, there is a necessity to establish a talent pipeline to mitigate talent gaps and succession risks.

In response, the company has initiated the development of a high-potential talent program. Senior executives from each department identify individuals with high potential, and a database of high-potential talents is established accordingly. This facilitates the prompt filling of relevant managerial positions as they arise. Additionally, individual development plans are set biannually, taking into consideration the self-perceived needs of each talent.

Execution method:

1. Establish a core management competence structure.

2. Construction of the High-Potential Talent Pool in 2022: The top executive of each primary unit will confirm the list of high-potential talents within their respective units. An assessment will be conducted based on the current development status of core competencies, analyzing strengths and weaknesses in skills, and identifying future developmental directions.

3. Evaluate the individual positioning of the talent based on their past performance, assessment results, future potential, and personal development aspirations.

4. Based on the 3P (Prospective/interpersonal/professional) competency requirements for different levels of managerial positions, and referring to the points (2) and (3) above, collaborate with the individual and their supervisor to formulate an Individual Development Plan (IDP).

5. Implement individual development plans through the 3E model (Experience-based Learning/Exchange and Mentoring/Training) and job rotation methods.

Sustainable operation involves not only innovation in products and continuous process improvement but also requires an organization to function like an organism, adapting and growing in response to the ever-changing competitive environment. BenQ Corp. adheres to this philosophy, consistently and wholeheartedly nurturing and developing talents to strengthen organizational competitiveness and address future challenges.

5.5 Culture of Integrity and a Healthy Workplace

5.5.1 Culture of Integrity

BenQ has always believed that corporations have the responsibility to uphold ethics and should adhere to the highest standards of morality and comply with local laws and company regulations. Therefore, BenQ actively builds a culture of integrity in the workplace, avoids conflicts of interest and transfers of benefits, prohibits the abuse of privileges to commit unlawful disciplinary acts, protects the Company's business secrets and assets, and strives to have each employee become an honest and trustworthy person, spreading the concept of integrity from the individual to families and communities to achieve our goal of avoiding moral disputes and improving the overall social atmosphere.

At the same time, upholding integrity is a responsibility to our shareholders, customers, suppliers, business partners and coworkers, and any corruption, bribery or extortion is strictly prohibited. Employees are required to self-evaluate and proactively improve their daily actions in the workplace to maintain integrity.

Furthermore, BenQ's attitude of integrity toward employees is manifested in the design of its systems, such as:

1. Employee representatives are present at labor–management meetings and the Welfare Committee; they are elected by employees from within the Company and can make suggestions on employee welfare and company systems, as well as communicating with the management on a regular basis.

2. The Employee Grievance Procedure has been established so that if employees experience any sexual harassment or mistreatment, they can communicate directly with the Company through the established grievance channels, and the confidentiality of their identities is guaranteed. No labor disputes or mistreatment cases have occurred in the current year.

In addition, BenQ will extend the culture of integrity to its suppliers. In the future, all suppliers will be required to sign the Suppliers' Social Responsibility and Business Ethics Agreement.

5.5.2 Healthy Workplace

BenQ has always strived to create a healthy and energetic work environment, so that employees can be free from worries and devote themselves to their work. Since 2005, BenQ has participated in the Taipei City Healthy Workplace Assessment in Taiwan, and stood out from more than a hundred other workplaces to win the highest award for healthy workplaces, the Special Award, for two consecutive years, and was even honored with the Health Promotion Badge of Workplace Health Autonomy Certification by the Health Promotion Administration of the Executive Yuan in 2007. In 2011, BenQ was even awarded the Taipei City Three Stars Award, the highest honor for a Happy Enterprise.

BenQ maintains the physical and mental health of its employees in an all-encompassing manner, such as providing regular annual health checkups that include items beyond those required by law, Workplace-Basic Occupational Health Service, lively and interesting health promotion activities, regular health and hygiene education, teaching of preventive medicine and prevention of major diseases, and first aid education and training.

BenQ's awards and achievements in recent years are as follows:

2005 Taipei City Healthy Workplace Special Award

2006 Taipei City Healthy Workplace Legacy Award

2007 Health Leadership Award, Health Promotion Administration, Department of Health

2007 Health Promotion Badge of Workplace Health Autonomy Certification

2008 Visit to Healthy Workplaces by the Director of the National Health Bureau

2009 Health Promotion Badge for Workplace Health Autonomy Certification

2010 Taipei City Excellent Breastfeeding Room

2011 Taipei City Excellent Breastfeeding Room

2011 Taipei City Three Stars Award, the highest honor for a Happy Enterprise

2012 Health Promotion Badge of Workplace Health Autonomy Certification

2012 Taipei City Excellent Breastfeeding Room

2013 Taipei City Outdoor Smoking Certification

2014 Taipei City Outdoor Smoking Certification

2016 Health Promotion Badge of Workplace Health Autonomy Certification

2016 Sports-Friendly Enterprise Certification

2017 Taipei City Excellent Breastfeeding Room

2018 Taipei City Excellent Breastfeeding Room

2019 Sports-Friendly Enterprise Certification

2019 Taipei City Excellent Breastfeeding Room

2020-2022 Taipei City Excellent Breastfeeding Room

5.5.3 Maternal Care

The Company provides maternity leave, childcare leave, and maternity subsidies for female employees, as well as childcare subsidies to reduce the burden of living expenses on families. In addition, for the health of women and children, the Company provides a well-equipped breastfeeding room, which has been rated as a five-star breastfeeding room by two parenting magazines, and there is no restriction on the time of use, so female employees can use it at any time as long as they have the need to do so. .

BenQ is committed to creating a good working environment, and regularly teaches and promotes knowledge on occupational safety to create a workplace free of occupational accidents.

In 2022, we achieved the following:

1. The rate of employee participation in physical examination is 93%.

2. If there is any abnormality, a second visit to the doctor or continuous follow-up is conducted according to the degree of abnormality; the follow-up rate of major abnormalities reached 90%.

3. We have a physical therapy room where physical therapists help to conduct musculoskeletal assessments for employees and correct their poor posture when using computers, reaching 1,000 visits.

4. More than 6 employees breastfed for more than 6 months in the workplace after they've delivered their children.

5.6 Sustainable Action Program – Shaping the Future of Education Technology

The 2020 World Economic Forum proposed that the new coronavirus would rewrite the way we educate future generations; among them, the use of technology in teaching has become a global trend in the development of education in the post-pandemic era. Educational technology is an important driving force for smart teaching. BenQ made use of interactive touchscreens in educational settings to realize the value of our products; in a safe teaching environment, teachers can utilize the advantages of IT tools to create greater teaching and learning effectiveness through diversified and interactive teaching.

Taiwan boasts the world's largest semiconductor industry cluster, but the digital transformation of the education industry is often limited to hardware. BenQ's education team promotes the use of interactive touchscreens for teaching and learning in three aspects to realize smart teaching.

1. Providing support where education happens: BenQ provides health checks and updates for school hardware. Through the BenQ CoocTech Symposium and the BenQ CoocTech Camp, lecturers go to schools to share teaching applications and online lesson plans, using a multi-pronged approach that covers hardware and software as well as teacher–student exchanges.

2. Industry–academia collaborations for teacher empowerment: Industry and academia collaborate for smart teaching, organizing educational seminars, teaching research, curriculum design, and teacher training.

3. Supporting technology education in remote regions: BenQ collaborates with Teach For Taiwan (TFT) to build smart classrooms at TFT's Pingtung Educational Innovation Base, so that technology education can become the starting point for change for education in remote regions.

In 2022, 55 schools were visited for the program, with a total of 887 teachers participating in the program and 212,880 students being reached through their teachers. Together with TFT, the program built smart classrooms and launched innovative teaching and learning for 555 teachers and 541 students at the Pingtung Educational Innovation Base, so that science and technology education can take root there.

BenQ Education – Into the Campus to Support Education

BenQ has been investing in the education market since 2009, and has built nearly 6,000 smart classrooms with BenQ's interactive touchscreens for educational settings (Smart Whiteboard), with more than 70% of the classrooms in Taipei using BenQ's educational touchscreens. To help schools resolve issues in their current equipment usage, BenQ first launched the BenQ On-site Service (BOSS) during the pandemic in 2020, visiting campuses and information and equipment team leaders to update the software of BenQ touchscreens purchased by schools, troubleshoot, and share IT management skills to help schools understand the functions of their equipment, which improved the equipment usage rate.

With good hardware and the right knowledge, BenQ Education launched a physical teaching workshop in 2021 – the BenQ CoocTech Symposium – and shared online lesson plans. BenQ targeted teachers; in addition to letting teachers know about how to use touchscreens and interactive teaching applications, we were more concerned about the frequency and quality of the use of touchscreens in the education field. To ensure that the design is helpful to teachers and students, the BenQ team included education lecturers, lesson plan designers, user experience designers and product managers, and they visited campuses continuously. In the past two years, they visited nearly 100 campuses and completed one educational training session for different purposes. Whenever BenQ lecturers show off the hidden features, teachers often make a gasp of surprise and actively discuss possible applications for their own teaching. This proves that as long as there is proper guidance to enable the teachers to have a good digital teaching experience, and to provide back-up and support, teachers are very willing to introduce interactive elements of technology into their teaching in order to help with their work and improve the quality of their teaching rather than increasing their workload.

In addition to teachers, BenQ also plans student clubs and summer and winter vacation camps with the theme being science and technology education in order to arouse students' interest in learning and cultivate their technological literacy. This is so that students can become an aid to teachers' digital teaching in the classroom.

Industry–Academia Collaborations Spread the Influence of Smart Teaching

On the other hand, in order to help teachers master the use of educational technology and develop diversified teaching applications, in 2021, we launched collaborations with the education sector, including the Taipei City's Compulsory Education Advisory Group's Science and Technology Counseling Group, Bailing Senior High School (a Pioneer School and a participant of the School Actualization Program), the Taipei City Smart Education Advisory Panel, and the Taipei Digital Experimental High School. A seminar on smart teaching was held, and technology and education media outlets, scholars, experts and teachers with achievements in interactive teaching were invited to discuss educational issues, educational trends, and smart teaching, so that teachers on the front line of education can learn about the trends and applications of educational technology with a more comprehensive and innovative mindset.

Having every classroom equipped with a big screen and every student using a tablet is the beginning of interactive teaching. To ignite teachers' passion for digital teaching, it is necessary to start with the most fundamental and solid teacher training, and to understand teachers' pain points and usage needs in order to get them to want to experience the convenience and teaching effectiveness brought by technological tools. In 2022, BenQ and the Department of Technology Application and Human Resource Development of National Taiwan Normal University (NTNU) collaborated in a long-term industry–academia partnership to conduct research on teaching and curriculum design with three main focuses.

1. By collecting users' (teachers') perspectives and methods for operating interactive technology, we seek to understand the pain points of users in interactive teaching and the use of BenQ's touchscreen and interactive software (EZWrite and InstaShare), and to propose improvements,

2. developing an integrated interactive teaching method and course content for digital publishing that integrated user experiences

3. and constructing an implementation framework for the integrated interactive curriculum.

In the first phase of curriculum development and design, a 7-day, 54-hour practical course was held during the summer of 2022 at the National Taiwan Normal University (NTNU) in the Enhancement Class for Teachers of Two Specialties. For the second phase, a 16-week course on STEAM teaching as well as a summer workshop (4–6 hours) in 2023 was planned. At the same time, visits were made to 15 science and technology education centers to conduct interviews on effectiveness, to find out more about the needs of teachers in teaching, and to optimize and improve teaching plans so that smart teaching can have an impact and be truly implemented in daily teaching.

Introducing Education Technology – A Starting Point for Equal Access to Education in Remote Villages

Target 4.5 of the United Nations Sustainable Development Goal (SDGs) Quality Education mentions the elimination of gender disparities in education by 2030 and ensuring equal access to all levels of education and vocational training for disadvantaged groups, including the physically and mentally disabled, indigenous peoples, and children from disadvantaged backgrounds. Teach for Taiwan (TFT) is a non-profit organization dedicated to addressing educational inequality, with the goal of creating equal educational opportunities for every child. Since 2014, TFT has been actively collaborating with schools in remote regions of Taiwan. Members of TFT have entered into the service of rural schools and become the starting point for change in rural education.

In June 2022, BenQ donated equipment to the TFT's Taipei Office and Pingtung Educational Innovation Base, and set up the BenQ Smart Classroom to prevent the smart classroom from becoming simply a high-tech-looking backdrop because teachers do not know how to use the equipment. The BenQ team organized workshops and corporate internships for TFT members so they can learn how to create efficient interactive teaching with the big smart screen, allowing science and technology education to plant the seeds of digital learning in remote regions in Taiwan through TFT members. In 2023, BenQ will further provide TFT members with summer and winter internships (2–3 students in each tier) to create more possibilities for education in remote areas with them.

In 2022, BenQ's education team promoted smart teaching to improve the quality of teaching and learning, which will bring about benefits in learning and raising achievement levels in remote villages. The overall SROI is estimated to reach 16.4 times.

Education is not about filling up a bucket of water, but lighting a fire. Through concrete actions, BenQ hopes to promote the trend of smart teaching and become a helping hand in promoting digital education in Taiwan in order to cultivate future talents and shape a better future for education.

# 6.1 Principles for Ethical Corporate Management

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

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

We promote ethical behavior through multiple channels. At the same time, the "Ethical Corporate Management Best-Practice Principles" is available on the Company's official website and the home page of our intranet, so every employee can view the detailed content as soon as he or she turns on the computer at work. Before important holidays and other moments of necessity, the Company sends newsletters to promote ethical conduct to every employee's email to remind them of the need to follow relevant principles and strengthen their awareness.

For employees, the company conducts online training courses on integrity every year, and requires each employee to retake the training once a year. In 2022, the completion rate of the training in Taiwan was 100%, and we did not receive any complaints and did not have any cases of violating the principles of integrity.
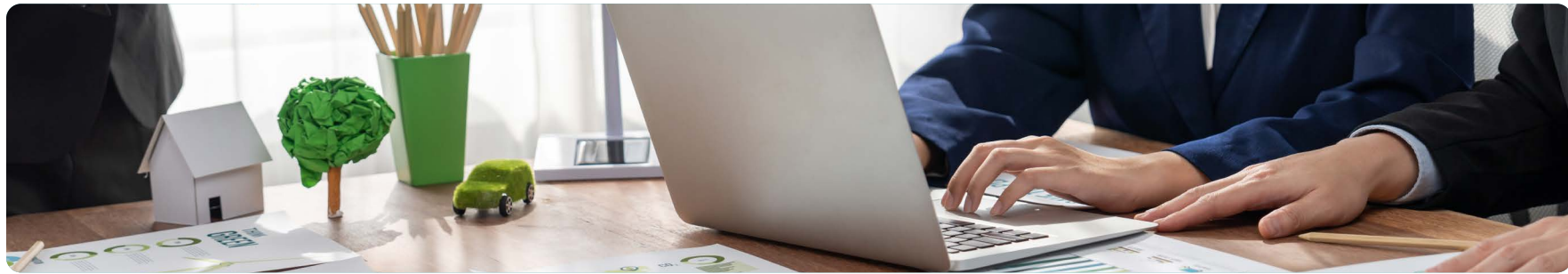
The Company's "Report and Complaint Management Regulations" have been announced on our internal and external websites. For serious misconducts concerning breach of integrity, conflicts of interest and recusal, fair trade, bribery and illegal payments, or unlawful or improper conduct, there is a comprehensive set of complaint and reporting procedures.

Once it is found that someone or something is not in line with the spirit of integrity, or violates our principles of Integrity, employees can notify the President directly by email, and the matter will be dealt with by the highest manager of the company; employees and those outside the company can also use integrity@BenQ.com: (Chinese, English, or other local languages can be used) to file a complaint or an appeal, which will be investigated by a dedicated unit. After the investigation by the specialized unit, an investigation report will be made within a month. Once the matter has been substantiated, appropriate measures will be taken in accordance with the severity of the case. BenQ has severe punishments for illegal acts, and will refer the matter to the authorities if necessary. The Company strictly guarantees the confidentiality of the identity of the whistleblower to ensure their safety and to protect them from retaliation.

For the operating procedures of daily business activities, our Company has an appropriate internal control mechanism for operations that may carry the risks of corruption. The Risk Management Committee is responsible for identifying corruption risks, the Human Resources Department is responsible for training, and the Auditing Office is responsible for confirming that the mechanisms to reduce and prevent corruption are implemented. The Auditing Office regularly evaluates the efficacy of the internal control mechanism and collects suggestions from the senior management of all departments regarding potential risks (including fraud and embezzlement), prepares and executes auditing plans, and reports the auditing results to the Audit Committee and the Board of Directors each year so that the senior management can understand the current state of BenQ's corporate governance and achieve management objectives.

In 2022, we conducted regular internal control risk assessments and audits for the three major areas of financial reporting, procurement operations and sales operations, and no significant risks or incidents of corruption were found.

6.2 Legal Compliance

Compliance with laws and regulations is a company's social responsibility and the key to sustainable operation. Since BenQ operates all over the globe, it has long been monitoring policies and legal trends in Taiwan and abroad that may have significant impact on the Company's operations to ensure that the Company and its employees comply with the laws and regulations of each jurisdiction, and we have established a comprehensive compliance system through tracking and evaluation, company rules, compliance plans, and compliance education and training.

BenQ has formulated policies and regulations that are in line with laws and regulations of Taiwan and other countries, including those pertaining to personal data protection, confidentiality, anti-bribery, anti-discrimination, environmental protection, intellectual property protection, anti-insider trading, anti-unfair competition, and labor protection. BenQ also keeps a close eye on the laws and regulations of other countries and actively complies with them, and has all of our employees comply with laws, regulations and policies, which are implemented through the cooperation of all departments. We also enhance the awareness of our employees through education and training, such as training for new employees, e-newsletters, online course training and posters to fulfill our responsibility of complying with the law.

Aspect	Law	Major penalties or non-monetary sanctions in 2022
Business operations and marketing	Criminal law, Fair Trade Act, Trademark Act, Copyright Act, and competition law	0 cases
Financial and organizational planning	Company Act, Securities and Exchange Act, Money Laundering Control Act and related laws and regulations, and management procedures on the prevention of insider trading	0 cases
Internal and customer information protection	Trade Secrets Act, Personal Data Protection Act	A0 cases
Human resources policy and management	Labor Standards Act and related laws and regulations	0 cases
Safety, health, and environment	Occupational Safety and Health Act, Regulations on Occupational Safety and Health Administration	0 cases
Environmental protection	Water Pollution Control Act, Waste Disposal Act, and Air Pollution Control Act and its enforcement rules	0 cases
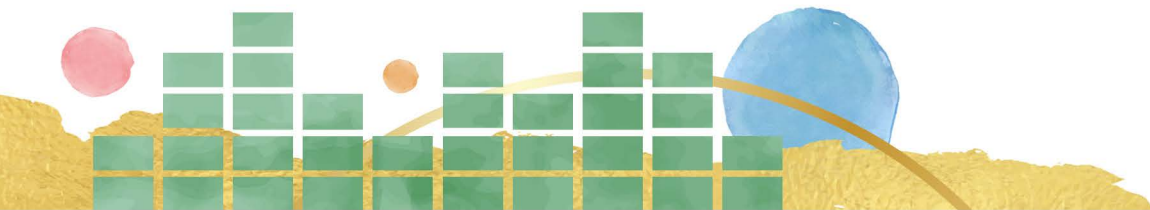
6.3 Supervision and Risk Management

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

I. Risk management operations

As a key member of Qisda's Risk Management Committee (RMC), we participate in RMC meetings on a regular basis to propose a risk improvement plan and concrete improvement programs for BenQ. Based on major risk scenarios, we formulate business continuity plans (BCPs), which include simulation exercises and field tests, to ensure the effective operation of the Business Continuity Management System (BCMS).

With regard to Group-wide risk control, we have built a joint defense mechanism with Qisda to strengthen the damage prevention mechanism, enhance emergency response capabilities and reduce losses caused by disaster through experience sharing and resource sharing under the Group's policy.

II. Organization and structure of the Risk Management Committee (RMC)

BenQ participates in the operation of Qisda's Risk Management Committee (RMC) to establish, promote, supervise and maintain the risk management plan. The RMC monitors risks through risk self-assessment reports and concrete improvement plans, and tracks and evaluates risk management performance through its annual risk management report.

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

In order to effectively manage and track performance, we define Key Risk Indicators (KRI) related to the operation of the organization to strengthen risk monitoring and the tracking of management performance. Risk checklists and other tools were used to inventory the various risks faced by each business unit to enhance the completeness of our risk identification. The meetings also address major events in Taiwan and around the world, regulatory changes, tracking and review of abnormal risks, and the proposal and adoption of effective contingency measures.

In terms of implementation results, BenQ participated in a total of 52 Risk Management Committee meetings in 2022, including 4 regular meetings and

48 ad hoc meetings. In addition, BenQ also had all employees participate in the risk culture education and training to strengthen their awareness of internal and external businesses as well as information security; finally, BenQ did not find or identify any critical or significant events that should be communicated to the Board of Directors in 2022 (such as potential and actual negative impacts on stakeholders caused by the organization voiced through the grievance mechanism and other procedures).

III. Business Continuity Management System (BCMs)

1. Business continuity management policy

BenQ has formulated business continuity plans (BCPs) to manage major risk scenarios identified by the Risk Management Committee: Identification and prevention before the occurrence of an event; response and mitigation during the event; and recovery and risk transfer after the event. Through the implementation of our risk management framework and the Business Continuity Management System, BenQ is able to ensure the continuity of the Company's operations in the event of a major accident or disaster and to minimize the impact and disruption that it would bring to the Company's operations.

2. Business continuity management results

We continue to add to and establish BCPs for emerging major risk scenarios. In addition to setting up BCPs, we conduct regular drills and exercises, during which BenQ collects, integrates, evaluates, assesses, and makes decisions in real time. We continuously practice until we achieve our recovery objectives in order to strengthen our employees' familiarity with BCPs. We regularly update the Company's Crisis Management Handbook to document the measures and procedures to enact when responding to major events.

IV. Emergency response joint defense mechanism

Since Qisda is an important supply chain partner of BenQ, a Group-level joint defense mechanism has been established to strengthen our damage prevention mechanism, enhance our emergency response capabilities, and reduce losses caused by disasters through experience sharing and resource sharing within the Group. In 2022, we participated in 10 regular meetings of the Group's companies to enhance risk awareness and strengthen risk response capabilities.
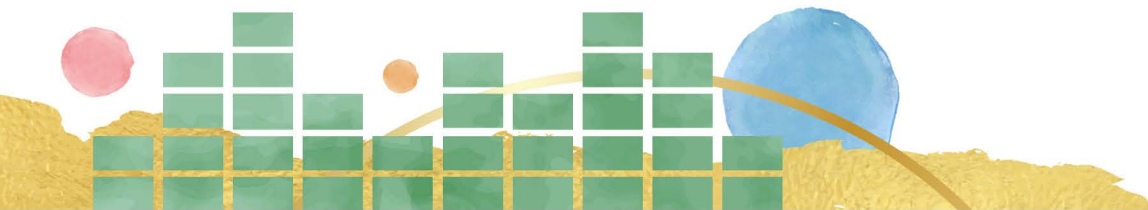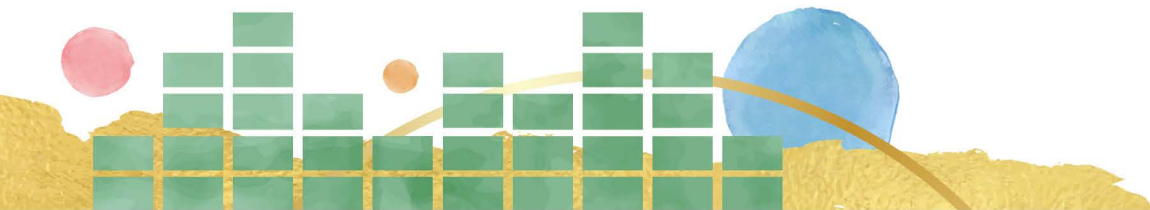
6.4 Risk Response

Global currencies have risen and fallen sharply due to international political and economic instability and the continued impacts of the COVID-19 pandemic. BenQ has maintained its policy of not engaging in high-risk or high-leverage investments, not lending funds to unrelated parties, and not endorsing or issuing guarantees for unrelated parties. Our derivatives trading strategy is risk-averse and does not include speculative trading, so there was no operational risk related to derivatives trading in 2022. Moving forward, BenQ's derivatives trading will continue to be solely conducted for hedging risks arising from fluctuations in exchange rates or interest rates. We will continue to regularly evaluate our foreign exchange positions and risks to reduce our operational risks. In recent years, prices have been rising steadily; BenQ will continue to monitor inflation and adjust product prices and inventory levels appropriately to reduce the impacts of inflation.

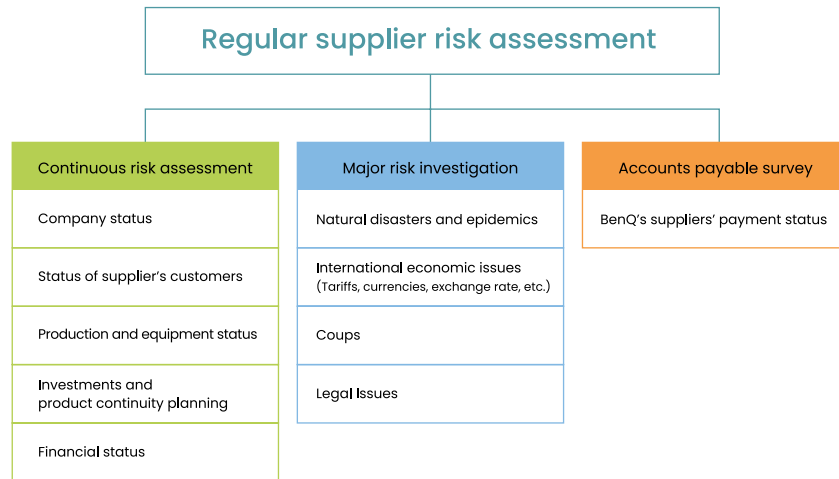**Operation risk management during COVID-19**

In 2022, due to the economic stimuli of COVID-19 vaccine launches and loosening monetary policy in, large shipments were exported to Europe and the U.S. Air, sea, and land transportation modes faced constraints in storage space, transportation equipment, availability of finding terminal and trucking workers, and high freight rates. What is more, there is pressure on the international sea freight, putting the supply chain under great strain.

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

6.5 Supplier Risk Assessment

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┌─────────────────────────────────────────────┐
│         Regular supplier risk assessment     │
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Continuous risk assessment	Major risk investigation	Accounts payable survey
Company status	Natural disasters and epidemics	BenQ's suppliers' payment status
Status of supplier's customers	International economic issues (Tariffs, currencies, exchange rate, etc.)	
Production and equipment status	Coups	
Investments and product continuity planning	Legal Issues	
Financial status		

(1) Ongoing risks are raised in regular procurement meetings, such as: supplier shipment status, plant relocation, organizational changes; (2) Significant risks are investigated immediately after the occurrence of the risk, such as: Covid-19, China's electricity restriction, earthquakes, the U.S.–China trade war; (3) At the end of each month, accounts payable are checked by the finance department, which will keep an eye on the status of suppliers' payments.

Through these internal mechanisms that regularly assess risks, BenQ has been able to prevent possible and unknown business risks.
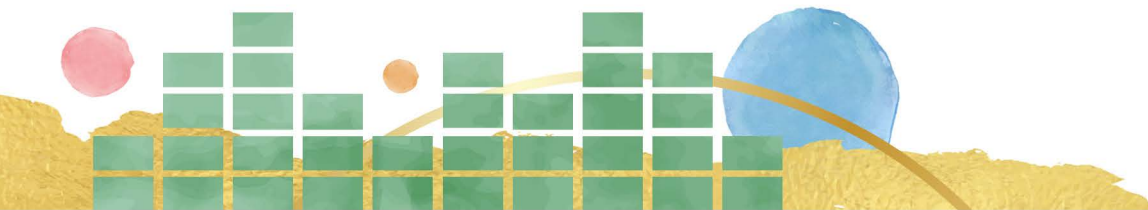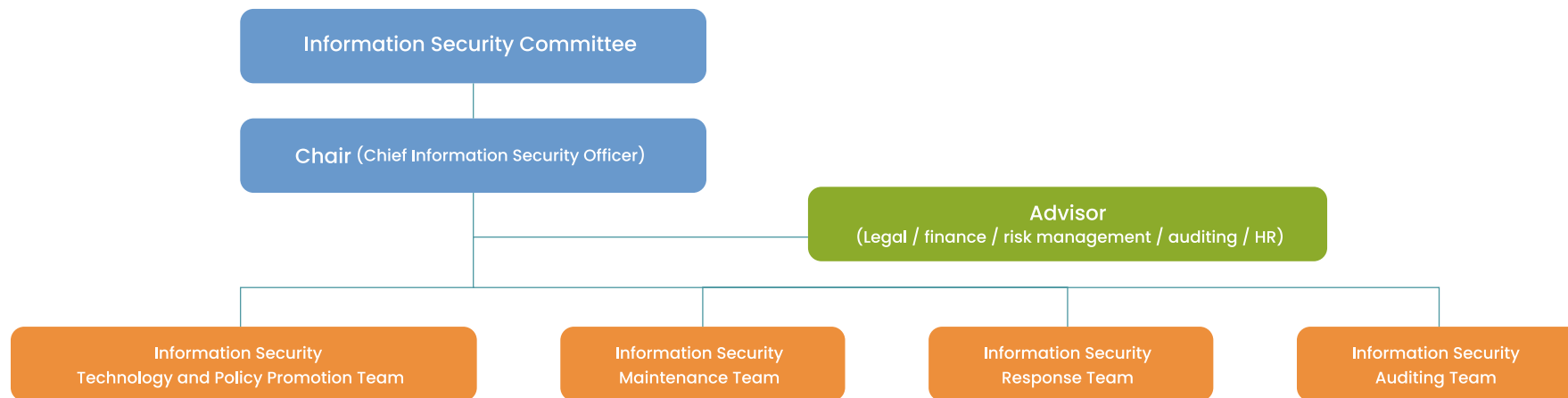
6.6 Information Security

6.6.1 Information security policy (internal control and SOP)

To ensure the confidentiality, integrity, availability and legality of our information assets (hardware, software, data, documents, and personnel, etc., related to information processing), prevent intentional or accidental internal and external threats, and safeguard the Company's business needs. BenQ formulated a corporate information security policy in accordance with the ISO 27001 international standard for information security. We obtained ISO 27001 certification in August 2020, whose range includes server rooms and data centers and whose scope covers all of BenQ's operational and critical systems as well as database locations.

6.6.2 Information Security Committee

BenQ has formed an Information Security Committee to lead the promotion of information security within the Company. Through information asset standards and tools, we are effective in protecting the security of the Company's intellectual property and raising the awareness of information security among employees. The Information Security Committee is convened by the President himself, with the Chief Information Security Officer as the chair and the first-level managers of each unit as members. At least once a year, the Chief Information Security Officer (who is simultaneously the Chief Information Officer) will report to the convener of the Information Security Committee on the organizational structure of the Information Security Committee, as well as the division of labor and responsibilities of the teams.
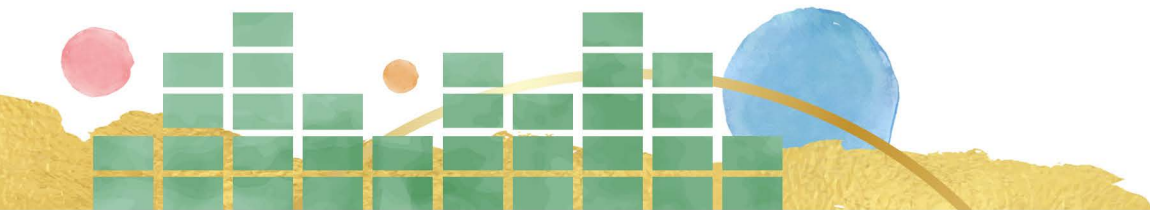
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                    ┌─────────────────────────────────────┐
                    │  Information Security Committee      │
                    └─────────────────────────────────────┘
                                     │
                    ┌─────────────────────────────────────┐
                    │  Chair (Chief Information Security   │
                    │  Officer)                            │
                    └─────────────────────────────────────┘
                                     │        ┌──────────────────────────────────────────┐
                                     │        │  Advisor                                 │
                                     │────────│  (Legal / finance / risk management /    │
                                     │        │  auditing / HR)                          │
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│ Information    │ │ Information   │ │ Information   │ │ Information   │
│ Security       │ │ Security      │ │ Security      │ │ Security      │
│ Technology and │ │ Maintenance   │ │ Response Team │ │ Auditing Team │
│ Policy         │ │ Team          │ │               │ │               │
│ Promotion Team │ │               │ │               │ │               │
└───────────────┘ └───────────────┘ └───────────────┘ └───────────────┘
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6.6.3 Information Security and Network Risk Assessment

Risk assessment results and internal meetings are used to decide on risk handling measures, so as to reduce, transfer and eliminate risks in order to protect the activities within our information security management system, implement relevant regulations, and execute risk assessment procedures. At the same time, we review laws and regulations, amend our own internal information security rules to ensure legal compliance and efficacy, and announce changes to our employees.

In addition to basic information security training for new employees, we also hold regular email social engineering drills to educate employees about information security, such as sending and receiving emails, to reduce the risk of employees accidentally clicking on malicious emails. In 2022, 74% of employees passed the email social engineering drill test. Also, an online education course on information security was offered to all employees to enhance their awareness of information security The training completion rate is 100%, which helps to integrate information security awareness into daily operations.

Lastly, we require third-party service providers in the supply chain to sign contracts that include confidentiality and network security requirements.

6.6.4 Information Security Management

Through its information security management system, BenQ implements information security policies, protects customer data and the Company's intellectual output, enhances information security incident response capabilities, meets information security policy measurement targets and stakeholder expectations, and continuously improves the Company's information security control mechanism through the PDCA mechanism, all of which helps to improve the Company's competitiveness.

Our vulnerability scanning system regularly scans the vulnerability of our systems to ensure their security and to prevent a leak of sensitive information due to vulnerabilities in the systems. System recovery exercises are conducted annually and regularly, and off-site backup of ERP data is conducted on a daily basis. In addition, we have purchased SecurityScorecard, a third-party network security risk management system, which monitors, carries out continuous risk analysis of information security systems, and set targets to maintain an overall score of 95 (out of 100; the industry average is 85) for 10 risk categories, including network security, health of the Domain Name System, vulnerability remediation, endpoint security, IP reputation evaluation, and application security.

6.6.5 Information Security Insurance

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

6.6.6 Measures for Major Information Security Events

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

Information security incident	2019	2020	2021	2022	2023 target
Number of information security or network security violations	0	0	0	0	0
Number of data breaches	0	0	0	0	0
Number of customers and employees affected by data breaches	0	0	0	0	0
Amount of fines for information security or network security-related incidents (NTD)	0	0	0	0	0

6.7 Privacy of Personal Data

2022 Performance/KPI	0 penalties
2023 targets	0 penalties

6.7.1 Personal Data Privacy Policy

BenQ respects and is committed to protecting the privacy of customers, employees and vendors. BenQ complies with laws and regulations regarding the protection of personal privacy and the security of personal data. We are committed to ensuring the privacy of customers when doing business with them. In addition to promoting the necessity of information security within the Company, access to confidential documents is restricted by authorization levels and they are destroyed periodically; only partial authorization can be given to non-authorized employees after they receive approval from their immediate supervisors.

6.7.2 GDPR Compliance Working Group

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

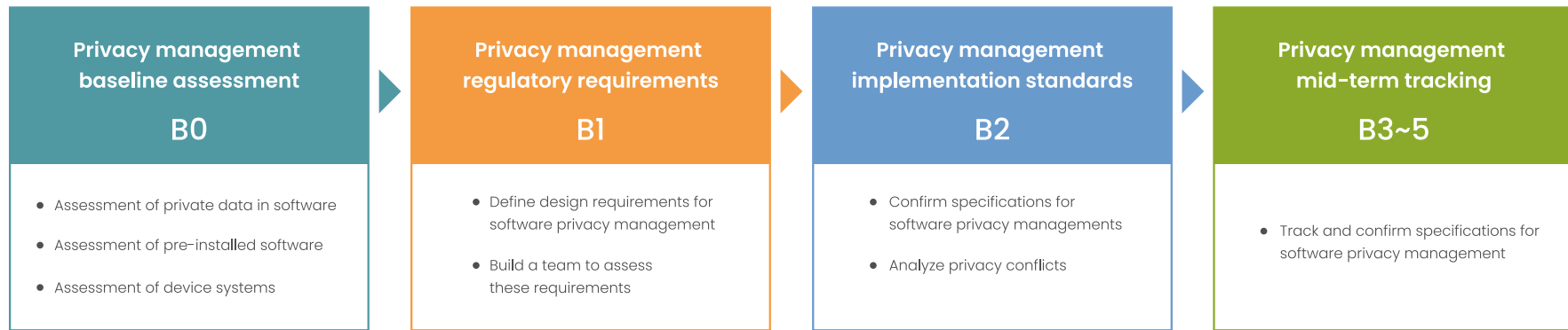## 6.7.3 Management of Work Related to Personal Data Privacy

In order to properly prevent the possible leak of personal data in various activities within the Company, the GDPR Working Group, which includes internal experts from the legal department, information system department, software platform development department, customer service department and business units related to cloud products, conducts an inventory of information systems, service platforms, product development, and major risk nodes with customers and suppliers used by each department of the company on a sporadic basis, and requires each unit to complete improvements within a set period of time for identified process management deficiencies.

In addition, the Company regularly conducts education and training on personal data protection and privacy-related issues for new employees. In 2022, 95% of all headquarter employees received training on GDPR-related laws and regulations.

Lastly, we emphasize that the collection, use and management of personal data must comply with the personal data protection laws and regulations of each of our operating locations, and the matter is centered on the individual who owns the personal data. Our principle is to inform individuals and allow them to exercise their rights of consenting to giving, correcting, and deleting their personal data.
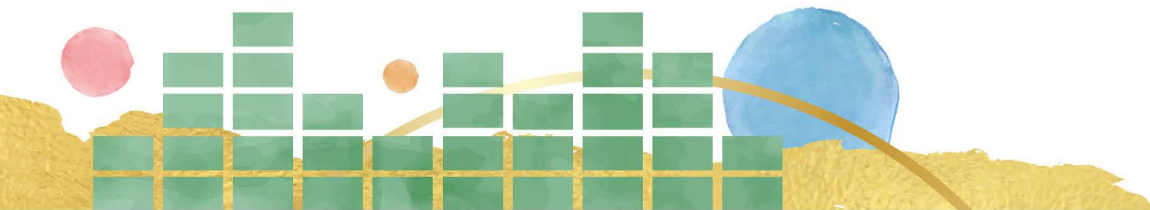
GDPR- Project B0 - B5 Tool

Privacy management baseline assessment B0	Privacy management regulatory requirements B1	Privacy management implementation standards B2	Privacy management mid-term tracking B3~5
• Assessment of private data in software • Assessment of pre-installed software • Assessment of device systems	• Define design requirements for software privacy management • Build a team to assess these requirements	• Confirm specifications for software privacy managements • Analyze privacy conflicts	• Track and confirm specifications for software privacy management

6.7.4 Management Policy – Introducing Privacy Engineering into Product and System Designs

BenQ actively promotes privacy engineering in product design. In combination with the B System – BenQ's unique product development management process – we require the product development team to apply the privacy design checklists at each important stage to verify that the products, software services, and IT system platforms under development comply with privacy laws and our own privacy policy to protect consumer rights. We continue to enhance the privacy and security of our product design. In 2022, a total of 37 product development projects (15 such projects in 2021) completed the privacy engineering design review. In addition, the user privileges of IT systems are properly managed, and regular reviews are conducted to ensure that no personal data is leaked.

BU	Completion of GDPR (B1–B5, mass production)	B0 only, introduction at case-opening
PDP	8	2
PRJ	7	0

BU (2022)	Number of models with personal data collection to be checked for GDPR	Number
	B1–B5, mass production	B0 only, case expecting to be opened
ESD	2	0
PDP	23	0
PRJ	9	0
CLM	3	0

6.7.5 Notification of Personal Data Leaks

BenQ has established a set of procedures for personal data breach notification within our information security notification procedures. Only certain senior executives and members of the GDPR Working Group can conduct an inventory of the current situation, risk assessments, internal and external notifications, preparation of a plan of action, and subsequent tracking and handling of personal data breach cases.

In 2022, there were no complaints from groups outside the Company, substantiated complaints from within the Company, or complaints from regulatory authorities; therefore, there were no incidents of data leakage, data theft, or loss of customer data, meaning we achieved our goal of zero penalties for such cases.

The Spirit of Sustainable Innovation

7.1 Brand Management

7.1.1 Brand Positioning

From its vision of "Bringing Enjoyment 'N' Quality to Life", BenQ strives to be a leading company in technology products and integrated solutions. We are dedicated to understanding people's needs and have invested in the areas of digital life, business operations, health care, and education and learning in order to bring you a wide range of innovative products that enhance the quality of life, drive operational efficiency, facilitate comprehensive health care, and create flexible learning applications, including projectors, LCD monitors, large commercial displays (interactive, digital signage), wireless speakers, and smart desk lamps, enriching life through technology.

7.1.2 Message from the Brand to the Public—A Green Brand's Corporate Social Responsibility

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

Nature conservation and environmental protection have always been important parts of the core values of BenQ's corporate culture. We embraced the concept of green products back in 2004. From merely meeting the requirements of environmental laws in the past, to adopting green product design and information disclosure of our own accord today, all BenQ products have ever since taken environmental protection and energy conservation into consideration, and several have been awarded the R.O.C. Energy Star certification. For example, the GV series of miniature projectors upturned the stereotypical image of projectors by utilizing a rounded shape, eliminating the need for traditional tripods and metal torsion structures to adjust the angle of projection, and

reduces the waste of the Earth's resources by reducing the number of parts through innovative design. The development of the projector's light source is completely mercury-free to reduce the impact on the environment.

BenQ actively develops green products that are Earth-friendly and meet the requirements of laws and regulations; we even go further to make all our products green and recyclable. BenQ hopes to pursue the triple outcomes of economic growth, social responsibility, and environmental protection under our corporate structure of stable profit and sustainable growth, working as a positive force in society and creating better co-existence between humans and the Earth. This is BenQ's firm commitment to corporate sustainability.

7.1.3 Message from the Brand to Its Employees—Implementing CSR Through Four Values

BenQ's corporate vision of "Bringing Enjoyment 'N' Quality to Life" is realized through the four values of "Integrity and Self-Discipline", "Passion and Service", "Pursuit of Excellence", and "Care and Contribution". "Integrity and Self-Discipline" stands for our commitment to moral integrity, leading by example, abiding by the Company's code of conduct and regulations, upholding our promises, and not engaging in dishonest tactics. ''Passion and Service'' means completing tasks with a proactive attitude, and treating our work and colleagues with care. ''Pursuit of Excellence'' refers to being open-minded about innovation and change, continuously learning and growing, and constantly pursuing improvement. ''Care and Contribution'' means being committed to environmental protection and sustainable development, as well as contributing to the interests of our customers, society, and the environment.

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

7.1.4 Sustainability

BenQ is a people-oriented brand. We believe that design and technology must meet the real needs of consumers for them and us to function optimally. BenQ's sustainability depends on a solid foundation of environmental, social, and corporate governance. Only through continuous implementation can we accumulate energy for future sustainable growth.

To align the Company's sustainable development with the worldwide standards, we actively respond to several United Nations Sustainable Development Goals (SDGs), committing ourselves to quality education, good health and well-being, and climate action. For example, BenQ has responded to SDG 4 by creating a quality education environment, and has responded to the SDG 3(good health and well-being) through the design of its products, by incorporating and upgrading eye-protecting, ear-protecting and anti-bacterial technologies and obtaining third-party certifications. As for climate action, BenQ is committed to responding to the SDGs on clean energy, responsible production and climate action, all of which are implemented in our daily business operations.

Quality Education:

1. In 2022, we implemented Smart Teaching, breaking away from our previous model of donating hardware to particular locations and extending it to meeting the needs of teachers and students, continuously developing lesson plans, and creating a learning platform for both parties to learn together. For the project, we visited more than 55 schools, with 887 teachers participating in the activities; we reached about 212,880 students through their teachers.

2. Through the BenQ CoocTech Camp and the BenQ CoocTech Symposium, we arranged for full-time lecturers to go to the school to teach applications, share lesson plans online and offline, and provide health checks and updates for hardware and equipment. We used a multi-pronged approach of upgrading hardware and software, facilitating teacher-student exchanges, and holding a number of educational seminars to help enhance teachers' digital teaching skills (please refer to Section 5.6 of the report).

3. To promote health-based smart education in Taiwan, our interactive touchscreen for education settings has eye protection and antibacterial technologies. The antibacterial screen is continuously updated to prevent the touchscreen from becoming a transmission medium and to protect the user's health. BenQ and Teach for Taiwan collaborated to support education technology in remote regions by building smart classrooms at the Pingtung Educational Innovation Base, creating a high-quality digital learning environment that nurtures talents and eliminates educational inequality.

Good Health and Well-being:

As a leading brand of eye care technology, BenQ has developed monitors with no flicker and low blue light, and laser TVs with reflective light sources to reduce eye fatigue. In addition, ScreenBar Halo is a smart table lamp whose LED light source was rigorously chosen to be blue light free and reduce the hazards of flickering. It has obtained certification from the European Union (EU IEC/TR62778 and IEC/EN62471) to protect users' eyes in all aspects.

Climate Action:

BenQ's products is designed with the "whole product lifecycle" concept. In the R&D and design stages, BenQ considers the environmental impact of the products' subsequent transportation and use, and adopts energy-saving, packaging reduction, and easy-to-recycle designs. For example, through an innovative design in the structure, the projection angle of the GV30 projector can be adjusted without the need for the traditional tripod and the metal torsion structure, reducing the number of parts and lowers the impact of the projector on the environment, which was recognized by the G-Mark and Golden Pin design awards.

7.2 Innovation Strategy and Values

Management approach

- We provide incentives and professional assistance to create quality patents and to encourage innovation.

- Through diversified development, we encourage industry–academia collaboration, expand R&D capabilities, and cultivate outstanding talent for society.

- We are customer-oriented, and we address consumer feedback, run innovative technology processes, improve products and services, and resolve consumer pain points.

- Responding to the needs of society, we continuously improve our products to save energy, reduce carbon emissions, and protect the environment.

2022 targets and results:

Item	Target	Performance
1.Obtain Energy Star certification for flat panel display sales.	>50%	55.9%
2.Have projector sales come from semiconductor light sources (laser or LED) that don't use lamp consumables.	>15%	22.9%

2023 targets:

- >50% of flat panel display sales with Taiwan's Energy Star certification.

- >15% of projector sales from semiconductor light sources (laser or LED) that don't use lamp consumables.

- Continued investment in eye-protecting display technology to protect consumer health.

- Continuous improvement of the energy efficiency of semiconductor light source projectors to enhance price/performance ratio and competitiveness.

Management Approach

1. Encourage innovation, offer incentives and professional assistance to create quality patents.

2. Diversify development, encourage industry-academia collaboration, expand research and development capabilities, and cultivate outstanding talents for society.

3. Be customer-oriented, address consumer feedback, apply innovative technology processes, improve products and services, and solve consumer pain points.

4. Respond to social needs, continuously improve products to meet the needs of society as regards carbon emissions.
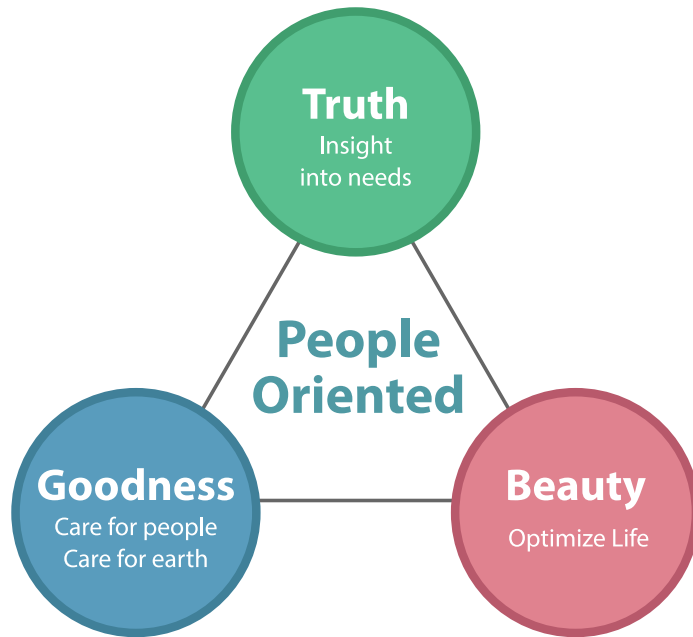
2022 Targets

1. 55.9% (>50%) of flat panel displays with Taiwan's Energy Star certification.   **Achieved**

2. 22.9% (>15%) of projector sales from semiconductor light sources (laser or LED) without lamp consumables.   **Achieved**

Medium- and long-term targets

1. 50% of flat panel displays with Taiwan's Energy Star certification.

2. Continued investment in eye-protecting display technology to protect consumer health.

3. Continuous improvement of the energy efficiency of semiconductor light source projectors to enhance price/performance ratio and competitiveness

Truth
Insight into needs

People Oriented

Goodness
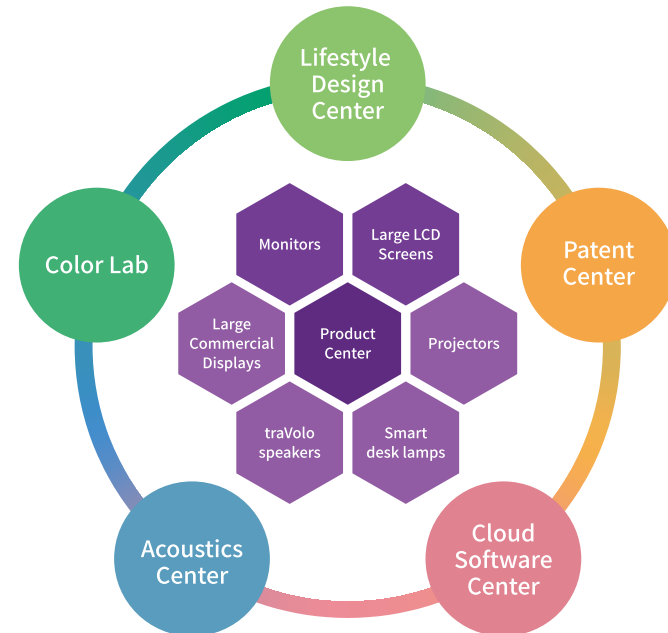Care for people
Care for earth

Beauty
Optimize Life

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

7.2.1 Innovative Product Design: Organization and Process

The Product General Manager's Office has a Color Technology Lab, Acoustics Center, Cloud Software Center, Design Center, and Patent Center, which are dedicated to in-depth research and early development in these various fields and used in product development in the Product Center. With continuous investment and technology accumulation over many years, BenQ has maintained its competitiveness in color vision, acoustic engineering, and human-oriented engineering. In addition to developing our internal technology specializations, we encourage each product division to collaborate with academia as needed, bringing in external energy to expand our research and development results and foster excellent talent.

Lifestyle Design Center

Color Lab

Patent Center

Monitors
Large LCD Screens
Large Commercial Displays
Product Center
Projectors
traVolo speakers
Smart desk lamps

Acoustics Center

Cloud Software Center

Lifestyle Design Center (LDC)

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

DESIGNING THE RIGHT THING   DESIGNING THE THING RIGHT

Research Empathy ⟳ Value Proposition	DEFINE PROBLEMS	Ideate ⟳ Prototype Test	COMMUNICATE THE VALUE
CLARIFY THE VALUE		CREATE THE VALUE	
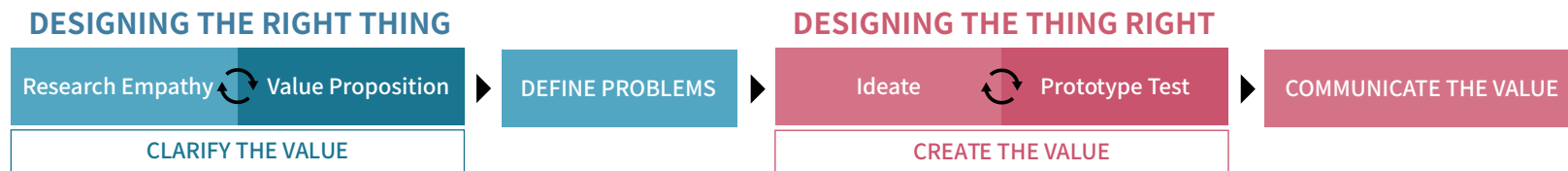
To deliver innovative value and the best experience to consumers, the LDC is organized around six functional teams:

- User Research: Conduct user and market research to discover consumer needs.

- User Experience: Use prototypes to clarify needs and propose user-friendly experiences.

- Product Design: Create high-end lifestyle aesthetics through attractive product design.

- CAID Studio: Use the latest computer-aided industrial design technology to improve design efficiency.

- Mock-up Studio: Test the feasibility by making prototypes to turn concept ideas into reality.

- Product Marketing: Communicate product value in ways that consumers understand.

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

Sustainable Innovation Process

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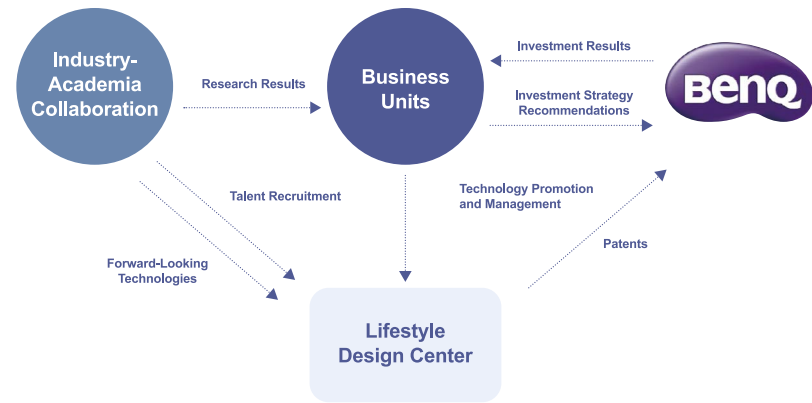

7.2.2 Industry-Academia Collaborations

A.Industry-Academia Collaboration—ZOWIE

BenQ' ZOWIE is a brand created for professional e-sports players. We have continued to conduct industry-academia collaborations to apply sports science into the development process of e-sports equipment and enhance the quality of decision-making in product development.

BenQ's Lifestyle Design Center conducts in-depth research on specific games and interviews players to interviews in the early stages of the project, and then works with tertiary universities to formulate the key factors for winning the game. On this basis, the product designers (ID) put forward several concepts, and the universities design experimental tasks, and use scientific experiments and user-researcher (UR) interviews to conduct a comprehensive qualitative and quantitative analysis. After developing and validating the design, the best solution is found.

A Human & Machine Innovation Lab has been set up at the LDC for sports science. Its goal is to validate product research and development, improve product quality, and inspire ideas across all the teams.
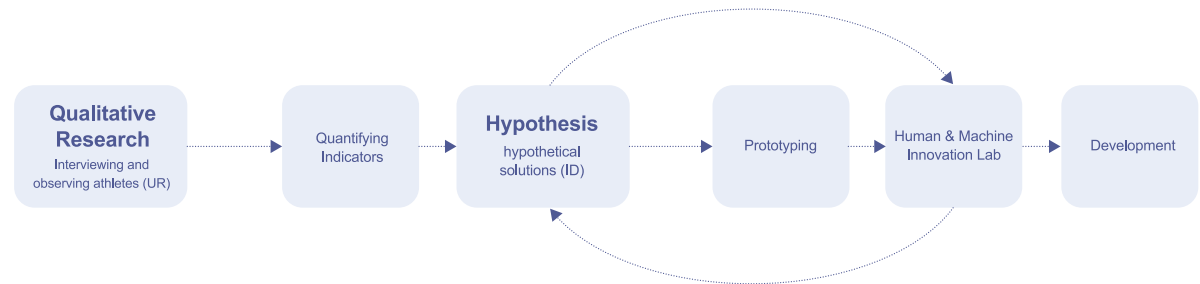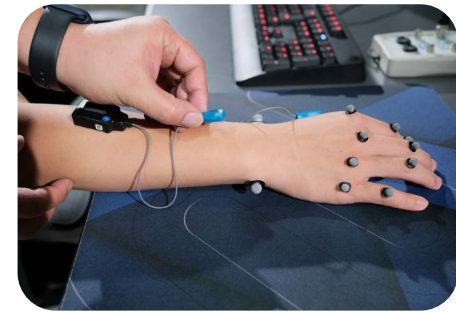
Example: National Taiwan University of Sport's Biomechanics and Motion Diagnosis Lab (left), ZOWIE EC3-C gaming mouse (right)

Human & Machine Innovation Lab at the BenQ Lifestyle Design Center (left), introduction and application to product design verification(right)

B.Industry collaboration—Participation in and Formulation of International Standards

BenQ is committed to participating in the development of international standards based on its responsibility to society and consumers. BenQ hopes that by combining its own color knowledge with international R&D, it will be able to develop solutions that best meet the needs of users and minimize the impact on the environment, and apply the results of the research to applications in the lives of the general public.

BenQ supports the development, revision and review of international standards, and the doctoral-level researchers at the Color Technology Lab are involved in these processes. It is hoped that the development of international standards will lead to more manufacturers in the industry participating in the process and provide the public with more and more energy-saving, eye-protecting, and color-accurate displays.

For example, it is a common habit of people's to use displays with the brightness turned up to maximum. However, this is not a correct and healthy habit, and the colors displayed on monitors may not always be the most accurate. The International Standard Organization (ISO) commissioned experts and academics to conduct a series of studies in order to define what the parameters of a display should be during the use of standard colors, which led to the birth of three international standards, namely ISO 3664, ISO 12646, and ISO 14861 (2009-2015, the current version is 2015, and the new version is in development).

In ISO 12646 and ISO 14861, it is stated that the best color performance can be

obtained when the brightness of a display is set to 160 cd/m2. In general, the maximum brightness of a monitor can reach 250 cd/m2 or more, so the color performance is not the most accurate when the display is set at maximum brightness. At the same time, by following the recommendations of ISO 12646 and ISO 14861 standards, energy savings of at least 36% can be achieved. In ISO 3664, the recommended display brightness is 80 cd/m2 for dim environments or total darkness, and 160 cd/m2 for ordinary environments. Therefore, the brightness of the display should not be fixed at the maximum, but should be changed according to the brightness of the environment in which it is used in order to get the best color performance and save energy at the same time.

In addition, ISO 12646 also mentions that the color temperature of the display should be set to D50, which is close to 5000K. Unlike ordinary displays, which are set to high color temperatures (above 7500K) and result in bluish colors, especially white, a 5000K color temperature setting provides a more comfortable experience for the eyes when viewing for long periods of time. Combined with the 160 cd/m2 brightness setting mentioned above, it saves energy consumption and allows people who work with images to use the display for long periods of time, and have both color accuracy and eye comfort.

However, having a color-accurate display can do even more to protect the environment. Take printing as an example; in the past, the color matching between printers and customers often resulted in a lot of back-and-forth communications and revisions due to inaccurate colors on monitors, as well as massive amounts of printed materials being scrapped and time being wasted. Nowadays, due to improvements in display color accuracy, the number of communications and revisions can be greatly reduced through color management, which can effectively reduce the consumption of paper, ink, energy, manpower, time, and delivery. All of this has a positive effect on the environment.
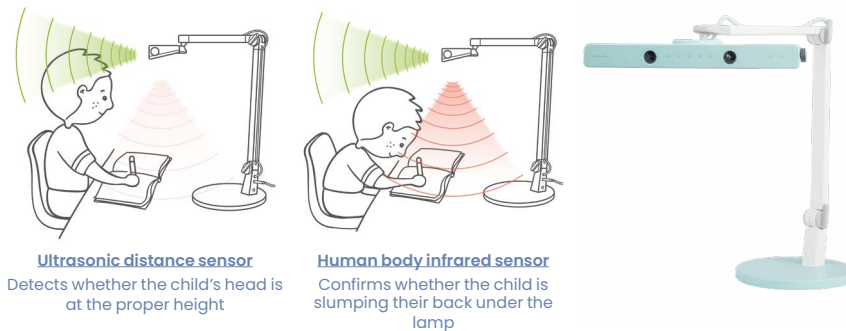
7.2.3 Innovation Results

A. Innovations Caring for Consumers' Health

Smart desk lamp with reminder function for proper sitting posture

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

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

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

BenQ MindDuo 2 Plus Smart Desk Lamp

Recent technological progress has led to table lamps with increasingly enhanced functions. The issue of insufficient light can be resolved now, but the issue of children's sitting posture was something that could only be mitigated by parents reminding their children themselves. We have observed that most parents are troubled by this because they can't be with their children all the time, and they are worried reminding their children too often will make their children think they are nagging. To solve this, we at BenQ committed ourselves to providing the best lighting for children; we developed the MindDuo 2 Plus, a smart lamp that is equipped with sensor technology to remind children to sit up straight.

Principle behind sitting posture detection

BenQ's research and development team integrated the Group's internal resources, including mechanical structure, hardware design, and software algorithm design, using all kinds of sensors, which have developed rapidly over recent years, to develop this lamp, specially designed to improve children's sitting posture. This product resolves the issue of poor sitting posture and insufficient lighting in one go, and helps children prevent developing myopia. The MindDuo 2 Plus parent-child reading table lamp uses an ultrasonic sensor, human body infrared sensor, light sensor, and a built-in sitting posture assessment algorithm to detect and remind children of their sitting posture, and prevents children from having their eyes too close to whatever they're reading. When the lamp detects that the child's head is too low or that he or she has poor posture, it will send out a voice reminder to tell the child to sit properly.

B. Dedication to innovations in information security

InstaShow wireless presentation system

Wireless presentation systems provide easy pre-set-up in conference rooms. During the pandemic, the seating location of the presenter was not limited by the length of the wire, and it removed the need for presenters to move toward the computer to change slides, thus social distance was maintained. In addition, information security is another concern for consumers, especially for corporate users such as financial companies and semiconductor manufacturers.

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

(1) No Software

Users can use wireless projection without installing, configuring, or running any software. BenQ's unique design allows the user to access the BenQ InstaShow Button, which the operating system only treats as a Virtual Display, without the need for installing or running any software. We know that running any software may bring risks of data leakage, so this 100% software-free solution helps to prevent these risks.

No Downloads   No EXE Files   No Viruses

(2) Extended Desktop

Building on the design of Virtual Display, we provide users with an option to prevent meeting participants from seeing contents on the presenter's computer during projection, including folders, file names, etc. The "Extended Mode" allows users to choose to place files on the extended screen for projection when making presentations, without possibly revealing contents on the user's computer for a few seconds like it would for the "Duplicate Mode".

(3) Emphasis on Device Security

Our InstaShow solution attaches great importance to the security of the device itself. To prevent the device from becoming an intermediary springboard and a vulnerability when it is connected to a corporate intranet, all models of our WDC10, WDC20 and WDC30 series underwent vulnerability assessments by qualified information security laboratories, and they have all been issued certificates by these laboratories.

(4) Data Transmission Security

In 2022, BenQ focused on protecting the security of data transmission in InstaShow and launched the WDC30 for companies that are concerned about the theft of company intranet data. In addition to the wireless projection industry, BenQ is the first to use WPA3 wireless connection in the industry.

At the same time, to prevent the hacking of data projected over wireless connections, BenQ is committed to the introduction of algorithm software and hardware architecture certified by the FIPS 140-3 CAVP (Certified Algorithm Validate program), integration of CC (Common Criteria) EAL6 + certified chips, and unique algorithm designs; the system passed testing done by FIPS-designated laboratories and received FIPS certification, so that the content sent over wireless projection has an additional layer of encryption in addition to WPA3, and threat actors cannot capture the wireless packets in the air and fake legitimate identities to enter the system and decrypt the wireless projection of the content, thus protecting the security of data transmission.

C. Display Technology Innovation for Professional

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

The surface of this model is covered with the latest special anti-reflective technology coating, which dramatically reduces the reflectivity of the screen by 90%, which is very helpful in reducing eye fatigue. By being a world leader in adopting A.R.T. display panel technology, we launched ultra-low reflection displays whose display effects come close to real paper. The surface of this type of panel is covered with the latest special anti-reflective technology coating, which decreases screen reflection by 90% and helps to significantly reduce eye fatigue. This A.R.T. panel has an extremely low average gloss value of 0.47, which is significantly ahead of the average value of 15.53 for matte panels in the market, and even lower than 1.13 for semi-glossy paper.

Its excellent performance can reduce the extent of color misperception caused by light when retouching, ensuring that the final product can truly convey the user's intended look and feel. Also, the special screen uniformity compensation technology helps to maintain accurate color output across the entire screen for more peace of mind and efficiency when viewing your work.

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

D. Eye Protection Technology to Protect Consumers' Eyesight

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

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

Flicker-Free	BenQ's GW2480, certified by TÜV Rheinland, is an eye-protective display that eliminates flickering invisible to the naked eye, reducing eye fatigue and relieving eye stress.
Low Blue Light	BenQ's leading Low Blue Light Plus technology allows consumers to adjust the blue light intensity of the eye-protecting display in accordance with different usage situations, offering comfortable eye protection even during prolonged viewing, while maintaining a realistic and vibrant color performance. The GW2785TC is certified by TÜV Rheinland and Eyesafe as a "low blue light monitor".
Brightness Intelligence (B.I.)	The GW2785TC/GW248STC series use BenQ's unique Brightness Intelligence eye-protecting display function patented in multiple countries (Taiwan, the US, Europe, China), which actively senses changes in ambient lighting and adjusts the corresponding screen brightness quickly and appropriately.
e-Paper Mode	The GW2780 has a mode that simulates an e-book for crisp, unobtrusive black and white reproduction with enough screen brightness to deliver crisp text for a comfortable reading experience.
Color Weakness	The EW2780's color-assisted mode, developed for the color-impaired community. With BenQ Color Weakness Mode, people with color weakness can decipher the pie charts, statistics and pictures in an effortless way and thus enjoy a view with distinguishable shades of color and an improved colored view.
Eye-CareU	The BenQ GW2485TC is designed for use with a wide range of colors, from light intelligence to low blue light and various color modes in an easy-to-understand operation list. From time of use reminders to brightness adjustment, the BenQ GW2485TC with eye-protecting software provides an excellent combination of hardware and software for eye protection.
Care Mode	This protects sensitive eyes by reducing the brightness and color saturation of the display, making it more comfortable for children to use the display for longer periods of time while studying and taking online classes at home.

E. Leader in Innovation and Sustainable Development

With sustainable development as its guiding principle, BenQ's Public Display Product (PDP) department pursues innovation while implementing the United Nations Sustainable Development Goals (SDGs); its ultimate goal is to become a leader in healthy classrooms.

BenQ PDP continues to emphasize the corporate core values of "Truth, Goodness, and Beauty", and combines its core values and competitiveness to continuously incorporate sustainable development and innovation into its products.

(1) BenQ ClassroomCare Safeguards Your Health

In caring for users' health, we have worked on three aspects. For eyesight protection, we have developed the world's first low-blue light large-scale interactive display, greatly avoiding the harmful blue light from hurting the eyes of teachers and students. This product has obtained the world's first Eyesafe certification, and is unanimously recommended by many professional ophthalmologists around the world. In addition, BenQ's large-scale electronic interactive displays adopted a flicker-free design to effectively improve panel circuit stability, preventing the screen from presenting flickers that are invisible to the naked eye, further reducing eye fatigue. The use of anti-glare glass also reduces reflections from the glass surface, significantly reducing eye fatigue.

BenQ's large-scale interactive displays are the first in the industry to use silver ion antimicrobial glass, which prevents the touchscreen from becoming a medium for transmitting diseases. In the past few years, we have continued to optimize the third version of the antimicrobial screen to protect people's

health. The antimicrobial screen is coated with a non-toxic, long-lasting silver nanoparticle reagent, which kills most of the bacteria that collect on the screen's surface and prevents cross-contamination or transmission in the meeting room. The SIAA and TÜV certified antimicrobial screens provide consumers with added peace of mind during the pandemic.

For air purification, BenQ leads the industry with its large-scale interactive displays, developing the world's first large-scale interactive display with air quality sensors and negative ion generators. When the air quality in the classroom is poor (e.g. CO2 level is too high), the interactive display will alert teachers and students to open the windows in time to improve air quality.

In addition, the negative ion generator can turn on automatically through a simple setting to lower the amount of excess PM2.5, allowing students to enjoy the best teaching environment.

(2) Innovation and Climate Action

Since the announcement of the United Nations Sustainable Development Goals (SDGs) in 2015 and the adoption of the Paris Agreement, the world has been moving towards another age, with a low-carbon economy, environmental protection, and social responsibility becoming the direction that corporations are actively moving toward. More than 1,000 companies worldwide have aligned their sustainability goals with the SDGs, making it clear that enterprises will become an important driver of global sustainable development.

RoHS & REACH

In response to the increasingly stringent use of chemicals and the tightening of controls on the use of various chemicals in products, especially those that have been classified as hazardous chemicals, PDP has adopted a management system to ensure that all suppliers can meet the requirements.

BenQ complies with the regulations on specific chemical substances, and rigorously requires suppliers to follow the "Guidelines for Restriction of Substances in Products" formulated by BenQ to restrict or prohibit the use of listed hazardous chemicals in phases. BenQ's electronic displays passed many safety regulations in various countries, and the displays sold to Europe are all in compliance with the RoHS and REACH directives to ensure the health of consumers and the environment.

Daily Energy Conservation

The Energy Star program was initiated by the U.S. Environmental Protection Agency in 1992 to reduce energy consumption and greenhouse gas emissions from power plants. The program is not mandatory, and manufacturers who voluntarily cooperate with the program can affix the Energy Star label on qualified products they produce.

Therefore, BenQ not only continues to move towards sustainable development in product design to save energy through the design of its large-scale commercial displays, but also launched new products in 2022 that passed Energy Star and ErP's requirements, managing to save energy daily starting with product specifications.

In addition, all products are equipped with BenQ's self-developed software. BenQ X-Sign and BenQ DMS support remote power on/off and allow displays to be turned off when not in use, thus enabling energy savings. In addition, the integrated sensor has built-in motion and light detection sensors that automatically adjust the brightness of the display according to the user's distance and the ambient light, so that the brightness of the display will be lowered when teachers or students approach the interactive display, which also helps to save energy.

(3) Recognition in Taiwan and Around the World

BenQ's efforts in innovation and the design of health functions for large-scale commercial displays have won the Company numerous international awards. In particular, the flagship model RP02 has won two of the biggest awards in 2022, and has been highly recognized by the industry.

Firstly, the Taiwan Excellence Award is an award established by the Ministry of Economic Affairs of Taiwan in 1993. Every year, through a strict selection mechanism, products with "innovative value" are selected based on four major aspects, namely "R&D", "design", "quality", and "marketing". Also taken into account is whether the product is "Made in Taiwan". Products are awarded the Taiwan Excellence Award as an exemplar of Taiwan's industries, and marketed by the government to promote the products in the international market and shape the image of Taiwan's industrial innovation.

As a result, the 31st Taiwan Excellence Award was awarded to the RP02 interactive display, which was recognized by the judges for its health function and energy efficient design.

In addition, the RP02 has made a big splash overseas:

- With the industry's most advanced specifications such as advanced eye protection, anti-bacterial function and air quality detection, the RP02 won the "Best of Show" at InfoComm, one of the largest trade shows for large-scale interactive displays, as well as honor for Taiwan.

- In 2022, InfoComm, a global audiovisual technology and system integration exhibition, was held in Las Vegas Convention Center. It is organized by the International Communications Industries Association and is the world's largest, most professional and most influential audiovisual and information communication exhibition, with more than 1,000 vendors participating.

In the end, the RP02 stood out from many other products to win "Best of Show", setting a model for the industry in the design of health functions.

The RM03 series won four awards in the Tech & Learning 2022 competition, and our software for writing on whiteboards was voted Best Interactive Training at the UK's largest education exhibition, BETT, representing the strong international recognition received by BenQ's public display products (PDP).

1. RP02: "Taiwan Excellent" (30th Taiwan Excellent, 2022)
2. RP02: "Best of Show" (InfoComm, 2022)
3. RM03: Win Tech & Learning (Primary education, Back to School, 2022)
4. RM03: Win Tech & Learning (Secondary education, Back to School, 2022)
5. RM03: Win Tech & Learning (Higher education, Back to School, 2022)
6. RM03: Win Tech & Learning ISTELive22 Best of Show Awards
7. EZWrite: Best Interactive Training (BETT, 2022)

7.3 Green Design and Packaging

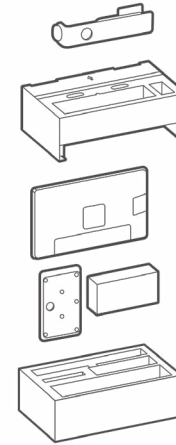**BenQ's Green Product Design Policy**

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

Simple Design

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

GV30 Projector: schematic diagram of the projection adjustment structure

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

This display saves packaging space through its easy-to-disassemble structure

Before, when customers bought a monitor with a traditional stand and they wished to replace the stand with an Ergo Arm, they would have to buy a separate Ergo Arm, and they would often throw away the stand. Now, we have displays that come with a traditional stand as well as those that come with an Ergo Arm; therefore, customers can choose the type they want at the very beginning of the purchasing process, which helps to prevent waste.

PD3205UA/PD2705UA/PD2706AU

The USB-C port provides lightning-fast video/audio/data transmission. At the same time, it provides power charging for laptops, eliminating the need of users to have an additional power supply for their laptop, and the simple design keeps the desktop clean.

Power Delivery (USB C / Thunderbolt 3)

Recycled Material Utilization

With 140 million displays sold worldwide each year, the global display industry consumes more than 140,000 tons of plastic every year just for the exterior housing if each display contains 1 kg of plastic. Since 2010, BenQ has used recycled plastics in its business display models and entry-level display models to reduce impact on the environment and waste of resources.

The GW2780 and BL2780T displays are a case in point: the total weight of ABS plastic used in the GW2780 display is 950.77 g in total. The outer casing of this model is made with 35% recycled ABS+rABS plastics, which is 332.77 g. The recycling ratio of the entire device (panel and internal components) is 23.34%.

As another example, the BL2780T contains up to 65% recycled plastics, with a total of 1198.33 g of ABS and 778.91 g of rABS used for the outer casing. The percentage of recycled plastic in the whole display is 46.56%.

Year	2021	2022
Recycled plastics	More than 700 tons	About 422 tons

Note 1: The shipment volume was revised downward significantly due to the pandemic.
Note 2: Estimate based on sales volume of displays.

GW2780 BL2780T

Models that use recycled plastics are both good-quality and environmentally-friendly

BenQ has already used recycled plastics in its commercial and entry-level monitor models, and it is expected that all product lines in the new generation of products will use ABS + 85% PCR recycled plastics in 2023, in order to comply with the world's efforts to achieve carbon neutrality and move towards a net-zero-emission future. The exterior is made of pure plastic and pure metal to avoid environmentally-unfriendly paint, reduce the effort it takes to recycle the product, and protect the Earth via a clean and pure design.

Quality and environmental protection is ensured by eliminating the use of spray-painting in the raw materials used for production

Sustainable Packaging

BenQ continues to pay attention to the environmental impact of packaging, and actively promotes sustainable packaging to minimize resource waste and reduce its carbon footprint. We use a comprehensive assessment of the packaging lifecycle to explore and test new materials and designs. Through continuous innovation and testing, we have introduced sustainable packaging for our branded products, including monitors, projectors, interactive displays, and computer peripherals. The results are as follows:

- Innovative product assembly and structure reduces the amount of packaging material and volume

- More than 80% recycled paper is used for shipping cartons

- Ink usage is reduced by 70% for the printing on B2B product packaging

- Carbon footprint is reduced and waste of resources avoided by utilizing a labeling system to share packaging across multiple models

- Plastic in packaging is reduced, and going further to have 100% paper-based packaging

Due to the environmental impact of single-use plastics, BenQ is promoting plastic reduction and the use of paper and other eco-friendly materials to replace plastics. In 2022, BenQ actively expanded its efforts to reduce plastic in packaging. As we have a lot of experience in using paper packaging for the SW series, we will expand the usage of paper packaging to other models like the PD and RD series.

At the same time, we explored possible applications for various environmentally-friendly materials. In 2022, we used pulp molding to replace plastic trays in the packaging of VS20 multi-person wireless presentation systems, reducing the use of cushioning materials by 90%. We also used 100% paper for the first time in the packaging of the E60 projector products, realizing our goal of plastic free packaging, and taking concrete actions to support sustainable development and the circular economy.
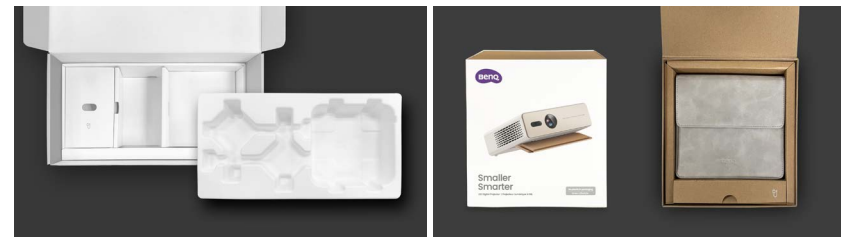
Pulp Molded Tray for the Multi-person Wireless Presentation System VS20 (left), Plastic-Free Packaging for the E60 Mini Projector (right)

In 2022, a new carton was used for the EW3880R display, one that was different from the full-color film-wrapped paper cartons used for other displays in the same line (as shown in the image of EW2880U below). Partial lamination is used to reduce the area of environmentally-unfriendly color film and the energy consumed by having to separate the film from the carton during the carton recycling process. Not only does this prevent a waste of resources, but also reduces greenhouse gas emissions.

ull-color film-covered package design for the EW2880U

Partial film for the EW3880R
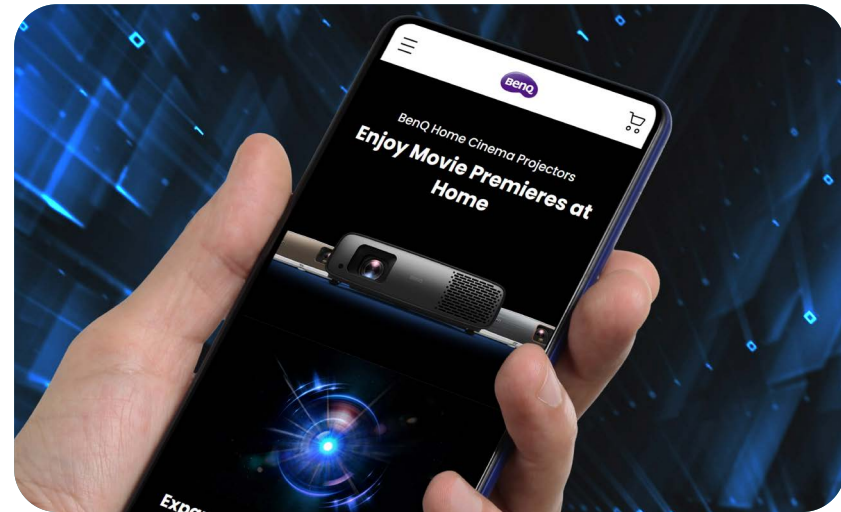
Digital Marketing Reduces Resource Waste

Our Marketing Department started its transformation in 2016. Digital communication has become its main channel, and its content is disclosed in the digital environment as much as possible. All content has been imported onto the official website, and paper-printed product brochures are being phased out. We also use precision marketing in our communication with consumers. In addition to finding the right people to communicate with through data, consumers can use search engines to find the product information they need on the official website or in the content put out by the marketing campaign. Consumers can also make use of online social platforms to better understand the suitability of the product and not to cause a waste of social resources.

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

7.4 Sustainability-oriented Quality Control

BenQ has gone through changes, from focusing on technology based on manufacturing to group expansion, brand building, and diversified brand management. In addition to innovating products and functions and allowing consumers enjoy technology, BenQ has also been paying more attention to the impact of its products and services on consumers and society, including product quality and potential impacts on the environment during the product life cycle.

Therefore, we have established a quality and hazardous materials management system that meets international standards, and through the commitment of senior managers, audits and management reviews, we implement source and process management.

BenQ Brand Product Development Strategy
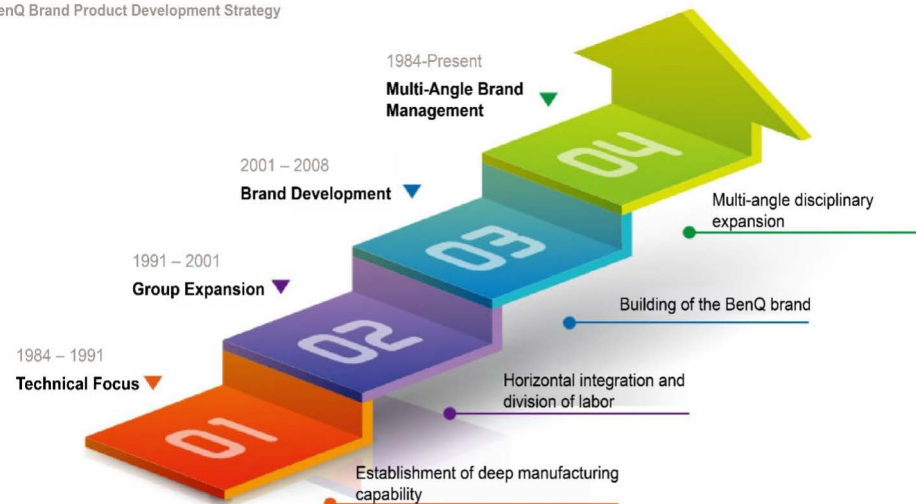
7.4.1 BenQ's Quality Policy

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

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

7.4.2 Total Quality Management (TQM)

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

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

In addition, we cultivate daily habits in our employees to achieve continuous improvement and problem prevention, reduce defects and waste, and improve quality. At the same time, we ensure that the Company's philosophy and requirements on sustainability issues are implemented in all stages of product design and manufacturing.

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

The four major action components of BenQ's quality

Through these four action components, BenQ can ensure the quality of suppliers , product design and development, and production and processes, as well as maintain a systematic quality management system through collecting feedback on product quality from the market. Through the implementation of source and process management and the spirit of continuous improvement to quality, BenQ's management philosophy and quality policy are realized, and its quality targets are achieved.

The main content of the four major quality action are as follows:

1. Pre-MP Quality Management

In conjunction with the product development system, product engineering verification test (EVT), design verification test (DVT), production verification test (PVT) and other tests are carried out to meet the quality management targets and objectives of each stage of design.

**2. Mass Production Quality Management**

- Through on-site quality inspection, we monitor the quality of production processes and the quality of the goods to be shipped.

- At regular quality review meetings at all levels, we invite different levels of managers and customer representatives to participate in weekly/monthly/quarterly and annual quality meetings to review the status of our quality targets and the available resources so as to facilitate continuous improvement.

3. Field Site Quality Management

- Through the Market Quality Monitoring System, we collect and analyze product quality data on the market side in real time to improve our Initial Failure Rates (IFR) and Annual Failure Rates (AFR).

- The customer service department conducts customer satisfaction surveys to learn about customer satisfaction, and analyzes this data with senior management to track quality improvement and customer satisfaction.

4. Quality System Management

- Depending on product attributes: BenQ obtains safety, EMC, Safety, and GP certificates for products in various countries.

- Electronic and Information Products: BenQ has obtained the ISO 9001 international quality management system certification for its electronic and information products.

Golden triangle of the quality system management

Value structure of the quality system management

ISO 9001 Certificate
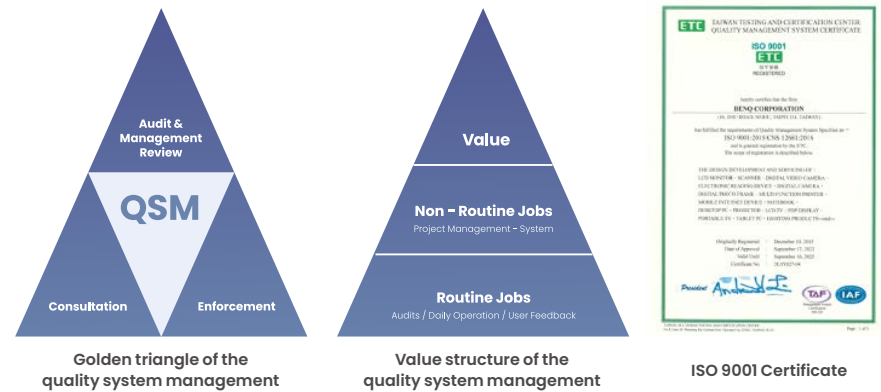
BenQ uses the golden triangle of quality system management to maintain its quality management operations: Audit & Management Review, Consultation, and Enforcement. Under this quality system, we carry out daily management and quality audits, review the existing system operations, identify system issues, and establish project improvement teams to strengthen the operation of our existing system. This helps us enhance our core competences and the value of our quality management system, which we constantly improve and upgrade to the level of our operational targets.

7.4.3 Management of Hazardous and Non-Hazardous Substances

All BenQ products comply with the updated version 13 of the Specifications for Restriction of Hazardous Substances in Green Products (SUP-QM-07-02), which covers RoHS and other statutorily or voluntarily controlled substances. BenQ tracks the substances of high concern as annually announced by the European Chemicals Agency (28th version at the moment). All announced substances are placed on our control list, and we communicate with our suppliers to ban or control the use of substances with carcinogenic, mutagenic, or reproductive toxicity.

BenQ monitors international research and emerging control standards for substances in electronic products that may impact the environment, such as those from the International Network for Electronics Manufacturing Initiative (iNEMI), Greenpeace, and the European Union. We have met the following targets for the control of the following environment-impacting substances:

- Mercury (Hg): replace conventional CCFLs with energy-saving mercury-free LEDs

- Brominated flame retardants (BFR): cannot be used in any products with over 25 grams of plastic housing

- Polyvinyl chloride (PVC): banned in packaging materials and plasticized parts of all products

- Phthalate: banned in all products

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

7.5 Environmental Labeling

7.5.1 Energy Labels

A. Energy-Saving Design Principles

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

Energy-saving designs in LCD monitors:	
• Select power saving mode or high conversion efficiency component parts • Choose high luminous efficiency and low-power LED panels • Automatic adjustment of backlight with Ambient Light Sensors • Power saving mode when there is no image; power off mode a few minutes after that • Peripheral devices automatically enter standby mode when there is no image	• Burst mode when PWM enters power off mode to reduce standby loss • OSD timer to remind users to take a break to reduce power consumption

B. International Energy Standards/Norms

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

C. Energy Saving Award-winning Products: ENERGY STAR Most Efficient Products

Through designs that optimize energy conservation, BenQ has 49 LCD monitor models and 48 large commercial (signage display) models qualified as Energy Star products in 2022. In addition, 10 LCD monitor models were recognized as ENERGY STAR Most Efficient products in 2022—concrete results of BenQ's long-term investments in LCD monitor innovation.

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

WHEN ONLY THE BEST WILL DO.

Looking for the ENERGY STAR label is a simple way to save you money and protect the environment. Now EPA introduces ENERGY STAR Most Efficient 2022, a distinction that recognizes products that deliver cutting edge energy efficiency along with the latest in technological innovation. It is an award that truly represents the best of ENERGY STAR.

BenQ
GW2480
GW2480E
BL2480
GW2480
LGW2480EL
BL2480L

BenQ
GW2780
GW2780E
BL2780
BL2780T

7.5.2 Green Labels

Only about 20-30% of advanced products in the market can meet green product specifications as defined by green labels. BenQ not only proactively implements such green design concepts as energy conservation, carbon emissions reduction, low environmental impact, and environmentally-friendly materials, but also verifies that its target models meet the latest green product specifications by applying for green labels. Thus, BenQ has obtained various types of energy conservation and green labels around the world, including the US EnergyStar and EPEAT, the Swedish TCO, Taiwan Green Mark (TGM), and more.

2022 Number of products with energy and green labels	LCD monitor models including large commercial (signage displays) models
USA Energy Star	97
USA EPEAT	45
Sweden TCO	51
Taiwan Green Mark (TGM)	30

7.5.3 BenQ ecoFACTS Label—Voluntary Label

BenQ is committed to designing and developing greener products with the ultimate goals of achieving a low carbon society. Besides complying with international regulatory requirements and standards on environmental management, BenQ has spared no effort to promote initiatives that integrate life-cycle design into material selection, manufacturing, packaging, transportation, use, and disposal of products.

To develop green products that are earth-friendly, BenQ is not only simply passively having its products meet green regulations, but also actively making all its products green and recyclable.

ecoFACTS represents the fact that BenQ has maximized its efforts in eliminating harmful substances and engaging in responsible material selection, packaging design, and energy-saving design. Therefore, since 2011, all BenQ products have the ecoFACTS label on them, which communicates the green design and green materials used in these products. The ecoFACTS label lists the main environmental design highlights of each product to assure consumers that they're making a wise and green purchasing decision.

ecoFACTS
csr.BenQ.com

- Arsenic-free optical glass
- BFR/PVC-free casing plastics
- PVC-free plastic packaging

Please visit BenQ's ESG website https://www.benq.com/zh-tw/about-benq/csr.html to learn more about BenQ's commitment to the environment and achievements.

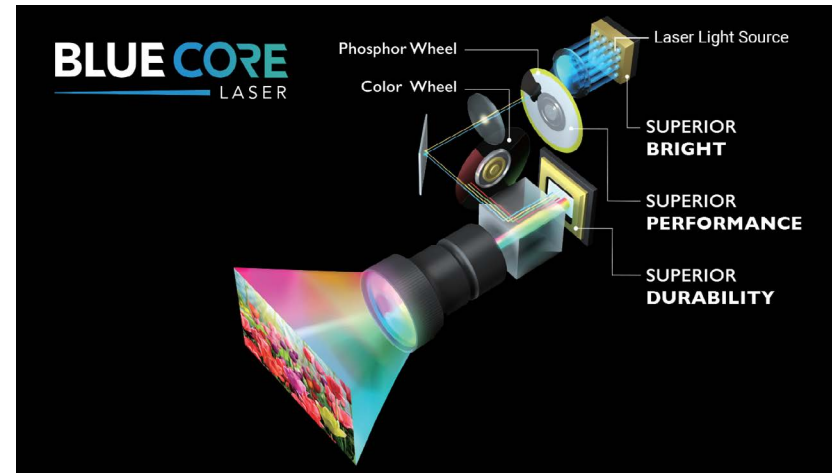### 7.5.4 Energy Saving Measures for Other Products—Improvements in Energy Efficiency for Laser Projectors

Projectors usually consume a high wattage because of the need to project larger images. As energy consumption rates improve for such products, the impact on the environment is obviously significant.

BenQ works closely with industry stakeholders to improve the power efficiency of its laser projectors. By working with our upstream component manufacturers to increase the luminous density per unit area, the light source dispersion can be better controlled and focused on the image output unit, resulting in improved optical efficiency.

In addition, we have designed a special heat dissipation system to improve the efficiency of the laser output unit's photoelectric conversion. We also work with key component manufacturers to develop efficient color conversion phosphor wheels and filters. What's more, we enhance the optical system's accuracy and light transmission rate to improve the optical efficiency year after year.

In 2022, BenQ's new laser projectors consumed at least 14% less power for the same brightness of optical output than the 2018 models. Applied to the number of BenQ laser projectors sold in 2022, a 14% increase in power savings means nearly 520,000 kWh of energy saved each year based on an average of 200 days of use per year and 4 hours of use per day. This is equivalent to the carbon absorption capacity of 176 hectares of forests per year, equating to half of New York's Central Park.

(Source: U.S. EPA, 7.09×10^{-4} metric tons CO2/kWh, -0.57 metric tons of carbon sequestered per hectare per year, https://www.epa.gov/energy/greenhouse-gases-equivalencies-calculator-calculations-and-references. NY Central Park 341 hectare, https://en.wikipedia.org/wiki/Central_Park)

<Laser projector optics schematic diagram>

7.6 Customer Service Quality Management

Management targets and directions

- Establish a system management mechanism to track customer quality feedback to optimize product and service processes

- Organize regular product knowledge and technical service training to improve the quality and efficiency of customer service

- Actively listen to and collect customers' opinions and needs to enhance products and meet needs in the marketplace

Achievement

2022 Targets

- Target for timely processing of customer quality feedback > 95%; achieved 98% in 2021

- Target for product and technical service education and training participation rate > 95%; achieved 100% in 2021

Targets

Intermediate targets

- Achievement target for timely processing of customer quality feedback: > 95%

- Completion target for product and technical service education and training: > 95%

Management approach

- Our system management mechanism tracks customer feedback on product or service quality in order to make improvements and to optimize product and service processes.

- Our regular product knowledge and technical service training helps improve customer service quality and efficiency.

- We actively listen to and collect customers' opinions and needs to enhance our products and meet market demand.

2022 targets and results:

Item	Target	Performance
1. Target for timely processing of customer quality feedback.	> 95%	97%
2. Target for completion of product and technical service education and training by all trainees.	> 95%	100%

2023 targets

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

Medium and long term targets

BenQ's priority is on improving the quality of customer service and providing better products and services to ensure that customers' needs are met. To quickly respond to and satisfy customer needs, we have set up a global customer service center at our headquarters to gain a full understanding of the needs of customers from around the world (voice of the customer).

We collect and analyze feedback from our customers to improve our product design and to swiftly and decisively resolve customer issues, whether they concern purchase, use, maintenance, or technical support.

7.6.1 Customer Quality Feedback Management
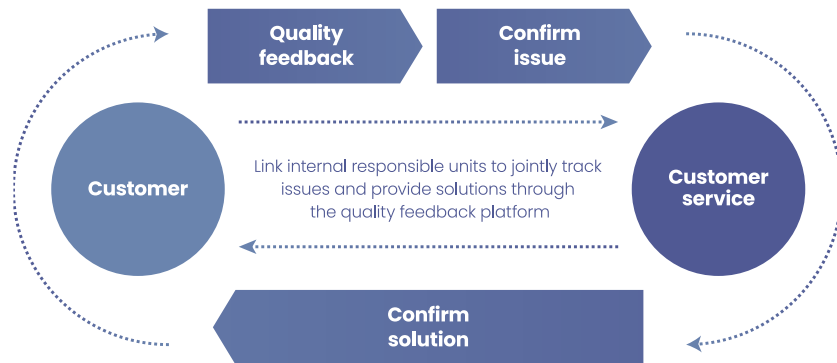
BenQ has established a quality feedback and collaboration system to provide customers with a platform to give feedback on quality issues and for us to efficiently handle customer complaints about quality issues, so that we may provide solutions to customers. It also helps to reduce the frequency of the recurrence of undesirable events, protect user safety, help us understand and improve user experience (UX), and enhance the quality of our products and customer service.

Upon receipt of a case concerning quality from a customer, the Customer Service Center will begin to backtrack the case. The procedure includes identifying the root cause, finding short-term and long-term improvement solutions, providing the customer with solutions, ensuring that the solutions meet the customer's needs, and the customer closing the case.

All cases are saved in the quality feedback and collaboration system, and used to extract lessons learned for internal product development to ensure that future product designs meet market expectations, to prevent recurrence of similar design issues, and to reduce the impact to the environment during defective product maintenance.

In order to effectively solve the quality issues mentioned in customer feedback, BenQ has set the number of working days to collect necessary information to clarify the issue. After confirming the type of the issue, BenQ (1) aims to provide a solution to quality issues within 10 working days, and (2) aims to provide a solution to specification and service issues or provide information within 5 working days.

After providing a solution, the Customer Service Center will continue to track the effectiveness of the improvement program to ensure that customer issues are resolved, thereby strengthening product quality and enhancing product competitiveness.

Results of Customer Quality Feedback Management

In 2022, we received 69 cases of feedback about quality from our customers in our regional sales centers around the world, and 67 cases were closed within the target number of business days, with solutions provided, improvements identified, and responses received. This was done even faster than the target timeline, with an achievement rate of 97%.

Completion percentage of client quality feedback target

	2018	2019	2020	2021	2022
	96%	98%	98%	98%	97%
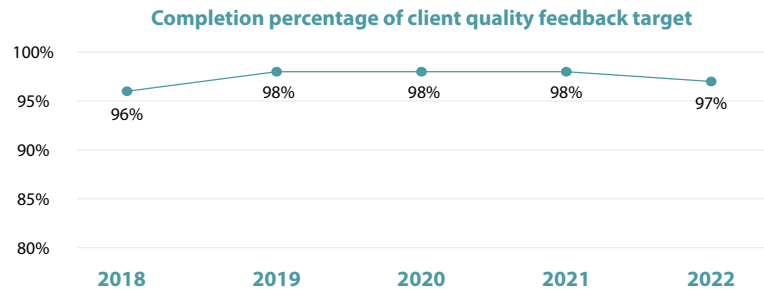
While building on its strengths, BenQ also reviews areas that need improvement. With our customer-first attitude, we integrate and improve our customer service platform to solve all customer issues in a swift and definite manner and to provide a robust communication channel. BenQ strives to build good relationships with customers by refining the management of its customer service and providing outstanding customer service.

7.6.2 Education and Training to Enhance Product Knowledge and Technical Services

BenQ regularly trains its technical service personnel and first-line customer service personnel to ensure that they have sufficient knowledge and know-

how to resolve consumers' issues. BenQ regularly organizes internal education and training on new product expertise for its technical service personnel and front-line customer service personnel through its internal online education and training platform called eLearning every six months. We also hold physical education and training at headquarters, covering product function introduction, installation, maintenance, use, FAQ, with online post-class assessment to confirm that trainees have acquired sufficient professional knowledge after receiving education and training.

For after-sales maintenance and product-related inquiries, our online eSupport knowledge platform helps authorized service centers and first-line customer service personnel obtain the latest product knowledge, software service tools, and answers to frequently asked questions. Through a standardized tool platform, BenQ is able to provide consistent and professional customer service, continue to realize its commitment to customers, and enhance the quality and efficiency of its customer service.

Results of Product Knowledge and Technical Service Education and Training Programs

In 2022, due to the impact of the pandemic, BenQ continued to hold product education training for its global technical service staff online (eLearning), and accumulated a total of 348 online trainee for product line, with a passing rate of 100%. We hope to enhance the product expertise of our technical service staff to achieve better customer service and build good relationships with our customers through excellent service.

7.6.3 Annual Tracking and Management of Customer Feedback

Customer feedback is the source of BenQ's progress and leadership position. Therefore, BenQ regularly collects and listens to customer feedback, learn what the needs of customers are, and ensures that their needs are met. BenQ will continue to build on its strengths and strive for excellence, and provide feedback to departments on the optimization of products and service, so as to better meet the needs of the customers and changes in trends, and to enhance the overall satisfaction of customers on the value of products, quality, and service.

Every January, we conduct a comprehensive annual customer opinion and feedback survey. In addition to reviewing and tracking whether customer opinions and needs throughout the year have been internalized into the service process or product improvement plans to ensure that customer needs are satisfied, we further analyze the potential needs of customers, so that our products, services, and designs can be more closely aligned with trends in the market and that the user experience (UX) can be optimized.

The feedback survey is conducted by the customer service center and sent to customer contact points around the world, asking them to evaluate the Company's products and after-sales service for the year and give recommendations. The customer contact points provide their evaluation and feedback through a questionnaire survey system.

The customer service center compiles the survey results and transmits them to the departments at headquarters. These departments use the results of the survey to review whether the customers' comments and needs have been incorporated into the product plans or service processes, clarify matters with relevant departments, and, in response to unmet needs, adjust processes as needed or draw up implementation plans for product improvement countermeasures to raise product and service quality. If the customers' comments and needs have already been included in product plans or service processes, this will be communicated.

To serve a wide range of customers and create better product and service experiences, BenQ provides a wide range of product, information, and technical support services in the spirit of innovation to meet a wide range of customer needs. We live by our tenet of "integrity, honesty, and doing what we say" and listen to customers' voices to understand their real needs and deliver what they need. BenQ maintains the quality and competitiveness of its products and services through the annual customer feedback tracking management system, so that it can better meet the expectations and needs of its customers.

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

CHAPTER 08

Sustainable Supply Chain

Management approach

BenQ is committed to establishing a long-term collaboration model with suppliers, grow together with them, and establish targets and plans according to schedule, all of which be completed gradually according to the plan at each stage to improve upon our sustainable supply chain.

2022 targets and results:

Item	Target	Performance
1. Sharing information on ESG/carbon footprint verification	Holding meetings to share information on ESG/ carbon footprint verification	Held two info-sharing meetings with two major suppliers in 2022
2. Supplier's Social Responsibility and Business Ethics Agreement	100% of new suppliers signed	100% of new suppliers signed
3.Stakeholder survey	100% response rate	100% response rate

Short-term plan (1 year/2023)

Suppliers whose CSR documents are due to expire are required to sign the Supplier's Social Responsibility and Business Ethics Agreement; all first-tier suppliers are expected to sign by 2024.

Mid-term plan (3 years/2025)

1. We are planning to have on-site audits of suppliers include items related to social responsibility.

2. We will request suppliers to increase the percentage of local procurement, ask suppliers to provide the total value of order models, and confirm the percentage of local procurement.

3. We will inquire about the ESG plans and goals of first-tier suppliers, have them work with BenQ on reaching shared goals.

Long-term plan (5 years/2027)

1. The goal is to complete on-site audits of all partner suppliers.

2. We will require key suppliers to undergo code of conduct audits by a third-party organization certified by the Responsible Business Alliance (RBA).

8.1 Supplier Sustainability

8.1.1 Risk Management Strategy

To minimize the impact of supply chain disruptions on operations, BenQ's risk management strategy for our supply chain is as follows:

- We maintain at least two active vendors, with exception of suppliers with monopolies and those with singular, exclusive technologies. If one vendor stops supplying and providing services, another vendor can provide supplies and services in the shortest possible time.

- We cultivate, validate, and develop potential suppliers. Even if all current partner suppliers cease to provide supplies and services, another supplier will be able to provide supplies and services in the shortest possible time.

In addition, BenQ carefully assesses vendor risks for existing qualified vendors through scheduled and unscheduled investigations of their operational and financial status and monitoring high-risk groups to prevent unannounced closures that may affect shipments or cause disputes. At the same time, BenQ conducts major risk surveys on suppliers; BenQ conducts a comprehensive investigation of suppliers' ability to respond to special events, such as the impact of the Ukraine–Russia war, exchange rate volatility, debt crisis, inflation, geopolitical risks, etc. Also, we have discussions with suppliers to determine the appropriate response methods so that BenQ can take appropriate precautions along the supply chain to avoid operational hazards, which could in turn affect the rights and interests of its stakeholders.

Table 8.1 Critical impacts and risks/opportunities

Critical impact	Inventory management in the post-pandemic era
Risk	Excess inventory affects cash flow and leads to financial risk
Opportunity	• Downward revision of demand forecast & accurate material preparation • Front-end marketing strategy

8.2 Screening of New Suppliers

As a brand that spans multiple disciplines, BenQ partners with about 23 major suppliers worldwide, including ODMs and key component suppliers, most of which are located in Greater China. Based on the spirit of quality assurance and consumer care, BenQ shoulders the responsibility of actively working with suppliers to build a supply chain that safeguards the environment, human rights, safety, health, and sustainable development.

Therefore, BenQ takes a strict attitude towards supplier selection and implements written and on-site audits. We require vendors to hold ISO9001 certification and to submit other ISO certifications and conflict mineral investigation forms. We wish to develop long-term relationships based on the spirit of collectively fulfilling our corporate social responsibility.

In our management system and processes, potential vendors must proactively collaborate with ESG audits and document audits on environmental health and social responsibility before they can join BenQ's Qualified Vendor List (QVL). Therefore, all suppliers, regardless of whether it is a new supplier that we are planning to work with or even an existing or potential partner supplier, will have to be in active communications with BenQ to complete 100% of the document audits, the signing of documents and follow-up so as to continue to maintain their status on the list of qualified suppliers.

Percentage of new suppliers included in the ESG Spirit Screening in 2022

Type	Number of new suppliers	Number of screened suppliers	Percentage
ODM	2	2	100%

New Vendor Qualification Mechanism

Start new vender assessment

▼

Collect vendor basic documents

▼

Apply ESG assessment factors
Request vendors to provide ISO 9001, ISO 14001, ISO 45001, SA8000 certifications

▼

Inspect qualifying Vendors

▼

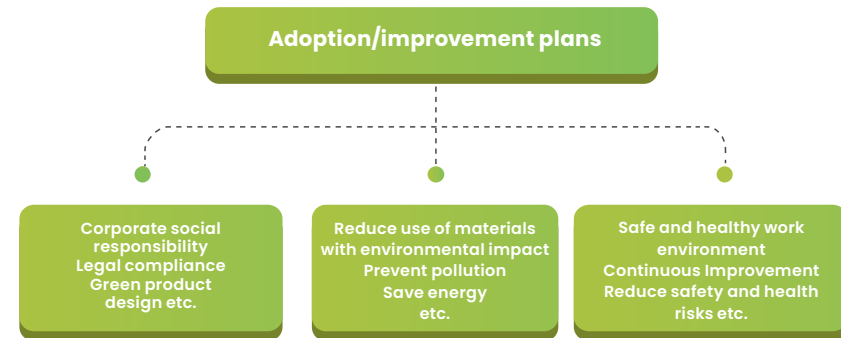PASS

▼

Add to qualified vender list

8.2.1 Document Review

- Suppliers are required to provide ISO 9001 (mandatory), ISO 14001, ISO 45001, SA8000 certificates and the Supplier's Social Responsibility and Business Ethics Agreement, and comply with training and the auditing regulations of the quality management system.

ISO 9001 Quality Management → **ISO 14001 Environmental Management** → **ISO 45001 Occupational Health and Safety Management** → **SA8000 Social Accountability**

(I-1) For suppliers that cannot provide ISO 14001 and ISO 45001 certificates, they are required to provide plans to adopt those standards or improvement plans, such as:

- promoting corporate social and environmental responsibility to comply with regulations and standards;

- designing green products to reduce the use of substances that can impact the environment;

- pollution prevention;

- energy conservation;

- providing a safe and healthy working environment to maintain the physical and mental health of employees;

- continuing to improve to reduce risks to health and safety.

Adoption/improvement plans

| Corporate social responsibility Legal compliance Green product design etc. | Reduce use of materials with environmental impact Prevent pollution Save energy etc. | Safe and healthy work environment Continuous Improvement Reduce safety and health risks etc. |

(I-2) For suppliers that cannot provide an SA8000 certificate, they need to provide a BSCI social responsibility certificate.

(I-3) If suppliers cannot provide any of the above, they must sign the Supplier's Social Accountability Agreement, which includes the following:

- The use of child labor is prohibited, and children or adolescent workers should not be put in dangerous or unhealthy environments;

- a safe and healthy working environment is to be provided for employees and the necessary measures are to be taken to avoid occupational accidents;

- all employees are to be guaranteed to receive regular health and safety training;

- employees are to be provided with clean and safe drinking water, toilets, and dormitories;

- the right of employees to communicate internally is to be respected, and representatives of employees are not to be subjected to discrimination, harassment, coercion or retaliation.

```
                 Labor                Environment


         Supplier Social Responsibility
         and Business Ethics Agreement

                                        Health
          Business                       and
           ethics                       safety
```

For our supply chain management, all suppliers will be required to sign the Supplier's Social Responsibility and Business Ethics Agreement in 2023, which incorporates the spirit of RBA, environmental protection, social responsibility, and corporate governance. When new suppliers have been selected, they will be required to sign and submit the form.

8.2.2 On-site Audits

During audits at suppliers' locations, our Quality Management Department assesses the supplier site through a Supplier System Audit (SSA), which covers: whether the operating environment is maintained in optimum 6S (5S+SAFETY) conditions; whether the stocked listed substances (hazardous, volatile, corrosive, toxic, etc.) are properly defined and controlled to prevent quality changes and safety concerns; whether crisis management procedures (power outages, earthquakes, fires, personal injury, etc.) and safety facilities are in place; whether flammable, corrosive, and toxic materials are separately and properly stored; whether there are emergency response plans (facilities and measures) in place in the event of emergencies, such as fires and floods. If suppliers fail the on-site audit, they will not be able to enter BenQ's Qualified Vendor List. In other words, all new suppliers have met all of the aforementioned requirements of the audit.

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

Through the aforementioned gatekeeping, we ensure that the quality of our products meet our specifications and consumers' needs.

8.3 Conflict Minerals

BenQ supports the international boycott of conflict minerals. As a member of the Responsible Minerals Initiative (RMI), we work with suppliers to investigate conflict minerals and prevent direct or indirect procurement of conflict minerals originating from armed groups in the Democratic Republic of Congo and neighboring countries, in order to ensure that our procurement of metals is socially and environmentally responsible.

BenQ requires suppliers to:

1. Fulfill their social and environmental responsibilities.

2. Ensure that products do not use conflict minerals from the Democratic Republic of Congo and its neighboring countries and regions.

3. Trace the sources of gold (Au), tantalum (Ta), tungsten (W), tin (Sn) and cobalt (Co) contained in all products to ensure that these metals do not come from "conflict mines."

4. Communicate this requirement to their upstream suppliers.

Global Conflict Minerals Survey

In accordance with the due diligence process of the Organization for Economic Cooperation and Development (OECD), a survey of the smelters in our supply chain was conducted. In 2022, BenQ conducted a survey of 236 smelters in the supply chain to analyze the distribution and compliance from which they sourced their products, and the results showed that the smelters were mostly located in Asia (63.6%), followed by the Americas (18.6%), Europe (16.1%), Africa (1.3%), and Australia (0.4%). The survey confirmed that all of the smelters were qualified smelters.
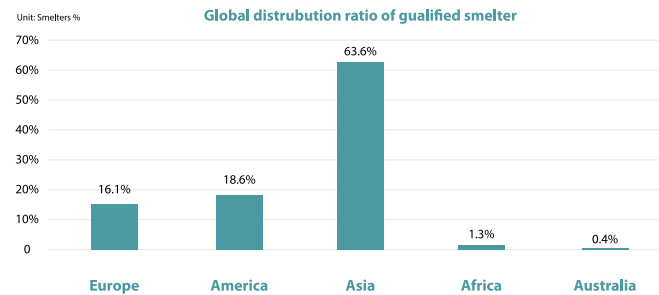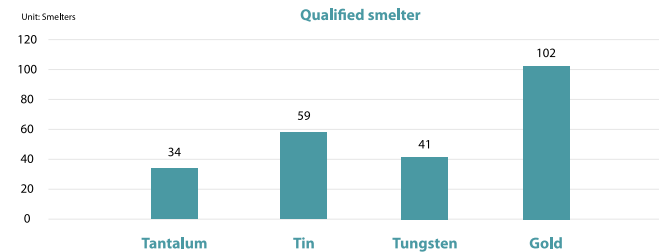
BenQ continues to participate in the Responsible Minerals Initiative (RMI) to compile the latest information on qualified smelters, provide qualified sources used by suppliers, and assist suppliers in investigating and correcting areas of non-compliance to ensure the implementation of the plan to convert to qualified smelters in order to maintain our goal of having 100% of the tantalum, tin, tungsten, and gold we use being procured from qualified smelters.

8.4 Performance Evaluation

Depending on the operation status of each product, BenQ's Strategic Procurement Department is responsible for holding a Quarterly Business Review (QBR) meetings with the business, product, technology, supply chain management, customer service, quality control, and safety compliance departments and suppliers to review the performance in the current quarter and have the quarterly evaluation serve as the basis for the regular supplier evaluation.

Through the five aspects of the IQSDC evaluation (innovation/technology, quality, service, delivery, and cost leadership), the results of each supplier performance evaluation will be used as an important basis for our procurement strategy.

Quarterly supplier evaluation

- 25.0 % Cost Leadership
- 25.0 % Innovation / Technology
- 12.5 % Quality
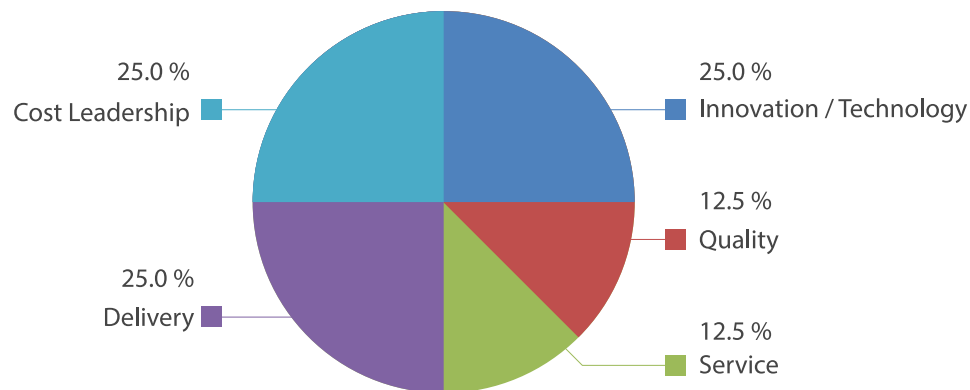- 25.0 % Delivery
- 12.5 % Service

In addition to conducting performance evaluations, BenQ also uses the QBR meetings to review the current status of suppliers' ISO certificates and ask our suppliers to promote the matter in compliance with decrees. For example, special attention was paid to labor rights, health and safety and ethical corporate management in 2022.

BenQ requires suppliers to comply with the spirit of SA8000 and ISO, and implement the spirit in their corporate governance and sustainable development. At the same time, suppliers are required to ensure that their own operations are in compliance with BenQ's human rights standards and policies, and expect those human rights standards and policies to be gradually extended to their own suppliers.

- Workers shall be treated with the basic amount of respect and dignity as stipulated by laws and regulations;
- there shall be no discrimination;
- there shall be no use of child labor;
- and there shall be no acts of corruption;

In 2022, BenQ held meetings with key suppliers to share information about ESG and carbon footprint in the hope that we can grow together with our suppliers and realize major milestones in ESG; furthermore, we exchange opinions with suppliers on sustainable development issues every year, which serves as an important consideration as we formulate our sustainable development strategy and goals. We are willing to be a proactive, long-term partner of suppliers in doing our part for society and for the Earth.
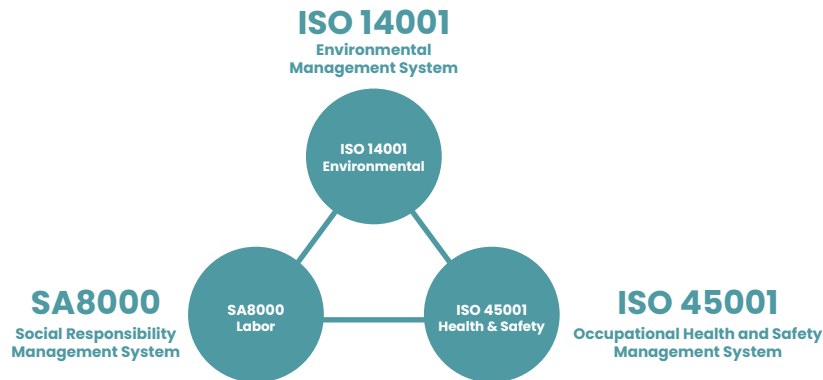
BenQ's requirements and compliance item for suppliers

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

Certification system	Certificate	Implementation/ Improvement Plan	Pledge/Assessment Table
ISO 9001	✓		
ISO 14001	✓	✓	
ISO 45001	✓	✓	
SA8000	✓		✓

Remarks:
ISO 14001: if you cannot provide a certificate, please complete the implementation or improvement plan.
ISO 45001: if you cannot provide a certificate, please complete the implementation or improvement plan.
ISO 14001: if you are unable to provide a certificate, please sign an annual pledge or complete a survey from each year.

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

ISO 14001
Environmental Management System

ISO 14001 Environmental

SA8000
Social Responsibility Management System

SA8000 Labor

ISO 45001 Health & Safety

ISO 45001
Occupational Health and Safety Management System

BenQ Social Responsibility and Environmental Safety and Health Policy

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

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

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

Bring Enjoyment and Quality to Life

| Integrity & Introspection | Execution & Excellence | Caring & Contribution | Passion & Professionalism |

Integrity Statement

1. We uphold the highest ethical standards

2. We respect the law and company regulations

3. We act in good faith in word and deed

4. We do not abuse our privileges to engage in unlawful conduct

5. We strive to avoid any suspicion of transfer of benefits

6. We will not engage in any unethical conduct

7. We seek assistance when we are unsure of how to do.

8. We cooperate fully with investigations into unlawful conduct

9. We immediately report unlawful incidents

10. We extend our integrity standards to our business partners

11. We protect our employees' rights and interests in good faith

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

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

8.5 Sustainable Development of BenQ's Transportation

According to past data from the International Transportation Forum (ITF), freight transportation stemming from international trade accounts for more than 7% of global greenhouse gas emissions. However, transportation contractors play a crucial role in the overall supply chain by sending the Company's products across borders and making last-mile deliveries.

Therefore, in the process of selecting Logistics Service Providers, BenQ not only evaluates services and prices, but also requires contractors to have the ISO 14001 certificate, ESG reports, sustainability reports, or measures for sustainable development and environmental management. In this regard, even though the impact of the pandemic posed limitations in 2022, the number of transportation contractors meeting the aforementioned criteria grew from 50% in 2021 to 60% in 2022.

Further analysis showed that most Logistics Service Providers with carbon-reduction project management measures in place are companies with European and American backgrounds. Therefore, to encourage Taiwanese enterprises to move toward sustainable development, BenQ has been communicating the importance of environmental sustainability from time to time. A company with ISO 14001 certification or green energy and carbon emissions reduction measures in place will be given priority in becoming a Logistics Service Provider for BenQ and receive allocation incentives within a controlled range in our effort to nurture local enterprises. We also encourage

our Logistics Service Providers to join us in our efforts to protect the environment and reduce carbon emissions.

BenQ strives to reduce carbon emissions. Among various modes of international transportation, air freight has the highest carbon emissions and sea freight the lowest; furthermore, sea freight companies have been responding to the carbon emissions management strategy of the International Maritime Organization (IMO), which requires ships to reduce carbon emissions by 2% per year from 2023 to 2026. It is hoped that carbon emissions can be reduced by 20% by 2030 compared with the base year of 2008, and even reach net zero carbon emissions by 2050. Therefore, BenQ is keeping pace with the times by prioritizing sea freights as our first choice for international transportation and minimizing the use of air freight, and reducing carbon emissions as much as possible while meeting customers' delivery and service requirements in order to be more in line with our brand spirit of producing green products.
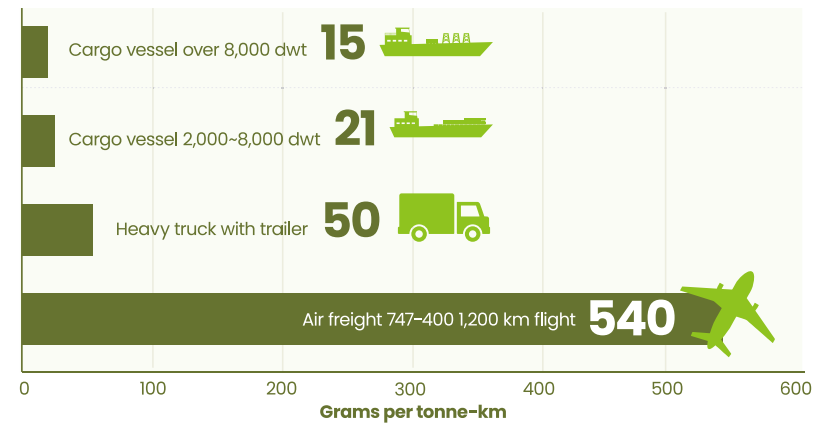
In addition, increasing the loading capacity of cargoes to reduce the use of containers is also a carbon reduction measure. In 2021, BenQ increased the loading rate of its large interactive displays, which has been shown to reduce carbon emissions. In 2022, we increased the loading rate of our projector product lines (European lines) by approximately 15%; unfortunately, the impact of the Russo-Ukrainian war has led to a global economic slump, so we have yet to see significant results.

In addition to our continuous efforts to reduce carbon emissions, BenQ expects to collaborate with specific transportation contractors in 2023 to discuss how to achieve the goal of carbon-neutral transportation through carbon offset measures, and obtain the relevant certificates from third parties. We will continue to stay informed of the matter and prepare for future policies in response to the possibility of the European Union levying a carbon tax on sea freight. (EU Emissions Trading System)

In the figure below, carbon emissions from different modes of transportation are shown in descending order: Air freight – trucks – small container ships – large container ships

Comparison of CO2 emissions between different modes of transport
Source NTM, Sweden

Cargo vessel over 8,000 dwt	15
Cargo vessel 2,000~8,000 dwt	21
Heavy truck with trailer	50
Air freight 747-400 1,200 km flight	540

Grams per tonne-km

CHAPTER 09

About the report

About the Report's Publication:

BenQ Corporation was founded in 1984. As of now, we are focusing on the operations of the BenQ brand around the world. To demonstrate our commitment to sustainable development, BenQ has been publishing a Corporate Social Responsibility report since 2021, with the last one published in September 2022.

- The disclosure period for the information in this report is from January 1, 2022 to December 31, 2022; the disclosure period for the financial report is the same as that of the sustainability report.

- The previous report was issued in June 2021, and was revised in 2022 as the 2021 BenQ Sustainability Report, which was published in Chinese and English and can be downloaded from BenQ's official website.

- The current report was published in September 2023. The next report is expected to be published in September 2024. In the future, one will be issued annually.

Policy Commitments

As an important member of the Qisda Group, BenQ follows the Qisda Group's management policy commitments on environmental protection, social responsibility, and corporate governance. Link to Qisda Group's policy commitments: https://esg.qisda.com/

The Report's Boundaries and Scope

The disclosure period for the information in this report is from January 1, 2022 to December 31, 2022; the disclosure period for the financial report is the same as that of the sustainability report. The scope of this report is defined as BenQ's head office in Taipei, and excludes the subsidiaries consolidated for reporting in the financial report, i.e. BenQ Europe, BenQ North America, BenQ Latin America, BenQ China, and BenQ Asia Pacific.

Category	Information on environmental protection (E), social responsibility (S), and corporate governance (G)	Financial information
Scope of disclosure	BenQ's head office in Taiwan	BenQ's head office in Taiwan
Difference with scope of disclosure of the financial report	BenQ's head office in Taiwan	BenQ's head office in Taiwan
External assurance/verification	The contents of this report have undergone a Type 1 Medium level verification by BSI in accordance with the AA1000AS v3 standards.	Financial Report – accountant

The accountant and the assurance provider do not have any shareholding or managerial relationship with the Company; they are only entrusted with the external assurance or verification of the financial report and the sustainability report.

Principles of Compilation for the Report

BenQ's 2022 Sustainability Report, the second since the Company began issuing such reports, follows the Global Reporting Initiative Standards to disclose our management approach and the results of our measures concerning material topics as well as issues in environmental protection (E), social responsibility (S), and corporate governance (G); it also describes stakeholder communication, expectations and responses, and identifies the impacts to the value chain in the areas of environmental protection, social responsibility, and corporate governance.

Contact Information

If you have any suggestions or questions about this report, please feel free to contact us:

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GRI Index

BenQ has followed GRI Standards to report the information from the year 2022 (January 1, 2022 to December 31, 2022) cited in the GRI Index. The following indicators have been verified by an external agency, and the detailed results are as shown on the independent assurance statement.

Used GRI 1: Foundation 2021
Applicable GRI Standard: None
GRI 2: General Disclosures 2021

GRI standard	GRI disclosure	Section or description	Page number
Organizational status and reporting practices			
2-1	Organizational details	Chapter 9. About the Report Chapter 2 About BenQ	114 4
2-2	Entities included in the organization's sustainability reporting	Chapter 9. About the Report Chapter 2 About BenQ	114 4
2-3	Reporting period, frequency and contact point	Chapter 9. About the Report	114
2-4	Restatements of information	None have taken place this year.	
2-5	External assurance	Appendix, assurance statements/certificates	
Activities and workers			
2-6	Activities, value chain and other business relationships	Chapter 2 About BenQ Chapter 8 Sustainable Supply Chain	4 104
2-7	Employees	Chapter 5 Social Responsibility 5.2.2 Employment Overview	34 38
2-8	Workers who are not employees	Chapter 5 Social Responsibility 5.2.2 Employment Overview	34 38

GRI standard	GRI disclosure	Section or description	Page number
Governance			
2-9	Governance structure and composition	Chapter 2 About BenQ 2.4 Board of Directors' Governance Structure	4 11
2-10	Nomination and selection of the highest governance body	Chapter 2 About BenQ 2.4 Board of Directors' Governance Structure	4 11
2-11	Chair of the highest governance body	Chapter 2 About BenQ 2.4 Board of Directors' Governance Structure	4 11
2-12	Role of the highest governance body in overseeing the management of impacts	Chapter 2 About BenQ 2.4 Board of Directors' Governance Structure	4 11
2-13	Delegation of responsibility for managing impacts	Chapter 2 About BenQ 2.4 Board of Directors' Governance Structure	4 11
2-14	Role of the highest governance body in sustainability reporting	Chapter 2 About BenQ 2.4 Board of Directors' Governance Structure	4 11
2-15	Conflicts of interest	Chapter 2 About BenQ 2.4 Board of Directors' Governance Structure Chapter 6 Corporate Governance	4 11 61
2-16	Communication of critical concerns	Chapter 6 Corporate Governance	61
2-17	Collective knowledge of the highest governance body	Chapter 2 About BenQ 2.4 Board of Directors' Governance Structure	4 11
2-18	Evaluation of the performance of the highest governance body	Chapter 2 About BenQ 2.4 Board of Directors' Governance Structure	4 11
2-19	Remuneration policies	Chapter 2 About BenQ 2.4 Board of Directors' Governance Structure	4 11
2-20	Process to determine remuneration	Chapter 2 About BenQ 2.4 Board of Directors' Governance Structure Chapter 5 Social Responsibility 5.3.1 Remuneration Management Policy	4 11 34 42

GRI standard	GRI disclosure	Section or description	Page number
Governance			
2-21	Annual total compensation ratio	Compiled according to the formula in GRI2-21: a.Ratio of the annual total remuneration of the Company's highest paid individual to the median of the annual total remuneration of the Company's other employees (excluding the highest paid individual): 15.39 b.Ratio of the percentage increase in annual total remuneration of the Company's highest paid individual to the median of the percentage increase in the average annual total remuneration of the Company's other employees (excluding the highest paid individual): 0.52	
Strategies, policies and practices			
2-22	Statement on sustainable development strategy	Chapter 1 Our Responsibility Toward Sustainability	1
2-23	Policy commitments	Chapter 3 Material Topics	18
		3.3 Summary of policy commitments and management approaches for material topics	23
		Chapter 9. About the Report	114
2-24	Embedding policy commitments	Chapter 3 Material Topics	18
		3.3 Summary of policy commitments and management approaches for material topics	23
		Chapter 4 Environmental, Health and Safety Management and Greenhouse Gas Management	25
		Chapter 5 Social Responsibility	34
		Chapter 6 Corporate Governance	61
		Chapter 7 The Spirit of Sustainable Innovation 7.4 Sustainability-oriented Quality Control, 7.6 Customer Service Quality Management	73 93 100
		Chapter 8 Sustainable Supply Chain	104

GRI standard	GRI disclosure	Section or description	Page number
2-25	Processes to remediate negative impacts	Chapter 5 Social Responsibility	34
		Chapter 6 Corporate Governance	18
		Chapter 7 The Spirit of Sustainable Innovation 7.4 Sustainability-oriented Quality Control, 7.6 Customer Service Quality Management	73 93 100
		Chapter 8 Sustainable Supply Chain	104
2-26	Mechanisms for seeking advice and raising concerns	Chapter 5 Social Responsibility	34
		Chapter 6 Corporate Governance	61
		Chapter 7 The Spirit of Sustainable Innovation 7.4 Sustainability-oriented Quality Control, 7.6 Customer Service Quality Management	7 93 100
		Chapter 8 Sustainable Supply Chain	104
2-27	Compliance with laws and regulations	Chapter 6 Corporate Governance	61
2-28	Membership associations	Chapter 2 About BenQ	4
Stakeholder engagement			
2-29	Approach to stakeholder engagement	Chapter 3 Material Topics	18
2-30	Collective bargaining agreements	Although the Company has not established a labor union and does not have a collective bargaining agreement, we hold regular meetings between the workers and the management and have transparent communication channels.	

Material topics

GRI standard	GRI disclosure	Section or description	Page number
GRI 3: Material Topics 2021			
3-1	Process to determine material topics	Chapter 3 Material Topics	18
3-2	List of material topics	Chapter 3 Material Topics	18

GRI 300: Environmental

GRI standard	GRI disclosure	Section or description	Page number
GRI 305: Emissions 2016			
305-1	Direct (Scope 1) GHG emissions	Chapter 4 Environmental, Health and Safety Management and Greenhouse Gas Management	25
305-2	Energy indirect (Scope 2) GHG emissions	Chapter 4 Environmental, Health and Safety Management and Greenhouse Gas Management	25
305-3	Other indirect (Scope 3) GHG emissions	Chapter 4 Environmental, Health and Safety Management and Greenhouse Gas Management	25
GRI 308: Supplier Environmental Assessment 2016			
308-1	New suppliers that were screened using environmental criteria	Chapter 8 Sustainable Supply Chain	104

GRI 400: Social

GRI standard	GRI disclosure	Section or description	Page number
GRI 401: Employment 2016			
401-1	New employee hires and employee turnover	Chapter 5 Social Responsibility	34
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Chapter 5 Social Responsibility	34
401-3	Parental leave	Chapter 5 Social Responsibility	34
GRI 404: Training and Education 2016			
404-1	Average hours of training per year per employee	Chapter 5 Social Responsibility	34
GRI 414: Supplier Social Assessment 2016			
414-1	New suppliers that were screened using social criteria	Chapter 8 Sustainable Supply Chain	104
GRI 418: Customer Privacy 2016			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	In 2022, there were no complaints from groups outside the Company, substantiated complaints from within the Company, or complaints from regulatory authorities; therefore, there were no incidents of data leakage, data theft, or loss of customer data, meaning we achieved our goal of zero penalties for such cases.	

Self-defined material topic

GRI standard	GRI disclosure	Section or description	Page number
GRI 3: Material Topics 2021			
3-3	Management of material topics	Chapter 3 Material Topics	18
		Chapter 7 The Spirit of Sustainable Innovation 7.6 Customer Service Quality Management	73 100
Customers' interests and social responsibility			
Self-defined	Customers' interests and social responsibility	Chapter 7 The Spirit of Sustainable Innovation 7.6 Customer Service Quality Management	73 100
GRI 3: Material Topics 2021			
3-3	Management of material topics	Chapter 3 Material Topics	18
		Chapter 5 Social Responsibility 5.6 Sustainable Actions Plans – Shaping the Future of Technology Education	34 57
Social welfare			
Self-defined	Social welfare	Chapter 5 Social Responsibility 5.6 Sustainable Actions Plans – Shaping the Future of Technology Education	34 57
GRI 3: Material Topics 2021			
3-3	Management of material topics	Chapter 3 Material Topics	18
		Chapter 6 Corporate Governance	61
Risk management			
Self-defined	Risk management	Chapter 6 Corporate Governance	61

GRI 3: Material Topics 2021			
3-3	Management of material topics	Chapter 3 Material Topics	18
		Chapter 2 About BenQ	4
		Chapter 7 The Spirit of Sustainable Innovation 7.1 Brand Management	73
Brand management			
Self-defined	Brand management	Chapter 2 About BenQ	4
		Chapter 7 The Spirit of Sustainable Innovation 7.1 Brand Management	73
GRI 3: Material Topics 2021			
3-3	Management of material topics	Chapter 3 Material Topics	18
		Chapter 7 The Spirit of Sustainable Innovation	73
Innovative technology products and services			
Self-defined	Innovative technology products and services	Chapter 7 The Spirit of Sustainable Innovation	73
GRI 3: Material Topics 2021			
3-3	Management of material topics	Chapter 3 Material Topics	18
		Chapter 5 Social Responsibility 5.1 Protection of Human Rights	34
Human rights assessment, social diversity and inclusion			
Self-defined	Human rights assessment, social diversity and inclusion	Chapter 5 Social Responsibility 5.1 Protection of Human Rights	34

By Royal Charter

INDEPENDENT ASSURANCE OPINION STATEMENT

BenQ 2022 Sustainability Report

The British Standards Institution is independent to BenQ Corporation (hereafter referred to as BenQ in this statement) and has no financial interest in the operation of BenQ other than for the assessment and verification of the sustainability statements contained in this report.

This independent assurance opinion statement has been prepared for the stakeholders of BenQ only for the purpose of assuring its statements relating to its sustainability report, more particularly described in the Scope below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the independent assurance opinion statement may be read.

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by BenQ. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and accurate.

Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to BenQ only.

Scope

The scope of engagement agreed upon with BenQ includes the followings:

1. The assurance scope is consistent with the description of BenQ 2022 Sustainability Report.
2. The evaluation of the nature and extent of the BenQ's adherence to AA1000 AccountAbility Principles (2018) in this report as conducted in accordance with type 1 of AA1000AS v3 sustainability assurance engagement and therefore, the information/data disclosed in the report is not verified through the verification process.

This statement was prepared in English and translated into Chinese for reference only.

Opinion Statement

We conclude that the BenQ 2022 Sustainability Report provides a fair view of the BenQ sustainability programmes and performances during 2022. The sustainability report subject to assurance is free from material misstatement based upon testing within the limitations of the scope of the assurance, the information and data provided by the BenQ and the sample taken. We believe that the performance information of Environment, Social and Governance (ESG) are fairly represented. The sustainability performance information disclosed in the report demonstrate BenQ's efforts recognized by its stakeholders.

Our work was carried out by a team of sustainability report assurors in accordance with the AA1000AS v3. We planned and performed this part of our work to obtain the necessary information and explanations we considered to provide sufficient evidence that BenQ's description of their approach to AA1000AS v3 and their self-declaration in accordance with GRI Standards were fairly stated.

Methodology

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

— a top level review of issues raised by external parties that could be relevant to BenQ's policies to provide a check on the appropriateness of statements made in the report.
— discussion with managers on approach to stakeholder engagement. However, we had no direct contact with external stakeholders.
— 13 interviews with staffs involved in sustainability management, report preparation and provision of report information were carried out.
— review of key organizational developments.
— review of the findings of internal audits.
— review of supporting evidence for claims made in the reports.
— an assessment of the organization's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness and Impact as described in the AA1000AP (2018).

Conclusions

A detailed review against the Inclusivity, Materiality, Responsiveness and Impact of AA1000AP (2018) and GRI Standards is set out below:

Inclusivity

This report has reflected a fact that BenQ has continually sought the engagement of its stakeholders and established material sustainability topics, as the participation of stakeholders has been conducted in developing and achieving an accountable and strategic response to sustainability. There are fair reporting and disclosures for the information of Environment, Social and Governance (ESG) in this report, so that appropriate planning and target-setting can be supported. In our professional opinion the report covers the BenQ's inclusivity issues.

Materiality

BenQ publishes material topics that will substantively influence and impact the assessments, decisions, actions and performance of BenQ and its stakeholders. The sustainability information disclosed enables its stakeholders to make informed judgements about the BenQ's management and performance. In our professional opinion the report covers the BenQ's material issues.

Responsiveness

BenQ has implemented the practice to respond to the expectations and perceptions of its stakeholders. An Ethical Policy for BenQ is developed and continually provides the opportunity to further enhance BenQ's responsiveness to stakeholder concerns. Topics that stakeholder concern about have been responded timely. In our professional opinion the report covers the BenQ's responsiveness issues.

Impact

BenQ has identified and fairly represented impacts that were measured and disclosed in probably balanced and effective way. BenQ has established processes to monitor, measure, evaluate and manage impacts that lead to more effective decision-making and results-based management within the organization. In our professional opinion the report covers the BenQ's impact issues.

GRI Sustainability Reporting Standards (GRI Standards)

BenQ provided us with their self-declaration of in accordance with GRI Standards 2021 (For each material topic covered in the applicable GRI Sector Standard and relevant GRI Topic Standard, comply with all reporting requirements for disclosures). Based on our review, we confirm that sustainable development disclosures with reference to GRI Standards' disclosures are reported, partially reported or omitted. In our professional opinion the self-declaration covers the BenQ's sustainability topics.

Assurance level

The moderate level assurance provided is in accordance with AA1000AS v3 in our review, as defined by the scope and methodology described in this statement.

Responsibility

The sustainability report is the responsibility of the BenQ's chairman as declared in his responsibility letter. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

Competency and Independence

The assurance team was composed of Lead auditors experienced in relevant sectors, and trained in a range of sustainability, environmental and social standards including AA1000AS, ISO 14001, ISO 45001, ISO 14064 and ISO 9001. BSI is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.

AA1000
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For and on behalf of BSI:

Peter Pu, Managing Director BSI Taiwan

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Statement No: SRA-TW-794706
2023-10-30

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A Member of the BSI Group of Companies.