



BOE official website



BOE Official WeChat account



2017 BOE

CORPORATE SOCIAL RESPONSIBILITY REPORT

BOE TECHNOLOGY GROUP CO., LTD.

Add.: NO.12 Xihuan Middle Rd, BDA, Beijing, 100176, P.R. China

Tel.: 010-60965443



Recycled paper

About This Report

Reporting period

This report covers the period from January 1 to December 31, 2017.

Reporting cycle

BOE has published the annual CSR Report since 2010. The last report was published in April 2017.

Report scope

This report, covering regions where BOE operates, presents the CSR philosophy, strategy and practices of BOE and its subsidiaries as well as their business operations during the reporting period.

Report data

This report provides data gathered as of December 31, 2017.

Reporting references

This report is prepared in accordance with the core option of *G4.0 Sustainability Reporting Guidelines* of Global Reporting Initiative (GRI), the *Shenzhen Stock Exchange Guidelines on Standard Operation of Main Board Listed Companies*, the *Guidelines on Social Responsibility of the Electronic Information Industry*, and the *Social Responsibility Index System of the Electronic Information Industry*.

Designations

BOE Technology Group Co., Ltd. is also referred to as “BOE” “the Company” or “we” in this report.

Report availability

This report is available in both print and electronic editions. The electronic edition can be viewed on or downloaded from the official website of BOE www.boe.com. You are welcome to call or email us if you have any questions or advice about the report.

Contact information

BOE Technology Group Co., Ltd.

Add.: NO.12 Xihuan Middle Rd, BDA, Beijing, 100176, P.R. China

Tel.: 010-60965443 (CSR Promotion Department)

Email: csr@boe.com.cn

CONTENTS

Chairman Message	02
About Us	04
Corporate Governance	14
BOE and Customers	24
BOE and Investors	30
BOE and Suppliers	34
BOE and Environment	42
BOE and Employees	52
BOE and Community	66
Appendix	72



Technology for the Well-being of Mankind

Wang Dongsheng, Chairman of BOE Technology Group Co., Ltd.

Technological advances are ultimately to serve the well-being of mankind. It is the responsibility of tech companies to translate technology into productivity and into valuable products and services that benefit people.

It is based on such an understanding of responsibility that BOE has never ceased to innovate and work together with global partners with an open mind in applying technologies to the upgrading of products and services for win-win outcomes.

Human society evolves around the relationships between people and nature, between people and people, and between people and themselves while industrial development is also closely related to the three relationships but it occurs in a sequential, progressive, and mutually reinforcing way. The key factor driving industrial upgrading and development is the accumulation and outbreak of trigger technologies.

About 10,000 years ago, the buildup and advance of planting technology triggered the First Industrial Revolution, bringing about mankind's transition from the Primitive Society to the Agricultural Society. Around 200 years ago, the steam engine triggered the Second Industrial Revolution, leading mankind into the industrial society. The use of electricity afterwards gave rise to the second wave of industrialization. About 70 years ago, the computer triggered the Third Industrial Revolution, bringing mankind to the Information Society.

Artificial Intelligence (AI) has completed basic accumulation and its penetration into some segments and specialized fields has triggered the advent of the Fourth Industrial Revolution, leading mankind into the Intelligence Society.

The original impetus for this revolution is the evolvement of the three basic relationships and the demand generated thereof.

The concept of AI was introduced by English mathematician Alan Turing in 1950. In 2016, a series of technology events including AlphaGo indicated that AI had become the trigger for the Fourth Industrial Revolution. Apparently, the development of trigger technologies takes a very long time and faces uncertainty. Now Year 2016 is considered by the industry as the first year of Weak AI or Artificial Narrow Intelligence (ANI) as well as IoT 1.0.

When the term IoT was coined by Kevin Ashton in 1999, very few people in the industry could truly understand what it was about. However, the era of IoT has officially arrived along with the evolution of AI. In the next 15 years, the era of IoT 1.0 initiated by ANI will be the first wave of the Fourth Industrial Revolution characterized by one-to-one and one-to-many smart connectivity. That will be followed by the stage of Strong AI or Artificial General Intelligence (AGI)

and the stage of IoT 2.0 characterized by many-to-many smart connectivity, which means everything is connected by intelligence. Artificial Super Intelligence (ASI) will become a reality after 2045 when IoT reaches its 3.0 stage.

As I once said, the Fourth Industrial Revolution is marked by silicon-carbon integration; it is about silicon-based life system that builds on AI and carbon-based life system that features the integrated evolution of AI and gene technology. The integration of AI with gene technology makes the latter another trigger for the industrial revolution.

The integrated evolution of AI and gene technology is bound to advance the fast development of life sciences and technologies. Eventually serious diseases such as cancer, diabetes, cardiovascular and cerebrovascular diseases will be cured, and humans will become healthier and smarter and live longer. Even new forms of life may be created.

It was based on the anticipation of development trends in the industry that BOE began to transform its business five years ago. In addition to our basic business semiconductor display devices, we also began to develop sensor devices related to information interaction and human health. On the one hand, we integrate display and sensor functions to turn displays into intelligent interfaces for man-machine interaction as part of the IoT system; on the other hand, we integrate sensor, display, and life technologies to create some life data-based intelligent interfaces. With an upgraded focus on both display and sensor technologies, we intend to provide diverse intelligent interfaces for the IoT system.

Moreover, by integrating AI and intelligent interfaces in products, platforms and applications, we provide IoT solutions and professional services in four fields, including smart manufacturing services, smart IoV, smart retail, and smart energy. We also provide professional smart healthcare services in five fields, i.e. mobile healthcare, regenerative medicine, digital hospitals, life insurance, and business park solutions, by creatively integrating sensor, AI, and big data technologies with healthcare.

BOE is now striding towards the Intelligence Society, working on application integration and model upgrading, and leveraging its core strengths in display, sensor, AI, and big data technologies to serve customers worldwide and create value for them based on its three major business groups, namely Display and Sensor Devices, Smart Systems, and Healthcare Services. We have defined BOE as an IoT company providing intelligent interface products and professional services for information interaction and human health. We have placed our focus on the overlap region of silicon-based life system and carbon-based life system so as to contribute to the integration and evolution of silicon- and carbon-based technologies and industries.

McKinsey's latest estimates show that the IoT-led market size will increase by over 20 times to USD 27.6 trillion in 2030, from USD 1.1 trillion in 2017. According to the WHO, the global carbon-based life industry will see its size grow from USD 9.8 trillion to USD 20 trillion in 2030.

The enormous market opportunities come along with real challenges, including the need for more powerful information collection, transmission, computation, storage and display capabilities, the need for more scientific, reasonable, efficient and constantly optimized algorithm support, the need for big data of higher quality, and the need for information security assurance. The last one means progress in information security technology, innovations in laws and regulations, etc.

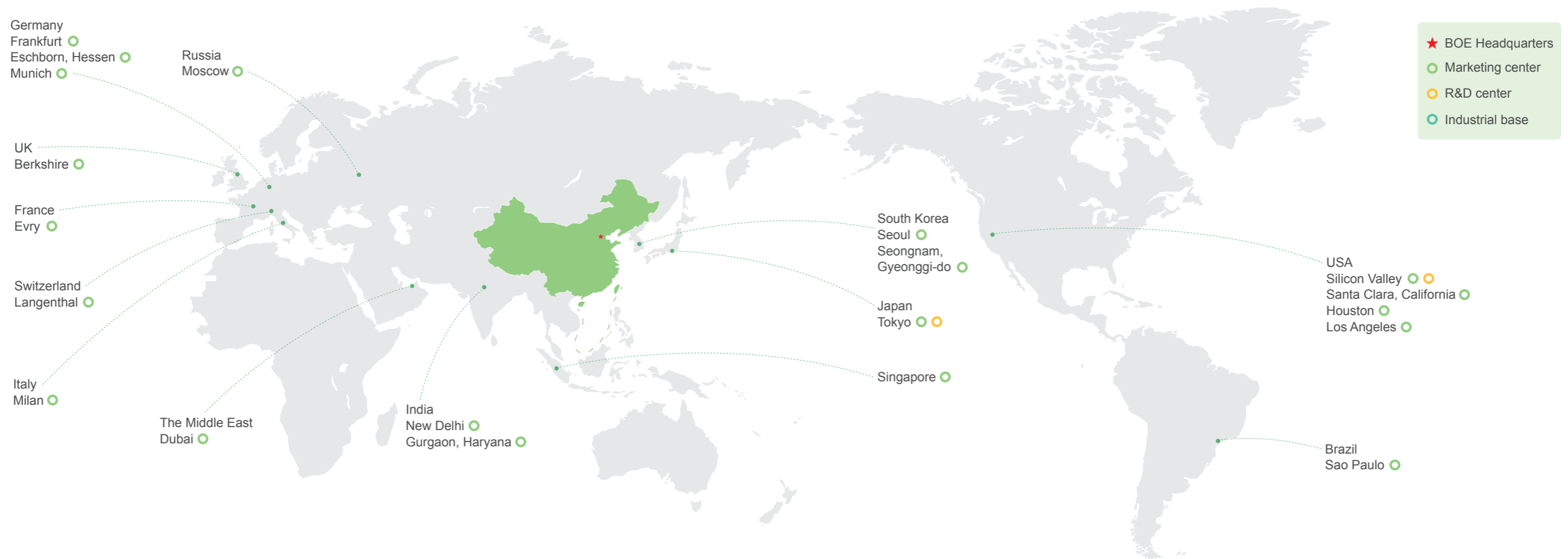
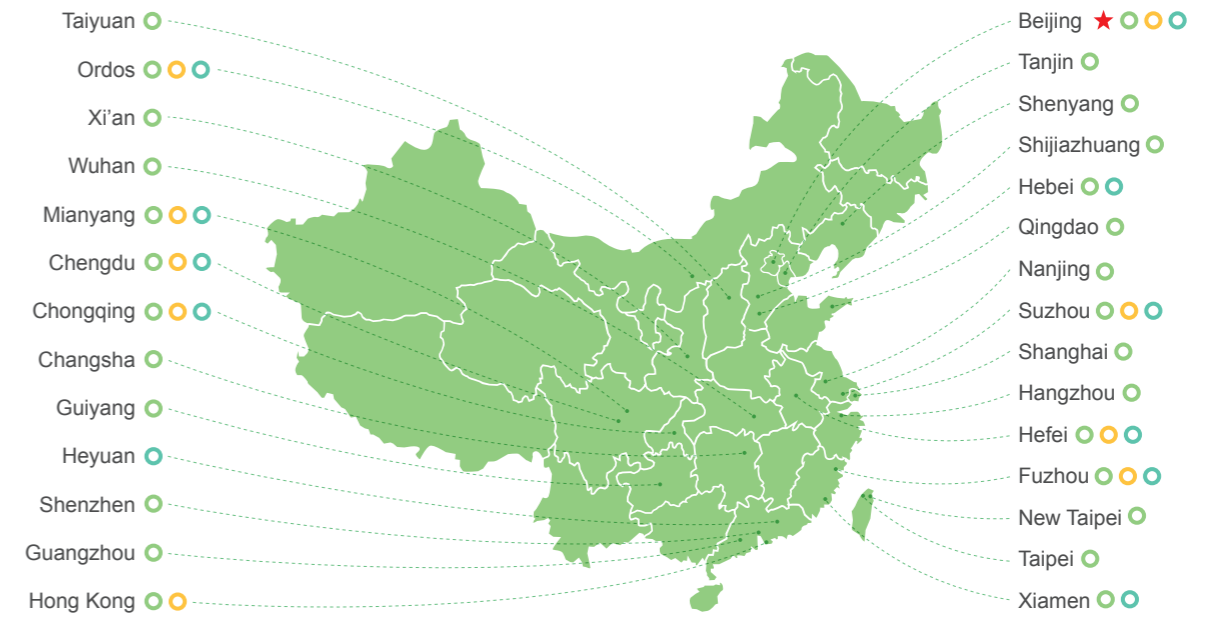
Only by working together can we seize the opportunities and translate them into win-win outcomes. Our IoT strategy "Open up technology and application platforms to create value through ICPST." (ICPST: Integration of Chips, Panels, Software and Things) has been launched for that purpose. BOE is ready to join hands with partners in all sectors including component devices, set machines, software, content, communications equipment, and operators to take up challenges and share opportunities so that we can grow together and technology can play a bigger role in boosting the well-being of mankind.

About Us

Who Are We?

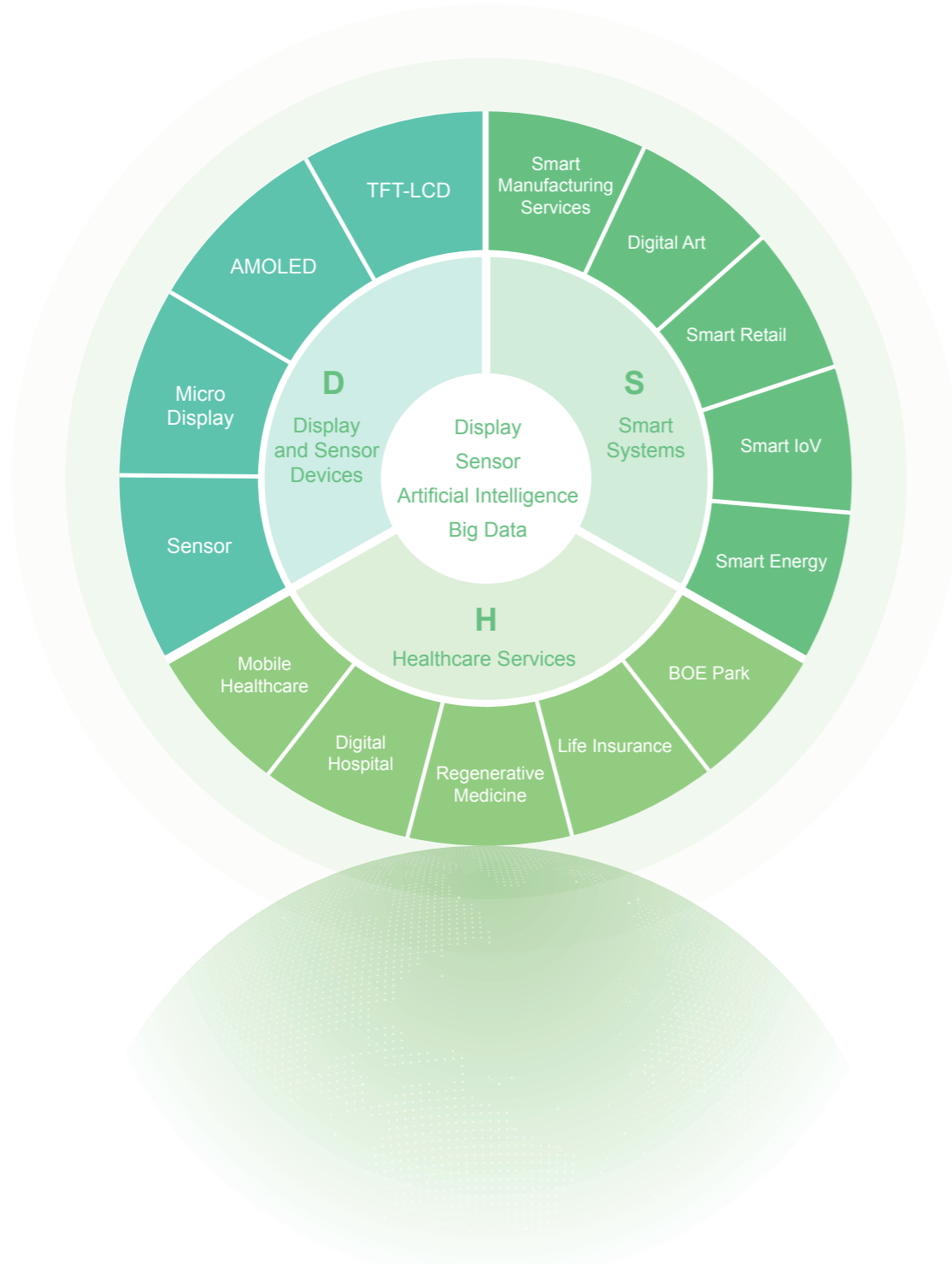
Founded in April 1993, BOE Technology Group Co., Ltd. (BOE) is an IoT company that provides intelligent interfaces and professional services for information interaction and human health, with core business focusing on display and sensor devices, smart systems and healthcare services. BOE display and sensor devices are used in a wide range of products such as mobile phones, tablets, notebooks, monitors, TVs, vehicle displays, and wearable devices. BOE smart systems offer total IoT solutions for new-type retail, vehicle-mounted systems, finance, education, art, and so on. BOE healthcare services combine with medicine and life sciences to develop mobile healthcare, digital hospitals, regenerative medicine, and integrate health park resources.

As of December 31, 2017, BOE had RMB 35.15 billion in registered capital and 62,516 employees in total, achieving a total annual operating income of about RMB 93.8 billion, with manufacturing facilities based in many parts of China including Beijing, Chongqing, Hefei of Anhui Province, Chengdu and Mianyang of Sichuan Province, Fuzhou and Xiamen of Fujian Province, Suzhou of Jiangsu Province, Ordos of Inner Mongolia Autonomous Region, and Gu'an of Hebei Province. The company owns 19 subsidiaries in the United States, Germany, Japan, Korea, Singapore, India, Russia, Brazil, the United Arab Emirates and other countries, with a service network covering major regions of the world such as Europe, Americas, Asia, and Africa.



Our Vision:
To be one of the most respected companies in the world

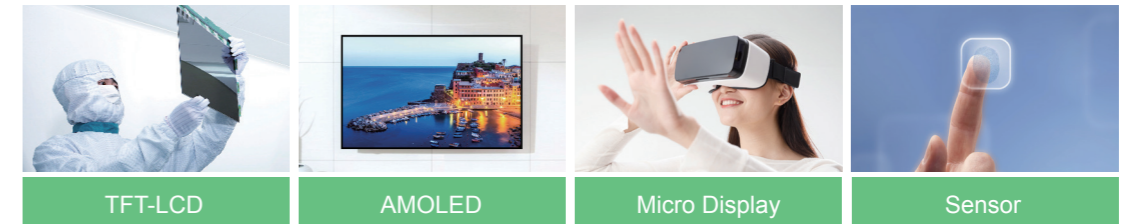
Our Cause



D Display and Sensor Devices Business

BOE's Display and Sensor Devices business covers TFT-LCD, OLED, flexible display, and micro display, providing better products and services for a wide range of application areas such as smart mobile phone, tablet, notebook, monitor, television, industrial control, transport, finance, and healthcare. Also, it offers integrated solutions for information interfaces in the fields of gene sequencing, physical and chemical testing, molecular antenna, photoelectric sensing, and security.

BOE is the pioneer and leader of the semiconductor display industry in mainland China. Since 2003, BOE has successively built the first Gen 5 TFT-LCD production line, the first Gen 6 TFT-LCD line and the first Gen 8.5 TFT-LCD line in mainland China, ending the history of the Chinese mainland's dependence on imports of LCD displays and realizing that China is capable of producing the whole series of LCD displays. Since 2015, BOE has developed the world's leading Gen 6 flexible AMOLED production line and BOE Hefei Gen 10.5 TFT-LCD production line, the world's first highest generation line, which represents a new milestone globally in the display field and ushers in a new era of flexible display and 8K UHD display. BOE has also grown into the global pacesetter in the semiconductor display industry from the leader in China's display industry.



S Smart Systems Business

BOE has mainly focuses on the Internet of Things (IoT) and artificial intelligence (AI) to develop five IoT-based solutions including smart manufacturing services, digital art, smart retail, smart IoV, and smart energy. It has built IoT platforms in the new retail, transport, finance, education, art, and energy to deliver comprehensive solutions combining hardware products, software platforms, and scenario application.

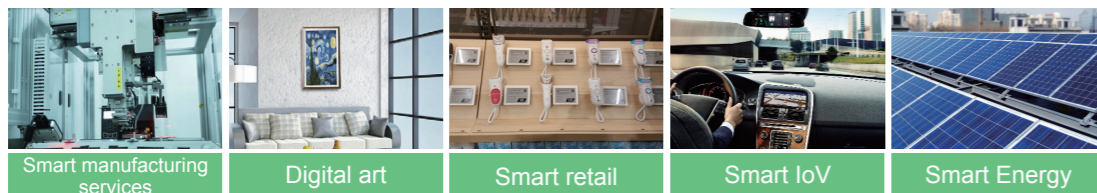
Smart manufacturing services: BOE has focused on building intelligent plants, which provide services for highly intelligent and automated manufacturing of display backlight products and complete machines. It has intelligent manufacturing plants for complete machines in Hefei, Suzhou, and Chongqing

Digital art: In the field of art retail, BOE has established the IoT in digital art and launched a digital art gallery for home and business use—BOE iGallery. BOE iGallery can perfectly display digital paintings, images, and cultural relics through AI and new display technologies. BOE has created interactive platforms for appreciation and trading of works of art, so that users can browse global art treasures at home.

Smart retail: BOE has been dedicated to delivering new retail solutions combining hardware products, software platforms, and scenario application, so as to build a smart retail system based on the IoT. Products include electronic shelf label system, financial management terminals, self-service terminals, transparent display, and a range of solutions for retail and financial retailing.

Smart IoV: BOE can provide high-definition, profiled and curved vehicle-mounted display products and is committed to providing the display system for vehicle, liquid crystal antenna system, advanced driving assistance system, and high-precision positioning system, so as to provide users with IoV solutions and services. BOE's on-board displays have been applied to almost all mainstream automobile brands across the world.

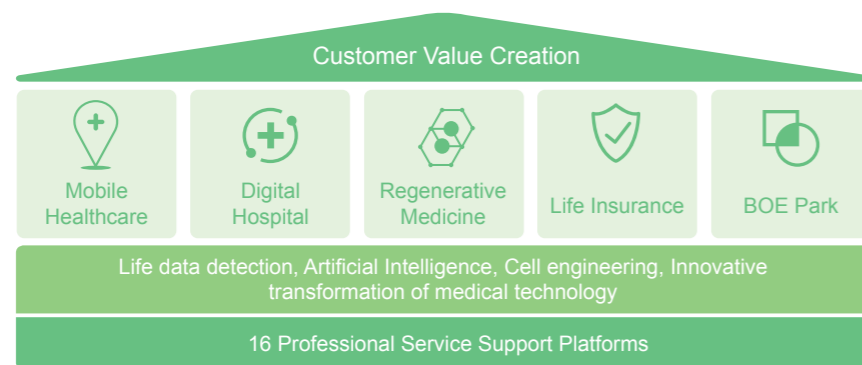
Smart Energy: BOE has delivered smart energy solutions including integration and operation of photovoltaic power plant, EMC energy-saving transformation, smart microgrid, and plant factory.



H Healthcare Services Business

BOE has combined its four core technologies such as display, sensor, AI, and big data with medical sciences and life science and technology to develop mobile healthcare, digital hospitals, and regenerative medicine. It has integrated the resources of BOE Park to offer smart healthcare products and services based on the IoT.

BOE's Healthcare Services feature some core key words and phrases including people-centered, big data, and preventive treatment of disease. Regarding mobile healthcare, BOE has created a mobile healthcare management platform. By analyzing the data produced by smart terminals, smart medical assistant can predict health risks, give treatment recommendations, and provide users with personalized solutions for diagnosis and treatment and healthcare management. As for digital hospitals, BOE has established a number of digital hospitals in Beijing, Hefei, and Chengdu, and cooperated with Dignity Health, a US-based healthcare corporation, and Beijing University of Aeronautics and Astronautics (BUAA) to apply the world's state-of-the-art medical technologies and operational philosophy to digital hospitals. In terms of regenerative medicine, BOE has started its studies on autologous cells to facilitate the implementation of a number of clinical and translational projects, which can produce heart, cornea, skin, and other regenerative products of cell membranes in line with clinical application standards. It has partnered Peking University, Tsinghua University, Osaka University, and other universities at home and abroad to conduct joint development. As regards BOE Park, BOE has integrated IoT-based smart products and healthcare services resources to develop an IoT ecosystem for smart healthy home and provide families with healthcare services and nursing solutions.

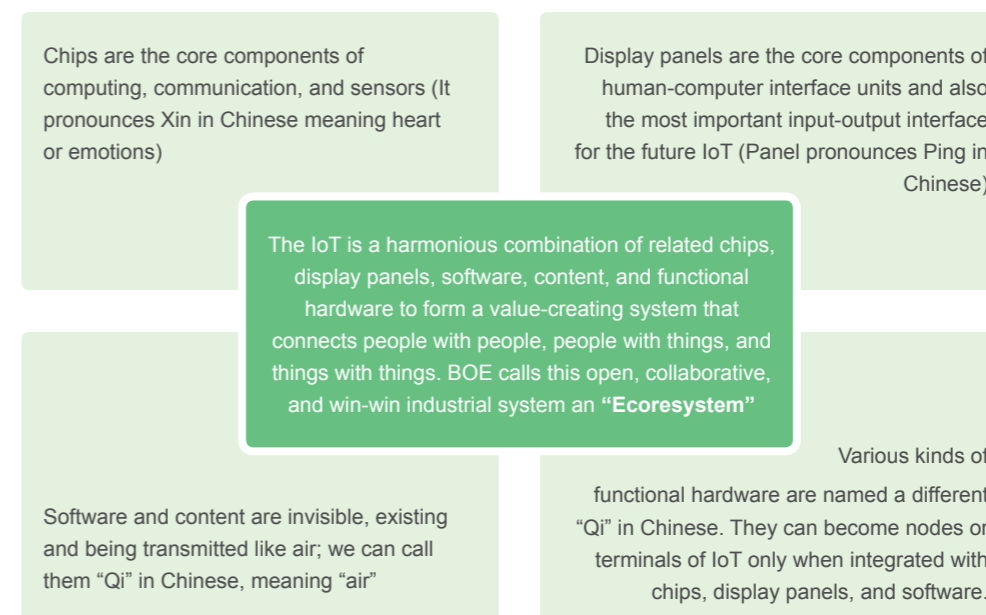


Our Innovation

Over the past 25 years, BOE has always followed the principle of “respecting technologies and fostering innovation” to introduce revolutionary innovation to keep improving itself, with annual R&D investment reaching approximately 7% of the revenue. BOE's rapid development has been driven by high R&D investment and a sound science-based system.

1. Innovation Strategy

BOE has been committed to the display field for more than 20 years. By utilizing its technical strength in display, sensor, AI, and big data, BOE launched the DSH strategic transformation in 2014, which extended from the original Display and Sensor Devices to Smart Systems and Healthcare Services. In 2016, Wang Dongsheng, Founder and Chairman of BOE, unveiled BOE's creative strategy of **“Ecosystem: Open and Connected” in the IoT era at BOE IPC.**



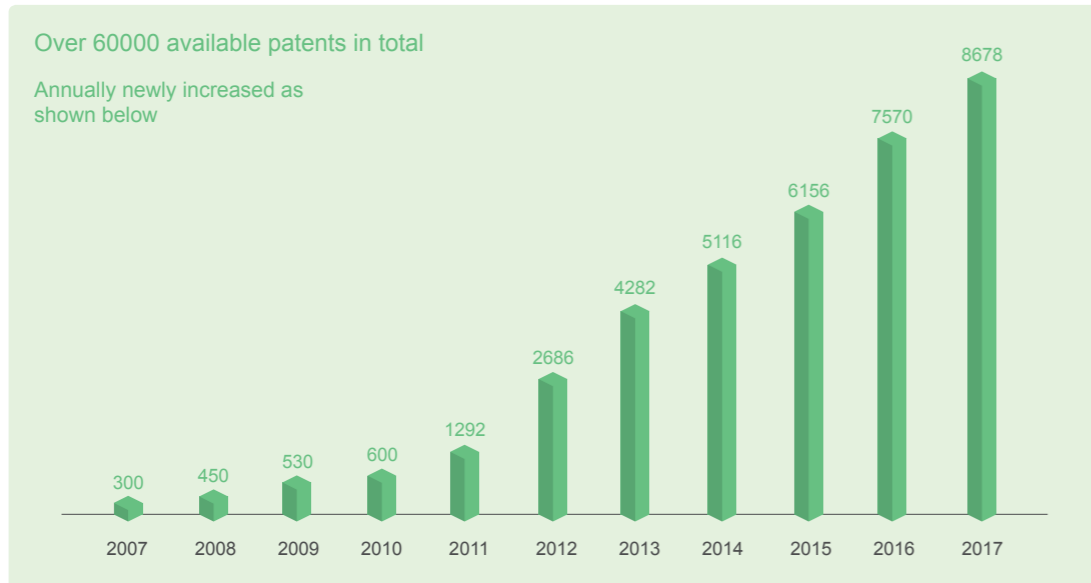
In order to achieve the great integration of “Ecosystem: Open and Connected,” BOE will fully open its application and technology businesses, chip fields (such as computing, storage and sensing), software and content, and all kinds of functional devices. It will also collaborate with partners from all walks of life to make innovations, share new opportunities in the IoT market, and create new value.

2. Innovation and Breakthrough

Technical Patents and Standards

○ In 2017, BOE filed 8,678 new patent applications, of which invention patents exceeded 85%. The total number of patents available for use at present is over 60,000, the highest in the industry globally.

- According to the 2017 Statistical Report on the Volume of Patent Authorization in the United States issued by IFI Claims, an American patent agency, BOE's global ranking jumped from 40th in 2016 to 21st in 2017, with 1,413 patents authorized in the US, a year-on-year increase of 62%; among IFI Claims TOP50 enterprises, BOE remained in the first place for two consecutive years in terms of growth rate.
- According to WIPO's 2017 report on global international patent applications (PCT), BOE ranked 7th in the world with 1,818 PCT applications.



- The Company has presided over or promoted the formulation and revision of 42 international and domestic standards including IEC standards, national standards of China, electronic industry standards, and corporate group standards, and has participated in the formulation and revision of more than 120 domestic and foreign technical standards covering LCD, OLED, 3D, touch screen, transparent display, health display, complete system and machine, interface application, and so on.

Innovative Products and Services

- 8K Display.** 8K technology is a UHD technology with a resolution of 7680×4320 pixels, 4 times as high as that of a 4K×2K display and 16 times as high as that of a mainstream HD TV. BOE has launched an array of 8K UHD displays in different sizes ranging from 110 inches, 98 inches, to 65 inches, which can be widely used in top art exhibitions, telemedicine, and security monitoring as well as broadcast centers for large-scale sports events, concerts, and conferences.
- Flexible AMOLED Display.** Flexible display refers to the display technology using flexible substrates to produce ultra-thin, ultra-lightweight, and flexible display products. Based on the flexible display technology, a mobile phone can be worn on the wrist, a tablet PC can be folded into a small book and put into a pocket, and a television can be freely rolled back and forth like a scroll painting. As such, the flexible display technology can be widely applied to lightweight and thin display products featuring full viewing angle and high definition and has bright prospects for its application in smart phones, wearable devices, and on-board displays. BOE has rolled out superb flexible products such as 5.5-inch WQHD flexible OLED display and 7.56-inch QHD flexible AMOLED display.

- BOE iGallery.** BOE iGallery includes a collection of art content, an art appreciating & trading platform, a display terminal capable of restoring original works of art, and more additional services. Its lossless gamma technology guarantees the full performance of color gradation and can better restore the real texture of the original painting. As an art IoT solution, BOE iGallery connects artists, owners, art appreciators, and collectors and integrates art display, appreciation, dissemination, and trading into a whole, providing art with the wings of technology.
- Retail Solutions.** BOE has built a new "O-plus-O" retail IoT ecosystem. It has launched a retail IoT solution for electronic labels that can synchronize the online and offline commodity information for customers with ESL (electronic shelf label), collect the data of store-based environment, and analyze the status of commodity, sales and stock, so as to improve the operating efficiency of stores and assist the retail industry in realizing the seamless "O-plus-O" connection.

3. Innovation and Cooperation

BOE has been committed to cross-industry innovation. BOE has taken a solid step on the path of innovation and cooperation in its three core businesses. In the future, BOE will continue to adopt the open and win-win model and work together with a large number of industrial partners to create a win-win industrial ecosystem.

Display and Sensor Devices Business

- BOE has mapped out the "8425 strategy" of "promoting 8K, popularizing 4K, replacing 2K, and making good use of 5G." It not only needs to meet the "display" challenge, but also establishes China Ultra High-Definition Video Industry Alliance, committing itself to promoting the development of the ultra high definition video industry with its upstream, midstream and downstream partners. It has united the industry chain to deal with difficulties and worked out relevant standards of 8K technologies and products, so as to popularize 8K. The implementation of BOE's "8425" strategy will rapidly upgrade key production links of UHD videos such as shooting, content, transmission and display, which will greatly promote the upgrading of intelligent interfaces in the IoT era and bring about trillion-level market opportunities.
- BOE has worked together with Huawei, China Mobile and China Unicom to develop the "8K plus 5G" industry. 8K is an application of 5G, while the latter is just the means of the former. BOE, joining hands with Huawei, HiSilicon, and China Mobile, has showcased IoT port solutions featuring "8K plus 5G" at the Consumer Electronics Show (CES), Mobile World Congress (MWC), CSTB, and PT EXPO CHINA. Also, BOE, together with its partners, is committed to developing a wide range of 8K applications in telemedicine, distance education, and security monitoring.

Smart Systems Business

- BOE focuses on new smart retail to develop IoT-based retail solutions, mainly including front-end display terminals and back-end smart systems. These solutions can improve the operational efficiency and user experience by taking the opportunity of new retail trend of online-offline integration to utilize electronic price tags and self-service terminals.
- BOE has conducted online and offline cooperation with more than 100 well-known retail brands such as Ali, JD, Wal-Mart, Carrefour and Sephora across 55 countries, providing solutions for more than 15,000 stores. Now, over 160 million pieces of BOE's electronic price tags have been used in the retail industry, making up more than 55% of the global market share. In the future, BOE will be committed to delivering comprehensive IoT-based solutions combining hardware products, software platforms and scenario application to the new retail, providing more efficient, convenient and intelligent services, and bringing new changes to the retail industry.

Healthcare Services Business

- The Chinese Silicon Valley for medical workers: BOE and Beijing University of Aeronautics and Astronautics (BUAA) have carried out all-round strategic cooperation in terms of high-quality personnel training, technical research and industrial innovation. They have built an international innovative Silicon Valley for medical workers that has global influence in the teaching, research and production of medical services and city-industry integration, jointly promoting the development of China's important emerging industries such as IoT and healthcare. The project of the "Chinese Silicon Valley for medical workers" includes digital medical center, medical college, healthcare innovation center for science and technology, industrial park for medical workers, healthcare demonstration town, and medical institute for inter-discipline innovation research. BOE has cooperated with BUAA and other top international strategic partners to give full play to their advantages to build a family-oriented healthcare service system centering on people, focus on mobile medicine, regenerative medicine, AI, biological materials, and genetic engineering, develop an international leading platform for medical workers to make inter-discipline scientific and educational innovations, and create a healthcare innovation industry.

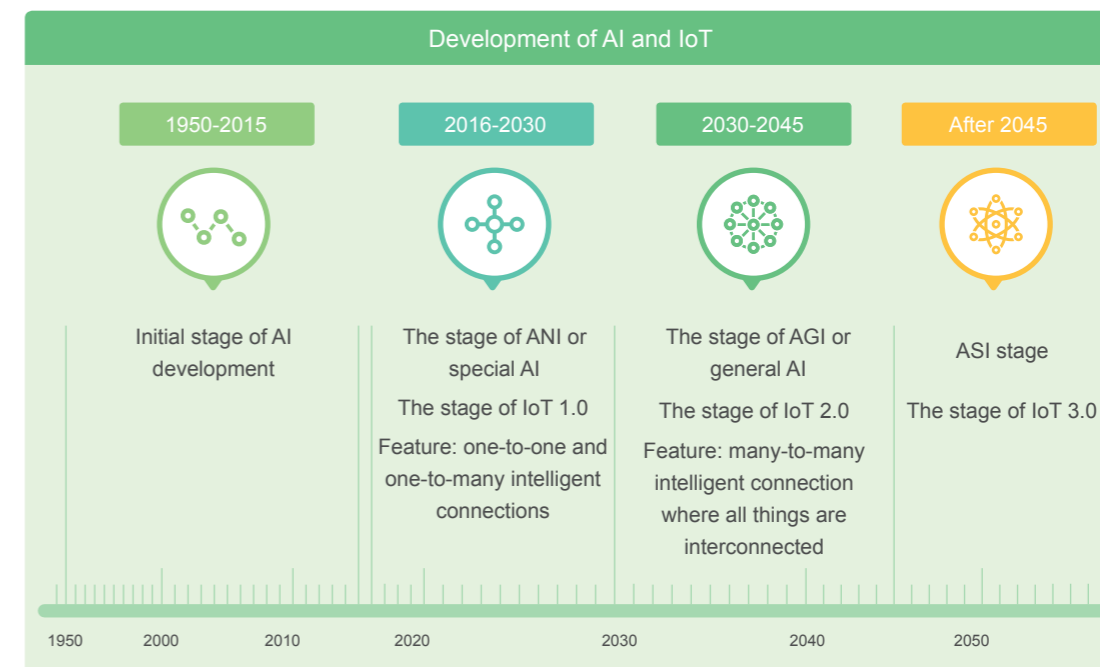
BOE Innovation Partner Conference - An annual event for innovation

On November 14, 2017, BOE Innovation Partner Conference 2017, an annual event of the IoT industry, was held in Wuhan, which demonstrates the comprehensive strategy of BOE in the IoT field. At the conference, BOE held discussions on opportunities and challenges of the market for display devices, smart systems, healthcare services, and sensors in the era of the IoT, and worked together with industry-chain partners to create the IoT ecosystem.



4. Innovation and Future

AI, as the key trigger of the Fourth Industrial Revolution, has promoted the progress of the IoT and gene technologies.



Today, the IoT has developed into Age 1.0, with more than 5000 new intelligent interfaces connected to the network every minute, showing explosive growth. The market size of the IoT is expected to exceed US\$58 trillion by 2035. In the context of moving towards a smart society, BOE has promoted its innovation and transformation along the path of "integrated applications" and "advanced models." In the face of great historic opportunities, BOE will work together with innovation partners to create win-win results, promote the combination of semiconductor chips, display devices, software and content, functional hardware, and serve global customers with its four core technologies of display, sensor, AI and big data and three major businesses of Display and Sensor Devices, Smart Systems, and Healthcare Services. By doing so, it can create infinite possibilities with continuous innovation to enjoy a better future of smart IoT.



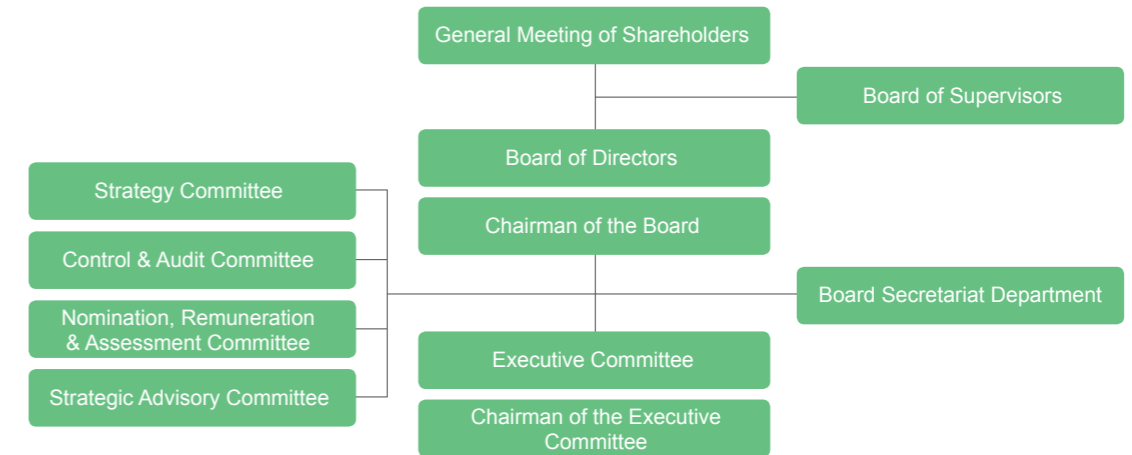
Corporate Governance

Compliance management is what underpins the sustainable and healthy development of an enterprise. For many years, BOE has adhered to its managerial philosophy of “pursuing innovation under the enterprising spirit and embarking on the right track of management.” BOE has striven for the highest standard corporate culture in which it has upheld the principle of conforming to business ethics and performing compliance management. The Company has operated by strictly abiding by laws and regulations, implementing corporate governance, and complying with business ethics. It has kept improving the law-abiding management system through systematic exchanges over management, training, and multiple channels. It has won the long-standing trust and support of the public and the majority of stakeholders by retaining integrity, standardizing operation, and performing management transparently.



I. Standard Governance

BOE has a standard and sound corporate governance structure



The General Meeting of Shareholders is the highest authority. The Board of Directors is a decision-making body, under which there are the Strategy Committee, Risk Control & Audit Committee, Nomination, Remuneration & Assessment Committee, and Strategic Advisory Committee. The Strategy Committee, as a permanent body in between the meetings of the Board of Directors, is responsible for deliberating major strategies concerning the Company’s marketing, brand, technology, products, organizational structure, and human resources, and the implementation of these strategies. The Risk Control & Audit Committee is mainly responsible for conducting risk control and audit over matters that need to be submitted to the Board of Directors or the Chairman for decision-making and providing professional advice. The Nomination, Remuneration & Assessment Committee mainly is mainly responsible for reviewing and approving matters regarding the nomination and remuneration of and performance assessment on directors and senior executives. The Strategic Advisory Committee studies the long-term development strategy and major investment decisions of the company and provides professional advice for the Board of Directors. To meet the development needs of the company and the industry and ensure the rapid and effective implementation of the company’s business strategies and plans, BOE has set up an Executive Committee whose main responsibility is to formulate the company’s business strategies and plans and implement them after they are approved.

In accordance with laws and relevant regulations of BOE, the Board of Supervisors shall earnestly supervise the performance of directors and senior executives in order to safeguard the legitimate rights and interests of the Company and shareholders.

The Board of Directors, its special committees, and the Company’s functional departments collaborate with each other to establish and improve the mechanism for the participation of stakeholders and oversee, implement and review strategic plans concerning the economy, environment and society.

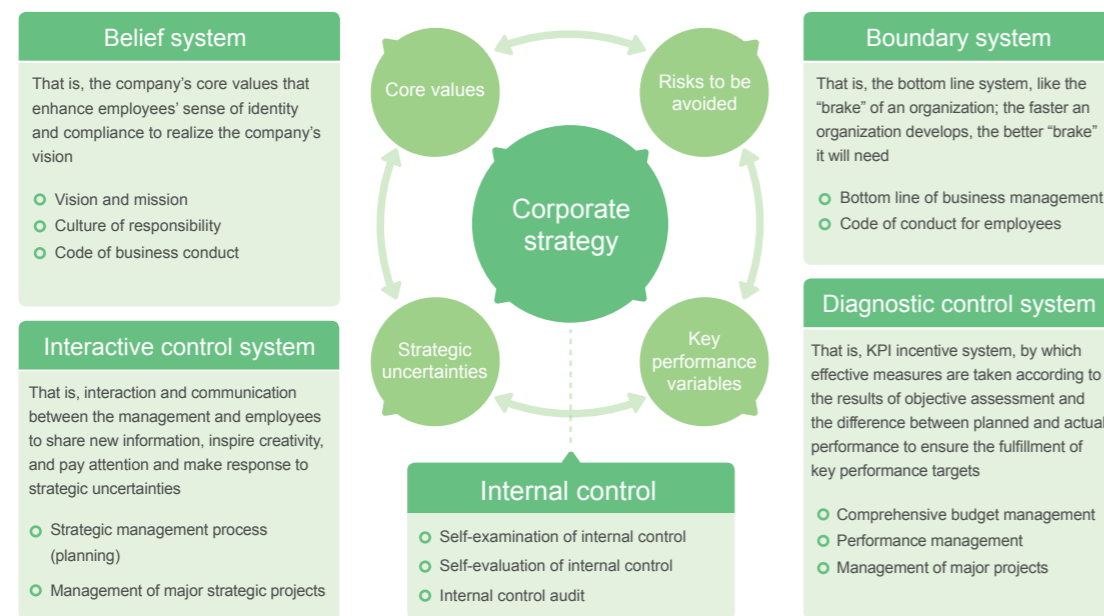
Note: The work of the Board of Directors, Board of Supervisor, and General Meeting of Shareholders of the Company in 2017 is detailed in BOE’s Annual Report 2017.

II. Internal Control

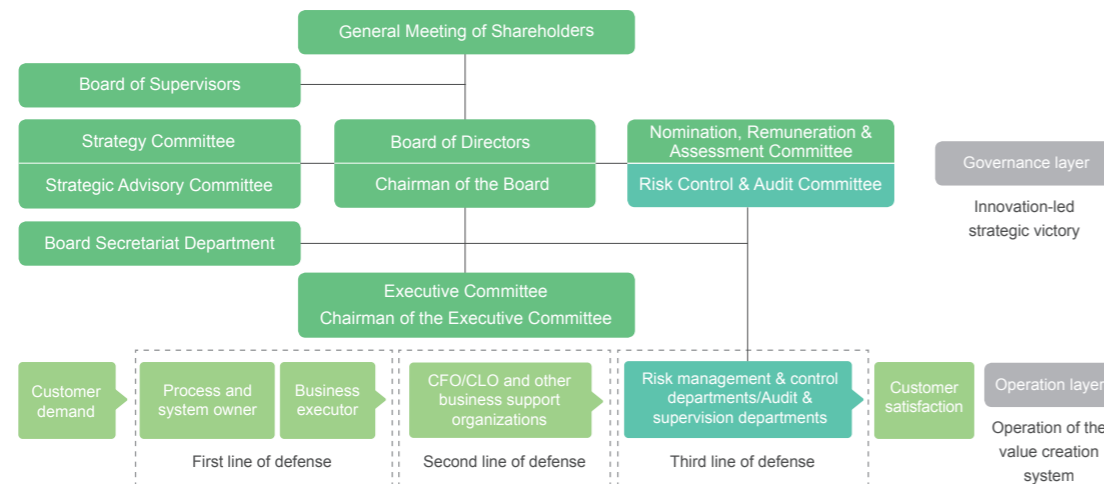
BOE has a strict internal control system. The Board of Directors and the Strategy Committee are responsible for risk management at Company level; the Board of Supervisors oversees risk management conducted by the Board of Directors; the permanent bodies of the Risk Control & Audit Committee under the Board of Directors are the risk control departments and internal control departments, and responsible for overseeing and evaluating risk management and reporting actions being taken to address major risks and the progress in doing so.

Internal Control System of BOE

According to its internal control standard, BOE has established an internal control system featuring mutual coordination, dynamic balance, self-improvement, and efficient operation.



In order to implement the internal control system, we have established three lines of defense for risk control, which are oriented by customers, driven by successful business, and based on the entire process.



To control risks in its operation, BOE have established three lines of defense for risk control, which are oriented by customers, driven by successful business, and based on the entire process.

- The first line of defense is departments responsible for the process and system, and business executives, which control more than 95% of the risks in business operations and are responsible for process performance and final results.
- The second line of defense is a professional risk control department that provides risk prevention for the first line of defense and is responsible for audit and supervision.
- The third line of defense is BOE's risk control department and internal auditing department, ensuring that the responsibility system for risk control is so effective that we can conduct independent supervision to prevent and control remaining risks.

To ensure that the Company's operation and management are legal and compliant and asset safety, financial reports, and related information are true and complete, BOE's risk control department carried out the internal control standardization in 2017 and started to revise the Internal Control Management Manual, Internal Control System Manual and Internal Control Evaluation Manual in the 2017 version. The 20 fascicles of the Internal Control System Manual were revised and completed to optimize 152 core business processes and key control processes. Meanwhile, this has improved the internal control operation and supervision mechanism at all levels of the Company and implemented them throughout BOE. The risk control department has carried out risk assessment covering a wide range of processes. Various business departments have implemented risk identification and analysis according to changes in organizational structure and business processes, implemented key risk and control points, and provided effective basis for process owners to control risks.

By completing the internal control evaluation in 2017, it is confirmed that no significant or major internal control defects have been found in the internal control design and implementation of BOE at the company level and process level.

III. Business Ethics

1. Professional Code of Conduct

BOE follows high corporate governance standards and ethical standards in its business activities and requires the staff to conform to moral norms and professional code of conduct through strict systems. All employees of BOE shall honor the Statement on Professional Code of Conduct for Employees, abide by the basic ethics, uphold integrity, work efficiently, and accept extensive supervision. According to the Statement, the employees shall:

- Comply with the confidentiality rules and regulations, and may not seek any personal interest by divulging or using the Company's confidential information;
- Hold in high esteem the honor of their occupation, create value, and not abuse power for personal gain or damage the Company's interest;
- Abide by the Company's rules and regulations, work in a fair and efficient manner, and not take bribes, give bribes, ask for bribes or commit corruption;
- Efficiently collaborate with each other to create shared value, without prevarication and obstacles;
- Report malpractices or the Company's management loopholes in a timely manner.

The Statement explicitly stipulates the code of conduct for employees in business activities, requiring them to fulfil their responsibility, avoid conflict with the Company's interest, and not to abuse power for personal interest. Moreover, the employees may not fall into temptation when making judgements or engage in any activities that violate social ethics.

2. Integrity, Self-discipline and Anti-corruption

Based on the operation philosophy of being “innovative, progressive, and honest” and the business principle of “integrity, standardization, transparency, and responsibility,” BOE not only scrupulously abides by laws, regulations, and business ethics itself, but requires its partners to do so as well in order to create a clean and efficient business environment.

To strengthen the building of honest and dedication system and anti-corruption and integrity education, the Company has continuously improved its clean system for prevention and control of risks. It has established the Professional Ethics Disciplinary Committee under the Strategy Committee of the Board of Directors to set up multiple anti-corruption channels such as complaint mailboxes, e-mail, telephones, and on-site reports. It has also released the Regulations on Blacklist Management, Measures for Fraud Investigation, Measures for Auditing of Economic Responsibilities, and Declaration on Professional Ethics of BOE’s Employees. BOE has provided that we must sign the Clean Agreement with our partners before launching new businesses and send the Letter of Clean Operation to our partners before important holidays. In addition, the Company is gradually improving the integrity and professionalism system by drafting the BOE Regulatory Framework and Code of Conduct for BOE’s Staff Members, improving BOE’s System for Risk Bottom-line Management, putting people first, and preventing corruption.

The Company always holds a zero-tolerance attitude towards fraudulent practices. According to the Measures for Investigation of Fraudulent Practices, the audit and supervision departments are responsible for the unified management of fraudulent clues and establish a special investigation team to supervise the investigation. The investigation report, upon approval, is issued by CXO or Auditor General of the specialized audit department. The final document for penalty decision is issued by the Professional Ethics Disciplinary Committee of the Strategy Committee under the Board of Directors. The audit department regularly maintains and manages the blacklist and, by the approval, reports cases to the judicial organ and assists it in handling these cases.

Well-targeted anti-corruption education was carried out according to the different requirements for different posts. Orientation training was conducted for new employees to enhance their integrity and professionalism. Personnel in key business fields and major projects were trained to be honest, dedicated, and compliant. Newly appointed managerial personnel were educated in integrity, honesty, professionalism and leadership through concrete cases. Anti-corruption education and warnings were given to managerial personnel at and above the director level. In 2017, various forms of education were provided for 4,750 person-times, totalling 44,288 class-hours.



Recipients of various forms of education in 2017 (person-times)

4750



Accumulated class-hours

44288

3. Intellectual Property Rights Protection

BOE ranks among the top patent holders in the global industry, with a cumulative total of over 60,000 valid patents. The intellectual property rights (IPRs) protection is in line with both the public interest and BOE’s interest. For many years, BOE has attached great importance to the IPRs protection by strictly abiding by IPRs-related laws and regulations, respecting the rights and interests of IPRs of all parties, and strengthening its IPRs management. It has also raised the IPRs awareness of employees and managers to ensure that they do not infringe upon the trademark, patent, copyright or other IPRs of other companies or individuals. When new employees are recruited, the Company will train and educate them on the IPRs protection and conduct irregular inspection and re-education, so as to heighten the awareness of IPRs protection and risk control of employees. The Company requires employees to obtain the necessary license before using products and services with copyright or IPRs. In the external procurement, joint development, and technical cooperation, BOE and its partners, under terms of IPRs cooperation, has defined rights and responsibilities of patents to avoid related risk and achieve win-win cooperation.

In 2017, BOE further strengthened its IPRs training, with relevant personnel raising their awareness of IPRs protection. Also, BOE has participated in the Seminar for Revision of Patent Law and Patent Review Guideline, High-level Forum on Intellectual Property of China, and Business Forum on China Intellectual Property held jointly by the State Intellectual Property Office (SIPO), Beijing Intellectual Property Office, China Intellectual Property, and IPBC. At these meetings, it has exchanged and communicated with relevant departments and industry peers on hot, key, and difficult IPRs issues to be familiar with dynamics and trends of the industry, achieving good results.

By the end of 2017, BOE had won two gold awards and 19 excellence awards in China’s patents and one outstanding award in China’s industrial design.



The number of new patent applications in 2017

8678



Invention patents exceed

85%



The cumulative number of available patents is more than

60000

In 2017, BOE filed 8,678 new patent applications, of which invention patents exceeded 85%. The total number of patents available for use at present is over 60,000, the highest in the industry globally. According to the 2017 Statistical Report on the Volume of Patent Authorization in the United States issued by IFI Claims, an American patent agency, BOE’s global ranking jumped from 40th in 2016 to 21st in 2017, with 1,413 patents authorized in the US, a year-on-year increase of 62%; among IFI Claims TOP50 enterprises, BOE remained in the first place for two consecutive years in terms of growth rate. The World Intellectual Property Organization (WIPO) released the application for the Patent Cooperation Treaty (PCT) in 2017. With 1,818 PCT applications, BOE ranked 7th in the world.

IV. CSR Management

1. Philosophy of CSR

Advocate active performance of CSR and attract attention to and reflections on CSR issues;

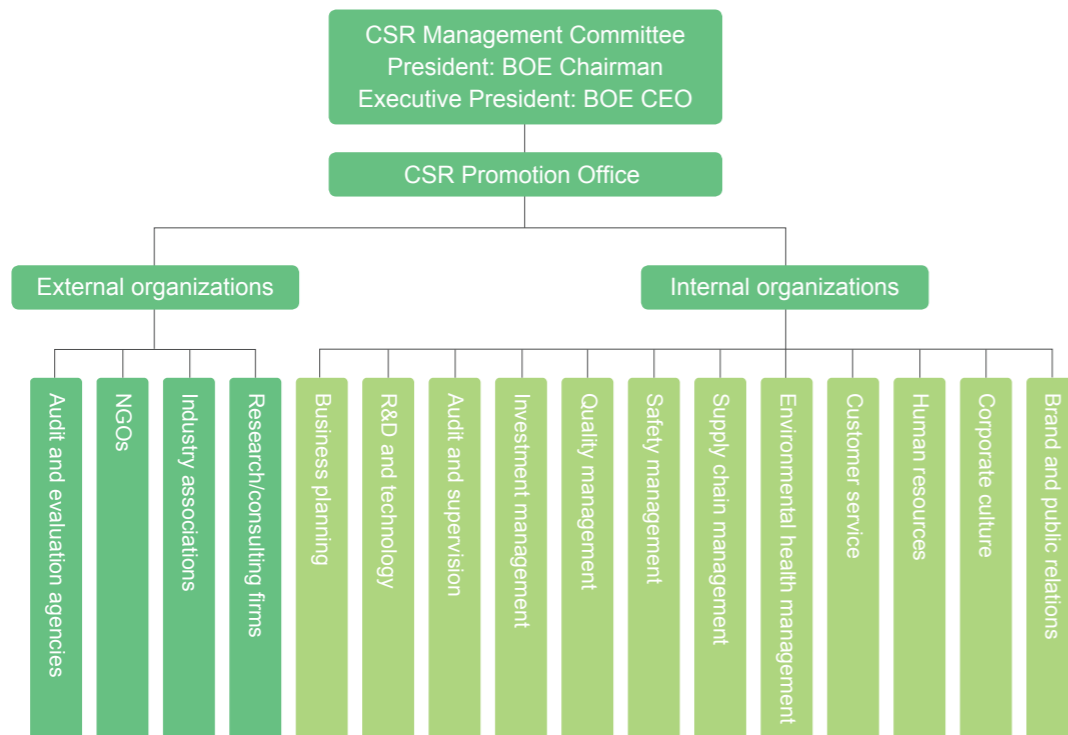
Foster the ability to perform CSR and improve the CSR system and environment;

Motivate employees and executives to create a culture of responsibility together, and establish performance management in connection with responsibility performance;

Promote sustainable development of CSR management, and explore new CSR concepts.

2. CSR Management System

BOE is committed to fulfilling corporate responsibility by incorporating social responsibility into its strategy, management, and long-term development goals throughout the entire process of business operations. In order to ensure every post put in place the concept of responsibility, BOE has established a sound social responsibility system. The Company has set up a CSR Management Committee under its top leadership, which is responsible for studying and defining the strategies, vision, principles, and policies of CSR and dealing with CSR-related matters externally. CSR Management Committee is an independent organization whose President is served as by BOE Chairman, Executive President by BOE CEO, and members by relevant vice presidents. The Committee consists of CSR Promotion Office, which is responsible for promoting the concrete practice of CSR and communicating with CSR heads of all relevant departments of the Company.



3. Communication with Stakeholders

BOE has been listening to voices of all parties by establishing solid, close relationships with all stakeholders such as employees, customers, suppliers, governments, and communities. By doing so, it can have an understanding of expectations and demands of stakeholders, which is conducive to continuously improving its management and realizing the collaborative development and mutual benefit of BOE and its stakeholders.

Stakeholders	Content of Communication	Main Methods of Communication
Customers and Consumers	Compliant operations Product and service quality Customer needs Consumer rights and interests	Daily communication and visits (communication over telephone, visits to clients, and APP-based online return visits) Customer satisfaction survey Customer service hotline Customer quality meetings Industrial meetings and forums Innovation Partner Conference
Investors	Status of corporate operation Industrial and market status and trends	Investor service hotline On-site receptions General Meeting of Shareholders Investor interaction platform provided by Shenzhen Stock Exchange, online business performance meeting, investor service column on BOE's official website, and investor mailbox Innovation Partner Conference
Suppliers	Compliance management and business ethics Attainment of quality targets Sustainability issues	Supplier training and seminars Supplier evaluation and review Industrial meetings and forums Supply Partner Conference Innovation Partner Conference
Employees	Employee engagement Career development and training Occupational health and safety Employees' rights and interests Remunerations and benefits	BOE Chairman's mailbox, General Manager's mailbox, Labor Union Chairman's mailbox, and employee assistance mailbox Meetings and interviews with employees, and activities organized by the Labor Union Employee satisfaction survey Employee Portal BOE periodicals Official website and WeChat account

Stakeholders	Content of Communication	Main Methods of Communication
Communities	Pollution prevention and control Resource recycling Support for education and environmental protection Volunteer services Integration into community	Information disclosure Field trip and questionnaire survey Public interest projects Community volunteer activities
Industry peers	Technical exchanges Collaborative innovation Industrial development	Industrial conferences, seminars and other activities Innovation Partner Conference
Government	Policy implementation Industrial development Corporate governance Regional economic development Employment Public interest projects	Seminars Correspondence Inspections and self-inspections
Media	Corporate operations Corporate development CSR information disclosure	Periodic reports and CSR reports Interviews and meetings Innovation Partner Conference Other public activities
Universities and research institutes	Scientific and technological innovation Talent training Information exchange	Seminars, forums and academic cooperation activities Campus activities Innovation Partner Conference

4. Analysis on Material Aspects

Process for Identifying Material Aspects

Screening	Referring to the <i>Sustainability Reporting Guidelines</i> of Global Reporting Initiative Referring to the <i>Electronic Industry Code of Conduct (EICC)</i> , the <i>Guidelines on Social Responsibility of the Electronic Information Industry</i> and other related industry standards Referring to the company's development strategy Referring to stakeholders' daily feedback Discussions with BOE's CSR-related departments
Prioritization	Stakeholder survey Evaluation by BOE's CSR-related departments Determining the priority order of issues and the corresponding reporting boundary
Discussion & verification	Discussion and review by BOE's CSR Committee Identifying major issues and determining their scope and boundary

In accordance with the G4.0 Sustainability Report Guidelines and industry guidelines such as the Electronic Industry Code of Conduct (EICC), and the Guidelines on Social Responsibility of the Electronic Information Industry, the CSR report preparation team of BOE took into account the concerns of the CSR Committee and specific issues in the industry/sector, and shortlisted 22 aspects: economic performance, indirect economic impacts, integrity and compliance management, supply-chain sustainable development, green products and services, customer satisfaction, resource conservation, emission reduction and pollution prevention and control, biodiversity, transport, environmental accounting, environmental grievance mechanisms, equal employment and friendly workplace, remuneration, occupational health and safety, employee training and development, human rights, community engagement and public undertakings, public policy, fair competition, social impacts, and marketing.

14 Aspects were finally determined as priorities of the report.

Economic Category	Economic Performance, Indirect Economic Impacts, Integrity and Compliance Management, and Supply-chain Sustainable Development
Environmental Category	Green Products and Services, Resource Conservation, Emission Reduction and Pollution Prevention and Control, Environmental Accounting, Supplier Environmental Assessment
Social Category	Customer Satisfaction, Equal Employment and Friendly Workplace, Remuneration, Occupational Health and Safety, Employee Training and Development, Local community Engagement and Public Undertakings

BOE and Customers

In the IoT era, customers and consumers not only play the role of audience and users but also create innovation with enterprises. This change has given new meaning to the customer-oriented concept that BOE has always followed and increased the innovation challenges. Faced with these challenges, BOE has introduced disruptive innovation to details of product design, business management and customer services, providing customers and consumers with excellent products and professional smart services and creating the best experience beyond expectations of users. Meanwhile, it has created a platform for makers to foster collaboration between online and offline customers, maker groups, and manufacturers, bringing win-win cooperation to enterprises, customers and makers.



I. Customer-oriented Concept

Core of customer relationship management: Creating shared value through in-depth cooperation and collaborative development

In-depth cooperation: Get a more comprehensive and profound understanding of customer needs through in-depth interactions, stimulate innovative ideas, and make them recognized by customers for win-win cooperation;

Collaborative development: Turn the innovative ideas into products and bring them to market as quickly as possible;

Shared value: Achieve customer value and our own value through in-depth cooperation and collaborative development.

II. Quality Management

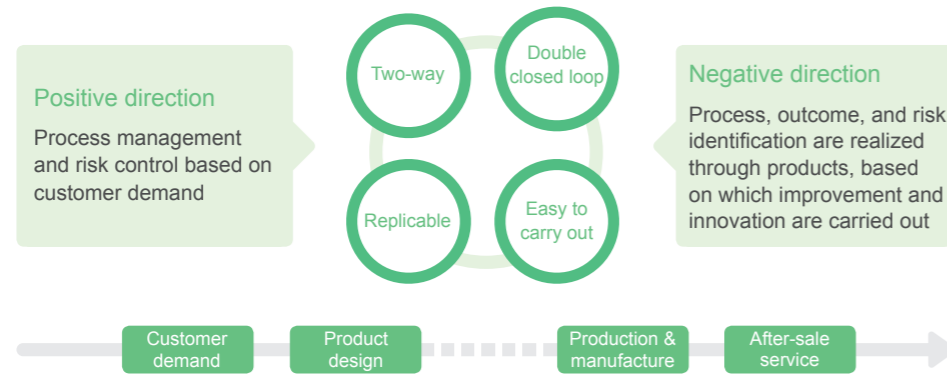
BOE has improved the quality of work and products through the quality management model, positive and negative approaches to quality management, and BOE Quality Award.

BOE Quality Management Model



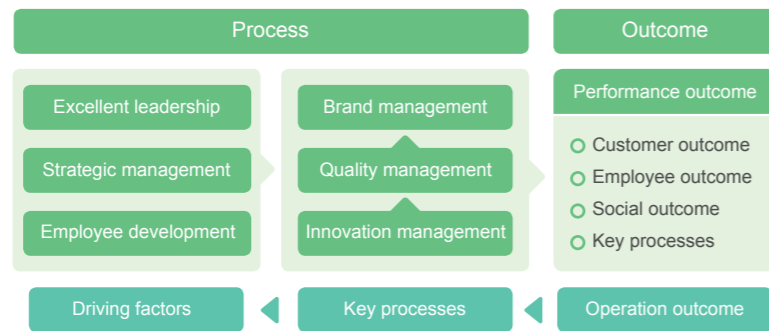
BOE has always improved the customer-oriented mechanism and followed the principle of making achievements. It has been committed to creating a quality culture of right-minded people and genuine products. Guided by the quality strategy of "creating value and winning by quality," BOE has identified customer demand through the attractive quality identification system and positively driven the management throughout the entire process, so as to take into account customer demand in every link and provide customers with excellent products and services. Also, BOE has kept improving innovation and identified potential problems in the management process and reversely driven the improvement of problems to achieve superior quality.

Positive and Negative Approaches to Quality Management



Positive and negative approaches to management are an effective method to systematically identify the demand of customers and decompose it into the process management. The positive approach is to conduct the process management and risk control based on the needs of customers. The negative approach is to identify risks to make improvements and innovations through the process and results of production. This bidirectional, double-closed system is so duplicable and easy-to-deploy that it can run through the entire process of management and control of raw materials, product design, manufacturing, and after-sale services.

BOE Quality Award



BOE Quality Award aims at improving its innovation, quality, and brands. BOE has produced advanced and reliable products through innovation management and quality management respectively. It has enhanced the dependency of customers on its products through brand management. By doing so, it can improve its capabilities of meeting the demand of customers and enhance its management. In the award selection process, the case-based evaluation method is proposed for the first time, meaning that all departments can be guided to focus on bottlenecks and the demand of customers, take into account strategic requirements systematically, set improvement goals, create new ideas and methods, and choose appropriate tools and methods to keep improving. Through case review, we have explored BOE's best management practice to exchange and share experience, in a bid to improve the management level. In addition, we hope to explore the best practice and management model which is suited to be promoted among China's enterprises, in order to lead the industrial development.

BOE's quality management has been recognized by all sectors and the government, winning the 1st Quality Management Award of Beijing Municipal People's Government and the Nomination Award of the 2nd China Quality Award. The standard innovation and practice project of Serialized Implementation Guidelines for Quality Management and the project of Comprehensive Computerization-based Innovation for Quality Management System won the first prize of the 2nd National Quality Innovation Competition. The Positive-Negative Closing System for Quality Problems won the Nomination Award of the International Quality Innovation Contest.

BOE - A Trustworthy Choice

BOE strictly implements related international and domestic standards in every link of production and management and continuously improves the quality of management. All the enterprises affiliated to BOE have passed relevant international and domestic certification and all BOE products have been certified in accordance with laws and regulations. Its LCD display screens have passed the UL certification, and LCD display terminals and ambient lighting products have obtained CCC certificates. In 2017, 127 new products were CE-certified, 180 CCC-certified, 91 CB-certified, 126 UL-certified, 83 FCC-certified, and 95 certified as energy-efficient products. These are reliable products customers and consumers can choose without worry.



III. Customer Services

1. Quick Response

BOE display products enjoy the largest market share in the world. In addition to the high quality and innovativeness of products, the company's all-round quick service also wins customers' trust. For the development of display and sensor business, BOE's general principle for customer service is to "identify, respond, handle, and address as early as possible." To ensure the principle is practiced, the company has established a broad network of customer service points and a "2485" response mechanism.

A broad network of customer service points: Centring on the distribution of clients' factories, BOE has improved the On Site Support (OSS) system relying on its sales points and third-party resources. It has established a network of customer service points that includes 9 domestic permanent points (based in Shenzhen, Xiamen, Huizhou, Kunshan, Suzhou, Wuhan, Nanjing, Tianjin, and Qingdao) covering South China, East China and North China, and 13 overseas permanent points (based in Slovakia, Turkey, the United States, Mexico, Brazil, Japan, South Korea, Taiwan, Singapore, Vietnam, India, Malaysia, and Egypt) covering Europe, the Americas, Asia and Africa. The network continues to expand, and engineers and technical support staff are stationed in service points so that professionals are immediately available to analyse and handle problems on site for customers.

Customer service response: the "2485" principle

24H: Set up interception measures against defective products within 24 hours after receiving bad feedback from any customer;

48H: Complete preliminary cause analysis and countermeasure report within 48 hours;

5D: Find the fundamental cause(s) and propose the final solution(s) within five days.

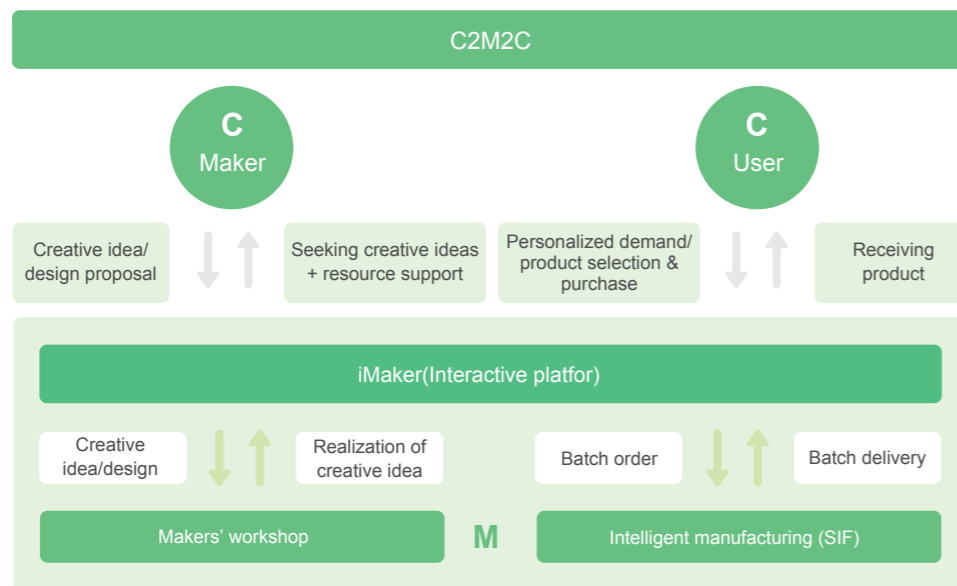
BOE has set up a strict and standardized response time limit catering to the needs of different customers and included it in the KPI of engineers concerned, thus greatly improving response speed and progress in analysis and rectification.

2. Smart Services

With the development of the information age, customer relationships are facing new challenges. BOE has worked to explore the IT application of customer services and is developing a Customer Relationship Management (CRM) System whose functional planning covers processing of customer demand, changing or refunding, maintenance and inspection of products entrusted to a third party and corresponding big data modules for analysis of customer quality. Also, the CRM System is to be integrated with related IT systems in the internal BOE, finally building a smart efficient network for serving these customers and handling their problems. Specifically, the processing module for customer demand has been officially launched to be combined with the quality management system, so as to better record the demand and complaints of customers and send records to relevant departments of factories for analysis and resolution. In this way, we can monitor and manage the entire process systematically.

3. Personalized Customization

BOE's Smart Systems business is building C2M2C, a smart personalized customized manufacturing service system consisting of one online platform (iMaker) and two offline platforms (maker workshop and smart factory). It submits customer demand to makers to meet through the cycle from maker, factory to customer. In September 2017, iMaker, Suzhou Maker Workshop, located in Nanopolis, Suzhou, was officially opened. The iMaker online platform has drawn user portraits and established the product evaluation system based on users' feedback, promoting product iteration and evolution of maker teams to better meet user needs. After demonstrating the feasibility of commercialization of products, creative products that meet the conditions will be mass-produced. The iMaker online platform creates the CMC cycle of maker, factory, and customer to utilize creative value to meet user demand, supporting the production of maker teams with BOE's advanced productivity and helping makers to quickly seize the market and meet the personalized demand of users.



4. Communication and Interaction

BOE has a complete customer communication mechanism and provides targeted service methods according to different characteristics and needs of commercial customers and ordinary consumers.

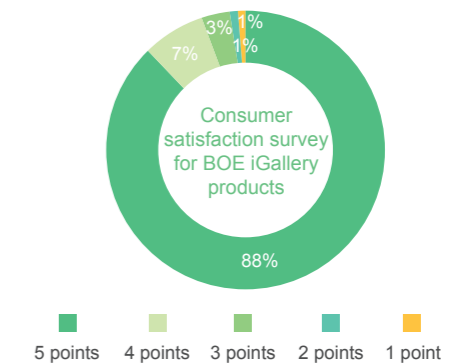
Regarding commercial customers, BOE understands the expectations and demands of customers to timely improve the management process and customer satisfaction through regular survey on customer satisfaction, participation in customer quality meetings, mail, telephone communication, and visits to customers.

BOE conducts semi-annual satisfaction survey among all key strategic customers and the survey results are shown as below:

Aspect	2017 Customer satisfaction	Customer Feedback	BOE's Actions	Results
Product quality	88%	Unexpected quality problems of products	BOE has set up a special improvement team to quickly respond to unexpected quality problems, timely launching major improvement programs for quality problems and promoting the programs in other shipment plants and among different customers.	The number of major quality problems decreases by 57% on year-on-year basis
Technology and innovation	91%	The initial quality of new mass-produced products is unstable	We have worked to implement the regular-meeting mechanism in the departments of customer services, quality, development, pre-sale technical service support for customers, and production and technology, so as to figure out new product problems, develop solutions, and ensure the stable quality of initial mass-produced products.	We conduct closed-loop management of main problems in the certification stage of new products
Service concept	93%	Speed of Service Response	Keeping improving the service network of On Site Support to increase the speed of responding to customers	Continuous improvement of customer satisfaction
Price and product supply	91%	The delivery to customers is affected by the return of individual batches	Automatic optical inspection is introduced into products of module factory to strengthen the manpower reserve of inspectors and key positions and intensify efforts to conduct delivery inspection.	No impact on delivery to customers
Hazardous substance	95%	NA	—	—
Average of overall satisfaction	92%			

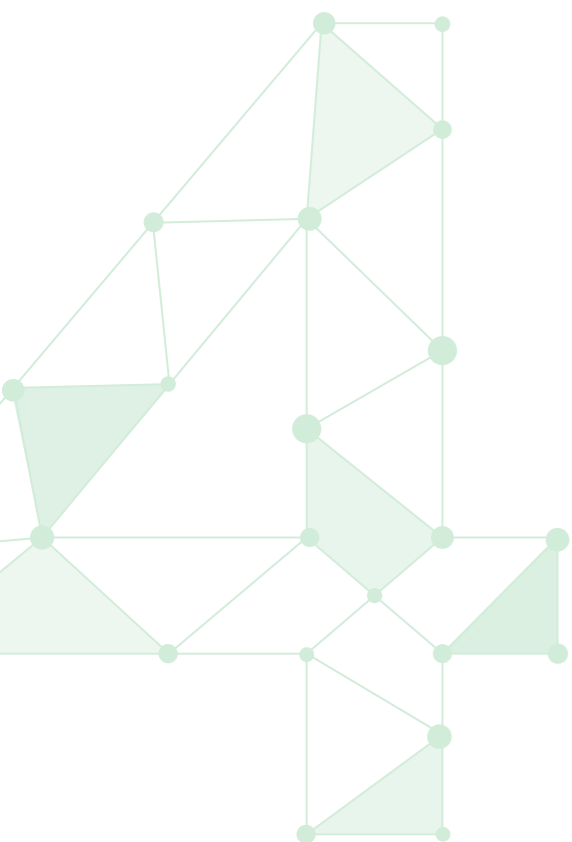
Note: Data comes from Display and Sensor Devices business

For ordinary consumers, BOE sets up a 400 hotline for consumer services to answer relevant questions timely and provides online and on-site technical support and after-sales services. According to consulting and service records, 400 service personnel pay return visits to consumers via telephone, collect and analyze consumer demand and satisfaction, submit them to relevant departments for improvement, and timely inform consumers of final results of problems. According to BOE's consumer satisfaction survey conducted in 2017, the consumer satisfaction of BOE iGallery, a popular product, reached 97%.



BOE and Investors

The trust and support of investors underpin the high-speed sustained development of BOE. Facing the ever-changing market environment, BOE has always upheld the spirit of innovation, kept expanding its business, and seized the great opportunity of the Fourth Industrial Revolution to accomplish its transformation towards an IoT company. In recent years, BOE's three core businesses have collaborated with each other to expand the scale and influence of international and domestic markets and maintain a strong momentum of development, gaining wide recognition from investors from all walks of life. The Company has served investors through diverse channels, widely listened to their opinions and suggestions, and created growing market value for investors through science-based decision-making and efficient management, thereby achieving win-win results between itself and its investors.



I. Investor Service

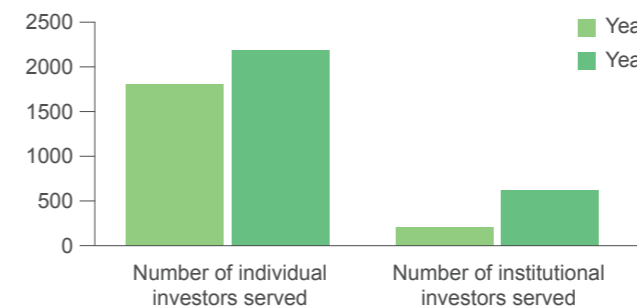
BOE has a professional investor relations management team to promote open, transparent, efficient and consistent communication with investors and securities analysts so that investors can have a better understanding of the company's strategies, operations and latest developments. BOE conducts in-depth communication with investors through diverse channels and by means of IT-based tools, including the interaction platform provided by Shenzhen Stock Exchange, online performance briefings, investor hotline, investor mailbox, on-site reception, teleconference, etc., to disclose information to the capital market and investors in a timely, proactive and thorough manner. In 2017, BOE invited a lot of managerial and technical experts to attend online performance briefings, field investigations, and brokers' meetings, sharing industry trends and the company's strategic layout and development situation with institutional and private investors as well as industry analysts to let them have a more comprehensive and deeper understanding of BOE, the industry, and the investment value of the company. In addition, BOE has updated the "Investor Service" section of its official website, with the addition of new service items such as investor bulletin subscription and investigation reservation, so as to upgrade the information level of services.



In line with the principle of fairness, impartiality and transparency, BOE provides targeted services according to the characteristics and needs of different investors. The company allows small and medium-sized investors to truly understand BOE by means of investor hotline, the interaction platform of Shenzhen Stock Exchange, and online performance briefings. In 2017, it served more than 2,120 small and medium-sized investors in total, among whom 1,104 received services via the investor hotline and 1,016 via the interaction platform of Shenzhen Stock Exchange. As for institutional investors, BOE enhanced the professionalism of services and engaged technical engineers, in addition to the investor relations management team, in communication activities, to keep institutional investors better informed of BOE's technical strength and industrial value. In 2017, the company organized and/or participated in 130 teleconferences and field investigations, served 745 institutional investors, and held 38 corporate value promotion activities via brokers' strategy seminars.

In order to protect the rights and interests of investors, the Company launches the special publicity campaign of "protecting investors, understanding rules and identify risks" and set up the column of "protecting investors" on its website to publicize the related content of investor protection, so as to enable investors to make clear risks and invest prudently.

BOE services for individual and institutional investors in 2016-2017




E-mail: web.master@boe.com.cn
Investor hotline: 86-10-60965353

II. Information Disclosure

As a responsible listed company, BOE pursues an open transparent and win-win relationship with investors. The Company shall disclose information timely in strict accordance with the provisions for listed companies and guarantee that “the content is truthful, accurate and complete, without false records, misleading statements or material omissions.” BOE also requires all subordinate units to keep in mind that it is a listed company and all its statements and behaviors shall withstand extensive supervision of investors and the public.

Main channels/methods of information disclosure

Disclosure Channel/Method	Way of Accessing to Information	Frequency	Information Involved
Periodic reports (annual, semi-annual and quarterly)	Check BOE's official website, cninfo.com, <i>China Securities Journal</i> , <i>Shanghai Securities Journal</i> , <i>Securities times</i> , or <i>Ta Kung Pao</i>	Every April, August and October	Basic information of the Company, analysis and discussions of the management, brief explanations on important matters, corporate governance, internal control, financial report, etc.
Temporary announcements	Check BOE's official website, cninfo.com, <i>China Securities Journal</i> , <i>Shanghai Securities Journal</i> , <i>Securities times</i> , or <i>Ta Kung Pao</i>	On an irregular basis	Including but not limited to the resolutions of the Board of Directors and Board of Supervisors, and major transactions
CSR report	Query and download available at BOE's official website and cninfo.com	Yearly	Non-operational data, etc.
BOE's official website	www.boe.com	Timely	Company overview, company news, industrial dynamics, etc.
Official WeChat account	QR code: 	Timely	Dynamics, relevant reports, etc.
Media (i.e. printed media, online media, TV media and new media)	Read news reports, browse media websites, or watch TV	When necessary	Dynamics of BOE and industry, etc.

III. Market Value Management

To increase returns on investment and create greater value for investors, BOE makes active efforts in market value management. In 2017, it continued to increase distribution of cash dividends and completed a new round of share repurchase scheme to maintain and increase the yields of investors. As of December 31, 2017, BOE's market value was about RMB 200 billion, a year-on-year increase of 100%, and the company's stocks significantly outperformed the main indexes of China's two stock exchanges.

Market Value Management in 2017

Share repurchase scheme	As approved by the third temporary shareholders' meeting on August 20, 2016, the Company decided to buy back shares worth no more than RMB 1.1 billion within a year. By August 20, 2017 when the repurchase period expired, it had spent RMB 226,525,285.07 and HKD 799,996,931.17 on the repurchase of 88,692,299 A shares and 265,976,681 B shares, respectively. The above shares had been written off within the prescribed period, and now the company's total capital stock is 34,798,398,763 shares.
Distribution of profits of 2016	On July 14, 2017, BOE distributed RMB 0.3 per ten shares (tax included) to all shareholders, or more than RMB 1 billion for a total of 35,153,067,743 shares at the time.

 **100%**
The growth in market value

 **Over one billion**
Dividends for shareholders in 2017

BOE and Suppliers

It is an important step for BOE to fulfill its social responsibility in building a sustainable supply chain. BOE believes that a good corporate citizen cannot be alone but give full play to their own strength to drive upstream and downstream enterprises to jointly shoulder social responsibility, so as to boost the sustainable development of economy, environment and society. For many years, BOE, following the philosophy of "creating shared value through in-depth cooperation and collaborative development," has worked closely with partners along the supply chain to grow together, responding to the needs and feedback of stakeholders, keeping improving the supply chain management, and building a responsible supply chain featuring harmony, win-win development, and sustained competitiveness.



I. Supply Chain Management

The scientific and strict management of the supply chain can effectively help enterprises reduce operational risks, enhance product quality, achieve the goal of social responsibility, and improve the overall performance of suppliers, so as to achieve win-win results between an enterprise and its supply-chain partners. Over the years, BOE has continuously improved the management process of the supply chain, implemented strict differentiated management of suppliers, and taken a targeted approach to formulate cooperation strategies, in a bid to ensure the health, stability and efficiency of the supply chain and enhance the competitiveness of the supply chain.

Supply Chain Management Process



1. Supplier Exit

BOE upholds the concept of fair procurement and equal opportunities for suppliers, adheres to the principle of competitive cost, supply, technology and quality, and ensures that all transactions are based on justice, transparency and full negotiation. Now, BOE has approximately 4,200 suppliers globally, of which there are over 2,300 suppliers specializing in BOM materials, outsourcing, and consumables, and about 1,900 suppliers of equipment and spare parts. They are mainly distributed in mainland China, South Korea, Japan and Taiwan province of China. In order to develop new suppliers and ensure that suppliers can meet the requirements of BOE in cost, supply, technology and quality, the Company has introduced a strict supplier access mechanism. A qualified supplier of BOE must pass qualification screening, document review or field auditing.

Supplier Management Process



Supplier Certification Standards

- IISO9001
- ISO14001
- OHSAS18001
- Quality System Assessment (QSA)
- Quality Process Audit (QPA)
- Hazardous Substance Process Management (HSPM)
- General Management Audit (GMA)



- Criteria for classifying hazardous substances in the GP Guarantee meet the following standards:
- The EU's *Restriction of Hazardous Substances (RoHS) Directive*
 - The EU's *Regulation concerning the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH)*
 - Canada's regulation on Phthalates
 - China's *Administrative Measures for the Restriction of the Use of Hazardous Substances Electrical and Electronic Products*
 - California Proposition 65
 - The US *Environmental Design of Electrical Equipment Act (EDEE)*
 - Japan's *The Marking for Presence of the Specific Chemical Substances for Electrical and Electronic Equipment (JIS C 0950)*
 - South Korea's *Act on Resource Recycling of Electrical and Electronic Products*
 - *Voluntary Certification of Pollution Control ... Catalogue of Electronic Information Products*

To ensure the supplier assessment system is reasonable and effective, the company's supply chain management department collaborates with the R&D, quality, legal affairs and financial departments to formulate and update the supplier assessment standard. When there is a demand for new supplier certification, the supply chain management department invites relevant departments to jointly set up a certification and assessment taskforce to evaluate the supplier's general management, technology R&D, production situation, quality control, environmental safety, and hazardous substance management, and develop detailed assessment criteria and checklists. Only after being certified can a company be registered as a qualified supplier.

Performance Assessment of BOE's Suppliers

In addition to a strict access mechanism, sustainable and stable supply-chain competitiveness also needs strict daily follow up, review, continuous improvement and optimization. Therefore, BOE's supply chain management department assesses the performance of suppliers on a quarterly and yearly basis. Quarterly assessments mainly cover suppliers' cost, supply, technology and quality, each with a weight of 25%. Annual assessments mainly cover suppliers' cost, supply, technology, quality, finance, and compliance (see the following table for their respective weight). Assessment results are classified into four levels: A, B, C and D. According to assessment results, BOE will motivate the suppliers, or provide them with necessary guidance for improvement, or disqualify them. In view of the problems found in the assessment process, BOE urges the suppliers to make improvements and optimize their supply system.

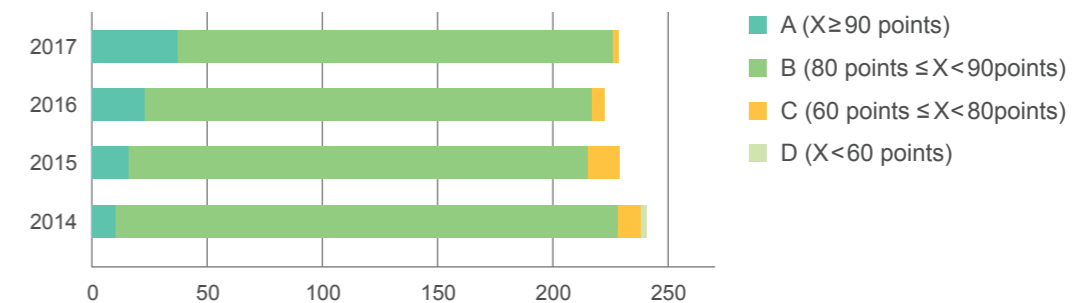
In the following circumstances, the supply chain management department of BOE will determine whether to cancel or suspend a supplier's qualification based on the supply chain strategy, supply and demand, legal conditions, and relevant impacts.

- A supplier has been rated D in one annual performance assessment or C in two consecutive performance assessments
- A supplier has failed the annual factory audit, and is unable to improve its situation in six months
- A supplier has caused a huge loss to BOE's procurement and operation due to price, delivery, quality or environmental reasons
- A supplier whose production license has been revoked or canceled (including the cases where the cancellation is due to merger or separation) or who has entered insolvency proceedings
- A supplier cannot justify its value as BOE's supplier

Indicator	Content	Weight
Cost	Actual results in cost reduction, supplier price comparison	22.5%
Supply	On-time delivery rate	22.5%
Technology	Part development capacity, development process control system, new technology coordination	22.5%
Quality	Quality of parts delivered to warehouse, process and market quality, correspondence	22.5%
Finance	Financial situation	5%
Compliance	Breach of contract	5%

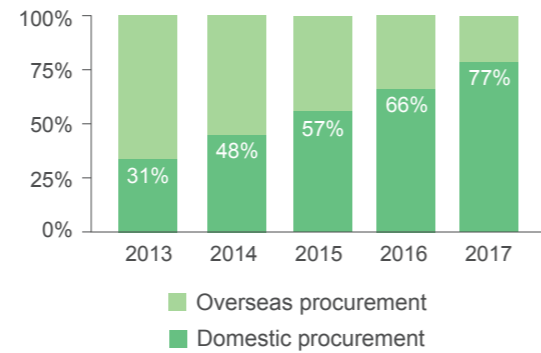
In 2017, BOE introduced about 500 new suppliers and eliminated approximately 300 suppliers, ensuring the vitality of the supply team.

Rating of Core Suppliers 2014-2017



2. Local Supply

BOE chooses and supports long-term suppliers for the purpose of deepened cooperation and shared development. Meanwhile, it strengthens local procurement under the premise of high supply efficiency so as to reduce transportation costs and environmental impacts and support local economic development. There was an upward trend of local procurement ratio in the period of 2013-2017



3. Risk Management

To ensure that the supply chain is stable, healthy and efficient, BOE requires that at least two suppliers be available for each material and that the suppliers and the material be certified before supply is formally approved. When purchasing for mass production, it devises different procurement strategies and adjusts procurement ratio according to the actual situation of each material and each supplier.

BOE has established a sound tender process for procurement for major projects and purchase of important materials and equipment. Audit and supervision departments, legal affairs departments and other organizations track and supervise the whole process. Invitation to tender, bidding evaluation and bid acceptance are separated to ensure that the tender process conforms to laws and regulations.

Furthermore, to ensure the supply chain conforms to BOE's business ethics, the company requires all suppliers to sign an integrity agreement in the procurement bidding process and reviews their credit record so as to prevent any behaviour that goes against business ethics and undermines BOE's reputation and image.

II. Sustainable Development

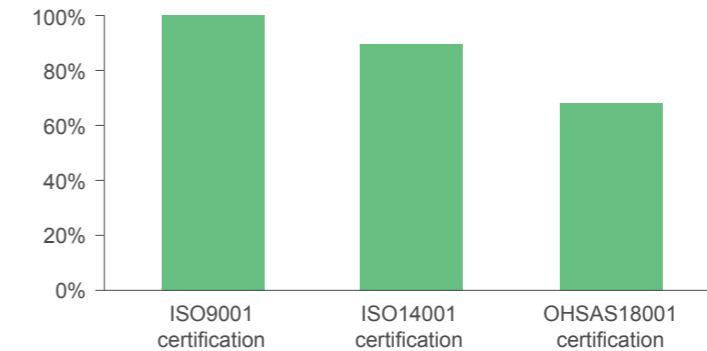
1. Green Procurement

Adhering to the concept of green procurement for sustainable development, BOE only uses products, parts and materials with low environmental load. To reduce environmental impacts of the supply chain, it requires all suppliers to comply with the EICC standard, the ISO14001 environment management system, the OHSAS18001 occupational safety and health management system, and other relevant international standards, and sign the Green Product (GP) Guarantee. Suppliers are also required to provide third-party RoHS and halogen-free test reports on a regular basis to prove that their products meet BOE's control standard for harmful substances.

The quality management department conducts X-ray fluorescence (XRF) analysis on inbound raw materials at regular intervals depending on the risk level (high/medium/low). In addition, the supply chain and quality management departments also conduct environmental and hazard substance assessments on material suppliers according to the Standard for Quality Management of Material Suppliers. By the end of 2017, no hazard substance had exceeded the limits, and hazard substance management and control had gone smoothly.

In 2017, BOE conducted environmental assessments on 61 new suppliers, and all of them passed the assessments. This effectively reduced the environmental risk from the supply chain.

The Approval of International Certification of BOE's Suppliers in 2017



New Supplier Assessment in 2017

Category	Indicators	Passing Rate
Environmental	<i>The Benchmark for Control of Environmentally Hazardous Substances</i>	100%
	RoHS and REACH	
	<i>Administrative Measures for the Restriction of the Use of Hazardous Substances Electrical and Electronic Products</i>	
	Whether a supplier has signed the <i>GP Guarantee</i>	
	The EU's Waste Electrical & Electronic Equipment (WEEE) Directive	
Labor practices	Occupational Health and Safety Assessment Series (OHSAS)	100%

Measures for Reducing Environmental Impacts of Supply Chain

- Optimizing modes of transport and reducing carbon emissions in supply chain.
- Optimizing sailing schedule and shortening days of use of refrigerated containers to reduce the energy consumption of logistics;
- Improving the utilization rate of logistics resources through carpooling, double-deck transportation, and increase of full load ratio;
- Strictly limiting the use of lead, mercury, cadmium and hexavalent chromium in the packaging and requiring the total content of four heavy metals is less than 70 ppm, in order to reduce the harm caused to the soil and water resources by hazardous substances contained in the packaging.

2. Responsible Minerals

In the implementation of raw material procurement policies, BOE has abided by OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas prepared by CFSI, the UN and OECD. The Company and all its suppliers and outsourcers only purchase from smelting plants and refineries approved or certified by CFS, LBMA, or Responsible Jewelry Council. They do not purchase or support the use of any conflict minerals that directly or indirectly fund or support areas affected by armed conflicts, ensuring that all suppliers adopt responsible practices when purchasing minerals and respect human rights and environment in conflict-affected areas.

BOE's policies for managing conflict minerals

- Suppliers shall ensure that the gold, tantalum, tungsten, and tin used or contained in their products and packages delivered to BOE are not from the "conflict minerals" from the areas controlled by any armed forces in the Democratic Republic of the Congo or its neighboring countries.
- Suppliers shall formulate their own policies on conflict minerals in accordance with OECD requirements on due diligence, and convey the policies to next-level suppliers
- Suppliers shall investigate their supply chain in detail, identify and trace the sources of gold, tantalum, tungsten, and tin, ensure the legitimacy of the source of raw materials, and truthfully fill in and submit the CMRT questionnaire or other documents.

BOE uses CFSI-CMRT annually to conduct conflict minerals surveys throughout the supply chain. In 2017, BOE conducted investigations on 89 suppliers of resistors, inductors, capacitors, IC, LED, and connectors that may contain gold, tantalum, tungsten and tin, and all supplier offered feedbacks. The investigation results showed that gold, tantalum, tungsten and tin in BOE's raw materials come from 194 smelters, which meet CFSI's requirements and BOE's supply standard.

3. Environmental Protection Training

In addition to strictly protecting the environment in terms of access and approval mechanism, BOE has also made targeted plans for training of professional suppliers and, together with the technical side and management side, worked to improve suppliers' capabilities for environmental protection. In 2017, BOE provided two sessions of comprehensive supplier training on topics such as the construction of the Hazardous Substance Process Management (HSPM) system and risk prevention against excess environmentally hazardous substances. Through the training, BOE promoted the methods of hazardous substance management and control and introduced the latest updates on international and domestic environmental protection laws and regulations, as well as XRF testing principles and methods. Via promotion and on-site Q&A, the company provided a good platform for communication and exchanges with suppliers on hazardous substance management and control.

Conference	Participants	Training Content	Results
BOE Training Session for XRF Analytical Techniques 2017	130 participants from 80 suppliers	<ul style="list-style-type: none"> ○ Technical details of XRF analyzer for screening and testing of RoHS instructions ○ Effectiveness of XRF reference materials and application of related standards and methods ○ Content and requirements of BOE XRF testing and analysis 	<ul style="list-style-type: none"> ○ Enabling suppliers to have a deeper understanding of BOE's requirements and related guidelines ○ Strengthening the standardization of the suppliers' XRF testing process ○ Reducing the risk of hazardous substances in suppliers' materials that exceed the limit
BOE GP Training Session for DBG Suppliers 2017	320 participants from 219 suppliers	<ul style="list-style-type: none"> ○ Sharing BOE's experience in the management of green products ○ Explaining BOE's control requirements of hazardous substances ○ Sharing in latest international laws and regulations of environmental protection in the electronic and electrical industry ○ Describing operation methods and important notices of the GPM system Explaining filling requirements of due diligence for conflict minerals 	<ul style="list-style-type: none"> ○ Keeping suppliers informed of latest laws and regulations of environmental protection and keeping abreast with international standards. ○ Enhancing BOE's image of being responsible for environmental protection ○ Strengthening BOE's capabilities of managing the supply chain for green products

4. Win-Win Cooperation and Common Development



BOE has given high priority to collaboration with partners to make innovations and established regular exchanges mechanisms at various levels, including annual/semi-annual high-level interaction at the strategic cooperation level, quarterly/monthly seminars on technical innovation, innovation day, quarterly/monthly business review, and quality training. BOE holds a global supplier conference annually to explore the philosophy of creating shared value through in-depth cooperation and collaborative development. BOE SPC 2017 was held in Chengdu on May 5, 2017. Under the theme "Innovate Together, Lead the Future," the conference invited over 350 supply partners across the world to participate in this grand event. At the meeting, BOE reviewed cooperation results in 2016 with the majority of supply partners and raised the expectation of strengthening collaborative innovation in products, technologies and management and co-building an industrial eco-chain featuring win-win and co-development.



BOE and Environment

BOE has been committed to safeguarding a symbiotic relationship with the environment by scientifically enhancing the utilization of energy and resources, improving clean production, reducing discharge of environmental pollutants and greenhouse gases, and building green management system and standard. It has created green factories, built a green supply chain and improved green competitiveness. Meanwhile, BOE has led the industry towards an efficient, clean, low-carbon and recycling green industry. BOE hopes to create green products and services for the society and realize the harmonious development of human society and environment together with its employees, industrial partners and other stakeholders.



I. Green System

1. Environmental Management System

BOE's Vision of Green Development Leading the green development and creating a better life	
Principle of Green Development	<ul style="list-style-type: none"> Shouldering the responsibility for improving the environment; Minimizing environmental impacts of products and services throughout the life cycle; Encouraging partners to pay more attention to and reduce environmental impacts of products and business operations; Establishing a system for environmental risk prevention and emergency management to avoid the occurrence and timely handling of pollution incidents; Providing environmental impact information related to business operations in an objective and open manner; BOE's top leader is responsible for formulating and implementing the action plan based on the above principles.
The Goals of Green Development	<ul style="list-style-type: none"> By 2022, BOE will become an industry model for green development. Energy/water consumption per unit product or unit industrial added value and direct/indirect greenhouse gas emissions intensity reaching the industry leading level; Significantly decreasing the emission intensity of major pollutants, such as nitrogen oxides, volatile organic compounds, chemical oxygen demand and ammonia nitrogen; Establishing green model factories to enhance the consumption ratio of green low-carbon energy to recycled water, the comprehensive utilization rate of industrial solid waste, the recycled amount of main renewable resources and the recycling rate of waste liquid; Optimizing the green design and development of products and services; Establishing a green supply chain guided by resources conservation and environmental protection; Continuously improving the green management system and database to monitor green performance indicators; Vigorously developing renewable clean energy.

In order to continuously improve the green operation system and realize the green management of the entire chain, BOE has strictly abided by various laws and regulations for environmental protection, formulated strict standards for environmental management of enterprises, and called for all employees to participate in environmental management and construction, improving its environmental behaviors. The Company has continuously strengthened the training and management of relevant employees in environmental protection and actively participated in various training and exchange activities held by local governments, industry associations and environmental protection organizations. In 2017, 28,693 employees participated in BOE's environmental protection training, which raises their awareness of environmental protection and improves the level of environmental management of managerial personnel.

In recent years, BOE has kept improving its framework for environmental management, identified the duties and responsibilities of environmental management at all levels, and minimized adverse impacts of enterprise operations on the environment. BOE's headquarters consist of the environmental management department, which is responsible for managing BOE's environmental performance, regulations and objectives. Each business group has its own environmental management department, which regularly supervises the environmental management of its subordinate enterprises. In 2017, BOE attained all environmental targets and quantitative indicators, and achieved remarkable results in environmental management.

Attainment of Environmental Targets in 2017

Environmental Objectives	Targets	Quantitative Indicator	Attainment
Potential incident detection and rectification	Environmental incidents	0	0
Environmental indicator control and emission reduction	Reaching standards in terms of sewage, exhaust gases and noise	100%	100%
	Compliance rate of hazardous wastes collected and disposed of	100%	100%
EHS (environment, health and safety) promotion and training	Ratio of new employees receiving level-3 EHS training	100%	100%
	Ratio of on-site operators of partners	100%	100%
Progress in energy conservation indicators	Completion of yearly energy conservation targets	100%	100%

2. Disclosure of Environmental Information

BOE has followed the principle of openness and transparency to disclose relevant environmental data to the public and relevant departments through various convenient channels and accept the supervision and suggestions from all walks of life, in a bid to continuously improve the environmental management.

Disclosure of Environmental Information in 2017

- BOE's official website set up a column on "BOE's environmental protection cases," which discloses daily data of the pollution of BOE's Beijing-based enterprises monitored by the country;
- Subsidiaries in different regions shall, in accordance with requirements of local environmental protection watchdogs, report on the data of waste water and gas from online monitoring system to the environmental protection watchdog every five minutes, every two hours or every day; every day, "information-releasing platforms of enterprises" in relevant provinces and cities disclose the environmental monitoring data of BOE's affiliated enterprises whose pollution is controlled by the country or relevant provinces (cities);
- According to the requirements of local environmental protection bureau, subsidiaries in different regions shall make monthly sewage declaration and registration, make annual declaration and registration of hazardous waste and declaration of management plans for hazardous waste, and submit the monitoring plan for environmental pollutants to local watchdog. Subordinate enterprises, whose pollution sources are controlled by the country, shall, according to the requirements of local environmental protection departments, report on the automatic monitoring of key state-controlled pollution sources on a monthly or quarterly basis.

3. Environmental Accounting

BOE has been promoting environmental cost accounting since 2014, with relevant data duly disclosed to the public to receive extensive social supervision. Over the past four years, environmental cost accounting has kept the company well informed of its accurate environmental expenditure and the benefits of environmental measures, thus providing the data basis for optimizing environmental management.

Environmental Expenditure in 2016-2017

Descriptions	Expenditure in 2016 (10,000 yuan)	Expenditure in 2017 (10,000 yuan)
Pollution prevention and control cost	26825	31090.2
Resource recycling cost	14195	8809.13
Global environmental protection cost	875	580.07
Environmental education, license, and environmental monitoring cost, activity expenditure, and environmental management system expenditure	199	340.55
Costs of BOE's publicity campaigns for environmental protection and other relevant social activities	3.6	42.06
Fines for violating environmental laws and regulations, and relevant litigation cost	0	0
Total	42097	40862.01

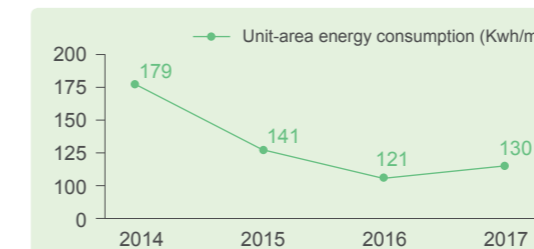
II. Green Operations

1. Reduction in Resources Consumption

BOE has attached great importance to impacts of business operations on the environment. In recent years, a large number of funds and technologies have been contributed to carry out various energy-saving and emission-reduction projects. Through scientific planning and strict management, energy, water resources, exhaust emissions and solid waste have been controlled to effectively reducing resources consumption. In 2017, BOE's water consumption totaled 27 million cubic meters, with energy and water consumption per unit area dropping by 27.37% and 28.57% respectively compared with 2014.

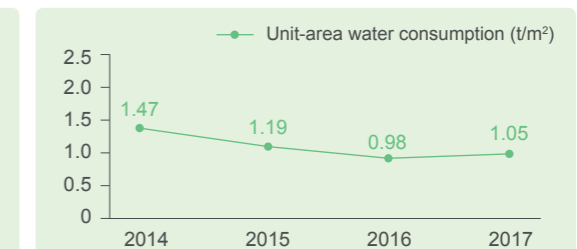
In order to further reduce resources consumption, BOE implemented 22 key energy-saving and emission-reduction projects, of which 10 projects have been completed in 2017. Now, completed projects have saved 28.5 million kWh of electricity and 121,000 tons of water and reduced 38,000 tons of sludge, thereby saving 23.36 million yuan. It is estimated that, after the completion of all projects, they can save 94.02 million kWh of electricity, 121,000 tons of water, and 45.26 million m³ of natural gas, and reduce 28 tons of VOCs and 38,000 tons of sludge. This means that we can save costs by 79.075 million yuan.

BOE's unit-area energy consumption in 2014-2017 (Kwh/m²)



Note: Calculated based on the energy consumption of main products; energy consumption includes: electricity, natural gas, steam; all energy consumption is converted into electricity consumption.

BOE's unit-area water consumption in 2014-2017 (t/m²)



Note: Calculated according to water consumption of main products.

This year, new factories have been put into use, which is still in the stage of trial operation. The energy consumption, water consumption and greenhouse gas emissions per unit area have increased.

2. Greenhouse Gas Management

Climate change caused by greenhouse gas emission has posed severe challenges to the environment and society on which we depend. BOE has regarded greenhouse gas management as a key aspect of environmental management and formulated standards such as Carbon Emissions Management Standard and Standard for Management of Carbon Emissions Source Identification, so as to identify and manage carbon emissions in operation.

In addition, BOE has advanced the certification of "PAS 2050:2008 – Specification for the assessment of the life cycle greenhouse gas emissions of goods and services," and gradually promoted the certification of the GB/T23331-2012 energy management system, carbon emission management system and other management systems. Through establishing new systems, it has identified greenhouse gas emissions, taken effective measures for energy conservation and emission reduction, and constantly monitored and improved greenhouse gas management performance. Meanwhile, it has reduced greenhouse gas emissions by implementing energy-saving and emission reduction projects and introducing clean energy.

BOE has embedded the green and environmental protection concept in the stage of product design, and constantly improved the energy efficiency of products and reduced greenhouse gas emissions in the stage of use through innovations in environmentally friendly technology. It has also adopted green and safe procurement strategy to reduce the impacts of greenhouse gases in the link of supply chain.

Carbon Footprint Certification

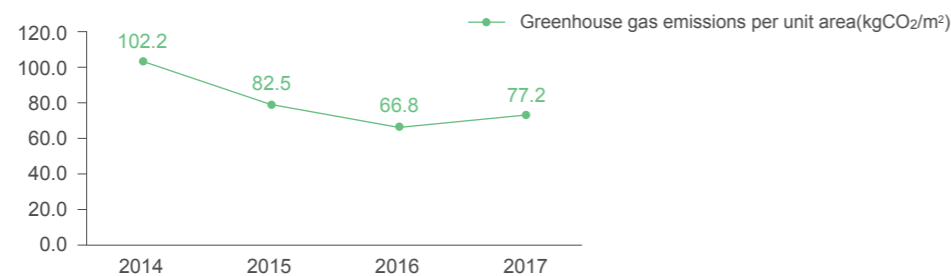
Carbon footprint refers to carbon dioxide emissions generated directly or indirectly by activities and services of an organization throughout the life cycle of a product. In order to reduce carbon dioxide emissions scientifically and reasonably, carbon footprint needs to be measured accurately. Carbon footprint certification is a bottom-up carbon accounting system throughout the life cycle of a product.

It is the beneficial practice of environmental responsibility for BOE to introduce carbon footprint and utilize the assessment method of life cycle to reduce carbon emissions. BOE has carried out carbon footprint certification since 2011. We adopt PAS 2050:2008: specification for the assessment of the life cycle greenhouse gas emissions of goods and services released by the UK, the most complete accounting standard for carbon footprint of products and the world's first standard in this regard, to evaluate greenhouse gas emissions of goods and services.

In October 2011, BOE NB products passed the carbon footprint certification; MNT products and TV products were also certified in April 2012 and November 2014 respectively; on September 9, 2017, BOE TPC products (7-INCH Q PANEL) passed the carbon footprint certification.



BOE's greenhouse gas emissions per unit area in 2014-2017(kgCO₂/m²)



Note: 1. Greenhouse gas emissions (Categories I & II) were calculated on the basis of emission factors in the Guidelines on CO₂ Accounting and Report for Beijing-based Enterprises and Institutions (2015) released by Beijing Municipal Development and Reform Commission. Category I covers greenhouse gasses emitted from natural gases burning in the organic exhaust gas treatment system and from diesel used by diesel generators. Category II includes greenhouse gasses indirectly generated from the use of electricity by enterprises.
2. Calculated according to main products of BOE.

3. Prevention and Control of Environmental Risks

All entities in BOE, by their own business characteristics, have actively taken various prevention and control measures to establish the self-assessment and mutual-evaluation mechanism for prevention and control of environmental risks within BOE, so as to improve the level of prevention and control of environmental risks.

Specific measures include

- Paying attention to and adopting new technologies, new processes and new equipment for the control of environmental pollution;
- Identifying important environmental factors and upgrading equipment and facilities for prevention and control of environmental risks;
- Improving contingency plans and allocating adequate emergency supplies and environmental emergency monitoring equipment, so as to enhance emergency response capabilities of environmental risks;
- Strengthening prevention and control and emergency measures for leakage of toxic and harmful chemicals and resolutely avoiding the occurrence of pollution incidents in water bodies, air, and soil.

The raw materials used in BOE all comply with the relevant national environmental regulations and the systems for registration, evaluation, licensing and restriction of chemicals. In its production process, BOE strictly abides by the provision in the Measures for the Control of Pollution from Electronic Products that producers shall take measures to reduce and eliminate the content of lead, mercury, cadmium, hexavalent chromium, polymeric brominated biphenyls (PBB), polybrominated diphenyl ethers (PBDE) and other toxic or hazardous substances contained in electronic products; if unable to fully eliminate them, producers shall ensure that the content of toxic or hazardous substances will not exceed the limits set in national standards. Meanwhile, BOE reduces the environmental impact of hazardous wastes through comprehensive utilization, incineration, and harmless burying. The company's comprehensive utilization rate of hazardous wastes in 2017 was 5.1% higher than that in the previous year.

Generation and Disposal of Hazardous Waste in 2017

unit: tons

Generation of Hazardous Waste	Comprehensive Utilization	Disposal Amount (burning, land-filling, etc.)	Storage Volume
50163.4	39396.8	10338.1	428.5

In addition to prevention and control, BOE has also set and revised a series of strict environmental management standards, such as the Energy Review Management Standard, Guidelines on the Preparation of Contingency Plans against Environmental Emergencies, Measures for the Assessment of Environmental and Occupational Health Management, Hazardous Waste Management Standard, Monitoring and Measurement Management Standard, Water Pollution Management Standard, Air Pollution Management Standard, and Standard for the Management and Control of Environmentally Hazardous Substances Control, and effectively prevented, controlled and managed pollution. Furthermore, BOE has also presided over or participated in the formulation of a number of national, provincial, and industrial environmental standards to improve the whole industry's environmental protection ability.

Name of standard	Type	Formulation/revision	Formulation/revision	Chairing/participation
Terms for limiting the use of hazardous substances in electronic and electrical products	Industry standard	Formulation	SJ/T 11468-2014	Participation
Requirements for marks signifying the restricted use of hazardous substances in electronic and electrical products	Industry standard	Formulation	SJ/T 11364-2014	Participation
General rules for evaluating conformity of pollution control of electronic and electrical products	National standard	Formulation	Draft for comments	Participation
Energy consumption limit for LCD unit product	Local standard	Formulation	DB11/T 982-2013	Chairing
Guidelines for risk assessment of hazardous substances in electrical and electronic products	Industry standard	Revision	Draft	Participation

4. Recovery and Utilization of Resources

BOE has followed the 4R principle of recycle, reduce, renew and responsibly to process raw materials and improve the recovery and utilization rate of raw materials and resources through advanced recovery and processing technologies.

Water reuse	<ul style="list-style-type: none"> Production equipment adopts counter-current rinse and other advanced cleaning methods, by which most high-purity water and chemicals are reused, their consumption is minimized, and the discharge of wastewater and pollutants is reduced. According to the principle of reusing water based on its quality, part of the RO system's wastewater with a high salinity concentration produced in the preparation process of initial pure water is treated through certain equipment and reused in the pure water preparation system, while the rest is discharged into the factory's intermediate water utilization system and used for waste-gas washing, cooling, wastewater treatment system's water replenishment, toilet flushing, water sprinkling on roads, greening, and other purposes. Water discharged from the preparation process of ultra-pure water is collected and used for humidifying the whole factory's air conditioning system.
Recovery and reuse of chemical raw materials	<ul style="list-style-type: none"> At the CF factory, the organic diluent vapor contained in the exhaust is condensed and then reused for machine head cleaning. The waste stripping liquid is recovered and purified by a qualified third party before being reused in the production line. The waste etching solution and diluent are recovered and purified by a qualified third party, and then reused for lower-grade industrial purposes. The VOC-absorbing zeolite, after aging, is returned to and recycled in the original manufacturer for reuse.

Recycling Rates in 2017

Al-etchant	Stripper	ITO-etchant	Water
37.91%	58.46%	49.17%	62.97%

III. Green Products

1. Breakthroughs in Green Innovation

BOE boasts one of China's leading analysis laboratory for green products and is committed to developing environmental protection products featuring higher energy efficiency and lower power consumption. BOE uses resource-saving and renewable industrial materials. All its products conform to international and national standards for environmental protection. Under higher requirements, they lead the industry in environmental protection. In 2017, BOE made multiple breakthroughs in green innovation:

- **Eye Protection Technology**

Blue light is one of the factors that cause eyestrain. In recent years, BOE has been dedicated to the R&D of anti-blue light technology and products. The eye protection technology developed by BOE can effectively filter blue light with wavelength below 450 nm by adjusting the blue-light spectrum of LED, thereby reducing blue light from the source. This technology can reduce the proportion of short-wave blue light that is harmful to the human eye by 50%, without color cast and color distortion. As such, this cannot affect the visual experience.

- **Electronic Paper Display (EPD) Technology**

Electronic paper is a special display screen that is ultra-thin, rewritable, and portable. When the power is off, it is capable of maintaining display. It is as thin, soft and erasable as a piece of paper. It has bi-stable display characteristics (the picture is continuously displayed and does not disappear and consume power). Electronic paper needs no backlight, causes no blue-light damage and protects your eyes. It is a low-energy consumption, environmentally-friendly and healthy product that greatly reduces paper consumption.

- **Plant Factory**

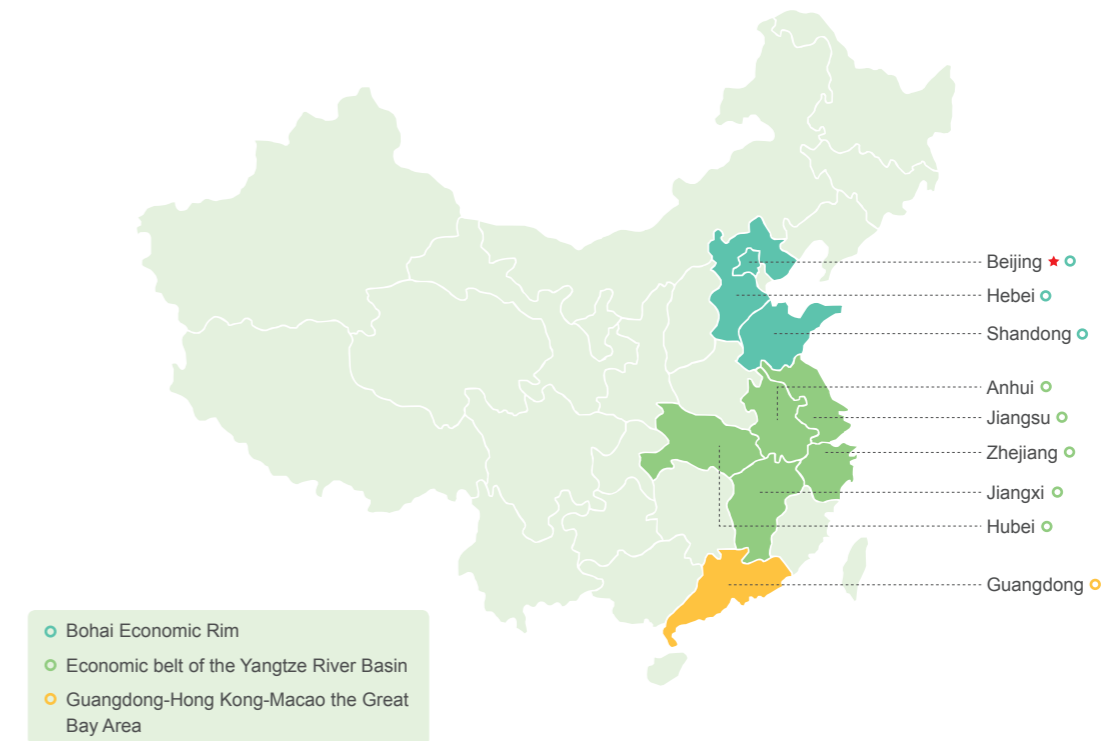
BOE has made use of semiconductor lighting technologies and high-efficiency hydroponic planting technologies to realize the large-scale production of high-tech agriculture. It has broken through constraints of resources and environment to creatively develop facilities for cultivating fresh vegetable, so as to provide consumers with safe, healthy and fresh vegetables.



2. Smart Clean Energy

- **Photovoltaic Power Station**

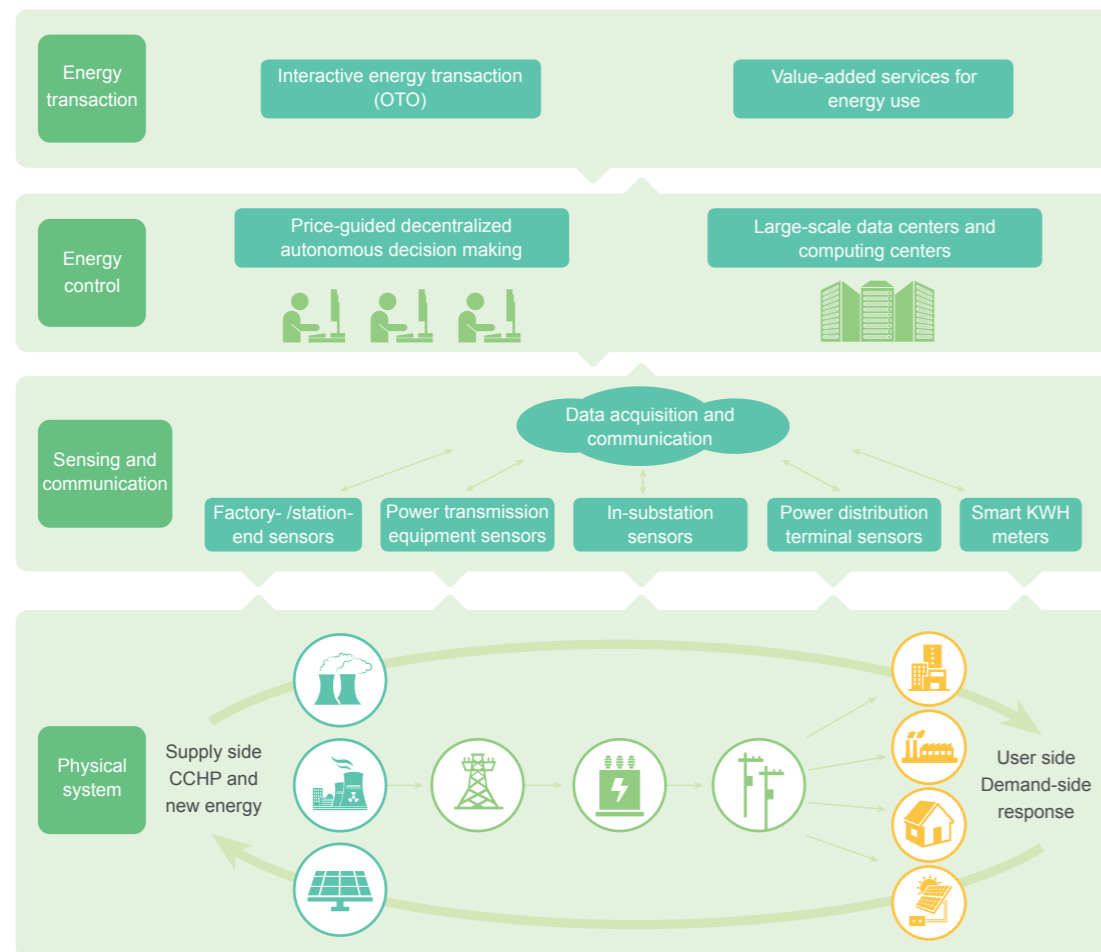
BOE, one of China's earliest enterprises to enter the new energy industry, has rich experience in the implementation and management of projects and national high-tech enterprise qualification. It has followed the concept of photovoltaic power station throughout the life cycle and implemented advanced the organizational process to developing photovoltaic projects across the country. By the end of 2017, BOE had invested in and operated 288MW photovoltaic power station with annual electricity generation of 282.35 million kWh. The power station had expanded its business across the Bohai Economic Rim (Beijing, Hebei and Shandong), the Yangtze Economic Belt (Zhejiang, Jiangsu, Anhui, Hubei and Jiangxi), and Guangdong-Hong Kong-Macao Greater Bay Area (Guangdong).



• Smart Microgrid

In recent years, BOE has relied on its own business advantages to develop its smart microgrid. We have utilized wind, light, biomass, natural gas and other distributed energy to realize the local energy production and maintain the basic balance of energy load through energy storage and optimization. Through an integration of cold, heat, electricity, and other forms of energy, we have made full use of renewable energy and built a local network for comprehensive utilization of smart energy.

In the field of electricity sales, BOE has electric power trading licenses in a lot of areas and provides local users with power market access, long-term bidding agency and electricity settlement and other one-stop power sales services. In the area of carbon trading, its photovoltaic power stations have been included in the trading platform of the Chinese Certified Emission Reduction (CCER).



Based on artificial intelligence and big data platform, BOE will boost the business of energy generation, energy reserve, energy conservation and energy trading, accelerate the construction of PV power stations, strengthen energy reserve technology, expand power/carbon asset trading business, create a centralized smart energy control platform and achieve efficient connectivity between power generation side and power consumption side, so as to provide cleaner and more efficient smart power for the society.

IV. Green DNA

BOE helps employees understand issues and objectives of the sustainable development of enterprises through systematic and science-based training in environmental protection, so as to raise their awareness of environmental protection and develop the philosophy of sustainable development. It has pooled the strength of employees to create and inherit its green DNA.

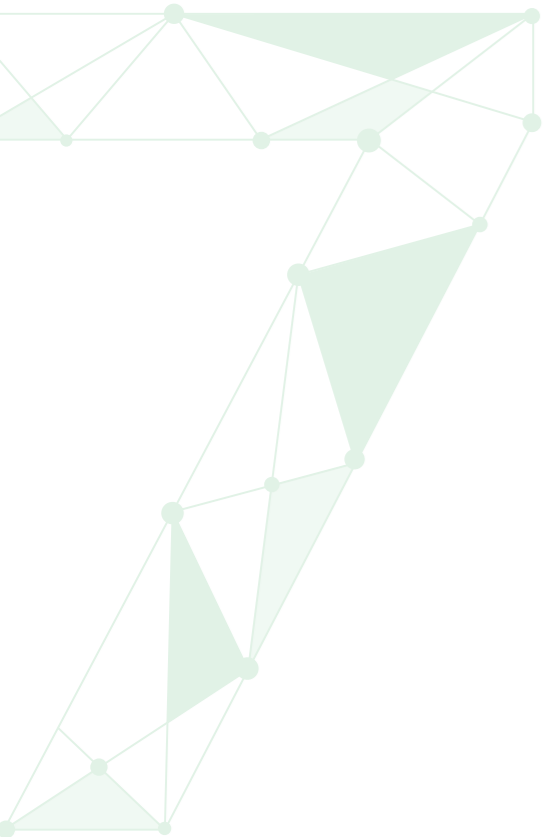
BOE requires all employees to participate in the 24-class-hour training on environmental protection, safety and occupational health shortly after they are recruited, and refresher training of at least eight class hours every year. The content of training covers basic knowledge about environmental protection, sustainable development and clean production, and BOE's environmental management requirements; basic knowledge about occupational health and occupational disease protection; and basic knowledge about safety management. In addition, BOE provides targeted training for personnel responsible for promoting the ESH management system and key environment-related posts, and actively participates in various kinds of external training and exchange activities. In 2017, there were 28,693 participants in environmental protection training, which greatly increased employees' environmental awareness and improved managerial staff's ability of environmental management.

In addition, BOE calls for all employees to take active steps to protect the environment. At BOE, the sense of environmental protection has been reflected in every detail of employees' routine work. Tips for environmental protection can be found in public areas, factories, and offices, prompting all staff members to cultivate their habit of environmental protection.

 Number of participants in 2017 environmental protection training (person-times)
28693

BOE and Employees

Employees are the cornerstone of BOE's achievements made in the past, at present, and in the future. Our innovation stems from the wisdom and efforts of every employee and our progress benefits from the efforts and pursuit of every employee. The BOE family has more than 60,000 members from different regions, different nationalities, and different cultural backgrounds. They are BOE's most valuable assets. Over the years, BOE has spared no efforts to safeguard rights and interests of employees, provide employees with competitive salary and benefits and a healthy and harmonious working environment, help employees grow through professional training and diversified development plans, and achieve common aspirations of the Company and its employees.



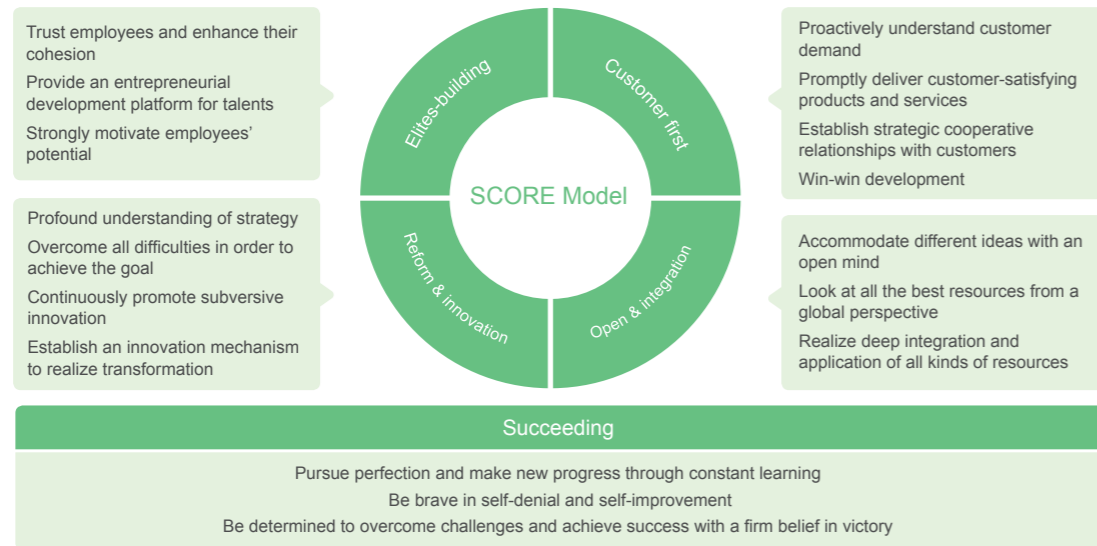
I. Way of Employment

BOE's talent strategy has complied with the principles of diversity, openness, and equal opportunity. It does not affect employment due to differences in age, gender, ethnicity, geography, marital status, or religious beliefs. The Company has strictly abided by the Labor Contract Law and related laws and regulations and continuously improved the fair and legal employment environment and healthy and safe working environment, so as to safeguard rights and interests of employees and tap and realize their value.

Respect	<ul style="list-style-type: none"> Respecting personality of employee, trusting employees and treating them well Cultivating a sense of belonging, and making employees feel valued and proud to be a member of BOE Helping employees build up capability through training and practice of job skills so they can perform their jobs more competently
Equal Opportunities	<ul style="list-style-type: none"> Ensuring everyone will receive an equal opportunity according to his/her ability and qualifications Implementing a merit-based performance assessment system for all employees and awarding compensation and promotion opportunities based on such assessment results
Inspiring Creativity	<ul style="list-style-type: none"> Creating a good work environment to unleash creativity and encouraging employee to take the initiative in the workplace Continuously developing human resources and supporting employees' own efforts to grow Creating an organizational culture that encourages excellence, respect, trust, and teamwork
Criteria for recruitment and management selection	
Five criteria for recruitment	<ul style="list-style-type: none"> Solid professional knowledge and competence Smart, creative and has relearning ability Enthusiastic, passionate, and dedicated to work Good at communicating and working with others Exhibits the highest standards of professional and ethical integrity.
Five criteria for management selection	<ul style="list-style-type: none"> Exhibits the highest standards of professional and ethical integrity constantly Commitment to continuing professional development and entrepreneurial and innovative spirit Able to motivate subordinates to reach their full potential. Able to address competition and challenges through decisive action Has a good understanding of responsibility and able to follow through on company's strategies

Also, according to the needs of BOE's strategic transformation and innovation, BOE has developed the SCORE model for its leadership, which is applied to selection and appointment of cadres, performance evaluation of executives, supervision of key positions, and 360-degree evaluation of managerial staff.

BOE leadership quality model (SCORE model)



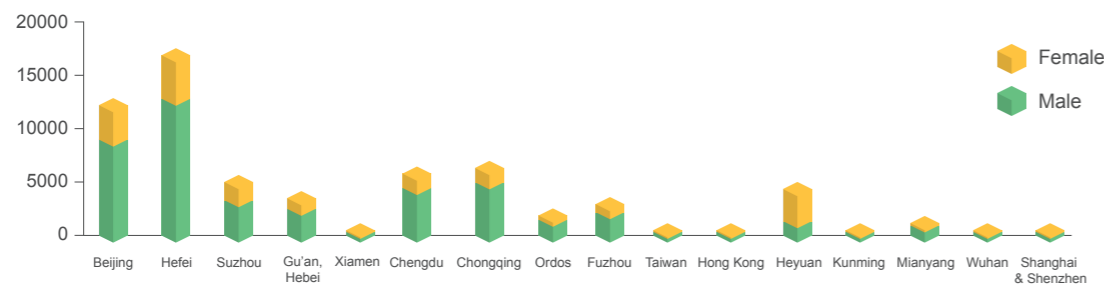
II. Talent Attraction

BOE has a diverse workforce, with a total of 62,516 employees in 2017, up by 27.2% from 2016. Among them, employees from ethnic minorities account for 4.2%, foreign employees for 0.8%, and people with disabilities for 0.3%.

In recent years, BOE's staff structure has featured high academic qualifications and professionalism. The proportion of highly educated employees has increased year by year. In 2017, 62.1% of employees had junior college degree or above, and almost 100% of managers at director level or higher had junior college degree or above. Technical and R&D personnel account for 31% of all staff members.

BOE has a lot of branches in different countries and regions, which has taken root in local economy, culture and human resources development. On average, 66% of senior executives (at director level or above) in important branches are locals.

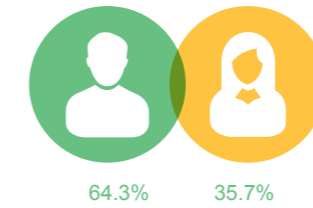
Regional distribution of employees



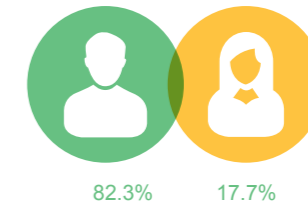
Note: The above diagram does not include foreign employees of BOE.

The Company has given high priority to equal rights for men and women and resolutely put an end to discrimination against women in employment, with the proportion of female employees and managers increasing steadily.

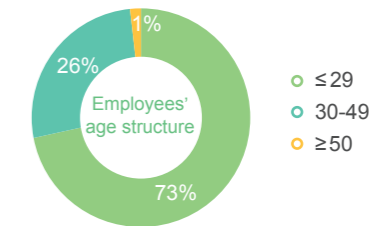
Male-female ratio of Employees



Male-female ratio of managers



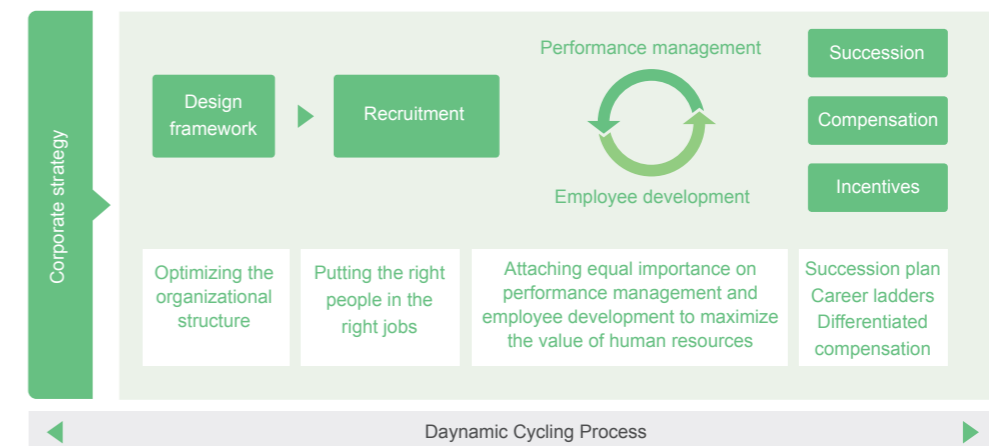
In order to meet the growing demand for talent, BOE searches for talent through various channels. In 2017, we recruited 8,607 managers and technical workers, of which employees above 30 years old accounted for 57.7%, which significantly improved our age structure.



III. HR Development

1. OHDP Program

BOE places HR development above the growth of corporate profits. We are committed to setting up an HR development mechanism that facilitates continuous optimization of the organization, improves alignment of employee skills with job needs, and help staff achieve fast development. We adopt the OHDP Program to continuously improve organizational effectiveness and leadership effectiveness, develop a talent reserve pool, combine the development of leadership and the talent reserve pool, speed up the growth of management at all levels, promote the development of tech talent, and create a high-quality international workforce that fits the requirements of BOE's strategy.



OHDP Program is a strategy-driven human resource management system. It analyzes and optimizes the organizational structure and talent status of the company on a regular basis, conduct performance, ability and potential assessment of existing talent in time, and formulate and improve the annual action plan and the personal development plan (IDP) in accordance with business goals of the organization to accelerate the growth of talent and corporate value.

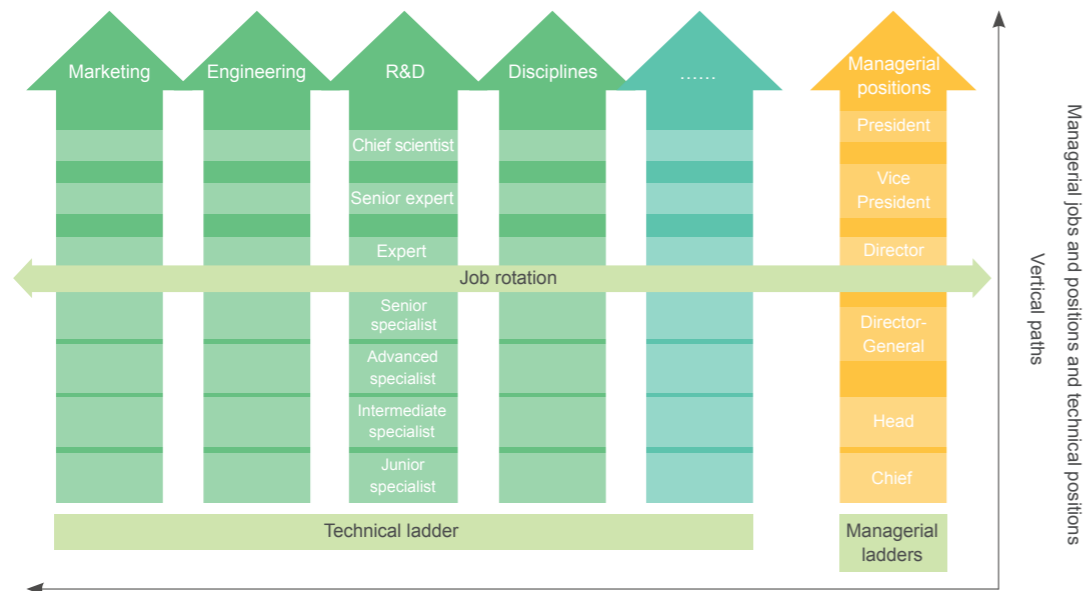
2. Career Path

• Two-way Channel for Staff Development

BOE has built a two-way development platform for more employees to improve their professionalism and managerial capabilities as soon as possible. Regarding the direction of technologies, BOE has set up a channel for its employees to develop their professional technologies. Along the direction, the Company takes the post depth as the value orientation, realizes the promotion of professional ranks through the rank evaluation centering on the position determination and position value and capability, and develops and cultivates professional talents in various subdivided fields. In the management direction, we cultivate compound management talents with both profession and management ability through the promotion of management positions and ranks. The design of dual-channel promotion platform for career development enables employees to better choose their career paths by their own personalities and specialties, ensuring that all employees have opportunities for promotion and career growth, and find their own positions and define their personal value in different positions and different stages of development.

• Rotation Policy

In addition to providing a two-way development platform for technology and management, BOE also expands the room of employee development through the rotation mechanism and employee exchange activities at organizational, division or regional level (including between overseas regional companies), especially exchange programs for high potential risky positions and has created a sustainable talent management mechanism that aligns skills to job needs. As of the end of December 2017, 924 employees, including 481 managers and 443 regular employees, of BOE participated in job rotation.



3. Assessment and Incentives

• Incentive Mechanism

BOE has followed the principle of “making achievements, strengthening capacity, and keeping loyalty” to develop a performance-oriented culture and an effective and standardized mechanism for performance management, so as to increase the vitality of departments, stimulate the growth of staff and realize the sustained growth of departmental and individual performance. In 2017, in order to improve the digital management and service ability of human resources, the Company comprehensively upgraded the performance management information system, optimized and standardized the performance management process, and implemented the principles of “making achievements” and “keeping improving” to boost the continuous improvement of its performance. Regarding the incentive mechanism, we have continued to innovate on the market-oriented incentive mechanism and pilot a sharing mechanism for excess profits. We have also linked staff performance with corporate performance to inspire staff members to make innovations with growing enthusiasm, so as to support BOE’s innovation and transformation.

We mainly appraise employees’ results, competency and attitude and rate employee performance on a five-level scale (S, A, B, C and D) and offer employees performance-based incentive pay:

- Giving priority to employees with high performance rating in the selection of outstanding employees and party members
- Only employees with S and A rating are eligible to become a candidate for the highest honor of the BOE employees “People of BOE” and given priority in respect of promotion, development and training opportunities;

In order to ensure that the team can continue to maintain a strong entrepreneurial spirit, creativity and team cohesion, BOE has developed different incentive mechanisms for different divisions. In 2017, BOE conducted the performance assessment for all staff members regularly.

Division	Incentive mechanisms
R&D Division	Brussels Performance Incentives (BPI)
Marketing Division	Market-oriented Incentives, and Super Account Manager Incentives
Other divisions	Project Incentives, and Performance Incentives

Honors and Awards Received by Employees of BOE

Project	Project Description and Criteria
People of BOE	The award is given once every year. It is the highest honor one can receive for contributions made by outstanding employees and teams to the company.
Outstanding Projects, Outstanding Teams and Outstanding Employees	The award is given once every year to honor excellent work done by teams and individuals in product development, R&D, equipment operation, patent and trade secrets, technical standards, innovation and other fields.
Safety Award	The award is given once every year to honor contributions made by individuals, teams and units to ensuring workplace safety. Award winners will receive certificates and rewards from the company.
March 8th Red-Banner Pacesetters and Female Model Workers	The two awards are given once every year to outstanding female employees dedicated to work, with high awareness of innovation and excellent job skills.

• Compensation and Benefits

BOE offers employees performance and competency-based pay. We adopt the “3P” principles i.e., pay for position, pay for person and pay for performance and take into account of external competition and internal fairness. BOE adheres to the principle of men and women getting equal pay for equal work and will not discriminate in pay based on gender.

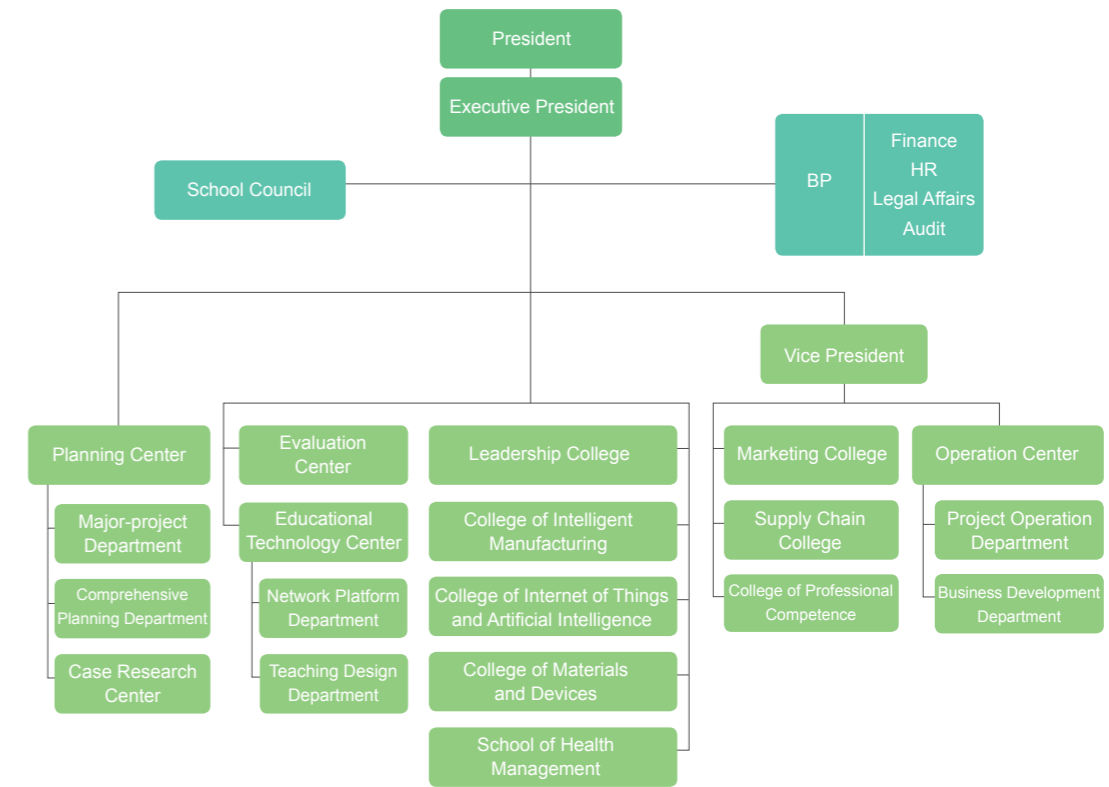
Items		Men's-to-women's base salary ratio	Men's-to-women's compensation ratio	
By region	China	Beijing	1.16	1.21
		Hefei	1.11	1.19
		Suzhou	1.07	1.12
		Hebei (Gu'an)	1.13	1.19
		Xiamen	1.09	1.15
		Chengdu	1.09	1.18
		Mianyang	1.12	1.15
		Chongqing	1.04	1.12
		Ordos	1.11	1.16
		Fuzhou	1.12	1.16
	Taiwan	2.12	2.33	
	International	BOE South Korea	2.36	2.54
		BOE Singapore	2.45	2.66
BOE Japan		2.17	2.75	
BOE United States		2.25	2.61	
BOE Europe		2.15	2.45	
By type of positions	Regular employees	1.16	1.21	
	Management	1.18	1.23	

Note: The pay gap between the men and women in the above table is caused by the difference in ranks and positions rather than gender.

4. Employee Training System

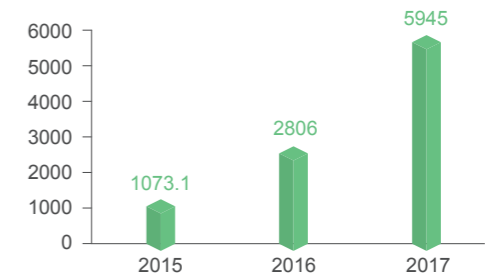
To continuously inject innovation power into the company and create a talent training model with enterprise characteristics, we founded BOE University in July 2015. BOE University is an academic institution set up to meet our workplace needs. It has nine colleges and four centers, aiming to cultivate practitioners, professionals, managers, and leaders for the industry and provide solutions tailored for different stages of talent development.

Organizational Structure of BOE University



In 2017, BOE University designed and offered 137 sessions of various training programs covering management, specialty, and general job skills. 13,976 people attended these sessions and the total number of training hours reached 777,141, that is, 55.6 hours per participant. BOE invested RMB 59.45 million in employee training in 2017, a year-on-year increase of 111.9%. According to the assessment of the training programs, the effect of training was good and the satisfaction rating was 9.25 points (out of 10 points).

2015-2017 Training Expenditure (×10,000 yuan)



BOE Training System

Product line	Training program	Goals and program description
Leadership Training	Entrepreneurship Development Program	Designed for senior executives of the Group, aiming to cultivate leaders to drive the development of the Group.
	Entrepreneurship and Innovation Program	Designed for senior executives of operational divisions, aiming to provide training courses tailored to meet strategic needs of the Group, improve the ability of executives to be innovative, and promote the development of new operations.
Management Training	Training for New Managers	Designed for new managers (including chief directors, department heads, division heads and team leaders) to help them adjust to new roles and responsibilities.
	Advanced Training for Managers	Designed for managers with certain management experience to help them improve leadership competency and skills and become the backbone of the company in implementing corporate strategies.
Technical Training	Technical Certification Training	Designed for technical personnel to help them improve technical skills and obtain certificates required by their jobs.
	Advanced Technical Training	Designed for technical personnel with certain work experience to provide advanced technical training to help them improve work competency based on their job requirements and career development plans.
Practitioner Training	Orientation Program for New Employees	Providing an orientation program for new employees to help them learn the general situation, system, corporate culture, products, market, safety and other aspects of the Group and the subsidiary, bond with the organization and the team and adjust to their new roles and responsibilities quickly.
	Practitioner Training	Providing large-scale closed semi-militarized training for fresh graduates to toughen them up and to help them feel a part of the team and develop a spirit of hard working, get a feel of the core elements of the corporate culture of BOE – teamwork, speed and quality, and quickly become qualified practitioners of the industry.
	General Job Skill Training	Raising employees' professional competence and helping them improve general skills and performance.

Examples of Training Programs Offered by BOE University in 2017

o The IoT Project for Programmers and BOE-TopCoder Programming Competition

In order to meet the professional needs of enterprises in the strategic transformation period of the IoT, the School of IoT and AI of BOE University has tracked the frontier science and technology and completed the programmer project with online-offline teaching model, training more than 100 professionals in AI, big data, and software development. The school also held the first BOE-TopCoder Programming Competition to further tap into the Company's talents in AI and big data, effectively improving the capabilities of talent incubation and software development. The contest attracted 122 participants to complete 33 programs and works.



o Special Overseas Training Camp for Marketing IPA

To respond to the needs of business departments, the School of Marketing of BOE University has designed and implemented the 2017 Special Overseas Training Camp for Marketing IPA. The training camp is designed to improve managers' international business literacy and overseas business development and management ability. It relies on rich learning resources and the action learning model to provide systematic training on strategy, business skills, international culture and foreign language for more than 60 participants from 13 subsidiaries.

The IPA project has become an accelerator for overseas managers to grow, not only helping sort out business processes, but also providing us with a platform for communication, cooperation and business display.

— Students of Special Overseas Training Camp for Marketing IPA

o The Grow180 Training Plan for School Recruits

In 2017, the Vocational Ability College of BOE University made the first plan to successfully implement the Grow180 Training Plan for School Recruits. The plan is divided into three stages, namely workplace preparation, workplace starting and workplace advancement. BOE has incorporated into the starting stage the "Special Training Camp for Industrialists" carried out more than ten years, so as to help new employees to achieve the transformation from graduates to industrial people as soon as possible.



After special training, we have a deeper understanding of team, speed and quality. Teamwork training has transformed our recruits from individuals to a strong collective and we have learned the true meaning of unity.

— Students of the "Special Training Camp for Industrialists"

IV. Caring for Employees

1. Benefits for Employees

List of employee benefits offered by BOE

Mandatory employee benefits	Corporate benefits	Life-related benefits
<ul style="list-style-type: none"> o Social insurances (100% coverage) * o Housing fund* o Paid leave* 	<ul style="list-style-type: none"> o Work meals o Bonus leave* o Enterprise annuity plan* o Health checkup (100% coverage) o Payment of medical costs for children of employees o Gifts in kind and cash on holidays* o Heating fee* 	<ul style="list-style-type: none"> o Accomodation o Corporate bus services o Exclusive benefits (group purchase, car, hotel concessions, etc.) o Maternity benefits (soup for pregnant women and nursing rooms) o Breakfast cart o One-stop servcie center o Enteprise Platform of Didi Chuxing

Note: * benefits for full-time employees only

• Retirement Insurance

BOE strictly abides by the national basic endowment insurance program and makes contributions to the program for all the employees eligible. In order to further improve the wellbeing of employees after retirement, as part of the company's long-term incentive strategy, BOE launched an enterprise annuity plan in 2014. As of the end of 2017, ninety-six retired employees have received retirement benefits offered under the enterprise annuity plan.

• Leave

BOE strictly follows laws and regulations on employee leave, including paid annual leave. In addition to statutory annual leave, employees can earn a bonus of one working day of annual leave for each year after completing two consecutive years of service up to five working days. BOE allows employees to take job-protected maternity leave, paternity leave, break for breastfeeding in accordance with relevant local laws and regulations. In 2017, the percentage of employees returning to work after their maternity/paternity leave was 99.32% and the retention rate among employees taking maternity/paternity leave that lasted one year was 88.76%.

• Convenience Perks

BOE provides efficient and comfortable working environment for staff. The office area is equipped with service facilities such as infirmary, café and nursing rooms to meet the diverse needs of staff. We provide diverse work meals for employees, offer special dishes from time to time, and hold food festivals and other interesting activities. We also offer employee shuttle services.



BOE has set up the "cohesion project" to solve problems of employees in medical services, housing, and admission of their children to schools, reducing their worries.

2. Safeguarding Employees' Rights and Interests

BOE has strictly observed relevant laws and regulations to safeguard rights and interests of workers by implementing these laws and regulations, collective contracts, labor contracts and various management regulations.

The Company prohibits the use of child laborers and eliminates forced labor. It forbids the use of violence, threats or unlawful restrictions on personal freedom to force employees to work and restrict the freedom of employees (jobs, resignations), and strictly prohibits physical punishment, intimidation, harassment, abuse, and any act that discriminates against employees.

The Company has established effective complaint channels to prevent rights and interests of employees from damage and put an end to discrimination. Reports and complaints from employees can be delivered to "suggestion box" in written form or through employee representatives and investigated and handled by the professional department. There were no complaints about human rights and the use of child laborer in 2017.

The Company has established a sound communication mechanism, trade union, and congress system of workers. The coverage rate of trade unions in various entities, the rate of employees joining trade unions, and the proportion of employees signing the collective negotiation agreement are all 100%. It advocates open and frank communication

and active and effective interactions with employees through open and diversified forms as below.

- Setting up Chairman's Mailbox, Labor Union President's Mailbox, General Manager's Mailbox, etc. for all employees;
- Holding activities such as Meet General Manager and Meet Factory Director;
- Interviewing and communicating with employees on specific matters;
- Setting up an HR area to provide employees with access to information related to the Company's HR and other procedures and systems to increase workplace transparency;
- Employees can get help in personnel, career development, and corporate culture through enterprise mailbox, intranet portal, spiritual mailbox, and WeChat official accounts;
- Setting up a WeChat account to gain insight into employees' needs;
- Launching an Employee Assistance Program (EAP) to offer counseling services to employees who have personal and/or work-related problems;
- We carry out employee satisfaction survey one or two years and formulate improvement schemes at different levels according to problems reflected in the survey.

From 2013 to now, employee satisfaction has been enhanced year by year and maintained a higher level in the market. In 2017, more than 73% employees participated in the survey, with the satisfaction rate reaching 86%, 3 percentage points higher than that of the market.



3. Physical and Mental Health

• Health and Safety

Health insurance	Group purchase of life insurance for employees
Health screening	One free physical examination annually and employees' family members can enjoy the Company's price of group purchase
Disease prevention and treatment	Distributing masks and other preventive supplies to employees in peak periods of infection
	The clinic of the Company offers all kinds of emergency drugs free of charge
Healthy and safe work meals	Strictly managing raw materials of work meals, tightening source control and improving traceability
Mental health	Launching an Employee Assistance Program (EAP) to offer counseling services to employees who have personal and/or work-related problems
Health education	Holding health lectures from time to time and popularizing health knowledge

• Mental Health

At the beginning of 2013, BOE launched an Employee Assistance Program (EAP) to offer counseling services to employees who have personal and/or work-related problems. The program offers diverse mental health services such as EAP hotline, e-mail counseling, employee mental health assessment, a WeChat platform, an EAP column on the staff portal, face-to-face counseling, and online mini-lectures, etc. The EAP hotline offers all employees and

their direct relatives an access to counseling services. In 2017 it served 1,318 employees, solving more than 500 personal problems concerning emotional stress, interpersonal relationships, career development, love, marriage, etc. Our factories in Beijing, Hefei, Gu'an, Chengdu, and some other cities have launched a "Mind Spa" program which offers one-on-one, face-to-face counseling services to employees. The program served 241 employees in 2017. We also held more than 500 EAP events in the year, with contents covering mitigation and self-management of psychological stress, new employees' workplace adaptation, physical and mental health of female workers, family activities, self-cognition, and health promotion, to keep employees physically and mentally healthy.

To address diverse needs of employees who are in different places and free at different times, in 2017 we launched 12 online mini-lectures as part of our EAP, serving more than 30,000 employees. We continued to promote our WeChat platform, the EAP column on the staff portal, and other online services on a weekly basis so as to benefit more employees.

● Prevention and Control of Occupational Hazards

BOE's factories have established the regulations on the facilities for prevention and control of occupational hazards, setting requirements for the procurement, installation, commissioning, acceptance, shielding, spot check, and scrapping, and conducting regular supervision and inspection. According to operational requirements of different positions, BOE provides all kinds of labor protection articles conforming to national standards, including respiratory protection articles, hearing protectors, various protective clothing, and a range of protection articles for hands and feet. Also, in toxic and harmful workplaces where acute occupational injuries may occur, warning signs, necessary alarm devices and accident ventilation devices shall be set up and protection facilities shall be included in the standardized management by the Regulations on Occupational Disease Prevention Facilities.

BOE attaches a "notice of occupational hazards" to the employees' labor contracts to inform them of possible occupational hazards and their consequences as well as measures for prevention of occupational diseases. In the pre-post level-3 safety education and on-the-job re-education safety training of employees, risk factors, preventive measures, and accident emergency measures are clearly included in the necessary knowledge of posts. Employees are trained and assessed to minimize the risks of occupational diseases. In 2017, BOE's employees did not participate in any occupational activities with high risk of occupational diseases. The incidence of occupational diseases was zero.

4. Workplace Safety

BOE has been equipped with first-class safety equipment and facilities from home and abroad in the workplace, such as automatic fire alarm system, CO2 automatic fire extinguishing system, VESDA system, TGMS system, combustible gas detector, alarm apparatus for organic solvent leakage, automatic interlock devices, grating, and emergency stop devices. It has also provided safe and reliable personal safety protection articles for employees.

The Company has a regular investigation and management system for hidden danger and arranges all levels of safety management personnel to conduct regional safety inspection and safety equipment and facilities check daily, weekly, monthly, quarterly, and during holidays, so as to ensure that employees work in a safe environment. In 2017, 5,186 on-site safety inspections were completed, and all hidden dangers found have been rectified to ensure that the hidden dangers were rectified thoroughly in a closed loop.

In order to improve the ability of safety operation, the Company has carried out safety training for new employees at three levels: Company, department and team. It has conducted job-transfer/resume training and "four new kinds" of training for on-the-job employees. In 2017, the total number of employees taking part in safety training was 541,939.

In order to ensure the scientific, reasonable and systematic operation of the Company's safety management, 18 subsidiaries under BOE have passed OHSAS 18001 Occupational Health and Safety Management System Certification and have carried out self-discovery and self-correction according to the systematic requirements annually. In 2017, no production accident led to serious injury or above.

5. Harmonious Environment

● Life-enriching Activities

We advocate a healthy work-life balance and organize a wide range of entertainment activities to enrich the life of employees. At present, BOE has more than 30 clubs which organize basketball, football, table tennis, badminton, music, dance, photography, bicycling, and other activities, and hold various celebrations on major festivals, attracting more than 10,000 employees to participate every year.



Fun Games

● Harmonious Team

BOE has attached great importance to team building by organizing outward bound training, open house day for families of employees, and parent-children carnival. All these activities have promoted the interaction between enterprises, employees and their families to have a more in-depth understanding of BOE's corporate culture and enhance their cohesion.



Parents-Child Carnival



Open House Day for Employees' Family Members



88 married couples at the 16th BOE collective wedding ceremony

● Helping Employees in Difficulty

Being a big harmonious family, BOE cares for every employee as a family member. To help employees in difficulty, it provides aid in cash on a quarterly basis and encourages mutual assistance between employees. In 2002, BOE set up a special fund, Sunshine Fund, to help employees in difficulty and carry forward the company's fine tradition of caring for employees. For the past 15 years, the Sunshine Fund has provided a wide range of assistance to retired employees, laid-off workers, employees in difficulty and their families. On July 1 each year, every employee of BOE will make a contribution to the Sunshine Fund. In 2017, the Sunshine Fund received donations totaling RMB 150,379 from 5,219 employees and offered assistance in cash amounting to RMB 148,000 to 212 employees in difficulty and their families.

BOE and Community

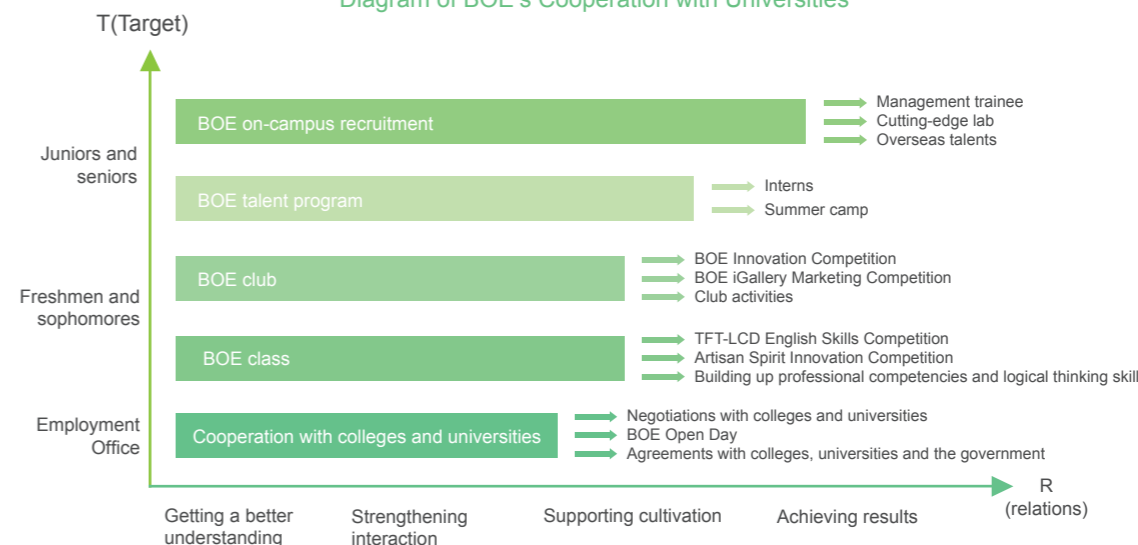
BOE is well aware that the development of enterprises benefits from the socio-economic development. Therefore, while expanding ourselves, we have actively contributed to the society, repaid the community and take on social responsibilities. By making contributions to education, supporting environmental protection and participating in voluntary and public welfare activities, we have honored our commitment to the sustainable development of the society. Also, BOE also relies on its advantages in technological innovation, personnel training and social resources to promote coordinated innovation and boost the development of innovation ecology of the entire society, so as to change the world through innovation.



I. Cultivation of Innovation Talents

Innovation talents are the driving force for the development of enterprises and countries. For a long time, BOE has worked closely with universities, governmental departments and social organizations to cultivate many talented people with innovative thinking and entrepreneurial ideals through innovative talents training programs in a variety of forms. Meanwhile, BOE has enriched its innovative power.

Diagram of BOE's Cooperation with Universities



1. Top Talent Cultivation

For a long time, what students have learned has not met the demand of enterprises, which brings about a mismatch between supply and demand of talents. In order to eliminate the mismatch by cultivating practical and innovative talents who can satisfy the demand of enterprises, BOE has set up "Jingying Program" covering two-month enterprise internship and enterprise-based training at a summer camp lasting a period ranging from five to eight days. Since its official launch in 2011, the program has covered tens of thousands of students from 63 universities in 36 cities, inspiring more than 5,000 students to apply for it. With more than 100 students participating in the summer camp, 284 people have been recruited by BOE through the program. In 2017, Jingying Program was launched simultaneously in four cities, namely Beijing, Chengdu, Fuzhou and Mianyang, creating huge social impacts.

Furthermore, BOE has also held a series of activities such as BOE Cup Workplace Simulation Competition, BOE Cup Resume Writing Competition and BOE Cup Career Planning Competition to help students get a feel of the workplace in advance, think like a professional, improve professional competencies and master job hunting skills.

"Through the "Jingying Program," I feel the harmonious and warm culture and working environment closely at BOE, the rigorous and better working attitude of BOE people, and the patriotic enthusiasm of the industry serving the country. Through this Program, I had met with partners from all major universities across the world. I deeply understand the importance of teamwork. I broaden my horizons, increase my knowledge, and gain the most valuable offer in my life! Now I will set sail, devote myself to BOE, and work for becoming a qualified industrial person as soon as possible!"

— A Nanjing University student of the "Jingying Program"

2. On-campus Clubs

To encourage and promote technological innovation in universities and cultivate all-round talents, starting in 2014, BOE has set up on-campus clubs at and in conjunction with 17 universities including Jilin University, Xidian University, University of Science and Technology Beijing, University of Electronic Science and Technology of China, Xiamen University, Tianjin University, Nanjing University, Central South University, Dalian Polytechnic University, Beihang University, and Harbin Institute of Technology for college students to carry out technological innovation activities. These clubs have organized more than 30 technological innovation and career development activities with an attendance of nearly 30,000 students. The clubs have become an important platform for BOE to encourage innovation and cultivate talents in universities.

3. Innovation Competition

BOE Innovation Competition is a national competition aimed at discovering talents, encouraging innovation, looking for creative ideas and providing a platform for college students to be creative. Since its inception in 2015 it has been held in 15 cities covering 12 competition zones and more than 30 universities, with an audience of 150,000. On the one hand, the Competition conveys BOE's spirit of innovation and creation to college students and stimulates their innovativeness and entrepreneurship; on the other hand, their creative works also provide new ideas for BOE's innovation on technology and products.

In 2017, the competition attracted more than 500 contestants from 24 colleges and universities to submit 168 entries, of which 3 were followed up by BOE's Mobile Healthcare and TechShop. The contest allowed these fledgling makers to turn their creative dreams into reality for the first time.



"At BOE, I deeply feel BOE has persevered in innovation in pursuit of excellence. During the roadshow phase of the competition, I came into contact with lots of BOE's employees and predecessors who showed great interest in our works and gave us a lot of advice. Many of the ideas they proposed are those that we have never thought about. The ideas of innovation enable us to feel unprecedented excitement."

—A Xiamen-University contestant of BOE Innovation Competition

II. Poverty Alleviation through Education

Although China has a vast territory, unbalanced development leads to an educational gap between rich and poor areas. This gap will have a profound impact on regional socio-economic development. Therefore, BOE has given high priority to poverty alleviation through education and elimination of the educational gap in fulfilling corporate social responsibility. It has promoted education and poverty alleviation in poor areas through the corporation-wide volunteer service system and long-term volunteer service projects.

1. Illuminating the Growth Path of Students

In 2014, BOE launched a large-scale public welfare program of "illuminating the growth path of students," which focuses love and care on students living in remote areas with poor infrastructure, teaching and living conditions.

Through the establishment of BOE volunteer base, volunteers have held activities to accompany children to grow happily and help them expand their horizons. Now, the program has been expanded to cover primary and secondary schools in poor areas in Hefei, Chongqing, and Chengdu. In the future, it will continue to expand its operation in Beijing, Hefei, Chengdu, Mianyang, Chongqing, Fuqing, Suzhou, Ordos, and Gu'an.

Content	Results
Supporting relevant schools and families of needy students	Donating nearly 1 million yuan
Volunteers carry out thematic activities and courses interesting students at campus Needy students visit cities to experience and learn	Fifteen thematic events have been held, involving more than 1,000 staff volunteers who have dedicated more than 5,000 hours of volunteer services
Setting up BOE Gardener Award, which is selected once a year to reward outstanding teachers in recipient schools Setting up BOE Star Award, which is selected once per semester to reward outstanding students in recipient schools	Now, 17 outstanding teachers win BOE Gardener Award, with the bonus totaling 51,000 yuan 143 outstanding students win BOE Star Award, with the total bonus reaching 29,597 yuan

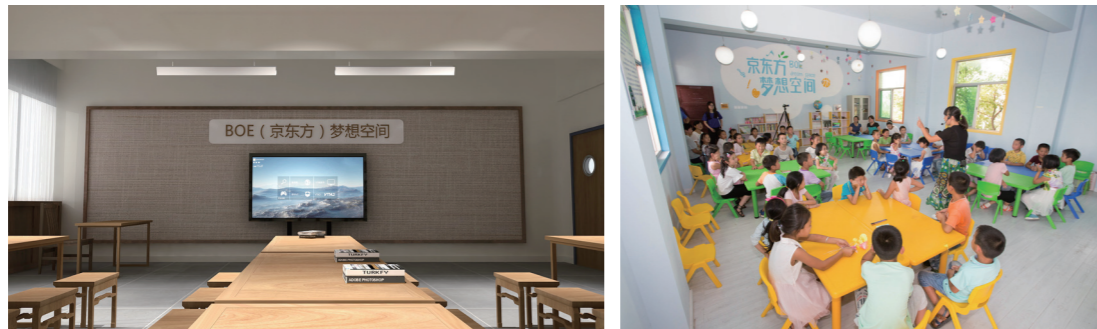
Volunteer Action for Poverty Alleviation through Education



Hefei	On International Children's Day, 2017, volunteers of BOE Hefei invited teachers and students from Hefei Yeshan Tianbu School to visit BOE's production lines, learn about cutting-edge technologies, and go to Anhui Provincial Celebrity Pavilion to receive patriotism education.
Chongqing	On September 18, 2017, volunteers of BOE Chongqing set up a volunteer base in Taiji Primary School, Wuyang Town, Zhong County, Chongqing, and delivered schoolbags, stationery and extra-curricular books to more than 350 students. In addition, they visited seven needy families with left-behind children. On December 12, 2017, BOE volunteers took seven hours to cross more than 400 kilometers of expressway and rugged mountain roads, bringing the program of "illuminating the growth path of students" to Xiaohe Middle School and Chashan Primary School in Zhonggang Township, Wuxi County, Chongqing, a national key anti-poverty county. They delivered nearly 200,000-yuan materials such as lighting equipment, electric fans and carpets to children and also inspired excellent teachers and students in recipient schools by granting BOE Gardener Award and BOE Star Award.
Xichang	In June 2017, volunteers from BOE Chengdu sent collected school-age books and well-prepared materials to the children of Mu'er Primary School, Xiangshui Township, Liangshan Yi Autonomous Prefecture. By the end of 2017, more than 500 children had received assistance and 123 students had been assisted with by staff volunteers on a one-to-one basis, with a total of 260,000 yuan donated.

2. Dream Space

To extend the program of “illuminating the growth path of students,” BOE has been building multifunctional classrooms – dream space – equipped with advanced teaching equipment since 2015. The dream space, designed by professional design institutions, is equipped with advanced equipment and facilities including BOE 65-inch OGS whiteboard and BOE iGallery as well as a diversified curriculum system to enable needy students to experience the same advanced education as those in cities. Meanwhile, BOE’s volunteers open science, music, art, manual training, and picture book reading in the dream space, expanding the vision of children. In 2017, BOE built dream space with different themes in Beijing Yizhuang No.2 Middle School and Beijing Normal University Experimental Middle School, hoping to use the dream space as a bridge between remote rural schools and urban schools and synchronously transfer high-quality curriculum resources of urban schools to remote rural schools. By doing so, it can narrow the education gap between urban and rural areas.



III. Caring for Vulnerable Groups

1. Clothes Donation

Since 2011, BOE has continued to hold charity activities to donate living materials to remote and poor areas. In 2017, various entities under BOE organized multiple donation activities of old things, including clothing, school supplies and books. Nearly 4200 old things were donated to poverty-stricken areas such as Sichuan, Guangxi and Hebei via Beijing Tongxin Mutual Care Institution, Yishan Institution, the volunteer program of “bread trees” and Beibei Volunteers Association, with more than 3,000 employees participating in these activities from which more than 200 needy families benefit.



2. Awakening the "Silent Planet"

Children with autism, also known as “the children of stars,” have problems with their language development disorders and interpersonal barriers. They need to be widely understood, cared for and supported by the

community and gradually opened their mind through professional rehabilitation training.

In order to support the public welfare action of caring for children with autism, BOE Plant Factory reached an agreement with the “Silent Planet” Institution under Beijing Foundation for Disabled Persons to participate in the public welfare activity of “Seedling Program” launched the Silent Planet Institution. Products planted by the Plant Factory were sold as public welfare products. With every vegetable sold, BOE would donate 0.01 yuan to the Seedling Program, which will be used to support the educational rehabilitation and public welfare promotion expenses of children with autism in the Sunshine Road Public Service Center in Dongcheng District, Beijing.

BOE hopes to continuously gather kindness to help autistic children to gradually have an independent life and become a valuable member of society through scientific intervention and reasonable treatment. In addition, we can discover and develop their potentials, so as to enable them to have equal opportunities to develop with most normal children.



BOE Botanical Factory – the Company’s public product participating in the “Seedling Program”

IV. Protection of Traditional Culture

In 2017, BOE donated 600,000 yuan to fund and participate in the public welfare project of “Volunteer Action for General Survey of Ancient Chinese Books.” The project, launched by the National Library of China and the Ancient Books Preservation and Conservation Association of China (ABPCAC), aims to promote the general survey of ancient Chinese books and train talents for the protection of ancient books. By upholding the strong sense of responsibility for the protection of ancient Chinese books and the spirit of volunteer services, BOE Volunteers Association, in collaboration with the ABPCAC, conducted the Volunteer Action for General Survey of Ancient Chinese Books in 10 provinces, autonomous regions, and cities. A total of 260 college students with Classical Philology and History were recruited as volunteers. After short-term training, they arrived at recipient units and, under the guidance of team experts, completed the general survey on approximately 400,000 copies of ancient books.

In addition, BOE donated 1.1 million yuan to fund the “Ancient Building Protection Project of the Summer Palace for the Maintenance of the Binfeng Bridge.” The renovation project was completed and accepted in November 2017. The project repaired and tested frames of the bridge and pavilion, tiles, colored paintings and coatings, making contributions to protecting cultural relics and recreating the historical features of the Summer Palace and producing far-reaching social significance.



Appendix: Expert Comments

BOE keeps increasing investment in research and development and has made innovation breakthroughs on a continued basis. Not only have its countless patented technologies supported it in rolling out new products and improving corporate competitiveness, but its new knowledge and new technologies created have enriched the knowledge repository of mankind and will give rise to immense knowledge and technology spillover that is good for society. With its unremitting efforts towards environmental-friendliness, BOE has behaved more and more the way a global leading business does in saving resources and protecting the environment. BOE is an exemplar of putting into practice the new development idea of innovation- and green-driven growth.

— Gao Shiji, Director-General and research fellow of Institute for Resources and Environment Policies, Development Research Center of the State Council

The 2017 BOE Corporate Social Responsibility Report gives a full account of the company's corporate governance and CSR ideas, as well as its understanding of and response to responsibility for stakeholders. It elaborates the many efforts and practices that BOE, mindful of the company's social responsibility, made over the past year to work together with industrial partners and stakeholders towards sustainable development.

It displays in full how, through synergistic work of employees and innovation partners, this company - which had stood out as a result of a successful turnaround in the massive tide of the Internet of Things (IoT) - improved responsibility management, pushed for low-carbon business operation and sustainable development, and fulfilled the company's responsibilities for and commitments to society. It also introduces how well BOE organized employee volunteers to contribute to the society with effective and practical actions, assisting with education, environmental protection and community development.

We can find from this report that to optimize corporate business and responsibility management, BOE communicates with stakeholders in multiple ways, listening to different voices from inside and outside the company. This report, in my eyes, provides an effective way of communication and will better promote synergistic innovation efforts towards value creation and sustainability for BOE and stakeholders as well.

— Gao Hongbing, Director and Special Research Fellow at Center for Information Research, Chinese Academy of Social Sciences

BOE saw its operating results ascend to a new peak in 2017, has been widely recognized as a global leader of semiconductor displays, and is accelerating its steps into such emerging fields as the Internet of Things (IoT) and health care. It is no accident that BOE has made such remarkable achievements. Its 2017 CSR report shows the reasons why it could be so successful: Its foresight and resolve to actively participate in and even lead high-tech change, its perseverance in technological innovation, its endeavor to improve corporate governance and business administration, and its long-term commitment to clients, investors, suppliers, and employees. I'd like to specifically

point out that when it is the prevailing consensus today to upgrade industries and make breakthroughs in technology, BOE has become an inspiring exemplar of daring to innovate in the industrial world of China, which is the biggest contribution that BOE has ever made to the Chinese society.

— Lu Feng, Professor at School of Government, Peking University

With CSR practices in China developing both in depth and breadth in recent years, CSR considerations of leading Chinese enterprises have not remained purely on the level of their persistent contribution to social, economic, environmental and public causes, but focused more on the question of how to make best use of their strength and influence in building a better future of mankind in collaboration with stakeholders.

BOE's 2017 CSR Report provides us with a glimpse of the insights and practices of a socially responsible corporate citizen. BOE has pointed out, by looking deep into the relationship between social and industrial development, that the key to driving industrial advancement lies in the accumulation and outbreak of trigger technologies. AI as the trigger technology of the Fourth Industrial Revolution has inaugurated the age of IoT 1.0, and in the future, strong AI and ASI (artificial super-intelligence) will also help take human society go into the ages of IoT 2.0 and 3.0. With its foresight on industrial trends, BOE has successfully transformed itself from a traditional displays provider into an IoT company that provides smart interface products and professional services for information interaction and human health care, and has succeeded in carving a place in the sectors of smart systems and healthcare services. Facing the huge opportunities and challenges of the Fourth Industrial Revolution, BOE has practiced an IoT development strategy of "Opening up technology and application platforms to create value through ICPST (ICPST means Integration of Chips, Panels, Software and Things)", placing emphasis on innovation collaboration with partners up and down the industry to contribute more to human society through scientific and technological development. This report is actually the answer that BOE gives on its considerations and practices with respect to business, industry and social responsibility.

— Fang Xiangming, Co-chairman of China Foresight & Insight Think Tank Alliance

The key to corporate sustainability today lies in the ability to grasp the general direction of the new technological revolution, allocate resources efficiently, invest in the future, help people satisfy their needs for a better life, and drive social and economic advancement. BOE could become a main force and a global leader of innovation-driven development because it is geared to the development of times and positions itself as a driver of a new technological revolution, the very core of corporate social responsibility. We may notice from its 2017 CSR report that it is because of unremitting effort towards innovation that BOE has created value for clients, brought about opportunities for employees, and built a win-win situation for all stakeholders. BOE is moving fast to become a great business.

—Wu Changqi, Professor of Strategic Management at Guanghua School of Management, and President of Academy of Development Strategy for National High-Tech Industrial Zones, Peking University

Appendix: Honors and Awards Received in 2017

Time	Awarded by	Honors and Awards
January	IDG	China's top 10 consumer electronics brand in 2016-2017
January	IDG	BOE iGallery won annual award for the application of creative display products
January	Organizing Committee of the Sixth China Public Welfare Festival	2016 public welfare practice Award
February	China Information Technology Industry Federation	China's top 50 innovative enterprises in the information technology industry
March	Tsinghua University SEM Center for Globalization of Chinese Enterprises; National Business Daily	List of most valued brands of China's listed companies in 2017: Top 50 in the oversea list
March	China Consumer Protection Foundation	Consumer-trusted brands of Year 2017 for high-quality services
April	Evaluation Committee for CITE Award for Innovative Products and Applications	2017 CITE award for innovative products and applications – 7.8" XGA FOLED
April	Evaluation Committee for CITE Award for Innovative Products and Applications	2017 CITE award for innovative products and applications – BOE iGallery
June	China Video Industry Association	2017 industrial contribution award
July	China Information Technology Industry Federation	China's top 100 enterprises in the information technology industry
September	IFA Organizing Committee	2017 IFA gold award for display technology innovation
November	Financial World	2017 award for China's listed companies with the best CSR performance
December	China Electronics Chamber of Commerce	2017-2018 award for the promotion of flat-panel display industry
December	China Chamber of Commerce for Import and Export of Machinery and Electronic Products	Top 10 exporters of electronic information products in 2017
December	China Chamber of Commerce for Import and Export of Machinery and Electronic Products	China's top 10 exporters of color TVs in 2017
December	The Economic Observer	2017 outstanding contribution award for most innovative Chinese enterprises
December	Directors & Boards	The 2017 "Best Board Award" of the 13th Golden Round Table Chinese Listed Companies
December	Caixin Media; Special Committee for Green Finance of China Society for Finance and Banking; SynTao Green Finance	An enterprise selected for the SGCX ESG50 of Year 2017

Appendix : GRI Index

General Standard Disclosures			
No. of GRI Guidelines	Description	Page	Note
Strategy and Analysis			
G4-1	Provide a statement from the most senior decision-maker of the organization about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	2	
Organizational Profile			
G4-3	Report the name of the organization	4	
G4-4	Report the primary brands, products, and services	4-8	
G4-5	Report the location of the organization's headquarters	About This Report	
G4-6	Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report	4	
G4-7	Report the nature of ownership and legal form	—	BOE's nature of ownership: public state-owned enterprise; legal form: company limited by shares
G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries)	4/25-27	
G4-9	Report the scale of the organization	4	
G4-10	Report the total number of employees by employment contract and gender	52	
G4-11	Report the percentage of total employees covered by collective bargaining agreements	61	
G4-12	Describe the organization's supply chain	32-39	
G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	—	BOE did not have any significant changes in 2017
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization	45	
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	—	BOE adopts the Electronic Industry Citizenship Coalition Code of Conduct
G4-16	List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization: <ul style="list-style-type: none"> • Holds a position on the governance body • Participates in projects or committees • Provides substantive funding beyond routine membership dues • Views membership as strategic This refers primarily to memberships maintained at the organizational level	—	China Information Technology Industry Federation, China Electronic Chamber of Commerce, China Video Industry Association, China Electronics Enterprises Association, Beijing Electronic Chamber of Commerce, etc

No. of GRI Guidelines	Description	Page	Note
Identified Material Aspects and Boundaries			
G4-17	List all entities included in the organization's consolidated financial statements or equivalent documents; report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report	—	For the specific entities, see the 2017 Annual Report of BOE
G4-18	Explain the process for defining the report content and the Aspect Boundaries; explain how the organization has implemented the Reporting Principles for Defining Report Content	21	
G4-19	List all the material Aspects identified in the process for defining report content	21	
G4-20	For each material Aspect, report the Aspect Boundary within the organization	21	
G4-21	For each material Aspect, report the Aspect Boundary outside the organization	21	
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements	—	No restatements
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries	—	No significant changes
Stakeholder Engagement			
G4-24	Provide a list of stakeholder groups engaged by the organization	20	
G4-25	Report the basis for identification and selection of stakeholders with whom to engage	20	
G4-26	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process	20	
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns	20	
Report Profile			
G4-28	Reporting period (such as fiscal or calendar year) for information provided	About This Report	
G4-29	Date of most recent previous report (if any)	About This Report	
G4-30	Reporting cycle (such as annual, biennial)	About This Report	
G4-31	Provide the contact point for questions regarding the report or its contents	About This Report	
G4-32	Report the 'in accordance' option the organization has chosen (Core or Comprehensive)	—	Core
G4-33	Report the organization's policy and current practice with regard to seeking external assurance for the report	Appendix: a third-party's evaluation	
Governance			
G4-34	Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts	15	
Ethics and Integrity			
G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	6/15-18	

Specific Standard Disclosures				
No. of GRI Guidelines	Description		Page	Note
G4-DMA	Report why the Aspect is material. Report the impacts that make this Aspect material; report how the organization manages the material Aspect or its impacts; report the evaluation of the management approach		21	
Economic				
G4-EC1	Economic Performance	Direct economic value generated and distributed	4	
G4-EC3	Economic Performance	Coverage of the organization's defined benefit plan obligations	60	
G4-EC5	Market Presence	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	56	
G4-EC6	Market Presence	Proportion of senior management hired from local community at significant locations of operation	52	
G4-EC8	Indirect Economic Impacts	Significant indirect economic impacts, including the extent of impacts	4-12	
G4-EC9	Procurement Practices	Proportion of spending on local suppliers at significant locations of operation	36	
Environment				
G4-EN2	Materials	Percentage of materials used that are recycled input materials	46	
G4-EN5	Energy	Energy intensity	43	
G4-EN6	Energy	Reduction of energy consumption	43	
G4-EN8	Water	Total water withdrawal by source	43	
G4-EN10	Water	Percentage and total volume of water recycled and reused	46	
G4-EN18	Emissions	Greenhouse gas emissions intensity	44	
G4-EN23	Effluents and Waste	Total weight of waste by type and disposal method	45	
G4-EN24	Effluents and Waste	Total number and volume of significant spills	—	None
G4-EN27	Products and Services	Extent of impact mitigation of environmental impacts of products and services	46-48	
G4-EN29	Compliance	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	—	BOE was not subject to any significant fines or sanctions for non-compliance with environmental laws and regulations in 2017
G4-EN31	Overall	Total environmental protection expenditures and investments by type	43	
G4-EN32	Supplier Environmental Assessment	Percentage of new suppliers that were screened using environmental criteria	37	

No. of GRI Guidelines	Description	Page	Note
Labor Practices and Decent Work			
G4-LA 2	Employment	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	59
G4-LA 4	Labor/ Management Relations	minimum notice periods regarding operational changes, including whether these are specified in collective agreements	— Employees are notified of operational changes by BOE 30 days in advance, which allows both sides to confirm the termination or agreements renewal affairs
G4-LA 6	Occupational Health and Safety	Type of injury and rates of injury, occupation diseases, lost days and absenteeism, and total number of work-rated fatalities, by regions and by gender	62
G4-LA 9	Training and education	Average hours of training per year per employee by gender and by employee category	57
G4-LA 10	Training and education	Programs for skills management and lifelong learning that supports continued employability of employees and assist them in managing career endings	54
G4-LA 11	Training and education	Percentage of employers receiving regular performance and career development reviews, by gender	55
G4-LA 12	Diversification and equality of opportunity	Composition of governance bodies and breakdown of employers per employee category according to gender, age group, minority group membership, and other indicators of diversity	52
G4-LA 13	Equal Remuneration for Women and Men	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	56
G4-LA 16	Labor Practices Grievance Mechanisms	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	60-61
Human Rights			
G4-HR3	Non-discrimination	Total number of incidents of discrimination and corrective actions taken	60 None
G4-HR5	Child Labor	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	60 In 2017, BOE performed internal audit in accordance with EICC Code of Conduct and no such risks were identified
G4-HR6	Forced or Compulsory Labor	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	60 In 2017, BOE performed internal audit in accordance with EICC Code of Conduct and no such risks were identified

No. of GRI Guidelines	Description	Page	Note
Society			
G4-SO1	Local Communities	Percentage of operations with implemented local community engagement, impact assessments, and development programs	64-69
G4-SO2	Local Communities	Operations with significant actual and potential negative impacts on local communities	— None
G4-SO4	Anti-corruption	Communication and training on anti-corruption policies and procedures	17-18
G4-SO8	Compliance	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	— In 2017, BOE was not subject to any significant fines or sanctions for non-compliance with laws and regulations
Product Responsibility			
G4-PR2	Customer Health and Safety	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	— All products developed and services provided by BOE comply with relevant laws and regulations. In 2016, BOE was not subject to any fines or sanctions for non-compliance with relevant laws and regulations
G4-PR4	Product and Service Labeling	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	— In 2017, BOE did violate any relevant regulations and voluntary codes
G4-PR5	Product and Service Labeling	Results of surveys measuring customer satisfaction	27
G4-PR8	Customer Privacy	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	— In 2017, BOE did not receive any substantiated complaints regarding breaches of customer privacy and losses of customer data
G4-PR9	Compliance	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	— All products developed and services provided by BOE comply with relevant laws and regulations. In 2016, BOE was not subject to any fines or sanctions for non-compliance with relevant laws and regulations