

2018 BOE CORPORATE SOCIAL RESPONSIBILITY REPORT



About This Report

Reporting period

This report covers the period from January 1 to December 31, 2018.

Reporting cycle

BOE has published the annual CSR Report since 2010. The last report was published in April 2018.

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, 2018.

Reporting references

This report is prepared in accordance with the core option of *GRI Sustainability Reporting Standards* (GRI Standards) developed by the Global Sustainability Standards Board (GSSB), the *Shenzhen Stock Exchange Guidelines on Standard Operation of Main Board Listed Companies*, the *Code of Corporate Governance for Listed Companies*, the *Guidance on Social Responsibility of Information and Communication Technology Industry* (SJ/T 16000-2016), and the *Evaluation Index System of Social Responsibility Governance in Information and Communication Technology Industry* (T/CESA 16003-2017).

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.

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Inner Power Is the Master Key

Wang Dongsheng, Founder and Chairman of BOE Technology Group



To meet all the challenges and turn them into opportunities in a complex and ever-changing global environment eventually boils down to ourselves, to our inner power. There is no such thing as a weak market, but weak products. Inner power is the master key!

BOE has gone through so much since it was founded. In the 15 years after entering the world-leading field of semiconductor display, we experienced multiple rollercoaster-like cyclical fluctuations and suffered repeated losses by global industry downturns. From every trough the industry experienced and from every success we notched up despite all the challenges, we have learned the truth, that is, Inner power is the master key.

The external environment has always been challenging for BOE over the past 26 years. Today's BOE, however, has the strength to cope with the complex challenges and win the competitions. Our capacity for technological innovation in the global industry has increased significantly. That's something we have full confidence in. But more importantly, we need to stay clear-headed about our weaknesses and problems. The greatest rival is always ourselves. Market slumps or intensifying competition is nothing to be afraid of. The only thing we should be worried about is the lack of inner power and determined mind.

BOE has been forging ahead in spite of various difficulties over the past 26 years. We have seized every strategic opportunity by innovation and kept building our inner power by motivating organizational vigor. The greatest inner power is built through our "Four Commitments".

First, commitment to being a great company.

BOE, Best On Earth, to be a most respected great company is our vision and also what drives us forward. The 26 years have witnessed BOE's progress in reaching one target after another, striving towards higher ones. Revenue figures have risen from tens of millions yuan in BOE's early years to hundreds of millions, billions, tens of billions, and then hundreds of billions. We will aim for trillions. No challenge will stop us from pursuing our faith – to build a great company.

Second, commitment to innovation and entrepreneurship.

To build a most respected great company relies on BOE's culture of innovation and entrepreneurship. BOE did not start from scratch, but from heavy debts. In the very beginning, the company had to be confronted with liabilities amounting to hundreds of millions yuan and thousands of laid-off workers. We took on our

responsibility and helped ourselves out. Others may start with making easy money but we challenged ourselves to engage in cutting-edge technologies with the aim to be world number one only when we began to make profit. It is the belief in responsibility and culture of innovation that have driven us to focus on doing every task well and keep learning for greater progress. That has turned BOE from a small business of tens of millions yuan in revenue to an innovative global company of hundreds of billions yuan.

The biggest crisis we should guard against right now is the "big company disease". To be specific, it is formalism, bureaucratism, complacency, overstaffing, etc. Big company disease is fatal. BOE will be defeated not by its competitors, but most likely by big company disease. We should always keep a clear mind and the passion for entrepreneurship and innovation. We should always stay competitive and dynamic. We should always keep our work discipline characterized by "practical, detailed, refined, in-depth, transparent, rapid and resolute". By avoiding big company disease, we will maintain the momentum for value creation.

Third, commitment to IoT transformation.

Five years ago, we put forward the DSH strategy for IoT transformation. Three years ago, we proposed our IoT strategy to open up technologies and application platforms to create value through ICPST (Integration of Chips, Panels, Software and Things). We will grasp the opportunities brought by the Fourth Industrial Revolution to speed up the company's transformation and upgrading.

The success of transformation lies in creating value for customers. IoT is centered around application scenarios. Any company that aims to offer thrilling products and services must focus on designing application scenarios that offer better user experience to clients, fully aware of their pain point, itchy point and exciting point. This is how we create value for our customers.

The process of transformation is bound to be difficult. Responsible leaders with a clear head and the resolve to attain the goal are essential to the success of transformation.

Fourth, commitment to being talent-oriented.

Any successful organization is supposed to be a dynamic organization with the right people. A good company not only builds business but also develops people because eventually it is the people who help to build the business. The art of choosing and using the right people is mastered by all outstanding companies. It is about discovering people with potential and giving them the chance to shoulder responsibility and grow through one project after another. While they try to realize their value, the company will scale new heights of success.

Only by insisting the four commitments and strengthening the inner power and implementing the guideline "market segmentation, innovation and breakthroughs, lean management, quality enhancement and better returns", can we make the company bigger and stronger, and be able to give more and better back to the society. A great company creates great value and helps to advance human progress and make the world better. That is what we pursue and can deliver.

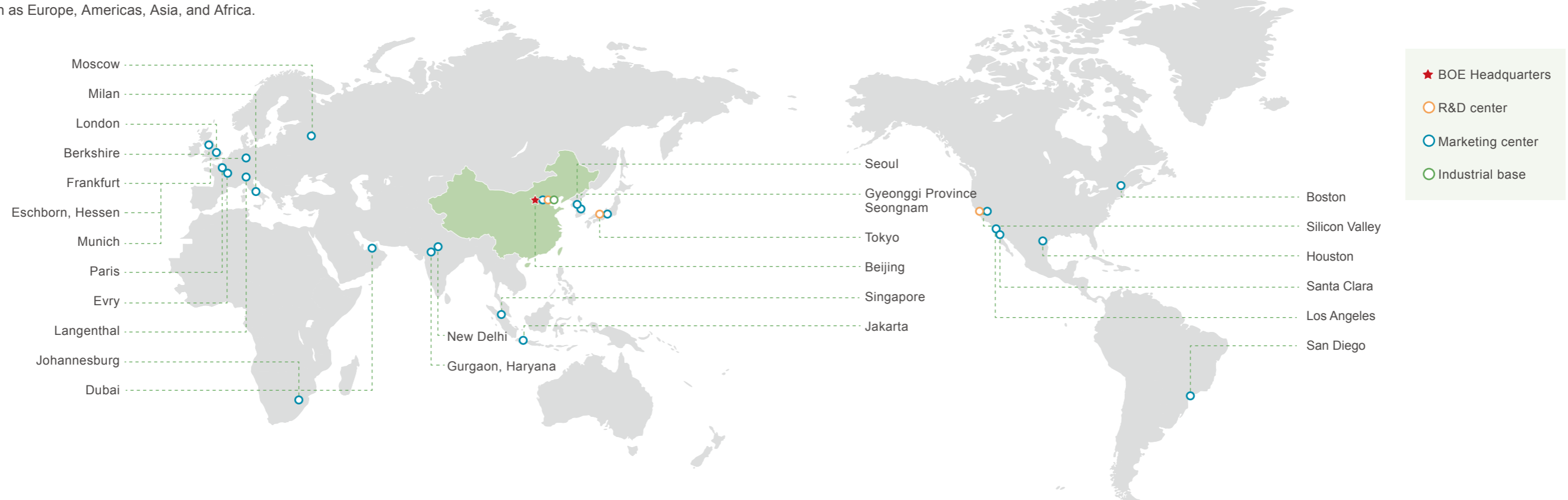
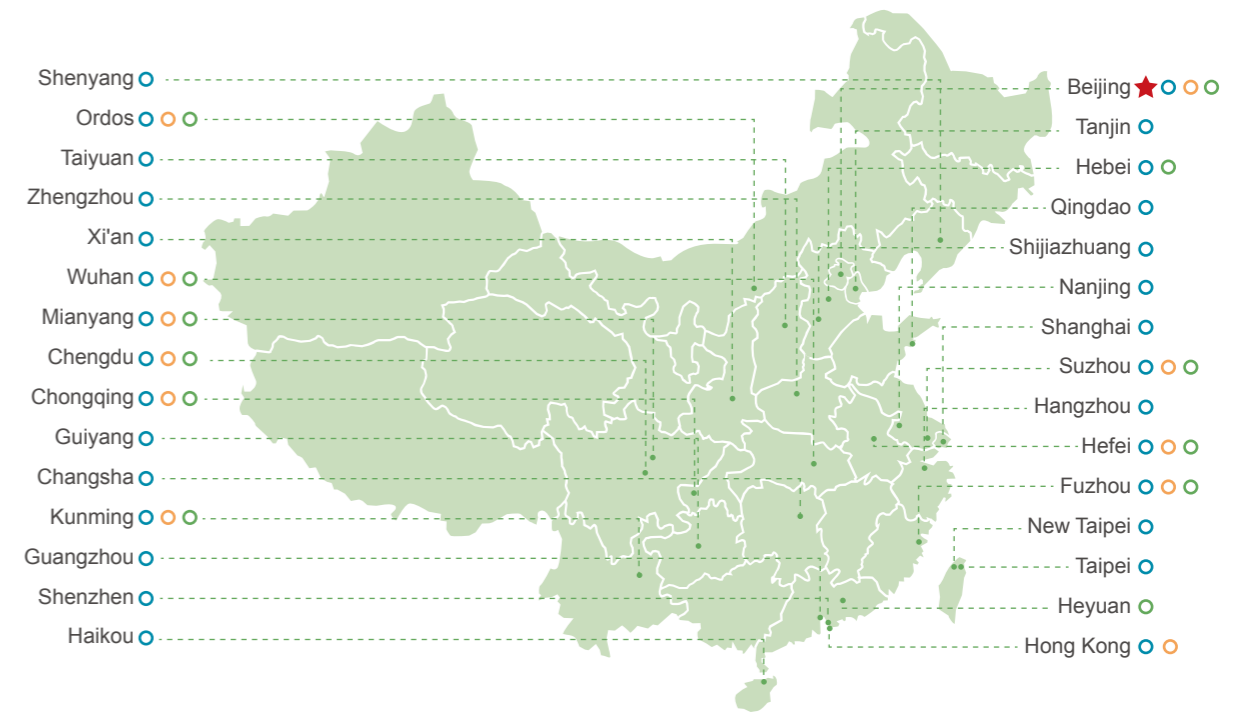
A handwritten signature in black ink, appearing to be the name 'Wang Dongsheng' in a stylized cursive script.

I. About Us

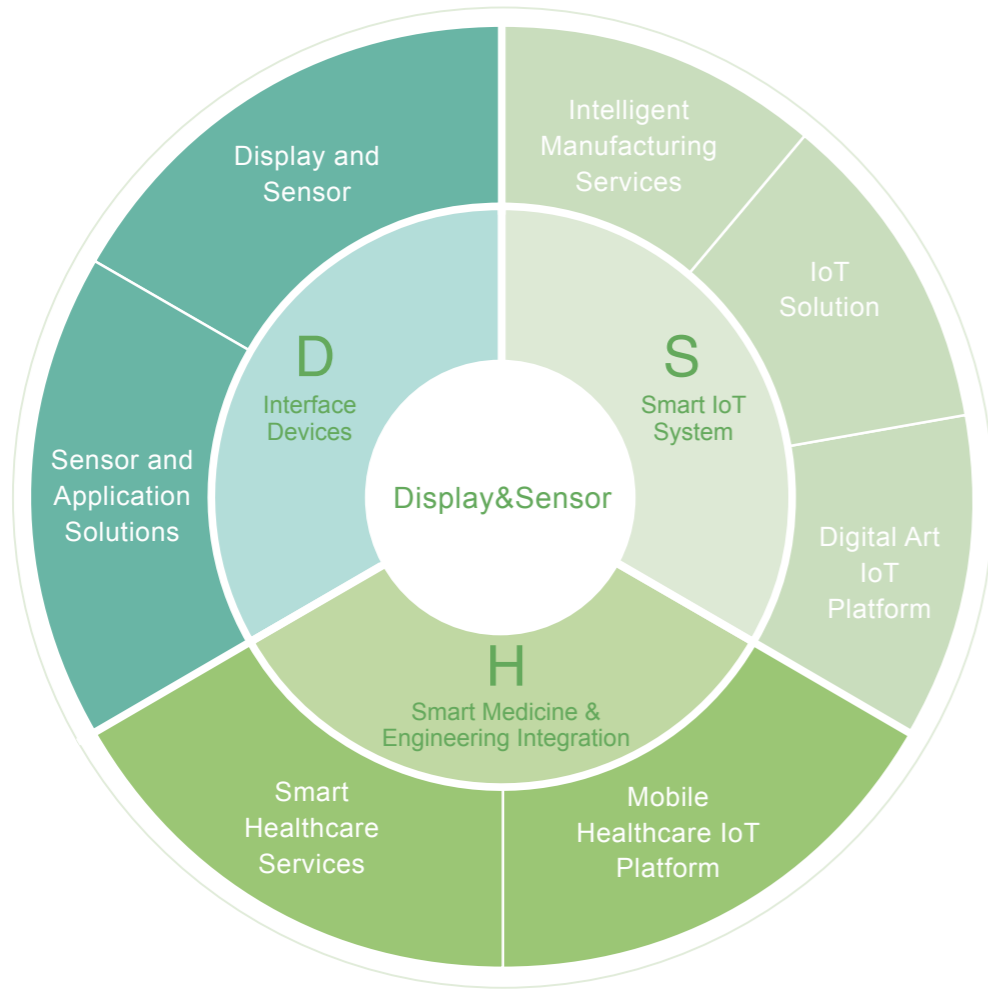
Founded in April 1993, BOE Technology Group Co., Ltd. (BOE) is an IoT company that provides intelligent interface products and professional services for information interaction and human health, focusing on three core areas of business – Interface Devices, Smart IoT System, and Smart Medicine and Engineering Integration.

In 2018, to better meet the market demand for IoT applications, BOE made one step further in consolidating its fundamental line of business, upgraded smart interface products across the board, and made massive expansion in IoT systems and professional services. According to its transformation strategy for IoT 1.0, BOE divided the three core areas of business into seven business groups, namely “Display and Sensor Devices” and “Sensor and Application Solutions” under Interface Devices, “Intelligent Manufacturing Services”, “IoT Solutions”, and “Digital Art IoT Platform” under Smart IoT System, and “Mobile Healthcare IoT Platform” and “Smart Healthcare Services” under “Smart Medicine and Engineering Integration”. Moreover, to facilitate its innovation-driven transformation and improve its capacity building system, BOE reorganized its global marketing platforms for B2B and B2C operations and established three AI and big data centers for smart manufacturing, IoT and healthcare.

As of December 31, 2018, BOE had RMB 34.798 billion in registered capital and 68,175 employees in total. With its revenue for 2018 reaching around RMB 97.1 billion, the Company has manufacturing facilities in many parts of China including Beijing, Hefei, Chengdu, Chongqing, Fuzhou, Mianyang, Wuhan, Kunming, Suzhou, Ordos, and Gu’an, as well as subsidiaries in 19 countries and regions such as the United States, Germany, the United Kingdom, France, Switzerland, Japan, South Korea, Singapore, India, Russia, Brazil, and the United Arab Emirates. Its service network covers major regions of the world such as Europe, Americas, Asia, and Africa.



Our vision: Best on Earth



Interface Devices

- The Display and Sensor Devices business group provides displays for mobile phones, tablets, notebooks, TVs, cars, wearables, industrial control, healthcare, DID splicing and other innovative applications. BOE now has 14 semiconductor display production lines (three under construction) and is the only Chinese enterprise that can manufacture the full range of semiconductor display products to the maximum of 150 inch.
- The Sensor and Application Solutions business group can provide flat panel detectors, microfluidic chips, smart windowing systems, molecular antennas, home security and other products and system solutions for hospital/home detection equipment, communications and transportation, smart home and other application scenarios.

Gen 6 flexible AMOLED

- China's first and the world's second line of its kind
- In October 2017, BOE's Gen 6 AMOLED line in Chengdu achieved mass production to provide customers with flexible display products.

Ordos:
Gen 5.5 LTPS/AMOLED
Chengdu:
Gen 4.5 TFT-LCD
Gen 6 flexible AMOLED
Chongqing:
Gen 8.5 TFT-LCD
Gen 6 flexible AMOLED (under construction)
Mianyang:
Gen 6 flexible AMOLED
Kunming:
Micro OLED (under construction)

BOE now has 14 semiconductor display production lines (three under construction).



Gen10.5TFT-LCD

- The world's first of its kind
- In March 2018, BOE's Gen 10.5 TFT-LCD line in Hefei achieved mass production to provide customers with large-sized UHD display products.

Beijing:
Gen 5 TFT-LCD
Gen 8.5 TFT-LCD
Hefei:
Gen 6 TFT-LCD
Gen 8.5 TFT-LCD
Gen 10.5 TFT-LCD
Wuhan:
Gen 10.5 TFT-LCD (under construction)
Fuzhou:
Gen 8.5 TFT-LCD

Smart IoT System

- The Intelligent Manufacturing Services business group leverages display and smart manufacturing technologies to provide customers with set machine IDM products and services for TVs, monitors, mobile phones, whiteboards, commercial displays and electronic shelf labels. It is upgrading to smart manufacturing from traditional mode and also providing customized services for clients.
- The IoT Solutions business group provides total solutions backed up smart devices, system integration and cloud computing for customers in IoT-related fields such as smart retail, smart finance, digital hospitals, smart transportation, smart education, business, smart home, and smart energy.
- The Digital Art IoT Platform business group has launched an IoT-based digital art product – BOE iGallery which presents digital paintings, images and other artworks and incorporates art display, appreciation and transaction. Backed by the powerful App and cloud database, BOE iGallery makes it possible for consumers to enjoy the world's best artworks at home.

Smart Medicine & Engineering Integration

- The Mobile Healthcare IoT Platform business group collects users' life data through smart, mobile and medical devices for monitoring vital signs, and provides personalized health management services for users leveraging artificial intelligence, big data analysis and algorithm platforms.
- The Smart Healthcare Services business group combines BOE's core display and sensor technologies with life sciences and technology, introduces innovation to healthcare centering on the three key points of "people-centered, preventive treatment of diseases, and life data", and seeks to build technological innovation and transformation platforms for artificial intelligence, diagnosis and treatment of diseases in eight key fields, genetic engineering and cell engineering. Focusing on digital hospital, digital human body, regenerative medicine, solutions, etc., it provides customers with integrated online and offline professional healthcare services.

II. Commitment to Innovation

With a vision for “technology leadership, global launch and shared value”, BOE has always maintained its respect for technology and commitment to innovation. The Company invests more than 7% of its revenue in R&D every year and attracts top-notch talents with its open and inclusive innovation environment and a sound innovation system. Its commitment to innovation is changing the world and shaping the future.

1. Patents and Standards

- In 2018, BOE filed 9,585 new patent applications, over 90% of which were for inventions, and held more than 70,000 patents in total, covering the United States, European countries, Japan, South Korea and other countries and regions.
- According to WIPO PCT Yearly Review 2018, BOE filed 1,813 PCT patent applications, ranking 7th in the world. According to IFI CLAIMS Patent Services, BOE was ranked No.17 among the Top 50 Recipients of U.S. Patents. It was granted 1,634 U.S. patents in 2018, up 16% year on year. BOE has been on the list for three consecutive years and is the fastest-growing company among the Top 20.
- BOE led the formulation and revision of 49 domestic and international standards including IEC and ITU standards, China’s national standards, electronics industry standards, and corporate group standards. To date, it has been involved in the formulation and revision of 136 domestic and international standards covering a wide range of fields such as LCD, OLED, flexible display, touch screen, transparent display, health display, digital picture frames, systems and devices, applications, IoT, and mobile healthcare.

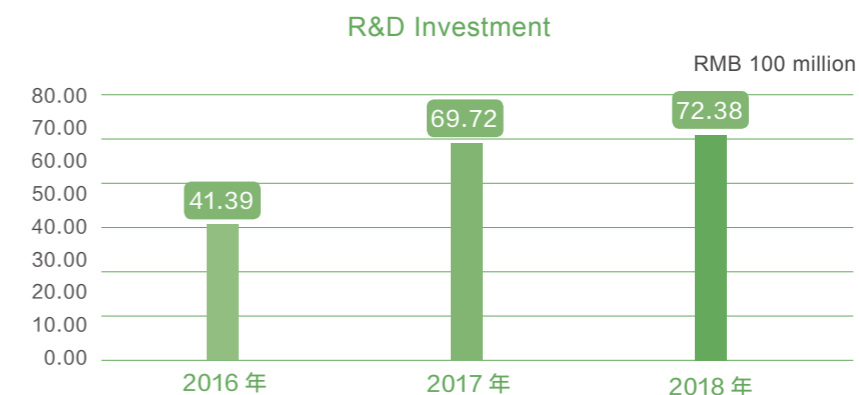
Top 50 Recipients of U.S. Patents in 2018

	Company	2108 Grants	2107 Grants	% Change	Previous Rank	Rank Change
16	Huawei Technologies Co Ltd	1,680	1,474	14%	20	4
17	BOE Technology Group Co Ltd	1,634	1,413	16%	21	4
18	General Electric Co	1,597	1,577	1%	16	-2
19	Hyundai Motor Co	1,369	1,304	5%	24	5

No.31
Fortune Future 50
List for 2018

No.67
Forbes Digital 100
List for 2018

No.7
WIPO PCT Yearly
Review 2018



2. Innovative Products and Smart Applications

Interface Devices

▪ 8K System Solution

BOE has launched an 8K system solution that incorporates an 8K image service cloud platform, an 8K decoder player, and an 8K display device. The 8K image service cloud platform is for the display, sharing and trading of 8K content. Consumers can choose and buy 8K content from this platform and send it to the 8K decoder player via the cloud platform, and watch it on the 8K display device. It is very effective in solving the problem of 8K content shortage in the industry. The BOE 8K decoder player is as large as an ordinary TV set-top box, and can receive and play 8K images in real time once it is connected to the Internet. It is much cheaper and smaller than traditional decoder players. The 8K display, backed by the technology of high-dynamic-range imaging, offers an ultra-high contrast ratio up to 1000000:1, and a 100% NTSC color gamut, which means it can show true-to-life colors and very fine images.



BOE's 8K IoT Solution

▪ Flexible AMOLED Display

BOE's 6.18-inch foldable WQHD AMOLED all-screen display has the world's smallest dynamic bend radius – 1mm and a 118% NTSC color gamut, which help to improve the experience of mobile device users significantly. BOE also has a number of products that can be used as mobile phone displays when they are folded and as tablet or monitor displays when they are unfolded, such as the 5.99-inch foldable mobile phone and 7.56-inch foldable tablet.



BOE's 7.56-inch Folding Tablet

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■ Inkjet-printed 4K OLED Display

China's first ever inkjet-printed 55-inch 4K OLED display, backed by the world's advanced RGB printing technology, offers a contrast ratio up to 1000000:1 and a 96.8% NTSC color gamut, which ensure better quality of images. In addition, the display secures a 90% material utilization ratio, thus reducing equipment and materials costs considerably.



55-inch Inkjet-printed 4K OLED Display

■ Micro Display

The 0.39-inch Micro OLED AR display features high resolution, high integration, low power consumption, small size and light weight with monocrystalline silicon as the active drive backplane. The product has the world-leading ultra-high pixel density of 5,644 PPI, which is 17 times that of a Retina display (326PPI). With a contrast ratio of more than 10000:1, it enables the overlapping and interaction between virtual 3D images and real-life scenes. The product has bright application prospects in education and training, games, home decoration and other fields.



0.39-inch Micro OLED AR Display

Smart IoT

■ BOE iGallery

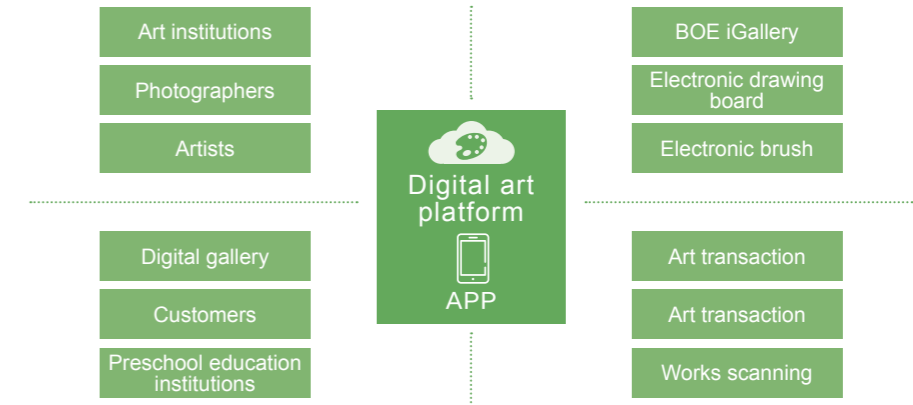
BOE iGallery is composed of a selected art content library, a cloud platform for art appreciation and trading, a display device that can show the original artworks and more value-added services, incorporating art appreciation, art communication, art education and art transaction. With the powerful App and cloud database, consumers can enjoy the best artworks of the world without leaving home. Relying on its strengths in the art industry, BOE has committed itself to advancing the development of art education for children in China. The App's content platform encompasses a large number of world-famous works, classic children's picture books, paintings for art enlightenment, and other art sections for children. It also allows the uploading of users' works. It is a family digital art gallery for children's aesthetic enlightenment.

The newly-launched BOE iGallery S2, featuring AI-based voice recognition technology for the first time, allows users to speak to the product and thus makes the "dialogue" between users and art a reality.

■ Smart Retail

BOE's smart retail products include electronic shelf label system and self-service devices and can provide IoT solutions in price management, shelf management and customer behavior analysis for supermarket retail and financial retail.

BOE's VUSION electronic label features modular design. It can display promotional information in black,



white and red colors. It is waterproof, antifogging, anti-freezing and dustproof, and can be used on shelves to replace traditional paper price label. The use of double frequency bands – 2.4G and Sub Gig (exclusive to VUSION labels) – increases communication speed by ten times so prices can be changed in just one second. By using NFC or scanning QR code, consumers can enter the online mall so that online and offline shopping experience is perfectly integrated.

BOE's smart retail management system 2.0 creatively integrates the four modules of shelf management, information release, smart price change and smart financial settlement. Stores are monitored in real time and AI image recognition technology is used to quickly identify problems such as products being out of place or stock so that store managers are informed in time to make proper adjustments. Moreover, users can manage a number of stores with one interface, check store information anytime, and analyze customer flow and trends based on their browsing and purchase records in the online mall to help store managers make well-informed decisions and increase profits. BOE's smart retail solution empowers offline operations across the board, making New Retail smarter. At 2018 IFA, BOE was granted IoT Application Gold Award in the category of Product Technical Innovation Awards for its smart retail solution.



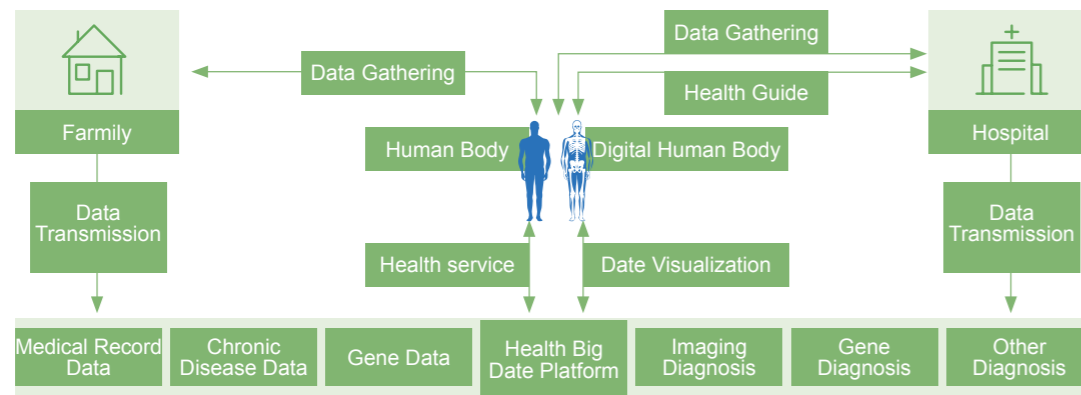
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Smart Healthcare

BOE Mobile Healthcare 3.0

The Mobile Healthcare App is health service software developed by BOE to be used at home or workplace. On the one hand, it can be connected to vital signs monitoring equipment to collect users' health data, issue health reports for users, and provide guidance on healthy lifestyles. On the other hand, it can provide users with smart preliminary consultation, expert lectures, health classes, health check-up services, online inquiries, registration appointment, health information and other services. The combination of AI and doctors integrates online and offline resources. In this way, family members can enjoy efficient and quality health management services throughout the whole life cycle from prevention to treatment and rehabilitation. Technology makes it much easier to have good health.



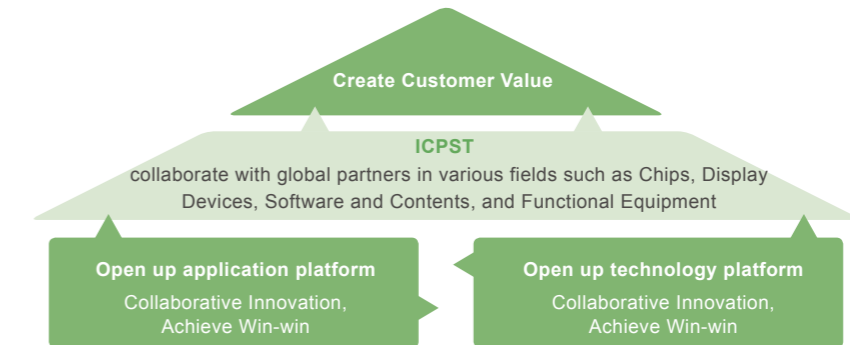
BOE Smart Sleep Meter

The ultra-wide band (UWB) technology is used to detect the micromotion of thoracic respiration and body motion and gather motion information about chest area and the whole body so as to monitor the quality of respiration during sleep and offer health suggestions accordingly.

The World's First Multifunctional Robot for Orthopedic Surgery

In light of technology advances and based on the clinical experience of many orthopedic surgery experts, BOE has developed the multifunctional robot for orthopedic surgery which consists of a robot host, a surgical navigation system and a central control system. The prototype debugging has been completed and it appeared at BOE IPC 2018. The surgical robot is designed in line with the philosophy of traditional Chinese medicine and stands as a perfect example of how traditional Chinese medicine is combined with modern technology. It can help to establish the international gold standard for the treatment of long bone fractures with closed reduction. As the world's first multifunctional robot for orthopedic surgery, it can not only perform fracture reduction, spinal positioning, and joint replacement surgery, but also work as doctors' assistant. It is also the world's first surgical robot incorporating clinical experience, big data analysis and artificial intelligence that is expected to perform fracture reduction automatically. In addition, the dedicated C-arm of the system is the first one in the world that has a diameter of 55cm. The radiation source power of the C-arm imaging system is about 1% of that of a standard C-arm so the need for three-dimensional imaging is significantly reduced, which greatly reduces the damage that radiation can do to doctors and patients.

3. Open Platforms for Collaborative Innovation



To boost collaborative innovation in the IoT industry, BOE began to hold the Innovation Partner Conference (IPC) annually in 2016. At BOE IPC 2016, BOE Chairman Wang Dongsheng put forward the IoT strategy of "opening up technology and application platforms to create and share value through ICPST (Integration of Chips, Panels, Software and Things)". According to the strategy, IoT is a harmonious combination of related chips, display panels, software and content, and functional devices; it is also a value-creating system, containing connections between people and people, people and things, and things and other things. BOE opens up its application platform to work with all partners in the IoT industry for innovations in hardware, software and applications. It also opens up its technology platform to promote advances and product innovation in display and sensor technologies, artificial intelligence, IoT, healthcare, etc. Over the past three years, the strategy has proved to be very productive.

Introducing the "8425 strategy"

The "8425 strategy" means "promoting 8K, popularizing 4K, replacing 2K and making good use of 5G". An "8425" Action Plan has also been put into implementation in specific fields. The plan covers content, shooting, coding and decoding, transmission and display, and products involve components, devices, software, content, communications equipment and operators. According to the White Paper on China's UHD Video Industry published by an authoritative institution, the size of China's UHD video industry is expected to exceed RMB 4 trillion in 2022, which is 5% of China's current GDP.

Establishing China UHD Video Industry Alliance

Under the guidance of China's Ministry of Industry and Information Technology (MIIT), BOE joined hands with 42 companies including Huawei, China Unicom, China Mobile, Tencent and Baidu to set up the China UHD Video Industry Alliance, with a view to working with partners in the alliance to build the 8K industry chain and grow the 8K market.

Starting strategic cooperation with China Unicom

BOE plans to have in-depth cooperation with China Unicom in 4K/8K videos, 5G, IoT and other new areas of business, leveraging their respective R&D strengths, to accelerate innovation in IoT technology and applications.

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Starting strategic cooperation with ICBC

BOE and the Industrial and Commercial Bank of China (ICBC) have signed a strategic cooperation agreement. According to the agreement, BOE will provide products and services for ICBC in smart upgrading and transformation, health management and other aspects, including the total solution for smart upgrading and transformation, the total solution for information release system, and the total solution for paperless office and conference system, self-service device and service solution, etc. BOE's smart finance solutions have been widely applied to such financial institutions as ICBC, China Construction Bank (CCB), Ping An Bank, SPD Bank, China CITIC Bank, China Merchants Bank, Bank of Beijing and Huishang Bank.

Starting strategic cooperation with FAW Group

BOE and FAW Group have agreed on strategic cooperation. The two sides will focus on the research on and application of leading-edge in-car display technologies and carry out in-depth cooperation in such fields as TFT-LCD, OLED, smart IoV system, and sensor-related technologies.



BOE signs a framework agreement on strategic cooperation with China Unicom, December 28, 2018.



BOE signs a strategic cooperation agreement with FAW Group, July 18, 2018.

IoT Innovators' Gathering – BOE Innovation Partner Conference

BOE IPC 2018 opened in Beijing on November 7. IoT companies and experts from around the world were brought together to discuss applications, technologies and future trends in IoT-related fields. During the conference, BOE presented its innovative applications and solutions in interface devices, smart IoT, and smart healthcare, offering people a chance to experience the changes that IoT technologies have brought to everyday life.



III. Future-oriented IoT

The Fourth Industrial Revolution, triggered by artificial intelligence and genetic technologies, has arrived, and IoT has become the first wave of this industrial revolution. Statistics show that IoT-empowered industries are contributing a growing share to China's GDP and the size of the entire IoT market is expected to reach USD 14.2 trillion in 2030. The IoT sector will become an important engine of GDP growth. IoT technologies are now gathering speed in its penetration into such industries as manufacturing, healthcare, retail, logistics and urban construction. The new technologies, new applications and new models have greatly boosted innovation and transformation in these industries, showing great potential for commercial operation, and have given rise to new ways of life and cultural landscape. Facing the enormous opportunities, BOE has responded fast to the market changes and leveraged its technology strengths and industry resources to accelerate the development of smart IoT and smart healthcare on the basis of interface devices, seeking to make an IoT-oriented strategic transformation.

In the key period of industry expansion, one-to-one and one-to-many smart connections are changing people's lives quietly. Based on his sharp insights into the future of IoT, Chairman Wang Dongsheng has noted that technology advances and industrial development are ultimately for the well-being of humans. IoT should serve people's needs for a better life and have three features – "tangible convenience, superior cost-performance, and real safety and order". Application scenarios are the starting point of the development of the IoT industry, the key to making the three features a reality, and the key to IoT's value creation. Only by focusing on scenarios, can we figure out where the needs are, meet them better, and offer better user experience, thus creating real value.

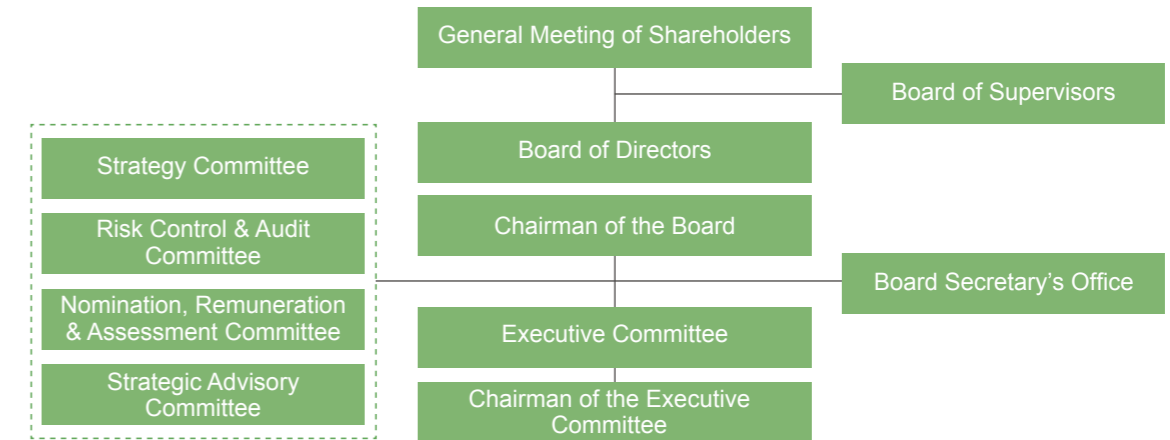
The exploration of application scenarios in various industries will boost the growth of market size considerably. There is great potential to unlock in smart manufacturing, smart city, smart healthcare, smart retail, smart logistics, and smart transportation. Riding on the tide of IoT, BOE will go deeper in its seven business groups leveraging its technology strengths in display, sensor, artificial intelligence and big data. In the next five years, BOE will develop more than 100 IoT market segments and provide at least 6 billion IoT interfaces. We will continue to pursue the IoT strategy of Ecosystem: Open and Connected, focusing on application scenarios, and shape the future of IoT together with global partners.



Corporate Governance

BOE embraces the managerial philosophy of “pursuing innovation and operating in good faith”. Over the years, we have strived to develop a corporate culture marked by highest standard, business ethics and compliance. In the principle of integrity, compliance, transparency, and responsibility, the Company has put in place a sound compliance management system in line with applicable laws and regulations and business ethics, seeking to boost fair competition, IPR protection, and business ethics. Through systematic training, the business behavior of employees, managers and partners is well managed and a sound business environment featuring standard operations, transparent management and fair competition is created. In addition, we listen to the constructive opinions of stakeholders to improve decision-making and business operations.

I. Governance Structure



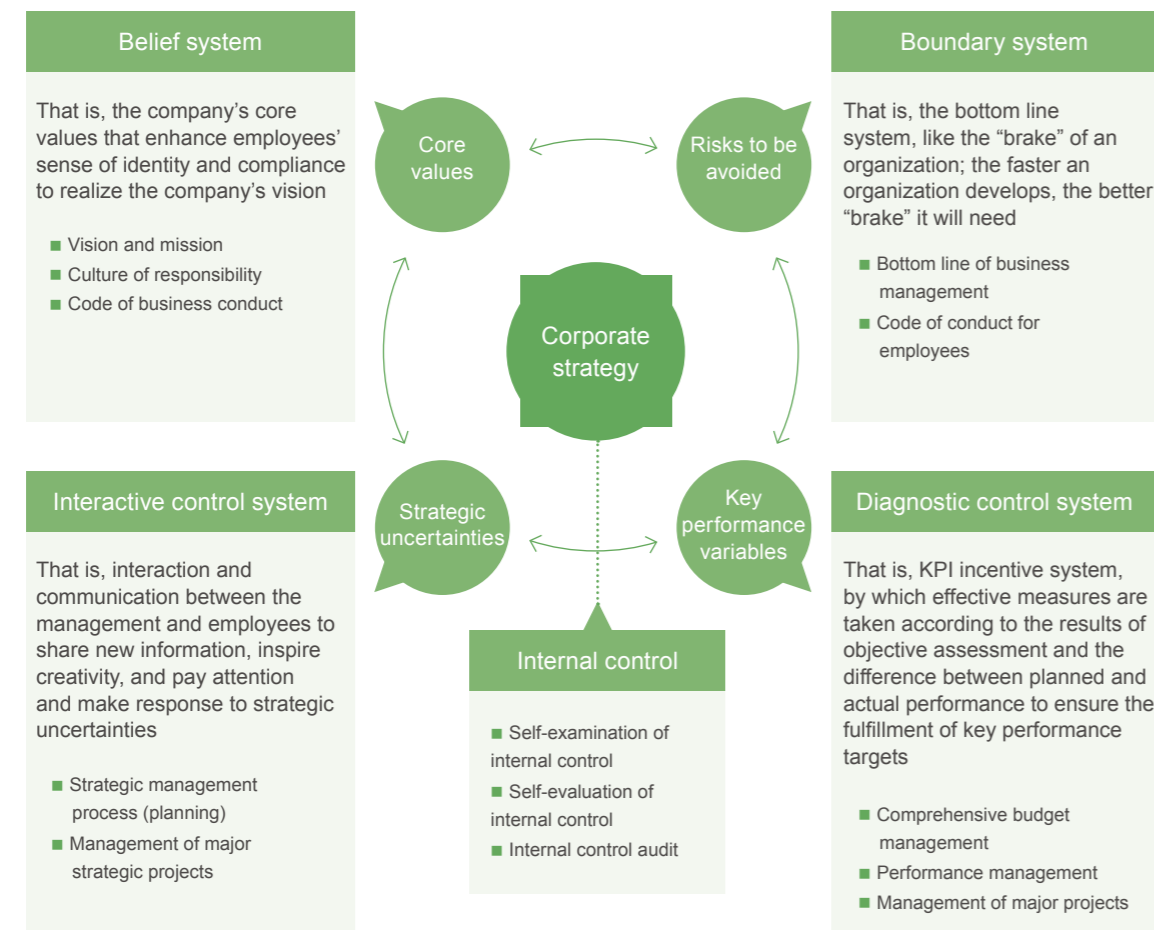
BOE has a sound governance structure. The General Meeting of Shareholders is the highest authority. The responsibilities of organizations under the General Meeting of Shareholders are shown below:

Board of Directors	Committees under the Board of Directors	Executive Committee	Board of Supervisors
<ul style="list-style-type: none"> 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 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. 	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> The Executive Committee's main responsibility is to formulate the company's business strategies and plans and implement them after they are approved. 	<ul style="list-style-type: none"> 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.

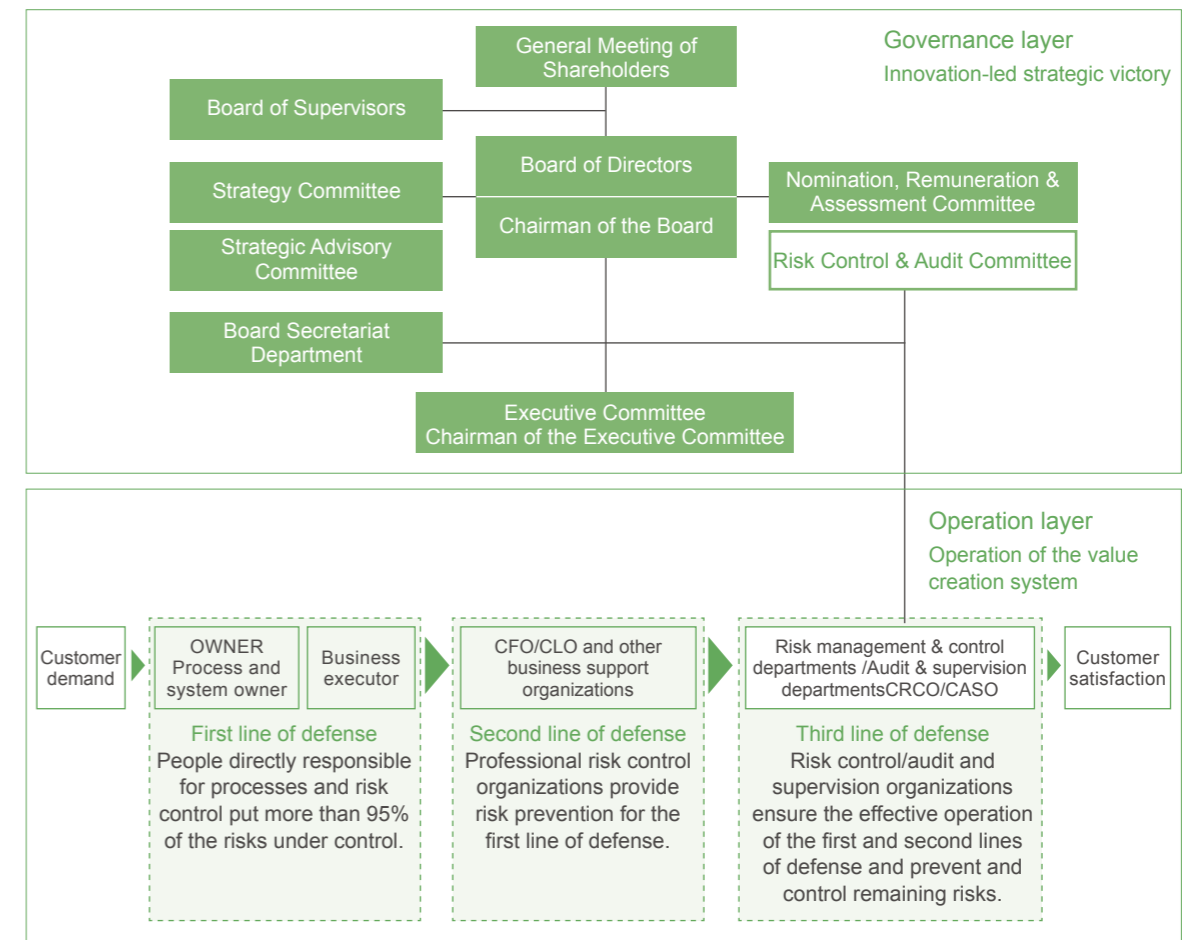
Note: Refer to BOE 2018 Annual Report for details about the work done by the Board of Directors, Board of Supervisors, and the General Meeting of Shareholders in 2018.

II. Internal Control

BOE has established an internal control system based on four control levers, i.e. belief system, boundary system, diagnostic control system, and interactive control system. The coordination, dynamic balance, and effective operation of the four levers ensures the implementation of the Company's strategies.



BOE believes in innovation, strategy, value and systems, and has established three lines of defense for risk control, which are oriented by customers, driven by successful business, and based on the entire process so as to ensure that every aspect of the Company's operations is well managed and controlled. 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.



The operation and supervision of BOE's internal control system include self-examination of internal control, self-evaluation of internal control and internal control audit. The risk control organization formulates and implements the annual internal control development plan according to the regulatory requirements on listed companies and the realities of the Company. The self-examination of internal control is carried out by the process and system owner and the business executor. Through self-examination, internal control defects are found and corrected in time. The self-evaluation of internal control is implemented by the audit organization. On the basis of self-examination results, the design and operation of important risk areas and key control points are evaluated according to the conclusions of daily evaluation and special evaluation, and defect report and evaluation report are issued. The rectification efforts are supervised, and attention is paid to the influence of the matters before and after the base date of the report. The Company hires independent external accountants to conduct independent and impartial evaluation of the Company's internal control operations, and issue annual internal control audit reports. In 2018, the risk control organization on the Group level completed the building of BOE's process asset library that includes a total of 1,060 core business processes and key control processes at Level 3 and above, formulated the annual internal control development plan, organized self-examination/evaluation of internal control, and hired an external accounting firm to conduct the internal control audit to ensure that no major internal control defects could be found.

III. Business Ethics

1. Code of Professional Conduct

To turn the Company's vision into reality requires every employee's integrity and efficiency at work. Everyone at BOE recognizes their bounden duty to implement the Company's strategies, strictly follow its rules, keep its secrets, uphold integrity and efficiency, work with partners for win-win outcomes, safeguard the Company's interests, and grow together with the Company.

All employees of BOE must sign and honor the *Statement on Professional Ethics of BOE's Employees*, abide by the basic ethics, uphold integrity, work efficiently, and accept extensive supervision.

Statement on Professional Ethics of BOE's Employees

- 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 interests
- 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

- Report malpractices or the Company's management loopholes in a timely manner

2. Anti-corruption Efforts

BOE believes in "pursuing innovation and operating in good faith" as well as "integrity, compliance, transparency and responsibility". The culture of integrity and dedication has been an integral part of the Company's day-to-day operations. BOE forbids any acts that go against integrity and undermine the Company's interests.

BOE has established an effectively-running integrity and dedication system that prevents corruption or malpractices from happening, helps to increase employees' integrity and efficiency, and secures the stable and healthy development of the Company. The integrity and dedication system includes a regulation system, an education system, an implementation system, an examination and supervision system, and a punishment system.

The regulation system covers the whole cycle of an employee from orientation to early stage of employment, talent management, performance assessment, promotion, and dismissal. It is intended to make sure that employees and managers comply with rules so that no corruption occurs. To date, the Company has released the *Statement on Professional Ethics of BOE's Employees*, *BOE Regulatory Guidelines*, *Measures for Auditing of Economic Responsibilities*, *Measures for Fraud Investigation*, *Regulations on Blacklist Management*, and *Operational Risks and the Bottom Line*.

BOE has established a training system on integrity and dedication and launched integrity education and training activities targeted at specific positions, titles and key areas of business to raise the awareness of integrity and dedication. The training for new recruits focuses on professional integrity and dedication.

The day-to-day education for newly promoted managers focuses on the integrity and credibility criteria for leaders through case study. For managers at all levels, personnel in key areas of business and major projects, regular lectures for integrity education at different levels are held to promote the idea of integrity and compliant operations and inspire people at higher positions to manage and improve themselves. The Company requires management at director level or above and employees at key positions to sign the *Statement on Professional Ethics of BOE's Employees*. Integrity and dedication courses are compulsory for managers at all levels for promotion and only those who have passed assessment can start to work at new positions.

In the process of implementing the integrity and dedication system, responsible persons and departments are required to fulfill their due responsibilities to prevent problems from occurring in business processes and promptly identify and solve them once they occur. An effective performance management system has also been created to provide incentives and rewards for employees who are dedicated and productive at work.

BOE 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. The Professional Ethics Disciplinary Committee punishes the persons concerned for violation of related rules.

BOE does its best to uphold the culture of integrity and would like to observe laws and business ethics together with all partners, especially those against corruption and bribery so as to create a clean and efficient business environment.

BOE works with partners in the principle of good faith and has put in place a set of rules that are to be followed together with partners for efficiency and collaboration. All procurement activities must not go beyond the Procurement Prohibitions. Partners' track records are assessed before cooperation and a Clean Agreement is signed before contract is executed. The Company issues a Letter of Clean Operation to partners before important holidays every year.

BOE exercises full life cycle management for partners. Only companies excellent in quality, qualification and ethics can be BOE's partners. We apply dynamic credit management to partners through business integrity assessment. The audit organization will work with related marketing and sourcing departments to provide unqualified partners with training on quality, internal control, integrity, etc. so as to help them grow. In the process of contract execution, partners' malpractices will be handled according to the Company's *Regulations on Blacklist Management and Measures for Fraud Investigation*.

<p>In 2018, no major cases of corruption in violation of company rules occurred.</p>	<p>37 Integrity training sessions in 2018</p>	<p>3,023 Participants of integrity training</p>	<p>100% Share of new recruits receiving integrity training</p>
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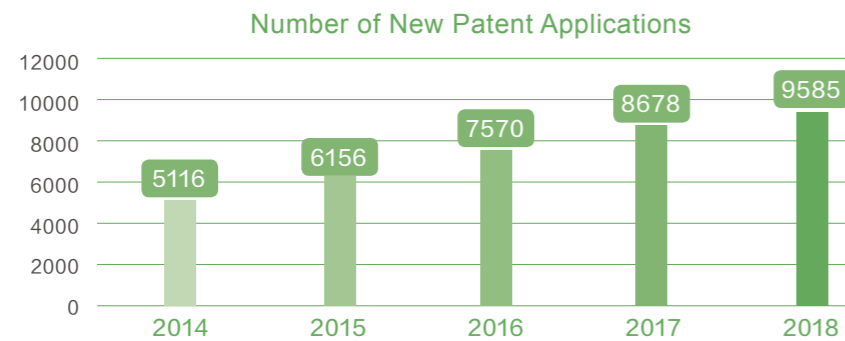
3. Fair Competition

BOE has always followed the principle of fair competition, respects every competitor, and regards excellent competitors as the driving force for continuous innovation and change. We believe in winning with leading technologies, innovative business model, and quality products and services. The Company strictly complies with relevant provisions of the *Anti-monopoly Law of the People's Republic of China*, the

Anti-unfair Competition Law of the People's Republic of China and the Law of the People's Republic of China on the Protection of Consumer Rights and Interests. In addition, internal rules and regulations such as the *Legal Compliance Guide for Overseas Business Behaviors of BOE Executives (2017)* have been formulated to prevent them from restricting or excluding market competition through improper means. In 2018, there were no lawsuits for improper competition, anti-trust and anti-monopoly.

4. IPR Protection

BOE holds a total of more than 70,000 patents, making it a global leader in this regard. By the end of 2018, BOE had won two patent gold awards and 22 patent awards of excellence and one design award of excellence under China Patent Award. Protecting intellectual property rights is in the interests of both the general public and the Company.



For many years, BOE has attached great importance to IPR protection by strictly abiding by IPR-related laws and regulations, respecting the IPRs of all parties, and strengthening its IPR management. It has also raised the IPR 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 IPR protection and conduct irregular inspection and re-education, so as to heighten the awareness of IPR 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 IPR cooperation, has defined rights and responsibilities of patents to avoid related risk and achieve win-win cooperation.

In 2018, BOE continued to boost IPR-related exchanges and training. It attended the lectures and exchange meetings organized by industry authorities such as National Intellectual Property Administration and Beijing Municipal Intellectual Property Office and organizations such as Patent Protection Association of China and Intellectual Property Alliance for Smart Display Devices, as well as the Seminar on Necessity and Feasibility of the Basic Law on Intellectual Property Rights, Seminar on Training and Evaluating IP Talents, and other activities, looking into industry dynamics and future trends and helping to boost the protection of IPRs.

<p>9,585</p> <p>New patent applications filed in 2018</p>	<p>>90%</p> <p>Invention patents</p>	<p>>70000</p> <p>Total number of patents held</p>
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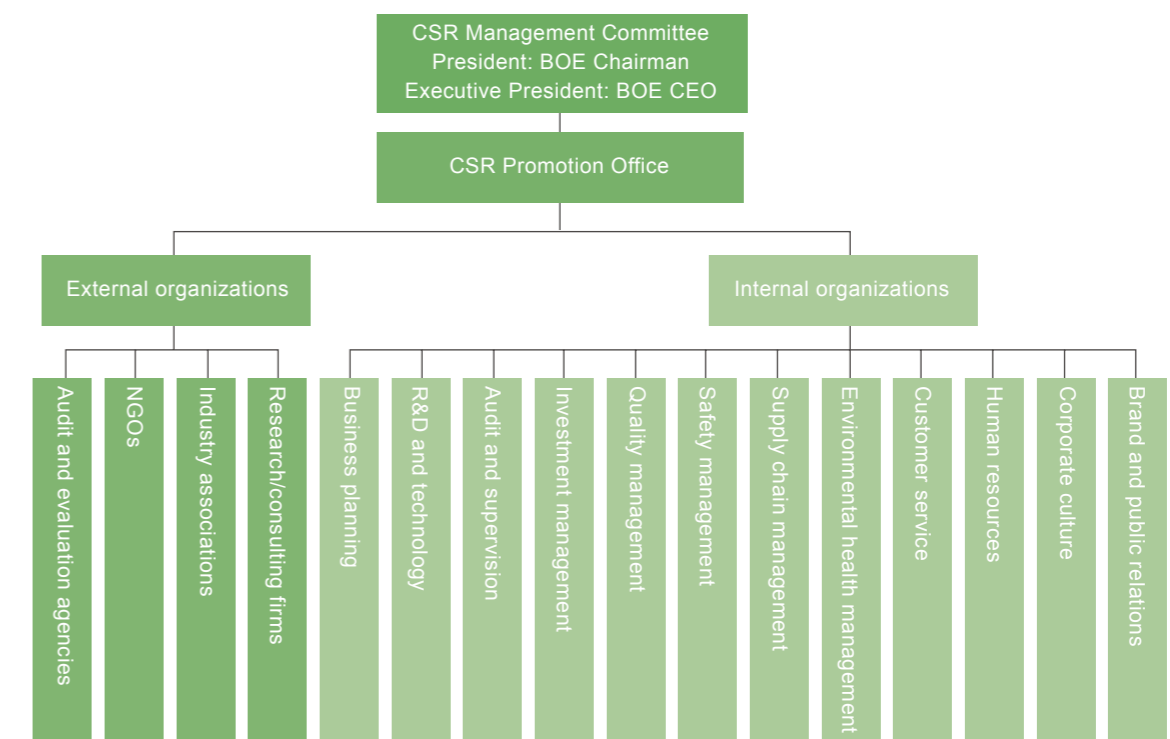
IV. CSR Management

1. CSR Philosophy

- 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 the concept of responsibility is translated into action at every post, BOE has established a sound social responsibility system. The Company has set up a CSR Management Committee whose President is served by BOE Chairman, Executive President by BOE CEO, and members by relevant vice presidents. It is responsible for studying and defining the strategies, vision, principles, and policies of CSR, dealing with CSR-related matters externally, and helping to decide on topics to be included in the CSR Report. As an independent organization, the Committee consists of CSR Promotion Office, which is responsible for promoting specific CSR-related work and communicating with CSR heads of all relevant departments of the Company. BOE's annual CSR Report needs to be approved by the Board of Directors before being published.



3. Analysis of Material Aspects

In November 2018, to improve its CSR-related processes, raise employees' responsibility awareness, and improve CSR management, the Company hired experts from SGS to provide professional training for staff in BOE's CSR management system.

In addition, BOE established a CSR Report Formulation Team to manage the formulation of the 2018 CSR Report, which is intended to improve CSR information disclosure and communication with stakeholders and make the formulation process more professional and rigorous.

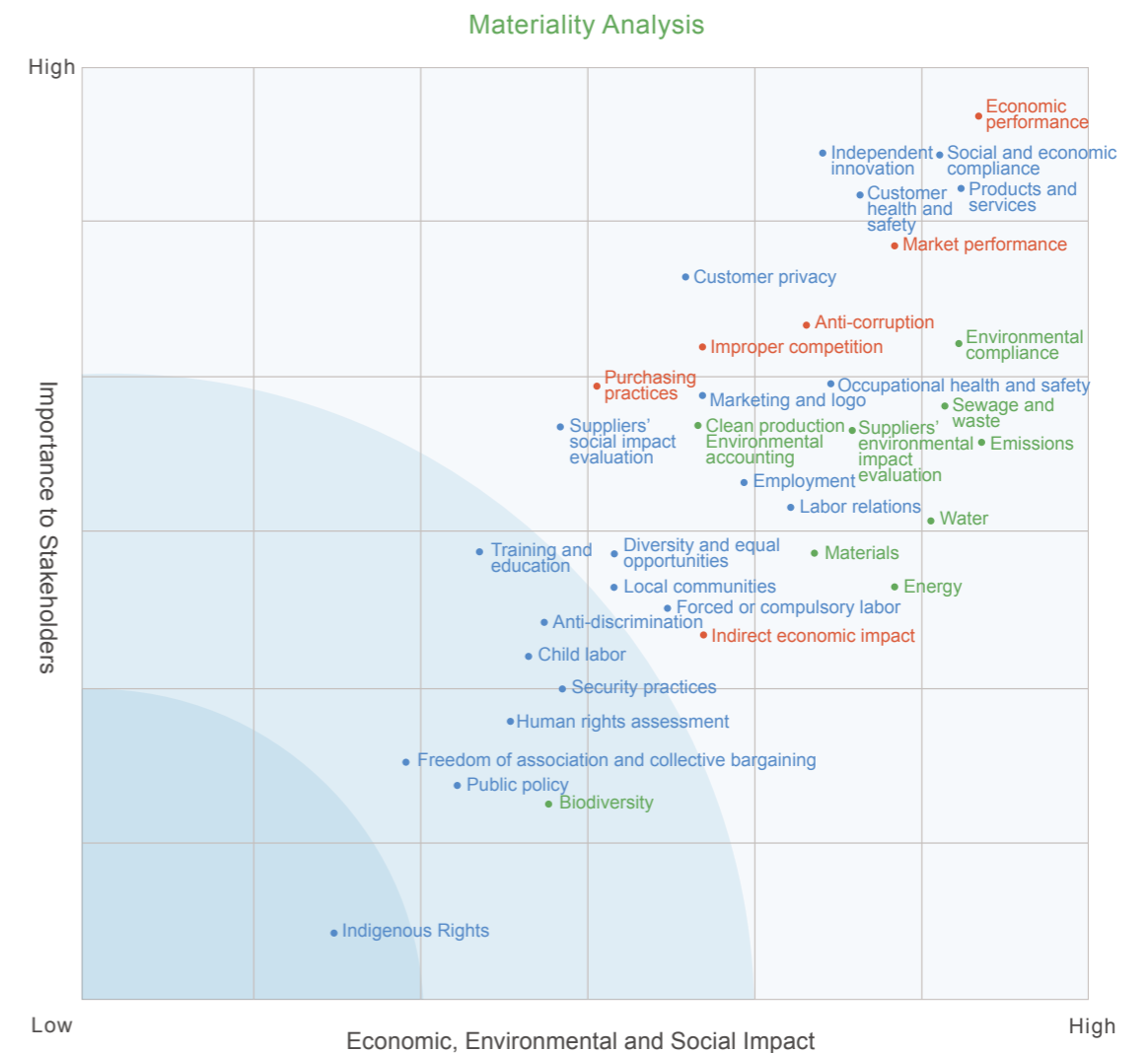
In accordance with the GRI Standards published by the Global Sustainability Standards Board (GSSB), the CSR Report Formulation Team identified the material aspects concerning BOE's stakeholders and social responsibility for 2018 through internal and external questionnaire surveys and sorted them by order. Based on questionnaire survey and overall analysis, BOE identified eight categories of stakeholders.



Process for Identifying Material Aspects

Screening	<ul style="list-style-type: none"> ▪ Reference to the GRI Standards published by GSSB, RBA Code of Conduct, Guidance on Social Responsibility of Information and Communication Technology Industry, etc. ▪ Consideration of the Company's development strategy ▪ Consideration of stakeholders' daily feedback ▪ CSR Report Formulation Team's discussion
Identification & prioritization	<ul style="list-style-type: none"> ▪ Questionnaire survey among stakeholders ▪ CSR Report Formulation Team's evaluation
Discussion & verification	<ul style="list-style-type: none"> ▪ CSR Report Formulation Team's discussion and verification ▪ Solicitation of opinions from internal and external experts ▪ Review by management of the Company

The CSR Report Formulation Team identified 33 specialized topics as specified in the GRI Standards and added four special topics related to the industries in which the Company operates according to the RBA Code of Conduct and Guidance on Social Responsibility of Information and Communication Technology Industry. A total of 37 topics were selected and included in the questionnaire survey for stakeholders and internal and external experts to determine their importance. Respondents score the topics by the degree of importance from two dimensions, i.e. economic, environmental and social impact, and importance to stakeholders.



Note: The words in red indicate economic topics, those in green environmental topics, and those in blue social topics.

Corporate Governance

BOE 2018 CSR Report

Eventually, BOE selected 29 topics that are highly important to stakeholders or have high economic, environmental and social impact to be the material aspects in the 2018 CSR Report, including six economic topics, nine environmental topics, and 14 social topics as shown below:

Economic	Environmental	Social
<ul style="list-style-type: none"> ▪ Economic performance ▪ Market performance ▪ Anti-corruption ▪ Improper competition ▪ Purchasing practices ▪ Indirect economic impact 	<ul style="list-style-type: none"> ▪ Environmental compliance ▪ Sewage and waste ▪ Emissions ▪ Suppliers' environmental impact evaluation ▪ Clean production ▪ Environmental accounting ▪ Water ▪ Materials ▪ Energy 	<ul style="list-style-type: none"> ▪ Social and economic compliance ▪ Products and services ▪ Independent innovation ▪ Customer health and safety ▪ Customer privacy ▪ Occupational health and safety ▪ Marketing and logo ▪ Employment ▪ Labor relations ▪ Suppliers' social impact evaluation ▪ Training and education ▪ Diversity and equal opportunities ▪ Local communities ▪ Forced or compulsory labor

4. Stakeholder Communication

In 2018, BOE had broad and in-depth communication with stakeholders such as customers, investors, suppliers, employees, governments, and communities through diverse interactions, sought to learn about their expectations and demands, and accepted their constructive suggestions, improving operation and management of the Company together with them.

Stakeholders	Content of Communication	Main Methods of Communication
Customers and Consumers	Compliant operations Product and service quality Customer needs Consumer rights and interests Customer health and safety	Daily communication and visits Customer satisfaction survey Customer service hotline Customer quality meetings Industry meetings and forums Innovation Partner Conference
Investors	Status of corporate operation Industry and market status and trends	Investor service hotline On-site investigations General Meeting of Shareholders Investor interaction platform provided by Shenzhen Stock Exchange, online business performance meeting, investor service section on BOE's official website, and investor mailbox Innovation Partner Conference

Stakeholders	Content of Communication	Main Methods of Communication
Suppliers	Compliance management and business ethics Attainment of quality targets Sustainability issues	Supplier training and seminars Supplier evaluation and review Industry meetings and forums Supply Partner Conference Innovation Partner Conference
Employees	Employee engagement Career development and training Occupational health and safety Employees' rights and interests Compensation and benefits	BOE Chairman's mailbox, Labor Union Chairman's mailbox, General Manager's mailbox, and employee assistance mailbox Meetings and interviews with employees Employee satisfaction survey Employee activities BOE periodicals
Communities	Pollution prevention and control Resource recycling Support for education and environmental protection Volunteer services Integration into community	Information disclosure Field trip Questionnaire survey Public interest projects Community volunteer activities
Industry partners	Technical exchanges Collaborative innovation Industry development	Industry conferences, seminars and other activities Innovation Partner Conference
Government	Policy implementation Industry development Corporate governance Regional economic development Employment Environmental protection Public interest	Seminars Correspondence Examination and self-examination Public interest projects
Media	Corporate operations Corporate development CSR Information disclosure	Periodic reports and CSR reports Interviews and meetings Innovation Partner Conference Other public activities

Customer

BOE and Customers

Over the years, BOE has held steadfast to the customer-oriented concept, kept up with the advances in IoT, and focused on market segments to provide a broad spectrum of forwarding-looking and personalized products and services for customers, striving to be their partner and escort on the path of IoT-based revolution. It has embedded the pursuit of excellence in every part of the whole process from R&D to quality management and customer service, and dedicated itself to delivering exactly what customers need and creating a user experience beyond their expectations.

I. Customer-oriented Concept

Creating shared value through in-depth cooperation and collaborative development is the core of customer relationship management.

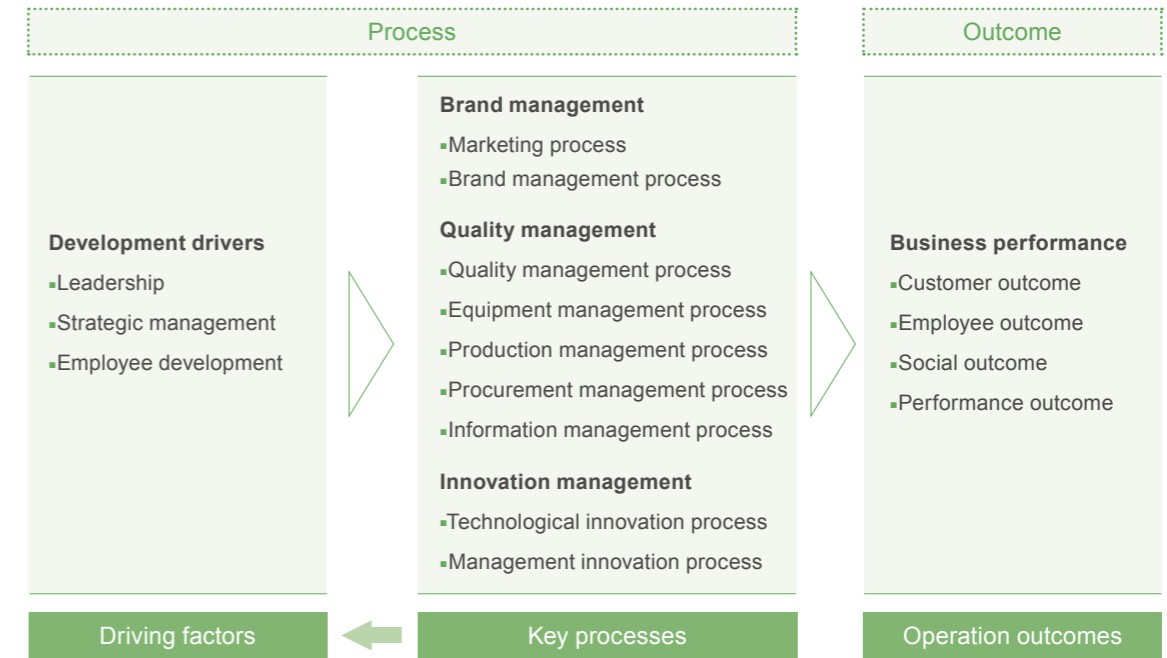
In-depth cooperation:	Get a more comprehensive and profound understanding of customer needs through in-depth interactions, stimulate innovative ideas, and make them recognized by customers for win-win cooperation;
Collaborative development:	Turn the innovative ideas into products and bring them to market as quickly as possible;
Value Co-creation	Achieve customer value and our own value through in-depth cooperation and collaborative development.

II. Responsible Products

1. Excellence-centered Management

Quality is the foundation of respect and the lifeline of an enterprise. Committed to the quality vision of “a benchmark for global excellence”, BOE has implemented the quality strategy of “creating value and winning by quality,” and endeavored to provide high-quality products and services to create value for customers, achieve greater profits and win respect of the general public.

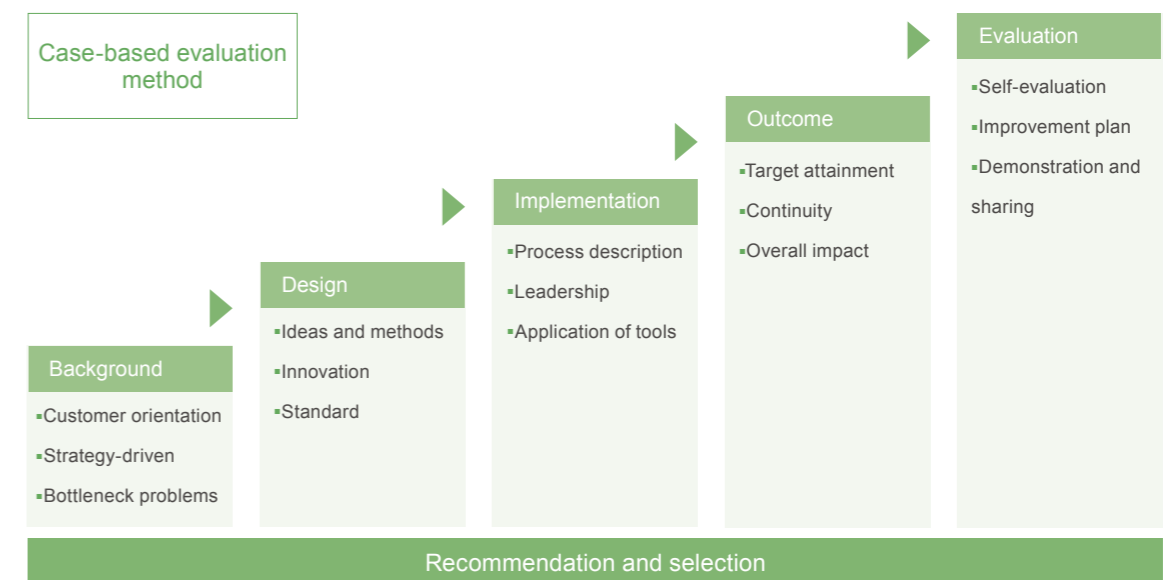
BOE has always followed the quality policy of “customer orientation and pursuit of excellence”, and guided the subsidiaries to establish management systems geared to the development needs of various businesses according to the ISO9001, TS16949, JCI and ISO13485 standards, and have these management systems certified. In quality management practices, it has formed the distinctive BOE Quality Management Model (BQMM) aimed at prompting business lines to focus on corporate vision and strategy to create value and achieve excellent performance. It has ensured that the input and output of each process meets customer needs and expectations through the attractive quality identification system; adopted positive and negative approaches to management to prevent quality problems; deepened excellent performance management on the basis of the strategy-driven quality improvement system and BOE Quality Award to maximize the value of quality; and improved management quality, product quality and service quality in an all-round manner to push forward strategy implementation and ensure the success of all stakeholders.



A case-based evaluation method is adopted to select winners of BOE Quality Award. The evaluation, centering around five elements and fifteen points, is intended to encourage all staff members to focus on customer demand, take into account strategic requirements systematically, and set goals against bottlenecks to make continuous improvements and maximize the value of their effort. Moreover, through such a process, best management practices are found and promoted to raise the level of the quality management on the whole.

BOE Quality Award for Boosting Innovation, Quality and Brand

The BOE Quality Award was designed to improve work quality of the staff and maturity of processes to accomplish the company's strategic objectives. The criteria for BOE Quality Award cover all aspects of business operations, and are essential to the effective implementation of total quality management. The criteria fall within the two categories of process and outcome, and consist of seven sections in three parts. The driving factors are composed of "leadership, strategic management, and employee development", and are the driving forces of organizational development. Key processes cover "brand, quality and innovation", and are the focal point of the company in the new era. Operation outcomes include customer outcome, employee outcome, social outcome and performance outcome, which are used to measure and assess operational effectiveness.



2. A Trustworthy Choice

BOE's pursuit of excellence in quality management has been recognized by the government and all sectors of society. It was granted the First Quality Management Award of Beijing Municipal People's Government and the Nomination Award of the Second and Third 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 Second National Quality Innovation Competition. *The Positive-Negative Closing System for Quality Problems* won the Nomination Award of the International Quality Innovation Contest. BOE has become a trustworthy choice of a large number of well-known brands and consumers.

<p>BOE has received awards from many clients for its excellent quality and services.</p>	<ul style="list-style-type: none"> Huawei's Global Supplier Gold Award HP's Best Quality Award & Best Service Award Dell's Quality Progress Award & Innovative Supplier Award of the Year Walmart's Excellent Supplier of the Year Award Lenovo's Excellent Quality Award, Smart Pioneer Award & Outstanding Quality Award KONKA's Supplier Award for Best Quality LGE Nanjing's Excellent Supplier Award Qisda's Excellent Supplier Team Award Wistron's Quality Progress Award
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III. Quality Services

1. Quick Response

Display and Sensor Devices Business is a long-standing dominant field of BOE. Quick and accurate services make a great contribution to the international reputation of BOE's display products. BOE's overarching 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: Centering 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 composed of 17 domestic permanent points covering South China, East China, North China and Southwest China, and 14 overseas permanent points 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 readily available to analyze 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.

Building on the foundation of the display business, other business groups have also achieved innovation in quick response. BOE's IoT Solution Business Group established the tiered technical support response mechanism requesting emergency response in two hours. As of the end of 2018, the average time to solve problems by BOE's electronic shelf label after-sales service team was 2.31 hours. BOE's Smart Healthcare Services Business Group developed the Zero-Second Space – Service Standard Guide for the life sciences park solutions business, requiring space operation staff to arrive at the site in five minutes after receiving a client request for repair, fix the problem in 15 minutes, and make a quick response to client suggestions and feedback.

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

After being informed that the electronic shelf labels at the Mi Home store on The Palace business street lost connection due to external cables, BOE Customer Service Center initiated emergency response and solved the problem in just one hour, winning high praises from the client.



2. Smart Management

In the information age, customer relationships are facing new challenges. BOE's business groups have made active explorations in IT application to customer services and platform-based management to raise the level of smart management.

BOE's Mobile Healthcare IoT Platform Business Group developed a Customer Relationship Management (CRM) system to handle customer enquiries, complaints and technical service applications. The CRM system is connected to the system of service partners, enabling real-time communication in service progress and process, and thus achieving whole-process, systematic monitoring and management.

BOE's Smart Healthcare Services Business Group established the digital service management system for life sciences parks, including the property service management platform and shared office space service management platform. The system links customers and the service team, achieves one-stop digital service management and improves customer experience. This system provides customers with

BOE and Customers

BOE 2018 CSR Report

convenient services such as online requests for repair, visitor applications, access control, parking space applications, online payments, Wi-Fi, smart parking, park navigation, park tours, and online meeting room reservations. By integrating online and offline service application scenarios, the system improves service quality and efficiency, and achieves effective closed-loop management.

3. All-round Protection

BOE strictly conforms to the national policy on refund, exchange and maintenance of commodities, and protects consumer rights and interests in all aspects. It takes part in consumer protection activities, and provides product and service policy counselling to protect consumers' right to know.

To protect customer/consumer privacy, BOE has put in place the work processes and safety management systems with respect to user information collection, use and other activities, exercised access control among the staff and agents, reviewed bulk copy, import and export of information, and taken measures to prevent information leakage. It has properly kept all kinds of media containing user information such as paper documents, optical discs and magnetic storage devices, and taken effective safe storage measures; conducted access reviews of systems storing user information to protect them from attacks and viruses; documented information about the staff using user information, the time, locations and matters; clarified the responsibility of the departments and posts for user information safety, strengthened management in information collection, retrieval, use and other aspects, and increased efforts in the protection of customers' personal information.

With regard to information on online platforms, BOE protects the users' rights to know and to choose in the process of installation and use according to law. It will not get access to the users' locations and contacts or turn on the camera and recording function without their permission, and will not use any functions or bundle any applications irrelevant to the services it provides. According to the real-name registration system, it requires users to register with their real names while allowing them to use nicknames to be shown on online platforms. In addition, BOE has established a sound content review and management system, allowing no one to express opinions or publish works on the internet if their true identity is not verified. If any user is found to have published contents violating laws and regulations or infringing upon others' copyrights, BOE will give warnings to the accounts, limit their functions, or shut them down depending on the situation.

4. Efficient Communication

BOE has a sound customer communication mechanism and provides targeted service approaches according to the characteristics and needs of corporate customers and ordinary consumers. For corporate customers, BOE gets to know their expectations and needs through regular customer satisfaction surveys, participation in customer quality meetings, mail, telephone and visits, and promptly improves the management process to increase customer satisfaction.

BOE conducts satisfaction surveys on strategic customers every six months, and develops customized questionnaires for different customer groups to comprehensively understand customer characteristics, their suggestions on products, and service experience.

The survey results are shown below.

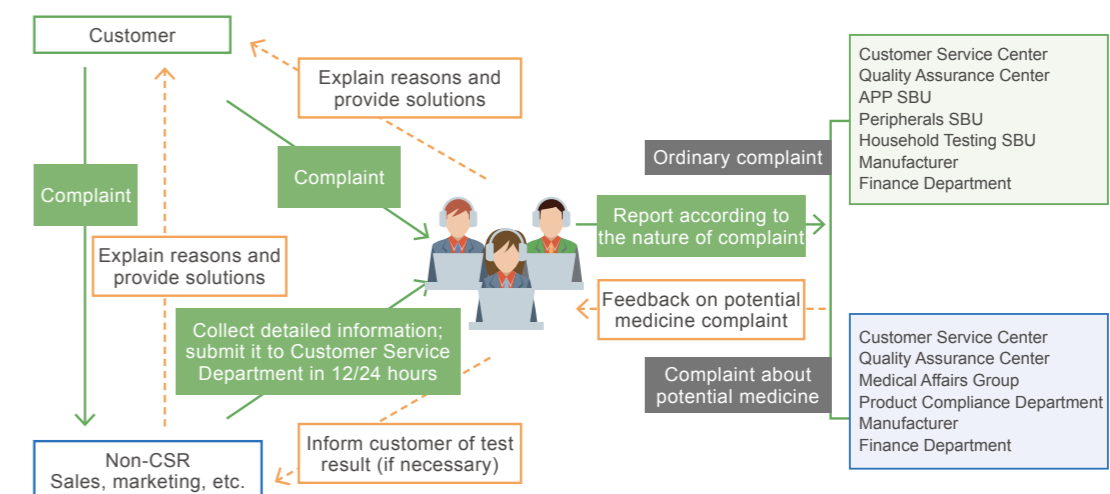
Aspect	2018 Customer satisfaction	Customer feedback	BOE's actions
Product quality	91%	Unexpected quality problems of products	BOE set up a special improvement team to quickly respond to the problems, and took measures to ensure that problems at the stage of certification could be solved timely prior to mass production. The number of main quality problems declined 29% year on year, and customer satisfaction increased from 88% to 91%.
Technology and innovation	92%	The initial quality of some new mass-produced products is unstable	Developing technology improvement schemes to improve the stability of new mass-produced products
Service concept	95%	NA	—
Price and product supply	91%	The variations in the pass rate of individual product models affected delivery	Improving pass rate, and discussing with customers in the case of any abnormality
Hazardous substance	96%	NA	—
Average of overall satisfaction	93%		

Note: Data comes from Display and Sensor Devices business group. Customer satisfaction surveys vary among business groups.

Standard procedures for handling consumer complaints

BOE has standard procedures for dealing with consumer complaints. Take the Mobile Healthcare IoT Platform for example. The customer service center first sets out rules concerning consumer complaints, including the definition of complaint, feedback, responsible post, handling process and validity period, and then goes through standard procedures including investigation and analysis, consumer notification, reporting to responsible departments, in-depth assessment, and product recall to ensure that consumer complaints are handled in a closed-loop system.

Complaint Handling Process for the Mobile Healthcare IoT Platform



Investor

BOE and Investors

The trust and support of investors gives a strong impetus for BOE to stay true to its original aspirations and forge ahead in complex environments. Over the years, BOE has been pursuing development through innovation, seized the opportunities of the times and kept expanding its businesses to strengthen profitability and increase its market share and influence at home and abroad. Its exceptional business performance in various fields has been recognized by investors from all sectors of society. To protect the rights and interests of investors, BOE discloses information in a timely, accurate and complete manner, conducts in-depth communication and interactions with investors through diverse channels, and strives to create sustainable market value for investors through informed decision-making and efficient management, thereby achieving win-win results.

Investor Service

BOE has a professional investor relations management team to convey the company's information to investors and promote long-term coordinated development of the company and the capital market. BOE has continuously improved the communication system and established multi-tiered, diversified and IT-based communication channels in the principle of "equality, openness, transparency and efficiency".

In 2018, the investors paid close attention to information such as construction and operation of production lines, the company's business performance, development of Smart Medicine and Engineering Integration, and dynamics in the display sector. BOE informed the investors of its latest developments and related information through diverse channels, including the interaction platform provided by Shenzhen Stock Exchange, regular online performance briefings, investor open days, investor hotline, investor mailbox, field investigations, visits to production lines, teleconferences and BOE IPC. The purpose is to disclose information to the capital market and investors in a timely, proactive and thorough manner. Meanwhile, BOE actively participated in online and offline road shows and other promotional activities organized by securities regulators, Shenzhen Stock Exchange, trade associations, research institutes and intermediaries. It also strengthened communication with investors outside the Chinese mainland, and participated in strategy meetings and road shows in the United States, Hong Kong, etc. to increase diversity in investors.



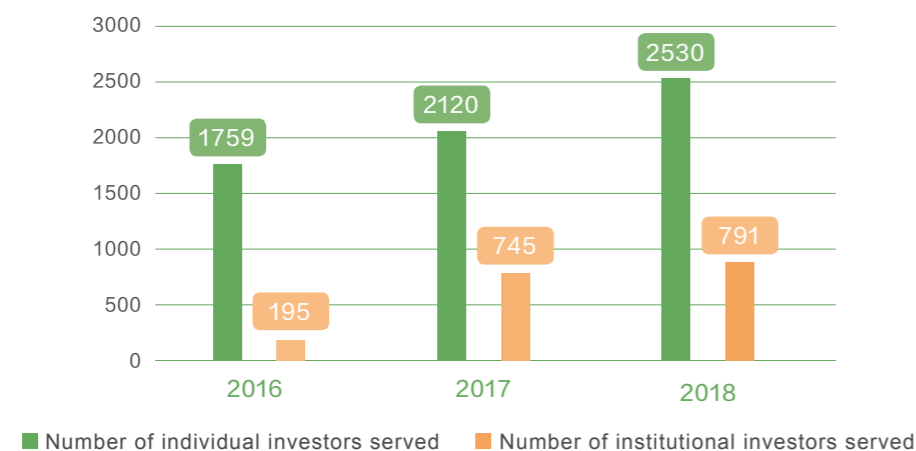
BOE and Investors

BOE 2018 CSR Report

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, investor open days, and online performance briefings. For institutional investors, it delivers investor services in a more professional and proactive way, and engages technical experts, in addition to the investor relations management team, in communication and interactions with institutional investors so that they could get a better understanding of BOE's technological strength and industrial value. In 2018, BOE provided services for more than 2,530 small and medium-sized investors, among whom 1,279 received services via the investor hotline and 1,251 via the interaction platform of Shenzhen Stock Exchange. It served 791 institutional investors, attended 55 strategy seminars of securities companies, and held over 100 corporate value promotional activities and three performance interpretation meetings for investors. BOE was recommended in 45 research reports of securities companies, and six Chinese and international securities companies released their first research reports on BOE.

In order to protect the rights and interests of investors, BOE set up the "Investor Relations" section on its website to publish information related to investor protection so that investors can know about potential risks and invest prudently.

BOE services for individual and institutional investors, 2016-2018



E-mail: web.master@boe.com.cn

Investor hotline: 86-10-60965353

"Investor Relations" section on official website: <http://www.boe.com/tzzgx/>

2,530

Number of individual investors served in 2018



791

Number of institutional investors served in 2018

Information Disclosure

As a responsible listed company, BOE discloses information in a truthful, accurate, complete and timely manner in strict accordance with the provisions for listed companies, and guarantees that there are no false records, misleading statements, or material omissions. BOE treats all investors equally, discloses information to all investors at the same time, and sees to it that all its statements and behaviors are subject to investor and public supervision.

Main channels/methods of information disclosure

Disclosure Channel/ Method	Way of Accessing Information	Frequency	Information Involved
Periodic reports (annual, semi-annual and quarterly)	Check BOE's official website, cninfo.com, <i>China Securities Journal</i> , <i>Securities Times</i> , <i>Shanghai Securities Journal</i> , or <i>Ta Kung Pao</i>	Every March, April, August and October	Company profile, analysis and discussions of the management, brief explanations on important matters, corporate governance, internal control, financial reports, etc.
Temporary announcements	Check BOE's official website, cninfo.com, <i>China Securities Journal</i> , <i>Securities Times</i> , <i>Shanghai Securities Journal</i> , or <i>Ta Kung Pao</i>	On an irregular basis	Resolutions of the Board of Directors and Board of Supervisors, major transactions, etc.
CSR report	Visit and download from BOE's official website or cninfo.com	Yearly	Annual CSR topics and practices
BOE's official website	www.boe.com	Timely	Company profile, company news, industrial dynamics
Official WeChat/Weibo account	QR code:  	Timely	Dynamics of BOE
Official Facebook/ Twitter account	BOE Technology	Timely	Dynamics of BOE

Market Performance

Due to the impacts of growing uncertainties at home and abroad and the sluggish display market from the beginning of 2018, BOE saw a decline in market capitalization amid the downward trend of China's capital market and industry index. As its IoT strategy went deeper, however, BOE had gathered speed across its three core areas of business – Interface Devices, Smart IoT System, and Smart Medicine and Engineering Integration. In 2018, BOE registered a total revenue of approximately RMB97.1 billion, an increase of 4% year on year; its net profit attributable to shareholders was about RMB3.44 billion, and the sales of main display products increased about 30% year on year, consolidating the company's leadership in the international market.

Despite the unfavorable market conditions, BOE took strong actions and ensured stable growth of its businesses.

Business results in 2018

Market performance	According to IHS Markit, BOE ranked first in the world by total panel shipments, and occupied the largest market share in LCD panels for smart phones, panels for tablets, panels for notebooks, panels for monitors, and panels for TVs.
Production lines	The Gen 10.5 TFT-LCD production line in Hefei began mass production, the world's most advanced of its kind in operation; the Gen 10.5 TFT-LCD production line in Wuhan and Gen 6 flexible AMOLED production line in Chongqing were under construction; the Gen 6 flexible AMOLED production line in Mianyang was put into operation; and the construction of BOE's Suzhou Smart Manufacturing Services Park was started.
Digital art solutions	The sales of BOE iGallery surged 207%, with 123,000 new users and 265,000 transactions completed.
Smart retail solutions	BOE provided smart retail IoT solutions for about 17,000 stores in more than 61 countries, and global shipments of electronic shelf labels reached 170 million.
Smart energy solutions	BOE expanded the investment in and operation of PV power stations and the application and development of distributed energy storage systems. The cumulative installed capacity of its PV power stations was 368MW, and power output in 2018 reached 400 million kWh.

Digital hospitals

The Hefei BOE Hospital, a digital general hospital integrating digital medicine, data cloud and smart management backed by technologies like IoT and AI, has been licensed and is set to come into operation in the first quarter of 2019. The BOE Hospital in Chengdu is under development.

Life sciences park solutions

BOE signed cooperation agreements with the government of Fangshan District of Beijing to jointly build the BOE life sciences industry base.

Mobile health management platform

Based on AI and big data algorithm, BOE's Mobile Healthcare App3.0 monitors health data on smart devices, and provides users with medical services such as vital signs surveillance and interpretation, AI-based disease risk prediction, health lectures, online consultation, and health check-up registration, so that users have personalized health management services at their fingertips. Meanwhile, BOE rolled out smart devices such as smart sleep devices and ECGs.

In 2018, to provide better returns for investors, BOE embraced the philosophy of market value management centered on improving intrinsic value, advanced IoT-based transformation, and enhanced its capacity for value creation. The company's valuation was higher thanks to improved information disclosure, more standard operations and increased communication with investors. In June 2018, BOE distributed RMB0.5 per ten shares (tax included) to all shareholders, or more than RMB1.6 billion for a total of 34,798,398,763 shares at the time.

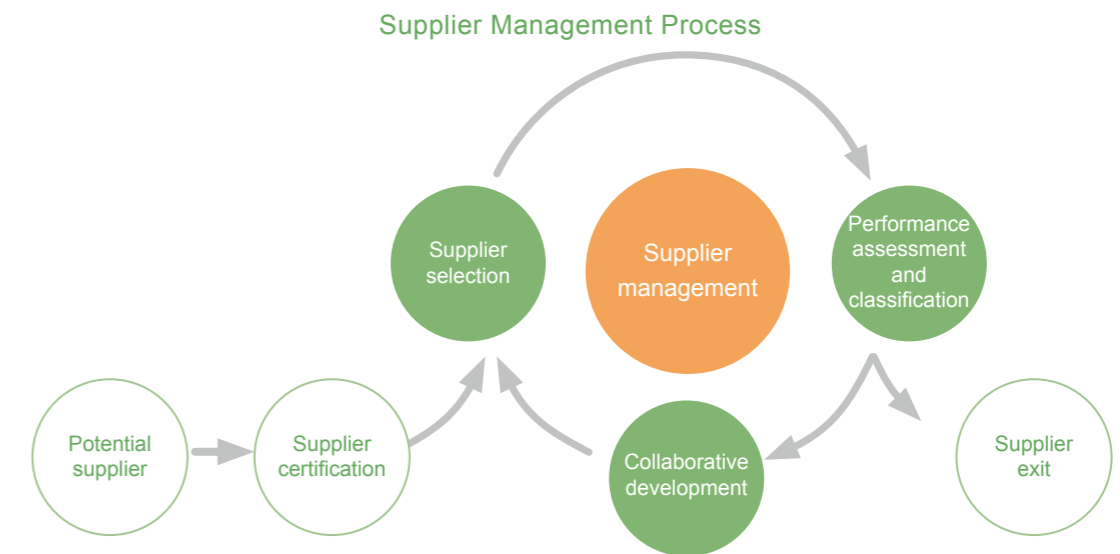
Supplier

BOE and Suppliers

Building a healthy, secure and sustainable supply chain is the foundation for steady development of an enterprise, and also an important aspect of social responsibility. BOE believes that to develop a sustainable supply chain requires both the leading role of the enterprise itself and concerted efforts of upstream and downstream partners. Over the years, BOE, following the philosophy of “creating shared value through in-depth cooperation and collaborative development”, has not only fulfilled its social responsibility but also helped partners along the supply chain to improve the supply chain management system, raise the level of CSR management and enhance the capacity for sustainable development, and worked closely with them to meet the challenges in innovation for sustainable economic, environmental and social development, and build a responsible supply chain featuring harmony, win-win development, and sustained competitiveness.

I. Supply Chain Management

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 formulating cooperation strategies to keep the supply chain healthy, stable, efficient, and competitive.



1. Certification and Evaluation

BOE has around 3,400 suppliers globally, including over 2,000 suppliers specializing in BOM materials, outsourcing, and consumables, and about 1,400 suppliers of equipment, spare parts and services. They are mainly distributed in the mainland and Taiwan of China, South Korea, and Japan. Following the principle of fair procurement and equal opportunities for suppliers, BOE selects suppliers based on their technology, quality, services, supply, cost, environmental performance, CSR performance and information security, and manages suppliers strictly to ensure that all transactions are honest, compliant, transparent, and responsible.



BOE and Suppliers

BOE 2018 CSR Report

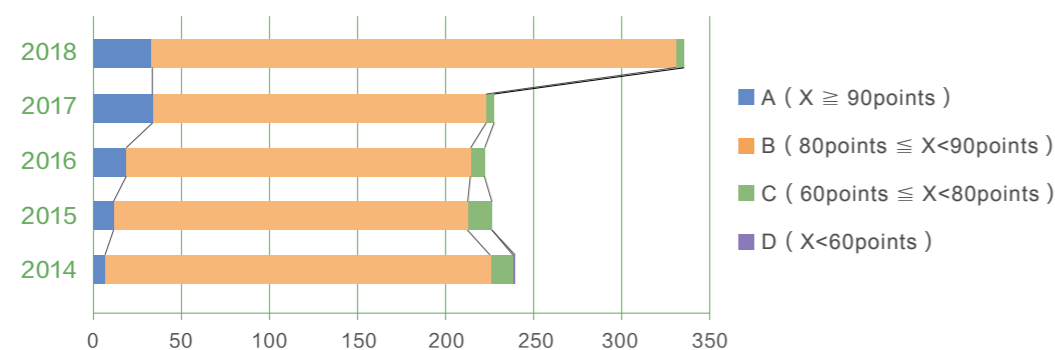
BOE's supplier certification includes system certification and product certification. System certification is based on international systems including ISO90001, ISO14001 and ISO45001, and BOE's internal systems such as Quality System Assessment (QSA), Quality Process Audit (QPA), Hazardous Substance Process Management (HSPM), General Management Audit (GMA), CSR, Business Integrity Analysis (BIA), and information security. For product certification, BOE requires suppliers to sign the Supplier Green Product (GP) Guarantee, and tests and monitors hazardous substances contained in their products throughout the process.

To ensure the supplier assessment system is proper 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, hazardous substance management, CSR management system, business integrity system and information security, and develop detailed assessment criteria and checklists. Only after being certified can a company be registered as a qualified supplier. In 2018, BOE introduced 200 new suppliers, all of which met environmental and social performance standards and passed environmental assessment.

Supplier Performance Assessment

Assessment and review can help suppliers identify problems and work out solutions in a timely manner. BOE attaches great importance to daily assessment to keep improving the supply chain. BOE's supply chain management department assesses suppliers' performance in technology, quality, services, supply, cost, finance, legal affairs and CSR management on a monthly, quarterly and yearly basis. Specifically, CSR management assessments cover management system, labor practices, safety and occupational health, environmental impact, and business ethics. Assessment results are classified into four levels: A, B, C and D. Based on regular assessment results, BOE will give incentives to suppliers, provide them with necessary guidance for improvement, or disqualify them. For suppliers rated C in annual performance assessments, BOE will conduct annual plant audit according to the supplier certification standard, and

Rating of Core Suppliers 2014-2018



Notes: The data cover suppliers of BOE's Interface Devices Business. There are no multi-year data for comparison for other lines of business as they were established not long ago.

provide them with on-site guidance. For suppliers which have been rated D in one annual performance assessment or C for two consecutive years, their qualification will be revoked.

In 2018, BOE conducted on-site audit on the CSR management system of some important suppliers. It was found that about 20% of the suppliers faced different degrees of risk in terms of the environment, safety and occupational health. BOE promptly required them to develop improvement plans and supervised their corrective actions to get them better prepared against risks. So far, 50% of the identified problems have been rectified, and the rest need to be handled step by step. BOE will follow up on the issues and take active and effective measures to help the suppliers address the risks.

2.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 according to the actual situation of each material and each supplier. BOE implements the electronic tendering system to prevent any malpractices of suppliers in the process of bidding and ensure the tendering process is fair, transparent and traceable.

To share responsibilities and risks with suppliers, BOE has established a strategic partnership with some core material suppliers and given priority to them in terms of planning information sharing, collaborative development, cooperation on new projects, and amount of supply. In addition, it sets reasonable procurement lead time and optimizes management taking into full account the development, procurement, production and delivery periods of suppliers.

Supplier Risk Identification and Response

Supply chain risk	Response
Macro risk	<ul style="list-style-type: none"> Study and analyze laws and regulations and environmental policies in key areas, and convey the analytical results to suppliers so that they will not stop or cut production due to changes in laws, regulations and policies and can ensure normal supply to BOE
Operational risk	<ul style="list-style-type: none"> Conduct annual assessments on the general operation of suppliers, including legal affairs, finance and other aspects Review CSR management of suppliers, covering management system, labor practices, safety and occupational health, environmental impact and business ethics, and make sure that suppliers' production is sustainable
Transportation risk	<ul style="list-style-type: none"> Select reputed logistics suppliers, conduct KPI assessments and ensure transportation safety Require suppliers to meet the needs of emergency supply and ensure stable supply with multiple means of transportation
Moral hazard	<ul style="list-style-type: none"> Develop sound tendering procedures; organize audit and supervision, legal affairs and other departments to keep track of and supervise the whole process for major engineering projects and procurement of important materials and equipment; separate invitation to tender and bid evaluation, and separate bid evaluation and bid selection to ensure compliance in the tendering process Conduct integrity system certification reviews on new suppliers, require all suppliers to sign integrity agreements and inform them of procurement-related prohibitions when signing procurement contracts, so as to prevent any behavior that violates business ethics and affects BOE's image

II. Sustainable Supply Chain

1.Environmental Management

As an environmentally and socially responsible corporate citizen, BOE sets strict standards for environmental and social impact of suppliers while paying attention to their performance in technology, quality, services, supply and cost. BOE only uses products, parts and materials with low environmental load, and requires all suppliers to sign the Green Product (GP) Guarantee, and provide third-party RoHS and halogen-free test reports on a regular basis to prove that their products meet BOE's standard for hazardous substance control. 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 hazardous substance assessments on material suppliers according to the *Standard for Quality Management of Material Suppliers*. In 2018, no hazardous substance had exceeded the limits, and environmental risks in the supply chain were well under control.

Supplier environmental impact assessment standard	Passing rate in 2018
Hazardous Substance Control Standard	100%
Restriction of Hazardous Substances Directive (RoHS) and Registration, Evaluation, Authorization and Restriction of Chemicals (REACH)	
Waste Electrical and Electronic Equipment Directive (WEEE)	
Administrative Measures for the Restriction of the Use of Hazardous Substances in Electrical and Electronic Products	
Whether a supplier has signed the Green Product (GP) Guarantee	

Suppliers' Environmental Protection Training

To improve the capacity of the supply chain for environmental protection, BOE has developed special supplier environmental protection training plans, and pushed forward the plans on the fronts of technology and management. In 2018, BOE organized comprehensive training for suppliers on the HSPM system building, prevention of excess hazardous substances, carbon footprint investigation, and so on. Suppliers were educated on BOE's approaches to hazardous substance management and control, the latest international and national environmental laws and regulations, XRF testing principles and operational methods, and computer-assisted carbon footprint calculation modules and system operating methods. In particular, BOE held the supplier GP requirement and carbon footprint seminar, which was attended by 340 representatives from 230 suppliers. Through lectures and on-site communication, the seminar expanded suppliers' knowledge about environmental protection and improved their skills in this regard.

2. Labor Practices

In 2018, BOE formulated the CSR Management Regulations for Suppliers based on the Responsible Business Alliance (RBA) Code, SA8000, ISO14001 and ISO45001 standards, as well as supplier feedback, specifying the requirements on suppliers in management system, labor practices, safety and occupational health, environmental impact and business ethics.

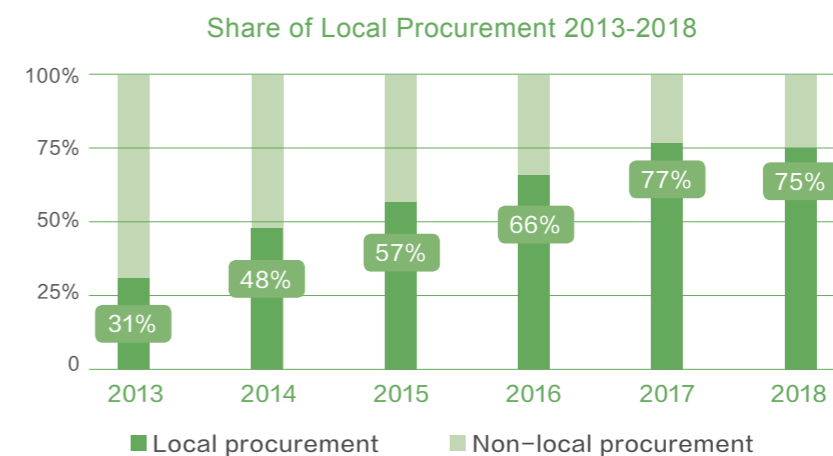
BOE works to ensure that the employees of its suppliers are entitled to all kinds of rights and receive decent pay. The *CSR Management Regulations for Suppliers* set out the requirements on suppliers in eight aspects including human rights, child/underage/female labor, forced or compulsory labor, working hours and rest, basis salary and social security, non-discrimination, freedom of association and communication, and employee rights and interests protection system.

Suppliers are also required to observe rules concerning workplace safety and health.

- Suppliers should identify, assess and control the impacts of chemical, biological and physical factors on employees, and must take design, engineering or administrative measures to avoid excessive exposure to hazards. Where hazards cannot be adequately controlled by these means, workers are to be provided with appropriate, well-maintained, personal protective equipment.
- Suppliers should identify and assess emergencies and accidents that may occur, and implement contingency plans and response procedures to minimize impacts, including emergency reporting, employee notification and evacuation procedures, emergency training and exercises, fire alarm and fire-extinguishing equipment, emergency exits, and recovery plans.
- Suppliers must evaluate production and other machinery for safety hazards. Physical guards, interlocks and barriers are to be provided and properly maintained where machinery presents an injury hazard to workers.

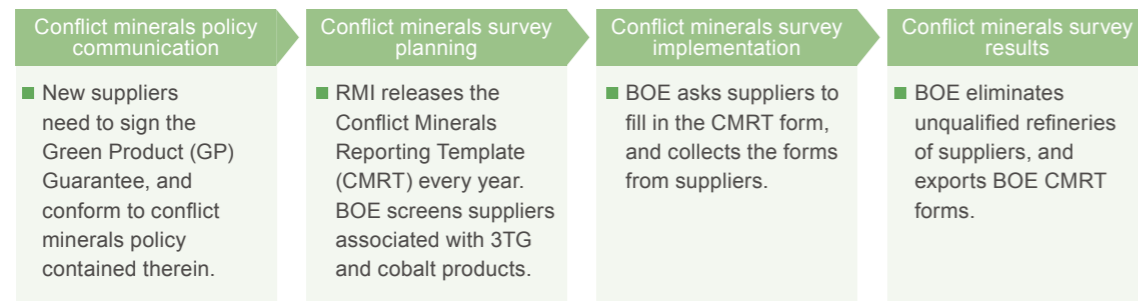
3. Local Procurement

On the basis of ensuring production efficiency, BOE strengthens local procurement to reduce environmental impacts and carbon emissions from transportation and other processes. It also supports competent international enterprises in setting up plants in China, and works with them to build a competitive industry ecosystem and create greater value.



4. Responsible Minerals

BOE's Conflict Minerals Management Process



BOE is dedicated to strengthening risk identification, supporting local procurement and working with suppliers to build a responsible supply chain through responsible minerals procurement. Its raw material procurement policies conform with the guidance of the Responsible Minerals Initiative (RMI) and the UN, and the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas*. The Company and all its suppliers and outsourcers only purchase from smelting plants and refineries approved or certified by RMI, London Bullion Market Association (LBMA), or Responsible Jewelry Council (RJC). They do not purchase or support the use of any conflict minerals that directly or indirectly fund or support conflict-affected areas. In this way, we ensure that all suppliers adopt responsible practices when purchasing minerals and respect human rights and the 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 "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 Due Diligence Guidance, 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 forms or other documents.

BOE uses RMI's CMRT form to conduct annual conflict minerals surveys throughout the supply chain. In 2018, BOE carried out investigations on 129 suppliers of resistors, inductors, capacitors, IC, LED, and connectors that may contain gold, tantalum, tungsten and tin, an increase of 45% over the previous year. The investigation results showed that gold, tantalum, tungsten and tin in BOE's raw materials come from 265 RMI-recognized smelters, which all meet BOE's supply standard.

5. Win-Win Cooperation and Common Development

BOE attaches great importance to communication and exchanges with partners, and has established regular exchanges mechanisms at various levels, including annual/semi-annual high-level interactions at the strategic cooperation level, quarterly/monthly seminars on technological 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 2018 was held in Hefei on May 11, 2018. Themed "Innovation•Win-Win", the conference brought together over 360 leading IoT enterprises across the world. At the conference, BOE reviewed cooperation results, exchanges views on the future and challenges, and discussed the direction of cooperation with the supply partners. They also outlined the vision for strengthening collaborative innovation in products, technologies and management to jointly build an industrial eco-chain featuring win-win cooperation and common development.



Environment

BOE and Environment

With a focus on eco-innovation, BOE places the highest priority on environmental protection, clean production, and sustainable development. It makes a continuous effort to improve its environmental management system which is weaved into every fabric of the company, and strives to minimize environmental impacts associated with all the stages of a product's life from creation to disposal. In the meantime, BOE is taking a proactive stance against climate change. It is leveraging technologies to scientifically improve energy and resource efficiency, develop and promote the use of clean energy, reduce waste and greenhouse gas (GHG) emissions, integrate green concepts into every function of the company, and work together with suppliers and partners to create an efficient, clean and sustainable environment.

I. Integrated Environmental Management

1. Environmental Management System

BOE's Green Vision Go green for a better future

Green development principles	Green development targets
<ul style="list-style-type: none"> Take responsibility for the environment; Minimize environmental impacts of products and services throughout their life cycle; Raise partners' environmental awareness and urge our partners to reduce the environmental impacts of products and operations; Establish an environmental risk prevention and preparedness system to avoid and ensure timely disposal of environmental pollution incidents; and Disclose objective environmental impact information related to business activities to the public faithfully. The top management of BOE is responsible for formulating and implementing action plans based on the above principles 	<ul style="list-style-type: none"> To become a leading exemplar of green development in the industry by 2022; To have the lowest levels of energy/water consumption and direct/indirect greenhouse gas emissions per unit of added value or per unit of product in the industry; To significantly cut emission intensity of major pollutants such as nitrogen oxides, volatile organic compounds (VOCs), chemical oxygen demand, and ammonia nitrogen; To build green demonstration plants, increase the use of green energy and reclaimed water, and raise the recycling rates of industrial solid waste, major renewable resources, and liquid waste; To integrate green concepts into product development; To incorporate resource conservation and environmental protection in supply chain management; To continuously improve the company's environmental management system and database, and utilize environmental performance indicators to monitor environmental performance; and To vigorously develop renewable and clean energy.

With a corporate philosophy of instituting green practices throughout the organization, BOE is continuously working to improve its environmental management system. The Headquarters of the BOE Group has an environmental management department, which is responsible for establishing group-wide environmental management standards and supervising the implementation of such standards by the subsidiaries under the Group. Each business group has an environmental management center, which is responsible for establishing environmental management standards specifically for the business group and supervising the implementation of such standards by subsidiaries in this business group. Each subsidiary has an environmental management department or office, which is responsible for coordinating the implementation by the subsidiary of the environmental management standards of the group and the corresponding business group, and improving environmental performance of the subsidiary.

BOE and Environment

BOE 2018 CSR Report

BOE strictly abides by applicable environmental laws and regulations, and has established strict corporate environmental management standards. All 30 subsidiaries with environmental management responsibility have successfully passed the ISO14001 certification audits. All 14 subsidiaries with hazardous substance control responsibility have successfully passed QC080000 certification audits. BOE is committed to managing its entire supply chain in accordance with international green standards. Through systematic and scientific training, the company has continuously raised the environmental awareness and built environmental protection capabilities of employees, including personnel with core environmental responsibilities. In 2018, the number of hours of environmental training received by BOE employees reached 62,878. BOE met its annual environmental targets 100% in 2018 and achieved remarkable results in its environmental management efforts.

Environmental goal (2018)	Environmental target	Quantitative indicator	Performance
Hazard identification and correction	Environmental incidents	0	0
Environmental compliance and emissions reduction	Compliance related to emissions and discharges of sewage, air pollutants, and noise	100%	100%
	Compliance related to hazardous waste storage and disposal	100%	100%
Environment, health and safety (EHS) promotion and training	Percentage of new employees receiving level-3 EHS training	100%	100%
	Percentage of on-site operators of partners receiving EHS training	100%	100%

2. Energy and Resource Management






To raise energy efficiency and minimize environmental impacts of the company, BOE has formulated a series of internal environmental management policies, including *Energy Management Policy*, *Energy Conservation Policy*, *Energy Management System Internal Audit Policy*, and *Energy Consumption Reduction Rules*. To improve energy efficiency and reduce resource consumption, BOE has incorporated energy-saving measures into product design and used advanced green technologies to upgrade equipment and facilities and step up scientific planning and management of energy, water, emissions and solid waste.

In 2018, BOE's total electricity consumption is about 6 billion kWh, water consumption 50,047,200 cubic meters*, water recycling rate 63%*, and energy consumption and water consumption per unit of glass substrate area down by 20.6% and 30%, respectively, compared with five years ago. In 2018, BOE utilized advanced technologies to upgrade its systems, and launched 36 major energy conservation and emissions reduction projects which achieved remarkable results.

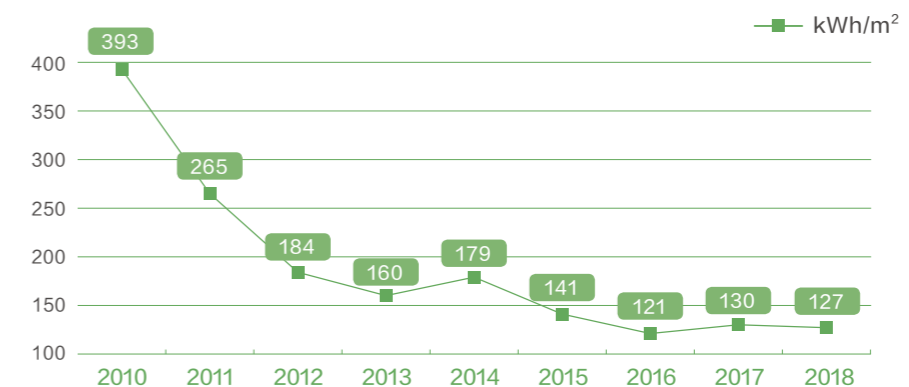
Note: * Total water consumption is the aggregation of tap water consumption and reclaimed water consumption.

*Water recycling rate here refers to the recycling rate of water used in production activity, excluding water reused by power systems and air conditioning systems.

Energy conservation and emissions reduction projects of BOE (2018)

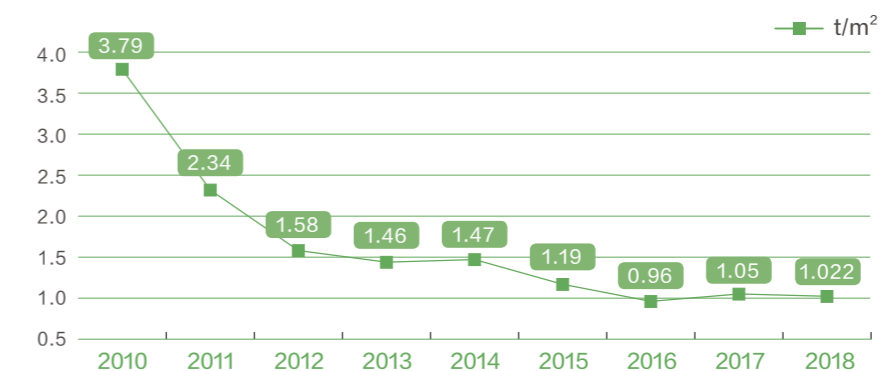
Reduction of electricity use  Number of projects 19 Effectiveness (per year, projected value) 47,376,600 kWh	Reduction of water use  Number of projects 11 Effectiveness (per year, projected value) 1,559,200 cubic meters	Reduction of natural gas consumption  Number of projects 2 Effectiveness (per year, projected value) 160 cubic meters
Reduction of steam use  Number of projects 2 Effectiveness (per year, projected value) 3,553 tons	Emissions reduction  Number of projects 3 Effectiveness (per year, projected value) CO ₂ : 990 tons; CL ₂ : 298.93 kg; nitrogen: 2.96 tons; ammonia nitrogen: 29.64 tons; fluorine: 6.34 tons	

Energy Consumption of BOE Per Square Meter 2010-2018



Note: Calculated based on the energy consumption of primary products of BOE; energy consumption includes electricity, natural gas, and steam consumption, and are measured in kWh.

Water Consumption of BOE Per Square Meter 2010-2018



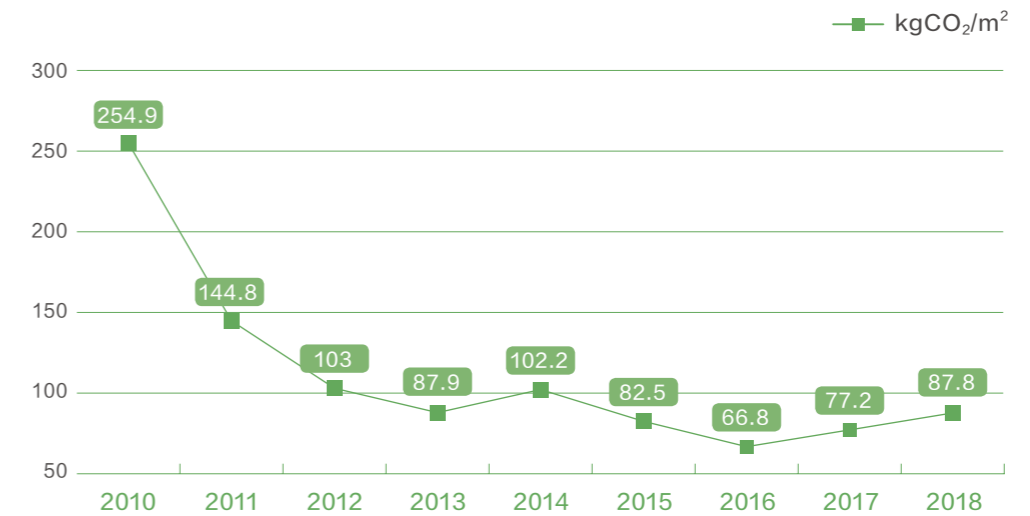
Note: Calculated based on the water consumption of primary products of BOE

Smart Energy Management Program of Hefei BOE Hospital

As a world-class digital general hospital, Hefei BOE Hospital has taken into consideration various environmental factors from the very beginning. According to the outcomes of third-party assessments, the energy-efficiency of its building structures and electrical, water supply and drainage, HVAC, smart building control, and renewable energy systems meets the 2-star green building standards of China. In addition, the hospital has built a sophisticated smart energy management platform, designed with the operational processes of the hospital in mind, to comprehensively and effectively monitor water, electricity and other energy consumption by departments and functional areas.



CO2 Emissions Per Square Meter



Note: 1. GHG emissions (including Category 1 and Category 2) are calculated using emission factors of regional grids published by the National Development and Reform Commission in 2012. Category 1 includes GHG emissions produced by combustion of natural gas in organic waste gas treatment systems and produced by diesel generators. Category 2 includes GHG emissions indirectly generated by electricity use by enterprises.
2. Calculated based on the primary products of BOE.

3. GHG Emissions Management

The United Nations Millennium Development Goals (MDGs) and the Paris Agreement calls for immediate global action to make the shift to a low-carbon economy. In recent years, rising global carbon dioxide emissions are causing unprecedented environmental challenges to the world. BOE has taken a proactive stance against climate change. It contributes to the global transition to a low-carbon economy by reducing carbon emissions from production and operations and mitigating negative impacts of its activities on the environment.

BOE has established standards such as *Carbon Emission Management Code* and *GHG Emissions Source Identification Code* to identify and manage GHG emissions from operation. It is preparing for the certification audits of PAS 2050:2008 (specification for the assessment of the life cycle greenhouse gas emissions of goods and services), GB/T23331-2012 (specification for energy management systems and carbon emissions management systems), and other specifications. It has made a continuous effort to monitor and improve greenhouse gas management performance by putting into place new systems, identifying GHG emissions, and take effective energy conservation and emissions reduction actions. In addition, BOE has integrated green concepts into product design. It has been relentlessly seeking to improve the energy efficiency of products and reduce the carbon emissions of products through most advanced green technologies. In the meantime, it has also been trying to reduce GHG emissions from its supply chain by formulating and implementing a green and safe procurement strategy.

In order to scientifically track and manage carbon footprint and effectively reduce carbon dioxide emissions, BOE began carbon footprint certification in 2011. The company uses the most comprehensive carbon footprint accounting standard, the British PAS 2050:2008 (Specification for the assessment of the life cycle greenhouse gas emissions of goods and services), to evaluate GHG emissions from goods and services.

In 2018, BOE added a carbon footprint module to the company's Green Product Management (GPM) system. This module can help BOE track carbon footprint of selected products.

Carbon Footprint Accounting under the GPM System:



The carbon footprint calculation system effectively standardizes and unifies carbon footprint accounting within the company and suppliers. BOE hopes that such effective attempts can draw the attention of the industry to the carbon footprint of products and raise the industry's awareness and ability of energy conservation and emissions reduction.

4. Environmental Cost Management

BOE has been implementing an environmental cost management program for more than five years. This program helps BOE accurately track environmental expenditures and monitor the effectiveness of environmental improvement measures and provides data basis for optimizing environmental management.

Environmental Cost of BOE (2016-2018)

Unit: x10,000

Category	Description	Amount (2018)
Operating cost	Pollution prevention cost: expenditure on air, water, and other pollution prevention	44770.95
	Recycling cost: expenditure on recycling, reduction, service outsourcing, energy saving associated with general and hazardous waste	10888.03
	Global environmental protection cost: expenditure on reduction of emissions that cause global warming	6658.51
Environmental management cost	Expenditure associated with environmental education, environmental licensing, environmental monitoring, environmental activity, and the environmental management system	585.77
Social activity cost	Expenditure on environmental campaigns and other relevant activities that target the public	24.43
Fines and compensation	Fines for violating environmental laws and regulations, and environmental litigation cost	0
Total	The aggregation of the above items	62897.69

BOE discloses environmental information to relevant departments and the general public in a timely manner through various channels, and welcomes supervision and suggestions from the public.

Disclosure of environmental information:

- BOE has set up a column "Case Studies-BOE Environmental Protection" on its official website. The column discloses environmental data of Beijing-based subsidiaries (pollution sources subject to central government supervision) of BOE on a daily basis;
- According to the requirements of the local environmental regulator, each subsidiary reports the wastewater and waste gas data collected by online monitoring systems to the local environmental regulator every 5 minutes, every 2 hours, every day, or at other intervals. Provincial and municipal corporate self-monitoring and information disclosure platforms publish environmental data of BOE's subsidiaries (pollution sources subject to provincial/municipal government supervision).
- Each subsidiary is required to declare and register hazardous waste and report its hazardous waste management plan and pollutant monitoring plan according to the requirements of the local environmental watchdog.

5. Environmental Training for Employees

BOE offers systematic environmental training to employees, aiming to help employees better understand sustainable development issues and goals, raise employees' environmental awareness, and instill sustainability as a way of thinking. BOE requires all employees to participate in an environmental, safety and occupational health training program, which provides basic knowledge related to environmental protection, sustainable development, clean production, environmental management requirements applicable to BOE, occupational health, occupational disease prevention, and safety management.

BOE has also developed training programs for personnel responsible for ESH promotion and environmental management, and actively participated in various external training and exchange activities. In 2018, the total number of hours of environmental training received by BOE employees reached 62,878.



Employee Orientation - Environmental Training

II. Clean Production

1. Eco-friendly Design

5P1H (which means beautiful picture, lower power, panel as system/service, pilot of fashion, best price-performance ratio, and products and services conducive to human health) is the product strategy of BOE. This strategy provides a direction for product design and innovation in BOE.

At the product design stage, BOE considers recyclability, universality, and minimization principles when designing products, pays attention to life-cycle environmental performance, and strives to manage the environmental impacts of a product throughout its life cycle from manufacturing through to transport, use, recycling and disposal. BOE strictly monitors environmental indicators such as raw materials, energy and water consumption, GHG emissions and generation of harmful substances in a bid to reduce environment impacts in its production and operations and provide customers with eco-friendly, energy-efficient products.

2. Hazardous Materials Management

BOE adopts product life-cycle management practices, actively participates in the formulation of national codes and testing standards for green products, and seeks safer alternatives to harmful materials. It has set up a green product analysis center, which helps BOE improve ability to test harmful materials, ensure hazardous materials compliance, and provide products with better environmental performance than required by international environmental regulations.

In order to improve environmental risk prevention and management, BOE has put into place an environmental risk self-assessment and mutual evaluation system. Actions taken by BOE to this end include:

- Paying attention to and adopting new technologies, new processes and new equipment for the control of environmental pollution;

In 2018, the subsidiaries of BOE launched the CF clean room volatile organic compounds (VOCs) reduction project, which reduced the concentration of VOCs in emissions to below 15.3mg/m³, and upgraded acetone collection systems. After upgrading, the acetone collection rate increased by more than 50% and emissions of VOCs were reduced.

- Identifying important environmental factors and upgrading equipment and facilities for prevention and control of environmental risks;

In 2018, the subsidiaries of BOE revamped the fluorine-containing wastewater treatment systems and the waste gas treatment systems. After the revamping, the fluoride concentration of wastewater was reduced to 3 mg/l, the chlorine concentration was reduced to 2 mg/m³, and the natural gas consumption was reduced by 40%.

- Carrying out environmental emergency response drills on a regular basis, storing adequate materials required for emergency response, and deploying sufficient monitoring equipment to improve environmental risk response capabilities. In 2018, BOE carried out 312 emergency response drills.

- Strengthening prevention and control and emergency measures for leakage of toxic and harmful chemicals and preventing water, air, and soil pollution incidents.

- Stepping up environmental risk prevention and control training of key personnel responsible for wastewater and waste gas treatment and discharge, hazardous waste collection, storage and transfer, chemical storage and transport, special gas storage and operation, etc. In 2018, 1,929 employees participated in on-the-job training (totaling 6,390 person-times).

All raw materials used by BOE are comply with applicable Chinese laws and regulations related to environmental protection as well as registration, evaluation, licensing and control of chemicals. In its production process, BOE strictly abides by the provision in the *Measures for the Control of Pollution from Electronic Products*, which provides 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.

BOE Green Product Analysis Center

BOE has a green product analysis center, which consists of 13 laboratories, including an inorganic pretreatment lab, an organic pretreatment lab, an ion chromatography lab, an organic instrument lab, an inorganic instrument lab, a sample preparation lab, a reagent storage room, etc. Equipped with a full range of sample pretreatment equipment (Soxhlet extraction apparatus, solid-phase extraction apparatus, rotovap kits, etc.) and testing equipment (XRF spectrometers, IC systems, GC-MS systems, CIC systems, high-performance liquid chromatograph systems, etc.) the center can conduct RoHS 2.0, halogen, PAHs, and other tests. The analysis center has greatly improved BOE's ability to analyze hazardous substances in products, and was named "Green Manufacturing- Outstanding Electrical and Electronic Product Testing Center" by the Chinese Electrical and Electronic Products Green Manufacturing Committee.

3. Recycling

Recycling is a key component of BOE's CSR program. BOE has been working closely with recycling services providers with professional qualifications to recycle e-waste generated from its production activity. E-waste is treated and recycled in an eco-friendly manner so that nothing goes to waste.

BOE follows the 4R principle (recycle, reduce, renew and responsibly) when processing raw materials and strives to raise the recycling rate of raw materials and other resources through advanced recycling technologies.

Water recycling:

- Production equipment adopts counter-current rinse and other advanced cleaning methods to recycle most high-purity water and chemicals, reduce consumption of high-purity water and chemicals, and cut the discharge of wastewater and pollutants.

- 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.

Chemical recycling:

- At the CF factory, the organic diluent vapor contained in the exhaust is condensed and then recycled for machine cleaning purpose.
- Waste water from the stripping process is recovered and purified by a qualified third party before being reused in the production line.
- Waste water from etching and diluting processes are recovered and purified by a qualified third party before being recycled for other industrial purposes;
- Scrapped VOCs are returned to the manufacturing factory for recycling.

Raw Material Recycling in BOE 2016-2018

Item	2016	2017	2018
Al-etchant recycling rate	44.00%	37.91%	48.87%
Stripper recycling rate	63.90%	58.46%	63.94%
ITO-etchant recycling rate	41.92%	49.17%	58.80%
Water recycling rate	61.71%	62.97%	70.08%

Note: * Water recycling rate here refers to the recycling rate of water used in production activity, excluding water reused by power systems and air conditioning systems.

Solid waste recycling:

BOE has achieved 100% recycling of hazardous waste with the help of qualified third-party service providers. It handles hazardous waste, medical waste and general waste and supervise and manage third-party service providers in accordance with prescribed procedures. In 2018, hazardous waste recycled by BOE as a percentage of hazardous waste generated by BOE increased by 16% from the previous year.

Generation and Disposal of Hazardous Waste in 2018 (measured in tons)

Type	Generated hazardous waste	Recycled hazardous waste	Recycled hazardous waste as a percentage of generated hazardous waste	Disposed hazardous waste	Stored hazardous waste
Hazardous waste	55276.35	52388.67	94.78%	2868.7	19.02
Medical waste	26.915	0	0	26.915	0

Landscape ponds

BOE's subsidiaries have leveraged various resources to build green factories. Green factories have landscape ponds. They pump treated industrial wastewater into the ponds and raise fish in them to verify water quality compliance. Wastewater at green factories goes through the fish ponds before entering the municipal sewage pipe network. They not only increase the recycling rate of water but also contribute to landscape richness of factories. These fish ponds have also helped raised the employees' awareness of environmental protection.



4. Smart Energy

In addition to actively developing and producing sustainable green products, BOE is also committed to developing and promoting the use of clean energy and green technologies. Smart Energy is an important component of BOE's innovation strategy and is integrated into power supply, construction, energy conservation, electricity distribution, and agricultural business of the company.

In the power supply sector, BOE began to increase investment in photovoltaic power projects in 2016 in parallel with the deployment of the Energy Internet of Things (EIoT). As of 2018, the Smart Energy division of BOE already has 34 photovoltaic companies, with a total installed capacity of 368 MW, generating 400 million kWh electricity per year.

BOE has 9 years of experience in engineering, procurement and construction (EPC) of photovoltaic projects. Its photovoltaic EPC projects throughout the country adopt the life cycle management approach and state-of-the-art systems and technologies. As of 2018, the total installed capacity of photovoltaic EPC projects undertaken by BOE reached more than 300MW.

Smart Energy also offers energy efficiency improvements to chilled water systems, compressed dry air (CDA) systems, central air-conditioning systems and other systems of subsidiaries of BOE. It saves 33.69 million kWh for the BOE Group annually, which amounts to an estimated 22.63 million yuan in annual bill savings.

In the industrial lighting sector, BOE provides a full range of professional green-factory solutions and lighting solutions for large manufacturing factories and comprehensive energy-saving solutions for supermarket chains and convenience stores.

In the future, with the help of artificial intelligence and big data, BOE will continue to advance its "technology + application" strategy, build an EIoT platform, and bring more clean, efficient, and convenient smart energy applications to customers.

Employee

BOE and Employees

Employees are the pivot of enterprise innovation and a constant source of strength for sustained prosperity. Under the guidance of its talent strategy, BOE has established a broad platform and expanded the space for employees' career development. Based on its sound and advanced corporate management system and systematic training system, BOE helps employees to tap into their potential, enabling them to better combine their own value with the value of the Company based on their personal interest and expertise, and grow together with the Company.

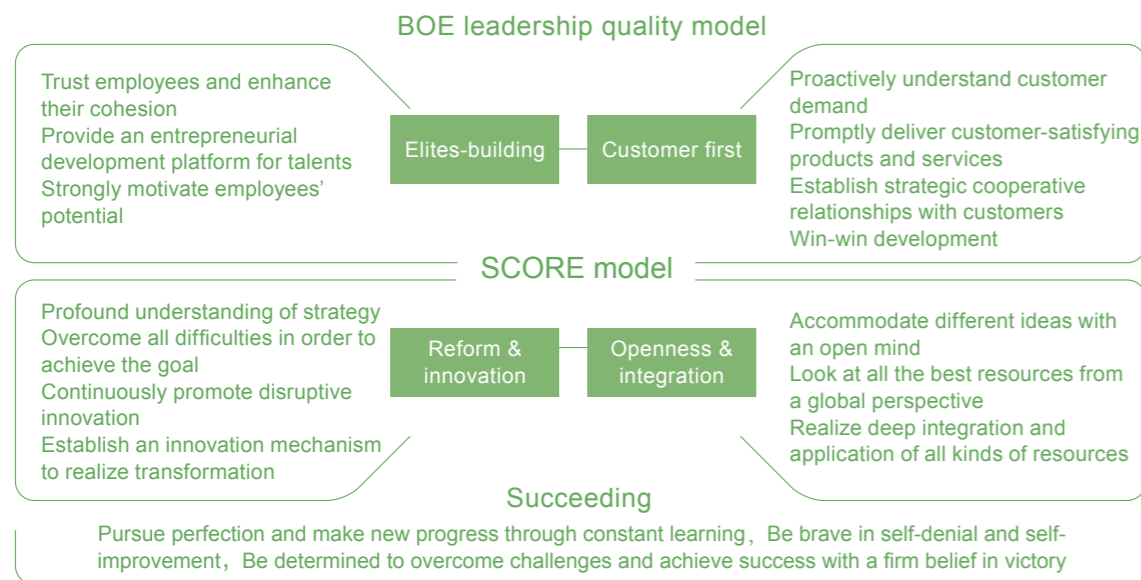
I. Way of Employment

Respect	<ul style="list-style-type: none"> Respecting employees' personality, trusting them 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 capabilities through training and practice of job skills so they can perform their jobs more competently
Equal Opportunities	<ul style="list-style-type: none"> Giving every employee an equal opportunity according to their abilities 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 employees 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	Five criteria for management selection
<ul style="list-style-type: none"> Solid professional knowledge and competence Smart, creative and good learning ability Enthusiastic, passionate, and dedicated to work Good at communicating and working with others Compliance with the highest standards of professional ethics 	<ul style="list-style-type: none"> Compliance with the highest standards of professional ethics integrity at all times 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 Have a good understanding of responsibility and able to follow through on company strategies

"Respect, equal opportunities and inspiring creativity" is the core of BOE's talent strategy. We have recruited a large number of outstanding talents with integrity, professionalism and creativity, who inject continuous vitality into enterprise innovation. According to the needs for strategic transformation and innovation, BOE has developed the SCORE model for its leadership, which is applied to selection and appointment of managerial personnel, performance evaluation of executives, supervision of key positions, and all-round evaluation of managerial staff. The purpose is to enhance the competitiveness of the management team to meet the challenges in innovation.

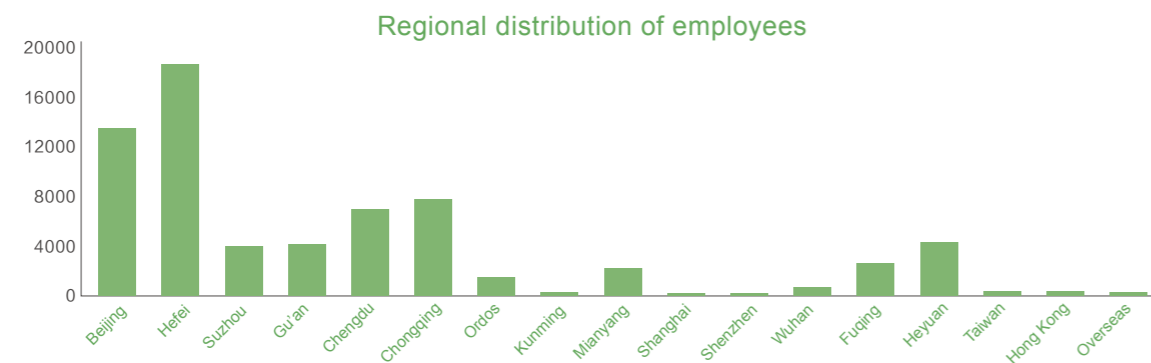


II. Employee Diversity

BOE has a diverse workforce, with a total of 68,175 employees in 2018, up 9.1% over 2017. Among them, employees from ethnic minorities accounted for 5.4%, and foreign employees for 1.2%.

To meet the demand for high-caliber talent in the process of strategic transformation, BOE's staff structure has featured high academic qualifications and professionalism. In 2018, 38.7% of employees had a college degree or above, and 95.8% of managers at director level or higher had a college degree or above. Technical and R&D personnel accounted for 32.7% of all staff members.

With branches in different countries and regions, BOE fully respects diversity, encourages exchanges between employees from different cultural backgrounds, and gives employees from different backgrounds equal opportunities for learning and promotion. It also provides active support for local development in economy, culture and human resources. On average, 83% of senior management (at director level or above) in important branches are locals.

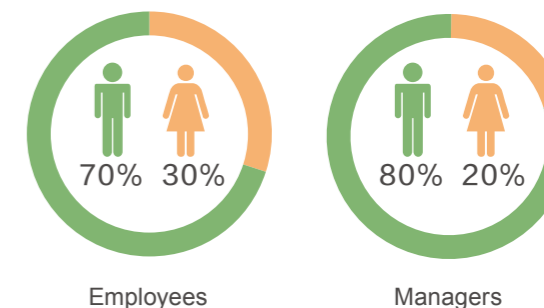


Notes: 1. Data on employees here cover regular employees or full-time employees (the same below).
2. The figure for the proportion of locals as senior management does not include foreign employees of BOE.

To meet the growing demand for talent, BOE has recruited employees through diverse channels, and young and professional workforce has made up a greater part of its staff structure.

The Company puts a premium on equal rights for men and women and resolutely puts an end to discrimination against women in employment, with the proportion of female employees and managers increasing steadily.

Sex ratio among managers and employees



III. Employee Protection

1. Labor Rights

BOE adopts a talent strategy featuring diversity, openness and equal opportunities, strictly abides by the Labor Contract Law and other applicable laws and regulations, and enforces them in collective contracts, labor contracts and all kinds of management rules and systems. It practices fair and legitimate employment, provides a healthy and safe work environment for employees and protects their rights and interests.

BOE prohibits discrimination based on race, color, nationality, language, wealth, social origin, social status, age, gender, sexual orientation, ethnic group, disability, pregnancy, belief, political faction, participation in associations, or marital status in the process of recruitment, promotion, development, punishment, benefits distribution and termination of labor contracts. It also prohibits the use of child labor and forced or compulsory 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 to work or resign, and strictly prohibits corporal punishment, intimidation, harassment, abuse, and any act that discriminates against employees.

In addition to institutional guarantees, BOE has established effective complaint channels to prevent acts that harm employee rights and interests or discriminate against employees. Employees can report problems or make demands through the "suggestion box" in written form or through employee representatives, which will be investigated and handled by dedicated departments. In 2018, there were no complaints associated with human rights, and no incidents of child labor and forced labor.

100%
Percentage of employees having signed labor contracts

100%
Percentage of employees having signed collective contracts

2. Employee Benefits

BOE has established a sound employee benefits system including social security, commercial insurance and other benefits. It strictly abides by the national basic endowment insurance program and makes contributions to the program for all the employees eligible. In addition to mandatory insurance in different regions, BOE also provides employees with commercial insurance including personal accident insurance, serious disease insurance, medical insurance and business travel insurance. In order to further improve the well-being of employees after retirement, as part of its long-term incentive strategy, BOE launched an enterprise annuity plan in 2014. As of the end of 2018, 147 retired employees had received retirement benefits offered under the enterprise annuity plan. Moreover, BOE has set up the “cohesion project” to help employees solve problems in medical services, housing, and admission of their children to schools so they can be free from worry.

BOE strictly follows laws and regulations on employee leave, including paid annual leave, maternity leave, paternity leave, and break for breastfeeding. In addition to statutory annual leave, BOE also grants employees up to five days of annual leave each year after they work with the Company for two consecutive years, and provides comprehensive guarantee when they return to work.

Employees taking parental leave in 2018	Male	Female
Number of employees taking parental leave	1,792	1,291
Number of employees returning to work after parental leave	1,610	1,105
Retention rate	89.84%	85.59%

3. Pay and Incentives

BOE offers employees performance and competency-based pay in the “3P” principle, i.e. pay for position, pay for person and pay for performance, taking 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. In 2018, the male-to-female base pay ratio for managers and employees was 1.00 and 1.08, respectively, and the male-to-female remuneration ratio was 1.01 and 1.15.

Following the principle of “making achievements, strengthening capacity, and keeping loyalty”, BOE has created a performance-oriented culture and developed an effective performance management mechanism to increase the vitality of departments, stimulate the growth of staff and realize the sustained growth of departmental and individual performance. In 2018, the Company continued to increase its capacity for digital human resources management and services, comprehensively upgraded the performance management information system, optimized the performance management process, and increased fairness and transparency in performance assessment by releasing performance results and

assessment comments. We made continued innovations on the market-oriented incentive mechanism and conducted regular performance assessments on all employees. Through the excess profits sharing mechanism, we have linked staff performance with corporate performance to increase employees’ enthusiasm for innovation.

BOE mainly assesses employees’ results, competency and attitude, rates employee performance on a five-level scale (S, A, B, C and D), and offers employees performance-based incentives.

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

4. Occupational Safety

To ensure workplace safety is enterprises’ responsibility towards employees. For the purpose of appropriate and systematic safety management, BOE has set up a Workplace Safety Committee, which is headed by the CEO and composed of branch-level general managers, so that safety requirements are met at all levels, especially the primary level. On behalf of the entire staff, the Committee supervises and gathers occupational safety issues, and puts forward suggestions on occupational safety plans.

BOE has developed management systems including the *BOE Safety Management Measures* and the *Implementation Rules of BOE on Work Safety Deposits*. Its branches have also established the EHS management systems on the basis of the OHSAS 18001 certification, and conducted process-based and results-based safety performance assessments on an annual basis.

The collective contracts signed with trade unions cover issues on occupational health and safety, including workplace health and safety and related employee training. BOE also carries out annual safety contests and other activities to popularize safety knowledge among employees according to China’s *Law on Work Safety* and other laws and regulations.

To create a healthy and safe work environment, BOE has installed first-class safety equipment and facilities in the workplace, such as automatic fire alarm system, CO₂ automatic fire extinguishing system, VESDA system, and TGMS system, and also provided safe and reliable personal protective equipment for employees. The Company has a regular hazard identification system and arranges all levels of safety management personnel to conduct safety checks and safety equipment inspections on a daily, weekly, monthly or quarterly basis and during holidays. In 2018, a total of 9,304 on-site safety inspections were carried out, and all hazards found were rectified thoroughly in a closed loop. To improve employees’ safety skills, BOE provides safety training for new employees at company, department and team levels, and holds job-transfer/back-to-work training and “four new kinds” of training for on-the-job employees. In 2018, the total number of participants in safety training was 730,658.

As of the end of 2018, 24 subsidiaries of BOE had passed the OHSAS 18001 certification. In 2018, no workplace accidents led to serious injuries or deaths.

Prevention and Control of Occupational Hazards

BOE's factories have established 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 have carried out regular supervision and inspections. According to operational requirements of different positions, BOE provides all kinds of protective equipment in accordance with national standards, including respiratory protection articles, hearing protectors, protective clothing, and protection articles for hands and feet. In toxic and harmful workplaces where acute occupational injuries may occur, warning signs, necessary alarm devices, and accident ventilation devices are set up and protection facilities are managed, according to due standards as required in the *Regulations on the Management of Facilities for Preventing Occupational Hazards*.

BOE attaches a "notice of occupational hazards" to employees' labor contracts to inform them of possible occupational hazards and their consequences as well as the preventive measures against occupational hazards. In the pre-post level-3 safety education and on-the-job safety training for employees, risk factors, preventive measures, and incident responses are clearly included as necessary knowledge of posts. Employees are trained and assessed to minimize the risks of occupational diseases. In 2018, BOE's employees did not participate in any occupational activities with high risk of occupational diseases*. The incidence of occupational diseases was zero.

* Except particular fields (such as OASIS International Hospital, and BOE Hospital in Hefei)



Workplace accidents



Incidence of occupational disease

5. Communication Mechanism

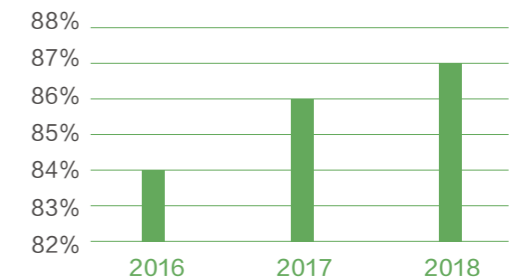
BOE maintains open, candid and effective communication with employees through multiple channels. To better protect employee rights and interests and listen to their voice, the Company has set up a sound communication mechanism, trade unions and the system of workers' congress. All entities under BOE have set up trade unions, and all employees have joined trade unions and signed the collective bargaining agreement.

Employee communication channels

- Communication with managerial staff
Chairman's Mailbox, Labor Union
President's Mailbox, General
Manager's Mailbox, etc.
Activities such as Meet General
Manager and Meet Factory Director
Talks on specific matters
- Online help: HR
channel, company
mailbox, intranet
portal, counselling
mailbox, official
WeChat account, etc.
- "EAP Ambassadors"
- Employee satisfaction
survey

BOE conducts an employee satisfaction survey every one or two years, which covers 17 dimensions such as sustainable engagement, salaries and benefits, training and development, leadership, and teamwork. Since 2013, employee satisfaction has increased year by year and stayed at comparatively high levels compared with its peers. In 2018, more than 80% employees participated in the survey, and the satisfaction rate reached 87%, two percentage points higher than that of the market and at the same level as that of the high-tech industry.

Employee Satisfaction Survey 2016-2018



BOE HRSSC

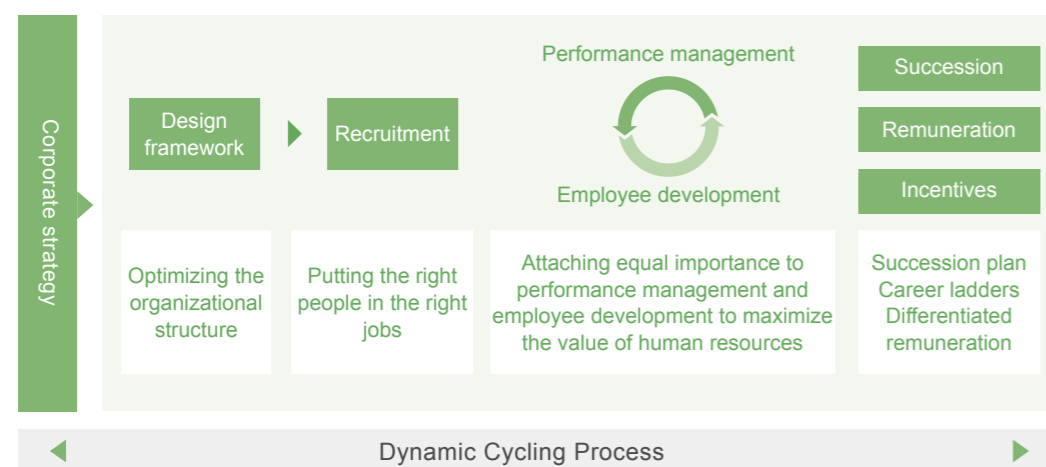
To provide professional human resources services for employees in an appropriate, fast and accurate manner, BOE established the Human Resources Shared Service Center (HRSSC) in 2018. The HRSSC provides standard employee services covering 124 items in five categories including employee relations, compensation and benefits, attendance and leaves, contracts and files, and employee care. Employees have access to self-help services including self-help certificate printing, self-help information inquiry, and mobile punching in/out. One-stop shared service halls have been set up in different cities so that employees can use HR services more conveniently and efficiently. The 24-hour intelligent contact center and the 8-hour "400" service hotline of the Group allow employees to inquire about information easily. The HRSSC has effectively boosted the HR service efficiency and service capacity, and greatly improved employee experience. In 2018, BOE's HR service efficiency increased 41% compared with 2017, and HR services won wide recognition from employees, with a satisfaction rate higher than 99.5%.



IV. Employee Development

1. Appropriate Management

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 employees achieve fast development. We have launched the Organizational and Human Resource Program (OHDP) to continuously improve organizational effectiveness and leadership effectiveness, create talent pools, combine leadership development with the talent pools, speed up the growth of management at all levels, promote the development of tech talent, and cultivate a high-quality international workforce that fits the requirements of BOE's strategy.



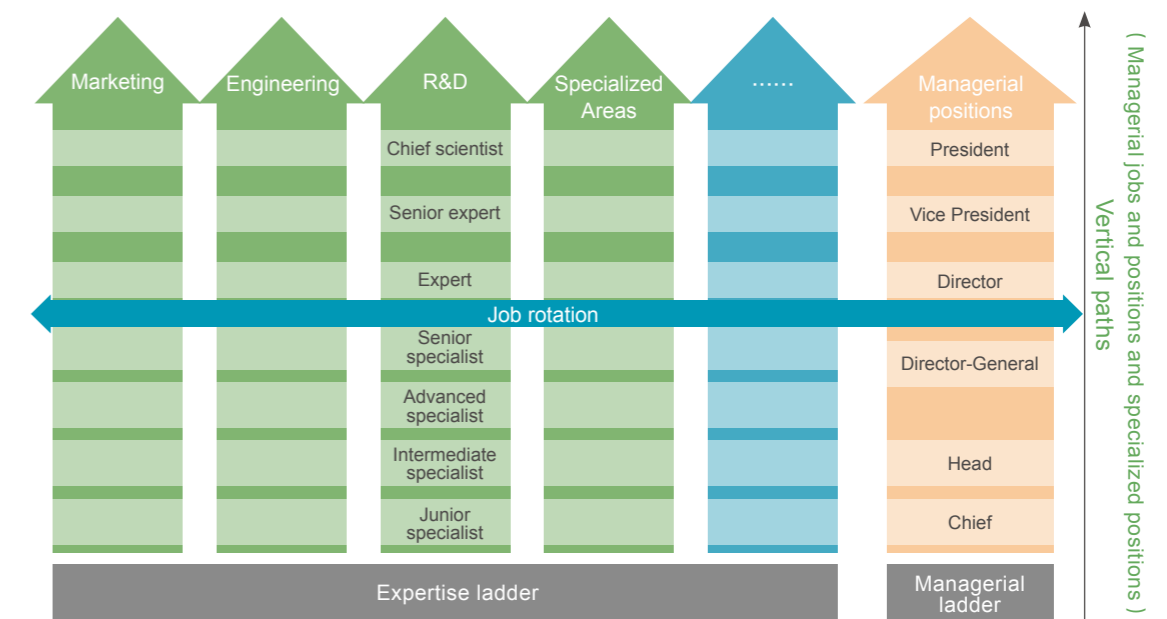
The OHDP is a strategy-driven human resource management system. It analyzes and optimizes the organizational structure and talent status of the Company on a regular basis, conducts performance, ability, and potential assessments of existing talent in time, and formulates and improves the annual action plan and the individual development plan (IDP) in accordance with business goals of the organization to accelerate the growth of talent and corporate value.

2. Career Path

To improve employees' specialization and managerial capabilities, BOE has established a dual-channel development platform that enables employees to pursue career development along the platform of expertise or management. With regard to expertise, BOE has created a career ladder where professional ranks are based on the value of positions and competency-centered performance assessment, so as to cultivate professionals in specific fields. As to management, BOE has provided a career ladder aimed at

developing all-round managerial talent with outstanding professional and managerial capabilities. The dual-channel platform for career development allows employees to choose their career paths based on their own personalities and areas of expertise, so that all employees have opportunities for career growth, and can find appropriate position and value at different posts and stages of development.

In addition to the career development paths in expertise and management, BOE expands the space of employee development through job rotation programs at organization, division or regional level (including overseas), especially for high-potential, high-risk positions, forming a sustainable talent management mechanism that aligns skills to job needs. As of the end of 2018, the job rotation programs covered 845 employees, including 380 managers and 465 employees.



3. Employee Training

BOE attaches great importance to employee growth and provides a sound training system and a wide range of online learning resources for employee development. BOE University, established in July 2015, is an academic institution aimed at grooming talent for the Company. It consists of eight colleges and four centers, and provides customized talent training programs to cultivate practitioners, professionals, managers, and leaders.

BOE University 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, and division heads) 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.
Specialized Training	Certification Training	Designed for technical personnel to help them improve technical skills and obtain certificates required by their jobs.
	Advanced Training	Designed for specialized personnel with certain work experience to provide advanced 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.

In 2018, BOE organized more than 28,000 training sessions covering management, specialized areas, and general job skills, with training costs of RMB108.64 million and about 150,000 participants. Specifically, BOE University provided 183 training sessions for 22,838 participants, and the total number of training hours reached 698,276, or 31.2 hours per participant. The trainees spoke highly of the training programs, with a satisfaction rating of 9.42 points (out of 10 points).

RMB 108.64 million
Employee training costs

150,000
Number of participants in training

Examples of Training Programs Offered by BOE University in 2018



Wolf Warriors Training Camp

To meet the demand for sustainable, high-quality talent in the strategic transformation period, BOE launched the “Future Plan” aimed at cultivating outstanding young talent. BOE University devised the “Wolf Warriors Training Camp” to train young employees systematically through various modules such as strategy, culture, business operation, and transformation. In 2018, the training camp was focused on the modules of strategy and business operation, and helped the participants to get a better understanding of BOE’s strategy, management mechanisms and corporate culture, and have a better grasp of strategic thinking and related tools. Six sessions of the training camp were held in 2018, covering seven business groups of BOE. Two hundred high-potential young employees received training, and 15 outstanding participants were selected as key talent.

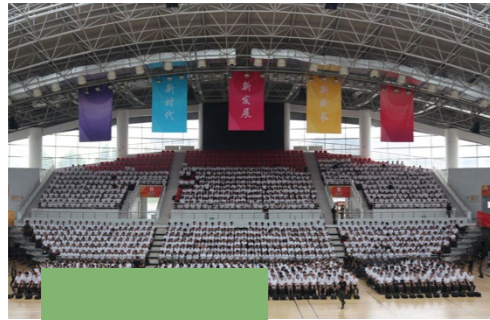


BOE-TopCoder Programming Competition

Revolving around the strategic objectives of BOE, BOE University successfully held the second BOE-TopCoder Programming Competition in 2018 in the principle of “boosting innovation, seeking talent, and incubating products”. The competition aims to link the Group’s strategy and business challenges with excellent teams in IoT and AI field, providing innovative ideas for business development, and attracting high-potential talents to the field of AI to cultivate technology elites in hardware and software integration. In 2018, the competition adopted the format of “qualifying + finals” for the first time and lasted for half a year. It screened out more than 140 talents in hardware and software integration, and nearly 30 outstanding projects, of which eight have been officially launched.

BOE and Employees

BOE 2018 CSR Report



The Grow180 Training Plan for School Recruits

To spread the core culture of BOE, facilitate cultural integration of new employees and help school recruits adjust to the workplace, BOE University launched the 180-day Grow180 Training Plan for School Recruits, which combines online and offline training. The “Special Training Camp for Practitioners”, an important stage of the Grow180 Training Plan, is organized in a closed-door military-style mode, covering courses, class meetings, experiential learning and military-style training for new employees. In 2018, the Special Training Camp was carried out in Beijing, Hefei, Chengdu and Mianyang at the same time, training a total of 5,100 new employees.

V. Employee Care

1. Mental Health

The Employee Assistance Program (EAP) provides professional counseling services for employees to help them properly deal with stress related to work and personal life. Since it was launched six years ago, the program has successively set up service channels such as EAP hotline, e-mail counseling, employee mental health assessment, a WeChat platform, an EAP section on the staff portal, face-to-face counseling, and online mini-lectures. The EAP hotline is targeted at all employees and their immediate family. In 2018, it served 1,271 employees, helping them solve more than 750 problems concerning emotional stress, interpersonal relationships, career development, marriage, etc. Our plants 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 “Mind Spa” program served about 200 employees in 2018.

In the same year, BOE also held more than 130 EAP events to improve the physical and mental health of employees, including the Mother’s Day activities, sessions on stress management, new employee adjustment, team leader development and intimate relationships, and non-violent communication lectures. In 2018, the EAP dealt with at least eight crises, according to a rough estimate.

To address diverse needs of employees working in different places and having different leisure times, 11 online mini-lectures were launched in 2018 as part of EAP program, serving about 5,000 employees.

2. Mutual Assistance

BOE embraces a harmonious corporate culture. In 2002, it set up the Sunshine Fund to help employees in need, which is a tradition of the Company. Over the past 16 years, the Sunshine Fund has provided

a wide range of assistance to retired employees, laid-off workers, and employees in need along with their families. Employees will make a contribution to the Sunshine Fund each year on July 1. In 2018, the Sunshine Fund received donations totaling RMB215,116 from 5,811 employees, and extended RMB1,921,768 in grants to 376 employees in need.

3. Life-enriching Activities

Colorful club activities are a highlight for BOE employees. BOE now has more than 120 clubs for various ball sports, music, dance, yoga, photography, cycling, etc. The Company also holds a variety of cultural and sporting events and celebrations, attracting more than 10,000 employees to participate every year. The clubs have become a great platform for spreading corporate culture, connecting the company and employees, as well as the community.



Mid-Autumn Festival Carnival



Singing Competition

A harmonious team is the foundation for uniting employees to pursue sustained success. BOE organizes team building activities on a regular basis, such as outward bound, open house day for families of employees, parent-child carnivals, and collective weddings. These activities have increased employees’ understanding of the corporate culture, deepened their integration into the big family of BOE, and enhanced their sense of responsibility and belonging.



Open House Day for Employees' Family Members



100 Couples at the 17th BOE Collective Wedding Ceremony

Community

BOE and Community

Giving back to the community is an obligation of every responsible corporate citizen. Over the years, BOE has played an active role in community development and social innovation, and advanced its public interest practices by supporting innovation in education, caring for disadvantaged groups, and protecting traditional culture. BOE has continuously improved the volunteer service system, and encouraged employees to participate in volunteer activities and contribute their time, skills and expertise to serving the community, so as to change the world through innovation and acts of kindness.

I. Supporting Innovation in Education

Education is the cornerstone of social development. BOE is well aware that equity and innovation in education is crucial to grooming future talent. Over the years, BOE has carried out educational support and volunteer programs to reduce the education gap between rich and poor areas, and promote equity in education through systematic and continued efforts, so that a wider range of poverty-stricken students and families can benefit from the efforts and every child has equal access to education and equal opportunities to succeed. As a high-tech company that takes continuous innovation as its lifeline, BOE has given high attention to innovation in education, worked closely with colleges, government departments and social organizations based on its advantages in technology and experiences in innovation to train high-caliber talent for enterprises and the society, and provided mature incubation platforms to help talent to realize their aspirations about innovation.

1. Equity in Education

Illuminating the Growth Path of Students

In 2014, BOE volunteers took field trips to impoverished mountainous areas, and witnessed the impacts of poverty and lack of resources on the growth of rural children. From then on, BOE became more determined to support education in poor areas. In the same year, it launched a large-scale public interest program – “Illuminating the Growth Path of Students”, which extends love and care to students living in remote areas with poor infrastructure, teaching and living conditions. Through the BOE volunteer program, volunteers have held activities to accompany children and provided support for students in poverty-stricken areas.

Over the past few years, the program has carried out volunteer activities in targeted schools based on the BOE volunteer base, held personal interest classes for students, provided assistance for students in need and their families, and set up the BOE Gardener Award and BOE Star Award to recognize outstanding teachers and students. In addition, the program organizes a summer camp annually, having students from remote rural areas to visit, and learn in cities to broaden their horizons and enrich their experiences.

By the end of 2018, the program had been carried out in Hefei, Chongqing and Chengdu, donated materials worth over RMB1 million to students and teachers, and awarded about RMB150,000 in prizes to more than 100 outstanding teachers and students winning the BOE Gardener Award and BOE Star Award. So far, the program has held more than 20 theme activities at targeted schools, and more than 1,000 volunteers of BOE have provided volunteer services totaling more than 6,000 hours. In the future, the program will be extended to more areas in Beijing, Hefei, Chengdu, Mianyang, Chongqing, Fuqing, Suzhou, Ordos and Gu'an to benefit more students and teachers.

Program Highlights in 2018

Chongqing

In December 2018, volunteers of BOE Chongqing visited and held classes in Taiji Primary School, Xiaohe Middle School and Chashan Primary School in Zhongxian County. They donated RMB39,500 in cash to the schools, along with two all-in-one machines, one DV recorder and ten desktop computers. They visited the families of students in need, and brought them materials and grants with a total amount of RMB136,089.

By visiting impoverished households, the volunteers have got a deeper understanding of the great significance of volunteering, and the responsibility and mission of every single person and enterprise. The “Illuminating the Growth Path of Students” program has drawn wide attention on social media, attracting many new participants.



“Because of you, we have together become our better selves.”
—BOE volunteers of the “Illuminating the Growth Path of Students” program

Xichang

2018 marked the fifth year for BOE volunteers to extend support to Muer Primary School of Xiangshui Town of Xichang City. Every time the volunteers have to drive 50 kilometers, including nearly 20 kilometers of maintain road, to get to the poverty-stricken school, which sits deep in the mountain at a 2,100-meter altitude. Since 2014, BOE volunteers have provided targeted assistance for students of Muer Primary School, bringing love and care to them and helping them realize their dreams through the “scholarship program”, “lighting up dreams action”, and “heartwarming action”.



“It is your consistent help and care that has kindled the fire of our hope. We will cherish this love and move forward with courage...When we realize our dreams and become a useful member of the society, we will pass on the love just as you do to help people in need and help children get a good education.”
—Students of Muer Primary School

“Shared Dream” Summer Camp

The basis of equality in education is balanced distribution of educational resources. The “Illuminating the Growth Path of Students” program provides quality resources for children in poverty-stricken areas. To help narrow the gap in education between rich and poor areas, BOE holds the “Shared Dream” summer camp for children in economically disadvantaged areas, which organizes them to visit cities such as Beijing to give them an equal opportunity to experience the world and therefore broaden their horizons.

In the summer of 2018, students from Tianbu School at Yeshan Town of Hefei, and Chashan Primary School and Taiji Primary School of Chongqing visited the exhibition zone of BOE Headquarters in Beijing, and got hands-on experience with the latest flexible display and AI products and applications. The children also watched the solemn flag-hoisting ceremony at Tian’anmen Square, climbed the Great Wall, and visited the Summer Palace, the Bird’s Nest, the Water Cube, China Science and Technology Museum, and the National Library of China. The summer camp brought them memorable experiences in Beijing with both traditional culture and modern technology.



2. Innovation in Education

“Jingying Program”

The gaps between colleges and enterprises make it difficult for recent graduates to adapt themselves to the demand of enterprises and to the workplace quickly. In order to cultivate practical and innovative talent who can satisfy the demand of enterprises, BOE has carried out the “Jingying Program” including two-month internship and three-day summer camp training. Since its official launch in 2011, the program has benefited more than 35,000 students at over 100 universities in more than 40 cities. In 2018, 167 students from 63 universities got an internship in product R&D, engineering, manufacturing and other fields at BOE through the program; 255 students from more than 100 universities participated in the summer camp, which featured activities such as company tour, skills training, and talent show.

In addition, BOE has 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 the experience of the workplace in advance, think like a professional, improve professional competencies, and acquire job hunting skills.

Innovation Competition

BOE Innovation Competition is a national competition aimed at discovering talents, encouraging innovation, looking for creative ideas and providing an innovation platform for college students. Since its inception in 2015, the competition has attracted nearly 2,000 contestants from more than 60 universities,

BOE and Community

BOE 2018 CSR Report

with over 600 entries and an audience of more than 500,000. The competition, on one hand, conveys BOE's spirit of innovation and maker to college students, and on the other hand, provides a stage for college students to showcase their creative works, which in turn bring new ideas to BOE's innovation on technology and products. In 2018, the competition was held at 40 universities in 11 provincial-level regions, attracting more than 830 contestants and reaching out to about 200,000 people. 16 entries made the shortlist, and six of them drew high attention from relevant departments of BOE. In the process of competitions, BOE reached an agreement with some outstanding participants, and nearly 30 of them officially joined the innovation team of BOE.



II. Caring for Vulnerable Groups

“Don't cease to do good things, no matter how seemingly insignificant they are.” This is BOE's motto for volunteer services. We believe that little acts of kindness can make a big difference. Over the years, BOE's employees have taken up good deeds, big or small, to help disadvantaged groups, reflecting the philosophy that “good deeds build good moral character”.

Over the past six years, volunteers of BOE Beijing have paid regular visits to Majv Bridge Old People's Home, Beijing Guang'ai Children's Home, Songzhuang School for Migrant Children, and poor rural areas nearby, donated money and materials to them, and provided volunteer services. Volunteers of BOE Chengdu have not only paid visits to veterans on holidays, but also taken them to exhibitions and cared for their psychological well-being. BOE has partnered with China Charity Federation, Yi Jia Yi Shan and other charity organizations to carry out the “used clothing and item donation program” for eight years, which has become a tradition of BOE. Thousands of employees from over nine branches of BOE participate in the program every year. In 2018, BOE organized more than 170 charity events, and donated nearly RMB1.5 million in cash and materials, including clothing and books of more than 6000kg.

Caring for people in need is an act of benevolence. “Happy to volunteer, ready to help” has become an important part of BOE's corporate culture, and taken root in the heart of BOE's volunteers.



III. Protecting Traditional Culture

Culture embodies the spirit of a nation. Culture provides a channel to explore history, and is the epitome of splendid civilizations with tangible and intangible treasures over thousands of years. In recent years, BOE has engaged in the protection of traditional culture, and extended the fields of social responsibility from education to cultural protection and inheritance through public interest projects such as the “Volunteer Action for General Survey of Ancient Chinese Books” and “Ancient Building Protection Project of the Summer Palace for the Maintenance of Binfeng Bridge”. We hope that through our efforts, the traditional Chinese culture can unleash new vitality and demonstrate new charm in the process of protection, inheritance and innovation.

1. Cultural Relics Conservation

Ancient books are an important part of the glorious Chinese traditional culture, a fruit of Chinese wisdom and civilizations, and also a kind of non-renewable cultural resources. China has included ancient book conservation as an important task in the 13th Five-Year Plan. In 2017 and 2018, BOE supported and participated in the “Volunteer Action for General Survey of Ancient Chinese Books” instigated by the National Library of China and the Ancient Books Preservation and Conservation Association of China (ABPCAC), with the aim of promoting the general survey of ancient Chinese books and training talent for the conservation of ancient books. During the two years, BOE supported the ABPCAC in carrying out surveys on nearly 1 million ancient books in 12 provincial-level regions. More than 130 training programs on ancient book surveys were held across the country to cultivate talent for the conservation of ancient books. The project won wide acclaim from the society, and was honored the “Best Volunteer Project”, “2017 National Award for Learning from Lei Feng”, and “Four 100 Volunteering Models”.

2. Inheritance and Innovation

In 2017, BOE donated RMB1.1 million to the “Ancient Building Protection Project of the Summer Palace for the Maintenance of Binfeng Bridge”. The project repaired and tested frames of the bridge and pavilion, tiles, colored paintings and coatings, recreating the historical features of the ancient bridge of the Summer Palace. In October 2018, BOE co-organized the “Ancient Bridge Impression” youth art exhibition with the National Library of China and the ABPCAC. The program solicited ancient bridge drawings from children across the country through the BOE iGallery app, and after online selection and expert reviews, screened out 100 outstanding works to exhibit at the National Library of China. Different from traditional art exhibitions, the exhibition applied the high-tech BOE iGallery to show the works. As an innovative product combining digital technology and art, BOE iGallery, backed by gamma-based nondestructive technology and intelligent light perception technology, demonstrates children's innocent imagination and childish drawings in a vivid manner. This exhibition presents digital works of art ingeniously using AI and new-type display technology, allowing the visitors to experience the beauty created through the combination of traditional culture, modernity and state-of-the-art technology, and injecting new vitality to traditional culture with the help of advanced technology. During the event, BOE auctioned five pieces of art for charity, and donated all the funds raised (RMB17,000) to China Volunteer Service Foundation.



Appendix 1: Honors and Awards Received in 2018

Honors & Awards	Time	Awarded by
13 th China Listed Companies Gold Roundtable Award – Best Board of Directors Award	January	<i>Directors & Boards</i> Magazine
China Information Technology Industry Top 10 Contributors to Employment 2018	January	China Information Technology Industry Federation (CITIF)
China Information Technology Industry Top 50 Contributors to Society 2018	January	CITIF
CES 2017-2018 Top 10 China Consumer Electronics Brands	January	International Data Group (IDG)
First Prize of Beijing Science & Technology Award (R&D and Application of Higher-Performance Embedded Touch Screen Technology)	February	Municipal Government of Beijing
China New-type Display Industry Chain Special Contribution Award	February	China Electronics Materials Industry Association
Red Dot Design Award (BOE VUSION Digital Price Tag)	March	Red Dot Award Evaluation Committee
Gold Award of IFA Product Technical Innovation Award 2018 – IoT Application Innovation	April	IFA Committee
China ICT Industry Top 50 in CSR Management 2017	September	CITIF
CSR Outstanding Brand Award	September	2018 Social Responsibility Conference Organizing Committee

Honors & Awards	Time	Awarded by
China Top 100 Enterprises	November	China Top 100 Listed Companies Summit Organizing Committee
China Brand 100% Satisfaction Action – China Customer-Satisfying Brand	November	China Enterprise Evaluation Association
Constituent of SGCX ESG50 Index	November	Caixin Data, SynTao Green Finance
China Best Employers – Best Employment Risk Management Practice Award	November	Taihe Consulting
“Jinzhi Award” China Most Responsible Listed Company Award 2018	2018年11月	JRJ.com
CBN The Corporate Social Responsibility in Ranking China – Outstanding Enterprise Award	December	CBN
Employer Excellence of China 2018, Recruitment Strategy Excellence	December	51job.com
Work Different 2018	December	Liepin.com
Employer of Excellence 2018	December	AUCA Career Fair

Appendix 2: Third-Party Comments on BOE 2018 CSR Report

The market-oriented innovation strategy has underpinned BOE's development. BOE has become a world leader with a slew of unparalleled display products and technologies. It not only offers more and better options to consumers around the world, but also provides strong backing for China's electronic information industry, bolstering its industry chain and increasing its international influence. In terms of clean production and environmental protection, BOE has established standard and complete clean production procedures to ensure environmental standards and green standards are met throughout the industry chain.

—**Gao Shiji, Director & Researcher, Research Institute of Resources and Environment Policies, Development Research Center of the State Council**

BOE's 2018 CSR Report, in line with the company's rigorous and reliable work style, demonstrates in detail all aspects of its CSR practices in the past year, giving stakeholders and the public a picture of its corporate development strategy, CSR strategy, corporate governance practices, and the outcomes.

This report gives an account of the unremitting efforts BOE has made in environmental protection and sustainable supply chain, including carbon footprint certification, supply chain environment and social impact assessment and management, as well as innovative measures for energy and resources management, hazardous substance control, and development and utilization of clean energy. The report also demonstrates BOE's sustained contributions to the cultivation of talent for the company and society, assistance to disadvantaged groups, support for education in impoverished areas, and protection of traditional culture. Reading this sincere report, I am convinced that BOE is poised to forge ahead on the path of sustainable development, and deliver continued, positive and far-reaching benefits to stakeholders and the whole society.

—**Gao Hongbing, Council Member & Guest Researcher, Center for IT Application Studies, Chinese Academy of Social Sciences**

BOE's 2018 CSR Report gives us a clue about the secret to the company's success. In tireless pursuit of innovation, BOE invests 7% of its revenue in R&D, emerging as a world leader in innovation in a short time. Relying on its powerful technological strength, BOE provides a full range of innovative products and services, and advanced business models and solutions for the society, changing the world through innovation. It sticks to compliant operation and leads by example by boosting industry development, making outstanding contributions to the prosperity and sustainable development of the industry and society. Moreover, BOE has embedded CSR in corporate culture, engaged employees in CSR practices in supporting innovation in education, caring for vulnerable groups and protecting traditional culture, and fulfilled its social responsibility and commitment by giving back to the community.

—**Xue Lan, Dean, Schwarzman College, Tsinghua University; Director, Institute for Sustainable Development Goals, Tsinghua University**

BOE's exceptional accomplishments can be attributed to its perseverance – perseverance in developing itself into a great company, in pursuing innovation-driven growth, and in contributing to society with outstanding business performance and fulfillment of responsibility for stakeholders. As such, it has achieved remarkable results in its transformation in recent years in such fields as IoT, AI, and gene technology. While setting forth the responsibility for and commitment to customers, investors, suppliers, employees, the environment and society, BOE's 2018 CSR Report manifests its perseverance and how it has been upheld in its corporate governance mechanisms and management practices. Such entrepreneurship, which is exactly what the society needs, enables BOE to achieve harmony and win-win outcomes with the industry and the community, and allows the community to have full confidence in BOE's sustainable future.

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

The yardstick for a great company is not a continued growth in sales, profit or market share, although they are often deemed as the criteria for corporate growth. Great companies play a vital role in helping build a community of shared future for mankind. They should fulfill social responsibility, contribute to community development, and promote social progress.

In the face of rapid technology advancements, ever-changing market environments and the headwinds against globalization, BOE has honored its commitment as reflected in its 2018 CSR Report. It is making strides toward its grand vision of being Best on Earth.

—**Wu Changqi, Professor of Strategic Management, Guanghua School of Management, Peking University; Director, Academy of Development Strategy for National High-Tech Industrial Zones, Peking University**

I have observed and witnessed the growth of BOE over the years. What impresses me most is that BOE is a highly responsible company for its partners, its employees, the industry, and even the era. Its strong sense of responsibility is not only deep-rooted in its corporate culture but also in its CSR practices.

As a high-tech company reputed for independent innovation, BOE has seized the enormous opportunities of the Fourth Industrial Revolution, and achieved its strategic transformation towards IoT. It has launched the IoT strategy of opening up technology and application platforms to create and share value through ICPST (Integration of Chips, Panels, Software and Things). It fully opens its application platforms and works with IoT partners on innovation in hardware, software and applications. It also fully opens its technology platforms to boost technological advancement and product innovation in display, sensing, AI, IoT, and healthcare, among others. These open, inclusive and win-win collaborative innovation concepts and practices are the embodiment of its CSR concept and performance. As can be seen from its 2018 CSR Report, BOE's CSR practices have taken root and yielded fruitful results through its concerted efforts with partners, and are set to benefit a broader range of businesses and people.

—**Fang Xiangming, Co-Chair, China Foresight Think Tank Alliance**

In the face of the complex international economic landscape, how Chinese enterprises can lead the world through independent innovation and pursuit of excellence is key to the transformation from "Made in China" to "Created in China". In 2018, BOE ranked 7th in the world with 1,813 PCT patent applications, and spent more than RMB7.2 billion on R&D. It has become a global leader in the industry, set an example in performing economic responsibility, and demonstrated to the world the good image of Chinese enterprises. BOE has stood out from many other Chinese companies by publishing CSR reports for the ninth consecutive year. It has made great contributions in environment, society, education and other fields. Its unit-area energy consumption and water consumption declined year by year from 2010 to 2018. Moreover, BOE selects suppliers in the principle of competitive technology, quality, services, supply and cost, as well as environmental and social responsibility performance, and information security. It has prompted partners to perform social responsibility while fulfilling social responsibility itself. In 2018, it received 19 CSR awards, reflecting wide recognition of its CSR practices.

BOE has a clear CSR vision – to shape itself as a paragon in green development by 2022. I expect BOE to deliver greater performance in the future.

—**Wang Zhongping, Associate Professor, School of Economics & Management, Beijing Forestry University; Deputy Secretary-General, Research Council, China Volunteer Service Federation; Founder & CEO, Horizon Corporate Volunteer Consultancy**

Appendix 3: GRI Index

GRI Standard	Disclosure	Location	Page	Notes
GRI 102: General Disclosures				
1. Organizational profile	102-1 Name of the organization	About This Report	Inside front cover	
	102-2 Activities, brands, products, and services	Company Profile	3	
	102-3 Location of headquarters	About This Report	Inside front cover	
	102-4 Location of operations	Company Profile	3	
	102-5 Ownership and legal form	—	—	Nature of ownership: State-owned listed company; legal form: limited liability company
	102-6 Markets served	Company Profile	3	
	102-7 Scale of the organization	Company Profile	3	
	102-8 Information on employees and other workers	BOE and Employees	59	
	102-9 Supply chain	BOE and Suppliers	41	
	102-10 Significant changes to the organization and its supply chain	—	—	No Significant changes to the organization and supply chain during the reporting period
	102-11 Precautionary Principle or approach	—	—	In accordance with Rio Declaration Principle 15
	102-12 External initiatives	—	—	In accordance with RBA Code of Conduct
	102-13 Membership of associations	—	—	China Information Technology Industry Federation, China Electronics Chamber of Commerce, China Video Industry Association, China Electronics Enterprise Association, Beijing Electronic Chamber of Commerce, etc.
2. Strategy	102-14 Statement from senior decision-maker	Message from Chairman	1	
	102-15 Key impacts, risks, and opportunities	Message from Chairman, Company Profile	1, 14	

GRI Standard	Disclosure	Location	Page	Notes
3. Ethics and integrity	102-16 Values, principles, standards, and norms of behavior	Company Profile, Corporate Governance	3, 15	
4. Governance	102-18 Governance structure	Corporate Governance	16	
5. Stakeholder engagement	102-40 List of stakeholder groups	Corporate Governance	23	
	102-41 Collective bargaining agreements	BOE and Employees	62	
	102-42 Identifying and selecting stakeholders	Corporate Governance	23	
	102-43 Approach to stakeholder engagement	Corporate Governance	23	
	102-44 Key topics and concerns raised	Corporate Governance	24-25	
6. Reporting practice	102-45 Entities included in the consolidated financial statements	—	—	See BOE Annual Report 2018
	102-46 Defining report content and topic Boundaries	Corporate Governance	23	
	102-47 List of material topics	Corporate Governance	25	
	102-48 Restatements of information	—	—	No restatement
	102-49 Changes in reporting	—	—	No significant changes
	102-50 Reporting period	About This Report	Inside front cover	
	102-51 Date of most recent report	About This Report	Inside front cover	
	102-52 Reporting cycle	About This Report	Inside front cover	
	102-53 Contact point for questions regarding the report	About This Report	Inside front cover	
	102-54 Claims of reporting in accordance with the GRI Standards	About This Report	Inside front cover	
	102-55 GRI content index	Appendix	Appendix	
102-56 External assurance	Appendix	Appendix		

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GRI Standard	Disclosure	Location	Page	Notes
GRI 103: Management Approach				
Management Approach	103-1 Explanation of the material topic and its Boundaries	Corporate Governance	24-25	
	103-2 The management approach and its components	See specific sections	3, 7, 19, 22, 28, 32, 42-47, 50-56, 62-66	
	103-3 Evaluation of the management approach	See specific sections	Ditto	
Material Topics				
GRI 201: Economic Performance*	201-1 Direct economic value generated and distributed	Company Profile, BOE and Investors	3, 39	
	201-3 Defined benefit plan obligations and other retirement plans	BOE and Employees	62	
GRI 202: Market Presence*	202-2 Proportion of senior management hired from the local community	BOE and Employees	61	
GRI 203: Indirect Economic Impacts*	203-2 Significant indirect economic impacts	Company Profile	3	
GRI 204: Procurement Practices*	204-1 Proportion of spending on local suppliers	BOE and Suppliers	46	
GRI 205: Anti-corruption*	205-2 Communication and training about anti-corruption policies and procedures	Corporate Governance	19-20	
	205-3 Confirmed incidents of corruption and actions taken	Corporate Governance	19-20	
GRI 206: Anti-competitive Behavior*	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Corporate Governance	20	
GRI 301: Materials*	301-2 Recycled input materials used	BOE and Environment	57	
GRI 302: Energy*	302-3 Energy intensity	BOE and Environment	52	
	302-4 Reduction of energy consumption	BOE and Environment	51	
GRI 303: Water *	303-1 Water withdrawal by source	BOE and Environment	51	
	303-3 Water recycled and reused	BOE and Environment	57	
GRI 305: Emissions*	305-4 Reduction of GHG emissions	BOE and Environment	53	

GRI Standard	Disclosure	Location	Page	Notes
GRI 306: Effluents and Waste*	306-2 Waste by type and disposal method	BOE and Environment	58	
	306-3 Significant spills	—	—	None
GRI 307: Environmental Compliance*	307-1 Non-compliance with environmental laws and regulations	—	—	No major penalties for non-compliance environmental laws and regulations during the reporting period
GRI 308: Supplier Environmental Assessment*	308-1 New suppliers that were screened using environmental criteria	BOE and Suppliers	43-44	
GRI 401: Employment*	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	BOE and Employees	62	
	401-3 Parental leave	BOE and Employees	63	
GRI 402: Labor/Management Relations*	402-1 Minimum notice periods regarding operational changes	—	—	In case of significant operational changes, BOE will notify employees 30 days in advance to confirm renewal or termination of contracts
GRI 403: Occupational Health and Safety *	403-1 Occupational health and safety management system	BOE and Employees	63-64	
	403-3 Occupational health services	BOE and Employees	63-64	
	403-4 Worker participation, consultation, and communication on	BOE and Employees	63-64	
GRI 404: Training and Education *	404-1 Average hours of training per year per employee	BOE and Employees	68	
	404-2 Programs for upgrading employee skills and transition assistance programs	BOE and Employees	66-67	
	404-3 Percentage of employees receiving regular performance and career development reviews	BOE and Employees	63	100%
GRI 405: Diversity and Equal Opportunity*	405-1 Diversity of governance bodies and employees	BOE and Employees	61	
	405-2 Ratio of basic salary and remuneration of women to men	BOE and Employees	63	
GRI 406: Non-discrimination	406-1 Incidents of discrimination and corrective actions taken	BOE and Employees	62	

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GRI Standard	Disclosure	Location	Page	Notes
GRI 408: Child Labor	408-1 Operations and suppliers at significant risk for incidents of child labor	BOE and Suppliers, BOE and Employees	45, 62	BOE conducted internal audit in accordance with RBA Code of Conduct during the reporting period, and no significant risks were found
GRI 409: Forced or Compulsory Labor *	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	BOE and Suppliers	45, 62	BOE conducted internal audit in accordance with RBA Code of Conduct during the reporting period, and no significant risks were found
GRI 413: Local communities *	413-1 Operations with local community engagement, impact assessments, and development programs	BOE and Community	71	
	413-2 Operations with significant actual and potential negative impacts on local communities	—	—	No significant negative impacts
GRI 414: Supplier Social Assessment *	414-1 New suppliers that were screened using social criteria	BOE and Suppliers	43	
	414-2 Negative social impacts in the supply chain and actions taken	—	—	BOE conducted internal audit in accordance with RBA Code of Conduct during the reporting period, with no significant negative social impacts in supply chain
GRI 416: Customer Health and Safety *	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	—	—	All products and services of BOE are in compliance with laws and regulations; there were no penalties for non-compliance during the reporting period
GRI 417: Marketing and Labeling *	417-2 Incidents of non-compliance concerning product and service information and labeling	—	—	No incident of non-compliance concerning product and service information and labeling during the reporting period
	417-3 Incidents of non-compliance concerning marketing communications	—	—	No incident of non-compliance concerning marketing communications during the reporting period
GRI 418: Customer Privacy *	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	BOE and Customers	33	No substantiated complaint concerning breaches of customer privacy and losses of customer data during the reporting period
GRI 419: Socioeconomic Compliance *	419-1 Non-compliance with laws and regulations in the social	—	—	No incident of non-compliance with laws and regulations in the social and economic area during the reporting period

* Material topics

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