

2016 BOE CORPORATE SOCIAL RESPONSIBILITY REPORT



BOE TECHNOLOGY GROUP CO., LTD.

About This Report

Report period

This report covers the period from January 1 to December 31, 2016.

Report cycle

BOE has published the annual CSR Report since 2010. The last report was published in April 2016.

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, 2016.

Report references

This report is prepared in accordance with the Core option of *G4 Sustainability Reporting Guidelines of Global Reporting Initiative* (GRI) as well as the *Shenzhen Stock Exchange Guidelines on Standard Operation of Main Board Listed Companies*, and the *China Corporate Social Responsibility Reporting Guidelines 3.0* (CASS-CSR3.0).

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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Chairman message



Ecosystem: Open and Connected

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

The last 300 years have seen three industrial revolutions that brought to us the steam engine, electricity, computers, and finally the Internet. Looking at the evolution of human civilization and the course of industrial development, we may notice a pattern that industrial development is closely related to three fundamental human issues – the relationships between people and nature, between people and people, and between people and themselves. However, the triggers for the technological and industrial revolutions, and their points of impact for improving the three relationships occur in a relatively sequential and incremental way.

The trigger for the First Industrial Revolution was the steam engine. From the perspective of people-nature relationship, mechanical power replaced manpower and animal power. Railway transportation greatly enhanced people-to-people communication. Almost at the same time, with the Enlightenment reaching its peak and the advent of mechanical printing and newspapers, people's self-recognition and the mechanisms for spreading new knowledge and ideas underwent radical changes.

The trigger for the Second Industrial Revolution was electricity, when industrial production using natural resources on a large scale came into being. The ensuing communications industry,

characterized by the telephone and telegraph, altered people-to-people communication. Industrialization brought urbanization, which promoted the development of modern education and medicine and the rise of film and broadcast industries, thus changing people's lifestyles and extending life expectancy thanks to better health conditions.

The Third Industrial Revolution, characterized by the computer, has brought about change whose speed and the scope have never been seen before. With the Information and Communication Technology (ICT) industry acting as the trigger, the advent of the Internet has changed people-to-people communication considerably, and enabled the fast dissemination and sharing of knowledge, experience and information. The deep integration of ICTs with various fields of study has promoted the innovative development of technologies and industries relating to the relationships between people and nature and people and themselves.

The energy accumulated in the Third Industrial Revolution is catalyzing the fourth one. Two prevailing trends are emerging. One is that the Internet of Things (IoT), Artificial Intelligence, and Big Data are driving humankind from the Information Society to the Intelligence Society. The other is that life sciences and the health industry will help advance evolution that human beings have never experienced before – disruptive improvements in intelligence, life expectancy and health conditions.

Fundamental technological elements embedded in IoT include smart devices connected to each other, Big Data transmitted in huge quantities, as well as AI in the Cloud, with most of their base devices based on silicon materials, so we may call this “silicon life”. Life sciences and the health industry are generally related to carbon-based life. Therefore, we can also say that the Fourth Industrial Revolution is a scientific and technological revolution based on silicon and carbon life. This is an Industrial Revolution that will take humankind's relationship with itself to new unprecedented levels. In turn, these advancements will undoubtedly radically transform technologies and industries relating to people-to-nature and people-to-people relationships.

The Fifth Industrial Revolution will be probably related to space technologies. Only when human beings realize self-evolution will we be able to usher in the era of leaping from the Earth to the universe.

IoT, AI and Big Data are offering us market opportunities worth trillions of US dollars. Combined with life sciences and the health industry, the market size will be even larger. That is where our new global opportunities lie.

Opportunities always come with challenges. To develop IoT, we need to address three challenges.

First, the need for stronger capabilities in terms of information collection, transmission, computing, storage and presentation. Now sensors, communication, computing, storage, display and other semiconductor devices are far from meeting the needs of the fast-growing IoT, AI and Big Data industries.

Second, the need for more scientific, reasonable, efficient and continually-improving algorithms. The basis for IoT's applications in segmented fields is mathematical modeling. Scientific, reasonable, efficient and continually-improving algorithms are the prerequisite for the successful applications of IoT and it takes time and human resources to develop them.

Third, the need for Big Data of higher quality. The technological basis of IoT is AI that can only make progress gradually by integrating expertise and technologies in different segmented fields and being continuously fed Big Data from those fields. High-quality Big Data forms the basis for the evolution of AI and the creation of new value. That relates to not only technology but also issues like opening up data and protecting privacy.

To address these challenges will be a complicated process. If we simplify an IoT system into its basic elements, it is a system composed of functional hardware, computing units, sensor units, human-computer interface units, communication units, software and content, and so on. Chips are the core components of computing, communication and sensors (It pronounces "Xin" in Chinese meaning heart or emotions); display panels are the core components of human-computer interface units and also the input-output interface for the future IoT (Panel pronounces "Ping" in Chinese). Software and content are invisible, existing and being transmitted like air; we can call them "Qi" in Chinese, meaning "air". The various functional hardware is visible, and we can name it a different "Qi" in Chinese, which means "tool or functional object". They can become nodes or terminals of IoT, only when integrated with chips, display panels and software. IoT put simply is a harmonious combination of related chips, display panels, software and content, and functional hardware. It is also a value-creating system, containing connections between people and people, people and things, and things and other things. It is also an industrial ecosystem featuring openness, coordination and mutual benefit. I name this new inclusive ecosystem as Ecoresystem.

The formation of this new system will be a gradual process. It requires open cooperation and collaborative innovation among people of all industries and trades. It also requires calm and profound thinking to produce win-win outcomes. That is why I explain this process by borrowing a Chinese idiom "Xin Ping Qi He" meaning calmness and harmony as a pun (Xin means chip, Ping as panel and Qi as both hardware and software and content). I have also coined an English word for it – Ecoresystem.

BOE is an IoT company with its foundations in semiconductor display and thin-film sensor technologies. In the Ecoresystem, we will have three focuses.

First, improving new display and thin-film sensor technologies to provide end users with the best products and services of man-machine interaction.

Second, increasing the core capacity for intelligent manufacturing, intelligent retail solutions, intelligent vehicle networking, and intelligent energy and deepening cooperation with partners in all fields to explore new applications.

Third, integrating display and sensor technologies, AI, Big Data and other technologies with medical and life sciences to help improve the quality of people's lives and promote the health and well-being of mankind.

Towards these aims, we are taking actions in three directions:

First, we are opening up our application platform, working with partners worldwide to create new hardware, software and applications.

Second, we are opening up our technology platform, working with partners worldwide on innovation and sharing new opportunities with them.

Third, we are fostering the Ecoresystem, advancing the harmonious combinations of semiconductor chips, display panels, software and contents as well as functional hardware, developing new applications and creating new market opportunities.

I would like to summarize these actions as: Ecoresystem: Open and Connected. Let's join hands for a better future!

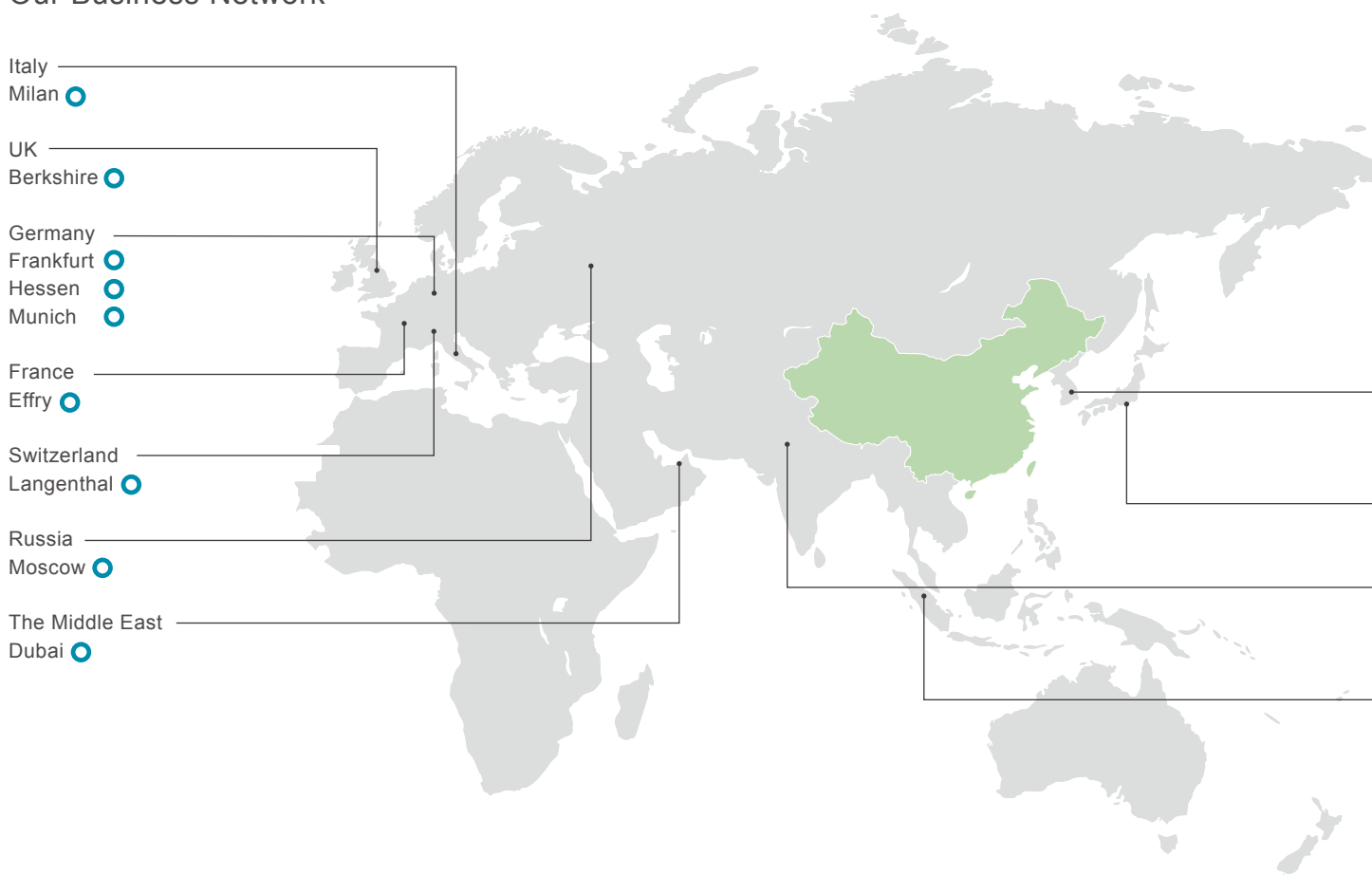
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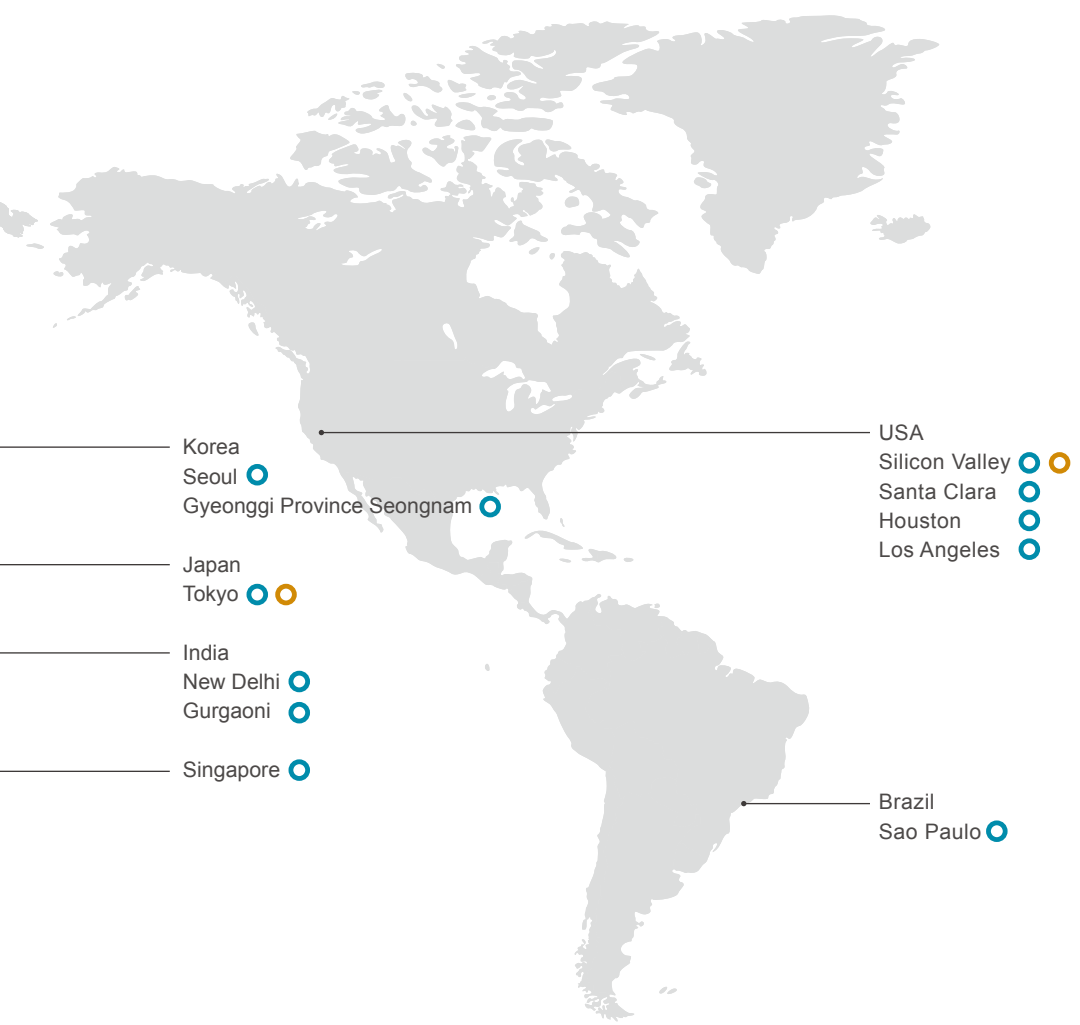
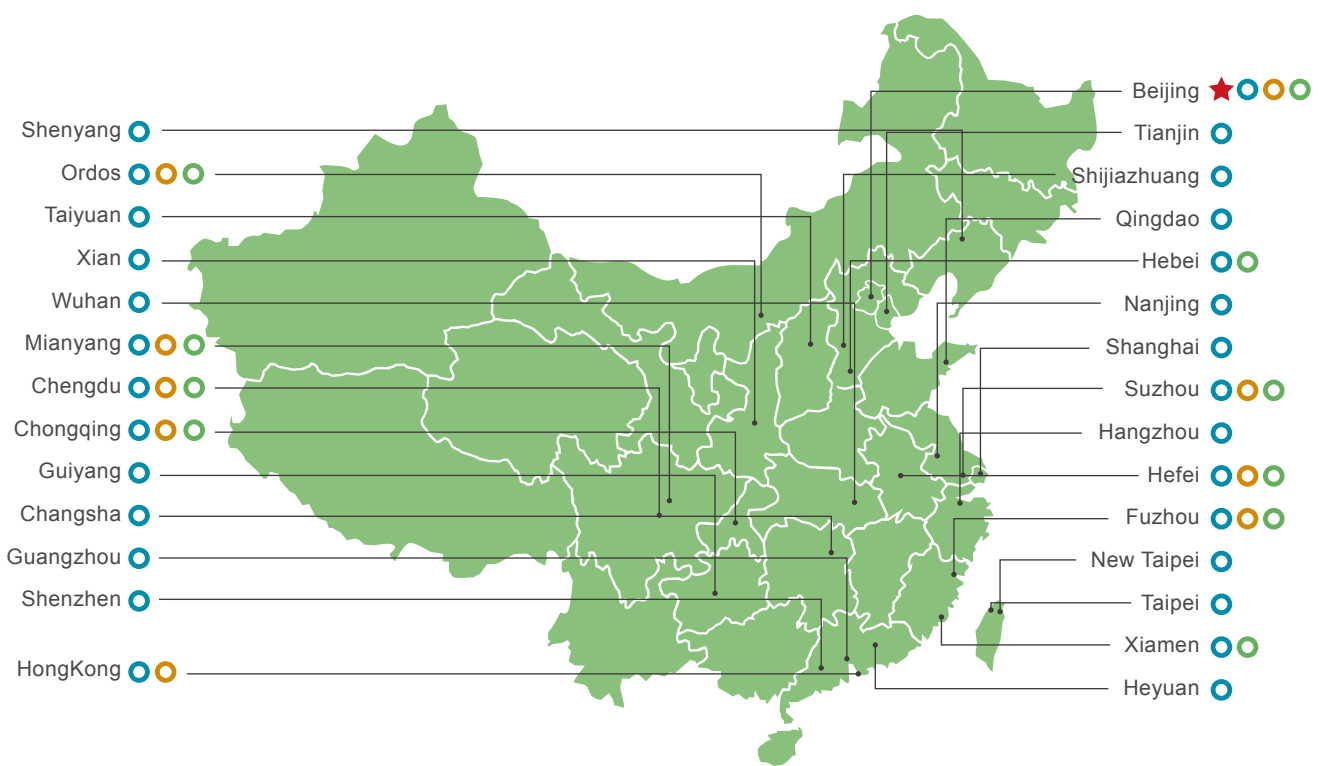
01 About Us

Who We Are

Founded in April 1993, BOE Technology Group Co., Ltd. (BOE) is an IoT technologies, products and services supplier. Three core businesses are Display Devices, Smart Systems and Healthcare Services. BOE display products are used in a wide range of fields such as mobile phones, tablets, notebooks, monitors, TVs, vehicle displays and wearable devices, etc. Smart systems business provides integrated solutions featuring “Hardware Product + Software Platform + Scenario-based Application” for such industries as retail, transportation, finance, education, art, and healthcare, etc. Healthcare services business combines medicine and life science, and is committed to developing mobile healthcare, regenerative medicine, O+O medical services and integrating BOE park resources. As of December 31, 2016, BOE had RMB 35.15 billion in registered capital and 49,151 employees in total, with manufacturing and R&D facilities in many parts of China including Beijing, Chengdu of Sichuan Province, Hefei of Anhui Province, Chongqing, Fuzhou of Fujian Province, and Ordos of Inner Mongolia Autonomous Region as well as marketing and service networks covering major regions of the world such as Europe, America and Asia.

Our Business Network





Legend:

- ★ HQ
- R&D Center
- Marketing Base
- Manufacturing Base

What We Do

BOE entered TFT-LCD manufacturing in 2003 and has grown into a global leader in this field over the years. Since 2010, IoT, AI, and Big Data have been driving humankind to make the transition from the Information Society to the Intelligence Society. The Fourth Industrial Revolution featuring life sciences and healthcare industry has brought about disruptive changes. BOE seized the opportunity presented by such changes and launched the DSH strategy in 2014, seeking to extend the scope of business from Display Devices to Smart Systems and Healthcare Services and to shift the focus towards the integration of products, platforms and applications and the delivery of services. In 2016, BOE defined its role as a supplier of IoT technologies, products and services.

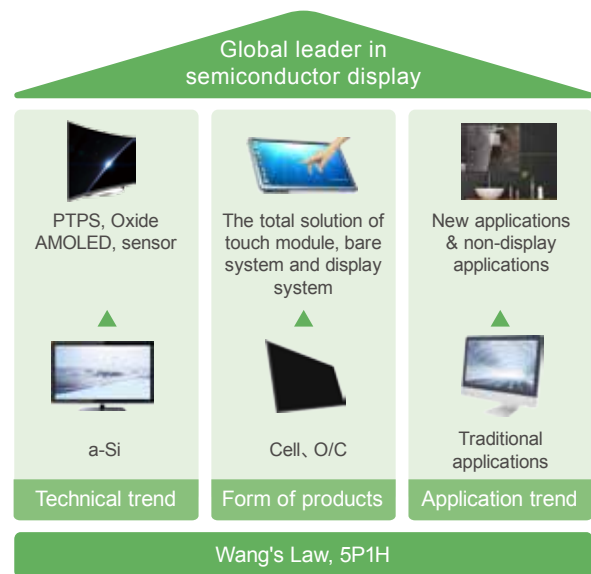
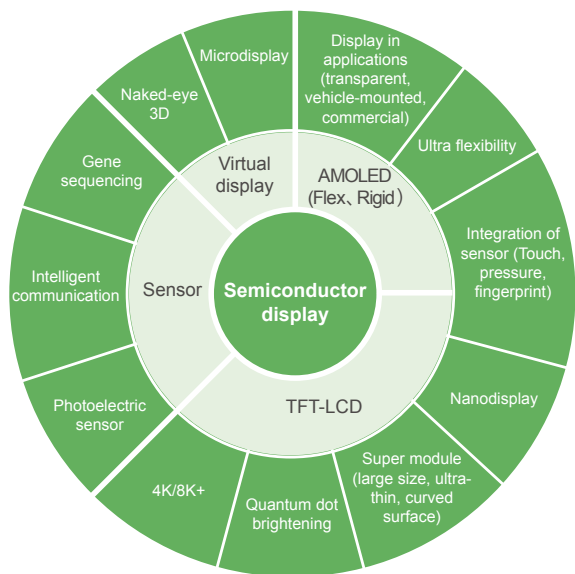
Vision: To Be the Most Respected Company on the Earth



Display Device Business

BOE has been a manufacturer of display devices for many years. We are the only company in the Chinese mainland that is capable of developing and manufacturing semiconductor display products of all sizes from 1.5 inches to 110 inches. Now we have 11 production lines, including Gen 5 and Gen 8.5 TFT-LCD lines in Beijing, Gen 4.5 TFT-LCD line in Chengdu, Gen 6 and Gen 8.5 TFT-LCD lines in Hefei, Gen 5.5 LTPS/AMOLED line in Ordos, Gen 8.5 TFT-LCD line in Chongqing and Gen 8.5 TFT-LCD line in Fuzhou, as well as three production lines being built, namely Gen 10.5 TFT-LCD line in Hefei – the world’s newest generation of its kind, Gen 6 flexible AMOLED line in Chengdu, and Gen 6 flexible AMOLED line in Mianyang.

In this area of business, BOE aims to be a leader in IoT portals by pushing forward technological innovation, product upgrading, and application expansion.



Smart System Business

Leveraging its strengths in display, AI and sensor technologies, BOE offers user-centered IoT solutions in four categories – Smart Manufacturing Services, Smart IoV, Smart Retail and Smart Energy.





Smart Manufacturing Services – building smart factories and providing customized services. BOE is working on a service customization system which is composed of an online platform – iMaker and two offline platforms – TechShop and Smart Factory.

Smart Retail – offering IoT integrated solutions featuring “Hardware Product + Software Platform + Scenario-based Application” for new retail in finance, education, art and other industries. In 2016, BOE launched a smart product – BOE iGallery for both household and commercial use. With digitalized artworks such as paintings and pictures backed by Internet technology and connected to cloud platforms, this product offers users a chance to appreciate art treasures of the world without leaving home.

Smart IoV – offering high definition, free-formed and curved display modules for vehicles as well as display system, liquid crystal antenna system, advanced driver assistance system (ADAS), precision positioning system and other electronic systems for vehicles. BOE’s display products for vehicles are used by the majority of leading automobile manufacturers in the world.

Smart Energy – offering photovoltaic and thermal energy solutions as well as smart testing and operation management platform, Internet + energy-efficient lighting solution for parking lots, etc.

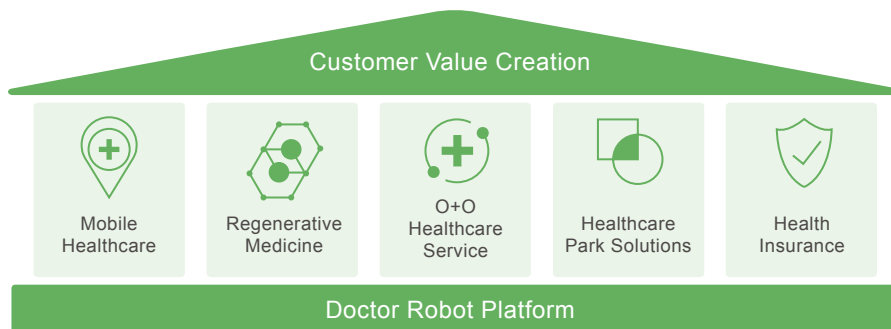
BOE aims to lead the world in smart products and services by securing a firm foothold in the markets of Smart Manufacturing Services, Smart IoV, Smart Retail and Smart Energy.

Smart Manufacturing Services	Smart Retail	Smart IoV	Smart Energy
			
Smart factory TechShop iMaker	Art Finance Malls & supermarkets	Display modules for vehicles Display systems for vehicles Electronic systems for vehicles	Photovoltaic power station Power station operation Electricity/ carbon trade Plant factory

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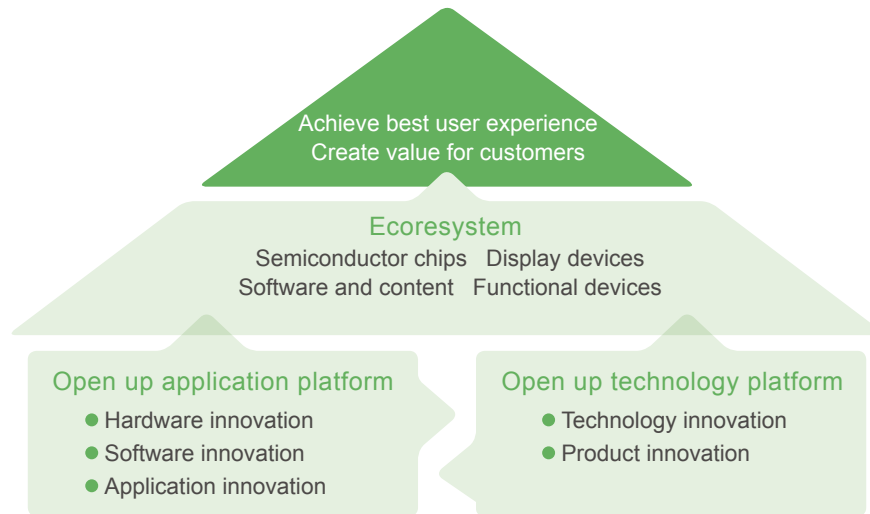
Healthcare Service Business

Leveraging its strengths in semiconductor display, sensor, AI, and Big Data technologies, BOE combines display and information technologies with medicine and life sciences and technologies to develop mobile healthcare, regenerative medicine, O+O healthcare service and integrating BOE park resources, and provide IoT-based smart products and services. BOE now provides intelligent mobile healthcare devices such as non-invasive blood test and non-invasive glucometer. Intelligent medical assistant can predict potential health risks and give treatment suggestions accordingly, so as to provide individual diagnosis, treatment, and health management plan. At present, BOE has two hospitals. One is Oasis International Hospital, acquired in 2015; the other is Hefei Digital Hospital, which started construction in 2016. The hospital is partnered with Dignity Health in the U.S and aims to introduce world-class medical technology and surgical operation methods. On top of this, more digital hospitals are under planning.



BOE's transformation goes with the Fourth Industrial Revolution and the Third Energy Revolution as well as the tide of Big Data, AI and IoT.

At BOE Innovation Partner Conference 2016 (BOE IPC 2016), BOE Chairman Wang Dongsheng put forward a vision for IoT ecosystem – “Ecosystem: Open and Connected”.



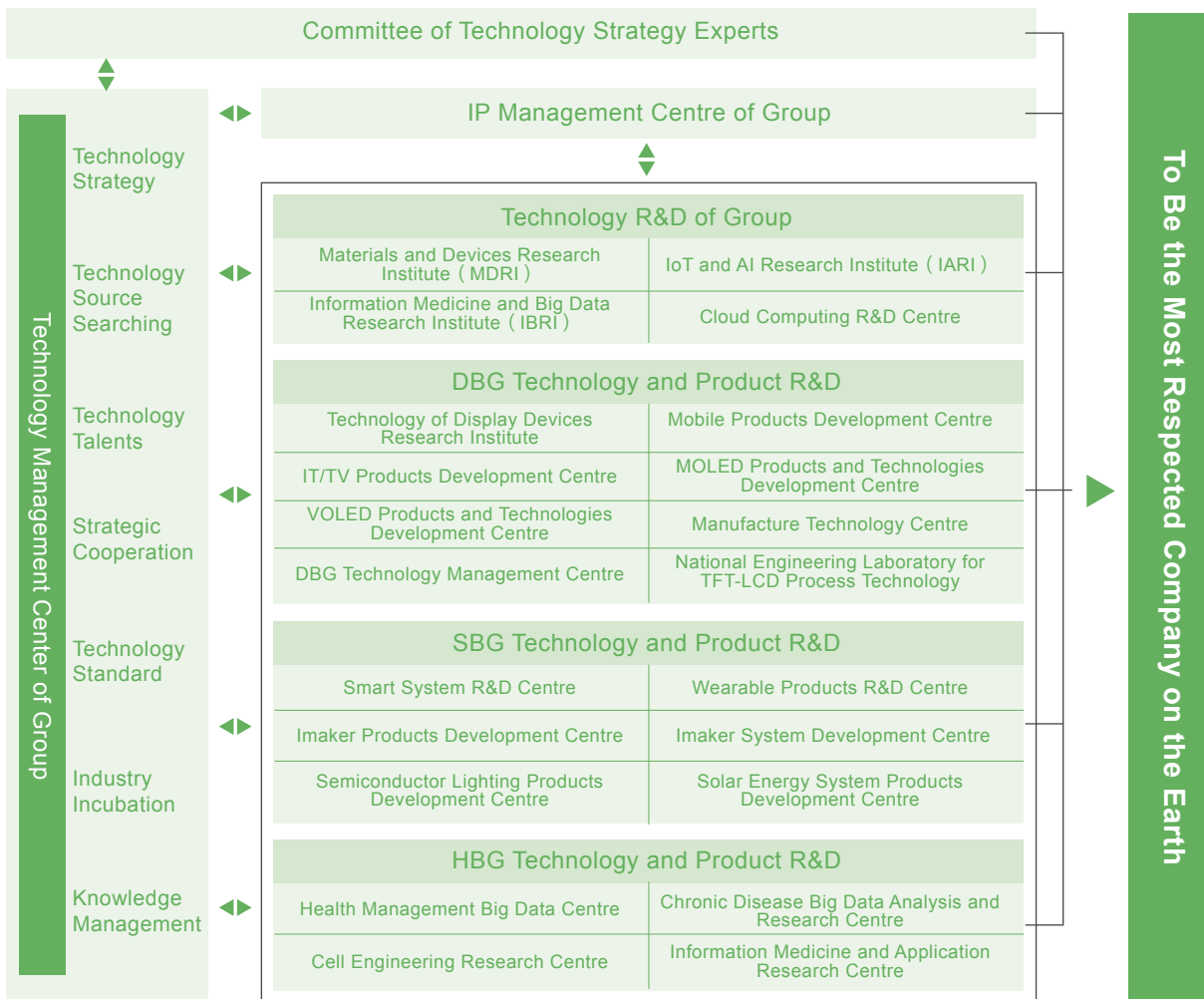
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The formation of this new system requires open cooperation of all industries and trades. Therefore, BOE has decided to completely open up our application platform. We will work with enterprises and experts dedicated to IoT to create new hardware, software and applications. We will also fully open up our technology platform. We are going to collaborate with companies, colleges, research institutes, and professionals in fields like displays, sensors, AI, IoT solutions, healthcare, etc. to drive technological advancement and product innovations. We will carry out all-round efforts for harmonious combinations of semiconductor chips, display devices, software and content as well as functional devices, joining hands with partners from various industries, developing new applications and creating new market opportunities together.

BOE will embrace opportunities and challenges of this era in promoting business in three core areas and accelerating the shift of focus towards the integration of products, platforms and applications and the delivery of services, striving to be the most respected company on the earth.

Our Innovation System

An essential driving force behind BOE's leapfrogging development is its relentless pursuit of disruptive innovations. Over the years, we have built up great strengths in technology and talent and put in place a sound technology innovation system that enables continued disruptive innovations.



Breakthroughs

Technology Patents

- In 2016, BOE filed 7,570 patent applications, over 80% of which are for inventions, and held a total of more than 50,000 patents, making it one of the global leaders in this regard.
- BOE won the China Patent Golden Award twice, which is known as China's top patent award, 16 honorable mentions of China Patent Award, and one municipal patent award for invention.
- According to IFI Claims Patent Services, BOE was ranked among the Top 50 USPTO Patent Assignees in 2016, with an annual growth rate of over 200%.

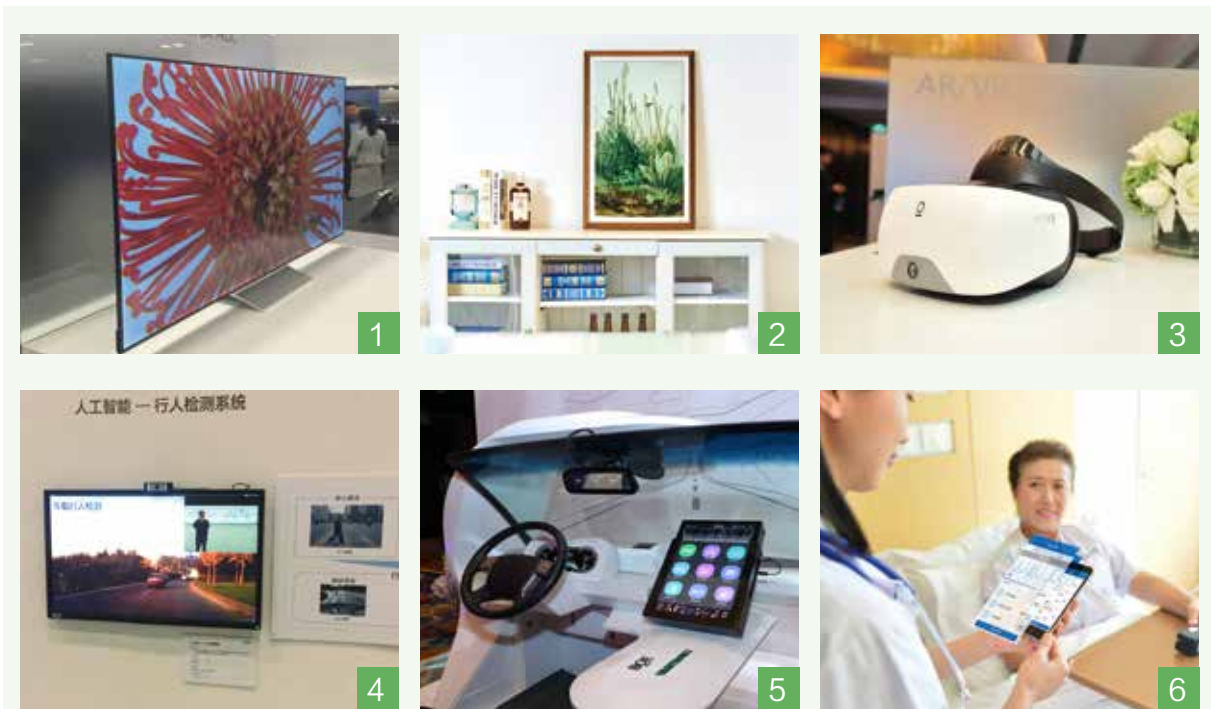
Technology Standards

- As of the end of 2016, BOE had led the promotion of 36 technical standards, 24 of which had been published and implemented, and been involved in 47 programs.
- In 2016, BOE published eight industry standards, one standard for organizations, three of the industry standards and earned the third prize of China Standard Innovation Contribution Award – an award jointly introduced by the General Administration of Quality Supervision, Inspection and Quarantine of China (AQSIQ) and the Standardization Administration of China (SAC).

Innovation Indicators

- In 2016, 40% of BOE's products were debuted globally.
- According to Thomson Reuters' 2016 *State of Innovation Report*, BOE has become the 2nd largest innovative company of the global semiconductor industry.

Innovation Applications



- 1.The world's thinnest UHD display
- 2.The world's first ever digital gallery for household use – BOE iGallery
- 3.Virtual display: UHD VR headset AIO and AR smart glasses
- 4.Face detection/recognition system
- 5.Smart devices for vehicles: smart rearview mirror and head-up display
- 6.Internet-based O2O remote healthcare service platform: BOE mobile healthcare App

Exchanges and Cooperation – BOE Innovation Partner Conference

On November 8, 2016, BOE Innovation Partner Conference themed “Ecosystem: Open and Connected” was held in Beijing, with a view to deepen the cooperation between BOE and its innovation partners worldwide for new opportunities. The conference brought together opinion leaders of the industry such as BOE Chairman Wang Dongsheng, Chancellor of Singularity University Ray Kurzweil, “Father of IoT” Kevin Ashton, experts from the Chinese Academy of Sciences (CAS), Tsinghua University and other academic institutions, as well as executives of over 400 companies worldwide, offering them a chance to talk about openness and integration in the era of IoT.

Building on the exchange of ideas with its innovation partners at the conference, BOE will endeavor to be a global leader in the field of IoT by pushing forward technological innovation, product upgrading, and application expansion.

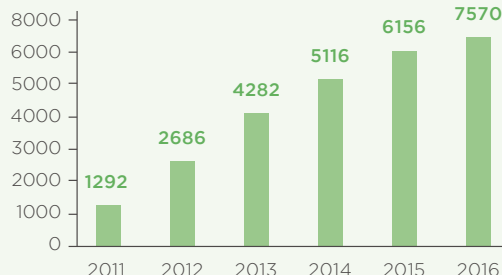


Our 2016

Chinese President Xi Jinping visited BOE's facility in Chongqing on January 4, 2016. He gave full recognition to BOE's innovation efforts and development. As he said, innovation is essential to a company's development and success amid market competition, and a company should develop its own core technologies instead of borrowing others'. He also noted that technology companies should closely follow the leading edge of global technological development, intensify R&D efforts and cooperation, build overwhelming technology strengths, and translate such strengths into competitiveness in products and business performance, winning honor for the industry and the country. What President Xi said during the visit inspired people at BOE to never stop pursuing innovation.

Leading the World

- Product generation: Gen 10.5 TFT-LCD production line in Hefei
- Resolution: the world's first 82-inch 10K curved display
- Display thickness: 65-inch 8K display as thin as 3.8mm, winning the 2016 IFA Product Technical Innovation Award
- Patent applications: 7,570 new patent applications filed in 2016
- Market share: As of Q4 of 2016, BOE had a 25% market share in LCD panels for smart phones, 38% in panels for tablets, and 21% in panels for notebooks. There is one display panel from BOE in every four smart phones, every three tablets, every five notebooks, every five monitors and every six TVs.



Strategic Layout

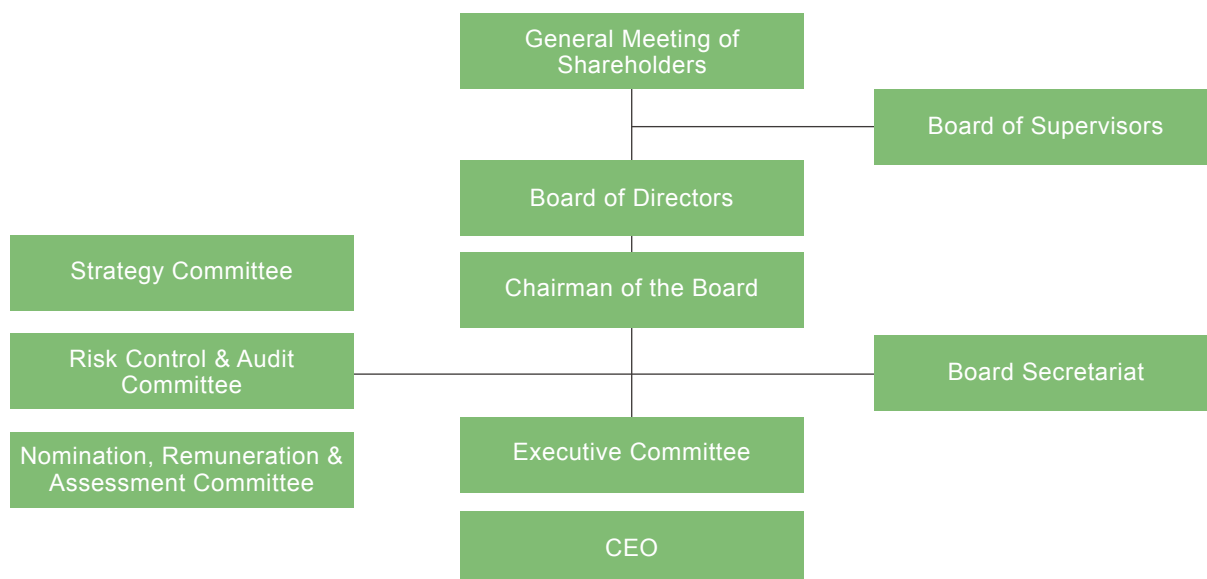
- In March 2016, BOE established a subsidiary in India to increase its presence in local market.
- In April 2016, BOE acquired Varitronix to develop displays for vehicles globally.
- In July 2016, BOE Gen 6 AMOLED production line in Chengdu— the first ever flexible AMOLED line in China – was capped.
- In October 2016, BOE began to build a smart factory for electronic systems in Chongqing, following the launch of smart factories for complete machines in Suzhou and Hefei.
- In November 2016, BOE Gen 10.5 TFT-LCD production line in Hefei – the world's newest generation of its kind – was capped. When it is brought into operation in 2018, BOE will become the world's No.1 player in LCD panel manufacturing.
- In December 2016, BOE's Gen 6 flexible AMOLED production line in Mianyang came into operation, another flexible OLED line built by the Company following the Gen 6 AMOLED line in Chengdu to gain the high ground in the new display market.



Corporate Governance

BOE believes that integrity, standardization, transparency and responsibility are the prerequisite for an enterprise to be respected. Both the management and employees should uphold integrity, be self-disciplined, and devote themselves to the interest of the Company, so as to maintain a positive, enterprising and clean atmosphere in the workplace. Into the third decade of its operation, BOE has upheld the concept of integrity, standardization, transparency and responsibility. BOE people have always abided by moral norms and professional code of conduct, conformed to strict corporate governance standards and business ethics and constantly improved the business system in compliance with laws and regulations, making BOE an honest, socially responsible corporate citizen with standard operation and transparent management.

I. Standard Governance



As a listed company, BOE has a standard and sound corporate government structure.

The General Meeting of Shareholders is the highest authority. The Board of Directors is a decision-making body, under which there are the Strategy Committee, Risk Control & Audit Committee, and Nomination, Remuneration & Assessment Committee. The Strategy Committee is a permanent body in between the meetings of the Board of Directors, and is responsible for deliberating major strategies concerning the Company's marketing, brands, technology, products, structure and human resources, and their implementation. 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 is mainly responsible for reviewing and approving matters regarding the nomination and remuneration of and performance assessment on directors and senior executives. The Executive Committee was designed to meet the actual needs of the Company's development and ensure timely and effective implementation of business strategies and plans. Its responsibility mainly includes formulating the Company's business strategies and plans and implementing them after being approved.

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

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

Overview of Work of the Board of Directors, Board of Supervisors and General Meeting of Shareholders in 2016

In 2016, BOE selected the new term of the Board of Directors, its special committees, and the Board of Supervisors, and further improved the standard operation of the Board of Directors and its special committees. The Board of Directors consisted of 12 directors, of which there were four independent directors, accounting for one-third, and eight external directors (independent directors included), accounting for two-thirds.

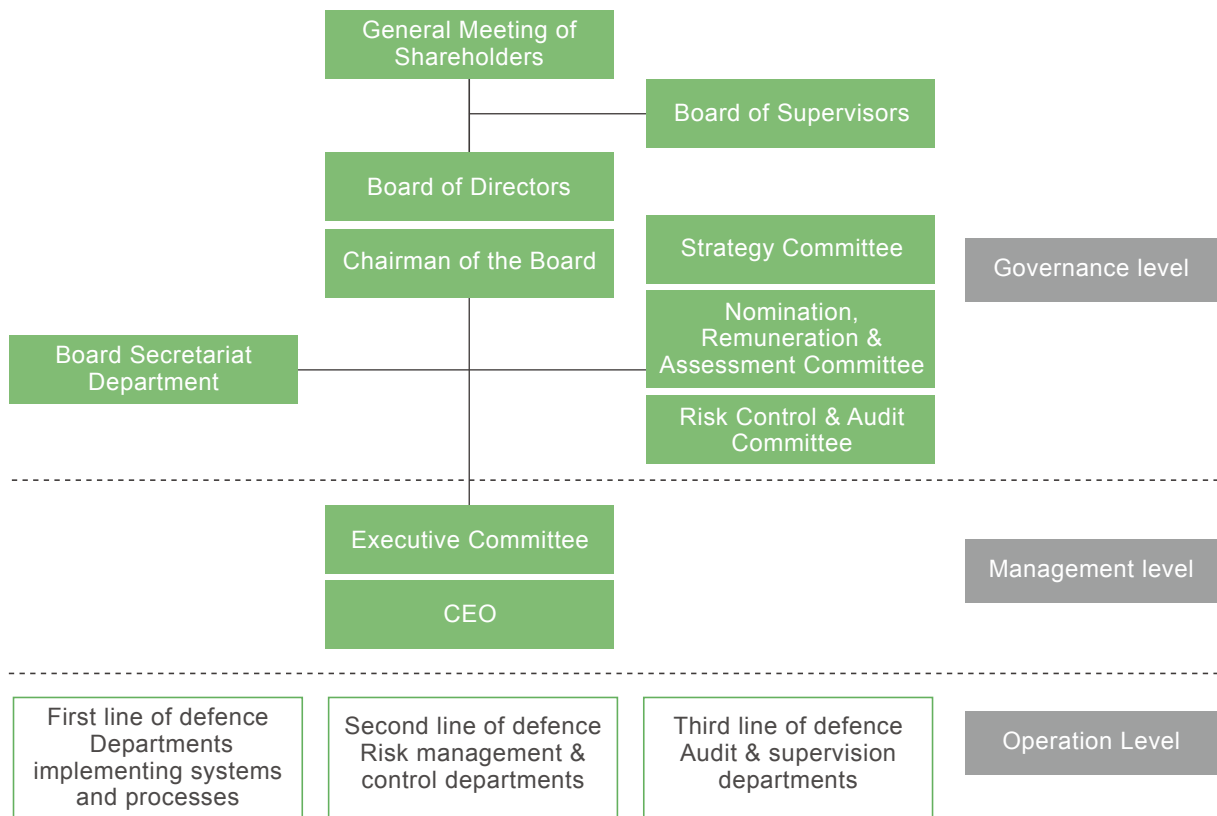
The Board of Directors convened 13 meetings in 2016, including three on-site meetings. It deliberated matters concerning the Company's periodic reports, annual budget and business plan, profit distribution, hiring of audit firms, overseas investment, related transactions, overseas guarantee, share repurchase and cancellation, selection of directors and members of the special committees, and revision to the articles of association and relevant regulations, and fully performed its functions in decision-making over major matters and the long-term planning for attaining development objectives. Specifically, all related transactions were endorsed by independent directors to ensure fairness. Independent directors also reviewed and gave independent opinions on the use of funds of related parties and overseas guarantee to ensure standard use of funds and asset security.

In 2016, the Board of Directors held five meetings and selected the new term of supervisors, and made sure its structure conforms to law and regulations. It reviewed the periodic reports of the Company to ensure their accuracy, completeness and compliance.

In 2016, five General Meetings of Shareholders were held, and the shares held by shareholder representatives in attendance accounted for 35.6%, 35.7%, 35.9%, 35.8% and 37.3% of total shares, respectively. The meetings deliberated the reports of the work of the Board of Directors and Board of Supervisors, approved matters concerning the Company's periodic reports, annual budget and business plan, share repurchase and cancellation, revisions to the articles of association and rules of procedure of the Board of Directors, selection of the Board of Directors and Board of Supervisors, and major investment, adopted special resolutions on the amendment to the articles of associations, share repurchase and cancellation, overseas guarantee and other significant matters, and ensured the legitimate authority of the General Meeting of Shareholders.

II. Internal Control

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



BOE has put in place three lines of defence for risk control.

- The first line of defence consists of departments implementing systems and processes, and business directors.
- The second line of defence includes risk prevention and control departments of BOE, such as financial, legal affairs and risk management departments providing professional support for risk prevention and control.
- The third line of defence includes internal audit departments.

To ensure compliant operation, asset security, and truthfulness and completeness of relevant information, BOE formulated the *Administrated Measures for Internal Control Systems*, and its subsidiaries, business groups, business units, and departments conducted internal control and evaluation focusing on internal environment, risk assessment, risk control actions, information and communication, and internal supervision according to the *Risk Control Management Manual*, *Risk Control System Manual* and *Risk Control Evaluation Manual*.

In 2016, BOE developed and released the *Basic Administrative System for the Improvement of Business Process and Internal Control*, and optimized its internal process accordingly. It also refined 12 systems and measures including the *Management Measures for the Quality Award*, *General Information Security System*, *Group Governance Mechanism*, *Measures for Budget Management of Business Support System*, and *Administrative Measures for Economic Responsibility Audit (Trial)*. Business departments conducted risk identification and analysis in light of changes in organizational structure and business process, addressed key risks, practiced key points of control, and lifted the

level of risk control in key business fields like sale and procurement. In addition, BOE launched the construction of process risk control management system, and completed the R&D of its first phase by the end of 2016, which boasts features such as online process modelling, process rights management, process risk identification, risk library management, and internal risk control self-inspection. In December 2016, BOE carried out annual internal control self-evaluations covering more than 96% of its total assets and 97% of business revenue. The *Report on Internal Control Self-evaluations is scheduled to come out at the end of March 2017.*

By the end of 2016, internal audit departments had found no significant risks in the overall operation and business process of the Company.

Percentage of assets covered by internal control self-evaluations



III. Business Ethics

1. Professional code of conduct

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

Comply with the confidentiality rules and regulations, and may not seek any personal interest by divulging or using the Company's confidential information;	Hold in high esteem the honor of their occupation, create value, and not abuse power for personal gain or damage the Company's interest;	Abide by the Company's rules and regulations, work in a fair and efficient manner, and not take bribes, give bribes, ask for bribes or commit corruption;	Ensure effective collaboration to create value, don't shy away from responsibilities or set up barriers for others	Report malpractices or the Company's management loopholes in a timely manner.
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The *Statement* explicitly stipulates the code of conduct for employees in business activities, requiring them to fulfill their responsibility, avoid conflict with the Company's interest, and not to abuse power for personal interest. Moreover, the employees may not fall into temptation when making judgements, or engage in any activities that violate social ethics.

2. Integrity, self-discipline and anti-corruption

BOE sticks to the concept of integrity, standardization, transparency and responsibility, and joins hands with its partners in complying with laws and business ethics and cultivating a clean and efficient business environment.

It has constantly improved the system for preventing and controlling integrity risks, set up mailboxes and hotlines to facilitate reporting of misconduct, and released the *Blacklist Management System*. It signs the integrity contract with partners before the start of cooperation in new business, and sends the *Official Letter on Honest Operation* to all partners before important festivals and holidays.

In 2016, BOE further strengthened the system for promoting integrity and dedication to work, and education on anti-corruption and integrity.

It set up the work ethics & discipline committee under the Strategy Committee; improved blacklist management, and made the blacklist available on its official website through the input of ID number; released the *Statement on Professional Code of Conduct for Employees*, which shall be signed with executives and key personnel every year; issued the Administrative Measures for Malpractice Investigations, and strictly investigated and handled violations; revised the *Administrative Measures for Economic Responsibility Audit*, and urged all executives to uphold integrity, and be self-disciplined and diligent. It drafted the basic system for promoting integrity and dedication to work, improved the supervision capacity and professional competence of the management, and urged the employees to uphold integrity, devote themselves to work and prevent risks, thereby ensuring clean, efficient operations.

It strengthened targeted anti-corruption education tailored to the different requirements for new employees, personnel in key business fields and major projects, newly appointed managerial staff, and executives at director level and above. Specifically, it highlighted honesty and dedication to work during the orientation for newcomers; emphasized integrity, dedication to work and standard behavior during the training for personnel in key business fields and major projects; promoted the criteria for upright and faithful leaders and the relevant cases during the daily integrity training for newly appointed managerial staff; and conducted integrity education and precautionary education against corruption for executives at director level and above. In 2016, 4,624 participants received various forms of training, totalling 41,987 class hours.



Participants in and total hours of training in 2016

 4624 participants

 41987 class hours

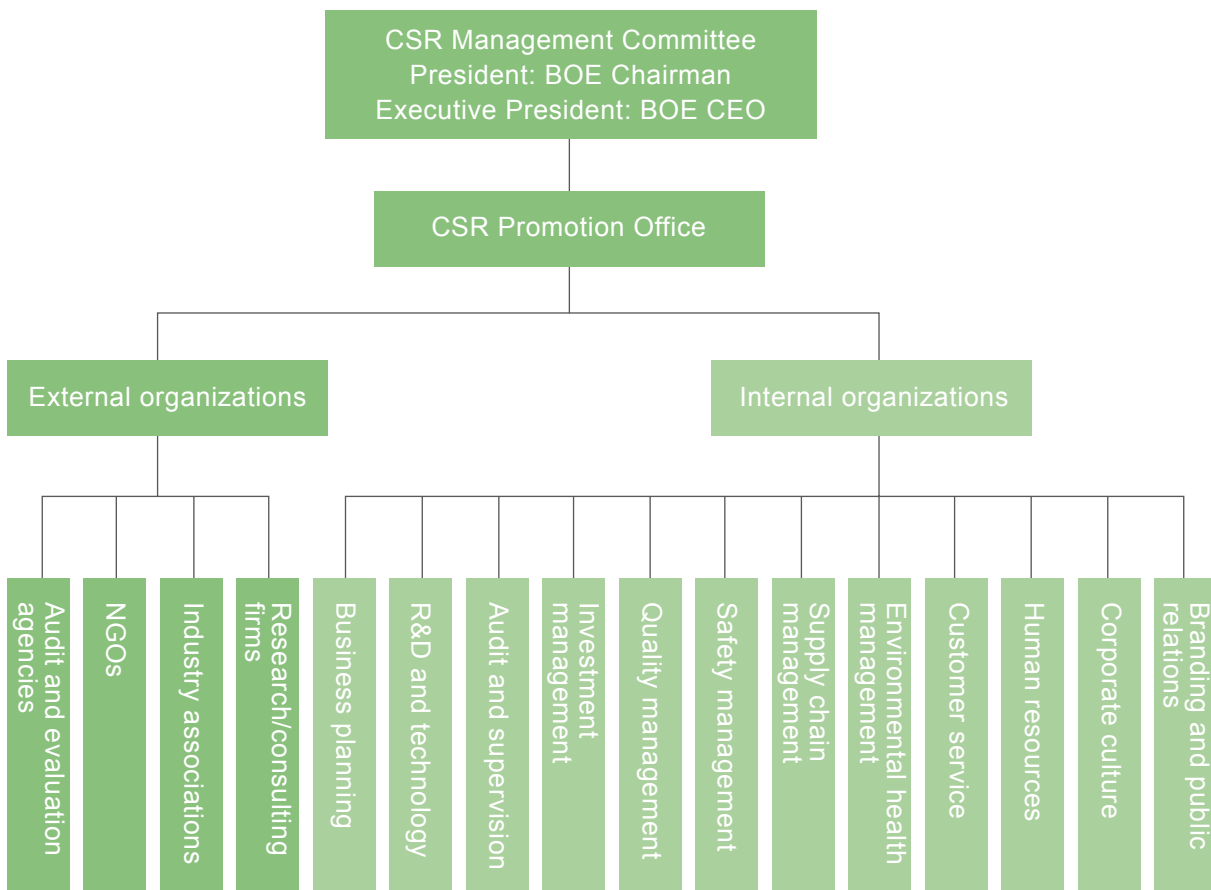
IV. CSR Management

1. CSR management policy

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;
 Stimulate 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

To imbed the CSR concept in daily production and operations, BOE has established a complete CSR management system. The CSR Management Committee under the top leadership is an independent body for CSR, of which BOE Chairman serves as President, BOE CEO as Executive President, and all relevant Vice Presidents of BOE are members. The CSR Management Committee is responsible for studying and determining CSR-related strategies, vision, principles and policies, and handling CSR-related matters. The CSR Promotion Office under the committee is responsible for the specific implementation of CSR and communication with departmental heads in charge of CSR.



3. Communication with stakeholders

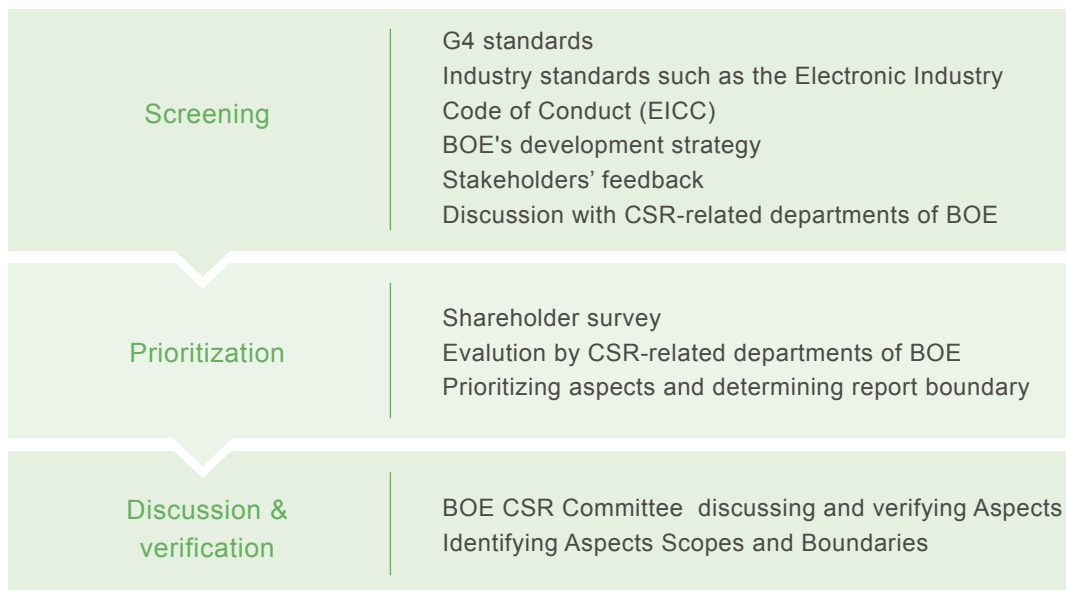
BOE listens to the voice of stakeholders via diverse channels, gets a better understanding of their needs through communication and feedback, identifies relevant aspects of sustainable development, constantly improves management and operations to advance its own sustainable development and also support sustainable progress of society.

Stakeholders	Content of Communication	Main Methods of Communication
Clients	Compliant operations Product and service quality Customer needs	Daily communication and visits (communication over telephone and visits to clients) Customer satisfaction survey Customer service hotline Customer quality meetings Industrial meetings and forums BOE IPC
Investors	Status of corporate operation Industrial and market status and trends	Investor service hotline On-site receptions General Meeting of Shareholders Investor interaction platform provided by Shenzhen Stock Exchange, online business performance meeting, investor service column on BOE's official website, and investor mailbox
Suppliers	Compliance management and business ethics Attainment of quality targets Sustainability	Supplier training and seminars Supplier evaluation and review Industrial meetings and forums Supply Partner Conference (SPC)
Employees	Employee engagement Career development and training Occupational health and safety Employees' rights and interests Remunerations and benefits	BOE Chairman's mailbox, General Manager's mailbox, Labor Union Chairman's mailbox, and employee assistance mailbox Meetings and interviews with employees, and activities organized by the Labor Union Employee satisfaction survey Employee Portal BOE periodicals Official website and WeChat account
Communities	Pollution prevention and control Resource recycling Support for education and environmental protection Volunteer services Integration into community	Information disclosure Field trip and questionnaire survey Public interest projects Community volunteer activities
Industry peers	Technical exchanges Collaborative innovation Industrial development	Industrial conferences, seminars and other activities

Stakeholders	Content of Communication	Main Methods of Communication
Government	Policy implementation Industrial development Corporate governance Regional economic development Employment Public interest projects	Seminars Correspondence Inspections and self-inspections
Media	Corporate operations Corporate development CSR information disclosure	Periodic reports and CSR reports Interviews and meetings Other public activities
Universities and research institutes	Scientific and technological innovation Talent training Information exchange	Seminars, forums and academic cooperation activities Campus activities

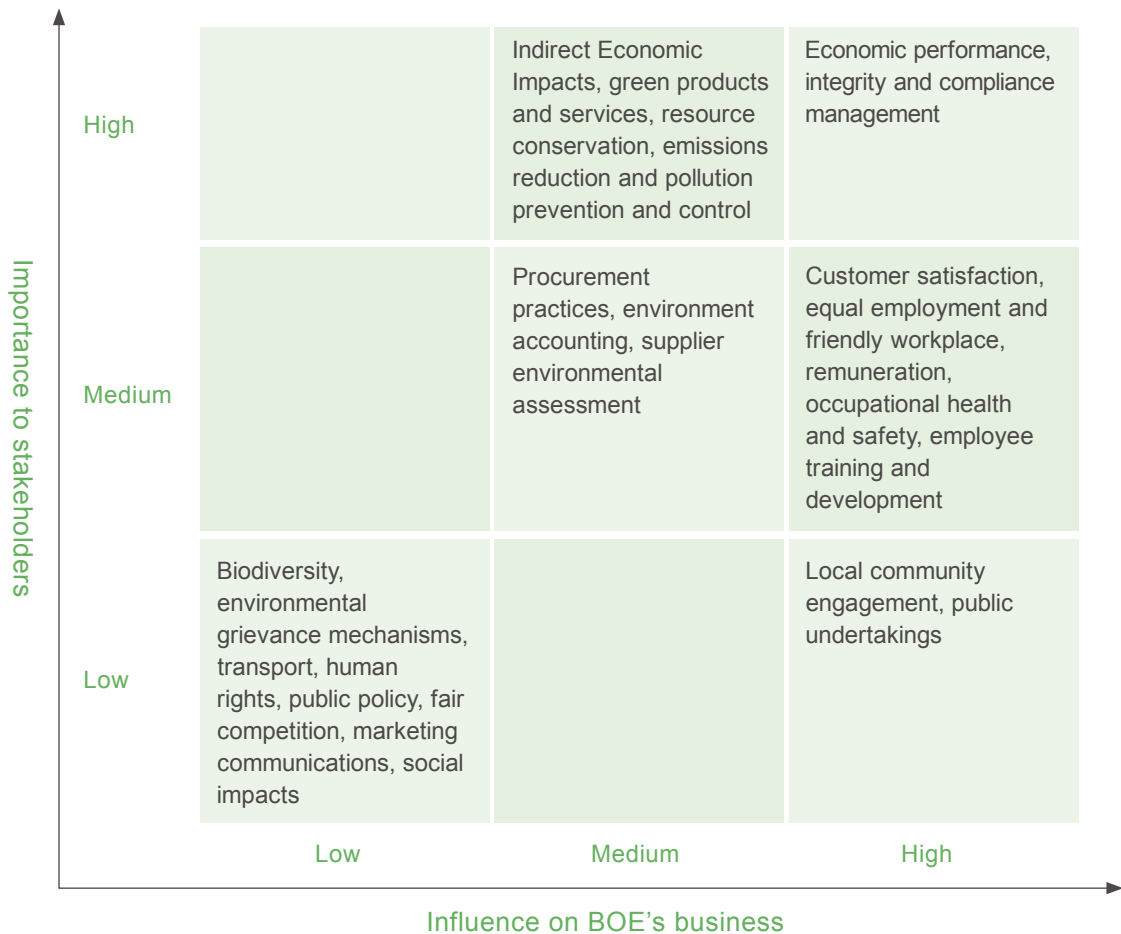
4. Analysis on Material Aspects

Process for identifying Material Aspects



In accordance with the *G4 Sustainability Report Guidelines* and industry guidelines such as the *Electronic Industry Code of Conduct (EICC)*, the CSR report preparation team of BOE took into account the concerns of the CSR Committee and specific issues in the industry/sector, and shortlisted 23 aspects: economic performance, indirect economic impacts, integrity and compliance management,

procurement practices, green products and services, customer satisfaction, resource conservation, emission reduction and pollution prevention and control, biodiversity, transport, environmental accounting, environmental grievance mechanisms, supplier environmental assessment, equal employment and friendly workplace, remuneration, occupational health and safety, employee training and development, human rights, community engagement and public undertakings, public policy, fair competition, social impacts, and marketing.



15 Aspects were finally determined as priorities of the report.

Economic Category: Economic Performance, Indirect Economic Impacts, Integrity and Compliance Management, Procurement Practices

Environmental Category: Green Products and Services, Resource Conservation, Emission Reduction and Pollution Prevention and Control, Environmental Accounting, Supplier Environmental Assessment

Social Category: Customer Satisfaction, Equal Employment and Friendly Workplace, Remuneration, Employee Health and Safety, Employee Training and Development, Local community Engagement and Public Undertakings



BOE and Customers

For years, BOE has upheld the customer-oriented concept and been dedicated to creating optimal user experience with excellent products and services. We constantly upgrade the all-round customer service system and provide professional solutions for customers to achieve shared development. We listen to customers' voice, always work to cater for their needs and surpass their expectations, and embed revolutionary innovations in every aspect of product design, business management and customer service, so as to maximize customer value and our own value.

I. Customer-oriented Concept

BOE believes that as a customer-oriented organization, we should get a thorough understanding of customer needs through in-depth communication, provide targeted products and services accordingly to form differentiated markets, and study market changes for new points of value; drive product and service innovations based on research on customer needs and market changes to deliver more-than-expected products and services to customers; and always create new customer needs and experience relying on strong capacity of technological innovation.

Core of customer relationship management: in-depth cooperation, collaborative development, value co-creation

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.

The development of the Internet of Things (IoT) will shake up interpersonal relations, relationship between humankind and nature, and relationship between a person and their own self. Customer relationship that enterprises need to deal with will also undergo tremendous changes. In recent years, a new term “Prosumer”, or “Producer plus Consumer”, has emerged in the industry. People, as consumers, are no longer content with passively choosing from what they are offered; instead, they want to interact with product and service providers imbedded with their unique demand, emotion or creativity in products, and thus achieve value in the process of consumption.



Such features will permeate into almost all sectors in the IoT era. Therefore, “every user may become part of a company.” This is a general trend of the industry. BOE has identified this trend very early and followed it by gradually tailoring product design and customer service to the needs of the IoT era. In the future, BOE will deliver products and services catering to the unique needs of every “Prosumer”.

II. Quality Management

1. Excellent quality

BOE always puts “leading the industry through innovation” at the core of its management mode, makes constant innovations in quality management and relevant techniques, and develops the distinctive “forward and backward quality system management approaches”. Forward quality management, centered on prevention through design and control, can reduce the incidence of system problems, while backward management can prevent the reoccurrence of problems by addressing the root causes. Forward and backward management runs through the whole process off raw materials management, product design, production and after-sales service. Combination of the two can to the largest extent ensure that problems are solved completely and preventive measures are in place. BOE has also promoted the management approaches to key suppliers to improve the quality of the whole industry chain.



In September 2016, BOE carried out a variety of the “Month of Quality” activities, featuring quality culture promotion, “General Manager’s views on quality”, Six Sigma experience sharing, online quality knowledge quiz, and quality innovation thesis competition. More than 24,000 people from all of BOE’s 24 units across the country participated in the activities.

BOE proposed the “Internet plus Quality Management” concept, and launched the all-round quality management system. The system derives from the needs of eight innovative quality management methods, puts together the business of quality management departments, and achieves real-time information sharing and management. Featuring more than 130 functional modules, it covers the management processes of raw materials quality, design quality, manufacturing quality and after-sales service quality, and integrates eight innovative quality management methods.

BOE follows international and domestic standards throughout the production and management process, and constantly improves quality management. Its subordinates have passed the certification of the ISO9001 quality management system, TS16949 automotive quality management system, IECQ QC080000 Hazardous Substance Process Management (HSPM) system and Electronic Industry Code of Conduct (EICC), ISO/IEC17025 laboratory accreditation, and JCI medical service accreditation. In addition, all products of BOE are certified according to laws and regulations. Its LCD displays and backlight products have passed the UL certification, and LCD display terminals and ambient lighting products have obtained CCC certificates. In 2016, 138 new products were CE-certified, 132 CCC-certified, 121 CB-certified, 83 UL-certified, 69 FCC-certified, and 62 accredited as energy-efficient products. These new additions are reliable products customers and consumers can choose without worry.

2. Quality service

The overall principle of customer service is to “identify, respond, handle, and address as early as possible”.

To ensure the principle is practiced, BOE has established a broad network of customer service points and the “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 that includes eight domestic permanent points (based in Shenzhen, Guangzhou, Xiamen, Suzhou, Wuhan, Nanjing, Tianjin and Qingdao) covering South China, East China and North China, and 11 overseas permanent points (based in Slovakia, Turkey, the United States, Mexico, Brazil, Japan, Korea, Vietnam, India, Malaysia and Egypt) covering Europe, the Americas, Asia and Africa. The network continues to expand, and engineers and technical support staff are stationed in service points so that professionals are immediately available to analyze and handle problems on site for customers.

Customer service response: “2485” principle

24H: Initiate corresponding plans within 24 hours after being notified of failure by customers;

48H: Complete preliminary analysis and devise medium-term solutions within 48 hours after receiving samples from customers;

5D: Find the fundamental reasons and determine the final solutions within five days after receiving samples from customers.

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



24H

Initiate plans within 24 hours after being notified of failure

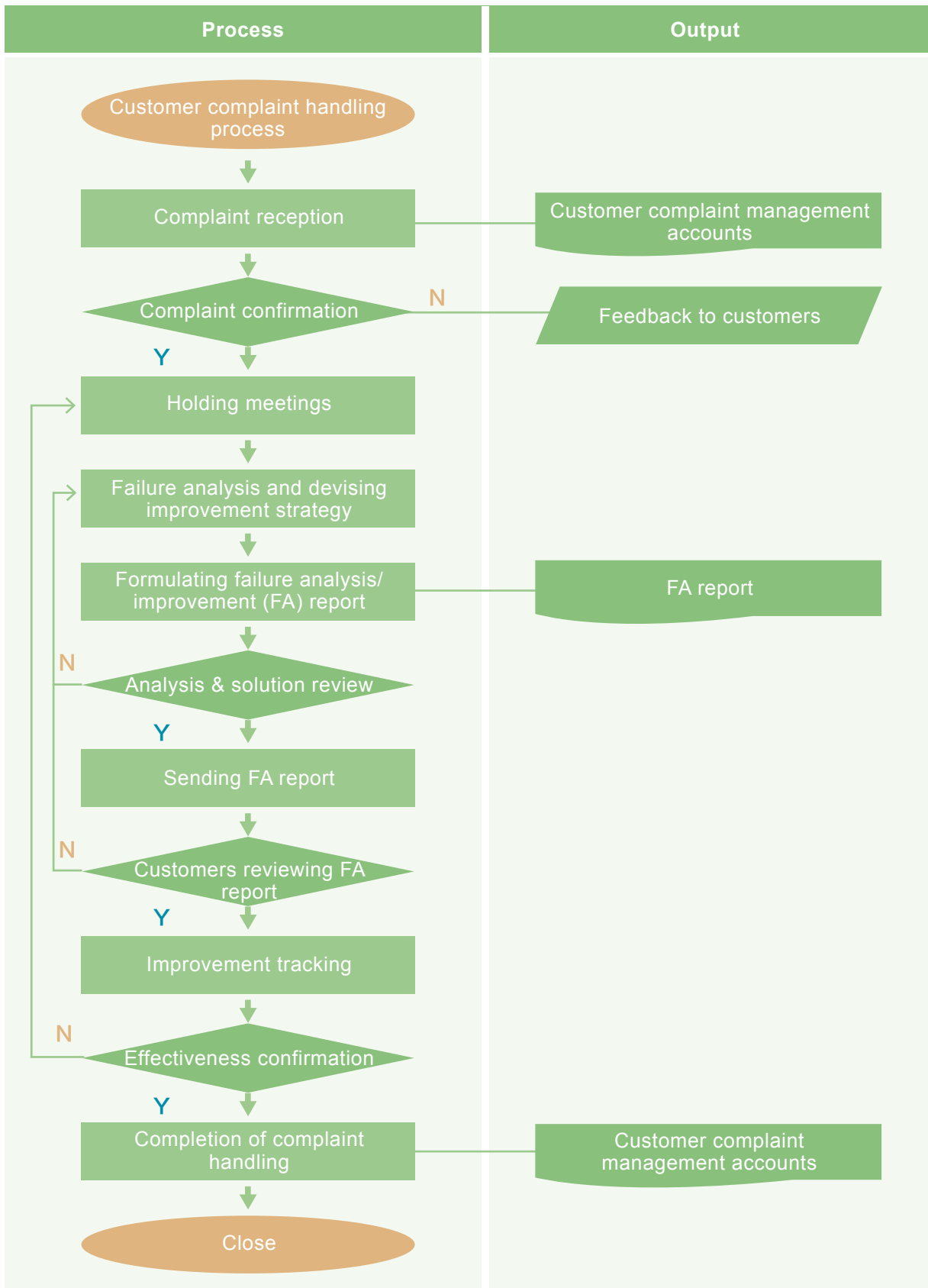
48H

Complete preliminary analysis and devise medium-term solutions within 48 hours after receiving samples

5D

Provide the final solutions within five days after receiving samples

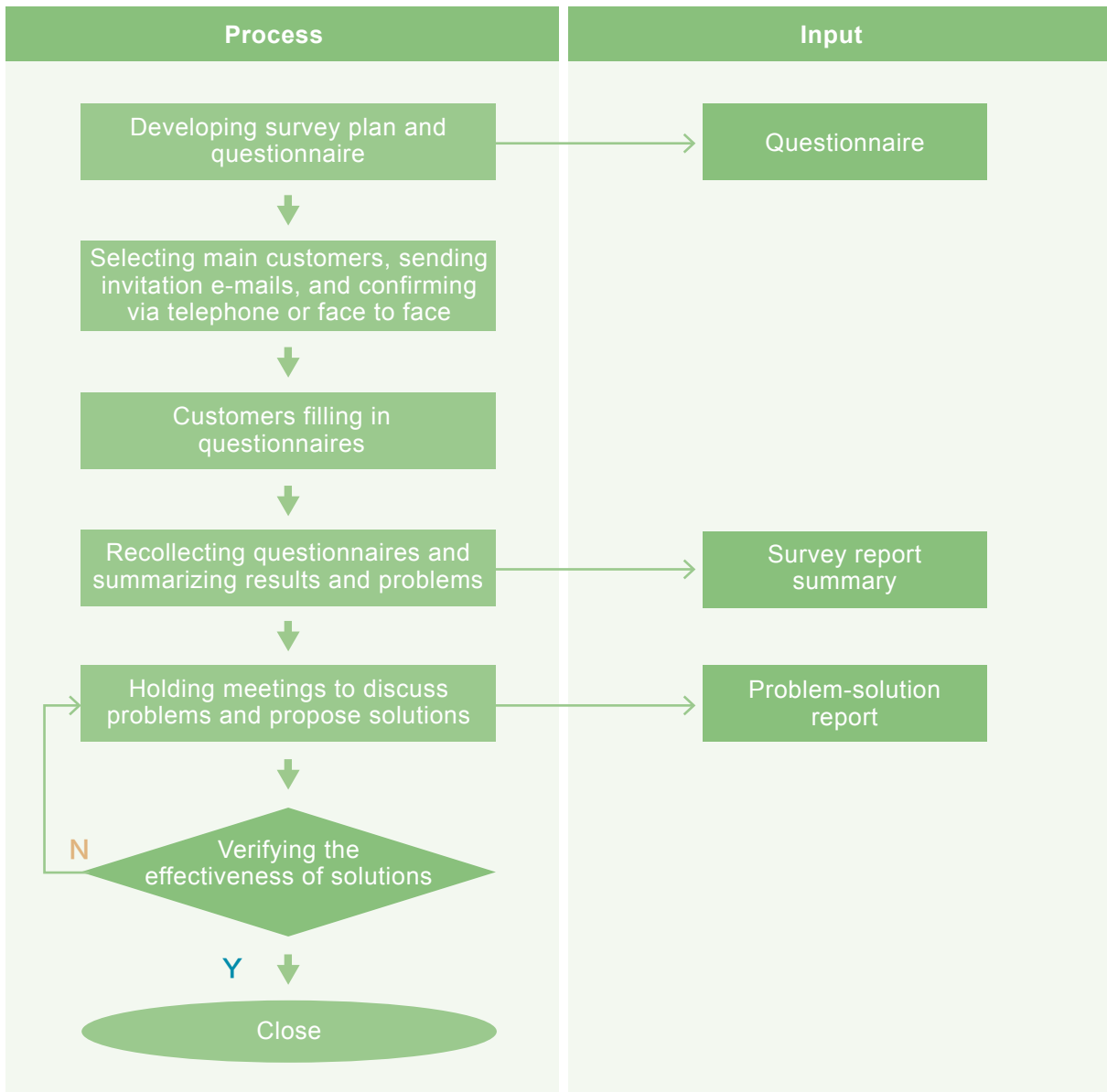
Process chart of customer feedback service



III. Communication and Exchanges

BOE has long maintained multi-level, multi-angle communication with customers to truly understand their needs, and constantly improved itself to meet their needs. BOE has a sound customer communication mechanism and takes various measures such as regular customer satisfaction surveys, participation in customers' quality meetings, communication over telephone and visits to customers to monitor and improve customers' satisfaction.

Process chart of customer satisfaction survey



BOE conducts two satisfaction surveys on all key strategic customers each year. The survey results of 2016 are as follows:

Aspect	Customer satisfaction	Customer Feedback	BOE's Actions	Results
Product quality	89%	Materials and products quality instability	Set up taskforces by customer category; improved periodic analysis, and strengthened inspector certification and measured system analysis; enhanced new product inspection, timely summarized major quality problems in mass products, and took preventive measures horizontally	The average ratio of qualified materials increased from 98% to above 99%; the level of average quality was kept within 1500ppm
Technology and innovation	90.9%	New product design and compatibility with customers' system	Strengthened the mechanism for regular meetings among quality customer service, development and FAE departments; sorted out problems in new products and found solutions; strengthened horizontal expansion to prevent reoccurrence of problems	No reoccurrence of main quality problems
Service concept	93.3%	Problems of service response	Constantly improved OSS service network to ensure timely response	Improvement in service network points and customer satisfaction
Price and product supply	90.7%	High prices of certain products, and long-time needed for replacing or returning defective products	Flexibly adjusted sales strategy; increased glass capacity of new factories, and reserved sufficient products for replacement	No serious complaints from customers; individual cases handled; no reoccurrence of problems
Hazardous substance	96.3%	None	—	—
Average of overall satisfaction	92.0%			

With excellent product quality and rapid and quality services, BOE earned a number of awards and honors from customers in 2016.

- Best Quality Supplier Award from Samsung Visual Display (ranking No. 1 in annual quality evaluation)
- Outstanding Display Supplier Award from Huawei (ranking No. 1 in annual quality evaluation)
- Dell IRIS Outstanding Contribution Award
- Outstanding Supplier Award from Konka
- Best Supplier Award from LGE TV
- Panel Quality Innovation Award from LGE Nanjing
- Best Supplier Award from Tianjin Samsung Electronics
- MNT Best Quality Contribution Award from Zhongshan Samsung
- Perfect Quality Award for Q1 2016 from Lenovo

BOE and Investors

Investors are a powerful backing for BOE's development for years; BOE has adhered to shared development with investors, and built a solid bridge with them based on mutual trusts, effective communications and interactions. It has extensively listened to investors' opinions, and created sustainable value for them through scientific decision-making and effective management. Meanwhile, it has made energetic efforts in market expansion and business development, rewarded investors' trusts and supports with fast growth, and achieved mutual benefits.

I. Investor Service

BOE has a professional investor relations management team to promote open, transparent, efficient and consistent communication with investors and securities analysts so that they can have a better understanding of the company's strategies, operations and latest developments. BOE conducts in-depth communication with investors using diverse channels and IT-based tools, serves investors through the interaction platform provided by Shenzhen Stock Exchange, online business performance meeting, investor mailbox, on-site reception, teleconference, and "Open Day" activities, and conveys information to the capital market and investors in a timely, proactive and thorough manner.



In 2016, BOE invited a number of executives and technical experts to participate in online-business performance meetings, investigations and brokers' summits to share the industrial trends and the Company's status quo and strategic planning with institutional and individual investors and industry analysts, and explain the value of investing in BOE, so that they could be better informed of BOE's corporate culture, development concepts and business operations, and the industrial dynamics.

In line with the principle of fairness, impartiality and transparency, BOE provides targeted services according to the characteristics and needs of different investors. In terms of services for small and medium-sized investors, BOE held the "Open Day" activities in 2016, in addition to the traditional ways of investor hotline and online business performance meetings. It organized promotional events, field visits and live streaming in partnership with HUAXI Securities, Cinda Securities and JRJ.com to allow small and medium-sized investors to truly understand BOE. In 2016, it served 1,759 small and medium-sized investors in total. As to services for institutional investors, BOE enhanced the

professionalism of services and engaged technical engineers, in addition to the investor relations management team, in communication activities, to keep institutional investors better informed of BOE’s technical strength and industrial value. In 2016, BOE organized 51 teleconferences and field investigations, served 195 institutional investors, and held 12 corporate value promotion activities via brokers’ strategy seminars.

Investor hotline: 86-10-60965353

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

Small and medium-sized investors served in 2016



Institutional investors served in 2016




II. Information Disclosure

“Transparency” is a vital governance principle in BOE’s four development concepts. “Transparency” signifies BOE shall timely disclose information according to the requirements for listed companies, and guarantee that “the content is truthful, accurate and complete without false records, misrepresentations, or material omissions.”

BOE strictly complies with laws and regulations and carries out the obligations to disclose information in an honest, responsible, timely, and accurate manner. All subordinate units are required to bear in mind that BOE is a listed company and all of their statements and behaviors are subject to supervision from investors and the public.

Main channels/methods of information disclosure

Disclosure Channel/ Method	Way of Access to Information	Frequency	Information Involved
Periodic reports (annual, semi-annual and quarterly)	Check BOE’s official website, cninfo.com, <i>China Securities Journal</i> , <i>Shanghai Securities Journal</i> , <i>Securities times</i> , or <i>Ta Kung Pao</i>	Every April, August and October	Basic information of the Company, analysis and discussions of the management, brief explanations on important matters, corporate governance, internal control, and financial report, etc.
Temporary announcements	Check BOE’s official website, cninfo.com, <i>China Securities Journal</i> , <i>Shanghai Securities Journal</i> , <i>Securities times</i> , or <i>Ta Kung Pao</i>	On an irregular basis	Including but not limited to the resolutions of the Board of Directors and Board of Supervisors, and major transactions
CSR report	Download PDF version from BOE’s official website and cninfo.com	Yearly	Non-operational data, etc.

Disclosure Channel/ Method	Way of Access to Information	Frequency	Information Involved
BOE's official website	www.boe.com	Timely	Company overview, company news, industrial dynamics, etc.
Official WeChat account	QR code: 	Yearly	Company news, relevant reports, etc.
Media (printed media, online media, TV media and new media)	Read news reports, browse media websites, or watch TV	When necessary	Dynamics of BOE and industry, etc.

The highest rating in information disclosure given by Shenzhen Stock Exchange

 Level A

III. Market Value Management

To increase returns on investment and create greater value for investors, BOE makes active efforts in market value management. In 2016, it continued to distribute cash dividends and launched a new round of share repurchase scheme to maintain and increase the yields of investors. As of December 31, 2016, BOE's market value reached nearly RMB 100 billion, and market value per share outperformed main index of the two stock exchanges.

Market value management measures in 2016

Share repurchase scheme	As approved by the third temporary shareholders' meeting on August 20, 2016, the Company decided to buy back shares worth no more than RMB 1.1 billion within a year. By December 31, 2016, it had spent RMB 226,525,285.07 and HKD 99,519,862.10 on the repurchase of 88,692,299 A shares and 43,848,526 B shares.
Distribution of profits for 2015	On May 20, 2016, BOE distributed RMB 0.1 per ten shares (tax included) to all shareholders, or RMB 351,530,677.43 for total shares of 35,153,067,743 at the time.

Growth rate of BOE's market value faster than that of SZSE Component Index

 16.32%



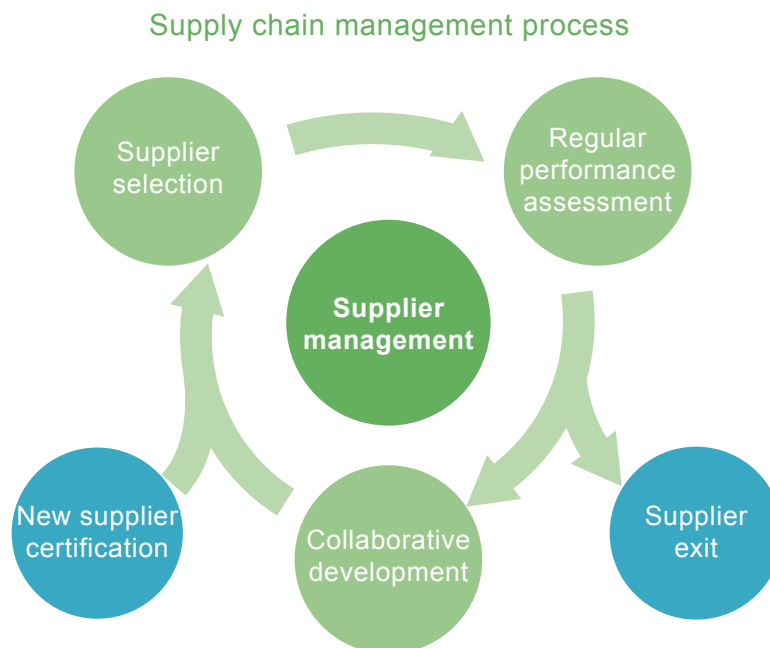
BOE and Suppliers

A transparent, responsible and sustainable supply chain is a foundation for BOE's excellent quality. BOE regards suppliers as partners for win-win cooperation and shared development. Following the concept of "creating shared value through in-depth cooperation and collaborative development", it has grown together with partners along the supply chain, and constantly improved its capability for sustainable development and that of the supplier chain through close communication and cooperation and collaborative innovation. BOE hopes that through concerted efforts with suppliers, we can put in place and improve the environmentally and socially responsible supply chain management mechanism, and make our products and services meet the requirements for social and environmental sustainability.

I. Management System

In 2016, BOE had about 4,000 suppliers around the globe, which were mainly distributed in mainland China, South Korea, Japan and Taiwan. Specifically, there were more than 2,200 BOM materials, outsourcing and consumables suppliers and 1,800 equipment and parts suppliers, with about 1,000 new suppliers in 2016.

BOE has a complete supply chain management process, conducts strict, differentiated management over suppliers, and develops targeted cooperation strategies to ensure the health and stability of the supply chain and enhance its competitiveness.



II. Certification and Evaluation

BOE upholds the concept of fair procurements and equal opportunities for suppliers, adheres to the principle of competitive cost, supply, technology and quality, and ensures that all transactions are based on justice, transparency and full negotiation. To effectively develop new suppliers and make sure suppliers meet the requirements for cost, supply, technology and quality, BOE has established a strict mechanism for the entry of suppliers, requiring that only those who have passed qualification review, documents review or field investigations can become qualified suppliers.



Supplier certification standards



International system certification	ISO9001
	ISO14001
	OHSAS18001
<i>BOE Internal Control Management Manual</i>	Quality System Assessment (QSA)
	Quality Process Audit (QPA)
	Hazardous Substance Process Management (HSPM)
	General Management Audit (GMA)
Supplier Green Product (GP) Guarantee	<p>Criteria for classifying hazardous substances in the GP Guarantee meet the following standards:</p> <ul style="list-style-type: none"> ● The EU's Restriction of Hazardous Substances (RoHS) Directive ● The EU's Regulation concerning the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) ● Canada's regulation on Phthalates ● China's Administrative Measures for the Restriction of the Use of Hazardous Substances Electrical and Electronic Products ● California Proposition 65 ● The US Environmental Design of Electrical Equipment Act (EDEE) ● Japan's The Marking for Presence of the Specific Chemical Substances for Electrical and Electronic Equipment (JIS C 0950) ● South Korea's Act on Resource Recycling of Electrical and Electronic Products ● Voluntary Certification of Pollution Control Catalogue of Electronic Information Products

To ensure the supplier assessment system is reasonable and effective, supply chain management departments collaborate with development, quality, legal affairs and financial department to establish the supplier assessment system. When there is demand for new supplier certification, supply chain management departments invite relevant departments to jointly set up a certification and assessment taskforce to evaluate the general situation of operation and management, technology R&D, production, quality management and control, environmental safety, and hazardous substance management, and develop detailed assessment criteria and checklists. Only after being certified can suppliers be registered and log in as qualified suppliers.

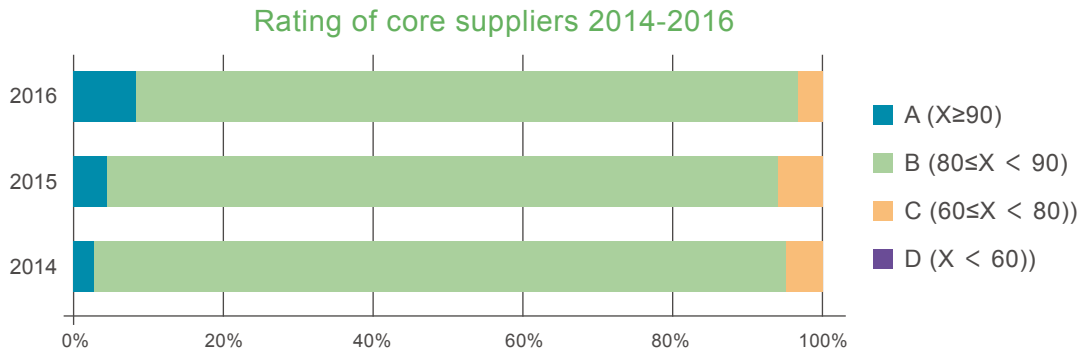
Setting a proper threshold is just a good beginning, and supplier assessment is a continual process. To ensure the supplier chain quality always meets the requirements, supply chain management departments of BOE conduct performance assessments on suppliers on a quarterly and yearly basis. Quarterly assessments mainly cover suppliers' cost, supply, technology and quality, each with a weight of 25%. Annual assessments mainly cover suppliers' cost, supply, technology, quality, finance, and contract compliance (see the following table for their respective weight). Assessment results are classified into four levels: A, B, C and D. According to suppliers' assessment results, BOE may acknowledge them, provide necessary guidance for them, or have them disqualified.

For suppliers rated C in annual performance assessments, BOE will conduct annual factory audit using the same standards as in supplier certification. BOE will promote suppliers to address problems found in the audit, and improve the quality system.

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

- A supplier has been rated C or below C in annual performance assessments for second consecutive year
- A supplier has failed the annual factory audit, and is unable to improve its situation in six months
- A supplier has caused a huge loss to BOE's procurement and operation due to price, delivery, quality or environmental reasons
- A supplier cannot justify its value as BOE's supplier

Indicator	Content	Weight
Cost	Actual results in cost reduction, supplier price comparison	22.50%
Supply	On-time delivery rate	22.50%
Technology	Part development capacity, development process control system, new technology coordination	22.50%
Quality	Quality of parts delivered to warehouse, process and market quality, and correspondence	22.50%
Finance	Financial situation	5.00%
Contract Compliance	Breach of contract	5.00%

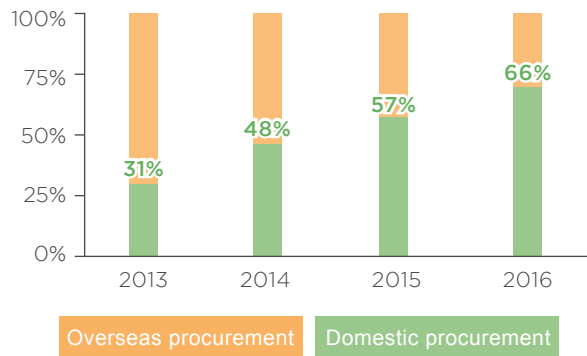


Note: Covering material suppliers of BOE display devices business group

III. Sustainable Development

1. Local supply

BOE chooses and supports long-term suppliers for the purpose of shared development. Meanwhile, it strengthens local procurement under the premise of high supply efficiency so as to reduce transportation costs and environmental impacts and support local economic development. Upward trend of local procurement ratio 2013-2016



2. Risk management

To ensure that the supply chain is stable, healthy and efficient, BOE requires that at least two suppliers are needed for each material, beyond that, supplier and material certification should be completed in advance of supply. When purchasing for mass production, it devises different procurement strategies and adjusts procurement ratio according to the actual situation of each material and each supplier.

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

To uphold honesty and establish an efficient and competitive supply chain system, BOE requires all suppliers to sign integrity agreements and reviews their credit record in an effort to prevent any behavior against business ethics and undermining BOE's reputation and image. In 2016, 92% of core suppliers signed integrity agreements.

3. Green procurement

To reduce environmental impacts of the supply chain, BOE adopts the green procurement system and chooses to use products, parts and materials with low-environmental load. It requires that all suppliers must sign the Green Product (GP) Guarantee, meet its standards for hazard substance management and control, and provide third-party RoHS and halogen-free test reports on a regular basis. Quality management departments conduct X-ray fluorescence (XRF) analysis on raw materials at regular intervals depending on the risk level, so as to ensure that BOE's supply standards are followed. In addition, supply chain and quality management departments also conduct environmental and hazard substance assessments on material suppliers according to the *Standard for Quality Management of Material Suppliers*. By the end of 2016, no hazard substance had exceeded the limits, and hazard substance management and control had gone smoothly.

In 2016, BOE conducted environmental assessments on all of the 1,000 new suppliers, and all of them passed the assessments. This effectively reduced the environmental risk from the supply chain.

Percentage of 1,000 new suppliers that passed environmental assessments in 2016

 100%

New supplier assessment in 2016

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

4. Training and communications

To ensure suppliers fully understand and comply with its requirements for international and domestic laws and regulations, supply quality and environmental management, BOE communicates and interacts with suppliers through the Supply Partner Conference (SPC) and other channels. In 2016, BOE provided two sessions of comprehensive supplier training on topics such as the construction of the Hazardous Substance Process Management (HSPM) system and risk prevention against excess environmentally hazardous substances. At the training, BOE promoted the methods of hazardous substance management and control, latest updates on international and domestic laws and regulations on environmental protection, and introduced XRF testing principles and methods. Through promotion and on-site Q&As, these events provide a good platform for communication and exchanges with suppliers on hazardous substance management and control. In addition, to enhance suppliers' understanding of BOE's basic supply chain management process, nine training programs on supplier relationship management (SRM) were held in 2016, winning wide applause from suppliers.

Conference	Participants	Training Content	Results
2016 DBG Supplier GP Training Conference	341 participants from 234 suppliers	<ul style="list-style-type: none"> ● Promotion of BOE GP management and control methods ● Document standardization ● Promotion of BOE's hazardous substance testing capacity 	<ul style="list-style-type: none"> ● Improving BOE's ability of environmental management and control ● Paving the way for the smooth use of GPM system ● Allowing suppliers to keep up with the latest updates on laws and regulations, and enhancing their environmental awareness
2016 Semi-annual DBG Supplier GP Training Conference	398 participants from 290 suppliers	<ul style="list-style-type: none"> ● Introduction to the operation of GPM system ● Introduction to carbon footprint ● Sample preparation for XRF analysis, result evaluation criteria, and operational instructions 	
SRM system operation training	550 participants from 400 suppliers	<ul style="list-style-type: none"> ● BOE's basic supply chain management process ● The background, advantages and basic business logic of BOE's SRM system ● Supplier registration, bidding, quotation, procurement collaboration, etc. 	<ul style="list-style-type: none"> ● Ensuring fairness and justice in supplier selection, and building up BOE's image ● Laying a solid foundation for the comprehensive use of SRM system

Exchanges and Cooperation: BOE SPC 2016

On June 17, the BOE Supply Partner Conference (SPC 2016) kicked off in Beijing. Representatives of more than 350 suppliers around the world attended the conference.

The conference was themed “Let’s Create the Future”, reflecting that BOE would uphold the concept of “creating shared value through in-depth cooperation and collaborative development”, and work together with partners to meet challenges, consolidate and expand advantages in the display field, foster new points of growth in the fields of smart system and healthcare, and embrace new opportunities in the IoT era.

At the conference, BOE called on partners to make concerted efforts to fulfill corporate social responsibility and build a sustainable supply chain while:

- Following relevant requirements of the EICC
- Meeting BOE’s environmental requirements for materials, parts and products
- Conforming to the ISO14001 environmental management system and OHSAS18001 occupational safety and health management system
- Strictly complying with local laws and regulations





BOE and Environment

Harmonious coexistence and shared development between human beings, between human and nature, and between human and society is the foundation for building a harmonious society. For years, BOE has been dedicated to honoring its commitment to the environment and the future through green plants, green products and whole-process green operations. It has made constant innovations to improve energy efficiency, reduce emissions and conserve resources, implemented environmental management throughout the life cycle of products, ensured that the process of R&D, design, procurement, production, logistics and recycling meets the requirements for environmental sustainability, and made continued explorations in dealing with new environmental problems and challenges using new technology, so as to achieve a virtuous cycle of business growth and environmental protection and create a green ecosphere.

I. Green System

1. Environmental management system

The foundation for building a sustainable, environmentally friendly enterprise is to put in place a sound green operation system and achieve whole-process green management. BOE strictly complies with all laws and regulations concerning environmental protection, sets strict environmental management standards, and calls on all employees to participate in environmental management and improve their own environmental behavior. It constantly strengthens environmental protection training and management for employees and key environment-related personnel, and actively participates in various environmental protection training and exchange activities organized by local government, industry associations and environmental protection organizations. In 2016, there were 34,420 participants in environmental protection training, which greatly increased employees' environmental awareness and improved managerial staff's ability of environmental management.

In recent years, relying on the Display Devices, Smart Systems and Healthcare services(DSH) business groups, BOE has constantly improved the environmental management framework, clarified the environmental management responsibility at all levels, and made every effort to minimize negative environmental impacts of its business operations. The Environment Division of the Headquarters is responsible for overseeing the overall environmental performance of the Group and developing environmental management rules and objectives. Environmental protection departments under business groups are responsible for regular supervision over environmental management of subordinate enterprises.

By the end of 2016, all main manufacturing enterprises of BOE had passed the ISO14001:2004 environmental management system, IECQ QC080000:2012 hazardous substance process management system, and OHSAS18001:2007 occupational health and safety management system, and followed relevant environmental behavior rules of the EICC. In 2016, BOE attained all environmental targets and quantitative indicators, and achieved remarkable results in environmental management.

Attainment of environmental targets in 2016

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

Percentage of all main manufacturing enterprises that had passed the ISO14001:2004 environmental management system, IECQ QC080000:2012 hazardous substance process management system, and OHSAS18001:2007 occupational health and safety management system



Percentage of attained environmental targets and quantitative indicators



2. Disclosure of environmental information

Public supervision can help enterprises find out problems and improve management. Following the principle of openness and transparency, BOE has timely disclosed environmental data to the public and relevant authorities, and accepted supervision and advice from all sectors of society.

Disclosure of environmental information in 2016

Communication Methods and Channels	Data Update Frequency	Target Group	Effects
Environmental monitoring data column on BOE's official website	Daily	The general public	Allowing the general public and local environmental authorities to know BOE's emissions in time, and conduct effective supervision and management
Beijing municipal platform for the release of self-monitoring information of key enterprises	Daily	The general public	
Online transmission of environmental monitoring data	Subsidiaries in different regions report information every five minutes, every two hours and every day as requested by local environmental protection bureau	Local environmental protection bureau	
Pollution discharge declaration	Subsidiaries in different regions declare pollution discharge on a quarterly or annual basis as requested by local environmental protection bureau	Local environmental protection bureau	
Hazard waste registration	Annually	Local environmental protection bureau	
Hazard waste management plan application	Annually	Local environmental protection bureau	

Communication Methods and Channels	Data Update Frequency	Target Group	Effects
Monthly report on state-controlled pollution sources	Monthly	Local environmental protection bureau	
Quarterly report on state-controlled pollution sources	Quarterly	Local environmental protection bureau	

3. Environmental accounting

BOE introduced environmental accounting from 2014. Environmental accounting can keep enterprises informed of the precise environmental expenditure and the effects of environmental measures, thus helping them to improve environmental management. Meanwhile, disclosing relevant data can give the public a more comprehensive understanding of BOE's environmental management.

Environmental expenditure in 2016

Category	Descriptions	Amount (RMB 10,000)
Operating cost	Pollution prevention and control cost for air pollution, water pollution, etc.	26,825
	Resource recycling cost: ordinary and hazard waste retrieving and reduction cost, outsourced treatment cost, energy conservation cost	14,195
	Global environmental protection cost: cost for preventing greenhouse effect	875
Cost for environmental management activities	Environmental education, license, and environmental monitoring cost, activity expenditure, and environmental management system expenditure	199
Social activity cost	Cost for environmental protection promotion and other relevant social activities	3.6
Loss and compensation expenditure	Fines for violating environmental laws and regulations, and relevant litigation cost	0
Total	All of the above	42,097.6

II. Green Operations

BOE embeds the concept of sustainable development in every aspect of plant construction, product R&D, procurement and production, forming a complete green chain.

1. Green plants

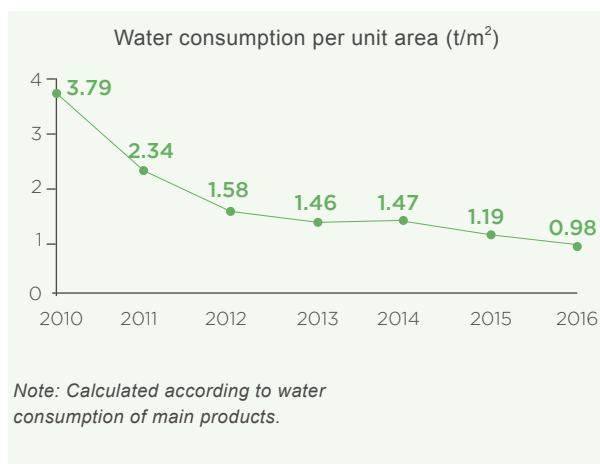
Designing and building plants and offices in line with the sustainable development concept is the starting point of BOE's green operations. BOE's green manufacturing concept is embodied in all aspects ranging from the use of energy-saving and environmentally friendly construction materials, photovoltaic solar power, rain water and recycled water to the design and application of waste and sewage recycling equipment, equipment management and control system, and dynamical energy-efficient system.



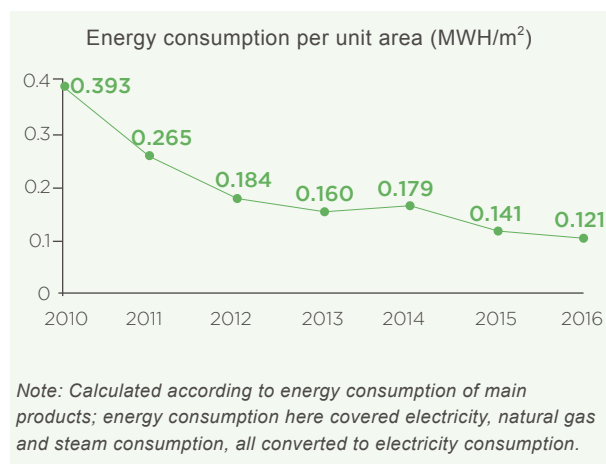
2. Energy conservation and emission reduction

With the deepening of the three business areas, BOE has achieved leapfrog business growth and the total building area of operation sites has kept increasing, posing a huge challenge to energy management. Through scientific planning and strict management, BOE has conducted tiered management and control over energy, water resources, exhaust gases and solid waste, and effectively reduced its energy consumption. In 2016, BOE carried out 32 key energy-saving and emission reduction projects, including 23 electricity-saving projects and seven water-saving projects. In 2016, it saved electricity of 161,968,700 kWh, water of 3,257,300 tons and organic solvents of 64 m³, which together saved RMB 119,461,000. From 2010 to 2016, BOE's capacity grew 20.16 times, but its energy consumption and water consumption only 6.24 times and 5.25 times. In 2016, its water consumption was 24,249,000 m³, and energy consumption and water consumption per unit area declined by 68.96% and 73.88% respectively.

Water consumption per unit area 2010-2016



Energy consumption per unit area 2010-2016



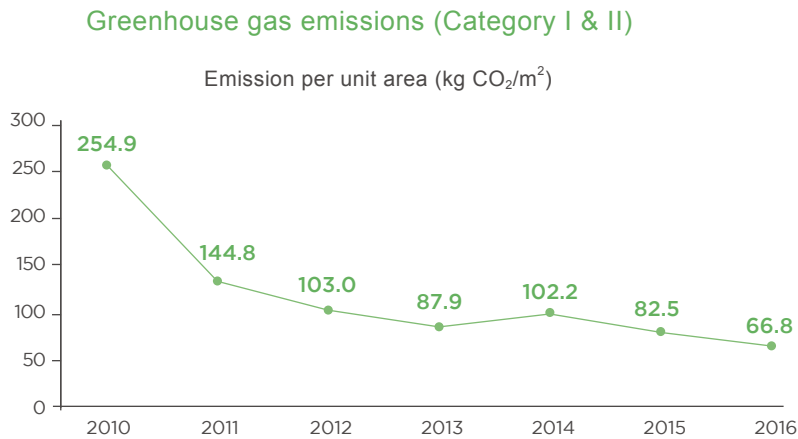
Amount of hazard waste generated and treated (ton)

Amount of hazard waste generated	Comprehensively used	Disposition (incinerated and buried)	Stored
48,045	35,248	12,664	134

BOE takes greenhouse gas management as a key part of environmental management. In recent years, it has advanced the certification of "PAS 2050:2008 – Specification for the assessment of the life cycle greenhouse gas emissions of goods and services", and gradually promoted the certification of the GB/T23331-2012 energy management system, carbon emission management system and other

management systems. Through establishing new systems, it has identified greenhouse gas emissions, taken effective measures for energy conservation and emission reduction, and constantly monitored and improved greenhouse gas management performance. Meanwhile, it has reduced greenhouse gas emissions by implementing energy-saving and emission reduction projects and introducing clean energy.

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



Note: 1. Greenhouse gas emissions (Category I & II) were calculated on the basis of emission factors (electricity: 0.604t CO₂/MWH; natural gas: 21.62t CO₂/10,000m³; diesel: 3.15t CO₂/t) in the Guidelines on CO₂ Accounting and Report for Beijing-based Enterprises and Institutions (2015) released by Beijing Municipal Development and Reform Commission. Category I covers greenhouse gasses emitted from natural gases burning in the organic exhaust gas treatment system and from diesel used by diesel generators. Category II includes greenhouse gasses indirectly generated from the use of electricity by enterprises.

2. Calculated according to main products of BOE.

3. Pollution prevention and control

BOE strictly abides by the stipulation in the *Measures for the Control of Pollution from Electronic Products that producers shall take measures to reduce and eliminate the content of lead, mercury, cadmium, hexavalent chromium, polymeric brominated biphenyls (PBB), polybrominated diphenyl ethers (PBDE) and other toxic or hazardous substances contained in electronic products; if unable to fully eliminate them, producers shall ensure that the content of toxic or hazardous substances may not exceed the limits set in national standards.* BOE has also set and revised a series of strict energy conservation and environmental management standards, such as the *Energy Review Management Standard, Carbon Emission Management Standard, Carbon Emission Source*

Identification Management Standard, Guidelines on the Preparation of Contingency Plans against Environmental Emergencies, Measures for the Assessment of Environmental and Occupational Health Management, Hazardous Waste Management Standard, Monitoring and Measurement Management Standard, Water Pollution Management Standard, Air Pollution Management Standard, and Standard for the Management and Control of Environmentally Hazardous Substances Control, and conducted effective pollution prevention and energy conservation assessments.

To reduce environmental impacts of logistics, BOE integrates resource transportation and distribution, chooses optimal transportation plans, and uses light and recyclable packing materials. It makes every effort to minimize environmental impacts under the premise of ensuring production and reducing cost.

Logistics improvement practices

Packing:

- Recycle EPPbox materials used for packing goods and reuse them after cleaning; 88% of domestic packing materials are recycled to reduce environmental impacts; packing materials of OEM are reused after cleaning and no longer recovered by logistics

Transportation:

- Devise reasonable transportation plans, replace air and land transport with sea and railway transport if possible, and increase the quantity of goods per trip to reduce transit times and energy consumption in logistics
- Increase load factor of materials and products, reduce transit times and improve energy efficiency through such methods as multimodal transport, pooling, and less-than-container-load (LCL) shipping
- Make scientific plans for equipment move-in and directly transport equipment to destinations without entering the storage yard to reduce energy consumption and management cost

4. Recycling

BOE has practiced the “4R” concept (Recycle, Reduce, Renew, and Responsibly) since 2007. It guarantees that all raw materials used meet the requirements in applicable laws and regulations concerning environmental protection, and the chemicals registration, assessment, licensing and restriction system.



4R	Measures
Recycle	<ul style="list-style-type: none"> ● GF plants condense diluents in the organic exhaust gas treatment system, and use them for cleaning noses
	<ul style="list-style-type: none"> ● Reuse stripper effluents on production lines after they are purified by qualified units
Reduce	<ul style="list-style-type: none"> ● See the Appendix below for etchant, developer and stripper reduction measures
Renew	<ul style="list-style-type: none"> ● Use waste liquid of etchants and diluents, after they are purified by qualified units, for other industrial purposes
	<ul style="list-style-type: none"> ● Take back the aged volatile organic compounds (VOCs) absorbing on zeolite to the original plant for desorption, and reuse them
Responsibly	<ul style="list-style-type: none"> ● Conduct dedicated management on sewage, exhaust gases and solid waste, and ensure all emissions are up to standard and hazardous substances are treated according to meet the standards

BOE places high value on the recycling of water resources, adopts advanced equipment cleaning methods such as counter-current rinsing, and recycles plenty of high purity water and chemicals to minimize their consumption and reduce the discharge of wastewater and pollutants. It recycles high-concentrated saline water generated from RO systems in the primary pure water preparation process according to quality, i.e., using part of the high-concentrated water for pure water preparation, while diverting the remaining to the recycled water utilization system and using it for exhaust gas washing, re-circulating cooling system and exhaust gas treatment system, and for flushing toilets, watering roads and landscaping in plants. Discharged water in the ultra-pure water preparation process is recycled for the humidification of air conditioning systems.

Recycling rates in 2016

Al-etchant	Stripper	ITO-etchant	Water
44%	63.9%	41.92%	61.71%

Appendix: Energy-saving and emission reduction measures and effects in 2016

Category		Measures	Effects in 2016
Energy	Electricity	Lighting system renovations (replaced with efficient LED lighting); vacuum pump and frequency conversion renovations of equipment; PV power system, cooling tower, refrigeration system, and air-conditioning system renovations	Reducing electricity consumption by 161,968,700 KWH

Category		Measures	Effects in 2016
Water	Water	CF cleaning machine water-saving project, UF concentrated water recycling project, UPW reduction project, FR recycled water system construction, discharged water recycling project, etc.	Reducing water consumption by 3,257,300 tons
Waste	Ordinary solid waste	Repeated use of dusting cloths after cleaning, recycling of packing materials, process adjustment for less leftover materials, and classified waste disposal, etc.	Reducing waste efficiently
	Hazard solid waste	Etchant, developer and stripper recycling	Comprehensive use rate of hazard waste reaching 73.36%
Greenhouse gas emission		Promoting energy management system and carbon emission management system certification; Conducting energy review and carbon emission source identification; Promoting energy-efficient renovations	Reducing greenhouse gas emissions per unit area to 66.8kg CO ₂ /m ²
Material conservation		CF VCD condensation project	Saving organic solvents of 64m ³

III. Green Products

1. Product strategy

“5P1H” is BOE’s product strategy and roadmap. BOE is committed to provide not only best-quality Picture, lower Power, multi-functional integrated Panel as System & Service, Pilot of Fashion, and the best Price, but also products and services benefiting people’s Health. This is also the direction of BOE’s product design and innovations.



2. Innovations and breakthroughs

Guided by the “5P1H” product roadmap, BOE constantly innovates in product design and manufacturing, making products more low-carbon, environmentally friendly and sustainable. Dedicated to developing more energy-efficient and lower-power environmentally friendly products, it uses resource-conserving and renewable industrial materials and ensures that all products conform to national environmental protection standards and meet the highest requirements, securing its leadership in environmental protection. In 2016, BOE made a string of breakthroughs in green technology innovations.

■ Dual Gate GOA Technology

Gate On Array (GOA) technology is to integrate Gate Driver IC into Array glass substrate, form grid circuit and GOA units through TFT caballing, and thus achieve the function of Gate Driver IC. The technology requires no separate design of Gate Driver IC, and can not only achieve slim bezel and better visual effects, but also shorten production process, reduce cost and improve profit margin. Through this technology, Driver IC is reduced by 70%.

■ Anti blue-light Technology

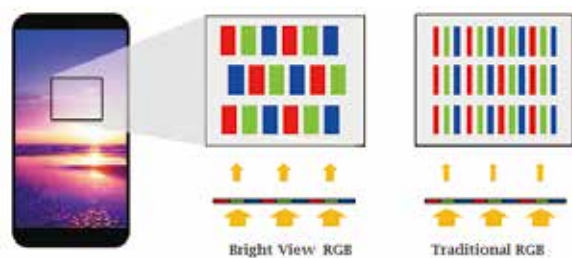
Blue light is one of the factors that cause eyestrain. In recent years, BOE has been dedicated to the R&D of anti blue-light technology and products. In 2016, it completed code debugging, R&D of long-wave LED and in-cell thin-film anti blue-light technology, and 8-inch WOLED front-light healthy display technology verification, maintaining a leading position in the industry.

■ Bright View Technology

BOE’s proprietary Bright View technology achieves optimal match through the different response characteristics of human eye to brightness and hues, increasing perceived clarity by more than 50% and brightness by about 30% while reducing power consumption of displays by 20%-30%.

■ Middle-bezel Integrated Phone Design

This design puts together backlight materials in traditional LCD modules and middle bezel, so the frame in backlight modules is no longer needed. Therefore, mobile phone manufacturers only need to assemble circuit board, battery, rear shell and other parts, thus shortening one to two days of the entire assembly process and accordingly the production cycle.



Optimization of pixel arrangement and autonomous algorithm design increases the transmittance of panels, thereby enhancing screen brightness

BOE Green Product Analysis Center

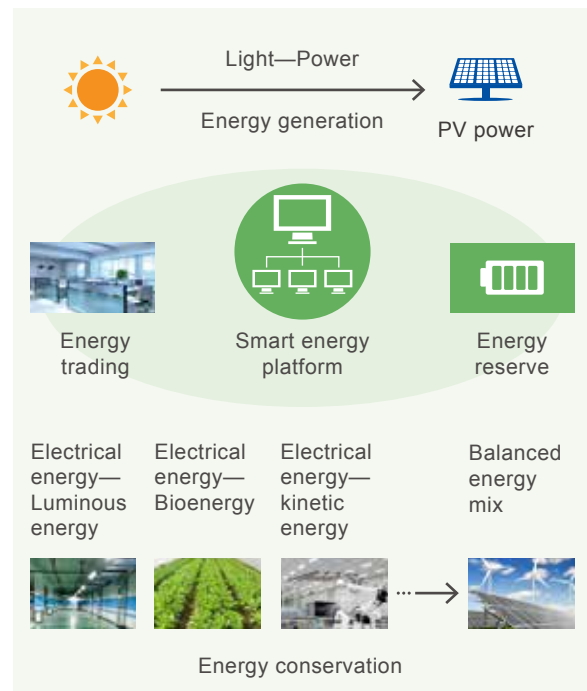
BOE Green Product Analysis Center was put into operation in August 2015. Covering an area of 500m², it consists of 13 laboratories including the inorganic pre-treatment room, organic pre-treatment room, ion chromatography room, organic instrument room, inorganic instrument room, sample preparation room and reagent storage room. It is equipped with sample pre-treatment equipment like soxhlet extractor, solid-phase purification device and rotary evaporator, and test equipment such as XRF spectrometer, ion chromatography, and gas chromatography-mass spectrometry instrument, and can conduct RoHS 2.0, halogen and PAHs tests. BOE Green Product Analysis Center is the only comprehensive green product analysis laboratory in the display industry of China, and has been certified as “electrical and electronic products green manufacturing project cooperation and promotion center” by the Chinese Committee for Green Manufacturing of Electrical and Electronic Products.



3. Smart energy

BOE has conducted new energy business for eight years, and is the earliest Chinese company entering the new energy industry. Its business covers new energy investment and operation, energy-efficient EMC service, power/carbon asset trading, semiconductor lighting and plant factory, and has the qualification for energy-efficient EMC service and the capacity for power projects contracting.

BOE has established 27.52MW distributed PV power stations on the roof of its plants in Beijing and Hefei, with an annual power output of more than 27 million kWh and reducing CO₂ emissions by more than 25,000 tons compared with coal-fired power plants. In addition to its own plants, BOE has also invested in quality PV power projects with a total reserve capacity of 400MW, which, after putting into operation, can generate electricity of 420 million kWh each year on average, and reduce CO₂ emissions by more than 410,000 tons.



BOE has conducted EMC energy-efficient renovation projects in its plants. For example, the photoelectric central air-conditioning system has accumulatively saved energy of 9 million kWh and reduced CO₂ emissions by more than 8,500 tons. In the field of semiconductor lighting, it sold 430,000 energy-efficient LED products in 2016, which could save energy consumption by more than 34 million kWh, equivalent to a reduction of 13,500 tons in standard coal consumption.

In addition, BOE has capitalized on its advantage in semiconductor lighting technology to set up hydroponic plant factories dedicated to growing assured healthy vegetables for Chinese people, making it a model of the fourth-generation agriculture.

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

IV. Green DNA

1. Environmental protection training

Employee engagement is a key factor for improving technology, management and the environment. An important part of corporate environmental responsibility is to increase employees' environmental awareness and help them establish a correct outlook on sustainable development through systematic and scientific training. In this way, corporate practices for environmental protection are extended to the wider social category. Therefore, BOE encourages employees to actively participate in all kinds of environmental protection training and activities, helps them to get a better understanding of sustainable development topics and goals, and works together with them to create green DNA.

BOE requires all employees to participate in the 24-class-hour training on environmental protection, safety and occupational health shortly after they were recruited, and refresher training of at least eight class hours every year. The content of training covers basic knowledge about environmental protection, sustainable development and clean production, BOE's environmental management requirements; basic knowledge about occupational health and occupational disease protection; and basic knowledge about safety management, etc. In

addition, BOE provides targeted training for personnel responsible for promoting the ESH management system and at key environment-related posts, and actively participates in training and exchange activities

Participants in environmental protection training in 2016

 34420

organized by government departments and industry associations such as the National Development and Reform Commission, Ministry of Industry and Information Technology, Ministry of Environmental Protection, All-China Environment Federation, and environment exchanges. In 2016, there were 34,420 participants in environmental protection training, which greatly increased employees' environmental awareness and improved managerial staff's ability of environmental management.

2. Environmentally-friendly habits

In addition to organizing a variety of environmental protection training and activities, BOE promotes employees to develop environmentally-friendly habits in their work and daily life, and have environmental protection concepts imprinted on their minds.

Environmentally-friendly habits in the workplace

- Improve the ability for using electronic devices and reduce paper documents;
- Choose recyclable office supplies;
- Set up paper recycling bins, and encourage repeated use of paper;
- Advocate waste classification;
- Bring one's own drinking cups, and use no disposable cups unless for visitors;
- Reasonably arrange for office lighting, power supply, use of air conditioners and other equipment;
- Minimize the use of elevators;
- Turn off faucets and handle leakages timely;
- Provide shuttle buses and reasonably plan routes and schedules to reduce fuel consumption.

Energy-saving and emission reduction practices of plants

- Implement the energy-efficient lighting plan for corridors and cleaning rooms;
- Turn off the monitors of all computers in standby mode;
- Establish the battery recycling system;
- Save on cleaning supplies;
- Use water-saving sensor faucets in all toilets;
- Control the use of low-rise elevators;
- Conduct energy control over non-activated equipment;
- Control power, water and gas consumption of equipment in standby mode.

BOE and Employees

Employees are the driving force behind BOE's continuous innovation. Their passion pushes the company to move forward, to persistently pursue excellence and to make a better world. BOE has nearly 50,000 employees from different regions, different nationalities and different cultural backgrounds. They are the most valuable assets of BOE. Over the years, BOE has been committed to creating a harmonious and ideal working environment that promotes mutual respect, building a platform to facilitate common development of the company and employees, providing a full range of career development planning and training support to enable the full potential in each of our employees.

I. Talent Attraction, Management & Retention

Respect Talents

- Respecting personality of employee, trusting employees and treating them well
- Cultivating a sense of belonging, and making employees feel valued and proud to be a member of BOE
- Helping employees build up capability through trainings and practices of job skills so they can perform their jobs more competently

Equal Opportunities

- Ensuring everyone will receive an equal opportunity according to his/her 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

- Creating a good work environment to unleash creativity and encouraging employees to take the initiative in the workplace
- Continuously developing human resources and supporting the development of employees' self-competence
- Creating an organizational culture that encourages excellence, respect, trust, and teamwork

Criteria for recruitment and management selection

Five criteria for recruitment

- Solid professional knowledge and competence
- Smart, creative and has relearning ability
- Enthusiastic, passionate, and dedicated to work
- Good at communicating and working with others
- Exhibits the highest standards of professional and ethical integrity.

Five criteria for management selection

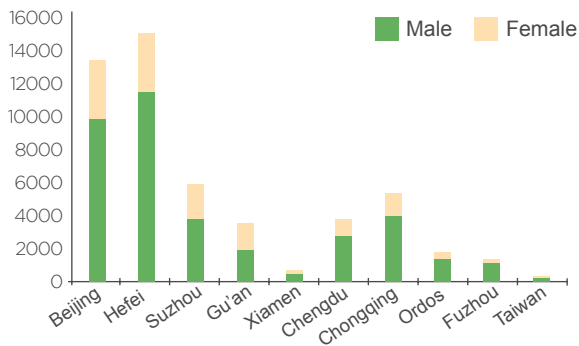
- Exhibits the highest standards of professional and ethical integrity constantly
 - Commitment to continuing professional development and entrepreneurial and innovative spirit
 - Able to motivate subordinates to reach their full potential.
 - Able to address competition and challenges through decisive action
 - Has a good understanding of responsibility and able to follow through on company's strategies
-

BOE's talent strategy is developed on the basis of diversity, openness, equal opportunity and other principles. We prohibit discrimination in workplace based on the differences of individual's age, gender, race, region, and marital status, etc. BOE strictly complies with the Labor Contract Law and other related laws and regulations, and makes a continual effort to create a fair and law-abiding employment environment and a healthy and safe workplace. We respect the rights and interests of employees, and strive to help them reach their full potentials. As of December 31, 2016, BOE had 49,151 employees

(rose by 14.7% over 2015), of which employees with and minority ethnic background accounted for 5.1%, foreign employees accounted for 1.1% and employees with college degrees or above accounted for 61.3%. The percentage of local executives (at director level and higher) among all executives was 81%.

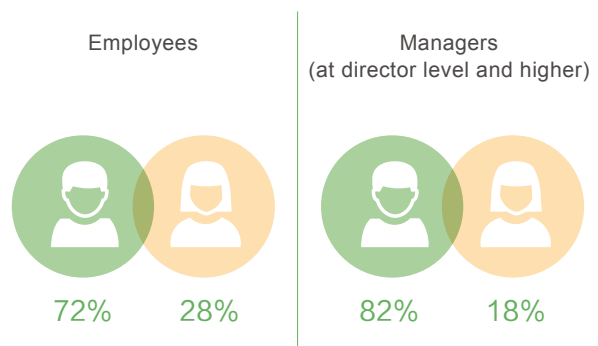
In order to meet the growing demand for talents, BOE searches for talents through various channels. In 2016, we recruited 7,640 managerial and technical workers, of which employees less than 30 years old accounted for 99.7%, which significantly improved our age structure. At the same time, the proportion of highly educated employees also shows an increasing trend. In 2016, the proportion of staff members with college degrees or above accounted for 61.3% of the total staff.

Total number of employees by region and by gender

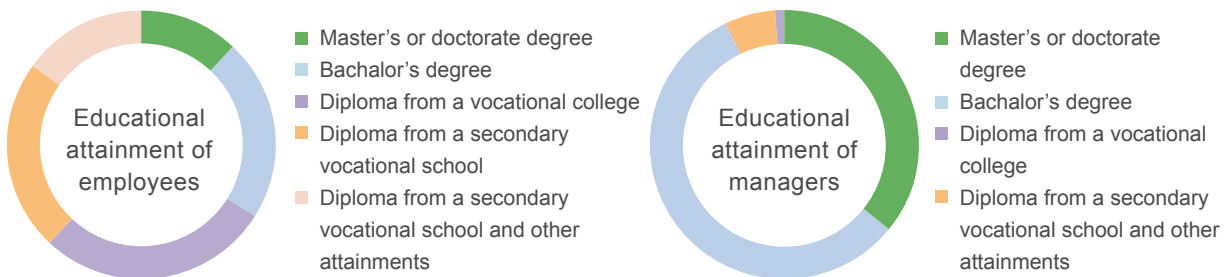


Note: The above diagram does not include foreign employees of BOE.

Male–female ratio of managers and employees



Educational attainment of employees and managers

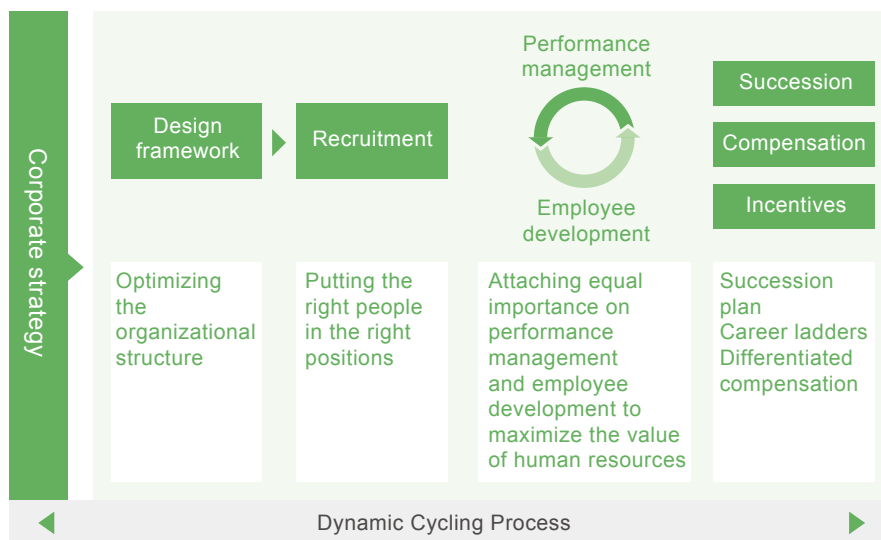


Note: Managers in this diagram only include those at director level and higher.

II. HR Development

1. HR development program

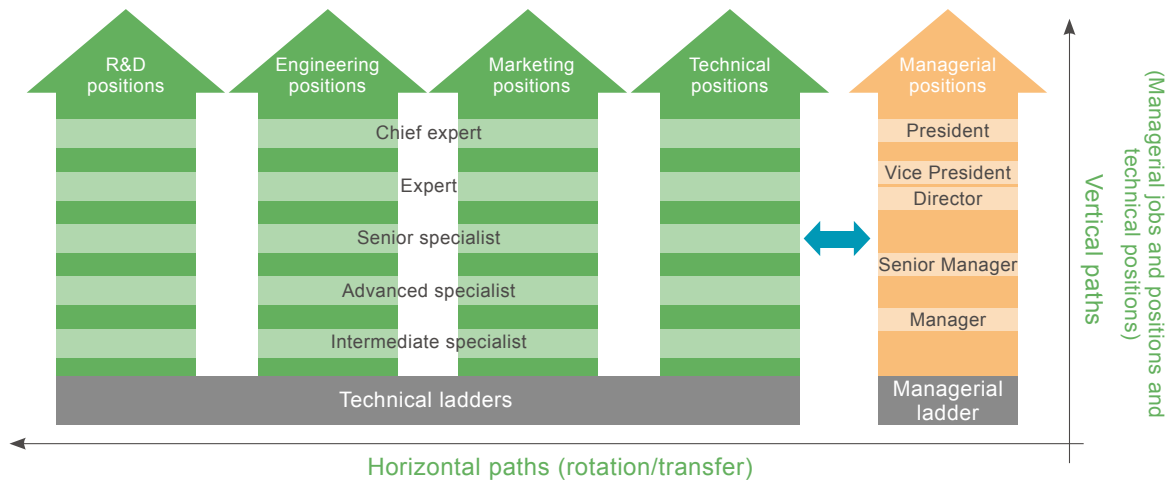
BOE places HR development above the growth of corporate profits. We are committed to setting up a HR development mechanism that facilitates continuous optimization of the organization, improves alignment of employee skills with job needs, and help staff achieve fast development. We adopt the OHDP Program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



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

2. Career path

To help employees improve technical and management skills, BOE has set up a platform to facilitate horizontal and vertical development of employees. Employees may develop their career plans based on the needs of the Company and their own interests.

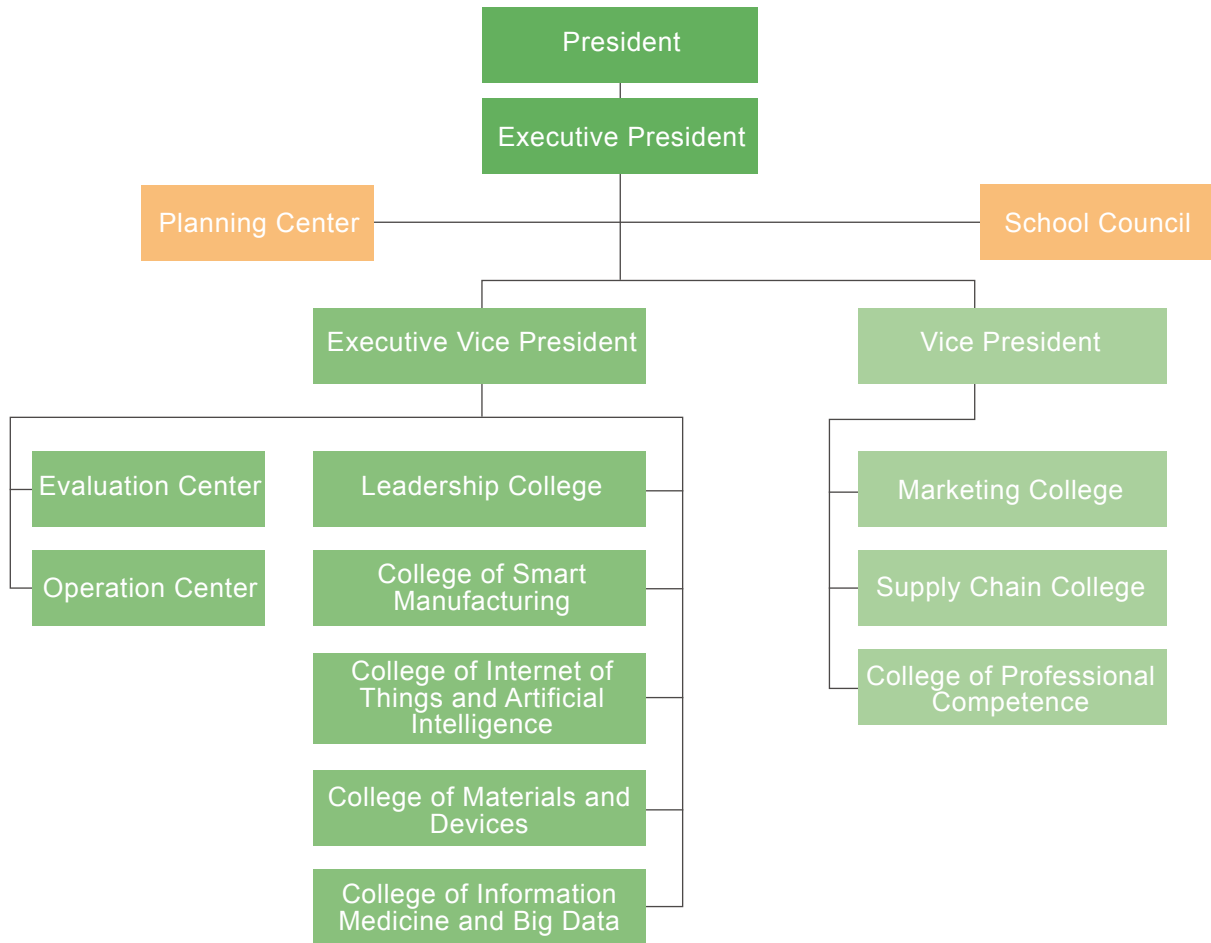


For technical positions, we have set up a special career path at the heart of which is the staffing program of the Company, job value and employee competency, aiming to develop different types of specialty talents. In order to provide more career development opportunities for employees, the company has established a number of rank promotion channels and an employee may apply for a rank based on his/her current position, competences and experience. For management positions, we provide managers with opportunities to get promoted based on their professional competency and management ability. The dual-channel promotion system is designed to enable employees to choose their career path based on their own personality and field of specialty and ensure that all employees have equal opportunities to get promoted in their career. It standardizes and improves the staff management system, provides a clear direction for employees in different positions and different stages of career development and sets out criteria and requirements for different positions and ranks. In addition, BOE also expands the room of employee development through the rotation mechanism and employee exchange activities at organizational, division or regional level (including between overseas regional companies), especially exchange programs for high potential risky positions and has created a sustainable talent management mechanism that aligns skills to job needs. As of the end of December 2016, 756 employees, including 339 managers and 417 regular employees, of BOE participated in job rotation.

3. Employee training system

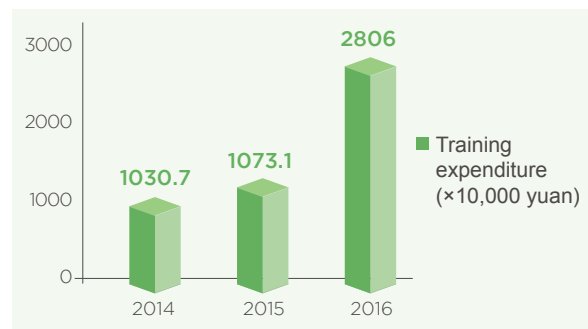
In order to tap into BOE's intellectual assets and develop a unique talent training model, BOE University founded in July 2015. BOE University is an academic institution setting up to meet our workplace needs. It has nine colleges and four centers, aiming to cultivate practitioners, professionals, managers and leaders for the industry and provide solutions tailored for different stages of talents development.

Organizational structure of BOE University



In 2016, BOE University designed and offered 30 training programs covering management, specialty and general job skills. It organized 82 training sessions and 9,023 people participated in these sessions. The total number of training hours of participants reached 662,605, that is, 73.4 hours per participant. BOE invested RMB 28.06 million in employee training in 2016. According to the assessment of the training programs, the training got a decent result and the satisfaction rating was 9.2 points (out of 10 points).

2014-2016 Training Expenditure



BOEU Training System

Product line	Training program	Goals and program description
Leadership Training	Entrepreneurship Development Program	Designed for senior executives of the Group, aiming to cultivate leaders to drive the development of the Group.
	Entrepreneurship and Innovation Program	Designed for senior executives of operational divisions, aiming to provide training courses tailored to meet strategic needs of the Group, improve the ability of executives to be innovative, and promote the development of new operations.
Management Training	Training for New Managers	Designed for new managers (including chief directors, department heads, division heads and team leaders) to help them adjust to new roles and responsibilities.
	Advanced Training for Managers	Designed for managers with certain management experience to help them improve leadership competency and skills and become the backbone of the company in implementing corporate strategies.
Technical Training	Technical Certification Training	Designed for technical personnel to help them improve technical skills and obtain certificates required by their jobs.
	Advanced Technical Training	Designed for technical personnel with certain work experience to provide advanced technical training to help them improve work competency based on their job requirements and career development plans.
Practitioner Training	Orientation Program for New Employees	Providing an orientation program for new employees to help them learn the general situation, system, corporate culture, products, market, safety and other aspects of the Group and the subsidiary, bond with the organization and the team and adjust to their new roles and responsibilities quickly.
	Industry 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 competency, helping them improve general skills and improve performance.

Investment in employee training in 2016

 RMB 28.06 million

Examples of Training Programs Offered by BOEU in 2016

■ Industry Practitioner Training

This program is a traditional program in BOE's talents development program and has been offered 13 times. In 2016, about 3,800 new employees participated in cultural integration, role transition and career shaping themed training programs which were managed in a military style. The forms of training activities included outward bound, class meeting, speech contests, executive sharing and team competition, to promote corporate culture, build up teamwork skills and help new employees adjust to their new roles.

■ Leadership TechMark Program

This program aims to improve strategic thinking, systematic thinking and decision-making skills of BOE's senior managers. It uses a business simulation to compare the results of five competitors in six reporting periods in each economy, so that participants can have a better understanding of the results of each strategy and business decision and the impact of business decision adjustment on business results and systematically learn the skills required for modern corporate management in a simulative environment.

"The potential of the market is infinite. Everything is possible as long as you dig deep enough."

—A participant of Leadership TechMark Program

■ Marketing IPA Overseas Training Camp

BOE's global business expansion brings new challenges to overseas talents training. The Marketing IPA Overseas Training Camp aims to improve global vision and overseas business expansion and management skills, covering strategies, business skills, international culture and language. The program is divided into three phases: preparation, practice and review. Internal and external experts are invited to give lectures. It helps participants gain a deeper insight into business strategies and planning. It also provides participants with abundant self-learning resources, supervises the implementation of their study plan, and promotes the effective translation of learning results into practice.

"The camp lasted 8 days and 7 nights. It was physically challenging but also very inspiring. We learned a lot of theories, tools and methods and gained a new understanding of ourselves and our organizations. We will play to our strengths and contribute to global expansion of BOE."

—A participant of Marketing IPA Overseas Training Camp

■ **Supply Chain Certification Training Program**

In order to help new supply chain employees quickly adjust to new roles and improve professional competencies, the Supply Chain College of BOE University launched an induction and certification training program. Through the program, each new supply chain employee has obtained the required certificate for the job. Furthermore, BOE University also offers mixed training programs and curriculums for staff members of the headquarter and its business groups, strengthens cross-regional communication between internal lecturers of supply chain and participants, and provides an outstanding learning platform to support the standardization of supply chain management.

4. Performance assessment and incentive mechanisms

BOE implement a performance assessment system. Every formal employee who passes the probationary period is required to participate in the performance assessment. We have a performance-oriented corporate culture that rewards performance, competency and loyalty and an effective performance management mechanism to improve the organizational vitality, help employees to reach their full potential and achieve sustainable growth in organizational and personal performance. We mainly appraise employees' performance, competency and attitude and rate employee performance on a five-level scale (S, A, B, C and D) and offer employees performance-based incentive pay:

- Giving priority to employees with high performance rating in the selection of outstanding employees and party members
- Only employees with S and A rating are eligible to become a candidate for the highest honor of the BOE employees "People of BOE" and given priority in respect of promotion, development and training opportunities;
- Employees with C rating and below are in principle not allowed to participate in promotion review in the next year.

In order to ensure that the team can continue to maintain a strong entrepreneurial spirit, creativity and team cohesion, BOE has developed different incentive mechanisms for different divisions, including:

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

Honors and Awards Received by Employees of BOE in 2016

Project	Project Description and Criteria	Award Winners in 2016
People of BOE	The award is given once every year. It is the highest honor one can receive for contributions made by outstanding employees and teams to the company.	In 2016, 158 outstanding employees and 12 outstanding teams received the awards.
Outstanding Projects, Outstanding Teams and Outstanding Employees	The award is given once every year to honor excellent work done by teams and individuals in product development, R&D, equipment operation, patent and trade secrets, technical standards, innovation and other fields.	In 2016, 76 outstanding projects, 6 outstanding teams and 33 outstanding employees received the awards.
Outstanding CPC Member, Outstanding CPC Committee, and Outstanding Party Affairs Managers	This award is given on July 1 each year to CPC members who have done excellent work.	In 2016, 11 CPC committees, 131 CPC members, 14 party affairs managers and 5 party building projects received the awards.
Safety Award	The award is given once every year to honor contributions made by individuals, teams and units to ensuring workplace safety. Award winners will receive certificates and rewards from the company.	In 2016, 21 units, 149 teams and 656 employees received Safety Award
March 8th Red-Banner Pacesetters and Female Model Workers	The two awards are given once every year to outstanding female employees dedicated to work, with high awareness of innovation and excellent job skills.	In 2016, 59 outstanding female employees were named “March 8th Red-Banner Pacesetters” and 35 outstanding female employees were named “Female Model Workers”.
Outstanding Youth League Members, Outstanding Youth League Branches, and Outstanding Youth League Cadres	The awards are given once every year on May 4 to outstanding individuals and groups among Youth League members for their contributions.	In 2016, 8 Youth League branches, 10 Youth League Cadres and 132 Youth League members received the awards.

III. Caring for Employees

BOE is committed to creating an ideal people-oriented workplace for employees. We offer employees competitive compensation, attach great importance to their wellness and help them achieve work-life balance.

1. Compensation and benefits

BOE offer employees performance and competency-based pay. We adopt the “3P” principles (i.e., pay for position, pay for person and pay for performance and takes into account of external competition and internal fairness. We sign employment contracts with each employee in strict accordance with the Labor Contract Law of the People’s Republic of China, offer equal pay for men and women, create diverse and equal growth opportunities, and abolish child labor and forced labor. In case of significant changes to the operation, we will notify employees 30 days in advance so that they have sufficient time to consider whether to terminate or renewal employment contracts with the Company.

Items		Men's-to-women's base salary ratio	Men's-to-women's compensation ratio	
By region	China	Beijing	1.17	1.25
		Hefei	1.11	1.2
		Suzhou	1.06	1.11
		Gu'an	1.12	1.19
		Xiamen	1.05	1.13
		Chengdu	1.09	1.18
		Chongqing	1.03	1.11
		Ordos	1.1	1.16
		Fuzhou	1.13	1.17
		Taiwan	2.15	2.35
	International	BOE South Korea	2.38	2.56
		BOE Singapore	2.47	2.67
		BOE Japan	2.13	2.72
		BOE United States	2.27	2.62
		BOE Europe	2.12	2.41
By type of positions	Regular employees	1.17	1.22	
	Management	1.19	1.24	

Note: The pay gap between the men and women in the above table is caused by the difference in ranks and positions rather than gender. BOE India is currently recruiting employees and unable to offer payroll data.

List of employee benefits offered by BOE

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

Retirement Insurance

BOE make due contributions to the basic retirement insurance scheme for Chinese employees (mainland) in accordance with the pension regulations of China. The percentage of eligible employees participating in the basic pension scheme is 100%. The premium of the retirement insurance of an employee is paid based on the average annual salary of the employee in the previous year. Different provinces and cities have different payment caps and minimum payment requirements. Employees will receive benefits according to law after they meet the statutory retirement conditions. In order to further improve the wellbeing of employees after retirement, as part of the Company's long-term incentive strategy, BOE launched an enterprise annuity plan in 2014. As of the end of 2016, 57 retired employees had received retirement benefits offered under the enterprise annuity plan.

Leave

BOE strictly follows laws and regulations on employee leave, including paid annual leave. In addition to statutory annual leave, employees can earn a bonus of one working day of annual leave for each year after completing two consecutive years of service up to five working days. BOE allows employees to take job-protected maternity leave, paternity leave, break for breastfeeding in accordance with relevant laws and regulations. In 2016, the percentage of employees returning to work after their maternity/paternity leave was 99.26% and the retention rate among employees taking maternity/paternity leave that lasted one year was 87.64%.

Maternity/paternity leave	Men	Women	Total
Number of employees applying for maternity/paternity leave in 2016	959	385	1344
Number of employees returning to work after maternity/paternity leave in 2016	959	375	1334
Percentage of employees returning to work after their maternity/paternity leave in 2016	100%	97.4%	99.26%
Number of employees whose maternity/paternity leave had lasted one year by the end of 2016	17	331	348
Number of employees returning to work after taking maternity/paternity leave that lasted one year by the end of 2016	15	290	305
Retention rate among employees taking maternity/paternity leave that lasted one year in 2016	88.24%	87.61%	87.64%

Percentage of employees returning to work after their maternity/paternity leave in 2016

 99.26%

Retention rate among employees taking maternity/paternity leave that lasted one year

 87.64%



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

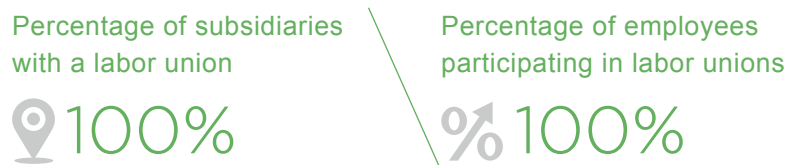
Education of children, health care and housing access are the biggest concerns of our employees. BOE has launched a cohesion project which focuses on helping employees address these problems.

- **Schooling problem:** We have collaborated with government and schools to help employees solve the schooling problem of their children. In 2016, we helped 71 employees solve school admission problems of their children.
- **Health care problem:** BOE has cooperated with 8 hospitals, held 7 health lectures and applied for 92 convenient access to health care indicators;
- **Housing problem:** BOE provides dormitory rooms to single employees and makes temporary accommodation arrangements for married employees. At the same time, we also help employee solve housing problems through collective purchase, applying for public rental housing, promoting the BOE Town Project, etc.

2. Democratic management

Each employee is part of BOE. We attach great importance to the advice and suggestions of employees and the protection of employees' rights and interests. BOE has efficient labor union and workers' congress systems. The percentage of subsidiaries that have a labor union is 100% and the percentage of employees participating in a labor union is 100%. We advocate open and frank communication and interact with employees through diverse and transparent communication mechanisms:

- Setting up Chairman's Mailbox, Labor Union President's Mailbox, General Manager's Mailbox, etc. for all employees;
- Holding activities such as Meet General Manager and Meet Factory Director;
- Interviewing and communicating with employees on specific matters;
- Setting up an HR area to provide employees with access to information related to the Company's HR and other procedures and systems to increase workplace transparency;
- Setting up Employee Assistance Mailbox through which employees can apply for help in relation to HR affairs, career development, corporate culture and other matters;
- Setting up a WeChat account to gain insight into employees' needs;
- Launching an Employee Assistance Program (EAP) to offer counseling services to employees who have personal and/or work-related concerns;
- Conducting an employee engagement survey every year or every two years. In 2016, we received more than 45,000 valid responses from employees.



3. Health and safety



Health insurance	Purchasing group health insurance policies for employees
Health screening	Offering employees free health screening once every year
Disease prevention and treatment	Distributing masks and other preventive supplies to employees in peak periods of infection
	The clinic of the Company offers all kinds of emergency drugs free of charge.
Healthy and safe work meals	Inviting employees to try out new dishes from time to time and conducting employee survey on work meals, services, sanitation, etc.
	Strictly managing raw materials of work meals, tightening source control and improving traceability
Mental health	Launching an Employee Assistance Program (EAP) to offer counseling services to employees who have personal and/or work-related concerns
Health education	Holding health lectures from time to time



Mental Health

At the beginning of 2013, BOE launched an Employee Assistance Program (EAP) to offer counseling services to employees who have personal and/or work-related problems. The program offers diverse mental health services such as EAP hotline, e-mail counselling, employee mental health assessment, WeChat booking service, WeChat platform and an EAP column on the staff portal. The EAP hotline offers all employees an access to counselling services. In 2016, it served 837 employees, offering counselling services on relationship, marriage, emotional stress, interpersonal relationships, career development and other issues. Our Beijing-based Yizhuang Factory and Hefei-based factory have launched the “Mind Spa” program which offers one-on-one, face-to-face counselling services to employees. In 2016, the program offered face-to-face counselling services to 215 employees. Face-to-face communication is more direct, efficient, and more popular among the staff. In addition, we held more than 500 EAP events in 2016, including events related to physical and mental health of female workers, family activities, stress self-management, self-awareness and health lectures to keep employees physically and mentally healthy.

In 2016, to address diverse needs of employees, we launched 9 online mini-lectures, as part of our EAP on emotional stress, orientation of new employees, interpersonal communication, family relations, career development and other topics. We also further promoted our WeChat platform, the EAP column on the staff portal and other online services, so that more employees can benefit from the program.

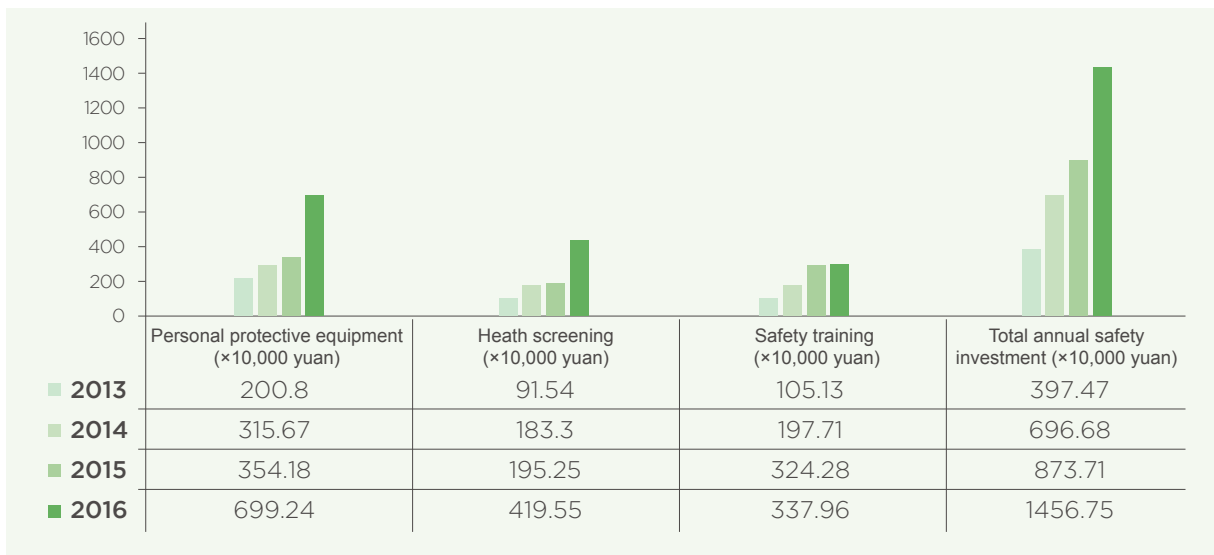


Workplace Safety

BOE is committed to ensuring safety of employees and has invested heavily in improving workplace safety management. In 2016, BOE further improved the safety management system, safety management capacity, safety management evaluation and fire safety management and raised employees’ safety awareness and knowledge; standardized the safety management of TFT production lines, developed safety management standards based on production line management experience and characteristics to support the development of the security system of new production lines. We developed 3,847 standards, conducted 6,030 safety inspections (including on-site safety inspection, construction site safety inspection and internal inspection) and identified and removed 20,776 hazards. In 2016, we invested RMB 14.5675 million in workplace safety, representing an

increase of 66.7% over 2015. We also offer diverse safety training programs to help managers at all levels master safety management knowledge and help operating staff learn safe operation skills to effectively reduce workplace accidents. To ensure safe operation, 18 subsidiaries of BOE have been certified to the standard of OHSAS 18001 Occupational Health and Safety Management System.

Spending on Employee Safety in 2013-2016



Employee Safety Training in 2016

Subject	Number of participants	Hours of training	Effect
Level 3 Safety Training for New Employees	52,913	1,253,286	Helping new employees learn safe operation skills required by their jobs
Safety Training for On-the-job Employees	373,267	1,018,592	Raising employees' safety awareness and helping them improve safety skills
Safety Training for Employees Transferred to New Positions	190	1,972	Helping employees transferred to new positions learn safety skills required by their new jobs

4. Harmonious environment



BOE is committed to improving employee satisfaction and wellness. We advocate a healthy work-life balance and organize entertainment activities to enrich the life of employees. So far, BOE has 30 clubs which organize basketball, football, badminton, music, dance, photography, bicycle, water carnival and other activities. More than 10,000 employees participate in these activities every year.



Family activity



Activity organized to show gratitude to employees



Social activity for young employees

Group Wedding

BOE values each employee and holds group weddings for employees each year. This tradition has been practiced for 15 years. So far, more than 400 couples have participated in group weddings organized by the Company. In 2016, BOE wedding was held in the ancient Anhui Old Street and 64 couples participated in the wedding.



Helping Employees in Difficulty

To help employees in difficulty, BOE provides aid in cash and kind on a quarterly basis and encourages mutual assistance between employees. In 2002, BOE set up a special fund, Sunshine Fund, to help employees in difficulty. For the past 14 years, the Sunshine Fund has provided a wide range of assistance to retired employees, laid-off workers, employees in difficulty and their families. On July 1 each year, every employee of BOE will make a contribution to the Sunshine Fund. In 2016, the Sunshine Fund received RMB 154,381 donations from 7,186 employees and offered assistance in cash amounting to RMB 167,500 to 327 employees and their families in difficulty.

Special Assistance during the Spring Festival Holiday

During the Spring Festival Holiday each year, BOE will organize a range of interesting activities to ensure employees away from their loved ones have a happy holiday. Leaders of the Company will visit workshops and frontline workers will gather together to make dumplings, have the Spring Festival Eve dinner, participate in a riddle competition, write couplets, draw prizes and receive red envelopes.

These activities are organized to make employees feel part of BOE.



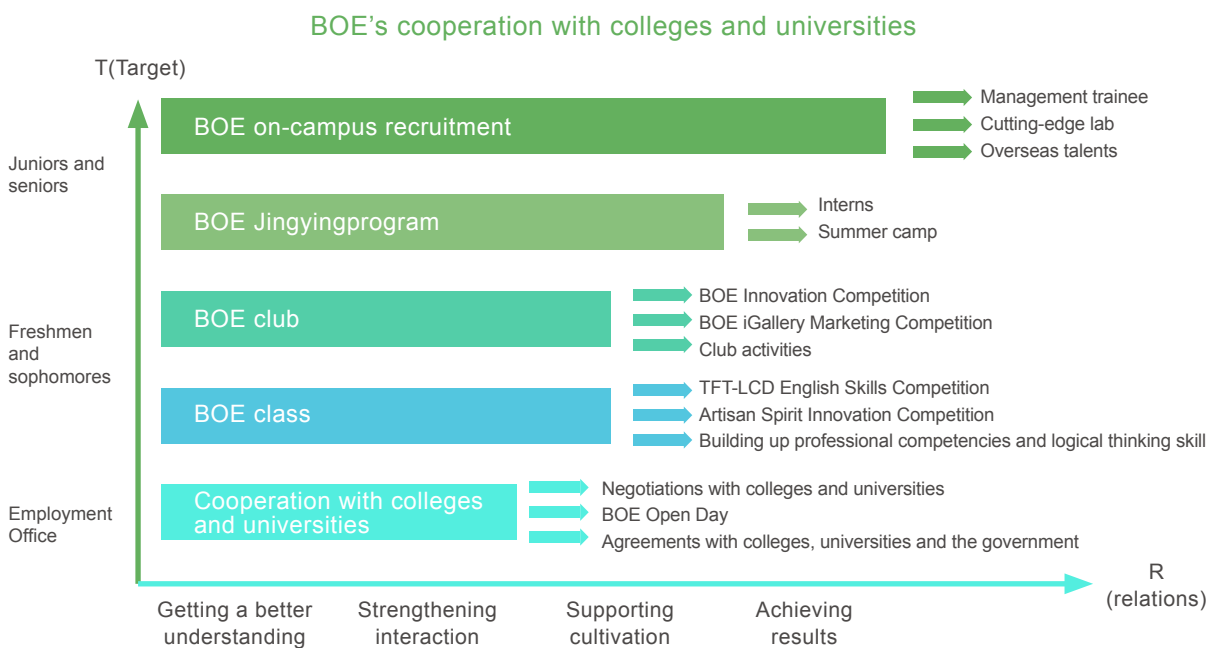


BOE and Community

BOE is committed to giving back to the community. Over the years, BOE has been actively engaged in social responsibility programs and strived to become a responsible corporate citizen of the local community by supporting education, promoting environmental protection and participating in volunteer programs and public welfare activities and make contribution to sustainable social development. With advantages in talents, technology, capital, culture and management, we have joined hands with our stakeholders to support the cultivation of innovation-oriented talents, create jobs for new graduates, and drive social development.

Supporting Talents Development

General Secretary of CPC Xi Jinping pointed out during his visit to BOE: “Innovation-oriented talents are like excellent seeds and should be cultivated. The young generation should have a sense of responsibility and strive to stand out by being creative.” For a long time, BOE has spared no effort to support the cultivation of innovation-oriented talents through extensive cooperation with colleges and universities, social institutions and government departments and establishment of a number of personnel training projects and achieved fruitful results.



Top Talents Cultivation

■ Jingying Program

In order to help fresh graduates to get a job and cultivate innovation-oriented talents who can quick integrate into a company, BOE has launched an internship program, Jingying Program, which includes a 2-month internship and a summer camp experience lasting for 5-8 days. Since its official launch in 2012, 111 interns and 185 summer camp members from 80 colleges and universities in nearly 30 cities have participated in the program. In 2016, the program was implemented simultaneously in more than 30 colleges and universities in Beijing, Hefei, Chongqing, Chengdu, Fuzhou and Erdos to provide students with growth and development opportunities.



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

■ On-campus Clubs

To encourage and promote technological innovation in colleges and universities, and cultivate all-round talents, starting in 2014, BOE has set up on-campus clubs in 10 universities, including Jilin University, Xidian University, University of Science and Technology Beijing, University of Electronic Science and Technology of China, Xiamen University, Tianjin University, Nanjing University, Central South University, Dalian Polytechnic University and Beihang

University to promote technological innovation activities for college students, provide an innovation platform for students and help colleges and universities to cultivate all-around talents. BOE clubs have held more than 70 technological innovation and career development activities. In 2016, BOE clubs had nearly 8,000 members and their activities reached nearly 90,000 audience and effectively promoted BOE display technology, helped students improve skills required for getting a job and cultivated technology talents.



■ Innovation Competition

BOE Innovation Competition is a national competition aimed at discovering talents, encouraging innovation, looking for creative ideas and providing a platform for college students to be creative. Since its inception in 2015, it has been held in seven divisions and nine cities; received 264 entries from 44 key colleges and universities, affecting 235,452 audiences. In 2016, 182 teams participated in the competition and submitted 139 creative works related to display devices, smart systems and health services.



■ Postgraduate Cooperation Program

In 2015, BOE R&D Center and Chief Technology Officer's Office joined hands with Beijing Jiaotong University to launch a "3 +1 +1" postgraduate program. The program aims to help students improve knowledge in their field of specialty and practical skills by assigning business mentors, providing laboratory equipment, supplies and funding, and offering mentorship to student in development and research design.

The program also offers internships to students so they have an opportunity to get valuable work experience and prepare them for the workplace. In 2016, all postgraduate students participating in the joint training program had signed an employment contract with BOE.

Guo Jun, a participant of the program said: "I am very grateful to my mentors for their guidance during the program. They were very helpful. I'm also very grateful to the Company and the university for this rare opportunity and unforgettable experience."

Development of Vocational Skills

BOE is committed to supporting the cultivation of technical talents in colleges and universities, and has cooperated with colleges and universities to launch an effective employment-oriented program for college students. In order to provide students with valuable work experience and real-world knowledge in this industry and help them improve vocational skills, we launched the BOE Class program which offers free courses conducted by our 92 instructors to college students. In 2016, the program had been launched in 37 colleges and universities. In addition to face-to-face lectures, it now has 42 online courses which will equip future frontline employees of manufacturing enterprises with the knowledge, skills, proper mentality required for their jobs, covering intensive manufacturing, day-to-day management, QC improvement tools, workplace relations and other fields.

Volunteer Services

In addition to promoting the cultivation of innovation-oriented talents, BOE is also actively involved in public welfare undertakings. BOE has established a group-wide volunteer service system. Volunteer culture has become an important part of BOE's corporate culture. Over the years, volunteers of BOE have become the link between BOE and the community. They have provided services to people in difficulty across the country.

Charity footprints of BOE in 2016



■ Lighting Up the Road for Children

Lighting Up the Road for Children is a volunteer program launched by BOE in 2014, aiming to help students in underdeveloped remote and poor areas, with a focus on road safety of rural children and mental health of left-behind children.

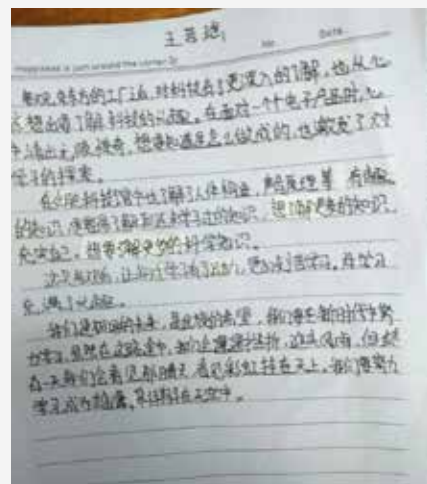
On the one hand, the program focuses on the safety of children, aiming at improving the safety awareness of rural students. At the end of 2013, BOE conducted a survey in 12 schools in Hebei, Sichuan and other provinces. 75% of the surveyed teachers and students said that there were no lights on students' way to school. Therefore, the program provides children with safe and convenient lighting equipment and safety education courses to raise children's safety awareness.

On the other hand, BOE also launched the “Bringing Children Out” campaign to offer rural students opportunities to visit cities to broaden their horizons. So far, BOE has held six themed activities, and nearly 200 employees have participated in the activities to give more than 1,000 hours of service.



On the Children’s Day in 2016, BOE offered an opportunity to the students of Tianbu Primary School, Yeshan, Hefei, to visit Production Line Exhibition Hall of BOE Hefei and Hefei Science and Technology Museum to see the world’s leading display products and cutting-edge technology. For many students, it was their first time to visit a city to enjoy the fun and charm of science and technology. It was an amazing trip for them.

On September 9, 2016, the day before Teachers' Day, BOE volunteers visited once again Tianbu Primary School, Yeshan, Hefei, to show respect for hardworking teachers and care for rural children. They offered interesting courses to children and worked with a charity to offer training to rural teachers. During the visit, 35 volunteers from BOE Hefei offered music, dance, calligraphy, painting and other interesting courses to children. A handicapped little girl with only one arm took the dance course. A volunteer said: “She was smiling when I met her for the first time. Although she cannot lift her left arm, she is as beautiful as other children. Her confident, optimistic attitude touches me deeply.”



As an extension of Lighting Up the Road for Children, BOE launched the Dream Space Program in 2015. The program creates a multifunctional room for the children of our partner schools to help rural students to expand their horizons and inspire them to dream bigger. Unlike dilapidated classrooms in rural schools, Dream Space are colorfully decorated and equipped with high-tech devices. A wide range of interesting courses, including music, art, handcraft and reading, are offered in the Dream Space to show children the fun of learning and to improve art education in rural schools.



In 2016, Dream Space Program was also launched in urban schools. BOE created dream space under different themes in Beijing Yizhuang Second Middle School, Experimental High School Attached to Beijing Normal University. In the future, we hope that the Dream Space Program will promote the cooperation between remote rural schools and urban schools and deliver high-quality courses in urban schools to remote rural schools.

Every kid’s dream is valuable. We hope our efforts will help them go further along the path towards their dreams.

■ Yulu Program

In 2014, BOE launched Yulu Program to help students in difficulty in Mu’er Primary School, Xiangshui Village, Xichang City. The program offers student grants, helps children fulfill their dreams and makes donations to students in difficulty. In 2016, we organized “Happiness Brought by One Yuan”, “We Care” and other activities. The Company opened a hotline to accept donations from employees which, together with carefully prepared gifts, were sent to Liangshan Yi Autonomous Prefecture. By the end of 2016, thousands of employees of BOE have participated in Yulu Program and helped more than 400 children in Liangshan Prefecture. Volunteers illuminated the growth path of children with love and hope.

Actions	Description
Scholarship	Giving BOE scholarships to high-performing student each semester
Helping Children Fulfill Their Dreams	Offering one-on-one assistance from to 50 students of Mu’er Primary School from poor families by donating RMB 600 yuan per year until students graduate from high school and visiting them on a regular basis
Donations	Donating supplies to students from poor families at the beginning of semester and Lidong Festival to protest against cold



■ Targeted Poverty Alleviation

In response to the call of the central government to support poverty alleviation in the Thirteenth Five-year Plan, BOE is committed to supporting targeted poverty alleviation by playing to its strengths. We have launched poverty alleviation program through education and PV projects to help poor families build up self-help ability.

To drive economic development in old revolutionary bases, BOE has launched a poverty alleviation program

through employment project in the old town of Yan'an. In 2016, BOE signed a long-term cooperation agreement with the Human Resources and Social Security Department of Yan'an City, promising to offer at least 400 jobs to eligible workers in Yan'an City each year during the next three years. In 2016, we offered jobs to 48 workers.

BOE also utilizes its resources in the solar energy field to support poverty alleviation. During 2013-2014, we launched two PV projects in Hefei, Anhui Province, with a total installed capacity of 450KW. The projects have benefited 150 poor families and helped each family increase annual income by more than RMB 3,000. The PV projects not only promote the application of PV technology but also help poor farmers increase income. They are demonstration projects that deliver economic, social and environmental benefits.



Project Name	Size	Location	Beneficiaries	Increase in farmers' income
BOE PV Poverty Alleviation Project	450KW	Shijin Community, Yaomiao Tao, Changfeng County, Hefei City, Anhui Province	150 farmers	RMB 1.05 million

■ Turning Stuff You Don't Need into a Good Deed

In 2011, BOE launched the “Turning Stuff You Don't Need into a Good Deed” program to make donations to poor, remote areas. In 2016, we organized several donations and donated 200 boxes of clothing, computers, cameras, foods and other life necessities to Sichuan (Daliangshan), Xinjiang (Aksu), Guizhou, Hebei and other poor mountainous areas.



■ Promoting Green Practices

On the World Environment Day in 2016, BOE held a series of environmental activities. For example, BOE Chengdu launched Walk Around the World campaign and used WeChat to encourage employees to take part in walks to achieve the target of circling the Earth at the Equator; BOE Beijing called on employees to be more eco-friendly in their daily life, by reducing their car use, becoming a vegetarian for one day, waste recycling, using high-performance household appliances, etc.; employees of Suzhou Lighting Technology Company cleaned up garbage on Lingyan Mountain; employees of BOE took part in walks on Kexue Island and Dashushan and other outdoor activities to promote green travel and BOE's green corporate culture; Beijing BOE Lighting Technology Company invited experts to promote energy-saving, low-carbon policy, and exhibited multi-functional LED bulbs, water-saving faucets, small vegetable gardens using PV technology, and other environmental protection products of BOE; BOE Chongqing encouraged employees to sign the World Environment Day Agreement, and invited experts to review its energy-saving and emission reduction program; other activities carried out by subsidiaries of BOE included tree planting, basketball game for garbage sorting and WeChat Q&A. These activities were interesting and entertaining. Many employees participated in the activities.



■ Giving Back to Local Communities

The BOE Volunteers Association now has more than 1,000 members. Subsidiaries of BOE have organized diverse volunteer activities to serve local communities:

- In 2015, BOE and the China Volunteer Service Foundation (CVSF) reached a strategic cooperation agreement, promising to donate RMB 3 million to support the development of volunteer services in China. In 2016, BOE donated RMB 1 million to the CVSF to support the restoration and maintenance of Binfeng Bridge in the Summer Palace.
- The Volunteers Association of Beijing BOE Display Technology Co., Ltd. pays regular visits to Majuqiao Activity Center for the Elderly and Beijing Guang'ai Children's Center. Cao Zhining, President of the Volunteers Association, was named Top 10 Volunteers in Beijing in 2016 because of his outstanding contributions in this area;
- The volunteers of Beijing BOE Optoelectronics Technology Co., Ltd. provided volunteer services on the Culture and Arts Festival of the Development Zone, participated in clothing donations and a volunteer activity in Chuangxin Primary School, Daxing District.



Appendix 1: Expert Comments

BOE attaches great importance to market research and innovation and has become a global leader in the display industry and an exemplary model for Chinese companies seeking to expand business in global markets. In the meanwhile, BOE also aims to become a global display industry leader in green development. It has set specific goals to improve energy efficiency, reduce emissions and reduce resource consumption and promoted eco-friendly practices throughout the whole lifecycle of every product and project, from research and development, product design, resource procurement, production, logistics optimization to recycling. To fulfill the corporate environmental responsibility, BOE invests heavily in the development of green technologies and translating them into sustained competencies. BOE's investment in innovation and environmental protection has proven fruitful.

Gao Shiji, Director-General and Research Fellow at the Institute of Resources and Environment Policies, Development Research Center, State Council

To survive and seek development in the everchanging world, a company must gain insight into where this technological revolution heads to. The success of BOE lies in its ability to seize every opportunity to play a key role in driving the new technological revolution. It provides technical support for social development, creates value for customers, brings opportunities and benefits to employees and stakeholders and promote green development. These practices are reflected in the 2016 CSR Report of BOE, which provides sufficient evidence to show that BOE is a responsible, respected high-tech company.

Wu Changqi, Professor of Strategic Management at Guanghua School of Management of Peking University & Director at the Development Strategy Research Institute of National Hi-Tech Industrial Development Zone of Peking University

As can be seen from the *BOE 2016 Corporate Social Responsibility Report*, BOE is undergoing a significant transformation - from a supplier of display technologies, products and services to an IoT supplier of technologies, products and services. In this process, it has grasped the historical opportunity to forge ahead and cooperate with industry partners to promote innovation in a wider scope and to build an innovative ecosystem, reflecting its commitment to CSR. In addition, the report demonstrates BOE's commitment to seek common development with its stakeholders, including customers, investors, suppliers, the environment, employees and the communities, by cooperating with them in innovation, education, environmental protection, community and other areas to jointly promote sustainable economic, social and environmental development.

Gao Peiyong, Member of the Chinese Academy of Social Sciences & Director of the Academy of Economic Strategy of the Chinese Academy of Social Sciences

Appendix 2: Honors and Awards Received in 2016

Time	Honors and Awards	Awarded by
January	2015 China Charity Award (Organization)	Organizing Committee of the 5th China Charity Festival Charity Festival
January	2015-2016 Top 10 Chinese Electronic Brands, and 2015-2016 Display Technology Innovation Award	IDG
January	Top 50 Most Innovative IT Companies in China	China Information Technology Industry Federation
January	2015 Chinese Educational Public Service Medal	Chinese Enterprise Public Welfare Development Committee
February	2015 Beijing Municipal Science and Technology Award (First Class)	Municipal Government of Beijing
March	Nominated for the 2 nd China Quality Award	AQSIQ
April	2016 CITE Innovative Product and Application Gold Award	Selection Committee of CITE Innovative Product and Application Gold Awards
April	AAA credit rating, and 2015 National Credit Building Demonstration Unit	China Enterprise Credit Evaluation Center
June	Golden Bee Award – Leading Company	China WTO Tribune
July	Top 100 Most Innovative IT Companies, 2016 China's Top 100 IT Companies	China Information Technology Industry Federation and cena.com
August	iWorld The Best 2016	Organizing Committee of IWorld Digital World Expo
August	CSR Demonstration IT Company	Chinese Electronics Standardization Association
September	IFA Product Technical Innovation Award	IFA Berlin
October	12th Longding Most Innovative Public Company Award	Securities Daily
November	2016 Golden Great Wall Intelligent Manufacturing Award – Best Corporate Strategy of the Year	21 st Century Business Herald
November	2016 China's Most Innovative Company Award	The Economic Observer
December	2016 China's Best Company Award	Interface
December	China Industry Award - Recognition Award	China Federation of Industrial Economics
December	2016-2017 Outstanding Contribution to TV Award	China Electronic Chamber of Commerce
December	Golden Roundtable Best Board of Directors Award	<i>Board of Directors magazine</i>

Appendix 3: GRI Index

General Standard Disclosures			
No. of GRI Guidelines	Description	Page	Note
Strategy and Analysis			
G4-1	Provide a statement from the most senior decision-maker of the organization about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	P1	
Organizational Profile			
G4-3	Report the name of the organization.	P3	
G4-4	Report the primary brands, products, and services.	P3-11	
G4-5	Report the location of the organization's headquarters.	About This Report	
G4-6	Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	P3	
G4-7	Report the nature of ownership and legal form.	—	BOE's nature of ownership: public state-owned enterprise; legal form: company limited by shares
G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	P3, P29	
G4-9	Report the scale of the organization.	P3	
G4-10	Report the total number of employees by employment contract and gender.	P61	
G4-11	Report the percentage of total employees covered by collective bargaining agreements.	—	
G4-12	Describe the organization's supply chain.	P38-45	
G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain.	—	BOE did not have any significant changes in 2016.

G4-14	Report whether and how the precautionary approach or principle is addressed by the organization.	—	BOE follows the precautionary principle in Article 15 of the Rio Declaration on Environment and Development
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	—	BOE adopts the Electronic Industry Citizenship Coalition Code of Conduct.
G4-16	List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization:	—	BOE maintains memberships of a number of industry associations, working groups and other organizations, and holds different levels of positions in these organizations, including member and president.
	● Holds a position on the governance body		
	● Participates in projects or committees		
	● Provides substantive funding beyond routine membership dues		
	● Views membership as strategic		
This refers primarily to memberships maintained at the organizational level.			
Identified Material Aspects and Boundaries			
G4-17	List all entities included in the organization's consolidated financial statements or equivalent documents; report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.	—	For the specific entities, see the 2016 <i>Annual Report of BOE</i>
G4-18	Explain the process for defining the report content and the Aspect Boundaries; explain how the organization has implemented the Reporting Principles for Defining Report Content.	P24-25	
G4-19	List all the material Aspects identified in the process for defining report content.	P24-25	
G4-20	For each material Aspect, report the Aspect Boundary within the organization.	P24-25	
G4-21	For each material Aspect, report the Aspect Boundary outside the organization.	P24-25	

G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	—	No restatements.
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries	—	No significant changes.
Stakeholder Engagement			
G4-24	Provide a list of stakeholder groups engaged by the organization.	P23-24	
G4-25	Report the basis for identification and selection of stakeholders with whom to engage.	P23-24	
G4-26	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	P23-24	
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.	P23-24	
Report Profile			
G4-28	Reporting period (such as fiscal or calendar year) for information provided.	About This Report	
G4-29	Date of most recent previous report (if any).	About This Report	
G4-30	Reporting cycle (such as annual, biennial).	About This Report	
G4-31	Provide the contact point for questions regarding the report or its contents.	About This Report	
G4-32	Report the 'in accordance' option the organization has chosen (Core or Comprehensive).	—	Core
G4-33	Report the organization's policy and current practice with regard to seeking external assurance for the report.	P88	

Governance				
G4-34		Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	P19	
Ethics and Integrity				
G4-56		Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	P20-21	
Specific Standard Disclosures				
No. of GRI Guidelines		Description	Page	Note
G4-DMA		Report why the Aspect is material. Report the impacts that make this Aspect material; report how the organization manages the material Aspect or its impacts; report the evaluation of the management approach.	P24-25	
Economic				
G4-EC1	Economic Performance	Direct economic value generated and distributed	—	See the 2016 <i>Annual Report of BOE</i>
G4-EC3	Economic Performance	Coverage of the organization's defined benefit plan obligations	P71	
G4-EC5	Market Presence	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	P70	
G4-EC6	Market Presence	Proportion of senior management hired from local community at significant locations of operation	P62	
G4-EC8	Indirect Economic Impacts	Significant indirect economic impacts, including the extent of impacts	P15	
G4-EC9	Procurement Practices	Proportion of spending on local suppliers at significant locations of operation	P42	

Environmental				
G4-EN2	Materials	Percentage of materials used that are recycled input materials	P53-54	
G4-EN5	Energy	Energy intensity	P51-52	
G4-EN6	Energy	Reduction of energy consumption	P51-52	
G4-EN8	Water	Total water withdrawal by source	P51	
G4-EN10	Water	Percentage and total volume of water recycled and reused	P54-55	
G4-EN18	Emissions	Greenhouse gas emissions intensity	P52	
G4-EN23	Effluents and Waste	Total weight of waste by type and disposal method	P51	
G4-EN24	Effluents and Waste	Total number and volume of significant spills	—	None
G4-EN27	Products and Services	Extent of impact mitigation of environmental impacts of products and services	P55-57	
G4-EN29	Compliance	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	—	BOE was not subject to any significant fines or sanctions for non-compliance with environmental laws and regulations in 2016.
G4-EN31	Overall	Total environmental protection expenditures and investments by type	P49	
G4-EN32	Supplier Environmental Assessment	Percentage of new suppliers that were screened using environmental criteria	P43	

Labor Practices and Decent Work				
G4-LA 1	Employment	Total number and rates of new employee hires and employee turnover by age group, gender and region	P62	
G4-LA 2	Employment	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	P71	
G4-LA 3	Labor/ Management Relations	Return to work and retention rates of employees who took parental leave, by gender	P72	
G4-LA 4	Labor/ Management Relations	minimum notice periods regarding operational changes, including whether these are specified in collective agreements	P70	
G4-LA 6	Occupational Health and Safety	Type of injury and rates of injury, occupation diseases, lost days and absenteeism, and total number of work-rated fatalities, by regions and by gender	P74-75	
G4-LA 9	Training and education	Average hours of training per year per employee by gender and by employee category	P65-66	
G4-LA 10	Training and education	Programs for skills management and lifelong learning that supports continued employability of employees an assist them in managing career endings	P63-64	
G4-LA 11	Training and education	Percentage of employers receiving regular performance and career development reviews, by gender	P68	
G4-LA 12	Diversification and equality of opportunity	Composition of governance bodies and breakdown of employers per employee category according to gender, age group, minority group membership, and other indicators of diversity	P62	
G4-LA 13	Equal Remuneration for Women and Men	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	P70	
G4-LA 16	Labor Practices Grievance Mechanisms	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	P73	

Human Rights				
G4-HR3	Non-discrimination	Total number of incidents of discrimination and corrective actions taken	—	None
G4-HR5	Child Labor	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	—	In 2016, BOE performed internal audit in accordance with EICC Code of Conduct and no such risks were identified.
G4-HR6	Forced or Compulsory Labor	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	—	In 2016, BOE performed internal audit in accordance with EICC Code of Conduct and no such risks were identified.
Social				
G4-SO1	Local Communities	Percentage of operations with implemented local community engagement, impact assessments, and development programs	P78-87	
G4-SO2	Local Communities	Operations with significant actual and potential negative impacts on local communities	—	None
G4-SO4	Anti-corruption	Communication and training on anti-corruption policies and procedures	P20	
G4-SO8	Compliance	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	—	In 2016, BOE was not subject to any significant fines or sanctions for non-compliance with laws and regulations

Product Responsibility				
G4-PR2	Customer Health and Safety	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	—	All products developed by BOE comply with relevant laws and regulations. In 2016, BOE was not subject to any fines or sanctions for non-compliance with relevant laws and regulations
G4-PR4	Product and Service Labeling	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	—	In 2016, BOE did violate any relevant regulations and voluntary codes
G4-PR5	Product and Service Labeling	Results of surveys measuring customer satisfaction	P33	
G4-PR8	Customer Privacy	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	—	In 2016, BOE did not receive any substantiated complaints regarding breaches of customer privacy and losses of customer data
G4-PR9	Compliance	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	—	All products developed by BOE comply with relevant laws and regulations. In 2016, BOE was not subject to any fines or sanctions for non-compliance with relevant laws and regulations

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