 The report was printed on recyclable paper.

TCL Technology Group Corporation




2019 Corporate Social Responsibility Report


TCL Technology Group Corporation



Corporate Social Responsibility Report 2019



 Address: 14/F, Tower B, TCL Building, Gaoxin Nanyi Road, Nanshan District, Shenzhen, Guangdong

 0755-33313889

 csr@tcl.com

 www.tcltech.com



TCL CSR Webchat Account

Featured Story: Fighting against the Epidemic Together to Overcome Difficulties

Around the turn of the year, the COVID-19 epidemic swept across the country from Wuhan. When disaster struck, help came from all sides. TCL and the people of Hubei supported each other and helped each other in the war against the epidemic. In another battlefield, TCL played the leading role as a leading enterprise – making vigorous efforts to resume work and production to minimize the impact of the epidemic. This is TCL, who can stand out and take risks at critical moments.

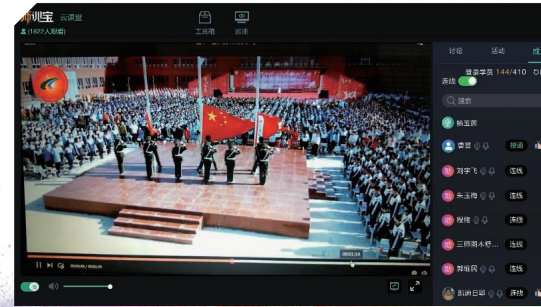
As of March 2, TCL had provided more than 20.5 million RMB of funds, materials, equipment and network services. TCL CSOT donated 10 million RMB in cash. Other enterprises and industries of TCL distributed TVs, communication devices, air conditioners, public display equipment, network services and funds with a total value of over 10.5 million RMB to make full use of its systematic advantages in supporting the fight against the epidemic. TCL Installation Commando was the first to enter Leishenshan Hospital to install electrical equipment. Meanwhile, we also provided support to more than 10 designated hospitals, such as Huoshenshan Hospital and Huanggang Xiaotangshan Hospital.



In addition to cash and in-kind donation, TCL and companies quickly responded by relying on their own business and provided various resource services to the public.

Open Education “Shixunbao” fights the epidemic with teachers and students across China

Open Education provides elementary school students nationwide with a 180-day learning cloud platform free of charge; at the same time, it jointly provides free teaching resources with higher medical schools.



Suspended Class, Ongoing Learning. TCL TV launched the free education zone of “Learn at Home”

FFalcon Technology set up an “Battle Epidemic” channel. From January 24th, it will restrict the opening of 55 popular paid content. In conjunction with Tencent Video TV version and Aurora TV, it will work with more than 40 high-quality educational institutions to provide TCL TV users with “class at home”. The free education zone covers the rich educational resources from pre-school to high school.



Together on the same screen, Ketianyun provides a free video conference platform to all users

Ketianyun is free and open to all users, providing video conference support worth 5 million RMB for front-line work teams, and providing safe and professional solutions for remote consultations in medical institutions and remote online offices in enterprises.





TCL Getech helps enterprises to start work without stopping

While creating emergency IT support for the TCL industry, TCL Getech quickly turned the revelation from the IT construction of the manufacturing companies obtained in the epidemic into five sets of intelligent solutions, such as “intelligent epidemic prevention and control platform solutions”, “factory remote office solutions”, “equipment management remote service solution”, help enterprises to resume epidemic prevention.



TCL Finance helps small and micro enterprises secure capital chain

Relying on TCL's supply chain finance system, TCL Finance Co., Ltd. and JDH platform worked together with several other financial institutes to open up online financing channels, building an industrial finance “firewall” for micro, small, and medium-sized enterprises, and providing financial services for troubled enterprises.



Care for the grassroots and pass on warmth

Meng Qiang, the first secretary of TCL Technology Group's counterpart in the poverty-stricken village of Wansong, took the initiative to take up his post in advance and took part in the prevention and control of the epidemic.

TCL strengthened the prevention and control of the epidemic situation, while seizing the time to resume production, not only achieved its resumption of production as soon as possible but also coordinated the promotion of more than 300 upstream supply chain enterprises to resume production.

To help enterprises resume production smoothly, with the support of local human and social departments, TCL employers chartered cars and chartered flights to migrant workers to export and pick up people, helping employees return to work safely and promptly; For safety, each TCL employment unit has established a resumption prevention and control headquarters and an information team to use scientific methods to build a line of defense against the epidemic.



Content

About This Report

Leader's Oration 6

Message from the Chairman
Speech of Director of CSR Innovation Center

About TCL 8

Company Overview
Corporate Culture
Corporate Strategy
Financial Performance of 2019

Responsibility Management 12

Corporate Social Responsibility Strategy and Policy Formulation
Capacity Building of Corporate Social Responsibility Management
Analysis of Material Issues
Promotion of Important CSR Issues
CSR Risks Monitoring
Stakeholder Communication and Collaboration

Corporate Governance 16

Protecting Investors' Rights and Interests
Anti-corruption
Intellectual Property and Trade Secret Protection

Promoting Technological Innovation 20

Technology Innovation Investment
Technology Innovation System
Innovative Products and Applications
Product Quality and Service

Facilitation of Employee Development 26

Safeguard Rights and Interests of Employees
Guarantee of Health and Safety
Employee Growth and Development
Increasing Employee Well-Being

Supply Chain Responsibility Management and Cooperation 38

Responsible Purchasing
Coordinated Development

Harmonious Development with Nature 40

Green Products
Green Operations

Build a Well-off Society Together 46

TCL Foundation
Huameng Fund
Building a Harmonious Community
Organizing Volunteer Activities

Appendices 55

Future Outlook
Responsibilities and Honors
Key Performance Forms
Indicator Index
Reader Feedback

About This Report

Reporting Period

This report is from January 1 to December 31, 2019. To improve the completeness of the report, some data exceed the above range.

Reporting Scope

The organization of this report covers TCL Technology Group Co., Ltd. and its subordinate industries.

Report Release Cycle

This report is an annual report and is released every year with the annual report of TCL Technology Group Co., Ltd. The Group has issued reports for the twelfth consecutive year. The last report was published in March 2019.

Data Description

The data and cases used in the report all come from the company's official documents, statistical reports, and summary and statistics of the performance of responsibilities.

References & Standards

- *Sustainability Reporting Guidelines* issued by the Global Reporting Initiative (GRI)
- Sustainable Development Goals (SDGs) of the United Nations
- "The Ten Principles" of the United Nations Global Compact
- *Guidance on Social Responsibility (ISO26000)* issued by the International Organization for Standardization (ISO)
- *Guide for Compilation of China Corporate Social Responsibility Report (CASS-CSR 4.0)*
- *Shenzhen Stock Exchange Social Responsibility Instructions to Listed Companies*
- *Guidelines for Environmental, Social and Governance Report Issued by HKEX*
- Opinions of the China Securities Regulatory Commission on Giving Play to the Role of the Capital Market in Serving the National Poverty Alleviation Strategy

Reliability Assurance

The company guarantees that there are no false records and misleading statements in this report.

Language and Availability

This report is available in both Chinese and English. You can log on the company's official website www.tcltech.com to download the electronic version of the report and obtain more information on corporate social responsibility.

Updates to Previous CSR Reports:

None

Leader's Oration

Message from the Chairman

Dear readers,

In 2019, due to the release of concentrated supply and the slowdown in demand growth, the global semiconductor display industry has entered a cold winter. The industry is facing huge profit pressure. It is the top priority for enterprises to cross the bottom of the cycle and accumulate the next round of growth. Faced with a severe and complex operating environment, the company adhered to the world's leading development strategy, completed major asset restructuring, deepened reform and transformation, continued to improve quality and efficiency, and promoted stable growth of various businesses.

We completed asset restructuring, optimized the structure of assets and liabilities, improved efficiency and competitiveness, and determined the world's leading business strategy. The development logic, planning, and path are clear: focusing on

high-tech, capital-intensive, long-cycle strategic emerging industries will strengthen the industrial ecological layout. It will also improve the industrial financial capabilities and help industrial development.

Innovation is the driving force for enterprise development. Product innovation, technological innovation, and business model innovation have always been important forces driving TCL's continuous growth. In 2019, we will continue to increase R & D investments and actively develop next-generation new display technologies, materials, and processes such as flexible printed display OLED displays. Launching the Mini-LED Xingyao screen and innovative products in the industry will take the lead in the display field, and will make breakthroughs in emerging technologies and materials such as QLED, AMOLED, and printing display.

The uncertainty of the global economy brings both risks and challenges, as well as development opportunities. In the past few years, many of the global industries have achieved brilliant results, and even top international companies have been eliminated from the competition. Ten years ago, the top ten companies in the Fortune 500 have been replaced by half today. The reason for the changes in the world economy and the layout of multinational companies is the profound adjustment of the global industrial structure driven by technology, relying on the long-term development opportunities of the Chinese economy. As long as we persevere, work hard, continue to innovate, and work hard for a long time, we will definitely become the world's leading high-tech enterprise!

Thank you for your attention and recognition of TCL Technology Group!



A handwritten signature in black ink, consisting of stylized Chinese characters.

Chairman and CEO of TCL Technology Group Corporation

Speech of Director of CSR Innovation Center

Dear readers,

At the end and beginning of the year, the COVID-19 epidemic swept the country, making the Chinese New Year 2020 unforgettable. With support from all sides, TCL mobilized all resources in the first time to give advantages to various enterprises and contributed to the fight against epidemics. As of March 2, 2020, TCL has donated more than 20.5 million RMB in funds, materials, equipment, and network services.

Adhering to the concept of “taking responsibility for the society and being an excellent corporate citizen”, TCL Technology Group’s CSR Innovation Center incorporates corporate social responsibility into the group’s corporate management system and systematically fulfills social responsibilities. In 2019, we will continue to improve the CSR management level of the group and its subsidiaries through management support measures such as the capacity building of business personnel and internal CSR supervision and audit.

In the big family of TCL, employees are not only valuable resources but also important family members. TCL Technology is committed to creating an equal and diverse working environment so that employees can work and live safe and healthy. At the same time, we provide employees with learning and development opportunities through TCL University and CSOT College, so that employees can realize their own value while sharing building enterprise development momentum. In 2019, TCL University and CSOT College provided nearly 700,000 hours of training for employees, with more than 36,000 trainings.

Consumers are the heart of TCL Technology Group’s strategy. Driven by innovation, TCL Technology provides intelligent and diversified high-quality products and services to meet the increasing needs of different consumers. In 2019, we launched a Mini-LED Xingyao screen and other products with leading technology and sustainable development features. The number of new PCT patent applications is 2,752, and the cumulative number of PCT patent applications is 11,261.

TCL Technology Group promises and is committed to environmental protection. It is considered our responsibility to constantly promote green products and green manufacturing. In 2019, we continued to implement energy conservation and emission reduction work. TCL Technology has three major production bases selected by the Ministry of Industry and Information Technology of the Green Operations List. The newly built 6th generation flexible LTPS-AMOLED display panel production line project has also received LEED Platinum and China Green Building three stars, the highest level of dual certification.

In the field of social public welfare, we established the Shenzhen TCL Foundation. Focusing on public welfare projects in the fields of education and poverty alleviation, environmental protection, community construction, and other fields. In 2019, combining technological advantages of TCL Technology Group

and the innovative form of AI + public welfare, the “A.I. (Love Home)” project was launched to let robots simulate the voice of parents to tell growth stories for unaccompanied children. At the same time, Beijing Central Conservatory of Music Education Development Foundation launched the “Little Musician +” project to bring Chinese and famous foreign music to students who lack resources to listen to music. The power of music can encourage children to be positive and optimistic. This year is the sixth year of the launch of the TCL Hope Project Candlelight Award Program, which has supported a total of 2,200 outstanding rural teachers. In 2019, the “Huameng Class” project focused on scholarship funding, and “Music • Dream • Exchange” project focused on professional music exchange student dream support; of which, the “Huameng Class” project has cumulatively supported 1,083 students with an excellent academic performance that came from poor families. Help them achieve their college dreams. The “Music • Dream • Exchange” project supported a total of 12 outstanding music students from home and abroad for international exchanges to realize their musical dreams.

Thank you for your concern and support for TCL. I am looking forward to achieving better results with you!

Wei Xue

Vice President of TCL Technology Group Corporation
Director of CSR Innovation Center



About TCL

Company Overview

Established in 1981, TCL was formerly one of China's first 13 joint ventures—TTK Home Appliances (Huizhou) Co., Ltd., and was originally engaged in the manufacturing of audiotapes. Subsequently, the business expanded to telephones, televisions, mobile phones, refrigerators, washing machines, air conditioners, small household appliances, LCD panels and so on.

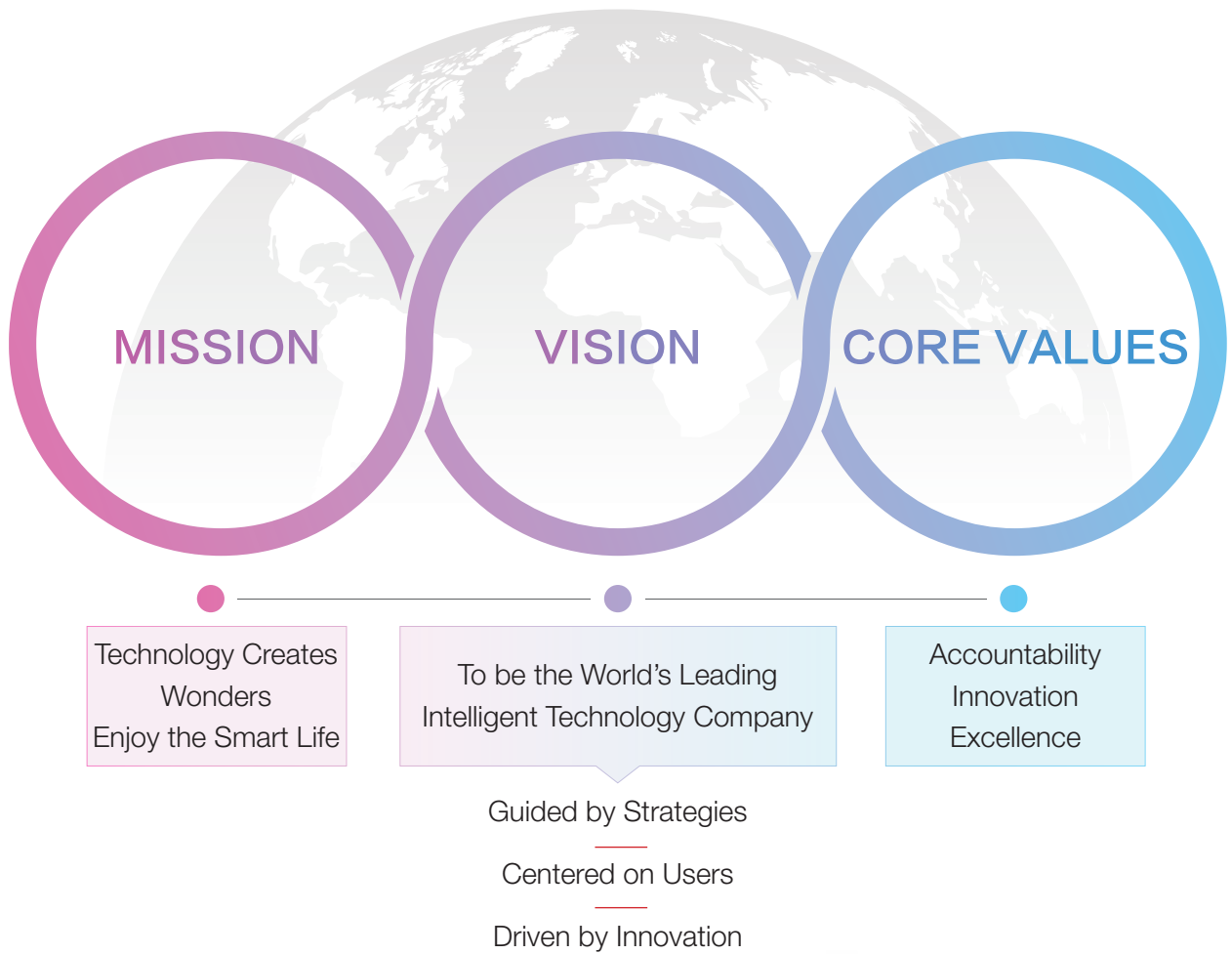
In 2019, TCL split into TCL Group Co., Ltd., and TCL Industrial Holdings Co., Ltd. In the future, TCL Group will transform into a technology industry group focusing on the semiconductor display industry, and expand upstream and downstream industries. Since February 7, 2020, the name of "TCL Group Co., Ltd." will be changed to "TCL Technology Group Co., Ltd." and the stock abbreviation of the company will be changed from "TCL Group" to "TCL Technology".

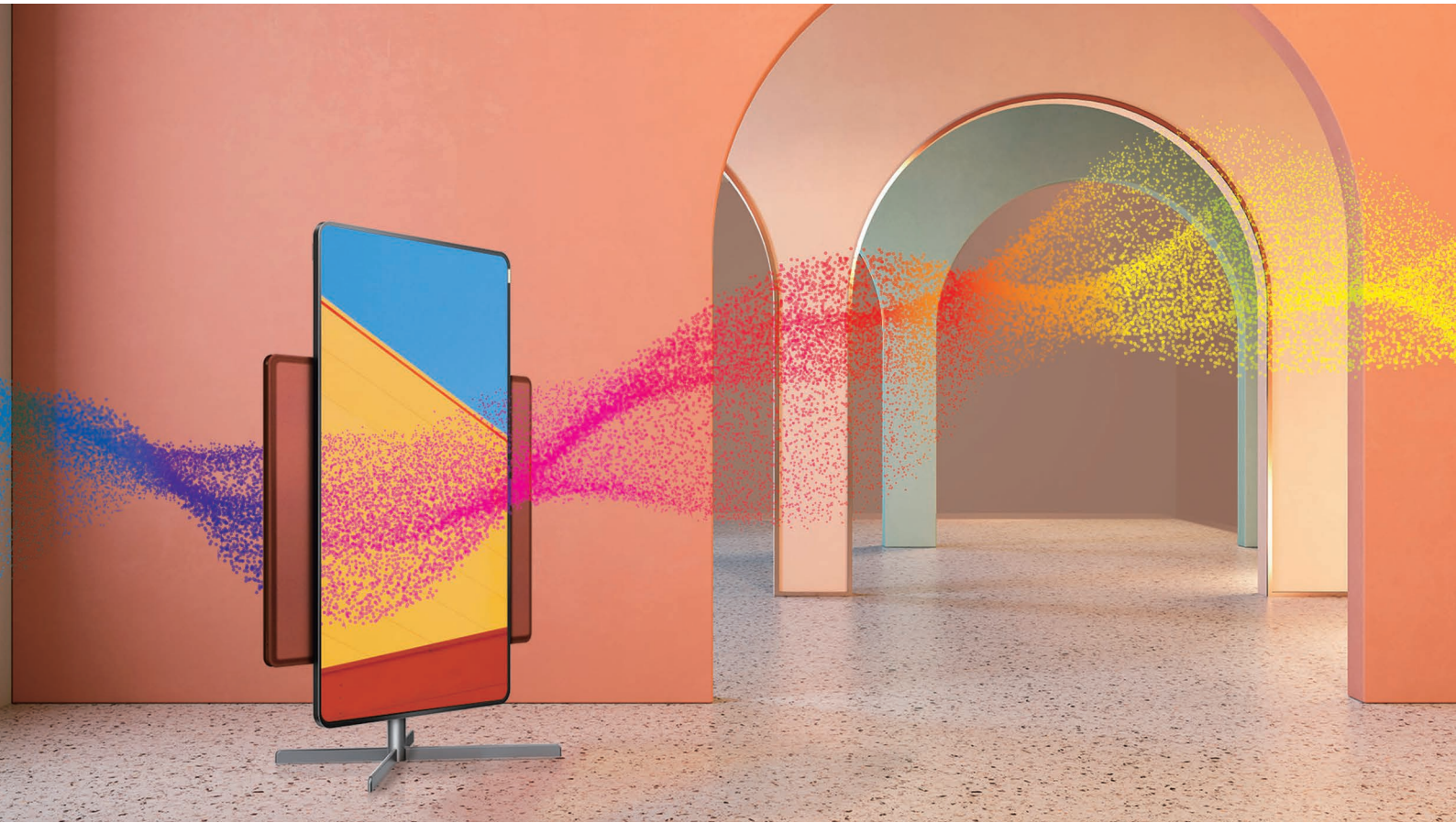
In recent years, TCL has taken technological capabilities as its main competitiveness, actively investing in new semiconductor display technologies, processes, materials, and focusing on establishing advantages from leading efficiency to leading product technology. In 2009, TCL invested in CSOT, relying on independent innovation, to build China's first high-generation panel line, break the long-term monopoly of Japanese and South Korean companies in the field of semiconductor panel manufacturing, and rewrote the status quo of China's "lack of chips and few screens". Now, TCL CSOT has 6 production lines under construction with a near-total investment of 200 billion RMB, which has formed a competitive advantage in the domestic LCD panel field. Shenzhen and Huizhou are large-scale TV panel and module production bases. Wuhan is a small and medium-sized panel and module production bases, while India is a module production base. TCL CSOT actively deploys advanced display technologies such as Mini-LED, Micro-LED, OLED, and printing displays. Its products cover large, medium, and small-sized panels, touch modules, electronic whiteboards, splicing walls, automotive, e-sports and other high-end display applications thus establishing its core competitiveness in the global panel industry.



Corporate Culture

On December 6, 2019, TCL's march toward the world's leading oath meeting and corporate culture upgrade conference was held in Shenzhen. Six senior executives including the TCL founder and chairman Li Dongsheng jointly launched the "Global Leadership Road". The conference released and elaborated on the specific meaning of "Global Leadership".





Corporate Strategy

TCL Technology Group will continue to cultivate competitive advantages in manufacturing. Focusing on the development of high-tech emerging industries and establishing global leading advantages in related industries. Through industrial finance, it can help industrial development and increase investment returns, investing in ecological enterprises, and enhancing comprehensive competitiveness.

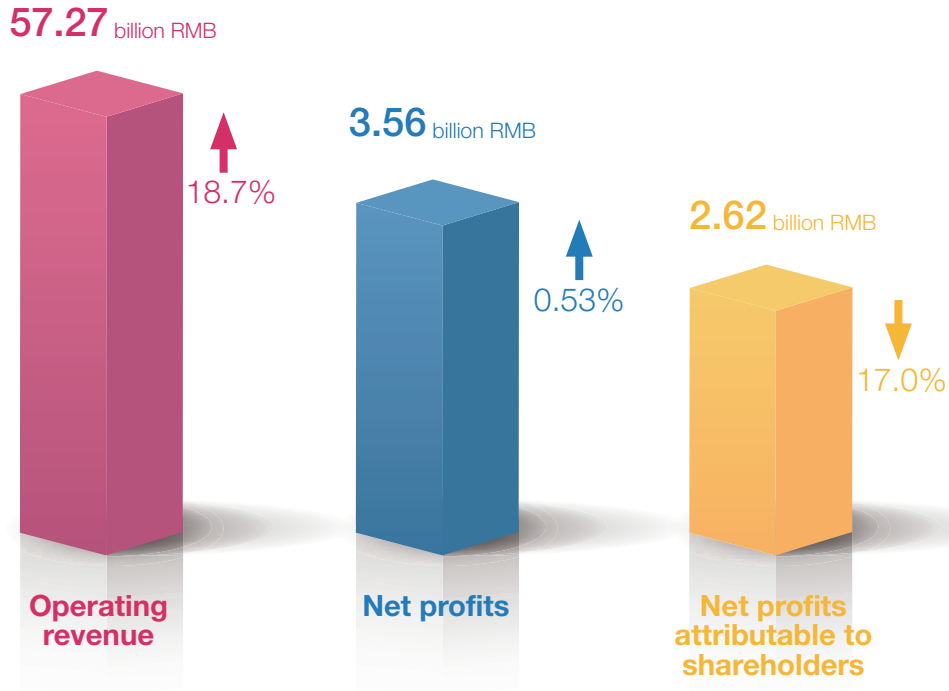
Semiconductor display technology and materials are one of the most important electronics in technology industries. China has initially possessed an advantage in this industry. Although the overall short-term supply and demand imbalances still exist, there are structural market opportunities driven by technological innovation. Competition accelerates the industry's survival of the fittest. From the development and changes of the global industrial structure, in the next few years, China's display industry has an opportunity to lead the world in large-size products and will face greater challenges in small and medium-sized products. The group will do its best to establish technological advantages steadily while expanding the scale, and continuously improve efficiency and competitiveness. The group is confident to maintain continuous growth in operating scale and efficiency through internal development and mergers acquisitions to achieve global leadership in the display industry.

Although the trend of counter-globalization has been serious in recent years. The global industrial chain has been restructured, but in our industry, the competitive advantage of Chinese manufacturing is difficult to shake in the short term. The corporation will accelerate the completion of the global industrial chain layout and adapt to international competition. This year, the Indian industrial base will be completed and put into production and will work with customers to improve the industrial chain layout in North America, Europe, South America, and other markets to become a core supplier of global display product technology.

The Corporation will take advantage of technology, management, and capital to choose new opportunities in strategic and capital-intensive strategic emerging industries to support the company's continued growth. The selected track will be similar to the management and operation logic of the existing industry, to more effectively play the synergistic effect.

Financial Performance of 2019

TCL Technology Group achieved an operating income of 57.27 billion RMB in 2019. An increase of 18.7% year-on-year, realized a net profit of 3.56 billion RMB, an increase of 0.53% year-on-year; of which net profit attributable to shareholders of listed companies was 2.62 billion RMB, a year-on-year decrease of 17.0%.





Responsibility Management

- **Corporate Social Responsibility Strategy and Policy Formulation**
- **Capacity Building of Corporate Social Responsibility Management**
- **Analysis of Material Issues**
- **Promotion of Important CSR Issues**
- **CSR Risks Monitoring**
- **Stakeholder Communication and Collaboration**

TCL Technology Group has always adhered to the concept of “taking responsibility for society and being an excellent corporate citizen”. For more than 30 years, TCL Technology Group has always promoted the development of enterprises with stakeholders as the core, designing innovative products to meet user needs, and continuing to creating benefits. TCL develops together with employees and feeds the society to promote the development of education, culture and sports, and other social welfare undertakings.

Responsibility Management

To more fully explore how TCL fulfills its corporate social responsibility and create shared value between the company and the society, TCL established the TCL Group CSR Innovation Center in 2016. In 2019, the TCL Group will be reorganized and the CSR Innovation Center will continue to be headed by the Vice President of TCL Technology Group. Its main responsibilities are:

- | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> ● Developing CSR strategies and policies ● Providing support in capability-building for CSR management ● Analysis of material issues
(focusing on CSR risks and opportunities by identifying key CSR issues) | <ul style="list-style-type: none"> ● Promoting important CSR issues (projects) ● Monitoring CSR risks ● Promoting communication and collaboration among stakeholders |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Corporate Social Responsibility Strategy and Policy Formulation

In 2019, TCL Technology Group revised the original “TCL Group Co., Ltd. Internal Control Specific Specification No. 14-Social Responsibility” to cover seven core issues of corporate social responsibility. That included organizational governance, employment promotion, and employee rights and interests protection, health and safety, environmental protection, fair management, consumer relations, community participation, and development have clarified the company’s corporate social responsibility categories, related requirements, and management mechanisms.

Capacity Building of Corporate Social Responsibility Management







To improve the management level of the company’s social responsibility business, TCL Technology Group attaches great importance to the popularization and promotion of social responsibility knowledge, conducting corporate social responsibility knowledge, training for social responsibility business in various industries to improve its awareness, and ability to perform its duties. TCL Technology also conducts corporate social responsibility publicity for employees and the public through various publicity tools such as TCL dynamic internal journals and TCL micro-responsibility public accounts.



TCL CSR internal auditor training in 2019

Analysis of Material Issues

To further improve the relevance and scientificity of TCL technology's corporate social responsibility management, TCL adopts international common methods and selects internationally authoritative, universal sustainable development, social responsibility assessment standards and guidelines for benchmarking, including DJSI, MSCI, GRI, etc. International general standards, as a broad basis for screening TCL substantive issues, are then selected based on industry conditions and the company's characteristics. With sufficient discussions within and outside the organization, the 20 substantive issues that have an important impact on corporate development and stakeholders are gradually screened out, including governance, products and services, environment, industry chain management, employees, at six levels of the community, focus and disclose in the performance of responsibilities.

 Governance	 Products and Services	 Environment	 Industry Chain Management	 Employee	 Community
Corporate Governance Risk Management Business Ethics	Risk Management Product Quality and Safety	Use of Renewable Energy Energy Efficiency Water Resource Management Disposal Compliance Climate Changes	Supplier Social Responsibility Conflict Minerals Management Coordinated Development of Industrial Chain	Employee Rights Protection Occupational Health and Safety Employee Growth and Development Employer Attraction Employer Caring	Economic Development of Community Charity Events

Promotion of Important CSR Issues

TCL conducts project management on the important issues of CSR identified by the substantive analysis of issues and other risks and opportunity assessment methods. In 2018, we launched a climate change management project and established a greenhouse gas management system that complies with ISO14064 and passed the third-party certification companies at seven major production bases. In 2019, we continue to promote climate change management projects in three production bases. Establishing a greenhouse gas management system that meets the requirements of ISO14064 or local regulations completed the calculation of the base year of TCL Technology Group's greenhouse gas emissions.

CSR Risks Monitoring

As a group company that spans multiple industries, TCL Technology Group monitors the CSR risks of the company and its subsidiaries through on-site audits and online monitoring tools. In 2019, we conducted on-site inspections of the CSR risks of 5 subsidiaries and found a total of 126 CSR risk items and promoted rectification. We also conduct online monitoring of the environmental violation risks of our subsidiaries and supply chains through the blue map database of China's well-known environmental protection public welfare organization IPE (Public Environmental Center).

Stakeholder Communication and Collaboration

TCL Technology Group knows that by cooperating with stakeholders we can make progress together. In daily operations, TCL Technology Group attaches great importance to communication with stakeholders and will continuously improve various communication mechanisms, actively listen to the voices of related parties, understanding their demands, and responding actively with practical actions to develop together.

Stakeholders	Issues of Interests	Solutions	Key Measures in 2019
Shareholders and investors	<ul style="list-style-type: none"> Transparent information disclosure Ability to continue creating value Well-proven risk management 	<ul style="list-style-type: none"> Standardizing company management, and close communication with investors via multi-channels Continuously deepening strategic progress and creating advantageous industries 	<ul style="list-style-type: none"> Organizing investor open days to explain business strategies to investors Asset restructuring and focusing on core industries to improve profitability
Government and regulators	<ul style="list-style-type: none"> Law-abiding compliance operation Responding to national policies Playing a leading role in promoting harmonious development of society 	<ul style="list-style-type: none"> Abiding by the national laws and regulations Giving full play to the enterprise's resource superiority Performing social responsibility actively 	<ul style="list-style-type: none"> Launching "Integrity TCL" hotline and online reporting channel Continuing internationalization process Specifying 7 key issues on social responsibility
Consumers and clients	<ul style="list-style-type: none"> Innovative and practical products meeting the requirements of the customers 	<ul style="list-style-type: none"> Enriching product categories, improving product quality, and serving a wider community 	<ul style="list-style-type: none"> Introducing series of smart and innovative products to meet diversified demands of consumers Customer satisfaction survey and aftersales service
Suppliers and dealers	<ul style="list-style-type: none"> Standardizing the procurement process and a good competitive mechanism Achieving mutual benefits of industry chain partners Driving development of the industry 	<ul style="list-style-type: none"> Developing supplier selection policy for fair procurement Suppliers evaluation, audit, training, and communication Providing support for partners 	<ul style="list-style-type: none"> Promoting supplier compliance in environmental protection, safety, and employment Organizing training and exchanges Promoting financing platforms to help partners develop
Employees	<ul style="list-style-type: none"> Safeguarding legitimate rights and interests Occupational health and safety Optimizing compensation benefits Respecting multiculturalism and lifestyles Developing with employees Enhancing employer competitiveness 	<ul style="list-style-type: none"> Compliance with laws and regulations to protect employees' basic rights and interests Improving occupational health and safety measures Offering competitive salary and welfare Care for employees' life Employee capacity building and establishing career development systems 	<ul style="list-style-type: none"> Formulating recruitment policy according to relevant laws Multiple channels for employees' complaints and feedback Organizing safety training and cultural construction Organizing cultural, sports, and recreational activities to balance life and work Continuously running TCL University to conduct systematic training for domestic and foreign employees
Community	<ul style="list-style-type: none"> Caring for the development of next generations Improving community environment Helping disadvantaged groups 	<ul style="list-style-type: none"> Supporting youth development Caring for ecological environment Assisting community building Conducting volunteer activities 	<ul style="list-style-type: none"> Continuing to run Shenzhen TCL Foundation and conducting student-assisting and teacher-assisting programs Supporting environmental public welfare projects Helping residents improve public welfare Organizing employees to serve communities
Environment	<ul style="list-style-type: none"> Using resources efficiently Energy saving and emission reduction Effective use of waste 	<ul style="list-style-type: none"> Developing green production Launching green products Establishing environmentally-friendly companies 	<ul style="list-style-type: none"> Building green factories Developing and producing green products Recycling of used electrical appliances



Corporate Governance

- **Protecting Investors' Rights and Interests**
- **Anti-corruption**
- **Intellectual Property and Trade Secret Protection**

As one of the 9 first batches of internal control pilot units of the Guangdong Securities Regulatory Bureau, TCL has established a general meeting of shareholders and a board of directors in strict accordance with the laws and regulations of the "Company Law", "Securities Law", "Government Code of Listed Companies" and other relevant regulatory agencies. Its special committees, the board of supervisors, and operation management have formulated corresponding rules of procedure and work management systems to continuously improve various internal control systems and processes promoting the continuous optimization of the corporate governance structure. Since its listing in 2004, it has continuously improved its corporate governance structure, regulated its operations, conscientiously fulfilled its information disclosure obligations, strengthened communication with investors, and continuously increased shareholder returns to increase shareholder satisfaction.

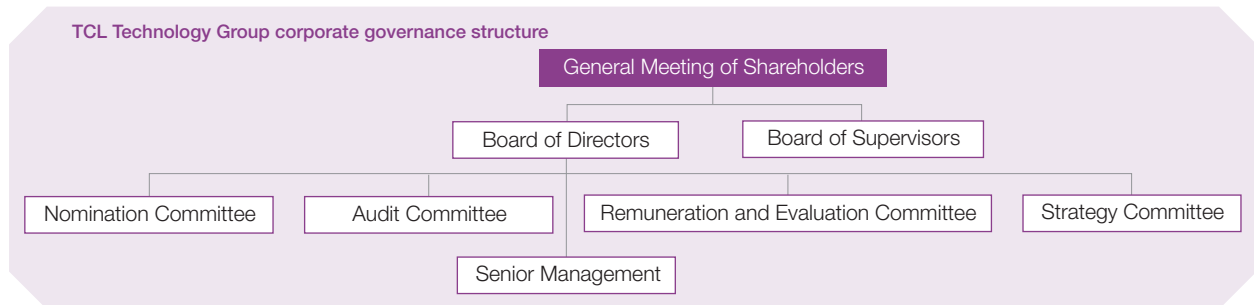
Corporate Governance

In 2019, TCL Technology Group organized directors, supervisors, and senior management personnel to systematically learn the laws and regulations of listed company governance to enhance the risk prevention awareness and self-discipline of relevant personnel. A total of 9 board meetings, 6 supervisory boards, and 6 shareholders were held. In the meetings, all proposals were fully discussed and voted through fully exercising the rights of various management agencies, respecting the wishes of shareholders, and effectively safeguarding the interests of all shareholders, especially towards small and medium shareholders. In the governance of the three meetings, the company's major shareholders hold less than 30% of the shares, but the company still adopts a cumulative voting system when electing directors and supervisors, which is higher than the requirements of the corporate governance standards and effectively protects the voting rights of small and medium shareholders. The Board of Supervisors has been diligent. It has conducted in-depth on-site investigations for many years and proactively put forward management suggestions, effectively improving the internal governance mechanism.

The company's board of directors won the

“Best Board of Directors” award

in the fifteenth “Golden Round Table” awards of the board of directors of Chinese listed companies.



Protecting Investors' Rights and Interests

TCL Technology Group attaches great importance to information disclosure, strictly abides by and implements relevant information disclosure regulations, timely fulfills information disclosure obligations, ensures the truthfulness, accuracy, completeness, timeliness, and fairness of information disclosure, and continuously improves the quality and transparency of information disclosure. In order to achieve the disclosure and transparency of the company's operating information to the public, the company has formulated strict "Information Disclosure Management Measures", which uniformly stipulates the content and standards of information disclosure, the process of information transmission, review and disclosure, the person directly responsible for information disclosure and the accountability mechanism systematically guarantees the group's timely disclosure of major industry matters in information disclosure. While earnestly fulfilling its statutory disclosure obligations, the company adheres to the concept of "openness, fairness, and justice", explores an active information disclosure mechanism, effectively protects the legitimate rights and interests of investors, achieves benign interaction with investors, and gains more trust and trust from investors stand by.

Total number of shareholders (accounts) 433,940.00

Average number of shares held by each account (shares) 31,175.83

Among them, the number of individual shareholders in the top 200 shareholders (accounts) 431,425

Average number of shares held by each individual shareholder in the top 200 (shares) 15,141.96

Among them, the number of institutional shareholders (accounts) 2,515

Average number of shares held by each institutional member (shares) 2,781,637.20

In 2019,

- The number of information disclosure is 162; among them, the number of active information disclosure is 7;
- Answered investors' questions more than 300 times on social interaction platforms through social media;
- Received 36 investor survey interviews, involving hundreds of institutional investors;
- Voluntarily organized 2 performance exchange meetings and 2 telephone communication meetings.

Anti-corruption

TCL has integrity values. TCL has always advocated compliance operations, attached great importance to anti-fraud work, requires the corporation and its subsidiaries to strictly abide by laws and regulations, prevent and punish corruption. An audit committee is set up under the board of directors of the group and a special audit and supervision department is set up by the group to focus on building an anti-corruption and corruption prevention system and to build a honest enterprise.

In 2019, TCL Technology Group Corporation released its upgraded corporate culture, with “Accountability, Innovation and Excellence” becoming TCL’s new core values. Among them, “Integrity and Honesty” is the first essence of “Accountability”, which explicitly requires employees to honor their promises, be realistic, pragmatic, honest, and self-disciplined. This is in line with the “Integrity” that TCL has been advocating since its founding 39 years ago. Under the Board of Directors of TCL Technology Group, there is an audit committee; at the group level, there is a special anti-corruption institution – the Audit and Supervision Department; and audit and supervision departments have also been set up in key subsidiaries.

TCL Technology Group continuously improves the construction of the core system of anti-corruption, standardizes the employee’s job behavior, and systematically prevents the occurrence of corruption risk incidents. There are “TCL Accountability Management Measures”, “TCL Partner Code of Conduct”, “TCL Employees Conflict of Interest Declaration Management Measures”, “TCL Employees Accepted Gifts Disposal and Reward Management Measures”, and “TCL Group Cadre Management System”. The formulation and introduction of relevant core systems such as the TCL Group’s Internal Audit Charter and the TCL Procurement Business Discipline Code.



Mao Tianxiang, Head of the Audit and Supervision Department of TCL, conducting training on probity to subsidiaries

TCL Technology Group Corporation has established a systematic integrity education training mechanism. All employees are required to sign the *Letter of Commitment of Probity* when joining the company, and the *Agreement of Probity* or *TCL Code of Conduct of Partners* should be signed when cooperating with suppliers and customers. Meanwhile, new employee training and special training for high-risk positions are also adopted to effectively improve the awareness of probity and self-discipline of all employees.

TCL Technology Group Corporation has also conducted the establishment of a probity risk management mechanism. Through regular probity risk assessment, TCL has identified possible risk points in business scenarios and formulated corresponding control strategies and improvement measures. In 2019, TCL Technology Group Corporation launched the first “TCL Probity Index Survey” for all employees to assess the overall feelings of probity, the publicity of probity culture, and the probity system, aiming to improve work and find risks.

TCL advocates and encourages all employees to assist in anti-corruption work. The company’s Audit and Supervision Department has a specific personnel to receive reports. Reporters can voluntarily choose real-name or anonymous reports. For fraud practices, TCL Technology Group has always adhered to the “zero tolerance” attitude. In 2019, TCL Technology Group investigated and handled a total of 28 cases, punished 51 persons, fired 15 persons, and blacklisted 12 suppliers that have violated the *TCL Code of Conduct for Partners* or *TCL Letter of Commitment of Probity*.

In 2019,

TCL Technology Group investigated and handled a total of **28** cases, punished **51** persons, fired **15** persons, and blacklisted **12** suppliers that have violated the *TCL Code of Conduct for Partners* or *TCL Letter of Commitment of Probity*.

Audit and Supervision Department of TCL Corporation

The Audit and Supervision Department is the guardian of TCL core values, which adheres to a zero tolerance attitude in the face of fraud and corruption.

If you find any clues of violation of rules and regulations in your work, you are welcome to report them in the following ways. We advocate real-name reporting, and whistleblower information will be kept strictly confidential. If verified, rewards will be awarded accordingly.

Mailbox: jubao@tcl.com

Phone: 0752-22288846

Mailing address: 22/F, TCL Technology Building, No.17,
Huifeng 3rd Road, Huizhou, Guangdong

Intellectual Property and Trade Secret Protection

With the development of TCL's innovative technology, the protection of intellectual property rights and trade secrets is particularly important. TCL Technology Group complies with international intellectual property rules, handles intellectual property affairs by laws and international practices, actively and sincerely resolves intellectual property issues, and protects its legitimate rights and interests through judicial procedures against malicious intellectual property rights infringements. At the same time, the company embeds trade secret compliance requirements into policies, procedures, projects or transactions, and promotes employees through various forms such as mail and posting and implements compliance with various industries.



In 2019,

TCL Technology Group submitted **4,653** Chinese patent applications, accumulating **23,464** applications; **1,738** U.S. patent applications, accumulating **9,639** applications; **2,752** PCT international patent applications, accumulating **11,261** applications; and **2,477** domestic patents granted, accumulating **8,551** authorized; **1,258** U.S. patents authorized, **4,578** accumulatively authorized,

and the

second largest number of quantum dot patents published in the world.

TCL Technology Group also participated in and initiated the Intellectual Property Alliance of Chinese listed companies.



Purple Vine IP Operating (Shenzhen) Co., Ltd invested by TCL CSOT, is an institutional innovation made by TCL Technology Group in the creation, management, operation, and maintenance of the intellectual property. In 2019, Purple Vine was established and involved in the industry. It adheres to the path of specialization, market orientation, and internationalization. Not only does it provide strong support for TCL industries going abroad, but it also escorts more and more Chinese innovative enterprises in their transformation. Purple Vine, set up the Shenzhen IP Operation Service (Purple Vine) Platform after the approval of the local regulatory authorities.



Yang Jin, Vice President of TCL Technology Group, Chairman and CEO of Purple Vine IP, delivered a keynote speech at the China Intellectual Property Annual Conference

In 2019, Shenzhen CSOT., a subsidiary of TCL Technology Group, won the China Patent Excellence Award and the Sixth Guangdong Patent Silver Award; Guangzhou Huarui Optoelectronic Materials Co., Ltd. won the sixth Guangdong Patent Gold Award.



Promoting Technological Innovation

- **Technology Innovation Investment**
- **Technology Innovation System**
- **Innovative Products and Applications**
- **Product Quality and Service**

TCL has always insisted on technological innovation as the first driving force for enterprise development. At present, it has formed four major technical strategic directions of new display technology, artificial intelligence technology, 5G application technology, and intelligent manufacturing and industrial Internet technology. With “Research and development” model, TCL introduced the world’s top talent and technical resources, and constantly improved the height of technological strategic decision-making and technological innovation capabilities.

Promoting Technological Innovation

Technology Innovation Investment

In 2019, TCL Technology Group invested 5.46 billion RMB in research and development and had 6,155 R & D technicians. It submitted 2,752 PCT international patent applications, with a total of 11,261 applications. Quantum dot public patents are the second largest in the world. TCL also actively participated in the formulation of industry standards, participated in the China Artificial Intelligence Industry Development Alliance, China Ultra HD Video Industry Alliance, hosted and participated in the formulation of 18 international standards, 83 national standards, and 140 industry standards.

Technology Innovation System

To ensure that technological innovation is at the international leading position, the construction of an open and cooperative R & D system is the key. TCL Industrial Research Institute has six research and development centers in Shenzhen, Xi'an, Hong Kong, the United States, Wuhan, and Poland. In 2017, it established the national printing and flexible display innovation center in China. TCL-CSOT and China Display Optoelectronics Technology also established its own research and development center. In 2019, TCL Industrial Research Institute has a total of 1 national "Ten Thousand Talents" talents, 7 national "Thousand Talents" talents, and the introduction of two Pearl River Talents Plan innovation teams, employing 29 top-tier technical consultants in the industry, and three world-leading research groups carry out joint R & D and research on major basic projects.



On June 14, The Sixth TCL Technology Innovation Conference was held in Shenzhen. "The First TCL Technology Cooperation Conference" with the theme of "Open Access to Technologies, Cooperation for Brighter Future" was held at the same time. The meetings were attended by first-class technical experts in the fields of new display artificial intelligence, representatives of technical cooperation units, and TCL's senior management team and technical leaders of various enterprises. At the conferences, TCL announced 13 technical cooperation projects and announced that it had hired 29 leading technical experts as consultants to jointly explore the "No Man's Land" in the fields of new display and artificial intelligence.



On September 24, the signing of the strategic cooperation agreement between TCL and Guangdong Mobile and the launching ceremony of the 5G + Industrial Internet Demonstration Park project was held at the TCL Technology Building in Huizhou. The unveiling ceremony of the “5G Joint Innovation Lab” was also held on the spot. The “TCL-China Mobile 5G Joint Innovation Lab” jointly created by the two parties will be dedicated to the research and exploration of the application of the 5G network’s high bandwidth, low latency, and large connection characteristics in industrial manufacturing to help smart manufacturing. As a strategic grasp of TCL in the field of industrial Internet and smart manufacturing, TCL Getech Ltd. will cooperate with China Mobile Guangdong to develop innovative applications of industrial Internet powered by 5G technology. The joint innovation in these technologies will not only help TCL realize intelligent manufacturing. The strategic goal of transformation will also play a leading role in the national manufacturing industry and promote the integrated development of a new generation of information technology and manufacturing technology.



Innovative Products and Applications

TCL Technology Group Corporation keeps innovation as the foundation, continuously launches multi-dimensional innovation products to provide infinite possibilities for social development.

MLED

TCL CSOT MLED-backlight panel is the world’s first active Mini-LED display that combines the TFT-LCD process with the A-Si glass substrate driver active Mini-LED, bringing the potential of Mini-LED into full play. This product can bring high-end image quality experience to users. Its contrast ratio is as high as 1,000,000 : 1. It has the characteristics of high partition number, wide color gamut, high dynamic range imaging, etc. It can restore more real color and dark field details. MLED has achieved the goals of better HDR performance, higher contrast ratio, high partition and low power consumption. The display effect can be comparable to OLED, bringing more diversified display and consumption choices to the market and a very high cost-effective viewing experience for consumers.



TCL CSOT 75-inch MLED-backlight panel

OLED

The 7.2-inch OLED flexible folding screen has an unfolded size of 7.2 inches (aspect ratio of 4 : 3), including static or dynamic bending, and supports applications such as folding inwards or outwards. It can be held in one hand after folding. Easy to carry and meet the needs of different application scenarios. CSOT's flexible folding screen adopts the self-innovated laminated structure. According to the different film structure and thickness, the position of the neutral layer can be adjusted, and the double folding mode can be switched between the outer folding radius of 5mm and the inner folding radius of 3mm.



7.2-inch OLED flexible foldable screen

IJP

Guangdong Juhua and TCL CSOT jointly created the world's first 31-inch inkjet printable flexible prototype with a size of 31 inches, driven by an oxide TFT backplane, a top-emitting device structure, an aperture ratio of more than 50%, and white field brightness reaches 200nits, and the DCI-P3 color gamut reaches 90% (without color filter film), making it the world's first rollable flexible OLED prototype based on printing technology.



31-inch IJP rollable prototype

Intelligent Manufacturing

TCL Technology Group started to deploy IoT technology in 2016. In recent years, through the promotion of the cooperation between its major companies TCL CSOT and TCL Getech Ltd., it has deeply integrated cutting-edge technologies such as artificial intelligence, big data, cloud computing, and manufacturing experience, and jointly created CSOT IoT platform, the industry's leading industrial Internet platform, has entered the period of mass production technology promotion. Unlike other industrial Internet platforms, the main goal of the CSOT IoT platform is to rely on a new generation of onsite production engineers through factory endogenous forces, using tool-based operating modes, built-in basic calculation models, and industry mechanism models to enable onsite production engineers. The team self-contained its own personalized management experience and on-site knowledge into various reusable industrial models, realizing the value of data, which can play a role in product anomaly interception, capacity improvement, scientific equipment maintenance, etc., to achieve cost reduction and efficiency increase purpose. Empowered by AI x IoT, CSOT has solid technical support to build a smart factory.



CSOT Intelligent Factory Diagram

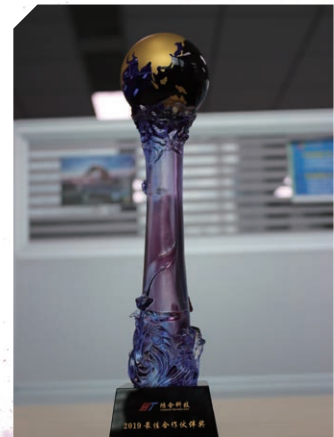
Product Quality and Service

TCL Technology Group regards “user-centric” as the main path to comprehensively improve and enhance its core capabilities, adheres to product quality and service as the bottom line, provides high-quality products, and enhances the user experience.

In 2019, TCL CSOT won many customers' commendations for its excellent quality and excellent service



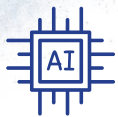
Best Quality Award by Xiaomi TV in 2019



Award for Best Partner of HiteVision in 2019

Excellence in Quality

Quality is the lifeline of enterprise development. TCL Technology Group has always insisted on quality management and started to strive for excellence, established a complete quality management system according to ISO9000 requirements, established a quality management committee, actively introduced quality improvement tools, combined with artificial intelligence and Internet of Things technology, launched quality improvement projects to improve product quality.



TCL CSOT Product Inspection Intelligence Project

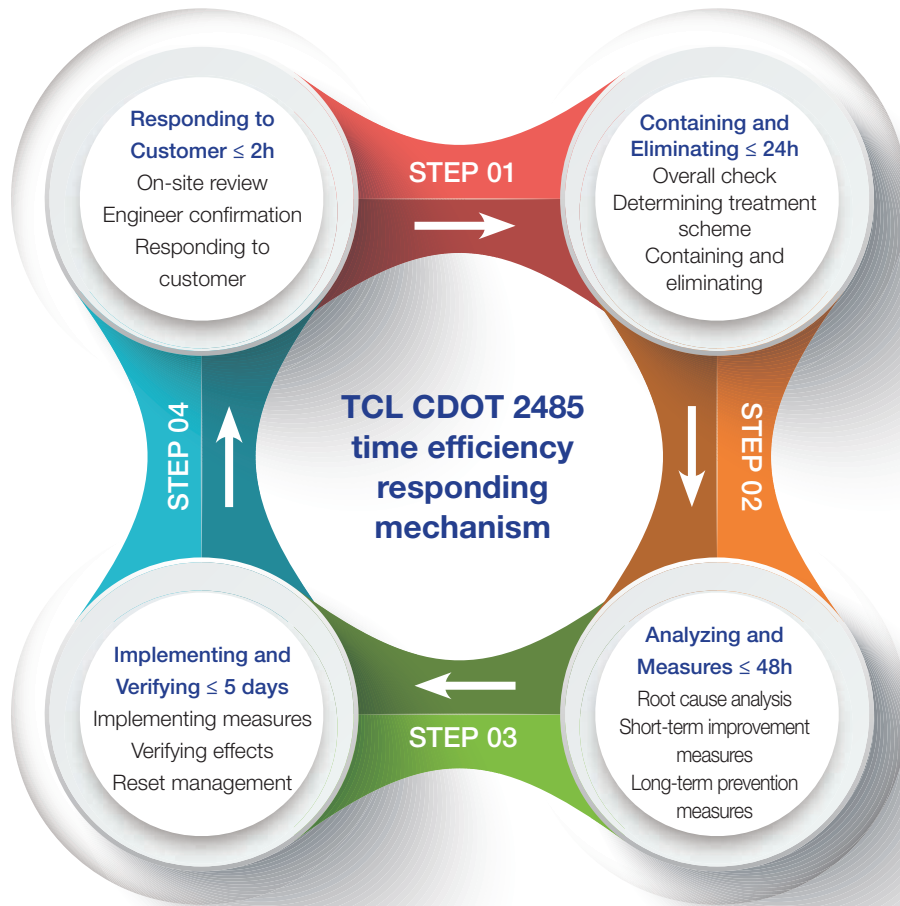
According to the proportion of single defects in each line within a fixed time period, the system automatically chooses whether to increase the auxiliary inspection screen and screen lock time for the corresponding defect and can adjust the inspection screen and inspection time in time. This ensures that when the product defect rate is stable, the judgment screen can be simplified and efficiency is improved. When the defect rate has an upward trend, a targeted inspection screen is added to ensure controllable quality.



CSOT Intelligent Defect Recognition System

Quality Service

TCL Technology adheres to the service principle of “the highest customer requirements are our minimum standards” and sets up a customer service department. In order to ensure the response speed, each subsidiary of the TCL Technology Group also sets up strict and standardized response times for different customer needs joining in the KPI of the responsible engineer, greatly improved customer response speed and analysis improvement progress.



TCL Technology Group has a complete customer communication mechanism, through customer satisfaction surveys, quality meetings, emails, telephone communications, customer visits, etc., to understand customer expectations and demands, timely improve product quality and management processes, and increase satisfaction. Conduct a satisfaction survey for all strategic customers every year to fully understand the customer's satisfaction with products, related suggestions, and service experience.

Customer satisfaction in 2019:

TV **90.5%**

CID **92.2%**



Facilitation of Employee Development

- **Safeguard Rights and Interests of Employees**
- **Guarantee of Health and Safety**
- **Employee Growth and Development**
- **Increasing Employee Well-Being**

Employees are a valuable resource in the TCL Technology Group. TCL Technology Group is committed to creating a harmonious and win-win environment. Protecting the legitimate rights and interests of employees, building a diversified career development path, and promoting the realization of both personal goals and corporate value. In 2019, TCL Technology Group released a new concept of talents: "Excellent organization is achieved by excellent talents, talents are trained, cadres are developed, all resources are inclined to contributors."

Facilitation of Employee Development

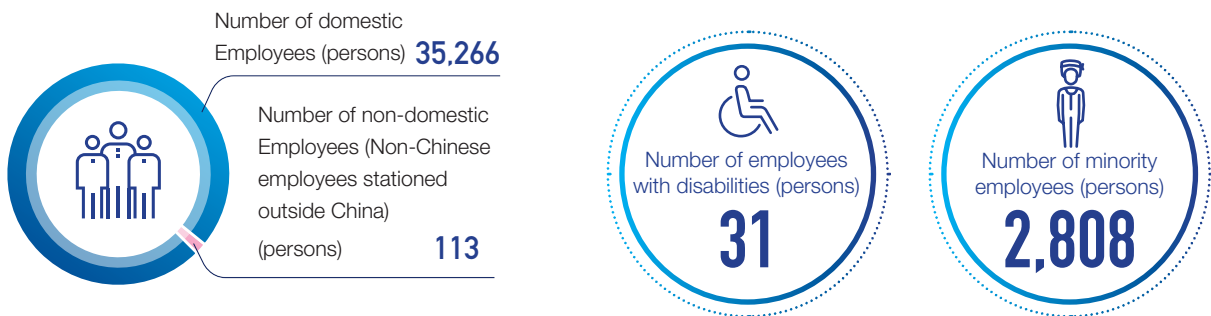
Safeguard Rights and Interests of Employees

TCL Technology Group pursues an equal and non-discriminatory employment policy, is committed to creating a diverse and inclusive working environment, actively communicates with employees, provides employees with a comprehensive salary and welfare system, and attracts reserved talents. TCL Technology Group's main productive industries have established an employee rights protection management system regarding internationally well-known CSR standards such as RBA, to improve the management level of employee rights.

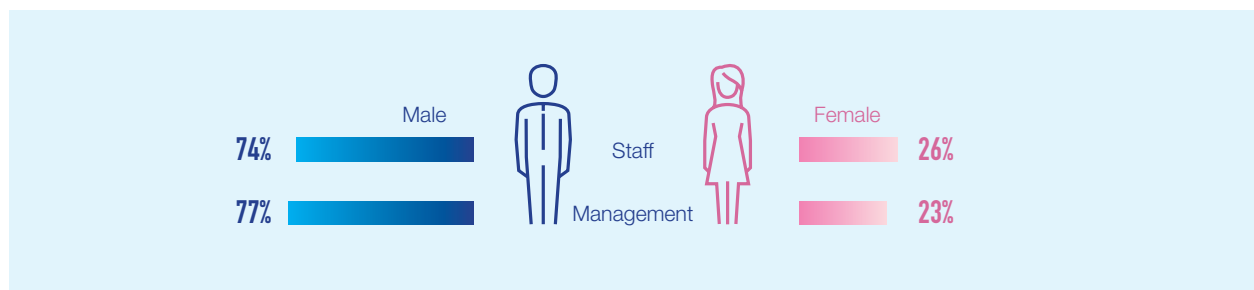
Equality and Inclusiveness

TCL Technology Group strictly abides by the requirements of relevant domestic and foreign laws, regulations and international conventions such as the Labor Contract Law and the International Labour Organization Convention, establishes and improves the employment management regulations and systems, prohibits discriminatory employment, and focuses on promoting women's rights and localization to play its due role in creating local employment opportunities. TCL Technology Group strictly prohibits the recruitment of persons under the working-age to prevent forced labor, resist sexual harassment in the workplace, and protect the rights and interests of employees.

Statistics on Employees



Statistics on Management Personnel and Professionals



Staff Communication

To better listen to the voices of employees and ensure smooth information exchange, TCL Technology Group has established a variety of communication channels and communication mechanisms. The labor union safeguards the vital interests of employees, participates in company management on behalf of employees, and organizes various public opinion surveys to promptly respond to employee appeals. At the same time, the company also provides various communication channels for employees, such as monthly communication meetings, email and telephone, WeChat platform, dormitory Visits, employee BBS forums, employee questionnaire surveys and other forms found that the company was inadequate, resolved related issues promptly, and developed and progressed with employees.

TCL CSOT Engagement Survey

In 2019, TCL CSOT participated in the employee engagement survey provided by the internationally renowned consulting company Hewitt/Spencer, covering all the employees of the company. More than 20,000 people participated in the event. The final engagement score is 73%, located in high performance/best employer zone.



73%

TCL CSOT
employee
engagement score

Employer Attraction

TCL Technology Group fully respects employees' legal labor income. Provide reasonable and competitive remuneration packages for employees.

Remuneration System

TCL Technology's remuneration system follows the remuneration principle of "grading by position, salary by grade, and remuneration by effectiveness", which is fair internally and competitive externally; TCL Technology conducts external market salary research every year, according to talents source and flow of the selected market benchmark, output a salary survey report in line with the positioning of TCL technology talents, and then review and maintain the salary level of employees based on the results of the salary survey report.

Incentive Mechanism

TCL Technology Group builds on performance-oriented performance culture and standardized and effective performance management mechanism according to the talent concept of "everything leans towards contributors" to enhance organizational vitality, stimulate employee growth, and achieve continuous growth of organizational and personal performance.

In terms of incentive mechanism, we continued to innovate market-based incentive mechanisms and piloted shared incentive mechanisms such as the "Global Partner Program" and the "Global Incentive Program" to closely integrate employee performance with company performance to fully stimulate employee innovation and enthusiasm to support enterprise transformation.

The employee performance management of TCL Technology Group is mainly based on the assessment of key behaviors and performance results of the employees. The employee performance is divided into five levels of S, A, B, C, and D, and the evaluation results are linked to employee incentives. Employees with performance appraisal of S and A are eligible to participate in the selection of TCL employees' annual outstanding employees, are eligible to receive priority rank promotion, are eligible to make salary adjustments and participate in the company's long-term incentive plan; at the same time, they will be the key training objects of excellent talents, provided training opportunities.

To continuously stimulate the vitality of the organization and make TCL Technology Group become the world's leading smart technology company, TCL Technology Group has developed a differentiated assessment and incentive mechanism for different organizations and different personnel. In 2019, all employees of TCL Technology Group will regularly receive performance reviews.

TCL Technology Group provides inclusive financial benefits to employees. Employees can make credit loans through TCL's subsidiary Huizhou Zhongkai TCL Zhirong Technology Microfinance Co., Ltd. For TCL technology employees, the loan devolution time is fast, the amount is high, the interest is low, and a professional financial consultant is equipped. A total of 2.386 billion RMB has been disbursed since 2014, and 416 million RMB has been issued to employees in 2019. TCL Technology continues to set up the "Star Residence Program" and "Nesting Program" to provide employees with interest-free housing loans. In 2019, the CSOT Star Residence Program will make a loan of 85 million RMB.

Guarantee of Health and Safety

TCL Technology Group upholds the concept of “people-oriented, safety first”, according to the international standards of the ISO45001 occupational health and safety management system, combined with local applicable laws and regulations and customer requirements, from leadership, safety culture, risk management, intrinsic safety, performance evaluation, and continuous improvement, establish an occupational health and safety management system to ensure the occupational health and safety of employees and related personnel. As of the end of 2019, the company’s main production subsidiaries officially put into production have passed ISO45001 certification or OHSAS18001 certification, and there have been no serious accidents or worse in the whole year.

Safety Leadership Building

TCL Technology Group has promulgated the “Safety Management Regulations” and “Production Safety Accident Emergency Response Plans” and other management regulations, and at the same time implementing the “Safety Production Performance Evaluation Management Standards” to all industries and departments. In terms of management organization, all subordinate enterprises have set up a safety production committee led by the CEO to lead the company’s occupational health and safety management. At the same time, the company’s safety leadership is effectively improved through safety leadership interviews, management exchange meetings/inspections/training, etc.



On July 29, 2019, the TCL CSOT Safety Committee’s 2019 mid-year summary meeting was held in the war room of the Shenzhen CSOT R & D Building (synchronous video connection between Wuhan and Huizhou). The picture shows the participants collectively recite the ten life-saving regulations of CSOT.



Risk Management and Intrinsic Safety

TCL Technology Group is equipped with first-class domestic and foreign safety equipment in the workplace, such as an automatic fire alarm system, CO₂ automatic fire extinguishing system, VESDA system, TGMS system, etc., and provides employees with safe and reliable personal protective equipment. TCL Technology uses HAZOP, FMEA, SFMEA, and other risk identification and evaluation tools to analyze the risks in the manufacturing process and formulate corresponding refined management and control measures. At the same time, it also actively carries out risk visual management work. In 2019, a total of 8 129 occupational health and safety risk maps of various enterprises have greatly improved the efficiency of risk management.



Scene of 2019 Emergency drill

Safety Inspection and Hidden Trouble Rectification

Each company under TCL Technology Group has established a regular hidden trouble detection management system, and each company has safety management personnel at all levels to carry out safety inspections in all areas on a daily, weekly, monthly, quarterly and holiday basis. Meanwhile, all sister companies also actively carried out cross-checks. In 2019, a total of 1,316 on-site safety inspections were completed, and all the hidden dangers found were rectified. The Corporation also drew inferences about other cases from one danger to ensure that all hidden dangers could be rectified.

In 2019,

A total of **1,316** on-site safety inspections were completed.



Scene of safety inspection

Safe Production Culture Construction

TCL Technology Group regards safety production publicity and education as the basic work to consolidate safety production management. Through three-level safety education and special safety education, it promotes employees' safety production awareness and organizes various industries to carry out various cultural publicity activities. In 2019, the total safety training of major production subsidiaries totaled 184,944 person-times, and the training duration was 99,358 hours.

In 2019,

The total safety training of major production subsidiaries totaled **184,944** person-times, and the training duration was **99,358** hours.



2019 CSOT management personnel safety knowledge contest

Employee Growth and Development

TCL Technology Group provides training and learning opportunities to every employee to help them achieve skill upgrade, career development and self-worth realization. The improvement of employees' abilities enhances employees' enthusiasm and a sense of belonging and is also the driving force for the company's sustainable development.

Gathering Talents

TCL Technology Group continues to expand recruitment channels and innovate recruitment methods by implementing effective recruitment measures, gather talents for the company's development, and provide an open and fair competition platform for the company's future employees.

Campus Recruiting

TCL Technology Group has always regarded talents as the source of corporate life. Since its development, it has carried out large-scale campus recruitment activities for 23 consecutive years and introduced more than 30,000 outstanding university students. In 2019, TCL went to nearly 20 cities across the country to give campus lectures, recruited more than 80 positions and provided nearly 1,000 job opportunities for colleges and universities nationwide.

In 2019,

TCL recruited more than **80** positions and provided nearly **1,000** job opportunities for colleges and universities.



Scene of 2019 Campus Recruiting

School-Enterprise Cooperation

In addition to carrying out campus recruitment every year, TCL Technology Group also maintains a good school-enterprise cooperation relationship with many universities across the country. The company has established TCL creative clubs in 9 colleges and universities across the country. The club is composed of teachers and students from various universities. The company provides funds and program support for various creative activities held by the club, providing a broad platform and opportunities for the comprehensive development of college students.



Scene of 2019 Final of TCL Innovation Competition



College Students Induction Training

TCL Technology Group will guide career planning, guide graduation design, and graduation thesis by professional HR and tutors before college students formally start their employment which is “Eagle Accompanying” project. Then a one-month training program of “Eyas Power Camp” will be launched around corporate culture, professional accomplishment and creative thinking.



2019 Eyas Power Camp

Internal Referral

TCL Technology Group is a diversified industrial group company. The company has always encouraged all internal employees to recommend excellent talents to the company’s various industries. In 2019, the company further expanded the internal recommendation scope and improved the reward standard. And for different types of positions in different industrial companies, all had set attractive incentive rules, then the enthusiasm of employees within the company for recommending outstanding talents has continued to rise, recommending more and better talents for the development of the company.

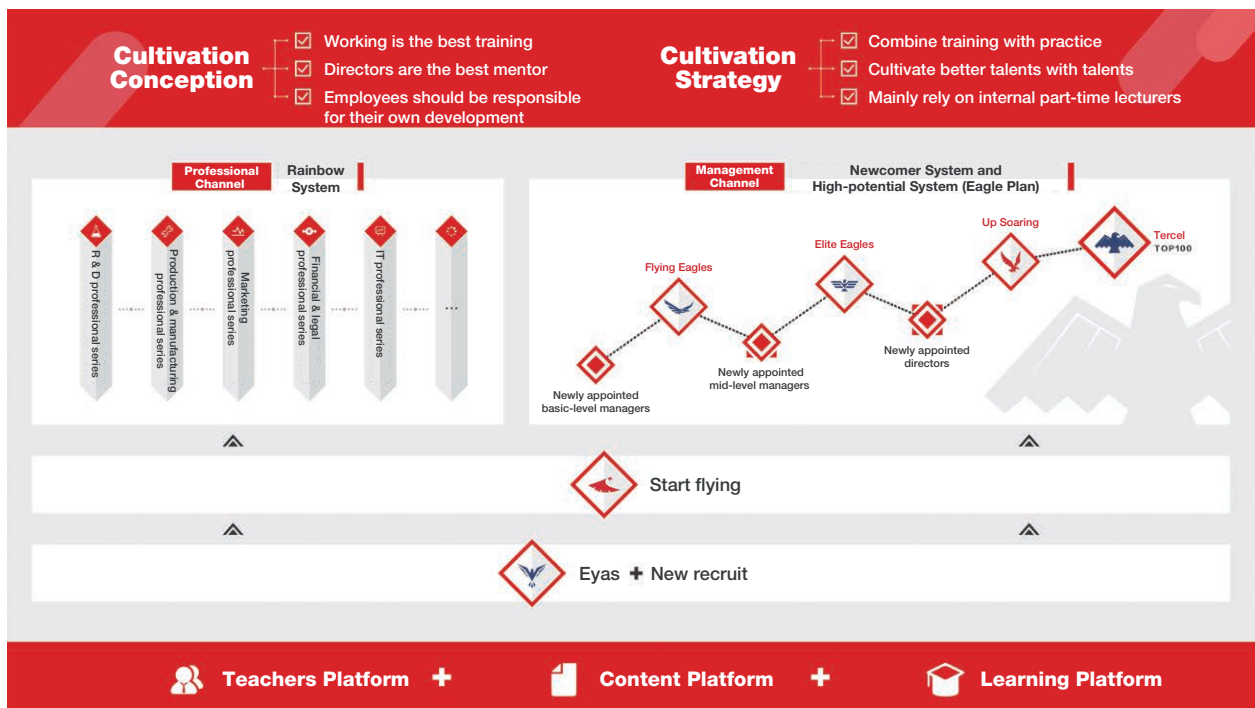
Internal Talent Market

To stimulate the vitality of the organization, expand the career development channels of employees and make the best use of their talents, TCL Technology Group encourages the orderly flow of talents internally and establishes an internal talent market with related mechanisms. In 2019, TCL Technology released the “TCL Internal Talent Market Management Measures”, and opened up the internal recruitment system. Various industrial companies carried out internal talent recruitment activities in an orderly manner, adding new recruitment channels for corporate recruitment, expanding the career development channels of employees, and further enhancing organizational vitality.

Talent Training

To be able to continuously optimize and improve the fit of talents, the company has built an eagle talent training system and established TCL University and CSOT College to help employees grow. The system continues to reserve forces at all levels for the company's development, enhance employees' enthusiasm and sense of belonging, and create a team of high-quality talents that meets TCL's strategic requirements.

In 2019, TCL University's leading companies have systematically upgraded the talent training system, which was divided into two channels: (1) professional channel: Rainbow Department; (2) management channel: New Department and High-potential Department. The talent training system comprehensively covers the training of talents in the middle and senior levels and professionals in different fields.



Cultivation Project for Senior Reserve Talents – Up Soaring Plan

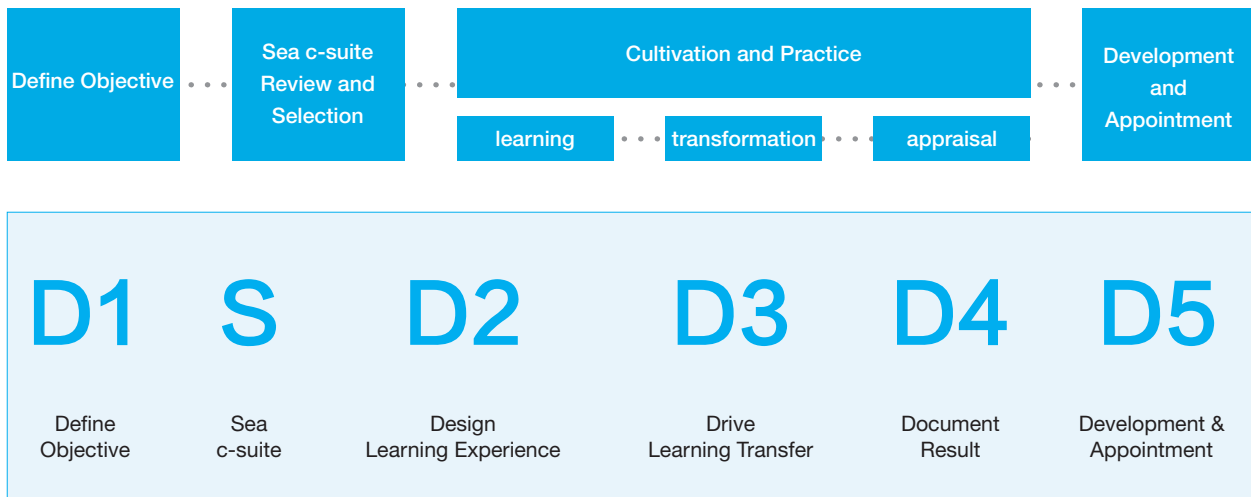
Project objective: Developing strategic reserves with a global perspective

Cultivation philosophy: From training talents to using talents

Cultivation modes: Talent review and evaluation + systematic GDP + personalized IDP + practice program + executives accompanying + post rotation + shadow learning + benchmarking study tour

Project Value: The Soaring Plan aims to discover and develop high-potential talents and explore effective training models for reserve talents. Personalized and customized training of strategic talents for specific and clear job requirements; end-to-end, standard guidance, consensus on the common language for talent selection, evaluation, and development; leveraging the high-level to practice the cultivation of backup talent action. After several years of exploration and practice, we have summarized a set of models “5D1S” as the main idea of project design and implementation. The soaring plan is not just a simple talent training, it strictly runs through the closed loop of “selection + training + development and appointment” (as shown below).

Strategic Talents Cultivation Model – 5D1S



Cultivation project for middle managers – Eagle Plan

Project objective: Cultivating a group of honest, excellent, high performance middle managers, strengthening the ability, and promoting performance improvement

Cultivation Idea: Learning and transformation, performance improvement, combining training with practice, cognition improvement

Project value: For more than ten years, the “Eagle” project started with eyes, from “points” to “lines”, and from “lines” to “planes” to build “eyes” and “flying eagles”, The leadership development system from “Elite Eagle” to “Soaring Eagle” and the new and high-potential talent training system, continue to provide middle and high-level management talents for the group. Benchmarking has become the pioneer of the Group’s transformation and transformation and the main force of performance contribution.



2019 TCL Elite Eagle Training Camp

2019	Total hours of employee training in 2019: 706,703 hours
	Total investment in training in 2019: 13,996,493 RMB
	Total training person-times in 2019: 35,929
	Number of training programs at TCL University: 69
	Number of self-developed courses: 115

* Note: the training data only covers the training provided by TCL University and CSOT College

Career Development

To accelerate the establishment of the talent team required by the development of the TCL Technology Group, the company provides employees with diversified career development paths to promote the growth of talents and the continuous improvement of corporate organizational capabilities.

Standardizing Post Sequence, Unifying Development Channel Standards, and Offering Multi-directional Development Space

The group has organized and established five professional development sequences of management, profession, technology, sales, and operation, and unified the standards and requirements at all levels. Combined with the qualification system, it provides employees with a clearer and more specific career development channel. At the same time, TCL combined with the internal talent market and promote the cultivation of compound talents to meet the market's requirements for comprehensive management talents.

Further Refining the Construction of Qualification System

The qualification system is well promoted and applied in industries such as CSOT. In recent years, the demands of professionals in various fields in the industry have become increasingly fierce. Enterprises need to quickly train a large number of professional talents to support business development and performance improvement and TCL encourages internal employees to grow rapidly by building a qualification system. With the in-depth application of the qualification system, the integration with the business is closed.

Post Rotation Mechanism

Continue to optimize the cadre talent structure, take the initiative to train cadres, and encourage employees to cross-horizontal training. TCL Technology Group launched the "Living Water Plan" to establish an open internal mobility platform for employees, encourage employees to conduct internal mobility across industries, departments, and functions, and eliminate obstacles to rotation by original organizations or managers to form a benign internal rotation atmosphere. We believe that the diversity of employee experience and the enrichment of skills have played a crucial role in becoming a higher-level manager in the future. We not only encourage employees to boldly propose rotation needs but also update the future talent needs to help employees grow and develop.

Internal Competition

We believe that internal employees are qualified for most high-level positions, and the proportion of endogenous talents is listed as a talent index that all industries focus on. The success of internal core management positions will give priority to internal employees. At the same time, we are constantly strengthening the implementation of the Eagle Training Program, providing open development and promotion opportunities for employees at all levels through open competition, so that willing, capable and potential employees can continue to break through themselves and get better growth.

Increasing Employee Well-Being

The company aims to create a harmonious living and working environment for employees, carry out rich cultural and sports activities, provide logistical guarantees, employee benefits and caring actions for employees of special groups, and improve employees' sense of happiness and belonging.

Cultural and Sports Activities

The company advocates active, healthy, work-life balanced lifestyle. TCL Technology Group and its subsidiaries have established various cultural and sports associations to regularly organize entertainment and leisure activities to enrich employees' lives.

TCL CSOT Cultural and Sports Association

TCL CSOT Sports and Sports Association has gradually developed into a total of 18 unique associations including the Football Association, Basketball Association, Mountaineering Association, Swimming Association, Badminton Association, Dance Association, Photography Association, etc. The association activities not only allow employees to exercise, cultivate emotions, promote communication, but also stimulate everyone's enthusiasm for work and life to a certain extent. At the same time, TCL CSOT's 10th-anniversary celebration, outdoor music party, fun sports meeting, employee badminton competition, and other activities were also held, which not only strengthened the cohesion of employees and passed the company's corporate culture but also established the company's corporate image and allowed TCL employees radiate new vitality and passion.



10th Anniversary Celebration of TCL CSOT



2019 TCL CSOT Music Party

Caring for Life

TCL Technology Group attaches great importance to the physical and mental health of employees, and its subsidiaries carry out various activities about physical and mental health care and provide psychological assistance and mental health education for employees and their family members in need.

The company organizes condolences to employees in need every year to help them solve their difficulties and needs in life. In 2019, TCL Technology Group actively responded to the national call to carry out assistance and condolences to employees in difficulties, 118 employees were assisted, and more than 300,000 RMB was issued. At the same time, each of its subsidiaries set up mutual assistance funds, organize condolences to employees in difficulty, and issue consolation funds, etc. to pass love by encouraging internal donations.



CSOT Mutual Aid Fund

In line with the principle of mutual assistance, CSOT has set up a "Mutual Aid Fund" to give employees in need the greatest support and care. In 2019, TCL CSOT "Mutual Aid Fund" helped a total of seven employees in need, and distributed 312,600 mutual aid.



CSOT Review Meeting for Mutual Aid Fund

TCL's Honors in Employee Rights Protection and Development in 2019

2019 China's Best Employer of the Year by Zhaopin

2019 National Extraordinary HR Team Award of the Year by Liepin.com

2019 Innovation Extraordinary Employer Award of the Year by Liepin.com

China's Top 10 Best Employers for College Students in New Smart Manufacturing by 58.com

2019 Award for Excellence in Digital Recruitment Practice by Dayee

2019 Outstanding Value Co-Creation Award by AiAward



Supply Chain Responsibility Management and Cooperation

- Responsible Purchasing
- Coordinated Development

Suppliers are an important link and basic guarantee for the production and innovation chain of TCL Technology Group. Through continuous improvement of supply chain management, collaborative innovation with suppliers, so that products and services meet the requirements of socially sustainable development and build a harmonious industrial ecosystem.

Supply Chain Responsibility Management and Cooperation

Responsible Purchasing

TCL Technology Group combined with the international industry supply chain social responsibility standard RBA and its operating characteristics, formulated and issued the “TCL Supplier Code of Conduct”, which unifies requirements on the supplier’s labor human rights, health and safety, environmental protection, business ethics and social responsibility management systems, and each of its subsidiaries supervises and improves the compliance of the major suppliers with the TCL supplier code of conduct utilizing regular audits and special counseling based on industry and product characteristics.

Suppliers CSR Management

According to the supplier responsible procurement management policy, TCL Technology Group has established a strict supplier management system. In 2019, TCL Technology Group’s subsidiaries manage the suppliers’ human rights and labor, occupational health and safety, business ethics, environmental protection, and social responsibility management systems based on the “TCL Supplier Code of Conduct” and relevant customer requirements. Subcontractors and on-site service providers are required to sign a 100% supplier social responsibility agreement and pass the TCL Technology Group’s social responsibility requirements to suppliers through supplier conferences and special training, and regularly check supplier compliance with requirements through questionnaires and audits. In addition, the subsidiaries of TCL Technology Group also rely on external platforms (such as the IPE Public Environmental Center) to supervise the performance of suppliers’ social responsibility.

Management of Conflict Minerals

TCL Technology Group attaches great importance to the issue of conflict minerals, and its major companies refer to the OECD Guidelines for Responsible Supply Chain Due Diligence of Minerals in Conflict-Affected Areas and High-Risk Areas and customer requirements to develop conflict minerals procurement management processes. Use any direct or indirect funding or support for conflict minerals in areas affected by armed conflict, and use the RMI-CMRT questionnaire to conduct due diligence on the use of conflict minerals in the supply chain.

Coordinated Development

Since 2015, the General Office of the State Council, the Ministry of Industry and Information Technology, and the Second Committee have issued a number of policy guidance documents to vigorously promote innovation and application of supply chains, and encourage financial institutions to rely on core enterprises in the manufacturing industry chain to actively develop industry chain finance. TCL Financial, a subsidiary of TCL, has launched the nation’s first electronic confirmation of accounts payable certificate – “Golden List” for TCL supply chain enterprises, relying on self-built smart supply chain financial service platforms, joint banks, brokers, factoring and other financial institutions, to promote financial development to promote industrial development. When creditors have financing needs, the “golden bill” confirmation certificate is used for flexible transfer and financing to quickly alleviate the “small, frequent and urgent” financing needs of SMEs. As of the end of 2019, TCL Finance has provided more than 40 billion supply chain financing services to nearly 15,000 supply chain enterprises, of which small and medium enterprises accounted for nearly 90%, and the average single financing was less than 600,000 RMB. This move has made outstanding innovation contributions to solve the financing problems of small and medium-sized enterprises and has been commended and encouraged by government units at various levels such as provinces and cities.



Harmonious Development with Nature

- Green Products
- Green Operations

TCL Technology Group focuses on green design and green production, reduces the negative impact of the company's operations on the environment, provides customers with more environmental friendly products, gradually develops and uses clean energy, develops energy-saving and emission-reduction projects to support the sustainable development of human society.

Harmonious Development with Nature

Green Products

TCL Technology Group is committed to integrating the concept of environmental protection into the full life cycle of product development, carrying out energy-saving design, and controlling hazardous substances in products.

Green Product Design

TCL Technology Group continuously improves the energy efficiency of products through technological innovation, reduces the adverse effects of products on the environment during production and use, and provides innovative technology support for the maintenance of the common home of mankind.

Management of Hazardous Substances in Products

TCL Technology Group has established a hazardous substances management system based on the Hazardous Substance Process Management (HSPM) System QC08000 and customer requirements. Referring to the global regulations and customer requirements on the control of hazardous substances, each of its enterprises has established a hazardous substances control list according to the actual situation of its products which includes restricted substances, substances to be declared and substances to be restricted in the future, to guide the selection of materials and requirements for suppliers during the product design stage.

TCL Technology Group requires that all materials need to undergo chemical composition confirmation and self-declaration. Materials that meet the standards can be used to measure products, and TCL conducts regular sampling and confirmation of finished products.



The glass substrate integrated LED solution pioneered by TCL CSOT Co., Ltd., with high LED luminous efficiency and dynamic dimming in MLED 5,000 area, energy-saving is more efficient. Compared with an On PCB Mini LED product, it is equivalent to saving 182,500 ml plastic bottles. The energy consumption of the MLED can be reduced by 60% compared to OLED products. With a 75-inch product turned on for 12 hours a day, the power consumption of Xingyao screen will be reduced by 1,515 kWh per year compared to ordinary products, which is equivalent usage of electricity to a family of three a year. The electricity consumption and environmental benefits are equivalent to planting an additional 40 square meters of forest.



TCL COST Technology Co., Ltd. has established an online management system for hazardous substances. Suppliers can learn about the latest CSOT Hazardous Substances Control List and related requirements through the website and can submit hazardous material control-related certification materials online to complete the material verification, which greatly improves the communication and management efficiency of both parties.

In 2019, TCL CSOT also made technical improvements to some substances that contain harmful ingredients but have not been listed as restricted substances by laws and regulations and customers due to technical limitations for the time being and developed new technologies to replace or reduce the use of hazardous substances, such as NMP.

Green Operations

TCL Technology Group fully implements green manufacturing, strengthens technological innovation, and strives to build an efficient, clean, low-carbon, and circular green manufacturing system. Ensuring that all laws and regulations are met, ensure that relevant industry standards are met, actively seek room for improvement, exert subjective initiative, check for gaps and fill gaps, and constantly improve the company's green production level. In 2019, Wuhan CSOT T4 project (the 6th generation flexible LTPS-AMOLED display panel production line project) also passed the LEED green building certification review of the US Green Building Council (USGBC) and received the LEED Platinum certification with the highest score in the industry.

In 2019,

Wuhan CSOT T4 project received **the LEED Platinum certification**

with the highest score in the industry.



From October 23rd to 24th, 2019, the 2019 Greenbuild China Green Building Summit was held in Shanghai. Wuhan CSOT T4 project became the first flexible display project in the world to obtain the US LEED platinum level and China's highest green building certification, which also obtained 2019 "Industry Pioneer Award".



Certification of TCL Technology Group in Green Factory Building

Shenzhen CSOT obtained both LEED Platinum Certification and the highest three-star certification in China Green Building

Huizhou CSOT was awarded the three-star certification in China Green Building

Wuhan CSOT obtained both LEED Platinum Certification and the highest three-star certification in China Green Building

C DOT Huizhou was selected into the third batch of Green Operations Demonstration List of the Ministry of Industry and Information Technology

Wuhan CSOT was selected into the third batch of Green Operations Demonstration List of the Ministry of Industry and Information Technology

TCL CSOT (formerly Shenzhen CSOT) was selected into the second batch of Green Operations Demonstration List of the Ministry of Industry and Information Technology

TCL Technology Group Corporation (formerly TCL Group) was selected into the first batch of Green Operations Demonstration List of the Ministry of Industry and Information Technology

Development and Utilization of Renewable Energy

TCL Technology Group actively carries out the development and utilization of renewable energy and builds a low-carbon and environmentally-friendly green production park. As of the end of 2019, TCL Technology Group has completed 31.312 MW of installed capacity in 3 production bases of TCL CSOT, TCL CSOT Huizhou, Shenzhen TCL CSOT, with an annual power generation of more than 32 million kWh of electricity in the distributed rooftop photovoltaic power generation system.

TCL Technology Group has completed **31.312** MW of installed capacity in 3 production bases with an annual power generation of more than **32** million kWh of electricity.

Energy Efficiency Improvement

TCL Technology Group has introduced an ISO50001 energy management system, introduced a systematic energy-saving system, and implemented energy-saving transformation projects to improve energy efficiency. As of the end of 2019, TCL China Star Optoelectronics Technology Technology Co., Ltd., Wuhan China Star Optoelectronics Technology Technology Co., Ltd., and China display Optoelectronics Technology (Huizhou), three major productive subsidiaries, have established ISO50001 management systems and passed third-party certification. In 2019, TCL Technology Group's main subsidiaries in the Mainland China implemented a total of 92 large-scale energy-saving projects including ice storage system construction, pure water recovery, and air-conditioning system waste heat recovery, with a cumulative saving of 160.597 million kWh of electricity and more than 18.97 million tons of water.

2019, TCL Technology Group's main subsidiaries in the Mainland China implemented a total of **92** large-scale energy-saving projects including ice storage system construction, pure water recovery, and air-conditioning system waste heat recovery, with a cumulative saving of **160.597** million kWh of electricity and more than **18.97** million tons of water.



Management of Three Wastes

Waste Reduction

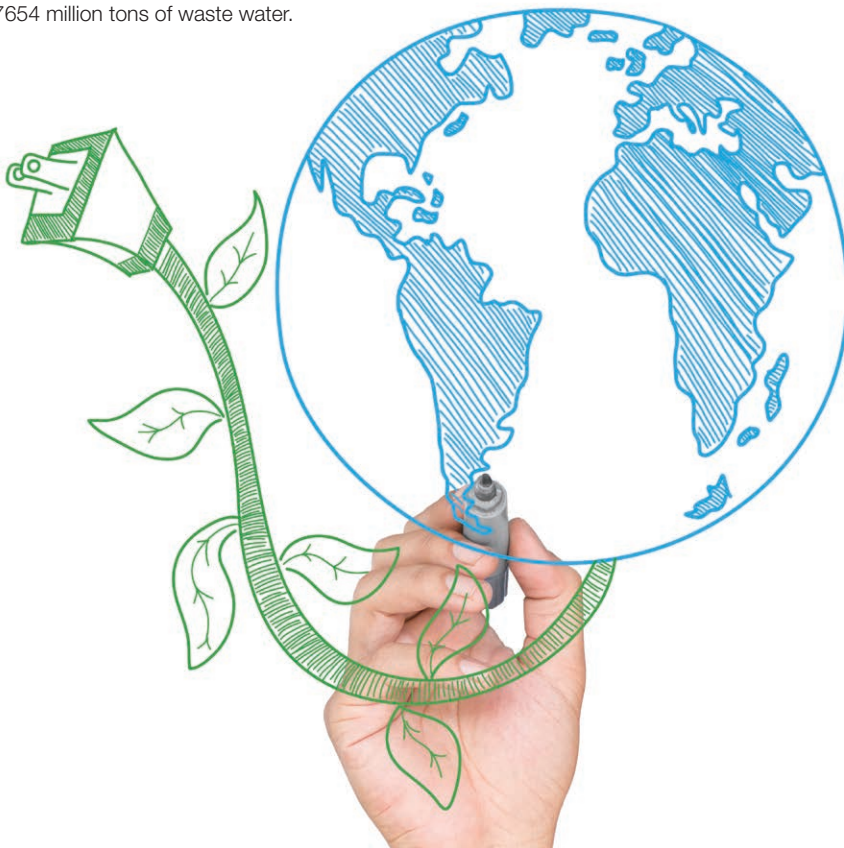
Each enterprise of TCL Technology Group has formulated a strict hazardous waste management system. Based on the basic principles of “prevention first” and “who pollutes and manages”, the hazardous waste management responsibility system is implemented step by step to ensure that all hazardous waste is effectively deal with. The main responsible persons of all enterprises under the TCL Technology Group act as the responsible persons for the hazardous waste treatment work, implement relevant national laws and regulations, formulate the company’s overall rules and regulations on hazardous waste treatment, and coordinate the effective implementation of various departments. In 2019, the main subsidiary of TCL Technology Group in the mainland of China discharged a total of 15,565 tons of hazardous waste, and through effective measures to recycle all kinds of waste, more than 60,550 tons.

In 2019, the main subsidiary of TCL Technology Group in the mainland of China discharged a total of **15,565** tons of hazardous waste, and through effective measures to recycle all kinds of waste, more than **60,550** tons.

Water Resource Management

China has a small per capita share of water resources, ranking around 120 in the world. At the same time, with the increase in population, the construction of water supply facilities, the increasing production, consumption, and pollution of water, China is still facing serious problems in the utilization and protection of water resources. As a responsible large-scale enterprise, TCL attaches great importance to the management of water resources and guides the industries to improve the management of wastewater from the group level. All industries actively carry out water recycling to reduce waste water discharge, thereby protecting and saving water resources. In 2019, the main subsidiaries of TCL Technology Group in mainland China used 53.2197 million tons of water for production and operation, saved 28.9942 million tons, and discharged 19.7654 million tons of waste water.

In 2019, the main subsidiaries of TCL Technology Group in mainland China used **53.2197** million tons of water for production and operation, saved **28.9942** million tons, and discharged **19.7654** million tons of waste water.





The CSOT G11 project is located in the national sponge city pilot area, adhering to the value concept of “energy saving and environmental protection”. At the beginning of the design, the project was constructed with the “LEED + green building + sponge city” standard. The initial design of rainwater purification and utilization of rainwater resources fully implemented the concept of sponge city construction.

The sponge city construction of the CSOT G11 Project adopted comprehensive measures such as permeable pavement, green grass planting ditch, rainwater recycling, primary rain purification, green roof, and rainwater wetland to realize the whole process control of rainwater runoff. For the roof rainwater, the method of “cleanness and use” is adopted to realize the “full collection and full utilization” of the roof rainwater runoff of nearly 40,000 square meters. The collected rainwater is used for greening and flushing of the factory after disinfection and purification. The rainwater recovery pool has a capacity of about 800 cubic meters, which can meet the 3-day greening and flushing water consumption. It is estimated that the average annual water reuse will reach 10,000 cubic meters, equivalent to the water storage capacity of four standard swimming pools.

For the rainwater in the office area, the method of “stagnation, storage, and use” is adopted to strengthen the storage and purification of roof rainwater through roof greening and rainwater collection facilities, which effectively reduces the total runoff and pollutant load.

For the rainwater on the sidewalks of the roads, the method of “seepage, stagnation, storage, and cleanness” is adopted. Through the permeable pavement, the grass ditch can realize the infiltration of rainwater on-site. At the same time, for areas that may involve pollution, initial rainwater emergency collection and treatment facilities are set up to reduce storm water runoff pollution.

Besides, the project also employs intelligent control, rainwater collection facilities and initial rainwater emergency collection and treatment facilities to implement remote detection and control, realizing the “smart sponge” control operation.



Waste Gas Management

With the acceleration of urbanization and industrialization, the rapid increase of energy consumption, and the increasingly serious air pollution in China, the Chinese government has issued a number of policies on air pollution prevention and control to protect the blue sky. Following the principle of being responsible for nature and human health, TCL Technology Group carries out a series of work to further improve waste gas treatment measures and builds a beautiful China with blue sky, green earth, and clear water with practical actions.



Build a Well-off Society Together

- **TCL Foundation**
- **Huameng Fund**
- **Building a Harmonious Community**
- **Organizing Volunteer Activities**

Based on the value of “pursuing public interests and promoting social progress”, and the purpose of “creating education and growth opportunities for vulnerable groups as well as seeking community well-being and environmentally sustainable development”, TCL Technology is to continuously devote itself to the three major areas of public welfare in an innovative way, including basic education assistance, major disaster relief, and special group care.

Build a Well-off Society Together

TCL Foundation

In 2012, TCL Technology established the Shenzhen TCL Foundation. As a corporate foundation backed by TCL Technology Group with strong technical strength, the TCL Foundation has the inherent advantage of applying technology to public welfare. Since its establishment, the TCL Foundation has been focusing on the field of rural areas. During this process, it has gained a deeper understanding of rural issues, and explore the way of assistance has developed from the simple “donation of money and goods” to the innovative model of pursuing higher efficiency.

Indicator	2019
Annual income of the TCL Foundation (RMB)	27,975,837
Annual donation of TCL Foundation (RMB)	27,440,000
Annual expenditure of TCL Foundation (RMB)	22,631,080.17
Annual expenditure of TCL Foundation on public welfare undertakings (RMB)	21,363,591.5
In 2019, the public welfare expenditure of TCL Foundation accounted for 94.40% of this year’s expenditure.	

A.I. (Love) Home

Through years of attention to the public welfare undertakings of rural education, the TCL Foundation has been more and more intensively aware of the lack of family companionship that left-behind and migrant children commonly face. The long-term absence of parental companionship will cause them to encounter multiple problems in education, emotion, and psychology in their growth. According to the White Paper on the Psychological Condition of China’s Left-Behind Children in 2018, the absence of family companionship is a major plight that left-behind children are facing, and the most effective way to help them mentally is to strengthen parent-child connection. In response to this situation, the project of A.I. (Love) Home came into being, hoping to fill the gap of “companionship” through the collaboration of AI (Artificial Intelligence) technology and public welfare activities.

In 2019, the TCL Foundation officially launched the project of A.I. (Love) Home and cooperated with the TCL Industrial Research Institute, who has the professional technical strength and AI artificial intelligence technology, to develop and design the Yige storytelling robot, allowing the robot to simulate the parents’ Voices tell growth stories for left-behind/mobile children who are unaccompanied and let AI technology help children grow up happily. Project Vision: Let the technology have temperature and make the family warmer.

Yige is the first storytelling robot used in the field of public welfare and is a customized public welfare product. Technically, by collecting the voice of each parent, TCL Industrial Technology Research Institute employs AI technology to process and synthesize it into the output sound. The sound output in this way is more than 85% similar to the original voice. As for content, in cooperation with the China Society Press, 28 children’s growth stories are built in. The full length of story is over 100 hours, including learning content suitable for children of different ages, such as traditional cultural stories and ancient poetry.

In 2019, three pilot rural schools and TCL employees have been provided with the Yige storytelling robots, benefiting nearly 100 left-behind/migrant children.



Yige Storytelling Robot



Distributing Yige storytelling robots to families of TCL employees with families migrant children



Distributing Yige storytelling robots to migrant children in a pilot school

Next 5-year Plan:

- Continuously optimize and upgrade the Yige storytelling robot;
- Plan to distribute 2,000 Yige storytelling robots nationwide, directly or indirectly serving people nearly 10,000 times;
- Serve left-behind/migrant children with built-in stories for over 30,000 hours;
- Cooperate with social organizations or excellent enterprises to produce and promote products, and set up “storytelling clubs” in pilot schools to conduct offline promotion;
- Assess changes to left-behind children in 5 indicators (e.g., negative emotional disturbance, loneliness, anxiety, social adaptability, and self-knowledge and deviant behavior).

The lack of parents’ company with their children has become an increasingly common problem in modern families. The technology will be more mature in the future, and the “Yige” robot is expected to be scaled up to help more families solve the problem of lack of companionship.

Little Musician +

In 2019, the TCL Foundation and Beijing Central Conservatory of Music Education Foundation launched the “Little Musician +” project and the “Xiaoxue” music robot. The “Little Musician +” project focuses on children’s lack of music resources, and hopes to bring Chinese and foreign famous songs and appreciation to them, and uses the power of music to encourage every child to be positive and optimistic. Project vision: Let music literacy become the life wealth of every child.

The Xiaoxue music robot is equipped with in 100 world-famous songs recommended by the Central Conservatory of music and appreciations of famous songs written by it. Meanwhile, to enrich the content of Xiaoxue, vivid and lively concluding remarks and children’s cute sound are used for interaction with children, which facilitates children’s understanding and memory of world-famous songs, and makes the Xiaoxue music robot more intriguing while providing first-class music resources. The music categories exceed 10 kinds, including piano music, violin music, guzheng music, and orchestral music, with a duration of over 14 hours.

In 2019, the Xiaoxue music robot has been distributed to three pilot rural schools and TCL employees, benefiting nearly 100 left-behind/migrant children.



Xiaoxue music robot

Next 5-year Plan:

- Continuously optimize and upgrade the Xiaoxue music robot;
- Plan to distribute 2,000 Xiaoxue music robots nationwide, directly or indirectly serving people nearly 10,000 times;
- Promote “Little Music Classroom” activities to serve children for more than 30,000 hours;
- Cooperate with social organizations or excellent enterprises to produce and promote products;
- Assess changes to children lacking music resources in 5 indicators (e.g., team and cooperation, creativity, imagination, aesthetic attitude, and values).



Plan of TCL Project Hope Candlelight Award

The Plan of TCL Project Hope Candlelight Award was jointly established by the Shenzhen TCL Foundation and the China Youth Development Foundation, aiming to recommend excellent rural teachers nationwide who work hard in rural grassroots education in poverty-stricken areas and stick to their posts and make contributions to show their ethics and career dreams and encourage more outstanding teachers to take root in rural education and promote the development of rural education. Since its establishment in 2013, it has been successfully carried out for six sessions, with a total investment of more than 34 million RMB.

In 2019, the sixth “TCL Hope Project Candlelight Award Program” selected 402 outstanding rural teachers, including 152 dedication awards, 123 innovation awards, 127 leading awards, and each awarding teacher received a personal reward worth 8,000 RMB, including cash rewards, 120 hours of online training and 7-day offline candlelight classroom training.

Since its establishment in 2013,

it has been successfully carried out for six sessions, with a total investment of more than **34** million RMB.

The sixth “TCL Hope Project Candlelight Award Program”

selected **402** outstanding rural teachers, including **152** dedication awards, **123** innovation awards, **127** leading awards.



Glorious Ceremony of the Sixth Plan of TCL Project Hope Candlelight Award

Rose Action

TCL Foundation, together with the Group's Human Resources Management Center and the TCL Volunteer Association, recruited young eagles and employee volunteers to carry out the "Rose Visit". Volunteers visit the rural teachers who have passed the preliminary screening and meet the conditions, to explore the current status of rural teachers' lives, and to spread the moving stories of rural teachers.

In 2019,

34 employee volunteers visited 19 counties in 6 provinces. That included Gansu, Sichuan, Hunan, and Guizhou, and **21** rural teachers.

Candlelight Classroom

To enable excellent teachers to receive training that meets their own professional quality needs, the Hope Candlelight Award follows the principle of "teacher-centered and needs-based" and takes the flipped classroom concept as the core to create an innovative online and offline training-Candlelight Classroom for excellent teachers.

In 2019, Candlelight Classroom will carry out training on the theme of "New Ideas, New Thinking, Moral Cultivation, and Teacher Professional Development". Excellent teachers of the "TCL Project Hope Candlelight Award" can go out of the mountains, into the city, and participate in candlelight courses in person.

Candlelight Microcredit

TCL Foundation has launched a Candlelight Microcredit Project with TCL Financial Group. It allows the innovative measure of "public welfare + finance" to address the funding needs of rural teachers and their families for serious illnesses, living expenses, skills training. It improves the quality of life of front-line rural teachers to ensure the development of rural education.

As of the end of 2019,

the "Candlelight Microloan" project provided loan services to **15** teachers and provided **16** loans, totaling **550,000** RMB, for teachers' dream needs and medical assistance.

Blue Fire Retired Teacher Assistance Program

"Blue Firefly" was launched in 2018 by Ms. Ke Lan, the charity ambassador of the "TCL Project Hope Candlelight Award" in cooperation with Shenzhen TCL Foundation and China Youth Development Foundation. The project helps retired substitute teachers poverty-stricken areas through subsidized services and social advocacy. Each teacher is provided with a living allowance of 4,000 RMB to support the development of the family of the retired substitute teacher's family and help the poor retired substitute teacher family to get rid of poverty at an early date through various methods such as expert guidance, human assistance, and matching funds.

By the end of 2019, it had supported six "Livelihood Development Projects for Retired Substitute Teachers" and completed the allocation of funds.

Huameng Fund

Huameng Fund is a special fund established by TCL Technology Group Chairman Li Dongsheng and his wife Wei Xue under the China Youth Development Foundation in 2007, focusing on educational public welfare. From scholarship funding, the establishment of Huameng’s comprehensive quality training system, and now the addition of professional music education content, the Huameng Fund closely follows the national support policy for education and gradually deepens and focuses on quality education training.

Content	2019
Number of students supported by “Music • Dream • Exchange” Project	12
Amount funded by “Music • Dream • Exchange” Project	930,000 RMB
Number of high school freshmen funded by Huameng Class	50
Total number of high school students funded by Huameng Class	281
Number of Huameng university students who have won the University Dream Scholarship	109
Amount of Huameng University Dream Scholarship	645,000 RMB
Total amount funded by Huameng Fund in 2019	4,308,247.428 RMB

Music • Dream • Exchange

In the context of the Belt and Road Initiative, cultural exchange activities among countries along the route have become increasingly frequent. The establishment of multilateral music, cultural and artistic exchanges will not only help the world understand Chinese music but also help the world understand Chinese culture, so as to use music as a link to promote cultural exchanges and cooperation between countries.

In 2019, Huameng Fund and the Central Conservatory of Music jointly launched the “Music • Dream • Exchange” project. By building a platform for exchange learning at home and abroad, it helps outstanding students who lack international exchange opportunities to realize their musical dreams. A music culture platform for exchanges, exchanges, and friendships without borders. The project will invest more than 6 million RMB in total for five years, and it is planned to fund about 85 outstanding college students for international exchange and study.

In 2019, the “Music • Dream • Exchange” project funded a total of 12 outstanding music students from home and abroad, of which 11 students from the Central Conservatory of Music went to the Santa Cecilia Conservatory in Rome, Italy and the Frederic Chopin University of Music in Warsaw, Poland. Giulio Morassi, the grandson of the late world violin maker Gio Batta Morassi, came to the Central Conservatory of Music for a semester of exchange.



Group photo of Yu Feng, President of the Central Conservatory of Music, Wei Xue, Executive Director of TCL Foundation, Founder of Huameng Fund, Guo Shulan, Director of Beijing Central Conservatory of Music Education Foundation, and some outstanding vocal students funded by the first “Music • Dream • Exchange” Project



“Music•Dream•Exchange” project and music charity project donation signing ceremony



Huameng student Chen Xuehong from China, who is studying at the Chopin University of Music in Warsaw, Poland



Huameng student Giulio Morassi (the eldest grandson of G.B. Morassi, the master of Cremona violin making), from Italy and studied in the Central Conservatory of Music

Huameng Class

The “Huameng Class” project focuses on helping junior high school graduates with excellent in character and learning from poor areas to complete high school, with a “developmental” innovative student assistance model to help students improve their comprehensive quality and achieve comprehensive development. To provide “Hua Meng class” high school students with a tuition fee and living expenses of 8,000 RMB per person per year, and for the top 10 students in the comprehensive quality evaluation of students to reward 23,000 RMB per person University Dream Scholarship.

As of the end of 2019, the Huameng Fund has subsidized 1,083 students from families who are poor but have good academic performance. In the past 12 years, through the innovative forms such as Huameng Aspiration Classroom, Huameng Summer Camp, Graduation Farewell Party, and Huameng 5010 Program, students of Huameng Class have been able to expand their horizons, increase knowledge, enrich their experience, and establish friendship beyond the classroom, and also has laid a good foundation for Huameng students to enter the university, enter the society, and design the future career path.



Huameng Summer Camp Entering Tsinghua University



Huameng Summer Camp Visiting Youdao



Huameng Aspiration Class



Graduation Farewell Party of Huameng Class

Building a Harmonious Community

The development of an enterprise is inseparable from the support of the community. TCL Technology always attaches importance to participating in the construction of the community where it is located and strives to contribute to the harmonious development of the community. In 2019, TCL donated 100,000 RMB to Wansong Village, Daling Town, Huidong County, Huizhou City, donated a spliced display screen worth 168,800 RMB to Jialing, Sichuan Province, donated 900,000 RMB to Huizhou City for the purchase of local rural school buses, and Guizhou Zhijin County, Bijie, the province, donated 3 million RMB to support the construction of water cellars, the breeding industry, and the renovation of dilapidated buildings.

Organizing Volunteer Activities

TCL not only carries out public welfare projects externally, but also encourages employees to participate in volunteer activities internally, and provides various platforms, management materials, and other support for employee volunteer activities, forming a good atmosphere for volunteer activities.

To support employee involvement in volunteer activities, TCL Technology established a volunteer association in 2015 and built a network platform for volunteers to contact and participate in activities. In 2019, the TCL Volunteer Association has 11 volunteer branches, with a total of 1,025 registered volunteers and 261 new volunteers. Besides, the platform initiated and conducted over 30 volunteer services of various types, providing more than 3,000 hours of volunteer services. 60 core employee volunteers participated in three volunteer development visits for exchanges and communication. We conducted five training and development visits, providing exchange and learning opportunities for hundreds of core volunteers and their families.



Wuhan CSOT Tree Planting Activity

Future Outlook

Looking forward to the new year, we are full of pride and confidence. The reconstruction of the global economic landscape and the reshuffle of industry competition will bring more new challenges and opportunities. An excellent company can certainly develop on its own, and an excellent company can achieve leadership. We must take “transformation breakthroughs, improve quality and efficiency, and move towards global leadership” as our annual work goal, to catch up with benchmarks, solve difficult problems, and take the spirit of battling strong enemies, to inspire the spirit of kings in high-level, the courage of reform in middle-level, and strength of execution in grassroot level, consolidate the spiritual foundation of the achievement, grow and surpass in the competition!

Focusing on Industrial Advantages

The Corporation's long-term development strategy is to focus on technology and capital-intensive high-tech strategic emerging industries. Concentrate resources and going all out to establish a global leading advantage in the industry where it is located. On the other hand, continuing to strengthen industrial financial capabilities, innovation, and development of the industrial finance business. Helping industrial development will create a stable growth in the industrial financial business system and investment income.

Green Development

Adhering to green development is the eternal theme of TCL Technology Group. TCL Technology Group will continue to improve the environmental management system, accelerate the construction of green factories, improve energy efficiency, reduce greenhouse gas emissions, recycle water resources, and reduce waste emissions. Use environmentally friendly materials and design the process to reduce the amount of packaging used at the same time, vigorously develop a circular economy, improve disassembly capacity and recycling efficiency, and further improve the recycling mechanism and network.

Sustainable Operation

Steady management is the cornerstone of the company's sustainable development. TCL will continue to strictly adhere to the bottom line of compliance, build a clean and honest system to prevent corruption, continue to carry out anti-fraud actions and pledge integrity management. In response to uncertain information security risks, TCL will strengthen the management of information security systems to provide more protection for customer privacy and corporate information assets. To promote the implementation of the strategy to revitalize China through intellectual property, TCL will continue to explore in the field of intellectual property protection, using innovative methods to resolve intellectual property disputes.

For employees, TCL Technology Group will provide a salary and welfare system based on providing excellent, attract and retain more talents, ensure safe production and healthy working environment, provide practical and effective training for employees, smooth promotion channels, help employees career development, and meet the company talent demand. Regarding the industry chain, TCL Technology Group will continue to provide all aspects of support to ecosystem partners to promote the sustainable development of the industry. For the community, TCL Technology Group will insist on feeding back the society, helping the community to develop, helping the disadvantaged groups get rid of the predicament, and live a better life together.

Looking ahead, TCL Technology Group will better fulfill the responsibilities of industry-leading enterprises, continue to use innovation as the competitiveness, support the backbone of the national economy, establish global competitive advantages, achieve the ambitious goal of creating a world-class, first-class technology enterprise, supporting China moving from economic quantity power to economic quality power. The company will further collaborate with its partners to jointly promote the sustainable development of the world economy and society.

Responsibilities and Honors

Date	Honors
April 2019	TCL Technology Group (formerly TCL Group) Selected as Constituent of SGCX 50 Index
June 2019	TCL Technology Group (formerly TCL Group) Awarded Top 60 Chinese Corporation Responsibility Brands in 2019
August 2019	TCL Technology Group (formerly TCL Group) Selected as Constituent of the Hang Seng Corporate Sustainability Benchmark Index
August 2019	TCL Technology Group (formerly TCL Group) Awarded “Responsibility Value Innovation Enterprise of the Year” and “Top 50 CSR in 2018 China Electronics and Information Technology Industry” in the 7th China Electronics and Information Technology Industry CSR Annual Summit
July 2019	TCL Technology Group (formerly TCL Group) Awarded “Outstanding Responsible Enterprise of the Year” in the 11th China Corporate Social Responsibility Annual Conference
October 2019	TCL Technology Group (formerly TCL Group) Rated A in MSCI ESG
November 2019	TCL Technology Group (formerly TCL Group) Awarded “China Four-Star Enterprise Citizen of 2019” Issued by the 15th China Enterprise Citizen Exchange Summary Conference

Key Performance Forms

Economic Performance

Indicator	Unit	Value
Operating income	Hundred Millions of RMB	572.7
Net profit	Hundred Millions of RMB	35.6
Tax payable	Hundred Millions of RMB	1.90
Net assets return ratio	%	9.09
Asset-liability ratio	%	61.3
R & D investment	Hundred Millions of RMB	54.6
Number of R & D personnel	Persons	6,155
Number of patents authorized	Items	3,735

Social Performance

Indicator	Unit	Value
Major information safety accidents	Times	0
Total number of staff	Persons	35,379
Percentage of employees who have entered into labor contracts	%	100%
Number of overseas employees	Persons	113
Number of domestic employees	Persons	35,266
Number of employees with disabilities	Persons	31
Proportion of female executives	%	23%
Total number of trainees	Persons	35,929
Total training hours	Hours	706,703
Total investment in employee training	Ten Thousands of RMB	13,996.493
Investment in safety production	Ten Thousands of RMB	7,868.17
Major safety accidents	Times	0
Number of safety training	Person-time	184,944
Total public welfare donations	RMB	21,363,591.5
Employee volunteer activities	Times	30
Number of employee volunteers	Persons	1,025

Note: Staff training data is from the training conducted at TCL University and CSOT College.

Environmental Performance

Indicator	Unit	Value
Investment in environmental protection	Ten Thousands of RMB	31,629.38
Electricity consumption	Ten thousand kilowatthour	330,513.66
Electricity saving	Ten thousand kilowatthour	16,059.7
Carbon dioxide emissions	Ten Thousand Tons	315.30
Carbon dioxide emission reduction	Ten Thousand Tons	18.11
Water consumption volume	Ten Thousand Tons	5,321.97
Water saving	Ten Thousand Tons	2,899.421
Discharge of waste water	Ten Thousand Tons	1,976.64
Discharge of waste gases	Ten thousand cubic meters	3,694,716.96
Discharge of hazardous wastes	Tons	15,564.98
Waste recycling	Tons	60,550.71
Number of major environmental accidents	Times	0

Note: The environmental performance data cover the production and operation activities of the main subsidiaries of TCL in mainland China.

Indicator Index

Supporting the United Nations Sustainable Development Goals

Target	Content Goals	Actions
Goal 1	No poverty	Poverty alleviation through education
Goal 2	Zero hunger	Alleviate poverty, and thereby hunger, through education
Goal 3	Good health and well-being	Healthy and safe products and caring for employees' wellbeing both mentally and physically
Goal 4	Quality education	Staff training, school-enterprise cooperation, Poverty alleviation through education
Goal 5	Gender equality	Equal employment and caring for female employees
Goal 6	Clean water and sanitation	Using wetlands to purify water and protect water resources
Goal 7	Affordable and clean energy	Photovoltaic power generation
Goal 8	Affordable and clean energy	Diverse and inclusive working environment, reasonable salaries and benefits
Goal 9	Industry, innovation and infrastructure	Product innovation and R & D
Goal 10	Reduced inequalities	Poverty alleviation through education
Goal 11	Sustainable cities and communities	Energy-saving and emission reduction measures
Goal 12	Responsible consumption and production	Green production, green package and establishing recycling system
Goal 13	Climate action	Energy-saving and emission reduction measures
Goal 14	Life below water	Reducing pollutant emission and protecting the ecological Environment
Goal 15	Life on land	Reducing pollutant emission and protecting the ecological Environment
Goal 16	Peace, justice and strong institutions	Operating in compliance with laws and regulations, anti-fraud actions
Goal 17	Partnerships for the goals	Going forward hand in hand with industry chain partners

Index of Indicators (GRI Standards)

Contents		GRI standard
About this Report		GRI-102
Leader's Oration	Message from the chairman	GRI-103, GRI-201, GRI-203
	Speech of Director of CSR Innovation Center	GRI-102
About TCL	Company Overview	GRI-102
	Corporate Culture	GRI-102
	Corporate Strategy	GRI-102
	Financial Performance of 2019	
Responsibility Management	Social Responsibility Governance	GRI-101, GRI-102
	Substantive Analysis of Issues	GRI-102, GRI-103
	Communication and Collaboration among Stakeholders	GRI-102
Corporate Governance	Protection of Investors' Rights	
	Anti-corruption	GRI-102, GRI-205, GRI-419
	Intellectual Property Protection	
Promoting Technical Innovation	Technological Innovation Investment	GRI-102, GRI-203
	Technology Innovation System	GRI-102, GRI-203
	Innovative Products and Applications	GRI-102, GRI-203
	Product Quality and Service	GRI-102
Facilitating Employee Development	Safeguard Rights and Interests of Employees	GRI-102, GRI-401, GRI-405, GRI-406, GRI-408, GRI-409
	Guarantee of Health and Safety	GRI-403, GRI-413
	Employee Growth and Development	GRI-404
	Increasing Employee Well-Being	
Responsibility Management and Cooperation of Supply Chain	Responsible Purchasing	GRI-102, GRI-308, GRI-414
	Coordinated Development	GRI-203
Harmonious Development with Nature	Green Products	GRI-301, GRI-302, GRI-303, GRI-305, GRI-306
	Green Operations	GRI-301, GRI-302, GRI-303, GRI-305, GRI-306

Contents		GRI standard
Build a Well-off Society Together	TCL Foundation	GRI-203
	Huameng Fund	GRI-203
	Building a Harmonious Community	GRI-203
	Organizing Volunteer Activities	GRI-203, GRI-413
Future Outlook		
Key Performance Forms		GRI-102, GRI-201, GRI-203, GRI-301, GRI-302, GRI-303, GRI-305, GRI-306, GRI-401, GRI-405, GRI-418
Indicator Index		GRI-102
Reader Feedback		

Reader Feedback

Dear readers:

Thank you very much for reading the TCL Technology Group's 2019 Corporate Social Responsibility Report during your busy schedule. We sincerely look forward to your evaluation of this report and to put forward valuable opinions, so that we can continue to improve social responsibility work and improve the ability and level of social responsibility work! We will listen to your feedback carefully and express our heartfelt thanks!

You can choose the following ways to give us your feedback:

Telephone: 0755- 3331 3825

Mail: Corporate Social Responsibility Innovation Center of TCL Technology Group Corporation, 14/F, Tower B, TCL Building, Gaoxin Nanyi Road, Nanshan District, Shenzhen, Guangdong

E-mail: csr@tcl.com

Selective questions: (please tick "√" in the corresponding position)

1. Your overall impression on the report:

Very good Good Fair Poor Very Poor

2. Your opinion on the quality of the social responsibility information in this report:

Very high High Fair Low Very Low

3. Your opinion on the structure of the report:

Very reasonable Reasonable Fair Poor Very Poor

4. Your opinion on the format design and presentation of the report:

Very good Good Fair Poor Very Poor

5. Your opinion on the readability of the report:

Very good Good Fair Poor Very Poor

Open Question:

Your valuable opinions and suggestions on Corporate Social Responsibility Report of TCL Technology Group Corporation 2019 are most welcomed:

TCL Technology Group Corporation

Address: 14/F, Tower B, TCL Building, Gaoxin Nanyi Road, Nanshan District, Shenzhen, Guangdong

Telephone: 0755-3331 3825

Website: www.tcltech.com

E-mail: csr@tcl.com

