

Corporate Social Responsibility Report

TCL Technology Group Corporation

TCL | 40th



01

Resumption of work and production, demonstrating China's manufacturing power

Facing the sudden crisis of COVID-19 at the beginning of 2020, TCL took the initiative to fulfill its social responsibilities and immediately donated more than **20.5 million** RMB in funds, products and network services to Hubei, Guangdong and other places, and went to designated hospitals such as Leishenshan Hospital to install electrical equipment. In March, TCL continued to donate **200,000** disposable ordinary masks and **1,500** protective clothing to the Hong Kong police fighting on the front line, and donated **100,000** masks to the Hong Kong Hospital Authority. With the spread of the pandemic around the world, TCL also participated in the international pandemic prevention and control work, and donated pandemic prevention materials to the residential areas of vulnerable groups in Nairobi, Kenya through cooperation with UN-Habitat.

At the same time, TCL faced the challenge on how to ensure the smooth operation of enterprises and resume work and production while fighting the pandemic. In order to ensure the normal production of the enterprise, TCL deployed early and arranged special planes and vehicles to pick up the return employees to work within one week after the lifting the lockdown in various places. While ensuring employees' health, TCL quickly helped them return to work. By March 10, a total of more than **17,000** people has been recruited, and the resumption rate has reached **95%**, which basically meets the demand for company' new orders.

The precondition for employees to work properly is adequate logistical support. TCL CSOT assisted the safe resumption of work through scientific and technological methods. On one hand, it has built an automatic temperature measurement system in advance, and on the other hand, it has independently built a pandemic prevention system. It is convenient for employees to input information and also facilitated the company's security department to conduct inspections any time. All employees of Wuhan CSOT stuck to their posts and conducted normal production, realizing the miracle of "zero infection and non-stop production" throughout the year. Located at the center of the global pandemic during the pandemic, Wuhan CSOT could still supply nearly **20%** of the world's Low Temperature Poly-silicon (LTPS) displays on schedule.

As the pandemic continues to spread around the world, TCL spread the spirit of fighting against the pandemic and resuming production to more countries. Basing on experience in resuming work and production in China, TCL adopted effective pandemic prevention measures in many countries and achieved great results. The plants in Poland and Mexico produced normally, and increased by **32%** and **12%** respectively compared to 2019. TCL deployed ahead of schedule in regions such as Europe and the Americas, explored online sales opportunities, and guaranteed brand business and normal sales of customer products to minimize the impact of the pandemic.

TCL was awarded as one of the national **1,000** "advanced private enterprises in the fight against the COVID-19 pandemic" list by All-China Federation of Industry and Commerce due to its timely response to the pandemic, plans to prevent and control the pandemic, and resumption to smooth production. TCL's assurance of rapid development demonstrates the reliability of China's manufacturing and supply chain.



FEATURE STORY



02

Intensive cultivation in 8K technology, leading innovative progress

Higher clarity is the eternal pursuit of the display industry. Technological changes continue to bring consumers a richer audiovisual experience and application scenarios from the development of SD, HD (FHD) to Ultra HD (4K/8K). Many years ago, TCL already started the layout of 8K industry, conducted technology research and development, and led the forefront of the industry.

In 2020, TCL CSOT successfully made the breakthrough of the 8K technical problems of amorphous silicon VA process, took the lead in developing 120Hz 8K a-si VA 1G1D technology on the global highest generation line G11, and completed the world's first mass production, becoming an important supplier of world-class 8K panels.

In the pursuit of "clarity", TCL's technical intensive cultivation plays an important role for many years. TCL provides a set of "8K full link solutions" from chips, screens, algorithms, and transmission channels, and has become four major technical support for 8K quality assurance.

The first is Hi-HVA technology. Hi-HVA technology is a high-penetration pixel design and intelligent algorithm design. It is equipped with TCL's independent innovation VAC (TCL VSOT Large Viewing Angle Compensation Technology), which can effectively increase the penetration rate of 8K products. This technology can not only effectively improve energy efficiency, but also ensure that the design and manufacturing of 8K products ranks the best in the industry.

The second is the charging rate compensation technology. TCL CSOT improves the charging efficiency of the panel through technologies such as data following grid RC delay, scanning signal following data RC delay, variable row length, and voltage driving. This technology brings a clearer and more uniform display effect while ensuring the chargeability.

The third is high-frequency point-to-point (P2P) transmission technology such as CSPI. As the first self-developed and mass-produced P2P protocol in China, TCL CSOT's related technologies can effectively reduce electromagnetic interference, transmit 8K signals with a larger data volume, and achieve a faster data transmission rate.

The fourth is Mini-Light Emitting Diode (MLED) technology. In order to present clearer and more high-quality picture, TCL CSOT adopts the technology combination of 8K+MLED, and integrates with self-developed Local Dimming algorithm to precisely control the bright and dark partitions, and obtain a million-level ultra-high dynamic contrast, allowing every detail can be clearly presented.



FUTURE STORY



03

Online Class to Convey Warmth during Pandemic

When the COVID-19 pandemic broke out at the beginning of 2020, many offline activities were suspended and online class started. However, in rural areas, it was the first time for many children to be taught online. Without teacher's face-to-face instruction and the lively atmosphere of the classmates in the classroom, the children always found the courses boring and unable to concentrate.

In the face of difficulties, TCL tried to contribute to rural education during the pandemic, reduce the pressure on rural teachers, and let children enjoy the online courses. The project team immediately organized a meeting to discuss the feasibility of transferring the A.I. Back Home Project and the Little Music + Project to be conducted online.

Therefore, TCL innovatively launched the online public welfare activities of "Eagle Idiom Class" and "One Song Between Classes". Children can relax from the nervous class while learning cultural knowledge during the 10-minute break between the online class, enjoying a more comprehensive literacy education. The "Eagle Idiom Class" selects idioms, fables and ancient poems according to the way the pilot primary school curriculum is developed and combined with teaching materials for each grade, as the extracurricular supplementary. "One Song Between Classes" selects 20 Chinese and foreign famous songs of 5-10 minutes and recorded them into a data package, including complete appreciation, songs and closing remarks, to help students relieve their mood, relax from stress, gain music knowledge and improve their music literacy. With the continuous development of the project, teachers thought that the effect of the project has far exceeded their expectations. "Eagle Idiom Class" and "One Song Between Classes" have become the most popular part for children every day.

The winter will be gone while the spring is coming. TCL not only accompanied the growth of rural children online during the pandemic, but also conducted the offline activities of the "Eagle Story Club" and "Xiaoxue Music Robot" at school in the second half year of 2020, letting the children in the country enjoy stories and music in their lives.





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ABOUT THIS REPORT

Reporting Period

This report data is from January 1 to December 31, 2020. 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, including Tianjin Zhonghuan Electronic Information Group Co., Ltd., which was publicly delisted and acquired, and its main asset “Tianjin Zhonghuan Semiconductor Co., Ltd.”

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 13th consecutive year. The last report was published in March 2020.

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 both in 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

Management Message

Message from the Chairman

Dear readers,

2020 is an important strategic turning year for TCL's development. With the outbreak of COVID-19 pandemic, the external situation has undergone major changes, the global economy has fallen into recession, and the business environment has been extremely difficult. In the face of crises, we dealt with the pandemic calmly, and strived to moving forward by adhering to our goals and overcoming difficulties.

In the end of 2016, TCL decided to promote change and transformation. In the past few years, TCL has laid a solid foundation for the sustainable development of the company by changing its business concepts, determining leading strategies, consolidating the management foundation, optimizing and reorganizing the structure, and improving the organizational culture. From 2017 to 2019, the company achieved continuous revenue growth, net profit growth, and a substantial increase

in competitiveness. In 2020, our Group's operating performance has approached or exceeded the development goals.

TCL CSOT continued to increase production and revenue. Our overall production capacity has been continuously improved through technological reform and production expansion. In 2020, TCL CSOT seized the opportunity of industry recovery, actively expanded its business and increased its revenue. At the same time, we also signed a contract to acquire Samsung's Suzhou display factory to cultivate new growth momentum. In the face of the pandemic, TCL CSOT's management team and employees stuck to their posts, insisted on non-stop production, and achieved revenue growth in the first quarter. Even though Wuhan CSOT was located at the center of the pandemic, none of the employees in the factory was infected, creating a miracle of "non-stop production and zero infection".

In 2020, TCL Technology acquired Tianjin Zhonghuan through bidding, opening up a new industry path. At present, our group has formed a strategic layout of industry clusters with semiconductor display, semiconductor photovoltaic and semiconductor material, industrial finance, and capital platforms, laying a solid foundation for further achievement of the strategic global leading goal.

China's development has arrived a new historical stage. China's technology and high-end manufacturing industries will also face better development opportunities. The main industries of TCL Technology are all industries encouraged and supported by our country, which is not only a challenge but also an opportunity for us. The transformation and upgrading of China's economy have made it not only a love and responsibility to develop the industry, but also a huge opportunity and space for creating value.

This year will be TCL's 40th anniversary. For 40 years of hard work and unchanging minds, TCL will start a new life cycle with stronger development momentum. The operating performance in 2020 is the starting point for TCL's future development. Today, we must have the courage to make progress, catch up with and surpass the best, and become a global leader in the industry! This is also the ideal and goal of TCL people!

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



李东生

Chairman and CEO of TCL Technology Group Corporation

Speech of Director of CSR Innovation Center

Dear readers,

2020 is an unforgettable year. The COVID-19 pandemic has swept the world and caused tremendous changes. In the face of the pandemic, TCL Technology Group adheres to the concept of “take social responsibility and be an excellent corporate citizen”, incorporates corporate social responsibility into the group’s corporate management system through the CSR Innovation Center, and systematically and practically fulfills our social responsibilities.

Facing the sudden crisis of COVID-19 at the beginning of 2020, TCL immediately donated more than 20.5 million RMB in funds, products and network services, and continued to donate 200,000 disposable ordinary masks and 1,500 protective clothing to the Hong Kong police fighting on the front line. With the spread of the pandemic around the world, TCL Charity Foundation initiated the preparation of pandemic prevention materials to provide support for the UN-Habitat headquarters to fight against the pandemic.

The pandemic has also had a huge impact on the production and operation activities of enterprises. In order to ensure the health and development of all employees, we used chartered cars and flights to pick up our workers to help them return to work in a safe and timely way. At the same time, TCL subsidiaries have established resumption and pandemic prevention and control headquarters and information teams, providing practical protection for returning employees through scientific methods to defend against the pandemic. At the same time, TCL Technology is still committed to creating an equal and diversified working environment during the pandemic, and has issued online training courses through TCL University and Huaxing College to provide employees with learning and development opportunities. In 2020, TCL University and Huaxing College provided more than 3 million hours of training for employees, with more than 89,000 person times.

The impact of the pandemic has not stopped our innovation. TCL Technology Group insists on taking customers as the core of our strategy, and driven by innovation, we provide customers with diversified high-quality products and services to meet the increasing needs of different customers. In 2020, we launched 8K MLED star screens and other products that have both technological leadership and sustainable development features. We have obtained 3,957 international authorized patents, and a total of 12,797 applications have been submitted. 1,536 PCT international patent applications have been submitted, and our Quantum dot public patents run second all around the world.

At the same time, TCL Technology Group promises to take environmental protection as its responsibility, continuously strengthen environmental management, and increase environmental investment. In 2020, we

continued to promote energy conservation and emission reduction. TCL CSOT and CSOT Semiconductor won the titles of “Green Enterprise”, “Ecological Industrial Park” in Shenzhen. CSOT G11 panel project was the first project to obtain both the highest international standards in green buildings LEED Platinum Certification and the highest three-star certification in China Green Building.

In the field of social welfare, despite the impact of the pandemic, TCL Technology Group still leveraged its technological advantages and launched activities such as “Eagle Idiom Class” and “One Song Between Classes”. By playing idioms and music between classes, students can acquire knowledge and music even when they cannot go to school. The “Eagle Idiom Class” project covered 586 students with broadcasting more than 1,500 minutes. The “One Song Between Classes” benefited 956 students, with broadcasting more than 6,400 minutes. By 2020, the “Huameng Class” project has cumulatively supported 1,133 students with an excellent academic performance that came from poor families, helping them achieve their college dreams. We cooperated with the Central Conservatory of Music on “Music • Dream • Exchange” project on training those professional music talents. Those outstanding musical students will make a performance for the children from the countryside through the offline activity “Xiaoxue Music Class”.

Thank you for your concern and support for TCL. I am looking forward to making more progress with you!

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



About TCL Technology

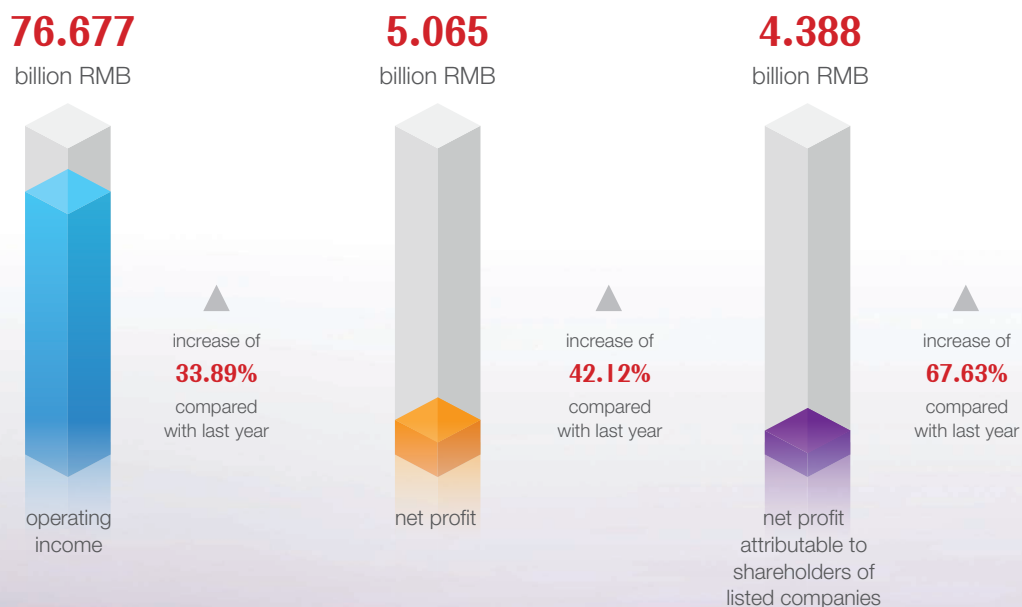
Company Overview

From 1981 to 2021, TCL has upheld the spirit of persistence in industry, continuous innovation, forge ahead, and the courage to change during the 40 years of development. It has gradually grown from a small local factory in Huizhou to one of the world's leading semiconductor display companies. In 2018, TCL established a twin structure. In 2019, TCL completed a major asset reorganization by divesting the terminal business and supporting business, and clarifies its business direction of technology, and officially changed its name to "TCL Technology".

In 2020, TCL focused on industrial upgrading and strategic layout, and continued to promote mergers, acquisitions and expansion. In June, TCL Technology acquired Zhonghuan Group and officially entered the semiconductor and semiconductor photovoltaic fields. In August, TCL acquired Suzhou Samsung to further expand its panel production capacity. So far, the company has formed a main structure based on the three major business sectors of semiconductor display, semiconductor and semiconductor photovoltaics, industrial finance and capital. With clear development path, efficient operation, and distinctive culture, TCL has improved its core competitiveness and ability for sustainable development.

Honors and Economic Achievements in 2020

In 2020, TCL Technology Group achieved operating income of 76.677 billion RMB, with an increase of 33.89% compared with last year. TCL realized net profit of 5.065 billion RMB, with an increase of 42.12% compared with last year, of which net profit attributable to shareholders of listed companies was 4.388 billion RMB, with an increase of 67.63% compared with last year.



TCL Group issued an announcement and officially changed its name to "TCL Technology Group Co., Ltd."
With the outbreak of COVID-19 pandemic, TCL immediately donated more than **20.5 million** RMB in funds, products and network services to Hubei



Approved by the Shenzhen Stock Exchange, TCL's securities abbreviation was renamed "TCL Technology"

TCL Technology announced that it has become the ultimate transferee of **100%** equity of Tianjin Zhonghuan Group, and would carry out a strategic layout in the semiconductor display, semiconductor and new energy industries



TCL Technology announced the acquisition of **60%** of the shares of Suzhou Samsung Electronics LCD Technology Co., Ltd. and **100%** of the shares of Suzhou Samsung Display Co., Ltd.
TCL CSOT invested in Japan's JOLED, and jointly invested with San'an Semiconductor to establish a joint laboratory

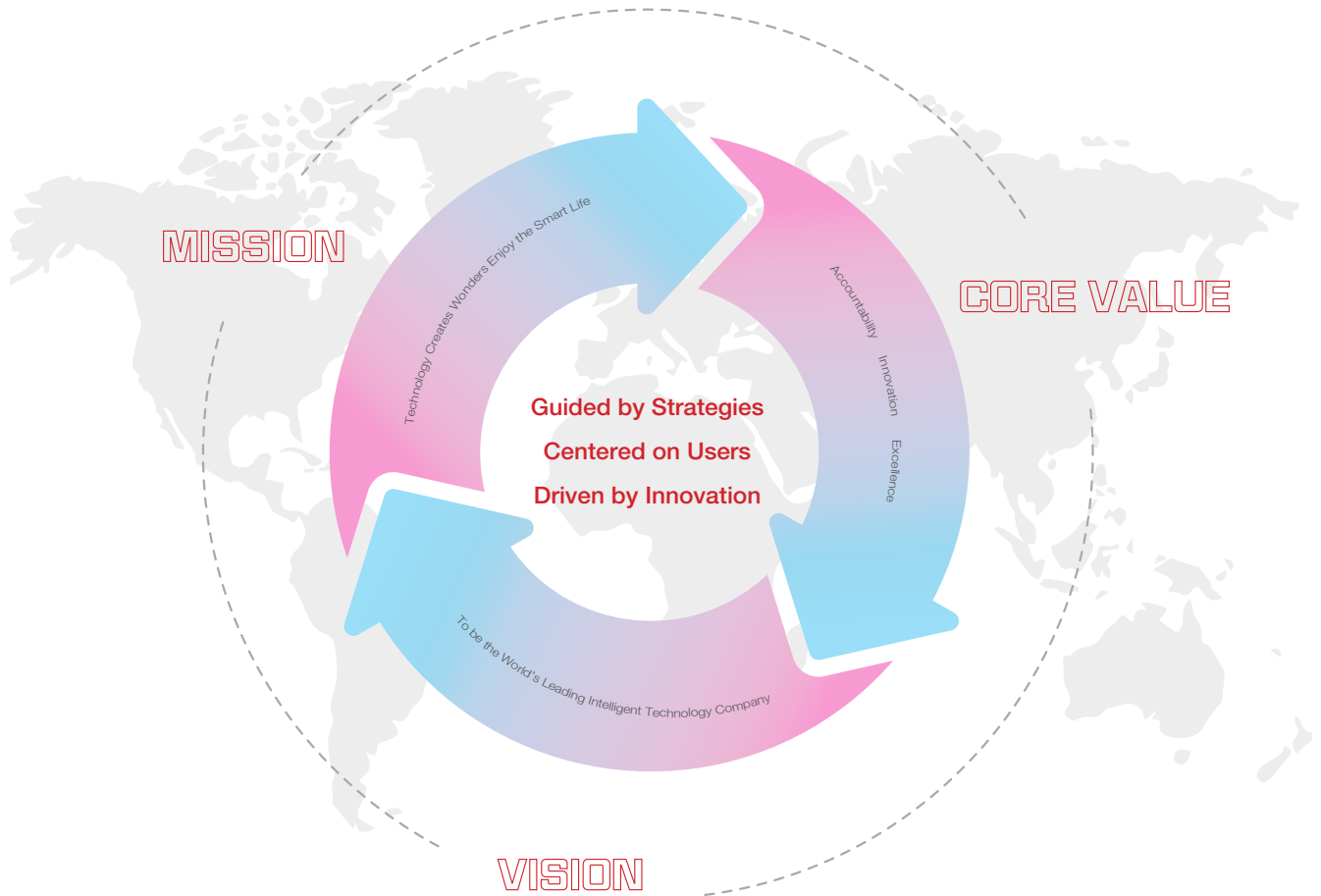
In the world's first DW smart factory, G12 photovoltaic large silicon wafers produced by Zhonghuan Semiconductor Industry 4.0 factory reached a capacity of **15GW**



Historical Events in 2020

Corporate Culture

TCL is constantly committed to creating a more dynamic corporate culture, launching the “Global Leadership” corporate vision and goals, and clarifying TCL’s mission and core values.





Corporate Strategy

TCL Technology Group will continue to strengthen its competitive advantages in manufacturing by focusing on the development of high-tech emerging industries and establishing global leading advantages in related industries. Through financial empowerment, it can help support industry operation and expansion, investing in ecological enterprises, and enhancing its comprehensive competitiveness.

In 2020, TCL further upgraded its corporate strategy based on the current situation and actual conditions, made plans for the goals and paths of corporate development in the next five years. TCL carried out multiple strategic training and business leader trainings to enhance the management team's strategic structure.

Semiconductor display technology and materials are one of the most important electronics in technology industries with broad prospects for development. TCL CSOT will improve the strategic layout of the industry, optimize the product and customer structure, build an industrial ecology, strengthen the control of the value chain, and promote the growth of enterprise scale. At the same time, TCL CSOT will promote the first breakthrough in new display technology and material innovation, respond to the trend of overall supply and demand balance, create a driving force for development, and catch up with and surpass the benchmark companies.

Semiconductor silicon wafer is the core basic material of integrated circuits. Facing the opportunity of the global clean energy development, TCL acquired Zhonghuan to improve its layout of the semiconductor photovoltaic industry, strengthen the competitiveness and technological advantages of the monocrystalline silicon industry, accelerate the construction of the photovoltaic energy industry chain, enhance the capacity of photovoltaic modules and batteries, and catch up with the leading enterprise. Zhonghuan Semiconductor is the world's top photovoltaic and semiconductor materials company, and its operation is similar to TCL's existing industries. The integration will complement each other in business and Zhonghuan will seize the opportunity of the development of China's integrated circuit industry, accelerate its core capacity building, and strengthen China's leading advantages.

Nowadays, the reconstruction of the global economic structure and the new development strategy of "double cycle" formulated by China have created new opportunities for the development of enterprises. The three major business sectors of TCL Technology belong to the key areas supported by the country, and the group will seize the golden period of global economic structure adjustment and China's manufacturing development, focus on core business, increase investment in core technology, and drive development with technological innovation. TCL will accelerate the layout of the global industrial chain and build global competitiveness by improving investment layout and ecological construction and Playing the advantages of industrial clusters. At the same time, TCL will strengthen its competitiveness, continue to improve quality and efficiency, and strive to be a global leader in the fields of display, new energy, and silicon wafers.



Responsibility Management



TCL Technology Corporation has always adhered to the concept of “taking social responsibility and be an excellent corporate citizen”. We will always closely integrate the fulfillment of corporate social responsibility with corporate development strategies, including the company’s production, operation, and management, striving to achieve the mutual prosperity of TCL and society.

Corporate Social Responsibility Strategy

To 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 headed by the Vice President of TCL Technology Group.



In 2019, TCL Technology Group revised the original "TCL Group Co., Ltd. Internal Control Specification No. 14-Social Responsibility" to cover seven core issues of corporate social responsibility, including organizational governance, employment promotion and protection of employees' rights and interests, health and safety, environmental protection, fair operation, customer relations, community participation and development, clarifying the company's corporate social responsibility categories, related requirements, and management mechanisms.

Communication, Promotion and Training

To improve the management level of the company's social responsibility, TCL Technology Group attaches great importance to the popularization and promotion of social responsibility knowledge by conducting corporate social responsibility trainings in all its industries to improve employees' awareness and ability to perform their duties. TCL Technology also carries out corporate social responsibility publicity activities for employees and the public through various publicity tools such as TCL Dynamic internal journals and WeChat public accounts TCL responsibility weizeren.





CSR Risk 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. We will require our subsidiaries to carry out rectification if risks are discovered. 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 (The Institute of Public & Environmental Affairs).

Informatization of internal control of Zhonghuan Co., Ltd.

In order to comprehensively promote the company's digital transformation and strengthen risk identification, Zhonghuan has consolidated business risk control measures into the information system to effectively improve the company's information management for risk prevention.

Since 2019, Zhonghuan has established an information system architecture with MES as the control, ERP as the database, and EC as the front-page according to the company's strategy. Zhonghuan integrated five models of sales, procurement, planning and production, human resources and financial management in ERP with the EC system and MES system to effectively solve the problem of "information isolation" and achieve end-to-end business management and control.

During the implementation, the audit department gave full play to the internal control management, coordinated with the project team to adjust and optimize the existing business processes, and identified the 7 first-level processes, 50 second-level processes, and 172 third-level processes. By sorting out business risks and the consolidation of risk prevention and control in the information system, Zhonghuan further improved its regulation, standardization and efficiency, effectively enhancing the company's management and control capabilities, anti-risk capabilities and sustainable development capabilities. The company focused on optimizing the processes in five areas of "finance, sales, procurement, production planning and management, and human resources", which strengthened the company's risk prevention capabilities and improved its management efficiency.



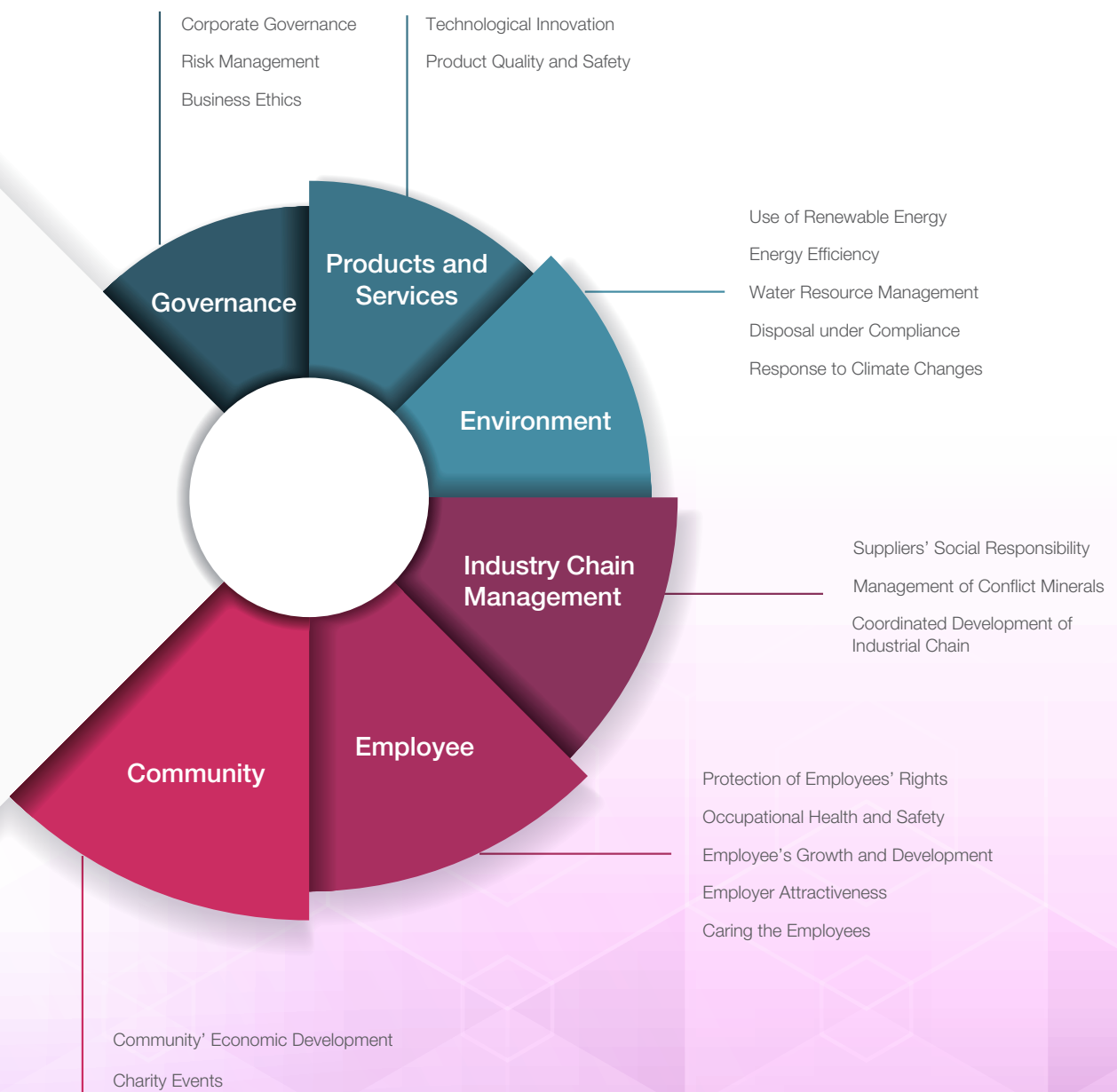
identified the **7** first-level processes

50 second-level processes

172 third-level processes

Materiality Analysis

To further improve TCL technology's scientific and targeted corporate social responsibility management, TCL adopts international common methods and selects internationally authoritative, universal sustainable, social responsibility assessment standards and guidelines for benchmarking, including DJSI, MSCI, GRI, etc. Based on these materiality issues, TCL screens its own issues according to its industry conditions and the company's features. With sufficient discussions within and outside the organization, 20 materiality issues from six levels that have an important impact on corporate development and stakeholders are screened out. These issues are focused and disclosed in the performance of responsibilities, including governance, products and services, environment, industry chain management, employees, and community.



Stakeholder Communication

TCL Technology Group realizes that only by cooperating with stakeholders we can make continuous progress together. In daily operations, TCL Technology Group attaches great importance to communication with stakeholders and continuously improves various communication mechanisms, actively listens to the voices of related parties, understanding their demands, and responding actively with practical actions for mutual development with stakeholders.

Stakeholders	Issues of Interest	Solutions	2020 Key Measures in 2020
Shareholders and investors	<ul style="list-style-type: none"> Transparent information disclosure Ability to continue creating value Complete risk management 	<ul style="list-style-type: none"> Standardize company management, and close communication with investors via multi-channels Continuously deepen strategic progress and creating advantageous industries 	<ul style="list-style-type: none"> Organize investor open days to explain business strategies to investors Asset restructuring and focus on core industries to improve profitability
Government and regulators	<ul style="list-style-type: none"> Compliance with laws and regulations Response to national policies Play a leading role in promoting harmonious development of society 	<ul style="list-style-type: none"> Abiding by the national laws and regulations Give full play to the enterprise's resource superiority Fulfill its social responsibility actively 	<ul style="list-style-type: none"> Launch internal management, such as <i>TCL Technology Group Audit and Supervision Measures for the Rectification and Management of Problems</i> Launching <i>Integrity TCL</i> hotline and online reporting channel Continue to deepen internationalization Specify 7 key issues on social responsibility
Consumers and clients	<ul style="list-style-type: none"> Innovate products to meet the requirements of the customers Continuously improve service quality and protect customers' privacy 	<ul style="list-style-type: none"> Enrich product categories, improve product quality for a wider community Carry out customer satisfaction surveys, demand surveys, and continue to make improvement Strengthen customers' privacy protection 	<ul style="list-style-type: none"> Introduce series of smart and innovative products to meet diversified demands of consumers Customer satisfaction survey and provide full life cycle services Collect users' feedback, analyze and propose solutions Comply with legal requirements and strictly protect customers' privacy
Suppliers and deals	<ul style="list-style-type: none"> Standardize the procurement process and a good competitive mechanism Achieve mutual benefits of industry chain partners Drive development of the industry 	<ul style="list-style-type: none"> Develop supplier selection policy for fair procurement Suppliers' evaluation, audit, training, and communication Provide support for partners 	<ul style="list-style-type: none"> Promote supplier compliance in environmental protection, safety, and employment Organize training and exchanges Provide financing platforms to help partners develop
Employees	<ul style="list-style-type: none"> Safeguard legitimate rights and interests Occupational health and safety Optimize the compensation benefits Respect the multicultural lifestyle Mutual development with employees Enhance employer's competitiveness 	<ul style="list-style-type: none"> Compliance with laws and regulations to protect employees' basic rights and interests Improve occupational health and safety measures Offer competitive salary and welfare Care for employees' life Employee capacity building and establish career development systems 	<ul style="list-style-type: none"> Establish recruitment policy according to relevant laws Multiple channels for employees' complaints and feedback Organize safety training and cultural construction Organize cultural, sports, and recreational activities to balance life and work Continuously conduct systematic training for domestic and foreign employees through TCL University
Community	<ul style="list-style-type: none"> Care for the development of next generations Improve the community environment Help those disadvantaged groups 	<ul style="list-style-type: none"> Support youth development Care for ecological environment Assist in community building Conduct volunteer activities 	<ul style="list-style-type: none"> Continuing to run Shenzhen TCL Charity Foundation and conduct student – assisting and teacher-assisting programs Support environmental public welfare projects Help residents improve public welfare Organize employees to serve communities
Environment	<ul style="list-style-type: none"> Use resources efficiently Energy saving and emission reduction Effective recycle of waste 	<ul style="list-style-type: none"> Develop green production Launch green products Establish environment-friendly companies 	<ul style="list-style-type: none"> Building green factories Develop and produce green products



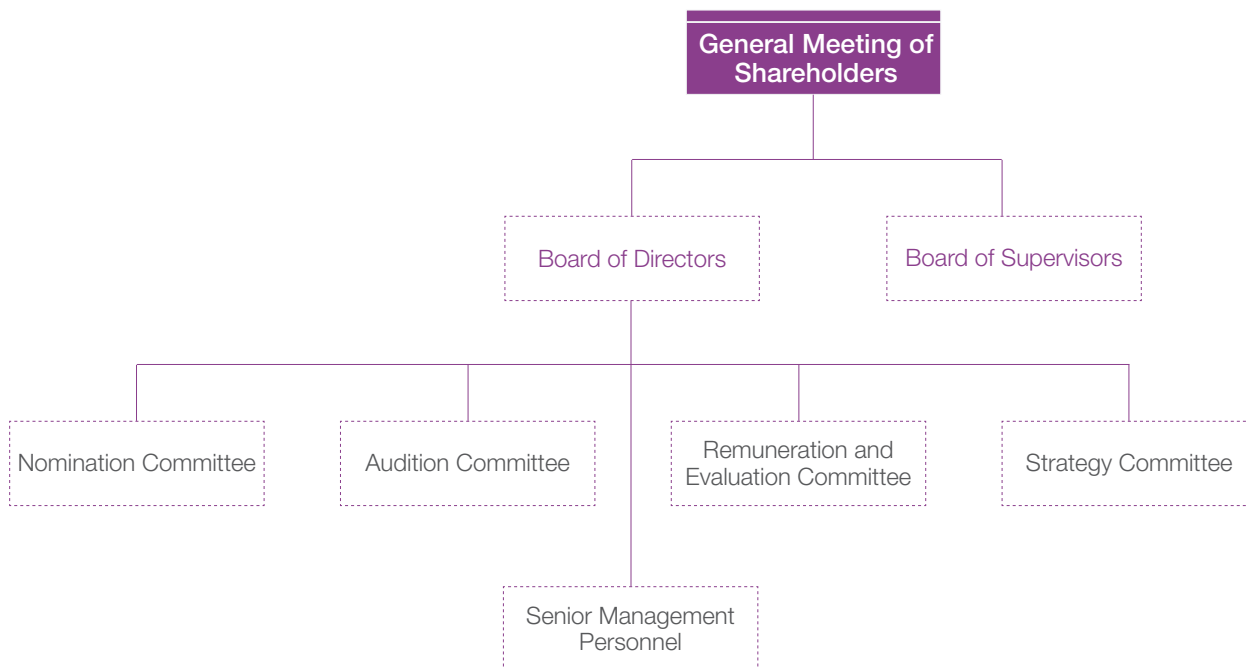
Corporate Governance



As one of the 9 first batch of internal control pilot institution of the Guangdong Securities Regulatory Bureau, TCL Technology has continuously improved its corporate governance structure since its listing in 2004, regulated its operations, conscientiously fulfilled its information disclosure obligations, strengthened communication with investors, and continuously increased shareholder returns to increase shareholders' satisfaction.

Governance System

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 internal control systems and processes, promoting the continuous optimization of the corporate governance structure.



In terms of management systems, TCL Technology revised and improved the relevant management systems in 2020. We revised the *Internal Control System of Financial Derivatives Investment*, *External Guarantee Management System*, *Securities Investment Management System*, *Usage Management of Raised Fund*, continuously improving the management level and establishing an effective risk prevention mechanism for the company and its holding subsidiaries' securities investment, external guarantees, financial derivatives transactions, and the management of raised funds.

In 2020, TCL held a total of 14 meetings board of directors, 10 meetings of supervisory board meetings, and 8 general meetings of shareholders. During the meetings, all proposals were fully discussed and voted through, respecting the wishes of shareholders, and effectively safeguarding the interests of all shareholders, especially those small and medium shareholders. TCL Technology Group organized board of directors, supervisors, and senior management personnel to systematically learn the laws and regulations of listed company's governance, enhancing their risk prevention awareness and self-discipline.

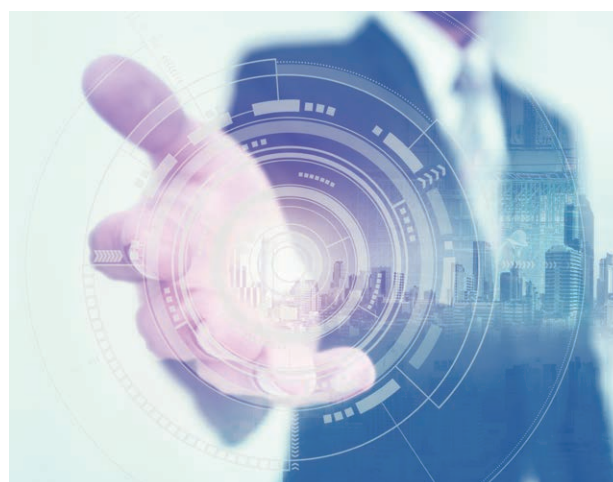


The company's board of directors won the **“Best Board of Directors”** award in the sixteenth “Golden Round Table” awards of the board of directors of Chinese listed companies.

Protection of Investors' Rights and Interests

Information disclosure is the core of protecting the rights and interests of investors. TCL Technology attaches great importance to information disclosure, strictly abides by and implements relevant information disclosure regulations, timely fulfills information disclosure obligations to ensure the truthfulness, accuracy, completeness, timeliness, and fairness of information disclosure, continuously improving the transparency and quality of information disclosure. In order to realize 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 will also be accounted, systematically guarantees the group's timely control of major industry matters in information disclosure.

While fulfilling its disclosure obligations, TCL 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 from investors. TCL strengthens communication with institutional investors, media and individual investors by holding



performance conferences, organizing factory visits, conducting surveys, participating in brokerage strategy meetings, roadshows and telephone exchanges, etc.

In 2020, TCL Technology held 2 on-site performance conferences, 2 telephone performance exchange meetings, received 33 investor surveys and interviews, participated in 58 strategy meetings, and carried out 148 roadshows in Beijing, Shanghai, Guangzhou, Shenzhen and Hong Kong. Nearly 1,000 people participated in the exchanges during the whole year, strengthening investors' understanding of the company's business and recognition of investment value.



TCL Technology attaches great importance to the protection of the rights and interests of small and medium investors. In the governance of the three meetings (Board of Directors, Board of Supervisors and General Meetings of Shareholders), the company still adopts a cumulative voting system when electing directors and supervisors, which is a higher system than the requirements of the corporate governance standards and effectively protects the voting rights of small and medium shareholders.

In order to meet the information needs of small and medium investors for the company, TCL has set up two investor hotlines to answer investors' questions. TCL answered more than 300 questions on Hudongyi, which is a website by Shenzhen Stock Exchange for investors' communications. The company has organized open days for investors to visit and communicate, and started an investor relations WeChat public account and actively released company-related information through other media channels, so that investors can be informed timely about the company's news.

Total number of shareholders (accounts)	481,178
Average number of shares held by each account (shares)	29,159.25
Among them, the number of individual shareholders (accounts)	477,408
Average number of shares held by each individual shareholder (shares)	8,703.59
Among them, the number of institutional shareholders (accounts)	3,770
Average number of shares held by each institutional member (shares)	2,619,529.34

Compliance with Laws and Regulations, Anti-monopoly and against Unfair Competition

Compliance with local laws and regulations is the foundation of business operations. TCL Technology has always attached importance to compliance operations, and gradually increased the management of compliance risks while accelerating the international business. In 2020, TCL Technology established a “Compliance Working Group” to review and share the compliance of the company’s business, investment and financing activities, building a systematic compliance risk assessment and response mechanism. The Group initiated TCL Compliance System Building, covering multiple entities such as TCL Technology, TCL CSOT, and Financial Holdings, and completed the identification and sorting of the company’s main compliance risks, providing an overall plan and implementation for the construction of the compliance management system.

In terms of fair competition, TCL Technology and TCL CSOT strictly abide by the relevant laws and regulations, such as the *Anti-monopoly Law of the People’s Republic of China*, *Law of the People’s Republic of China against Unfair Competition*, and the *Foreign Trade Law of the People’s Republic of China*. TCL is committed to assisting the government create a fair market environment against improper means to restrict or exclude market competition. The trade secret infringement case handled by TCL CSOT was rated as *50 Typical Intellectual Property Cases in Chinese Courts* by the Supreme People’s Court.

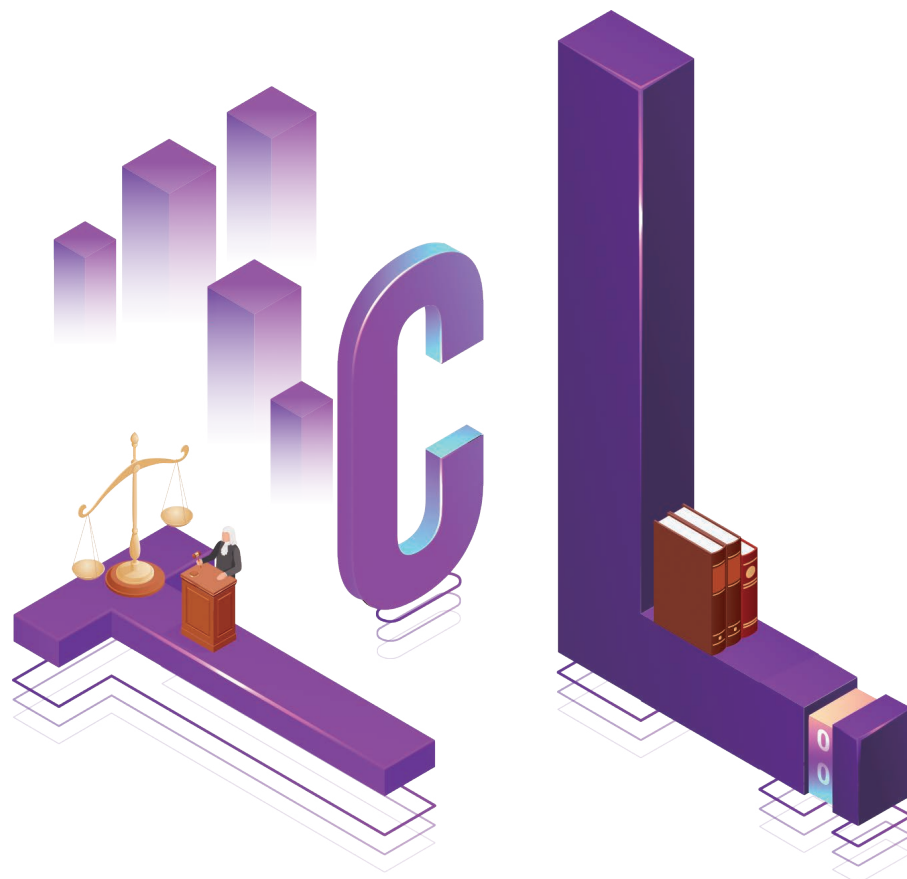
In 2020, TCL Technology held a special anti-monopoly training at its headquarters, which introduced domestic and foreign anti-monopoly supervision and practices. In addition, TCL Technology and TCL CSOT have carried out domestic and foreign anti-monopoly declarations in a number of major financing investment according to the law. 7 anti-monopoly declarations were applied and successfully approved, covering 5 jurisdictions, specifically, China, Korea, Vietnam, Turkey, and Slovakia.



7 anti-monopoly declarations were applied and successfully approved



covering **5** jurisdictions, specifically, China, Korea, Vietnam, Turkey, and Slovakia



Anti-corruption

TCL Technology adheres to its core values of “Accountability, Innovation and Excellence”, which explicitly requires employees to keep their promises, be realistic, pragmatic, honest, and self-disciplined. In terms of management, there is an audition committee under the Board of Directors of TCL Technology Group. 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, requires its partners to follow high standards of business ethics, and systematically prevents the corruption risk incidents. TCL established a series of core integrity management systems, such as *TCL Partner Code of Conduct*, *TCL Employees Conflict of Interest Declaration Management*, *TCL Employees Accepted Gifts Disposal and Reward Management*, *TCL Procurement Business Discipline Code*, *TCL Confidentiality Management Regulations*. In 2020, TCL revised the issued the new TCL Accountability Management, which is an emphasis on the *TCL Ten Red Lines* as the non-offendable behavior for employees.

In 2020, TCL Technology Group promoted the construction of an integrity system centering on *TCL Ten Red Lines*, introduced 3 integrity systems, and publicly reported 4 typical anti-fraud cases to all employees by mailing. At the same time, TCL Technology continued to create a series of integrity “products”, such as conducting offline on-site training with the theme of “Integrated Employees” for all employees of two key subsidiaries, developing online integrity courses, and carrying out safety and confidentiality activities, and developing special teaching materials for integrity training in the field of engineering construction.



In 2020, TCL Technology launched the second “TCL Integrity Index Survey” on all employees and partners. The results showed that the TCL Integrity Index was 8.44, an increase of 0.37 compared with last year, and the completion rate of case investigation was 100%.

TCL advocates and encourages all employees to assist in anti-corruption work. The company set up a special reporting email address and phone number for employees to report in real-name or anonymously. The reporting channels were repeatedly promoted through internal notices and external announcements. At the same time, the audition and supervision department strictly implement the reporting and complaint handling procedures and the reporter protection mechanism, and assigns special person to receive reporting clues, register and reply to reporters within 24 hours. In 2020, 44% of the reports received by TCL Technology Group are real-name reports, which is a significant increase from the 30% of last year.

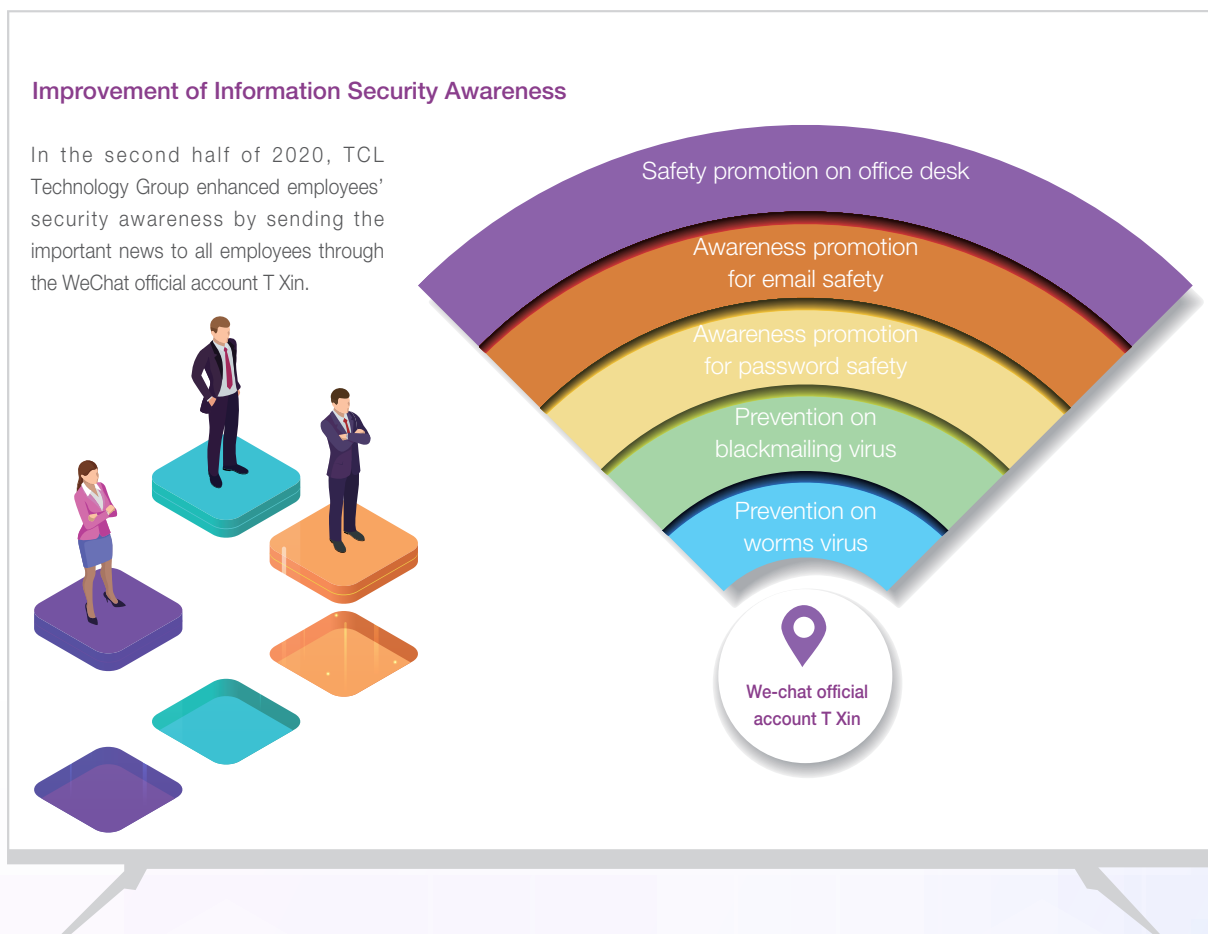
For fraud, TCL Technology Group has always adhered to the “Zero Tolerance” attitude. In 2020, TCL Technology Group investigated and handled a total of 15 cases, punished 23 persons, fired 9 persons, transferred 4 persons to the judiciary. TCL blacklisted 14 suppliers that have violated the *TCL Code of Conduct for Partners* or *TCL's Commitment of Integrity*.

Intellectual Property and Trade Secret Protection

TCL Technology Group always attaches great importance to the protection of trade secrets. TCL follows the national *Cybersecurity Law of the People's Republic of China* to identify the group's information system, complete hierarchical protection work, find hidden dangers and deficiencies in the system, and reduce the risk of being attacked. In 2020, TCL Technology solved 464 high-risk security issues in the Group's information system through security operation awareness, terminal anti-leakage, penetration testing and other methods to ensure the data safety.



solved **464** high-risk security issues in the Group's information system through security operation awareness



TCL Technology Group complies with international intellectual property rules, and handles intellectual property affairs under the guidance of laws and international practices. The company actively and sincerely solves intellectual property issues, and protects its legitimate rights and interests through judicial procedures in response to malicious intellectual property infringements. In 2020, TCL Technology Group organized a privacy impact assessment (PIA) management process and follow the *EU General Data Protection Regulation (GDPR)*. In 2020, based on the requirement of personal data protection under *EU General Data Protection Regulation (GDPR)* and *The California Consumer Privacy Act of 2018 (CCPA)*, TCL Technology Group conducted a privacy impact assessment (PIA) management process on T xin for entire life cycle of the data to identify whether the existing control meets the requirements of laws and regulations, and improve personal privacy protection level of the related products and applications.



Promotion of Technological Innovation



Innovation has always been the gene and driving force of TCL's continuous progress. By advancing technological innovation, introducing top talents and cooperation, ensuring product quality and safety and providing high-quality customer service, TCL continues to introduce more forward-looking technology products, focusing on four core technology strategies to support the brand's core competence. The four technological innovations include artificial intelligence and big data, new semiconductor display technologies and materials, 5G application technologies, intelligent manufacturing and industrial internet.

Technology Leadership

Persistence on Technological Innovation

TCL always sticks to the industry development, continues to innovate, forge ahead, and gradually grows into a leading company with global influence, and takes the lead in the industry technology.

In 2020, TCL Technology Group invested 6.543 billion RMB in research and development and had 6,153 R&D technicians with 3,957 international patents. It submitted 12,797 applications and 1,536 PCT international patent applications. Quantum dot public patents are the second largest in the world. TCL also actively participated in the formulation of industry standards, became a member of industry development alliance hosted and participated in the formulation of international standards, national standards, and industry standards.



TCL Technology Group invested **6.543** billion RMB in research and development



6,153 R&D technicians

Talent Cooperation

Talent is the foundation of technological innovation, and cooperation is the key to technological progress. TCL introduced overseas young teams from Pearl River Talents Plan, and employed over 60 top technical consultants in the industry, continuously playing its advantages of resources and technology.

To ensure that technological innovation, TCL continues to build an open cooperative research and development system. Based on TCL Industrial Research Institute, TCL has signed cooperation agreements with many domestic and foreign universities and research institutions such as the University of Florida, Kyung Hee University, Beijing Institute of Technology, etc., and has established 18 domestic and foreign R&D centers in Shenzhen, Xi'an, Hong Kong, the United States, Wuhan, Poland and other places. TCL established display technology innovation center, AI joint innovation center, and intelligent manufacturing joint center, jointly carry out technology research and development with its advantages of intelligence and display technology.

- **TCL CSOT and San'an Semiconductor established a joint Micro-LED display laboratory** ●

In June 2020, TCL CSOT and San'an Semiconductor signed a contract in Shenzhen to announce the establishment of a joint Micro-LED laboratory. The laboratory will combine two party's display and LED technology and resources to complement each other's advantages, focusing on the development of end-to-end Micro-LED display technology, and solving the engineering technology problems including Micro-LED chip technology, transfer, bonding, colorization, detection, and repair. The laboratory will accelerate the trial production and application of Micro-LED, and form a full ecological layout from new display materials, processes, equipment, production line programs to funding intellectual property rights, which will achieve the leading technology of engineering manufacturing and commercial scale production of Micro-LED displays.



Signing ceremony of the joint laboratory

• **The 7th TCL Technology Innovation Conference** •

On October 21-22, the 7th TCL Technology Innovation Conference and the 2nd Global Technology Cooperation Open Conference was held in Shenzhen with the theme of “Open, Innovation, Cooperation and Leadership”. TCL conducted a planning report on the technology strategy during the conference and invited experts to make discussions on topics on artificial intelligence, new displays and semiconductors. Meanwhile, TCL once again announced 13 new technology display and artificial intelligence-related technical cooperation projects, and increased cooperation with external experts and institutions by hiring more than 30 industry top experts as TCL technical consultants, and cooperating with 6 well-known universities and research institutions in and outside China to explore the “No Man’s Land” technology.



Technical Cooperation Signing Ceremony

Tacking Key Technology

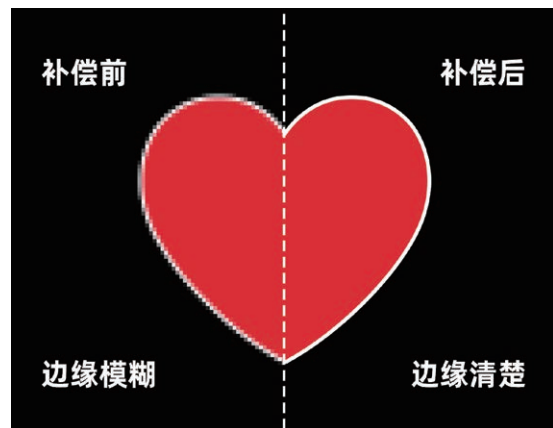
Breakthrough of technological innovation requires long-term continuous persistence. In the continuous innovation practice, TCL’s R&D technology innovation has gradually developed from the product technology to its upstream material, and it has continued to tackle a number of key technologies and gradually formed an ecosystem of technology research and development.

• **Overcome the 8K technological bottleneck** •

TCL CSOT successfully made the breakthrough of the 8K technical problems of amorphous silicon VA process, and took the lead in developing 8K technology on the global line G11.Hi-HVA technology is a high-penetration pixel design and intelligent algorithm design. It is equipped with TCL’s independent innovation VAC (TCL VSOT Large Viewing Angle Compensation Technology), which can effectively increase the penetration rate of 8K products. TCL CSOT adopts the technology combination of 8K+MLED, and integrates with self-developed Local Dimming algorithm to precisely control the bright and dark partitions. TCL CSOT improves the charging efficiency of the panel through technologies such as data following RC delay, scanning signal following data RC delay, variable row length, and voltage driving. This technology brings a clearer and better display effect while ensuring the chargeability.



Comparison of Mini LED effects



Comparison of TCL CSOT technology effects

• Break through the quantum dot patent barrier •

Quantum dot technology is very significant to China's LCD industry, and has been broadly applied in the fields of new displays, new lighting, solar cells, and bio-medical markers. TCL took the lead in developing quantum dot technology in China, increasing the color gamut of LCD TVs from 72% to 120%, and greatly improving the lifespan of China's TFT-LCD industry. In addition, since 2014, TCL has applied for more than 1,200 patents in the field of quantum dot TV technology, ranking second in the world. The patents cover 14 fields including quantum dot materials, devices, backlights, panels, and printed displays. In 2018, the Display Materials R&D Center of TCL Industrial Research Institute has overcome the life-span problem of red quantum dot materials in printed display materials, and published a paper in *Nature Communications* under the journal *Nature*. Over the years, TCL has continuously broken through patent barriers and formed an effective patent layout through continuous technological innovation.



• Low blue light technology certification •

Low blue light technology can effectively reduce users' visual fatigue and protect consumers' eye health. TCL CSOT continues to innovate in the low blue light technology, and explore the color display, color temperature, blue light proportion and blue light harmful coefficient, etc. By shifting the main wavelength of blue LED red light to reduce harmful blue light to less than 50%, TCL CSOT provided a hardware-level low blue light solution for the damage of short wavelength blue light to eyesight. In 2020, TCL CSOT low blue light products obtained the world's first Eyesafe Display certification, TÜV Rheinland hardware low blue light certification and the country's first SGS low blue light certification.



TCL CSOT FHD+ Mobile Phone passes SGS low blue light certification



Award ceremony

Continuous Launch of Advanced Products

TCL continues to optimize and launch advanced products through industrial strategic layout, promoting the landing and application of R&D technologies, and building an industrial ecology.

75" 8K MLED Display

Mini LED is widely regarded as the next-generation display technology. TCL CSOT seized the opportunity to develop a more advantageous "MLED Screen", and took the lead in realizing mass production. The product adopts the glass-based active Mini-LED backlight drive technology independently developed by TCL CSOT, can reach the 1,000,000:1 contrast ratio through HLD ultra-high partition algorithm, ultra-narrow bezel technology, etc. The ultra-high brightness, and wide color gamut can present more realistic colors and dark field details.



85" 120Hz IGZO 1G1D LCD



The 85" 120Hz IGZO 1G1D LCD is the world's first ultra-large 8K LCD that successfully applied In-Ga-Zn-O (IGZO) back-channel etching (BCE) process technology to the GOA circuit. Different from the general a-Si-based 8K products, the IGZO back plane technology used in the display allows the product to have better electrical characteristics. By adopting the 8 Domain HVA display, it has both a wide viewing angle and a high contrast ratio of more than 5,000:1, basically achieving the OLED's display effect. In addition, the product uses a 1G1D drive architecture, which not only ensures high penetration, but also effectively reduces product power consumption.

R1000 Curvature Gaming Screen

TCL CSOT launched the world's first 34" R1000 curvature gaming screen. This product uses a 21:9 screen ratio, with a high resolution of 3440x1440 and a high refresh rate of 165Hz. The product not only has more vivid colors and pictures, but also combines with the 21:9 ultra-wide screen, which is closer to the viewing radius of the human eye. The screen can not only provide consumers with a better surrounding and immersive experience, but also display more content for multiple uses, providing more diversified application scenarios and services.



10" Z1 Double Folding Screen



The 10" Z1 folding screen realizes the perfect combination of the inner and outer folds of the screen for the first time. It can be folded in a zigzag shape and used as a general mobile phone. At the same time, the inner folding area of the screen is protected inside of the product to avoid scratches during daily carrying. When the product screen is fully expanded, it can be used as a 10.1" 4:3 tablet computer with external keyboard and mouse devices, which is very convenient.

World's Largest 42" Black and White Electronic Paper

TCL has launched the world's largest e-paper display product. It adopts a reflective display mode and has the characteristics of no blue light and no flicker, providing consumers with paper-like visual experience and eye protection. The product can be used with solar panels or battery panels, and has a unique bistable design, which consumes power only when users switching screens, and achieves zero power consumption when the screen is maintained. The energy consumption is extremely low, and it is easy to install.



G12 210mm Ultra-large Photovoltaic Monocrystalline Silicon Wafer G12

Zhonghuan has always focused on the production and manufacturing of monocrystalline silicon materials, and launched the industry's extreme 210mm ultra-large photovoltaic monocrystalline silicon wafer G12 with its over 15GW's output in 2020. At the same time, the company actively cooperates with its partners in the industrial chain to innovate and develop production lines, materials, brackets, inverters and design schemes that are compatible with G12, launching G12 shingled modules with high power generation up to 635W and an efficiency of 21.1%. The product was awarded the world's first TÜV Rhineland's new certificate of G12 shingled module. The application of G12 photovoltaic monocrystalline silicon wafers in the solar energy industry brings higher photoelectric conversion efficiency and production efficiency, effectively reducing costs. It also adjusts the size of the laminate with downstream matching based on the application through the concept of flexible manufacturing, providing brand-new solution for breaking the bottleneck of PERC technology and promoting the development of the industry.

Product Quality and Safety

Strengthen Quality Management

Quality is the foundation of enterprise's development. TCL Technology Group and its industries have always insisted on strengthening quality management, establishing a systematic quality management system in compliance with ISO9001, QC080000, ISO/IEC17025 and other standards. TCL formulated internal management such as *Quality Management Internal Control Regulations and Defective Product Recall Management Regulations*, and persisted on product quality following EU RoHS, EU REACH, China RoHS and IEC62368 standards.

TCL CSOT has formulated a series of internal quality systems, including customer management, manufacturing, quality management, etc., and regularly inspects and evaluates these systems. At the same time, TCL CSOT established a quality management committee, and recruited chief quality officers, quality authorized persons and other quality leaders at the decision-making level to formulate and promote quality strategic

planning, and continuously improve product quality. In addition, the company also actively encourages all employees to be creative and put forward innovative quality improvement proposals. The employees with outstanding proposals will be publicly praised and rewarded.

TCL CDOT has also built a customer-centered quality culture. Guided by customer goals, the company constantly improved the preventive quality system, formulated project quality plans, and analyzed quality reasons from the two dimensions of R&D and crafts. TCL CDOT ensures its stable product quality through monitoring indicators and tripartite methods such as benchmarking and quality review.

Based on the quality data of previous years, Zhonghuan Electronics has formulated 11 quality special topics for 2020, explored and found the quality improvement solutions by setting up a QCC team.

TCL CSOT:	In 2020, three TCL CSOT factories in Shenzhen and Huizhou conducted Six Sigma (Phase 1), QCC (Phase 2) and Quality General Training (Phase 3) training, with a total number of 1,500 people participating in the training. Wuhan CSOT completed 170 hours of training in 2020 and trained 1,600 person times.
TCL CDOT:	TCL CDOT completed 47 product quality management trainings in 2020, training 4,212 person times.
Zhonghuan Electronics:	Zhonghuan Electronics completed 24 product quality management trainings in 2020, training 765 person times.




TCL CSOT internal training on quality management

• **Honors on Quality** •



TCL CSOT

SKK: "Best Quality Award" in 2020

HCS: Consecutively Grade 7A, ranking first in the quality of screen suppliers

MCB: Ranking first in quality throughout the whole year

2 Silvers in Shenzhen Excellent Quality Management Team Competition 2020

QCC special **"Demonstration Award" (first prize)** in the first Shenzhen Quality Technology and Innovation Achievement Presentation Contest

2 projects won the Black Belt Demonstration Award and the Green Belt Professional Award during the national Six Sigma Presentation Contest

Six Sigma **"Demonstration Award" (first prize)** in the first Shenzhen Quality Technology and Innovation Achievement Presentation Contest

TCL CDOT

Transsion: "Most Valuable Partner Award" "Excellent Quality Performance Award"

Samsung: "Excellent Quality Award for Initial Quantity and Product Quality of New Projects"

Baidu: "2020 Supplier Strategic Cooperation and Quality Excellence Award"

Zhonghuan

The Third Prize of Tianjin Quality Research Outstanding Achievement in 2020

Intensive Cultivation in Smart Manufacturing

With the continuous development of artificial intelligence and Internet of Things technology, TCL has always been at the forefront of technology, actively deploying intelligent technology research and development, enhancing the capabilities of the intelligent manufacturing. TCL constantly introduces quality improvement tools, integrates traditional inspection and intelligent monitoring, and deepens intelligent manufacturing.

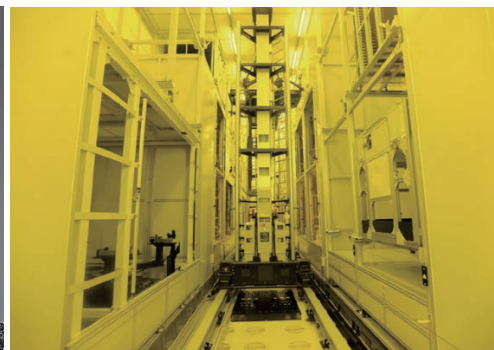
• **TCL CSOT Optoelectronic Smart Factory** •

Over the years, TCL CSOT has continuously promoted the transformation and upgrading of intelligent manufacturing, combined artificial intelligence with industrial Internet of Things applications, optimized production lines, and created smarter and deeper smart factories. TCL CSOT t6 project smart factory was successfully selected into the "2020 China Smart Factory Benchmark" list. In cooperation with GeTech, the project mainly adopts the innovative application of domestic core intelligent manufacturing equipment and artificial intelligence technology, and jointly develops TCL CSOT Intelligent Cloud Platform, Internet of Things Platform, Industrial Intelligent Application, etc., realizing the automation, digitization, collaboration and intelligence of the factory. It realizes automation to a great extent, effectively improving production efficiency and reducing operating costs. In addition, the project also introduces an artificial intelligence automatic diagnosis system to analyze data in time through AI image recognition technology (ADC) to realize self-learning, which can monitor product quality more quickly and accurately, and

achieve a 5-10 times of speed in recognition. The project also reduced 50% of the manpower at the defect judgment, completed the industry's first in-depth application of artificial intelligence in the LCD panel industry, and continued to help TCL CSOT be at the forefront of the intelligent manufacturing.



TCL CSOT awarded "2020 China Smart Factory Benchmark"



TCL CSOT Smart Factory

Product Safety Control

Product safety is an important guarantee for the sustainable development of TCL. TCL Technology Group and its industries strictly abide by relevant laws and regulations to ensure that all products meet safety requirements, pass the international safety certifications such as CB, UL, respectively formulating corresponding product safety incident handling mechanisms to strictly control the product safety. The product inspection rate is 100 %.

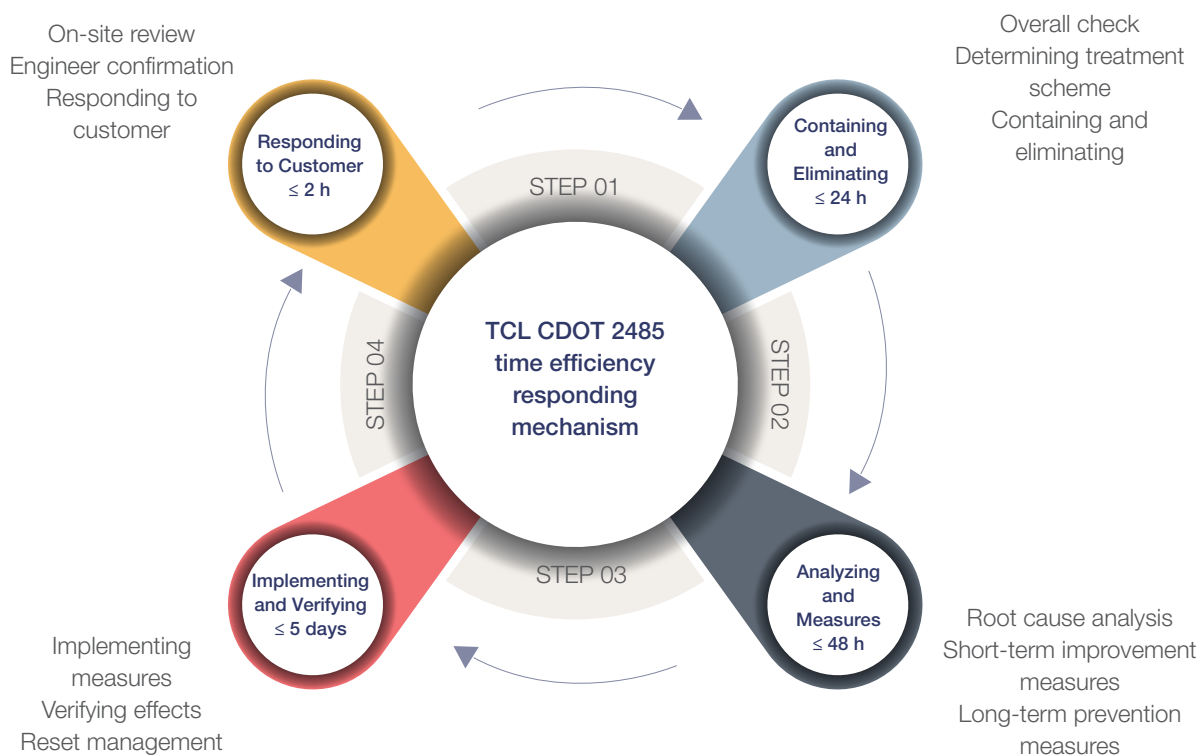
TCL CSOT has always strictly complied with EU RoHS, EU REACH, China RoHS regulations and other first-line customer requirements. During the product manufacturing process, the chemical composition of all materials is confirmed and self-declared, and based on the risk of different materials, TCL CSOT established the *HSF Risk Identification and Control Form for Materials and Suppliers* to conduct random testing and

of materials and finished products regularly to ensure product safety. At the same time, TCL CSOT also carries out UL and CB certifications for the fire protection rating of the products to further ensure the safety of the products.

Zhonghuan Electronics regularly conducts UL follow-up safety inspection and product sample safety tests. When the customer's product characteristics involve the use of raw materials containing hazardous substances, Tianjin Pulin fully communicates with the customer to explain the risk of using hazardous substances in the product manufacturing process, and confirms with the customer whether to change the product features to reduce the use or stop using raw materials with hazardous substances.

• TCL CDOT 2485 time efficiency responding mechanism •

Adhering to core principle of customer satisfaction, TCL CDOT's customer quality service management system includes classification management, timely communication, continuous tracking management, multi-channel provision of high-quality services and extension of customer service. It has formed a "2485 time efficiency responding mechanism". In 2020, TCL CDOT optimized and upgraded its customer complaint system, continuously subdivided the internal response after customer complaints, and refined the job responsibilities.



Care for Customers

“Customer first” is the philosophy that TCL has always followed. TCL Technology adheres to the service principle of “meeting customers’ highest requirements are our minimum standards”.

TCL Technology Group and its subsidiaries have always been customer-oriented. In accordance with ISO9001, IATF16949 and other standards, TCL established a complete customer service and communication mechanism through relevant customer service departments. Based on customer satisfaction surveys, product promotions, telephone communication, customer visits, etc., TCL enhanced its understanding of customer demands, continuously improved customer satisfaction, and provided better services for customers.



• Zhonghuan’s “Iron Triangle” Model •

Zhonghuan has always adhered to the “customer-centered” management philosophy, established the “Iron Triangle” model of major customer maintenance, and a customer interface “Iron Triangle” team including three persons responsible for customer relationship, product and technology, delivery and service. The “Iron Triangle” team provides customers with a full range of service support and management, and continuously improves the professionalism and timeliness of customer service.

According to the company’s *Complaint Management Regulations*, the “Iron Triangle” team conducts internal upgrading according to the importance of quality feedback (general, major, and finalized), classifies and summarizes it by production company, product category, and reason for failure every month to improve the product quality, ensuring that customer feedback and return applications can be responded and processed in time.

In addition, the “Iron Triangle” team can have a better understanding of customer satisfaction and feedback by communicating with customers directly. By measuring and analyzing the order delivery, customer feedback and other information, the team will finalize an analysis report. Based on the report, the strategy team will form an annual questionnaire to investigate and analyze customer satisfaction, including business services, pre-sales and order delivery management, quality assurance and customer service, customer demand management and technical support. Then, improvement plans will be proposed to urge relevant teams and personnel to improve in time to provide customers with better services.

Customer Satisfaction



TCL CDOT:

According to the ranking statistics of display suppliers for the client, customer satisfaction ranks the **first and second** in 2020

Zhonghuan Electronics:

Qingdao CCLTech customers score **91 points** in the fourth quarter



Mutual Development with Employees

Employees are a valuable resource in the TCL Technology Group. TCL Technology Group has always insisted on protecting the legitimate rights and interests of employees and building a diversified career development path for employees. At the same time, the group has always valued the health and safety of employees, enriched employees' lives, and promoted the comprehensive development of employees and the company.



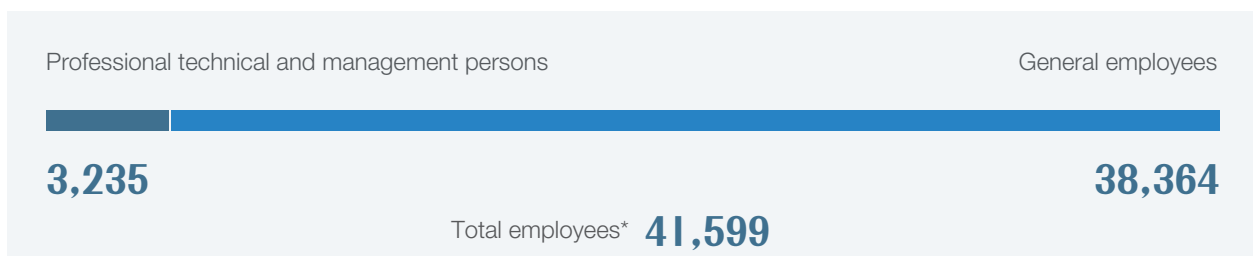
Protect the Rights and Interests of Employees

Pursuing an equal and non-discriminatory employment policy, TCL Technology Group is committed to creating a diverse and inclusive working environment. The company actively communicates with employees, provides employees with a competitive salary and welfare system, and attaches great importance to care employees.

Equal Opportunities

TCL Technology Group strictly abides by the requirements of relevant domestic and foreign laws and regulations, such as the *Law of the People's Republic of China on Employment Contracts* and the *International Labor Organization Convention*, establishes and improves the employment management regulations and systems. TCL develops a employees' manual to guarantee equality and diversity in the workplace, and using it as the first principle in recruitment. The manual includes equality between men and women in employment, employment of disabled persons, avoiding discrimination by nationality, race, ethnicity, and age, avoiding sexual harassment in the workplace, advocating equal opportunities. On this basis, TCL Technology Group prioritizes the employment of women and local citizens, and plays its role in creating local employment opportunities.

TCL Technology Group strictly prohibits the recruitment of people under legal working age, eliminates forced labor, and protects the rights and interests of all employees.



* Zhonghuan data not included

Employee 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 to improve employee communication mechanism.

The communication between employees and leaders and mainly relies on the labor union, and 90% of the employees join the union. At the beginning of the year, the TCL Technology Group Working Committee organizes the chairman and members of the labor unions of all enterprises to launch the TCL Technology Group's annual labor union meeting to summarize the working situation of the previous year and clarify the goals for the new year. TCL holds employee representative meetings irregularly to review and vote on employee-related rules and regulations to achieve democratic management in the company.

90%

of the employees join the union

Employee communication methods also include front-line visits and condolences, employee communication meetings, and establishment of employee mailboxes. Employees can submit their demands via email and telephone, WeChat platform, employee BBS forums, employee questionnaire surveys and other channels. In addition to ensuring the smoothness of the previous communication channels, TCL Technology Group also continues to optimize internal software functions and establish barrier-free communication channels.

Employer attractiveness

TCL Technology Group fully respects employees' legal labor income, by providing reasonable and competitive remuneration packages for employees. The entry salary of TCL employees is generally higher than the local average.

Remuneration System

TCL Technology's remuneration system follows the principle of "grading by position, salary by grade, and remuneration by effectiveness", which is fair internally and competitive externally. TCL establishes a salary package and bonus package management mechanism, and the bonuses depend on the company's performance and key financial situations. All employees' remunerations are connected to improve the working efficiency. Those hard-working employees will get more rewards, improving the vitality of the company.

TCL Technology conducts external salary research every year. According to talents source and flow of the selected market benchmark, TCL writes 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. For the key positions and key talents identified by the talent inventory, the market will be given a market-competitive salary for the 75th and above in the benchmark market.



Incentive Mechanism

TCL Technology Group continued to innovate market-based incentive mechanisms and piloted shared incentive mechanisms such as the “Global Partner Program” to closely integrate governmental and senior employees’ performance with company’s performance to fully stimulate employees’ innovation and enthusiasm to support enterprise transformation and transformation. TCL builds a performance-oriented performance culture 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.

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 employees’ incentives. Employees with performance appraisal of S and A are eligible to participate in the selection of TCL employees’ annual outstanding employees, to receive priority rank promotion, and 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 for excellent talents, given priority for training opportunities.

TCL Technology Group has developed a differentiated assessment and incentive mechanism for different organizations and different personnel. In 2020, all employees of TCL Technology Group received regular performance evaluation.

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 employees, the loan approval time is fast, with high the amount and low interest, and a professional financial consultant is equipped. A total of **48,740,000 RMB** has been issued to employees in 2020. TCL Technology continues to set up the “Star Residence Program” and “Nesting Program” to provide employees with interest-free housing loans. In 2020, the CSOT Star Residence Program made a loan of **49,740,000 RMB**, saving the employees’ worries.

Care for Overseas Employees

With the progress of globalization and the expansion of TCL Technology Group’s overseas business, the number of overseas employees of the Group has also steadily increased. For overseas employees, TCL Technology Group provides them with competitive salaries, and making improvement in terms of rights protection and humanistic care.

• TCL CSOT rights protection and humanistic care for overseas employees •

TCL CSOT pays attention to the rights protection and humanistic care of overseas employees. For foreign employees in overseas factories (take the newly recruited overseas college students in Indian factories as an example), TCL CSOT establishes a six-month transnational cultivation plan so that overseas employees have a deeper understanding of the group and the company. It also provides employees with perfect logistics, including entry, visa processing, special working meal, comfortable living environment, and visit to local sceneries to accelerates the integration of overseas employees into the company. For international employees in China, besides providing competitive salaries in the industry, TCL also provides comprehensive welfare guarantees, such as assisting in housing settlement, providing rental subsidies, providing family-visiting air tickets and holidays, and carrying out ethnic-specific activities, so that they can enjoy their stay in China and deepen their understanding of Chinese culture.



Employees of Young Eagle Training System in India

Guarantee of Health and Safety

TCL Technology Group upholds the concept of “people-oriented, safety first”, and continuously improves the employees’ health and safety management. TCL formulated the occupational health management mechanisms to ensure a safe production environment, and carry out a series of trainings to ensure employees’ health and safety. By the end of 2020, the company’s main production subsidiaries have passed ISO45001 upgraded certification and there have been no serious accidents in the whole year.

Occupational Health Management

TCL Technology Group has formulated various occupational health management systems according to the *Law of the People’s Republic of China on Prevention and Control of Occupational Diseases* to provide employees with a good working environment and occupational health protection. In response to occupational hazards, TCL issued management documents to ensure employees’ health through source control, safety, process control, and emergency response.



Safety Production

In accordance with the *Work Safety Law of the People’s Republic of China*, *Fire Prevention Law of The People’s Republic of China* and other national safety regulations, TCL has perfected the company’s safety production responsibility system in terms of management, equipment and facilities, and employees’ safety awareness.



Safety Production Management

TCL Technology Group has issued the *Safety Management Regulations and Safety Production Accident Emergency Response Plans* and other management regulations, and implementing the “*Safety Production Performance Evaluation Management Standards*” to all industries and departments at the same time. In terms of management, TCL has set up a Safety Production Committee and Safety Production Committee Office to lead the company’s occupational health and safety management.

TCL CSOT simultaneously issued various management regulations, and implemented the *Safety Production Performance Evaluation Management Standards* to all industries and departments at the same time. In terms of management organization, each of its subsidiaries has established a safety production committee under the lead of the general manager of the business department. The “safety production committee” is responsible for establishing the safety management, ensuring the safety investment, guaranteeing the implementation of safety measures, and preventing the accidents, leading the company’s occupational health and safety management. The company’s safety leadership is effectively improved through safety leadership interviews, senior management meetings, inspections and trainings, etc.

Zhonghuan Electronics established a safety production committee with an office department under it to form the computer company’s *Safety Production Target Management System, Emergency Management System, Hidden Danger Investigation and Management System, Occupational Health Management System* and other systems. A part-time emergency rescue team was set up and equipped with necessary emergency supplies. The committee established and implemented the safety production responsibility system, issued the computer company’s *2020 Responsibility Goal for Safety Production and the 2020 Commitment for Safety Production*, and ensuring the signing of the commitment. The committee also advances the safety responsibility at all levels and conducts safety assessment every quarter.

Safety Production Inspection

Each company under TCL Technology Group has established a regular hidden danger detection management system, and each company has safety management personnel at all levels to carry out safety inspections in all areas daily, weekly, monthly, quarterly, as well as on holidays. TCL has taken a series of measures such as safety inspections, safety risk check to prevent and reduce the safety risks that employees may face.

In 2020, TCL CSOT carried out a total of 5 large-scale joint safety inspections. In 2020, Zhonghuan Electronic carried out 63 work safety inspections, involving 90 departments, and business divisions (times); 155 people (times) were assigned for inspections; Tianjin Pulin carried out work safety inspections for 20 times.

Ensure the Safety Production

In addition to establishing a normalized hidden danger investigation and management system for all industries, TCL Technology Group has continuously enriched its safety production measures, optimized and increased safety equipment and facilities in the workplace, and carried out refined management and control of safety production.

In 2020, TCL CSOT and its subsidiaries are 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 CSOT uses HAZOP, 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, and CSOT safety management improvement plan to improve the safety management through Man, Machine, Material, Method and Environment.

Safety Production Cultural Construction

TCL Technology Group regards safety production publicity and education as the basic work to consolidate safety production management. Through company safety education, special safety education, safety month and other safety activities, it promotes employees’ safety production awareness. TCL Technology Group organizes various industries to carry out all kinds of safety production promotion activities.



Employees' Growth and Development

To help employees achieve skill improvement and career development, TCL Technology Group provides trainings and learning opportunities to every employee to help them get skills to make progress for career development and realize the self-worth. 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 to 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 24 consecutive years and recruited more than 30,000 outstanding university students. In 2020, TCL went to nearly 20 cities across the country to give campus lectures, provided nearly 1,200 job opportunities in more than 80 positions for colleges and universities nationwide.



School-Enterprise Cooperation

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

Internal Referral

As a diversified industrial group company, TCL Technology Group has always encouraged all internal employees to recommend excellent talents to the company's various industries. In 2020, the company further expanded the internal recommendation scope and improved the reward standard. And for different types of positions in different industrial companies, all positions set attractive incentive rules to attract more outstanding talents.

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 2020, TCL further refined the rules of *TCL Internal Talent Market Management Measures* issued in 2019 to optimize the internal recruitment platform. Various industrial companies carried out internal talent recruitment activities orderly, adding new recruitment channels for corporate recruitment, expanding the career development channels of employees, and further enhancing organizational vitality.

Give lectures in nearly **20** cities

Provide nearly **1,200** job opportunities

Recruit employees for over **80** positions

Create **131** new positions



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, Huaxing College and Zhonghuan University to help employees grow. The system continues to reserve talents at all levels for the company's development, enhance employees' enthusiasm and sense of belonging, and create a group of high-quality talents that meets TCL's strategic requirements. In 2020, the eagle talent training system deepened further, increased the proportion of business talent training, and serving business through direct training.

TCL University

In 2020, TCL University has carried out a number of talent training programs, such as the Cultivation Project to Reserve Senior Talents – Up Soaring Plan Phase IV, Cultivation Project for Middle Managers – Elite Eagle Plan Phase 12th, and 13th, Role Recognition Plan, covering thousands of people. In response to the pandemic, TCL University launched an online learning system on May 20, 2020 to facilitate the group's eligible students to complete the study. A total of 1,159 online courses were developed with 896 certified lecturers, so that employees in TCL could study without the limit of region or time, which is more convenient for employees to participate in the training and make improvement.



TCL continues to develop talent training programs to empower employees

In 2020, TCL developed a new role recognition project focusing on talent training for core business positions to help employees in different business recognize their role and further detail their development path to accumulate energy for growth. By the end of 2020, a total of 7 role recognition training projects have been developed, involving 7 positions in 4 industries, and 7 role models and 61 cases have been produced. In total, 1,200 employees received the trainings.



Role recognition project training

Cultivation Project to Reserve Senior Talents – Up Soaring Plan

Project objective: developing strategic reserves with global perspective

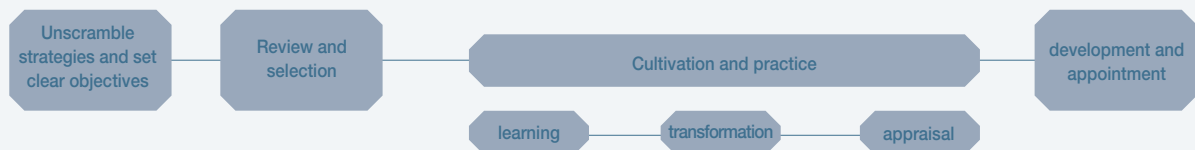
Cultivation philosophy: from training talents to using talents

Cultivation mode: talent review and evaluation + systematic GDP + personalized IDP + practice program + executives accompany + post rotation + shadow learning + benchmarking study tour

Project Value: The Up Soaring Plan aims to discover and develop high-potential talents and explore effective training models to reserve talents. Cultivate strategic talents for specific and clear job requirements through personalized and customized training. Reach consensus on the common language for talent selection, evaluation, and development through end-to-end and standard guidance. Drive the high management to train the talented senior managers practically. 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 Up Soaring plan is not just a simple talent training, it strictly runs through the closed loop of "selection + training + development and appointment"

In 2020, 33 employees were selected to join the Up Soaring Plan Phase IV. Trainees will systematically learn the following modules of strategy, user-oriented process change, digital transformation, innovation, and user/brand operation for the next one and a half years.

Strategic Talents Cultivation Model – 5D1S



D1

Define Objective

S

See C-suite

D2

Design Learning Experience

D3

Drive Learning Transfer

D4

Document Result

D5

Development & Appointment

Strategic Talents Cultivation Model

Cultivation Project for Middle Managers – Elite 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 elite eagles, expanded to the leadership development system of young eagle-flying eagle, elite eagle to best eagle with the development path of more and more broad trainings. This leadership continues to provide middle and high-level management talents for the group. These trainees inherit the eagle culture, undertake the implementation of company strategy, promote the company’s change and innovation, and set good example for middle managers. They have become the pioneer of the Group’s transformation pioneer and the main force of performance contribution.

A total of 44 employees were trained in the Elite Eagle Plan Phase 12th. During the one-and-a-half year training, trainees completed 7 modules through offline interview classes, benchmarking study tours, and executive interaction to promote absorption and transformation through learning and practice. Elite Eagle Plan Phase 13th upgraded the financial capital management to select and cultivate a group of financial elites who understand business, perform well in operations and management. The Plan improved the talent echelon of the financial system from the organizational level, provided excellent high-potential reserve candidates, and cultivated overseas financial personals. The person in charge of finance would have a better understanding of the business, generate practical topic value and promote performance improvement through learning. A total of 43 employees were trained in Elite Eagle Plan Phase 13th, completed three module courses, and produced 12 performance improvement topics.



Employees’ working ability has been greatly changed through the training of Elite Eagle Plan and the Up Soaring Plan. Among all the employees that were awarded in the 2020 appraisal, 34% of which received the training. 12 employees were awarded the Chairman’s Special Award, 50% of which participated in the Up Soaring Plan. 70 employees were awarded as outstanding managers, 40% of which participated in the Elite Eagle Plan. The trainings achieved its goals.



The total number of training hours of TCL University employees in 2020:

Online: **1,181,683** Offline: **1,989,570** hours



Training investment in 2020:

18,550,000 RMB



Total number of trainees in 2020 (online and offline):

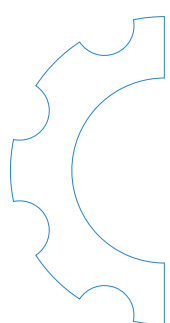
71,224

TCL Huaxing College

Based on the background of TCL CSOT's global leadership strategy, Huaxing College is guided by principle of "accelerating the leading of talents training", and has established separate systems and mechanisms for managerial leaders, professional and technical personnel, and college students. At the same time, Huaxing College consolidates resources and platform construction, and implements employees' training, to achieve the goal of fully assisting CSOT's business.

Senior Management (Eagle Talent Training Project)

TCL Huaxing College carries out corresponding backup and new appointment trainings for the three types of posts of department chief/department director/director respectively each year to strengthen their role recognition by combining training and practice. The management capacity is improved by driving the changes of behaviors and performances to support the landing of company's strategy.

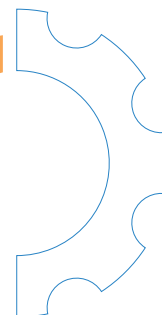


New Employee Cultivation:

The project includes trainings on newly recruited employees from colleges and society to accelerate the growth of newcomers. It helps to drive the construction of a professional training system, to help employees adapt to the new environment, and to output the basic skills needed to produce performance in daily work. The project conducts several programs regularly every year, includes starting point, the young eagle training, the young eagle on duty, the young eagle development and other programs to shorten the adjustment of the new employees and consolidate the foundation of the company's talent development.

Professional and technical talent training:

Under the guidance of the company's professional promotion, and relying on the learning butlers of each business, TCL Huaxing college forms the annual training plan for each business, outputs training resources and training implementation internally. The college draws up special learning maps for the key strategic talents in the company's value chain, developing its resources, implementing the special talent trainings. It supports the product management and R&D talents in the company's key business.

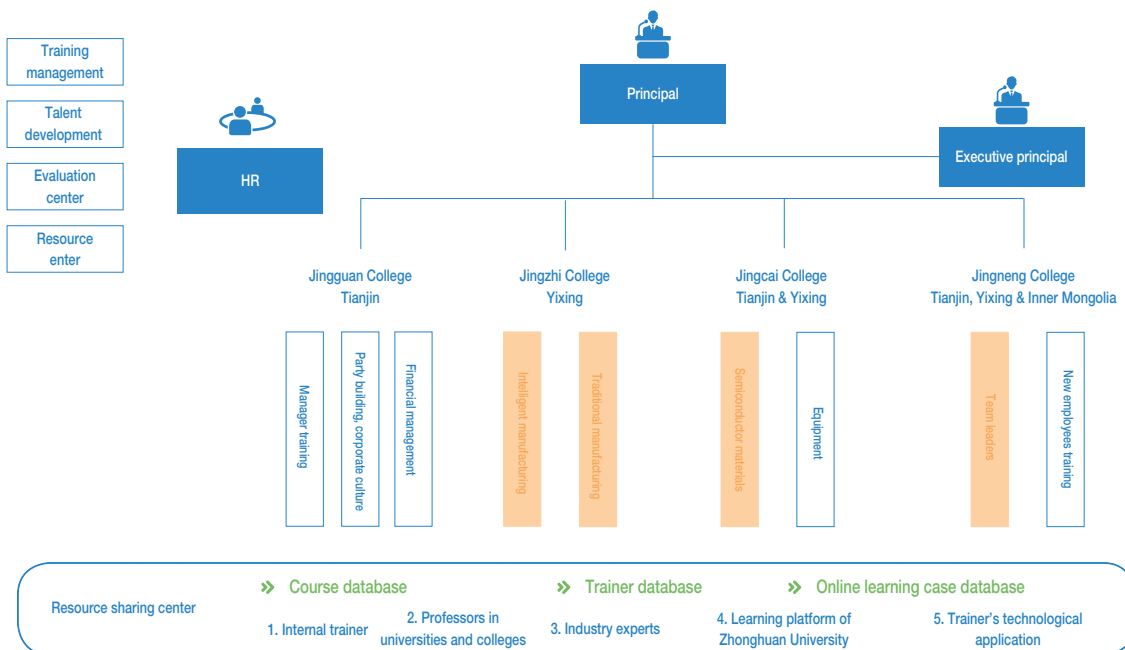


In order to support the operation of the talent training system, the college continues to work on the construction of online learning platforms, internal lecturer building, curriculum resource development, learning technology development, etc. It strives to build a platform and mechanism that can support the accelerated learning, replication, and accumulation of organizational experience. The college provides sufficient protection and strong support for the employees to improve their abilities and output performance.

The total number of training hours employees have participated in 2020	97,080.06 hours
The average hours employees participate in training in 2020	33.50 hours
Total investment in 2020	7,665,000
Total number of people have participated in the training in 2020	828,008
Total number of training projects	34
Total number of self-developed courses	89 courses

Zhonghuan University

In order to accurately and effectively improve the quality of the company's talent development, Zhonghuan established Zhonghuan University with four colleges and nine major directions. On the one hand, it offers open courses for all employees to create universal talents in line with the company's corporate culture. On the other hand, it offers targeted teaching content and training plans for employees in different positions to cultivate more professional talents for the company.



The open courses are divided into three sections: general skills, personal empowerment, and quality system, covering 11 topics such as computer office software operating skills, workplace English, financial management, and project management, laying a solid foundation for employees' long-term development in the company. In addition, the company invites well-known scholars and corporate senior managers to provide special lectures for employees to broaden their horizons.

In terms of theme courses, the four colleges each have their own specialties. In line with the company's "Industry 4.0" development strategy, Jingzhi College has established a skills training center with VR technology to provide advanced technology training for intelligent manufacturing and traditional manufacturing; Jingneng College has developed teams based on the training of first-line team leaders. Seven topics were developed to help front-line team leaders strengthen their management skills and enhance team integrity, including daily management, subordinate job guidance, and front-line leadership skills.

In 2020, Jingzhi College launched four themed courses and conducted examinations. A total of **1,468** employees participated in the exam, with the passing rate of **86%**. Jingneng College launched **two** professional training courses for class leaders, with a total of **61** class leaders participating in, and the passing rate of the examinations is **83.6%**.

In 2020, the company issued in-service education subsidies to **23** employees, ranging from ministers to general employees.

In order to build a learning enterprise, while continuously improving the internal training system, TCL encourages employees to improve their academic level and professional skills through continuous education. According to the *Regulations on the Management of In-service Education for Employees*, the company supports employees' academic education, professional qualifications and professional skills certification through financial rewards and tuition reimbursement. Eligible employees can apply through OA, and subsidies or tuition reimbursements will be issued as planned after the application is approved.

Career Development

As well as respecting the career development of employees and taking into account the company's business requirements, TCL provides employees with diversified career development paths to promote the growth of talents and the continuous improvement of corporate values.

R&D Talent Echelon Construction

Based on five professional development sequences of management, profession, technology, sales, and operation, TCL sorted out the standards at the R&D sequence in the technical fields of hardware, software (including artificial intelligence), structure, display, etc. The company provided a clearer horizontal and vertical talent development channel for the R&D sequence employees, supported the cross-industry flow of similar professions, and unified the standards and requirements at all levels.



Post Rotation Mechanism

TCL continues to optimize the talent structure, take the initiative to train leaders, and encourage employees to participate in 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 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 fair competition, so that those willing, capable and potential employees can continue to break through themselves and enjoy better growth.

• TCL CSOT comprehensively refines the qualification system •

To help the employees realize the depth and breadth of professional and managerial improvement as soon as possible, and to increase the success rate of employees, TCL CSOT has built a two-way development platform for professional and management and established qualification standards for professional positions, which is the Employee Career-path Program (ECP) system.

For the professional direction, with the depth of the position as the value orientation, TCL CSOT realizes the promotion of professional ranks through the evaluation of the position centered on the fixed position, the value and ability of the position, and develops and trains professional talents in various fields. For the management direction, TCL CSOT cultivates comprehensive management talents with both professional and management capabilities through the promotion of management responsibilities and management level. The design of the dual-channel promotion platform for career development enables employees to better choose career development paths based on their own personalities and professions, ensuring that all employees have opportunities for promotion and career growth, so that employees can find their own role in different positions and different stages of development, and clarify their personal value.

Care for Employees' Well-Being

TCL Technology Group is committed to the common sustainable development of employees and enterprises. In addition to work, TCL Technology creates a harmonious living and working environment for employees by carrying out rich cultural and sports activities, providing logistical guarantees, employee benefits and caring actions for employees of special groups, and improve employees' sense of happiness and belongings.

Cultural and Sports Activities

The company advocates active and healthy work and lifestyle by regularly carrying out entertainment and leisure activities to enrich employees' lives. In 2020, TCL Technology Group Working Committee and its subsidiaries have carried out various cultural and sports activities to enrich employees' spare-time and care for their health, so as to achieve the goal of making employees enjoy a happy work and a healthy lifestyle.

- **TCL CSOT Cultural and Sports Association**

In 2020, TCL CSOT Cultural 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, Table Tennis Association, Tennis Association, Ice and Snow Sports Association, Cycling Association, Roller Skating Association, Marathon Association, Calligraphy Association, Literature Association, AI Mental Association, Yoga Association, and Speech Association.

- **Winter gathering to strength friendship-Wuhan CSOT**

In November 2020, Wuhan CSOT organized the young employees in Gaoxin District, Donghu to get together to provide a platform for young employees to communicate with each other in-depth, and help those outstanding people meet their future beloved ones as soon as possible. Together, they can get married and create a better life. Wuhan CSOT organized this event to care those young employees and helping them to find sense of belongings.



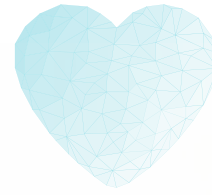
- **The 7th "TCL Cup" Professional Badminton Competition**



On August 15, 2020, TCL started the 7th "TCL Cup" professional badminton competition. Different from previous years, among the more than 150 players, female players have increased by 30% compared with last year. The splendid badminton game was held in the open and bright venue, which enriches the lives of employees and helps them meet the challenges of work with a better mental state.

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, provide psychological assistance and mental health education for employees and their family members in need. To better serve corporate employees, TCL Technology Group Working Committee has been developing a diversified employee service system for all employees. For female employees in special period, the headquarter labor union has established 5 "Mothers' Huts" to provide female employees with exclusive rest places. At the same time, TCL has provided hospitalization and birth condolences for female employees.



the headquarter labor union has established **5** "Mothers' Huts" to provide female employees with exclusive rest places

By 2020, all corporate labor unions have established 6 employee homes, 1 employee service site, 5 model worker innovation studios, 1 (employee) mental health service agency, 7 labor union legal counsel service points, and 2 labor relationship monitoring sites.



The company organizes condolences to employees in need every year to help them solve their difficulties and needs in life. In 2020, TCL Technology Group Working Committee and the upper-level Federation of Trade Union issued 424,600 RMB, assisting 184 employees. During the COVID-19 pandemic, TCL Technology Group Working Committee and the upper-level Federation of Trade Union allocated a total of 150,000 RMB to purchase the pandemic prevention materials to support the company in the fight against the pandemic.



Honors

- Honors in Employment for TCL and its subsidiaries in 2020
- 2020 China's Best Employer of the Year by Zhaopin
- 2020 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
- 2020 Outstanding Enterprise for Recruitment by Dayee
- 2020 Digital Intelligent Recruitment Technology Innovation Award by Dayee
- 2020 Best Employer for Brand Operation Award by Dayee
- 2020 Outstanding Value Co-Creation Award by α i Award



2020 Outstanding Crisis Response α i Award



"Enterprise" Postdoctoral Workstation in Shenzhen" certified by Shenzhen Human Resources and Social Security Bureau



Supply Chain Responsibility Management and Cooperation

TCL has been insisting on cooperating with supplies. Through continuous improvement of supply chain management, collaborative innovation with suppliers, and driving the supplies to fulfill their responsibilities, TCL ensures that products and services meet the requirements of socially sustainable development and build a harmonious industrial ecosystem.

Responsible Procurement

TCL Technology Group continues to optimize its supplier management system. In 2020, based on the *TCL Supplier Code of Conduct* and relevant customer requirements, TCL Technology Group's subsidiaries have formulated a complete supplier management system for selection, evaluation and violation handling. It includes suppliers' human rights, labor, occupational health and safety, business ethics, environmental protection and social responsibility management systems. For implementation, TCL established a series of regulations for management, such as *Supplier Registration System*, *Supplier KPI Evaluation System*, *Supplier Management and Procurement Control Procedures*. A new supplier needs to submit its business license, the account bank permit, and a basic information sheet for inspection in order to log in the system. TCL requires its major material suppliers, subcontractors, and on-site service providers to sign supplier social responsibility agreements, and pass on TCL's social responsibility requirements through supplier conferences, special training, etc. TCL regularly checks the supplier's compliance with requirements through questionnaires and audits. In addition, the subsidiaries of TCL Technology Group also rely on external platforms (such as IPE, The Institute of Public & Environmental Affairs) to supervise the performance of their suppliers' social responsibility.

TCL Zhonghuan Electronic Computer Department Suppliers' Environmental Management

TCL Zhonghuan Computer Department requires suppliers to sign a *Notice of Related Parties* to notify the suppliers of the company's quality, environment, occupational health and safety policies, goals, and the environmental protection, health and safety of products and production processes. TCL requires its suppliers to conduct trainings to employees on the impact on the environment and occupational health and safety that may be caused by transportation, loading and unloading activities during the supply of materials. The impacts include vehicle noise, oil leakage; traffic accidents; spills during loading and unloading; potential fires, explosions. The supplier employees received the related safety training and provide on-site services.

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. TCL publicly declares that it does not purchase or support the conflict minerals directly or indirectly funded by army. TCL conducts due diligence on the use of conflict minerals in the supply chain through the RMI-CMRT questionnaire.



Coordinated Development

increased **25** cooperative financial institutions

141 registered corporate users

TCL attaches great importance to collaborative innovation and development with its partners. TCL has built a financing platform for the industrial chain to communicate with each other, and strengthen the exchange and learning of partners in the industrial ecosystem from all levels.

TCL has always paid attention to the development of small and medium-sized enterprises in the industrial ecosystem. Relying on TCL supply chain financial system, TCL Finance established a platform “Jiandanhui”. Since its establishment, the “Jiandanhui” platform has always adhered to the positioning of “building a bridge of capital raise and assisting the development of small, medium enterprises” to provide services. Affected by COVID-19 pandemic in 2020, small and medium-sized enterprises faced huge difficulties such as business interruption and capital constraints. Relying on the “Jiandanhui” platform, TCL cooperated with a number of financial institutions to provide financial services for those small and medium-sized enterprises.

By the end of 2020, driven by power of “supply chain + technological innovation”, TCL Finance has worked with national financial institutions to provide more than 63 billion RMB financing services to more than 21,000 supply chain companies, of which small and micro enterprises accounted for more than 90%. In 2020, TCL increased 25 cooperative financial institutions and 141 registered corporate users through supply chain invoice business, with an amount of 124 million RMB. TCL Finance insists on providing more convenient and efficient online services for small and medium-sized enterprises through supply chain financial technology innovation, and has been affirmed by the People’s Bank of China, the Stock Exchange, and many cooperative banks and enterprises.

The nation’s first supply chain bill discount business

three suppliers in the TCL ecological chain respectively initiated the supply chain

Premier Li Keqiang remarked to reduce the financing cost to stabilize the enterprise development in the *Report on the Work of the Government*. TCL Finance and TCL Simple Exchange Information Technology Platform quickly responded and launched the supply chain invoice function in 2020, speeding up the innovation of commercial bill products, and improving the efficiency of small, medium and micro enterprises’ accounts receivable financing. On June 18, under the guidance and support of the People’s Bank of China and the Shanghai Commercial Paper Exchange, three suppliers in the TCL ecological chain respectively initiated the supply chain bill discount business application in the Shanghai Commercial Paper Exchange through the direct connection with TCL Simple Exchange. TCL Finance and other financial institutions have raised funds to solve the urgent need.



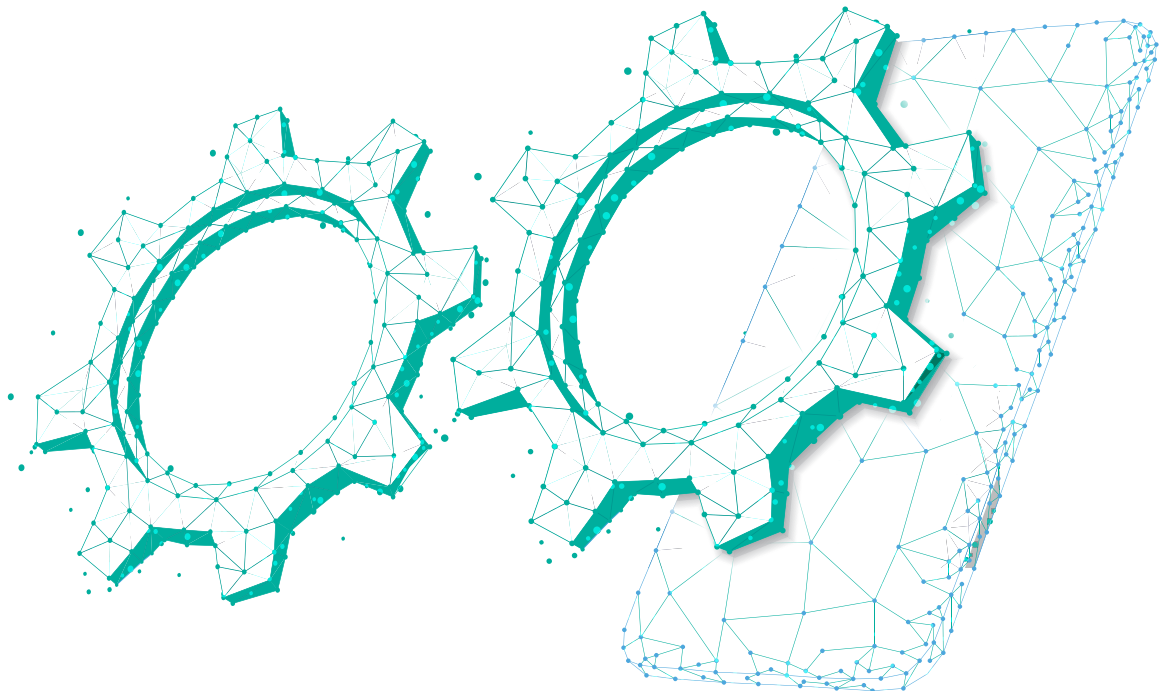


In the development of the industrial ecological chain, TCL's open mind continues to promote the development of the display field.

In 2020, TCL CSOT and San'an Semiconductor jointly invested and established a joint laboratory to focus on the development of Micro-LED technology. TCL strategically invested in JOLED to accelerate the realization of industrialized mass production of printing OLED. TCL acquired Suzhou Samsung to further optimize the industrial layout.



In the future, TCL will also cooperate with more universities, parks, enterprises and institutions that master the world's highest level of technology to jointly solve major technical problems and actively promote the development of industrial ecology.





Harmonious Development with Environment



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 environment-friendly products. The company gradually develops and uses clean energy, conducts energy-saving and emission-reduction projects to support the sustainable development of human society.

Environmental Management

TCL Technology Group actively responds to climate change, and provide consumers with more environment-friendly products through continuous investment in green manufacturing. We have reduced the adverse effects of company operations on environment by carrying out actions to reduce carbon emissions and waste, gradually developing and using clean energy, and other energy-saving and emission-reduction projects to support the sustainable development of human society.

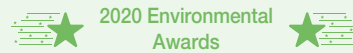
- ◇ Take environmental protection as its own responsibility and comply with all environmental laws, regulations and company standards;
- ◇ Use energy and other resources efficiently, increase the proportion of clean energy use, and reduce greenhouse gas emissions;
- ◇ Develop green manufacturing, use environment-friendly raw materials, pay attention to pollution prevention, and reduce waste discharge;
- ◇ Develop a circular economy, recycle, dismantle, and recycle electronic products.

Environmental TCL's Commitment

Environmental Management Concept and Mechanism

TCL Technology Group strictly abides by environmental laws and regulations, attaches importance to environmental risks and environmental pollution. We continuously improve our production processes, use green raw materials, minimize the use of hazardous materials and energy, and conducts green production. TCL puts the concept of green manufacturing throughout the entire production and operation process, and introduces the concept of green, low-carbon, and environmental protection from the product-designing stage.

TCL Technology Group has established a complete environmental management mechanism. Its major industries have established environmental management systems based on ISO14001. At the same time, TCL has established *Air Pollution Control Management Procedures, Noise Pollution Control Management Procedures, Solid Waste Management Procedures, and Energy Resource Consumption Management Procedures* with reference to ISO50001 energy management system and ISO14064 greenhouse gas management system. All these systems comprehensively identify the environmental factors that can be controlled or expected to affect the company's various activities and product services, and the company can take targeted measures to continuously improve environmental performance.



Wuhan CSOT T4 project has obtained both the highest international standards in green buildings LEED Platinum Certification and the highest three-star certification in China Green Building in 2019.

TCL CSOT and CSOT Semiconductor won the titles of "Green Enterprise", "VOCs Governance Demonstration Unit" and "Ecological Industrial Park" and "Excellent Sponge Park" in Shenzhen.

CSOT G11 panel project was the first project to obtain both the highest international standards in green buildings LEED Platinum Certification and the highest three-star certification in China Green Building

Shenzhen CSOT won the honor of "Vice President of No Waste Association" in 2020



Environmental Emergency Mechanism

All the industries of TCL Technology Group formulate relevant management measures and emergency plans according to their own conditions, and strengthen environmental management to respond to emergent risks. Each subsidiary has established its environmental incident emergency response group led by the company's senior managers, prepares an environmental incident emergency plan and files it with the local environmental protection department in accordance with relevant national laws and regulations. TCL carries out regular emergency drills for environmental emergencies according to the plan to ensure the effectiveness of the plan.

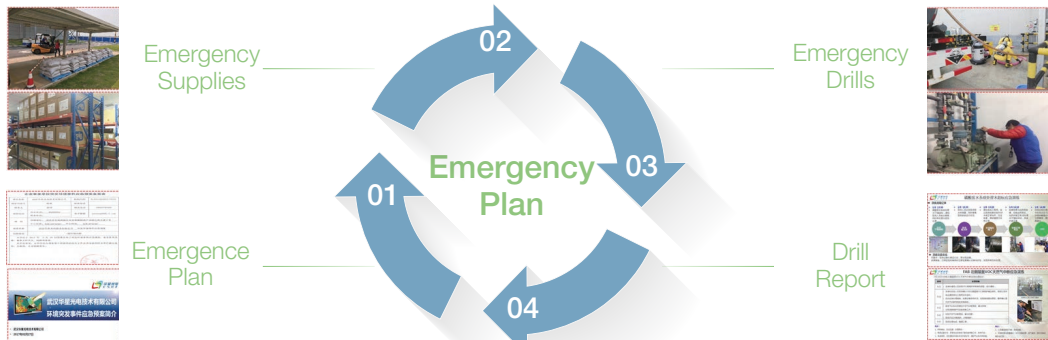
TCL CSOT Environmental Emergency Response Plan and Drill

Starting from risk management, TCL CSOT has established a comprehensive environmental accident management system, online real-time monitoring of various environmental emission indicators, formulated emergency plans for environmental emergencies according to relevant laws and regulations, and completed the filing and registration under government departments. At the same time, regular internal emergency drills are carried out in accordance with the emergency plan, and attention is paid to establishing an emergency linking mechanism with external government departments. In March 2020, TCL CSOT t1t2 plant cooperated with the Guangming Administration of Shenzhen Municipal Bureau of Ecological Environment, Guangming District People's Government and relevant emergency organizations to conduct a joint emergency drill for environmental emergencies in Shenzhen. In November 2020, CSOT Semiconductor t6 plant cooperated with Guangming District Government Relevant emergency response departments (Public Security, Fire Protection, Emergency Bureau, Health Bureau, Work Safety Supervision Bureau, etc.) organized the "T6 Plant Chemical Leakage Comprehensive Emergency Drill" activity to continuously improve the safety and environmental protection response capabilities for emergencies.



Wuhan CSOT Environmental Emergency Plan

Wuhan CSOT has formulated an environmental emergency plan according to the requirements of relevant laws and regulations, and established an emergency management system and a professional Emergency Response Team (ERT). The company reserves emergency supplies, and regularly conducts emergency drills for environmental emergencies to ensure that emergency response personnel can deal with the incidents on site as soon as possible to avoid the expansion of disaster.



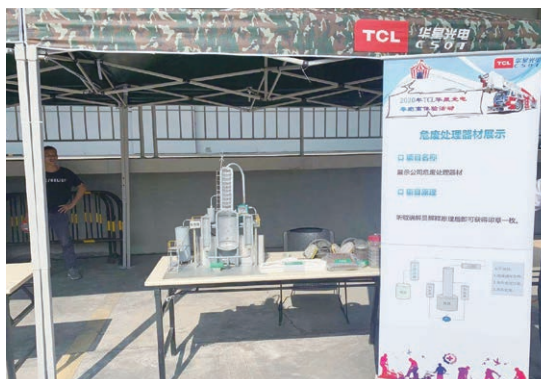
Environmental Training and Drills

TCL Technology Group attaches great importance to the improvement of the company's internal environmental awareness and capabilities, and its industries have carried out various environmental training and emergency drills for environmental accidents according to their own conditions. Among them, Wuhan CSOT incorporated environmental protection training into the new employees' training courses, which covered more than 20,000 people. Zhonghuan Electronics (Computer) carried out system training on ISO14001: 2015 standardization, and all departments of the company participated in the training. Huizhou CSOT organized special training and learning for solid waste collection and management personnel, targeting the requirements of the newly issued *Solid Waste Law*. TCL CDOT organized a World Environment Day event, and enhanced employees' environmental awareness through on-site banner signatures and award-winning contests.

In addition, during the firefighting month, Huizhou CSOT organized all plant employees to conduct fire evacuation emergency drills, and timely emergency response. TCL CDOT launched activities such as emergency drills for unfunctional wastewater station equipment, emergency drills for hazardous waste leakage, and other activities to enhance the emergency management personnel's response capabilities. Wuhan CSOT carried out anomaly drills on wastewater treatment system, unfunctional waste gas treatment system, hazardous waste transfer and leakage drills, and prevention drills for rain and flood. Through training and environmental drills, all employees have improved the environmental awareness and emergency response capabilities.

• TCL CSOT •

- On the platform of the CSOT Firefighting Month theme activity, TCL CSOT set up a hazardous waste treatment & resource recovery lecture hall to promote and introduce the company's hazardous waste treatment process, display the achievement of resource recovery to the company's employees, and popularize employees' environmental knowledge.



- The company has formulated the "Emergency Plan for Environmental Incidents" and filed it under the government departments. TCL CSOT carried out emergency drills on schedule based on the plan to improve the coordination and emergency response capabilities of all departments in handling environmental incidents.



Green Office

TCL Technology Group advocates green office, and continuously promotes the use of environmental products, such as resource-saving, reduced pollutant generation and discharge, and recyclable products in the office of its subsidiaries.



CDOT has improved the level of paperless office through the development of the office system. The company has 83 processes that have been approved through the system, saving approval time and paper.



Zhonghuan Electronics (Computer) deepened the company's green office 5S activities, such as sorting and cleaning to cultivate employees' new requirements for the working environment, continuously improve the working environment, and raise environmental awareness.



Wuhan CSOT focused on energy saving and consumption reduction in the office area by reminding employees to pay attention to shutting down lights and air conditioners through emails and posting energy-saving labels. Wuhan CSOT also focused on the implementation and inspection of energy saving and consumption reduction during daily inspections at night.



Green Manufacturing

TCL Technology Group fully promotes 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 abided, TCL meets all relevant industry standards, actively makes improvement and checking for deficiencies, continuously improving the company's own green production.

Response to Climate Change

China's commitment to achieve carbon neutrality in 2060 demonstrates its determination and confidence in actively responding to climate change and taking the path of green development. TCL Technology Group actively responds to the challenges of climate change and contributes to the national green development goals through the construction of green factories, the implementation of energy-saving renovation projects, effective water resources management measures and the use of renewable energy.

Construction of Green Factory

• TCL CSOT Green Factory •

TCL CSOT establishes, implements, maintains and continuously improves the green factory system according to the requirements of the national green factory standards, and has passed the third-party certification of the national green factory, and always integrates green production and green manufacturing concepts into the company's daily production and operation management.



Design sketch of CSOT Project G11

Energy-saving and Renovation Project

Wuhan CSOT Optoelectronics Renovation Project



Wuhan CSOT T3 promoted energy conservation and consumption reduction through the implementation of projects such as "Cloud-Water Joint Creation" and achieved good environmental benefits. In 2020, energy consumption is 481,443,600 kWh, which is a decrease of 445.39 kWh compared with 2019. In 2020, greenhouse gas emissions are 470,226.69 tons, which is a decrease of 1,725 tons compared with 2019.

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GREEN ENERGY

Energy Saving in 2020



Trace to the Source

In-depth analysis of the energy consumption composition of each power system, trace the energy consumption source of the system, confirm the energy saving direction and measures from the source to achieve the optimized energy efficiency of each system.

Cloud-Water Joint Creation

Establish a joint factory with clean room to realize air volume balance, water volume balance, quality balance, energy balance.

Systematic Machine Control

Promote factory energy conservation from three aspects: SPEC optimization, energy conservation management, and machine control.

Governmental Subsidy

Pay attention to relevant government policies, maintain communication with the government, and jointly apply subsidies with similar companies.

Zhonghuan Huanzhi Air Conditioning Renovation Plan

Since the purification area requires cooling load all year round and the external environment temperature is low in winter, the direct extraction of fresh air from air conditioner can easily freeze the air conditioning coil. According to the design, the fresh air-conditioner is heated first during the preheating section and then cooled during the cooling section, finally runs into the workshop. Zhonghuan Huanzhi closes the fresh air valve of the air conditioning unit and opens its door, making it possible for air-conditioner to directly draws air and send it to the workshop, saving the heat consumption of the preheating coil. At the same time, the air conditioning coil is drained and fresh air is directly introduced into the workshop. The new design reduces the consumption of heat load by approximately 40MW per day.



The new design reduces the consumption of heat load by approximately **40MW** per day



Use of Renewable Energy

TCL Technology Group actively develops and utilizes renewable energy, and builds a low-carbon and environment-friendly green production park. By 2020, TCL Technology Group has collected clean energy through distributed rooftop photovoltaic power generation systems in production bases such as TCL China Star Optoelectronics Technology Co., Ltd, Huizhou China Star Optoelectronics Technology Co., Ltd., and Shenzhen China Star Optoelectronics Semiconductor Display Technology Co., Ltd. to reduce energy consumption.

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

Huizhou CSOT adheres to the concept of green construction and sustainable development, and through joint efforts of all departments, it was awarded the three-star certification in China Green Building issued by Green Building Center of the China Urban Science Research Association. CSOT continues to optimize the level of green manufacturing, and actively plays the leading role in the advanced and typical green manufacturing. In 2020, it generated 13.24 million kWh, accounting for 11.6% of the overall electricity consumption.



Aerial Photography of TCL Huizhou CSOT Photovoltaic Power Generation

• TCL CSOT Photovoltaic Power Project •

Based on the existing factory's roof, TCL CSOT independently built the largest photovoltaic power generation system in the industrial park in South China. The installed capacity of 39.46MW can generate 40 million kWh per year, and the annual energy saving equals 200,000 households' daily electricity consumption. It vigorously promotes new energy demonstration cities construction, reduces the use of fossil energy, and increases the proportion of new energy applications, which are important measures to further optimize the energy use structure, protect the ecological environment, and realize the emission reduction targets.



Water Resource Management

With the increase in water consumption for production and living, China is still facing serious problems in the utilization and protection of water resources. As a responsible large-scale enterprise that consumes a lot of water, TCL Technology Group attaches great importance to the management of water resources and guides its sub-industries to improve the management of wastewater from the group level. All industries actively carry out activities, such as recycling of water and reducing waste water discharge, thereby protecting and saving water resources.

TCL CSOT Pure Water Recycling Project

In the production process of Liquid Crystal Display (LCD) devices, a large amount of pure water needs to be used for cleaning to ensure product quality, and the preparation of pure water requires a large amount of tap water and generates a large amount of wastewater. Based on the feature of the recyclable wastewater, TCL CSOT has built a pure water recycling system to recycle the pure water used for production and cleaning. At present, the recycle rate of pure water through the system can reach more than 75%, and about 25.2 million cubic meters of pure water can be reused every year, which saves about 124,949,400 RMB in tap water costs. It has further improved the company's water utilization rate, reduced water waste and lowered corporate operating costs, and enabled the company to take a new step to achieve the goal for a greener manufacturing enterprise.



W18 Recycling RO Factory



W16 Recycling AC Factory



Backwash and Accumulation Factory

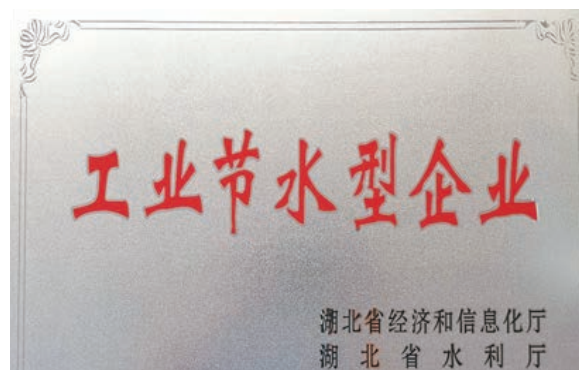


Water Pump

Wuhan CSOT won "Water-Saving Enterprise" Award

The main water-saving measures adopted in the production process include multi-stage countercurrent washing, low-concentration production wastewater treatment and reuse, reclaimed water reuse, water-saving equipment and appliances, perfect three-level metering network, and daily statistics of water use, etc. Positive water saving effect has been achieved through these methods.

Through the above water-saving measures, the recycling rate of wastewater produced by Wuhan CSOT is about 70%, reaching the advanced level of the industry. In 2020, the total water consumption of t3 is 5,786,715 tons, and the total water saving is 5,416,773 tons. The total water consumption of t4 is 2,910,796 tons, and the total water saving is 3,165,972 tons. In 2020, Wuhan CSOT was awarded the title of "Wuhan Water-saving Enterprise" by Hubei Provincial Department of Water Resources and Department of Economy and Information Technology of Hubei Province.



• **Huanbo Water-saving Insert Renovation Project in Zhonghuan Materials** •

Zhonghuan Materials Co., Ltd. has set a quantitative target for water resource reduction. Among them, Huanbo cleaning machine inserts generates a large daily water consumption, with an average of 41 tons per day. The overflow of the two-side plug-in circulation pumps is directly discharged to the sewage station. The overflow discharge water is modified to effectively use the water resources, reducing the amount of tap water and wastewater treatment.

The verification was completed in December 2020, and 15 inserting machines were renovated, reducing the average daily water consumption from 2,187 tons to 1,535 tons, saving an average of 648 tons water per day.

Management of “Three Wastes”

The subsidiaries of TCL Technology Group have established an advanced pollution management system through regular monitoring and supervision and inspection mechanisms to ensure that the discharge and disposal of wastewater, waste gas, solid waste, and factory noise generated during the operation comply with the laws and regulations of the country and places of its operation.

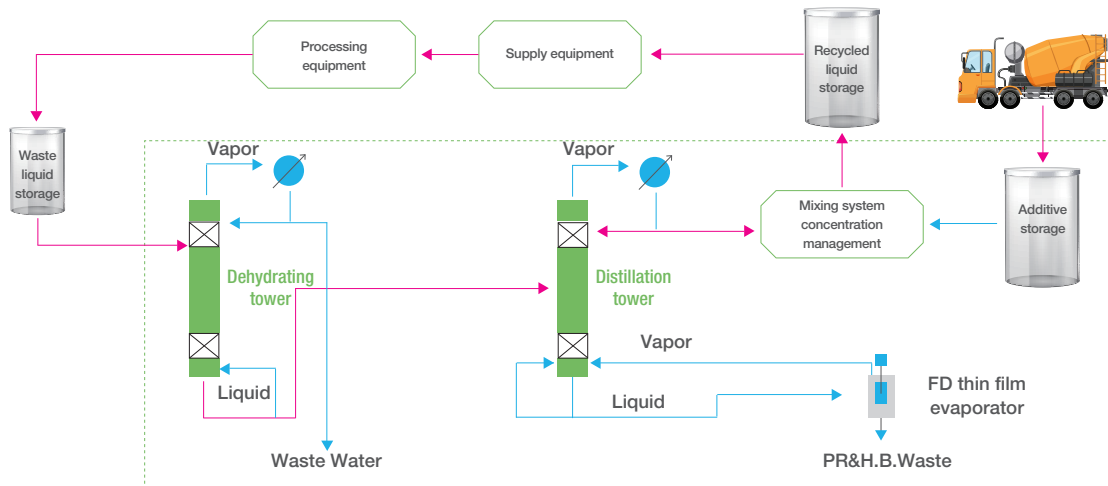
Solid Waste Reduction

Each enterprise of TCL Technology Group has formulated a strict hazardous waste management system. Based on the basic principles of “prevention first” and “those who pollute it have to control it”, the hazardous waste management responsibility system is implemented step by step to ensure that all hazardous waste is dealt with effectively. The solid waste produced by each subsidiary is divided into general waste, hazardous waste and household waste. Among them, hazardous waste is given to a qualified hazardous waste disposal agency for disposal according to the requirements of laws and regulations; general waste is classified in the plant area and recycled by resources manufacturer; the household waste is handed over by the property company to the household waste landfill for sanitary landfill, which meets the relevant legal requirements.

• **TCL CSOT’s contribution to the Construction of a “Waste-Free City” in Shenzhen** •

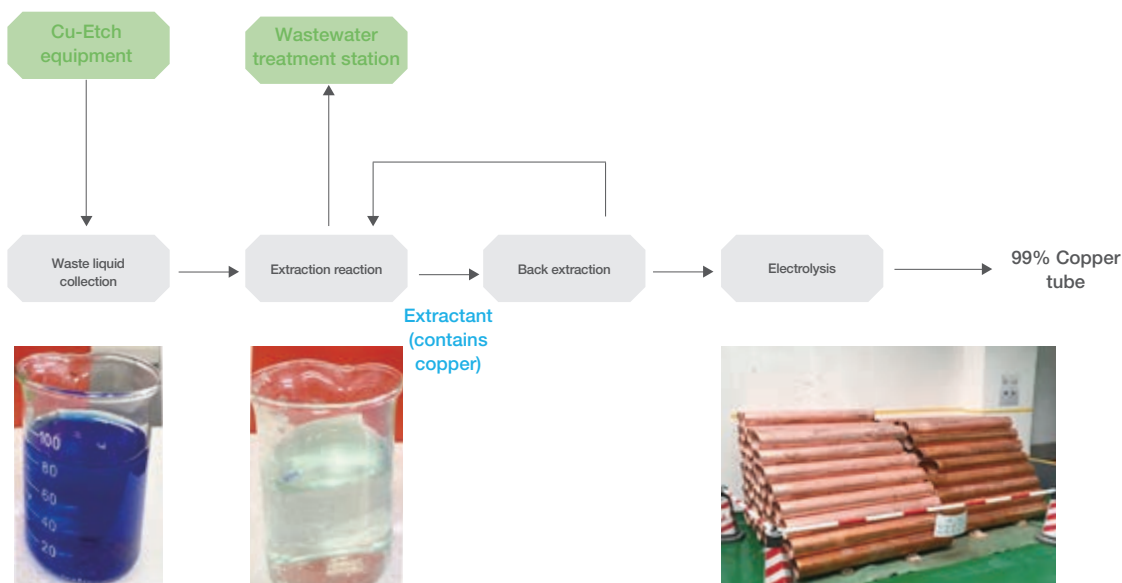
TCL CSOT continues to promote expansion in waste reduction and resource utilization. Among them, green construction certification, waste liquid copper recycling technology, online recycling of stripping residual liquid, and optimization of sludge identification specifications are all at the forefront of the industry, actively helping Shenzhen’s construction of “Waste-Free City”:

- Establish an SRS recycling system, adopt negative pressure distillation + rectification recovery technology, with a recovery rate of 90%, and annual recycling of 33,000 tons of waste stripping liquid.

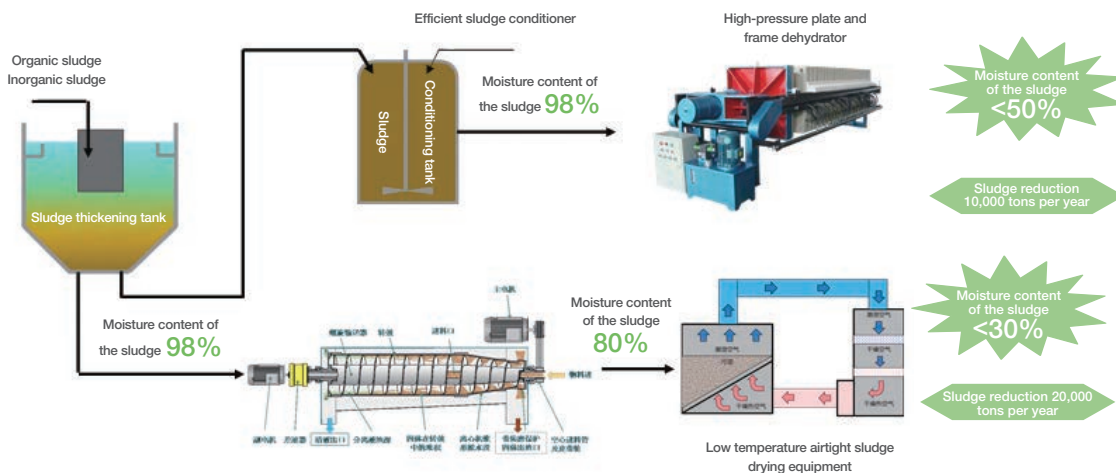


● **TCL CSOT's contribution to the Construction of a "Waste-Free City" in Shenzhen** ●

- Co-develop and successfully promote the first domestic low-concentration copper etching waste recycling technology with overseas institutions. The copper recycling rate reached 95%, with the annual recycling of copper metal of more than 105 tons. The annual hazardous waste reduction is 3,936 tons.



- Explore the hazardous waste identification process with third-party identification agencies and government regulatory organizations, and identify the copper-containing inorganic sludge, organic sludge, and waste glass produced by the project as general waste, which are recycled and reused as resource (building materials, fertilizers, etc.). The annual hazardous waste reduction is about 26,300 tons.
- Adopt high-efficiency sludge conditioning + high-pressure plate and frame dehydration technology, low-temperature airtight drying to reduce sludge moisture content. Sludge volume was reduced by about 30,000 tons per year.



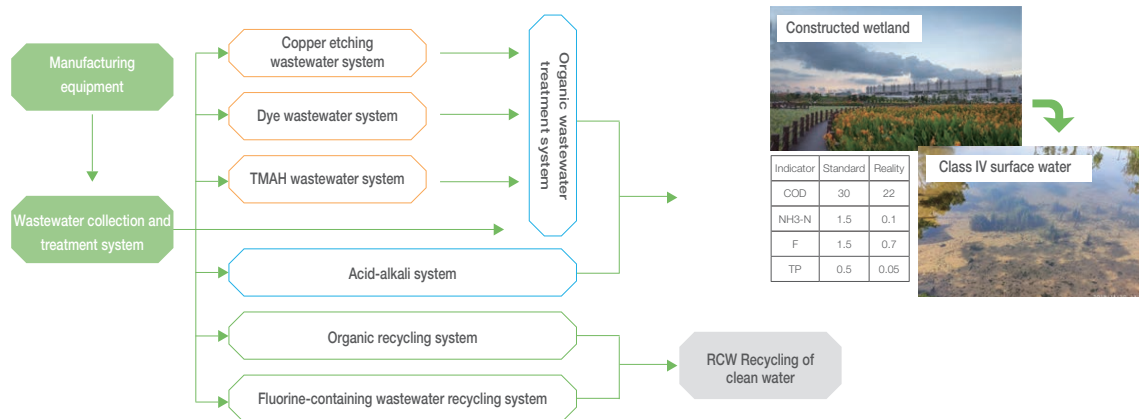
- Establish a source reduction mechanism, and continue to optimize the use of traditional Chinese medicines in etching and stripping processes, emission control and abnormal feedback, and emergency treatment. The annual waste liquid emission reduction is nearly 4,000 tons.

Waste Water Reduction

The waste water of each subsidiary of TCL Technology Group is divided into domestic waste water and industrial waste water. Domestic waste water flows into the local municipal sewage treatment pipe network after oil separation, septic and other pretreatments. The industrial waste water enters different treatment systems according to the different characteristics first, and discharged after meeting the standards through physical and chemical methods and biochemical treatments.

• TCL CSOT's Innovative Introduction of Constructed Wetland Technology •

TCL CSOT is committed to reducing the discharge of industrial wastewater, and its various indicators are far lower than the industry standard through classified collection and treatment and advanced technology. TCL CSOT innovatively introduces constructed wetland technology, making drainage reach the surface water level IV standard, and achieves perfect development with nature.



Waste Gas Reduction

With the acceleration of urbanization and industrialization, the rapid increase of energy consumption, China is facing increasingly serious air pollution. TCL Technology Group carries out a series of activities to further improve waste gas treatment measures and builds a beautiful China with blue sky, green earth, and clean water.

For different types of waste gas, different subsidiaries have built corresponding waste gas treatment systems, such as stripped waste gas treatment systems, acid waste gas treatment systems, alkaline waste gas treatment systems, organic waste gas treatment systems, waste gas treatment systems for waste water treatment stations, etc. Collected into the waste gas treatment system through the pipelines, the waste gas will be discharged at high altitude after meeting the standard. The waste gas emission concentration and total amount both meet the relevant standards of the country and the place of its operation.



Self-inspection Program



Tianjin Pulin carried out **256** monitors at the company's **13** waste gas monitoring sites



2,562 monitors at **2** waste water monitoring sites



32 monitors at **8** noise monitoring sites

The subsidiaries of TCL Technology Group have formulated self-monitoring plans for the environment according to the requirements of national laws and regulations. They monitor the discharge of pollutants through automatic monitoring or manual monitoring performed by a qualified third-party agency. The relevant monitoring plans and annual monitoring reports can be checked on key monitoring enterprise environmental information platform issued by local environmental supervisor, also people can find more information on the websites of the subsidiaries.

Zhonghuan Electronics (Computer) signed a cooperation agreement with Tianjin Boming Environmental Protection Technology Co., Ltd. to conduct an annual inspection of domestic sewage and exhaust gas, and conduct a quarterly inspection of noise. The inspection data will be submitted to environmental protection department through National Pollution Permit Management Information Platform Tianjin Pollution Source Monitoring Data Management and Information Sharing Platform, and all the data meet the national standard. In 2020, Tianjin Pulin carried out 256 monitors at the company's 13 waste gas monitoring sites, 2,562 monitors at 2 waste water monitoring sites, and 32 monitors at 8 noise monitoring sites. All monitored sites and data are uploaded on time to the Tianjin pollution source online monitoring system, with a completion rate of 100% in 2020.

Wuhan CSOT wastewater is divided into online monitoring and commissioned inspection. The online monitoring adopts two-level online monitoring instrument for real-time monitoring, one for internal monitoring, the other for external monitoring of the company. The external monitoring data are uploaded real time to online monitoring platform of pollution sources in Wuhan. The commissioned inspection is conducted by a third party every quarter. In 2020, Wuhan CSOT accepted the 2 supervisions and monitoring by the environmental protection department, and all pollutants were discharged to the standard without exceeding. The discharge concentration of all pollutants was far below the allowable standard.

According to government requirements, TCL CSOT installs online monitoring devices to upload pollutant discharge data to district-level and municipal-level monitoring platforms for real-time monitoring by the government. The online monitoring instrument passed the government's on-site comparison and inspection, and completed the installation and acceptance in accordance with the specifications. The company independently develops an intelligent data platform which is connected with the online monitoring system of the central control room to monitor pollutant discharge data and upload it in real time. It sends reminding email for excess internal control data and provides pre-warning of pollutant discharge.

Green Packaging and Logistics



the average recycling rate of **7** types of recyclable packaging materials exceeds

95%

The subsidiaries of TCL Technology Group strive to reduce their environmental impact through green packaging and green logistics. In terms of packaging materials, TCL pursues "green" packaging such as savings and recyclability, and negotiates with customers to recycle packaging materials, reduce resource waste, reduce production costs, save energy and reduce emissions. In 2020, Wuhan CSOT adopts two methods to reduce the consumption of packaging materials such as cartons and trays, including recycling the packaging materials and adjusting the packaging methods (one less packaging material is used for shipment). At the same time, TCL upholds the environmental protection concept of green packaging, gradually carries out packaging recycling, reduces unnecessary packaging materials, and prioritizes the use of renewable packaging materials to reduce the environmental impact. Among them, the average recycling rate of 7 types of recyclable packaging materials exceeds 95%, including large PR empty barrels and small PR empty barrels.

In terms of logistics and shipment, Wuhan CSOT consolidated the dispatch of vehicles, integrated the logistics needs of customers, adopted the method of point-by-point delivery, and increased the loading rate of vehicles to improve transportation efficiency and reduce environmental pollution and energy consumption during the shipment in 2020. The number of shipping vehicles was reduced by approximately 652 vehicles, and expenses were reduced by 1.56 million RMB.

Green Products

While focusing on environmental protection management and insisting on green manufacturing, 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.

• Energy Star ES8.0 Certification •

Energy Star is a government plan jointly promoted by the U.S. Department of Energy and the U.S. Environmental Protection Agency. It is mainly used in the fields of computers, office equipment, and household appliances for better protection of the living environment and energy saving. Based on Es7.0 that is currently universally certified on the market, TCL CSOT 23.8" FHD display achieves the leading Es8.0 certification through design optimization. The Energy Star Certification means that the product consumes only half power than other similar products, which can not only save energy and reduce waste, but also save the electricity expenses. The first Energy Star Es8.0 display demonstrates TCL CSOT's concept of green and innovation.



Ultra-narrow frame and higher screen ratio can bring users a more powerful visual experience

TCL Technology Group has established a hazardous substance management system based on QC08000 hazardous substance management system standard and customer requirements. With reference to global hazardous substance control regulations and customer requirements, its subsidiaries have established a hazardous substance control list based on the actual situation of their products. The list includes restricted substances, declarable substances and future restricted substances to guide the selection of materials and the requirements for suppliers during the product design process.

TCL Technology Group requires that all materials require chemical composition confirmation and self-declaration, and only those materials that meet the standards can be used for mass production. Meanwhile, the finished products are regularly tested to ensure the safety.



TOGETHER

Mutual Development with the Society



TCL always insists on taking responsibility for society. By adhering to purpose of “creating education and growth opportunities for vulnerable groups,” and “seeking community well-being and environmentally sustainable development,” TCL has devoted itself innovatively to the three major areas of public welfare, such as basic education assistance, major disaster relief, and special group care. TCL repays the society through the development of brand charity projects, community assistance and employee volunteer activities.

Fight Against the COVID-19 Pandemic

The outbreak of the COVID-19 pandemic has made 2020 an extraordinary year. TCL has not forgotten its social responsibilities, reacted immediately and made concerted efforts with all society to fight the pandemic. By November 2020, TCL has accumulatively provided more than 20.5 million yuan in funds, materials and equipment, and network services.

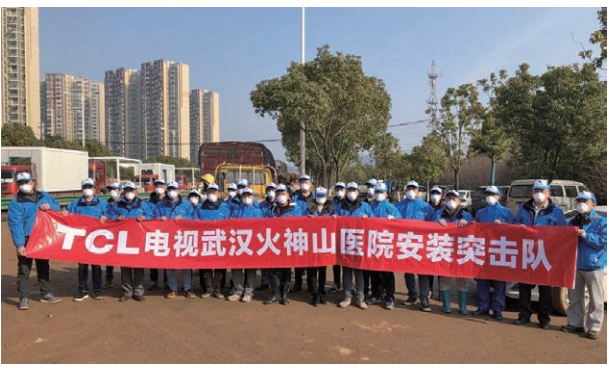


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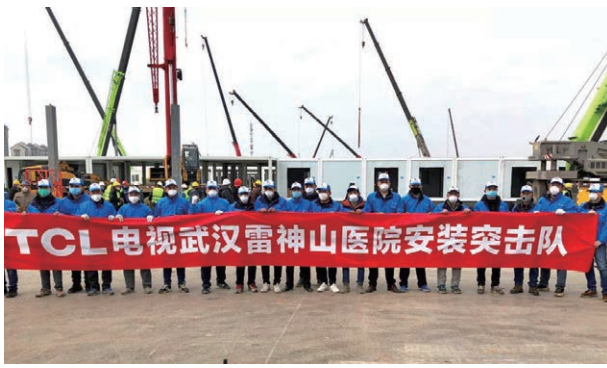
Whole Company's Supports on Pandemic Prevention and Control

In this war against the pandemic, the subsidiaries of TCL actively contributed to support the prevention and control of the pandemic. Among them, TCL CSOT donated 10 million RMB in cash, and other TCL companies and industries deployed TV, communications, air-conditioning, public displays, network services and funds with a total value of more

than 10.5 million yuan to support the fight against the pandemic. The TCL installation commando was the first to enter Leishenshan Hospital to install electrical equipment, while supporting more than 10 designated hospitals such as Huoshenshan hospital and Huanggang Xiaotangshan hospital.



TCL television Wuhan Huoshenshan installation team



TCL television Wuhan Leishenshan installation team

A Tribute to Hong Kong's "Anti-pandemic" Effort

On March 2, 2020, during the development of the pandemic, TCL took action to pay tribute to Hong Kong's "anti-pandemic" activity and donated 200,000 disposable ordinary masks and 1,500 protective clothing to the Hong Kong Police. TCL started the purchase of the materials one month ago, tried its best to overcome the lag effect caused by the procurement and transportation, and made donations as soon as the materials arrived to express their sincere admiration and full support for the professionalism of the Hong Kong Police.



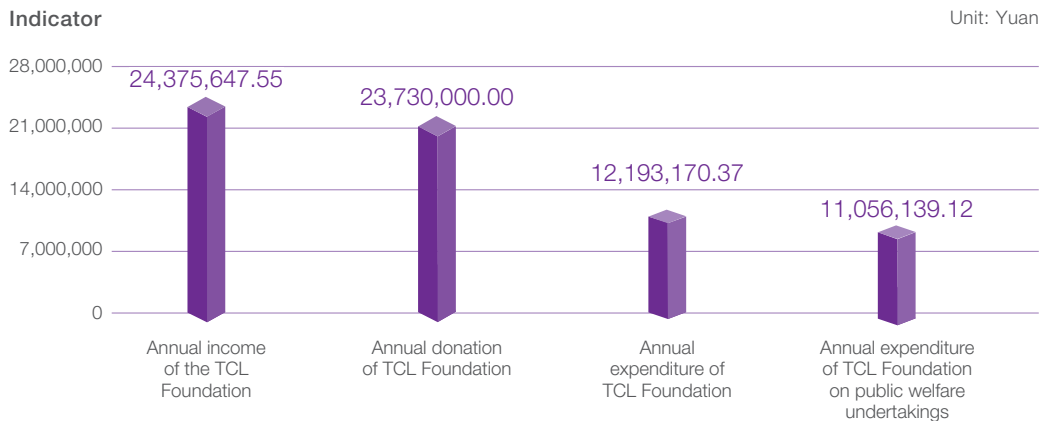
Assist the UN-Habitat Headquarters to Fight against the Pandemic

As a global company, TCL also actively contributed to the global fight against the pandemic. After hearing about the need for anti-pandemic materials from the UN-Habitat headquarters in Nairobi, Kenya, TCL Charity Foundation immediately initiated the preparation of anti-pandemic materials to provide support for the UN-Habitat headquarters in fighting against the pandemic.



TCL Foundation

In 2012, TCL established the Shenzhen TCL Foundation to participate in social welfare and charity more systematically. The foundation is based on the value of “pursuing public interests and promoting social progress,” adhering to purpose of “creating education and growth opportunities for vulnerable groups,” and “seeking community well-being and environmentally sustainable development.” The foundation devotes itself innovatively to the three major areas of public welfare, such as basic education assistance, major disaster relief, and special group care.



In 2020, the public welfare expenditure of TCL Foundation accounted for **90.67%** of this year's expenditure

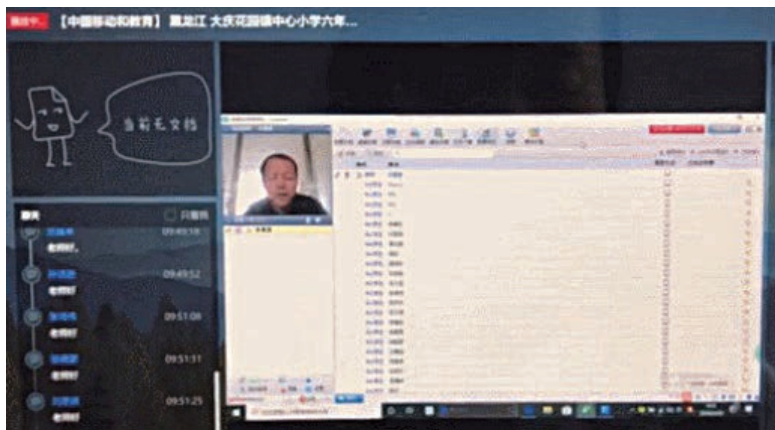
A.I. Back Home

The “A.I. Back Home” project was initiated by the TCL Charity Foundation in 2019. With the help of the professional technical strength of TCL Industrial Research Institute, AI artificial intelligence technology is used to develop and design the “eagle” story robot to make the technology warm and make the family warmer. In 2020, TCL Charity Foundation continued to carry out the project, let the “eagle” story robot simulate the voice of parents to tell stories for left-behind and migrant children, and strengthen the emotional connection between parents and children. Through the project, the children can grow up with more voices of the parent to prevent the left-behind and migrant children's long-term separation from their parents and children's psychological problems.



“Eagle” Idiom Class

In the first half of 2020, TCL was unable to carry out the “A.I. Back Home” project due to the impact of the pandemic. Therefore, the “eagle” story club was adjusted to be carried out online in the form of “Eagle” Idiom Class. The “eagle” idiom class selects idioms, fables and ancient poems according to the way the pilot primary school curriculum is developed and combined with teaching materials for each grade, as the extracurricular supplementary, allowing the students to learn the knowledge while listening to stories.



Zhang Xichun, a teacher from Huayuan town Central Primary School in Linxun County, Daqing City, Heilongjiang Province, broadcast live

The project covers **2** schools in **2** provinces and **10** classes for grades 1-6, benefiting **586** students. The broadcast lasts more than **1,500** minutes, serving **17,000** people in total.

“Eagle” Story Club

The “eagle” story club project drives the participation of the whole school by selecting the appropriate story basing on the Chinese learning situation of each class. The project gathers the children together by story-telling, and provides them with famous literary allusions at home and abroad. In the second half of 2020, TCL started the offline activities of the “eagle” story club project again in 6 rural pilot schools in Hebei Province, Heilongjiang Province, Yunnan Province, Sichuan Province, and Gansu Province.

In the future, the coverage of the “A.I. Back Home” project will continue to expand. The project plans to distribute 2,000 “eagle” story robots in five years, directly serving 2,000 children and indirectly affecting nearly 10,000 people. The cumulative service time for left-behind migrant children exceeds 30,000 hours.

In 2020, the “eagle” story club project was launched in **6** rural pilot schools in Hebei, Heilongjiang, Yunnan, Sichuan, and Gansu provinces. A total of **30** “eagle” story robots will be released, benefiting **more than 1,000 people**.



Little Musician +

In 2019, with the help of professional advantages of the Central Conservatory of Music, TCL Foundation and Beijing Central Conservatory of Music Education Foundation launched the “Little Musician +” project to record one hundred famous songs. The project started the “Xiaoxue music robot”, which allows rural students who have fewer opportunities to get in touch with music to receive first-class and professional music education, enriching country music art resources, and helping rural students improve their music appreciation and musical literacy.



In 2020, the “Little Musician +” project continued to pay attention to children who lack music resources, hoping to provide them with Chinese and foreign famous songs, and inspire every child to be positive and optimistic through the power of music.

“One Song Between Classes”

The “Little Musician +” project has launched an online project “One Song between Classes” activity since the outbreak of the pandemic. Without taking up teacher and student’s class time, one world classic song was played online during the rest between classes, letting the spread of music not be affected by the pandemic, and students can also enjoy the beauty of music.

In 2020, “One Song between Classes” activity covers a total of **5** schools of grade **1-6**, with **18** classes participating in the activity. It benefited **956** students, with the total broadcast period of over **6,400** minutes.



“Xiaoxue Music Class”

The “Little Music+” project launched the offline activity “Xiaoxue Music Class” to allow rural children to enjoy more professional music and improve music aesthetics and perception. In 2020, the first batch of pilot schools for the “Xiaoxue Music Class” was officially established. In 2020, the project invited two Huameng students from the Central Conservatory of Music to record professional music teaching videos to bring the professional teaching of the Central Conservatory of Music into the project classroom to benefit rural children.



Huameng students from the Central Conservatory of Music record professional music teaching videos for rural classes



In 2020, the first batch of pilot schools for the “Xiaoxue Music Class” was formally established. The project carried out activities in **30** classes of **6** pilot schools from **5** provinces across the country, and a total of **30** Xiaoxue music robots were distributed, benefitting **nearly 1,000 students**

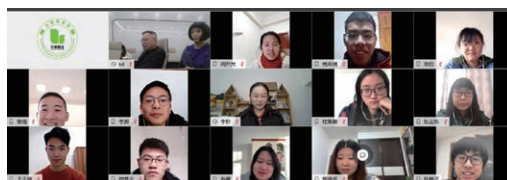
Huameng Foundation

Huameng Foundation is named by the meaning of making contributions to China with love. Huameng Foundation 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, which is the first entrepreneur's personal charity fund established by the Hope Project since its establishment in 1989. The Fund focuses on public education welfares. From scholarship funding, the establishment of Huameng's comprehensive quality training system, and now the addition of professional music education, the Huameng Foundation closely follows the national support policy for education and gradually deepens and focuses on quality education training.

In 2021, Huameng Foundation will continue to carry out scholarship funding, Huameng Summer Camp, Graduates farewell party, Huameng Aspiration class, and Huameng Family Banquet. It is estimated that the scholarship will be 2.072 million RMB and 50 new high school students will be funded. At the same time, the Huameng Foundation will establish the Huameng Alumni Association, and establish five branches in North China, East China, South China, Central China, and Southwest China, to provide a platform for exchanges between Huameng students from all over the country, and to enhance the Huameng graduates' sense of belongings of the Huameng family.

The "Huameng Class" project focuses on helping outstanding junior high school graduates in poverty-stricken areas to successfully complete their high school through a "developmental" innovative student assistance model to help students improve their overall quality and achieve all-round development. The Huameng Foundation provides high school scholarships of 8,000 RMB for each high school student of "Huameng Class" every year, and awards 23,000 RMB each person as university dream scholarship to the top 10 students in the comprehensive quality assessment.

By December 2020, the "Huameng Class" project has funded a total of 1,133 students with excellent results. The overall undergraduate rate is 91.6%, of which 53.4% were admitted by key universities. Among them, 24 were admitted to Peking University, Tsinghua University, Renmin University of China and other top domestic universities.



Establishment of Huameng Alumni Association

By December 2020,
Huameng Foundation has funded **1,145** outstanding
students from poor families,
with accumulative funding of **39,321,600** RMB.

Content	2020
Number of high school freshmen funded by Huameng Class	50
Total number of high school students funded by Huameng Class	280
Number of Huameng university students who have won the University Dream Scholarship	119
Amount of Huameng University Dream Scholarship	686,000 RMB
Total amount funded by Huameng Foundation in 2020	2,682,000 RMB

Huameng Family Banquet

In 2020, Huameng Foundation launched the Huameng "Family Banquet" event to provide a platform for mutual exchanges between Huameng outstanding students from different places, bridge between Huameng Foundation donors and Huameng students, and enhance the Huameng graduates' sense of belonging to the Huameng family. The founders of Huameng Foundation and outstanding graduates of Huameng gathered together to enjoy the New Year reunion.



2020 Huameng Family Banquet

Huameng Graduates Farewell Party

2020 is a special year with special meanings. With the theme of “Yi Youth, Brave Dream”, Huameng Foundation organized a special graduation farewell for a total of 133 Huameng graduates from the three schools. This year, a total of 128 students from the Huameng class were admitted to universities, with an undergraduate rate of 96.2%. 79 students were admitted to key universities, with an admission rate of 59.4%. 1 student was admitted to Peking University, 1 student was admitted to Tsinghua University, and 2 Students were admitted to Renmin University of China.



Huameng Aspiration Class

In 2020, Huameng aspiration class of Huameng Foundation launched the “Intangible Cultural Heritage-Yunnan Paper-cutting” activity at Dali No. 1 Middle School in Yunnan to enhance the cultural literacy of Huameng class students and improve their overall quality. 60 Huameng students participated in this activity, learned paper-cutting from the inheritors on site, and personally felt the charm of paper-cutting art.



Music • Dream • Exchange

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

By December 2020, the “Music • Dream • Exchange” project has funded a total of 12 outstanding music students from home and abroad. At the same time, Huameng music students and the teachers and students of the Central Conservatory of Music used singing and music to convey energy, care and love in the form of filming vlogs, presenting a gift for rural students on Children’s Day. The project opens up a different and wonderful world for rural students through music.



Building a Harmonious Community

The development of an enterprise is inseparable from the support of the community. TCL 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 2020, TCL donated 100,000 RMB for poverty alleviation to Wansong Village, Daling Town, Huidong County, Huizhou City.



In 2020, green dates in Wansong Village, Daling Town, Huidong County, Huizhou City were overstocked with large number of rotten dates in the farm, and fruit farmers have suffered heavy losses due to the COVID-19 pandemic. After hearing the news, TCL launched the *Poverty Alleviation, Helping Farmers, and Fighting against the Pandemic-TCL Party Workers and Youth Action* led by the Group's Party and Mass Office. TCL matched fruit growers with its subsidiaries' restaurants in Huezhou and its labor unions for targeted purchases. More than 7,000 kilograms of fruits were sold on that day, solving practical difficulties for local farmers.



TCL employees also went to the frontline of the community to fight the epidemic, and offered some help within their capacity, making contributions to the prevention of the pandemic. TCL employees worked together with community to stand on duty, measure body temperature, distribute masks and epidemic prevention materials for the community, serving the community and cheering up for China.



Organizing Volunteer Activities

TCL Technology Group also attaches great importance to the voluntary activities of internal employees. After years of accumulation, it has formed a good atmosphere for volunteer activities. In 2020, company employees represented by party members participated in community pandemic prevention and control voluntary services. They conducted support activities such as temperature measurement and maintenance of order at the door for pandemic prevention and control.

Wuhan CSOT carried out a series of activities under the guidance of labor union, such as assistance for employees in need, community condolences, civilized transportation advocacy, etc. Among them, Wuhan CSOT donated 45,000 RMB for condolences for the elderly in the community, benefiting 60 people.

In the face of the epidemic, the Youth League Committee quickly organized and established a youth volunteer service team. The company applied the "Volunteer China (Volunteer Remittance)" system to enter the organizational structure and personal information of volunteers, and actively promoted all Communist Youth League members (including league cadres) to register and log in to the "Volunteer Remittance" system, complete the community registration work of the Communist Youth League members, and actively participate in the epidemic Volunteer service for prevention and control. The young people of the system have responded to the call to provide real service behind the battlefield where there is no gunpowder, and contribute their youth to the resolutely winning the people's War, overall warfare, and sniper warfare for the prevention and control of the epidemic!

By the end of 2020, there are **35** volunteers in the "Youth Volunteer Service Team", and **21** volunteers registered in the "Volunteer Remittance" at the beginning of the year with **14** new volunteers, **147** volunteer services were conducted.



Tianjin Pulin:

At the beginning of the outbreak, the national strategic medical supplies were in short supply. A subsidiary of Tianjin Jiu'an Medical Electronics Co., Ltd., mainly produces temperature measuring guns for "strategic" medical supplies that are urgently needed by the country. In order to meet the needs of the country and Tianjin for joint prevention and control, the company urgently resumed work to ensure the supply of temperature measuring guns. But the company is facing the problem of employees being unable to return to work in time, and front-line employees facing the problem of lack of staff. Tianjin Pulin actively responded to the airport's call. After receiving the company's "assembly order", a total of 10 outstanding employees did not hesitate to arrive at their posts immediately to provide human support for the Company.

Future Outlook

The year of 2021 will be TCL's 40th anniversary. For 40 years of hard work and unchanging minds, TCL will start a new life cycle with stronger development momentum.

In the coming year, TCL Technology will adopt the strategic development policy of *improving the quality and efficiency of operation, strengthening the advantages to supplement the shortcomings, accelerating global layout, and innovation-driven development* to enhance the implementation of strategic planning and risk management and control capabilities, accelerate global deployment, strengthen competitive awareness, and insist on innovation-driven development. Meanwhile, TCL will maintain the bottom line of extreme cost efficiency, continue to enhance organizational and team capabilities, and strive to catch up in the fields of artificial intelligence technology, new display technologies and materials, photovoltaic modules, batteries, semiconductor wafers, and smart manufacturing to accelerate the transformation of the technology and intelligent industry for the Group.

Green development is the direction of China's future development, and adherence to green development is also the eternal theme of TCL Technology Group. TCL Technology Group will implement stricter environmental supervision to minimize the risks. It will continuously improve the environmental management system, accelerate the construction of green factories, improve energy efficiency, reduce greenhouse gas emissions, recycle water resources, reduce waste emissions, and ensure compliance with emissions. TCL will continue to reduce pollutant emissions, protecting the environment, and strengthen the environmental awareness of employees.

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 continue to ensure an equal, healthy and safe working environment for employees, develop a training plan that combines offline and online training, which will unblock promotion channels, help employees develop their careers and meets the company's talent needs. For the industrial chain, TCL Technology Group will continue to carry out responsible procurement, provide all around support to partners in the ecosystem, and promote the sustainable development of the industry. For the community, TCL Technology Group will promote the development of the community through the development of public welfare projects, and create a better home for more people.

Looking forward to 2021, the global economy is expected to recover and China will also develop steadily. In 2021, TCL Technology will maintain its strength, continue to promote comprehensive and deep reforms, adhere to the driving force of technological innovation, and help China realize the continuous recovery, stable and long-term development.

Responsibilities and Honors

January 2020

TCL Technology Group was awarded as **Chief Responsibility Officer for Practicing Corporate Social Responsibility**

June 2020

TCL Technology Group was listed in **Top 60 China Corporate Citizen 5.20 Social Responsibility Brands in 2020**

August 2020

TCL Technology Group was awarded as GoldenBee Enterprise in 2020 **GoldenBee CSR China Honor Roll**

September 2020

A.I. Back Home Project of TCL Technology Group won the **Best CSR Innovation Award**

TCL Technology Group won the **CSR China Top 100 award**

November 2020

TCL Technology Group was rewarded as **China's 2020 Four Star Corporate Citizen**

TCL Technology Group was rewarded as **2020 Corporate Citizen Pioneer against COVID-19 Pandemic**

TCL CSOT (TCL China Star Optoelectronics Technology Co., Ltd) won the **Outstanding Contribution to the Prevention and Control of COVID-19 Pandemic award** issued by Wuhan Charity Federation

December 2020

TCL Technology Group won the title of "**Advanced Private Enterprise in Fighting against COVID-19**" by the All-China Federation of Industry and Commerce

Key Performance Forms

		Value
Economy	Operating income (Hundred million RMB)	766.77
	Net profit (Hundred million RMB)	50.65
	Tax payable (Hundred million RMB)	56.65
	Net assets return ratio (%)	13.75
	Asset-liability ratio (%)	65.08
	R&D investment (Hundred millions RMB)	65.43
	Number of R&D personnel (Persons)	6,153
	Number of patents authorized (Items)	3,957
Environment	Environmental accidents (Times)	0
	Investment in environmental protection (Ten thousands of RMB) ¹	70,471.5008
	Energy consumption (Ten thousand kWh) ²	721,315.05
	Reduced energy consumption (Ten thousand kWh) ^{3,6}	-4,194.89
	Greenhouse gas emissions (Ten thousand tons) ⁴	380.05
	Greenhouse gas emission reduction (Tons) ^{5,6}	-50,011.58
	Total water consumption volume (Ten thousand cubic meters) ⁷	5,321.97
	Total water saving (Ten thousand cubic meters) ⁸	2,899.42
	Total discharge of waste gases (Ten thousand cubic meters) ⁹	3,818,617.54
	Total discharge of waste water (Ten thousand tons) ¹⁰	3,472.33
	Total discharge of hazardous wastes (Tons) ¹¹	16,535.893
	Waste recycling (Tons) ¹²	23,440.14

		Value
Society	Major information safety accidents (Times)	0
	Total number of staff (Persons)	48,471
	Percentage of employees who have signed labor contracts (%) ¹³	100%
	Number of overseas employees (Persons) ¹³	149
	Number of domestic employees (Persons) ¹³	38,023
	Number of employees with disabilities (Persons) ¹³	28
	Proportion of female executives (%) ¹³	25%
	Total number of trainees (Persons) ¹⁴	899,232
	Total training hours (Hours) ¹⁴	3,268,333
	Total investment in employee training (Ten thousand RMB) ¹⁴	2,621.5
	Investment in safety production (Ten thousand RMB)	4,079.64
	Major safety accidents (Times)	0
	Number of employees received safety trainings (Person times)	499,631
	Total public welfare donations (RMB)	11,056,139.12
	Employee volunteer activities (Times)	30
Number of employee volunteers (Persons)	1,025	

Notes

1. Environmental protection investment statistics include: Huizhou CSOT, CDOT Technology, Shenzhen CSOT, Wuhan CSOT, Zhonghuan Electronics, Tianjin Zhonghuan Semiconductor Co., Ltd.
2. Energy consumption statistics include: Huizhou CSOT, CDOT Technology, Shenzhen CSOT, Wuhan CSOT, Zhonghuan Electronics, Tianjin Zhonghuan Semiconductor Co., Ltd.
3. Reduced energy consumption statistics include: Huizhou CSOT, CDOT Technology, Shenzhen CSOT, Wuhan CSOT, Zhonghuan Electronics.
4. Greenhouse gas emission statistics include: CDOT Technology, Shenzhen CSOT, Wuhan CSOT.
5. Reduced greenhouse gas emission statistics include: CDOT Technology, Shenzhen CSOT, Wuhan CSOT.
6. Reduced energy consumption and changes in greenhouse gas emission reductions are due to the use of new equipment. TCL insists on improving energy efficiency.
7. Total water consumption statistics include: Huizhou CSOT, CDOT Technology, Shenzhen CSOT, Wuhan CSOT, Zhonghuan Electronics, Tianjin Zhonghuan Semiconductor Co., Ltd.
8. Total water saving statistics include: Huizhou CSOT, CDOT Technology, Shenzhen CSOT, Wuhan CSOT, Zhonghuan Electronics.
9. Total waste gas emission statistics include: Huizhou CSOT, Shenzhen CSOT, Wuhan CSOT, Zhonghuan Electronics, Tianjin Zhonghuan Semiconductor Co., Ltd.
10. Total discharge of waste water statistics include: Huizhou CSOT, CDOT Technology, Shenzhen CSOT, Wuhan CSOT, Zhonghuan Electronics, Tianjin Zhonghuan Semiconductor Co., Ltd.
11. Total discharge of hazardous wastes statistics include: Huizhou CSOT, CDOT Technology, Shenzhen CSOT, Wuhan CSOT, Zhonghuan Electronics, Tianjin Zhonghuan Semiconductor Co., Ltd.
12. Total waste recycling statistics include: Huizhou CSOT, CDOT Technology, Wuhan CSOT, Zhonghuan Electronics
13. Zhonghuan data was not included.
14. Employee training data include: TCL University and Huaxing College.

Indicator Index

Supporting the United Nations Sustainable Development Goals

Goals	Contents	Actions
Goal 1	No poverty	Poverty alleviation through education
Goal 2	Zero hunger	Alleviate poverty through education, thereby reducing hunger
Goal 3	Good health and well-being	Healthy and safe products and caring for employees' well-being both mentally and physically
Goal 4	Quality education	Staff training, school-enterprise cooperation, and 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	Decent work and economic growth	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 establish 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	Compliance with laws and regulations, anti-monopoly and anti-unfair competition
Goal 17	Partnerships for the goals	Mutual development with industry chain partners

Index of Indicators (GRI Standard)

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	Technology Leadership	GRI-102, GRI-203
	Continuous Launch of Advanced Products	GRI-102, GRI-203
	Product Quality and Safety	GRI-102, GRI-203
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	Protect the 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
	Employees' Growth and Development	GRI-404
	Care for Employees' Well-Being	

Content	GRI Standard	
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	Management of Conflict Minerals	GRI-308
	Coordinated Development	GRI-203
Harmonious Development with Environment	Environmental Management	GRI-102, GRI-103
	Green Manufacturing	GRI-301, GRI-302, GRI-303, GRI-305, GRI-306
	Green Products	GRI-301, GRI-302, GRI-303, GRI-305, GRI-306
Mutual Development with Society	TCL Charity Foundation	GRI-203
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Reader Feedback		

Reader Feedback

Dear readers

Thank you very much for reading the *TCL Technology Group's 2020 Corporate Social Responsibility Report* during your busy schedule. We sincerely look forward to your evaluation of this report and 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 sincere thanks!

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

Telephone: 0755-8600 1706

Mail: Corporate Social Responsibility Innovation Center of TCL Technology Group Corporation, TCL International E City, 1001 Zhongshanyuan Road, Nanshan District, Shenzhen, Guangdong

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

- Your overall impression on the report:
 Very good Good Fair Poor Very Poor
- Your opinion on the quality of the social responsibility information in this report:
 Very high High Fair Low Very Low
- Your opinion on the structure of the report:
 Very reasonable Reasonable Fair Poor Very Poor
- Your opinion on the format design and presentation of the report:
 Very good Good Fair Poor Very Poor
- Your opinion on the readability of the report:
 Very good Good Fair Poor Very Poor



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Open Question:

Your valuable opinions and suggestions on *TCL Technology Group's 2020 Corporate Social Responsibility Report* are most welcomed:



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