# TCL

# 2022

TCL Technology Group Corporation

Environmental, Social and Governance Report

## About the Report

### Reporting Period

This annual report cover the period from January 1, 2022, to December 31, 2022. To enhance the completeness of the report, some of the data might exceed the above range.

### Organizational Scope

The organizations covered in this report are TCL Technology Group Co., Ltd and TCL China Star Optoelectronics Technology Co., Ltd., Shenzhen China Star Optoelectronics Semiconductor Display Technology Co., Ltd., Wuhan China Star Optoelectronics Technology Co., Ltd., Wuhan China Star Optoelectronics Semiconductor Display Technology Co., Ltd., Suzhou China Star Optoelectronics Technology Co., Ltd., Suzhou China Star Optoelectronics Display Technology Co., Ltd., Huizhou China Star Optoelectronics Display Co., Ltd., TCL Zhonghuan Renewable Energy Technology Co., Ltd., China Display Optoelectronics Technology (Huizhou) Co. Ltd., Highly Information Industry Co., Ltd, Tianjin Printronics Circuit Corp., and MOKA Technology (Guangdong) Co., Ltd.

For ease of presentation, alternative terms such as "TCL", "TCL Tech.", "TCL Technology Group", and "Company" are used to refer to the Company.

### Reporting Cycle

This is an annual report, which will be published annually in conjunction with the annual report of TCL Technology Group Corporation. The Group has previously published CSR/ESG reports for 14 consecutive years to address the concerns of capital markets and regulators and to focus on the Group's environmental, social and governance performance.

### Data Description

The data and cases used in the report are derived from the Company's official documents, statistical reports, and summaries and statistics on the performance of responsibilities.

### Standards of Reference for the Report

- Shenzhen Stock Exchange Social Responsibility Instructions to Listed Companies
- Guidelines for Environmental, Social and Governance Report Issued by HKEX
- Global Reporting Initiative (GRI) Sustainability Reporting Standards
- UN Sustainable Development Goals (SDGs)
- The Ten Principles of the United Nations Global Compact

### Report Reliability Assurance

The Company guarantees that the contents of this report do not contain any false statements or misleading representations.

### Where to Access the Report

This report is available in both English and Chinese. You may visit the Company's official website at www.tcltech.com to download an electronic version of the report and obtain more information on corporate social responsibility.

### Revisions of Information in Previous Reports

None.

# CONTENTS

# Leader's Speech

## Message from the Chairman

Dear Readers,

2022, which has just passed, had been a year of trials and tribulations for TCL Tech. Faced with the challenges of an economic downturn, shrinking demand and intensifying competition in the industry, we maintained our strategic positioning and determination. With a solid management foundation and united efforts, we remained unfazed by the obstacles and marched forward in the face of adversity!

With the work requirements of "improving quality and efficiency of operation, making up for shortcomings through bolstering our strengths, accelerating global expansion and innovation-driven development", TCL Tech. achieved a hard-fought victory with positive revenue growth in 2022. TCL CSOT initiated transformation, focused on extreme cost efficiency, accelerated product structure adjustment, and actively expanded its new customer base. Meanwhile, TCL Zhonghuan has made solid contributions to the construction of industry chain synergy and expanded its business globally, thus achieving the largest market share in the global silicon wafer export market. This has resulted in substantial growth in revenue and profit.

In 2023, the development of China's economy is shifting from high-speed to high-quality growth, with co-existing opportunities and challenges. Taking the path of high-quality corporate development, TCL Tech. is committed to promoting industrial transformation and upgradation, global expansion, and green development. Through the concept and practice of sustainable development, we are committed to traversing the business cycle and achieving long-term stable corporate growth.

We drive the transformation and upgrading of the industry with innovation and technology. The Company invested RMB 10.78 billion in R&D in 2022, up 22.9% year-on-year. We filed 659 new PCT patent applications and ranked second in the world with 2,244 patent applications in the field of Quantum Dot Electroluminescence technology and materials. In the future, we will further advance upstream in the industry chain and increase R&D investment in ultra-high-definition display, renewable energy and photovoltaics, integrated circuits, and other strategic emerging industries in China.

Based on the national "dual circulation" economic strategy, TCL Tech. is firmly committed to global development, with numerous R&D centers and manufacturing bases overseas. In recent years, we have been actively promoting the development of our competitive industries worldwide, from the output of products to the export of industrial capabilities, driving the export of core components, materials, and equipment. This has allowed us to achieve growth in both foreign income and domestic exports, bolstering the Company's sustainable growth.

At the same time, we actively promote the green and low-carbon transformation of our Company. We are committed to the steady development of the renewable energy and photovoltaics industry, which contributes to the realization of the carbon peaking and carbon neutrality goals. We also promote energy conservation and carbon reduction in the development of the Company itself. We have established a comprehensive energy management system, built our own photovoltaic solar roofs, and implemented waste-free group development to facilitate the harmonious coexistence of humans and nature.

As social and economic micro-entities, enterprises should not only create employment opportunities, contribute tax revenue and economic benefits, but also actively undertake social responsibilities. Adhering to the mission and vision of "Building a Sustainable and Connected Future with Advanced Technology", TCL Tech. integrates environmental, societal, and governance concerns into its corporate development strategy to benefit society while continuously achieving self-development.

Thank you for your continued interest and recognition of TCL Technology Group!

TCL Technology Group Corporation
Chairman and CEO

# Leader's Speech

## Message from the Director of CSR Innovation Center

Dear Readers,

The year 2022 marked a brand-new starting point for TCL to continue its journey towards global leadership after 40 years of vigorous development. Filled with hope and moving forward, we have yielded precious results. In 2022, TCL Tech. has continued to promote industrial transformation and improvement of innovation capacity, consistently combining social responsibility with corporate development while helping to promote the national carbon peaking and carbon neutrality strategy. We also promote rural revitalization and common prosperity, thus realizing the mutual development of enterprises and society.

ESG (Environmental, Social and Governance) has become an important concept and initiative for TCL Tech. to achieve high quality development. In 2022, we maintained close communication with stakeholders to sort out and identify the boundaries of ESG work that are closely related to the development of TCL Tech. These include 20 topics at six levels, namely, corporate governance, products and services, environmental protection, industrial chain management, employees, and community. Based on these topics, we strive to promote the identification of ESG risks in each branch/subsidiary, strengthen ESG management and information disclosure, so as to effectively promote sustainable corporate development.

With the continuous improvement of our R&D and innovation strength, we strive to produce and launch innovative products and applications. In 2022, TCL Tech. continued to achieve breakthroughs in several key technologies and was named one of the "Top 100 Global Innovators" by Clarivate. TCL CSOT's 17-inch inkjet-printed foldable OLED display panel drew industry attention while its 13.3-inch customizable full-privacy screen garnered praise from customers. TCL Zhonghuan launched the shingled 3.0 solar module, which further reduces electricity costs through higher power and performance. In addition, in the field of intelligent manufacturing, TCL CSOT's 11th generation (G11) panel production line passed the national Level 4 intelligent manufacturing capability and maturity assessment, and received the national Level 4 certification. The flexible configuration of TCL Zhonghuan's production line was awarded the "2022 Outstanding Intelligent Manufacturing Scenario Award" by the Ministry of Industry and Information Technology.

To further strengthen our green development capacity, we invested more than RMB 710 million in environmental protection in 2022. Eight of our businesses have been certified as national "Green Factories". TCL CSOT released the *TCL CSOT Carbon Peaking - Carbon Neutrality Plan* with a plan to become the No. 1 Environmentally Friendly Enterprise in the semiconductor display industry within 5 years. The photovoltaic products shipped by TCL Zhonghuan every year provide more than 4 trillion kWh of clean energy to the society and reduce approximately 2 billion tons of carbon dioxide equivalent during the whole life cycle.

We attach great importance to the rights and interests of our employees as well as to the development of talents. We provide a safe production and working environment for our employees, as well as rich and diversified training courses for their development. We are committed to creating a sustainable workplace environment and growing together with our employees. In 2022, more than 300,000 people received safety training at TCL Tech. Meanwhile, T-School, CSOT Academy and Zhonghuan Academy provided almost 570,000 hours of training for nearly 40,000 employees, with close to 360,000 attendances.

2022 marked the 10th anniversary of the TCL Charity Foundation. We have continued to strengthen the institutionalization of public welfare, persisted in promoting the development of public welfare and charity with professionalism, helping the country to achieve the goal of common prosperity. We have established the TCL Solar Campus and TCL Smart Classroom, launched the University Endowment System, and set up the Huameng Scholarship, TCL Young Scholars Program and TCL Science and Technology Innovation Fund to help cultivate national talents in innovation and entrepreneurship. We have also joined hands with the Southern University of Science and Technology to establish the SUSTech-TCL Innovation and Entrepreneurship Hall to encourage the spirit of innovation as well as support innovation and entrepreneurship.

Upholding the values of "Change, Innovation, Accountability and Excellence", TCL Tech. is advancing into a high-tech manufacturing enterprise. In the future, we will continue to fulfill our social civic responsibilities, constantly refine our efforts on ESG topics, and strive to promote global sustainability.

Thank you for your concern and support for TCL Tech. May we work together for stable progress in ESG governance.

TCL Technology Group Corporation

Vice President and Director of CSR Innovation Center

# About TCL Tech.

## Corporate Overview

Founded in 1981, TCL was formerly known as TTK Home Appliances Co., Ltd, one of the first joint ventures in China, specialized in the manufacture of audio cassettes. In 1999, TCL took the lead in venturing into the Vietnamese market, taking an important step for Chinese enterprises to "go global". In 2019, TCL completed its asset restructuring, with a clear focus on semiconductor display and new energy photovoltaic industries. Firmly seizing the historic opportunity of the transformation of economic and energy structures, we accelerated our transformation into a technology- and capital-intensive high-tech industrial corporation.

In 2022, TCL Tech. placed high emphasis on the reserves and exploration of cutting-edge technology. With the mission and vision of "Building a Sustainable and Connected Future with Advanced Technology", TCL Tech. is determined to move towards global leadership with strategy as the traction, innovation as the driving force and user as the center.

In 2022, TCL Tech. achieved an operating income of RMB 166,552,790 thousand; a net profit of RMB 1,788,060 thousand; and a net profit attributable to shareholders of the listed company of RMB 261,320 thousand.
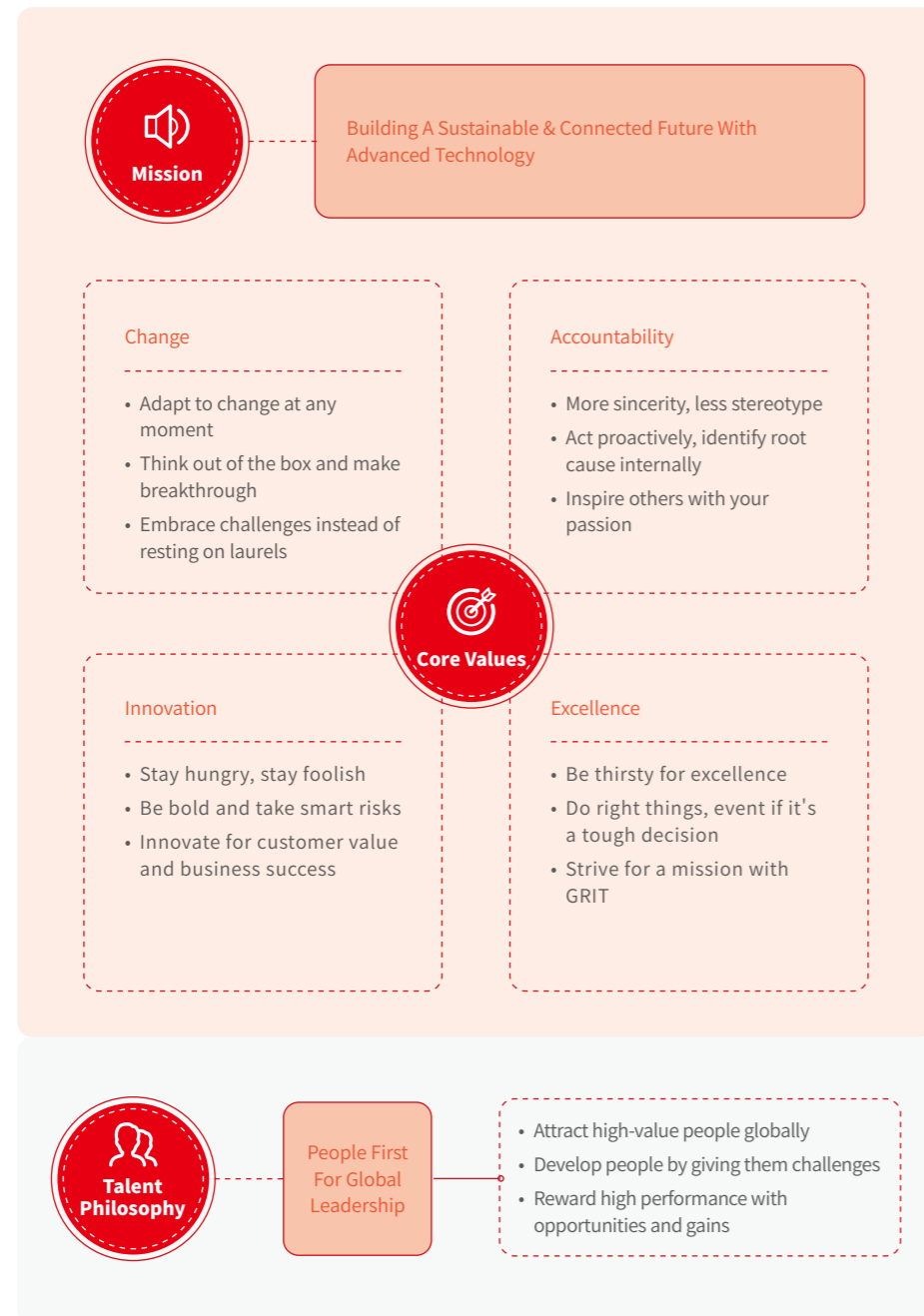
**16,655,279**　Ten thousand RMB
Operating income

**178,806**　Ten thousand RMB
Net profit

**26,132**　Ten thousand RMB
Net profit attributable to shareholders of the listed company

# Corporate Culture

TCL is constantly committed to building a more dynamic corporate organizational culture, and has clearly defined the Company's mission, core values and talent philosophy.

**Mission**

Building A Sustainable & Connected Future With Advanced Technology

**Core Values**

**Change**
- Adapt to change at any moment
- Think out of the box and make breakthrough
- Embrace challenges instead of resting on laurels

**Accountability**
- More sincerity, less stereotype
- Act proactively, identify root cause internally
- Inspire others with your passion

**Innovation**
- Stay hungry, stay foolish
- Be bold and take smart risks
- Innovate for customer value and business success

**Excellence**
- Be thirsty for excellence
- Do right things, event if it's a tough decision
- Strive for a mission with GRIT

**Talent Philosophy**

People First For Global Leadership
- Attract high-value people globally
- Develop people by giving them challenges
- Reward high performance with opportunities and gains

# Corporate Strategy

Upholding the corporate values of "Change, Innovation, Accountability and Excellence", TCL Tech. adheres to the operational strategy of "improving quality and efficiency of operation, making up for shortcomings through bolstering our strengths, accelerating global expansion and innovation-driven development". By seizing opportunities, maintaining strategic determination, building a solid operational bottom line, the technology-led and innovation-driven TCL Tech. continues to strengthen its competitive advantages in manufacturing and focuses on developing high-tech strategic emerging industries. We empower industries through industrial financing to support industrial operations and expansion. Leveraging on our industrial strengths, we invest in ecological enterprises to enhance our comprehensive competitiveness and establish global leadership.

Semiconductor display technology and materials are one of the key basic technology industries with broad development prospects. TCL CSOT strengthens its return on assets capability, establishes production line advantages, improves capacity flexibility, and creates competitive advantages with extreme cost efficiency. Focusing on high-value customers, we progressively develop our solutions, conduct globalized operations, and gradually widen the gap with our rivals. With precise control of technological direction and investment, we take the lead in the breakthrough of emerging display technologies and materials while achieving leadership in key technologies—picture quality, energy efficiency and cost reduction—thus effectively translating technology into operational performance to catch up and surpass benchmarks. At the same time, we also improve the strategic layout of the industry, construct an industrial ecosystem, enhance the control of the value chain and drive growth on a corporate scale.

The new energy industry holds vast prospects for future development. TCL Zhonghuan will actively respond to the changes in the external environment, give full play to its comparative advantages, fulfill its worldwide product distribution and establish global synergistic advantages. It will also continue to enhance the development of the new energy photovoltaic sector, continuously strengthen the competitiveness and technical advantages of the monocrystalline silicon industry while promoting the integration of the industry chain so as to accelerate the development of the industry of photovoltaic modules, solar cells and photovoltaic power plants. With a comprehensive organizational structure, we reinforce the unification of culture and values as well as organizational restructuring to enhance the Company's overall competitiveness and operational efficiency. With the persistence of technology and the pursuit of development, TCL Zhonghuan will forge ahead, catch up with, and eventually surpass competitors. This enables us to achieve the strategic goal of "global leadership" with long-term competitiveness worldwide.

Currently, the global political environment is complex and volatile, with severe economic conditions. As a result, enterprises are faced with the impact of the "profound changes unseen in a century". Targeting strategic goals with certainty, TCL Tech. will respond to the uncertainties of the business environment, focus on its core business, and drive development with technological innovation. This will enable us to accelerate the global industrial chain expansion and establish a competitive edge worldwide. TCL Tech. will cultivate new businesses, enhance the strategic synergy advantages of each industry and open up new growth curves. By improving investment structure and constructing an ecosystem, TCL Tech. will give full play to industrial clusters and synergistic advantages, so as to make up for its shortcomings and strengthen weaknesses to enhance relative competitiveness. TCL Tech. is in pursuit of global leadership in the fields of semiconductor display, new energy photovoltaic, and so on.

# ESG Governance

## ESG Management

TCL Tech. has always integrated corporate social responsibility with the Company's strategy and operation. The Company contributes to the national" carbon peaking and carbon neutrality" strategy with scientific and technological innovation, and endeavors to realize the common development of enterprise and society. Through combining science and technology with public welfare, the Company strives to promote mutual prosperity. In 2022, TCL Tech. drew on its experience gained both locally and abroad to improve the measurability and comparability of disclosure on important environmental, social and governance topics. At the same time, it further improved the disclosure of information on key ESG risks and opportunities, with a focus on business dependencies and impacts on the environment and society.

In 2022, TCL Tech. was listed in:
- Fortune's "2022 China ESG Impact List"
- Forbes China's "2022 China ESG 50 List"
- Securities Times - New Era New Value's "Top 100 ESG Listed Companies in China"

## Key ESG Strategies and Formulation

Since the establishment of the CSR Innovation Center in 2016, TCL Tech. has been continuously strengthening the level of corporate environmental, social and governance management to create shared value between the Company and society. In 2022, TCL Tech. reissued the *TCL Technology Group Corporation Internal Control Specification No. 14 – Social Responsibility* which covers seven core CSR topics. These topics include organizational governance, promotion of employment and employee rights protection, health and safety, environmental protection, fair operation, consumer relations as well as community involvement and development, defining the Company's environmental, social and governance scope, relevant requirements and management mechanisms.

In 2022, TCL Tech. was committed to promoting rural revitalization and achieving common prosperity by paying more attention to carbon peaking and carbon neutrality on the basis of its CSR responsibilities.

## Communication, Publicity and Training

TCL Tech. attaches importance to the popularization of knowledge related to the environment, society and governance, and systematically carries out CSR knowledge training to improve the ability to fulfill its responsibilities. In addition, TCL Tech. also advocates CSR to its employees and the public through various publicity tools such as TCL dynamic internally circulated magazine and TCL WeChat responsibility public account.

In 2022, TCL Tech.'s CSR Innovation Center, TCL Charity Foundation and T Academy jointly organized "TCL Corporate Social Responsibility Training". Six industry experts and corporate executives were invited to conduct a series of professional training on corporate social responsibility for TCL employees through the T Academy online platform. The training covered all industries and subsidiaries under TCL, with a total learning time of 3,099 hours. More than 100 students completed the course and passed the assessment to obtain the completion certificate, among which 38 students with outstanding performance were awarded the honorary title of "TCL Responsibility Officer".

# Analysis of Materiality

TCL Tech. adopts internationally recognized methods and applies international and authoritative assessment standards and guidelines for sustainable development and social responsibility. International common standards such as DJSI, MSCI and GRI are used as the broad basis for the selection of material topics of TCL Tech. The material topics are then selected according to the Company's degree of influence on society and environment as well as the stakeholders' level of concern, the industry situation, and the Company's characteristics. After thorough discussions with internal and external stakeholders, we have progressively selected 20 substantive issues that have important impacts on both corporate development and stakeholders. These topics cover six aspects including governance, products and services, environment, industry chain management, employees, and community.

## Environmental

| Use of renewable energy | Energy Efficiency | Water Resources Management | Disposal under compliance | Combat Climate Change |
|---|---|---|---|---|

## SOCIAL

| Products and Services | Industry Chain Management | Employees | Community |
|---|---|---|---|
| Technological Innovation | Supplier's Social Responsibility | Employee Rights Protection | Community Economic Development |
| Product Governance and Services | Conflict Minerals Management | Occupational Health and Safety | Public Welfare and Charity Activities |
| | Coordinated development of industrial chain | Employee Growth and Development | |
| | | Employer Attractiveness | |
| | | Care for Employees | |

## GOVERANCE

| Corporate Governance | Risk Management | Business Ethics |
|---|---|---|

# Communication with Stakeholders

TCL Tech. understands only by working hand in hand with stakeholders can we make progress together on the path towards sustainability. Throughout its daily operations, TCL Tech. attaches great importance to the communication with stakeholders and constantly improves the communication mechanisms. The Company actively listens to the voices of stakeholders, understands their demands, and responds positively with practical actions, so as to develop collectively with all stakeholders.

| Stakeholders | Issues of Interest | Responses | Key Initiatives in 2022 |
|---|---|---|---|
| Shareholders and Investors | • Transparency in Information Disclosure<br>• Sustained Value Creation<br>• Comprehensive Risk Management | • Standardization of company management and close communication with investors through multiple channels<br>• Continuous deepening of strategic advancement to build competitive edge for industries | • Hosting of online performance presentations to explain corporate business strategies to investors<br>• Restructuring of assets with a focus on core industries to enhance profitability |
| Government and Regulatory Agencies | • Legal compliance in operations<br>• Response to national policies<br>• Promotion of harmonious social development | • Compliance with national laws and regulations<br>• Full utilization of corporate resources<br>• Active fulfillment of social responsibility | • Issued internal management measures such as *TCL Technology Group Audit and Supervision Issues Rectification and Reform Management Measures*.<br>• Set up "Honest and Corruption-free TCL" WeChat public account and WeChat online reporting channel<br>• Continued globalization process<br>• Defined 7 key social responsibility topics |
| Consumers and Customers | • Creation of innovative and practical products to meet customer needs<br>• Continuous improvement of service quality and protection of customer privacy | • Enrichment of product range, improvement of product quality, and provision of services for a wider range of groups<br>• Conducted customer satisfaction surveys and demand research to continuously improve customer service<br>• Strengthening of customer privacy protection | • Launched a series of intelligent and innovative products to meet the diversified needs of consumers<br>• Conducted customer satisfaction surveys and provision of after-sales services to provide full life-cycle services<br>• Collected user feedback and analysis to formulate solutions<br>• Compliance with regulatory requirements and strict protection of customer privacy |
| Suppliers and Distributors | • Standardized procurement process, excellent competition mechanism<br>• Mutually beneficial cooperation with industry chain partners<br>• Promotion of industry development | • Establishment of supplier selection policies and fair sourcing<br>• Facilitation of evaluation, auditing, training and communication for suppliers<br>• Provision of support to partners | • Advocated suppliers to fulfill their responsibilities in environmental protection, safety and employment<br>• Conducted training and communication<br>• Boosted financing platform to help partners develop |
| Employees | • Protection of legal rights and interests<br>• Occupational health and safety<br>• Optimization of remuneration and benefits<br>• Respect for diverse cultures and lifestyles<br>• Shared development with employees<br>• Enhancement of employer competitiveness | • Compliance with laws and regulations to protect the basic rights and interests of employees<br>• Comprehensive improvement of occupational health and safety measures<br>• Provision of competitive remuneration and benefits<br>• Concern for employees' well-being<br>• Building of employee capacity and establishing career development system | • Legally compliant recruitment<br>• Established multi-channel employee complaints and feedback system<br>• Organization of safety training and culture building<br>• Organization of cultural, sports and recreational activities to achieve work-life balance for employees<br>• Continuous operation of TCL Academy to provide systematic training for local and foreign employees |
| Community | • Concern for the development of the next generation<br>• Enhancing the community environment<br>• Helping the disadvantaged | • Support for Youth Development<br>• Concern for the ecological environment<br>• Support for community building<br>• Carrying out volunteer activities | • Continuous operation of Shenzhen TCL Charity Foundation<br>• Development of school and education projects<br>• Provided support for environmental protection projects<br>• Assistance to residents to enhance their well-being<br>• Organization of community service activities for employees |
| Environment | • Efficient utilization of resources<br>• Energy conservation and emission reduction<br>• Effective waste utilization | • Development of green production<br>• Introduction of green products<br>• Establishment of environmentally friendly companies | • Continuous construction of green factories<br>• R&D and production of energy-saving green products |

Rural Education

Promote Revitalization of

" Innovative Model

FEATURE
STORY I



TCL Charity Foundation partnered with TCL Zhonghuan to donate to rural schools for the installation of solar photovoltaic power generation systems on school roofs, with full connection to the power grid. In response to the national energy conservation and environmental protection policy, we helped schools achieve the utilization of green and clean electricity, while generating revenue for schools in the form of power generation. The donations are used for the construction of the school's teaching facilities and financial support for poor students, thus creating a sustainable model of education assistance that will contribute to the development of education in rural areas.

Corresponding SDGs



## The first batch of "TCL solar campus" was completed in Xixiang County, Hanzhong City, Shaanxi Province

In May 2022, the Foundation donated photovoltaic rooftop power generation systems and full life-cycle power generation[1] proceeds of the equipment to four schools such as Cao Miao Primary School to support education in Xixiang County, Hanzhong City, Shaanxi Province. The project was completed and connected to the grid in August 2022. A total of four schools received photovoltaic rooftop power generation systems, each of which is expected to generate 47,000 kWh of electricity annually. The full life cycle of the photovoltaic system is expected to reduce carbon dioxide emissions by 4,716 tons, which is equivalent to the planting of 260,000 trees.

## Second batch of "TCL solar campus" completed in Ningxia Hui Autonomous Region

In November 2022, the Foundation donated to build six solar campuses in Lingwu, Yinchuan, Ningxia Hui Autonomous Region. The construction of the project started in January 2023 and was put into operation in February. A total of six schools received photovoltaic rooftop power generation systems, each of which is expected to generate 73,000 kWh of electricity annually. A total of 10,900 tons of carbon dioxide will be reduced during the full life cycle of the PV systems, which is equivalent to planting 600,000 trees.

[1]The average lifespan of rooftop PV solar systems is 25 years.

" Combating Climate Change

Green Leadership

FEATURE
STORY II



In 2022, TCL Tech. responded to the national call to "actively and steadily promote carbon peaking and carbon neutrality" by supporting the improvement of energy consumption and intensity regulation as well as promoting clean and low-carbon efficient use of energy and clean and low-carbon transformation while refining the statistical accounting system for carbon emissions. This ensures the promotion of green development and the effective realization of harmonious coexistence between human beings and nature.

In response to the Paris Climate Agreement and the national "carbon peaking and carbon neutrality" strategy, TCL Tech. has established a green development path. With its advantageous technology and industrial layout, TCL Tech. promotes the development of green industry and attaches great importance to the issue of addressing climate change. In order to further improve the Company's environmental management ability and improve its carbon emission mapping work, TCL Tech. has actively carried out carbon emission verification and emission reduction efforts in 2022.

TCL Tech. strengthens technological innovation and strives to build a highly efficient, clean, low-carbon and cyclic green manufacturing system through continuous intelligent transformation. While ensuring compliance with various laws and regulations, we strive to meet the relevant standards of the industry, actively seek room for improvement, exercise our subjective impetus, identify shortcomings and fill in the gaps, so as to continuously improve the green production level of the Company itself. At the same time, each company of the Group actively explores various possibilities such as green technology, green products and green supply chain. Through technological innovation, we reduce the negative impact of products on the environment during the production and use, thus leading the green, low-carbon, ecological and intelligent development of the industry.

To provide better guidance for the Group's carbon reduction and sustainable operation, TCL CSOT released the *TCL CSOT Carbon Peaking - Carbon Neutrality Plan*. The plan is aimed at creating a sustainable CSOT that develops harmoniously with the environment and the community through the implementation of carbon absorption, reduction and replacement, energy substitution, quality and efficiency improvement, energy saving and pollution reduction. In 2022, TCL CSOT, together with China Video Industry Association and China National Institute of Standardization, launched the industry's first *China Semiconductor Display Industry Carbon Neutrality White Paper*. The purpose is to discuss how semiconductor display companies can establish green and low-carbon management throughout their life cycle through technological innovation in order to achieve the goal of ecological priority as well as green and low-carbon high-quality development based on the "carbon peaking and carbon neutrality" goals. At the same time, TCL CSOT engaged all value chain partners to participate in the initiative of carbon neutrality by enhancing energy conservation, low-carbon management, a circular economy, practicing corporate social responsibility, and participating in various carbon neutrality actions.

In the future, TCL Tech. will also continue to contribute and explore in the field of sustainability, implement carbon reduction at a strategic level, and lead the industry and value chain towards green and low-carbon development.

Corresponding SDGs

"
**the Green Industry**
**Boost the Development of**
**Intelligent Manufacturing**



**FEATURE STORY III**

Adhering to the concept of "intensive, integrated, collaborative and collective innovation", TCL Zhonghuan consistently promotes the construction of intelligent factories. Integrating Industry 4.0 changes into the operational process and operational scenarios of the Company's production, we lead industrial transformation and upscaling with advanced and intelligent manufacturing. At the same time, the Company also hosts and participates in industry cooperation forums to provide an exchange platform for industry partners to achieve high-quality synergistic development.

The Ningxia Zhonghuan 50GW (G12) solar-grade monocrystalline silicon material smart factory is the world's leading investment project for the industry's largest single-unit solar-grade monocrystalline silicon. The project aims to build a green and smart factory with a total investment of RMB 15 billion, which will create more than 4,500 jobs and an estimated annual output value of more than RMB 16.5 billion upon full completion. On January 17, 2022, the first G12 monocrystal with a length of 3,600 mm, diameter of 300 mm and weight of 612.8 kg was successfully launched by the Ningxia Zhonghuan 50GW (G12) solar-grade monocrystalline silicon material smart factory.

Corresponding SDGs





Based on Ningxia Zhonghuan's leading "G12" disruptive technology, the factory is designed to optimize the manufacturing, organization and management model through smart factory design. The plant will further accelerate the mass production and large-scale application of G12 monocrystalline silicon products with upstream and downstream industry chain synergy and shared development.

Reaching deep into Industry 4.0 technology, Ningxia Zhonghuan has leveraged its years of experience to create square rod dark factory. This technology ensures the quality of production and realizes the dark lighting of local processing, thus reducing manpower and energy consumption. At present, the dark lighting rate and centralized control rate of dark workshops in Ningxia factory have reached 60% and 40% respectively, and will be further increased to 90% and 80% respectively. The "Dark Factory" initiative has also been gradually extended to other production bases of the Company.

In addition, TCL Zhonghuan actively participates in industry networking events and promotes the flow of knowledge in the industry. On March 17, 2022, the Ningxia Hui Autonomous Region PV Industry Cooperation Forum, hosted by the Ningxia Clean Energy Industry Promotion Association and organized by TCL Zhonghuan and other enterprises, was held online. The main objective of the forum was "practicing the 'three-green' development and construction of the PV industry ecosystem". The leaders of the Ningxia Clean Energy Industry Promotion Association, representatives of PV development entities and manufacturing enterprises in the autonomous region were invited to attend the forum. Together, we discussed the new opportunities in the history of PV under the "carbon peaking and carbon neutrality" goals in order to promote the collaborative development of the industry.

# 01

## Environmental

Green Drives the Building of a Beautiful Home

TCL Tech. has always been actively practicing green and low-carbon sustainable development, constantly improving relevant environmental management systems, continuously optimizing the efficiency of resource utilization in the production process and reinforcing the clean production model. At the same time, the Company actively practices green development, launches green products, deploys green industries, promotes green culture, and leads upstream and downstream to create sustainable development and promote the harmonious coexistence of human and nature from all aspects of the value chain.

# Green Production

In order to cope with the challenges of global climate change, TCL Tech. fulfills its commitment to environmental protection and emission reduction and is determined to develop on a green path with continuous promotion of green production. By increasing the efficiency of resource utilization and enhancing the mode of clean production in the entire process, we establish the concept of environment-friendly development and promote the harmonious coexistence between human beings and nature.

## Environmental Management System

In order to ensure the effective implementation of SDGs, TCL Tech. has established a perfect environmental management mechanism. Each production unit of the Company has built an environmental management system with reference to ISO14001 standard, and ensures the continuous implementation, maintenance and improvement of the system management.

Starting from risk management, each company of TCL Tech. has taken control of environmental protection accidents and incidents, exercised the main responsibility of environmental protection, and ensured the institutionalization and standardization of environmental protection supervision work. From that perspective, TCL has established a perfect management system for environmental protection accidents and incidents, with strict regulations and detailed descriptions on the definition of high risks, accidents and incidents in environmental protection. The system also includes a reporting protocol, investigation and handling, rewards and punishments system, interviews and responsibility evaluation processes. The Company also conducts real-time online monitoring of various environmental emission indicators and carries out internal control of the discharge of pollutants in accordance with internal control standards, which are stricter than the limits of the emission standards set by the government.

At the same time, the Company has formulated the *Emergency Response Plan for Environmental Emergencies* according to the requirements of laws and regulations. It has also completed the record registration with relevant government departments, conducted emergency drills according to the plan on a regular basis, and established emergency response communication mechanisms with government units to ensure the prior prevention of environmental risks and further enhance emergency response capability.

With reference to ISO50001 Energy Management System and ISO14064 International Standard for Greenhouse Gas Management System, TCL Tech. has established the *Air Pollution Control Management Procedure, Noise Pollution Control Management Procedure, Solid Waste Management Procedure, Energy Resource Consumption Management Procedure* and other related systems. We have also established a strict environmental protection KPI target management program, with real-time online monitoring of various environmental protection emission indicators as well as internal control of pollutants emissions based on internal control standards that are stricter than the limits of government emissions standards. This enables us to comprehensively identify and control the environmental key performance of the Company's activities and products and services, and take targeted measures.

## Construction of a Green Factory

In order to implement "green production", TCL Tech. and its companies strictly follow the requirements of green factory standards to establish, implement, maintain and continuously improve the green factory system. The concept of green production and green manufacturing is always integrated into the daily production and operation management of the Company.

**TCL Technology Group's Green Factory Related Certifications**

- Shenzhen CSOT's t1t2 and t6t7 projects were awarded the national "Green Factory" title
- Shenzhen CSOT's t1t2 project obtained the Zero Carbon Factory Evaluation Certificate, Shenzhen Green Label Enterprise of Environmental Integrity and Outstanding Enterprise that passed Clean Production Audit
- Shenzhen CSOT's t6t7 project was awarded the three-star green building design certificate and LEED Platinum double certification, while the R&D center was awarded the title of Shenzhen Near Zero Carbon Emission Building Demonstration Pilot Project.
- Wuhan CSOT's t3 project was awarded the national "Green Factory" title
- Wuhan CSOT's t4 project was awarded the municipal-level three-star "Green Building" certificate
- Suzhou CSOT's t10 project won the title of "Green Factory" in Jiangsu Province
- Huizhou CSOT was awarded the three-star green building certification
- TCL CDOT was awarded the national "Green Factory" title
- Zhonghuan Photovoltaic, Tianjin Zhonghuan Advance and Tianjin Huanxin received national green factory certification

## Energy Management

In order to promote low-carbon production, TCL Tech. continues to carry out energy conservation and emission reduction, renewable energy development and utilization, so as to build a low-carbon and environmentally friendly green production park. TCL CSOT has launched the "Carbon Neutrality" plan and released the *TCL CSOT Carbon Peaking - Carbon Neutrality Plan* to promote carbon emission reduction through various measures while working with relevant parties to help achieve the "carbon peaking and carbon neutrality" goal. In order to strengthen management, TCL Tech.'s major industries have conducted greenhouse gases inventory and certification, and set emission reduction targets.

### Active promotion of energy efficiency initiatives

In order to achieve efficient energy management, TCL Tech. continues to promote the construction of energy management system, among which, Shenzhen CSOT, Wuhan CSOT, TCL CDOT, TCL Zhonghuan and MOKA have passed the ISO50001 certification. Each of the companies adheres to the concept of energy efficiency and consumption reduction and carries out energy conservation and emission reduction management in industrial parks in which management and equipment energy conservation go hand in hand. They have also introduced a systematic energy conservation system and formulated energy use plans, implemented energy conservation measures, and set energy conservation targets. Several businesses have incorporated energy management into their regular management and included relevant performance in their management assessment to effectively promote the achievement of consumption reduction targets.

Suzhou CSOT implemented extreme conservation measures for water, electricity, gas and other basic energy sources, and promoted 50 energy-saving technical improvement projects. This has resulted in savings of 20.52 million kWh of electricity and a reduction of 14,400 tons of carbon emissions. The total investment in energy-saving technology and improvements for the whole year 2022 is more than RMB 30 million. Through measures like mass control of chillers, roof exhaust transformation, fan frequency conversion transformation, etc., the Company realized the target of energy saving and cost reduction for plant services, with an actual achievement of RMB 41.61 million, exceeding the annual target of RMB 41.33 million. Shenzhen CSOT implemented a total of 249 energy-saving projects in various units from the aspects of process energy saving, management energy efficiency and parameter optimization. The main components are FFU speed reduction, V-master shutdown, CDA pressure reduction, clean room temperature and humidity adjustment and boiler replacement with low-NOx condensing boilers to help achieve the goal of reducing energy consumption per unit of product.

TCL CDOT achieved electricity savings of 3.47 million kWh in 2022 through energy management initiatives such as improving production efficiency. In addition, each subsidiary of TCL Zhonghuan has a power department for comprehensive energy management and energy conservation and reduction. It also focuses on promoting the digitalization of energy management, rational planning and utilization of energy to boost green development. In 2022, TCL Zhonghuan's annual electricity savings achieved directly through energy conservation and efficiency measures amounted to 50,214,500 kWh.

### Continuous development and utilization of renewable energy

The companies of TCL Tech. have also continuously carried out the development and utilization of renewable energy to build a low-carbon and environmentally friendly green production park. Huizhou CSOT has been successively laying distributed PV solar systems on the roofs of factory buildings since 2019 and completed the distributed PV solar project for its R&D office buildings and parking lots in 2022, with an additional installed capacity of 1 MW. By the end of 2022, Huizhou CSOT's total installed capacity of distributed PV solar systems amounted to 18.56 MW, with an annual power generation capacity of 14.24 million kWh. With the principle of "paving as much as possible", Shenzhen CSOT newly installed a total capacity of 3.83 MW of rooftop PV solar systems in 2022, with an annual power generation capacity of 4 million kWh. The current total capacity PV systems at the base have reached 48 MW and can generate 50 million kWh of electricity per year. The project was awarded the title of "Smart PV Demonstration Project".

Suzhou CSOT's 12 MW photovoltaic power generation system is expected to be connected to the grid in February 2023, with an estimated annual power generation capacity of 12 million kWh. Wuhan CSOT constructed a PV solar power generation system in 2022 to achieve grid-connected power generation. With an annual power generation capacity of 17.5 million kWh, it can save about 5,700 tons of standard coal and reduce greenhouse gas $CO_2$ emissions by about 17,200 tons. On the other hand, the distributed PV solar power plant built by TCL Zhonghuan can provide 37.312 million kWh of green energy and its capacity is expected to exceed 4 GW by 2027, with direct supply to the production bases in Inner Mongolia and Ningxia.


Rooftop PV Solar Systems at Suzhou CSOT


Rooftop PV Solar Systems at Wuhan CSOT
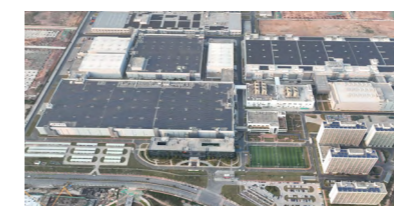

Rooftop PV Solar Systems at Huizhou CSOT

## Management of Atmospheric Pollutants

To implement the *Law of the People's Republic of China on Environmental Protection*, the *Law of the People's Republic of China on Prevention and Control of Air Pollution*, the *Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste, the Law of the People's Republic of China on Promotion of Cleaner Production* and the *National Notice on Further Promotion of Cleaner Production Audit in Key Industries*, TCL Tech. and its companies place great emphasis on the emission of air pollutants in the production process. We continue to promote the management of air pollutants from the three aspects of source reduction, process control and end-of-pipe treatment. In 2022, the air pollutant emissions of all TCL Tech. companies met national and regional standards.

Shenzhen CSOT established the *Greenhouse Gases Quantification and Reporting Management Procedures*, carried out boiler low-NOx transformation, and reduced the use of nitrogen trifluoride (NF3) by modifying the chemical vapor deposition (CVD) cleaning molds, changing the direction of cleaning gas flow, and improving the cleaning rate. At the same time, Shenzhen CSOT introduced new intelligent measures for the monitoring of exhaust gas emissions, developed its own intelligent data platform, and connected to the central control room online monitoring system. We can monitor pollutant emission data independently with real-time reporting, set reminders for excessive internal control data, and provide early warning for pollutant emissions. For organic waste gases, Suzhou CSOT adopts the efficient treatment method of thickener + RTO incineration, which has a treatment efficiency of over 95%. For acid-base waste gases, Suzhou CSOT adopts acid-base scrubbing turrets for circular spraying treatment. Lastly, for comprehensive waste gases, it adopts the method of POU combustion + acid-base spraying on machines of the workshop.

Huizhou CSOT adopted activated carbon adsorption to treat waste gases and set the pressure difference standards in accordance with the differential pressure meter, with daily monitoring of the condition of the differential pressure between the inlets and outlets. It has also entrusted a third-party organization to perform on-site monitoring of emission outlets every year to facilitate strict management of air pollutant emissions. For the various types of waste gases, Wuhan CSOT has built a corresponding stripping waste gas treatment system, alkaline waste gas treatment system, acid waste gas treatment system, organic waste gas treatment system and CVD waste gas treatment system for to reduce the emission of air pollutants. TCL CDOT and MOKA have also met the emission standards through unified collection to the activated carbon adsorption device for disposal.

## Water Resources Management

TCL Tech. and its companies have been actively responding to local environmental protection requirements by using applicable water sources and constructing wastewater treatment stations in the base. The various types of wastewater, which have been collected and treated by classification and disposed of by advanced technology in the industry, have all reached the internal control standards which are far below the national emissions standards.

At the same time, each company of TCL Tech. has continuously carried out normalized water conservation actions and actively explored various water recycling methods. Shenzhen CSOT's t2 project innovatively introduced artificial wetland technology, so that the wastewater can reach the Class IV surface water standard, thus achieving a high degree of harmony between production and nature. At the same time, Shenzhen CSOT carried out machine water saving improvement in t7 project by reference to t6 project to achieve pure water saving of 9,611 tons per day. Meanwhile, the t6t7 project focuses on building a sponge park, reducing the use of groundwater resources (tap water) and fully utilizing indirect water resources. Meanwhile, Suzhou CSOT carried out water conservation through RO concentrated water reuse, reclaimed water reuse, and air conditioning humidification drainage reuse projects. Specifically, the utilization rate of RO concentrated water increased by 10% while the recycling rate of air conditioning water humidification drainage increased by 15%.

Huizhou CSOT adopted a pure water recycling process to treat and recycle the discharged wastewater through "bag filtration + carbon filtration" or "disk filtration + ultrafiltration", which can reduce the discharge of 260,000 tons of wastewater per year, with a wastewater recycling rate of 74%. Wuhan CSOT improved water use efficiency through technologies such as reclaimed water reuse, fluorine-containing wastewater reuse, grinding wastewater reuse, and intelligent cleaning of glass substrates. This has helped achieve 25 million tons of water savings for 2022. TCL CDOT established a wastewater treatment station and implemented projects for the recovery of pure water, wastewater generated from workshop cleaning, and vacuum pump cooling water, which save 63,900 tons of water annually. In 2022, TCL Zhonghuan promoted several water-saving measures, which resulted in direct savings of 12,343,500 tons of water for the whole year.



VOC Activated Carbon Adsorption Tower of Huizhou CSOT



Shenzhen CSOT artificial wetlands

### Shenzhen CSOT Pure Water Recycling Project

Considering the nature of recyclable wastewater, Shenzhen CSOT has built a pure water recycling system to recycle the pure water used for post-production cleaning, with the recovery rate of pure water reaching more than 75%. At present, the pure water recycling system can recover a total of 34.6 million cubic meters of pure water per year, saving approximately RMB 171,569,400 in tap water costs, thus further improving the Company's water utilization rate and reducing water wastage.

## Waste Management

With strict compliance with relevant national laws and regulations on waste management, TCL Tech. maintains stringent risk control and sets up corresponding disposal measures for different types of waste. The solid waste generated by each subsidiary is classified into the categories of general waste, hazardous waste and domestic waste. General waste is handed over to TCL Environmental Technology for resource reuse treatment while domestic waste is handed over to professional cleaning companies for unified recycling and treatment after classification. For hazardous waste, the Company has formulated a relevant system to define the disposal requirements and entrusted a qualified company for unified recycling and treatment.

At the same time, the companies continue to optimize the innovative production process, promote waste reduction and resourcing in the production process, reduce waste generated in the production process, along with continuous improvement of waste utilization rate. In 2022, Huizhou CSOT included waste management in the key annual environmental protection efforts, comprehensively standardized the compliance-based management of waste disposal, and facilitated up to standard waste discharge. Through the daily management of the pollution prevention and control facilities, environmental supervision as well as the supervision and management of hazardous waste disposal suppliers, Huizhou CSOT achieved zero abnormalities in waste disposal and waste inventory control was all in line with the requirements. In 2022, Huizhou CSOT conducted a total of 4 environmental inspections, submitted 9 monitoring reports, and performed joint sampling and monitoring with environmental protection departments for a total of 4 times, with a 100% compliance rate of testing results.

Suzhou CSOT has taken measures to strengthen waste management. By utilizing new copper-containing raw liquid, extending the usage time and reducing the amount of waste liquid generated, Suzhou CSOT has reduced the amount of hazardous waste (copper-containing waste liquid) by 10%. Meanwhile, Shenzhen CSOT has established internal control standards for waste discharge, set annual environmental protection KPI for each unit, and conducted monthly assessment through the Safety and Environmental Protection Management Committee and the Environmental Management Section of Technical Safety and Environmental Protection Department that is specially responsible for environmental protection, so as to ensure waste discharge compliance. As of the end of 2022, Shenzhen CSOTreduced the total amount of hazardous waste by 74% since the construction of the plant, and the overall comprehensive utilization rate of waste reached 94% after continuous promotion in waste reduction and resource utilization. Wuhan CSOT set waste reduction targets with plans to achieve 1% reduction in hazardous waste per piece of production and 0.5% reduction in general waste per unit of production capacity per year by 2025. TCL CDOT set annual waste emission reduction targets and unit product emission targets, carried out sorting and collection, recycled waste packaging drums for their original use through suppliers, and commissioned recycling units for waste paper, scrap iron and plastic. These efforts have helped to effectively reduce the generation of waste. Focusing on the development of circular economy, MOKA has been promoting zero waste to landfill and has obtained the UL2799 Platinum certification.

At the same time, TCL Tech. attaches great importance to the management of hazardous substances in products. Thus, it has established a hazardous substances management system based on the QC08000 hazardous substances management system standard and relevant requirements of customers. With reference to global regulations on hazardous substances control and customer requirements, each company under TCL Tech. has compiled a hazardous substances control list according to the actual conditions of its own products. The list includes restricted substances, substances to be declared and substances to be restricted in the future. It is used as a guide for the selection of materials and the formulation of requirements for suppliers in the product design phase.

# Green Development

TCL Tech. has always adhered to green development, with a focus on green products and active deployment of green industries. In 2022, the companies of TCL Tech. actively developed green products and promoted the realization of green management throughout the product life cycle.

## Green Products

With a focus on green products, TCL Tech. continues to improve product energy efficiency through technological innovation while reducing the negative impact on the environment during the production and use of its products. This provides customers with more environmentally friendly products that convey the concept of sustainable development to users. The Company extends the service lifespan of its products through unique product designs that enable easy disassembly and recycling of product components.

TCL CSOT comprehensively cultivates green products, and its 23.8-inch FHD display has passed the US Energy Star ES8.0 certification. All ten display panels manufactured by the Company were named as green design products of the Ministry of Industry and Information Technology's *Green Manufacturing List*. Shenzhen CSOT was certified as a national green design demonstration enterprise for industrial products. Meanwhile, the Company deploys electrophoretic e-paper technology and develops high-reflectivity EPD e-paper products to achieve ultra-low power consumption display. In 2022, TCL Zhonghuan obtained several national-level green design certifications. On the other hand, the photovoltaic silicon wafers produced by Tianjin Huanou Semiconductor Materials Technology Co., Ltd. and Wuxi Zhonghuan Applied Materials Co., Ltd. were evaluated and named as green design products on the Ministry of Industry and Information Technology's *Green Manufacturing List*.

## Green Industry

TCL Tech. is actively expanding its green industry and contributing to low-carbon development. By "implementing a global leadership strategy" in the field of photovoltaics, TCL Zhonghuan has become a representative of the differentiated and innovative development of Chinese companies. It remains a strong competitor in the future market of photovoltaic solar cells and modules as well as photovoltaic power plants.

TCL Zhonghuan has been constantly updating its green product design and production technology to reduce the cost of photovoltaic products and promote energy transformation, further driving the development of the photovoltaic industry. The Company focuses on the development and integration of two platforms, namely G12 large-size solar wafers and high-efficiency shingled module technology. Leveraging on the G12 technology platform and flexible manufacturing capability, the company is working closely with the industry chain to launch 210+ large-size silicon wafers in response to market demand for large-size and high-performance products. This will also help accelerate the construction of shingled module projects and contribute to the low-carbon development of society. According to TÜV SÜD's new energy research institute, TCL Tech.'s annual PV product shipments will provide society with more than 4 trillion kilowatt hours of clean energy power and reduce emissions by approximately 2 billion tons of carbon dioxide equivalent throughout its life cycle.

TCL Zhonghuan continuously improves the capacity of PV power plant operation and maintenance as well as the capacity of the international PV business. Led by technological innovation and strategic cooperation, it actively explores new energy power plant services such as PV power plant development and construction, PV power plant design and comprehensive energy services. At the same time, it also actively develops, constructs, operates and facilitate maintenance for various PV power plant projects.

### Shingled 3.0 Modules

TCL Zhonghuan combines large-size silicon wafers to create a differentiated "G12+ Shingled" dual-technology platform to enhance power generation revenue and reduce the use of electricity in products while continuously improving module power generation efficiency and low-carbon attributes.

In 2022, TCL Zhonghuan launched the Shingled 3.0 P6 series products, which include 585W 55P single-glass modules and 675W 68P single-glass modules. In particular, the 55P single-glass module has the highest power generation efficiency of 21.7%. Relying on the technical characteristics of Shingled module technology without cell spacing and full parallel circuit structure design, this product has higher packing density and power output than conventional modules of the same type, thus improving power generation performance in all aspects. It also has excellent resistance to thermal spots, providing customers with higher power yield and lower BOS (balance of system) costs while reducing power consumption.

### 14 MW Rooftop Distributed PV Solar Power Generation Plant at the National Convention and Exhibition Center (Tianjin)

The 14 MW rooftop distributed PV solar power generation project at the National Convention and Exhibition Center (Tianjin) was funded and constructed by Tianjin Zhonghuan New Energy Co., Ltd. The project adopted TCL Zhonghuan's unique shingled modules to integrate light, storage and charging. Relying on the project's PV green power generation system, charging pile services were built to supply green electricity for electric vehicles. The introduction of the energy storage system serves to smoothen the PV output and energy dispatch process, improve power quality, and enhance the predictability and utilization of new energy generation.

As a whole, the project at the National Convention and Exhibition Center (Tianjin) has adopted energy-saving, water-saving and material-saving measures. Meanwhile, the TCL Zhonghuan distributed power station supplies green power to the exhibition hall to create a green convention center. The energy-saving rate of the building has reached 66.2% while the utilization rate of non-conventional water sources has reached 34.2%. The total carbon emissions of the designed building have also been reduced by more than 25% compared to the base building. The National Convention and Exhibition Center has thus obtained the three-star green building design certificate.
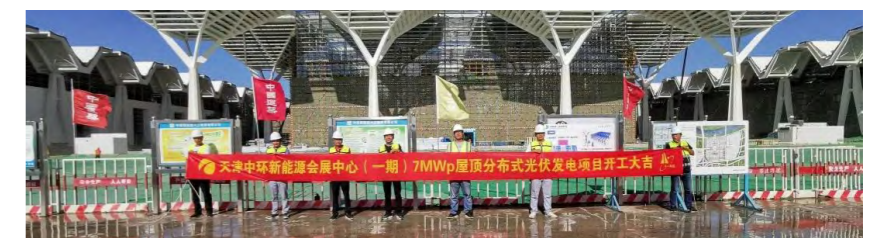
# Green Industry Chain

The companies of TCL Tech. not only strictly fulfill the responsibility of environmental protection, but also strive to implement the concept of environmental protection in each key segment of the industry chain. Through continuous innovation and optimization in procurement, logistics, storage, packaging and other aspects, we can reduce pollution and waste in the manufacturing process so as to better fulfill our social responsibility. At the same time, the Company has also been actively exploring and implementing green finance in the supply chain to promote green and sustainable development across the entire chain.

## Green Procurement

To execute the concept of green development, TCL Tech. has persisted in implementing green procurement and actively carried out environmental management for suppliers. With regard to green procurement, the Company has issued the *Green Procurement Management Procedures*, which clearly define the requirements for hazardous substances in corporate products and the issues that suppliers should cooperate with each other on. This is to jointly facilitate the compliance of the value chain with relevant laws and regulations, fulfill corporate responsibility, protect the global environment and reduce the adverse impacts on the ecosystem.

In terms of supplier site system certification, the CSR audit management system of each company of TCL Tech. clearly takes into consideration whether or not the supplier provides annual energy efficiency and emission reduction projects and their results reports. Other factors for consideration include whether the supplier has conducted greenhouse gas inventory and whether or not the supplier has implemented the ISO50001 energy management system.

In the process of supplier management, the Company has formulated the *Supplier Corporate Social Responsibility Statement and Supplier System Certification (Inspection) Operation Guideline*. Suppliers are also required to sign the *Letter of Commitment from Relevant Parties*, which sets out clear requirements for the corresponding processes in environmental management, energy conservation and emission reduction for production suppliers. The Company includes the environmental management and toxic and hazardous substances management content when conducting supplier introduction or performance evaluation. In the event that a supplier fails in the environmental aspect, the Supply Chain Center will communicate with the supplier's senior management to verify the consensus of the occurrence and conduct counseling for the relevant personnel.

## Green Logistics, Warehousing and Packaging

In terms of logistics, TCL Tech. and its companies continue to boost green and clean logistics. In the process of product transportation, new energy trucks are given priority in each industry for transportation, and the route planning of product transportation is continuously optimized to achieve mass dispatch. At the same time, a recycling mechanism has been established for plastic pallets, pallets and other materials used in the transportation process, and recycling work is carried out after usage to reduce transportation consumables.

In order to guarantee the green safety of the storage segment, each company of TCL Tech. has set up anti-leakage ditches in the warehouses of dangerous chemicals which are connected to the emergency pool for accidents. This ensures that no environmental pollution is caused when chemicals are leaked.

TCL Tech.'s product packaging design in each industry upholds the concept of energy efficiency and environmental protection. With a strong emphasis on packaging recycling, TCL Tech. has established a comprehensive recycling process, formulated the *Recycling Package Management Operation Guidelines*, and signed a package recycling service contract with suppliers. In terms of packaging design, the companies advocate the reduction of packaging materials and opt for a single material for easy recycling as far as possible. In terms of packaging material selection, the companies advocate the use of recyclable and reusable packaging, increase the life cycle of packaging, and give priority to biodegradable packaging materials. In terms of packaging design, the companies minimize the space occupied by the products within the premise of meeting the requirements, and increase the quantity of products that can be packaged with the same amount of material.

In addition, TCL Tech. mandates the chemical composition verification and self-declaration for all materials. Only materials that meet the standards can be used in mass-produced products, and the final products are regularly tested and validated on a random basis. As for certain substances that contain harmful components but have temporarily not been restricted by regulations and customers due to technological constraint, the Company has made technical improvements and developed new technologies to replace or reduce the use of such harmful substances.

### TCL Zhonghuan Green Procurement

In response to the national "carbon peaking and carbon neutrality" policy and the "carbon neutrality" action planned by TCL Technology Group, TCL Zhonghuan intensified the construction of a green supply chain in 2022, and integrated sustainable development and corporate social responsibility into its supplier management system. In the supplier audit and annual evaluation of suppliers, the evaluation items of "carbon peaking and carbon neutrality" construction and management have been added, such as the abnormal situation of environmental protection, environmental protection penalty records, and progress and planning of "carbon peaking and carbon neutrality" construction projects. The new supplier admission and tender process has enhanced the environmental management system certification. In the future, environmental management system certification will be used as one of the supplier selection criteria.

## Green Finance

In terms of finance, TCL Tech. upholds the guiding principle of "sustainable development, green and efficient", promotes the implementation of green projects, and assists member enterprises upstream and downstream of the industrial chain in boosting the level of green development. TCL Finance issued the *Notice of TCL Group Finance Co., Ltd. on Matters Related to Green Loans* to take the lead in supporting the development of relevant green industries with green loans. Meanwhile, TCL Tech. and its companies have also relied on green financial means to raise funds to support the sustainable development of their businesses.

### TCL Finance Launched Green Finance Business

On June 29, 2022, TCL Finance launched the first carbon emission reduction bill rediscounting business in the industry in China. The business boosts the green development of enterprises by providing them with discount funds, which is expected to drive them to reduce their annual carbon emissions by about 840 tons. At the same time, the business has obtained the rediscounting tool supported by monetary policy tools, further enhancing the effective support to "low carbon" enterprises.

### TCL Tech. Issued First Green Medium-Term Bill

Green bonds, which are represented by green medium-term bills, are bonds that specifically support energy conservation and environmental protection, pollution prevention and control, resource conservation and recycling as well as other green projects to raise funds. On April 27, 2022, TCL Tech. successfully issued its first green medium-term bill. The size of this bond is RMB 1.5 billion, with a maturity of 3 years and a coupon rate of 3.3%. The bond has been certified by a third-party institution, China Credit Green Gold Technology (Beijing) Co., Ltd. as a green bond with a G-1 rating, which is the Company's first venture into green financing in the capital market.

The funds raised from this green bond are scheduled to be used entirely to support the construction of green plants for TCL Technologies' industries. It is expected to achieve an annual energy saving of 38,600 tons of standard coal, a synergistic reduction of 85,200 tons of carbon dioxide emissions, and an annual water reuse of 10,435,000 tons and an annual reuse of 18,200 tons of steam condensate.

### TCL Zhonghuan Launched The First "Equator Principles" Financing Project in Tianjin

The Equator Principles (EP) are a set of sustainable financial principles commonly used worldwide to identify, assess and manage the environmental and social risks associated with the financing of projects. The EPs, which identify the environmental and social indicators to be evaluated in financing projects, were initiated by major international financial institutions and involve the participation of global financial institutions.

As the first bank in China to adopt the Equator Principles, Industrial Bank approved the syndicated loan for TCL Zhonghuan's "25GW-per-year High-efficiency Ultra-thin Silicon Monocrystal Wafer Smart Factory" project in September 2022. TCL Zhonghuan passed the due diligence of Equator Principles, obtained Class B recognition and successfully executed the project, becoming the first Equator Principles project in Tianjin.

# Green Culture

With the emphasis on the construction of green culture within the Company, TCL Tech. is committed to promoting a green office. The Company has also created a favorable green development atmosphere within the Company through various activities and relevant training to help employees build environmental awareness.

## Green Office

TCL Tech. attaches great importance to the environmental impact of the operational process and actively responds to the national call for energy efficiency and emission reduction. We promote the concept of green office within the Company and exercise control over energy, carbon emission and resource use to create a favorable green office atmosphere.

### TCL CDOT Green Office

In order to implement green office, TCL CDOT has adopted the use of the online office system as much as possible in its daily operations to improve the degree of a paperless office. The Company currently has an existing OA office system, SAP system, and warehouse management system. Apart from the documents needed on site, all other documents must be approved and shared with the system. Up to now, a total of 83 processes in the Company have been approved by the system, effectively saving approval time and paper. In 2022, TCL CDOT created a paperless checkpoint system with annual savings of 2.68 million sheets of paper.



## Raising Environmental Awareness

Through various environmental protection knowledge training, experience sharing and thematic activities, the companies of TCL Tech. continuously increase the environmental protection awareness of all employees and the professional ability of the dedicated environmental protection team. In 2022, Suzhou CSOT mainly conducted online training via the Internet about the compliant disposal of hazardous waste and the safe management of environmental protection facilities. TCL CDOT carried out 3 training sessions on basic knowledge of environmental protection and knowledge of hazardous waste emergency disposal methods, with about 100 participants from relevant departments and a 100% training pass rate.

### Huizhou CSOT's Low Carbon Day Activity on June 15

Huizhou CSOT carried out the "June 15 Low Carbon Day" activities in the Company, revolving around the theme of "implementing 'carbon peaking and carbon neutrality' action for a better home". Through promotional videos and WeChat Friends, the Company promoted the activities and advocated "energy efficiency and emission reduction for a low-carbon life".
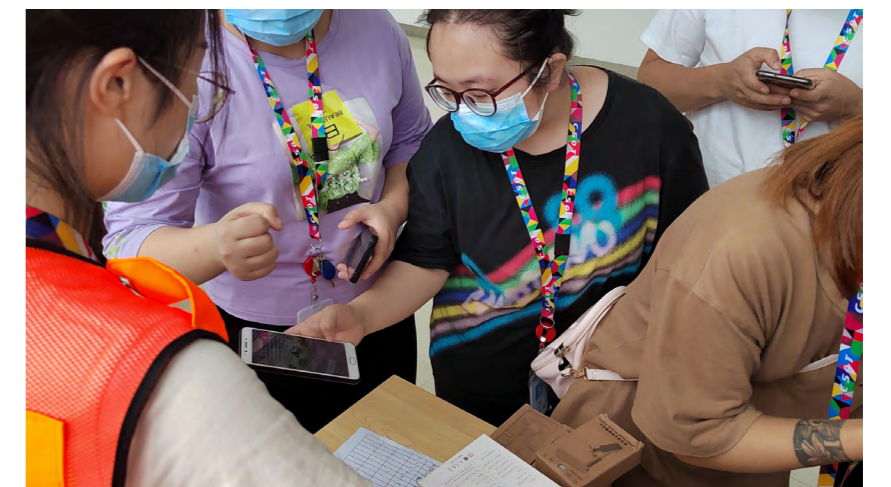
# 02

## Social

Innovation Drives Pursuit of Long-term Value

TCL Tech. actively fulfills its social responsibility and continues to create social value. The Company continuously breaks through technical bottlenecks through technology research and development to support the improvement of quality and efficiency in the industry. By striving for excellence in craftsmanship and processes, TCL improves product quality and customer experience. Through comprehensive supply chain management cooperation, we establish a mutually beneficial value chain. Through the formulation of a comprehensive employee rights and benefits protection mechanism and an employee development and training system, TCL Tech. works closely with all employees and partners to achieve common growth. TCL Tech. also attaches great importance to public welfare and makes unremitting efforts to build a better society by intensifying public welfare investment and carrying out various public welfare projects to help promote common prosperity along with the rural revitalization strategy.

# Perseverance in Technological Innovation

"Technology-led and innovation-driven" is the business strategy of TCL Tech., and the driving force behind the Company's dynamic development. In 2022, TCL Tech. continuously enhanced its R&D capacity and developed innovative products and applications with the aim of maintaining its leading competitive edge in the industry.

## Reinforcing Innovative Ability

In 2022, TCL Tech. invested RMB 10,778,410,000 in R&D with a total of 11,979 R&D staff. In the same year, the Company filed 659 new PCT patent applications, with a cumulative total of 14,741 applications. The number of patent applications for technologies and materials in the field of quantum dot electroluminescence reached 2,244, ranking second in the world.

At the same time, TCL Tech. continues to enhance its R&D capability by pushing forward the establishment of innovation platforms. To date, the Company has two national innovation centers, namely the "National Printing and Flexible Display Innovation Center" and "National Innovation Center of New Display Technology".

TCL Zhonghuan continuously improves its competitiveness in the international field of new energy materials and promotes the establishment of an R&D organization with solar monocrystalline silicon wafer products as the core. As of 2022, TCL Zhonghuan owns a national technology center, 6 provincial and ministerial R&D centers, 2 provincial and ministerial key laboratories, and 9 national high-tech enterprises. In addition, TCL Zhonghuan is a national technological innovation demonstration enterprise and the main undertaking enterprise of the national science and technology major special project (02 special project). It has also been approved as a national enterprise technology center.

### National Innovation Center of New Display Technology

The "National Center of Technology Innovation for Display" is the only national technology innovation center in the field of new display technology in China. It is also one of the sub-centers of the "National Technology Innovation Center of Guangdong-Hong Kong-Macao Greater Bay Area". With an innovative institutional mechanism, the center is working closely with upstream and downstream enterprises, universities, research institutes and other units to achieve breakthroughs in new display materials, processes, devices and equipment and other key common technologies. Leading the development of new display technology, TCL Tech. contributes to the transformation of China's display technology from shadowing to originality and then to leadership; from survival to innovation-driven development; from single product development to coordinated innovation across the industry chain.

### National Printing and Flexible Display Innovation Center

The "National Printing and Flexible Display Innovation Center" is the first capital-based public platform for corporate entities in China's display technology industry. The center is positioned to provide support for the engineering of printed and flexible displays, to open up the printed and flexible display process, and to carry out R&D of printed OLED materials, common technologies, and devices. It has established a world-class printing and flexible display platform.
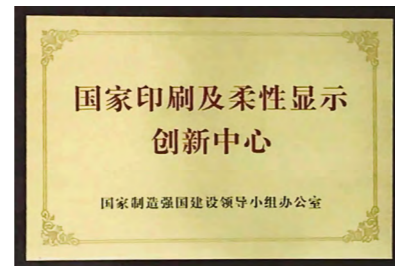
## Emphasis on R&D Talent

With great emphasis on R&D talents, TCL Tech. has established a perfect R&D management system, implemented the *Science and Technology Innovation Incentive Management Measures*, promulgated the *Innovation and Entrepreneurship Incentive Mechanism for Science and Technology Personnel, TCL Group Patent Incentive Measures, TCL Tech. Incentive Measures* and *TCL Internal Talent Market Management Measures.* These measures encourage the combination of internal staff innovation projects and support for external entrepreneurship projects by providing bonuses and equity incentives for employees. The Company has also formulated a set of comprehensive internal and external entrepreneurship incubation system processes.

## Innovative Products and Applications

With continuous innovation practice, TCL Tech. is committed to building a new technology R&D ecosystem structure. Our R&D technology innovation has gradually extended from the product technology end to the upstream material end, and we have continued to tackle a number of key technologies to provide infinite possibilities for social development and technological innovation. In 2022, TCL Tech. was selected as one of the top 100 global innovation organizations by Clarivate.

### TCL CSOT 13.3" Customizable Full Privacy Screen

TCL CSOT's 13.3" custom full privacy screen adopts a thin and light special dimming structure to enable free switching between full-screen privacy and partial privacy. In privacy mode, the brightness at 45° is only 1.1% of the brightness of the front view, while in sharing mode, the brightness at 45° is 10% of the brightness of the front view. At the same time, the screen can achieve ±10° sound audible angle through the integration of directional sound generating unit, effectively preventing sound information leakage.

### 12.4" 2.5K 120Hz Incell Low Blue Light Panel

The product's 12.4-inch large screen supports efficient multitasking, achieving a perfect combination of office and entertainment. The 2.5K resolution with Incell 120 Hz high refresh rate supports 240HZ active pen touch with 4096 pressure level to satisfy the screen requirements for art and design work with an enhanced interactive experience. The IN-CELL process integrates the touch sensor within a screen, effectively reducing the cost increments and module thickness brought about by external CG. Equipped with hardware-level low blue light certification and eye-care mode 3.0, the product relieves visual fatigue.

# Product Quality and Safety

TCL Tech. is dedicated to improving product quality and handling product safety with meticulous care and prudence. With the comprehensive innovation of "three extreme and three leading" ecological quality management model, TCL Tech. won the "Seventh Guangdong Provincial Government Quality Award".

## Quality Management System

TCL Tech. and its subsidiaries have established a perfect quality management system according to both local and international laws and regulations as well as standards such as ISO9001, QC080000, ISO/IEC17025, EU RoHS, EU REACH, China RoHS and IEC62368. TCL Tech. has formulated internal management measures such as *Internal Control Specification for Quality Management* and *Management Regulations for Recall of Defective Products* to enhance product quality management.

TCL CSOT actively complies with the Group's policy and has established internal quality systems for the management of customer service, manufacturing, and product quality. The Company has set up a quality management committee, appointed a chief quality officer and quality authorizer at the decision-making level. The committee is responsible for regularly conducting inspections and evaluations of the systems to ensure continuous innovation of the quality management system. By developing a control procedure with "people, machine, material, method and environment" as the main factors affecting product quality, the Company has realized comprehensive quality control in management.

TCL CDOT has built a customer-oriented high-quality culture, continuously strengthened the management of customer quality teams, and implemented quality automation facilities control to consistently reduce product quality risks. With customer goals as a guide, the Company analyzes the factors of quality in depth from the two dimensions of R&D and process, which ensures stable product quality through monitoring indicators, three-way benchmarking, quality review, and so on.

## Quality Related Awards Received by TCL CDOT



MobiWire 2022 Quality Excellence Award



Transsion Holdings 2022 Best Quality Performance Award

### TCL Zhonghuan "Three Codes in One" Digitalized Product Management

TCL Zhonghuan places high emphasis on the full-cycle management of products. By assigning codes to products, we digitalize and facilitate product information collection, database construction and product quality analysis.

During the production process, three unique barcodes are affixed to each module at three locations on the module's internal terminals, external frame and back panel (as shown below) to ensure that all products are assigned with codes. The EL images corresponding to the barcodes on the modules will be stored for 25 years in accordance with the industry requirements, while the production data corresponding to the module barcodes will also be continuously stored in full volume to ensure the traceability of the module products. Through product coding, TCL Zhonghuan can provide more comprehensive services for customers and improve product quality with real-time results from big data analysis. At the same time, the Company's business structure and development will also be enhanced.



Frame



Back Panel
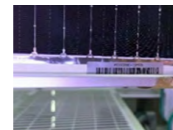


Terminal

### Awards Received by TCL Zhonghuan

National Manufacturing Single Production Champion Enterprise

Tianjin Municipality Manufacturing Industry Individual Champion Enterprise

## Smart Manufacturing

Leveraging on the advanced technology platform, TCL Tech. and its companies actively promote the development and manufacturing of intelligent technologies in order to drive intelligent changes in the value chain. Quality improvement tools are continuously introduced to promote safe, green, efficient, and intelligent production.

TCL CSOT has always adhered to advancing the transformation and upgrading of intelligent manufacturing, optimizing production lines and building intelligent factories with the advantages of its own platform. During the reporting period, the Company's manufacturing middle platform was designed with a blueprint based on the four dimensions of human efficiency improvement, yield improvement, operational efficiency improvement and energy consumption reduction. It also promoted efficiency improvement from the dimensions of human, machine, material, method and environment. In 2022, the Company conducted benchmarking in accordance with the national intelligent manufacturing capability maturity model standard. TCL CSOT's 11th generation (G11) panel production line passed the national Level 4 intelligent manufacturing capability and maturity assessment and received the national Level 4 certification at the end of July.

Based on Deep Blue AI model and optimal solution analysis, TCL Zhonghuan has gradually increased the number of fixed models imported from 15 to more than 50. This has led to a 20% increase in production process abnormality analysis capability compared to before, further improving the consistency of products. In 2022, the flexible arrangement of TCL Zhonghuan's production line was awarded the 2022 Outstanding Intelligent Manufacturing Scenario Award[2] by the Ministry of Industry and Information Technology .

### TCL CSOT Smart Manufacturing Partial Initiative

#### Twork Project

Achieving full-process automation of production execution, solving the last mile of production link, realizing full-stack automation of TFT production process, reducing human errors, and improving production efficiency and quality.

#### 5G Technology Applications

Promoting the application of 5G+AR remote collaborative guidance in factories, realizing 5G+IoT for data collection applications in factories; using 5G+ automated inspection robots to inspect special areas in the service centers for the improvement of operational efficiency and ensure safe operation.





### MOKA Promotes Smart Manufacturing to Reduce Costs and Increase Efficiency at Production Lines

Focusing on intelligent manufacturing, MOKA reduced production input costs by RMB 15.64 million and obtained 5 related patents by promoting the implementation of intelligent manufacturing. Its subsidiary was awarded the TCL Technology Innovation Award in 2022 for its accomplishments in the year 2021-2022.

## Product Safety Control

Product safety is the cornerstone of the enhancement of TCL Tech.'s brand, technology, and services. TCL Tech. strictly abides by relevant domestic and international laws and regulations to ensure that the Company's products meet safety requirements. TCL Tech. and its industries strictly enforce product safety compliance, with international safety certifications such as CB and UL, and a product safety accident handling mechanism in place.

TCL CSOT has established an internal management system of *Chemical Safety Management Code* and strictly follows EU RoHS, EU REACH, China RoHS, IECQ-QC08000 as well as other first-line customer requirements to establish perfect control standards of toxic and hazardous substances. We implement control from project development and material introduction to finished products. Our products have passed environmental tests, reliability tests, electrostatic tests, constant temperature and humidity tests, etc., thus contributing to the compliance of products and materials with the environmental requirements of our customers.

[2]The winner of the award is TCL Zhonghuan's subsidiary, Tianjin Huanzhi New Energy Technology Co.

## Quality Management Training

Systematic quality management training is an imperative for the production of high-quality products. TCL Tech. attaches great importance to quality management training and provides abundant quality management training opportunities for employees in various industries.

### TCL CDOT organized quality knowledge competition

In 2022, TCL CDOT carried out various training and knowledge competitions themed "Achieving Customer Satisfaction, Winning in Quality, and Reducing Costs" to further create a positive environment and culture of pursuing product quality. A total of 12 quality awareness and knowledge training courses were conducted with 762 attendances, Meanwhile, the Quality Knowledge Online Contest attracted 303 participants.



### Conference for TCL CSOT's "Quality for the Future" Joint Pledge Between Shenzhen, Huizhou, Guangzhou and Suzhou

In order to strengthen the Company's internal quality management and improve staff quality awareness, TCL CSOT's Quality Control Center regularly holds quality management training and several quality management-related activities. In 2022, a quality pledge meeting was carried out in Shenzhen, Huizhou, Guangzhou and Suzhou at the same time. It saw the participation of 1,000 employees from the research, production, supply and marketing platform departments.



## Customer Service

"Customers first" is the service concept that TCL Tech. and its companies have adhered to for years along with the service principle of "the highest requirements of customers are our minimum standards". Based on ISO9001, IATF16949 and other standards, the Company has established a perfect customer service system and communication mechanism. Through smooth customer communication channels, customer satisfaction surveys, product project promotion meetings, etc., we enhance the understanding of customer demands, improve service quality and competence, so as to increase customer satisfaction.

TCL Tech. continuously optimizes its customer complaint management process with a commitment to creating the ultimate response time, efficiently solving customer problems by linking all departments of the Company through the qualitative, positioning and accountability structure of the whole process. As the Company's business continues to grow, TCL Tech. continues to improve the timeliness of customer service to increase customer satisfaction. At the same time, the Company has set up an overall customer satisfaction improvement task force to upgrade customer service quality in all aspects, including quality, service, delivery, technology and costs.

### TCL CDOT "2485"Timely Response Mechanism

Upholding the service tenet of "understanding, serving, and satisfying customers", TCL CDOT has established a "2485" timely service response mechanism, that is, to arrive at the customer's location within 2 hours for confirmation, to provide customers with a preliminary product handling solution within 24 hours, a preliminary product analysis report within 48 hours, and a final service report within 5 working days, so as to achieve the Company's service objectives with high efficiency and quality.

### MOKA Won Several Customer Service Awards



MOKA Received Amazon Brilliant Progression Award



MOKA was named by the Ministry of Industry and Information Technology as a Service-oriented Manufacturing Demonstration Enterprise

# Industry Chain Management and Industry Development

Industry chain management and industry development are key aspects of production and technological innovation for TCL Tech. and its companies. Through the full-process supply chain management system and detailed conflict mineral survey, the Company works closely with suppliers and partners to encourage industry chain partners to actively fulfill their responsibilities. At the same time, TCL Tech. also aims to improve its management of environment, society, and governance, build a harmonious industrial ecosystem while promoting the development of the industry and creating shared value.

## Supply Chain Management

TCL Tech. has been continuously improving the full-process management system of the supply chain and adopting a high-standard supplier management system. Based on the *New Supplier Development and Introduction Management Procedures*, the Company has established a detailed screening system in the areas of labor human rights, occupational health and safety, business ethics, environmental protection and other social responsibility management of suppliers. The Company requires production suppliers to obtain ISO9001 and ISO14001 system certifications, thus further raising the threshold of supplier acceptance. Meanwhile, the *TCL Supplier Code of Conduct* specifies the mechanisms and approaches for supplier screening, access, evaluation and management of violations and disposal. In addition, TCL Tech. requires all suppliers to sign the *Procurement Agreement, Environmental Protection Agreement and Letter of Commitment from Relevant Parties* to regulate supplier behavior.

In terms of supplier training, the Company follows the guidelines such as the *Four Steps and Fourteen Parts of Detailed Training for Supplier Introduction Certification* and *Ariba Supplier Management System Operation Training* to carry out various training activities aimed at reducing procurement risks. In addition, TCL Tech. conducts regular inspections of suppliers' performance through self-evaluation via questionnaires and third-party audits. The companies of TCL Tech. also rely on platforms such as the MES system and IPE Public Environment Research Center to promote supplier management and the monitoring of their social responsibility-related performance.

**TCL Zhonghuan Actively Identifies Supply Chain Risks**

In July 2022, TCL Zhonghuan completed a risk assessment of the existing material procurement process and released the Individual Supplier Risk Assessment Report for Material Procurement. The report analyzed the current situation of the Company's existing material procurement, identified and screened potential high-risk supplier partners, and proposed a tiered solution strategy to address the risks.

## Conflict Minerals

TCL Tech. actively engages in conflict minerals management to avoid sourcing minerals that could trigger human rights issues or local conflicts. TCL Tech. and its suppliers strictly comply with the *Statement of Non-Use of Conflict Minerals*, and its companies have developed conflict minerals procurement management processes in accordance with the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas* as well as customer needs. TCL Tech. explicitly states that it will not procure nor support the use of any conflict minerals that directly or indirectly finance and/or support areas affected by armed conflict. It also conducts due diligence on the use of conflict minerals in its supply chain using the RMI-CMRT and CRT checklists.

**TCL Zhonghuan Conflict Minerals Management**

TCL Zhonghuan requires suppliers to sign the *Statement of Non-Use of Conflict Minerals* and demands suppliers' SQE to conduct random checks on the certificates of origin of relevant minerals in the audit process in a timely manner. Suppliers who are found to have used minerals from conflicting regions will be disqualified as compliant suppliers by TCL Zhonghuan immediately.

## Promoting the Development of the Industry

With an active and open mind, TCL Tech. works hand in hand with its partners to jointly promote the synergistic development of the industry chain. The Company continues to promote innovation and progress in relevant fields by holding and participating in various industry seminars and cooperative studies, exploring multi-party business cooperation models, and promoting the development of industry standards. In addition, TCL Tech. has constructed a service platform for financiers in the industry chain, and organized learning and exchange activities to strengthen the common growth of industrial partners on multiple levels.

Furthermore, TCL Tech. also actively participates in the formulation of industry standards and joins the industry development alliance in hosting and participating in the formulation of international, national and industry standards. TCL Tech. host and participated in the formulation of 285 technical standards, of which 42 are international standards and 120 are national standards. With its leading technological strength in the field of quantum dot display, the Company has presided over the formulation of 2 international standards in the field of semiconductor display, thus filling the gap in the relevant technical standards of the industry.

In 2022, TCL CSOT participated in more than 20 electronic industry standards attributed by the Technical Committee on Electronic Display (TC547) and the Technical Committee on Audio and Video Systems (TC242). It also led the development of standards such as *Technical Requirements for E-Gaming Displays and Monocular Stereo Vision Standard*. TCL Zhonghuan was involved in the development of several standards in 2022, including the semiconductor wafer resistivity and semiconductor thin film. Other standards include the standard of non-contact vortex induction method for testing the resistance of semiconductor wafers, the standard of surface gloss of silicon wafers, and the standard of non-contact vortex induction method for testing the compound lifespan of non-equilibrium carriers in silicon ingots, silicon blocks and silicon wafers.

**2022 Future Display Technology Symposium**

Under the guidance of the Ministry of Science and Technology, the "National Innovation Center of New Display Technology" led by TCL Tech., jointly organized the "2022 Future Display Technology Symposium" in collaboration with Fuzhou University and other institutions. At the symposium, nearly 300 experts and scholars held discussions regarding "metaverse and display", "nano light-emitting display (NLED) / eye-computer interface display", "holographic display / light field display" and other future display technologies. In-depth analysis of display technologies was also carried out to explore the development prospects of future display technologies.

# Employee Protection

Employees are the most valuable asset of an organization and the foundation for sustainability. Adhering to the talent concept of "People First for Global Leadership", TCL Tech. provides employees with a safe working environment, a warm workplace atmosphere as well as a comprehensive training and career development system.

**Employee composition**          people

3,874

Number of overseas employees

Total number of employees
69,828

65,954

Number of local employees
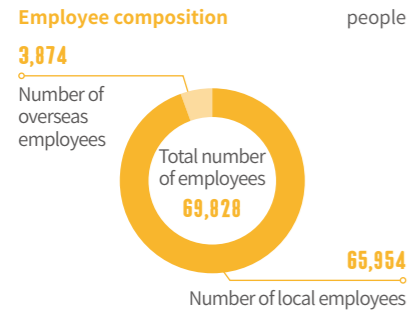


Brother Dong Livestream

## Employee Rights and Benefits

### Basic Rights Protection

TCL Tech. strictly follows the *Labor Law, Social Insurance Law, Labor Contract Law, Labor Dispute Mediation and Arbitration Law, Trade Union Law of the People's Republic of China and International Labor Organization Convention* as well as other relevant regulations and conventions to safeguard the rights and interests of employees. In 2022, the Company achieved 100% labor contract coverage and 100% social security contribution rate for permanent employees.

Based on relevant laws and regulations as well as CSR guidelines, TCL Tech. has formulated internal management policies such as *Management Regulations on Prohibition of Forced Labor, Code of Management for Underage Employment, Management System for Recruitment of Skilled Personnel and Labor Management Handbook*. TCL Tech. clearly prohibits child labor, human trafficking and forced labor in accordance with RBA standards, effectively safeguards the basic rights and interests of employees, and adopts a zero-tolerance attitude towards violations of employees' legitimate rights and interests.

*100%*

The Company's labor contract signing coverage rate reached

*100%*

The rate of social security contribution for regular employees reached

### Employee Communication

TCL Tech. has established a comprehensive communication mechanism to effectively convey employees' opinions and suggestions. In addition to everyday communication, the Company ensures the coordination of the work of employees at different levels through the work performance system, so as to prevent communication problems at the source.

On this basis, TCL Tech. has established a labor union and convenes staff representative meetings from time to time each year to ensure that the needs of employees are met. At the same time, TCL Tech. continues to improve the communication channels within the Company via front-line visits, organization of employee communication meetings and establishment of employee mailboxes. In addition, the Company has set up an online employee networking platform, T Community, where employees can communicate directly with the Company's executives through channels such as "Pick T", "T Square" and "Brother Dong Livestream", as well as provide suggestions for the Company.

### Remuneration and Benefits

TCL Tech. continuously optimizes the value creation, evaluation and sharing mechanisms while promoting the improvement of the existing remuneration and benefit system. The Company adheres to the management principle of "determining grade by post, remuneration by grade, and pay by performance", and implements the concept of "giving priority to those who contribute, more gain for more contribution, and encouraging charge" to establish a remuneration incentive management mechanism. Employee bonuses are closely associated with their performance in the Company, and they are used to improve human efficiency so as to create a mutually beneficial situation for the Company and employees.

Each year, TCL Tech. participates in the market salary research of global human resource agencies to ensure that the remuneration standards are in line with the Company's positioning and are ahead of the market average. In addition, the Company conducts annual remuneration adjustment to safeguard the wage level of employees in accordance with GDP growth, CPI increase and company performance.

Furthermore, the Company continues to improve employee welfare subsidies, which range from high temperature subsidies, expatriate stipends, holiday allowances, and fellowships to increase employee happiness.

### Incentives

A fair and reasonable remuneration and incentive system is an important prerequisite to ensure employees' creativity. TCL Tech. adheres to the market-oriented incentive mechanism with the insistence that those who contribute more should be given priority in the distribution of opportunities and wages. The Company encourages middle and senior management staff and outstanding core staff to "share the same breath and fate" with the Company and contribute to the Company's strategic goals and vision.

TCL Tech. has developed differentiated appraisal and incentive schemes for different organizations and personnel. It has also dynamically established a multi-dimensional performance appraisal management system. The Company carries out multi-level appraisal based on job responsibilities and employees' key behaviors and performance results. The Company evaluates outstanding employees of the year with classification and offers multiple opportunities in promotion, salary adjustment, training, etc. accordingly.

## Employee Growth and Development

Manpower is the foundation of technological innovation. Therefore, TCL Tech. attaches importance to the cultivation of R&D personnel, and has established various incentive mechanisms to support employees' innovation and creativity so as to fully stimulate their enthusiasm for innovation.

TCL Zhonghuan won

China's Favorite Employer for College Students

Outstanding Employer of 2022

## Talent Acquisition

### Campus Recruitment

TCL Tech. attaches great importance to the recruitment of talents and continues to carry out large-scale campus recruitment activities to attract new talents and boost the vitality of the Company's manpower.



**TCL Zhonghuan Launched the "Thousand Talents"**

In August 2022, TCL Zhonghuan launched the 2023 campus recruitment program, named "Thousand Talents", with the target to recruit 1,000 people. The final acceptance rate reached 115%.

### Cooperation with Schools

On the basis of campus recruitment, TCL Tech. has established close school-enterprise cooperation with a number of universities across China. By the end of 2022, the Company has established creative clubs in several universities across the country, providing a broad platform and opportunities for the overall development of undergraduates.

**TCL Zhonghuan School-Enterprise Cooperation**

In 2022, TCL Zhonghuan signed university-enterprise cooperation with 5 new universities, and cooperation agreements with 9 universities, covering Inner Mongolia, Tianjin, Jiangsu and other provinces. In order to carry out the national policy of "stabilizing employment" and "preserving employment", the Company completed the declaration of employment education projects of the Ministry of Education of China and declared 4 special projects of school-enterprise cooperation, involving 40 sub-projects and 33 universities. This year, we welcomed more than 300 students for internship and employment in our company.

**MOKA School-Enterprise Cooperation**

MOKA has conducted joint training of employment coaching with Huizhou College and exchange programs with Guangdong University of Foreign Studies, South China Normal University as well as other famous universities. In 2022, the Company recruited more than 70 freshmen students, of which 54 are under the Eagle Program. The Eagle Program is expected to further expand its recruitment scale in 2023, with over 100 outstanding freshmen from universities to be recruited.

### Internal Referrals and Internal Talent Market

In 2022, the Company expanded the scope of internal recommendations and increased the incentive standard. It has also set up incentive guidelines for different types of positions in different industries to encourage internal employees to recommend outstanding talents and recruit new employees for the Company's development.

At the same time, TCL Tech. has established an internal talent pool and associated mechanisms. Relying on the *TCL Internal Talent Market Management Measures*, the Company continues to refine the rules and optimize the internal recruitment platform. Each company carries out internal talent recruitment activities in an orderly manner according to the system. This increases new channels for corporate recruitment while expanding the career development channels for employees, thus realizing a win-win strategic talent management model for the Company and its employees.

## Employee Career Development

"To make the best use of talents" is the employment philosophy that TCL Tech. has always adhered to. The Company continuously reinforces the dual career development paths of management and professional technology, so that each employee's value and strengths can be showcased and affirmed. The motivation of employees is stimulated fully to promote the accelerated growth of talents and the continuous improvement of the Company's competitiveness.

### Professional Development Channel at TCL Tech.

• Professional talents and refinement of qualification management system

The Company has conducted a specific compilation of talents and positions in R&D, formulated standards of employment in technical fields such as hardware, software, structure and display, clarified promotion requirements for employees. It also supports cross-industry mobility of similar majors, and solidified the foundation for the retention, encouragement and mobility of R&D talent teams.

• Driving the Implementation of Rotation Mechanism

The Company provides rotational training for its executives and encourages employees to undergo cross-departmental training. The Company continues to intensify the "Flexible Employment Plan" with the establishment of an open internal mobility platform for employees, encouraging them to move across industries, departments, and positions. The Company also eliminates obstacles to job rotation from the original organization or managers, forming a positive internal rotation environment.

• Competitive Internal Recruitment as an Internal Promotion Channel

With the emphasis on organic talents, the Company has listed the proportion of in-house talents as a key talent indicator for each company. Internal employees are given priority in the succession of core management positions. At the same time, the Company continuously strengthens the implementation of the Eagle System training program and provides promotion opportunities for employees at all levels through open competitive recruitment.
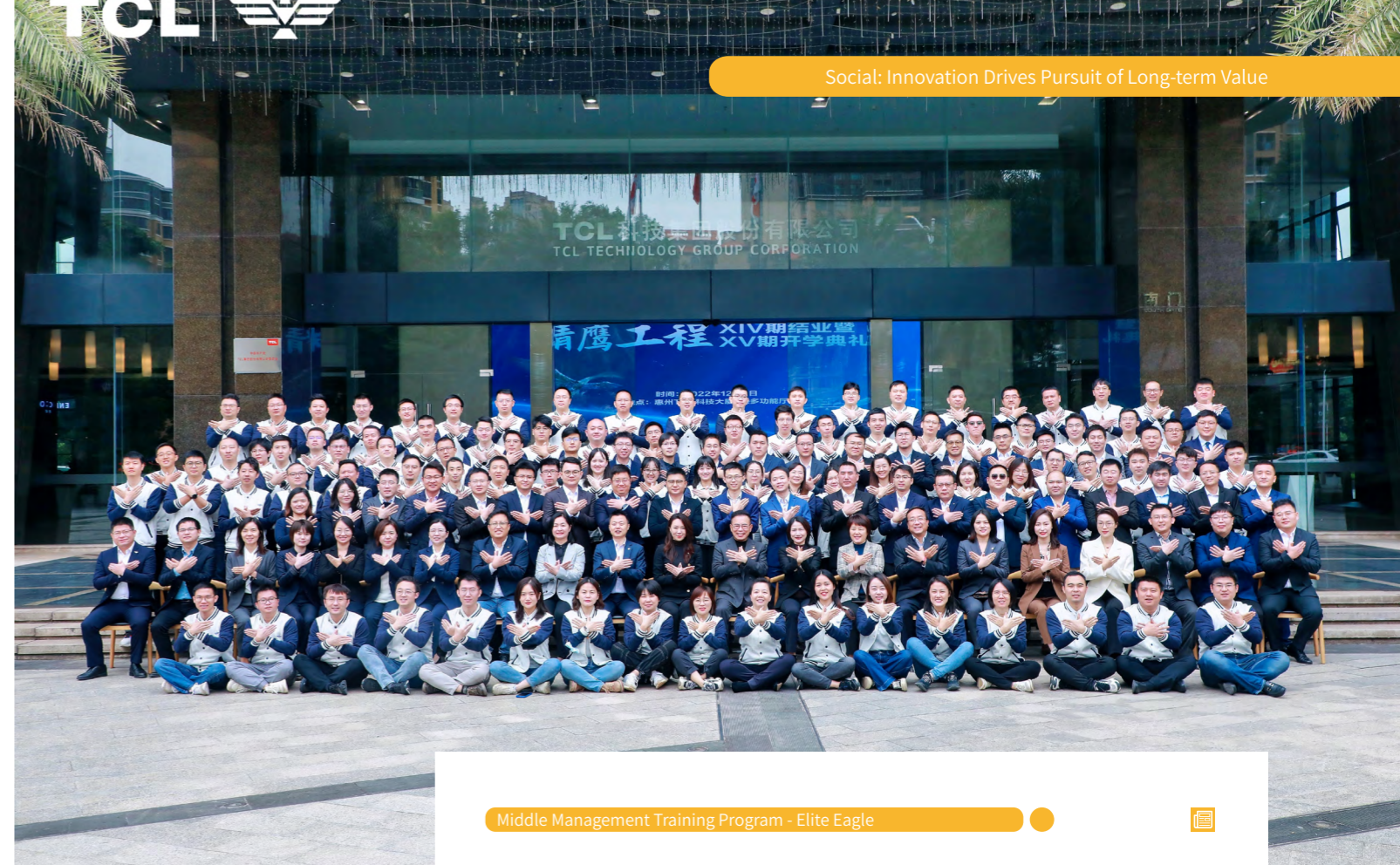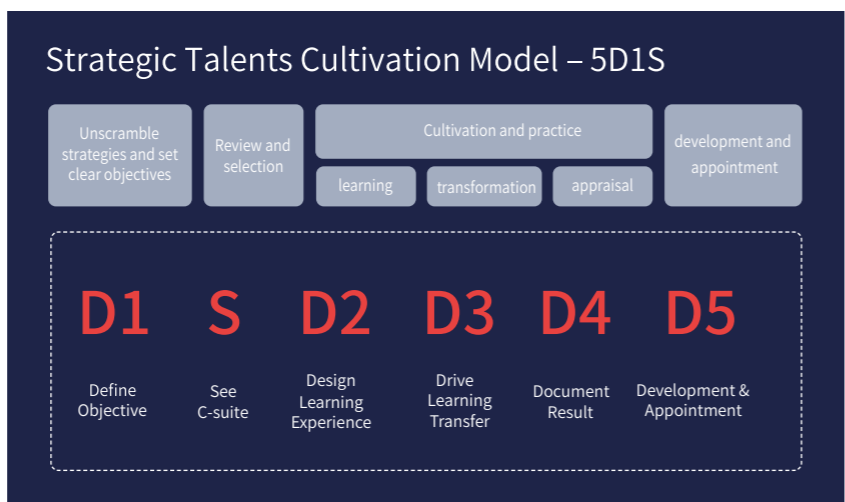
## Employee Training

In order to continuously optimize its internal talent system, TCL Tech. has established a comprehensive and multi-level training mechanisms through T Academy, CSOT Academy and Zhonghuan Academy. In 2022, the Company continued to optimize and upgrade the leadership empowerment program to foster a sophisticated learning environment in the Company. The Company has also built a three-dimensional training system to cultivate a talent pipeline that meets the Company's strategic requirements.

In 2022, TCL Tech. carried out several training programs, such as the senior reserve training program - Soaring V, Specialized Training for Senior Executives, Middle-level Executives Training Program - Elite Eagle Program XIV and XV, Soaring Eagle Program, Induction Program, etc. The total number of training hours for the year amounted to 568,687 hours for 39,947 participants. This fully supports the robust development of the Eagle series talent training systems.

The Eagle training programs are designed based on the strategic requirements, organizational shortcomings, TCL executives' model and students' ability gaps. The three-pronged training mode of "GDP+IDP+Individual Learning" and the combination of training and competition will enable us to build a series of leadership training programs, ranging from "Eagle", "Soaring Eagle", "Elite Eagle" to "Majestic Eagle". This would form a comprehensive system of leadership development and training of new talents who have high potential.

### Senior Reserve Training Program - Soaring Series

**Program Objective**   To develop a strategic reserve team with a global perspective.

**Cultivation Philosophy**   From nurturing talents to managing them

**Form of Cultivation**   Talent Overview and Assessment + Systematic GDP + Personalized IDP + Practical Projects + Executive Coaching + Rotational Assignment + Shadow Learning + Benchmarking Tour.

**Program Value**   The Soaring Program aims to discover and develop high-potential talents while exploring an effective training model for reserve talents. After conducting research and testing, the Company has concluded the "5D1S" model as the main idea of project design and implementation. The Soaring Program strictly runs through the closed loop of "selection + training + development and appointment".

In 2022, a total of 27 Soaring V participants completed 6 courses in 4 modules with an average satisfaction rate of 4.64. Meanwhile, the participants completed 7 internal and external sharing sessions as well as 11 book sharing sessions to enrich the knowledge sharing system of employees. A total of 15 trainees completed promotion, rotation or duty expansion during the Soaring V program.

### Strategic Talents Cultivation Model – 5D1S

| Unscramble strategies and set clear objectives | Review and selection | Cultivation and practice | | | development and appointment |
|---|---|---|---|---|---|
| | | learning | transformation | appraisal | |

| D1 | S | D2 | D3 | D4 | D5 |
|---|---|---|---|---|---|
| Define Objective | See C-suite | Design Learning Experience | Drive Learning Transfer | Document Result | Development & Appointment |

### Middle Management Training Program - Elite Eagle

**Program Objective**   To train top-level reserve executives with strategic and comprehensive management capabilities

**Training Concept**   Transformation of learning, performance improvement, combination of training and competition, cognitive enhancement

**Project Value**   To train middle management talents in a personalized and customized way for specific and clear job requirements, strengthen the development of their competencies, improve the talent concentration and volume, and drive the improvement of organizational performance.

Elite Eagle XIV came to an end in 2022. A total of 90 trainees in this program completed 8 modules, 15 courses, 6 internal and external excursions, and 7 thematic sharing sessions, with an average satisfaction score of 4.73. The overall promotion rate of Elite Eagle XIV trainees is 47%, of which 34% are director positions.

Elite Eagle XV kicked off in December 2022 with a total of 121 participants, with a projected training cycle of 1 year. According to the strategic requirements, four areas of competencies were identified, and 8 modules were proposed. The first module was completed in 2022, with an overall course satisfaction score of 4.94.

### T Academy Online Learning Platform

TCL's online learning platform, T Academy, has always adhered to the user-oriented concept, with continuous improvement of system functions and dedication to creating an innovative learning experience to enhance knowledge, functionality and socialization.

In 2022, the T Academy online learning platform launched the agile development mode and has completed 3.5 stages of function development and optimized industrial courses as well as instructor resource sharing features. It has also facilitated various courses, instructors, student mentorship, IDP online management, and introduced new features such as student knowledge competitions.

*2,642*  Lessons

T Academy number of online lessons

Thematic Training and Competition, Enabling Promotion to Key Positions

**Technical Learning:** The Company delivered a total of 19 courses in environmental technology and 10 courses in semiconductor technology and white power technology. The course spanned 46 days, with 480 students covered. The completion rate of the courses was 100%, and the pass rate of the exams was 100%, with an average satisfaction score of 4.5.

**HR Professional Series Course:** The Company has further strengthened the HR professional courses system, with 5 courses delivered to 1025 participants in 2022.

**Legal Course:** The Company has actively developed a professional course curriculum for legal affairs, which includes 3 competence centers and 5 course topics, covering 29 lessons, 13 of which have been delivered internally to 921 participants with a total learning time of 1,226.91 hours.
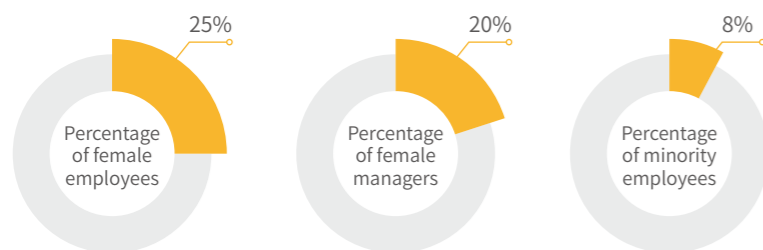
**Launch of Digitalization Course:** This is an innovative course for 2022, with 3 sub-categories and 9 thematic related components. The Company achieved a total delivery of 15 courses over a total of 360 minutes, with a total of 50 lecturers participating in the development and execution of the courses.

### empowering employees through multiple channels

| | | |
|---|---|---|
| T Academy | **7,737.5** Hours<br>Number of Training Hours | **1,400** No.<br>Number of autonomously developed lessons |
| CSOT Academy | **2,811.16** Hours<br>Number of Training Hours | **171** No.<br>Number of autonomously developed lessons |
| Zhonghuan Academy | **418.5** Hours<br>Number of Training Hours | **277** No.<br>Number of autonomously developed lessons |

## Employee Diversity and Equal Opportunities

TCL Tech. is committed to upholding a fair and non-discriminatory employment policy by promoting employee diversity and equal opportunities. At the same time, the Company continues to improve recruitment, training, promotion and other programs to ensure that employees are given a fair space for development, thus achieving the Company's development goals.

25% Percentage of female employees

20% Percentage of female managers

8% Percentage of minority employees

## Occupational Health and Safety

Adhering to the concept of "people-oriented, safety first", TCL Tech. has been continuously improving its staff health management mechanism and various safety management efforts. The Company strictly abides by the laws and regulations such as the *Occupational Disease Prevention and Control Law, Regulations on Prevention and Control of Pneumoconiosis, National Occupational Health Standards Management Measures, Code of Practice for the Management of Labor Protective Equipment for Employers, Technical Code of Occupational Health Supervision*, etc. It also regularly carries out a series of trainings to ensure the wellbeing and safety of employees.

By the end of 2022, all production subsidiaries of TCL Tech. have passed the ISO45001 certification without any major production safety accidents throughout the year.

### Occupational Health Management

TCL Tech. attaches importance to employees' health and provides them with good occupational health protection based on relevant laws and regulations. In 2022, TCL Tech. achieved 100% coverage of health checkups and zero incidence of occupational diseases.

MOKA Occupational Health Management

With the goal of zero occupational diseases, MOKA carried out the evaluation of occupational health control effects, "pre-job - on-the-job - off-the-job" occupational health checkups for employees holding special positions, and workplace hazard monitoring in 2022. MOKA also upgraded the occupational health management system documents such as the Occupational Health Management Regulations to promote the development of its internal occupational health and safety management system.

Wuhan CSOT obtained ISO45001 Occupational Health and Safety Management System Certification

In response to the call of TCL Tech., Wuhan CSOT has formulated the *EHS Management Manual* to provide detailed guidance for the Company's occupational health and safety. The Management Manual covers occupational safety monitoring norms as well as occupational disease hazard monitoring and evaluation management norms. This helps to further increase the importance of occupational health and safety among the Company's employees. In December 2022, Wuhan CSOT obtained the ISO45001 certification.



ISO45001 Certificate issued to Wuhan CSOT Optoelectronics

ISO45001 Certificate issued to Wuhan CSOT Optoelectronics Semiconductor

## Safety Production Management

In order to ensure that the safety production management is effectively implemented, TCL Tech. has introduced the *Safety Production Management Code, Safety Production Performance Evaluation Management Code, Production Safety Accident Emergency Response Plan*, and other systems and regulations. In terms of management, each major company under TCL Tech. has set up a Safety Production Management Committee (Safety Committee) and a Safety Production Management Committee Office (Safety Committee Office) to oversee the safety production management and guarantee system.

In response to TCL Tech.'s call, TCL CSOT has simultaneously issued various safety management regulations and implemented the *Safety Production Performance Evaluation Management Code* in various departments of each industry. The Company has incorporated safety management into the middle management performance evaluation. It also enhances safety performance through two-way communication and responsibility fulfillment inspection mechanisms.

TCL Zhonghuan has formulated a safety management manual, defined the production safety objectives, adopted a process approach, and made effective operation and continuous improvement through the monitoring and evaluation of the system. This was done by combining various occupational health and safety production laws, regulations and standards.

TCL CSOT has continuously strengthened the establishment of production safety and intelligent systems. In 2022, Wuhan CSOT actively implemented the "one post, two responsibilities" safety production system. It also established the "leaders, managers, employees" "safety production responsibility, authority, and obligation" system. This has enabled it to facilitate individual accountability among employees at all levels and have them sign the *Production Safety Responsibility Statement*. In 2022, Wuhan CSOT penalized 38 people for safety issues and granted safety incentives amounting to RMB 350 thousand. Meanwhile, Shenzhen CSOT completed the development of the EHS intelligent system, which involves the four modules of safety, environmental protection, occupational health and security, covering 56 processes in 15 business operations of the Company in 2022.

In 2022, TCL Zhonghuan established and launched a safety production information management platform. The platform comprises 10 management modules, 38 sub-modules and 80 specific work tasks. Through this platform, the Company can carry out real-time safety supervision and safety data analysis for multiple factories across multiple locations.

## Safety Production Inspection

TCL Tech. practices a routine hidden danger inspection system, with regular safety inspections for safety managers at all levels conducted by its factories involving different industries. The frequency of inspection varies from daily to quarterly inspection, with the scope of inspection covering the whole industrial line. During the process of safety inspection, the Company promptly follows up on the rectification of safety hazards and investigates safety hazard points to reduce safety risks and guarantee the production safety of employees and the Company itself.

TCL CSOT actively enhances the management of safety hazards and completes risk classification and control as well as hidden hazard management at the production site. In 2022, Shenzhen CSOT conducted an outsourced inspection of 109 chemical storage tanks in total to ensure production safety. Meanwhile, Wuhan CSOT carried out 60 safety inspections on different scales, launched 7 types of high-risk work hazard improvements and 4 types of specialized electrical improvement projects, completed the certification of 3-watt sockets throughout the site, and identified more than 500 safety hazards. Suzhou CSOT promoted special activities such as" Hazard Prevention Action" and "Aging Prevention and Improvement Project" to identify dangerous behaviors of employees as well as unsafe conditions of equipment and facilities. More than 1,000 defects were found and rectified. TCL CDOT has inspected and accepted a total of 30 units of equipment throughout the year, with a 100% safety acceptance rate of newly introduced equipment. A total of 6,410 sockets have been inspected and 100% of problematic issues have been rectified.

In 2022, TCL Zhonghuan expedited the construction of double prevention mechanism and improved the Company's safety hazard identification and control by establishing and improving the *Regulations on Grading and Control of Safety Hazards* and *Regulations on Investigation and Management of Hidden Hazards*. The Company organized safety inspection work in Tianjin, Hohhot, Yixing and Yinchuan in strict accordance with the yearly hidden hazard inspection plan.


TCL CSOT conducting safety inspection in its production park

**1.62** Hundred million
Investment in production safety

**0**
Work-related deaths

**0**
Major accidents


Emergency fire training at TCL CSOT

## Emergency Management

TCL Tech. has been continuously improving various safety production initiatives and enhancing the Company's emergency management competency. TCL CSOT and its subsidiaries have equipped employees with first-class safety equipment and facilities, such as an automatic fire alarm system, automatic $CO_2$ fire extinguishing system, and TGMS system to effectively ensure safe production. High-quality personal protective equipment is provided for employees in special positions. In 2022, TCL CSOT completed the safety emergency plan and the filing of major hazards as required by the government.

TCL Tech. has been working with various businesses to improve emergency management mechanisms and enhance the Company's and employees' ability to respond to hazardous situations. In 2022, Wuhan CSOT purchased more than RMB 2 million worth of emergency materials and created a monthly inventory mechanism of emergency materials to ensure that they are sufficient. In addition, the Company has set up an emergency response center based on the system of the "firefighting mini-station and central control room", and established systems like full-time personnel inspection and 24-hour duty to enhance the Company's independent disaster prevention and emergency response capability.

## Safety Culture Building

TCL Tech. has continuously strengthened the establishment of the Company's safety culture. The Company has made production safety publicity and education as the basic measures of production safety management and increased employees' safety awareness through diversified activities. In 2022, the Company actively facilitated activities such as safety education, special training, and Safety Month.

TCL CSOT attaches great importance to the training on the Work Safety Law. Among the subsidiaries, Shenzhen CSOT has set up an online learning platform with a total of 9,246 participants. In 2022, the Company conducted several professional safety training focused on the development of safety culture, with 319,712 attendances in total.

TCL Zhonghuan completed the annual safety training program with the combination of online and offline lessons. The Company conducted 25 special training sessions, with the participation of a total of 6,775 employees and 84 sessions of Level 3 safety education training, with the participation of a total of 2,379 employees. In addition to the annual safety training program, the Company also conducted additional training on confined space and first aid knowledge.



TCL CDOT Held a Production Safety Knowledge Competition

With the objective of "creating an excellent safety environment and improving employees' safety literacy" and the annual focus on "full coverage of three-level safety training and regular special safety training", TCL CDOT organized various training sessions for all employees. These sessions covered topics like production safety law, occupational health, hazardous material safety, fire safety and handling of special equipment. In addition, the Company launched a full-production safety knowledge competition to enhance the learning enthusiasm of employees.

## Care for Employees

Adhering to the principle of "Happy Work, Healthy Life", TCL Tech. is committed to creating a favorable working environment with abundant cultural and sports activities for its employees. In 2022, TCL Tech. carried out a variety of cultural and sports activities in addition to improving the welfare and living conditions of its employees to enhance their happiness and sense of belonging.

### Cultural Activities

#### TCL Tech. 2nd e-Sports Competition for Employees

As a major brand that has always insisted on understanding the needs of young people and accentuating their characteristics, TCL Tech. attaches great importance to the development of e-sports in its brand rejuvenation strategy. From June to July 2022, TCL Tech.'s labor union held its second e-sports tournament, attracting over 400 young employees who participated in union activities. This was an innovative form of union activity.

#### TCL Tech. 2nd Men's Basketball Tournament

In August 2022, TCL Tech. held its second men's basketball tournament, with the participation of more than 200 employees. Yi Jianlian was invited to attend the award ceremony and the live broadcast of the game garnered 11,000 viewers, showcasing the employees' spirit of "daring to be extraordinary".

### Care and Concern

TCL Tech. insists on improving the construction of a diversified employee service system, so each business under it actively provides psychological support for employees and their family members. In addition, the Company also organizes activities such as "Sending Warmth" during the Lunar New Year to solve the practical problems of employees in need.

#### TCL CSOT Improves the Working and Living Conditions of Employees

In 2022, TCL CSOT made continuous efforts to improve the living conditions of employees, with numerous improvements and upgrades in catering and travel, accommodation and office environment. The Company has continued to introduce new meals, enhance the dining environment for employees and provide additional commuter shuttles in each work area. At the same time, it has also implemented more than 600 measures in the industrial park for quality improvement and assisted employees in acquiring quality public housing resources to enhance their sense of well-being.

#### MOKA Babysitting Program

In order to solve the childcare issue of employees during summer break, MOKA has innovated and developed a childcare program to provide childcare services for employees during summer break. It has been implemented for two years and serves as an effective means of protecting the well-being of employees and their children, thus increasing employees' level of happiness.

### Care for Female Employees

In 2022, TCL Tech.'s labor union added five "Mommy Rooms" in the headquarters office and all companies to provide "four-period" protection services for female employees going through special periods of their lives. At the same time, the Company held various activities and distributed gifts to female workers on Women's Day. In addition, the Company also provided cancer screening for female employees, hospital visits, maternity care and psychological counseling to protect their physical and mental health.

### Care for Underprivileged Employees

TCL Tech. organizes various activities to care for and help employees with difficulties in different ways. In 2022, TCL Tech.'s labor union applied for central, provincial and municipal assistance funds as well as the Golden Autumn Scholarship amounting to RMB 200 thousand to help 37 employees facing difficulties. The Group provided support for 61 employees in difficulties and issued RMB 90 thousand in relief funds. The total amount of assistance funds issued in 2022 amounted to nearly RMB 300 thousand.

#### TCL CSOT Labor Union Launched the "Love and Care" Project for Employees In Difficulty

On January 10, 2023, the TCL CSOT labor union carried out the "Love and Care" campaign for employees in difficulty and distributed a total of RMB 99 thousand to 33 employees in difficulty in the form of consolation money and gifts for the Lunar New Year. In the future, the TCL CSOT labor union will regularize these heartwarming welfare services for employees so that they can feel concerned by the Company. This will also enhance their sense of well-being and security.

# Social Public Welfare

With social welfare as an important part of the Company's sustainable development, TCL Tech. has continuously participated in public welfare causes, increased public welfare investment, carried out various public welfare projects and engaged employees to contribute to the implementation of the national strategy of rural revitalization and common prosperity.
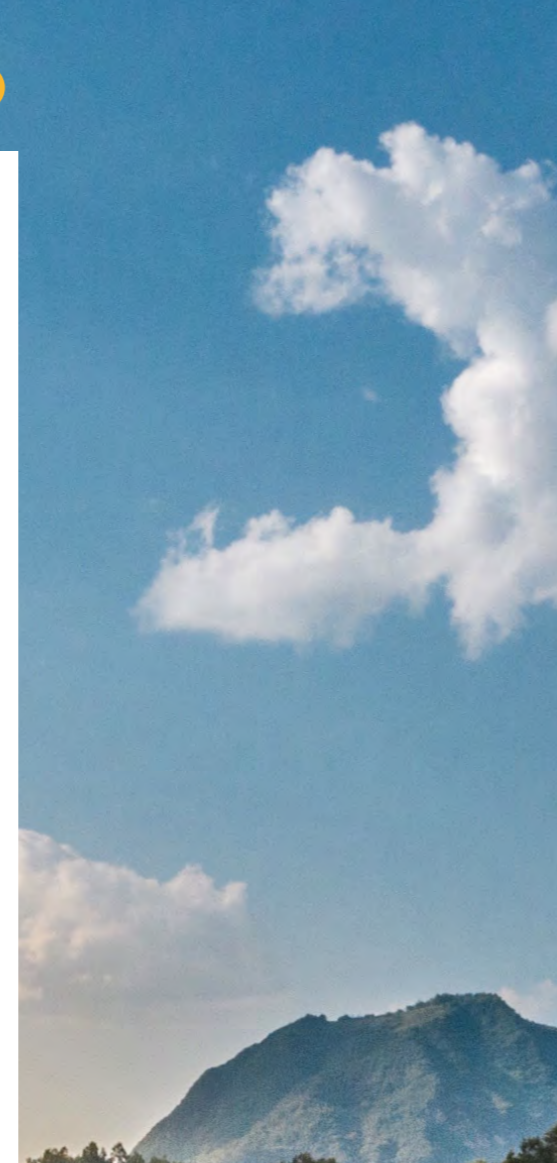
## TCL Charity Foundation

TCL Charity Foundation focuses on the four major fields of science and technology, education, culture and sports, and targeted assistance section. It has intensified the investment in public welfare, integrated public welfare and charity resources, and contributed to the promotion of social equity and the realization of common wealth.

After ten years of development, TCL Tech. has continuously opened up innovative paths to build a more humanistic public welfare engine. In 2022, Chairman Li Dongsheng launched the *Appeal for All TCL People to Participate in Social Welfare Initiative* to promote the institutionalization of donations, gather the power of "public welfare for all" within the organization and gather love and care.

| Indicators | 2022 |
| --- | --- |
| TCL Charity Foundation Annual Income | RMB 135,685,900 |
| TCL Charity Foundation Annual Expenses | RMB 53,886,800 |
| TCL Charity Foundation Public Welfare Charity Expenditure | RMB 52,013,100 |

In 2022, the proportion of TCL Charity Foundation's public welfare expenditure was 96.52% of the total expenditure of the year.

**10** Place

Rural schools in Xixiang County

**540** kW

Installed capacity

**15.7** Million kWh

Life-cycle power generation capacity

## Technology Section

### TCL Solar Campus

In order to resolve the issue of sustainability of rural campuses, TCL Charity Foundation cooperates with TCL Zhonghuan to donate rooftop-mounted PV solar power generation systems to rural schools. The systems have since been connected to the grid. The power generation revenue is used for the construction of the teaching environment and financial support for students in need, creating a sustainable educational support model.

In 2022, the Foundation donated the first batch of rooftop-mounted PV power generation systems and life-cycle power generation revenue to 10 rural schools in Xixiang County, Hanzhong City and Lingwu City, Yinchuan City, with a total installed capacity of 54 kW per school and an estimated life-cycle power generation capacity of 15.7 million kWh. At the same time, TCL Charity Foundation introduced "Eagle Story Club" and "Xiaoxue Music Class" to schools to further expand teaching resources in rural schools.



### TCL Smart Classroom

In order to address the inequality of education resources in urban and rural areas, TCL Charity Foundation has made donations to establish TCL smart classroom and intelligent teaching equipment in urban and rural schools. Through interactive teaching modes, the multimedia intelligent classrooms and "urban and rural" special delivery classrooms effectively motivate students to attend classes.

On September 26, 2022, the inauguration ceremony of the TCL smart classroom was successfully held. The project progressed in collaboration with Shenzhen Haide School. In November of the same year, the site of the smart classroom project was surveyed, and construction started in Longsheng Experimental Middle School in Guilin, Guangxi. After the completion of the project, the special urban and rural delivery classrooms of Haide School and Longsheng Experimental Middle School will be realized to promote the interconnection of high-quality educational resources.

**A.I. Back Home**

With a focus on the mental health of children in rural areas, TCL Charity Foundation launched the "A.I. Back Home" project in 2019 in cooperation with TCL Industrial Research Institute. With the technical expertise of the institute, the Company developed and designed the "Eagle Story Robot", which simulates the voice of parents and reads stories for children who are deprived of parental companionship. In 2022, the "Eagle Story Robot" was upgraded to achieve intelligent interconnection with mini program and has passed several certifications.

**"Eagle Story Club"**

Relying on the "Eagle Story Robot", the "Eagle Story Club" brings children together in rural schools through story workshops that bring joy to children while benefiting their growth. So far, as part of the project, 34 rural pilot schools have been established in 13 provinces across China, and a total of 150 "Eagle Story Boxes" have been distributed, benefiting over 11,000 people.

In 2022, the fourth and fifth batches of pilot schools of the "Eagle Story Club" Project began to recruit students. A total of 14 schools in six provinces, including Shaanxi, Guangxi and Hubei, were selected as the pilot schools of the "Eagle Story Club" Project. A total of 70 story boxes were distributed, reaching 4,655 students.



**"Eagle Listen"**

"Eagle Listen" is a WeChat mini program that integrates AI technology voice customization and story music playing functions. The applet is equipped with industry-leading ASR and voice recognition technology, which enables users to use the recording function to synthesize AI simulated voices, in which they can listen to the content of the stories on the mini program.

With more than 2,900 active users and more than 506 completed recordings, the "Eagle Listen" mini program is now available to parents. Listening to stories in the voices of their parents is a great way for children to learn and feel the companionship of their parents at the same time.

In 2022, "Eagle Listen" was launched in the form of an application in the public welfare section of TCL's educational tablet, which also has three major educational resource sections, namely "story", "music" and "poetry". The data interoperability between the user's WeChat mini program and the tablet further broadens the application scenario of "Eagle Listen".



**Read with Celebrities Launched on "Eagle Listen" Mini Program**

In 2022, the "A.I. Back Home" project, in collaboration with *Southern Weekly*, invited celebrities to use the "Eagle Listen" mini program to customize their voices and read stories to stay-at-home children. This brings about a positive social influence.

**Little Musician+**

In order to solve the problem of lack of quality music education resources for children, in 2019, TCL Charity Foundation, together with Beijing Central Conservatory of Music Education Foundation, launched the "Little Musician+" project. The project aims to provide children who lack music resources with access to appreciate famous Chinese and foreign music, and to inspire every child to grow up positively and optimistically.

In 2020, "Xiaoxue Music Class" was launched as an extension of the "Little Musician+" project. In 2022, "Xiaoxue Music Robot" was upgraded to further optimize its functions and facilitate quality control and other aspects. It has passed a number of certifications and can be intelligently connected to the "Eagle Listen" mini program via Bluetooth.

**Xiaoxue Music Class**

The "Xiaoxue Music Class" provides resources through the "Xiaoxue Music Robot" and a variety of supporting music education materials. The music teachers in the pilot schools combine the music content of the "Xiaoxue Music Robot" with the classroom curriculum to guide students to enjoy the classical music of the world. To date, 34 rural pilot schools have been set up in 16 provinces across China, with a total of 150 Xiaoxue Music Boxes distributed, reaching over 12,000 students.

In 2022, the fourth and fifth batches of pilot schools began recruiting students for the "Xiaoxue Music Class" program. A total of 15 schools in seven provinces, including Shaanxi, Guangxi and Guizhou, were selected as pilot schools for the "Xiaoxue Music Class" program, and 70 "Xiaoxue Music Boxes" were distributed to 6,301 students.

**"Xiaoxue Music Class" Boosts the Development of Rural Education**

On September 28, 2022, TCL Charity Foundation sent a music package for a remote rural elementary school located at the intersection of Anhui, Hubei and Jiangxi provinces, where abandoned children account for nearly 95% of the students. The six "Xiaoxue Music Boxes" and books help to improve the fun of the classroom and the children's concentration.



**"World Classics for Children" Illustrated Book**

In order to further help children understand the 100 pieces of music in the "Little Musician+" project, TCL Charity Foundation, in collaboration with China Children's Publishing House, launched the illustrated book "World Classics for Children" in 2022. As an important cultural publication of the foundation, the illustrated book will help improve the artistic literacy of children and let the beauty of music penetrate their hearts.
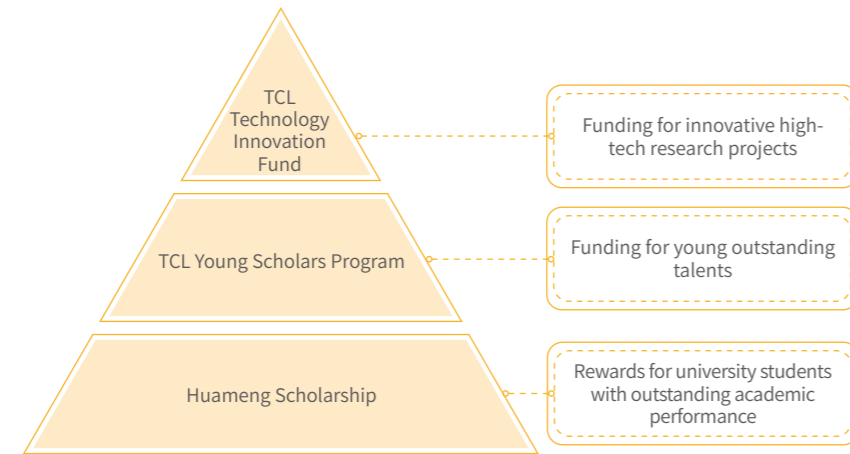
## Education Section

TCL Charity Foundation has always been committed to cultivating talents and encouraging innovation in colleges and universities. It promotes the cause of innovation from the source and helps improve education in both software and hardware through a series of donations to achieve the goal of high-quality development.

### TCL University Endowment System

TCL Charity Foundation is committed to broadening the funding programs of higher education institutions and paving the way for the growth of young talents by forming a "pyramid" funding structure and strengthening high-quality educational resources.



TCL Technology Innovation Fund — Funding for innovative high-tech research projects

TCL Young Scholars Program — Funding for young outstanding talents

Huameng Scholarship — Rewards for university students with outstanding academic performance



### TCL Technology Innovation Fund

The "TCL Technology Innovation Fund" is aimed at funding innovative research projects in the field of high technology. The purpose is to accelerate the development of teaching and research in universities, and boost the construction of high-level research universities and innovation at the source of science and technology.

In 2022, TCL and South China University of Technology jointly established TCL Technology Innovation Foundation Committee and selected five projects for funding in the four fields of new display materials, semiconductor materials, new energy technologies, as well as electronic information and communication technologies. The Foundation supports young research teams in their efforts to solve major scientific problems in key core technologies for industrial development and common fundamental problems in production processes. The foundation plans to donate RMB 4 million per year to TCL Technology Innovation Fund for the next ten years.



### TCL Young Scholars Program

The "TCL Young Scholars Program" aims to encourage and attract young talents who are enthusiastic and passionate about the cause of higher education in China, have high morals and excellent academic achievements, as well as the potential to lead the development of their disciplines to an internationally advanced level.

In 2022, the TCL Charity Foundation established the prestigious title of "TCL Young Scholar" at South China University of Technology with an annual donation of RMB 1.8 million. After comprehensive evaluation based on various criteria, three TCL Young Scholars were selected by South China University of Technology.



### Huameng Scholarship

In order to support the development of the higher education system and cultivate more outstanding talents for society, TCL established the "Huameng Scholarship" to reward college students with outstanding academic performance while inspiring them to continue exploring and achieving breakthroughs in innovation.

The scope of selection of South China University of Technology Huameng Scholarship covers full-time undergraduates of South China University of Technology who are in their second year or above. There are three classes of awards, with a scholarship disbursement of RMB 600 thousand per year. A total of 40 outstanding students were selected in 2022.

| Awards | Reward Amount | Number of Winners |
| --- | --- | --- |
| Huameng First-Class Award | RMB 30,000 | 5 |
| Huameng Second-Class Award | RMB 20,000 | 10 |
| Huameng Third-Class Award | RMB 10,000 | 25 |

### SUSTech-TCL Innovation and Entrepreneurship Lecture

In order to support the development of education at South University of Science and Technology, the TCL Charity Foundation donated RMB 10 million to the SUSTech Education Foundation. They have also jointly built the first public welfare project "SUSTech-TCL Innovation and Entrepreneurship Lecture", which is dedicated to becoming an influential communication platform for innovation and entrepreneurship in the Greater Bay Area and even in China.

In 2022, the "SUSTech-TCL Innovation and Entrepreneurship Lecture" invited famous experts and scholars as guest speakers to give 4 lectures with a total course length of nearly 500 minutes, attracting over 2,000 young students online and offline, and reaching nearly 10 million plays on new media platforms.

**TCL Project Hope Candlelight Award**

The TCL Charity Foundation has been continuously developing the "TCL Project Hope Candlelight Award" to gather outstanding teachers from 194 counties in 14 provinces in the key support counties for national rural revitalization and Shenzhen's counterpart support areas. The selected teachers will each receive an individual cash prize worth RMB 9,500 and 7 days of offline "candlelight classroom" training.

The "TCL Project Hope Candlelight Award" comprises three major awards: the Dedication Award, the Leadership Award and the Innovation Award. Since its launch in 2013, 8 editions have been successfully conducted, with applicants from 523 counties in 23 provinces nationwide. A total of 3,000 outstanding rural teachers from more than 2,000 schools have been awarded, with a total donation of more than RMB 42 million. In 2022, a total of 400 outstanding rural teachers were selected after the process of application, data screening and verification.

Candlelight Classroom

In 2022, the "Candlelight Classroom" training course was held in Guangzhou. The program focuses on the "classroom", with emphasis on participation, experience, reflection, and practice, as well as a cultural experience, quality development and psychological development for teachers. So far, the "Candlelight Classroom" has successfully conducted 24 sessions with the participation of more than 2,200 rural teachers.

**Campus Development Donation**

Shenzhen Middle School (SZMS) Nanshan Innovation School Educational Development Donation

In order to support the development of education in Shenzhen, the TCL Charity Foundation has established the "SZMS Nanshan Innovation School TCL Scholarship". At the same time, the Foundation also launched the TCL Public Welfare Basketball Training Camp, where top basketball coaches from China were invited to campus to conduct professional basketball training classes for students. In addition, the Foundation set up a charity children's painting exhibition to provide a platform for students to showcase their artistic talents and assist them in their overall development in addition to their academic pursuits.

TCL Public Welfare Basketball Camp                    Sports Carnival

**Culture and Sports Section**

Keeping pace with the times, the Foundation continues to focus on cultural and sports public welfare, exploring new directions in the field of cultural construction and sports support, promoting the spirit of cultural and sports innovation, and spreading the values of public welfare widely.

TCL "Salut d'Amour" Candlelight Charity Concert

On September 25, 2022, the Foundation joined hands with Muse Stage artists to hold the TCL "Salut d'Amour" Candlelight Charity Concert, which connects the public with music. At the concert, Wei Xue, Chairman of TCL Charity Foundation, presented Dr. Huang Zheng with an appointment letter as "Chief Music Advisor of TCL Charity Foundation" with the aim of establishing a long-term partnership to jointly promote the development of music culture.

Insight-Knowledge Speech Conference

The Insight-Knowledge Conference is a special event sponsored by TCL Charity Foundation and hosted by Himalaya FM. The conference was presented by the Himalaya's head speaker of knowledge in the field of literature, history and art, who took the audience through history, the present and the future during the event.

## Targeted Assistance Section

In 2022, the TCL Charity Foundation continued to carry out targeted assistance and other community welfare actions to build harmonious urban and rural communities.

| Project Names | Project Progress |
|---|---|
| Paired assistance donation project of Taimei town, Boluo county, Huizhou | With a total investment of RMB 650,000, 3 sets of LED conference displays were donated to the Taimei town government, while 5 sets of all-in-one educational machines were donated to the Xiaqing teaching site at Taimei Town Central Primary School. A donation of RMB 50,000 was allocated to strengthen and extend the results of poverty alleviation. |
| Donation to Huizhou Zhongkai High-tech Zone Charity Federation | We donated RMB 100,000 to Huizhou Zhongkai Hi-tech Zone Charity Association for the protection of supplies at Zhongkai Hi-tech Zone. |
| Donation to Huizhou Charity Association for flood relief | We donated RMB 100,000 to the Huizhou Charity Association to support the disaster relief of Huizhou Jiaolong Emergency Rescue Center. |
| Donation to Jingjiazhuang, Erwangzhuang Town, Baodi District, Tianjin | We donated RMB 200,000 to Jingjiazhuang Village, Erwangzhuang Town, Baodi District, Tianjin for the infrastructure construction of the village. |
| Donation to Mutouwo Village, Lianzhuang Town, Ninghe District, Tianjin | We donated RMB 200,000 to Mutouwo Village, Lianzhuang Town, Ninghe District, Tianjin, to enhance the development of rural tourism in the village and facilitate the purchase of tourism-related materials such as boats and other resources. |
| Donation to Huizhou Ciyun Library | We donated RMB 200,000 to Huizhou Ciyun Library for the purchase of books and reading materials for the library. |
| Donation to the construction of Lugang Primary School, Shuikou Street, Huicheng District, Huizhou | We donated RMB 200,000 to Lugang Primary School in Shuikou Street, Huicheng District, Huizhou City to support the development of the school. |
| Donation to the Red Cross Society of Anlong County, Guizhou Branch | We donated RMB 100,000 to the Red Cross Society of Anlong County, Guizhou to help alleviate poverty and help the disadvantaged groups. |
| Donation to Adream Foundation "Adream Centre" project | We donated RMB 100,000 to support the development of Shanghai True Love Dream Charity Foundation's "Dream Center" to provide a loving environment for children to grow up in. |
| Donation to Shenzhen Foundation for Justice and Courage | We donated RMB 100,000 to the Shenzhen Justice and Courage Foundation for the recognition of 20 "advanced models of justice and courage" so as to encourage the formation of a courageous community with a strong sense of justice. |

## Employee Community Service

TCL Tech. attaches great importance to the volunteering efforts of employees and has developed a good culture of volunteer activities after years of accumulation. The TCL Charity Foundation carries out various volunteer activities and continues to make efforts in the fields of common prosperity, rural revitalization and education assistance to show the power of TCL Tech.

### Employees' Public Welfare Donation

The TCL Charity Foundation launched the "Caring Donation" light application to build a platform for easy and quick participation in public welfare activities. Through the app, users can participate in public welfare donations with one click, keep an eye on the progress of projects, obtain public welfare certificates online, and quickly register for public welfare activities as well as obtain other information.

In 2022, the Foundation received RMB 151 thousand in donations from employees through the T-mail app.



## Employee Public Welfare Creative Competition

In order to increase employees' participation in public welfare activities, TCL Tech. Organization Department, TCL Party Group Office and TCL Charity Foundation jointly launched the first TCL Public Welfare Creative Competition with the theme of "Harmonious Coexistence with Love" for employees. The contest was conducted in July 2022, and 47 public welfare projects were declared, of which 9 projects were selected for implementation.

### Beautiful Photo Booth —Wedding Photoshoot Project for Women from Rural Areas

The project hopes to record and spread heartwarming stories through photography and other visual means by combining the beauty of women with the beauty of humanity. The project team organized a public welfare photo shoot for rural women in Maoming City, Guangdong Province, documenting happy moments for 54 rural women. At the same time, the project has driven more people to participate in public welfare activities through the cloud-based image gallery and offline public welfare exhibition.





## Employee Volunteer Activities

The employees of TCL pay great attention to public welfare and actively respond to the Company's call to participate in employee volunteer activities in order to give back to the society.

### TCL CSOT carried out activities to care for the elderly in the community

In January 2022, the TCL CSOT labor union and the Community Foundation organized a solidarity event for the elderly in Tangwei Community of Guangming District. During the event, volunteers visited elderly people aged 80 or above in the area and sent them the loving warmth and New Year wishes of TCL CSOT as well as some living supplies.

TCL CSOT is committed to improving the physical and mental health of the elderly in the community and has participated in activities to care for the elderly in the community for eight consecutive years up to 2022.



### "Rose Initiative"

In 2022, "Rose Initiative" adopted the approach of "field visit" + "online interview", where volunteers interacted with teachers stationed at the front line of villages. More than 40 TCL volunteer employees went to 29 schools in 12 provinces, including Sichuan, Yunnan and Guangxi, and visited a total of 29 rural teachers.

At the same time, in order to better understand the situation of reading and music resources for rural students, the TCL Charity Foundation launched "Eagle Story Club" and "Xiaoxue Music Class" on the basis of the "Operation Rose" project to further amplify the impact of the project.



### Shenzhen CSOT Marine Environmental Protection Activity

On November 20, 2022, Shenzhen CSOT's environmental protection volunteer team carried out marine environmental protection activities and hiked 7 kilometers to pick up garbage along the coastal stacks in the Yangmeikeng scenic area. At the same time, the volunteers distributed environmental protection information leaflets, on-site environmental protection knowledge quizzes and souvenir distribution to raise public awareness on environmental protection and promote the environmental protection image of a green China Star.
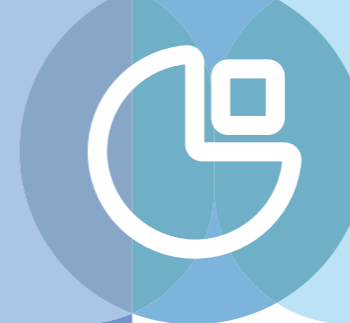
# 03

## Governance

Responsibility Drives Excellence in Governance

An effective corporate governance system is an essential cornerstone to the healthy, stable, and sustainable development of an enterprise. Since its listing in 2004, TCL Tech. has continuously improved its corporate governance system, standardized its operations, strengthened its risk control management and information security protection, conscientiously fulfilled its information disclosure obligations, enhanced engagement with investors, continuously increased its shareholder returns, and improved shareholder satisfaction.
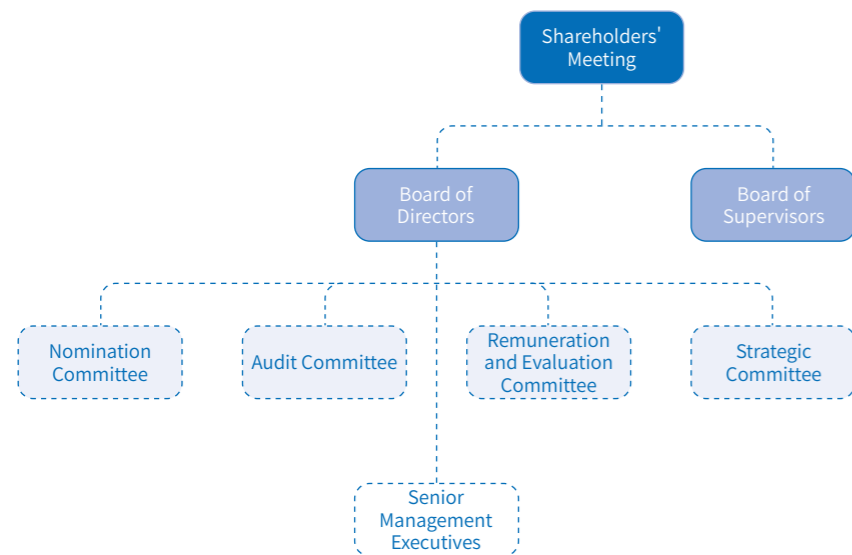
# Corporate Compliance Governance

TCL Tech. considers corporate governance as the cornerstone of corporate development. At present, the company has established an organizational structure that meets the needs of business scale and operation management, set up reasonable departments and positions, scientifically planned responsibilities and authority, and formed a governance system in which each division carries out its own duties and responsibilities with cooperation. Meanwhile, TCL Tech. conscientiously fulfills its information disclosure obligations, adequately communicates with investors and other interested parties while continuously promoting the Company's compliance governance.

## Corporate Governance

TCL Tech. upholds the core values of "Change, Innovation, Accountability and Excellence", and strictly abides by the *Company Law of the People's Republic of China,* the *Securities Law of the People's Republic of China,* the *Code of Governance of Listed Companies* and other relevant laws and regulations. The company has established the Shareholders' Meetings, the Board of Directors and its affiliated committees, the Board of Supervisors as well as the Executive Committee. At the same time, it has also formulated the corresponding regulations of rules of procedure and work management system to promote the continuous optimization of the corporate governance structure and the formation of a corporate governance mechanism with clearly defined authority and responsibility, synergistic operation and scientific efficiency.

In terms of management structure, TCL Tech. revised the company's *Articles of Association, Information Disclosure Management Measures* and the *Management System for Registration of Informants of Insider Information* in 2022 to continuously improve the corporate governance structure and enhance the management level of the company. Meanwhile, the company routinely arranges trainings for directors, supervisors, and senior management executives to systematically study the laws and regulations on the governance of listed companies as well as to understand the industry dynamics of the capital market in order to increase their awareness of risk prevention and self-restraint.

### TCL Tech.'s was awarded

"Best Practices of the Board of Directors of Listed Companies" and "Active and Enterprising Award of the Supervisory Board of Listed Companies" issued by the China Association for Public Companies (CAPCO).

### TCL Tech.

- Awarded "Grade A Rating" in the 2021 annual disclosure assessment of Shenzhen Stock Exchange
- Awarded "Gold Secretary Award" and "Best IR Team Award" at the 18th Gold Secretary Awards

```
                    Shareholders'
                       Meeting
                 ┌────────┴────────┐
           Board of            Board of
           Directors           Supervisors
  ┌────────────┼────────────┬────────────┐
Nomination   Audit      Remuneration  Strategic
Committee   Committee   and Evaluation Committee
                        Committee
            Senior
          Management
          Executives
```

## Improvement of Communication Mechanism

In 2022, TCL Tech. held 13 Board Meetings, 8 Supervisory Meetings and 3 Shareholders' Meetings to fully discuss and vote on the motions to effectively safeguard the interests of all shareholders, especially small and medium ones.

# Protection of Investors' Rights and Interests

Information disclosure is the crux of protecting the rights and interests of investors. TCL Tech. strictly complies with relevant regulations on information disclosure, fulfills its obligations on information disclosure in a timely manner, ensures the truthfulness, accuracy and completeness of information disclosure, while continuously improving the quality and transparency of information disclosure. The company has formulated strict *Information Disclosure Management Measures* to standardize the content and standards of information disclosure, and established a recourse mechanism to systematically ensure the timely control of material matters of each company under the Group's information disclosure.

In 2022, the company disseminated information to investors through various means, including Shareholders' Meetings, annual reports, and press releases, with the number of information disclosures reaching 204. Meanwhile, the company has taken the initiative to disclose English-language reports to give overseas investors fair access to information about the company's operations and to continuously improve the internationalization of information disclosure.

TCL Tech. attaches great importance to the protection of the rights and interests of small and medium-sized investors and adopts the cumulative voting system to protect the voting rights of small and medium-sized shareholders. The company has set up 2 investor hotlines, responded to investors' questions over 500 times on the e-interactive platform, and held online-based performance presentations. In addition, the company has set up a public WeChat account for investor relations and takes the initiative to disseminate relevant information through other media channels so that investors can be informed of the company's developments in a timely manner.

### 2022 TCL Tech. Investor Communication Initiatives

- Held 3 performance briefings to respond to investors' concerns
- Continuously conducted roadshows in Beijing, Shanghai, Guangzhou, Shenzhen, Hong Kong, etc., and facilitated communication with nearly 500 institutions throughout the year, enhancing investors' understanding of the Company's business and recognition of its investment value
- Facilitated access to information for small and medium investors through collective reception sessions, e-interactive platforms, investor telephone hotlines, investor emails, etc.

**731,411** Accounts
Total number of shareholders

**23,341** Shares
Average number of shares held each account

**728,148** Accounts
Number of individual shareholders

**13,167** Shares
Average number of shares held per individual

**3,263** Accounts
Number of institutional shareholders

**2,293,647** Shares
Average number of shares held by institutional shareholders

# Operational Compliance and Fair Competition

TCL Tech. has established a comprehensive compliance and risk management system, strengthened the implementation of internal control, enhanced information control, and continuously improved its ability to conduct operations in compliance. In addition, TCL Tech. adheres to honest operations and actively carries out efforts to prevent unfair competition and monopoly.

## Compliance Operation

While accelerating the process of globalization, TCL Tech. continues to strengthen compliance risk management and improve compliance governance. With the "Compliance Shared (Competence) Center" as the platform, the company extensively engages in-house experts and members, as well as external senior consultants, and organizes training on various compliance topics to enhance the company's ability to identify and respond to compliance risks in various sectors.

In 2022, the Compliance Shared (Competence) Center held 11 themed-training sessions on ECCN classification, U.S. export control, corporate environmental compliance, and data compliance, with 1,468 participants and a cumulative total of 1,417 hours of learning. At the same time, the Center conducted 3 industrial compliance exchange activities, submitted 6 reports on compliance research and risk analysis, with 199 members. The compliance topic research and risk analysis reports are aimed at interpreting and analyzing global policy and regulation developments and emergencies in the compliance field, providing suggestions for response. These reports have a set reading parameters and confidentiality level, so that the target audience can gain knowledge and receive early warnings and suggestions on compliance risks, which can be used as a reference for relevant decisions or work.



ECCN Classified Training

## Risk Management

In order to meet the needs of the company's new system and business, TCL Tech. draws on the experience of advanced industry peers to improve the weaknesses of the original system while building a comprehensive risk management system. The company effectively integrates internal and external data, improves risk awareness, delivers information to the system, and makes timely response. TCL Tech. has been improving its risk management capability by improving the internal control system, strengthening the implementation of internal control, enhancing information control and increasing supervision.

In 2022, TCL Tech. issued the *TCL Tech. Internal Control Specification No. 8 - Information Systems*, further mandating regular internal control risk assessments, updating the scope of application of the security system and preventing potential security risks.

## Business Ethics

TCL Tech. firmly conducts anti-unfair competition and anti-monopoly operations and strictly complies with the *Anti-monopoly Law, the Anti-unfair Competition Law*, the *Foreign Trade Law* and other laws and regulations. The company is committed to creating a fair market environment and resolutely prohibit the restriction or exclusion of market competition by unfair means.

TCL Tech. pays close attention to the regulatory developments of the *Anti-monopoly Law* with a timely summary of the key points of its implementation. The Company's Legal Department takes the lead in guiding its subsidiary, TCL CSOT, to formulate the *Anti-trust Compliance Guidelines* which comprehensively regulate the Company's operation, fair trade in the market, upstream and downstream of the industrial chain, etc. Through these guidelines, the antitrust compliance audit and decision-making process is integrated into the business process to guide each subsidiary company to identify and respond to antitrust compliance risks.

In order to enhance the antitrust compliance awareness of the heads of various companies of TCL Tech. in 2022, the Legal Department held a special training on antitrust for the entire group to enhance the employees' comprehensive understanding by explaining the history of antitrust legislation in various countries, China's antitrust legislation enforcement agencies and enforcement trends. One training session on antitrust topics was conducted for about 40 middle-management-level personnel in 2022.

The TCL CSOT *Antitrust Compliance Guidelines* includes

- Guidelines for the prevention of the risk of abuse of dominant market position
- Guidelines for the prevention of the risk of horizontal antitrust agreements
- Guidelines for preventing the risk of vertical antitrust agreements
- Case studies on typical antitrust enforcement

# Anti-corruption

TCL Tech. has zero tolerance for corruption and makes every effort to build a clean enterprise. Following the "trinity" integrity system model of deterrence of investigation, system restraint and warning education, the Company continues to improve the integrity system construction with the "TCL Ten Red Lines" as the core. By building the core system of anti-corruption, the Company regulates the behavior of employees and requires partners to strictly follow business ethics. At the same time, the Company has strengthened reporting management, conducted case investigation and analysis, carried out integrity publicity and education, as well as enhanced system implementation and industry research.

TCL Tech. has established an Audit Committee under the Board of Directors of the Group as well as an Audit and Supervision Department as a special anti-corruption agency. The Company has also formulated integrity management systems such as *TCL Code of Conduct for Partners, Management Measures for the Declaration of Conflict of Interest of TCL Employees, Management Measures for the Disposal and Reward of Gifts Received by TCL Employees, TCL Code of Discipline for Procurement, TCL Management Measures for Accountability,* and *TCL Confidentiality Management Regulations.* In 2022, the internal supervision of TCL Tech. was further strengthened while *Supervisory System of TCL Tech.* was revised.

At the same time, TCL Tech. has established a systematic integrity education and training mechanism. All employees are required to sign the *Commitment to Integrity*, while suppliers and customers are required to sign the *Integrity Agreement* or the *Code of Conduct for Partners.* The Company also effectively raised the awareness of integrity and self-discipline among employees through new employee training and special training for those holding high-risk positions.

TCL Tech. encourages all employees to assist in the anti-corruption efforts and has set up an email address and telephone number to facilitate whistle-blowing. Meanwhile, the Audit and Supervision Department strictly executes the complaint and report handling process and whistleblower protection mechanism, with timely registration and response to the reported information. The Company has set up various reward mechanisms for those with meritorious anti-corruption efforts. In 2022, TCL Tech. investigated and dealt with 7 corruption cases. Seven people involved in the cases were dismissed, while five were referred to judicial authorities for suspected violations of laws and crimes.

In terms of anti-corruption, TCL Tech. carries out integrity education to increase employees' awareness of anti-corruption. The Company also carries out anti-corruption propaganda through innovative placement methods, in addition to using "National Security Propaganda Day" and "International Anti-Corruption Day" to carry out special propaganda on integrity. The Company also regularly analyzes typical cases, and makes reform, development, and mitigation efforts accordingly to continuously improve the effectiveness of anti-corruption control. In addition, the Company issued *TCL 2022 Anti-Fraud Circular* at the end of 2022 to warn and educate employees with typical cases and precedents as examples.

Specialized Training on Integrity for Brand Center

In 2022, the Audit and Supervision Department of TCL Tech. conducted a specialized training session on integrity for the brand center, with 40 participants. The training content is related to suspected corruption-related crimes, consequences of violations, reminders of integrity, etc. This helps to create a good culture of integrity and self-discipline within the Company as well as to enhance the level of anti-corruption and anti-corruption awareness of the Company's employees.
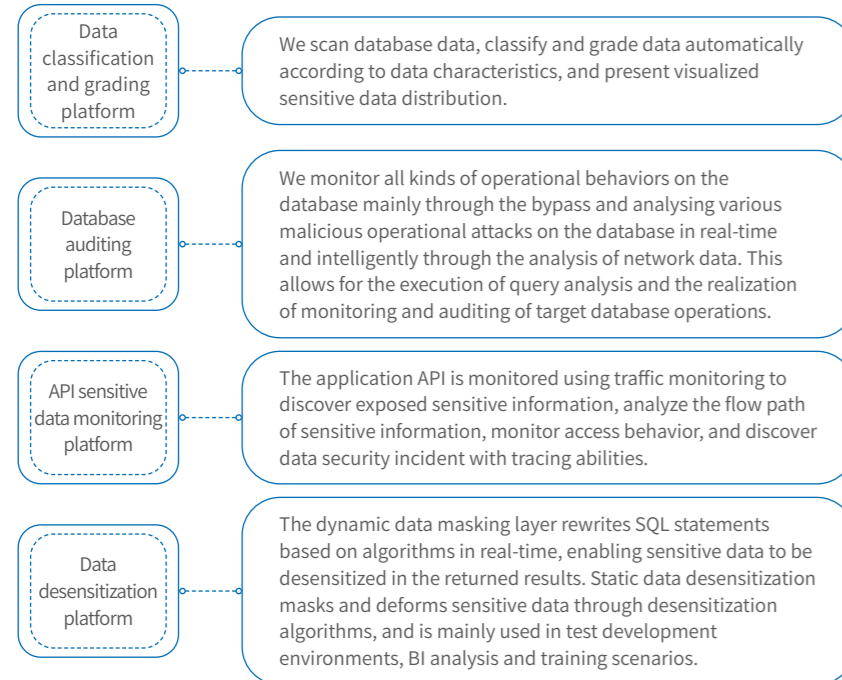
# Information Security Protection

Information resources are indispensable to the normal operation of enterprises, and with the development of TCL Tech.'s innovative technology, the protection of information security of intellectual property rights and trade secrets is of paramount importance. TCL Tech. follows the principle of "consistent authority and responsibility, hierarchical protection and full control" to implement the accountability of data security.

In order to further improve the information security protection system of TCL in 2022, the Company has formulated *General Rules for Data Security Management, Data Classification and Grading Management Regulations, Provisions for Data Whole Life Cycle Security Management, Data Security Incident Emergency Management Measures*, and *Data Security Audit Management Regulations*, which are expected to be reviewed and released in 2023.

With regard to security platform, TCL Tech. has a situational awareness platform for monitoring internal and external cyber-attacks as well as for dealing with incident alert information generated by the system. At the same time, the Company has also established emergency response, vulnerability management, and data security platforms to comprehensively improve information security. The Company is equipped with tools such as WAF, web anti-tampering and cloud DDOS bastion to provide information security infrastructure. It also strengthens terminal security, development security, risk intelligence, security monitoring and incident response capacity building to ensure secure operations. In the area of security services, the Company has provided penetration testing, security consultation, security implementation, and security training to enhance information security assurance capabilities.

TCL Tech. complies with the EU *General Data Protection Regulation (GDPR)* and strictly regulates corporate privacy protection practices. In addition, TCL Tech. attaches great importance to the publicity and training of information security, with the online training of information security awareness through T Academy.

## Initiatives to Safeguard Customer Privacy

| Data classification and grading platform | We scan database data, classify and grade data automatically according to data characteristics, and present visualized sensitive data distribution. |

| Database auditing platform | We monitor all kinds of operational behaviors on the database mainly through the bypass and analysing various malicious operational attacks on the database in real-time and intelligently through the analysis of network data. This allows for the execution of query analysis and the realization of monitoring and auditing of target database operations. |

| API sensitive data monitoring platform | The application API is monitored using traffic monitoring to discover exposed sensitive information, analyze the flow path of sensitive information, monitor access behavior, and discover data security incident with tracing abilities. |

| Data desensitization platform | The dynamic data masking layer rewrites SQL statements based on algorithms in real-time, enabling sensitive data to be desensitized in the returned results. Static data desensitization masks and deforms sensitive data through desensitization algorithms, and is mainly used in test development environments, BI analysis and training scenarios. |

## TCL Zhonghuan Information Security

In 2022, TCL Zhonghuan cooperated with 360 companies in the *Information Security Framework Cooperation Agreement*, which includes the deployment of situational awareness systems and the provision of security emergency services. Other services include vulnerability scanning, penetration testing, code auditing, and emergency drills. At the same time, TCL Zhonghuan has cooperated with QI-ANXIN Group on the "Information Security Gap Analysis Project" to conduct information security research and current situation gap analysis for all departments and BG/BU/platform companies of TCL Zhonghuan. It has also formulated information security construction plans for the next three years.
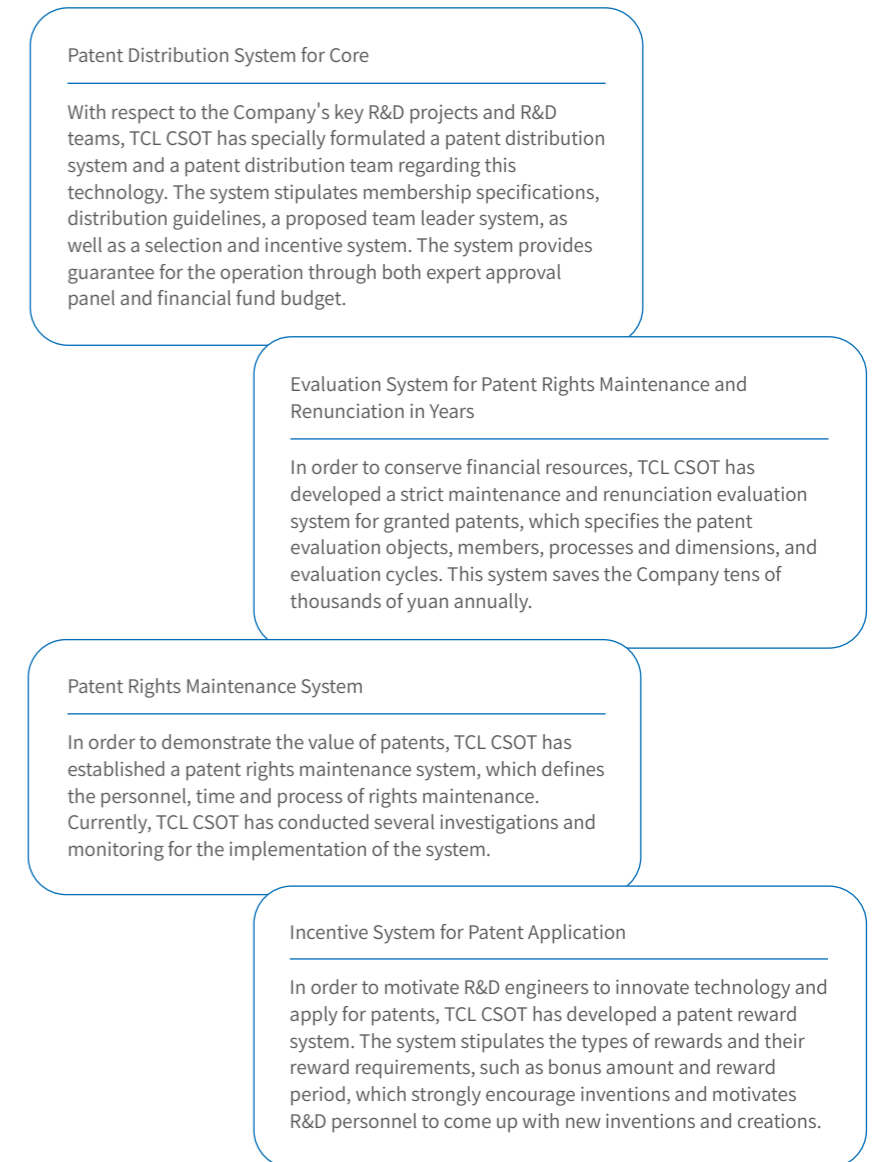
In 2022, TCL Zhonghuan conducted current status research and gap analysis on 20 key production companies and platform companies. Vulnerabilities were discovered and rectified through vulnerability scanning and penetration testing.

# Intellectual Property Protection (IPR)

TCL Tech. abides by international intellectual property rules, actively resolves intellectual property issues and safeguards its legal rights and interests through judicial procedures. The Company has established more than ten intellectual property work systems, such as the *TCL Patent Management Measures, TCL Patent Application Process Management System, TCL Group Patent Reward Measures, Patent Dispute Handling Measures*, and *Technical Secrets Protection Measures*. The Company adopts electronic system management for the full life cycle of patent applications, which effectively improves patent management. In 2022, TCL Tech. successfully passed the review of the National Intellectual Property Model Enterprise by the State Intellectual Property Office.

During the process of product development, TCL Tech. retrieves and gathers intellectual property rights and other public information on relevant technologies. It then collates and analyzes the intellectual property status of the technologies as well as the status of competitors. The Company will plan the IPR layout of relevant technologies based on the analysis reports and adjust the planning scheme of R&D on a timely basis to avoid the risk of IPR infringement. In addition, the relevant departments make timely confirmation and evaluation of R&D results to determine their intellectual property protection types, territories as well as other elements for the formation of intellectual property rights.

## Intellectual Property Protection System

### Patent Distribution System for Core

With respect to the Company's key R&D projects and R&D teams, TCL CSOT has specially formulated a patent distribution system and a patent distribution team regarding this technology. The system stipulates membership specifications, distribution guidelines, a proposed team leader system, as well as a selection and incentive system. The system provides guarantee for the operation through both expert approval panel and financial fund budget.

### Evaluation System for Patent Rights Maintenance and Renunciation in Years

In order to conserve financial resources, TCL CSOT has developed a strict maintenance and renunciation evaluation system for granted patents, which specifies the patent evaluation objects, members, processes and dimensions, and evaluation cycles. This system saves the Company tens of thousands of yuan annually.

### Patent Rights Maintenance System

In order to demonstrate the value of patents, TCL CSOT has established a patent rights maintenance system, which defines the personnel, time and process of rights maintenance. Currently, TCL CSOT has conducted several investigations and monitoring for the implementation of the system.

### Incentive System for Patent Application

In order to motivate R&D engineers to innovate technology and apply for patents, TCL CSOT has developed a patent reward system. The system stipulates the types of rewards and their reward requirements, such as bonus amount and reward period, which strongly encourage inventions and motivates R&D personnel to come up with new inventions and creations.

# Honors and Awards

| Years | Awards | Selecting Organizations | Certifications | Awarded Subjects |
|---|---|---|---|---|
| 2022 | Forbes 2022 China ESG 50 List | Forbes | | TCL Tech. |
| 2022 | *Fortune* 2022 China ESG Impact List | *Fortune* | | TCL |
| 2022 | "Outstanding ESG Practice Cases of Listed Companies" | China Association for Public Companies (CAPCO) | | TCL Tech. |
| 2022 | The 16th "Top 100 ESG in China Listed Companies" | *Securities Times* | | TCL Tech. |
| 2022 | The 6th CSR CHINA TOP100 Top Responsible Enterprise Brand of the Year | The 6th CSR China Education List Organizing Committee | | TCL Tech. |
| 2022 | The 6th CSR CHINA Annual Best Strategy Award (TCL solar campus) | The 6th CSR China Education List Organizing Committee | | TCL Tech. (TCL solar campus) |
| 2022 | The 7th "Social Value Co-creation" China CSR Excellence Award for Rural Revitalization (A.I. Back Home Project) 2022 | The Seventh "Social Value Co-creation" | | TCL Tech. (A.I. Back Home Project) |
| 2022 | The 14th Annual CSR China Conference - 2021 Outstanding Responsible Enterprise of the Year | *Southern Weekly* | | TCL Tech. |
| 2022 年 | 2022 Bloomberg Green & Gold ESG Pioneer Award Annual Responsibility Pioneer | Bloomberg Green Gold | | TCL Tech. |
| 2022 年 | 2022 China New Growth ESG Innovation Practice List | *Harvard Business Review* Chinese Version 2022 New Growth Conference | | TCL |
| 2022 年 | 2022 "Golden Responsibility Award" Best Social Responsibility Award | Sina Finance | | TCL Tech. |

# Key Performance

| Key Performance Indicators | Units | 2022 |
|---|---|---|
| **Environmental** | | |
| Number of environmental incidents | No. | 0 |
| Penalties arising from the Company's violation of environment-related regulations | No. | 0 |
| Fines imposed on the Company for violation of environment-related laws and regulations | RMB | 0 |
| Number of environmental lawsuits filed against the Company for violation of environment-related laws and regulations | No. | 0 |
| Number of environmental protection training sessions for employees [3] | No. | 67 |
| Number of employees who participated in environmental protection training [4] | No. | 6,236 |
| Total investment in environmental protection [5] | RMB Ten Thousand | 71,263.18 |
| Total energy consumption [6] | kWh | 5,991,717,144 |
| Total electricity consumption [7] | kWh | 5,787,323,319 |
| Total water consumption [8] | Ton | 44,054,464 |
| Total water conservation [9] | Ton | 229,532,838 |
| Total greenhouse gas emissions [10] | Tons of $CO_2$ equivalent | 6,653,747.25 |
| Scope 1 [11] | Tons of $CO_2$ equivalent | 261,350.33 |
| Scope 2 [12] | Tons of $CO_2$ equivalent | 5,525,242.77 |
| Volatile organic compounds (VOC) emissions [13] | Ton | 89.35 |
| Total wastewater emissions [14] | Ton | 31,576,217.49 |
| Volume of water recycled [15] | Ton | 54,636,714 |
| Waste emissions [16] | Ton | 208,667.496 |
| Amount of recycled waste [17] | Ton | 81,865 |

[3]The data of the number of environmental protection training sessions for employees include: Huizhou CSOT、Shenzhen CSOT, Suzhou CSOT, Wuhan CSOT, TCL CDOT, MOKA, and TPC.
[4]The data of the number of employees who participated in environmental protection training include: Huizhou CSOT, Shenzhen CSOT, Suzhou CSOT, Wuhan CSOT, TCL CDOT, MOKA, and TPC.
[5]The data of total investment in environmental protection include: Huizhou CSOT, Shenzhen CSOT, Suzhou CSOT, Wuhan CSOT, TCL CDOT, TCL Zhonghuan, and MOKA.
[6]Total energy consumption includes: Huizhou CSOT, Shenzhen CSOT, Suzhou CSOT, Wuhan CSOT, TCL CDOT, and MOKA.
[7]Total electricity consumption includes: Huizhou CSOT, Shenzhen CSOT, Suzhou CSOT, Wuhan CSOT, TCL CDOT, and MOKA.
[8]Total water consumption includes: Huizhou CSOT, Shenzhen CSOT, Suzhou CSOT, Wuhan CSOT, TCL CDOT, MOKA, and TPC.
[9]Total water conservation includes: Huizhou CSOT, Shenzhen CSOT, Suzhou CSOT, and TCL CDOT.
[10]Total greenhouse gas emissions include: Huizhou CSOT, Shenzhen CSOT, Suzhou CSOT, Wuhan CSOT, TCL CDOT, and MOKA.
[11]Total Scope 1 greenhouse gas emissions include: Huizhou CSOT, Shenzhen CSOT, Suzhou CSOT, Wuhan CSOT, TCL CDOT, MOKA.
[12]Total Scope 2 greenhouse gas emissions include: Huizhou CSOT, Shenzhen CSOT, Suzhou CSOT, Wuhan CSOT, TCL CDOT, and MOKA.
[13]Volatile Organic Compounds (VOC) emissions include: Huizhou CSOT, Shenzhen CSOT, Suzhou CSOT, Wuhan CSOT, TCL CDOT, MOKA, and TPC.
[14]Total wastewater emissions include: Huizhou CSOT, Shenzhen CSOT, Suzhou CSOT, Wuhan CSOT, TCL CDOT, MOKA, and TPC.
[15]Volume of water recycled includes: Huizhou CSOT, Shenzhen CSOT, Suzhou CSOT, Wuhan CSOT, and TCL CDOT.
[16]Waste emissions include: Huizhou CSOT, Shenzhen CSOT, Suzhou CSOT, Wuhan CSOT, TCL CDOT, MOKA, and TPC.
[17]Amount of recycled waste includes: Shenzhen CSOT, Wuhan CSOT, TCL CDOT, and MOKA.

| Key Performance Indicators | Units | 2022 |
|---|---|---|
| Social | | |
| Total number of active employees | No. | 69,828 |
| Number of active male employees | No. | 52,545 |
| Number of active female employees | No. | 17,283 |
| Number of employees in China | No. | 65,954 |
| Number of employees abroad | No. | 3,874 |
| Labor contract signing rate | % | 100 |
| Employee social insurance coverage rate | % | 100 |
| Number of ethnic minorities | No. | 5,279 |
| Number of people with disabilities | No. | 19 |
| Number of active management staff | No. | 2,149 |
| Proportion of female executives | % | 20 |
| Total investment in employee training | RMB Ten Thousand | 2,102.28 |
| Total number of trainees | Persons | 39,947 |
| Total number of employees trained | No. | 357,859 |
| Total hours of training for employees | Hours | 568,687 |
| Investment in safety production [18] | RMB Ten Thousand | 16,150.41 |
| Number of major safety accidents | No. | 0 |
| Number of participants in safety training [19] | No. | 309,704 |
| Total hours of safety training [20] | Hours | 424,722 |
| Social insurance coverage rate of employees | % | 100 |
| Coverage rate of employee medical examination and health records | % | 100 |
| Number of occupational health and safety training sessions [21] | No. | 39 |
| Occupational health and safety training attendances [22] | No. | 6,327 |
| Investment in helping employees in difficulty | RMB Ten Thousand | 64.6 |
| Number of R&D personnel | No. | 11,979 |
| Investment in R&D | RMB Ten Thousand | 1,077,841 |
| Total external public welfare donations | RMB Ten Thousand | 5,201.31 |
| Number of employee volunteers | Persons | 108 |
| Number of employee volunteer activities | No. | 41 |

| Key Performance Indicators | Units | 2022 |
|---|---|---|
| Governance | | |
| Training related to anti-corruption and business ethics | No. | 1 |
| Number of participants | No. | 90 |
| Major incidents of unfair competition | No. | 0 |
| Antitrust and unfair competition training | No. | 1 |
| Number of participants | No. | 90 |
| Number of information security incidents | No. | 0 |
| Number of data security training sessions | No. | 3 |
| Number of participants of data security training | No. | 39 |
| Operating income | RMB Ten Thousand | 16,655,279 |
| Net income | RMB Ten Thousand | 178,806 |
| Taxes paid | RMB Ten Thousand | 924,941 |
| Return on net assets | % | 0.52 |
| Asset-to-liability ratio | % | 63.29 |

[18]Investment in safety production includes: Huizhou CSOT, Shenzhen CSOT, Suzhou CSOT, Wuhan CSOT, TCL CDOT, MOKA, and TCL Zhonghuan

[19]Number of participants in safety training include: TCL CDOT, TCL CSOT, and MOKA.

[20]Total hours of safety training include: Huizhou CSOT, TCL CSOT, and TCL CDOT.

[21]Number of occupational health and safety training sessions include: Huizhou CSOT, Suzhou CSOT, and TCL CDOT.

[22]Occupational health and safety training attendances include: Huizhou CSOT, Suzhou CSOT, and TCL CDOT.

# Reporting Index

**In support of the United Nations Sustainable Development Goals (SDGs)**

| SDGs | Targets | Actions |
|---|---|---|
| No Poverty | No Poverty | Rural revitalization, educational equity |
| Zero Hunger | Zero Hunger | Rural revitalization, educational equity, active targeted assistance for precise relief, so as to reduce hunger |
| Good Health and Well-Being | Good Health and Well-Being | Healthy and safe products, concern for employees' physical and mental health |
| Quality Education | Quality Education | Employee training, school-enterprise cooperation, educational equity |
| Gender Equality | Gender Equality | Equal employment, care for female employees |
| Clean Water and Sanitation | Clean Water and Sanitation | Protection of water resources |
| Affordable Clean Energy | Affordable Clean Energy | PV power generation, use of high power and high-performance PV products to reduce the cost of electricity |
| Decent Work and Economic Growth | Decent Work and Economic Growth | Diverse and inclusive working environment, reasonable salary and benefits |
| Industry, Innovation and Infrastructure | Industry, Innovation and Infrastructure | Product innovation and research |
| Reduced Inequalities | Reduced Inequalities | Education equity |
| Sustainable Cities and Communities | Sustainable Cities and Communities | Energy efficiency and emission reduction measures |
| Responsible Consumption and Production | Responsible Consumption and Production | Green production, green packaging, establish recycling system |
| Climate Action | Climate Action | Energy efficiency and emission reduction measures, photovoltaic power generation |
| Life Below Water | Life Below Water | Reduce pollutant emissions and protect the ecological environment |
| Life on Land | Life on Land | |
| Peace, Justice and Strong Institutions | Peace, Justice and Strong Institutions | Legal compliance, antitrust and anti-unfair competition |
| Partnerships for the Goals | Partnerships for the Goals | Work together with industry chain partners |

**Global Reporting Initiative (GRI) Standards**

TCL Tech. reported the information referenced in this GRI Content Index with reference to GRI Standards between January 1, 2022 and December 31, 2022.

| GRI Standards | Disclosures | Page listed |
|---|---|---|
| GRI 2: General Disclosures 2021 | 2-1 Organizational details | About TCL Tech. |
| | 2-2 Entities included in the organization's sustainability reporting | About the Report |
| | 2-3 Reporting period, frequency, and contact point | About the Report |
| | 2-4 Restatements of information | About the Report |
| | 2-5 External assurance | External Verification Statement |
| | 2-6 Activities, value chain and other business relationships | About TCL Tech. |
| | 2-7 Employees | Employee Protection, Key Performance |
| | 2-9 Governance structure and composition | Corporate Compliance Governance |
| | 2-10 Nomination and selection of the highest governance body | Protection of Investors' Rights and Interests |
| | 2-16 Communication of critical concerns | Corporate Compliance Governance, Protection of Investors' Rights and Interests |
| | 2-17 Collective knowledge of the highest governance body | Corporate Compliance Governance |
| | 2-22 Statement on sustainable development strategy | Message from the Chairman, About TCL Tech., ESG Governance |
| | 2-24 Embedding policy commitments | ESG Governance |
| | 2-25 Processes to remediate negative impacts | ESG Governance |
| | 2-26 Mechanisms for seeking advice and raising concerns | ESG Governance |
| | 2-27 Compliance with laws and regulations | Green Production, Green Development, Product Quality and Safety, Employee Protection, Corporate Compliance Governance, Operational Compliance and Fair Competition, Anti-corruption, Intellectual Property Protection |
| | 2-28 Membership associations | Industy Chain Management and Industry Development |
| | 2-29 Approach to stakeholder engagement | ESG Governance |
| GRI 3: Material Topics 2021 | 3-1 Process to determine material topics | ESG Governance |
| | 3-2 List of material topics | ESG Governance |
| | 3-3 Management of material topics | ESG Governance |
| GRI 201: Economic Performance 2016 | 201-1 Direct economic value generated and distributed | About TCL Tech. |
| GRI 203: Indirect Economic Impacts 2016 | 203-1 Infrastructure investments and services supported | Social Public Welfare |
| | 203-2 Significant indirect economic impacts | Social Public Welfare |
| GRI 205: Anti-corruption 2016 | 205-2 Communication and training about anti-corruption policies and procedures | Anti-corruption |
| | 205-3 Confirmed incidents of corruption and actions taken | Anti-corruption |
| GRI 301: Materials 2016 | 301-3 Reclaimed products and their packaging materials | Green Development |
| GRI 302: Energy 2016 | 302-1 Energy consumption within the organization | Green Production |
| | 302-4 Reduction of energy consumption | Green Production |

| GRI Standards | Disclosures | Page listed |
| --- | --- | --- |
| GRI 303: Water and Effluents 2018 | 303-1 Interactions with water as a shared resource | Green Production |
| | 303-2 Management of water discharge-related impacts | Green Production |
| | 303-3 Water withdrawal | Green Production |
| | 303-4 Water discharge | Green Production |
| | 303-5 Water consumption | Green Production |
| GRI 305: Emissions 2016 | 305-1 Direct (Scope 1) GHG emissions | Key Performance |
| | 305-2 Energy indirect (Scope 2) GHG emissions | Key Performance |
| | 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions | Key Performance |
| GRI 306: Waste 2020 | 306-1 Waste generation and significant waste-related impacts | Green Production |
| | 306-2 Management of significant waste-related impacts | Green Production |
| | 306-3 Waste generated | Green Production, Key Performance |
| | 306-4 Waste diverted from disposal | Green Production, Key Performance |
| | 306-5 Waste directed to disposal | Green Production, Key Performance |
| GRI 308: Supplier Environmental Assessment 2016 | 308-2 Negative environmental impacts in the supply chain and actions taken | Green Industry Chain, Supply Chain Management |
| GRI 401: Employment 2016 | 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees | Employee Rights and Benefits |
| GRI 402: Labor/Management Relations 2016 | 402-1 Minimum notice periods regarding operational changes | Employee Communication |
| GRI 403: Occupational Health and Safety 2018 | 403-1 Occupational health and safety management system | Safety Production Management |
| | 403-2 Hazard identification, risk assessment, and incident investigation | Safety Production Inspection |
| | 403-3 Occupational health services | Safety Culture Building |
| | 403-4 Worker participation, consultation, and communication on occupational health and safety | Safety Culture Building |
| | 403-5 Worker training on occupational health and safety | Safety Culture Building |
| | 403-6 Promotion of worker health | Safety Culture Building |
| | 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | Occupational Health Management |
| | 403-8 Workers covered by an occupational health and safety management system | Key Performance |
| | 403-9 Work-related injuries | Key Performance |
| | 403-10 Work-related ill health | Key Performance |

| GRI Standards | Disclosures | Page listed |
| --- | --- | --- |
| GRI 404: Training and Education 2016 | 404-1 Average hours of training per year per employee | Employee Training, Key Performance |
| | 404-2 Programs for upgrading employee skills and transition assistance programs | Employee Training, Key Performance |
| GRI 405: Diversity and Equal Opportunity 2016 | 405-1 Diversity of governance bodies and employees | Key Performance |
| GRI 406: Non-discrimination 2016 | 406-1 Incidents of discrimination and corrective actions taken | Employee Diversity and Equal Opportunities |
| GRI 408: Child Labor 2016 | 408-1 Operations and suppliers at significant risk for incidents of child labor | Employee Rights and Benefits |
| GRI 409: Forced or Compulsory Labor 2016 | 409-1 Operations and suppliers at significant risk for incidents of child | Supply Chain Management |
| GRI 414: Supplier Social Assessment 2016 | 414-2 Negative social impacts in the supply chain and actions taken | Supply Chain Management |
| GRI 416: Customer Health and Safety 2016 | 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services | Product Quality and Safety |
| GRI 417: Marketing and Labeling 2016 | 417-1 Requirements for product and service information and labeling | Product Quality and Safety |
| | 417-2 Incidents of non-compliance concerning product and service | Product Quality and Safety |
| GRI 418:Customer Privacy 2016 | 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data | Information Security Protection, Key Performance |

**HKEX ESG Reporting Guide Index Table**

| Environmental | | Page listed |
|---|---|---|
| Aspect A1: Emissions | | |
| General Disclosure | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on<br>the issuer<br>relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste<br><br>Note: Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations.<br>Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.<br>Hazardous wastes are those defined by national regulations. | Green Production |
| KPI A1.1 | The types of emissions and respective emissions data. | Green Production, Key Performance |
| KPI A1.2 | Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions from (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility). | Green Production, Key Performance |
| | - Scope 1 emissions | Key Performance |
| | - Scope 2 emissions | Key Performance |
| KPI A1.3 | Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | Key Performance |
| KPI A1.4 | Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | Key Performance |
| KPI A1.5 | Description of emission target(s) set and steps taken to achieve them. | Green Production |
| KPI A1.6 | Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them. | Green Production |
| Aspect A2: Use of Resources | | |
| General Disclosure | Policies on the efficient use of resources, including energy, water and other raw materials.<br>Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc. | Green Production, Green Development, Green Industry Chain |
| KPI A2.1 | Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in' 000s) and intensity (e.g. per unit of production volume, per facility). | Green Production, Key Performance |
| KPI A2.2 | Water consumption in total and intensity (e.g. per unit of production volume, per facility). | Green Production, Key Performance |
| KPI A2.3 | Description of energy use efficiency target(s) set and steps taken to achieve them. | Green Production |
| KPI A2.4 | Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them. | Green Production |
| Aspect A3: The Environment and Natural Resource | | |
| General Disclosure | Policies on minimizing the issuer's significant impact on the environment and natural resources. | Green Production, Green Development, Green Industry Chain |
| KPI A3.1 | Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. | Green Production, Green Development, Green Industry Chain |
| Aspect A4: Climate Change | | |
| General Disclosure | Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer. | Green Production, Green Development, Green Industry Chain |
| KPI A4.1 | Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them. | Green Production, Green Development, Green Industry Chain |

| Social | | Page listed |
|---|---|---|
| Employment and Labor Practices | | |
| Aspect B1: Employment | | |
| General Disclosure | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br>relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. | Employee Rights and Benefits |
| KPI B1.1 | Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region. | Employee Rights and Benefits, Employee Diversity and Equal Opportunities, Key Performance |
| Aspect B2: Health and Safety | | |
| General Disclosure | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br>relating to providing a safe working environment and protecting employees from occupational hazards. | Occupational Health and Safety |
| KPI B2.1 | Number and rate of work-related fatalities occurred in each of the past three years including the reporting year. | Occupational Health and Safety, Key Performance |
| KPI B2.3 | Description of occupational health and safety measures adopted, and how they are implemented and monitored. | Occupational Health and Safety |
| Aspect B3: Development and Training | | |
| General Disclosure | Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.<br><br>Note: Training refers to vocational training. It may include internal and external courses paid by the employer. | Employee Growth and Development, Employee Training |
| Aspect B4: Labor Standards | | |
| General Disclosure | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br>relating to preventing child and forced labour. | Employee Rights and Benefits |
| KPI B4.1 | Description of measures to review employment practices to avoid child and forced labor. | Employee Rights and Benefits |
| Operating Practices | | |
| Aspect B5: Supply Chain Management | | |
| General Disclosure | Policies on managing environmental and social risks of the supply chain. | Supply Chain Management |
| KPI B5.2 | Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored. | Green Industry Chain, Supply Chain Management |
| KPI B5.3 | Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored. | Green Industry Chain, Supply Chain Management |
| KPI B5.4 | Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored. | Green Industry Chain, Supply Chain Management |
| Aspect B6: Product Responsibility | | |

| General Disclosure | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br>relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. | Product Quality and Safety |
| --- | --- | --- |
| KPI B6.2 | Number of products and service related complaints received and how they are dealt with. | Product Quality and Safety, Customer Service |
| KPI B6.3 | Description of practices relating to observing and protecting intellectual property rights. | Intellectual Property Protection |
| KPI B6.4 | Description of quality assurance process and recall procedures. | Product Quality and Safety |
| KPI B6.5 | Description of consumer data protection and privacy policies, and how they are implemented and monitored. | Product Quality and Safety |
| Aspect B7: Anti-Corruption | | |
| General Disclosure | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br>relating to bribery, extortion, fraud and money laundering. | Anti-corruption |
| KPI B7.1 | Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases. | Anti-corruption |
| KPI B7.2 | Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored. | Anti-corruption |
| KPI B7.3 | Description of anti-corruption training provided to directors and staff. | Anti-corruption |

| Community | Page listed |
| --- | --- |
| Aspect 8: Community Investment | |
| General Disclosure | Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests. | Social Public Welfare |
| KPI B8.1 | Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport). | Social Public Welfare |
| KPI B8.2 | Resources contributed (e.g. money or time) to the focus area. | Social Public Welfare |

| Community | | Page listed |
| --- | --- | --- |
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| KPI B8.2 | Resources contributed (e.g. money or time) to the focus area. | Social Public Welfare |

| Governance | | Page listed |
| --- | --- | --- |
| Corporate Governance Practices | | Corporate Compliance Governance |
| Board of Directors | | Corporate Compliance Governance |
| Committees of the Board | | Corporate Compliance Governance |
| Shareholders' Rights | | Corporate Compliance Governance, Protection of Investors' Rights and Interests |
| Investor Relations | | Protection of Investors' Rights and Interests |
| Risk Management and Internal Control | | Corporate Compliance Governance, Operational Compliance and Fair Competition, Information Security Protection |

# Independent Assurance Report

## ASSURANCE STATEMENT

**SGS-CSTC'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE CORPORATE 2022 SUSTAINABILITY REPORT OF TCL TECHNOLOGY GROUP CORPORATION SUBMITTED BY TCL TECHNOLOGY GROUP CORPORATION**

**NATURE AND SCOPE OF THE ASSURANCE/VERIFICATION**

SGS-CSTC was commissioned by the TCL Technology Group Corporation (thereafter as "TCL Tech") to conduct an independent assurance of the Chinese version of the 2022 environmental, social and governance report of TCL Technology Group Corporation (hereinafter called "the Report").

**INTENDED USERS OF THIS ASSURANCE STATEMENT**

This Assurance Statement is provided with the intention of informing all TCL Tech `s Stakeholders.

**RESPONSIBILITIES**

The information in the Report and its presentation are the responsibility of the directors and the management of TCL Tech.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of verification with the intention to inform all TCL Tech' s stakeholders.

**ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE**

The SGS ESG & Sustainability Report Assurance protocols used to conduct assurance are based upon internationally recognized assurance guidance and standards, which including:
- The principles of reporting process contained within the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) as:
  - GRI 1: Foundation 2021, for report quality
  - GRI 2: General Disclosure 2021, for organization's reporting practices and other organizational detail
  - GRI 3: Material Topics 2021, for organization's process of determining material topics, its list of material topics and how to manages each topic
- and the guidance on levels of assurance contained within the AA1000 series of standards.

The assurance of this report has been conducted according to the following Assurance Standards:
- SGS ESG & SRA verification regulations (Refer to GRI Principles and AA1000 Guides)

The Assurance has been conducted at a moderate level of scrutiny.

**REPORTING CRITERIA**
The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance information as detailed below, and evaluation of adherence to the following reporting criteria:

| Reporting standards | |
| --- | --- |
| 1 | The <Environmental, Social and Governance Reporting Guide> by HKEX |
| 2 | GRI Standards 2021(Reference) |

## ASSURANCE METHODOLOGY

The assurance comprised a combination of pre-assurance research, onsite interviews with relevant TCL Tech employees at their headquarters located at Building G1, TCL International E City, Nanshan District, Shenzhen; Documents and records are reviewed and confirmed with relevant employees of other subsidiaries as necessary.

## LIMITATIONS AND MITIGATION

Financial data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance process.

The on-site verification was only at the TCL Tech head-office and did not involve other branches.

This verification only conducted interviews with staff of TCL Tech and access to relevant materials and didn`t involve external stakeholders.

## STATEMENT OF INDEPENDENCE AND COMPETENCE

SGS is the world's leading inspection, verification, testing and certification company, SGS is recognized as the global benchmark for quality and integrity. SGS is a global leader in inspection, testing and verification, operating in more than 140 countries/ areas, providing services including management systems and service certification; quality, environmental, social and ethical audits and training; environmental, social and sustainability report assurance. SGS affirms that it is a completely independent organization from TCL Tech, and that there is no bias or conflict of interest against TCL Tech, its affiliates and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised of CCAA registered ISO 9001, ISO 14001, ISO 45001, ISO37001, ISO37301 auditor and SGS recognized CSR/ESG lead auditor.

## VERIFICATION/ASSURANCE OPINION

On the basis of the methodology described and the verification work performed, the information and data contained within the Report verified is accurate and reliable, which have provided a fair and balanced representation of corporate sustainability activities by TCL Tech in 2022. There was no non-compliance with reporting standards in any material topics.

## The CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

In our opinion, The Report of TCL Tech for 2022 is presented in accordance with the HKEX's disclosure requirements of the < Environmental, Social and Governance Reporting Guide> and refer to GRI standard (2021)

## REPORT PRICIPLES

### MATERIALITY

The substantive research and the analysis of stakeholders' concerns had been disclosed in the Report, and through materiality analysis, the impact of the environment, society and governance concerned by relevant parties is reported on a key basis, which matched with the principle of materiality.

### QUANTITATIVE

TCL Tech had provided statistics and analysis on key quantitative performance indicators and outlined their impact and purpose in the Report. TCL Tech official website published social reports for past 14 years which assist stakeholders in evaluating their management performance better.

### BALANCE

The Report basically matched with the principle of balance, the environment, social and governance subjects had been disclosed truthfully and impartially.

## CONSISTENCY

A consistent methodology for disclosing relevant subject had been used by TCL Tech, including statistical methodology and standard for key quantitative performance indicators, some appropriate notes and explanations had been provided in the Report, so that the stakeholders can make clear comparisons.

## MANAGEMENT APPROACH

The Report had disclosed the management approach of the applicable subject in the < Environmental, Social and Governance Reporting Guide >.

## GENERAL DISCLOSURE

The TCL Tech 's disclosure of applicable subject in the Report matches with the requirements of general disclosure of <Environmental, Social and Governance Reporting Guide>.

## KEY PERFORMANCE INDICATOR DISCLOSURE

TCL Tech had disclosed the key performance indicators about the economic, environmental, and social subject which applicable to the <Environmental, Social and Governance Reporting Guide>.

## FINDINGS AND RECOMMENDATIONS

Detail report of the good practices, findings and recommendations for continuous improvement were presented in SGS internal management report which has been submitted to TCL Tech.

Sign:

**For and on behalf of SGS-CSTC**

David Xin
Sr. Director – Knowledge
16/F Century Yuhui Mansion, No. 73, Fucheng Road, Beijing, P.R. China

Mar. 20th, 2023
WWW.SGS.COM

# Reader Feedback

Dear readers,

Thank you very much for reading the 2022 TCL Technology Group Corporation Environmental, Social and Governance Report. We sincerely look forward to your feedbacks and valuable opinions on this report, so that we can continue to improve our work and level of disclosure. We will read carefully your feedback and accept our heartfelt appreciation!

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

Mailing Address: Corporate Social Responsibility Innovation Center of TCL Technology Group Corporation, 9th Floor, Building G1, TCL International E City, 1001 Zhongshanyuan Road, Nanshan District, Shenzhen, Guangdong

E-mail: csr@tcl.com

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

1. Your overall impression on the report:

☐ Very good ☐ Good ☐ Fair ☐ Poor ☐ Very Poor

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

☐ Very high ☐ High ☐ Fair ☐ Low ☐ Very Low

3. Your opinion on the structure of the report:

☐ Very reasonable ☐ Reasonable ☐ Fair ☐ Poor ☐ Very Poor

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

☐ Very good ☐ Good ☐ Fair ☐ Poor ☐ Very Poor

5. Your opinion on the readability of the report:

☐ Very good ☐ Good ☐ Fair ☐ Poor ☐ Very Poor

Open Question:

Your valuable opinions and suggestions on 2022 TCL Technology Group Corporation Environmental, Social and Governance Report are most welcomed:

TCL Technology Group Corporation
Address: TCL International E City, 1001 Zhongshanyuan Road, Nanshan District, Shenzhen, Guangdong
Website: www.tcltech.com
E-mail: csr@tcl.com

**TCL**

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