

TCL Technology Group Corporation



**Environmental, Social and Governance
Report 2021**

April 2022

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About This Report

Reporting Period

This report is an annual report and the time frame is from January 1, 2021 to December 31, 2021. To improve the completeness of the report, some data might exceed the above range.

Reporting Scope

The organizational scope of this report covers TCL Technology Group Co., Ltd. and its subsidiaries, including Tianjin Zhonghuan Electronics Group CO., Ltd¹, which was acquired through public delisting, and whose main asset is "Tianjin Zhonghuan Semiconductor Co., Ltd."

For ease of expression, the report uses "TCL", "TCL TECH", "TCL Technology Group", the "Company", etc. to refer to TCL Technology Group Corporation.

Reporting Cycle

This report is an annual report and is released every year with the annual report of TCL Technology Group Corporation. The Group has issued reports for the thirteenth consecutive year. The last report was published in March 2021. In order to further respond to the concerns of the capital market and regulators, starting from this year, the Group publishes Environmental, Social and Governance (ESG) Report, focusing on the Group's performance in environmental, social and governance.

Data Description

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

Reporting Standards & References

Global Reporting Initiative (GRI) Sustainability Reporting Standard

United Nations Sustainable Development Goals (SDGs)

The Ten Principles of the United Nations Global Compact

Guidance on Social Responsibility (ISO26000) issued by International Organization for Standardization (ISO)

Guide for Compilation of China Corporate Social Responsibility Report (CASS-CSR 4.0)

Shenzhen Stock Exchange Social Responsibility Instructions to Listed Companies

Guidelines for Environmental, Social and Governance Report Issued by HKEX

Reporting Reliability

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

¹ In March 2022, Tianjin Zhonghuan Electronics Group CO., Ltd. changed its corporate name to TCL Technology Group (Tianjin) Co., Ltd.

Language and Availability

You can visit the company's official website www.tcltech.com to download the electronic version of the report and obtain more information on corporate social responsibility. The report is written in Chinese and English languages. If there is any inconsistency between the English and Chinese versions, the Chinese version shall prevail.

Updates to previous CSR reports:

None

Message from Chairman

Dear readers,

After years of development, a magnificent picture, which directly expresses the original intention of the dream chasers, is in full bloom; Forty years since TCL has been founded, the good times of spring and autumn engraved the glorious footprints of the explorers and warriors.

From 1981 to 2021, adhering to the spirit of self-improvement, hardworking, and never giving up, TCL has grown from scratch and developed from small to large to strong, illustrating a glorious history of how Chinese companies start, develop and thrive. TCL has always integrated the devotion to family and country and the original intention of social responsibility into its blood, passing it down from generation to generation.

In 2021, facing the challenging outside environment of repeated pandemic, economic turmoil and rising price of raw materials, we sped up our development and moved forward. Facing market fluctuations, we took advantage of our strengths, avoided weaknesses, and faced the challenge calmly. Driven by World Leading Strategy, we adhere to ultimate cost efficiency and improved quality and efficiency in operations. We optimize product and customer structure, forged long plates to complement short plates, and thus significantly enhance industrial competitiveness. Meanwhile, we drive development through innovation and build up core technical capabilities, and eventually achieving a historic leap in business performance.

2021 is the first year of China's "14th Five-Year Plan" period. The central government proposes to "accelerate the construction of a new development pattern with the domestic cycle as the main body and the domestic and international double cycles mutually promoting each other". Only a strong economy can make a country strong, and the nation's prosperity bases on its prosperous enterprise. Entity enterprises play the role of ballast for economic development, and they rely on technological innovation to transcend and surpass. TCL TECH always bears the mission of the times, adheres to the technology-oriented principle, and builds a global R&D system. We strategically invest in cutting-edge technology, perform as a role model for corporate independent innovation, and contribute to making China a manufacturing power.

The major industries of TCL TECH all fall within the industrial fields encouraged and supported by the state. It is a big challenge for us, but more as an opportunity. The transformation and upgrading of China's economy makes sticking to industry development not only a passion and responsibility, but also spare huge room for development opportunities and value creation. The global layout of TCL TECH not only contributes to the continuous growth of our own business, but also a new exploration of the global layout of Chinese enterprises and a strong support for the implementation of China's "double circulation" strategy.

In addition, China's commitment to "achieve carbon neutrality by 2060" demonstrates its determination and confidence to actively respond to climate change and take a green development path. During this process, enterprises bear crucial responsibilities and obligations. Over the years, TCL TECH has always adhered to green development and explored new ways of further promoting corporate social responsibility. TCL TECH continues to improve the disclosure of environmental information, and also continuously improves its energy efficiency. Through technological innovation, green factories, energy-saving renovation projects, etc., we adhere to low carbon concept in production and operation to help achieve the goal of green development.

Forging ahead for 40 years, TCL constantly promotes its brand and supports China-made to burst onto the world stage. Moving forward for 40 years, TCL never forgets its original mission and steps forward with responsibility and dedication.

Thank you for your continuous interest and recognition to TCL Technology Group Corporation!

Mr. LI Dongsheng
Chairman and CEO of TCL Technology Group Corporation

Message from Director of CSR Innovation Center

Dear readers,

In 2021, TCL celebrated its 40th birthday. Looking back, we have experienced turbulent, but along that our business continues to expand. With the development of technologies such as 5G and artificial intelligence (AI) and the start of the Internet of Things (IoT) era, together with the rapid development of the millennial generation, industrial innovation, ecosystem co-construction, and brand rejuvenation are becoming more and more important. Despite the continuous transformation and upgrading of the industry, we always adhere to the integration of corporate social responsibility with corporate development and the integration of technology with public welfare and environmental protection so as to help promote the national "carbon peaking and carbon neutrality goal" strategy, promote common prosperity, and achieve mutual development of companies and society.

In order to better respond to the social responsibility demands and expectation from various stakeholders of TCL TECH, in 2021, we conducted TCL TECH sustainability materiality assessment. Through benchmarking analysis of excellent domestic and foreign experiences, we have improved the measurability and comparability of disclosures on major corporate environmental, social and governance (ESG) issues. We keep close attention on company's business dependencies and its impact on the environment and society, communicate the company's adaptability to environmental and social changes, and enhance the quantitative measurement of company sustainability and social impact.

We pay attention to the impact of the company's business on the environment, continuously enhance environmental management, and increase investment in environmental protection. In 2021, TCL China Star Optoelectronics Technology Co., Ltd. (CSOT) released the *"TCL CSOT Carbon Peak & Carbon Neutrality Plan"*, aiming to further complete the green procurement mechanism, promote the joint actions with upstream and downstream partners, and promote the deeper integration of industry chain development and carbon neutral path expansion. In addition, we promote emission reduction along the industry chain through green finance, and help our member companies and the upstream and downstream partners along the industrial chain to improve the level of green development. TCL Zhonghuan reduces the cost of photovoltaic kilowatt-hour through high-efficiency modules and helps China's energy transition. In 2021, TCL TECH continued to optimize energy management and increase the use of renewable energy. Many factories have been approved as national "green factories", among which TCL CSOT Gemini factories, t6 and t7, have obtained the highest grade of green buildings.

We attach great importance to employee management and talent training, provide employees with safe production and working environment, and provide various and diversified training courses for their career development. We are committed to creating sustainable workplace environment and growing together with employees. In 2021, TCL TECH invested more than 100 million RMB in safety production, and the safety training attendance amounted to 580,000. T Academy, CSOT Academy and Zhonghuan Academy have altogether provided more than 2.2 million hours of trainings for employees, covering nearly 71,000 person times.

We spend great effort to promote the development of public welfare and philanthropy with technology advancement, and help achieve the country's goal of common prosperity. In 2021, TCL TECH continued to conduct the "A.I. Back Home" project, in which the "Eagle story club" project covered 14 rural pilot schools of 9 provinces, bringing high-quality educational resources and opportunities to more than 2,000 rural students; "Xiaoxue

Music Class" was carried out in 13 schools of 10 provinces across the country, covering more than 3,000 students, using the power of music to help them grow up healthily and happily.

Looking back on our 40-year journey, the values of "change, innovation, accountability, and excellence" are deeply embedded in the blood of every TCLer, creating countless moments of outstanding breakthroughs. Looking forward, TCL TECH will continue to carry forward the spirit of "courage, innovation, perseverance, change, and vision", and make solid progress in social responsibility, demonstrating the responsibility and dedication of a world-leading enterprise.

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

Ms. WEI Xue

Vice President of TCL Technology Group Corporation

Director of CSR Innovation Center

About TCL TECH

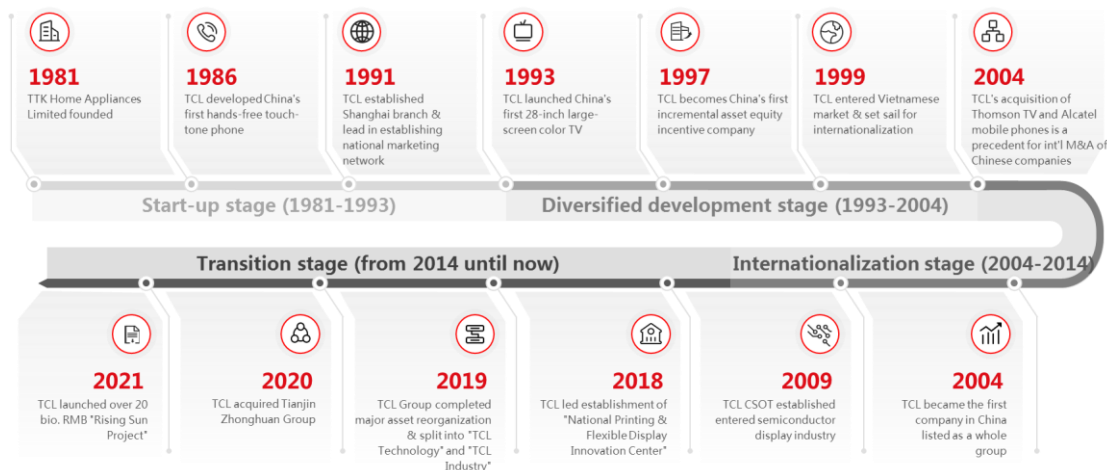
- **Company Overview**

TCL was founded in Huizhou, China in 1981. It started as a local enterprise producing audio tapes. Over the past 40 years, the company sticks to the spirit of reform, innovation, transformation and upgrading, and has now formed the core industry of semiconductor display, new energy photovoltaic and semiconductor materials. In 2018, TCL established a twin structure. In 2019, TCL The completed a major asset restructuring - clarified the business direction with technology as the core, focused on the upstream and downstream industry chains related to semiconductor and intelligent manufacturing, and officially changed its name to "TCL TECH". In 2020, TCL Group acquired TCL Technology Group Corporation (Tianjin) Co., Ltd. to deploy new energy photovoltaic and semiconductor materials. In the same year, the Group acquired Suzhou Samsung, realizing a new pattern in which large-size LCD panels are dominated by mainland enterprises.



In 2021, TCL TECH adhered to the main business, industrial upgrading and global layout, aiming to build China's core assets in the technological landscape, enhance its core competitiveness and make breakthroughs in the journey of globalization. TCL is dedicated to build a global industrial chain and a complete layout of the supply chain to become a technology industry group with global competitiveness.

● Historical Events for the Past 40 Years



● Honors and Economic Achievements in 2021

In 2021, TCL TECH achieved operating income of 163.54 billion RMB, with an increase of 113.3% compared with last year. TCL realized net profit of 14.96 billion RMB, with an increase of 195.3% compared with last year.

Historical Events in 2021	
February	➤ Chairman Li Dongsheng was awarded the 2021 "David Sarnoff Industry Achievement Award" by the The Society for Information Display (SID).
March	➤ The "National Center of Technology Innovation for Display" led by Guangdong Juhua New Display Research Institute was founded. It is the only national technology innovation center in the field of new display.
April	<ul style="list-style-type: none"> ➤ TCL TECH announced that on March 31st, it completed the delivery of 60% equity of Suzhou Samsung Electronics LCD Technology Co., Ltd. and 100% equity of Suzhou Samsung Display Co., Ltd. ➤ TCL announced to invest in the construction of TCL CSOT t9 project (the 8.6th generation oxide semiconductor new display device production line) in Guangzhou, and the t9 main factory was capped on December 9th.
July	<ul style="list-style-type: none"> ➤ 2021 Top 500 Fortune China was released and TCL TECH ranked the 145th. ➤ Li Dongsheng, Founder and Chairman of TCL and Founder of Huameng Fund, donated 100 million RMB to his alma mater, South China University of Technology.
Septemb	<ul style="list-style-type: none"> ➤ The 2021 TCL Global Ecosystem Partner Conference was held in Shenzhen, and the TCL Global Ecosystem Co-development Strategy "The Rising Sun Project" was released. ➤ TCL co-hosted the "2021 Forum on Transformation and Globalization of Chinese Enterprises" with China Center for International Economic Exchanges (CCIEE) in Beijing.

	<ul style="list-style-type: none"> ➤ TCL held the 40th Anniversary Commendation Ceremony in Huizhou.
October	<ul style="list-style-type: none"> ➤ TCL ranked the 273rd on the 2021 Global Best Employer List released by Forbes magazine as one of 57 selected Chinese companies.
November	<ul style="list-style-type: none"> ➤ TCL SCOT, South China University of Technology and Guangdong Juhua signed agreement to build a joint laboratory on the R&D of oxide TFT and industrial application projects. ➤ TCL Zhonghuan DW Smart Factory (Phase III) project started construction in Tianjin, officially launching the construction of an annual 25 GW high-efficiency solar ultra-thin silicon single-chip smart factory project.
December	<ul style="list-style-type: none"> ➤ The 10 billion investment in TCL semiconductor display industry chain and the Huizhou CSOT high-generation module expansion project were launched in Huizhou. The project covers high-generation glass substrates, large, medium and small display modules and complete machines.

● **Corporate Culture**

TCL is committed to creating a more dynamic corporate culture. Based on corporate mission of "Building a Sustainable & Connected Future with Advanced Technology", TCL also clarified its values and talent philosophy.





● **Corporate Strategy**

TCL TECH adheres to the strategic decision of "go uphill with full speed, catch up and surpass, transform and break through, and reach a new level", firmly inheriting the spirit of "courage, innovation, perseverance, change, and vision", and continues to implement the business strategy of "improve operation quality and efficiency, strengthen weaknesses, innovation-driven development, and accelerate global deployment". Led by technology and driven by innovation, TCL continues to strengthen the competitive advantage of the manufacturing industry. By empowering the industry through industrial finance and supporting industrial operation and expansion, TCL takes advantage of its

industrial advantages to invest in enterprises from the eco system and enhance comprehensive competitiveness in order to establish its global leading competitiveness.

Semiconductor display technology and materials is one of the most important and fundamental technology industries with broad prospects in future. TCL CSOT will improve the strategic layout of the industry, optimize its products and customer structure, and build an industry ecology to strengthen the control of value chain and speed up the growth of corporate scale. Meanwhile, TCL CSOT makes the first breakthrough in new display technology and material innovation and achieve overall leadership in key technologies such as image quality, energy efficiency, and cost reduction. In addition, TCL CSOT accelerate the development of cutting-edge technologies in response to the trend of overall supply and demand balance, transforming technology into operating performance, and catch up with and surpass benchmarking companies.

In addition, TCL TECH will rely on the semiconductor advantages of Zhonghuan to continue to open up a new track for the Group, improve the layout of the new energy photovoltaic industry, strengthen the competitiveness and technological advantages of the monocrystalline silicon industry, accelerate the construction of the photovoltaic energy industry chain, and enhance the capabilities of photovoltaic modules and batteries. TCL Zhonghuan is highly in line with TCL spirit. With its dedication to technology and development, Zhonghuan has always stood firm and moved forward with determination. At present, Zhonghuan shall consolidate its core competitiveness and maintain a leading position in technological competitiveness. Zhonghuan will accelerate the building components, battery and photovoltaic power plant operation and maintenance capabilities and improve its international operating capabilities, so as to achieve the "global leading" strategic goal in the long run.

Nowadays, the reconstruction of the global political and economic landscape and the national economic structure adjustment have brought TCL strategic opportunities for accelerated development. TCL TECH will seize the opportunity of China's "dual cycle" development model and focus on core business to drive development with technological innovation. TCL will accelerate the layout of the global industrial chain and build global competitiveness by cultivating new businesses, developing new tracks, strengthening mutual strategic support for the development of various industries, and opening up a new growth curve. Through completing investment layout and ecosystem construction and playing the advantages of industrial clusters, TCL will strengthen its competitiveness, continue to improve quality and efficiency, and is endeavor to be a global leader in the fields of display, new energy, and silicon wafers.

● **ESG Management**

TCL TECH firmly integrates corporate social responsibility with corporate strategy and operation. TCL TECH supports China's "carbon peaking and carbon neutrality" strategy with scientific and technological innovation, and endeavors to achieve the mutual

development of enterprises and society. TCL links technology with public welfare to promote common prosperity.

In 2021, based on benchmarking analysis of excellent domestic and foreign experiences, TCL TECH improved the measurability and comparability of disclosures on major environmental, social and governance issues and further disclosed information on key ESG risks and opportunities, with key focus on business dependencies and impact on the environment and society.

- **ESG Strategy Development**

Since the establishment of the CSR Innovation Center in 2016, TCL has been exploring ways for the Company to best fulfill its corporate social responsibility, strengthen management capacity on environmental, social and governance (ESG) to create shared values among the Company and the society. In 2019, TCL TECH revised *TCL Technology Group Corporation Internal Control Specification No. 14 - Social Responsibility*, of which clearly defines the seven core issues of corporate social responsibility, including organizational governance, employment promotion and protection of employees' rights and well-being, health and safety, environmental protection, fair operation, customer relations, community engagement and development, and clarifies TCL's ESG scope, requirements, and management mechanisms. In 2021, TCL added issues of carbon peaking, carbon neutrality and common prosperity onto the original corporate social responsibility issues.

- **ESG Communication, Promotion and Trainings**

To enhance social responsibility management, TCL TECH attaches great importance to internal promotion of environmental, social and governance knowledge by conducting CSR trainings among all its industries to increase employees' awareness and capacity. TCL TECH also disseminates corporate social responsibility information and knowledge among employees and the general public through various channels such as TCL Dynamic, TCL CSR WeChat accounts, etc.

- **ESG Risk Monitoring**

As a group company in its multi-sector operations across various industries, TCL TECH monitors its own and its subsidiaries' ESG risks through on-site audits and online monitoring tools. Once identified, remediation process will be carried out. We cooperate with a well-known Chinese environmental NGO, Institute of Public & Environmental Affairs (IPE) via its Blue Map database to monitor our subsidiaries' potential environmental violation and risks.

- **ESG Materiality Analysis**

To further improve TCL TECH's scientific and targeted management on CSR material issues, TCL adopts internationally recognized methods and selects internationally authoritative sustainability and CSR standards and guidelines for benchmarking, including Dow Jones Sustainability Indexes (DJSI), Morgan Stanley Capital International (MSCI), Global Reporting Initiative (GRI), etc. Based on these universal materia issues, TCL TECH screens its own issues according to the company's impact on society and the environment, key focus from stakeholders, industry situation and company's own characteristics. With sufficient discussion and dialogues with TCL internally and externally prioritized stakeholders, 20 materiality issues from 6 aspects of governance, product and service, environment, industry chain management, employee, and community are considered material both for TCL and its stakeholders and shall be closely focused and disclosed.

Environment	Society				Governance
	Product and Service	Industry Chain Management	Employee	Community	
Use of renewable energy	Technological innovation	Suppliers' social responsibility	Protection of employees' rights	Community economic development	Corporate governance
Energy efficiency	Product governance and services	Conflict minerals management	Occupational health and safety	Charity events	Risk management
Water resource management		Coordinated development of industrial chain	Employee growth and development		Business ethics
Disposal under compliance			Employer attractiveness		
Combat climate changes			Employee care		

- **Stakeholder Engagement**

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

Stakeholders	Issues of Interest	Response	Key Measures in 2021
Shareholders and investors	<ul style="list-style-type: none"> ➤ Transparent information disclosure ➤ Continuous value creation ➤ Complete risk management 	<ul style="list-style-type: none"> ➤ Standardize company management, and regular communication with investors via multi-channels ➤ Continuously carry out corporate strategy and develop advantageous industries 	<ul style="list-style-type: none"> ➤ Organize investors open days to explain business strategies to investors ➤ Asset restructuring and focus on core industries to improve profitability
Government and regulators	<ul style="list-style-type: none"> ➤ Law-abiding and compliant operation ➤ Respond to national policies ➤ Play a leading role in promoting harmonious development of society 	<ul style="list-style-type: none"> ➤ Abide by national laws and regulations ➤ Take advantages of to corporate resources to actively fulfill its social responsibility 	<ul style="list-style-type: none"> ➤ Launch internal management, such as <i>TCL Group Audit and Supervision Measures for Problem Identification and Rectification</i> ➤ Launch <i>Integrity TCL WeChat</i> account and online reporting channel ➤ Continue to deepen internationalization ➤ Specify 7 key CSR issues
Consumers and clients	<ul style="list-style-type: none"> ➤ Product innovatoin to meet customer needs ➤ Continuously improve service quality and protect customers' privacy 	<ul style="list-style-type: none"> ➤ Enrich product categories, improve product quality for a wider community ➤ Carry out customer satisfaction surveys, needs assessment, and continue to make improvement ➤ Strengthen customers' privacy protection 	<ul style="list-style-type: none"> ➤ Introduce series of smart and innovative products to meet diversified consumers' needs ➤ Customer satisfaction survey and after sale service to provide full life cycle services ➤ Collect users' feedback, analyze and propose solutions ➤ Comply with legal requirements and strictly protect customers' privacy
Suppliers and deals	<ul style="list-style-type: none"> ➤ Standardize the procurement 	<ul style="list-style-type: none"> ➤ Develop supplier selection policy for fair procurement 	<ul style="list-style-type: none"> ➤ Promote supplier compliance in environmental

	<p>process and fair competitive mechanism</p> <ul style="list-style-type: none"> ➤ Achieve mutual benefits with industry chain partners ➤ Drive industry development 	<ul style="list-style-type: none"> ➤ Suppliers' evaluation, audit, trainings, and communication ➤ Provide support for partners 	<p>protection, safety, and employment</p> <ul style="list-style-type: none"> ➤ Organize trainings and exchanges ➤ Provide financing platforms to help partners develop
Employees	<ul style="list-style-type: none"> ➤ Safeguard legitimate rights and interests ➤ Occupational health and safety ➤ Optimize compensation al benefits ➤ Respect diversity and cross-cultural lifestyle ➤ Mutual development with employees ➤ Enhance employer's competitiveness 	<ul style="list-style-type: none"> ➤ Compliance with laws and regulations to protect employees' fundamental rights and interests ➤ Improve occupational health and safety measures ➤ Offer competitive salary and welfare ➤ Employee care activities ➤ Employee capacity building and establish career development system 	<ul style="list-style-type: none"> ➤ Establish recruitment policy according to relevant laws ➤ Multiple channels for employees' complaints and feedbacks ➤ Organize safety trainings and build up corporate culture ➤ Organize cultural, sports, and recreational activities for work-life balance ➤ Continuously conduct systematic trainings for domestic and foreign employees through T Academy SCOT College, Zhonghuan Academy
Community	<ul style="list-style-type: none"> ➤ Care for the next generations ➤ Improve community environment ➤ Help vulnerable groups 	<ul style="list-style-type: none"> ➤ Support youth development ➤ Environmental protection ➤ Support community development ➤ Conduct volunteer activities 	<ul style="list-style-type: none"> ➤ Daily operation of Shenzhen TCL Foundation ➤ Conduct student aid and teacher assistant programs ➤ Support environmental public welfare projects ➤ Improve residents well-being

			<ul style="list-style-type: none"> ➤ Organize employees to provide community service
Environment	<ul style="list-style-type: none"> ➤ Climate change ➤ Resources efficiency ➤ Industrial wastewater, waste gas and residue treatment ➤ Effective recycle of waste 	<ul style="list-style-type: none"> ➤ Promote green production ➤ Launch green products ➤ Establish environment-friendly companies 	<ul style="list-style-type: none"> ➤ Build green factories ➤ Energy saving and green product development and production ➤ Build green supply chain ➤ Carry out green finance ➤ Develop green industries

Featured Story

Feature Story 1: Technology Empowerment to Support Rural Education

Corresponding SDGs:



Taking advantages of TCL TECH leading industry know-how, TCL Foundation supports the development of rural education and helps rural revitalization through the innovative model of "technology + charity". TCL Foundation continuously carries out "A.I. Back Home" Project, which developed the "Eagle" story robot that can simulate the voice of parents to tell stories for left-behind children and accompany them when their parents are not around. As for "Little Musician +" Project, the designed "Xiaoxue" (also known as Little Snow) music robot brings world-class music resources to children in rural area. By organizing "Eagle Story Club" and "Xiaoxue Music Class", The Project brings high-quality educational resources and opportunities to rural children, so that more rural children can enjoy the power of technological innovation.

● AI Education: Always Around

Mr. Wu Junmin, Principal of Xiangyang Primary School, is an award-winning teacher of the 6th "TCL Project Hope Candlelight Award". He not only actively organize "Eagle Story Club" at his own school, but also promotes it to other schools in the Sui County teaching cluster. During the visit of the third batch of pilot schools by TCL Foundation in 2021, schools such as Zhangzhuang School, Shangzhuang School, Jiemiao Primary School and Liuzhuangzhai School in Kuangcheng Town of Sui County have all carried out demonstration classes.

At the demonstration class, TCL volunteer made use of "Eagle" story robots to introduce a very interesting story sharing with the students. The students proactively participated in the Q&A session during the sharing and they say the "Eagle" story robot is just like a little "teacher", and to listen to "Eagle" story robot is very innovative and interesting. In future, teachers will organize "Eagle" story club every week, so that students can learn more ancient and modern cultural stories of China and the world under the guidance of "Eagle" story robots.



In 2021, the "Eagle Story Club" project was conducted in 14 rural pilot schools of 9 provinces. A total of 50 "Eagle" story robots were distributed, benefiting more than 2,000 rural children.

● **AI Art: Talent Development**

This is a demonstration class of "Xiaoxue Music Class" held at Haokou Primary School and Dingshuanglou Primary School in Henan Province. TCL volunteers are using interactive music appreciation, online music class, and music knowledge quizzes to let students vividly enjoy and appreciate classical music. "Xiaoxue music robot" has not only become a good assistant for teachers, but also an extended class for students in rural schools to learn about music culture. Through "Xiaoxue music robot", the students listen to famous Chinese and western music, as well as the professional appreciation by the Central Conservatory of Music. Moreover, Huameng students from the Central Conservatory of Music, as volunteers, shared their professional music knowledge with the students through video.



In 2021, the "Xiaoxue Music Class" was carried out at 13 schools of 10 provinces across the country, and a total of 50 "Xiaoxue music robots" were distributed, benefiting more than 3,000 students.

Feature Story 2: Strategic Carbon Emission Reduction to Address Climate Change

Corresponding SDGs:



To cope with the challenge of global climate change, TCL TECH firmly sticks to green development and is committed to achieving energy conservation and emission reduction of green operation from all aspects. TCL TECH has effectively reduced carbon emissions by continuously enhancing energy management system, increasing the use of renewable energy, building green supply chain, and enhancing employees' low-carbon awareness. Meanwhile, TCL TECH actively expands its green industry, photovoltaic semiconductor industry, through TCL Zhonghuan to support addressing climate change.

In terms of efficient energy management, TCL TECH has established a sound energy management system for major industries and has gained ISO50001 certification. In 2021, TCL China Display Optoelectronics Technology (CDOT) saved 3,915,500 kWh of electricity through energy management such as improving production efficiency. Suzhou CSOT launched the ultimate kinetic energy project to carry out extreme frugality in utilities such as water, electricity and gas. In 2021, the targeted cost saving of the whole year was 51.11 million RMB, while the actual achievement was 52.16 million RMB, with an achievement rate of 102%.

In terms of increasing the use of renewable energy, TCL TECH is actively promoting the installation of rooftop photovoltaics. Following the principle of "as many as possible", Shenzhen CSOT has independently developed the largest photovoltaic power generation system of the industrial parks in South China by using the existing factories roofs. By the end of 2021, the total installed capacity of Shenzhen CSOT photovoltaic power generation has reached 44 MWh, which can generate 44 million kWh per year, and the annual energy saving is equivalent to the daily electricity consumption of 220,000 households. In addition, the rooftop solar photovoltaic project of Huizhou CSOT generated 21.5 million kWh in 2021.

As for green supply chain, TCL TECH takes means of green finance to help its member companies and industry upstream and downstream companies to improve the level of green development. On April 30th 2021, TCL TECH successfully launched the first green bill rediscount, with an amount of 130 million RMB, which is expected to save nearly one million RMB in costs for companies. On November 11st 2021, TCL TECH successfully launched the country's first "Green Carbon Chain Link" business of supply chain finance based on corporate low-carbon evaluation. "Green Carbon Chain Link" not only saves more financial costs for companies, but also encourage companies to carry out energy-saving and emission-reduction transformation.

TCL TECH continuously carries out various environmental protection trainings, experience sharing, and theme activities in terms of raising employees' low-carbon awareness. On December 2nd 2021, TCL TECH launched the *Initiative for All Employees to Promote Energy Conservation and Carbon Reduction and Maintain the Spirit of Hard Working*, aiming to call on all employees to follow the concept of green office, implement "the extreme cost efficient" philosophy and embrace the spirit of hard working. The Group has cultivated strong atmosphere of energy saving and carbon reduction for all employees to support environmental protection and build a green homeland together.

In terms of layout of green industries, TCL Zhonghuan accelerates the production and manufacturing of semiconductor materials, and emphasizes the company's industrial layout across the country with manufacturing bases in Inner Mongolia, Tianjin and Jiangsu. Meanwhile, TCL Zhonghuan continues to reduce the cost of photovoltaic products through R&D and innovation, and strives to make new energy such as photovoltaics to be "affordable". The installed capacity of TCL Zhonghuan's wholly-owned photovoltaic projects has reached 1.2 GW.



In the future, different entities of TCL TECH will continue to make efforts in the field of sustainable development, continue to explore and implement carbon reduction strategies, and lead industry and the entire value chain for greener and lower carbon development.

Feature Story 3: Building a "Smart Factory" through Innovation

Corresponding SDGs:



TCL CSOT continuously promotes the transformation and upgrading of intelligent manufacturing, effectively combines artificial intelligence (AI) with industrial Internet of Things (IOT) applications, optimizes production lines, and builds more intelligent and more advanced smart factories. Driven by the company's actual business situations, TCL CSOT concentrates its efforts on technical research and application, focusing on the company's core needs such as quality improvement, cost reduction, and efficiency enhancement, and develop industrial internet platform to realize the construction of intelligent working environment and smart industrial parks as soon as possible for the digital transformation of the company.



- **RPA to Improve Work Efficiency for Its Automatic Data Processing and Storage**

Robotic Process Automation (RPA) is a business process automation technology based on software robots and artificial intelligence (AI). As a virtual workforce, it simulates a worker's use of a computer system's user interface, automating desktop-based business processes and workflows that meet certain standards.

- **Unify Digital Intelligence Application Portal to Build TCL Digital Intelligence Platform**

Using the low-code development platform developed by Getech and the TCL CSOT big data platform, TCL Digital Intelligence Platform can quickly iterate over data, quickly create applications that meet the needs of different business units, and achieve

automatic and intelligent data collection, analysis and transmission with flexible customization and configuration.

- **One-Click Data Query to Make Perfect Integration of Effective Yield Management System with SPC Monitoring System**

iSPC is a common term of the effective yield management system and the Statistical Process Control (SPC) Defect monitoring system. This system can realize automatic prediction and detection of abnormal yield, automatic prohibition of abnormal equipment, and locking of abnormal products. It makes daily analysis and monitoring more visualized, automatic and intelligent, which can make up for the lack of timeliness of personnel analysis or possible personnel omissions, and thus making engineering workflow more automatic.

- **Industry First ADC System Identifies Defects of Display "Fast and Accurate"**

Applying ADC automatic defect classification system that is deep learnt and developed by artificial intelligence (AI) technology allows machines to accurately classify defects while detecting, and thus provide guidance for future production. The ADC system of TCL CSOT is the earliest and most widely used in the industry, which has been fully launched at t1, t2 and t6 of Shenzhen CSOT and achieved the intelligent production line.

- **MFA System Realizes Massive Data Analysis and Modeling to Effectively Improve Predictive Analysis Capability**

Multi-Factor Analysis (MFA), the big data platform, is connected to the TCL CSOT Hadoop data analysis platform, from where a large amount of production data can be quickly analyzed. MFA aims to provide convenient, visual, multi-factor agile data analysis self-service tools for industrial sites, as well as one-stop services such as data cognition, data analysis, data modeling, model management, and engineering management.

- **FDC System Assists Accurate Fault Detection to Improve Equipment Preventive Detection Capability**

Fault Detection and Classification System (FDC) can be used to establish a baseline for equipment operation, as well as to predict failure or determine the root cause of a problem by comparing current equipment operation to the baseline.

- **EMS Facilitates Energy Saving and Consumption Reduction to Create an Industry Role Model**

EMS, also known as TCL CSOT Smart Energy Management System, is a brand-new energy management platform. Based on the company's existing energy management model and combined with digital technology, it can visualize, dynamically monitor, analyze and process the company's key energy consumption indicators in real time. This system can improve the efficiency of the company's operation and management decision-making.

- **Remote Operation and Maintenance System Based on AR technology to**

Effectively Reduce Equipment Operation and Maintenance Costs

The AR remote maintenance system is a remote operation and maintenance system that combines AR technology and 5G communication technology. Using the AR remote operation and maintenance system, the on-site employees can conduct remote diagnosis and maintenance processing with external experts through the virtual reality (VR) of the equipment presented by the AR technology, thus can effectively reduce equipment operation and maintenance time and costs, and further avoid high cost losses caused by long-term downtime to the company and cost paid to expert for on-site diagnosis and maintenance services.

- **IoT Technology Autonomous Solutions to Predictively Maintain Real-Time Equipment**

The Internet of Things (IoT) refers to the real-time collection of information on any object or process that needs to be monitored, connected, and interacted through various sensors and other devices and technologies to achieve intelligent perception, identification and management of objects and processes. The IoT autonomous solution replaces high-cost retrofit projects and thus reduces retrofit costs.

- **Stimulate Manufacturing Site through AI Technology for Real-Time Online Detection**

Based on artificial intelligence (AI) technology, once the hardware (server) and software (image algorithm model) are deployed in the factory, the AI detection technology can be used as real-time online detection of defects that are prone to occur in the factory by using the current pictures of factory equipment.

1. Environment: Energy Saving and Emission Reduction for a Greener Home

TCL TECH has always been actively practicing green, low-carbon and sustainable development at all aspects of production and operation to respond to China's "carbon peaking and carbon neutrality goal" strategy and to address climate change and other environmental challenges. In 2021, TCL TECH continued to enhance related environmental management system, optimized resources efficiency in the production process, and promoted the clean production model. Meanwhile, the Company actively practices green development, from green products and layout of green industries to promotion of green culture. TCL leads the upstream and downstream partners along the value chain to create sustainable development and promote the harmonious coexistence of man and nature.

1.1. Green Production

In order to ensure the effective implementation of Sustainable Development Goals (SDGs), TCL TECH has established a sound environmental management mechanism over the years. Each production site has established an environmental and occupational health and safety management system in strict accordance with ISO14001 and ISO45001 standards, integrated environmental management into the operation process, and ensured the continuous implementation, maintenance and improvement of system management.

Meanwhile, TCL TECH's subsidiaries have all established sound environmental incident management system and formulates the *Emergency Plan for Environmental Incidents* from the perspective of environmental incident management and control, duties of the main responsible for environmental protection, and ensuring the institutionalization and standardization of environmental protection supervision. According to the *Emergency Plan*, emergency drills are carried out regularly for the precaution and emergency management of environmental risks.

The major subsidiaries of TCL TECH have established *Air Pollution Control Management Procedures*, *Noise Control Management Procedures*, *Solid Waste Management Procedures*, and *Energy Resource Consumption Management Procedures* with reference to ISO50001 Energy Management System and ISO14064 Greenhouse Gas Verification Standard. Strict environmental KPIs and targets have been formulated, and various environmental indicators are monitored online in real-time. The Company has set a stricter internal control on emissions, which is even higher than government emission standards. All these are to comprehensively identify, control the key environmental performances of the Company's various activities and product and service processes, and to take targeted measures.

1.1.1 Build Green Factory

In order to carry out green production, TCL TECH establishes, implements, maintains and continuously improves the green factory system in strict accordance with the requirements of green factory standards. Moreover, the Company integrates the concept of green production and green manufacturing into its daily production and operation management. In 2021, TCL TECH subsidiaries continuously implemented programs on green factories and green buildings.

TCL TECH Certification on Green Factory

- t3 project of Wuhan CSOT awarded as Green Factory by Ministry of Industry and Information Technology
- t4 project of Wuhan CSOT awarded as Three-Star Green Building certificate by Wuhan Urban and Rural Construction Bureau
- Shenzhen CSOT awarded as National Green Factory



- t6 project of Shenzhen CSOT awarded LEED Platinum Certificate and Three-Star Green Building Label. t7 project of Shenzhen CSOT awarded Three-Star Green Building Label.



TCL CSOT Implement Energy Management System

In order to achieve real-time and effective management of energy consumption, TCL CSOT has established a smart energy management center, which promotes efficient use of energy through flat and dynamic monitoring and digital management of all types of energy.

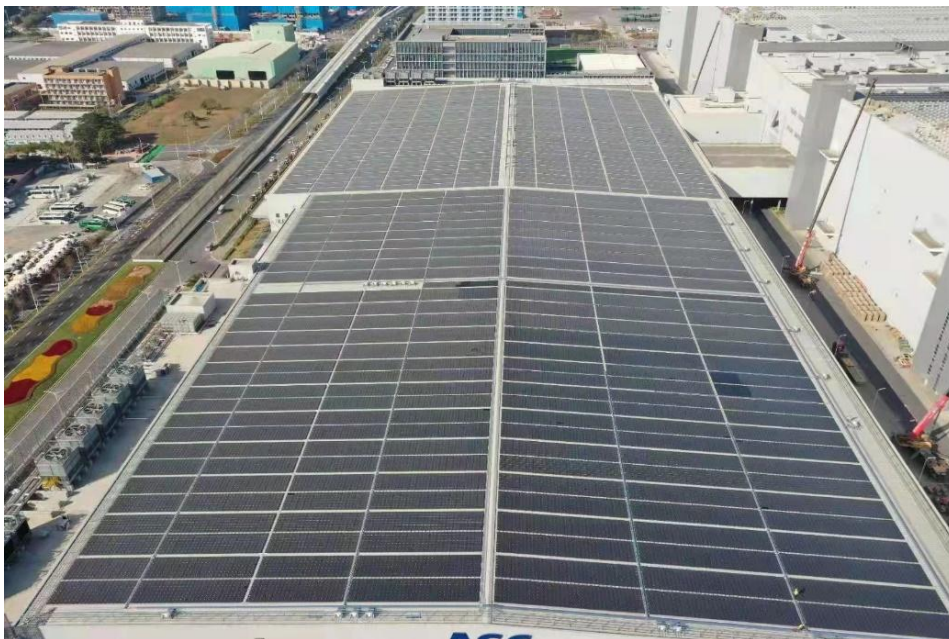


In 2021, TCL CSOT carried out a total of 113 energy conservation and environmental protection measures from aspects of energy conservation management, technological transformation, parameter optimization, such as energy efficiency monitoring of ice machines, CDA heat recovery, VOC combustion furnace gas energy conservation, and FAB lighting in-depth energy conservation, FFU speed reduction and energy saving, high-power equipment staggered power consumption, PCW system water supply temperature increase and FAB control temperature increase, effectively reducing the use of various forms of energy to reduce carbon emissions.

Meanwhile, the Company realizes continuous tracking management of building energy

through electromechanical debugging. By pre-set energy monitoring instruments, FMCS, monitoring system, and energy data capture, the Company can track and conduct a one-year equipment energy consumption analysis, so as to identify and improve the abnormality in time, make sure that the equipment operates efficiently and with low consumption during the operation period to eventually realize the comprehensive control and management of Company's energy consumption.

In order to promote low-carbon production and help achieve the goal of national "carbon peaking and carbon neutrality" and the Group's low-carbon strategy, TCL TECH subsidiaries continuously explore and utilize renewable energy and build low-carbon and green production parks. Following the principle of "as many as possible", Shenzhen CSOT has independently developed the largest photovoltaic power generation system of the industrial parks in South China by using the existing factories roofs. In 2021, Shenzhen CSOT completed the grid-connected use of the photovoltaic power generation system of the t6 R&D building (the first and second phases of the AGC roof, with an installed capacity of 2.28 MWh and 2.70 MWh).



In 2021, the total amount of greenhouse gas emission of Wuhan CSOT is 624,000 tons of carbon dioxide equivalent, and Shenzhen CSOT 3.353 million tons of carbon dioxide equivalent².

1.1.2 Air Pollution Emissions Management

In order to implement the *Cleaner Production Promotion Law of the People's Republic of China* and national *Notice on Further Promoting Cleaner Production Review in Key Industries*, TCL TECH attaches great importance to air emission in the production process, and strictly manages air pollutants from aspects of source reduction, process

² Some data are from company self-checked.

control, and end-of-pipe treatment.

In 2021, in response to the call for “Blue Sky Plan”, TCL TECH subsidiaries conducted strict inspections on air pollutant emissions. Suzhou CSOT set up 11 online exhaust gas monitoring equipment to monitor pollutant emission data in real time. Huizhou CSOT formulates its own environmental monitoring plan every year, and invites third party organization every quarter to collect factory samples and send the results to the "National Pollution Source Monitoring Platform" for public information disclosure. Shenzhen CSOT installed a nitrogen oxide treatment system to treat the exhaust gas generated in the production process, which can effectively reduce NO_x emission and eliminate the abnormal "yellow smoke" from the chimney. On the other hand, Huizhou CSOT adopted activated carbon adsorption to treat exhaust gas, set the pressure difference standard according to the pressure difference meter to monitor the pressure difference between the inlet and outlet every day, and entrusted a third-party organization to monitor the outlet discharged every year, so as to realize the control of air pollutants and strict management of emissions. Wuhan CSOT installed 5 VOC online monitoring systems, which are connected to the Wuhan City Pollution Source Monitoring Platform to display the emission results in real time. In 2021, all TCL TECH subsidiaries met national and regional standards for air pollutant emissions.

1.1.3 Solid Waste Management

TCL TECH strictly abides by the relevant national laws and regulations on waste management, strictly controls risks, and sets up corresponding disposal measures for different types of wastes. The solid waste produced by each subsidiary is divided into general waste, hazardous waste and household waste. Among them, general waste is treated by TCL Environmental Technology for resource reuse and disposal, domestic waste is handed over to professional cleaning companies for central recycling and processing after sorting, and hazardous waste is treated by qualified hazardous waste disposal agencies for disposal according to the requirements of laws and regulations.

Meanwhile, each subsidiary continues to optimize and innovate their production processes, promote the reduction and recycling of waste in the production process, reduce the generation of waste in the production process, and continuously improve the utilization rate of waste.

Indicator	Unit	2021
Annual waste recycled	Ton	107,375

*The data covers Shenzhen CSOT, Huizhou CSOT, Wuhan CSOT, Suzhou CSOT, Tianjin Printronics Circuit Corporation (TPC) and TCL CDOT

1.1.4 Water Resource Management

TCL TECH subsidiaries actively respond to local environmental protection requirements. Wastewater treatment stations are built at the production base and various types of wastewater are classified and treated with industry-leading technologies. As a result, all treated water reach the internal control standards, which are far ahead of national discharge standards. Shenzhen CSOT also innovatively introduced constructed wetland technology to make the drainage reach the Class IV standard of surface water and achieve the perfect coordination between production and nature.

During the mean time, TCL TECH subsidiaries carry out regular water-saving initiatives, and actively explore ways to recycle water resources. Suzhou CSOT saves water through use of CRO concentrated water, use of reclaimed water, and air-conditioning humidification and drainage reuse projects. In 2021, the amount of COD and ammonia nitrogen emissions of wastewater generated from TCL TECH subsidiaries are lower than national and local standards.

Pure Water Recycling System to Reduce Waste

In the production of LCD panel display devices of Shenzhen CSOT, a large amount of pure water needs to be used for cleaning to ensure the product quality. The preparation of pure water requires a large amount of tap water while in the end generates a large amount of waste water. The company studied the nature of recyclable wastewater and built a pure water recovery system to recycle the pure water used for production and cleaning.

In 2021, Shenzhen CSOT introduced the t7 pure water recovery system, with a daily water recovery volume of 25,761 cubic meters and a pure water recovery rate of over 75%. At present, through the t1, t2, t6, and t7 pure water recovery systems, a total of 34.6 million cubic meters of pure water can be recovered every year, saving 172 million RMB of water cost. It further improves the company's water utilization rate, reduces water waste and reduces the company's operating costs, enabling the company to take a new step towards achieving a greener manufacturing goal.



1.2. Green Development

To support China's "carbon peaking and carbon neutrality goal", TCL TECH adheres to green development and is keen to deliver green products and invests in green industries.

TCL TECH subsidiaries actively develop green products and promote the green management of along product's entire life cycle.

1.2.1 Green Product

TCL TECH has strong focus on green product. By improving the energy efficiency of products through technological innovation and reducing the adverse effects of products on the environment in the production and use phase, TCL TECH is dedicated to provide customers with environmental products and convey its sustainable development concept to users through products.

TCL CSOT launched a 23.8-inch FHD display. The product achieves a high penetration rate of 5.6% through advanced technical means such as a large aperture ratio and an enlarged glass substrate gap, and thus reduces energy consumption by 45% compared with conventional products. In 2020, this product obtained the Energy Star ES8.0 certificate issued by U.S. Department of Energy and U.S. Environmental Protection Agency.



In 2021, the photovoltaic silicon wafers produced by Tianjin Huan'ou Semiconductor Materials Technology Co., Ltd. and Wuxi Zhonghuan Applied Materials Co., Ltd. were listed as Green Design Products in the *Green Manufacturing List* of the Ministry of Industry and Information Technology.

TCL TECH attaches great importance to the management of hazardous substances in products, and has established a hazardous substance management system based on QC08000, the Hazardous Substance Process Management (HSPM) system, and customer requirements. With reference to global regulations on the control of hazardous substances and customer requirements, each company establishes a hazardous substance control list based on the actual situation of their products. The list includes restricted substances, substances that need to be declared, and future restricted substances, which provides guidance to the materials selection at product design phase and the requirements to suppliers.

TCL TECH requires that all materials require chemical composition confirmation and self-declaration. Only materials that meet the standards can be used for mass production, and regular random testing of finished products for double check.

1.2.2 Green Industry

Adhering to the low-carbon and sustainable development concept, TCL TECH actively invest in green industries. TCL Zhonghuan accelerates the production and manufacturing of semiconductor materials. In 2021, the company's 8-12-inch large silicon wafer project in Wuxi was rapidly put into production, further completing the company's national industrial layout with manufacturing bases in Inner Mongolia, Tianjin and Jiangsu. By the end of 2021, the targets of monthly production capacity of 8 inches to 750,000 pieces and 12 inches to 150,000 pieces were achieved.

TCL Zhonghuan continuously reduces the cost of photovoltaic products and promotes energy transformation through R&D and innovation, and further promotes the development of the photovoltaic industry. The company continues to focus on the development and integration of the two major platforms, G12 large-size silicon wafers and high-efficiency shingled module technologies, and actively responds to the market's demand for large-size, high-power products, and contributes to the low-carbon development of society.

TCL Zhonghuan G12 Silicon Wafer

The solar silicon wafer G12 product is the world's first 210mm-sized G12 ultra-large solar monocrystalline silicon wafer, with the diameter of 295mm (12 inches), an increase of 80.5% compared to the conventional product M2. The power generated by a single cell can reach 10.01W, which is nearly twice the power generated by conventional products. High-efficiency battery technology is further added, reducing more than 6% of electricity cost and the component power exceeding 600W. The company continues to promote the dual-platform technology application of "G12 + shingled", making G12 and shingled the key and effective products to realize affordable photovoltaic power generation.



Guided by technological innovation and strategic cooperation, TCL Zhonghuan actively explores new energy power station services such as photovoltaic power station development and construction, photovoltaic power station design, and comprehensive energy services. The company actively develops, undertakes, operates and maintains various photovoltaic power station projects. At present, the installed capacity of TCL Zhonghuan's wholly-owned project has reached to 1.2 GW.



TCL Zhonghuan 120 MW Agriculture and Animal Husbandry Complementary Concentrated Photovoltaic Power Station at Dongshanyong, Wuchuan County, Inner Mongolia Autonomous Region

As an environmentally responsible company, TCL Zhonghuan always views "environmental friendliness" as the bottom line of its business, and endeavors to provide sustainable power for the global green energy industry.

Located in Wuchuan County, Hohhot City, Inner Mongolia, Wuchuan Dongshan Yongnong and Animal Husbandry Complementary Concentrated Photovoltaic Power

Station is an efficient and ecological photovoltaic power station with an installed capacity of 120 MW. The power station project makes full use of the local rich solar resources and combines solar power generation with modern agricultural planting and breeding, which has positive demonstration for the protection of the natural environment and the comprehensive development and utilization of modern agriculture.



1.3. Green Industry Chain

TCL TECH subsidiaries not only strictly fulfill their environmental responsibilities, but also endeavors to embed the concept of environmental protection into all key aspects along the industrial chain. Through continuous innovation and optimization in procurement, logistics, warehousing, and packaging, pollution and waste can be directly reduced in the manufacturing process for better environmental sustainability. Meanwhile, the Company actively explores and offers green finance along the supply chain, and is committed to drive green and sustainable development throughout the entire chain.

1.3.1 Green Procurement

In order to implement green procurement, TCL TECH strengthens suppliers' environmental management. The Company issued the *Green Procurement Management Procedures*, which clearly defines the hazardous substances of the products and issues that suppliers shall follow, in order to jointly comply with laws and regulations, and shoulder responsibility to protect environment and reduce impact on ecosystem.

As for the supplier on-site system certification, the CSR audit and management system of TCL TECH subsidiaries clearly states that several factors are taken into consideration, such as whether suppliers provide annual project and achievement report on energy conservation and emission reduction, whether they conduct greenhouse gas inventory, and whether they operate according to ISO50001 energy management system.

As for supplier management, TCL TECH formulates *Supplier Corporate Social Responsibility Statement* and *Supplier System Certification (Inspection) Operation Instruction*, which put forward clear requirements towards manufacturing suppliers for their environmental management. When conducting supplier selection or performance evaluation, if a supplier fails to meet the environmental requirements, the Supply Chain Center will set up a meeting with the supplier's top management for mutual recognition and provide guidance and coaching to supplier's responsible personnels.

1.3.2 Green Logistics and Warehousing

In terms of logistics, TCL TECH subsidiaries keeping on promoting green and clean logistics. Diesel forklift trucks are banned in Huizhou CSOT factories and electric forklifts are now in use instead, which effectively reduces the exhaust emissions and energy consumption for transportation within the factory and thus can reduce the impact on environment. TCL CDOT continues to optimize logistics and transportation management, and adopts the principle of full-vehicle and car-pooling transportation in the transportation process so as to improve transportation efficiency.

In order to ensure warehousing procedures green and safe, TCL TECH subsidiaries have all built leakage ditches at the hazardous chemical warehouses and connected them to the incident emergency pools to ensure that no environmental pollution is caused in case of chemical leakage.

1.3.3 Green Finance

In the financing field, TCL TECH sticks to the principle of "sustainable, green and efficient" and promotes the implementation of green projects, helping its member companies and the upstream and downstream partners to improve the level of green development. As early as 2018, TCL Financial issued the *Notice of TCL Group Finance on Green Loans*", providing green credit funds to support of the development of Group's green industries and companies.

China's First "Green Carbon Chain Link" Business

On November 11st 2021, TCL TECH successfully launched China's first "Green Carbon Chain Link" business. This is the first supply chain discount note based on the *Guidelines for Green Supply Chain Financial Services in the Guangdong-Hong Kong-Macao Greater Bay Area - Low-Carbon Rating System* (hereinafter referred to as the *Low-Carbon Rating System*). The higher the low-carbon rating is, the lower the corporate financing cost. "Green Carbon Chain Link" is an innovative financing business based on innovative payment tools, which not only saves more financial costs for enterprises, but also encourages enterprises to speed up the energy-saving and emission-reduction transformation.

For this "Green Carbon Chain Link" business, Maojia Technology, the core enterprise, issued two supply chain notes with denominations of 1.02 million RMB and 2.47 million RMB to two suppliers, Shenzhen CSOT and Pu'an Electronics. With supply chain notes

as the carrier and the *Low-Carbon Rating System* as basis, pricing through differentiated preferential interest rates is expected to save more than 28% of financing costs for the first batch of companies.

The launch of the "Green Carbon Chain Link" business is another successful exploration of the green supply chain financial innovation model to help small and micro enterprises develop. We have high expectation for this model to promote the development of green finance and serve the real economy.

- A leader of Huizhou Financial Bureau

Through a market-based model, this business combines green finance and supply chain finance, and integrates the establishment and use of carbon accounts. That's how the 'green carbon chain link' comes into being, the first time ever in China."

- A leader of Huizhou Central Sub-branch of the People's Bank of China

"Relying on the carbon emissions per unit, it helps quantify the carbon emission of suppliers in the production phase, and efficiently assist financial institutions in reviewing corporate environmental management. This is another bold innovation in the field of green finance."

- A leader of Guangzhou Carbon Emissions Exchange

全国首单碳市场履约挂钩债券及首笔“绿色碳链通”广东落地

人民日报客户端广东频道 李刚 2021-11-13 20:51 浏览量8.9万

11月11日，惠州市金融工作局，人民银行惠州中心支行、广州碳排放权交易所、TCL科技集团财务有限公司、相关企业及简单汇平台代表出席并见证了全国首笔“绿色碳链通”业务落地仪式。



1.4. Green Culture

1.4.1. Green Office

TCL TECH attaches great importance to the environmental impact at the operational level and actively responds to government call for energy conservation and emission reduction. Internally, the Company promotes green office and manage from aspects of energy, carbon emissions and resource. In addition, TCL TECH gradually complete the environmental management system within the company to create green office working atmosphere.

Key Performance and Awards

In 2021, TCL CSOT won Shenzhen Top 10 Green and Low-Carbon Enterprises Award and the Sustainable Development Award.



1.4.2. Raise Environmental Awareness

In 2021, TCL TECH subsidiaries continued to raise employees' awareness and professional capacity on environmental protection and organized various environmental protection trainings, knowledge and experience sharing, and theme activities. In 2021, TCL TECH subsidiaries conducted a total of 80 environmental trainings.

Promotion of "Energy Saving and Carbon Reduction" to All TCLers

On December 2nd 2021, TCL TECH launched the *Initiative for All Employees to Promote Energy Conservation and Carbon Reduction and Maintain the Spirit of Hard Working*, aiming to call on all employees to follow the concept of green office, implement "the extreme cost efficient" philosophy and embrace the spirit of hard working. The Group has cultivated strong atmosphere of energy saving and carbon reduction for all employees to support environmental protection and build a green homeland together.





World Environment Day - "Everyone to Protect Environmental to Make CSOT More Beautiful"

On the June 5th World Environment Day in 2021, TCL CSOT carried out environmental protection education & interactive activities. The theme of the day is "Everyone to Protect Environmental to Make CSOT More Beautiful " the activities such as broadcasting of environmental documentaries, interactive garbage sorting games, resource recycling demonstration, and lecture on sewage purification. By organizing such educational activities, all related companies learnt from these examples and lessons, conducted self examination to "improve from experience". In addition, through interactive activities such as resource utilization demonstrations, lecture on sewage purification, and employee garbage sorting, TCL CSOT further encourages employees to be low carbon pioneers in their daily life.



Enhance Low-Carbon Awareness Among All Employees to Contribute to "Carbon Peaking and Carbon Neutrality Goal"

In August 2021, Shenzhen CSOT organized a Month of Low-Carbon and Energy-Saving campaign with the theme of "energy saving and consumption reduction starting from me for a greener circular economy", and carried out a total of 12 activities, from the publicity and promotion, and energy-saving ideas, to energy-saving awareness enhancement, and outstanding energy-saving awarding. Theses activities increase the responsiveness and motivation of all departments to practice energy efficiency to further enhance the awareness of green, low-carbon and environmental friendly of all employees. In addition, TCL CSOT also carried out the "carbon peaking and carbon neutrality" theme education to all employees via Starway Academy online training platform to raise employees' awareness of environmental protection and low carbon practice.



1 奖项设置

- 一等奖：1000元/名
- 二等奖：500元/名
- 三等奖：200元/名
- 以上奖项获得者均颁发荣誉证书
- 获奖以上奖项获得者，可参加集团年终评优评比

2 评审活动流程

活动阶段	厂中心收集提交	初评	评审公示	厂中心公示	最终公示
	8/6	8/18	8/20	8/25	8/30

3 活动说明

- 参与对象：集团内全体员工
- 参与时间：8月6日-8月30日
- 提交要求：
 - 本次活动鼓励多人合作提交作品，鼓励跨部门合作提交作品
 - 所有参赛作品>200字
 - 提交方式：以厂/中心为单位，将参赛作品直接发送至集团邮箱，加盖公章
 - 投稿邮箱：集团厂/中心邮箱(接收所有投稿邮件)：fengqiong@tcl.com

诚邀您参与

鼓励物料节约、能源节约及降耗举措，集中选拔智慧大脑，积极参与！



2021年华星光电节能月活动邀请您参与节能知识答题，丰厚大奖等你来拿！



扫描图中二维码即可参与答题

活动规则：

- 参与答题范围：扫描二维码之后，即可答题，题目分为单选题和多选题
- 答题得分规则：每题100分
- 答题时间：8月17日-8月27日，记得准确填写您所在的单位，为您的厂/中心注入荣誉加分
- 答题结束之后，将在答题优秀者中，随机抽取100名“智多星”，并发放活动奖品

主办单位：厂务中心

2021年8月TCL华星光电节能月活动欢迎您参加



明星题霸伏



尹小燕

职称：高级
职位：研发

- 解决散热风扇噪音
- 解决设备冷却系统AA20
- 解决设备冷却系统AA20
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2. Society: Shoulder Responsibility for Continuous Value Creation

TCL TECH actively shoulder its social responsibility and create social value while developing its business steadily. TCL TECH breakths rough technology bottlenecks based on technology development and innovation, enabling the industry to increase quality and efficiency. The Company improves product quality and customer experience through excellence in attitude and craftsmanship. The Company builds a win-win value chain ecosystem through total supply chain management and collaboration with stakeholders. Through the establishment of comprehensive employee rights protection mechanism and employee development and training mechanism, we build a diversified and friendly workplace and grows together with employees. In addition, TCL TECH helps achieve common prosperity and rural revitalization with continuous community investment and carries out various public welfare projects, making unremitting efforts to build a better society.

2.1. Continuous Innovation to Lead Technology Transformation

Technology innovation is viewed as the core driving force for TCL TECH to achieve sustainable development and realize strategic goals and is deeply embedded in the Company's blood and genes. TCL TECH spends great efforts in technology innovation, product governance and services, increases R&D investment, builds a strict and meticulous management framework on quality and safety and continuously improves customer service to maintain the leading and competitive position in the industry.

2.1.1. Research and Innovation

In 2021, TCL TECH invested 8.77 billion RMB in R&D and have 10,517 R&D technicians. TCL CSOT has obtained a total of 11,033 Chinese authorized patents, including 10,081 invention patents, 865 utility model patents, 87 design patents, and a total of 5,628 foreign authorized patents. In addition, TCL TECH also actively participates in the formulation of industry standards, join industry development alliances, host and participate in the formulation of international standards, national standards, and industry standards. In 2021, the Ministry of Science and Technology approved TCL TECH to set up the National Center of Technology Innovation for Display, which is the only national innovation center in the display field.

National Center of Technology Innovation for Display

On March 8th 2021, the National Center of Technology Innovation for Display led by Guangdong Juhua New Display Research Institute was approved by the Ministry of Science and Technology as China's only national center of technology innovation for display. The main task of the Center is to make breakthroughs in major key universal

technologies such as new display materials, processes, devices and equipment, and to lead the development of new display technologies and promote the upgrading of China's new display industry. The Center will help China realize the transformation of display technology from following to originality and then to leadership, realizing the transformation from survival to innovation-driven, from single product development to collaborative innovation across the whole industry chain, assisting TCL TECH's innovation and the rapid development of Chinese economy.



TCL Zhonghuan

By December 31st 2021, TCL Zhonghuan has 1 national technology center, 6 provincial-level and ministerial-level R&D centers, and 2 provincial-level and ministerial-level key laboratories. The company has accumulated 975 authorized intellectual property rights.

2.1.2. Talents for Cooperation

TCL TECH understands that outstanding talents are the foundation of technology development and innovation. TCL TECH continuously attract industry-leading talents to build a cutting-edge R&D team. In addition, TCL TECH builds an open and cooperative R&D mechanism to inject vitality into Group's R&D system.

TCL Zhonghuan University-Industry Collaboration

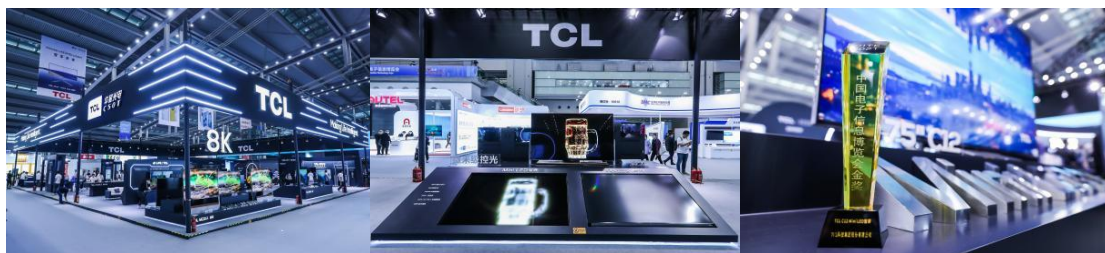
TCL Zhonghuan and Shandong University carries out a university-industry collaboration on the process optimization of "G12 large silicon wafer". Through joint development of simulation and laboratory, the company verifies the simulation results. Based on the field test results, the selection of parameters is optimized immediately to realize process optimization.

TCL Zhonghuan also cooperates with Hebei University of Technology on the R&D research on silicon crystal growth technology, with special focus on crystal growth, single crystal defects, silicon wafer polishing, and silicon wafer inspection technology.

2.1.3. Innovative Products and Application

TCL TECH aims to develop brand new technology and research layout as the ongoing innovative practices. The research and technology innovation has gradually covered from the product technology to the upstream material. TCL makes a number of breakthrough

technologies and unleashes great potentials for social development and technological innovation.

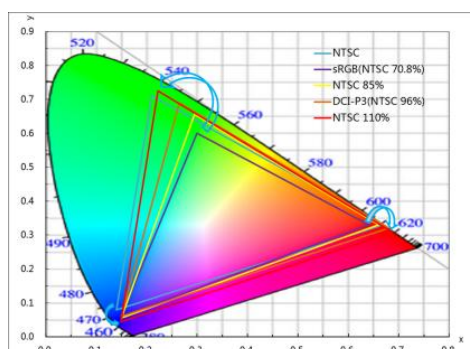


● Technology Innovation

NTSC 110% Ultra-High Color Gamut LCD Display Technology

TCL CSOT launched the self-developed NTSC 110% ultra-high color gamut LCD display technology, which can effectively improve the product color gamut, achieve purer and brighter color, and bring users with more realistic picture quality experience. Based on the existing backlighting by changing the structure of the LED phosphor substance, R&D technicians explored ways to shift the green band peaks in the backlight spectrum towards shorter wavelengths to specific wavelength positions. Meanwhile, the technicians adjusted the pigment ratio in the photoresist component of the colour film to increase the colour concentration, which facilitated photoresist film thickness reduction and improves manufacturability, to make sure that the green photoresist transmission spectrum peaks match the backlight green band peaks. Then, the technicians adjusted the white screen chroma through optimised panel design. Finally, after repeated experiments and verification, TCL CSOT succeeded in developing an ultra-high colour gamut panel with 110% NTSC.

This is an important achievement of TCL CSOT in high color gamut technology, which shows TCL CSOT's pursuit of color enhancement of LCD mobile phone displays and its industry-leading advancement in high color gamut technology.



NTSC 70.8% >>> NTSC 96% >>> NTSC 110%

Full-Color Large-Area Quantum Dots (Qds) Patterned Color Filters and High-Performance QLED Devices

The new selective electrodeposition technology developed by the New Material Development Team of TCL CSOT Display Technology Innovation Center has realized the preparation of full-color large-area quantum dots (QDs) patterned color filters and high-performance QLED devices that are greater than 1000PPI.

The research team developed a novel QD-selective electrodeposition (SEPD) patterning technique using high-resolution photolithographic microelectrode technology combined with mild electrodeposition technology to achieve efficient, uniform, and large-area full-color QD patterning on a single electrode film preparation. Further, the research team integrated quantum dots (QDs) with different emission properties into large-area arrays to form full-color pixels, and fabricated high-performance QLED electroluminescent devices.

The related patterned films can simultaneously meet the requirements of color conversion layers of liquid crystal displays (LCD), Blue OLED displays and Blue micro-LED displays of different sizes, as well as QLED self-emissive displays. They are suitable for low resolution, medium resolution and high resolution displays at the same time, and the related technology has great application prospects in the fields of photovoltaic devices and quantum dots detectors.

This research result is another achievement of TCL CSOT's continuous exploration and cooperation in the field of cutting-edge technology. Meanwhile, the significant improvement of film unevenness and coagulation effect by selective electrodeposition is also a powerful supplement to inkjet printing technology.

- **Innovative Product**

The World's First 125-Inch Glass-Based Transparent Direct-Display MLED

This is the world's first glass-based super-large transparent Mini LED display product independently developed by TCL CSOT. This product perfectly combines glass-based active drive and Mini LED technology and creates a "new species" in the display field, providing a new scene-based transparent solution and bringing infinite imagination of transparent display.



The World's First 65-Inch 8K Inkjet Printing OLED

The world's first 65-inch 8K inkjet printing OLED developed by TCL CSOT is the world's largest OLED product based on printing technology. This 8K product has up to 33 million pixels, which can bring clearer and finer pictures. The product adopts oxide TFT backplane driver, top emission device structure, extreme color performance and million-level contrast ratio, which brings unparalleled eye-catching picture quality.



The World's First 8-Inch 360° Folding AMOLED with Extremely Small Folding Radius

This 360° foldable product integrates the in-fold and outward-fold flexible screen technology and the leading technology of 360° Stress free self-compensating hinges. It uses Pol-less module thinning technology to achieve stepless switching between inward folding R1.5 and outward folding R6.

This product can be used as a small-sized smartphone when it is folded out to grasp dynamic information and meet users' everyday entertainment needs. When folded in, it's very compact and easy to carry. With a built-in pen, it can be used for business scenarios such as handwriting, drawing, etc.

The product has passed the test of 200,000 times of bending. It can not only provide high-quality 360° bending-resistant flexible screen modules, but also provide an integrated solution of flexible screen and self-compensating hinge, offering users a variety of choices.



49-Inch R800 5000+ Zones MLED Display Module of The World's Highest Zone

This is the world's first 49-inch R800 curved gaming display, and also the curved gaming display with world's highest zone. This product equipped with TCL CSOT high-performance HVA display has the highest specification technology combination in the MNT industry. It combines three technical specifications that are currently the highest standards in the industry, the R800 ultra bend rate, 32:9 ultra wide ratio and 5000+ ultra high zone. Moreover, it also meets top parameters such as 240Hz high refresh, HDR1400, Free Sync, borderless on three sides, and 5K high resolution.



14-inch Yunsheng Inkjet Printing OLED

The product adopts the self-luminous high-precision inkjet printing process technology, with bright colors and a contrast ratio of millions. Compared with the evaporation process, there is no need to use a fine metal mask, and the material utilization rate can be as high as 90%, which is more conducive to large-scale mass production. In addition, the product adopts ultra-thin, high-strength, long-life flexible module material. The curling radius is less than R20mm, and the curling life is up to 100,000 times under high temperature and high humidity conditions. Combined with the built-in AI compensation algorithm, the OLED brightness, chromaticity uniformity, picture quality and display effect are greatly improved.



13.3-Inch Mini-LED Flat Panel Display

TCL 13.3-inch Mini-LED flat panel display features high contrast, high color gamut, and high brightness. It adopts technologies such as Mini-LED and Local Dimming to achieve million-level ultra-high contrast, 100% NTSC ultra-high color gamut, HDR1000, 2mm ultra-thin body and 2mm ultra-narrow bezel.



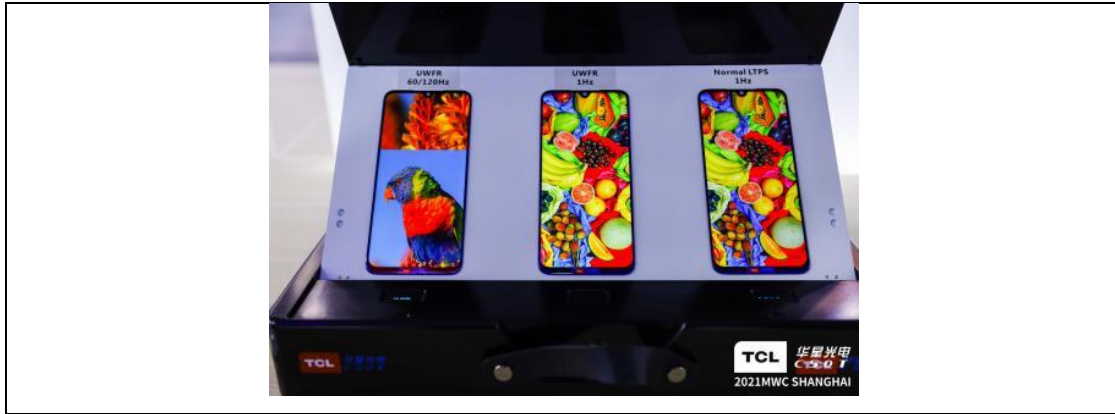
10.95-Inch Low Blue Light LCD Display

This product is the world's first 120Hz incell product, and also the world's first low blue light LCD flat panel display. Under the WQXGA resolution, TCL CSOT took the lead in using Incell technology on LTPS LCD products, reducing the thickness of the screen and reducing users' sense of discomfort during long-term use.



6.3-Inch UWFR 1-120Hz Ultra Wide Frame Rate

This product adopts Ultra Wide Frame Rate (UWFR) technology, which is the world's first 1-120Hz ultra wide frame rate display. The low frequency of 1Hz provides low display power consumption, and the high frequency of 120Hz increases the display fluency and provides an excellent visual experience.



6.3 Inch Super Full Display

This product is the world's first super full screen. On the basis of the ordinary full display, the lower frame is reduced to only 2.4 mm, a great leap that drives the industry.



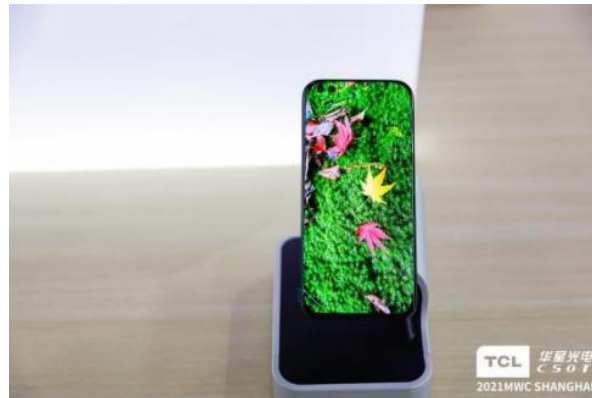
10-Inch Z1 Bi-Folding Product

TCL CSOT applied its self-developed flexible module stack to the 10-inch Z1 bi-folding product. Different from the conventional one-way folding screen, this product adopts the Z-shaped bi-folding form for the first time, which meets the diverse scenario settings in combination of mobile phone and Pad.



6.67-Inch Quad-Curved OLED Screen

The 6.67-inch quad-curved OLED screen from TCL CSOT is the first on-cell quad-curved screen in China. Through the four-sided arc design, it not only provides smooth “hand feel”, but also ensures the high image impact of the ultra-narrow bezel from the front viewing perspective.



5.5-Inch In-Screen Fingerprint Phone Screen

Different from the single-point fingerprint recognition and unlocking technology, TCL CSOT's 5.5-inch in-screen fingerprint mobile phone screen integrates the optical path system and the fingerprint sensor into the display panel process to achieve full-screen area fingerprint unlocking. The product also has a full-screen multi-point fingerprint recognition function, providing a variety of usages.



2.2. Pursuit of Excellence to Ensure Product Quality

In 2021, bearing the spirit of chasing excellence, TCL TECH continued to improve the quality management of the whole value chain. The Company provides customers with better products, services and experience through continuous practice and innovation in safety technology, quality management, customer service, longing for better customer satisfaction.

2.2.1. Quality Management System

Excellent quality demonstrates TCL TECH's responsibility and core competitive advantage of as the industry leader. TCL TECH and its subsidiaries highly stick to quality management and establish systematic quality management system based on ISO9001, QC080000 and ISO/IEC17025 system. The Company also formulate internal management mechanism such as *Quality Management Internal Control Regulations* and *Defective Product Recall Management Regulations*, and strictly follow European Union (EU) RoHS Directive, EU REACH, China RoHS Directive and IEC62368 standards for product quality management.

TCL CSOT has formulated a series of internal quality systems, including customer management, manufacturing, quality management, etc., and regularly inspects and evaluates these systems. Moreover, TCL CSOT establishes the quality management committee, and designates the Chief Quality Officer and Quality Authorized Responsibilities at the decision-making level to formulate and promote quality strategic planning so as to continuously improve product quality. In addition, the company actively absorbs comments and recommendations from relevant stakeholders, and regularly upgrade the quality management system.

TCL CDOT regularly improves the preventive quality system, builds a customer-oriented quality culture, and formulate project quality plans based on customer needs. TCL CDOT analyzes the reasons causing quality problem from dimensions of R&D and technology, and monitor indicators, tripartite benchmarking, review quality issues and other methods to ensure stable product quality.

Referring to international leading quality management philosophy, TCL Zhonghuan upgraded more than 10 standards in 2021, and carried out a multi-dimensional quality management competitiveness analysis to explore the quality system, supply chain quality, process quality, customer service quality and reliability monitoring opportunities for improvement. On this basis, TCL Zhonghuan establishes and implements strict product standard management process, thereby ensuring the continuous improvement and upgrading of product standards, timely synchronization of cutting-edge technology and customer needs, and improving product quality and process control.

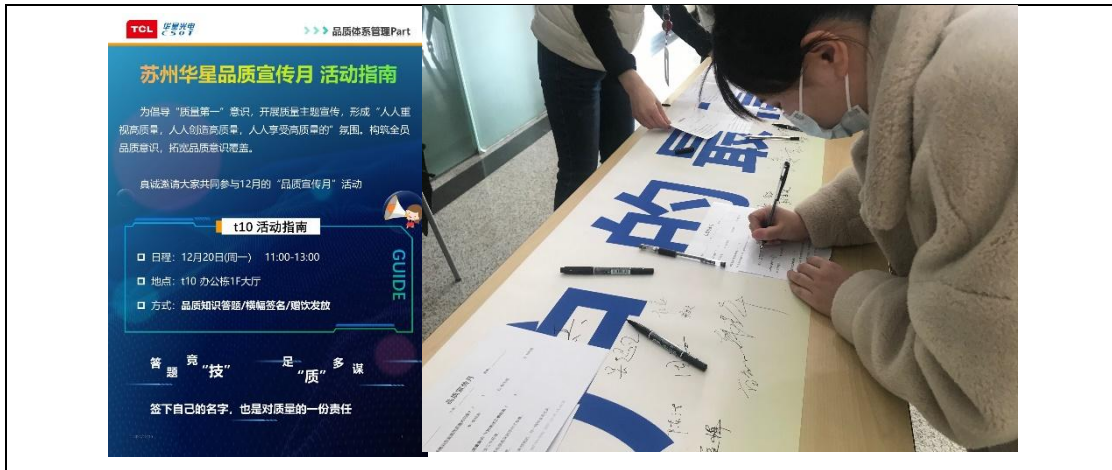
2.2.2. Quality Management Training

In 2021, TCL CSOT further enhanced quality management in various ways, and carried out a total of 48 relevant trainings, including quality tool trainings such as DOE and MSA, quality-related process training, quality awareness training, etc., to create a culture of quality within the company.

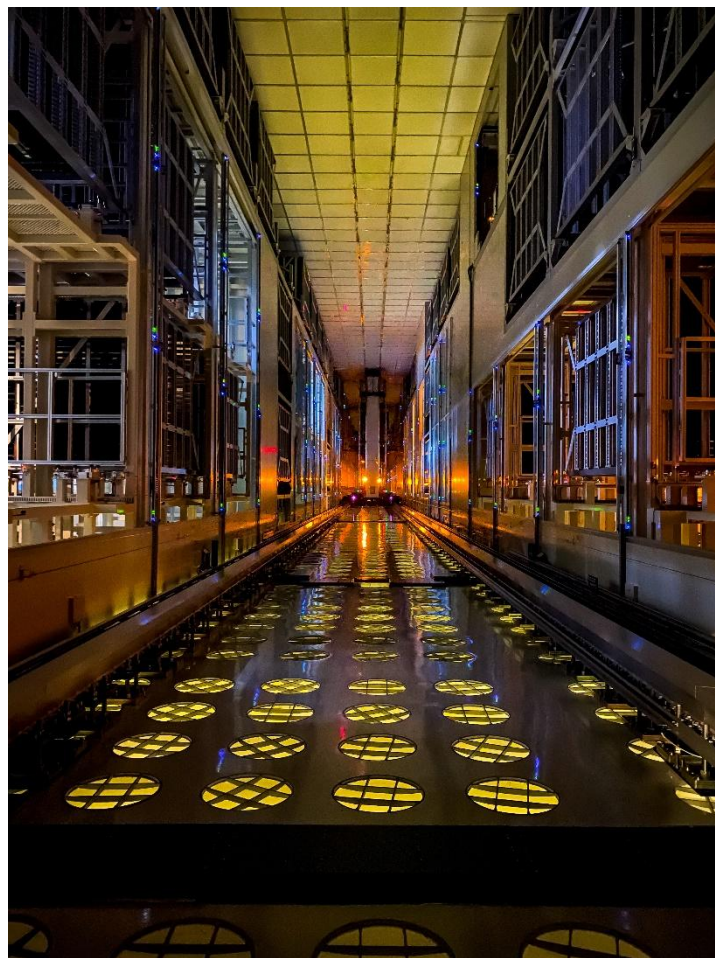


TCL CSOT Quality Promotion Month Activities

In order to increase the awareness of "quality first", TCL CSOT carries out promotional activities on the theme of quality, forming an atmosphere of "everyone attaches importance to high quality, everyone creates high quality, and everyone enjoys high quality". The purpose of this activity is to shape quality awareness among all employees, broaden the coverage of quality knowledge, and increase the coverage of participants. The activity takes quality knowledge quiz as the main format and increases employees' sense of participation and enthusiasm through signatures on quality banner, so that TCL CSOT's quality goals and quality service concepts are rooted in the hearts of every employee.



Relying on advanced technology platforms, TCL TECH actively promotes the development and manufacturing of intelligent technologies, pushes forward the intelligent transformation along value chain, and continuously introduces quality improvement tools to promote safe, green, efficient and intelligent production.



Suzhou CSOT Intelligent Manufacturing



TCL CSOT is keen on promoting the transformation and upgrading of intelligent manufacturing. Relying on its own platform advantages, the company optimizes production lines and builds smart and efficient intelligent factories. In 2021, TCL CSOT launched the smart energy system, which operate stably and is gradually introduced to Suzhou CSOT, Wuhan CSOT and new factories to monitor and collect data of water, electricity and gas in real time. Through the extraction of massive data and mining the value of data, the real-time monitoring of equipment status, energy status and product status is fully implemented in the production line. By importing in-depth learning algorithms, equipment and process parameters are used to realize fault prediction and thus effectively improve processing efficiency.

In addition, TCL CSOT cooperated with Gechuang Dongzhi and TCL Industrial Research Institute on the automatic data capture (ADC) technology to realize the intelligent detection of display, while independently cultivate the visual detection algorithm to meet the needs of the factory. By continuously optimizing and improving the analytical modelling systems such as FDC, effective yield management, multi-factor analysis, the real-time monitoring and early warning of machine equipment and quality conditions, and rapid locking of abnormal concentration can be realized. Moreover, TCL CSOT introduced a comprehensive AI automatic diagnosis system to realize AI self-perception, self-learning, self-decision, and self-execution, and introduced real-time scheduling to realize automatic and real-time scheduling of production lines, which improves production efficiency while reducing costs.



In 2021, TCL CSOT cultivated more than 130 digital talents, and initially completed the development of the digital talent capability model and evaluation system, as well as the digital talent training and evaluation mechanism. The intelligent manufacturing project

was promoted throughout the whole year, and it is expected to achieve a benefit of over 100 million RMB.

In the era of Industry 4.0, TCL Zhonghuan continuously integrates digitalization, automation and intelligence to improve the "set-up" and "Deep Blue AI" learning model of the wafer manufacturing process and comprehensively enhances flexible manufacturing capabilities to realize manufacturing transformation. With the implementation of the company's intelligent manufacturing and continuous improvement of excellence and flexible manufacturing, labor productivity has been significantly increased, and factory operating costs have been reduced while product quality and consistency have been enhanced, and comprehensive utilization of resources has been effectively improved.

In 2021, bearing the concept of new generation smart chemical factory design, TCL Zhonghuan kicked-off the high-efficiency solar ultra-thin silicon single-chip smart factory project of Tianjin Huan'ou New Energy Technology and to build the G12 factory. Meanwhile, in order to match the crystal production capacity, the company has launched a smart factory project with an annual output of 25 GW of high-efficiency solar ultra-thin silicon single crystal wafers (referred to as "DW Phase III") and a smart factory project with an annual output of 30 GW of high-purity solar ultra-thin silicon single crystal materials (referred to as "DW Phase IV") construction. All projects are designed as Industry 4.0 Smart Factories, accelerating the mass production and large-scale application of the company's G12 monocrystalline silicon products to empower the industry, as well as drive the mutual development with upstream and downstream partners.

In addition, TCL Zhonghuan designed a new production site according to the Industry 4.0 system. The new site is based on "Deep Blue" intelligent manufacturing model and will be an intelligent manufacturing role model for the industry. In 2021, the silicon wafer factory was rated as an Industrial Internet of Things benchmark factory project, and the 3 GW high-efficiency shingled solar cell module smart factory invested and constructed by Huansheng New Energy was rated as the intelligent manufacturing demonstration factory project.

2.2.3. Product Safety

Product safety is the most fundamental requirement of customers for TCL TECH's brand, technology and service and is also the Company's responsibility to the public. TCL TECH and its subsidiaries strictly abide by relevant laws and regulations, and maintain 100% product testing rate to ensure that products meet safety requirements. Moreover, CB scheme, UL standard and other international safety certifications have been acquired and corresponding product safety incident management mechanisms have been formulated to strictly stick to product safety.

TCL CSOT adheres to the concept of "people-oriented, health and safety first". The company issues the *Chemical Safety Management Specification* and strictly follows the

requirements of European Union (EU) RoHS Directive, EU REACH, China RoHS Directive and major clients. Management system on toxic and hazardous substances has been established and is applicable for project development, material use and final product. TCL CSOT establishes the management system for toxic and hazardous substances according to IECQ QC080000 to ensure products and materials can meet clients' environmental requirements. Products of TCL CSOT will undergo a series of testings, including environmental testing, reliability testing, electrostatic testing, constant temperature and humidity testing, etc.

2.2.4. Customer Service

Adhere to the service principle of "the highest requirements of customers are our lowest standards" and the concept of "customer first", TCL TECH takes customer needs as the main driving force, and establishes a comprehensive customer service system. The Company sets up a complete customer service and communication mechanism according to ISO9001 and IATF16949 standard and enhance understanding of customer requirements through customer satisfaction surveys, product and project promotion meetings, telephone communication and customer visits, so as to provide better service and experience for customers and continuously improve customer satisfaction.

TCL CDOT "2485" Timely Response Mechanism

Customer quality service management of TCL CDOT puts customer satisfaction as the core and forms a "2485 timely response mechanism". In 2021, TCL CDOT 100% implemented the 2485 timely response mechanism to address customer complaints, and for the first time arranged engineers work on site at the Samsung factory in Vietnam to improve service efficiency and quality.

TCL Zhonghuan Customer Service

Bearing the corporate strategy of "Global leading for new energy photovoltaic materials, and global catch-up and domestic leading for semiconductor materials", TCL Zhonghuan established a Customer Quality Center in 2021 to provide intensive quality management in different product lifecycles. Focusing on "Customer Quality Service" and "Product Standards Management", the company endeavors balance the internal and external quality and the manufacturing, so as to improve product quality, enhance customer response and customer service quality, and improve customer experience.

TCL TECH continues to optimize customer complaint management process and is committed to creating the ultimate response time. By connecting with all subsidiaries and departments and clearly defining the nature, positioning and responsibility of the problem, the Company can efficiently address customer complaints. As the Company's business keeps on expanding, to further improve customer satisfaction, in 2022, TCL TECH is expected to include NB customer function to improve the timeliness of customer service. Meanwhile, the Company plans to set up a comprehensive customer satisfaction

improvement project to upgrade the quality of customer service in all aspects, including quality, service, delivery, technology and cost.

2.3. Inclusion and Co-Creation for Shared Value

Suppliers are the crucial foundation of TCL TECH's manufacturing and innovation. TCL TECH is highly concerned about the social responsibility of suppliers, conflict minerals management and collaborative development of the industrial chain. Through continuous improvement of supply chain management, collaborative innovation with suppliers, advocating and driving supply chain partners to actively fulfill their responsibilities, TCL TECH is dedicated to improving the environmental, social and governance management of suppliers, meeting product and service sustainability requirements, and building a harmonious industrial ecosystem so as to promote the healthy and sustainable development of the industrial chain.

2.3.1. Supply Chain Management

TCL TECH follows high standards of supplier management system, establishes the supplier certification process and issues supplier performance assessment guidance based on *TCL Supplier Code of Conduct*. Based on supplier management on human rights, labor relations, occupational health and safety, business ethics, environmental protection and social responsibility, TCL TECH has developed a comprehensive set of supplier screening, access, evaluation and rectification mechanism and signed *Procurement Agreement*, *Environmental Protection Agreement* and *Related Party Commitment* with suppliers to regulate their behavior. Moreover, TCL TECH released *New Supplier Development and Introduction Management Procedures*, which stipulates that new suppliers must be subject to materials check and on-site audit, and sample and small batch be verified before trial, further raising the threshold of supplier entry.

Besides, TCL TECH updates the Group's regulations on responsible procurement practice in a timely manner and establishes a professional training system. The Company has also developed *Four Steps and Fourteen Sessions on Supplier Introduction Certification Trainings* and *ariba Supplier Management System Operation Training* system to provide standard documents on supplier introduction and related operating systems, and regularly check supplier performance through questionnaires and audits. To manage suppliers in a holistic manner, TCL TECH's subsidiaries rely on external platforms, such as Institute of Public & Environmental Affairs (IPE) to monitor supplier environmental performance.

TCL Zhonghuan Supplier Management

In order to ensure the sustainable and healthy development of business partners, and to build mutual cooperation relationships on the basis of trust, honesty, frankness and

integrity, the company has formulated *Supplier Management System*, *Supplier Audit Management System* and *Zhonghuan Semiconductor Partner Code of Conduct* to regulate the management and process of supplier introduction, audit, quality management and promotion, and to establish compliance standards and ethical requirements in line with business. The Strategy Department, Procurement Department and production sites have a clear division of tasks and are jointly involved in supplier management and audit.

As for supplier audit, while focusing on suppliers' economic performance in terms of quality, on-time delivery, and cost advantage, the company also pays attention to suppliers' performance regarding environment and employee safety. For new suppliers, the company will check suppliers' environmental management and occupational safety system certification, such as ISO14000 and OHSAS18000, as well as the management of hazardous substances. For existing suppliers, the company conducts annual supplier audit and special quality audits. If a supplier is found to fail to comply with the environmental requirements or violates the company's requirements in terms of labour relations and reputation during the audit process or business operation, the company will urge them to rectify. If the supplier fails to meet the company's management requirements within the rectification period, the company will start the procedure of dissolving the partnership.

In 2021, the company conducted on-site audits of 30 qualified suppliers, including the suppliers' compliance with relevant environmental, labour and ethical laws and regulations, quality management systems, management of toxic and hazardous substances, etc. No serious violations or breaches of code of conduct were found.

2.3.2. Conflict Materials Management

TCL TECH pays particular attention to the issue of conflict minerals and strictly abides by *Statement on Non-Use of Conflict Minerals*. The Company's major subsidiaries have formulated conflict minerals procurement management processes with reference to *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict Affected Areas and High Risk Areas* and customer requirements, makes public statement that no procurement nor use of any conflict minerals from areas that directly or indirectly finance or support armed conflict, and conduct due diligence on the potential use of conflict minerals in their supply chains by RMI-CMRT and CRT questionnaires.

TCL COST Strictly Promotes Conflict Minerals Supplier Management

TCL CSOT formulates its conflict minerals procurement management policy and process with reference to the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict Affected and High Risk Areas* and clients requirements, and keeps close eye on the Responsible Business Alliance (RBA) requirements on conflict minerals for information sharing with suppliers.

Every half year, TCL CSOT conducts due diligence on the use of 3TG and cobalt in its supply chain with reference to RMI-CMRT and CRT questionnaires. In 2021, the company increases its management of mica and discloses the supply chain due diligence results to its clients. By the end of 2021, raw materials of tin, tantalum, gold, tungsten, cobalt and mica are 100% conflict free.

2.3.3. Joint Development with Industry Partners

TCL TECH bears open mind to drive industrial chain development. The Company attaches great importance to synergy and innovation with partners, and provides financing platform and learning and exchange platform for industrial chain partners to strengthen communication and exchange among all industrial partners. In terms of promoting industrial chain communication, TCL TECH redesigned the ariba supplier introduction system to manage supplier fundamental information and qualification. The Company also creates positions on SM supplier relationship development and management, as well as CM category management within the company, issues CM instructions and SM instructions to lay solid foundation for supplier development and synergy.

TCL TECH Launches "Rising Sun Plan" for Win-Win Development

TCL TECH joins hands with a number of enterprises at home and abroad to build joint laboratories for innovation-driven development, so as to enhance core corporate competitiveness and achieve transformation and upgrading while establishing strategic partnerships with upstream and downstream partners for win-win development. At the 2021 TCL Global Ecosystem Partner Conference, TCL TECH announced the launch of the "Rising Sun Plan", which plans to invest no less than 20 billion RMB in the next five years. The plan is to build an industrial ecology with global partners through participation in industry standards, open technology and data platforms, joint R&D and industrial investment in the three core industries of TCL TECH, so as to jointly promote the innovation and upgrading of key industries of intelligent manufacturing, industrial internet of things, and semiconductor materials.



TCL CSOT Releases "Star Wing Plan" to Build Symbiotic and Win-Win System

The "Star Wing Project" is an important step in TCL CSOT strategy of open and innovation, win-win cooperation, and eco-system synergy, as well as an important initiative for the company to lead the innovative development of displays. TCL CSOT continues to cooperate with upstream suppliers on the technological development of new equipment and technologies, and to develop new applications and new fields in collaboration with end customers, in order to create a win-win situation with ecosystem partners. The company will initiate diverse industrial layout, build a global win-win ecosystem, and help the development of the global display industry through the upgrading of display technology, diversified product structure, production line capacity expansion, and the overall promotion and application of digital transformation.



2.4. Cordial Workplace Environment to Grow with Employees

Adhering to the talent concept of "people first for global leadership", TCL TECH makes continuous efforts in the protection of employees rights, occupational health and safety, employee growth and development, employer attractiveness and employee care and endeavors to build inclusive and diverse culture at workplace. The company has established a comprehensive training and career development system, ensure employee safety, and organises a wide range of employee activities to enhance employee satisfaction and happiness.

2.4.1. Protection of Employee Rights

TCL TECH effectively protects employee rights and interests through sound employee communication channels, comprehensive remuneration and benefits system and proactive employee care system.

- **Fundamental Rights**

TCL TECH strictly complies with the *Labour Law*, the *Labour Contract Law*, the *Social Insurance Law*, the *Law on Mediation and Arbitration of Labour Disputes* and the *Trade Union Law of the People's Republic of China* and the *International Labour Organization Convention* and other relevant regulations, follows industry standards and corporate social responsibility guidelines to guarantee employees' fundamental rights and interests. In 2021, the labour contract coverage is 100% and the full-time employee social security is 100% covered

The Company adopts a zero-tolerance attitude towards infringement of employees' legal rights and has established regulations such as the *Regulations on the Prohibition of Forced Labour*, the *Code of Code for Underage Employment*, the *Management System for the Recruitment of Skilled Personnel* and the *Labour Management Manual*, which clearly stipulate the prohibition of child labour, human trafficking and forced labour in accordance with RBA standards.

Indicator	Data
No. of domestic employees	56,222
No. of overseas employees	8,937
Social insurance coverage	100%

- **Employee Communication**

TCL TECH has established a comprehensive communication mechanism to ensure that employees' opinions and suggestions are effectively communicated through a diverse range of channels.

As an important channel to ensure communication between management and employees,

TCL TECH's trade union proactively organise various activities including organisation building, employee stability and rights maintenance, employee activities and employee care, which effectively safeguard the rights and interests of employees. 2021 saw a 90% membership rate of trade union. The Group and its subsidiaries conduct employee satisfaction survey and organize employee representative consultation irregularly each year to discuss and decide on employee-related rules and regulations and ensure that employees' needs are actually met. In addition, TCL TECH continues to improve internal communication channels through frontline visits, employee communication meetings and employee suggestion boxes.

● **Employer Attractiveness**

TCL TECH continuously upgrades its remuneration and benefit system, fully respects employees' payment and provides employees with competitive compensation from the market.

TCL Listed on Forbes World's Best Employers 2021



➤ **Remuneration System**

TCL TECH follows the management principle of "fixing grade by post, fixing salary by grade, and rewarding by performance", sticks to the concept of "favor contributors, more rewarding for more contribution, and encouraging the pioneer", and thus establishes the remuneration system of salary package and bonus package, linking personal bonus with company performance and key corporate financial performance, so as to drive human performance improvement and support corporate transformation.

TCL TECH participates in the annual market compensation survey by top global HR agency to ensure that compensation packages reflect company's positioning and is ahead of market average. The Company makes annual compensation adjustment with reference to GDP growth, CPI increases and company performance increase.

➤ **Incentive Mechanism**

A reasonable remuneration and incentive system is an important prerequisite for employee creativity. TCL TECH adheres to market-based incentive mechanism and

implements a benefit-sharing model for senior management and core employees to encourage senior and middle management and core employees to "share the same destiny" with the company. The company follows the talent concept of "global leading by first-class talent" and inspires innovation and motivation among employees to help achieve corporate vision and strategic goals.

TCL TECH has developed differentiated assessment and incentive mechanisms for different companies and personnels, and established a dynamic and diversified performance assessment system. The company conducts multi-level assessment based on job responsibilities and employees' key results and performance, selects annual outstanding employees by different ratings, adopts long-term incentives, and provides abundant opportunities such as promotion, salary adjustment, training, etc.

Employee Performance Management

TCL TECH's employee performance review is mainly based on the key results and performance of employees' responsibilities and requirements, which is divided into five levels as of S, A, B, C and D, and the assessment result is directly linked to employee incentives. Employees with S and A performance are eligible for selection of TCL annual excellent employee, and are also eligible for priority position promotion, salary adjustment and participation in the company's long-term incentive plan. Moreover, they will be given priority training opportunities as outstanding talents and future potentials.

TCL Zhonghuan 2021 Employee Share Ownership Plan

In June 2021, the company formulated and adopted the *2021 Employee Share Ownership Plan (Draft)*, describing that the amount of the special incentive fund for the 2021 Plan shall not exceed 324.12 million RMB and the maximum number of underlying shares that can be purchased and held shall be approximately 10,668,900 shares, representing approximately 0.35% of the total current share capital of the Company. The total number of employees participating in this Plan shall not exceed 815, among whom 11 are board members, supervisors and senior management and employees are no more than 804.

In addition, TCL TECH offers inclusive financing to its employees. Employees can apply for credit loans through Huizhou Zhongkai TCL Smart Technology Microfinance. For TCL TECH employees, the loans are lended in a very short time, with higher loan limits and lower interest, and professional financial advisors are offered. In 2021, TCL TECH has provided cumulative employee loans amounting to approximately 612 million RMB, serving 1,727 employees. TCL CSOT issued cumulative employee loans amounting to 300 million RMB, sparing employees from urgency.

TCL "Employee Loan" to Support Employees in Need

For Wang Kunhu (pseudonym), fate was full of unknown twists and turns. In 2020, the 25-year-old young man and a production line employee at TCL, got the message that his father was unfortunately diagnosed with T-cell lymphoma and was in urgent need of chemotherapy, which was expected to cost 400,000 RMB. At this critical moment, a

colleague recommended Wang to try company's "employee loan". After connecting with customer service, Wang Kunhu soon received a call back from Mr. Lai, TCL Employee Loan Account Manager. With the help of Mr. Lai, Wang received his first 100,000 RMB of employee loan within 2 hours. "The moment I got the money, the world lit up." The TCL employee loan was like the warm sunshine of spring that lighting up his family and igniting the sparks of hope.



➤ Care to Overseas Employees

Taking the advantages of globalisation, TCL TECH continues to expand its overseas business. As a result, the number of overseas companies and factories continues to grow, as is the sharp increase in the number of overseas employees. The company attaches great importance to the overseas employee rights and well-being. In addition to offering competitive compensation, the Company also provides diversified benefits and welfare, organizes various trainings and art and sports activities to enhance employees' sense of belonging and attract global outstanding talents.

2.4.2. Employee Diversity and Equal Opportunities

TCL TECH adheres to the equal and non-discriminatory employment policy and formulates a labour handbook to guarantee the equal, inclusive and diverse culture of workplace. The Company will not treat employees differently based upon gender, age, race, religious beliefs and disabilities. TCL TECH respects individual differences, embraces diversity, and provides equal employment and fair development opportunities to all employees.

Indicator	Performance
Ratio of female employees	27.22%
Number of the disabled	22
Number of minor groups	4,779
Ratio of female in management and professional categories	31.3%

Ratio of female executives	22%
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2.4.3. Occupational Health and Safety

TCL TECH adheres to the concept of "People First, Safety First" and continues to improve the management of employee health and safety, ensuring a safe production environment through various occupational health management mechanisms, and conducting a series of trainings to ensure employee health and safety. By the end of 2021, all TCL TECH major subsidiaries have obtained the upgraded ISO45001 certificate. No safety accidents with serious injuries happened throughout the year.

● Occupational Health Management

TCL TECH follows the *Prevention and Control of Occupational Diseases Law of the People's Republic of China* and develops various occupational health management systems to provide good working environment and occupational safety for its employees.

Indicator	Performance
Health check and health record coverage	100%
Number of occupational diseases	0

● Safety Production

Following national safety regulations such as the *Production Safety Law* and the *Fire Protection Law of the People's Republic of China*, TCL TECH enhances the company's production safety system in terms of management, equipment and facilities, employee safety awareness, etc.

Indicator	Unit	Performance
Safety production investment	ten thousand RMB	10674.85
2021 major safety incident	number	0
Death on duty	person	0

➤ Safety Production Management

To ensure the effective implementation of production safety management, TCL TECH has developed regulations such as the *Code on Production Safety Management*, the *Code on Production Safety Performance Assessment* and the *Production Safety Incident Emergency Response Plan*. In terms of safety production management, TCL TECH has established a Safety Production Management Committee (Safety Committee) and a Safety Production Management Committee Office (Safety Committee Office) to oversee

the company's safety production management and control system.

TCL CSOT follows TCL TECH's initiative, pays particular attention on safety production, issues various safety management regulations, and apply the *Code on Safety Production Performance Assessment* to various factories and departments. In addition, the company incorporates safety management into the performance assessment of middle-level management. The company sets up a two-way communication mechanism: clerks and inspectors, and the inspectors are responsible for regular inspection and implement safety related issues to enhance safety awareness.

TCL Zhonghuan combines various occupational health and safety production laws, regulations and standards and formulates its own safety management manual and company management regulation. The company also set safety production objectives, monitors and measures the implementation of safety system to enable effective operation and continuous improvement.

➤ **Safety Production Inspection**

All TCL TECH subsidiaries have established a regular hidden danger inspection management system. Every factory has designated safety management personnels at all levels to conduct safety inspections in each area on a daily, weekly, monthly, quarterly and holiday basis, and follow up on the rectification of potential safety hazards. Through safety inspection and screening of safety risk points, safety hazards can be prevented in prior.

In 2021, TCL CSOT accelerated the improvement on safety issues and carried out 48 inspections of various types. All factories are optimally divided into 1,609 segments with clear responsibility division, as well as the 117 stairs. The company strengthens the inspection of the weak segments and improves 123 segments with potential safety hazards. In addition, TCL CSOT carried out the management and control of electrical and special gasification systems, and organized special inspections of laboratories, supports and hangers, gas, packaging materials, and sewage pools, and the rectification rate of defects reached 100%. In 2021, the coverage of potential safety hazards investigation and rectification of TCL Zhonghuan is 100%.

➤ **Ensure Safety Production**

TCL TECH subsidiaries continue to improve safety production measures, optimize and increase safety equipment and facilities in the workplace, and carry out refined management and control of safety production. All subsidiaries of TCL CSOT are equipped with first-class safety equipment and facilities at home and abroad, such as automatic fire alarm system, CO₂ automatic fire extinguishing system, VESDA system, TGMS system, etc., and provide employees with safe and reliable personal protective equipment. TCL CSOT uses HAZOP, SFMEA and other risk identification and evaluation tools to analyze the risks in the manufacturing process, and formulates corresponding management and control measures. Moreover, it also actively carries out risk visualization management, formulates CSOT overall safety management improvement

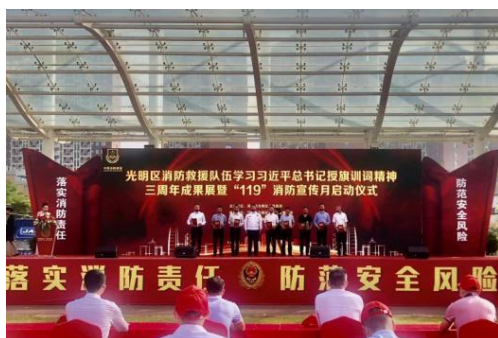
plan, and comprehensively improves the safety management level from the five aspects of man, machine, material, method and environment.



TCL Zhonghuan launched a safety production information management platform, which is divided into group, regions, sectors, and company ports. It includes 10 management modules, 38 sub-modules, and 80 specific work tasks and the six core functions include: visualization of basic information for safety production; real-time plans and tasks delivery, and real-time traces of the whole process; professional risk identification and control, forming a risk database; hidden danger investigation and dynamic management and control of special tasks; real-time collection of system safety information, establishing a big database; as well as expert team regular identification of safety production laws, regulations and standards, setting up a safety think tank. These functions have solved key and challenging problems such as real-time safety supervision of factories at many places, hidden danger data trends analysis, etc.

➤ **Build Safety Production Culture**

TCL TECH regards safety production promotion and education as the fundamental to manage safety production, and enhances employees' safety awareness through various activities. In 2021, the Company led all subsidiaries and conducted 31 activities, such as safety month campaign and fire protection month campaign, in various forms, covering 29,565 person times.



In 2021, TCL CSOT carried out 27 safety trainings, reaching a total of 230,000 person-times, of which 7,684 people in 10 batches of senior, middle and frontline management have passed the training. 9,108 people have participated in the online training, and the return training rate is 97%. 248 professional and technical trainings and 198 safety courses were organized.



In 2021, TCL Zhonghuan successfully achieved various safety production goals. 11 production sites carried out a total of 709 safety trainings and 271 safety drills, and the employee participation rate reached 100%.

2.4.4. Employee Development

In order to continuously enhance the internal driving force on innovation and development, TCL TECH is dedicated to empowering employees, providing training opportunities equally to every employee to support build up their career path.

● Talent Recruiting

TCL TECH believes that talent is the root of an enterprise. The Company has always adhered to the talent concept of "people first for global leadership", continuously recruit and gather global outstanding talents, and increases investment in talents to build a pool full of talents.

➤ Campus Recruitment

Since its establishment, TCL TECH has carried out large-scale campus recruitment for 25 consecutive years, attracting more than 30,000 outstanding university students. TCL TECH attaches great importance to talent screening and talent trainings. Senior management has attended campus career talks for many times, introducing corporate strength and future prospects. In 2021, the Company conducted campus career talks to more than 20 cities across the country and opened more than 80 positions, offering nearly 2,600 employment opportunities for universities across the country.



TCL CSOT 2022 Campus Recruitment Offer Party



TCL CSOT 2nd Campus Recruitment R&D Vlog Competition

➤ **School-Enterprise Cooperation**

In addition to campus recruitment, TCL TECH has established close ties with many universities across the country to open up potential talent recruiting channels. Up to now, the Company has established TCL Creative Clubs at 9 universities across the country, providing a broad platform and opportunities for the all-round development of college students by providing financial and program support.

TCL CSOT Open Day Activity

In order to enhance professors' and students' knowledge and recognition of Shenzhen and TCL, TCL CSOT organizes regular Open Day activities for universities every year, and invites professors and students to visit TCL CSOT at Open Day activities at winter and summer vacations, which is quite conducive to attract outstanding talents from camps and pour vitality into the company.



Professors and students invited to TCL CSOT Open Day

➤ **Internal Reference**

As a high-tech manufacturing enterprise, diversified high-quality talents are the core driving force for the company's sustainable development. TCL TECH highly encourages all its employees to recommend outstanding talents to the Company and its subsidiaries. In 2021, the company further expanded the scope of internal references and raised the rewarding standards. Attractive rewarding rules were set up for different positions of different industries. The enthusiasm of outstanding talents references kept on rising, and thus attracting more outstanding talents for better company development.

➤ **Internal Human Resources Market**

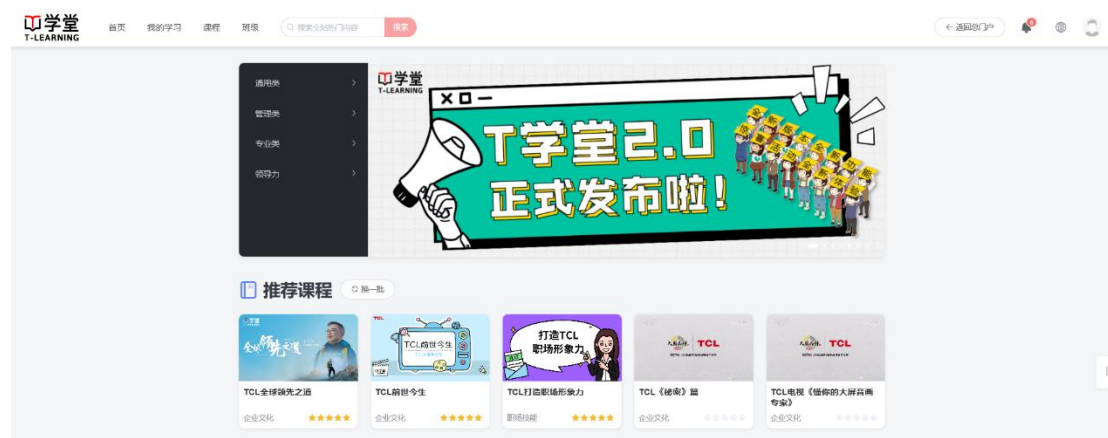
TCL TECH believes that talents are the common resources of the Group, and the Company encourages the best talents to serve where it needs them most. In order to stimulate corporate vitality and expand employee career channels for the best use of talents, TCL TECH has established an internal talent market and related mechanisms. Since TCL TECH issued the *TCL Internal Human Resources Market Management* in 2019, the Company continued to refine the rules and optimize the internal recruitment platform. Various subsidiaries have carried out internal talent recruitment activities in an orderly manner, while adding new recruitment channels for corporate recruitment and expanding the career development channels of employees. As a result, the Company realizes a win-win talent strategy and provides guarantee for the realization of corporate long-term goals.

● **Talent Training**

In order to continuously optimize the internal talent system, TCL TECH has established an all-round and multi-level training mechanism through T Academy, CSOT Academy and Zhonghuan Academy. In 2021, TCL carried out a total of 20 training programs to support the sound development of the “Eagle” talent training system. This system has been a mature talent training system over the years – starting from "Young Eagle", it builds leadership program and high-potential talent training system from "Young Eagle", "Flying Eagle" and "Strong Eagle" to "Crown Eagle".

➤ T Academy

In 2021, T Academy carried out a number of talent training projects, such as the senior backup training project - Phases 4 and Phase 5 of Soaring Plan, the middle-level leader training project –Phase 13 and Phase 14 of Strong Eagle Project, Flying Eagle Plan, new appointment projects, etc. The annual training covers thousands of people. In 2021, the Company improved the online learning system and easier access to training courses so TCLers can be spared from location or time and participate in trainings more conveniently.





Senior Management Reserve Training “Soaring Plan”

Project Goal: to develop a strategic reserve team with a global perspective

Training concept: from training talents to managing talents

Training form: talent inventory and evaluation + systematic GDP + personalized IDP + practical project + executive companion reading + rotation assignment + shadow learning + benchmarking study tour



Project Value: the “Soaring Plan” aims to discover and develop high-potential talents, and explore an effective reserve talent training model. The project builds a common language for talent selection, evaluation and development that starts with the end, is guided by standards. It also leverages senior executives’ practical actions for the cultivation of reserve talents. After years of exploration and practice, we have summarized a set of model "5D1S" as the main idea for project design and implementation. The “Soaring Plan” is not only a simple talent training, but strictly runs through the closed loop of "selection, training, development and appointment".

In 2021, the fourth phase of “Soaring Plan” completed the overall learning and

graduation camp of the two module courses – digitalization, leadership and financial management. The fifth phase of “Soaring Plan” completed the gathering of 27 employees and conducted the team building at the Inner Mongolia camp and finished the second module of strategic training. The average course satisfaction is 4.9. During the mean time, the Company established an online reading and sharing mechanism, and organized 3 activities to enrich the employee knowledge sharing system.



Strategic Talent Training Model

Middle-Level Management Training “Strong Eagle Plan”

Project Goal: to train a group of middle-level managers with good quality, excellent achievement and high performance

Training Concept: learning transformation, performance improvement, combination of theory and practice, cognitive improvement

Project Value: Personalize and customize trainings for middle-level management talents based on specific and clear job requirements. Through special trainings, role play and other methods, the project aims to enhance capability development, increase talent density, and promote organizational performance improvement.

The fourteenth phase of “Strong Eagle Plan” has a total of 90 employee students. During the training period, they completed four module courses: role recognition, strategy decoding and implementation, business thinking, and R&D and sales system construction. The average course satisfaction was 4.65. There are 21 topics for performance improvement, covering 3 major industries and 5 functional modules. The students visited Zhonghuan Leading, Zhonghuan Photovoltaic, t6 of Shenzhen CSOT, t10 of Suzhou CSOT, Maojia, etc. During the project, 7 people were rotated, 5 people promoted from GGS, and 2 people promoted to director-level.



In 2021, TCL TECH talent training schemes pay more attention to the training of business talents and adjust the training courses to be close to business scenarios, and focus on business value. The role recognition project to empower key positions is carried out by the Learning and Development Team of Organization Department. Through project pilot, the Team gradually internalizes the methods and experiences of role cognition and promotes these tools to more business units for talent trainings of key positions.

The Company empowers key positions through special trainings and role recognition to delivers high-quality talents. The projects conducted include strategic trainings, role cognitive empowerment for regional sales, technology related series trainings, construction and operation of human resources series courses. Meanwhile, TCL TECH has established an independent evaluation system for technical and skilled talents. Through the selection of the First Batch of Enterprises Implementing Skills Training Program for One Millions Workers in the Strategic Industrial Cluster Program of the Guangdong Provincial Department of Human Resources and Social Security, more than 2,000 front-line employees have applied for skill certification.

T Academy

In 2021, T Academy, TCL's online learning platform, has completed the 2.0 stage development, realizing the sharing of industrial courses and lecturer resources. The platform bears user-centered concept and continuously improves system functions to create an innovative experience of knowledge, functions and interaction. The number of T Academy users is more than 50,000, and the average learning time of each user is 8.04 hours. The online courses cover leadership, professional skills, and common knowledge. Currently there are 2,383 courses.



T Academy 2021 Key Performance	
Indicator	Performance
Total training investment (ten thousand RMB)	380
Total number of participants (person)	28,224
Offline training (hour)	11,607
Online training (hour)	3,208

➤ CSOT Academy

Driven by the company's vision and mission, CSOT Academy develops a "one base, two pillars and two wings" education and development system to support the global leading business. The Academy sets up respective systems for management, new employees and technicians. TCL CSOT consolidates resources, organizes employee trainings and establishes employee development system, to support the growth of overall CSTO business.

Management Training (Eagle System Talent Training Plan)

For the four positions of Division Manager, Department Director, Director and General Manager, corresponding reserve trainings are carried out every year. As for the series of new appointments trainings, the Plan combines theory with practice, emphasizing the role cognition, driving behavior change, improving performance, and building capacity of management, to support the implementation of corporate strategy.

New Employee Training

According to the company's talent strategy, the “young eagles”, usually derived within the company, need accelerating trainings and stimulation to raise the success rate. CSOT establishes a three-year training system for “young eagles” with "two wings in one" mechanism, so as to achieve the goal of rapid development of “young eagles” and increased talent reserves. The trainings include the “young eagles” trainings upon enrollment and “young eagles” that are at the post within one year, the "starting" training camps “young eagles” at post for 2 to 3 years, and the "starting plus" training camps at post for 3 to 4 years. The trainings are carried out on a regular basis every year, aiming to improve new employees’ competency as soon as possible and

consolidate the foundation for company's talent development.

Technician Talents Training

CSOT Academy, together with colleges, institutes and CSOT business units, respectively provides various empowerment and training measures for technician talents. The Academy also cooperates with tutors to support technicians' on-the-job trainings, to promote the rapid and steady development of professional talents. The training system is guided by job responsibilities and ECP standards, with study maps, resources, and relevant mechanisms as the cornerstone, and on-the-job practice as the main axis. The projects includes digital flag-bearer training camp to support the company's digital transformation, project management training camp to support the company's key business units, product manager special training camp, and the ISC expert trainings.

TCL CSOT "One Week for One Method" Training

In order to promote efficient working methods and improve internal work quality, TCL CSOT launched the "One Week for One Method" activity, expecting employees to acquire one new work method every week. The activity was held for 22 sessions, providing employees with a variety of learning methods.

TCL CSOT Digital Flag-Bearer Training Camp

The TCL CSOT Digital Flag-Bearer Training Camp aims to integrate digital operation and business management, help the company achieve the goal of digital transformation, and support the implementation of the company's digital strategy. This training camp brought together nearly 120 employees from Shenzhen, Wuhan and Suzhou, covering six key functions of R&D, sales, manufacturing, supply chain, finance and human resources. Until now, the training camp has completed the first phase of empowerment learning, and the participants have initially built a digital knowledge system.

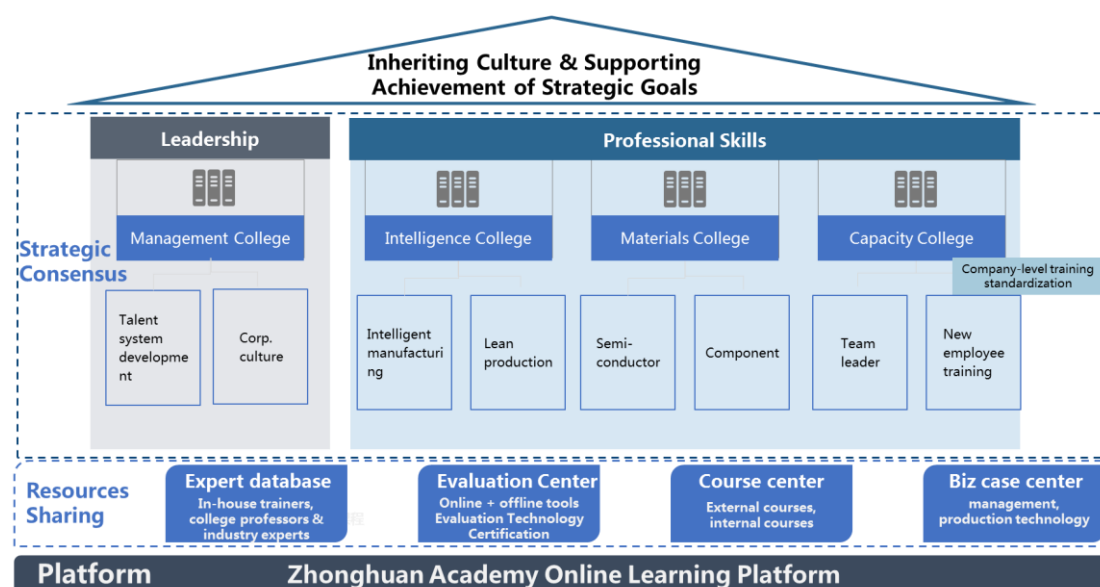


In order to improve the efficiency of knowledge management and reduce the cost of offline learning, CSOT Academy has developed Starway Academy, an online learning platform. Now CSOT Academy has 1 online learning platform and 2 recording classrooms, which can implement more than 8 types of trainings according to teaching needs, such as recording, live broadcasting, and interviews.

CSOT Academy 2021 Key Performance	
Indicator	Performance
Total training investment (ten thousand RMB)	1,284
Total number of participants (person)	37,635
Total participant training hours (hour)	718,473

➤ Zhonghuan Academy

In order to establish a sound training system, inherit corporate culture, and support the achievement of the company's strategic goals, TCL Zhonghuan established Zhonghuan Academy, which includes four major colleges and eight training modules.



The four colleges are: Management College, Intelligence College, Materials College, and Capacity College. On the basis of strategic goals, Management College focuses on leadership development and is charge of building corporate overall talent pool and promoting corporate culture construction; Intelligence College, Materials College, and Capacity College focus on professional development. In addition, Zhonghuan Academy has established a sharing center with rich resource, including expert database, evaluation center, course center, and business case center, to help accumulate best practices and experiences. The online learning platform of Zhonghuan Academy is an

important starting point for the company to build a learning organization, and it can also provide support for the resource sharing of various industries and its subsidiaries.

- **Career Development**

TCL TECH adheres to the concept of "making the best use of talents ", regularly update talent career development channels, and continuously promote the dual development of management and technical professionals.

- **Refine Qualification Management System**

In order to stimulate the rapid development of employees to meet business needs, the Company carried out sorting on talents and their positions in the R&D sequence, defined the employment standards in the fields of hardware, software, structure, display and other technical fields, specified employee promotion requirements. The Company fully supports the cross-section talent transfer of similar industries, which lays a solid foundation for the retention, incentives and mobility of R&D talents.

- **Management Rotation Mechanism**

In order to enhance corporate vitality and optimize talents structure, TCL TECH encourages management rotation and employee cross-functional exchange in a proactive approach. TCL TECH continues to promote the "Living Water Plan", establishing an open mobility platform for employees to flexibly rotate across industries, departments, and functions, and eliminating obstacles of job rotation from previous department or line manager for friendly rotation atmosphere.

- **Internal Open Competition**

The sound recruitment and training mechanism enables TCL TECH with higher confidence in internal talents. The proportion of talents cultivated within the company is set as a key talent indicator and internal employees will be given priority for the succession of core management positions. In addition, TCL TECH is also continuously strengthening the implementation of the "Eagle Plan" trainings, providing open promotion opportunities for employees at all levels through internal open competition, so that employees with strong willingness, capability and potential find breakthrough for better development.

2.4.5. Employee Care

TCL TECH is committed to creating a benign working environment and providing a rich variety of employee activities with the philosophy of "happy work and healthy life" to enhance employees' sense of happiness and belonging. To celebrate the 40th anniversary of TCL TECH, in 2021, the Company carried out a series of online and offline employee care activities.

- **Employee Art and Sports Activities**

In 2021, to enrich employee after-work life and support employee health and well-being, TCL TECH Trade Union carried out splendid activities such as Female Image in the Workplace Online Training on Women's Day, the 4th labor skills competition, the 7th badminton competition, the first men's basketball competition, and the first e-sports competition. The Company also encourages trade unions and art and sports association of all its subsidiaries to conduct employee activities.

TCL TECH “Yi Jianlian” Cup Basketball Game

From August 28th to 30th 2021, to promote corporate exchange and enrich employees' lives, TCL TECH held the first employee men's basketball game at the TCL International E City Basketball Hall and nearly 200 employees of 16 corporate teams, including TCL Zhonghua, TCL CSOT, Maojia, participated in the Game. Basketball Star Yi Jianlian was invited to the final as the guest of honor. The event was live broadcasted via different online platforms such as TCL+ WeChat mini program, T Chat, TCL video account, with a total of more than 800 views.



CSOT Art and Sports Association

In 2021, the TCL CSOT Art and Sports Association is further expanded, and already has a total of 18 sub-associations, including football association, basketball association, mountaineering association, swimming association, badminton association, dance association, photography association, table tennis association, tennis association, winter game association, cycling association, roller skating association, marathon association, calligraphy association, literature association, AI brain association, yoga association and public speech association. In addition, the Association also held 12 major events including community visit, Women's Day, Cheering Run, badminton competition, Dragon Boat Festival activity, anti-pandemic activities, workplace trainings, youth networking, skills competitions, film watching, and new year celebration.



Pass on TCL Zhonghuan Corporate Culture

Based on 63 years of corporate culture accumulation, the company has established a comprehensive set of corporate culture system, with "people-oriented" as the core, "environmentally friendly, employees love, society respects and customers trust" as the vision, and "engineer culture, entrepreneur mentality, three negatives, and Change is better" as the values. The company establish business management concepts, talent management principles, organizational management principles and business management principles according to the corporate culture system, which plays a leading role of guiding and regulating employee positive and negative behaviors.

In addition, TCL Zhonghuan takes the WeChat account, role model demonstration, upgrading of corporate culture IP, and corporate culture activities as the starting point, the company runs Happy Zhonghuan WeChat account, launches "Zhonghuan People" column, launches "Three Cups of Coffee" activity, upgrades the IP image of Huanhuan 2.0 version, creates corporate IP emojis, designs corporate culture related products and organizes family open day activity, so as to explore new communication channels that cater youth taste for effective implementation of corporate culture. Guided by corporate culture, TCL Zhonghuan stimulates corporate vitality and enhances employee happiness, pouring vitality into the high-quality development of the company.



- Care for Employee Life

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

TCL TECH is dedicated to develop a diversified employee service system, and has established 6 Homes of Employees, 1 employee service station, 5 Model Worker innovation studios, 6 infant rooms, 1 employee psychology service center, 9 labor union legal counsel stations, and 2 labor relations monitoring centers. The Company organizes Party member Spring Festival visit activities and offer allowances to employees in difficulty. The home visit helps the Company better understand the living conditions of employees in difficulty and help solve their actual problems.

In 2021, TCL TECH provided assistance to 1,727 employees in difficulty, with a total support of 61,200 RMB. Meanwhile, the company actively responded to national, provincial and municipal federations of trade unions, and supported Company trade union to participate in various assistance activities such as “send coolness in summer”, “help students in autumn”, and “send warmth in winter” to help employees in difficulty. Moreover, the Company finds every mean to obtain assistance from government and society to alleviate their stress.

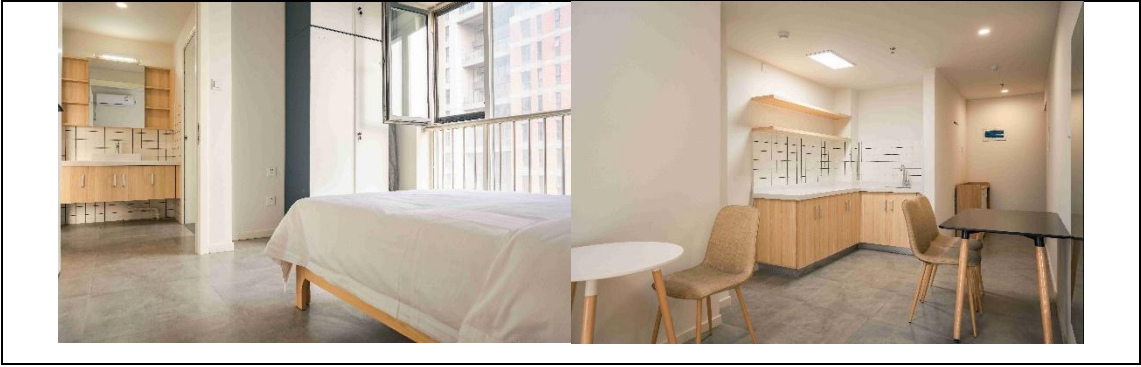
Female Employee Care

TCL TECH has set up 6 "infant rooms" at the Group Headquarter and subsidiaries to provide services for female employees in special times. The company conducts hospital visits and provides maternity allowance to female employees, showing a good corporate culture of people care. In addition, the company organizes cervical and breast cancer screening for female employees every year, and provides mental counseling to female employees.



TCL Zhonghuan Staff Dormitory Upgrading

The company carried out the upgrading of staff dormitory in 2021, and the first phase dormitory upgrading of Yixing factory and Tianjin factory was finished. Currently, the Yixing factory provides 642 white-collar apartments for 562 people and 668 blue-collar apartments for 1,900 people, while the Tianjin factory has upgraded 521 dormitories for 1,424 employees.



2.5. Contributing to Society and Engaging in Community Service

TCL TECH regards public welfare and community services as important part of the company's sustainable development, and actively participates in public welfare initiatives, continuously invests in public welfare, carries out various public welfare projects, and advocates public welfare culture to promote the national strategy on rural revitalization and common prosperity.

2.5.1. TCL Foundation

In 2012, Shenzhen TCL Foundation, initiated by Chairman Li Dongsheng of TCL TECH, was officially registered and established. "Pursuing public interests and promoting social progress" is the core value of Shenzhen TCL Foundation. TCL Foundation bears the philosophy of "follow Chinese constitution, laws, regulations and national policies, provide educational and development opportunities for the vulnerable groups and seek community healthy development and environmental sustainability", and is devoted to three major public welfare areas of poverty alleviation, student assistance, and disaster relief.

Indicator	2021
Annual income of TCL Foundation (RMB)	62,997,082.44
Annual donation income of TCL Foundation (RMB)	62,422,925.50
Annual expenditure of TCL Foundation (RMB)	50,770,611.86
Annual expenditure for public welfare of TCL Foundation (RMB)	49,545,862.34
In 2021, TCL Foundation's public welfare expenditure accounts for 97.59% of the foundation's total expenditure	

● "A.I. Back Home" Project

In order to strengthen the emotional connection between the left-behind children in rural areas and their parents who work at different places, in 2019, TCL Foundation cooperated with TCL Industrial Research Institute to develop and design the "Eagle" story robot with AI technology. The story robot simulates the voices of parents to tell stories for children when their parents can accompany them. In 2021, TCL Foundation upgraded the project and launch a WeChat mini program - "Eagle Listen", which integrates AI technology to customize parental voices with different background settings. At present, the mini program has included thousands of children growth stories and

hundreds of world famous songs. In addition, the mini program can connect to the "Eagle" story robot and "Xiaoxue" music robot via mobile phone Bluetooth for intelligent interaction.



➤ "Eagle Story Club"

As an extension activity of "A.I. Back Home" project, the "Eagle Story Club" drives the participation of the whole school on a class basis. Considering language learning needs of pilot classes, "Eagle" story robot is used to select appropriate stories to introduce famous Chinese and foreign literature to the children in the form of story clubs. In August 2021, the third batch of "Eagle Story Club" were carried out in 4 pilot schools in Anhui, Shaanxi, Sichuan and Hunan province.

In 2021, the "Eagle" story club project was conducted in 14 rural pilot schools of 9 provinces. A total of 50 "Eagle" story robots were distributed, benefiting more than 2,000 rural children.



Eagle Story Club

➤ "Eagle Listen"

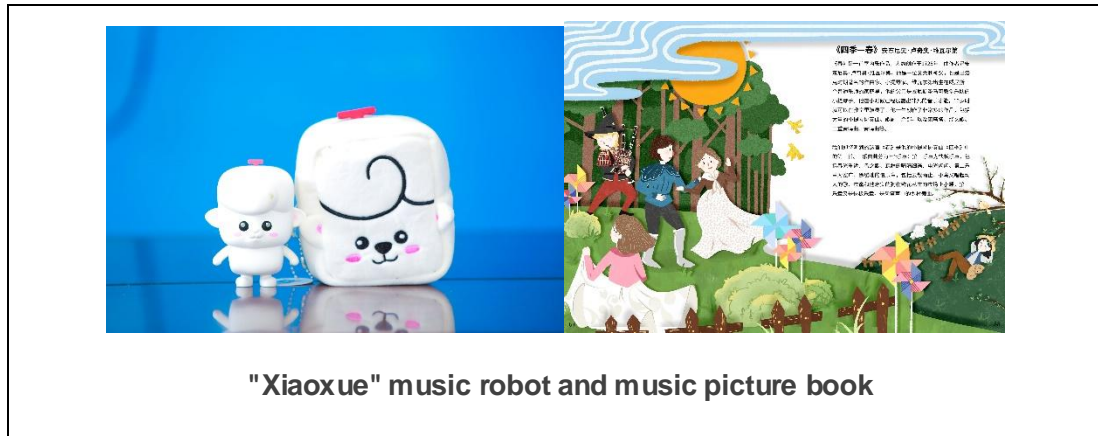
In 2021, the "A.I. Back Home" project developed the "Eagle Listen" mini program. "Eagle Listen" is a WeChat mini program that integrates artificial intelligence (A.I.) technology to customize parental voice to tell story and play music. It has built-in industry-leading ASR and voiceprint recognition technology, and supports users to use the recording function for AI synthesis voice simulation and thus listen to the stories from mini program with simulated voice. Up to now, nearly 1,000 people have used the mini program to record their voice.



"Eagle Listen" mini program

- **"Little Musician+" Project**

TCL Foundation and the Central Conservatory of Music Education Foundation initiated the "Little Musician+" project and developed the "Xiaoxue" music robot to provide children who lack of music resources with famous Chinese and foreign music and its appreciations, aiming to enrich the music resources of primary schools in rural areas and inspire every child to be positive and optimistic by the power of music to. In 2021, the project visualized the famous Chinese and foreign songs in "Xiaoxue" music robot, and designed music picture books to help rural children understand the connotation of music and enhance their imagination.



➤ **"Xiaoxue Music Class"**

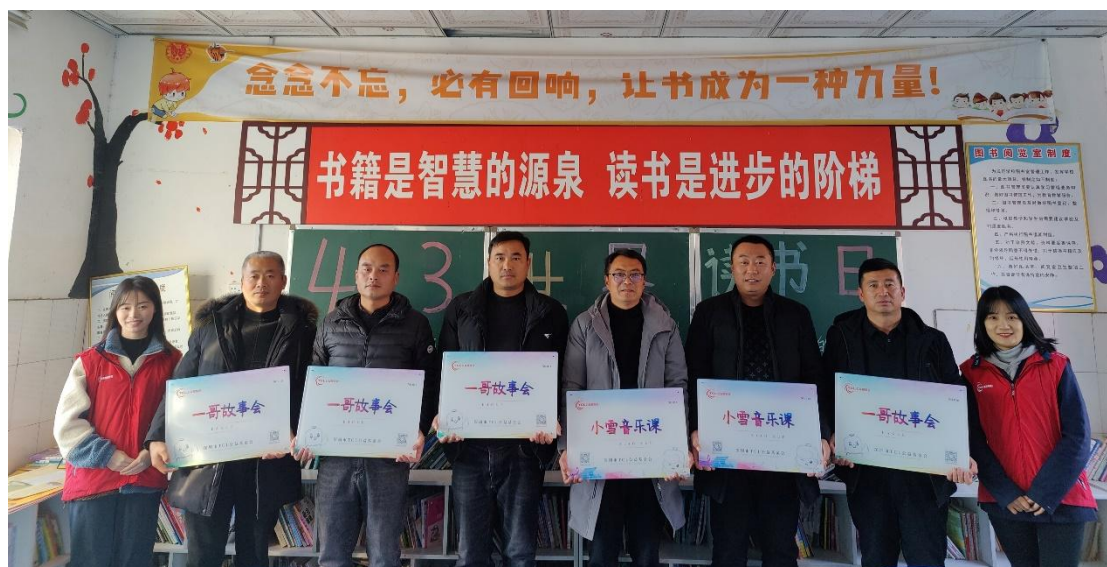
In 2021, the "Xiaoxue Music Class" project added 5 pilot schools from 5 provinces including Anhui, Jilin and Shanxi. In all, the project was carried out at 13 schools of 10 provinces across the country, and a total of 50 "Xiaoxue music robots" were distributed, benefiting more than 3,000 students.



Xiaoxue Music Class

In the first half of 2021, "Eagle" and "Xiaoxue" participated in the founding ceremony of the pilot schools in Heilongjiang and Inner Mongolia. Project team visited the "Xiaoxue Music Class" and "Eagle Story Club" in Qiqihar Minority Primary School in Heilongjiang. In the second half of the year, the founding ceremony of the pilot school was held in Sui County, Henan Province. Project team visited Xiangyang Primary School in Sui County,

conducted a seminar with the headmaster of 7 schools in Sui County to brainstorm the future implementation and new ideas for "Xiaoxue Music Class" and "Eagle Story Club".



● TCL Project Hope Candlelight Award

TCL Project Hope Candlelight Award was jointly established by Shenzhen TCL Foundation and China Youth Development Foundation. The award aims to recognize rural teachers who have worked hard in the front line of rural education, demonstrate their morality and professional dreams, encourage more outstanding teachers to take root in rural education, and promote the development of rural education.

In 2021, the 7th TCL Project Hope Candlelight Award selected 524 qualified rural teachers to enter into the final review session after several rounds of registration, data screening and information verification. Eventually, 400 outstanding rural teachers were selected by judge jury committee, and each of the winner teachers will receive a personal reward worth 8,000 RMB, which is composed of direct cash reward and 7-day offline Candlelight Classroom trainings. In October, the grand ceremony of honor with the theme of "Dare to Love with Candlelight and Joint for Rural Revitalization" was successfully organized at the Sky Vault Theater of TCL International E City. Nearly 100 representatives of award-winning teachers participated and received the honors.



- **Candlelight Micro-Load**

In order to address the financial needs of rural teachers and their families in major diseases, household living consumption, skills training, TCL Foundation and TCL Financial Group jointly launched the Candlelight Micro-Loan public welfare project, aiming to improve the quality of life of front-line rural educators with the innovative method of “public welfare plus finance”, and in the long run support the development of rural education. In 2021, "Candlelight Micro Loan" has received nearly 20 applications from rural teachers and provided loans of nearly 300,000 RMB to 6 teachers.

2.5.2. Huameng Foundation

The name of Huameng derives from “Charity to support China and Sprout with love”. Huameng Foundation was initiated and founded by Mr. Li Dongsheng, Founder and Chairman of TCL, and his wife Madame Wei Xue. Huameng focuses on educational cause, closely follows government education policies, and promotes quality education. Huameng provides scholarship funding to establish a comprehensive quality training system and highlight programs are "Huameng Star Class", "Huameng Summer Camp", "Graduation Farewell Party", "Huameng Alumni Network". Music education are lately added in Huameng training system.

By the end of 2021:
A total of 1,195 students have been sponsored.

- **Huameng Class**

"Huameng Class" aims to support excellent high school students in poverty-stricken areas to successfully complete their studies to further their education in universities. The project provides each supported high school student with 8,000 RMB per year for tuition fee and living expenses, and after the overall assessment, provides additional College Dream Scholarship of 23,000 RMB for each Top 10 student from "Huameng Class". With

the "Star Class", "Summer Camp", "Graduation Farewell Party", and "Alumni Network", Huameng establishes a comprehensive quality training system to improve Huameng students' overall quality, help them grow in an all-round way, and broaden their horizons outside the classroom.

As of December 2021, "Huameng Class" has funded a total of 1,183 high school students from poor families with excellent performance, of which 210 students have won the College Dream Scholarships. The students from "Huameng class" have achieved excellent grades – the overall undergraduate enrollment rate is 92%, and the enrollment rate to key universities is 55%. Among them, 438 students were admitted to 985/211 universities including Tsinghua University, Peking University, Renmin University, and Fudan University.

Content	2021
Number of high school freshmen funded by "Huameng Class"	50
Number of total high school students funded by "Huameng Class"	247
Number of current university Huameng students that won the College Dream Scholarships	110
Number of Gao Zhaojun Teaching and Student Scholarship	90

Huameng Alumni

In order to pay ongoing attention to Huameng students and provide them with a platform for exchange, learning and resource sharing, the Huameng Alumni Network was setup in January 2021. The Network is divided into five chapters by region, and more than 500 Huameng alumni have joined. Up to now, the Alumni Network conducts online and offline activities such as visit to Wuhan CSOT, Jinsha Site Museum visit, renowned teachers online sharing sessions, etc.



Mid-China Branch of Huameng Alumni Network visited Wuhan CSOT

Huameng Star Class

In October 2021, Huameng Star Class was held at Dali No. 1 Middle School. Ms. Liu Biling, the sixth-generation inheritor of cloisonné enamel painting, a precious intangible cultural heritage, was invited and interacted with students and guided students to make the cloisonné enamel painting. Huameng Star Class hopes that through this learning and experience, students can understand the charm of intangible cultural heritage, so that more people can participate in the inheritance of excellent traditional culture.



2021 Huameng Star Class at Dali No. 1 Middle School

Outstanding Huameng Students Salute to "May 4th Youth Day"

"Youth have responsibility, so their country has strength". On the "May 4th Youth Day" in 2021, Huameng students demonstrated their confidence and responsibility for shouldering social mission and uniting youth power in the form of videos. They are not only determined to pursue their dreams, but also have the courage to put them into practice. Every Huameng student incubates their ideas into practice and push forward social development with their power.



Youth Speech from Outstanding Huameng Students

- **Music, Dream and Exchange**

In order to better help outstanding students who lack of international exchange opportunities to realize their music dreams, and take music as connection to promote cultural exchanges, in 2019, Huameng and the Central Conservatory of Music jointly launched the "Music, Dream and Exchange" project, which has funded 12 outstanding music students at home and abroad for exchange study.

In 2021, TCL celebrated its 40th anniversary. In the special 40th anniversary concert, outstanding graduates of the "Music, Dream and Exchange" project presented a wonderful and professional performance to demonstrate Huameng spirit. In addition, at TCL 40th Anniversary Commendation Ceremony, Huameng students from the Central Conservatory of Music made singing performance at the charity session present their best wishes to TCL.



Photo of guests and the orchestra at TCL 40th anniversary special concert

2.5.3. Build Harmonious communities

TCL TECH is enthusiastic in community investment where it is located and endeavors to contribute to community development. In order to provide a more comfortable living environment for patient orphans, in 2021, TCL Charity Foundation donated 37 air-conditions, worth of RMB 270,000, to the patient orphan care project of Shanghai Child Care Center initiated by Aiyou Charity Foundation.

Support Rural Revitalization and Educational Support

Yanchuan County is affiliated to Yan'an City, Shaanxi Province. Although it is off the list from poverty-stricken counties, the study conditions here are still very poor. Knowing the situation, TCL TECH, together with several other caring companies, donated a total of 144 lighting lamps for 22 classrooms and 12 offices for phase one teaching building, as well as eye protection lamps and intelligent office systems for conference rooms to Nanguan Primary School in Yanchuan County. For the phase two teaching building, the Company donated eye protection lamps, blackboard lamps and switch panels for 17 classrooms and a 220-square-meter lecture hall to support rural revitalization cause of Yanchuan county, support Yanchuan educational development, and make sure that children can study in light and healthy environment.



2.5.4. Employee Volunteer Activities

TCL TECH support employee volunteer activities. After years of experiences, good atmosphere for volunteer activities has been formed. TCL TECH actively encourages employees to participate in voluntary activities and contribute to building a better society together.

Rose Initiative

In 2021, TCL TECH carried out the "Rose Initiative" and invited TCL TECH employee volunteers to visit rural teachers who have been preliminarily selected for "TCL Project Hope Candlelight Award", understand the project situation and find out the actual living conditions of rural teachers. In addition, volunteers are encouraged to share the moving stories of front-line teachers and call for attention to rural education and care for rural teachers. For the visit of Rose Initiative, more than 40 volunteers from TCL CSOT and other subsidiaries formed 20 groups and visited more than 10 regions including Shanxi, Hebei, Gansu, and Yunnan, and visited 25 front-line rural teachers in total.



3. Governance: Excellent Governance to Consolidate the Foundation of Operation

As one of the first batch of 9 internal control pilot companies of the Guangdong Securities Regulatory Bureau, TCL TECH has regarded corporate governance as the cornerstone of corporate development since its listing, and is keen to the completion and improvement of the internal control system. At present, TCL has established an organizational structure that meets the company's business scale and operation by setting up responsible departments and positions, scientific planning of their job responsibilities, forming an internal control system in which each performs its own duties, bears its own responsibilities, cooperates with each other, and restricts each other. TCL TECH sincerely fulfills its obligation of information disclosure as listed company, fully communicates with investors and other important stakeholders, and continuously enhance corporate governance.

- **Well-Established Governance Structure**

TCL has established a series of mechanism including Shareholders' Meetings, Board of Directors and its affiliated committee, Board of Supervisors, and Executive Committee and formulated corresponding rules of procedure and management systems in strict accordance with the laws and regulations, such as the *Company Law*, the *Securities Law*, and the *Code of Corporate Governance for Listed Companies*. TCL's board of supervisors is diligent and conscientious and the supervisors conduct in-depth corporate research and proactively put forward management suggestions, which effectively improves the company's internal governance mechanism. TCL continuously enhances company's information disclosure management and investor relationship management through innovative management systems. The company is committed to social welfare and has set up charity foundation. These measures have made the company's governance level at the forefront of the industry

- **Comprehensive Institutional Guarantee**

In terms of management system, in 2021, TCL TECH revised relevant management such as the *Articles of TCL* and *the Rules of Procedure of the Board of Directors* to further improve the corporate governance structure and improve the company's management level.

- **Smooth Communication Mechanism**

In 2021, TCL TECH held a total of 11 Board meetings, 7 Supervisory Board meetings, and 6 Shareholders' Meetings. During the meetings, all proposals were fully discussed and voted to show respect to shareholders, reflecting Company's dedication in protecting shareholders' rights, especially the small and medium shareholders. TCL TECH organized trainings for Board of Directors, Supervisors, and Senior Executives to systematically study the laws and regulations on governance of listed company,

enhancing their risk prevention awareness and self-discipline.

3.1. Protection of Investors' Rights and Interests

Information disclosure is the core to protect the rights and interests of investors. TCL TECH attaches great importance to information disclosure, strictly abides by relevant regulations and timely fulfills information disclosure obligations to ensure the truthfulness, accuracy, completeness, timeliness, and fairness of information disclosure, continuously improving the transparency and quality of information disclosure. In order to realize the disclosure and transparency of the company's operation information to the public, the company has formulated strict *Information Disclosure Management Measure*, which unifies the content and standards of information disclosure, the process of information transmission, review and disclosure. The Measure also identifies the person directly responsible for information disclosure and his accountability, so as to systematically and timely grasp the major issues from its subsidiaries for the disclosure of group information.

While fulfilling its disclosure obligations, TCL adheres to the concept of "openness, fairness, and justice", explores a proactive information disclosure mechanism, so as to effectively protect the legitimate rights and interests of investors, conduct positive interaction with investors, and eventually gain trust from investors. The Company strengthens communication with institutional investors, media and individual investors by holding business performance conferences, organizing factory visits, conducting surveys, participating in brokerage meetings, roadshows and telephone calls, etc.

In 2021, TCL TECH held 2 on-site business performance conferences, 2 telephone performance exchange meetings, received 34 investor surveys and interviews, participated in 33 strategy meetings, and carried out 110 roadshows in Beijing, Shanghai, Guangzhou, Shenzhen and other cities. The Company communicated with almost 1,000 people from exchanges during the whole year, enhancing investors' understanding of the company's business and investment value.

TCL TECH attaches great importance to the protection of the rights and interests of small and medium investors. In the governance Board of Directors, Board of Supervisors and Shareholders' Meetings, the Company adopts a cumulative voting system when electing Directors and Supervisors. All proposals reviewed at the Shareholders' Meeting are voted online, stricter than current requirements on corporate governance to effectively protect the voting rights of small and medium shareholders.

In order to meet the information needs of small and medium investors for the company, TCL TECH sets up two investor hotlines to answer investors' questions. In 2021, TCL TECH replied to over 400 investor questions through Hu Dong Yi platform. In addition, TCL TECH set up an investor relations WeChat account to actively disseminate company's daily information, so that major investors can keep abreast of the company's dynamics.

Indicator	Unit	2021
Total number of shareholders	Account	799,609
Average number of shares held by each account	Share	17,547
Number of individual shareholders	Account	796,781
Average number of shares held by individual shareholder	Share	11,027
Number of institutional shareholders	Account	2,828
Average number of shares held by institutional shareholder	Share	1,854,405

3.2. Compliance Operation and Fair Competition

TCL TECH has established a comprehensive compliance and risk management system. The Company strengthens the implementation of internal control, strengthens information management and control, and strengthens supervision, in order to continuously improve its compliance management capabilities. In addition, based on honest operation, TCL TECH actively carries out anti-unfair competition and anti-monopoly related work.

● Compliance Operation

Compliance is a necessary guarantee for strengthening the company's internal supervision and preventing corporate risks. TCL TECH has always attached great importance to compliance operation, and gradually increases the management of compliance risks while accelerating the international business. In 2020, TCL TECH established a "Compliance Working Group" to review, demonstrate and share knowledge on the compliance of the company's business, investment and financing activities. The Company builds a systematic compliance risk assessment and response mechanism, covering TCL TECH, TCL CSOT and other entities, completes the identification and sorting of the company's main compliance risks, and provides the overall and implementation plan for the construction of the compliance management system. In 2021, the compliance work of the company has taken a substantial step, and the "Compliance (Shared) Competence Center" has been established. The Center gathers professionals from various industries, and is committed to forming knowledge accumulation, consolidating compliance work results, promoting standard work process, collaboration and empowerment, as well as resources sharing.

● Risk Management

TCL TECH draws on the experience from other leading companies, continuously optimizes business processes, improves the weakness of its original system, and builds a comprehensive risk management system to meet the company's new system and new

business needs. TCL effectively integrates internal and external data, enhances risk perception, and enables information delivery to the entire system for timely response. TCL TECH has established a comprehensive risk management system that complies with regulatory requirements, from the perspectives of improving the internal control system, strengthening the implementation of internal control, intensifying information management and control, and strengthening investor supervision, to improve compliance management capabilities and internal control capabilities.

- **Fair Competition**

TCL TECH resolutely carries out anti-unfair competition and anti-monopoly work. TCL TECH and TCL CSOT strictly abide by the relevant laws and regulations, such as the *Anti-monopoly Law*, *Law against Unfair Competition*, and the *Foreign Trade Law of the People's Republic of China*, are committed to supporting government to create a fair market environment against improper means to restrict or exclude market competition. The trade secret infringement case handled by TCL CSOT was selected as *50 Typical Intellectual Property Cases in Chinese Courts* by the Supreme People's Court.

In 2021, TCL TECH held a special anti-monopoly training at its headquarters, which introduced domestic and foreign anti-monopoly supervision and practices. In addition, TCL TECH has made declarations on domestic and foreign antimonopoly at a number of major financing investment according to the law. Four antimonopoly declarations were applied and successfully approved, covering 5 jurisdiction areas of China, the Republic of Korea, Vietnam, Turkey, and Slovakia.

Anti-Monopoly Training



3.3. Anti-Corruption

TCL TECH adopts a zero-tolerance attitude towards corruption, and strives to build an ethical system to prevent corruption and an ethical company. As for the four Company values "Change, Innovation, Accountability, and Excellence", "integrity and credibility" root first for "accountability", which clearly requires employees to keep to their promises,

and to be pragmatic, honest, and self-disciplined.

Audit Committee is set up under the Board of Directors of TCL TECH, Audit and Supervision Department is set up at the Group level as a special anti-corruption institution, and Audit and Supervision Departments are set up at key subsidiaries. As of these are responsible for promoting anti-corruption. TCL TECH follows the "three-in-one" integrity system of investigation and deterrence, institutional restraint, and warning and education, and takes "*TCL Ten Red Lines*" as the core to continuously improve the integrity and anti-corruption system, regulate employees' behaviors, and require business partners to follow high business ethics standards.

In terms of institutional system, TCL TECH established a series of core integrity management systems, such as *TCL Partner Code of Conduct*, *TCL Employees Conflict of Interest Declaration Management*, *TCL Employees Accepted Gifts Disposal and Reward Management*, *TCL Procurement Business Discipline Code*, *TCL Accountability Management*, and *TCL Confidentiality Management Regulations*. TCL TECH has adopted a systematic integrity education and training mechanism. All employees need to sign the *Integrity Commitment* when upon enrollment. Suppliers and customers are to sign the *TCL's Commitment of Integrity* or *Partner Code of Conduct for Partners* upon cooperation. Through new employee training, special training for high-exposure positions, etc., the Company effectively improve the integrity and self-discipline awareness of all employees.

TCL advocates and encourages all employees to assist in anti-corruption work. The Company sets up a special reporting mail box and telephone for employees to report in real-name or anonymously. The reporting channels are repeatedly promoted through internal notices and external announcements. Moreover, Audit and Supervision Department strictly implements the reporting and complaint handling procedures and the whistleblower protection mechanism, and assigns special person to collect reporting messages, note down and reply within 24 hours.

For business fraud, TCL TECH also bears the zero tolerance attitude. In 2021, TCL TECH investigated and handled 5 cases and fired 10 people. 3 of them have been arrested by the procuratorate on suspicion of crimes, and 2 have been transferred to the police department for investigation.

In the first half of 2021, TCL TECH launched the 2021 TCL Integrity Index Survey. The results showed that the corporate Integrity Index was 8.64, an increase of 0.2 compared with 2020.
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3.4. Information Security Protection

Normal operation of an enterprise is inseparable from information, and information security is the fundamental for a company to chase for business continuity. With the development of TCL TECH, protection of information security such as intellectual

property rights and trade secrets, is particularly important. Therefore, the Company embeds trade secret compliance requirements into policies, processes, projects and transactions, and educates employees through various channels such as email and announcement, and require all subsidiaries to follow.

The Company has set a situational awareness platform in security monitoring, which is used to monitor internal and external network attacks, illegal access, and process event alarm information generated by the system. The platform processes about 10,000 alarm messages generated by the system every day, and sends more than 464 real vulnerabilities after verifying the alarm information, with an overall repair rate of 60.2%. The company has added tools such as WAF, anti-tampering of webpages, and cloud DDOS for in-depth website protection. On average, WAF blocks about 10,000 attacks of various types every day. TCL adopts anti-virus, desktop management, and encryption systems to protect terminal data, prevent threats from terminal and server viruses of the Group and its subsidiaries, and conduct standard security management in patch update, desktop management, file encryption and decryption, etc. Each day, the anti-virus terminal deals with 14,097 threats.

TCL TECH follows the *EU General Data Protection Regulation (GDPR)* and strictly regulates corporate privacy protection behavior. In addition, TCL TECH attaches great importance to the promotion and training on information security. In 2021, T Academy carried out the online training of information security awareness, and altogether 810 people completed the learning.

Code Leakage Monitoring + Code Audit

About 10,242 high-risk vulnerabilities, 37,601 medium-risk vulnerabilities, and 7,267 low-risk vulnerabilities were found

3.5. Intellectual Property Protection

TCL TECH abides by international intellectual property rights, deals with intellectual property affairs in accordance with laws and international practices and sincerely resolves intellectual property issues. Nevertheless, the Company safeguards its legitimate rights and interests through judicial procedures against malicious intellectual property infringements. Through patent systems such as the *Patent Application Management System*, TCL TECH promotes high-value patent reserves and realizes core patent value, and strengthens the Group's global patent competitiveness and innovation-driven development capabilities. At present, TCL TECH has applied to join the Intellectual Property Protection Alliance of Listed Enterprises.

TCL CSOT attaches great importance to the role of intellectual property rights in its development. The company has passed the re-examination at the end of 2019 and was approved as a national intellectual property rights demonstration enterprise. In

combination with corporate core development goals, TCL CSOT has formulated a systematic patent implementation plan, focusing on strengthening the patent work, carrying out education and trainings related to intellectual property rights, driving the transformation and implementation of patented technologies.

TCL CSOT has introduced a core technology patent distribution system, assessment mechanism on the maintenance and abandonment of patent rights, patent rights protection system, and incentive mechanism for patent applications to strengthen intellectual property management and protection.

Core technology patent layout system	For the company's key R&D projects and R&D teams, TCL CSOT has particularly formulated a patent layout system and a patent layout team. The system defines code of conduct for team members and layout guidelines, proposes team leader system, and establishes selection and incentive mechanism. The system is guaranteed for operation through expert jury team and financial budget.
Assessment mechanism on the maintenance and abandonment of patent rights	In order to save financial cost, TCL CSOT has formulated a strict maintenance and abandonment assessment mechanism for authorized patents, which defines the assessed objects, members, processes dimensions, and evaluation cycles of patent. This mechanism can save the company tens of thousands of RMB every year.
Patent rights protection system	In order to emphasize the value of patents, TCL CSOT has established a patent rights protection system. The system defines responsible person, time and process to defend patent rights. At present, TCL CSOT has conducted several investigations and monitoring on the implementation of the system.
Incentive mechanism for patent application	In order to stimulate the technological innovation and the enthusiasm for patent application of technicians, TCL CSOT has established a patent rewarding system. The system defines the types of rewards and specific rules, such as the amount of bonuses, the rewarding period, so as to vigorously encourage invention and creation, and raise the enthusiasm of technicians for creative inventions.

In order to improve the company's ability to manage intellectual property rights, TCL CSOT has taken various measures to standardize corporate behavior and related parties in an all-round way. TCL CSOT regularly conducts trainings on patent knowledge and organizes intellectual property protection awareness trainings particularly for R&D engineers to raise their legal awareness on intellectual property rights. TCL CSOT implements the research and development confidentiality system. According to the system, the project team requires R&D personnels and business partners involved in the patented technology to sign a "confidentiality agreement" to prevent information recipients from divulging information within the scope of patent protection. The party at-fault shall be liable for breach of contract. In addition, in order to improve patent management level, TCL CSOT has set up a patent management system, which electronically manages the entire life cycle of patent applications, from ideation, proposal management and patent application, to authorization maintenance and agency

management, which greatly improves the management of patent application process.

TCL Zhonghuan Intellectual Property Protection

TCL Zhonghuan attaches great importance to the protection of intellectual property rights, and sets up a dedicated team to be responsible for patent issue. The company establishes a patent management system and forms effective work procedures. In addition, the company increases capital and human investment in intellectual property protection work, and strives to increase the number and quality of independent intellectual property rights. TCL Zhonghuan establishes an effective patent layout on core technologies and basic products, forming a reasonable patent layout dominated by core invention patents and based on utility model patents.

Future Outlook

Standing at the new era of the 40th anniversary, in 2022, TCL TECH will gather strength and forge ahead. Led by technology and driven by innovation, we will continue to go uphill with full speed, catch up and surpass, transform and break through, until reaching a new level

In the coming year, TCL TECH will still bear the spirit of "courage, innovation, perseverance, change, and vision", improve strategy and implementation capabilities, build a new development pattern and resolutely seize market opportunities though with fierce competition. We long for transforming technological capabilities into business performance. We have strong belief in globalization strategy, and will continue to cultivate new business models and explore new tracks. TCL TECH will focus on semiconductor display, new energy photovoltaic and semiconductor materials, develop industrial finance and investment, O2O business of Highly Information Industry (Highly) to stabilize growth of industrial financial services and investment return. Empowering industrial development with finance, it helps accelerate the Group transformation towards technology and intelligent industry.

"Carbon peaking and carbon neutrality goal" strategy is an important transformation strategy for China's future development and the only way to address global climate change. Full support to green development is also an eternal theme of TCL TECH. TCL TECH shall fully implement the "carbon peaking and carbon neutrality goal" strategy, transform and respond to the overall business and operations based on the environmental challenges it may face in the future. In addition, we will formulate a stricter environmental supervision system to minimize risks, continuously improve the environmental management system, and accelerate the construction of green factories. TCL TECH will further improve energy efficiency and water recycling, reduce waste discharge to ensure compliance with discharge standards, and continue to reduce pollutant discharge. Employees' environmental protection awareness will be strengthened by building a green clean and beautiful environment.

Sustainable and stable operation is the cornerstone of the company's sustainable development. TCL TECH will continue to strictly abide by the bottom line of compliance, build an ethical system to prevent corruption, and continue to carry out anti-fraud initiatives to ensure fair operation. To cope with uncertainty of information security risks, TCL will continue to enhance the organizational structure of data security and improve data security management system. In order to drive the implementation of China's intellectual property leading power strategy, TCL TECH will also continue to explore the field of intellectual property protection and use innovative methods to resolve intellectual property disputes.

For employees, TCL TECH will ensure an equal, healthy and safe working environment, formulate a combined online and offline training agenda, upgrade promotion channels to

for clear career development path and meet company's talent needs. For the industrial chain, TCL TECH will stick to responsible procurement practices and continue to provide various support for ecosystem partners for the sustainable development of the industry. For the community, TCL TECH will continue conduct public welfare and charity projects to support community development create better homes for more people.

The year of 2022 is the significant starting year for China to embark on the journey to common prosperity. With the goal of "continuously improve people's livelihood and well-being and solidly promote common prosperity" stated in the 14th Five-Year Plan, central government encourages all walks of life to play a "gentle role" in the third distribution, vigorously advocate charitable donations, and promote social fairness and social justice. We would also like to light up a candlelight to illuminate those in distress. Small things can make a big difference and eventually form a river of hope. TCL TECH will continue to invest in public welfare projects, build a public welfare platform, and join hands with relevant stakeholders to build lovely dreams and empower the future.

Looking forward, as a high-tech manufacturing company, we are still facing severe challenges. However, we are more certain and confident because of current situation. The era of future is still the era of fighters. We were born in a prosperous time, and we should live up to this prosperous age. Every one of us should make our efforts and let us strive for each day and live up to our youth for our better future!

Honors and Awards

Number	Awards	Award Issuing Organization	Time	Certification
1	2021 Top 60 China Corporate Citizen & Social Responsibility Brand	Committee of China Corporate Citizen	2021/07	
2	CSR China TOP100 of CSR China Education Award in 2021	Organizing Committee of CSR China Education Award	2021/12	
3	2021 Top 10 Private Enterprises of China CSR Development Index	The Chinese Academy of Social Sciences (CASS)	2021/12	
4	Four Star of Governance Level of Electronics Industry CSR Evaluation in 2020-2021	China Electronics Standardization Association	2021/12	

Key Performance

Indicator		Performance
Economy	Operating income (Hundred million RMB)	1635.4
	Net profit (Hundred million RMB)	149.6
	Tax payable (Hundred million RMB)	92.1
	Net assets return ratio	26.5%
	Asset-liability ratio	61.2%
	R&D investment (Hundred millions RMB)	87.7
	Number of R&D personnel (Persons)	10,517
	Number of patents authorized (Items)	17,636
Environment	Environmental accidents (Times)	0
	Environmental Investment (Ten thousands of RMB) ³	59,452
	Energy consumption (Ten thousand kWh) ⁴	992,942
	Reduced energy consumption (Ten thousand kWh) ⁵	-271,627
	Greenhouse gas emissions (Ten thousand tons) ⁶	827.1
	Total water consumption volume (Ten thousand cubic meters) ⁷	7,124
	Total water saving (Ten thousand cubic meters) ⁸	4,533

³ Environmental investment include: Huizhou CSOT, TCL CDOT, Shenzhen CSOT, Wuhan CSOT, Suzhou CSOT, TPC, TCL Zhonghuan.

⁴ Energy consumption statistics include: Huizhou CSOT, TCL CDOT, Shenzhen CSOT, Wuhan CSOT, Suzhou CSOT, TCL Zhonghuan.

⁵ Reduced energy consumption and changes in greenhouse gas emission reductions are due to the use of new equipment. The Group insists on improving energy efficiency.

⁶ Greenhouse gas emission statistics include: Shenzhen CSOT, Wuhan CSOT, Suzhou CSOT, TCL Zhonghuan. Greenhouse gas emissions include Scope 1 and Scope 2, and some data are self-inspected by the Company.

⁷ Total water consumption statistics include: Huizhou CSOT, TCL CDOT, Shenzhen CSOT, Wuhan CSOT, Suzhou CSOT, TPC, TCL Zhonghuan.

⁸ Total water saving statistics include: Huizhou CSOT, TCL CDOT, Shenzhen CSOT, Wuhan CSOT, Suzhou CSOT, TPC.

	Total discharge of waste gases (Ten thousand cubic meters)⁹	3,802,572
	Total discharge of waste water (Ten thousand tons)¹⁰	4,598
	Total discharge of hazardous wastes (Tons)¹¹	26,087
	Waste recycled (Tons)¹²	107,375
Society	Major information safety incidents (Times)	0
	Total number of employees (Persons)	65,159
	Percentage of employees who have signed labor contracts	100%
	Number of overseas employees (Persons)	8,937
	Number of domestic employees (Persons)	56,222
	Number of employees with disabilities(Persons)	22
	Proportion of female executives	22%
	Total number of trainees (Persons)¹³	70,370
	Total training hours (Hours)¹⁴	2,209,636
	Total investment in employee training (Ten thousand RMB)¹⁴	1,757.9
	Investment in safety production (Ten thousand RMB)¹⁵	10,674.85
	Major safety incidents (Times)	0
	Number of employees received safety trainings (Person times)	583,710
Total public welfare donations (Ten thousand RMB)	4,954.6	

⁹ Total waste gas emission statistics include: Huizhou CSOT, TCL CDOT, Shenzhen CSOT, Wuhan CSOT, Suzhou CSOT, TPC, TCL Zhonghuan.

¹⁰ Total discharge of waste water statistics include: Huizhou CSOT, TCL CDOT, Shenzhen CSOT, Wuhan CSOT, Suzhou CSOT, TPC, TCL Zhonghuan.

¹¹ Total discharge of hazardous wastes statistics include: Huizhou CSOT, TCL CDOT, Shenzhen CSOT, Wuhan CSOT, Suzhou CSOT, TPC, TCL Zhonghuan.

¹² Total discharge of wastes statistics include: Huizhou CSOT, TCL CDOT, Shenzhen CSOT, Wuhan CSOT, Suzhou CSOT, TPC, TCL Zhonghuan.

¹³ Total number of trainees' statistics are from T Academy, CSOT Academy, Suzhou CSOT and TCL Zhonghuang.

¹⁴ Total investment in employee training include: T Academy, CSOT Academy and Suzhou CSOT.

¹⁵ Investment in safety production include Total number of trainees statistics are from Huizhou CSOT, Shenzhen CSOT, Wuhan CSOT and Suzhou CSOT.

	Employee volunteer activities (Times)	18
	Number of employee volunteers (Persons)	1,248

Reporting Index

- **Supporting the United Nations Sustainable Development Goals (SDGs)**

Goals	Contents	Actions
Goal 1	No poverty	Rural revitalization and education equality
Goal 2	Zero hunger	Reduce hunger through rural revitalization and education equality
Goal 3	Good health and well-being	Healthy and safe products and caring for employees' wellbeing both mentally and physically
Goal 4	Quality education	Employee training, school-enterprise cooperation, and education equality
Goal 5	Gender equality	Equal employment and caring for female employees
Goal 6	Clean water and sanitation	Water resources protection
Goal 7	Affordable and clean energy	Photovoltaic power generation
Goal 8	Decent work and economic growth	Diverse and inclusive working environment, reasonable salaries and benefits
Goal 9	Industry, innovation and infrastructure	Product innovation and R&D
Goal 10	Reduced inequalities	Education equality
Goal 11	Sustainable cities and communities	Energy-saving and emission reduction measures
Goal 12	Responsible consumption and production	Green production, green package and establish recycling system
Goal 13	Climate action	Energy-saving and emission reduction measures, Photovoltaic power generation
Goal 14	Life below water	Reducing pollutant emission and protecting the ecological environment
Goal 15	Life on land	
Goal 16	Peace, justice and strong institutions	Compliance with laws and regulations, anti-monopoly and anti-

		unfair competition
Goal 17	Partnerships for the goals	Mutual development with industry chain partners

● Hong Kong Stock Exchange ESG Guide

Item	General Disclosures and KPIs	Pages/Explanation
A. Environment		
Aspect A1: Emissions	General Disclosure: Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	26, 35
	A1.1 The types of emissions and respective emissions data.	29
	A1.2 Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	29
	A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	30
	A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	30
	A1.5 Description of emission target(s) set and steps taken to achieve them.	31
	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.	30
Aspect A2: Use of Resources	General Disclosure: Policies on the efficient use of resources, including energy, water and other raw materials.	26
	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).	28-30, 103-104
	A2.2 Water consumption in total and intensity (e.g., per unit of production volume, per facility).	31, 103-104

	A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	28-30
	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.	31
	A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	103-104
Aspect A3: The Environment and Natural Resources	General Disclosure: Policies on minimising the issuer's significant impacts on the environment and natural resources.	31-33
	A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	31-33, 35-37
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.	31-33, 35-37
	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.	31-33, 35-37
B. Social		
Employment and Labour Practices		
Aspect B1: Employment	General Disclosure: Information on: the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	60
	B1.1 Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	60
	B1.2 Employee turnover rate by gender, age group and geographical region.	60
Aspect B2: Health and Safety	General Disclosure: Information on: the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	64-65

	B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	64
	B2.2 Lost days due to work injury.	64
	B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	64-67
Aspect B3: Development and Training	General Disclosure: Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	67-77
	B3.1 The percentage of employees trained by gender and employee category (e.g., senior management, middle management).	67-77
	B3.2 The average training hours completed per employee by gender and employee category.	67-77
Aspect B4: Labour Standards	General Disclosure: Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	60
	B4.1 Description of measures to review employment practices to avoid child and forced labour.	60
	B4.2 Description of steps taken to eliminate such practices when discovered.	60
Operating Practices		
Aspect B5: Supply Chain Management	General Disclosure: Policies on managing environmental and social risks of the supply chain.	56
	B5.1 Number of suppliers by geographical region.	56
	B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	56
	B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	56
	B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	56

Aspect B6: Product Responsibility	General Disclosure: Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	50
	B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	50
	B6.2 Number of products and service related complaints received and how they are dealt with.	55
	B6.3 Description of practices relating to observing and protecting intellectual property rights.	97-99
	B6.4 Description of quality assurance process and recall procedures.	50, 54
	B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored.	55, 96
Aspect B7: Anti- corruption	General Disclosure: Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	95-96
	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.	95-96
	B7.2 Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	95-96
	B7.3 Description of anti-corruption training provided to directors and staff.	95-96
Community		
Aspect B8: 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.	81
	B8.1 Focus areas of contribution (e.g., education, environmental concerns, labour needs, health, culture, sport).	81
	B8.2 Resources contributed (e.g. money or time) to the focus area.	81-91

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Reader Feedback

Dear readers,

Thank you very much for reading the *TCL Technology Group Corporation Environmental, Social and Governance Report 2021*. 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:

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

1. Your overall impression on the report:

Very good Good Fair Poor Very Poor

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Very high High Fair Low Very Low

3. Your opinion on the structure of the report:

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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

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Your valuable opinions and suggestions on *TCL Technology Group Corporation Environmental, Social and Governance Report 2021* are most welcomed:

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