

The TCL logo consists of the letters 'TCL' in white, bold, sans-serif font, centered within a red rectangular background.

**TCL ELECTRONICS HOLDINGS LIMITED**

(Incorporated in the Cayman Islands with limited liability)

Stock code: 01070

**ENVIRONMENTAL, SOCIAL  
AND GOVERNANCE REPORT  
2023**

**TCLGreen**

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# About TCL Electronics

## 1.1. Company Profile

TCL is the abbreviation of “The Creative Life”.

TCL Electronics Holdings Limited (a company incorporated in the Cayman Islands with limited liability, stock code: 01070.HK) was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) in November 1999. The Group’s business scope covers display, innovative and internet businesses. TCL Electronics actively reforms and innovates under the strategy of “Value Led by Brand with Global Efficiency in Operations, Driven by Technology and Paramount Vitality”. Focusing on the mid-to-high-end markets around the world and technological advancement, the Company strives to consolidate the all-category layout of “intelligent IoT ecosystem” strategy and is committed to providing users with an all-scenario smart and healthy life while developing into a leading smart device company with global operations.

In 2023, TCL Electronics managed to capitalise on the opportunities brought by the trend of high-end and large-screen products in the global colour TV industry, and achieved a steady growth in shipment. The global shipment of TCL smart screen reached 25.26 million sets, with a year-on-year increase of 6.2%, of which the 65-inch and above TCL smart screen increased by 35.3% year-on-year, TCL Mini LED<sup>1</sup> smart screen surged by 180.1% year-on-year and TCL quantum dot LED smart screen increased by 116.1% year-on-year. The retail sales volume of TCL smart screen in the PRC market maintained its 2nd place<sup>2</sup>. We continued to promote the upgrading of high-end of colour TVs, with the shipment of 65-inch and above TCL smart screen in the PRC market increased by 18.2% year-on-year, and that of 75-inch and above TCL smart screen increased by 45.8% year-on-year. The shipment of TCL smart screen in the international markets increased by 10.0% year-on-year. Its shipment ranked at the top of the list in various countries and regions, its retail sales volume ranked No. 1<sup>3</sup> in Australia, the Philippines, Myanmar, and Pakistan, and No. 2 in America<sup>4</sup>, France<sup>5</sup> and Saudi Arabia<sup>5</sup>, and the market share of its retail sales volume ranked No. 3<sup>5</sup> in Brazil, Spain, Sweden and the Czech Republic in 2023.

TCL Electronics is among the eligible securities under Shenzhen-Hong Kong Stock Connect, and has been included in the constituents of Hang Seng Stock Connect Hong Kong Index, Hang Seng Composite MidCap & SmallCap Index and Hang Seng Corporate Sustainability Benchmark Index (HSSUSB). For six consecutive years since 2018, we have received a Hang Seng Index’s ESG rating of A.

<sup>1</sup> Mini LED refers to the LED chip with a size on the order of 100 μm. It is a small-pitch LED that can improve display effects and reduce power consumption.

<sup>2</sup> The annual retail sales volume in 2023 from omni-channel data of China Market Monitor Co., Ltd., which is a research institute focused on the research of consumer goods and the retail home appliance market in the PRC.

<sup>3</sup> The data of retail sales volume in 2023 from GfK (GfK refers to Gesellschaft für Konsumforschung, a consumer goods market research company and global market research organisation headquartered in Nuremberg, Germany).

<sup>4</sup> The data of retail sales for 2023 from Circana Group, a market research company that provides global data, industry expertise and analysis from a variety of perspectives that formed through the merger of NPD Group L.P and Information Resources Corporation.

<sup>5</sup> The data of retail sales volume for 2023 from GfK.

## 1.2 Corporate Honours

In June 2023, TCL Electronics won the 9th HKIRA Investor Relations Award's "Best Annual Report" by the Hong Kong Investor Relations Association.

In December 2023, TCL Electronics won the 13th China Securities Golden Bauhinia Award's "Annual Special Award – 2023 Outstanding Listed Company", and the "Best ESG Pioneer Award" in the Hong Kong International ESG List.

In January 2024, TCL was awarded the "2023-2024 Consumer Electronics Brands Top 10" and "2023-2024 Global TV Brands Top 10" by "Global Top Brands".

Other awards won in 2023 by our brands, designs, R&D and products are as follows:

Category	Award-winning product/brand	Award title	Award-granting organisation
Brand	TCL	Google x Kantar BrandZ Chinese Global Brand Builder 2023	Google & Kantar
	TCL Photovoltaic Technology	2023 Photovoltaic Marketing Brand of Henan Province	New Energy Special Committee of Henan Provincial Industry Development Research Association
	TCL Communication	EcoVadis Gold Medal of Global Sustainability Rating	EcoVadis
	TCL Commercial	2023 Famous Device Brand Award of the Commercial Display Market	China Commercial Display System Industry Alliance Shenzhen B2B Display System Industry Association Beijing Discien Information Consulting Co., Ltd.
Design	TCL X11G TV Visual Design TCL LINGKONG UI TCL NXTVISION Care	Red Dot Brand and Communication Winner 2023	Red Dot GmbH & Co. KG
	TCL NXTVISION Care TCL NXPAPER 11 Tablet TCL Care UX Design	iF Design Award	iF International Forum Design GmbH
	TCL QD-Mini LED TV series (X11G, C12G, X945, QM950G) TCL G10 Plus Tablet TCL 40 NXPAPER Tablet	G-Mark Design Award	Japan Industrial Design Promotion Organisation
	TCL Care UX Design	IDEA Design Award	Industrial Designers Society of America

Category	Award-winning product/brand	Award title	Award-granting organisation
R&D	TCL X915 TV	Certificate issued by Dolby Laboratories	Dolby Laboratories Inc
	TCL Q650G TV	UL2900-1 Certificate for Cyber Security Certificate for Cyber Security of Cyber Assured Programme	Intertek
	TCL OLED C754 TV	ECP Certificate of CI Plus Certificate of Netflix Partner Certificate of Amazon Prime Video Certificate of Amazon Works with Alexa Certificate of Apple MFi AirPlay2	Eurofins Digital Testing Netflix Amazon Prime Video Amazon Apple
	TCL Intelligent IoT Platform	Level 3 Certificate of Shenzhen Cyber Security Rating Protection Testing and Evaluation	Office of the Coordination Team for Shenzhen Information Security Rating Protection
Product	TCL LINGYAO QD-Mini LED X11 TV TCL C845 Mini LED TV	Mini LED Display Technology Innovation Award of 2022-2023 Gold Award for New Generation Display Technology of 2022-2023	Global Top Brands sponsored by Asia Digital Group, European Digital Group and TWICE, and organised by IDC
	TCL NXPAPER 12 Pro tablet	Eye Protection Technology Innovation Award of 2022-2023	
	TCL NXTWEAR S smart glasses	Global Mobile Award	GSMA (Global System for Mobile Communications)
	TCL LINGYAO QD-Mini LED X11G TV	Innovation Award of AWE	AWE (Appliance & electronics World Expo)
	TCL NXTHUB V60Pro	Collaborative Office Innovation Product of the Year	The 6th Digital Transformation and Innovation Awards of 2023





# About this Report

## Overview

This Environmental, Social and Governance (“ESG”) Report (“Report”) focuses on the disclosure of TCL Electronics’ performance in aspects such as product quality and safety, operational compliance, customer service, climate change response, green design, information security and privacy protection, business ethics, and employee health and safety.

## Scope and Boundary

Policies, texts and information stated in this Report apply to TCL Electronics and most of its subsidiaries, and include operations based in the People’s Republic of China (the “PRC” or “China”) and other countries and regions. As TCL Electronics disposed of Inner Mongolia TCL Optoelectronics Technology Co. Ltd., a then subsidiary of TCL Electronics, to TCL Zhonghuan Renewable Energy Technology Co., Ltd. (002129.SZ) in 2023, the reporting scope of this Report excluded Inner Mongolia TCL Optoelectronics Technology Co. Ltd., when compared with the 2022 ESG Report. The reporting scope of this Report covers the Group’s display business (including large-sized display, small-and-medium-sized display and smart commercial display businesses), innovative business (including smart connection, smart home, all-category marketing and photovoltaic businesses) and internet business, so as to provide a balanced reflection of the Group’s ESG performance concerning the environment, workplace, supply chain management, product responsibility and community, in particular the ESG affairs that may have had a significant influence on the sustainability of the Group’s business operations and which are of concern to stakeholders. The reporting year aligns with that of our Annual Report, i.e. the financial year ended 31 December 2023 (“this Year”).

## Glossary

“TCL Electronics”, “Company”, “Group” and “We”: TCL Electronics Holdings Limited and/or its subsidiaries (as the case may be).

“TCL Industries Holdings”: TCL Industries Holdings Co., Ltd., which is the ultimate controlling shareholder of TCL Electronics.

“TCL King (Huizhou)”: TCL King Electrical Appliances (Huizhou) Co., Ltd., a subsidiary of TCL Electronics.

“TCL Communication”: TCL Communication Technology Holdings Limited, a subsidiary of TCL Electronics.

“TCL Photovoltaic Technology”: Huizhou TCL Photovoltaic Technology Co., Ltd., a subsidiary of TCL Electronics, mainly engaged in the household and industrial and commercial photovoltaic business and smart energy business.

“Huizhou TCL Mobile”: Huizhou TCL Mobile Communication Co., Ltd., a subsidiary of TCL Electronics.

“smart screen”: mainly refers the smart televisions (“TV(s)”) under the large-sized display business, and over 95% of the Group’s TVs are smart screen products in terms of shipment.

## Source of Data and Authenticity

The data and case studies included in this Report were primarily derived from our statistical reports, publicly disclosed information and internal correspondence. The board of directors of the Company (“Board”) confirmed that this Report does not contain any false information or misleading statements, and is responsible for the authenticity, accuracy, and completeness of the Report’s content.

## Reference

This Report was compiled in accordance with the *ESG Reporting Guide* (“ESG Reporting Guide”) as set out in Appendix C2 to the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* (“Listing Rules”). This Report was prepared in accordance with the requirements of the Reporting Guide by following the principles of materiality, quantitative, balance and consistency.

**Materiality:** The Group regularly conducts stakeholder engagement and materiality analyses to identify specific ESG issues significant to our business operations, and provides responses in this Report based on the analysis results. The details of assessment of materiality and the major participation channels of stakeholders are disclosed in the section headed “ESG Governance”.

**Quantitative:** In order to describe the Group’s impact on major ESG issues, the Group records environmental and social data. An overview of the information corresponding to the quantitative key performance indicators are set out in the section headed “ESG Performance Overview”. Information on the standards, methodologies, assumptions and/or calculation tools used, and the source of conversion factors used, where applicable, for the reporting of these key performance indicators is appropriately disclosed in this Report.

**Balance:** In order to prepare a fair and objective ESG Report, the Group reports the positive and negative impacts of our operations and the mitigation measures we have taken to provide an unbiased picture of the Group’s sustainable performance.

**Consistency:** In order to maintain the comparability of the ESG Report, the Group adopts consistent reporting standards, principles and data calculation methods and explains any discrepancy with our 2022 ESG Report. This report is published in Chinese and English versions. In case of any discrepancy, the Chinese version shall prevail.

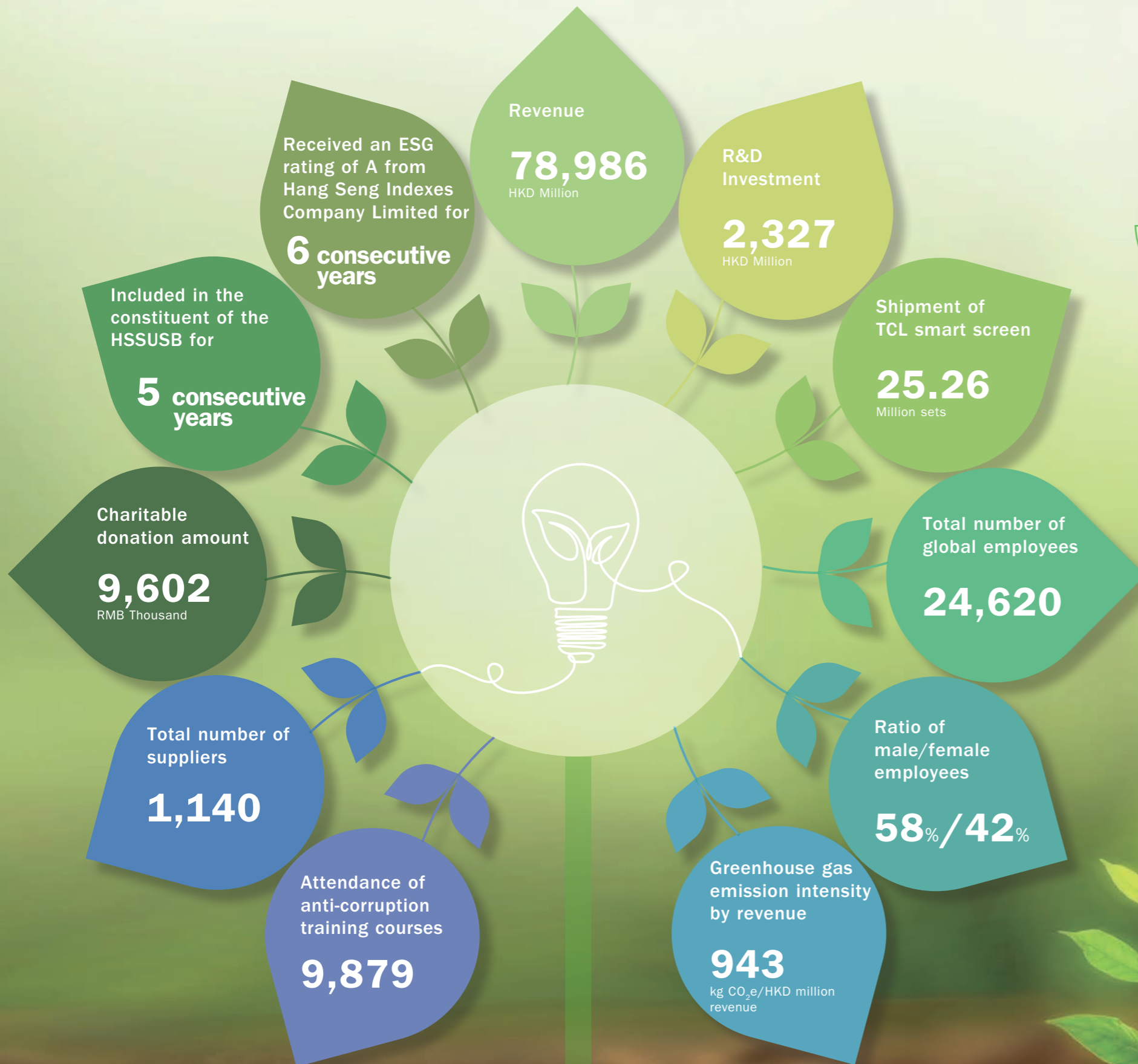
## Board Approval

This Report was approved by the Board on 28 March 2024.



# 3

## Performance Highlights of 2023



# 4

## Statement of the Board

The Board attaches great importance to sustainability management and takes full responsibility for supervising ESG affairs. It engages in ESG affairs with the assistance of TCL Electronics' leadership of ESG, supervises the Group's sustainable development directions and strategies, and receives the reports from the leadership of ESG on a regular basis. The Board also periodically discusses and reviews the ESG risks and opportunities faced by the Group, as well as the performance and progress of the Group in this regard. Each year, the Board scrutinises the Group's ESG Report and reviews the progress against the ESG-related goals.

Attaching great significance to the potentially major impact of ESG risks, the Group improves its database of ESG issues in the light of the ESG risk identification, macro policies, stakeholder communication results, etc., analyses the materiality of issues through the stakeholder survey, and clearly defines the priorities of its ESG governance.

During this Year, TCL Electronics further improved the materiality assessment of the ESG issues and reviewed our progress towards the ESG targets for 2025 with consideration of the needs of the Company for business development, concerns of the stakeholders and the market development trend. Moreover, the Company further pushed ahead with the design, R&D and application of green and energy-saving products, carried out greenhouse gases (GHG) management such as product carbon footprint auditing and made great efforts in building green supply chain to proactively cope with the risks and opportunities brought by climate change. The Board has reviewed, discussed and confirmed the results of the above tasks. Please refer to this Report for details.

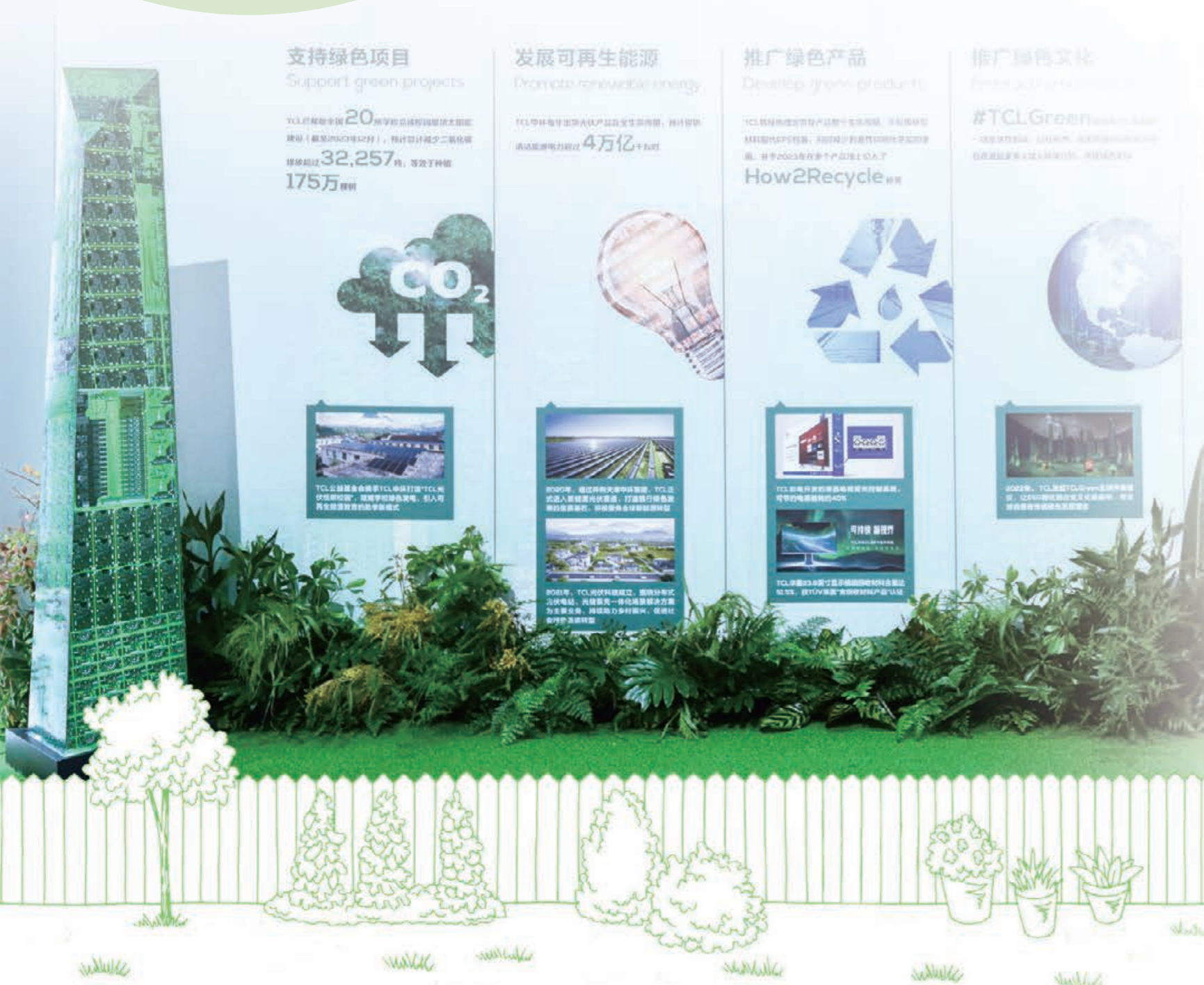


# 5 ESG Governance

TCL Electronics continues to improve its ESG governance structure, and has always maintained an open dialogue with stakeholders. We pay close attention to the management of material ESG issues, and carry out sustainable development management in various aspects such as environmental protection, employment promotion, protection of employees' rights and interests, health and safety, fair operation, consumer relations, and community participation and development in response to social concerns through actions.

## 5.1 ESG Governance Structure

Within our ESG governance structure, the Board serves as the highest decision-maker, followed by the leadership, management, and implementation levels. Composed of the senior management, the ESG leadership is responsible for formulating ESG strategies and is regularly reviewed by the Board. The ESG management is composed of relevant department heads, mainly responsible for specific ESG management, including monitoring the specific ESG progress, evaluating ESG-related matters and risks, etc. The related employees of each business and functional department, domestic and overseas manufacturing bases, and subsidiaries serve as the implementation level for ESG tasks such as collecting and reporting ESG information.



Level of ESG Governance	Members	Responsibilities
Board	Directors	<ul style="list-style-type: none"> <li>Take responsibility for ESG-related affairs</li> <li>Supervise ESG direction and strategies</li> <li>Regularly discuss and review ESG risks, opportunities, performance and progress of targets of the Group</li> </ul>
Leadership of ESG	Senior management	<ul style="list-style-type: none"> <li>Lead ESG-related affairs</li> <li>Formulate ESG strategies</li> <li>Allocate resources of the Group for ESG tasks</li> <li>Review and approve results of ESG tasks</li> </ul>
Management of ESG	Heads of relevant departments	<ul style="list-style-type: none"> <li>Manage ESG tasks (including assessing, prioritising, and managing ESG related issues and risks)</li> <li>Delegate ESG personnel for implementation</li> <li>Supervise the progress of ESG tasks</li> <li>Report to the leadership of ESG</li> </ul>
Implementation of ESG	The related employees of business and functional departments, domestic and overseas manufacturing bases and subsidiaries	<ul style="list-style-type: none"> <li>Collect and communicate ESG information</li> <li>Implement specific ESG tasks</li> <li>Report to the management of ESG</li> </ul>

▲ ESG Governance Structure



## 5.2 Communication with Stakeholders

TCL Electronics is aware that the long-term support and trust of all stakeholders have a significant impact on our sustainable development. We always listen to and value the demands of internal and external stakeholders and collect and respond to the expectations and demands of various stakeholders for TCL Electronics through diversified communication channels.

Stakeholders	Communication Channels	Focus	The Group's Response
Employees	<ul style="list-style-type: none"> <li>Employees' emails</li> <li>Employees' meetings</li> <li>Employee activities</li> <li>Employee satisfaction surveys</li> </ul>	<ul style="list-style-type: none"> <li>Benefits and remunerations of employees</li> <li>Protection of fundamental rights and interests</li> <li>Smooth career development paths</li> <li>Talent training mechanism</li> <li>Work-life balance</li> <li>Personal health and safety</li> <li>Internal corporate communication channels</li> </ul>	<ul style="list-style-type: none"> <li>Provision of market-competitive compensation, benefits, learning and promotion opportunities</li> <li>Organisation of employee activities</li> <li>Provision of a good working environment</li> <li>Development of a transparent employee management mechanism</li> </ul>
Customers	<ul style="list-style-type: none"> <li>Customer service centre</li> <li>Service hotline</li> <li>Complaint and suggestion mailbox</li> <li>Questionnaire</li> <li>User interview</li> <li>Official WeChat accounts</li> <li>Information disclosure</li> </ul>	<ul style="list-style-type: none"> <li>Cost-effective products and quality services</li> <li>Better product quality and service</li> <li>After-sales service and warranty</li> <li>Product packaging and design</li> <li>Low-carbon and environment-friendly products</li> <li>Customer privacy protection</li> </ul>	<ul style="list-style-type: none"> <li>Enhancement of all-round quality control</li> <li>Innovation of service and product diversification</li> <li>Customer satisfaction survey</li> <li>Use of green technology to manufacture products</li> <li>Strengthening of the protection of customer privacy</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>Regular suppliers' meetings</li> <li>Working meetings</li> <li>Daily communication</li> <li>Regular assessments</li> </ul>	<ul style="list-style-type: none"> <li>Open and transparent procurement process</li> <li>Localised procurement</li> <li>Honesty, transparency, and cooperation</li> </ul>	<ul style="list-style-type: none"> <li>Development of a responsible supply chain</li> <li>Joint development and improvement of products</li> </ul>
Investors and Shareholders	<ul style="list-style-type: none"> <li>Information disclosure</li> <li>Shareholders' meeting</li> <li>Results announcement conference</li> <li>Non-deal roadshow</li> <li>Investor conference</li> </ul>	<ul style="list-style-type: none"> <li>Timely and accurate information disclosure</li> <li>Efficient corporate governance</li> <li>Clear operational strategy</li> <li>Strengthening of risk management and control</li> <li>Creation of economic value</li> </ul>	<ul style="list-style-type: none"> <li>Improvement of operational transparency and regular disclosure of business and financial information</li> <li>Improvement of corporate governance and investor relationship management</li> <li>Maintenance of business and profitability growth, and value creation for investors</li> </ul>

Stakeholders	Communication Channels	Focus	The Group's Response
Government and Regulators	<ul style="list-style-type: none"> <li>Regular visits</li> <li>Policy communication</li> <li>Meetings and exchanges</li> <li>Information submission and filing</li> <li>Routine inspection</li> <li>Government-enterprise cooperation projects</li> </ul>	<ul style="list-style-type: none"> <li>Operational compliance with laws and regulations</li> <li>Payment of taxes according to law</li> <li>Support to local development</li> <li>Promotion of local employment</li> <li>Protection of the local environment</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of regulatory policies</li> <li>Payment of taxes according to law</li> <li>Proactively shoulder social responsibilities</li> <li>Carrying out business activities to meet the needs of the industry and regional economic development</li> </ul>
Industry Associations and Chambers of Commerce	<ul style="list-style-type: none"> <li>Industry seminar</li> <li>Forum</li> <li>Collaborative research</li> </ul>	<ul style="list-style-type: none"> <li>Promotion of industry development</li> <li>Fulfilment of corporate social responsibility</li> </ul>	<ul style="list-style-type: none"> <li>Promoting industrial development and strengthening multi-party business cooperation</li> <li>Exploring new business models</li> <li>Promoting technological innovation and change in the industry</li> </ul>
Media	<ul style="list-style-type: none"> <li>Press briefing</li> <li>Media interviews</li> <li>Regular seminars</li> </ul>	<ul style="list-style-type: none"> <li>Services and products</li> <li>Corporate social responsibility</li> </ul>	<ul style="list-style-type: none"> <li>Strengthening new product publicity</li> <li>Building brand images and improving brand reputation</li> </ul>
Philanthropic and Community Organisations	<ul style="list-style-type: none"> <li>Cooperation in charitable activities</li> <li>Volunteer services</li> <li>Communication with community and property management</li> </ul>	<ul style="list-style-type: none"> <li>Promoting local development</li> <li>Enhancing community value</li> <li>Supporting charitable causes</li> </ul>	<ul style="list-style-type: none"> <li>Actively participating in targeted assistance</li> <li>Carrying out community development in depth</li> <li>Carrying out charitable activities</li> </ul>



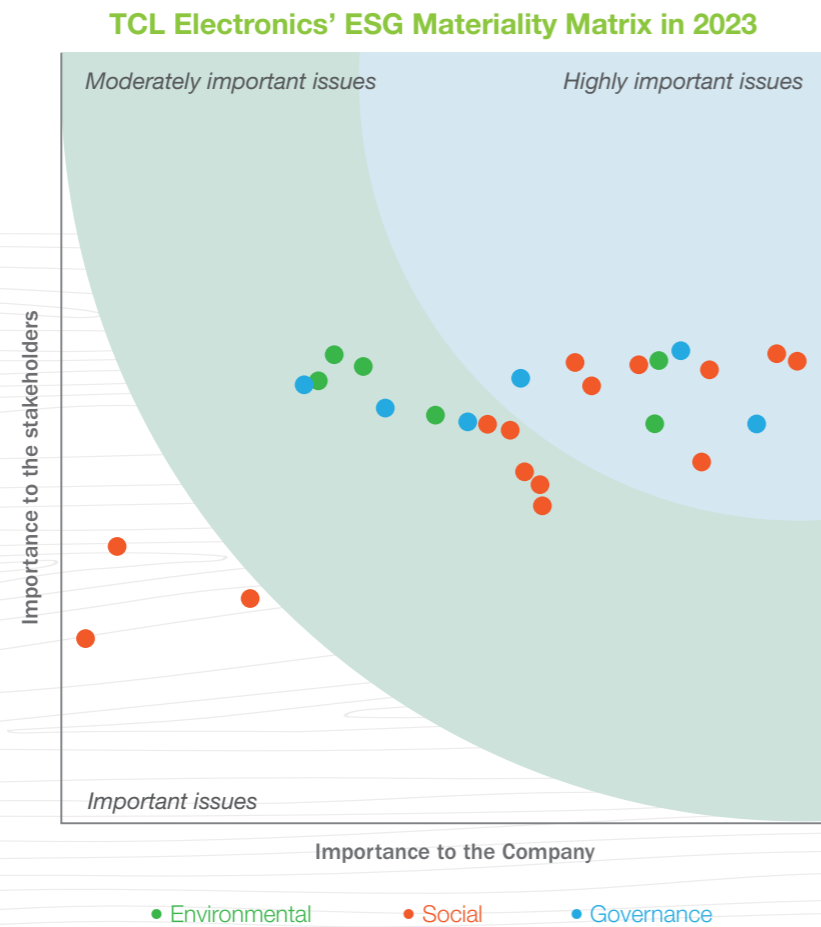
### 5.3 Material ESG Issues

With reference to the ESG Reporting Guide issued by the Hong Kong Stock Exchange, TCL Electronics regularly conducts the evaluation of material ESG issues by the process as shown on the table below.

<b>Issue identification</b>	The key issues of ESG were selected by referring to national policies, regulations and capital market requirements and domestic and overseas peer benchmarking research
<b>Stakeholder engagement</b>	More than 2,500 responses to our questionnaires were collected from internal and external stakeholders at home and abroad to keep a good grip on the demands of all stakeholders
<b>Issue evaluation</b>	The highly important, moderately important, and important issues of TCL Electronics this Year were formed according to "importance to the Company" and "importance to the stakeholders"
<b>Review and confirmation</b>	The Board and management of the Group reviewed and verified the priority, scope, and completeness of the material issues, and confirmed their materiality

▲ Evaluation Process of TCL Electronics' Material ESG Issues

This Year, we distributed online questionnaires to all stakeholders to evaluate and determine the importance of ESG issues from the two dimensions of corporate development and stakeholders, and drew a matrix of material issues.



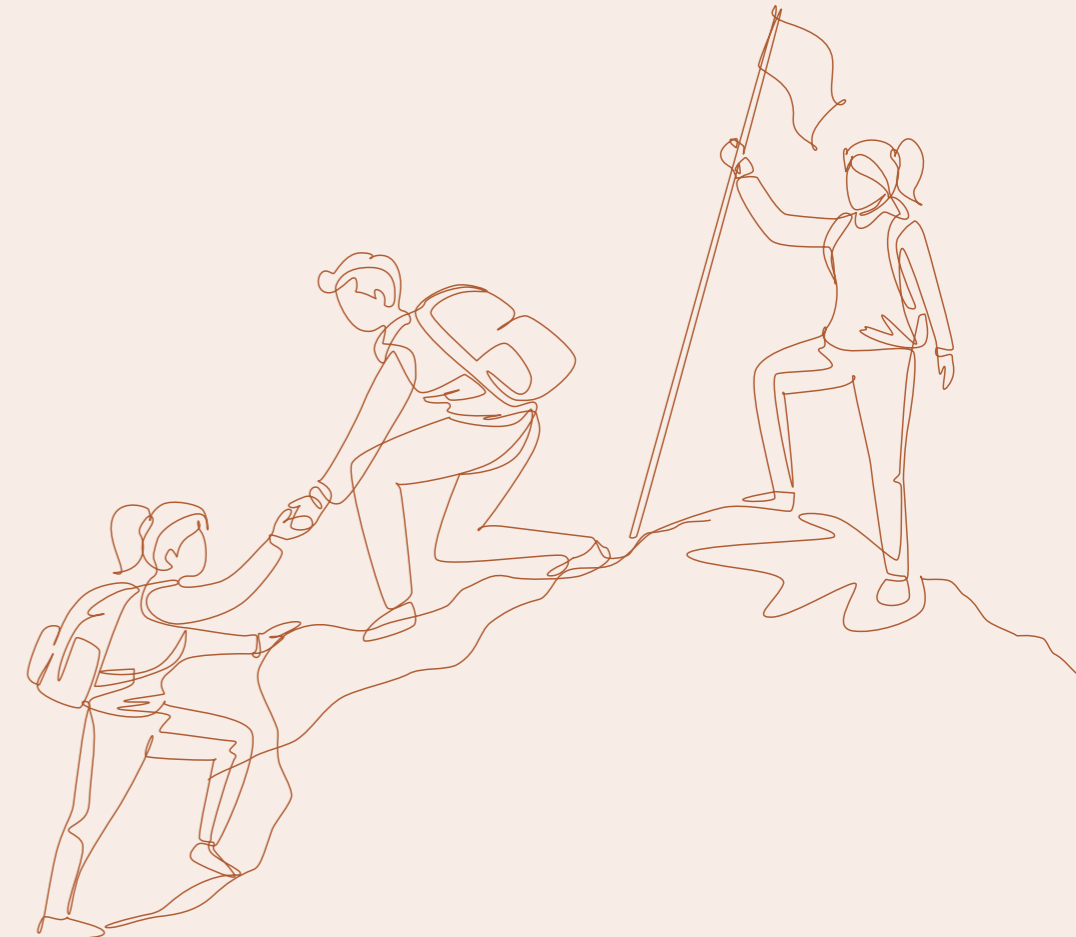
### List of TCL Electronics' ESG Material Issues in 2023

Materiality	Ranking	Category	Material Issues
Highly important	1	Social	Product quality and safety
	2	Social	Health and safety
	3	Governance	Compliance with laws and regulations
	4	Social	Customer service
	5	Environmental	Response to climate change
	6	Social	Information security and privacy protection
	7	Governance	Corporate governance
	8	Social	Protection of intellectual property rights
	9	Social	Talent attraction and retention
	10	Social	Green design of products
	11	Governance	Business ethics
	12	Social	Product and technological innovation
Moderately important	13	Social	Sustainable supply chain management
	14	Social	Employees' rights, interests and benefits
	15	Environmental	Waste management and resource recycling
	16	Environmental	Greenhouse gas emission management
	17	Governance	Smart manufacturing and digital transformation
	18	Environmental	Water resources management
	19	Social	Diversity and equal opportunities
	20	Social	Employee training and development
	21	Environmental	Emission management
	22	Governance	Communications with stakeholders
	23	Governance	Transparency in information disclosure
	24	Social	Management of conflict minerals
Important	25	Social	Responsible marketing
	26	Social	Technology for inclusion
	27	Social	Community participation

# 6

## Striving for Steady and Long-term Development

Robust governance is the cornerstone for corporate development. Starting from the industrial development pattern, market demand, and our own capabilities, TCL Electronics combines business development with our values of business ethics and the expectations of all stakeholders. We adhere to business ethics, respect and protect intellectual property rights of all parties and continuously improve corporate governance so as to lay a solid foundation for the steady development of the Company.



## 6.1 Delivering Economic Value

We closely follow our development strategies of “build a global and technology-driven company”, continuously optimise our product structure and constantly expand domestic and overseas markets, thus gaining multiple core competitive advantages. We also focus on deep participation in cross-industry communication and collaboration to actively advance sustainable development of the industry.

### 6.1.1 Paying Taxes According to Law

Tax credit is the touchstone for measuring corporate credit. TCL Electronics adheres to the philosophy of “paying taxes according to law”, strictly abides by the local taxation regulations in China and overseas, establishes corresponding financial accounting and tax management systems, and earnestly fulfils our tax payment obligations. We strictly abide by *Environmental Protection Tax Law of the PRC* and other standards for sewage charges in the areas of operation to ensure that all the production bases in China pay environmental protection taxes in full and on time according to the actual circumstances. We also strive to reduce the direct and indirect negative impact of enterprise production and operation on the environment, and promote the construction of ecological civilisation.

### 6.1.2 Strengthening Overseas Markets

With the gradual recovery of the global consumer market, TCL Electronics seized the market opportunities brought by the development trends towards high-end and large-screen products of the global colour TV industry and achieved a steady increase of our shipment. The total shipment of TCL smart screen was 25.26 million sets this Year, representing a 6.2% year-on-year increase against the downward trend of the market, ranking among the top in various countries and regions.

The rapid expansion of overseas business is inseparable from the Group’s overseas talent supply chain. We continue to refine the overseas talent strategy and focus on multi-level introduction and cultivation of globalised talents. While gathering global wisdom to speed up business development, we provide local communities with more employment opportunities, enhance the professional skills of local employees, and promote diversified development of talents.

Market Distribution	Country	2023	2022
North American Markets	America	No.2	No.2
	Canada	No.3	No.5
	Mexico	No.5	No.4
Emerging Markets	Australia	No.1	No.1
	Pakistan	No.1	No.1
	The Philippines	No.1	No.1
	Myanmar	No.1	No.2
	Saudi Arabia	No.2	No.2
	Kazakhstan	No.3	No.3
	Brazil	No.3	No.3
	Thailand	No.4	No.4
	Vietnam	No.4	No.4
	Argentina	No.4	No.4
European Markets	Chile	No.5	No.5
	The United Arab Emirates	No.5	No.5
	France	No.2	No.2
	Czech	No.3	No.3
	Italy	No.4	No.3
	Poland	No.4	No.4
	Hungary	No.4	No.5
Greece	No.5	No.4	

▲ Ranking of the 2023 Shipment Market Share of TCL Smart Screen in Major Markets

### 6.1.3 Leading Industry Development

TCL Electronics upholds the philosophy of Open Cooperation for Win-Win Results, and is committed to building an interconnected industrial ecosystem with unified standards together with global partners to promote sound and stable development of the industry.

#### Industry Cooperation and Exchange

TCL Electronics emphasises complementing each other's strengths with industry partners and seeking common development. The Company has become a formal member of multiple industry associations, including China Video Industry Association and UHD World Association (UWA) and holds positions such as vice president and vice chairman to manage the industry. We actively participate in industry exchanges, share the latest industry technologies and achievements, and contribute to exploring more effective paths for industry cooperation and development.

#### Case: TCL Electronics Signed its First Sustainability-Linked Agreement with Standard Chartered

A subsidiary of TCL Electronics signed a sustainability-linked agreement with Standard Chartered Group in 2023. The innovative transaction is linked to the Company's sustainability performance over a specified period, serving as a pioneering example to seek cross-industry sustainable development for the household appliance industry in China.

The agreement set specific time-bound KPIs on the greenhouse gas emission reduction and employees' occupational health and safety trainings for the Company. Leveraging on such sustainability-linked KPIs, Standard Chartered bundled various derivatives under TCL Electronics' risk hedging to greatly streamline the transaction process and enhance the scope of the sustainability-linked risk-hedging transactions. This arrangement not only encourages TCL Electronics to take proactive actions for sustainable growth, but also facilitates our risk hedging while contributing to the development of green finance.

#### Case: TCL Photovoltaic Technology Established Deep Strategic Cooperation with SPDB Financial Leasing and SPD Bank

In February 2023, TCL Photovoltaic Technology signed a strategic cooperation agreement with SPDB Financial Leasing and SPD Bank Guangzhou Branch, establishing a comprehensive strategic cooperation. The three parties will fully leverage their respective market competitiveness and advantages in technological resources and financial resources, and jointly probe into the "photovoltaic+" model in the field of new energy, mainly photovoltaics, on the basis of the development of operational leasing business for photovoltaic power stations. We will work together to focus on new situations, seize new opportunities, and promote the large-scale development and application of clean energy, contributing to the achievement of the national goal of carbon peaking and carbon neutrality and the implementation of the rural revitalisation strategy.



▲ TCL Photovoltaic Technology Signed a Strategic Cooperation Agreement with SPDB Financial Leasing and SPD Bank Guangzhou Branch

#### Assisting in Standards Formulation

This Year, TCL Electronics participated in the formulation and revision of multiple national, industry and group standards, effectively promoting standardised and unified industry management.

Standard Title	Standard No.	Standard Nature
Minimum Allowable Values of Energy Efficiency and Energy Efficiency Grades for Displays	GB 21520-2023	National standard
Audio/Video, Information and Communication Technology Equipment – Part 1: Safety Requirements	GB 4943.1-2022	National standard
Nanotechnology – Nano-enabled Optoelectrical Display – Measurement of Optical Performance for Quantum Dot Enabled Light Conversion Film	GB/T 42976-2023	National standard
Nanotechnology - Nano-enabled Optoelectrical Display - Optical Reliability Assessment for Quantum Dot Enabled Light Conversion Film	GB/T 42977-2023	National standard
TV Receiving Equipment - Technical Requirements and Measurement Methods for Analog Radio Frequency Reception Performance	SJ/T 11909-2023	Industry standard
Digital TV Multichannel Audio System Technical Specifications	T/CVIA 119-2023	Group standard
Digital TV Multichannel Audio System Electro-Acoustic Performance Technical Specification	T/CVIA 120-2023	Group standard
Technical Specification for Display Performance of 8K Ultra High-Definition LCD TV	T/CVIA 121-2023	Group standard
Smart TV Information Security -Technical Requirements and Evaluation Methods for Operating System Data Storage Security	T/CVIA 108.3-2023	Group standard
Smart TV Information Security – Security Technical Requirements and Evaluation Methods for Operating System Startup and Update	T/CVIA 108.5-2023	Group standard
Smart TV Information Security - Technical Requirements and Evaluation Methods of Application Information Collection and Transmission	T/CVIA 108.7-2023	Group standard
Technical Specification for Liquid Crystal Display with Mini LED Backlight	T/CVIA 115-2023	Group standard
General Specifications of Micro LED <sup>6</sup> Display - Medium and Large Size Display	T/CVIA 116-2023	Group standard

▲ Standards whose formulation was participated in by TCL Electronics in 2023

<sup>6</sup> Micro LED refers to the LED chip with a size on the order of 50 μm, which is self-luminous and does not require a backlight.

### Industry-University-Research Cooperation

Committed to promoting industry-university-research integration, TCL Electronics has reached in-depth strategic cooperation with a number of top colleges and research institutes to jointly develop innovative technologies and commercialise scientific research achievements and continuously deliver high-quality talents to the industry by establishing a TCL university talent training base, cooperative laboratories with colleges and universities, and education funds.

#### Case: PhD Professionals' Workshop in Guangdong PhD Workstation

The R&D Centre of TCL Electronics' Pan-smart Screen Business Unit established Guangdong PhD Professionals' Workstation, further enhancing the attraction of doctoral and postdoctoral expert talents in various fields of R&D to the Company and providing a better development environment for high-calibre scientific research talents.

In May 2023, the Group held a workshop, where several PhD Professionals' were invited to share their professional knowledge and practical experience with workstation staff, specifically polymer materials and their applications, the production process and related precautions of Micro LED technology modules. Through jointly exploring frontier trends of the industry, staffs have expanded their horizons and perspectives.



▲ A PhD Professional Shared Knowledge about Polymer Materials and Their Applications

## 6.2 Observing Business Ethics

TCL Electronics always regards honesty, integrity, fairness, impartiality, and business ethics as a part of the corporate culture and core values of the enterprise that our employees must adhere to. We are committed to creating a corporate image of morality, integrity, and trustworthiness, constantly deepening employees' awareness of fair competition, improving business ethics, and creating a fair and just business environment.

### 6.2.1 Anti-Corruption Management

TCL Electronics strictly abides by applicable anti-bribery and anti-corruption laws and regulations such as *Criminal Law of the PRC*, *Company Law of the PRC*, *Anti-Unfair Competition Law of the PRC*, *Anti-Monopoly Law of the PRC*, *Anti-Money Laundering Law of the PRC*, *Interim Provisions on Banning Commercial Bribery (Order No. 60 of the State Administration for Industry and Commerce of the PRC)*, the code provisions of *Corporate Governance Code of the Listing Rules*, as well as other relevant domestic and overseas laws, regulations and provisions. Through system construction and long-term investment, we ensure that corporate operation is legal and compliant and that bribery, extortion, fraud, money laundering, and other illegal practices are prevented. We also determinedly resist all forms of commercial malpractices and acts in violation of fair competition, and make efforts to protect the legal rights and interest of our own and others.



There was no concluded lawsuit related to corruption in TCL Electronics in this Year.

### Anti-Corruption Management System

We have formulated and strictly implemented the Anti-Corruption Policy, established and improved an anti-corruption management system that includes functions of risk assessment, compliance monitoring and continuous monitoring, compliance audit, whistleblowing and investigation, and training and communication, so as to guide and constrain the business behaviours of employees and external stakeholders. We require all employees to sign the *Undertaking of Personal Integrity* upon on-boarding and standardise their behaviours in the employee manual by imposing strict requirements on employees in terms of abuse of power, bribery, gifts, corporate hospitality, etc.

The audit department and compliance and legal department of the Company regularly conduct compliance audit on the implementation of the Group's anti-corruption policy and the effectiveness of the compliance system. In addition, we conduct and participate in corruption risk evaluation organised by TCL Industries Holdings on a regular basis to rectify the defects discovered and avoid risks in a timely manner. This Year, we also conducted the anti-bribery compliance assessment at overseas subsidiaries to improve the internal compliance management policy and system based on local applicable regulatory requirements and effectively reduce potential compliance risks.

**Supplier Anti-Corruption Management**

We attach importance to the business ethics of suppliers to ensure fairness and transparency in the procurement process. We clearly state in procurement agreements that suppliers shall not, under any name whatsoever, entertain, give gifts, secretly provide rebates, commissions, securities, tangible items or other forms of benefits to or collude with the procurement personnel. We also require suppliers to sign the *Code of Conduct for Partners* and the *Notice of Corporate Social Responsibility*. If any commercial bribery is found, we will immediately terminate the contract with the supplier and demand reasonable compensation. We also include the business ethics into the scope of supplier evaluation each year to ensure the legitimate rights and interests of both parties in business are protected.

This Year, we invited about 170 suppliers to participate in the integrity promotion conference held by the Company to learn the latest knowledge of anti-corruption laws and regulations, the experience of preventing and treating corruption at the source, and cited real cases to warn and call on the suppliers. Suppliers signed the *Integrity Pledge* at the conference in response to the Company's integrity initiative, effectively promoting the establishment of honesty and integrity management regulations systems of suppliers.

**6.2.2 Anti-Corruption Education**

TCL Electronics is committed to shaping a compliance culture of honesty and integrity. We continue to promote internal and external integrity education, training, and publicity to enhance the awareness of integrity among employees and suppliers.

- ▶ Offer online Anti-Commercial Bribery Compliance Course on T-Academy, an internal online training platform
- ▶ Establish a special column on integrity on the home page of the Company's internal website, and announce disciplinary actions against corrupt employees
- ▶ Place the publicity information about anti-corruption and integrity on the mini bulletin boards in elevators and lavatories
- ▶ Carry out anti-corruption education and training through diverse methods, including staff emails, interaction on corporate WeChat official account, office area advocacy, etc
- ▶ Play self-produced short videos on anti-corruption during all training and meeting intervals
- ▶ Carry out integrity questionnaire once a year and promote anti-corruption knowledge to employees
- ▶ Carry out anti-corruption and integrity training covering all employees



**Case: TCL Electronics Launched a Special Campaign of Integrity and Self-discipline**

To further enhance employees' awareness of integrity, self-discipline, and risk prevention, the Pan-smart Screen Business Unit of TCL Electronics launched a special campaign of integrity and self-discipline from July to October 2023 where the heads and backbone personnel of all centres and departments took an oath of integrity so as to intensify the anti-corruption and integrity awareness of management. Special trainings on the prevention of internal control risks and integrity and self-discipline awareness were also launched.

**• Risk control training**

We conducted a series of trainings on risk control empowerment for all employees, sorted and summarised the Company's internal risk control discipline and current status by presenting external laws, regulations, and rules related to risk control together with warnings of law violation cases. As a result, we further enhanced the awareness of risk control among all employees and chartered the course of internal control of the Company.

**• Special training on integrity and self-discipline**

We conducted a series of special trainings on integrity and self-discipline in domestic and overseas operating areas such as Huizhou and Vietnam. Focusing on the two themes of "Introduction to Audit and Supervision" and "Integrity in Work", we explained the relevant laws and regulations and practical cases to employees and informed them of the latest regulations and requirements to establish correct business values among employees and guarantee the compliant and steady business development in China and abroad.



▲ Training on Integrity and Self-Discipline in Vietnam Manufacturing Base

### 6.2.3 Declaration of Interests and Whistleblowing Management

TCL Electronics has formulated the *Whistleblowing Policy* to clarify the definitions of misconducts such as soliciting bribes and the corresponding whistleblowing guidelines for employees and third parties. We provide internal and external reporting channels including letters/emails, hotlines and face-to-face conversations, and make every effort to keep all the information obtained from whistleblowers and their identities confidential. In addition, we have set up a column on integrity on the homepage of the office automation system ("OA system") where employees can declare their relatives' positions in the Group or in suppliers in a timely and proactive manner.

#### Whistleblowing Handling Process

Upon receipt of a whistleblowing report, the recipient will immediately deliver the whistleblowing report to the internal control and audit department. For real-name whistleblowing report, we set up a dedicated team to follow up in time. The team consists of a maximum of three members, two of whom are responsible for investigating the case and contacting the whistleblower, and finally reporting the investigation results to the head of the internal control and audit department to ensure the reported information is processed in a timely and appropriate manner. For anonymous whistleblowing report, the investigation will be carried out depending on the details reported and the degree of whistleblower's assistance with the investigation.

## 6.3 Protecting Intellectual Property Rights

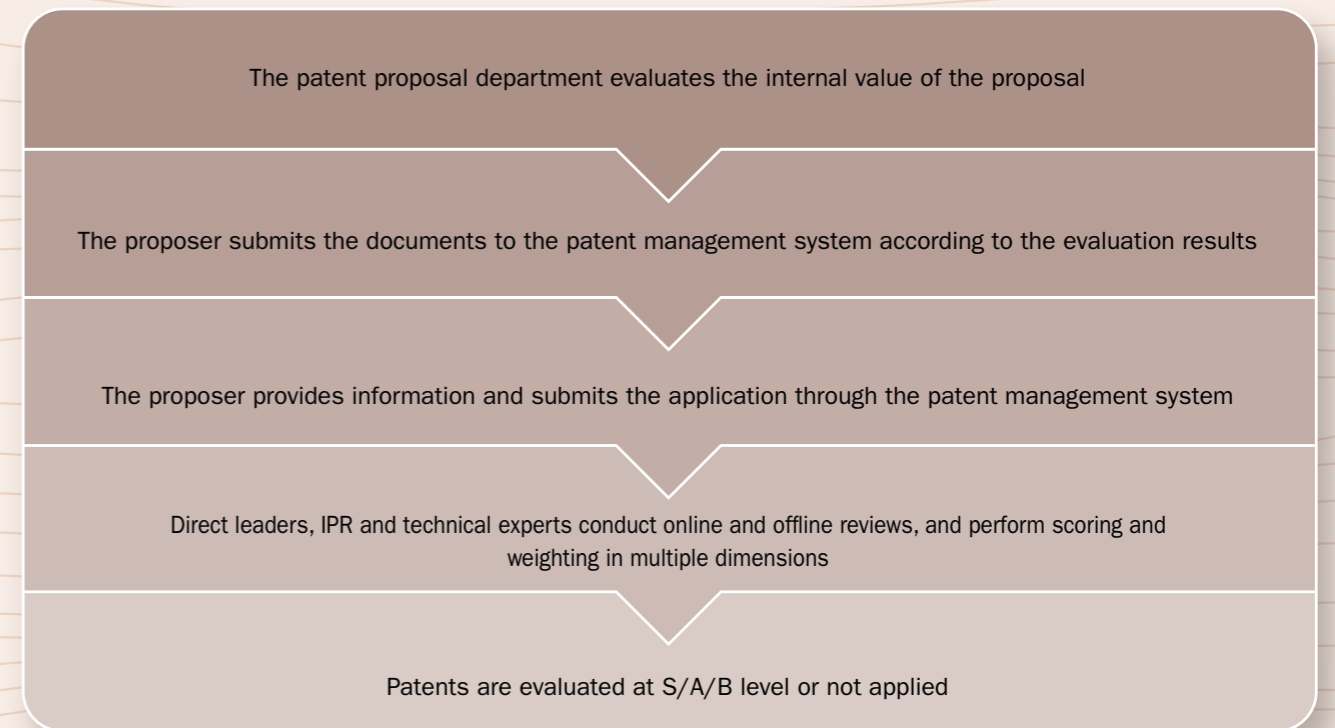
TCL Electronics adheres to tech-driven development and maintains comprehensive compliance of intellectual property rights ("IPR(s)"). We continuously strengthen the management and maintenance of our own IPRs on the basis of not infringing on the IPRs of any third party, explore the innovations of key products/technologies, and actively guard against the risks of IPR infringement.

### 6.3.1 Systematic Intellectual Property Management Mechanism

TCL Electronics strictly abides by laws and regulations such as *Patent Law of the PRC* and *Trademark Law of the PRC*, *Copyright Law of the PRC*, and *Regulations on the Protection of Computer Software* and internal requirements of TCL Industries Holdings such as the *Code of Business Conduct*, *Patent Application Management Measures*, *Patent Reward Measures*, *Rules on Standard Technical Patent Rewards and Review*, and *Rules on Agency Resources Management*. TCL Electronics' intellectual property management is under the unified supervision of the intellectual property department of TCL Industries Holdings, a holding company of TCL Electronics. The intellectual property department of TCL Industries Holdings provides legal support for the application, maintenance, risk management, and litigation of the Group's IPRs, sets up a patent proposal department, and establishes a analysis system for patent application value based on the nine principles of comprehensiveness, systematisation, operability, timeliness, independence, hierarchy, qualitative and quantitative combination, modularity, and expandability, providing professional guidance and hierarchical and classified management support for internal patent application and ensuring that we could properly manage and safeguard our own IPRs.

This Year, TCL Electronics obtained 938 new licensed patents, and the accumulative number of licensed patents reached 7,356.<sup>7</sup>

<sup>7</sup> In order to match the needs of business development and achieve the high-quality patent development goal, the Group has optimised and adjusted the quality structure of patents, so that the cumulative number of patents granted does not include patents sold during the year or expired patents.



▲ TCL Electronics' Patent Application Evaluation Process

### 6.3.2 Protecting Self-Developed IPRs

We take the protection of IPRs as a key task, carry out scientific, planned and procedural routine maintenance on the IPRs that have already been obtained, and promote the awareness of safeguarding rights of relevant personnel through regular trainings and exchanges.

#### Establishing Records Management

We establish IPR information management records to keep clear record of the types of rights involved in each product and the protection period and defend IPRs in a timely manner.

#### Infringement Search

We conduct IPR clues mining to safeguard our legitimate IPRs on a global scale independently or in cooperation with external law firms.

#### Patent Litigation

According to the *Regulation of the Patent Litigation and Patent Licensing Case Management*, we shall file lawsuits against serious infringement, cooperate with relevant departments for litigation preparations, and engage an external team of lawyers to defend our rights.



*Improving the Awareness of Safeguarding Rights*

We conduct rights-safeguarding trainings for front-line product personnel and sales teams, carry out activities such as Q&A and intellectual property system publicity according to the needs of departments, and promptly report external suspicious infringing clues which will be followed up and evaluated by the legal and compliance department.

*Patent application*

We join the patent pool launched by international patent licensing platforms such as Avanci<sup>8</sup> and Sisvel<sup>9</sup>, and obtain certain patent licensing benefits, which can effectively reduce the R&D costs to a certain extent.

**6.3.3 Infringement Risk Management**

We strictly regulate the patent risk assessment of its own products before and after such products are launched, take timely countermeasures according to the assessment results, and strictly regulate the intellectual property management of suppliers to effectively prevent infringement risks.

*Product Risk Investigation Screening*

For products to be released or launched, global patent search will be conducted according to their technical solutions, their infringement risk will be evaluated to prevent infringement for high-risk patents. The product intellectual property guarantee will be reviewed in the procurement stage, and intellectual property infringement will be reviewed after the goods are delivered by third parties. For the products that have already been launched, TCL Electronics urges the personnel responsible for business activities to use the content in compliance with the contract, and sets guidelines for copyright complaints on the cooperative product page.

*Supplier Intellectual Property Management*

TCL Electronics actively urges suppliers to carry out intellectual property protection, and clearly lists the provisions on intellectual property protection in the procurement agreements signed with suppliers or contractors, requiring suppliers to ensure that the products or services they provide to us do not infringe the IPRs and other legitimate rights and interests of any third parties. Upon receiving any complaints about supplier's infringement, we will confirm the terms on the supplier's responsibilities in strict accordance with the *Implementation Rules for Supplier's Responsibilities*, and facilitate the fulfilment of supplier's responsibilities to ensure the protection of the IPRs of others.

<sup>8</sup> Avanci is an independent provider of patent licensing solutions that works at the intersection of different industries to provide patent licensing of efficiency, convenience, and predictability.

<sup>9</sup> Sisvel is a company that provides licensing solutions and patent pools for the delivery of cutting-edge technologies.





Under the guidance of “global change, intelligent manufacturing, and higher quality and efficiency”, TCL Electronics prioritises users’ needs, improves the quality management system covering the whole life cycle of products and protects users’ rights and interests in a bid to create healthy, accessible, green and high-quality products for users.



# Heading into a Future of Leadership with Smart Products

## 7.1 R&D Innovation

TCL Electronics always puts a high value on the application of digital and intelligent technologies to products, supply chain, and enterprise management. We continue to explore the ultimate approach to digitised operation management, automated production and manufacturing, and intelligent R&D and design, and are committed to upgrading consumer experience through technological innovation.

### 7.1.1 R&D of Cutting-edge Technologies

TCL Electronics regards innovative R&D as an engine for continuous breakthrough in enterprise development and continuously strengthens R&D investment to consolidate our leading R&D capability and position in the industry, including the control point construction of Mini LED large-screen technology in display resolution technology and the innovative breakthrough in self-adjustment of sound quality, which supports our far leading position in display products technologies and enables us to become the first enterprise in the world that realises the coplanar technology of LED and driver on same side of aluminium substrate in Amplitude Modulation (AM) driving technology. We increased the investment in the system technology platform, strengthened core capabilities of innovative businesses such as Augmented Reality (AR), and explored the application in intelligent interactive scenarios. We also consolidated the Artificial Intelligence (AI) x Internet of Things (IoT) technology platform, continuously integrated the large model capability of AI, and improved the product and service experience and internal operational efficiency.

TCL Electronics boasts over 10 R&D centres and ecological cooperation laboratories around the world and has strong ecological and technological competitiveness in the technical fields of Mini LED display technology, AI, IoT, AR/Extended Reality (XR), cloud computing, etc. In addition, TCL Electronics has rich experience in cutting-edge technology exploration and application, providing powerful resource and technological support for our R&D of innovative technologies.

This Year, the total investment in R&D of TCL Electronics was HKD2,327 million.

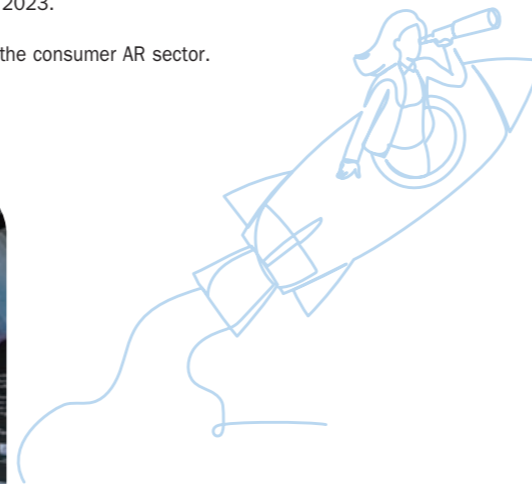
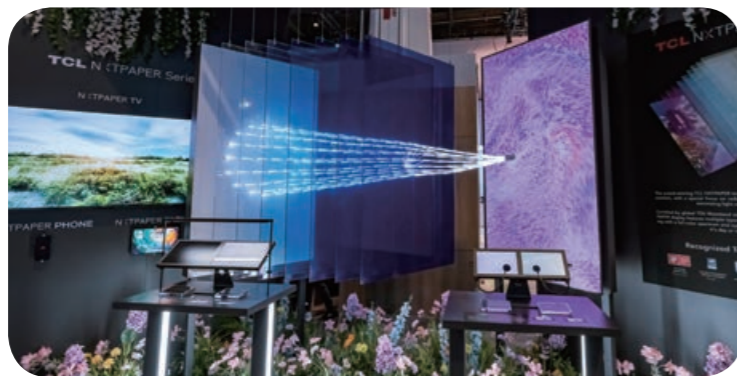
This Year, the Group launched multi-category award-winning smart products such as Mini LED smart screen, 5G mobile phone, smart door lock, and AR/XR glasses.

In January 2023, we unveiled products including the flagship Mini LED smart screen QM8 and AR smart glasses RayNeo X2, and established the TCL Green Zone at CES 2023 for the first time to promote our eco-friendly and green philosophy. At the Global Top Brands Award Ceremony, TCL X11 LINGYAO QD-Mini<sup>10</sup> LED TV received the "Award for Innovative Mini LED Display of the Year 2022-2023".

In March 2023, we launched the TCL QD-Mini LED smart screen X11G, featuring an XDR with peak brightness of 5,000 nits and 5,184 local dimming zones, which won the "Innovation Award" at AWE Award Ceremony held in April 2023.

In September 2023, we showcased the world's largest 115-inch QD-Mini LED smart screen at the Berlin IFA 2023.

In October 2023, we launched the consumer-grade AR smart glasses RayNeo X2, setting a new standard in the consumer AR sector.

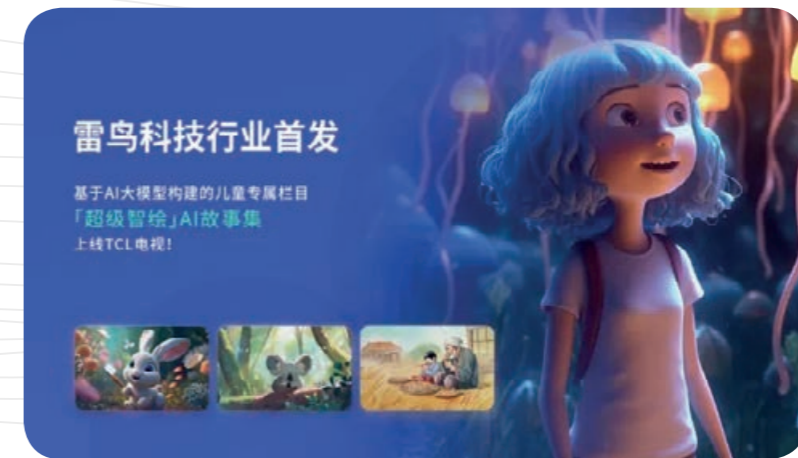


<sup>10</sup> QD Mini LED is an advanced version of Mini LED technology, which combines the advantages of ultra-high brightness, ultra-high contrast, ultra-high colour gamut, and ultra-long lifespan.

### Case: TCL Electronics Released Multiple Achievements in the Field of AI Technology

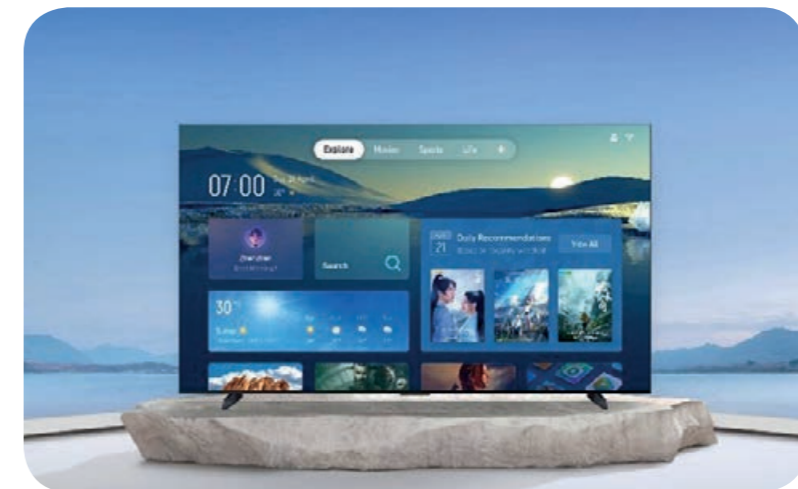
As a pioneer in the R&D and application of AI technologies in the consumer electronics industry, TCL Electronics continues to explore the application of AI technologies to intelligent device products such as home appliances and mobile electronic devices, and released a number of achievements in the field of AI technologies in 2023.

As the first customised content column automatically generated by AI large model technology in the internet TV industry, Super Story Painter used the AI large model to turn the 4K screen into an interactive electronic picture book, which enriches the content ecology of internet TV and provides a feasible new paradigm for content innovation of the industry.



▲ "Super Story Painter" AI Story Collection

Combining form and function and integrating emotion and technology in TV products, Lingkong UI blocks the advertisements at the source, increases the running speed, and achieves "zero delay boot and one-touch start"; Embedded with "free components", "shortcut keys", and "clone desktop" functions, it allows users to customise and create desktops based on their needs and viewing habits of every family member. The added "flexible wallpaper" function brings natural colours and daily life into the TV screen, meeting the users' needs of minimalism and customisation.



▲ Lingkong UI

### 7.1.2 Intelligent Manufacturing and Digitalisation

TCL Electronics actively promotes the digital upgrade of production and operation, and empowers advanced manufacturing through digitalisation to gradually improve the intelligent manufacturing system. We constantly develop R&D technology innovation, laying a solid foundation for continuous innovation and sustainable development in the future. This Year, the project of building a 5G-connected flexible colour TV manufacturing factory integrating R&D, manufacturing and sales of TCL King (Huizhou) under TCL Electronics, was successfully listed in the “2023 5G Factory Directory” on the official website of the Ministry of Industry and Information Technology of the PRC; This project was also successfully selected among the national “5G-Connected Factories” in 2022 Industrial Internet Pilot Demonstration List issued by the Ministry of Industry and Information Technology of the PRC, becoming the only selected enterprise in the national smart home appliance industry.

Relying on the “6+1” digitalisation platform of TCL Industries Holdings which integrates procurement, transportation, production, warehousing, and quality and equipment management, TCL Electronics analysed the manufacturing process, and built a system of intelligent manufacturing based on goals such as automation improvement, digital application and alignment, and cost reduction and efficiency improvement.

By the end of the Year, all smart screen factories of TCL Electronics have been fully connected to the “6+1” digitalisation platform.

#### Case: TCL Electronics CSKD Factory Built and Upgraded an Intelligent Three-dimensional Warehouse for Spare Materials

In 2023, the CSKD factory of the Pan-smart Screen Business Unit under TCL Electronics set up a team for intelligent spare material management project, which worked out an intelligent upgrade solution to the problems of large demand for spare materials, packaging difficulty, and complicated production management on the principle of “front-end prevention, middle-end treatment, and back-end burden reduction”.

The project team adopted three-dimensional warehouse management and separated warehousing design, carried out warehousing management system of spare parts based on QR code address management, introduced collaborative robots which act according to intelligent route algorithm, and cooperated with three-dimensional shelves for intelligent access to materials to make the most use of vertical space. After the intelligent warehouse for spare materials of CSKD factory was officially launched, the operation efficiency of personnel and the speed of finding spare materials were greatly increased, which further improved the response timeliness and satisfaction of customers.



Package Weighing Line in Intelligent Spare Material Warehouse



Finished Product Unloading Line in Intelligent Spare Material Warehouse

#### Case: Introduce GPM in Pan-smart Screen Business Unit

In order to comply with the environmental requirements and management and control of materials, the Pan-smart Screen Business Unit of TCL Electronics developed a scheme for green, environment-friendly and intelligent management of products which integrated external control and internal management in 2023, further upgrading the GPM management system of green products.

The Pan-smart Screen Business Unit adopted MinIO, Redis and other cutting-edge technologies in the systems, and combined advanced core accounting algorithms for the carbon footprint of products. Meanwhile, by integrating the unified technological platform with the platforms of other business units and interfacing with the modules of supplier introduction, material confirmation, environmental testing, etc., the system was equipped with such functions as tracking low-carbon, environmental and green-related laws and regulations, supplier development and change, new material/whole unit development and updating, environmental IQC testing (including incoming material, cycle, non-tender procurement and entrustment phase), carbon accounting and carbon footprint accounting for the products and other basic support capacities, further ensuring that the products met the compulsory requirements for environmental protection quality and customer satisfaction was enhanced.

### 7.1.3 Healthy and Inclusive Products

TCL Electronics regards accessibility and health as an important mission of our operation. In accordance with the requirements of *European Accessibility Act* and other relevant laws and regulations, we are devoted to delivering accessible, reliable and user-friendly products and experience to consumers. Moreover, we endeavour to offer consumers a futuristic technological experience and smart and healthy life-style to ensure they can equally and easily enjoy the achievements of technological development.

#### Protect Eyes

Considering the factors such as screen brightness, contrast, colour saturation, viewing angle, distance, and viewing duration, we integrated ergonomics into the design of TV products and viewing scenarios, and adopted the display technologies such as NXPAPER and brightness comfort adjustment curve to protect users' eyesight and upgrade their visual experience.

At present, most of our models have passed the TÜV1<sup>11</sup> real visual experience certification, TÜV low blue light eye protection certification, TÜV no-reflection certification, and the certification from ISA<sup>12</sup>, CES, and other professional organisations.

#### Protect Children

The children care mode was launched in TV products, and many functions such as blue light eye protection, sight distance protection, and posture recognition are configured to keep children watching TV at a safe distance and in a correct sitting position. Besides, the remote access function is enabled to limit children's viewing time.

#### Adaptive Sound Technology

We upgraded the adaptive sound technology, and developed the functions of sound field, content, and noise adaptation to adjust the sound effects to the surroundings of viewers and the programmes they watch. Moreover, the TV sound volume could be adjusted according to the noise of the surroundings.

<sup>11</sup> TÜV Rheinland, a leading international technology service provider that provides rigorous and high-quality testing and certification services.

<sup>12</sup> Abbreviation for ISA, International SSL Alliance


**Accessible Products**

We have equipped communication devices and smart screen products with auxiliary function menu, hearing aid function, colour inversion, and high contrast and developed technologies targeted at multiple platforms covering high, medium, and low levels to make operations convenient for users with visual and hearing impairment. In order to meet the requirement of accessibility for aging population in various countries, our products have a mode dedicated for the elderly which requires little effort of understanding and offers easier experience.


**Case: TCL Electronics Launched TCL Care, the Industry's First TV Care Solution**

In 2023, TCL Electronics launched TCL Care, the industry's first TV care solution, and won a Silver Award of International Design Excellence Awards. The target users of this solution cover all groups including the vulnerable groups with limited mobility and the old and young groups. Our new technological solutions were adopted to bring care to users with physical barriers when watching smart TV.

- **TV assisted listening and sound field adaption:** Personalised adjustment and optimisation are made to sound based on factors such as users' age, gender, hearing ability, habits and preferences.
- **TV accessible colour system:** The international accessibility standard (WCAG 2.0) is adopted to standardise the contrast of colour and text on television, creating a good visual experience for visually impaired people.
- **Accessible rotating TV programmes for aging population:** We put ourselves into the shoes of the elderly to understand their needs and to solve their difficulty with navigation, watching, understanding, and operation of TV in their daily lives, and deliver as much convenience as possible to those with physiological and cognitive impairments.



**TCL Care TV UX Design**  
Social Impact Design - 2023 IDEA SILVER AWARD



▲ TCL Care Won Silver Award of IDEA

**7.2 Green Design**

TCL Electronics adheres to the concept of green and low-carbon design in the whole life cycle of products, and formulates a green product design scheme from saving resources, reducing energy consumption, using harmless, renewable and environmentally friendly materials, and saving packaging materials.

**7.2.1 Green and Energy-Saving Products**

TCL Electronics places a premium on energy efficiency and energy-saving design of products, and considers resource efficiency, resources and energy conservation in the design stage. In addition, we pay attention to the green and environmentally friendly features of products, reduce the use of non-environment-friendly techniques, and put into use cleaner production technologies and environment-friendly techniques in order to reduce the negative impact on the environment brought by resource and energy waste and pollution, and to effectively cut carbon emissions.

**Lightweight Design of Products**

Covering mobile phones, tablets, and other products ranging from low, mid and high ends, the all-in-one design scheme is adopted to effectively reduce the thickness and bring down the packaging size and product weight.

**Higher Energy Efficiency**

Our products are designed and developed in compliance with global energy efficiency policies and regulations. The energy efficiency indexes of all our products reach at least level 2 of the national energy efficiency standard and their passive standby power is less than 0.5 W, providing customers with energy-efficient products.

We also developed an algorithm to reduce the power consumption of smart mobile devices, which enables our devices to switch on sleep or power-saving mode automatically while not being used, thus effectively prolonging the battery life and reducing energy consumption.

**Cleaner Production Technique**

By following the *Guidance Catalogue for Industrial Structure Adjustment* published by the National Development and Reform Commission of the PRC, we continued to promote the use of cleaner production technique, and improved the injection moulding technique during processing to eliminate the environmental pollution caused by traditional spraying technique.



This Year, under TCL Electronics:

- TCL Communication was awarded EcoVadis golden medal in 2024, ranking among the top 5% of all the evaluated enterprises
- The product certification laboratory of our Whole Unit Verification Centre of Pan-smart Screen Business Unit has successfully obtained the authorisation of US/Canada TV Voluntary Agreement Certification Testing under the new North American TV energy efficiency testing standard ANSI/CTA-2037-D from Pacific Crest Labs LLC of the United States
- A total of 1,294 models received the China Energy Saving Product Certificate issued by China Quality Certification Centre
- A total of 536 products obtained the China Environmental Labelling Certification (Ten-Ring Certification)

### Case: Won the 2023 Green Design International Contribution Award

TCL Electronics takes green design seriously, and constantly makes breakthroughs in making greener products with lower carbon. We assisted TCL Industries Holdings, our holding company, in winning the 2023 Green Design International Contribution Award at the 2023 International Forum on Green Design and Green Manufacturing and Dialogue on Green Transition and Climate Change by World Green Design Organisation in October 2023. Besides, our smart screen product 65V2D received a 3-star carbon label in 2023.



▲ 2023 Green Design International Contribution Award and Medal



▲ The 3-star carbon label certificate of 65V2D

### 7.2.2 Environmentally Friendly Raw Materials

TCL Electronics is committed to creating a hazardous substance management system throughout the entire life cycle of our products. We reduced or substituted hazardous substances, used recyclable and renewable raw materials when it's safe for our products, and enhanced the recycling performance of products to provide consumers with safe, harmless, green, and sustainable products.

#### Use Harmless Raw Materials

In compliance with *RoHS Directive*<sup>13</sup>, *REACH*<sup>14</sup>, *Prop65*<sup>15</sup>, *Stockholm Convention on Persistent Organic Pollutants* and the halogen-free requirement for equipment of the International Electrotechnical Commission (IEC), we formulated *Restricted Substance Management Standard and Restricted Substance Control Procedure* to replace highly toxic materials with low ones and low toxic materials with toxic-free counterparts. The use of hazardous substances including lead, mercury, cadmium, and hexavalent chromium has been under strict control. Taking Hazardous Substances Free (HSF) of product as the long-term goal, we standardised the management of raw and auxiliary materials in the entire value chain from design, R&D, manufacturing and assembly, installation, to service, and tested the raw material from all suppliers to make sure they are harmless.

This Year, all raw materials from our suppliers passed the HSF qualification, and no complaints related to toxic and harmful substances were received.

<sup>13</sup> RoHS Directive: Directive on Restriction of Hazardous Substances in Electrical and Electronic Equipment, a mandatory standard formulated by EU legislation.

<sup>14</sup> REACH: Registration, Evaluation, Authorisation and Restriction of Chemicals, a regulation of the European Union for the precautionary management of all chemicals entering its market.

<sup>15</sup> Prop65: Proposition 65, officially known as the Safe Drinking Water and Toxic Enforcement Act of 1986, is used to test chemical substances such as lead, cadmium, phthalates and BPA in products.

#### Use Renewable Material

Our products are designed to use environmentally friendly and renewable raw materials to increase the disposability of our products for harmless disposal, with an aim to promote circular economy and provide consumers with green products at a lower cost in resources.

#### Product Recycling

Our smart screen products meet the recyclability standard of the *WEEE Directive*<sup>16</sup> of the European Union. We replaced screws with buckles in the seam of the shells and iron back plates and the fixation of rubber frames and back plates, which makes it easier to dismantle and recycle scrapped products.

### Case: Build Recycling Capacity of Home Appliances

TCL Electronics through Shenzhen Shifendaojia Service Technology Limited (a fellow subsidiary of the TCL Electronics) built its own recycling capacity for home appliances in China, and launched different forms of recycling business such as “delivery, disassembly, installation” (trade-in) and “old machine recycling” through online and offline channels. The recycled products include TVs, refrigerators, washing machines, air conditioners and mobile phones. The products will be inspected and received by engineers and disassembled by environmental protection companies. The whole recycling process was visualised online.

#### Recycling of Coffee Grounds

We mixed decomposed coffee grounds into plastic particles which are used in the manufacturing of our phones, tablets, and routers. This not only reduces the pollution of coffee grounds to the environment but also cut the use of plastics.

### Case: Marine Waste Recycling

In 2023, TCL Electronics designed and developed a new solution to replace Expandable Polystyrene (EPS) foam as the cushioning material inside TV packaging box with OBP<sup>17</sup>, an environmentally friendly air cushioning material processed from marine garbage. The solution has been widely adopted in the packaging of TCL Electronics' S line products, which effectively reduced the transportation cost and recycled waste, truly bringing sustainable design into users' lives.



<sup>16</sup> WEEE Directive, Waste Electrical and Electronic Equipment Directive (2002/96/EC).

<sup>17</sup> Ocean Bound Plastic (OBP) is a global certification programme launched by Ocean Conservancy.

### 7.2.3 Economical Use of Packaging Materials

TCL Electronics regards packaging materials as a key part in developing a circular economy, and continues to work on plastic-free techniques and lightweight design of packaging materials in our entire industrial chain. We strive to reduce the negative impact on the environment by non-degradable plastics, while effectively saving resources and avoiding unnecessary waste.

#### Apply Plastic Free Technique

We aim to adopt plastic free technique in the whole life cycle of our products and reduce the use of plastics in our product and its packaging.

In processing, we choose wear-resistant and drought-tolerant soy-based ink with good water adaptability and stability as the spray to reduce the pollution of Volatile Organic Compounds (VOC). In the production process, we use 95% post-consumption renewable plastic to replace ordinary plastic in Wi-Fi and router products of our smart connected devices to reduce organic pollution.

#### Packaging Reduction

We promote the design of packaging reduction, and cut the consumption of EPS foam by calculating its cushioning and backplane elasticity characteristics. By reducing the volume of product packaging boxes and the number of pages of our product manuals across the globe, we have effectively reduced the use of packaging materials such as cartons and manuals.

By using recyclable “furniture” packaging in all series and models of TV products in China, we enable our users to easily assemble our packaging cartons into cabinets to store daily necessities or restore them into packaging boxes for reuse. In this way the problem of packaging materials waste has been fixed.

We widely use environment-friendly materials such as soy-based ink, recyclable paper and ABS recyclable plastic as the packaging materials for our intelligent communication products and smart connected products. This Year, plastics has been eliminated from our packaging of boxes and devices of all mobile phone products.



### 7.3 Product Responsibility

TCL Electronics always regards product quality as the lifeline of the enterprise. We have established and improved the quality management system covering the whole life cycle of our products and enhanced the sense of responsibility and mission of all employees on product quality by enhancing their awareness of putting quality first to provide customers with safe, reliable and high-quality products.

#### 7.3.1 Product Quality Management

Prioritising product quality management, we follow the quality management process set by the quality and safety management department and establish dedicated departments for product quality. We also formulate annual quality process plans and update it in a timely manner, monitor the quality system certification and build a quality culture for better quality management.

#### Quality Management Measures

The Pan-smart Screen Business Unit of TCL Electronics has set up a Customer Satisfaction and Quality Management Centre to coordinate the R&D, components, manufacturing and after-sales quality management platforms of domestic and overseas TV businesses, which continuously monitors and updates the “9225 Quality Plan<sup>18</sup>” based on the users’ needs and customer satisfaction, and oversees the quality of the whole value chain of products in a systematic and all-round way. Monthly meetings are held to track the quality indicators such as the failure rate of new products in their first three months, the annual cumulative failure rate at home and abroad, and the rework rate of the whole unit of all responsible units to ensure that the problems related to quality are solved or eased in time and to improve the product and operation management.

The Communication Business Unit of TCL Electronics has set up a global manufacturing and quality centre, updated the quality control process according to the requirements of IATF 16949 quality management system and improved the quality management mechanisms and measures in R&D, manufacturing, incoming materials, and customer service. Performance indicators such as the annual return rate for repair and one-pass production rate were kept on track to improve product quality.



▲ Product Quality Control Process of TCL Electronics

<sup>18</sup> “9225 Quality Plan”, a quality plan that TCL Electronics has developed for smart screen products, covering user experience, high-end product quality, global manufacturing quality, component quality, quality cost, whole process quality assurance (PQA) construction, process quality management, internal quality evaluation system and other aspects.



This Year, certain subsidiaries of the Group have gained the certifications of Responsible Business Alliance (RBA), ISO 9001 quality management system, IATF 16949 quality management system, and IECQ-QC 080000 Hazardous Substance Process Management (HSPM) system.

During the Year, there were no product recalls due to safety and health causes of the Group.

### Case: Innovative R&D Project Won the International Quality Management Group Award

In 2023, the “Star Dream” QC team of the Pan-smart Screen Business Unit under TCL Electronics, took part in the quality management competition with the theme of Beauty of Innovation, Vitality and Quality hosted by International Convention on Quality Control Circle on behalf of the Company. The team presented a three-dimensional automatic measuring and weighing instrument and won the silver prize, highly recognised by the industry for their quality management innovation.

The three-dimensional automatic measuring and weighing machine was developed to solve the problem of wrongly-recorded information about volume and weight in production. With automatic measurement of length, width, height, and weight, production quality and efficiency have been improved by eliminating wrongly-recorded information and increasing measurement speed to 36 seconds per box.



▲ “Star Dream” QC Team Won the Silver Award

### Development of Quality Culture

TCL Electronics highly values the quality culture development of the Group. We provide quality training and set goals every year. Besides, we carried out various quality training courses on system, management development, profession/technology and general basic training, to enhance relevant personnel’s general and professional skills in respect of basic knowledge consolidation, policy interpretations, and application of quality tools. We also pay attention to creating an atmosphere to value quality, and forge a working environment in which “everyone cares about quality, values quality, and pursues quality” by carrying out quality culture publicity, quality knowledge contests and quality speech contests.

### Case: TCL Electronics Launched a Series of Quality Culture Activities

In 2023, TCL Electronics launched a quality culture activity themed Customer First, Do It Right Once for All. It is composed of three parts: the quality speech contest, Quality Control Circle (QCC) contest, and Quality Protection Award. In the activity we commended excellent quality management examples in design, production and service. This activity aimed to cultivate QCC talents with theoretical knowledge and practical ability, to effectively strengthen the ability of quality team, and to create a strong atmosphere to value quality.

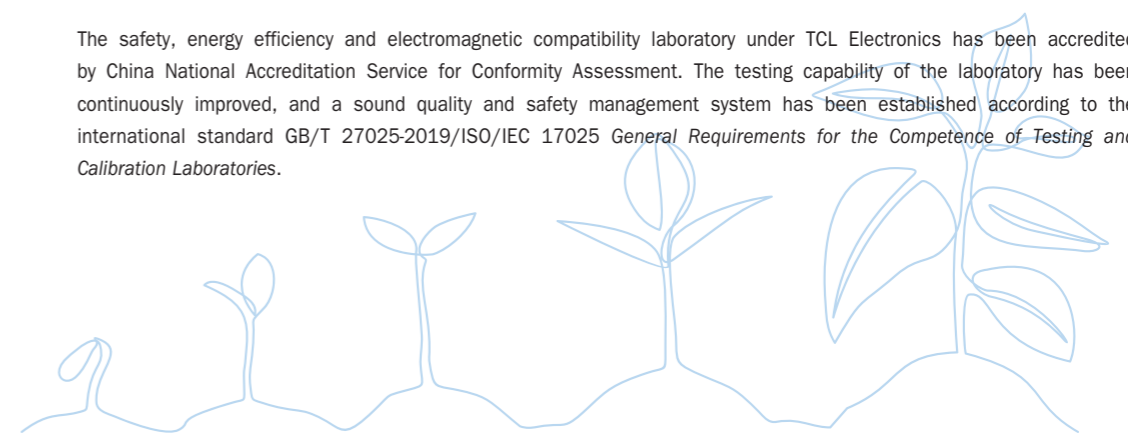


▲ Speech Contest on Quality Held by TCL Electronics

### 7.3.2 Product Safety Assurance

TCL Electronics has always adhered to the bottom line of safety, and established and completed our product quality and safety governance structures, and strictly abided by laws and regulations such as *Law of the PRC on Protection of Consumer Rights and Interests*, *Product Quality Law of the PRC*, *Measures for the Administration of the Restriction of Hazardous Substances Contained in Electrical and Electronic Products*, as well as the regulations on product health and safety in overseas market access systems and laws and regulations related to consumer protection. Meanwhile, we also refer to national, industrial and local work safety standards including GB 4943.1-2022/IEC 62368-1:2018 *Audio/Video, Information and Communication Technology Equipment – Part 1: Safety Requirements*, and consolidates the safety guarantee of all links such as product design, production, testing and certification, sales, and use.

The safety, energy efficiency and electromagnetic compatibility laboratory under TCL Electronics has been accredited by China National Accreditation Service for Conformity Assessment. The testing capability of the laboratory has been continuously improved, and a sound quality and safety management system has been established according to the international standard GB/T 27025-2019/ISO/IEC 17025 *General Requirements for the Competence of Testing and Calibration Laboratories*.





In terms of battery safety management, all products and safety devices of TCL Electronics meet national standards and local safety regulations and standards such as IEC 62368-1:2023, UL 62368-1:2019, and GB 4943.1-2022.

TCL Communication has set down a Material Safety Data Sheet for all batteries and strict access and review processes of the production lines of battery suppliers to establish dedicated TCL Communication product lines for eliminating non-safety factors at the source. Meanwhile, we have set up a supplier capability map according to each supplier's process, equipment status, and R&D capability, and targeted at markets and customers that can supply products in compliance with the map.

### 7.4 User First

TCL Electronics always regards "User First" as our core concept, listens attentively to users' voices, and treats user satisfaction as our priority of service. It is our duty to protect users' privacy and maintain information security. We attach importance to honest and responsible marketing, fully safeguard the legitimate rights and interests of users, and strive to win their trust and support.

#### 7.4.1 Improving User Satisfaction

In compliance with Law of the PRC on the Protection of Consumer Rights and Interests and Provisions on the Liability for the Repair, Replacement and Return of Some Commodities, we have formulated the Quality Information Processing, Specification for the Management of Customer Satisfaction, Specification for Processing Quality Feedback in Overseas Markets, Online Repair Service for End-user, Quality Claim Management Procedure, and other internal systems, to promptly optimise customer service process as suggested by customer feedback and improve service quality and standards.

#### Case: Participating in Customer Service Representatives' Experience Day and Listening to Customers' Voice

This Year, Pan-smart Screen Business Unit of TCL Electronics participated in the "Customer Service Representatives' Experience Day" activity. The personnel in charge of product quality entered the call center to listen to the customers' voice. When receiving calls about the relevant product category, they quickly analysed the problem and located the responsible department. After this activity, they brought the problems back to the business units for follow-up and closed the loop. This activity further enhanced the employees' awareness of improving product quality and met customers' need for products.



▲ Customer Service Representatives' Experience Day

<p><b>Improve Product Experience</b></p>	<p>We attach great importance to the management for customer experience and are committed to ensuring the competitiveness of our products in the market and customer satisfaction. We have established a comprehensive management system for customer experience, covering customer demand mining, design co-creation, product effect verification and customer feedback processing. We have established a series of standardised mechanisms of customer participation, including public testing of new products, visits of users who have purchased newly launched products, social media influencer review projects, thematic entrance and inviting users to communicate with products face to face on site, continuously polishing the ultimate product experience, and constantly improving customer satisfaction, so as to win user trust and reputation.</p>
<p><b>Closed-loop Complaint Management</b></p>	<p>We listen to user voices from all channels of sales, service, logistics, and products, set up a closed-loop management process including collection, classification, investigation, resolution, and effect evaluation, and filing, track and handle user complaints, and continuously improve our product quality and service.</p>
<p><b>Closed-loop NPS Management</b></p>	<p>Focusing on NPS<sup>19</sup>, we formulate the NPS Closed-Loop Management Process Standards and establish an index assessment system based on products, channels and services. Meanwhile, we have set up separate NPS assessment systems in terms of different features of the products.</p> <p>We have established a special NPS data department to collect information from monthly sampling, in order to identify and analyse user experience issues relating to hardware audio and visual, system settings, content and interface, voice and other product modules, and propose improvement measures. We would continuously monitor the improvement progress of corresponding responsible departments.</p>
<p><b>Smooth Communication Channels</b></p>	<p>We provide users with a variety of feedback and complaint filing channels, and expand the social media channels of Weibo, Xiaohongshu, Toutiao, WeChat, and TikTok Account in addition to the existing hotline, TCL official website, e-commerce, official email address, and TV application with direct link to customer services.</p>
<p><b>Improve smart service</b></p>	<p>We have launched a reminder/complaint function to send users' needs to the front-line engineers with one click to improve service timeliness. We expand online services such as installation package service, which effectively improves service timeliness and meets customer needs adequately.</p> <p>The nationwide online application of unified collection and payment is launched to ensure transparency of charging and charging standards.</p>
<p><b>Optimise Information Management</b></p>	<p>In overseas markets, we apply and constantly optimise the customer relationship management system for after-sales service management. Through an integrated management process, we empower call centres to directly resolve problems for users, and to continuously track the status of problem resolution through the "Following One Order till Closure" mechanism, realising a real-time progress checking to improve after-sales service efficiency.</p>

This Year, TCL Electronics achieved a customer complaint closure rate of 91% in the domestic market and the NPS of smart screen service for the domestic market was 81%, up by 9.4% year-on-year.

<sup>19</sup> NPS (Net Promoter Score), also known as word of mouth, is an index that measures the likelihood that a user will recommend a business or service to others.

#### 7.4.2 Information Security and Privacy Protection

We adhere to the business philosophy of giving priority to product cyber security and user privacy protection and strive to protect user privacy and cyber security while complying with applicable laws and regulations on data and privacy protection worldwide, such as *Cybersecurity Law of the PRC*, *Data Security Law of the PRC*, *Personal Information Protection Law of the PRC*, *California Consumer Privacy Act*, *California Privacy Rights Act*, *California Privacy Rights Act*, *Brazilian General Data Protection Law* and *General Data Protection Regulation* of the European Union.

##### Improve Systems

We conducted cyber security and privacy protection management in accordance with relevant internal rules, such as the *Privacy Management Policy*, *Code of Conduct for Information Security*, *Information Security Compliance Control Procedure*, *Smart TV Software System Security Specification*, *Privacy Incident Emergency Response Process*, *Data Subject Rights Response Process*, and *Guidelines for Data Grading and Classification Operations*, and conducted a regulatory management of the information asset of the Group to protect users' personal privacy. In case of security incidents such as personal data breach, we will conduct internal investigation, emergency response, corrective and/or remedial measures and notify relevant external stakeholders in accordance with laws, regulations and internal process requirements.

This Year, we participated in the privacy compliance assessment and compliance improvement of overseas subsidiaries, further improving internal systems and processes based on local applicable privacy laws and regulations, and effectively reducing potential privacy compliance risks. The Pan-smart Screen Business Unit and Communication Business Unit of TCL Electronics participated in the internal audit project of ISO 27701 Privacy Management System, promptly corrected the nonconformities found in the internal audit, and effectively improved the privacy protection management capability.

TCL Electronics has obtained ISO/IEC 27701-2019 Privacy Information Management System Certificate.

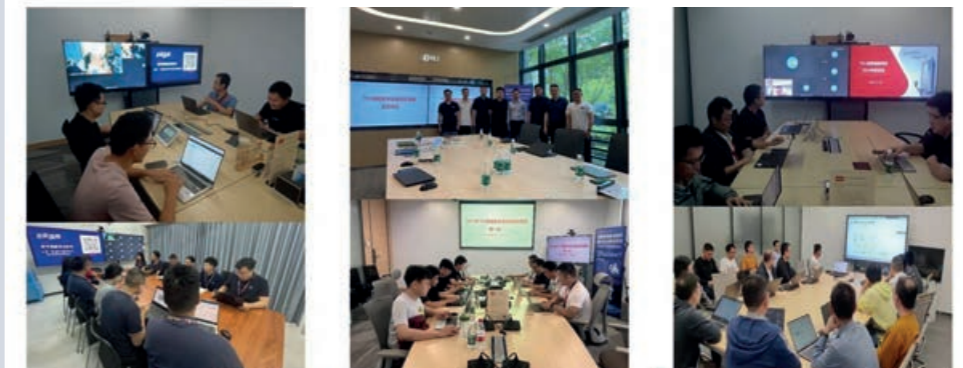


The Pan-smart Screen Business Unit has passed the TrustArc privacy certification, SGS SB-327 certification, Riscure smart household appliance certification, and TÜV EN 303 645 certification. The Communication Business Unit has passed the TrustArc privacy certification.



#### Case: TCL Electronics Completed the Attack and Defence Drill of Information Security

In recent years, information security accidents frequently took place both in China and overseas. Threats to information security has brought new challenges to the Group and the industries. In order to elevate the overall information security capacities of the Group, TCL Electronics joined the attack and defence drill of information security organised across the systems and industries of TCL in 2023 to comprehensively detect security risks and examine the defence capacity.



4 training sessions	3 rounds of drills	3 reviews
Pre-drill	During drill	Post-drill
Training to empower defence	Battle between attack and defense	Review

▲ The Overall Process of Attack and Defence Drill

#### Privacy and Security Assessment

In terms of information security, we set up an *Information Asset Risk Assessment Form* to rate risks on the information asset by analysing the threats and weakness of employees, data, hardware, etc. In addition, a series of security assessments are conducted before launching according to their product attributes and R&D process on software safety, including evaluation on source code defects, vulnerability scanning, manual source code logic audit, black box testing, compliance standards satisfaction, data encryption, etc., to ensure product security.

In terms of privacy security, we apply the concept of Privacy by Design to integrate data and privacy protection requirements into relevant business processes and assess the influence of the data and privacy security through the Privacy Impact Assessment (PIA) and Security Impact Assessment (SIA) processes. This Year, TCL Electronics participated in the PIA process, assessed the privacy and security risks of major products, and compiled clear rectification requirements, measures, and verification solutions to ensure the privacy security of users.

**Awareness Enhancement**

For the Company’s R&D, operation and maintenance personnel, we have enhanced their awareness of data and privacy protection through multi-level trainings, such as privacy compliance training for new employees, privacy specialist training camp and customised training for relevant staff. We have publicised knowledge on security such as anti-phishing, anti-malware, social software security, and the security of confidential meeting through email and TLink service account, so as to enhance employees’ awareness of information security and privacy protection.

For suppliers, we have set requirements for information security and privacy protection. We evaluate and manage the suppliers in accordance with third-party data management process requirements, and require the suppliers to sign *Business Confidentiality Agreement* to strengthen the awareness of suppliers’ information security responsibilities and protect users’ privacy from infringement.

**Case: TCL Electronics’ Products Received the World’s First Double Certificates in Cyber Security**

In July 2023, TCL smart screen Q650G was awarded the world’s first network security double certificates of UL 2900-1 and Cyber Assured by Intertek<sup>20</sup>, which reflected our excellent performance of cyber security in ensuring user data privacy and resisting cyber attacks.



▲ UL 2900-1 Certificate (Left) and Cyber Assured Certificate (Right)

<sup>20</sup> Intertek is the world’s leading comprehensive quality assurance service organisation. With more than 1,000 laboratories and branches in more than 100 countries around the world. Intertek is committed to innovative and customised assurance, testing, inspection and certification solutions to serve customers’ operations and supply chain, bringing a full range of guarantee.

**7.4.3 Responsible Marketing**

TCL Electronics strictly follows *Advertising Law of the PRC, Regulations on Control of Advertisement* and other relevant regulations, and has formulated regulations and guideline documents, including *Promotion Standardisation Management Plan of TCL Promotion Centre, Marketing Guide, and Brand Management Guide*, to regulate the production and use of various promotion materials, and to guarantee that any advertising and promotion content produced by the Group be true, ethical, clear and understandable and should not contain any false, deceptive, or exaggerated statements.

We require a unified external publicity approach, and have established a standard production, review and output process for the release of the videos, pictures, advertorials and other materials. Review and confirmation by the product, retail, R&D and legal departments of the Group are required from the first draft to the final draft of such materials. The review includes IPR description, patent and trademark use, technical terms, promotional texts, legal risk tips, etc., to ensure that any information such as function points and parameters conforms to the facts and local laws, regulations or cultural customs. If there is any content that may cause consumers’ doubts or misunderstandings, we will add an appropriate explanatory description.

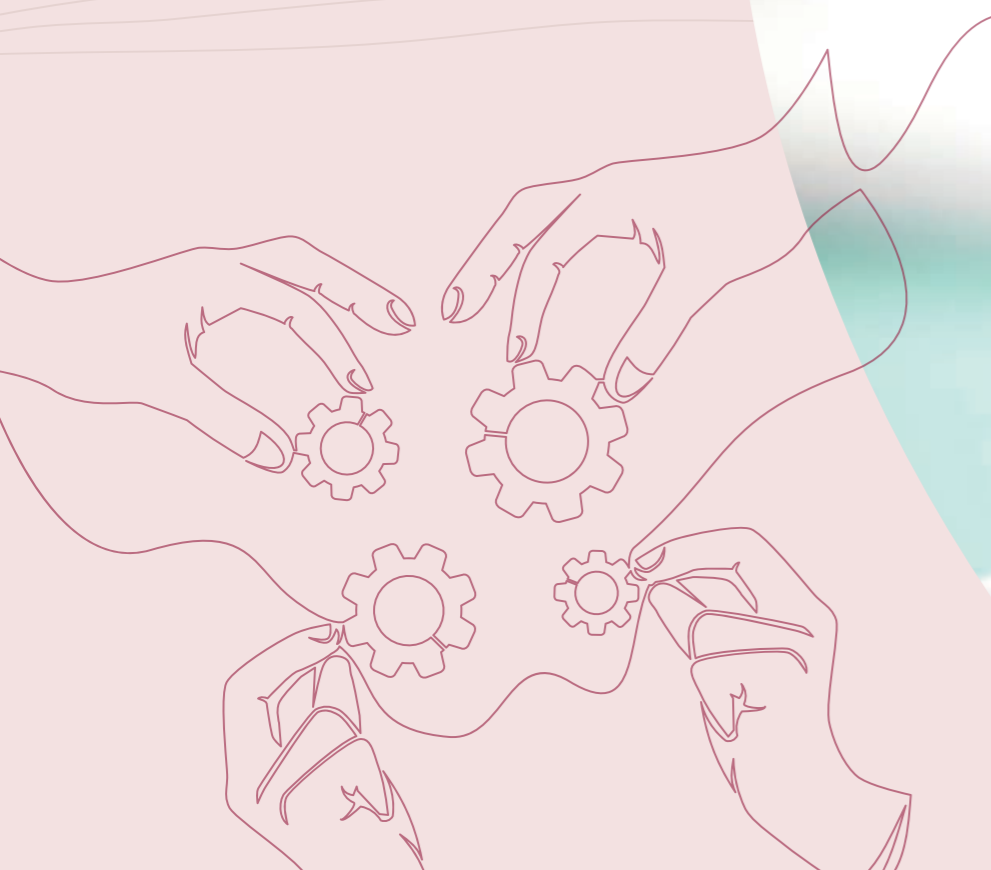
Besides, we also comply with relevant laws and regulations at home and abroad. If the product does not meet the standards marked on the product, packaging or labelling or does not meet the quality indicated by product descriptions, physical samples, etc., and the responsibility is still attributed to the Group after the repair, replacement, return of the product, legal and reasonable compensation to consumers for loss will be made in accordance with applicable laws and regulations.

The Group has formulated the *Marketing and Retailing Tool Kits Output Specifications and Review Process for Marketing and Retailing Materials* for tablet and mobile phone products, to standardise the review requirements for the marketing materials of the new products. We developed internal policies such as the *Guidelines for Marketing Activity Management and Marketing Activity Acceptance Process and Standards* for marketing activities, with a view to improving the implementation and quality of marketing activities and ensuring the legality and compliance of marketing activities.



# Responsible Procurement for Collaborative Success

TCL Electronics actively upholds partner responsibilities by continuously improving our management systems and processes, enforcing strict supplier management standards, enhancing mutually beneficial relationships with suppliers, and promoting positive interactions throughout the supply chain. Together with suppliers, we aim to construct a responsible supply chain system.



## 8.1 Supplier Management System

### 8.1.1 Supplier Management System

TCL Electronics has established internal policies such as the *Supplier Certification Management Process*, *Supplier Performance Management Process*, *Multi-level and Hierarchical Management Process of Categories and Suppliers*, and *Supplier Collaboration and Development Management Process*. These policies strengthen the full process management, including supplier introduction, certification, evaluation, and disqualification, allowing sustained improvement of our supply chain management system. To ensure the stability and quality of the supply chain, we require all suppliers that we have cooperated with to sign the *Quality Agreement*, *Confidentiality Agreement*, *Partner Code of Conduct*, *Procurement Agreement* and other related documents, thereby standardising suppliers' behaviours and establishing stable and reliable supply chain partnerships.

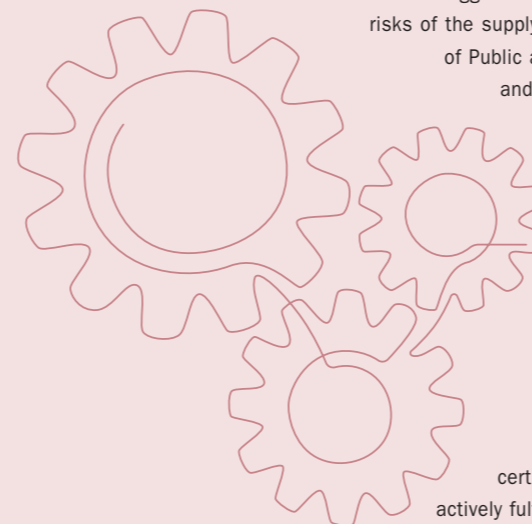
### 8.1.2 Supplier Management Process

TCL Electronics has established a standardised and systematic supplier certification management process. Through joint efforts from the procurement, technology and quality departments and a pool of seasoned experts, we conduct on-site inspections and product certifications for suppliers to ensure their products and services meet our requirements and standards. For certified suppliers, we conduct annual reviews, special reviews, and third-party audits in accordance with *Supplier Review Management Provisions*. These reviews and audits cover areas such as R&D, raw material control, production process control, corporate social responsibility system, supply guarantee, legal compliance, and supply chain security. We take measures to mitigate common issues identified during the reviews and audits, regularly monitor improvement progress and conduct re-evaluations. Meanwhile, we identify and promote excellent practices to all suppliers. In our daily assessments of suppliers, we evaluate suppliers' performance on four key dimensions: business, delivery, quality, and technology through monthly, semi-annual, and annual assessments. Based on the assessment scores, we categorise suppliers into preferred, qualified, restricted, and disqualified levels, enabling targeted classification management. Additionally, we assist suppliers with low assessment scores in understanding their shortcomings and taking corrective measures, thus ensuring the stable development of our supply chain through effective supply chain risk management.

This Year, the Pan-smart Screen and Communication Business Units of TCL Electronics conducted annual sampling audits for 142 suppliers, and none of them was disqualified.

## 8.2 Sustainable Supply Chain

TCL Electronics is committed to integrating the concept of corporate social responsibility into various aspects of supply chain management. We have signed documents such as the *Corporate Social Responsibility Notification*, *Quality Agreement*, *Anti-Terrorism Security Cooperation Agreement*, and *Undertaking of Legal Compliance and Trade Security of Business Partners* with our suppliers, which require them to comply with relevant laws, regulations, and standards with respect to environmental protection, quality, and safety and to vigorously fulfil their corporate social responsibility. Internally, we have developed the *Social Responsibility Undertaking Letter of Subcontractors and Suppliers* and *Environmental Protection Conformity Statement*, which require suppliers to minimise their adverse impacts on the environment and natural resources during the process of production and operation while ensuring the health and safety of the public. Additionally, we have established a comprehensive information management system to collect information from our suppliers to control and reduce environmental and social risks in the supply chain.



### 8.2.1 Hazardous Substance Management

During the supplier introduction and annual review stages, TCL Electronics conducts audits of hazardous substances contained in suppliers' products based on the five requirements of the RoHS Directive, ensuring that all products meet requirements for health, safety, and compliance.

This Year, TCL Electronics achieved a 100% compliance rate for toxic and hazardous substances in the suppliers' raw materials, and there were no returns or customer complaints caused by non-compliant control of toxic and hazardous substances in the products.

Hazardous Substance Management Goals	Accomplishment in 2023
Our Standard on Restricted Hazardous Substances 100% complies with latest relevant laws, regulations, and customer requirements at home and abroad	Completed
All of the supplier components pass the environmental testing in the final assessment	Completed
All of the results of RoHS testing reports for third-party components comply with our Standard on Restricted Hazardous Substances	Completed
All of the suppliers sign the RoHS Environmental Agreement, and 80% of their components have valid RoHS testing reports	Completed
No returns or customer complaints due to non-compliant control of restricted substances in products in domestic and international markets	Completed
Environmental Labelling products comply with relevant requirements of environmental labelling standards and obtain certification	A total of 1,529 models have obtained Certification of China Environmental Labelling Products

### 8.2.2 Supply Chain Social Responsibility Management

During the supplier introduction phase, we carry out on-site audits of suppliers' environmental and social responsibility performance according to the *Supplier Social Responsibility Inspection Sheet*, which contains 111 audit clauses in 13 dimensions, including business ethics, labour rights (including the prohibition of child labour), chemical safety, environmental protection, fire safety, and occupational health, and require suppliers to describe how they implement and provide relevant proof for each audit clause, and then have them evaluated by the specialised corporate social responsibility ("CSR") personnel on site. In respect of clauses which are not complied with, CSR personnel will inform suppliers of the reasons for non-compliance and how to effectively rectify the situation. Suppliers whose audit results touch the CSR red lines or whose score is lower than 70 will trigger the mechanisms of rectification, punishment or cooperation termination, through which we reduce the environmental and social risks of the supply chain. In addition, during the audit process, TCL Electronics focuses on suppliers' greenhouse gas management and Institute of Public and Environmental Affairs (IPE) record management, and urges suppliers to establish greenhouse gas management organisation and mechanisms, enhance management capabilities of related personnel and improve IPE records as soon as possible. As to the daily management and review of suppliers, we have established the *Supplier CSR Inspection Management Specifications* to standardise the entire process of supplier CSR inspections. We regularly conduct CSR inspections of suppliers and demand their strict adherence to CSR requirements.

This Year, TCL Electronics completed a total of 56 new supplier introduction audits and 26 key supplier CSR annual sampling audits. During the introduction audits, 669 issues were identified, and 3 new suppliers who failed to pass the audit were prohibited from introduction. During the annual sampling audits, 217 issues were identified, and 2 suppliers were required to make rectifications within the specified timeframe.

We encourage suppliers to actively participate in certification of social responsibility systems such as the Code of Conduct of RBA, Social Accountability 8000 International Standard (SA8000), and Sedex Members Ethical Trade Audit (SMETA). By linking certifications to supplier ratings, we guide suppliers to adhere to higher ethical and social standards in their business activities and actively fulfil their social responsibility.

This Year, we have set more detailed requirements for environmental protection among our suppliers, including compliance with environmental processes, management of sewage, solid waste and noise control by person in charge, compliant energy usage, and carbon emission control, in an attempt to assess suppliers' environmental performance from multiple dimensions. We have successfully concluded the carbon inventory process for our top 50 suppliers and conducted investigations into their energy-saving and carbon reduction measures. All the suppliers of the Pan-smart Screen and Communication Business Units of TCL Electronics have signed the *Green Supply Chain Initiative*, in a bid to jointly create an efficient and environmentally friendly supply chain system. Furthermore, this Year, we have completed the recycled material planning for the Pan-smart Screen and Communication Business Units of TCL Electronics, identifying the usage scenarios and proportions of recycled aluminium, copper, and plastics, thereby enhancing the professional competence of procurement personnel and raising their awareness of purchasing recycled materials.

### 8.2.3 Supplier Anti-Corruption Management

Attaching great importance to the integrity management of suppliers, TCL Electronics stays committed to establishing transparent, fair, and ethical business partnerships with suppliers. We have entered into *Integrity Agreement* with our suppliers and explicitly stipulated in our procurement agreements that suppliers must not provide entertainment, gifts, or engage in covert practices such as rebates, commissions, securities, tangible items, or other forms of benefits to our procurement personnel, nor collude with them. To ensure the transparency of supply chain, we demand that suppliers sign the *Code of Conduct for Partners* or *Notice of Corporate Social Responsibility* that includes anti-commercial bribery provisions before entering into cooperation agreements with us. Should any acts of commercial bribery be discovered, we will immediately terminate our cooperation with the implicated supplier, demand the return of any ill-gotten gains resulting from the bribery, and impose corresponding penalties for breach of contract. Furthermore, we reserve the right to report such incidents to judicial authorities, and we are fully committed to combating unfair competition and upholding fairness and justice in the market order. Additionally, we regularly organise integrity seminars and incorporate business ethics into the annual assessment of suppliers' social responsibility to ensure that the legitimate rights and interests of both sides are fully protected in business and to create a fair and healthy business environment that promotes the legal compliance and sustainable development of the supply chain.

### 8.2.4 Management of Conflict Minerals

TCL Electronics has established a *Conflict Mineral List* in accordance with local laws and regulations, and we strictly adhere to the Code of Conduct of RBA and the requirements of the Global Enabling Sustainability Initiative (GeSI). In addition to formulating the *Regulations on the Non-Use of Conflict Minerals in Procurement*, we enter into a *Statement on Restricted Substances* and an *Undertaking Letter of Guarantee for the Non-Use of Conflict Minerals* with each supplier, demanding that they ensure all packaging, components, and/or finished products they provide to us are free from any restricted substances listed in such statement, and that they provide written evidence such as raw material inspection list and third-party testing report. Additionally, we require suppliers to complete the *Non-Use of Conflict Minerals Questionnaire* and incorporate conflict minerals as one of the dimensions in the supplier's CSR audit. TCL Electronics has established the mechanism of conflict mineral information collection and carried out information management to ensure accurate and efficient management of the suppliers' use of conflict minerals. If a supplier is using conflict minerals, TCL Electronics will immediately stop the use and procurement of such conflict minerals and require the supplier to submit a written explanation. If any supplier violates intentionally, TCL Electronics will terminate the cooperation with the supplier. The due diligence investigation on conflict minerals conducted by TCL Electronics has covered all suppliers. This Year, we initiated the updating of supplier conflict minerals reports based on the latest template from the Responsible Minerals Initiative (RMI) website. As of the end of this Year, a total of 50 supplier reports were collected, reviewed, and approved, with no disqualified smelters found.

This Year, TCL Electronics did not procure any conflict minerals.

### 8.2.5 Supplier Training and Communication

TCL Electronics is committed to establishing close and stable partnerships with suppliers to optimise and upgrade the supply chain and jointly promote the sustainable development of the Company. In case of any update of relevant policies, we inform all the suppliers via email in a timely manner, and organise online and offline training and publicity for the highlights of relevant policies, so as to ensure that suppliers understand our requirements comprehensively. This Year, TCL Electronics organised multiple supplier training sessions on sustainability-related systems such as ISO 14064, ISO 14067, ISO 50001, and other related knowledge, thus laying a solid foundation for rolling out low-carbon and environmentally friendly initiatives.

We regularly organise supplier meetings to engage in in-depth discussions with suppliers about business needs and collaboration matters, ensuring smooth cooperation between both sides. Additionally, we provide professional coaching and support to suppliers who need improvement based on their CSR audit results, thereby helping them enhance their performance.

We proactively promote a win-win relationship with our suppliers and convey our expectations regarding business ethics, anti-corruption, product quality, and low-carbon environmental practices through regular communication activities. We also share industry information and project updates, enabling our suppliers and us to collectively address market challenges and harness market opportunities. We encourage suppliers to engage in close collaboration with our R&D department, thus fostering strategic exchanges on materials, technology, and other areas to continuously improve production efficiency and expand business domains.

#### Case: TCL Electronics Conducted Suppliers' Training on Energy Efficiency and Low-carbon Empowerment

In November 2023, TCL Electronics kicked off the annual Supplier Energy Efficiency and Low-carbon Empowerment Training. TCL Photovoltaic Technology, as a pivotal photovoltaic arm of TCL Electronics in empowering society with green energy, engaged in in-depth communication and exchange on corporate clean energy transition with representatives from the supply chain, showcasing our blueprint for building up our capabilities in low-carbon transition empowered by photovoltaics as we seek to expedite the clean energy transition of the supply chain.



▲ Training on Energy Efficiency and Low-carbon Empowerment for Suppliers

# Green Innovation for Low-Carbon Growth

TCL Electronics is committed to pursuing low-carbon development by constantly improving our environmental management system and enhancing resource utilisation through the establishment of a circular production model. Additionally, in response to challenges caused by global climate change, we actively engage in clean energy business deployment to effectively manage climate risks and opportunities, thus contributing to a better earth.











## 9.1 Environmental Management System

The Group strictly adheres to *Environmental Protection Law of the PRC*, *Law of the PRC on the Prevention and Control of Atmospheric Pollution*, and other relevant local environmental laws and regulations. We promptly and accurately disclose environmental information and welcome public supervision and evaluation. Following the ISO 14001 environmental management system, we have formulated an environmental management strategy that permeates every aspect of our operations. By setting specific and measurable targets, we ensure targeted and effective environmental management practices.

### 9.1.1 Environmental Targets

Taking into account the actual situations and our needs for development, we have set more actionable targets in emission reduction, resource utilisation, and other aspects to drive sustained progress and achievements in environmental protection. To achieve our environmental targets, we have further refined the fundamental objectives and emission reduction targets for different departments. By clarifying management responsibilities and authorities and conducting regular assessments and performance evaluations, we can better track and evaluate the environmental achievements of each department, thereby ensuring the effective implementation of our environmental strategy.

#### ▼ TCL Electronics' Environmental Targets for 2025<sup>21</sup>

Category	Target <sup>22</sup>
 <b>Greenhouse gas emission intensity level</b> (tCO <sub>2</sub> e/RMB10,000 output value)	Decrease by 18.0%
 <b>Water use intensity level</b> (m <sup>3</sup> /RMB10,000 output value)	Decrease by 27.0%
 <b>Purchased electricity use intensity level</b> (MWh/RMB10,000 output value)	Decrease by 13.5%
 <b>Natural gas use intensity level</b> (m <sup>3</sup> /RMB10,000 output value)	Decrease by 70.0%
 <b>Hazardous waste</b>	Implement harmless and non-landfill disposal measures for five types of hazardous waste (waste fluid of organic solvents, oil-contaminated wastewater, paint waste fluid, waste empty buckets and waste lamp tubes)
 <b>Non-hazardous waste</b>	Implement the following measures to reduce non-hazardous waste: <ul style="list-style-type: none"> <li>Establish a sound waste management system</li> <li>Build sound waste classification and collection devices</li> <li>Keep detailed records of the amount of waste generated during production and operation</li> </ul>
 <b>TV set EPS packaging materials<sup>23</sup></b>	55-Inch: Decrease by 6.0% 65-Inch: Decrease by 10.0% 75-Inch: Decrease by 10.0%
 <b>Communication product packaging materials</b>	Small: Decrease by 5.7% Medium: Decrease by 5.3% Large: Decrease by 5.5%

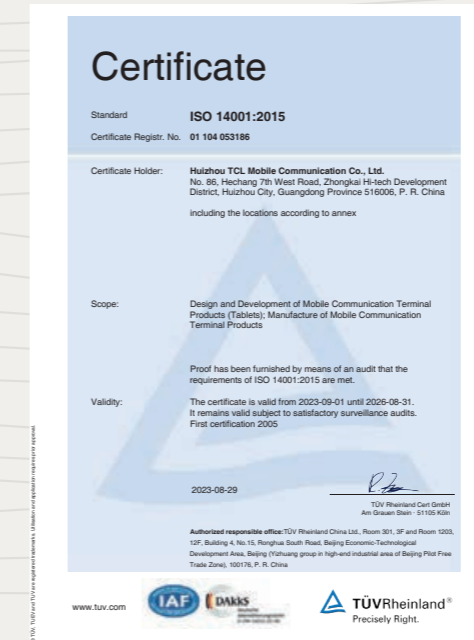
<sup>21</sup> The environmental targets for 2025 covers the factories under TCL King (Huizhou) and Huizhou TCL Mobile, both of which are mainly engaged in production and manufacturing.

<sup>22</sup> These targets are set with 2020 as the base year and 2025 as the target year.

<sup>23</sup> The targets cover the flagship S-series models.

## 9.1.2 Certification of Management Systems

To ensure that our ESG practices align with international standards and stakeholders' expectations, we have actively pursued and obtained multiple certificates for our management systems. Through ongoing certification efforts, we have continuously optimised internal processes, identified potential ESG risks and challenges, and implemented more scientific, systematic, and effective measures to make significant progress across various dimensions of ESG. By the end of this Year, the majority of our subsidiaries engaged in production have obtained certificates such as ISO 14001 environmental management system and ISO 50001 energy management system.



▲ Huizhou TCL Mobile  
Obtained ISO 50001 Certificate



▲ JRD Communication (Shenzhen) Ltd (a Subsidiary of the Company) was included into the scope of ISO 14001 Certificate

This Year, TCL Electronics has had no significant environmental pollution accidents and no adverse impact on the surrounding ecological environment and biodiversity.





## 9.2 Taking Climate Actions

We have established and followed a carbon management system and have been engaged in emission and energy management efforts to minimise greenhouse gas emissions and address the challenges posed by climate change.

### 9.2.1 Responding to Climate Change

Following the national goals of carbon peaking and carbon neutrality, we actively identify climate risks and implement various carbon reduction measures to combat climate change. In the years to come, we will continue to enhance climate-related disclosures and follow the recommendations of the Task Force on Climate-related Financial Disclosures in the areas of governance, strategy, risk management, as well as indicators and targets.

#### ▼ TCL Electronics' Climate Risks

Climate Risk Type	Climate Risk Illustration
Physical Risks <sup>24</sup>	<ul style="list-style-type: none"> <li>Acute risks: Severe natural disasters, such as typhoon, flood, drought, heat wave, heavy rainfall, etc. For example, flood may lead to inundated land, traffic jam, production discontinuation caused by impeded raw material supply or inundated factories, or goods piling up due to ceased operation at the sales end, which may affect our operation cost and assets.</li> <li>Chronic risks: long-term physical risks such as permafrost melting, sea level rise, water resource shortage, etc. For example, sea level rise may lead to inundated land and factories, traffic jam, production discontinuation caused by impeded raw material supply, water resource shortage due to sea water salinisation, goods piling up due to ceased operation at the sales end, which may affect our operation cost and assets.</li> </ul>
Transition Risks <sup>25</sup>	<ul style="list-style-type: none"> <li>Policy risks: the risks brought by relevant policies and regulations to TCL Electronics, such as a series of energy-related policies issued by the state after the release of the carbon peaking and carbon neutrality targets, and the increasingly stringent requirements for environmental data disclosure in the Reporting Guide released by Hong Kong Stock Exchange. The increasingly stringent carbon emission declaration obligation will add to the cost to some extent.</li> <li>Technology risks: Transition to low-carbon technologies will increase the cost at each industrial link. Setting carbon neutrality goals means increased investment in energy saving technologies and higher financial cost during the low-carbon transition.</li> <li>Market risks: rising raw material procurement costs and energy costs caused by climate change could have a negative impact on our business stability and financial conditions. The demand of customers for low-carbon products will increase against the backdrop of climate change. If our products and services fail to meet customers' demand, the market competitiveness of the products will be weakened.</li> <li>Reputation risks: The shift of consumers' preference to low-carbon products will affect our reputation, further affecting our future market share and profit. If we fail to take relevant measures in a timely manner, our production and operation process will have a long-term destructive impact on the climate, which in turn will have a negative impact on our reputation.</li> </ul>

<sup>24</sup> Physical risks refer to the risks of physical damage to assets, supply chains, transportation, and employee safety caused by climate change.

<sup>25</sup> Transition risks refer to the risks caused by extensive changes in the external environment in terms of policies, laws, technologies and markets during the transition to a low-carbon economy.

To address the potential risks associated with climate change, we will incorporate climate change responses into our long-term strategic planning. We actively respond to national and local policies, increase investment in low-carbon and energy-saving technologies, ensure that the per-unit product energy consumption is one of the lowest in the industry through various measures such as energy-saving product design, technology optimisation, manufacturing process optimisation and improvement of equipment automation, and strive to build green factories characterised by clean production, waste recycling and low-carbon energy.

Additionally, we have developed detailed emergency plans and response mechanisms, including special systems such as *Emergency Plan for Natural Disaster Event* and *Special Emergency Plan for Typhoon and Rainstorm*, established an accident emergency command team, and optimised supply chain management and emergency drills to ensure that we can promptly and effectively respond to extreme weather, safeguard employee safety, ensure supply chain stability, and promote sustainable business development.

### 9.2.2 Emission Management

Attaching great significance to greenhouse gas and atmospheric pollutant management, we meticulously delve into every operational link to identify emission reduction potentials. Through optimised resource allocation and an unwavering commitment to exploring and adopting new technologies and processes, we aim to enhance energy utilisation efficiency and reduce the generation and release of pollutants.



TCL Communication, a subsidiary of TCL Electronics, received the Gold Medal in the EcoVadis 2024 annual rating, ranking among the top 3% of global communication equipment manufacturing companies and the top 5% of all companies participating in the evaluation. TCL Communication has reached an advanced level in carbon management, which is a key concern for the industry and customers.

#### Greenhouse Gas Management

We have established and consistently refined a greenhouse gas emission and product carbon footprint accounting system. We regularly collect, analyse, and report relevant data to ensure a precise understanding of carbon emissions at each stage and facilitate the development of targeted emission reduction measures and the continuous improvement of our environmental performance.

#### Annual Greenhouse Gas Emissions

Adhering strictly to international standards and best practices, we vigilantly monitor annual greenhouse gas emissions and continually improve the accuracy and scientific basis of accounting to undergird our commitment to sustainable development goals. Since 2017, voluntary greenhouse gas emission investigations and verification have been conducted annually in accordance with the ISO 14064 greenhouse gas management standards and *General Guideline of the Greenhouse Gas Emissions Accounting and Reporting for Industrial Enterprises*.

#### ▼ Greenhouse Gas Emissions of TCL Electronics in 2023<sup>26</sup>

Scope	Emissions in 2023	Unit
Scope 1 (Direct greenhouse gas emissions)	6,118	tCO <sub>2</sub> e
Scope 2 (Energy indirect greenhouse gas emissions)	68,389	tCO <sub>2</sub> e
Total greenhouse gas emissions (Scope 1 and Scope 2)	74,507	tCO <sub>2</sub> e
Greenhouse gas emission intensity by revenue	943	kg CO <sub>2</sub> e/HKD million revenue

<sup>26</sup> The greenhouse gas data for 2023 are from the greenhouse gas auditing carried out in that year, which covered our head office, related business units, factories, and domestic sales regions.

### Product Carbon Footprint

Aligning with national policies, we implement extended producer responsibility and actively conduct carbon footprint analyses to provide customers and other stakeholders with accurate and transparent carbon footprint information. Through analyses of carbon emission management spanning raw materials, production, distribution, usage, and disposal stages, we identify factors influencing carbon emissions throughout the product lifecycle, thereby contributing to the realisation of our carbon objectives. This Year, the carbon footprint certification throughout the product lifecycle has been undertaken for our products in accordance with the ISO 14067 standard.



▲ Carbon Footprint Report for Colour LCD TV 65C11

### Atmospheric Pollutant Management

Adhering to laws and regulations such as *Law of the PRC on the Prevention and Control of Atmospheric Pollution*, *Emission Limits of Air Pollutants*, and *Emission Standard of Volatile Organic Compounds for Furniture Manufacturing Operations*, TCL Electronics insists on the principles of source prevention, process control, and end-of-pipe treatment to comprehensively reduce atmospheric pollutant emissions.

- **Source Prevention:** We actively adopt advanced clean production technologies and processes, including the use of enclosed spaces (including closed hoods) in conjunction with negative pressure for front-end exhaust collection. We regularly inspect and maintain exhaust gas treatment facilities and equipment to ensure their optimal operation, thereby striving to minimise pollutant generation at the source.
- **Process Control:** We have established stringent emission standards and monitoring systems to ensure real-time monitoring of pollutant emission during the production process. We also make timely adjustments to production parameters to optimise emission performance. Simultaneously, we proactively optimise of production processes, such as reducing the use of spray painting and screen-printing techniques to ensure effective control of pollutant emissions throughout the production process.
- **End-of-Pipe Treatment:** Significant resources are invested in the construction and operation of exhaust gas treatment facilities, including the use of methods such as “water spray + activated carbon adsorption & concentration + catalytic combustion” for back-end exhaust gas treatment, and the launch of special initiatives to tackle VOCs thus ensuring that pollutants released into the atmosphere are minimised.

### 9.2.3 Energy Management

In compliance with laws such as *Energy Conservation Law of the PRC* and *Measures for the Administration of Industrial Energy Conservation*, TCL Electronics has formulated internal policies such as *Energy Management System Manual* and *Regulations on Electricity Resource Management* to ensure clear delineation of energy management functions and responsibilities and detailed internal management processes and links. Throughout the production and operational processes, TCL Electronics actively implements energy-saving measures, energy-efficient transformations of air compressor systems, LED energy saving transformation, servo transformations for injection moulding machines, energy-efficient improvements to central air conditioning systems, and ice storage cooling. Additionally, efforts to increase the use of clean energy, such as promoting photovoltaic power generation and solar heating for employee dormitories, are underway to enhance production and operational efficiency and energy utilisation.

▼ Energy Consumption of TCL Electronics in 2023

Type of energy	Consumption in 2023	Unit
Diesel	4,097	L
Gasoline	24,217	L
Natural gas	1,866,986	m <sup>3</sup>
Purchased electricity	95,369,016	kWh
Solar power generated for self-use	10,100,680	kWh
<b>Total energy consumption</b>	<b>125,869</b>	<b>MWh</b>
<b>Energy consumption intensity by revenue</b>	<b>1.59</b>	<b>MWh/HKD million revenue</b>

### 9.3 Promoting Circular Economy

We persistently strengthen waste management by optimising treatment procedures and enhancing recycling rates, and strive to achieve maximal resource utilisation. We focus on advancing electronic waste recovery as we vigorously promote circular economy and contribute to environmental conservation and sustainable development.

#### 9.3.1 Waste Management

In accordance with regulations such as *Law of the PRC on the Prevention and Control of Environment Pollution Caused by Solid Wastes* and *Standard for Pollution Control on Hazardous Waste Storage*, we have devised internal policies such as *Measures for Pollution Control of Solid and Liquid Waste*, *Management Plan for Hazardous Waste*, and *Regulations on the Prevention and Control of Waste Pollution*. These policies outline explicit methods for waste sorting, recycling, and reuse, ensuring that waste disposal aligns with national and local standards.

- **Source Reduction:** To minimise waste generation, we have improved product design and production processes by using recyclable packaging materials to reduce waste at the source (please refer to the Chapter “Green Design” for details).
- **Separate Collection:** We have set up a dedicated waste collection area equipped with separate collection containers to ensure the proper collection of various types of waste.
- **Recycling and Treatment:** Through internal recycling and external collaborations, we ensure that waste that cannot be recycled is handled properly through partnerships with professional waste disposal organisations.
- **Monitoring and Assessment:** We have established a periodic monitoring mechanism and engaged professional organisations to conduct comprehensive inspections and assessments on workplace environments, solid waste, and hazardous chemical management, thereby ensuring the standardisation and effectiveness of waste management practices.

#### ▼ Hazardous or Dangerous Waste Reduction Measures

Hazardous or Dangerous Waste Reduction Measures
<ul style="list-style-type: none"> <li>• Meticulously determine the nature of hazardous wastes to be warehoused, and collect, store and transfer hazardous wastes to prevent leakage.</li> <li>• Phase out outdated production techniques, and adopt more environmentally friendly and efficient technologies and equipment to reduce waste generation and its harms.</li> <li>• Actively engage in clean production, use clean raw materials, energy, and other resources, and conduct recycling in workshops to reduce pollutant emissions.</li> <li>• Take pollution prevention and control measures, including devising emergency response plans, establishing risk control lists, increasing inspection frequency, and strictly clamping down on illegal transfers and disposals.</li> </ul>

#### ▼ Waste Management Performance in 2023

Waste Type	Amount Generated in 2023	Unit
<b>Total amount of hazardous wastes</b>	<b>955</b>	<b>t</b>
<b>Hazardous waste intensity by revenue</b>	<b>12.09</b>	<b>kg/HKD million revenue</b>

Waste Type	Amount Generated in 2023	Unit
Carton	3,140	t
Plastics	3,578	t
EPS	377	t
Others	2,137	t
<b>Total amount of non-hazardous wastes</b>	<b>9,232</b>	<b>t</b>
<b>Non-hazardous waste intensity by revenue</b>	<b>0.12</b>	<b>t/HKD million revenue</b>

#### 9.3.2 Electronic Waste Recycling

TCL Electronics consistently addresses the adverse environmental impacts of electronic wastes and continuously refines recycling and treatment procedures to enhance resource utilisation efficiency. This commitment contributes actively to the green, low-carbon, and circular development. Through Responsible Appliance Disposal voluntary partnership programmes, Earth 911 battery recycling initiative, and the How2Recycle® label, we team up with external organisations to provide customers with comprehensive recycling solutions covering packaging, batteries, and electronic products. In addition, we also launched the #TCLGreen global initiative. The eponymous art installation was made using more than 1,000 upcycled waste electronic circuit boards as covering materials to encourage more people to contribute to environmental sustainability.

- **Domestic Market:** We recycle our relevant products in reliance upon the capacity of fellow subsidiaries of TCL Industries Holdings who are mainly engaged in environmental protection business.
- **European Market:** We fully implement extended producer responsibility in accordance with local laws and regulations, such as the *EU WEEE Directive*, *CE Directive*<sup>27</sup> and *Ecodesign Directive*, taking accountability for the whole life cycle of our products.
- **North American Market:** We provide How2Recycle® label on all our TV, soundbar and electronic product packaging to provide users with detailed information on product recycling so that they can find the nearest product recycling solution and avoid its negative environmental impacts. In addition, we funded electronic product recycling solutions in all 50 states and the District of Columbia in the United States.

<sup>27</sup> CE refers to Conformité Européenne, or European Community in English. The CE directive is a mandatory requirement for products circulating in the EU market, and the goods affixed with the CE mark indicate that they meet a series of European directive requirements in safety, health, environmental protection, and consumer protection.

### Case: #TCLGreen Unlocking a Greener Future

The #TCLGreen project, a global initiative launched by TCL, aimed to showcase of our ESG development and inspire more people to join environmental protection. We teamed up with Warner Bros. Discovery, a globally renowned media and entertainment group, to hold a ceremony in Italy, to launch the new environmental brand label #TCLGreen, which highlighted our efforts in sustainable development. At the ceremony, the eponymous art installation TCLGreen, which pays tribute to our environmental protection concept, made its debut. It used over 1,000 upcycled electronic circuit boards provided by TCL as wrapping materials, presented in the form of grass and leaves, integrating interactive art and metaverse art into sustainable physical installations, and it would be open to the public for a long time. It is intended to strengthen our commitment to a green future and encourage more people to contribute to sustainable environmental development.

TCL Electronics has always actively practiced green, low-carbon, and sustainable development in line with #TCLGreen. In responding to China's "carbon peaking and carbon neutrality" strategy, we have built green factories, launched green products, laid out green industries and covered each link across the value chain, thus leading upstream and downstream value chain for sustainable development and promoting harmonious coexistence between humans and nature.



▲ TCLGreen Art Installation

### 9.4 Conserving Water Resources

In accordance with laws such as *Water Pollution Prevention and Control Law of the PRC*, TCL Electronics has formulated internal policies such as *Regulation on Water Resources Management*, which clearly outlines the requirements for the utilisation and management of production and domestic water, and sets out clear processes such as wastewater treatment and monitoring statistics to ensure the effectiveness of water conservation efforts. This Year, TCL Electronics encountered no issues related to the acquisition of applicable water sources.

We proactively promote improvements in production equipment, water valve regulation, and recycling of wastewater from the injection moulding parts washing process to enhance the utilisation efficiency of production water. Tailoring specific water efficiency standards for different business units or departments, TCL Electronics' Communication Business Unit, for instance, has set a water consumption monthly target of 3.5 m<sup>3</sup> per person. Metrics such as per capita water consumption in factories are incorporated into performance assessments, linking water conservation with business performance and reinforcing water resource conservation management. Additionally, we regularly organise environmental training for employees, using water-saving tips, posters, and other means to raise the water saving awareness of employees and help them develop good water usage habits.

#### ▼ Water Consumption of TCL Electronics in 2023

Water Resource	Consumption in 2023	Unit
<b>Total water consumption</b>	<b>879,584</b>	<b>m<sup>3</sup></b>
<b>Water consumption intensity by revenue</b>	<b>11.14</b>	<b>m<sup>3</sup>/HKD million revenue</b>

### Case: TCL Electronics Partook in Water Conservation Survey Training

In July 2023, TCL Communication Business Unit took part in a training seminar on water conservation survey organised by the Rural Work Bureau of Zhongkai High-tech Zone in Huizhou City, Guangdong Province. The training focused on a comprehensive understanding of the *Regulation of Guangdong Province on Water Conservation Survey (For Trial Implementation)*, including the significance and overall requirements of water conservation survey and the detailed operational explanations of the reporting system. Our active participation in discussions and exchanges reinforces the foundation for advancing water conservation survey.

### 9.5 Promoting Green Energy

In response to the national strategy of “carbon peaking and carbon neutrality”, we are fully committed to advancing the development of photovoltaics. TCL Photovoltaic Technology, a subsidiary of TCL Electronics, places efficient and intelligent photovoltaic technology at its core. On the strength of an intelligent photovoltaic operation and maintenance platform, TCL Photovoltaic Technology has achieved data monitoring, fault monitoring, and operational management for photovoltaic power stations and equipment, thus ensuring the stable power generation of photovoltaic power stations and the safe operation of relevant equipment.



▲ 2023 Outstanding EPC Award for Industrial and Commercial Photovoltaic Systems



▲ Top Ten Brands in Industrial and Commercial Photovoltaic Systems of the Year 2023

#### 9.5.1 Intelligent Photovoltaic Platform

TCL Photovoltaic Technology continues to enhance the capabilities of its intelligent operation and maintenance platform. Through real-time collection and analysis of power station operation data, TCL Photovoltaic Technology promptly identifies and addresses equipment faults. Such data analysis empowers maintenance personnel to monitor the operational status of power stations anytime and anywhere and make swift responses and resolution to various issues so as to enhance the operational efficiency and support capabilities of power stations.

##### Case: Apply Real-time Data Monitoring Platform at TCL Photovoltaic Low-carbon Campus

In June 2023, the unveiling ceremony for TCL Photovoltaic Low-Carbon Campus was held at Caomiao Elementary School in Xixiang County, Hanzhong City, Shaanxi Province. The event showcased the independently-developed Real-time Data Monitoring Platform of TCL Photovoltaic Low-Carbon Campus. This platform features data collection, analysis and display, and operation monitoring functions, presenting real-time data including total power generation, total capacity, cumulative income, carbon dioxide emission reduction, and savings in standard coal. The project generated a power output of 496,398 kWh in 2023, greatly contributing to the development of a green campus.



▲ Real-time Data Monitoring Platform of TCL Photovoltaic Low-Carbon Campus

#### 9.5.2 Empowering Society through Photovoltaics

TCL Photovoltaic Technology responds actively to the policies to inject green power into rural vitalisation with advanced photovoltaic technology and high-quality operation and maintenance services. TCL Photovoltaic Technology explores and innovates to provide an efficient path for green energy transition for industrial and commercial enterprises, laying a solid foundation for realising the national vision to build a green and low-carbon society.



### Case: Distributed Photovoltaic Projects on Rural Residents' Roofs

TCL Photovoltaic Technology actively responds to the national rural vitalisation strategy, and supports rural residents to rent roofs to earn income through leasing models such as “Guangxinbao - Gongfu” and “Guangyuebao”. Under such models, rural residents only need to provide their roof or courtyard, while TCL Photovoltaic Technology is responsible for the construction and operation of the power stations. All green power generated will be fully connected to the grid, not only providing clean energy for the whole nation, but also allowing farmers to obtain stable long-term income by using idle space, so as to achieve the goal of helping and benefiting rural residents.



▲ Sunshine House - 40kW Sunshine House in Hunan Province



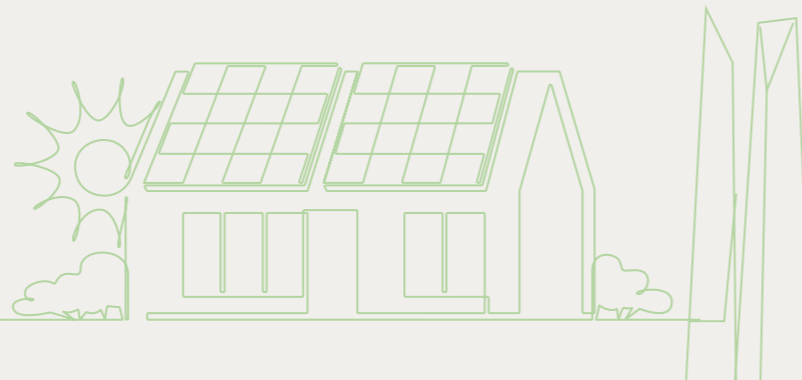
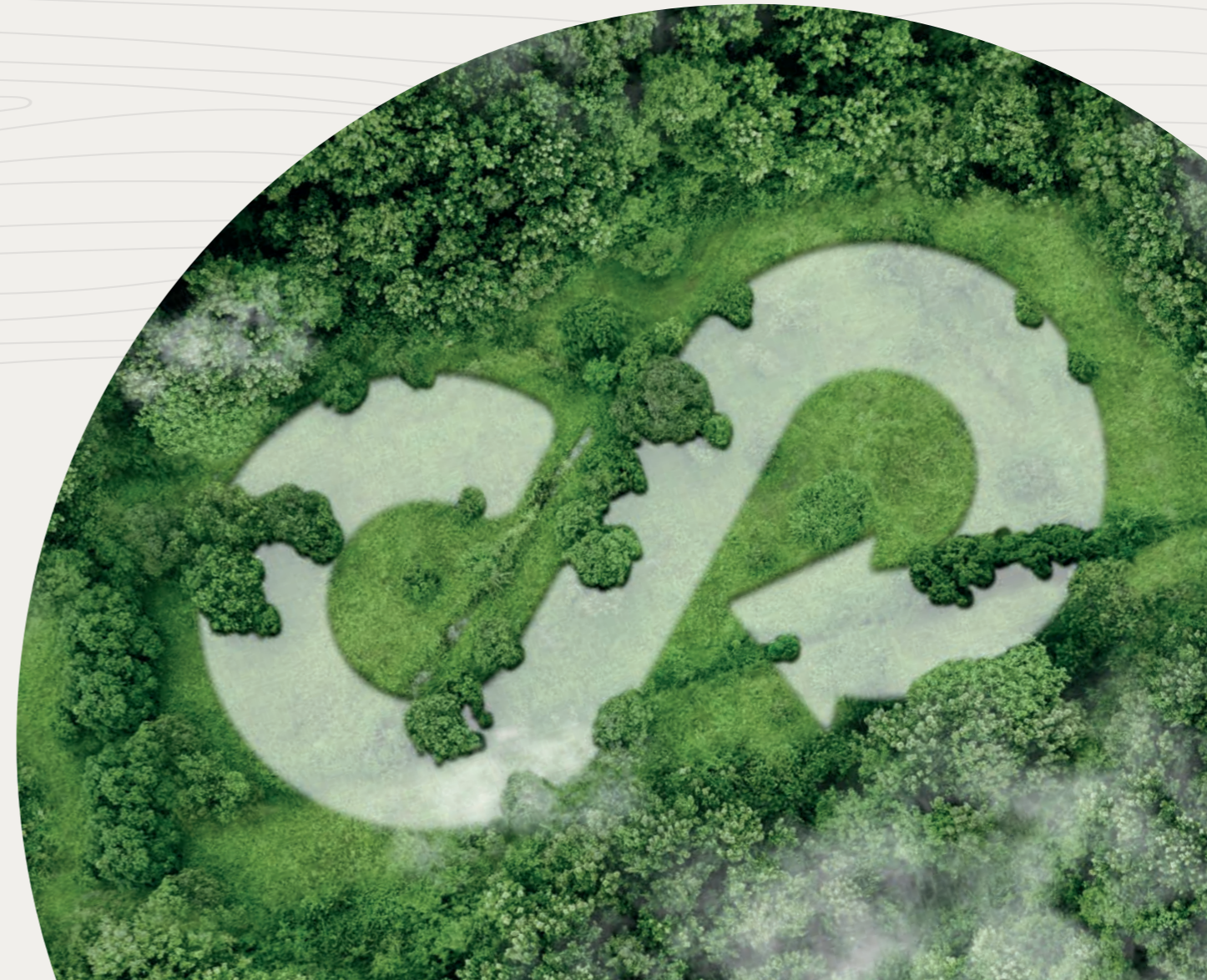
▲ Public Roof - 76kW Power Station Village Committee in Henan Province

### Case: Commercial and Industrial Photovoltaic Project of AVIC Shenyang Aircraft

TCL Photovoltaic Technology signed an agreement with AVIC Shenyang Aircraft Company Limited (600760.SH) in February 2023, with a total investment of more than RMB 30 million in the first project (7.92MW). The project is located at the core of the aviation industrial park in Hunnan New Area, Shenyang City, Liaoning Province. Launched in May 2023, it was connected to the grid for power generation at the end of July. The annual power generation reached about 8 million kWh. TCL Photovoltaic Technology will continue to provide efficient green power for China's aviation industry and help its development.

### Case: Distributed Photovoltaic Project of Guangdong Meizhou Wuhua

Guangdong Meizhou Wuhua Ground Distributed Photovoltaic Power Station Construction Project covers a total area of about 110 mu (equivalent to 73,333 m<sup>2</sup>). According to the intensive development mode of “water power generation, underwater planting and breeding”, “one resource, two industries”, photovoltaic panels with a capacity of 5.99 MW are installed and management rooms such as storage plant houses and refrigerators with an area of about 1,000 m<sup>2</sup> are constructed. Medicinal tree-type honeysuckle, patchouli and other medicinal materials are planted, as well as a small number of aquatic fish and shrimp such as cultured crayfish, pond and grass carp. After the completion of the project, the annual photovoltaic power generation is about 7 million kWh, and the annual profit is RMB 3.5 million; The annual output value of ground planting and breeding is RMB 5 million, and the annual profit is RMB 1.8 million, realising the comprehensive benefit improvement of “fishery, electricity and environmental protection”.



# 10

## People-Oriented Philosophy for Common Growth

TCL Electronics is committed to establishing a diverse, fair, open, and inclusive working atmosphere. We continuously attract outstanding talents from around the globe, provide employees with broad career development opportunities and care for their physical and mental well-being. We constantly improve working conditions and benefits, enhancing the sense of belonging and happiness of our employees.



## 10.1 Attracting Outstanding Talent

Talent is the core driving force for business development. Therefore, TCL Electronics has formulated an annual recruitment plan to regularly conduct various recruitment globally and introduce professional talents to the Company through industry-academia-research cooperation. Simultaneously, we continuously optimise our employee remuneration policies, providing competitive package to attract and retain high-quality employees.

### 10.1.1 Recruitment

TCL Electronics has established systems such as *Recruitment Management Procedure*, on the principles of fairness, impartiality, and transparency, which clearly outlines the recruitment process and responsibilities of each position, ensuring standardised and transparent recruitment procedures. Additionally, we have built a comprehensive and efficient talent recruitment system, optimising our recruitment channels according to our strategic needs. Through campus promotions, advertising, industry-education integration, and other means, we have cultivated and exported technology-innovative talents for the Company, which drives regional employment. This Year, we introduced overseas recruitment channels to strategically plan talent recruitment processes from a global perspective.

#### Case: Holding a Talent Conference at Peking University

In October 2023, TCL Industries Holdings, the Company's holding company, on behalf of all its subsidiaries (including TCL Electronics) successfully held a talent conference at Khoo Teck Puat Gymnasium of Peking University. The General Manager of Human Resources delivered a speech on the theme of Dare to Lead the World, and introduced TCL's international development history to the students from multiple dimensions. The General Manager of TCL Photovoltaic Technology, delivered a keynote speech on Development Trends of Chinese Enterprises under the National Policy of Carbon Neutrality, demonstrating the changes and innovations TCL has made in response to the national policy. Through innovative speeches and interviews, the event enhanced the interactions between students and us and boosted the influence of campus recruitment.



▲ Talent Conference at Peking University

#### Case: TCL King Industry College Officially Established

In March 2023, TCL King Industry College jointly established by TCL King (Huizhou) and Huizhou Technician Institute, was officially inaugurated. The College focuses on students' moral development and competence and adheres to the principle of "Student-oriented Education, Industry as Priority, Industry-education Integration, and Innovative Development". TCL King Industry College fully leverages the resources and advantages of both the school and the enterprise, striving to build a demonstrative institute that integrates talent cultivation, scientific research, technological innovation, enterprise services, and student entrepreneurship and a talent powerhouse developed, managed, and shared by both sides.



▲ TCL King Industry College

### 10.1.2 Remuneration Policy

TCL Electronics strictly complies with *Labour Law of the PRC* and has formulated the Group's Employee Handbook. We continuously optimise employee compensation policies to improve a reasonable remuneration and benefits system and emphasise the fairness of remuneration levels, the flexibility of incentive mechanisms, and the diversity of employee benefits to enhance talent attraction and retention rate.

We set employee remuneration based on market standards and employees' qualifications and experience, providing competitive benefits. We regularly review the remuneration policy and make appropriate adjustments based on the latest policies. In addition to basic salaries, we have established a reward mechanism based on the Group's performance and employees' performance to encourage continuous innovation and progress.



## 10.2 Safeguarding Employee Rights

TCL Electronics always respects and defends the legitimate rights of employees. We have established sound employment systems and processes to ensure lawful employment. We adhere to the principles of diversity and equality, striving to eliminate all forms of discrimination while emphasising employee communication and expression, and are dedicated to fostering an open work atmosphere. Furthermore, we provide diversified benefits and organise employee care activities to offer comprehensive support and care for employees.

### 10.2.1 Employment Compliance

In strict compliance with the applicable domestic and overseas laws and regulations, such as *Labour Law of the PRC*, *Labour Contract Law of the PRC*, and *Employment Promotion Law of the PRC*, and with appropriate reference to conventions of International Labour Organisation (ILO) and *Universal Declaration of Human Rights*, TCL Electronics continuously improves the management policies such as *Recruitment Management Procedures*, and *Employee Handbook*, to ensure the legality and fairness of our employment. We also set up fair, open and just procedures for employee recruitment, promotion and dismissal. No discrimination is allowed on the basis of race, ethnic or social origin, region, social class, descent, religion, physical disability, gender, sexual orientation, family responsibilities, marital status, union membership, political opinion, age, language, or any other factors that may cause discrimination, and all employees are treated equally.

In accordance with *Law of the PRC on the Protection of Minors*, *Provisions on the Prohibition of Using Child Labour* and other relevant laws and regulations, we have specified in the *Recruitment Management Regulations* and other management policies that the employment of child labour in any form is strictly prohibited. During the recruitment, we meticulously check the valid credentials of applicants at all stages to ensure that the recruitment process complies with local laws and regulations.

Meanwhile, in accordance with *Labour Law of the PRC* and other relevant laws and regulations, we stipulate in the *Recruitment Management Regulations* and *Employee Handbook* that forced labour, or any slave or human trafficking is strictly prohibited. The personnel department regularly reviews the background and working hours of employees to detect any long-hour overwork. The union also provides employees with complaining channels to protect their human rights. Whenever any forced labour is found, we will promptly contact the relevant employees and management to check facts, and safeguard their rights to rest and take leave.

This Year, there was no violation of regulations or complaint due to use of child labour or forced labour.

### 10.2.2 Diversity and Equal Opportunity

TCL Electronics advocates diversity and inclusiveness and is committed to creating a diverse and equitable working environment for all employees. We implement a global development strategy to fairly treat the overseas employees, and strictly abide by the laws, regulations and labour systems, including *National Employment Standards of Australia*, *Fair Work Act 2009 of Australia*, and *Labour Code of the Philippines*. In addition, we have laid down internal policies for branches in different countries according to relevant local laws and regulations. For example, the Philippine branch of the Group has formulated *Policy on Recruitment and Selection* and other documents to ensure that employee management complies with local legal requirements and the legitimate rights and interests of employees are protected.

TCL Electronics deeply implements legal requirements such as *Law of the PRC on the Protection of Disabled Persons* and actively supports the employment of persons with disabilities. After years of efforts, we have successfully explored a model for the independent recruitment and care management of employees with disabilities. From 2020 to 2023, Huizhou TCL Mobile has cumulatively employed more than 100 persons with disabilities. Through efforts in optimising positions for employees with disabilities, improving administrative logistics services and facilities, expanding recruitment channels, and providing care and training, we have facilitated better employment and development for them. This Year, we were honoured with the title of Admirable Supporter for People with Disabilities at the 2nd awards ceremony held in Huizhou.



▲ Admirable Supporter for People with Disabilities at the 2nd Award Ceremony of Huizhou

We advocate women's values within the globe and launched a long-term women-oriented project called "TCL For Her". Upholding the brand values of "Seeing, Inspiring, and Supporting Women", we empowered women around the world with technologies, and helped more women achieve their dreams. We are also committed to promoting women's empowerment and individual development, aiming to create a self-supporting incentive system to inspire women to support each other and grow together.



▲ "TCL For Her" Women-oriented Long-Term Project

### 10.2.3 Employee Communication

TCL Electronics values the feedbacks and opinions of every employee, and views them as the crucial driving force for our development. We have developed *Internal Communication Management Measures* to clarify the communication management responsibilities of the department heads and assessment and management methods. Additionally, we have specified the frequency and scope of different types of communication meetings (company level, department level, workshop level, shift level, etc.), as well as employee complaint channels. Through the implementation and follow-up process for the problems raised in the communication meetings, we have further enhanced communication efficiency.

We are committed to fostering an open, inclusive, and trusting corporate culture. Through channels such as employee communication meetings, CEO open letters, TLink column, dedicated mailboxes, complaint emails, and hotlines, we encourage employees to bravely express their needs and thoughts, thereby increasing employee engagement and satisfaction. We have conducted annual surveys on employees' dedication and satisfaction, with a participation rate over 90%.

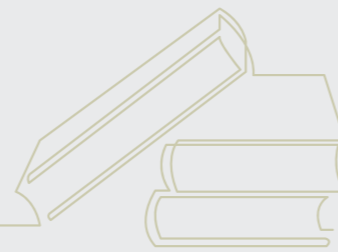


▲ Communication Meeting for Employees at a TCL Electronics, Factory

### 10.2.4 Employee Care

#### Employees' Benefits

In compliance with local laws and regulations, we provide employees with benefits such as social insurance, commercial insurance, and housing provident funds. All employees enjoy statutory holidays, annual leave, maternity leave and other holidays, and we offer them annual health check-ups. For employees in special job positions, we also provide corresponding allowances. During festivals like the Dragon Boat Festival, Children's Day, and Mid-Autumn Festival, we distribute festival gifts and organise group activities like parties. For employees working overtime, we offer additional benefits such as transportation reimbursements and night shift allowances. Through a series of employee benefits, we strive to create a warm working environment and enhance employees' sense of happiness.



▲ Mid-Autumn Festival Gifts



▲ Children's Day Gifts

#### Employee Care

To meet the needs of employees, TCL Electronics continuously optimises employee care activities. We pay attention to both the physical and mental health of employees and actively address the practical challenges they face to effectively enhance their happiness at work and in life.

- **Union Activities**

To ensure employees' rights are fully respected and protected, TCL Electronics has established unions at all levels, which participate in the formulation of policies related to employee interests on behalf of the employees, met employees' reasonable demands with concrete measures and promote the democracy and standardisation of internal management. We have further avoided human rights abuses such as discrimination, harassment, and unreasonable working hours through various measures, such as the *Labour Agreement* between the Company and the union representatives.

We continuously improve the working and living environment for employees and enhance their comprehensive qualities. We have eight clubs, including badminton club, football club and photography club, established by the Union, which regularly organise various trainings and competitions, strengthening employees' cohesion and sense of belonging. In addition, we have organised festival parties in Lantern Festival and Mid-Autumn Festival and other group activities such as staff birthday parties to enrich employees' off-work lives and promote communication and exchanges among colleagues.

As of the end of this Year, the number of union members of TCL Electronics exceeded 13,000.



▲ Activity of Badminton Club



▲ Activity of Football Club



Employee Care

TCL Electronics is committed to providing employees with a comfortable and convenient working environment. Through various employee care measures, we aim to meet the needs of employees in both work and life, enhance their quality of life, and improve their satisfaction.

<b>Convenient Transportation</b>	We provide shuttle bus services between and within Shenzhen and Huizhou.
<b>Ease Accommodation</b>	We provide dormitory for fresh graduates, nonlocal employees, and employees working alternatively in Shenzhen and Huizhou.
<b>Care for Female</b>	We set up nursery rooms, which are equipped with daily necessities for mothers and infants.
<b>Employee Support</b>	We set up the TCL Electronics Aid Fund, covering all employees, with a total of RMB 145,000 donated to support 7 families in need during this Year.
<b>Environment Optimisation</b>	We continuously upgrade public facilities such as canteens and optimise the working and living environment of employees.
<b>Special Care</b>	We provide festival care for family members, upgraded health check benefits, medical supplies and other travel and health care for expatriates and employees on overseas business trips.
<b>Psychological Well-being</b>	We have introduced Employee Assistance Programme (EAP) to provide employees with psychological support.

Case: Offering EAP Services

This Year, TCL Electronics, adhering to the concept of employee care, introduced EAP for psychological support. We offered 24/7 online counselling services, organised various psychological counselling, and launched the "Soul Station" mini application, to continuously empower employees' psychological well-being. During this Year, we held EAP promotion event to increase employees' awareness of their own mental health and to enhance their mental health. As of the end of 2023 since its launch in September 2023, the number of visits to EPA reached over 1,000.



▲ EAP Promotion Activity

10.3 Employee Training and Development

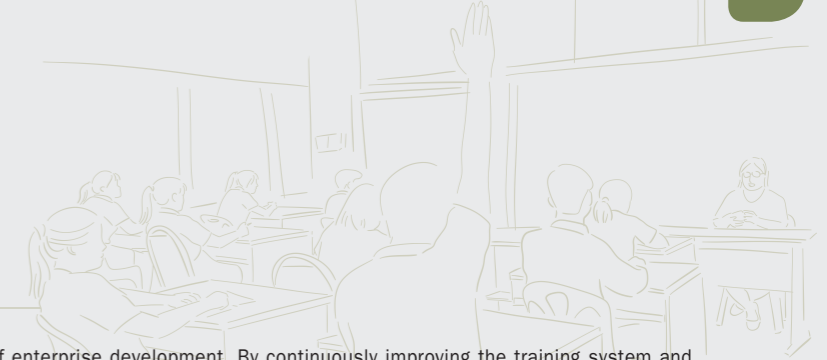
TCL Electronics puts talent cultivation and development at the core of enterprise development. By continuously improving the training system and conducting diverse training programmes, we provide employees with broad opportunities for growth and development, thereby achieving the mutual development of individual employees and the Company.

TCL Electronics has formulated a talent strategy framework called "One Echelon, Two Tracks", with the emphasis of talent development and learning development. We have established fair and reasonable promotion channels and development paths for all employees. Additionally, training and development plans are tailored for employees in different positions and career stages to promote the synergistic progress of individual employees and the organisation and foster an innovative and dynamic corporate culture.

We have launched a series of training programmes covering various fields, including the Eagle Talent Training Programme, New Leader Training Programme, Professional Training Programme, and Development of Learning Platform Resources, ensuring that employees are equipped with the capabilities to meet different needs and address different challenges. Furthermore, certain subsidiaries of TCL Electronics have developed annual training plans according to its specific situation and launched professional training programmes tailored to different types of employees, helping them improve their professional skills, enhance their competitiveness, and contribute to the Company's development.

Four Major Areas	Training Programmes in 2023
All Employees	<ul style="list-style-type: none"> <li>Establishing multiple public learning platforms such as T-Academy for all employees to share resources, providing various means of learning to ensure a diverse and fun learning experience.</li> <li>Continuously conducting public trainings such as Employee Lecture to offer employees learning opportunities and platforms.</li> </ul>
New Employee Development	<ul style="list-style-type: none"> <li>Launching the "Rookie Eagle Power Camp" programme for fresh graduates, and introducing the Super A special training programme to select outstanding campus graduates to expand our talent pool.</li> <li>Coordinating the training of newly recruited non-fresh-graduate employees to ensure they are quickly adapted to our corporate culture and their work.</li> </ul>
Business Empowerment	<ul style="list-style-type: none"> <li>Implementing the Sword-forging Programme on product management capabilities, providing systematic training for product managers and Product Development Team (PDT) managers.</li> <li>Implementing the Spotlight Programme on global supply chain capabilities, cultivating supply chain professionals.</li> <li>Establishing a talent pool to enhance the capability to improve user experience.</li> <li>Launching the overseas "Elite Eagle" programme and customising "Overseas Elite Eagle Training Camps" for employees dispatched to overseas management positions.</li> </ul>
Leadership	<ul style="list-style-type: none"> <li>Conducting "Comprehensive Eagle" and "Professional Eagle" training programmes for professional technical personnel and newly appointed managers to help them improve professional and management capabilities.</li> </ul>

▲ Talent Development System of TCL Electronics





		2023
<b>Average training hours for all employees</b>		<b>26 hours</b>
By gender	Male	31 hours
	Female	20 hours
By employee type	Senior management	35 hours
	Middle management	38 hours
	Junior employees	38 hours
<b>Percentage of the trained employees</b>		<b>80.42%</b>
By gender	Male	64.78%
	Female	35.22%
By employee type	Senior management	0.10%
	Middle management	7.86%
	Junior employees	92.04%

▲ Employee Training Data of TCL Electronics in 2023

### Case: Strengthening Product Development Capabilities through the Voyage Plan Training Programme

In order to consolidate the key competencies of product system engineers and development representatives, the Pan-smart Screen Business Unit of TCL Electronics carried out the Voyage Plan training programme in May 2023. Through subject practice, seminar salon and new product and project practice, the programme carried out targeted training on management thinking, product thinking, collaboration and communication in team management and other general courses, as well as professional courses for key business activities to improve the capacity of the trainees. The programme has carried out 3 offline trainings joined by 141 participants.



▲ Voyage Plan Training Programme

### Case: Launching the “Rookie Eagle Power Camp” and “Elite Eagle” Programmes

In July 2023, the 2023 “Rookie Eagle Power Camp” Induction Ceremony was held in Huizhou City, Guangdong Province, where approximately 500 “eagle” employees from all over the world and representatives of previous outstanding “eagle” employees gathered to create a ceremony of the spirit of “eagle” in a very TCL-specific form. This Year’s “Rookie Eagle Power Camp” was organised by the project team and the class guide group, including 10 hours of lectures by great experts, 3 hours of production line visits, 15 hours of workplace classes, 8 hours of workplace experience projects and other activities to help the “eagle” employees grow strong.



▲ “Rookie Eagle Power Camp” Induction Ceremony

In November 2023, the opening ceremony of the 16th “Elite Eagle” Programme Opening Ceremony was held in Huizhou City, Guangzhou Province. The General Manager of the Supply Chain Quality and Safety Centre, as the class director of the programme, put forward the learning requirements to all the participants, emphasised the importance of the supply chain in the globalisation of a company, and encouraged the participants to continuously improve the globalisation vision and professional ability, to efficiently manage the ever-changing and diversified demands of the global market, and to help the Group to achieve the global leadership.



▲ “Elite Eagle” Programme Opening Ceremony



## 10.4 Occupational Health and Safety

TCL Electronics consistently prioritises the health and safety of our employees, continuously strengthening safety management and occupational health protection to create a safe working environment, ensuring employees are protected from occupational hazards. We have made significant achievements in establishing a standardised occupational health and safety system. Currently, TCL Electronics has obtained ISO 45001 Occupational Health and Safety Management Systems certification, RBA audit, SMETA audit, Supplier Compliance Audit Network (SCAN) certification and Supply Chain Security (SCS) audit, ensuring that the Company's operations comply with occupational health and safety standards.

### 10.4.1 Work Safety

TCL Electronics places high importance on occupational safety, adhering to the safety policy of "Life First, Safety Foremost, Prevention as the Main Approach, and Comprehensive Governance". We diligently implement *Work Safety Law of the PRC* and other laws and regulations, continuously refine internal management system documents such as *Safety Management Manual*, *Ten Red Lines Serious Violations List* and *Seven Safety Concept Standards*, *Safety and 5S Management Regulations*, *Construction Management Regulations*, and *Fireworks Management Regulations*. These documents specify in detail the requirements and standards for production safety management, safe operating procedures, emergency plans, etc., to reduce accident risks and ensure safety compliance. We have formulated the *Construction Project Management Manual* to ensure that safety protection facilities, fire protection facilities, and occupational health protection facilities for each project meet national standards, thereby safeguarding the lives and property of employees, and preventing environmental pollution and occupational diseases. In daily production, we effectively prevent and reduce production safety accidents through regular production safety education, orderly safety inspections, emergency drills, and regular summaries of safety production. This Year, TCL King (Huizhou) passed the review of the Level 2 Standardisation of Safety Production for Industrial and Trade Enterprises. Additionally, we have established the *Contracting and Leasing Business Safety Management Regulations* and signed *Contracting and Leasing Business Safety Management Agreements* with contracting and leasing parties to ensure safety in suppliers' operations.

#### Work Safety Management Structure

We have established a clearly defined occupational safety management structure, specifying management hierarchy and division of responsibilities to ensure the smooth operation of the safety management system and the protection of employee safety.

Management Level	Management Duties
<b>Safety Management Committee</b>	<ul style="list-style-type: none"> <li>Research, deploy and guide safety management</li> <li>Put forward major guidelines and policies in safety management</li> <li>Solve the major problems in safety management</li> </ul>
<b>Safety Committee Office</b>	<ul style="list-style-type: none"> <li>Provide suggestions on major guidelines, policies and important measures of production safety</li> <li>Supervise and inspect the safety management of subsidiaries, organise and implement safety inspection, urge the related parties to address hidden hazards and outstanding problems</li> </ul>
<b>Safe Production Working Group</b>	<ul style="list-style-type: none"> <li>Establish the work safety management mechanism in the industrial park, organise and conduct safety inspection, emergency drill, work safety training and other activities as planned</li> <li>Coordinate internal and external audit matters related to work safety</li> </ul>

▲ Safety Management Hierarchy of TCL Electronics

#### Work Safety Goals

We have set work safety management goals for each level and each centre/business unit, and defined their responsibilities of work safety management.

This Year, there was no major work safety accident in the Company.

Work Safety Goals	In 2023
"Zero" casualty caused by safety accidents	Completed
"Zero" major fire or explosion accidents	Completed
"Zero" major mechanical safety accidents	Completed
"Zero" occupational diseases or occupational poisoning (including food and medical incidents) accidents	Completed
General production occupational injury rate ≤ 1%	Completed

▲ Fulfilment of Safety Goals of TCL Electronics in 2023

#### Measures to Ensure Work Safety

Work Safety Inspection	<ul style="list-style-type: none"> <li>Regularly conduct inspections and rectification of hidden dangers in equipment and facilities. New equipment must undergo risk assessment and pass an acceptance test before being put into use to ensure workplace safety.</li> <li>Implement three-level inspections for hidden dangers led by department heads, joint teams from the Safety Committee Office, and the General Manager to ensure effective implementation and supervision of production safety management.</li> <li>Carry out daily, weekly, monthly, and quarterly safety inspections and assessments; hold quarterly/monthly safety summary meetings; collaborate with third parties for external inspections and implement rectifications based on inspection reports; confirm the operation status of safety equipment with professional maintenance organisations to effectively prevent and control various safety and fire risks.</li> </ul>
Safety Performance Evaluation	<ul style="list-style-type: none"> <li>Sign safety responsibility agreements with all employees at the factory, team, and position levels, and incorporate safety assessment standards into safety performance management based on job responsibilities.</li> <li>Organise annual safety performance evaluations for production units and individuals, commend and reward outstanding units and individuals, and impose penalties on those responsible for safety production and fire accidents, further implementing the Company's production safety management mechanism.</li> </ul>
Education on Work Safety	<ul style="list-style-type: none"> <li>Disseminate fire safety knowledge through various means such as television broadcasts, WeChat notifications, and special articles on public accounts.</li> <li>Organise first aid and winter health protection training, electrical safety training, and firefighting equipment use training to enhance the safety awareness of all employees.</li> <li>Continuously improve the emergency response plan system, establish standardised emergency drill procedures, conduct various emergency drills, including dormitory fire evacuation drills, anti-terrorism and fire evacuation exercises, to enhance employees' ability to handle safety accidents.</li> <li>Provide specialised training for personnel with different job responsibilities, including full-time and part-time safety officer training, safety duty training, retraining for key persons in charge and safety management personnel, Red Cross first aid training, and other specialised training, to ensure that employees have necessary safety knowledge and skills.</li> </ul>

This Year, TCL Electronics carried out **43** safety inspections and detected and eliminated **68** hidden hazards, achieving an elimination rate of **100%**.

This Year, TCL Electronics launched **85** company-level safety trainings for skill improvement, involving more than **135,100** attendances and **193** training hours. The completion rate of induction training for special operation staff reached **100%**. A total of **23** emergency drills were rolled out, involving more than **38,300** attendances.



#### 10.4.2 Occupational Health

TCL Electronics conscientiously follows *Law of the PRC on the Prevention and Control of Occupational Diseases*, *Regulations on Work-Related Injury Insurance* and other relevant laws and regulations, comprehensively introduces health and safety concepts into our design, production, procurement and company operations, and systematically identifies and controls potential environmental risks and hazardous factors to prevent occupational diseases and workplace accidents. We comprehensively identify safety risk information for all business units, operational activities and processes, and scientifically assess the identified safety risks to determine their maximum level of risk in order to take appropriate and effective control measures. For important safety risks, we define risk control strategies and select targeted control measures to prevent potential safety-affecting accidents. We continuously refine *Inspection Report on Occupational Hazards in the Workplace* and *Assessment Report on the Current Status of Occupational Hazards*, regularly organise occupational health site inspections, occupational hazard assessments, and radiation equipment inspections, and promptly take corresponding protective measures to ensure comprehensive protection of employees' occupational health. In the workplace, we identify potential occupational hazards according to different job types and formulate corresponding protective measures for each position. We conduct regular spot checks on the wearing of protective equipment and labour protection equipment to ensure that employees know how to use relevant protective equipment correctly and in accordance with regulations, thereby minimising the risk of occupational hazards and enhancing the safety of the working environment.



TCL King (Huizhou), Huizhou TCL Mobile, and TCL Optoelectronics Technology (Huizhou) Co., Ltd. under the Group have obtained ISO 45001 Occupational Health and Safety Management Systems certification.

To strengthen the safety management of hazardous chemicals, prevent and reduce the impact of chemicals on personnel and the environment, TCL Electronics has formulated *Regulations on the Management of Hazardous Chemicals* to ensure the personal safety of employees and the security of company property, and to minimise environmental pollution.

#### Case: Conducting Hazardous Chemical Safety Training

In March 2023, the Pan-smart Screen Business Unit of TCL Electronics conducted hazardous chemical safety training for personnel in special positions exposed to hazardous chemicals. The training included the classification, labeling, and hazards of hazardous chemicals, technical specifications and safety labels for hazardous chemicals, storage and use of hazardous chemicals, and chemical emergency handling. The training reinforced the safety awareness of personnel in positions exposed to hazardous chemicals and effectively prevented and reduced accidents.





# Care for the Community

For many years, TCL Electronics has steadfastly fulfilled our corporate social responsibility, and actively engaged in philanthropic endeavors to give back to society through tangible actions. We focus on science and technology, education, culture, community care and other fields, actively participating in various charitable donations and provided assistance and support to disadvantaged groups through donations of money, in-kind form, facilities, etc. We regularly encourage employees to participate in volunteer service to convey the spirit of care and dedication and contribute to the development of a harmonious and warm community.

### 11.1 Supporting Charity with Technology

We have always adhered to our corporate social responsibility, committed to combining technology and charity with our leading strength in technological manufacturing and exploring new paths to support charity with technological innovation, and thereby making greater contributions to build a sustainable society.

#### Case: TCL Smart Classrooms

In order to promote the integration of technology and philanthropy and to promote educational equity through technological innovation, TCL Foundation, together with TCL Communication and other subsidiaries the Group, donated TCL Smart Classrooms to urban and rural schools, creating a "1+N" smart classroom network. In 2023, TCL Smart Classrooms were established at Shenzhen Nanshan Second Foreign Languages School (Group) Haide School and Chiwan School in Guangdong, as well as Longsheng Experimental Middle School in Longsheng Autonomous County, Guilin, Guangxi. Interactive dual-teacher classrooms were also launched in multiple locations of Guangdong and Guangxi, benefiting over 5,800 students.



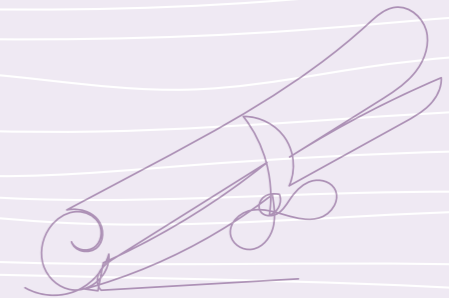
▲ TCL Smart Classrooms

### 11.2 Empowering Education

We are deeply involved in the field of education, supporting the development of education through continuous improvement of the university donation system, supporting rural teachers, and donating teaching equipment and more. We encourage innovation and fair development of education, and continuously cultivate outstanding talents to promote social progress.

#### Case: Tomorrow-ICAN Programme

In 2023, the TCL Electronics Mutual Aid Fund donated another RMB 200,000 to the China Friendship Foundation for Peace and Development to support the Tomorrow-ICAN Programme. This programme aims to provide financial and emotional support to high school students and help them become the first college student in their families and realise their dreams of a better future. By 31 December 2023, approximately RMB 1,520,000 was invested by the fund.



▲ Excellent Volunteer Certificate Awarded by Tomorrow-ICAN

#### Case: Visiting Pilot School for "Xiaoxue Music Class"

In June 2023, tens of volunteers from the Group visited 23 rural schools piloted for Eagle Story Club and Xiaoxue Music Class, covering 12 provinces including Guizhou, Inner Mongolia, Xinjiang, Henan, and Jilin. They attended the class with children and exposed them to more professional music knowledge, improving their music aesthetics and perception and bringing them a unique learning experience with our technology.



▲ Visiting Ningxia Dahe Hexi Primary School in the Pilot Programme of "Xiaoxue Music Class"

#### Case: Visiting Candlelight Awards Winning Teachers

In 2023, TCL Electronics' employee volunteers participated in the TCL Rose Action-Visiting Candlelight Awards Winning Teachers, delivering kindness and love in the name of roses. The volunteers visited rural teachers in 30 schools in 8 provinces and cities to learn about the current situation of rural teachers. After the visit, they have shared those teachers' stories of dedication to draw attention to rural education and call for care for rural teachers.



▲ Volunteers visiting Gutanxiang Central Primary School in Long'an County, Nanning City



### 11.3 Supporting Cultural Industry

We insist on promoting the innovative spirit of culture and sports to impel the prosperity and development of cultural undertakings. In the meantime, we call on the public to pay attention to charity and contribute to a more civilised and harmonious society.

#### Case: TCL Candlelight Charity Concerts

In 2023, we held 5 Salut d'Amour candlelight charity concerts for young people, exceptional children, teachers and other groups to salute to youth, innocence, Communist Party of China and teachers, etc., and the total number of attendees reached 900. Through such concerts, we conveyed the voice and power of charity through music, drawing more attention to charity and contributing to social development.



▲ Salut d'Amour Charity Concert for Exceptional Children



### 11.4 Delivering Care to Community

We bear in mind care and responsibility and are committed to providing more assistance and support to vulnerable groups, helping them integrate into society, and building a more just and harmonious community. We proactively encourage employees to participate in voluntary activities, give back to society with practical actions, and convey the spirit of care and dedication.

#### Case: Philanthropic Flea Market Helping Exceptional Children's Dreams Come True

During the Children's Day in 2023, TCL Electronics Mutual Aid Fund, joined hands with Shenzhen Social Public Welfare Foundation and the Chunnuan Social Work Service Centre of Longgang District, Shenzhen to organise a Philanthropic Flea Market. During the event, employees sold and purchased second-hand items such as books, learning materials, and toys to raise funds for exceptional children. Additionally, we utilised artworks created by exceptional children in the package of Children's Day gift and encouraged voluntary donations from employees to help them realise their dreams.



▲ Philanthropic Flea Market



#### Case: TCL Young Director Programme

In 2023, we launched the TCL Young Director Programme to support young directors, provide necessary assistance for them to spark creativity and imagination, and assist the young in the fields of culture and art. We have assisted 6 young directors in creating the AI animation series of Space Exploration Diary.



▲ TCL Youth Director Programme Signing Ceremony

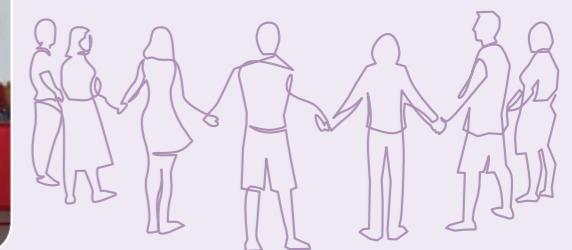


#### Case: Memories for the Elderly Photography

In 2023, TCL Communication set up a "Memories for the Elderly" free photography studio in Da'ao Village, Raoping County, Chaozhou City, Guangdong Province. Photographs were taken for elderly residents aged 60 and above, and neighbourhood tea parties and photography exhibitions were organised, bringing them care and love. The project served a total of approximately 350 individuals, with volunteers contributing 108 hours of service.



▲ "Memories for the Elderly" Free Photography Activity

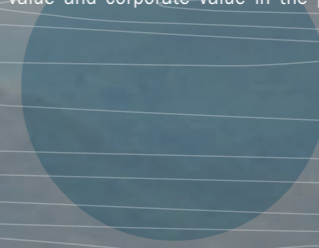




# 12

## Outlook

TCL Electronics has never stopped and always strived for progress on the journey of sustainability. While providing healthy, accessible and green products of high quality, we keep improving green and low-carbon development, actively expand clean energy business, and endeavour to drive the development of responsible supply chain system. In addition, we have built a diversified, fair, open and inclusive workplace, and try to deliver greater value to the society and environment. In the future, TCL Electronics will continue to strive forward, continuously advance our development strategies of “build a global and tech-driven company”, and incorporate the business development with our code of business ethics and corporate values, as well as the expectations of the stakeholders. By actively implementing the “intelligent IoT ecosystem” layout across all product categories, we aim to provide consumers with a more comfortable living experience and give impetus to the sustainable development of the upstream and downstream industry chain, achieving the integration and alignment of social value and corporate value in the process of striving to become a global leader in intelligent terminals.



## 13. ESG Performance Overview

ESG KPIs	Unit	2023	2022	2021
<b>A. Environmental<sup>28</sup></b>				
<b>A1. Emissions</b>				
<b>A1.1 Air contaminants<sup>29</sup></b>				
SO <sub>2</sub>	kg	375	177	215
NO <sub>x</sub>	kg	7,153	8,584	2,269
PM	kg	5,757	4,263	1,640
VOC	kg	2,723 <sup>30</sup>	12,376	6,552
<b>A1.2 Total GHG emission and intensity<sup>31</sup></b>				
Scope 1 (Direct greenhouse gas emissions generated by the use of diesel, gasoline and natural gas)	tCO <sub>2</sub> e	6,118	7,672	10,994
Scope 2 <sup>32</sup> (Energy indirect greenhouse gas emissions generated by the electricity consumption and purchased steam)	tCO <sub>2</sub> e	68,389	80,873	88,932
Total GHG emission (Scope 1 and Scope 2)	tCO <sub>2</sub> e	74,507	88,545	99,926
Total GHG emission intensity by revenue	kg CO <sub>2</sub> e/HKD million revenue	943	1,241	1,335

ESG KPIs	Unit	2023	2022	2021
<b>A1.3 Total hazardous waste produced and intensity<sup>33</sup></b>				
Waste organic solvents and waste containing organic solvents (HW06)	t	5	/	/
Waste mineral oil and mineral oil containing waste (HW08)	t	454	/	/
Oil/water, hydrocarbon/water mixture or emulsion (HW09)	t	14	/	/
Dye and coating waste (HW12)	t	25	/	/
Organic resin waste (HW13)	t	115	/	/
Surface treatment waste (HW17)	t	265	/	/
Zinc containing waste (HW23)	t	0.06	/	/
Mercury containing waste (HW29)	t	3	/	/
Lead containing waste (HW31)	t	14	/	/
Waste acid (HW34)	t	0	/	/
Waste alkali (HW35)	t	0.06	/	/
Other waste (HW49)	t	60	/	/
Total hazardous waste	t	955 <sup>34</sup>	265	289
Hazardous waste intensity by revenue	kg/HKD million revenue	12.09	3.71	3.85
<b>A1.4 Total non-hazardous waste produced and intensity</b>				
Carton	t	3,140	4,173	3,935
Plastics	t	3,578	3,375	2,765
EPS	t	377	297	327
Others	t	2,137	2,870	3,440
Total non-hazardous waste	t	9,232	10,715	10,467
Non-hazardous waste intensity by revenue	t/HKD million revenue	0.12	0.15	0.14

<sup>28</sup> The environmental data for 2023 excludes the factory in Inner Mongolia, but the factory in Pakistan have been added.

<sup>29</sup> The nitrogen oxide, particulate matter, and VOC data for 2022 have been slightly adjusted compared to the previous year due to statistics review.

<sup>30</sup> The decrease in VOC emissions in 2023 is the result of process improvements, including changing the spraying waste gas treatment process from biodegradation to catalytic combustion, and replacing with activated carbon in other organic waste gas treatment processes.

<sup>31</sup> The greenhouse gas data for 2023 are from the greenhouse gas auditing carried out in that year, which covered our head office, related business units, factories, and domestic sales regions.

<sup>32</sup> The source of grid electricity GHG emission factors in 2023 is the *Guidelines for Accounting Methods and Reporting of Corporate Greenhouse Gas Emissions - Power Generation Facilities* issued by the Ministry of Ecology and Environment.

<sup>33</sup> The Company carried out statistical analysis of the hazardous wastes by categories in 2023 according to the *Order No. 39 of the Ministry of Ecology and Environmental National Catalogue of Hazardous Wastes*, which systematically covers a wider range of categories. The categories of hazardous wastes included in the statistical analysis of 2021 - 2022 were paint waste, paint scrap, oil-contaminated wastewater, empty buckets and others.

<sup>34</sup> The coverage of hazardous waste categories in 2023 is more comprehensive than that in previous years, resulting in an increase in the total amount of hazardous waste for the year.

ESG KPIs	Unit	2023	2022	2021
<b>A2. Use of resources</b>				
<b>A2.1 Total direct and/or indirect energy consumption by type and intensity</b>				
Diesel	L	4,097	3,955	5,397
Gasoline	L	24,217	25,274	26,466
Natural gas	m <sup>3</sup>	1,866,986	3,492,044	4,856,281
Purchased grid electricity consumption	kWh	95,369,016	135,587,081	147,717,876
Solar power generation for self-use	kWh	10,100,680	7,670,042	17,488,240
Total energy consumption <sup>35</sup>	MWh	125,869	181,248	218,050
Energy consumption intensity by revenue	MWh/HKD million revenue	1.59	2.54	2.91
<b>A2.2 Total water consumption and intensity</b>				
Total water consumption	m <sup>3</sup>	879,584	801,186	1,079,693
Water consumption intensity by revenue	m <sup>3</sup> /HKD million revenue	11.14	11.23	14.43
<b>A2.5 Total packaging material consumption for finished goods<sup>36</sup></b>				
Carton	t	84,217	82,857	73,641
Plastics	t	4,799	/	/
EPS	t	9,374	13,923	12,334
Total packaging material	t	98,389	99,717	89,604
Packaging material intensity by revenue	t/HKD million revenue	1.25	1.40	/
<b>B. Social</b>				
<b>B1. Employment</b>				
<b>B1.1 Total workforce by gender, employment type, age group and geographical region</b>				
Total number of employees	Number of persons	24,620	24,694	31,238
Total workforce by gender				
Male	Number of persons	14,397	14,391	18,854
Female	Number of persons	10,223	10,303	12,384
Total workforce by employment type				
Full-time	Number of persons	24,620	24,694	28,696
Part-time	Number of persons	0	0	2,542

ESG KPIs	Unit	2023	2022	2021
<b>Total workforce by age group</b>				
Below 30	Number of persons	9,581	9,153	13,461
30-50	Number of persons	13,770	14,273	16,596
Above 50	Number of persons	1,269	1,268	1,181
<b>Total workforce by geographical region</b>				
Chinese Mainland	Number of persons	20,436	20,514	25,932
Hong Kong, Macau and Taiwan regions	Number of persons	34	29	52
Overseas	Number of persons	4,150	4,151	5,254
<b>B1.2 Employee turnover rate by gender, age group and geographical region</b>				
Overall employee turnover rate	%	38	28	33
Employee turnover rate by gender				
Male	%	39	31	35
Female	%	35	23	30
Employee turnover rate by age group				
Below 30	%	49	40	46
30-50	%	27	19	24
Above 50	%	23	17	16
Employee turnover rate by geographical region				
Chinese Mainland	%	32	25	4
Hong Kong, Macau and Taiwan regions	%	26	15	37
Overseas	%	56	40	72
<b>B2. Health and safety</b>				
<b>B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year</b>				
Number of work-related fatalities	Number of persons	0	0	0
Rate of work-related fatalities	%	0	0	0
<b>B2.2 Lost days due to work injury</b>				
Number of work injuries	Case	14	19	6
Total lost days due to work injury	Day	435	365	93

<sup>35</sup> The source of standard coal coefficient and electric power equivalent value used to calculate energy consumption in 2023 is the *General Rules for Calculation of the Comprehensive Energy Consumption* (GB/T2589-2020) issued by the National Standard of the PRC. Total energy consumption includes the amount of solar power generation for self-use.

<sup>36</sup> Plastics packaging material has been added in 2023.

ESG KPIs	Unit	2023	2022	2021
<b>B2.3 Description of the occupational health and safety measures adopted, and how they are implemented and monitored<sup>37</sup></b>				
Attendance in work safety and occupational health trainings	Attendance	148,126	/	/
Total hours of employee participation in work safety and occupational health training	Hour	172,289	/	/
<b>B3. Development and training</b>				
<b>B3.1 Percentage of employees trained by gender and employee category</b>				
Percentage of all employees trained	%	80.42	99.33	/
Percentage of male employees trained	%	64.78	58.53	/
Percentage of female employees trained	%	35.22	41.47	/
Percentage of senior management trained	%	0.10	0.19	/
Percentage of middle management trained	%	7.86	8.83	/
Percentage of junior employees trained	%	92.04	90.98	/
<b>B3.2 Average training hours completed per employee by gender and employee category</b>				
Average training hours for all employees	Hour	26	40	28
Average training hours for male employees	Hour	31	46	31
Average training hours for female employees	Hour	20	31	22
Average training hours for senior management	Hour	35	132	95
Average training hours for middle management	Hour	38	67	53
Average training hours for junior employees	Hour	38	34	27

ESG KPIs	Unit	2023	2022	2021
<b>B5. Supply chain management</b>				
Total number of suppliers	Number of suppliers	1,140	1,048	607
<b>B5.1 Number of suppliers by geographical region</b>				
By geographical regions				
Chinese Mainland	Number of suppliers	975	890	466
Hong Kong, Macau, Taiwan and overseas regions	Number of suppliers	165	158	141
B5.2 Number of suppliers where the practices are being implemented	Number of suppliers	1,140	1,048	588
<b>B6. Product responsibility</b>				
B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons	%	0	0	0
B6.2 Number of products and service related complaints received	Case	2,657	2,355	1,064
<b>B7. Anti-corruption</b>				
B7.1 Number of concluded legal cases regarding corrupt practices brought against the Company or its employees	Case	0	0	1
<b>B7.3. Description of anti-corruption training provided to directors and staff</b>				
Anti-corruption training courses	Session	6	13	12
Directors participating in training (including directors of subsidiaries of the Company)	Attendance	198	290	264
Employees participating in training	Attendance	9,879	10,170	9,245
<b>B8. Community investment</b>				
<b>B8.2 Resources contributed to the focus area</b>				
Monetary donations	RMB thousand	9,602	10,453	307
Value of goods and materials donated	RMB thousand	35	67	70
Volunteer hours	Hour	27,805	5,792	41,893
Number of volunteers	Number of persons	1,292	922	860

<sup>37</sup> The scope of data for 2023 related to work safety and occupational health training has changed, and therefore are not comparable with those of previous years.

# 14. ESG Index

## Mandatory Disclosure Requirements

Description	Disclosure Paragraph
<b>Governance Structure</b>	
A statement from the board containing the following elements: (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	4 Statement of the Board
<b>Reporting Principles</b>	
A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report: Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement. Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed. Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.	2 About this Report 5 ESG Governance 13 ESG Performance Overview
<b>Reporting Boundary</b>	
A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	2 About this Report

## "Comply or explain" Provisions

Subject Areas, Aspects, General Disclosures and KPIs	Description	Disclosure Paragraph
<b>A: Environmental</b>		
<b>A1: Emissions</b>		
General Disclosure	Information on: (a) the policies; and (b) 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.	9.2 Taking Climate Actions
KPI A1.1	The types of emissions and respective emissions data.	13 ESG Performance Overview
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	9.2 Taking Climate Actions 13 ESG Performance Overview
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	9.2 Taking Climate Actions 13 ESG Performance Overview
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	9.2 Taking Climate Actions 13 ESG Performance Overview
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	9.2 Taking Climate Actions 9.3 Promoting Circular Economy 9.5 Promoting Green Energy
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	9.3 Promoting Circular Economy

Subject Areas, Aspects, General Disclosures and KPIs	Description	Disclosure Paragraph
<b>A2: Use of Resources</b>		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	9.2 Taking Climate Actions 9.3 Promoting Circular Economy 9.4 Conserving Water Resources 9.5 Promoting Green Energy
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	9.2 Taking Climate Actions 13 ESG Performance Overview
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	9.4 Conserving Water Resources 13 ESG Performance Overview
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	9.2 Taking Climate Actions 9.5 Promoting Green Energy
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	9.4 Conserving Water Resources
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	9.3 Promoting Circular Economy 13 ESG Performance Overview
<b>A3: The Environment and Natural Resources</b>		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	9.1 Environmental Management System 9.2 Taking Climate Actions
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	9.2 Taking Climate Actions 9.5 Promoting Green Energy
<b>A4: Climate Change</b>		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	9.2 Taking Climate Actions
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	9.2 Taking Climate Actions

Subject Areas, Aspects, General Disclosures and KPIs	Description	Disclosure Paragraph
<b>B: Social</b>		
<b>Employment and Labour Practices</b>		
<b>B1: Employment</b>		
General Disclosure	Information on: (a) the policies; and (b) 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.	10.1 Attracting Outstanding Talent 10.2 Safeguarding Employee Rights 10.3 Employee Training and Development
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	10.1 Attracting Outstanding Talent 13 ESG Performance Overview
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	13 ESG Performance Overview
<b>B2: Health and Safety</b>		
General Disclosure	Information on: (a) the policies; and (b) 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.	10.4 Occupational Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	13 ESG Performance Overview
KPI B2.2	Lost days due to work injury.	13 ESG Performance Overview
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	10.4 Occupational Health and Safety
<b>B3: Development and Training</b>		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	10.3 Employee Training and Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	10.3 Employee Training and Development 13 ESG Performance Overview
KPI B3.2	The average training hours completed per employee by gender and employee category.	10.3 Employee Training and Development 13 ESG Performance Overview
<b>B4: Labour Standards</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	10.2 Safeguarding Employee Rights
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	10.2 Safeguarding Employee Rights
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	10.2 Safeguarding Employee Rights

Subject Areas, Aspects, General Disclosures and KPIs	Description	Disclosure Paragraph
Operating Practices		
B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	8.1 Supplier Management System
KPI B5.1	Number of suppliers by geographical region.	13 ESG Performance Overview
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	8.1 Supplier Management System 8.2 Sustainable Supply Chain
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	8.2 Sustainable Supply Chain
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	8.2 Sustainable Supply Chain 7.2 Green Design
B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) 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.	7.3 Product Responsibility 7.4 User First
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	7.3 Product Responsibility 13 ESG Performance Overview
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	7.4 User First 13 ESG Performance Overview
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	6.3 Protecting Intellectual Property Rights
KPI B6.4	Description of quality assurance process and recall procedures.	7.3 Product Responsibility
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	7.4 User First

Subject Areas, Aspects, General Disclosures and KPIs	Description	Disclosure Paragraph
B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	6.2 Observing Business Ethics
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	6.2 Observing Business Ethics
KPI B7.2	Description of preventive measures and whistleblowing procedures, and how they are implemented and monitored.	6.2 Observing Business Ethics
KPI B7.3	Description of anti-corruption training provided to directors and staff.	6.2 Observing Business Ethics
Community		
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.	11.4 Delivering Care to Community
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	11.1 Supporting Charity with Technology 11.2 Empowering Education 11.3 Supporting Cultural Industry 11.4 Delivering Care to Community
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	11.1 Supporting Charity with Technology 11.2 Empowering Education 11.3 Supporting Cultural Industry 11.4 Delivering Care to Community 13 ESG Performance Overview





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