

TCL



2023

Corporate Social Responsibility Report

TCL Industries Holdings Co., Ltd.

TCL

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About This Report

Organisational scope

The Report covers TCL Industries Holdings Co., Ltd. and its subsidiaries, including TCL Electronics Holdings Limited. TCL Electronic Holdings Limited is a subsidiary listed on the Hong Kong stock exchange with the stock code: 01070.HK. It is incorporated as an exempted company in the Cayman Islands with limited liability.

TCL Electronics has published a standalone environmental, social and governance report. For more information on TCL Electronics' sustainability performance, please refer to that report.

During the reporting year, Guangdong TCL Smart Home Co., Ltd. ("TCL Smart Home", formerly known as Guangdong Homa Appliances Co., Ltd.), a subsidiary of TCL Industries, completed the acquisition of 100% equity interest in TCL Household Electric Appliance (Hefei) Co., Ltd. ("TCL White Household Appliances") on 20th December 2023. As a result, TCL White Household Appliances became a wholly-owned subsidiary of TCL Smart Home ("Hefei Household Appliances"). Any relevant information and data pertaining to TCL White Household Appliances mentioned in the current and previous reports are disclosed by TCL Smart Home or Hefei Household Appliances.

Reporting period

This Report covers the period from January 1, 2023 to December 31, 2023 ("this year"). To improve the completeness of this Report, some content has been appropriately backdated or extended to include other significant years.

Reporting standard

This Report has been prepared with reference to the *Global Reporting Initiative Sustainability Reporting Standards* ("GRI Standards") and the United Nations Sustainable Development Goals (SDGs).

In this Report, the Company adheres to the principles of accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness, and verifiability as outlined in the *GRI Standards*. This Report primarily focuses on the Company's sustainable development responsibilities, covering three aspects: economy, environment and society.

References of names

To enhance clarity and readability, unless otherwise specified in this Report, "TCL Industries" "the Company" and "We" all refer to TCL Industries Holdings Co., Ltd. and its main subsidiaries.

Source of data and authenticity

The data and case studies included in this Report were primarily derived from the Company's official files, statistical reports, and financial reports. The Company guarantees that this Report does not contain any false information or misleading statements. Unless otherwise specified, the currency amount in this Report is measured in RMB.

Availability of this Report

This Report is available in Chinese and English. If the contents are inconsistent between the two versions, please refer to the Chinese version of the Report. The electronic version of the Report is available on the Company's website (www.tcl.com).

Full names of main subsidiaries	Abbreviations of subsidiaries
TCL Electronics Holdings Limited	TCL Electronics
TCL Communication Technology Holdings Limited	TCL Communication
Shenzhen Falcon Network Technology Co., Ltd.	Falcon Network Technology
Huizhou TCL Photovoltaic Technology Co., Ltd.	TCL Photovoltaic Technology
TCL Air-Conditioner (Zhongshan) Co., Ltd.	TCL Air-Conditioners
Tonly Technology Holdings Limited	Tonly Technology
TCL Technology Industrial Park Co., Ltd.	TCL Industrial Park
Getech Technology Co., Ltd.	Getech
TCL Environmental Technology Co., Ltd.	TCL Environmental Technology
TCL Financial Service Holding Group (Guangzhou) Co., Ltd.	TCL Financial Service
Guangdong TCL Smart Home Co., Ltd.	TCL Smart Home
TCL Household Electric Appliance (Hefei) Co., Ltd.	Hefei Household Appliances
Guangdong Homa Refrigerator Co., Ltd.	Homa Refrigerator



Message from CEO



Du Juan

CEO of TCL Industries Holdings Co., Ltd.

In the era of complex changes, corporate social responsibility is a key bridge between enterprises and society, and has become an important work for high-quality development of enterprises. TCL Industries has always adhered to the corporate mission of “Building A Sustainable & Connected Future with Advanced Technology”, played its leading advantage and leading role in the industry in the process of development, actively strengthened cooperation with stakeholders, and continuously improved the management and practice level in environmental, social, governance (ESG) and other aspects, in order to achieve comprehensive, balanced and sustainable development goals.

In the past year, we have further clarified the strategy of “brand-led value, optimal operational efficiency, technology-driven development and energized organization”, continuously strengthened the innovation of 24 Research and Development (R&D) centres and 7 ecological cooperation laboratories around the world, invested RMB 4.09 billion in R&D throughout the year, and created a smart life experience of “Full-scene, All-category and Inter-connected” for global users. We have always adhered to the responsibility of product quality and security, and established a sound information security and privacy management mechanism while constantly improving the quality management system and providing excellent user experience, so as to bring forward-looking scientific and technological experience and intelligent and healthy life to global users.

Following the release of Carbon Neutrality White Paper last year, TCL Industries adhered to the “3050” goal and commitment, adhered to the green development concept of “Resonating with the times, sharing and co-building with multiple parties, living in harmony with nature”, continued to consolidate our low-carbon business capabilities, and accelerated the development of climate transformation. We actively implemented our own carbon reduction measures, increased clean energy substitution, and strengthened the recycling and utilization of electronic waste. In 2023, the carbon emission intensity of TCL Industries’ Scope 1 and 2 was reduced by 5.17% compared with the base year (2021). In addition, we took the lead in launching a green supply chain initiative in the home appliance industry, carried out supplier energy conservation and carbon reduction empowerment, and promoted suppliers and other

partners to participate in carbon neutrality actions. The launch of the Global Green Initiative “TCL Green” aims to use technology and art to advocate public participation in environmental protection actions and join hands with the whole society to build a net zero ecosystem.

Under the comprehensive supplier management system, responsible procurement is practiced to promote the sustainable development of the supply chain. At the 2023 TCL Industries Global Supply Chain Ecosystem Conference, we released the TCL Industrial Supply Chain Convention, and joined hands with partners to build a “global, integrated, digital and intelligent, low-carbon” supply chain ecosystem to promote high-quality development of the industry. We are also actively engaged in environmental protection, education, cultural and sports development, community care and other public welfare areas. Throughout the year, we donated RMB 15.89 million and provided more than 28,000 hours of voluntary services, contributing to the building of a harmonious and beautiful society.

TCL Industries’ employees are located in more than 80 countries and regions around the world. We regard “respecting, treasuring, cherishing and employing talents” as an important guiding principle for employment, respect the diversified background of employees, protect the health, safety and legitimate rights and interests of employees, continuously improve the eagle series talent training system with TCL characteristics such as “young eagle” “flying eagle” “elite eagle” and “soaring eagle”, and provide employees with fair and equitable promotion opportunities and career development paths to create an equal, harmonious and dynamic work environment.

Upholding fundamental principles and long-term efforts, TCL Industries will continue to taking on the responsibility of a great nation’s brand, integrate corporate social responsibility into the development plan, listen carefully to the needs of stakeholders, actively give play to the leading advantages of technology and the driving role of the industrial chain, continue to create economic, social and environmental values for the development of enterprises, and join hands with all sectors of society to share, create and win together, so as to effectively promote the sustainable development of the enterprise and society.

01

About TCL Industries



Company profile

TCL Industries Holdings Co., Ltd. was established in 2018. After a capital restructuring in April 2019, it officially changed its name to “TCL Industries Holdings Co., Ltd.”. We focus on intelligent terminal products and services, primarily covering all categories of intelligent consumer electronic products and services such as display, intelligent home appliances, innovative business, and home Internet. Concurrently, we also engage in various other business ventures, including environmental protection technology, industrial park operation, intelligent manufacturing, industrial finance and distributed photovoltaic.



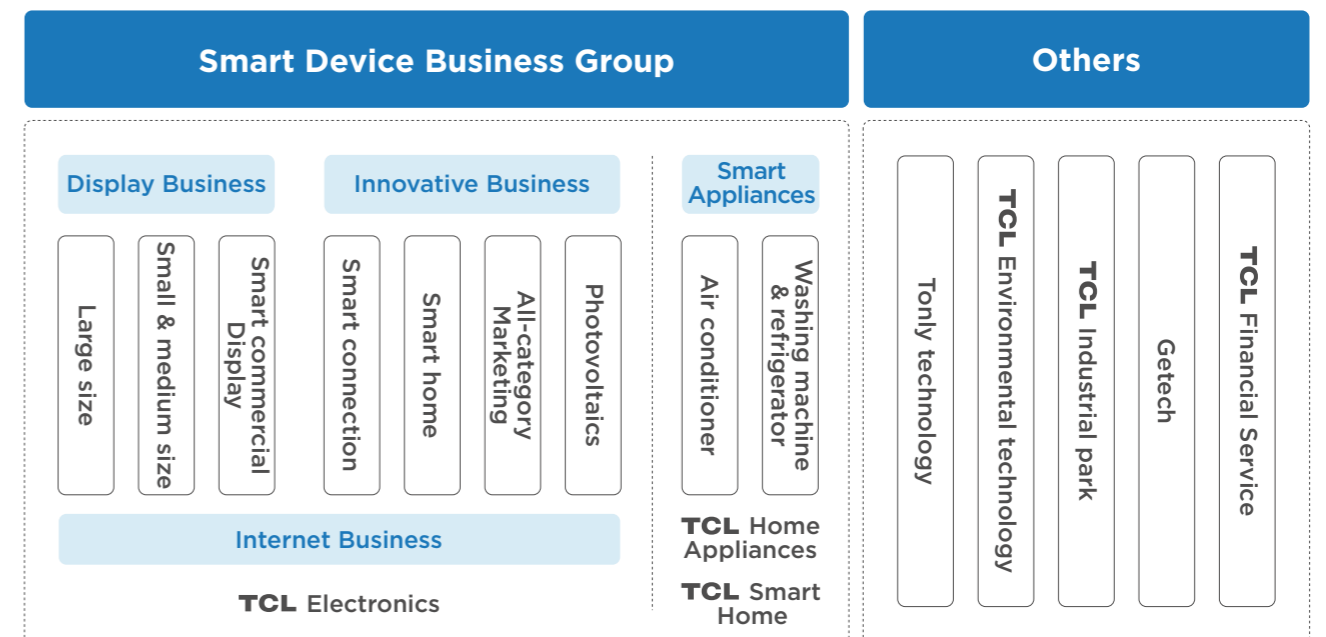
Our mission is “Building A Sustainable & Connected Future with Advanced Technology”. Based on the three visions of “availability of display everywhere” “possibility of universal connection” and “channel presence across the globe”, we focus our business on smart devices with an user-oriented approach and innovation as a driver to develop and build a category-wide “intelligent IoT ecosystem”. We are committed to becoming a world-leading intelligent technology industry group.

TCL Industries adheres to the globalisation strategy and is a pioneer in promoting global expansion of Chinese enterprises. As of the end of 2023, we have established sales agencies in more than 80 countries and regions around the world. We have a business presence in more than 160 countries and regions, along with 24 R&D centres and 20 manufacturing bases. We have been actively engaged in the development and expansion of international market channels.

TCL Industries plays a significant role in empowering the industry by leveraging its technology and persistence in expanding business development prospectively in the field of smart interactions. In light of various application scenarios such as smart home, smart mobile and smart commercial display, we actively promote digital transformation and intelligent manufacturing. We strive to provide forward-looking technological experience and enable smart and healthy lives for users worldwide.

Business introduction

TCL Industries upholds the development strategy of “brand-led value, optimal operational efficiency, technology-driven development and energized organization”. With a focus on intelligent terminal business and the application of our products in various scenarios, we constantly explore the potentials of new energy, new scenarios, and emerging intelligent hardware. We are making all-out efforts to create a comprehensive “intelligent IoT ecosystem” that encompasses all categories. We are also actively expanding other business scopes including environmental protection, industrial park operations, industrial Internet platforms and financial services to build core capabilities for smart manufacturing and environmental protection, thus securing a sustainable future.





TCL Electronics

TCL Electronics has been listed on the Main Board of The Stock Exchange of Hong Kong Limited since November 1999. It is the only diversified consumer electronics enterprise in China with the advantage of vertical integration of industry chain, and its business scope covers display business, innovative business, and Internet business. 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 Pan-smart Screen reached 25.26 million sets, with a year-on-year increase of 6.2%, of which the 65-inch and above TCL Pan-smart Screen increased by 35.5% year-on-year, TCL Mini LED1 Pan-smart Screen surged by 180.1% year-on-year and TCL quantum dot LED (“QLED”) Pan-smart Screen increased by 116.1% year-on-year, promoting the upgrading of high-end of colour TVs.



TCL Air-Conditioners

TCL Air-Conditioners has been actively involved in the industry for 25 years. Driven by category innovation and oriented by customer demand, TCL Air-Conditioners focuses on making branding and marketing breakthroughs and has established a product portfolio comprised of the GentleCool Series and the FreshIN Series, providing a wide range of styles and functions of air conditioners for bedroom, living room, mother and baby, intelligent GentleCool, hanging machine and cabinet, striving to become “an air-conditioner expert at your health”. By vigorously promoting intelligent manufacturing and global supply chain layout construction, TCL Air-Conditioners has ten major production bases in the world. In 2023, the production volume exceeded 16 million sets, and products were sold to more than 160 countries and regions. The production and sales volume has ranked among the top four in the industry, and the exports has ranked among the top three in the industry. TCL Air-Conditioners has become a large-scale comprehensive professional refrigeration enterprise integrating R&D, production, sales and services.



TCL Smart Home

TCL Smart Home was established in 2002 and has been listed on the Shenzhen Stock Exchange (stock code: SZ.002668) since April 2012. The Company is registered in Nantou Town, Zhongshan City, Guangdong Province. It is the world’s largest export refrigerator manufacturing base and is a leading Chinese refrigerator export enterprise. In 2023, TCL Smart Home successfully completed the acquisition of 100% equity interest in Hefei Household Appliances, becoming the only R&D, design and production entity of refrigerators and washing machines under TCL Industries, realising business integration and expansion, and enhancing the sustained operating capacity. As an industry leader in terms of R&D technology, process design, product quality, manufacturing cost and operational efficiency, TCL Smart Home has maintained its leading position in the industry. Its refrigerator products have ranked first in China’s total exports and first in the European market for many consecutive years. Its products have been sold to more than 130 countries and regions around the world. Adhering to the value of “customer first and team-oriented”, the Company provides the most competitive products for global customers and users with the concept of professionalism and excellence.



Tonly Technology

Founded in 2000, Tonly Technology is engaged in the ODM (Original Design Manufacturing) business of speakers, wearable devices, AIoT (Artificial Intelligence of Things) products and other precision components and accessories. It has set up R&D centres in Huizhou, Shenzhen, Xi’an, Malaysia and other places, and has profound capabilities in technology pre-research, audio and video product R&D, acoustics product R&D, software development, and AIoT product development. With world-leading level of various production lines and advanced professional testing equipment and efficient global supply chain management system, Tonly Technology is committed to providing customers with high quality products and to becoming a global leading overall solution and service provider of innovative intelligent products. In the future, it will focus on the development and application of acoustic technology, wireless intelligent interconnection technology and precision manufacturing technology to quickly realise cost-effective scale manufacturing and provide customers with one-stop intelligent solutions.



TCL Environmental Technology

Founded in 2009, TCL Environmental Technology is an enterprise group specialising in recycling and reuse of waste resources and providing comprehensive environmental services. It has built six production bases in Huizhou, Tianjin, Shantou, Huanggang and Sichuan. With the qualifications of recycling and disassembly of waste electrical appliances and electronic products and the operational licence of treating hazardous waste, TCL Environmental Technology has an annual capacity of recycling 4.69 million waste electrical and electronic products and 220,000 tonnes of industrial hazardous waste. With a corporate vision and mission of “facilitating technology-enabled resource recycling and fostering a harmonious coexistence between humans and nature”, and an operation philosophy of “customer-oriented and innovation-driven development”, it provides comprehensive hazardous waste treatment and disposal services for enterprises engaged in manufacturing and sales of semiconductor panel displays, chips, PCB integrated circuits, new energy cells, high-end pharmaceuticals, chemicals and automobiles. With industry-leading process, equipment and comprehensive environment solution, the organic combination of resource utilisation and non-hazardous disposal and treatment is achieved.



TCL Industrial Park

Founded in 2017, TCL Industrial Park is a professional integrated service provider for investment, development, operation and management of industrial parks. With the vision of “becoming an industry-leading industrial park investor and management service provider”, it is committed to providing professional services for customers. TCL Industrial Park focuses on three core industries of TCL Industries, namely smart terminals, semiconductor display, new energy photovoltaics and semiconductor materials, and cooperates with the upstream and downstream of the industrial chain to jointly build an industrial ecology. The projects cover Beijing, Shanghai, Guangzhou, Shenzhen, Tianjin, Suzhou, Wuhan, Hefei, Huizhou and other places, covering the three major urban clusters of Guangdong-Hong Kong-Macao Greater Bay Area, Yangtze River Delta and Beijing. Alternatively, the industrial carriers cover industrial city community complexes, business research and development parks, high-standard storage and logistics parks, characteristic intelligent industrial parks, etc. The service output includes industrial park development and management, large-scale hard technology industrial plant construction management, industrial city community operation and management, industrial logistics asset management, etc.



Getech

Founded in 2018, Getech Technology Co., Ltd. is a leading industrial Internet enterprise in China. Internally, it supports TCL Group to gradually become a world-class digital enterprise, and externally, it provides industrial Internet products and services to Chinese manufacturing enterprises to promote the transformation and upgrades of China's manufacturing industry. Getech adheres to the product development positioning of "platform + software", and establishes a standardised platform base to develop industrial applications and core products-the "4 + 1 + N" architecture system's intelligent industrial application platform (hereinafter referred to as "Getech Platform"). In 2022, Getech Platform was selected and certified by the Ministry of Industry and Information Technology of the People's Republic of China as a "cross-industry and cross-field industrial Internet platform", becoming the only national cross-platform originated from semiconductor manufacturing scenarios. In the same year, Getech was awarded as one of the most influential entrepreneurial companies in China by Fortune. Relying on the Getech platform, Getech has provided products and solutions for more than 20 industries such as semiconductors, new energy, 3C electronics, home appliances, petroleum and petrochemical, aerospace, etc., empowering the digital and intelligent transformation of many industries.



TCL Financial Service

Founded in 1997, TCL Financial Services relies on industrial business scenarios, joins hands with banks and other high-quality financial partners and gives full play to the advantages of industrial finance business. It is committed to promoting production through financing, providing capital protection as well as operational and risk management support for the Group's core business, providing high-quality financial services for industrial ecosystem partners, and inclusive financial services for micro and small customers. It endeavours to become a provider of financial services to micro and small enterprises and households in industrial ecosystem entities.



TCL Photovoltaic Technology

TCL Photovoltaic Technology focuses on household, industrial and commercial distributed photovoltaic and overseas business, and is a one-stop household photovoltaic new energy service provider. It focuses on building safer, more efficient and more economical industrial and commercial photovoltaic power stations and is committed to building the TCL smart energy management system, building a smart clean energy platform, and gradually developing into a leader in the clean energy industry.



02 Annual CSR Key Performance

Responsibility performance

Operating income:
RMB **120.32** billion
representing a year-on-year increase of **13.4%** ↑

R&D expenses:
RMB **4.09** billion
representing a year-on-year increase of **2.0%** ↑

Intensity of operational GHG emissions:
6.8632
tonnes of carbon dioxide equivalent/million RMB revenue

Countries and regions business coverage:
160+

Number of employees worldwide:
67,177

TCL Electronics was included in the Hang Seng Corporate Sustainability Benchmark Index for
5 consecutive years

Sustainability Ratings

ESG rating	Rating subject	Most recent rating results
CATI	TCL Industries	25 points Ranking in the appliance industry: 10/38 Ranking in the IT/ICT industry: 33/107
CITI	TCL Industries	26 points Ranking in the appliance industry: 4/37 Ranking in the IT/ICT industry: 19/69
Sustainalytics	TCL Electronics	19.2 points Low Risk
Wind	TCL Electronics	Level A Ranking of overall score in the industry: 8/189
SynTao Green Finance	TCL Electronics	Level A- SynTao Green Finance STaR ESG Rating
EcoVadis	TCL Communication	Gold Medal EcoVadis sustainable rating
Wind	TCL Smart Home	Level A Durable consumer goods Ranking of overall score in the industry: 10/189
UL2799 Zero Waste to Landfill	Tonly Technology	Platinum 100% landfill diversion rate

Responsibility honours

Type	Recipient/Product/Brand	Award name	Award granting authority
Corporate Governance	TCL Industries	Influential Enterprise of the Year	IT impact China
	Tonly Technology	2022 Leading Enterprise in China's Electronic Audio Industry	China Audio Industry Association
	Tonly Technology	Director Unit of Electro-Acoustical Branch of China Electronic Components Association	China Electronic Components Association
Products and Services	TCL Industries	ISO/IEC 27701: 2019 Privacy Information Management System Certification	BSI
	TCL smart screen Q650G	UL2900-1 and Cyber Assured Programme cybersecurity certification	Intertek Sky Fortune Group
	Integrated Smart Screen Manufacturing Centre — 3D automatic measurement weigher	Silver Award in the 48th International Quality control Group Conference	ICQCC
	Falcon Technology — Lingkong UI System	People's Ingenuity Award	People.cn
	Homa Refrigerator	Excellent Case Award of 2023 China Household Appliance Retail Innovation Summit	Organizing Committee of China Household Appliance Retail Innovation Summit
	TCL Onetouch 4021 function machine and other 22 products	2023 iF Product Design Award	iF Industrie Forum Design
	TCL TV Lingkong UI and other 15 products	2023 Red Dot Product Design Award	Design Zentrum Nordrhein Westfalen
	TCL washing and drying integrated machine GH200T10-W	Innovative washing, drying and care integrated machine of year 2023 in China household clothes washing, drying and care industry	Organizing Committee of China Household Clothes Washing, Drying and Care Industry Summit Forum
	Tonly Technology	Guangdong Provincial Manufacturing Individual Champion	Guangdong Provincial Department of Industry and Information Technology
	TCL Financial Service — JDH Information Technology (Guangzhou) Co., Ltd	Data Management Capability Maturity Assessment Model Stable Class (Level-3) Certification (DCMM3)	CESI Science & Technology Development Co., Ltd

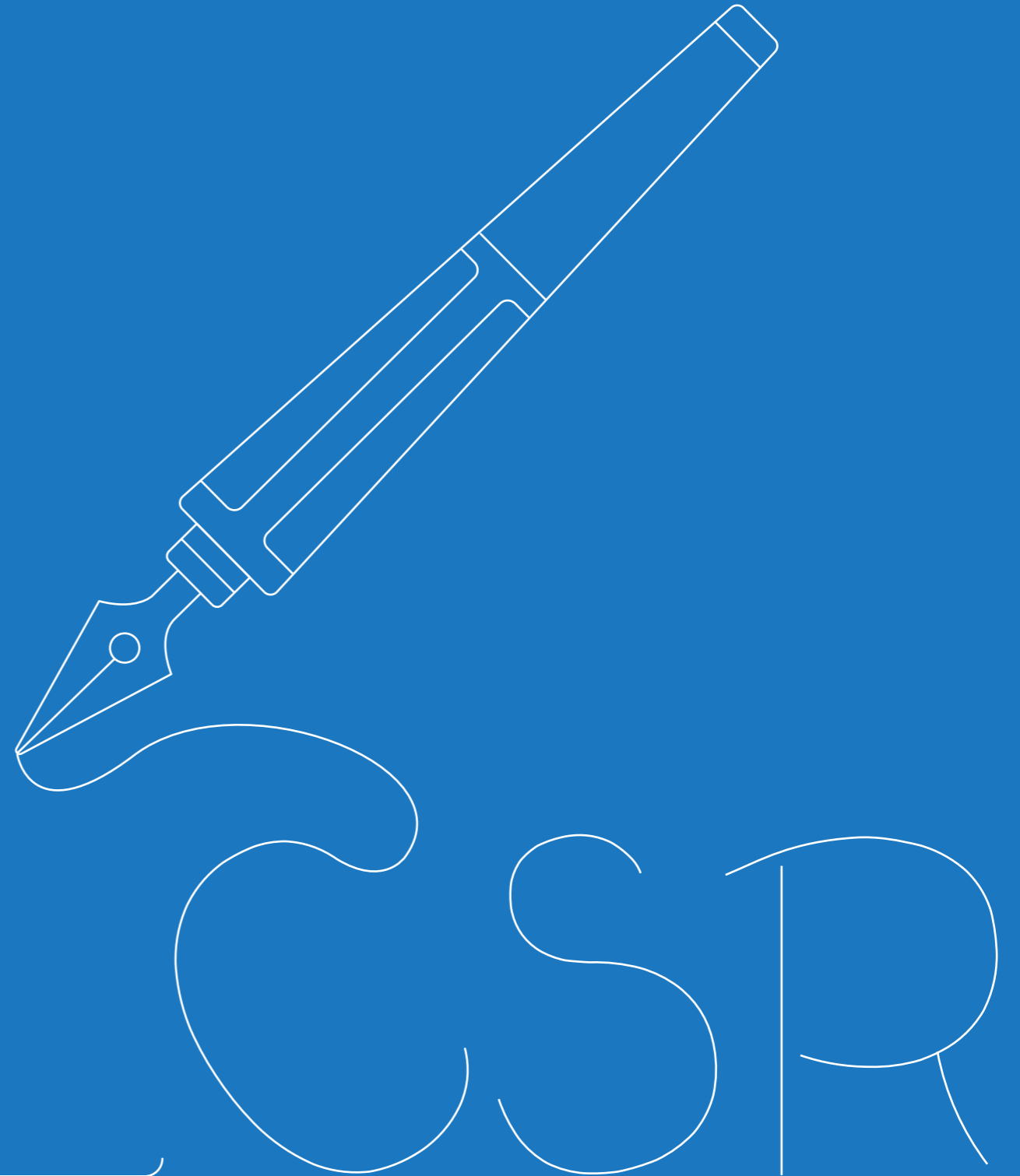
Type	Recipient/Product/Brand	Award name	Award granting authority
Environment	TCL Industries	2023 International Contribution Award for Green Design	WGDO (World Green Design Organisation)
	TCL Photovoltaic Technology	Top 10 Industrial and Commercial PV Systems Brands of the Year	Guoneng Energy Research Institute, International Energy Network
	TCL Photovoltaic Technology	Low-carbon Park Service Benchmark Award	Southern Daily Group
	TCL Smart Home	2023 Low Carbon and Energy Conservation Trend Product Award	AVC Cloud
	TCL Environmental Technology	EPR Public Dialogue Pioneer	Technology Innovation Alliance for Extended Producer Responsibility Industry
	TCL Environmental Technology	Demonstration Award for Pollution and Carbon Reduction	Huizhou Zhongkai High-tech Industrial Development Zone Management Committee
	Getech	Representative Case of "New Energy and Carbon Management Platform Combining Energy Management and Operation to Achieve Comprehensive Energy Conservation of Management+Technology"	IDC Peers cape: Good Practice Insight of China's Industrial Internet Energy Conservation and Carbon Reduction
Getech	Technology Partners	WIPO GREEN	
Society	TCL Communication	the 2nd "Admirable Supporter for People with Disabilities" of Huizhou	Huizhou Disabled Persons' Federation
	TCL Electronics Mutual Aid Fund	2023 Tomorrow-ICAN Excellent Volunteer	China Friendship Foundation for Peace and Development
	TCL Financial Service — JDH Information Technology (Guangzhou) Co., Ltd	2023 Typical Cases of Commercial Factoring Industry in Guangdong, Hong Kong and Macao Greater Bay Area Serving the Real Economy for Financial Inclusion	Guangdong Commercial Factors Association, etc.



03

Corporate Social Responsibility Governance

TCL Industries has always been committed to improving its social responsibility governance structure. Through establishing and improving management mechanisms and processes, it actively maintains communication and cooperation with stakeholders, continuously strengthens its responsibility in all aspects of the environment and society, and achieves comprehensive, balanced, and sustainable development.

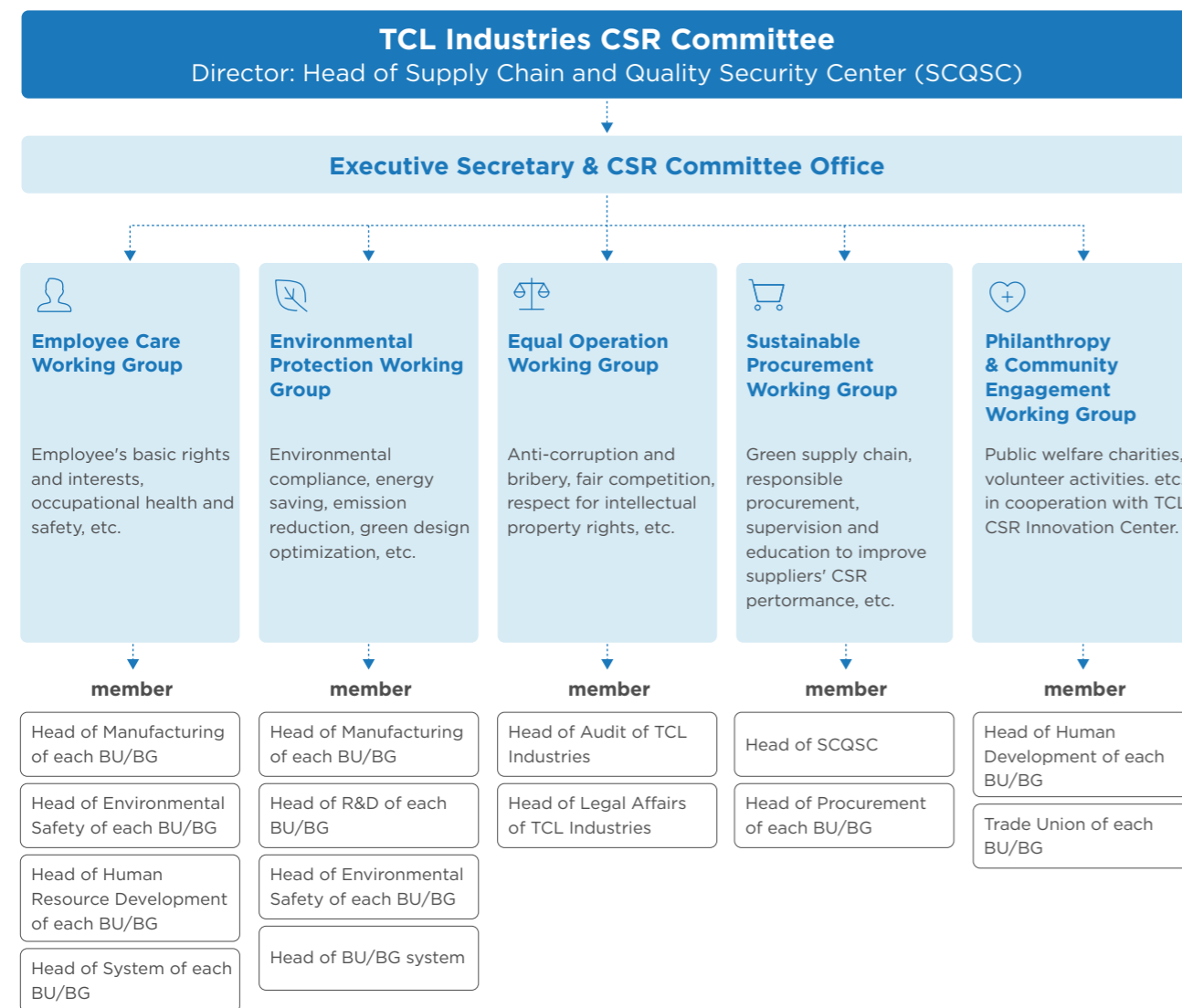


Corporate social responsibility governance structure

We have established a sound social responsibility management system and a dedicated Corporate Social Responsibility (CSR) Committee as the highest decision-making body. The entity is responsible for formulating and supervising the implementation of the Company's CSR strategic plan and promoting the Company to actively fulfil its social responsibilities in its business activities.

To comprehensively review the Company's environmental and social risks, we hold CSR strategic planning meetings and CSR risk assessments every year. We review and summarise internal CSR work every six months, and ensure that the Company's decisions and actions always meet the requirements of sustainable development through regular CSR risk identification and review.

CSR management structure



CSR management responsibilities

Management authority	CSR Committee	Position	Highest decision-maker
Responsibility	Setting CSR strategic planning goals		
	Deciding on important CSR projects or issues		
	Promoting CSR capacity building of TCL Industries and its subsidiaries		
	Reviewing TCL Industries' CSR report and TCL Electronics' ESG report and providing guidance		
Management authority	CSR Committee Office	Position	Executive body
Responsibility	Researching internal and external CSR policies		
	Promoting CSR strategic planning		
	Collecting and organizing CSR performance and reporting to CSR Committee regularly		
	Organizing the review of the CSR report of TCL Industries and ESG report of TCL Electronics		
	Organizing and participating in CSR industry exchanges		

Stakeholder engagement

TCL Industries prioritises on communication with stakeholders. The Company regularly collects feedback from employees, customers, and suppliers, listening to the needs and expectations of stakeholders. The Company conducts materiality assessment, and continuously optimises decision-making and improves management to ensure that the sustainable development of the Company is in line with stakeholders.

Communication with stakeholders

We actively engage with stakeholders through various channels, including telephone, email, symposium, etc., to listen, understand and value their concerns. By understanding and addressing the concerns of all stakeholders, we believe in promoting the sustainable development of the Company together.

Staff: direct employees

TCL Industries is committed to building a sound welfare and employee development system. The Company continuously strives to attract diversified talents, providing various forms of training, and helping employees with career development.

Means of Communication	Employee email address, suggestion hotline, employee meetings, employee activities, employee training, labour union, etc.
Focus	Basic rights and interests of employees, employee compensation and benefits, employee career development, talent training mechanism, occupational health and safety, employee communication channels.
The Company's response	Safeguard the basic rights and safe working environment of employees in accordance with laws and regulations, provide market-competitive remuneration, benefits, training, and promotion opportunities, and improve the human resources management system, etc.

Customers: customers who purchase and use products and services

TCL Industries adheres to the principle of prioritising customers. The Company strives to provide customers with convenient, high-quality, safe, and efficient products and services. TCL Industries understands and meets the needs of each customer, continuously working to improve customer satisfaction.

Means of Communication	Service hotline, complaint and suggestion mailbox, satisfaction survey, user interview, official website and WeChat official account, information disclosure, etc.
Focus	Provide cost-effective products and high-quality services, customer privacy protection, after-sales services, product packaging design, low-carbon products, and environmental protection.
The Company's response	Strengthening product and service quality control, protecting customer privacy, product and service innovation, and low-carbon and environmentally-friendly product research and development, etc.

Suppliers: suppliers of products and materials, service providers, etc.

TCL Industries actively builds a sustainable and responsible supply chain, conducts strict access and regular audits of suppliers, and requires suppliers to abide by relevant systems to reduce environmental and social risks of the supply chain.

Means of Communication	Regular supplier meetings, daily work meetings and email communications, regular audits and on-demand training.
Focus	Product and service quality, supplier compliance, supply chain stability, mutual support, integrity and transparency cooperation.
The Company's response	Product joint development, regular communication, common identification and improvement of problems, provision of relevant training, etc.

Investors/Shareholders: existing shareholders and potential investors

TCL Industries adheres to business ethics, creates good and sustainable economic returns for shareholders, and attracts potential investors with innovation and sustainable development.

Means of Communication	Information disclosure, general meetings, results announcement conferences, non-deal roadshows, strategy meetings, investor conference calls, etc.
Focus	Transparent information disclosure, strengthened risk control, abided by business ethics, and continuously created economic value.
The Company's response	Improve corporate governance and investor communication, enhance operational transparency, maintain performance and profitability growth, and enhance brand awareness.

Government and regulatory authorities: local governments and regulatory authorities in the places of registration, listing and operation

TCL Industries strictly abides by relevant laws and regulations, implements various regulations of the government and regulatory authorities, and ensures legal compliance in daily operations.

Means of Communication	Regular visits, policy explanations, meetings and exchange activities by government and regulatory authorities.
Focus	Abide by laws and regulations, pay taxes according to law, operate in compliance with regulations, support local development, promote local employment, and protect local environment.
The Company's response	Implement regulatory policies, pay taxes according to law, and take the initiative to assume social responsibilities.

Industry associations and chambers of commerce: industry associations and chambers of commerce

TCL Industries maintains active communication with its industry associations and chambers of commerce to create a positive business atmosphere.

Means of Communication	Industry seminars, symposiums, cooperative research, etc.
Focus	Industry development, business development, product quality, corporate social responsibility.
The Company's response	Strengthening multi-party business cooperation, promoting industrial development, and exploring new business models.

Media and the public: the public concerned about the operational performance of TCL Industries and the media reported therein

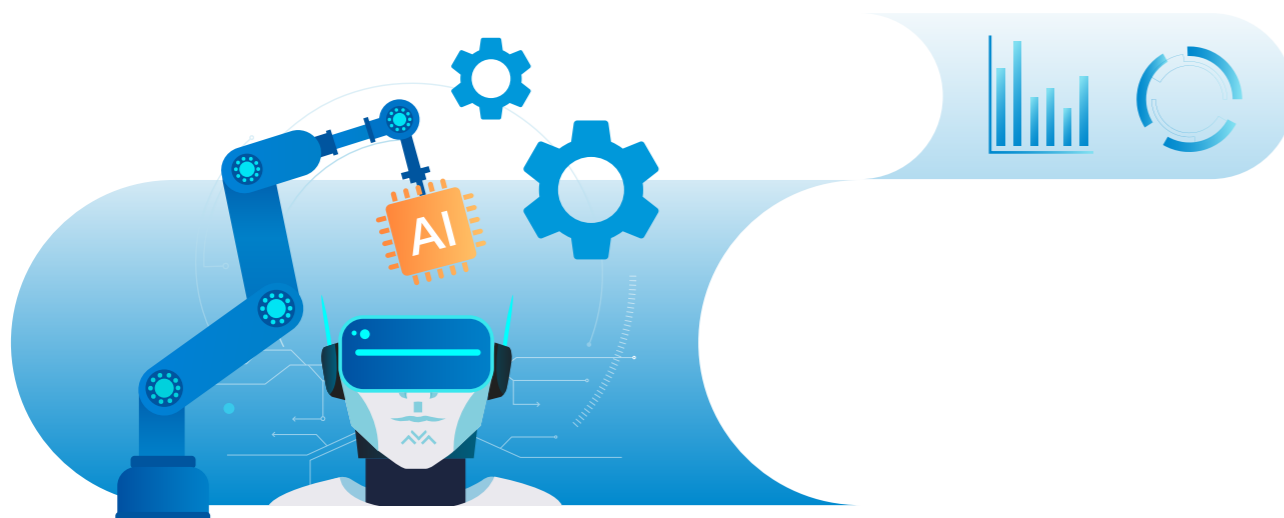
TCL Industries accepts the supervision of the media and the public, continuously improves the transparency of its operation, maintains the corporate brand image, and conveys positive energy to the society.

Means of Communication	Press conferences, media interviews, regular symposiums, official website and WeChat work account Press releases, etc.
Focus	Product and service performance, financial performance, development planning, corporate social responsibility.
The Company's response	Promptly release corporate trends, strengthen product and service publicity, and establish brand image.

Public welfare/community organisations: public welfare organisations that cooperate with TCL Industries and the communities where TCL Industries' own properties are located

TCL Industries maintains contact with NGOs and community organisations, actively participates in public welfare activities, and contributes to community construction.

Means of Communication	Public welfare activities cooperation, volunteer services, property construction management, community investment, etc.
Focus	Promoting local development, enhancing community value, and supporting social welfare.
The Company's response	Actively participate in paired assistance, organise, and participate in public welfare activities, and encourage employees to participate in volunteer activities.



Materiality assessment

TCL Industries follows a strict materiality assessment process, and regularly conducts stakeholder materiality assessment surveys for stakeholders including employees, customers, suppliers, governments and regulators, investors, industry associations and chambers of commerce, media, public welfare, and community organisations.



Assessment Process of Material Issues of TCL Industries



TCL Industries'ESG Materiality Matrix in 2023

Highly important issues

1	Social	Product quality and safety	7	Governance	Corporate governance
2	Social	Health and safety	8	Social	Protection of intellectual property rights
3	Governance	Compliance with laws and regulations	9	Social	Talent attraction and retention
4	Social	Customer service	10	Social	Green design of products
5	Environmental	Response to climate change	11	Governance	Business ethics
6	Social	Information security and privacy protection	12	Social	Product and technological innovation

Moderately important issues

13	Social	Sustainable supply chain management	19	Social	Diversity and equal opportunities
14	Social	Employees' rights, interests and benefits	20	Social	Employee training and development
15	Environmental	Waste management and resource recycling	21	Environmental	Emission management
16	Environmental	Greenhouse gas emission management	22	Governance	Communications with stakeholders
17	Governance	Smart manufacturing and digital transformation	23	Governance	Transparency in information disclosure
18	Environmental	Water resources management	24	Social	Management of conflict minerals

Ordinarily important issues

25	Social	Responsible marketing	27	Social	Technology for inclusion
26	Social	Community investment			

04

**Feature
on Responsibility**



Topic 1: Promoting digital and intelligent transformation

TCL Industries promotes the construction of its own digital system and the digital transformation of the industry by building a digital transformation platform; We will continue to promote intelligent manufacturing and strive to advance to the world's leading advanced manufacturing by building a digital system, introducing automation equipment, and strengthening the intelligent management of the whole process of production and manufacturing.

Building a digital transformation platform

TCL Industries has built a "6+1" digital transformation platform integrating six major businesses of "procurement management, transportation management, production management, warehousing management, quality control, and equipment management". The Company has sorted out and analysed the whole process of its own production and manufacturing, carried out system construction around the goals of automation improvement, digital application and unity, cost reduction and efficiency improvement, and empowered the intelligent development of management, production, and operation with digital transformation.

In 2023, TCL Industries became one of the first ecological partners of Baidu ERNIE Bot and the first global home appliance enterprise to access Baidu Wenxin YiYan. In this collaboration, TCL Industries will combine its own product and technological innovation capabilities to apply Baidu's leading intelligent dialogue technology to smart terminals, smart spaces, smart manufacturing, and other fields, and rely on smart and innovation interconnection to lead industrial transformation and upgrades.

Getech, a subsidiary of TCL Industries, continuously enhances its own strength and empowerment effectiveness. Focusing on edge intelligence, AI, digital twins, big data and other technologies, Getech focuses on quality control, energy and carbon management, production control, operation management and other application scenarios, continuously improve technical support capabilities, intelligent factory planning capabilities and industrial ecology cultivation capabilities, and is committed to breaking through core key technologies and realising the localisation of industrial software, reconstructing the operating system of high-end factories, and helping customers build benchmark intelligent factories.

Getech launched OctopusGPT, the engine base of the industrial intelligent large model independently developed by Getech, to realise the comprehensive optimisation and intelligent control of the industrial production process by learning and simulating various rules and processes in industrial production, and help industrial enterprises improve quality, reduce costs and increase efficiency in various scenarios of "research, production, supply, sales, service and management", and accelerate the intelligence of production and operation.

Accelerating the layout of intelligent manufacturing

TCL Electronics — 5G fully connected factory builds leading smart screen empowered

TCL Electronics has gradually improved the intelligent manufacturing system and continuously developed R&D and technological 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.

Case

TCL Electronics built and upgraded the intelligent loss-making three-dimensional warehouse in the CSKD factory

In 2023, the CSKD factory of the pan-smart screen manufacturing centre of TCL Electronics set up an intelligent project team for the management of damaged materials and formulated an upgraded plan based on the working guidelines of "front-end anti-miscellaneous, middle-end management and back-end burden reduction". This plan was devised to address challenges related to damaged materials, difficult packaging, and complex production management caused by high demand.

The project team adopts a three-dimensional warehouse management and employing a separate inbound and outbound model design. The team has also introduced QR code address management to streamline the warehousing of spare parts. Furthermore, collaborative robots have been integrated to perform actions in accordance with the intelligent route algorithm. These robots work in collaboration with three-dimensional shelves, enabling intelligent material storage that maximises the utilisation of vertical space within the warehouse. After the official launch of the intelligent loss backup warehouse in the CSKD factory, the operation efficiency of personnel and the timeliness of loss preparation and identification have been greatly improved, further improving the timeliness and satisfaction of customer response.



Finished products' shipping line of the intelligent loss backup warehouse



Packaging and weighing line of the intelligent loss backup warehouse

TCL Air Conditioners — High-efficiency and intelligent manufacturing to create “Zero-waste Factory”

TCL Air Conditioners has been actively promoting the reform of lean production and intelligent manufacturing since 2019. Through the active introduction of digitalisation, automation and LCIA (simple automation), the Group further promoted lean production. The production efficiency has increased by 75% and the production volume has doubled in the past five years, successfully achieving a leapfrog growth in production capacity.

Case Fully automated production line in Wuhan intelligent manufacturing

As an industrial technology transformation demonstration project in Wuhan, TCL Air-Conditioner Wuhan Intelligent Manufacturing Base builds a high-end, intelligent, and green intelligent manufacturing industry base in accordance with the national standards for digital pilot enterprises. The base integrates intelligent manufacturing, scientific and technological research and development, intelligent logistics, intelligent park, and digital application. Through the intelligent park system and the 6 + 1 industrial Internet platform, it integrates powerful digital twinning technology, and creates the world’s first dust-free fresh air air-conditioning special production line. By implementing key component dust-free management + RFID technology, TCL Industries realises the connectivity between objects and process. This integration enables the realisation of 3D intelligent factory management. Leveraging digital twinning technology, big data analysis and real-time quality monitoring, the company optimises its operations. This comprehensive approach allows for early warning systems and proactive error prevention through quality linkage. TCL Industries has 16 black light factories and advanced laboratories, along with 8 digital intelligent production lines. The Company has successfully built an intelligent manufacturing demonstration base, resulting in an efficiency increase of 15%. Simultaneously, the park provides full-coverage photovoltaic hardware support through intelligent measures such as intelligent water recycling of urban sponges and intelligent waste gas treatment, creating a “zero-waste factory”.



Fully automated production line in Wuhan intelligent manufacturing base of TCL Air Conditioners

TCL Smart Home — Practicing intelligent manufacturing in business of refrigerators and washing machines

In the context of Industry 4.0, TCL Smart Home has achieved impressive advancements in household appliance intelligent manufacturing through continuous innovation and technological breakthroughs. As two major bands of the Group, Hefei Household Appliances and Homa Refrigerator have long been committed to boosting the development of intelligent manufacturing and have likewise made major breakthroughs in their business of refrigerators and washing machines.

Under the umbrella of Hefei Household Appliances, TCL Refrigerators and Washing Machines Industrial Park is equipped with 9 production lines. In terms of production process, TCL Refrigerators and Washing Machines Industrial Park is equipped with complete machine assembly and inspection lines, automatic metal plate production lines, German Tox automatic case riveting lines, inner drum riveting and assembly production lines as well as 600T+ injection molding production equipment. The production process has been highly automated.

The phase I operation of high-end air-cooled refrigerator intelligent manufacturing base of Homa Refrigerator was officially put into production in 2023. Thanks to the Company’s major investment in digital intelligent production and digital intelligent logistics, the new base will serve as a benchmark in the refrigerator industry with the highest degree of automation, the highest level of intelligent manufacturing and the highest production efficiency, which would allow Homa Refrigerator to manufacture up to 16 million refrigerators per year.

Tonly Technology — Intelligent production and warehouse management

As the level of automation in SMT production continues to rise, material handling and transportation operations, which are primarily human-based, have become increasingly incompatible with automated production, resulting in high costs and inefficiencies. In order to address these issues, Tonly Technology has introduced an intelligent logistics management program to realize a low-cost, high-efficiency intelligent logistics model.

Case Intelligent production and warehouse management

Laser AGV for SMT

Realize intelligent and demystified logistics transportation from material in warehouse to production line to finished product in warehouse for shipment;

Intelligent component warehouse

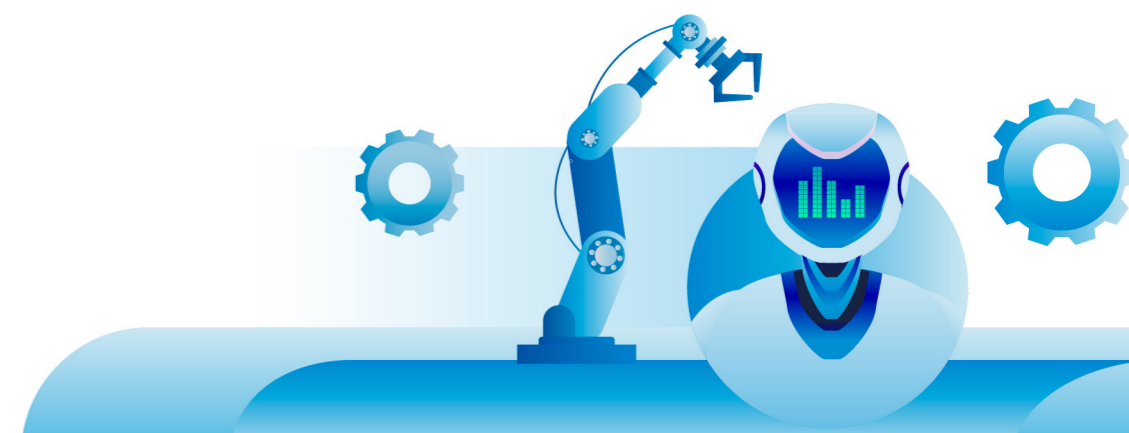
Satisfy the needs of SMT process users of all sizes for material storage and management to achieve high efficiency and labor saving;

Intelligent sound and light guided shelves

Provide accurate, fast, and clear indications to picking and distributing personnel through system-controlled lights, effectively enhancing operational efficiency and reducing the error rate;

Intelligent logistics system

Be responsible for connecting intelligent logistics equipment with each other, and between logistics equipment and production equipment, and serves as a bridge between the top and bottom of the system.



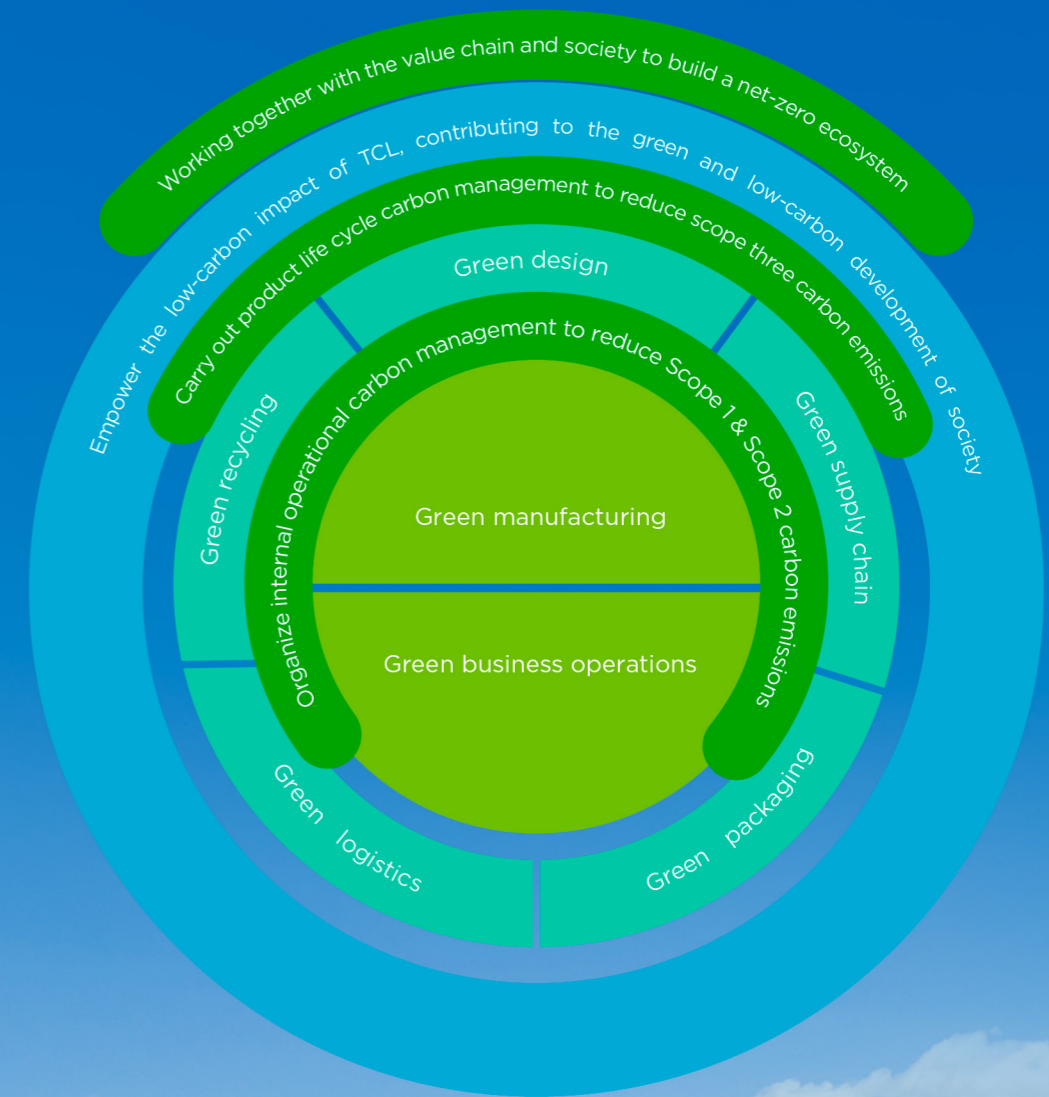
Topic 2: Creating a net zero ecosystem



TCL Industries publishes the White Paper on Carbon Neutrality White Paper

Climate change is a severe challenge faced by all mankind in the world today. Against the backdrop of increasingly severe climate change, China has proposed the “3060” goal of carbon peaking and carbon neutrality. TCL Industries as a great national brand, embraces its responsibility and prioritises the objective of “building a healthy and sustainable green cooperation ecology” within its ecological strategy, and actively responds to China’s “dual carbon” strategy. In July 2023, we officially released Carbon Neutrality White Paper, making carbon target commitments to the public, actively giving play to the advantages of technological innovation, and joining hands with all partners to accelerate climate transformation and development to help China and the world move towards a zero-carbon future.

TCL Industries adheres to the concept of “resonating with the times, sharing and co-building with multiple parties, living in harmony with nature”. We also adhere to the concept of green development and management requirements throughout the whole processes including product design, supply chain, manufacturing, packaging, logistics, sales and services, and recycling. By improving the low-carbon energy management and control system, we apply production innovation technology to energy-saving transformation, and accelerate the development of distributed photovoltaic, working with the value chain and the whole society to jointly create a net zero ecosystem.



TCL Industries' Net Zero Ecosystem



Practising zero-carbon operations

Based on the accounting, and verification of TCL Industries' greenhouse gas emissions throughout 2021, as well as the accounting and analysis of different emission reduction scenarios, TCL Industries solemnly commits to **achieve carbon peak by 2030 and carbon neutrality across our operations by 2050**.

To promote the dual-carbon work in an orderly manner, we have established a CSR Task Force on Climate Change to clarify the scientific roadmap for carbon reduction. At the operational level, we continue to promote the development of green manufacturing, and the energy-saving transformation based on innovative technologies. And we also focus on continuing to use innovative technologies to inject new momentum into the product and service experience. TCL Industries has been awarded 40 green products, 9 green factories, 1 green supply chain and other green certifications.

Company	Certificates	Granting Authority
TCL Industries	"The fourth batch of green design demonstration enterprises for industrial products"	Ministry of Industry and Information Technology of the People's Republic of China
TCL Home Appliances (Hefei)	1 green design product XQ100-123071HB Drum Washing Machine Green Product	
TCL Air Conditioners (Zhongshan)	4 green design products "Green Supply Chain Management Enterprise"	
TCL Air Conditioners (Wuhan)	"National Green Factory"	
Tonly Technology	"National Green Factory"	

Green certificates obtained by TCL Industries and its factories (selected)

Empowering supply chain decarbonisation

TCL Industries taking full advantage of the leading role of "chain owner" as a benchmark, actively exports energy diagnosis and energy optimisation solutions from multiple dimensions such as design, procurement, manufacturing, logistics and recycling. We also organise various training workshops regarding carbon verification and carbon reduction measures, encouraging suppliers and other partners to participate in carbon neutrality actions. As the first company in the home appliance industry to initiate the "green supply chain" initiative, TCL Industries actively advocates suppliers to prioritise the use of renewable energy, optimising production equipment capabilities and logistics methods to clarify waste reduction strategies and goals, and to convey green supply chain requirements to upstream suppliers. We expect to cooperate more closely with suppliers who actively disclose and reduce their own greenhouse gas emissions and product carbon footprint, continuously promoting the healthy development of the entire industry in a more energy-saving and low-carbon direction.

¹Green Supply Chain CITI Index has been developed by Institute for Public and Environmental Studies (IPE) and Natural Resources Defense Council in 2014. As of the end of 2023, TCL Industries ranked in the top five in the home appliances sector of the CITI Index.

TCL Industries' enterprises, represented by TCL Photovoltaic Technology, TCL Environmental Technology help supply chain partners transform their energy use. In 2023, one of our high-quality suppliers, actively responded to the call to build a 1 MW industrial and commercial photovoltaic power station with TCL Photovoltaic Technology to achieve clean energy production. In 2023, TCL Photovoltaic Technology has an increase of more than 70 new industrial and commercial contract projects, more than 500 new distributors, and has signed contracts with more than 40,000 peasant households. By the end of 2023, its annual renewable energy generation capacity was about 2,900 GWh, reducing carbon dioxide emissions by about 1.65 million tons, thus contributing to clean energy transformation of the society. TCL Environmental Technology has actively carried out the construction of recycling warehouses in three cities in eastern Guangdong, providing recycling, sorting, selection, cleaning, warehousing, shipping and other services for reusable foam boxes, plastic trays, pallets and other packaging materials, and returning them to manufacturers for recycling, so as to help upstream suppliers achieve the effect of energy conservation and emission reduction.

In terms of green procurement, we have issued green procurement management-related plans, and formulated requirements for hazardous substances in corporate products and the cooperation of suppliers to promote the value chain to jointly protect the earth environment and reduce the negative impact on the ecosystem. The CSR audit management system of each company of TCL Industries clearly considers factors such as suppliers' annual energy conservation, emission reduction projects, achievement reports, greenhouse gas inventory, and their ISO50001 energy management system.

Key
Performance

TCL Industries has become the only Chinese brand among the top five in the green supply chain CITI index home appliance industry¹

Spreading low-carbon concepts



TCLGreen installation won the Red Dot Design Award

TCL Industries actively plays a pioneering role in energy conservation and carbon reduction, fully empowering various upstream and downstream partners, through gathering the wisdom of all parties including peers, regulators, academia, and other organisations, promoting innovation related to the net-zero transition, popularizing green solutions such as new photovoltaic energy, thus influencing more people to take low-carbon actions for a net-zero ecosystem. Taking Getech as an example, with the industry's first SGS-certified energy and carbon management software, Getech helps the world's top 3 oil and gas groups to realize online energy monitoring, automatic statistics, early warning indicators, benchmarking inquiries, diagnostic analysis, and provides digital support for energy-saving measures and energy management of oilfield reservoirs.

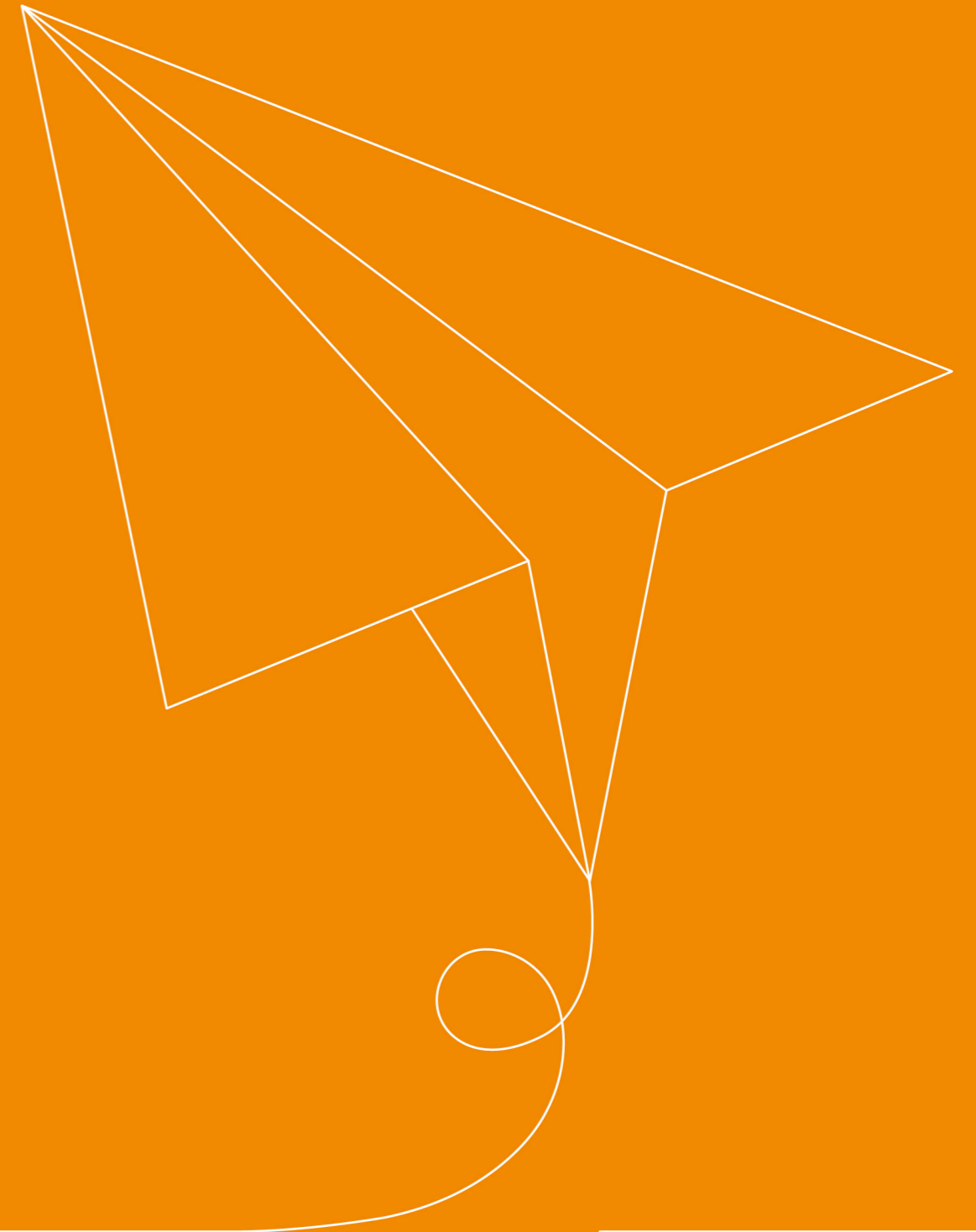
To motivate more people to join with us, we launched "TCLGreen", a global green environmental protection initiative that aims to advocate environmental protection actions with technology and art. In 2023, the sustainable art installation of "TCLGreen", co-created by TCL and Zhu Kaiwen, a world-renowned artist, won the "Red Dot Design Award". The installation also appeared at the Paris Fashion Week, the 2023 International Consumer Electronics Show, and the Internationale Funkausstellung Berlin in 2023.

05

Governance

Compliant Operation to Promote Stable Development

Stable corporate governance is the cornerstone of corporate development. TCL Industries has established a standardised and orderly governance mechanism with clear rights and responsibilities in accordance with high standards, adhered to good business ethics standards, and actively promotes the creation, protection, application, and management of intellectual property rights to lay a solid foundation for the steady development of the Company.



Compliant and stable operation

TCL Industries has built a corporate governance structure with clear responsibilities, coordination, and efficiency. The Company has taken comprehensive measures to strengthen compliance management, promoting compliance operation in accordance with the law, and striving to prevent corporate compliance risks to ensure efficient and compliant corporate governance and operation.

Compliance governance

Good and compliant corporate governance is related to the long-term survival and development of an enterprise. TCL Industries has always improved the internal compliance management system through high-standard corporate governance, and regularly carries out compliance audits to ensure the integrity and compliance operation of the Company.

Improving governance structure

TCL Industries strictly complies with the requirements of *the Company Law of the People's Republic of China* and other laws and regulations as well as *the Articles of Association*, and has established and improved the corporate governance system comprising the general meeting, the Board, the Supervisory Committee, senior management and various business departments, forming an operation mechanism of mutual cooperation, coordination and checks and balances among the authority body, the decision-making body, the supervisory body and the executive body. The Company has established the Strategic Planning Committee, the Budget and Performance Appraisal Committee and the Audit Committee under the Board to assist the Board in performing its duties.

Compliance management system

TCL Industries has established the Compliance Management Committee. It has established a comprehensive compliance management system through the operation of the compliance management organisation. The system covers intellectual property rights, export control, privacy compliance, financial and tax compliance, product compliance, information security, network security, customs compliance, ESG, safe production, trade secrets, anti-commercial bribery, antitrust and competition compliance, human resources compliance and other important compliance areas. The company has also completed the compliance management mechanisms in each compliance risk areas to comprehensively prevent and control of company compliance risks.

TCL Industries is committed to complying with all applicable laws and regulations, and has formulated the *TCL Industries Code of Business Conduct* as the highest guideline and principle for the business conduct of the company and its employees, which clearly regulates the behavior of the company and its employees in key business scenarios.

TCL Industries has formulated the *TCL Industries Compliance Management Measures*, which clearly defines the three lines of defense for compliance management consisting of each business unit, the professional management departments of each compliance risk area, and the auditing department, to ensure effective prevention, monitoring,

and response to compliance risks. Under the guidance of the Compliance Management Committee, the company comprehensively builds and implements the implementation of compliance organization, compliance plan, compliance system, compliance risk governance, compliance inspection and audit, compliance digitalization, compliance culture, and compliance assessment and accountability.

Conduct compliance audit

We conducted special audits on key business areas and key business links such as domestic and overseas sales, supply chain, production, and R&D to provide a basis for improvement in internal control. In 2023, we further improved on the digital audit platform "TCL Audit Intelligence +", built an audit data warehouse, a digital audit data analysis platform and an audit model development middle platform. We developed risk monitoring models such as supplier blacklist transaction monitoring model, employee re-employment monitoring model and non-compliant related party transaction monitoring model to monitor and identify major problems, management loopholes and potential risks of audited personnel/units accurately, and further improve risk warning capability of the Company.

Trade compliance

TCL Industries actively creates a fair and just corporate environment, abides by the relevant laws and regulations of the domestic and overseas operating places, and pays attention to deepening employees' awareness of compliant trade while ensuring enterprise export compliance to promote the compliant and stable operation of domestic and international business.

Promoting fair competition

We strictly abide by the laws and regulations related to anti-monopoly. We have formulated the *Compliance Guide for Preventing Vertical Monopoly Agreements* to guide each business department to investigate and improve sensitive behaviours that may constitute vertical monopoly agreements and conduct anti-monopoly application screening for external merger and acquisition transactions to effectively maintain the market competition order.

Ensuring export compliance

TCL Industries is committed to complying with the applicable export control and sanction laws and regulations of the relevant countries and regions, and has formulated *the Code of Conduct for Export Compliance* within the Company, which requires members of the Board of Directors, senior management and all employees of the Company to comply with and specifies in the Code the compliance guidelines and compliance red line regulations for the screening work of the main body, the transactions of the country at risk, and the currency of the transaction. If violations are detected through inspections or reports, we will initiate a violation monitoring process in accordance with *the Management Measures for Compliance Inspections and Supervision*, conduct an investigation of the incident, appropriately assess the cause of the report, confirm the authenticity of the violation, and deal with the violation with reference to *the Accountability Management Measures*.

In 2023, in order to further ensure that our overseas subsidiaries comply with the requirements of applicable export control and sanction laws and regulations, and to manage and minimize the risks of export control and economic sanctions that our overseas subsidiaries may encounter in the course of their operations, we carried out a risk assessment and compliance measures implementation exercise for our key overseas subsidiaries. In addition, we also conducted compliance checking work for key business units to effectively identify and improve compliance risks in our operations.

Strengthening compliance publicity and implementation

We formulate an annual export compliance training plan in accordance with *the Compliance Training Management Standards*, and develop, organize and implement comprehensive, effective and multi-level compliance training for different positions to ensure that members of the Board of Directors, senior management and all employees uphold the awareness of export compliance and comply with the export compliance system in the course of their daily operations.

In 2023, we conducted a number of export compliance trainings and promotional activities in accordance with the annual export control compliance training plan to popularize the general knowledge of relevant policies and regulations among all employees, and to explain the guidelines and precautions for compliance work to employees in key positions, so as to comprehensively guard against the risks of export control compliance.

Marketing compliance

To effectively safeguard the rights and interests of consumers, we adhere to the bottom line of compliant marketing practices. We have formulated internal systems such as *the Promotion Centre Promotion Standardisation Management Plan, Marketing Guidelines and Brand Management Guidelines*. These systems ensure the standardisation of the production and use of various promotion materials. We have improved the relevant contracts for advertising release to ensure that all advertising content produced by the Company is truthful, ethical, clear and easily understood. We strictly prohibit any form of deception towards users.

For the release of videos, pictures, software and other materials to the public, we have established a unified standard process for production, review and output. This process requires thorough reviews and confirmations at the product end, retail end, R&D end and legal end, from the initial draft to the final version. We ensure that the text and visual presentation of any external publicity materials are accurate. We will also address any content that may cause consumer concerns or misunderstandings by appropriately adding explanatory information. If we discover that product standards indicated on packaging, labels or product descriptions are not met, or if quality conditions indicated by product descriptions and physical samples are not fulfilled, we will adhere to established regulations for repair, replacement, return and compensate for any resulting losses.



Adhering to business ethics

TCL Industries has always insisted on establishing a sound anti-corruption and anti-commercial bribery management system, promoting the normalisation of anti-corruption and integrity, improving the reporting and whistleblower protection mechanism, and collaborating with employees and suppliers to continuously create a clean and fair business environment.

Anti-corruption and anti-commercial bribery

We comply with all applicable anti-corruption and anti-bribery laws and regulations, build our anti-bribery compliance management system. We have formulated internal systems and guidance documents such as the *Anti-Commercial Bribery Compliance Policy and Anti-Commercial Bribery Compliance Guidelines for Specific Business Scenarios* to further clarify on the compliance requirements in specific business scenarios, such as gifts and hospitality, business partnerships, joint ventures and mergers and acquisitions, covering risk assessment, compliance monitoring, compliance inspections, whistleblower investigations, compliance training and other aspects of the work norms, to ensure that all aspects of the Company's operations are in strict compliance with laws and regulations and standards of business ethics.

We embed a special fraud investigation module in the special audit to identify possible fraud risks and their potential adverse effects. We regularly conduct corruption risk assessments in various business units of the Company to rectify the defects and risks found in a timely manner. In 2023, we carried out anti-bribery compliance assessments for subsidiaries in overseas operating regions and further improved internal compliance management policies and systems based on applicable local regulatory requirements to effectively reduce potential compliance risks.

Key Performance

4 special audit projects including special fraud investigation were carried out

0 corruption case has been filed and concluded

Standardise employee code of conduct

We require all employees to sign *the Letter of Commitment to Integrity* when they join the Group. We regulate employee behaviour in the employee handbook of each business unit and make strict requirements for employees in terms of abuse of authority, bribery, gifts, commercial hospitality, etc. The Company also issued the *“Red Lines of Operation and Management of TCL Industries”* for employees’ behaviour to ensure that they are clearly aware of the red lines of the Company’s operation and management.

Red lines of operation and management of TCL Industries	
Abuse of power for personal gain	Unauthorized provision of guarantees, factoring or leasing
Abuse of power and authorization	Leakage of business secrets
Self-dealing transactions	Violation of management regulations for brands, trademarks and trade names
Unapproved investment or taking on unauthorized part-time jobs	Causing material accidents or events having adverse impact on the company
Material violation of financial disciplines	Obstructing supervision and investigation or covering up conducts in violation of law or disciplines

Supplier integrity management

We require suppliers, contractors, and other partners to sign *the Integrity Agreement* or add integrity clauses in the contract. In addition, we have clarified the anti-corruption requirements for suppliers in *the Letter to Suppliers Partners*, strictly prohibiting suppliers from providing any form of improper benefits to employees, and jointly creating a fair and transparent business environment.

In 2023, we organised 170 supplier teams to participate in the integrity promotion meeting to learn the latest anti-corruption related regulations and knowledge and experience in preventing and controlling corruption cases at the source and signed the *Integrity Commitment* at the meeting to respond to the integrity initiative issued by the Company and effectively promote suppliers to establish an integrity management system.



The site of the supplier conference

Integrity education

TCL Industries is committed to creating an honest and clean working environment. Externally, we actively participate in external exchanges by participating the Enterprise Anti-Fraud Alliance and the Trust and Integrity Enterprise Alliance, exchanging and learning excellent corporate integrity management practises with alliance members to improve our integrity management capabilities.

For employees and suppliers, we continue to promote integrity education and publicity, and carry out various forms of training such as offline training, online video courses, WeChat official account and TCL dynamic articles in accordance with the Compliance Training Management Standards. We send integrity precautions to suppliers on key holidays, and release notifications of violations of disciplines and regulations to all employees through channels such as emails from all employees, integrity columns on official website and bulletin boards in office areas to comprehensively improve the integrity awareness of employees and suppliers.

Key Performance

6 on-site integrity education and courses were carried out, with **800** participants

Case

Organising anti-corruption education activities

On September 23, 2023, TCL Industries organised a special education activity of “Anti-corruption and Integrity Promotion” for all high, middle and grass-roots supervisors, invited experts from external law firms to conduct special training on anti-corruption and integrity warning education, and shared knowledge of new anti-corruption and anti-bribery news and laws and regulations, common crimes and corresponding classic cases, to comprehensively improve the management’s sense of responsibility for shaping a clean and upright corporate environment and help create an honest, transparent and fair working environment.

Reporting acceptance mechanism

We have set up special mailbox, hotline, email, and other public reporting channels, and actively carry out reporting and investigation in accordance with *the Accountability Management Measures*. After receiving the report, clues will be reported to the audit and internal control department as soon as possible, and the report will be screened and investigated. For reports involving violations of the Company's internal regulations, an investigation report will be issued after investigation and verification, including handling opinions and improvement suggestions, and the case will be handed over to a special person for follow-up and handling; For reports involving criminal crimes, after strict and detailed evidence collection and in-depth investigation, criminal charges, theft, and damage recovery will be carried out.

We strictly regulate the protection and management of whistleblowers, clarify the reporting requirements, rewards, and whistleblower protection measures in *the Accountability Management Measures*, strictly implement the confidentiality management of sensitive information of whistleblowers, and require the investigated units and individuals must not retaliate against whistleblowers to protect their rights and interests.

Protecting intellectual property rights

TCL Industries places significant importance on its establishment being driven by science and technology. The Company continuously strengthens its own intellectual property management and maintenance based on respecting the intellectual property rights (IPR(s)) of other Companies and individuals. TCL Industries actively explores innovative technologies of its key products, while remaining vigilant in preventing the risk of patent infringement.

Systematic intellectual property management mechanism

TCL Industries strictly abides by the applicable international intellectual property laws and regulations of the places where it operates. It formulates internal system requirements such as *the Code of Business Conduct, Measures for Patent Application Management, Patent Reward Measures, Rules on Standard Technical Patent Reward and Review, Rules on Agency Resources Management*, and strictly regulates the process and work of product patent evaluation, application, maintenance, and implementation.

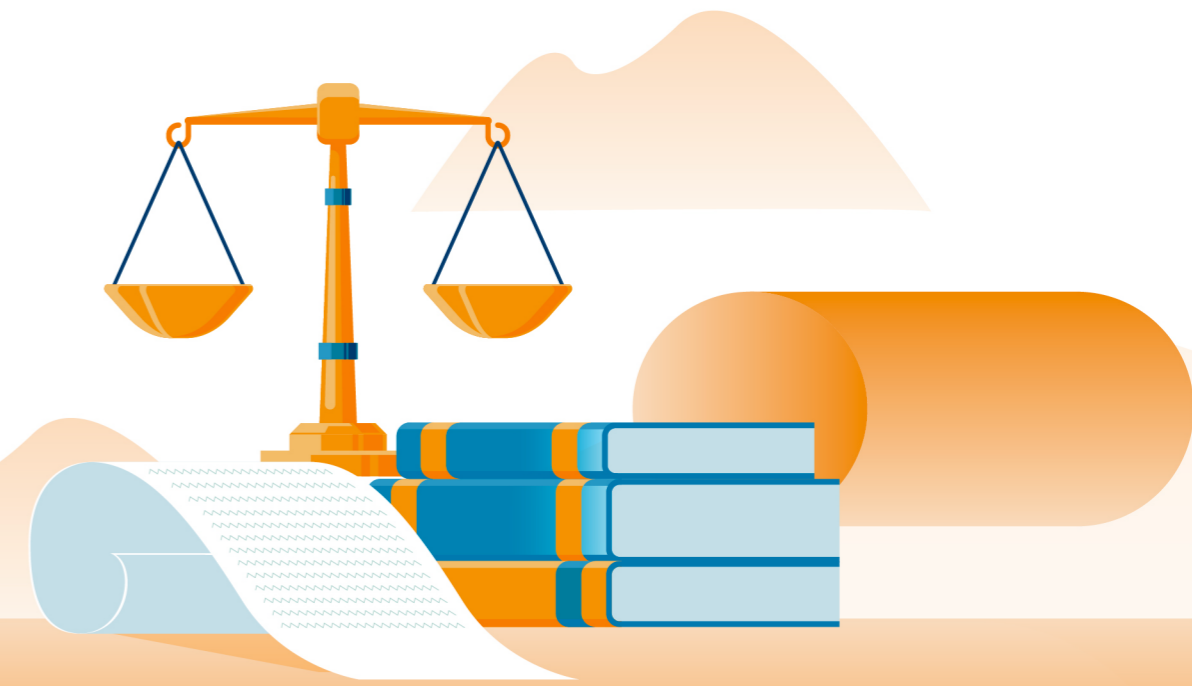
We have set up a full-time intellectual property department to coordinate the intellectual property management mechanism and provide legal support for the application, maintenance, risk management and litigation of IPRs of each business department; Set up a patent proposal department, and establish a patent application value analysis index system based on the nine principles of comprehensiveness, systematics, operability, timeliness, independence, hierarchy, qualitative and quantitative combination, modularisation and scalability to provide professional guidance and hierarchical and classified management support for the Company's internal patent applications, and properly manage and maintain its own IPRs.

To further improve the protection of the Company's trade secrets, we have formulated the Regulations on *the Management of Protecting the Trade Secrets of Others* to prohibit employees from using illegal means to obtain trade secrets or other confidential information of competitors; The Company also carried out compliance assessment of trade secrets in key business areas to prevent and control the risk of trade secret leakage.



Key Performance

The number of patents obtained accumulatively was **11,088**,
and the number of new patents obtained in 2023 was **1,660**



Measures to protect our IPRs

Based on establishing a sound intellectual property management system, we take several measures to strengthen intellectual property protection including strengthening employees' awareness of rights protection, and comprehensively improve the level of intellectual property protection.

We have established IPR information management records, to clearly record the types of rights associated with each product, along with their protection periods. This enables us to maintain IPRs in a timely manner; We regularly conduct IPR clues mining to safeguard the legitimate IPRs of TCL Industries on a global scale independently or in cooperation with external law firms; We conduct rights safeguarding training 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 suspected infringing clues, which will be followed up and evaluated by the Legal and Compliance Department. In 2023, we have participated in the patent pool launched by international patent licensing platforms such as Avanci² and Sisvel³, and obtain certain patent licensing benefits, which can effectively reduce the R&D costs to a certain extent.

Against serious infringement of IPR we will initiate reasonable litigation in accordance with the *Administrative Measures for Patent Litigations and Patent Licencing Cases*.

Key Performance

We carried out more than **10** internal patent/trademark empowerment training sessions, and organised relevant employees to participate in **8** external learning sessions to comprehensively improve their awareness of rights protection and infringement identification capabilities

Infringement risk management measures

We respect the IPRs of all parties and control the risk of patent infringement through our own infringement risk investigation and supplier intellectual property management.

For products that are planned to be released or marketed, we perform global patent searches according to their technical solutions. This allows us to evaluate the risk of infringement and avoid designs that may infringe high-risk patents. During the procurement stage, we review the intellectual property guarantees of the products and ensure that goods delivered by third parties do not involve intellectual property infringement. For published products, we urge business activities to use the content in compliance with the contract. Also, we have set copyright complaint guidelines on the web pages of cooperative products.

In addition, we prioritise the prevention of intellectual property infringement risks within the supply chain. We actively encourage suppliers to implement intellectual property protection measures. In *the Procurement Agreement* signed with suppliers or contractors, we clearly set out the regulations on intellectual property protection and require 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. If we receive complaints about supplier infringement, we will strictly follow *the Supplier Accountability Implementation Rules* to confirm the supplier accountability terms and carry out supplier accountability operations to ensure the protection of others' IPRs.

²Avanci is an independent provider of patent licensing solutions, working at the intersection of different industries to bring efficiency, convenience, and predictability to the licensing process.

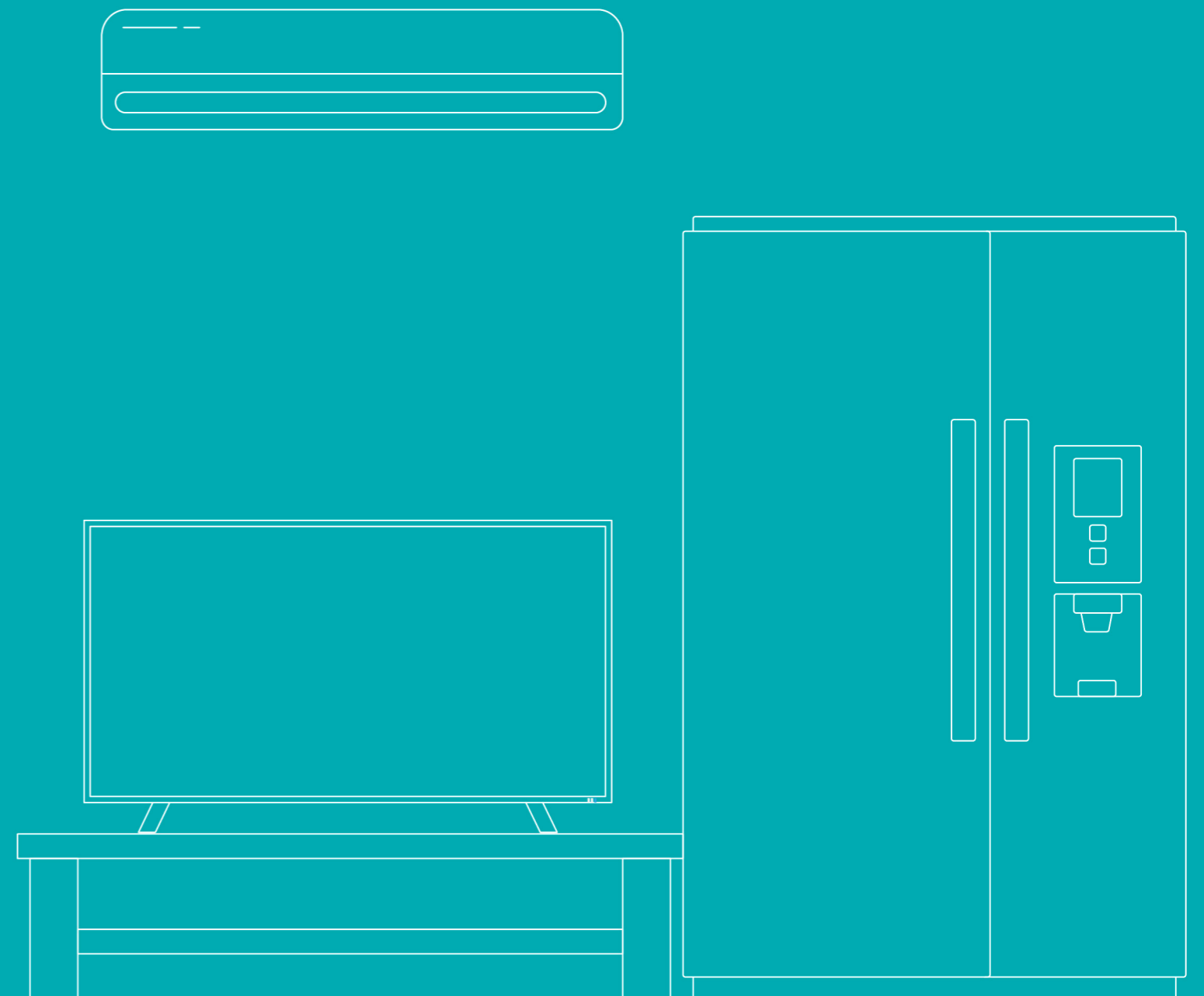
³Sisvel is a company that provides licensing solutions and patent pools for the delivery of cutting-edge technologies.

06

Product

Innovation and Technology Empowering Smart Life

TCL Industries is committed to fully integrating tech-based smart products into all aspects of people's work and life, focusing on continuously improving R&D and innovation capabilities, and adhering to product quality and safety responsibilities; We prioritise the needs of users as our top priority, earnestly safeguarding their rights, interests and physical and mental health. We are committed to creating high-quality products that are healthy, accessible, green and environmentally-friendly for users.



Continuing technology leadership

TCL Industries specialises in intelligent terminal products and services, leveraging scientific and technological innovation as the driving force for continuous enterprise development. Our dedication lies in delivering forward-looking scientific and technological experience and smart and healthy lifestyles to users worldwide. Our goal is to become a world-leading intelligent technology industry group.

Strong R&D capabilities

TCL Industries insists on taking technological innovation as the main driving force and prioritises to the reserve and exploration of cutting-edge technologies. At present, we have 24 R&D centres and 7 ecological cooperation laboratories around the world. We have built a strong ecological and technological competitiveness in the fields of Mini LED display technology, artificial intelligence (AI), IoT, augmented reality (AR) /extended reality (XR), cloud computing and other technologies.

TCL Smart Home, a subsidiary of TCL Industries, has several R&D centers. Among them, Hefei Home Appliances is equipped with a refrigerator R&D center, and a washing machine R&D center. In the field of refrigerators, breakthroughs have been made in the R&D of refrigerator freshness preservation, deep-freezing, high-energy efficiency, low noise, ice-making, built in, CMF and other product features, and the Thin Embedded Series of refrigerators have been launched; In washing machine health and dirt-free technology, the Company has made breakthroughs of releasing the healthy pollution-free washing machine technology, and launched a multi-domain pollution-free technology and products characterized by ultra-thinness, large drum sizes, and pleasant appearances, thereby enhancing its washing machine products' competitiveness. In addition, Homa Refrigerator R&D Center focuses on air-cooled products as well as other technical products and technology, and has launched multi-door counter-depth models, products with energy consumption that meets the criteria for the new EU standard Grade B, as well as an ultra-narrow drawer air-cooled refrigerator, thus leading the way in the future of smart home technology.



Tonly Technology, a subsidiary of TCL Industries, has a R&D team of more than 1,500 people including various senior experts, with profound capabilities in technology pre-research, audio/video product development, acoustic product development, software development, AIoT product development, etc., it has set up R&D centers in Huizhou, Shenzhen, Xi'an, and Penang (Malaysia) respectively. The Company has been continuously refining its Bluetooth LE audio technology in keeping pace with innovations in Bluetooth wireless technology to achieve low latency, low power consumption, and high-stream audio. This has expanded the product structure of interconnected devices and promoted the advancements of smart manufacturing.

TCL Environmental Technology, a subsidiary of TCL Industries, continues to make technological breakthroughs. On the front of electronics and electricals recycling, the company obtained quality certifications for PCR plastic recycling technology; developed silicon mud recycling and lithium battery recycling technologies in new materials, with successful validation in pilot testing and mass production; advanced fluorine-containing sludge reduction technology in comprehensive environmental services; compiled several technical guides, and gained patents, as it further delved into customer needs, enhanced product quality, and reaped product profits. These showcased the company's technological prowess and competitiveness.

Major laboratories of TCL Industries	About the laboratory
Eagle Lab	With rich experience in the exploration and application of cutting-edge technologies, the laboratory provides technical support for the smart display business in the four directions of AI, IoT, Cloud and big data. It has four technology centres around the world, more than 200 teams of big data cloud platform and cloud platform, and more than 400 AI algorithm experts. It is committed to building a full-scenario smart life of AI x IoT for users through various tasks such as the intelligence of all categories of home appliances, Internet content operation and the construction of cloud-based technology middle platform.
Pangu Laboratory	Focusing on the research and innovation of Mini LED related technologies, the laboratory gathers many top scientific research talents in the display field and has set up several project R&D laboratories. This includes optoelectronic material laboratories, optoelectronic device laboratories, simulation design laboratories, and quantum dot laboratories. The laboratory continues to actively develop the whole process technology of Mini LED from materials to chips. Furthermore, it has the functions of data analysis and quality testing, including complete machine laboratory, test line, processing centre, reliability verification laboratory, etc. In the research and development stage, it ensures the possibility and reliability of mass production of technologies and ensures that Mini LED products reach the industry-leading level in terms of performance and quality.

Case AIGC exploration and application

As AI technology continues to advance and AI large models are rapidly implemented, AI-Generated Content (AIGC) is gradually leading the digital transformation with its multi-dimensional characteristics. As a result, we are quickly following the development trends of AIGC as Eagle Lab incorporates interactive AI into smart products and smart life scenarios. Moreover, we have formulated *the AIGC Application Safety Baseline of Eagle Lab and AIGC Application Compliance Guidelines of Eagle Lab* to accelerate the exploration and application of AIGC technology based on ensuring compliance.

AI Energy Saving Setting: saving product energy consumption

We apply the AI energy-saving setting of air conditioners in the P7, our flagship fresh air air-conditioning product. Through the AI time domain prediction algorithm, we are able to achieve a temperature control level with an accuracy deviation of as low as 0.3 °C, bringing users an unprecedented comfort experience. Based on the AI algorithm combining big data and terminal cloud, the traditional refrigeration variable frequency logic based on temperature rules is improved. This improvement involves conducting learning-predictive variable frequency, which is based on more factors. As a result, it enables electricity savings of up to 40%.

AI Story Sessions: strengthening children's interaction

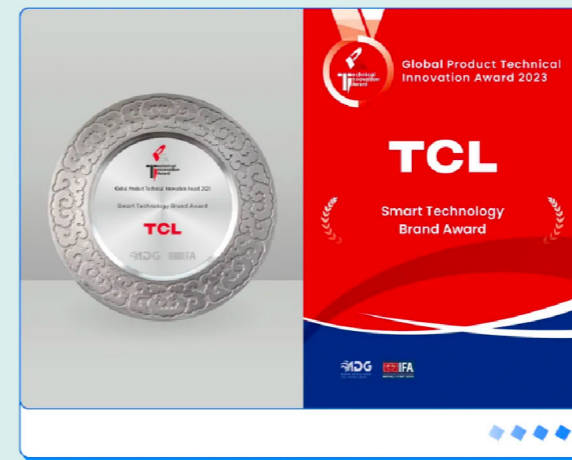
We have launched the first children's exclusive column based on the AI large model, the "Super Intelligent Painting" AI story collection. We have utilised AI large models to transform the 4K screen into an interactive electronic picture. This provides a practical new paradigm for content innovation in the industry with a rich Internet TV content ecosystem.

🌀 Innovative empowered products

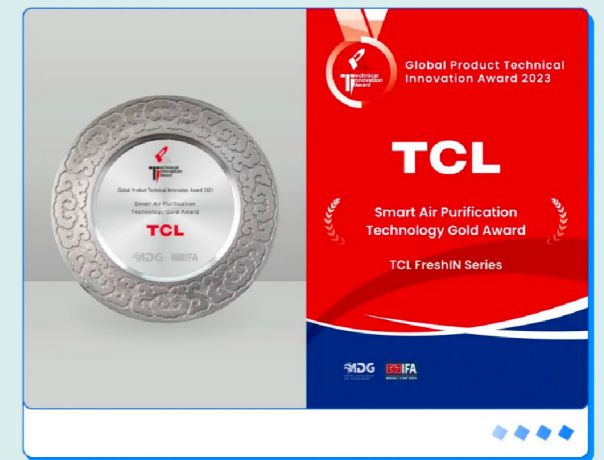
TCL Industries places great importance on product technology innovation as the key to improving its core competitiveness. The Company is committed to creating a better life experience for users and actively promotes the design, application, and transformation of innovative technologies. We have established a design innovation centre and established a matrix working mechanism of Product Innovation Team (PIT) x Platform Capability Master (PCM) to empower the Company's integrated design and innovation of all product categories. This conceives outstanding industrial design, intuitive user experience and excellent visual aesthetics for users worldwide.

Case TCL Industries Smart Innovation Technology is widely recognised internationally

As a world-leading smart terminal enterprise, we have demonstrated cutting-edge technological breakthroughs in the fields of large screen display, new interaction and new energy at the International Franchise Association (IFA) Berlin 2023. We won two IFA Global Product Technology Innovation Awards. TCL won the "Smart Technology Brand Award" at the brand level and the TCL fresh air conditioner series equipped with the industry's first respirable fresh air technology won the "Smart Air Purification Technology Gold Award" at the product level. The TCL ultra-thin and zero-nested series refrigerators won the title of "Annual Product Innovation Achievements". TCL large screen QD-Mini LED TVs, TCL NXTAPER mobile phones, AR glasses Leixinia X2 and other intelligent terminal products won the "Best of IFA 2023" award. This esteemed recognition was jointly issued by 15 world-renowned scientific and technological media including Digital Trends, TechRadar and XDA Developers. This reflects the high attention and recognition of IFA official and international authoritative media.



"Smart Technology Brand Award" Certificate



"Smart Air Purification Technology Gold Award" Certificate

🌀 Advocating technology inclusiveness

TCL Industries regards inclusive health as the core mission of corporate operation and is committed to achieving the harmonious coexistence of people and technology. We bring customers a healthy technological experience through warm products and focus on continuously improving the accessibility of products so that every consumer can enjoy the beauty brought by technological development in an equal and convenient manner.



Pay attention to user health

We continue to pay attention to the current popular health hot topics, actively embrace the health needs of users, introduce user health data monitoring technology in the product design process, and invest in several cutting-edge health technologies according to the nature of the product to advocate users' smart and healthy life.

<p>Health monitoring function</p>	<p>To ensure that users' personalised health needs are met, we apply user health data monitoring technology in our products to further improve user experience. We introduce the heart rate monitoring function in mobile communication products, pay attention to the health status of users and prevent abnormal conditions. We introduced chronic disease management functions such as health data monitoring and medication reminders in TV products to fully support users' health needs.</p>
<p>Eye protection function</p>	<p>We integrate human factors into the design of TV products and viewing environment based on the principle of work efficiency, considering factors such as the brightness, contrast, colour saturation, perspective, distance and viewing time of the screen. We have developed and applied health display technologies in mobile phones, tablets and other products, such as NXTPAPER and brightness comfort adjustment curves that are used to provide users with visual protection to strengthen and upgrade the visual experience and bring users a comfortable "relaxing feeling" for their eyes. The Company continued to launch various types of low-blue light products such as smart screen and mobile communication. These products have obtained certification from various professional institutions such as TÜV Rheinland and National Engineering Research Center for Ophthalmic Equipments, which is to reduce the harm of harmful blue light to human eyes when using electronic products.</p>
<p>Purification and sterilisation functions</p>	<p>According to the characteristics of the nature of the product, we integrate the design of healthy functions such as cleaning, purification, and sterilisation into the product design process of home appliances such as air conditioners, refrigerators and washing machines. This enables users to start the smart and healthy home life.</p>



Case

TCL refrigerator and washing machine's two core technologies debuted at AWE2023

In April 2023, TCL Industries participated in the Shanghai Appliance&electronics World Expo ("AWE"), one of the three top exhibitions in the field of home appliances and consumer electronics in the world. The Company participated with two core technologies, "TCL Refrigerator home cryogenic and freezing technology" and "TCL Washing Machine world pollution free technology" to show the innovative achievements of deep integration of cutting-edge technology and home appliances. This provides users with a brand-new and upgraded smart health experience.

TCL Refrigerator home cryogenic and freezing technology

To provide users with a better experience of household freshness preservation, we have successfully installed the R600a-36°C-crystalline film-based deep cold preservation technology in the new "ultra-thin and zero-nested" series of refrigerators through continuous technology research and development to further meet the freshness preservation needs of ingredients under freezing scenarios.

TCL Washing Machine world pollution free technology

TCL's second-generation full-territory pollution-free technology has been applied in TCL washing machine dual-sub-cabin C16, ion-soft-care C6, clean-colour P12 and other series of products. The technology includes five core parts of pollution-free technology: sewage-free sealing, sewage-free outer tube, sewage-free washing process, sewage-free water purification, and sewage-free spray. The solid pollution-free rate and microbial exemption rate have obtained the Level 1 certification of the China Household Appliance Research Institute, systematically realised full-territory and normal pollution-free washing machine, and truly solving the problem of "secondary washing machine pollution" that users care about.



TCL Washing Machine world pollution free technology

Case Homa Refrigerator launched personalized freshness refrigerator

Homa Refrigerator, a subsidiary of TCL Smart Home, launched Model FF4-650 (BCD-520), which is designed as an ultra-thin, built-in refrigerator with four doors. The product is equipped with a 26-level full-range temperature refrigeration control system to achieve full-range, convenient temperature regulation to meet the storage needs of various food ingredients. The cold storage chamber is equipped with an independent moisture retention and freshness preservation area with superior sealing capabilities, which can effectively block out external moisture and ensure long-lasting freshness of fruits and vegetables. The product adopts AG+blue crystal odor-purifying bacteria-removing technology, with a bacteria removal rate up to 99.99%, ensuring the safety and health of food materials.



Ultra-thin built-in four-door refrigerator

Creating barrier-free products

We prioritise the health of customers, including those with disabilities and the elderly. We continue to promote the research and development of technology barrier-free products. Our goal is provide convenient and accessible product experience for different user groups. From the perspective of graphic display, audio protection, interactive operation and emergency application, we have introduced product aging design in all aspects of OneTouch 5G button key smartphone products, equipped with system interface with large screen and large fonts, high adaptability, dual interaction between the touch screen and large buttons, customized SOS button to meet the needs of emergencies, frequently used functions/services with one-touch direct access, 300% volume/long battery life and other features. It also provides a charger accessory that is easy to charge and not easy to lose. The design of complete machine has passed the aging requirements of the Ministry of Industry and Information Technology and China Mobile Terminal Company, which effectively solves the difficulties of the elderly in the use of intelligent terminal products.

In 2023, TCL Electronics launched TCL Care, the industry's first TV care solution, and won the IDEA US Industrial Design Award - Silver Award. The plan targets all people including disadvantaged groups and elderly and young groups with restricted activities. Combined with TCL's new technology solutions, TCL Electronics provides endless care for users with physical disabilities or obstacles when watching smart TVs.

TV assistive & sound field adaptive function

Based on the user's age, gender, hearing status and other factors, combined with the user's use habits and preferences, the voice is personalised adjusted and optimised.

TV barrier-free colour system

Through the international barrier-free standard (WCAG 2.0), the contrast between colour and text on TV is standardised to create a good visual experience for the visually impaired.

Geriatric-oriented RTV

Starting from the perspective of the elderly, we can effectively experience the different needs of the elderly, solve the problems of "no finding, unclear view, no understanding and difficult to operate" of daily TV viewing by the elderly users, and help the elderly people with physical and mental disabilities to the greatest extent, to provide them with the convenience as much as possible for their daily life.



TCL Care TV UX Design

Social Impact Design - 2023 IDEA SILVER AWARD



TCL Care was awarded with Silver Award of IDEA

Adhering to product responsibility

Product quality control is the foundation of corporate development. TCL Industries continues to optimise the quality control system, ensuring the quality control of the whole lifecycle of its products. Safety risks and the risk control of the use of hazardous substances are integrated into the whole product lifecycle process. The Company is committed to providing users with safe and harmless high-quality products.

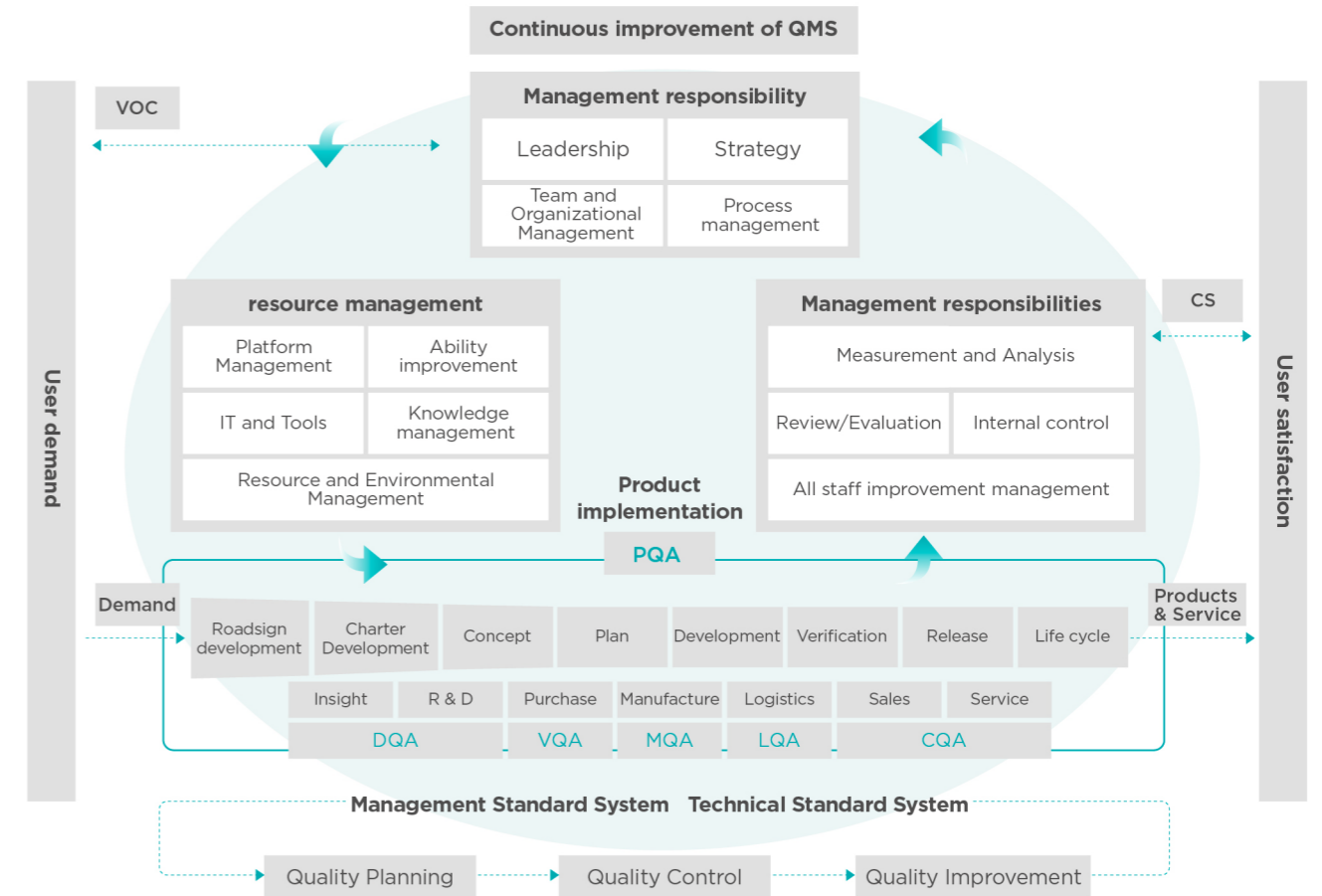
Improving product quality

Guided by the strategy of user needs and satisfaction and with adherence to the quality vision of “Creating value for users and making TCL synonymous with excellent quality” and the quality policy of “User First, Prevention First, Do it Right at Once, Continuous Improvement”, we are oriented to meet the needs of users and aim to improve their satisfaction, and have constructed a preventive quality management system of TCL Industries which focuses on customers, integrates quality standards and rules into business processes, and builds quality assurance capability into business organizations.

Continuous improvement of quality control processes and systems

We have established an end-to-end quality management system centered on users, including R&D, parts/materials, production, delivery, after-sales service, etc, and carry out quality synergy and management innovation throughout the life cycle, value chain, and industry chain to continuously improve the quality of our products and services. Through quality strategic planning, we carry out quality strategic goal setting, core strategy and key action plan development, basic capacity building and resource support required for the strategy realization process to ensure the achievement of quality goals; through the IPD-based integrated development, intelligent manufacturing, and intelligent service systems, we have established a smart service system, construction of a digital quality management system, and promote the digitization and intelligence of quality management activities, and implement risk prevention management through tools such as DfX and FMEA, in order to enhance the organization’s ability to do the right thing at once, ensuring the quality level of our products and services; On the other hand, we continuously improve our measurement and improvement system, monitoring, analyzing, and improving quality data and performance; By conducting regular strategic reviews and evaluating the maturity model of the quality system, continuously optimizing quality management strategies, addressing strengths and weaknesses, and continuously improving quality management capabilities.

In 2023, we have built the quality maturity model 1.0 of TCL Industries. Focusing on the seven dimensions of “leadership, quality strategy, user-centred, process quality, strategy and improvement, quality foundation, and quality culture”, we conducted maturity analysis of quality system on a number of business units. The analysis identified opportunities for improvement in areas such as “process quality, measurement and improvement”. In response, we have formulated 52 targeted improvement measures aimed at increasing the level and capability of refined quality control.



Product quality control process of TCL Industries

Implement managing the economics of quality

In 2023, we have established and improved the quality cost management mechanism of TCL Industries with a focus on quick-win special programmes, including the development of a quality cost data collection system, product quality improvement and service cost reduction and efficiency improvement, as well as the establishment of a comprehensive analysis, control and improvement of quality costs, in order to achieve digital and standardized management of TCL Industries’ quality costs and effectively reduce quality failure costs.

Key Performance

TCL Industries’ external cost of failure ratio reached an improvement of

10%

year-over-year in 2023

Carry out quality culture activities

Quality culture is one of the core competitiveness of enterprises. A good quality culture is of great significance for improving product and service quality, reducing enterprise costs, enhancing team cooperation, and shaping enterprise reputation. In 2023, TCL Industries carried out the construction of a quality culture with the theme of "User First, Do it Right at Once", and comprehensively deepened employees' awareness of quality control through organising activities such as "Quality Story Competition", "QCC Quality Improvement Presentation", "Quality Knowledge Competition" and "Listen to the Voice of Users".

Key Performance

Held **4** quality culture series activities, covering **40,000⁺** employees and **30⁺** end users in the market

Case Air Conditioning User Experience Day activity

In 2023, we carried out the Air Conditioning User Experience Day activity, invited users to visit the product exhibition hall, quality laboratory, and intelligent manufacturing workshop in the factory of TCL Air Conditioners (Wuhan), so that users could fully understand the advanced technology of TCL Air Conditioner in intelligent manufacturing and enhance trust furtherly; Meanwhile, we carried out attribute sharing with the theme of "Quality Management and User Experience" accompanied by interviews and interactions, gained a deeper understanding of customer feedback on products of TCL Air Conditioner, suggestions for product and service, and expectations for future products, in order to effectively improve product quality and user experience.



Users were visiting and experiencing TCL's full-scene smart life

Case DFX management experience-sharing activity

DFx (Design For x), on the other hand, is an important part of product design input. In order to enhance the breadth and depth of DFx business in each industry, the Supply Chain and Quality & Safety Center of TCL Industries organized DFx business and quality personnel from each business units to participate in DFx management experience-sharing activity in 2023. Relevant personnel demonstrated the excellent experience in DFx development process and mechanism, DFx maturity evaluation and DFx development results of each business units, and exchanged and discussed the establishment of functional organizations, assessment indicators and other issues, to further improve the DFx management system, and to contribute to the enhancement of products' quality of the Company.



TCL Industries' DFx management experience-sharing activity in 2023

🕒 Safeguarding product safety

TCL Industries strictly abides by the laws and regulations concerning product safety and domestic and international standards. We focus on controlling product safety risks throughout the entire process of product design, development, production, marketing, and after-sales. The safety, energy efficiency and electromagnetic compatibility laboratory under TCL Electronics has been accredited by China National Accreditation Service for Conformity Assessment. The laboratory has continuously improved the scope of its testing capabilities and established a sound quality and safety management system in accordance with the international standard ISO/IEC 17025 *General Requirements for the Competence of Testing and Calibration Laboratories*. Our air-conditioning business division continues to improve the process management standard documents. The documents stipulates the technical parameters, technical operation methods and control standards to be implemented in various production processes. This ensures the compliance and safety of new processes, new technologies and new materials. TCL Photovoltaic Technology focuses on the procurement of inverters, grid connexion boxes and assembly parts and components from suppliers that have obtained the product certification of China Quality Certification Centre. This ensures the safe and stable operation of the photovoltaic power generation business.

For battery safety, all products and safety devices of TCL Electronics strictly abide by national standards and safety standards of overseas operating locations. Mobile communication products are equipped with material safety data sheets ("MSDS"), and a strict battery supplier access review process and battery supplier production line review process are established to establish a fixed TCL communication product line to eliminate unsafe factors from the source. Furthermore, we have established a supplier capacity map based on the process, equipment status and R&D capabilities of each supplier. This allows us to identify markets and customers with compliant supply based on the map.

Strictly control the use of chemicals

We strictly abide by the European Union RoHS⁴, REACH⁵, Prop65⁶, POPs⁷Convention and other hazardous substance management standards. We regularly update the Chemical List in accordance with the requirements of relevant laws and regulations. We have also established internal management systems such as *the Regulations on the Management of Dangerous Goods* to ensure compliance. We maintain strict control the procurement, transportation, storage, handling and use of various chemicals within our operations. We actively promote the replacement of controversial substances and emergency response management to avoid the harm and pollution of products to the human body and the environment.

Key Performance

Some of our subsidiaries have passed the **IECQ-QC 080000** hazardous substance process management system certification, and completed the **RoHS** and **REACH** testing certification in accordance with laws and regulations and customers' special requirements for products



⁴RoHS Directive: *Restriction of Hazardous Substances*, which restricts the use of 10 hazardous substances, namely lead, cadmium, mercury, hexavalent chromium, polybrominated biphenyls, polybrominated diphenyl ether, bis (2-ethylhexyl) phthalate, benzyl butyl phthalate, dibutyl phthalate and diisobutyl phthalate.

⁵REACH: *Registration, Evaluation, Authorisation and Restriction of Chemicals* is the regulation of the European Union for the precautionary management of all chemicals entering its market.

⁶Prop65: *Proposition 65, officially known as the Safe Drinking Water and Toxic Enforcement Act of 1986*, which is used to test chemical substances such as lead, cadmium, phthalates and BPA in products.

⁷POPs: Persistent Organic Pollutants, refer to *the Stockholm Convention on Persistent Organic Pollutants*.

Improve the level of chemical management

To ensure compliance and safety in handling of regulated chemicals, we maintain stringent implementation of operation procedures. These procedures include maintaining a ledger for recording the entry and exit of chemicals, registering labels for receiving and using chemicals and establishing emergency protocols for disposal. We have set up special storage areas for chemicals and assigned trained management specifically responsible for chemical management. Furthermore, we have formulated strict hazardous chemicals import certification and safety assessment management processes. Special tools are used during transportation, packaging, setting and operational processes and daily inspections and safety inspections are carried out to reduce the risk of hazardous chemicals use.

We have formulated emergency response plans for chemical safety incidents and conduct regular safety hazard and safety production inspections. We continuously strive to improve our management practices. According to the *Regulations on the Management Regulations on Staffs in Special Positions*, we provide safety training to employees exposed to hazardous chemicals and allocate various protective equipment required for operations. We also conduct emergency drills for chemical leakage every year to improve employees' safety awareness and emergency response capabilities.

Substitute controversial chemicals

We continue to pay attention to the potential adverse impact of chemicals used in the production process and proactively seek alternatives to reduce and eliminate the use of controversial chemicals. We reduce the use of Freon in air-conditioning products and continue to promote the use of more environmentally-friendly refrigerants for technical improvement. For example, we use new environmentally friendly R454B refrigerants to replace R410A refrigerants and have phased out R22 refrigerants, promoting the use of more environmentally-friendly and biosafe chemicals.

Management of hazardous substances in supply chain

We maintain strict control of hazardous substances in the supply chain. This involves continuously sorting out the updated unified standards for hazardous substances in the Company's domestic and overseas operations. These updated standards are published on the news platform to ensure that all business units clearly follow up and comply with relevant standards. Moreover, we identify, manage and test the raw materials provided by suppliers. We classify the materials into medium, high and low risk levels for risk control to reduce the risk of hazardous substances in products.

Key Performance

100% of suppliers of TCL Industries are qualified for hazardous substances free (HSF) in raw materials

Excellent user experience

TCL Industries has always adhered to the core concept of “putting customers first”. We attach great importance to every feedback from users and regard user demands as the key to improving the quality of products and service.

Management for customer experience

TCL Industries attaches great importance to the management for customer experience and is 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 in uencer review projects, thematical 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.

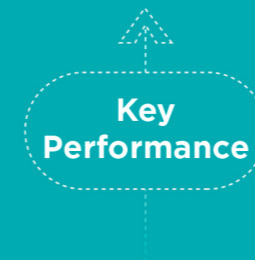
We pay close attention to the Net Promoter Score (“NPS”) and have developed the NPS Closed-loop Management Process Specification. Our evaluation index structure is based on three dimensions: product experience, channel experience, and service experience. We regularly collect and analyse user opinions on a sampling basis every month. Negative feedback is particularly addressed, and improvement measures are proposed to address any identified issues. These measures aim to improve the whole-process of customer evaluation management system from design to sales.

Standardize service management

TCL Industries continues to improve internal systems such as *the User Satisfaction Management Standards and process documents such as the Full-category User & Customer Complaint Resolution Mechanism and Colour TV User Defect Replacement Process*. These efforts aim to standardise the management of customer service process and product maintenance mechanism. User satisfaction, complaint rate and processing efficiency are incorporated into the assessment of service platform personnel and service provider engineers to effectively manage and improve service quality.

In response to user reminders and complaints, we monitor and continuously improve the seven-step closed-loop management process covering collection, classification, investigation, disposal, effect evaluation and filing, and set up an intervention platform in the service system to upgrade or deal with abnormal situations in the follow-up process.

In 2023, we integrated the Company’s service functional departments and operation platforms. This integration led to the establishment of the Global Service Centre, which is responsible for coordinating the management of global service policies, standard requirements, service processes and information databases. The Global Service Centre is crucial in formulating global full-category user service insights and global service strategies. It also takes on important duties such as promoting service digitisation, building a global service indicator system and training system, and planning the global call centre. These measures provide strong support for the improvement of regional management and service capabilities of each category.



- The customer complaint handling rate was **100%**
- After-sales service satisfaction score was **97.0%**
- A total of **980** training sessions were conducted for customer service personnel, with a total of **1,080** training hours and **11,665** participants

Optimising service quality

TCL Industries attaches great importance to improving customer satisfaction and is committed to further optimizing service quality and improving user experience through measures such as expanding communication channels, customizing professional services, and conducting satisfaction surveys.

Expanding communication channels

We provide users with a variety of feedback and complaint channels, and have expanded social media channels such as Weibo, Xiaohongshu, Toutiao, Video Accounts and Douyin. These channels complement our existing channels such as the original hotline, TCL official website, e-commerce, official mailbox and TV application’s built-in direct customer service jump link.

After the overall voice collection and sorting from all channels, we would apply the voice intelligent analysis platform to analyse user demands. This analysis is then integrated with the USS storage repair module, QMC and other maintenance system platforms. Through this integration, we automate the dispatch of workers, building a closed-loop management system for the entire process. The intelligent analysis system connects with the management system and automatically dispatches workers to further improve the customer service level.



Professional service guarantee

We continuously optimise product experience for users. In 2023, we introduced the order reminder/complaint function, which enables users to easily communicate their needs to our front-line engineers with one click. This process helps improve the efficiency and timeliness of our services. Furthermore, we have expanded online services to include installation package services, ensuring users with a seamless consumer experience. We have also launched the nationwide application of unified collection and payment. This includes the process of collecting relevant service fees from users in the Company's overall management. With this approach, we enable direct application of user charging discounts on the system, ensuring transparency of charging items and standards.

Key Performance

In 2023, the cumulative service absolute NPS of all our products was **81.63%**, representing a year-on-year increase of **7.1%**

Among our products:

- Smart screen products reached **80.86%**, representing a year-on-year increase of **9.4%**
- Air conditioning products reached **82.1%**, representing a year-on-year increase of **3.1%**
- Refrigerator products reached **81.78%**, representing a year-on-year increase of **4.3%**
- Washing machine products reached **84.62%**, representing a year-on-year increase of **2.6%**
- Smart door lock products reached **79.31%**, representing a year-on-year increase of **7.8%**

Pay attention to privacy and information security

TCL Industries places great importance on data and privacy security. We have established a robust information security management mechanism, and consistently enhance our technical capabilities in the field of information security to effectively safeguard the information security of users, employees, and the Company.

Systematic data and privacy management mechanism

TCL Industries strictly abides by applicable data and privacy protection laws and regulations worldwide. We formulate and implement management documents such as *the Information Security and Privacy Management Manual, Privacy Management Policy, Organisational Structure and Function of the Information Security and Privacy Management System, Privacy Incident Emergency Response Process, Information Security Incident Handling Process, and Data Subject Rights Response Process*. By building a top-down information security and privacy management structure, we integrate data and privacy protection requirements and information security management into relevant business processes. We have created a unified online management platform covering the whole process of product R&D, highly automated integration to emphasise security and business collaboration, building a strong information security management system.

The Executive Committee of TCL Industries is the highest decision-making organization for the company's privacy management, and the Privacy Management Working Group of TCL Industries is set up under it, which is responsible for organizing and supervising the privacy protection work carried out by each department.

Key Performance

- Shenzhen TCL New Technology Company Limited, TCL King Electrical Appliances (Huizhou) Co., Ltd., TCL Communication, JRD Communication (Shenzhen)Ltd., and Huizhou TCL Mobile Communication Co., Ltd. have obtained the ISO 27001 information security management system certification and ISO 27701 privacy information management system certification
- The TCL Intelligent IoT platform system and TCL Nebula integrated platform system of Shenzhen TCL New Technology Company Limited passed the Evaluation of Cybersecurity Protection Level III by Shenzhen NST Technology Co, Ltd
- TCL Smart Terminal Security Laboratory was awarded the title of the first Joint Laboratory for Smart Terminal Security Testing in Greater China by TÜV
- Pan Smart Screen Business Unit of TCL Electronics has passed the product network security TÜV certification
- Pan Smart Screen Business Unit and Communications Business Unit of TCL Electronics have completed the TrustArc privacy certification
- TV Q650G became the world's first TV brand recognised by ANSI/CAN/UL 2900-1⁸ and Intertek Cyber Assured Programme⁹ cybersecurity standards
- RT51 TV obtained the ETSI/EN 303645 IoT information security certification of TÜV Rheinland

⁸ ANSI/CAN/UL 2900-1 is a common standard for software network security for conventional networking products and has been designated as a national standard in the United States and a national standard in Canada.

⁹ Intertek Cyber Assured certification is a cybersecurity testing and certification program launched by Intertek for consumer internet-enabled products based on the General Standards for Cybersecurity ETSI EN 303645 and SB 327.

Strengthening construction of privacy and information security

TCL Industries continues to pay attention to the latest applicable laws, regulations and industry practises. We diligently review and enhance our internal privacy protection measures accordingly. We have also strengthened the construction of product privacy characteristics and information security culture by improving the awareness of prevention among all employees and adhered to the bottom line of security in all aspects.

Improve the safety incident handling process

To effectively implement information security incident management, we have established an information security management organisation and IT service desk. These entities operate in accordance with the information security incident handling process. We have also set up a special information security incident handling team to implement classified and hierarchical management jointly with the Legal and Compliance Department, the Audit Department and other functional departments.

In response to privacy incidents, we have formulated *the Privacy Incident Emergency Response Process* to standardise the privacy incident handling process. In the event of a privacy security incident, the designated recipient shall organise meetings or communications timely with relevant personnel in accordance with legal requirements after receiving the report. A temporary task force for incident response will be established to guide the investigation, emergency response and evidence preservation. This approach ensures the proper resolution of the issue.

Privacy evaluation and system improvement

We have built a safety and compliance evaluation management platform to carry out business security and privacy assessment, testing and improvement, and to achieve continuous and effective monitoring, early warning and remediation of security threat vulnerabilities and privacy risks. We conduct annual audits and inspections on the implementation of privacy protection within the department in accordance with *the Privacy Management Internal Audit Process* to understand the system operation efficiency, control effectiveness and implementation. Based on the actual work needs and conditions, we carry out special assessments or audits on privacy management. For suppliers, we conduct the privacy and security assessment and testing at the introduction, procurement and contract signing stage. When cooperating with suppliers that have passed the privacy and security assessment, depending on the scenario, we need to sign *the Business Confidentiality Agreement and Data Processing Agreement*, or related clauses to ensure that they meet the company's data and privacy protection requirements.

To further support the development of daily privacy assessment, we utilise various tools such as Privacy Impact Assessment ("PIA") and Security Impact Assessment ("SIA"). These assessment tools help us to improve the accuracy and timeliness of the assessment results. In addition, our TCL Global Security Emergency Response Centre actively collaborates with security researchers to address various security issues raised by users and enthusiasts in the industry. We encourage security enthusiasts to report any discovered security vulnerabilities to us through designated channels, including establishment of heroes and gift exchange programmes. This approach helps the Company to improve its security service level.



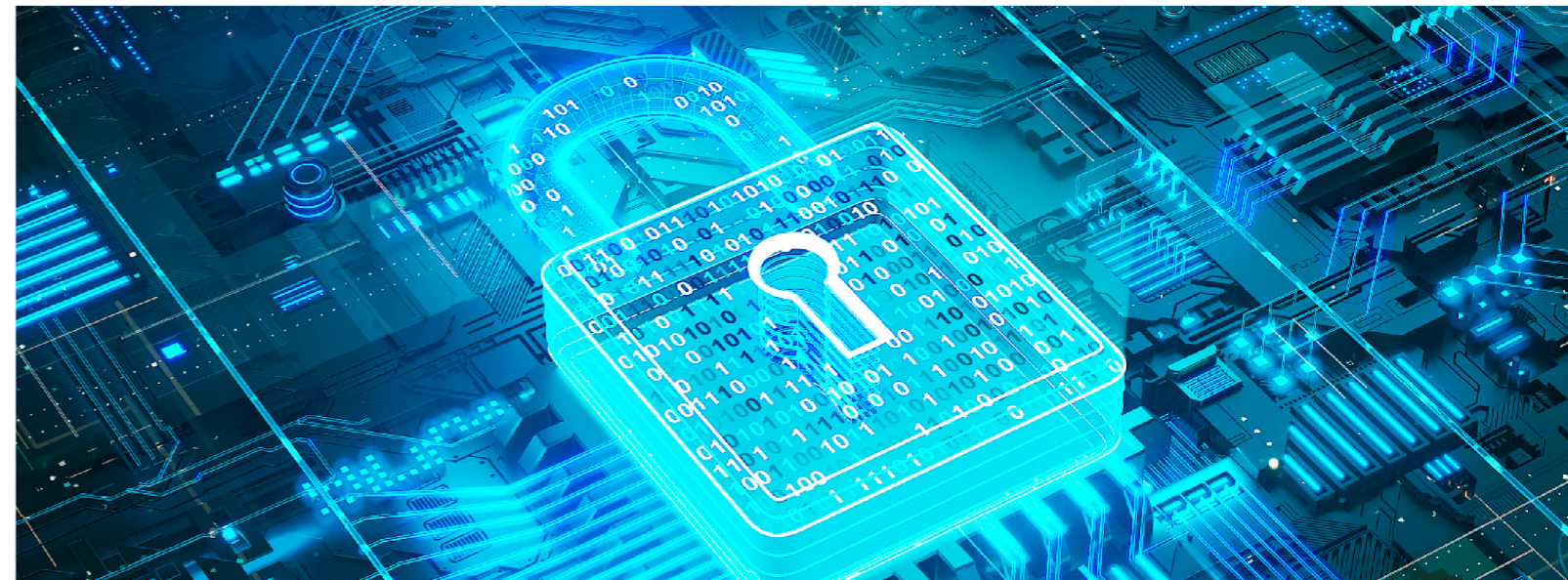
In 2023, in accordance with the requirements of the information security and privacy management system and relevant laws and regulations, we conducted internal audits on information security and privacy management for business units, formulated corrective measures for any issues found, and urged relevant departments to make improvements

Optimizing product cybersecurity management

We continue to improve the privacy functions of relevant products according to the needs of network security in different countries and regions. Prior to the launch of a product, we will conduct a series of privacy security and security compliance assessments. The assessment is to ensure that the products have security protection capabilities and its content includes source code defects, vulnerability scanning, manual source code logic review, black box testing, compliance standard satisfaction, data encryption, etc.

Continuously strengthening privacy protection and information security awareness of all employees

We widely publicize the importance of privacy protection and information security, and conduct training and awareness-raising at different levels. We continue to carry out security technology and privacy specialist training camps within the Company to analyse and summarise the risks of information security and privacy violations throughout the operation and product lifecycle. The aim is to improve the security management capabilities of our professionals. We carry out regular measures such as induction training for new employees and phishing email drills within the Company to raise awareness and preparedness within the Company. We disseminate information security and privacy compliance knowledge through various channels, including email, Tlink, posters and videos to strengthen the Company's overall awareness of privacy protection and information security.



© Respect and protect user privacy

TCL Industries respects the privacy of every user and is committed to protecting users' information and privacy with technological innovation. To further protect the legitimate rights and interests of users, we have set up the "TCL Privacy" introduction page on the Company's official website to provide information about TCL's policies for safeguarding user privacy, product security and privacy characteristics design. We also highlight any relevant certifications we obtained.

In addition, we continue to optimise the privacy control design of our products and application services to ensure that users can adjust their privacy choices through clear pictures and simple and fast operations so that privacy control is convenient, autonomous, and controllable.



Privacy design	Corresponding functions
Controllable application permissions	Users can control the permission of application adjustment on the smart screen through the "control centre" on a one-stop basis, manage the application to automatically start or associate, and check the access record of the application to sensitive permissions.
Personalised recommendation services	Users can choose to start or close the "personalised recommendation" service at any time and will not recommend personalised content to users based on their interests and preferences after the closure.
Photo status continuous reminder	When the user opens the camera, the product will be "lights" to make the user clearly perceive the start status of the camera.
User experience improvement plan	After obtaining the explicit consent of users, we will continue to improve the quality of products and services by collecting information related to equipment, systems, network connexion and product use.

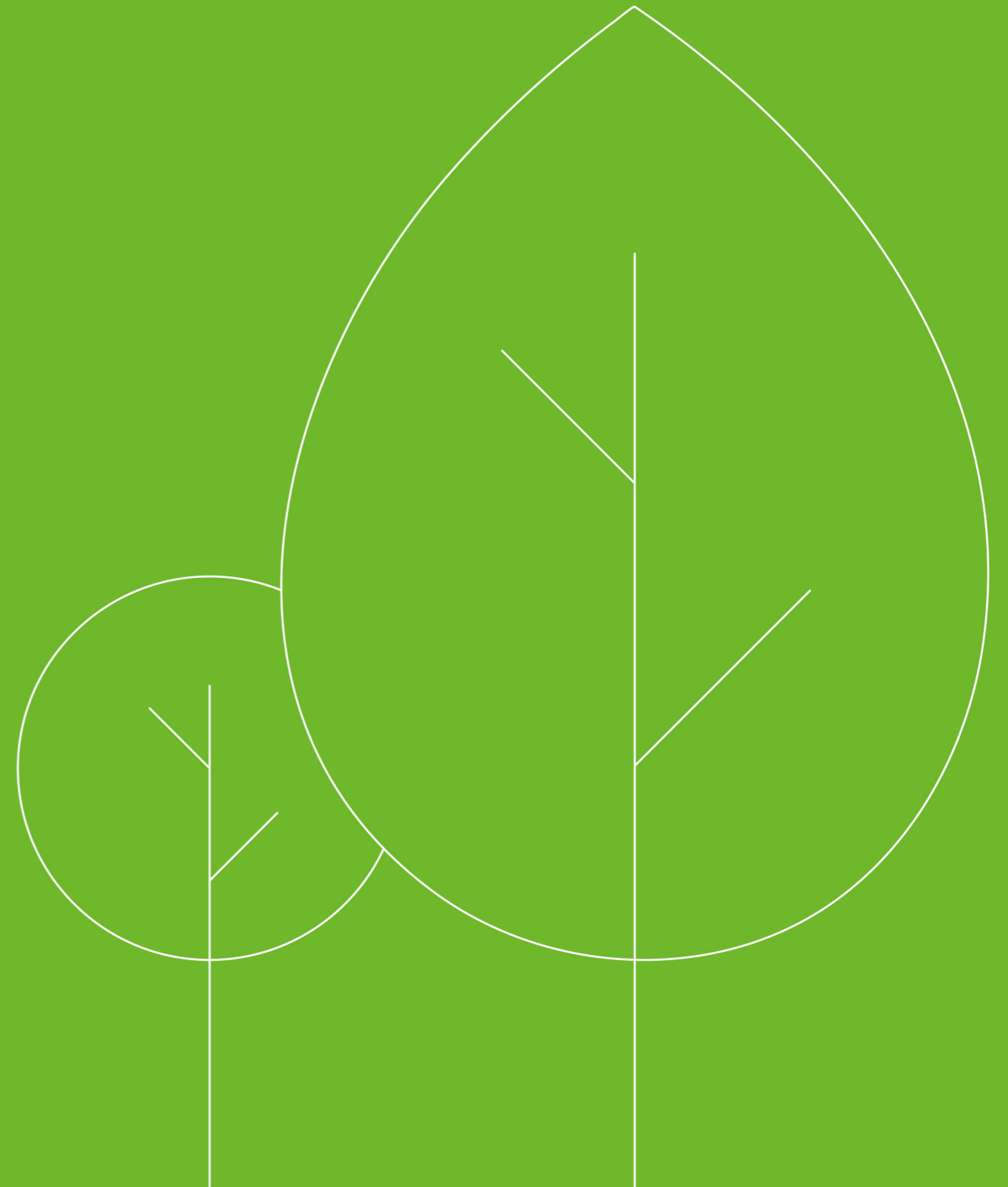
Privacy design and corresponding functions of TCL smart screen products

07

Environment

Environmentally-Friendly and Creating a Sustainable Future

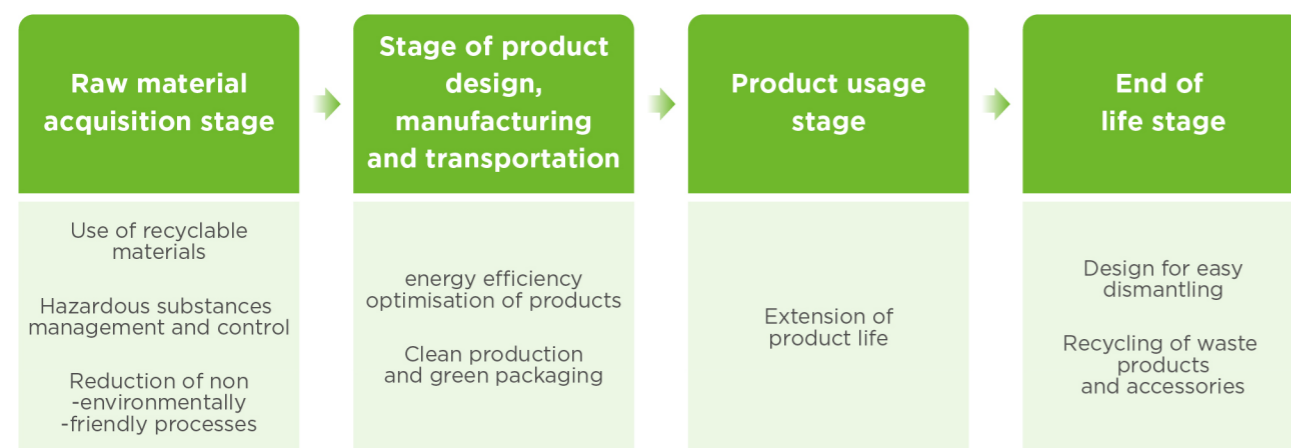
TCL Industries firmly believes that green and low-carbon transformation is the only way for sustainable development. We always adhere to the concept of green development, and actively adopt environmentally-friendly materials and technologies for creating green and low-carbon products. Simultaneously, we also focus on improving the efficiency of resource utilisation, reducing the generation and discharge of waste, promoting an environmentally friendly, low-carbon lifestyle and contributing to environmental protection for a better future.



Creating green products

We are committed to creating environmentally-friendly, energy-saving and durable green products by applying the green concept throughout the product lifecycle, from R&D, production, packaging and transportation. We strictly follow the internal regulations such as *the Packaging Technology Roadmap and Strategies*, *the Specification Requirements in Pan Smart Screen Business Unit R&D Strategic Route*, and *the Structural Design Specification*, etc. Through the selection of environmentally-friendly materials, the launch of energy-saving and durable products, the optimisation of packaging and promotion of green logistics, we aim to convey the value of green consumption to customers. By doing so, we will work together to promote green development.

Products lifecycle management



Key Performance

In 2023, a total of **785** product models under TCL Industries have been awarded the **“China Energy Conservation Product Certification”** issued by China Quality Certification Center.

Choosing environmentally-friendly materials

To ensure provision of green products, we prioritise to using harmless and recyclable materials. We also incorporate environmentally-protection technologies into our production processes. Meanwhile, we maintain strict control over the use of hazardous substances within the production and supply chain to avoid pollution to the environment.

Use of harmless or less-harmful materials

We conduct in-depth research on the performance and characteristics of various environmentally-friendly materials. We widely adopt reusable engineering plastics and metals, and environmentally-friendly paint and straw to ensure that they meet the product quality requirements and environmental protection standards.

Promoting environmental-friendly process

We actively adopt hot stamping, non-spray plastic and advanced injection moulding techniques to avoid the post-processing steps that have a negative impact on the environment such as electroplating and spraying. For plastic products, we adopt the extrusion moulding, enabling continuous production for processes such as feeding, melting, and plasticising, extrusion moulding, shaping, and cooling to improve the mould utilisation and product manufacturing efficiency.

Control of hazardous substances

We have established a strict hazardous substance management system in accordance with internal systems such as the *Standards for Restricted Substances* and *the Procedures for Control of Restricted Substances*. From the procurement of raw materials to the production process, we strictly monitor the content of hazardous substances in products, fully complying with the requirements of the international directives and regulations to provide customers with safer and more environmentally-friendly products.

- Raw material control

According to *the Supplier Quality control Regulations*, we require suppliers to provide *the Quality Agreement* that abides by the management of hazardous substances and the commitment to control hazardous substances. At the same time, suppliers are required to provide third-party testing reports that meet the standards for the control of hazardous substances. In addition, we identify and control the use of hazardous substances in the supply chain in accordance with *the Project Environmental Protection Control Procedures*. We establish a green product management (“GPM”) system project and a survey system for hazardous substances in the supply chain of all products to manage and test the raw material control of suppliers, and promote suppliers to submit hazardous substance testreports.

- Production control

We have established enterprise standards for the control of hazardous substances such as *the Regulations on the Management of Air Conditioners Implementing Hazardous Substances Free* and *the Regulations on the Management of RoHS Material Testing and Unqualified Disposal*. We follow the principle of non-toxic as a substitute for low-toxic and low-toxic as a substitute for high-toxic, and strictly control the use of hazardous substances such as lead, mercury, cadmium, and hexavalent chromium. Simultaneously, we have set up an internal physical and chemical laboratory to regularly conduct RoHS testing on sample confirmation of incoming materials. We also ensure that the raw and auxiliary materials involved in product design and development, manufacturing and assembly, installation, service and other processes are in full compliance with international directives and regulatory requirements such as RoHS and REACH.

Applying energy-saving technologies

TCL Industries continuously optimises product design, by advanced energy-saving technologies and efficient energy utilisation solutions, such as intelligent control systems and algorithms, striving to achieve lower energy consumption and better energy efficiency performance while meeting the performance needs of products.

Better energy efficiency performance

To pursue better energy efficiency of products, we have built a joint laboratory with industry partners to jointly carry out the research and develop cutting-edge AI energy-saving technologies. An example is the TCL Little Blue Wing P7 fresh air conditioner released in 2023, through AI energy-saving algorithms, and light MCURISC-V computing for model training and optimisation, realizing the annual energy consumption efficiency exceeding the national standard by 10%, translating to a 40% energy saving rate.

More autonomous energy-saving control

Through the incorporation of energy-saving technology in heat pump operation, TCL Air Conditioner, a subsidiary of TCL Industries, has achieved the comprehensive energy-saving control. The includes the identification and self-searching of large thermal indolent loads as well as the implementation of joint control for heat pump refrigerant/water. The relevant energy conservation technology has reached the international leading level in the scientific and technological achievement appraisal organised by the China National Light Industry Council. Furthermore, the split-type variable-frequency room air-conditioner has obtained the certificate of CVC6002-2022 "CoC Mark Certification for Implementation Rules Room Air-Conditioner Low Carbon Product".



TCL air conditioner performance excellence certification

Producing durable products

TCL Industries strives to create environmentally-friendly and durable products. By carefully selecting durable materials, carrying out strict reliability tests, continuously upgrading the system experience of products, and providing convenient maintenance services, the product life would be extended. This helps to reduce unnecessary product waste and contribute to environmental protection.

Choosing durable materials

To achieve the long-term durability of our products, we have established long-term collaborative relationships with global leading suppliers and industry partners to source high-quality raw materials that have been strictly screened. Furthermore, we actively develop new environmentally-friendly and durable materials. In 2023, TCL Smart Home, a subsidiary of TCL Industries, and Wanhua Chemical Group jointly built the TCL-Huaxin Materials Joint Innovation Centre to develop new thermal insulation materials for home appliances as well as other green polymer materials technologies to improve the stability and high environmental friendliness of products in long-term use.

Conducting reliability test

We have carried out strict and comprehensive reliability tests, covering various scenarios such as free drop, high and low temperature, salt spray corrosion and wear resistance. We use advanced testing equipment and automation systems to comprehensively evaluate the performance, structure, and safety of products, ensuring its reliability and safety in any environment.

Upgrading the smooth system experience

We continuously upgrade product systems to reduce unnecessary computing and memory occupation by optimising the system's algorithm and code structure, which enhances the system's response speed. At the same time, we also actively explore more friendly user interface (UI) design. By providing intuitive and concise operation pages, we aim to provide with an enjoyable and seamless user experience, reducing the frequency of product replacement and unnecessary waste.

Providing convenient maintenance service

To provide comprehensive support for our customers, we have established a global product maintenance service network. We actively encourage users to utilise our maintenance service for their products. Customers can easily access these services through various channels, including our official website, "TCL"APP or "TCL official service" WeChat official account. We offer multiple options for maintenance service, including door-to-door service and repair service by delivery. By providing accessible maintenance services, we aim to reduce waste caused by premature elimination of products. We provide customers with a more economical and environmentally-friendly choice.

🌱 Promoting green packaging

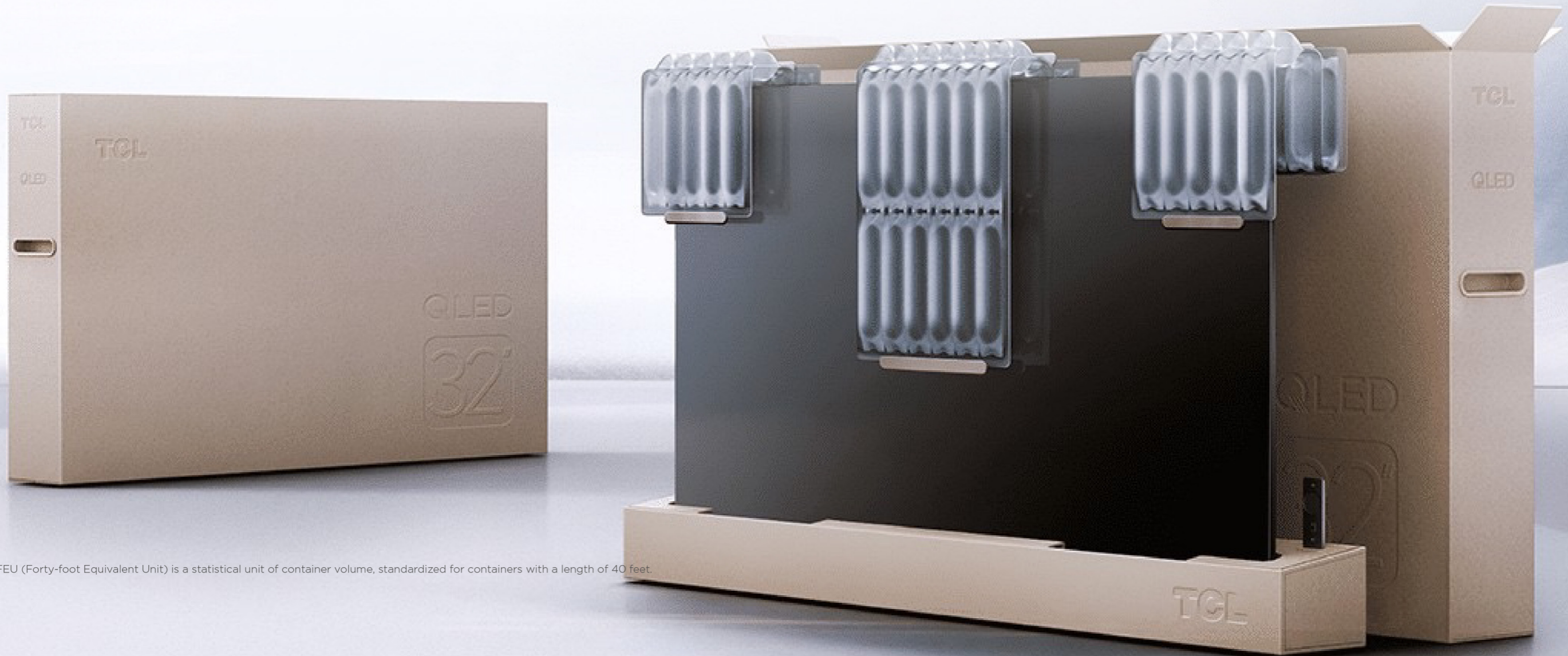
TCL Industries has established a special team for green product packaging design and has promoted green packaging with the help of strategies such as technological upgrading and recycling, giving priority to environmentally-friendly materials. We also encourage customers to participate in circular actions, making every effort to reduce the waste and to maximise the use of resources.

Green packaging

We actively develop a variety of alternative solutions such as honeycomb paper-based packaging, paper film packaging, biodegradable bags, water-based ink, and soybean ink made of recycled materials. Meanwhile, we promote the application of healthier, more environmentally-friendly and recyclable expandable polyethylene (EPE) materials, paper packaging materials certified by the Forest Stewardship Council (FSC), ABS recyclable plastic and other environmentally-friendly materials. In 2023, some projects of TCL Industries have implemented a ban or 100% recyclable on plastic packaging. In future, we will continue to expand the scope of products covered by plastic banned packaging. In 2023, we have been recognized by the Industrial Design Excellence Award (IDEA) in the United States for our “air environment-friendly packaging” using inflatable film from ocean-bound plastic, which also offer users a more economical and environmentally friendly solution.

Lightweight packaging

To promote the design of packaging reduction, we have implemented measures such as downsizing the packaging boxes, reducing the number of pages of product instructions and adopting thin materials around the world. By reducing the weight and volume of packaging, effectively decreasing the use of packaging materials. In 2023, in the “Container Loading Rate Enhancement” project, we have carried out packaging design innovation and iterative optimization work from the perspective of lightweight packaging design. With a series of product packaging technology upgrades, we enhanced the container loading rate to 87%, saving the loading volume of 846F¹⁰, thus improving the efficiency of product transportation and reducing the carbon emission in the process of transportation.



¹⁰ FEU (Forty-foot Equivalent Unit) is a statistical unit of container volume, standardized for containers with a length of 40 feet.

TCL Communication and Pan Smart Screen Business Unit promote packaging design innovation and technology iteration optimization

Designing specification for embedded honeycomb panel of TV set 75 inches and below, reducing packaging thickness by 15mm;

Calculating of EPS buffer and considering backplane elasticity characteristics,TCL's TV packaging volume is significantly lower than that of the same grade products;

Defining 5 types of mantissa packaging mode of the whole bulk assembly plants to reduce packaging waste;

Implementing the packaging scheme of large format packaging solution using assembly-small-size packaging, saving 298F containers;

Iterating template decks to sliders can increase loading rates by up to 50%;

Standardizing outer packaging size, optimizing packaging height with an increase of 9% according to shipping card size to improve loading rate.

Packaging recycling

We have formulated and implemented internal documents such as *the Design Specification for Recyclable Packaging Signs* to regulate the recyclable labels of TCL's product packaging. We also continuously promote the recycling of packaging in internal production and external supply chains.

- During the production process, we take the initiative to use recyclable material boxes/frames, standardised distribution of industrial trucks, and recyclable protective films as protective tools for process products.
- During the supply chain process, we also require suppliers to deliver recyclable materials, such as reusable material boxes/frames, standardised distribution of industrial trucks, recyclable dust cloth, film mats, etc.

① Promoting recycling

TCL Industries actively undertakes the obligation of extended producer responsibility by prioritising easy disassembly of products in the product design stage. We also continue to promote the reuse of resources through actively carrying out trade-in activities, striving to reduce the generation and discharge of electronic waste.

Adopting the easy-dismantling design

We consider the dismantling, reuse, and recycling of materials in advance when designing, by strictly abiding the recyclable index of the *WEEE Directive*¹¹ of the European Union. For the connexion between the surface shell of the smart screen and the iron backplane, and the fixed between the plastic frame and the backplane, we use the buckle structure instead of screw fixation to facilitate the disassembly and recycling of products when scrapping.

Conducting trade-in

We continue to improve the home appliance recycling system, building an after-sales service recycling information system that covers the front-end to the back-end of TCL Environmental Technology's own disassembly and treatment. By improving the recycling information portal and sticking to the "Internet + Direct service store recycling" model, we will promote consumers to actively participate in the recycling of electronic products and improve the reuse rate of waste electronic products.

Promoting resource reuse

To recycle and reuse waste products, we sign a recycling agreement with suppliers to regularly transfer the metal resources of revolving industrial vehicles, waste equipment and spare parts to professional third-party recycling companies and non-profit organisations for reuse. We also take TCL Environmental Technology as the main entity to carry out waste electrical and electronic products recycling dismantling and reuse, waste solvents, etching fluid and other chemical products purification, recycling resource utilization, cardboard boxes and other packaging materials waste recycling business. We also set up waste battery recycling bins to compliance with regulations and facilitate the proper recycling of waste electronic products. In 2023, TCL Environmental Technology built their own 4 recycling warehouses in core areas, with a regional recycling rate of over 40%, and the company recycled and dismantled a total of approximately 4.76 million units of used home appliances, significantly increasing the recycling rate of resources, and won the "Demonstration Award for Pollution Reduction and Carbon Reduction" of Huizhou Zhongkai High-tech Zone in February 2024.



TCL Environmental Technology won the Demonstration Award for Pollution Reduction and Carbon Reduction

¹¹ The WEEE Directive refers to Directive 2012/19/EU of the European Parliament and of the Council of 4th July, 2012 on Waste Electrical and Electronic Equipment.

Exploring green logistics

We are committed to optimizing the logistics and transportation structure, actively promoting “air to sea” and “air to rail” transportation through cooperation with logistics partners such as COSCO SHIPPING and Maersk, and through precise logistics planning and coordination, we can ensure the safe and on-time arrival of goods while reducing the carbon emissions generated by products in the transportation process.

In 2023, the volume of air transport decreased by 43.87% year-on-year, while the volume of sea transport and railway transport increased by 10.96% and 227.78% respectively. By actively promoting “air to sea” and “air to rail” transportation, we have effectively reduced transport carbon emissions, highlighting our remarkable achievements in optimizing the logistics structure. At the same time, to improve transportation efficiency we use professional shipping logistics websites and other channels to obtain big data information, and through advanced logistics management software and technology,

Efficient use of resources

TCL Industries prioritises the efficient use of energy and water resources through technological innovation, management optimisation, resource utilisation efficiency and the adoption of advanced energy-saving technologies. We strictly monitor the use of energy, and strengthens the protection and conservation of water resources.

Key Performance

Most of the production subsidiaries of TCL Industries have passed the ISO 14001 environmental management system certification.

TCL King Electrical Appliances (Huizhou) Co., Ltd., Huizhou TCL Mobile Communication Co., Ltd. and Tonly Technology Holdings Limited have passed the ISO 50001 energy management system certification.

Energy management

TCL Industries strictly complies with *the Environmental Protection Law of the People's Republic of China* and has formulated internal policies such as *the Measures for the Supervision and Management of Energy Usage*, *the Energy Management Regulations*, and *the Measures for the Management of Energy Consumption of Key Machines*. These policies clarify the management responsibilities and energy consumption targets of each department. We conduct regularly carry out energy supervision and establish regional energy consumption assessment for key machines to reduce regional energy consumption. And we continuously improve the energy management system to cope with the increasingly severe environmental challenges.

We have developed and extensively promoted an enterprise dual-carbon plan. We used the energy management system to collect, analyse and regulate the data of energy-consuming equipment. Through technical upgrades, we improve the energy efficiency of high-energy-consuming equipment and eliminate high-energy-consuming and low-utilisation. We prioritise the replacement of energy-saving equipment such as servo motors and LED lighting and adopted clean energy such as photovoltaic to effectively control greenhouse gas emissions.

We not only implement energy management internally, but also actively share energy management experience and play a leading role in demonstration. In view of the pain and difficulty of energy management, Getech joined hands with TCL Air Conditioning to build an enterprise energy and carbon management system and an integrated energy and carbon management system based on the self-developed Dongzhi intelligent energy-saving platform. Based on this system, TCL Air Conditioning has carried out a series of energy-saving and emission reduction measures, and continuously optimized the management system, which has saved 10% of electricity and reduced total energy consumption and carbon emissions by about 15%. This dual-carbon practice was selected as a representative case of “New carbon management platforms, integrating energy management operations, achieve comprehensive energy savings through management and technology”, and was selected into “IDC PeerScape: China Industrial Internet Energy Conservation and Carbon Reduction Excellent Practice Insight”.

Key Performance

The proportion of clean energy use in Hefei Household Appliances reached **16%**.

Case

Application of active philtre technology

Through the implementation of active filter technology, TCL Smart Home has successfully reduced harmonic interference and voltage fluctuations in the production process, leading to improved power supply stability. Compared with the same period of 2022, the equipment failure rate was reduced by 30%. The reduction in power supply-related issues has minimised production interruption and equipment damage. The implementation has resulted in an annual electricity saving of 120,000 kWh, which is equivalent to a reduction of 68.4 tonnes of carbon dioxide emissions reduction and an annual saving of 90,000 RMB in electricity costs.

Case Using a new degreasing furnace to save energy and increase efficiency



New degreasing furnace

TCL Air Conditioners implemented the transformation project of the degreasing furnace technology. Through close collaboration with suppliers and incorporating their feedback, a double-aisle horizontal degreasing furnace was adopted. As a result of this upgrade, the production efficiency of degreasing process doubled. This led to savings in petroleum gas and electricity consumption. The Company managed to reduce petroleum gas costs by over 48% annually and lower electricity costs by more than 13%. These improvements effectively realized energy saving and enhanced equipment efficiency.

Case Promoting energy "digital intelligence" management

Tonly Technology has developed intelligent air conditioning and air pressure systems, intelligent lighting control, facial recognition, temperature and humidity monitoring systems, intelligent production and warehouse management, and online energy consumption monitoring systems, utilizing advanced technologies and concepts such as big data, cloud computing, and artificial intelligence to deeply integrate production control with new technologies and to provide powerful support for high-efficiency synergistic production and energy management.

Water resources management

TCL Industries has formulated and continuously improved *the Regulations on Water Resources Management* and *the Regulations on Water and Electricity Conservation Management*. These regulations serve as guidelines for the standardised and efficient use and management of production and domestic water in our factories. We adopt low-pressure water supply technology and cooperate with intelligent instruments for real-time monitoring. Moreover, we continue to promote the construction of water recycling systems, such as U-pipe cleaning water recycling and energy-saving water recycling of the air compressor cooling system in the power room. These initiatives enables the effective monitoring and rational utilisation of water resources.

Case Carrying out the transformation of recycled water recycling

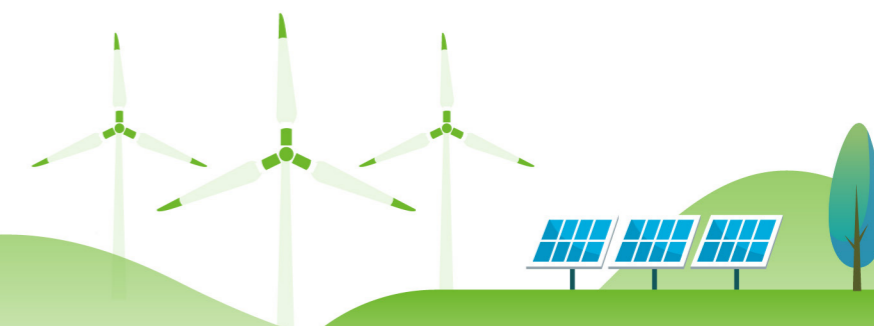
TCL Smart Home, a subsidiary of TCL Industries, has addressed the issue of large water consumption and direct discharge of washing machines by implementing a water recycling solution. Water resources are recycled for the cooling tower without compromising its existing functions and conditions of use. Furthermore, the water supply pipes have been expanded to enable connection to nearby toilets. This allows for the use of recycled water for flushing, thereby improving water resources efficiency.

Reduce pollution emissions

TCL Industries has established a sound pollutant management system, ensuring that our business activities complying with environmental protection standards. We actively work on improving the waste management system and strictly follow the classification, collection, transportation and treatment processes to ensure the compliance of pollutants. At the same time, we effectively reduce the intensity of pollutant emissions and improving production efficiency by continuously promoting green design, process optimization and process improvement. We have eliminated high energy consumption and pollution equipments, Installed pollution treatment equipment, and carried out packaging and electronic waste recycling actively in order to promote green production and minimise the negative impact of business on the environment.

Pollutant management

In strict accordance with the environmental protection requirements of the locations where we operate, we have formulated internal systems such as *the Wastewater Management System*, *the Exhaust Gas Management System*, *the Noise Management System* and *the Regulations on the Management of Sewage, Exhaust Gas Emissions and Noise Control*. We strictly manage the process of pollutant generation, recycling, and compliant disposal. We continuously monitor exhaust gas, wastewater, noise and other environmental factors in each factory to ensure that emissions align with the established standards and safeguard the surrounding environment.



Management content	Specific Measures
Wastewater management	Regular cleaning of the rainwater pipes, prompt extraction and filtration of sludge in a timely manner, conducting repairs or replacements of ageing and damaged pipe networks and ensuring the normal and effective operation of the wastewater treatment equipment;
	Strictly separating sewage and rainwater pipes to realise the diversion of rainwater and sewage and setting up sewage treatment facilities and equipment to ensure the discharge of sewage after effective treatment;
	Formulating emergency response plans for wastewater discharge leakage accidents and conduct emergency drills to cope with emergencies;
	Domestic wastewater is discharged through the municipal pipe network, and industrial wastewater is transferred and disposed of by qualified professional institutions.
Exhaust gas management	The equipment department conducts regular inspections and maintenance of exhaust gas environmental protection facilities and equipment, timely replacement of old machinery and addition of UV photolysis equipment and activated carbon adsorption equipment to achieve organised emission of exhaust gas after treatment;
	Formulate emergency plans for waste gas leakage accidents and carry out emergency drills to respond to emergencies;
	Carry out process improvement, reduce the use of spraying and screen printing processes and reduce exhaust emissions in the production process;
	The exhaust gas is collected in a centralised manner through fan pipes and gas collection covers, equipped with purification and environmental protection equipment for degreasing and welding exhaust gas and is discharged at high altitude after plasma purification to ensure compliance with emission standards;
Noise management	Carrying out training on the operation of exhaust gas purification facilities and other related topics to educate employees on waste gas treatment and environmental management requirements.
	Installation of sound insulation and noise reduction isolation rooms for equipment that emits more than 80 decibels and use sound absorption materials to fence rooms to ensure that workshop noise meets the standards of regulatory limits;
	While maintaining the equipment properly, we reasonably arrange the process operations with high noise to reduce the generation of noise as much as possible and the impact on the community where the factory is located;
Noise management	Advocate the management requirements of noise hazards and labour protection to employees, provide noise reduction labour protection such as earplugs for workshop employees, train the use methods and conduct regular occupational health examinations for employees in such positions.

Waste management

In accordance with *the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste* and other major environmental laws and regulations, TCL Industries has formulated management documents such as *the Measures for the Control and Management of Pollution Caused by Solid and Liquid Waste*, *the Management System for Hazardous Waste Warehouses*, and *the Management Regulations on Waste Disposal*. These documents aim to improve the management process of waste classification, storage, transfer and disposal and ensures that our waste disposal meets national and local standards.

General waste disposal

For general waste, we classify, recycle, and dispose of them by type:

- Waste packaging materials: Recycle the waste packaging materials to the maximum extent. For waste packaging materials that cannot be recycled, they are sorted according to the categories of cartons, plastics and EPS (polystyrene foam) and handed over to a qualified third-party recycling companies for unified treatment;
- Waste electronic products and non-recyclable industrial waste: Delivered to qualified third-party recycling companies for disposal;
- Domestic waste: Rent trash bins from the municipal sanitation agencies to store domestic waste, which will be recycled and disposed of by the agencies on a regular basis;
- Kitchen waste: Recycled, transferred and disposed of by canteen contractors.

Hazardous waste disposal

We identify, classify, and dispose of various hazardous wastes in compliance with *the Hazardous Waste List* regularly updated to avoid potential environmental pollution risks.

- Unified collection: Set up designated hazardous waste collection bins, collect hazardous chemicals such as paint waste liquid, waste paint residue and oily wastewater, and regularly transfer these materials to the specialised warehouse for standardised storage of hazardous waste;
- Safe storage: Set up a warehouse or temporary storage room exclusively for storing hazardous waste and arrange designated personnel to be responsible for the management of hazardous waste entering and leaving the warehouse;
- Compliant disposal: According to the requirements of environmental protection laws and regulations, by signing hazardous waste disposal contracts, we entrust a qualified third-party environmental protection company to be responsible for transfer and disposal of all hazardous wastes.

Cultivating a low-carbon culture

TCL Industries actively advocates a lifestyle of energy conservation and emission reduction, and improves the low-carbon awareness of employees and even the public by organizing a series of publicity activities, including low-carbon knowledge training, environmental protection volunteer activities, TCLGreen Initiative, etc. We hope that through joint efforts with partners, low-carbon culture will be promoted to a wider range of areas and contribute to building a green, low-carbon and sustainable future.

Case

Conveying the concept of green

In order to further promote the work of energy conservation and carbon reduction, TCL Industries has popularized the relevant knowledge of carbon tariffs, green office and “dual carbon” target interpretation to employees through internal training, online courses, posters and other forms, guided employees to pay attention to energy conservation and emission reduction in their daily work, and reduced energy consumption and carbon emissions in the office process by promoting energy-saving equipment and reducing paper use.

TCL 珍爱地球 从我做起

低碳发展 从我做起

节约每一张纸

1. 推行无纸化办公，文件处理、传阅使用T信或OA、邮件、EPROS等；
2. 各部门设置纸张回收区域，放置可二次使用的纸张；
3. 提倡纸张双面使用，非特殊要求资料不使用单面纸。

节约每一度电

1. 工作区域充分利用自然光，日照充分时关闭电灯；
2. 人去灯关，及时关闭空调、电脑、打印机等一切用电办公设备；
3. 少坐电梯，多走楼梯，多多运动更健康。

节约每一滴水

1. 非必须不提供瓶装水，内部会议自带水杯，客户到访提供茶水；
2. 办公室内取消功夫茶具；
3. 日常饮用水，随用随开，禁止浪费。

节能降耗，从现在开始，从点滴做起，让我们积极行动起来，将“节能降耗”变成一种习惯，公司种组织不定期抽查、监督、公示！

TCL实业

TCL Industries Green Advocacy

Case

Promoting low carbon lifestyle and various activities

In December 2023, Tonly Technology organized the “Double Carbon Knowledge Competition & Happy Pick-up Run” activity to encourage everyone to take actions for promoting low carbon lifestyle. The dual-carbon knowledge contest involves 8 dimensions, including dual-carbon policy, definition of terms, types of greenhouse gas, common emission sources, energy conservation, emission reduction, carbon-free technology and low-carbon life, with a total of 6 teams actively participating. In addition to the competition, we also carried out a public welfare activity of “Making a low-carbon life, Protecting our environment” to pick up garbage in Huizhou Taohuayuan, so that the awareness of environmental protection is more deeply rooted in the hearts of the people.



Taohuayuan Happy Pick Up Run

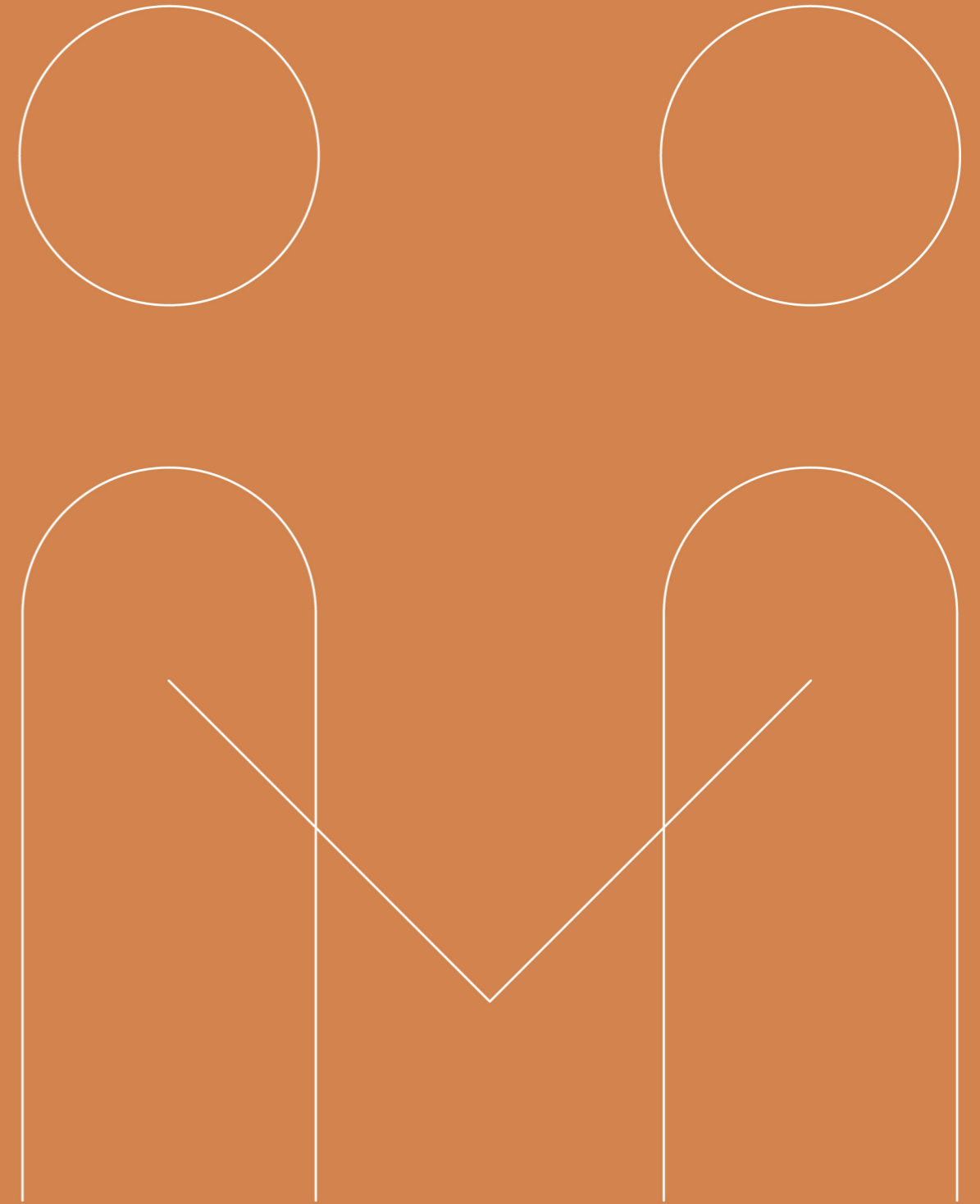


08

Partnership

Cohesion and Growth Together

TCL Industries adheres to a people-oriented approach and considers “respecting, loving, cherishing and using talents” as an important guiding principle for corporate development to effectively protect the legitimate rights and interests of employees and create a safe working environment. We pay attention to the personal growth of employees, carry out a variety of training programmes, and provide employees with a broad space for career development and promotion opportunities. We have established long-term and stable cooperative relationships with suppliers, continuously promoting the optimisation and improvement of the supply chain. We have actively participated in public welfare activities, assumed corporate social responsibility, and promoted the harmonious, stable, and sustainable development of the society.



Protecting employees' rights and interests

TCL Industries respects the diversified background of employees and protects their legitimate rights and interests. We continuously increase the introduction and cultivation of talents and improve the talent management mechanism to inject more vitality into the sustainable development of the Company.

Compliant employment

To ensure the standard and transparency of the recruitment process, we have formulated *Recruitment Management Procedures*, which clarifies various provisions in personnel recruitment and work arrangements. These procedures explicitly prohibit discrimination of any factors including gender, age, nationality, ethnicity, religion, physical disability, and marital status. We uphold the principle of diversity and equality and treat all employees equally. For overseas employees, we have formulated internal systems that comply with laws and regulations and labour standards in the respective locations. This ensures that employees worldwide receive fair and reasonable treatment. In line with the strategic needs of the Company, we continue to optimise the recruitment channels. We attract talented individuals through various methods such as on-site recruitment, internal recommendation, media recruitment and headhunting. These efforts provide strong support for the Company's development.

Protection of rights and interests

We strictly abide by relevant laws and regulations. To safeguard the rights and interests of our employees, we have established internal systems such as *Employee Handbook*, which ensures that employees' rights regarding remuneration, benefits, promotions, leave, etc. are fully protected. During the recruitment process, we strictly review the valid documents of applicants to prevent any form of child labour. We take proactive measures to manage employees' working hours by conducting regular reviews through our human resources department. This helps identify any possible cases of excessive overtime work and address them promptly. We firmly reject forced labour and prioritise the physical and mental well-being of our employees. In terms of compensation, we have established a remuneration structure that includes fixed salaries, performance bonuses and long-term incentives. We regularly conduct market salary surveys to ensure our benefits remain competitive within the industry. This approach aims to stimulate the enthusiasm and creativity of employees.



Diversity and equality

We actively support the employment placement of persons with disabilities. Through joint efforts in optimizing positions for employees with disabilities, improving administrative logistics services and facilities, expanding recruitment channels, and providing care, training, and development for employees with disabilities, we have facilitated better employment placement for them. In this year, we were honored with the title of Admirable Supporter for People with Disabilities at the Second Huizhou City Awards Ceremony.



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 Women, Inspiring Women, and Supporting Women", empowering women around the world by virtue of technologies, and helping more women achieve their dreams. We aim to create a self-supporting incentive ecosystem to inspire women to support each other and grow together on the platform of TCL.



"TCL for Her" women-oriented long-term project

Safeguarding health and safety

TCL Industries prioritises the health and safety of employees. It has established a sound safety management structure that is designed to continuously strengthen safety management and improve occupational health safeguards. To ensure a safe working environment, we regularly conduct safety training sessions and emergency drills.

🕒 Safety production management

Building a safety management system

We have set up a safety production management structure with the Safety Management Committee, the Safety Committee Office, and the Shenzhen Platform Safety Working Group (“Safety Group”) as the core. This structure clarifies the management level and the division of responsibilities to ensure the smooth operation of the safety management system.

Safety Management Committee	Be responsible for the research, deployment and guidance of safety management
	Study and put forward major guidelines and policies in safety management
	Study and solve major problems in enterprise safety management
Safety Committee Office	Be responsible for studying and providing suggestions on major guidelines, policies and important measures of production safety
	Supervise and inspect the safety management work of subsidiaries, organise and implement safety inspections, urge the relevant units to fulfil rectification of hidden hazards and outstanding problems
Safety Group	Prepare the annual work safety and fire safety plans for each centre/business unit
	Carry out safety inspection, hidden danger rectification, safety drill and training and other work safety actions uniformly as planned
	Organise annual work safety evaluation, summary, rewards and punishments

During the year, we updated *Regulations on Work Safety Management*, *Ten Red Lines Serious Violations List and Seven Safety Concept Standards*, *Safety Management Manual*, *Management Manual for “Three Simultaneities” of Construction Projects* and other work safety regulations. We have also guided all systems and overseas institutions to standardise local safety management and ensure the safety and compliance of the production process.

Strengthening work safety inspection

The Safety Committee Office carries out hazard identification and risk assessment and hierarchical labelling controls annually. It requires all affiliated enterprises to organise at least one inspection covering work safety and fire safety every month. Special inspections are regularly conducted on various aspects, including electrical, chemicals, vehicles, fire protection systems, canteens, etc. Safety reviews and pre-commissioning safety assessments are carried out for new equipment, technology, materials as well as for technical transformation and alteration projects. We also hire third-party professional units to assess the status of occupational disease hazards. Moreover, expert reviews are conducted on production safety emergency plans and equipment testing in select affiliated enterprises to eliminate potential safety hazards.

In response to identified hazards during inspections, affiliated enterprises are urged to rectify the issues independently or seek assistance from third-party institutions. They are also required to complete and submit the *Work Safety Checklist* for proper documentation and various safety and fire risks controls.

Conducting safety performance evaluation

Departments and elements involved in the safety management system undergo internal audits annually. A safety management review is conducted at least once a year, where safety managers report on the overall safety operations to the management. We regularly organise and carry out annual evaluation of work safety units and individuals for their performance. Outperforming units and individuals are recognised and rewarded, while those responsible for work safety and fire safety accidents are appropriately held accountable through disciplinary measures. These actions contribute to further implementation of the safety performance management of the Company.

Strengthening safety culture development

To enhance employee safety awareness and skills, we carry out diversified basic safety training for employees in accordance with the safety training plan. We provide all entry-level employees with Level-three safety education, while specialised training is provided to operators handling equipment such as forklifts, handling and warehousing. Regular training programmes are organised such as inspection and maintenance operation training, safety standardisation training and hazardous chemicals training. We continue to carry out a series of safety publicity activities such as fire safety month and work safety month within the Company to popularise safety knowledge among employees and raise their awareness of safety precautions and skill levels.

We continue to improve on the safety incident emergency plan system. The Company has established a standardised emergency drill implementation process. A full-time fire brigade and a volunteer fire brigade are in place to ensure preparedness. Regular emergency drills covering chemical leakage, forklifts accidents, fires, and natural disasters are conducted to improve the ability of employees to deal with safety accidents.

Key Performance

In 2023, we carried out more than **1,600** safety culture development activities, registering over **258,000** enrolments.



First-aider training by TCL Air-conditioners



Fire drill activities by TCL Smart Home

Occupational health management

We attach great importance to the occupational health of our employees and have formulated documents such as *Management System for Occupational Disease Protection Articles*. We regularly conduct occupational health workplace testing and occupational hazard assessment and formulate protective measures for corresponding positions. We organise employees to take pre-duty, on-duty and post-duty physical examinations to comprehensively ensure the safety of the working environment. In addition, this year, we introduced the Employee Assistance Programme (“EAP”) to provide employees with professional psychological counselling and other services to care for their mental health.

TCL Air-Conditioners, TCL King Electrical Appliances (Huizhou) Co., Ltd., TCL Optoelectronics Technology (Huizhou) Co., Ltd., Huizhou TCL Mobile Communication Co., Ltd., GuangDong TCL Intelligent Heating & Ventilating Equipment Co., Ltd., TCL Air-Conditioner (Jiujiang) Co., Ltd., TCL Air-Conditioner (Wuhan) Co., Ltd., Tonly Technology and TCL Smart Home have passed the ISO 45001 Occupational Health and Safety Management System certification.

Case

Active introduction of Employee Assistance Programme (EAP) services

In the current year, with the goal of caring for employees and focusing on their physical and mental health and well-being, TCL Industries has actively introduced Employee Assistance Programme (EAP). We offer 24/7 online counselling services, organize various psychological counselling activities, and launch the “Soul Station” light application, continuously empowering employees’ psychological well-being. During this year, we pushed out a total of 12 weekly Mental Tips and held one EAP promotion event to mobilize all employees to be aware of their own mental health and the importance of improving their mental health. As of November 2023, the number of visits to the Employee Care Platform reached 798.



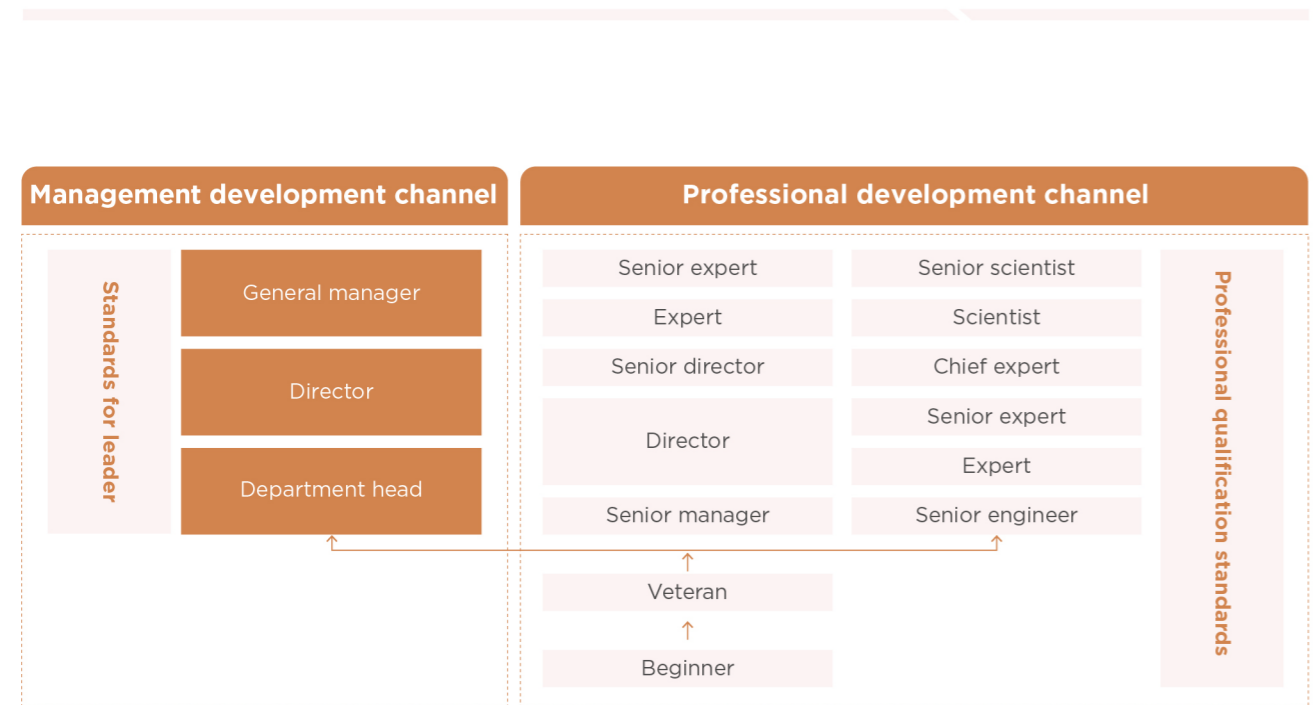
EAP promotion activity

Supporting talent development

TCL Industries is committed to creating a fair and just promotion mechanism. We have established a sound employee training system, providing employees with diversified promotion opportunities and career development paths, encouraging employees to learn and grow continuously and achieve development goals together with the Company.

🕒 Career development

According to the *Employee Handbook*, we build a two-way professional and management development channel for employees. Different employees can choose suitable career development channels according to their personal capabilities, which fully mobilises the motivation of technical talents, while avoiding management redundancy as much as possible. We assess and review our talents every year to comprehensively evaluate the management ability and professional skills of employees. We continuously optimise the talent selection mechanism and development system and build a team of talents with excellent professionalism and management ability to inject continuous vitality into the development of the Company.



Employee career development channel and promotion model

🕒 Employee training

According to the Company's development strategy, we continue to improve the talent training system and carry out diversified training programmes based on different job content to help employees improve their skills in all aspects and enhance their competitiveness.

Four segments	Training programmes in 2023
All employees	<p>We built multiple public learning platforms for all employees, such as the T-School, where we share learning resources and provide various learning methods, adding diversity and fun to learning.</p> <p>We continued to hold public training events such as the Lecturer's Day to provide learning opportunities and platforms within the Company.</p>
New employee Training	<p>We launched the "Young Eagle Power Camp" for new employees recruited from schools and set up the "Super A Special Training Programme" to select outstanding fresh graduates to expand our talent pool.</p> <p>We coordinated the training of new employees from social recruitment to ensure that new employees can smoothly integrate into our culture and quickly adapt to work.</p>
Business empowerment	<p>For product operation capabilities, we implemented the "Sword Casting Plan" to provide systematic competency training for product managers and product development team managers.</p> <p>For global supply chain capabilities, we implemented the "Spotlight Plan" to cultivate professional elites in the supply chain.</p> <p>For user experience capabilities: The User Experience Centre is responsible for building a talent pool to promote the cultivation and improvement of user experience capabilities.</p> <p>Focusing on the cultivation of international talents: We launched the overseas "Elite Eagle" programme, which provides customised overseas "Elite Eagle" special training camp for employees assigned to overseas management positions.</p>
Leadership	<p>We carried out "Comprehensive Flying Eagle" and "Professional Flying Eagle" training programmes for professional and technical personnel and new managers to help them accelerate the targeted improvement of their professional and technical skills and management capabilities.</p>

Case

“Flying Eagle” training programme to strengthen the skills of reserve cadres



2022 “Flying Eagle” camp closing ceremony and 2023 “Flying Eagle” opening ceremony

In June 2023, TCL Air-Conditioners held the 2022 “Flying Eagle” camp closing ceremony and 2023 “Flying Eagle” camp opening ceremony. The Company is committed to building an excellent cadre team with a mindset of “courage to win and dare to be extraordinary”. The 2022 Reserve Cadre (“Flying Eagle”) Training Project focused on the key strategic orientations of the business units and on the needs of core positions. After the learning of four modules, including role recognition, business management, inter-person cooperation and team management, as well as 27 offline practical exercises, trainees achieved a promotion rate of 39% and a cadre reserve selection rate of 83%.

Case

International talent training programme “Eagle Warrior” empowering overseas employees



“Eagle Warrior” international talent training programme

In July 2023, focusing on the three goal of “consolidating the business capabilities of overseas organisations, enhancing the understanding of overseas employees on the overall strategy and culture, and understanding the Company’s business in the whole industry chain of research, production and sales”, TCL Industries launched the “Eagle Warrior” international talent training programme and carried out a week-long empowerment training. The project team invited a total of 39 “global marketing elites” to facilitate communication and collaboration. Through extensive promotion of the three-in-depth integration of strategy, business and culture, a solid foundation was laid for the trainees to promote the high-efficiency and high-quality development of overseas business.

Caring for employees’ life

TCL Industries is committed to creating a working environment that cares for its employees and promotes harmonious development. We attach great importance to the opinions and suggestions of employees and actively respond to their concerns. Continuous improvements are made to the employee welfare system, providing convenient living conditions. Regular employee activities are organised to enhance employee happiness and foster a sense of belonging.

Employee communication

We respect the opinions and suggestions of employees and provide them with opportunities to express their demands by establishing diversified communication channels. Within the Company, various communication channels such as T-Communication column, employee opinion boxes, complaint mailboxes and telephone access have been established to facilitate effective communication. Regular activities such as inquiry meetings, employee communication conferences, CEO direct broadcasting rooms and engagement and satisfaction surveys are organised to gain deep insights into the needs and concerns of employees. By actively listening to the employee feedback, the Company strives to continuously improve and refine its management system and workflow, increasing employee satisfaction. Furthermore, we have established labour union organisations in each affiliated enterprise to represent employees to participate in the formulation of policies and activity organisation related to the interests of employees, in order to protect the legitimate rights and interests of employees.

Employee activities

TCL Industries established eight interest-based societies, including the badminton association, football association and photography association, affiliated with labour unions. These societies provide employees with diversified cultural and sports activities. Regular competitions cultivate team awareness and cooperation spirit and enhance the cohesion and sense of belonging within the Company. We also hold group activities such as garden parties on the Spring Lantern Festival, Mid-Autumn Festival and other festivals, as well as employee birthday parties to enhance communication and relationships among colleagues, creating a harmonious and pleasant working environment.



Football association



Badminton association



“TCL Industries Cup” basketball competition



Employee birthday party



Spring Lantern Festival activity



Mid-Autumn Festival garden party

Building responsible supply chains

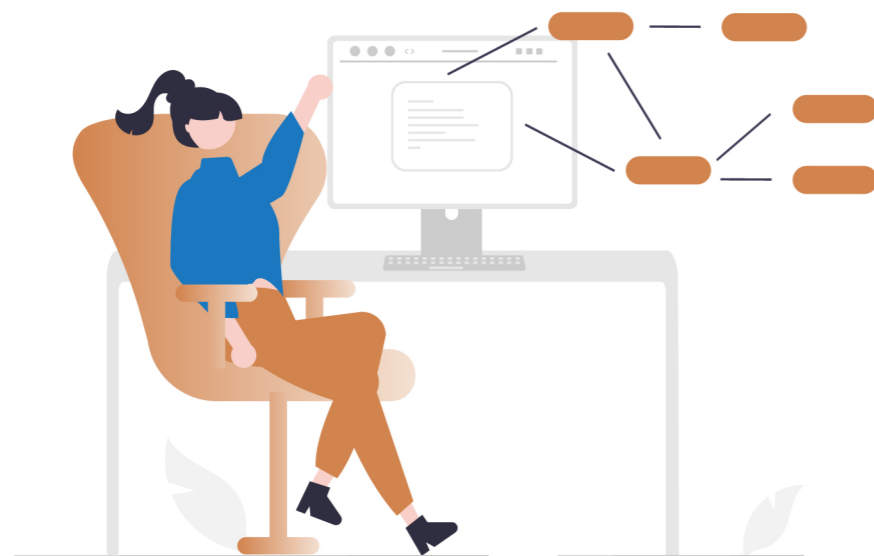
TCL Industries has established a comprehensive supplier management system to improve supplier access standards and assessment mechanisms. We actively carried out supplier training, striving to build a transparent, healthy and honest industrial value chain and promote the sustainable development of the supply chain.

Supplier management

TCL Industries has formulated internal policies such as *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* to strengthen the whole-process management from supplier certification, evaluation to elimination.

Supplier certification

In accordance with *Supplier Certification Management Process*, we introduce and evaluate suppliers according to the four-stage process of the Integrated Supply Chain (“ISC”). These stages include the certification preparation stage, certification stage, comprehensive evaluation, and public release. In addition, we cooperate with the procurement, technical and quality departments as well as a pool of experts to conduct on-site reviews and product certification of suppliers to ensure that the review process is transparent.



Supplier assessment

For suppliers that have passed certification, we conduct annual reviews, special reviews and third-party reviews in accordance with *Regulations on Supplier Review Management*. During the review process, if common issues are discovered in suppliers, we will take immediate measures to address and prevent them. Regular tracking of improvement progress is carried out, and subsequent reviews are conducted to ensure sustained progress. We have also promoted good practises to all suppliers, aiming to improve the quality level of the overall supply chain.

In the daily evaluation of suppliers, we conduct monthly, semi-annual, and annual performance evaluations from four key dimensions: business, delivery, quality and technology. Based on the assessment scores, we classify suppliers into four levels: preferred, qualified, restricted, and ensure, and carry out targeted classification management. For suppliers with low assessment scores, we will help them identify issues and take measures to rectify them.

Supplier communication and training

We regularly hold communication meetings with suppliers to convey the Company's business ethics, anti-corruption, product quality, low-carbon environmental protection and other relevant requirements, and share industry trends and market information. We encourage suppliers to actively share new trends in materials and technologies, discuss technology innovation and product improvement strategies with our R&D department to achieve mutual benefit. Through close cooperation and continuous communication with suppliers, we are committed to building a solid supply chain relationship and improving the overall efficiency and quality level of the supply chain.

Case

TCL Industries Holds the Global Supply Chain Ecosystem Conference for sustainable development



TCL Industries Global Supply Chain Ecosystem Conference

In September 2023, TCL Industries Global Supply Chain Ecosystem Conference, “Combining potentials, gathering strengths”, was held in Wuxi, Jiangsu Province. Nearly 200 ecological partners and more than 400 guests were invited to talk about the future of the global supply chain, share top international resources, and promote the high-quality development of the industry. At the conference, TCL Industries, together with the representatives of partners, released the TCL Industries Supply Chain Convention to jointly build a “globalised, integrated, digital and intelligent, low-carbon” supply chain ecology and to create a whole chain ecosystem integrating supply chain ecology, industrial ecology, and digital intelligence ecology.

Case

Holding supplier training on environmental protection of parts and components

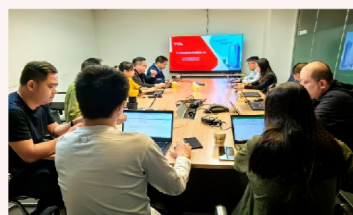


TCL Smart Home supplier training on environmental protection of parts and components

In June 2023, TCL Smart Home collaborated with Foshan Waltek Testing Group, a well-known third-party testing agency, to organise training sessions on environmental protection of parts and components for more than 300 suppliers. The training covered various topics, including cases of hazardous substance penalties, requirements for hazardous substance control, an introduction to the latest environmental protection regulations, and principles of test samples splitting, etc. The purpose of the training was to enhance suppliers' understanding and awareness of the regulations on hazardous substances export.

Case

Playing the role of "chain master", TCL Industries conducted supplier energy efficiency and low-carbon empowerment training



TCL Industries supplier energy efficiency and low-carbon empowerment training

In November 2023, in order to enhance the supply chain's energy saving and carbon reduction ability and support the supply chain's clean energy transformation, TCL Industries organised the 2023 Supplier Energy Efficiency and Low-carbon Empowerment Training activity. A total of 50 suppliers from different industries and regions, nearly 100 representatives attended the empowerment training activities. According to TCL Industries' green development strategic goal of "working together with the value chain and society to build a net-zero ecosystem", we call on our TOP50 supplier partners to embrace change and accelerate green transformation, and to invest more resources and efforts in improving the resilience of enterprises to address climate change and other key issues.

Responsible procurement

TCL Industries is committed to responsible procurement practices. The Company conducts regular supplier Corporate Social Responsibility ("CSR") audits and the promotion of conflict minerals management. We aim to raise the suppliers' awareness of social responsibility and build a more sustainable industrial chain.

Supply chain CSR review

We have developed *Code of Conduct for Suppliers* and signed documents such as *Notification of Corporate Social Responsibility*, *Statement of Environmental Compliance*, *Quality Agreement* and *Integrity Agreement* with all production material suppliers, requiring them to strictly abide by relevant regulations. We link the social responsibility certification of suppliers with their performance appraisals, emphasising their social responsibility awareness and practises and promoting the sustainable development of the supply chain.

At the stage of supplier introduction, we conduct a comprehensive inspection of the environmental and social responsibility performance of suppliers in accordance with the *Supplier Social Responsibility Investigation Form*. We conduct on-site reviews of suppliers based on 111 review terms under 13 dimensions, including business ethics, labour rights and interests, chemical safety, environmental protection, fire safety and occupational health. We require suppliers to describe their implementation for each review item and provide relevant evidence, followed by an on-site evaluation by our CSR personnel. For non-compliant items, the reviewer will explain the relevant reasons to the supplier and put forward effective rectification suggestions. If suppliers obtain an evaluation score below 70 or touch red lines, the processing mechanism of rectification, punishment, or termination of cooperation would be triggered, thereby continuously reducing environmental and social risks in the supply chain.

In 2023, we conducted annual CSR performance evaluation on 24 suppliers, all of which resulted in a pass.

We encourage suppliers to participate in the certifications of social responsibility system such as the RBA (Responsible Business Alliance) Code of Conduct, SA8000 (Social Responsibility Standard), SMETA (Sedex Members Ethical Trade Audit), and link the certification to supplier ratings to guide them to actively fulfil their social responsibilities. During the reporting year, 100% of TCL Industries suppliers signed the Green Supply Chain Initiative to jointly build an efficient and environmentally-friendly supply chain system.

Conflict minerals management

TCL Industries strictly complies with the Code of Conduct of RBA and Global e-Sustainability Initiative ("GeSI"). The Company has developed *Regulations on the Refusing Procurement of Conflict Minerals* and signed *Restricted Substances Declaration* and the *Letter of Guarantee on Refusing Conflict Minerals* with suppliers, requiring them to ensure that all packaging, components and/or finished products provided to us do not contain restricted substances listed in the declaration and to provide written evidence, such as raw material testing lists, third-party inspection reports, etc. Moreover, we conduct conflict minerals investigations for all suppliers and incorporate conflict minerals into supply chain CSR review.

In 2023, TCL Industries conducted due diligence on conflict minerals with more than 160 suppliers using the industry-standard Responsible Minerals Initiative's Conflict Minerals Reporting Template ("RMI-CMRT") and Extended Minerals Reporting Template ("EMRT"). The investigation results were all deemed compliant.

Partnering for industry progress

TCL Industries maintains close collaboration with industry partners and actively engages in discussions and formulation of industry standards. The Company carries out industry-university-research cooperation with research institutions and universities to achieve complementary advantages and promote a co-existent and win-win industrial ecosystem.

Industry communication and cooperation

TCL Industries adheres to the concept of openness, collaboration, and win-win partnerships. The Company actively deepens its cooperation with industry partners, and together explores innovative paths for development. We have signed strategic partnership agreements with well-known enterprises such as Tencent, A.P. Moller-Maersk Group and SGS. We have also joined several industry associations such as the Open Link Association (“OLA”), Connectivity Standards Alliance (“CSA”), China Household Electrical Appliances Association, China Association for Standardization, and Huizhou Industrial Design Association. We actively participate in exhibitions and forums such as the International Consumer Electronics Show (“CES”), Appliance Science & Technology Conference, and Guangdong Home Appliances Industry High-Quality Development Forum. We discuss the innovation achievements in connectivity technology, intelligent technology, industrial design, etc., with our peers to promote the rapid development and application of technology, injecting new vitality into the development of the industry.

Case

Participated in the CES 2024



TCL Industries won more than 40 awards at CES 2024

In January 2024, the CES 2024 took place in Las Vegas, the United States. TCL Industries made a significant presence at the event, exhibiting nearly 100 products in 15 categories, including the world’s largest QD-Mini LED giant screen TV 115 QM891G (North American model). The Company won more than 40 awards by virtue of its industry-leading technical strength. TCL Industries comprehensively presented its pioneering achievements in the field of globalisation and ESG to achieve a win-win future with global partners.

Case

Participated in the Appliance Science & Technology Conference 2023



2023 Outstanding Paper Award Ceremony of Appliance Science & Technology Conference 2023

In December 2023, the Appliance Science & Technology Conference 2023 and Intelligent Home Appliance Industry High-Quality Development Exchange Activity was held in Wuhan, Hubei. The meeting focused on technical directions such as “green and low-carbon, home appliance intelligence, health and cleanliness, refrigeration, noise reduction, and DC flexibility”. TCL Air-Conditioners was invited to deliver a speech at the event. The Company’s innovative fresh air conditioning technology garnered recognition and acclaim, leading to TCL Air-Conditioners receiving the 2023 Intelligent Fresh Air Conditioning Innovation Award and 6 Outstanding Paper Awards. This demonstrated the Company’s strength in technology research and development as a leading brand of fresh air conditioners and injecting new vitality into the development of the industry.



Participating in the formulation of standards

TCL Industries actively participates in and contributes to the formulation of national and industry standards in various professional fields. The Company integrates advanced production technology, rich practical experience, and agile market insights into the standardisation processes, promoting the industry to develop in a scientific, standardised, and orderly manner.

Implementation date	Standard nature	Standard title	Standard No.
June 1, 2024	National standards	Unitary air conditioners	GB/T 17758-2023
June 6, 2023	Group Standards	Plastics-Halogen free flame retardant impact polystyrene (PS-I) compound	T/SHPTA 042—2023
17th October, 2023	Group Standards	Technical requirements for health management of smart home appliances - Part 1: Smart refrigerators	T/CAB 0286—2023
17th October, 2023	Group Standards	Technical requirements for smart food preservation of smart refrigerators	T/CAB 0287—2023
November 3, 2023	Group Standards	Washing machine for medical care grade	T/CITS 0013—2023
15 Nov 2023	Group Standards	Healthy fresh air conditioner	T/GIEHA 062—2023
15 Nov 2023	Group Standards	Performance grading of healthy fresh air air conditioners	T/GIEHA 063—2023
December 19, 2023	Group Standards	Built-in Household Refrigerators	T/CIET 312—2023
25th December, 2023	Group Standards	Test and Evaluation for artificial acoustic environment comfort Part 2: Ducted air conditioning (heat pump) unit	T/CAB 0305—2023
January 5, 2024	Group Standards	Technical requirements and test methods for filtration performance of micro fibre and soft flocks of household and similar electrical washing machine	T/CAS 756—2023
January 1, 2024	Association Standards	Guidelines for carbon footprint accounting of household electrical appliances	T/CHEAA 0027—2023
January 1, 2024	Association Standards	Specific rules for carbon footprint accounting of household electrical appliances—Household refrigerators	T/CHEAA 0028—2023
January 1, 2024	Association Standards	Specific rules for carbon footprint accounting of household electrical appliances—Room air conditioners	T/CHEAA 0029—2023

Promoting industry-university-research cooperation

TCL Industries prioritises cooperation and collaboration with external universities, vocational colleges and scientific research institutions. Relying on the empowerment of industrial resources, we actively explore and practise a new mode of industry-education integration. This approach involves cultivating and exporting scientific and technologically innovative talents, accelerating the transformation of scientific and technological achievements to provide more impetus for the innovation and development of the industry.

At present, we have established long-term collaborative relationships with many universities such as China Jiliang University, Shanghai Jiao Tong University and Beijing Institute of Technology and carried out research and development in laboratory applications with Zhejiang University, Wuhan University, Fuzhou University, Jiangnan University and other universities. We have also established “TCL University Talent Training Bases” with well-known universities such as South China University of Technology, Nanjing University, Sichuan University, Hunan University, Central South University, Huazhong University of Science and Technology, Chongqing University, Xidian University, etc., to jointly cultivate high-quality talents and realise the value closed loop of creating value for enterprises and enabling talents to reap value after the introduction of university talents.

Case
Holding the Talent Conference at Peking University



TCL Industries Talent Conference at Peking University

In October 2023, TCL Industries successfully held a talent conference at Khoo Teck Puat Gymnasium of Peking University. Sun Ran, 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. He Yanbiao, General Manager of 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 us and students and boosted the influence of campus recruitment.



Spreading warmth to society

TCL Industries integrates corporate social responsibility into the whole process of its own development. The Company actively participates in public welfare fields such as environmental protection, education, cultural and sports construction and community care, contributing to the construction of a harmonious and beautiful society.

Protecting the natural environment

We not only pay attention to our own environmental protection practises, but also encourage employees to participate in environmental protection public welfare activities such as garbage clean-up and waste utilisation to jointly promote the development and growth of environmental protection undertakings.

Case

“TCL Green Activist - electronic waste recycling” activity



“TCL Green Activist-electronic waste recycling” activity

In 2023, the “Green Activist” team of TCL Air-Conditioners carried out the activity of “reusing electronic waste—creating beauty with skilful hands and making small old objects useful”. TCL engineers led young journalists in Jiujiang to visit the TCL Air-Conditioner Smart Manufacturing Base in Jiujiang. During the visit, the engineers guided the children in skilfully dismantling waste electronic products and engaging in DIY creation and assembly. Through the hands of the children, the old objects were recycled, and the importance of environmental protection was instilled in their hearts.

Case

“hiking in the wilderness and preserving nature” public welfare activity



“hiking in the wilderness and preserving nature” public welfare activity

In April 2023, on the 54th “World Earth Day”, more than 50 employees of TCL Air-Conditioners took the role of earth cleaners to carry out hiking activities in the Qi’ ao ancient road, Zhongshan, collected and cleaned up the trash left behind on the mountain along the way, to practise the concept of green environmental protection and make contributions to environmental protection undertakings.

Case

Voluntary pick-up run activities



Mobile Pick-up Run Volunteer Service Team of TCL Communication

From July to October 2023, the Mobile Pick-up Run Volunteer Service Team of TCL Communication, comprising nearly 300 volunteers, conducted 18 pick-up run activities at various locations such as the Golden Coast of Daya Bay, Dameisha Seaside Park, and the Luofu Mountain Scenic Area. Adhering to the environmental protection principle of “leaving no trace behind”, the team collected litter while enjoying healthy walks, contributing to the preservation of the natural environment and spreading environmental awareness to more people.

Supporting education

While deeply cultivating high-quality educational resources and supporting the cause higher education, the company also places importance on addressing the education gap in impoverished areas. Through multi-dimensional education investment and donations, we promote advanced educational concepts and resources to a wider range of social groups and foster fair development of education.

Case Tomorrow-ICAN program



Excellent Volunteer Certificate awarded by Tomorrow-ICAN

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 Program. This program 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.

Case Donating TCL Smart Classrooms



Completion of TCL Smart Classrooms

In 2023, TCL Foundation, in collaboration with TCL Communication and other companies, donated TCL Smart Classrooms to urban and rural schools, aiming to promote the integration of technology and philanthropy while advancing educational equity through technological innovation. The goal was to create a "1+N" smart classroom network. 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 launched in multiple locations including Shenzhen, Guangdong, and Guangxi, benefiting over 5,800 students.

Case Establishing the TCL "little engineers" summer camp



TCL "little engineers" summer camp

To bridge the educational gap for migrant children in Shenzhen, TCL Communication launched public courses such as "TCL Smart Home Design Camp" and "Internet of Things Programming" during the summer of 2023. These courses helped children grasp basic knowledge of technology and engineering design while stimulating their interests and innovative spirit, serving a total of over 300 individuals.

Case Carrying out the charity education assistance tour in Keba Tibetan District, Qinghai



Charity education assistance tour in Keba Tibetan District, Qinghai

In August 2023, Getech Sunshine Charity Team sent a donation consisting of new TCL Touch All-in-One PCs, TCL Learning Machines, TCL Microphones and other scientific and technological products worth over RMB 50,000 yuan to Tibetan rural teenagers in remote mountains. These materials were intended to help children document the process of learning and inheriting Tibetan folk customs and art through the use of scientific and technological means. Volunteers also visited families in need and people with disabilities in Keba Village, providing assistance and organising exchange meetings with college students in rural areas to pass on love and support.



Spread humanity and health

We insist on carrying forward the spirit of cultural and sports innovation while actively promoting public welfare values and engaging in philanthropic initiatives across China to promote social development.

Case

Organising TCL candlelight charity concerts



"Salut d'Amour" candlelight charity concert for exceptional children

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.

Case

Visiting the pilot school for "Xiaoxue Music Class"



Visiting Ningxia Dahe Hexi Primary School in the pilot program of "Xiaoxue Music Class"

In June 2023, 46 volunteers from TCL Industries Holdings 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.

Passing on the power of love

Giving back to society and supporting disadvantaged groups are responsibilities we wholeheartedly embrace. We prioritise paying attention to the needs of these individuals and providing support to them. We aim to spread the power of love to society and make concerted efforts to promote the harmonious and common development of the community.

Case

Holding the spring half marathon and "TCL fresh air conditioners" healthy breathing campaign



Spring half marathon and "TCL fresh air conditioners" healthy breathing campaign

In February 2023, the Nanshan Running Group 2023 spring half marathon and "TCL fresh air conditioners" healthy breathing campaign was successfully held in Guangzhou International Biological Island. While participating in the marathon, participants can experience the fresh air conditioning health house on site to learn about the indoor healthy breathing elements. Through this event, we called on people to improve their immunity through sports and raise awareness of respiratory health.

Case

"philanthropic flea market" helping exceptional children's dreams come true



"philanthropic flea market" event

During the Children's Day in 2023, TCL Electronics Mutual Aid Fund, in collaboration with the Shenzhen Social Public Welfare Foundation and the Chunnuan Social Work Service Centre of Longgang District, Shenzhen, organised a "philanthropy flea market" 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 design of Children's Day gift packages and encouraged voluntary donations from employees to help these exceptional children realise their dreams.

Case “memories for the elderly” free photography studio



“memories for the elderly” free photography activity

In 2023, TCL Communication set up a “memories for the elderly” free photography studio in Da’ao Village, Raoping County, Chaozhou City. 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 350 individuals, with volunteers contributing 108 hours of service.

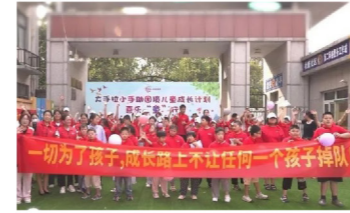
Case “warm winter clothes donation” spreading warmth



Transportation of donated clothing to the Huai'en Charity Association

In November 2023, the “warm winter clothes donation” volunteer activity, hosted by the TCL King (Huizhou) Union and organised by the TCL King (Huizhou) Union Volunteer Association, was successfully held at the TCL LCD Industrial Park. This marked the ninth consecutive year of the event. The activity received enthusiastic responses from employees, resulting in a total of 1,365 clothing items being donated. Once packaged, the donated clothes were transported to the Longxi Huai'en Charity Association in Boluo County, Huizhou City, providing warmth to those in need.

Case Launching the “big hands hold small hands” programme to help children in difficulty grow up



Thematic activities at Yuzhi School in Zhongyuan District, Zhengzhou City

In September 2023, the project team of TCL Industries launched the public welfare project of “big hands hold small hands” at Yuzhi School in Zhongyuan District, Zhengzhou City to help children in difficulty grow up. After one month, six themed activities were organised for 350 children with disabilities, to help them build confidence for a better life in the future. The activities also empowered parents to improve on their parenting skills.



Conclusion

In 2023, we faced numerous challenges, including an uncertain global geopolitical situation, economic recovery slowdown, and intense industry competition. TCL Industries is determined to work with all stakeholders to overcome the difficulties together. With a “dare” attitude, we will capitalise on the competition and opportunities brought by globalisation. We are committed to bringing intelligent products and services to users worldwide, advocating for low-carbon solutions to benefit the global environment, creating development opportunities for global talents, generating technological value for global industries, and contributing to community development through our efforts.

Looking forward, TCL Industries will build a dynamic organisation under the guidance of the brand spirit of “Inspire Greatness”, forge a tech brand, protect green homes, deeply promote the global supply chain layout, continue to promote sustainable development practises such as TCL care humanistic care and TCLGreen initiative, earnestly fulfil social responsibilities, jointly create a business ecology with common prosperity with global partners, and continue to deepen the all-category intelligent IoT ecology. By introducing innovative technologies and products such as smart interconnection and green and low-carbon, TCL Industries will bring global users a more convenient and comfortable smart and healthy new life with “all scenes, all categories and all connections”.



ESG Performance Overview

Environmental performance

		Unit	Data of 2023
Air pollutants	VOC emissions ¹²	Tonne (s)	31.40
GHG emissions ¹³	Total GHG emissions	tCO ₂ e	825,777.98
	GHG emission intensity	tCO ₂ e / RMB 100 million revenue	686.32
	Scope 1 GHG emissions	tCO ₂ e	483,416.40
	Scope 2 GHG emissions	tCO ₂ e	342,361.58
Energy use	Total diesel consumption	kg	460,630.42
	Total gasoline consumption	kg	220,514.73
	Total natural gas consumption	Cubic meter(s)	4,531,250.19
	Liquefied petroleum gas consumption	kg	2,366,947.45
	Acetylene consumption	kg	783.00
	Total purchased electricity	kWh	595,282,365.56
	Solar power generation for self-use	kWh	87,570,630.22
Water resources use	Total water consumption	Tonne (s)	4,415,359.52
	Water consumption intensity	Tonne(s)/ RMB 100 million revenue	3,669.68
Hazardous waste	Total amount of hazardous waste ¹⁴	Tonne (s)	709,801.35
Non-hazardous waste	Total amount of non-hazardous waste ¹⁵	Tonne (s)	77,081.28
Use of packaging materials	Total usage of packaging materials	Tonne (s)	225,448.50
	Paper packaging materials used ¹⁶	Tonne (s)	160,249.08
	Plastic packaging materials used ¹⁷	Tonne (s)	65,199.43

¹² VOC emissions exclude TCL Smart Home's data.

¹³ GHG emission data has been verified by a professional third-party carbon verification agency.

¹⁴ 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, covering a wider range of the categories. The categories of hazardous wastes included in the statistical analysis of 2021 - 2022 are paint waste, paint scrap, oil-contaminated wastewater, empty buckets and others.

Social performance

		Unit	Data of 2023
Research and development	Number of patents newly granted	Nos	1,660
	Accumulative number of patents granted	Nos	11,088
Employee composition	Total number of employees	No. of people	67,177
	Number of male employees	No. of people	42,987
	Number of female employees	No. of people	24,190
Employee training	Percentage of trained employees	Percentage	60%
	Percentage of trained male employees	Percentage	67%
	Percentage of trained female employees	Percentage	33%
	Average training hours per employee	Hour (s)	20
	Average training hours per male employee	Hour (s)	22
	Average training hours per female employee	Hour (s)	18
Occupational health and safety	Number of deaths related to work	No. of people	2
	Total lost days due to occupational injury	Day (s)	2,394
Supplier composition	Number of suppliers in mainland China	Nos	7,904
	Number of suppliers in Hong Kong, Macao, Taiwan, and overseas regions	Nos	451
Public welfare investment	Contribution of funds	RMB0'000	1,589
	Value of goods donated	RMB0'000	4
	Number of volunteers	No. of people	1,545
	Voluntary service hours	Hour (s)	28,621

¹⁵ Total amount of non-hazardous waste includes waste cartons, waste plastics, EPS and other non-hazardous wastes.

¹⁶ Paper packaging materials used: include cartons and paper instructions.

¹⁷ Plastic packaging materials used: include EPS packages.

GRI Content Index

GRI Standards and Disclosure		Location	Remark
GRI 2: General Disclosures 2021			
2-1	Organizational details	About TCL Industries	
2-2	Entities included in the organization's sustainability reporting	About This Report	
2-3	Reporting period, frequency and contact point	About This Report	
2-4	Restatements of information	Not Applicable	
2-6	Activities, value chain and other business relationships	About TCL Industries	
2-7	Employees	Partnership-Cohesion and Growth Together Key Performance Indicator Form	
2-8	Workers who are not employees	Partnership-Cohesion and Growth Together Key Performance Indicator Form	
2-9	Governance structure and composition	Annual Social Responsibility Key Performance	
2-12	Role of the highest governance body in overseeing the management of impacts	Annual Social Responsibility Key Performance	
2-14	Role of the highest governance body in sustainability reporting	Annual Social Responsibility Key Performance	

GRI Standards and Disclosure		Location	Remark
2-22	Statement on sustainable development strategy	Topic 2: Creating a Net Zero Ecosystem	
2-23	Policy commitments	Governance-Compliant Operation to Promote Stable Development	
2-24	Embedding policy commitments	Governance-Compliant Operation to Promote Stable Development	
2-25	Processes to remediate negative impacts	Annual Social Responsibility Key Performance Governance-Compliant Operation to Promote Stable Development Product-Innovation and Technology Enjoying Smart Life	
2-26	Mechanisms for seeking advice and raising concerns	Annual Social Responsibility Key Performance Governance-Compliant Operation to Promote Stable Development Product-Innovation and Technology Enjoying Smart Life Partnership-Cohesion and Growth Together	

GRI Standards and Disclosure		Location	Remark
2-28	Membership associations	Annual Social Responsibility Key Performance Product-Innovation and Technology Enjoying Smart Life Partnership-Cohesion and Growth Together	
2-29	Approach to stakeholder engagement	Annual Social Responsibility Key Performance	
2-30	Collective bargaining agreements	Not Applicable	
GRI 3: Material Topics 2021			
3-1	Process to determine material topics	Annual Social Responsibility Key Performance	
3-2	List of material topics	Annual Social Responsibility Key Performance	
Economic performance			
GRI 201: Economic Performance 2016			
3-3	Management of material topics	About TCL Industries Partnership-Cohesion and Growth Together	
201-1	Direct economic value generated and distributed	About TCL Industries Annual Social Responsibility Key Performance Partnership-Cohesion and Growth Together Key Performance Indicator Form	
201-2	Financial implications and other risks and opportunities due to climate change	Topic 2: Creating a Net Zero Ecosystem	

GRI Standards and Disclosure		Location	Remark
GRI 203: Indirect Economic Impacts 2016			
3-3	Management of material topics	Partnership-Cohesion and Growth Together	
203-2	Significant indirect economic impacts	Topic 1: Promoting Digital and Intelligent Transformation Partnership-Cohesion and Growth Together	
GRI 204: Procurement Practices 2016			
3-3	Management of material topics	Partnership-Cohesion and Growth Together	
GRI 205: Anti-corruption 2016			
3-3	Management of material topics	Governance-Compliant Operation to Promote Stable Development	
205-2	Communication and training about anticorruption policies and procedures	Governance-Compliant Operation to Promote Stable Development	
205-3	Confirmed incidents of corruption and actions taken	Governance-Compliant Operation to Promote Stable Development	
GRI 206: Anti-competitive Behavior 2016			
3-3	Management of material topics	Governance-Compliant Operation to Promote Stable Development	
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Not Applicable	
Environmental			
GRI 301: Materials 2016			
3-3	Management of material topics	Environment-Environmentally-Friendly and Creating a Sustainable Future	
301-1	Materials used by weight or volume	Key Performance Indicator Form	

GRI Standards and Disclosure		Location	Remark
GRI 302: Energy 2016			
3-3	Management of material topics	Environment-Environmentally-Friendly and Creating a Sustainable Future	
302-1	Energy consumption within the organization	Environment-Environmentally-Friendly and Creating a Sustainable Future Key Performance Indicator Form	
302-4	Reduction of energy consumption	Environment-Environmentally-Friendly and Creating a Sustainable Future	
GRI 303: Water and Effluents 2018			
3-3	Management of material topics	Environment-Environmentally-Friendly and Creating a Sustainable Future	
303-1	Interactions with water as a shared resource	Environment-Environmentally-Friendly and Creating a Sustainable Future	
303-2	Management of water discharge-related impacts	Environment-Environmentally-Friendly and Creating a Sustainable Future	
303-5	Water consumption	Key Performance Indicator Form	
GRI 305: Emissions 2016			
3-3	Management of material topics	Topic 2: Creating a Net Zero Ecosystem Environment-Environmentally-Friendly and Creating a Sustainable Future	
305-1	Direct (Scope 1) GHG emissions	Key Performance Indicator Form	
305-2	Energy indirect (Scope 2) GHG emissions	Key Performance Indicator Form	
305-4	GHG emissions intensity	Key Performance Indicator Form	
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Key Performance Indicator Form	

GRI Standards and Disclosure		Location	Remark
GRI 306: Waste 2020			
3-3	Management of material topics	Environment-Environmentally-Friendly and Creating a Sustainable Future	
306-1	Waste generation and significant waste-related impacts	Environment-Environmentally-Friendly and Creating a Sustainable Future	
306-2	Management of significant waste-related impacts	Environment-Environmentally-Friendly and Creating a Sustainable Future	
306-3	Waste generated	Key Performance Indicator Form	
GRI 308: Supplier Environmental Assessment 2016			
3-3	Management of material topics	Partnership-Cohesion and Growth Together	
308-2	Negative environmental impacts in the supply chain and actions taken	Partnership-Cohesion and Growth Together	
Social			
GRI 401: Employment 2016			
3-3	Management of material topics	Partnership-Cohesion and Growth Together	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Partnership-Cohesion and Growth Together	
GRI 403: Occupational Health and Safety 2018			
3-3	Management of material topics	Product-Innovation and Technology Enjoying Smart Life Partnership-Cohesion and Growth Together	
403-1	Occupational health and safety management system	Partnership-Cohesion and Growth Together	

GRI Standards and Disclosure		Location	Remark
403-2	Hazard identification, risk assessment, and incident investigation	Partnership-Cohesion and Growth Together	
403-3	Occupational health services	Partnership-Cohesion and Growth Together	
403-5	Worker training on occupational health and safety	Product-Innovation and Technology Enjoying Smart Life Partnership-Cohesion and Growth Together	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Product-Innovation and Technology Enjoying Smart Life Partnership-Cohesion and Growth Together	
403-8	Workers covered by an occupational health and safety management system	Partnership-Cohesion and Growth Together	
403-9	Work-related injuries	Product-Innovation and Technology Enjoying Smart Life Partnership-Cohesion and Growth Together Key Performance Indicator Form	
GRI 404: Training and Education 2016			
3-3	Management of material topics	Partnership-Cohesion and Growth Together	
404-1	Average hours of training per year per employee	Key Performance Indicator Form	
404-2	Programs for upgrading employee skills and transition assistance programs	Partnership-Cohesion and Growth Together	
GRI 405: Diversity and Equal Opportunity 2016			
3-3	Management of material topics	Partnership-Cohesion and Growth Together	

GRI Standards and Disclosure		Location	Remark
405-1	Diversity of governance bodies and employees	Partnership-Cohesion and Growth Together	
GRI 406: Non-discrimination 2016			
3-3	Management of material topics	Partnership-Cohesion and Growth Together	
GRI 408: Child Labor 2016			
3-3	Management of material topics	Partnership-Cohesion and Growth Together	
GRI 409: Forced or Compulsory Labor 2016			
3-3	Management of material topics	Partnership-Cohesion and Growth Together	
GRI 413: Local Communities 2016			
3-3	Management of material topics	Partnership-Cohesion and Growth Together	
GRI 414: Supplier Social Assessment 2016			
3-3	Management of material topics	Partnership-Cohesion and Growth Together	
414-2	Negative social impacts in the supply chain and actions taken	Partnership-Cohesion and Growth Together	
GRI 416: Customer Health and Safety 2016			
3-3	Management of material topics	Topic 1: Promoting Digital and Intelligent Transformation Product-Innovation and Technology Enjoying Smart Life	
416-1	Assessment of the health and safety impacts of product and service categories	Product-Innovation and Technology Enjoying Smart Life	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Not Applicable	

GRI Standards and Disclosure		Location	Remark
GRI 417: Marketing and Labeling 2016			
3-3	Management of material topics	Product-Innovation and Technology Enjoying Smart Life	
417-1	Requirements for product and service information and labeling	Product-Innovation and Technology Enjoying Smart Life	
GRI 418: Customer Privacy 2016			
3-3	Management of material topics	Product-Innovation and Technology Enjoying Smart Life	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Not Applicable	