

About This Report

Organizational scope

The organizations covered in this Report are TCL Industries Holdings Co., Ltd. and its subsidiaries, including the HK-listed TCL Electronics Holdings Limited (stock code: 01070.HK, an exempted company incorporated in the Cayman Islands with limited liability).

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

Reporting period

This Report covers the period from January 1, 2022 to December 31, 2022. To improve the completeness of this Report, some content is appropriately backdated or extended to other important years.

Reporting standard

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

In this Report, the Company follows the accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness and verifiability principles of the *GRI Standards*, and mainly states the Company's sustainable development responsibilities from three aspects of economy, environment and society.

References of names

To facilitate expression and reading, unless otherwise specified, in this Report, "TCL Industries" "the Company" and "We" all refer to TCL Industries Holdings Co., Ltd. and its main subsidiaries as listed below.

Full Names of Main Subsidiaries	Abbreviations of Subsidiaries	Full Names of Main Subsidiaries	Abbreviations of Subsidiaries
TCL Electronics Holdings Limited (TCL 电子控股有限公司)	TCL Electronics (TCL 电子)	Tonly Technology Holdings Limited (通力科技股份有限公司)	Tonly Technology (通力股份)
TCL Communication Technology Holdings Limited (TCL 通讯科技控股有限公司)	TCL Communication (TCL 通讯)	TCL Technology Industrial Park Co., Ltd. (TCL 科技产业园有限公司)	TCL Industrial Park (TCL 产业园)
Shenzhen Falcon Network Technology Co., Ltd. (深圳市雷鸟网络科技有限公司)	Falcon Network Technology (雷鸟网络科技)	Getech Technology Co., Ltd. (格创东智科技有限公司)	Getech (格创东智)
Huizhou TCL Photovoltaic Technology Co., Ltd. (惠州 TCL 光伏科技有限公司)	TCL Photovoltaic Technology (TCL 光伏科技)	TCL Environmental Technology Co., Ltd. (TCL 环保科技股份有限公司)	TCL Environmental Technology (TCL 环保科技)
TCL Air-Conditioner (Zhongshan) Co., Ltd. (TCL 空调器(中山)有限公司)	TCL Air-Conditioners (TCL 空调)	TCL Financial Service Holding Group (Guangzhou) Co., Ltd. (TCL 金服控股(广州)集团有限公司)	TCL Financial Service (TCL 金服)
TCL Household Electric Appliance (Hefei) Co., Ltd. (TCL 家用电器(合肥)有限公司)	TCL White Household Appliances (TCL 白电)	Guangdong Homa Appliances Co., Ltd. (广东奥马电器股份有限公司)	Homa Appliances (奥马电器)

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).

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About TCL Industries

© Company profile

Founded in 2018, TCL Industries completed its asset restructuring in April 2019 and officially changed its name to "TCL Industries Holdings Co., Ltd.", which focuses on the smart device business covering nearly all categories of smart consumer electronic products and services, e.g., displays, smart appliances, innovative business and home Internet, while vigorously developing other businesses such as environmental protection technologies, industrial park operation, smart manufacturing, and industrial finance. Our mission is "Making Life Intelligent with Innovative Technology". Based on the three visions of "Availability of Display Everywhere", "Possibility of Universal Connection" and "Channel Presence across the Globe", we focus on smart devices business with a user-oriented approach and innovation as a driver to develop and build an "intelligent IoT ecosystem". We are committed to becoming a world-leading intelligent technology industry group.

At TCL Industries, we uphold the strategy of globalization and is a pioneer in the globalization of Chinese enterprises. As of the end of 2022, we have set up sales offices in over 80 countries and regions, extended business to more than 160 countries and regions, and established 24 research and development centers and 20 manufacturing bases, demonstrating our efforts in expanding channels and layout in global markets.

TCL Industries empowers the industry to develop by leveraging its technology and persists in expanding business layout prospectively in the field of smart interactions. In the light of various application scenarios such as smart home, smart mobile and smart commercial display, we are dedicated to providing our users across the globe with an all-scenario smart life experience with all products featuring full linkage. In 2022, with the focus on the main line of a smart and healthy life, we eye from breakthroughs in mid-to-high-end markets as well as overseas markets with constantly launching new products. Our position in both domestic and overseas markets saw steady growth as our smart products of all categories received welcome from users across the globe.



No.2¹

In the global market share of TCL smart screens in terms of shipment

No.1²

In the market share of TCL Mini LED smart screens in the People's Republic of China (hereinafter referred to as "the PRC") market

No.4³

In the market share of TCL Air-Conditioners in the world

No.5⁴

In the shipment of smart Android tablet in the world

No.1⁵

In AR/XR smart glasses domestic online market share

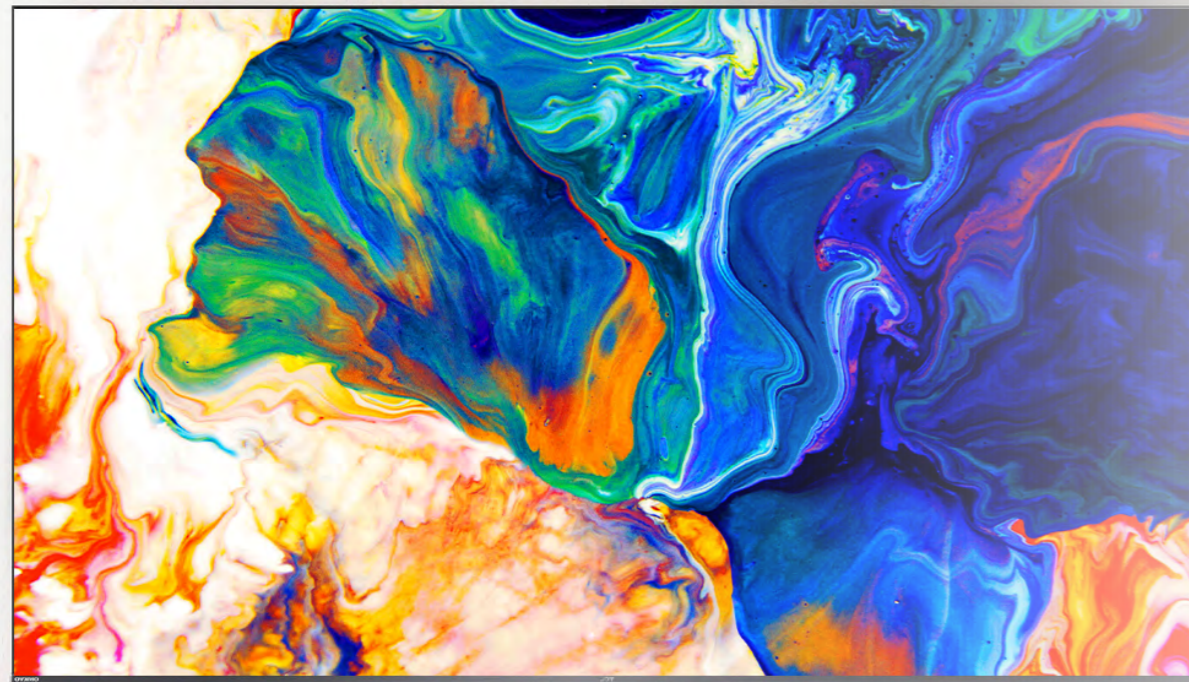
¹ Source: Omdia.

² Source: GfK.

³ Source: ChinalOL.com.

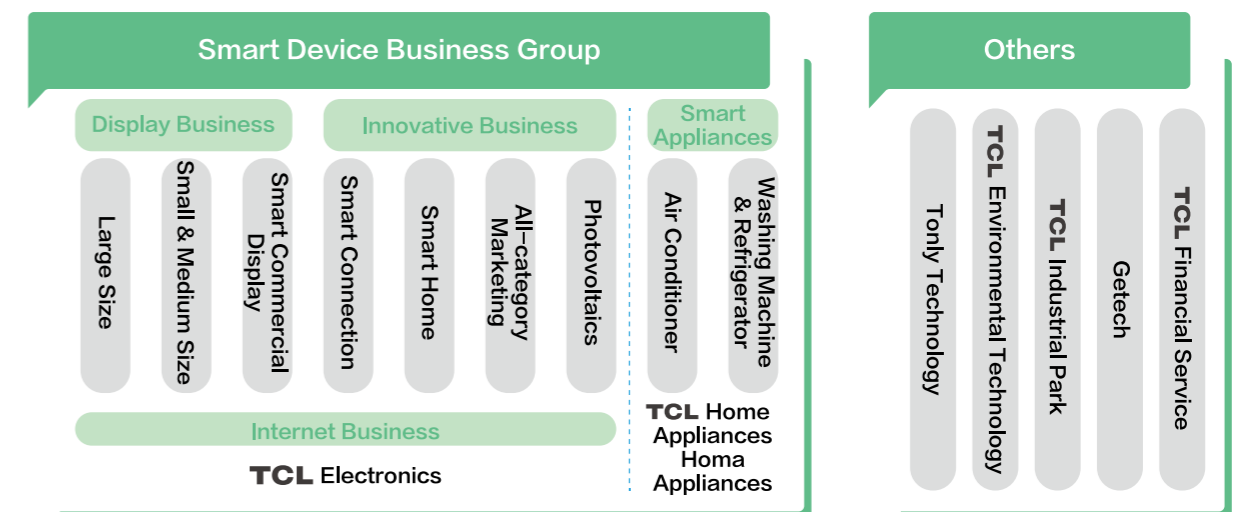
⁴ Source: International Data Corporation (IDC).

⁵ Source: iResearch Consulting Group.



◎ Business profile

TCL Industries upholds the development strategy of "Value Led by Brand with Relative Cost Advantage, Ultimate Efficiency Management and Collaborative Innovation". With a focus on intelligent terminal business and the application of our products in all scenarios, we constantly explore the potentials of new energy, new scenarios and emerging intelligent hardware, and make all-out efforts to create an all-category "Intelligent IoT Ecosystem". We also vigorously expand 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 was listed on the main board of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") in November 1999. TCL Electronics' business scope covers display, innovative and Internet business, and is the sole diverse consumer electronics enterprise in the Chinese industry that has the strength of vertical integration of industry chain. In 2022, the global shipment of the TCL smart screens⁶ reached 23.78 million sets, ranking top two in the global market share. Among them, the shipments of TCL smart screens of 65 inches and above increased by 75.7% year-on-year, and the proportion of shipments increased by 8.2% to 19.3% year-on-year. The shipments of mid-to-high-end product TCL Mini LED smart screens, also increased by 26.8% year-on-year, achieving continuous upgrading of smart screen product structure.

Meanwhile, TCL Electronics has stepped into the photovoltaic business and established the TCL Photovoltaic Technology by seizing the opportunities brought by the global energy transition and carbon neutrality development, with the help of the leading industry chain and project operation experience of the TCL Zhonghuan Renewable Energy Technology Co., Ltd. TCL Photovoltaic Technology officially started the operations of the photovoltaic business in the second quarter of 2022. As of the end of the reporting period, the photovoltaic business had covered nine key provinces and municipalities in China, supporting the development of national clean energy industry in China.

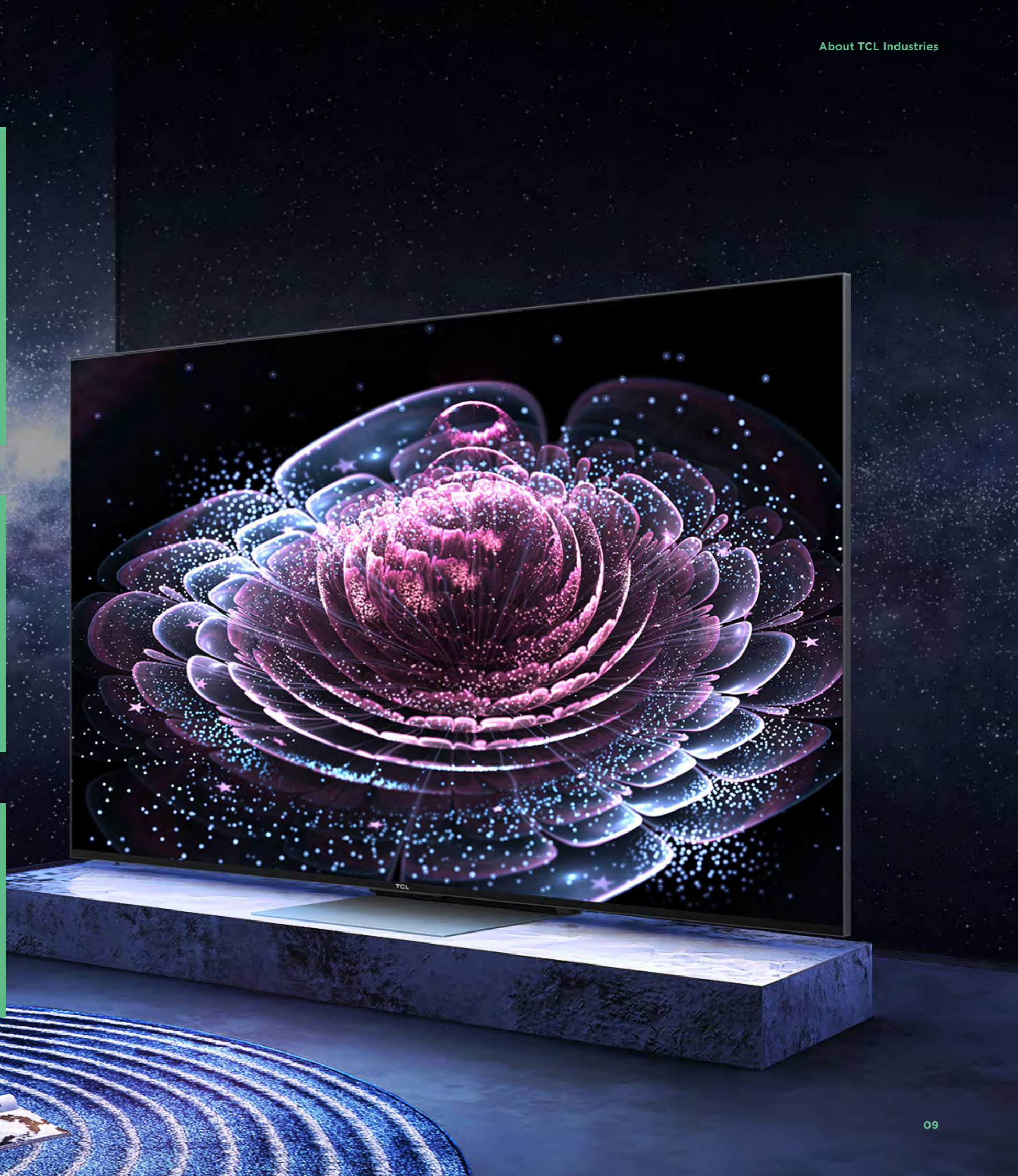
TCL Air-Conditioners

After 24 years of growth, TCL Air-Conditioners, driven by category innovation and oriented by customer demand, focuses on making branding and marketing breakthroughs. It has established a product portfolio comprised of the GentleCool Series and the FreshIN Series. It is committed to becoming "An Air-conditioner Expert at Your Health". As of the end of 2022, TCL Wuhan Air Conditioning Smart Manufacturing Industrial Park had been put into production. TCL Air-Conditioners had set up a number of production bases in Zhongshan, Wuhan, Jiujiang, Indonesia, Brazil and other parts of the world, with an annual capacity exceeding 20 million units. TCL Air-Conditioners' products are sold to over 160 countries and regions across the globe. Despite downside pressure from the external environment in 2022, its revenues in the Chinese market increased by over 40% year-on-year, and its export volume ranked top three in the industry. TCL Air-Conditioners has become a well-known large-scale comprehensive professional refrigeration enterprise.

TCL White Household Appliances

TCL White Household Appliances is dedicated to customers' healthy life. It keeps reinforcing the refrigerator's orientation towards "Smart Storage, Healthy Life, and Food Preservation" and the washing machine's orientation towards "Smart Classification, Healthy Cleaning". It also continuously integrates scenario-based and humanized technological functions into product design and technological innovation to offer users ultimate experience. After 26 years of technological accumulation and improvement of product quality, TCL White Household Appliances has earned good reputation and witnessed steady increase in the domestic market share in the field of washing machines and refrigerators. In 2022, the product research and development team of the Company visited its main markets in Europe to study customer demands as well as the technological trends of washing machines and refrigerators, focused on seeking breakthroughs in key markets such as Southeast Asia and Europe by relying on Homa Appliances' globalization capabilities in full process of mature products, platforms, supply chains, and industrial capabilities, etc., which is a leading export company under TCL Industries, so as to promote the realization of globalization strategies.

⁶ Smart screen mainly refers the smart televisions ("TV(s)") under the large-sized display business, and over 95% of TCL Electronics' TVs are smart screen products in terms of shipment.



Homa Appliances

Incorporated in 2002, Homa Appliances has been listed on the Shenzhen Stock Exchange since April 2012 (SZ.002668). The Company is the world's largest export refrigerator manufacturing base and a leading Chinese refrigerator export enterprise, which was registered in Nantou Town, Zhongshan City, Guangdong Province. Since its establishment, the Company has always focused on the research and development and manufacturing of household refrigerators and freezers, maintaining industry-leading levels in research and development technology, process design, product quality, manufacturing costs, operational efficiency, and other aspects. With nearly 400 globally authorized patents and an annual production capacity of 15 million units, it has ranked first in the total export volume of refrigerators in China for many consecutive years, and its products are exported to more than 130 countries and regions worldwide. The Company provides the most competitive products to global customers and users with an ultimately professional philosophy with adhering to the value of "Customer First, Team Oriented", and is committed to developing into the most growing and competitive global professional refrigeration equipment supplier.

Tonly Technology

Founded in 2000, Tonly Technology is engaged in the ODM (original design and manufacturing) of audio products, wearables, AIoT (Artificial Intelligence and Internet of Things) products and other precision components and accessories. Tonly Technology has built its R&D (research & development) bases in Huizhou, Shenzhen, Xi'an, Malaysia, etc. It boasts strong capability in technological advance research, R&D of audio and video products, acoustics products, software and AIoT products. It is committed to becoming a global leading provider of overall solutions and services for innovative smart products. It will continue to focus on the development and application of acoustic technologies, wireless and intelligent interconnection technologies and precision manufacturing technologies, with an aim of realizing cost-effective and mass production of related products to offer customers one-stop smart solutions.

TCL Environmental Technology

Founded in 2009, TCL Environmental Technology is an enterprise group specializing 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 operation 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, we provide 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 utilization and non-hazardous disposal and treatment is achieved.



TCL

TCL CSOT

TCL CSOT

TCL CSOT 98" 4K 240Hz IGID Gaming LCD

TCL CSOT 85" 8K 4Mask 120Hz α-Si IGID LCD

65" 8K Wide View Optical Field Display

34" WQHD 165Hz R1500
Ultra-thin Mini LED

HVA

49" 5000+ Zones 5K R800
Mini LED Esports Display

TCL Industrial Park

Established in 2017, TCL Industrial Park is a professional comprehensive service provider for investment, development and operation management of industrial parks. With a vision of "Becoming a Leading Industrial Park Investor and Management Service Provider", we are committed to offering our customers professional services. Relying on the three core industrial groups of TCL Industries, namely, smart terminals, semiconductor display, photovoltaic (PV) new energy, and semiconductor materials, TCL Industrial Park partners with players along the industrial chain to jointly build industrial ecosystem. The projects of TCL Industrial Park spread in Beijing, Shanghai, Guangzhou, Shenzhen, Tianjin, Suzhou, Wuhan, Hefei, Huizhou and other places, covering three major city clusters, namely, the Guangdong-Hong Kong-Macao Greater Bay Area, the Yangtze River Delta Region and the Greater Beijing Region. The properties to which we seek cooperation are Industrial and urban community complexes, business and R&D parks, high-level warehousing and logistics parks, and smart manufacturing parks. We are engaged in providing such services as the development and management of industrial parks, the commissioned construction of large technical and industrial plants, the operation and management and industrial and urban communities, and the management of industrial logistics assets. As of December 2022, the total area under management of TCL Industrial Park had reached 3.58 million square meters, and the total area constructed by and under management of us had reached 4.15 million square meters.

Getech

Founded in 2018, Getech is a leading industrial Internet enterprise in China. By leveraging on TCL Industries' experience in manufacturing products for various industries and scenarios, Getech integrates IoT, Big Data, Digital Twin, Artificial Intelligence and other innovative technologies and has developed the Getech Industrial Application Intelligent Platform (hereinafter referred to as "Getech Platform") with a "5+3+2" structure. In 2022, Getech Platform was accredited by the Ministry of Industry and Information Technology of the PRC as the "Cross-industry and Cross-domain Industrial Internet Platform", which is the only cross-industry and cross-domain platform in China empowering semiconductor manufacturing. Getech supports TCL Industries to gradually become a world-class digital group, and also provides industrial Internet solutions to Chinese manufacturing enterprises. As of the end of 2022, Getech has provided products and solutions for 22 sectors including semiconductors, new energy, 3C electronics, home appliances, petroleum and petrochemicals and aerospace, empowering digital transformation of varied industries.

TCL Financial Service

Founded in 1997, TCL Financial Service provides the supply chain FinTech services for the industrial ecological chain and inclusive finance services for small and micro institutional customers by collaborating with high-quality financial partners such as banks. It is committed to becoming financial services provider for industrial chains, small and micro enterprises, and households. In 2022, JDH, an online financing platform for supply chains of TCL Financial Service, provided the supply chain FinTech services to 38,000 enterprises, with a cumulative transaction scale exceeding RMB 910 billion; TCL Finance Lease (Zhuhai) Co., Ltd., a subsidiary of TCL Financial Service, participated for the first time in the financing for the project of deploying rooftop distributed industrial and commercial PV systems of a central government-owned enterprise and contributed to its connection to the grid.

◎ Product portfolio

High-end Smart Screen Series



High-end Smart Screen Series

TCL QD-Mini LED combines the advantages of LCD and OLED, upgrading traditional surface light sources to pixel level point light sources, and using quantum dot Pro 2023 technology to achieve ultra-high contrast while also having a higher brightness color gamut and lifespan than OLED, making it the true next-generation large screen display technology.



Refrigerator Series



Gewu Refrigerators Series

Adopting the industry's first independent three system and three cycle refrigeration system, equipped with internationally leading fourth generation preservation technology - molecular preservation technology, preserving the nutrition of food ingredients and making everything as fresh as nature.



Ultra Thin and Embedded Refrigerators Series

Adopting a seamless and perfectly embedded design, the ingredients are preserved in their original freshness through molecular preservation technology and full space ultra clean technology. It can be integrated into the overall home design while also enjoying delicious ingredients.



Precision Kitchen Refrigerators Series

Adopting third-generation thin-walled technology, 140μm Q Microporous foam material is used to create a large capacity refrigerator that covers less than half an square meter. Kitchen delicacies are easily stored, allowing you to enjoy a refined and good life.



Air Conditioner Series



Smart FreshIN Series

With the innovative Smart Wing technology and the first breathable fresh air technology, it can easily switch between four fresh air purification modes, paired with "dual channel doubling technology", achieving a 15% increase in fresh air volume.



Smart GentleCool Series

With the national patented intelligent soft wind technology, it can disperse strong airflow soft wind micropores, conveying laminar soft wind to avoid catching cold.



Smart Elite Series

Equipped with a complete purification system, it create a comprehensive home for sterilization and health, enjoying fresh air.



Twin Cabin Washing Machine Series

Adopting a dual barrel design, it can wash adults' and children's clothes, underwear and outerwear, dark and light colored clothes separately. The clothes are sorted and washed for comfort and health.



Pollution-free Washing Machine

Adopting a comprehensive and systematic pollution-free solution, it could avoid secondary pollution of clothing through the five core technologies of sewage free cabin sealing, sewage free outer cylinder, sewage free washing, sewage free purification, and sewage free spraying , which makes laundry cleaner.



Dryer

Adopting dual frequency conversion heat pump drying technology, the clothes are gently penetrated through the fibers through high-speed ion air, resulting in faster drying, fluffy and stylish appearance.



Washing Machine Series



Smart Lock Series



3D Face Recognition Lock with Electronic Cat Eye Q9G-M

It can realize self recognition without wake-up. Users can swipe their faces while standing at the door, instantly open the door for recognition, push the door to enter. It is equipped with a large screen cat eye and two-way video call settings, capturing the presence at the entrance for safety and visible viewing.



Finger Vein Large Screen Cat Eye Intelligent Lock C10R

Adopting Micro range finger vein recognition, it allows for easy entry into the house with a gentle release of the finger. Equipped with a large screen cat eye, it enables users to see the situation outside the door clearly, providing users a sense of visible security.

QLED 智屏
55"/65"/75"
第六代量子点背光 | 精英START芯源洗
服静音降噪 | Conchs sound 贝壳
AI炫彩光影

免污直驱洗烘一体机
10KG洗涤/7KG烘干
DD 直驱变频电机 | 免污密封圈
智能投放 | 暖风空气洗

智能语音冰箱
406L
AI 智能语音 | 食材管理
营养师 | 智慧全场景

NFC 全自动智能锁
手机NFC 解锁 | 关门自动上锁
未关门提醒 | 智能电子门铃
7种开锁方式 | 智能场景联动

全套系 P12 家电

C12 智屏
Mini LED | 量子点Pro

C12 挂机空调
恒温新风 | 智慧柔风

C12 柜机空调
智慧柔风 | 智能双温区

TCL 变频 C12
全套系 AI 家电
智 · 美 · 双 · 全

C12 洗衣机
分类洗 | 智慧洗

C12 冰箱
极速制冷引擎 | 食材管理

C12 Mini 智屏开关
AI语音交互 | 全屋家电智控

C12 智能锁
高清广角摄像头 | AI智慧侦测

Full-set AIxIoT Home Appliances, including TCL P12 Full-set AIxIoT Home Appliances and TCL C12 Full-set AIxIoT Home Appliances

Full-set AIxIoT Home Appliances Series



Mobile Phone Series



TCL 40 Series 5G Smartphone

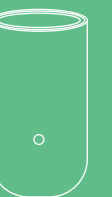
Featuring NXTVISION screen display enhancement technology, 5,000mAh long-lasting battery and 50MP AI-powered three camera system, equipped with 7nm high-performance 5G processor, providing users with experience at lightning speeds.



TCL 30 Series 5G Smartphone

Including TCL 30 XE 5G and 30 V 5G for the US market, and TCL 30 5G for the European market. All are equipped with large-sized and high-definition displays and innovative NXTVISION display enhancement technology, offering users immersive visual enjoyment.

Router Series



5G CPE HH512

TCL flagship 5G CPE, with a peak speed of 3.47Gbps in the global mainstream 5G Sub-6GHz frequency band, equipped with AX5400 dual band Wi-Fi 6 technology, can connect up to 192 devices simultaneously, providing an ultra fast, stable, secure, and seamless network experience for various scenarios such as smart home, home entertainment, small business, and light office.



5G Mobile Hotspot MW513

TCL's first 5G mobile hotspot features a lightweight and portable design, equipped with a 2.4 inch touch screen for easy viewing and management of network conditions. Supports mmWave+Sub-6GHz dual mode 5G, with a download speed of up to 4.11Gbps. It provides AX3600 dual band Wi Fi 6 connection and a battery life of up to one day. At present, it has successfully entered the US market and is widely used in home entertainment, outdoor activities, mobile office, business travel and other scenarios, bringing the ultimate online experience everywhere.

Smart Wearables



XR Smart Glasses

Adopting Bird Bath+Micro OLED technology solutions, it can cover multiple application scenarios such as film viewing, gaming, office, and intelligent cockpit.



AR Smart Glasses

Using the most advanced Micro LED+ diffraction waveguide solution in the industry, the Qualcomm Snapdragon XR2 platform is equipped with a 590mAh battery, a brightness of 1,000nit, a 16.77 million high-definition camera, and a contrast ratio of up to 100,000:1, ensuring user experience.



Tablet Series



TCL TAB 8 LE

Adopting MediaTek high-performance processors, large batteries, and dual speakers, as well as a 4G LTE network, it achieves a perfect combination of performance and design in an ultra compact and lightweight tablet.

TCL NXTPAPER 12 Pro

The ultra-thin body integrates NXTPAPER display technology, 6nm high-performance processor, and electromagnetic writing technology, providing users with a full-time and full scene paper-based eye protection experience.

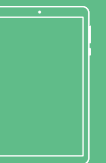


TCL NXTHUB Enterprise Smart Screen

It can realize one device with multiple functions, meeting the collaborative needs of various office scenarios such as remote meetings, open discussions, and high-definition screen sharing, adapt to the integration needs of multiple industries, and comprehensively assist in the acceleration of enterprise digitization.

TCL Smart Education Tablet

Based on the TCL cloud intelligent education platform, it can achieve multi scene teaching software resources. As a convenient and easy-to-use teaching platform, it provides one-stop platforms such as backup teaching and equipment centralized management to increase teaching value and efficiency.

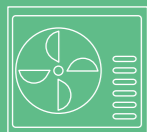


Central Air Conditioners Series



Commercial Central Air Conditioners

Residential Central Air Conditioners



Industrial and Commercial Photovoltaic Solution



We provide industrial and commercial photovoltaic solution services such as "distributed rooftop photovoltaics", "BIPV (Building Integrated Photovoltaics)" and "photovoltaic plus power storage" for various application scenarios such as factory roofs, public buildings, and photovoltaic car sheds, and are committed to becoming an innovator and leader providing with solution services in the integration of zero carbon park's green and energy business.

Solutions

Household Photovoltaic Solution

Based on a new household photovoltaic model "Guangfubao", we sign operational lease agreements with rural and urban residents to undertake the development and construction of the power station for the rural and urban residents, and guarantee the operation and maintenance of the power station during the lease period, so as to meet the energy needs of the rural and urban residents in a "zero-cost" way.



Waste Electrical and Electronic Product Recycling Solution

Adopting advanced dismantling and processing technology to recycle, disassemble, and remanufacture waste electrical and electronic products such as televisions, washing machines, air conditioners, refrigerators, and computers, achieving an organic combination of resource utilization and harmless treatment and disposal.

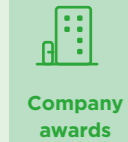


Our Sustainability Management

Upholding the concept of sustainable development, TCL Industries promotes green development and closely monitors the environmental and social impacts of our business. We are committed to continuously improving our sustainable development management system, working with all stakeholders to create positive value for the industry and society.

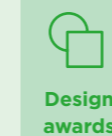
Company awards

Type	Award Winner	Qualification/Award Name	Grantor/Sponsor
	TCL Industries	National Demonstration Enterprise of Green Design for Industrial Products (the Fourth Batch)	Ministry of Industry and Information Technology of the People's Republic of China (hereinafter referred to as "the PRC")
	Getech	2022 Shanghai Green and Low-carbon Service Agency	Shanghai Municipal Commission of Economy and Informatization
	Getech	Standing Committee Member of the Carbon Neutrality Committee of China Energy Conservation Association	Carbon Neutrality Committee of China Energy Conservation Association
	TCL Industries	National First "Digital Pilot Enterprises (Whole ecological digital transformation program of household appliances industry chain)"	Ministry of Industry and Information Technology of the PRC
	TCL Industries	National "5G Fully Connected Factory (Flexible manufacturing of TV 5G fully connected factory integrating research, production and marketing)"	Ministry of Industry and Information Technology of the PRC
	TCL Industries	The First Batch of National Supply Chain Innovation and Application Demonstration Enterprise	Eight ministries and commissions including the Ministry of Commerce of the PRC
	TCL Industries	2020 New Information Consumption Demonstration Program -- construction and demonstration of online and offline digital service platforms for household appliances consumption	Ministry of Industry and Information Technology of the PRC
	TCL Industries	Big data service platform and application for research, production and marketing of household appliances - Pilot Demonstration Project of Big Data Industry Development	Ministry of Industry and Information Technology of the PRC
	TCL Industries	The Third Batch of Service-oriented Manufacturing Demonstration Enterprises	Ministry of Industry and Information Technology of the PRC
	TCL Industries	2021 National Intelligent Manufacturing Pilot Demonstration Factory	Ministry of Industry and Information Technology of the PRC, State Development and Reform Commission of the PRC and State Administration for Market Regulation of the PRC
	TCL Industries	Case of Reform and Building of Digital Government	Municipal Government Service Data Administration Bureau of Huizhou and Bureau of Industry and Information Technology of Huizhou
	TCL Industries	International Leading Enterprise	China Video Industry Association
	TCL	TOP 100 in the 2022 Kantar BrandZ Most Valuable Chinese Brands Ranking	Kantar and Google
	TCL	TOP 50 in the 2022 Kantar BrandZ Chinese Global Brand Builders Ranking	
	TCL	2022-2023 Top 10 CE Brands	Global Top Brands Award, founded by International Data Group (IDG), co-organized by TWICE and supported by International Data Corporation (IDC)
	Falcon Network Technology	Included in the Hurun Global Gazelle Index 2022	Hurun Research Institute
	TCL	The Most Innovative Household Appliance Brand	China Household Electric Appliance Research Institute (CHEARI)
	TCL Air-Conditioners	Smart and Healthy Brand	
	TCL Refrigerator	2022 Healthy Preservation Innovative Brands in China's Refrigerator Industry	Organizing Committee of China Refrigerator Industry Summit Forum
	TCL Washing Machine	2022 Fashion Pioneer Brand of Categorized Washing in China Washing Machines and Clothes Dryer Industry Summit Forum 2022	Organizing Committee of China Washing Machine & Clothes Dryer Industry Symposium





Company awards

Type	Award Winner	Qualification/Award Name	Grantor/Sponsor
	TCL Mini LED 8K TV X12 / X925 PRO	2022 German Red Dot Design Award	Red dot GmbH & Co.KG
	TCL Mini LED TV Series X11 / C935 / Q854 / X935		
	TCL Mini LED TV Series C12E / C835 / R65 TV		
	TCL AI TV Camera C Series		
	TCL P73 Series Home Theatre Soundbar		
	TCL Smart Wing Fresh Air Conditioner II		
	TCL Whisper Q-Series Window Air Conditioner		
	TCL 93 Series Home Theatre Soundbar		
	TCL Care UX Design		
	TCL Nature Inspired Sound System		
	TCL AI TV Camera C Series	iF Design Award 2022	iF International Forum Design GmbH
	TCL NXTHUB V60 All-in-One Display Series		
	TCL P73 Series Home Theatre Soundbar		
	TCL C12 Full-set AIxIoT Home Appliances Promotion 360° Marketing Promotion & Communication		
	TCL P12 Full-set AIxIoT Home Appliances Promotion 360° Marketing Promotion & Communication		
	TCL NXTWEAR V1		
	TCL VR GLASS Education		
	TCL FLEX V Foldable Smart Phone		
	TCL CPE Air 4G Wi-Fi Router		
	TCL LEINIAO AR glasses		
	Breeva Pro 700 / 400 Air Purifier	2022 IDEA Design Award	Industrial Designers Society of America
	PIVOT Smarthome Experience		
	TCL C Series AI TV Camera	2022 G-Mark Award	Japan Institute of Design Promotion
	TCL R555 C10 Refrigerator		
	TCL C Series AI TV Camera		
	TCL Mini LED TV Series X11 / C935 / Q854 / X935		
	TCL 5G CPE 2 Router		



Design awards

Type	Award Winner	Qualification/Award Name	Grantor/Sponsor
 R&D awards	Patent for Methods and Systems of Backlight Driving and Controlling	The 9th Guangdong Patent Gold Award	Guangdong Administration for Market Regulation
	TCL Smart Wing Fresh Air Conditioner II	Second Prize of "Innovation Zhongshan" Science and Technology Progress Award	Zhongshan Internet Society
	TCL Smart Wing Fresh Air Conditioner II	Science and Technology Progress Award of GDEIA	Guangdong Electronics and Information Industry Association (GDEIA)
	TCL Air-Conditioners	Intellectual property management system certification	ZhongGui (Beijing) Certification Co., Ltd
	TCL Air-Conditioners	Mobile enterprise-based IP protection studio in Zhongshan	Zhongshan Administration for Market Regulation
	TCL V8G	Tencent START Four-star Certification - Smart TV	Tencent Technology
	TCL Q8E	Tencent START Four-star Certification - Smart TV	Tencent Technology
	Short-range wireless communication technology	Major Contributor to SparkLink	SparkLink
	AutoML technology	The 1st prize in the Monocular Depth Estimation Challenge	European Conference on Computer Vision (ECCV)
	AutoML technology	The 2nd prize in the 2022 Challenge on Super-Resolution of Compressed Image and Video	European Conference on Computer Vision (ECCV)
Type	Award Winner	Qualification/Award Name	Grantor/Sponsor
 Product awards	TCL QLED TV 55C735	"BEST BUY TV 2022-2023" of EISA	Expert Imaging and Sound Association (EISA)
	TCL Mini LED 4K TV 65C835	"Best Mini LED TV 2022-2023" of EISA	Expert Imaging and Sound Association (EISA)
	TCL Mini LED TV Series X11	Mini LED TV CES® 2022-2023 Innovation Award	Global Top Brands Award, founded by International Data Group (IDG), co-organized by TWICE and supported by International Data Corporation (IDC)
	TCL 4K Mini LED TV C845	Lasted Generation Display Technology Innovation Gold Award 2022-2023	Global Top Brands Award, founded by International Data Group (IDG), co-organized by TWICE and supported by International Data Corporation (IDC)
	TCL Mini LED TV Series X11	Technological Innovation Award-Technology	China Video Industry Association
	TCL Mini LED 4K TV 75C935	CES 2023 Innovation Awards	Consumer Technology Association (CTA)
	TCL Mini LED 4K TV 75C835	CES 2023 Innovation Awards	Consumer Technology Association (CTA)
	TCL Mini LED TV Series 85X11	High-end Smart Product Award	China Video Industry Association

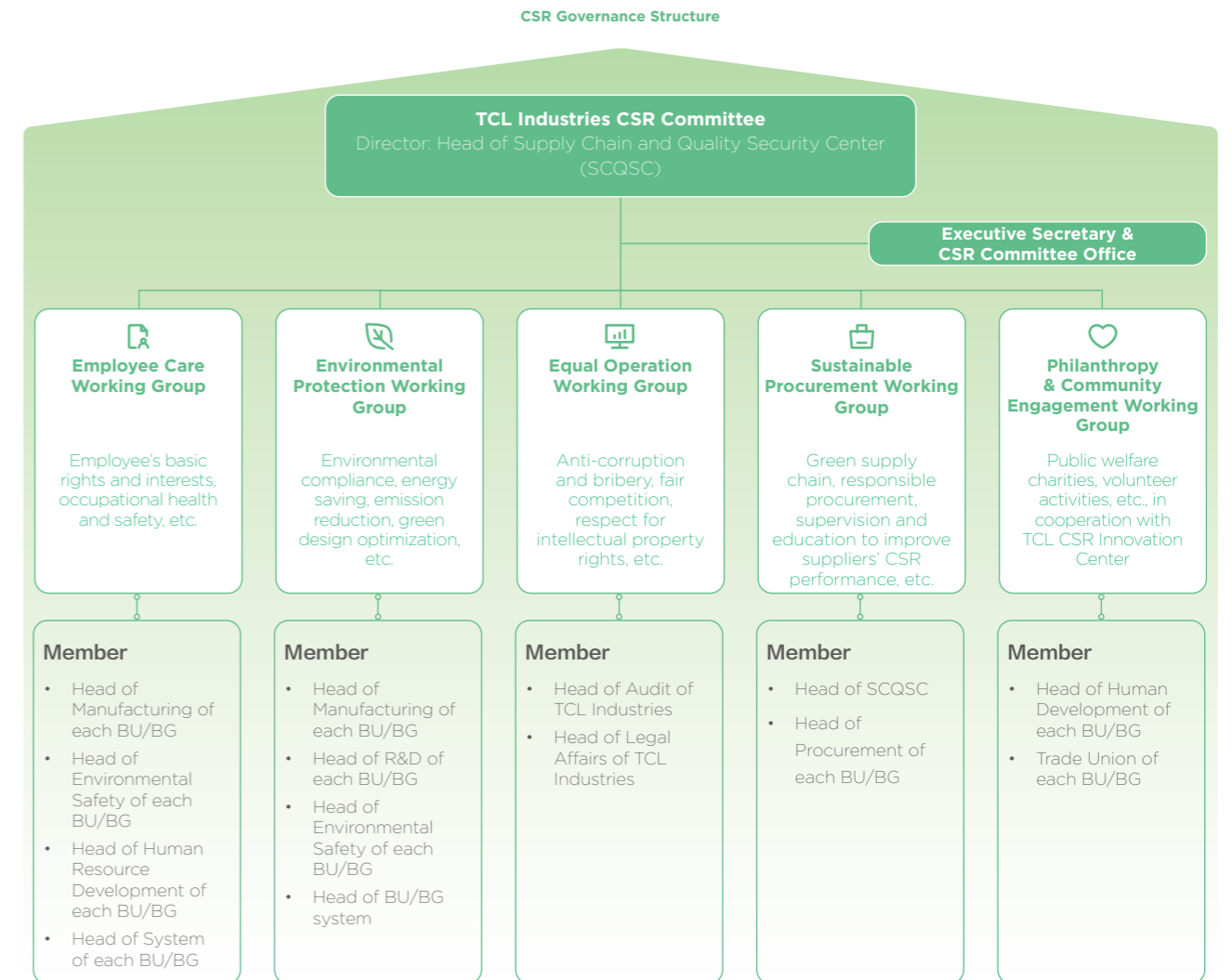
Type	Award Winner	Qualification/Award Name	Grantor/Sponsor
 Product awards	TCL Mini LED TV Series X11	Innovation Award of the 10th China Information Technology Expo	Organizing committee of the 10th China Information Technology Expo
	TCL QD-Mini LED Large Smart Screen 98X9C Pro	Technological Innovation Award-Product	China Video Industry Association
	TCL QD-Mini LED Large Smart Screen 98X9C Pro	High-end Smart Product Award	China Video Industry Association
	TCL BCD-520WPJD	Product Award for Outstanding Channel Performance of 2022 China Refrigerator Industry	China Refrigerator Industry Summit Forum
	TCL R555C10-SS Gewu Refrigerator series	Star of Molecular Preservation Technology of 2022 China Refrigerator Industry	Organizing Committee of China Refrigerator Industry Summit Forum
	TCL Gewu Refrigerator series	Pioneer of Healthy Preservation Technology	China Refrigerator Industry Summit Forum
	TCL Refrigerator - Molecular Preservation Technology	Technological Innovation Achievement	China Household Electric Appliance Research Institute
	TCL double frequency conversion heat pump clothes dryer H100Q10	Star of Double Frequency Conversion Heat Pump Washing & Care of 2022 China Washing Machines and Clothes Dryer Industry	China Washing Machine & Clothes Dryer Industry Symposium
	TCL Direct Drive Washer and Dryer Combo G100T7-HDI	Product Award for Outstanding Channel Performance of 2022 China Washing Machines and Clothes Dryer Industry	China Washing Machine & Clothes Dryer Industry Symposium
	TCL Twin Cabin Q10 Duplex Partition Washing Machine G160Q10-HDY	Duplex Partition Innovation Product of 2022 China Washing Machines and Clothes Dryer Industry	China Washing Machine & Clothes Dryer Industry Symposium
	TCL Twin Cabin Duplex Partition Washing Machine	Technological Innovation Achievement	Organizing committee of the Red Top Award
	TCL Air-Conditioners	Healthy Fresh Air Leader Brand of 2022-2023 China Air Conditional Industry	Organizing Committee of China Air Conditioner Industry Summit Forum
	TCL Smart Wing Fresh Air Conditioner Series	Product Award for Outstanding Channel Performance of 2022-2023 China Air Conditioner Industry	Organizing Committee of China Air Conditioner Industry Summit Forum
	TCL Smart Wing Fresh Air Conditioner Series	Healthy & Fashion Pioneer	China Household Electric Appliance Research Institute
	TCL Smart Wing Fresh Air Conditioner III	Product Innovation Achievement	China Household Electric Appliance Research Institute
	TCL Air-Conditioners	2022 Top Smart Product Brand Award in China's Air Conditioner and Refrigerator Industry	ChinaOL
	TCL Smart Wing Fresh Air Conditioner III	2022 Smart Product Award in China's Household Air Conditioner and Refrigerator Industry	ChinaOL
	TCL Visual Security Smart Lock Brand	Leadership Brand of 2022 Smart Clock Industry	CBD Fair, CEPREI
	TCL 3D Face Recognition Cat Eye Lock X10	Product Award, Gold Medal	CBD Fair, CEPREI
TCL NXTWEAR AIR AR glasses	Most Innovative Product Award	Global Top Brands Award, founded by International Data Group (IDG), co-organized by TWICE and supported by International Data Corporation (IDC)	
TCL NXTPAPER 10s Tablet	2021-2022 Eye Care Technological Innovation Award	Global Top Brands Award, founded by International Data Group (IDG), co-organized by TWICE and supported by International Data Corporation (IDC)	
TCL LEINIAO AR glasses	Second Prize of the Third Science and Technology Award	China Society for the Promotion of Science and Technology Commercialization	

Key sustainability performance



Corporate social responsibility (CSR) governance

In 2022, TCL Industries established the Corporate Social Responsibility (CSR) Committee and the CSR Committee Office, comprised of the heads of business units and work representatives. This helps form a standardized CSR affairs management system to effectively enhance our sustainable development capabilities.



CSR Governance Responsibilities

Management authority	Responsibilities
CSR Committee	<ul style="list-style-type: none"> Formulating CSR strategic planning objectives Decision-making on important CSR programs or issues Promoting the CSR capacity building of TCL Industries and its subsidiaries Reviewing the CSR report of TCL industries and the Environmental, Social and Governance (ESG) report of TCL Electronics and provide guidance and suggestions
Position Highest decision-maker	
Management authority	Responsibilities
CSR Committee Office	<ul style="list-style-type: none"> Studying internal and external CSR policies and trends Promoting the implementation of CSR strategic plans Collecting and arranging CSR performance data and report to the CSR Committee on a regular basis Organizing the review of the CSR report of TCL industries and the Environmental, Social and Governance (ESG) report of TCL Electronics Organizing and participating in CSR industry exchanges
Position Executive body	

We hold TCL Industries CSR strategic planning meetings every year, and conduct review and summary meetings every six months to discuss internal CSR work requirements. To effectively investigate and manage risks, we organize at least two CSR risk assessments for manufacturing companies under TCL Industries every year to improve their CSR management capabilities.

Stakeholder engagement

Employees Directly-employed employees

TCL Industries is committed to establishing sophisticated employee benefits and career development mechanisms. We continue to attract diversified talent and provide employees with trainings as needed, to help them grow.

Communication methods	Focus	The Company's response
E-mails, Complaints Hotline, employee meetings, employee activities, employee training, trade unions, internal employee communication platform "Challenge T", etc.	Legitimate rights and interests, compensation and benefits, career growth, training mechanism, occupational health and safety, employee communication channels	We protect the legitimate rights of employees and provide them with a safe workplace in accordance with laws and regulations; provide market-competitive salaries, benefits, training and promotion opportunities; and improve the HR management system, etc.

Users Users who purchase and use our products and services

Putting our customers first, TCL Industries provides users with convenient, high-quality, safe and efficient products and services; understands and meets the needs of every customer; and continuously improves user satisfaction.

Communication methods	Focus	The Company's response
Hotlines, complaints e-mail, satisfaction survey, user interview, official website and WeChat account, information disclosure, etc.	We provide high-quality experience, cost-effective products and high-quality services, customer privacy protection, after-sales services, low-carbon and environmentally friendly products, etc.	Strengthen user experience and product quality management, protect customer privacy, product and service innovation, and R&D of low-carbon products, etc.

Suppliers Suppliers of products, materials and services, etc.

TCL Industries actively builds a sustainable and responsible supply chain, conducts strict entry process, counseling and regular audit of suppliers, requires suppliers to abide by relevant systems, and reduces environmental and social risks in the supply chain.

Communication methods	Focus	The Company's response
Hold regular supplier conferences, conduct daily work meetings and email communication, conduct regular audits and carry out training on demand, etc.	Product and service quality, supplier compliance, green supply chain, stable supply chain, mutual support, honest and transparent cooperation	Conduct joint product development, maintain regular communication, jointly identify business opportunities and tackle problems and provide relevant training, etc.

Investors/Shareholders Existing shareholders and potential investors

TCL Industries abides by business ethics, creates positive and sustainable financial returns for shareholders, and attracts potential investors with innovation and sustainable development.

Communication methods	Focus	The Company's response
Information disclosure, general meeting of shareholders, performance meetings, non-transactional roadshow, strategy meeting, investor teleconference, etc.	Transparent information disclosure, strengthened risk control, compliance with business ethics, and continuous creation of economic value	Improve corporate governance and investor communication, enhance operational transparency, maintain performance and profitability growth, and enhance brand awareness

Communication with important stakeholders

TCL Industries sets up smooth communication channels and maintains close contact with key stakeholders. We actively listen to the views of stakeholders, take the initiative to respond to their expectations and requirements, and enhance governance on matters related to sustainable development, so as to promote the sustainable development of the Company and the industry.

Government and regulators Local governments and regulatory agencies where we register, list and operate.

TCL Industries strictly abides by relevant laws and regulations, implements various regulations of governments and regulators, and resolutely guarantees compliance with laws and regulations in daily operations.

Communication methods	Focus	The Company's response
Regular visits, policy interpretations by governments and regulators, meetings exchange activities, etc.	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	Implement regulatory policies, pay taxes according to law, and actively assume social responsibilities

Industry associations and chambers of commerce Industry associations and chambers of commerce in which TCL Industries participates

TCL Industries maintains active exchanges with relevant industry associations and chambers of commerce to create a benign business atmosphere.

Communication methods	Focus	The Company's response
Industry seminars, symposiums collaborative research, etc.	Industry development, business development, product quality, corporate social responsibility	Strengthen business cooperation with multiple partners, promote industrial development, and explore new business models

The media and the public The public who are concerned about the performance of TCL Industries and the media who report on it

TCL Industries accepts the supervision of the media and the public, continuously improves the transparency of its own operations, maintains its corporate image, and delivers positive energy to the society.

Communication methods	Focus	The Company's response
Press conferences, media interviews, regular symposiums, press releases on official website, WeChat account, etc.	Product and service performance, financial performance, development planning, corporate social responsibility	Release information on corporate development in a timely manner, strengthen product and service promotion, and build brand image

Public welfare organizations and communities Non-profit organizations that cooperate with TCL Industries and the communities where TCL Industries' own properties are located

TCL Industries keeps in touch with public welfare NGOs and communities, actively participates in public welfare activities, and contributes to community development.

Communication methods	Focus	The Company's response
Contributing to public welfare activities, volunteer service, property construction management and community investment, etc.	Promote local development, enhance community value, and support social welfare	Actively participate in targeted assistance, organize and participate in public welfare activities, and encourage employees to participate in voluntary activities

Identification of material issues

TCL Industries conducts questionnaire survey among stakeholders every year to understand the sustainable topics that are of material significance to stakeholders including employees, customers, suppliers, government and regulators, investors, industry associations and chambers of commerce, the media, public welfare organizations and communities. We also rank the significance of each topic, making them an important reference for the disclosure of this Report and the Company's further improvement of its sustainable development management.

Material issue assessment process

Issue identification

Based on our business model, national policies, and capital market concerns, and through benchmarking analysis of the concerns of our peers, we selected 26 sustainable development issues such as product quality and safety, intellectual property protection, occupational health and safety.

Stakeholder engagement

We collected a total of 3,513 questionnaires from our investors, suppliers, customers, employees and other internal and external stakeholders to gain a broad understanding of the key concerns of internal and external stakeholders on the Company's sustainable development management.

Issue assessment

According to the stakeholder survey results, we ranked the sustainable development issues in two dimensions: "importance to the enterprise" and "importance to the stakeholders", and drew a materiality matrix.

Review and confirmation

The assessment results of material issues were reviewed, affirmed and approved by the management for public disclosure.

TCL Industries' Materiality Matrix in 2022



Highly important issues

1	Social	Product quality and safety
2	Governance	Protection of intellectual property rights
3	Social	Occupational health and safety
4	Governance	Compliance with laws and regulations
5	Environmental	Response to climate change

Ordinarily important issues

24	Environmental	Energy management
25	Social	Management of conflict minerals
26	Social	Community investment

Moderately important issues

6	Social	Customer service
7	Social	Talent attraction and retention
8	Social	Employees' rights, interests and benefits
9	Social	Product and technological innovation
10	Governance	Corporate governance
11	Social	Diversity and equal opportunities
12	Social	Information security and privacy protection
13	Governance	Business ethics
14	Environmental	Waste and hazardous materials management

15	Environmental	Recycling of electronic waste
16	Environmental	Green products
17	Environmental	Water resources management
18	Environmental	Emission management
19	Environmental	Promotion of green packaging
20	Social	Employee training and development
21	Social	Responsible marketing
22	Governance	Transparency in information disclosure
23	Social	Sustainable supply chain management

Product Topic:

Technological Inclusion Leading Industry Changes

Technological and industrial revolution are profoundly changing the development pattern of the world. New scientific discoveries and technological breakthroughs are benefiting mankind while bringing ethical risks and challenges. As a leading technology company, TCL Industries is committed to realizing the "Building a Sustainable and Connected Future" of mankind and technology, constantly improving the experience and inclusion of smart products and services, and striving to close the gap between technology and each user group, thereby promoting technological inclusion and leading the industry development for good.



© Developing accessible and barrier-free products

TCL Industries firmly believes that technology should be people-oriented and serve the people. We are committed to providing convenient and barrier-free product experience for different user groups through the research and development as well as application of innovative technologies, making our products more accessible and offering warmer services to users.

Hearing and visual accessibility

We have always been paying attention to the needs of the visually and hearing impaired community, and we are committed to breaking down the barrier of information transfer with technologies.

Our TV products are equipped with auxiliary functions such as auxiliary menus, color inversion, high contrast, and audio description. Based on the characteristics of visually and hearing impaired individuals, we adjust the sound and visual effects of our TV products to provide a better viewing experience for the visually and hearing impaired community.

Hearing Aid Compatibility (HAC) functionality is introduced into our mobile communication products exported to North America, with the adoption of the *IEEE/ANSI C63.19-2019 - American National Standard - Methods of Measurement of Compatibility Between Wireless Communications Devices and Hearing Aids*. Our hardware design supports various types of hearing aids and ensures sound quality, while our software design enables quick switching to hearing aid, thus comprehensively ensuring the accessibility of our mobile communication products.

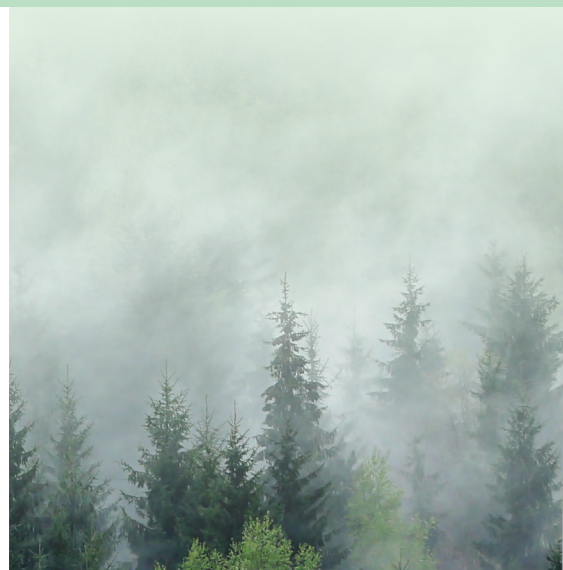
Accessible Interaction

We optimize our product design to cater to the needs of user groups of different ages, such as children and the elderly, and strive to enhance usability and learnability. In addition, we incorporate intelligent voice assistant and cloud assistant features into our mobile communication products for all user demographics. These features allow users to control the devices by voice conversations, thus reducing users' operating procedures and frequency and offering them a convenient experience.

According to the characteristics of child users, our tablet products for children adopt a product design that better align with the children's nature and usage habits.

- **Color:** Our products have a clear color distinctions for foreground, background, and interoperable zone to set visual differentiation. Meanwhile, we design a reasonable color richness for children of different ages, so as to reduce the complexity of visual information and maintain attractiveness for child users.
- **Content organization:** Our product layout design maintains concise and focused content to the greatest extent, so as to control the amount of information and reduce cognitive and operational barriers brought to child users due to information overload
- **Interactive operation:** Our products use simple operational gestures that can be accomplished by children. Icons, buttons, and spacing within our products are enlarged to prevent accidental touches, reducing the cost of learning interactive operations for children.

To cater to the vast elderly population, we have adopted an age-friendly design and developed an easy mode in our mobile communication products, which optimizes the reading experience of the elderly users through the product layout design, such as enlarged font and desktop icons. Meanwhile, the easy mode allows for quick addition of contacts to the home screen and presetting the emergency contacts, thus realizing one-key calling or messaging, to ensure a convenient and safe life for the elderly with smart products.



Case: Launch of "TCL Care" TV Care Solution



In January 2022, adhering to the philosophy of "Design for Everyone", TCL Industries launched the first TV care solution in the industry – TCL Care by analyzing the core pain points of all user groups in typical scenarios, thus providing the special-needs group and the elderly and child groups with barrier-free TV product experience and making them feel the endless care brought by technology. As of 2022, TCL Care has been used by 20 million households worldwide, with a total of more than 40 million users.

For users with hearing and visual impairments

- **Visual and auditory enhancement tools:** Algorithms amplify TV sound and fonts to enhance the transmission of audiovisual information;
- **Accessible color system:** Algorithms automatically adjust the colors presented on the TV, including red-green and yellow-blue colorblind modes, helping users identify the correct interface colors.



"TCL Care" TV Care Solution

◎ Creating healthy technology experience

Health has become the focus of consumers in today's era. Focusing on the health needs of users in life scenarios, we are committed to making good use of innovative technologies to improve users' lives and create a healthy technology experience for users.

Frontier eye-care technology

- **In-depth R&D of low blue light technology:** We continue to launch various categories of low blue light products such as smart screens and mobile communications and have obtained TÜV Rheinland Low Blue Light Certification, to reduce the harmful effects of blue light on the human eyes when using electronic products.
- **Safe distance reminder:** We introduce a child viewing distance detection functionality in TV products equipped with cameras, which uses self-developed algorithms to display reminders when children are too close to the TV, thus intelligently preventing the risk of myopia in child users.

Smart health monitoring

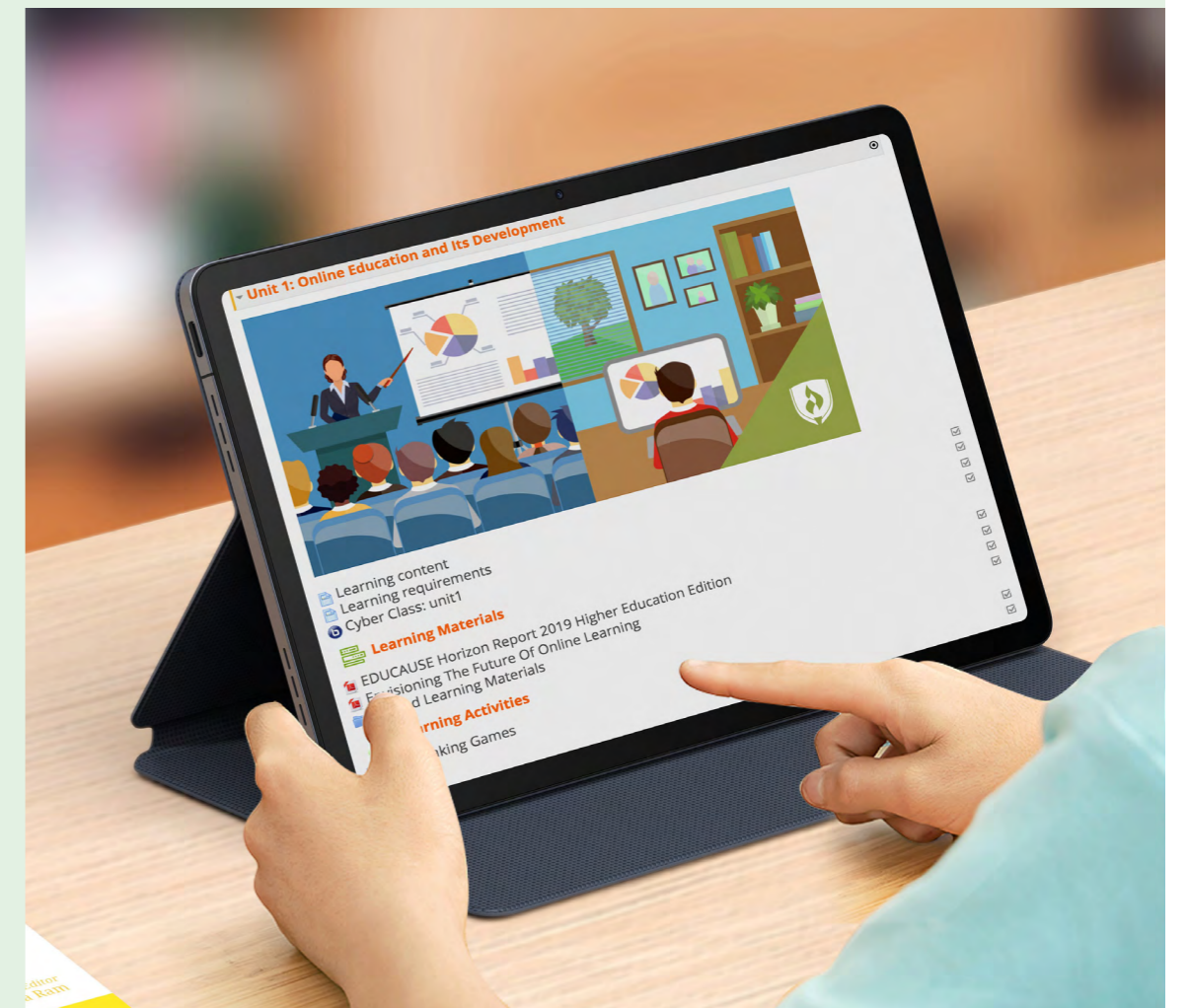
- **Health status monitoring:** We introduce a heart rate monitoring functionality in our mobile communication products to constantly monitor users' health status and prevent abnormal conditions.
- **Chronic disease management:** We introduce health data monitoring, medication reminders and other chronic disease management features in TV products, providing comprehensive support for users' health needs.

Case: Providing students with a healthy learning experience



With the popularity of remote study scenarios, we developed a 4G education tablet - TCL NXPAPER in 2022, which has industry-leading writing experience and eye protection technology against blue light, providing students with a more reliable and healthy learning experience.

The NXPAPER Display technology we used can control blue light within 27%, helping alleviate visual fatigue caused by long-term studying for child users. In addition, we used paper-like display technology, which uses diffuse reflection technology to reduce the degree of reflection, thus effectively reducing the irritation and visual damage of electronic screens to human eyes. Moreover, it can highly restore the smooth experience of writing with a real pen on paper when users write with a stylus.



TCL NXPAPER Education Tablet

Environmental Topic:

Green Development Promoting the "Carbon Peaking and Carbon Neutrality" Strategy

With China's national "carbon peaking and carbon neutrality" (hereinafter referred to as "dual carbon") goal set and the "14th Five-Year Plan" formulated, green transformation for enterprises has become a core societal demand for development. Seizing the opportunities presented by the "dual carbon" goal, TCL Industries collaborates with supply chain partners to promote climate actions, and strengthens carbon management throughout the product life cycle. By leveraging clean production and intelligent manufacturing as drivers, we are committed to boosting the green transformation for the industry.



Advancing climate actions

Climate change is a common challenge faced by mankind, and global efforts are needed to tackle it. TCL Industries is keenly aware of climate risks and opportunities. Based on our locations of operation as well as reference to policies and historical records of extreme weather events, we have systematically identified the climate change risks and opportunities that may affect our business and financial performance. We have accordingly formulated seven core response strategies to comprehensively promote climate action within the Company and throughout the supply chain, so as to mitigate the impact of climate change and continuously improve corporate resilience.

Case: Expanding PV business to actively respond to climate change



TCL Electronics, a subsidiary of TCL Industries, seized the opportunity brought by global clean energy and the "dual carbon" policy. To be more specific, we established TCL Photovoltaic Technology in December 2021 by leveraging the leading industrial chain resources and rich project operation experience boasted by TCL Zhonghuan Renewable Energy Technology Co., Ltd. This step marked our official enter into the distributed PV field and commitment to contributing to response to climate change.

Centering on the two core businesses of customer-end household distributed power stations and business-end industrial and commercial distributed power stations, TCL Photovoltaic Technology is committed to becoming a photovoltaic technology enterprise integrating construction, operation and maintenance, management and consulting services of vertical industrial chain, and grows into an innovator and leader of zero-carbon intelligent rural life and zero-carbon industrial park solutions. During the reporting period, the total power generation of household and industrial and commercial distributed power stations reached 39.41GWh, reducing approximately 12,216 tonnes of standard coal consumption and 30,907 tonnes of carbon dioxide emission.

In the future, TCL Photovoltaic Technology will closely follow the major trend of emerging economic forms after the Paris Climate Conference and China's national photovoltaic industry strategic plans to pursue green development and facilitate the energy transition of Chinese enterprises.

Climate Risks, Opportunities and Response of TCL Industries

Risks

- Negative impacts of extreme weather events on corporate infrastructure and operations
- Compliance risks due to failure of following the "dual carbon" policy
- Cancellation of orders or termination of cooperation due to failure to comply with customers' policies or requirements
- Hindered product access to European and American markets or increased tax cost due to deficiencies in attention to green trade
- Decreased overall competitiveness due to missed low-carbon transition opportunities

Opportunities

- Closely follow and respond to the green trade barriers brought about by the "dual carbon" goal in a timely manner to gain market opportunities or advantages
- Meet customers' "dual carbon" policies and requirements
- Expand PV business
- Pursue low-carbon transition to increase efficiency and decrease cost in operations and energy use
- Enhance corporate image

Response strategies

- Build a low-carbon production model
- Improve the green design of products
- Manage supply chain carbon emissions
- Increase climate change resilience
- Improve disclosure of information on carbon emissions
- Establish a green and low-carbon image
- Build a talent pool for the "dual carbon" goal

Action plans

- Develop and launch green-design and high-energy-efficiency products
- Deploy low-power-consumption equipment
- Conduct energy-saving programs
- Establish an energy management system
- Monitor and manage suppliers' greenhouse gas emissions, and promote the application of the ISO 14064 Standard
- Facilitate and support suppliers to join the CDP (Carbon Disclosure Project) supply chain information disclosure
- Closely monitor carbon emissions trading
- Develop green power through purchasing or self-built PV
- Explore emerging green businesses such as distributed household PV and smart energy storage

Strengthening carbon management

Greenhouse gas management plays a vital role in global climate governance. TCL Industries has launched the "dual carbon" project and formulated a comprehensive low-carbon development strategy to lay a solid foundation for promoting our own low-carbon development. The project planning follows a three-step approach: carbon inventory verification (assessing the current situation, setting targets and developing plans), carbon peaking (building capacity and reducing emissions) and carbon neutrality (continuously building capacity and reducing emissions). In collaboration with SGS⁷, a professional third-party inspection and certification agency, we started from a carbon inventory verification capacity building program. By the end of 2022, TCL Industries has trained and certified a total of 99 internal auditors worldwide in the ISO 14064-1:2018 carbon inventory verification standard, laying a solid foundation for the Company's "dual carbon" practice. In addition, we conduct our carbon inventory verification in accordance with the ISO 14064-1:2018 *Greenhouse gases - Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals*, to quantify the status quo of our greenhouse gas (GHG) emissions. As of May 2023, TCL Industries has completed the carbon inventory verification for the year 2022 for 9 industries, namely Pan Smart Screen (泛智屏) Business Unit, Communications Business Unit, TCL Air-Conditioners, TCL White Household Appliances, TCL Environmental Technology, Tonly Technology, Getech, Homa Appliances, TCL Photovoltaic Technology, as well as 41 subsidiary companies and TCL Industries platforms (including headquarters and domestic and overseas sales sites), among which 13 core subsidiaries have obtained the ISO 14064-1:2018 GHG verification statement certificates issued by SGS. The statements indicate that the Company's carbon emissions management has met international standards and its carbon data management level has been improved.

We closely follow the environmental impact of the whole life cycle of products, and are committed to minimizing the carbon emissions generated throughout the process of product production, transportation, use and disposal. We continue to promote carbon labeling of our products, with the aim of guiding and meeting consumers' demand for green consumption and environmentally friendly products through green design. Meanwhile, we actively participate in industry exchange activities. We attended the 2022 Global Carbon Labeling Commodity Exhibition (Online) and the 3rd China International Low Carbon Technology Online Expo, where we shared low-carbon product experience with more than 200 exhibitors. We are committed to taking a leading role in areas such as carbon management throughout the lifecycle of electronic products and low-carbon product certification, promoting continuous progress in energy saving and carbon reduction efforts in the industry.



LCD TV Won China's First Carbon Label Evaluation Certificate for Electronic and Electrical Products



Router Products Won the First Batch of Certificate of Product Carbon Footprint in Guangdong Province

- TCL was selected by the Ministry of Industry and Information Technology of the PRC as one of the fourth batch of "Green Design Demonstration Enterprise for Industrial Products".
- Getech won the title of "2022 Shanghai Green and Low-carbon Service Agency".
- Our LCD TV won the first Carbon Label Evaluation Certificate for Electronic and Electrical Products issued by China Electronic Energy Saving Technology Association in 2021. We also won the Low-carbon Product Supplier Certificate and the Environmental Product Declarations (EPD) Certificate.
- Our router products won the first batch of Certificate of Product Carbon Footprint in Guangdong province in 2022.

Case: Getech listed as the United Nations WIPO GREEN technology provider

In December 2022, Getech was listed as a United Nations WIPO GREEN Technology Provider and its self-developed energy and dual carbon solution has represented the crystallization of digital wisdom shared by China to the world.

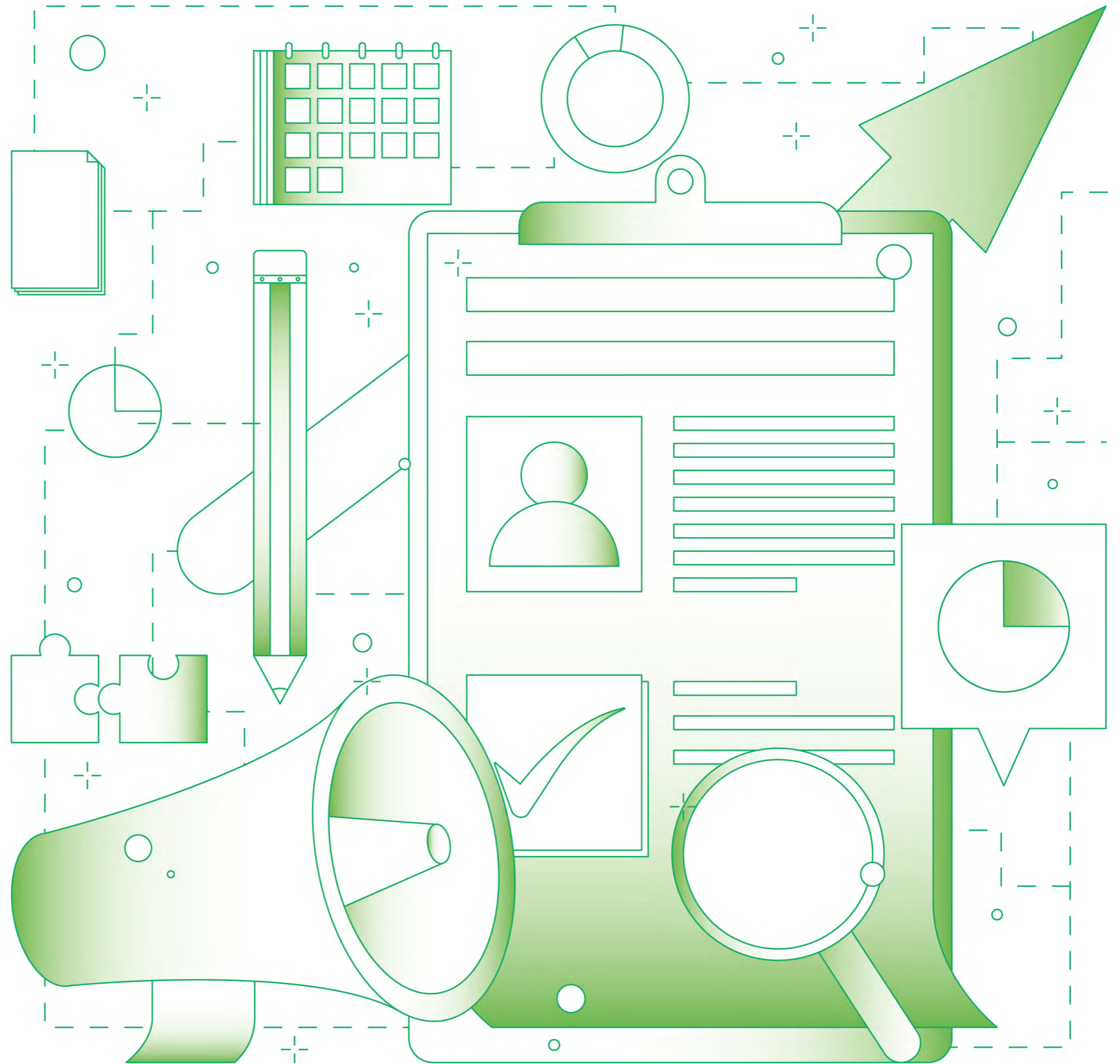
Based on the Getech Dual Carbon Industrial Internet Platform, we have built integrated capabilities for energy and carbon monitoring, management, and analysis through means such as energy and carbon data collection, edge computing strategies, visualization analysis, data mining, AI analysis, and strategy optimization. The platform includes core functions such as global energy monitoring and analysis, early warning and alerts, energy management optimization, energy forecasting, corporate carbon emission monitoring and inventory development, carbon asset control, energy conservation diagnosis, optimization control, and decision support. The platform has helped enterprises establish an intelligent energy and carbon management system, achieving a scientific, rational, and efficient digital and "dual carbon" transformation of energy use. Getech currently possesses the ability to provide "dual carbon" services throughout the entire value chain and has served dozens of manufacturing enterprises, helping them improve energy and carbon management efficiency by 50%, reducing carbon emissions by over 250,000 tonnes, and creating RMB hundreds of millions of revenue.



Getech Smart Energy Management System (G-EMS)

⁷ SGS: SGS-CSTC Standards Technical Services Co., Ltd.

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Corporate Governance - Safeguarding Operation

Responsible governance is an important belief that TCL Industries adheres to. We attach great importance to business ethics, strengthen the anti-corruption and integrity management, improve the intellectual property rights protection system, and comprehensively promote compliant operations, in an effort to facilitate the sustainable and healthy development of the Company.



◎ Observing business ethics

TCL Industries strictly abides by business ethics with the aim of safeguarding a transparent and fair business environment. We continue to strengthen compliance operations, improve the anti-bribery and anti-corruption management system, guarantee trade compliance, and enhance the compliance awareness of employees through system management and training, so as to safeguard the stable operation of the Company.

Anti-bribery and anti-corruption management

We have established and continuously improved the anti-corruption and anti-commercial bribery compliance management system, comprehensively and systematically advanced the Company's normal endeavor to combat corruption and promote integrity, and partnered with employees and suppliers to create a clean and fair business environment.

Establishing management system

We comply with applicable anti-commercial bribery laws and regulations in where we operate and have established an anti-commercial bribery compliance management system, covering the work norms for risk assessment, compliance monitoring, compliance inspection, report investigation, compliance training, document recording and other aspects. We have formulated the *Anti-Commercial Bribery Compliance Policy* to regulate the Company's business activities around the world. The policy also clearly stipulated the anti-commercial bribery compliance requirements in specific business scenarios, including gifts and receptions, business partnerships and M&A activities, so as to raise the Company's overall anti-commercial bribery compliance management level.

0

In 2022, 0 corruption case was filed and concluded at TCL Industries.

Standardizing behaviors

In our *Employee Handbook* and *Code of Anti-corruption*, we specify the code of integrity, and make strict provisions on asking for, accepting or offering bribes or engaging in any behavior that conflicts with the Company's interests. We also require all employees to sign the *Letter of Commitment to Integrity* and regulate their behaviors in the *Accountability Management Measures* to ensure that employees clearly understand the red lines of the Company's operation and management.

We require suppliers and contractors to sign the *Integrity Agreement* or add terms on integrity in the agreements we sign with them. In the *Letter to Our Suppliers*, we have made clear our anti-corruption requirements, which prohibits suppliers from offering any form of improper benefits to our employees, and in this way, we jointly create a fair and transparent business environment.

Red Lines of Operation and Management of TCL Industries

- Use of power for personal gain
- Serious breach of financial discipline
- Illegal related party transactions
- Illegal warranty or lease
- Leakage of commercial secrets of TCL Industries and/or its subsidiaries
- Violations of the management rules of brands, trademarks, trade names and enterprise names
- Non-compliance or dereliction of duty resulting in heavy losses
- Occurrence of major accidents or adverse events
- Obstruction, hindrance of audit or investigation

Facilitating education and exchange

To strengthen employees' awareness of integrity, we have taken multiple measures aimed at enhancing the corporate integrity culture, such as opening the T Credibility service account "T Audit - Integrity Connecting You and Me", in combination with emails to all employees, the integrity column on the official website, bulletin boards in office areas, etc. Through these measures, we notify all employees of violations of rules and regulations. In 2022, we developed the *Compliance Training Management Standards* and actively carried out employee integrity education and anti-bribery compliance training in various forms, including in-person training, remote courses, WeChat official accounts and TCL trends articles, so as to establish a fair and honest corporate value.

We actively participate in external exchange, have joined the Enterprise Anti-fraud Alliance and Trust and Integrity Enterprise Alliance, participate in a variety of anti-fraud courses such as the *Way of Thinking about Fraud Investigation and Evidence Collection*, shared anti-fraud work experience with member enterprises, learned integrity management practice from outstanding enterprises, and continuously improved our anti-corruption management capabilities.

7 sessions

567 participants

In 2022, TCL Industries held 7 in-person training sessions on integrity in business to convey the Company's integrity culture to employees, covering 567 participants from the Pan Smart Screen Business Unit, Shenzhen T-Buy SCM Technology Co., Ltd. (深圳聚采供应链科技有限公司) and the Air-Conditioners Business Unit.

Improving whistleblowing mechanism

We have set up special mailboxes, hotlines, emails and other reporting channels for whistleblowing, and actively carried out investigations in accordance with the *Accountability Management Measures*. Once a report is received, the clues will be sent to the dedicated department of audit and internal control for handling without delay, and an investigation will be carried out according to the report type. For reports involving violations of internal regulations, after the clues are verified, an investigation report will be formed, including handling suggestions and improvement proposals, and special personnel will follow up and implement the handling progress. For reports of suspected criminal offences, criminal charged will be filed after rigorous and detailed evidence collection and in-depth verification for recovering stolen goods and minimizing damage.

We strictly standardize the management of whistleblower protection, set clear requirements on reports and measures on rewarding and protecting whistleblowers in the *Accountability Management Measures*, implement the confidentiality management of sensitive information about whistleblowers, and require the investigated units and persons being reported against not to retaliate against the whistleblowers, so as to protect the rights and interests of whistleblowers.

Carrying out compliance audit

We carried out special audits on the Company's sales, supply chain, production, research and development, and other key areas and links of business, covering the Pan Smart Screen Business Unit, White Household Appliances Business Unit, Air-Conditioners Business Unit, Communications Business Unit, Commercial Business Unit, Falcon Network Technology, marketing headquarters of China, overseas marketing headquarters, and other business units, providing the improvement direction for internal control. To strengthen the effective management of internal audit, we have established "TCL Audit Intelligence+", an audit information platform for standardized management of the whole process. Equipped with the audit management system, online operation system, remote collaborative audit system, and decision-making support system, this platform can discover and assess major issues, management loopholes and potential risks of the audited unit, realize the quick feedback of audit information and rectification tracking, and promptly put forward improvement suggestions to the decision-makers to propel the perfection of corporate governance.

Case: Launch of the process for handling physical gifts and cash gifts



To strengthen the discipline management of employees, our audit department partnered with the Process and Digital Transformation Center and equipped both the OA end and the T-letter end of our corporate platform with a process for handling physical gifts and cash gifts in 2022. As of December 2022, the audit department has collected a total of RMB 227,700 of cash gifts and physical gifts worth RMB 265,800 received by 79 employees, a demonstration that we have effectively monitored the integrity of managers and all employees in performing their duties, and prevented violations of laws and disciplines on anti-bribery.

Guaranteeing trade compliance

We participate in market competition in a fair and just manner, abide by the laws and regulations of the places where we operate, strengthen employee compliance training, and promote business compliance management inside and outside China.

Strengthening anti-monopoly management

To promote the sound development of market economy, we have formulated the *Compliance Guide for Preventing Vertical Monopoly Agreements* to direct each business unit to check and rectify sensitive behavior that may constitute vertical monopoly agreements, including but not limited to sales price policies, distribution contracts and price adjustment letters. And the Compliance and Legal Affairs Department pre-assesses the Company's marketing and agreement execution, price adjustments, and other actions on a regular basis, so as to prevent vertical monopoly agreement behavior during the sales process. For external M&A transactions, we will conduct anti-monopoly application screening.

Ensuring export compliance

We have formulated the *Code of Conduct for Export Compliance and the Management Measures for Compliance Inspections and Supervision*, and established a two-level working mechanism covering the Compliance and Legal Affairs Dept. and all business units. The compliance management team under the Compliance and Legal Affairs Dept. is responsible for the implementation, supervision and inspection of the export compliance system, process and regulations. Each business unit has appointed an export compliance representative, who is responsible for the transmission, communication and implementation of export compliance notices and requirements, and the declaration of violation risks. If violations are found in the inspection, the compliance management team will immediately launch an investigation, issue an internal report, timely promote rectification and accountability, and implement supervision.

Promoting fair competition

We standardize sales behavior. For promotion activities, we ensure that the preferential promises and promotion rules are presented truthfully, accurately, clearly and transparently by means of product descriptions, physical samples and store notices, so as to ensure compliance in sales. In the meantime, we strictly examine the wording and functional expression of advertising materials, and on the premise of protecting the rights and interests of consumers, firmly oppose restriction or exclusion of market competition by unfair means. In response to user complaints, once any illegal activities such as false publicity, non-compliant prize-giving sales and price gouging are involved, we will conduct internal review and evaluation promptly, communicate with users in a timely and continuous manner about the progress of the review, and cooperate with industrial, commercial and market supervision authorities in providing evidence if needed.

Enhancing compliance awareness

We highly value the promotion of employees' awareness of trade compliance. In 2022, we issued the *Letter to All Employees from the Management of TCL Industries Holdings regarding Export Control and Sanctions Compliance* to all employees, requiring members of the Board, senior management and all the other employees to abide by export control and sanction laws of relevant countries and regions applicable to the business. We also organized export compliance training for our major business units, with the aim of improving employees' understanding of our trade compliance requirements.



© Respecting intellectual property rights

Technological strength is a core competitiveness of TCL Industries in the market. TCL Industries respects the value of knowledge, and has formulated internal policies such as the *Measures for Patent Application Management*, the *Rules on Patent Technology Expert Team's Work Management*, the *Measures for Patent Litigation and Patent Licensing Cases Management*, the *Guidelines for Assessing the value of Applied/Granted Patents* and the *Measures for Trademark and Enterprise Name Management* to effectively protect the intellectual achievements of the Company by means of intellectual property reserve risk screening, infringement behavior retrieval, training and education, etc.

2,534

In 2022, we obtained 2,534 newly granted patents.

11,882

As of the end of 2022, we had obtained an accumulative of 11,882 granted patents^a.

10+ sessions

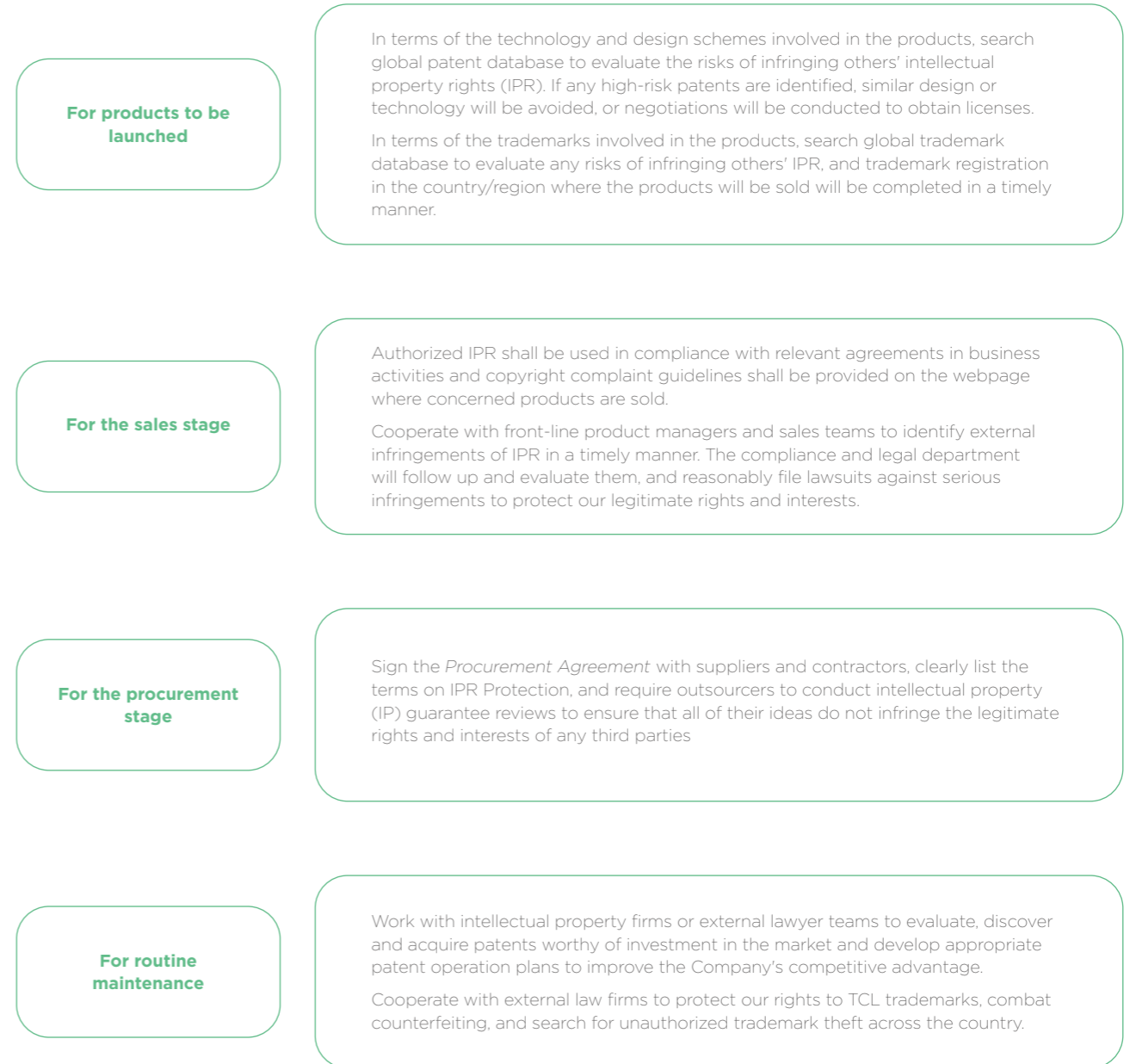
In 2022, we launched over 10 training courses related to intellectual property rights with over 500 participants.

500+ participants

GB/T 29490-2013

TCL Air-Conditioners obtained the enterprise intellectual property management certification (GB/T 29490-2013).

^a In order to match the business development needs and achieve the goal of high-quality patent development, we have optimized the patent quality structure, so the accumulative number of patents granted does not include the sale of patents during the year, or the expiration of patents at the end of the term, etc.

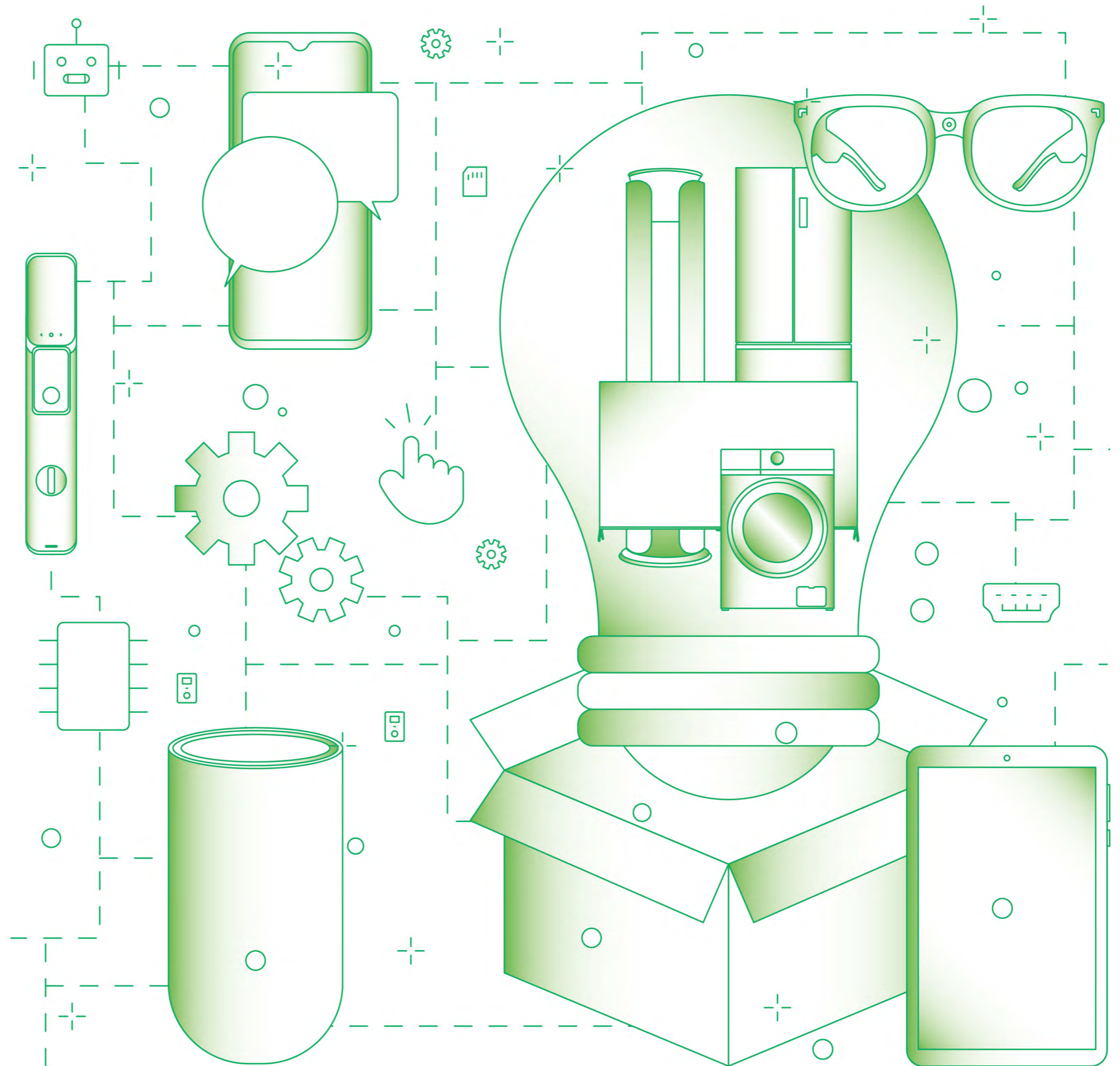


Case: Launch of the special program for protection of commercial confidentiality



To further strengthen the protection of our commercial confidentiality, our Compliance and Legal Department and the Process and Digital Transformation Center jointly launched a special program on the protection of commercial secrets, including technologies, in 2022. An external lawyer team was invited to understand the status quo and goals of commercial confidentiality protection together with relevant business units, propose protection management rules, and then the Transformation Center formulates technical support plans and implements improvements.

02



Product Innovation - Make Lives Wonderful

Innovation is the eternal driving force for the development of TCL Industries. We continue to enhance our R&D strength, inject new driving forces into product manufacturing and service experience with smartness and ingenuity, promote product upgrading and iteration, and create a convenient smart life for users.

◎ Spearheading technological innovation

Adhering to technological leadership, TCL Industries increases investment in frontier technology and integrates R&D resources to constantly upgrade technologies and products. We continue to deepen smart manufacturing, promote technology inclusion, achieve constant breakthroughs in products and technologies, and always maintain our leading position in the industry.

Enhancing research and development strength

With the increasing market demand for smart household appliances, users' pursuit of the upgrading of multiple application scenarios and humanized experience drives the industry to keep moving forward. We continue to work on smart scenarios focusing on smart displays, constantly invest R&D resources in the field of key technologies, and provide solutions for all-category smart household appliances. We have made a number of technological breakthroughs in Mini LED, picture quality, image, and Smart Connectivity, laid out many core patents, and continuously shortened the technology transformation period through the iteration and evolution of technology platforms.

Taking the Eagle Lab as an innovative platform, we provide AI, IoT, cloud and big data technical support focusing on smart display services and continue to promote the intellectualization of all-category household appliances, Internet content operation, the construction of cloud-based technical platforms etc., thus realizing accumulated and platform-based general technical skills and creating a full-scene smart life of AIxIoT for users. TCL Industries actively embraces and connects with mainstream ecosystem, continues to optimize IoT cloud platforms, effectively connects with internal service products and application services, and actively embraces major ecology with an opening strategy, so as to realize the smart interconnection of global products. We expect to provide a thoughtful, smart life experience for our users. In 2022, the Eagle Lab achieved a breakthrough of zero in standard essential patents (SEP).

As of the end of 2022, the Eagle Lab had become the vice-president unit of SparkLink, the president unit of Open Link Association (OLA), and a participant member of China Communications Standards Association (CCSA), Future Forum and Connectivity Standards Alliance (CSA), constantly seeking new ideas and improving strategic decision-making abilities in industry exchanges.

Maintaining technological leadership

Advanced technology is the key to enhancing the core competitiveness of enterprises. We continue to invest in technological R&D, constantly make key breakthroughs in innovative technology, and actively carry out exchanges of frontier technologies, so as to lead the high-quality development of the industry.

Case: First in the industry, TCL molecular freshness preservation technology

To solve the rapid water loss and oxidation of ingredients in the refrigerator, the advanced research and preservation team of TCL White Household Appliances initiates the "molecular preservation technology" through continuous innovation and in-depth mechanism analysis of microstructure and preservation of ingredients, which uses the biological magnetic effect to deeply adjust the degree of molecular induction orientation and weak ionic current inside and outside the cells of ingredients, so as to achieve multiple preservation effects of moisture retention, oxidation resistance, and bacteriostasis, maximize the preservation period of ingredients, and provide users with more delicious and healthy food.

It's worth mentioning that the magnetic field refrigeration and preservation technology used in all relevant technologies cannot be applied to refrigerators in practice. TCL molecular preservation technology breaks through the technical barrier for the first time, realizes the application of magnetic field in food preservation, and completes the application and development of magnetic field preservation technology in refrigerators.



Technical Evaluation Meeting on "Application of Magnetic Field Preservation Technology in Refrigerators"

In January 2022, the "magnetic field preservation technology" jointly developed by TCL White Household Appliances, Jiangnan University and other units was recognized by authoritative experts in food nutrition and security and household appliance industries at the project achievements evaluation meeting organized and held by China National Light Industry Council. The application of the "magnetic field preservation technology" in refrigerators has reached the leading international level, which means that another major breakthrough we made in freshness-keeping technology has been recognized by authoritative experts in the industry.

Developing cutting-edge products

We actively promote the application and transformation of innovative technologies, accelerate the implementation of frontier technologies, continue to put forth new ideas, constantly optimize product design and experience, and create a good life experience for users.

Case: "5+3" leading technologies upgrade fresh air conditioners

With insight into healthy consumption needs, TCL Industries launches the TCL Smart Wing Fresh Air Conditioner II and improves product systems, taking the lead in becoming the brand having the most complete fresh air products in the whole industry.

We have been insisting on making breakthroughs in our fresh air conditioners and developed three core fresh air technologies, including the "new air conduct drag reduction and flow increase technology", "shunt cone rectification and noise reduction technology", and "volute, motor, wind wheel, and fresh air flow coupling and noise reduction technology", successfully achieving breakthroughs in improving fan system efficiency, reducing drag and increasing flow, and improving the quality of noise, and constantly enhancing the core technological competitiveness of our products.

On a technological level, our air conditioners are provided with 5 international leading fresh air technologies, including the large fresh air volume and low noise technology, new efficient frequency conversion technology, frequency conversion energy saving and power visualization technology, smart gentle wind technology, strong cooling technology at an outdoor temperature of 60°C, all of which add functional advantages to wall-mounted Smart Wing Fresh Air Conditioner II series products, such as visual fresh air functions and free of secondary drilling in the wall, thus meeting customers' demands for improving the quality of indoor air and environment and quick installation.



TCL Smart Wing Fresh Air Conditioner II Series Products

Promoting smart manufacturing

We continue to promote smart manufacturing, introduce automation equipment and build digital systems to achieve smart management of manufacturing and supply chains and accelerate the transformation and upgrading of the manufacturing industry.

Smart reconstruction

Smart manufacturing has always been the focus of TCL Industries. 70% of automated production lines (high-end lines) in our factories have been automated and achieved interconnection by system integrating, thus realizing unmanned operations in major stations and improving the level of automated management. In 2022, we further promoted smart reconstruction. For the change of production lines of different products, we shortened the time required for collecting relevant data and adjusting production parameters to 6 minutes, effectively improving production efficiency.

Digital management

We continue to improve the level of digital management and carry out digital management in respect of procurement, supply chain, logistics, marketing, finance, and human resources. In terms of supply chain management, we have completed the improvement of the SCM supply chain management system, extending our management scope to foundries. In terms of logistics, we continue to promote visual management, achieving real-time follow-up on space booking, ship booking, shipment, transport, and other processes. In terms of marketing, we have launched the new ark project and realized unified management of domestic marketing processes involving users, products, inventories, logistics, payment, and settlement, greatly improving the level of standardized internal processes and working efficiency.



◎ Maintaining quality and safety

Excellent product quality is the constant pursuit of TCL industries. Adhering to the craftsmanship spirit, we continue to improve the level of quality management, pay constant attention to product safety, and provide users with high-quality, safe, and reliable products.

Improving product quality

Insisting on promoting product design based on user needs and product quality management aimed at improving user experience, we have formulated a clear quality strategic plan and continuously optimized our quality management system to realize the whole life cycle management of products encompassing product development, production, storage, logistics and after-sales to provide users with the ultimate experience of our products.

Ameliorating quality management system

Adhering to the quality policy of customer-first and continuous improvement and the quality culture of doing everything right at the first time, we have carried out quality management throughout the process of product design, development, parts, manufacturing and after-sales service. In addition, we have gradually carried forward the digital construction of quality management and promoted the standardization of quality management.

We and our businesses have always attached great importance to product quality. We have established a systematic quality management system with reference to ISO 9001, IATF 16949 and other quality management standards, formulated internal systems such as *Incoming Quality Inspection Management Provisions*, *Quality Management Regulations in Production Process*, *Outgoing Quality Inspection Procedures for Finished Products*, *Graded Management of Major Market Quality Issues*, and *Non-conformity & Product Procedures*, and complied with RoHS⁹, REACH¹⁰, Prop65¹¹, POPs Convention¹², TL9000 Telecommunications Industry Quality Management System and other standards, and adhered to product quality.

⁹RoHS 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.

¹⁰REACH: *Registration, Evaluation and Restriction of Chemicals* is the regulation of the European Union for the precautionary management of all chemicals entering its market.

¹¹Prop65: *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.

¹²POPs: Persistent Organic Pollutants, refer to the *Stockholm Convention on Persistent Organic Pollutants*.

Strictly controlling product life-cycle quality

We have carried out product life-cycle quality management in the aspects of R&D, parts, production, suppliers, delivery, and market quality and promoted product compliance and the construction of quality digital capacities. In terms of the mass production of new products, we have formulated the *Management Regulations on Joint Review of New Products* to standardize quality review requirements for new products from the scheme stage, design verification, and initial production to mass production and launch. In terms of product recalls, we have established a complete product recall mechanism, which requires customers and market regulators to make requests, and all defective products should be traceable by batch. Our Pan Smart Screen Business Unit carries out simulative product tracing and recall drills every year. TCL Communication has formulated the *Order Management Process for Spare Parts Turnover*, *Receiving Exception Handling Process* and other requirements to standardize the handling process of products to be returned to factories for repair or recalled products, constantly reducing the rework rate of products.

- With smart device business as the core, TCL Industries sticks to the "Mid-to-high-end + Large Screen" strategy, focuses on the development of display technology and actively explores new opportunities brought by new energy, new scenarios, emerging intelligent hardware, resource recycling, etc.
- We have formulated the "9225 Quality Planning" for our smart screen products to build core capabilities in the aspects of user experience, high-end product quality, global manufacturing quality, quality of parts, quality cost, process quality management, and internal quality evaluation system.

- Our Communication Business Unit, Air-Conditioners Business Unit, and White Household Appliances Business Unit all obtained the ISO 9001 Quality Management System Certification and/or TL 9000 Telecommunications Industry Quality Management System Certification.
- TCL King Electrical Appliances (Huizhou) Co., Ltd. (TCL 王牌电器(惠州)有限公司), TCL Optoelectronics Technology (Huizhou) Co., Ltd (TCL 光电科技(惠州)有限公司) and Shenzhen TCL New Technology Company Limited (深圳 TCL 新技术有限公司) obtained the QC080000 Hazardous Substance Process Management (HSPM) System Certification.

Ensuring product safety

We attach importance to product safety and comply with applicable laws and regulations as well as domestic and international standards to ensure our products meet the safety requirements. The safety, energy efficiency and electromagnetic compatibility laboratories under TCL Electronics have been recognized by China National Accreditation Service for Conformity Assessment, and a complete quality system has been established in accordance with the *General requirements for the competence of testing and calibration laboratories* (Equivalent to the adoption of ISO/IEC 17025). Our Air-Conditioners Business Unit has formulated the Management Regulations on Process Technology to standardize technological operations and ensure the compliance and safety of the new process, new technology, and new materials. In the future, we will continue to promote the construction of quality expert panels and the sharing of experts in system management and to optimize product safety management in combination with product performance analysis and customer satisfaction surveys.

According to the characteristics of products of different categories, we continue to strengthen the safety guarantee measures. Our mobile communication products are subject to relevant safety certification in accordance with international safety standards, and we attach great importance to the model selection and safety certification of lithium-ion batteries, charges and other safety devices to put an end to fire, electric shock and other accidents causing personal injuries; The specific absorption rate (SAR) of all communication terminals using a cellular network or other wireless networks in our tablet computers is monitored in strict accordance with the international standards to prevent the impact of electromagnetic waves on human health; for smart screen products, we have optimized their base design, and they are subject to an anti-fall test and many other safety tests before delivery to reduce the risk of accidents (such as falling).

TCL LINK



Strictly controlling the use of chemicals

We have strictly controlled the use of chemicals and developed and implemented rules such as the *Regulations on Hazardous Articles Management* and the *List of Chemicals*, which stipulate the safety management requirements for procurement, transportation, storage, handling and use of various chemicals, and actively promoted the replacement and the emergency disposal management of disputed substances to ensure the safety of products for human and the environment.

Standardizing the use of regulated substances

For regulated chemicals in the production process, such as sulfuric acid, hydrochloric acid, methane and refrigerant, we file them with the regulator in the procurement stage, and we have set up a special storage area with 24-hour monitoring and recording of their collection and storage records and designated special certified personnel to manage them, so as to standardize the use of chemicals. For hazardous chemicals, we have developed a strict process of import certification and safety evaluation management, used special tools for transportation, packaging, positioning and operation, and carried out daily patrol and safety inspection, so as to reduce the risk of using hazardous chemicals.

Reducing the risk of using chemicals

We formulate the emergency disposal scheme for chemical safety incidents and carry out regular potential risks identification and work safety inspections to constantly improve our management level. Meanwhile, our *Management Regulations on Staffs in Special Positions* explicitly required to provide safety training for employees who are exposed to hazardous chemicals and all kinds of safety appliances required in operations. We should also organize emergency drills for chemical leakage every year to improve safety awareness and emergency response abilities of employees.

Replacing controversial chemicals

We keep focusing on the adverse impact of chemicals used in the production process, ensure that all raw and auxiliary materials of our products used in design and R&D, manufacturing & assembly, installation, use and other processes are completely in conformity with the requirements of RoHS 2.0, and strictly control such hazardous substances as lead, mercury, cadmium and hexavalent chromium. We reduce the use of Freon in our air conditioners and achieve technological improvement by using more environmentally friendly refrigerants (for example, substituting new environmentally friendly R410 refrigerant for fluorine-containing refrigerant (R22)) to promote the use of more environmentally friendly chemicals with better biosafety.

100%

100% of suppliers of TCL Air-Conditioners, TCL White Household Appliances and TCL Electronics are qualified for hazardous substances free (HSF) in raw materials.

Improving user experience

TCL Industries is committed to providing users with high-quality end-to-end experiences. Through our self-built user experience management system, we take a holistic view from the user's perspective, forming an interaction process between the user and the Company to build a complete consumer journey map. Through an all-round and full-contact user experience perspective, we sort out the full-contact experience indicator system, monitor the indicators, establish a unified scientific measurement method, actively open up user communication channels, comprehensively understand the evaluation and feedback of consumers in the competitive environment, and promote the completion of the optimization loop of user feedback problems in all BUs/departments and service centers to improve the full journey user experience. Additionally, we place great importance on safeguarding user rights and promise responsible marketing practices, firmly eliminating false advertising.

Optimizing product and service quality

We attach great importance to Net Promoter Score (NPS) and have established internal protocols such as the *NPS Closed Loop Management Process Specification* and *Customer Satisfaction Management Specification*. We have revised 13 process documents including the *Complaint Resolution Mechanism for All Product Categories* and *TV User Screen Replacement Process* to standardize customer service and product improvement mechanisms. These initiatives effectively translate the user-centered organizational culture of the Company into tangible actions for all business units and service centers, encouraging employees at all levels to enhance the overall user experience throughout the product lifecycle and collectively optimize the perception of user experience.

In 2022, for TCL Industries' all product categories and services in China,

0.61%

The overall customer complaint rate¹³ decreased by 53.1% to 0.61% compared to the previous year.

↓ YoY - 53.1%

75.4%

The absolute Net Promoter Score (NPS)¹⁴ reached 75.4%.

↑ YoY + 7.1%

69.5%

The NPS for television products reached 69.5%.

↑ YoY +2.1%;

67.4%

The NPS for air-conditioner products reached 67.4%.

↑ YoY +5.6%

64.8%

The NPS for refrigerator products reached 64.8%

↑ YoY +12.0%

63.8%

The NPS for washing machine products reached 63.8%

↑ YoY +11.1%

¹³ The customer complaint rate is the proportion of user calls judged by the representative to be reminders, complaints, online negative reviews, and complaints to the media and industry and commerce administration departments.

¹⁴ The absolute NPS for all product categories and services refers to the percentage of users who promote TCL services in the user experience survey minus the percentage of users who disparage TCL services.

Establishing user experience management system

The NPS special score has been included in the annual Key Performance Indicators (KPI) assessment for all business units. The NPS management system is integrated into the workflows of each business unit. We have developed a user-centered user experience metrics system and a closed-loop management system for user feedback. By constructing the user journey, we identify three primary indicators: purchasing experience, usage experience, and service experience. These primary indicators are further broken down into secondary and tertiary indicators. Through the user journey, we build a 360-degree user touchpoint, enabling direct communication and interaction with users, thus establishing comprehensive management standards.

User NPS and satisfaction surveys

Every year, we conduct internal and external user NPS and satisfaction surveys, placing emphasis on user experience feedback. Internal NPS focuses on our own brand's consumers, where customer service representatives conduct follow-up surveys on consumers' willingness to recommend. We collect and analyze user opinions on a monthly basis through sampling and propose improvement measures based on negative feedback. We continuously monitor user satisfaction with our products and services. External NPS refers to market research on the willingness to recommend conducted while considering the competitive market environment and benchmarking against competitors in multiple industries. We collaborate with qualified third-party consulting firms to research the willingness to recommend among consumers of various brands. By listening to the actual voices of users through internal and external surveys, we uncover pain points and demands, initiate targeted improvement projects, and enhance the user experience.

Building digital experience management platform

We value user feedback from all channels and digitally categorize and integrate user satisfaction data and feedback from various channels. We improve our internal user experience digital analysis platform, called the "Listening Platform". This platform integrates user experience NPS survey data, real-time e-commerce evaluations, public opinions, and other data, structuring and cross-analyzing data from various channels to uncover customer insights. Visualizing user experience data within internal workflows enhances business positioning and problem analysis efficiency, leveraging digital capabilities to improve user experience.

Protecting consumers' rights and interests

We lay emphasis on the protection of customers' rights and interests and make utmost efforts to implement compliant marketing and formulate the *Promotion Standardization Management Plan of TCL Promotion Center* and other internal systems to regulate the production and user of various promotion materials, improve contracts related to advertising releases, and strictly require that any of our advertising contents must be true, sound, clear and plain and shall not deceive users in any form.

We have established a standard production, review and output process for the release of the videos, pictures, advertorials and other materials. From the first draft to the final draft, we review and confirm them with the product, retail, R&D and legal departments to ensure that the text and visual presentation of any publicity materials are correct. If there may be any doubt or misunderstanding among consumers, we will add appropriate words to explain; in case of any non-conformance with the product standard indicated on our products, packaging or labels or any non-conformance with the quality indicated by means of product descriptions and physical samples, and if we shall still be responsible for that after the repair, exchange, and return of products and compensating for loss, we will provide legal and reasonable compensation to our consumers.

Providing smooth communication channels

We provide users with a variety of channels for giving feedback and making complaints, including our hotline, WeChat Official Account, official website, dedicated email, messages via social media, messages via e-commerce websites and WeChat complaint channels built into TV applications, to actively listen to users' opinions and suggestions; we have upgraded the system of the UCC Call Center to make all calls visible throughout the process, actively extended the application scenarios of smart voice response robots and built a smart voice navigation robot to reduce the waiting time of users and improve service efficiency.

Professional service assurance

We continue to optimize users' product experience and have provided after-sales services including free repairs or exchanges for smart screen products with a complete machine failure within 30 days, and free installation of super-large and high-end smart screens. Users can check the progress of after-sales services through the "TCL" APP or the WeChat Official Account of "TCL Official Service". Meanwhile, we actively carry out service training for relevant customer service personnel, including the Standard Operation Procedure (SOP), customer service standards and policies and the popularization of product-related knowledge, all of which are timely ungraded based on products and service scenarios to strengthen our service capacities.

Focusing on users' health

We advocate a smart and healthy life and focus on users' use experience. We integrate cleaning, purification, sterilization, comfort and other health functions in the product design process to help protect public health.

Smart Wing Fresh Air Conditioner III

Our TCL Smart Wing Fresh Air Conditioner III uses the industry's first breathable two-way air exchange technology, without the need for drilling wall holes twice, can be freely switched between four modes, including breathing mode, fresh air suction mode, exhaust mode, internal circulation purification mode. Compared with the traditional one-way air conditioner that can only dilute indoor odor air and passively discharge, TCL Smart Wing Fresh Air Conditioner III, with 60 m³/h large fresh air volume and 30 m³/h exhaust volume, can proactively discharge the air odor and complete an effective fresh air exchange. Meanwhile, it can perform internal circulation purification without inhaling fresh air, effectively addressing outdoor haze, dust storms and other bad weather, truly realizing the "the air conditioner can breathe, the air can be fresher".



Ionic Washer and Dryer Combo

Our ionic washer and dryer combo is internally installed with an ionizer that can release hundreds of millions of negative oxygen ions, which can effectively absorb dust and unpleasant odors and release ionic wind to constantly make clothes fluffy and keep them shiny; it is also provided with the UVC sterilization function, which can rapidly destroy the DNA molecular structure in bacteria and conduct deep sterilization in the washing process, so as to guarantee the cleanliness of the clothes and to take better care of the user's health.



Gewu Series Refrigerator

Our Gewu series refrigerator adopts molecular preservation technology to deeply regulate the molecular movement status in cells of ingredients through the biological magnetic field, that is, the cells and molecules are closely arranged to form a protective layer to prevent the loss of nutrients, thus realizing the long-term freshness keeping of ingredients. It also adopts GP+ photoelectric ultra-clean technology, which combines aerospace-grade graphene catalyst with high-voltage electric field, releasing a large number of high-activity photoelectricity electrons that can instantly cover the interior of the refrigerator to conduct 24-hour strong sterilization.



Cybersecurity and privacy protection

TCL Industries attaches great importance to cybersecurity and privacy protection, and complies with applicable laws and regulations on data and privacy protection worldwide. Through a reasonable organizational structure and detailed management policies, we have successfully integrated data and privacy protection requirements and information security management into relevant business processes to enhance the security and privacy protection awareness and capability of all development, operation & maintenance and operation employees, and ensures that cyber security and privacy protection are continuously consolidated and keep pace with the times through constant innovation and optimization of management and technology.

Establishing management system and structure

To effectively manage matters related to network security and privacy protection, we have formulated the *Information Security and Privacy Management Manual*, the *Privacy Management Policy*, the *Organizational Structure and Functions of Information Security and Privacy Management system*, the *Privacy Incident Emergency Response Process*, the *Information Incident Emergency Response Process*, the *Data Subject Rights Response Process* and other management documents. For privacy protection, we have constructed a top-down privacy management organization structure, with our Executive Committee serving as the highest decision-maker for the Company's privacy management. It is equipped with a privacy management working group, which is responsible for organizing and supervising various departments to carry out privacy protection management related efforts.

Strengthening internal network security management

For our internal network, we have created a unified management platform that covers the entire process of product development, is equipped with highly automated integration, and emphasizes security and business collaboration. This platform has made online, standardized management of security possible and helped improve our network security management capabilities. In 2022, TCL Eagle Lab's security department, software engineering center, and process and digital transformation center jointly established a company-level security organization, whose responsibility is to formulate security strategies and compliance countermeasures from the top to strengthen internal management capabilities. Before any cooperation with suppliers, we require them to undergo and pass security assessments and tests. They are also required to sign the *Business Confidentiality Agreement* to ensure that they meet our data and privacy protection requirements.

Optimizing product network security management

We have built a security and compliance assessment management platform, through which we carry out periodic security and privacy assessments, tests and improvement efforts, so as to realize continuous and effective monitoring, early warning and repair of security threats and privacy risks. The TCL global security emergency response center, in cooperation with security researchers, continuously handles various security issues raised by users and security enthusiasts in the industry. We also encourage security enthusiasts to proactively report the vulnerabilities they discovered to us by offering rewards, further improving our security management.

Based on the cybersecurity demands in different countries and regions, we have formulated the "cloud-pipe-connection-terminal-user" full-link security baseline requirements for the entire product line of terminals. Before the launch of products, as part of our project management process, we will conduct a series of privacy and security compliance assessments, including evaluation on source code defects, vulnerability scanning, artificial source code logic audit, black box testing, compliance standards satisfaction, data encryption, to ensure the security protection ability of products. We divide the components of a smart household into four product and service categories, namely cloud, function, product and data and carry out classified and graded security management of them, with the aim of helping users tackle the latest security risks.

0

The number of confirmed complaints related to violation of customer privacy or loss of customer data is 0.

6 sessions

In 2022, T School, TCL's learning platform, launched a total of 6 information security courses,

4,300+ participants

with more than 4300 participants.

Improving security incident handling process

To effectively manage information security incidents, we have established TCL Industries Information Security Management Organization and IT Service Desk according to the information security incident handling process. We have also set up a special information security incident handling team, whose responsibility is to implement classified and graded management in cooperation with relevant functional departments such as the legal department and the audit department. For privacy incidents, we have formulated the *Privacy Incident Emergency Response Process* to standardize the handling process. In case of any privacy security incidents, the person responsible for receiving the reports shall organize a meeting with related parties in a timely manner upon receiving the report. And an incident response temporary working group shall be set up to organize and guide investigation, emergency response and evidence preservation, so as to ensure that the incident can be handled properly.

Continuously enhancing the security awareness of all employees

We continue to carry out special training on security technologies and enhance the security management capability and information security awareness of our staff through emails, T-mail push information security reminders information security tips and information security training for new employees. Meanwhile, we widely promote the importance of privacy protection and strengthen the Company's overall privacy awareness through tiered and graded training and awareness, including new employee privacy compliance trainings, privacy officer boot camps, privacy compliance awareness videos, and customized trainings for relevant positions.

Respecting and protecting user privacy

We comply with the privacy protection requirements of different countries and regions, and our TCL brand products and services have passed multiple international authoritative certifications for security and privacy, which creates a trustworthy brand for users.

- TCL Industries has become the first company in China to obtain TrustArc privacy compliance TV OS certification.
- 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. (惠州 TCL 移动通信有限公司) obtained the ISO 27001 certification and the ISO 27701 certification.
- The smart terminal operating systems of our Communication Business Unit and Pan Smart Business Unit both obtained TRUSTe certification.
- The RT51 TV of our Pan Smart Screen Business Unit obtained the ETSI/EN 303645 certification Cyber Security for Consumer Internet of Things by the TÜV Rheinland.
- The RT51M Q650G TV of our Pan Smart Screen Business Unit is certified UL 2900-1 and Cyber Assured for cyber security by Intertek.
- 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.
- The Smart Terminal Security Laboratory of Shenzhen TCL New Technology Company Limited passed the "Mobile Internet Applications (APP) Personal Information Security Testing" proficiency verification offered by China Cybersecurity Review Technology and Certification Center (CCRC).

Case: Salon for privacy protection commissioners

TCL Industries held a salon for privacy protection commissioners in September 2022. During the activity, professionals from external law firms were invited to provide in-depth interpretation and sharing of privacy protection practices; and through roundtable discussions and privacy incidents simulations, privacy protection commissioners and other related employees have deepened their understanding of privacy protection, contributing to the further development of our privacy protection compliance management.



03

Green Development - Revitalizing the Environment

The global climate change situation is becoming increasingly severe, posing significant challenges to the sustainable development of human society. In the face of complex international circumstances, TCL Industries firmly believes that green and low-carbon transformation remains a crucial driving force for the Company's long-term success. TCL Industries has always adhered to the business philosophy of green development, closely monitoring its environmental impact, and actively developing green products and promoting low-carbon operations. The efforts are to promote the green transformation of both itself and the industry and empower the achievement of both national and corporate "dual carbon" goals.



© Manufacturing green products

TCL Industries conceives that technological development can enable and facilitate environmental protection. We are committed to leading the new trend of green consumption by carefully choosing materials and processes with environmental protection attributes, strengthening the environmental management of the whole life cycle of products, and conveying the concept of green life to users through our products.

500+ products

As of the end of the reporting period, over 500 products had passed the China Environmental Labeling (Ten-Ring) Certification.



Selecting environmentally friendly materials

We care about whether the source materials we use are environmentally friendly. We also actively use green, harmless and recyclable materials, vigorously promote environmental protection technology, and strictly control the use of harmful materials within the Company and supply chain, to reduce the pollution of products and materials to the environment.

Use of environmentally friendly materials

Reusable engineering plastics and metals are widely used in our products, and environmentally friendly materials such as environmentally friendly paint and straw are actively selected to make sure all raw materials meet the requirements of EU RoHS.

Reduction of non-environmentally-friendly processes

Our product design uses hot stamping instead of electroplating, and we employ non-spray plastic and advanced injection molding techniques to avoid post-processing steps that have an environmental impact such as electroplating and spraying. Meanwhile, for plastic products, we utilize extrusion molding, enabling continuous production for processes such as feeding, melting and plasticizing, extrusion molding, shaping, and cooling to improve mold utilization and product manufacturing efficiency.

Hazardous substance management and control

Internal management and control

We formulate and comply with the *Standards for Restricted Substances*, the *Procedures for Control of Restricted Substances*, the *Regulations on RoHS Material Testing and Non-conforming Disposal Management* and other systems. We follow the principle of replacing high-toxicity substances with low-toxicity or non-toxic alternatives. The raw and auxiliary materials involved in product design, R&D, manufacturing, assembly, installation, service and other processes fully comply with the requirements of international directives and regulations such as RoHS and REACH to strictly control the use of hazardous substances such as lead, mercury, cadmium and hexavalent chromium.

Supplier management

Identify and control the use of hazardous substances in the supply chain in accordance with the *Procedures for Environmental Protection Project Management and Control*; require suppliers to sign the *Quality Agreement* for compliance with hazardous substance management and a commitment or statement on the control of hazardous substances, and ask them to provide third-party inspection reports that testify the supplied materials meet the hazardous substance control standards; build a green product management (GPM) system project to manage and test the raw material control of suppliers; TCL Communication establishes a supply chain hazardous substance investigation system for mobile communication products, and promote suppliers to submit the Hazardous Substances Free (HSF) Report.



TCL White Household Appliances Obtained the RoHS Certificate in 2022

Rolling out energy-saving products

We draw upon the cutting-edge concepts of energy-saving design and focus on the energy efficiency performance of our products. We promote products that comply with global energy efficiency policies and regulations during the stages of product research and development as well as sales, and employ algorithms to reduce power and energy consumption of mobile communications, tablets and other products, thereby enhancing energy efficiency of our products.

Better energy efficiency performance

We have launched washing machine products that reach level 1 of the energy efficiency indexes and a recycling ratio of no less than 70%, to advance the reduction and reuse of product materials and package. We have gradually phased out air conditioners with low energy efficiency and rolled out air-conditioner products certified as green and low-carbon appliances to offer consumers more low-carbon product options. The energy efficiency indexes of our smart screen products generally reach level 2 or above of the national energy efficiency standard and the passive standby power is less than 0.5W, helping users lower energy consumption.

More autonomous energy conservation control

Our mobile communication products are equipped with intelligent batteries. By integrating technologies such as sleep mode power-saving, abnormally high-power consumption detection, intelligent frame rate, and intelligent resolution, it can optimize power consumption in different scenarios, including sleep mode, used for watching videos or playing games, and abnormal power consumption of APPs. Thanks to the intelligent battery, power consumption of the products can be reduced by about 10%, while smart sleep mode charging and smart peak capacity detection can delay battery aging.

Case: Developing groundbreaking TCL NXTURBO graphics and image acceleration technology

TCL NXTURBO is a graphics and image acceleration technology that covers all scenes and improves the processing efficiency of the central processing unit (CPU) and graphics processing unit (GPU). It adopts technologies such as multi-threading rendering, scene recognition and intelligent scheduling, and inter-frame data sharing. Images repeatedly displayed in the same application are intelligently learned, reused, and efficiently predicted, reducing the number of re-rendered images, leading to the reduction of power consumption of the whole machine by about 8%, while improving the average graphics rendering efficiency by over 30%. The frame rate is increased by 20% in heavy load scenes, making graphics smoother.

Producing durable products

We launch high-quality and durable products. By selecting durable materials, implementing the comprehensive reliability test before product delivery, and establishing internal testing institutions such as TCL refrigerator and washing machine laboratory and TCL Communication Huizhou Central Laboratory to ensure that the products are strictly tested and that we provide consumers with high-level and high-quality products. Meanwhile, we continuously provide consumers with high-quality system experience and convenient maintenance services to prolong product life and reduce product replacement caused by quality problems.

Selecting durable materials

With comprehensive consideration of the life span of products in design stage, we select durable material for production.

Conducting reliability tests

Before mass production and delivery of new products, we test the functional reliability and long-term operational reliability of complete machine and parts. Considering the actual use of products in daily life, we set comprehensive reliability tests such as free drop test, high and low temperature environment test, salt spray corrosion resistance test and wear resistance test, so that the products can be working well in situations such as drop, crash, heat and cold, dryness and wetness variations.

Upgrading the smooth system experience

We continue to upgrade product systems to bring consumers a lasting and smooth user experience. We also actively explore and adopt more user-friendly user interface (UI) design to maximize the convenience of operation, so as to fulfill the value of products and reduce the frequency of product replacement.

Providing convenient maintenance service

Our product maintenance service network covers the whole world. Through the official website or other channels, consumers can find the nearest maintenance service site and enjoy our quick and convenient maintenance services. In addition, we also provide door-to-door service as well as repair service by delivery, with an aim to efficiently solve product problems for consumers and prolong the life span of products. In 2022, we launched after-sales services such as 30-day free repair or replacement of complete machine failures for smart screen products, as well as free installation of ultra-large screens and high-end products. Users can also check progress of after-sales services through the "TCL" APP or "TCL Official Service" WeChat official account. These efforts are to encourage users to use after-sales service, thus reducing unnecessary product abandonment.

Case: Reliability tests of new air conditioners in product development

We are committed to providing users with trustworthy and durable air conditioning products and continuously conduct reliability testing for new air conditioning products. In the process of new product development, we conduct various reliability tests, including long running and start-stop tests in harsh environments, strength and drainage reliability tests for wall-mounted machine bases, long-running reliability of moving components, voltage rapid fluctuations, simulation of typhoon resilience start-up verification, long connection pipe tests, and high drop tests. These tests evaluate the reliability performance of our air conditioning products under frequent and long-term start-stop operations, harsh installation environments, external forces, extreme weather conditions, and other adverse environments, ensuring the reliability of our air conditioning product development.

Case: New UI 2.0 on TCL washing machines

The TCL Twin Cabin Washer & Dryer Combo we launched is equipped with a new UI 2.0 interface. Compared with the traditional black-and-white design, UI 2.0 is more recognizable. With an aim of providing barrier-free design, the interface adopts colorful icons with rich colors and easy-to-recognize patterns. Each icon occupies a larger space on the program panel, so that children and the elderly can clearly identify it, increasing operation efficiency.



UI 2.0 Interface of the TCL Twin Cabin Washer & Dryer Combo

Promoting green packaging

Packaging materials are important consumable materials in the product life cycle. On the premise of guaranteeing the product quality, we reduce the use of packaging materials by means of green packaging, lightweight packaging, packaging technology upgrading and packaging recycling, thus reducing the waste of packaging material resources and their pollution to the environment

Green packaging

We actively respond to the international trend of plastic packaging reduction. The packaging materials of our mobile communication products and smart connection products have widely adopted environmentally friendly materials such as soybean ink, recyclable paper, paper packaging materials certified by the Forest Stewardship Council (FSC), and ABS recyclable plastics. Some projects have implemented a ban or 100% recyclable on plastic packaging, and in the future, we will continue to expand the scope of products covered by plastic banned packaging. In addition, with an intention of replacing the packaging materials made from existent logs, we promote the use of expandable polyethylene (EPE) materials, which are healthier, more environmentally friendly and more recyclable, and take the initiative to research and develop many kinds of alternatives such as honeycomb paper and paper film packaging made from recyclable material, promoting green packaging.

Lightweight packaging

We promote the reduced packaging design, and implement the measures such as downsizing the packaging boxes of mobile communication products and accessories across the globe and reducing the number of pages of product specifications, thereby effectively reducing the use of packaging materials. In addition, we use paper packaging materials to reduce the product weight and volume, optimize the packaging layout through L-shape packaging, and increase the loading quantity to reduce greenhouse gas emissions from transportation of goods.

Upgrading packaging technologies

We closely focus on the development of technology and reduce the environmental pollution caused by packaging printing by using water-based inks and soybean inks. Besides, we further explore the use of mineral-oil-free inks with zero-VOC emissions in the external packaging of products, which are more environmentally friendly, and the wear resistance and anti-staining performances of packaging can be improved.

Packaging recycling

We encourage recycling of packaging materials in the supply chain, and require suppliers to recycle packaging cartons, card boards and plastic containers they provide to improve the utilization rate of packaging materials.

Case: TCL Electronics developed an innovative cellular board packaging solution, first of its kind in the industry

In 2022, TCL Electronics developed the industry's first new embedded one-piece cellular board packaging solution. Through reasonable calculation of material properties, the lightweight innovative design of expanded polystyrene (EPS) was carried out to improve the cushioning performance of packaging materials while reducing the thickness of the packaging, thus reducing the carbon footprint of the product in the transportation process.

Case: Set up a special group to promote TCL green packaging design

To respond to the TCL sustainable development strategy, we set up a special team for green product packaging design in 2022 to explore green, sustainable and practical packaging design.

Our green packaging design is a successful attempt by TCL to integrate the concept of sustainable development in design innovations. We designed TV packaging boxes as reusable "furniture" -- users can quickly assemble empty cartons into cabinets within 30 minutes for daily storage, and they can also be recovered in the future into boxes for reuse. This design aims to tackle the problem of waste TV packaging cartons, and at the same time to expand new living space for users, thus truly integrating sustainable design into users' lives.



TCL Green Packaging Design

Boosting recycling

We actively fulfill the obligation of extended producer responsibility. We promote design of disassembly to reduce the procedures needed in recovering the products. In addition, by conducting trade-in and promoting resource recycling, we maximize the recycling of electronic wastes in an effort to reduce the electronic waste emission.

Design for easy dismantling

We actively explore product design for easy dismantling. Smart screen products meet the recyclability index of the *WEEE Directive*¹⁵ of the European Union. Screws are replaced by the buckle structure for the connection of smart screen shells and iron back plates, as well as the fixation of rubber frames and back plates, which is convenient for dismantling and recycling the products when they are scrapped.

Conducting trade-in

We have kept conducting trade-in activities for TV, air conditioner, washing machine and other products, and promoted the reuse rate of used electronic products in forms of valuation and recovery by offline store and the third-party platform, and trade-in with subsidy, so as to encourage consumers to participate in our recycling efforts and to improve the reuse of waste electronic products.

Promoting resource recycling

Strengthening the self-circulation

With TCL Environmental Technology as the main player, we carry out recycling, disassembly and reuse of waste electrical appliance, electronic products and power batteries, to contribute to the compliant recycling of waste electronic products. Meanwhile, we recover and reuse the directly reusable parts and components in the manufacturing process to improve the efficiency of resource utilization.

Cooperating with third parties

We partner with professional third-party recycling companies and non-profit organizations to re-extract and reuse metals in waste equipment, and parts and components.

Case: Conducting trade-in activities nationwide



In response to China's call for trade-in activities to benefit the public and to promote the use of smart home appliances in rural areas, TCL Industries started to carry out large-scale trade-in activities such as the "Renewal Season" and "Home Appliances Renewal to Benefit the Public" across China from March 2022.

Our 2,000 all-category retail stores covering cities, counties and townships were our main platforms for the activities. By cooperating with product distributors and TCL Environmental Technology, we carried out over 600 trade-in activities across the country in 2022, recycled 65,000 used machines, encouraging consumers to vigorously participate in the recycling of waste electronic products.

¹⁵ *WEEE Directive* is the abbreviation for the *Directive 2012/19/EU of the European Parliament and of the Council of 4 July 2012 on waste electrical and electronic equipment*.



Improving resource efficiency

With the increasing water stress across the globe and our increasing attention to energy security, TCL Industries always values resource conservation. We are committed to continuously improving the efficiency of energy, water and other resources in the operation process, scientifically and reasonably using resources and reducing unnecessary waste of resources.

- Most of our subsidiaries involving production have passed the ISO 14001 environmental management system certification.
- TCL King Electrical Appliances (Huizhou) Co., Ltd. has passed the ISO 50001 energy management system certification.

Energy management

To regulate our energy use and improve energy saving performance, we have formulated internal policies such as the *Energy Management System Manual*, the *Regulations on Energy Management* and the *Regulations on Water and Electricity Conservation Management* to clearly specify the selection and transformation of energy-saving and consumption reducing equipment, energy conservation and consumption reduction management in the production process, water and electricity consumption monitoring management, and so on, thus improving the energy management system.

We actively explore the energy-saving and consumption reduction potential in our production and operation processes. We continuously carry out diverse energy-saving and emissions reduction projects, such as air compressor system transformation, motor energy efficiency improvement, LED energy-saving upgrades, servo transformation of injection molding machines, and energy-saving improvements in central air conditioning systems. Additionally, we actively promote the use of renewable energy. We have implemented projects such as photovoltaic power generation in our own factories and suppliers, cold thermal energy storage, and solar heating in employee dormitories, contributing to the Company's and suppliers' transition to clean production and a low-carbon energy structure. In the future, we will also actively explore energy storage projects to unleash new potential for energy-saving and emissions reduction.



Cloud Intelligent Control Scheme for Compressed Air Systems

- In 2022, we conducted several transformation projects to save energy, including cloud intelligent control scheme for compressed air systems, central air-conditioning automation system and energy efficiency monitoring, energy efficiency improvement of motors, mechanical vapor re-compression technology (MVR) evaporation system transformation and boiler energy-saving transformation and have made notable achievements in energy saving.
- Since 2014, TCL White Household Appliances has completed 3 phases of photovoltaic construction. In 2022, the proportion of green electricity usage of TCL White Household Appliances reached 15.12%, achieving a high ratio of self-use green electricity whilst selling green electricity to external parties, contributing to the low-carbon transformation of the energy structure. Other factories under TCL Industries have also actively and steadily increased the proportion of green electricity usage through photovoltaic construction or purchasing green electricity.
- TCL Photovoltaic Technology has completed photovoltaic construction for numerous well-known companies. In addition, TCL Photovoltaic Technology has collaborated with TCL Industries' suppliers to build photovoltaic systems. In the short term, the photovoltaic construction for 2 suppliers has already been completed.

Case: TCL Photovoltaic Technology helped TCL Communication build green industrial park

In June 2022, TCL Photovoltaic Technology and TCL Communication jointly launched a distributed photovoltaic power generation project. With an investment of approximately RMB 17 million, the photovoltaic installed facilities cover an area of approximately 40,000 square meters, and the total installed capacity of the project was expected to reach approximately 4 megawatts upon completion. The project adopts the grid-connected mode of "self-generated power for self-use, with surplus electricity supplied to the grid". The annual average power generation capacity is approximately 4.4 million kWh, saving approximately 1,400 tonnes of coal consumption, and reducing carbon dioxide emissions by about 2,000 tonnes per year. As of the end of the reporting period, the construction of 3.2 megawatts of installed capacity has been completed for the project, with an annual generating capacity of approximately 3 million kWh. As the first industrial and commercial distributed photovoltaic project of TCL Photovoltaic Technology, the project will enable TCL Communication to build green industrial parks and realize energy transformation of the Company.



Opening Ceremony of the Photovoltaic Power Generation Project



Case: TCL Air-Conditioners promotes rooftop photovoltaic installations

In July 2022, TCL Air-Conditioners completed the installation of rooftop photovoltaic systems in 4 areas of the Zhongshan factory, and the systems was officially connected to the grid for power generation. The installations on the rooftops have not only reduced the temperature of the factory, but have also realized the energy saving and emission reduction of the factory and promoted the use of clean energy. As of the end of the reporting period, the total installed capacity was 4.2MW, with the power generation of 2,459 MW and an accumulative revenue of RMB 580,000.

TCL Air-Conditioners Installed Rooftop Photovoltaic Systems in the Factory

Water management

We value precious water resources. We have formulated and improved the *Regulations on Water Resources Management* to regulate the production and domestic water use in the plant area and reduce the waste of water. We have set water-saving management targets, taken water-saving measures including the use of water-saving tools, inspection and handling of water waste scenarios, equipment improvement and water valve regulation, and carried out multiple reclaimed water recycling projects such as recovery of waste washing water for injection molding parts, and circulation of cooling water in air compressors to improve the water efficiency. All the water we use in the production and operation comes from municipal tap water to ensure a stable water supply.

Case: TCL White Household Appliances conducts the cooling water reuse project

TCL White Household Appliances installed water cooling towers in the extrusion plate production line and set up water recycling devices to collect and recycle cooling water, which can save 10,000 tonnes of water consumption every year. Moreover, zero discharge of cooling water in extrusion plate production line will be gradually promoted to reduce the problem of direct discharge and waste of water.

◎ Reducing pollutant discharge

For TCL Industries, pollutant discharge management is not only a compliance requirement, but also the last defense line in our environmental protection efforts. We have established a sophisticated discharge management system to reduce the negative impact of discharge on the environment by reducing pollutant generation, monitoring pollutants, and controlling the discharge of "three types of wastes" in compliance.

Pollutant control

We have formulated internal systems including the *Management System of Wastewater*, the *Management System of Exhaust Gas*, the *Management System of Noise*, and the *Regulations on the Wastewater, Exhaust Gas Emission and Noise Control*, to standardize the requirements for management of wastewater, exhaust gas and noise. Meanwhile, we have developed corresponding management measures and entrusted a qualified third-party organization annually to monitor various indicators of wastewater, exhaust gas as well as noise within the production workshops and boundary noise, so as to guarantee the compliance of pollutant discharge.

Wastewater management

- Conduct regular cleaning of the sewage and rainwater pipelines, and repair or rebuild the aging and damaged pipe network to ensure smooth discharge;
- Strictly separate sewage pipelines from rainwater pipes, and set up sewage treatment facilities and equipment to ensure that sewage is effectively sewage treated before being discharged.
- Domestic wastewater is discharged through the municipal pipe network, while industrial wastewater is discharged into the factory sewage pipe network after being treated by sewage facilities or transported and discharged by qualified professional organizations entrusted.

Exhaust gas emission management

- Conduct regular inspection and maintenance of environmental protection facilities and equipment for exhaust gas treatment to ensure good working condition;
- Make emergency plans for exhaust gas leakage and wastewater discharge accidents, and to carry out emergency drills to deal with emergencies;
- Improve the processes, and reduce the use of spraying and screen-printing processes, to reduce exhaust gas emissions in the production process;
- Centrally collect the exhaust gas with fans and discharge aloft after plasma purification to ensure that the exhaust gas emission meets the regulatory requirements.

Noise management

- Provide sound isolation and shock proof for the equipment emitting noise of more than 80 decibels to ensure that the workshop noise meets the legal limit standards, and minimize the factory boundary noise to reduce the impact on the lives of nearby residents;
- Provide necessary hearing protection products as well as the training on their use for the workshop staff, and supervise the use of such products by the staff, so as to minimize the occupational health hazards caused by noise to the staff.

Case: Smart screen factory carried out a spraying exhaust gas advanced treatment renovation project



In 2022, our smart screen factory in Huizhou renovated two manual spraying production lines for exhaust gas treatment. By installing biological purifiers, the VOCs emission in the painting process was reduced, and one production line was upgraded to a semi-automatic spraying production line, with the biological purifier transformed into a processing system of "active carbon adsorption concentration + desorption catalytic combustion". After the renovation of exhaust gas treatment equipment, VOCs removal rate increased to 85%, and VOCs emissions were reduced by 4.8 tonnes/year.

Waste management

We have developed the *Measures for Control and Treatment of Pollution by Solid and Liquid Wastes*, the *Management System of Hazardous Waste Warehouse*, the *Regulations on Waste Treatment Management* and the *Operation Guidelines for Hazardous Waste Treatment* and other management documents to improve the whole life cycle management process from solid waste classification, storage to treatment, so as to avoid significant impact on the environment due to improper disposal of waste.

We have set up classified garbage bins in the production area to distinguish between non-hazardous solid waste and hazardous waste for further classified collection. We entrust professional institutions to inspect, monitor and control the management of workplace environment, solid waste and hazardous chemicals on a regular basis to ensure that our waste disposal complies with national and local standards.



TCL Communication Won the Title of "Hong Kong-Guangdong Cleaner Production Excellent Partner (Manufacturing)"

Case: All-out efforts to build a "waste-free group"

We actively respond to the national "30-60" decarbonization goal and the management concept of "waste-free city", and strive to construct a "waste-free group" to achieve unified management, treatment and disposal of waste. We are committed to minimizing waste generation, maximizing resource utilization and standardizing disposal, so as to form a closed-loop for internal waste management, treatment and disposal within the Company.

By 2023, we will achieve 100% compliant storage and disposal of general industrial solid waste and 100% safe disposal of industrial waste. By 2025, we aim to promote a "near-zero growth" in the generation intensity of industrial solid waste, achieve a comprehensive utilization rate of 90% for general industrial solid waste, a comprehensive utilization rate of 70% for industrial hazardous waste, and a recycling rate of 8 million units per year for electrical and electronic waste.

Non-hazardous waste disposal

For the non-hazardous waste, we recycle and treat non-hazardous waste according to their types:



Waste packaging materials

We recycle them as much as possible. For the waste packaging materials that cannot be recycled, we classify them into cartons, plastics and EPS and then hand them over to a qualified third party for unified disposal.

Waste electronic products and non-recyclable industrial waste

Delivered to qualified third-party recycling companies for disposal.

Domestic waste

We 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

For the hazardous waste, such as coating liquid waste, paint residue, oil bearing wastewater and other hazardous chemicals as well as waste barrels, we have developed and constantly update the List of Hazardous Waste. According to the categories and management requirements of different materials, we have implemented the responsibility system for hazardous waste management level by level and standardized the management process of hazardous waste:



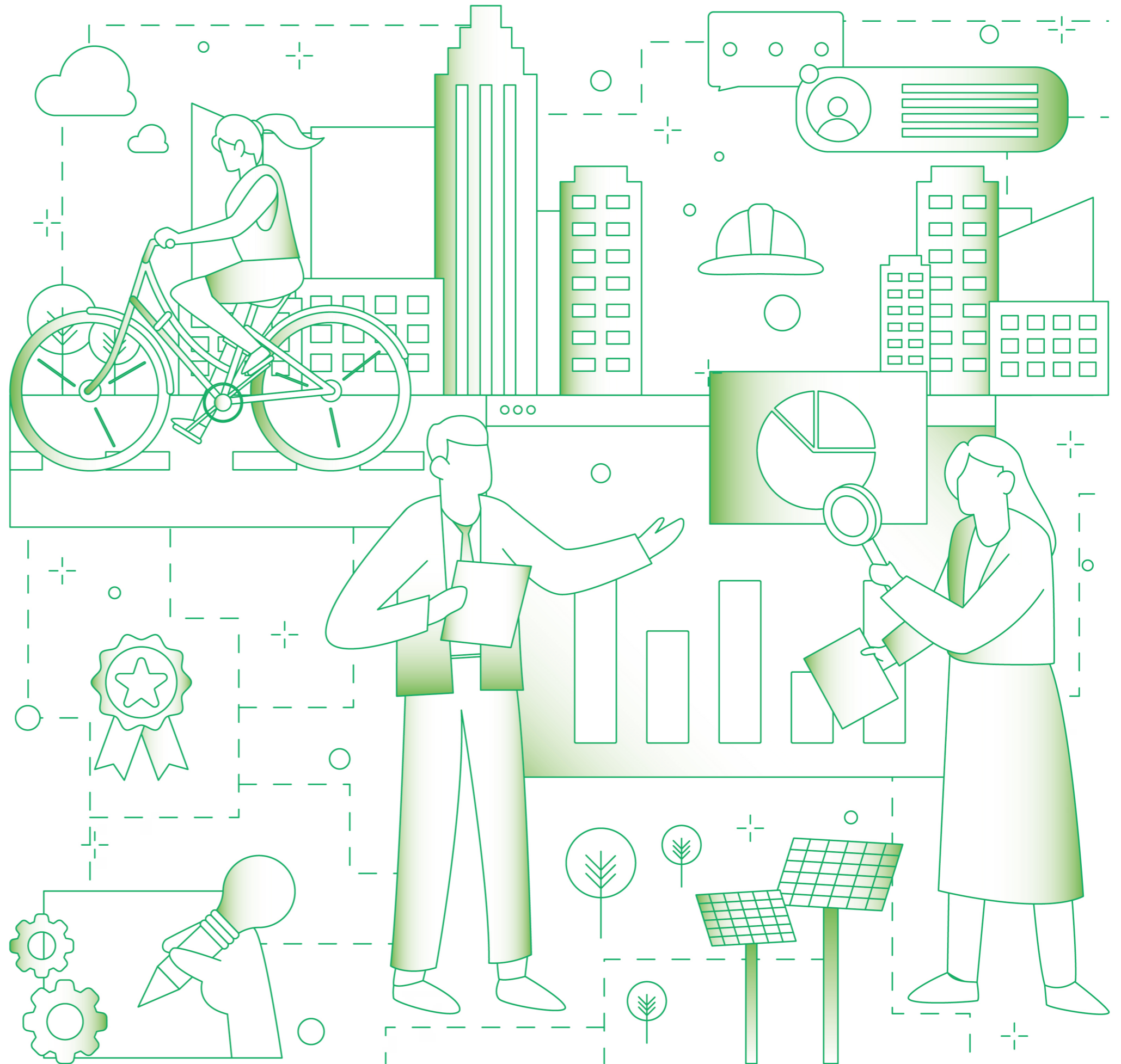
Safe storage

We set up dedicated hazardous waste warehouses for the storage of hazardous waste, and arrange special personnel to take charge of the storage management of hazardous waste.

Compliant disposal

We implement the collection, storage and transfer of hazardous waste in a timely manner, and sign waste disposal contracts with qualified third parties to ensure that all the hazardous waste is properly disposed of.

04



Ecological Harmony - Delivering Warmth to Our Society

Talent is a strategic resource for the sustainable development of enterprises. Adhering to the "people-oriented" principle as well as upholding the management idea of "respecting, loving, cherishing, and employing talent", TCL Industries protects employees' rights and interests, provides them with a safe working environment, and continues to build fair and open development platforms, helping employees develop in a diversified way. Meanwhile, we continue to improve our supply chain management ability, actively fulfill our social responsibilities and comprehensively promote the sustainable development of the Company and society.



Live Broadcast Site

Case: Organization of campus recruitment events

In 2022, TCL Industries held the 22nd spring campus recruitment event and the 23rd autumn campus recruitment event. We carried out four live broadcasts, in which 71,000 person-times participated. We also conducted school recruitment sessions in key recruitment cities and universities and colleges, including offline sessions in 62 schools across 14 cities, with over 6,600 participants on site. Through the events, we helped graduates get employed and provided high-quality talents for the Company.

© Protecting the rights and interests of employees

TCL Industries always respects and protects the legitimate rights and interests of employees, deeply implements the strategy of strengthening enterprises through talent, builds a high-quality talent team, and injects vitality into the development of enterprise.

Equal employment

TCL Industries continues to optimize the human resource management system and has formulated the Recruitment Management Procedure to eliminate discrimination caused by gender, age, nationality, ethnicity, religion, physical disability, marital status and any other factors in the employment and work arrangement. All employees are treated equally in TCL Industries. Upholding respectful attitude to our employees from diverse backgrounds, we have formulated internal systems complying with laws and regulations and labor regulations applicable to places where overseas employees are employed and implemented the Company's globalization strategy. We also continue our efforts to introduce talents through optimizing diverse online and offline channels such as on-site recruitment, internal recommendation, media recruitment and headhunting, to attract excellent talents for our company.

Protection of rights and interests

TCL Industries attaches importance to the legitimate rights and interests of our employees and have formulated the *Employee Handbook* to protect their legitimate rights and interests in remuneration, benefits, promotion and leave, etc. We strictly prohibit the employment of child labor in any form by strictly reviewing the valid documents of applicants when hiring employees. In addition, we take strict management to working hours of our employees by organizing the personnel department to regularly review their background and working hours to find out any possible prolonged overwork. We firmly say No to forced labor, and continue to build a harmonious labor relationship.

We have established a compensation mix consisting of fixed post salaries, performance-based bonuses and long-term incentives, and regularly investigate other compensation solutions in the market to ensure our compensation package competitive. We continue to improve our employee benefit system by providing subsidies such as commercial insurance and phone allowance for employees, in addition to social insurances and house fund, paid annual leave and other basic benefits. Moreover, we also have internal benefits for employees, including commuting buses, employee dormitories, holiday benefits and gifts, festival activities, health management, condolence gifts, and night shift service.

◎ Creating a safe environment

Keeping employees safe is one of the most important corporate responsibilities. TCL Industries continuously strengthens safety management and occupational health protection, and enhances the emergency awareness of employees, to lay a solid foundation for work safety of the Company.

Safety management structure

In 2022, we adjusted the management responsibilities of the Safety Management Committee and the Safety Committee Office based on the actual operation of the Company, and newly established the Shenzhen Platform Safety Working Group ("Safety Group"), to improve our work safety management system and implement the safety management responsibilities.



Occupational health management

We care about our employees for their occupational health, and we have formulated the *Management System for Occupational Disease Protection Articles*. We continuously detect occupational hazard factors, organized pre-duty, on-duty and post-duty physical examinations for employees, and supervise their storage, use, and replacement of labor protection articles in routine work, thus ensuring sound occupational health of employees in all respects. In addition, we provide psychological counseling services for employees to relieve their work pressure and ensure their physical and 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. have passed the ISO 45001:2018 Occupational Health and Safety Management System certification.

1,583 person-times

In 2022, we recorded 1,583 occupational health check-ups.

RMB 10.965 million

With an investment of RMB 10.965 million in protective equipment.

Work safety management

Work safety regulation

We have formulated the Regulations on Work Safety Management, defining the work safety procedures to promote various work safety actions effectively implemented.

Work safety inspection

The Safety Management Committee requires all affiliated enterprises to organize inspection covering work safety and fire safety, at least once a month, and reports to the Safety Committee Office the high-risk operations such as hot work, work at heights, lifting, confined space and electrical operations, aiming to reduce safety and fire risks.

As for hidden dangers found in safety inspections, we urge affiliated enterprises to promptly rectify these dangers by themselves or with assistance from invited third-party agencies. Affiliated enterprises would also be required to fill in and submit the Work Safety Checklist for archiving, to effectively control various safety and fire risks.

Safety performance evaluation

We regularly organize and carry out annual evaluation of work safety units and individuals for their performance, and then recognize and reward outperforming units and individuals in work safety and fire safety, and punish those responsible for work safety and fire safety accidents, to further implement the work safety management mechanism of the Company.

Safety culture development

Safety culture development In line with the work safety training plan, we take basic safety training for employees, and provide operators with three-level safety education and special safety trainings of operations on, for example, forklift, handling, and warehousing. Moreover, we organize pre-shift meetings, toolbox meetings, weekly reports, monthly meetings and other safety meetings from time to time, and continue a series of internal safety publicity activities such as safety regulation promotion, fire-fighting skills competitions, and work safety month. In this way, we improve the safety management and work safety awareness at all levels of the Company.

We continue to build a better safety incident emergency plan system and a standard emergency drill implementation process, and carry out a series of emergency drills covering chemical leakage, forklift injury accident, fire accidents and natural disasters, to make our employees better to handle safety accidents.

117 sessions

In 2022, we carried out 117 sessions of special safety training on chemical, electrical, mechanical, forklift, as well as 126 emergency drills.

126 sessions

32,845 enrollments

32,845 enrollments in the level 3 safety education

198,000 enrollments

198,000 enrollments in safety training and drills

660+ sessions

In 2022, we carried out more than 660 safety culture development activities, registering over 67,000 enrollments.

67,000+ enrollments



Chemical Leakage Drill Activities by TCL Communication



Fire Drill Activities by TCL Environmental Technology

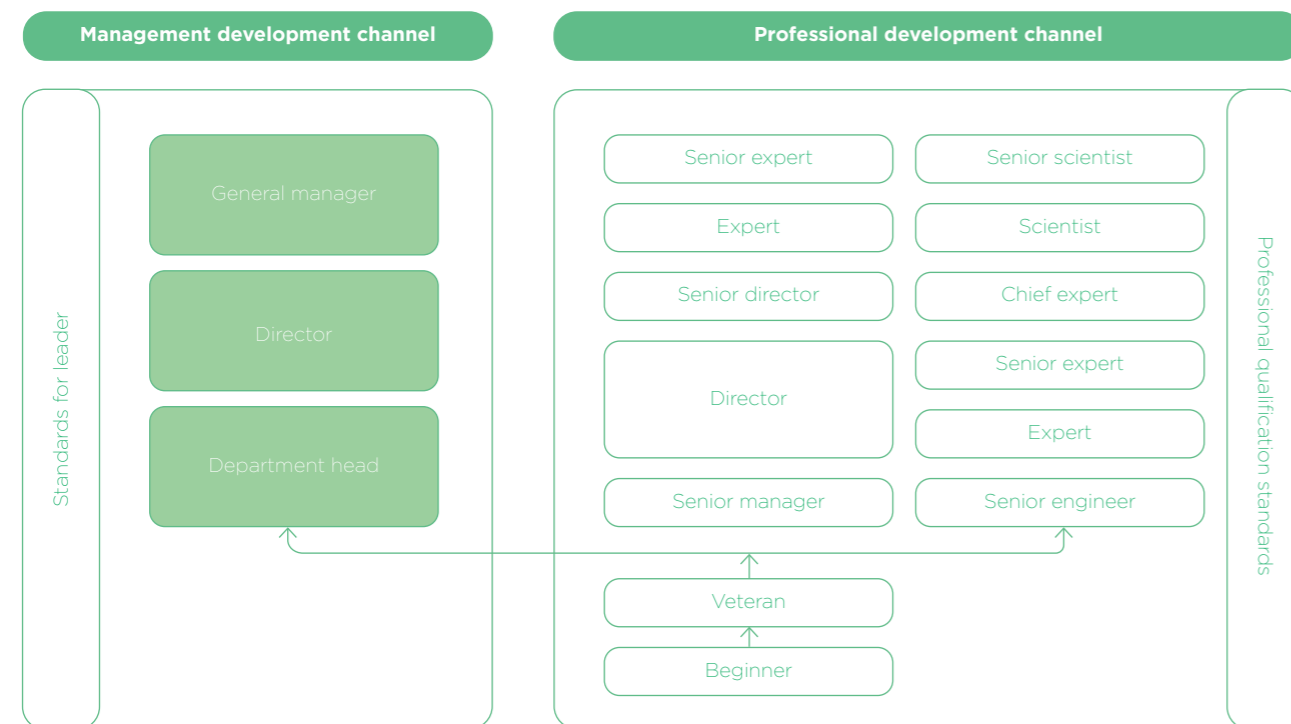
Encouraging employee growth

TCL Industries offers employees equal opportunities for promotion. We continue to build a better employee training system and a sound and smooth vertical and horizontal talent development mechanism, encouraging employees to grow and develop with the Company.

Career development

The Company provides both the professional development and management promotion channels for employees according to the *Employee Handbook*. We assess and review our talents every year and improve the talent selection mechanism and development system based on our business needs, to build a workforce with international vision and professional quality and standard.

Employee career development channel and promotion model



Employee training

Cooperating with the Company's development strategy, TCL Industries continues to improve the talent training system and helped employees move on to a high level through practical actions by providing abundant training resources.

Talent training system and main actions in 2022

Training program	Program description	Main actions in 2022
Eagle Talent Training	Based on the staff rank and starting from fresh graduates, we built a tiered leadership development system from "young eagle" to "flying eagle" and to "elite eagle", as well as a newcomer and high-potential talents training system. This was beneficial for trainees to quickly adapt to the workplace.	<ul style="list-style-type: none"> We had an additional five-year Super A Special Training Program to select outstanding fresh graduates to expand our talent pool. We continuously followed up the learnings of employees and strengthened learning consolidation through independent T-Communication groups, after-class learning and exams, and learning checking-in. We organized interactive activities to promote two-way communication, for example, the young eagle employees onboarding meeting and the general manager lunch meeting.
New Leader Training Program	We conducted special training for new leaders on key positions such as manager, department head and director. These trainings could help new management personnel enhance their capabilities towards a certain direction faster and achieve a rapid transformation within 90 days.	<ul style="list-style-type: none"> We set up a monthly feedback mechanism for on-the-job learnings to timely follow up the training progress of new management staff. We continuously sort out and update online course resources to let employees learn more efficiently.
Professional Training Program	We carried out professional capability training based on the nature of work for employees, mainly including the Sword Casting Program, social recruitment training for new employees and the product training-for-all program, to further ensure the rapid implementation of organizational strategic projects.	<ul style="list-style-type: none"> We started the better business-doing ability training program for product managers, sales representatives and other position occupants, to continuously foster and supply outstanding business management talents to the Company.
Construction of learning platform resources	We built multiple public learning platforms for all employees, such as the T-School, where we share learning resources and enable multiple learning methods to create more diversified and interesting learning.	<ul style="list-style-type: none"> We continued to hold public training events such as the Lecturer's Day and CEO-Led Lecture to create a good learning atmosphere in the Company.

Case: Overseas business talent training programs



To help the Company achieve strategic objectives set for overseas business, enable overseas branches to be better at organization and have a wider range of expatriate talents, TCL Electronics launched a series of reserve camps and training and empowerment programs for different overseas positions occupants in 2022.

Overseas Elite Eagle Reserve Camp: We arranged the professional and English knowledge-based selection and evaluation, and carried out team development, intensified training sandbox and other items to foster talents with business management and versatile abilities. This is beneficial to select reserve talents.

Role Recognition Training: We conducted business interviews, post model organizing, empowerment courses and practical topic discussions to further make our employees more professional and responsible.

Marketing Series Training: Under the guidance of the Marketing Operation Manual, we organized a series of training campaigns, improved the standard marketing requirements and enable employees of each business unit to be better at marketing.



Participants in the Flying Class I Training Camp



Overseas Elite Eagle Reserve Camp Program site

Case: Flying Class I Training Camp by Tonly Technology



In 2022, Tonly Technology created an 8-month Flying Class I Training Camp for employees who were university students, graduated between 2016 and 2019. This training program covered six modules, including the *Workplace English*, *Framework Thinking*, *Cost Awareness*, and *Accurate Expression*, totaling more than 50 class hours. Through customized design, this program was targeted to help trainees improve their work awareness and skills and guide them to integrate theories learned in class into practical work, thus facilitating rapid specialized and professional development of young eagle employees.

◎ Caring for employees' lives

TCL Industries values efficient communication with employees. We carefully listened to employees' suggestions and continued to carry out various caring activities to enhance their well-being and cohesion.

Communication with employees

We respect the opinions of employees. We established communication channels to listen to their voice, for example, the T-Communication column, employee opinion boxes, complaint mailboxes, and telephone access. Furthermore, we organized activities to encourage employees to express their demands, including inquiry meeting, employee communication conference, CEO direct broadcasting room, and engagement and satisfaction surveys, creating a good communication atmosphere. In addition, we established in each affiliated enterprise a trade union to, on behalf of employees, effectively participate in formulating interest policies and organizing activities related to employees, thus creating a harmonious and equal work environment.

Case: All-staff communication meeting on strategy and organisational change of TCL Communication

On April 15, 2022, TCL Communication held an all-staff communication meeting on strategy and organisational change themed "Dare to Make Changes and Breakthroughs" via live video. At this communication meeting around the Company's business strategy, business, and organizational change, our senior executives answered and communicated with all employees on some issues in personnel organization, assessment and incentive, product capability breakthroughs, and R&D planning. Through this meeting, employees received an effective response to their concerns and had a stronger sense of participation in the Company's operations.



All-staff Communication Meeting on Strategy and Organisational Change of TCL Communication

Employee activities

To ensure the protection of employees' rights and interests, TCL Industries establishes various interest-based societies such as outdoor sports society, basketball society and badminton society affiliated with labor unions, which organize a variety of recreational activities for employees, cultivate their interests and hobbies, and promote a healthy lifestyle among employees. In addition, we hold garden parties on the Spring Lantern Festival, Mid-Autumn Festival and other festivals, as well as group activities including employee birthday parties to enrich employees' life after work and further enhance their cohesion.



Football Society of TCL Industries



Yoga Society of TCL Industries



Celebrating the New Year by Tonly Technology



Employees' Birthday Party by Tonly Technology



"Girl's Power" Women-Themed Activity by Getech



Huizhou Hiking by TCL Industries

◎ Promoting responsible supply

TCL Industries continues to improve the whole lifecycle management system covering supplier development, admission, assessment, and exit, and remains committed to empowering suppliers through trainings, to create a transparent, healthy and credible sustainable industrial value chain with partners.

Standardizing supplier management

We continue to improve internal supplier management systems, including the *Supplier Certification Management Process*, *Regulations on Hierarchical Category and Supplier Management*, and *Supplier Performance Management Measures*, to ensure a more standardized supplier management system.



Supplier certification

According to the Supplier Certification Management Process, we certify the qualifications, systems, and products of suppliers in cooperation with procurement, R&D and quality departments and experts, to ensure qualified products and services from suppliers meeting our requirements.



Supplier evaluation

In accordance with the Regulations on Supplier Review Management, we review and audit suppliers and divide the audits into new suppliers and categories audit, annual routine audit, change audit and special audit.

In the daily evaluation of suppliers, we assess performance of suppliers from the dimensions of business, delivery, quality, and technology on a monthly, semi-annual and annual basis. In this way, we help suppliers with low evaluation scores find out and correct their shortcomings. Accordingly, we classify suppliers into four levels for management: preferred, qualified, restricted, and eliminated.



Supplier improvement

We regularly communicate with suppliers. Every quarter, we inform them of our requirements regarding business ethics, anti-corruption, product quality and other aspects and exchanged with them about industry information and project trends. We also encourage suppliers to actively share new developments in materials and technologies they knew (if any) with the R&D department to achieve mutual benefits. Furthermore, we hold supplier operation meetings and based on the audit results, we provide rectification guidance and support for those underperforming suppliers to improve their supply level.

Promoting sustainable procurement

We focus on the sustainability of procurement. We facilitate the corporate social responsibility (CSR) audits and conflict minerals management of suppliers, striving to drive the healthy and sustainable development of upstream and downstream industrial chains.

Supply chain CSR review

We have developed the *Code of Conduct for Suppliers*, and signed the *Notification of Corporate Social Responsibility*, the *Statement of Environmental Compliance*, the *Quality Agreement*, the *Integrity Agreement* and other documents with production material suppliers. According to such documents, we link certification of suppliers' social responsibility to their performance assessment, and define their code of conduct related to environmental and social responsibility, ensuring suppliers' performance of their corporate social responsibility.

We have also formulated the *Supplier CSR Review Management Specification*, specifying the standard whole-process management of supplier CSR review and defining nine CSR red line requirements with which suppliers must comply. Meanwhile, we have developed the *Supplier Social Responsibility Investigation Form*, covering 111 review items under 13 dimensions, including business ethics, labor rights and interests, chemical safety, environmental protection, fire safety, and occupational health. We use this form to investigate the social responsibility performance of suppliers, and require them to describe how to implement each item and provide relevant evidence accordingly. Then, we would command CSR personnel review such items and inform suppliers of the reason for non-compliance and effective rectifications for non-compliant items. When suppliers under review touch nine red lines or obtained their evaluation score below 70, the processing mechanism of rectification, punishment, or termination of cooperation would be triggered, thereby continuously reducing environmental and social risks in the supply chain.

TCL Industries focuses on the greenhouse gas management and IPE record management of suppliers while reviewing, and supervises and urges suppliers to establish greenhouse gas management organizations, mechanisms and personnel capabilities and eliminate IPE records as soon as possible.

Conflict minerals management

In accordance with the Code of Conduct of RBA (Responsible Business Alliance) and GeSI (Global Enabling Sustainability Initiative), we have formulated the *Regulations on Refusing Procurement of Conflict Minerals*, and signed the *Restricted Substance Declaration* and *Letter of Guarantee on Refusing Conflict Minerals* with suppliers. We review the raw material testing lists, third-party testing reports and conflict minerals investigation form, etc. provided by suppliers, to ensure all materials from suppliers free of the restricted substances listed in the declaration.

In 2022, TCL White Household Appliances and TCL Air-Conditioners defined suppliers from conflict areas such as the Democratic Republic of Congo as high-risk suppliers in accordance with the *Code of Conduct for Suppliers*. TCL Electronics established a conflict minerals information collection mechanism and implemented the information-based management to ensure a targeted and efficient management of conflict minerals used by suppliers.

45 suppliers

In 2022, we evaluated the CSR performance of 45 suppliers, including on-site audits on 14 suppliers and remote audits on 31 suppliers. As a result, four suppliers failed the review. We required those failed ones to complete rectification within 90 days after the review, and then initiate a review request again.

108 suppliers

In 2022, TCL Industries conducted due diligence on conflict minerals with 108 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.

◎ Contributing to the development of the industry

TCL Industries actively enhance further cooperation and exchange with industrial partners, play a part in discussing and establishing industry standards, promote the transformation of innovative achievements through enterprise-university-research institute cooperation, creating a co-existent and win-win industrial ecosystem and facilitating the high-quality development of the industry.

Industry cooperation and exchanges

Actively engaging in external cooperation and exchanges, we promote resource complementation and expand our development by establishing strategic cooperation partnerships and joining industry associations.

Establishing strategic partnership

We have signed strategic partnership agreements with Tencent, A.P. Moller - Maersk, and SGS to actively promote resource complementation in Internet TV, green transportation, carbon reduction planning, and other areas to achieve mutual benefits and win-win results.

Joining industry associations

We have joined many industry associations such as Open Link Association (OLA), Connectivity Standards Alliance (CSA), China Household Electrical Appliances Association, China Association for Standardization, and Huizhou Industrial Design Association and actively explore the latest achievements in connectivity technology, intelligent technology, industrial design, etc.

Establishing a joint laboratory

TCL White Household Appliances and Jiangnan University have established the Joint Laboratory for Preservation Technology Innovation to perform in-depth research on multi-dimensional technologies for healthy fresh-keeping of food materials, the evaluation system for the fresh-keeping quality of food materials, the establishment of a database for fresh-keeping of food materials, and the trend analysis and planning of refrigerator fresh-keeping technology. Both parties closely integrates products and technologies, accelerating the efficient transformation of scientific research achievements, and boosting the technological development and product iteration of the refrigerator industry.

Case: Cooperation of Getech in exploring the digital and intelligent transformation of the manufacturing industry

On November 20, 2022, the China 5G + Industrial Internet Conference kicked off in Wuhan. During this conference, the sub-forum 5G Fully Connected Factory - Industrial Internet Empowers Advanced Manufacturing undertaken by Getech under TCL Industries was successfully held.

Getech and China United Network Communications Limited Hubei Branch signed a strategic agreement on this sub-forum and signed "ecosystem partner" agreements with Wuhan Industrial Internet Industry Alliance, FiberHome, ZTE, HUAWEI, SIEMENS, and Hubei University of Technology to jointly promote technological breakthroughs and application implementation of 5G industry in various industries.



Signing Ceremony of Ecosystem Partner Agreements on 2022 China 5G + Industrial Internet Conference

Contributing to standard formulation

By virtue of years of experience in R&D, production, and sales in the industry, TCL Industries actively participates in the discussion and formulation of national and industrial standards in each professional field, effectively improves the standardization and unification of industry management, and promotes the healthy and stable development of the industry.

Implementation date

January 1, 2023

Standard nature

Industry recommended standard

Standard title

Television Receiving Equipment - Specification of LCD

Standard No.

SJ/T 11842-2022

Implementation date

January 1, 2023

Standard nature

Industry recommended standard

Standard title

Television Receiving Equipment - General Specification

Standard No.

SJ/T 11843-2022

Implementation date

January 1, 2023

Standard nature

Industry recommended standard

Standard title

Television Receiving Equipment - High Dynamic Range (HDR) Display

Standard No.

SJ/T 11844-2022

Implementation date

January 1, 2023

Standard nature

Industry recommended standard

Standard title

Guidelines for management and assessment of hazardous substances in electrical and electronic Products

Standard No.

SJ/T 11876-2022

Deepening industry-university-research cooperation

TCL Industries values cooperation with scientific research institutes and institutions of higher learning and is committed to achieving the efficient transformation of cutting-edge scientific and technological research achievements in universities into industrial applications. So far, we have established long-term partnerships with China Jiliang University, Shanghai Jiao Tong University, Beijing Institute of Technology, and many other universities, to deliver excellent talents to the industry. In the meantime, we cooperate with Tsinghua University, Fudan University, and Fuzhou University in laboratory applications, and have established the "TCL University Talent Training Bases" in collaboration with South China University of Technology, Nanjing University, Sichuan University, Hunan University, Central South University, Huazhong University of Science and Technology, Chongqing University, and Xidian University. By linking university and enterprise resources, we continuously train and output innovative talents in science and technology, driving regional employment and boosting regional economic development.

◎ Fulfilling social responsibilities

TCL Industries has always been mindful of our corporate social responsibilities and actively participates in public welfare activities such as education development, community development, and disaster relief, delivering positive energy to the community.

Supporting education development

We actively promote the sharing of educational resources and carry out public welfare activities such as creating smart classrooms and caring for children and students in difficulties to help children grow healthily and happily and improve educational fairness.



TCL Smart Classroom

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

On September 25, 2022, the inauguration ceremony of the TCL smart classroom was successfully held. The project progressed in collaboration with Shenzhen Haide School. In November of the same year, the site of the smart classroom project was surveyed, and construction started in Longsheng Experimental Middle School in Guilin, Guangxi. After the completion of the project, the special urban and rural delivery classrooms of Haide School and Longsheng Experimental Middle School will be realized to promote the interconnection of high-quality educational resources.

"Tomorrow-iCAN" College Student Sponsorship Program

In 2022, TCL Electronics continued to participate in the "Tomorrow-iCAN" College Student Grant Program and donated RMB 100,000 to the China Charities Aid Foundation for Children to help poor families, comprehensively empower high school students in terms of study, quality, and abilities and cultivate them into first-generation college students in their families. In July of the same year, the first batch of students who received financial aid from the Grant Program achieved excellent results in the college entrance examination and 97% of them obtained the qualification to apply for first-tier universities.



Caring for students

In 2022, TCL Electronics continued to donate RMB 200,000 to Shekou Yucai Sports Club in Nanshan District, Shenzhen to help schools carry out various large-scale sports activities, assist the development of sports in schools, help students enjoy fun, strengthen their physique, exercise their willpower, and have a healthy, sunny, and happy childhood.



Extending the warmth of "Home A.I." program

In November 2022, TCL Communication and TCL Foundation jointly created the "Eagle Listening" APP, which was officially launched as the educational tablet product of TCL NXT PAPER. "Eagle Listening" is an extension of the "Home A.I." program and owns three educational resources, stories, music, and poetry. With AI technology, children can synthesize customized parents' voices through WeChat applets and listen to stories using customized voices on the APP. This allows children to feel the companionship of their parents while learning and enables AI technology to help left-behind and migrant children grow happily.



Supporting "TCL Rose Action"

From May 19 to 21, 2022, Tonly Technology volunteers participated in the "TCL Rose Action" rural teacher visit activity and came to the Pijiang Central Primary School in Zouma Town, Zhaoping County, Hezhou City to present sports supplies and gifts supported by the Labor Union of Tonly Technology to teachers and students to support basic rural education.



Delivering warmth to the community

We adhere to our original intention to repay the community, actively participate in public welfare activities such as caring for vulnerable groups, assisting in community construction, cleaning our homes, seeking community well-being, and transmitting the power of our love to the community. In 2022, we organized the 9.9 Public Welfare Event, carried out activities such as arranging all employees for step donations, book donations, and love charity sales, and delivered care and goodwill to special groups such as autistic children and children in poverty-stricken areas.

All employees' hiking donation activity

TCL Electronics cooperated with Shenzhen Longgang Chunnuan Social Work Service Center to carry out a hiking donation activity by all employees. Employees participated in step donation by scanning a QR code via WeChat and made donations based on the number of steps donated by employees. The total donation from this activity was RMB 19,000 and the fund will be used to support the love programs for autistic children.





Caring for disabled persons

In October 2022, TCL Electronics and the Social Health Center of the Disabled Persons' Federation of Xili Subdistrict in Shenzhen jointly carried out the "Caring for Disabled Persons" activity, and TCL Electronics donated TCL TV sets worth RMB 10,000, milk, umbrellas, blankets, and other living materials to the center, enriching the leisure life of disabled persons and delivering warmth from the community.

Clothing donation activity in winter

In November 2022, we joined hands with the "White Whale Platform" to carry out the "warmth from old clothing" clothing donation activity in winter. A total of 260 kg of usable clothing was collected to help the poor people in remote mountainous areas smoothly pass through the cold winter.



Overseas public welfare activities

We value the global development strategy, actively carry out overseas public welfare activities, and convey a positive image of the Company.

In 2022, our Global CSR Team, on behalf of the Company, donated EUR 3,000 to overseas public welfare organizations and input funds and manpower to create colorful tourism activities for many children with Duchenne muscular dystrophy (DMD), providing them with care and support.



Supporting anti-pandemic and disaster relief

When a disaster strikes in one location, help comes from all quarters. In the face of the challenges of COVID-19 and natural disasters, we have actively assumed social responsibilities, supported COVID-19 prevention and control in Guangdong Province, provided assistance to flood-stricken areas Yingde, donated emergency supplies for them, pooled the positive energy of earthquake relief, and helped people overcome difficulties.



Supporting COVID-19 prevention and control in Huizhou

In October 2022, in order to help people back to work and school after the National Day holiday, TCL Communication mobilized employees to participate in voluntary COVID-19 prevention services in public areas such as parks, hospitals, and communities in Zhongkai District, Huizhou City, Guangdong Province and assist in COVID-19 prevention support work such as disinfection, sterilization, cleaning, nucleic acid detection, travel code inspection, and guidance for diversion of people and vehicles in high-speed railway and expressway areas.



Supporting the front work of flood control in Yingde

In June 2022, many places in Guangdong suffered from such natural disasters as rainstorms, floods, and landslides due to the continuous heavy rainfall, with particularly severe disasters in Yingde City. TCL Communication immediately organized volunteers to disaster-stricken areas in Yingde and they assisted in road rescue, disinfection, sterilization, cleaning, and power generation equipment transportation, provided emergency supplies such as mineral water and instant noodles for affected people, and helped the people there control floods and rescue and rebuild their homes as soon as possible.

Tree-planting volunteer activity

On April 2, 2022, Tonly Technology organized more than 90 Party workers and volunteers to come to Tongqiao Factory to carry out the tree planting activity of "carry forward the spirit of volunteerism, build a green park together", improving the natural environment around the factory and enhancing the environmental protection awareness of employees.



"Dream Fulfillment Plan" public welfare activity

In October 2022, TCL Environmental Technology enrolled six volunteer employees to launch the "Dream Fulfillment Plan" public welfare activity. After household visits, volunteers, on behalf of the Company, provided financial assistance to 11 poor families and organized activities such as community tea parties for the elderly, repairing houses for disabled persons, and presenting clothing and furniture, effectively providing warmth and comfort to vulnerable groups such as the elderly, disabled persons, and the poor in the community.





Epilogue

The year 2022 witnessed the challenges and trials we went through. Facing external challenges such as mounting economic downward pressure, shrinking consumer demand, and intensified industrial competition we faced difficulties head on and made breakthroughs with clear strategic focus and by being united as one.

We concentrated on sharpening the competitiveness of our products, improving quality and efficiency of operations, boosting product quality, accelerating global business layout, expanding diversified businesses, and opening up a new development paradigm for TCL Industries. In the future, we will continue to focus on user demands, reinforce our strengths by leveraging innovative technologies, create a full-scenario smart life experience, and enable the advent of the era of Internet of Everything.

Responding to the "dual carbon" national policy, we will shoulder our corporate responsibility and embark on the path of green development from different perspectives, including low-carbon construction, factories, operations and innovation. We will focus on intelligent manufacturing and clean production, develop carbon reduction plans, improve our green management abilities, continue to develop green and low-carbon products and expand photovoltaic business to lead the energy transformation of the industry, so as to promote TCL Industries' green transformation and contribute to global climate change response.

Looking ahead, we will be full of hope and take solid steps forward. Remaining true to our corporate mission of "Making Life Intelligent with Innovative Technology", we will work with partners to build an ecosystem of intelligent connecting, empower all relevant parties to pursue common prosperity and sustainable development with the concept of green development, and promote the advancement of science and technology into a digital and intelligent future for social good.

Key Performance Indicator Form

Environmental performance			
		Unit	Data of 2022
Air pollutants	VOC emissions	Tonne (s)	12.71
	Total GHG emissions	tCO ₂ e	727,400.51
GHG emissions ¹⁶	GHG emission intensity	tCO ₂ e/ RMB 100 million revenue	685.67
	Scope 1 GHG emissions	tCO ₂ e	433,955.61
	Scope 2 GHG emissions	tCO ₂ e	293,444.90
	Total diesel consumption	kg	546,854.27
Energy use	Total gasoline consumption	kg	201,806.84
	Total natural gas consumption	Cubic meter(s)	6,559,050.37
	Liquefied petroleum gas consumption	kg	1,869,202.98
	Acetylene consumption	kg	4,032.39
	Total purchased electricity	KWh	512,533,953.87
	Solar power generation for self-use	KWh	28,323,933.10
Water resources use	Total water consumption	Tonne (s)	4,125,758.28
	Water consumption intensity	Tonne(s)/ RMB 100 million revenue	3,889.05
Hazardous waste	Total amount of hazardous waste ¹⁷	Tonne (s)	5,033.76
Non-hazardous waste	Total amount of non-hazardous waste ¹⁸	Tonne (s)	153,520.57
	Total usage of packaging materials	Tonne (s)	143,131.43
Use of packaging materials	Paper packaging materials used ¹⁹	Tonne (s)	127,678.42
	Plastic packaging materials used ²⁰	Tonne (s)	15,453.01

¹⁶ In 2022, TCL Industries further expanded the coverage of its carbon inventory verification. To enhance the accuracy of GHG emission disclosure, the emission data of the year consisted of 9 industry data verified by a professional third-party carbon verification agency, as well as data self-calculated by TCL Financial Service and TCL Industrial Park. Given the nature of the Company's businesses, GHG emissions mainly stemmed from purchased electricity usage, fossil fuel combustion, and industrial production processes. The GHG inventory includes 4 types of GHGs: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O) and hydrofluorocarbons (HFCs), with the emission data reported in terms of carbon dioxide equivalent.

¹⁷ Total amount of hazardous waste: includes waste liquid of paint, waste oil and paint residue, oily waste water, empty barrels and other hazardous wastes.

¹⁸ Total amount of non-hazardous waste: includes waste cartons, waste plastics, EPS and other non-hazardous wastes.

¹⁹ Paper packaging materials used: include cartons and paper instructions.

²⁰ Plastic packaging materials used: include EPS packages.

Social performance			
		Unit	Data of 2022
Research and development	Number of patents newly granted	Nos	2,534
	Accumulative number of patents granted	Nos	11,882
Employee composition	Total number of employees	No. of people	63,258
	Number of male employees	No. of people	39,158
	Number of female employees	No. of people	24,100
	Percentage of trained employees ²¹	Percentage	58.13%
Employee training	Percentage of trained male employees	Percentage	65.40%
	Percentage of trained female employees	Percentage	34.60%
	Average training hours per employee ²²	Hour (s)	29.35
	Average training hours per male employee	Hour (s)	33.05
Occupational health and safety	Average training hours per female employee	Hour (s)	23.34
	Number of deaths related to work ²³	No. of people	1
	Total lost days due to occupational injury	Day (s)	1,548
Supplier composition	Number of suppliers in mainland China	Nos	5,831
	Number of suppliers in Hong Kong, Macao, Taiwan, and overseas regions	Nos	390
Public welfare investment	Contribution of funds	RMB0'000	2,032.01
	Value of goods donated	RMB0'000	6.88
	Number of volunteers	No. of people	1,279
	Voluntary service hours	Hour (s)	7,240

²¹ Percentage of trained employees by gender=Number of employees trained of that gender/Total number of employees trained.

²² Average training hours per employee by gender=Training hours of employees of that gender/Number of employees of that gender.

²³ In 2022, 1 case of death related to work occurred due to the employee's underlying disease. We have taken preventive and improvement measures, such as strengthening onboarding medical examinations, annual on-the-job medical examinations, social insurance coverage, and commercial insurance coverage to minimize the occurrence of such incidents and provide timely and sufficient support to employees and their families in need.

Indicator Indexes

◎ Response to the United Nations Sustainable Development Goals (SDGs)

Goal	Goal Content	Action
Goal 1	No poverty	Supporting educational development, spreading community kindness, and helping disaster relief
Goal 2	Zero hunger	Supporting educational development, spreading community kindness, and helping disaster relief
Goal 3	Good health and well-being	Creating accessible products, building healthy technology experience, ensuring product safety, caring for user's health and creating a safe environment
Goal 4	Quality education	Deepening industry-university-research cooperation, encouraging employee growth and supporting educational development
Goal 5	Gender equality	Safeguard employees' rights and interests
Goal 6	Clean water and sanitation	Improving resource efficiency and reducing pollution emissions
Goal 7	Affordable and clean energy	Promoting climate action, strengthening carbon management, improving resource efficiency
Goal 8	Decent work and economic growth	Safeguarding employees' rights and interests and caring for employees' lives
Goal 9	Industry, innovation, and infrastructure	Creating accessible products, building healthy technology experience, promoting industrial cooperation and exchange, supporting the development of standards, deepening industry-university-research cooperation, building R&D strength, maintaining technological leadership, creating advanced products, and promoting intelligent manufacturing
Goal 10	Reduced inequalities	Supporting educational development, spreading community kindness, and helping disaster relief
Goal 11	Sustainable cities and communities	Promoting climate action, strengthening carbon management, producing green products, and improving resource efficiency, and boosting responsible supply
Goal 12	Responsible consumption and production	Producing green products, improving resource efficiency, reducing pollution emissions, boosting responsible supply, ensuring quality and safety
Goal 13	Climate action	Promoting climate action, strengthening carbon management, producing green products, and improving resource efficiency
Goal 14	Life below water	Improving resource efficiency and reducing pollution emissions
Goal 15	Life on land	Reducing pollution emissions
Goal 16	Peace, justice, and strong institutions	Upholding business ethics, respecting intellectual property rights, and protecting information security
Goal 17	Partnerships	Promoting industrial cooperation and exchange, supporting the development of standards, deepening industry-university-research cooperation, and boosting responsible supply

◎ GRI content index

Statement of use	TCL Industries Holdings Co., Ltd. has reported the information cited in this GRI content index for the period from January 1, 2022 to December 31, 2022 with reference to the GRI Standards.		GRI 1 used	GRI 1: Foundation 2021
GRI Standards and Disclosure	Location		Remark	
GRI 2: General Disclosures 2021				
2-1	Organizational details	About TCL Industries		The headquarters of TCL Industries is located in Shenzhen, Guangdong Province, and its mainly operating country is China
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		This Report does not involve restatements of information
2-6	Activities, value chain and other business relationships	About TCL Industries		TCL Photovoltaic Technology, a subsidiary of TCL Industries, officially operated its photovoltaic business in the second quarter of 2022
2-7	Employees	Ecological Harmony - Delivering Warmth to Our Society Key Performance Indicator Form		
2-8	Workers who are not employees	Ecological Harmony - Delivering Warmth to Our Society Key Performance Indicator Form		
2-9	Governance structure and composition	Our Sustainability Management		
2-12	Role of the highest governance body in overseeing the management of impacts	Our Sustainability Management		
2-14	Role of the highest governance body in sustainability reporting	Our Sustainability Management		
2-22	Statement on sustainable development strategy	Environmental Topic: Green Development Promoting the "Carbon Peaking and Carbon Neutrality" Strategy		
2-23	Policy commitments	Corporate Governance - Safeguarding Operation		
2-24	Embedding policy commitments	Corporate Governance - Safeguarding Operation		
2-25	Processes to remediate negative impacts	Our Sustainability Management Corporate Governance - Safeguarding Operation Product Innovation - Make Lives Wonderful		
2-26	Mechanisms for seeking advice and raising concerns	Our Sustainability Management Corporate Governance - Safeguarding Operation Product Innovation - Make Lives Wonderful Ecological Harmony - Delivering Warmth to Our Society		
2-28	Membership associations	Our Sustainability Management Product Innovation - Make Lives Wonderful Ecological Harmony - Delivering Warmth to Our Society		
2-29	Approach to stakeholder engagement	Our Sustainability Management		
2-30	Collective bargaining agreements	Not Applicable		There is no formal collective bargaining agreement within the Company, however, employees have the freedom to participate in trade unions and collective bargaining
GRI 3: Material Topics 2021				
3-1	Process to determine material topics	Our Sustainability Management		
3-2	List of material topics	Our Sustainability Management		
Economic performance				
GRI 201: Economic Performance 2016				
3-3	Management of material topics	About TCL Industries Ecological Harmony - Delivering Warmth to Our Society		

GRI Standards and Disclosure		Location	Remark
201-1	Direct economic value generated and distributed	About TCL Industries Our Sustainability Management Ecological Harmony - Delivering Warmth to Our Society Key Performance Indicator Form	
201-2	Financial implications and other risks and opportunities due to climate change	Environmental Topic: Green Development Promoting the "Carbon Peaking and Carbon Neutrality" Strategy	
GRI 203: Indirect Economic Impacts 2016			
3-3	Management of material topics	Ecological Harmony - Delivering Warmth to Our Society	
203-2	Significant indirect economic impacts	Product Innovation - Make Lives Wonderful Ecological Harmony - Delivering Warmth to Our Society	
GRI 204: Procurement Practices 2016			
3-3	Management of material topics	Ecological Harmony - Delivering Warmth to Our Society	
GRI 205: Anti-corruption 2016			
3-3	Management of material topics	Corporate Governance - Safeguarding Operation	
205-2	Communication and training about anti-corruption policies and procedures	Corporate Governance - Safeguarding Operation	
205-3	Confirmed incidents of corruption and actions taken	Corporate Governance - Safeguarding Operation	During the reporting period, the Company did not receive any corruption cases that have been filed and resolved
GRI 206: Anti-competitive Behavior 2016			
3-3	Management of material topics	Corporate Governance - Safeguarding Operation	
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Not Applicable	During the reporting period, the Company did not receive any cases on prosecution for unfair competition or monopoly behavior
Environmental			
GRI 301: Materials 2016			
3-3	Management of material topics	Green Development - Revitalizing the Environment	
301-1	Materials used by weight or volume	Key Performance Indicator Form	
GRI 302: Energy 2016			
3-3	Management of material topics	Green Development - Revitalizing the Environment	
302-1	Energy consumption within the organization	Green Development - Revitalizing the Environment Key Performance Indicator Form	
302-4	Reduction of energy consumption	Green Development - Revitalizing the Environment	
GRI 303: Water and Effluents 2018			
3-3	Management of material topics	Green Development - Revitalizing the Environment	
303-1	Interactions with water as a shared resource	Green Development - Revitalizing the Environment	During the reporting period, municipal water supply was the only source of water in each place
303-2	Management of water discharge-related impacts	Green Development - Revitalizing the Environment	
303-5	Water consumption	Key Performance Indicator Form	
GRI 305: Emissions 2016			
3-3	Management of material topics	Environmental Topic: Green Development Promoting the "Carbon Peaking and Carbon Neutrality" Strategy Green Development - Revitalizing the Environment	
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 (NO _x), sulfur oxides (SO _x), and other significant air emissions	Key Performance Indicator Form	The major significant air emissions of the Company is VOC

GRI Standards and Disclosure		Location	Remark
GRI 306: Waste 2020			
3-3	Management of material topics	Green Development - Revitalizing the Environment	
306-1	Waste generation and significant waste-related impacts	Green Development - Revitalizing the Environment	
306-2	Management of significant waste-related impacts	Green Development - Revitalizing the Environment	
306-3	Waste generated	Key Performance Indicator Form	
GRI 308: Supplier Environmental Assessment 2016			
3-3	Management of material topics	Ecological Harmony - Delivering Warmth to Our Society	
308-2	Negative environmental impacts in the supply chain and actions taken	Ecological Harmony - Delivering Warmth to Our Society	
Social			
GRI 401: Employment 2016			
3-3	Management of material topics	Ecological Harmony - Delivering Warmth to Our Society	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Ecological Harmony - Delivering Warmth to Our Society	
GRI 403: Occupational Health and Safety 2018			
3-3	Management of material topics	Product Innovation - Make Lives Wonderful Ecological Harmony - Delivering Warmth to Our Society	
403-1	Occupational health and safety management system	Ecological Harmony - Delivering Warmth to Our Society	
403-2	Hazard identification, risk assessment, and incident investigation	Ecological Harmony - Delivering Warmth to Our Society	
403-3	Occupational health services	Ecological Harmony - Delivering Warmth to Our Society	
403-5	Worker training on occupational health and safety	Product Innovation - Make Lives Wonderful Ecological Harmony - Delivering Warmth to Our Society	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Product Innovation - Make Lives Wonderful Ecological Harmony - Delivering Warmth to Our Society	
403-8	Workers covered by an occupational health and safety management system	Ecological Harmony - Delivering Warmth to Our Society	
403-9	Work-related injuries	Product Innovation - Make Lives Wonderful Ecological Harmony - Delivering Warmth to Our Society Key Performance Indicator Form	
GRI 404: Training and Education 2016			
3-3	Management of material topics	Ecological Harmony - Delivering Warmth to Our Society	
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	Ecological Harmony - Delivering Warmth to Our Society	
GRI 405: Diversity and Equal Opportunity 2016			
3-3	Management of material topics	Ecological Harmony - Delivering Warmth to Our Society	
405-1	Diversity of governance bodies and employees	Ecological Harmony - Delivering Warmth to Our Society	
GRI 406: Non-discrimination 2016			
3-3	Management of material topics	Ecological Harmony - Delivering Warmth to Our Society	
GRI 408: Child Labor 2016			
3-3	Management of material topics	Ecological Harmony - Delivering Warmth to Our Society	
GRI 409: Forced or Compulsory Labor 2016			
3-3	Management of material topics	Ecological Harmony - Delivering Warmth to Our Society	
GRI 413: Local Communities 2016			
3-3	Management of material topics	Ecological Harmony - Delivering Warmth to Our Society	

GRI Standards and Disclosure		Location	Remark
GRI 414: Supplier Social Assessment 2016			
3-3	Management of material topics	Ecological Harmony - Delivering Warmth to Our Society	
414-2	Negative social impacts in the supply chain and actions taken	Ecological Harmony - Delivering Warmth to Our Society	
GRI 416: Customer Health and Safety 2016			
3-3	Management of material topics	Product Topic: Technological Inclusion Leading Industry Changes Product Innovation - Make Lives Wonderful	
416-1	Assessment of the health and safety impacts of product and service categories	Product Innovation - Make Lives Wonderful	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Not Applicable	During the reporting period, the Company did not violate regulations and/or voluntary rules related to the health and safety impacts of products and services
GRI 417: Marketing and Labeling 2016			
3-3	Management of material topics	Product Innovation - Make Lives Wonderful	
417-1	Requirements for product and service information and labeling	Product Innovation - Make Lives Wonderful	
GRI 418: Customer Privacy 2016			
3-3	Management of material topics	Product Innovation - Make Lives Wonderful	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Not Applicable	During the reporting period, the Company did not receive any substantiated complaints concerning breaches of customer privacy and losses of customer data

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