TCL

2024

TCL Industries Holdings Co., Ltd.

Environmental, Social and Governance Report

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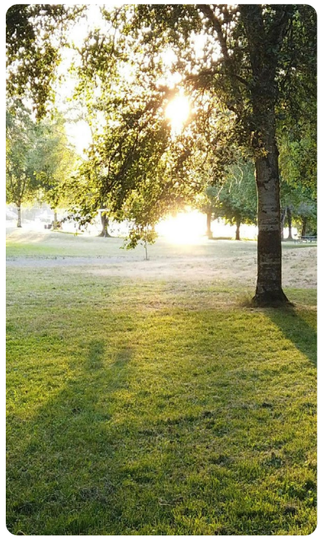
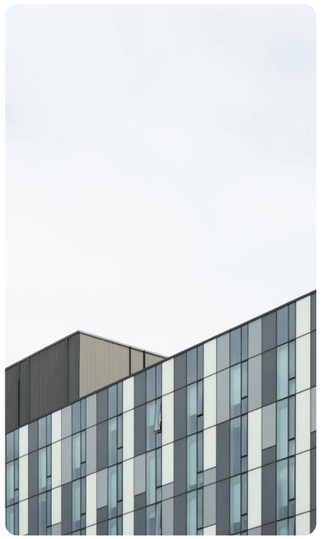
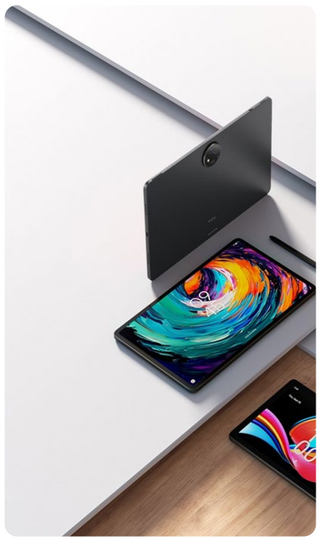
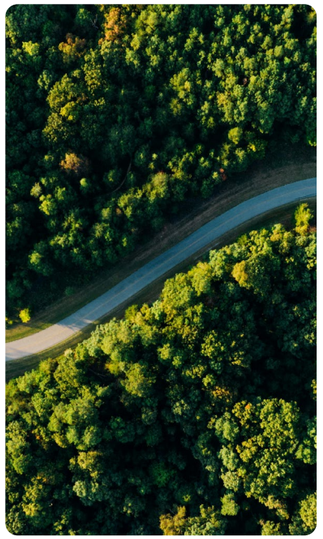
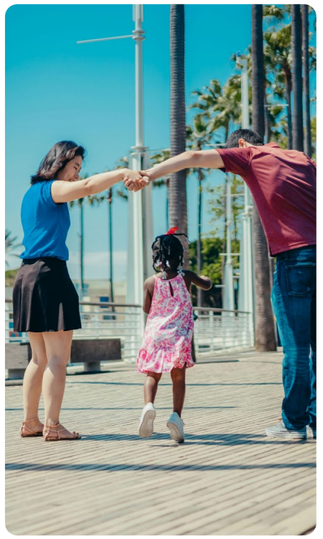










About This Report

Organisational Scope

The Report covers TCL Industries Holdings Co., Ltd. and its subsidiaries, including the Hong Kong-listed TCL Electronics Holdings Limited (Stock Code: 01070.HK, a company incorporated in the Cayman Islands with limited liability).

TCL Electronics also issues a standalone Environmental, Social and Governance (ESG) Report. For further information on its sustainability performance, please visit https://electronics.tcl.com/sc/cg/esg.php and refer to the 2024 Environmental, Social and Governance Report of TCL Electronics Holdings Limited.

Reporting Period

The Report covers the period from 1 January 2024 to 31 December 2024 ("this Year"). To ensure the completeness of the Report, some disclosures may extend to earlier or later important years where relevant to the subject matter and proportionate.

Preparation Basis

The Report has been prepared with reference to the following standards:

- The Global Reporting Initiative (GRI)'s Sustainability Reporting Standards (GRI Standards)
- Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation)
- Appendix C2 Environmental, Social and Governance Reporting Code to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the Listing Rules)
- UN Sustainable Development Goals (SDGs)

In the Report, the Company adheres to the principles of accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness, and verifiability as outlined in the GRI Standards. The Report primarily focuses on the Company's sustainable development responsibilities across four key pillars: economic, environmental, social, and governance.

Source of Data and Authenticity

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

Availability of the Report

The Report is available in both Chinese and English. In the event of any inconsistencies, the Chinese version shall prevail.

The electronic version of the Report is available on the Company's official website (www.tcl.com).

Glossary

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

Full Names of Main Subsidiaries	Abbreviations of Subsidiaries
TCL Electronics Holdings Limited	TCL Electronics
TCL Communication Technology Holdings Limited	TCL Communication
Falcon Technology Holdings Limited	FALCON Technology
Huizhou TCL Photovoltaic Technology Co., Ltd.	TCL Photovoltaic Technology
TCL Air-Conditioner (Zhongshan) Co., Ltd.	TCL Air-Conditioners
Tonly Technology Co., Ltd.	Tonly Technology
TCL Technology Industrial Park Co., Ltd.	TCL Industrial Park
Getech Technology Co., Ltd.	Getech
TCL Environmental Technology Co., Ltd.	TCL Environmental Technology
TCL Financial Holdings Group (Guangzhou) Co., Ltd.	TCL Financial Service
Guangdong TCL Smart Home Appliances Co., Ltd.	TCL Smart Home
TCL Home Appliances (Hefei) Co., Ltd.	White Household Appliance BU
Homa Appliances Co., Ltd.	Homa Appliances

Message from CEO

In an era filled with both opportunities and challenges, TCL Industries remains steadfast in upholding its core values of "Change, Innovation, Responsibility, and Excellence". We have embedded the concept of sustainability throughout our strategic planning, commercial layout, and operational management. Underpinned by sound corporate governance, we are firmly committed to a green, low-carbon development pathway, actively fulfilling our social responsibilities and working with global partners to foster leapfrog progress in the development of new quality productive forces. In doing so, we contribute more wisdom and strengths to China's high-quality development strategy and the broader goals of global sustainability.

Championing Technology-driven Development and Accelerating Innovation

We continue to believe that technology can change the world and creativity can enrich life. Guided by our strategy of "Lead with Brand Value, Excel in Global Efficiency, Drive with Technology, and Thrive on Global Vitality", we have accelerated our pace of technological advancement and globalisation. In 2024, we invested RMB 4.37 billion in R&D and worked with strategic partners to build an innovative development ecosystem. Simultaneously, we remained committed to enhancing our quality control systems for both products and services, delivering advanced technological experiences to users worldwide, and pioneering a smarter and healthier way of life.

Fulfilling Dual Carbon Commitments and Deepening Collaborative Development

To fulfil our "3050" goal and commitment, we have developed a "Synergistic Carbon Reduction Path in Inner, Middle, and Outer Circles", while strengthening collaboration throughout the value chain and with society. Leveraging our technological innovation strengths, we have actively implemented energy-saving and emission reduction measures and embedded green development principles and practices throughout the entire product lifecycle to reduce carbon footprints across the value chain. With the aim of building a healthy and sustainable green cooperation ecosystem, we work with various partners to accelerate climate governance. In 2024, our Scope 1 and Scope 2 carbon emission intensity fell by xx% compared to the base year; our photovoltaic business generated 3 billion kWh of green electricity, achieving a direct carbon reduction of 1.61 million tonnes.

Upholding a People-oriented Approach and Creating a Diverse Environment

With a global workforce of 71,401, TCL Industries is committed to a people-oriented approach to management. We respect and embrace diversity, and strive to build an inclusive, equitable, and healthy working environment. We offer employees competitive compensation systems and comprehensive career development channels, with a particular focus on empowering female employees. Through our global "TCLforHer" initiative, we have created a platform for women's advancement and an ecosystem that nurtures their inclusive growth.

Advancing Shared Responsibility and Building a Harmonious Society Together

In line with our development philosophy of win-win cooperation, we collaborate closely with suppliers to build a resilient, sustainable supply chain, while encouraging downstream partners to accept green consumption through responsible marketing, thereby enabling the high-quality development of the value chain. Meanwhile, we continue to invest in public welfare initiatives. Our tangible efforts span technology access, educational support, cultural heritage, rural revitalisation, and other fields. In 2024, we contributed a total of RMB 18.72 million in social donations.

As a leader in the industry, we recognise that high-quality development and green transformation are not only mandates of the times but also strategic opportunities for enterprises to achieve leapfrog development. With innovation as our engine, TCL Industries will continue to embrace the new development pattern and strengthen our capabilities in new quality productive forces. Through technological innovation and industrial upgrading, we aim to achieve new breakthroughs in sustainable value and corporate social responsibility (CSR). We look forward to working hand in hand with like-minded partners from all sectors of society, advancing together bravely on the path of high-quality, future-ready development.

DU Juan

CEO of TCL Industries Holdings Co., Ltd.

About TCL Industries

Company Profile

TCL Industries Holdings Co., Ltd. was established in 2018 and formally adopted its current name following a major asset restructuring in April 2019. The Company is focused on smart devices and services, encompassing all categories of smart consumer electronic products and services, including smart displays, smart home appliances, innovative businesses, and home Internet solutions. In parallel, TCL Industries actively develops other businesses such as ecotechnology, industrial park management, smart manufacturing, and industrial financing. Guided by the mission of "Building a Sustainable & Connected Future with Advanced Technology", the Company is committed to building an all-category "intelligent IoT ecosystem". Anchored in the strategic themes of "AI-powered Future, Scenario-based Smart Connectivity, Integration of Global and Local Operations, and a Greener Tomorrow", we adopt a user-centred approach to drive innovation, striving to become a world-leading intelligent technology group.

TCL Industries pursues a globalisation strategy rooted in the integration of global and local operations, making it one of the pioneers of Chinese enterprise globalisation. By integrating brand enhancement, technological innovation, talent training, environmental protection responsibility, and people-oriented values, we drive high-quality growth. We are dedicated to providing users with smart and healthy living experiences across all scenarios and strive to become a leading global smart device enterprise. By the end of 2024, we had established sales branches in more than 80 countries and regions worldwide, with operations spanning more than 160 countries and regions. We have 24 R&D centres and 20 manufacturing bases, which reinforce our long-term commitment to deepening international market penetration.

Our Strategy

Lead with Brand Value

- Promote mid-to-high-end products
- Build brand image and trust

Excel in Global Efficiency

- Streamline operation via digitalisation
- Provide competitive quality and price

Deepening global operations is the core of our strategies

Thrive on Global Vitality

- Organisation vitality
- Employee vitality

Drive with Technology

- Technology drives the growth
- Keep technological innovation and investment

Organisations and Initiatives Supported by TCL Industries

United Nations Global Compact (UNGC)

Responsible Minerals Initiative (RMI)

Science Based Targets Initiative (SBTi)

Responsible Business Alliance (RBA)

Global Enabling Sustainability Initiative (GeSI)

Business Overview

TCL Industries is engaged in all categories of smart consumer electronic products and services, including smart displays, smart home appliances, innovative businesses, and home Internet solutions. Addressing diverse application scenarios—including smart home, smart mobile and smart commercial display—we deliver forward-looking technological experiences and smart, healthy living to users worldwide. In addition, we are actively expanding into areas such as ecotechnology, industrial park management, smart manufacturing, and industrial financing, with the ambition of becoming a global leader in intelligent technology.

Introduction to TCL Industries' Business

Smart Device Business Group

- Large-size Display: Large Size; Small & Medium Size; Smart Commercial Display; Home Internet
- Photovoltaics: Photovoltaic Technology
- Innovative Business: Smart Connection; Smart Home
- Large Home Appliances: TCL Air Conditioner; Homa Appliances; TCL Washing Machine & Refrigerator

TCL Electronics 01070.HK

TCL Air-Conditioners

TCL Smart Home 002668.SZ

Others

- Tonly Technology
- TCL Environmental Technology
- TCL Industrial Park
- Getech
- TCL Financial Service

TCL Electronics

TCL Electronics Holdings Limited (a company incorporated in the Cayman Islands with limited liability, stock code: 01070.HK) was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") in November 1999, with a business scope covering display, innovative, and Internet businesses. TCL Electronics actively promotes reform and innovation under the overall strategy of "Lead with Brand Value, Excel in Global Efficiency, Drive with Technology, and Thrive on Global Vitality". With a focus on expanding into mid-to-high-end markets worldwide, the Group strives to establish an "intelligent IoT ecosystem" layout across all product categories, and is committed to bringing smart and healthy living across all scenarios to global users, aiming to become a leading global smart device enterprise.

In 2024, TCL Electronics achieved record-high global TV shipments of 29 million sets, marking a 14.8% year-on-year increase. This growth was driven by the strong performance of its "TCL + FALCON" dual-brand strategy, the effective execution of its "mid-to-high-end and large-screen" positioning strategy, and ongoing innovation in Mini LED display technology that further reinforced its industry leadership. In the PRC market, TCL TV shipments rose by 5.8% year-on-year, with the average screen size increasing by 1.9 inches year-on-year to 63.3 inches. In international markets, TCL TV shipments surged by 17.6% year-on-year, with TCL ranking among the top TV brands in multiple countries and regions.

TCL Air-Conditioners

Established in 1999 in Nantou Town, Zhongshan City, TCL Air-Conditioners, namely TCL Industries Air Conditioning Business Unitsiness Unit, has spent more than two decades building strong foundations in the cooling industry. It now operates 11 major production bases across Zhongshan City (Guangdong Province), Wuhan City (Hubei Province), Jiujiang City (Jiangxi Province), Nansha District (Guangzhou City, Guangdong Province), Indonesia, and Brazil, with an expected annual production capacity exceeding 38 million units and annual production and sales surpassing 20 million units. Its products are sold in over 160 countries and regions. TCL Air-Conditioners ranks among the top four in the industry by production and sales volume, and among the top three in the industry in export volume, making it a large-scale, professional, and integrated enterprise in the cooling industry that specialises in household, commercial, specialised, and portable air conditioners (AC), as well as dehumidifiers and AC compressors.

Positioned around the core value of "smart and healthy living", TCL Air-Conditioners is committed to "making healthy, eco-friendly living brought about by air accessible to more people". Its business spans four core areas: household AC, commercial AC, specialised AC, and upstream development. With a strong focus on technological innovation, it is driving progress in the air conditioning industry and leading the development of third-generation AC through its fresh air models. TCL Air-Conditioners aspires to become a leading brand in healthy air management, heat pump management, and thermal energy management that users can trust.

TCL Smart Home

Established in 2002, TCL Smart Home was listed on the Shenzhen Stock Exchange in April 2012 (Stock Code: 002668.SZ). In May 2021, the company entered a new phase of development as TCL Home Appliance Group Co., Ltd. became its controlling shareholder. TCL Smart Home is committed to becoming a global leader in smart home appliances and is firmly advancing its globalisation strategy. Focusing on AI-powered smart home appliances, the company leverages technological innovation to enable seamless connectivity, coordinated operation, and autonomous learning and optimisation across its product ecosystem. In doing so, it delivers forward-looking technological experiences and smart, healthy living to users, while actively contributing to the further advancement of the industry.

The company's operations are driven by two core production and operation entities: White Household Appliance BU and Homa Appliances. Its key product categories include refrigerators (including freezers) and washing machines. As of 2024, TCL Smart Home had held the top position in China's refrigerator export rankings for 16 consecutive years and had led Chinese refrigerator exports to Europe for 17 consecutive years. Sales of TCL-branded washing machines also consistently rank among the top three in the domestic market.

Tonly Technology

Founded in 2000 and headquartered in Huizhou City, Guangdong Province, Tonly Technology is a leading ODM platform enterprise specialising in the design, R&D, production, manufacturing, and sales of acoustic and smart products. Leveraging expertise in acoustics, wireless connection, and intelligent interaction technologies, the company serves many of the world's most prominent consumer electronics and Internet brands.

Tonly Technology has established five manufacturing bases in China's Huizhou City (Guangdong Province) and Beihai City (Guangxi Zhuang Autonomous Region), and Vietnam's Quang Ninh, to support its global production and manufacturing model. These facilities have significantly enhanced the company's production capacity and delivery ability. In addition, it has established two overseas offices in the United States and South Korea.

With strong capabilities in independent product development, vertical integration of key upstream components, supply chain management, precision manufacturing, and quality management, Tonly Technology has built a solid competitive edge. The company has developed a suite of core technologies in areas such as product simulation, software development, algorithm design, and radio frequency engineering. Its product portfolio includes trend-leading and high-demand offerings such as Bluetooth speakers, soundbars, party speakers, over-ear headphones, and TWS (true wireless stereo) earphones.

TCL Environmental Technology

Established in 2009, TCL Environmental Technology is an enterprise group specialising in the recycling and reuse of waste resources and providing comprehensive environmental services. The company operates six production bases in Huizhou, Tianjin, Shantou, Huanggang, and Guangyuan. It holds the necessary licences for the recycling and dismantling of waste electrical and electronic equipment (WEEE) and for the operation of hazardous waste. The company has an annual processing capacity of 10 million WEEE units and 0.38 million tonnes of industrial hazardous waste. In addition, its wastewater treatment capacity is over 60 million cubic metres per year. Guided by its vision and mission of "facilitating technology-enabled resource recycling and fostering a harmonious coexistence between humans and nature", TCL Environmental Technology adheres to an operational philosophy of "customer-oriented and innovation-driven development". It delivers comprehensive hazardous waste treatment and disposal services for enterprises engaged in manufacturing and sales of semiconductor display panels, chips, PCB integrated circuits, new energy batteries, high-end pharmaceuticals, chemicals and automobiles. Through industry-leading processes and technologies, equipment, and integrated environmental solutions, the company enables the effective integration of resource utilisation with harmless treatment and disposal.

TCL Industrial Park

Founded in 2017, TCL Industrial Park is a professional integrated service provider specialising in investment, development, operation, and management of industrial parks. With the vision of "becoming an industry-leading industrial park investor and management service provider", it is committed to providing professional services for customers. In 2024, TCL Industrial Park focused on strengthening platform-based business capabilities, enhancing its business sense, and fostering a client-centric mindset. These efforts enabled the company to provide high-quality, professional services to its industrial customers, supporting the steady growth of its business office operations, industrial logistics, real estate investment, and construction management. As a result, the company achieved concurrent growth in both operating revenue and net profit.

Getech

Getech is an AI-powered provider of industrial intelligence solutions, strategically incubated by TCL in 2018. Anchored in three core pillars—AI, industrial software, and intelligent equipment—the company delivers end-to-end industrial intelligence solutions for customers in the pan-semiconductor industry. These solutions span manufacturing execution, equipment automation, quality management, energy and carbon management, logistics automation, and digital supply chain development. With a global team of over 1,000 top-tier professionals, Getech has established R&D, operations, and delivery centres across Shenzhen, Wuhan, Shanghai, Beijing, Tianjin, Shenyang, Guangzhou, Yixing, and Huizhou. Its business footprint extends across China, Europe, the Middle East, Southeast Asia, and other regions worldwide. Getech has received more than 200 prestigious industry awards and remains a recognised leader in technological strength, industry reputation, and customer satisfaction. Today, it is the enterprise with the largest market share in the pan-semiconductor industry, holding a distinct competitive edge within the sector.

TCL Financial Service

Established in 1997, TCL Financial Service leverages industrial operation scenarios and partners with leading financial institutions, including banks, to provide tailored financial services to micro, small, and medium enterprises (MSMEs) as well as households within the industrial ecosystem. It focuses on sustaining the rapid growth of its supply chain financial technology business, increasing market share, rigorously managing risks in financial operations, and optimizing the allocation of major asset classes.

TCL Photovoltaic Technology

Founded in 2021, TCL Photovoltaic Technology is committed to becoming a user-centric, globally leading provider of distributed smart energy solutions. Its operations are structured around four core businesses: distributed photovoltaics, industrial and commercial distributed power stations, overseas business, and operations and maintenance services. TCL Photovoltaic Technology stands out as the only company in the photovoltaic industry to have independently developed and deployed a fully integrated value chain encompassing production, manufacturing, logistics, procurement, construction, operations and maintenance. This self-reliant model enables it to maintain strong competitiveness in high efficiency and low cost. Looking ahead, the company aims to lead the transition to green energy by driving innovation across all photovoltaic application scenarios. Through this, it contributes to achieving “ecosystem-wide mutual benefit” for a wide range of industries and households.

Key ESG Performance in 2024

Annual Key Responsibility Performance

Operating revenue reached RMB **150** billion, marking a **25%** year-on-year growth

Operational greenhouse gas (GHG) emission intensity recorded **310** tonnes of carbon dioxide equivalent (tCO_2e) per RMB 100 million in revenue

Total global workforce **71,401** employees

R&D investment totalled RMB **4.37** billion, marking a **7%** year-on-year growth

Public welfare investment amounted to RMB **18.72** billion

TCL Electronics has been listed in the Hang Seng Corporate Sustainability Benchmark Index (HSSUSB) for **6** consecutive years and has received an **A** rating in the Hang Seng Index ESG ratings for **7** consecutive years

Sustainability Rating

ESG Rating	Entity Rated	Rating Results	
Hang Seng Index ESG Rating	TCL Electronics	A rating	
EcoVadis Rating	TCL Electronics (Mobile Phone business)	Gold Medal	Top **5%** globally in the total score
CDP Climate Change Rating	TCL Electronics (core business)	B rating	The highest level of the management level
MSCI ESG Rating	TCL Electronics	BB rating	
Sustainalytics	TCL Electronics	Score: 29.4	
Wind ESG Rating	TCL Electronics	A rating	**5th out of 177** peers in industry
SynTao Green Finance	TCL Electronics	A -rating	SynTao Green Finance STaR ESG Rating
Wind ESG Rating	TCL Smart Home	BBB rating	
CATI Rating	TCL Industries	Score: 29.6	**12th** in the home appliance industry **62nd** in the IT/ICT industry
CITI Rating	TCL Industries	Score: 27.43	**4th** in the home appliance industry **19th** in the IT/ICT industry

Honours & Awards

Category	Award-winning Product/Brand/ Company	Award Title	Award-granting Organisation
Comprehensive	TCL Electronics Holdings Limited	Best ESG Award	China IR Annual Awards
		Best Value Creation Award	
		Best Information Disclosure Award	
		ESG Sustainability Excellence Enterprise Award	Gelonghui Jinge Award
		Annual Investment Value Award	
		Annual Information Disclosure Award	
		Best Investor Relations Company Award	Hong Kong Investor Relations Association
		New Fortune Best IR Hong Kong Listed Company Award	New Fortune
		2024 Golden Hong Kong Stock Award	Zhitongcaijing
	TCL King Electrical Appliances (Huizhou) Co., Ltd.	Outstanding Chain Leader Award	Huizhou Electronic Information Industry Association
	TCL Air-Conditioner (Zhongshan) Co., Ltd.	2024 China Energy Conservation Association Energy Saving and Emission Reduction Contribution Award – Leading Brand in Heat Pump Industry	Heat Pump Professional Committee of the China Energy Conservation Association
		2024 Air Conditioning Industry Development Conference - Leading Fresh Air Brand	National Household Appliance Industry Information Centre
	TCL Home Appliances (Hefei) Co., Ltd.	Top 10 Brands in the Refrigerator Industry	China Household Electric Appliance Research Institute
		Top 10 Brands in the Washing Machine Industry	
	Homa Appliances Co., Ltd.	Guangdong Provincial-level Manufacturing Single-item Champion Enterprises	Department of Industry and Information Technology of Guangdong Province
		Guangdong Top 100 Private Manufacturing Enterprises	Guangdong Federation of Industry & Commerce
	Getech (Shanghai) Industrial Intelligence Technology Co., Ltd.	Shanghai Green and Low-Carbon Service Agency	Shanghai Municipal Commission of Economy and informatisation
	Getech Technology Co., Ltd.	State-supported Software Enterprise	China Software Industry Association
	JDH Information Tech (GUANGZHOU) Co., Ltd.	Top 50 Influential Fintech Enterprises	Forbes China

Category	Award-winning Product/Brand/Company	Award Title	Award-granting Organisation
Design	TCL 2024 QD-Mini LED TV (X11H, X965, QM952G) and other TV series	iF Design Award 2024	iF International Forum Design GmbH
	TCL 6kg Slim Washing Machine	2024 iF Product Design Award	
	T10 TCL Twin Drum Washing & Drying Set	2024 iF Product Design Award	
	TCL Q8/Q7 Series Soundbar (Q85H/Q75H/Q8XH/Q7XH) and other soundbar series	IDEA Design Award	Industrial Designers Society of America
	TCL NXTPAPER 11 Gen2 and other tablet series	G-Mark Design Award	Japan Industrial Design Promotion Organisation
	TCL P7 SuperDrum Laundry Care Series	2024 Red Dot Award	The Bureau of European Design Associations
	TCL T7H SuperDrum Laundry Care Series	2024 Red Dot Award	
R&D and innovation	TCL Ultra-thin Zero-embedded Refrigerator	Innovation Award of the 12th China Information Technology Expo	Organising Committee of China Electronic Information Expo
	TCL Super Drum Series Washing Machine	Innovation Award of the 12th China Information Technology Expo	
	TCL Home Appliances (Hefei) Co., Ltd.	Top 10 Brands in the Washing Machine Industry for the Year 2023-2024	China Household Electric Appliance Research Institute
	TCL T7H SuperDrum Laundry Care Series	2024 (20th) China Household Appliance Innovation Award	
	TCL Kitchen Air Conditioner	Top Recommended Kitchen Air Conditioner Brands of 2024	Organising Committee of the China Kitchen Refrigeration Industry Summit Forum
	TCL FreshIN P7 Fresh Air Conditioner	2023 Energy-saving and Eco-friendly Product	Chinese Association of Refrigeration
		Innovation Award of the 12th China Information Technology Expo	Organising Committee of China Electronic Information Expo
		Pioneer in Health and Energy Efficiency at the 2024 Air Conditioning Industry Development Conference	National Household Appliance Industry Information Centre
		2024 China Cooling and Heating Intelligent Manufacturing Award - Annual Innovation Award	Organising Committee of the China Cooling and Heating Intelligent Manufacturing Conference
	115GQM891G TV	Innovative Display Technology Gold Award of the Year (2023-2024)	Global Top Brands under IDG
	TCL LINGYAO QD-Mini LED X11H TV	AWE Gold Award in 2024	Organising Committee of the Appliance & Electronics World Expo

Category	Award-winning Product/Brand/Company	Award Title	Award-granting Organisation
R&D and innovation	R540P12-DQ Refrigerator	AWE Outstanding Product Award in 2024	Organising Committee of the Appliance & Electronics World Expo
		Innovation Award of the 12th China Information Technology Expo in 2024	Organising Committee of China Electronic Information Expo
	TCL G120T7H-HDI Super Drum Series Washing	Innovation Award of the 12th China Information Technology Expo in 2024	Organising Committee of China Electronic Information Expo
	R455T9-UQ Refrigerator	Ultra-thin Zero-embedded Product of 2024 China Refrigerator Industry	China Refrigerator Industry Symposium Organising Committee
	R470P12-DQ Refrigerator	-40°C Crystal-film Deep Freezing Freshness-preservation Technological Product of 2024 China Refrigerator Industry	
	TCL T9 Pro Refrigerator	2024 (20th) China Household Appliance Innovation Award - Annual Product Innovation Achievement Award	China Household Electric Appliance Research Institute
	TCL T3 Pro G100T-BIS+H10UT3-S Ultra-Thin Washing and Drying Set	All-in-One Star of Healthy Washing, Drying and Care at China Household Clothes Washing, Drying and Care Industry Summit Forum in 2024	Organising Committee of China Household Clothes Washing, Drying and Care Industry Summit Forum
	TCL Super Drum T7H Ultra-thin Washing and Drying Integrated Washing Machine	2024 (20th) China Household Appliance Innovation Award - Annual Technological Innovation Achievement Award	China Household Electric Appliance Research Institute
	TCL 115X955 MAX TV	Best Product 2024-2025 (STATEMENT TV)	Expert Imaging and Sound Association (EISA)
	TCL 75C855 TV	Best Product 2024-2025 (HOME THEATRE MINI LED TV)	Expert Imaging and Sound Association (EISA)
	TCL QD-Mini LED 55C765	2024-2025 Best Gaming TV Award	
	Office Smart Screen E30	Annual Impact Product Award	IT Empower China Committee
	Shenzhen TCL Smart Home Technology Co., Ltd.	2024 Smart Lock Industry Leadership Brand Award	CBD Fair Fifth Electronics Research Institute of the Ministry of Industry and Information Technology
		2024 Innovative and Competitive Brand in the Intelligent Camera Industry	
		2024 Smart Home Pioneer	
		2024 Excellent Smart Home Brand	

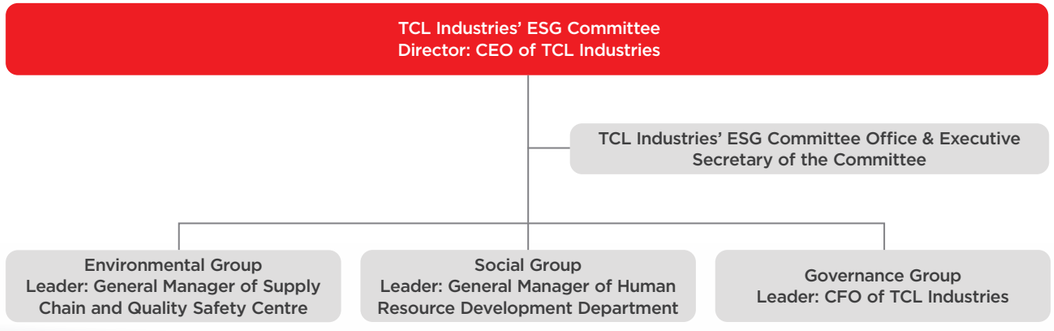
ESG Governance

TCL Industries embraces long-termism and has established a robust ESG governance structure. By maintaining diverse and smooth communication channels with stakeholders, the Company continues to enhance both the breadth and depth of its ESG governance practices, demonstrating its commitment to responsible corporate conduct.

ESG Governance Structure

To promote a transparent governance model, TCL Industries established an ESG Committee and an ESG Committee Office in 2024. The ESG Committee serves as the Company's highest decision-making body on ESG governance and is responsible for overseeing TCL Industries' overall ESG strategic direction. As the executive body, the ESG Committee Office is tasked with translating annual ESG strategic goals and plans into actionable measures across all subsidiaries. It also monitors the progress of these subsidiaries in meeting ESG goals and ensures effective implementation of ESG plans.

TCL ESG Governance Structure



TCL Industries' ESG Governance Structure

The highest decision-making body

ESG Committee

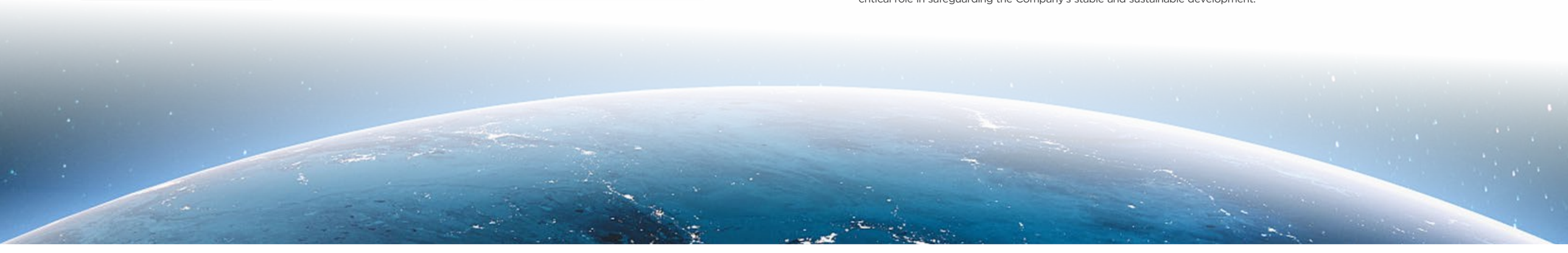
- Formulate ESG strategies, set goals and action plans, and make decisions on material ESG issues and major projects
- Mobilise and align resources to support ESG capacity building across TCL Industries and its subsidiaries
- Review and release the ESG reports, carbon neutrality action reports, and other external ESG-related disclosures of TCL Industries and its affiliated entities

Executive body

ESG Committee Office

- Regularly research internal and external ESG policies and monitor their changes
- Drive the implementation of TCL Industries' ESG strategic plans and key projects
- Prepare and publish routine ESG reports, carbon neutrality action reports, and other official external information disclosure reports for TCL Industries and its subsidiaries
- Organise TCL Industries and its subsidiaries to participate in domestic and international ESG ratings, recognition programmes, and industry-related communications
- Identify and evaluate TCL Industries' ESG compliance requirements across its global operations

Additionally, to support the systematic identification of ESG-related risks, the ESG Committee Office of TCL Industries conducts monthly reviews of the latest domestic and international ESG developments, including industry trends and legal and regulatory updates. These are organised through data collection, analysis, and discussion sessions. At least once a year, the ESG Committee Office leads a comprehensive risk analysis and evaluation of all material ESG issues within the Company, aiming to effectively identify, investigate, and manage potential risk exposures in day-to-day operations. This process plays a critical role in safeguarding the Company's stable and sustainable development.



Communications with Stakeholders

TCL Industries actively develops diverse communication channels with stakeholders, including telephone, email, and symposiums. These mechanisms enable the Company to gain deeper insight into stakeholder needs and expectations, ensuring that all voices are heard, accurately interpreted, and appropriately addressed.

Staff: direct employees

TCL Industries is committed to building a sound welfare and professional development systems for its employees to attract and retain a diverse workforce. Through varied training programmes, the Company supports employees in achieving their career aspirations.

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

Customers: customers who purchase and use products and services

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

Means of Communication	Service hotline, complaint and suggestion mailbox, customer satisfaction survey, user interview, official website and official WeChat account, and information disclosure
Focus	Product and service safety and quality, data security and customer privacy protection, after-sales service and warranty, product packaging and design, and low-carbon and green products
The Company's Response	Enhancement of all-around control in product safety and service quality, enhancement of customer privacy protection, and enhancement of innovation in its products and services

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

TCL Industries actively builds a responsible and sustainable supply chain by enforcing rigorous supplier access and audit mechanisms and requiring all suppliers to comply with relevant rules. These measures are designed to minimise environmental and social risks related to the supply chain.

Means of Communication	Regular suppliers' meetings, daily working meetings, email communication, regular assessments, and tailored training as needed
Focus	Sustainable supply chain, green products, open procurement processes, honesty, transparency, and cooperation, supplier compliance, and supply chain stability
The Company's Response	Emphasis on sustainable supply chain management, development of green products across the entire lifecycle, commitment to regular communication, collaboration in identifying and rectifying issues, and provision of relevant training

Investors/shareholders: existing shareholders and potential investors

TCL Industries upholds business ethics and is committed to generating good and sustainable financial returns for its shareholders. By implementing innovative initiatives and the concept of sustainability, the Company also attracts potential investors.

Means of Communication	Information disclosure, general meetings of shareholders, results announcement conferences, non-deal roadshows, strategy meetings, and investor conferences
Focus	Transparency in information disclosure, anti-commercial bribery and anti-corruption, compliance operation and risk management, adherence to business ethics, and creation of economic value
The Company's Response	Development of the compliance risk system, improvement of the anti-corruption mechanism, strengthening of business ethics training, enhancement of operational transparency, improvement of corporate governance and communication with investors, and enhancement of brand recognition

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

TCL Industries strictly complies with all relevant laws and regulations, diligently adheres to rules established by governments and regulatory authorities, and consistently ensures that its daily operations meet the requirements set forth by these entities.

Means of Communication	Regular visits, policy communication by governments and regulatory authorities, and meetings and exchanges
Focus	Active response to climate change, pollutant and waste management, compliance with laws and regulations, payment of taxes according to law, compliance operation and risk management, support to local development, and promotion of local employment
The Company's Response	Formulation of climate action strategy, enhancement of pollutant and waste management, implementation of regulatory policies, payment of taxes according to law, and active shouldering of social responsibility

Industry associations and chambers of commerce: industry associations and chambers of commerce in which the Company holds membership

TCL Industries maintains active engagement with industry associations, chambers of commerce, and academics in which it holds membership to create a positive business atmosphere.

Means of Communication	Industry seminars, symposiums, and cooperative research
Focus	Industry development, business growth, product quality, and corporate social responsibility
The Company's Response	Promotion of industry development, strengthening of multi-party business cooperation, and exploration of innovative business models

Media and the public: the public interested in the operational performance of TCL Industries and the media reporting on it

TCL Industries consciously accepts the supervision of media and the public, continuously enhances its operational transparency, upholds its brand image, and conveys positive influence to society.

Means of Communication	Press conferences, media interviews, regular symposiums, and news releases via official website and official WeChat account
Focus	Service and product performance, financial results, and corporate social responsibility
The Company's Response	Timely updates on corporate developments, strengthening of product and service publicity, establishment of a responsible brand image, and enhancement of brand reputation

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

TCL Industries maintains close connections with public welfare organisations, NGOs, and community organisations, actively participating in charitable activities and contributing to community development.

Means of Communication	Cooperation in charitable activities, volunteer services, property construction management, and community investment
Focus	Promotion of rural revitalisation, enhancement of community value, and support to charitable causes
The Company's Response	Active participation in targeted assistance, support to rural revitalisation, organisation of and participation in charitable activities, and encouragement of employees to participate in volunteer activities

Dual Materiality Assessment

TCL Industries undertook its first dual materiality assessment, fully evaluating the significance of ESG issues from two perspectives—impact materiality and financial materiality.

Analysis Process for the Materiality of ESG Issues

Contextual Analysis of Business Activities and Relationships

- Analyse the Company's business activities and relationships
- Analyse the external objective environment
- Analyse the latest regulatory requirements
- Analyse the concerns of key affected stakeholders

Formation of an Issue List

- Identify potential material issues based on the latest domestic and international ESG standards, while incorporating industry-specific characteristics
- Identify the impacts, risks, and opportunities associated with each issue and compile them into an issue list

Assessment and Confirmation of Material Issues

- Conduct stakeholder engagement and internal/external expert surveys to evaluate whether issues in the issue list are of impact or financial materiality
- Integrate the results of impact and financial materiality assessments and submit them to management for review

Background Analysis and Issue Identification

TCL Industries systematically summarised the *Long ESG Issue List of TCL Industries* impacting the Company and its stakeholders. This was developed through an analysis of ESG regulatory requirements and standard systems, international standards and initiatives, and the concerns of the capital market. The process also took into full account the Company's business context, current sustainability performance, and key affected stakeholders.

Regulatory requirements, standard systems and international initiatives

- The *Environmental, Social and Governance Reporting Code* (ESG Reporting Code) of the Hong Kong Stock Exchange
- *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)*
- *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation)*
- The *EU's Corporate Sustainability Reporting Directive* (CSRD) and *European Sustainability Reporting Standards* (ESRS)
- The Global Reporting Initiative (GRI)'s *Sustainability Reporting Standards* (GRI Standards)
- The *Sustainable Industry Classification System* (SICS) of the *Sustainability Accounting Standards Board* (SASB)
- UN Sustainable Development Goals (SDGs) and others

ESG capital markets ratings

- MSCI ESG Rating
- CDP Rating
- EcoVadis Supply Chain Sustainability Rating

Macro trends

- Policy trends
- Industry trends
- Consumer market trends

Current ESG status

- Characteristics of core business activities
- Development needs
- Strategic planning
- TCL Industries' material issues in 2023

Assessment and Confirmation

Based on the above analysis, TCL Industries formulated the *Short ESG Issue List of TCL Industries* and designed questionnaires to assess the impacts, risks and opportunities of each issue across two materiality dimensions: financial materiality and impact materiality. These questionnaires were distributed to a broad set of stakeholders for surveys, which ensured the rigour, breadth, and strategic relevance of these issue assessments.

Impact materiality assessment

The Company conducted a survey among a wide range of stakeholders, including governments and regulatory authorities, shareholders/investors, directors, supervisors and senior executives, employees, customers and potential customers, suppliers/ contractors, partners, ESG experts, industry associations, communities and the public. The objective was to evaluate whether the Company's performance on ESG issues could generate actual or potential material impacts on the economy, environment, or society. During the impact materiality assessment, a total of 184 valid questionnaires were received.

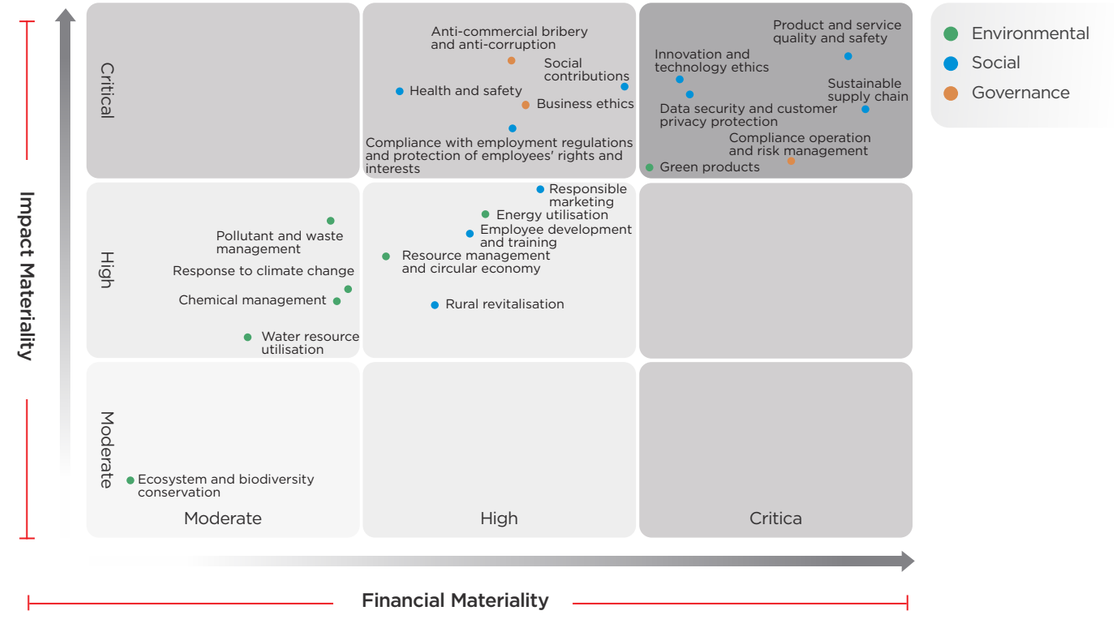
Financial materiality assessment

Given the technical nature of financial materiality assessment and its requirement for specialised knowledge, the Company conducted a focused survey with the following stakeholders: shareholders, investors, creditors, directors, supervisors and senior executives, finance professionals, and staff from the Strategy & Investment Department. The survey helped to assess whether each ESG issue could materially affect the Company's business model, business operations, development strategies, financial position, operating performance, cash flow, or financing structure and cost. During the financial materiality assessment, a total of 39 valid questionnaires were received.

Review and Confirmation of Material Issues

A cross-analysis of impact and financial materiality assessment results, together with comprehensive stakeholder input, was submitted to the Company's management for review and confirmation. This process defined the final set of material ESG issues arising from this dual materiality assessment.

2024 TCL ESGMaterial Issue Matrix



TCL Industries 2024 Material Issues List

Moderate | High | Critical

Field	S/N	Issue	Impact Materiality	Financial Materiality
Environment	1	Response to climate change	High	Moderate
	2	Pollutant and waste management	High	Moderate
	3	Ecosystem and biodiversityconservation		Moderate
	4	Energy utilisation	High	High
	5	Water resource utilisation	High	Moderate
	6	Resource management and circular economy	High	High
	7	Green products	Critical	Critical
	8	Chemical management	High	Moderate
Social	9	Rural revitalisation	High	High
	10	Social contributions	Critical	High
	11	Innovation and technology ethics	Critical	Critical
	12	Sustainable supply chain	Critical	Critical
	13	Product and service quality and safety	Critical	Critical
	14	Data security and customer privacy protection	Critical	Critical
	15	Compliance with employment regulations and protection of employees' rights and interests	Critical	High
	16	Employee development and training	High	High
	17	Health and safety	Critical	High
	18	Responsible marketing	High	High
Governance	19	Business ethics	Critical	High
	20	Anti-commercial bribery and anti-corruption	Critical	High
	21	Compliance operation and risk management	Critical	Critical

Risks and Opportunities Related to Financial Materiality Issues

This materiality assessment identified six core ESG issues of financial materiality: green products; product and service quality and safety; innovation and technology ethics; sustainable supply chain; data security and customer privacy protection; and compliance operation and risk management. An analysis of the risks and opportunities related to these financial materiality issues is presented in the table below.

Green products	Initiatives to develop green products across the entire lifecycle.	Short-term Medium-term Long-term	**Short-term financial risk:** In the short term, significant investment in green technology R&D may increase the Company's R&D expenses. **Supply chain collaboration risk:** Achieving lifecycle-wide green products requires strong collaboration among upstream enterprises within the supply chain. Interrupted and untimely communication may cause risks such as production delays and higher costs.	**Long-term financial opportunity:** In the long term, improved resource utilisation efficiency and reduced waste in energy and various resources will lower production costs and enhance the Company's profitability. **Market opportunity:** With growing public awareness of environmental issues, the consumer market is increasingly favouring sustainable products. Developing green products across the entire lifecycle helps build consumer trust and strengthens the Company's competitiveness in the market.
Product and service quality and safety	Initiatives to comprehensively ensure the safety and quality of products and services.	Short-term Medium-term Long-term	**Compliance and reputational risk:** Substandard quality may reduce customer and consumer satisfaction and even lead to litigation, harming the Company's reputation. **Safety risk:** Potential product safety hazards may harm consumers' health, resulting in severe legal and financial consequences.	**Market opportunity:** Continuously providing high-quality and safe products and services is conducive to establishing a responsible brand image, attracting potential customers and consumers and enhancing the Company's competitiveness in the market.
Innovation and technology ethics	Initiatives related to product and technological innovation, risk management, technology ethics, and intellectual property management.	Medium-term Long-term	**Financial and technological risks:** Innovation and R&D require substantial financial investment and often involve uncertainties such as technical failure, bottlenecks, or underperformance. These may result in wasted resources, financial losses, and weakened innovation momentum, ultimately impacting the Company's financial stability. **Compliance and reputational risks:** Poor management of technology ethical risks may expose the Company to legal risks, damage its reputation, and hinder business development.	**Market opportunity:** Leveraging advanced technological innovation capabilities enables the Company to stay ahead of technological and market trends, enter new sectors, meet evolving customer needs, and strengthen its overall competitiveness. **Resource efficiency gains:** Innovation can drive the emergence of new technologies and processes, which can significantly improve resource utilisation efficiency and effectively reduce operational costs.
Sustainable supply chain	Initiatives aimed at strengthening supply chain risk management, avoiding controversial minerals, and promoting sustainable supply chain development.	Short-term Medium-term	**Compliance and reputational risks:** If supply chain partners fail to comply with relevant laws, regulations or ESG standards, the Company may be exposed to breach of regulations and reputational damage. Stability risk: Disruptions in the supply chain may lead to material shortages, increased costs, and delays in production, affecting operational stability. **Short-term financial risk:** Continuous resource investment in supply chain management may raise short-term operational costs and adversely affect financial performance. **Quality risk:** As supply chains become more complex, maintaining product quality becomes more challenging. Any quality issues may harm customer satisfaction, damage the Company's reputation, and result in potential litigation.	**Transparency and compliance:** Developing a transparent and traceable supply chain can enhance trust among customers and investors and align with increasingly stringent sustainability requirements. **Supply chain optimisation / long-term financial opportunities:** Building an efficient and resilient supply chain can strengthen the Company's ability to address external uncertainties, thereby ensuring stable and high-quality material supply and reducing long-term supply chain costs. **Cooperation and win-win results:** Establishing strategic partnerships with suppliers, particularly around product quality, green products, and other issues, supports co-development of solutions and promotes long-term value chain sustainability.
Data security and customer privacy protection	Initiatives to ensure data security and protect customer privacy.	Medium-term Long-term	**Data leakage risk:** Inadequate data protection measures may lead to the leakage of sensitive information, resulting in customer losses and potential legal liabilities. **Compliance risk:** Failure to comply with data protection regulations may result in regulatory penalties and disrupt the Company's normal operations.	**Market opportunities:** By strengthening information security and customer privacy protection, the Company can enhance brand trust, attract privacy-conscious customers, meet compliance requirements, stand out in the highly competitive market, become an industry benchmark, and win a larger market share. **Long-term development:** Establishing a sound information governance system lays a solid foundation for the steady growth of the Company, which can help the Company promote technological innovation, explore new markets, and achieve sustainable development.
Compliance operation and risk management	Initiatives to ensure compliance operation and improve risk management.	Long-term	**Compliance risk:** Failure to comply with regulations and standards may lead to serious legal consequences, including fines, punishments, or litigation. **Reputational risk:** Public identification as a non-compliant entity may damage the Company's brand reputation, undermine its relationships with customers, investors, and partners, and ultimately lead to a loss of market share.	**Market opportunities:** Through compliance operation, the Company can win the trust of more customers and partners, enhance their brand reputation, and gain a dominant position in the highly competitive market. **Long-term development:** A sound risk management system helps the Company avoid potential crises, ensures the stable operation of their businesses, lays a solid foundation for sustainable growth, and provides support for innovation and expansion into new markets.

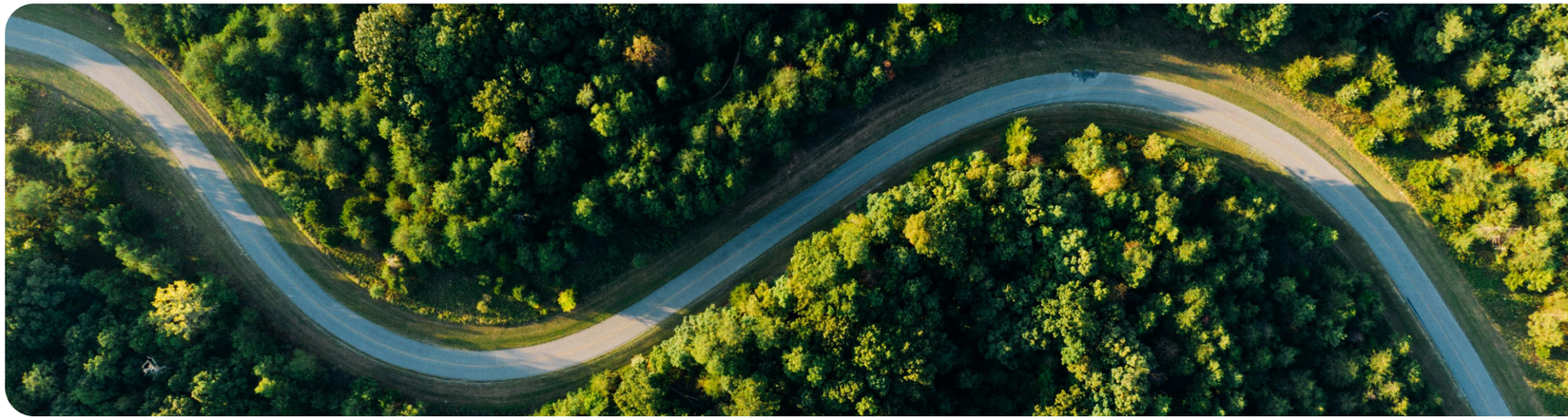
[1]The time horizons to analyse these risks and opportunities are defined as short-term (2025-2030), medium-term (2030-2050), and long-term (beyond 2050).

Feature on ESG

- Low-carbon Feature: Advancing Climate Commitment, Shaping a Low-carbon Future
- Product Feature: Developing Green Products Across the Entire Lifecycle

Low-carbon Feature

Advancing Climate Commitment, Shaping a Low-carbon Future



In recent years, the accelerating global climate crisis has severely damaged ecosystems and human civilisation. In response, the global community is stepping up efforts to strengthen climate governance and establish more resilient, sustainable development models. As a pioneer in the industry, TCL Industries recognises its dual responsibility—to reduce its own emissions and to lead the low-carbon development of the industry. To this end, we have actively deployed strategies and goals for addressing climate change, strengthened governance systems, improved our resilience to risk, and embraced the opportunities presented by the low-carbon era to fully build a net-zero development ecosystem.

Climate Governance

TCL Industries attaches great importance to the development of its climate governance framework. Climate-related issues have been systematically integrated into the ESG governance structure, with clearly defined responsibilities at each level. This enables coordinated management across levels and functions, laying a strong organisational foundation for fulfilling our climate commitments.

TCL Industries Climate Governance Framework

ESG Committee

- Assign the Director of the ESG Committee to act as the primary responsible person for climate strategy and goal formulation and oversight
- Oversee and manage the allocation of resources and progress on climate actions across functions, regions, and industries
- Regularly receive updates from the ESG Committee Office on the progress and outcomes of climate actions
- Review and approve external disclosures related to climate matters

ESG Committee Office

- Establish internal climate management rules, mechanisms, and systems within the relevant BUs or subsidiaries, ensure their effective implementation, and reasonably plan the necessary resource and organisational support
- Research climate-related policies and trends to ensure the compliance and effectiveness of climate actions
- Regularly report the progress and outcomes of climate actions to the ESG Committee
- Support climate-related disclosures, ratings, branding initiatives, and capacity-building efforts

Net-zero Strategy

TCL Industries is committed to achieving peak carbon dioxide emissions before 2030 and carbon neutrality before 2050—known internally as the "3050" strategic goal. This pledge reinforces our contribution to China's national dual-carbon goals and the global effort to limit global warming to 1.5°C. To achieve this ambition, the Company has developed a "Synergistic Carbon Reduction Path in Inner, Middle, and Outer Circles" that connects our operations, green products, and ecosystems for coordinated decarbonisation.

Synergistic Carbon Reduction Path in Inner, Middle, and Outer Circles

In the inner circle

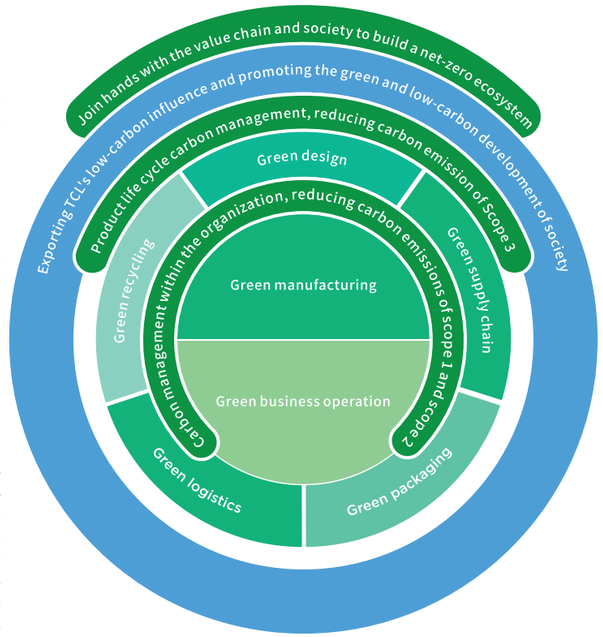
We give full play to our technological innovation strengths. Through innovative technologies and energy-saving transformation, we rationally utilise resources and promote energy conservation and carbon reduction in our manufacturing bases and operating sites.

In the middle circle

We start from the entire product lifecycle, focus on the long-term strategy of "Lead with Brand Value, Excel in Global Efficiency, Drive with Technology, and Thrive on Global Vitality", and bring "all-scenario, all-category, and all-connection" green and low-carbon products and services to global users.

In the outer circle

We play the leading role of the industrial chain in accordance with the strategy of responding to climate change, and work with the society to actively promote the construction of a net zero ecosystem. We regard "building a healthy and sustainable green cooperative ecosystem" as an important goal of our ecological strategy. We will always collaborate with various partners to accelerate climate transition and development, thus bolstering both China and the world in moving towards a zero-carbon future.



Climate Scenario Creation

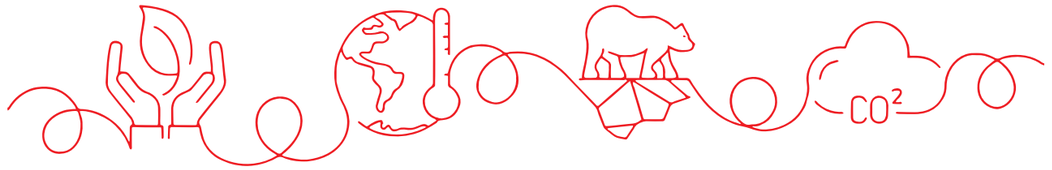
In implementing climate actions, TCL Industries followed the recommendations set out by the Task Force on Climate-related Financial Disclosures (TCFD). Drawing on our core business and industry characteristics, we selected the IPCC SSP5-8.5 high-emission scenario[2] to analyse physical risks, and the Network for Greening the Financial System (NGFS[3]) scenario of Below 2°C to analyse transition risks. These scenario analyses enabled us to better understand the potential impacts of climate change on our operations and the value chain. In response, we implemented a comprehensive set of strict preventive, control, and supervision measures to manage climate-related risks and mitigate their effects on our production and operational activities. Meanwhile, we actively sought to harness the opportunities arising from climate change, to continuously enhance our resilience to development and contribute to the creation of a robust net-zero ecosystem.

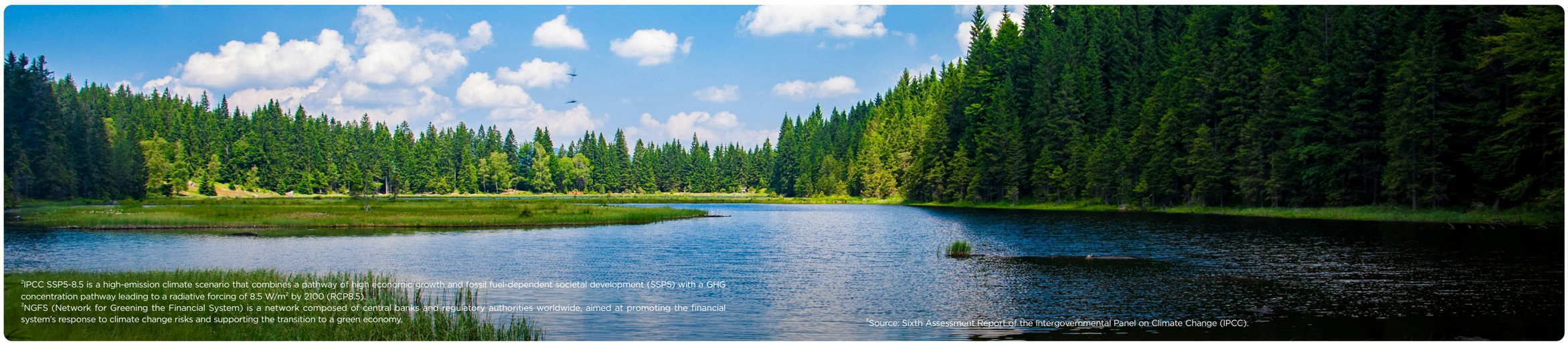
Risk and Opportunity Type	Selected Scenario	Expected Temperature Increase	Scenario Description
Physical risks	IPCC SSP5-8.5 Representative Concentration Pathways	4.4˚C	The CO2 emissions will double from current levels by 2050, with rapid global economic growth driven by fossil fuel extraction and energy-intensive ways of work and life. By 2100, the global average temperature is projected to increase by 4.4°C.
Transition risks Climate opportunities	NGFS Below 2°C (Orderly Transition)	< 2˚C	This scenario assumes that climate policies are implemented early and gradually become more stringent. Both physical and transition risks are relatively low. Below 2°C gradually increases the stringency of climate policies, giving a 67% chance of limiting global warming to below 2°C.

Physical Risk Analysis

Under the SSP5-8.5 scenario, the projected future trends for each impact factor are as follows:

Risk Type	Impact Factor	Forecast of Future Trends[4]
Chronic Risks	Average temperature rise	Under this scenario, global surface temperatures are projected to rise significantly over the short, medium, and long term: Best estimate of global surface temperature change (°C) Short-term (2021-2040): 1.6 | Medium-term (2041-2060): 2.4 | Long-term (2081-2100): 4.4
Acute Risks	Extreme weather	By 2100, global average sea levels are projected to rise by approximately 0.63-1.01 metres. Rising sea levels and storm surges will likely increase the frequency and severity of extreme precipitation events and flooding disasters.





[2]IPCC SSP5-8.5 is a high-emission climate scenario that combines a pathway of high economic growth and fossil fuel-dependent societal development (SSP5) with a GHG concentration pathway leading to a radiative forcing of 8.5 W/m² by 2100 (RCP8.5).
[3]NGFS (Network for Greening the Financial System) is a network composed of central banks and regulatory authorities worldwide, aimed at promoting the financial system's response to climate change risks and supporting the transition to a green economy.
[4]Source: Sixth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC).

Analysis of Physical Risks Facing TCL Industries

Risk Type	Impact Factor	Risk Description	Impact on the Value Chain	Time Dimension[5]	Method of Financial Impact	Financial Impact	Climate Action Strategy
Chronic Risks	Increase in annual average temperature	**Raw material supply:** The production of raw materials required for components in products such as refrigerators, washing machines, and air conditioners may be influenced by changes in production efficiency caused by high temperature, as well as by short energy supply. **Equipment operation:** An increase in annual average temperature may lead to difficulties in the heat dissipation of production equipment, thereby impacting its operational efficiency and stability, increasing the likelihood of equipment failure, and shortening its service life. **Product quality:** High temperatures may alter the performance of electronic components, leading to an increased defect rate in products. **After-sales demand:** High-temperature periods often result in increased use of refrigeration equipment such as air conditioners and refrigerators. This heightened usage can lead to a higher likelihood of product malfunctions, drive up the demand for after-sales services, and boost labour and resource investment for maintenance and repair.	Operations	Long-term	Assets Revenue	Moderate	**Supply chain management:** Strictly control ESG risks within its suppliers and strengthen cooperation with suppliers on ESG matters to jointly promote the stable supply of raw materials. For details, please refer to the section “Strengthening Supplier Management”. **Equipment optimisation:** Increase investment in production equipment resources, modify or introduce machinery and technologies suitable for varied temperature conditions, and boost the heat dissipation performance and stability of the equipment. **Quality management:** Develop and leverage a sound product quality management system to implement product quality requirements and ensure product quality. For details, please refer to “Forging Excellent Quality”. **After-sales support:** Establish a sound after-sales support system, provide repair, replacement and other services, and timely respond to user needs. For details, please refer to “Product Topic: Developing Green Products Across the Entire Lifecycle” and “Creating Value through Service”.
	Frequent occurrences of extreme weather	**Equipment operation:** Extreme weather events may directly damage production equipment, causing property loss and affecting production stability. **After-sales demand:** Extreme weather may lead to an increase in the damage rate of household appliances, thereby driving up the demand for after-sales services and boosting labour and resource investment for maintenance and repair. For example, heavy rainfall and flooding may expose electrical appliances to damage due to water ingress, resulting in increased maintenance costs. **Transportation across the supply chain:** Extreme weather events such as heavy rainfall or snow may cause slippery roads and route blockages, thereby affecting the safety and speed of logistics transportation vehicles and prolonging transportation time.	Upstream Operations Downstream	Short-term Medium-term	Assets Revenue Costs	High	

[5]Time dimension: Short-term is defined as 2023 to 2030, mid-term as 2030 to 2050, and long-term as after 2050.

Transition Risk Analysis

Based on the NGFS Below 2°C scenario, we conducted a transition risk assessment using six impact factors: climate policies in manufacturing industry, climate information disclosure policies, carbon pricing, electricity prices, energy efficiency investments, and market awareness of sustainable development. This assessment forms a foundation for effectively managing transition risks and capturing new development opportunities during the transition period.

◎ Analysis of Transition Risks Facing TCL Industries

Risk Type	Impact Factor	Forecast of Future Trends	Data Type	Risk Description	Impact on the Value Chain	Time Dimension	Method of Financial Impact	Financial Impact	Climate Action Strategy
Policy and regulatory risks	Carbon pricing	It is expected that by 2030, emitters will have to pay a carbon price for their GHG emissions, estimated at approximately USD 50-75 per tonne of carbon dioxide[6]. By 2050, the carbon price could rise to about USD 100-200 per tonne of carbon dioxide[7].	Quantitative	In the carbon emissions trading system, fluctuations in carbon pricing introduce uncertainties for businesses, heightening risks in cost budgeting and investment decision-making.	Upstream Operations	Short-term	Costs	Moderate	**GHG management mechanism:** Establish a statistical framework for GHG indicators, comprehensively examine GHG emissions, and identify reduction directions. For details, please refer to "Indicators and Goals".
	Climate policies in manufacturing industry	Global climate policies will pay more attention to accelerating energy transitions and technological innovation, while focusing on taking concrete actions. Additionally, they will underscore financial support, technology transfer, and enhanced uniformity and ambition of national initiatives. Domestic policies are setting higher standards for the green development of businesses. Peaking carbon dioxide emissions in the industrial sector and promoting green manufacturing are also key policy directions.	Qualitative	Stricter climate policies will pose various pressures on enterprises. For instance, emission reduction mandates will hike operational costs and the complexity of transformation efforts; trade measures like carbon tariffs will elevate the international distribution costs for multinational companies, reducing their competitiveness; and more rigorous climate disclosure standards will raise compliance expenses and management challenges.	Upstream Operations	Medium-term Long-term	Costs	Moderate	**Comprehensive compliance management:** Establish a compliance management system with regular risk identification, early warning, assessment, decision-making, and supervision to ensure compliance in all phases of production operations. **Green manufacturing:** Integrate the idea of clean and low-carbon development throughout the production and manufacturing process to minimise GHG emissions. For details, please refer to "Product Topic: Developing Green Products Across the Entire Lifecycle.
	Climate information disclosure policies	The global standards for climate change information disclosure are becoming increasingly stringent. For instance, the *IFRS S2 Climate-related Disclosures, the EU's Corporate Sustainability Reporting Directive (CSRD)*, and Part D of the Hong Kong Stock Exchange's ESG Reporting Code all adhere to the TCFD recommendations, imposing more strict requirements for climate information disclosure.	Qualitative		Upstream Operations	Medium-term Long-term	Costs	Moderate	
Market risks	Electricity prices	Regarding the power supply structure, the proportion of non-fossil fuel power generation capacity in China is expected to approach 70% by 2030, while the installed renewable energy capacity will continue to grow steadily, positioning new energy as the main source of new power generation. In terms of electricity price trends, it is projected that from the short term until 2030, the market electricity price (non-residential electricity) may increase, with an expected range of RMB 0.68-0.72/kWh[8].	Quantitative	Electricity is a crucial energy source required for the production and manufacturing of household appliances and electronic products. The inclusion of the power industry in the carbon market may drive up electricity prices, thereby indirectly increasing the Company's production and operational costs.	Operations	Short-term	Costs	Moderate	**Energy management:** Establish an energy management system, promote energy efficiency improvement through technical transformation and other methods, and accelerate the transition of the energy structure. For details, please refer to "Energy Management".
Technological risks	Energy efficiency investments	By 2030, it is anticipated that investments from both the market and the government in enhancing energy efficiency will significantly increase, potentially doubling or more compared to current levels. By 2050, these investments are expected to grow even further.	Quantitative	Rapid iterations of energy efficiency technology mean that if an enterprise's energy efficiency investments are not aligned with future technological trends, it may result in the premature obsolescence of the invested technologies and equipment, failing to deliver the anticipated improvements in energy efficiency and economic returns.	Operations	Short-term	Costs	Moderate	**Assessment mechanism:** Regularly assess energy efficiency investment projects to ensure their alignment with sustainable development goals and to generate combined value across economic, environmental and social dimensions.
Reputational risks	Market awareness of sustainable development	The "Sustainability" Difference between China and the West from Consumers' Perspective (2023)[9] indicates that more Chinese consumers understand and accept sustainability concepts, with more than 60% acknowledging the value of saving resources and reducing waste during consumption. Future consumer markets are inclined towards products with sustainable attributes.	Qualitative	With growing sustainability awareness across all sectors of society, investors, consumers, media, and other stakeholders are increasingly prioritising the climate performance of enterprises. Failing to implement effective climate risk countermeasures may negatively impact an enterprise's reputation.	Operations Downstream	Short-term	Costs	Low	**Communication mechanism:** Establish diverse communication channels and regularly engage with stakeholders to understand their expectations regarding the Company's operations and sustainability performance.

[6]Source: *Proposal for an International Carbon Price Floor* by International Monetary Fund (IMF) (2021). The report indicates that to achieve the goals of the *Paris Agreement*, the global carbon price needs to reach USD 75 per tonne (for high-income countries) and USD 50 per tonne (for lower-middle-income countries) by 2030.
[7]Source: Stanford University Energy Modeling Forum (EMF), which predicts that under a 2°C scenario, the global average carbon price in 2050 will be around USD 100-200 per tonne.
[8]Source: Electricity price forecasting model in China Energy & Electricity Outlook by State Grid Energy Research Institute.
[9]Source: Deloitte (2023) The *"Sustainability" Difference between China and the West from Consumers' Perspective.*

Analysis of Climate Opportunities of TCL Industries

Opportunity Type	Impact Factor	Opportunity Description	Impact on the Value Chain	Time Dimension	Method of Financial Impact	Financial Impact	Climate Action Strategy
Market opportunities	Products and services	As consumers' awareness of environmental protection increases, their demand for green products continues to rise. By offering green products that meet this growing demand, companies can attract environmentally conscious consumers and expand their market share.	Downstream	Long-term	Revenue	High	**Lifecycle green products:** Incorporate the concept of sustainability throughout the entire product lifecycle to meet the market demands for diversified and sustainable products. For details, please refer to "Product Topic: Developing Green Products Across the Entire Lifecycle. **Brand building & green advocacy:** Incorporate ESG issues into brand building to create a sustainable brand image. Convey the concept of sustainability during marketing to broaden the green consumer market. For details, please refer to "Creating Value through Service".
		As demand for clean energy, waste recycling and other environmental protection services continues to grow, companies engaged in these business areas are well-positioned to capture more market opportunities.	Downstream	Long-term	Revenue	High	**Development of photovoltaics and ecotechnology services:** Leverage its industrial strengths to provide the market with cutting-edge environmental protection solutions, including photovoltaics, waste recycling, wastewater operations, and smart environmental services; develop a diversified business portfolio to fully meet downstream demand.
Technological opportunities	Low-carbon technologies	Low-carbon technologies help enterprises increase product energy efficiency and drive innovation in developing low-carbon products. They also help optimise production processes, increase energy utilisation efficiency, and reduce energy costs during production.	Operations	Long-term	Revenue	High	**Innovation-driven development:** Strengthen the innovation management system, deploy innovation strategies and objectives, and prioritise the development of sustainable products and low-carbon sectors like photovoltaic technology. For details, please refer to "Product Topic: Developing Green Products Across the Entire Lifecycle" and "Developing an Innovative Ecosystem".
Reputational opportunities	Technology for inclusion	By leveraging technologies such as AI, the IoT, and blue light blocking, we develop accessible, tech-enabled products that cater to a diverse range of consumer needs. Drawing on our business and technological strengths, we contribute to social well-being, help bridge the digital divide, and build a responsible brand image to improve our market performance.	Operations	Long-term	Revenue	Moderate	**Products of technology for inclusion:** Develop accessible products with health and safety attributes, and enhance product accessibility, reliability, and inclusiveness. For details, please refer to "Upholding Technology for Inclusion". **Technology empowering social development:** Leverage technological strengths and explore new models that integrate technology with public welfare, creating economic and social benefits.

Risk Management

TCL Industries has established a comprehensive enterprise risk management process and systematically integrated climate risks into its routine risk management. This approach enables effective control of the impacts of climate risks on the Company's operations and the value chain, while enhancing its overall risk resilience and adaptive capacity.

TCL Industries' Climate Risk Management Process

Risk identification and early warning

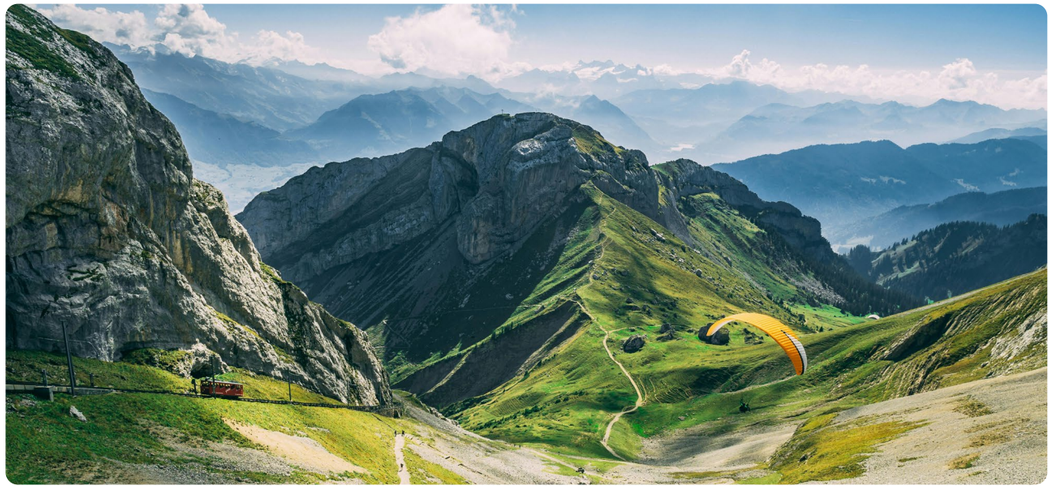
- Take into account the Company's actual development and industry research, delineate the boundaries for climate risk identification, clearly define the types of climate risks facing the Company's business, conduct comprehensive analysis, and compile a risk list
- Monitor the latest climate risk assessment policies and standards regularly to ensure climate risk management practices comply with the relevant requirements

Risk assessment and decision-making

- Conduct regular climate risk assessments, match climate scenarios, and fully analyse the impact of various risks and opportunities on business models and value chains across different timescales
- Develop strategies to enhance climate resilience for key climate risks and opportunities, and specify responsible departments and action plans

Risk supervision and report

- The ESG Committee Office supervises climate risk management and periodically reports the progress and effectiveness of risk management to the ESG Committee
- Disclose climate-related information in reports such as the annual *ESG Report*



Indicators and Goals

Guided by the "3050" strategic goal, we have developed a detailed three-phase roadmap that defines clear objectives and key tasks for each stage. A comprehensive GHG emission indicator system has been established, and several BUs have implemented GHG inventory management rules tailored to their specific operations—such as the *GHG Inventory Control Procedure* and *Greenhouse Gas Inventory Management Procedure*—to ensure the standardisation and accuracy of indicator statistics.

TCL Industries' Climate Goals

Stage	Goal	Key Tasks
Stage 1: 2023-2030	Carbon peaking: Build capacity and reduce carbon emission	• Guided by the "dual carbon" strategy, formulate and commit to carbon emission reduction targets and visions by benchmarking against the national "carbon peaking and carbon neutrality" plan and other companies' emission reduction targets • Formulate carbon emission reduction plans and action plans under the background of carbon peaking • Implement various emission reduction tasks in accordance with the plans
Stage 2: 2031-2050	Carbon neutrality: Overall capacity building, continual carbon reduction	• Set continuous carbon emission reduction targets under the background of carbon neutrality • Formulate carbon emission reduction plans and action plans under the background of carbon neutrality • Implement various carbon emission reduction tasks according to the plans
Stage 3: 2050	Zero-carbon products	• Achieve continuous operation and maintenance for carbon neutrality of TCL Industries • All products achieve zero carbon emissions throughout the entire lifecycle

GHG Emissions of TCL Industries in 2024

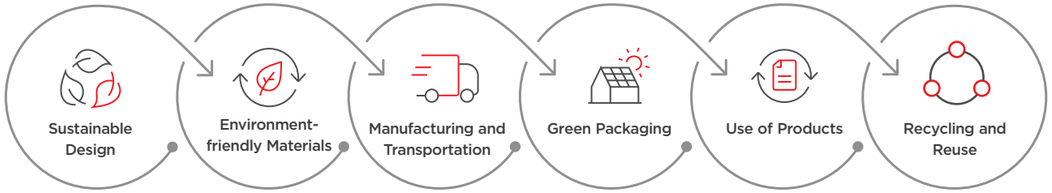
Scope	Unit	Emissions in 2024
Scope 1 GHG emissions	tCO_2e	288,991
Scope 2 GHG emissions (Location-based)	tCO_2e	176,597
Total GHG emissions	tCO_2e	465,588
GHG emission intensity	tCO_2e/RMB 100 million revenue	310

Product Feature

Developing Green Products Across the Entire Lifecycle

Adopting a full lifecycle perspective, TCL Industries integrates the concept of sustainability into every stage of its operations, including product design, material procurement, production and manufacturing, packaging and transportation, user experience, and recycling. It is committed to meeting consumer demand for green products while leading the industry towards a more low-carbon, efficient, and innovative path.

Full Lifecycle Management of Products



To realise this vision, TCL Industries has established process specifications that encompass the entire product lifecycle. These include the *TCL Pan-smart Screen Product Demand Management Process*, the *Pan-smart Screen BU Product Roadmap Development Process and Management Specification (Trial)*, the *Guidelines for Pan-smart Screen Lifecycle Management*, and the *Lifecycle Management Operational Process*. These specifications are effectively promoted and implemented across all product lines. Regarding management tools, we have created a GPM-LCA product lifecycle assessment system to accurately manage the environmental impact of products throughout their entire journey from "cradle to grave". This system enables us to provide strong scientific support for setting environmental targets.

Sustainable Design

Driven by the vision that "all products achieve zero carbon emissions throughout the entire lifecycle by 2050", TCL Industries actively advances green and durable product designs. During product design, we clearly define green design strategies, goals, and implementation plans, laying a strong foundation for sustainable development.

Case: Green Design Strategies for TCL TVs

We have set three-stage green design goals for TCL TVs and proactively implemented the top-level design to facilitate the achievement of zero carbon emissions throughout the entire product lifecycle.

Stage Goals of Green Design for TCL TVs

Green Care 1.0: Minimalism and Low-carbon Solutions	Green Care 2.0: Regeneration and Green Intelligence	Green Care 3.0: Green and Harmonious Ecology
• 2023-2024 • Lightweight and Low-carbon	• 2025-2027 • Recyclable and digital	• 2028-2030 • Ecological

Guided by the "TCL Green and Caring Design Philosophy", we have incorporated the concepts of environmental friendliness and green sustainability throughout the entire lifecycle of TCL TVs—from design and production to use and recycling. We have formulated practical green design implementation paths and fully advanced the transition and upgrade to green and low-carbon products.

Green Design Implementation Plan for TCL TVs

With a focus on durability-centred design, TCL Industries is dedicated to improving product quality, stability, and reliability, thereby extending product lifespan and reducing resource waste. We strictly comply with laws, regulations, and standards such as the *Eco-design for Sustainable Products Regulation*, *Common Charger Directive*, and *Energy Efficiency Labelling Scheme*. We also establish comprehensive quality management principles and manuals, including a range of management protocols and procedures covering aspects from demand planning to development, production, and service, thereby ensuring consistent durability across the entire product lifecycle.

Main Measures in Durability Design

Demand-driven product design

- Gain a deep understanding of user needs by obtaining data and feedback through methods such as user and market research, and then design products that better align with user habits and expectations.

Technological innovation

- Promote technological innovation and R&D by continually introducing new technologies, materials, and processes to enhance product durability and performance.

Environment-friendly Materials

TCL Industries has established a robust hazardous substance management system and actively utilises harmless, renewable, and recyclable environment-friendly materials to enhance the green and healthy attributes of its products.

Use of Harmless Materials

We strictly adhere to internal rules, such as the *Restricted Substance Management Standard*, *Restricted Substance Control Procedure*, and *Regulations on the Process Management of Hazardous Substances*, to establish a comprehensive hazardous substance management system. Upholding the principles of substituting high-toxicity substances with low-toxicity ones and low-toxicity substances with non-toxic alternatives, we rigorously monitor and test every stage from raw material procurement to production. The level of hazardous substances in our products meets or even surpasses national and international environmental standards, establishing an industry standard for green products.

Measures for Harmless Material Control

Raw Material Control

- In line with the *Supplier Quality Management Regulations*, we require suppliers to present a *Quality Agreement* that ensures compliance with hazardous substances management, along with a commitment to controlling hazardous substances. Suppliers are also mandated to submit third-party testing reports to demonstrate that the supplied materials meet hazardous substance control standards.
- Following the *Project Environmental* Protection *Control Procedure*, we systematically identify and manage the use of hazardous substances within the supply chain.
- We have implemented the Green Product Management (GPM) System and a hazardous substance investigation system covering all product supply chains to manage and test raw materials from suppliers.
- We regularly review the qualifications of the hazardous substance management system, update suppliers' environmental data, and monitor materials based on their risk levels.

Production Materials Control

- We have formulated enterprise standards on the control of hazardous substances, including the *Implementation Regulations for Hazardous Substance-Free Air Conditioners* and the *Regulations on the Management of RoHS Material Testing and Unqualified Disposal*, to strictly control the use of hazardous substances such as lead, mercury, and hexavalent chromium.
- We have established internal physics and chemistry laboratories to conduct regular *RoHS*[10] testing on samples from incoming component materials. All raw and auxiliary materials used throughout product design, R&D, manufacturing, assembly, installation, and service fully comply with *RoHS*, *REACH*[11], and other relevant international directives and regulations.

[10] *RoHS Directive: Directive on Restriction of Hazardous Substances in Electrical and Electronic Equipment*, a mandatory standard formulated by EU legislation.
[11] *REACH: Registration, Evaluation, Authorisation and Restriction of Chemicals*, a regulation of the European Union for the precautionary management of all chemicals entering its market.

Use of Renewable and Durable Materials

TCL Industries actively reduces dependence on traditional raw materials by procuring and applying raw materials with renewable properties and durability, thereby promoting the efficient recycling of resources. In 2024, TCL's router products incorporated a range of environment-friendly materials, including bio-based materials, recyclable casings, and recycled metals, establishing a robust material foundation for developing green products. Tonly Technology adopted post-consumer recycled (PCR) materials in 11 projects, with PCR content ranging from 23% to 90% per product.

Meanwhile, we have established long-term, stable partnerships with high-quality suppliers, prioritising raw materials that are high-quality, high-strength, wear-resistant, and corrosion-resistant. We conduct regular, stringent assessments and reviews of suppliers to ensure that the materials purchased fully comply with relevant standards and requirements, thereby laying a solid foundation for creating highly durable products.

Case: CMF Design Integrates Natural Aesthetics into Tech Products through Sustainable Materials

In 2024, collaborating with Chris Lefteri Design, we conducted an in-depth study on the application of sustainable materials in products, merging technological progress with Colour-Material-Finishing (CMF) design.

The remote control of the TCL A300 Pro NXTFRAME TV series features ENABS™ Tea Based Polymer, an environment-friendly material with an oriental flair. This design offers a natural, authentic texture while minimising plastic usage and fostering a harmonious balance between humanity and nature.

- TCL A300 Series Natural Material Remote Control Design

At IFA 2024 in Germany, we collaborated with Chris Lefteri to adapt the concept of the Periodic Table of Elements into a CMF material wall for TCL's entire product range. The display demonstrates how each basic element of nature can be transformed into infinite beauty through subtle permutations and combinations.

- CMF Material Wall for TCL's Entire Product Range

Manufacturing and Transportation

During the production and manufacturing of products, TCL Industries takes into full account the energy efficiency of individual products and the environmental impact of manufacturing processes. By introducing advanced production equipment and technology, and through energy-saving renovations, the use of clean energy, and optimised process flows, we have established a green and clean manufacturing system.

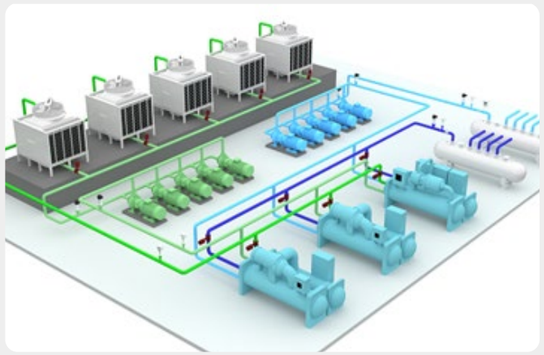
Case: Pan-smart Screen BU Vigorously Promotes Energy Structure Transition

The Pan-smart Screen BU actively embraces clean energy. By the end of the reporting period, clean energy accounted for approximately 14% of its energy mix, with around 10% from photovoltaics and 4% from green electricity transactions. The BU continually optimises its energy structure to reduce reliance on conventional fossil fuels.

- Green Electricity Certificate Transaction Vouchers of Pan-smart Screen BU

Case: Mobile Phone BU Employs Multiple Measures to Reduce Energy Consumption per Product

In 2024, the Mobile Phone BU successfully completed the optimisation of the compressed air system. By incorporating zero-air loss electronic drain valves and outlet filters, replacing two low-efficiency refrigerated dryers, and installing intelligent control systems, it reduced electricity consumption by 0.75 million kWh. Additionally, relying on the optimisation of the central air conditioning system, the BU implemented variable frequency control for cooling and chilled water pumps, added balancing valves and various sensors to the piping, and installed an intelligent control system, achieving electricity savings of 1.1 million kWh.



- Optimisation of Central Air Conditioning System

In logistics and transportation, we actively collaborate with logistics partners such as China COSCO Shipping Corporation Limited and Maersk to promote the transition from air to sea and rail transportation. By implementing strategic logistics planning and coordination, we aim to reduce carbon emissions during the transportation process. Additionally, we leverage big data from professional shipping logistics websites and advanced logistics management software to optimise transportation routes, thereby reducing transportation distances and time and further decreasing fuel consumption and emissions.

Green Packaging

During the product packaging phase, we prioritise environment-friendly and recyclable packaging materials. We also advocate for plastic-free, reduced, and lightweight packaging designs throughout the industrial chain to maximise the value of packaging material resources.

Key Measures for Green Packaging

Plastic-free packaging materials

- For all mobile phone products exported to the EU, packaging materials are entirely plastic-free, with all materials being recyclable and degradable

Reduction and lightweighting of packaging materials

- The “no charger solution” is adopted for mobile phones and other products, enabling the volume of packaging boxes to shrink by half, significantly cutting material usage, and reducing carbon emissions during transportation
- By optimising packaging methods, we reduce packaging material usage

Environment- friendly packaging materials

- We actively use environment-friendly materials certified by FSC. The printing ink on packaging surfaces is made from natural, environment-friendly soy ink to minimise pollution from volatile organic compounds (VOCs)
- We adopted environment-friendly packaging materials such as air columns and recycled honeycomb boards in TV packaging design

Recyclable packaging materials

- *Packaging Material Recycling Agreements* are signed with suppliers. The Company organises the packaging materials, including packaging boxes, vacuum formed trays, and component reels used in supplier products, for recycling by the suppliers. This endeavour reduces procurement costs, promotes environmental protection and conservation, and facilitates resource recycling

Case: TCL Smart Home Drives the Use of Environment-friendly Packaging Materials

White Household Appliance BU has invested in the R&D of new environment-friendly materials, like biodegradable packaging materials, to reduce the burden on landfills, while adopting streamlined protection measures. During the reporting period, White Household Appliance BU reduced the usage of protective films, fixing tapes, and sealing tapes by 35%.

To minimise the environmental impact of products, Homa Appliances insists on using green materials for product packaging and selects environment-friendly soy ink and recycled paper to print instruction manuals, thereby comprehensively promoting green production.

Use of Products

TCL Industries utilises advanced energy-saving technologies to optimise the energy consumption structure of its products, effectively reducing energy consumption and carbon emissions during the usage phase. This supports consumers in adopting a green lifestyle and promotes a steady transition towards a low-carbon and environment-friendly society.

Key Achievements in Energy Saving and Reduction During the Use of Products

TV products

TCL Mini LED P Venus/C Mars Colour TV: Its backlight control system can reduce power consumption by approximately 40%. Hybrid dimming technology intelligently alters the working mode of the backlight system, saving energy by 5%-15%.

Router products

The "Energy-Saving Mode" and "Standby Mode" collectively reduce overall power consumption by more than 20%.

Refrigerator products

By leveraging high-efficiency compressors and variable flow adjustment technology to improve energy efficiency, the Company enables its models, like combi387 and CD521, to achieve the European Energy Efficiency Grade A.

Washing machine products

The Company's products have met the standards of many countries/regions, including China's Energy Efficiency Grade 1, European Standard Grade A-40%, as well as Australia's water efficiency star rating of 4.5, and electricity efficiency star rating of 5.

Industrial parks

The project entitled "TCL ADV. SEMICONDUCTOR DISPLAY IND HQ" has obtained LEED Platinum pre-certification, setting a benchmark for the high-quality development and construction of key areas.

LEED Platinum Pre-Certification

Regarding after-sales support, we have established a comprehensive global after-sales service system and team, delivering tailored solutions that address user needs. Through product remanufacturing, we minimise product obsolescence and resource waste. In 2024, TCL Industries established over 20 large spare parts warehouses and national remanufacturing centres in key overseas regions, leveraging systematic operations to decrease whole TV scrapping by 40.9% in these regions.

In 2024

TCL Industries established large spare parts warehouses and national remanufacturing centres in key overseas regions

Over **20**

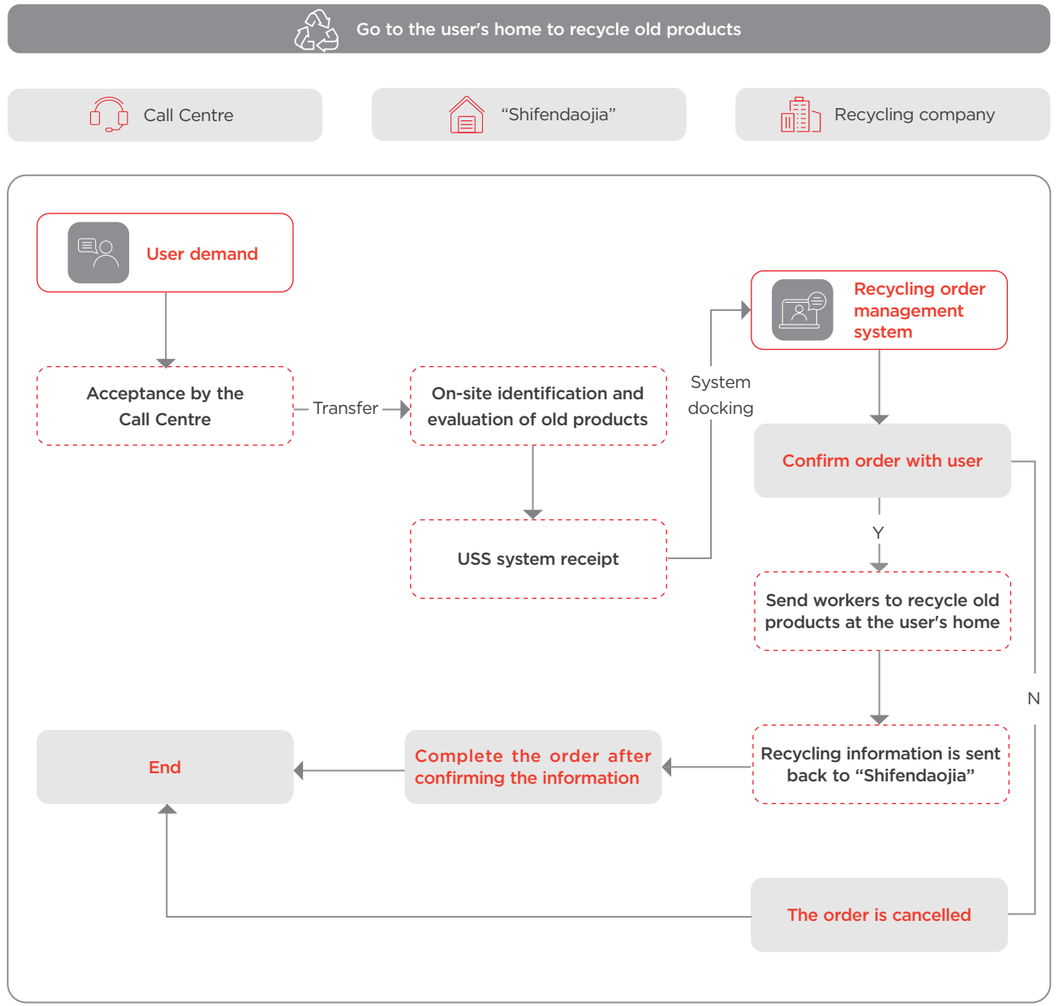
leveraging systematic operations to decrease whole TV scrapping in these regions

40.9%

Recycling and Reuse

To enhance product recycling and reuse, we have established an after-sales service recycling information system that covers the entire process from front-end collection to back-end disassembly and processing by TCL Environmental Technology. We have implemented an "Internet + Recycling at Direct Service Store" model and a product door-to-door collection process to make product recycling more convenient. Furthermore, we work closely with a fellow subsidiary of TCL Industries that engages in environmental protection, as well as third-party partners, to develop the recycling and reuse industry, giving new "life" to outdated products and effectively enhancing the recycling and reuse of resources.

Product Recycling Process

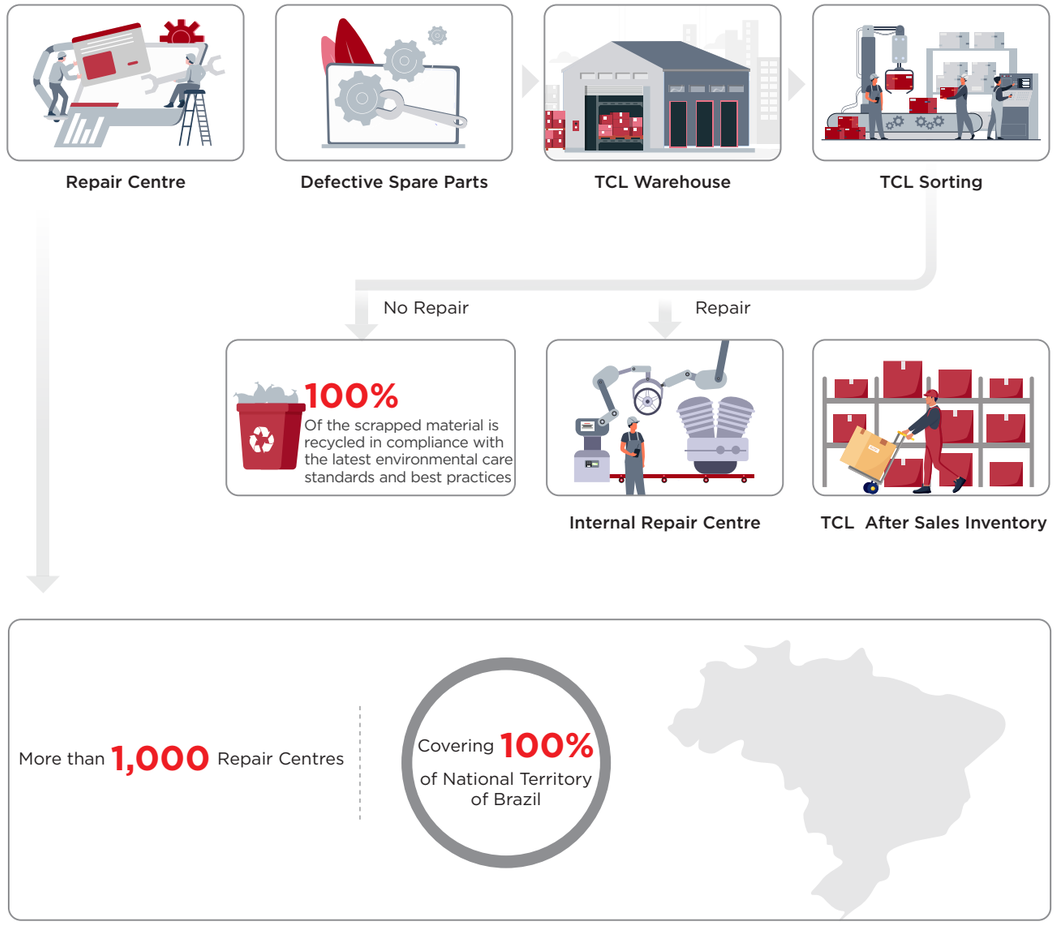


As a global enterprise, TCL Industries strictly complies with the EU's *WEEE Directive*[12] and other relevant laws and regulations in its operational sites. The Company has developed tailored electronic product recycling plans aligned with the unique characteristics of each region.

In the North American market, we provide How2Recycle® labels on packaging for all TVs, speakers, and electrical products, offering users detailed product recycling information and significantly enhancing recycling convenience. Additionally, we sponsor electronic product recycling solutions across all 50 US states and the District of Columbia, empowering resource recycling at the societal level.

In the South American market, our Brazilian factory strictly adheres to local policies regarding the reverse logistics of post-consumer electronic products and their household components. In collaboration with the Brazilian Association for the Recycling of Electronics and Household Appliances (ABREE), we have established a reverse logistics management system.

Overseas Reverse Logistics Management System



[12] *WEEE Directive*: Short for the *Waste Electrical and Electronic Equipment Directive* (2002/96/EC).

Governance Approach

Building the Cornerstone of Development with Integrity

TCL Industries consistently upholds compliance and integrity in its operations. By establishing a comprehensive and efficient compliance management system, the Company reinforces its business ethics, strictly preventing corruption and bribery, and safeguarding the transparent, orderly, and standardised functioning of the organisation.

- Comprehensive Compliance Management
- Building an Integrity-based Enterprise
- Upholding Business Ethics

Comprehensive Compliance Management

TCL Industries has formulated and issued the *Measures for Compliance Management of TCL Industries*, creating a comprehensive compliance management system that integrates compliance organisation, rules and processes, risk governance, compliance culture, and inspection and supervision mechanisms. By adopting a risk-based and scenario-driven approach, the system provides clear guidance for conducting business under laws and regulations and helps to reinforce the compliance safeguard framework.

Improving Compliance Management System

TCL Industries has established three lines of defence in compliance management, which are guided by the Compliance Management Committee and composed of BUs and subsidiaries, administrative departments, and the Audit Department. This structure ensures the effective prevention, monitoring, and mitigation of compliance risks.

◎ Responsibilities of the Three Lines of Defence in Compliance Management Within TCL Industries

The first line of defence: all BUs and subsidiaries	The second line of defence: administrative departments	The third line of defence: Audit Department
Manage compliance risks within their respective units and assume direct responsibility for all such risks	Manage compliance risks within their areas of specialisation and assume responsibility for managing these risks	Conduct audits and supervision of the responsibilities performed by the first and second lines of defence

Enhancing Compliance Risk Prevention and Control

TCL Industries emphasises the closed-loop management of compliance risks throughout the entire process. By specifically strengthening governance in key areas such as trade and privacy, we aim to achieve comprehensive enterprise compliance risk prevention and control.

◎ Overall Compliance Risk Management Process

Compliance risk identification and early warning	Compliance risk assessment and decision-making	Compliance risk review and resolution
Administrative departments responsible for specific compliance areas timely track, identify, and interpret regulatory compliance requirements, sharing updates regularly with relevant BUs. Conversely, BUs are required to timely report any locally identified regulatory compliance requirements to the relevant administrative departments. This two-way communication ensures comprehensive identification and early warning of compliance risks.	Compliance risk assessments are conducted across various compliance areas. Compliance risks are classified and prioritised, and response strategies are developed for identified risks. This structured approach continuously strengthens the Company's risk prevention and control capabilities.	A compliance risk review mechanism has been established to conduct regular compliance inspections of key compliance risk areas and material business activities. Based on the findings, specific recommendations are provided to the relevant BUs, and progress on remedial measures is closely monitored to ensure timely and effective improvements.

◎ Focused Governance of Compliance Risks

Measures	Key Compliance Areas	
	Trade	Privacy
Development of regulations and systems	• *Code of Conduct for Export Compliance of TCL Industries* • *Compliance Record Retention and Management Specification of TCL Industries* • *Compliance Inspection and Supervision Specification of TCL Industries* • *Compliance Training Management Specification of TCL Industries*	• *Privacy Management Policy of TCL Industries* • *Personal Data Retention Policy of TCL Industries* • *Data Subject Rights Response Process of TCL Industries* • *Privacy Impact Assessment Management Process of TCL Industries*
Key measures	• Complete integration of some significant business systems with an automated compliance screening system to enable automatic screening and auditing of third-party partners and business operations in specific countries; • Establish an export compliance system at the headquarters level and conduct compliance audits and risk alerts for high-risk operations, gradually advancing risk assessments and export compliance establishment for key subsidiaries overseas.	• Departments review business activities with potential risks through the personal information assessment (PIA) process. In 2024, more than 300 PIA items were assessed, covering compliance risks for key and emerging business activities across departments.
Supervision and follow-up	• Regularly conduct export compliance inspections for key compliance risk areas and make timely rectifications and improvements.	• Complete four privacy compliance audit projects, including internal audits under the ISO 27701, privacy compliance inspections for TV and tablet products, and privacy and security compliance inspections for the R&D department.

Promoting a Compliance Culture

TCL Industries collaborates actively with external consulting agencies and experienced compliance experts in the industry to conduct comprehensive compliance management workshops focused on critical risk areas, jointly exploring and promoting the global compliance management culture of smart manufacturing enterprises. In 2024, TCL Industries conducted annual compliance training for key business departments, major subsidiaries, and critical areas, addressing topics such as compliance in European subsidiaries, HR privacy compliance, cross-border data compliance, and AI compliance. Innovative compliance awareness promotion campaigns, including the compliance-themed mini drama, were also carried out. Furthermore, in 2024, subsidiaries such as Homa Appliances, TCL Smart Home, and White Household Appliance BU organised various activities tailored to their respective business contexts, including "Training on the Internal Audit System", "Training on Related Party Transactions and Major Information Management for Listed Companies", "Special Training on Internal Control for the White Household Appliance BU", and "TCL Industries Lectures". These activities aimed to continuously enhance awareness of compliant operations and firmly instil the concept of compliance culture within employees.

Building an Integrity-based Enterprise

TCL Industries complies with anti-bribery and anti-corruption laws and regulations, such as the *Criminal Law of the PRC* and the *Interim Provisions on Banning Commercial Bribery*. It has formulated and implemented internal policies such as the *General Requirements for Integrity Building (Domestic Version)*, the *Anti-Commercial Bribery Compliance Policy*, and the *Guidelines for Anti-Commercial Bribery Compliance in Specific Business Scenarios* to guide the headquarters and subsidiaries in carrying out various integrity-building tasks. It continually enhances the management of internal employee integrity, sets higher integrity standards for external suppliers, streamlines the corruption case reporting and handling mechanism, and steadfastly promotes a corporate culture of integrity, self-discipline, transparency, and accountability.

Strengthening the Integrity Management System

TCL Industries has established an integrated anti-bribery and anti-fraud system that encompasses key elements such as risk assessment, compliance monitoring and supervision, compliance audit, whistleblowing and investigation, and training and communication. This framework governs the business conduct of both internal employees and external partners, ensuring all-around governance and guidance and continued enhancement of anti-corruption supervision.

For internal employee management, TCL Industries requires all new employees to sign the *Letter of Commitment to Integrity* upon onboarding. The employee handbook sets out clearly defined standards of conduct applicable to their daily work, particularly in corruption-sensitive areas such as abuse of authority, bribery, gift-giving, and business hospitality. In addition, TCL Industries has revised the *Accountability Management Measures of TCL Industries* based on the issues identified and lessons learned from its operations in recent years, and released the *Anti-Commercial Bribery Compliance Policy* and the *Guidelines for Anti-Commercial Bribery Compliance in Specific Business Scenarios*. These documents clearly define the compliance redlines regarding anti-commercial bribery and establish 13 categories of business management requirements, including business activity expenses, commissions, sales incentives, and third-party cooperation, to ensure integrity and compliance in business operations.

In terms of the management of external partners, TCL Industries and its subsidiaries require all business partners (including but not limited to suppliers, agents, distributors, logistics providers, service providers, and contractors) to either sign an *Integrity Agreement* or incorporate integrity clauses into their contracts, strictly prohibiting any forms of corruption or benefit transfer. In 2024, TCL Industries delivered an anti-corruption presentation at the administrative supplier conference, further outlining the integrity standards for external partners.

In addition, TCL Industries constantly enhances anti-corruption risk supervision and actively conducts corruption risk assessments. The Audit Department and the Compliance Legal Affairs Department promptly track various types of risks, and supervise the rectification of major corruption risks confirmed through assessment. The Company continues to strengthen controls over anti-corruption risk points and reduce potential losses. TCL Industries conducts regular audits every one to three years, depending on business type, and ensures full coverage of all BUs within a rolling three-year period.

0 corruption litigation cases in 2024

Establishing Corruption Whistleblowing Channels

TCL Industries has developed the *Whistleblowing Policy* and set up channels such as a reporting hotline and email and correspondence addresses for reporting violations of professional ethics and actual or suspected fraud cases involving employees. Additionally, the process for handling petitions and reports has been strictly defined. Upon receiving a report, the Audit Department—acting as the leading anti-corruption regulator—promptly logs and archives the case, creates a formal *Case Disposal Form*, and initiates a preliminary review to ensure that all reported cases are handled in a timely and effective manner. The Company continuously strengthens the protection of whistleblowers. In 2024, Homa Appliances proactively updated its anti-corruption reporting system, requiring that sources of corruption reports be kept confidential to safeguard whistleblowers' privacy and security and prevent any form of retaliation.

Continuous Development of an Integrity Culture

TCL Industries has enhanced the integrity awareness of employees and partners through measures such as posting anti-corruption slogans in offices, sharing integrity reminders during key holidays, conducting Flying Eagle Class audits, and hosting integrity-themed training sessions. Additionally, the Company is committed to progressively fostering a culture of anti-corruption and anti-bribery among key overseas subsidiaries, striving to build a widely embraced, comprehensive, and deeply ingrained corporate culture characterised by integrity and transparency.

In 2024

8 anti-corruption education and training sessions were held

attracting **3,038** attendances

Upholding Business Ethics

TCL Industries strictly adheres to laws, regulations, and codes of conduct related to business ethics. It has developed internal policies such as the *Code of Business Conduct*, which serves as a guiding document for the Company's daily business operations and reflects its commitment to the core values of integrity, honesty, and impartiality.

In 2024, the Company continued to strengthen localised and standardised management across key domestic and overseas subsidiaries in the areas of anti-trust, anti-unfair competition, and trade secret protection.

0 anti-unfair competition incidents in 2024

TCL Industries Management Measures for Business Ethical Conduct

Anti-trust

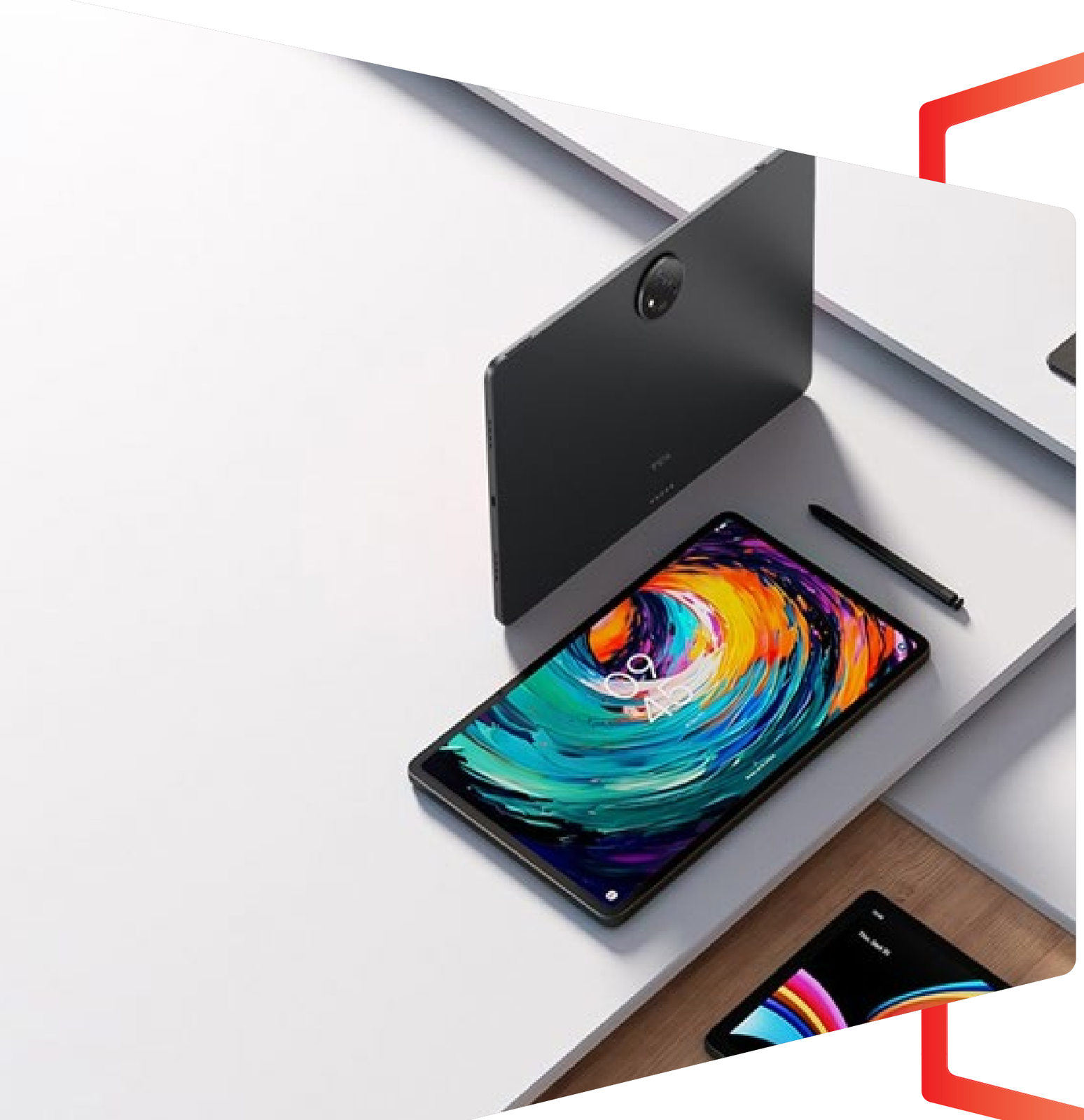
- For domestic subsidiaries, TCL Industries focuses on managing vertical monopoly by referencing the *Compliance Guidelines on Preventing Vertical Monopoly Agreements* and relevant case interpretations. Measures are taken to prevent price-fixing in daily contract review and distributor management processes.
- For overseas subsidiaries, TCL Industries has issued the *Anti-trust Compliance Guidelines for Overseas* Business. It has also launched a centralised contract management system to control key anti-trust risks related to resale price-fixing, non-compete clauses, and exclusive distribution terms. Overseas employees have received anti-trust training to enhance their anti-trust awareness.

Anti-unfair competition

- For domestic subsidiaries, TCL Industries has implemented strict reviews and management by establishing a marketing internal control system covering key compliance risk points across the pre-sale, in-sale, and post-sale stages. Patent and trademark legal reviews are embedded prior to publishing advertising videos to avoid misleading promotions.
- For overseas subsidiaries, TCL Industries has established dedicated legal review processes for promotional materials based on local market characteristics and laws. The Company also organised themed seminars and engaged external legal firms to further safeguard the legitimacy of marketing activities.

Trade secret protection

- TCL Industries has formulated the *Trade Secret Protection and Management System* and planned the optimal implementation strategies for the trade secret compliance systems across subsidiaries and functional centres, continuously strengthening the management of internal commercial confidentiality practices.
- TCL Industries has published and enforced the *Regulations on the Protection of Others' Trade Secrets*. Clear redlines and management requirements in business trade compliance have been in place for high-risk scenarios such as talent recruitment, R&D cooperation, and sales activities to prevent unauthorised disclosure or use of others' confidential business information, ensuring lawful and compliant operations.



Quality-centric Approach

Technology Empowering Smart Living

In an era of rapid technological innovation and ever-evolving consumer demands, TCL Industries places technology at the core of its driving force, embedding it across all aspects of smart living. Leveraging its robust R&D capabilities and innovative ecosystem, the Company has strategically diversified its business portfolio and is dedicated to reshaping the essence of smart living through premium technological products and services. We aim to deliver a healthy, environment-friendly, and convenient user experience to consumers worldwide, while fostering the industry's stable advancement toward greater intelligence and superior quality.

- Creating Value through Service
- Forging Excellent Quality
- Developing an Innovative Ecosystem

Creating Value through Service

TCL Industries has consistently upheld the core philosophy of "Customer First", embedding this principle throughout its product R&D, sales, and service systems. By deeply understanding user needs, driving technological innovation, and optimising the full customer experience journey, the Company has built a user-centric value creation cycle.

User Experience Management

TCL Industries places great importance on user experience management and is committed to continuously improving the competitiveness of its products in the markets and user satisfaction. A comprehensive user experience management system has been established, covering user demand identification, co-design, product performance verification, and user feedback response. Standardised user engagement mechanisms have been established, including those related to the open user testing of new products, follow-up visits to buyers of the newly launched products, specialised reviews by key opinion leaders (KOLs), targeted in-home reviews, and users' on-site, face-to-face interactions with products. These measures are designed to refine product experience and enhance user satisfaction, thereby building user trust and strengthening brand reputation. The NPS (Net Promoter Score) has been adopted as a key indicator to measure user experience. TCL Industries has formulated the *NPS Closed-loop Management Process Specification*, which provides an evaluation framework based on the three dimensions of product experience, channel experience, and service experience. NPS digitalisation has progressed, and global NPS research has been conducted. User opinions are regularly sampled, collected, and analysed, and targeted improvement measures are implemented to address negative feedback. An integrated user evaluation management system covering the whole product lifecycle from design to sales has been established.

Product side

Innovation driven by demand. A demand-driven innovation mechanism has been established, covering the entire R&D cycle from consumer trend research to user segmentation and competitive product analysis. A dedicated cross-departmental user experience team is built to translate real user feedback into actionable experience indicators. Layered evaluation and experience health monitoring systems ensure that product development remains user-centred and NPS-focused. As a result, the TV product line's NPS has been steadily improved over the past three years, reaching a top-tier industry level by 2024.

Marketing side

Mutual value creation. Through the integration of IPD (Integrated Product Development) and IPMS (Integrated Product Marketing & Sales) processes, TCL Industries fosters seamless collaboration between product and marketing teams. A tiered demand communication model, based on user portraits, enables more targeted user communication strategies. By using a user co-creation platform that bridges online and offline experiences and designing an immersive experience officer plan, the Company transforms user suggestions into tangible product selling points. With the help of the KOC (Key Opinion Consumer) communication matrix, TCL Industries has successfully broken through market boundaries for its products, created a two-way trust ecosystem between users and the brand, and cultivated loyal brand partners.

Service side

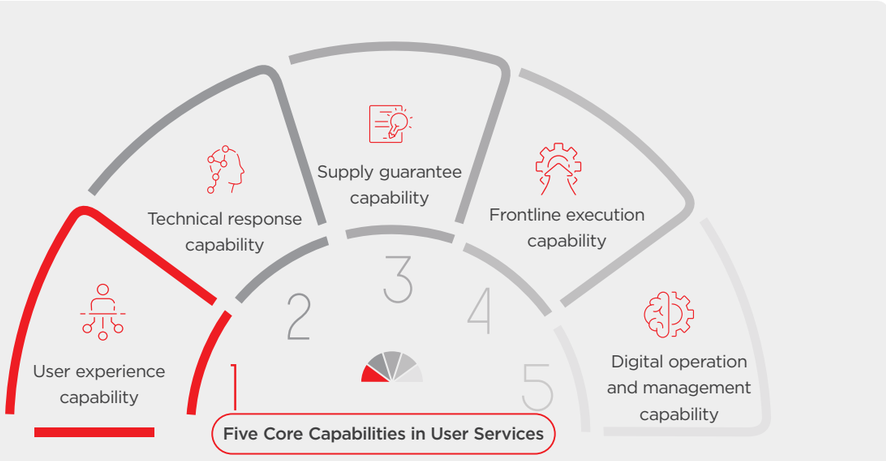
Full-cycle experience assurance. A comprehensive service support system covering pre-sale, in-sale, and post-sale has been built, enabling a closed-loop service experience through smart customer service and feedback monitoring platforms. A cross-departmental quality improvement mechanism has been established to transform service experience into a product improvement incubator, driving continuous product iteration and the sustainable enhancement of user experience.

Management for Improving User Satisfaction of Services

A Global User Service Centre has been established to coordinate the management of global service policies and processes. The centre leads efforts in promoting the digital transformation of services, building global service metrics and training systems, and planning global call centres, providing strong organisational support for the continuous improvement of management and service capabilities across regions and product categories.

For institutional support, TCL Industries has introduced internal policies such as the *User Satisfaction Management Standards, Specification for Processing Quality Feedback in Overseas Markets*, and *Online Service Manual for End Users*. Key indicators, including user satisfaction rates, complaint rates, and response efficiency, have been embedded into the appraisal of service platform staff and service providers' engineers, thereby improving service quality standards.

In terms of user service strategies, TCL Industries focuses on five core service capabilities, establishing a user service system that spans from response to user needs to delivery of services. Multiple user communication channels have also been built to capture and respond to user feedback.



User Communication Channels

Internal Channels

- Telephone hotlines
- Official website of TCL
- E-commerce platforms
- Official email addresses
- TV app

Social Media Channels

- Weibo account
- Xiaohongshu account
- toutiao.com account
- WeChat Channels account
- Douyin account

Case: Deployment of Intelligent User Service Tools in Domestic and Overseas Business Groups

In 2024, the China Business Group introduced intelligent voice and text-based interaction tools within its call centre operations. Among these, the implementation of intelligent IVR (Interactive Voice Response) navigation effectively reduced the number of keypress steps required by users, shortened interaction times, and enabled quicker access to either self-service functions or live agent support. The adoption of automated inbound and outbound service bots substantially improved operational efficiency, further strengthening the call centre's intelligent service capabilities.

The North America Business Group deployed intelligent voice interaction tools and, in October 2024, officially launched a smart voice response system on the English-language TV support hotline in North America. The intelligent voice bot was able to independently resolve 35% of user enquiries, offering users a comprehensive self-service experience supported by AI-driven solutions.

To address the current challenges posed by rapid product upgrades and iteration and evolving consumer expectations, TCL Industries continues to enhance its customer service talent development system. Guided by the principle that "improving service quality is essential to sustainable development", TCL Industries has focused on strengthening its in-house professional service teams. In response to service needs across the entire customer journey, a comprehensive training framework has been established. This includes core competency training for experienced service staff, skills training for frontline service personnel, cultural immersion activities related to in-home services, and hands-on training at domestic and international product training bases. The objective is to elevate the Company's global user satisfaction through professional and consistent service delivery. In 2024, TCL Industries delivered more than 200 theory courses and over 30 practice courses, and developed over 190 items for hands-on operations. The programme spanned more than 40 countries and regions, and trained over 1,000 members of the global service team.

- Global Technology Training Week

- Manila Call Centre's Customer Service Team

VoC Closed-loop Management

TCL Industries complies with all relevant consumer protection laws and regulations in countries where it operates and has implemented the *Document on VoC Closed-loop Management Process of Global User Service Centre*. The process is built around a collaborative, closed-loop management mechanism that incorporates "early warning, real-time intervention, and post-resolution tracking". The mechanism supports all BUs in effectively improving user experience in products and services, thereby strengthening brand competitiveness. In 2024, the Company's global VoC (Voice of Customer) issue closure rate reached 87.2%, with the majority of customer feedback successfully addressed.

Privacy Protection and Information Security

TCL Industries places a strong emphasis on privacy protection and information security. The Company continually enhances its data security management frameworks and user privacy protection mechanisms, strengthens its technological capabilities in information security, and ensures robust network security.

Enhancing Information Security Management

In terms of system development, TCL Industries strictly adheres to global data and privacy protection laws and regulations, including but not limited to the *Cybersecurity Law of the PRC*, *Data Security Law of the PRC*, *Personal Information Protection Law of the PRC*, *California Consumer Privacy Act*, *Brazil's General Data Protection Law*, and *General Data Protection Regulation* of the European Union. The Company has also established and implemented internal policies and procedures such as the *Privacy Management Policy*, the *Personal Data Retention Policy*, the *Data Subject Rights Response Process*, and the *Privacy Impact Assessment Management Process*. Privacy control points are embedded into key business processes, and privacy impact assessments are conducted as required by law to control business compliance risks. Subsidiaries improve and update information security management systems, such as the *Smart TV Software System Security Specification*, *Homa Appliances Information Security Management Specification*, and *TCL Household Appliances Information Security Management Specification*, based on their respective business characteristics. These measures help establish a robust protection framework, streamline data processes, enhance threat response capabilities, build user trust, and lay a solid foundation for sustainable development.

Regarding the management structure, the Executive Committee of TCL Industries, as the Company's highest decision-making body for privacy management, always upholds a strong sense of responsibility. It drives the ongoing enhancement of the privacy management system and implements rigorous supervision to effectively safeguard user privacy. The Privacy Management Working Group under the Executive Committee is tasked with organising and overseeing privacy protection efforts across various departments.

In terms of risk management and control, all departments conduct business privacy compliance reviews through processes such as privacy impact assessments, third-party privacy management, and cross-border assessments, fully covering their key and emerging business areas. Additionally, phased efforts are made to continuously assess privacy compliance risks and improve the system development for key overseas subsidiaries.

With regard to inspection and supervision, TCL Industries has conducted privacy compliance checks and audits for key business areas and completed both internal and external audits for the ISO 27001 and ISO 27701 standards, ensuring the legality and validity of relevant certifications during their effective periods.

Strengthening Information Privacy Compliance Management

TCL Industries attaches great importance to protecting the privacy of its users' personal information in strict compliance with relevant privacy laws and regulations, including the *Personal Information Protection Law of the PRC* and the European Union's *General Data Protection Regulation*, as well as internal regulatory policies such as the *Specification for Retention of Personal Data*, *Specification for Cross-border Transfer of Personal Data*, *Privacy Management Policy* and *Guidelines for Introducing Third-party Data Privacy Protection (Domestic)*. In 2024, the Company further strengthened its assessment of compliance operations in data privacy protection, ensuring that all customers' personal information is collected, retained and used in a lawful and regulated manner.

Furthermore, TCL Industries prioritises raising employees' awareness of protecting user data during user service and marketing activities. Access to order entry and call-handling systems at both domestic and overseas call centres is tightly controlled. A robust defence line against any breach of users' private data is established with the introduction of data system access permissions and identity authentication, among other measures. A dedicated security department is assigned to regularly conduct comprehensive vulnerability scans and repairs on the systems to ensure that personal data storage remains highly secure and confidential.

0 substantiated complaints

concerning breaches of user privacy and losses of user data in 2024

Strengthening Information Security Awareness Among All Employees

We actively promote the importance of privacy protection and information security through multiple channels and organise training and awareness promotion activities at various levels. By utilising emails, videos, and other communication methods, we extensively disseminate knowledge on information security and privacy compliance, aiming to comprehensively enhance the overall awareness of privacy protection and information security within the Company. Additionally, we continuously host special training sessions on security technology and privacy clerk training camps, conducting in-depth analysis and summaries of potential information security and privacy violation risks across all stages of operations and product lifecycles to enhance the security management capabilities of our professionals. In 2024, we launched 18 email dissemination campaigns, including 2 alerts specifically addressing phishing incidents. We also organised information security training for new employees and annual security awareness training for all employees, with a total of 7,190 attendances. Additionally, we held two online special lectures for internal infrastructure employees, focusing on privacy information security and ransomware prevention, with 116 attendances.

Practicing Responsible Marketing and Advocacy

TCL Industries upholds the concept of responsible marketing, strictly prohibiting any false advertising. We have incorporated ESG issues in our brand building, advocating for the use of sustainable products.

Compliant Marketing

TCL Industries strictly adheres to laws and regulations such as the *Advertising Law of the PRC* and the *Regulations on Control of Advertisement* and has developed and enforced regulations and guideline documents such as the C*ompliance Check for Marketing Content*, *New Media Management Standards*, *News Release Management Measures*, *and Global IP Management Standards*. We have established a comprehensive marketing compliance management system to standardise marketing processes, enhance the content review mechanism, and ensure that all marketing activities are legal and compliant.

We have established unified external communication protocols to regulate the production, review, and release of videos, images, advertorials, and other materials. From the initial draft to the final version, the promotional materials are reviewed by the product, retail, R&D, and legal departments to ensure compliance with local laws, regulations, and cultural norms in terms of patent and trademark usage, technical descriptions, copywriting standards, and legal risks. Annotations are added to content prone to ambiguity to prevent misunderstandings.

Sustainable Marketing

TCL Industries, building on its corporate mission and brand characteristics, deeply integrates ESG principles into marketing innovation and establishes a sustainable marketing framework centred on the three core issues of "biodiversity", "zero waste", and "climate change". In 2024, we launched our first exhibition hall themed "TCL GREEN", showcasing the ONE TCL ESG story comprehensively from the upstream to downstream of the industry. Additionally, we held a "TCL GREEN" marketing campaign themed on sustainable development. We also planned to align product launches and product promotional events with sustainability-related festive days, such as International Day for Biological Diversity, World Oceans Day, Earth Day, and Arbor Day, conveying green and low-carbon brand values to consumers.

- Exhibition Hall Themed "TCL GREEN"

- Offline Marketing Campaign Themed "TCL GREEN"

Forging Excellent Quality

We uphold that product quality control lies at the heart of TCL Industries' sustainable development. The Company continuously optimises its quality control system to achieve lifecycle-based quality management. By embedding safety risk control and hazardous substance management into the entire product lifecycle, it is committed to delivering safe, non-harmful, high-quality products to users.

Strengthening Quality Management

We remain committed to a user-centred approach, with product reliability as the foundation and user satisfaction as the goal. With a focus on sustainable development, we have built a data-driven preventive quality management system centred on four core capabilities: "Standardisation of Technology", "Systematised Management", "Platform-based Capability Integration", and "Digitalisation of Operations". These efforts aim to enhance the Company's operational efficiency, earn user loyalty, and contribute to brand value.

Quality Management System

TCL Industries has integrated ISO 9001 standards with the IPD process elements to establish a preventive quality management system spanning the entire product lifecycle. In terms of Systematised Management, we incorporate quality assurance and control mechanisms into every stage of the product lifecycle from demand analysis to after-sales service, in line with IPD processes. Through rational quality planning, strict quality control, comprehensive quality assurance, and continuous improvement, we have created a quality management system and model with the characteristics of TCL Industries. On the Standardisation of Technology, we have established a standard management organisation to systematically develop technical standards in design, testing, components, processes, storage, and transportation, ensuring ongoing improvements to the application of technical standards. Regarding Platform-based Capability Integration, we have published a panoramic map for quality capacity building, launched an internal expert sharing platform, and continued to enhance platform-based capacity building in VoC management, reliability assurance, testing, digitalisation, and quality culture. Regarding the Digitalisation of Operations, we use the QMS (Quality Management System) as the quality data management centre, gradually enabling the online execution of quality activities and digitalised operations. AI-powered quality analysis and intelligent inspection systems are introduced to enhance the precision and efficiency of quality management, enabling automatic data collection, integrated analysis, intelligent decision-making, quality risk prediction, failure cost reduction, and improved user satisfaction.

Quality cost represents the economic value of quality management. By implementing a quality cost model throughout the product lifecycle, we reasonably increase prevention and appraisal costs while reducing failure-related costs. This approach enhances product quality, optimises total cost across all stages, and supports the Company's high-quality development.

Net Promoter Score (NPS), a key indicator of user loyalty, has been fully embedded into our full-process quality management system. This includes mechanisms spanning user insight, demand translation, product definition and delivery, process evaluation and validation, as well as post-launch performance measurement, analysis, and continuous improvement—all aimed at steadily enhancing customer loyalty.

Full-process Quality Control

In the design and R&D stage, especially during the design of integrated product development (IPD) products, TCL Industries' BUs implement the *IPD Product Development Process Guide* to ensure comprehensive collection, identification and understanding of users' usage needs so that design indicators align with their actual usage. During the product development process, the Company always emphasises user experience and insists on incorporating UED (User Experience Design) throughout the IPD process. By linking IPD with smart manufacturing and intelligent service systems, the Company has established a digital quality management system. Preventive quality management initiatives—such as DFx (Design for Excellence) and D-FMEA (Design Failure Mode and Effect Analysis)—are actively implemented, and digitalisation efforts are progressively expanded. Smart tools are also employed for risk prevention, improving the ability to "Do it Right Once for All".

We have set up a specialised component organisation tasked with selecting and certifying components, planning their technical roadmap, and managing their entire lifecycle. The organisation conducts detailed studies on the material performance of components, identifies their key quality control points, optimises their specifications and inspection standards, and drives proactive component quality planning. To ensure quality from the outset, we have strengthened early-stage inspections and continue to refine our supplier certification and management system. Additionally, we are exploring the use of remote monitoring and intelligent audit systems to maintain consistent and stable component quality.

To ensure quality control throughout the production process, we are continuously investing resources in building automated production lines to advance smart manufacturing capabilities. We implement DFM (Design for Manufacturing) tools to embed process standards and requirements directly into the package of product requirements, thereby addressing potential quality risks at the source. We apply P-FMEA (Process Failure Mode and Effects Analysis) to identify and mitigate risks in the manufacturing process, establish clear KPIs, and carry out three-level iterative reviews for continuous improvement. Moreover, we have built a TPM (Total Productive Maintenance) system and a certification system for critical roles to enhance the ability to "Do it Right Once for All" and ensure stable, consistent processes.

Each BU implements product inspections in line with product quality inspection management methods, such as the *Product Quality Inspection Control Procedures* and *Non-conforming Product Control Procedures*. These policies define the purpose, scope, procedures and requirements for quality inspection. Inspections are conducted by qualified inspection institutions or personnel to ensure accuracy and impartiality. Inspection results are promptly recorded and reported to relevant departments for necessary corrective action.

For product recalls, a comprehensive *Product Recall Management System* is in place. The batches of products with quality problems can be quickly traced by their unique identification codes and recall processes can be activated to timely withdraw these products from the market. Meanwhile, we maintain close communication with customers, providing technical support and solutions to minimise user impact and protect consumer rights and corporate reputation.

In 2024, TCL Industries' subsidiaries obtained several authoritative certifications, including RBA, ISO 9001 Quality Management System, TL 9001 Quality Management System (for the telecommunications industry), IATF 16949 Quality Management System, and IECQ QC 080000 Hazardous Substance Process Management System. We have been awarded the titles of "National Quality Benchmark Enterprise" and "AAA Credit Enterprise" for five consecutive years, and our products have been granted "National Inspection Exemption" and "China Well-known Trademark". This Year, TCL Industries did not experience any product quality violation incidents, nor any product recalls related to safety or health issues.

Quality Management System Certifications[13]

Certifications	Total Number of Subsidiaries and Factories That Have Passed These Certifications
RBA	3
ISO 9001	29
TL 9001	3
IATF 16949	4
IECQ QC 080000	2

In 2024, TCL Industries introduced an enhanced Quality Maturity Model 2.0 to evaluate and benchmark quality performance across its subsidiaries. The model assesses quality maturity across seven core dimensions: leadership, quality strategy, customer centricity, process quality, measurement and improvement, quality infrastructure, and quality culture. Through this assessment, items requiring improvement were identified, particularly in the areas of process quality and measurement and improvement. In response, the Company developed targeted improvement measures aimed at enhancing the sophistication and precision of its quality control practices.

[13]The certification statistics do not include Tonly Technology.

Quality and Economic Management

We continue to advance the establishment of a quality cost management system, concentrating on three key areas: improving product quality, optimising service costs, and developing a quality cost data system. On this basis, we have established a comprehensive quality cost management mechanism, covering critical aspects such as cost accounting, analysis and evaluation, process control, and continuous improvement. In 2024, leveraging the foundational quality cost data accumulated through the QMS system, we successfully deployed the Tai Ji Business Compass System, achieving the full integration of quality cost data into the Tai Ji Indicator Dashboard. This system visually displays the quality cost structure across TCL Industries and BUs, with particularly detailed insights into external failure costs. It also enables in-depth multi-dimensional analysis to support data-driven management decisions.

Operating data for 2024 indicates that the annual cumulative external failure cost rate of TCL Industries improved by 20% year-on-year. In absolute terms, the total annual external failure costs decreased by 2% compared to the previous year.

Development of Quality Culture

TCL Industries has conducted a series of quality culture activities that focus on the theme of “Reaching Users, Enhancing Experience” and target the four dimensions of users, products, employees, and services. By implementing a comprehensive research mechanism that involves “listening to users’ needs, visiting frontline teams, observing real-world outcomes, and discussing solutions”, we gain deep insights into user needs, focus on the actual performance of products, effectively address users’ pain points, and significantly enhance product competitiveness. We prioritise optimising service processes by reviewing all service touchpoints, identifying pain points, breakpoints, and blind spots, driving problem resolution, and continuously improving service quality. Through dedicated user research initiatives, we gather user feedback, refine product design, drive the closed-loop resolution of market quality issues, and enhance product quality, thereby safeguarding the Company’s high-quality development.

Case: Series of Activities for Building Quality Culture

In 2024, TCL Industries launched a three-month quality culture development campaign featuring activities such as Agent Experience Day, Door-to-Door Service Experience Day, and QCC (Quality Control Circle) for Quality Improvement. Among them, the Agent Experience Day organised 5 offline activities, including 3 onsite field experience sessions that attracted 67 employees from various BUs, BGs, and competency centres; 1 online experience event was also held, with 50 participants. In terms of door-to-door service experience, a total of 42 attendances were organised to delve into the frontline of service to understand customer needs and optimise service processes.

Product Safety Assurance

TCL Industries has consistently regarded product safety as the lifeblood of corporate development, strictly adhering to relevant laws and regulations as well as domestic and international standards, while establishing a robust product safety management system. TCL Industries has established a professional laboratory for safety, energy efficiency, and electromagnetic compatibility. This laboratory is accredited by the China National Accreditation Service for Conformity Assessment and strictly complies with the *General Requirements for the Competence of Testing and Calibration Laboratories* (GB/T 27025-2019, or ISO/IEC 17025:2017). It demonstrates our commitment to continuously expanding our testing capabilities to provide strong technical support and assurance for product safety. The BUs and subsidiaries implement product safety management measures tailored to their specific characteristics. The Intelligent Automotive Solution BU has established the *Product Safety Management Regulations* to identify and control special safety-related characteristics during the product design and development. The Air Conditioning Business Unit adheres to the requirements of “dual safety standard certification” for electronic and electrical products, ensuring personal health and property safety during product use through risk assessment tests and other measures. Tonly Technology has established the *Product Safety Management Specification* to define key positions and management responsibilities related to product safety.

Battery safety is a fundamental component of the product safety system. TCL Industries rigorously follows domestic and international battery safety standards, ensuring that all products and safety critical components meet both international and national standards. The Company has developed Material Safety Data Sheets (MSDS) for all mobile communication products, established a cross-departmental battery safety working group, and formulated and implemented the *Battery Control Safety Requirements* to ensure comprehensive quality management across all aspects of battery handling, including design, incoming materials, manufacturing, transportation, and storage. Simultaneously, compliance across all stages is guaranteed through routine inspections and joint audits. In terms of supply chain management, we have implemented a strict battery supplier qualification review mechanism and production line audit process. We require suppliers to customise automated production lines for TCL communication products to enhance production stability and safety. In 2024, we completed the audit and certification of 12 automated dedicated lines from suppliers.

Strict Control of Chemical Use

TCL Industries strictly complies with international standards including *RoHS, REACH*, and ISO 14001, as well as relevant laws and regulations such as the *Regulations on the Safety Management of Hazardous Chemicals* and the *Measures for the Administration of Hazardous Waste*. We have also established internal policies such as the *Regulations on the Management of Hazardous Chemicals, Management Measures for RoHS Compliance Control*, *Regulations on the Process Management of Hazardous Substances*, and *Corporate Hazardous Substance Management Standards*, to clarify requirements for the entire process of chemical procurement, storage, usage, transportation, and waste disposal, and ensure compliance in all operations. Additionally, we have developed a chemical inventory to classify and manage hazardous chemicals and restricted substances, ensuring the safe and controllable use of high-risk chemicals.

The subsidiaries have conducted *RoHS* and *REACH* testing and certification in compliance with applicable laws, regulations, and product requirements set by customers. They have also obtained multiple certifications, including the IECQ QC 080000 Hazardous Substance Process Management System Certification and the Work Safety Standardisation Certification.

Improving the Chemical Control Mechanism

We have established a stringent certification and safety assessment process for the introduction of chemicals. Specialised tools and equipment are provided for transportation, repackaging, storage, and operational processes. Routine inspections and targeted safety checks are implemented to ensure safety and controllability across all stages. We strictly follow operational protocols for chemical handling, including ledger registration, usage labelling, inventory management, and emergency disposal. Dedicated storage areas are established for the classified storage and precise management of chemicals. A hazardous substance control database has been established to record information in all phases, including raw material procurement, production, and product testing, enabling full traceability of hazardous substance information throughout the product lifecycle. Additionally, a product traceability system has been established to address issues such as excessive levels of hazardous substances, enabling rapid tracking back to the raw material suppliers, production batches, and specific production stages, ensuring that measures such as recalls and rectifications are taken timely.

Strengthening Safety Assurance in Chemical Use

We have developed emergency response plans for chemical safety incidents, regularly conduct hazard identification and work safety inspections, and enhance risk prevention and control capabilities. Employees engaged in the operation of hazardous chemicals are required to complete professional training and obtain a work permit before assuming their duties. In addition, we regularly provide employees with specialised training on the safe use of chemicals, emergency response, and occupational health protection to improve safety awareness and operational skills. Employees are also equipped with protective gear that meets standards to ensure comprehensive safety protection during operations.

Substitution of Controversial Chemicals

We place a high priority on addressing the potential negative impacts of chemicals during production and actively seek alternatives to reduce or eliminate the use of controversial substances. During chemical selection, we strictly adhere to the principle of "substituting high-toxicity substances with low-toxicity ones, and low-toxicity substances with non-toxic alternatives", giving priority to chemicals that meet production process requirements and have lower levels of harm to minimise safety risks and environmental impacts. We implement specific measures tailored to different types of products. For refrigerator products, we have replaced the inner granular material with environment-friendly materials. For air-conditioning products, we have reduced the use of Freon and promoted the adoption of environment-friendly refrigerants through technological upgrades.

Management of Hazardous Substances in the Supply Chain

We strictly control harmful substances within the supply chain by establishing a qualified supplier directory. We conduct on-site inspections and assessments of suppliers, urging them to strengthen quality control during the production of raw materials. We eliminate suppliers that fail *RoHS* tests and sign the TCL Compliance Declaration for Prohibited and Restricted Substances with our suppliers.

Developing an Innovative Ecosystem

Guided by an innovation strategy, TCL Industries has developed a top-level innovation design that encompasses strategy, management systems, goals, and directions. We vigorously promote the idea of technology for inclusion, ensuring that the benefits of technological progress reach everyone and advancing fair and sustainable social development. In addition, we leverage our role as an industry leader and contribute our expertise and resources to global technological advancement through extensive partnerships and the establishment of standards.

Strengthening Innovation Management

TCL Industries upholds a technological innovation strategy centred on display quality, intelligence, and energy-efficient operations, aiming to become a world-leading intelligent technology group. Focusing on exceptional picture quality, healthy living, home energy management, and intelligent interaction and services, we continuously explore innovative ventures and strengthen our technology platform to facilitate profound integration and breakthroughs in technology and products.

The Company has established the three core competitive pillars of "display, connectivity, and channels", aiming to deliver a fully-connected smart living experience that encompasses all scenarios, categories and connections to global users. Guided by this vision, we are committed to driving industry development through technological innovation, with a focus on mid-to-high-end and international markets, actively exploring new paths for innovative business, and continuously expanding the boundaries and spaces for corporate growth. Additionally, we integrate the concept of sustainability into the technological innovation process, leading the industry toward a more intelligent, green, and innovative future.

Innovation Management System

TCL Industries has established a robust innovative R&D management system, integrating global scientific research infrastructure and talent resources to underpin technological innovation. We operate 24 R&D centres and 7 ecological cooperation laboratories, continuously investing in cutting-edge fields such as AI, communications, healthcare, and smart manufacturing. In 2024, TCL Industries invested RMB 4.37 billion in R&D.

Dr. ZHOU Pei from the Eagle Technology Standard Department Has Been Awarded the IEEE Standard 802.11bc - 2023 Outstanding Contribution Award (one of only nine recipients globally)

In terms of organisational support, we have established a top-down project-oriented organisational system. The Integrated Technology Management Team (ITMT) oversees the Company's innovation management, while the Technology Management Team (TMT) and the Technical Management Group (TMG) at each BU and competence centre manage their own innovation projects. Core members at all levels communicate and discuss the progress of innovation projects through monthly meetings or special event sessions. They hold voting rights on all topics and make innovation decisions based on "democratic centralism" and the majority rule.

To ensure an effective innovation mechanism, we have assembled a talent pool enriched with diverse skills and international perspectives. This is achieved through our recruitment strategies, talent development systems, and external exchange initiatives. Additionally, we have established policies such as the *Process Incentive Management Measures* and the *Project Incentive Award Application Scope and Evaluation Criteria* to enhance our incentive framework, offering competitive rewards and recognition to employees who deliver outstanding contributions in R&D, thereby driving organisational innovation.

To foster an innovation-driven culture, we regularly host Industry Sharing Sessions and Innovation Tea Parties, along with initiatives such as Technology Week and the One Hundred R&D Talents Programme, cultivating creative thinking among employees and sustaining the Company's innovative momentum.

Innovation Focus and Goals

The BUs under TCL Industries closely align with the Company's overarching innovation vision, while taking into account their unique business models and strengths. They have established clear innovation roadmaps, actively investing in cutting-edge technologies and innovative applications, and injecting strong momentum into business upgrades and sustainable development.

Innovation Focus and Goals by Business Type

TV business

- Intelligent display: Build advantages in core intelligent display technologies to drive breakthroughs in technological innovation based on the AIoT platform foundation.
- Control points for display quality: Reinforce technical advantages in Mini LED, image quality, display screens, and health display to enhance users' technological perception.
- Software platforms: Boost internal efficiency through the TROM platform and enhance users' feature perception through technological integration, performance upgrades, and enhanced security.
- Intelligent space foundation: Enrich users' intelligent connectivity experience through AI voice, IoT connectivity, audio/video communication, and data platform development.

Mobile phone and tablet business

- AI governance: Establish a reliable, traceable, and regulatory ethical governance model for AI across management, R&D, supply, and usage stages under the principle of balancing development and security.

Refrigerator business

- Smart preservation: Continue to promote the industrial application of household refrigerator technologies such as magnetic field freezing and partial freezing, enhancing product preservation capabilities.
- AI-enabled noise reduction: Simulate the user's refrigerator usage behaviour to enable automatic operation of silent mode, improving user experience.

Washing machine business

- Super drum super clean washing technology: Enhance laundry experiences by increasing drum diameter, optimising the design of lifting ribs and the inner drum, and upgrading cleaning technology.
- Product energy efficiency level: Move towards higher energy efficiency standards to achieve energy conservation and emissions reduction while saving users on electricity costs.

Air Conditioning Business Unitsiness

- Smart technology: Utilise AI algorithms to enable air conditioners to automatically sense indoor environments and human needs, precisely adjusting parameters to provide a personalised comfort experience.
- Energy-saving technology: Continuously work on the R&D of energy-saving technologies to improve the energy efficiency ratio of air conditioners, reducing user costs and environmental impact.
- Health technology: Focus on developing healthy air technologies for air conditioning products, equipping them with self-cleaning technology, with some products featuring independent fresh air functions to improve air quality.

Audio and wearable devices business

- Software algorithms: Continuously expand the application of software algorithms for headphone wearing detection and sensor algorithms, enhancing device stability.
- System electroacoustics: Integrate surround algorithms into the independently developed audio chain to improve user experience.

Intelligent automotive solution business

- Smart cockpit and driving: Promote technologies such as cockpit-driving integration and large AI models for in-vehicle applications to enhance the driving experience and create differentiated product value.

Innovative business

- Cloud platform: Enhance operational and maintenance capabilities as well as user behaviour analysis, progressively develop large model capabilities for cameras and personalised customisation abilities, and foster the development of scene analysis and multi-product interaction capabilities.
- Hardware platform: Improve the performance of cameras, door locks, and other devices, gradually improve self-development proficiency, and achieve modular integration.
- Firmware: Build platform-based self-development capabilities, advance standardisation, master CV (computer vision) AI algorithm applications in devices, and empower service development for various scenarios.

Photovoltaic business

- Self-developed optimisers: Independently develop one-to-two power optimisers that meet industry-leading performance standards.
- Innovative balcony photovoltaic products: Provide easy installation, plug-and-play functionality, all-black components, and smart app capabilities to support multi-scenario applications.
- Dust prevention components: Address the issue of heavy dust on components to enhance power generation efficiency.

Industrial park business

- During project planning and design, formulate green building design strategies by analysing the surrounding environment and climate conditions of the project site, creating comfortable, efficient, healthy, and environment-friendly building spaces from the design stage.

Innovative Risk Management

To effectively manage the risks and uncertainties inherent in the innovation process, the BUs under TCL Industries have developed a closed-loop innovation support mechanism that encompasses assessment, management, and review to safeguard the Company's innovative growth and drive high-quality business development.

Assessing innovation opportunities

- The cross-departmental evaluation team thoroughly assesses whether the enterprise's internal and external environments are aligned with opportunities.

Managing the innovation process

- A standardised process system ensures that responsibility holders, deliverables, and deadlines are clearly defined during the development of new projects. Strict decision-making is conducted at critical project milestones according to standardised review criteria.

Reviewing the innovation journey

- Upon the completion of an innovation project, the project team conducts a review to summarise and formalise best practices into processes; they also propose remedies for any shortcomings to guide future projects.

Technology Ethics Assurance

TCL Industries attaches great importance to the management of technology ethics, having established a comprehensive management system with 15 stringent processes and standards covering critical areas like product cyber security, R&D security, and privacy compliance. All AI operations diligently follow the established review processes during model introduction or deployment, with thorough evaluation tests conducted to ensure adherence to scientific ethical standards, thus fully ensuring the compliance and ethical integrity of the operations.

Addressing the ethical review of AI algorithms, TCL Industries has established the *Algorithm Ethical Review Standards* and formed an Algorithm Ethics Committee. This committee consists of technical experts, legal experts, and seasoned industry professionals. They conduct a thorough review of issues related to technology ethics during product R&D and operations, ensuring that the Company's utilisation of AI technology aligns with ethical standards. This includes ensuring data processing approaches conform to national data security regulations, and the R&D of algorithms and systems adheres to principles of fairness, justice, transparency, reliability, and controllability.

To strengthen the security management of AI-generated content (AIGC), the Eagle Lab under the Company has developed the *Security Baseline for AIGC Applications* and the *Compliance Guidelines for AIGC Applications*. These documents comprehensively specify the AIGC-related compliance requirements, measures, and responsible departments and personnel for both domestic and international business operations and internal applications, and provide control over AIGC identification. In 2024, there were no violations of technology ethics within the Company.

Measures for Technology Ethics Protection in AI Products

Data privacy protection

- Act in strict accordance with data collection principles, collect only user information that is directly relevant to and necessary for providing services, fully explain the data usage to users beforehand and obtain explicit authorisation.
- Employ advanced encryption technologies for the storage and transmission of user data to prevent theft or tampering during these processes.
- Establish a comprehensive data access permission management system to ensure that data is not misused.

Algorithm transparency and interpretability

- Focus on algorithm transparency in product design, provide appropriate explanations to users about the underlying algorithm principles and decision-making mechanisms to enhance user trust in the product.
- Improve the interpretability of algorithms and make timely adjustments to the algorithm to avoid ethical risks stemming from opacity.
- Completed the algorithm filing for two applications (ChatBird and Lei Dong Dong) in 2024.

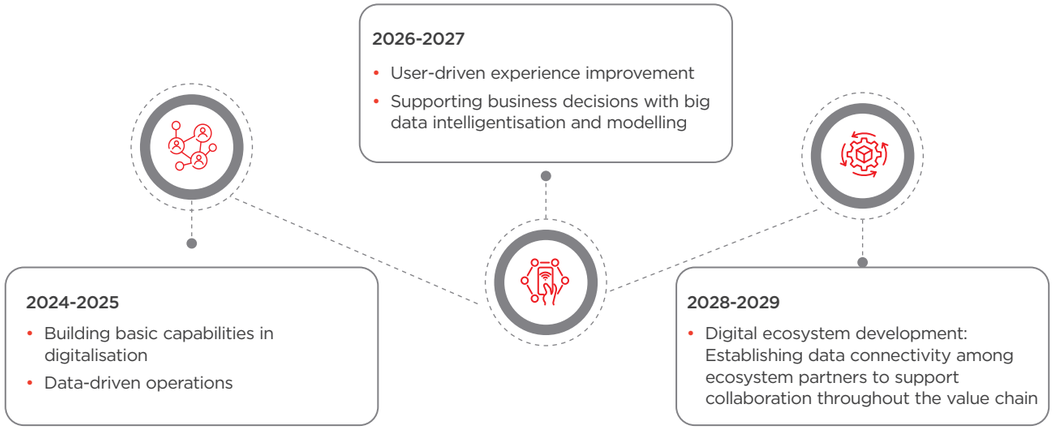
Employee training and education

- Regularly organise training courses on technology ethics for employees to enhance their awareness and understanding of technology ethics.
- Ensure that employees deeply understand the seriousness of technology ethics risks and how to handle them through methods like case analysis and simulations, thereby cultivating their ability to identify and resolve ethical issues in their practical work.

Accelerating Intelligent Transformation

Guided by the "6+1" digitalisation strategy, TCL Industries is dedicated to establishing an agile delivery system that features "in-house R&D + products" to drive the digital transformation of smart devices, ensure refined quality control, and provide robust support for product innovation, thus facilitating the development of new business models. We have established a digital gear team comprising members from various BUs under the organisation of the Process and Digital Transformation Centre. Operating under the principles of centralised development and unified deployment, the team has introduced policies including *Digital Demand Management*, *Delivery Management*, and *Information Security Management*, while leveraging the gear team mechanism to monitor timely policy execution.

Key Takes at Each Stage of the "6+1" Digitalisation Strategy



Case: "New Ark" Charts the Course for Digitalisation Throughout the Business Process

TCL Industries has deployed and built the "New Ark" system. This system simulates product operations based on the budget forecasting system, generating the optimal mix of products, channels, and pricing. It establishes core control points in the transformation of business processes based on operational data analysis, enhancing transaction efficiency and management quality. In 2024, the average processing cycle for e-commerce orders was reduced to 3.4 days, with a 30% increase in the closed-loop issue resolution rate, and a 5% improvement in the service NPS. Simultaneously, we are gradually extending the "New Ark" system to international markets, integrating global marketing and service chains. In 2024, we achieved unified management of transaction flows across more than 150 countries, fostering the integration and coordinated development of global business resources.

Case: Wuhan Smart Manufacturing Base of TCL Industries Air Conditioning Business Unit Pioneers a Digital Production Model

As a demonstration project for industrial technological transformation in Wuhan, the Wuhan Smart Manufacturing Base of TCL Industries Air Conditioning Business Unit aligns itself with national standards for leaders in digitalisation, takes on the crucial responsibility of exploring new manufacturing models, and is dedicated to building a "high-end, intelligent, and green" smart manufacturing base.

The base integrates smart manufacturing, R&D, intelligent logistics, smart parks, and digital applications and has established ten classic digital management scenarios, including large AI model + intelligent factory, smart supply chain, intelligent warehousing, lights-out factory, and 5G + smart park. It boasts the world's first dedicated dust-free production line for fresh air conditioners and has earned over ten honours, such as National Green Factory, Smart Manufacturing Pilot Demonstration Factory in Hubei Province, and Green Supply Chain Management Enterprise in Hubei Province, fully demonstrating its exemplary role in the field of smart manufacturing. In 2024, the base achieved an annual average power generation of 9 million kWh, reducing total pollutant emissions by 3.63 tonnes per year. Overall, emissions and resource consumption were cut by approximately 20% over the year, bringing about continuous sustainability benefits.

• Digitalisation Empowers Workshop Operations

• Integrated Scheduling and Command Centre

• Wuhan Smart Manufacturing Base

Case: White Household Appliance BU Achieves Further Upgrade in Smart Production

White Household Appliance BU has pioneered the world's only fully unmanned intelligent three-dimensional cabin, which can operate unmanned and be directly connected to the intelligent sorting system after products are off the production line, enabling efficient three-dimensional storage and JIT shipping integration. At the same time, White Household Appliance BU has actively introduced AI systems. By 2024, the company has been equipped with three visual inspection devices, with the detection rate of defective door appearance improved to 99%.

Upholding Technology for Inclusion

During the product design process, TCL Industries takes into full account the needs and user experiences of diverse groups. It is dedicated to leveraging its technological strengths to bridge the digital divide, ensuring that every consumer can enjoy the benefits of innovation and truly experience the humanitarian care embedded in technology.

Product Ecosystem of Technology for Inclusion

Health care

- Eye care technology: The TCL NXTPAPER Series mobile phones achieve a 90% reduction in glare through the NXTPAPER technology and provide low blue light hardware solutions
- Sterilisation technology: In products such as the P10 ultra-thin and embedded refrigerator, the multi-point ion sterilisation technology is applied to achieve a 99.99% sterilisation rate, 99.8% odour removal rate, and 99.9% virus elimination rate
- Stain-free technology: The P7 and T7H drum washing machines incorporate stain-free technology to achieve all-round deep cleaning of the machine

Accessible design

Elderly-friendly design

The Onetouch Series mobile phones focus on the needs of the elderly, offering user-friendly designs that include features such as “one-touch life service” and one-touch emergency call, improving the ease of use for elderly users

Child-friendly design

- The TCL K901 Eye Protection AI Learning Device includes eye care design, comprehensive AI learning, a parental control system, and precise geographic positioning, caring for the growth of children
- The washing machines of White Household Appliance BU are equipped with child lock functions to ensure the safety of children

Elderly-friendly and child-friendly design

When designing fingerprint algorithms and selecting chips, considerations are made for the rough fingerprints of elderly users and the shallow fingerprints of children. Efforts are also made to enhance the score-based model for finger recognition and increase relevant experiments to improve recognition accuracy

Language accessibility design

Products like the TCL FreshIN C7 fresh air conditioner are equipped with AI voice features that support dialects and foreign languages, facilitating voice interactions for the elderly, children, and foreign users, thus avoiding operational inconveniences due to language barriers

AI companionship

- ChatBird, a mobile AI companion app, enhances users’ emotional well-being and addresses their life challenges by creating virtual social networks. It was recognised as one of the Top 100 AI Products in 2024 by QbitAI, a leading media outlet in AI technology
- TCL Ai Me, a split-type smart home companion robot, integrates multi-modal interaction, emotional companionship, and home control features, aimed at offering a vital access to future smart homes

- TCL Ai Me

Protecting Intellectual Property Rights

In the context of a booming knowledge economy and increasingly intense market competition, intellectual property has become a critical element for enterprises to enhance their competitiveness. TCL Industries strictly complies with intellectual property laws and regulations applicable in its operating regions, and has established internal policies such as the *Patent Application Management Measures*, *Patent Reward Measures*, *Rules on Standard Technical Patent Rewards and Review*, and *Rules on Agency Resources Management*. These policies comprehensively regulate processes involving the evaluation, application, maintenance, and use of product patents, aiming to enhance the quality and efficiency of intellectual property rights (IPR) protection.

The Company has established a dedicated intellectual property department to coordinate intellectual property management. By leveraging its professional expertise, the department provides robust legal support for IPR-related activities of all BUs, including application, maintenance, risk management, and litigation. Meanwhile, we have set up a patent proposal department and established a patent application value analysis system based on the nine scientific and rigorous principles of comprehensiveness, systematisation, operability, timeliness, independence, hierarchy, a combination of qualitative and quantitative analysis, modularity, and expandability. By implementing this system, TCL Industries achieves professional guidance and classified management of internal patent applications, ensures the proper management and effective protection of IPRs, and maximises their value.

To fortify the Company’s defence against trade secret leaks, we have developed the *Regulations on the Protection of Others’ Trade Secrets*, explicitly prohibiting employees from using illegal means to obtain competitors’ trade secrets or other confidential information, thus preventing unfair competition at the source. Moreover, we have conducted thorough trade secret compliance assessments in key business areas to significantly minimise the risk of trade secret leaks, protect the Company’s legitimate rights and competitive advantages, and foster a fair, orderly, and trustworthy market competition environment.

In 2024

TCL Industries obtained **1,850** new licensed patents

bringing the total number of licensed patents to **12,483**

Protecting Self-developed IPRs

To effectively safeguard our self-developed IPRs, we have established a comprehensive and multi-tiered IPR protection system. This includes carrying out scientific, planned and procedural routine maintenance on the IPRs that have already been obtained to ensure their stability and effectiveness, and promoting the professional quality and awareness of rights protection among relevant personnel through regular training and exchanges, ensuring that every employee becomes a guardian of the Company's innovation achievements and intellectual asset.

As a globally operating enterprise, we actively develop an overseas IPR defence system. We have selectively reviewed high-value patents in key fields such as TVs, mobile phones, and tablets, and filed 29 patent applications under the Patent Cooperation Treaty (PCT), further bolstering the technical competitiveness of our products in the international market.

Measures for Protecting Self-developed IPRs

IPR information management records	• Keep clear records of the types of rights involved in each product and the protection period and uphold IPRs in a timely manner.
Infringement search	• Conduct IPR clues mining to safeguard our legitimate IPRs on a global scale independently or in cooperation with external law firms.
Patent litigation	• In response to infringement, issue infringement warning letters or file appropriate lawsuits for severe violations according to the *Regulation of the Patent Litigation and Patent Licensing Case Management*.
Improving the awareness of safeguarding rights	• Conduct rights-safeguarding training for front-line product personnel and sales teams, carry out activities such as Q&A and intellectual property system publicity according to the needs of departments, and promptly report external suspicious infringing clues which will be followed up and evaluated by the legal and compliance department.
Patent application	• Join the patent pool launched by international patent licensing platforms such as Avanci[14] and Sisvel[15], and obtain certain patent licensing benefits, which can effectively reduce R&D costs to a certain extent.

[14]Avanci is an independent provider of patent licensing solutions that works at the intersection of different industries to provide patent licensing of efficiency, convenience, and predictability.
[15]Sisvel is a company that provides licensing solutions and patent pools for the delivery of cutting-edge technologies.

Infringement Risk Management

TCL Industries consistently regards intellectual property management as a critical component of stable corporate development. We strictly standardise the patent risk assessment procedures both before and after the launch of products. Based on scientific and rigorous assessment results, we devise and implement targeted countermeasures to ensure full compliance with intellectual property requirements throughout the entire product lifecycle from R&D to marketing. Meanwhile, we attach great importance to intellectual property management across the supply chain. We enforce strict intellectual property regulations and conduct close supervision over suppliers to effectively mitigate infringement risks and ensure the healthy and stable growth of the industry chain.

Measures for IPR Infringement Risk Management

Investigation of IPR risks throughout the product lifecycle

- For products slated for release or market entry, perform global patent searches based on their technical proposals to evaluate potential infringement risks.
- Perform intellectual property guarantee reviews during the procurement of products.
- Review third-party deliverables for potential IPR infringements.
- For products already released, urge contract compliance in business activities and provide a copyright complaint guide on the collaboration product page.

IPR risk management in the supply chain

- Clearly specify IPR protection provisions in procurement agreements signed with suppliers or contractors, requiring them to ensure that the products or services provided to us do not infringe upon any third-party IPRs or other legal rights.
- Upon receiving any complaints regarding a supplier's infringement, we will rigorously confirm the supplier's liability clauses according to the *Implementation Rules for Supplier's Responsibilities* to ensure suppliers take responsibility for their actions and protect others' IPRs.

Facilitating Industry Development

TCL Industries is dedicated to fostering industry innovation and upgrading by actively participating in the development of industry standards, promoting industry partnerships, and strengthening collaborations between industry, academia, and research institutions. These efforts continually inject vitality into both the Company's and the industry's sustainable development.

Industry Exchanges and Cooperation

TCL Industries always upholds the development philosophy of "openness, cooperation, and win-win results". We have established close partnerships across various sectors, signing strategic cooperation agreements with renowned companies such as Tencent, Maersk Group, and SGS. Additionally, we have joined multiple industry associations, including the Open Link Association (OLA), the Connectivity Standards Alliance (CSA), the China Household Electrical Appliances Association, the China Association for Standardisation, and the Huizhou Industrial Design Association, to collectively explore new pathways for innovative development.

Case: Active Participation in the Consumer Electronics Show (CES) 2025

In January 2025, CES 2025 was successfully held in Las Vegas, USA. As a global leading brand, TCL Industries showcased over 100 innovative technological achievements across 25 categories in areas including the intelligent IoT ecosystem. We received multiple accolades, such as the CES Innovation Award and the "Best of CES", highlighting our persistent efforts and breakthroughs in our established areas of expertise, alongside our forward-thinking strategies in emerging domains.

- TCL Industries' Booth at CES 2025

Development of Industry Standards

Leveraging its profound technical expertise, extensive industrial experience, and acute industry insights, TCL Industries has been deeply involved in the development of national, industry, and group standards. It has set a benchmark for the industry and contributed to its high-quality development.

Release of Standards Co-developed by TCL Industries in 2024

Standard Name	Standard No.	Standard Type
Audio, video, and related equipment—Determination of power consumption—Part 2: Test signals and media	GB/T44021.2-2024	National standard
Audio, video, and related equipment—Determination of power consumption—Part 2: Television sets	GB/T44021.3-2024	National standard
Industrial internet platform—Technical requirement and testing methods—Part 2: Industrial PaaS platform	GB/T 44067.2-2024	National standard
Particular requirements for refrigerating appliances, ice-cream appliances and ice-makers	GB/T 4706.13-2024	National standard
Household and similar electrical appliances - Safety - Particular requirements for washing machines	GB/T 4706.24	National standard
Technical requirements and test methods for volatiles from household and similar electrical appliances	QB/T 8053-2024	Industry standard
Reference architecture for digital and intelligent supply chain in the electronic information industry	AII/001-2024	Industry standard
General technical requirements for smart door locks in apartments and hotels	T/TJCA 0011-2024	Group standard
Technical requirements and testing methods for conference television	T/CVIA 147-2024	Group standard
Anti-aging model and evaluation specification of aging performance of file system for smart television	T/TAF 234-2024	Group standard
The technical requirements of copper tube for hermetic motor-compressors for refrigerators	T/CHEAA 0032-2024	Group standard
Two-dimensional bar code rules for nameplate of hermetic motor-compressors for refrigerators	T/CHEAA 0033-2024	Group standard
Technical specifications of recycled plastics for household electrical appliances	T/CHEAA 0034-2024	Group standard
Polyamide materials for the anticorrosive coating of metal tubes in household and similar electrical appliances	T/CHEAA 0035—2024	Group standard
Micro or nano imprinted colour crystal decorated tempered glass	T/CHEAA 0036-2024	Group standard
The sound quality of household and similar refrigerating appliances Part 1:Terms and definitions	T/CHEAA 0040.1—2024	Group standard
The sound quality of household and similar refrigerating appliances Part 2: Guideline for subjective assessment	T/CHEAA 0040.2—2024	Group standard
Technical requirements and test method for household refrigerator magnetic field preservation	T/CITS 0012-2024	Group standard

Industry-University-Research Cooperation

To advance the integration of industry, university, and research, TCL Industries has forged deep collaborations with leading universities and research institutes in the industry, leveraging our industrial expertise to empower cutting-edge technology research and facilitating the commercialisation of scientific research achievements through high-quality platforms. Additionally, we have partnered with prestigious institutions such as Nanjing University, Sichuan University, and Hunan University to establish a TCL university talent training base, aiming to foster high-calibre talents and create a mutually beneficial ecosystem where academic and corporate resources reinforce each other.

Key Achievements in Industry-University-Research Cooperation

Cooperation with colleges and universities

- The Mobile Phone BU collaborates with Zhejiang University to upgrade the "NXTPAPER ecosystem", delivering anti-glare screens, natural and comfortable display, and "zero blue light".
- The Smart Mobile Display BU partners with Tianjin University to advance "projection lens imaging", boosting the image quality competitiveness of LCD projection products.
- The Pan-smart Screen BU teams up with Zhejiang University to develop the "Colour Appearance Model Phase II", ensuring colour consistency from different colour gamuts in TVs to improve users' image quality preferences.

Cooperation with industry

- The Smart Mobile Display BU collaborates with (CNBM) Bengbu Design & Research Institute for Glass Industry Co., Ltd. to explore the microstructure of cover glass, enhancing display clarity and eye protection.
- White Household Appliance BU works with Kingfa Sci. & Tech. Co., Ltd. to establish a New Material Joint Innovation Centre, aiming to advance polymer materials used in home appliances towards greener, low-carbon, health-conscious, environment-friendly, and higher-performing solutions.

Sustainable Approach

Building a Green and Ecological Home

IConfronted with escalating environmental challenges and resource constraints, TCL Industries has consistently embedded green development principles throughout its corporate management and operations. We rigorously monitor and mitigate the environmental impact of our business activities, drive efficient utilisation of energy and resources, and are fully committed to establishing an ecological system characterised by green development, low-carbon practices, and harmonious coexistence.

- Environmental Compliance Management
- Optimising Resource Utilisation
- Strengthening Pollution Prevention and Control
- Contributing to the Circular Economy
- Safeguarding Ecological Health

Environmental Compliance Management

TCL Industries strictly complies with the *Environmental Protection Law of the PRC*, the *Law of the PRC on the Prevention and Control of Atmospheric Pollution*, and other relevant environmental laws and regulations in its operating regions. We timely and accurately disclose environmental protection information and proactively accept supervision and evaluation from all sectors of society, ensuring the effectiveness and scientific rigour of our environmental management system. We have formulated environmental management strategies in accordance with the ISO 14001 environmental management system. Our BUs have developed internal systems such as the *Environmental, Occupational Health and Safety Management Manual of Pan-smart Screen BU*, the *EHS Monitoring and Measurement Management Specification,* the *Social Responsibility Management Specification of TCL Communication*, the *Comprehensive Management Manual,* the *Environmental Factor Identification and Evaluation Control Procedure*, and the *Environmental Management System Operation Control Procedure*, based on their respective business characteristics. Thus, the environmental protection requirements of each link of production and operation are clearly specified.

Management and Control of Environmental Risks

TCL Industries strictly controls major environmental factors, standardises emergency management processes, and organises drills regularly. The Pan-smart Screen BU, Mobile Phone BU, White Household Appliance BU, Air Conditioning Business Unit, and other BUs under the Company actively develop emergency plans to improve response speed and coordination capabilities in the face of environmental emergencies, enhance their ability to handle such incidents, and strive to minimise environmental impact.

Key Measures for Environmental Risk Management and Control

Pan-smart Screen BU

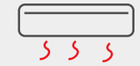
- olicy development: Draft and disseminate the *Environmental Factor Identification Specification*.
- Risk assessment: Identify and assess environmental risk factors based on the stipulated process, and formulate and implement control measures for significant environmental factors.
- Emergency response mechanism: Prepare and file an emergency response plan for unexpected environmental incidents every three years, with the latest update completed in 2024; conduct annual drills for wastewater, waste gas, hazardous waste, and chemical leak incidents to ensure effective and timely prevention of environmental pollution in case of accidental events.

Mobile Phone BU

- Policy development: Develop and issue the *Environmental Emergency Response Plan for Huizhou TCL Mobile Communication Co., Ltd.* to safeguard personal safety within the Company, minimise property damage, and ensure a swift, efficient, and orderly response to accidents.
- Emergency response mechanism: Conduct regular drills under the aforementioned plan to ensure staff are aware of their duties, familiar with emergency response tasks, and remain composed and apply appropriate methods in the event of an incident.

Air Conditioning Business Unit

- Risk assessment: Establish a professional team to evaluate environmental risks throughout the product lifecycle, including raw materials, production, transportation, and recycling. Such risks are associated with refrigerant impacts, energy consumption and emissions, packaging, transportation, and recycling-related pollution.
- Preventive measures: Reinforce environmental requirements for raw materials by selecting appropriate materials and signing agreements with suppliers; introduce advanced process equipment and conduct real-time emissions monitoring; oversee transportation and recycling, promote the use of environment-friendly packaging and new energy vehicles, and improve the refrigerant recycling system.
- Emergency response mechanism: Develop plans for environmental emergencies such as leaks, fires, explosions, and natural disasters, clearly defining responsibilities and regularly organising drills to ensure effective responses.



White Household Appliance BU

- Emergency response mechanism: Annually develop an environmental contingency plan and conduct emergency drills according to this plan.
- Response procedures: If an alarm is received but no incident has occurred, issue a warning and take preventive action accordingly, and then adjust or lift the warning based on the situation. If an alarm is received during an incident, follow established procedures to implement emergency response measures immediately.

Environmental System Certification

Based on environmental system certifications, we thoroughly evaluate and refine our internal operational processes to precisely identify potential environmental risks and challenges. This allows us to develop more reasonable and viable response measures, ensuring that our ESG practices align with international standards and meet the expectations of stakeholders.

As of the end of this Year

subsidiaries had obtained ISO 14001 environmental management system certification	had achieved ISO 50001 energy management system certification	This Year, major environmental pollution incidents in TCL Industries
25	**7**	**None occurred**

Enhancement of Environmental Awareness

TCL Industries views the enhancement of environmental awareness as a pivotal driver for sustainable development. We have organised a variety of environmental protection activities and training programmes to ensure that the philosophy of environmental protection is deeply instilled. We encourage employees to actively practise this philosophy, striving together to create a green enterprise.

Case: Environmental Protection Training by Pan-smart Screen BU Enhances Awareness Among All Employees

In 2024, the Pan-smart Screen BU actively developed publicity and training schemes focused on low-carbon green development, product *RoHS* compliance, and other aspects of energy conservation and environmental protection, and carried out relevant activities among all staff through T-Academy, on-site posters, special training, and TLink. Such activities helped raise environmental awareness among employees and motivated them to participate in energy-saving and emission-reduction activities, ultimately fostering a culture of widespread participation.

- Diversified Environmental Protection Activities

Case: Tonly Technology Conducts Resource Conservation Awareness Campaign

To protect natural resources, maintain ecological balance, ensure environmental sustainability, and enhance employees' water conservation awareness, Tonly Technology designed water and electricity conservation posters, which were displayed in canteens, dormitories, and public areas frequently used by employees. This effort achieved significant promotional results, resulting in a noticeable reduction in water wastage.

From 22 to 28 March 2024, to echo the theme of the UN's World Water Day— "Leveraging water for peace", Tonly Technology launched a campaign themed "using water resources meticulously and managing water resources rigorously", alongside a joint campaign with Zhongkai Hi-tech Industrial Development Zone under the theme "Join Us in Building a Water Efficient Zhongkai". Promotional videos and slogans were displayed on digital screens across canteens, factory gates, and other public areas, effectively fostering a company-wide culture of water conservation.

- Water Conservation Poster

Case: Air Conditioning Business Unit Drives Green Consumption Through Multiple Channels

The energy conservation and environmental protection initiatives in the air conditioning industry play a pivotal role in mitigating the energy crisis and reducing environmental pollution. The Air Conditioning Business Unit has actively responded to energy conservation and emission reduction policies. Through online campaigns, offline promotions, and targeted training programmes, it has achieved remarkable results in enhancing public environmental awareness and promoting green products and concepts.

Online publicity	Leverage official websites and social media platforms to regularly share posts on energy-saving and environmental protection knowledge, increasing public awareness of energy conservation and environmental initiatives. Highlight the Company's achievements in green production, energy conservation, and emission reduction to enhance public recognition of the eco-friendly concepts associated with air conditioners
Offline publicity	Establish dedicated environmental protection promotion areas in major sales stores, displaying energy-saving and environmental protection brochures and posters to educate consumers about the features and advantages of energy-saving air-conditioning products, and guide them to choose eco-friendly products
Distributor training	Introduce the Company's eco-friendly products and policies to distributors, provide training on energy-saving features and sales strategies of the products, encourage distributors to advocate energy-saving and environmental protection concepts to consumers during the sales process, and work together to promote green consumption

Case: Homa Appliances Actively Conducts Environmental Management Training and Green Culture Promotion

Homa Appliances regularly conducts training sessions on environmental management standards for its employees. By promoting the environmental emergency response plan system and the management process for pollutants and wastes, the company standardises employees' environmental management work and strengthens their ability to respond to emergency incidents.

In addition, Homa Appliances disseminates environmental protection knowledge and fosters a sustainable development atmosphere where everyone participates by sending promotional videos advocating green culture within the company.

- Homa Appliances' Promotional Video Clip for the World Environment Day

- Homa Appliances' Green Culture Promotional Video

Optimising Resource Utilisation

Energy Management

At the operational level, we strictly comply with laws and regulations such as the *Environmental Protection Law of the PRC*, the *Energy Conservation Law of the PRC*, and the *Measures for the Administration of Industrial Energy Conservation*. Additionally, we have established a series of internal policies, including the *Measures for Supervision and Management of Energy Use*, the *Energy Management Regulations*, the *Energy Management System Manual*, and the *Management Procedures for Energy Objectives*, *Indicators,* and *Control Plans*. In line with ISO 50001 requirements, we have continuously refined our energy management system. Each BU has clearly defined its energy management objectives, as well as the scope of authority and responsibility, streamlined internal management processes, monitored key management nodes, conducted regular energy monitoring and inspections, and implemented energy consumption assessments for critical equipment zones, ensuring that our energy management remains scientific, systematic, and effective.

We conduct regular energy monitoring and inspections, actively engage in energy efficiency diagnosis, and employ professional technical analysis and evaluation methods to support the achievement of energy conservation and emission reduction targets, thereby ensuring compliance and efficiency in energy use. We continuously promote the implementation of energy management measures, constantly improving the quality and efficiency of energy utilisation through extensive actions in four key areas: management-led energy saving, technology-based energy saving, optimisation of energy structure, and raising awareness of energy conservation.

Key Measures for Energy Management

Management-led energy saving

- Introduce an intelligent energy management system for real-time energy consumption monitoring during the production process, and adjust equipment parameters based on production requirements to prevent energy waste.
- Develop a comprehensive energy resource utilisation plan to ensure rational allocation and optimal efficiency of these resources.
- Perform self-assessments of energy metering to enhance energy measurement management and reinforce conservation efforts by evaluating energy utilisation performance and the allocation of related personnel and equipment.
- Conduct third-party energy audits to identify barriers to energy efficiency and root causes of wastage, assess potential energy saving opportunities, and propose corrective measures.
- Enhance energy conservation measures in daily operations venues such as meeting rooms, workspaces, and exhibition halls, rigorously enforcing scheduled shutdowns of lighting, air conditioning, computers, and other appliances to prevent energy waste, thus ensuring that energy is used efficiently and judiciously.

Technology-based energy saving

- Equipment upgrade: Promptly phase out and upgrade outdated equipment to more energy-efficient and environment-friendly equipment. This includes replacing variable-frequency air compressors, optimising variable-frequency injection moulding machines, refrigeration dryers and other production equipment, as well as promoting the adoption of energy-saving technologies and equipment such as variable-frequency motors, air conditioners, and high-gloss injection moulding machines.
- Energy-saving transformations: Implement energy-efficient technical upgrades, such as transforming air compressor systems, updating traditional injection moulding machines with servo ones, upgrading central air conditioning systems, and converting to LED lighting.

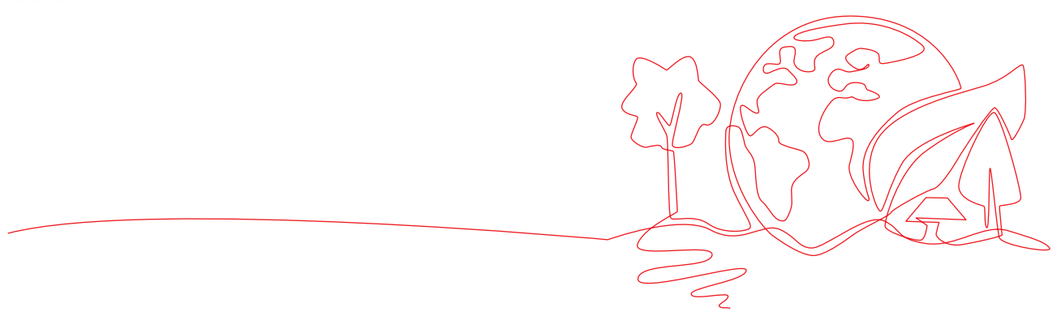
Optimisation of energy structure

- Vigorously advance the construction of photovoltaic power stations to increase the share of renewable energy usage and lessen reliance on traditional fossil fuels.
- Proactively develop photovoltaic energy storage projects to effectively mitigate the impact of peak-period power restrictions on corporate production and operations.
- Intensify efforts to procure green electricity, proactively purchase clean energy, and lower the proportion of high-carbon-emitting energy consumption.

Raising awareness of energy conservation

- Through targeted training and active engagement on the TLink platform, we seek to elevate employees' environmental awareness, encouraging their participation in energy-saving and emission-reducing initiatives. This approach fosters a positive atmosphere of collective involvement.

At the societal level, we leverage our expertise in photovoltaic technology, financial services, and other fields to actively advance energy conservation and carbon reduction efforts across society. In 2024, TCL Photovoltaic Technology achieved exceptional results, with the total shipment of photovoltaic business exceeding 6 GW, generating 3 billion kWh of green electricity and achieving a direct carbon reduction contribution of 1.61 million tonnes. Throughout the Year, the company provided new energy services to over 130 enterprises and more than 0.13 million rural households, taking concrete actions to support society in achieving energy conservation and carbon reduction goals and making substantial contributions to green development. TCL Financial Service is a brand offering digital solutions for the upstream and downstream of the distributed photovoltaic industry chain. Centred on the investment, financing, management, and divestment of power stations, it connects investors, platforms, farmers, and service providers to create a one-stop integrated management platform for residential photovoltaic systems, driving the sustainable development of the photovoltaic business. Its subsidiary, TCL Financial Leasing (Zhuhai) Co., Ltd., secured a total financing of RMB 350 million in 2024 for customers investing in the construction of industrial and commercial photovoltaic power stations and energy storage power stations. This corresponds to a total photovoltaic power station capacity of 145 MW, injecting strong momentum into the growth of green industries through innovative financial solutions.



Water Resources Management

To regulate water resources management and build a water-saving enterprise, we adhere strictly to the *Water Law of the PRC*, the *Water Pollution Prevention and Control Law of the PRC*, and the *Energy Conservation Law of the PRC*, among other relevant laws and regulations. In alignment with these laws and regulations, we have established and enforced internal policies such as the *Environmental Protection Management System*, the *Regulation on Water Resources Management*, and the *Regulation on Water Conservation Management*, which clearly outline the requirements for managing production and domestic water. We have sorted out the procedures for essential processes like wastewater treatment and monitoring statistics, and simultaneously promoted water-saving awareness among all stakeholders. By doing so, we aim to establish a sustainable management mechanism that ensures the effective implementation of water resources management initiatives.

In 2024, TCL Industries encountered no issues related to the acquisition of applicable water sources. We are continually refining our water usage management mechanisms across various sectors and have developed tailored water efficiency metrics for different BUs or departments. We have incorporated key indicators, such as per capita water consumption in factories, into performance assessments, linking water conservation with business performance to establish a closed-loop management model of "standard, monitoring, and assessment". This promotes comprehensive enforcement of water conservation responsibilities, ensuring the sustained achievement of the goal of efficient water resource utilisation.

Key Measures for Water Resources Management

Industrial water management

- Utilise the online water metering management system to monitor the water usage of each unit in real time and promptly identify and address units with abnormal water usage.
- Actively facilitate the upgrade of production techniques, such as phasing out the spray painting technique in favour of the high-gloss injection moulding technique, as well as implementing recycled water cooling systems, thereby reducing water consumption.
- Continuously optimise water valve controls and enhance wastewater recycling from injection moulding part washing to maximise production water efficiency.
- Achieve zero discharge of industrial wastewater to ensure that all treated wastewater can be reused, and ultimately, responsibly disposed of by professional third parties as hazardous waste.

Domestic water management

- Intelligent drinking water control systems are installed, which use reverse osmosis technology to filter tap water. The purified water is delivered to the end of the pipelines via the direct drinking system, while the wastewater is channelled into a reservoir for garden irrigation.
- Water from the rice-washing process in the canteen is reused for secondary purposes, such as floor cleaning. This practice enhances water resource recycling and increases the water reuse ratio.
- The domestic sewage and rainwater drainage systems are separated. All discharged water must undergo preliminary treatment (e.g., screening and sedimentation) before being sent to wastewater treatment plants. The treatment process must comply with the relevant standards specified in the *Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant* and the *Discharge Limits of Water Pollutants*.

Promoting water-saving awareness among stakeholders

- Organise regular environmental protection training and water-saving improvement meetings for employees, and raise employees' awareness of water conservation through publicity and educational campaigns.
- Collaborate with suppliers, request water resources utilisation reports from them, and work together to implement water conservation measures.
- Promote water-saving products to customers through outreach and campaigns, encouraging rational water use.
- Collaborate with local governments, environmental organisations, and other stakeholders to participate in water resources protection projects and policy-making, making joint contributions to water resources management.

Strengthening Pollution Prevention and Control

Air Pollutant Management

Adhering to laws and regulations such as the *Law of the PRC on the Prevention and Control of Atmospheric Pollution*, the *Emission Limits of Air Pollutants,* and the *Emission Standard of Volatile Organic Compounds for Furniture Manufacturing Operations*, TCL Industries has devised internal policies such as the *Regulations on the Management of Air Pollution Prevention and Control*. We are committed to developing an integrated prevention and control system encompassing "source prevention, process control, and end-of-pipe treatment". We have also leveraged an intelligent monitoring platform for real-time emission oversight. Furthermore, we are striving to achieve precise management and control throughout the entire process, from production optimisation to end-of-pipe emission control, thereby strictly mitigating the negative impacts of air pollutants.

- **Source prevention:** We are proactive in adopting advanced clean production technologies and processes. This includes the gradual replacement of the VOC-emitting spray painting technique with the high-gloss injection moulding technique and the use of enclosed spaces (including closed hoods) in conjunction with negative pressure for front-end exhaust collection. Additionally, we regularly inspect and maintain exhaust gas treatment facilities and equipment to ensure their stable and reliable operation, thereby striving to minimise pollutant generation at source.
- **Process control:** We have established stringent emission standards and monitoring systems to ensure real-time monitoring of pollutant emissions during the production process. We also make timely adjustments to production parameters to optimise emission performance. Simultaneously, we proactively optimise production processes, such as reducing the use of spray painting and screen-printing techniques to ensure effective control of pollutant emissions throughout the production process. Furthermore, we employ electrostatic oil removal for canteen exhaust fumes and utilise activated carbon adsorption alongside catalytic combustion for spray exhaust to decrease the concentration of exhaust gas components, thereby lowering overall emissions.
- **End-of-pipe treatment:** We implement stringent and efficient exhaust gas treatment measures to ensure that all pollutants are discharged per standards. Simultaneously, significant resources are invested in the construction and operation of exhaust gas treatment facilities, including the use of methods such as "water spray + activated carbon adsorption & concentration + catalytic combustion" for back-end exhaust gas treatment, and the launch of special initiatives to tackle VOCs thus ensuring that pollutants released into the atmosphere are minimised. Moreover, we regularly commission third parties to conduct emissions testing for exhaust gases and noise, ensuring that the results comply with specified standards.

- Exhaust Gas Treatment Facilities of Tonly Technology

Waste Management

TCL Industries has established and enhanced a comprehensive waste management system. In alignment with the *Law of the PRC on the Prevention and Control of Environment Pollution Caused by Solid Wastes*, the *Standard for Pollution Control on Hazardous Waste Storage,* and other relevant laws and regulations, we have devised internal policies such as the *Regulations on Pollution Control and Management of Solid and Liquid Waste*, the *Regulations on the Prevention and Control of Waste Pollution*, the *Management Plan for Hazardous Waste*, the *Regulations on the Management of Hazardous Chemicals*, and *TCL Air Conditioning Hazardous Waste Management System*. These policies provide detailed and specific guidance on the classification, recycling, and reuse of waste. Additionally, they outline the action plans aimed at achieving pollution control objectives and identify the resources allocated for implementing these plans, ensuring the entire management process is standardised and effective.

In daily production and operation, we build a closed-loop waste management system through the four key stages of "source reduction, separate collection, recycling and treatment, and monitoring and assessment" to effectively reduce the impact of waste on the environment.

- **Source reduction:** To minimise waste generation, we have improved product design and production processes, such as adopting high-gloss injection moulding techniques and using recyclable packaging materials to reduce waste at source.
- **Separate collection:** We have established waste collection systems categorised into recyclable and non-recyclable types, utilising tools such as ledgers to promote the Company's clean treatment and effective recycling of waste. We have set up a dedicated waste collection area equipped with separate collection containers to ensure that all types of waste are properly collected, registered, transferred, and disposed of.
- **Recycling and treatment:** Through internal recycling and external collaborations, we ensure that waste that cannot be recycled is handled properly through partnerships with qualified waste disposal organisations. Moreover, we encourage employees to partake in waste reduction and recycling initiatives to enhance resource recovery rates.
- **Monitoring and assessment:** We have established a periodic monitoring mechanism and engaged professional organisations to conduct comprehensive inspections and assessments on workplace environments, solid waste, and hazardous chemical management, thereby ensuring the standardisation and effectiveness of waste management practices.

Hazardous or Dangerous Waste Reduction Measures

Source control

- Purchase non-toxic or low-toxicity, easily degradable, and recyclable materials to reduce the generation of hazardous waste at source.
- Phase out outdated production techniques, and adopt more environment-friendly and efficient technologies and equipment to reduce waste generation and its harms.
- Engage in clean production, use clean raw materials, energy, and other resources, and conduct recycling in workshops to reduce pollutant emissions.

Process management

- Strictly confirm the properties of all hazardous waste entering storage, such as electronic waste. Ensure correct classification and labelling of hazardous materials, and effectively organise their collection, storage and transfer. Proactively employ preventive measures to avert the leakage of hazardous wastes.
- Regulate the management of chemicals and waste during the production process of air conditioners and other products to prevent leakage and improper disposal that could contaminate the soil. Implement stringent controls over the recycling and treatment of obsolete products to prevent harmful substances from entering the soil.

Risk prevention and control

- Take pollution prevention and control measures, including devising emergency response plans, establishing risk control lists, increasing inspection frequency, and strictly clamping down on illegal transfers and disposals.

Compliant disposal

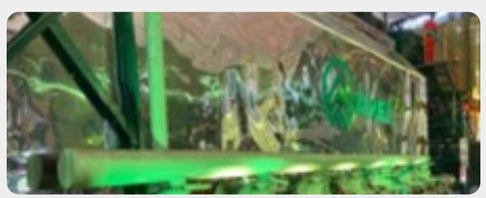
- Sign contracts with qualified third parties to ensure that the transfer of hazardous waste complies with the requirements of the *Management Measures for Hazardous Waste Transfer Forms*, and a *Hazardous Waste Transfer Form* must be issued.

Awareness enhancement

- Enhance training on environmental laws and regulations and hazardous waste management to enhance environmental law compliance awareness among management and employees.

Case: Innovative Waste Management at the Brazilian Factory

The Brazilian factory has implemented a range of innovative strategies in waste management, significantly reducing waste production and its environmental impact. The Brazilian factory utilises equipment to compact cardboard and plastic waste, thereby reducing the volume of waste requiring transportation to its final destination. Concurrently, hazardous waste is directed to a carbonisation process, an innovative solid waste treatment technology capable of transforming residuals and waste into resources for power generation, thereby achieving the effective resource utilisation of waste. Additionally, plastic waste from the IAC (Automatic Component Insertion) area, which originally required incineration, is separated for recycling. Through a series of innovative initiatives, not only has waste generation been significantly reduced, but resource recycling rates have also improved, thereby making a positive contribution to environmental protection and sustainable development.



- Carbonisation Process

- Product Generated (Coal)

Contributing to the Circular Economy

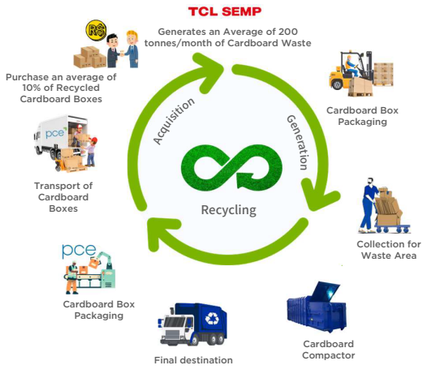
Developing a circular economy is a crucial approach to enhancing ecological environmental quality and an inherent requirement for driving the transformation of the economic growth model, while fostering new economic growth drivers. TCL Industries actively responds to the national plans and strategies for promoting the circular economy. Guided by the principle of "reduction, reuse, and recycling", we strive to achieve efficient resource circulation and maximise resource value across the entire production chain, aiming to expand and strengthen the circular economy industry, thereby contributing to the development of a circular society.

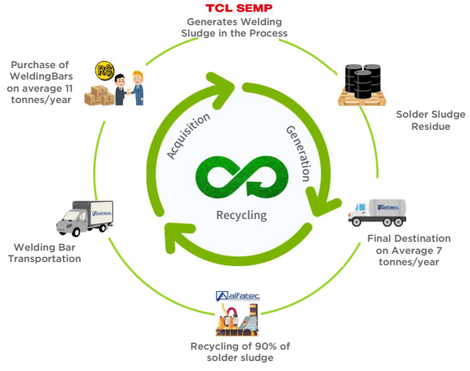
Key Measures for Circular Utilisation of Resources in Operations

Waste recycling and reuse

We manage various types of waste generated during the production process by engaging third parties for compliant disposal according to internal regulations. We collaborate with recycling enterprises to establish stable supply channels for secondary raw materials and appropriately increase the proportion of recycled materials used in production.

In the Latin American market, the Brazilian factory collaborates with downstream recyclers to reclaim waste such as cardboard and solder sludge from the production process, achieving 100% recycling of cardboard waste and recovering 90% of solder sludge for reuse in production activities.





- Waste Recycling Process at the Brazilian Factory

Water resource recycling

- We configure intelligent drinking water control systems and use reverse osmosis technology to filter tap water. The ratio of purified water to wastewater is maintained at 1:1. The purified water is delivered to the end of the pipelines via the direct drinking system, while the wastewater is channelled into a reservoir for garden irrigation. The Mobile Phone BU recycled 4,167 m^3 of water in 2024;
- We implement water-saving or recycled water cooling systems, including centrifugal chillers and reflow furnace cooling systems, to create a closed-loop chilled water cycle.

Internal circulation of materials

- Turnover pallets and boxes, and the like, are circulated within the intra-factory production process, helping to enhance production, storage, and transportation efficiency, while reducing resource waste and improving resource utilisation efficiency.

At the value chain level, we fully leverage our leading role by establishing close cooperative relationships with upstream and downstream enterprises. We require upstream suppliers to promote the efficient use of materials such as packaging, guide downstream distributors and consumers in product recycling, and jointly inject strong momentum into the thriving development of the circular economy, driving the industry toward a new stage of circular and sustainable development.

Case: The Mobile Phone BU Collaborates with Suppliers to Carry Out the "Carton Recycling Programme"

In 2024, the Mobile Phone BU collaborated with suppliers on the "Carton Recycling Programme", aimed at reducing waste generation and resource wastage through the reuse of packaging materials during transportation, thereby promoting the sustainability of the supply chain. Going forward, we will continue to enhance collaboration with suppliers, seek out innovative models for sustainable growth, and actively contribute to achieving the "carbon peaking and carbon neutrality" goal.

- Recyclable Carton

At the societal level, we leverage our business advantages to actively serve various sectors of society in promoting resource recycling. Its subsidiary, TCL Environmental Technology, specialises in the recycling and reuse of waste resources. Upholding the vision and mission of "facilitating technology-enabled resource recycling and fostering a harmonious coexistence between humans and nature", it has established an innovative business model encompassing "recycling of electrical and electronic products, cascade utilisation, appliance dismantling, and material regeneration". Cumulatively, it has recycled and processed 45.15 million discarded electrical and electronic products and recovered 1.1 million tonnes of renewable materials such as metals, plastics, and glass, while reducing GHG emissions by over 1 million tonnes. In 2024, Shenzhen TCL Environmental Technology Co., Ltd. recycled waste packaging materials discarded by upstream companies and directly supplied the regenerated finished products to downstream packaging material companies, achieving a recycling volume of over 8,000 tonnes of waste.

Discarded electrical and electronic products recycled and processed

45.15 million units

Renewable materials recovered (e.g., metals, plastics, glass)

1.1 million tonnes

GHG emissions reduced over

1 million tonnes

Safeguarding Ecological Health

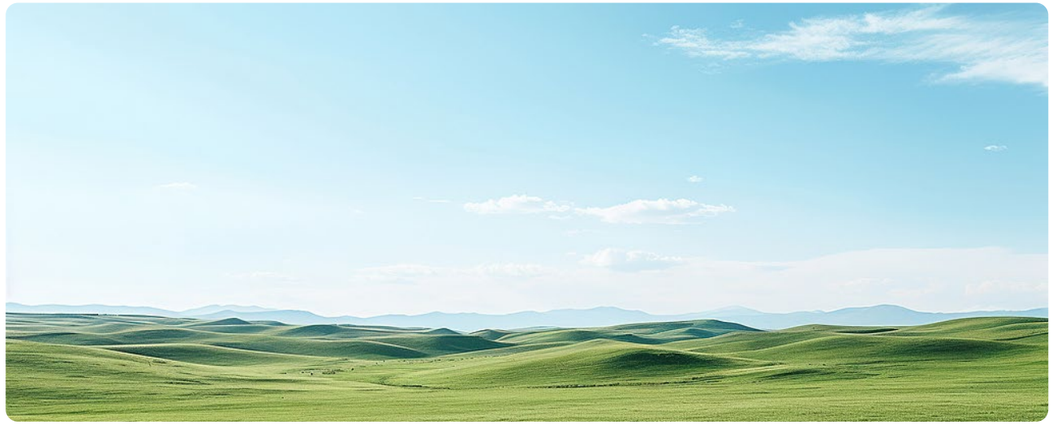
Biodiversity is the cornerstone of the planet's health, human well-being, and economic prosperity. TCL Industries actively supports international initiatives such as the *Convention on Biological Diversity* and responds to the country's key strategic plans to enhance the diversity, stability, and sustainability of ecosystems. Its subsidiaries and factories have extensively implemented biodiversity conservation measures, striving to create a beautiful home where humanity and nature coexist harmoniously.

Case: TCL Air-Conditioners Builds a Top-level Design for Biodiversity

TCL Air-Conditioners has incorporated biodiversity conservation into its corporate strategies and policies, striving to reduce negative impacts on ecosystems in every aspect of its production and operations while actively exploring opportunities for ecological preservation. It follows the sequence of "avoidance, minimisation, restoration/rehabilitation, compensation or offset" when formulating actions: In the project planning stage, priority is given to avoiding production activities in biodiversity-sensitive areas. If avoidance is not possible, production processes and layouts are optimised to minimise impacts on the ecological environment. For areas that have already been affected, active ecological restoration measures are taken to rehabilitate the environment.

In 2024, TCL Air-Conditioners conducted a comprehensive resilience assessment of its current business model and strategy concerning physical, transitional, and systemic risks associated with biodiversity and ecosystems, covering multiple aspects of its own operations and upstream and downstream value chains. The assessment concluded that over the next 5-10 years, TCL Air-Conditioners' strategy and business model demonstrate a certain degree of resilience toward risks related to biodiversity and ecosystems:

- At the operational level: By continuously investing in technological innovation and environmental protection, the negative impact on ecosystems in its operations has been reduced;
- At the value chain level: By collaborating with upstream and downstream partners to promote green supply chain development, the overall resilience of the value chain has been enhanced. However, the ecological fragility of some raw material supply regions poses certain challenges, and rapid policy changes introduce pressures for transformation.



TCL Industries has an extensive global business footprint. Its overseas subsidiaries place a high priority on biodiversity conservation. By protecting vegetation around production and operation sites and raising awareness, they collaborate with internal and external stakeholders to safeguard ecological health.

Case: The Brazilian Factory Implements Diverse Measures to Protect Biodiversity in Surrounding Areas

The Brazilian factory is located in a region rich in biodiversity, surrounded by a variety of animal and plant species, including vulnerable species listed on the International Union for Conservation of Nature (IUCN) Red List of Threatened Species, such as Pau-Brasil and Ipê Amarelo.

To promote collective participation in biodiversity conservation, the Brazilian factory has actively launched the Pau-Brasil Project, distributing plant seeds to nearby businesses to support the protection and reproduction of species. Additionally, it has organised the Nossa Neighborhood Project and the Did You Know? Project, aiming to enhance internal and external stakeholders' understanding of issues such as deforestation, vegetation protection, and climate change, thereby promoting long-term enhancement of awareness.

- Nossa Neighborhood Project—Getting to Know Our Animal "Neighbours"

- Did You Know? Project—Climate Change

Win-Win Approach

Collaborating to Build a Harmonious Society

TCL Industries upholds the development philosophy of win-win cooperation. Internally, we standardise employee employment practices by adhering to the guiding principle of “respecting, treasuring, cherishing and employing talents”, focusing on the growth and development of employees while protecting their rights and interests, and providing an inclusive, harmonious, safe, and healthy working environment. Along the value chain, we optimise supplier collaboration and are committed to building a fair, transparent, environment-friendly, and sustainable supply chain management system while maintaining a strong brand reputation and corporate image. At the societal level, we continuously exert a positive influence and contribute to enhancing social well-being.

- Enhancing Health and Safety
- Protecting Employees’ Rights and Interests
- Dedicated Talent Development
- Strengthening Supplier Management
- Building an Inclusive Society

Enhancing Health and Safety

TCL Industries consistently places the health and safety of its employees as a top priority. By establishing a comprehensive work safety management system, it continuously strengthens occupational health protection for employees, conducts safety awareness training and emergency drills, and fosters a safe and orderly work environment.

Work Safety

TCL Industries complies with laws and regulations such as the *Work Safety Law of the PRC*, the *Emergency Response Law of the PRC*, and the *Measures for the Administration of Emergency Plans for Work Safety Accidents*. It implements the work safety policy of "Life First, Safety Foremost, Prevention as the Main Approach, and Comprehensive Governance" throughout its production and operations, continuously enhancing its work safety management standards.

Work Safety Management System

In alignment with its development needs and external regulatory requirements, TCL Industries has updated and revised several internal policies, including the *Management Measures for Key Safety Positions in the Supply Chain*, the *Management Measures for Safety Assessment*, the *Management Measures for Safety Practitioners*, the *Hazardous Chemicals Safety Management Regulations*, and *Procedures for the Reporting, Investigation and Handling of Work Safety Incidents*, to ensure the timeliness and effectiveness of internal policy guidelines for work safety. TCL Industries has established a work safety management framework with the Safety Management Committee, Safety Committee Office, and the Shenzhen Platform Safety Working Group ("Safety Group") as the core. This framework clearly defines responsibilities at various levels, ensuring coordinated efforts for the effective management of work safety.

TCL Industries' Work Safety Management Framework

Safety Management Committee	• Research, deploy, and guide safety management strategic planning • Put forward major guidelines and strategies for safety management • Solve the major problems in enterprise safety management
Safety Committee Office	• Provide suggestions on major guidelines, policies and important measures of production safety • Supervise and inspect the safety management of subsidiaries, organise and implement safety inspections, and urge the related parties to address and rectify potential hazards
Safety Group	• Develop annual work safety goals and fire safety plans for each centre/BU • Coordinate the implementation of tasks such as safety inspections, safety drills, and work safety training • Organise annual work safety evaluations along with corresponding rewards and punishments

TCL Industries' Work Safety Goals in 2024

Work Safety Goals	In 2024
Zero serious injuries or fatalities during the Year	Achieved
Zero fire accidents with a direct economic loss exceeding RMB 1 million	Achieved
Zero work safety accidents causing enterprise property losses exceeding RMB 1 million	Achieved

Strengthening Safety Risk Management and Control

TCL Industries has continuously strengthened the monitoring and management of work safety risks. Through rigorous inspection and identification of potential safety hazards, continuous monitoring of safety indicators at high-risk points, and organising safety emergency drills, the Company has improved its capability to govern and respond to safety risks. Furthermore, the achievement of safety goals is integrated into performance appraisals to ensure the effective implementation and advancement of related initiatives.

Inspection of potential safety hazards

- TCL Industries has conducted regular safety inspections and potential hazard investigations, producing a comprehensive weekly safety inspection report from the Safety Committee Office to promptly identify and rectify potential work safety hazards;
- TCL Photovoltaic Technology has effectively tracked and rectified the identified potential safety hazards. In 2024, it conducted 770 thorough safety inspections and achieved full rectification of all identified issues;
- TCL Environmental Technology has established a daily potential hazard inspection mechanism and implemented a reward system for employees to identify and address potential occupational health hazards;
- White Household Appliance BU has introduced safety inspections for equipment. In 2024, a total of 12 safety inspections were conducted, eliminating 750 potential safety hazards.

Safety inspection and monitoring

- The Pan-smart Screen BU has actively advanced digital and intelligent transformation for work safety. By introducing the LESS system, it enables dynamic risk monitoring, real-time warning, and automatic shutdown of operations upon detection of safety equipment anomalies, significantly strengthening work safety assurance;
- By leveraging the smart park system, TCL Air-Conditioners has increased the management coverage of all raw material suppliers and external contractors in the entire area to 100%, building a fully digitalised supervision and management system for environmental health and safety across the entire process;
- TCL Communication has conducted regular monitoring of work safety-related activities and metrics, including occupational health monitoring, occupational hazard site inspections, and fire protection equipment inspections, to evaluate and continuously improve the effectiveness of its safety management system;
- White Household Appliance BU has continued to enhance the monitoring of key indicators related to fire risks, mechanical injury risks, and explosion risks, while maintaining strict daily inspections of critical areas;
- Tonly Technology has organised weekly, monthly, and pre-holiday and post-holiday safety inspections for the resumption of work and production, as well as conducting specialised inspections on the storage and use of lithium batteries and hazardous chemicals.

Safety emergency drills

- TCL Communication has developed and implemented various safety emergency plans, including those for the storage and use of hazardous chemicals and those related to hazardous waste buildings. In 2024, it conducted a total of 12 company-wide emergency drills, with a total of more than 7,500 attendances;
- White Household Appliance BU has organised comprehensive emergency drills for factory areas and fire incidents, with more than 2,700 participants. It has also conducted emergency drills for administrative buildings and earthquakes, with approximately 340 participants.
- Tonly Technology has implemented special emergency drill plans for scenarios like falling objects and object strikes, completing a total of 96 such drills as planned. Additionally, fire emergency evacuation drills have been conducted every six months.

Safety performance assessment

- The Safety Committee Office has broken down the annual *Safety Management Objectives of the Company*, formulated the *Department-level Safety Management Key Performance Indicators Assessment Form*, and enforced the work safety management responsibility system across all levels in accordance with the *Safety Assessment Management Measures*. It has conducted quantitative evaluations for the performance of safety work in various departments to ensure the achievement of the Company's safety management objectives.

Promoting Work Safety Culture

TCL Industries places great emphasis on the development of an internal work safety culture and has devised annual safety training plans. The Company strengthens employees' work safety awareness through various safety publicity activities, including Fire Safety Month, Work Safety Month, fire safety park tours, and fire safety knowledge competitions. Additionally, specialised work safety training is conducted for personnel in professional positions to ensure employees master safe operation practices, thereby fundamentally supporting the realisation of work safety goals.

Occupational Health

In strict compliance with the *Law of the PRC on the Prevention and Control of Occupational Diseases*, the *Regulations on Work Related Injury Insurance*, and other relevant laws and regulations, TCL Industries has established internal policies, such as the *Operation Control Procedure for Occupational Health Management* and the *Environmental, Occupational Health and Safety Management Manual*, to continuously enhance the detection and assessment of employees' occupational safety risks, while providing comprehensive occupational health and safety protection to reduce occupational diseases and work-related accidents to the greatest extent possible. By 2024, 23 subsidiaries under its umbrella have obtained ISO 45001 occupational health and safety management system certification.

Occupational Health Risk Assessment

TCL Industries provides guidance on hazard source identification and risk assessment across all production activities, products, and services. It also clearly stipulates that employees are allowed to withdraw from dangerous work areas when faced with imminent harm, and the Company shall not retaliate against them for doing so. In 2024, the Smart Connected Device BU organised 18 departments within the Company to identify and confirm 1,710 hazard sources and developed control measures for major hazard sources. This initiative encouraged front-line employees to develop a shared understanding of the risks and harms associated with these hazard sources and strictly adhere to relevant safety requirements during subsequent operations. Additionally, routine inspections were conducted, including occupational health hazard site detection, X-ray radiation testing, and fire protection facility inspection, all achieving a 100% compliance rate. Meanwhile, White Household Appliance BU introduced the Regulations on the Management of Hazardous Operations, which addressed risk identification and control measures for high-risk operations such as welding hot work, working at heights, hoisting, excavation, and temporary electricity use. The policy mandates qualification verification and certification for operators, ensuring the safety of on-site operations.

Occupational Health and Safety Guarantee

In daily management, TCL Industries ensures that all employees are equipped with the necessary personal protective equipment and provides detailed guidance on the use of such equipment to prevent occupational disease risks by formulating the *Regulations on the Management of Protective Facilities and Supplies*. For example, protective clothing, masks, and goggles are provided for positions exposed to chemicals, while earplugs and earmuffs are offered for noise-exposed positions. Additionally, equipment is regularly replaced and maintained to ensure usability and effectiveness. Health records are established for employees to monitor occupational hazard exposures in real time, and pre-employment, in-service, and post-employment occupational health and safety check-ups are regularly arranged to track employees' health status. Furthermore, monthly meetings are held by the Occupational Health Committee to discuss safety management and employee health-related issues, with worker representatives invited to participate in safety consultations and suggestions solicited from frontline workers, continuously improving occupational health protection measures through democratic communication. An Employee Assistance Programme (EAP) is also introduced to offer professional psychological counselling services, helping employees relieve occupational stress, enhance stress resistance, and improve psychological well-being.

- Employee Assistance Programme (EAP)

For post-incident assurance, TCL Industries has developed internal documents such as the *Work-related Injury Identification Management* to regulate the management process for employee work-related injuries, analyse the causes of each work-related injury incident, and draft accident improvement reports. It has provided work injury insurance for all employees, ensures proper resettlement and compensation for injured employees, and safeguards their occupational health rights and interests. The Company has also implemented a safety accident accountability system following the *Procedures for the Reporting, Investigation and Handling of Work Safety Incidents* to systematise the reporting, investigation, and resolution of company safety incidents, clarify responsibilities, and work to prevent and minimise the occurrence of such accidents.

Occupational Health and Safety Training

TCL Industries continues to deepen the education and training of employees on occupational health and safety. In 2024, TCL Photovoltaic Technology meticulously organised and successfully conducted more than 550 safety training sessions across all levels. These sessions comprehensively covered key areas such as laws and regulations, work-related accident case studies, occupational health, construction safety, and fire safety, with a total of over 2,700 attendances. Additionally, Tonly Technology has conducted occupational health knowledge training lectures for employees every six months. These lectures have been synchronised online across the Company's factories, with a code-scanning exam segment incorporated to ensure the effectiveness of the training. Furthermore, experts from the Human Resources and Social Security Bureau have been invited annually to provide work-related injury knowledge training in Zhongkai, Chenjiang, Tongqiao, and other factory locations, consistently enhancing employees' awareness of occupational health.

Case: Pan-smart Screen BU Enhances Safety Awareness Through Diverse Activities

During the 2024 Work Safety Month, the Pan-smart Screen BU planned and organised 40 themed activities, ensuring 19,263 attendances with an average of 1.75 sessions per person. The BU was awarded first prize in TCL Industries' Work Safety Month Knowledge Competition (Team Category). During the Fire Safety Month, the Pan-smart Screen BU launched a series of 10 online and offline activities in four categories and various forms, with an average of 4.1 sessions per person. Fire safety knowledge training for all employees secured 26,942 attendances. The Pan-smart Screen BU again secured first place in TCL Industries' Fire Safety Month Knowledge Competition. TCL King (Huizhou)'s in-house fire response team represented the company in Huizhou's firefighting skills competition for key fire safety units and achieved first place.

Case: TCL Air-Conditioners Promotes Training on the Use of Safety Equipment and Systems

In 2024, TCL Air-Conditioners renovated its key equipment and facilities to address issues, such as the absence of fire extinguishing measures in certain pipelines and the difficulty in extinguishing fires. As a first-of-its-kind initiative in the air conditioning industry, this programme offered a valuable reference for wider application. Building on this, the company conducted targeted training on the use of fire dampers and fire extinguishing systems, thereby enhancing employees' emergency response capabilities and reinforcing its fire safety preparedness.

Case: Tonly Technology Organises Publicity Week Activities for the *Law of the PRC on the Prevention and Control of Occupational Diseases*

In April 2024, to thoroughly implement the *Law of the PRC on the Prevention and Control of Occupational Diseases,* Tonly Technology planned a series of special occupational health activities during the 22nd National Publicity Week for the *Law of the PRC on the Prevention and Control of Occupational Diseases*. These activities included setting up dedicated occupational health and safety poster columns and at factory locations such as Chenjiang, Tongqiao, and Beihai. Additionally, two "Occupational Health Knowledge" training sessions were conducted at the Zhongkai factory, covering topics such as the basics of occupational disease prevention and control, occupational hazards and protective measures for special positions, and the correct use of personal protective equipment. These initiatives aimed to enhance employees' self-protection awareness and establish a solid foundation for advancing occupational health efforts in the future.

Protecting Employees' Rights and Interests

TCL Industries adheres to and implements relevant laws and regulations such as the Labour *Law of the PRC* and the *Labour Contract Law of the PRC*, as well as international conventions such as the *Universal Declaration of Human Rights*. It prioritises the legitimate rights and interests of employees, establishes and refines compliant employment systems and norms, enhances and improves the remuneration and benefits system, respects employees' diverse cultural backgrounds and their right to democratic expression, and continuously injects fresh vitality into the Company's development by attracting and retaining talent.

In 2024, TCL Industries continued to care for and support the development of its employees, gaining widespread social recognition and industry honours for its efforts in talent retention.

Employer Awards in 2024

Best Innovative Recruitment Award
Employer Branding Institute

Best Employer Brand Short Video Award
Employer Branding Institute

2024 Guangdong Extraordinary Employer of the Year
Liepin

2024 China's Best Employer in Shenzhen
Zhaopin.com and the Institute of Social Science Survey of Peking University

"The Most Attractive Employer" in 2024
Shixiseng.com

The Award of Youth Friendly Employers
CIWEI

2024 TOP Intelligent Innovation Employer
Lagou.com

2024 Most Influential AI Recruitment
Just the Yarest Intelligence

Employment Compliance

In 2024, TCL Industries adhered to the core concept of "people-oriented" while complying with relevant domestic and international laws and regulations, including the *Law of the PRC on the Protection of Minors*, the *Employment Promotion Law of the PRC*, the *Provisions on the Prohibition of Using Child Labour,* the *Federal Labour Law* of Mexico, the *Labour Code of Vietnam*, and the *Consolidation of Labour Laws* of Brazil. It developed and enforced internal regulations such as the *"Red Line" Management Standards for TCL Industries' Employment* and the *Employee Handbook*, explicitly defining employment "red line" behaviours for all employees. By effectively safeguarding the basic human rights of employees, the Company has attracted and cultivated talent, continuously expanding its talent pool.

Clarifying the Employment Red Line

TCL Industries strictly prevents any form of forced labour, child labour and inhumane behaviour from the aspects of risk prevention, behavioural measures, violation penalties, reporting management, etc. This Year, TCL Industries did not experience any violations or complaints related to the use of child labour or forced labour.

TCL Industries' Employment Red Line Behaviour Management System

Preventative measures

- Initiate a social responsibility risk identification every year, covering aspects such as child labour, forced labour, health and safety, the rights to free association and collective bargaining, discrimination, disciplinary measures, working hours, and remuneration. By assessing the risk index and devising appropriate prevention and control measures, the Company aims to minimise the possibility and consequences of non-compliant employment.

Daily regulations

- Opposition to forced labour

  Implement policies and inspection procedures against forced labour, explicitly requiring employers not to restrict employees' personal freedom or withhold their personal identification documents, and to fully respect employees' rights to reasonable rest and vacation;
- Opposition to child labour

  During the recruitment process, employees' ages are strictly verified, and recruiters receive training on distinguishing the authenticity of ID cards and age verification skills. Comprehensive training and advocacy programmes are implemented across the workforce to reinforce policies against hiring child labour, with a firm commitment to eradicating such practices;
- Opposition to inhumane treatment

  Promote humanitarian advocacy, strictly prohibit corporal punishment, abuse, harassment, psychological oppression, and other punitive behaviours, and eliminate any discrimination based on ethnicity, race, gender, age, religion, belief, or disability in recruitment, compensation, training, promotion, and other processes.

Punishment mechanism

- Individuals found violating the employment "red line" will be held accountable in accordance with the *Accountability Management Measures of TCL Industries Holdings Co., Ltd*.

Reporting management

- Establish reporting channels such as written correspondence, in-person visits, phone calls, faxes, or emails, with the Audit Department responsible for investigating and addressing relevant violations, and providing feedback.

Actively Attracting a Broad Range of Talents

TCL Industries adheres to the principle of "appointing people based on merit", treating all applicants equally, and continuously expanding objective, equitable, and impartial channels to attract diverse talent. In 2024, TCL Industries collaborated with colleges and universities to conduct the "Interview Guidance" recruitment open class series, providing fresh graduates with interview techniques, job-hunting insights, and an introduction to TCL's business areas and corporate culture. TCL Photovoltaic Technology established a talent recruitment mechanism encompassing "demand collection, demand confirmation, OA process initiation, and recruitment commencement", while also broadening both internal and external channel platforms to consistently widen the talent acquisition scope. Additionally, Homa Appliances partnered with 20 universities, including South China University of Technology, Central South University, and Hunan University, to host recruitment presentations, corporate open days, and similar activities, fostering a positive corporate image and consistently attracting exceptional talent.

- TCL Industries' University Interview Open Class

Remuneration and Benefits

To consistently foster employees' enthusiasm and creativity at work, TCL Industries has developed a fundamental salary structure for all employees encompassing fixed base salaries, performance-based bonuses, and long-term incentives. Additionally, the Company regularly conducts market salary surveys to ensure its employee benefits remain competitive within the industry.

TCL Industries places great emphasis on employee care, offering a diverse range of benefits in addition to salary incentives. We adhere to laws and regulations to provide our employees with benefits such as social insurance, commercial insurance, and a housing provident fund. We also organise annual health check-ups for our staff and ensure that all employees are entitled to statutory holidays, annual leave, maternity leave, and other benefits. For those working overtime, we offer additional perks such as transport reimbursements and night shift overtime pay. We also distribute festive gifts and subsidies and host collective activities like garden parties during celebrations such as the Dragon Boat Festival, International Children's Day, and the Mid-Autumn Festival, thus promoting the physical and mental health of our employees.

- TCL Industries' Employee Mental Health Care Activity

Diversity, Equality and Inclusiveness

TCL Industries advocates the values of diversity, equality, and inclusiveness, actively implements laws and regulations such as the *Law of the PRC on the Protection of Disabled Persons*, and carries out initiatives to support employees with disabilities. In terms of caring for people with disabilities, in 2024, Huizhou TCL Mobile hosted its fifth "International Day of Persons with Disabilities" Winter Warmth Event. By actively engaging with feedback from disabled individuals, dedicated parking spaces for disabled staff were established near the office building entrance to ease their commuting challenges. This gesture extended care and respect to disabled employees, greatly enhancing the inclusiveness and cohesion of the company team. In terms of employment for the disabled, Homa Appliances actively provided suitable positions for the disabled and encouraged its factories to recruit people with disabilities, striving to promote equal employment opportunities for people with disabilities.

Case: The Fifth "International Day of Persons with Disabilities" Winter Warmth Event

In November 2024, Huizhou TCL Mobile initiated the "International Day of Persons with Disabilities" Winter Warmth Event. The company integrates care for people with disabilities into our daily actions, always standing shoulder to shoulder with our disabled colleagues to wholeheartedly write a better future together. In this big family, love and warmth are passed on endlessly, ensuring that every disabled colleague consistently feels the warmth and strength of home.

TCL Industries embraces employees' diverse cultural backgrounds and religious customs with an inclusive approach. We have established religious belief rooms within our company, demonstrating full respect for employees' rights to religious freedom. Meanwhile, upholding the values of "Seeing, Inspiring, and Supporting Women", TCL Electronics has participated in the "TCLforHer" brand campaign, aimed at unleashing the potential of female employees and supporting their development. Through this platform, the company offers professional skills training, career development planning guidance, entrepreneurial support, and other resources to provide a broad development platform for female employees, helping them explore and realise their self-worth. In addition, TCL Industries provides diverse support and comprehensive protection for female employees. The Pan-smart Screen BU has established baby care rooms. White Household Appliance BU has specially developed the *Risk Management Procedures for Pregnant, Postpartum, and Breastfeeding Mothers* to safeguard the fundamental rights of female employees. Homa Appliances offers a flexible working mechanism for female employees with children under the age of 12, demonstrating its continued commitment to gender equality and the care of female employees.

Case: The Inaugural Meeting of the First Women's Federation and the First Women's Congress of Homa Appliances Successfully Held

To better safeguard the rights and interests of female employees at Homa Appliances and unite and lead them to make achievements, the inaugural meeting of the first Women's Federation and the first Women's Congress of Homa Appliances were successfully held on 30 May 2024. The meeting deliberated and approved the *Election Method for the Women's Congress* (draft), listened to the report on the preparations for the first Women's Congress, and elected 11 members to the Executive Committee of the first Women's Federation.

Democratic Management and Communication

TCL Industries respects and safeguards employees' democratic rights. By establishing a comprehensive, multi-channel platform for employee feedback and communication, enhancing the trade union management system, and reinforcing the collective bargaining mechanism, the Company continually advances the democratisation and standardisation of employee management.

Democratic Communication and Exchange Platform

TCL Industries actively listens to employees' opinions and suggestions by establishing various communication channels such as TLink columns, employee suggestion boxes, complaint mailboxes, and hotlines, ensuring smooth and timely communication of employee demands while safeguarding their right to express themselves. The Company holds internal employee communication meetings across different levels, regularly organising direct interactions among employees, worker representatives, and company management. These meetings encourage open exchange of opinions, with relevant leaders and responsible persons present to personally listen to employee concerns and suggestions, taking responsibility for following up on and resolving issues. Periodic employee satisfaction surveys are conducted on topics closely related to employees' work and daily life, such as the quality of property services, response speed of logistical support, and the variety and pricing of canteen offerings. Feedback gathered is used to develop targeted improvement measures. Additionally, Homa Appliances conducts surveys specifically for new employees who have been with the Company for less than two years to identify challenges they face and assist them in integrating into the Company more quickly. As of 2024, the Mobile Phone BU successfully organised nearly 200 employee communication meetings, showcasing its commitment to democratic management and its dedication to enhancing employee engagement, satisfaction, and well-being.

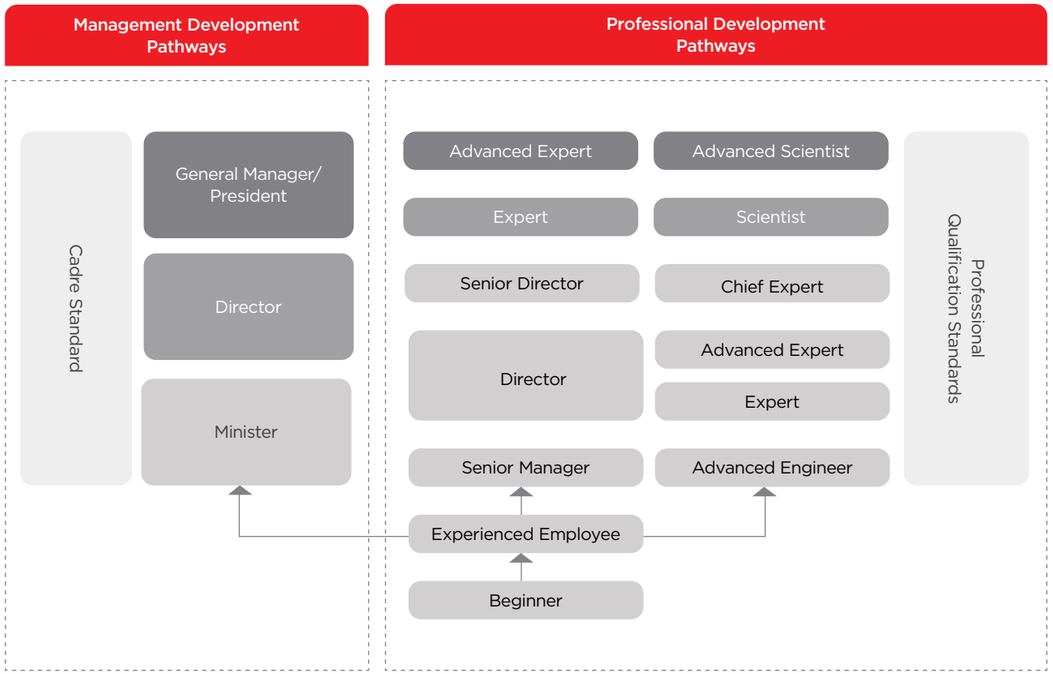
Collective Bargaining Mechanism

TCL Industries has developed and issued the *Management Procedure for the Rights to Free Association and Collective Bargaining* applicable to all employees. Through trade unions and the collective contract system, it encourages employees to actively participate in democratic management and oversight, while respecting their legal rights to free assembly and association. The Company has also signed collective agreements with employees, covering various aspects such as employee health and safety, working conditions, career management and training, diversity, and prevention of discrimination and harassment. Notably, there have been no strikes or work stoppages in the Company or its BUs over the past three years.

Dedicated Talent Development

Throughout its development journey, TCL Industries has consistently placed talent cultivation and development at the core of its corporate growth strategy. We are dedicated to establishing a fair and impartial promotion mechanism, constructing a comprehensive talent training system, and offering employees diverse promotion opportunities and holistic career development paths. We aim to inspire employees to continuously learn and grow, working together with TCL Industries to achieve development goals.

Career Development Pathways and Promotion Models for TCL Industries' Employees



Aligned with the Company's development strategy, TCL Industries continually enhances its talent training system and offers a variety of training programmes tailored to job roles. These programmes encompass training for junior employees, external training for senior executives, specialised training, and the development of learning platform resources. These initiatives help employees comprehensively improve their skills and boost their competitiveness.

TCL Industries' Talent Training System

Training Type	Training Segment	Training Programmes in 2024
Employee training	Training for new employees	• Programmes such as the Rookie Eagle Power Camp help new employees set clear career objectives and develop them into future company backbones
	Training for junior employees	• Programmes such as the GSC Global Technical Training Programme, the National Grid Supervision Training Programme, and the China Call Centre Customer Service Learning Map Online Programme fortify employees' professional skills
Training for middle and senior management	Training for management personnel	• Programmes such as the Soaring Phases V and VI, the Comprehensive Elite Eagle Phase XVII, and the High-Quality Development Lecture support the creation of a high-calibre cadre team
	Certificate training	• The Academic Advancement Programme for Middle and Senior Management aids middle and senior managers in systematically enhancing their management competencies
	External training for senior executives	• The Harvard 2024 Global Executive Leadership Course assists senior vice presidents in enhancing their leadership from an international perspective
Targeted training	Specialised training	• The Eight Talent Pools programme augments workforce quality • The National Manager Training Camp cultivates talent leadership • The Kindle Programme builds an international talent team

Case: Diversified Talent Training Programmes of Homa Appliances

In 2024, Homa Appliances introduced several talent training programmes, including the Outstanding Talent Programme, the Talent Development Programme, and the Talent Gathering Programme. These programmes aim to provide tailored training solutions for talent at various levels, enhance employees' professional capabilities, strengthen talent pools across all tiers, support employees in transitioning roles, and deliver robust talent support for corporate operations and strategic growth.

Case: New Employee Training—2024 TCL Industries Rookie Eagle Power Camp

The TCL Rookie Eagle Power Camp, as the launch point for new employees' careers, is tasked with the vital mission of conveying corporate culture and facilitating career transitions for newcomers. Through a variety of training activities, we inspire new employees to enhance their self-awareness, define their career objectives, improve their preparedness for the workplace, and lay a solid foundation for their future career progression. This Year, the Power Camp training extended to over 500 participants, with an average of 88 training hours per person, earning high praise from the new employees.

- TCL Industries Rookie Eagle Power Camp

Strengthening Supplier Management

TCL Industries strictly regulates the code of conduct for suppliers, continuously optimises the full-process management of suppliers, and proactively integrates suppliers' ESG performance into procurement decisions. These efforts aim to continuously enhance supply chain resilience and jointly empower the sustainable development of the value chain.

Supply Chain ESG Management

TCL Industries has established internal systems and regulations such as the *Supplier Certification Management Process*, *Multi-level and Hierarchical Management Process of Categories* and *Suppliers,* and *Supplier Performance Management Process* to develop stringent procedures for supplier development, auditing, certification, raw material procurement, and quality inspection standards. Based on achieving comprehensive closed-loop process management, it emphasises strengthening ESG performance evaluation for suppliers by requiring them to sign *Cooperation Agreements* and *Social Responsibility Commitment Letters*. The Company is dedicated to building a transparent, environment-friendly, fair, and corruption-free value chain system.

Supplier Selection and Onboarding

During the supplier selection stage, TCL Industries conducts social responsibility due diligence to evaluate suppliers' performance in areas such as environmental impact, labour rights and interests, and business ethics. Priority is given to suppliers that utilise environment-friendly materials and low-carbon components in manufacturing, as well as those demonstrating exceptional performance in humanitarian care, social responsibility fulfilment, and adherence to business ethics.

At the stage of supplier onboarding, the Company's ESG compliance policies and penalty clauses for violations are explicitly outlined through the signing of the *Partner Code of Conduct Agreement*, the *Legal Compliance and Trade Security Commitment Letter for Business Partners*, and the *Integrity Agreement*. This ensures that all signatories strictly adhere to the terms of the agreements, thereby minimising the risk of compliance breaches.

Supplier Certification and Audit

TCL Industries continues to strengthen its CSR review of suppliers. We carry out routine CSR assessments of core suppliers each year, encompassing audit modules such as labour rights, health and safety, environmental protection, business ethics, and management systems. During the supplier certification stage, CSR experts are assigned to perform on-site inspections and evaluate suppliers' performance in environmental, social, and governance areas based on the internally developed scoring template of the *Supplier Social Responsibility Checklist (Version 2.0)*.

Furthermore, to further standardise the compliance of supplier CSR audits, TCL Industries updated and revised its CSR audit tool in 2024, aligning with the framework of the RBA Code of Conduct while incorporating its own corporate culture and specific needs. The Company also released the Supplier Corporate *Social Responsibility Checklist (Version 3.0)*. Compared with the previous version, this new checklist introduces four assessment items for "Information Security", one supplier information overview form, and one condition for passing the audit, alongside updates to the assessment scoring mechanism, greatly enhancing the effectiveness and compliance of CSR audits. The updated audit tool now features a newly added automatic capture function. Additionally, the Self-assessment Guide and Attachment List have been provided to suppliers to improve the audit system's guidance function, while promoting suppliers' CSR capability building and compliance awareness.

Supplier Supervision and Management

After suppliers are introduced, TCL Industries conducts regular supervision and management over them. We conduct supplier performance assessments across four key dimensions—business, delivery, quality, and technology—on a monthly, semi-annual, and annual basis. Based on the assessment scores, we categorise suppliers into four tiers (preferred, qualified, restricted, and disqualified) for targeted management. Furthermore, ESG audit results are incorporated into the annual bidding process and year-end performance evaluations for suppliers. Procurement shares are increased for suppliers with high ESG performance evaluations, creating a sustainable incentive mechanism to encourage more suppliers to adopt sustainable development practices.

Supplier Rectification and Elimination

Based on supplier performance assessment results, the *Hierarchical Management System of Categories and Suppliers* adopts a survival-of-the-fittest mechanism. For suppliers with low comprehensive performance evaluations, the Company assists them in improvement and rectification. If they fail to meet the required standards within the rectification period, the elimination process will be initiated for their removal.

Management of Controversial Minerals

TCL Industries has established internal policies such as the R*egulations on the Non-Use of Controversial Minerals in Procurement* and the *Controversial Minerals Management Procedure* in accordance with the RBA Code of Conduct and the requirements of the Global enabling Sustainability Initiative (GeSI). The Company only sources raw materials from suppliers that are environmentally and socially responsible. It enforces strict controls over controversial minerals like tantalum, tin, tungsten, and gold, as well as other minerals such as cobalt and mica, originating from controversial zones in the Democratic Republic of the Congo and its neighbouring countries. Any mineral trade involving human rights violations within the supply chain is strictly prohibited.

TCL Industries enforces strict controls during the supplier onboarding stage by requiring all suppliers to sign agreements such as the *Statement on Restricted Substances* and the *Undertaking Letter of Guarantee for the Non-Use of Controversial Minerals*. Suppliers are also required to provide evidence that complies with responsible mineral management standards before approval for onboarding. This strengthens compliance management requirements for controversial minerals in the supply chain. In addition, we continuously monitor and manage suppliers by requiring periodic reviews and identifying updates to controversial mineral-related policy requirements, which are then integrated and communicated to suppliers to continuously improve management standards. Furthermore, following the Organisation for Economic Co-operation and Development (OECD) Due Diligence Guidance, we utilise due diligence tools from the Responsible Minerals Initiative (RMI) to conduct due diligence on all suppliers within the controversial minerals management system, ensuring compliance in the supply and trade of minerals. TCL Industries also continuously monitors supplier performance in controversial mineral management. If a supplier is found to have used controversial minerals, the Company will first recall the affected products from the market and seal all inventory. Additionally, the supplier that violates the controversial minerals principles will be subject to a notice of criticism in accordance with the quality agreement and urged to make rectifications.

Moreover, TCL Industries continues to strengthen training and awareness efforts on responsible procurement, enhancing the awareness and capabilities of relevant personnel in building a responsible supply chain. In 2024, the Mobile Phone BU conducted online training on RBA standards, covering areas such as labour, health and safety, environmental protection, and business ethics, for more than 20 personnel from the procurement and development departments. White Household Appliance BU organised comprehensive supplier controversial mineral management training both online and offline, achieving 100% coverage. During the reporting period, no suppliers were found to engage in controversial mineral procurement.

- Online Training on RBA Code of Conduct

- Controversial Minerals Training of TCL Industries White Household Appliance BU

Collaborative Development with Suppliers

TCL Industries has fostered a strong and close long-term partnership with suppliers, proactively collaborating with them to co-build sustainable supply chains. The Company has intensified efforts to promote and train on ESG principles across the supply chain, consistently enhancing suppliers' collaboration capabilities and cohesion, thereby driving the low-carbon transformation of the supply chain. In 2024, we developed supplier carbon inventory tools and guidelines, working hand in hand with suppliers to collect and investigate carbon inventory data sources to ensure the completeness and validity of the data. This collaborative effort efficiently drove the completion of carbon emissions accounting for our top 100 suppliers. In 2024, the Mobile Phone BU proactively launched the "Green Supply Chain" project and collaborated with affiliated suppliers to conduct training sessions and workshops on regulations related to eco-design.

Case: The Mobile Phone BU Actively Launches the "Green Supply Chain" Project

In 2024, the Mobile Phone BU collaborated with suppliers to carry out GHG inventory data collection. Based on the importance and carbon emission impact of the supply chain, key suppliers were selected to participate in the inventory project. A supplier carbon inventory survey template was established, alongside filling guidelines to ensure the completeness and validity of the data. Training was provided on GHG accounting methods and tools to ensure that suppliers understand and master the data collection process. High-emission suppliers and processes were identified through the collection and verification of emissions source data. This project provided data support for developing targeted supply chain emissions reduction strategies, promoted the low-carbon transformation of the supply chain, facilitated a continuous reduction in overall carbon emissions, and contributed to the achievement of the Company's carbon neutrality climate goal.

Case: Holding Training and Workshop on Eco-design Regulations with Suppliers

In 2024, in light of the impending environmental protection regulations regarding eco-design, energy efficiency labelling, and batteries, the Mobile Phone BU collaborated with suppliers to seek optimal compliance solutions and assisted less-capable suppliers in understanding the regulations and conducting solution research. More than 80 participants were empowered through online training, enhancing the compliance capacity of the supply chain and fostering the development of a green supply chain.

Case: TCL Industries' Annual Green Development Project Commendation

In January 2024, TCL Industries initiated its annual green development project and presented the "2023 TCL Green Development Project Excellent Supplier Award" to six suppliers, including battery supplier Veken Technology and PCB supplier Victory Giant Technology. This award recognised and rewarded their outstanding social and environmental performance while encouraging a collaborative effort among supply chain partners to build a value chain for green development.

Building an Inclusive Society

TCL Industries has long upheld corporate social responsibility with a strong sense of commitment, actively engaging in public welfare initiatives and giving back to society through concrete actions. We continue to invest in supporting youth education, promoting cultural values, and advancing rural revitalisation both domestically and internationally. We actively participate in various public welfare donation activities to contribute to the building of a warm and harmonious society.

Caring for Youth Development

TCL Industries has always been deeply committed to the development of young people. By employing diverse initiatives, we create platforms for their growth, assisting them in thriving through learning and practice, and tirelessly working to foster an environment conducive to their development.

Case: TCL Smart Classrooms

The TCL Foundation collaborates actively with TCL Commercial and TCL Communication to donate and establish TCL Smart Classrooms in urban and rural schools. This initiative creates a "1+N" smart classroom network. The classrooms are equipped with various smart educational devices and software systems, such as TCL smart blackboards, TCL education tablets, and eye-friendly lamps. The goal is to foster balanced urban and rural education development, as well as to interconnect and share educational resources. Up to 2024, smart classrooms have been established in numerous schools, where dual-teacher interactive lessons have been conducted, benefitting nearly 7,000 students.

- Main Campus of Haide School in Shenzhen

Case: White Household Appliance BU's Public Welfare Study Tour

On 13 December 2024, TCL Smart Home Appliances (Hefei) Industrial Park supported the industrial study tour activity organised by the TCL Foundation, hosting a group of teachers and students from Feicui Lake Junior High School under the Hefei No. 8 Middle School Education Group. The event guided students through a tour of the industrial park and demonstrated the production process, planting seeds of technological innovation in their minds and inspiring a profound interest in technology.

On 17 November 2024, the TCL Smart Home Appliances (Hefei) Industrial Park hosted a student team from the University of Science and Technology of China for a public welfare study tour themed "exploring the mysteries of technology and experiencing the charm of smart manufacturing". This event helped students engage closely with cutting-edge technology platforms and served as a successful example of the industry-university-research collaboration model.

- Study Tour Activity of Feicui Lake Junior High School Under the Hefei No. 8 Middle School Education Group

- The University of Science and Technology of China Visits TCL Smart Home Appliances (Hefei) Industrial Park

Case: Vietnam Branch Actively Carries Out Charitable Donation Activities for Mountainous Children

In 2024, TCL Electronics' Vietnam Branch partnered with the Workers' Daily to meticulously plan and organise a series of charitable activities. This charity initiative took on a highly meaningful approach: For each 98-inch large-screen TV sold, a donation of VND 0.98 million would be made to children in mountainous areas. Up to 2024, the initiative has amassed a total donation of over VND 100 million, playing a significant role in improving the educational and living conditions for children in mountainous areas.

- Charitable Activity in Vietnam

Enriching Cultural Life

To champion innovation in culture and sports while promoting humanistic values, we actively engage in cultural and sports public welfare activities, pioneering new activity models to invigorate cultural development and contribute to building a vibrant and caring society.

Case: TCL Art Charity Music Festival

In 2024, the TCL Foundation actively launched the "TCL Art Charity Music Season" project, engaging in deep collaboration with multiple institutions and new-generation musicians to successfully host four special performances, drawing an audience of over 800 from various sectors in Shenzhen.

Meanwhile, the "Little Musicians" programme collaborated with the Education Foundation of the Central Conservatory of Music to focus on improving the educational conditions for children in areas with limited access to music resources. By donating 430 "Xiaoxue Music Machines" to rural children in Guangdong, Jiangxi, Ningxia, and other regions, the programme supported these children's exploration and growth in the field of music while enriching their access to quality education resources.

- TCL ART Appreciation & Charity Music Festival

- Xiaoxue Music Machine

Case: The 8th Outdoor Hiking Event of Tonly Technology

Tonly Technology has always actively promoted the concept of green development and remains dedicated to advancing corporate responsibility practices and enhancing employees' physical and mental well-being through concrete actions. In January 2024, a "Green, Low-carbon, and Healthy" Hiking Event was organised, attracting the enthusiastic participation of more than 100 employees. On the day of the event, employees stepped into nature and experienced the allure of a low-carbon lifestyle through hiking. While allowing employees to enjoy the closeness to nature, the event also significantly strengthened team cohesion.

To further enrich employees' cultural and sports activities and advocate for a "low-carbon and green" lifestyle, Tonly Technology organised a large-scale hiking event at the Guanyin Mountain Windmill Field in Huidong on 2 November of the same year. Nearly 200 employees participated, completing a 14-kilometre hike. This event not only provided employees with an opportunity to exercise but also encouraged them to embrace green and low-carbon travel through walking.

- "Green, Low-Carbon, and Healthy" Hiking Event

- Guanyin Mountain Hiking Event

Supporting Rural Development

TCL Industries actively responds to the national plans and initiatives for rural revitalisation, engages in rural development, dedicates itself to creating more development opportunities for residents in rural areas, and contributes to the thriving growth of the rural economy.

Case: TCL Financial Service Introduces a Financial Solution to Support Farmers

In 2024, TCL Financial Service introduced the Huinongdai financial product and partnered with insurance companies to establish an "insurance + credit" model. This initiative provides credit support for farmers and small and micro agricultural enterprise owners to purchase agricultural insurance, covering a diverse range of agricultural products, including rice, sugarcane, pigs, and aquatic products. It fully leverages the risk protection function of insurance in agricultural production and operations. Since its launch, the product has cumulatively issued loans exceeding RMB 500 million, with over RMB 200 million disbursed in Guangdong alone, benefiting over 2,000 farmer attendances and more than 300 small and micro enterprise customers. It has significantly expanded financing channels for farmers, alleviated financial pressures and disaster-related risks, and made substantial contributions to the development of the agricultural industry and the prosperity of the rural economy.

Outlook

Looking back, the global landscape has evolved amid a convergence of challenges and opportunities. Upholding the brand philosophy of “daring to be extraordinary”, TCL Industries has continuously pushed boundaries and driven innovation. We actively respond to the “dual carbon” goals by promoting green manufacturing and the R&D of energy-saving products, setting an industry benchmark. We are committed to advancing intelligent and digital transformation, leveraging technology to enhance quality of life. By fulfilling our social responsibilities, prioritising employee well-being, and supporting community development both domestically and internationally, we exemplify corporate responsibility and compassion.

Looking ahead, TCL Industries will embrace the mission and opportunities bestowed by the era with even greater conviction! Guided by technology, we remain committed to accelerating green transformation and fostering global collaboration with an open and inclusive approach. Embracing responsibility as our mission, we strive to empower society and deliver exceptional experiences to our global partners and consumers. Together, we aim to create a brighter future.

ESG Performance Overview

Environmental performance[16]

Indicator		Unit	Data of 2024
Air pollutants	Total SO_2 emissions	t	5
	Total NO_x emissions[17]	t	33
	Total PM emissions	t	45
	Total VOC emissions[18]	t	45
GHG emissions	Total GHG emissions	tCO_2e	465,588
	GHG emission intensity	tCO_2e/RMB 100 million revenue	310
	Scope 1 GHG emissions	tCO_2e	288,991
	Scope 2 GHG emissions (Location-based)	tCO_2e	176,597
Energy use[19]	Total energy consumption	MWh	878,691
	Energy consumption intensity	MWh/RMB 100 million revenue	586
	Total diesel consumption	kg	442,312
	Total gasoline consumption	kg	59,876
	Total natural gas consumption	m^3	9,545,354
	Total LPG consumption	kg	2,349,742
	Total acetylene consumption	kg	0.001
	Total purchased electricity[20]	kWh	657,155,879
	Total purchased green electricity	kWh	29,006,335
	Solar power generation for self-use	kWh	50,493,875
Water resources use	Total water consumption	t	2,930,020
	Water consumption intensity	t/RMB 100 million revenue	1,953

[16] Newly disclosed indicators in 2024 include total SO_2 emissions, total NO_x emissions, total PM emissions, total energy consumption, energy consumption intensity, total purchased green electricity, hazardous waste intensity, non-hazardous waste intensity, intensity of packaging material usage, and renewable packaging materials used. Additionally, the statistical scope of Environmental indicators in 2024 was expanded to cover the Brazilian factory.
[17] In 2024, the statistical scope for this indicator excluded Tonly Technology.
[18] In 2024, the scope of this indicator was expanded to include TCL Smart Home.
[19] In 2024, for energy use-related indicators, the statistical scope of total liquefied petroleum gas (LPG) consumption excluded Tonly Technology and TCL Smart Home. Additionally, the statistical scope of total natural gas consumption, total acetylene consumption, and total purchased green electricity excluded Tonly Technology.
[20] This indicator excludes the total purchased green electricity.

Indicator		Unit	Data of 2024
Hazardous waste	Total amount of hazardous waste[21]	t	12,311
	Hazardous waste intensity	t/RMB 100 million revenue	8
Non-hazardous waste	Total amount of non-hazardous waste[22]	t	101,837
	Non-hazardous waste intensity	t/RMB 100 million revenue	68
Use of packaging materials	Total usage of packaging materials	t	609,352
	Intensity of packaging material usage	t/RMB 100 million revenue	406
	Paper packaging materials used[23]	t	229,784
	Plastic packaging materials used[24]	t	310,785
	Renewable packaging materials used	t	29,436

Social performance[25]

Indicator			Unit	Data of 2024
R&D and innovation	Number of patents newly granted		Nos	1,850
	Accumulative number of patents granted		Nos	12,483
Employee composition[26]	Total number of employees		No. of people	71,401
	Number of employees by gender	Male	No. of people	45,148
		Female	No. of people	26,253
	Number of employees by age	Below 30	No. of people	33,037
		30-50	No. of people	34,814
		Above 50	No. of people	3,550
	Number of management personnel by gender	Male	No. of people	1,750
		Female	No. of people	490

[21] Statistical analysis of the hazardous wastes by categories was carried out according to the *Order No. 39 of the Ministry of Ecology and Environment – National Catalogue of Hazardous Wastes*.
[22] Total amount of non-hazardous waste includes waste cartons, waste plastics, EPS, and other non-hazardous wastes.
[23] Paper packaging materials used include cartons and paper instructions. In 2024, the statistical scope for this indicator excluded Tonly Technology.
[24] Plastic packaging materials used include EPS and other plastic packages. In 2024, the statistical scope for this indicator excluded Tonly Technology.
[25] Newly disclosed indicators in 2024 include the number of employees by age, a new employee-related indicator, an employee turnover rate-related indicator, the percentage of employees trained and average training hours by rank, and supply chain management-related indicators.
[26] In 2024, the statistical scope of employee composition-related indicators did not include dispatched workers or cover subsidiaries other than TCL Smart Home and Tonly Technology.

Indicator		Unit	Data of 2024
New employees[27]	Total number of new employees	No. of people	48,075
Employee turnover rate[28]	Overall employee turnover rate	%	38
Employee training[29]	Percentage of employees trained	%	80.22
	Percentage of male employees trained	%	71.31
	Percentage of female employees trained	%	28.69
	Percentage of senior management trained	%	0.93
	Percentage of middle management trained	%	3.65
	Percentage of junior employees trained	%	95.42
	Average training hours per employee	Hour(s)	9
	Average training hours per male employee	Hour(s)	11
	Average training hours per female employee	Hour(s)	7
	Average training hours per senior management	Hour(s)	8
	Average training hours per middle management	Hour(s)	8
	Average training hours per junior employee	Hour(s)	9
Occupational health and safety	Number of deaths related to work[30]	No. of people	0
	Total lost days due to occupational injury	Day(s)	3,061

[27] In 2024, the statistical scope of the new employee-related indicator did not include dispatched workers or cover subsidiaries other than TCL Smart Home and Tonly Technology.
[28] In 2024, the statistical scope of the employee turnover rate-related indicator did not include dispatched workers or cover subsidiaries other than TCL Smart Home and Tonly Technology.
[29] In 2024, the statistical scope of the percentage of employees trained excluded subsidiaries. Meanwhile, the statistical scope for other employee training-related indicators excluded TCL Smart Home and Tonly Technology.
[30] In 2024, the statistical scope for this indicator excluded Tonly Technology.

Indicator		Unit	Data of 2024
Supplier composition[31]	Number of suppliers in the Chinese mainland	Nos	8,729
	Number of suppliers in Hong Kong, Macao, Taiwan, and overseas regions	Nos	601
Supply chain management[32]	Number of suppliers where the practices are being implemented	Nos	9,330
	Number of new suppliers that were screened using environmental criteria	Nos	1,200
	Number of new suppliers that were screened using social criteria	Nos	1,200
	Number of suppliers conducting environmental impact assessments	Nos	1,200
	Number of suppliers conducting social impact assessments	Nos	1,200
	Number of suppliers involved in local procurement	Nos	90
Social contributions	Monetary donations	RMB 10,000	1,872
	Value of goods and materials donated	RMB 10,000	1.5
	Number of volunteers	No. of people	425
	Volunteer hours	Hour(s)	1,405

[31] In 2024, the scope of indicators related to supply chain composition included the Pan-smart Screen BU, TCL Communication, Intelligent Automotive Solution BU, Air Conditioning Business Unit, TCL Smart Home, and Tonly Technology.
[32] In 2024, the scope of the number of suppliers where the practices are being implemented and indicators related to supply chain composition; the scope of remaining indicators included the Pan-smart Screen BU, TCL Communication, Intelligent Automotive Solution BU, Air Conditioning Business Unit, and White Household Appliance BU.

GRI Content Index

Statement of use	TCL Industries prepared the Report in the 2024 reporting period with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Industry Standards	N/A

GRI Standards and Disclosure		Location
GRI 2: General Disclosures 2021		
2-1	Organisational details	About TCL Industries
2-2	Entities included in the organisation's sustainability reporting	About This Report
2-3	Reporting period, frequency and contact point	About This Report
2-4	Restatements of information	N/A
2-6	Activities, value chain and other business relationships	About This Report
2-7	Employees	Win-Win Approach: Collaborating to Build a Harmonious Society ESG Performance Overview
2-8	Workers who are not employees	Win-Win Approach: Collaborating to Build a Harmonious Society ESG Performance Overview
2-9	Governance structure and composition	ESG Governance Governance Approach: Building the Cornerstone of Development with Integrity
2-12	Role of the highest governance body in overseeing the management of impacts	ESG Governance Governance Approach: Building the Cornerstone of Development with Integrity
2-14	Role of the highest governance body in sustainability reporting	ESG Governance Governance Approach: Building the Cornerstone of Development with Integrity
2-22	Statement on sustainable development strategy	About TCL Industries Low-carbon Feature: Advancing Climate Commitment, Shaping a Low-carbon Future
2-23	Policy commitments	Governance Approach: Building the Cornerstone of Development with Integrity
2-24	Embedding policy commitments	Governance Approach: Building the Cornerstone of Development with Integrity

GRI Standards and Disclosure		Location
2-25	Processes to remediate negative impacts	Governance Approach: Building the Cornerstone of Development with Integrity Quality-centric Approach: Technology Empowering Smart Living Sustainable Approach: Building a Green and Ecological Home Win-Win Approach: Collaborating to Build a Harmonious Society
2-26	Mechanisms for seeking advice and raising concerns	Governance Approach: Building the Cornerstone of Development with Integrity Quality-centric Approach: Technology Empowering Smart Living Sustainable Approach: Building a Green and Ecological Home Win-Win Approach: Collaborating to Build a Harmonious Society
2-28	Membership associations	About TCL Industries
2-29	Approach to stakeholder engagement	ESG Governance
2-30	Collective bargaining agreements	Win-Win Approach: Collaborating to Build a Harmonious Society
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	ESG Governance
3-2	List of material topics	ESG Governance
Economic		
GRI 201: Economic Performance 2016		
3-3	Management of material topics	ESG Governance About TCL Industries ESG Performance Overview
201-1	Direct economic value generated and distributed	About TCL Industries ESG Performance Overview
201-2	Financial implications and other risks and opportunities due to climate change	Low-carbon Feature: Advancing Climate Commitment, Shaping a Low-carbon Future
GRI 203: Indirect Economic Impacts 2016		
3-3	Management of material topics	ESG Governance Quality-centric Approach: Technology Empowering Smart Living Win-Win Approach: Collaborating to Build a Harmonious Society

GRI Standards and Disclosure		Location
GGRI 203: Indirect Economic Impacts 2016		
203-2	Significant indirect economic impacts	Quality-centric Approach: Technology Empowering Smart Living Win-Win Approach: Collaborating to Build a Harmonious Society
GRI 204: Procurement Practices 2016		
3-3	Management of material topics	ESG Governance Win-Win Approach: Collaborating to Build a Harmonious Society
GRI 205: Anti-corruption 2016		
3-3	Management of material topics	ESG Governance Governance Approach: Building the Cornerstone of Development with Integrity
205-2	Communication and training about anti-corruption policies and procedures	Governance Approach: Building the Cornerstone of Development with Integrity
205-3	Confirmed incidents of corruption and actions taken	Governance Approach: Building the Cornerstone of Development with Integrity
GRI 206: Anti-competitive Behaviour 2016		
3-3	Management of material topics	ESG Governance Governance Approach: Building the Cornerstone of Development with Integrity
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Governance Approach: Building the Cornerstone of Development with Integrity
Environmental		
GRI 301: Materials 2016		
3-3	Management of material topics	ESG Governance Sustainable Approach: Building a Green and Ecological Home
301-1	Materials used by weight or volume	ESG Performance Overview
GRI 302: Energy 2016		
3-3	Management of material topics	ESG Governance Sustainable Approach: Building a Green and Ecological Home
302-1	Energy consumption within the organisation	ESG Performance Overview
302-4	Reduction of energy consumption	Sustainable Approach: Building a Green and Ecological Home ESG Performance Overview
GRI 303: Water and Effluents 2018		
3-3	Management of material topics	ESG Governance Sustainable Approach: Building a Green and Ecological Home

GRI Standards and Disclosure		Location
GRI 303: Water and Effluents 2018		
303-1	Interactions with water as a shared resource	Sustainable Approach: Building a Green and Ecological Home
303-2	Management of water discharge-related impacts	Sustainable Approach: Building a Green and Ecological Home
303-5	Water consumption	ESG Performance Overview
GRI 305: Emissions 2016		
3-3	Management of material topics	ESG Governance Sustainable Approach: Building a Green and Ecological Home
305-1	Direct (Scope 1) GHG emissions	ESG Performance Overview
305-2	Energy indirect (Scope 2) GHG emissions	ESG Performance Overview
305-4	GHG emissions intensity	ESG Performance Overview
305-7	Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	ESG Performance Overview
GRI 306: Waste 2020		
3-3	Management of material topics	ESG Governance Sustainable Approach: Building a Green and Ecological Home
306-1	Waste generation and significant waste-related impacts	Sustainable Approach: Building a Green and Ecological Home
306-2	Management of significant waste-related impacts	Sustainable Approach: Building a Green and Ecological Home
306-3	Waste generated	ESG Performance Overview
GRI 308: Supplier Environmental Assessment 2016		
3-3	Management of material topics	ESG Governance Win-Win Approach: Collaborating to Build a Harmonious Society
308-2	Negative environmental impacts in the supply chain and actions taken	Win-Win Approach: Collaborating to Build a Harmonious Society
Social		
GRI 401: Employment 2016		
3-3	Management of material topics	ESG Governance Win-Win Approach: Collaborating to Build a Harmonious Society
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Win-Win Approach: Collaborating to Build a Harmonious Society
GRI 403: Occupational Health and Safety 2018		
3-3	Management of material topics	ESG Governance Win-Win Approach: Collaborating to Build a Harmonious Society

GRI Standards and Disclosure		Location
GRI 403: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	ESG Governance Win-Win Approach: Collaborating to Build a Harmonious Society
403-2	Hazard identification, risk assessment, and incident investigation	Win-Win Approach: Collaborating to Build a Harmonious Society
403-3	Occupational health services	Win-Win Approach: Collaborating to Build a Harmonious Society
403-5	Worker training on occupational health and safety	Win-Win Approach: Collaborating to Build a Harmonious Society
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Win-Win Approach: Collaborating to Build a Harmonious Society
403-8	Workers covered by an occupational health and safety management system	Win-Win Approach: Collaborating to Build a Harmonious Society
403-9	Work-related injuries	Win-Win Approach: Collaborating to Build a Harmonious Society ESG Performance Overview
GRI 404: Training and Education 2016		
3-3	Management of material topics	ESG Governance Win-Win Approach: Collaborating to Build a Harmonious Society
404-1	Average hours of training per year per employee	ESG Performance Overview
404-2	Programmes for upgrading employee skills and transition assistance programmes	Win-Win Approach: Collaborating to Build a Harmonious Society
GRI 405: Diversity and Equal Opportunity 2016		
3-3	Management of material topics	ESG Governance Win-Win Approach: Collaborating to Build a Harmonious Society
405-1	Diversity of governance bodies and employees	ESG Governance Win-Win Approach: Collaborating to Build a Harmonious Society ESG Performance Overview
GRI 406: Non-discrimination 2016		
3-3	Management of material topics	ESG Governance Win-Win Approach: Collaborating to Build a Harmonious Society
GRI 408: Child Labour 2016		
3-3	Management of material topics	ESG Governance Win-Win Approach: Collaborating to Build a Harmonious Society
GGRI 409: Forced or Compulsory Labour 2016		
3-3	Management of material topics	ESG Governance Win-Win Approach: Collaborating to Build a Harmonious Society

GRI Standards and Disclosure		Location
GRI 413: Local Communities 2016		
3-3	Management of material topics	ESG Governance Win-Win Approach: Collaborating to Build a Harmonious Society
GRI 414: Supplier Social Assessment 2016		
3-3	Management of material topics	ESG Governance Win-Win Approach: Collaborating to Build a Harmonious Society
414-2	Negative social impacts in the supply chain and actions taken	Win-Win Approach: Collaborating to Build a Harmonious Society
GRI 416: Customer Health and Safety 2016		
3-3	Management of material topics	ESG Governance Quality-centric Approach: Technology Empowering Smart Living
416-1	Assessment of the health and safety impacts of product and service categories	Quality-centric Approach: Technology Empowering Smart Living
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Not Applicable
GRI 417: Marketing and Labelling 2016		
3-3	Management of material topics	ESG Governance Quality-centric Approach: Technology Empowering Smart Living
417-1	Requirements for product and service information and labelling	Quality-centric Approach: Technology Empowering Smart Living
GRI 418: Customer Privacy 2016		
3-3	Management of material topics	ESG Governance Quality-centric Approach: Technology Empowering Smart Living
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Quality-centric Approach: Technology Empowering Smart Living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