TCL

TCL MULTIMEDIA TECHNOLOGY HOLDINGS LIMITED
TCL 多媒體科技控股有限公司
(Stock Code: 01070)

Environmental, Social and Governance Report 2016

创意感动生活
The Creative Life

TCL

Contents

1.   Chairman Address

It was a challenging year in 2016. Fortunately, by virtue of firm belief, we achieved great results this year, and successfully reached the vision of "focus on the target, make transformation & breakthrough, and forge ahead for internationalization" established last year. I hereby would like to express sincere gratitude to the hard work of all employees, cooperation of suppliers, trust of shareholders and investors, and full support of customers. In this wonderful course of development, TCL Multimedia was committed to striving for not only more fruitful returns, but also sustainable and healthy development of the enterprise. As a responsible global enterprise, we laid a solid foundation for sustainable development, created new business opportunities for the company, and meanwhile, improved economic performance and gained widespread recognition from all sectors of society, which encouraged us a lot.

Our determination and commitment to sustainable development could be evidenced by the launch of "CHINA RAILWAY Express" this year. CHINA RAILWAY Express runs between China and Europe, as well as across the "Belt and Road" countries, positioned as a backbone of land transportation for international logistics. Both of Chinese President Xi Jinping and Polish President Duda attended the express arrival ceremony, I was also invited as the only enterprise representative to attend the ceremony. Given the international opportunities brought by China's "Belt and Road" strategy, we will seize these opportunities to increase our overseas income ratio, and closely follow the general principle of continuing to reduce carbon emissions. Relative to old shipping routes, the new express has greatly shortened the transportation distance, which not only saves cost and improves efficiency for the company, but more importantly, reducing fuel consumption and carbon emission. The express enables us to contribute to environmental sustainability as we explore business opportunities.

TCL Multimedia has always incorporated the concept of saving energy and reducing consumption of resources into its product design. Energy efficiency of our products has been enhancing. Our products have been made with reduced quantity of raw materials. The emission along the life cycle of our products is thus decreased. For example, in 2011, the industry launched the first Backlight Module System integration product scheme, which reduces the use of parts through functional integration and optimization of backlight, screen module and TV set, and now has become a standard configuration of the industry. The OD30 (Optical Distance) scheme launched in 2014 now has become a common scheme of the industry with respect to straight down display; the OD20 scheme launched this year now has also become a mainstream scheme of the industry. In the coming year, we will put forward a product strategy of "Quality Battle" to advocate product upgrading and provide high-quality products with an extended service life, so as to reduce the environmental damage caused by obsolete electronic products and protect precious resources.

In order to move towards internationalization, this year, TCL Multimedia officially entered the markets of Brazil and South America. With global leading technology, we set up the joint venture SEMP TCL with SEMP, a leading enterprise of household appliances in Brazil. SEMP TCL which has started its operation from August 1, 2016. TCL Multimedia will mainly aim at high-end product supply, while SEMP will focus on satisfying the demand of middle and low-end markets, so as to have a more comprehensive coverage of the overall market demand, and greatly improve the competitiveness and market share of both sides in the market. In addition to exploring a huge market for us, this initiative has also created job opportunities for lots of local professional talents and workers. This was also a demonstration in living out our corporate social responsibility.

With regard to further deepening the status of TCL Multimedia in the European market, we have clearly stated at the China-Europe Business Summit that, the enterprise will lay emphasis on being locally rooted and becoming a corporate citizen to undertake social responsibility in the European Union. In the local market, we not only sell products, but also establish industrial capability and user service capability, and create a whole value chain management system to bring more substantial benefits for people of the two places, and practice the group's mission: "take responsibility for the society".

An enterprise is also part of the society, and thus must undertake the corresponding social responsibility. Effort to social responsibility is helpful for the sustainable development of an enterprise. First of all, on the level of employees, this can help improve employees' sense of belonging to the company; and secondly, this can strengthen the company's influence in the society, enhance corporate image, increase the society's recognition and reputation of the company, and also promote the company's long-term healthy development. Further, we have been engaging in different forms of philanthropic programs, such as the Tomorrow Program, Xili Second Elementary School Assistance Program, etc., which produces a positive effect on the community.

Looking ahead, in order for our group to effectively keep improving its sustainable development policy, we will spare no effort to design a more strategic business development direction to balance the benefits of three aspects, including economic growth, environmental protection and social responsibility, so as to jointly create a sustainable future.

LI Dongsheng
Chairman
21 March, 2017

2.   About This Report

This report is the first environmental, social and governance report of TCL Multimedia Technology Holdings Limited ("TCL Multimedia", "the company", "our group", "we"). It is prepared in accordance with the Environmental, Social and Governance Reporting Guide issued by the Stock Exchange of Hong Kong.

2.1   Report Policy

Report Boundary
This report covers all entities that have control or significant influence over finance and practical operation, including operation sites and business units.

Reporting Cycle
Unless otherwise specified, the period involved in the data or content of report is from January 1 to December 31, 2016.

Contact Address for Report Query
7/F, 22E Building, 22 East Science & Technology Avenue, Hong Kong Science Park, Shatin, New Territories, Hong Kong

2.2   Report Standard
This report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide issued by the Stock Exchange of Hong Kong, as a response to the expectations and concerns of stakeholders, highlighting industry features and company characteristics.

3.   About TCL Multimedia

3.1   Our Business

Headquartered in China, TCL Multimedia Technology Holdings Limited engages in the research & development, production and sales of consumer electronic products, with its products distributed across all markets in the world. Our group is one of leading enterprises in the global TV industry. By building a new business model focusing on both products and users through the "double +" strategy of "Intelligence + Internet" and "Products + Services", our group is committed to becoming "an all-rounded enterprise based on the smart TV business" to provide smart TV products and services of ultimate experience for users.

3.2   Corporate Culture

Corporate Vision
The company is devoted to providing smart TV products and services of ultimate experience for users, which is the common goal of each employee from their inner heart, and also a prime power for driving our progress. We make concerted effort to bring the highest-quality services for our customers who always support us.

Corporate Mission

To deliver value to our users: We always put customers first, quickly respond to their needs, and gain their constant trust with good services and sincere attitude, which enables us to keep providing valuable services for users;

To create opportunities for employees: Employees are absolutely our most precious resource, so we are committed to satisfying their different levels of demand, and encouraging them to pursue excellence. In addition to establishing a fair evaluation mechanism, we also provide plenty of opportunities to encourage continuous learning and to promote our business growth;

To deliver value to our shareholders: We attach great importance to the rights and interests of all shareholders. In order for shareholders to get the best return on investment, we constantly pursue the business growth and enhance the company's value, so as to give back to investors who always trust us.

To be a socially responsible corporation: As a responsible multinational enterprise, we have been devoted to promoting the sustainable development of society. At the same time of making profit, we never forget the protection to our environment and resources, and actively participates in all kinds of philanthropic activities for a better tomorrow for all.

Corporate Spirit

Our leading ideas are: dedication, integrity, teamwork, and innovation. We firmly believe that, by virtue of this powerful spiritual pillar, we can keep maintaining a good image.

Corporate Values

Our core thoughts are: user-oriented, innovative openly, cooperative and sharing, integrity and accountability, which are also the most important principle that should be followed by all of our employees. In the course of pursuing perfection, we always keep this faith to jointly achieve our goal.

Business Strategy

Our operation approach is: **improve technical skills, industry capability and global competence, and reinforce our user-centric operation and service capacity**. We believe, a clear objective can keep driving the company's development and consolidating our base. Healthy and solid growth can help gain trust and support of all parties concerned.

3.3 Governance of Integrity

TCL Multimedia always operates ethically, and uphold principles of fairness and justice. To create a corporate culture of integrity and safety, and guide employees to safeguard corporate interests and keep devoted to duty, promote sustainable and healthy development of the company, we have formulated the TCL Multimedia Rules for Anti-corruption.

In addition to requiring all employees to comply with applicable laws and regulations of China and of other countries relating to business activities, and forbidding all bribery practices, the company has also put forward the specific requirements on their business conduct, for example, employees are prohibited from private possession and distribution of any discounts, rebates, commissions or agency fees in the company's business dealings, and are prohibited from taking advantage of their

office to deceive, steal, misappropriate – or by any illegal means – take possession of company property. In order to effectively promote staff integrity, it is the company's policy to have each new employee sign a copy of Undertaking for Personal Integrity. When making business dealings with suppliers and contractors, the department concerned shall, at the same time of contract execution, sign a copy of Anti-corruption Agreement or add anti-corruption clauses to the contract, and set out the complaint approaches and channels in the Anti-corruption Agreement or integrity clauses. Besides, we have clear instructions and regulations on avoidance, gift handling process, complaint handling process, inspection and audit, punishment for violations, etc., trying to realize top-down and bottom-up standardization in all respects.

3.4 Awards

- Model Enterprise for Safety Culture Construction in Guangdong
- Secondary Standard Enterprise for Safe Production Standardization Construction
- Advanced Organization for Public Fire-fighting Cause in Huizhou
- China Audio & Video Industry Technology and Application Trend Forum – Production Innovation Award
- China Audio & Video Industry Technology and Application Trend Forum – Technology Innovation Award
- China Audio & Video Industry Technology and Application Trend Forum – Application Innovation Award
- Social Responsibility Development Index for State-owned Enterprises in 30 Provinces of China – 1st of Domestic Household Appliance Brands
- Taiwan "Golden Pin Design Award"
- World Packaging Organization 2016 "WorldStar" Award

4. Materiality Analysis on Environmental, Social and Governance Issues

Our mission is "to deliver value to our users and shareholders, to create opportunities for employees; and to be a socially responsible corporation". No matter we are delivering value and services for our users, creating job opportunities for our employees or creating value for our shareholders as we develop, it is ultimately for being a responsible business. The development of an enterprise cannot be realized without a good social environment. The better fusion between an enterprise and the society, the more helpful it will be for the enterprise's social image building and the transmission of its corporate value and culture, and the more helpful for the enterprise's business development. Corporate social responsibility activities are favorable to good communication with the society, while good social value and cultural atmosphere can better promote the enterprise's business development.

To effectively identify environmental, social and governance issues that are important and relevant to TCL Multimedia, as per the requirements of Environmental, Social and Governance Reporting Guide, TCL Multimedia has particularly engaged an independent consultant to conduct materiality assessment with industry characteristics taken into account. The materiality analysis is mainly

based on interviews and surveys with stakeholders, including customers, employees, regulators, industry experts, community partners, suppliers, etc.. There were more than 200 participants in total. By ranking the materiality of different social responsibility aspects, it is helpful for the company to integrate future development strategies and set the corresponding objectives.

Material Issues Identified

Material Issues Selected	
Environmental Issues	**Employment Issues**
• Use of materials • Use of energy • Emission to air and water • Water resources • Management of hazardous waste • Packaging materials • Impact of local operation to the environment	• Compliance to Labor and human rights regulations • Occupational health and safety • Employee training • Employment relationship
Operation Issues	**Community Issues**
• Customer service • Intellectual property rights • Customer information privacy • Social responsibility of suppliers • Anti-corruption • Product quality • Conflict minerals • Supplier diversity • Internet of things	• Support community development through philanthropic approach • Support community development as part of business activities

5. Corporate Operation

TCL Multimedia's corporate spirit of adherence to ideals and focus on quality has been fully reflected in practice. Our corporate operation is committed to satisfying customer needs, and meanwhile, to ensure product quality, the company maintains good cooperation and interaction with suppliers. Beyond that, we have also found a spokesperson of healthy image for the brand – Lang Ping, head coach of Chinese women's volleyball team. This year, she officially became the image spokesperson for "XESS", a high-end sub-brand of TCL Multimedia. Lang Ping believes, the spirit of persistence and struggle for success expressed by Chinese women's volleyball team matches perfectly with the philosophy of TCL Multimedia. Besides, to push forward our progress, we have set short-term, mid-term and long-term objectives for our group. In the short term, we hope that we can use energy saving technology to drive product upgrading, and make smart information products rapidly popularized; mid and long-term objectives include: leading the industry's high-end intelligent equipment, display technology and smart information terminal products, committed to presenting the best to our honored customers.

5.1 Strict Management of Supply Chain

To be highly responsible for the society and customers, TCL Multimedia has conducted all-around environmental design and keeps looking for improvement in all aspects of the supply chain, including research and development, procurement, production, logistics, resources management, etc., with an aim to promote the sustainable development of the company and the society.

5.2 Product Responsibility

In addition to providing high-quality products, TCL Multimedia also ensures products go beyond local quality standards, and meanwhile, incorporates the concept of sustainability into products, enabling customers to gain physical and mental health after use of our products. We strive to provide home-oriented design and keep pursuing excellence.

With regard to product design, our TV frames carry anti-scratch design to protect the safety of users. Besides, our TV sets have hybrid dimming, anti-blue light eye protection and dynamic backlight control functions. The hybrid dimming function will change the working mode of LCD TV backlight from the single Pulse Width Modulation (PWM) switching mode to the direct current driven and mixed with PWM switching. In normal family user scenarios, the use of direct current for driving without flickering screen is good for eye care; meanwhile, the anti-blue light eye care function can, by adjusting the screen color temperature, reduce the blue light output from TV sets, which can protect the eyes of users when watching TV for a long time. Besides, products will, according to the dynamic changes of television pictures, adjust the intensity of LCD TV backlight to reduce TV power consumption while improving picture quality.

In terms of physically impaired users, we have developed accessibility functions for products sold in European and American markets. In Europe, product carries subtitle function for hearing impaired persons and Audio Description function for visually impaired persons on the basis of DVB standards. American products embed Closed Caption Display, Text To Speech technologies. Our unique design aims to satisfy the needs of different customers.

For senior users, we have successively launched the "Bama" (harmonic tone of father and mother in Chinese) TV and simple, easy-to-use smart TV products exclusively for the elderly; in 2014, we launched the smart voice control with thoughtful design that presents our close attention to the needs of different users.

At the same time of delivering on our commitment to environmental protection and different users, TCL Multimedia highlights its own features combined with the characteristics of multimedia products. On the level of products, we advocate energy-saving products by using low-energy-consuming and environmentally-friendly materials to promote energy saving, emissions reduction and reduction of damage to environment. Meanwhile, on the level of production, we display technology superiority, which can lead the industry's healthy development and support the development of public display and intelligent construction; our production base can also provide more job opportunities for the local community and support the regional development. As for the sales level, reliance on TCL's global marketing network can provide foreign resources and information sharing channels, so as to reduce regional differences.

6. Environmental Protection

As a manufacturing enterprise, TCL Multimedia's market penetration rate keeps expanding. Given our nature of business, our core environmental strategy is to enhance the energy efficiency of our production process, and to enhance the energy efficiency of our products. In particular, TCL Multimedia makes long-term effort on product design innovation such as reducing energy consumption at power-on and standby modes, so as to reach the advanced level of energy saving across global markets. In selection of materials, we actively follow up the latest instructions and guidelines for hazardous substances worldwide, fully meet the requirements of each market, and make active exploration and practice in respect of reusability, reduction of production input and recycling, so as to give strong support to environmental protection. We are committed to designing and providing high-quality products for customers, protecting the environment from damage, and paying constant attention to changes of the ecological environment, and our close relationship with the environment. By making technological innovation to build low-carbon economy, from green manufacturing to green products and then to green industry and circular economy, we hope that we can contribute to protecting the ecological environment and precious resources on the earth.

6.1 Energy Saving

As an enterprise responsible for the environment, we know that low-carbon operation is an inevitable trend. Therefore, in respect of driving energy saving, we always spare no effort to reduce the use of energy, trying to balance the business development and environmental protection.

As for energy saving, we actively follow up the relevant requirements of each market. In China, we massively develop energy-saving products that reach the Class 1 or Class 2 energy efficiency, and phase out production of Class 3 products; in Europe, we actively respond to EU's Energy-related Products energy efficiency label requirements, with our products reaching the international advanced level of energy efficiency. In USA, lots of products can satisfy the maximum energy saving under the energy efficiency label requirements, with a standby power of 0.3W, far lower than the standard requirement of 0.5W.

Green Office

To implement the national policy for energy saving, and become an environmentally-friendly enterprise, TCL Multimedia seriously takes up environmental responsibility, and advocates environmental protection inside our group, striving to build a green office environment. Green office not only can save resources and reduce environmental pollution, but also can help the company lower operation costs, achieving a win-win result of economic performance and environmental performance.

[Case] At the Wuxi production base, responsible staff will conduct daily check of lighting. In areas reaching the illumination standard during the day, all lighting equipment will be turned off, and the responsible staff will conduct daily, weekly and monthly checks from time to time. Besides, in the context of same price, we will seek affordable and durable lamp tubes, such as using Philips energy-saving lamp tubes in production lines.

[Case] The Mexico production base has implemented a number of energy-saving rules: air conditioning of office areas shall be controlled at an appropriate temperature; air conditioning of production areas shall be turned on only from 7 am to 4 pm; air conditioning at canteen areas shall be turned on only during the lunch time from 12 nn to 1 pm; no lights shall be turned on during the lunch time.

[Case] The Poland production base provides energy-saving guidelines for office employees to increase their awareness of environmental protection.

6.2 Waste Management

In addition to waste reduction from the source, for example reducing waste produced in the course of production, TCL Group is the first company initiating color TV recycling campaigns in China. This unprecedented breakthrough demonstrates our persistence to environmental protection. Meanwhile, TCL Multimedia also effectively controls hazardous and non-hazardous waste to reduce environmental burden. At the time of properly dealing with hazardous waste, the company tries its best to increase the waste recycling rate.

All of our products sold to Europe are designed in accordance with the requirements of Waste Electrical and Electronic Equipment Directive, giving full consideration to recycling after the end of service life.

Disposal of Hazardous Waste
TCL Multimedia strictly complies with laws and regulations. We ensure proper disposal of hazardous waste. We will store hazardous waste by category in different locations, and will engage a qualified supplier to handle hazardous waste. Our Huizhou plant has entered into a contract for disposal of hazardous waste with Dongjiang Veolia Environmental Services Co., Ltd., who has the most comprehensive qualifications in Guangdong, and in a timely manner, files with the environmental protection network by law, fills out the Sheet for Transfer of Hazardous Waste, and keeps the relevant contract, with such information as the category, quantity and charging vouchers of hazardous waste to be verified by both parties. The service company has no limitation on the disposal quantity from our company, and our average annual disposal quantity is 100-200 tons according to the production and orders. Our Chengdu production base will count the quantity of hazardous waste produced every month, and after reaching a certain quantity, will handle signature and approval on transfer of hazardous waste with High-Tech Zone Environmental Protection Bureau and Chengdu Environmental Protection Bureau, and then will obtain a form from High-Tech Zone Environmental Protection Bureau, and notify the supplier for disposal of hazardous waste.

In order to reduce hazardous waste from the source, we put efforts into such aspects as product design, technology innovation and process optimization, trying to reduce the production of hazardous waste in every link of products. For example, 90% of plastic back cases have been replaced by metal materials to reduce the use of plastic materials and the environmental pollution from paint spraying; fully implement the lead-free welding technology; in the injection molding process, the free-spraying high-gloss injection molding technology is applied to control and reduce the production of waste; materials are purchased according to the consumption; use advanced modules, whole-set production lines and new injection molding production equipment, and

according to the state control of hazardous waste, make reasonable equipment maintenance plans for equipment maintenance according to the planned usage, so as to reduce the production of hazardous waste; as per the requirements of oil spraying technology, all-spraying products are changed to single-side oil spraying to reduce the oil spraying quantity of products, so as to reduce the production of waste oil paint slags and waste organic solvents.

Recycling of Non-hazardous Waste

As for non-hazardous waste, TCL Multimedia follows the sustainable principle to realize recycling wherever possible. This can significantly reduce the delivery of some valuable waste into the landfill, and make the best use of them to minimize the negative impact on the environment and fulfill our commitment to environmental protection.

[Case] Kitchen waste and waste cooking oil will be disposed of by a supplier designated by the municipal environmental protection department or handed over to a qualified enterprise for disposal.

[Case] In the injection molding process, scrapped cases, drainage opening materials and trays will be smashed for reuse. This can save about 700 tons of plastics per year, and reduce the production of waste.

[Case] Electronic materials and packaging materials abandoned in the course of production will be put back into use, or non-hazardous waste that can produce surplus value will be sold.

6.3   Water Saving

TCL Multimedia requires employees to save water resources in both production and daily life, and in addition to ensure waste reduction on the level of technology, such as the use of automatic control valve faucets, periodic inspection on water pipes and water valves, etc., we also strengthen employee education of water saving, and effectively implement water saving measures. Currently, we have successfully saved water resources in an order of 10,000 tons every year; the achievement is very encouraging. The company believes, by making good use of precious water resources and taking innovative and positive action in respect of environmental protection, it will set a good example for the balance of economic development and environmental protection.

Water Saving in Production

[Case] Industrial wastewater produced from the spraying process will be reused after treatment and filtration through the wastewater treatment system, which can reduce the discharge of about 3,000 tons of wastewater every year.

[Case] High-temperature steam cooling water produced by high-gloss injection molding will be recycled after cooling through the high-temperature tower, which can reduce about 29,700 tons of municipal water use every year.

[Case] A service reservoir will collect about 240 cubic meters of rain water and water used for landscaping, which can save about 2,000 cubic meters of water on landscape and cultivating land every year.

6.4 Environmentally-friendly Packaging

Without affecting the logistics packaging quality or logistics process, the company will reduce the use of materials, give preference to environmentally-friendly materials and increase the recycling rate in logistics. At our Huizhou plant, in order to reduce the environmental impact of expanded polystyrene (EPS) foams, the company has reduced the EPS intensity and the EPS weight by 10%-20% under the premise of ensuring product quality; at our Wuxi production base, the company uses simple packaging boxes, which will then be recycled; at our Mexico production base reuses 100% recyclable materials in the LCM module process to minimize the use of materials.

7. Our Employees

The company observes the state relevant laws and regulations, with the management of labor contracts under the Labor Contract Law of the People's Republic of China and local legislation. We implements a well-established promotion system and a sound benefit system, including continuous appraisal and training, so as to ensure employees' knowledge can meet the market needs. In addition, we also provide lots of paid leaves to make sure that employees can enjoy their work and life and recognizes their own value, which is favorable for the company's long-term development.

7.1 Employee Profile

Table 7-1 Total Number of Employees by Gender, Age, Geographical Region and Grade

		Number at December 31, 2016
Total number of employees		23,616
a)	**By gender**	
	Female	9,109
	Male	14,507
b)	**By age**	
	< 30	12,622
	30 – 50	10,586
	> 50	408
c)	**By geographical region**	
	PRC and Hong Kong	22,336
	Asia (except PRC and Hong Kong)	536
	Europe	366
	Americas	378
d)	**By grade**	
	Senior management	10
	Middle management	235
	Junior management	319
	Professional grade	15,294
	Operational grade	7,758

7.2 Remuneration and Benefits

The company will carry out remuneration review on a regular basis combined with business performance and remuneration situation in the market. In addition to remuneration, the company also pays social insurance for employees in accordance with local government regulations, including pension, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance and housing fund. For employees above a certain level of position, after he/she has become a full member and has given his/her consent, the company will pay supplementary pension of TCL Group. In addition, qualified employees may also enjoy a certain amount of allowance, computer and city traffic subsidy.

The company has been committed to providing comprehensive insurance coverage and high-quality insurance services for employees. To better protect the economic interests of employees when suffering from accidental injury or illness, we have handled group life insurance and group medical insurance with the insurance company. An employee may enjoy the company's commercial insurance benefits from the date of entry/transfer to TCL Multimedia.

7.3 Training and Development

We provide multi-dimensional development channels for employees in respect of vocational, technology and management. Through training and effective talent development approaches, we aim to cultivate a talent team of global vision, professional quality and specialized level. The company identifies key positions and key talents via talent review every year, and carries out talent team construction through such mechanisms as talent selection and training. An employee can, according to his/her own situation, set up a goal and get fair promotion.

To develop employee potential and competence so that they can complete their tasks and face challenges at work, TCL Multimedia provides training for employees at all levels to help them realize self-improvement. TCL Multimedia firmly believes that, each employee is our most precious asset. Therefore, we always put lots of resources to provide all kinds of training for employees to improve themselves and become elites who will provide the best services for customers.

We have a well-established training curriculum. In terms of training content, we offer professional series and common & project class. Wherein, courses of professional series involve a number of departments and positions, including research & development center, product center, innovation center, law, finance, etc.; the scope of common & project class is broader, including such themes as language, patent, professionalism, etc. We will design different training programs according to different levels of employees, for example, based on management levels, we will design programs from low to high level.

Product Manager Training Program

To cultivate user-centric product manager talents and organizations, the company has launched a product manager training program. From two dimensions including personal quality and product management, we have built a 4I (Infrastructure, Impact, Insight, Influence) + 4P (Product Planning, Product Experience, Project Management, Product Development) competence model for product managers of TCL Multimedia. This program implements a hybrid learning pattern which combines training, consulting and marketing, designed to provide such experiences as vision widening tour, celebrity lecture and user insight course for students. Practical workshops are offered by group and module, supported by the corresponding guidance. We hope to, through training schemes, improve the product managers' ability to understand the users, understand the products along its life-cycles, and marketing the product. Meanwhile, we require the trainees to, combined with actual product projects, make practice and deliver product results, so as to fully enhance their quality.


TCL Multimedia Eyas Training Program

TCL Multimedia lays emphasis on the career development of new employees, and to help new employees better fit into the company, complete the transition of career roles, and understand business faster, we have launched the one-year Eyas Training Program. The joining of new employees can bring fresh ideas for the company, so we give special priority to the training of new employees, trying best to create rising stars for TCL Multimedia.

At the beginning of this program, we will make overall planning and set up a project team for implementation. After going through the Eyas Power Camp, we will arrange on-the-job training in manufacturing and sales departments and personalized training for new employees. After October, trainees are sent back to their original departments for receiving role-specific training. In addition to cultural courses and practical experience, we will also provide diverse group activities for trainees, including group dance, gathering night, etc. On top of a training on skills, we hope our trainees can better experience the corporate culture of TCL Multimedia and build the sense of belonging to the team.

New Junior Manager Competency Program

To promote the transition from individual contributors to managers, and improve the competency of junior managers, we have launched a new junior manager competency program. This program follows TCL Multimedia's junior manager capacity model as a standard to, combined with position requirements, provide basic methods and tools for managers. We know a company's management policy is strongly connected with the company's development in all respects, so we put great efforts to train first-class managers so that they are able to lead the company to create a better future.
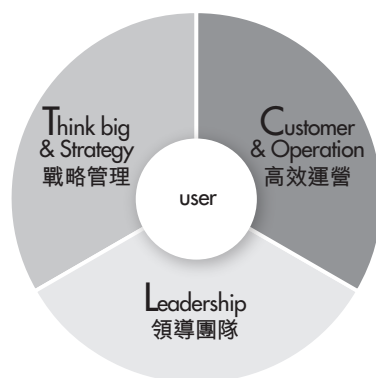
We have designed a number of courses to, by training communication skills, project management ability, work report ability, etc., improve team performance and drive changes. The program consists of three sections: learning, practice and assessment. Through online learning, offline face-to-face teaching and group reading, trainees will learn relevant management knowledge. Then, groups will make discussions on common problems encountered by new managers, and seek solutions through work practice and application of learning content, while individuals will finish training notes, and eventually, excellent projects and individuals will be selected. In this course, trainees and their supervisors will maintain communication and jointly develop an Individual Development Plan (IDP), and will communicate about the IDP on a monthly basis. At the end of this program, trainee will give feedback to their IDP results. By form of learning, practice and assessment, with continuous attention and training, the management ability of trainees would have been improved significantly.

7.4   Caring for employees

In order to increase communication between employees and strengthen group cohesiveness, the company will organize employees to travel every year and carry out departmental activities irregularly. In order to enrich employees' spare-time cultural life, the company has established labor union clubs, such as badminton club, basketball club, football club, photography club, yoga club and other more than 15 clubs. In order to guarantee employees are in good health, the company will organize employees to take physical examinations every year and provide free body-building place for them. Moreover, the company will carry out recreational activities and provide festival welfare in festivals and organize caring activities on employees' birthdays. The labor union has build caring funds to support employees who are in need.
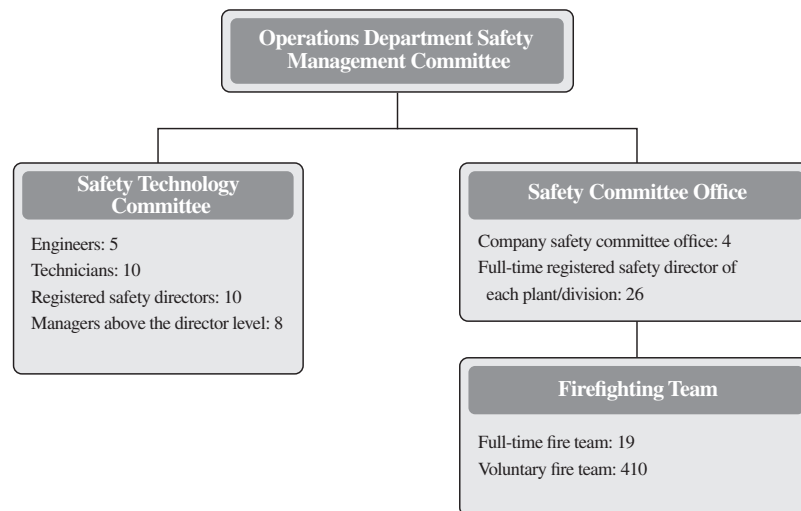
Opinions from Frontline Employees

TCL Multimedia always pays attention to employees' opinions. "Opinions from Frontline Employees" is an event which provides frontline sales representatives with chances to communicate with company management levels and fed back clients' opinions directly. In July of this year, the third-quarter activity of the Opinions from Frontline Employees of TCL Multimedia was held in TCL technology building in Huizhou City. Nearly 90 six-star-level sales representatives of multimedia, vice-president of TCL Group and CHO of multimedia, Xu Fang, chief operations officer of multimedia, Xiang Zheng, vice-president of multimedia, Li Xin, vice-president of industry research institute, Chen Guanglang, general manager of Cool Friends Network Technology Co., Ltd., Yang Bin, general manager of sales in China proper, Li Lu, and the departmental headers of R&D, operation, production and market attended the activity. In the meeting, Xu Fang reviewed the problems raised by sales representative in last year, including products, market channels, sales service, and personal development and so on. In this year, the company has listened to the appeals from users and frontline sales representatives and will seek solutions for improvement actively.

7.5 Health and safety

We pay high attention to employees' safety and health during operation process and devote ourselves to create a safe and comfortable working environment. We have a clear organizational structure of safety production management and have established a safety management committee under the Operations Department. Moreover, we have prepared 38 systems and 18 documents regarding emergency management, fire protection management, hazardous material management, construction management, safety training, and safety production inspection, in order to implement safety management into every production stage. Meanwhile, we designate personnel for management of regular assessment, maintenance, update and upgrade.

Organization chart of the Committee

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        ┌─────────────────────────────────┐
        │ Operations Department Safety    │
        │ Management Committee             │
        └─────────────────────────────────┘
              │                    │
┌──────────────────────┐   ┌──────────────────────────────┐
│ Safety Technology    │   │ Safety Committee Office      │
│ Committee            │   │                              │
│                      │   │ Company safety committee     │
│ Engineers: 5         │   │ office: 4                    │
│ Technicians: 10      │   │ Full-time registered safety  │
│ Registered safety    │   │ director of                  │
│ directors: 10        │   │   each plant/division: 26    │
│ Managers above the   │   └──────────────────────────────┘
│ director level: 8    │              │
└──────────────────────┘   ┌──────────────────────────────┐
                           │ Firefighting Team            │
                           │                              │
                           │ Full-time fire team: 19      │
                           │ Voluntary fire team: 410     │
                           └──────────────────────────────┘
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In order to guarantee every employee is attaching importance to and abide by safety regulations, the company requires every employee to sign a Declaration of Commitment to Safety. While conducting management and operation, we require all people to put safety as their first priority.

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Training and education
Safety knowledge contest facing all employees
In order to introduce knowledge to safety in an interesting manner, we held the safety knowledge contest, which was attended by all employees. Next, we carried out mass-election in all workshops and preliminary contest in the factory headquarters. The employees promoted took part in the finals at the Operations Department. There were more than 400 people in the final, and an additional 50 field audiences participated in answering questions with 100% of accuracy. The atmosphere was very active. We believed employees' safety awareness and knowledge had been increased greatly during the process of contest.

The Safety Knowledge Contest

The Fire Protection Skills Final of Operating Center was started under the mobilization of director for Human Resource Department of Operating Center. All participants were selected from the fierce competition in factory headquarters. The competition system is three-people team competition, including climbing stairs, lifting up a stretcher, chest compression, quizzes, fire fighting and water jetting. The process was wonderful and exciting and all participants competed with each other with millisecond advantage. Finally, Molding Plant, TV Plant and Platform Department won the champion, second place and third place respectively.

Fire Protection Skills Final of Operating Center

Occupational health training

On June 12, the Safety Committee invited the senior training instructor of 3M Company to conduct special training for the administrative staff of occupational health of our company on the occupational hazard caused by noise. The training was carried out in forms of quiz, hearing test and field demonstration with high degree of participation, active classroom atmosphere and high teaching effectiveness.

Special training for the administrative staff of occupational health on the occupational hazard caused by noise

Scenario experience

In order to improve employees' emergency capacity and guarantee employees' safety, we built Zhongkai's first fire evacuation experience room to conduct evacuation simulation for 6000 employees.

Fire-ground evacuation experience room

OPL safety contest

We used One Point Learning (OPL) to conduct safety training and carry out 10-Minutes Safety Contest with tools for quality management and a team/workshop as unit. In order to reflect operability, participants would combine explanation with demonstration. The scene was carried out in the form of contest and it was evaluated by professionals and audience judges. At last, the cases of excellent themes were popularized.
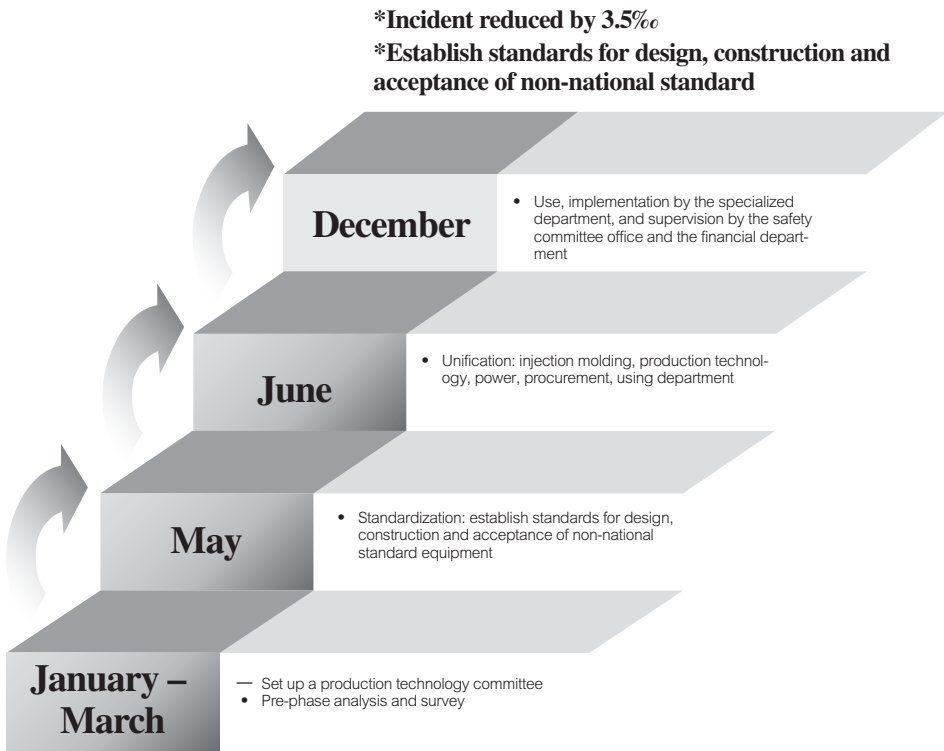
10-Minutes Safety Contest

Training for full-time and part-time safety managers

In order to carry out safety management better, we designed a series of ability enhancement items for safety managers, such as theoretical training, training and explanation by firefighter and corresponding emergency training. After that, trainees went to brother units and non-local base factory to exchange learning, share experience with each other and conduct training summary in order to improve action plan.

Specialized management for non-national standard production equipment

In order to reduce the frequency of accidents, we have adopted distinctive specialized management for non-national standard production equipment to be sure to optimize whole management process. We believe the high standardization and unification of process with strict and effective supervision is the key that the products of TCL Multimedia to be leading in the market.

Specialized management process for non-national standard production equipment

*Incident reduced by 3.5‰
*Establish standards for design, construction and acceptance of non-national standard

December
- Use, implementation by the specialized department, and supervision by the safety committee office and the financial department

June
- Unification: injection molding, production technology, power, procurement, using department

May
- Standardization: establish standards for design, construction and acceptance of non-national standard equipment

January – March
— Set up a production technology committee
- Pre-phase analysis and survey

Field safety management

Job hazard analysis has been a regular practice. Safety personnel at different ranks conducted job hazard analysis at respective areas every two hours, daily, weekly, monthly, quarterly and on holidays and festivals. In addition, we set special examination. The company pays great attention to safety and they have high degree of participation in all assessments.

Special safety examination of power equipment

The chief inspector of the factory led a team to carry out big safety examination before festivals

The third-party management

Besides having high expectations to the safety management of the company, we have perfect process specification for construction and have built archives management for contractors. When there is a construction and hazardous operation, we will review the project and check its qualification, and then sign a safety agreement. Furthermore, we will provide safety training to employees at all levels. After the project meets the requirements of operation safety, we will sign a construction sheet for starting construction. During operation process, we will keep field inspection and assess large risks in order to guarantee they are within the control range. When a prohibited behavior appears, we will dispose it strictly according to articles of the agreement and list it in the assessment of suppliers.

Risk assessment

TCL Multimedia attaches importance to risk management during operation process. Therefore, we insist to carry out hazard identification and risk assessment every quarter. In this year, we identified 56 key hazards, prepared a safety risk map and formulated 242 risk control measures. We are always cautious to safeguard every employee serving the company loyally.

The safety risk map

Emergency rescue

The company started a miniature fire station stationed with a full-time fire brigade consisting 20 people and a voluntary fire brigade of 360 people in this year, The Management System of Miniature Fire Station stipulates that firemen shall be trained once every two weeks and be assessed every quarter. In order to make the full-time fire brigade receive professional training and enhance rescue skills, we specially invited the professional fire brigade to provide specialized guidance.

Our fire brigade has been well recognized by the Huizhou Government.

Fire evacuation drill in TCL Liquid Crystal Industrial Park

Won the title of "Advanced Collective of Fire Cause in Huizhou City"
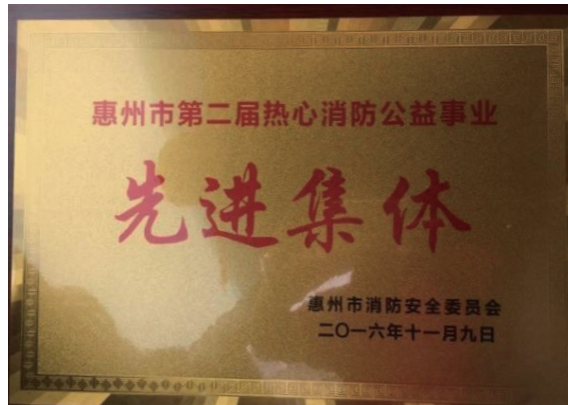
Prevention and treatment of occupational hazard and field management

In order to guarantee employees are healthy, TCL Multimedia creates safe and harmless work environment actively, such as to guarantee air quality. Employees are our valuable property, so their health is the most important. We firmly believe that, just the physically and mentally healthy employees are equipped to serve the company diligently, so as a conscientious enterprise, we dedicate ourselves to provide best concern to our employees.

We will arrange occupational health check for employees before on-boarding and leaving, and annual health checks during the course of employment. Meanwhile, we will carry out three-level occupational health and safety training and examination for employees before entrance, and then issue work licenses after being qualified, which is sustained and will be carried out with continuing education at least once in future. The company will require the employees contacting with organic solvent and having possible occupational hazard to sign the notification agreement of occupational hazard to strengthen their safety awareness. Moreover, the company will implement effective supervision and inspection: implement the "Three Times Inspection" system in workshops every day (before work, during working and after work); the company safety officers shall patrol all areas every two hours; all factory department shall organize the comprehensive occupational health and safety inspection in the industry park every month; the safety committee office of the company shall organize to carry out comprehensive inspection and assessment every quarter.

Safety assessment and examination

As an enterprise abiding by the idea of sustainable development, TCL Multimedia 100% passed clients' examinations. In 2015, we passed the examination of one of biggest international retail chains with 96 scores and the examination score of occupational health area was 94. Besides, the scores of other items were very high and the performance was satisfactory, which showed our company was high-quality and was worthy of the trust of all parties.

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We will conduct safety performance examination in the company weekly and monthly with one-level standard as assessment criterion. The company will implement the safety performance assessment system and the clauses of letter of commitment on safety of TCL Multimedia strictly: we will post a "crying face" warning sign on the door of responsible person of the units that had unsatisfactory safety performance.

8   Community investment

While developing itself, TCL Multimedia also assists in charity community development to help vulnerable groups according to social needs and create sustainable social values. We have invested resources in multiple fields to support poverty students, disabled person and other vulnerable groups in funds and recourses and hope bring the positive influence of spirit and positive energy of TCL Multimedia to more people. These activities has gained expectant effect and met the needs of some people with some practical actions. The unceasing community investment of TCL Multimedia has fulfilled the commitment to social responsibility, established a good enterprise image to society. Meanwhile, the company can integrate with the society, deliver caring, and feed back to society positive better.

The Tomorrow Program
TCL Multimedia has supported poor junior school students and high school students for long term until they graduated from high schools. In recent years, we mainly participated in supporting in Guangxi region, and we began to participate in supporting in Sichuan region in this semester. The company sent a number of employees to visit the students supported with Tomorrow Program together every semester and encouraged them with grants through going to countryside and home visiting. Every time, we took many small gifts to the hundreds of students in the county, such as English-Chinese dictionaries, pencil boxes, notebooks and other goods needed by them.

All employees participated in the philanthropic activity very enthusiastically, but the number of people to participate in was limited every time because of the restrictions on environmental and traffic conditions. What's more, every volunteer was very earnest and active while they were participating in the activity, so the Tomorrow Program highly evaluated our volunteers.

This is a lasting project and we hope and strive to bring continuous positive energy to children and create a better tomorrow for them.

Xili No.2 Primary School
The company has supported three children of Xili No.2 Primary School for a long time from grade two and three to now (grade six). Our Foundation provides subsidy regularly and organize volunteers to visit children with small gifts every semester. Our employees would pay close attention to their learning and life practically and communicate with them. We have insisted to support them for several years and the objects helped were fixed, our volunteers have set up good feelings with children. With the help of volunteers, children became more willing to communicate with others and more optimistic, and this positive effect was exactly what we expect.

In addition, TCL Multimedia built fellowship with schools, such as to organize basketball game and invite teachers for factory visits. We plan to invite the students for a factory visit in the future and take it as the activity base for students to promote the combination of teaching and practice.

Xili Disabled Persons' Federation
TCL Multimedia has been sponsoring a disabled person with a monthly subsidy of RMB1,600 for three years. We delivered daily necessities in ordinary days and consolation goods in holidays and festivals. However, there was an accident happening at his family, so our company gave his family a one-time payment of a year of gold sponsor according to reality to help his family to tide over difficulties. Therefore, he embroidered a silk banner for us to show thanks.

We participated in volunteer activities organized by the Xili Disabled Persons' Federation, such as to lead disabled people to have a picnic, to help disabled people to sell their handcrafts, and to provide more help. At present, we are communicating with the Xili Disabled Persons' Federation to hold activities to help disabled people with special difficulties. We hope bring the spirit of love into the hearts of everyone, so that more people will be benefited.

Blood donation
The company always focused on the needs of society. In the early time, the O-type blood and AB-type blood sources were short, and then the Huizhou Party Branch and labor union of TCL Multimedia immediately organized voluntary blood donation and received response from more than a hundred of employees in a short span of a week. On the days of blood donation, the labor union chairman also went to the field to greet medical staff and volunteers and donate blood. In addition, the employees of all factory units, including general staff, technical personnel, junior mangers and middle and senior manager, actively supported it and joined the blood donation team.

In just 6 hours, 156 employees donated in total 50,300 ml of blood and 322 ml per capita amount. TCL is practicing its social responsibility with sincerity and make every effort to serve the society.