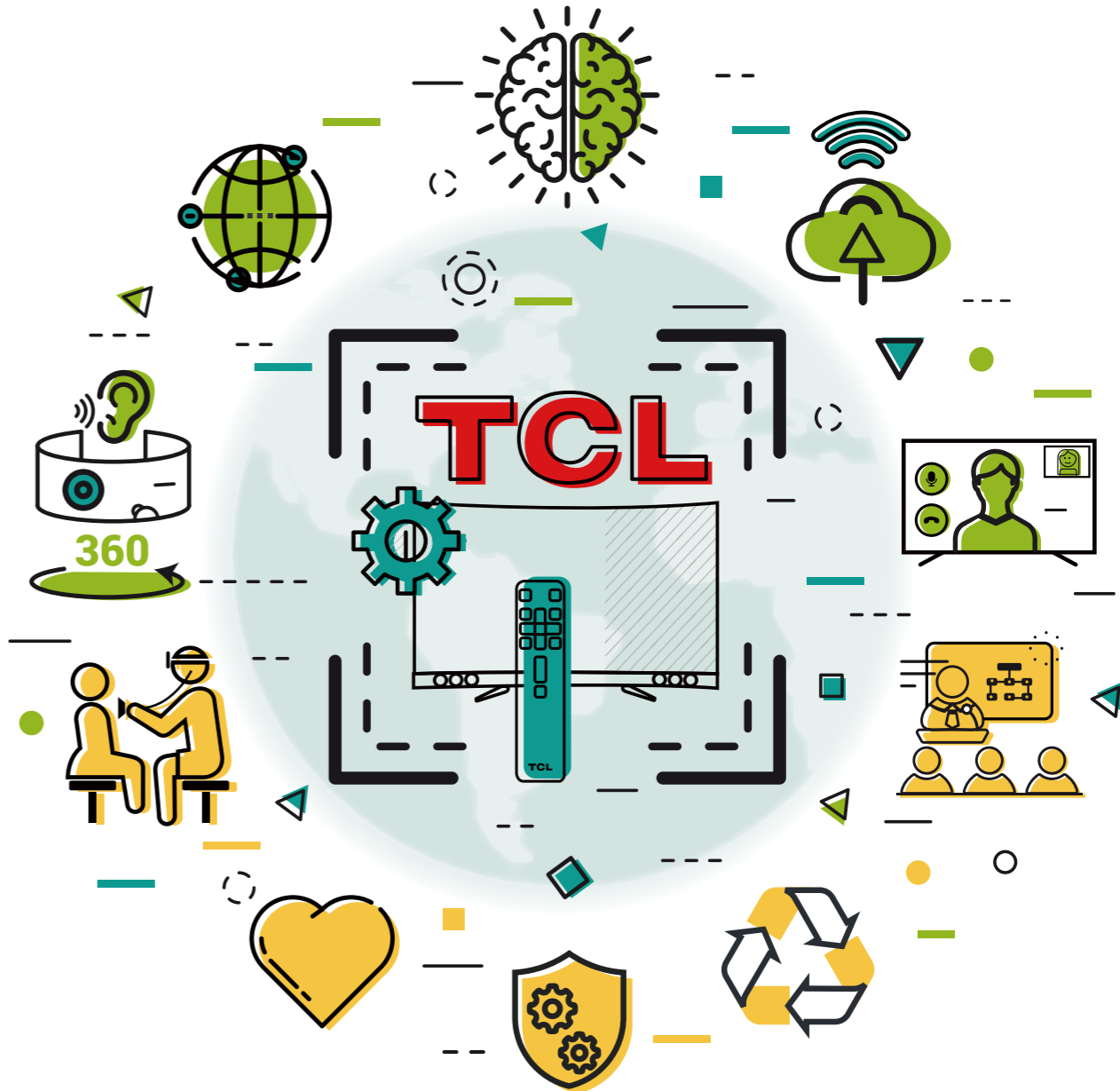




TCL Multimedia Technology Holdings Limited

(incorporated in Cayman Islands with limited liability)
(Stock Code: 01070)

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2017

TCL Multimedia Technology Holdings Limited Environmental, Social and Governance Report



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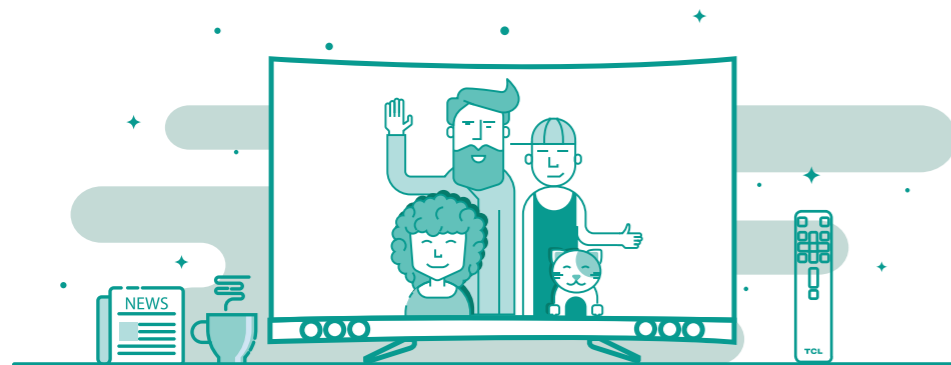
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About this report



Overview

This report is the second Environmental, Social and Governance (“ESG”) Report (“ESG Report”) published by TCL Multimedia Technology Holdings Limited (hereinafter ‘TCL Multimedia’, ‘the Group’, ‘our company’ or ‘we’), which discloses our performance in the areas of innovation, product and services responsibility, staff development and team building, workplace safety, environmental protection, compliance, responsibility procurement and community investment. The reporting year is our financial year ended 31 December 2017.

Reference

This report was compiled in accordance with “the Environmental, Social and Governance Reporting Guide” published by The Stock Exchange of Hong Kong Limited (“HKEx”) as set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Reporting Guide”).

Scope and boundary

Policies and data stated in this report are applicable to TCL Multimedia and all subsidiaries of which we hold over 50% shares. This covers all operations based in the People’s Republic of China (‘China’) and other overseas countries or regions. TCL Multimedia held more than 50% interest of Shenzhen Thunderbird Network Technology Company Limited (“Thunderbird Technology”) before 1 September 2017. Thunderbird Technology is therefore covered in the reporting boundary for this report. While TCL Multimedia is holding less than 50% of interest of Shifendaojia Science and Technology Service Co., we have substantial influence to its operation and its operation is closely linked to TCL Multimedia’s service provision. Shifendaojia is therefore included in the reporting scope.

Sources of data and authenticity

The figures and case studies included in this report were prepared based on our statistical reports and internal circulars. The Board confirms that this report does not include any false or misleading statements. The Board is responsible for the authenticity, accuracy and completeness of the report content.

Board approval

This report was approved by the Board of Directors on March 28, 2018.

Message from the chairman

This is the age of globalisation, smart technology and connectivity. The television is currently being re-defined and is providing the world with more dimensional entertainment offerings and a more personalised experience. The television industry is facing new challenges and opportunities, but is adapting with both agility and perseverance. Being the world’s third leading television enterprise, TCL Multimedia is exploring how to redefine television and the industry.

TCL Multimedia has adopted the “SAI Strategy” – meaning Smart Manufacturing, Artificial Intelligence and Internetization. In 2017, we have made a number of achievements. On “Internetization”, the internet-enabled TV brand FFALCON was launched in 2017. Leveraging the content provided by our business partners, TCL users can enjoy up to several hundred thousand hours of copyrighted materials, including Chinese and foreign TV dramas, movies, live sports, animations and documentaries. For “Artificial Intelligence”, starting from this year onwards, TCL Multimedia products are now equipped with our AI “Xiao T”, to strengthen the interactivity between users and their televisions, helping them to search for desired content more easily.

In addition to offering diverse entertainment options, we are committed to creating extraordinary value for the general public as we implement our “SAI Strategy”. We have therefore launched the “Family Circle” application in some of our products, and been developing the “Healthy Community” application to improve the connectivity between the elderly and their neighbourhoods.



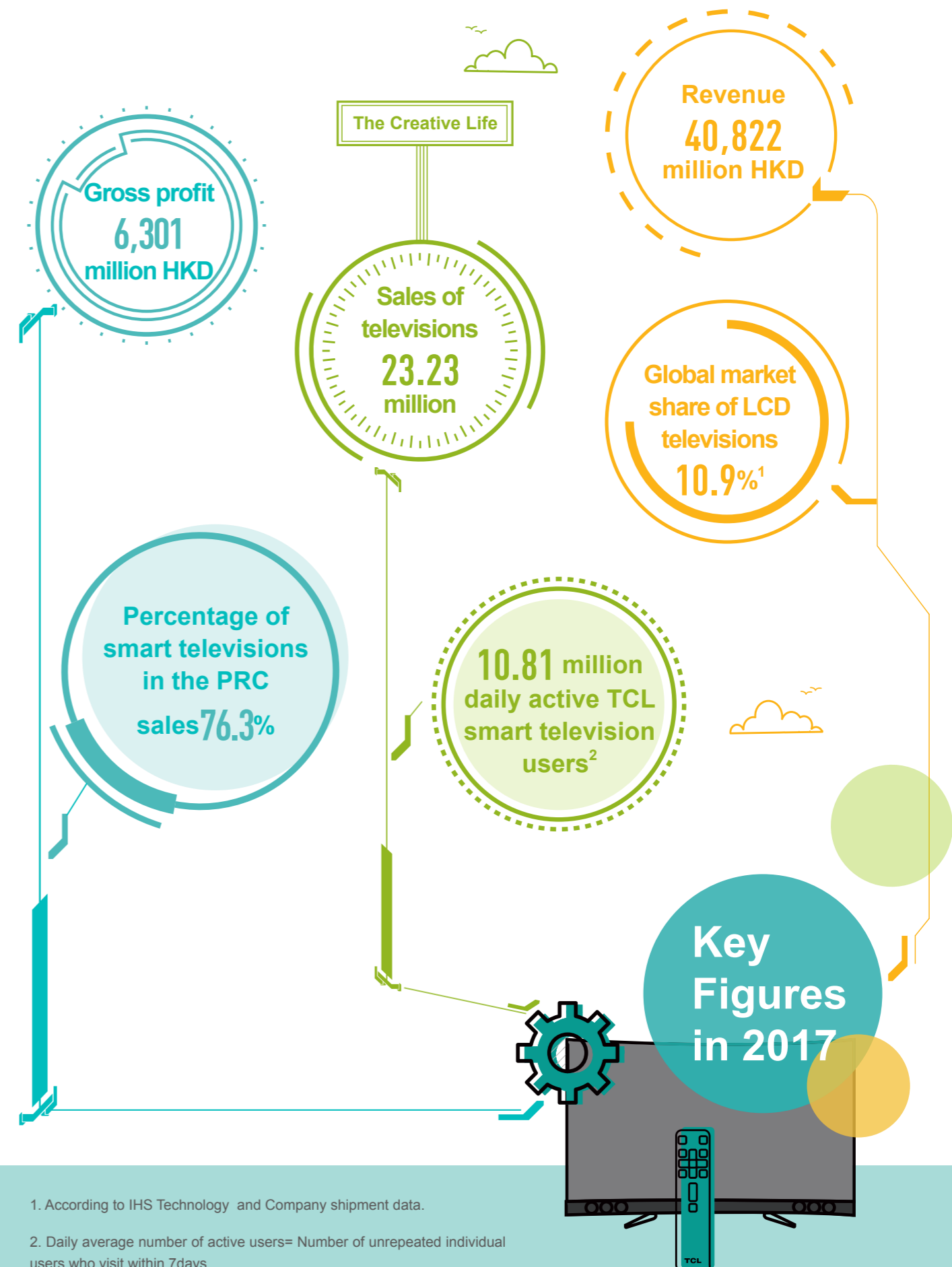
Our ultimate controlling shareholder TCL Corporation aims to increase the overseas revenue ratio to over 50% in the coming years. We are starting to develop overseas markets from Poland and Mexico, where TCL Multimedia has been present for almost two decades. China's Belt and Road Initiative is unleashing the development potential of the "Belt and Road" region, opening up numerous development opportunities for us. For instance, The China Railway Express has improved our productivity in Poland since its inauguration in 2016. TCL Multimedia is extending China's manufacturing, R&D and servicing capacity to other countries, stimulating local economic growth and creating a win-win scenario. We also pay attention to our social responsibilities in these new markets, and challenges arising from environmental, social and governance matters. For instance, we abide by local laws, stimulate local development, protect the local natural environment and understand the needs of local communities.

"Smart manufacturing" will be the focus of our next business year. In this year, to facilitate this policy, TCL Multimedia has undergone a series of smart manufacturing upgrades and created a 4-year blueprint to drive work flow and operational improvement from R&D, supply, production, sales, service, channel, customers across the entire value chain. We will become a smart and digitalised business. TCL Corporation is building an integrated smart manufacturing industrial

base for panel modules and TV products assembly for TCL Multimedia and China Star Optoelectronics Technology Co. Limited, a member of the TCL Corporation. Among them, TCL Multimedia intelligent display terminal sub-project is scheduled for mass production next year.

Beyond innovation, we continue to maintain standards and performance in environmental, social and governance aspects, in order to meet the expectations of TCL Corporation and our key stakeholders. This ESG Report discusses our performance in ESG areas in 2017. We hope that you are pleased with our performance, and we welcome your valuable opinions.

Chairman
Dongsheng Li

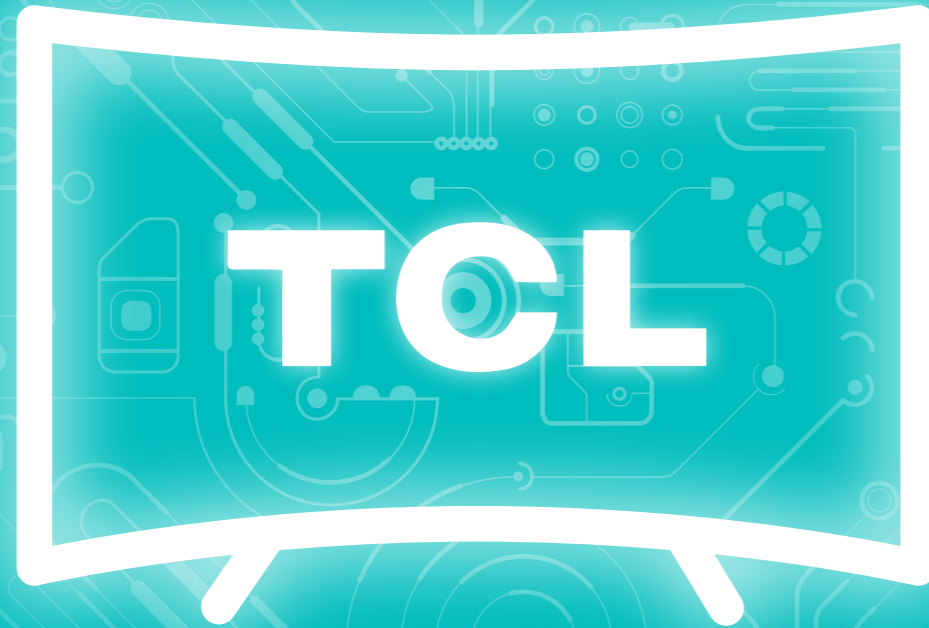


1. According to IHS Technology and Company shipment data.

2. Daily average number of active users= Number of unrepeated individual users who visit within 7days.

Governing responsibly

- ESG governance structure
- Identification of material topics



As a leading display technology business at a global scale, we have an impact on people from all walks of life. We aim to establish the right management systems to properly manage our impact on the general public and natural environment, and to sustainably create unique value.



ESG governance structure

TCL Multimedia contributes to over 25% of TCL Corporation's income, and is thus one of the core subsidiaries of TCL. TCL Multimedia follows the Corporate Social Responsibility (CSR) Policy of TCL Corporation. For TCL Corporation's CSR Policy, please refer to the "TCL 2017 Social Responsibility and Sustainability Report". The CSR Innovation Centre is responsible for implementing the CSR Policy at the Corporation level. The Centre monitors and advises the implementation of the CSR Policy at subsidiaries, including TCL Multimedia, together with Group Safety and Human Resources Functions. At TCL Multimedia's administration level, the Executive Office, Finance Centre, Operations Centre, R&D Centre and Human Resources Centre form the ESG task force. The task force is responsible for disclosure of performance on ESG matters, and overseeing the implementation of ESG related policies.



ESG governance structure of TCL Multimedia

TCL Multimedia requests different departments to participate in drafting of ESG report.



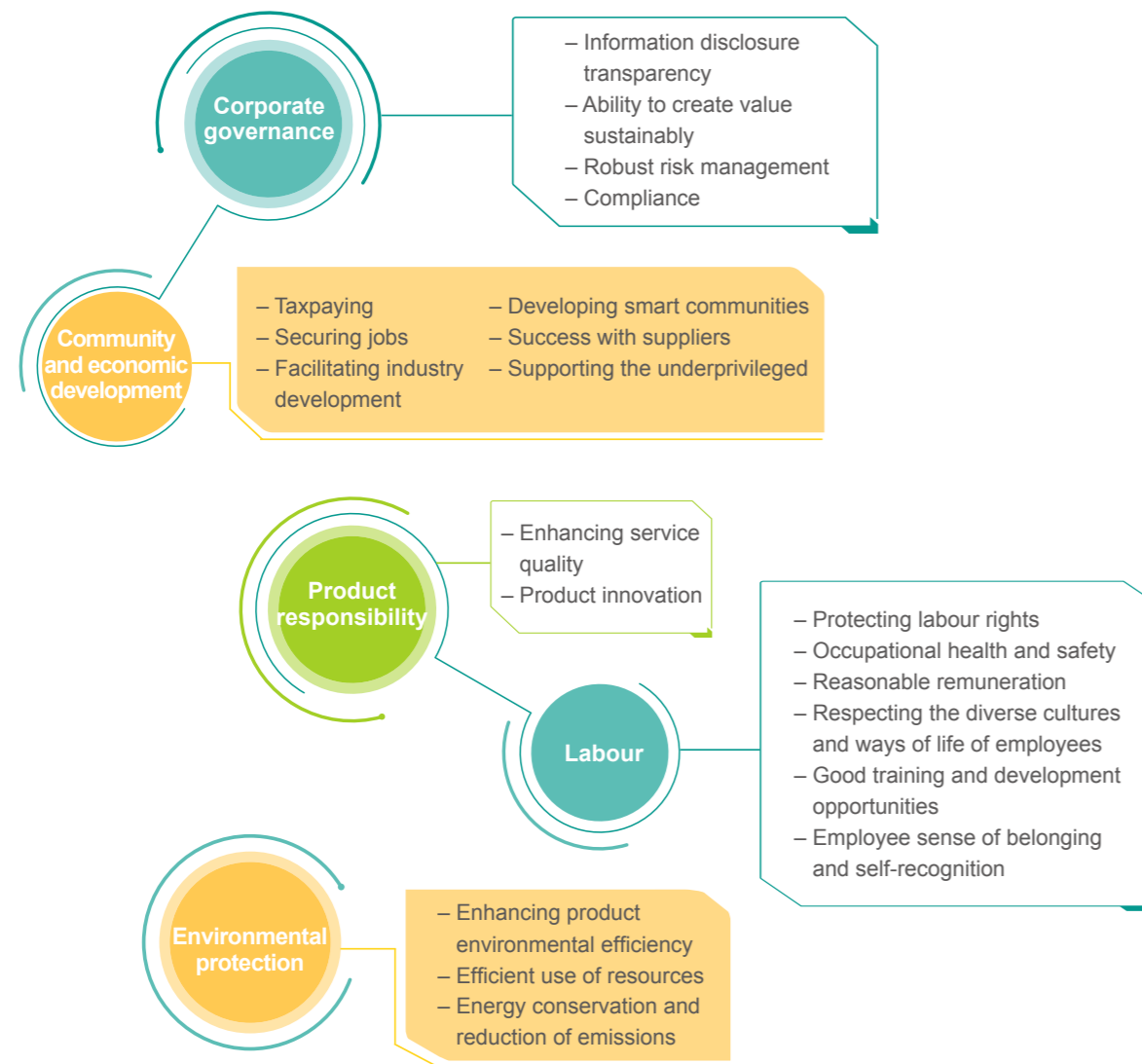
ESG Secretary Group





Identification of material topics

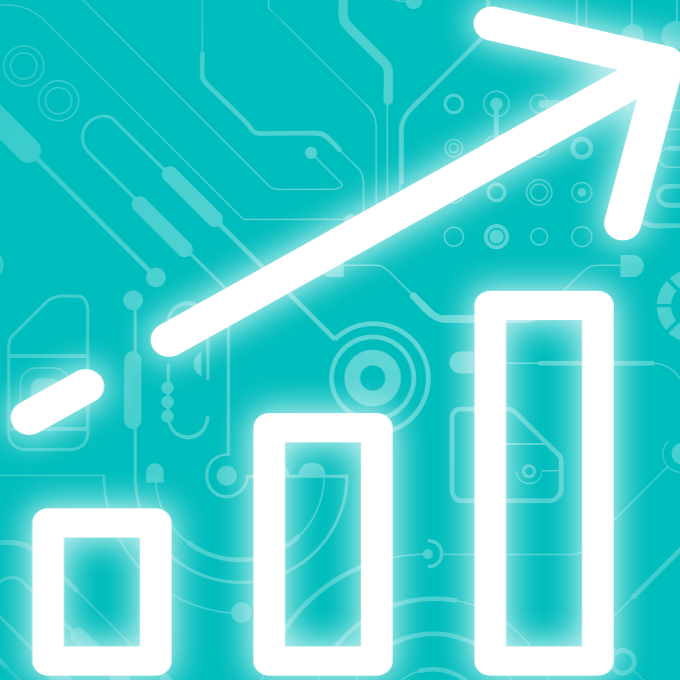
We believe that the stakeholder engagement exercises conducted by TCL Corporation in 2016 adequately consulted TCL Multimedia's stakeholders on various ESG topics and concerns. Also, as TCL Corporation is the controlling shareholder of TCL Multimedia, and TCL Multimedia follows TCL Corporation's CSR Policy, the Board of Directors agreed that no specific stakeholder engagement is required for determining material ESG topics for this report. This report shall discuss ESG topics considered material to TCL Corporation, which are listed as follows:



However, based on our development strategy, the Board of Directors expects progress on product transformation and overseas market development in 2018. The Board has already required the ESG task force to plan for stakeholder engagement events for 2018, with a focus on engaging overseas stakeholders, new business partners and industrial experts.

Injecting impetus to economies

- Promoting economic growth
- Complying with the law



TCL Multimedia is a major television manufacturer globally. We rank third in terms of market share in the global LCD television market. In 1999, we established our first overseas manufacturing plant and first overseas sale branch are therefore considered a pioneer in the globalisation of Chinese business. TCL Multimedia plays a pivotal role in the global market. Our investment in various overseas markets has facilitated local economic development, and improved the lives of locals. At the same time, we promise to abide by all applicable laws and regulations, and to act in accordance with TCL Corporation's Code of Conduct.

In China, there is no doubt that we have a significant influence on the local economy, which we leverage to promote the development of display technology in China.



Promoting economic growth

Paying tax in accordance with the law

We share our economic success with the jurisdictions in which we operate through paying tax. Compliance with local tax regulations is of the utmost importance. In 2017, we hired a Tax director for the first time in order to respond to the ever more complicated tax requirements in different markets due to tax reforms. Please refer to our Annual Report for the amount of tax paid in 2017.

Facilitating development along the “Belt and Road” regions

TCL Multimedia was one of the first Chinese enterprises to invest in global markets, and thus enjoy the opportunities associated with the “Belt and Road” Initiative to expand foreign investment. Foreign investment is also our strategic focus in the coming years. Through foreign investments, we are introducing capital for infrastructure and technology in these markets, and creating job opportunities for locals. To date, except for a small number of Chinese executives, the managers and employees of our overseas manufacturing plants and sales offices are all locals. This policy aims to fulfil our promises in promoting the local economy, and at the same time reduce the cost required to adapt to local markets.



TCL in Poland– a case of successful collaboration between two economies under the “Belt and Road” Initiative

The TCL Poland manufacturing plant has a floor area of 105,000 square metres. It is the largest factory in Żyrardów, Poland, and is the largest manufacturing plant invested by China in Poland. By acquiring manufacturing plants from Thomson, we own our first overseas factory to provide colour television products for Europe. Poland is currently undergoing re-industrialisation. Based on its existing assets, TCL Multimedia is upgrading the infrastructure. This demonstrates Chinese involvement in Poland’s re-industrialisation. To date, the TCL Poland plant has 4 production lines with capacity for 2.8 million television sets per year. 306 staff members work in the plant of whom 99% are Polish, and 50% are from Żyrardów. Some employees have worked at the plant for over 13 years.



TCL Poland plant

The China Express Railway is a container freight railway connecting China and Europe via the Silk Road Economic Belt. The railway was built between Chengdu, China, where TCL Multimedia has a plant, and Warsaw, Poland. The railway has boosted the cost efficiency of freight logistics between China and Europe. Through the China Express Railway, a freight logistics link has been established between our Chengdu and Polish plant, accelerating the expansion of the Polish plant. This case demonstrates close collaboration between China and Poland, and the economic benefits brought by the Belt and Road Initiative.



Li Dongsheng, chairman of TCL Corporation and TCL Multimedia, in front of the China Express Railway train.

Promoting development of the industry

As a leader in the display technology industry, TCL Multimedia is a member of industry associations such as the China Video Industry Network and the Chinese Electronics Standardisation Association and China Integrated Circuit Intellectual Property Alliance. Through our participation, we promote the technical advancement of the industry and help set standards for the industry.

In 2017, TCL Multimedia, under the name of TCL Corporation, jointly participated in a Chinese national key research and development project on Quantum Dots Backlighting technology led by the Ministry of Science and Technology of China. The objective was to facilitate the commercialisation of the more energy-efficient quantum dot display technology, to improve the capabilities of the industrial value chain and to nurture talent in this technology area. The project will realise a higher backlight efficiency, driving large screen displays to be more energy efficient.

TCL Digital Technology (Shenzhen) Co. Ltd., a subsidiary of TCL Multimedia, participated in a research project "Ultra High Definition Television LCD Panel 3 Dimensional Auto Colour Management Technology Chipset Produced in China and Its Application" related to the development of Chinese LCD chips led by Shenzhen China Star Optoelectronics Technology Co., Ltd, a member of TCL Group. This project aims at reducing reliance on imported LCD chips, and is expected to further promote the development of Chinese display technology. The project has focused on chipset calculation research, configuration definition, design of key technology, development of 3 Dimensional auto colour management chipset, chipset application display panel, backlight control software, television assembly, linking the whole supply chain from chipset to television assembly. The project will push the China display technology development, and contribute to the new generation technology safety. It raises the vertical integration of the industry and enhance the development of the information industry. Finally, it will enhance our economy.



TCL Multimedia participated into research project



Complying with the law

Legal challenges in the new era

We are entering the Internet TV market in China this year, and are facing new regulatory requirements, in particular regulations announced by authorities such as the State Administration of Press, Publication, Radio, Film and Television. Apart from acquiring the required licenses to operate, we will work closely with content providers to ensure the content provided is in compliance with all regulations. Also, we are having an increased sales through online channels. The Chinese government will be announcing first consolidated E-commerce Law of the PRC in 2018. TCL Multimedia is aware of the potential introduction of these regulations and is ready to comply with them.

In 2016 and 2017, we entered into new overseas markets such as Brazil and Argentina by establishing joint ventures with local companies. As we enter new markets, we are subject to regulations by the local authorities. We are well aware of these legal requirements and didn't have any material breach of all such regulations.



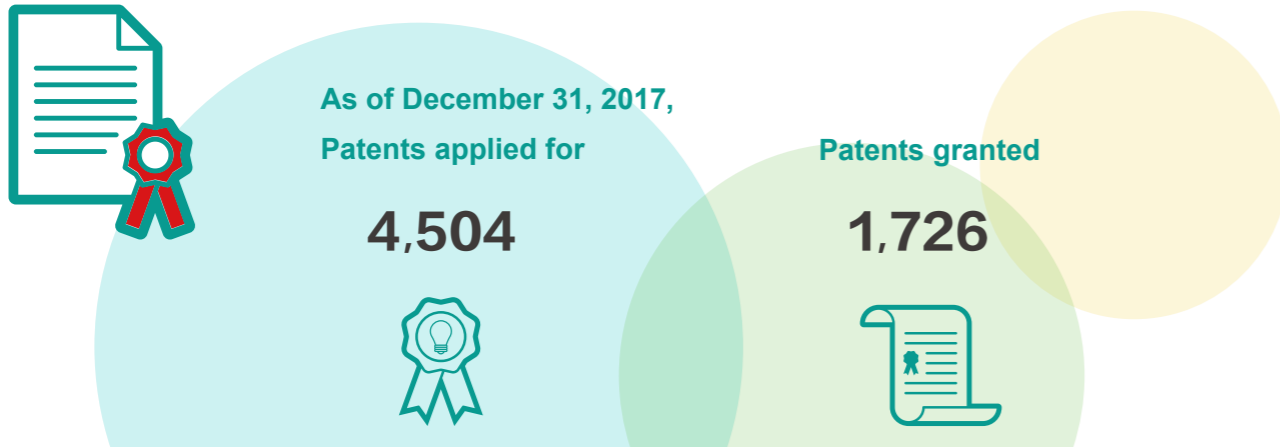
Respect for intellectual property rights

TCL Multimedia believes that innovations and managing intellectual property rights is the key to the sustainable development of a technology business, and is a pillar for enhancing competitiveness. Internally, we promote our policy through training, education and promotion on managing intellectual property rights, and externally, we work with other industry associations in Guangdong by exchanging views on intellectual property rights management. We have joined the following industry associations to prevent systemic intellectual property rights issues:

- CTU-Tech³
- China Video Industry Network
- Chinese Electronics Standardisation Association Intellectual Property Working Group
- International Chamber of Commerce of China
- China Integrated Circuit Intellectual Property Alliance

3: CTU-tech is a company jointly invested in by TCL and a number of industry peers. The company was established to tackle intellectual property issues commonly encountered by China's electronics industry, offering information on current patents and to protect fair competition in the market.

TCL Multimedia has built an intellectual property system with core competencies, a knowledge database and professional team. We respect and incentivise invention by employees. In June 2017, two subsidiaries of TCL Multimedia, TCL King Electrical Appliances (Huizhou) Co. Ltd. and Shenzhen TCL New Technology Co. Ltd. achieved GB/T29490:2013 Corporate Intellectual Property Rights Management Standard certification, enhancing our risk management capability on intellectual property rights issues.



 Patents applied for and granted in 2017

Also, all content available from TCL TV is authorised by the respective copyright owners.

Anti-corruption

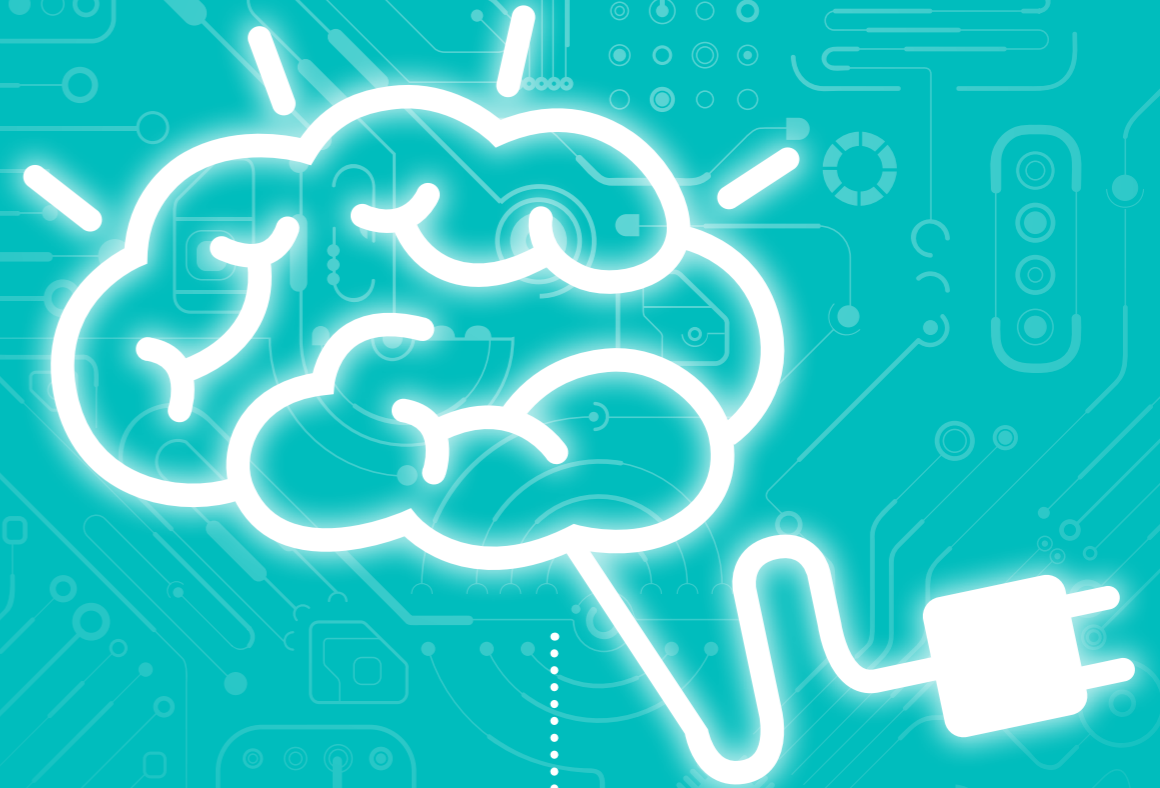
TCL Multimedia has always operated in an ethical and fair manner. To create a corporate culture of integrity and guide employees to safeguard corporate interests, we have formulated the TCL Multimedia Code of Anti-corruption.

In addition to requiring all employees to comply with applicable laws and regulations of China and of other countries, which include forbidding all bribery practices, the company has also put forward specific requirements for 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 our Undertaking for Personal Integrity. When conducting business with suppliers and contractors, the department concerned shall, at the time of contract execution, sign a copy of the 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. Furthermore, we have clear instructions and regulations on avoidance, gift handling, complaint handling, inspections and audits, and punishment for violations to realise top-down and bottom-up standardisation in all respects.

In the reporting year, there were no concluded legal cases regarding corrupt practices brought against TCL Multimedia and its subsidiaries or our employees.

Creating value for our users

- Television redefined
- Product design
- Product quality assurance
- Service quality assurance



Technology is for the betterment of lives. Through technological innovation and a user-oriented approach, we create extraordinary value for our users. Today, we are taking the lead and have built a competitive edge in the areas of artificial intelligence, large screen displays, human-machine interaction and smart terminals. Where the traditional colour TV market is saturated and the internet TV market has blossomed, improving use experience, service quality and quality of content is of strategic importance to maintain user stickiness.

Our proprietary artificial intelligence (AI) – Xiao T

The far future of science fiction may come to mind when talking about AI; however, we have made breakthroughs in the application of AI in recent years that are widely applied in our smart devices. AI technology in televisions allows for more personalised experience and assistance to users. It is driving a revolution in household entertainment.

TCL Multimedia has been proactively developing AI technology in recent years with research in areas such as machine learning, computer vision and natural language processing, which resulted in our proprietary AI engine “Xiao T”. Most of products introduced after September 2017 have Xiao T pre-installed.

Relying on mature natural language processing techniques, Xiao T is able to recognize instructions and conduct searches based on the user's natural language. Xiao T is also able to understand what a user actually refers to under different language contexts so as to provide content desired by the user. Through learning from interacting with a tremendous quantity and variety of content and users, Xiao T is becoming more mature in pushing different content at specific times, again helping users to discover content of interest.

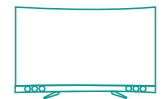
The popularisation of AI is changing our lives in every aspect. As the centre of entertainment in your living room, how might AI impact the way we entertain ourselves, understand the needs of users, assist users to make decisions before take actions, set up a bridge with users and communicate with each other.



The Quantum Dot – pursuit of better image quality

Displays are about pursuing better image quality. In recent years TCL Multimedia has researched quantum dot display technology, and established a competitive edge. In a nutshell, quantum dot display technology is an advancement of liquid crystal display technology. Given the structure of nano-materials, when quantum dots are activated by light or an electric current, they emit high quality pure fluorescent light at specific wavelengths, and thus specific colours. Through precise control of backlighting, quantum dot display technology allows a wider range of colours to be displayed through the liquid crystal screen, breaking through previous limitations on the number of colours available, showing its colour purity, colour recovery ability, excellence in display of colour, ect. Also, the duration of colour maintenance on quantum dot TVs is up to 60,000 hours, 2 times that of LED TVs. TCL's Quantum Dot TV won the Consumer Electronic Show (CES) 2017 Innovation Awards – Video Display Category.

IHS Technology forecasts that there will be exponential growth in the number of quantum dot TVs in the coming years. In 2020, the annual sales of quantum dot TVs could reach 26 million sets. We are entering the quantum dot display era.



The duration of colour maintenance on quantum dot TVs is up to

60,000 hours

2 times

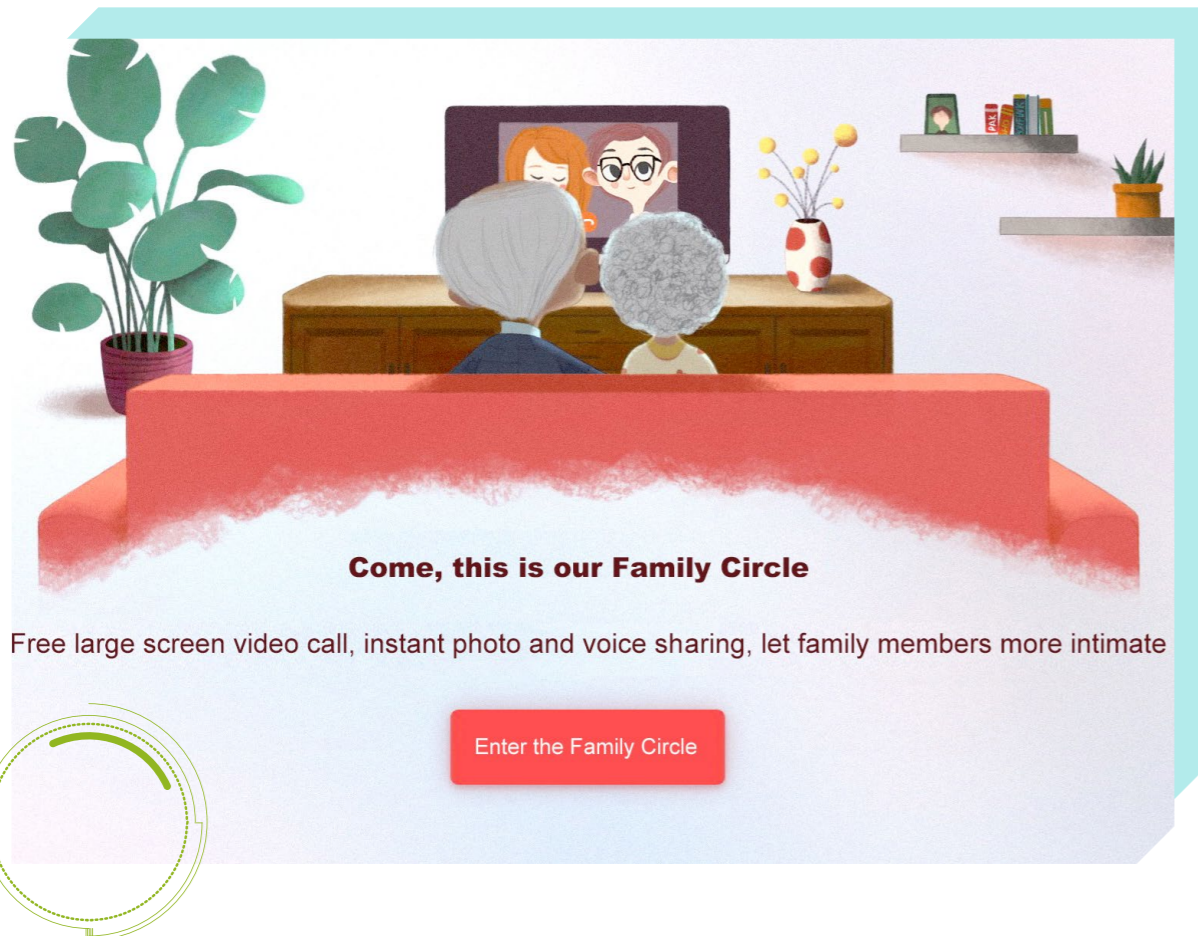
that of LED TVs





Television redefined

Our innovation is people-oriented. We are committed to creating positive changes for the public. One of our research and development directions is to improve the quality of life of the elderly through Internet connection and speech recognition technologies. Compared to smart phones, smart TVs are more suitable for the elderly as a smart home management device. Most of TV models available in the China market have the "Family Circle" application installed. Through a TCL TV connected to the Internet, the elderly can communicate with family members abroad through video calls. Family members can also share pictures and text and voice messages through the application. The application allows the elderly to feel connected to their family, even though they may not be physically present.



Come, this is our Family Circle

Free large screen video call, instant photo and voice sharing, let family members more intimate

Enter the Family Circle

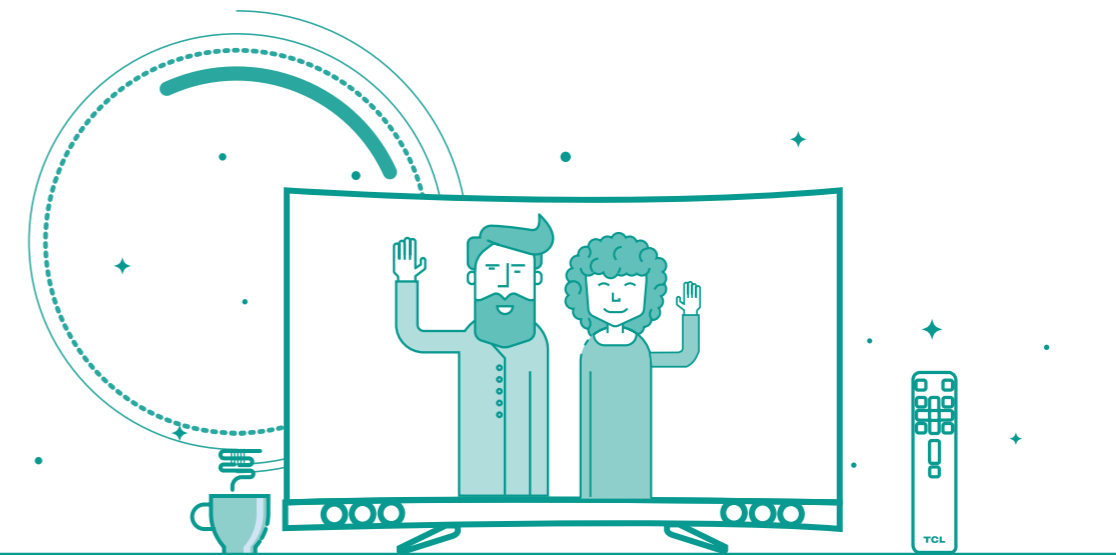


"I am living apart from my parents, but using a TCL TV with the 'Family Circle' application is a convenient way to stay connected with video calls. My parents find the TV easy to operate, and the image on the screen is clear. They just need to sit and relax for the video call. This is much better than using a smart phone."

– a customer who recently bought a TCL TV for his senior parents.

Parental functions are installed in TCL TVs which allows parents to create TV watching timeslots for their children in order to avoid addiction. Parents can also apply settings to screen indecent content from children. We are starting to enhance such functions using AI, such as by recognising children through speech or even body recognition to lock content and games that are not suitable for them. In the future, parents will be able to control TCL TVs remotely.

TCL TVs also support an Audio Description function. Through decoding Audio Description signals via the digital broadcasting system, visually impaired people can 'hear' television programs. They can listen to the main soundtrack, as well as an Audio Description track. Audio Description refers to the narration of images during natural pauses in the main soundtrack so that a person can understand the TV program despite not being able to watch.





Product design

Energy saving design








Given that non-renewable energy resources are depleting and global warming is intensifying, it is our vision to progressively improve the energy efficiency of our TV products. Our industry-leading product design and research teams are engaged in developing energy-saving and other green technologies in the areas of backlighting, battery and power source, hardware, software and structure. Our efforts have resulted in a large quantity of patents on energy-saving and green technology.

We have rolled out product design procedures to ensure our product development team is mindful of energy conservation and environmental protection at every stage of design. Procedures such as the "Requirement of Using Environmental Labels in TV Products" and "Management Standard for China Environmental Label Qualified Products" are strictly implemented. Some of our products are certified with China Environmental Labels.

One of our energy-saving strategies in product design is enhancing the optical systems of TV products. For example, through an improvement to the internal structural design of optical films, efficiency can be increased by 20% to 30%. Another example would be to use a reflective recovery optical film, which transforms light reflected from the polarising plate of the liquid crystal screen to natural light, recovering light energy which would otherwise be wasted.



Our proprietary energy-saving technology includes:

-  Liquid Crystal TV Backlighting Control System. A TV can detect the brightness of natural light surrounding it, and automatically adjust the backlighting intensity, contrast and brightness of the screen. On top of improving image quality, a 40% reduction in energy consumption can be achieved.
-  Blend dimming technology increases light efficiency and reduces energy consumption. This technology has been fully adopted in smart TV products available in the China market in 2017.
-  Local dimming technology increases image contrast and substantially reduces energy consumption.
-  Direct drive LED backlighting increases the energy utilisation rate of backlighting from 85% to 90%.
-  Quick startup and shut down technology reduces idle time. This is beneficial to the user experience and reduces unnecessary energy wastage.
-  Dynamic Voltage-Frequency Scaling technology can enhance the system reaction speed and reduce energy consumption. Chip heat loss can also be reduced.
-  Smart Boost Technology boosts the maximum brightness of the device with no impact on energy consumption under normal scenarios. On top of improving image quality, energy is saved.
-  The standby power consumption of TCL TVs implements an internal control standard of 0.3W, which is lower than the 0.5W required by the national standard.

For our capability in adopting energy saving technology, TCL Multimedia has been recognised for the energy saving properties of its products by the Chinese authorities. Our products are recognized as "Energy Efficiency Forerunners" by the National Development and Reform Commission every year.

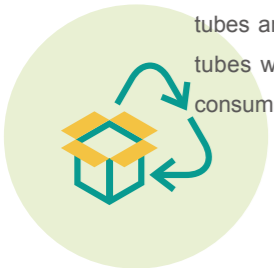


Conserving raw materials

The plastic optical granules in TV light guiding plates are made from crude oil through a complex refinery process. Reducing the quantity of plastic granules per light guiding plate can reduce the environmental impact of the refining process. TCL Multimedia is committed to making light guiding plates thinner. We have been successful in introducing a film which has both diffuser and prism characteristics. This in turn reduces the use of plastic granules by 50%.

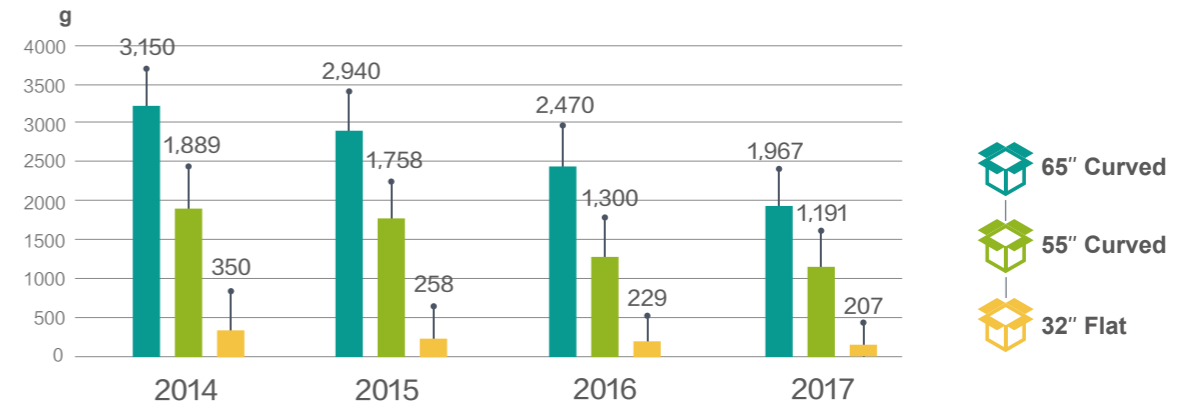
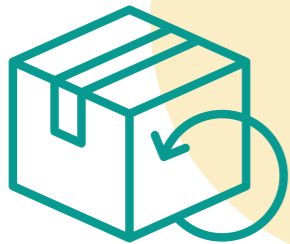


As the production of printed circuit boards (PCBs) is a polluting process, we are proactively minimising the use of PCBs in our TV products. Picture tubes in TVs must be driven by PCBs. Take a 55" TV as example – 9 short picture tubes are required to achieve uniform lighting. However, only 3 long picture tubes are needed after refining the refraction angle of the optical lens. TV models with fewer picture tubes will enter mass production soon. Our final goal is to use only one picture tube and reduce consumption of PCBs by 40% in number.



Conserving packaging materials

TCL Multimedia embraces green packaging. We have chosen expanded polyethylene (EPE), which can be recycled more easily, to replace expanded polystyrene (EPS) as protective packaging. EPS is difficult to recycle or degrade naturally. EPE is used for protecting screens for our P2, X2, X3, X6, P6 and C5 models.



Weight of EPS packaging used per product for selected models in the previous 4 years

We are also aware of the impact of plastics on marine ecology, and the indirect impact of choosing primary wood packaging on natural forests. Such packaging materials are to be replaced as far as appropriate. Paper packaging is one alternative. We are now exploring the use of honeycomb paper made from recovered fibre. Through design optimization, increase the number of loaded cabinets, reduce storage space, and increase the energy efficiency of freighting each piece of cargo.

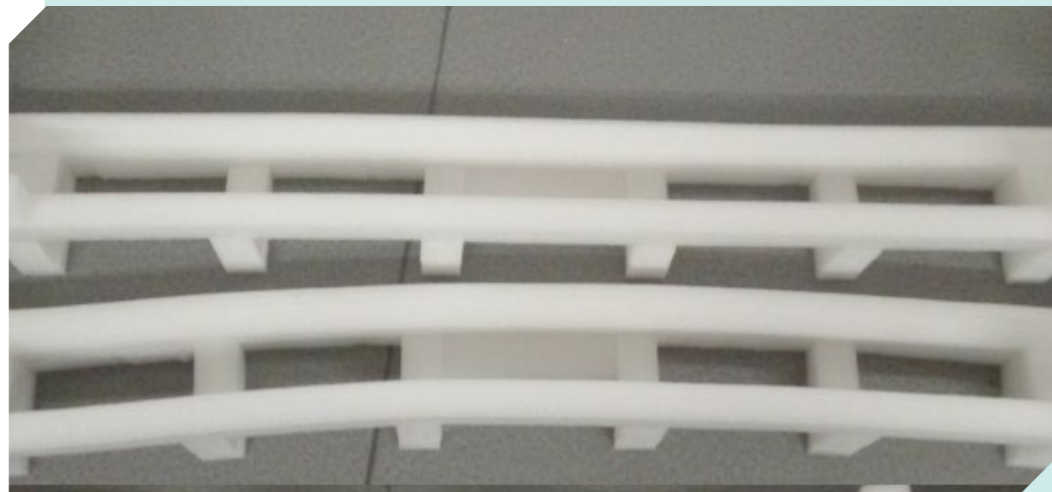
Model	2014	2017	Assume no change in fuel efficiency of freight
65" Flat	146 sets	172 sets	15.1%
55" Flat	347 sets	380 sets	8.7%
43" Flat	420 sets	704 sets	40.3%
32" Flat	1,100 sets	1,209 sets	9.0%

Number of products fitting in a 40' tall cargo container in 2014 and 2017, and the respective reduction of greenhouse gas emission per product shipped





EPE sample stick with paper



Completed EPE model



36,004 tonnes
Carton boxes



1,003 tonnes
Paper manuals



10,962 tonnes
Plastics



Consumption of packaging materials in 2017 (For operations in China only)⁴

4: Our factories outside China mainly repack and process goods-in-progress and products transported from China. Most packaging materials come from the Chinese factories. New packaging material purchased at our non-Chinese facilities is immaterial in quantity. The figure is therefore not disclosed here.

Product safety

User safety is one of our top priorities when designing products. TCL Multimedia complies with product health and safety clauses of regulations such as Law on Protection of Consumer Rights and Interest, Product Quality Law and Measures for the Administration of the Restricted Use of the Hazardous Substances Contained in Electrical and Electronic Products of the People's Republic of China. We are also observing product safety standards such as GB8898-2011 / IEC 60065:2014 "Audio, video and similar electronic apparatus – Safety requirements". Fulfilling national and international safety standards is fundamental to our work. In some safety tests, we apply more stringent requirements than those of national and international standards.

With regard to product design, our TV frames incorporate an anti-scratch design to protect the safety of users. Moreover, our TV sets have hybrid dimming, anti-blue light eye protection and dynamic backlight control functions. The hybrid dimming function changes the LCD TV backlight's working mode from the single Pulse Width Modulation (PWM) switching mode to a mode mixing direct current driven by PWM switching. In normal family use scenarios, the use of direct current reduces screen flicker and is good for eyes. In addition, the anti-blue light eye care function can, by adjusting the screen colour temperature, reduce the blue light output from TV sets, which can protect users' eyes when they have been watching TV for a long time.

Our products are required to pass safety tests to prove electrical insulation and resistance to fire and stability / mechanical hazards according to GB8898-2011 / IEC 60065:2014 "Audio, video and similar electronic apparatus – Safety requirements". Stability / mechanical hazards tests require the product to be stable on flat services and to not topple over easily.

 **TCL TV has received the following safety certifications:**



FCC Certification



ETL Certification



UL Certification



CE Certification



Japan S-MARK



Korea KC
Certification



India BIS Certification



Australia C-tick
Certification

In 2017, no products shipped were recalled for health or safety reasons.



Product quality assurance

The Quality Centre is responsible for monitoring and responding to product and service quality matters. The Quality Centre discusses recent quality incidents, reviews indicators such as customer satisfaction rates, complaint rates and cumulative failure rates in monthly meetings.

Our safety and electromagnetic compatibility (EMC) laboratories have built a comprehensive quality system in accordance with ISO/IEC 17025 and are recognised by the China National Accreditation Services for Conformity Assessment. Reliability tests are conducted on our products in one of the laboratories before shipping. On electrical reliability, we have introduced the surge immunity test for Internet ports, given the increasing popularity of Internet ports in our products. On environmental mechanical reliability, our products must pass the high temperature test, low temperature test, low pressure test, dust test, vibration test, drop test, collision test, etc. The ISTA related international standards recognized by international transportation are also one of the mechanical reliability quality control standards for our products. These ensure that our products can be used reliably under normal transportation, normal use and so on.

In 2017, the average 3-month early return rate for China was 1.08%.

In 2017, TCL television products' China Net Promotor Score was 7.1%⁵.



In 2017, TCL television products' China Net Promotor Score⁵ was

7.1%



Service quality assurance

TCL Multimedia sells televisions across the world and provides respective after-sales services. It is our promise to provide responsible and quality after-sales services, such as technical support, product maintenance and product return. Maintaining and enhancing our service and product quality are equally important to us.

For our sales and marketing activities, we are complying with regulations such as the Advertising Law and Regulations on Control of Advertisement of the People's Republic of China. The company requires our own advertisements to be authentic, healthy, clear, readable, and not intentionally deceiving customers. For the compliance of online advertisements, we follow the TCL Corporation Weibo and WeChat Information Management Method to regulate our sales pitch.

5: China Net Promotor Score (C-NPS®) is an evaluation to the Net Promotor Score of products available in China. NPS is an indicator of users' loyalty to products. Based on the rating for willingness to promote a brand, consumers are categorized as Promoters, Passives and Detractors. The NPS is calculated by subtracting the percentage of customers who are Detractors from the percentage of customers who are Promoters. This methodology does not consider the potential ratings by those not responding to our survey. C-NPS® is prepared by Chnbrand, a brand-rating organization in China.



We can provide on-site services within

24 hours

of a request being made

Users in China can make inquiries and service requests through our Call Centre. The "Shifendaojia" team is responsible for providing on-site services. We comply with China's Law of Consumer Rights Protection and Measures on the Administration of Repair, Replace and Return Responsibility for Certain Goods. If a user has purchased from a non-e-commerce channel, they can request product return, replacement or repair in 7 days if the product does not function correctly. For cases reported within 15 days of purchase, the user can choose to replace the product or arrange for repair. TCL Multimedia can arrange free on-site repair services. For users located in major municipalities, we can provide on-site services within 24 hours of a request being made.

Our overseas call centre in Manila responds to technical inquiries and resolves product quality matters for all overseas users. The websites of our overseas subsidiaries provide answers to common technical questions. It is our policy to resolve users' problems

during the call as far as possible. If the user requests on-site repair services or even a product return, TCL Multimedia can arrange a local partner to provide the service as required.

Our Service Policy follows that of TCL Corporation. For TCL Corporation's Service Policy, please refer to its website www.tcl.com.

Protecting customer information

We understand customer information security has recently become a hot topic as leaks of customer information could result in economic loss. For TCL Multimedia, disclosing customer information without the customers' consent is forbidden. TCL Multimedia has developed e-commerce channels and thus collects customers' mobile phone numbers, addresses and bank card numbers. All personal information is classified as confidential information, and is protected by our Corporate Information Safety Management System. We promise to enhance our network security measures as a response to the first upcoming China Law of E-commerce. Our Information Technology Director is responsible for network security matters. A third party has been hired to conduct information security assessment. Employees or personnel of other parties can only be authorised with valid reasons to read, use, copy or transmit customer personal data. Employees can only access systems storing confidential data when authorised by department heads. All employees must sign a declaration for protecting confidential information when they join the company. In case of personal information leakage or damage, TCL Multimedia will take immediate remediation measures, inform the affected customers and report to the relevant authorities.



Case: Smart manufacturing drives quality improvement

Under its 2020 digitalisation enterprise blueprint guidance, TCL Multimedia has invested substantial resources in constructing a modern, smart factory to implement our “Smart Manufacturing” strategy. Automation and use of data can drive enhancement of product quality so as to manufacture better television products.

In our manufacturing base, Huizhou, we have launched a series of infrastructural projects to automate and digitalise plastic moulding, surface mounting technology, PCB assembly, panel module-TV products assembly and smart warehousing. We have implemented a patented smart manufacturing system with great success. Our production increased by 20% with a corresponding decrease in manpower required of over 1,000 people.

Plastic moulding: We have built the first labour-less plastic moulding plant in our industry, which represents a first-batch Industry 4.0 pilot project in China. The plant produces, checks, segregates and



Automated injection moulding factory

moves parts automatically without any need for labour. This plant has been awarded a number of patents.

Surface Mounting Technology (SMT): The plant realised the automation of material input, installing software in chips, and labelling of completion. Compared to a manual process, the automation improved efficiency by 3 times and cut costs in half. Thanks to mature technology in big data analysis and the Internet of Things, the smart system fully covers the production line, allows for smart scheduling, performs the ordering of materials, avoids human error, and improves the interaction of machines. This can serve as a demonstration project for automation of other production lines.

Printed Circuit Board testing: We have developed a proprietary automated test for PCBs. The testing process connects seamlessly with the SMT plant. It is the first automated testing line in our industry.

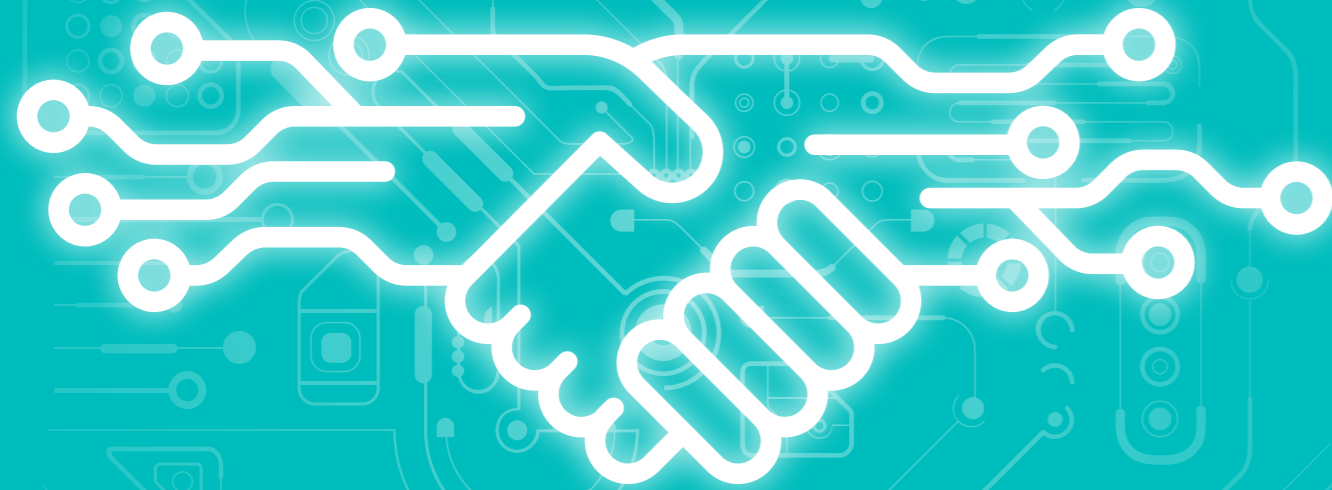
Panel module-TV products assembly: The automatic product assembly process supports the assembly of both flat and curved TV sets. We have developed our proprietary automatic installation of heat sinks, auto-guided movers and automatic packaging. Our production line has the highest degree of automation in our industry. Product tests, including the pressure test, white-balance test and power-on / off test, can be done automatically.

Automatic LCD screen checks are a highlight of these product tests and provide a quick analysis of screen size defaults. This raises efficiency and reduces human error.

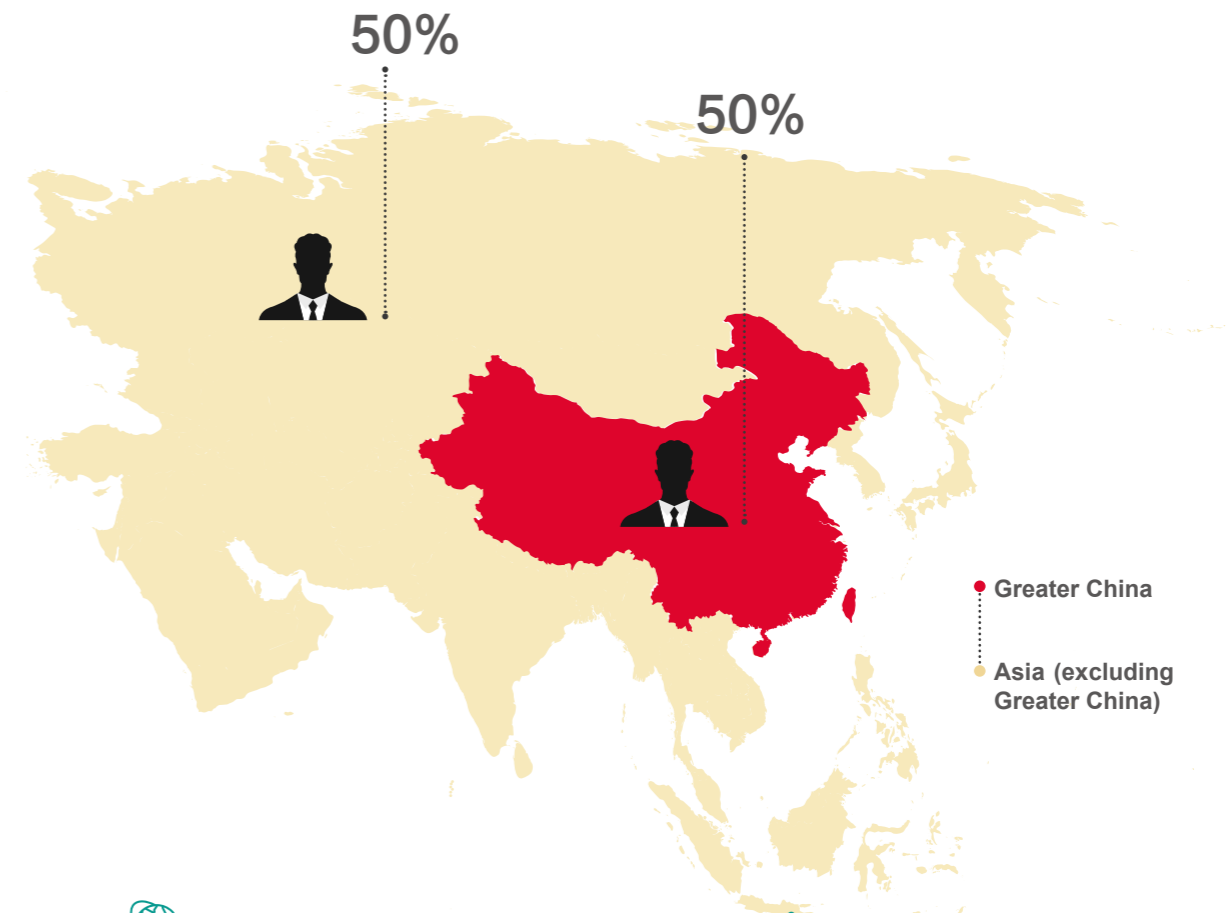
Smart warehousing: We have established a human-machine-material-information interacting mode of logistics, realising the automatic entry and exit of materials, smart designation of storage space and other smart functions. This has reduced manpower for managing storage by 70%.

Through the construction of the intelligent manufacturing plant, we will rely on the product innovation process to implement the product quality strategy, with higher quality and lower energy consumption, to create a highly integrated ecosystem of green products and personalized services, and to circle a “smart family” dream of the extreme experience for the users.

Sharing our success with business partners



We have positioned ourselves at the forefront of technological innovation through implementing our SAI Strategy . Suppliers with capabilities in innovation, collaboration and high efficiency are the pillars of our SAI strategy. We seek out and work with capable suppliers to explore new technologies, but at the same time our suppliers must comply with environmental standards, so that their products and services are sustainable.



 The ratio of supply amount from supplier⁶ by region as at 31 December 2017

To sustain and enhance our supplier management standards, we have set out procedures such as the Supplier Review Management Standard and Supplier Evaluation Management Requirement to manage environmental and social risks of supply chain. The Supplier Review Management Standard applies to new suppliers. For new suppliers, we assess their qualifications, key manufacturing processes, control of environmental performance and qualification as tier-one suppliers. We require our suppliers to present ESG-related certificates such as SA8000, ISO 9001 Quality Management, and ISO 14001 Environmental Management. The Supplier Evaluation Management Requirement outlines our approach to regular assessment, evaluation, control and management in the criteria of Quality, Cost, Delivery, Service and Innovation. We evaluate suppliers quarterly and assess them annually. Suppliers with lower ratings are required to take corrective

6: In this indicator, the "supplier" refers to the enterprises that provide raw materials and machinery, construction and maintenance services for the production of TCL Multimedia products. Other enterprises or individuals who sell services to TCL Multimedia, such as canteen operators and office supplies providers, are not calculated. The indicator has accounted for more than 95% of the total purchases of such suppliers.



action. Half yearly Innovation assessment criteria were introduced this year for assessing suppliers' capabilities in innovation in order to support the SAI Strategy.

In August 2017, TCL Corporation was named one of the fifteen Green Supply Chain Management Demonstrating Enterprises in the first batch list. As a subsidiary of TCL Corporation, TCL Multimedia follows the best practices of TCL Corporation in client. We assess the environmental performance of suppliers when they are introduced. Our assessment includes whether the supplier has sufficiently implemented an environmental management system, whether it has managed the environmental performance of its upstream suppliers, whether it has the required capabilities to screen hazardous substances, and whether it has implemented controls on hazardous substances and pollutants in its manufacturing process. Suppliers that do not fulfil the requirements are still given a chance to take corrective actions. However, suppliers that are unable to meet the EU's Restriction of Hazardous Substance Directive (RoHS) requirements are not considered again. Suppliers are required to sign a declaration forbidding the use of hazardous substances, and to provide a list of materials used. On the social side, we prefer suppliers that have obtained SA8000 qualification.

We regularly assess our suppliers' environmental impact and require immediate remediation if environmental risk is identified. During on-site assessment, we recommend energy saving measures to our suppliers when such opportunities are identified.

Continuous communication with suppliers is important to convey our requirements to them. Every year, TCL Multimedia hosts the Global Supplier Conference so that our suppliers have an opportunity to meet TCL's representatives and other suppliers. On the other hand, we support our suppliers to enhance their competitiveness and ability to satisfy customers through offering information technology training, co-development and co-advancement of products.

The Supplier Relationship Management System allows access to procurement and evaluation records within TCL Corporation, which helps to enhance our supplier management capability.

Safe production and green operation

- Safety management system
- Occupational health
- Green operation



TCL Multimedia operates production plants in China and in various overseas locations. In sum, we have an annual manufacturing capacity of 30 million LCD television sets. We have established and implemented the OHSAS18001 Occupational Health and Safety Management System and the ISO14001 Environmental Management System, with the aim of facilitating workplace safety, preventing environmental impacts and minimising resource and energy usage during production.



In August 2017, TCL Corporation was named one of the fifteen Green Supply Chain Management Demonstrating Enterprises in the first batch list.



Inner Mongolia:
about 280 persons



Chengdu:
about 1,100 persons



Huizhou:
about 9,200 persons



Poland:
about 300 persons




Vietnam:
about 90 persons



Mexico:
about 650 persons

*Including support staff

 **TCL Multimedia global manufacturing plant locations**

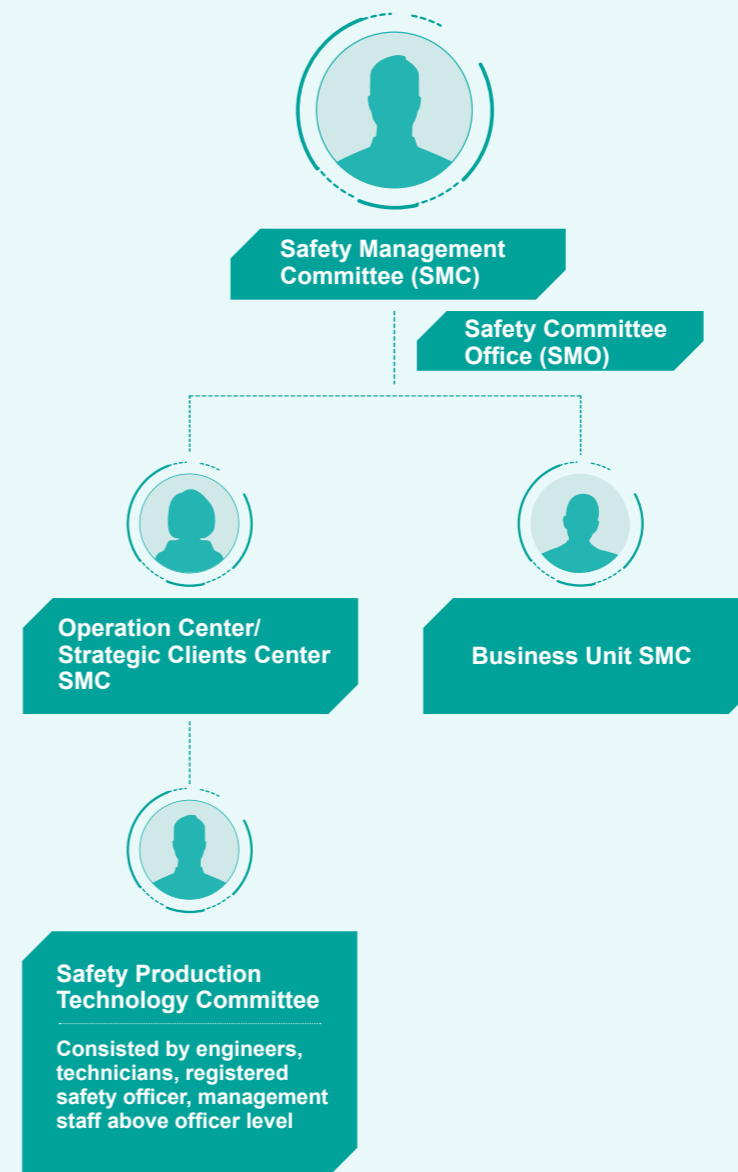


Safety management system

We make every effort to protect the health and safety of our people. As a people-oriented company, we have created a favourable workplace environment for our employees, so as to safeguard our sustainable development. We have strictly followed the Production Safety Law of People's Republic of China and the Fire Prevention Law of the People's Republic of China, to establish comprehensive safety management and responsibility systems, and implement safety measures in every production plant.

Being responsible for safety

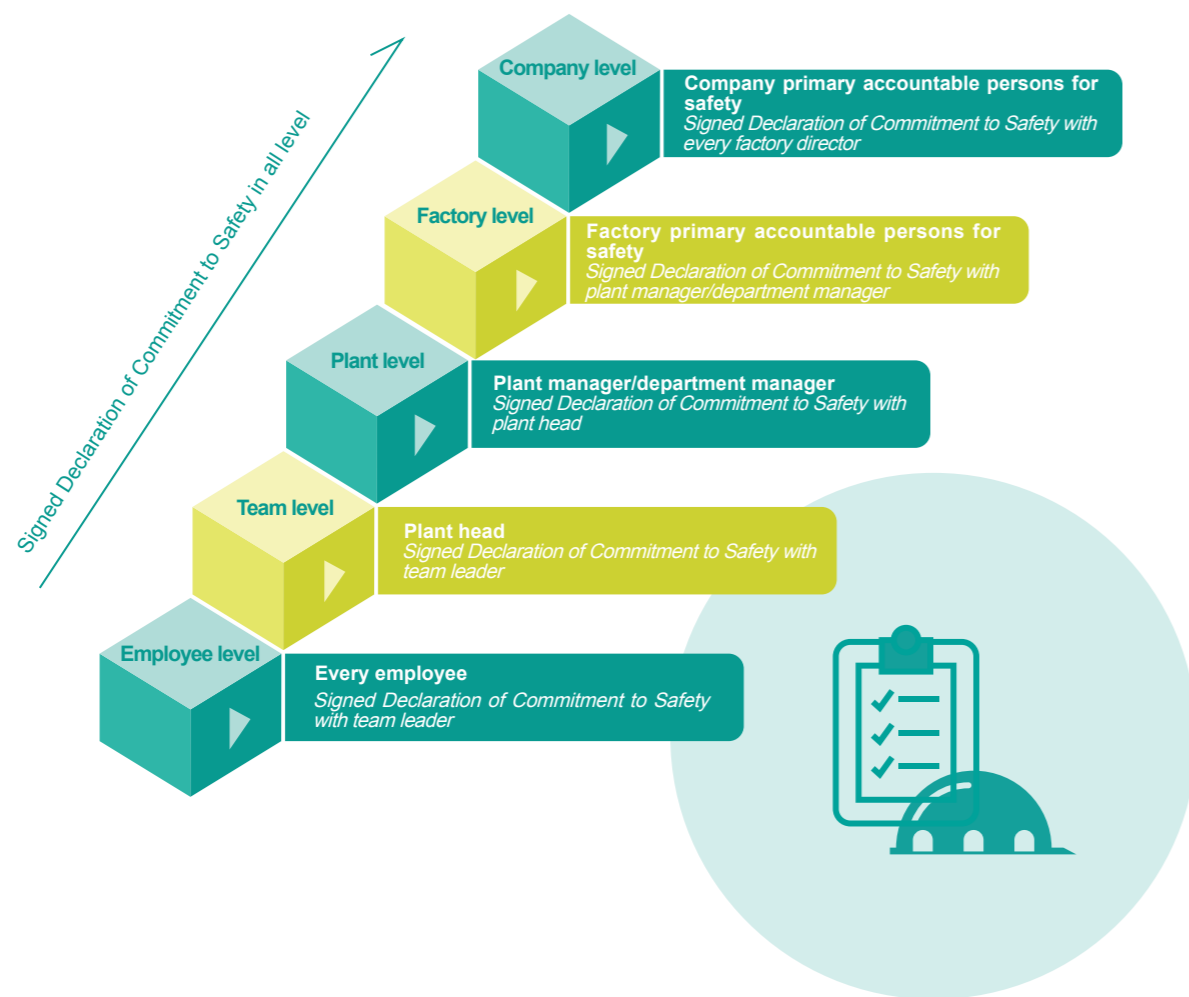
We have a comprehensive safety production system with 18 safety management documents such as the Manual on Safety Management and Safety Quality Standards and Incident Handling Procedures, covering hazardous material management, fire protection management, safety production inspection and safety training. Employee safety is well-guarded by our systems and management. Moreover, the company has a clear organisational structure for safety production management – the Safety Management Committee (SMC). As the highest decision-making body under the Operations Department, the SMC is responsible for designing the company's safety management system and regulations, making it liable to legal responsibilities. The SMC includes general managers from different departments and it is led by our CEO, who is also the first security responsible person of TCL Multimedia. The directors of each business unit are 'primary accountable persons' for safety and are legally held accountable for safety issues in their department or administrative region. The 'direct accountable persons' assist the primary accountable persons in daily operation of the SMC, and follow up on the committee's work. The Safety Committee Office (SMO), established under the SMC, drafts safety regulations in accordance to the Production Safety Law of People's Republic of China and the Fire Prevention law of People's Republic of China. It carries out supervisors inspections, assessments and imposes penalties based on the company's safety management system, contingency plans and other safety measures. It also investigates rule and regulation violations, and executes TCL Multimedia's role in safety protection and fire prevention.



TCL Multimedia's safety management framework

Each production plant has their own SMC, with a designated person to manage safe production; employees are provided with a safe workplace environment. The primary accountable person of the Huizhou SMC is the general manager based in the factory; the other accountable persons of other committees include managers of the local Human Resources and Administration Departments. The SMC members of factories include professionals from the fields of electric power and equipment, mechanics, thermal explosion, environment, occupational health, construction safety and other on-site department heads.

To ensure that our employees abide by the safety regulations and prioritise safety, we require every employee to sign a Declaration of Commitment to Safety. Everyone is accountable for their own safety at work.



Safety Production Technology Committee

With smart manufacturing, more electro-mechanical equipment will be installed in our production plants. The Safety Production Technology Committee consists of engineers and formulates the design, construction and inspection criteria for electro-mechanical equipment. The Safety Production Technology Committee also conducts professional assessments on the execution of major projects, and on the design, construction and execution of technological improvements. The Committee provides solutions and guidance on complexities in production safety.

With 3 different risk levels, the Safety Production Technology Committee leads the process of hazard identification and risk assessment by formulating 242 risk control measures and preparing safety risk maps for each factory region. Different measures have been formulated to match different risk levels. For instance, the use of open fire is prohibited in areas identified as first-level risk, where there may be injuries or deaths from explosions.



Innovation in safety management

Through implementing the accountability system, each individual bears responsibility for production safety. As a large-scale business, we actively explore innovative models of safety management in an attempt to further promote individual accountability. We have created 3 innovative safety management programmes: "Accountability by District", "Quarterly Rotation" and the "Mandatory Safety Rating".

Accountability by district

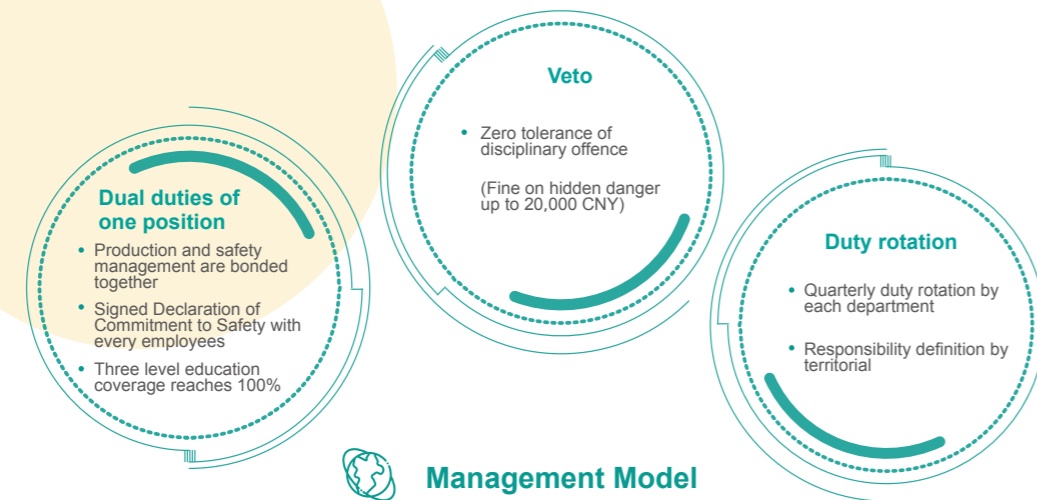
According to the working area and nature of the business task, the factory area is divided into districts for management. One department working in a district leads the safety management efforts of the district, and the other departments working in that district must adhere unconditionally to the leading department's administration and assessment. This aims to avoid blind spots in safety management.

Quarterly rotation

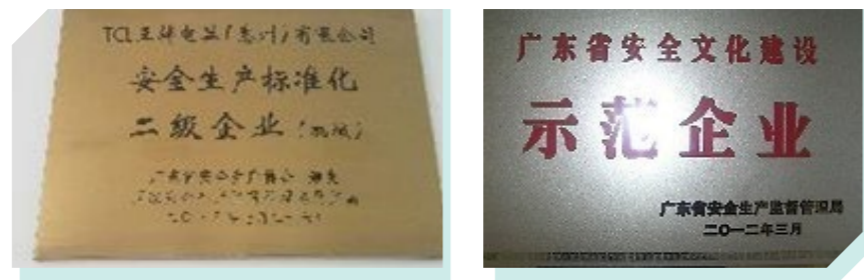
Every quarter, a department is assigned to be the safety production management and is responsible for the company's safety inspections, investigation of safety concerns, and organising, implementing and reporting on the safety operations for that quarter. The rotation mechanism has increased the participation level and responsibility awareness of supervisors from various factory headquarters, effectively enhancing exchanges on safety practices and enriching the management of SMO. This mechanism actualised the cultural concept of full participation in workplace safety by strengthening the sense of ownership in factory headquarters, effectively pushing forward the depth, height and breadth of development of the company's safety culture.

Mandatory safety rating

In our mandatory safety rating scheme, we use colours to symbolise the level of safety of an operation. A green light signals up to standard, a yellow light signals just up to standard, an orange light signals not up to standard and a red light signals a severe case of non-compliance. Assessment objectives have quantified annual work plan items into 8 specific indicators such as major accidents, general accidents and risk control index. With weekly, monthly and quarterly evaluations emphasising management and evaluation of the operation process, administrators of all levels benefit from an enhanced sense of safety awareness; unsafe behaviours are eliminated before they become habits.



The company's comprehensive safety production and management systems, together with the employees' strong sense of safety awareness, have earned TCL Multimedia's manufacturing operation titles such as "TCL Corporation Safety Production advanced unit", "Guangdong Province safety culture construction demonstration unit" and "Work safety standardization – second class enterprise" for many consecutive years. In 2017, TCL Multimedia was the champion of the try-out of "Guangdong-Hong Kong-Macau Regional Safety Quiz" in Huizhou City, presented on the topic of occupational health to 140 national and international enterprises on behalf of the Hi-tech Industrial Development Zone of Huizhou, and passed the client's audit with a high score.



Despite our accomplishments in safety production and management, we are aware that the risks associated with new technology, equipment and production materials will increase in line with the development of smart manufacturing. In the future we will tighten safety standards and improve safety production and management, so as to thoroughly advocate for safety awareness.

Safety inspections

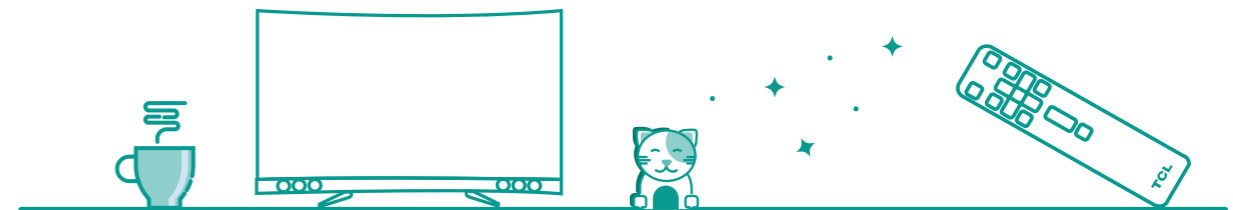
Each production plant performs a variety of safety inspections such as specialised or construction safety inspections to assess the safety of facilities, safety management systems, the implementation of safety management policy, safety hazards, and the safety rectification processes of all units. Through safety inspections, we can check the risk factors and take preventive measures to eliminate or reduce the health and safety risks that employees and related parties may face.

Specialised safety inspections: Conduct inspection and ensure compliance with relevant production regulations on electrical safety, mechanical safety, fire safety, hazardous chemicals safety and occupational disease prevention. Professional inspections by the SMO will be administered randomly. Any safety risks identified will be prioritised for rectification by the SMO.

Construction safety inspections: Conducted on-site by functional departments organised by or the SMO itself, mainly on checking formal procedures before construction, providing supervision during construction and performing safety verification after construction.

Assessment factors of safety inspection

- Hardware:** whether the unit is well-equipped with fire-fighting equipment, security equipment in reasonable condition; whether existing warning signs are comprehensive;
- Mechanism:** whether the unit has established corresponding safety management regulations, systems, operating procedures, contingency plans etc.;
- Administration:** whether the unit has a sound fire safety system, whether the management of goal implementation, employees, and fire prevention is institutionalised, standardised, specified and made regular; whether there is illegal instruction and operation; whether the company's safety management system has been thoroughly implemented;
- Hazards:** whether there is unsafe behaviour, unsafe operating conditions, unsafe conditions in the workplace environment, and safety management defects;
- Rectifications:** whether rectifications of safety concerns have been carried out on time.





Occupational health

At TCL Multimedia's manufacturing plants, major health risks include paint and oil spraying, paint replenishment, paint mixing, welding, and hazardous substance management and inspection. Based on these hazards, when we construct, expand or renovate our sites, projects that support prevention



First Aid training

of occupational diseases are designed, constructed and implemented at the same time as the main infrastructure project. Working zones with health hazards are separated from those without critical health hazards.

We have set up medical rooms in our manufacturing plants to handle first-aid, manage medicine, arrange body checks for employees, and oversee employee health issues. First aiders are trained and assigned to every floor and every department. Their information is publicised on notice boards.

Special operations

An employee assigned to special operations⁷ must pass the body check before starting his or her duties. Employees cannot be assigned to special operations if they cannot pass the body check and are required to switch to other positions if they do not meet the body check requirement. Employees must be trained on special safety requirements and receive personal protective equipment from the company before starting work. Such body checks are offered annually free of charge. Employees who passed the body check but not fit for the requirements of the post will be transferred to other posts.

7: Special operation was legally defined by the State Administration of Work Safety of People's Republic of China. This includes electrical works and welding.

Training on occupational health

We have organised annual training on handling organic solvents and lead compounds in our China operations. Knowledge of occupational health is posted on the factory notice board to remind employees to abide by the company's occupational disease prevention requirements, and instruct on the correct way to use and maintain personal protective equipment.



Occupational health training

Establishing inspection teams

The company has established inspection teams to inspect and monitor how employees operate machines and use their personal protective equipment. The teams immediately correct non-compliance or discipline offenders. The company regularly requests the Huizhou Centre for Disease Control and Prevention evaluate the air quality and noise level at production sites.

Safety manager accountability awareness training

On 20 June 2017, TCL Multimedia arranged a safety awareness training session for almost 100 accountable persons and safety managers at officer-grade or above, in order to raise the overall awareness of safety issues at the management level. Wu Jie, Senior Manager of SMC of TCL Corporation was the main lecturer. Zhang Rongsheng, general manager of TCL Multimedia's manufacturing department, and the Director of Human Resources were present.



Training for safety management staff

“Everyone can use a fire extinguisher” training

TCL Multimedia organised training on use of fire extinguishers at the Huizhou production sites. Trainees attended a lecture and practiced the use of fire extinguishers. The participation rate was over 95%.



Practicing the use of fire extinguishers



Signatures of participants



Fire drill on November of 2017



Fire drill



0

Casualties due to work



2

Number of safety incidents



20days

Day lost due to safety incidents



Safety Indicators for 2017



Green operation

TCL Multimedia is committed to green manufacturing. We continuously improve our environmental performance, create the most environmentally friendly products and realise green development.

Environmental management

TCL Multimedia has built a robust environmental management system based on ISO14001 standards. We manage the companies' environmental impact across research and development, procurement, production, supply chain and quality management functions. The environmental performance of suppliers is monitored and assessed. The environmental management system is the cornerstone of our development of environmental technology and provision of green products and services. We have invited external professional organisations to evaluate and monitor our workplace environmental quality, manufacturing / domestic wastewater quality, gas exhaust, solid waste, fire emergency system, special equipment and hazardous chemical management. We have complied with all national and provincial environmental laws and regulations, and had no severe safety or environmental incidents in the last three years.

In every region, function unit and production site, we have appointed environmental affairs respondents. The environmental affairs respondents communicate with each other on the environmental issues of the company.

We also design training sessions for professional environmental personnel and frontline workers. Each year more than 50 environmental management personnel attend professional training covering environmental regulations and standards. Over 50% of our frontline workers have received environmental training. In the future, we will continue to popularise environmental education.



Each year more than

50

environmental management personnel attend professional training covering environmental regulations and standards

Over

50 %

of our frontline workers have received environmental training





From 2013 to 2017, we invested a total of CNY

11.5 million

in improving the efficiency of light fixtures, injection moulding machines, air compressors and central air conditioning

Energy saving

The TCL Liquid Crystal Industrial Park at Huizhou is TCL Multimedia's main production plant. We conserve energy consumption through management and technical approaches, so as to improve the energy efficiency per product produced.

On the management side, the Industrial Park has imported an energy management system and set up energy consumption plans, energy saving measures and energy saving targets. We also use McKinsey's Resource Efficiency Deployment Engine[REDE] to identify, prioritise and implement energy saving projects.

On the technical side, we invest in enhancing the Industry Park's energy efficiency. From 2013 to 2017, we invested a total of CNY 11.5 million in improving the efficiency of light fixtures, injection moulding machines, air compressors and central air conditioning.

Recently, we completed four energy efficiency enhancements:

1. The light fixture replacement project, launched in mid-2016, was completed at the end of 2016. This project saved around 2,840MWh of electricity in 2017. The electricity cost saved has covered the initial outlay of the project. To date, almost all indoor light fixtures in the Industrial Park are LED fixtures.
2. Under an Energy Performance Contracting arrangement, we have introduced efficient air compressors without initial investment. The energy consumption per unit production for the air compressor room has been reduced by 34%.
3. We have replaced the cold water pump and fresh air units with more energy efficient models. Annual savings are anticipated to be 231MWh.
4. Over the past three years, we renovated the intrusion moulding machine servers of the plastic moulding plant. Investment in this project exceeded CNY6 million and work was completed in 2017. The estimated savings per annum are 4,070MWh.

The Huizhou Government has set an energy consumption target for the Industrial Park. The Industrial Park has met the target in recent years.



High-efficient air compressors at TCL Liquid Crystal Industrial Park

Although we are moving our major manufacturing capacity to our new factory, we are still continuing to improve energy efficiency at the existing Industrial Park. For example, a 6.4MW photovoltaic system is being built, which will generate 6,000MWh of electricity each year.



Direct energy consumption	32,765 MWh [natural gas]
Indirect energy consumption	84,466 MWh [diesel, electricity, purchased steam]
Overall energy consumption	117,231MWh
Energy intensity per product shipped	5.05 KWH/product



Energy consumption at TCL Multimedia in 2017

Minimising air emissions

The main air pollutants emitted are volatile organic compounds (VOCs) due to paint spraying, and this happens only in the TCL Liquid Crystal Industrial Park. We have already begun using a rapid heat cycle moulding (also known as steam injection moulding) technique for producing certain TV cases and eliminated subsequent painting processes which are polluting. Also, to further



Newly built VOCs treatment facility

reduce the emission of VOCs, we have implemented a VOC elimination project for the paint spraying process, upgrading the air pollutant treatment so that the quality of exhaust meets the more stringent "Emission standard of volatile organic compounds for furniture manufacturing operations" of the People's Republic of China.



	Scope 1 (Direct greenhouse gas emissions)	7,186 tons CO ₂ -e [by using diesel and electricity]
	Scope 2 (Indirect greenhouse gas emissions)	47,884 tons CO ₂ -e [electricity and purchased steam]
	Overall greenhouse gas emissions (Scope 1 and 2)	55,070 tons CO ₂ -e
	Carbon intensity per product shipped	2.37 kg CO ₂ -e per product

Greenhouse gas emissions at TCL Multimedia in 2017

Conserving water

Huizhou is not a water-scarce city and locals have no difficulty in acquiring safe water. However, TCL Multimedia is willing to conserve water, as per other scarce resources. In our Huizhou plant, a dedicated person maintains the heat exchanging facilities, and identifies and fixes any leakages. The cooling water for plastic moulders and central air conditioning can be circulated within the system, reducing the demand for additional municipal water. Average water consumption per head per month decreased by 1.35 tons in 2017 compared to that of 2016 in Huizhou plant. 50,000 tons of municipal water is saved this year.

	Overall water consumption	1,081,275 tons [data including: Science and Technology Building, Multimedia Building, each production base.]
	Water intensity per product shipped	46.5 kg per product

Water consumption at TCL Multimedia in 2017

Waste management

In Huizhou, hazardous waste is collected and detoxified by Huizhou TCL Environmental Technology Co. Ltd., a subsidiary of TCL Corporation. Hazardous waste at other manufacturing sites is handled by accredited local third parties. For non-hazardous waste, TCL Multimedia complies with the principle of sustainability by recycling as much materials as possible.



Hazardous waste produced and transferred at TCL Multimedia in 2017



Non-hazardous waste produced at TCL Multimedia in 2017

Product chemical management

We prevent the use of certain hazardous chemicals in our production lines by applying a stringent chemical waste management policy. We are fully compliant with RoHS and REACH Directives during product design and manufacturing so as to limit, to the furthest extent possible, the use and emission of hazardous substances. All of our products have been awarded the IECQ QC 080000 Hazardous Substance Process Management qualification. We have eliminated the use of plastics which contain an excessive level of lead, mercury, cadmium, chromium VI, polybrominated biphenyls (PBB) or Polybrominated diphenyl ethers (PBDE).

Average water consumption per head per month decreased by

1.35 tons

in 2017 compared to that of 2016 in Huizhou plant

50,000 tons

of municipal water is saved every year

Creating opportunities for employees

- Our people in China
- Our people across the world
- Training and development

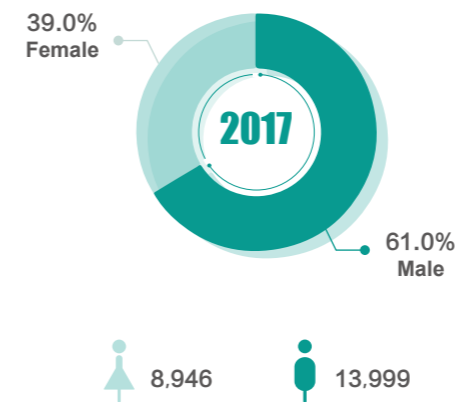


We would never be successful without the contributions of our people. Our brand is built upon our people who procure our materials and develop, manufacture and sell our products. As such, we are committed to responding to our people's career needs, to respecting them and to acknowledging their contributions.

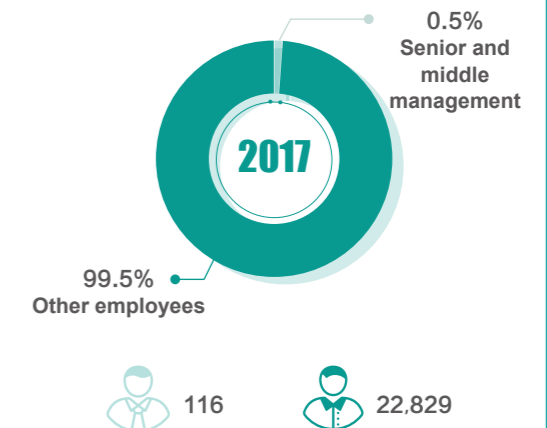
Globalisation is our key strategy. We have a diverse team originating from different countries, with different cultural backgrounds that supplement one another. Our people leverage the company's exposure to the global market to facilitate their growth.

Total  **22,945**

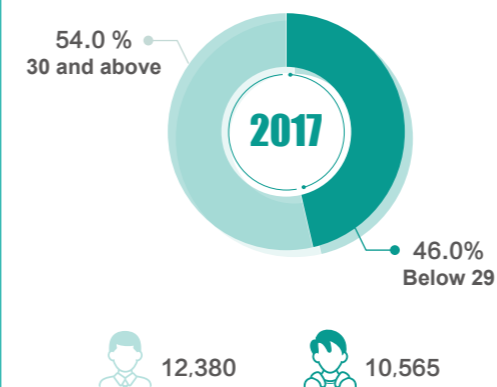
Breakdown by gender



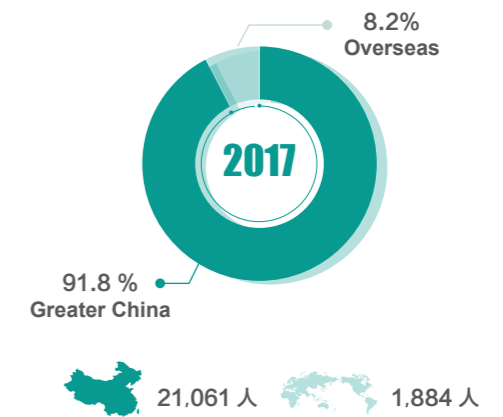
Breakdown by grade



Breakdown by age



Breakdown by geography



 Number of employees of TCL Multimedia as at 31 December 2017



Our people in China

TCL Multimedia observes the nation's relevant laws and regulations such as the Labour Law of the People's Republic of China and Labour Contract Law of People's Republic of China. We insist on equal employment because employees are our most valuable asset. We actively protect the rights and interests of employees, promptly and legally settle contracts with them, and manage contracts in accordance with the Labour Contract Law of People's Republic of China and any applicable local regulations. TCL Multimedia's internal management systems on employment and promotion, training and development, compensation and benefits, which aim at creating a fair, inclusive and transparent working environment, are documented as the Employee Handbook. On compensation, the companies complies with regulations such as Social Security Law of People's Republic of China and Tax Law of People's Republic of China. We accordingly adjust an employee's remuneration package based on his or her performance and leaves taken, so as to safeguard the fairness of remuneration system. On career development, we offer various career development pathways. Employees can set their own career goals for fair appraisal. Employment contracts are terminated based on mutual agreement between the employee and the company. We observe the Labour Contract Law of People's Republic of China when implementing dismissal procedures. TCL Multimedia observes and complies with the clauses related to working hours in the Labour Law of People's Republic of China and does not extend working hours of workers without valid reasons. Managers and employees shall work together to enhance work efficiency and achieving work-life balance.

In accordance with the Rules on Special Protection for Juvenile Workers, TCL Multimedia treats juvenile workers⁸ equally, respects their personal dignity and organises relevant training that promotes their career development. By combining education and protection, we promote the development of their physical and mental health. TCL Multimedia strictly prohibits the use of child labour and strictly examines candidates' identities during recruitment.



Employees make dumplings together

Employee benefits and subsidies

The company pays social insurance and mandatory housing funds for employees according to local regulations. For employees above a certain grade, we supplement pension insurance to better protect their economic interests after retirement. The company is committed to providing employees with comprehensive business insurance and quality insurance services. Employees are provided with benefits such as physical examinations, holiday gifts, special paid leave, company shuttle transport and staff accommodation. For eligible employees, we provide additional benefits such as communications subsidies, computer subsidies and transportation subsidies.

8: According to the Labour Law of the PRC, juvenile workers refer to labour aged from 16 but not yet 18.



Organizing parties for employees on different festivals

Remuneration and incentives

Our company is undergoing a gradual optimisation of our incentive schemes. Based on business performance and market remuneration levels, we conduct salary reviews regularly. On top of a fixed based salary, we award performance bonuses to employees with reference to the company's annual performance and the employee's personal performance. We recognise the ability and contribution of our employees to increase their enthusiasm for work. At the same time, we have heavily invested in incentives for sales, product development, innovation and technology to support the growth of the company's sales and technological innovation. The company offers long-term incentives to senior and middle management as encouragement and to retain talent.

Communication between labour unions and employers

The TCL Multimedia Union consists of three sub-unions. The King Union represents the employees of TCL King Electrical Appliances (Huizhou). The SCBC Union represents the employees of TCL Strategic Customer Business Centre. The New Technology Union represent non-manufacturing employees. Each sub-union assigns a Cultural and Sports Secretary, Promotion Secretary, Manufacturing Secretary, Living Affairs Secretary, and Female Worker Affairs Secretary to speak on behalf of union members and protect their rights to autonomous management. Employee representatives are regularly elected.

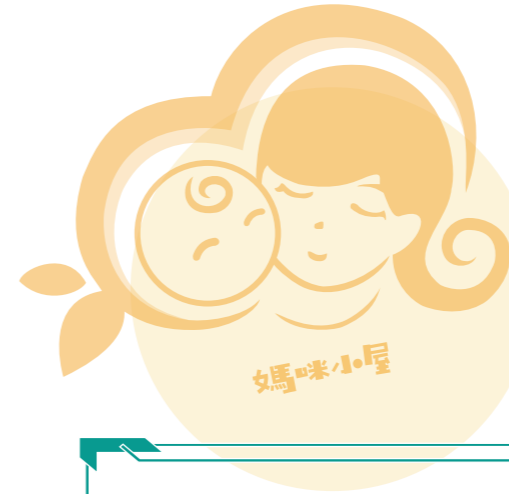
Moreover, in order to evaluate the company's performance in providing a friendly workplace environment, we conduct annual surveys on employee satisfaction.

“Action frontline”

Director-grade employees joined the work of frontline sales, workers and customer services officers at their workplace to understand the potential problems faced during frontline work. Every director has to work at a frontline position at least three times during the three-month activity period, and bring at least one question to the concluding brainstorming session. The objective of the activity is to come up with and implement solutions to the problems faced by frontline employees, and to enhance staff morale and work efficiency. The biannual activity lasts for three months.



TCL Multimedia directors working at the frontline with colleagues from the production, sales and after-sales services functions.



As a family-friendly enterprise, TCL Multimedia has lactation rooms at all its major business locations in China to provide female workers with private areas for breastfeeding.

“I feel respected and appreciated by my colleagues and top managers. The process of adaptation to a new working environment in a new city and culture is never easy in any part of the world, especially if you don't speak the language well. Adaptation can be difficult, but once you start working and interacting with your colleagues you bond with them and realise that they will support you. This makes you feel like part of the team...because even if you cannot communicate in the same language we are committed to understanding each other for the benefit of our work. This behaviour in our ID department helped create a working environment emphasising harmony, respect and creative sharing. It would be great if more foreigners experience this and we together contribute to our office culture.”

– Tiago Abreu, a Portuguese employee that joined TCL Multimedia's Industry Design Centre in October 2015.

Employee culture

We have been improving the well-being of our employees to promote their work-life balance. To facilitate communication and group cohesion, the company arranges staff development trip annually and initiates occasional departmental activities. Focusing on employees' physical and mental health, we have launched a series of sports activities, establishing associations for badminton, basketball,



yoga, photography and cycling. The company organises health initiatives such as physical examinations for employees and has set up a lecture to interpret medical reports, as well as to publicise the prevention and treatment of common diseases, raising employees' awareness of their health.



2017 King Cup Football Match



Our people across the world

Our people are located across 17 countries and regions. They support local sales, provide customer support services, and produce our products. Close to 8% of our employees are based outside China. To quickly integrate into the local culture, it is our policy is to prioritise local talent in overseas locations, with only a few Chinese expatriate staff. The human resources affairs of overseas branches are managed by the local human resources departments. We pay close attention to local labour laws and regulations, in particular on the prohibition of child labour, the elimination of workplace discrimination and the provision of labour benefits.



Participants in the Eagle Warrior Project discussing their presentations of business strategies in rising markets

For TCL Multimedia to implement quality policies and standards and to achieve its targeted growth in overseas markets, it is crucial for us to promote exchange between Chinese and overseas staff, and to provide overseas employees with guidance. As such, we have launched three key training programs – the Train the Trainer Program, the Eagle Warrior Project and the Kindle Project. The Train the Trainer Program aims to develop TCL's overseas pioneering trainers. Employees from 13 countries and regions take part in a weeklong intensive training program at the Shenzhen headquarters. Through various activities, experiential training and assessments, the employees will become pioneering trainers, and assist in training at newly established branches to enhance sales performance. The seven-day Eagle Warrior Project provides elite sales employees at overseas locations a face-to-face communication opportunity with our senior management. Through lectures and discussion activities, the trainees learn how their respective overseas branches complement TCL Multimedia's future business strategies. The Kindle Project is one of the most important annual training programs for overseas business centres. Its objectives include fostering the integration between branches in the PRC and overseas locations, developing a core management team, and improving the work abilities of overseas managers and core employees. After the training program, the company continues to track the development of the trainees, and offers them opportunities and resources to consolidate and share their learning.



Now in its fourth year, the 2017 Kindle Project was enriched with overseas talents



Case study: How to achieve Challenging Target in 2018 in Poland?

On 13 October 2017, TCL EUSC Poland held its company team building exercise with the theme of "How to achieve challenging target in 2018 in Poland".

Bill Jiang, the General Manager, Frederic Langin, the Sales Director, and the human resources department gave speeches at the conference, Frederic Langin reported the business performance in 2017 and announced the business strategy in 2018, pointing out that TCL Multimedia's European market will mainly focus on the Polish market. The human resources department also interactively introduced the TCL culture through a Q&A session.

Following the presentation, the staff were divided into 4 groups and participated in a workshop on the theme of achieving the challenging target. The groups demonstrated good team spirit and cohesiveness as they came up with their own team names, selected their team captains and presented their brainstorming results. At the conference, Jayway, the General Manager of TCL Multimedia Poland, was selected as the project leader for the workshop. He will be responsible for collecting the presentation results of all teams and formulating a more specific implementation plan, leading the Polish team in achieving the 2018 sales target.



Case study: Team building in Indonesia

On 30 August 2017, the Indonesian Office organised a team building session for all employees to convey the corporate culture. The Human Resources Department of our headquarters introduced the core values of the company, facilitating the staff's understanding and implementation of these values at work. At the same time, workshops on creating highly efficient teams were also organised. Through interactive discussions, employees explored their needs and those of their peers and the company, forming a consistent code of conduct and goal setting, strengthening the trust and cohesion between Chinese and local employees, as well as between different departments.



Case study: TCL Multimedia Philippines on Corregidor Island

On 22 September 2017, TCL Multimedia Philippines organised a team building activity themed "The Road to Success is not Easy. Dedication and Hard Work is the Key" on Corregidor Island. Corregidor Island serves as a memorial to the courage and heroism of its Filipino and American defenders who bravely defended against the invasion of Japanese forces during World War II.

The group went on an 8 km hike, with adventure elements added along the way, to instil perseverance in employees and enhance team spirit. Employees were divided into 6 groups of 15 employees from different departments. The teams completed their tasks through perseverance and active participation.



Case study: "One Faith, One Future"



From September 11 to 13, 2017, the Vietnamese branch organised a three-day mission themed "One Faith, One Future" for all its employees. The activities strengthened team cohesion and developed employee confidence in the company. Through educational games, the employees demonstrated and experienced team spirit, and enhanced their confidence in the company, colleagues and leaders.

"I can better see and understand TCL as a global company after spending a year here. People are very energetic and passionate about their role in TCL. All of us are excited to bring the company to a leading position across the global market."

– Olivier Semenoux, Head of Product Management Europe. He has worked for TCL Multimedia for one year.

"I feel honoured to be part of TCL as it has provided me with an excellent working environment which enables me to pursue my career aspirations. I feel proud when I complete challenging assignments. The management here wholeheartedly supports my work and I feel happy and blessed."

– Bilal, Manager of the Human Resources Department of TCL Multimedia Pakistan. He has worked for TCL Multimedia for one year.

"This company greatly values work integrity and accountability. It nurtures employees' personal competence, innovative mind-set and team spirit. Transparent communication and great people from bottom to top are what I cherish especially when given an opportunity to meet them. TCL is not just a "Great" but a "Superb" company of which I am a proud member."

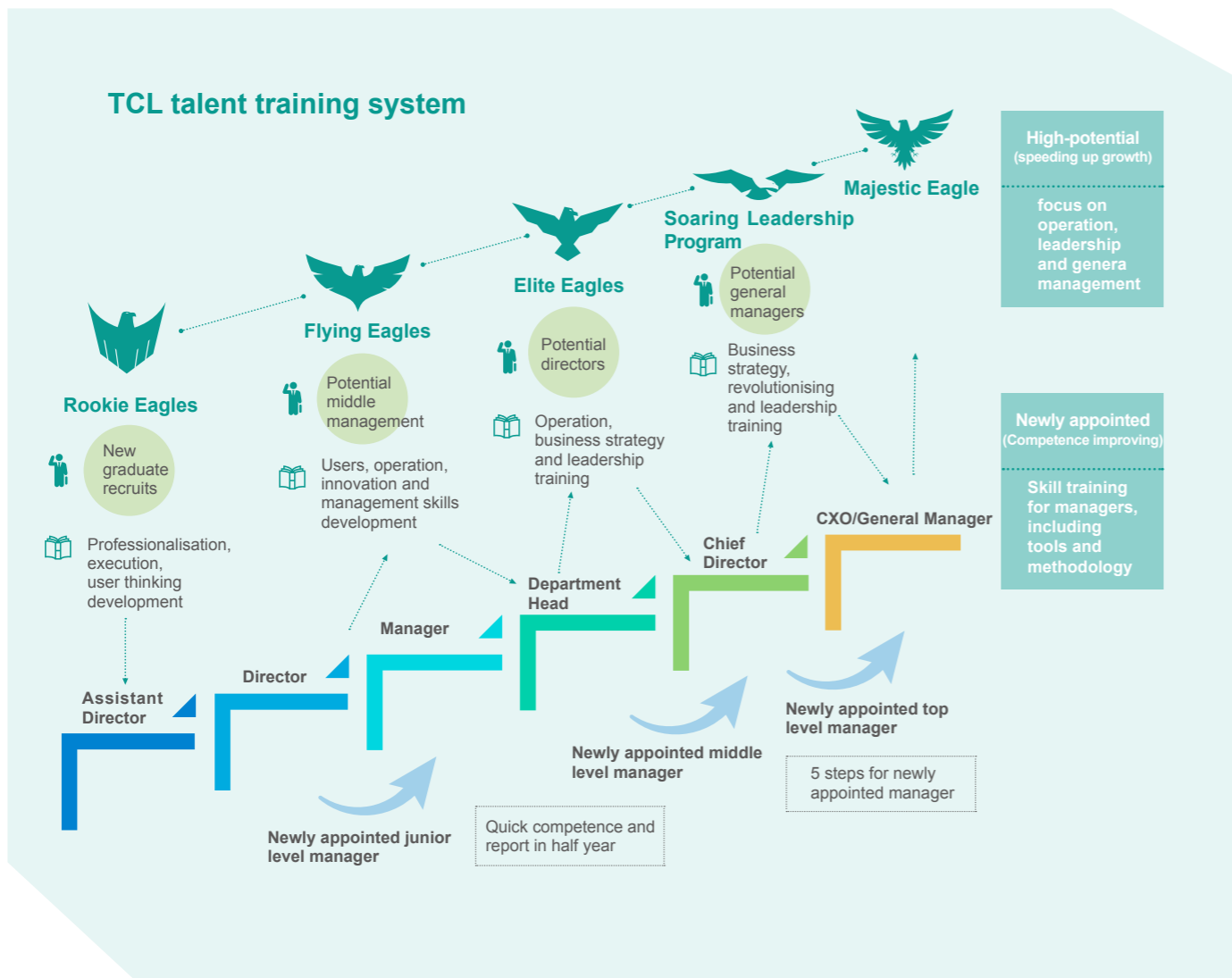
– Fiona Ella M Gozon, Manager of the Human Resources Department of TCL Multimedia Philippines. She has worked for TCL Multimedia for seven year.



Training and development

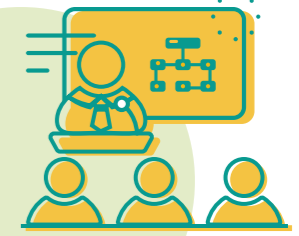
Complementing its development strategies, TCL Corporation values the training and development of its member companies' employees, as well as the cultivation of talents in technology, production, management and sales. This is to maintain the corporation's competitive advantages in different segments of the global market. TCL Multimedia has fully adopted the corporation's talent training policy to develop talents that are entrepreneurial, trustworthy, capable and result-oriented, such that they can become experts in their fields. We provide diversified career development opportunities for employees based on their personal development and compatibility with the job, ensuring that our employees grow along with our enterprise.

Given its strategic and business development needs, TCL Corporation's talent training system has evolved to provide "high-potential", "newly appointed", "professional", "general" and "strategic" training. High-potential training programs are named after "Eagle", symbolizing talents who achieve sky-high results. The Eagle series aims to establish a group of talents that will form the core of TCL Corporation and TCL Multimedia's succession plan.



The professional curriculum covers the roles of various departments such as research and development, products mechanism, innovation marketing, legal affairs and finance. General and project courses cover an even wider range of topics including language, patents and career professionalism.

To address the training purposes and the needs of various trainees, our training approach is not limited to a one-way knowledge transfer. We supply trainees with a large number of online learning resources, organise interactive practical workshops, invite them to make presentations and speeches, arrange overseas study tours and even have them work in frontline positions. TCL Multimedia has also developed a number of internal lectures in which department leaders will make an appearance.



Case study: Strategic product manager development

The company has launched a product manager training program to cultivate user-oriented product managers. From the perspectives of personal quality and product management, we have built a 4I (Infrastructure, Impact, Insight and Influence) + 4P (Product planning, Product experience, Product management and Product development) competence model for product managers. This hands-on program implements a learning model which combines training, counselling and marketing, offering vision widening tours, industry expert lectures, user insight courses and hands-on workshops. These activities are intended to improve product managers' ability to understand how users understand product chains. We also require learners to practice with actual product projects and deliver results, so as to comprehensively improve their quality.

Case study: Newly appointed management training - New manager competency program

To facilitate the role transition from an individual contributor to a manager, as well as to improve the competency of junior managers, a New Manager Competency Program has been launched. We are aware that a company's management policy is strongly connected with its development in all aspects, and thus we have dedicated significant effort to training first-class managers, such that they can lead us to prosperity.

We have designed a number of courses to boost team performance and drive changes through training in communication, project management and presentation skills. The program is divided into three sections: learning, practice and assessment. Through online learning, traditional lectures and group reading, trainees will learn relevant management skills. As new managers, trainees will conduct discussions and devise solutions to commonly encountered problems by applying newfound knowledge. Throughout this course, trainees and their supervisors will maintain close contact and coordinate on a personal development plan. Continuous attention and training in the form of learning, practice and assessment enable significant improvement of the trainees' management abilities.



Case study: Storm Petrel Program

TCL Multimedia's business strategy focus is to develop overseas markets. When setting up factories in a new market, Chinese expatriate staff are a necessity in addition to local recruits. SCBC launched the Storm Petrel Program to cultivate overseas industrial talents. Interested employees with a sufficient level of language proficiency can self-nominate to participate in the one-year training. Successful applicants have good English language proficiency, general abilities, interpersonal skills and professional management skills.

Regarding training activities at overseas offices, please refer to "Our Employees across the world".

Total number of hours of training conducted



205,264 hours

Breakdown by gender



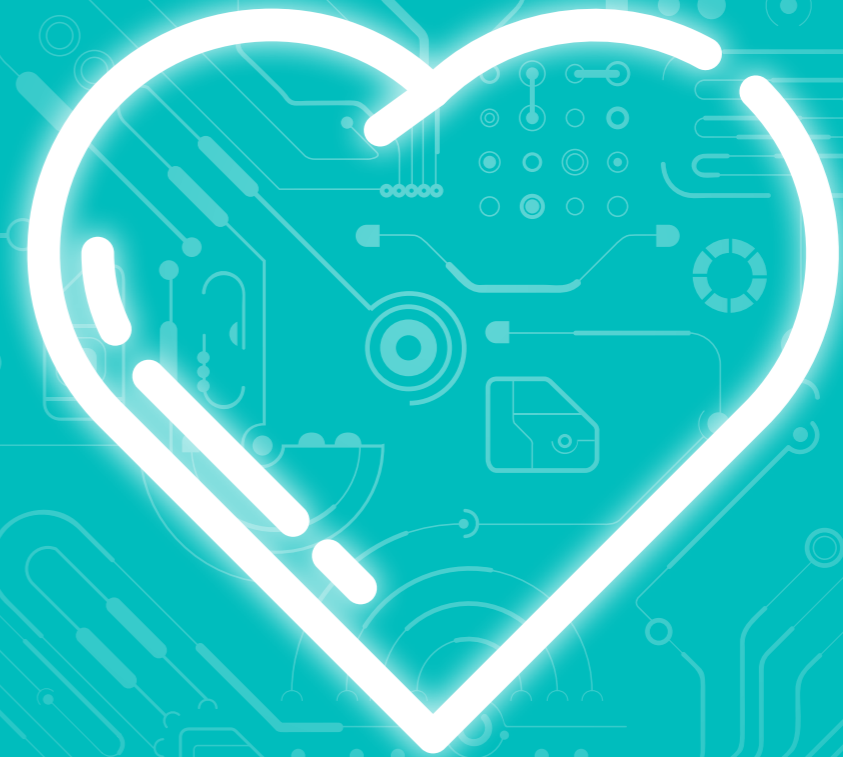
Breakdown by rank



Average training hours of employees in 2017

Bringing warmth to the community

- The TCL Multimedia Employees Love Mutual Fund in China
- TCL Multimedia overseas community activities



TCL Multimedia appreciates the support of neighbouring communities and the general public. As we grow our business, we actively create jobs and economic value for our communities, reducing our impact to the neighbouring community through managing waste disposal and consumption of resources. On the other hand, we are committed to be a responsible corporate citizen and engage in philanthropic causes.

The Directors of TCL Multimedia have charitably donated their emoluments to set up the TCL Multimedia Employees Love Mutual Fund. The TCL Multimedia Employees Love Mutual Fund is a host organisation executing various community activities across China on behalf of TCL Multimedia. To echo TCL Group's community investment focus, the TCL Multimedia Employees Love Mutual Fund supports mainly education-related initiatives externally. We have also reserved a fund each year for our overseas office to apply to executing community investment projects. We actively participate in community projects initiated by TCL Corporation, such as The TCL Project Hope Candlelight Award and the Action Rose. We are also a bridge between the TCL Corporation and potential beneficiaries. More information on the philanthropic work of TCL Corporation is available at http://news.tcl.com/English.php/About/about_social.html.

The Tomorrow Program

To motivate our employees to actively participate in the community and charity activities, TCL Multimedia has sponsored the Tomorrow Program for 5 years consecutively and has sent volunteers to Guangxi and Gansu for education projects. In 2017, TCL Multimedia organised 4 education projects in Wen County, Gansu and Napo County, Guangxi. In Wen County, we visited the homes of 5 sponsored students and provided subsidies and advice to 139 sponsored students, who were encouraged to study hard and explore the world. The company's internal promotion has sparked enthusiasm in employees. We invested CNY150,000 in the project this year.

For more details of the Tomorrow Program, please refer to <http://www.tomorrowcn.org/en.asp>



TCL Multimedia volunteers visiting students' homes in Napo County, Guangxi Province

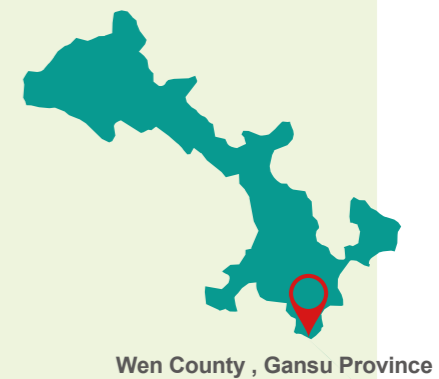


Our interactions with local students

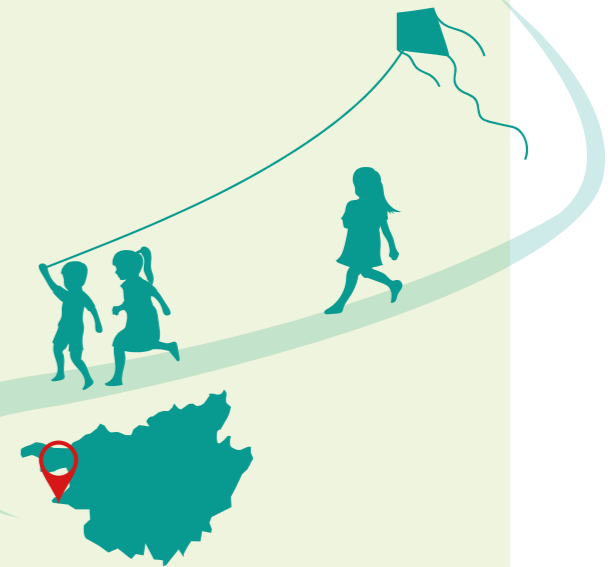
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The TCL Multimedia Employees Love Mutual Fund in China

The TCL Multimedia Employees Love Mutual Fund in China is an organisation operating independently from TCL Multimedia, run by the TCL Multimedia Employees Love Mutual Fund Management Committee. It receives donations from the company, individuals or organisations, and the Board of Directors. The fund was established for donating externally on behalf of the company, the union and the Fund, or to provide financial assistance to TCL employees suffering from critical illnesses or accidents.



Wen County , Gansu Province



Napo County , Guangxi Province

Xili Subdistrict

The TCL Multimedia Building is located in Xili Subdistrict, Shenzhen. We believe that charity begins at home and thus have dedicated ourselves to supporting our local community. With volunteers selected by the TCL Multimedia Employees Love Mutual Fund, TCL Multimedia has organised visits to the Xili Disabled Association every year. Ten people representing families with disabled members were interviewed. As these families face huge difficulties, after communicating with the Xili Disabled Association, the TCL Multimedia Employees Love Mutual Fund provided donations to them during the Chinese Lunar New Year and on the International Day of Persons with Disabilities. We offered sums of CNY1,000 and other gifts to every family, with the aim of benefitting as many as individuals as possible.

Moreover, the company has provided long-term financial support to 5 students from Xili No.2 Primary School in Shenzhen via the TCL Multimedia Employees Love Mutual Fund. We have arranged trips for volunteers to visit and bring gifts to the students every semester, and over the years, the two parties have developed a strong friendship. The students have gained a much more positive outlook with the help of the volunteers. TCL Multimedia also co-organises recreational activities with Xili No. 2 Primary School, for example, basketball games and factory visits for teachers. We are planning to organise factory visits for students in the future to foster the merger of teaching and practice.



A picture drawn by the students to express gratitude to TCL Multimedia volunteers



TCL Multimedia overseas community activities

Overseas community activities are initiated independently by TCL Multimedia's overseas branches. The company will reserve a sum each year to organise community services that are tailored to the local situation as a way of giving back to society.

TCL Thailand "TCL BIG SHARE" Community Series

Thailand is Buddhist country that advocates charity. Inspired by this spirit, TCL Thailand has been an active participant in community services since its inauguration 14 years ago. TCL Multimedia initiated the "TCL BIG SHARE" community series to help the underprivileged of the local community.

"TCL BIG SHARE" is an annual activity. This is the second year that we focused on donations to the local elderly. During the activity period, TCL collected a percentage of the profit for every television sold, and with the collected sum, donated TCL 55 inch smart televisions to Ban Bang Kae Retirement Home in Bangkok, Ban Bang Kae 2 Retirement Home in Bangkok, Bang Kean Retirement Home in Bangkok, Ba Tong Tani Retirement Home in Pathum Thani and Ban Bang Ra Mong Retirement Home in Chonburi Province. We donated a total of 20 55 inch televisions to benefit more than 2000 elderly people. A retirement home employee commented, "these televisions have made lively an otherwise solitary and quiet place."



TCL Thailand donating 2 55-inch televisions to Bang Kean 2 Retirement Home

TCL US sponsoring Arts Academy at Scottsdale

Arts Academy at Scottsdale is a Charter School located in Arizona, USA. It provides courses tailored to students with special educational needs that do not receive enough public resources. TCL US has installed a television in every classroom as a means to provide multimedia teaching tools, donating a total value of USD 3000. The school uses the donated televisions on a daily basis.






Outlook

Apart from consolidating our leadership in the television market, the company is now planning to expand into other consumer goods and home appliance businesses to become an all-around consumer electronics brand.



To maintain our leadership in the LCD television market, our business strategy focuses on:

-  **Making our production lines smart;**
-  **Investing in projects that enhance the user experience such as artificial intelligence, internet televisions and quantum dot technology;and**
-  **Expanding our global distribution network.**

To improve our manufacturing facilities, the integrated smart manufacturing industrial base for panel module and TV products assembly located in Tonghu, Huizhou (hereinafter the Tonghu Base), started construction this year and is expected to start production in 2019. By sharing the base with China Star Optoelectronics Technology Co. Limited, and implementing industrial automation and smart logistics planning and solutions (including smart warehousing and logistics management), we can maximise the synergy benefits of vertical integration in the supply chain. Smart manufacturing allows the company

to achieve finer manufacturing processes, enabling innovation in product development and making possible thinner television sets with a thinner frame as well as enhanced high-end products such as the Quantum Dot, curved surfaces, 4K Ultra High Definition, big screen and smart TVs. As the production line increasingly relies on machinery and cloud computing, we expect the company's overall energy consumption to rise, and thus we focus on energy-saving design when building a new factory. With increased production capacity, we expect a continuous decrease in energy usage per production unit. Moreover, with smart manufacturing, the factories will require talents with different skillsets in the future. Meanwhile as we allow the staff count to decrease through attrition, we have modified our recruitment focus and strengthened training for existing management staff, in order to smoothen the transition into the era of smart manufacturing.

Under the business strategies of "artificial intelligence" and "Internetisation", we continue to re-define televisions through investing in research and development, so to enhance their ability to change people's lives as smart terminals. With the initial success of artificial intelligence in televisions, we will continue to develop this technology to perfect functions such as facial recognition and smart searching. In the area of "Internetisation", we will further implement TCL Corporation's vision of a "smart home" by expanding the Internet of Things among televisions and other appliances, making televisions the core of a "smart living room". As smart terminals, the future of televisions can bring us greater value -- "Family Circle" is merely a glimpse of how we can improve quality of life with the internet. We are developing the "Healthy Community" application, in which, connected with other devices, televisions can send instant health data

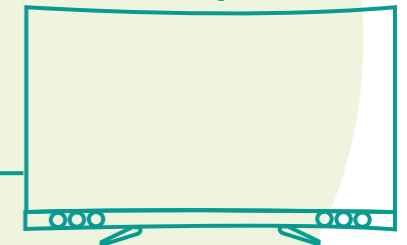
to families, call for immediate help, and fetch suitable health TV programs. In addition to providing entertainment, we hope that televisions can improve users' daily lives, and hence we will carry out more research and development projects in the future. While innovating, we also carefully examine the potential impacts on users, such as personal privacy protection.

The company is now expanding its global sales network to reach its goal of a 50% revenue ratio from overseas markets. Overseas sales have increased due to the hard work of overseas staff, especially in North America and emerging markets such as Brazil. We have noticed that there is room for growth in North America, South America, Europe, India, Japan and other markets in 2018. We will seek partnerships in these markets to promote the TCL brand, strengthen the training and development of overseas talents, and to encourage overseas branches to make more influential community investments, so as to further improve our brand image.

Apart from consolidating our leadership in the television market, the company is now planning to expand into other consumer goods and home appliance businesses to become an all-around consumer electronics brand. In spite of how we are transforming TCL Multimedia, the Board of Directors will always endeavour to examine the impact of new businesses on various stakeholders, to listen to their opinion, and to manage environmental, social and governance risks, in order to bring sustainable value to the public.



TCL



ESG Reporting Guide Index

Subject Areas, Aspects, General Disclosures and KPIs	"Comply or explain" Provisions	Recommended Disclosures	Remarks
Aspect A1: Emissions			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Safe and green production: Green operations	
KPI A1.1	The types of emissions and respective emissions data.	Not disclosed	The company's emissions are mainly volatile organic compounds (VOCs) generated during the painting process, which is only carried out at the Huizhou production site. The emissions of VOCs are regularly tested by the regulatory authorities in Huizhou, and are in line with the standards of the local government. The company does not have accurate statistics on the annual total of VOCs emissions.
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Safe and green production: Green operations	
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Safe and green production: Green operations	
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Safe and green production: Green operations	
KPI A1.5	Description of measures to mitigate emissions and results achieved.	Safe and green production: Green operations	
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.		In Huizhou, hazardous waste is collected and detoxified by Huizhou TCL Environmental Technology Co. Ltd., a subsidiary of TCL Corporation. Hazardous waste at other manufacturing sites is handled by accredited local third parties. For non-hazardous waste, TCL Multimedia complies with the principle of sustainability by recycling as much materials as possible. TCL Multimedia has not set a strategy to reduce waste generation.

Subject Areas, Aspects, General Disclosures and KPIs	"Comply or explain" Provisions	Recommended Disclosures	Remarks
Aspect A2: Use of Resources			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Creating value for our users: Conserving raw materials, Minimising packaging material Safe and green Production: Green operations	
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Safe and green production: Green operations	
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Safe and green production: Green operations	
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	Safe and green production: Green operations	
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Safe and green production: Green operations	TCL Multimedia mainly uses municipal water, there is no issue in sourcing water.
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Creating value for our users: Conserving packaging materials	
Aspect A3: The Environment and Natural Resources			
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Not disclosed	TCL Multimedia believes that its activities have not directly affected the ecological environment in the vicinity of its operation sites. The availability of natural resources is not affected as we obtain the raw materials in television production. As our products may have an ecological impact during disposal, policies on reducing such impacts focus on strictly controlling the amount of hazardous substances in our products and relying on TCL Corporation's capability to recycle TCL televisions.
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Not disclosed	

Subject Areas, Aspects, General Disclosures and KPIs	“Comply or explain” Provisions	Recommended Disclosures	Remarks
Aspect B1: Employment			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Creating opportunities for employees	
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Creating opportunities for employees	
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Not disclosed	Deemed commercially sensitive, the company will not be disclosing this indicator.
Aspect B2: Health and Safety			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Safe and green production: Safety management systems, Occupational health	
KPI B2.1	Number and rate of work-related fatalities.		There were no work-related fatalities in 2017.
KPI B2.2	Lost days due to work injury.	Safe and green production: Safety management systems	
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Safe and green production: Safety management systems, Occupational health	
Aspect B3: Development and Training			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Creating opportunities for employees: Training and development	
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).		All employees have gone through training in the year.
KPI B3.2	The average training hours completed per employee by gender and employee category.	Creating opportunities for employees: Training and development	

Subject Areas, Aspects, General Disclosures and KPIs	“Comply or explain” Provisions	Recommended Disclosures	Remarks
Aspect B4: Labour Standards			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Creating opportunities for employees	
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Creating opportunities for employees	
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Not disclosed	
Aspect B5: Supply Chain Management			
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Sharing our success with business partners	
KPI B5.1	Number of suppliers by geographical region.	Sharing our success with business partners	
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Sharing our success with business partners	
Aspect B6: Product Responsibility			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Creating value for our users	
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Creating value for our users: Product safety	
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Creating value for our users: Product quality assurance	The company considers "Net Promoter Score" and "average 3-month early return rate" to be a common indicator of quality in the television industry.

Subject Areas, Aspects, General Disclosures and KPIs	“Comply or explain” Provisions	Recommended Disclosures	Remarks
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Injecting impetus to economies: Complying with the law, Respecting Intellectual Property Rights	
KPI B6.4	Description of quality assurance process and recall procedures	Creating value for our users: Product quality assurance	
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Creating value for our users: Protecting customer information	
Aspect B7: Anti-corruption			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Injecting impetus to economies: Complying with the law - Anti-corruption	
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Injecting impetus to economies: Complying with the law – Anti-corruption	
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Injecting impetus to economies: Complying with the law – Anti-corruption	
Aspect B8: Community Investment			
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Bringing warmth to the community	
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Bringing warmth to the community	
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Bringing warmth to the community	