TCL

TCL Electronics Holdings Limited
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 01070)

2021

Environmental, Social and Governance Report

Contents

About TCL Electronics

Company profile

TCL Electronics Holdings Limited (stock code: 01070.HK) , an exempted company incorporated in the Cayman Islands with limited liability was listed on the main board of The Stock Exchange of Hong Kong Limited ("Hong Kong Stock Exchange") in November 1999. The Group's business scope covers display, innovative and Internet business. TCL Electronics actively transforms and innovates under the strategy of "Value Led by Brand with Relative Cost Advantage". Focusing on the mid-to-high-end markets around the world, the Group strives to consolidate the "intelligent IoT ecosystem" strategy with all-category layout and is committed to providing users with an all scenario smart and healthy life while developing into a world-leading smart technology company.

In 2021, the global sales volume of TCL smart screen reached 23.58 million sets. Leveraging the strength in the pioneering deployment in the field of Mini LED, TCL Electronics' mid-to-high-end smart screen sales volume increased significantly, with that of quantum dot smart screen and Mini LED smart screen sales increasing by 53.8% and 50.5% year on year respectively. The shipment in the global TV market ranked firmly the top three in the world.

TCL Electronics is among the eligible securities under the Shenzhen-Hong Kong Stock Connect, and is included in the HSHKI[1], HSMSI[2], HSSUSB[3] and other indexes, and received Hang Seng Index's ESG rating of A for four consecutive years from 2018.

Corporate honours

January 2021	Hong Kong Connect Best Company Prize of Golden Hong Kong Stocks
January 2021	2021 Best Brand – TV
June 2021	Asia's Most Valuable Brand Awards 2021
September 2021	2021 HKIRA 7th Investor Relations Awards
October 2021	Good MPF Employer Award, e-Contribution Award and MPF Support Award of The Mandatory Provident Fund Schemes Authority (MPFA)

[1]HSHKI: Hang Seng Stock Connect Hong Kong Index, which is designed to reflect the holistic performance of securities listed on the Main Board in Hong Kong that can be invested in via Hong Kong Stock Connect.
[2]HSMSI: Hang Seng Composite MidCap & SmallCap Index, which is designed to reflect the holistic performance of small and midcap stocks and small cap stocks that can be invested in via Hong Kong Stock Connect.
[3]HSSUSB: Constituent Stock of Hang Seng Corporate Sustainability Benchmark Index include companies listed in Hong Kong with the best performance in corporate sustainable development.

About this Report

Overview

This Environmental, Social and Governance ("ESG") Report mainly describes the performance of TCL Electronics in compliance with laws and regulations, products and technological innovation, customer services, work safety, green operation, talent development and team building, responsible procurement, and public welfare and charity. The reporting year aligns with our annual report, the latest of which ended on 31 December 2021.

Scope and boundary

Policies and information stated in this report apply to TCL Electronics and most of its subsidiaries. This covers all operations based in the People's Republic of China ("China") and other overseas countries and regions. The reporting scope of this report is substantially the same as that set out in the 2020 ESG Report of TCL Electronics. It covers the Group's display business (including large-sized display, small- and medium-sized display and smart commercial display), innovative business (including smart connection, smart home and all-category marketing) and Internet business, so as to provide a balanced reflection of the Group's environmental, social and governance performance concerning the environment, workplace, supply chain management, product responsibility and community, in particular the environmental, social and governance affairs that may have had a significant influence on the sustainability of the Group's business operations and which are of concern to stakeholders.

Glossary

"Company" "Group" "TCL Electronics" and "We": TCL Electronics Holdings Limited and/or its subsidiaries (as the case may be).

"TCL Commercial": TCL Commercial Information Technology (Huizhou) Co., Ltd., a subsidiary of TCL Electronics.

"TCL Communication" "TCL Communication Group": TCL Communication Technology Holdings Limited and/or its subsidiaries (as the case may be). TCL Communication is a subsidiary of TCL Electronics.

"TCL Industries": TCL Industries Holdings Co., Ltd., which is the ultimate controlling shareholder of TCL Electronics.

"TCL King (Huizhou)": TCL King Electrical Appliances (Huizhou) Co., Ltd., a subsidiary of TCL Electronics.

"TCL New Technology": Shenzhen TCL New Technology Company Limited, a subsidiary of TCL Electronics.

"TCL Optoelectronics": TCL Optoelectronics Technology (Huizhou) Co., Ltd., a subsidiary of TCL Electronics.

"Falcon Network Technology": Shenzhen Falcon Network Technology Co., Ltd., a subsidiary of TCL Electronics and an Internet technology company under TCL Electronics, which is mainly engaged in the content system development and operation of TCL smart TV.

"GHG": Greenhouse gas.

"smart screen": mainly refer to smart TV related products. By shipment over 90% of the Group's TV products are smart screen products.

Source of data and authenticity

The figures and case studies included in this report were primarily derived from our statistical reports and internal circulars. The board of directors of the Company ("Board") confirms that this report does not contain any false information or misleading statements, and is responsible for the authenticity, accuracy, and completeness of the report content. Unless otherwise specified, the currency amount in this report is measured in RMB.

Reference

This report was compiled in accordance with the *Environmental, Social and Governance Reporting Guide* ("Reporting Guide") as set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"). This report was prepared in accordance with the requirements of the Reporting Guide by following the principles of materiality, quantitative, balance and consistency.

Materiality: The Group regularly conducts stakeholder engagement and materiality analyses to identify specific environmental, social and governance issues significant to its business operations, and provides responses in this report based on the analysis results. The details of assessment of materiality and the major participation channels of stakeholders are disclosed in the section headed "ESG Governance".

Quantitative: In order to describe the Group's impact on major environmental, social and governance issues, the Group records environmental and social data. An overview of the information corresponding to the quantitative key performance indicators are set out in the section headed "ESG Performance Overview". Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, where applicable, for the reporting of these key performance indicators, is appropriately disclosed in this report.

Balance: In order to prepare a fair and objective ESG Report, the Group reports the positive and negative impacts of its operations and the mitigation measures it has taken to provide an unbiased picture of the Group's sustainable performance.

Consistency: In order to maintain the comparability of reports, the Group adopts consistent reporting standards, principles and data calculation methods and explains any discrepancy (if any) with its 2020 ESG Report.

Board approval

This report was approved by the Board on 11 March 2022.

Performance Highlights of 2021

74.8 billion HKD
Turnover

2.5 billion HKD
R&D Investment

23.58 million units
Annual sales volume of TCL smart screens

19.88 million
Average number of monthly active smart TV users

31,238
Total number of global employees

40%
Percentage of female employees

1,335
kg CO_2e per HKD million revenue
Greenhouse gas emission intensity based on revenue

Three consecutive years
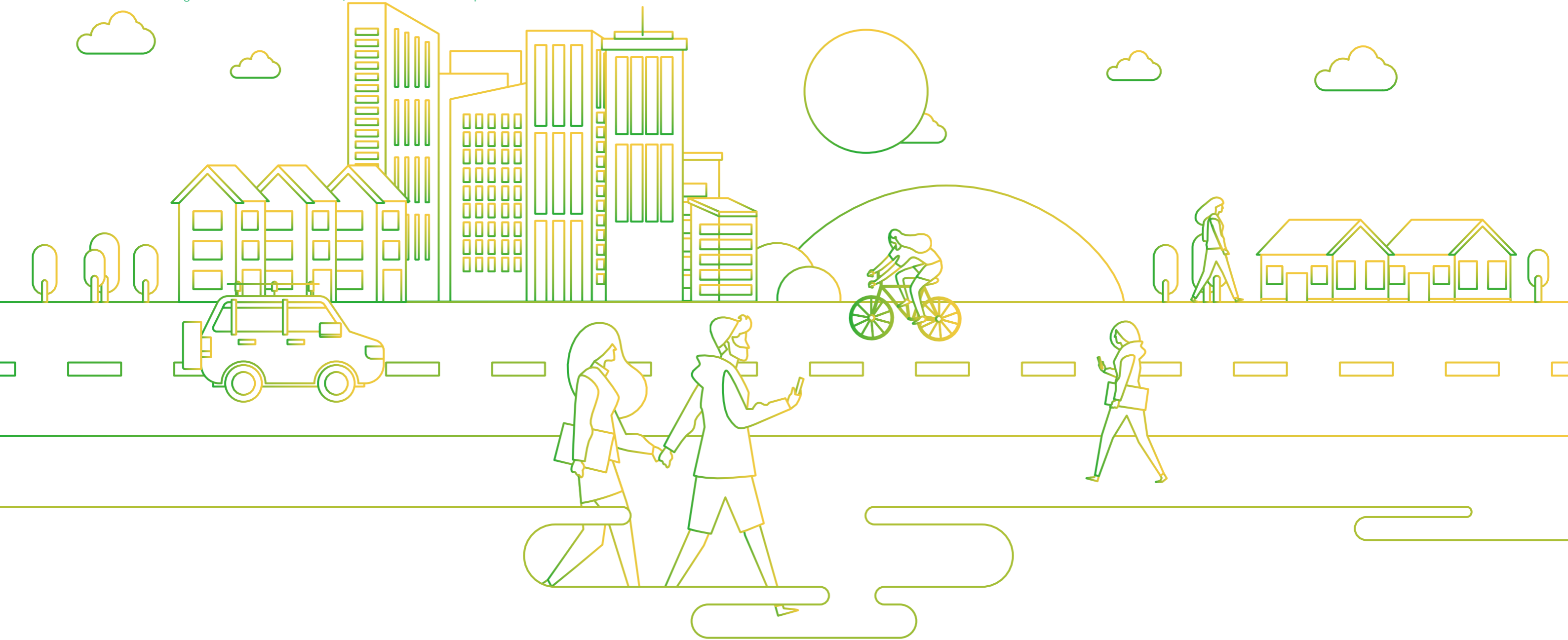TCL Electronics has been included in the Hang Seng Corporate Sustainability Benchmark Index

Statement of the Board

The Board of TCL Electronics attaches great importance to the sustainable development management and oversees the ESG affairs with the assistance of the leadership in sustainability.

The Board takes full responsibility for ESG affairs, supervises the Group's sustainable development directions and strategies, and receives the reports from the leadership in ESG affairs on a regular basis. The Board also periodically discusses and examines the ESG risks and opportunities faced by the Group, as well as the performance and progress of the Group in this regard. Each year, the Board considers the Group's ESG Report and reviews the progress of accomplishment of the ESG goals set.

Attaching great significance to the potentially significant impact of ESG risks, the Group improves its management of ESG issues in light of the ESG risks identification, macro policies, stakeholder communication results and other factors, analyses the materiality of issues through the stakeholder survey and clearly defines the priorities of its ESG governance.

During the reporting year, TCL Electronics completed the materiality assessment of the ESG issues for the year and identified the future ESG management focus; as well as set the environmental goal for 2025, and made great efforts to reduce the impact of the Group's manufacturing activities on the environment through energy structure improvement and process optimisation, and the Board reviewed, discussed and confirmed the results of the above two tasks. Please refer to this report for details.

ESG Governance

TCL Electronics upholds the concept of sustainable development, actively assumes social responsibility, and continues with the past work focusing on seven issues, namely environmental protection, employment promotion, protection of employees' rights and interests, health and safety, fair operation, consumer relations, and community participation and development to manage the ESG work. In the meantime, it constantly improves the corporate governance structure to maximise value for stakeholders.

TCL Electronics has been included in the Hang Seng Corporate Sustainability Benchmark Index for three consecutive years since 2019, fully demonstrating our outstanding achievements in sustainable development.

ESG governance structure

ESG governance structure

Under the leadership of the Board, TCL Electronics carries out the ESG work of the enterprise and actively integrates the connotation of sustainable development into corporate operation. Our ESG team is mainly composed of Finance Operation Department, Supply Chain and Quality Safety Centre, User Satisfaction and Quality Management Centre, Manufacturing Centre, R&D Centre, Human Resource Development Department and other relevant departments, which are responsible for disclosure of ESG performance of the Company.

To achieve its goal of sustainable development, TCL Electronics insists on improving its internal ESG governance structure, strives for proper management of the impact arising from ESG related issues, and continuously creates value for stakeholders.

Level of ESG Governance	Members	Responsibilities
Board	Directors	• Take responsibility for ESG-related affairs • Supervise the ESG direction and strategy • Regularly discuss and examine ESG risks and opportunities the Group faces, and its performance and progress in this regard
Leadership in ESG	Senior management	• Lead ESG-related affairs • Formulate ESG strategy • Allocate resources of the Group for ESG work • Approve results of ESG work
Management in ESG	Heads of relevant departments	• Manage ESG work (including assessing, prioritising, and managing ESG related issues and risks) • Delegate ESG personnel for implementation • Supervise the progress of ESG work • Report to the leadership in ESG
ESG taskforce	Business and functional departments Domestic and overseas manufacturing bases and subsidiaries	• Collect and communicate ESG information • Implement specific ESG work • Report to the management in ESG

Communication with stakeholders

The sustainable and healthy development of TCL Electronics is inseparable from the long-term support and trust of its stakeholders. We have built a good communication platform and attached great importance to the communication with all stakeholders, including employees, customers, suppliers, investors/shareholders, government and regulatory authorities, industry associations and chambers of commerce, philanthropic/community organisations and the media. By strengthening the communication with stakeholders, and evaluating the ESG-related issues and risks, the Group constantly improves the transparency of corporate operation, actively understands and responds to the expectations and requirements of the stakeholders, strives to forge a closer relationship with the stakeholders and achieves mutually beneficial interaction.

Employees   Directly-employed employees

TCL Electronics, by providing well-developed benefits and equal development opportunities, continuously absorbs diversified talents and provides training for employees so that employees can grow and develop rapidly.

Communication channels and methods	Focus	The Group's response
• E-mails, employees' meetings, and employee activities	• Benefits and remunerations of employees, protection of basic rights and interests, smooth career development paths, personnel training mechanism, work-life balance, personal health and safety, and internal corporate communication channels	• Provide market-competitive compensation, benefits, learning and promotion opportunities, provide a good working environment, and develop a transparent employee management mechanism

Customers   Customers who purchase and use products and services

TCL Electronics fully explores and seriously meets the requirements of every customer, continuously improves customer satisfaction, and provides them with convenient, safe, high-quality and efficient products and services.

Communication channels and methods	Focus	The Group's response
• Service hotline, complaint and suggestion mailbox, questionnaire survey, customer interview, WeChat official accounts, and information disclosure	• Provision of cost-effective products and quality services, enhancement of product quality and service level, customer privacy protection, after-sales service and warranty, product packaging and design, and low-carbon and environmentally-friendly products	• Strengthen the protection of customer privacy, enhance all-round quality control, innovate service methods, diversify and innovate products, and use green technology to manufacture products, etc

Suppliers   Material suppliers, service consultants , etc

TCL Electronics actively cooperates with suppliers to require them to comply with relevant management systems and reduce environmental and social risks in the supply chain.

Communication channels and methods	Focus	The Group's response
• Organise regular suppliers' meetings and working meetings, and conduct daily communication and regular assessments	• Mutual support, common progress, and transparent and honest cooperation	• Build a responsible supply chain, jointly develop and improve products, and provide IT training

Investors/shareholders   Existing shareholders and potential investors

TCL Electronics actively provides shareholders with good and sustainable economic returns.

Communication channels and methods	Focus	The Group's response
• Information disclosure, shareholders' meeting, results announcement conference, non-deal roadshow, investor conference and investor conference call	• Disclose financial statements and information transparently, strengthen risk management and control, and create economic value	• Improve the Company's governance and investor relationship management, improve operational transparency, maintain business and profitability growth, and continuously improve our position in the industry

Government and regulators   Local government and regulators where TCL Electronics is registered, publicly listed and operates

TCL Electronics firmly guarantees legal compliance in its daily operation, and thoroughly implements various policies and regulations of the government and regulatory authority.

Communication channels and methods	Focus	The Group's response
• Regular visits, policy communication with the government and regulators, meetings and exchanges	• Comply with laws and regulations, pay taxes according to laws, operate in compliance with regulations, support local development, promote local employment, and protect the local environment	• Implement regulatory policies, pay taxes in accordance with the law, and take the initiative to shoulder social responsibilities

Industry associations and chambers of commerce   Business consortia of TCL Electronics' industry peers; the chambers of commerce in which we participate

TCL Electronics actively exchanges with industry associations and chambers of commerce to achieve a benign commercial atmosphere.

Communication channels and methods	Focus	The Group's response
• Industry seminar, forum, and collaborative research	• Promotion of industry development, company business category, product quality, and corporate social responsibility	• Strengthen multi-party business cooperation, promote industrial development, and explore new business models

Media   Media which pay attention to TCL Electronics and publicly report on our operational and service performance

Under the supervision of the media and the public, TCL Electronics improves the transparency of its operation, maintains its brand image in the public, and conveys positive energy to society.

Communication channels and methods	Focus	The Group's response
• Press release, media interviews, and regular seminars	• Our services and products, financial performance, outlook, and corporate social responsibility	• Strengthen new product publicity, build brand images

Philanthropic/community organisations   The philanthropic organisations TCL Electronics co-operates with and the communities where our own premises are located

TCL Electronics actively contributes to public welfare activities and community construction.

Communication channels and methods	Focus	The Group's response
• Cooperation in public welfare activities, volunteer services, and property construction and management	• Promote local development, enhance community value, and support public welfare	• Actively participate in targeted assistance, carry out public welfare activities, and encourage employees to participate in voluntary activities

Material ESG issues

To make this report more targeted, TCL Electronics conducted questionnaire surveys on stakeholders in 2021 to collect views of all stakeholders on ESG. It stuck to the process and method for material issue analysis and screened for ESG issues of relatively high importance to perfect its ESG management and better satisfy the stakeholders' expectations and needs.

Materiality assessment process

Issue identification

Based on the Group 's business model, in light of the national policies and capital market requirements, we selected 26 ESG issues including product quality and safety, employees' rights, interests and benefits by analysing areas of stakeholders' concerns and comparing peers' initiatives.

Stakeholder engagement

We collected a total of 1,139 responses to our questionnaires from internal and external stakeholders including investors, suppliers, customers and employees to keep a good grip on the focuses of internal and external stakeholders on TCL Electronics' ESG issues.

Issue evaluation

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

Review and confirmation

The material issue evaluation results were proposed to the management and were affirmed and approved by the management.

TCL Electronics' ESG Materiality Matrix in 2021

TCL Electronics' ESG Issues List in 2021

Highly important issues		
1	Social	Product quality and safety
2	Environmental	Management of waste and hazardous materials
3	Environmental	Recycling and treatment of electronic products
4	Social	Occupational health and safety
5	Social	Product and technological innovation
6	Social	Employees' rights, interests and benefits

Moderately important issues		
7	Social	Talent attraction and retention
8	Social	Supply chain management
9	Social	Customer service
10	Environmental	Emissions management
11	Social	Diversity and equal opportunities
12	Social	Protection of intellectual property rights
13	Social	Employee training and development
14	Social	Information security and privacy protection
15	Environmental	Energy management
16	Governance	Transparency in information disclosure
17	Governance	Compliance with laws and regulations
18	Social	Responsible marketing
19	Environmental	Water management
20	Governance	Corporate governance
21	Governance	Business ethics
22	Environmental	Green products
23	Environmental	Promotion of green packaging

Ordinarily important issues		
24	Environmental	Tackling of climate change
25	Social	Management of conflict minerals
26	Social	Community investment
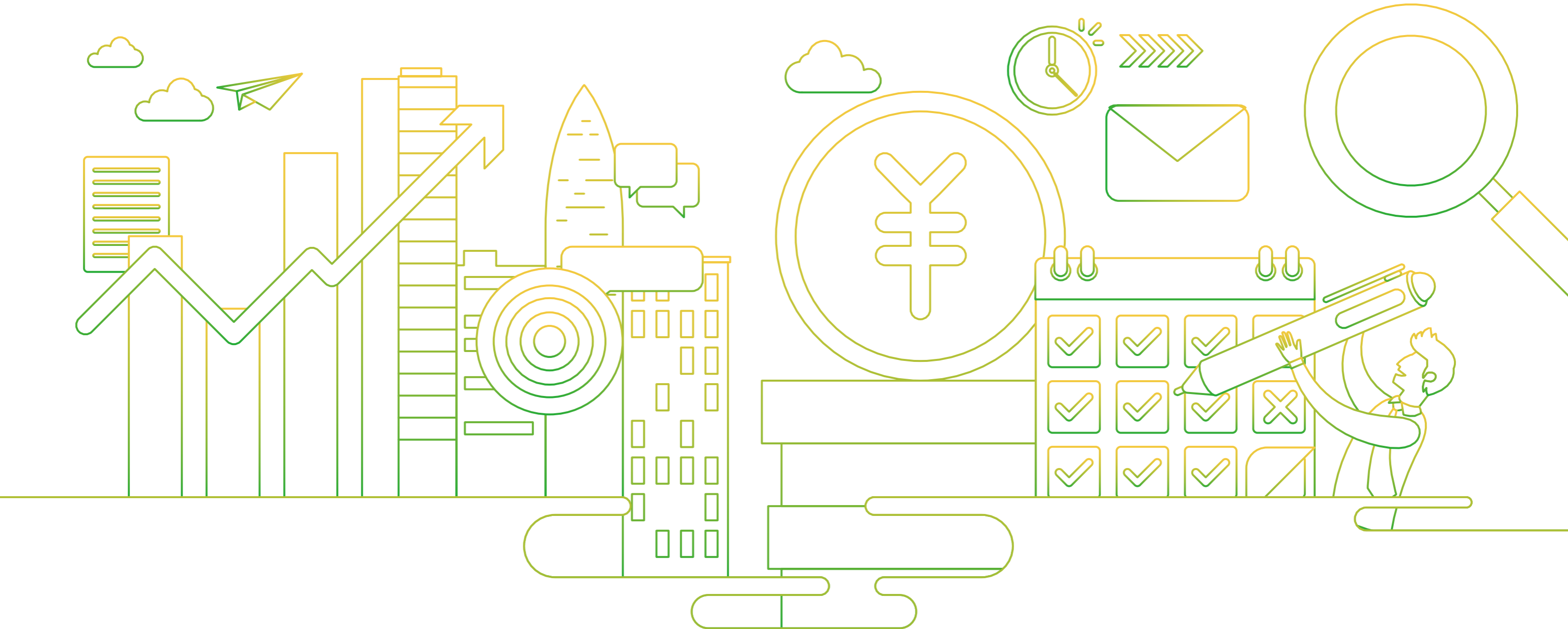
Robust Development

Under the sustainability concept, TCL Electronics delivers economic value for the society by capitalising on its quality products and services. We strictly comply with all domestic and foreign laws and regulations, abide by business ethics and bring about sound returns to our shareholders. We persistently promote industry innovation, guide our suppliers to actively fulfil their environmental and social responsibilities, and push forward sustainable development of the industry chain.

Issues covered in this chapter	Category
Transparency in information disclosure	Governance
Compliance with laws and regulations	Governance
Business ethics	Governance
Corporate governance	Governance
Protection of intellectual property rights	Social
Supply chain management	Social
Management of conflict minerals	Social

Fuelling economic growth

TCL Electronics vigorously powers up its products and brands, continuously sharpens the corporate core competitive edges, and contributes to sustainable value growth. The Group holds on to the integrity management, pays taxes according to the laws, and drives coordinated development between regions.

23.58 million sets

In 2021, the global sales volume of TCL smart screens reached 23.58 million units. By taking advantage of the pioneering deployment in the field of Mini LED, the Group's mid-to-high-end smart screen sales volume increased significantly, with that of quantum dot smart screen and Mini LED smart screen sales increasing by 53.8% and 50.5% year on year respectively.

30.56 million sets

The sales volume of smart mobile, connective devices and services increased, with the annual total sales volume in 2021 reaching 30.56 million sets, representing a year-on-year growth of 11.3%.

Paying taxes according to law

TCL Electronics stays true to the philosophy of paying taxes according to the law and operating in good faith and has established a strict management process of financial accounting and a management system of paying taxes according to the law for standardised fulfillment of the obligation of tax payment in each place where it operates. We strictly abide by *the Environmental Protection Tax Law of the People's Republic of China*, which has been implemented since 2018. All production bases in Mainland China pay environmental protection tax in full and on time according to their actual situations and actively carry out the work of improving quality and efficiency and cleaner production to reduce the impact of manufacturing and daily operation on the environment and contribute to the construction of ecological civilisation.

Strengthening overseas markets

Whilst tapping overseas markets for over twenty years, TCL Electronics has insisted on the branding strategy of globalisation and the Group has become a global bellwether in consumer electronics thanks to its vertically integrated global supply chain system. With the North American and European markets as our priority, we take initiatives to develop emerging markets. According to the latest report by GfK[4] and NPD[5], the Group ranked the top five in terms of the market share of sales volume of TCL smart screen in 20 overseas countries and regions in 2021, and its market share saw year-on-year growth in over 20 overseas countries. When expanding overseas presence, we energetically lay out the landscape of our production facilities overseas, hire locals, and promote local economic growth. Except for a small number of Chinese managers, the employees of our overseas factories and sales branches are all local people, which contributes to the increase in local employment rate, thereby driving balanced development among regions.

United States
Remained No.2

Canada
Remained No.3

Mexico
2021: No.4
2020: No.5

Argentina
Remained No.4

Brazil
Remained No.4

France
Remained No.3

Morocco
Remained No.3

Italy
2021: No.4
2020: No.5

Poland
Remained No.5

Saudi Arabia
Remained No.3

Czech Republic
2021: No.4
2020: No.6

UAE
2021: No.5
2020: No.6

Pakistan
2021: No.1
2020: No.2

India
Remained No.5

Thailand
Remained No.4

Burma
Remained No.2

Philippines
Remained No.2

Vietnam
Remained No.4

Hong Kong
Remained No.4

Australia
2021: No.1
2020: No.2

The Market Shares by Sales Volume of TCL's Smart Screen Ranked Top 5 in 20 Major Markets of Various Countries and Regions in 2021

(Source：GfK (North America: NPD))

[4]GfK refers to Gesellschaft für Konsumforschung, a consumer goods market research company and global market research organisation based in Nuremberg, Germany.
[5]NPD refers to the NPD Group, a market research company that provides global data, industry expertise and analysis from different perspectives.

Complying with laws and regulations

TCL Electronics strictly abides by the applicable laws and regulations of countries and regions where it operates, ensures that its business development complies with legal requirements through long-term investment and system construction, and stringently prevents the occurrence of violations of regulations or disciplines. We attach great importance to science and technology, strengthen the management and maintenance of intellectual property rights, observe business ethics and are committed to providing shareholders with good returns and promoting the long-term development of the enterprise through more comprehensive risk management and a cleaner internal environment.

During 2021, employees of the Group were involved in one concluded legal case regarding corruption, in which the conduct of the two former employees of a subsidiary constituted embezzlement, one of the former employees was sentenced to five-year imprisonment and was fined RMB50,000 and ordered to disgorge the gain from illegal acts; the other employee was sentenced to one-year imprisonment and was fined RMB5,000. After the occurrence of the corruption case, the Group conducted an internal review of the tendering and bidding process in the procurement process, listed the optimisation of the tendering and bidding process into the 2021 rectification plan, and made a major adjustment to the copyright procurement business, adding the process of the CEO and CFO approving copyright procurement via email, so as to avoid the recurrence of similar corruption cases.

Save as disclosed above, there was no concluded legal cases regarding corrupt practices brought against the Group or its employees during 2021.

Strictly observing business ethics

On the principle of honesty, faith, and compliance in management, TCL Electronics stringently follows the *Criminal Law of the People's Republic of China, Company Law of the People's Republic of China, Law of the People's Republic of China on Anti-Unfair Competition, Anti-monopoly Law of the People's Republic of China, Anti-money Laundering Law of the People's Republic of China, Interim Provisions on Banning Commercial Bribery (Order No. 60 of the State Administration for Industry and Commerce of the People's Republic of China),* and the code provisions of *Corporate Governance Code of the Listing Rules* as well as other relevant domestic and overseas laws, regulations and provisions, to prevent bribery, extortion, fraud and money laundering, and determinedly resists all forms of commercial malpractice and acts in violation of fair competition, and makes efforts to protect the legal rights and interest of its own and others.

We keep improving the integrity system, carry forward the Company's anti-corruption culture through integrity education, strictly prohibit bribery, extortion, fraud and money laundering, punish any dishonest person who tramples on the corporate culture and damages the Company's interests, define the red line for compliance of the enterprise, and enhance employees' professional ethics.

Anti-corruption management system

Anti-corruption system

The Group has formulated and/or implemented the *Code of Anti-Corruption, Anti-commercial Bribery Compliance Policy, Accountability Management Measures, Notice on the Code of Conduct for the Procurement* and *Business Personnel* and other anti-corruption norms of TCL Communication, and standardised employees' conduct in the employee manual of each business department to clarify anti-corruption behaviours, and make strict requirements on employees in terms of abuse of authority, bribery, gifts, commercial hospitality, etc., in order to prevent bribery, extortion, fraud and money laundering.

338

In 2021, TCL Communication organised a special training on the code of anti-corruption, with a turnout of 338 employees.

TCL Electronics joined as a member of the Trust and Integrity Enterprise Alliance to learn experience from well-performing enterprises and improve its internal anti-corruption system.

Undertaking for anti-corruption

TCL Electronics requires all employees to sign the *Undertaking of Personal Integrity* to make a personal commitment:

- New employees are required to sign the *Undertaking of Personal Integrity* and receive unified propaganda and education at the time of induction training;
- New cadres are required by TCL Electronics to sign the *Undertaking of Personal Integrity* when they are promoted;
- The employees in positions vulnerable to corruption are organised to sign the *Undertaking of Personal Integrity* in public every year;
- The employees not in positions vulnerable to corruption are required to sign the *Undertaking of Personal Integrity* every three years.

Anti-corruption education

TCL Electronics continues to promote anti-corruption culture to its directors and staff through regular and special anti-corruption education, publicity and training:

- Establish a special column on integrity on the home page of the Company, and announce disciplinary actions against corrupt employees;
- Place the publicity information about anti-corruption and integrity proposal in the mini-bulletin boards in the elevators and washrooms;
- Carry out anti-corruption education and training through diverse methods, including staff emails, interaction on corporate WeChat official account and publicity in the office area;
- Make short videos on anti-corruption and play them during all training and meeting intervals;
- Carry out integrity questionnaire survey once a year and raise employees' awareness of anti-corruption through the questionnaire;
- Conduct anti-corruption training for all employees.

Supplier integrity management

In respect of the anti-commercial bribery management related to the supplier, TCL Electronics clearly states in the *Procurement Agreement* that the supplier shall not, under any name whatsoever, entertain or give gifts to the buyer's personnel, secretly give them kickbacks, commissions, securities, physical objects and other forms of benefits, or collude with the buyer's personnel.

TCL Electronics has entered into the integrity agreement with suppliers. In case any supplier is found to violate the regulations in relation to commercial bribery, we will immediately terminate the contract with it, require the supplier to pay us liquidated damage equal to 20% of the contract amount, and reserve the right to report to the judicial authority for settlement, in a bid to avoid commercial bribery and unfair competition, and ensure legal interests of both parties in business.

Declaration of interests and whistleblowing management

TCL Electronics has set up a channel for stakeholders to actively declare their interests and opened a special column on integrity on the home page of the office automation system (OA system). Employees can timely and actively declare their relatives' positions in the Group or in suppliers in the OA system. Furthermore, the Group has set up OA homepage, telephone, writing/E-mail, interview and other ways to provide smooth whistle-blowing channels for employees, suppliers and the public.

TCL Electronics is proactive in following up whistleblowing reports. Upon receipt of a complaint, the recipient will immediately report the complaint to the Audit and Internal Control Department. For real-name whistleblowing, we have a dedicated team to follow up in time. There are no more than three persons in the team. Two team members are responsible for investigating the case and actively contacting the whistleblower, and finally reporting the investigation results to the head of Audit Department to ensure the reported information is processed timely and accurately. For anonymous whistleblowing, the investigation will be carried out according to the details reported and the degree of whistleblower's assistance with the investigation.

TCL Electronics has adopted the *Code of Anti-corruption* and *Whistle-blower Management Measures* to stipulate and regulate the whistle-blower information management, keep confidential whistle-blowers' identity information, standardise the management and retention of reporting information, and prohibit units being investigated and persons being reported against from retaliating whistle-blowers. Once any retaliation is found, we will seriously deal with it.

Respecting intellectual property rights

In 2021, the department specialised in intellectual property rights ("IPRs") from TCL Industries, our parent company, oversees the management of IPRs in accordance with the *TCL Industries Measures for Patent Application Management, TCL Industries Patent Reward Measures, TCL Industries Rules on Standard Technical Patent Reward and Review, TCL Industries Rules on Patent Technology Expert Team's Work Management, TCL Industries Rules on Agency Resources Management*, and other internal policies and requirements issued successively from July 2021. Moreover, the department specialised in IPRs of TCL Industries provides legal support to the application, maintenance, risk management and litigation with respect to IPRs of the Group, and builds an IPR management platform to exercise timely tracking and control of the IPR management progress. Also, a special department is set up to manage the third-party license of software and ensure the compliance of IPRs in terms of information.

TCL Electronics earnestly urges suppliers to conduct the protection of IPRs. In the *Procurement Agreements* entered into with its suppliers or contractors, TCL Electronics clearly states the requirements for IPRs protection and requires suppliers to ensure that the products or services they provide to us do not infringe upon the IPRs and other legitimate rights and interests of any third party. Regarding the materials that need to be designed by the outsourcer, we also stipulate in the contract that the outsourcer shall ensure that all ideas shall not infringe upon third party's legitimate rights and interests. If the product infringes upon the IPRs or causes the infringement upon the IPRs of a third party, the supplier shall negotiate on the infringement upon IPRs, and actively cooperate with TCL Electronics in settling legal disputes.
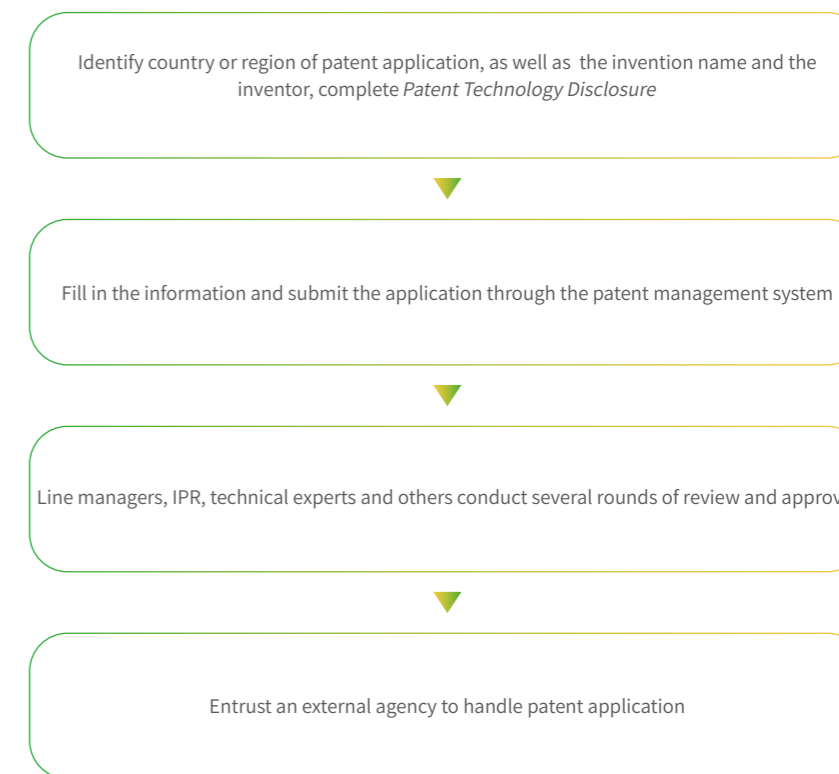
1,376

Number of licensed patents obtained in 2021

6,970

Accumulated number of licensed patents obtained

TCL Electronics IPR Application Process

> Identify country or region of patent application, as well as the invention name and the inventor, complete *Patent Technology Disclosure*

▼

> Fill in the information and submit the application through the patent management system

▼

> Line managers, IPR, technical experts and others conduct several rounds of review and approval

▼

> Entrust an external agency to handle patent application

Measures for Protecting Self-developed IPRs

Infringement search

Team up with external law firms in trademark right protection and anti-counterfeiting, search unauthorised theft of TCL trademarks nationwide.

Enhancement of right protection awareness

Train frontline product and sales teams on right protection, report suspected infringing patents of external parties in a timely manner, and have the Compliance and Legal Affairs Department. follow up and make evaluations.

Product risk assessment

Conduct global patent search for products planned to be released/marketed based on their technical solutions, evaluate infringement risks and avoid designs from high patent infringement risks.

Patent litigation

File rational lawsuits against serious infringements to protect the enterprise's legal rights and interests. During the proceedings, collaborate with other departments in supporting the preparation of evidence and witnesses, and make available non-infringement self-evidence and grounds for invalid defence with external lawyer teams.

Patent operation

Cooperate with IPR companies or external lawyer teams in assessing, searching and acquiring patents worth investing in on the market, and develop proper patent operation plans to step up the Group's competitive edge.

Multi-win operation

TCL Electronics is committed to building a multi-win ecosystem. Thanks to the establishment of sophisticated systems and processes, we standardise the management of suppliers, deepens the partnership with suppliers, and promote the establishment and improvement of a responsible supply chain. In addition, we actively get involved in the formulation of industry standards, share and exchange ideas with leading industrial peers, and integrate resources and inject them into industry-university-research cooperation to jointly foster an environment in the industry for healthy development.

Supply chain management

TCL Electronics fully standardises the whole process of supplier management including supplier introduction, appraisal and exit, covering 288 suppliers related to the existing smart screen business, by establishing management systems including the *Management Process from Supplier Introduction to Withdrawal*, and the *Regulations on the Management of the Grade Evaluation of Non-Screen Suppliers*. In addition, TCL Communication conducts whole-process management of 300 suppliers related to smart mobile, connective devices and services through policies such as the *Supplier Application and Qualification Process, Supplier Audit Process and Supplier Scoring Regulations*.

While strictly reviewing suppliers, we constantly improve the professional ability of suppliers' management personnel through the combination of internal and external training and optimise the process to enhance the level of information management.

Supplier review and assessment

TCL Electronics has formulated the *Regulations on the Management of Supplier Review*. The review of suppliers is divided into four categories: the review of new supplier recruitment and new supply categories, the routine annual review, the changes review and the special review. For the review of new supplier recruitment and the special review, we assess from the perspectives of quality management, hazardous substance process management (HSPM) and financial management of suppliers. If either quality management or hazardous substance process management of a supplier is unqualified, the supplier is evaluated as unqualified, and the final results are presented in the form of review checklist.

The suppliers' quality management review covers 137 items in 11 categories, including R&D, raw material control, production process control, system of corporate and social responsibility, supply guarantee, compliance with law and supply chain security, for rigorous and comprehensive review and management of suppliers.

TCL Electronics adopts the QCDS approach in the routine evaluation of its suppliers to make all-round assessment of suppliers in terms of quality (Q), cost (C), delivery (D) and service (S) on a monthly basis. The quantitative evaluation allows the suppliers with a low score to identify their shortcomings in time and make corrections, and the suppliers rated excellent are given more opportunities of cooperation. In 2021, TCL Electronics ran trainings about supplier relationship management (SRM) system, supplier life cycle, etc. with suppliers.

Review results and subsequent handling methods of the suppliers of TCL Electronics

Unqualified suppliers	Qualified suppliers
• For unqualified new suppliers, a 3-month rectification period is provided, and further review will be made 3 months later depending on their willingness to cooperate • For unqualified suppliers in routine review, their scores will be deducted according to the *Regulations on the Management of the Grade Evaluation of Non-Screen Suppliers*	• A supplier is defined as class I supplier if its score of quality management is above 85, and medium and low risks of hazardous substance process management is above 70 and high risk of hazardous substance process management is above 85 • A supplier is defined as class II supplier if its score of quality management ranges from 75 to 85, and medium and low risks of hazardous substance process management ranges from 60 to 70 and high risk of hazardous substance process management ranges from 75 to 85 • A supplier is defined as unqualified if its score of quality management is below 75

100%

In 2021, the toxic and hazardous substances in raw materials from TCL Electronics' suppliers were 100% qualified, and there was no case of return or customer compliant arising from non-conformity of toxic and hazardous substances control.

Building a responsible supply chain

TCL Electronics integrates the concept of corporate social responsibility into all parts of its supply chain management, and guides its suppliers to fulfil their environmental and social responsibility. We have signed *Corporate Social Responsibility Notification, Environmental Protection Conformity Statement, Quality Agreement, Integrity Agreement, Anti-terrorism Security Cooperation Agreement,* and *Social Responsibility Undertaking Letter of Subcontractors and Suppliers*, and other documents with suppliers to expressly regulate suppliers' code of conduct with respect to environmental and social responsibility.

During the reporting period, we proceeded with the requirements in the *Notice on the Implementation of the Social Responsibility Certification in the Supply Chain*, constantly urged suppliers to pass the social responsibility certification and continued to provide guidance and support for suppliers. All the certification standards covered are widely recognised in the industry, such as Responsible Business Alliance (RBA) Cold of Conduct, Social Accountability 8000 International Standard (SA 8000) and Sedex Members Ethical Trade Audit (SMETA). The certification is linked with the rating of suppliers. The certification contents cover the requirements of labour, health and safety, environment and others.

TCL Electronics actively makes evaluation on the environmental and social risks of suppliers. For management and control of hazardous substances, TCL Electronics reviews the hazardous substances contained in the products of suppliers following the *European Union's Restriction of the Use of Certain Hazardous Substances in Electric and Electronic Equipment* (RoHS) to ensure that the products meet the requirements of health, safety and compliance in the stages of supplier introduction and annual review. Regarding environmental and social issues, TCL Electronics requires suppliers to minimise adverse impacts on communities, the environment and natural resources in production and operation while protecting public health and safety in the documents signed with the suppliers such as *Social Responsibility Undertaking Letter of Subcontractors and Suppliers, and Environmental Protection Conformity Statement*. In addition, to ensure that the suppliers comply with the provisions of the abovementioned documents, in the stages of daily management and review of suppliers, TCL Electronics' field review covers labour management, work safety, working hours, environmental protection and other aspects. Suppliers with poor performance will trigger the mechanism of rectification, punishment, or cooperation termination at different degrees.

Regulations on Environmental Testing of Parts of TCL Electronics

The Regulations on Environmental Testing of Parts formulated by TCL Electronics are completely compliant with the latest domestic and overseas applicable laws and regulations as well as customers' requirements. We have established internal control standards, and standardised the calibration, analysis and determination of XRF (X-ray fluorescent spectrometry) testing to ensure accuracy and validity of the testing, and dispose of the parts that fail the environmental testing in time.

Management requirements for suppliers:

• Making clear all materials of parts: Providing a *Raw Material Testing Form* valid within one year that sets out all materials (raw materials used for parts supplied to TCL Electronics);

• Ensuring validity of testing: The factory manages and updates raw material testing reports, and if any report is to expire, requires the supplier to provide a new testing report in time, or has the part tested and updates the raw material testing report by itself;

• Providing detailed exemption reports: If the requirements of EU RoHS Exemption List (Annex III) are met, the *Declaration on RoHS Exemption* and the *Third-Party Test Report* must be provided prior to approval and change. The report shall clearly list items that are eligible for exemption.

Management of conflict minerals

TCL Electronics actively responds to the requirements of Responsible Business Alliance (RBA) Code of Conduct and Global e-Sustainability Initiative (GeSI) by developing *Regulations on Non-Use of Conflict Minerals in Procurement*, and entering into a *Statement on Restricted Substances* and an *Undertaking Letter of Guarantee for the Non-Use of Conflict Minerals* with its suppliers. In the statement, the suppliers are required to guarantee that all packages, parts and/or finished products which are provided to TCL Electronics and/or its related companies do not contain the restricted substances listed in this statement and to provide written evidence, such as checklist of raw materials and third-party test report, and are required to complete the *Non-Use of Conflict Minerals Questionnaire* to ensure that TCL Electronics will not use conflict minerals[6]. If a supplier is known to be using conflict minerals, TCL Electronics will immediately stop the use and procurement of such conflict minerals and require the supplier to submit a written explanation. If any supplier violates knowingly, TCL Electronics will terminate the cooperation with the supplier.

Promoting industry development

TCL Electronics is devoted to being the vanguard in industry development, focuses on innovative technology exploration, and propels the commercialisation and application of innovation achievements. We do not only participate in the formulation of industry standards and norms and carry out technical cooperation and exchanges in the industry, but also are committed to building R&D and talent cultivation systems with different levels and needs. We hope to promote the industry to be greener, more innovative and diverse through our sustainable development.

Industry cooperation and communication

TCL Electronics takes active part in collaborative R&D, exchanges and sharing to promote mutual complementation of strengths in key resources and achieve technical breakthrough and win-win results. We have entered into strategic cooperation with many enterprises to create a global presence. In 2021, TCL Electronics attended Global Display Tech-Ecosystem Conference of TCL China Star Optoelectronics Technology Co., Ltd.* (TCL 華星光電技術有限公司 , "TCL China Star"), and joined hands with TCL China Star to foster a diverse display technology ecosystem; and co-founded a "Semiconductor Technology Joint Laboratory" with Guangdong Moore Silicon Co., Ltd.* (摩星半導體（廣東）有限公司) to strengthen cooperation in the areas of IC customisation, development, testing and application and build a solid foundation for the application of cutting-edge technology to products in the future. Furthermore, TCL Commercial worked with DingTalk to develop the NXTHUB V60 conference tablet, aiming at exploring the smart conference market.

TCL Electronics and Tencent START Cloud Gaming Launched a Joint Laboratory

In December 2021, the opening ceremony of a joint laboratory between TCL Electronics and Tencent START Cloud Gaming was held in Shenzhen, China. The cooperation leveraged TCL Electronics' integrated platform and technological edge, together with Tencent START's industry-leading cloud virtualisation, audio and video technology and game resources. Both parties will engage in intensive collaboration in innovation and in-depth cooperation around wireless connection, encoding and decoding, device-cloud synergy, and custom optimisation systems, and jointly tap the cloud gaming potential on big screens to create the excellent cloud gaming experience for consumers.

[6]Conflict minerals: metals from illegal mining activities or from which profits are used to finance armed activities

Assisting in the standard formulation

TCL Electronics endeavours to assist with the healthy growth of the industry by virtue of its years of experience in R&D, production and sales in the industry to continue pushing forward the establishment of industrial standards. In 2021, we participated in the compilation and revision of multiple national and industrial standards, provided interpretations and guidance, and introduced the latest standards into products in time to ensure that our products meet regulatory requirements and that we provide consumers with reliable, safe and comfortable products.

Publication of standards which TCL Electronics participated in the formulation in 2021

Implementation date	Standard property	Standard name	Standard number
2021.05.26	Group standard	Technical Requirements and Evaluation Methods for Network Security of Intelligent Household Appliances	T/CAS 499-2021
2021.06.01	Group standard	General Technical Requirements on Ultra High-Definition Display AM Mini LED Backlight	T/SUCA002-2021
2021.08.01	Group standard	Technical Requirements for Mini LED Backlight LED TV	T/CVIA-84-2021
2021.08.01	Group standard	Methods of Measurement for Mini LED Backlight LED TV	T/CVIA-83-2021
2021.10.01	National standard	Methods of Measurement for Flat Panel Display Colour Gamut	GB/T 39848-2021
2021.10.20	Group standard	Specification for Objective Evaluation of Audio Quality of Digital TV	T/CVIA 93-2021
2021.10.20	Group standard	Specification for Subjective Evaluation of Audio Quality of Digital TV	T/CVIA 94-2021

Industry-university-research cooperation

TCL Electronics focuses on connection and coupling between technological innovation industry chains, and puts a premium on cooperation with research institutes and universities. We continuously expand potential of industry-university-research cooperation, provide excellent talents for the industry, and form a complete closed-loop of the industry, university and research institute. We have established long-term partnerships with China Jiliang University, Shanghai Jiao Tong University, Beijing Institute of Technology, Fudan University, Nanjing University and many other universities. Specifically, we cooperated with Tsinghua University, Fudan University and Fuzhou University in laboratory application, and established industry-education integration talent training colleges with Huizhou Engineering Vocational College and other universities. As of the end of 2021, 8 cooperation projects between TCL Electronics and universities were in progress.
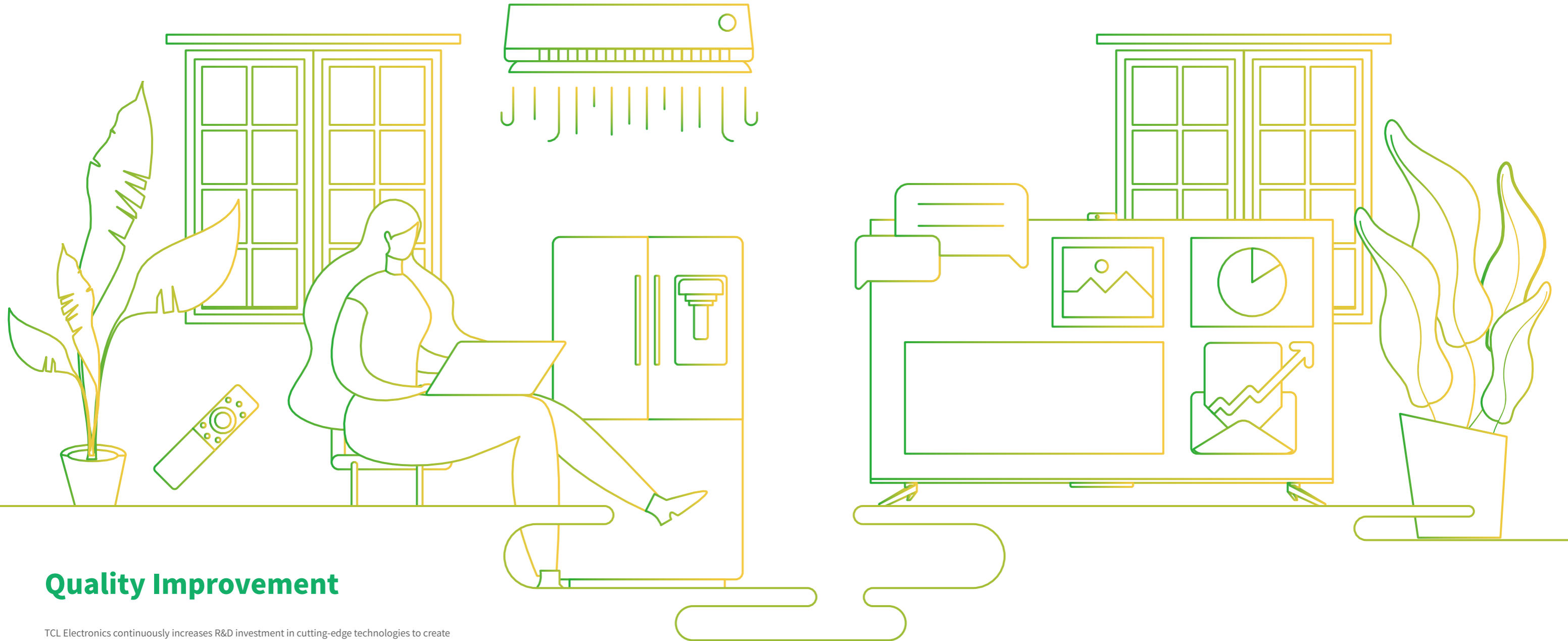
Quality Improvement

TCL Electronics continuously increases R&D investment in cutting-edge technologies to create advanced, high-end, user-friendly, high-quality, safe and environmentally friendly product designs. In the meantime, TCL Electronics, as guided by user centricity, has established a quality management accountability system in an effort to provide customers with safe and reliable products of outstanding quality. In addition, by paying attention to users' feedback and demands, TCL Electronics continuously improves its customer service capabilities and actively protects customers' rights and interests, so as to better meet customers' diverse needs.

Awards TCL Electronics Received for Products in 2021

Product Model	Award
TCL smart screen 65C825	EISA PREMIUM LCD TV Award
TCL smart screen 55C728	BEST BUY LCD TV
C12 series smart screen	2021 iF Design Award
TCL·XESS rotatable smart screen A200 series	AWE 2021 Gold Word-of-Mouth Award
TCL75C12 quantum dot Mini LED smart screen	AWE 2021 Gold Award
North America Google TV R646	Rtings overall score: 8.3
North America ROKU TV R648	Rtings overall score: 8.1

Topics covered in this chapter	Category
Product Quality and Safety	Social
Product and Technological Innovation	Social
Customer Service	Social
Information Security and Privacy Protection	Social
Responsible Marketing	Social
Green Products	Environmental
Promotion of Green Packaging	Environmental

Technological innovation

TCL Electronics strongly believe that scientific and technological innovation can create value for users. The Group attaches great importance to investment in cutting-edge science and technology, has launched multiple new products powered by Mini LED[7] and quantum dot technology[8]. It also values user experience, and continuously optimises product design to improve the convenience of product use.

Cutting-edge technological innovation

TCL Electronics firmly believes that technological innovation is the cornerstone of long-term development of enterprises. We insist on investing in cutting-edge technological research and development. TCL Electronics actively promotes the development of technology in the industry, with particular emphasis on promoting innovation and breakthroughs in the fields of display technology and intelligent interaction. During the year, the Group built cutting-edge core technology control points around technological innovation platforms of picture quality, human-machine interaction, operating system, AR optical design, audio and video, 5G and artificial intelligence to enhance the overall competitiveness of products and create the ultimate experience and value for users. In the meantime, the Group continued to intensify the construction of cloud technology and big data platforms to improve the development efficiency of Internet applications and support agile Internet business innovation. As at the end of December 2021, the Group's R&D expenses increased by 52.2% year on year to HKD2.48 billion, with R&D expense ratio of 3.3%.

The Group attaches great importance to the design, research and development and advanced manufacturing of the next generation of smart screens, and continues to make efforts in high-end display technologies and intelligent hardware such as Mini LED backlight, 8K, and quantum dot technology. In 2021, the Group made breakthroughs in Mini LED technology, launching a number of new products at home and abroad, including TCL C12 quantum dot Mini LED smart screen, Mini LED 98" IMAX Enhanced smart screen, etc.

In addition, the Group further extends the Integrated Product Development (IPD) process in its smart communication business. On the basis of the pilot introduction in the previous two years, the process was promoted and applied in the Passat 4G and Passat 5G mobile phone projects in 2021.

TCL Electronics is comprehensively leading in Mini LED

Mini LED products have the advantages of high contrast and high brightness, and these advantages are more obvious amid the trend of large screens, so there will be broad room for development in the future. Among all manufacturers in the field of Mini LED, TCL is the "first to enter the market and the first to realise mass production, has the most complete range of products and the strongest supply chain", and has become the "global leader" in this technological field.

The Group launched the first Mini LED backlight TV prototype in 2018 and put the world's first Mini LED smart screen X10 into mass production in 2019. Since then, it has unveiled multiple new Mini LED smart screen products every year, winning the recognition of the industry and consumers in the global market. In 2021, the sales volume of TCL smart screens ranked steadily first in the Chinese market, among the world's top three. TCL Electronics' smart screen products have won multiple awards in the world. For example, the TCL 98" IMAX Enhanced smart screen and TCL C12 quantum dot Mini LED smart screen won the "Technological Innovation Award", which is the only award in the audio and video field registered in the Ministry of Science and Technology of China; TCL Mini LED 4K smart screen 65C825 won the "Premium LCD TV 2021-2022" award from Expert Imaging and Sound Association (EISA), which demonstrates that the performance of its smart screen products has won social recognition.

User-friendly design

TCL Electronics is user-oriented and committed to meeting the diverse needs of various user groups. In compliance with the *European Accessibility Act*, TCL Electronics designs communication devices with various auxiliary functions such as the auxiliary functional menu, hearing aid function, colour inversion, and high contrast to facilitate use by those with visual and hearing impairments. Besides, to meet the requirements of population aging in various countries, the Group's products provide an aging mode, which reduces the learning cost of senior citizens and is convenient for the elderly to use. In addition, the Group's P series and higher-end products have the voice intelligent assistant feature, enabling users to control devices through voice dialogs, which removes barriers to use and improves user experience.

TCL Electronics unveiled the intelligent eye-safe NXTPAPER series of tablet products

TCL Electronics actively follows China's education development strategy. In 2021, it unveiled three "TCL NXTPAPER" series (L10, S8, and E8) of intelligent learning tablet products, which marked its official entry into China's consumer-grade smart education hardware market. These three products use the unique "future paper" display technology of TCL to realise the "real eye-safe" function. For example, the L10 series applies TCL Electronics' proprietary world-leading "ten-layer eye protection against blue light" hardware as an intellectual property, uses multiple layers of coating to disperse the screen light and filter harmful blue rays, and uses micro-etching technology to minimise glare, thus creating a display screen closer to the natural light spectrum. This technology has been certified by TüV SüD Group in Germany. Besides, the "NETPAPER" series tablets are equipped with an intelligent learning assistance system, featuring intelligent AI algorithms as the core, and advanced hardware system, providing smooth user experiences while helping children form a scientific learning habit. This creates a "hardware + software + service" integrated solution.

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[7]Mini LED refers to an LED chip with the dimensional scale of 100μm, which is a small-pitch LED technology that can improve the display effect and reduce power consumption.
[8]Quantum dots, a kind of nanometer material, can be used to emit pure high-quality monochromatic light with a concentrated energy spectrum, which improves the vividness of colour.

Green design

TCL Electronics focuses on the environmental protection feature of products, actively researches and develops innovative energy conservation and consumption reduction technologies, uses environmentally friendly raw materials, and pays close attention to the environmental impact of products from the design stage. Meanwhile, we actively promote reduction of packaging materials and actively use recyclable packaging materials to reduce the burden of product packaging on the environment.

Energy-saving products

Low-carbon green design and manufacturing is an important strategy for the development of TCL Electronics. The Group advocates green design that facilitates recycling and is in line with natural aesthetics; its structural design focuses on ease of disassembly, and through continuous research and development, it extends the service life of hardware. In 2021, the Group had a total of 10 TV set products that passed the carbon label certification of the China Electronic Energy Saving Technology Association, becoming the first enterprise in China's electrical and electronic product industry to be certified with the "carbon label" evaluation; in addition, a total of 10 LCD TV set products were included in the latest List of *Green Design Products of the Ministry* of Industry and Information Technology released in December 2021; their energy efficiency index reached level 2 of China's Energy Efficiency Standard, the materials and packaging used in the products met the requirements of reduction and reuse, and the renewable utilisation rate of our products was not lower than 65%. TCL Electronics, as a global benchmark enterprise, has been shortlisted for China's green product design for three consecutive years and received state subsidies.

Environmentally friendly raw materials

TCL Electronics strictly abides by the regulations of RoHS[9] , REACH[10] , Prop65[11] , and POPs[12] as well as the halogen-free requirements of the International Electrotechnical Commission (IEC) for equipment. It has formulated and abided by the *Restricted Substance Management Standard* and *Restricted Substance Control Procedure*, and followed the principles of replacing high toxicity with low toxicity and replacing low toxicity with non-toxicity to manage and control the use of raw materials.

TCL Electronics strictly controls harmful substances within the scope of the supply chain and builds a green product management (GPM) system project, to manage and test the raw material control of all suppliers, which is expected to be fully launched online in 2022. According to legal requirements and user needs, TCL Communication has formulated the *Project Environmental Protection Control Procedure* for the control of hazardous substances, and identifies and controls hazardous substances within the scope of the supply chain. Moreover, TCL Communication has established a hazardous substance investigation system covering the entire supply chain, with a report submission rate of 68%, and 58% of suppliers have begun to maintain HSF (Hazardous Substance Free) reports.

[9]RoHS: *Restriction of the Use of Certain Hazardous Substances in Electric and Electronic Equipment*, which restricts the use of six hazardous substances, namely lead, cadmium, mercury, hexavalent chromium, polybrominated biphenyl, and polybrominated diphenylether.
[10]REACH: *Registration, Evaluation and Authorisation of Chemicals* is the regulation of the European Union for the preventive management of all chemicals entering its market.
[11]Prop65: California Proposition 65, officially known as the *Safe Drinking Water and Toxic Enforcement Act of 1986*, which is used to test chemical substances such as lead, cadmium, phthalates, and BPA in products.
[12]POPs: Persistent Organic Pollutants. Here it refers to the *Stockholm Convention on Persistent Organic Pollutants*.

The consumption of packaging materials of TCL Electronics in 2021

73,641 tonnes
Carton

3,628 tonnes
Manual

12,334 tonnes
Plastic (EPS)
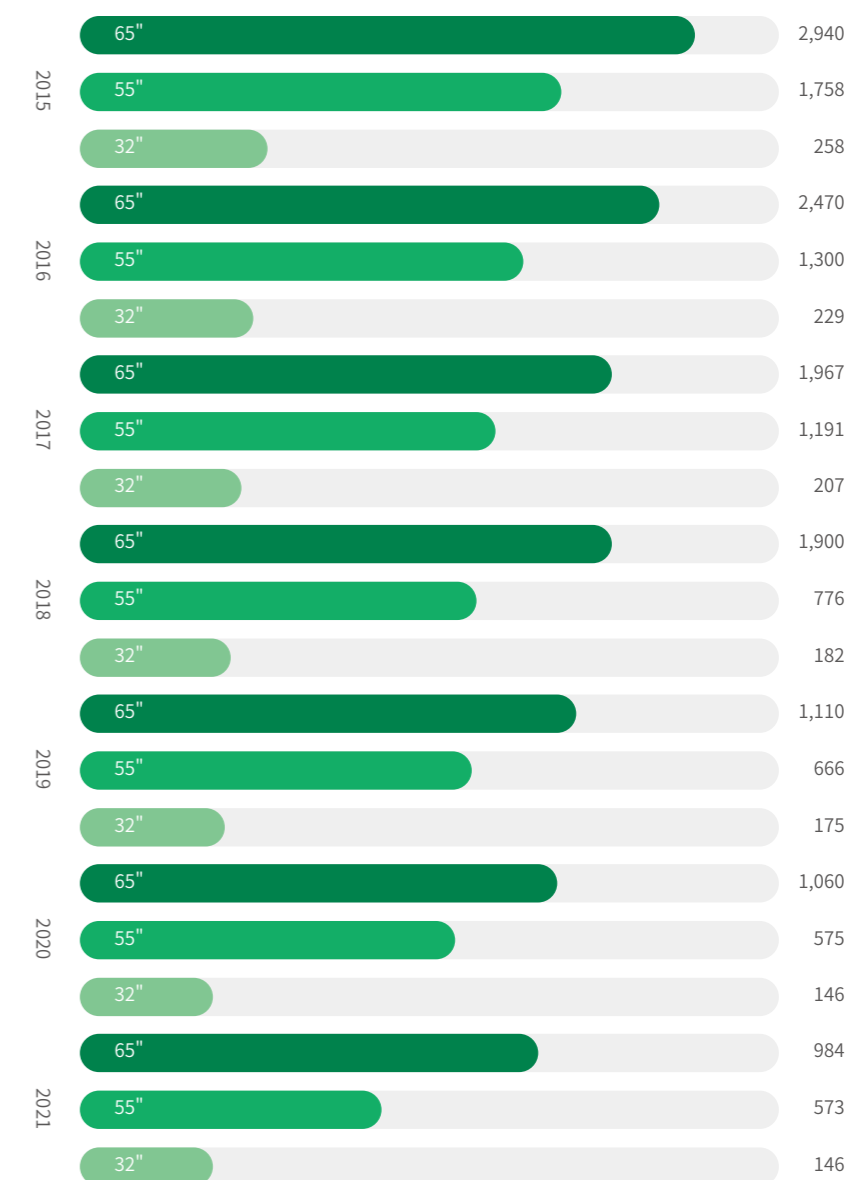
Economical use of packaging materials

Packaging materials are important consumables in the product life cycle. TCL Electronics examines packaging materials and packaging methods of products according to the requirements of environmental friendliness and innovation in order to continuously promote the use of harmless, pollution-free and renewable environmentally friendly packaging materials.

We actively promote the use of more environmentally friendly packaging materials. The packaging materials of our intelligent communication products all use soybean ink and we adopt paper packaging materials instead of plastic packaging. Some projects have implemented a ban on plastic packaging, and in the future, we will continue to expand the scope of products covered by the ban on plastic packaging. In addition, to replace expandable polystyrene (EPS) materials, we promote the use of air column coil packaging materials, which are safer and more naturally degradable, and have been gradually introduced for verification in North America S43 series products.

We push forward the reduction of packaging in design and have implemented measures such as downsizing the packaging box of communication equipment worldwide, which has effectively reduced the use of packaging materials. In addition, the paper packaging materials we use can lessen the weight and volume of our products, increase the quantity loaded into containers, and reduce the greenhouse gas emissions generated from the transportation of goods.

We encourage the supply chain to recycle packaging materials and require suppliers to recover and reuse the packaging paper cartons, cardboards, plastic turnover boxes, etc. to improve the utilisation rate of packaging materials.

Consumption of EPS packaging materials for a single machine of main models of TCL Electronics for the years from 2015 to 2021   unit: g

Year	Size	Value
2015	65"	2,940
2015	55"	1,758
2015	32"	258
2016	65"	2,470
2016	55"	1,300
2016	32"	229
2017	65"	1,967
2017	55"	1,191
2017	32"	207
2018	65"	1,900
2018	55"	776
2018	32"	182
2019	65"	1,110
2019	55"	666
2019	32"	175
2020	65"	1,060
2020	55"	575
2020	32"	146
2021	65"	984
2021	55"	573
2021	32"	146

Product Quality

TCL Electronics, adhering to the management philosophy of "product quality is the overall work quality", has established a quality management accountability system and a complete quality governance architecture, and fully guides departments and employees at all levels to implement the "prevention first" quality management spirit and identify problems before users do and solve them in a timely manner.

Improving product quality

TCL Electronics sets up a Customer Satisfaction and Quality Management Centre, which is responsible for the quality management of the TV business. The management scope of the Centre covers all major business units and implements a solid double line and embedded quality management model with various business departments. The Quality Management Centre comprehensively coordinates the R&D, components, manufacturing, and after-sales quality management platforms at home and abroad, and systematically and comprehensively monitors the quality of the value chain of all products of TCL Electronics. In 2020, TCL Electronics introduced the management method of IATF 16949:2016 Quality Management System and referred to the requirements of the Quality Management System to continuously perfect the existing management system and measures and further improve the quality management level.

To identify and deal with the quality risk in the process and market, TCL Electronics has established regulations such as *Major Market Quality Issues Classification Management* and *Unqualified Issues & Product Procedure* (including product recall management), and assigned specific personnel in the R&D, quality, and manufacturing processes, and used QBQ (Question Behind Question) factor analysis method to conduct root cause analysis, improvement implementation and closed-loop handling of product quality problems in the market. The specialised department is responsible for quality responsibility division and KPI management and performs accountability, rewards and performance evaluation according to seriousness.

In terms of after-sales service and recall of products, TCL Electronics has formulated internal regulations such as *Management Process of Free Sample Removal for Branches* and *Management Process for Machines Returned to Branches* to standardise the processing procedure of products that need to be returned for repair or recalled. To constantly reduce the rate of returned machines, TCL Electronics assigns specific personnel to analyse the information about returned machines to understand the reasons for return and subsequent improvement measures.

As of the end of 2021, some subsidiaries of the Group had passed certification by the ISO 9001 Quality Management System, IECQ-QC 080000 Hazardous Substance Process Management System and TL9000 Telecommunications Industry Quality Management System. During the reporting period, there was no sold or shipped products that needed to be recalled for safety and health reasons in the Group.

TCL Electronics attaches great importance to the skills and management ability of professionals related to product quality. At the beginning of each year, the Group formulates quality training programs and training targets. The quality-related training covers planning courses in basic knowledge, policy interpretation, practical operation and other aspects that are classified into system, management and development, profession / technology, and general basic knowledge.

Case: TCL Communication organised DFMEA quality culture training

Design Failure Mode and Effects Analysis (DFMEA), also known as potential failure analysis, is a method to control product quality in the product design stage. TCL Communication delivered the DFMEA training to quality-related employees to establish systematic cross-functional team cooperation starting from product design and development to fully identify and prevent product quality risks involved in production, transportation, use, and other processes. During the training, TCL Communication analyses the pain points of DFMEA and develops subsequent action plans to advance application of DFMEA analysis during the design process, thus ensuring product quality in the customer delivery process.

Case: TCL Communication sets targets for product quality management and control

TCL Communication manages and controls product quality by setting targets. It sets annual targets in seven dimensions: first pass yield of production, yield of incoming materials, quality incident rate, annual repair situation, customer complaint handling and external failure cost (single-machine maintenance cost), analyses and evaluates the achievement of the targets every month, and makes an annual summary. In 2021, the overall targets were achieved in six dimensions, including the yield of incoming materials.

Overseas market quality feedback and handling process

User brand dealer
- Quality problem feedback

Liaison officer of branch service support
Liaison officer of brand service support
- Provide preliminary solutions

Quality Management Department (or R&D)
Quality team
- Quality Management Department (or R&D) provides solutions
- The quality team monitors the progress of the solutions

Liaison officer of service support
- Report the solutions to the branch (or brand dealer) and follow up on the result of the case

User brand dealer
- Verify the solutions' effectiveness. If it is invalid, the result will be reported to Quality Management Department (or R&D), and the new solution will be provided again

Product safety assurance

TCL Electronics always regards safety and quality as the core of product responsibility, so we not only abide by relevant laws and regulations as well as domestic and foreign standards but also establish and improve product quality and safety governance structures to provide users with safe and reliable products and services.

TCL Electronics strictly abides by laws and regulations such as the *Law of the People's Republic of China on Protection of Consumer Rights and Interests, Product Quality Law of the People's Republic of China*, and *Administrative Measures for the Restriction on the Use of Hazardous Substances in Electrical and Electronic Products,* as well as provisions on product health and safety in overseas market access policy and consumer protection laws and regulations. Meanwhile, we also refer to national, industrial and local work safety standards including GB 8898-2011/IEC 60065:2014 *Safety Requirements for Audio, Video and Similar Electronic Equipment.* All products and safety devices of TCL Communication are certified following IEC 62368-1 (a safety standard for audio and video and information communication released by the International Electrotechnical Commission (IEC)) and IEC 62133 (an international safety standard for battery products released by the IEC) as well as the safety standards in the corresponding sales areas. We keep a close eye on the selection and certification of safety devices such as lithiumion batteries and chargers to strictly prevent fire, electric shock and other incidents causing personal injuries and property losses. If the defects in the products of the Group cause personal or property damage to consumers or the legitimate rights and interests of consumers are harmed when they receive our services, consumers can claim reasonable compensation from the Group.

The safety, energy efficiency and electromagnetic compatibility laboratory under TCL Electronics has been accredited by China National Accreditation Service for Conformity Assessment, and a complete quality system has been established in accordance with the international standard ISO/IEC 17025 *General Requirements for the Competence of Testing and Calibration Laboratories*. Also, TCL Electronics tracks changes in standards in real-time, timely supplements and expands the scope of laboratory testing ability to ensure the safety, reliability and quality of products. The tablet products of TCL Communication adopt NXTVISION professional display technology and have obtained TÜV Eye Comfort Certification from Germany. The specific absorption rate (SAR) of all communication devices using a cellular network or other wireless networks is monitored in strict accordance with the international standards IEC 62209-1 and IEC 62209-2 to prevent the impact of electromagnetic waves on human health.

User Service

TCL Electronics has always adhered to the principle of the "user-centric" concept and is committed to providing users with satisfactory service experience. We pay constant attention to users' opinions and feedback, actively smoothen our communication channels with users, and analyse users' demands as important basis for improvement of our service capability and quality. Meanwhile, we take the protection of our customers' rights seriously. We are also committed to responsible marketing and elimination of false advertising. The Group also emphasises protection of user privacy throughout the whole supply chain to strictly prevent user information leakage.

User satisfaction

In compliance with the Law of the People's Republic of China on the Protection of Consumer Rights and Interests and the Regulations on the Responsibility for Repair, Replacement and Refund of Some Commodities, TCL Electronics has formulated Quality Information Processing, Specification for the Management of Customer Satisfaction, Specification for Processing Quality Feedback in Overseas Markets, Quality Claim Management Procedure, and other internal systems to standardise the customer service process and effectively manage and improve the service quality.

In 2021, TCL Electronics' overseas business achieved its annual goal with a complaint rate of less than 0.05%, and the domestic business achieved a complaint handling satisfaction rate of more than 80 points and a customer complaint closure rate of 85%.

We effectively assess user satisfaction with our products and services through product satisfaction surveys. Focusing on NPS[13], the Group formulates the NPS Closed-Loop Management Process Specification, sets up a special NPS data department, gradually builds a full-process management system from design to sales and then to services, collects information from monthly sampling, and analyses and proposes improvement measures for negative feedback.

In addition, the Group carries out skill training and sets up examinations for customer service personnel to help them improve product knowledge and improve the telephone resolution rate; in addition to customer service personnel, the customer service hotline and WeChat official account have built-in intelligent robots available 24 hours a day to make preliminary judgements on users' problems and provide solutions to common problems, thus reducing users' waiting time; we also strengthen technical training for end service engineers, and formulate standardised work manuals to improve our door-to-door service efficiency and resolution rate.

> In 2021, in China, the NPS of Pan Smart Screen service was 93.9%, up 3.4 percentage points year on year; in overseas regions, the global average satisfaction score was 90.4%, up 0.9 percentage points year on year.

Smooth communication channels

We provide users with a variety of feedback and complaint channels, including hotlines, WeChat official accounts, messages via TCL official website, emails, messages via social media, messages via e-commerce websites and WeChat complaint channels built into TV applications.

Complete closed-loop management

We set up a complete closed-loop management process, through seven steps of collection, classification, investigation, disposal, effect evaluation and filing, to track and deal with customer complaints, and continuously improve product quality and service level.

TCL Electronics leverages the CRM system to optimise overseas customer service

In overseas markets, TCL Electronics applies the CRM (Customer Relationship Management) system, the industry's most advanced after-sales service management system to cover business regions such as Europe, the United States, emerging markets and SRSC (Strategic Regional Sales Centre), to achieve service system integration, empower call centres to directly solve problems for users and continuously track problem solving through the "Following one order until the end" mechanism, providing users with a better service experience. The system has the following functions:

- Public opinion monitoring: Integrates various social networking applications to monitor all-media evaluations.

- Omni-channel communication: Integrates phone, email, online chat and social media such as Facebook and Twitter.

- Information interconnection: Interworks with SAP, service provider system, call centre system, and electronic warranty system to achieve service, commodity return, and spare parts process management.

- Remote service: remote monitoring and diagnosis of faults.

- Auxiliary services: Service engineers can operate on the mobile devices to confirm orders, apply for accessories, search knowledge bases, view customer information, contact customers, actively visit, accept evaluations, etc.

- Data analysis: The built-in management dashboard can display the main after-sales indicators and perform BI data analysis of related after-sales data.

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[13]NPS (Net Promoter Score), also known as word of mouth, is an index that measures the likelihood that a user will recommend a business or service to others.

Cybersecurity and privacy protection

TCL Electronics attaches great importance to network security and privacy protection, and complies with applicable laws and regulations on data and privacy protection worldwide, such as the *Network Security Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China*, the *General Data Protection Regulation* (GDPR) of the European Union, the California Consumer Privacy Act (CCPA), etc. TCL Industries has set up a Network Security and Privacy Protection Management Committee to cover the network security and privacy protection of TCL Electronics, and set up a network and privacy protection working group to provide guidance for all departments/regions to carry out data and privacy protection work; formulated and implemented relevant systems and procedures for data and privacy protection, such as *Privacy Management Policy, Code of Conduct for Information Security, Information Security Compliance Control Procedure, Smart TV Software System Security Specification, Privacy Incident Emergency Response Process, Data Subject Rights Response Process*, etc.; applied the concept of Privacy by Design to integrate data and privacy protection requirements into relevant business processes to enhance the security awareness and capability of all R&D, operation and maintenance and operation employees, ensure that cyber security and privacy protection continue to be continuously consolidated and keep pace with the times through innovation and optimisation of management and technology, and to strictly prevent data leakage and protect user privacy. If safety issues such as leakage of personal data arise, the Group will carry out internal investigation, emergency treatment and rectification and/or remedial measures, and notify the relevant external stakeholders in accordance with the requirements under laws and regulations and internal procedures.

Before all TCL Electronics' products are launched, a series of security assessments are conducted on them according to their product attributes and the Group's software security research and development process, including evaluation on source code defects, vulnerability scanning, artificial source code logic audit, black box testing, compliance standards satisfaction, data encryption, etc., to ensure product security. We evaluate and manage the suppliers in accordance with third-party data management process requirements, and require the suppliers to sign *Bussiness Confidentialiity Agreement* to ensure that the suppliers meet the data and privacy protection requirements. We promote the Company's overall awareness of data and privacy protection through multi-level and hierarchical training, such as privacy compliance training for new employees, privacy specialist training camp and customised training for relevant staff. In addition, in 2021, TCL New Technology under the Group passed ISO 27001 certification, the pan smart screen and communication business passed TrustArc privacy certification, SGSSB 327 certification, Riscure certification for smart household appliances and TUVEN 303645 certification.

TCL Electronics participated in the formulation of Supplementary Equipment Identification Specifications for OTT [14] Devices

Against the backdrop of growing data security issues brought by China's strengthening of data security, personal information protection requirements and the rapid development of OTT devices, under the leadership of China Academy of Information and Communications Technology, TCL Electronics, as a representative of smart TV manufacturers, worked with research institutions, industry associations, smart TV manufacturers, joint-venture manufacturers, OTT media, and data companies to jointly formulate Supplementary Equipment Identification Specifications for OTT Devices to standardise data security and personal information protection in the OTT device industry.

TCL Electronics' data and privacy protection throughout the product life cycle

TCL Electronics encrypts privacy data for protection throughout the product life cycle, has introduced the SPbD (Security & Privacy by Design) security development process according to the industry's best practices, and internally created a unified management platform of high automation integration covering the whole process of product research & development, and emphasising security and business collaboration, so as to realise online, process-based and standardised business security work. In addition, the Group has formulated the "cloud-pipe-connection-device-user" full-link security baseline requirements for the entire product line of devices to perform hierarchical management of data information, build a unified security defense system, and strengthen the protection of network security and user data security.

[14] OTT (Over the Top Device): The OTT refers to TVs, box devices, game consoles, etc. that use the public Internet as the transmission medium and use TVs bound to a specific number with network access functions as the output device. Through integrated broadcast control platforms approved by the State Radio And Television Administrative Department, the OTT provides users nationwide with content services, mainly video on demand, and other related value-added business services and has an open operating system that can provide application development interfaces, and can install and run application software.
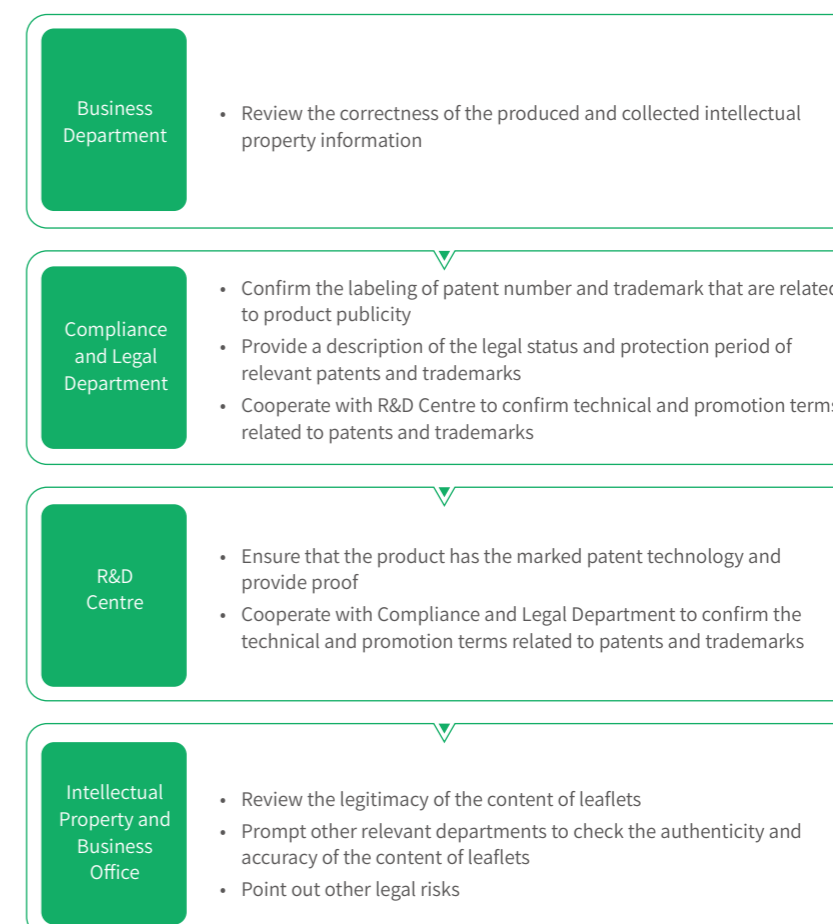
Responsible marketing

TCL Electronics strictly abides by the *Advertisement Law of the People's Republic of China*, *Regulations on Control of Advertisement* and other relevant regulations, and has formulated more than 25 guideline documents, including the *Promotion Standardisation Management Plan of TCL Promotion Centre, Marketing Guide*, and *Brand Management Guide*, to regulate the production and use of various promotion materials, strictly require that any of the Group's advertising contents shall be true, sound, clear and plain and shall not deceive users in any form.

TCL Electronics requires a unified external publicity approach. We have established a standard production, review and output process for the release of the video, pictures, advertorials and other materials. From the first draft to the final draft, the product, retail, R&D and legal departments have reviewed them to ensure that the text and visual presentation of any external publicity materials is correct. If it is possible to cause consumers' doubts or misunderstandings, the Group will add appropriate explanatory description. Besides, TCL Electronics also complies with the requirements of the *People's Republic of China Product Quality Law*. Consumers will be compensated legally and reasonably by the Group, if the product, packaging or labelling does not meet the product standards marked on the product or does not meet the quality requirements indicated by product descriptions, physical samples, etc., and it is still attributed to the Group after the repair, replacement, return, and compensation of products.

Falcon Network Technology, a subsidiary of the Company, has also formulated management and review specifications for the advertising cooperation undertaken by the advertising platform business, including the *Advertising Platform Business Management Specifications* and the *Advertising Content Review Guideline Standard*, and signed promotion cooperation contracts with partners to ensure that the published content complies with the legal requirements.

Marketing material audit process of TCL Electronics

Business Department
- Review the correctness of the produced and collected intellectual property information

Compliance and Legal Department
- Confirm the labeling of patent number and trademark that are related to product publicity
- Provide a description of the legal status and protection period of relevant patents and trademarks
- Cooperate with R&D Centre to confirm technical and promotion terms related to patents and trademarks

R&D Centre
- Ensure that the product has the marked patent technology and provide proof
- Cooperate with Compliance and Legal Department to confirm the technical and promotion terms related to patents and trademarks

Intellectual Property and Business Office
- Review the legitimacy of the content of leaflets
- Prompt other relevant departments to check the authenticity and accuracy of the content of leaflets
- Point out other legal risks

Environmental Protection

TCL Electronics is committed to integrating the concept of green development with corporate operation, actively promoting efficiency improvement in production and operation management, reducing waste of resources, strictly controlling pollutant emission and carrying out fine management of various environmental factors under established systems.

Topics covered in this chapter	Category
Waste and Hazardous Material Management	Environmental
Emissions Management	Environmental
Energy Management	Environmental
Water Management	Environmental
Tackling of Climate Change	Environmental

TCL Electronics strictly abides by national laws and regulations on emission of waste gas and greenhouse gases, discharge to water and land, and generation of hazardous and non-hazardous wastes, such as the *Environmental Protection Law of the People's Republic of China, Law of the People's Republic of China on the Prevention* and *Control of Air Pollution, Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste* and *Law of the People's Republic of China on the Prevention and Control of Water Pollution*, and has established a sound internal environmental management system based on ISO 14001 environmental management system. The Group publicises environmental protection information in strict accordance with the requirements of laws and regulations, and sets basic environmental management objectives and performance objectives of environmental emission reduction for different departments, and assesses the accomplishment of each department. Besides, we value the green operation of the entire value chain. We continuously improve the green supply chain system construction, monitor and review the environmental performance of suppliers and distributors, and ensure the effective operation of the environmental management systems.

In 2021, TCL Electronics set targets for greenhouse gas emissions, water resources use, energy use, hazardous and non-hazardous waste disposal and packaging material reduction by 2025, on the basis of 2020 and in accordance with the goals of China's 14th Five-Year Plan and TCL Electronics' own business planning and environmental management planning and have taken various steps as detailed below to achieve such targets.

As of 31 December 2021, TCL Electronics has had no major environmental pollution accidents for six consecutive years and no adverse effect on the surrounding ecological environment and biodiversity.

TCL Electronics' environmental targets for 2025 [15]

Greenhouse gas emission intensity level tCO$_2$e/RMB10,000 output value	**Down 18.0%**	
Water resources use intensity level m^3/RMB10,000 output value	**Down 27.0%**	
Purchased electricity use intensity level MWh/RMB10,000 output value	**Down 13.5%**	
Natural gas use intensity level m^3/RMB10,000 output value	**Down 70.0%**	
Hazardous waste	**Harmless and non-landfill disposal of five types of hazardous waste:waste fluid of organic solvents, oil-contaminated wastewater, paint waste fluid, waste empty buckets, waste lamp tubes**	
Non-hazardous waste	• **Establish a sound waste management system;** • **Build complete waste classification and collection devices;** • **Keep detailed records of the amount of waste generated during production and operation.**	
TV set EPS packaging materials [16]	• **55": down 6.0%** • **65": down 10.0%** • **75": down 10.0%**	
TCL communication product packaging materials	• **Small: down 5.7%** • **Medium: down 5.3%** • **Large: down 5.5%**	

[15]According to the current situation of TCL Electronics, the setting of environmental targets for 2021 covers the products under display business and the smart connective and wearable products under innovative business produced by two factories located in Huizhou Guangdong and one factory loacted in Inner Mongolia.
[16]The target setting covers the flagship S-series models

Energy management

TCL Electronics has formulated internal policies such as *Energy Management System Manual and Regulations on Electricity Resources Management* following *Energy Conservation Law of the People's Republic of China, Law of the People's Republic of China on Promoting Circular Economy* and *Administrative Measures for Industrial Energy Conservation*, to improve the efficiency of energy conservation and emission reduction and reduce the waste of resources. By the end of 2021, some subsidiaries of the Company had passed ISO 14001 environmental management system certification, ISO 50001 energy management system certification, and ISO 14064 greenhouse gas validation and verification certification.

TCL Electronics has continuously reduced energy consumption and greenhouse gas emissions and has carried out energy conservation and emission reduction projects for years, including energy conservation projects of air compressor system, LED energy conservation renovation, servo renovation of injection molding machine, energy conservation improvement of central air-conditioning system, ice storage project, photovoltaic power generation, volatile organic compounds (VOCs) remediation project, solar heating for staff dormitories, etc. It continuously improves the production efficiency of personnel and equipment, and increases the efficiency of energy use.

TCL King (Huizhou) plant set energy consumption targets for the 14th Five-Year Plan period

TCL King (Huizhou), a major subsidiary of TCL Electronics, took into consideration the local government's "double control" responsibility targets and assessment requirements for total energy consumption amount and intensity of key energy consumption units during the 14th Five-Year Plan period to set the annual energy consumption targets, and will review the target completion every year.

Energy Use of TCL Electronics in 2021

Energy type	Consumption in 2021	Unit
Diesel	5,397	L
Gasoline	26,466	L
Natural gas	4,856,281	m^3
Purchased electricity	147,717,876	kWh
Solar power generation	17,488,240	kWh
Total energy consumption[17]	218,050	MWh
Energy intensity by revenue	2.9	MWh/HKD million revenue

[17]Total energy consumption has included 17,488,240 kWh solar power generation.

Water management

TCL Electronics has formulated the *Regulations on Water Resources Management* to regulate the production and domestic water use in the production area and reduce the waste of water. Each factory improves water use efficiency through equipment improvement, water valve regulation and other measures, and carries out a number of water-saving projects, such as recycling of the wastewater of injection-moulded parts washing, to save production water in the production area.

In 2021, TCL Electronics did not have any problems in obtaining suitable water sources.

TCL King (Huizhou) plant applied for certification as a water-saving enterprise (unit)

TCL King (Huizhou), a major subsidiary of TCL Electronics, established a work leadership group for developing into a water-saving unit. It designated the competent department and administrator for water conservation and released internal policies such as the *Water-Saving Post Responsibility System, Planned Water Use Management System,* and *Water Conservation Management System.* During the reporting period, TCL King (Huizhou) comprehensively sorted its water conservation management measures and water conservation technology assessment in the plant area, set a 10-year plan for water conservation, and applied to the local government for certification as a water-saving enterprise (unit).

TCL Electronics' water consumption in 2021

Water resources	Consumption in 2021	Unit
Total water consumption	1,079,693	m^3
Water consumption intensity by revenue	14	m^3/HKD million revenue

Pollutant Discharge and Waste management

TCL Electronics strictly abides by the *Pollution Control Standard for Storage* and *Disposal Site of General Industrial Solid Waste* and *Pollution Control Standard for Storage of Hazardous Waste* and other regulations, and formulates the *Control Measures for Pollution of Solid and Liquid Waste, Management Plan for Hazardous Waste*, and *Regulations on the Prevention and Control of Waste Pollution* to improve the management of solid wastes and avoid the severe impact of business activities on the environment. The Group regularly entrusts professional organisations to inspect, monitor and control workplace environment, industrial/domestic wastewater, waste gas, solid waste, hazardous chemicals management, etc., to ensure that all pollutant emissions meet the national and local standards. Our activities did not have direct significant impacts on the environment adjacent to our place of operation. In our process of obtaining raw materials for manufacture of products, we did not affect the supply of such materials in the environment. Our products may have impacts on the environment at the disposal stage; the policies to mitigate such impacts are mainly strictly controlling the content of harmful substances in the products,

cooperating with third parties to carry out electronic waste recycling projects and recycling TCL Electronics related products by relying on the electronic product recycling capacity of a fellow subsidiary of the Company.

In the product development stage, TCL Electronics fully considers the design that is conducive to comprehensive utilisation of resources and harmless treatment. In the selection of materials, starting from the electronic raw materials, plastic materials, and packaging materials, we use non-toxic and harmless materials, or materials with low toxicity and low harm, or readily degradable or recyclable materials. The wastes produced in our production and operation are mainly industrial scraps, industrial wastes and hazardous wastes. In this respect, the Group has taken corresponding pollution prevention and control measures to eliminate or reduce the harm of waste. At the same time, the Group carries out proper collection, storage and transfer, and strictly prevents and controls the environmental pollution caused by hazardous wastes.

For different kinds of industrial wastes, different treatment methods are adopted. For waste electrical and electronic products, TCL

Electronics carries out unified recycling and harmless treatment. For waste packaging materials, TCL Electronics recycles them to the maximum extent. The waste packaging materials that cannot be recycled are classified into cartons, plastics, and EPS, and then are processed by qualified third parties. For all kinds of industrial wastes that cannot be recycled or utilised in the production and working process of all departments in the plant, we will hand them over to qualified third-party recycling companies for treatment.

For hazardous wastes, such as paint waste, paint scrap, oil-contaminated wastewater and other hazardous chemicals, as well as waste empty buckets, TCL Electronics has formulated a strict hazardous waste management system based on QC 080000 Process Management System for Hazardous Substances, implemented the responsibility system for management of hazardous wastes level by level, and signed waste treatment contracts with qualified third parties to ensure all hazardous wastes are properly treated.

Waste Generation of TCL Electronics in 2021

Waste type	Amount generated in 2021	Unit
Total amount of hazardous wastes	1,471	t
Paint waste	35	t
Paint scrap	35	t
Oil-contaminated wastewater	41	t
Empty buckets	10	t
Others	1,350	t
Hazardous waste intensity by revenue	19.6	kg/HKD million revenue
Total amount of non-hazardous wastes	4,815	t
Carton	2,080	t
Plastics	928	t
EPS class	308	t
Others	1,499	t
Non-hazardous waste intensity by revenue	0.06	t/HKD million revenue

TCL Electronics attaches importance to the management of emissions of exhaust gas containing volatile organic compounds (VOCs), strictly adheres to the standard limit requirements such as the *Emission Limits of Air Pollutants* and the *Emission Standard of Volatile Organic Compounds for Furniture Manufacturing Operations* and adopts the following measures to minimise exhaust emissions:

- Regularly inspect and maintain exhaust gas environmental protection facilities/equipment to ensure good operating conditions;
- Develop contingency plans for exhaust gas leakage to deal with unexpected situations;
- Carry out process improvement, reduce the use of spraying and screen printing processes, and reduce exhaust emissions during production;
- The waste gas of phase I is collected by fans and discharged at high altitude; the waste gas of phase II is collected by fans and discharged at high altitude after plasma purification;
- Regularly monitor exhaust emissions to ensure compliance with standards.

Hazardous waste management measures

Certification assessment

- Straighten out the assessment process for introducing certification of hazardous waste
- Clarify the content of the safety assessment, and reorganise and improve the existing measures according to the assessment

Storage safety

- Inventory control: set the inventory limits for the temporary storeroom of chemicals and post the limits on site for visual management
- Improve facilities: improve the fire-fighting facilities, leakage prevention facilities, antistatic facilities, safety warning signs, etc. in the temporary storeroom of chemicals

Usage safety

- Make standard requirements for hazardous waste treatment in the aspects of transportation and sub-packaging, positioning and leakage prevention, safety warning and emergency, training and monitoring, etc. of hazardous wastes

Hazardous waste reduction measures

Actively carry out clean production, reasonably select and use clean raw materials, energy and other resources, and carefully perform recycling on production line of each workshop to reduce the discharge of pollutants

Adopt advanced processing technology and equipment to reduce the quantities of wastes generated

Take corresponding pollution prevention and control measures to eliminate or reduce the hazard of hazardous wastes

Carefully carry out collection, storage and transfer to prevent the loss of hazardous wastes

Strictly confirm the property of hazardous waste in the warehouse

Recycling of electronic waste

In March 2021, TCL Electronics held the "TCL Super Recycling Season" event to recycle old TV sets such as valuation and recycling by offline stores, trade-in with allowances, etc. This prevented the potential impact of discarded electronic products on the ecological environment. TCL Electronics utilised the electronic product recycling capability of its fellow subsidiary TCL Environmental Protection Technology Co., Ltd. (a fellow subsidiary of the Company) to dispose of the waste and old TV sets recycled in this event.

In the overseas markets, TCL Electronics worked closely with its ISO 14001 certified partner MRM, an electronic manufacturer recycling management company, to provide a mobile device return program covering North America, allowing customers to return their discarded mobile devices (such as mobile phones and tablets), so as to reduce the impact of electronic waste on the environment, and reuse the scarce materials contained in electronic devices.

TCL Electronics cooperated with Call2Recycle, a non-profit organisation, to provide a safe and convenient battery recycling program, based on which customers can facilitate the recycling of battery materials by discarding unwanted or end-of-life rechargeable batteries at more than 34,000 available collection points throughout North America.

Climate change response

Climate change is one of the main challenges of the times. As a manufacturing enterprise, TCL Electronics is deeply aware of the multiple risks brought by climate change to the sustainable management of enterprises:

Physical risks[18]

- Acute risks: More and more frequent extreme weather and climate-related natural disasters, such as typhoons, heavy rains, floods, fires or heat waves and other weather events may cause TCL Electronics' asset loss, production interruption, etc.

- Chronic risks: Long-term climate change, such as global temperature rise, sea level rise, water resource reduction, and biodiversity loss may impact TCL Electronics' upstream and downstream supply chain, production, product performance, etc.

Transformational risks[19]

- Policy risks: The risks brought by relevant policies and regulations to TCL Electronics, such as a series of energy-related policies issued by the state after the release of the carbon peak and neutrality goal, the restrictions on energy consumption in the production process under the energy consumption reduction target proposed in the 14th Five-Year Plan, and the increasingly stringent requirements for environmental data disclosure in the ESG Report Guide released by the Hong Kong Stock Exchange.

- Reputation risks: If TCL Electronics fails to take relevant measures in a timely manner, its production and operation process will have a long-term destructive impact on the climate, which in turn will have a negative impact on the reputation of the Company.

The Group actively adapts to and responds to the potential risks brought by climate change. To effectively prevent physical risks brought by climate change, TCL Electronics has developed special systems such as *Emergency Plan for Natural Disaster Event* and *Special Emergency Plan for Typhoon and Rainstorm*, establishes an accident emergency command team, establishes a hazardous source management system in daily management, allocates full-time safety management personnel, and inspects the hazardous source, completes inspection records, and implements monitoring measures on a weekly basis. If any hidden safety hazards are found, all departments will be required to complete the rectification within a time limit. Also, the Group regularly tests the first-aid equipment and lightning protection system, posts safety warning signs on site, arranges emergency lighting and safety evacuation signs and emergency evacuation diagrams, prepares emergency plans, and regularly carries out emergency drills and training to ensure that the emergency system can be activated in a timely and effective manner.

TCL Electronics, under the Implementation Guidelines for Green Manufacturing Engineering (2016-2020) and *Evaluation Requirements on Green Factory*, combined with the system management requirements of ISO 14064 greenhouse gas management standards, etc., takes the green production process as the guidance to strive to create a green factory characterised by clean production, waste recycling and low-carbon energy. Through many measures such as process optimisation, production process optimisation and improvement of equipment automation, we ensure that the per-unit product consumption is in the leading position in the industry and actively respond to the transformational risk of climate change.

TCL Electronics has spontaneously carried out greenhouse gas emission investigation and verification every year since 2017, in accordance with the ISO 14064 series of greenhouse gas management standards and *General Rules for the Accounting and Reporting of Greenhouse Gas Emissions* by Industrial Enterprises. In 2021, we completed the greenhouse gas review of 2020 and output the verification report according to ISO 14064.

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[18] Physical risk refers to the risk of physical damage to assets, supply chains, transportation, employee safety, etc. caused by climate change.
[19] Transition risks refer to the risks caused by extensive changes in the external environment in terms of policies, laws, technologies and markets during the transition to a low-carbon economy.
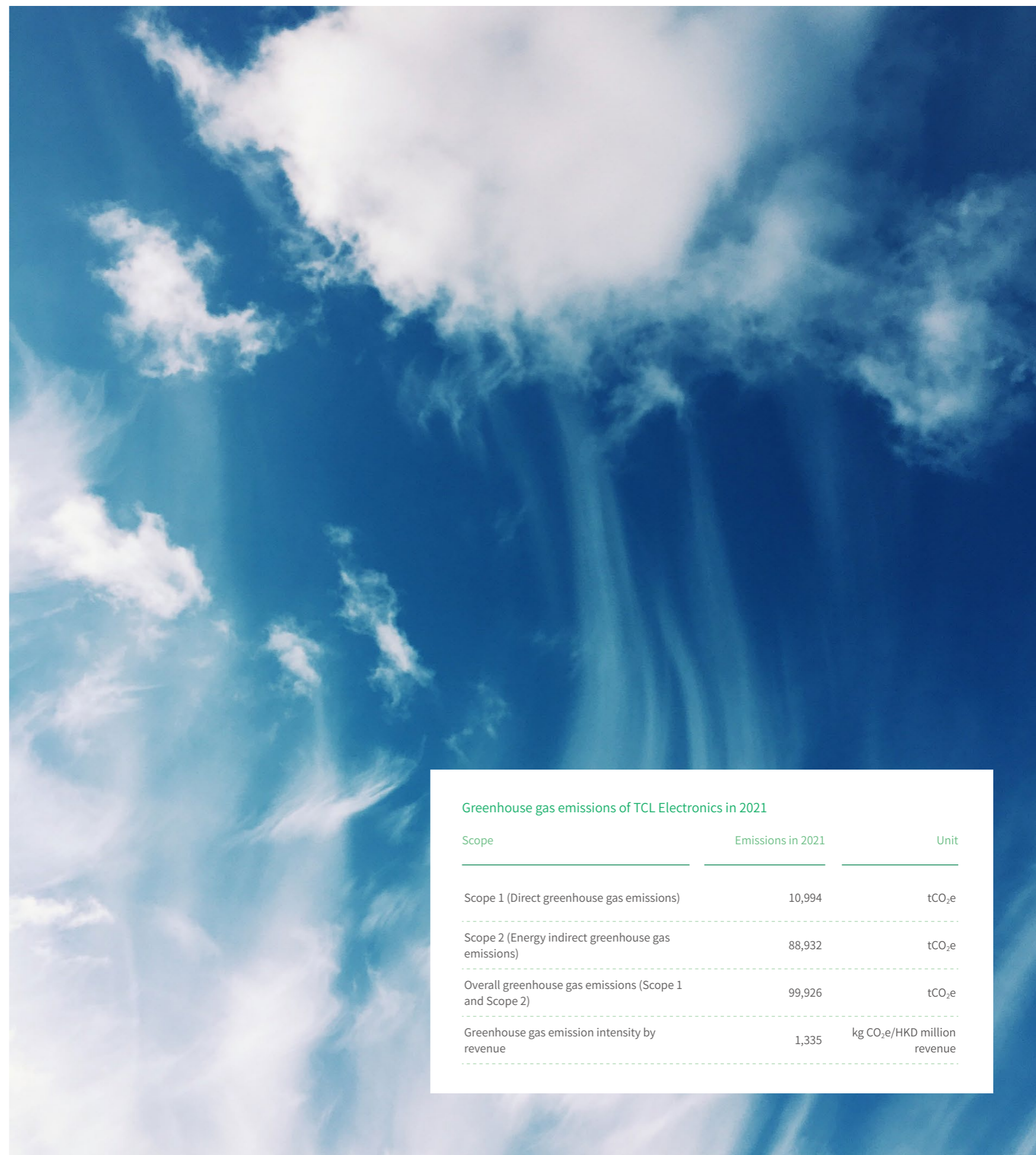
Greenhouse gas emissions of TCL Electronics in 2021

Scope	Emissions in 2021	Unit
Scope 1 (Direct greenhouse gas emissions)	10,994	tCO_2e
Scope 2 (Energy indirect greenhouse gas emissions)	88,932	tCO_2e
Overall greenhouse gas emissions (Scope 1 and Scope 2)	99,926	tCO_2e
Greenhouse gas emission intensity by revenue	1,335	kg CO_2e/HKD million revenue
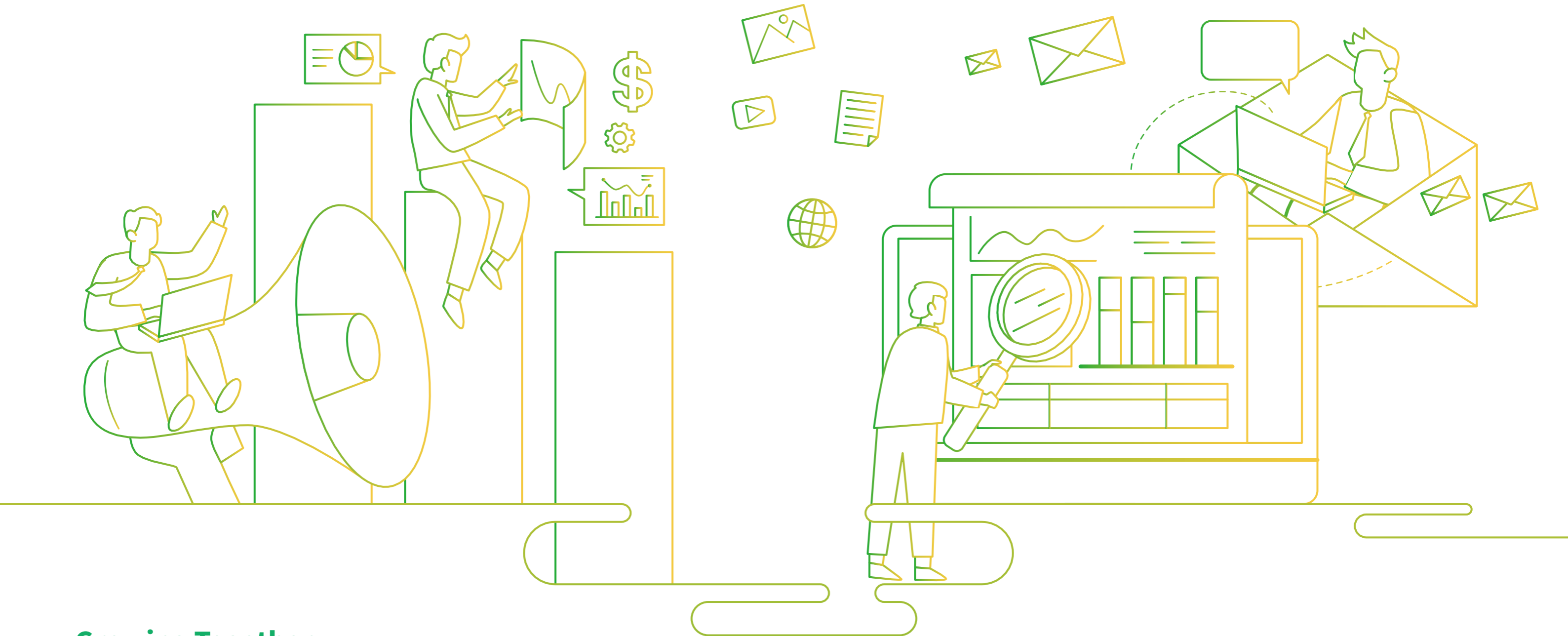
Growing Together

TCL Electronics is committed to sophisticated human resources management, focuses on cultivating self-driven employees and builds a sound remuneration system to enhance talent attraction and retention. Meanwhile, based on the globalised group's business strategy, TCL Electronics provides diversified resources and platforms for global employees and strives to build an equal and friendly employee system that seeks common grounds while accommodating differences.

Topics covered in this chapter	Category
Occupational health and safety	Social
Employee rights, interests and benefits	Social
Talent attraction and retention	Social
Diversity and equal opportunity	Social
Employee training and development	Social

Campus recruitment presentation

Employment

TCL Electronics strictly complies with the applicable laws and regulations such as the *Labour Law of the People's Republic of China* and the *Labour Contract Law of the People's Republic of China*. We have formulated internal policies (for example, *Employee Handbook, Recruitment Management Procedures* and *Cadre Management System*) to continuously optimise the management rules of the human resources department and ensure employees' legitimate rights and interests in terms of compensation and benefits, recruitment and dismissal, promotion process, working hours, rest periods, equal opportunity, diversity and anti-discrimination. We provide an equal working environment for employees of different ages, regions and functions. In 2021, the Group was free of any material labour dispute.

TCL Electronics regards talent as one of the Company's core competencies and manages attentively in attracting and retaining employees. According to the development needs and strategic plan of the Group, we improve the professionalism and vitality of employees under a fair, just and open recruitment system. The recruitment and promotion of employees depends on whether the employees are suitable for such positions and possess the calibre to complement the needs of the Group. The dismissal procedures of the Group are carried out on a reasonable basis in accordance with internal rules.

Recruitment

TCL Electronics attracts talents through multi-source channels such as on-site recruitment, campus recruitment and internal recruitment. Based on fair and impartial recruitment principles, we actively optimise recruitment channels and digitalise recruitment for HR while carrying out projects such as the classes named by TCL and college and university development to enhance the attraction and retention rate for the talent. We achieved excellent results in attracting talent under the 2021 action plan for recruitment priorities.

In 2021, a total of more than 3,000 talents were recruited, of whom about 18% were from universities, and about 82% from the society. In 2021, more than 500 talents were recruited for key sectors, covering user brand, product technology, cost efficiency, risk bottom line, corporate culture, strategic management, innovation and transformation, AIoT (Artificial Internet of Things), GTM (Go to Market), digitalisation and etc.

Recruitment channels optimisation

We released the *Research Report of Job Market Recruitment* and the *Skilled Labour Agency Recruitment Plan* after benchmarking the circumstance of the employment market and surveying the salary level of neighbouring enterprises. We adjusted our employment strategy according to the research findings, focusing on campus recruitment and flexibly utilising college students based on the talent supply from partner colleges and universities. In 2021, we successfully introduced a trial agency recruitment model, which guaranteed sufficient skilled labour for the manufacturing centre.

Digital platform recruitment for HR

In order to improve the operational efficiency of internal and external recruitment, TCL Electronics' manufacturing centre introduced the written test system for skilled labour, released the relevant internal and external recruitment written test operation guidance, and updated 1,993 sets of questions. The digital transformation of the HR work reduces the labour cost in the recruitment process, improves the efficiency of the recruitment team while providing a more flexible and convenient written test environment for candidates, and standardises the written test system for internal and external recruitment.

Employees of TCL Electronics in 2021

Total number of employees — 31,238

Breakdown by gender

Male	18,854
Female	12,384

Breakdown by employment type
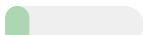
Full-time employees	28,696
Part-time employees	2,542

Breakdown by age

29 and below	13,461
30-49	16,596
50 and above	1,181

Breakdown by geographical region

Mainland China	25,932
Hong Kong, Macau and Taiwan	52
Overseas	5,254
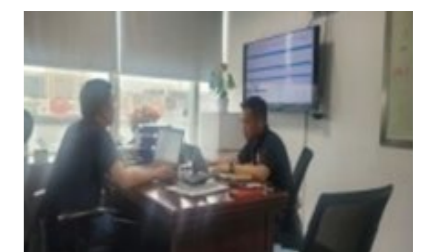
Events in the process of building a "digital platform" for skilled labour recruitment in 2021

School-enterprise cooperation

Progress of school-enterprise cooperation

Early preparation: Learn from industry digital benchmarks

- Create a fair, open and just recruitment environment for internal employees
- Provide digital services and guarantees for the organisational talent development
- Enhance brand competitiveness

Interim practice: Focus on the integration of theory and platform

- Realise the expansion and operation of new media network operation channels
- Complete the experiencing and exploration of online recruitment tools

Later application: Knowledge accumulation and refinement

- Internal and external employees can complete written tests online, and their answers are automatically reviewed and assessed by the system
- Improve way of attending written tests for employees
- Improve efficiency and data visualisation of internal and external recruitment operations

In 2021, we carried forward school-enterprise cooperation programs in Guizhou Kaiyang Vocational School, Guangxi Wuxuan Vocational School and Changde Hongzhi Vocational School, respectively. In addition, we have implemented several school-enterprise cooperation promotion activities such as the development of our own cooperative colleges, school-enterprise seminars, college recruitment presentation and stable job communication meetings.

Development of school-enterprise cooperation: Guizhou Kaiyang Vocational School

The school-enterprise cooperation in producing the freshmen brochure of 2021

Opening of joint talent training base in 2021

30,800 RMB
Sponsorship of RMB30,800 for military training of freshmen of 2021

5,000 RMB
Sponsorship of RMB5,000 for the first TCL Cup teaching skills competition in 2021

2
Launch of two new classes named by TCL (electronics, CNC)

51
51 job shadowing interns joined the enterprise

Carrying out school-enterprise cooperation

Development of own partner institutions

Content

Increase the Company's own employees; reduce third-party dispatch; lower employment costs

Results

Developed 5 institutions (junior colleges)

School-enterprise seminar

Content

Actively explore talent training mode; leaders of newly developed colleges and universities visited the enterprise

Results

Held seminars with 8 institutions (institution visit)

Campus recruitment presentation

Content

Assessment of technical campus recruitment plan; apply for special presentation; online recruitment presentation

Results

Recruited 596 employees (Secondary and higher vocational schools)

Recruitment and job stabilisation communication meeting

Content

Increase the retention rate of interns from institutions with open recruitment; conduct the communication meeting in the first month on the job

Results

Organised 17 meetings (campus recruitment internship seminar)

Employment compliance

Child labour and forced labour

The Group follows the "people-oriented" principle and strictly abides by the *Labour Law of the People's Republic of China*, the *Law of the People's Republic of China on the Protection of Minors*, the *International Labour Standards* and the *Provisions on Prohibition of Using Child Labour*. The internal regulations such as the *Recruitment Management Procedure* provide explicit principles related to age confirmation and discrimination of employees: Child labour or forced labour is strictly prohibited, and all applicants for positions in the Company must be at a legal age; the hiring process shall not involve any discriminatory act on the grounds of race, national or social origin, region, social class, ancestry, religion, physical disability, gender, sexual orientation, family responsibilities, marital status, union membership, political opinion, age, languages or other factors that may entail discrimination.

Recruiters strictly examine candidates' valid identity documents in all stages of recruitment to ensure that the employment process complies with the national laws and regulations. If any child labour is identified, the child will immediately be prevented from working and sent to hospital for a medical examination. We will notify local bureau of labour and return the juvenile to his or her place of residence upon the bureau's approval. His or her parents or guardians will be asked to sign on the document, which will then be filed at the Human Resources Department after being sealed and confirmed by the relevant government authority.

In addition, the Company strictly prohibits the use or the support to the use of forced labour as well as all slave and human trafficking activities. The Human Resources Department reviews the employee's background and data of working hours to check whether there is forced labour or overwork. In the meantime, the Labour Union also provides appeal channels for employees to protect their human rights. In case of forced labour or work, we will talk with the relevant employees and leaders to investigate the actual situation and ensure the employees get the applicable remedy or rest and vacation they are entitled to.

In 2021, TCL Electronics was free of any violation of regulations or complaints due to discrimination, use of child labour or forced labour.

Diversity and equal opportunity

The Company values the diverse background of overseas employees and abides by the laws, regulations and labour systems of the places of employment, including National Employment Standards of Australia, Fair Work Act 2009 of Australia, and Labour Code of the Philippines. In the spirit of equality and inclusion, we have established internal policies for our branches in different countries that are consistent with the respective national laws and *regulations, such as Policy on Recruitment* and *Selection and Policy on Timekeeping* and Payroll Processing for our Philippines Branch.

In 2021, TCL Electronics created a diversified platform for schools and society, providing students and the public with equal and diversified choices. For example, TCL King (Huizhou) achieved a 100% onboarding rate of new employees through various recruitment channels such as internal recommendation, headhunting, internal referral in the industry, Rookie Eagle program for campus recruitment and college student reserve. In addition, school-enterprise cooperation in overseas factories was a contributor, for instance, the Vietnam factory cooperated with freely developed local colleges and universities to train local students. TCL Electronics has constructed a diverse platform for schools and society, giving students and members of society equal and varied options.

Employee rights and interests

We always adhere to the concept of "contribution pays off", providing competitive remuneration and diverse benefits, with high performance as the benchmark and guide, giving contributors more resources. We strive to achieve a win-win situation in both employee welfare and corporate performance through healthy competition.

Compensation and Benefits

On the principle of external competitiveness and internal fairness in parallel, the Company regularly and timely updates its remuneration policy and issues remuneration incentive programs to mobilise employees' motivation to work. In accordance with the *Employee Manual,* we strive to provide our employees with more benefits while guaranteeing their fundamental rights and interests.

Compensation and benefits

Salary

The compensation for a job is divided into probationary and regular salaries, and the salary is reviewed annually and adjusted according to the polices of the Company.

Insurance and housing fund

The Company pays social insurance premiums and the housing provident fund and buys commercial insurance for employees, etc.

Employee benefits

- Provide shuttle bus services between and within Shenzhen and Huizhou;
- Provide dormitory services for fresh graduates, off-site entry employees and those working in both Shenzhen and Huizhou;
- Provide employees with welfare gifts and holiday rewards on Women's Day, Dragon Boat Festival, Mid-Autumn Festival and other important festivals.

Rights, interests and care

Union Activities

TCL Electronics has set up several unions with standardisation and diversity as its purposes to protect the legitimate rights and interests of all employees.

The union's responsibility is to participate in the formulation of policies for employees' benefits from employees' perspectives, and report the needs of employees to the management accurately and effectively in an effort to serve its purposes of both supervision and communication. For example, the staff representatives of TCL Communication Union are from all business departments, can comprehensively and extensively collect the problems, opinions and suggestions raised by the employees of each production line, team and department, and follow up the prompt settlement of such issues by the business departments. As of December 2021, members of the union reached 2,036, representing 90% of permanent employees and a 15% increase in personnel percentage since the union's inception.

The union has also been a real source of warmth for employees in terms of humanistic care. For example, there will be exclusive benefits on holidays, a special pick-up service during the Chinese New Year travel, a special gift pack to members for the New Year's Day and Labour's Day, and an annual family meeting to enhance the relationship between employees and their families.

List of Associations of Union Activities

Outdoor Sports Association
- The association has carried out activities such as hiking around Honghua Lake, Luofu Mountain climbing, hiking across Dongxichong coastline, and 60 kilometres of hiking organised by Doyouhike.net, hiking across Yangmeikeng, barbecue and picnic, etc.

Basketball Association
- Employees actively participated in the basketball game, which is one of the most popular union events for general staff to participate in.

Running Club
- A small group of 3-6 people runs around Honghua Lake every weekend.
- Affected by the pandemic, running around the entire Honghua Lake is organised every 3-4 months on average.

Badminton Association
- Weekly training at Pingnan badminton hall.
- Every year we are invited to participate in various events, competing and winning several medals.

Table Tennis Association
- Weekly training in the gymnasium at Fenghe Dormitory.
- We hold a team competition once a year, and we are also invited to participate in various games and improve our skills.

Chinese Calligraphy Association
- Every year before the Chinese New Year, employees write Chinese New Year couplets with Chinese brushes to send their blessings to thousands of families.

Football Association
- In 2021, a new five-a-side football field was built in the park as an amenity for the association's activities and communication.

Chess Association
- In 2021, the fifth "New Year's Greeting Cup" Chinese chess tournament was held to build a competition platform for chess players to enhance communication and improve skills.

Photography Association
- The photography association actively participates in the photo shooting of various union activities such as football and basketball matches. Beginners learn and grow in the shooting process.

Table Tennis Association's Activity

Football Association's Activity

Basketball Association's Activity

Employee Care

TCL Electronics pursues a people-oriented corporate culture, listening to the needs of employees in management, carrying out recreational activities, implementing assistance programs, and making a great effort to create a corporate care model that can really give love to employees and boost their happiness. In 2021, we carried out a monthly survey related to the food, housing and transportation services for employees and around 85% of employees participated in the employee satisfaction surveys.

Employee communication means

Employee Communication Meeting	In August and September 2021, the CEO introduced the Company's development and future deployment to the employees online.
Communication at corporate level	The communication meeting between the management and workshop representatives is held once a month, and dedicated persons will follow up on the results of issues concerned.
Communication at workshop level	Including communication at team or shift level, at workshop level and open communication.

Employee care services

- Subway station shuttle bus
- Park shuttle bus resources sharing
- New enterprise version of Didi Car-hailing
- Condolence and letter of greetings for families of overseas expatriate employees
- 40th Anniversary gift packs were sent to all the employees including the expatriate employees
- Opening mother and baby room, yoga room and gym
- Festivities: Friendship activities with other companies on the Women's Day and Qixi Festival; Inviting children of employees to the Company on Christmas, Thanksgiving Day and Children's Day

- June as the Love Month: Organising annual fundraising activities
- Financial support for families in need: A total of 30-40 employees have been helped
- Group vaccination: Assisting employees in vaccination against COVID-19 except for those not suitable for vaccination
- During the outbreak, employees were encouraged to stay in Shenzhen for the Chinese New Year and employees staying in Shenzhen alone were provided with "Gift Packs for the Chinese New Year"

Employee Support

TCL Electronics actively carries out employee support activities and exerts efforts to ensure basic livelihood of employees. In order to improve the living conditions of employees in difficulty, the Huizhou factory of TCL Communication launched a charitable fund-raising campaign among employees in June 2021, and a total of 683 people donated RMB65,215 cumulatively, and four employees whose families were in difficulty received donations of RMB35,000 in total.

Employee training and development

TCL Electronics embraces the employee training and development concept of "no limit to growth, no stop for training" and launched the "Living Water Plan" and vitality mechanism to encourage healthy development of the employees. We have rolled out various training and development schemes such as management and professional dual-channel development and the Eagle talent training system to provide support and assistance to every step of talent development of employees.

In 2021, our training work was divided into four lines, namely Eagle Training Program, New Leader Training Program, Professional Training Program, and Learning Platform and Resource Building, in line with the Company's strategy. Leveraging crucial projects, the Company contributed to the escalation of the organisational capacity of enterprises by introducing advanced management concepts in the industry and accumulating excellent working experience.

Well-developed talent training system

First line: Eagle Talent Training System

Rookie Eagle Program: The Rookie Eagle Camp aims to train college students who are newly recruited through campus recruitment mainly in forms of empowerment through the online and offline courses and teambuilding activities. In 2021, due to the pandemic, we ran the program through online training for the first time in order to protect the health and safety of nearly 900 rookies. The goal was to "train a group of college graduates newly recruited through campus recruitment who are willing to take responsibility, can think from the perspective of customers and identify with our corporate culture".

Flying Eagle Program: The Flying Eagle Program focuses on two dimensions: performance and potential. Through a training model combining "training and practice", we ultimately cultivate a group of trainees who are competent for the jobs of senior manager and department head.

Elite Eagle Program: The project team helps trainees quickly become the backbone of the Company and promotes the transformational change of the Company through projects such as study tours, senior tutoring and performance improvement.

Second line: New Leader Training Program

The New Leader Program includes three projects (new manager, department head and director), based on essential job responsibilities, creates learning resources to help new managers, department heads and directors accelerate the improvement of targeted management capabilities, achieve optimal performance and realise rapid transformation in 90 days.

Third line: Professional Training Programs

Professional training is carried out in a bid to ensure the rapid implementation of the organisation's strategic projects and improve the enterprise's core competencies. It mainly includes the Sword Casting Program, Cost Reduction and Efficiency Surge Training Camp, Society Recruited New Employee Training, and Technology Learning for All Program. Throughout the year 2021, a total of 33 employees became reserve trainees through the Sword Casting Program and finally entered the training camp.

Cost Reduction and Efficiency Surge Training Camp

The training camp focuses on end-to-end cost management and delivers systematic online courses covering eight modules: planning, R&D, procurement, manufacturing, inventory, logistics, quality, and engineering. The course takes the form of "Learning + Exercise" to strengthen the end-to-end cost management capability of 50 key members in the supply chain and attempts to allow them to apply what they have learned. Then we expand the coverage at once and develop action plans to explore and discover practical cost reduction opportunities.

Fourth line: Learning platform and resource building

We have built several learning platforms for our employees and carried out multi-channel and multi-type training activities to increase the variety and fun of the learning content. During the outbreak of pandemic, the promotion and application of multi-platform learning made it more convenient for employees to learn. T-Academy is a significant achievement in the digital transformation of employee learning and development. At present, the platform provides online learning opportunities for all employees of the TCL Industries (including all employees of TCL Electronics), with 1,500 courses, and 1,010 training sessions. In addition, there are other platforms such as Super A Special Trainee, Lecturer's Day and CEO Lecture to provide learning and communication opportunities for employees.

CEO Lecture

In order to build a platform in which young employees can communicate with the Company's executives, listen to the voices of employees and convey the Company's development philosophy, TCL Electronics holds CEO face-to-face activities for employees from time to time, inviting outstanding employees of each business unit to communicate with the CEO in-depth and seek the way of development together. In 2021, the training team successfully hosted 5 sessions of CEO Lecture.

Feature Training

The 3rd TCL Electronics Global Quality Talent Class

In order to reserve talents, support the implementation of quality strategy and meet the needs of overseas business, TCL Electronics continued to run global quality talent classes targeting qualified employees of eight centres under TCL Electronics, including R&D centre, software technology centre, manufacturing centre, commercial business department, smart home, Falcon Network Technology and China & overseas business centres, cultivating high-quality international talents in four aspects, namely, quality capability, comprehensive ability, talent orientation and talent tracking. After candidates passed the double assessment of the initial screening by the Quality Management Centre and the joint professional interview with the HR department, we organised them into small classes of 25 to 30 people and gave lectures to them. It took 10 months from the preparation in December to the closing ceremony in the following September.

At present, there are two expatriates, 16 comprehensive talents in the quality arena, and seven talents for non-quality departments. The examination pass rate reached 96%. The course system can help to improve students' abilities to match international competition needs. In addition, the course steadily improves employees' systematic user thinking and professionalism.

Employee training data of TCL Electronics in 2021

Average number of completed training hours for all employees (Hour)	28
Breakdown by gender	
Average number of completed training hours for male employees (Hour)	31
Average number of completed training hours for female employees (Hour)	22
Breakdown by employee type	
Average number of completed training hours for senior management (Hour)	95
Average number of completed training hours for middle management (Hour)	53
Average number of completed training hours for junior employees (Hour)	27
All employee training coverage (%)	100%
Breakdown by gender	
Average training coverage of male employees (%)	100%
Average training coverage of female employees (%)	100%
Breakdown by employee type	
Training coverage of senior management (%)	100%
Training coverage of middle management (%)	100%
Training coverage of junior employees (%)	100%

Safety of the employees

TCL Electronics keeps a close watch on the occupational health and safety of each employee, and constantly strengthens the safety and health management measures to ensure that employees have a good and safe working environment. The Company has passed the certification of ISO 45001 occupational health and safety management system, RBA audit, SMETA audit, SCAN (supplier compliance audit network) certification and SCS audit, and established a Work Safety standardised system.

Work Safety

Safety is an important prerequisite for production. In order to ensure that our employees can work in a safe and secure working environment, we have formulated the Measures for the Management of *Safety Management Personnel* in accordance with the *Work Safety Law of the People's Republic of China* to clarify the organisational structure, specific management processes and training requirements of safety management. During the reporting period, we upgraded the *5S Management Rules* to *6S Management Rules*, performed grid-type work and environment management for the employees, and conducted direct assessments on a monthly and a quarterly basis. We made once-every-three-years update of the internal emergency plan according to the assessment results, and issued the latest version of *Emergency Plan for Work Safety Accidents* in 2021.
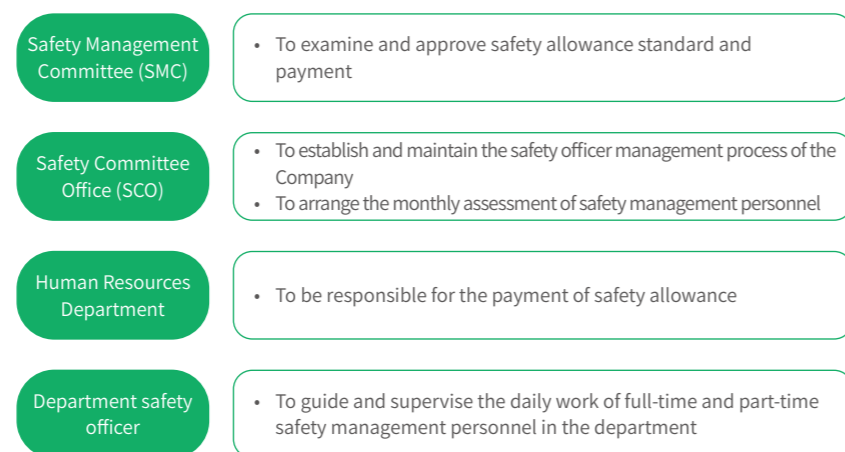
Implementation of *6S Management Rules*

This year, we carried out on-site 6S inspection for 79 times according to the *6S Management Rules*, and detected and corrected 896 problems. Leaders of GGS13 level and above carried out round-the-clock inspection by shifts, and detected 145 problems. The Global Industry Support Department led the supervision of the management of each factory department and detected 347 problems. The Human Resources Department led the supervision of the management of the platform department and detected 404 problems.

To address the key problems, we carried out a series of rectification measures. The factory departments maintained the attitude of self-examination, self-correction and pragmatic work, and the platform department changed the notification method from "group sending" to "targeted sending", and make an array of other rectifications.

Work safety management structure

TCL Electronics has defined the responsibilities and staffing standards of safety management personnel in accordance with the standard proportion:

Safety Management Committee (SMC)	• To examine and approve safety allowance standard and payment
Safety Committee Office (SCO)	• To establish and maintain the safety officer management process of the Company • To arrange the monthly assessment of safety management personnel
Human Resources Department	• To be responsible for the payment of safety allowance
Department safety officer	• To guide and supervise the daily work of full-time and part-time safety management personnel in the department

Measures to ensure work safety

Internal safety inspection

It includes 2 levels of safety inspection. The safety officers shall make daily patrols. The inspection team consisting of team leaders from level 1 departments shall carry out regular inspections.

External safety inspection

We cooperate with the third-party organisation to conduct a comprehensive inspection of the assembly workshop, warehouse, distribution box and other areas with potential safety hazards, rectify the problems found on site, and summarise and develop a safety evaluation report for subsequent review.

Safety training

Online safety training and examinations were conducted for all the employees of the Company, and 100% of the office staff passed the examination. Offline fire drills were carried out at least twice a year. On-site safety case study training was conducted in the moulding plant to prevent personal injury accidents. As of the end of this year, a total of 147,600 people received daily safety training.

1

In 2021, there was 1 minor work-related injury of temporary workers.

0

In 2021, there was no work-related injury of contractors.

Occupation health safety management system certificate

"One Knowledge, Three Abilities, and Three Reminders" fire safety knowledge training

One Knowledge: To have the knowledge of the fire hazard of the site

Three Abilities: To have the abilities to turn on alarm, put out a fire and escape

Three Reminders: To give reminders of no fire, escape route and location of emergency exit; and instructions on use of fire-fighting equipment

Training results: we organised fire-fighting exercises for all the employees in the platform office. In order to reduce the gathering, we recruited no more than 50 trainees in each session, and the pass rate was 100%

Safety accidents

We conducted target division and safety KPI assessment with each department and factory according to the overall target of the industrial injury rate. In 2021, the number of major personal casualty accidents, major fire accidents, explosion accidents, occupational diseases, occupational poisoning accidents was 0 in total; and the pass rate of government and customer examination regarding critical incidents was 100%. We have absolutely met the target of controlling the number of major and extremely dangerous hidden dangers to less than 2 and the number of repeated hidden dangers to 0, with the target completion rate 20% higher than that in 2020.

Building of safety culture

Safety evaluation process

Self-examination and self-assessment	Two-line reporting	Safety arrangement
The equipment department and process department carried out potential risk identification and evaluation	Full-time safety personnel make risk assessment and identification based on the actual situations of the departments according to the safety risk characteristics and the characteristics of the production mode of the departments	The employees of the former safety department were separated and re-assigned to other departments for safety supervision

Occupational health

Employee health is the guarantee for employees to work normally and efficiently and the core of employee safety. We updated the *Inspection Report on Occupational Hazards in the Workplace* and the *Assessment Report on the Current Status of Occupational Hazards* according to the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases*, and provided comprehensive physical examination for employees with occupational health risks, such as those at posts exposed to X-ray, noise and other potential risks in the work process, so as to protect the employees from occupational hazard. The occupational health inspection team regularly inspects specified spots on the daily wearing of occupational health protective equipment by employees in high-risk positions. In addition, we regularly invited safety assessment agencies to evaluate the safety management in areas of hazardous and risky operations such as oil injection and welding.

In 2021, a total of 71 employees for special jobs received physical examination, of whom 3 were all qualified in the noise test during the re-examination, and 1 was transferred from the post due to the occupational contraindication of external exposure.

TCL King (Huizhou) and TCL Optoelectronics, subsidiaries of TCL Electronics, have passed the ISO 45001 occupational health and safety management system certification.

Sharing of warmth

TCL Electronics always attaches great importance to social responsibility. We actively respond to the call of promoting the sustainable development of corporate public service by "engaging all staff for public welfare", carried out various special care projects under the institutional guidance of *Measures for Management of TCL Electronics Charity Fund*, devoted ourselves to social philanthropy, actively understood the community needs and ensured that our business activities take community interests into account.

Topics covered in this chapter	Category
Community Investment	Social

Fight against the pandemic

In 2021, the COVID-19 pandemic remained severe and could not be ignored. TCL Electronics made great efforts to prevent and control the pandemic. We developed the *Emergency Plan for COVID-19, and Guidelines for Visitors*, based on which, visitors are required to sign the *Letter of Commitment for COVID-19 Prevention and Control of External Companies and Personnel, and* fill in *the Application Form for Entry* and Exit of *External Companies and Personnel*. To respond to the Chinese New Year and other special days involving huge traffic, a series of measures were issued such as *Arrangements for COVID-19 Prevention in Properties of TCL Electronics Building Before and After the Chinese New Year Festival* and *Arrangements for COVID-19 Prevention in Dormitories of the Industrial Park* to ensure pandemic prevention and control and employee health and safety. We spent about RMB0.24 million in purchasing materials for the prevention of pandemic in the year.

Summary of COVID-19 prevention and control efforts

Pandemic prevention policies

- The prevention and control policies issued by the government are converted into the internal pandemic prevention policies of the Group within 12 hours. Such policies have been updated for 28 versions in 2021.

Pandemic prevention measures

- Vaccination: We arranged the mass vaccination for the employees twice (7 sessions) in the factory. By the end of September 2021, 8,254 employees of TCL King (Huizhou), excluding 69 employees who did not meet the vaccination requirements (including pregnant women) , had completed the COVID-19 vaccination. As of the end of 2021, more than 2,000 employees in Shenzhen were vaccinated against COVID-19.
- Overseas pandemic prevention: We established a pandemic prevention team in Thailand to report the information about the infected employees on a daily basis, purchased pandemic insurance for the employees, and purchased and placed the test kits and respirators in the offices.

TCL Charity Foundation awarded excellent rural teachers

Public service activities

We hold fast to the philosophy of "assuming social responsibility and being an excellent corporate citizen". While promoting the growth of the Company, we actively undertake social responsibilities and are devoted to the development of education, promotion of social welfare and other public services.

"Pursuing public interest and promoting social progress" is the value that Shenzhen TCL Foundation pursues. On the principle of "abiding by the constitution, laws, regulations and national policies, practicing core socialist values, creating opportunities for education and growth for vulnerable groups, and seeking community well-being and sustainable environmental development", the foundation is committed to the three public welfare areas of poverty alleviation, education and disaster relief.

In 2021, TCL Project Hope Candlelight Award program granted awards to more than 400 outstanding rural teachers, covering 23 provinces. Since the inception of the program, we have invested more than RMB38 million cumulatively, and awarded 2,600 outstanding rural teachers from more than 2,000 schools with cash and 7-day offline training in the candlelight classroom.

Employees of TCL Electronics participated in the activities for National Disability Day in Xili Community of Shenzhen

During the Chinese New Year Festival in 2021, TCL Electronics Charity Committee visited 10 families with the disabled in Xili Disabled Persons' Federation and donated consolation money of RMB1,000 and consolation materials of RMB1,200 to each family as usual.

In memory of the National Disability Day

"Tomorrow Program", the first-generation college student aid program

2021 was the eighth year of cooperation between TCL Electronics Charity Fund and "Tomorrow Program". We donated RMB100,000 to the first-generation college student aid program through China Charities Aid Foundation for Children. Based on the philosophy of "changing the fate of families through education", the program finances and supports high school students none of whose immediate family members are college students, and gives them all-round help and makes improvements in terms of learning, quality and ability, so as to cultivate them into the first generation of college students in their families.

"Move with Love, Advance Together", public welfare activities of caring for special children

In September 2021, on the occasion of TCL's 40th anniversary, TCL Electronics Charity Foundation organised a serial charity activity called "Move With Love, Advance Together" to show care for children with intellectual disabilities, autism, Down syndrome and other special needs. We donated RMB60,000 to purchase adaptive sports training courses and supporting equipment kits for special children, and invited some of the benefited children to draw pictures to send their birthday wishes to TCL. The employees participated in the charity activities of donation and painting selling via the platform in their own names.

Poster for the charity activity

"A.I. Home" makes technology humane and home warmer

The "A.I. Home" project launched the offline outreach "Eagle" Story-telling Session, which gathered the children together by the way of storytelling and broadcasted the carefully selected stories through the "Eagle" story-telling machine, so as to popularise the famous literary allusion of ancient and modern times at home and abroad for children. As of December 2021, the project had established 14 pilot rural schools in 9 provinces across China, and distributed 50 Eagle story-telling boxes, benefiting more than 2,000 students.

A.I. Home Activity

Outlook

Looking into 2022, as a leading player in the global consumer electronics industry, we will continue to forge ahead, break new ground, and strive to provide customers around the world with unparalleled user experience from our innovative products.

Developing robustly to give impetus to the economy

We will get active insight into technology trends, explore industrial development paths, and maintain steady business growth.

Improving quality to bring values to customers

We will strictly guarantee the quality and safety of products, protect the rights and interests of consumers, and keep consumers worry-free.

Protecting environment to safeguard the health of our home

We will continue to explore green product design, pursue low-carbon and green development, and help achieve national and corporate goals.

Growing together to create opportunities for employees

We will constantly improve the human resource management system, focus on the health and safety of employees, and promote the rapid growth of talents in all aspects.

Sharing warmth to build a better society

We will shoulder our corporate social responsibilities, participate in community development, and take initiative in public welfare as an accountable corporate citizen.

ESG Performance Overview

ESG KPIs	Unit	2021	2020	2019
A. Environmental [20]				
A1. Emissions				
A1.1 Air contaminants [21]				
SO_2	kg	215	Not disclosed	Not disclosed
NO_x	kg	2,269	Not disclosed	Not disclosed
PM	kg	1,640	Not disclosed	Not disclosed
VOC	kg	97,052	Not disclosed	Not disclosed
A1.2 Total GHG emission and intensity				
Scope 1 [22](Direct greenhouse gas emissions generated by the use of diesel, gasoline and natural gas)	tCO_2e	10,994	14,407	23,023
Scope 2 [23] (Energy direct greenhouse gas emissions generated by the outsourced electricity and steam)	tCO_2e	88,932	111,323	67,838
Total GHG emission (Scope 1 and Scope 2)	tCO_2e	99,926	125,730	90,861
GHG emission intensity	kg CO_2e/HKD million revenue	1,335	2,097	1,934
A1.3 Total hazardous waste produced and intensity				
Paint waste	t	35	35	55
Paint scrap	t	35	34	7
Oil-contaminated wastewater	t	41	27	38
Empty buckets	t	10	8	8
Others	t	1,350	73	21
Total hazardous waste	t	1,471	178	129
Hazardous waste intensity by revenue	kg/HKD million revenue	19.65	3.80	2.75
A1.4 Total non-hazardous waste produced and intensity				
Carton	t	2,080	2,043	3,553
Plastics	t	928	999	1,622
EPS	t	308	221	408
Others	t	1,499	887	2,377
Total non-hazardous waste	t	4,815	4,150	7,960
Non-hazardous waste intensity	t/HKD million revenue	0.06	0.06	0.20

ESG KPIs	Unit	2021	2020	2019
A2. Use of resources				
A2.1 Total direct and/or indirect energy consumption by type and intensity				
Diesel [24]	L	5,397	2,016	32,613
Gasoline	L	26,466	22,927	27,344
Natural gas	m^3	4,856,281	4,180,146	3,541,285
Outsourced grid power consumption	kWh	147,717,876	126,205,173	78,744,127
Outsourced steam	t	240	0	8,722
Solar power generation	kWh	17,488,240	7,310,680	4,481,621
Total Energy Consumption [25]	MWh	218,050	178,977	131,225
Energy Consumption intensity by revenue	MWh/HKD million revenue	2.91	3.27	2.88
A2.2 Total water consumption and intensity				
Total water consumption	m^3	1,079,693	982,617	996,590
Water intensity by revenue	m^3/HKD million revenue	14.43	17.63	21.86
A2.5 Total packaging material used				
Carton	t	73,641	59,786	95,497
Manual	t	3,628	3,364	18,489
EPS foam	t	12,334	15,211	12,883
Total Packaging material	t	89,604	78,361	110,229
B. Social				
B1. Employment				
B1.1 Total workforce by gender, employment type, age group and geographical region				
Total number of employees	Number of person	31,238	34,155	28,374
Total workforce by gender				
Male	Number of person	18,854	21,189	17,444
Female	Number of person	12,384	12,966	10,930
Total workforce by employment type [26]				
Full-time	Number of person	28,696	Not disclosed	Not disclosed
Part-time	Number of person	2,542	Not disclosed	Not disclosed
Total workforce by age group				
29 and below	Number of person	13,461	16,912	13,246
30-49	Number of person	16,596	16,199	14,437
50 and above	Number of person	1,181	1,044	691

[20] In 2021, TCL Communication was added to the scope of environmental intensity KPIs compared with 2020. In addition, Vietnam factory workers were quarantined in the factory area due to the COVID-19 pandemic, and the production capacity of the Vietnam factory was increased. As a result, some indicators of emissions waste and energy consumption have increased significantly.

[21] New KPI disclosed in 2021. The air contaminants emitted by the Company is mainly the nitrogen oxide from the natural gas burning and the volatile organic compounds (VOC) from the the painting process. The air contaminants are regularly tested by the regulatory authorities of plant location and comply with the standards set by the local government. In the past years, the Company has not made accurate statistics on air contaminants, and started count and disclosed such environmental indicators from 2021.

[22] To avoid double counting, the scope 1 GHG emissions in 2021 excluded the initial refrigerant charge of equipment compared with 2020 and only included the added weight due to refrigerant escape.

[23] The source of grid electricity GHG emission factor is the *Guidelines for Accounting Methods and Reporting of Corporate Greenhouse Gas Emissions - Power Generation Facilities (2022 Revised Edition)* issued by the Ministry of Ecology and Environment

[24] In 2021, the gasoline and diesel consumption of water trucks, fire trucks and security patrol motorcycles in TCL King (Huizhou) were added. The KPIs of past years were supplemented and restated. The GHG emissions and intensity, total energy consumption and intensity are also restated.

[25] The source of standardised coal coefficient and electric power equivalent value used to calculate energy consumption is General Rules for Calculation of the Comprehensive Energy Consumption (GB/T2589-2020) issued by National Standard of the People's Republic of China.

[26] The number of employees by employment type in 2021 adopts the classification of full-time employees and part-time employees. The data classified by senior management, middle-level management and junior employees corresponding to 2020 and 2019 have been restated.

ESG KPIs	Unit	2021	2020	2019
Total workforce by geographical region				
Mainland China	Number of person	25,932	30,001	24,871
Hong Kong, Macau and Taiwan	Number of person	52	21	65
Overseas	Number of person	5,254	4,133	3,438
B1.2 Employee turnover rate by gender, age group and geographical region [27]				
Overall employee turnover rate	%	33	41	45
Employee turnover rate by gender				
Male	%	35	44	46
Female	%	30	36	42
Employee turnover rate by age group				
29 and below	%	46	48	45
30-49	%	24	32	44
50 and above	%	16	48	51
Employee turnover rate by geographical region				
Mainland China	%	4	42	40
Hong Kong, Macau and Taiwan	%	37	22	6
Overseas	%	72	31	160
B2. Health and safety				
B2.1 Number and rate of work-related fatalities				
Number of work-related fatalities	Number of person	0	0	3
Rate of work-related fatalities	%	0	0	0.01
B2.2 Lost days due to work injury				
Number of injuries	Case	6	13	56
Total lost days due to work injury	Day	93	666	150
B3. Development and training				
B3.1 Percentage of employees trained by gender and employee category				
Percentage of employees trained	%	100	100	100
Percentage of male employees trained	%	100	100	100
Percentage of female employees trained	%	100	100	100
Percentage of senior management trained	%	100	100	100
Percentage of middle management trained	%	100	100	100
Percentage of junior employees trained	%	100	100	100
B3.2 Average training hours completed per employee by gender and employee category				
Average number of training hours for all employees	Hour	28	24	14
Average number of training hours for male employees	Hour	31	25	17
Average number of training hours for female employees	Hour	22	22	10
Average number of training hours for senior management	Hour	95	27	103
Average number of training hours for middle management	Hour	53	39	62
Average number of training hours for junior employees	Hour	27	23	14

[27] The 2021 employee turnover rate calculation excludes the number of labor dispatch.

ESG KPIs	Unit	2021	2020	2019
B5. Supply chain management				
B5.1 Number of suppliers by geographical region				
Breakdown by geographical region				
Mainland China	Number of suppliers	466	396	362
Hong Kong, Macau, Taiwan and overseas	Number of suppliers	141	140	61
B5.2 Suppliers implementing management practices [28]	Number of suppliers	588	Not disclosed	Not disclosed
B6.Product responsibility				
B.6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons [29]	%	0	Not disclosed	Not disclosed
B6.2 Number of products and service related complaints received [30]	Case	1,064	1,238	1,437
B7.Anti-corruption				
B7.1 Number of concluded legal cases regarding corrupt practices brought against the Company or its employees	Case	1	0	0
B7.3.Anti-corruption training provided to directors and staff [31]				
Anti-corruption training courses	Session	12	Not disclosed	Not disclosed
Training participated by directors (including directors of subsidiaries of the Company)	Person-times	264	Not disclosed	Not disclosed
Training participated by employees	Person-times	9,245	Not disclosed	Not disclosed
B8. Community investment				
B8.2 Resources contributed to the focus area				
Value of goods and materials donated	RMB thousand	70	116	420
Number of volunteer hours	Hour	41,893	13,938	1,838
Number of volunteers	Number of person	860	732	286
Monetary donations	RMB thousand	307	199	240

[28] New KPI disclosed in 2021.
[29] New KPI disclosed in 2021.
[30] This item includes complaints related to TCL Electronics smart screen products received from China and overseas, including complaints about products, services, sales, etc. Compared with 2020, the number of overseas complaints has been added.
[31] New KPI disclosed in 2021.

ESG Index

Mandatory Disclosure Requirements

Description	Disclosure paragraph
Governance Structure	
A statement from the board containing the following elements: (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	Statement of the Board
Reporting Principles	
A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report: Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement.	About This Report ESG Governance
Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.	About This Report ESG Performance Overview
Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.	About This Report ESG Performance Overview
Reporting Boundary	
A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	About This Report

"Comply or explain" Provisions

Aspects, general disclosures and KPIs	Description	Disclosure paragraph
A. Environmental		
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.	Environmental Protection
KPI A1.1	The types of emissions and respective emissions data.	ESG Performance Overview
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Climate Change Response ESG Performance Overview
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Pollutant Discharge and Waste Management ESG Performance Overview
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Pollutant Discharge and Waste Management ESG Performance Overview
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Environmental Protection Energy Management Water Management Pollutant Discharge and Waste Management Climate Change Response
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Environmental Protection Pollutant Discharge and Waste Management
A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Green Design Energy Management Water Management
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).	Green Design Energy Management ESG Performance Overview
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Water Management ESG Performance Overview
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Environmental Protection Energy Management
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Environmental Protection Water Management
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Green Design ESG Performance Overview
A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Pollutant Discharge and Waste Management
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Pollutant Discharge and Waste Management
A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change Response
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Change Response

Aspects, general disclosures and KPIs	Description	Disclosure paragraph
B: Social		
Employment and Labour Practices		
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.	Employment Employee Rights and Interests Employee Training and Development
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Employment ESG Performance Overview
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	ESG Performance Overview
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.	Safety of The Employees
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	ESG Performance Overview
KPI B2.2	Lost days due to work injury.	ESG Performance Overview
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Safety of the Employees
B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Employee Training and Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Employee Training and Development ESG Performance Overview
KPI B3.2	The average training hours completed per employee by gender and employee category.	Employee Training and Development ESG Performance Overview
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.	Employment
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Employment
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Employment
Operating Practices		
B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Multi-Win Operation
KPI B5.1	Number of suppliers by geographical region.	ESG Performance Overview
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Multi-Win Operation ESG Performance Overview
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Multi-Win Operation
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Multi-Win Operation Green Design

Aspects, general disclosures and KPIs	Description	Disclosure paragraph
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.	Product Quality User Service
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Quality ESG Performance Overview
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	User Service ESG Performance Overview
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Complying with Laws and Regulations
KPI B6.4	Description of quality assurance process and recall procedures.	Product Quality
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	User Service
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.	Complying with Laws and Regulations
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.	Complying with Laws and Regulations ESG Performance Overview
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Complying with Laws and Regulations
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Complying with Laws and Regulations ESG Performance Overview
Community		
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.	Sharing of Warmth
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Sharing of Warmth
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Sharing of Warmth ESG Performance Overview

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