(Incorporated in the Cayman Islands with limited liability)

(Stock code: 01070)

2024

TCL Electronics Holdings Limited

Environmental, Social and Governance Report

Contents

About this Report 01

Chairperson's Message 03

About TCL Electronics 05

Performance Highlights of 2024 09

Statement of the Board 10

ESG Governance 11

01 Embedding Integrity and Advancing Governance Excellence

Creating Economic Value 21

Establishing a Strong Compliance Safeguard Framework 23

02 Building on Quality to Drive Product Innovation

Putting Users First 29

Commitment to Quality Excellence 35

Creating an Innovative Landscape 40

Developing Sustainable Products 55

03 Seeking Win-win Cooperation and Partnering for Development

Strengthening Supplier Management 67

Building Sustainable Supply Chain 68

04 Pursuing Harmonious Coexistence to Lead a Low-carbon Future

Environmental Compliance Management 75

Response to Climate Change 78

Implementing Energy Conservation and Consumption Reduction 93

Strict Control of Pollution Emissions 96

Promoting Circular Economy 99

Developing a Net Zero Ecosystem 100

05 A Human-Centric Approach to Talent Development

Safeguarding Safety and Health 103

Protection of Employees' Rights and Interests 107

Supporting Employee Development 110

06 Shared Values for Enhanced Social Well-being

Empowering Society Through Technology 115

Nurturing Children's Growth 116

Fostering Cultural Spirit 118

Outlook 119

ESG Performance Overview 121

ESG Index 128

About this Report

Overview

The 2024 Environmental, Social and Governance Report of TCL Electronics Holdings Limited (the "Report") aims to reflect the environmental, social and governance ("ESG") performance of TCL Electronics in an objective, fair, standard and comprehensive manner in 2024.

Scope and Boundary

The Report includes policies, measures, and data pertaining to TCL Electronics and its key subsidiaries, encompassing operations based in the People's Republic of China (the "PRC" or "China") and other countries and regions. The reporting scope of the Report covers the Group's display business (including large-sized display, small-and-medium-sized display, and smart commercial display businesses), innovative business (including smart connection, smart home, all-category marketing, and photovoltaic businesses) and internet business. It aims to present the Group's ESG performance in a balanced manner, particularly ESG matters that may significantly impact the sustainability of the Group's business operations and are of high concern to stakeholders. The time frame of the Report aligns with that of the Annual Report, i.e. the financial year from 1 January 2024 to 31 December 2024 ("this Year"), and to enhance the comparability and forward-looking nature of the Report, some contents may appropriately exceed this scope.

Glossary

"TCL Electronics", "Group", "Company" and "We"	TCL Electronics Holdings Limited and/or its subsidiaries (as appropriate)
"TCL Industries Holdings"	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, mainly engaged in the televisions ("TVs") business
"TCL Communication"	TCL Communication Technology Holdings Limited and/or its subsidiaries (as appropriate), a subsidiary of TCL Electronics, mainly engaged in mobile phones, tablets, smart connections, and other businesses
"TCL Photovoltaic Technology"	Huizhou TCL Photovoltaic Technology Co., Ltd., a subsidiary of TCL Electronics, mainly engaged in sale of photovoltaic power generation equipment and systems, provision of construction, operation and maintenance services and other new energy technology businesses
"Huizhou TCL Mobile"	Huizhou TCL Mobile Communication Co., Ltd., a subsidiary of TCL Communication
"Smart screen"	Mainly refers to the smart TV in the large-sized display business
"BU(s)"	Business Unit(s) under TCL Electronics

Source of Data and Authenticity

Data in the Report were mainly derived from the Group's statistical reports, public disclosures, and internal correspondence. The Board of Directors of the Company (the "Board" or "Board of Directors") assures no falsehoods or misleading statements exist within the Report, and is responsible for the content's truthfulness, accuracy, and completeness.

Reporting Basis and Principles

The Report, primarily compiled in accordance with the *Appendix C2 Environmental, Social and Governance Reporting Code* to the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* (the "Listing Rules"), adheres to the principles of materiality, quantification, balance, and consistency.

- **Materiality:** For the ESG issues that the Group identified as having a material impact on its business operations through regular communications with stakeholders and materiality analysis, the Report addresses them based on the analysis results. The details of the materiality assessment and major stakeholder participation channels are available in the "ESG Governance" section of the Report.
- **Quantification:** The Report provides quantitative disclosures on the Group's performance on material ESG issues. A summary of quantified key performance indicators (KPIs) is specified in the "ESG Performance Overview" section. Data on the standards, methodologies, assumptions and/or calculation tools used in presenting these KPIs, along with the sources of major conversion factors, are disclosed as appropriate within the Report.
- **Balance:** The Report fairly and objectively presents both the positive and negative aspects of ESG issues, along with corresponding mitigation measures, to offer a comprehensive view of the Group's sustainability efforts.
- **Consistency:** To ensure the comparability of all reports, the Group applies consistent reporting standards, principles, and data statistics methods. Any deviations (if any) from the 2023 ESG Report are clearly explained.

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

Board Approval

The Report was reviewed and approved by the Board of Directors on 21 March 2025.

Chairperson's Message

DU Juan

Chairperson

"

The past year witnessed ongoing shifts in the global economic landscape, rapid advancements in technology, and the growing global consensus around sustainable development. In an era filled with both opportunities and challenges, TCL Electronics remained committed to its strategy of "Lead with Brand Value, Excel in Global Efficiency, Drive with Technology, and Thrive on Global Vitality" and kept exploring new pathways for high-quality growth. Guided by ESG principles, we continued to pursue robust development amid a complex environment, delivering greater value to shareholders, employees, customers, and society.

"

Adopting an Innovation-driven Approach to Lay a Solid Foundation for High-quality Development.

TCL Electronics has always regarded technological innovation as the core competitiveness of its corporate development. In 2024, we actively reinforced our planning of the innovation system, set clear innovation goals in various business areas, and invested RMB 2.13 billion in research and development ("R&D"). Through broad collaboration with industry partners and exchange, we advanced the R&D and transformation of frontier technologies, contributing to the emergence and development of new quality productive forces. In 2024, we achieved significant breakthroughs in display, communication, AI, and other technologies, accumulating a total of 8,289 authorised patents. Our products—including the TCL 75C855 TV, TCL NXTPAPER 11 Plus tablet, TCL 50 PRO NXTPAPER 5G smartphone, and our AI virtual companion app TCL ChatBird—garnered multiple awards and industry recognition.

Empowering Green Transformation and a Low-Carbon Future.

TCL Electronics recognised the urgency of global climate challenges and embraced its role as a responsible industry leader. At the operational level, we actively supported carbon peaking and carbon neutrality goals by reducing energy consumption and carbon emissions in our production and operation processes. We integrated green, low-carbon, and circular economy principles throughout the product lifecycle and promoted low-carbon transformation across the entire value chain. By leveraging our technological strength in new energy, we contributed to society's net-zero future. In 2024, the total shipment of our photovoltaic business has exceeded 6 GW, generating 3 billion kWh of green electricity and achieving a direct carbon reduction contribution of 1.61 million tonnes.

Fulfilling Our Responsibilities to Join the Building of a More Harmonious Society.

TCL Electronics understands that business success is inseparable from the high-quality development of its country and society. We adhered to the equal employment principle to create jobs for people from all walks of life. We fostered a diverse, inclusive, and healthy corporate culture that supported employees' professional and personal development, thereby injecting vitality into corporate development. In addition, we actively engaged in philanthropic endeavours, where we promoted social progress through technological innovation and contributed to education, culture, and other fields. In 2024, we invested RMB 11.09 million in philanthropic endeavours.

We promise we will remain steadfast in our mission. Looking ahead to 2025, the global economy continues to face uncertainties. Yet we firmly believe that this is an era filled with both challenges and new opportunities. TCL Electronics will stay committed to innovation-driven growth and sustainable development, seizing every development opportunity emerging from digital transformation and the global low-carbon transition. By identifying new drivers of growth and partnering with stakeholders across all sectors of society, we will continue to chart a course toward high-quality development and contribute more wisdom and strength to a sustainable future for all.

DU Juan

21 March 2025

About TCL Electronics

Company Profile

TCL is the abbreviation of "The Creative Life".

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

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

TCL Electronics is among the eligible securities under Shenzhen-Hong Kong Stock Connect, and has been included in the constituents of Hang Seng Stock Connect Hong Kong Index, Hang Seng Composite MidCap & SmallCap Index and Hang Seng Corporate Sustainability Benchmark Index (HSSUSB).

Our Strategy

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

- Streamline operation via digitalisation
- Provide competitive quality and price

- Organisation vitality
- Employee vitality

- Technology drives the growth
- Keep technological innovation and investment

Organisations and Initiatives Supported by TCL Electronics

United Nations Global Compact (UNGC)

Responsible Business Alliance (RBA)

Responsible Minerals Initiative (RMI)

Science Based Targets Initiative (SBTi)

Global Enabling Sustainability Initiative (GeSI)

Honours & Recognition

TCL Electronics' Honours and Recognition

Category	Award-winning Product/ Brand/Company	Award Title	Award-granting Organisation
Comprehensive	TCL Electronics	Best ESG Award	China IR Annual Awards
		Best Value Creation Award	
		Best Information Disclosure Award	
		ESG Sustainability Excellence Enterprise Award	Gelonghui Jinge Award
		Annual Investment Value Award	
		Annual Information Disclosure Award	
		Best Investor Relations Company Award	Hong Kong Investor Relations Association
		New Fortune Best IR Hong Kong Listed Company Award	New Fortune
		2024 Golden Hong Kong Stock Award	Zhitongcaijing
		Top 100 IR Company Award	Judongmi
Design	TCL 2024 QD-Mini LED TV (X11H, X965, QM952G) and other TV series	iF Design Award 2024	iF International Forum Design GmbH
	TCL Q8/Q7 Series Soundbar (Q85H/Q75H/Q8XH/Q7XH) and other soundbar series	IDEA Design Award	Industrial Designers Society of America
	TCL NXTPAPER 11 Gen2 and other tablet series	G-Mark Design Award	Japan Industrial Design Promotion Organisation

Category	Award-winning Product/ Brand/Company	Award Title	Award-granting Organisation
R&D and innovation	115GQM891G TV	Innovative Display Technology Gold Award of the Year (2023-2024)	Global Top Brands under IDG
	TCL LINGYAO QD-Mini LED X11H TV	AWE Gold Award in 2024	Appliance & Electronics World Expo (AWE)
	TCL 115X955 MAX TV	Best Product 2024-2025 (STATEMENT TV)	
	TCL 75C855 TV	Best Product 2024-2025 (HOME THEATRE MINI LED TV)	Expert Imaging and Sound Association (EISA)
	TCL QD-Mini LED 55C765	Best Product 2024-2025 (GAMING TV)	
	TCL LINGYAO QD-Mini LED X11H TV	Innovation Award of the 12th China Information Technology Expo	China Information Technology Expo Committee
	Office smart screen	Office Smart Screen Innovative Product Award	The 15th China (International) B2B Display System Industry Leaders Summit
	Office Smart Screen E30	Annual Impact Product Award	IT Empower China Committee

Performance Highlights of 2024

The Group has received an **A** rating in the Hang Seng Index ESG ratings for **7** consecutive years

The Group has been included in the constituents of HSSUSB for **6** consecutive years

The Group received a **BB** rating from MSCI ESG Rating

The core business received the highest level **B** rating from the management level of CDP Climate Change

The Mobile Phone Business was awarded a Gold Medal again in the EcoVadis Rating (ranking in the top **5%** globally)

The Group received a score of **29.4** from Sustainalytics

The Group received an **A** rating from Wind ESG Rating (industry ranking 5/177)

The global shipments of TCL TV sets increased by **14.8%** year-on-year

R&D investment totalled RMB **2.13** billion

A total of **8,289** patents were granted

The proportion of female staff over **40.0%**

The photovoltaic business generated **3** billion kWh of green electricity

Achieving a direct carbon reduction contribution of **1.61** million tonnes

Information security training reached **5,698** attendances

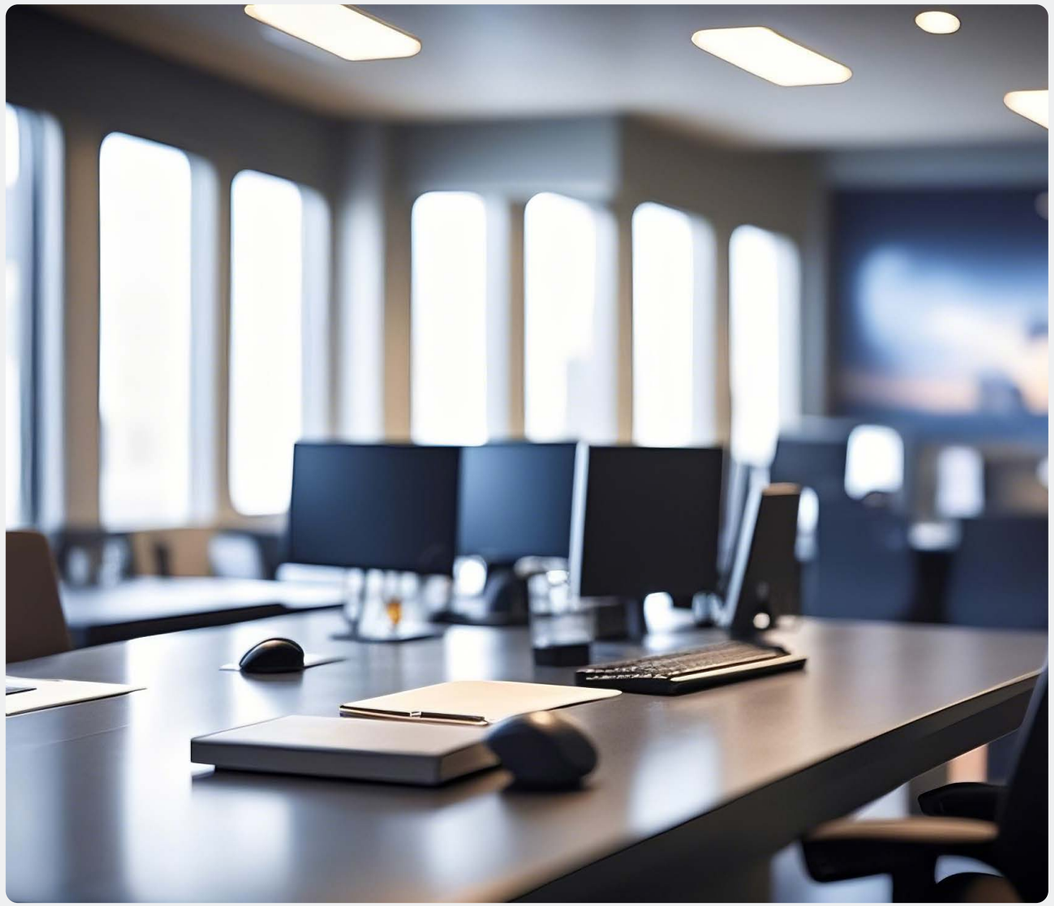
Total supplier base reached **1,010**

RMB **11.09** million was invested in philanthropic endeavours

Statement of the Board

The Board of Directors of TCL Electronics places strong emphasis on ESG management and fully undertakes its supervisory responsibilities in this area. In coordination with the ESG leadership team, the Board closely supervises the Group's ESG strategy and development direction, regularly receives reports from the ESG leadership team, discusses and reviews the Group's ESG impacts, risks, opportunities, performance, and progress, reviews the ESG report annually, and examines the progress of ESG-related targets.

In 2024, in response to evolving business development needs, the guidance of policies and standards, market trends, and stakeholder expectations, TCL Electronics adopted the dual materiality assessment approach for the first time, further enhancing the rigour and relevance of its ESG assessment. The Company also reviewed its 2025 ESG targets and assessed the progress made. These outcomes were reviewed, discussed, and finally approved by the Board, with further details set out in the Report.



ESG Governance

TCL Electronics is committed to advancing sustainable development by gathering consensus from various stakeholders, understanding their expectations on its ESG performance through diverse and smooth communication channels, and putting their insights into our work priorities. Supported by a well-established ESG governance structure, we ensure the effective implementation of various ESG tasks and responsiveness to social concerns.

ESG Governance Structure

TCL Electronics has developed a comprehensive ESG governance structure system, where the Board of Directors performs decision-making duties and ESG responsibilities are executed through coordinated efforts among leadership, management, and implementation teams.

ESG Governance Structure

Board of Directors	Directors	• Take responsibility for ESG-related affairs • Supervise ESG direction and strategies • Regularly discuss and review the Group's ESG impacts, risks, opportunities, performance and target progress
ESG leadership team	Senior management	• Lead ESG-related affairs • Formulate ESG strategies • Allocate resources of the Group for ESG tasks • Review and approve results of ESG tasks • Respond to the Board's regular reviews
ESG management team	Heads of relevant departments	• Manage ESG tasks (including assessing, prioritising, and managing ESG-related affairs and risks) • Delegate ESG personnel for implementation • Supervise the progress of ESG tasks • Report to the ESG leadership team
ESG implementation team	The related employees of business and functional departments, domestic and overseas manufacturing bases and subsidiaries	• Collect and report ESG information • Implement specific ESG tasks • Report to the ESG management team

Communication with Stakeholders

Stakeholder expectations and feedback play a pivotal role in enhancing our ESG performance. We maintain open and diversified communication channels to understand the expectations of both internal and external stakeholders, and we respond with active and targeted actions that meet their aspirations and requirements for TCL Electronics.

Communications with Stakeholders

Stakeholders	Communication Channels	Focuses	The Group's Responses
Employees	• Employees' emails • Employees' meetings • Employee activities • Employee satisfaction surveys	• Protection of employees' rights and interests • Employee development and training • Personal health and safety • Work-life balance • Internal communication channels	• Provision of competitive compensation, benefits, learning, and promotion opportunities • Organisation of employee activities • Provision of a safe and sound working environment • Development of a transparent employee management mechanism
Customers and potential customers	• Customer service centre • Service hotline • Complaint and suggestion mailbox • Questionnaire • User interview • Official WeChat accounts • Information disclosure	• Product and service quality and safety • Data security and customer privacy protection • After-sales service and warranty • Product packaging and design • Green products	• Enhancement of all-round control in quality and safety • Enhancement of customer privacy protection • Use of environmentally friendly processes for product manufacturing • Customer satisfaction surveys • Enhancement of training on the after-sales guarantee system
Suppliers	• Regular suppliers' meetings • Working meetings • Daily communication • Regular assessments	• Sustainable supply chain • Green products • Open and transparent procurement process • Localised procurement • Honesty, transparency, and cooperation	• Emphasis on sustainable and responsible supply chain management • Development of green products across the entire lifecycle • Enhancement of institutional mechanisms to ensure transparency in procurement processes
Investors and shareholders	• Information disclosure • General meetings of shareholders • Results announcement conferences • Non-deal roadshows • Investor conferences	• Compliance operation and risk management • Anti-commercial bribery and anti-corruption • Business ethics • Timely and accurate information disclosure • Creation of economic value • Clear operational strategy	• Improvement of the compliance risk system • Improvement of the anti-corruption mechanism • Enhancement of business ethics training • Regular disclosure of business and financial information • Improvement of corporate governance and investor relationship management • Maintenance of business and profitability growth

Stakeholders	Communication Channels	Focuses	The Group's Responses
Governments and regulators	• Regular visits • Policy communication • Meetings and exchanges • Information submission and filing • Routine inspection • Government-enterprise cooperation projects	• Active response to climate change • Pollutant and waste management • Support to local development • Promotion of local employment • Payment of taxes according to law • Compliance operation and risk management	• Formulation of climate action strategy • Enhancement of pollutant and waste management • Implementation of regulatory policies • Improvement of tax-related management • Active shouldering of social responsibilities • Implementation of business activities in accordance with the needs of industry and regional economic development
Industry associations and chambers of commerce	• Industry seminars • Forums • Cooperative research	• Promotion of industry development • Fulfilment of corporate social responsibility	• Strengthening of multi-party business cooperation • Exploration of innovative business models • Promotion of technological innovation and change in the industry
Media	• Press briefings • Media visits • Regular seminars	• Services and products • Corporate social responsibility	• Strengthening of new product publicity • Establishment of a responsible brand image
Philanthropic and community organisations	• Cooperation in charitable activities • Volunteer services • Communication with the community and property management	• Enhanced contributions to society • Support for charitable causes	• Implementation of charitable activities to promote social well-being

Dual Materiality Assessment

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

Analysis Process for the Materiality of ESG Issues

Contextual Analysis of Business Activities and Relationships

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

Formation of an Issue List

- Identify potential material issues
- Identify the impacts, risks, and opportunities associated with each issue and compile them into an issue list

Assessment and Confirmation of Material Issues

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

Background Analysis and Issue Identification

TCL Electronics systematically summarised the *Long ESG Issue List of TCL Electronics* impacting the Group and its stakeholders through the analysis of the following factors.

Main Analytical Factors	
Regulatory requirements, standard systems and international initiatives related to ESG	• The *Environmental, Social and Governance Reporting Code* (ESG Reporting Code) of the Hong Kong Stock Exchange • The EU's *Corporate Sustainability Reporting Directive* (CSRD) and *European Sustainability Reporting Standards* (ESRS) • The Global Reporting Initiative (GRI)'s *Sustainability Reporting Standards* (GRI Standards) • The *Sustainable Industry Classification System* (SICS) of the Sustainability Accounting Standards Board (SASB) • UN Sustainable Development Goals (SDGs) and others
ESG capital markets ratings	• MSCI ESG Rating • CDP Rating • EcoVadis Supply Chain Sustainability Rating
Macro trends	• Policy trends • Industry trends • Consumer market trends
Current development status and strategic planning	• Characteristics of core business activities • Development needs • Strategic planning • Material issues in 2023

Building upon the *Long ESG Issue List of TCL Electronics*, the Company relied on the expertise of internal and external experts and the senior management to validate and assess the applicability of each ESG issue. This involved naming and definitions of issues, and conducting detailed analyses of their potential impacts, associated risks, and opportunities. The outcome of this process was the development of the *Short ESG Issue List of TCL Electronics*.

Assessment and Confirmation

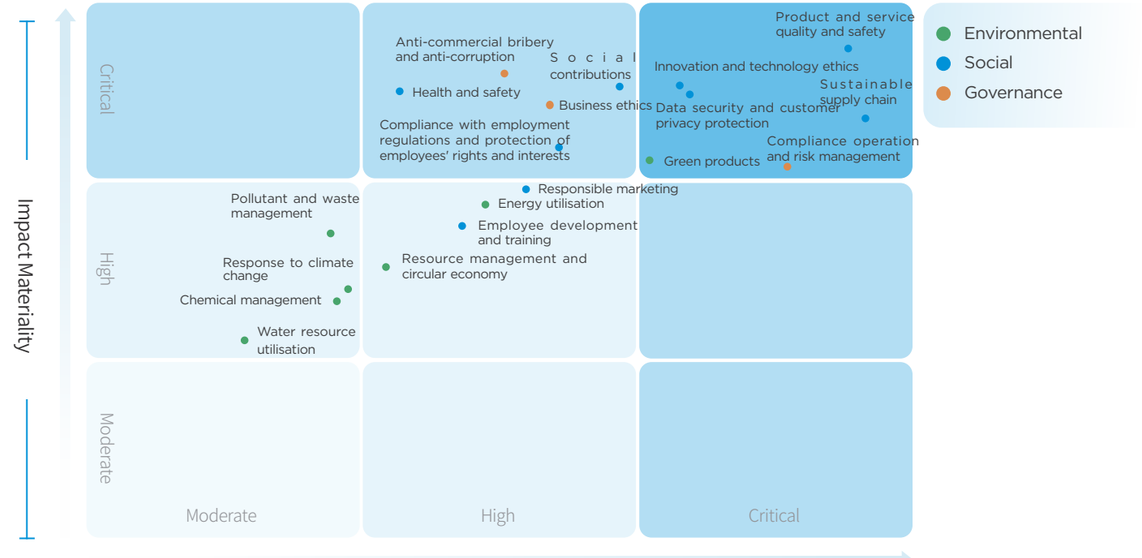
Using the *Short ESG Issue List of TCL Electronics* as a foundation, TCL Electronics designed questionnaires to assess the impacts, risks and opportunities of each issue across two materiality dimensions: financial materiality and impact materiality. These questionnaires were distributed to a broad set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

Impact materiality assessment	Dimension 1: likelihood of impact Dimension 2: severity of impact	The Company conducted a survey among a wide range of stakeholders, including governments and regulators, shareholders, investors, directors, supervisors and senior executives, employees, customers and potential customers, suppliers/contractors, partners, ESG experts, industry associations, communities and the public. The objective was to evaluate whether the Company's performance on ESG issues could generate actual or potential material impacts on the economy, environment, or society. A total of 184 valid questionnaires were received.
Financial materiality assessment	Dimension 1: likelihood of impact Dimension 2: severity of impact	The Company conducted a focused survey with financially literate stakeholders, including shareholders, investors, creditors, directors, supervisors and senior executives, finance professionals, and staff from the strategy and investment department. The survey helped to assess whether each ESG issue could materially affect the Company's business model, business operations, development strategies, financial position, operating performance, cash flow, or financing structure and cost. A total of 39 valid questionnaires were received.

Review and Confirmation of Material Issues

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

2024 TCL ESG Material Issue Matrix



TCL Electronics 2024 Material Issues List

Moderate Critical High

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

Risks and Opportunities Related to Financial Materiality Issues

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

Issue	Definition	Impact Horizon[1]	Risks	Opportunities
Green products	Initiatives to develop green products across the entire lifecycle.	Short-term Medium-term Long-term	**Short-term financial risk:** In the short term, significant investment in green technology R&D may increase the Company's R&D expenses. **Supply chain collaboration risk:** Achieving lifecycle-wide green products requires strong collaboration among upstream enterprises within the supply chain. Interrupted and untimely communication may cause risks such as production delays and higher costs.	**Long-term financial opportunity:** In the long term, improved resource utilisation efficiency and reduced waste in energy and various resources will lower production costs and enhance the Company's profitability. **Market opportunity:** With growing public awareness of environmental issues, the consumer market is increasingly favouring sustainable products. Developing green products across the entire lifecycle helps build consumer trust and strengthens the Company's competitiveness in the market.
Product and service quality and safety	Initiatives to comprehensively ensure the safety and quality of products and services.	Short-term Medium-term Long-term	**Compliance and reputational risk:** Substandard quality may reduce customer and consumer satisfaction and even lead to litigation, harming the Company's reputation. **Safety risk:** Potential product safety hazards may harm consumers' health, resulting in severe legal and financial consequences.	**Market opportunity:** Continuously providing high-quality and safe products and services is conducive to establishing a responsible brand image, attracting potential customers and consumers and enhancing the Company's competitiveness in the market.
Innovation and technology ethics	Initiatives related to product and technological innovation, risk management, technology ethics, and intellectual property management.	Medium-term Long-term	**Financial and technological risks:** Innovation and R&D require substantial financial investment and often involve uncertainties such as technical failure, bottlenecks, or underperformance. These may result in wasted resources, financial losses, and weakened innovation momentum, ultimately impacting the Company's financial stability. **Compliance and reputational risks:** Poor management of technology ethical risks may expose the Company to legal risks, damage its reputation, and hinder business development.	**Market opportunity:** Leveraging advanced technological innovation capabilities enables the Company to stay ahead of technological and market trends, enter new sectors, meet evolving customer needs, and strengthen its overall competitiveness. **Resource efficiency gains:** Innovation can drive the emergence of new technologies and processes, which can significantly improve resource utilisation efficiency and effectively reduce operational costs.
Sustainable supply chain	Initiatives aimed at strengthening supply chain risk management, avoiding controversial minerals, and promoting sustainable supply chain development.	Short-term Medium-term	**Compliance and reputational risks:** If supply chain partners fail to comply with relevant laws, regulations or ESG standards, the Company may be exposed to breach of regulations and reputational damage. **Stability risk:** Disruptions in the supply chain may lead to material shortages, increased costs, and delays in production, affecting operational stability. **Short-term financial risk:** Continuous resource investment in supply chain management may raise short-term operational costs and adversely affect financial performance. **Quality risk:** As supply chains become more complex, maintaining product quality becomes more challenging. Any quality issues may harm customer satisfaction, damage the Company's reputation, and result in potential litigation.	**Transparency and compliance:** Developing a transparent and traceable supply chain can enhance trust among customers and investors and align with increasingly stringent sustainability requirements. **Supply chain optimisation / long-term financial opportunities:** Building an efficient and resilient supply chain can strengthen the Company's ability to address external uncertainties, thereby ensuring stable and high-quality material supply and reducing long-term supply chain costs. **Cooperation and win-win results:** Establishing strategic partnerships with suppliers, particularly around product quality, green products, and other issues, supports co-development of solutions and promotes long-term value chain sustainability.
Data security and customer privacy protection	Initiatives to ensure data security and protect customer privacy.	Medium-term Long-term	**Data leakage risk:** Inadequate data protection measures may lead to the leakage of sensitive information, resulting in customer losses and potential legal liabilities. **Compliance risk:** Failure to comply with data protection regulations may result in regulatory penalties and disrupt the Company's normal operations.	**Market opportunities:** By strengthening data security and customer privacy protection, the Company can enhance brand trust, attract privacy-conscious customers, meet compliance requirements, stand out in the highly competitive market, become industry benchmarks, and win a larger market share. **Long-term development:** Establishing a sound data governance system lays a solid foundation for the steady growth of the Company, which can help the Company promote technological innovation, explore new markets, and achieve sustainable development.
Compliance operation and risk management	Initiatives to ensure compliance operation and improve risk management.	Long-term	**Compliance risk:** Failure to comply with regulations and standards may lead to serious legal consequences, including fines, punishments, or litigation. **Reputational risk:** Public identification as a non-compliant entity may damage the Company's brand reputation, undermine its relationships with customers, investors, and partners, and ultimately lead to a loss of market share.	**Market opportunities:** Through compliance operation, the Company can win the trust of more customers and partners, enhance their brand reputation, and gain a dominant position in the highly competitive market. **Long-term development:** A sound risk management system helps the Company avoid potential crises, ensures the stable operation of their businesses, lays a solid foundation for sustainable growth, and provides support for innovation and the expansion into new markets.

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

01 Embedding Integrity and Advancing Governance Excellence

Robust corporate governance is the cornerstone of long-term business success. While formulating strategies based on in-depth industry insights and market dynamics, TCL Electronics upholds high standards of business ethics. The Company embeds integrity and compliant operations into its business practices, aiming to standardise its operations, continuously enhance governance practices and lay a solid foundation for its sustainable development.

Creating Economic Value

Establishing a Strong Compliance Safeguard Framework

Creating Economic Value

TCL Electronics implements a strategy of "adhering to compliance, generating reasonable returns, and supporting global operations" to expand its global layout. While building product-based competitiveness and enhancing the economic value of its brands, the Company actively assumes market responsibilities and demonstrates its commitment to integrity through a high tax credit rating.

Fulfilling Tax Obligations

TCL Electronics is firmly committed to fulfilling its tax responsibilities in accordance with the laws and regulations of China and all countries and regions in which it operates. The Company has developed a tax strategy centred on optimal structure, robust compliance, efficient operations, and capacity building. To that end, it has established a dual-track tax management system combining direct execution with centralised oversight and support to ensure effective fulfilment of tax-paying obligations.

Implementing a Robust Tax Management Structure

TCL Electronics has adopted a three-pillar tax management model comprising a Tax Competency Centre, Tax Business Partners, and a Tax Shared Services Platform. Backed by a centralised data foundation provided by the shared platform, the Competency Centre and Business Partners collaborate effectively to deliver integrated tax management across the organisation.

Strengthening Tax Compliance Management

With a long-term perspective, TCL Electronics embeds tax policies into its daily operations and business practices to continuously enhance its capabilities to manage tax compliance.

Capacity building: The Company links tax management results to the appraisal of finance heads at both headquarters and BU levels, ensuring tax policies are implemented effectively. It has defined standardised procedures and mechanisms in tax planning, compliance, and risk management, and leveraged digital technology tools to upgrade its tax system for greater tax management efficiency.

Compliance assurance: TCL Electronics regularly monitors and analyses tax policy updates across all operational jurisdictions and conducts ongoing internal training to ensure tax personnel at the BU level stay abreast of policy changes and track the latest tax compliance requirements. Clear separation of tax-related duties, cross-checks, and strengthened tax declaration review processes are enforced to maintain high standards of tax compliance.

Exchanges and communication: TCL Electronics has established open and constructive communication channels with tax authorities, so that the authorities can improve the business environment for enterprises. The Company also actively participates in exchanges with tax authorities and industry peers, fostering and maintaining a transparent, compliant, and collaborative working relationship in tax affairs.

Strengthening Tax Risk Response

TCL Electronics places emphasis on closed-loop tax risk management. The Company studies and analyses various compliance risk indicators in advance, builds risk early warning models, and encourages regular self-assessments at the BU level to strengthen tax risk response mechanisms and effectively mitigate tax risks.

Expanding into Overseas Markets

Amid increasing global economic and trade uncertainties, TCL Electronics has remained committed to its strategy of "Lead with Brand Value, Excel in Global Efficiency, Drive with Technology, and Thrive on Global Vitality" to capitalise on overseas market opportunities and reinforce its leadership in the industry. In 2024, the Company's international expansion efforts focused on two core pillars: deepening global operations and driving operational excellence. To this end, TCL Electronics enhanced its go-to-market capabilities through initiatives such as brand advancement, global product planning and marketing, strengthening of channel and sales capabilities, expansion of its global industrial layout, and development of professional talents. These efforts were further supported by improvements to organisational coordination mechanisms, reinforcement of supply chain and logistics capabilities, broader digital transformation, enhanced global governance and compliance, and selective local mergers and partnerships. Together, these measures accelerated the global rollout of the Company's smart device products and marked a strategic shift from a Chinese enterprise with international business to a globally competitive company with distinctive Chinese advantages.

During the reporting period, the global shipments of TCL TV sets reached **29** million sets

Representing a **14.8%** year-on-year increase and setting a new all-time high

TCL TV's Overseas Market Performance

Market	Country	Shipment Year-on-Year Growth Rate	Market Ranking
North American market	U.S.	6.4%	2
	Canada		3
European market	France	33.8%	2
	Sweden		2
	Poland		3
	Spain		3
	Greece		3
	Czech Republic		3
Emerging market	Australia	12.7%	1
	The Philippines		1
	Myanmar		1
	Pakistan		1
	Brazil		2
	Saudi Arabia		2
	Vietnam		3
	Thailand		3
	Republic of Korea		3
	Argentina		3

Establishing a Strong Compliance Safeguard Framework

TCL Electronics is committed to building a robust compliance safeguard framework that spans critical areas, including ESG compliance, export controls, anti-commercial bribery, anti-monopoly and competition compliance, corporate governance and listing compliance, and treasury and anti-money laundering compliance. By operating in accordance with laws and regulations, upholding business ethics, and fostering a transparent and integrity-driven corporate culture, the Company ensures the high-quality and sustainable development of its operations.

Comprehensive Compliance Management

TCL Electronics has developed a comprehensive compliance management system in line with its *Measures for Compliance Management*. The system encompasses elements such as compliance organisation, institutional processes, risk governance, compliance culture, and inspection and supervision. It adopts a risk-based and scenario-driven approach to embed compliance with laws and regulations into day-to-day operations and reinforce the foundation of corporate governance.

Establishing a Compliance Management Structure

Guided by the Compliance Management Committee, the Company has established a robust compliance management structure based on the three lines of defence model. The Company has clarified that the three lines of defence are composed of BUs and subsidiaries, administrative departments, and the audit department. This integrated structure ensures the Company can effectively prevent, monitor, and respond to compliance risks across all business activities.

Responsibilities of the Three Lines of Defence in Compliance Management

The first line of defence: all BUs and subsidiaries

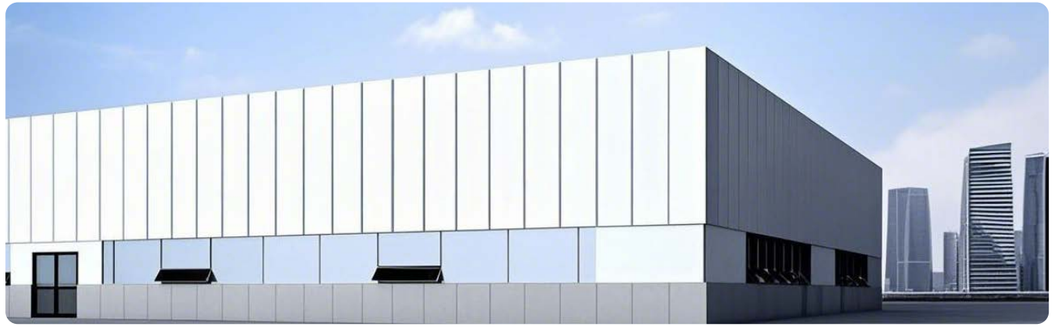
- Manage compliance risks within their respective units and assume direct responsibility for all such risks

The second line of defence: administrative departments

- Manage compliance risks within their areas of specialisation and assume responsibility for managing these risks

The third line of defence: audit department

- Conduct audits and supervision of the responsibilities performed by the first and second lines of defence



Enhancing Compliance Risk Prevention and Control

TCL Electronics continues to enhance its compliance risk management mechanism by establishing a closed-loop process that spans the full cycle of compliance risk identification, early warning, assessment, decision-making, review, and resolution. The Company also intensifies the dedicated governance of key compliance risks.

Identification and early warning of compliance obligations and risks

Administrative departments responsible for specific compliance areas timely track, identify, and interpret regulatory compliance requirements, sharing updates regularly with relevant BUs. Conversely, BUs are required to timely report any locally identified regulatory compliance requirements to the relevant administrative departments. This two-way communication ensures comprehensive identification and early warning of compliance risks.

Compliance risk assessment and decision-making

Compliance risk assessments are conducted across various compliance areas. Compliance risks are classified and prioritised, and response strategies are developed for identified risks. This structured approach continuously strengthens the Company's risk prevention and control capabilities.

Compliance risk review and resolution

A compliance risk review mechanism has been established to conduct regular compliance reviews of key compliance risk areas and material business activities. Based on the findings, specific recommendations are provided to the relevant BUs, and progress on remedial measures is closely monitored to ensure timely and effective improvements.

Dedicated compliance risk governance

TCL Electronics places particular emphasis on building robust compliance systems in the areas of export trade and data privacy. The Company strictly adheres to internal policies issued by TCL Industries Holdings, including the *Code of Conduct for Export Compliance, Compliance Inspection and Supervision Specification, Privacy Management Policy*, and *Privacy Impact Assessment Management Process*. Through initiatives such as implementing an export compliance system at the headquarters level, reviewing the business activities with privacy risks across departments, and providing dedicated training for internal personnel, the Company aims to reinforce specialised compliance management in high-priority areas, such as export trade compliance and privacy compliance.

Promoting Compliance Culture Training

TCL Electronics has developed a variety of specialised compliance training courses to enhance compliance capabilities and promote a strong culture of compliance. In 2024, the Company planned and delivered compliance training sessions focused on key areas and subsidiaries, covering important topics such as compliance in European subsidiaries, HR privacy compliance, cross-border data compliance, and AI-related compliance. Additionally, innovative compliance awareness promotion campaigns were conducted, including the compliance-themed mini drama.

In addition, in partnership with external consulting firms and seasoned compliance experts in the industry, TCL Electronics hosted a series of seminars and knowledge-sharing workshops that focused on key compliance risk areas, including product compliance, customs compliance, tax and financial compliance, product cybersecurity, and ESG. The sessions contributed to a deeper understanding of global compliance management in the context of smart manufacturing enterprises.

Upholding Honesty and Integrity

TCL Electronics strictly complies with anti-bribery and anti-corruption laws and regulations, such as the *Criminal Law of the PRC* and the *Interim Provisions on Banning Commercial Bribery (Order No. 60 of the State Administration for Industry and Commerce of the PRC)*, and implements the *General Requirements for Integrity Building (Domestic Version)*, the *Anti-Commercial Bribery Compliance Policy*, the *Anti-Commercial Bribery Compliance Guidelines for Specific Business Scenarios* and other requirements of TCL Industries Holdings to guide its subsidiaries in promoting business integrity. TCL Electronics adopts a zero-tolerance approach towards commercial bribery, extortion, fraud, and money laundering, and upholds a culture and business principle of integrity, self-discipline, transparency, and accountability.

Strict Anti-corruption Supervision and Management

The Board of Directors is responsible for approving and regularly reviewing anti-corruption policies and overseeing anti-corruption work. The Company strictly implements its *Anti-corruption Policy* and other internal regulations and has established an integrated anti-bribery and anti-fraud system that encompasses key elements such as risk assessment, compliance monitoring and supervision, compliance audit, whistleblowing and investigation, and training and communication. This framework governs the business conduct of both internal employees and external partners, ensuring all-around governance and guidance and continued enhancement of anti-corruption supervision. For internal employee management, TCL Electronics requires all new employees to sign an *Undertaking of Personal Integrity* upon onboarding. The employee handbook sets out clearly defined standards of conduct applicable to their daily work, particularly in corruption-sensitive areas such as abuse of authority, bribery, gift-giving, and business hospitality. Employees are held to strict behavioural expectations designed to prevent misconduct and foster a culture of integrity from the outset. In terms of external partner management, in 2024, TCL Electronics delivered an anti-corruption presentation at its administrative supplier conference, clearly outlining the standards of ethical business conduct for external partners.

Additionally, TCL Electronics actively conducts internal corruption risk assessments and participates in those organised by TCL Industries Holdings. The audit department and the compliance and legal department promptly track various types of risks, and supervise the rectification of major corruption risks confirmed through assessment. The Company continues to strengthen controls over anti-corruption risk points and reduce potential losses. TCL Electronics conducts regular audits every one to three years, depending on business type, and ensures full coverage of all BUs within a rolling three-year period.

Various Whistleblowing Channels Available for Anti-corruption

TCL Electronics has implemented a structured *Whistleblowing Policy* to govern the reporting, investigation, and handling of fraud and corruption cases. Multiple whistleblowing channels (including telephone hotlines, dedicated email addresses, and letter submissions) are available, enabling employees to report misconduct or actual or suspected fraud cases. A defined, stringent whistleblowing case handling process is in place. Upon receiving a report, the audit department, acting as the leading anti-corruption regulator, promptly logs and archives the case, creates a formal *Case Handling Form*, and initiates a preliminary review. The Company ensures that all whistleblowing cases are handled in a timely and effective manner. Whistleblower identity is kept strictly confidential to safeguard their privacy and safety and protect them from any form of retaliation.

Anti-corruption Publicity and Training

TCL Electronics continues to promote ethical training and publicity both internally and externally. Training courses and seminars are continuously held to improve ethical conduct among employees and partners and to cultivate a transparent, principled corporate culture.

In 2024, the Company held **4** anti-corruption training courses

Covering directors and management **61** attendances

Covering employees **808** attendances

Observing Business Ethics

TCL Electronics strictly adheres to all applicable laws and regulations relating to business ethics, as well as internal policies like the *Code of Business Conduct*. These standards provide comprehensive guidance for daily business operations and reflect the Company's commitment to the core values of integrity, honesty, and impartiality.

Practicing the Code of Business Conduct

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

Antitrust compliance: For domestic subsidiaries, TCL Electronics focused on managing vertical monopoly by referencing the *Compliance Guidelines on Preventing Vertical Monopoly Agreements* and relevant case interpretations. Measures were taken to prevent price-fixing in daily contract review and distributor management processes. For overseas subsidiaries, TCL Electronics formulated and issued the *Antitrust Compliance Guidelines for Overseas Business* based on local laws and its business characteristics. It also launched a centralised contract management system to control key antitrust risks related to resale price-fixing, non-compete clauses, and exclusive distribution terms. Overseas employees received antitrust training to enhance their antitrust awareness.

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

Providing Compliance Publicity and Training Sessions for Overseas Subsidiaries

Trade secret compliance: TCL Electronics developed the best implementation strategies to establish a trade secret compliance system across all subsidiaries and functional departments. The Company continuously reinforced internal trade secret protection while strictly enforcing the *Regulations on the Protection of Others' Trade Secrets.* Clear redlines and management requirements in business trade compliance were in place for high-risk scenarios such as talent recruitment, R&D cooperation, and sales activities to prevent unauthorised disclosure or use of others' confidential business information, ensuring lawful and compliant operations.

Anti-money laundering (AML): TCL Electronics strictly complied with the *Anti-money Laundering Law of the PRC* and other applicable laws, regulations and practices in its operational regions. The Company comprehensively fulfilled both domestic and international AML and counter-terrorism financing obligations by implementing the *Management Measures for Anti-money Laundering and Counter-terrorism Financing*. AML responsibilities were clearly defined across organisational levels, with coordinated oversight by the Compliance Committee to steadily advance money laundering risk management.

Improving Information Reporting Management

TCL Electronics protects the right of all employees to supervise and report any suspected violations of the *Code of Business Conduct*. By providing new whistleblowing channels, such as dedicated email addresses and telephone hotlines, and establishing reporting investigation procedures, the Company ensures that all reported concerns are investigated promptly and effectively. Measures are also taken to protect whistleblowers, and any form of retaliatory action against whistleblowers is strictly prohibited.

02 Building on Quality to Drive Product Innovation

Putting Users First

Commitment to Quality Excellence

Creating an Innovative Landscape

Developing Sustainable Products

In the era of innovation-driven development, the electronics industry is undergoing profound changes. Technological innovation has become a key driver of building core competitiveness. TCL Electronics is committed to a user-centred approach, drawing on its strong technical foundation and innovation capabilities to co-create an innovation ecosystem in collaboration with value chain partners. Based on this foundation, TCL Electronics continues to strengthen product and service quality management and integrates sustainability principles throughout the product lifecycle, offering consumers responsible and sustainable product and service solutions.

Putting Users First

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

Enhancing User Experience

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

Product side

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

Marketing side

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

Service side

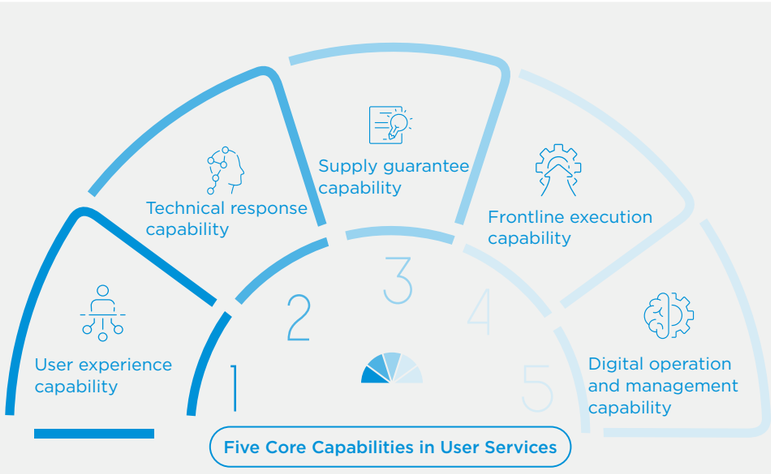
Full-cycle experience assurance. A comprehensive service support system covering pre-sale, in-sale, and post-sale has been built, enabling a closed-loop service experience through smart customer service and feedback monitoring platforms. A cross-departmental quality improvement mechanism has been established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

Management for Improving User Satisfaction of Services

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

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

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



User Communication Channels

Internal Channels

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

Social Media Channels

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

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

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

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

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

Global Technology Training Week

Manila Call Centre's Customer Service Team

VoC Closed-loop Management

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

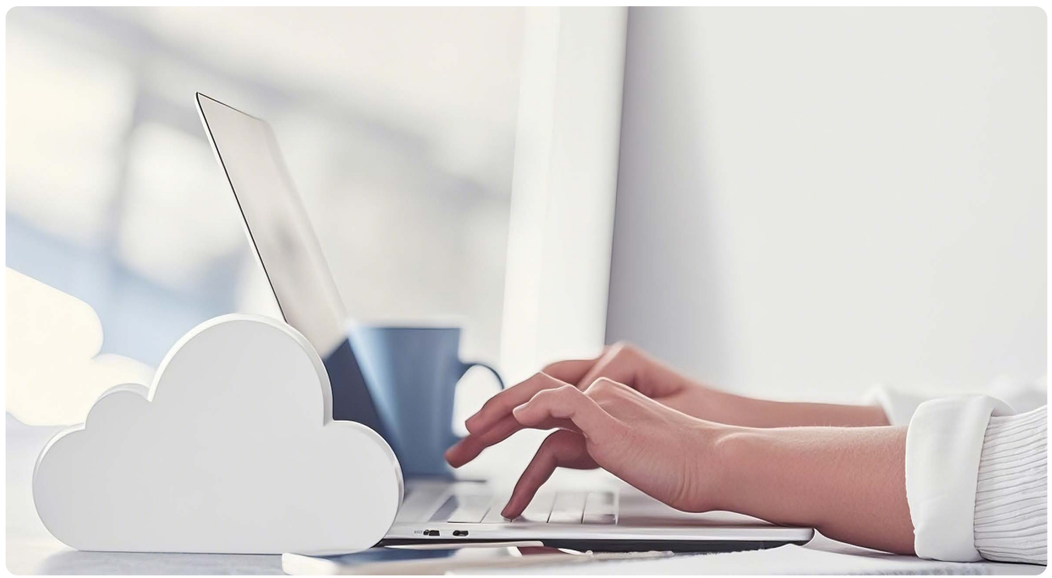
Information Security and Privacy Protection

TCL Electronics adheres to global data and privacy protection laws and regulations, including but not limited to the *Cybersecurity Law of the PRC, Data Security Law of the PRC, Personal Information Protection Law of the PRC, California Consumer Privacy Act, California Privacy Rights Act,* Brazil's *General Data Protection Law* and *General Data Protection Regulation* of the European Union. The Company is committed to strengthening its data security management and user information privacy protection mechanisms to maintain robust cybersecurity safeguards.

Improving the Data Security Management Policies

TCL Electronics governs its cybersecurity and privacy protection management efforts in accordance with internal data and privacy protection policies, including the *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,* and *Guidelines for Data Grading and Classification Operation.* These rules comprehensively regulate the management of information assets across the Group and safeguard users' personal data. In case of security incidents such as personal data breaches, we will implement internal investigations, emergency response, and corrective and/or remedial measures and notify relevant external stakeholders in accordance with laws, regulations and internal process requirements.

To keep its cybersecurity and information security efforts aligned with evolving standards, TCL Electronics continues to improve and amend its data security management policy documents. In 2024, the Company released the *Information Security and Privacy Management Manual* (Version 2.3), from which the applicability statement and the function assignment form for the information security and privacy management system were separated into standalone supporting annexes. This restructuring allowed for more detailed oversight and stricter governance of information security and privacy management efforts. In addition, in the same year, TCL Electronics successfully completed both internal and external audits for ISO 27001 Information Security Management System and ISO 27701 Privacy Information Management System certifications, in compliance with ISO certification audit requirements, thereby ensuring the continued validity and legal effectiveness of its certified systems.



Strengthening Information Privacy Compliance

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

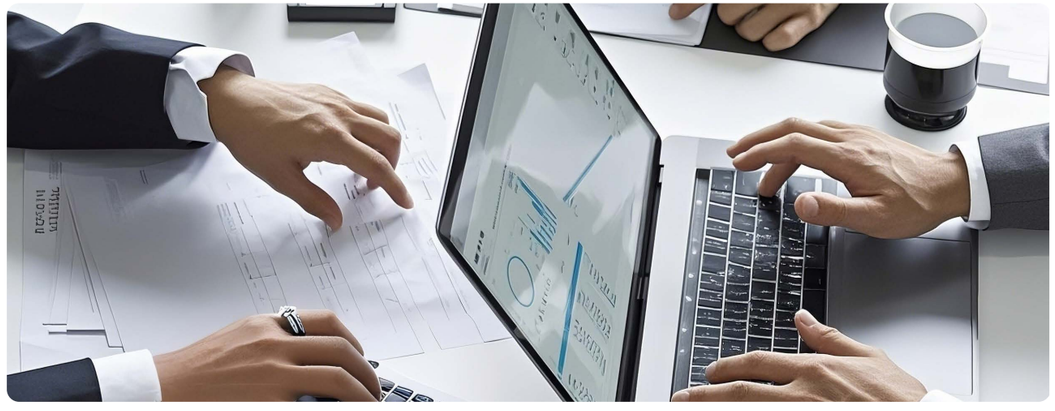
Additionally, TCL Electronics requires all internal personnel to strengthen their awareness of data protection during customer service and product marketing processes. Access to order entry and call-handling systems at both domestic and overseas call centres is strictly controlled. Measures such as data system access permissions and identity authentication have been implemented to prevent any breach of users' private data. The Company's security department is responsible for conducting regular system vulnerability scans and implementing timely fixes to ensure the security and confidentiality of stored personal information.

Responsible Marketing and Awareness Advocacy

TCL Electronics promotes a marketing approach that is both compliant and responsible, with a strong emphasis on sustainability. The Company fully adheres to the *Advertising Law of the PRC, Regulations on Control of Advertisement* and other relevant regulations, and has formulated regulations and guideline documents, including the *Compliance Check for Marketing Content, New Media Management Standards, News Release Management Measures*, and *Global IP Management Standards*. False or misleading advertising is strictly prohibited, and sustainability themes are actively embedded into the brand development initiatives to encourage sustainable product consumption.

Compliant Marketing

TCL Electronics insists on compliant marketing. The Company adopts a unified external publicity approach and has established a standard production, review and output process for the release of videos, pictures, advertorials and other materials. Review and confirmation by the product, retail, R&D and legal departments of the Group are required from the first draft to the final draft of such materials. The review includes patent and trademark use, technical terms, promotional texts, legal risk tips, etc., to ensure that any information, such as function points and parameters, conforms to the facts and local laws, regulations or cultural customs. If there is any content that may cause consumers' doubts or misunderstandings, we will add explanatory annotations to avoid ambiguity.



Sustainable Marketing

Adhering to its corporate mission and brand traits, TCL Electronics innovatively incorporates ESG principles into its marketing process. The Company has formulated sustainable marketing strategies by focusing on three key ESG themes: "biodiversity", "zero waste", and "climate change response". A blended approach combining online advertising with offline publicity has been used to broaden audience reach. In 2024, TCL Electronics launched its first exhibition hall themed "TCL GREEN", showcasing the ONE TCL ESG story comprehensively from the upstream to downstream of the industry. Additionally, the Company held a "TCL GREEN" marketing campaign themed around sustainable development. The Company also planned to align product launches and product promotional events with sustainability-related festive days, such as International Day for Biological Diversity, World Oceans Day, Earth Day, and Arbor Day, conveying green and low-carbon brand values to consumers.

Exhibition Hall Themed "TCL GREEN"

Offline Marketing Campaign Themed "TCL GREEN"

Commitment to Quality Excellence

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

Strengthening Quality Management

TCL Electronics actively implements the Group's quality strategic planning by adhering to the principle of product reliability as the foundation and user satisfaction as the ultimate goal. The Company continues to advance the development of a preventive quality system centred on four core capabilities: "Systematised Management", "Standardisation of Technology", "Platform-based Capability Integration" and "Digitalisation of Operations". These efforts aim to enhance the Company's operational efficiency, earn user trust, and contribute to brand value.

Quality Management System

TCL Electronics strictly adheres to all laws and regulations related to product quality, and fully implements internationally recognised standards including ISO 9001, TL 9000, ISO 45001, and IATF 16949. The Company has also developed internal quality standards and specifications that go beyond industry benchmarks, embedding these requirements across key operational processes such as Integrated Product Development (IPD), Integrated Supply Chain (ISC), and customer service. It ensures robust quality control throughout the entire product lifecycle, from R&D and manufacturing to testing and after-sales support. Each BU of the Group aligns its quality practices with the *Product Quality Law of the PRC, RoHS*[2]*, REACH*[3] and other laws and regulations, as well as QC 080000 and other international standards. Based on its business processes and needs, the Group has developed a range of internal quality policies and specifications, including: *QEHS Quality Management Manual, Smart Screen Product System Audit and Management Review Management Specifications, Commercial Display Product Shipment Inspection Specifications, Product Inspection Standards, Product Lifecycle Management System,* and *Technical Specifications for Household Balcony Brackets Using TCL Photovoltaic Technology.* These policies ensure clear quality standards and processes across all key stages - from product design and raw material procurement to manufacturing and after-sales service.

In 2024, TCL Electronics accelerated its digital quality transformation by digitising business activities in the above-mentioned operational processes and standardising quality data. Built on a unified, group-level Quality Management System (QMS), the Company introduced an AI-driven quality analysis system and intelligent inspection equipment to enhance the efficiency and precision of quality management. The quality management process now spans supplier access evaluation, raw material testing, production process control, final product inspection, and systematic customer feedback handling.

At the organisational support level, a quality and safety management department has been established within the Company's competency centre. The Company has clarified the roadmap for platform-based quality management capability development, strengthened quality control structures and basic capabilities across different product lines, and formulated annual capability development and update plans. It also continues to promote quality system development and quality culture initiatives to elevate the overall maturity of quality management.

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

Quality Control Across All Stages

In the design and R&D stage, especially during the design of integrated product development (IPD) products, TCL Electronics' BUs implement the *IPD Product Development Process Guide* to ensure comprehensive collection, identification and understanding of users' usage needs so that design indicators align with their actual usage. By linking IPD with smart manufacturing and intelligent service systems, the Company has established a digital quality management system. Preventive quality management initiatives—such as DFx (Design for Excellence) and FMEA (Failure Mode and Effect Analysis) —are actively implemented, and digitalisation efforts are progressively expanded. Smart tools are also employed for risk prevention, improving the ability to "Do it Right Once for All". Furthermore, a dedicated project has been carried out to thoroughly research the performance of component materials throughout the product lifecycle from R&D to component quality verification. The project ensures the consistency of product quality and strengthens both process and shipment quality control. These measures support the creation of a robust quality management system that ensures product quality during the design and development stage.

To strengthen quality control during production, each BU adheres to a range of internal policies, including the *Manufacturing Process Quality Assurance Specifications, SMT, Assembly & Packaging Production Process Control Procedures, Handling Process for Abnormal Feedback of Manufacturing Process Quality, Product Safety and Environmental Protection Quality Control Procedures,* and *Restricted Substance Control Procedure.* These rules clearly define product quality standards, inspection processes, and non-conforming product handling measures, providing clear guidance for all personnel to meet customer quality expectations.

Each BU implements product inspections in line with product quality inspection management methods, such as the *Product Quality Inspection Control Procedures* and *Non-conforming Product Control Procedures.* These policies define the purpose, scope, procedures and requirements for quality inspection. Inspections are conducted by qualified inspection institutions or personnel to ensure accuracy and impartiality. Inspection results are promptly recorded and reported to relevant departments for necessary corrective action. Specifically, the Mobile Phone BU follows the *On-site Audit Management Process* to regulate production site audits, which identify potential problems in process adherence, equipment conditions, staff operations, material management and other aspects, thereby ensuring a compliant production process. Meanwhile, the Commercial BU actively implements quality risk assessments and produces relevant reports at the project initiation stage, issues early warnings during regular meetings and takes relevant measures. Risk response actions are assigned to responsible individuals for closed-loop management until risks are fully resolved.

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

In 2024, several subsidiaries and factories under TCL Electronics were certified under quality standards, including RBA, ISO 9001 Quality Management System, TL 9001 Quality Management System (for the telecommunications industry), IATF 16949 Quality Management System, and IECQ QC 080000 Hazardous Substance Process Management System. No product recalls due to safety or health concerns were reported by the Group during the Year.

Quality Management System Certifications

Total number of subsidiaries and factories that have obtained the RBA	Total number of subsidiaries and factories that have obtained the ISO 9001 Quality Management System	Total number of subsidiaries and factories that have obtained the TL 9001 Quality Management System for Telecommunications Industry
2	11	2

Total number of subsidiaries and factories that have obtained the IATF 16949 Quality Management System	Total number of subsidiaries and factories that have obtained the IECQ QC 080000 Hazardous Substance Process Management System
2	1

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

Development of Quality Culture

TCL Electronics has conducted a series of quality culture activities that focus on the theme of "Reaching Users, Enhancing Experience" and target the four dimensions of users, products, employees, and services. Activities are carried out using the approach of "listening to users' needs, visiting frontline teams, observing real-world outcomes, and discussing solutions". These events assist the Company in directly hearing the voices of users, evaluating the performance of products in actual scenarios, gaining deep insight into users' practical demands, and resolving users' real challenges, thereby comprehensively enhancing product competitiveness and user experience.

Case: The Pan-smart Screen BU Launched a Series of Quality Culture Activities

To strengthen quality culture development and enhance employees' quality awareness and accountability, TCL Electronics' Pan-smart Screen BU launched a series of quality culture activities themed "Customer First, First Time Right". These activities achieved full coverage across all departments, helping to embed a strong culture of quality.

Achievements of Quality Culture Activities

"Thinking on Quality Improvement By Hearing the Voice of Users" Essay Competition

- For the first time, real customer complaint cases were used to encourage employees to reflect on quality management from the user's perspective. They were encouraged to explore and share their outstanding experience and best practices in quality management
- A total of 59 essays were received, with 22 winning awards

Quality Knowledge Popularisation Activity

- We organised production staff, office staff, and management across domestic and overseas units to participate. Learning was replaced with examination to promote quality knowledge
- A total of 2,863 employees participated. Promotion coverage in factories reached 100% both domestically and abroad. Participation rates were 78% for office staff and 31% for production staff
- Among management-level employees and above, the completion rate reached 87%

Quality Protection Award

- The award was designed to motivate junior employees and professionals, set benchmarks, align thinking, and encourage cross-functional identification of quality issues, thereby enhancing the Company's overall quality management
- A total of 52 entries were submitted by office staff. After several rounds of evaluation, 23 entries met the award criteria

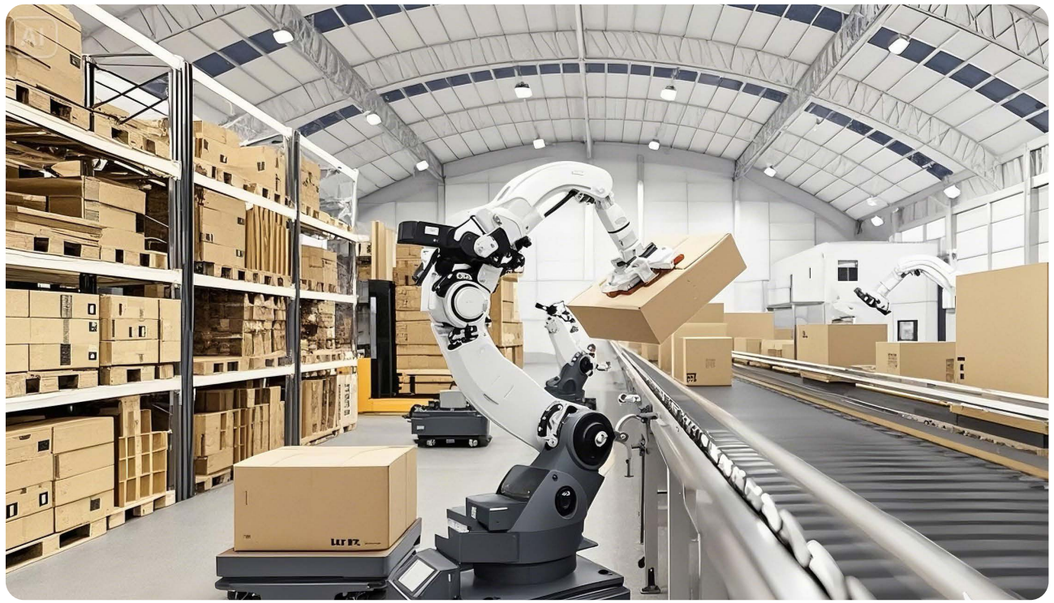
QCC Contest

- One new diagnostic specialist was originally targeted for training, with six actually developed
- Five improvement projects entered the QCC contest, competing alongside 255 projects. One project was awarded first prize
- In 2024, a total of 283 projects were closed, generating economic benefits of RMB 45.55 million
- Six improvement projects participated in the QCC contest and swept the first, second, and third prizes

Product Safety Assurance

TCL Electronics has always adhered to the lines of defence to ensure product safety, established a comprehensive product quality and safety governance framework, and strictly abided by laws and regulations such as *Law of the PRC on Protection of Consumer Rights and Interests, Product Quality Law of the PRC*, and *Measures for the Administration of the Restriction of Hazardous Substances Contained in Electrical and Electronic Products*, as well as the regulations on product health and safety in overseas market access systems and laws and regulations related to consumer protection. Meanwhile, we also refer to national, industrial and local work safety standards, including GB4943.1-2022/IEC 62368-1:2018 *Audio/Video, Information and Communication Technology Equipment – Part 1: Safety Requirements*. In terms of internal quality assurance policies, we comprehensively regulate safety requirements across the entire product lifecycle—from design, production, and testing to certification, sales, and usage. At the organisational support level, the safety, energy efficiency and electromagnetic compatibility laboratory under TCL Electronics has been accredited by China National Accreditation Service for Conformity Assessment. The testing capability of the laboratory has been continuously improved according to GB/T 27025-2019/ISO/IEC 17025:2017 *General Requirements for the Competence of Testing and Calibration Laboratories*, with the Company's quality and safety management capabilities further improved.

Battery safety is a critical component of overall product safety. All products and safety devices of TCL Electronics meet national standards and local safety regulations and standards, such as IEC 62368-1:2023, UL 62368-1:2019, and GB 4943.1-2022. The Mobile Phone BU has compiled Material Safety Data Sheets for all batteries and assembled a battery safety working group comprising experts from process, manufacturing, technology, component, technique, and industrialisation functions. This team developed the internal *Battery Safety Control Requirements*, which apply quality planning and control measures across all stages of battery handling, including design, incoming materials, manufacturing, transportation, and storage. An inspection and joint audit system has also been implemented to monitor operational compliance and ensure that battery safety is maintained at every step. Additionally, TCL Electronics has established stringent review processes for battery suppliers' qualifications and production lines. Suppliers are required to build dedicated, quality automated production lines for TCL Electronics, replacing manual operations with automation at key stages to enhance the stability and safety of battery production. In 2024, a total of 12 automated production lines underwent on-site reviews.



Strict Control of Chemical Use

TCL Electronics strictly complies with international standards including RoHS, REACH, and ISO 14001, as well as chemical-related laws and regulations, such as the *Regulations on the Safety Management of Hazardous Chemicals,* the *Measures for the Administration of Hazardous Waste*, the *Environmental Protection Law of the PRC*, and the *Law of the PRC on the Prevention and Control of Occupational Diseases*. We have established internal *Regulations on the Management of Hazardous Chemicals*, which define clear requirements for the procurement, storage, usage, transportation, and disposal of chemical waste in line with applicable laws, regulations and standards. A centralised chemical list has been maintained, and hazardous chemicals and restricted substances have been managed by category to ensure that high-risk chemicals are used in a controlled and compliant manner.

Chemical Control Measures

Management mechanism	• A strict certification and safety assessment process is formulated for the introduction of hazardous chemicals. Dedicated tools are used during transportation, subpackaging, storage at fixed locations, and operations. Routine patrol inspections and safety checks are conducted. • Operational processes, including chemical in/out logging, use registration and labelling, and emergency response, are strictly implemented, with designated storage areas in place. • Regulatory risks for all chemicals are identified and emergency response plans for chemical safety incidents are established. Regular potential hazard investigations and work safety checks are carried out.
Safety guarantee	• Employees engaged in roles involving hazardous chemicals must undergo safety training and obtain a valid work permit prior to commencing work. • Employees are provided with regular training on the safe use of chemicals, emergency response, and occupational health protection. • All required protective equipment during operations is provided to employees.
Substitution of controversial chemicals	• Safety assessments are conducted for all newly introduced chemicals, evaluating their toxicity, environmental impact, and use risks. Chemicals are selected based on the principle of “substituting high-toxicity substances with low-toxicity ones, and low-toxicity substances with non-toxic alternatives”. Whenever possible, chemicals that meet production process requirements while minimising harm should be selected.
Management of hazardous substances in the supply chain	• Hazardous substances within the supply chain are subject to strict control. All BUs are required to understand and adhere to relevant standards. Raw materials provided by suppliers are managed through a tiered risk classification and control mechanism.
Information transparency	• The names and contents of hazardous substances present in all product components are disclosed in the product specification.

Creating an Innovative Landscape

Guided by an innovation strategy, TCL Electronics has developed a comprehensive innovation management system. All BUs clearly specify their direction and objectives for innovation, rigorously managing risks related to technology ethics and intellectual property infringement, and comprehensively solidifying the top-tier design of innovation initiatives. In addressing the market, we vigorously promote the idea of technology for inclusion, ensuring that everyone can equally benefit from technological advancement. In addition, we facilitate steady progress of industrial innovation through extensive partnerships and the establishment of standards.

Strengthening Innovation Management

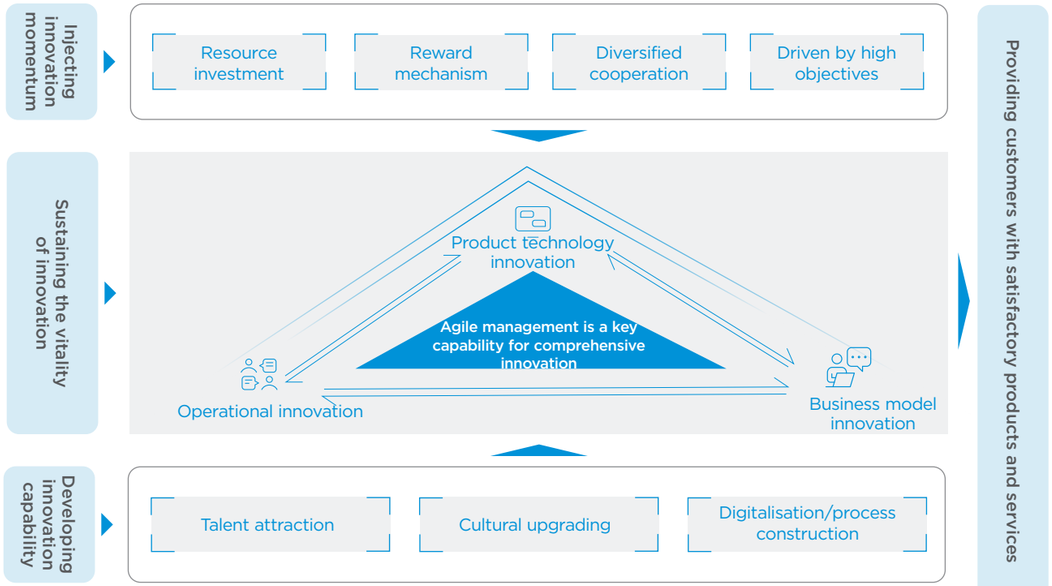
TCL Electronics upholds a technological innovation strategy centred on display quality, intelligence, and energy-efficient operations. We consistently invest in technological research and innovation to enhance the quality and competitive edge of smart devices. The Company actively explores innovative ventures and strengthens its technology platform, focusing on exceptional picture quality and intelligent interaction and services.

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

Innovation Management System

TCL Electronics, with the mission of "providing satisfactory products and services to customers", has established an innovation management system that engages all employees and promotes cross-department collaboration. We nurture innovation capabilities, fuel innovation momentum, and sustain innovation vitality, thereby steering the innovative growth of the display business.

Model of the Innovation Management System



Developing innovation capability

- Weave innovation responsibilities into various business and functional units to foster a company-wide spirit of collaborative innovation.
- Foster a culture of inclusiveness that encourages innovation and allows for trial and error.

Injecting innovation momentum

- Implement multi-channel resource investments, which include annual fixed investments and securing funds for strategic projects.
- Facilitate the commercialisation of innovative outcomes by co-creating and sharing with external enterprises, universities, and key laboratories.
- Develop a reward system that encompasses all employees, providing substantial special rewards for significant innovative accomplishments.

Sustaining the vitality of innovation

- Regard product technology innovation, operational innovation, and model innovation as a cohesive chain, which should coordinate and support each other while continually optimising, iterating, and innovating to consistently invigorate innovation efforts.

Throughout the promotion of comprehensive innovation, the Group has persistently advanced the development of scientific research infrastructure, established a top-down organisational support system, and built a cutting-edge technical team. Globally, we have over 10 R&D centres and ecological cooperation laboratories, forming a multi-tiered, project-oriented organisation. The Integrated Technology Management Team (ITMT) oversees the Group's innovation project management, while each BU's Technology Management Team (TMT) and Technical Management Group (TMG) manage their own innovation projects. Core members at all levels communicate and discuss the progress of innovation projects through monthly meetings or special event sessions. They hold voting rights on all topics and make innovation decisions based on "democratic centralism" and the majority rule.

This Year, TCL Electronics invested a total of RMB **2.13** billion in R&D

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

To ensure an effective innovation mechanism, we have assembled a talent pool enriched with diverse skills and international perspectives. This is achieved through our recruitment strategies, talent development systems, and external exchange initiatives. To establish a robust incentive system, the Pan-smart Screen BU has implemented the *TCL Technology Reward Measures* and *Patent Reward Measures*, offering competitive technical incentives and recognition for employees making significant scientific contributions. The Mobile Phone BU has developed policies like the *Creative Innovation Management Measures*, encouraging teams to propose innovative ideas and convert them into commercial value. The innovation achievements are reviewed biannually, and incentive applications for outstanding projects of the Year are actively pursued. Simultaneously, we regularly organise Industry Sharing Sessions and Innovation Tea Parties, along with events such as Open Day for Display of Innovation Achievements, to nurture innovative habits, stimulate innovative thinking, foster an innovative environment, and boost our innovation capabilities.

Innovation Focus and Goals

All BUs under TCL Electronics, guided by the Group's overall innovation vision, actively formulate innovative development strategies deeply rooted in their business forms and characteristics.

Innovation Focus and Goals by Business Type

TV business

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

Mobile phone and tablet business

- AI: Establish a reliable, traceable, and regulatory ethical governance model for AI across management, R&D, supply, and usage stages under the principle of balancing development and security.
- Stylus technology: Enhance product experience and competitiveness through handwriting prediction technology and pen-tip writing sensation enhancements.

Innovative business

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

Photovoltaic business

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

Innovative Risk Management

The journey of innovation often comes with risks and uncertainties. TCL Electronics has developed a closed-loop innovation support mechanism that encompasses "assessment, management, and review" to safeguard its innovative growth.

Assessing innovation opportunities

All business and functional lines lead the formation of a cross-departmental evaluation team to thoroughly assess whether the enterprise's internal and external environments are aligned with opportunities. In case of any internal issues or external challenges, ITMT and TMT will lead the relevant departments to collaboratively evaluate innovative technologies and make decisions during ITMT and TMT meetings.

Managing the innovation process

During technology development, the IPD process system is introduced, alongside the establishment of the *Platform and Technology Charter Development Process* and the *Platform and Technology Development Process*. For each stage, step, task, and activity in new project development, the responsibility holders, deliverables, and deadlines are clearly defined. Strict decision-making is conducted at critical project milestones according to standardised review criteria.

Reviewing the innovation journey

Upon the completion of an innovation project, the project team conducts a review and summary, aiming to formalise valuable experiences and practices into processes wherever possible. For shortcomings and lessons learned, countermeasures are proposed to guide future projects.

Technology Ethics Assurance

TCL Electronics has established 15 processes and specifications, comprehensively covering areas like product cybersecurity, R&D security, and privacy compliance. All AI operations diligently follow the established review processes during model introduction or deployment, with thorough evaluation tests conducted to ensure rigorous adherence to scientific ethics review standards and norms, thus fully ensuring the compliance and ethical integrity of the operations.

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

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

Regarding AI products, TCL Electronics focuses on bolstering data privacy protection, ensuring algorithm transparency and interpretability, and enhancing employee training and education, all aimed at strengthening the risk control capability related to technology ethics. Our practical efforts in safeguarding technology ethics and controlling associated risks have garnered widespread attention and recognition within the industry. Some of our ideas and initiatives have been integrated into relevant standards and guidelines formulated by industry associations, promoting progress and standardised development in technology ethics across the industry.

Measures for Technology Ethics Protection in AI Products

Data privacy protection

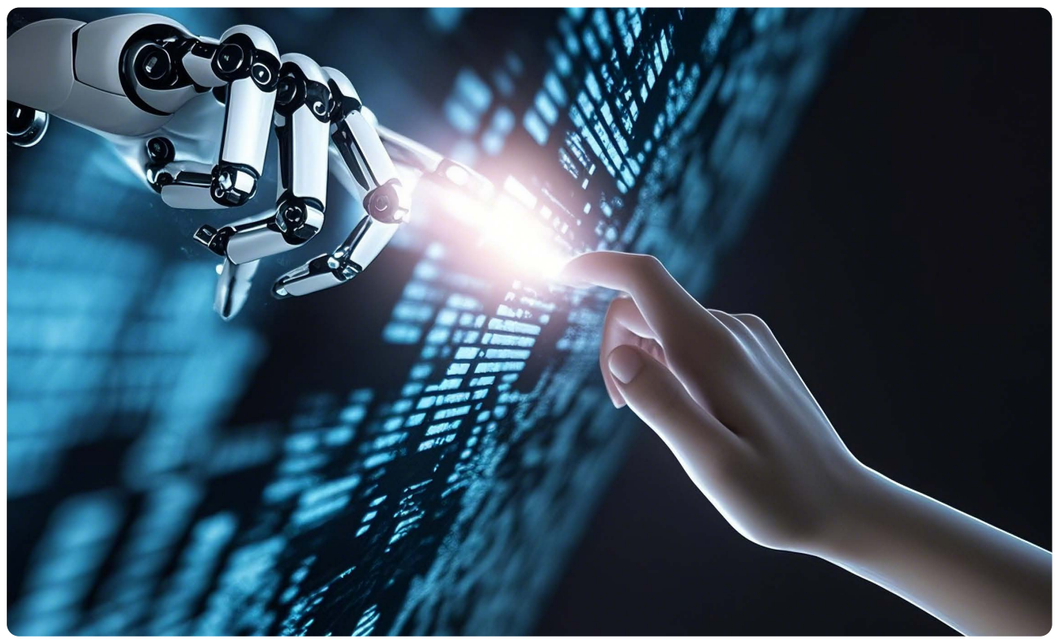
- Collect only user information that is directly relevant to and necessary for providing services, fully explain the data usage to users beforehand and obtain explicit authorisation.
- Employ advanced encryption technologies for the storage and transmission of user data to prevent theft or tampering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

Employee training and education

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

Algorithm transparency and interpretability

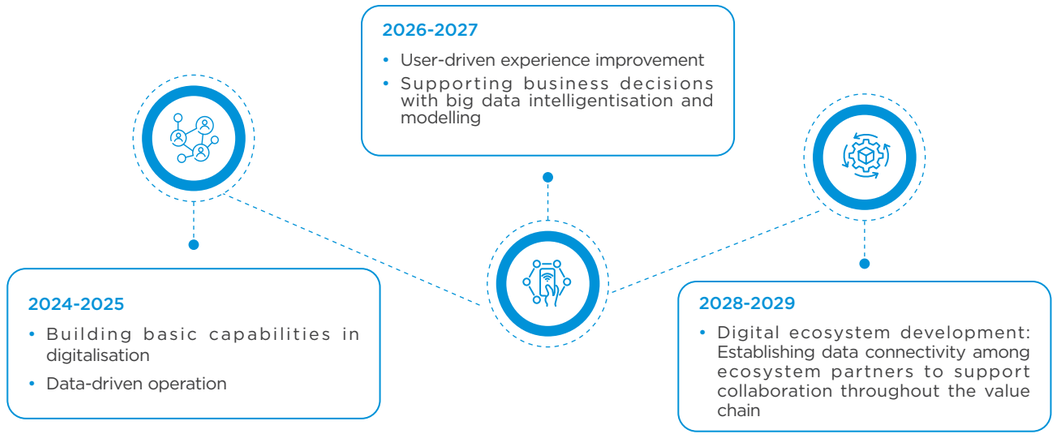
- Focus on algorithm transparency in product design, provide appropriate explanations to users about the underlying algorithm principles and decision-making mechanisms to enhance user trust in the product.
- Improve the interpretability of algorithms and visualise the algorithm decision-making process through technical means, thus enabling quick identification and analysis of issues when they arise, and allowing timely adjustments to the algorithm to avoid ethical risks stemming from opacity.
- Completed the algorithm filing for two applications (ChatBird and Lei Dong Dong) in 2024.



Driving Digitalisation

TCL Electronics is dedicated to developing a digital ecosystem. By leveraging digital tools, we enhance the scientific basis of decision-making and meticulously manage product quality. This approach provides robust support for product innovation and contributes to the establishment of a new business development model. The Group upholds the "6+1" digitalisation strategy of TCL Industries Holdings, implementing management systems like *Digital Demand Management, Delivery Management,* and *Information Security Management*. It steadily advances key tasks at each stage and continuously strengthens basic capabilities in digitalisation, integrating digital methods into various industries and scenarios to effectively enhance decision-making and operational efficiency.

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



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

The Group places significant emphasis on infrastructure development for digital operations, deploying and constructing the "New Ark" system. Anchored in China, this project establishes a multi-model, multi-scenario middle platform for the digitalisation of marketing and services, facilitating the online management of the entire business process from order placement to payment collection.

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

Upholding Technology for Inclusion

TCL Electronics is dedicated to bridging the digital divide by enhancing the accessibility, reliability, and inclusiveness of its products, fostering the profound integration of technology with humanistic care. We strictly adhere to the *European Accessibility Act* and other relevant laws and regulations, focusing on the diversified needs of consumers for electronic products. We develop and promote a range of inclusive products and services to ensure that everyone can enjoy the convenience brought by innovation and benefit from technological advancement.

Product Ecosystem of Technology for Inclusion

Health protection

- Eye care technology

The TCL NXTPAPER Series mobile phones achieve a 90% reduction in glare through the NXTPAPER technology and provide low blue light hardware solutions.

TCL NXTPAPER Series Mobile Phones

Best of IFA 2024

AI inclusive services

- ChatBird, a mobile AI companion app, enhances users' emotional well-being and addresses their life challenges by creating virtual social networks. It was recognised as one of the Top 100 AI Products in 2024 by QbitAI, a leading media outlet in AI technology.

Accessible design

- Elderly-friendly design

The Onetouch Series mobile phones cater to the needs of the elderly by offering features like "one-touch life service" and one-touch emergency call, improving the ease of use for elderly users and protecting their safety.

Onetouch Series Mobile Phones

- Elderly-friendly design

The TCL A300 Art TV Series incorporates an "elderly mode" which utilises an AI-powered voice assistant to accurately recognise generalised language, aiding the elderly facing mobility and vision challenges by reducing barriers in daily life.

- Child-friendly design

The TCL K901 Eye Protection AI Learning Device is tailored to meet children's developmental needs. It incorporates eye-care features, comprehensive AI learning capabilities, a parental control system, precise geolocation, and other functionalities.

- Elderly-friendly and child-friendly design

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

Protecting Intellectual Property Rights

TCL Electronics strictly abides by laws and regulations such as the *Patent Law of the PRC*, *Trademark Law of the PRC, Copyright Law of the PRC,* and *Regulations on the Protection of Computer Software*. Additionally, it complies with internal policies such as the *Intellectual Property Management Manual, Patent Application Management Measures, Patent Reward Measures, Rules on Standard Technical Patent Rewards and Review,* and *Rules on Agency Resources Management*. These regulations and internal policies collectively ensure the stringent standardisation of processes and tasks involving the evaluation, application, maintenance, and use of product patents.

TCL Electronics' intellectual property management is overseen by the intellectual property department of TCL Industries Holdings. This department provides legal support for activities related to the Group's intellectual property rights (IPRs), including application, maintenance, risk management, and litigation. Additionally, it has set up a patent proposal department and established a patent application value analysis system based on the nine principles of comprehensiveness, systematisation, operability, timeliness, independence, hierarchy, a combination of qualitative and quantitative analysis, modularity, and expandability. By implementing this system, TCL Electronics ensures professional guidance and classified management of internal patent applications, thereby strengthening IPR protection.

This Year, the number of new licensed patents obtained

1,088

Brought the total number of licensed patents to

8,289

TCL Electronics' Patent Application Evaluation Process

01 The patent proposal department evaluates the internal value of the proposal.

02 The proposer submits the documents to the patent management system according to the evaluation results.

03 The proposer provides information and submits the application through the patent management system.

04 Direct leaders and IPR technical experts conduct online and offline reviews and perform scoring and weighting in multiple dimensions.

05 Patents are evaluated at S/A/B level or not applied.

Protecting Self-developed IPRs

IPR protection is a strong foundation for our innovative development. We are dedicated to building a comprehensive and multi-tiered protection system. This includes carrying out scientific, planned and procedural routine maintenance on the IPRs that have already been obtained and promoting the awareness of rights protection among relevant personnel through regular training and exchanges, thereby fully safeguarding the innovation achievements and intellectual assets of the Company.

Measures for Protecting Self-developed IPRs

IPR information management records

- Keep clear records of the types of rights involved in each product and the protection period and uphold IPRs in a timely manner.

Infringement search

- Conduct IPR clues mining to safeguard our legitimate IPRs on a global scale independently or in cooperation with external law firms.

Patent litigation

- In response to infringement, issue infringement warning letters or file appropriate lawsuits for severe violations according to the *Regulation of the Patent Litigation and Patent Licensing Case Management.*

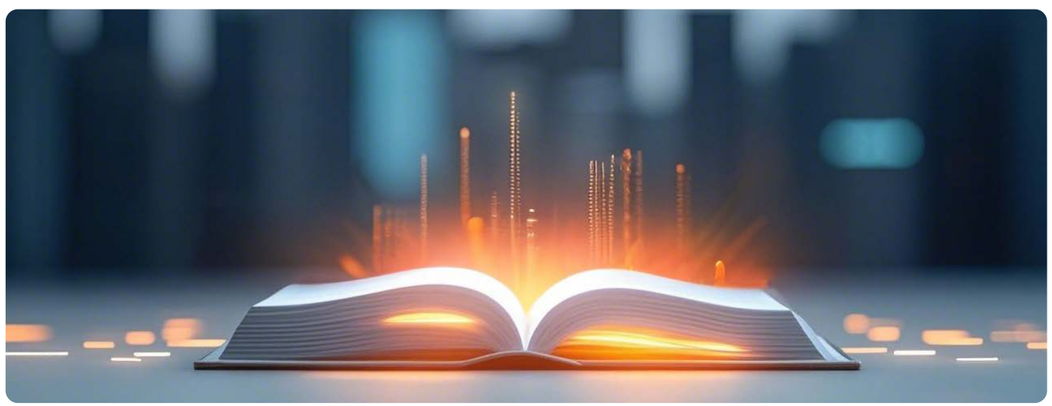
Patent application

- Join the patent pool launched by international patent licensing platforms such as Avanci[4] and Sisvel[5] , and obtain certain patent licensing benefits, which can effectively reduce R&D costs to a certain extent.

Improving the awareness of safeguarding rights

- Conduct rights-safeguarding training for front-line product personnel and sales teams, carry out activities such as Q&A and intellectual property system publicity according to the needs of departments, and promptly report external suspicious infringing clues which will be followed up and evaluated by the legal and compliance department.

To maintain the technological competitiveness of the Group's products in international markets and establish an overseas IPR defence system, we have selectively reviewed high-value patents in the fields of TVs and mobile phones/tablets, and completed 29 patent applications under the Patent Cooperation Treaty (PCT).



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

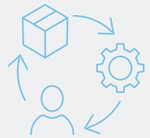
Infringement Risk Management

TCL Electronics strictly regulates the patent risk assessment of its own products before and after such products are launched, taking timely countermeasures according to the assessment results. Additionally, it strictly regulates the intellectual property management of suppliers to effectively prevent infringement risks.

Measures for IPR Infringement Risk Management

Investigation of IPR risks throughout the product lifecycle

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



IPR risk management in the supply chain

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

Leading Industry Development

Building on its robust development success, TCL Electronics dedicates itself to establishing a formidable technological innovation ecosystem by actively participating in industry standard development, collaborations, and partnerships across industry, academia, and research.

Industry Exchanges and Cooperation

We are dedicated to sharing pioneering sustainability ideas and the latest technological advances with our industry partners, fostering mutual compatibility and integration within the industry. The Group has now become an official member of various industry associations, including the China Video Industry Association and the National Technical Committee on Electronic Product Safety Standardisation. Alongside our industry partners, we are making significant strides on the path to sustainable development.

Case: Shenzhen TCL New Technology Co., Ltd. Collaborates with Partners to Establish Innovative Laboratories

In the field of display technology, Shenzhen TCL New Technology Co., Ltd., a subsidiary of TCL Electronics, has partnered with Wenzhou Eye Valley and Juhua Laboratory to create a collaborative laboratory for display health. This initiative aims to foster ecological advancement in both ophthalmology and health display fields by pooling resources and optimising ecosystems, thus translating research findings into tangible products and services.

In the field of IoT technology, Shenzhen TCL New Technology Co., Ltd. has partnered with TÜV SÜD to receive the world's first Witnessed Manufacturer's Testing (WMT) certification for consumer IoT cybersecurity and the IECEE CB CTF-2 witness testing laboratory certification. Up to 2024, TCL's security laboratory has achieved cost savings of approximately RMB 6.1 million in product safety testing.

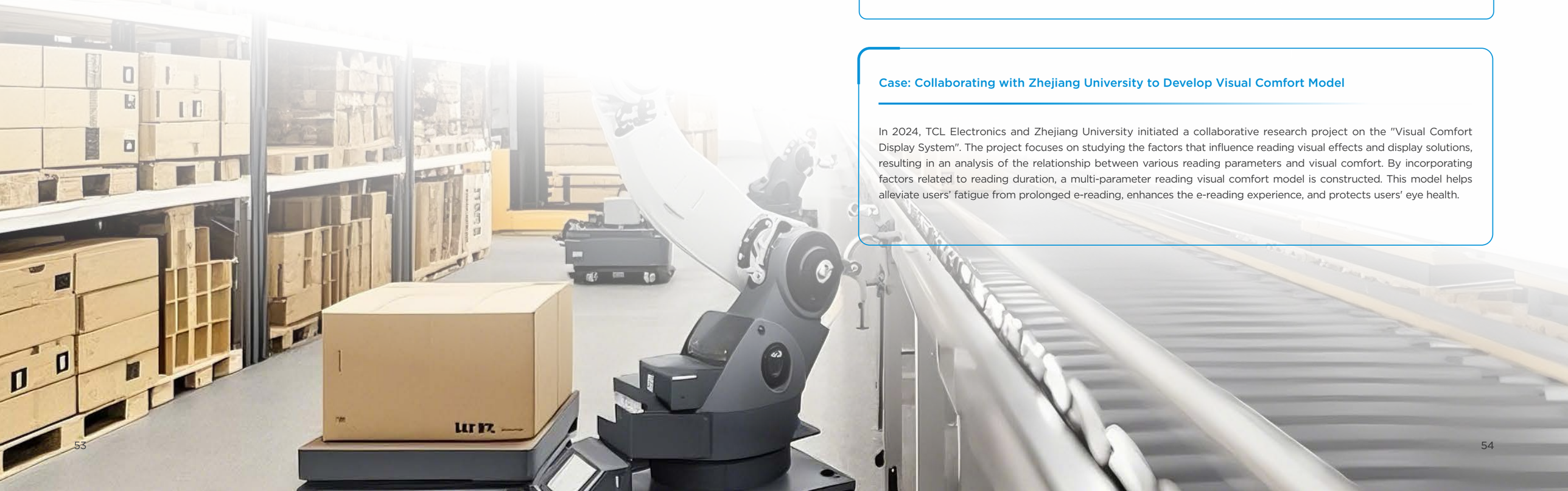
Laboratory Qualifications

Development of Industry Standards

In 2024, TCL Electronics was actively involved in drafting industry standards, contributing its expertise to the advancement of industry standardisation.

Release of Standards Co-developed by TCL Electronics in 2024

Standard Name	Standard No.	Standard Type
Audio, video, and related equipment—Determination of power consumption—Part 2: Test signals and media	GB/T44021.2-2024	National standard
Audio, video, and related equipment—Determination of power consumption—Part 2: Television sets	GB/T44021.3-2024	National standard
Technical requirements and testing methods for conference television	T/CVIA 147-2024	Group standard
Anti-aging model and evaluation specification of aging performance of file system for smart television	T/TAF 234-2024	Group standard
General technical requirements for smart door locks in apartments and hotels	T/TJCA 0011-2024	Group standard



Industry-University-Research Cooperation

Industry-university-research cooperation is essential for companies to develop cutting-edge technologies, commercialise their scientific research achievements, and drive industry progress. TCL Electronics is committed to the integration of industry, university, and research. It engages in deep strategic partnerships with top universities and research institutions to leverage respective strengths and collectively advance innovative technology R&D and the commercialisation of scientific research achievements. In addition, it fosters high-calibre talents and fuels industry sustainability by establishing a TCL university talent training base, cooperative laboratories with colleges and universities, and education funds.

Key Achievements in Industry-University-Research Cooperation

Cooperation with colleges and universities

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

Cooperation with industry

- The Smart Mobile Display BU collaborates with (CNBM) Bengbu Design & Research Institute for Glass Industry Co., Ltd. to explore the microstructure of cover glass, enhancing display clarity and eye protection.

Case: Collaborating with Zhejiang University to Develop Visual Comfort Model

In 2024, TCL Electronics and Zhejiang University initiated a collaborative research project on the "Visual Comfort Display System". The project focuses on studying the factors that influence reading visual effects and display solutions, resulting in an analysis of the relationship between various reading parameters and visual comfort. By incorporating factors related to reading duration, a multi-parameter reading visual comfort model is constructed. This model helps alleviate users’ fatigue from prolonged e-reading, enhances the e-reading experience, and protects users' eye health.

Developing Sustainable Products

TCL Electronics is dedicated to developing sustainable products throughout their entire lifecycle. From design, material selection, manufacturing, and packaging to usage and recycling, every step is intricately linked with environmental protection, low-carbon transformation, and the efficient utilisation of resources, which not only caters to consumer demand for green products but also drives the industry's transition and upgrading towards green sustainability.

Full Lifecycle Management

To develop competitive green products, the Group has established process specifications that encompass the entire product lifecycle. These include the *TCL Pan-smart Screen Product Demand Management Process,* the *Pan-smart Screen BU Product Roadmap Development Process and Management Specification (Trial),* the *Guidelines for Pan-smart Screen Lifecycle Management,* the *Lifecycle Management Operational Process,* and the *Technical Planning Process*. These specifications are effectively promoted and implemented across all product lines.

Regarding management tools, we have created a GPM-LCA product lifecycle assessment system to effectively manage the environmental impact of products throughout their entire journey from "cradle to grave". This system enables us to comprehensively monitor carbon emissions data across all stages, including raw material procurement, production, transportation, usage, and waste disposal. It provides a scientific basis for the Group to establish precise carbon reduction goals and strategies, thereby enhancing the systematic development and efficiency of our carbon emissions management.

Case: TV Products are Granted Low-carbon Product Certifications

Following the achievement of China's first carbon label certification for TCL TV products, we have developed specifications such as the *Greenhouse gases—Carbon footprint of products—Methods and requirements for quantification: Television* based on ISO 14064, and persistently launched a range of eco-friendly, low-carbon TV products. In 2024, we conducted carbon footprint accounting for multiple products, all of which complied with the grade-I energy efficiency requirements in the new energy efficiency standards and reached internationally leading levels. The carbon footprint of the 55P755 HD Smart TV was remarkably low at just 874.4 carbon dioxide equivalents per unit. Having obtained the Guangdong-Hong Kong-Macao Greater Bay Area carbon footprint labelling certification and product carbon label evaluation certification, it stands out as a benchmark for low-carbon development in the display industry.

■ Low-carbon Product Certificates

Sustainable Design

As an integral part of TCL Industries Holdings, TCL Electronics adheres to the goal that "all products achieve zero carbon emissions throughout the entire lifecycle by 2050" set by TCL Industries Holdings. We are actively advancing green and durable product designs. During product design, we establish green design strategies, goals, and implementation plans to ensure that products are environmentally friendly, intelligent, and sustainable at all stages of their lifecycle.

Case: Green Design Strategies for TCL TVs

In the field of TVs, we proactively develop green design strategies and set clear green design goals for 2030, aiming to support the achievement of zero carbon emissions from a top-level design perspective.

Stage Goals of Green Design for TCL TVs

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

Guided by these goals, TCL TVs embrace a green and caring design philosophy, embedding principles such as environmental friendliness and green mindfulness throughout the entire product lifecycle. The plan for implementing green design is developed to comprehensively promote the green transformation and upgrading of our products.

Green Design Implementation Plan for TCL TVs

TCL Electronics enhances resource efficiency, as well as product quality and reliability, through a focus on durability in design. To develop durable products, the Group adheres to regulations and standards such as the *Eco-design for Sustainable Products Regulation, Common Charger Directive*, and *Energy Efficiency Labelling Scheme*. It also establishes comprehensive quality management principles and manuals, including a range of management protocols and procedures from IPD demand planning to development, production, and service, all aimed at ensuring high durability throughout the product lifecycle.

Main Measures in the Durability Design Stage

Demand-driven product design

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

Technological innovation

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

Environment-friendly Raw Materials

TCL Electronics has implemented a hazardous substance management system to ensure product safety and harmlessness by reducing or replacing hazardous substances. Building on this, it actively employs renewable and recyclable environment-friendly raw materials to support the green upgrade of products.

Use of Harmless Raw Materials

TCL Electronics strictly adheres to *RoHS*, *REACH*, *Prop65*[6], the *Stockholm Convention on Persistent Organic Pollutants*, and the International Electrotechnical Commission's requirements for halogen-free equipment, choosing harmless, green materials that comply with these standards.

The Group has established and complies with the *Restricted Substance Management Standard* and *Restricted Substance Control Procedure* to substitute high-toxicity substances with low-toxicity ones and low-toxicity substances with non-toxic alternatives, enforcing stringent control over the use of harmful substances like lead, mercury, cadmium, and hexavalent chromium. We regard the thorough reduction of hazardous substances (Hazardous Substances Free, HSF) in products as our long-term goal, standardising the management of raw and auxiliary materials involved throughout the entire value chain, including product design and R&D, manufacturing, assembly, installation, and service. We also execute non-harmful management and testing for raw materials across all suppliers to ensure that materials meet green requirements at source.

This Year, TCL Electronics achieved a 100% HSF rate for supplier raw materials, with no complaints received regarding toxic or hazardous substances.

[6] *Prop65*: *California Proposition 65*, officially known as the *Safe Drinking Water and Toxic Enforcement Act of 1986*, a law aimed at testing chemicals such as lead, cadmium, phthalates, and bisphenol A in products.

Use of Renewable and Durable Materials

The Group actively procures and applies raw materials with renewable properties and durability, continually increasing the proportion of such materials used to promote efficient resource recycling and minimising the environmental impact of products. In 2024, TCL's router products incorporated various environmentally friendly materials, establishing a solid foundation for the creation of green products.

Use of Green Materials in TCL Router Products

70% and **95%** post-consumer recycled (PCR) plastic for casting

40% bio-based materials for casing

100% recyclable casing and packaging

100% use of soy ink, free from oil contamination

100% use of recycled paper and Forest Stewardship Council (FSC) certified paper

Plastic-free and halogen-free design

Use of recycled metals in components

We have established long-term partnerships with top-tier suppliers, opting for reliable raw materials known for their high strength, wear and corrosion resistance. We conduct regular evaluations and audits of our suppliers to ensure that the materials adhere to the necessary standards and requirements, providing a solid foundation for creating durable products.

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

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

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

TCL A300 Series Natural Material Remote Control Design

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

CMF Material Wall for TCL's Entire Product Range

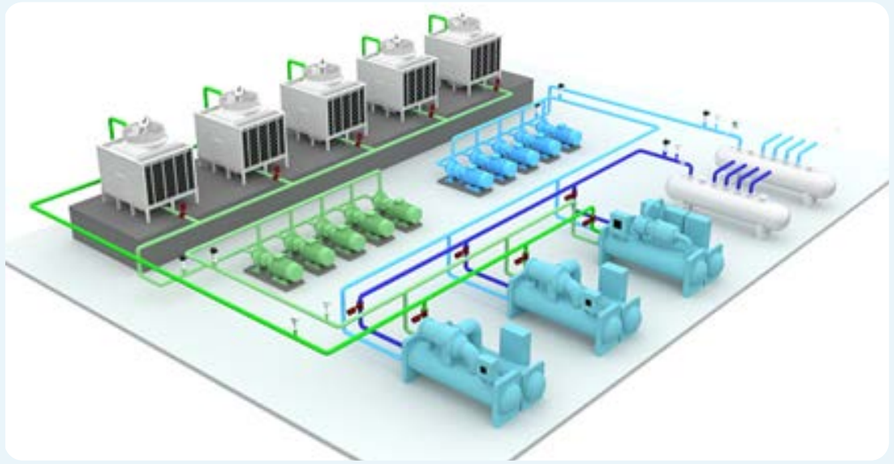
Clean Manufacturing

In our product production phase, we take into full account the energy efficiency of individual products and the environmental impact of manufacturing processes. Through energy-saving renovations, the use of clean energy, and optimised process flows, we have established a green and clean manufacturing system.

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

The Mobile Phone BU has initiated a series of energy-saving technical renovation projects during the production phase. By extensively adopting clean energy, it is committed to reducing the energy consumption per unit for mobile and tablet products and contributing to the creation of sustainable products.

In 2024, the Mobile Phone BU successfully completed the optimisation of the compressed air system. By incorporating zero-air loss electronic drain valves and outlet filters, replacing two low-efficiency refrigerated dryers, and installing intelligent control systems, it reduced electricity consumption by 750,000 kWh. Additionally, relying on the optimisation of the central air conditioning system, the BU implemented variable frequency control for cooling and chilled water pumps, added balancing valves and various sensors to the piping, and upgraded to an intelligent control system, achieving electricity savings of 1.1 million kWh for the Year.



Optimisation of Central Air Conditioning System

Green Packaging

Green packaging is a key aspect of our efforts to create sustainable products. To this end, we promote the design of packaging materials that are free from plasticisers, minimise usage, and are lightweight within the supply chain, partnering with suppliers to jointly create resource-saving and environmentally friendly products.

Key Measures for Green Packaging

Elimination of plasticisers in packaging materials

- For all mobile phone products shipped to the EU, packaging materials are completely free of plasticisers. All materials are recyclable and degradable, effectively reducing the negative impact of non-degradable materials on the environment.

Recyclable packaging materials

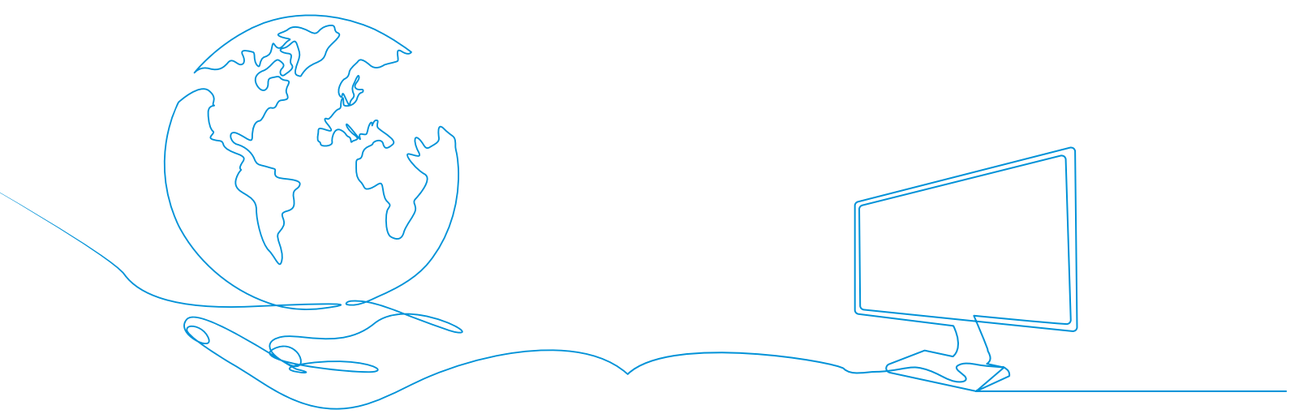
- *Packaging Material Recycling Agreements* are signed with suppliers. The Group organises the packaging materials, including packaging boxes, vacuum formed trays, and component reels used in supplier products, for recycling by the suppliers. This endeavour reduces procurement costs, promotes environmental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

Reduction and lightweighting of packaging materials

- By actively adopting the “no charger solution” for mobile phone products, the volume of packaging boxes is halved, which minimises unnecessary electronic waste, reduces the size and weight of packaging, and lowers carbon emissions during transportation.

Environmentally friendly packaging materials

- We actively use eco-friendly materials certified by FSC. The printing ink on packaging surfaces is natural, environmentally friendly soy ink, which is renowned for its excellent water adaptability, stability, durability, and resistance to drying, while minimising volatile organic compound (VOC) emissions.
- We advance the innovation and application of energy-saving and emission-reduction technologies, incorporating environmentally friendly materials such as air columns and recycled honeycomb boards in TV packaging design.



Use of Products

Through advanced technology, TCL Electronics reduces energy consumption during product use, improves energy efficiency, and lowers carbon emissions, providing consumers with greener product options.

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

TCL Mini LED P Venus/C Mars Colour TV

- The backlight control system and method improve picture quality while saving approximately 40% of power consumption.
- Hybrid dimming technology intelligently alters the working mode of the backlight system, effectively enhancing image quality and saving energy by 5%-15%.
- Direct-drive LED backlight combined with large chip packaging increases the utilisation efficiency of the backlight light source by over 18%.

TCL Router

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

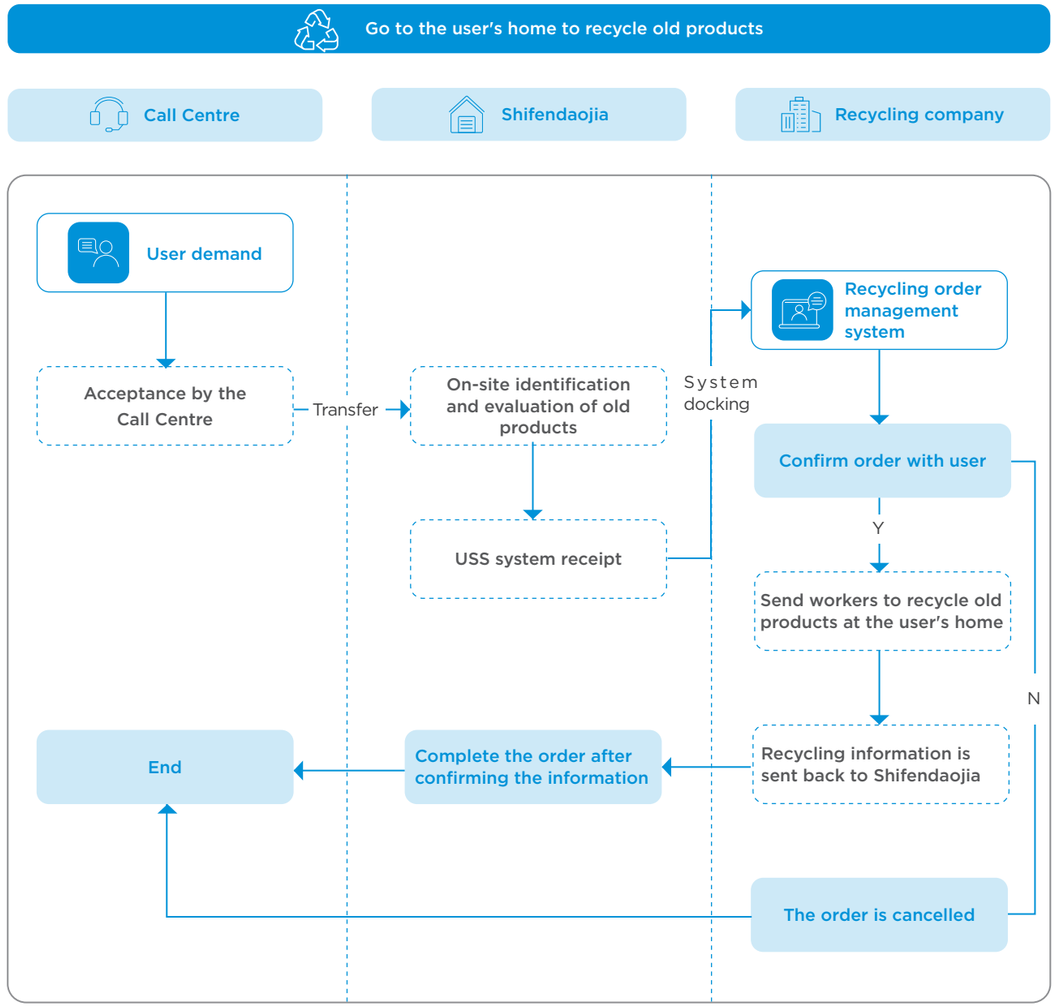
The Group is dedicated to a robust after-sales support system, extending product life to reduce resource wastage. We have developed a comprehensive global after-sales service network with a specialised team to promptly address customer issues and needs, including product repairs and replacements. We deliver tailored solutions to ensure customer satisfaction and trust throughout the user journey. We prioritise high standards and efficiency in product remanufacturing, striving to minimise resource waste associated with scrapping during the repair and remanufacturing processes. In 2024, TCL Electronics continued to establish spare parts warehouses and remanufacturing centres in critical overseas regions to enhance systematic operational effectiveness. Currently, over 20 large spare parts warehouses and national remanufacturing centres have been set up domestically and internationally. During the reporting period, the scrapping of whole TVs in key overseas areas decreased by 40.9%.

Backend Product Maintenance Equipment

Recycling and Reuse

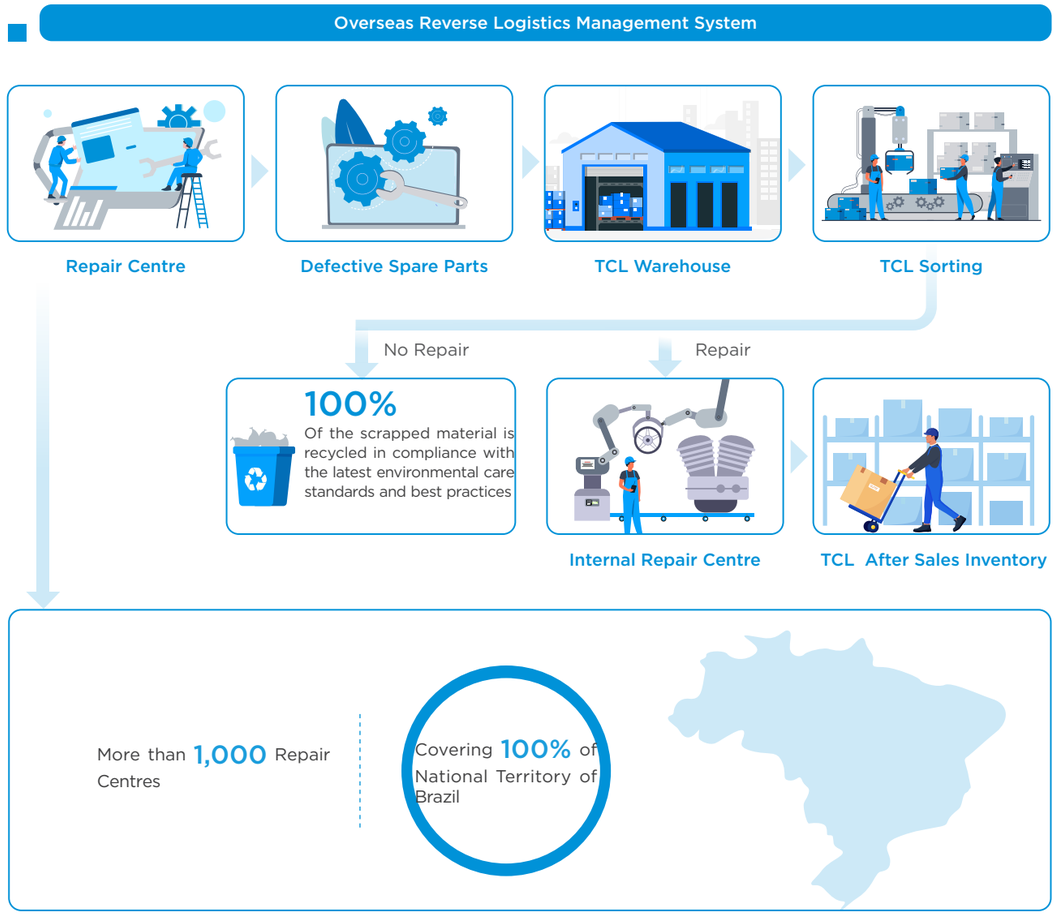
On the recycling side, TCL Electronics has established a comprehensive ecosystem for the recycling of obsolete products. All products and brands, including those not manufactured by the Company, are eligible for collection and recycling. Consumers can take part in product recycling through designated drop-off points, mail-in, or home pick-up. Additionally, we collaborate with a fellow subsidiary of TCL Industries Holdings that engages in environmental protection, as well as third-party partners, to develop the recycling industry, giving new "life" to outdated products and effectively enhancing the recycling and reuse of resources.

Product Recycling Process



For the overseas market, TCL Electronics actively complies with the EU's *WEEE Directive* [7] and other relevant laws and regulations in its operational regions, devising a recycling programme for electronic products.

- In the North American market, we provide How2Recycle® labels on all packaging for TVs, speakers, and electronic products, offering users detailed information on product recycling so they can find the nearest recycling solutions. Additionally, we sponsor electronic product recycling solutions across all 50 US states and the District of Columbia, empowering resource recycling at the societal level.
- Our Brazilian factory strictly adheres to local policies regarding the reverse logistics of post-consumer electronic products and their household components. In collaboration with the Brazilian Association for the Recycling of Electronics and Household Appliances (ABREE), we have established a reverse logistics management system to properly dispose of electronic product components after consumption. In 2024, we achieved 100% recycling and reuse of non-repairable components, while repairable components were sent to our in-house maintenance centre. The fixed components were stored for future manufacturing needs.



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

03 Seeking Win-win Cooperation and Partnering for Development

TCL Electronics embraces the concept of win-win cooperation, rigorously standardises supplier management requirements and standards, refines the supply chain management process system, and works in tandem with upstream stakeholders to establish a responsible and sustainable supply chain, empowering the green and environmentally friendly development of the value chain.

Strengthening Supplier Management

Building Sustainable Supply Chain

Strengthening Supplier Management

We pursue robust supplier management throughout the process. In line with internal regulations such as the *Supplier Certification Management Process* and the *Component Inspection Management Process*, TCL Electronics has established stringent processes for supplier development, audit, certification, and raw material procurement, alongside quality inspection standards, achieving a complete closed-loop management system for suppliers. This ensures a stable supply and reliable quality of raw materials, demonstrating a commitment to forging long-term partnerships with top-tier suppliers.

Closed-Loop Management Process System for Suppliers

Development and admission

- When selecting suppliers, departments complete the *New Supplier Certification Requirements Form* and submit it to the supplier certification team within the procurement department. The supplier certification team initiates a social responsibility due diligence process to assess the supplier's performance in environmental protection, labour rights, and business ethics.
- During supplier onboarding, the development/interface department should clearly communicate the Company's compliance policy requirements for supply chain management and the associated penalties for any violations to all relevant parties by having them sign the *Partner Code of Conduct Agreement* and the *Legal Compliance and Trade Security Commitment Letter for Business Partners*. It is also essential to ensure that all signatories strictly adhere to the agreement terms and bolster legal constraints to minimise compliance breaches.

Supervision and audit

- Once suppliers have been onboarded, we conduct ongoing supervision and evaluation, annual special audits, and third-party reviews on them:
  - We conduct annual corporate social responsibility inspections of core suppliers, with audit modules covering labour rights, health and safety, environmental protection, business ethics, management systems, and other areas.
  - Suppliers are subject to regular evaluation and hierarchical management. We conduct supplier performance assessments across four key dimensions—business, delivery, quality, and technology—on a monthly, semi-annual, and annual basis. Based on the assessment scores, we categorise suppliers into four tiers (preferred, qualified, restricted, and disqualified) for targeted management.

Rectification and clearance

- For suppliers with low assessment scores, we assist them in identifying and analysing issues and propose rectification measures to help improve their supply performance, thus effectively implementing supply chain risk management, and promoting the stable development of the supply chain.

To enhance the digital governance of suppliers, TCL Electronics actively responds to the requirements of the "6+1 Digital Transformation of the Big Supply Chain". In 2024, we launched the first phase of the supplier data governance project. By defining the organisation and responsibilities of supplier data management, establishing a unified standard for supplier master data, and supporting the implementation of the supplier lifecycle management process in the Supplier Relationship Management (SRM) system, we aim to continuously improve the efficiency and transparency of supplier management, reduce compliance risks associated with the complexity of the supplier system, and achieve precise control over supplier operations management.

Supplier Data Governance Project Phase I

Building Sustainable Supply Chain

TCL Electronics proactively integrates ESG factors into its supply chain management. It consistently enhances the standards and requirements for suppliers regarding labour rights (including forced labour, child labour, working hours, minimum wage, paid overtime, anti-discrimination, freedom of association, etc.), health and safety, environmental protection, business ethics, and management systems aspects by establishing a range of responsible procurement policies, such as the *Partner Code of Conduct* and the *Supplier Social Assessment Form*, thus continually developing a sustainable supply chain system.

In 2024, the number of suppliers signed the *RBA Social Responsibility Commitment* with the Pan-smart Screen BU reached

262

In 2024, the number of suppliers signed the *Transparent Procurement Agreement* with the Pan-smart Screen BU

207

Supply Chain Responsibility Management

TCL Electronics stresses the environmental and social responsibility performance of its suppliers. When selecting and developing cooperative suppliers, we prioritise those who use environmentally friendly RoHS materials and low-carbon components in their manufacturing processes, as well as those demonstrating outstanding performance in humanitarian care and social responsibility. We also appoint Corporate Social Responsibility (CSR) experts to conduct on-site assessments and scoring based on the *Supplier Social Responsibility Assessment Checklist*, focusing on labour rights, health and safety, environmental protection, business ethics, and management systems. Our goal is to create a sustainable incentive mechanism for suppliers and foster a responsible supply chain by strengthening the CSR compliance audit.

In 2024, to further standardise the compliance of supplier social responsibility audits, we updated and revised the CSR audit tool based on the RBA Code of Conduct, taking into account our corporate culture and needs. We also released version 3.0 of the *Supplier Social Responsibility Checklist*. Compared with the previous version, this new checklist introduces four assessment items for "Information Security", one supplier information overview form, and one condition for passing the audit, alongside updates to the assessment scoring mechanism, greatly enhancing the compliance of CSR audits. The audit tool now includes an automatic capture feature to capture non-compliance issues through the output of the Survey Result Analysis Form. Additionally, the Supplier Self-assessment Guide and Attachment List have been introduced to improve guidance for suppliers and promote their own CSR capability building and compliance awareness. Moreover, the Company has continuously enhanced the awareness of supply chain responsibility management among personnel in the procurement department. Specifically, in 2024, the Mobile Phone BU conducted online training for staff in the procurement and development departments on RBA standards, covering areas such as labour, health and safety, environmental protection, and business ethics, with a total of over 20 participants.

Online Training on RBA Code of Conduct

During the reporting period, TCL Electronics completed onboarding audits for 38 new suppliers and conducted annual spot checks for CSR compliance on 15 key suppliers. A total of 241 issues were identified during the onboarding audits, resulting in 2 new suppliers failing to pass the audit and being prohibited from onboarding. Similarly, 154 issues were identified during the annual spot checks, and 2 suppliers were required to rectify these issues within a specified timeframe.

Supplier Integrity Assurance

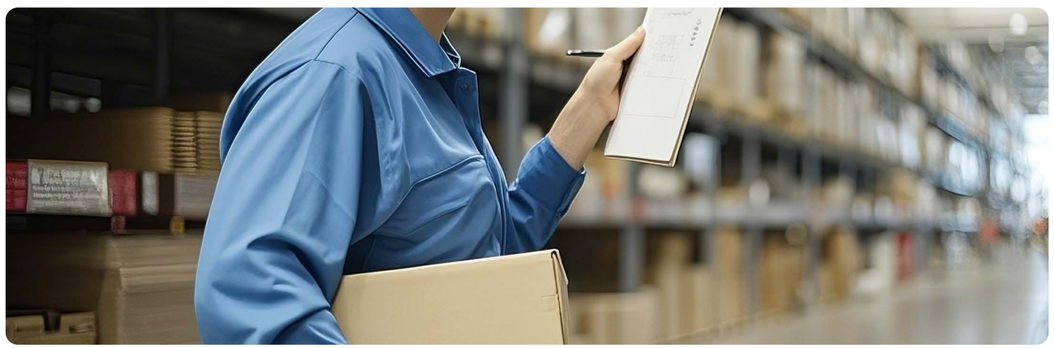
TCL Electronics is committed to building partnerships with suppliers based on transparency, fairness, integrity, and non-corruption. Suppliers are required to sign the *Partner Code of Conduct* and the *Integrity Agreement*, which include anti-commercial bribery clauses, as a prerequisite for cooperation. We adopt a zero-tolerance policy that strictly prohibits collusion with procurement personnel and forbids all forms of bribery, corruption, extortion, embezzlement, and any other types of benefit transfers. Business ethics performance is integrated into the regular assessment of suppliers, and if any behaviour related to commercial bribery is detected, we immediately terminate cooperation with the involved supplier and demand the return of any benefits obtained through bribery. Furthermore, TCL Electronics continually reinforces integrity education for internal supply chain management and procurement personnel, stipulating that under no circumstances should they bribe clients or stakeholders, nor offer them cash, negotiable securities, payment vouchers, communication devices, vehicles, non-low-value cultural items, other valuables, travel, high-cost entertainment, or any other form of gifts. In 2024, TCL Electronics delivered a presentation on anti-corruption at its administrative supplier conference, further clarifying the code of conduct for external suppliers. This is part of our continuous effort to foster a fair, equitable, legal, and compliant environment for supply chain cooperation.

Management of Controversial Minerals

TCL Electronics strictly adheres to the RBA Code of Conduct and the requirements of the Global enabling Sustainability Initiative (GeSI) in establishing the *Regulations on the Non-Use of Controversial Minerals in Procurement*. It also enhances compliance management of controversial minerals within the supply chain by entering into the *Statement on Restricted Substances* and the *Undertaking Letter of Guarantee for the Non-Use of Controversial Minerals* with suppliers.

In 2024, the Pan-smart Screen BU developed internal policies such as the *Management Specification for Controversial Minerals of Smart Screen TV Products V2.0* and the *Statement on Controversial Minerals of Smart Screen TV Products*. These policies implement strict controls during the supplier onboarding phase, requiring new suppliers to complete the *Controversial Minerals Questionnaire* and the *Statement on Non-Use of Controversial Minerals* in the system, followed by investigation and confirmation before approval for onboarding. Additionally, we continuously track and manage compliance by regularly reviewing changes in policy requirements related to controversial minerals and integrating this information for communication to suppliers. We also conduct regular investigations to monitor suppliers' compliance with controversial minerals management and address any suppliers that violate controversial mineral principles by circulating a notice of criticism and requiring corrective actions.

The Mobile Phone BU has established and implemented the *Controversial Minerals Management Procedure* to ensure responsible minerals management. Following the Organisation for Economic Co-operation and Development (OECD) Due Diligence Guidance, we use due diligence tools from the Responsible Minerals Initiative to conduct due diligence within the controversial minerals management system, ensuring the compliance of supplied minerals. As a result, 75% of the products achieve traceability of raw materials.



Strict Control of Hazardous Substances

In accordance with the requirements of the EU RoHS Directive, TCL Electronics evaluates the hazardous substances in its supplied products during both the supplier onboarding and the annual audit stages to ensure that the products comply with health, safety, and regulatory standards.

Hazardous Substance Management Goals for 2024

Goals	Accomplishment in 2024
Compliance of toxic and harmful substance control standards with the latest relevant laws, regulations, and customer requirements both domestically and internationally	Achieved
100% signing rate for the TCL Statement on Restricted Substances and the Supplier Environmental Protection Agreement	Achieved
100% final pass rate for component environmental protection testing	Achieved
80% effective rate for RoHS testing reports for components	Achieved
100% compliance of third-party RoHS testing report results with TCL's harmful substance control standards	Achieved
Zero returns or customer complaints related to non-compliance with control of toxic and harmful substances	Achieved
Environmental labelling products meet the relevant requirements of environmental labelling standards	Achieved

Collaborative Development with Suppliers

TCL Electronics keeps an eye on the overall industry landscape and partners with suppliers to propel the collaborative development of a sustainable supply chain. By encouraging suppliers to engage in carbon inventory projects and organising ESG concept training and awareness activities for them, the Company establishes strong and stable cooperative relationships, enhances the unity of suppliers in the transformation towards sustainability, and facilitates the low-carbon upgrade of the supply chain. In 2024, the Mobile Phone BU actively implemented the Green Supply Chain project and organised training sessions and workshops on eco-design regulations with affiliated suppliers.

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

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

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

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

04 Pursuing Harmonious Coexistence to Lead a Low-carbon Future

Global environmental risks, including climate warming, energy crises, and environmental pollution, are inflicting severe damage on social development and human civilisation. Confronted with pressing circumstances, TCL Electronics embraces its responsibility as an industry leader by strengthening environmental management, mitigating the environmental impact of its production operations, and actively deploying climate strategies and actions. It seeks to build a circular economy model and leverage its business strengths to support social green development.

Environmental Compliance Management

Response to Climate Change

Implementing Energy Conservation and Consumption Reduction

Strict Control of Pollution Emissions

Promoting Circular Economy

Developing a Net Zero Ecosystem

Environmental Compliance Management

TCL Electronics strictly adheres to the *Environmental Protection Law of the PRC* and the *Law of the PRC on the Prevention and Control of Atmospheric Pollution*, along with all pertinent environmental laws and regulations in the regions where it operates. It promptly and precisely discloses environmental protection information, welcoming oversight and evaluation from all sectors of society. We have developed an environmental management strategy based on the ISO 14001 environmental management system. To standardise environmental protection requirements for all stages of production and operations, our BUs have developed internal regulations tailored to their specific business characteristics, including the *Environmental, Occupational Health and Safety Management Manual of Pan-smart Screen BU*, the *EHS Monitoring and Measurement Management Specification*, the *Social Responsibility Management Specification of TCL Communication*, and the *Comprehensive Management Manual.*

Environmental Targets

Based on the actual conditions of the Group and aligning with our overall development needs, we have established feasible targets in areas such as emission reduction, resource utilisation, waste, and material use, while further refining the basic environmental management and emission reduction performance objectives for all departments. By clarifying management responsibilities and authorities and conducting regular assessments and performance evaluations, we track and evaluate the environmental achievements of each department, thereby ensuring the effective implementation of our environmental strategy.

TCL Electronics' Environmental Targets for 2025 [8]

Category	Target [9]
Greenhouse gas emission intensity level (tCO_2e/RMB 10,000 output value)	Decrease by 18.0%
Water use intensity level (m^3/RMB 10,000 output value)	Decrease by 27.0%
Purchased electricity use intensity level (MWh/RMB 10,000 output value)	Decrease by 13.5%
Natural gas use intensity level (m^3/RMB 10,000 output value)	Decrease by 70.0%
Hazardous waste	Implement harmless and non-landfill disposal measures for five types of hazardous waste (waste fluid of organic solvents, oil-contaminated wastewater, paint waste fluid, waste empty buckets and waste lamp tubes)
Non-hazardous waste	Implement the following measures to reduce non-hazardous waste: • Establish a sound waste management system • Build sound waste classification and collection devices • Keep detailed records of the amount of waste generated during production and operation
TV set EPS packaging materials [10]	• 55-Inch: Decrease by 6.0% • 65-Inch: Decrease by 10.0% • 75-Inch: Decrease by 10.0%
Packaging materials for mobile phone and tablet products	• Small: Decrease by 5.7% • Medium: Decrease by 5.3% • Large: Decrease by 5.5%

[8] The environmental targets for 2025 cover the factories under TCL King (Huizhou) and Huizhou TCL Mobile, both of which are mainly engaged in production and manufacturing.
[9] These targets are set with 2020 as the base year and 2025 as the target year.
[10] The targets cover the flagship S-series models.

Management and Control of Environmental Risks

TCL Electronics places significant emphasis on environmental risk management, rigorously controlling major environmental factors, and standardising emergency management procedures. The Company regularly organises drills to improve response speed and coordination capabilities in the face of environmental emergencies, aiming to enhance its ability to tackle such events and minimise environmental impact.

All factories under the Pan-smart Screen BU have proactively drafted and disseminated the *Environmental Factor Identification Specification* to identify and assess environmental risk factors based on the stipulated process. This mainly includes the emission of "three wastes", potential fire hazards, energy consumption, environmental pollution, and the loss of life and property. Control measures for significant environmental factors are devised and implemented. We prepare and file an emergency response plan for unexpected environmental incidents every three years, with the latest update completed in 2024. Additionally, we conduct annual drills for wastewater, waste gas, hazardous waste, and chemical leak incidents to ensure effective and timely prevention of environmental pollution in case of accidental events.

In accordance with the *National Environmental Emergency Response Plan* and the *Management Measures for Environmental Emergency Response Plan of Huizhou Municipal Environmental Protection Bureau (Revised Version)*, and other relevant documents and requirements, the Mobile Phone BU has prepared the *Environmental Emergency Response Plan for Huizhou TCL Mobile Communication Co., Ltd*. This plan aims to safeguard personal safety within the Company, minimise property damage, and ensure a swift, efficient, and orderly response to accidents. Regular drills are conducted to ensure staff are aware of their duties, familiar with emergency response tasks, and possess strong technical skills and robust work ethics, remaining composed and applying appropriate methods in the event of an incident.

Environmental System Certification

Focusing on environment-related system certification, we thoroughly evaluate and refine our internal operations, identify potential environmental risks and challenges, and develop more scientific and effective response measures. This ensures our ESG practices meet international standards and stakeholder expectations. During this Year, TCL Electronics did not experience any major environmental pollution incidents and did not adversely affect the surrounding ecological environment or biodiversity.

The number of subsidiaries that have obtained ISO 14001 environmental management system certification	The number of subsidiaries that have obtained ISO 50001 energy management system certification	Major environmental pollution incidents
9	**2**	**No incidents**

Enhancement of Environmental Awareness

In the process of corporate development, raising environmental awareness is a key factor in promoting sustainability. We embed environmental awareness into every aspect of our daily operations, actively engage in various environmental protection activities, and enhance related training to ensure that the philosophy of environmental protection is deeply instilled. We encourage every employee to become an advocate for environmental initiatives, striving together to create a green enterprise.

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

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

Diversified Environmental Protection Activities

Response to Climate Change

Recognising the urgency of the global climate crisis, TCL Electronics actively seeks to develop a pathway for low-carbon growth. We comprehensively deploy strategies and goals for addressing climate change, relying on a solid governance framework to fully manage climate-related risks and opportunities. We strive to implement various climate-related initiatives, aiding in the creation of a more resilient business development model.

Climate Governance

TCL Electronics has developed an ESG governance framework, with the Board of Directors being the highest decision-making authority. Climate issues are fully integrated into this framework, resulting in a four-tier governance system from top to bottom. This structure delineates responsibilities at all levels and ensures efficient coordination to support the realisation of climate strategies and goals.

TCL Electronics Climate Governance Framework

Board of Directors
Directors

- Oversee climate-related matters.
- Receive regular reports from senior management, and learn about and review the assessment results of climate impacts, risks, and opportunities.
- Consider climate impacts, risks, and opportunities while supervising development strategies, major transaction decisions, risk management processes, and related policies.
- Oversee the formulation, implementation, and achievement of climate goals.

ESG leadership team
Senior management

- Lead climate-related matters, formulate climate development strategies, and allocate resources to support climate tasks.
- Regularly monitor climate impacts, risks, and opportunities, and guide the ESG management team to conduct relevant assessments.
- Accept oversight from the Board of Directors regarding climate-related matters and provide regular updates on the assessment results of climate impacts, risks, and opportunities, achievement of climate goals, and other important issues.
- Review and approve results of climate tasks.

ESG management team
Heads of relevant departments

- Manage specific climate tasks and regularly assess climate impacts, risks, and opportunities.
- Based on climate goals, designate contacts for climate-related matters in the ESG implementation team, break down their responsibilities, and monitor their progress.
- Regularly report to the ESG leadership team on the assessment results of climate impacts, risks, and opportunities, progress of climate goals, and implementation measures, while accepting guidance from the ESG leadership team.

ESG implementation team
The related employees of business and functional departments, domestic and overseas manufacturing bases and subsidiaries

- Develop and implement specific climate tasks, regularly make statistics for the completion of various indicators, and track the progress of climate goals.
- Support the ESG management team in assessing climate impacts, risks, and opportunities, and implement risk response measures at the execution level while regularly tracking effectiveness.
- Regularly report to the ESG management team on work progress while accepting its guidance.

Net-zero Strategy

To expedite the low-carbon transformation, we are steadily advancing TCL Industries Holdings' Synergistic Carbon Reduction Path in Inner, Middle, and Outer Circles to connect our operations, green products, and ecosystem, collaborating with all parties to jointly construct a net-zero ecosystem.

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

In the inner circle

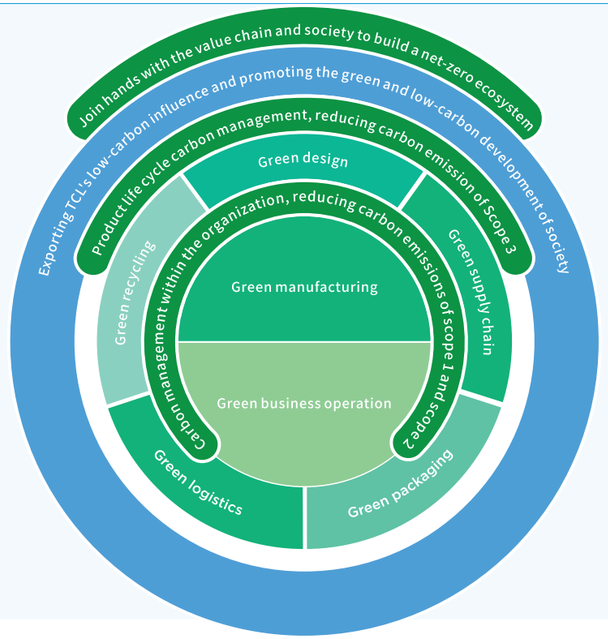
We give full play to our technological innovation strengths. Through innovative technologies and energy-saving transformation, we rationally utilise resources and promote energy conservation and carbon reduction in our manufacturing bases and operating sites.

In the middle circle

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

In the outer circle

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



Climate Scenario Creation

TCL Electronics, based on its core business and industry characteristics, selected the high-emission scenario of IPCC SSP5-8.5 [11] for physical risk analysis. This selection was guided by the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) as well as climate risk analysis practices both domestically and internationally. Furthermore, we conducted a transition risk analysis under the Network of Central Banks and Supervisors for Greening the Financial System (NGFS [12]) scenario of Below 2°C, aiming to assess the impacts of climate factors on the Company's operations and value chain across various scenarios in the pivotal years of 2030 and 2050, compile a list of climate risks and opportunities, and engage in in-depth discussions to propose feasible response strategies.

Risk and Opportunity Type	Selected Scenario	Expected Temperature Increase	Scenario Description
Physical risks	IPCC SSP5-8.5 Representative Concentration Pathways	4.4˚C	The CO_2 emissions will double from current levels by 2050, with rapid global economic growth driven by fossil fuel extraction and energy-intensive ways of work and life. By 2100, the global average temperature is projected to increase by 4.4°C.
Transition risks Climate opportunities	NGFS Below 2°C (Orderly Transition)	<2˚C	This scenario assumes that climate policies are implemented early and gradually become more stringent. Both physical and transition risks are relatively low. Below 2°C gradually increases the stringency of climate policies, giving a 67% chance of limiting global warming to below 2°C.

[11] IPCC SSP5-8.5 is a high-emission climate scenario that combines a pathway of high economic growth and fossil fuel-dependent societal development (SSP5) with a greenhouse gas concentration pathway leading to a radiative forcing of 8.5 W/m² by 2100 (RCP8.5).
[12] NGFS (Network of Central Banks and Supervisors for Greening the Financial System) is a network composed of central banks and regulatory authorities worldwide, aimed at promoting the financial system's response to climate change risks and supporting the transition to a green economy.

Physical Risk Analysis

This Report's analysis of physical climate risks covers 9 factories operated by TCL Electronics, located in 7 cities across China, Brazil, Vietnam, Pakistan, and Poland. We have selected the cities where these 9 factories are located or nearby major cities, using climate change physical risk assessment tools to evaluate the chronic and acute risks facing them. We have analysed key physical risk factors that are important to TCL Electronics, including annual average temperature, annual number of rainy days, total annual rainfall, number of extreme rainfall days, and number of frost days, building climate risk heatmaps for the years 2030 and 2050.

Physical Risk Heatmap for 2030 Under the IPCC SSP5-8.5 Scenario [13]

S/N	City	Chronic Risks		Acute Risks	
		Annual Average Temperature (°C)	Annual Number of Rainy Days (Days)	Number of Extreme Rainfall Days (Days)	Number of Frost Days (Days)
1	Shenzhen				
2	Chengdu				
3	Monterrey				
4	Ho Chi Minh City				
5	Fortaleza				
6	Lahore				
7	Warsaw				

Physical Risk Heatmap for 2050 Under the IPCC SSP5-8.5 Scenario

S/N	City	Chronic Risks		Acute Risks	
		Annual Average Temperature (°C)	Annual Number of Rainy Days (Days)	Number of Extreme Rainfall Days (Days)	Number of Frost Days (Days)
1	Shenzhen				
2	Chengdu				
3	Monterrey				
4	Ho Chi Minh City				
5	Fortaleza				
6	Lahore				
7	Warsaw				

[13] On the heatmap, colours that are closer to darker shades indicate a greater likelihood and extent of change for that risk factor in the future in that city; conversely, colours that are closer to lighter shades indicate a lower likelihood and extent of change.

The two heatmaps indicate that under the high-emission scenario of IPCC SSP5-8.5, the impact of physical risks on the Group in 2050 is generally greater than that in 2030. In terms of geographic regions, assets near Shenzhen, Chengdu, Monterrey, Lahore, and Warsaw face more significant changes in physical risks in both 2030 and 2050. Regarding the risk factors, the change in physical risks related to the number of frost days is relatively significant for both 2030 and 2050, followed by the annual average temperature and the number of extreme rainfall days, and lastly, the annual number of rainy days.

Analysis of Physical Risks Facing TCL Electronics

Risk Type	Impact Factor	Risk Description	Impact on the Value Chain	Time Dimension[14]	Method of Financial Impact	Financial Impact[15]	Climate Action Strategy
Chronic Risks	Increase in annual average temperature	An increase in annual average temperature could lead to difficulties in the heat dissipation of production equipment, thereby impacting the operational efficiency and stability of the equipment, and reducing its service life. High temperatures might alter the performance of electronic components, leading to an increased defect rate in products.	Operations	Long-term	Assets Revenue	Medium	**Equipment assurance:** Increase investment in production resources, modify or introduce machinery and technologies suitable for varied temperature conditions, and boost the heat dissipation performance and stability of the equipment. **Quality control:** Develop and refine the product quality management system to reinforce quality standards across all stages. For details, please refer to “Commitment to Quality Excellence”.
	Increase in the annual number of rainy days	A prolonged humid environment may cause metal components in production machinery to rust and electronic parts to age, thereby raising the frequency and cost of equipment maintenance. Additionally, raw materials and semi-finished products are more likely to be damp during storage, affecting product quality and leading to higher defect rates.	Operations	Long-term	Assets Revenue	Medium	
	Extreme rainfall	Extreme rainfall may damage production machinery, disrupt employee commuting, compel work stoppages, obstruct logistics and transportation, and cause product delivery delays, preventing timely delivery to customers.	Operations Downstream	Short-term	Assets Revenue	High	**Infrastructure enhancement:** Fully consider the risks of extreme rainfall and flooding during factory construction and operations, and deploy drainage and water level monitoring facilities to mitigate such risks. **Emergency response capability building:** Develop emergency response plans for environmental risks, conduct regular emergency drills, and stockpile emergency supplies.
Acute Risks	Frost	Frosty weather may lead to factory equipment malfunctions, disruptions in logistics and transportation, and impacts on the global supply chain. It may also exacerbate shortages of raw materials (such as copper and aluminium), increase transportation costs, and subsequently raise production costs. Increased energy demands during frost may further drive up traditional energy prices.	Upstream Operations	Short-term Medium-term	Assets Costs Revenue	High	**Localised procurement:** Establish localised supply chains in key production and operational areas both domestically and internationally to mitigate climate risks. **Clean energy transition:** Increase the proportion of clean energy by adopting methods such as building distributed photovoltaic systems and purchasing green electricity, thus reducing reliance on traditional fossil fuels. In 2024, the smart screen and communication segments of TCL Electronics offset 624 MWh of carbon emissions through the purchase of green electricity certificates. For details, please refer to “Energy Management”.

[14] Time dimension: Short-term is defined as 2023 to 2030, mid-term as 2030 to 2050, and long-term as after 2050, consistent with the climate goal timeline of TCL Industries Holdings and subsidiaries of TCL Electronics.
[15] Financial impact of physical risks: The financial impact of physical risk factors is based on the severity of the financial consequences for an enterprise arising from changes in these risk factors.

Transition Risk Analysis

Based on the NGFS Below 2°C scenario, we assess transition risks related to six impact factors: climate policies in manufacturing industry, climate information disclosure policies, carbon pricing, electricity prices, energy efficiency investments, and market awareness of sustainable development. Through a questionnaire survey among stakeholders (involving equipment management, R&D, procurement, and logistics), we evaluate the extent to which these factors impact the Company's operations, ultimately creating transition risk heatmaps.

Transition Risk Heatmap for 2030 Under the NGFS Below 2°C Scenario

Risk Type	Risk Factor	2030			
		Equipment management	R&D	Procurement	Logistics
Policy	Climate policies in manufacturing industry				
Policy	Climate information disclosure policies				
Policy	Carbon pricing				
Market	Electricity prices				
Technology	Energy efficiency investments				
Reputation	Market awareness of sustainable development				

Transition Risk Heatmap for 2050 Under the NGFS Below 2°C Scenario

Risk Type	Risk Factor	2030			
		Equipment management	R&D	Procurement	Logistics
Policy	Climate policies in manufacturing industry				
Policy	Climate information disclosure policies				
Policy	Carbon pricing				
Market	Electricity prices				
Technology	Energy efficiency investments				
Reputation	Market awareness of sustainable development				

Analysis of Transition Risks Facing TCL Electronics

Risk Type	Impact Factor	Forecast of Future Trends	Data Type	Risk Description	Impact on the Value Chain	Time Dimension	Method of Financial Impact	Financial Impact[20]	Climate Action Strategy
Policy risks	Climate policies in manufacturing industry	Global climate policies will increasingly focus on accelerating energy transitions and technological innovation. They will stress "climate justice" to urge developed nations to fulfil their responsibilities and take concrete actions. Additionally, they will underscore financial support, technology transfer, and enhanced uniformity and ambition of national initiatives. Domestic policies are setting higher standards for the green development of businesses. Peaking carbon dioxide emissions in the industrial sector and promoting green manufacturing are also key policy directions.	Qualitative	Stricter climate policies will pose various pressures on enterprises. For instance, emission reduction mandates will hike operational costs and the complexity of transformation efforts; trade measures like carbon tariffs will elevate the international distribution costs for multinational companies, reducing their competitiveness; and more rigorous climate disclosure standards will raise compliance expenses and management challenges.	Upstream Operations	Medium-term Long-term	Costs	Medium	**Comprehensive compliance management:** Establish a compliance management system with regular risk identification, early warning, assessment, decision-making, and supervision to ensure compliance in all phases of production operations. **Green manufacturing:** Integrate the idea of clean and low-carbon development throughout the production and manufacturing process to minimise greenhouse gas emissions.
	Climate information disclosure policies	The global standards for climate change information disclosure are becoming increasingly stringent. For instance, the *IFRS S2 Climate-related Disclosures*, the EU's *Corporate Sustainability Reporting Directive (CSRD)*, and Part D of the Hong Kong Stock Exchange's *ESG Reporting Code* all adhere to the TCFD recommendations, imposing more strict requirements for climate information disclosure.	Qualitative						
	Carbon pricing	It is expected that by 2030, emitters will have to pay a carbon price for their greenhouse gas emissions, estimated at approximately USD 50-75 per tonne of carbon dioxide[16]. By 2050, the carbon price could rise to about USD 100-200 per tonne of carbon dioxide[17].	Quantitative	In the carbon emissions trading system, fluctuations in carbon pricing introduce uncertainties for businesses, heightening risks in cost budgeting and investment decision-making.	Upstream Operations	Short-term	Costs	Medium	**Greenhouse gas management mechanism:** Establish a statistical framework for greenhouse gas indicators, comprehensively examine greenhouse gas emissions, and identify reduction directions. For details, please refer to "Indicators and Goals".
Market risks	Electricity prices	Regarding the power supply structure, the proportion of non-fossil fuel power generation capacity in China is expected to approach 70% by 2030, while the installed renewable energy capacity will continue to grow steadily, positioning new energy as the main source of new power generation. In terms of electricity price trends, it is projected that from the short term until 2030, the market electricity price (non-residential electricity) may increase, with an expected range of RMB 0.68-0.72/kWh[18].	Quantitative	Electricity is a crucial cost factor during the production and manufacturing of electronic products. Changes in the power supply structure and an increase in electricity prices could potentially elevate the Company's production and operational costs.	Operations	Short-term	Costs	Medium	**Energy management:** Establish an energy management system to enhance energy efficiency through technical transformation and other methods. For details, please refer to "Energy Management".
Technological risks	Energy efficiency investments	By 2030, it is anticipated that investments from both the market and the government in enhancing energy efficiency will significantly increase, potentially doubling or more compared to current levels. By 2050, these investments are expected to grow even further.	Quantitative	Rapid iterations of energy efficiency technology mean that if an enterprise's energy efficiency investments are not aligned with future technological trends, it may result in the premature obsolescence of the invested technologies and equipment, failing to deliver the anticipated improvements in energy efficiency and economic returns.	Operations	Short-term	Costs	Medium	**Assessment mechanism:** Regularly assess energy efficiency investment projects to ensure alignment with sustainable development goals and to guarantee comprehensive benefits covering economy, environment, and innovation.
Reputational risks	Market awareness of sustainable development	*The "Sustainability" Difference between China and the West from Consumers' Perspective* (2023) [19] indicates that more Chinese consumers understand and accept sustainability concepts, with more than 60% acknowledging the value of saving resources and reducing waste during consumption. Future consumer markets are inclined towards products with sustainable attributes.	Qualitative	Investors, consumers, partners, and other stakeholders are increasingly prioritising the climate performance of enterprises in their decision-making processes. Failing to implement effective climate risk countermeasures may negatively impact an enterprise's reputation.	Operations Downstream	Short-term	Costs	Low	**Communication mechanism:** Establish diverse communication channels and regularly engage with stakeholders to understand their expectations regarding the Company's operations and sustainability performance.

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

[20] Financial impact of transition risks: The financial impact of transition risks is considered based on the heatmap results and the actual situation of the Company.

Analysis of Climate Opportunities of TCL Electronics

Opportunity Type	Impact Factor	Opportunity Description	Impact on the Value Chain	Time Dimension	Method of Financial Impact	Financial Impact	Climate Action Strategy
Market opportunities	Products and services	As consumers' awareness of environmental protection increases, their demand for green products continues to rise. Companies that offer green products can attract more environmentally conscious consumers and expand their market share.	Downstream	Long-term	Revenue	High	**Lifecycle green products:** Incorporate the concept of sustainability throughout the product lifecycle, including design, raw material sourcing, manufacturing, usage, and recycling, to meet the market demands for diversified and sustainable products. **Brand building & green advocacy:** Incorporate ESG into brand building to create a sustainable brand image. Convey the concept of sustainability during marketing to broaden the green consumer market. For details, please refer to "Responsible Marketing and Awareness Advocacy".
Technological opportunities	Low-carbon technologies	Low-carbon technologies help enterprises increase product energy efficiency in areas like smart devices while optimising production processes, increasing energy utilisation efficiency, and reducing energy costs during production.	Operations	Long-term	Revenue	High	**Innovation-driven development:** Strengthen the innovation management system, deploy innovation strategies and objectives, and prioritise the development of sustainable products and low-carbon sectors like photovoltaic technology. For details, please refer to "Creating an Innovative Landscape".
Reputational opportunities	Technology for inclusion	Utilising advanced technologies like AI and IoT, we have crafted multifunctional, accessible products to cater to varied consumer needs. Leveraging our technological strengths, we empower social groups and bridge the digital divide, which is conducive to enhancing corporate reputation and boosting market competitiveness.	Operations	Long-term	Revenue	Medium	**Products of technology for inclusion:** Develop accessible products with health and safety attributes, and enhance product accessibility, reliability, and inclusiveness to ensure that all consumers can equally enjoy the convenience brought by technology. For details, please refer to "Upholding Technology for Inclusion". **Technology empowering social development:** Leverage technological strengths and explore new models that integrate technology with public welfare, creating economic and social benefits.

Risk Management

TCL Electronics recognises climate risk as a significant category that profoundly impacts its operations and value chain. This risk is systematically embedded in our risk management processes to effectively mitigate its potential effects on corporate growth and to foster a resilient model for sustainable development.

TCL Electronics' Climate Risk Management Process

Risk identification and early warning

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

Risk assessment and decision-making

- Conduct regular climate risk assessments, align with climate scenarios, and evaluate the impact of various risks and opportunities on business models and value chains across different timescales through scenario parameters
- Develop strategies to enhance climate resilience for key climate risks and opportunities, and specify responsible departments and action plans

Risk supervision and report

- The ESG leadership team supervises climate risk management and periodically reports the progress and effectiveness of risk management to the Board of Directors
- Disclose climate-related information in the annual *ESG Report*

Indicators and Goals

In alignment with the climate goals of TCL Industries Holdings, the subsidiaries of the Group actively set climate goals at the BU level. This approach adheres to the climate-related requirements outlined in the Hong Kong Stock Exchange's *ESG Reporting Code* and is tailored to their specific development context. Additionally, they develop a greenhouse gas emission indicator system, periodically reviewing progress towards these goals to facilitate their achievement.

TCL Industries Holdings' Climate Goals

Stage	Goals	Key Tasks
Stage 1: 2023-2030	Carbon peaking: Build capacity and reduce carbon emission	• Formulate and commit to carbon emission reduction targets and visions by benchmarking against the national "carbon peaking and carbon neutrality" plan and other companies' emission reduction targets • Formulate carbon emission reduction plans and action plans under the background of carbon peaking, such as improving the efficiency of core products in various industries, reducing emissions in green supply chains, and building energy management centres • Implement various emission reduction tasks in accordance with the plans
Stage 2: 2031-2050	Carbon neutrality: Overall capacity building, continual carbon reduction	• Set continuous carbon emission reduction targets under the background of carbon neutrality • Formulate carbon emission reduction plans and action plans under the background of carbon neutrality • Implement various carbon emission reduction tasks according to the plans
Stage 3: 2050	Zero-carbon products	• Achieve continuous operation and maintenance for carbon neutrality of TCL Industries Holdings • All products achieve zero carbon emissions throughout the entire lifecycle

BUs' Climate Goals

TV business

- **"Carbon Peaking and Carbon Neutrality" Vision:** To provide customers with premier green and low-carbon products and services
- **"3050" Goal:** At the operational level, to peak carbon dioxide emissions before 2030, and to achieve carbon neutrality before 2050

Mobile phone business

- **Science Based Targets:** Taking 2021 as the baseline, the aim is to achieve a 50.1% absolute reduction in Scope 1 and 2 emissions and a 42% absolute reduction in Scope 3 emissions by 2030

To effectively monitor progress towards climate goals, the Group has implemented a comprehensive greenhouse gas management system. The Pan-smart Screen BU has established a clear policy for managing greenhouse gas emissions, alongside the *GHG Inventory Control Procedure*, which outlines the purpose, scope, responsibilities, and procedures of carbon inventory management. Following ISO 14064, a robust carbon emissions accounting system has been developed. Six factories, both domestic and international, including those in Huizhou (China), Chengdu (China), Vietnam, Mexico, Brazil, and Pakistan, have conducted precise inventory accounting of carbon emissions per the standard. Notably, TCL King (Huizhou) and other key factories in Vietnam and Mexico have undergone third-party verification. Furthermore, the Mobile Phone BU has established the *Greenhouse Gas Inventory Management Procedure*, which covers emission accounting, target setting, emission reduction measures, and performance evaluation. The BU conducts annual data collection and validation for greenhouse gas inventory projects, prepares an annual greenhouse gas inventory list, and receives external third-party data audits each year to ensure data accuracy.

Greenhouse Gas Emissions of TCL Electronics in 2024

Scope	Unit	Emissions in 2024
Scope 1	tCO_2e	14,816
Scope 2 (Location-based)	tCO_2e	78,319
Scope 3	tCO_2e	31,974,669
Total greenhouse gas emissions (Scope 1, Scope 2 and Scope 3)	tCO_2e	32,067,804
Greenhouse gas emission intensity by revenue (Scope 1 and Scope 2)	kg CO_2e/HKD million revenue	938
Greenhouse gas emission reductions contributed by photovoltaic projects	10,000 tCO_2	161

Implementing Energy Conservation and Consumption Reduction

Energy Management

In compliance with laws and regulations such as the *Environmental Protection Law of the PRC*, the *Energy Conservation Law of the PRC*, and the *Measures for the Administration of Industrial Energy Conservation*, we have formulated several internal policies such as the *Measures for Supervision and Management of Energy Use*, the *Energy Management Regulations*, the *Energy Management System Manual*, and the *Regulations on Electricity Resource Management*. We consistently enhance our energy management system according to ISO 50001 requirements, setting clear energy management objectives and delineating responsibilities and rights. By refining our internal management procedures and control points, we ensure that the energy management process remains scientific, systematic, and effective. We conduct regular energy monitoring and inspections, actively engage in energy efficiency diagnosis, and employ professional technical analysis and evaluation to support the achievement of energy conservation and emission reduction targets, thereby ensuring compliance and efficiency in energy use. Our strategies for energy management focus on four key areas: management-led energy saving, technology-based energy saving, optimisation of energy structure, and raising awareness of energy conservation, all contributing to the comprehensive improvement of energy management quality and efficiency.

Key Measures for Energy Management

Management-led energy saving

- Deploy advanced energy resource management systems for real-time tracking and monitoring of resource usage, thereby strengthening our energy management efforts.
- Perform self-assessments of energy metering to enhance energy measurement management and reinforce conservation efforts by evaluating energy utilisation performance and the allocation of related personnel and equipment.
- Develop a comprehensive energy resource utilisation plan to ensure rational allocation and optimal efficiency of these resources.
- Enhance energy conservation measures in daily operations, rigorously enforcing scheduled shutdowns of lighting, air conditioning, computers, and other appliances to prevent energy waste, thus ensuring that energy is used efficiently and judiciously.

Technology-based energy saving

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

Optimisation of energy structure

- Vigorously advance the construction of photovoltaic power stations to increase the share of renewable energy usage and lessen reliance on traditional fossil fuels.
- Intensify efforts to procure green electricity, proactively purchase clean energy, and lower the proportion of high-carbon-emitting energy consumption.

Raising awareness of energy conservation

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

Water Resources Management

We adhere strictly to the *Water Law of the PRC*, the *Water Pollution Prevention and Control Law of the PRC*, and the *Energy Conservation Law of the PRC*, among other relevant laws and regulations. In alignment with these laws and regulations, we have established and enforced internal policies such as the *Environmental Protection Management System*, the *Regulation on Water Resources Management*, and the *Regulation on Water Conservation Management*, which clearly outline the requirements for managing production and domestic water. We have further detailed the procedures for essential processes like wastewater treatment and monitoring statistics. By promoting widespread participation in the efficient utilisation of resources, we aim to create a sustainable management system that ensures effective water resource management. This Year, TCL Electronics encountered no issues related to the acquisition of applicable water sources. We are continually refining our water usage management mechanisms across various sectors and have developed tailored water efficiency metrics for different BUs or departments. The Smart Mobile Display BU has incorporated key indicators, such as per capita water consumption in factories, into performance assessments, linking water conservation with business performance to establish a closed-loop management model of "standard, monitoring, and assessment". This promotes comprehensive enforcement of water conservation responsibilities, ensuring the sustained achievement of the goal of efficient water resource utilisation.

We dedicate ourselves to employing multiple strategies to realise the efficient use, conservation, and protection of water resources. We continuously fortify industrial water management, actively drive advancements in production technology, enhance the efficiency of water resource utilisation during production, and ensure that industrial wastewater is effectively treated and reused. Regarding domestic water management, we have intensified the recycling of water resources through initiatives such as installing water-saving systems and optimising water usage processes, whilst strictly adhering to relevant standards for the treatment of domestic sewage. Furthermore, we place a strong emphasis on raising employees' awareness of water conservation. Through regular training sessions and awareness campaigns, we cultivate a positive environment for all employees to engage in water-saving initiatives.

Key Measures for Water Resources Management

Industrial water management

- Actively facilitate the upgrade of production techniques, such as phasing out the spray painting technique in favour of the high-gloss injection moulding technique, thereby reducing water consumption.
- Continuously optimise water valve controls and enhance wastewater recycling from injection moulding part washing to maximise production water efficiency.
- Achieve zero discharge of industrial wastewater to ensure that all treated wastewater can be reused, and ultimately, responsibly disposed of by professional third parties as hazardous waste.

Domestic water management

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

Raising employees' awareness of water conservation

- Employees are regularly organised to participate in environmental protection training, while awareness and education campaigns are conducted through water-saving tips, noticeboards, and slogans to foster a culture of water conservation among all employees.

Strict Control of Pollution Emissions

Air Pollutant Management

Adhering to laws and regulations such as the *Law of the PRC on the Prevention and Control of Atmospheric Pollution* and the *Emission Limits of Air Pollutants*, TCL Electronics has devised internal policies such as the *Regulations on the Management of Air Pollution Prevention and Control*. We are committed to enhancing our integrated prevention and control system encompassing "source prevention, process control, and end-of-pipe treatment". By adopting advanced technologies, we reduce pollution levels, and we have also developed an intelligent monitoring platform for real-time emission oversight. Furthermore, we are upgrading high-efficiency exhaust treatment facilities to ensure compliance with emission standards, achieving precise management and control throughout the entire process, from production optimisation to end-of-pipe emission control, thereby continually improving air quality.

Source prevention

We are proactive in adopting advanced clean production technologies and processes. This includes the gradual replacement of the VOC-emitting spray painting technique with the high-gloss injection moulding technique and the use of enclosed spaces (including closed hoods) in conjunction with negative pressure for front-end exhaust collection. Additionally, we regularly inspect and maintain exhaust gas treatment facilities and equipment to ensure their stable and reliable operation, thereby striving to minimise pollutant generation at source.

Process control

We have established stringent emission standards and monitoring systems to ensure real-time monitoring of pollutant emissions during the production process. We also make timely adjustments to production parameters to optimise emission performance. Simultaneously, we proactively optimise production processes, such as reducing the use of spray painting and screen-printing techniques to ensure effective control of pollutant emissions throughout the production process. Furthermore, we employ electrostatic oil removal for canteen exhaust fumes and utilise activated carbon adsorption alongside catalytic combustion for spray exhaust to decrease the concentration of exhaust gas components, thereby lowering overall emissions.

End-of-pipe treatment

We implement stringent and efficient exhaust gas treatment measures to ensure that all pollutants are discharged per standards. Simultaneously, significant resources are invested in the construction and operation of exhaust gas treatment facilities, including the use of methods such as “water spray + activated carbon adsorption & concentration + catalytic combustion” for back-end exhaust gas treatment, and the launch of special initiatives to tackle VOCs thus ensuring that pollutants released into the atmosphere are minimised. Moreover, we regularly commission third parties to conduct emissions testing for exhaust gases and noise, ensuring that the results comply with specified standards.

Waste Management

In strict accordance with regulations such as the *Law of the PRC on the Prevention and Control of Environment Pollution Caused by Solid Wastes* and the *Standard for Pollution Control on Hazardous Waste Storage*, we have devised internal policies such as the *Regulations on Pollution Control and Management of Solid and Liquid Waste*, the *Regulations on the Prevention and Control of Waste Pollution*, the *Management Plan for Hazardous Waste*, and the *Regulations on the Management of Hazardous Chemicals*, which detail methods for waste sorting, recycling, and reuse. This ensures compliance with national and local standards for waste disposal while clarifying action plans to achieve pollution control objectives and the resources allocated for implementing these plans, ensuring standardisation and effectiveness in the entire management process. We are committed to constructing a closed-loop waste management system through the four key stages of "source reduction, separate collection, recycling and treatment, and monitoring and assessment", ensuring that all waste is properly disposed of and without involving exports to non-OECD countries or similar.

Source reduction

To minimise waste generation, we have improved product design and production processes, such as adopting high-gloss injection moulding techniques and using recyclable packaging materials to reduce waste at source (please refer to "Developing Sustainable Products" for details).

Separate collection

We have established a waste collection system categorised into recyclable and non-recyclable types, promoting the Company's clean treatment and effective recycling of waste. We have set up a dedicated waste collection area equipped with separate collection containers to ensure that all types of waste are properly collected, registered, transferred, and disposed of.

Recycling and treatment

Through internal recycling and external collaborations, we ensure that waste that cannot be recycled is handled properly through partnerships with qualified waste disposal organisations. Moreover, we encourage employees to partake in waste reduction and recycling initiatives to enhance resource recovery rates.

Monitoring and assessment

We have established a periodic monitoring mechanism and engaged professional organisations to conduct comprehensive inspections and assessments on workplace environments, solid waste, and hazardous chemical management, thereby ensuring the standardisation and effectiveness of waste management practices.

Hazardous or Dangerous Waste Reduction Measures

- Purchase non-toxic or low-toxicity, easily degradable, and recyclable materials to reduce the generation of hazardous waste at source.
- Strictly confirm the properties of all hazardous waste entering storage, such as electronic waste. Ensure correct classification and labelling of hazardous materials, and effectively organise their collection, storage and transfer. Proactively employ preventive measures to avert the leakage of hazardous wastes.
- Phase out outdated production techniques, and adopt more environmentally friendly and efficient technologies and equipment to reduce waste generation and its harms.
- Actively engage in clean production, use clean raw materials, energy, and other resources, and conduct recycling in workshops to reduce pollutant emissions.
- Take pollution prevention and control measures, including devising emergency response plans, establishing risk control lists, increasing inspection frequency, and strictly clamping down on illegal transfers and disposals.
- Sign contracts with qualified third parties to ensure that the transfer of hazardous waste complies with the requirements of the *Management Measures for Hazardous Waste Transfer Forms*, and a *Hazardous Waste Transfer Form* must be issued.
- Enhance training on environmental laws and regulations and hazardous waste management to enhance environmental law compliance awareness among management and employees.

Case: Innovative Waste Management at TCL Electronics Pan-smart Screen BU's Brazilian Factory

The Brazilian factory of TCL Electronics' Pan-smart Screen BU has implemented a range of innovative strategies in waste management, significantly reducing waste production and its environmental impact. The Brazilian factory utilises equipment to compact cardboard and plastic waste, thereby reducing the volume of waste requiring transportation to its final destination. Concurrently, hazardous waste is directed to a carbonisation process, an innovative solid waste treatment technology capable of transforming residuals and waste into resources for power generation, thereby achieving the effective resource utilisation of waste.

Carbonisation Process

Product Generated (Coal)

Resource Utilisation of Waste

Case: Factories Under Smart Mobile Display BU Actively Launch "Zero Waste City" Themed Awareness Campaign

In 2024, the factories under the Smart Mobile Display BU took proactive measures to launch a "Zero Waste City" themed awareness campaign. The campaign utilised various channels, including promotional boards in covered walkways, WeChat official accounts, and corporate TLink service accounts, to widely impart the "zero waste city" concept and guidance on establishing "zero waste factories". This initiative heightened employees' awareness regarding energy conservation and environmental protection, fostered a supportive atmosphere for widespread participation, and facilitated the realisation of zero waste factories. It also bolstered the Company's green transformation.

"Zero Waste City" Themed Awareness Campaign

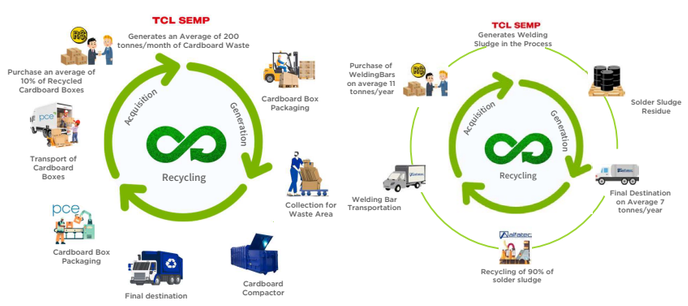
Promoting Circular Economy

In an era of global resource scarcity and escalating environmental challenges, establishing a circular economy model has become essential for enterprises seeking sustainable development. TCL Electronics upholds the principle of "reduction, reuse, and recycling", striving to maximise resource utilisation while collaborating with suppliers to co-create a circular industry ecosystem.

Key Measures of TCL Electronics for Circular Utilisation of Resources

Waste recycling and reuse

- We manage various types of waste generated during the production process by engaging third parties for compliant disposal according to internal regulations. In the Latin American market, the Brazilian factory collaborates with downstream recyclers to reclaim waste such as cardboard and solder sludge from the production process, achieving 100% recycling of cardboard waste and recovering 90% of solder sludge for reuse in production activities.



Waste Recycling Process at the Brazilian Factory

Water resource recycling

- We configure intelligent drinking water control systems and use reverse osmosis technology to filter and reuse tap water, with the Mobile Phone BU recycling 4,167 m^3 of water in 2024
- We implement water-saving or recycled water cooling systems to create a closed-loop chilled water cycle

Internal circulation of materials

- Turnover pallets and boxes and the like are circulated within the intra-factory production process to enhance production, storage, and transportation efficiency while minimising resource wastage

At the supply chain level, we establish close collaborative relationships with our partners, dedicated to facilitating the recycling of resources within the industry chain and jointly advancing the circular economy.

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

Recyclable Carton

Developing a Net Zero Ecosystem

Leveraging its strengths in photovoltaic technology, TCL Electronics empowers partners across diverse sectors to conserve energy and lower carbon emissions. With innovative technology, we support the achievement of the climate goals of the *Paris Agreement*, demonstrating the responsibility of Chinese enterprises in promoting the global energy structure's low-carbon transition.

As a pivotal driver of net-zero progression, TCL Photovoltaic Technology accelerates the application of clean energy with a global layout. Its high-efficiency photovoltaic modules have covered 11 national markets in Europe, Asia, Africa and South America, including key regions such as Germany, Italy, the Netherlands, Poland and Spain. It has set clear targets and a roadmap for product innovation, regularly assessing market trends and technological advancements. It has established an R&D team with over 20 members and an innovation laboratory, enhanced the product R&D processes, allocated R&D resources reasonably, and fuelled innovation zeal among R&D personnel through incentive mechanisms. By leveraging market feedback mechanisms, it identifies future improvement areas and actively embraces new technologies, materials, and processes to holistically enhance the photovoltaic sector's capacity to facilitate societal carbon reduction. In 2024, the total shipment of our distributed photovoltaic business has exceeded 6 GW, generating 3 billion kWh of green electricity and achieving a direct carbon reduction contribution of 1.61 million tonnes.

Case: Distributed Photovoltaic Power Generation Project in Lingshi Maximises the Multifaceted Values of "Photovoltaic+"

In the face of an intensifying global climate crisis, regions heavily reliant on traditional energy sources and with fragile ecological environments are confronting significant developmental challenges. Lingshi in Shanxi Province, being a coal resource-dependent area, also encounters a pressing necessity to adjust its energy structure. Against this backdrop, the 39.7 MW Distributed Photovoltaic Power Generation Project by TCL Photovoltaic Technology in Lingshi was introduced as a timely initiative, playing a pivotal role in advancing local green development.

TCL Photovoltaic Technology has thoroughly considered the project's comprehensive benefits in its site selection, ensuring that the photovoltaic power station fully leverages the economic value of mine restoration while enhancing the environmental performance of local agriculture and animal husbandry. To boost power generation capabilities, the project team employs cutting-edge photovoltaic technologies and equipment to ensure the efficient operation of the installed capacity. This robust power generation capacity delivers enhanced green carbon reduction benefits to the local community and offers an exemplary model for ecological restoration and energy transition.

05 A Human-Centric Approach to Talent Development

Talents form the cornerstone of a company's sustainable growth. TCL Electronics embraces a global pool of exceptional talents with an inclusive and open mindset, continually strengthening its talent reserve. By offering competitive salaries and benefits, implementing comprehensive and multi-level talent development and training mechanisms, and ensuring sound occupational safety and health measures, we foster a healthy, diverse, fair, and supportive working environment for our employees. This approach not only enhances employee satisfaction and well-being but also aims to align the Company's long-term development with the self-fulfilment of employees.

Safeguarding Safety and Health

Protection of Employees' Rights and Interests

Supporting Employee Development

Safeguarding Safety and Health

TCL Electronics upholds the management philosophy of "people-oriented, health and safety first", always prioritising the health and safety of employees. We foster a secure and orderly production environment by establishing a comprehensive work safety management system and employee occupational health and safety protection system, continuously enhancing the safety and health standards for our workforce. Currently, TCL Electronics has achieved significant progress in developing a work safety standardisation system. By 2024, seven subsidiaries of the Group have obtained ISO 45001 occupational health and safety management system certification.

Work Safety

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

In 2024, TCL Electronics and its subsidiaries consistently revised and updated their internal work safety management systems according to their own development status and external regulatory requirements. Through the establishment of comprehensive internal guidelines, they ensured the Company's production activities aligned with safety regulations.

Updates and Revisions to TCL Electronics' Work Safety Management System in 2024

Pan-smart Screen BU	Developed the *Process for Hazard Source Identification and Risk Assessment,* the *Management Manual for TCL Pan-smart Screen Product Social Responsibility,* and the *Continuous Improvement Management Standards for Smart Screen Products*
Smart Connected Device BU	Revised the *Management Measures for Key Safety Positions in the Supply Chain*, the *Management Measures for Safety Assessment*, the *Management Measures for Safety Practitioners*, and the *Hazardous Chemicals Safety Management Regulations*
Commercial BU	Formulated the *SOP Guidance for Production Operations*, the *Regulations on Construction Safety Management*, the *Procedures for the Reporting*, *Investigation and Handling of Work Safety Incidents*, and the *Measures for the Management of Safety Assessments*
Photovoltaic Technology	Developed and revised internal documents such as the *Regulations on the Management of the Work Safety Responsibility System*, the *Regulations on the Management of Work Safety Objectives*, and the *Regulations on the Management of Work Safety Accident Reporting and Emergency Handling*

TCL Electronics has developed a structured, clear, and well-defined safety management framework, delineating the safety responsibilities and obligations of personnel at all levels, thereby ensuring the effective implementation of work safety management efforts.

TCL Electronics' Safety Management Framework

Safety Management Committee
- Research, deploy and guide safety management
- Put forward major guidelines and policies in safety management
- Solve the major problems in safety management

Safety Committee Office
- Provide suggestions on major guidelines, policies and important measures of production safety
- Supervise and inspect the safety management of subsidiaries, organise and implement safety inspections, and urge the related parties to address hidden hazards and critical problems

Safe Production Working Group
- Establish the work safety management mechanism in the industrial park, organise and conduct safety inspections, emergency drills, work safety training and other activities as planned
- Coordinate internal and external audit matters related to work safety

TCL Electronics' Work Safety Goals in 2024

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

TCL Electronics' Work Safety Practices and Measures in 2024

Investigation of potential safety hazards

- The Smart Connected Device BU conducted regular safety inspections and potential hazard investigations to promptly identify and address potential safety risks.
- TCL Photovoltaic Technology rigorously adhered to the effective tracking and rectification of potential safety hazards. In 2024, it conducted 770 thorough safety inspections and achieved full rectification of all identified issues.

Monitoring of safety indicators

- The Smart Connected Device BU regularly monitored work safety activities and indicators, evaluated, and continually enhanced the effectiveness of the safety management system.

Safety emergency drills

- TCL Communication developed various safety emergency plans and conducted drills, carrying out 12 company-wide emergency drills with over 7,500 attendances.
- The Pan-smart Screen BU orchestrated safety training sessions on the storage and use of hazardous chemicals, along with drills in the hazardous waste facility.
- TCL Photovoltaic Technology successfully conducted 181 emergency drills, including those for fire emergencies and severe weather conditions.

Safety performance assessment

- TCL Communication established the *Safety Assessment Management Measures* to enforce the safety production management responsibility system across all levels, developing quantitative evaluation for the implementation process of safety work in various departments. To ensure the achievement of the Company's safety management objectives, the Safety Committee Office broke down the annual *Safety Management Objectives of the Company* and formulated the *Department-level Safety Management Key Performance Indicators Assessment Form*.

Safety culture development

- TCL Communication devised annual safety training plans, conducting regular general and position-specific safety training along with awareness enhancement activities to ensure employees are familiar with safety regulations and operational procedures.

Occupational Health

TCL Electronics places a high priority on the protection of employee occupational health. In compliance with laws and regulations such as the *Law of the PRC on the Prevention and Control of Occupational Diseases* and the *Regulations on Work Related Injury Insurance*, we strictly identify and control various potential occupational safety risks and hazards to prevent occupational diseases and work-related accidents, thereby safeguarding employee health and safety.

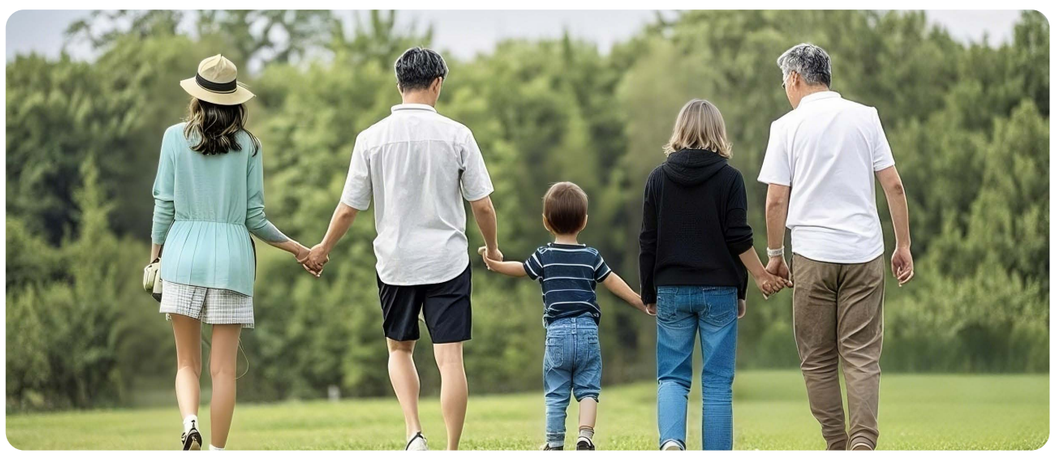
Employee Occupational Safety Risk Assessment

The Company performs a thorough identification of safety risk information across all BUs, operational activities, and related processes. This is followed by a scientific assessment to ascertain their highest risk level, allowing for the implementation of appropriate and effective control measures. For significant safety risks, we establish clear risk control strategies and take targeted control measures to avert potential safety accidents. The Pan-smart Screen BU has developed the *Environmental, Occupational Health and Safety Management Manual*, which offers methods for hazard identification as well as risk assessment and control concerning all activities, products, and services. The manual clearly stipulates that employees are allowed to withdraw from dangerous work areas when faced with imminent harm, and the Company shall not retaliate against them for doing so.

Employee Occupational Safety Assurance

In terms of daily protective measures, the BUs tailor targeted safeguarding measures based on their characteristics. In 2024, the Smart Connected Device BU developed the *Regulations on the Management of Protective Facilities and Supplies* to ensure all employees are equipped with necessary personal protective gear and receive training on its use. Additionally, annual health check-ups were provided for all employees, with specific occupational health monitoring for those in safety-critical positions. The Commercial BU conducted regular "6S" inspections to remove unnecessary items, ensure unimpeded emergency exits, eliminate potential safety hazards, and reduce the probability of accidents.

For post-incident assurance, TCL Electronics has developed internal documents regarding the identification and management of work-related injuries to standardise the Company's injury management process, delineate responsibilities, and effectively address injury incidents involving employees, thereby safeguarding their rights. The Company has also implemented a safety accident accountability system following the *Procedures for the Reporting, Investigation and Handling of Work Safety Incidents* to systematise the reporting, investigation, and resolution of company safety incidents, aiming to prevent and minimise the occurrence of such accidents.



Protection of Employees' Rights and Interests

TCL Electronics strictly adheres to the *Labour Law of the PRC* and the *Labour Contract Law of the PRC*, along with other labour-related laws and regulations applicable in its operating regions. The Company has established and continually refined a fair and transparent employment and dismissal system and process, which ensure employees' rights and interests while offering a broad and varied range of welfare benefits. Committed to the principles of equality and diversity, TCL Electronics strongly opposes any form of workplace discrimination, encourages democratic communication, and fosters harmonious relationships between the Company and its employees.

Employment Compliance

In 2024, TCL Electronics followed relevant domestic and international laws and regulations, such as the *Law of the PRC on the Protection of Minors*, the *Employment Promotion Law of the PRC*, the *Provisions on the Prohibition of Using Child Labour,* and the *Mexican Federal Labour Law*. Taking compliance requirements and international conventions such as the *Universal Declaration of Human Rights* as important benchmarks, we formulated the *Employment Red Line Requirements* applicable to all employees, explicitly outlining behavioural standards against forced and child labour, as well as inhumane treatment. We always uphold the principle of "responsible employment" to attract and engage talented individuals.

At the measure level, TCL Electronics has developed and implemented effective policies and relevant inspection procedures against forced labour. This includes clear requirements for employers to not restrict the personal freedom of employees, to refrain from withholding employees' identification documents, and to fully respect employees' reasonable rest periods and vacation rights. During the recruitment process, employees' ages are strictly verified, and recruiters receive training on distinguishing the authenticity of ID cards and age verification skills. Comprehensive training and advocacy programmes are implemented across the workforce to reinforce policies against hiring child labour, with a firm commitment to eradicating such practices. Moreover, initiatives to strengthen humanitarian treatment policies are actively promoted, strictly forbidding corporal punishment, abuse, harassment, mental oppression, and any form of discrimination, accompanied by a reporting system that ensures rigorous oversight. This Year, TCL Electronics did not have any violations or complaints caused by the use of child labour or forced labour.

At the level of risk prevention, the Company initiates a social responsibility risk identification at the start of each year, covering aspects such as child labour, forced labour, health and safety, the rights to free association and collective bargaining, discrimination, working hours, and remuneration. By assessing the risk index and devising appropriate prevention and control measures, the Company aims to minimise the possibility and severity of non-compliant employment occurrences.

Building upon compliant employment practices, TCL Electronics has established a comprehensive and efficient talent recruitment system. It continuously expands and optimises recruitment channels both domestically and internationally, intensifies efforts to attract talents, and ensures robust talent support for long-term development. In 2024, TCL Photovoltaic Technology established a talent recruitment mechanism encompassing "demand collection, demand confirmation, OA process initiation, and recruitment commencement", while also broadening both internal and external channel platforms to consistently widen the talent acquisition scope.

Remuneration and Benefits

TCL Electronics has developed the *Remuneration and Benefits Execution Management Procedure*, which encompasses the performance incentive remuneration system for all employees. The remuneration structure comprises fixed salaries, performance bonuses, and long-term incentives. Regular market salary surveys are conducted to ensure that employees receive fair and competitive salaries and welfare benefits within the industry, thereby enhancing their enthusiasm and creativity. In 2024, TCL Electronics introduced a share award proposal, granting 82,270,000 share awards to 363 individuals, with approximately 90% of the grantees being TCL Electronics employees. This scheme affirms talent value while enhancing organisational cohesion through long-term incentives.

Remuneration Structure of TCL Electronics Employees

Differentiated basic salary

Different salary tiers are established based on the responsibilities, complexity, and strategic significance of a position in the Company

Adjustment of performance bonuses

Differentiated performance and year-end bonuses are issued to employees according to individual performance, team performance, or the overall performance of the Company

Supplementary allowances

A system of allowances is established, including performance awards, key position allowances, seniority allowances, etc., to provide rewards that align with the capabilities of outstanding employees

We adhere to local laws and regulations, providing our employees with benefits such as social insurance, commercial insurance, and a housing provident fund. We also organise annual health check-ups for our staff and ensure that all employees are entitled to statutory holidays, annual leave, maternity leave, and other benefits. For those working overtime, we offer additional perks such as transport reimbursements and night shift overtime pay. To foster a warm working environment and boost employee well-being, we distribute festive gifts and host collective activities like garden parties during celebrations such as the Dragon Boat Festival, International Children's Day, and the Mid-Autumn Festival, thus promoting the physical and mental health of our employees.

Diversity, Equality and Inclusiveness

TCL Electronics is committed to promoting the values of diversity, equality, and inclusiveness, and is firmly against any form of inequality or discrimination based on nationality, race, gender, ethnicity, religion, age, physical condition, or any other factors.

Regarding the care of employees with disabilities, TCL Electronics strictly complies with the *Law of the PRC on the Protection of Disabled Persons* and related legislation, while proactively engaging in activities to support and care for our disabled staff. In 2024, Huizhou TCL Mobile hosted its fifth "International Day of Persons with Disabilities" Winter Warmth Event. By actively engaging with feedback from disabled individuals, dedicated parking spaces for disabled staff were established near the office building entrance to ease their commuting challenges. This gesture extended care and respect to disabled employees, fostering a more inclusive and cohesive team environment.

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

In November 2024, Huizhou TCL Mobile initiated the "International Day of Persons with Disabilities" Winter Warmth Event, during which managers presented festive gifts to 22 disabled colleagues at the Huizhou Manufacturing Centre of the Mobile Phone BU, allowing them to deeply feel the warmth and care from the Company. We integrate care for people with disabilities into our daily actions, always standing shoulder to shoulder with our disabled colleagues to wholeheartedly write a better future together.

Upholding the values of "Seeing, Inspiring, and Supporting Women", TCL Electronics has participated in the "TCL FOR HER" brand campaign, aimed at unleashing the potential of female employees and supporting their development. Through this project, the Company offers professional skills training, career development planning guidance, and entrepreneurial backing, providing a broad platform for its female workforce. Simultaneously, to foster a female-friendly working environment, the Pan-smart Screen BU and other BUs under TCL Electronics have established baby care rooms and continuously make efforts to support female employees' well-being.

Our workforce hails from various corners of the globe, embracing a wide array of religious beliefs. To foster a more inclusive work environment, we have established religious belief rooms within our company, demonstrating full respect for employees' rights to religious freedom.

Democratic Management and Communication

To advance the democratisation and regulation of employee management, TCL Electronics has developed a robust trade union and collective bargaining framework. It offers a comprehensive combination of multi-channel, multi-form communication and complaint platforms, which encourage employees to speak their minds. The Company actively listens to their feedback and thoroughly respects and protects their rights and interests. In 2024, the coverage rate of TCL Electronics' trade union and collective agreements reached 100%, and there have been no strikes or lock-outs in the past three years.

Smooth Democratic Communication and Exchange

The Company's BUs actively develop management measures and create communication platforms and channels aimed at ensuring the efficacy and promptness of democratic communication. Among these efforts, the Mobile Phone BU has developed the *Internal Communication Management Measures*, specifying the internal complaint channels for employees while introducing a platform for the swift communication and handling of common issues. We have established a multi-tiered internal employee communication meeting system, where employees regularly have the opportunity to directly engage with worker representatives and company management. These occasions allow for open exchanges of opinions. Furthermore, the Director of the Manufacturing Centre, along with the heads of various departments, are scheduled to attend these meetings to personally hear employees' feedback on various aspects of their work and personal lives, taking on the main responsibility for addressing these concerns. By 2024, we have successfully held nearly 200 such meetings, substantially reinforcing the democratic management mechanism.

Employee Salary/Benefit Complaint Platform

Establishing a Collective Bargaining Mechanism

TCL Electronics is dedicated to safeguarding employees' rights to freely assemble and associate as prescribed by law, and it actively encourages their participation in democratic management and supervision through trade union and collective contract systems. In 2024, the Mobile Phone BU entered into collective agreements with employees, which include provisions on employee health and safety, working conditions, career management and training, diversity, and discrimination/harassment, among other areas, achieving a 100% coverage rate in collective agreement negotiations. Meanwhile, the Pan-smart Screen BU developed and published the *Management Procedure for the Rights to Free Association and Collective Bargaining* applicable to all employees, ensuring their legitimate rights and interests are fully protected.

Supporting Employee Development

Talent cultivation and development have always been a focus for TCL Electronics. In strict adherence to the *Course and Instructor Guideline of TCL Industries Holdings*, we have established a comprehensive training system, enforced the training management policy, and set up learning resource platforms such as "T-Academy". These efforts cater to the diverse development needs of our employees, fully empowering talent growth across all fronts.

This Year, TCL Electronics has leveraged a talent strategy framework called "One Echelon, Two Tracks" to establish fair and reasonable promotion channels and development paths for all employees. Additionally, training and development plans are tailored for employees in different positions and career stages to promote the synergistic progress of individual employees and the organisation and foster an innovative and dynamic corporate culture.

Under the guidance of the framework, we continually enhance our training system with a diverse array of training programmes encompassing junior employee training, senior executive training, specialised training, and beyond. We are devoted to comprehensively enhancing our employees' capabilities, enabling them to meet various demands and challenges effectively. In 2024, we continued to invest in training, with training expenditure over RMB 5 million.

TCL Electronics' Talent Training System

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

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

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

TCL Rookie Eagle Power Camp

Case: Specialised Training—Kindle Programme

To facilitate the exchange and collaboration between overseas and domestic operations, TCL Electronics has initiated the Kindle Programme, organising high-performing and high-potential overseas talents to partake in domestic cultural exchanges and key projects, enabling them to gain practical insight into domestic business operations. This programme involved 23 participants from 9 countries and regions, with each receiving an average of 23 hours of training. It supports the overseas operations in forming a global talent team with an international outlook, while also fostering cultural integration both domestically and internationally.

Kindle Programme

Case: Pan-smart Screen BU—Management Insight Exchange Meeting

To effectively bolster the leadership and execution capabilities of newly appointed managers in the Pan-smart Screen BU, the Company organised three management insight exchange meetings across two sessions in 2024, engaging a total of 24 new managers who actively participated and collectively read and discussed over 240 books. The event predominantly features thematic training and book discussions, aiming to swiftly acquaint new managers with their job requirements through these varied learning and interaction methods, enabling them to develop into exceptional managers and leaders, and continuously fuel the Company's sustainable and steady growth.

Training for Management Personnel

06 Shared Values for Enhanced Social Well-being

Empowering Society Through Technology

Nurturing Children's Growth

Fostering Cultural Spirit

TCL Electronics fully recognises that an enterprise's advancement stems from societal progress, and it is our duty to facilitate social development. We have long committed ourselves to social welfare initiatives with a profound sense of responsibility, consistently making strides in areas such as empowering public welfare through technology, supporting education, and fostering cultural spirit. Our efforts aim to assist and support those in vulnerable situations, contributing to the formation of a harmonious and warm society.

Empowering Society Through Technology

TCL Electronics leverages its leading position in the technology-driven manufacturing sector to explore innovative ways to align technological innovation with philanthropic endeavours, promoting a more inclusive and equitable society through the power of technology.

Case: TCL Smart Classrooms Facilitate Educational Resource Sharing

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

Main Campus of Haide School in Shenzhen

Case: "A.I. Home" Warms Children's Hearts

In 2019, the TCL Foundation initiated the "A.I. Home" programme, employing AI technology to develop the "Eagle Story Machine" aimed at enhancing parent-child bonds and boosting children's happiness. As of 2024, the programme has been trialled in 88 rural schools across 21 provinces in China. A total of 393 "Eagle Story Machines" have been distributed to left-behind and migrant children in various regions, benefitting over 27,000 individuals, and providing warmth and companionship to the children.

Donation of Story Boxes to Pilot Rural Schools

Nurturing Children's Growth

TCL Electronics has been deeply engaged in the field of educational philanthropy for a long time, making diverse efforts to support children's development and educational advancement, promoting educational equity and offering significant support for societal progress.

Case: TCL Electronics Mutual Aid Fund Empowers Children's Growth

In August 2012, the TCL Electronics Mutual Aid Fund was founded, with a mission to uphold the ethos of "Assistance for Those in Need, Mutual Help and Dedication with Love". For 11 consecutive years, it has been a dedicated contributor to the Tomorrow-iCAN Programme for underprivileged students.

Keep supporting the Tomorrow-iCAN Programme for underprivileged students, in 2024, donated

RMB **200,000**

As of the end of the reporting period, total contributions have reached approximately

RMB **1,720,000**

Meanwhile, the TCL Electronics Mutual Aid Fund has been actively engaged in a variety of philanthropic activities aimed at supporting children. Internally, a book donation initiative was organised, rallying over 100 employees to contribute nearly 500 books to impoverished mountainous regions. Externally, concerts were held to support children with special needs, creating a bridge between these groups and the wider public, allowing the public to witness the talents of children with special needs through these musical performances. Concurrently, a charity sale of art derivatives from these special groups was conducted, showcasing their exceptional abilities and challenging societal stereotypes related to conditions such as autism.

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

In 2024, TCL Electronics' Vietnam Branch partnered with the *Workers' Daily* to undertake a series of charitable activities. For each 98-inch large-screen TV sold, a donation of VND 980,000 would be made to children in mountainous areas. Up to 2024, the initiative has amassed a total donation of VND 100 million, significantly improving the educational and living conditions for children in mountainous areas.

Charitable Activity in Vietnam

Fostering Cultural Spirit

We firmly believe that culture serves as a bridge linking individuals with the world. To champion innovation in culture and sports while promoting humanistic values, we actively engage in cultural and sports public welfare activities, supporting the development of cultural endeavours and enriching people's spiritual and cultural lives.

Case: TCL Art Charity Music Season Provides a Development Platform for Young Musicians

The TCL Foundation, integrating the Company's unique humanistic values, has created the TCL Art Charity Music Season and launched the New-Generation Young Musician Support Programme. In 2024, the TCL Art Charity Music Season collaborated with multiple institutions and new-generation musicians to host four special performances, drawing an audience of over 800 from various sectors in Shenzhen.

TCL Art Charity Music Season

Outlook

As we look ahead to 2025, we stand at the threshold of an era defined by both unprecedented opportunities and complex challenges. The rapid expansion of the global digital economy is poised to become a major engine of growth, while the convergence of Industry 4.0 and the digital economy is accelerating the transformation of manufacturing toward high-end, intelligent, and sustainable practices. The widespread adoption of cutting-edge technologies, such as artificial intelligence, will continue to redefine the way we live and work.

In this dynamic landscape, TCL Electronics remains steadfast in advancing our development strategies of "building a global and tech-driven company", consistently exploring the "intelligent IoT ecosystem" layout across all product categories. We will continuously strengthen our capabilities in product innovation, marketing, operations, and organisational agility. Through technological innovation and product upgrades, we aim to deliver smarter, more seamless experiences for our consumers. Simultaneously, we will anchor our approach in ESG principles and stable operations, ensuring that global competitiveness goes hand in hand with social responsibility. Green development will be embedded across our entire value chain, from production to operations, as we collaborate with upstream and downstream partners to foster a low-carbon, circular, and sustainable industrial ecosystem. Our commitment to high-quality, sustainable progress will remain unwavering as we move confidently into the future.

ESG Performance Overview

ESG KPIs	Unit	2024	2023	2022
A. Environmental[21]				
A1. Emissions				
A1.1 Air contaminants				
SO_2 [22]	kg	7	375	177
NOX [23]	kg	2,841	7,153	8,584
PM	kg	5,861	5,757	4,263
VOC [24]	kg	2,121	2,723	12,376
A1.2 Total GHG emission and intensity [25]				
Scope 1	tCO_2e	14,816	6,118	7,672
Scope 2 (Location-based)	tCO_2e	78,319	68,389	80,873
Scope 3[26]	tCO_2e	31,974,669	/	/
Total GHG emission (Scope 1, Scope 2 and Scope 3)[27]	tCO_2e	32,067,804	74,507	88,545
Total GHG emission intensity by revenue (Scope 1 and Scope 2)	kg CO_2e/HKD million revenue	938	943	1,241
A1.3 Total hazardous waste produced and intensity[28]				
Waste organic solvents and waste containing organic solvents (HW06) [29]	t	8	5	/
Waste mineral oil and mineral oil containing waste (HW08) [30]	t	1	454	/
Oil/water, hydrocarbon/water mixture or emulsion (HW09)	t	17	14	/
Dye and coating waste (HW12) [31]	t	19	25	/

[21] In 2024, the scope of the Environmental indictors newly incorporates the Brazilian factory.
[22] In 2024, the statistical scope for this indicator has been optimised, and therefore is not comparable with data from previous years.
[23] In 2024, the statistical scope for this indicator has been optimised, and therefore is not comparable with data from previous years.
[24] In 2024, the statistical scope for this indicator has been optimised, and therefore is not comparable with data from previous years.
[25] In 2024, the statistical scope of indicators related to GHG emissions has been expanded, and therefore is not comparable with data from previous years.
[26] This is a newly disclosed indicator in 2024.
[27] In 2024, the statistical scope of this indicator covers Scope 1, Scope 2 and Scope 3 emissions, but it only covers Scope 1 and Scope 2 emissions from 2022 to 2023.
[28] The Company carried out statistical analysis of the hazardous wastes by categories in 2023 according to the *Order No. 39 of the Ministry of Ecology and Environmental National Catalogue of Hazardous Wastes*, which systematically covers a wider range of categories. The categories of hazardous wastes included in the statistical analysis of 2022 were paint waste, paint scrap, oil-contaminated wastewater, empty buckets and others.
[29] In 2024, the Pan-smart Screen BU established a new Mini LED workshop, adding a screen cleaning process that generates waste organic solvents.
[30] In 2024, the statistical scope for this indicator has been optimised, and therefore is not comparable with data from previous years.
[31] In 2024, the output of products adopting the spray painting technique by the Pan-smart Screen BU was reduced, decreasing the generation of dye and coating waste.

ESG KPIs	Unit	2024	2023	2022
A1.3 Total hazardous waste produced and intensity				
Organic resin waste (HW13) [32]	t	1	115	/
Surface treatment waste (HW17) [33]	t	15	265	/
Zinc containing waste (HW23)	t	0	0.06	/
Mercury containing waste (HW29) [34]	t	0.03	3	/
Lead containing waste (HW31) [35]	t	3	14	/
Waste acid (HW34)	t	0.01	0	/
Waste alkali (HW35)	t	0.01	0.06	/
Other waste (HW49) [36]	t	143	60	/
Total hazardous waste	t	206	955	265
Hazardous waste intensity by revenue	kg/HKD million revenue	2.08	12.09	3.71
A1.4 Total non-hazardous waste produced and intensity				
Carton[37]	t	6,431	3,140	4,173
Plastics	t	5,085	3,578	3,375
EPS[38]	t	3,371	377	297
Others	t	4,520	2,137	2,870
Total non-hazardous waste	t	19,407	9,232	10,715
Non-hazardous waste intensity by revenue	t/HKD million revenue	0.20	0.12	0.15
A2. Use of resources				
A2.1 Total direct and/or indirect energy consumption by type and intensity				
Liquefied petroleum gas [39]	kg	21,128	/	/
Diesel [40]	L	10,647	4,097	3,955

[32] In 2024, the statistical scope for this indicator has been optimised, and therefore is not comparable with data from previous years.
[33] In 2024, the statistical scope for this indicator has been optimised, and therefore is not comparable with data from previous years.
[34] In 2024, the Pan-smart Screen BU replaced all lamp tubes with LED tubes (mercury-free), ensuring that no fluorescent tubes were scrapped, thus reducing mercury-containing waste.
[35] In 2024, the Pan-smart Screen BU gradually replaced lead-acid battery forklifts with lithium battery ones to decrease lead-containing waste.
[36] In 2024, the Pan-smart Screen BU incorporated waste LCD screens, leading to an increase in other waste generated.
[37] In 2024, the production of large-size TVs increased, resulting in increased use of carton packaging.
[38] In 2024, the statistical scope for this indicator has been optimised, and therefore is not comparable with data from previous years.
[39] This is a newly disclosed indicator in 2024.
[40] In 2024, the Vietnamese factory under the Pan-smart Screen BU experienced frequent power outages, prompting the use of generators, which led to a rise in diesel consumption.

ESG KPIs	Unit	2024	2023	2022
A2.1 Total direct and/or indirect energy consumption by type and intensity				
Gasoline [41]	L	11,264	24,217	25,274
Natural gas	m^3	1,653,539	1,866,986	3,492,044
Purchased grid electricity consumption [42]	kWh	117,111,261	95,369,016	135,587,081
Purchased green electricity [43]	kWh	8,006,335	/	/
Solar power generation for self-use	kWh	12,327,611	10,100,680	7,670,042
Total energy consumption [44]	MWh	155,840	125,869	181,248
Energy consumption intensity by revenue	MWh/HKD million revenue	1.57	1.59	2.54
A2.2 Total water consumption and intensity				
Total water consumption	m^3	723,199	879,584	801,186
Water consumption intensity by revenue	m^3/HKD million revenue	7.28	11.14	11.23
A2.5 Total packaging material consumption for finished goods				
Carton	t	100,505	84,217	82,857
Plastics [45]	t	418	4,799	/
EPS [46]	t	14,103	9,374	13,923
Renewable packaging materials [47]	t	161	/	/
Total packaging materials [48]	t	115,187	98,389	99,717
Packaging material intensity by revenue	t/HKD million	1.16	1.25	1.40
B. Social				
B1. Employment				
B1.1 Number of employees by category				
Total number of employees	Number of persons	30,510	24,620	24,694

[41] In 2024, the statistical scope for this indicator has been optimised, and therefore is not comparable with data from previous years.
[42] This excludes purchased green electricity.
[43] This is a newly disclosed indicator in 2024.
[44] The coal equivalent conversion coefficients for various energy sources are based on the *National Standard of the PRC—General Rules for Calculation of the Comprehensive Energy Consumption* (GB/T2589-2020). In 2024, the statistical scope for this indicator was extended to include liquefied petroleum gas consumption and purchased green electricity consumption, and therefore is not comparable with data from previous years.
[45] In 2024, the statistical scope for this indicator has been optimised, and therefore is not comparable with data from previous years.
[46] In 2024, the statistical scope for this indicator has been optimised, and therefore is not comparable with data from previous years.
[47] This is a newly disclosed indicator in 2024.
[48] The statistical scope for this indicator encompasses cartons, plastics, EPS, and renewable packaging materials.

ESG KPIs	Unit	2024	2023	2022
Total workforce by gender				
Male	Number of persons	18,146	14,397	14,391
Female	Number of persons	12,364	10,223	10,303
Total workforce by employment type				
Full-time	Number of persons	30,510	24,620	24,694
Part-time	Number of persons	0	0	0
Total workforce by age group				
Below 30	Number of persons	13,225	9,581	9,153
30-50	Number of persons	15,833	13,770	14,273
Above 50	Number of persons	1,452	1,269	1,268
Total workforce by geographical region				
Chinese mainland	Number of persons	23,905	20,436	20,514
Hong Kong, Macau and Taiwan regions	Number of persons	29	34	29
Overseas	Number of persons	6,576	4,150	4,151
Total workforce by rank [49]				
Number of male senior managers	Number of persons	16	/	/
Number of female senior managers	Number of persons	1	/	/
Number of male middle managers	Number of persons	782	/	/
Number of female middle managers	Number of persons	284	/	/
Number of male junior employees	Number of persons	17,350	/	/
Number of female junior employees	Number of persons	12,077	/	/
New workforce by gender [50]				
Male	Number of persons	13,193	/	/
Female	Number of persons	6,727	/	/
New workforce by age group [51]				
Below 30	Number of persons	14,686	/	/
30-50	Number of persons	5,024	/	/
Above 50	Number of persons	210	/	/

[49] This is a newly disclosed indicator in 2024.
[50] This is a newly disclosed indicator in 2024.
[51] This is a newly disclosed indicator in 2024.

ESG KPIs	Unit	2024	2023	2022
New workforce by geographical region [52]				
Chinese mainland	Number of persons	13,871	/	/
Hong Kong, Macau and Taiwan regions	Number of persons	2	/	/
Overseas	Number of persons	6,047	/	/
B1.2 Employee turnover rate by gender, age group and geographical region				
Overall employee turnover rate	%	38	38	28
Employee turnover rate by gender				
Male	%	41	39	31
Female	%	33	35	23
Employee turnover rate by age group				
Below 30	%	51	49	40
30-50	%	24	27	19
Above 50	%	16	23	17
Employee turnover rate by geographical region				
Chinese mainland	%	35	32	25
Hong Kong, Macau and Taiwan regions	%	17	26	15
Overseas	%	48	56	40
B2. Health and safety				
B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year				
Number of work-related fatalities	Number of persons	0	0	0
Rate of work-related fatalities	%	0	0	0
B2.2 Lost days due to work injury				
Number of work injuries	Case	7	14	19
Total lost days due to work injury	Day	267	435	365
B2.3 Description of the occupational health and safety measures adopted, and how they are implemented and monitored				
Attendance in work safety and occupational health training	Attendance(s)	347,340	148,126	/
Total hours of employee participation in work safety and occupational health training	Hour(s)	649,344	172,289	/

[52] This is a newly disclosed indicator in 2024.

ESG KPIs	Unit	2024	2023	2022
B3. Development and training				
B3.1 Percentage of employees trained by gender and employee category				
Percentage of all employees trained	%	88.64	80.42	99.33
Percentage of male employees trained	%	65.14	64.78	58.53
Percentage of female employees trained	%	34.86	35.22	41.47
Percentage of senior management trained	%	0.14	0.10	0.19
Percentage of middle management trained	%	4.91	7.86	8.83
Percentage of junior employees trained	%	94.95	92.04	90.98
B3.2 Average training hours completed per employee by gender and employee category				
Average training hours for all employees	Hour(s)	43	26	40
Average training hours for male employees	Hour(s)	52	31	46
Average training hours for female employees	Hour(s)	24	20	31
Average training hours for senior management	Hour(s)	31	35	132
Average training hours for middle management	Hour(s)	42	38	67
Average training hours for junior employees	Hour(s)	45	38	34
B5. Supply chain management [53]				
B5.1 Number of suppliers by geographical region				
Total number of suppliers	Number of suppliers	1,010	1,140	1,048
Chinese mainland	Number of suppliers	864	975	890
Hong Kong, Macau, Taiwan and overseas regions	Number of suppliers	146	165	158
B5.2 Number of suppliers where the practices are being implemented	Number of suppliers	1,010	1,140	1,048
Number of new suppliers that were screened using environmental criteria	Number of suppliers	434	/	/
Number of new suppliers that were screened using social criteria	Number of suppliers	434	/	/
Number of suppliers conducting environmental impact assessments	Number of suppliers	434	/	/
Number of suppliers conducting social impact assessments	Number of suppliers	434	/	/
Number of suppliers involved in local procurement	Number of suppliers	60	/	/

[53] In 2024, the indicators under B5 are only applicable to the Pan-smart Screen BU and TCL Communication; the 2024 newly disclosed indicators: number of new suppliers that were screened using environmental criteria, number of new suppliers that were screened using social criteria, number of suppliers conducting environmental impact assessments, number of suppliers conducting social impact assessments, number of suppliers involved in local procurement.

ESG KPIs	Unit	2024	2023	2022
B6. Product responsibility				
B.6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons	%	0	0	0
B6.2 Number of product and service related complaints received	Case(s)	3,174	2,657	2,355
Number of cases involving the violation of consumer privacy [54]	Case(s)	0	/	/
Substantiated complaints concerning breaches of customer privacy and losses of customer data [55]	Case(s)	0	/	/
Specific amount involved in the data security incident [56]	RMB	0	/	/
B7. Anti-corruption				
B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period	Case	0	0	0
B7.3 Description of anti-corruption training provided to directors and staff				
Anti-corruption training courses	Session(s)	4	6	13
Directors participating in training (including directors of subsidiaries of the Company)	Attendance(s)	16	198	290
Managers participating in training [57]	Attendance(s)	45	/	/
Employees participating in training	Attendance(s)	808	9,879	10,170
B8. Community investment				
B8.2 Resources contributed to the focus area				
Monetary donations	RMB thousand	11,091	9,602	10,453
Value of goods and materials donated	RMB thousand	15	35	67
Volunteer hours [58]	Hour(s)	1,405	27,805	5,792
Number of volunteers	Number of persons	425	1,292	922

[54] This is a newly disclosed indicator in 2024.
[55] This is a newly disclosed indicator in 2024.
[56] This is a newly disclosed indicator in 2024.
[57] This is a newly disclosed indicator in 2024.
[58] In 2024, the form of volunteering has changed, so the number of volunteer hours and the number of volunteers have decreased.

ESG Index

Indicator	Disclosure Chapter
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	
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. **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. **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 Governance Performance Highlights of 2024
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

Indicator			Disclosure Chapter
A. Environmental			
Aspect A1: Emissions	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.		Response to Climate Change Strict Control of Pollution Emissions
	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).	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).	ESG Performance Overview

Indicator			Disclosure Chapter
A. Environmental			
Aspect A1: Emissions	KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	ESG Performance Overview
	KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Environmental Compliance Management Response to Climate Change
	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 Compliance Management Strict Control of Pollution Emissions Promoting Circular Economy
Aspect A2: Use of Resources	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.		Implementing Energy Conservation and Consumption Reduction
	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).	ESG Performance Overview
	KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	ESG Performance Overview
	KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Environmental Compliance Management 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 Compliance Management Water Resources Management
	KPI A2.5	Total packaging materials used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Promoting Circular Economy ESG Performance Overview
Aspect A3: The Environment and Natural Resources	General Disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources.		Environmental Compliance Management
	KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental Compliance Management Developing a Net Zero Ecosystem
Aspect A4: Climate Chang	General Disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.		Response to Climate Change
	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.	Response to Climate Change

Indicator			Disclosure Chapter
B. Social			
Employment and Labour Practices			
Aspect B1: Employment	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.		Protection of Employees' Rights and Interests
	KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	ESG Performance Overview
	KPI B1.2	Employee turnover rate by gender, age group and geographical region.	ESG Performance Overview
Aspect B2: Health and Safety	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.		Safeguarding Safety and Health
	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.	Safeguarding Safety and Health
Aspect B3: Development and Training	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.		Supporting Employee Development
	KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	ESG Performance Overview
	KPI B3.2	The average training hours completed per employee by gender and employee category.	ESG Performance Overview
Aspect B4: Labour Standards	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.		Protection of Employees' Rights and Interests
	KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Protection of Employees' Rights and Interests
	KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Protection of Employees' Rights and Interests

Indicator			Disclosure Chapter
Operating Practices			
Aspect B5: Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.		Strengthening Supplier Management Building Sustainable Supply Chain
	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.	Strengthening Supplier Management Building Sustainable Supply Chain
	KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Building Sustainable Supply Chain
	KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Building Sustainable Supply Chain
Aspect B6: Product Responsibility	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.		Creating an Innovative Landscape Commitment to Quality Excellence
	KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	ESG Performance Overview
	KPI B6.2	Number of product and service related complaints received and how they are dealt with.	ESG Performance Overview
	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Creating an Innovative Landscape
	KPI B6.4	Description of quality assurance process and recall procedures.	Commitment to Quality Excellence
	KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Putting Users First
Aspect B7: Anti-corruption	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.		Establishing a Strong Compliance Safeguard Framework
	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.	ESG Performance Overview

Indicator			Disclosure Chapter
Operating Practices			
Aspect B7: Anti-corruption	KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Establishing a Strong Compliance Safeguard Framework
	KPI B7.3	Description of anti-corruption training provided to directors and staff.	Establishing a Strong Compliance Safeguard Framework
Community			
Aspect B8: Community Investment	General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.		Empowering Society Through Technology Nurturing Children's Growth Fostering Cultural Spirit
	KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Empowering Society Through Technology Nurturing Children's Growth Fostering Cultural Spirit
	KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	ESG Performance Overview

TCL