



# 2022 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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**Steady for Sustainability, Innovation for Change**



## Message from Chairman

In 2022, the global market for consumer electronics struggled to thrive amid turbulence and transformation. At TPV Technology, we have chosen to turn challenges into opportunities, harness innovation and green transformation as new driving forces, and focus on Environmental, Social and Governance (ESG) aspects to achieve high-quality development. As the world's leading manufacturer and provider of monitors and TVs, our products connect millions of families and different industries. The future seems to be more feasible than ever with IoT display technologies enable by 5G. **While devoting to sustainability, there is still a long way to go and much remains to be undertaken by TPV.**



**We are committed** to making a positive impact through sustainable development and fulfilling our mission and social responsibility as a corporate citizen. Based on China, we are contributing to emission peak and carbon neutrality goals in our management and operations. In the world, we support and have committed to the Ten Principles of UN Global Compact (UNGC), the Responsible Business Alliance (RBA), and Science Based Targets initiative (SBTi), working with global partners towards a sustainable future.

**We are determined** to develop a comprehensive and practical ESG framework that is tailor-made and ahead of our peers. By benchmarking with market leaders around the world and evaluating our key business processes, we are going to launch TPV ESG roadmap to 2030. The roadmap ahead navigates our goals toward sustainability with firmly determination. To this end, we link executive compensation to ESG performance to ensure target accountability, sound ESG management and efficient ESG governance.

**We are action-oriented** to truly incorporate ESG management into our operations process and throughout the product lifecycle. ESG principles have been systematically integrated into the practices of all functions, from R&D, procurement, manufacturing, sales, quality, to after-sales service. All divisions are encouraged to actively embrace and act on ESG and sustainability.

**We are convinced** sustainability is about giving back what is taken from nature. We are committed to energy conservation and circular economy to minimize the potential environmental impact of electronic products. Together with upstream and downstream partners to actively collaborate in the use of recycled materials, promoting parts recycling, and end-of life management are being vigorously encouraged.

**We are confident** that the communities we rooted and the market our products reached are our important partners. As a world-class display manufacturer, we aim to contribute to a more harmonious society with our smart healthcare and smart education solutions. Furthermore, we strive to create a safe and healthy workplace for our teams, and supporting employee growth and professional development.

**We expect** a practitioner of low-carbon development and sustainability to be the new synonym for TPV. In 2022, we received EcoVadis Gold medal, B rating in CDP climate change and water security and the "Central SOE of China-ESG Pioneer 50 Index", and other recognitions. Looking ahead to 2023, we plan to launch 1,000 green models and reduce carbon emissions from packaging by 5%.

**The path to sustainability remains an ongoing journey. We are ready to fast-forward efforts and embark on a new chapter. We understand the mission and responsibility entrusted on TPV, and are determined to fulfill our mission and prove worthy of our times. On behalf of all TPV colleagues, I hope to join hands with all stakeholders to forge ahead for a greener and brighter future!**

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Dr. Jason Hsuan

Chairman of the Board & CEO of TPV Technology  
Leader of the Risk Management and ESG Committee

# Anchoring on a Better Future

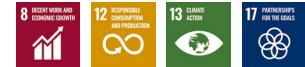
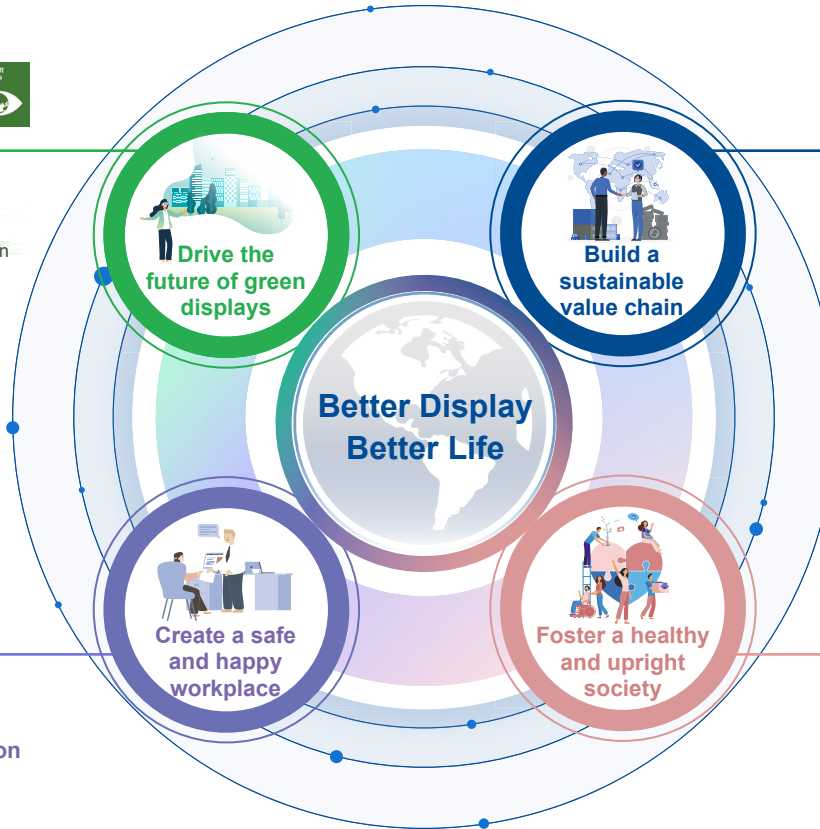
At TPV, our purpose for good guides us to fulfill our commitments, anchored on our goals. In 2022, we took a hard look at the sustainability challenges and opportunities we confront, systematically analyzed our professional advantages and development plans, and formulated the TPV ESG Roadmap to 2030. The Roadmap specifies four pillars, namely "Drive the future of green displays", "Build a sustainable value chain", "Create a safe and happy workplace", and "Foster a healthy and upright society". Comprehensive and clear ESG targets have been formed based on the Roadmap. We hope to embark on a new, more sustainable development path, driven by management improvements in pursuit of our goals.



- **Address climate change**  
42% reduction in carbon emissions  
13% renewable electricity consumption
- **Conserve water resources**
- **Ensure product quality and safety**
- **Green product and packaging**  
50% of recycled plastic or ocean-bound plastic



- **Support innovative development**
- **Ensure a healthy and safe workplace**
- **Increase employee satisfaction**  
75% employee satisfaction
- **Talent training and development**  
36 hours of training per employee
- **Commit to zero human rights incidents**



- **Improve customer experience**  
98% customer satisfaction
- **Protect data security and customer privacy**
- **Sustainable supply chain**  
90% of buyers trained  
Key supplier ESG and GHG inventory survey

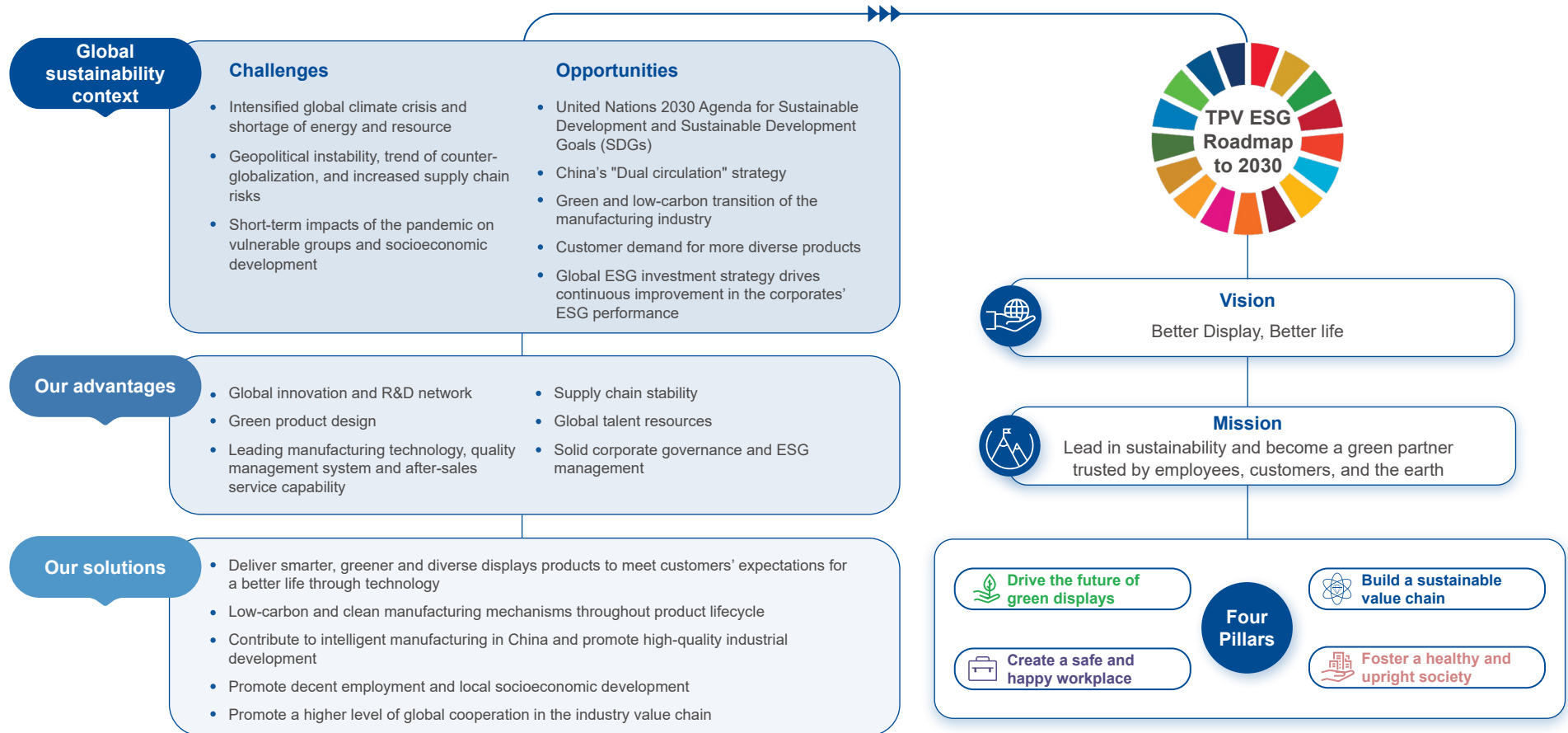


- **Support local communities**  
At least 300 employees participated in community service
- **Business ethics and compliance**
- **Strengthen risk management**
- **Enhance ESG governance**  
Link executive compensation to ESG performance

\* See all targets on page 4-6.

## Our path to transformation – TPV ESG Roadmap to 2030

Our world is facing unprecedented changes and challenges. As a leading company in the displays industry, TPV is committed to embracing the opportunities and challenges of sustainability. We aim at leveraging our professional advantage to achieve more sustainable growth while addressing social issues. Driven by the TPV ESG Roadmap to 2030, we expect to continuously promote the low-carbon transition of the industry, create shared value for our partners, broaden development opportunities for our employees and society, offer a wider range of innovative products to meet people's aspirations for better technology, and contribute our society toward a more sustainable future.



 Drive the Future of Green Displays



 In active progress  In slow progress  Off track

















| ESG Issue                 | Direction  | Target  | Progress in 2022  |
|---------------------------|--|---|---|
| Climate & Energy          | ◆ Science Based Targets (Scope 1 & 2)                  | By 2030, reduce carbon emissions of Scope 1 & 2 at operational level by 42% from 2020   |    |
|                           | ◆ Save energy consumption                              | By 2025, reduce annual electricity consumption (at global manufacturing bases, main offices and operation sites) by 2.4% from 2021                                      |    |
|                           | ◆ Optimize energy structure                            | By 2025, ensure that renewable electricity accounts for at least 13% of total electricity consumption (at global manufacturing bases, main offices and operation sites) |    |
| Water Management          | ◆ Address water challenge                              | By 2025, maintain annual water withdrawal level at 2021   |    |
| Green Product & Packaging | ◆ Science Based Targets (Scope 3)                      | By 2030, reduce carbon emissions of Scope 3 – use of sold products <sup>1</sup> by 42% from 2020  |    |
|                           | ◆ Reduce energy consumption in product use             | By 2025, reduce product energy use of own brand monitors and TVs by 25% from 2020   |    |
|                           | ◆ Reduce environmental impact of raw materials         | By 2030, use at least 50% of recycled plastic or ocean-bound plastic in own brand products  |    |
|                           |  | By 2030, use at least 25% of recycled aluminum in aluminum parts of own brand products  |    |
|                           | ◆ Reduce environmental impact of packaging             | By 2030, use at least 95% of recycled packaging materials in own brand products   |    |
|                           |  | By 2030, use at least 90% of recycled or FSC <sup>2</sup> -certified materials or bio-based materials in packaging of own brand products                                |    |
|                           | ◆ Promote green logistics                              | By 2030, reduce carbon emissions from packaging by 25% for own brands from 2020   |    |
| Product Quality & Safety  | ◆ Ensure product quality and safety                    | Select low-carbon transportation routes and modes wherever possible, including electrified railroads, cargo ships using low-sulfur fuels, etc.                          |    |
|                           | ◆ Pursuing superior, be the industry leader in quality |   |  |
| Innovative Development    | ◆ Improve automation and efficiency                    | By 2026, increase the automation rate in monitors and TVs by 3% each year   |  |
|                           | ◆ Support and promote innovative development           | By 2025, adopt at least 300 innovation proposals each year  |  |
|                           |  | By 2025, maintain 1,000 valid patents worldwide   |  |
|                           |  | By 2025, have at least 22% of R&D staff with master's or doctor's degrees   |  |

<sup>1</sup> The product lifetime in this Report is calculated as 72 months.



<sup>2</sup> FSC: Forest Stewardship Council.

## Build a Sustainable Value Chain


 In active progress  In slow progress  Off track





| ESG Issue                                   | Direction                                      | Target  | Progress in 2022  |
|---|--|---|---|
| Customer Relationship Management            | ◆ Improve customer experience                  | By 2025, ensure customer satisfaction with after-sales service no less than 98% in China  |    |
|   |  | By 2025, ensure that at least 94% Turn Around Time (TAT) worldwide  |    |
| Data Security & Customer Privacy Protection | ◆ Strengthen information security management   | By 2025, have 5 manufacturing bases worldwide with ISO 27001 Information Security Management System certification                         |    |
|   |  | Conduct regular vulnerability management and penetration testing of servers and systems each year   |    |
|   | ◆ Raise information security awareness         | Conduct regular information security drills at global manufacturing bases, main offices and operation sites each year                     |    |
|   |  | Conduct quarterly information security awareness sessions at global manufacturing bases, main offices and operation sites each year       |    |
| Sustainable Supply Chain                    | ◆ Manage supply chain risks                    | Ensure that all employees participate in at least 1 phishing drill each year, and achieve a <15% click-through rate                       |    |
|   |  | 100% of qualified suppliers sign the <i>TPV CSR Supplier Code of Conduct</i>  |    |
|   |  | 100% of qualified suppliers sign the <i>Warranty on the Non-Use of Conflict Minerals</i>  |    |
|   |  | Conduct conflict minerals survey of 100% of qualified suppliers using metal in production   |    |
|   | ◆ Promote green supply chain                   | 100% of newly introduced suppliers are ISO 14001 and ISO 9001 certified   |    |
|   |  | By 2025, require 80% of key suppliers to complete a written ESG survey  |    |
|   | ◆ Strengthen internal and external empowerment | Gradually promote the third-party on-site RBA audit of monitors and TV suppliers: accumulate 200 suppliers in 2025, 300 suppliers in 2030 |    |
|   |  | By 2025, require key suppliers to provide greenhouse gas (GHG) inventory information  |    |
|   |  | By 2025, ensure that at least 90% of buyer receive training on sustainable procurement and environmental protection                       |  |
|   |  | By 2025, ensure that at least 200 suppliers have participated in TPV-organized training   |  |

 **Create a Safe and Happy Workplace**

 In active progress  In slow progress  Off track

| ESG issue                     | Direction   | Target   | Progress in 2022  |
|-------------------------------|---|--|---|
| Occupational Health & Safety  | ◆ Ensure a healthy and safe workplace                                       | By 2025, have 9 manufacturing bases worldwide certified with ISO 45001 Occupational Health and Safety System |  |
|                               |   | Commit to zero work-related fatalities at global manufacturing bases   |   |
| Human Rights & Labor Rights   | ◆ Commit to zero human rights incidents<br>◆ Increase employee satisfaction | Zero human rights violations of child and forced labor at global manufacturing bases                         |  |
|                               |   | By 2025, ensure that employee satisfaction in China is no less than 75%                                      |   |
| Talent Training & Development | ◆ Enhance organizational strengths  | By 2025, conduct at least 40 6Sigma training sessions with no less than 900 participants each year           |  |
|                               |   | By 2025, achieve no less than 36 training hours per employee each year                                       |   |
|                               |   | By 2025, increase training hours per employee on ESG topics <sup>3</sup> by 5% each year                     |   |

 **Foster a Healthy and Upright Society**

| ESG issue                    | Direction  | Target   | Progress in 2022  |
|------------------------------|--|--|---|
| ESG Governance               | ◆ Achieve linkage between executive compensation and ESG performance<br>◆ Promote diversity in management<br>◆ Organize regular ESG meetings | Link executive compensation to ESG performance   |    |
|                              |  | By 2025, ensure female account for at least 26% of senior management and management  |   |
|                              |  | Organize at least 2 ESG meetings each year   |   |
| Supporting Local Communities | ◆ Strengthen community engagement  | Complete more than 5 charitable donation each year   |    |
|                              |  | Engage at least 300 employees in community service each year globally  |   |
| Business Ethics & Compliance | ◆ Handle whistleblowing and complain   | Handle 100% of fraud complaints submitted through official channels  |    |
| Risk Management              | ◆ Conduct internal audit   | By 2025, achieve 88% or higher internal audit coverage rate (global manufacturing bases, main offices and operation sites) |  |

<sup>3</sup> ESG topics include business ethics, occupational health and safety, climate change mitigation, etc.

## Our ESG management philosophy

Efficient organizational management capability is a strong guarantee for us to deliver the TPV ESG Roadmap to 2030. TPV incorporates the concept of sustainable development into the overall governance and operation of the company. By continuously optimizing the ESG governance structure and clarifying responsibilities at all levels, we have comprehensively improved our ESG performance. We continue to maintain close communication with all stakeholders to respond to their expectations. Materiality management has become a regular part of driving our ESG progress and creating synergies for joint development.



### ESG governance structure

In 2022, we further strengthened the three-level ESG governance structure, comprehensively reviewed the responsibilities of each level, and reorganized and clarified the working mechanisms and functioning of the ESG Taskforce. At the same time, we maintained close communication with stakeholders to continuously improve our ESG performance.








In addition, TPV has been exploring digital solutions to strengthen ESG management. In 2022, TPV launched the ESG Platform (ESG Data Management Platform) to manage essential ESG data across the company. By collecting, calculating, and consolidating 165 ESG indicators, the platform effectively streamlines data entry and calculation processes. It also serves as a sharing platform that enables users to easily access and export data, contributing to higher efficiency of ESG data management.



## Stakeholder engagement

TPV places great emphasis on communication with stakeholders. We established diversified, barrier-free communication mechanisms to timely disclose information to stakeholders on policy updates, daily operations, development changes, and material changes, and update stakeholders on the company's ESG progress. The issues of interest to stakeholders and their communication channels with the company are shown in the table on the right:



| Stakeholders   | Issues of Interest   | Communication Channels  |
|--|--|---|
|  <b>Employees</b>                           | <ul style="list-style-type: none"> <li>• Human Rights &amp; Labor Rights</li> <li>• Occupational Health &amp; Safety</li> <li>• Talent Training &amp; Development</li> <li>• Talent Attraction &amp; Retention</li> <li>• Diversity &amp; Inclusion</li> </ul>   | <ul style="list-style-type: none"> <li>• Employee satisfaction survey</li> <li>• Comment box</li> <li>• Communication sessions at all levels</li> <li>• Employee activities and training</li> </ul>           |
|  <b>Clients or customers</b>                | <ul style="list-style-type: none"> <li>• Product Quality &amp; Safety</li> <li>• Customer Relationship Management</li> <li>• Data Security &amp; Customer Privacy Protection</li> <li>• Corporate Emergencies / Public Crisis Management</li> <li>• Green Products &amp; Packaging</li> <li>• Circular Economy</li> <li>• Use of Renewable Energy</li> </ul> | <ul style="list-style-type: none"> <li>• Customer satisfaction survey</li> <li>• Call Center</li> <li>• Routine customer communication and meetings</li> </ul>  |
|  <b>Shareholders or potential investors</b> | <ul style="list-style-type: none"> <li>• Risk Management</li> <li>• Business Ethics &amp; Compliance</li> <li>• ESG Governance</li> <li>• Innovative Development</li> <li>• Corporate Emergencies / Public Crisis Management</li> <li>• Communications &amp; Transparency</li> </ul>   | <ul style="list-style-type: none"> <li>• General meeting of shareholders</li> <li>• Investor conference and roadshows</li> <li>• TPV website</li> <li>• Annual report</li> <li>• Annual ESG report</li> </ul> |
|  <b>Suppliers or business partners</b>     | <ul style="list-style-type: none"> <li>• Sustainable Supply Chain</li> <li>• Climate &amp; Energy</li> <li>• Collaboration with Business Partners</li> <li>• Conflict Minerals Management</li> </ul>   | <ul style="list-style-type: none"> <li>• Supplier conference</li> <li>• On-site audit</li> <li>• Supplier training</li> <li>• Industry exchanges</li> <li>• Routine communication and visits</li> </ul>       |
|  <b>Community and the public</b>          | <ul style="list-style-type: none"> <li>• Supporting Local Communities</li> <li>• Communications &amp; Transparency</li> <li>• Climate &amp; Energy</li> <li>• Sewage and Waste Management</li> <li>• Biodiversity</li> </ul>   | <ul style="list-style-type: none"> <li>• Charitable activities</li> <li>• Volunteering service</li> <li>• TPV Cares<sup>4</sup></li> <li>• Rural revitalization efforts</li> </ul>                            |

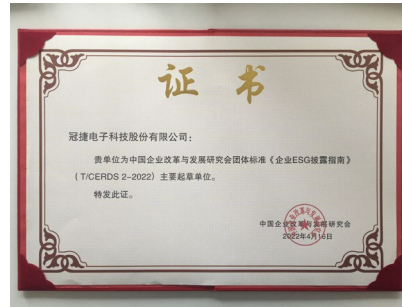
<sup>4</sup> TPV's Overseas Community Care Program. For more information, please refer to the TPV Cares website.

In 2022, we continued to increase our positive impact and promote sustainability in the industry. This was achieved by proactively participating in the development of ESG-related standards and by sharing our ESG management experience with professional institutes, business partners and other stakeholders.



### Participating in the development of ESG disclosure guidelines to promote ESG framework in China

In 2022, as a leading company in ESG practice, TPV participated in the development of the *Guidance for Enterprise ESG Disclosure (T/CERDS 2-2022)* and *Corporate ESG Evaluation System (T/CERDS 3-2022)* social organization standards, contributing our experience in ESG disclosure and helping to promote the ESG framework with Chinese characteristics. The Corporate ESG Disclosure Guide came into effect on 1 June 2022. It is the first corporate ESG disclosure standard in China and will facilitate the standardization of Chinese companies' ESG governance and disclosure to further align with international standards.



>> Certificate of Participation into the Development of the *Guidance for Enterprise ESG Disclosure*

### Sharing ESG risk management and governance practices with the world

In September 2022, TPV was invited to the launch ceremony of the Simplified Chinese version of *Enterprise Risk Management: Applying Enterprise Risk Management to Environmental, Social and Governance-related risks* issued by World Business Council for Sustainable Development (WBCSD). We shared our practices and experience in ESG management, climate risk management, and carbon neutrality management, and discussed with regulators and professional organizations how companies can achieve sustainability and carbon neutrality through ESG and climate risk management.

## Materiality assessment

The identification and management of materiality issues lays the foundation for ESG efforts. TPV has established regular communication channels and feedback mechanisms and regularly engages in dialogue with internal and external stakeholders to understand their expectations and needs from TPV. We prioritize stakeholder concerns in our day-to-day operations and make targeted disclosure in this Report.

In 2022, we developed a library of materiality issues based on our disclosure guidelines and rating criteria<sup>5</sup>, taking into account industry characteristics and actual operations. Through questionnaires and interviews with senior management, we collected 251 responses from Board members and senior management, employees, clients, customers, shareholders, potential investors, suppliers, business partners and the community and public. Based on the analysis, 10 materiality issues were identified, with "Climate & Energy" and "Innovative Development" as new materiality issues introduced in 2022.



### 01 Identify materiality issues and form an issue list

Identify potential materiality issues of the year by comprehensively reviewing the key issues of TPV's ESG work, referring to the sustainability issues of peer companies at home and abroad, and considering the sustainability concerns of stakeholders such as investors.



### 02 Conduct questionnaire survey with stakeholders

Develop and distribute a questionnaire to internal and external stakeholders online or in-person to conduct a complete survey of ESG issues.



### 03 Rank materiality issues

Identify the positive and negative impacts of each issue in terms of "importance to TPV" and "impact on the economy, environment, and society" and rank the issues by importance.



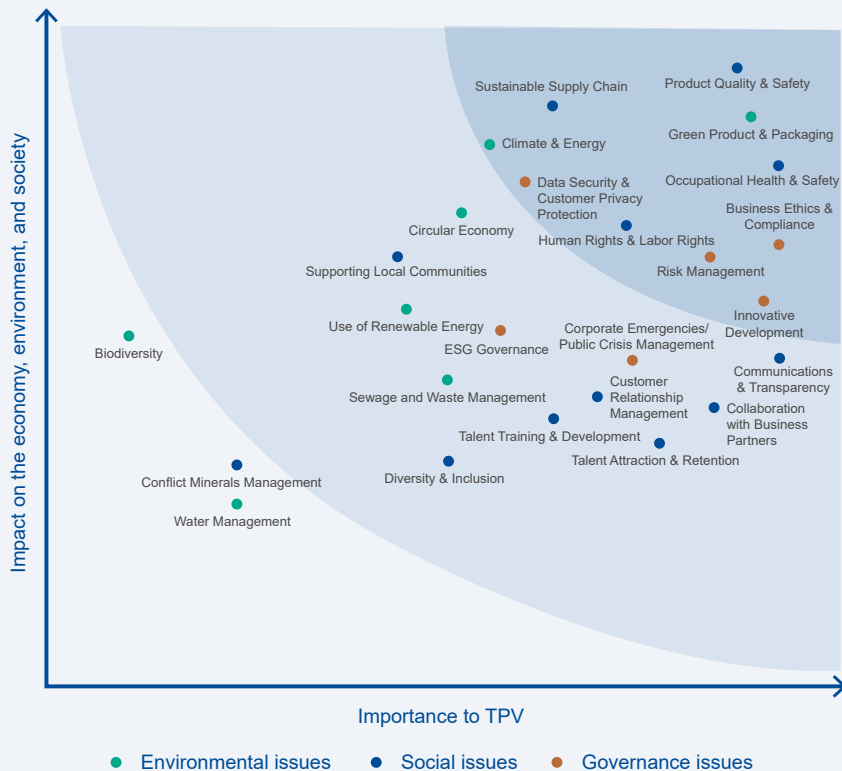
### 04 Create the materiality matrix

The issues rankings are evaluated by internal and external experts and submitted to the Risk Management and ESG Committee for review and confirmation to determine the 2022 Materiality Matrix.



<sup>5</sup> Including the GRI Standards, CASS- ESG 5.0, UN Global Compact (UNGC) Ten Principles, EcoVadis Ratings, and MSCI ESG Ratings.

### Materiality Matrix



To better manage the impact of materiality issues across the value chain, TPV developed ESG targets and strategies based on the results of the materiality assessment and incorporated them into the TPV ESG Roadmap to 2030.

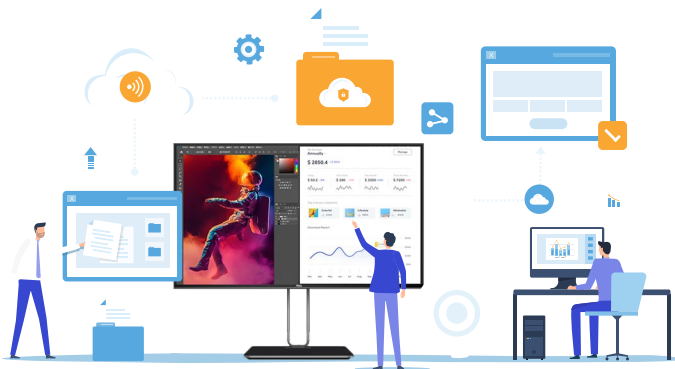
| TPV ESG Roadmap to 2030 – Four Pillars      | Materiality Issues                          | Scope of Impact      |                       |             | GRI Standards Alignment  | Location in the Report  |
|---|---|----------------------|-----------------------|-------------|--|---|
|   |   | Upstream Value Chain | Enterprise Operations | Product Use |  |   |
| <p>Drive the future of green displays</p>   | Climate & Energy                            | ✓                    | ✓                     | ✓           | Energy, Emissions  | Disclosure of Climate-Related Information<br>Energy Management and Efficiency Improvement |
|   | Green Product & Packaging                   | ✓                    | ✓                     | ✓           | Materials, Water and Effluents, Waste  | Innovation in Sustainable Materials<br>Emissions Management and Circularity               |
|   | Product Quality & Safety                    | ✓                    | ✓                     | ✓           | Customer Health and Safety   | Product Quality and Safety  |
|   | Innovative Development                      |                      | ✓                     | ✓           | /  | Product Development and Innovation  |
| <p>Build a sustainable value chain</p>      | Data Security & Customer Privacy Protection |                      | ✓                     | ✓           | Customer Privacy   | Corporate Governance  |
|   | Sustainable Supply Chain                    | ✓                    | ✓                     |             | Supplier Environmental Assessment, Supplier Social Assessment  | Responsible Supply Chain Management   |
| <p>Create a safe and happy workplace</p>    | Occupational Health & Safety                |                      | ✓                     |             | Occupational Health and Safety   | Healthy and Safe Workplace  |
|   | Human Rights & Labor Rights                 | ✓                    | ✓                     |             | Diversity and Equal Opportunity, Non-discrimination, Freedom of Association and Collective Bargaining, Child Labor, Forced or Compulsory Labor | Diversity and Inclusive Culture<br>Smooth Communication Channels                          |
| <p>Foster a healthy and upright society</p> | Business Ethics & Compliance                | ✓                    | ✓                     |             | Anti-corruption  | Corporate Governance  |
|   | Risk Management                             | ✓                    | ✓                     |             | /  | Corporate Governance<br>Responsible Supply Chain Management                               |

Scope of Impact and Location of Materiality Issues in the Report

# 01

## TPV Technology at a Glance

- About TPV
- Awards and Recognition





## About TPV

### Overview

Founded in Taiwan and represented worldwide, TPV Technology has 13 manufacturing bases in 7 countries across Asia, Europe and America. As a leading provider of Liquid Crystal Display (LCD) monitors and TVs, TPV Technology distributes products under our own brands AOC, AGON, Envision and under a long-term exclusive license agreement with Philips for global monitors, TVs, audio-visual products, and mobile phones<sup>6</sup>. Renowned for excellent quality, reliability, and popularity, our products have received various international design prizes such as Red Dot Design Awards, iF Design Award and the CES Innovation Awards. TPV Technology has long been the world's largest manufacturer and provider of LCD monitors and TVs, with an annual shipment of over 50 million units, accounting for over 28% of the global market.

Sustainability elements have been incorporated into our operations and management of upstream and downstream value chain. By establishing TPV Technology as a sustainable company, we aim to lead the high-quality, sustainable development and thus fulfill our mission to become a green partner trusted by employees, customers, and the earth.

<sup>6</sup> TPV possesses an exclusive license to manufacture and distribute Phillips monitors (displays), TVs (except for the United States, Canada, Mexico, and some South American countries), and sound products worldwide.



### Our Vision

To become the global leader in display



### Our Values

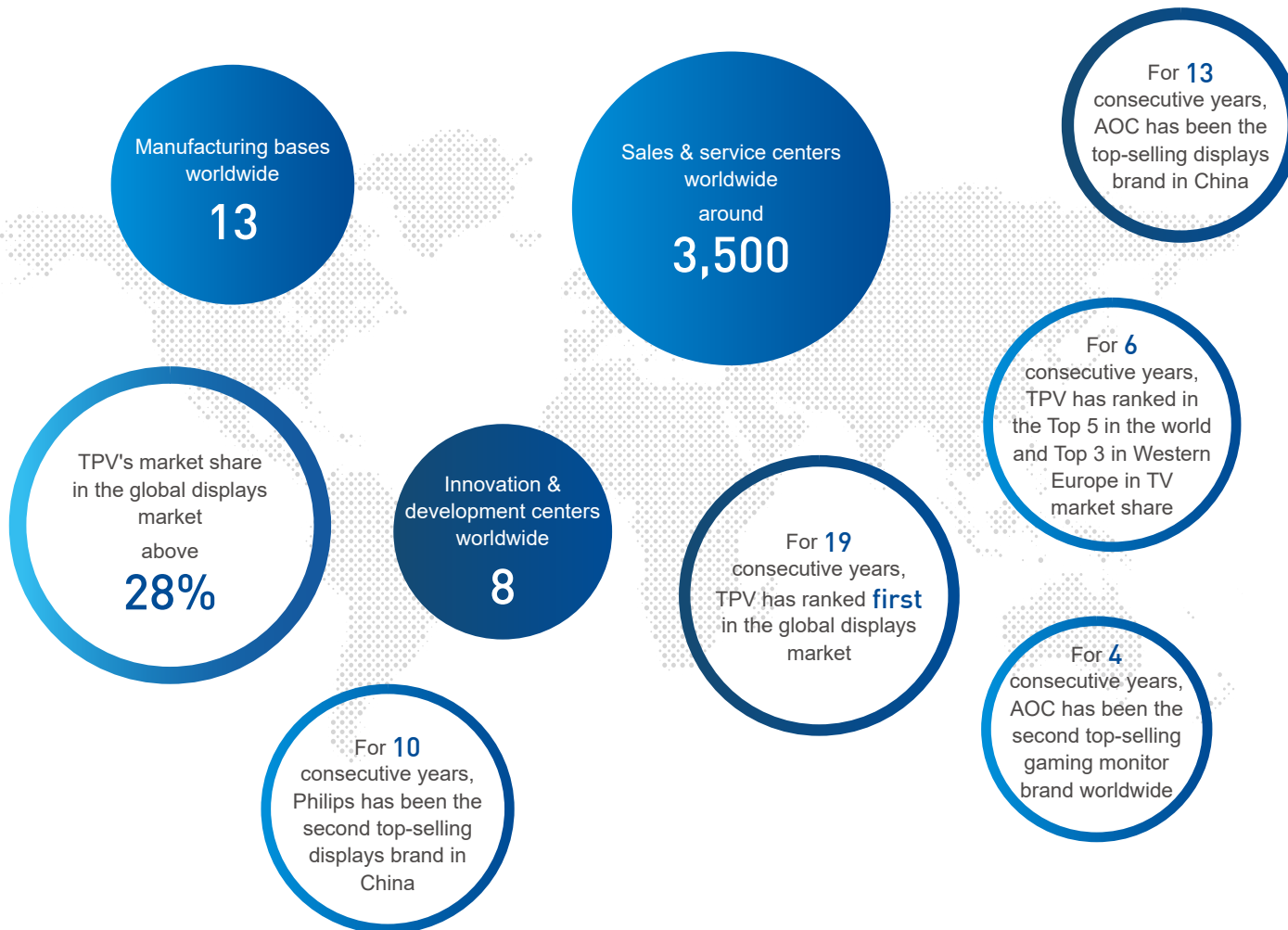
- Innovation
- Accountability
- Agility
- Cost-consciousness
- Executorial Excellence



### Our Mission

- To create unique values for our customers
- To create valuable opportunities for our employees
- To create sustainable benefits for our shareholders
- To create useful resources for our society

## Global Presence and Market Standing

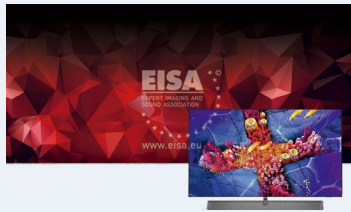


## Featured products in 2022

Our products mainly include monitors, TVs, and audio products. Driven by an ongoing commitment to meeting the needs of customers, we are constantly expanding our product range to cover education, healthcare, e-sports, new retail, transportation, office, and other fields for different customer groups and user scenarios. Consistent quality excellence and leading technology have earned TPV products recognition from clients, customers and the industry as well as a number of international industrial design awards. In 2022, TPV's TV products received over 22 industry awards and accolades, while audio products received over 17 industry awards and accolades.



### Philips TVs



Philips OLED 937

iF Design Award 2022, Red Dot Design Award 2022, and Expert Imaging and Sound Association (EISA) Best Home Theater TV 2022-2023



Philips OLED 907

iF Design Award 2022 and Red Dot Design Award 2022

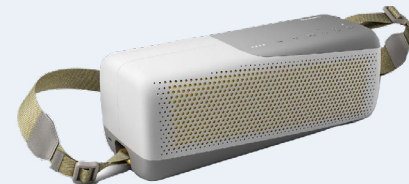


### Philips Sound



Philips Fidelio Home Cinema Series (TAFB1/TAFW1/TAFS1)

iF Design Award 2022, Red Dot Design Award 2022, and EISA Integrated Soundbar 2022-2023



Philips wireless speaker TAS7807

Red Dot Design Award 2022



## Monitors



AOC Monitor PD27S

Red Dot Design Award 2022 and iF Design Award 2022



AOC 27V5

Red Dot Design Award 2022



AOC 10.3 E-INK

Red Dot Design Award 2022



PD32M monitor jointly launched by AOC AGON and Porsche Design

MCPLive Editors' Choice Award 2022, PChome Gaming Monitor of the Year, and ZOL GG100<sup>7</sup> Outstanding Products



Great Wall 249L60IH

ZOL Recommended Product

<sup>7</sup> GG100: Good Gear 100.

# Awards and Recognition

## Our ESG achievements

## Organizations and initiatives



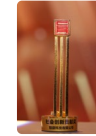
Supply Chain Sustainability Assessment – EcoVadis rating Gold medal



- B Climate Change
- B Water Security
- A- Supplier Engagement



"Central SOE of China ESG Pioneer 50 Index" and Outstanding ESG Case supervised by Department of Social Responsibility, State-owned Assets Supervision and Administration Commission (SASAC), State Council of China



Social Innovation Contribution Award awarded by Yicai China Corporate Social Responsibility Ranking 2022



"Sustainable Finance Sustainability Linked Loans" in collaboration with Bank of China (Hong Kong)



We support the United Nations Sustainable Development Goals (SDGs), and have identified Goal 4 Quality Education, Goal 8 Decent Work and Economic Growth, and Goal 12 Responsible Consumption and Production as our sustainability priorities. Meanwhile, we keep contributing to the achievement of other SDGs



We support and have committed to the Science Based Targets initiative (SBTi) in September 2022, our carbon reduction targets were approved by the SBTi



We support and have participated in the UN Global Compact (UNGC)



We support the International Tin Supply Chain Initiative (ITSCI). In 2023, we became a member company of ITSCI



We support and joined IPC, the Association Connecting Electronics Industries, since 2022



We support the Responsible Business Alliance (RBA). In 2023, we became a member company of the RBA



We support and joined the Responsible Minerals Initiative (RMI) since 2015

# 02

## Steering Responsible Governance

Effective corporate governance lays the foundation for a company to ensure steady and sustainable growth. At TPV, we are committed to continuously improving our corporate governance, strengthening our risk management capabilities, and firmly opposing any violations of business ethics, including corruption and unfair competition.

### Materiality issues addressed

- Business Ethics & Compliance
- Risk Management
- Data Security & Customer Privacy Protection

### ESG highlights

- **94%** internal audit coverage rate (including global manufacturing bases, main offices and operation sites)
- **0** non-compliance events (including confirmed non-compliance incidents or legal actions) reported



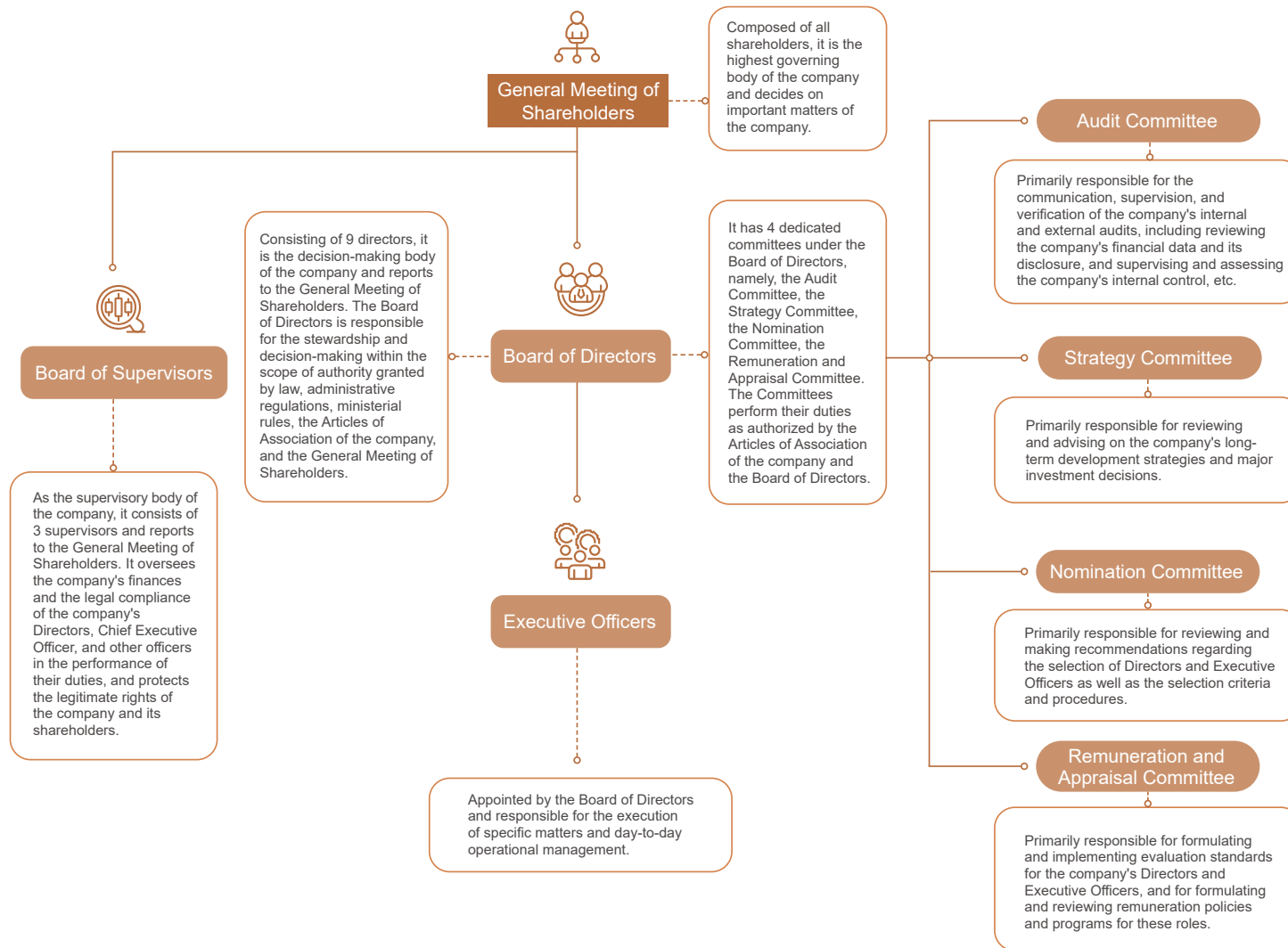
# Corporate Governance

TPV conforms with applicable national laws and international regulations. Our corporate governance structure is continuously optimized to ensure sound development in the long term.

## Organizational structure

TPV is in strict accordance with the requirements of the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Code of Corporate Governance for Listed Companies*, *Shenzhen Stock Exchange Listing Rules*, and other laws, regulations, and normative documents on the governance of listed companies. We continue to strengthen our governance system and standardize our operations. As an integral part of the corporate governance structure, TPV's Board of Directors, Board of Supervisors, and senior management strictly comply with applicable laws and regulations and diligently perform their duties to ensure the standardization and effectiveness of the corporate governance structure.

### TPV Technology Corporate Governance Structure



## Board diversity

Board diversity plays an important role in the healthy development and competitiveness of a company. As such, TPV places a high emphasis on promoting Board diversity. Candidates for director positions are screened and verified by the Nomination Committee, with their competence, cultural and educational background, industry experience, gender, age, and other relevant aspects taken into consideration. The Board of Directors and the General Meeting of Shareholders review the candidates while considering these aspects before final approval.

At present, there are 9 members on the Board of Directors of the company, including 3 Independent Directors. This composition meets the regulatory requirement that at least one-third of the Board of a listed company must be Independent Directors. The Directors on our Board are from both domestic and overseas backgrounds, bringing diverse professional experiences in displays, finance, technology, management, and capital markets. This allows for complementary knowledge structures, skills, industry experience, and cultural backgrounds that effectively promote scientific decision-making.



# Compliance and Risk Management

TPV adheres to high compliance standards. A well-established risk management and internal control system has been in place to effectively manage our performance in business ethics, information security, and other aspects, thus ensuring operational compliance and driving healthy, steady, and sustainable growth.

## Enterprise risk management

TPV has established an organizational structure for risk management to systematically implement risk management with a scientific and effective working mechanism. The Risk Management and ESG Committee, composed of senior management, is responsible for assessing potential internal and external risks as well as their impact on the company on a quarterly basis. For material risks identified, heads of the responsible departments or responsible persons will further develop risk mitigation and improvement strategies and report to the Audit Committee and the Board of Directors.

To mitigate risks that may cause property, reputation and market losses to our operations and value chain, we have formulated a *Risk Management Manual* with reference to the Enterprise Risk Management (ERM) framework and international standards. It defines our processes and systems for the identification, analysis, treatment, monitoring and reporting of risks and establishes risk management strategies and preventive measures to ensure that risks are controlled in a timely and effective manner.

In 2022, we conducted risk identification across all manufacturing bases and offices. 17 material risks were identified, 5 of which were closely related to ESG, namely product

quality risk, information and data security risk, business environment risk<sup>8</sup>, climate change risk and supply chain risk. Through discussions with the risk owner, we conducted an in-depth analysis of the causes of risks, their impact on our operations, and their likelihood of occurrence. A risk matrix was created after understanding the present risk management situation.

To minimize the potential loss from risks, we have adopted 4 risk response strategies, namely Avoid, Transfer, Reduce, and Accept. Given the characteristics and scope of impact of each risk, we consider a variety of factors, such as costs and benefits, reputation, and social responsibility, and resort to individual or combined measures as appropriate. In addition, we monitor and report on our risk management practices and changes in the internal and external environment in real time. To ensure effective risk management, risk levels are regularly assessed, and risk response strategies are adjusted in a timely manner.

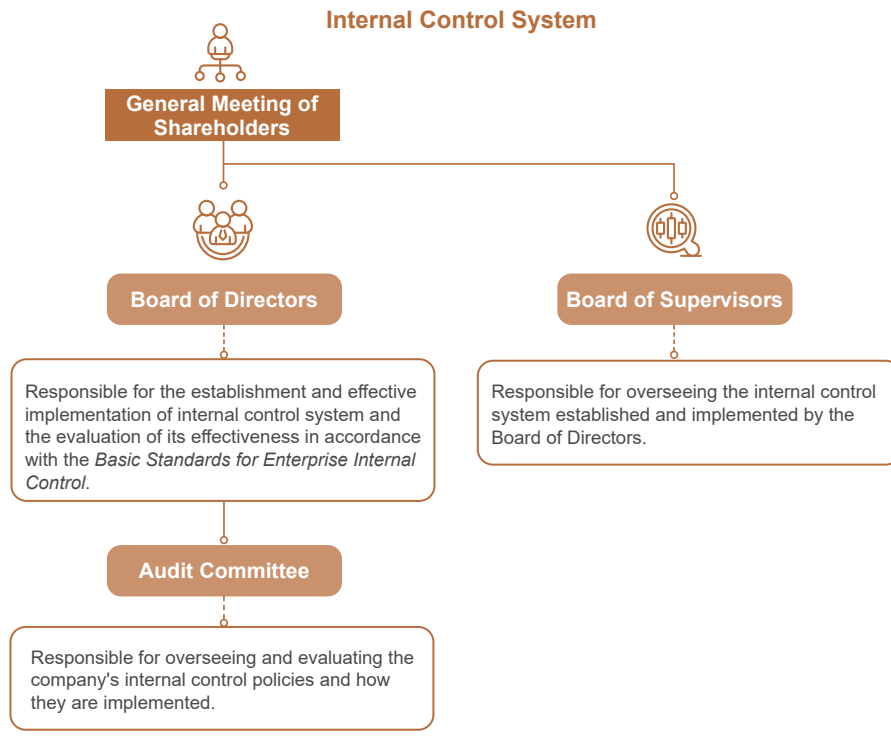
### Risk Management Procedure



<sup>8</sup> Mainly includes operational risks associated with changes in legislations on workplace safety and environmental protection.

## Internal control system

To improve corporate governance and risk management, TPV has established a comprehensive internal control system aligned with its actual operations in accordance with *the Basic Standards for Enterprise Internal Control* and supporting complementary guidelines, alongside other internal requirements. The system covers 18 business processes. By virtue of effective implementation of the internal control system, TPV ensure the legal compliance of our management and operational practices, continuously improve operational efficiency, and promote business development.



<sup>9</sup> Please refer to the *TPV Code of Conduct*.

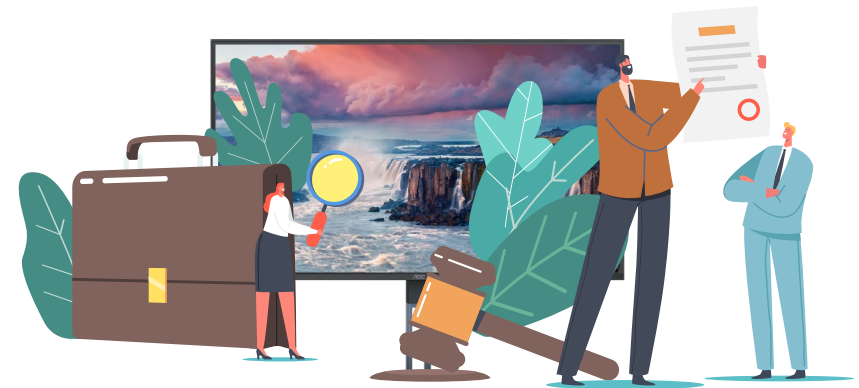
<sup>10</sup> See Appendix 3 to the *TPV Code of Conduct*.

<sup>11</sup> See Appendix 1 to the *TPV Code of Conduct*.

## Business ethics management

TPV attaches great importance to managing business ethics, maintaining integrity and operating in compliance. We act in strict accordance with *the Criminal Law of the People's Republic of China, the Company Law of the People's Republic of China, the Anti-unfair Competition Law of the People's Republic of China, the Anti-monopoly Law of the People's Republic of China, the Anti-money Laundering Law of the People's Republic of China* and other applicable laws, regulations, and provisions in jurisdictions to prevent corruption, bribery, and unfair competition and to combat all kinds of frauds. We have established anti-corruption and business ethics management systems and issued the *TPV Code of Conduct*<sup>9</sup> to standardize principles for anti-corruption, anti-money laundering, anti-fraud, anti-unfair competition and conflict of interest.


Based on business activities and their risks on business ethics, TPV has established a series of management principles and procedures. The *TPV Group Policies & Guidelines on Gifts and Entertainment*<sup>10</sup> prohibits top management and employees from accepting any gifts, advantages or improper benefits, directly or indirectly, from any party which has business relationship with the company in their personal capacity. If the price of business gifts and entertainment exceeds the prescribed limit, employees are required to report the details using the Business Entertainment / Gift Declaration Form<sup>11</sup> and obtain approval from the independent compliance officer of their business units.



## Business ethics management

We also provide easily accessible reporting channels for all stakeholders. Employees and the public can access these channels through email, bulletin boards, etc.<sup>12</sup>. To protect the privacy and security of whistleblowers, TPV has formulated the *TPV Whistleblower Policy* to ensure whistleblower confidentiality and prohibit retaliation of any kind.

In 2022

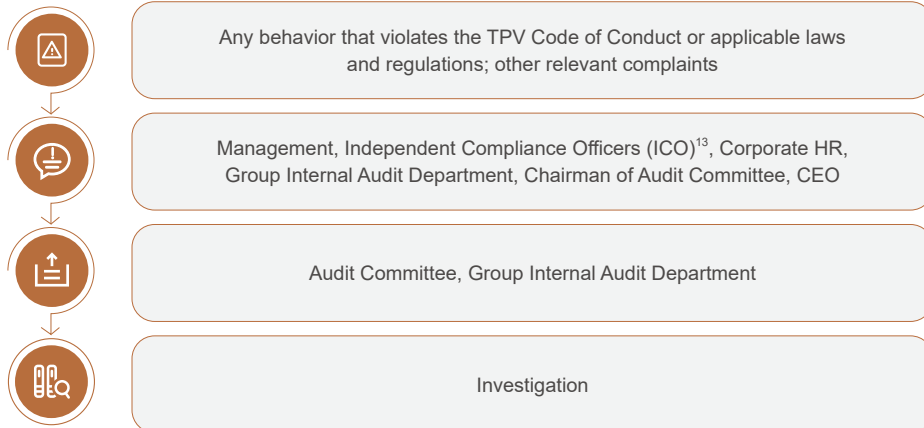
 **94%** coverage rate of internal audit

\* Internal audit including the review of the internal control effectiveness of global manufacturing bases, main offices and operation sites, e.g. internal controls over business activities, business ethics risks associated with business activities, etc.



>> Whistleblowing Poster

### Whistleblowing Reporting Procedure



To raise the awareness of anti-corruption, anti-bribery and security breaches, TPV conducted ethics training for management and employees and continually promotes corporate culture of integrity.

>> **For management:** In May 2022, TPV organized a seminar for management teams in Europe to raise awareness of ethical risks such as corruption. The seminar provided methods to identify, manage, and control ethical risks internally. In addition, TPV issued the 2022 schedule for internal control self-assessment.



>> Training on Business Ethics for Management

>> **For employees:** Training was provided through TPV E-learning platform, including courses on discipline, work ethics, anti-corruption and anti-fraud, anti-unfair competition, avoidance of conflict of interest, among others.



>> TPV Business Ethics Online Training

<sup>12</sup> Whistleblowing email: TPV.Whistleblowing@tpv-tech.com

<sup>13</sup> The Independent Compliance Officer (ICO) of each business is, by designation, the highest official in the Human Resources Department, or the official who is appointed by the person-in-charge of that business unit.

## Information security

Sound information security and privacy practices are a cornerstone in building trust with our business partners, customers and employees, and in fostering long-term partnerships. TPV strictly adheres to laws and regulations such as the *Cybersecurity Law of the People's Republic of China* and the *EU General Data Protection Regulation* and has formulated the *Corporate Policy for Information Security Management* and *TPV Policy for Data Protection* to manage the use of information, information assets and network infrastructure. In addition, we have established the *Information Security Risk Assessment Procedure*, which includes risk assessment preparation, asset identification, threat identification, and vulnerability identification. According to the policy, we collate existing security measures, provide risk analysis and risk mitigation tools, and perform due diligence on business-critical data security to achieve comprehensive information security risk management.

### Information Security Risk Identification and Management Procedure



Regarding the use of information, TPV processes, discloses, and stores relevant information only after obtaining the authorization and consent of the relevant parties. Steps have been taken to prevent unauthorized access or leakage of third-party information, including the development and implementation of information use specifications, information security awareness training for employees, regular security risks assessment, and information security drills. Employees, customers, suppliers, and other stakeholders are encouraged to report information security breaches via email<sup>14</sup>.

To safeguard corporate and employee information, TPV timely deploys the latest system patches and anti-virus codes; strengthen data centers, offices, and industrial internet boundaries between subsidiaries; establishes a traffic threat monitoring and analysis system to detect abnormal behavior caused by known advanced cyber-attacks and unknown cyber-attacks against hosts and servers in in time. In 2022, we engaged third-party security service providers to perform vulnerability scanning and penetration test on our internet access and important applications. Comprehensive improvements have been made based on the findings to improve our information security capabilities.

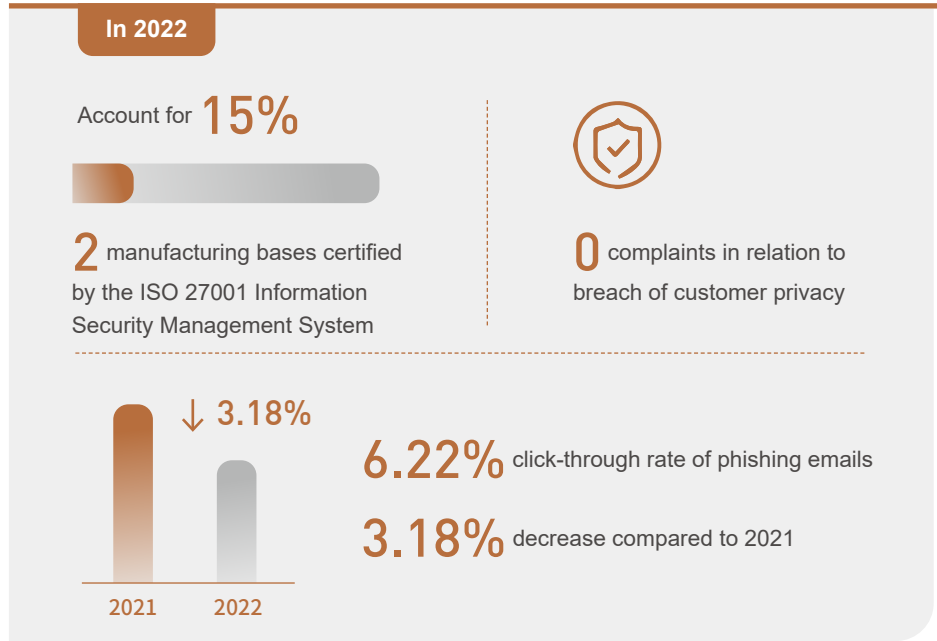


<sup>14</sup> Whistleblowing email: [TPV.Whistleblowing@tpv-tech.com](mailto:TPV.Whistleblowing@tpv-tech.com)

# Information security

To protect the privacy of customers, we have established a comprehensive *Customer Privacy Policy*, which includes detailed provisions on the retention period and use of personal information, as well as a contingency plan in the event of a data breach. In addition, we have tightened USB access control to reduce the risk of data leakage and ensure customer privacy.

We conduct regular information security drills to ensure stable and continuous information security for our daily operations. In 2022, we participated in many cybersecurity drills and red team / blue team cybersecurity drills during intensive periods and conducted two internal information security emergency exercises. In addition, we arrange for regular security training and phishing email drills each year, continue to raise the information security awareness of employees, and encourage employees to report information security risks in a timely manner.



## Raising awareness through information security training

TPV provides quarterly information security awareness training to all employees, which covers topics including username and password management, access control, handling of suspicious emails, email security practices, internet safety practices, etc. Employees that trigger security risks in cybersecurity drills, such as "phishing email" drills, are also required to receive information security training. These employees could only access their emails after they pass the examination.



>> Information Security Training and Test



>> Information Security Training

# 03

## Cultivating the Beauty of Products and Services

Providing high-quality and responsible display products and services for customers and stakeholders is our priority to fulfill corporate value and contribute to socioeconomic development. We maintain the highest standards in manufacturing and service, and continuously promote innovation to meet the diverse market demands. Working together with our partners, we strive to promote the sustainable development of the industry ecosystem, while further enhancing our sustainable competitiveness.

### Materiality issues addressed

- Product Quality & Safety
- Innovative Development

### ESG highlights

- **1,194** valid patents globally
- **97.8%** after-sales satisfaction rate in China
- **64.3%** of buyer received training on sustainable procurement



# Product Development and Innovation

Driven by a global innovation and R&D network, TPV is committed to enhancing its manufacturing capabilities through digital transformation. By pursuing product iteration through technological innovation and continuously nurturing innovative talent, we aim to meet the growing needs of our customers. Our focus on innovation enables us to serve society with creative products, while promoting industry-wide innovation progress.

## Digital innovation

Digital transformation is a powerful engine for high-quality development. To accelerate the adoption of smart manufacturing, TPV has established a Digital Transformation Committee chaired by the Chief Executive Officer. The Committee is driving the adoption of new-generation information technologies such as big data, artificial intelligence, and 5G across our business processes, including R&D, manufacturing, quality, service, and management, to improve operational efficiency and embrace comprehensive intelligent solutions. In 2022, we continued to increase our investment in innovative technologies, driving digital transformation by advancing the construction of digital factories.

### Digital Manufacturing

- TPV has been making efforts to introduce the MES (Manufacturing Execution System) to manufacturing bases worldwide. The MES integrates multiple systems for whole process quality control, enabling automatic data collection from testing equipment, intelligent analysis and monitoring of quality data, and forward and backward traceability. It helps to establish an overall process quality control mechanism, realize transparent production process data, and systematically manage abnormal events. We expect to introduce the MES to all manufacturing bases worldwide by 2026 to link up global manufacturing data.
- Great Wall iMOS (Intelligent Operation Management System) has been officially brought into operation at TPV Xiamen and TPV Xianyang. The system effectively enables digital operation and data visualization at manufacturing bases, improves the accuracy of decision-making, and helps raise the level of intelligent manufacturing.



» Great Wall iMOS Intelligent Operation Management System at TPV Xiamen

### Automated Manufacturing



#### Production

TPV Fuqing pioneered the industry's first "lights-out" production line, using robots, intelligent sensors, visual inspection, AGV<sup>15</sup>, human-machine collaboration and other advanced technologies to automate the entire process from batching to production and storage.



#### Materials

TPV Fuqing introduced software platforms such as visual screening code registration platform for materials and smart ticket sorting system. These systems, combined with iWMS (intelligent warehousing management system), enable seamless connection of the receipt, dispatch, and return of raw materials.



#### Warehousing

TPV Fuqing carried out the "5G + finished goods warehouse intelligent logistics project", connecting multiple management systems through 5G network to automate logistics and packaging for finished goods warehouses.



#### Product line

TPV Wuhan and TPV Beijing each introduced an automated LCM<sup>16</sup> line and an automated finished product assembly line, further improving manufacturing efficiency.



» Lights-out Production Line



» Automated Guided Vehicle



» Dual-channel Smart Warehousing System

<sup>15</sup> AGV: Automated Guided Vehicle.

<sup>16</sup> LCM: Liquid Crystal Module.

## Innovation capacity building

Innovation is the core competitiveness of business development. Based on our global R&D and innovation network, we have established an effective system to ensure innovation capacity. This includes a focus on developing globally-minded innovation talents, as well as creating a pro-innovation environment that continuously fosters our innovation strength. To promote innovation mechanisms and incentives, we have formulated the *Innovation Management Measures for Factories in Mainland China*, *Rules for the Management of Intellectual Property Rights*, and *Rules for the Management of Patents and Incentives* to encourage employees to develop new technologies, participate in innovation and sustainability proposals, and help transform high-quality proposals into patents. In 2022, we received a total of 839 proposals and introduced 358 proposals on design, manufacturing process, quality, automation, etc. Over RMB 79,000 was granted as rewards.



>> Robotic Arm in Product Line

In 2022



Number of new patents

275



Number of valid patents worldwide

1,194



R&D staff with master's or doctor's degrees

21.9%



### Inspire innovation through encouragement award

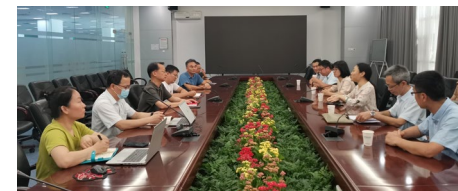
TPV Fuqing held the 2022 "Outstanding Contribution" Award Ceremony to recognize and reward projects and employees that have made outstanding contributions in management and technological innovation. 5 awards were presented at the ceremony, namely "Outstanding Project", "Outstanding Engineer", "Outstanding Director", "Outstanding Basic Skills Instructor", and "Star of Tomorrow", in a bid to boost employee morale and foster a culture of continuous innovation. In 2022, the awards were given to 6 improvement projects in the areas of automation, efficiency improvement, and work innovation (new process), and 23 outstanding employees who contributed to innovation.



>> The Awarding Ceremony

### Share innovation achievements and promote policy developments

In June 2022, TPV Fuqing welcomed visitors from the Patent Examination Cooperation (Fujian) Center of Patent Office, China National Intellectual Property Administration. After the introduction of TPV Fuqing's latest innovation, the conference was held to discuss supporting policy improvement through patent application and trademark infringement policies.



>> Patent Examination Cooperation (Fujian) Center of Patent Office, China National Intellectual Property Administration, visiting TPV Fuqing

## Innovative application

With developing trends of social environment, TPV cares for the changing and personalized needs of different groups. We are committed to expanding the application and translation of innovations to maximize the social benefits of our products and empower a better life with innovation.

### Smart office solutions for efficient, eco-friendly online collaboration

TPV makes continuous efforts to develop feature-rich, intelligent conferencing platforms that cater to various business scenarios, including office, mobile office, video editing, photography, and design. Our smart office solutions facilitate and encourage remote working, learning, and entertainment while reducing carbon footprint from travel.



>> AOC SYNCPRO Smart Tablet for Meetings

### Intelligent interactive blackboard for next-generation engaging classroom

TPV integrates full-screen software and hardware solutions with information education to promote creative teaching. AOC has launched a smart interactive board that integrates blackboard, smart whiteboard, projector, projection curtain, computer, speaker, display table, etc. This all-in-one solution avoids the harmful effects of dust on human body, while achieving multi-screen interaction and enhancing the fun of learning. It is also designed with a cloud-based intelligent teaching assistant platform to improve usability and deliver interactive teaching.



>> AOC Intelligent Interactive Blackboard

In addition, we actively participate in industry forums and exhibitions to share innovation achievements and ideas with the community, thus continuously improving our innovation capability. In 2022, as a global leader in display, we participated in the 5<sup>th</sup> China International Import Expo (CIIE) with AOC, Philips, Great Wall and other brands. Focusing on smart display, we showcased our innovative technologies and solutions for smart commercial display, smart home, gaming and e-sports, and digital factory display.



>> TPV's Booth at 5<sup>th</sup> China International Import Expo (CIIE)

### Smart robot caregiver to support the growing senior care industry

To meet the growing demand of hospitals and elderly care facilities, TPV has developed a smart robot caregiver using robot kinematics model and AI technologies such as limb recognition and facial recognition. Designed for use in hospitals and other designated scenarios, the robot provides a range of functions, such as nursing, guiding, security, and smart home. TPV is working closely with medical and nursing institutions such as Taiwan University School of Medicine and Xiamen Nursing Home to enhance features such as inspection and emotional support, bringing convenience and comfort to the elderly through technological innovations.



>> Smart Robot Caregiver

### Innovative accessible design to improve quality of life for people with hearing loss

TPV continues to explore emerging customer needs to create new value for the community. For people with moderate hearing loss who do not need to use hearing aids, TPV has developed a series of assistive listening headphones designed specifically for the hearing impaired. With features such as hearing test, multiple assistive listening modes, ergonomic seal design, and dialogue enhancement, the headphones deliver a better listening experience for hearing impaired customers.

## Product Quality and Safety

At TPV, we believe that high-quality products and services are the foundation of our development and success in the industry. Committed to becoming the industry leader in quality, we implement strict quality management standards at every stage, from R&D and manufacturing to sales and service. By doing so, we ensure that our customers always receive high-quality, safe, and reliable display products.

### Enhancing product quality

In compliance with the laws and regulations of jurisdictions where we manufacture and sell our products, we strictly manage and regularly inspect our operations from top to bottom to deliver better products to customers. We have formulated the *Raw Material Inspection Procedures*, *Process Control Procedures*, *Product Labelling and Traceability Procedures*, *Substandard Product Control Procedures*, *Finished Product Shipment Management Procedures*, and *Supplier Assessment and Management Procedures* to rigorously control product quality at every link. In terms of management process, we hold regular meetings for the management to coordinate our quality efforts, ensuring the steady provision of high-quality products to all customers. In addition, we have established strict quality control procedures throughout



>> High-quality Production Line



the supply chain in line with our quality management system, increasing the rate of qualified finished products by controlling the quality of raw materials, auditing the supply chain, and other measures.

To improve the quality of raw materials and product manufacturing, TPV has established a dedicated product quality improvement team that conducts regular activities. Actions taken by the team have enhanced the quality experience of customers and received widespread recognition, with 98% of customers satisfied with product quality upon delivery.

In addition, TPV has strengthened staff training to improve their technical skills and quality awareness. In 2022, a series of employee training sessions were held, covering Electrostatic Discharge (ESD) basics, IPC-Publications-Catalog<sup>17</sup>, and seven quality control techniques for TV and monitor technicians.



>> Management Inspection in Manufacturing Base

<sup>17</sup> Industry standards published by the Association Connecting Electronics Industries (IPC).

## Enhancing product quality

### Quality Control Knowledge Program to promote a quality-first culture

Since February 2022, TPV Wuhan has launched a series of quality activities to promote employees' knowledge and create a quality-first culture. The four-month training program, which includes 96 hours of theoretical and practical training, enabled employees to master knowledge and tools for quality control. During the program, employees were encouraged to actively apply what they have learned to develop innovative projects and transform their knowledge into practical outcomes.



>> TPV Wuhan QC Team Presentation

With an unwavering commitment to quality excellence and process-based management, TPV strictly complies with industry standards, and actively aligns its quality practices with prestigious certification systems, thereby delivering enhanced service to clients and customers. Our manufacturing bases have been certified by ISO 9001, ISO 13485 and IATF 16949 for quality management, and ISO 14001, ISO 45001, and ISO 27001 for other management systems, such as information security and energy management. In the future, we will increase the coverage of relevant certifications at our manufacturing bases. to promote standardized management.

In 2022, the certification status<sup>18</sup> of TPV's manufacturing bases worldwide was as follows.

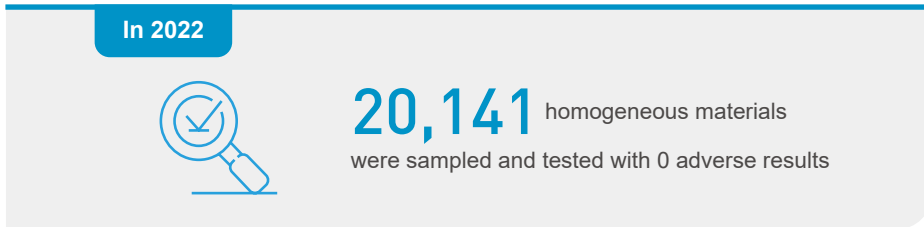
| Certification | No. of Certified Manufacturing Bases | Percentage |
|---------------|--------------------------------------|------------|
| ISO 14001     | 12                                   | 92%        |
| ISO 27001     | 2                                    | 15%        |
| ISO 45001     | 9                                    | 69%        |
| ISO 50001     | 3                                    | 23%        |
| SA 8000       | 3                                    | 23%        |
| RBA VAP       | 7                                    | 54%        |

<sup>18</sup> The coverage data of ISO 14001, ISO 27001, ISO 45001, and ISO 50001 in the table have been assured by third-party providers. See *Independent Assurance Report* for details.

## Ensuring customer safety

To ensure that our products are manufactured, used and disposed of in a way that is harmless to people and the environment, we have incorporated the requirements of IECQ QC 080000 Hazardous Substance Process Management into our product lifecycle. Products from all manufacturing bases worldwide comply with the *Restriction of Hazardous Substances (RoHS)* Directive and other waste management regulations such as the *Waste Electrical and Electronic Equipment Directive II* in the regions where they are sold, providing customers with products of superior quality while ensuring safety throughout the product lifecycle. In 2022, TPV had 0 confirmed customer health and safety incident.

We have established a RoHS testing team and laboratory at our manufacturing bases for design and production processes, which are primarily responsible for examining ten RoHS-prohibited substances. We develop test plans based on material and supplier risks and perform sample testing as planned to assess material risks.



>> RoHS Testing Lab

We are deeply committed to protecting the vision of customers and minimizing the potential negative health effects of our products. As part of this commitment, we have made consistent investments in anti-blue light technology and have obtained relevant patents and certifications. Monitors of our own brands are engineered with a keen concern for visual wellness. Some of the models come with our patented SoftBlue technology. This technology effectively reduces the damage caused by short-wave blue light to the eyes, providing customers with a comfortable and healthy experience. Looking ahead, we plan to launch collaborative projects with research institutions in Europe, further exploring the health benefits of Philips' Ambilight technology in a broader context.



>> Philips Monitors Featuring Patented SoftBlue Technology

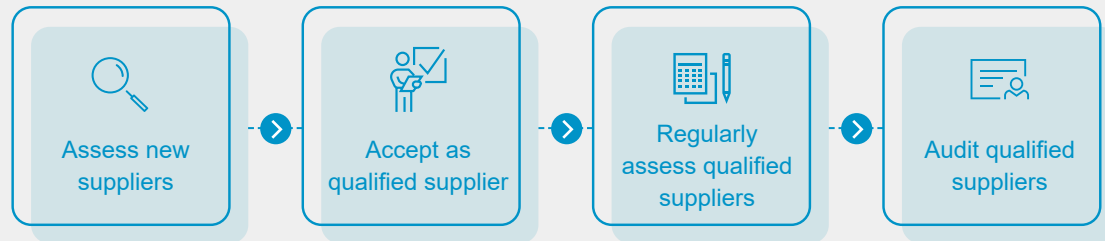
# Responsible Supply Chain Management

TPV believes in resilience and sustainable management as key components of sustainable value chain development. We work closely with our suppliers to develop mutually beneficial cooperation modes that create new development opportunities for both. TPV ensures that our suppliers' performance in quality, environment, social and business ethics is in line with our policies and external requirements through a holistic approach to supplier management. Throughout the cooperation process, we continuously communicate our environmental and human rights philosophy and conduct training to enhance the competence and management awareness of supply chain managers and suppliers in sustainable procurement.

## Supply chain management mechanism

To standardize supplier management and ensure that suppliers can provide high-quality materials on time, TPV has developed a complete supplier process management procedure that includes assessment of new suppliers, routine management and auditing of qualified suppliers, etc.

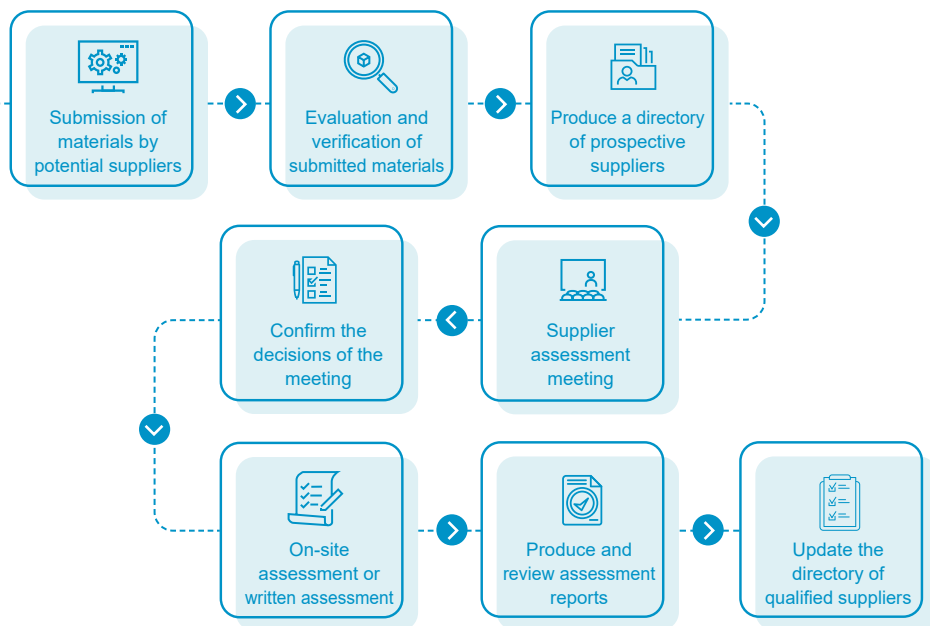
### Supplier Management Process



## Access management

TPV has established and implemented rigorous *Supplier Assessment and Management Procedures*. We require new suppliers to be fully certified to ISO 9001 Quality Management System and ISO 14001 Environmental Management System. Before introducing new suppliers, we evaluate their performance in terms of labor, business ethics, product quality, environmental management, etc. through on-site and written evaluations based on supplier audits to ensure that they do not use child labor or forced labor, use hazardous substances, violate safety regulations, and other non-compliance with the law. To become a qualified supplier, suppliers that pass the audit are required to sign a *Quality Contract* and a *Procurement Contract*, which include clauses on environmental protection, energy conservation, business ethics and anti-corruption, and other aspects.

### Assessment and Selection of Potential Suppliers



## Qualified supplier management

TPV conducts supplier audit according to annual audit plan. The audit issues include quality management, environmental protection, energy consumption, GHG emissions, occupational health and safety, emergency preparedness, European Union *Registration, Evaluation, Authorization and Restriction of Chemicals* (REACH) and other management of chemicals, labor practices, business ethics, among other aspects. The audit report would be issued as result. TPV conducts periodic supplier performance review and assessment on technology, environment, safety, service, etc. based on the rule of TQRDC<sup>19</sup>. Suppliers with an A or B rating will be classified as normal managing. Suppliers with a C or D rating will be subject to the Qualified Supplier Audit program next year. We will manage the suppliers with poor improvement through specific measures, including cutting down the orders, quitting bidding and terminating the cooperation of new product developing. We terminate relationships with suppliers that fail to qualify over an extended period and extra twice coaching. In 2022, we had 0 confirmed violations of environmental, social and governance laws and regulations were found among our suppliers.

**In 2022**

- 0

violations of ESG related laws and regulations by suppliers
- 100%

of suppliers signing with environmental, social, and governance requirements in procurement contracts
- 100%

of suppliers signed the *TPV CSR Supplier Code of Conduct*

In addition, as part of our efforts to protect human rights and labor rights, preserve the environment, and promote ethical business practices across the supply chain, we encourage our suppliers to receive RBA audits. In 2022, we organized third-party on-site RBA audits for 12.15% of our manufacturing suppliers and urged a number of Tier 2 suppliers to undergo the same process. The audit covers occupational health and safety, low-carbon and eco-friendly operation, labor rights, and other issues, and examines the effectiveness of employee engagement channels and processes.

<sup>19</sup> TQRDC: "T" for Technology, "Q" & "R" for Quality and Response, "D" for Delivery, "C" for Cost.

## Supply chain risk management

TPV continuously improves the identification of ESG risks in the supply chain and implements risk management throughout supplier management to strengthen the resilience and stability of the supply chain.



### Environmental risk management

Environmental risk management: TPV follows the *Environmental Protection Policy* and sets environmental risk management priorities in the supply chain in line with our own carbon emission reduction targets and TPV ESG Roadmap to 2030. We have signed the *Quality Agreement* with qualified suppliers that specify requirements for environmental performance, GHG emissions, hazardous substance control, and other aspects. Suppliers are required to comply with *TPV's Substances Standards for Environmental Management* and to submit and regularly update hazardous substance test reports. Through evaluation questionnaires and on-site audits, TPV regularly reviews suppliers' environmental performance to fully control potential environmental risks in the supply chain.



### Social risk management

TPV has publicly stated our "zero tolerance" attitude toward forced labor and child labor in the *TPV Human Rights Policy*<sup>20</sup> and TPV ESG Roadmap to 2030. Our human rights management has also been extended to the supply chain through the *TPV CSR Supplier Code of Conduct*<sup>21</sup>. We have signed a *Procurement Contract* with a human rights protection clause with all qualified suppliers to ensure that their employees are offered labor rights protection, freedom of association, a healthy and safe workplace, and protection from harassment and discrimination.



### Governance risk management

TPV requires suppliers to strictly follow the *TPV CSR Supplier Code of Conduct* to ensure that suppliers comply with clean business requirements. Throughout the supplier selection and auditing process, TPV reviews suppliers' business ethics, anti-corruption and anti-bribery practices and requires suppliers to comply with the business ethics clause in the *Procurement Contract* and sign the *Integrity Statement* to ensure that they will not engage in any form of corruption or bribery.



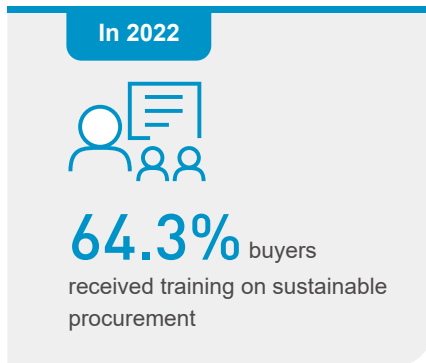
<sup>20</sup> Please refer to the *TPV Human Rights Policy*.

<sup>21</sup> Please refer to the *TPV CSR Supplier Code of Conduct*.

## Empowering Supply chain

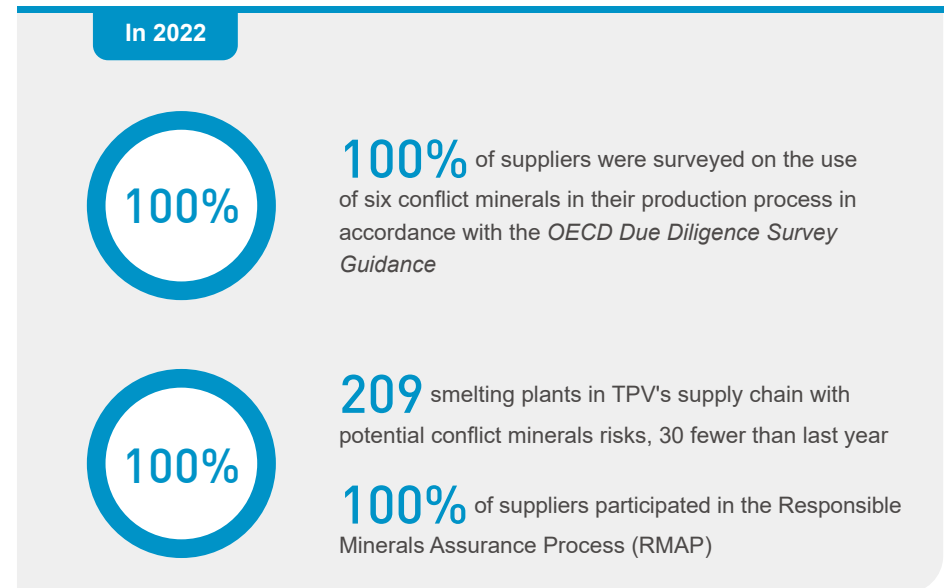
TPV and our suppliers actively build mutually beneficial partnerships for shared growth. To minimize supply chain risks, we encourage suppliers to embrace green energy, monitor energy consumption and develop measures to save energy and reduce emissions, and continuously improve their management practices and performance on labor rights, environmental protection, occupational health and safety, business ethics, etc. We encourage our suppliers to fulfill their social responsibility by developing a comprehensive evaluation mechanism, management system and training activities. These efforts have enhanced the sustainability management capabilities of suppliers and strengthened the industry ecosystem. In 2022, 39 key suppliers participated in the online RBA training provided by TPV. The training covers social responsibility auditing, human rights, occupational health and safety, and environmental protection to help build supplier capacity.

As key players in supply chain management, buyers and supplier auditors are responsible for implementing management requirements, communicating these requirements accurately to suppliers and assessing suppliers' resilience, sustainability, capabilities and motivation for joint development. To this end, we continue to provide competency and awareness training for buyers and supplier auditors to help them better fulfill their responsibilities. We have also linked the performance appraisal of buyers, supplier auditors and supplier evaluation team members to the sustainable supply chain targets set out in the TPV ESG Roadmap to 2030, thereby continuously promoting capacity building in the supply chain.



## Managing conflict minerals<sup>22</sup>

Management of conflict minerals is a crucial part of TPV's approach to managing social risks in the supply chain. As a member of the RMI, and IPC, we take conflict minerals into account in the supplier selection and management procedure and require all suppliers to implement policies that prohibit child labor, forced labor and the use of conflict minerals rigorously. We improved the monitoring and management of conflict minerals in accordance with the five-step framework of the Organization for Economic Co-operation and Development (OECD) *Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas*. Conflict minerals are categorized and periodic risk assessments are conducted based on the internal *Conflict Minerals Risk Assessment Form*. Each year, we require suppliers to complete a *Conflict Minerals Reporting Template (CMRT)* to confirm the traceability of minerals used in the supply chain and to conduct a conflict minerals risk analysis. High-risk suppliers are required to complete the *Questionnaire of Conflict Minerals* and sign a *Warranty on the Non-Use of Conflict Minerals*. The *TPV Conflict Minerals Report* has been issued for 3 consecutive years.



<sup>22</sup> Please refer to the *TPV Conflict Minerals Report* annually released on the website of TPV.

## TPV joins hands with Pact to improve occupational health and safety in mining

AOC and Philips under TPV have demonstrated continued progress on their occupational health and safety (OHS) project for miners in conflict mining areas in partnership with the Pact, an international non-profit organization. We supported the development of booklets on mining code and regulations to promote OHS awareness among miners. To broaden the impact of the project, we supported the establishment of a new OHS Committee in Karuba, Masisi, Nord-Kivu, Democratic Republic of the Congo, looking to further reduce OHS risks in conflict mining areas.

As of the end of 2022, the project directly benefitted around 3,135 miners (including 274 female) across 11 mine sites and 300 community members (including 50 female) across 5 mining sectors. In addition, the project installed 20 murals in key locations within the mining sites and communities.



>> New Occupational Health and Safety Committee  
Established for Miners in Conflict Mining Areas



### In 2022



the project directly benefitted around **3,435** miners  
and community members (including **324** female)



installed  
**20** murals in key  
locations within the  
mining sites and  
communities



distributed  
**200** posters  
and booklets

# Customer Relationship Management

At TPV, we recognize that customer satisfaction is a crucial prerequisite for our continued success and development. Committed to being number one in the industry, we strive to deliver premium products and memorable services by refining our service quality management practices. A global customer service network has been set up, comprising of global technical and parts support, standardized service management practices, and continually enhanced innovative service measures. These efforts are aimed at fulfilling the needs and expectations of customers worldwide and fostering long-term relationships based on mutual trust and benefits.

## Customer communication and feedback

TPV expects to gather and incorporate the comments and suggestions of customers to inform design and manufacturing, achieving a virtuous cycle that enables continuous improvement in product and service quality. With after-sales service centers around the world, we have established a multitude of customer communication channels, including the Call Center, customer service hotline, WeChat service window, etc. These channels allow us to offer tailored services to customers from all over the world.

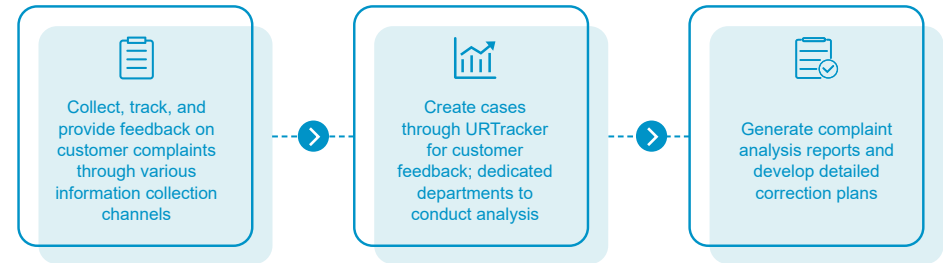
## Customer satisfaction management

Customer satisfaction is a vital barometer of the quality of our products and services. To enhance customer satisfaction, TPV has implemented a comprehensive customer satisfaction management system. Regular customer satisfaction surveys and monthly random inspections are conducted to consistently monitor and address customer feedback. For items with low customer satisfaction scores, follow-up visits are conducted to understand the specific issues. Throughout the problem-solving process, we closely monitor the progress and the implementation of solutions. We ensure effective communication of customer feedback to relevant departments and keep customers informed of any improvement measures.



To improve the product experience of clients and customers, we set KPIs for customer satisfaction, such as the timeliness of complaint handling and the percentage of resolution at first call. Internal systems have been formulated to ensure that customer concerns are addressed in a prompt manner. In addition, we have improved the feedback handling procedure to standardize service management processes.

### Customer Feedback Handling Procedure

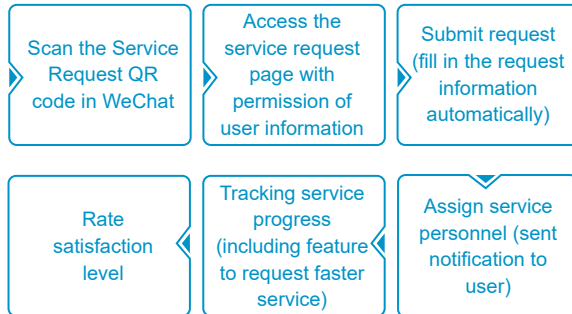


Meanwhile, TPV has been actively embracing digital technology to improve the efficiency and quality of customer service. Capitalizing on our Global Service Portal, we have refined our global management processes to ensure a unified standard that delivers the best possible experience to our customers. We have also created the Service Cloud to identify customer needs and concerns as soon as possible and improve service accessibility. In 2022, with 25% of customers handled by smart robots, service efficiency was further improved. In terms of after-sales service, we have established repair work order systems tailored to each operational area to meet the needs of local customers. These systems also ensure prompt bulk services for dealers and corporate clients. In addition to existing online systems and platforms, we are working on a cloud-based Spare Parts Planning system to enhance the overall experience of clients and customers.

# Customer satisfaction management

## Improving customer experience with online service request platform

In 2022, TPV China introduced the One-click Service Request System to make repair requests and enquiries easier for customers. Service requests are streamlined to save time and upgrade customer experience, thereby increasing brand competitiveness. Furthermore, TPV aggregates data from global customer service systems to improve product design and manufacturing.



>> One-click Service Request Mini-program

Steps to Make a One-click Service Request

## Honor

In September 2022, TPV China's after-sales service team received the National Commodity After-Service Conformity Five-Star Certification jointly issued by the General Administration of Quality Supervision, Inspection and Quarantine of China, Standardization Administration of China, National Commodity After-Service Conformity Certification Evaluation Committee, and Beijing Sky Certification Center.



# Product recall management

Regarding after-sales service, we have formulated an internal system and closed-loop procedures for product recall, covering customer communication, manufacturing, quality management, among other aspects. When we receive product quality complaints from customers, a professional team will take charge to identify the root cause of the defect and analyze relevant data to perform defect simulation. Meanwhile, the problems will be summarized and reported to appropriate departments for correction to ensure that similar problems do not occur in existing or future products.

In 2022

97.8% after-sales service satisfaction



100% complaints closed



93% service requests were responded to within the designated timeframe worldwide

In 2022



0 large-scale product recall event

To protect the rights of customers in recall events, TPV provides global logistics services. Products are transported to the warehouse appointed by customer for an effective return or exchange. In 2022, TPV reported 0 large-scale product recall event.

# 04

## Nurturing a Sustainable Environment

Natural disasters and resource scarcity resulting from global warming have become a critical challenge for humankind. The 27<sup>th</sup> Conference of the Parties of the United Nations Framework Convention on Climate Change (COP27) and national governments around the world are calling on corporations to take more decisive actions to address the climate crisis. As a leading manufacturer of displays products, TPV Technology firmly believes that taking proactive measures to address climate change and adopting a green and sustainable development path are the foundations of our future growth. In 2022, our carbon reduction targets were approved by the SBTi, demonstrating our strong commitment to practicing carbon reduction. Additionally, we updated our *Environment Protection Policy* to outline our vision, commitment, and management approach to environmental protection.

### Materiality issues addressed

- Green Product & Packaging
- Climate & Energy
- Sustainable Supply Chain

### ESG highlights

- **3,833,195** tons of CO<sub>2</sub>e reduced, equivalent to **212.96** million trees planted<sup>23</sup>
- **7,917** MWh of renewable energy consumption, **6,387** MWh increase compared to last year
- **678** low-carbon energy-efficient models launched



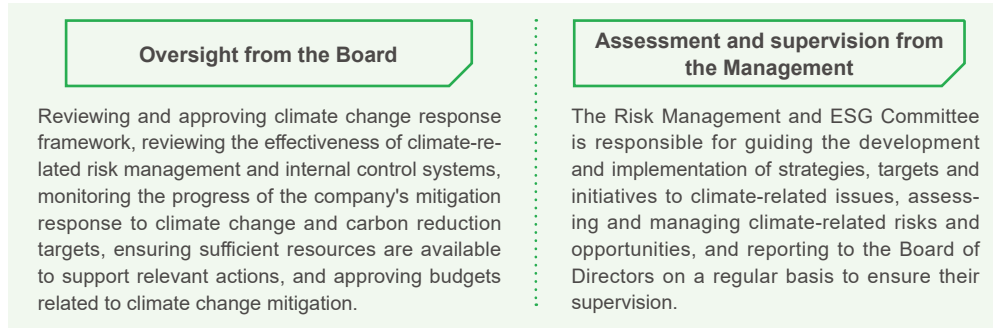
<sup>23</sup> Carbon emission reduction includes scope 1 & 2, and scope 3 use of sold products. The calculation of tree planting is based on the research data of the National Forestry and Grassland Administration, a tree can sequester about 18 kg of carbon each year, and this is only used as a reference to show our progress on emission reduction.

# Disclosure of Climate-Related Information

As a far-reaching issue, climate change is causing significant and irreversible damage to the ecosystems that sustain our livelihood. In response to the pressing challenge, TPV has demonstrated its ambition by implementing a comprehensive governance system. This includes evaluating climate-related risks and opportunities, formulating effective risk mitigation strategies, and setting targets for emissions reduction. In 2022, we introduced the Task Force on Climate Related Financial Disclosure (TCFD) framework to advance climate change management in four dimensions: governance, strategy, risk management, and metrics and targets.

## Governance

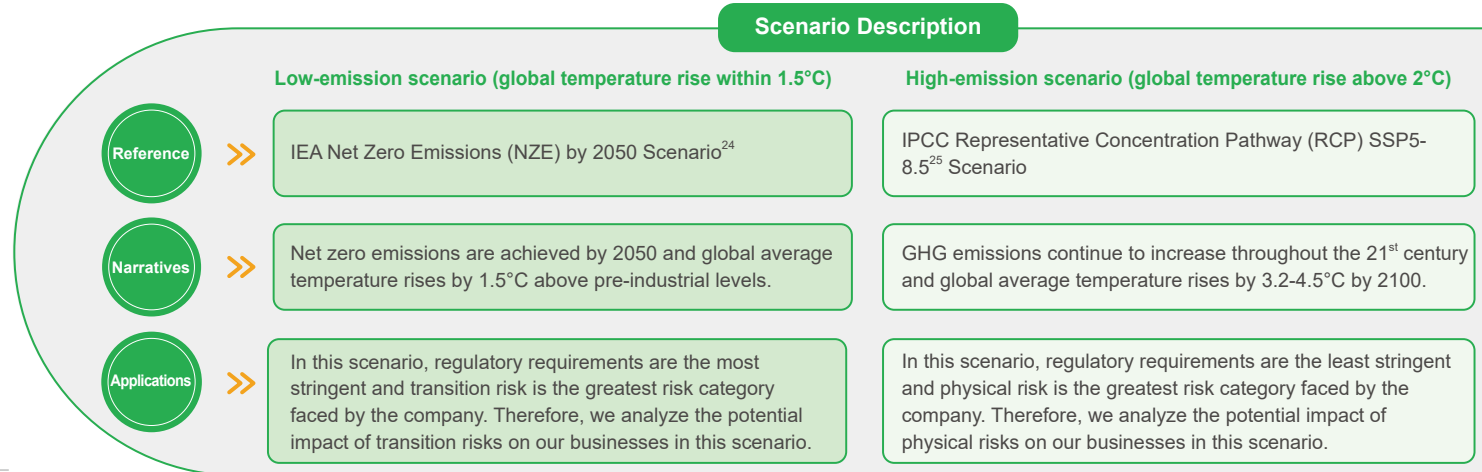
In light of the challenges posed by climate change, TPV has integrated climate-related functions into its ESG governance structure. A management system has been established with the Board of Directors as the highest decision-making body. Additionally, TPV organizes regular meetings to discuss climate-related issues and mitigation response to climate change.



>> We also broadcast our carbon reduction commitments, targets and progress to our employees and all stakeholders through our website and public channels

## Strategy

To better understand the short, medium and long-term impacts of climate change on our businesses, strategy and financial planning, we have defined a low-emission scenario where global temperature rise is up to 1.5°C and a high-emission scenario where global temperature rise is above 2°C. We have analyzed a range of climate-related assumptions and policies to better define and manage potential risks and to maximize the new opportunities presented by the low-carbon transition of the global economy.




<sup>24</sup> International Energy Agency (IEA) World Energy Outlook 2022 (WEO-2022).

<sup>25</sup> The Sixth Assessment Report of the United Nations Intergovernmental Panel on Climate Change (IPCC), Climate Change 2022: Mitigation of Climate Change, the Working Group III Report.

Scenario Analysis

Transition Risk

| Description  | Risk Category  | Challenges   | Opportunities  | Countermeasures   | Duration <sup>26</sup> | Financial Impact <sup>27</sup> |
|--|--|--|--|---|------------------------|--------------------------------|
|  <p>Low-emission Scenario</p> | <p><b>Policy and regulatory risk – mandatory disclosure of carbon information:</b></p> <p>Require regular disclosure of company-wide and product-specific GHG emissions and verification</p> | <ul style="list-style-type: none"> <li>Increased cost of routine carbon data collection and maintenance, and third-party carbon inventory</li> </ul>   | <ul style="list-style-type: none"> <li>Precisely monitor emissions, properly control the energy use and reduce costs</li> </ul>  | <ul style="list-style-type: none"> <li>Establish a mechanism to manage carbon emissions data regularly</li> <li>Disclose progress on climate change mitigation and carbon reduction targets through annual ESG Report under the TCFD</li> </ul> <p>*Refer to TPV ESG Roadmap to 2030</p>  | Short-term             | Low                            |
|  | <p><b>Policy and regulatory risk – carbon pricing:</b></p> <p>Impose carbon taxes, fees, etc. on emission-intensive products; set corporate carbon emission quota</p>                        | <ul style="list-style-type: none"> <li>Increase carbon compliance costs</li> <li>Emission-intensive products incur additional costs, resulting in higher prices, which affect the market share and the company's revenue</li> <li>Increased operating costs from carbon credit once the quota is exceeded</li> </ul> | <ul style="list-style-type: none"> <li>Strengthen competence to manage carbon costs throughout the product lifecycle</li> <li>Maintain low emission levels and increase carbon asset advantage</li> </ul>      | <ul style="list-style-type: none"> <li>Set carbon reduction targets and measures</li> <li>Promote energy conservation initiatives and technology development</li> <li>Adopt renewable energy to improve energy efficiency and reduce operational carbon emissions</li> <li>Manage carbon emissions throughout product lifecycle</li> <li>Track carbon credit prices and create robust plans for carbon assets</li> </ul> <p>*Refer to TPV ESG Roadmap to 2030</p> | Medium to long-term    | Medium                         |
|  | <p><b>Policy and regulatory risk – renewable energy:</b></p> <p>Require complete transition to renewable energy</p>  | <ul style="list-style-type: none"> <li>Increased costs of building infrastructure and purchasing renewable energy</li> <li>Unstable energy supply</li> </ul>   | <ul style="list-style-type: none"> <li>Deploy renewable energy applications and explore preferential policies or incentives</li> </ul>   | <ul style="list-style-type: none"> <li>Plan ahead for future energy consumption and implement low-carbon operation and management practices</li> <li>Expand in-house solar power projects, adopt renewable electricity and increase the percentage of renewable energy use</li> </ul> <p>*Refer to TPV ESG Roadmap to 2030</p>  | Medium to long-term    | Medium                         |
|  | <p><b>Technological risk – innovation in low-carbon technology:</b></p> <p>Require technological upgrading or innovation to transition to a low-carbon, energy-efficient economic system</p> | <ul style="list-style-type: none"> <li>Increased R&amp;D costs for low-carbon technologies</li> <li>Loss of investment due to R&amp;D failure</li> <li>Loss of market share to competitors' leadership in low-carbon technologies</li> </ul>   | <ul style="list-style-type: none"> <li>Acquire innovative talent and enhance company-wide innovation capability</li> <li>Develop low-carbon technologies and increase low-carbon market share</li> </ul>       | <ul style="list-style-type: none"> <li>Increase R&amp;D investment and increase innovation incentives</li> <li>Recruit R&amp;D talent, enhance employees' ability to innovate, and conduct industry-university research collaborations</li> <li>Expand and diversify patent portfolio</li> </ul> <p>*Refer to TPV ESG Roadmap to 2030</p>   | Medium to long-term    | Medium                         |
|  | <p><b>Market risk – increased raw material costs:</b></p> <p>Increased raw material costs due to climate change</p>  | <ul style="list-style-type: none"> <li>Increased raw material prices and supplier operating costs due to carbon reduction policies or supply chain disruptions</li> <li>Increased raw material prices lead to increased product prices, which may result in loss of customers and reduced turnover</li> </ul>        | <ul style="list-style-type: none"> <li>Explore multiple sources of low-carbon raw materials, strengthen supply chain resilience and encourage supply chain collaboration to reduce carbon emissions</li> </ul> | <ul style="list-style-type: none"> <li>Increase the percentage of low-carbon raw materials</li> <li>Collaborate with suppliers to develop innovative low-carbon raw materials</li> </ul> <p>*Refer to TPV ESG Roadmap to 2030</p>   | Medium to long-term    | Medium                         |
|  | <p><b>Market risk – changes in the needs of clients and customers:</b></p> <p>Customers shift to green consumption</p>   | <ul style="list-style-type: none"> <li>Failure to meet customer expectations for low-carbon manufacturing and management, resulting in loss of orders</li> <li>Loss of market share due to failure to keep pace with changing customer preferences and timely introduction of green products</li> </ul>              | <ul style="list-style-type: none"> <li>Develop green products and explore new market opportunities</li> </ul>  | <ul style="list-style-type: none"> <li>Advocate green product R&amp;D and further expand the green product portfolio</li> <li>Raise awareness of green products and sustainable consumption</li> </ul> <p>*Refer to TPV ESG Roadmap to 2030</p>   | Medium to long-term    | Medium                         |
|  | <p><b>Reputational risk – negative evaluation from stakeholders:</b></p> <p>Stakeholders disappointed with the company's progress and actions to mitigate climate change</p>                 | <ul style="list-style-type: none"> <li>Failure to communicate the company's progress on climate change results in negative stakeholder feedback, reputational damage and potential financial loss</li> </ul>   | <ul style="list-style-type: none"> <li>Build a green brand image through proactive communication</li> </ul>  | <ul style="list-style-type: none"> <li>Report the company's progress on climate change mitigation and carbon reduction targets through annual ESG report</li> <li>Maintain accessible stakeholder communication channels and engage in regular dialogue</li> </ul>  | Long-term              | Medium                         |
|  | <p><b>Reputational risk – negative supply chain events:</b></p> <p>Negative events resulting from suppliers' failure to effectively manage GHG emissions</p>                                 | <ul style="list-style-type: none"> <li>Suppliers provide emission-intensive materials that increase the carbon emissions of TPV products</li> <li>Suppliers are penalized by regulators or trigger negative publicity due to inactive carbon reduction actions, leading to reputational damage to TPV</li> </ul>     | <ul style="list-style-type: none"> <li>Support suppliers' carbon reduction efforts and promote the low-carbon development of industry</li> </ul>   | <ul style="list-style-type: none"> <li>Strengthen supplier carbon management</li> <li>Sign <i>Procurement Contract</i> with suppliers that include GHG emissions-related requirements</li> <li>Integrate GHG emissions-related supplier requirements into supplier approval and supply chain risk assessment criteria</li> </ul> <p>*Refer to TPV ESG Roadmap to 2030</p>   | Medium-term            | Medium                         |

<sup>26</sup> Duration: Short-term is defined as by 2025 (within 2 years); medium-term is defined as by 2030 (2-8 years); long-term is defined as beyond 2030 (over 8 years).

<sup>27</sup> Financial Impact: "low" represents a potential impact of less than 5% of profit before tax; "medium" represents a potential impact of greater than 5% and less than 25% of profit before tax; "high" represents a potential impact of greater than 25% of profit before tax.

Scenario Analysis

Physical Risk

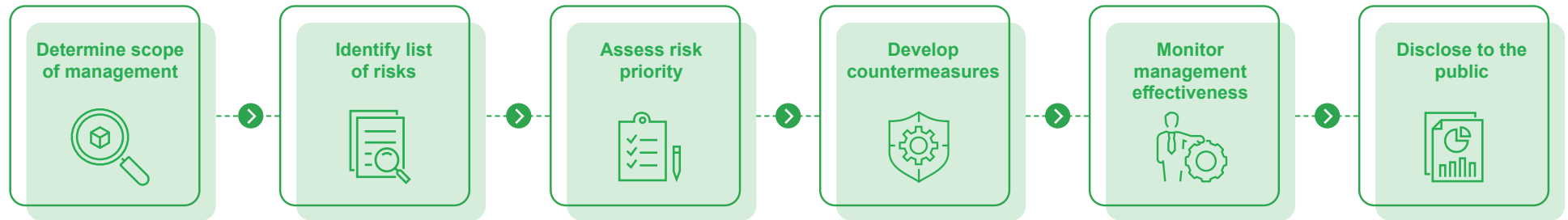
| Description  | Risk Category   | Challenges  | Opportunities   | Countermeasures   | Duration             | Financial Impact |
|--|---|---|---|---|----------------------|------------------|
|  <p><b>High-emission Scenario</b></p> | <p><b>Extreme weather – typhoons, storms, etc.:</b></p> <p>Increased frequency and severity of extreme weather, such as typhoons and storms</p>           | <ul style="list-style-type: none"> <li>Offices and manufacturing bases in coastal and low-lying areas are vulnerable to flooding, local power outages, and facilities damage, resulting in loss of staff and assets</li> <li>Local road closures may hamper the timely delivery of materials or products to the company or from the company to its customers, undermining supply chain stability</li> </ul> | <ul style="list-style-type: none"> <li>Improve resilience to extreme weather and natural disasters</li> </ul>                                       | <ul style="list-style-type: none"> <li>Develop management and emergency preparedness measures, such as the <i>Administrative Measures for the Prevention of Typhoon and Flood Prevention for Factories on the Mainland</i>, and the <i>Emergency Measures for Major Floods</i>, and conduct emergency drills</li> <li>Improve the resilience of buildings and manufacturing facilities to extreme weather by upgrading infrastructure and equipment</li> <li>Enrich the supplier base and strengthen environmental risk management in the supply chain</li> </ul> | Short to medium-term | Low              |
|  | <p><b>Abnormal temperature changes:</b></p> <p>Excessive GHG emissions lead to global temperature anomalies, resulting in hot droughts or cold spells</p> | <ul style="list-style-type: none"> <li>The company will need to use air conditioning more frequently to maintain the optimal temperature and ensure the health of employees, consuming more electricity and natural gas and resulting in higher operating costs</li> </ul>  | <ul style="list-style-type: none"> <li>Enhance risk management capabilities to address the climate crisis and ensure business continuity</li> </ul> | <ul style="list-style-type: none"> <li>Strengthen the energy management system</li> <li>Optimize energy efficiency at manufacturing bases and upgrade to energy-efficient equipment</li> <li>Increase the percentage of renewable energy</li> <li>*Refer to TPV ESG Roadmap to 2030</li> </ul>  | Long-term            | Low              |
|  | <p><b>Sea level rise:</b></p> <p>Global warming accelerates melting ice and sea level rise</p>  | <ul style="list-style-type: none"> <li>Affect the safety and stability of coastal manufacturing bases, potentially increasing the cost of relocation or causing property damage</li> </ul>  |   | <ul style="list-style-type: none"> <li>Monitor climate changes and risk warnings in areas of operation, optimize the geographical distribution of manufacturing bases and warehouses, improve flood resilience of infrastructure</li> </ul>   | Long-term            | Medium           |

Based on the above analysis, we have defined our climate change strategy from three perspectives: operations, products and supply chain.



## Climate risk management

To achieve long-term stable business operations, TPV has identified, assessed and managed climate-related risks in accordance with the TCFD framework and the Enterprise Risk Management System, including:







We have conducted in-depth research into climate change trends, technological developments, industry risk reports and other relevant information, both domestically and internationally, and have identified various types of climate-related risks, taking into account the scope of our operations, product types, geographical location and other dimensions. In addition, we have assessed the impact of the identified climate-related risks on our technology, market, reputation, finance and strategy. The risks are ranked in terms of likelihood of occurrence and severity of impact, and presented to the Board of Directors for review and approval. In doing so, we have confirmed our material climate-related risks.

The Risk Management and ESG Committee is responsible for regularly reviewing and updating climate-related risks aligning with changes on the organizational environment and business plans. We have developed countermeasures against the risks identified to implement risk management effectively.



## Metrics and targets

Managing metrics and targets with comprehensive consideration helps us to continuously improve our ability to manage and mitigate climate-related risks. In September 2022, TPV's carbon reduction targets were approved by the SBTi. We undertake to reduce Scope 1 & 2 emissions by 42%, and Scope 3 emissions – use of sold products by 42% from 2020 by 2030. We have completed a systematic and standardized transformation of energy conservation and emissions reduction initiatives across our manufacturing bases, offices and operation sites. We also monitor and review our progress against targets through carbon inventory at least once a year.

| Science Based Targets initiative  | Strategy                                    | Measures  | Metrics and Targets   | Progress in 2022  | GHG Emissions (2022) <sup>28</sup>   |
|---|---|---|---|---|--|
|  <p>By 2030, reduce Scope 1 &amp; 2 emissions by <b>42%</b> from 2020</p>                | <p><b>Low-carbon operation</b></p>          | <ul style="list-style-type: none"> <li>Optimize energy utilization structure, purchase renewable electricity, deploy distributed solar projects and promote clean energy; explore carbon offsetting through green certificates and other methods</li> </ul> | <ul style="list-style-type: none"> <li>By 2025, ensure that renewable electricity accounts for at least 13% of total electricity consumption (at global manufacturing bases, main offices and operation sites)</li> </ul>   | <p>See <i>Energy Management and Efficiency Improvement</i> for details</p>                              | <p><b>128,356</b><br/>tons of CO<sub>2</sub>e reduced by <b>27.9%</b> compared to base year</p>  <p>Achieved <b>66.4%</b></p>     |
|   |   | <ul style="list-style-type: none"> <li>Improve the energy management system, promote energy conservation and emissions reduction at manufacturing bases, and reduce energy consumption per unit of product</li> </ul>                                       | <ul style="list-style-type: none"> <li>By 2025, reduce annual electricity consumption (at global manufacturing bases, main offices and operation sites) by 2.4% from 2021</li> </ul>  | <p>See <i>Energy Management and Efficiency Improvement</i> for details</p>                              |  |
|  <p>By 2030, reduce Scope 3 emissions – use of sold products by <b>42%</b> from 2020</p> | <p><b>Green and low-carbon products</b></p> | <ul style="list-style-type: none"> <li>Develop innovative energy-efficient products to reduce energy consumption and improve the environmental performance of products</li> </ul>   | <ul style="list-style-type: none"> <li>By 2025, reduce product energy use of own brand monitors and TVs by 25% from 2020</li> </ul>   | <p>See <i>Energy Management and Efficiency Improvement</i> for details</p>                              | <p><b>9,764,451</b><br/>tons of CO<sub>2</sub>e reduced by <b>38.1%</b> compared to base year</p>  <p>Achieved <b>90.1%</b></p> |
|   |   | <ul style="list-style-type: none"> <li>Increase the percentage of recyclable materials and broaden the range of recyclable materials and their applications, contributing to a circular economy</li> </ul>  | <ul style="list-style-type: none"> <li>By 2030, use at least 50% of recycled plastic or ocean-bound plastic in own brand products</li> <li>By 2030, use at least 25% of recycled aluminum in aluminum parts of own brand products</li> <li>By 2030, use at least 90% of recycled or FSC-certified materials or bio-based materials in own packaging of own brand products</li> <li>By 2030, reduce carbon emissions from packaging by 25% for own brands from 2020</li> </ul> | <p>See <i>Innovation in Sustainable Materials</i> for details</p>                                       |  |
|   | <p><b>Sustainable supply chain</b></p>      | <ul style="list-style-type: none"> <li>Cooperate with business partners to enhance material circularity and reduce carbon emissions in the industry</li> </ul>  | <ul style="list-style-type: none"> <li>Select low-carbon transportation routes and modes wherever possible, including electrified railroads, cargo ships using low-sulfur fuels, etc.</li> <li>By 2025, require key suppliers to provide GHG inventory information</li> </ul>   | <p>See <i>Energy Management and Efficiency Improvement and Responsible Supply Chain</i> for details</p> |  |

<sup>28</sup> Base year (2020) emission submitted to the SBTi: Scope1 & 2 is 178,305 tons CO<sub>2</sub>e; Scope3 - use of sold products is 15,774,130 tons CO<sub>2</sub>e. As there are extrapolate calculations in scope 3, 14,875,005 tons CO<sub>2</sub>e of the actual product in 2022 is used to calculate the achievement rate of the actual data, in order to ensure accurate measurement of the energy consumption reduction during the product use. Since 2020, TPV has launched various emission reduction initiatives and carbon offset projects around the world. Under the impact of Russia-Ukraine war, market environment and other factors, our GHG emissions in 2022 experienced a significant decline, and also achieved a 17.4% reduction in GHG emission intensity at the same time.

# Energy Management and Efficiency Improvement

Improving energy efficiency and advancing energy transition are crucial solutions for the pursuit of our carbon reduction targets and high-quality development. From product design to manufacturing, transportation, and use, we integrate environmental and low-carbon consciousness into all stages of our product lifecycle. Our goal is to deliver greener products and solutions to customers while continuously improving our energy performance.

## Low-carbon manufacturing

TPV prioritizes energy efficiency, and emissions reduction as guiding principles to improve the management of low-carbon system in production. Internal policies such as the *Control and Management Procedures for Energy Consumption* and *Control Procedures for Energy Conservation and Emissions Reduction* have been formulated to standardize energy management. Energy conservation leading groups have also been established to effectively implement energy conservation and emissions reduction initiatives. Meanwhile, intelligent energy management platforms have been gradually introduced to improve efficiency of energy management. Our manufacturing bases are also advancing the development of the energy management frameworks, with 3 manufacturing bases certified by the ISO 50001 Energy Management System.



>> TPV Fuqing Visualized Digital Energy Monitoring System

In the manufacturing process, we manage production scheduling and electricity consumption properly, and conduct regular maintenance on production equipment to maintain good performance and improve energy efficiency. For energy-intensive data centers, we implement a cold aisle design to minimize energy consumption from air conditioning and optimize server room layout through virtualization methods. In 2022, the PUE<sup>29</sup> value of data centers decreased by 10% compared to the previous year.

<sup>29</sup> PUE: Power Usage Effectiveness is a key index to demonstrate the energy efficiency of data center.

In addition, our manufacturing bases have been proactively promoting energy-saving equipment and technology upgrades to continuously reduce the use of refrigerants and enhance energy efficiency.

**TPV Fuqing** introduced plate heat exchangers in its central air conditioning system, which is expected to save an average of 660,000 kWh of electricity per year.

**TPV Qingdao** retrofitted air source heat pumps and air compressors, which is expected to save an average of 207,000 kWh of electricity per year.

**TPV Xianyang** upgraded exhaust gas treatment equipment, which is expected to save an average of 180,000 kWh of electricity per year.

**TPV Beijing and Qingdao** switched to energy-saving LED lights, which is expected to save an average of 121,000 kWh of electricity per year.

**TPV Poland** upgraded lighting system, chillers, and air compressors. 95% of lights have been replaced with energy-saving industrial LED lights made from 100% recyclable materials. The new lighting system is expected to save an average of 829,000 kWh of electricity per year.

In addition, we have continued to expand our use of renewable energy. In 2022, our solar photovoltaic projects generated 1,137,300 kWh of electricity, and we purchased an additional 6,780,000 kWh of renewable electricity. Meanwhile, we have been exploring the adoption of renewable energy certifications and adopted green electricity in some of our manufacturing base oversea. In 2022, TPV purchased 8,100 International Renewable Energy Certificates (I-RECs), which are verified carbon offset credits, representing 8,100,000 kWh of electricity generated from renewable sources. We are planning to build solar power projects at our manufacturing bases in Fuqing, Xiamen and Wuhan, with an estimated total installed capacity of 21.46 MW. Upon completion, the projects are expected to generate over 25,000,000 kWh of renewable electricity each year.

In 2022



**7,917,336** kWh of renewable electricity

was consumed at our manufacturing bases and operation sites

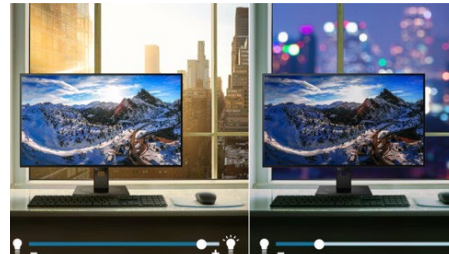
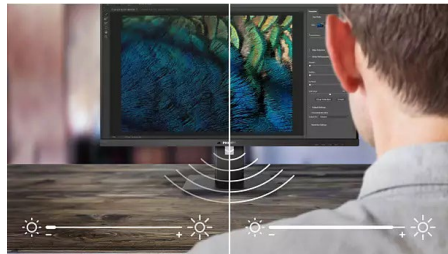
## Energy efficiency of product use

Enhancing energy efficiency in the product use is primary for our commitment to green design. We strictly abide by the eco-design standards and energy labelling regulations in the European Union, and have established rigorous internal guidelines for energy-efficient, eco-friendly products manufacturing. Consistent efforts have been made to develop innovative energy-saving technologies, for delivering high-performance eco-conscious products to customers.

For instance, our eco-friendly models equipped with the PowerSensor light sensing technology, LightSensor Ambilight sensing technology, ZeroWatts switch, etc. Our monitor products are designed with a people sensor which automatically adjusts brightness based on ambient light and reduces brightness when the user steps away, extending the service life of the monitor while saving an average 80% on power consumption.



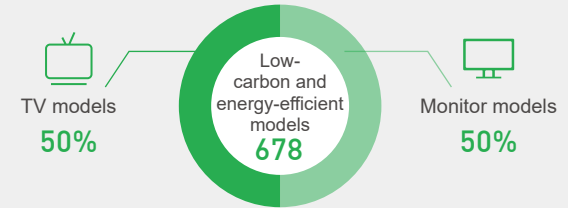
>> Zero Watts switch use a physical power switch to draw zero power from the mains when turned off



>> PowerSensor and LightSensor use infrared sensors to reduce the brightness when it detects no one is sitting in front of display

In 2022

TPV launched **678** low-carbon and energy-efficient models, including **339** TV models and **339** monitor models.



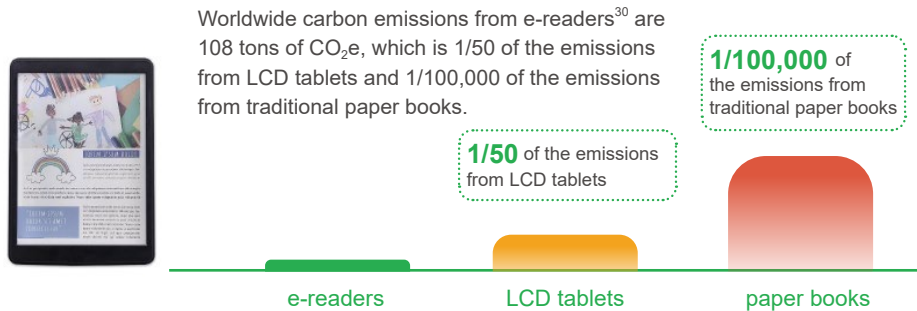
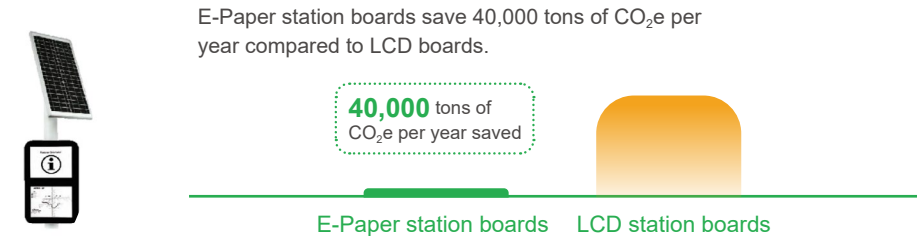
Compared to conventional LCDs, electronic paper (E-Paper) shows a superior performance in energy saving and carbon reduction. By integrating Artificial Intelligence (AI) and Internet of Things (IoT) technologies, TPV has developed a range of E-Paper displays to broaden eco-friendly solutions.



## Energy efficiency of product use

Recognized for superior energy efficiency, our products have received numerous environmental certifications both domestically and internationally, including Energy Conservation Certification by China Certification Center for Energy Conservation Product (CECP), Electronic Product Environmental Assessment Tool (EPEAT) ecolabel by the Global Electronics Council (GEC), Energy Star, and Swedish Association of Professional Employees (TCO) sustainability certification, etc. These authoritative certifications assess product performance in terms of energy efficiency, lifecycle carbon footprint, end-of-life management and environmental friendliness, demonstrating the excellent environmental performance of our products.

### Effective carbon reduction through innovative green technology



We conducted a Life Cycle Assessment (LCA) on the carbon footprint of Philips Headset TAH 8507. Based on the assessment, we implemented more sustainable solutions and materials to reduce emissions and offset carbon. The product was thereby verified as 'Climate-Neutral Certified'. This is Philips' first carbon neutral headphone, we are looking forward to have more environmental friendly products in the future.



### E-Paper application scenarios:

#### Digital signage

e-Signage certified with energy efficiency and safety regulations. It features real-time displays on horizontal and vertical screens, as well as videos and posters display on split screens, offering diverse, engaging, and environmentally friendly displaying.

#### Name card

e-Name card with simple and clean design, featuring multi-color and double-sided display, energy efficiency and eye protection functions, to realize paperless meeting.

#### Transportation display

Reflective E-Paper without self-luminous, featuring ultra-low energy consumption and works seamlessly with solar or renewable energy powered systems. It delivers station boards that are free of light pollution or emissions.

#### In 2022

- 78** Philips products received EPEAT ecolabel, of which 33 received gold ratings and 45 received silver ratings
- 30** AOC monitors received EPEAT ecolabel, of which 3 received gold ratings and 27 received silver ratings
- 258** Philips products received Energy Star certification
- 150** Philips products received TCO sustainability certification

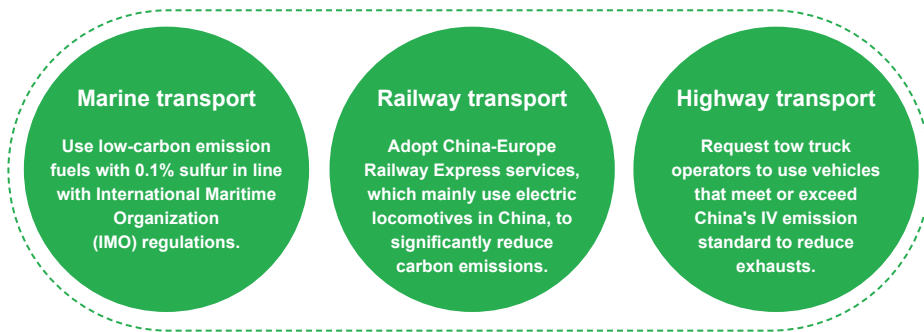
All the rated products above are conducted with carbon footprint studies and LCAs

<sup>30</sup> Calculated on the assumption that there are 130 million e-book readers with e-paper modules worldwide and that each e-book reader is loaded with 50 e-books.

## Low-carbon and green logistics

Regarding product transportation, we cooperate with logistics providers that offer advanced, low-carbon services and choose transportations with lower environmental impact to ensure the eco-friendliness of our product lifecycle. In addition, we continuously explore green warehousing practices and improve warehouse efficiency through measures such as adjusting shelf formats and optimizing storage space.

Our green logistics practices on different mode, means, and location of transportation.



### Decarbonization measures taken by our logistics providers (non-exhaustive)

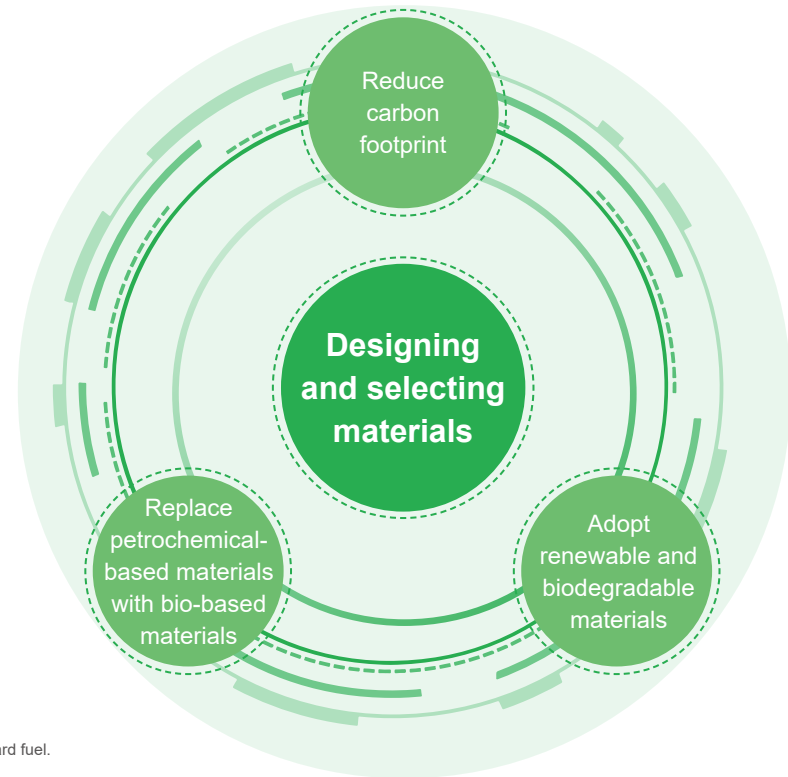
- Develop systematic carbon reduction measures and net-zero emission targets
- Use cleaner fuels such as biofuels and low-sulfur fuels
- Optimize transport routes and energy use (e.g. ship-to-shore power<sup>31</sup>) to improve energy efficiency
- Calculate carbon emissions from transport journeys

<sup>31</sup> Vessels are equipped with a ship-to-shore system to connect to ashore electrical power source when they are docked, instead of relying on onboard fuel.

## Innovation in Sustainable Materials

TPV operates with conservation of natural resources and gives preference to raw materials that have a minimal impact on the environment. We constantly develop and innovate eco-friendly packaging for our products. As part of our long-term commitment to environmental protection, we have established environmental targets and strictly implement responsible material selection and packaging management, fulfilling environmental responsibilities together with our partners.

Three principles for designing and selecting materials:



## Sustainable raw materials

The concept of sustainability has been embedded throughout the entire lifecycle of our products to enable a greener and more sustainable lifestyle for customers. We are committed to increasing the percentage of sustainable, renewable materials such as Post-Consumer-Recycled (PCR) plastics. We have also set action targets to explore the use of ocean-bound plastics, renewable aluminum parts, and bio-based materials as raw materials in our manufacturing processes.



Our own brand eco-friendly monitors adhere to green material sourcing standards, **100%** of packaging materials are recyclable and **85%** of plastics used in the monitors can be recycled at end of life.



**35%** recycled materials for the back shell used in monitors of our own brands.

### Explore sustainable materials through innovation

As an alternative to non-renewable materials, bio-based materials provide properties such as low-carbon emission, rapid decomposition, and low generation of hazardous substances. In 2022, TPV was conducting durability and strength tests on 100% biodegradable PLA materials and planning to adopt more sustainable materials for product components in the future, contributing to the TPV ESG Roadmap to 2030.



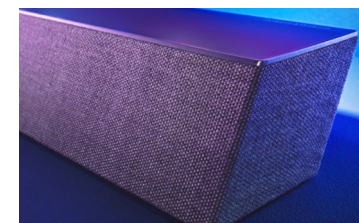
>> Bio-based Material Components in Development

We present products' sustainability performance, including the percentage of recyclable materials used in products, the plastic used in packaging and the overall recyclability rate of materials, on the public website and through third-party retail platforms. We make the information available to customers to encourage their responsible purchase decisions.

TPV also strives to promote the utilization of sustainable materials throughout the product value chain. We are proactively cooperating with suppliers who provides low-carbon material solutions to help us fulfilling the commitments on GHG reduction.

### Incorporate sustainability into products using eco-friendly fabrics

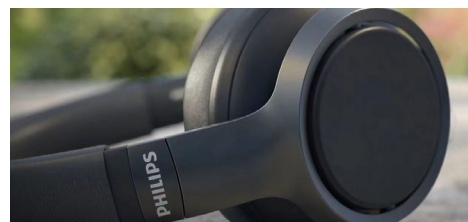
The wool yarns used in Philips TV and sound products, supplied by our fabric supplier Kvadrat, employ water recycling technology to effectively reduce water consumption during the manufacturing process. Innovative robotic technology has been developed for yarns recycling, resulting in a significant reduction in material waste. By collaborating with eco-friendly suppliers, we further contribute to the sustainability of our product lifecycle.



>> Philips Audio Products in Collaboration with Kvadrat

### Reduce product carbon emissions with low carbon intensity leather

TPV has partnered with Muirhead, provider of low carbon intensity leather solutions, to deliver greener, higher-quality products. The leather materials used in TPV's Philips sound products, headphones and TV remote controls are made through Muirhead's zero-carbon process, effectively reducing the carbon footprint of products.



>> TPV and Muirhead Design Partnership

## Green packaging

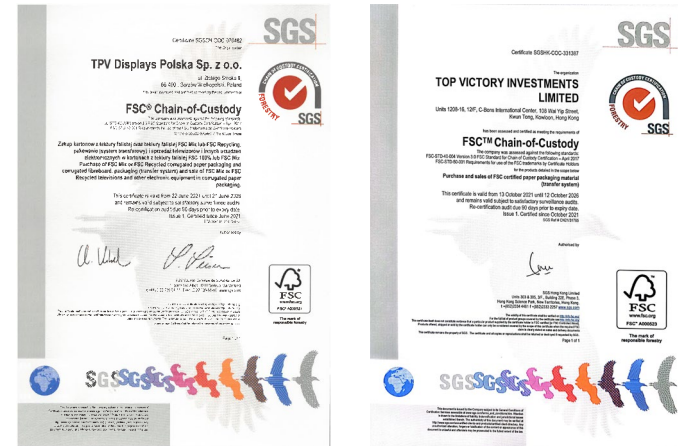
Through active efforts on material screening and recycling of packaging, TPV continues to reduce the use of non-recyclable packaging materials, increase the percentage of recyclable materials use to reduce carbon emissions from packaging. In 2022, TPV Poland reduced its non-recyclable cardboard packaging by 70% by improving its cardboard recycling process.

We keep optimizing product packaging and exploring new packaging solutions. Without compromising the quality of packaging, we have reduced the use of instruction materials in the packaging of Philips monitors, as well as plastic bags for cable assemblies. For Philips monitors of 31.5 inches or smaller newly launched in 2022, we use 100% recycled paper buffers; for monitors larger than 31.5 inches, we are planning to replace existing foam or polymeric foam packaging materials with polyethylene and pulp cushion and other green solutions, which are easier to recycle and reuse. The initiative will increase the percentage of recyclable materials in packaging.

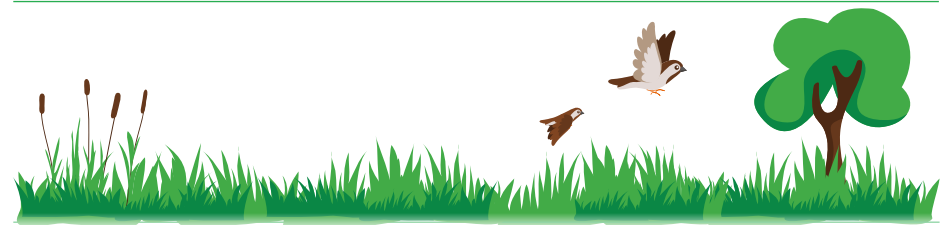


### Support responsible forest management by using low-carbon paperboard

Committed to preserving forest resources, TPV rigorously evaluates its choice of paperboard materials to ensure that relevant suppliers and service providers meet environmental standards. To minimize the impact of our value chain on forests, we actively adopt FSC-certified sustainable wood for paperboard.



>> FSC Chain-of-Custody Certification Awarded to TPV

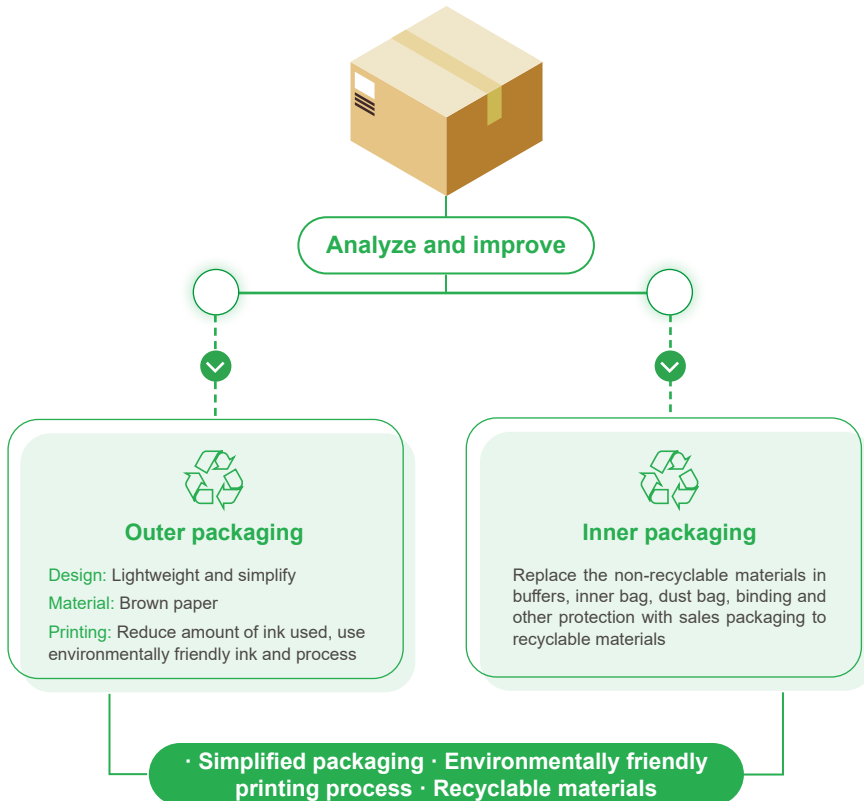


# Green packaging

## Green packaging starts with carbon footprint analysis

In 2022, we conducted the carbon footprint analysis on the entire life cycle of packaging from raw materials extraction to final disposal, which help TPV to achieve the commitment of green packaging and reducing products' carbon footprint. Based on the assessment, we adopted the optimization of material and processes to continuously reduce carbon emissions in the packaging.

### Reduce packaging carbon emissions through carbon footprint analysis



Philips newly launched TV models under 27 inches adopted simplified design, replaced non-biodegradable plastic bags and nylon ties with corrugated fiberboard and recycled plastic, applied water-based inks to reduce the use of packaging materials and the organic compounds release during printing



By phasing out virgin plastics, using 90% & 100% recycled cardboard and reducing the volume of packaging, Philip's new headphone model has a weight reduction of 43% and a CO<sub>2</sub> reduction of 72% compared to the previous model



Through the use of soy-based ink and the replacement of Expanded Polystyrene (EPS) by air buffers for smaller sized TV's, Philip TV packaging of 2022 has a weight reduction of 16% and a CO<sub>2</sub> reduction of 18% compared to the last year



100% recyclable materials use in our Phillips monitor inner packaging

# Emissions Management and Circularity

TPV maintains a highly responsible attitude to the management of manufacturing emissions. We have established standardized emissions management systems and targets to strive for a green production process by minimizing solid waste, wastewater and exhaust gas emissions in our manufacturing operations and by promoting "cradle to cradle" recycling.

## Solid waste

To standardize waste management practices and processes across our manufacturing bases, we formulated the *Solid Waste Management System* and *Solid Waste Control Procedure*. TPV practices the 3Rs (Reduce, Reuse and Recycle) in the handling and management of solid waste, actively reducing waste generated from operations, promoting waste reuse and waste recycling.



We implement the following guidelines for the proper disposal and management of various types of solid waste:

General industrial solid waste shall be classified, collected and recycled in a standardized manner.

Hazardous wastes shall be transferred and disposed in strict accordance with applicable laws and regulations, such as the *Directive on Manifest Management for Transferring Hazardous Waste*. Qualified third-party providers shall be engaged for recycling and disposal.

Other domestic waste shall be collected and handed over to qualified third-party providers for disposal.

### In 2022

**270,845** tons of water withdrawal reduced, **8.9%** of intensity of water consumption reduced compared to last year

**179.6** tons of wastewater pollutants reduced, **40.9%** decrease compared to last year

## Water and wastewater

As TPV's manufacturing and operations do not involve large-scale industrial water use and wastewater discharge, non-industrial water use and discharge is the focus of our water management. In strict accordance with applicable laws and regulations, such as the *Law on Water Pollution Prevention and Control of the People's Republic of China*, the *Law on Marine Environmental Protection of the People's Republic of China*, the *Water Quality Standards for Urban Wastewater Recycling & Utilization for Urban Mixed Water*, and the *Water Pollution Prevention and Control Action Plan (2015-2020)*, we have formulated a range of water management systems and measures, and set relevant targets in the short to medium term.

### Short-term target

By 2025, achieve **100%** water-saving equipment replacement.

### Medium-term target

By 2030, achieve **100%** intelligent water meter replacement.

### Long-term target

Maintain total water withdrawals at 2021 levels.

We continue to strengthen wastewater treatment and water management at our manufacturing bases. In addition to meeting wastewater discharge standards, we strive to continuously improve water efficiency and reduce water consumption. At TPV's Shanghai office, rainwater is used for irrigation and sanitation purposes through a rainwater harvesting system. Offices of TPV Xiamen and Fuqing expanded the coverage of foot pedal faucets, time-delay faucets, faucet timers and water-saving toilets, effectively improving water efficiency. To reduce water waste, TPV Fuqing installed flow meters in the underground water supply network within the factory premises to ensure real-time detection of water leaks and repair of broken pipes. In 2022, we received a B rating in the CDP Water Security Questionnaire and maintained at Management level. During the Reporting Period, TPV received 0 complaints or fines for wastewater discharge.

## Air pollutants

TPV continuously improves the management of exhaust gas emissions to minimize its impact on the environment. We strictly comply with applicable laws and regulations, such as the *Law on the Prevention and Control of Air Pollution for the People's Republic of China* and the *Comprehensive Emission Standards of Air Pollutants for the People's Republic of China* and have developed exhaust gas management systems.

To better manage air emissions, we regularly monitor our manufacturing bases to ensure that exhaust intensity meets compliance standards. To monitor volatile organic compound (VOC) emissions, we have installed networked VOC detectors at our exhaust outlets. The devices enable us to continuously monitor pollutant intensity and respond promptly to any abnormality. At TPV Fuqing, the VOC monitoring system has been connected to the platform of local environmental regulators to further enhance the transparency of emissions data and ensure that emissions are subject to real-time oversight.

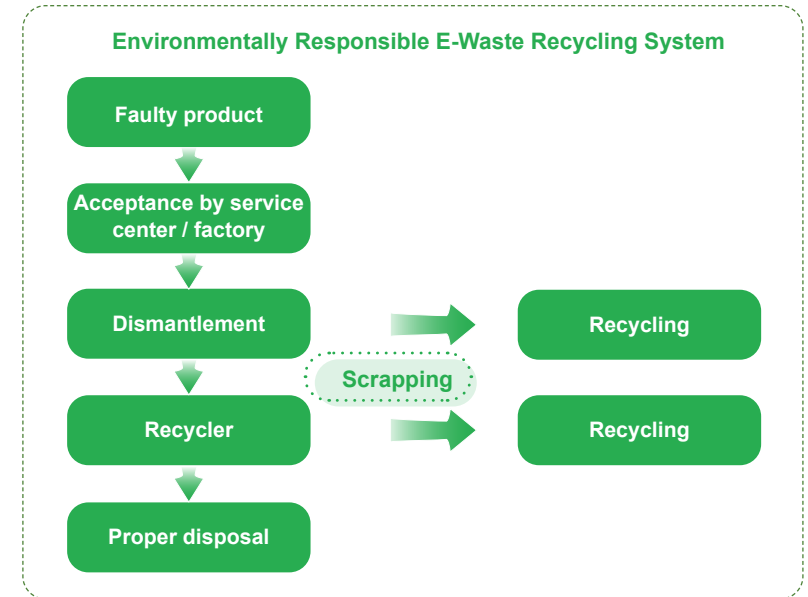
In addition, we have optimized company vehicles management to reduce vehicle emissions. In specific, applications need to be made in advance and routes are scientifically planned to minimize the number of trips, increasing efficiency. The measures have lowered exhausts emissions and fuel consumption.

## Product use and end-of-life treatment

Electronic waste generated from discarded electronic products poses a serious threat to the environment and human health. TPV considers the entire product lifecycle, including use, recycling and reuse, at the design stage. We prioritize composability in the design stage for parts to be easily disassembled and recycled. All products are subject to strict quality control systems and safety certifications to ensure their compliance with the highest quality and safety standards during the design and manufacturing process, enhancing product durability and extending product life and reducing end-of-life discard.

In compliance with the requirements of the *Waste Electrical and Electronic Equipment Directive II (WEEE)* and other applicable laws and regulations, we have established a global network of repair service and product take-back mechanism to collect discard equipments. To better facilitate product circularity, we normalized the recycling process of products and packaging, and contribute to the WEEE compliance fee regularly<sup>32</sup>.

To extend the service life of our products, we launched an Online Spare Parts Web Shop in Europe, offering customers up to 10 years repair warranty on parts. This initiative has increased the durability of our products and significantly reduced the rate of product discard. In addition, we provide free features and security patches, as well as software updates for older models of Philips MediaSuite hospitality TV series, which not only extends the product's lifetime, but also ensures a high-quality customer experience. This initiative enables an immediate reduction in unnecessary replacements and e-waste.



<sup>32</sup> In 2022, 43,971 tons of waste electronic equipment was collected on TPV's behalf to comply with producer responsibility requirements of the EU WEEE Directive. Data includes the recycling volume complying with the legislation of EU countries allocated to TPV.

## Product use and end-of-life treatment

In terms of the product end-of-life treatment, we actively explore the recycling of e-waste based on the circular economy principles. Philips monitors under TPV, in collaboration with Closing the Loop, a global green procurement service provider, and TCO Development, a sustainability certification organization, has implemented pilot projects to promote the e-waste reduction and recycling.

In 2022, the project made progress in the following 4 aspects:

### Promoted e-waste collection

The project has collected 5,507 monitors and also supported the recycling of other e-waste such as Li-ion batteries, with a total weight of more than 32 tons.

### Piloted the e-waste compensation model

Based on the notion of "Buy one new device, fund the collection of one scrap device", a business case was developed for the compensation of monitors and batteries as well as the certification of new products by an eco-label.

### Developed e-waste compensation criteria

Draft criteria were developed for the compensation of e-waste like panel screens. A calculation model was proposed for screens of different sizes, establishing the basics that should be followed for e-waste recycling.

### Improved capacity building

Local recycler and collectors trained in the safe removal and proper storage of e-waste. The project facilitated capacity building in the recycling and collection sector in Nigeria for e-waste to be recycled locally.



>> Locals Trained in E-waste Dismantling and Recycling

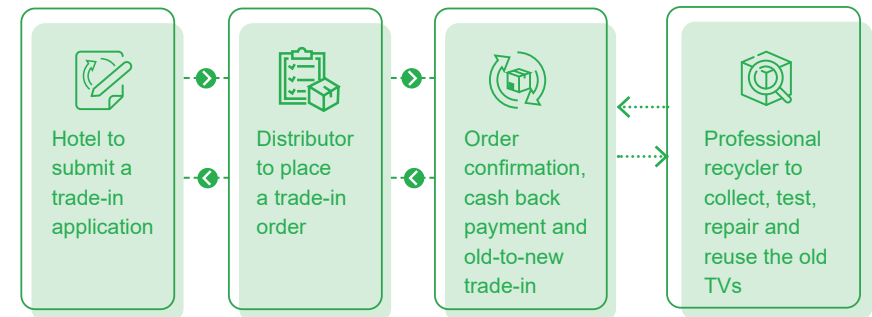
## Philips Hospitality TV cash back offers

In an effort to enhance the customer experience and promote recycling, we launched a cash back program for old Philips Hospitality TVs in selected areas of Italy. This program allows customers to trade in their TVs that are over a certain age and receive a cash-back of up to EUR 50-55, depending on different model. We partner with professional recyclers to inspect, repair, and reuse the old TVs, thereby effectively reducing e-waste and improving resource utilization and circular economy.



>> Philips Cash Back Program

### Philips Hospitality TV Cash-back Process



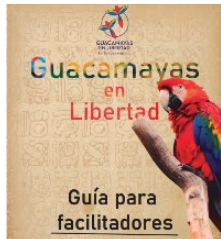
# Biodiversity Protection

Biodiversity plays a crucial role in enhancing human well-being. TPV embraces the philosophy of respecting nature and protecting the environment, and actively dedicated to the conservation of biodiversity and natural resources. We act in strict accordance with the *Convention on Biological Diversity*, the *Law on Soil and Water Conservation for the People's Republic of China*, the *Law on Environmental Impact Assessment for the People's Republic of China* along with applicable laws and regulations of jurisdictions. We have detailed our biodiversity measures in our *Environment Protection Policy* and are committed to minimizing the direct and indirect impacts of our operations on the ecosystem. During the construction and operation, we strictly enforce environmental impact assessment requirements and avoid operational activities in naturally sensitive areas. At the same time, we actively implement biodiversity conservation measures, such as afforestation and bird protection, to continuously improve biodiversity and preserve our ecosystems.

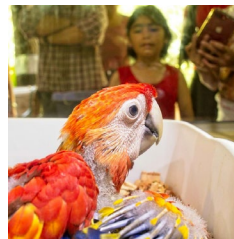
## Protect endangered species by supporting the Scarlet Macaw project

TPV has been working closely with The Explorers, the United Nations Educational, Scientific and Cultural Organization (UNESCO) partner, on a multi-year project to support the conservation of the endangered Scarlet Macaw. The project aims to restore this bird population in Honduras through habitat conservation, bird breeding and public awareness actions. It also involves capturing high-definition images and 8K videos of the Scarlet Macaw to be shown on Philips Ambilight TVs, to raise awareness among a global audience.

In 2022, the project raised a total of 24 Scarlet Macaw chicks during the breeding season and reintroduced 8 of them into the wild from Breeding Center. In the future, the project plans to deepen its collaboration with local NGOs to engage over 300 students from 5 primary schools, thereby promoting awareness of ecological conservation among local residents.



>> Educational Booklet Produced for the Scarlet Macaw Conservation Project



>> Scarlet Macaw Growing Feather During the Breeding Season

## Participate in reforestation campaign for carbon reduction and biodiversity protection

TPV Philips Monitor is promoting reforestation in heavily deforested areas in Tanzania, actively engaging in ecological restoration and biodiversity conservation activities. TPV and ForestNation have been working together since 2020. With every purchase of an eco-friendly Philips monitor, TPV will donate trees to the "Philips Monitor Forest".

By the end of 2022, 58,012 trees were planted, absorbing 1,450 tons of CO<sub>2</sub> and producing 5,801 tons of oxygen each year, making a significant contribution to ecological balance and the well-being of local people.



>> Thriving Saplings on the Ground



**58,012**  
trees were  
planted



absorbing  
**1,450** tons  
of CO<sub>2</sub> each year



producing  
**5,801** tons  
of oxygen each year



>> Seedlings Grown in the Nursery

# 05

## Consolidating Resilient Talent Growth

At TPV Technology, employees are the driving force behind our sustainable development. We uphold a people-oriented philosophy and safeguard their legitimate rights and interests, creating a platform for employees to thrive and showcase their talents. Recognizing and valuing the differences between individuals, we embed our core values of responsibility, transparency, trust and openness in our operations and strive to build a diverse and inclusive workplace. We continue to foster an environment enabling our employees to prosper and achieve self-actualization. With our hands intertwined, we aspire to move forward towards growth and shared success.

### Materiality issues addressed

- Occupational Health & Safety
- Human Rights & Labor Rights

### ESG highlights

- **80%** employee satisfaction rate, **5%** increase compared to last year
- **0** human rights violations of child labor and forced labor



TPV 冠捷科技  
攻無不克 新年快樂  
Happy New Year



# Diversity and Inclusive Culture

We believe that a diverse and inclusive talent strategy empower us to better cope with changing environment and challenges. Through an equal and democratic HR management philosophy, we value the diverse development of employees, emphasize business ethics management and prohibit discrimination, harassment and other inequalities. In this way, we aim to create a transparent, equal, and diverse workplace for our people.

## Human resource management

Committed to empowering employees for mutual growth, TPV takes an equal, open and inclusive attitude in acquiring and nurturing talents. At the talent acquisition and recruitment, we have formulated the *Policies for the Management of Recruitment* to outline a fair and equitable recruitment process. New hires are provided with a comprehensive *Employee Handbook* to help them understand our values and culture. To standardize the resignation process, we have also developed the *Policies for the Management of Resignation* to protect the rights and interests of both parties. At every stage of human resources management, we provide an equal, diverse and inclusive workplace for our employees. In 2022, TPV had a total of 20,552 employees, of which males and females accounted for 62% and 38%, respectively.



We continue to operate a lean, efficient organization to maintain a stable workforce in response to fluctuations in the global economy. During the pandemic, we flexibly adjusted our organizational structure and working practices to minimize layoffs through a variety of measures, including negotiating job transfers with employees through the trade union and providing skills training for employees who are temporarily out of work to adopt new positions. We value each and every one of our employees. If structural layoffs are necessary due to force majeure, we will strictly adhere to applicable laws and regulations and minimize the adverse effect of layoffs on employees.

## Diversity and inclusiveness

TPV is firmly committed to protecting the fundamental rights of all employees and to creating a diverse and inclusive workplace. Internal policies such as the *Administrative Measures for Peaceful Assembly and Freedom of Association*, the *Administrative Measures for Labor Protection of Female Workers*, the *Administrative Measures for the Protection of Pregnant Female Workers and Mothers in Puerperium*, the *Policies on Prohibition of Discrimination (Harassment / Retaliation)*, the *Policies on Prohibition of Forced Labor* and the *Procedures for Prohibition of Child Labor* have been formulated and are reviewed and updated annually through internal control auditing to ensure there is no child labor, forced labor, discrimination, harassment and retaliation in recruitment, compensation, training, promotion and dismissal.

Embracing the concept of equal employment, we are committed to not discriminating in recruitment, promotion and compensation on the grounds of race, color, age, gender sexual orientation, racial or ethnic origin, disability, pregnancy, religious belief, etc. and not to require employees or prospective employees to undergo medical examinations or tests that may have a discriminatory purpose. We accept complaints related to child labor, forced labor, discrimination or harassment through publicly available channels on the Whistleblower procedure, general manager's mailbox and the human resources department. Upon receiving a complaint, we will investigate the matter and take disciplinary action against the violators in accordance with our internal policies. During the Reporting Period, there were no risks to violate the freedom of association and collective bargaining at any of our manufacturing bases and operation sites, and 0 instances of forced labor, child labor, or related risks were observed.



## Diversity and inclusiveness

As part of our commitment to providing a friendly and inclusive workplace, we have improved our office facilities to accommodate the needs of employees who are nursing mothers, have disabilities, or hold religious beliefs. By doing so, we aim to implement equality and protection across the company. We have equipped lactation rooms in our offices and factories in various cities to provide a private and quiet environment for working mothers. To help employees with disabilities, we offer dedicated parking spaces, ramps, toilets, lifts and other accessible facilities. For Muslim employees, we provide separate dining areas and function rooms for religious events and gatherings.



### Create a workplace where women thrive

At TPV, the contributions of our female employees play an important role in our development. In 2022, various heart-warming activities were organized for our dedicated female staff at each manufacturing base.

- ✂ TPV Wuhan held a floral workshop where nearly 90 female employees learned about flower arrangement and made flower baskets and bouquets under the guidance of the tutor. Bathed in the fragrance of flowers, the employees recovered from the stress of work and developed close ties with each other.
- ✂ TPV Xianyang organized a baking workshop on 8<sup>th</sup> March, International Women's Day, which was enjoyed by female employees who actively participated in the event to craft handmade treats.
- ✂ TPV Qingdao organized a range of activities for its female employees, including succulent miniature garden making workshop. In addition, they were given health benefits, such as functional supplements, for their well-being.
- ✂ TPV Fuqing organized a hiking activity, attended by over 40 female executives, as a chance to savor the beautiful scenery of the hills and rivers, and to recharge and refresh.



>> Wonderful Activities for Female Employees

# Smooth Communication Channels

At TPV, employees are closely connected with the company through diverse communication channels. We respect employees' freedom of expression. By listening to employees' voices, we continuously improve our operations for a harmonious, equal and democratic workplace.

## Communication channels and employee consultation

We have established diversified communication channels to understand the needs and voices of our employees, including their expectations of the workplace, and to ensure that their voices are well expressed and heard. The channels include a hotline for whistleblowing and appeals, Chief Executive Officer's email, General Manager's email, comment box for employees, and one-on-one talk with employees, etc.

In our overseas operations, we have established trade unions and Town Meetings in line with local cultures. These channels encourage our employees to deliver their concerns in work and life under an open and democratic discussion for fair and appropriate solutions.

### Protect employees' legitimate rights and interests through worker congress

TPV respects the legitimate rights and interests of its employees and set up worker congress as a channel for employee engagement. In 2022, the TPV Fuqing trade union successfully held three worker conferences, during which employee representatives made proposals to improve labor rights, daily life and work issues. The proposals were discussed and voted on by the participating representatives to ensure employees' rights and interests.



>> TPV Fuqing Worker Congress in 2022

## Employee satisfaction survey

TPV conducts an annual employee satisfaction survey at its manufacturing bases in China to identify potential problems and make continuous improvements. The aim of the survey is to gain a more comprehensive understanding of employees' views on the company's development and operational management, and to create positive atmosphere that encourages open communication and continuous improvement.

In 2022, TPV conducted employee satisfaction survey through an online questionnaire. The survey covers working environment and atmosphere, training and personal development, compensation and benefits, corporate culture and other aspects. Based on the survey, we will develop and implement improvement plans to further increase employee satisfaction. In 2022, the overall satisfaction of employees in TPV manufacturing bases in China reached 80%, a 5% increase compared to 2021.



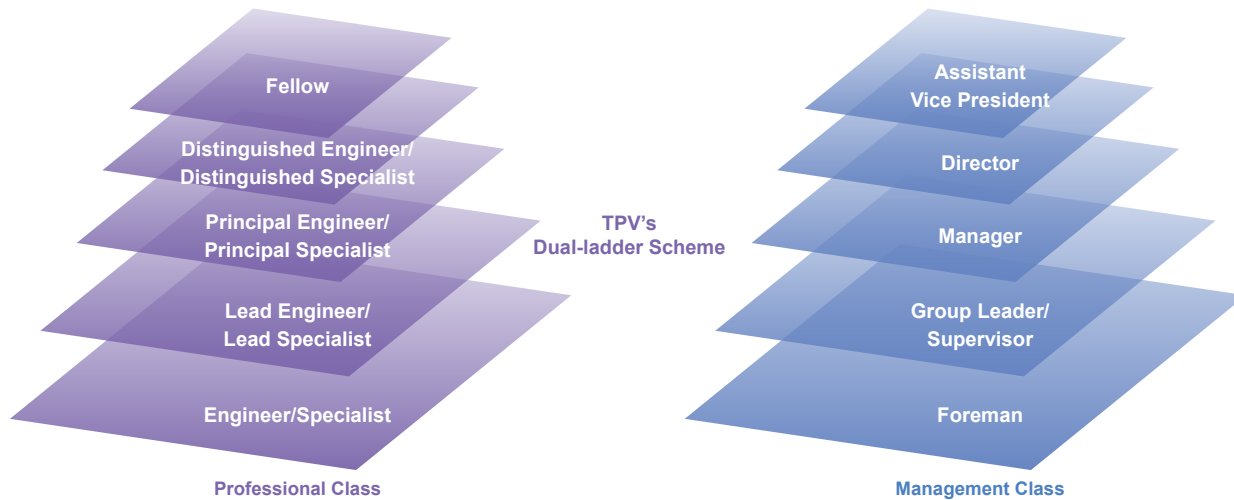
Overall satisfaction of employees in TPV manufacturing bases in China reached 80%

# Talent Development

TPV offers well-established career ladders and comprehensive learning resources for employees at all levels, to encourage employees to cultivate talents for career development. In addition, we leverage digital technology to expand training opportunities and improve training effectiveness.

## Career ladders

A fair and equitable promotion system is essential for the mutual development of employees and the company. We have developed a dual ladder system consisting of "professional class" and "management class", and formulated the *Measures for Employee Promotion of TPV Technology Group* to outline career paths and promotion criteria for each job grade to ensure fairness in promotion. Each year, we assess employee's skills and contributions comprehensively, and offer people-oriented promotion opportunities. We have also introduced a long-term incentive scheme to maximize the enthusiasm and creativity of our employees and enhance the talent attractiveness. In addition, we implement the annual Employee Performance Appraisal (EPA) mechanism among employees at all manufacturing bases and offices. The mechanism assesses employees' performance more comprehensively, ensuring that their experience and skills match their current job grade. In 2022, 100% of employees<sup>33</sup> received regular performance evaluations.



<sup>33</sup> Probationary employees do not receive annual performance and career development evaluations.

## Trainings and support

To enlarge the talent pool and enhance team cohesion, TPV centers around its value system to set up a distinctive training with comprehensive and diversified courses for employees.

### For new employees

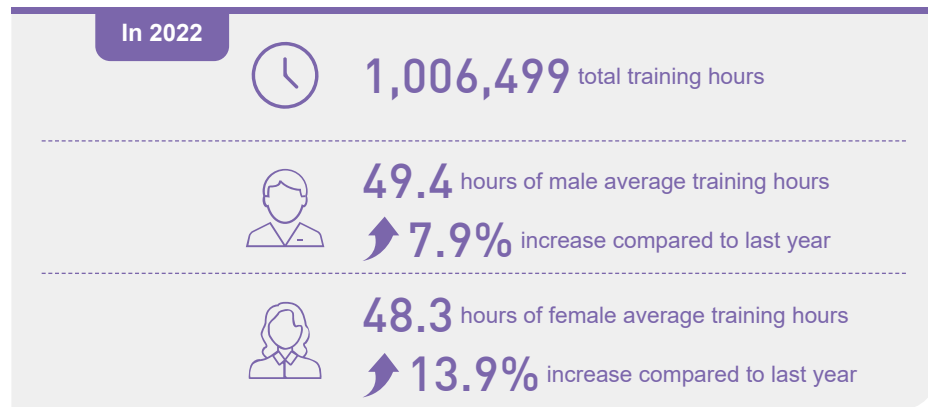
To facilitate their integration into TPV's corporate culture, new employees are required to attend the orientation training and complete generic courses. They are also expected to participate in professional and skill-building training aligned to their job responsibilities.

### For senior employees

Employees of different job grades have access to tailored and professional training. We provide training sessions, including leadership building classes and classes for junior and senior executives, according to position and personal demands, to improve employees' integrated skill and empower their self-fulfillment. In addition, we have courses in interpersonal communication to help senior employees to ease generational tensions at work.

# Trainings and support

In 2022, we organized a range of courses including "General application" "Core skills" "Professional skills" "Leadership and management" "Technology trend" and "Language development" to meet demands of different grades and working scenarios. During the Reporting Period, 79.6% of employees accepted professional or skill training in 1,006,499 hours in total. Male employees were trained for 49.4 hours while female employees were trained for 48.3 hours.

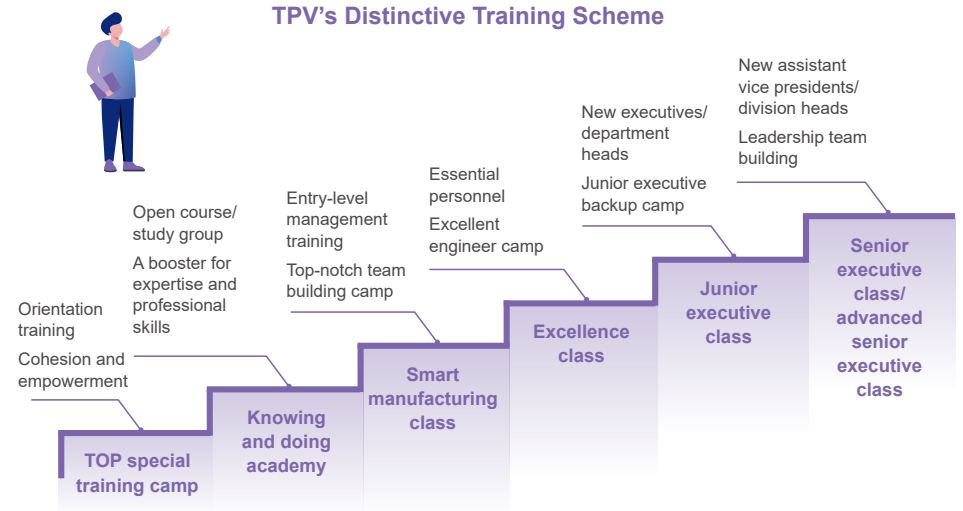


## Completing the first junior executive class to develop a high-quality talent pool

To keep nurturing potential middle-level managers and promote their leadership, TPV initiated its first junior executive class in Wuhan on June 2022. During the four-month training, top-class executives were invited as mentors. Through learning, practice and presentation, employees gained significant improvement on knowledge, experience and competences. The mentors offered recommendations and discussed the feasibility and implementation of all the projects.



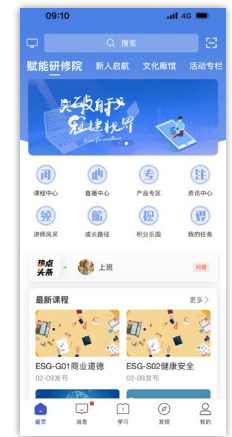
»» Junior Executive Training on Site



By developing online training system, we provide an efficient and convenient learning platform accessible for employees:

» "TPV E-learning" platform: As a digital, mobile platform for business empowerment, "TPV E-learning" covers "course center" "live-streaming center" "growth path" "information center" "activity zone" "voices from the first line" and "the company community" which facilitate fragmented, on-demand learning. "TPV E-learning" platform provided an online social community and a window of corporate culture for employees.

» Online training platform on Good Habit: Offer over 150 courses in 10 European languages for employees, including courses from stress management to personal development. It's manageable and inspiring content delivered through over 25 different e-learning methods.



»» TPV E-learning Platform

## Trainings and support

### Launching ESG courses to raise employees' sustainability awareness

TPV has developed ESG courses to strengthen the understanding of ESG and Sustainability for the Board members, executives, and all employees. The courses integrate the company's ESG strategies into employees' daily work and life. In 2022, TPV released 7 ESG courses with topics ranging from ESG concepts, climate change, carbon neutrality, sustainable supply chain, and product life cycles. During the Reporting Period, the viewing figure of the courses reached 69,293, with an average rating of 4.8 (out of 5).



>> Online ESG Courses



To promote learnings through competition, TPV manufacturing bases organized skill competitions to foster their craftsman's spirits and boost employees' skill level and teamwork.

### Skill learning and exercising for growth

In September 2022, TPV Beijing organized the "23.8-inch Display Assembly" skill competition. Comprised of a closed-book theory test and a practice contest, over 100 contestants participated in this competition. It not only improved entrants' skills, but also created a healthy work environment where employees were inspired to transcend their best practice.



>> Award Ceremony

>> Practice Contest

## Safe and Sound Workplace

TPV lays high emphasis on employees' health and safety. Abiding by the *Work Safety Law of the People's Republic of China* and other applicable laws and regulations, TPV continues to improve the regulatory framework and make daily supervision and inspection to create healthy and safe culture for employees' work and life. To promote employees' well-being, TPV launches enriched activities and welfare policies and provides comfortable work environment to increase employees' happiness and belonging.

### Employee health and safety

Upholding the people-oriented philosophy, TPV strives to provide a healthy and safe workplace for all the employees. With comprehensive risk identification process of occupational health and safety, TPV accesses the daily operation and production, analyzes the possible scope and impact of health and safety risks, and identifies key risks. According to the adjustment and development of our business, TPV regularly reviews occupational health and safety risks to prevent potential hazards. In response to identified risks, TPV minimizes workplace risks by optimizing safety management, laying down management systems and measures, and carrying out health and safety training.

In terms of health and safety risk governance, TPV has established a safety committee, implemented management responsibilities based on the *Administrative Measures for Factory Safety Committee on the Mainland*, and developed safety production policies, annual goals of safety production and occupational health, and annual work safety plans in accord with environment, safety and health (ESH) system. With the general managers of manufacturing bases as chairpersons and the department managers as committee members, the safety committee promotes the comprehensive implementation of the work safety and occupational health responsibility system, conducts assessments to clarify safety management requirements, and divides management responsibilities to control health and safety risks. Besides, safety committees at all levels convene annual work safety meetings to analyze annual performance and risks in safety production and enhance safety production management.

TPV has established management regulations to guarantee employees' safety and health, such as the *Personal Protective Equipment Management Procedures*, the *Management Measures for Occupational Medical Examination*, and the *Monitoring and Measurement Implementation Procedures*. In addition, health and safety procedures are also proved in the native language of workers to ensure their understanding. TPV also commissions a third party to detect hazards every year of workplaces involving noise and dust within the manufacturing bases. In line with the test results, TPV takes actions to prevent occupational health hazards, including installing central dust collector, wearing individual protective equipment, noise reduction of equipment, sound insulation of machine rooms, and workplace ventilation. As for managing the disposal of chemicals and hazardous substances, TPV has built standard procedures to minimize the harm of hazardous substances to employees' health. TPV also regularly checks the equipment to ensure safe operation and avoid accidents. For positions exposed to occupational disease hazards, employees have to undergo health examinations before getting, being on and after leaving the job to ensure their safety and health.

In 2022, TPV developed safety training and drills in all manufacturing bases to enrich employees' safety knowledge, enhance their safety awareness and enrich their experience in solving safety problems.



## Employee health and safety

### Organizing a safety knowledge contest to create a safety-oriented culture

TPV Xianyang staged the "How much do you know about the Work Safety Law" knowledge contest themed by "Obeying the production safety law and fulfilling safety responsibilities". The event walked our employees through the latest laws and regulations on safe production and created an atmosphere of safety for all, which laid a solid foundation for TPV's high-quality development.



>> The Event Scene



>> Award Ceremony

### Holding a themed training to raise employees' health awareness

In November 2022, TPV Xiamen invited experts from Xiamen Medical Association, Xiamen City Center for Disease Control and Prevention, and Xiamen Public Health Inspection Station to a theme training for employees on "Building a healthy China together and promoting occupational health". Over 150 employees learnt about laws and regulations on the prevention and control of occupational diseases, ways to prevent and treat occupational diseases, the choice and use of personal protective equipment (PPE), and healthcare and therapy with the traditional Chinese medicine. Through the training, employees strengthened the awareness and capability of occupational health and safety.



>> Occupational Health Training

We care about employees' mental health, making sure that mental health Employee Assistance Program (EAP) is available for all. Employees can receive assistance through free hotlines, WeChat, and email. In addition, we help employees stay well-aware of the importance of mental health and keep fit mentally and physically through training, promotion, and guidance.

### Caring about employees' mental health by holding a live-streaming lecture

In November 2022, TPV Xiamen held a live-streaming lecture on mental health, introducing the mental health EAP, hotlines, and tips on relieving workplace stress and emotional management.



>> Poster of the Live-streaming Lecture on Mental Health



>> Healthcare for Our Employees

In 2022



0.99

of recordable work-related injuries frequency rate (million work hours)

43.1%

decrease compared to last year

## Employee well-being

TPV cares for employees' work and life and committed to being the most solid support and caring partner of our employees. The company provides employees with multiple benefits to help them integrate into the TPV family. We implement a 5-day, 8-hour work schedule and provides paid annual leave, wedding and funeral leave, maternity leave, paternity leave, and other time off in addition to legal holidays. We provide employees with five insurances and one fund (endowment insurance, medical insurance, employment injury insurance, unemployment benefits, and maternity insurance, plus housing provident fund), supplementary accident insurance, and free medical checkups. In case employees work on holidays and during non-working hours, TPV will provide additional subsidies for employees according to local laws and regulations.

In addition to staff dormitory and an in-house canteen, we offer a variety of subsidies, including holiday allowance, homecoming travel subsidies, subsidies for department activities, welfare subsidies, birthday gifts, and commemorative gold medal for senior employees. Meanwhile, we also actively seek government support for our employees, including but not limited to subsidies for the introduction of talented employees, guaranteed housing for talents, and support for employees' children to attend school nearby.

We continue to improve employee support services, encourage employees to work happily, and enhance their sense of well-being by organizing various clubs and carrying out a wide range of sports and cultural activities. By the end of 2022, TPV have included up to 97% of its employees around the world in the health and medical benefits system<sup>34</sup>.

TPV provides flexible work support for employees worldwide. Through an online system, employees in China can apply for remote work during the special period. In Europe, TPV adopts a hybrid work-from-home or office-based work model, encouraging employees to visit the office up to three times a week. Localized work model management helps employees achieve work-life balance in addition to reducing their commuting hours and resulting carbon footprint.

### Organize summer childcare program to address employees' "concerns"

TPV Fuqing Trade Union sponsored the first summer childcare program in July 2022 to help solve employees' difficulties with childcare during the summer vacation. A total of 50 children of employees attended the program. Besides homework tutoring, the summer program also organized creative art, mind stretching, physical fitness, and other courses to escort the children through a fruitful summer.



>> Opening Ceremony of the TPV Summer Childcare Program

<sup>34</sup> The health and medical security system herein includes but is not limited to the medical welfare system offered by the local government, supported by commercial institutions or reimbursed by the company.

## Employee well-being

### Showing elegance through sports and energetically embracing the future

TPV encourages employees to build up a strong and healthy body. Thus, it carried out various ball sports clubs in each manufacturing base to enrich the recreation activities for employees, to realize a balance between work and life.

#### Table tennis

TPV Xiamen hosted team table tennis tournament and individual billiards competition. There were 20 table tennis teams and 13 billiard players competing against each other

#### Badminton

TPV Fuqing Badminton Club conducted the badminton training course. The trainees competed with each other and practiced their skills

#### Tennis

TPV Wuhan held the tennis tournament at the tennis court in the living area, in which everyone brought out a positive and vigorous spirit



>> Xiamen Team Table Tennis Tournament and Individual Billiards Competition



>> Fuqing Badminton Training Course



>> Wuhan Tennis Tournament

### Cooking with care: better meals for happier employee

The TPV cafeteria has always adhered to a service philosophy of devotion, commitment, carefulness, sincerity and conscience. In October 2022, TPV held the 4<sup>th</sup> Culinary Arts Competition of China in Shanghai, where 11 chefs from different manufacturing sites competed on the same stage. This competition inspired the chefs to deliver better meals to employees.



>> Cooking Competition



## Our Journey in TPV

Regardless of where they are and what kind of positions they are engaged in, the employees of TPV always do and love their work, and they sparkle and shine in their own positions with craftsmanship and enthusiasm, achieving self-worth with their hearts and minds, bringing their own success as well as TPV's success.

### I stand firm to ensure stability of manufacturing

As the bell of the New Year was about to ring, Sua Zhang, head of the finished product delivery team of Xianyang manufacturing site, was concerned about the impact on the resumption of work at the factory, so he left to return to work immediately after settling his mother after her surgery. During the Chinese New Year holiday, there was no one in the streets that used to bustle and hustle before, and there was no public transportation, cyber cabs, or even cabs. On foot and by bicycle, Sua finally returned to the manufacturing base 15 kilometers away.

To deal with the shortage of manpower and materials, Sua led colleagues to take tasks on packing, loading, code reading, and loading cabinets without hesitate. Faced with the sudden change, he marched forward and brought his dedication and commitment to his work in the difficult situation, and interpreted the original aspiration and mission of a TPVer.



>> Sua Zhang of TPV Xianyang Loading Goods with a Forklift

### We are all together with TPV on the way

It was seventeen years ago in the summer that we walked out of the school together.

Undaunted by discouraging voices around us, we made our choice together and ran toward it.

At that time, there was no high-rise bridge outside the entrance, and there were no high buildings around.

What is still vivid in our memory seems to be only the roadside wildflowers.

People said that this was the countryside, but we were not concerned.

For, a strong voice was amplified: take this place as home.



>> Wason Wang and Tom Tang of TPV Wuhan at the Campus Before They Joined in 2005

## I act for carbon reduction

As one of the first employees who was transferred to TPV Xianyang, MJ Tang led his colleagues in the department to explore the construction of the plant. Facing the sudden breakdown of facilities, he worked tirelessly day and night for maintenance and adjustment; he actively promoted energy saving and consumption reduction in the manufacturing base and led his team on technical transformation and equipment optimization to improve energy efficiency and reduce carbon emissions.

Here at TPV, employees dedicate not only their "energy" to making good products but also their "heart" to building a better home together. Bearing in mind the original aspiration, TPVers will continue to practice their responsibilities with dedication and enthusiasm, and work together to contribute to low-carbon development.



>> MJ Tang of TPV Xianyang Cares for the Environment in His Daily Life

## TPVers are my companion along the journey of youth

"Anyone going to Honglu Street, Fuqing?" "Still got a spot. Hurry up. We are about to leave now." Cy Cai, who missed the recruitment of TPV because of a school basketball game, came to the south entrance of TPV on Fuqing Honglu from Qishan University upon a phone call from his seniors, and officially started the first job in his life.

There are not only a number of seniors in TPV but also a group of colleagues who are passionate about work, as well as a group of friends who share love for basketball. Learning and growing at TPV, making breakthroughs, stepping from TPV Fuqing to TPV Xiamen, and growing from a young boy to a father, Cy Cai gained treasurable experience, which makes who he is today.



>> Cy Cai of TPV Xiamen at a TPV Basketball Game

## I will guarantee the service

As a 15-year veteran and the mother of twins, Mandy Zhong dares to take responsibility and accept challenges in the workplace. As a member of the after-sales service department, Mandy has been able to resolve questions and queries from customers in a timely manner, answering each question with a positive and friendly attitude, and bringing customers a quality after-sales experience.

Everyone in TPV's after-sales service family is just like Mandy, shining like the sun when fulfilling their duties, guarding customers with their hearts, and delivering kind hospitality with their services.



>> Mandy Zhong Working in the TPV After-sales Service Department

# 06

## Growing Alongside Society

TPV Technology has long been committed to realizing intergration of corporate value and social value. We fully support the UNGC and the SDGs. Our ongoing efforts to promote environmental protection, public education, and job creation reflect our commitment to giving back to the community and serve as a solid force in driving the process of sustainable social development.

### ESG highlights

- RMB **4,296,560** donated for public welfare
- **464** hours devoted in volunteer activities, involving **349** participants



# Empowering Local Communities in China

Staying grounded in China, TPV Technology carries out various projects in environmental protection, rural revitalization, education, and healthcare with unfailing enthusiasm and perseverance. It actively fulfills its social responsibility and continuously promotes the sustainable development of Chinese society.

## Environmental protection

TPV actively responds to China's policy and requirement for green development. In addition to promoting low-carbon operation, TPV further pursues the appeal of "Building a Green Homeland" proposed by Chief Executive Officer Dr. Jason Hsuan to raise employees' awareness of eco-friendly working and living through energy-saving and environmental protection training.

In 2022



**19,061** hours  
trained for employees on  
environmental protection



**19,987** hours  
trained for employees on energy  
conservation and climate actions



>> TPV Cycling Club

## Warding the birds by conducting wetland public science education

On the 2022 World Earth Day, TPV initiated an environmental public science education for employees and their children on wetland bird observation at Xiamen Garden Expo Park. As a natural wetland park, Garden Expo Park is rich in biodiversity and home to many plants and animals, serving as a resting spot for migratory birds. These young participants learned how to use binoculars to observe birds, explore their footprints, and discover their behavior features. From the event, they sensed the responsibility and value of guarding the natural "community of life" while exploring the wetland under their supervision or instructors.



>> Birdwatching Activities for Children in the Wetland

## Cycling for wetland protection

As a response to the call of the 14<sup>th</sup> Conference of the Parties to the Convention on Wetlands to "cherish wetlands and live in harmony with nature," TPV Fuqing Cycling Club participated in the "2022 Minjiang Estuary Wetland Wildlife Protection Campaign and the 7<sup>th</sup> Changle Cycling Challenge" in December 2022. Through eco-friendly cycling activities, we advocated wetland and wildlife protection, promoting the harmonious coexistence of humans and nature.

## Environmental protection

### "TPV Forest" tree planting activity to build a green earth

On the 2022 World Earth Day, under the theme "Cherish the Earth, Harmony between Human and Nature", TPV Fuqing organized over 50 employees to engage in a tree planting activity named "TPV Forest" at the "Sanfu Greenway" in Shizhu Mountain, Fuqing. The "TPV Forest" covers a land area of over 6,000 square meters and is designed according to the blossoming in four seasons. A total of 53 Fujian Mountain Cherries, 98 Orchid Trees, and 32 Metasequoia were donated. At the same time, TPV Wuhan, Xianyang, and Xiamen also held tree-planting activities, contributing to greener landscape together.



>> Tree Planting Activity in Wuhan



>> Tree Planting Activity in Xianyang



>> Tree Planting Activity in Xiamen

In 2022



**328** trees  
planted by TPV  
in China



**5.9** tons  
of CO<sub>2</sub> emissions  
reduced per year<sup>35</sup>



>> "TPV Forest" Tree Planting Activity



<sup>35</sup> According to the research data of the National Forestry and Grassland Administration, a tree can sequester about 18 kg of carbon each year, and this is only used as a reference to show our progress on tree planting.

## Social welfare

TPV is actively involved in social welfare, and plays a positive role in addressing the social issues in the communities where we operate, and helps build local communities with various social welfare programs. For this year, we donated RMB 4,296,560 to public education, social giving, and rural revitalization.



**RMB 4,296,560**  
donated to public  
education, social giving  
and rural revitalization



### Employment creation

#### Empowering employees from ethnic minorities to revitalize rural development

TPV actively empowers local communities through education. We have been supporting rural revitalization projects in Guanghe County, Linxia Hui Autonomous Region, Gansu Province for years, providing employment opportunities and training for local talents. TPV and Guanghe County held 25 collaborative recruitment events from 2018 to 2022, with a total of 883 local employees recruited. 13 employees have taken technical positions or management positions under TPV's training. In 2022, TPV continued to sponsor and donate RMB 300,000 for the "Practical Skills Training program for Rural Revitalization in Hongxing Village" in Guanghe County, helping people get decent and productive job opportunities and skills to contribute to regional socioeconomic development.



>> Provide Job Opportunities for Local Talents in Guanghe County

*"In 2022, with the support of TPV, the practical skills training base Program for rural revitalization in Hongxing Village entered the construction stage. The project is the key element to establish the model village of rural revitalization in Hongxing Village, improve the quality of the village's labor force, and promote the stable growth of local villagers' income and wealth. After the completion of the program, it is expected to thoroughly promoting practical skills education in the village, strengthen the capacity of rural public services, and improve the capacities of local talents and organizations."*

*-- Ministry of Organization of Guanghe County, Linxia Hui Autonomous Region, Gansu Province*

## Education charities

### Support of education in Xinjiang

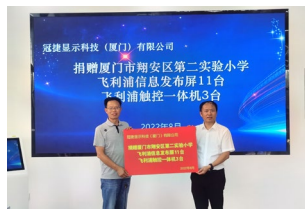
Xinjiang student aiding program is a long-term one-on-one education charity program launched by TPV in 2016. In June 2022, Xinjiang student aiding program celebrated the graduation of the students. 46 TPV employees wrote letters, recorded videos, and prepared "International Children's Day" gifts for their sponsored students. TPV also donated 10 sets of AOC 75-inch whiteboard teaching display to the No. 2 Primary School in Gashi County and set up TPV Technology Scholarship to continuously support education in impoverished areas.



>> The Graduation Ceremony of 2016 Xinjiang Student Aiding Program

### Upgrading teaching facilities for communication

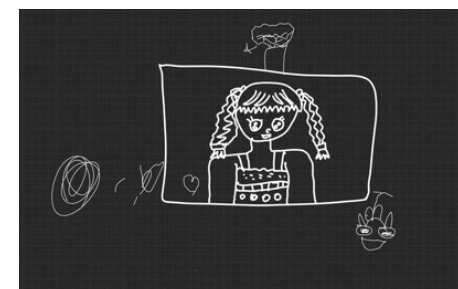
TPV has always believed that improving education is an important path to achieving sustainable development in China, and has been actively involved in social education. In August 2022, TPV Xiamen donated 11 sets of Philips Information Displays and 3 sets of All-in-One Touch Machines to the Li'an Campus of No.2 Experimental Primary School of Xiang'an District, Xiamen. These displays will be used for the promotion of campus culture in the administrative corridor, the release of event notices, and the display of students' works, which helps develop a modernized school.



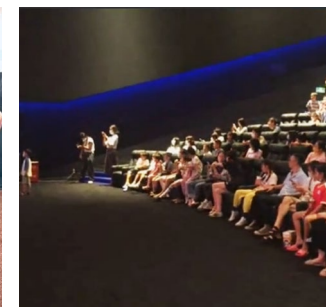
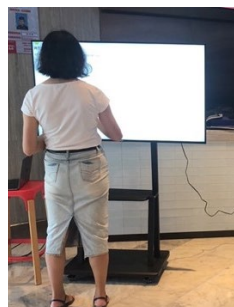
>> Donation Ceremony

### Interactive displays supporting children's filmmaking dreams

In August 2022, we provided professional display equipment such as whiteboards to support the creation of films for the children's filmmaking season program. With real-time interactive hand-drawing and display functions of the whiteboard, we combined the film and animation split-screen class and script storytelling, offering children better technology for filmmaking.



>> Children Using the Whiteboard for Creation in the "Film and Animation Split-screening Class"



>> Children Creating and Sharing Story Frameworks on the Devices

## Community engagement

### Promoting dialogs with community for shared development

In July 2022, the "Industrial Forum of Xiamen High-Tech Zone - Visit TPV Technology" was hosted by the Industry Federation of Xiamen Torch Development Zone for High Technology, the Association of Xiamen High-Level Talents, and Alashan SEE Bamin Project Center. TPV Xiamen shared achievements and exchanged views with attendees from associations, enterprises, and NGOs. The event built a bridge for promoting collaboration with local enterprises and talents to facilitate better engagement in industries and community development.



>> Event Participants

### TPV employees donated blood to take social responsibility

In 2022, together with Xiamen Central Blood Station and Xiangan Red Cross, TPV jointly organized a blood donation and emergency rescue activity called "Legacy of Love, Blood for Social Good." 140 volunteers participated in the activity and donated 27,800 ml of blood in total. In the meantime, volunteers learned cardiopulmonary resuscitation (CPR), automated external defibrillator (AED) operation, and other common first aid skills on the site. TPV Fuqing organized blood donation activities this year as well and continuously contribute to society.



>> TPV Xiamen Blood Donation

## Social donation

### Donating supplies healthcare workers to show our concerns

In 2022, TPV and CoWealth Medical Group donated 500 sets of Philips A7306 Bluetooth headphones and 500 sets of Philips A6606 Bluetooth headphones to Ruijin Hospital and Minhang District Central Hospital in Shanghai respectively to convey the gratitude to the healthcare workers.



>> Donation of Supplies



>> TPV Fuqing Blood Donation

## Contributing to Overseas Communities

As a global company, TPV values and continues to promote the communication and engagement of overseas communities. We contribute to the well-being and sustainable development of local communities through various projects such as cultural exchange, environmental protection, medical and health care, and public education.



>> TPV Cares (TPV's Overseas Community Care Program)

### Environmental protection

TPV is engaged in various environmental protection activities to help overseas communities with biodiversity conservation and ecological restoration through financial donations and technical support.

#### Filming a nature documentary to unveil the beauty of nature

TPV shares the belief of "Know better to protect better" held by The Explorers, a partner of the UNESCO. Through promoting the visibility of natural landscapes and raising awareness of preserving the Earth's natural, cultural, and human heritage, TPV aims to create a positive environmental impact. In 2022, we captured the natural wonders at Martinique and broadcast them in high definition on Philips' Ambilight 4K TVs.



>> Natural Scenery of Martinique

#### Supporting Red Cross projects on typhoon relief

Each year, the Philippines face approximately 20 tropical typhoons that cause incredible damage and human suffering. This year, we started to support a Red Cross project in the city of Tacloban with such a preventive focus. The project aims to support approximately 30,000 people living in the target neighborhoods. It includes the training and equipment of over 350 Red Cross volunteers for risk assessment and disaster management, and the construction of an evacuation center. Adding to that, the program includes the set-up of 4 community mangrove nurseries to recover biodiversity and the planting of over 5,000 mangroves to reduce the impact of typhoons on coastal areas.



>> Volunteers Were Planting Mangroves

## Social welfare

We co-operate with partners to enhance the engagement of overseas communities through our products, funding, and volunteer services to promote ecological conservation and the health and well-being of people in overseas communities.

### Sponsoring the sport event Wings for Life World Run

According to the World Health Organization, 250,000 to 500,000 people worldwide suffer from spinal cord injuries every year. As an official partner of the global fundraising running event Wings for Life World Run, TPV has joined forces with employees and customers of Philips audio products to support the research on spinal cord injury and encourage healthier lives for people of all ages. TPV provides an admission ticket to the running event on 8th May 2022 with every purchase of a Philips GO Series headphones. Participation fees and donations go to scientific research to finding a cure to spinal cord injuries.



>> At the World Run Event

### Caring for tinnitus patients by enhancing information accessibility

TPV has been concerned about the health problems caused by tinnitus. As more and more young people are being diagnosed with poor ear health and suffer from tinnitus, we provide support to the Tinnitus Free Foundation. Our aim is to raise awareness and find a global solution for tinnitus patients.



>> Brochure of Tinnitus Free Foundation

### Caring for the refugee community and bringing them joy and hope

TPV shares the mission of KLABU, a non-profit organization that aims to inspire hope and joy in refugee camps with the help of sports, music, and community. In a KLABU club house, Philips TVs and Philips audio products play a variety of recreational activities such as e-sports games and soccer match for refugees, providing joyful moments and comforts.



>> KLABU Club House

### Donating Philips professional displays to prevent vision loss

TPV partners with the Eye Care Foundation in caring for the eye health of people with vision loss worldwide with its own high-tech products. In 2022, we donated Philips professional displays to Vinh Long Eye Hospital in Vietnam to help prevent vision loss by displaying videos, images, and other content that educate patients about the importance of seeking early eye care and preventing vision loss.

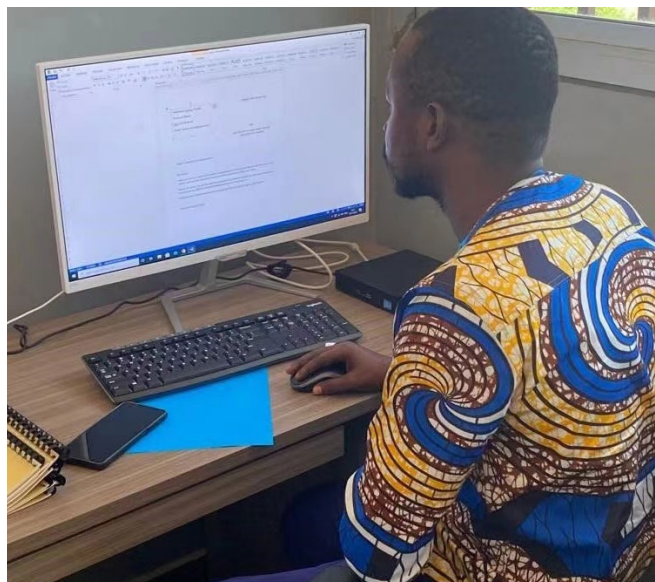


>> Use Philips Professional Display to Demonstrate the Image of Eye Movement

## Social welfare

### Provide training to communities on dental health

In Senegal, TPV works with the non-profit organization Mercy Ships and The Improvement Foundation to run dental clinics and provide professional training for students using Philips displays to address the shortage of local dental professionals and improve access to healthcare resources. In addition, we also provide patients with preventive dental care knowledge to raise health awareness of local people.



>> Students in Training

### Supporting community development and building local culture and education

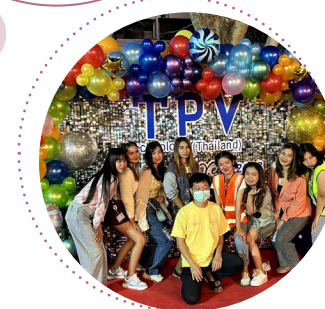
As a part of TPV's goal to support quality education, TPV Brazil has joined forces with the NGO CUFA (Central Unica das Favelas or Slum United Center) to work on projects in education, culture, and sports in the slums. For education, TPV furnished the education center with displays from AOC and Philips to improve educational equipment. In addition, TPV supports the local community "Cai Cai" in São Paulo by organizing cultural and sports events and sponsoring local soccer teams, adding to the cultural development of the local community.



>> Project Posters



>> Participation in Sports Activities



>> Cultural Exchange Overseas

# Appendix

## About This Report

As a responsible international company, TPV Technology Limited (TPV Technology, TPV, we or the company) is committed to incorporating sustainability concepts into our corporate strategies and business models. The *TPV Technology Environmental, Social and Governance Report* (herein after "Report") covers the same reporting period as the Financial Report. Each year, we provide our stakeholders with an all-encompassing disclosure of our sustainability blueprint and progress based on the materiality analysis. Following review and approval by the Board of Directors, the Report was officially released in April 2023. The Report is prepared in both Chinese and English. In case of any ambiguity in the understanding of the two versions, the Chinese version shall prevail.

### Reporting Standards

This Report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards issued by the Global Sustainability Standards Board (GSSB), the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations, and Chapter VIII "Social Responsibility" in the *Business Guidelines of Shenzhen Stock Exchange for Self-discipline Regulation of Listed Companies*, with reference to *Corporate ESG Disclosure Guide social organization standards* as well as the expectations of the company's stakeholders. It also includes our commitments and actions to the United Nations Sustainable Development Goals (SDGs) and presents our endeavors to practice the UN Global Compact (UNGC) Ten Principles.

### Reporting Period and Scope

This Report presents TPV's performance and achievements for the year ended 31 December 2022 (Reporting Period). It is the seventh Environmental, Social and Governance (ESG) Report issued by the company. "TPV Technology Limited" is the only holding subsidiary of the "TPV Technology Co., LTD." and the two implement integrated management. Unless otherwise stated, this Report covers TPV and its 13 manufacturing bases and 5 offices worldwide as well as the assets operated and controlled by TPV globally<sup>36</sup>.

<sup>36</sup> Please refer to TPV Technology Co., LTD. 2021 Annual Report (TPV Technology 2022 Annual Report) for operational entities.

## Data and Third-Party Assurance

Unless otherwise stated, the financial data in this Report are in RMB. The selected performance indicators included in this Report have been assured by a qualified third party. See *Independent Assurance Report* for details.

## Forward-Looking Statements

Some of the statements contained in this Report that are not historical facts are statements of future expectations, including but not limited to expected targets and action plans, climate assumptive scenarios, climate risks and financial impacts. These forward-looking statements are subject to various risks, uncertainties and other uncontrollable factors, which may cause actual results and trends to differ from the forward-looking statements. The company undertakes no obligation to update or assure any statements and unrealized performance.

## Feedback

Thank you for reading this Report. We sincerely appreciate your feedback. If you have any suggestions for improving our sustainability performance, please contact us by email or via the "Contact Us" tool on our website. Our email address is as follows.

Email: [ESG@tpv-tech.com](mailto:ESG@tpv-tech.com)

## ESG Performance

| KPI  | 2022      | 2021      |
|--|-----------|-----------|
| <b>Environment</b>   |           |           |
| <b>Energy</b>  |           |           |
| Gasoline and diesel - stationary combustion (liter)                | 11,407    | 11,353    |
| Gasoline - mobile combustion (liter)                               | 156,839   | 157,590   |
| Diesel - mobile combustion (liter)                                 | 53,654    | 64,957    |
| Natural gas - stationary combustion <sup>1</sup> (m <sup>3</sup> ) | 2,097,274 | 2,009,611 |
| LPG - stationary combustion (ton)                                  | 56        | 60        |
| Total direct energy consumption (MWh)                              | 25,537    | 24,753    |
| Total electricity consumption (MWh)                                | 195,066   | 223,324   |
| self-produced renewable electricity (MWh)                          | 1,137     | 1,324     |
| purchased electricity - renewable technologies (MWh)               | 6,780     | 206       |
| purchased electricity - non-renewable technologies (MWh)           | 187,149   | 221,794   |
| Total indirect energy consumption (MWh)                            | 195,066   | 223,324   |
| Total energy consumption <sup>2</sup> (MWh)                        | 220,603   | 248,077   |
| Total renewable energy consumption <sup>3</sup> (MWh)              | 7,917     | 1,530     |
| <b>Water resource</b>  |           |           |
| Total water withdrawal <sup>4</sup> (ton)                          | 1,720,455 | 1,991,300 |
| water withdrawal - groundwater source (ton)                        | 55,514    | 44,917    |
| water withdrawal - third party source (ton)                        | 1,664,941 | 1,946,383 |
| total water consumption (ton)                                      | 280,579   | 326,361   |
| Intensity of total water consumption (ton/unit)                    | 0.0051    | 0.0056    |
| <b>Material consumption</b>  |           |           |
| Material consumption - Product package (ton)                       | 148,526   | 136,548   |
| paper (ton)  | 94,619    | 65,862    |
| plastic (ton)  | 44,017    | 58,968    |
| wood (ton)   | 9,890     | 11,718    |

| KPI   | 2022      | 2021       |
|---|-----------|------------|
| <b>Greenhouse gases emission</b>  |           |            |
| Total GHG emission of scope 1 and scope 2 - market based <sup>5</sup> (ton CO <sub>2</sub> e) | 128,536   | 154,409    |
| Scope 1 GHG emission <sup>6</sup> (ton CO <sub>2</sub> e)                                     | 9,035     | 9,902      |
| Scope 2 GHG emission - market based <sup>7</sup> (ton CO <sub>2</sub> e)                      | 119,501   | 144,507    |
| Scope 2 GHG emission - location based <sup>8</sup> (ton CO <sub>2</sub> e)                    | 126,019   | 144,593    |
| GHG emission of scope 3 - use of sold products <sup>9</sup> (ton CO <sub>2</sub> e)           | 9,764,451 | 13,571,773 |
| Intensity of GHG emission (ton CO <sub>2</sub> e/unit)  | 0.19      | 0.23       |
| Monitors (ton CO <sub>2</sub> e/unit)   | 0.18      | /          |
| TVs (ton CO <sub>2</sub> e/unit)  | 0.23      | /          |
| <b>Wastewater discharge</b>   |           |            |
| Total wastewater discharge (ton)  | 1,439,876 | 1,651,723  |
| to earth surface (ton)  | 26,980    | 153,678    |
| to third party (ton)  | 1,412,896 | 1,498,045  |
| Wastewater pollutants (ton)   | 259.8     | 439.4      |
| <b>Solid waste<sup>10</sup></b>   |           |            |
| Weight of non-hazardous waste (ton)   | 37,278    | 41,000     |
| recyclable waste <sup>11</sup> (ton)  | 32,911    | 38,118     |
| non-recyclable (ton)  | 4,367     | 2,882      |
| Total hazardous waste <sup>12</sup> (ton)   | 298       | 411        |
| <b>Air emission<sup>13</sup></b>  |           |            |
| NO <sub>x</sub> (ton)   | 3.01      | 1.80       |
| SO <sub>x</sub> (ton)   | 0.04      | 0.74       |
| Particulate matter (ton)  | 26.96     | 12.31      |

| KPI  | 2022   | 2021   |
|--|--------|--------|
| <b>Employee</b>                                  |        |        |
| <b>Employment</b>                                |        |        |
| Total number of employees <sup>14</sup> (person) | 20,552 | 22,734 |
| <b>By gender</b>                                 |        |        |
| Male (person)                                    | 12,655 | 13,856 |
| serve as top management (person)                 | 7      | 8      |
| serve as senior & junior management (person)     | 1,680  | 1,745  |
| serve as operator (person)                       | 10,968 | 12,103 |
| Female (person)                                  | 7,897  | 8,878  |
| serve as top management (person)                 | 1      | 1      |
| serve as senior & junior management (person)     | 703    | 713    |
| serve as operator (person)                       | 7,193  | 8,164  |
| <b>By age</b>                                    |        |        |
| aged under 30 (person)                           | 5,617  | 7,181  |
| aged 30 - 50 (person)                            | 13,505 | 14,218 |
| aged above 50 (person)                           | 1,430  | 1,335  |
| <b>By workforce type</b>                         |        |        |
| direct labor (person)                            | 10,819 | 12,407 |
| in-direct labor (person)                         | 9,733  | 10,327 |
| <b>By geographical region</b>                    |        |        |
| Asia (person)                                    | 15,958 | 17,569 |
| Europe (person)                                  | 2,218  | 3,687  |
| North America (person)                           | 71     | 40     |
| Latin America (person)                           | 2,305  | 1,438  |

| KPI   | 2022                         | 2021      |
|---|------------------------------|-----------|
| <b>Compensation ratio</b>   |                              |           |
| Annual total compensation ratio <sup>15</sup>                     | 94.4                         | /         |
| Change in the annual total compensation ratio <sup>16</sup>       | Not applicable <sup>17</sup> | /         |
| <b>Training and development</b>                                   |                              |           |
| <b>Total training hours</b>                                       |                              |           |
| Total training hours (hour)                                       | 1,006,499                    | 1,010,104 |
| for male (hour)   | 624,771                      | 634,010   |
| for female (hour)   | 381,728                      | 376,094   |
| on environmental issues (hour)                                    | 19,061                       | 23,673    |
| on energy conservation and climate actions (hour)                 | 19,987                       | 4,953     |
| on preventing discrimination and human rights violations (hour)   | 9,032                        | 14,411    |
| on business ethics (hour)   | 33,384                       | 27,191    |
| on health and safety (hour)                                       | 102,923                      | 68,293    |
| <b>Average training hours</b>                                     |                              |           |
| Average per employee (hour)                                       | 49.0                         | 44.4      |
| <b>By gender</b>  |                              |           |
| for male (hour)   | 49.4                         | 45.8      |
| for female (hour)   | 48.3                         | 42.4      |
| <b>Average training hours per employee on topics<sup>18</sup></b> |                              |           |
| on environmental issues (hour)                                    | 0.93                         | 1.04      |
| on energy conservation and climate actions (hour)                 | 0.97                         | 0.22      |
| on preventing discrimination and human rights violations (hour)   | 0.44                         | 0.63      |
| on business ethics (hour)   | 1.62                         | 1.20      |
| on health and safety (hour)                                       | 5.01                         | 3.00      |

| KPI   | 2022   | 2021  |
|---|--------|-------|
| <b>Number of trainees<sup>19</sup></b>  |        |       |
| Total training numbers (person)   | 18,082 | /     |
| on environmental issues (person)  | 15,938 | /     |
| Percentage of training coverage (%)   | 77.55  | /     |
| on energy conservation and climate actions (person)   | 15,138 | /     |
| Percentage of training coverage (%)   | 73.66  | /     |
| on preventing discrimination and human rights violations (person)   | 12,707 | /     |
| Percentage of training coverage (%)   | 61.83  | /     |
| on business ethics (person)   | 14,773 | /     |
| Percentage of training coverage (%)   | 71.88  | /     |
| on health and safety (person)   | 14,800 | /     |
| Percentage of training coverage (%)   | 72.01  | /     |
| <b>Health and safety</b>  |        |       |
| <b>Fatalities<sup>20</sup></b>  |        |       |
| Number of cases (case)  | 0      | 0     |
| Number of work-related fatalities (person)  | 0      | 0     |
| Lost working hours (days)   | 0      | 0     |
| Rate of occurrence <sup>21</sup> (%)  | 0      | 0     |
| <b>Recordable work-related injuries<sup>22</sup></b>  |        |       |
| Number of cases of work-related injuries (case)   | 41     | 79    |
| Total worktime lost (day)   | 7,854  | 2,357 |
| Recordable work-related injuries frequency rate <sup>23</sup> (million work hours)  | 0.99   | 1.74  |
| <b>Human right and welfare</b>  |        |       |
| Percentage of employee representatives in formal joint management-worker health & safety committees (%)   | 1.19   | 1.05  |
| Percentage of employees that are covered by formal collective agreements concerning working conditions <sup>24</sup> (%)                              | 44.72  | 59.84 |
| Percentage of employees selected as official representatives of unions, labor-management meetings or similar company-led committees <sup>25</sup> (%) | 3.82   | 1.08  |
| Percentage <sup>26</sup> of employees that are covered by the health insurance/medical insurance <sup>27</sup> (%)                                    | 97     | 95    |

| KPI                                       | 2022            | 2021  |
|---|-----------------|-------|
| <b>Diversity</b>                          |                 |       |
| <b>Percentage of female employees</b>     |                 |       |
| serve as top management (%)               | 12.50           | 11.11 |
| serve as senior & junior management (%)   | 29.50           | 29.01 |
| serve as operator (%)                     | 39.61           | 40.28 |
| <b>Gender pay ratio</b>                   |                 |       |
| Unadjusted gender pay ratio <sup>28</sup> | 0.75            | /     |
| Direct labor                              | Female          | Male  |
| Mainland China (%)                        |                 |       |
| 1st Quartile (0-25%)                      | 22.89           | 77.11 |
| 2nd Quartile (25-50%)                     | 36.24           | 63.76 |
| 3rd Quartile (50-75%)                     | 41.52           | 58.48 |
| 4th Quartile (75-100%)                    | 51.89           | 48.11 |
| Hong Kong, Macao and Taiwan (%)           | No Direct labor | /     |
| Europe (%)                                |                 |       |
| 1st Quartile (0-25%)                      | 35.91           | 64.09 |
| 2nd Quartile (25-50%)                     | 49.55           | 50.45 |
| 3rd Quartile (50-75%)                     | 69.41           | 30.59 |
| 4th Quartile (75-100%)                    | 69.34           | 30.66 |
| In-direct labor                           | Female          | Male  |
| Mainland China (%)                        |                 |       |
| 1st Quartile (0-25%)                      | 25.33           | 74.67 |
| 2nd Quartile (25-50%)                     | 38.05           | 61.95 |
| 3rd Quartile (50-75%)                     | 42.91           | 57.09 |
| 4th Quartile (75-100%)                    | 56.36           | 43.64 |
| Hong Kong, Macao and Taiwan (%)           |                 |       |
| 1st Quartile (0-25%)                      | 19.99           | 80.01 |
| 2nd Quartile (25-50%)                     | 18.90           | 81.10 |

| KPI   | 2022  | 2021  |   |
|---|-------|-------|---|
| 3rd Quartile (50-75%)   | 28.32 | 71.68 | / |
| 4th Quartile (75-100%)  | 41.18 | 58.82 | / |
| Europe (%)  |       |       | / |
| 1st Quartile (0-25%)  | 17.51 | 82.49 | / |
| 2nd Quartile (25-50%)   | 31.65 | 68.35 | / |
| 3rd Quartile (50-75%)   | 45.93 | 54.07 | / |
| 4th Quartile (75-100%)  | 54.15 | 45.85 | / |
| <b>Percentage of minority employees<sup>29</sup></b>          |       |       |   |
| for top management (%)  |       | 0     | / |
| for management (%)  |       | 0.965 | / |
| for operators (%)   |       | 4.020 | / |
| <b>Percentage of employees with disabilities<sup>30</sup></b> |       |       |   |
| for top management (%)  |       | 0     | / |
| for management (%)  |       | 0.084 | / |
| for operators (%)   |       | 0.231 | / |
| <b>Supply Chain</b>   |       |       |   |
| <b>Number of production suppliers<sup>31</sup></b>            |       |       |   |
| Asia (number)   | 692   | 655   |   |
| Europe (number)   | 41    | 72    |   |
| North America (number)  | 19    | 21    |   |
| Latin America (number)  | 30    | 22    |   |
| <b>Number of non-production suppliers</b>                     |       |       |   |
| Asia (number)   | 2,068 | 3,853 |   |
| Europe (number)   | 1,190 | 1,184 |   |
| North America (number)  | 227   | 219   |   |
| Latin America (number)  | 965   | 865   |   |

| KPI  | 2022      | 2021      |
|--|-----------|-----------|
| <b>Customer</b>  |           |           |
| Own brands   |           |           |
| Total number of justified compliant - on the matter of other product issues (case) | 32        | 41        |
| on the matter of other product issues (case)                                       | 26        | 37        |
| related to customer health and safety (case)                                       | 0         | 0         |
| other (case)   | 26        | 37        |
| on the matter of other service issues (case)                                       | 6         | 4         |
| related to customer privacy security (case)  | 0         | 0         |
| other (case)   | 6         | 4         |
| Percentage of closed complaints (%)  | 100       | 100       |
| <b>Certificates<sup>32</sup></b>   |           |           |
| ISO 14001 (number)   | 12        | 11        |
| ISO 27001 (number)   | 2         | 1         |
| ISO 45001 (number)   | 9         | 8         |
| ISO 50001 (number)   | 3         | 1         |
| RBA VAP (number)   | 7         | 4         |
| Coverage of ISO 14001 (%)  | 92        | 85        |
| Coverage of ISO 27001 (%)  | 15        | 8         |
| Coverage of ISO 45001 (%)  | 69        | 62        |
| Coverage of ISO 50001 (%)  | 23        | 8         |
| Coverage of RBA VAP (%)  | 54        | 31        |
| <b>Charity</b>   |           |           |
| Donation amount (RMB)  | 4,296,560 | 1,480,700 |

1. 12,884 m<sup>3</sup> of natural gas has been offset in the form of carbon sinks purchased by third parties.
2. The total energy consumption is the total consumption of gasoline and diesel (stationary combustion), gasoline (mobile combustion), diesel (mobile combustion), natural gas (stationary combustion), LPG (stationary combustion) and electricity consumed by the 13 manufacturing bases, 5 main offices and operation sites, and is accounted for in accordance with the National Standard of the *People's Republic of China General Rules for Calculation of the Comprehensive Energy Consumption (GB/T 2589-2020)* and the *International Energy Agency's Energy Statistics Manual*.
3. Total renewable energy consumption is the total renewable energy consumption of the 13 manufacturing bases, 5 main offices and operation sites. The renewable energy mainly including self-produced renewable electricity and purchased renewable electricity.
4. Total water withdrawals are the total annual abstraction from 13 manufacturing bases, 5 main offices and operation sites.
5. Total GHG emissions of scope 1 and scope 2 - market based are the GHG emissions from direct energy and refrigerant consumption (Scope 1) and GHG emissions from indirect energy consumption (Scope 2 - market based) from 13 manufacturing bases, 5 main offices and operation sites.
6. Methodology: Using the operational control approach to determine the scope of emissions, GHG emissions (Scope 1) are the GHG emissions from gasoline and diesel (stationary combustion), gasoline (mobile combustion), diesel (mobile combustion), natural gas (stationary combustion), LPG (stationary combustion) fossil fuels and the use of refrigerants consumed at 13 manufacturing bases, 5 main offices and operation sites, which consist primarily of the following GHGs: carbon dioxide, methane, nitrous oxide and HCFC-22, HCFC-123, HFC-32, R-134a, R-404a, R-410a. The accounting of GHG is based on Global Warming Potential (GWP) in the *IPCC Sixth Assessment Report ("AR6")*, the *Guidelines for the Preparation of Provincial Greenhouse Gas Inventories (Trial)*, the *2006 IPCC Guidelines for National Greenhouse Gas Inventories* by the Intergovernmental Panel on Climate Change (IPCC) and the *National Standard of the People's Republic of China General Rules for Calculation of the Comprehensive Energy Consumption (GB/T 2589-2020)*.
7. Methodology: Using the operational control approach to determine the scope of accounting, GHG emissions (Scope 2 - market based) are defined as GHG emissions from indirect energy consumption consumed at 13 manufacturing bases, 5 main offices and operation sites, considering the offsets from unbundled energy attribute certificates in the accounting of purchased non-renewable electricity, referenced to the *Green Gas Protocol*. Emission factors for purchased electricity for plants in Mainland China refer to the *2011 and 2012 China Regional Grid Average CO<sub>2</sub> Emission Factors*, for Hong Kong, China refer to the factors published in the *CLP 2021 Sustainability Report*, and for Taiwan, China and overseas plants refer to the International Energy Agency (IEA) database.
8. Methodology: Using the operational control approach to determine the scope of accounting, GHG emissions (Scope 2 - location based) are GHG emissions from indirect energy consumption consumed at 13 manufacturing bases, 5 main offices and operation sites, including GHG from purchased renewable electricity and purchased non-renewable electricity referenced to the *Greenhouse Gas Protocol*. Emission factors for purchased electricity for plants in Mainland China refer to the *2011 and 2012 China Regional Grid Average CO<sub>2</sub> Emission Factors*, for Hong Kong, China refer to the factors published in the *CLP 2021 Sustainability Report*, and for Taiwan, China and overseas plants refer to the International Energy Agency (IEA) database.
9. Methodology: GHG emissions (Scope 3, Category 11 - Use of sold product) are calculated according to the *Greenhouse Gas Protocol*, focusing on lifetime expected energy footprint for all monitors and TVs sold products during the reporting year. This figure is then multiplied by a published grid emissions factor of the year. The emissions factor mainly refers to the International Energy Agency (IEA) database and International Financial Institutions (IFI) Grid Factors (IFI factors is introduced to the calculations this year).
10. Solid waste generated by the company will be handed over to qualified third-party providers for processing and recycling and will not be directly discharged into the environment.
11. Recyclable solid waste refers to waste recycled by qualified third-party providers.
12. All hazardous waste of the company will be handed over to qualified third-party providers for disposal in strict accordance with local laws and regulations.
13. The scope of air emission data has been corrected and expanded, resulting in an increase in emission for 2022.
14. Total number of employees refers to the total number of all regular employees with employment contracts.
15. Annual total compensation ratio = Annual total compensation of the highest-paid individual / Median annual total compensation of all employees (excluding the highest-paid individual). The scope of data refers to Mainland China, Hong Kong, Macao and Taiwan China and Europe.
16. Change in the annual total compensation ratio = Percentage increase for annual total compensation of the highest-paid individual / Median percentage increase for annual total compensation of all employees (excluding the highest-paid individual). The scope of data refers to Mainland China, Hong Kong, Macao and Taiwan China and Europe.
17. The annual total compensation of the highest-paid individual decreased this year.
18. Average training hours per employee on topics = Total training hours on topics / Total number of employees.
19. The statistical unit is updated from "Number of training person times" to "Number of training person" to further improve the quality of disclosure.
20. The data is based on TPV's 13 manufacturing bases.
21. Rate of fatalities = fatalities / number of regular employees.
22. The data is based on TPV's 13 manufacturing bases.
23. Recordable work-related injuries frequency rate (million work hours) = total number of work-related injury cases \* 1,000,000 / number of regular employees \* 2,000 (The data name changed from "Lost time injury (LTI) frequency rate" to "Recordable work-related injuries frequency rate (million work hours)" with the same calculation method).
24. The agreement includes but is not limited to salary, working hours, holidays, etc.
25. 100% of the total workforce is covered by formally-elected employee representatives.
26. Percentage of employees that are covered by the health insurance/ medical insurance = number of employees covered by health or medical insurance / number of regular employees.
27. Health insurance / medical insurance includes but is not limited to medical insurance programs initiated by local government, supported by commercial institutions, or reimbursed by the company.
28. This data is the unadjusted gender pay gap, regardless of management level, grade, position, function, etc., based on the ratio of male, including employees in mainland China, Hong Kong, Macao, Taiwan China and Europe.
29. The scope of the data only refers to Mainland China.
30. The scope of the data only refers to Mainland China.
31. Including suppliers of optical materials, plastics, electronic components, and other production materials.
32. The number of certificates is the number of manufacturing bases holding certificates among 13 manufacturing bases and the certification coverage is the percentage of certificates coverage at 13 manufacturing bases.

## GRI Content Index

|                         |   |
|-------------------------|---|
| <b>Statement of use</b> | TPV Technology has reported the information cited in this GRI content index for the reporting period of 2022 with reference to the GRI Standards. |
| <b>GRI 1 used</b>       | GRI 1: Foundation 2021  |

| GRI standard  | Topic disclosure   | Location   |                              |
|---|--|--|------------------------------|
| <b>GRI 2:</b><br>The organization and its reporting practices | 2-1 Organizational details   | About TPV  |                              |
|   | 2-2 Entities included in the organization's sustainability reporting             | About This Report  |                              |
|   | 2-3 Reporting period, frequency and contact point                                | About This Report  |                              |
|   | 2-4 Restatements of information  | No restatements of information   |                              |
|   | 2-5 External assurance   | Independent Assurance Report   |                              |
| <b>GRI 2:</b><br>Activities and workers                       | 2-6 Activities, value chain and other business relationships                     | About TPV<br>Responsible Supply Chain Management                       |                              |
|   | 2-7 Employees  | ESG Performance  |                              |
|   | 2-8 Workers who are not employees  | Not applicable   |                              |
| <b>GRI 2:</b><br>Governance                                   | 2-9 Governance structure and composition   | Corporate Governance<br>TPV Technology 2022 Annual Report              |                              |
|   | 2-10 Nomination and selection of the highest governance body                     | Corporate Governance<br>TPV Technology 2022 Annual Report              |                              |
|   | 2-11 Chair of the highest governance body  | Corporate Governance<br>TPV Technology 2022 Annual Report              |                              |
|   | 2-12 Role of the highest governance body in overseeing the management of impacts | Anchoring on a Better Future   |                              |
|   | 2-13 Delegation of responsibility for managing impacts                           | Anchoring on a Better Future   |                              |
|   | 2-14 Role of the highest governance body in sustainability reporting             | Anchoring on a Better Future   |                              |
|   | 2-15 Conflicts of interest   | Compliance and Risk Management<br>TPV Technology 2022 Annual Report    |                              |
|   | 2-16 Communication of critical concerns  | Anchoring on a Better Future   |                              |
|   | 2-17 Collective knowledge of the highest governance body                         | Talent Development   |                              |
|   | 2-18 Evaluation of the performance of the highest governance body                | Anchoring on a Better Future   |                              |
|   | 2-19 Remuneration policies   | Anchoring on a Better Future<br>TPV Technology 2022 Annual Report      |                              |
|   | 2-20 Process to determine remuneration   | TPV Technology 2022 Annual Report                                      |                              |
|   | 2-21 Annual total compensation ratio   | ESG Performance  |                              |
|   | <b>GRI 2:</b><br>Strategy, policies and practices                                | 2-22 Statement on sustainable development strategy                     | Anchoring on a Better Future |
|   |  | 2-23 Policy commitments  | Anchoring on a Better Future |
| 2-24 Embedding policy commitments                             |  | Responsible Supply Chain Management<br>Diversity and Inclusive Culture |                              |

| GRI standard                                      | Topic disclosure  | Location   |
|---|---|--|
| <b>GRI 2:</b><br>Strategy, policies and practices | 2-25 Processes to remediate negative impacts  | Responsible Supply Chain Management<br>Diversity and Inclusive Culture |
|   | 2-26 Mechanisms for seeking advice and raising concerns   | Anchoring on a Better Future   |
|   | 2-27 Compliance with laws and regulations   | No major violations occurred   |
|   | 2-28 Membership associations  | About TPV  |
| <b>GRI 2:</b><br>Stakeholder engagement           | 2-29 Approach to stakeholder engagement   | Anchoring on a Better Future   |
| <b>GRI 3:</b><br>Disclosures on material topics   | 2-30 Collective bargaining agreements   | Diversity and Inclusive Culture  |
|   | 3-1 Process to determine material topics  | Anchoring on a Better Future   |
| <b>Climate and Energy</b>                         | 3-2 List of material topics   | Anchoring on a Better Future   |
|   | <b>GRI 3:</b><br>Disclosures on material topics   | 3-3 Management of material topics                                      |
| <b>GRI 302:</b><br>Energy 2016                    | 302-1 Energy consumption within the organization  | ESG Performance  |
|   | 302-2 Energy consumption outside of the organization  | ESG Performance  |
|   | 302-3 Energy intensity  | ESG Performance  |
|   | 302-4 Reduction of energy consumption   | Energy Management and Efficiency Improvement                           |
|   | 302-5 Reductions in energy requirements of products and services  | Energy Management and Efficiency Improvement                           |
| <b>GRI 305:</b><br>Emissions 2016                 | 305-1 Direct (Scope 1) GHG emissions  | ESG Performance  |
|   | 305-2 Energy indirect (Scope 2) GHG emissions   | ESG Performance  |
|   | 305-3 Other indirect (Scope 3) GHG emissions  | ESG Performance  |
|   | 305-4 GHG emissions intensity   | ESG Performance  |
|   | 305-5 Reduction of GHG emissions  | Disclosure of Climate-Related Information                              |
|   | 305-6 Emissions of ozone-depleting substances (ODS)   | Not applicable   |
|   | 305-7 Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ), and other significant air emissions | ESG Performance  |
| <b>Green Product and Packages</b>                 |   |  |
| <b>GRI 3:</b><br>Disclosures on material topics   | 3-3 Management of material topics   | Emissions Management and Circularity                                   |
| <b>GRI 301:</b> Materials 2016                    | 301-1 Materials used by weight or volume  | ESG Performance  |
| <b>GRI 303:</b><br>Water and Effluents 2018       | 303-1 Interactions with water as a shared resource  | Emissions Management and Circularity                                   |
|   | 303-2 Management of water discharge-related impacts   | Emissions Management and Circularity                                   |
|   | 303-3 Water withdrawal  | ESG Performance  |
|   | 303-4 Water discharge   | ESG Performance  |
|   | 303-5 Water consumption   | ESG Performance  |

| GRI standard  | Topic disclosure  | Location   |
|---|---|--|
| <b>GRI 306:</b><br>Waste 2020                             | 306-1 Waste generation and significant waste-related impacts  | Emissions Management and Circularity                           |
|   | 306-2 Management of significant waste-related impacts   | Emissions Management and Circularity                           |
|   | 306-3 Waste generated   | ESG Performance  |
|   | 306-4 Waste diverted from disposal  | Emissions Management and Circularity                           |
|   | 306-5 Waste directed to disposal  | Not applicable   |
| <b>Product Quality and Safety</b>                         |   |  |
| <b>GRI 3:</b><br>Disclosures on material topics           | 3-3 Management of material topics   | Product Quality and Safety<br>Customer Relationship Management |
| <b>GRI 416:</b><br>Customer Health and Safety 2016        | 416-1 Assessment of the health and safety impacts of product and service categories                 | Product Quality and Safety                                     |
|   | 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services | ESG Performance  |
| <b>Data Security &amp; Customer Privacy Protection</b>    |   |  |
| <b>GRI 3:</b><br>Disclosures on material topics           | 3-3 Management of material topics   | Compliance and Risk Management                                 |
| <b>GRI 418:</b><br>Customer Privacy 2016                  | 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data  | Compliance and Risk Management                                 |
| <b>Sustainable Supply Chain</b>                           |   |  |
| <b>GRI 3:</b><br>Disclosures on material topics           | 3-3 Management of material topics   | Responsible Supply Chain Management                            |
| <b>GRI 308:</b><br>Supplier Environmental Assessment 2016 | 308-1 New suppliers that were screened using environmental criteria                                 | Responsible Supply Chain Management                            |
| <b>GRI 414:</b><br>Supplier Social Assessment 2016        | 414-1 New suppliers that were screened using social criteria  | Responsible Supply Chain Management                            |
| <b>Health and Safety</b>                                  |   |  |
| <b>GRI 3:</b><br>Disclosures on material topics           | 3-3 Management of material topics   | Safe and Sound Workplace                                       |
| <b>GRI 403:</b><br>Occupational Health and Safety 2018    | 403-1 Occupational health and safety management system  | Safe and Sound Workplace                                       |
|   | 403-2 Hazard identification, risk assessment, and incident investigation                            | Safe and Sound Workplace                                       |
|   | 403-3 Occupational health services  | Safe and Sound Workplace                                       |
|   | 403-4 Worker participation, consultation, and communication on occupational health and safety       | Safe and Sound Workplace                                       |
|   | 403-5 Worker training on occupational health and safety   | Safe and Sound Workplace                                       |

| GRI standard   | Topic disclosure   | Location   |
|--|--|--|
| <b>GRI 403:</b><br>Occupational Health and Safety 2018                   | 403-6 Promotion of worker health   | Safe and Sound Workplace   |
|  | 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships  | Safe and Sound Workplace<br>Product Quality and Safety   |
|  | 403-8 Workers covered by an occupational health and safety management system   | ESG Performance  |
|  | 403-9 Work-related injuries  | ESG Performance  |
|  | 403-10 Work-related ill health   | ESG Performance  |
| <b>Human and Labor Rights</b>  |  |  |
| <b>GRI 3:</b><br>Disclosures on material topics                          | 3-3 Management of material topics  | Compliance and Risk Management<br>Responsible Supply Chain Management<br>Diversity and Inclusive Culture |
| <b>GRI 405:</b><br>Diversity and Equal Opportunity 2016                  | 405-1 Diversity of governance bodies and employees   | ESG Performance  |
|  | 405-2 Ratio of basic salary and remuneration of women to men   | ESG Performance  |
| <b>GRI 406:</b><br>Non-discrimination 2016                               | 406-1 Incidents of discrimination and corrective actions taken   | Diversity and Inclusive Culture  |
| <b>GRI 407:</b><br>Freedom of Association and Collective Bargaining 2016 | 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | Responsible Supply Chain Management<br>Diversity and Inclusive Culture                                   |
| <b>GRI 408:</b><br>Child Labor 2016                                      | 408-1 Operations and suppliers at significant risk for incidents of child labor                                      | Responsible Supply Chain Management<br>Diversity and Inclusive Culture                                   |
| <b>GRI 409:</b><br>Forced or Compulsory Labor 2016                       | 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor                       | Responsible Supply Chain Management<br>Diversity and Inclusive Culture                                   |
| <b>GRI 418:</b><br>Customer Privacy 2016                                 | 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data                   | Compliance and Risk Management   |
| <b>Business Ethics and Compliance</b>                                    |  |  |
| <b>GRI 3:</b><br>Disclosures on material topics                          | 3-3 Management of material topics  | Compliance and Risk Management   |
| <b>GRI 205:</b><br>Anti-corruption 2016                                  | 205-1 Operations assessed for risks related to corruption  | Compliance and Risk Management   |
|  | 205-2 Communication and training about anti-corruption policies and procedures                                       | Responsible Supply Chain Management<br>Compliance and Risk Management<br>ESG Performance                 |
|  | 205-3 Confirmed incidents of corruption and actions taken  | Compliance and Risk Management   |

# Independent Assurance Report

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## Independent practitioner's assurance report

*English Translation for Reference Only*

To the Board of Directors of TPV Technology Limited

We have been engaged to perform a limited assurance engagement on the selected 2022 key data as defined below in the 2022 Environmental, Social and Governance Report ("ESG report") of TPV Technology Limited (the "Company").

### Selected key data

The selected key data in the Company's 2022 ESG Report that is covered by this report is as follows:

- Total renewable energy consumption (MWh)
- Total energy consumption (MWh)
- Scope 1 GHG emission (ton CO<sub>2</sub>e)
- Scope 2 GHG emission – location based (ton CO<sub>2</sub>e)
- Scope 2 GHG emission – market based (ton CO<sub>2</sub>e)
- Total GHG emission of scope 1 and scope 2 - market based (ton CO<sub>2</sub>e)
- Total water withdrawal (ton)
- Total number of employees (person)
- Number of cases of work-related injuries (case)
- Number of work-related fatalities (person)
- ISO 14001 (number)
- ISO 27001 (number)
- ISO 45001 (number)
- ISO 50001 (number)
- Coverage of ISO 14001 (%)
- Coverage of ISO 27001 (%)
- Coverage of ISO 45001 (%)
- Coverage of ISO 50001 (%)
- Average training hours per employee on topics
  - on energy conservation and climate actions (hour)
  - on business ethics (hour)
  - on health and safety (hour)

Our assurance was with respect to the year ended 31 December 2022 information only and we have not performed any procedures with respect to earlier periods or any other elements included in the 2022 ESG Report.

### Criteria

The criteria used by the Company to prepare the selected key data in the 2022 ESG report is set out in the footnote to the chapter of "ESG Performance" of the Company's 2022 ESG report (the "basis of reporting").

## The Board of Directors' Responsibilities

The Board of Directors of the Company is responsible for the preparation of the selected key data in the 2022 ESG report in accordance with the basis of reporting. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation of the selected key data in the 2022 ESG report that is free from material misstatement, whether due to fraud or error.

## Our Independence and Quality Management

We have complied with the independence and other ethical requirement of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## Practitioner's Responsibilities

It is our responsibility to express a conclusion on the selected key data in the 2022 ESG report based on our work.

We conducted our work in accordance with the International Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information". This standard requires that we plan and perform our work to form the conclusion.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance opinion about whether the Company's 2022 selected key data in the 2022 ESG report has been prepared, in all material respects, in accordance with the basis of reporting. Our work involves assessing the risks of material misstatement of the selected key data in the 2022 ESG report whether due to fraud or error, and responding to the assessed risks. The extent of procedures selected depends on our judgment and assessment of the engagement risk. Within the scope of our work, we have performed the following procedures in the Headquarter of the Company, the Fuqing manufacturing base, and Wuhan manufacturing base (we have not conducted work on other locations):

- 1) Interviews with relevant departments of the Company involved in providing information for the selected key data within the ESG Report; and
- 2) Analytical procedure;
- 3) Examination, on a test basis, of documentary evidence relating to the selected key data on which we report;
- 4) Recalculation; and
- 5) Other procedures deemed necessary.

## Independent Assurance Report

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### **Inherent Limitation**

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities.

### **Conclusion**

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the 2022 selected key data in the 2022 ESG report is not prepared, in all material respects, in accordance with the basis of reporting.

### **Restriction on Use**

Our report has been prepared for and only for the board of directors of the Company and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the content of this report.

### **PricewaterhouseCoopers Zhong Tian LLP**

Shanghai, China

April 27, 2022

## Reader Feedback Form

Thank you for reading the *TPV Technology 2022 Environmental, Social and Governance Report*. In order to provide more valuable information to stakeholders and improve our sustainable development, we sincerely invite you to provide valuable opinions and suggestions on this report.

Which of the following categories of stakeholder do you belong to?

- Board members and senior managements
- Employees
- Clients or customers
- Shareholders or potential investors
- Suppliers or business partners
- Community and public
- Government
- Others, please explain \_\_\_\_\_

| Question   | Score                         |                               |                                  |
|--|-------------------------------|-------------------------------|----------------------------------|
| Your overall evaluation of the Report  | <input type="checkbox"/> Good | <input type="checkbox"/> Fair | <input type="checkbox"/> General |
| Your evaluation of TPV's performance of social and environmental responsibilities  | <input type="checkbox"/> Good | <input type="checkbox"/> Fair | <input type="checkbox"/> General |
| Do you think this Report reflects the impact of TPV's social responsibility practices on the economy, society and environment? | <input type="checkbox"/> Good | <input type="checkbox"/> Fair | <input type="checkbox"/> General |
| Do you think the logic arrangement, language and layout design of the Report is accurate and easy to read?                     | <input type="checkbox"/> Good | <input type="checkbox"/> Fair | <input type="checkbox"/> General |

1. Is there any issues you concerned about has not yet been disclosed in this Report?

2. Your other comments and suggestions on the TPV and this Report:

In addition to feedback in paper form, you are also welcome to send your feedback suggestions to [ESG@tpv-tech.com](mailto:ESG@tpv-tech.com), thank you for your feedback and valuable time!

## Acknowledgements

**This Report has been prepared under the guidance of the Risk Management and ESG Committee**

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