

**TPV**  
VISION INNOVATOR

**冠捷科技**  
用心專注 領航視界



**Environmental,  
Social and  
Governance (ESG)  
Report 2021**

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## Message from Chairman

In 2021, the global society faced challenges from extreme weather events, public health crises, and serious economic situations, which enhanced our understanding that as a responsible company, TPV's mission does not only lie in business success and winning products. As an important member of society and the ecosystem, TPV shall join the endeavour to promote the sustainable harmony among humanity, society and nature. In 2021, TPV made outstanding achievements in business operation and sustainable development thanks to the diligence and dedication of each employee and the joint efforts of value chain partners. We hereby officially release the *TPV 2021 Environmental, Social and Governance Report* to share our sustainability achievements with all stakeholders.

In 2021, we were recognised as a global leader and awarded an A- score in Carbon Disclosure Project (CDP)'s Supplier Engagement Rating. We also obtained a B ranking in the CDP climate change and water security questionnaire. In addition, we joined the Science Based Targets initiative (SBTi), committing to reducing Scope 1 emissions and Scope 2 emissions by 42%, and reducing Scope 3 emissions from the use of sold products by at least 42% by 2030 from 2020. It is the first public commitment we made to respond to the carbon neutrality goal of China. Moving forward, we will take continuous steps to foster our awareness and strengthen our management protocols of low-carbon operation, actively promoting the transition to a low-carbon supply chain.

In 2021, our audio and video products received

numerous accolades from customers. Our TV products received 19 prestigious awards such as the iF Design Award and Red Dot Design Award. Our audio products also received 33 industry awards. These outstanding achievements are attributable to our commitment to high-quality, technology-driven development. In addition, following the ESG trends in the new era, we emphasising on both product innovation and environmental protection.

In 2021, we sought opportunities amid crises. We drew on digital transformation as the principal driver of our upgrading and innovation and achieved preliminary results. We implemented digital transformation in customer service, manufacturing, and other business procedures. Cutting-edge digital and artificial intelligence systems effectively improved the quality of our products and services.

At TPV, we believe that there is no defeat with the strength of unity. The sustainable development of a company is inseparable from stakeholder engagement and cooperation. Environmental protection is an everyday duty. We encourage our employees to conscientiously protect the environment, save natural resources, build their awareness of energy conservation, reduce food waste, foster an eco-friendly lifestyle, incorporate the concept of sustainable development into their daily life, and build a green home with all walks of life. In the post-pandemic era, we strive to ensure the health and safety of our employees by creating a safe, comfortable, and enjoyable workplace.

The year of 2022 is expected to see more resilient ESG development amid gradual global economic recovery. TPV is willing to corroborate our belief to catalyse the progress with indomitable perseverance and determination, incorporating ESG concepts into our corporate strategies and business models, advancing in sustainability goals through action, continuously supporting the UN Global Compact (UNG) Ten Principles. to drive the sustainable development of the industry.



**Dr. Jason Hsuan**

Chairman and General Manager of TPV | Chairman of ESG Committee



## About this Report

As a responsible international company, TPV Technology Limited (TPV Technology, TPV, we or the Group) is committed to incorporating sustainability goals into our corporate strategies and business models. The *TPV 2021 Environmental, Social and Governance Report* (Report) provides an all-encompassing disclosure of our sustainable development blueprint and progress to stakeholders. We performed a comprehensive materiality analysis on a series of sustainability issues and determined the content and topics in this Report on the basis of the analytical results.

### ● Reporting Standards

This Report was prepared in accordance with the GRI Standards - Core option issued by the Global Sustainability Standards Board (GSSB), *Shenzhen Stock Exchange Guidelines for Social Responsibility of Listed Companies* and the demands of stakeholders. It also includes our commitments and actions to the United Nations Sustainable Development Goals (SDGs) and presents our endeavours to address the UN Global Compact (UNGC) Ten Principles.

### ● Reporting Period and Scope

This Report showcases our performance and achievements for the year ended December 31, 2021 (reporting period). It is the sixth Environmental, Social and Governance (ESG) Report issued by TPV. Unless otherwise stated, this Report covers all subsidiaries of TPV worldwide.

### ● 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 third party. See *Independent Assurance Report* for details.

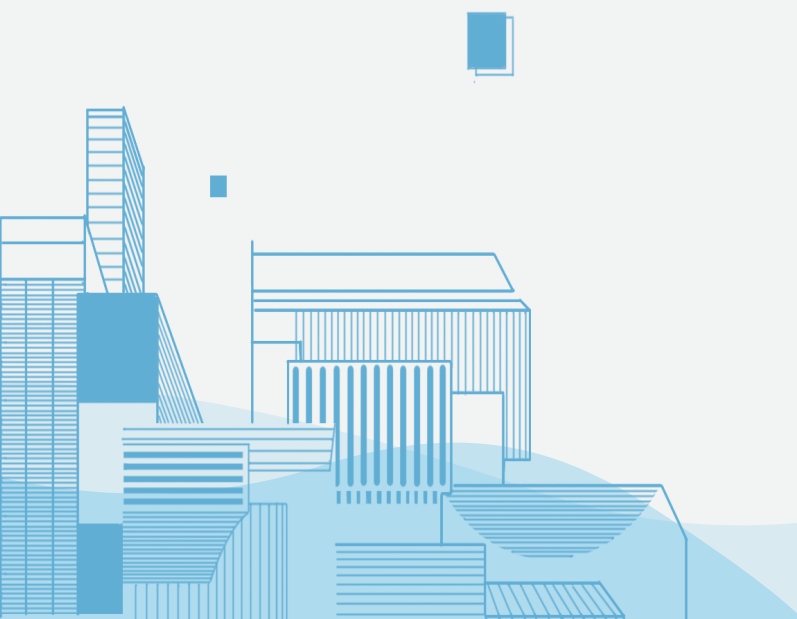
### ● Feedback

Thank you for reading this Report. We sincerely appreciate your feedback. If you have any recommendations on how we can improve our sustainability performance, please contact us by e-mail, or use the "Contact Us" tool on our website. Our e-mail address is as follows.

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

### ● Language

This Report is written in simplified Chinese and English to meet the reading needs of stakeholders in different languages.





## TPV at a Glance

TPV was founded in Taiwan, China in 1967. In 1989, following the decision of Dr. Jason Hsuan, General Manager of the Group, TPV launched its first factory in Fuqing City, Fujian Province within Mainland China. After more than 30 years of development, TPV has grown from an unknown monitor manufacturer to an international brand represented across the globe, with a monthly production capacity of more than 5 million units. Our product portfolio also expanded from monitors to TVs, AIOs, smart screens, headphones, speakers, etc.

TPV insists on intelligent manufacturing services, practices the concept of green development, continuously upgrades its manufacturing processes, keeps pace with future intelligent manufacturing reforms, integrating the dual tracks of own brands and original design and manufacturing.

TPV distributes products under our own brand names, such as "AOC", "AGON" and "Envision", as well as exclusively licensed Philips monitors and audio and video products<sup>1</sup>. Over the years, products of TPV have earned the trust of customers and a great reputation worldwide for their excellent quality. Besides, we have received a collection of international industrial design awards, such as the Red Dot Design Award, iF Design Award, and CES Innovation Award. Consequently, TPV has won the favour of a wealth of well-known TV and PC brands in the world.



<sup>1</sup> The Group possesses an exclusive license to manufacture and distribute Philips monitors (displays), TVs (except for the United States, Canada, Mexico, and some South American countries), and audio-visual products worldwide.

## About TPV

### Our Vision

To become the global leader in display



### Our Values

Innovation

Agility

Execuational excellence

Accountability

Cost-consciousness

### Our Mission

Create unique value  
for our customers

Create valuable opportunities  
for our employees

Create sustainable benefits  
for our shareholders

Create useful resources  
for our society

## About TPV

### Global Manufacturing Presence



**13**  
Manufacturing bases worldwide



**8**  
Innovation and development centres worldwide



Approximately **3,500**  
Sales and service centres worldwide

### Market Position



For **18** consecutive years  
TPV has ranked first in the global displays market



More than **30%**  
TPV's market share in the global displays market in recent years



In last **5** years  
TPV's global TV market share has maintained top five  
TPV's TV market share in Western Europe has maintained top three



For **9** consecutive years  
Philips has been the second top-selling displays brand in China



For **12** consecutive years  
AOC, TPV's own brand, has been the top-selling displays brand in China



For **3** consecutive years  
AOC, TPV's own brand, has been the top-selling gaming monitor brand worldwide

## ESG Awards and Recognition



### Awards and Honours in 2021

#### ESG Pioneer of the Year

Awarded by the 4<sup>th</sup> China Corporate Social Responsibility Pioneer Forum organised by *International Finance News* under People's Daily Group



#### Golden Bridge Awards - Outstanding Enterprise for Corporate Social Responsibility of the Year

Selected by Investor China, Investor.org and industry experts



#### Top 500 Chinese Enterprise in ESG in 2021

Awarded by Sina Finance and The Growing of *The Great Brand*, CCTV-1



#### Central SOE of China • ESG Pioneer 50 Index

Awarded by the State-owned Assets Supervision and Administration Commission (SASAC) of the State Council



### Sustainability Ratings in 2021

#### Climate change Water security Supplier Engagement



#### Electronic Product Environmental Impact Assessment Tool (EPEAT) gold rating by Green Electronics Council (GEC)



#### EcoVadis bronze rating





## Organisations and Initiatives

- We have been committed to the **UN Global Compact (UNGC)** corporate responsibility initiative and its principles in the areas of human rights, labour, the environment and anti-corruption, since 2020



This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals. We welcome feedback on its contents.

- We support the SBTi and have made our commitment to the **SBTi** in January 2021



- We support and have joined the **Responsible Minerals Initiative (RMI)**



- We support and have joined **IPC**, the **Association Connecting Electronics Industries**



- We support the United Nations Sustainable Development Goals (**SDGs**), and remains committed to driving progress on Goal 3 Good Health and Well-being, Goal 4 Quality Education, Goal 8 Decent Work and Economic Growth, Goal 12 Responsible Consumption and Production and Goal 13 Climate Action



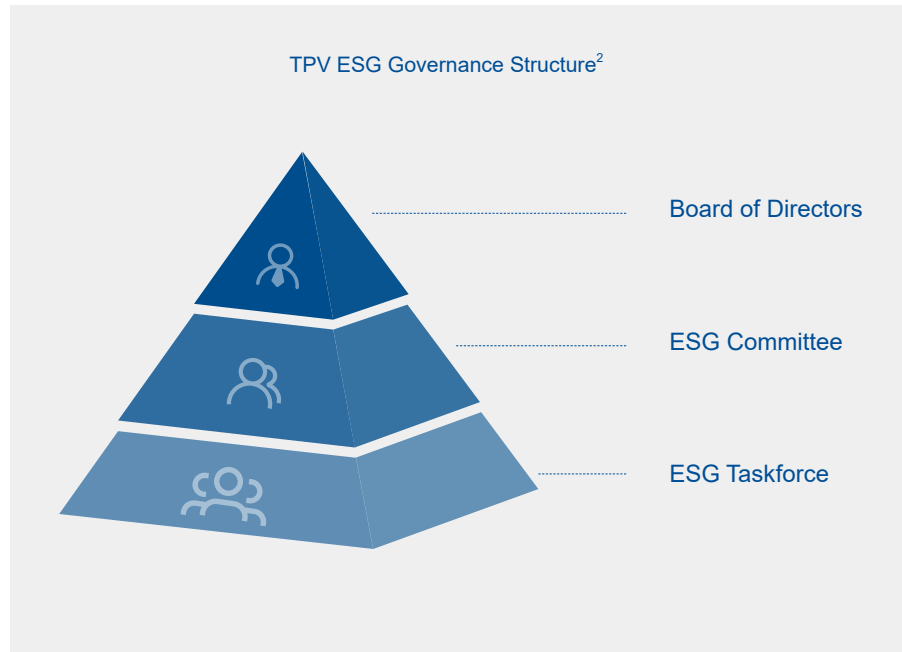
## ESG Management

TPV actively integrates all aspects of ESG into our corporate strategies to guide the Group's growth. Based on the characteristics of our businesses and industries, we established an ESG Committee to be responsible for ESG management. Moreover, we set up a dedicated department for the coordination and execution of ESG efforts. We maintain active communication with stakeholders and continuously strengthen our ESG governance to pursue social and environmental sustainability. We developed a digital ESG management platform as an important solution for ESG communication and management. The platform serves as an integrated ESG management tool that provides data collection, review, analysis, goal setting, and data visualisation for all functional departments. The platform will contribute strong technical support to the delivery of our ESG goals, especially the science-based carbon reduction goals. It will also further standardise our ESG management and consistently facilitate communication on ESG issues with internal and external stakeholders.



## ESG Governance

At TPV, ESG is embedded in each level of corporate operation. To ensure the delivery of ESG goals, we continuously improve our ESG governance structure and incorporate ESG factors in business decision-making at all levels. In particular, we set up a three-level ESG governance structure comprising the Board of Directors, the ESG Committee, which is responsible for routine ESG coordination and management, and the ESG Taskforce, which consists of representatives from our business structure and functional departments worldwide, to have a more robust ESG governance framework.



### The Board of Directors

The Board of Directors is responsible for coordinating strategic ESG affairs, listening to material ESG issues and the annual review findings of key performance indicators (KPI), and discussing these matters above. As part of our business strategy, the ESG Committee comprises all members of the Group's senior management team. Dr. Jason Hsuan serves as the Chairman of the ESG Committee. Other members include all Vice Presidents of TPV and the Board Secretary.

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### The ESG Committee

The ESG Committee is responsible for overseeing our ESG goals and performing assessments based on the ESG impact of such goals, which include but are not limited to climate change, circular economy, green supply chain, labour rights, GHG emissions reductions, etc. The ESG Committee is also responsible for reviewing whether the Group's ESG performance has met the KPI targets, and whether the measures proposed by the ESG Taskforce have been well implemented.

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### The ESG Taskforce






The ESG Taskforce is composed of heads from major departments. It is the main practitioner for the group's ESG strategy. Members of the ESG Taskforce meet on a regular basis to discuss and analyse the key ESG risks, emerging trends, and stakeholders' priorities, and work with the dedicated department to advance our ESG efforts. In addition, we have established the ESG department with dedicated budget to be fully responsible for setting and tracking ESG goals, identifying and responding to ESG-related issues, and other ESG work.

<sup>2</sup> See TPV Technology 2021 Annual Report for full details about the corporate governance structure.

## Stakeholder Engagement

As an international corporation, TPV focuses on ensuring diverse, accessible communication mechanisms to build ties with stakeholders. We engage stakeholders through various channels and methods. During the reporting period, key stakeholders of the Group include clients and customers, employees, shareholders and potential investors, suppliers and business partners, and community. The stakeholders' issues of interest and communication channels are shown in the table on the right.

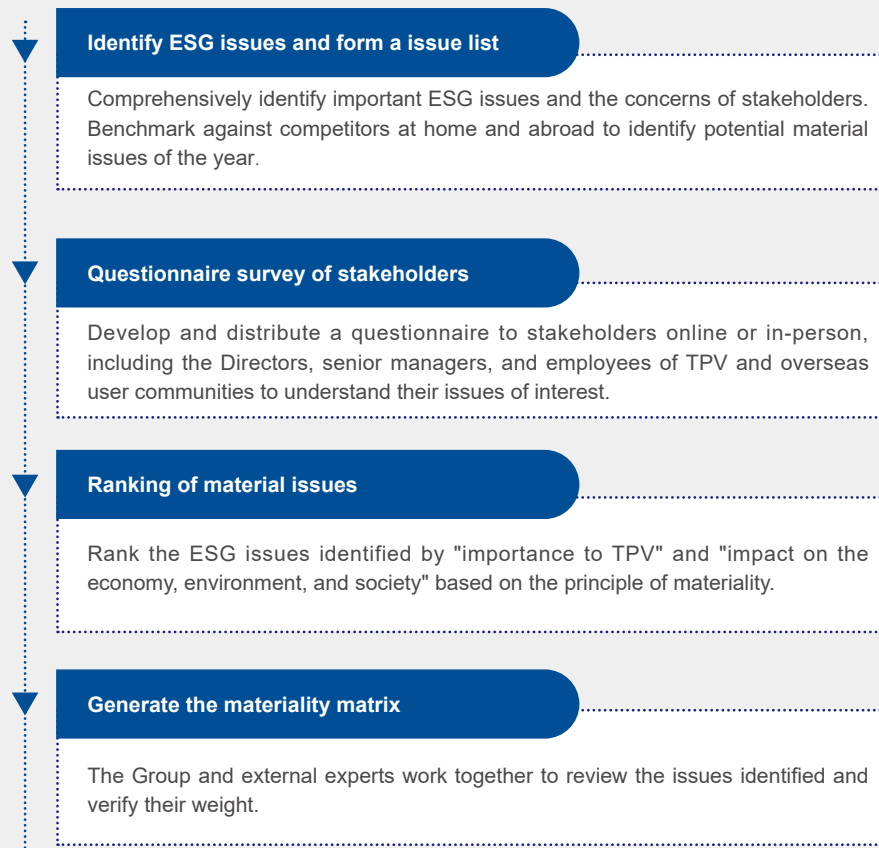


Stakeholders	Issues of Interest	Communication Channel	
 Clients and customers	<ul style="list-style-type: none"> <li>• Compliance and business integrity</li> <li>• Product innovation</li> <li>• Product quality</li> </ul>	<ul style="list-style-type: none"> <li>• Customer service</li> <li>• Information security</li> <li>• Energy conservation and emissions reduction</li> </ul>	<ul style="list-style-type: none"> <li>• Customer satisfaction survey</li> <li>• Call Centre</li> <li>• Routine customer communication and meetings</li> </ul>
 Employees	<ul style="list-style-type: none"> <li>• Talent attraction and retention</li> <li>• Talent development</li> <li>• Employee benefits</li> </ul>	<ul style="list-style-type: none"> <li>• Occupational health and safety</li> <li>• Workplace diversity and inclusion</li> </ul>	<ul style="list-style-type: none"> <li>• Employee satisfaction survey</li> <li>• Comment box</li> <li>• Internal communication event</li> </ul>
 Shareholders and potential investors	<ul style="list-style-type: none"> <li>• Financial result</li> <li>• Corporate governance</li> <li>• Business ethics and compliance</li> </ul>	<ul style="list-style-type: none"> <li>• Transparency and timely disclosure</li> <li>• Energy conservation and emissions reduction</li> </ul>	<ul style="list-style-type: none"> <li>• Shareholders' meeting</li> <li>• Investor conference and roadshow</li> <li>• TPV website</li> <li>• Annual Report</li> <li>• Annual ESG Report</li> </ul>
 Suppliers and business partners	<ul style="list-style-type: none"> <li>• Business ethics and compliance</li> <li>• Sustainable supply chain management</li> <li>• Product quality</li> </ul>	<ul style="list-style-type: none"> <li>• Information security</li> <li>• Energy conservation and emissions reduction</li> </ul>	<ul style="list-style-type: none"> <li>• Supplier conference</li> <li>• On-site audit</li> <li>• Supplier training</li> </ul>
 Community	<ul style="list-style-type: none"> <li>• Corporate social responsibility management</li> <li>• Pollutant emissions reduction</li> </ul>	<ul style="list-style-type: none"> <li>• Community engagement</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate social responsibility fund</li> <li>• Charitable donation</li> </ul>

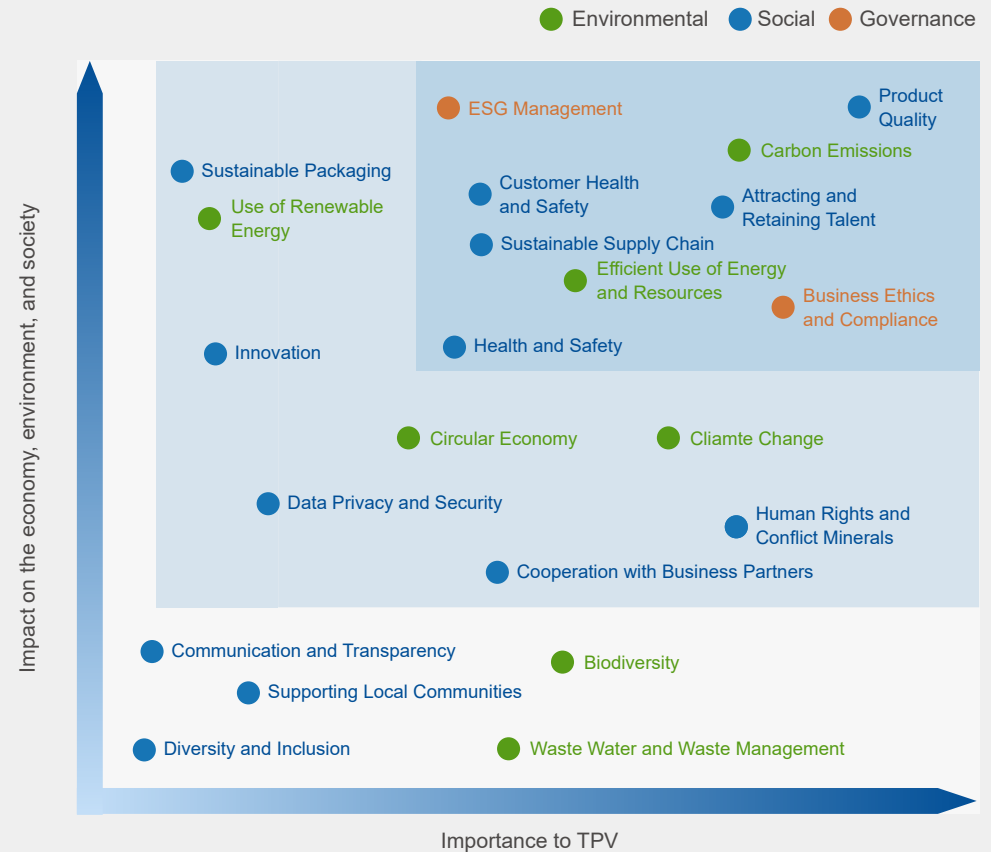
## Materiality Assessment

The identification and management of ESG issues forms an important basis of our ESG efforts. TPV surveys key stakeholders regularly and incorporates the feedback of stakeholders into our ESG disclosure, effectively improving the responsiveness of the Report. In 2021, we made comprehensive efforts to identify and assess material issues and generated the following materiality matrix based on our business operations and development plans.

### Materiality Assessment Process



### Materiality Matrix



## Leading the Industry with High-quality Product

TPV adheres to the values of "Innovation, Agility, Execution Excellence, Accountability, and Cost-consciousness" and pursues differentiation, committed to providing customers with a series of high-quality, efficient and trustworthy products and services. In addition, we make devoted efforts to constantly improve the performance and safety of our products and upgrade production processes by promoting digital transformation, thereby bringing more optimised and safer products to our clients.



We respond to the following SDGs in this chapter

<b>3</b> GOOD HEALTH AND WELL-BEING 	<b>8</b> DECENT WORK AND ECONOMIC GROWTH 	<b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION 
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## Our Products and Services

TPV focuses on the R&D, production, sales, and service of smart display terminal products. Our main businesses cover displays, TVs, and audio products.



Monitors



As the most popular manufacturer, distributor, and service provider of monitors worldwide, TPV has maintained the highest market share for 18 consecutive years. We produce and distribute traditional computer monitors, gaming monitors, and large commercial screen displays and provide service for end consumers and corporate clients, dedicated to creating full-spectrum solutions for all industries and use cases, available in multiple sizes.



TVs



We draw on independent innovation to develop next-generation smart TV technologies according to market conditions and the needs of customers. In addition, we join hands with well-known companies in other sectors to jointly create smart TV products with unique styles that enable high-end audio-visual experience.



Audio products



We are a global distributor of Philips branded audio-visual products, including headphones, speakers and other consumer products, which allows us to establish a full audio-visual ecosystem.



## Highlight products of the year

In 2021, TPV developed a comprehensive product portfolio designed for different consumer groups and launched a variety of monitors and TVs, gaining extensive recognition and high praise. The new products feature improved quality and performance enabled by cutting-edge technology and are honoured with a number of international industrial design awards. In addition, our TV products won 19 industry awards including the iF Design Award and Red Dot Design Award, and our audio products received more than 33 industry awards and approbation.

Philips TVs received iF Design Awards and Red Dot Design Awards, etc.



Philips OLED 806



Philips OLED 936

Philips audio products received Red Dot Design Awards



Philips TAT8506



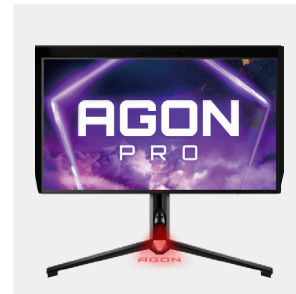
Philips Fidelio T1



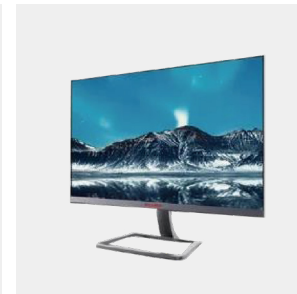
PRO AG274QXM of AGON, received the 2021 Technology Excellence Award



U27U2S Monitor, a flagship product of AOC, received the 2021 ZOL Recommended Product Award



PRO AG274UXP, gaming monitor of AGON, TPV's own brand, received the Recommended Product of 2021 Award



Iron Man 4 monitor of Great Wall, received the Editor's Choice Award of Popular Computer Week's 2021 China Technology Billboard





## Our Products and Services



### Displays with built-in air quality sensor to monitor indoor air quality and ensure the health and safety of customers

Indoor air quality affects a difference to the health and safety of customers. Our Philips displays are designed with built-in air quality sensors to monitor and report indoor air quality, reminding customers to open their windows for ventilation and thereby protecting their health and safety.



Philips display with air quality monitoring and reporting systems



### Gather force for mutual benefits and race the future: Strategic partnership between AOC and Red Bull Racing Esports

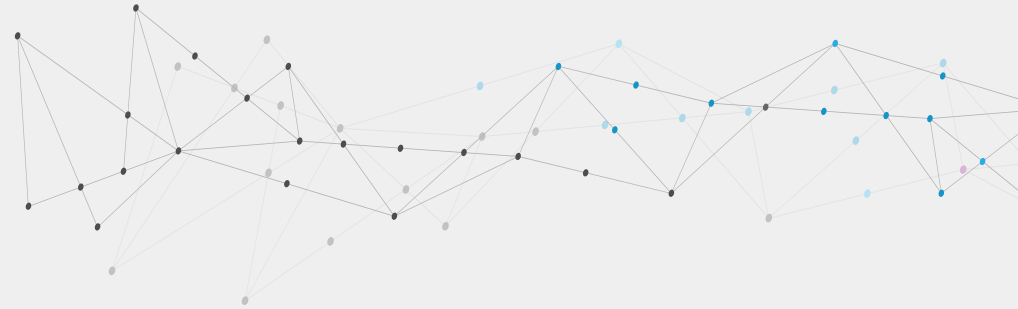
A blazingly fast monitor that displays game status in real-time is crucial to time-sensitive racing games. In February 2021, AOC entered into a formal agreement with Red Bull Racing Esports to become the e-sports leader's global strategic partner. In the Milton Keynes base of Red Bull Esports, players use TPV's high-performance monitors for daily training and competition. The partnership has deepened AOC's understanding of the professional e-sports ecosystem and the needs and preferences of players, which places the brand in a better position to create more impressive gaming monitors for gamers of all kinds.



High-performance AOC gaming monitors for Red Bull e-sports players

## Our Products and Services

TPV not only caters to end users but also leverages our technological advantages and innovation capabilities to provide overall intelligent display solutions for enterprise clients in various industries. Our comprehensive product portfolio of smart tablets, digital signage, splicing screens, large-size commercial displays, and small pixel pitch LED displays enables us to offer bespoke solutions and create greater business value for enterprise clients in transportation, education, healthcare, new retail, government, office solution, and other sectors.



### Smart professional displays promoting medical digitalisation

To contribute to the progress of digitalisation of the No.3 People's Hospital of Zhengzhou North Campus, TPV provided 57 Philips digital signages to help streamline and upgrade the patient experience. To alleviate long waiting hours and omission of manual patient calling during peak hours, digital signages were set up to present registration information, patient visits, and waiting time data in real-time, which effectively reduces hospital congestion, ensures hospital order, promotes one-stop, transparent hospital information management, and improves hospital efficiency.



Philips displays used in the patient call system in the hospital



Philips displays used in the surveillance control room in the hospital

## Cooperation and Innovation

We understand that continually updating and improving product performance plays a critical role in meeting market demands and enhancing product quality. We developed our R&D management systems, R&D directions and R&D plans to ensure that our products meet the needs of customers while exerting less environmental impact. In addition, we place great importance on collaborative efforts with our partners. By launching Industry-Academic partnership collaborations with higher education institutions and research centres, we facilitate the exchange and cultivation of innovative talent and promote innovation in our industry together with our partners.

### 2021 TPV Display Design Competition to deepen Industry-Academic partnership collaboration

In December 2021, the 2021 TPV Display Design Competition jointly sponsored by TPV Wuhan and School of Intelligent Manufacturing, Jiangnan University came to a successful conclusion. The competition comprised of rounds of selection, including submission of entries, preliminary screening, and semi-finals. The designs of the finalists were reviewed by a strong panel of judges selected from TPV's core R&D team in Taipei, Fuqing, Shanghai, Xiamen, and Wuhan. The judging panel assessed the designs in terms of technology, innovation, simplicity, modernness, artistic value, and elegance. The designs of the students were well received by professional designers from the Mainland and Taiwan. This competition was an important project of Industry-Academic partnership collaboration between TPV and Jiangnan University. Partnerships with universities and research institutions allow TPV to continuously improve our product design and help cultivate outstanding talent for the industry.



Winners of the 2021 TPV Display Design Competition

TPV believes that equipping employees with innovative thinking and empowering employees to improve the technology and performance of our products is an inexhaustible driving force for continuous product optimization. To motivate employees to innovate, we have formulated the *Innovation Management Measures for Factories in Mainland China* to encourage employees to develop innovative & sustainable proposals. In 2021, TPV received 318 proposals from employees and granted about RMB 60,000 as rewards. In addition, we initiated six design, quality, and automation projects and carried out a series of training sessions and activities on innovation to cultivate an innovation mindset in employees and improve our innovation capabilities.



Communication of the innovative & sustainable proposal programme



Reshape the Future with Innovation training course

### Training on creative thinking and crossover to pursue win-win cooperation

In July 2021, TPV Xianyang provided employees with a *Creative Thinking* course, aiming to introduce the concept of creative thinking to help employees unblock bottlenecks, and come up with new ideas for innovation and win-win cooperation.



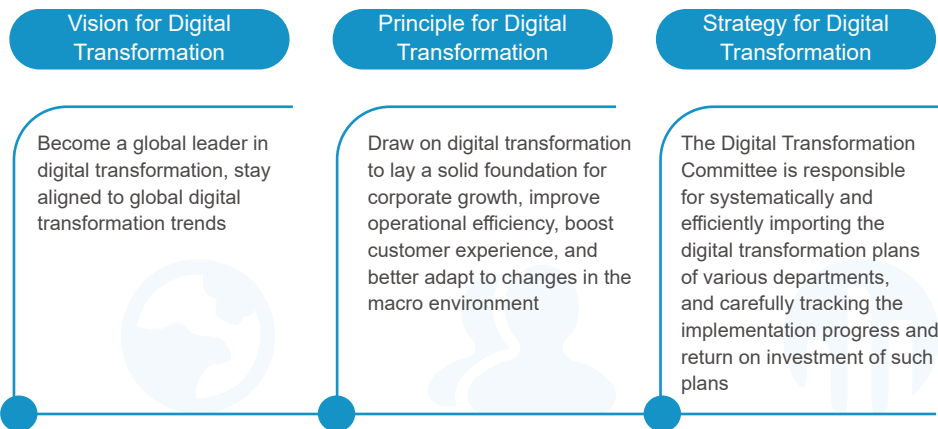
Trainees of the *Creative Thinking* course

## Digital Transformation and Information Security

Digitalisation not only promotes the efficiency for the company, but also bridges the information gap between product design and after-sales services. To adapt to the drastic changes in the global market and enhance our competitiveness, we have taken active steps to promote digital transformation and reform in recent years, in order to consolidate our leading position in the industry.

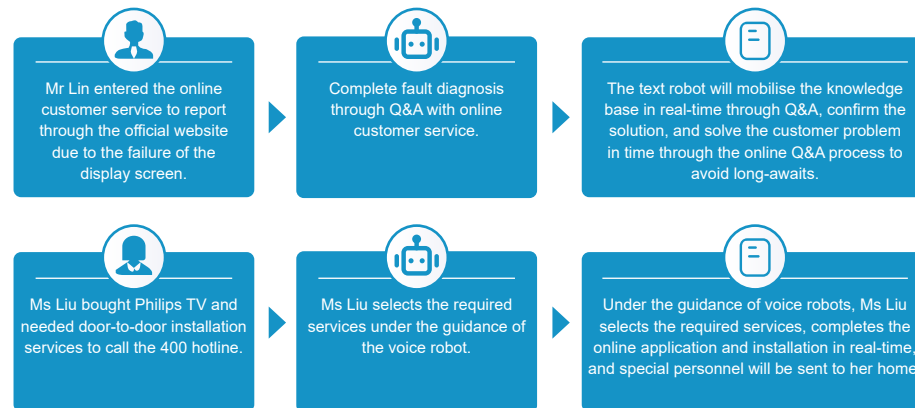
### Promoting Digital Transformation

We established our Digital Transformation Committee, chaired by the General Manager, to take a cross-departmental approach to organisation-wide digital transformation. We expect to improve operational efficiency, reduce costs, and create better customer value and customer experience through digital transformation.



In 2021, as part of our digital transformation efforts, we established the service system in China using public cloud. The new service processes of service cloud and voice artificial intelligence (AI) technology have remarkably bettered online and offline customer experience. In addition, we aggregated data from different customer service systems worldwide, which was used to upgrade product design and production and continuously reduce defect rates. Looking ahead, TPV will advance toward the goal of smart factories. To this end, we plan to introduce cutting-edge digital systems and Internet of Things (IoT) technology to improve production efficiency and benefits, improve overall quality and efficiency, and foster a new development landscape.

### China Service System Process



### Focusing on Information Security

The confidentiality, completeness and availability of information are critical to TPV's sustainable operation and solid governance. We act in strict accordance with the *Cybersecurity Law of the People's Republic of China*, the *General Data Protection Regulation (GDPR)* of the EU, as well as other applicable laws and regulations, and have formulated the *Corporate Policy for Information Security Management* and *TPV Information Protection Policy* to set out our information security management strategy and define a system of standards and management methods for information utilisation, information asset and network infrastructure. To protect customer privacy, we have also developed our customer privacy protection policy, with detailed provisions on the retention, utilisation, and protection of personal information.

In addition, we have well-established policies, management system, and execution methods in place for confidentiality and data protection. A series of measures have been taken to protect TPV employees from illegal or disruptive behaviour, including encryption, data backup, network security system, education and communication, security awareness training, and emergency drills. Comprehensive efforts have been made to protect our trade secrets and data security, such as carrying out employee security awareness training, conducting anti-phishing email drills, encrypting data on employees' computers, setting screen protection for such computers, etc. We actively organise training to improve the information security awareness of employees. In 2021, we developed an emergency response plan for data breach, and organised two group-wide information system service drills, which included but were not limited to IT system emergency drill and network high availability and data recovery.

## Quality Assurance and Customer Service

TPV firmly believes that professional, rigorous and high-calibre quality management and customer service is a prerequisite for the recognition and trust of customers. We pay close attention to the needs of customers and protect customer rights and interests through diversified and accessible service channels, thereby sustaining a high-quality customer experience and customer support and continuously improving customer satisfaction.

### Quality Assurance System

As an industry leader, it is our constant pursuit to provide our clients and customers with products of excellent quality, safety and stability. We have detailed control systems and inspection methods covering raw material control, supply chain audit, manufacturing quality control, and defect rate control. We have established a complete quality management scheme, which includes but is not limited to the *Raw Material Inspection Procedures*, *Process Control Procedures*, *Product Labelling and Traceability Procedures*, *Substandard Product Control Procedures*, *Finished Product Inspection Procedures*, *Supplier Assessment and Management Procedures*, and *Process Quality Inspection Procedures*. The documents ensure the orderly execution of quality management and quality control efforts in terms of system, process, method and responsibility. In 2021, TPV's 13 manufacturing bases worldwide continued to improve their management capabilities. Systematic production processes and management mechanisms were employed to ensure our product quality, environmental health and safety, information security and energy management, etc. Our manufacturing bases have been certified by ISO 14001, ISO 27001, ISO 45001, ISO 50001, SA 8000 and many other management systems. In the future, we will continue to increase the coverage of various certifications at our manufacturing bases.

As the end of the reporting period, the certification status<sup>3</sup> of TPV's 13 manufacturing bases worldwide was as follows.

ISO 14001 Number of certified manufacturing base: 11	<b>85%</b>	ISO 45001 Number of certified manufacturing base: 8	<b>62%</b>
ISO 27001 Number of certified manufacturing base: 1	<b>8%</b>	SA 8000 Number of certified manufacturing base: 3	<b>23%</b>
ISO 50001 Number of certified manufacturing base: 1	<b>8%</b>		

### Training on ISO certification in 2021

From April to June 2021, TPV organised training on ISO 27001 information security system and ISO 50001 energy management system, laying a solid foundation for the establishment and operation of the two new systems. The systems have greatly improved our information security and energy management level. Our compliance with the systems has been certified by ACM and Bureau Veritas, which received high appreciation from our customers.



Information security system training



Energy system training

To ensure the safety and reliability of the development and production process of new products, we have sourced domestically advanced testing instruments and world-leading testing equipment, and established industry-leading quality assurance divisions including the product reliability testing and engineering department and safety assurance laboratory. Through regular quality meetings, internal and external audits, and customer audits, we detect and identify deficiencies, make continuous improvements, and strive for high-quality development.



<sup>3</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.

## Product Safety

TPV provides premium-quality products and ensures product safety throughout the product life cycle. Each of TPV's 13 manufacturing bases around the world strictly abides by applicable local laws and regulations to ensure that our products satisfy safety requirements. Moreover, product safety management systems are in place to strictly control product safety. At the same time, to unify management processes at global manufacturing bases, we have established a unified product safety incident handling and registration system for the documentation and feedback on safety incidents such as fire and smoke. Products identified with potential safety hazards will be sent to the Polish manufacturing base for further investigation and analysis, thereby better enhancing the safety performance of our products.

All our products are compliant with the local RoHS regulations and are subject to local end-of-life product treatment related regulations such as the European *Waste Electrical and Electronic Equipment Directive II*. To ensure the safety of our products, we equipped our manufacturing bases with testing teams and laboratories in accordance with the Restriction of Hazardous Substances (RoHS) Directive to assess the risks of the materials we use. In 2021, we tested more than 13,000 batches of materials for monitor and TV products, all of which turned out to be qualified and RoHS-compliant. As of the end of the reporting period, TPV had no confirmed customer health and safety incident.



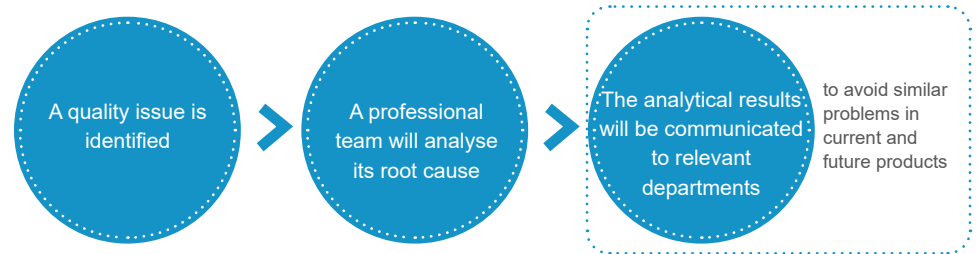
RoHS laboratory

## After-sales Services

As a global corporation, TPV possesses 13 manufacturing bases and 3,500 sales and after-sales service centres around the world including more than 630 after-sales service centres. We provide a variety of after-sales models, including on-site service, replacement, pickup maintenance, store maintenance, etc., to prioritise the needs of customers. Receiving attention from governments, clients, and customers around the world, we strive to protect the rights and interests of each and every customer.

Our Call Centre provides remote support to help customers troubleshoot breakdowns and errors. The Call Centre also captures customer feedback and provides remote technical support for Philips TVs, Philips displays, and AOC displays. Well-established internal response mechanisms are in place to identify problems and facilitate the replacement of parts, thereby continuously improving product quality and customer satisfaction.

TPV has formulated a series of internal systems and closed-loop procedures on product recall, which cover customer communication, production, quality management and other aspects, to maximise the protection of customer rights and interests. Our closed-loop process includes a whole-process feedback mechanism designed to improve product recall efficiency and customer experience.

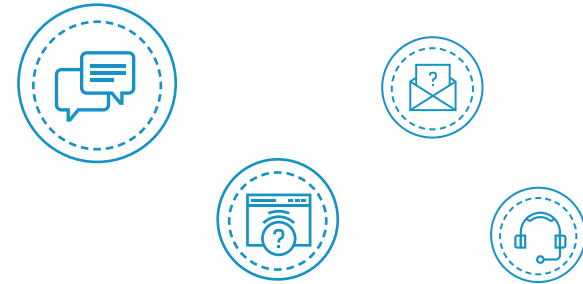


These systems and management procedures enable us to fix the problems customers have in an efficient manner and continuously improve our service experience and product quality. To protect customer rights in the event of a recall, we provide global logistical support, delivering products to the warehouse designated by the customer to ensure customer's right to refund or replacement. In the past two years, our complaint rate has dropped significantly, and such decreasing data implicate that our products are becoming more durable and that fewer spare parts are needed to repair products that were not operating properly. TPV recorded no large-scale recall event for the past three years.

## Listen to Customer Feedback

TPV collects customers' feedback as the cornerstone of customer relationship management. In 2021, we enhanced channels to embrace customer feedback and better satisfy diverse customer needs.

We conduct customer satisfaction surveys each month and follow-up with the problems reported by customers to ensure proper resolution. We pay return visits to customers regarding aspects of low customer satisfaction. We look into the key problems reported by customers and track the solution to such problems. We supervise the implementation of targeted improvement measures in various departments and provide the feedback to customers in a prompt manner.



Based on a series of improvement measures and the continuous tracking, the Call Centre in China has achieved:



Customer service representative at the Call Centre

# Accelerating "Dual Carbon" Goal and Promoting Green Development

In September 2020, at the 75<sup>th</sup> session of the United Nations General Assembly, President Xi Jinping announced China's goals to have CO<sub>2</sub> emissions peak before 2030 and achieve carbon neutrality by 2060. In October 2021, the State Council released *Responding to Climate Change: China's Policies and Actions*. The whitepaper further set out China's philosophy, strategic planning and governance system for climate change mitigation. As a responsible corporate citizen, TPV has taken concrete actions to respond to the Chinese government's plans to address climate change. In 2021, TPV enhanced technological innovation, expanded the use of renewable energy, and gradually established and consolidated an eco-friendly and low-carbon circular development system for production, emissions, and recycling. At the same time, we actively exerted our influence to engage our employees and industry partners in low-carbon actions, jointly contributing to the harmony between industry and nature.

We respond to the following SDGs in this chapter



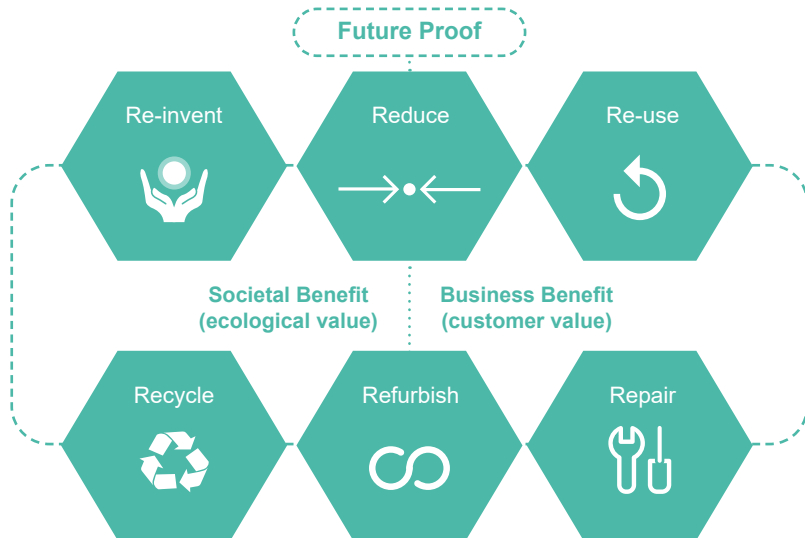


## Green Product Design

Environmental protection has been at the heart of our business operation and sustainability strategy. As a leader in display industry, TPV sticks to the principle of green and sustainable product design and integrates green and low-carbon concepts into the entire design life cycle. To minimise the carbon footprints of our products and our potential environmental impact at the source, we improve the percentage of recyclable materials and green materials, develop new green and low-carbon technologies, and design more recyclable products.

### Green Product Design Concepts

We incorporate green and low-carbon design concepts into the entire product life cycle. Standards and specifications have been formulated to regulate the selection of raw materials, production, product use and recycling, in order to better practise green, low-carbon development. We are committed to reducing the energy consumed by sold products and contributing to emissions reduction by setting higher standards and requirements. In addition, we examine all links that involve resource consumption such as raw material screening to strive for closed-loop utilisation of resources, avoid unnecessary loss of value, and seek a balance between social benefits and economic benefits.



### Closing the Loop

Philips Display under TPV partnered with Closing the Loop, a global green procurement service provider, and TCO Development, a product certification organisation, to launch a pilot project to reduce electronic waste generated from waste displays. In this pilot project, we supported third-party certified waste solutions to promote the recycling of electronic waste, including displays and provided a new perspective for the entire consumer electronics industry in the context of rising green consumption awareness and demand.



TPV Philips monitors supports the responsible and sustainable recycling of monitors with the involvement of local partners

## Green Product Design Concepts

We actively participate in the Electronic Product Environment Assessment Tool (EPEAT) certification initiated by the Global Electronics Council (GEC). EPEAT focuses on the performance of a product in material management, raw material selection, energy conservation, packaging design, life cycle assessment and carbon footprint, as well as the environmental performance and fulfilment of social responsibility of its maker. As of the end of the reporting period, TPV had a total of 144 Philips monitor products certified by EPEAT, including 55 with gold ratings and 89 with silver ratings; 37 AOC monitor products were certified by EPEAT with silver ratings.

We actively develop new low-carbon energy-saving technologies to continuously reduce the energy consumption of our products. Designed with high performance and sustainability at the heart, our display products are equipped with a number of environmental technologies and energy-saving features. For example, our eco-friendly Philips monitors are equipped with the PowerSensor light sensing technology, LightSensor ambient light sensing technology, zero-power switch, etc., which cut electricity consumption by 80% and reduce carbon emissions. At the same time, all our products are compliant with strict quality control systems and safety certifications to minimise their pollution of the environment. In addition, we make constant efforts to strive for the balance between product sustainability and performance. Some of our display products can automatically adjust screen brightness by detecting the customer's usage status to save electricity.



### Incorporate sustainability concepts into Philips TVs and audio products

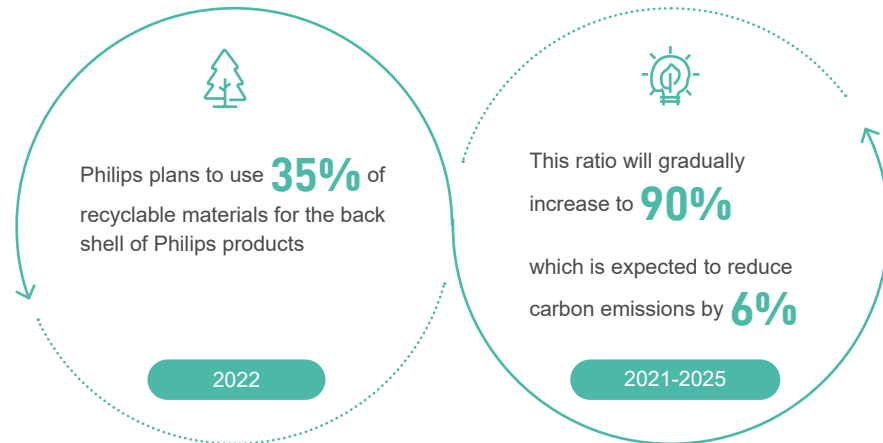
The environmental footprint of Philips TVs and audio products is a constant concern of TPV. As textiles are used in TVs and audio products, we engaged Kvadrat, a fabric supplier that draws on automated technology to connect loose yarn ends to a long yarn. This technology ensures the reusability of yarns and sharply reduces the waste of resources. Our partnership with Kvadrat has enabled us to optimise the utilisation of fabric in our products.




Philips audio products in collaboration with Kvadrat

## Increasing the Use of Sustainable Raw Materials


To protect valuable natural resources, we strive to improve the efficiency of raw materials and gradually expand the use of green, sustainable raw materials in the design and production of our products. We continue to increase the use of low-carbon materials and recyclable materials in production, such as biodegradable materials, and bio-based plastic materials. In 2022, we plan to use 35% of recyclable materials for the back shell of Philips products. From 2021 to 2025, we aim to gradually increase the figure to 90%, which is expected to reduce carbon emissions by 6%. To better source sustainable raw materials and reduce environment-related risks in the supply chain, TPV Poland conducted a sustainability risk assessment on its suppliers and received the Forest Stewardship Council (FSC) certification.





### Low-carbon and environmentally friendly raw materials to reduce product carbon footprint

TPV sticks to the concept of sustainability in the selection and procurement of raw materials. We conform to strict environmental standards to source pollution-free materials from suppliers. To reduce the carbon emissions of raw materials, we have cooperated with Muirhead, a supplier of low-carbon leather, to minimise the carbon emissions of raw materials.



Philips audio products in collaboration with Muirhead

## Promotion of Recycling

We follow the recycling strategies of "environmentally friendly materials", "eco-friendly design" and "easy to disassemble" to consider the recyclability during product design and practise the concept of circularity throughout the product life cycle. To promote recycling, we have formulated strict material selection standards to increase the use of renewable materials. Moreover, efforts have been made to ensure maximum recycling of packaging materials and equipment materials, enhancing our recycling capabilities throughout the product life cycle. We also encourage manufacturing bases to take recycling measures in cooperation with suppliers. For example, TPV Xiamen has developed a packaging material recycling plan, which can save 66% of packaging materials each year. TPV Fuqing recycled and reused unloading pallets, with a total of 61,540 pieces, achieving the recycling rate of 90%, which can almost sustain one year's usage.

## Promotion of Recycling



### Explore new packaging methods to meet the environmental expectations of customers

For screens of 43 inches or smaller of our own brand, we use airbags made from polyethylene and pulp rather than foam or other polymeric foam materials, to make airbags easier to recycle and more eco-friendly. The paper-based packaging materials we use are made from 90% of recyclable materials and are 100% certified renewable resources.



of recyclable materials



certified renewable resources



Green packaging materials made from recyclable materials



### Low-carbon Philips monitors powered by green technologies and materials

Designed with high performance and sustainability at the heart, our Philips monitors are equipped with green technologies and energy-saving features such as the PowerSensor light sensing technology and zero-power switch to save electricity and contribute to carbon emissions goals. The Philips monitors are manufactured in accordance with strict environmental standards using pollution-free materials. The packaging materials are 100% recyclable, and 85% of the plastics used in the monitors can be recycled after they are discarded. At the same time, all our products are compliant with strict quality control systems and safety certifications to minimise their pollution on the environment.

The packaging materials are **100%** recyclable

**85%** of the plastics used in the monitors can be recycled after they are discarded



Philips monitor was awarded Ambassador of Green and Low-carbon Lifestyle

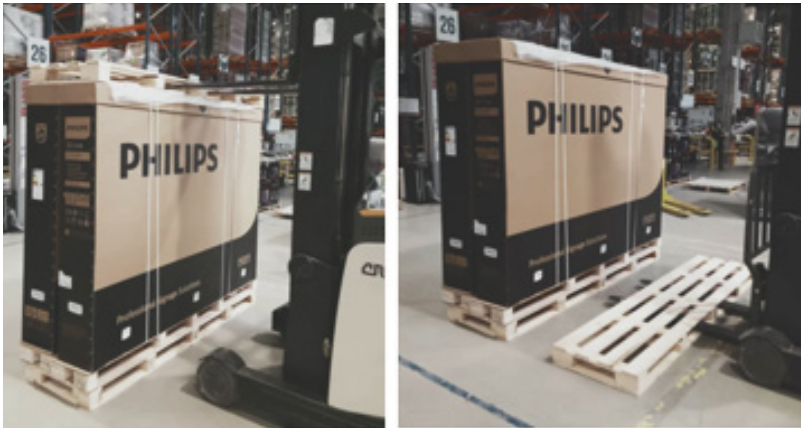


## Promotion of Recycling



### Innovative green packaging to reduce carbon emissions effectively

We discovered that the packaging pallets of large-size monitors, and even the monitors themselves, were vulnerable to bumps and turns during the shipping process. Therefore, we adopted new packaging pallets and new packaging specifications. The improvement not only allowed us to reduce packaging material consumption, but also reduced the CO<sub>2</sub> emissions generated from the shipping of 75-inch, 86-inch and 98-inch Philips monitors from the manufacturing bases in China to the counterpart in Poland by 17%<sup>4</sup>. In addition, this measure increased product stability during transportation and reduced the damage rate. In conclusion, it is both a green move and a boost in logistics quality.



Green, low-carbon packaging enabled by eco-friendly innovation



To thoroughly implement the concept of environmental protection, we extend it to cover product use, committed to reducing the energy consumption from the use phase and extending service life. In 2021, we launched the Online Spare Parts Web Shop in Europe, which provides customers with effective repair and maintenance services for 10 years since the date of purchase. It reduces the carbon footprints of our products by improving product durability, extending service life, and lowering the scrap rate.

With environmental protection as a keyword of the new era, we continue to explore more sustainable and green designs and are committed to diversified energy-saving solutions. We focus on integrating environmental concepts into the entire product life cycle, including R&D, design, production, and recycling. We see it as our goal to promote circular economy, energy conservation, environmental protection and green technology innovation, thereby achieving the sustainable development of ourselves.



<sup>4</sup> The calculation draws on the DEFRA-2021 database and calculates the carbon emissions from transportation.





## Energy Conservation and Emissions Reduction

The crises and challenges brought by climate change have become well acknowledged by the global community. Committed to the *Paris Agreement* and the "dual carbon" goal, governments around the world are going to introduce more active carbon emission reduction policies and set tight caps on carbon emissions for businesses to regulate their production and operation behaviour. In addition, clients and consumers are showing increasing favour for environmentally friendly products, which will lead to a growing proportion of low-carbon products in the market. As a leading brand of display industry, we are taking concrete actions to reduce carbon emissions, mitigate climate change, and practise our sustainability strategies.

## Promotion of SBTi

In early 2021, we submitted our commitment to the SBTi, which marked the beginning of TPV's carbon reduction actions on the Group level. To set carbon reduction targets that could fulfil the verification of SBTi, we conducted Scope 1, Scope 2, and Scope 3 GHG emissions verification from the Group's operational level, took initiative to review the carbon emission status of our operational venues around the globe. As of the end of the reporting period, we have accomplished the Group's carbon reduction target setting based on SBTi's methodology. We committed to reducing the Group's Scope 1 emission and Scope 2 emission by 42% and reducing Scope 3 emission from downstream use of sold products<sup>5</sup> by at least 42% by 2030 on the 2020 base. Our targets are aligned with the highest standards of Paris Agreement (to limit the temperature growth within 1.5°C), which demonstrate our determination and confidence in addressing climate change and pursuing sustainable development.

The carbon reduction targets were reviewed and approved by the Board of Directors. It will be the overall guidance for the Group's low-carbon operation in the long term, and the GHG emissions inventory will be reviewed and updated on an annual basis.

TPV Carbon Reduction Targets	Measures	Progress up to the end of 2021 Base Year: 2020	2030 Target
 <p>To reduce Scope 1 and Scope 2 carbon emissions by <b>42%</b> compared with 2020</p>	<ul style="list-style-type: none"> <li>Continue to promote energy conservation and emission reduction in manufacturing bases to reduce energy consumption per product</li> <li>Expanding Renewable Power Direct Purchase Model (PPA)</li> <li>Increasing investment in distributed renewable energy in factories</li> <li>Consider the use of Green Certificate and other options to offset carbon emissions</li> </ul>	<p><b>-13.40%</b></p> 	<b>-42%</b>
 <p>To reduce Scope 3 carbon emissions by <b>42%</b> compared with 2020</p>	<ul style="list-style-type: none"> <li>Reduce energy consumption during the product use stage and directly reduce carbon emissions generated by energy</li> <li>Continue to increase the proportion of low-carbon materials and recycled materials used in products, such as biodegradable materials, bio-based plastic materials</li> <li>Following the recycling strategy of "environmentally friendly materials", "ecological design" and "easy to disassemble", the Company continuously improves the material selection standards, actively uses renewable materials, continuously increases the recycling of packaging materials and equipment materials, and continuously improves the recycling ability of product life cycle</li> </ul>	<p><b>-8.76%</b></p> 	<b>-42%</b>

<sup>5</sup> The life cycle of the products sold in this Report is calculated as 72 months.

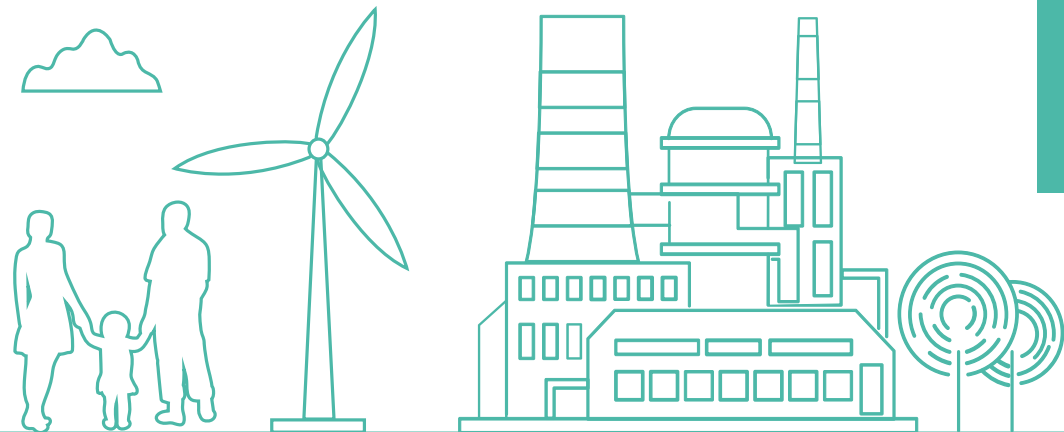
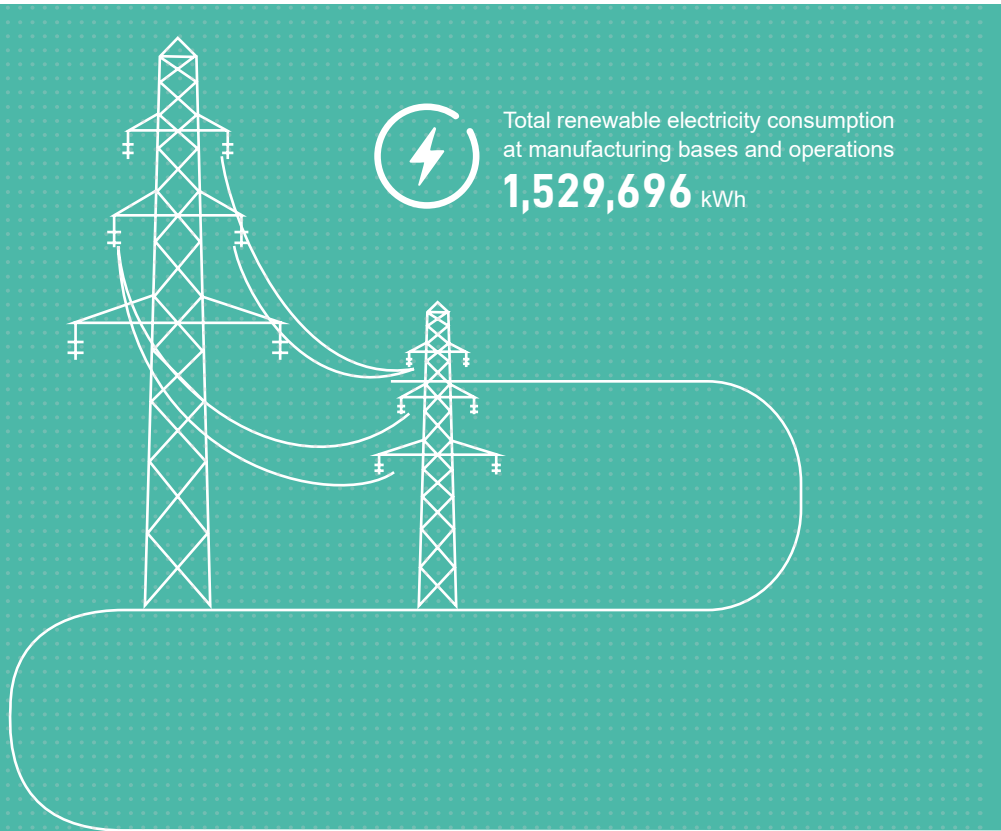
## Use of Renewable Energy

We continue to explore the use of renewable energy, proactively purchasing renewable electricity to reduce our GHG emissions. Globally, our manufacturing bases and operation venues purchased 205,555 kWh of renewable electricity. In addition to purchasing renewable energy, our Qingdao and Beijing manufacturing bases and Shanghai office have installed solar photovoltaic systems to generate renewable electricity for own use. The total self-generated renewable electricity is 1,324,141 kWh. We are also planning to reorganise the area of operation in some manufacturing bases to deploy more distributed solar photovoltaic projects. Looking to the future, we will expand our use of renewable energy, moving towards low-carbon manufacturing.

## Energy Management and Efficiency Improvement

To further improve our energy efficiency and refine energy management, we have established energy conservation leading groups in each manufacturing base, responsible for promoting the implementation of energy conservation measures. In addition, internal management systems and documents such as *Control and Management Procedures for Energy Consumption* and *Control Procedures for Energy Conservation and Emissions Reduction* have been developed to motivate and support our manufacturing bases to take a variety of measures to save energy and reduce costs. We make continuous efforts to create a full range of rules and systems in our manufacturing bases. In the future, we will facilitate more manufacturing bases and offices to be certified by the ISO 50001 energy management system.


In addition, we continue to explore technical means of energy conservation and emissions reduction, such as replacing air source heat pumps, controlling the use of air compressors, optimising lighting systems, reducing the energy consumed by air conditioners and ventilation systems, adjusting the capacity of transformers, and improving the chillers for power equipment. Furthermore, geothermal heat pumps, solar power photovoltaic systems, solar water heating systems, and LED lighting systems were deployed in some of our manufacturing bases to save energy consumption comprehensively. Besides, we combine low-energy design and high technology for the energy management of our data centre, continuously reducing its power usage effectiveness (PUE) value. During the design phase of data centre, we considered energy conservation and emissions reduction requirements. A cold aisle layout has been designed to save energy on air conditioners. By developing new technologies, we also use the virtualisation methods to reduce the number of physical units, saving energy at the source.



## Energy Management and Efficiency Improvement

**TPV Fuqing received recognition for Energy Conservation award in 2021**

On December 29, 2021, TPV Fuqing was awarded the honorary title of Advanced Organisation for Energy Conservation in 2021 at the 2021 Fuqing Energy Conservation and Circular Economy Summary Conference.



TPV Fuqing honoured as Advanced Organisation for Energy Conservation in 2021

**Share green factory experience and promote green intelligent manufacturing**

In June 2021, TPV Fuqing organised information sessions for clients and suppliers under the theme of "Green Factory" and demonstrated TPV's adherence to environmental protection concepts in multiple respects, including supplier management, product design, certification, and intelligent manufacturing. In the future, TPV will continue to lead in the industry, driving value chain partners to embark on their path to more eco-friendly and healthy growth.



Presentation of the Green Factory programme

**Offset carbon emissions from logistics to contribute to the "dual carbon" goal**

In 2021, we partnered with CMA CGM, a global leader in the logistics sector, on two carbon offset projects, offsetting a total of 52 tonnes of CO<sub>2</sub> equivalent. In the future, we will work with more value chain partners to help better address climate change.

**CONTRIBUTION CERTIFICATE**  
Delivered to **Top Victory Investments Limited**

For **17**  
**TONNES of CO<sub>2</sub>eq offset**

**CONTRIBUTION CERTIFICATE**  
Delivered to **Top Victory Investments Limited**

For **35**  
**TONNES of CO<sub>2</sub>eq offset**

TPV's Carbon Offset Certificate

To perfect our management level and transparency, we actively disclose information on globally leading disclosure platforms. In 2021, we disclosed our management strategy and performance in climate change mitigation through the CDP questionnaire. The disclosure shows our emphasis on carbon emission related issues and received a B- rating in CDP climate change score, reaching management level.



## Environmental Protection and Green Factory

As a leading brand of display industry, TPV benchmarks itself with the best practices of the industry, increase input in environmental protection, continuously pushes forward the green transformation of manufacturing bases through managing climate change risks, optimising the water and wastewater management system, improving emission management, and enhancing biodiversity protection.

### Climate Change Risk Management

In recent years, risks brought by climate change have become more salient. To better cope with potential risks, we have conducted a climate risk assessment on our business and formulated policies and strategies for mitigation, adaptation and active resistance to climate change. We have identified potential physical impacts of climate change on manufacturing bases:



Extreme weather such as typhoons and rainstorms may surrender manufacturing bases to floods, which leads to equipment damage and personnel and property loss;



Extreme weather may also interrupt manufacture on the side of suppliers, as well as shipping and railway transportation, thereby impeding the normal supply of raw materials;



In the long run, rising sea levels may cause impacts on TPV's manufacture and operation in coastal areas on a continued basis.

To better cope with identified potential risks as above-mentioned, protect the safety of employees and TPV, and ensure order in manufacture, we have formulated measures for the management and emergency preparedness such as the *Administrative Measures for the Prevention of Typhoon and Flood Prevention for Factories on the Mainland*, and the *Emergency Measures for Major Floods*, so as to improve risk prevention and control.

## Management of Water Resources and Wastewater Discharge

Since no sewage is discharged directly during our manufacturing process, collection, treatment and discharge of domestic water are the focus of our water management. To better manage the use of domestic water, we have strictly fulfilled requirements of local laws and regulations, and our manufacturing bases all over China have followed 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 & Utilisation and for Urban Mixed Water*, and the *Water Pollution Prevention and Control Action Plan (2015-2020)* among other laws and regulations. We have insisted on paying equal attention to water conservation and sewage treatment while strengthening the treatment of domestic sewage, ensuring discharged water pollutants are up to standards, and improving recycling efficiency.

Meanwhile, we are fully aware of challenges posed by water scarcity in different regions and are thereby committed to taking action to protect limited water resources. Each manufacturing base has introduced a series of internal management institutions based on local conditions and commissioned qualified manufacturers to test water resources so as to ensure that all indicators in discharge standards are met. For the manufacturing step with high volume of water consumption, various measures of water conservation have been introduced, including enhancing pipeline inspections to identify leakage points timely, and the renovation of pipelines so as to reduce water waste. Water-saving faucets and facilities in toilets have been installed in working places to save water on all fronts. These efforts helped us to win the B rating in "Water Security" and reached the management level in CDP environmental assessment in December 2021.

### Management of Solid Wastes and Hazardous Wastes

We manage wastes produced by our business and operation with responsibility so as to minimise impacts on the environment and surrounding communities. Principles guiding our waste management are to encourage reduction, reuse and recycling at the source, and actively develop new technologies to raise resource utilisation rate and minimise the generation of wastes.

By formulating the *Solid Waste Management System*, each manufacturing base followed the requirements to manage solid wastes. General industrial solid wastes are classified, collected and recycled in a centralised manner; domestic wastes are collected and handed over to qualified suppliers for disposal; hazardous wastes are transferred and disposed of in strict accordance with rules and regulations, and then handed over to qualified third-party suppliers for recycling and disposal.

## Management of Air Emissions

TPV has strictly followed laws and standards 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* to continuously bring down exhausts. We have installed online detection equipment for volatile organic compounds (VOCs) to monitor a real-time manner pollutant emission concentration. Official vehicles have been put under unified management in the principle of "application first and dispatching later". The vehicles dispatched shall follow a science-based route to minimise repeated dispatches, save fuel consumption, and reduce exhausts. To detect the environmental impact caused by ourselves, we regularly conduct detection on exhaust gas and oil fume in manufacturing bases to ensure that impacts on nearby communities are minimised.

A digital online platform for environmental monitoring is also one of the means adopted to manage emissions. TPV Fuqing has adopted a VOC online monitoring system to conduct continuous online monitoring and transmit information to the environmental protection authority in real-time, providing data to support the evaluation of existing technologies to control VOC pollution. At the same time, we are actively promoting the introduction of an online monitoring system for energy consumption at the end of the enterprise. At present, a first-level online energy consumption system has been put into place and connected to the provincial platform. Upon the completion of the system, we will better access information about our emissions, analyse the potential to cut down emissions, identify emission reduction points, produce emission reduction plans accurately and efficiently, and handle abnormal emissions in a timely manner.

## Protecting Biodiversity

We are fully aware of the importance of protecting biodiversity and are therefore committed to ensuring a diverse and prosperous future. We have followed 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 the requirements of foreign governments in countries where we operate our business, with a focus on protecting biodiversity and habitats. In the process of engineering construction and project operation, we have strictly fulfilled environmental assessment requirements, improved the environment and enhanced biodiversity during our business operation.



### Planting trees to increase carbon sinks and support biodiversity

TPV has cooperated with ForestNation since 2020. Every time a client buys a Philips eco-friendly monitor, they are actually supporting the growth of Philips Monitor Forest. In 2021, we planted 38,594 trees, an increase of 292% from 2020. We have planted 57,891 trees so far, which could absorb 1,447.28 tonnes of carbon dioxide and generate 5,789.10 tonnes of oxygen.

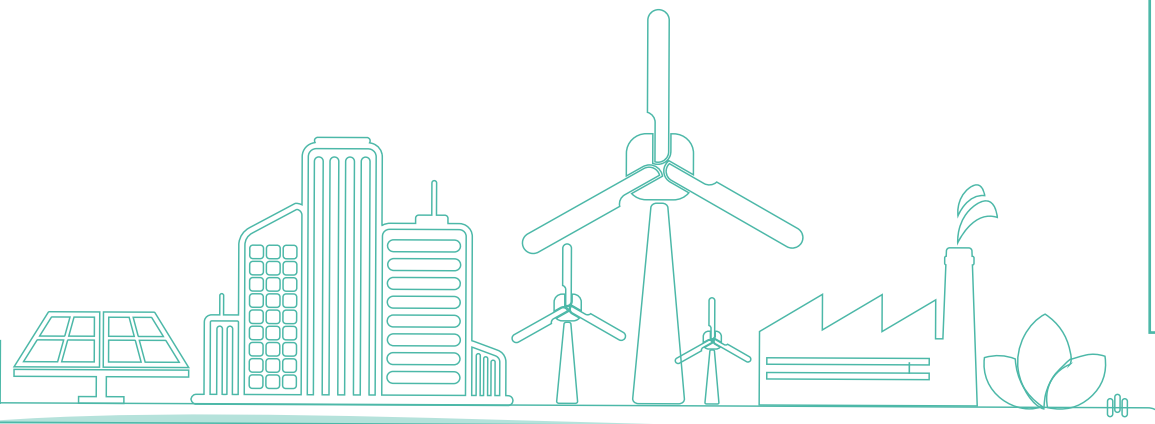


Trees planted in the project in cooperation with ForestNation

Planted  
**57,891**  
trees

Could absorb  
**1,447.28**  
tonnes of carbon dioxide

Could generate  
**5,789.10**  
tonnes of oxygen



## Raising Employees' Awareness of Environmental Protection

TPV has insisted on carrying out various publicity and training activities to call on the employees to practise environmental protection, energy conservation and low-carbon life, making employees voluntarily take actions regarding energy conservation and emission reduction. We hope that our pursuit of energy conservation and environmental protection could be conveyed to the employees and that we could help them to have a better awareness of environmental protection so that they would consciously protect the environment not only in offices but also in their daily life, thus having a positive impact on surrounding communities.

### Training on Energy Conservation and Environmental Protection

By providing training for employees on energy conservation and environmental protection, we have raised their awareness of water saving, electricity conservation and green office. In 2021, we conducted 23,673 hours of training on environmental protection and 4,953 hours of training on energy conservation and climate change. At the same time, we put up publicity signs of energy-saving and environmental protection in the workplace and share the progress of GHG emissions reduction through internal newsletter to promote the concept of energy saving to employees.

**23,673**  
hours of training on environmental protection

**4,953**  
hours of training on energy conservation and climate change

### Taking action to save energy and live a low-carbon life

TPV Wuhan carried out training on energy conservation and environmental protection in June 2021, introducing a drainage system in the factory and dormitory area, and promoting the publicity of water saving, energy conservation and emission reduction. By putting up slogans, we called on employees to save energy starting from details, encouraging them to develop a habit of energy conservation by turning off lights and closing doors when leaving a room.



Publicity signs of energy conservation

## Energy Conservation and Environmental Protection Activities

In 2021, we carried out various energy conservation and environmental protection activities to help employees enhance their awareness through experience. By organising energy conservation activities, we hope to leverage the corporate influence to cultivate employees' concept of energy saving and environmental protection, and engage all walks of society to enhance low-carbon behaviours.

### Recycling and Reborn activity

In December 2021, TPV Fuqing launched a publicity activity under the theme of "Reborn". By setting online quizzes with prizes, holding exhibitions, making eco-friendly works with recycled wastes, and organising education and publicity activities for waste classification, we promoted the eco-friendly concepts of waste classification, waste utilisation, energy saving and emission reduction to our employees.



Promotion for the "Reborn" activity



## Enhancing Responsible Procurement for Win-win Partnerships

It requires constant expansion of responsibility boundaries to become a sustainable leader in the value chain. Since establishment, TPV has always been committed to building a virtuous, fair and transparent cooperative relationships, extending responsible corporate behaviours to important partners, strengthening responsibility management in the supply chain, and establishing closer cooperative relations with suppliers for win-win results.



We respond to the following SDGs in this chapter



## Our High Standards

TPV pursues win-win cooperation with suppliers through continuous improvement of the supply chain management system. To reduce the environmental and social risks and promote sustainable development of supply chain, we have formulated a screening and management mechanism against high standards and with strict requirements, as well as a comprehensive mechanism of access and daily management for suppliers, covering contents related to conflict minerals, the environment, quality, business ethics, etc. In 2021, we have promoted 10% of product suppliers to actively participate in third-party RBA on-site audits, and 12.7% of product suppliers to complete on-site CSR risk assessments and surveys. During this process, we have also always paid attention to our knowledge and understanding of the requirements of sustainable procurement management. A total of 69% of purchasers have participated in sustainable procurement training this year, and continuously improved the department's capacity and management awareness for sustainable procurement.

**10%**

of production suppliers participated in third-party RBA on-site audits

**12.7%**

of production suppliers completed on-site CSR assessments and surveys

**69%**

of purchaser participated in sustainable procurement training



### Access Management

We have formulated strict access policies for suppliers and fully implemented the *Procedure for Evaluation and Management of Suppliers* in order to control risks in the supply chain from the source. Before introducing new suppliers, we would evaluate their entire process of labour, business ethics, product quality and environmental management, and require them to obtain the ISO 9001 quality management certification and ISO 14001 environmental management certification. Only after passing the qualification, could they become a qualified supplier. In addition, in order to further constrain the behaviour of suppliers and reduce the social and environmental risks of the supply chain, we also signed the *Quality Contract* and *Procurement Contract* with suppliers, which contains environmental protection requirements, energy saving and consumption reduction requirements, business ethics and anti-corruption items. To identify areas for enhancement, our dedicated teams conduct regular evaluations and ad-hoc audits of supplier performance of quality management, environment protection, energy consumption and greenhouse gas emission, health & safety, emergency preparedness, *Registration, Evaluation, Authorisation and Restriction of Chemicals*, REACH and other chemical substance regulations, labour and business ethics. Suppliers are obliged to undertake corrective actions in a timely manner. Non-compliance with our assessment criteria can lead to the termination of the business relationship.

Furthermore, we sign *Quality Contract* and *Procurement Contract* with suppliers which include provisions of environmental protection, energy conservation and consumption reduction, business ethics, conflict minerals and anti-corruption so as to further restrain their behaviours and reduce social and environmental risks in the supply chain.

## Our High Standards

### Management of Conflict Minerals<sup>6</sup>

TPV has been a member of the Responsible Minerals Initiative (RMI) and established a management system for conflict minerals in accordance with the five-step framework of the Organisation for Economic Cooperation and Development (OECD) to enhance the control and management thereof. According to the *Conflict Minerals Management Procedure*, we classified conflict minerals in required materials in accordance with the actual product designs and development requirements and regularly conducted risk assessments based on internal *Conflict Minerals Risk Assessment Form*. TPV requires the suppliers to complete the Conflict Minerals Reporting Templates (CMRT) on a yearly basis in order for us to identify traceability of minerals used in the supply chain. We thereby have a detailed conflict minerals risk analysis per purchasing category for our suppliers in place. According to the evaluation results, we will send a *Questionnaire of Conflict Minerals* to high-risk suppliers for investigation and ask them to sign a *Warranty on the Non-Use of Conflict Minerals*. With suppliers, we insist upon anti-child and forced labour policies, as well as policies on the use of conflict-free minerals. In 2021, We carried out investigations on conflict minerals for suppliers who use metal materials in their production process and achieved the coverage of 100%. We also urge them to complete the *Questionnaire of Conflict Minerals* and sign on the *Warranty on Non-use of Conflict Minerals*.



### Facilitating the improvement of awareness and training of miners in conflict mining areas

AOC and MMD (Philips Monitors), a subsidiary of TPV, had cooperated with Pact, a non-profit organisation, to work with the Congolese government in jointly drafting a brochure on local mining-related laws and regulations, aiming to publicise and ensure that local miners understand their rights and obligations. This has further consolidated TPV's ability to manage conflict minerals.



Distributing brochures among local miners

### Environmental Risk Management

To improve the environmental performance of suppliers and reduce risks related to the environment in the supply chain, we have formulated the *Substances Standards for Environmental Management* which requires suppliers to submit hazardous substance testing reports and regularly update the report thereof. At the same time, we signed the *Quality Agreement* with suppliers covering the environment, energy conservation and consumption reduction, established control indicators for each controlled substance in an *Agreement on Environmental Protection*, and clarified an environmental management assessment system.

<sup>6</sup> Please refer to the annual report on conflict minerals released on the website of TPV for more details.

## Our High Standards

### Social Risk Management

With an attitude of “Zero Tolerance” of corruption, TPV established a professional supply chain management team and a strict internal control workflow to improve the overall risk management of the company’s supply chain from a professional perspective. We fully respect the internationally recognised human rights of all individuals, and work to uphold the human rights of our staff and those who work in our supply chain in support of SDGs Goal 8. In line with International Labour Organisation (ILO) Conventions Nos. 29 and 105, we prohibit the use of forced labour.

We also assisted suppliers to establish effective procedures to uphold the corporate code of business ethics. To enhance the performance of suppliers, TPV has introduced a series of management policies and auditing measures for suppliers’ business ethics and anti-corruption. The Agreement on Responsible Business Alliance (RBA) is attached to the *TPV Procurement Contract* covering policies and requirements regarding business ethics and anti-corruption on the side of the suppliers. At the same time, we have set up an auditing programme for the quality system, requiring suppliers to follow requirements of clean operation without any form of corruption, bribery, etc., and to respect intellectual property rights. When suppliers are audited, we focus on confirming their compliance with business ethics and anti-corruption. In 2021, 100%

of suppliers signed procurement contracts with clauses covering environmental, labour and human rights requirements.

TPV formulated and released the *Suppliers’ Code of Conduct* and *Human Rights Policy* to better manage and reduce potential risks in the supply chain, which demonstrate our attitude of “Zero Tolerance” of forced labour, child labour and behaviours that damage the environment in supply chain management. Through the launch of our *Human Rights Policy* and *Modern Slavery Statement*, we are taking steps to strengthen our commitment to human rights. We are committed to urging all suppliers to be socially responsible, ensure employees’ right to freedom of choice of work and freedom of association, provide employees with humane treatment, and protect them from harassment and discrimination. In 2021, the number of suppliers who signed the Supplier Code of Conduct reached 100%. We did not find any risk of freedom of association and collective bargaining rights in suppliers, nor did we find the phenomenon of forced labour and child labour and related risks.



In 2021, 100% of suppliers signed procurement contracts with clauses covering environmental, labour and human rights requirements



In 2021, the number of suppliers who signed the Supplier Code of Conduct reached 100%

## Empowering Suppliers

We have built a supply chain management and evaluation system of "Close Cooperation for Win-win on a Continued Basis" for this purpose, rolled out an evaluation process and regularly assessed and rated suppliers. Particularly, to partner with suppliers to help them achieve GHG emissions reduction, we require suppliers to install corresponding procedures for constant improvement and encourage them to utilise green energy, monitor energy utilisation and draft measures of energy conservation and emission reduction. Meanwhile, we encourage suppliers to get involved in climate action and expect more and more suppliers would build and disclose a mechanism to track GHG emissions.

TPV believes that suppliers' enthusiasm could be fully mobilised by improved assessment mechanism, better management system and training activities so as to effectively manage and reduce supply chain risks, thus improving the ability of suppliers to fulfil responsibilities. In 2021, we continued to carry out training and cooperation with suppliers to improve their management capabilities for sustainable development and empowered the industrial ecological chain, enhancing the capacity-building of suppliers.

## Training of Suppliers

We have been actively providing suppliers and their employees with ESG training and sharing industry insights for win-win results. These training activities have helped our suppliers and their employees' access knowledge about environmental protection and social issues (such as child labour, slavery and/or human trafficking).

In 2021, we organised online RBA training for suppliers, shared measures and methods to enhance labour's rights and interests, health and safety, energy conservation and emission reduction, and business ethics, and also shared best practices and performance of similar suppliers and upstream and downstream companies, in an attempt to build up their capabilities.



### Online conference for suppliers of TPV

In April 2021, TPV held an online conference for suppliers mainly introducing the Suppliers' Code of Conduct, sharing the latest articles of RBA and issues often encountered during RBA auditing. We also proposed suggestions to make improvements in response to common issues. At the same time, the training made an introduction of substances standards for environmental management and new environmental regulations in various countries and shared cases of recalls and chemical test cases in the EU market.



*TPV's RBA training is of great help to us, making us more familiar with how to carry out RBA-based management practices and further improving our management.*

— Manager Yao from a supplier of plastic parts

*Thanks to this RBA training, we have systematically mastered RBA concepts and implementation guidelines, which is of great significance for the subsequent improvement of our corporate governance system.*

— Manager Tao from a supplier of hardware material



# Supporting People and Sharing Value

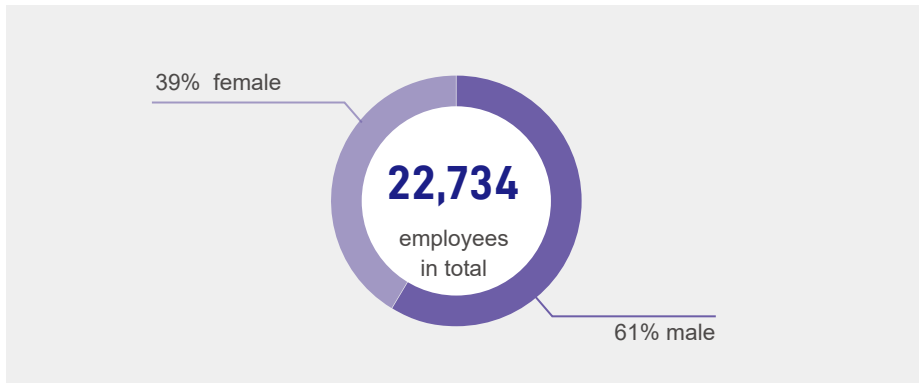
TPV has adhered to and practised the concept of people-oriented development, actively safeguarding and protecting employees' legitimate rights and interests. We strive to protect the health and safety of our employees, constantly improve relevant institutions of HR management, continue to build transparent and smooth channels for communication, and make efforts to create an equal, diversified, harmonious and relaxed working environment so that employees could have senses of happiness and belonging here, and join hands with us to realise the vision of leading the industry of electronic displays.

We respond to the following SDGs in this chapter



## Equal and Diverse HR Management

Diversity is one of the important factors that unite us together. By absorbing talents of all backgrounds and with different career plans, we not only sharpened our competitiveness in the industry but also developed more innovative approaches to business challenges and earned more opportunities. TPV has adhered to equal and democratic HR management philosophy, paid attention to diversified development of employees, eliminated discrimination and harassment in work and life, and attached great importance to business ethics in the company, trying to create a working environment with transparent institutions, equal opportunities, harmony and diversity for employees. In 2021, TPV had 22,734 employees, of which males and females accounted for 61% and 39%, respectively.



## HR Management System and Policies

With an HR management team boasting rich experience and a mature HR management system, we have laid out clear descriptions and requirements for recruitment and resignation and drafted the *Policies for the Management of Recruitment* and the *Policies for the Management of Resignation*. We provide new employees with an *Employee Handbook* filled with details to help them get on board and familiarise themselves with attendance, promotion, welfare and many other policies and institutions closely related to their interests. At the same time, they can understand corporate culture as fast as possible, keep up with progress and join us for mutual development.

## Diversity and Inclusiveness

We are committed to creating a diversified and inclusive working environment, providing employees with fair, just and reasonable job opportunities, and adhering to the policy of equal pay for equal work to ensure the basic rights and interests of each employee. We have promulgated the *Administrative Measures for Peaceful Assembly and Freedom of Association*, the *Administrative Measures for Labour 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 Labour* and the *Procedures for Prohibition of Child Labour* to ensure no discrimination, harassment and retaliation in recruitment, compensation, training, promotion and dismissal. We have introduced policies on equal work and promotion measures for all employees, including the disabled and pregnant women, at manufacturing bases and operating sites and conducted annual reviews and updates of policies thereof to ensure the applicability. During the reporting period, there was no risk of freedom of association and collective bargaining in all of TPV's manufacturing bases and operating sites, nor the phenomenon of forced labour, child labour and relevant risks.

Upholding the concept of equal employment, we are committed to not discriminating against employees in recruitment based on race, skin colour, age, gender, sexual orientation, ethnicity, disability, pregnancy, religious belief, etc.; and refraining from forcing employees or potential employees to accept medical examinations that are possibly discriminatory. In addition, we open up two reporting channels, either via the General Manager's mailbox or the HR department, for employees who have been discriminated against or harassed to file a complaint. Contents of whistleblowing will be verified and followed up with countermeasures for improvement according to corporate rules and regulations.



## Diversity and Inclusiveness



### Embracing diversity and inclusion

We have not only introduced a series of policies to ensure a diversified and inclusive working environment but also earnestly considered the different needs and concerns of breastfeeding female employees, the physically impaired, and those with religious beliefs. Equality and protection have to become a reality. Our offices and manufacturing bases in different cities have lactation rooms to ensure a private and quiet environment for female workers. We have also set up exclusive parking spaces, ramps, toilets, elevators, and other accessible parking space to help the disabled move around, and a separate dining area for Muslim employees and a room for religious activities and gatherings. These are our practical actions to provide all talents with equal development opportunities.



Lactation room



Accessible parking space



Separated dining room for Muslim employees

Room for religious activities

## Strict Management of Business Ethics

We have introduced effective management and supervision from perspectives of the management system, business procedure and whistleblowing mechanism for anti-corruption and business ethics. Systems and investigation guidance for anti-corruption and business ethics have been approved by the President and put into place which covers whistleblowing channels, execution of whistleblowing investigations, clarified reporting mechanisms, and confidentiality mechanisms. On an annual basis we execute audits to map our risks related to corruption. We have standard operating procedures in place and an internal control system to minimise the corruption risks. The Audit Committee functions act as an independent unit to oversee the effectiveness of the internal control system and to ensure good corporate governance. At the same time, the company regularly communicates to employees and external stakeholders about whistleblowing channels and email addresses<sup>7</sup> via employee mailboxes and bulletin boards so as to unblock whistleblowing conduits and resolve appeals in a timely manner.

Besides, we have been actively organising anti-corruption training with four annual compulsory courses for all employees, namely *Training on Administrative Measures for Avoiding Conflict of Interest*, *Introduction to Corporate Disciplinary Code*, *Ethics Training*, and *Introduction to Employee Handbook*. Our overseas companies have also set up anti-corruption mechanisms, strengthened supervision in organisational structure and approval authority, standardised business procedures, clarified the division of responsibilities, strengthened corporate procurement, established whistleblowing systems, and made requirements of integrity clear and explicit to the outside world. *TPV Code of Conduct* also includes various provisions for anti-corruption.



<sup>7</sup> Whistleblowing email address: TPV.Whistleblowing@tpv-tech.com

## Transparent Communication Channels

TPV is aware that employees are the most important partners and has established various communication channels for employees to make their voices heard and express opinions. A Survey of employee satisfaction is conducted regularly to summarise what has to be improved based on which targeted measures are proposed. We believe that transparent and smooth communication channels will help TPV continue to improve itself, creating a more harmonious working environment for everyone and building a better future.

### Communication Channels for Employees

TPV has installed multiple communication channels and methods, and rapid, efficient and convenient communication procedures so that employees can better convey their voices, send feedback or whistleblow about forced labour, working conditions and child labour. We have a hotline for whistleblowing and appeals, General Manager's email, comment box for employees in the factory, and psychological counselling, one-on-one talk with employees, employee satisfaction survey, employee welfare committee, etc. Attention is paid to production management, human rights issues, like child, forced labor, slavery and human trafficking, and personal issues related to employees' mental health, living and dining. We would like to listen to employees' opinions and concerns from all aspects.



#### Multiple communication channels

At TPV, communication channels have kept up with the times. Apart from the comment box and mailbox, we opened a special feedback section through WeChat QR code. This has made communication more convenient and efficient. In addition, we have adopted EAP employee assistance programmes such as psychological counselling and one-on-one talk to help employees deal with health, psychological stress and family issue. Employees could better adapt to work, engage in interpersonal relationships, deal with marriage issues, take good care of family, and maintain health by receiving counselling and assistance. This is how we provide overall care for employees' physical and mental health.



One-on-one talk with employees

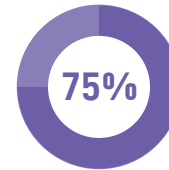


Comment box

Our overseas companies have established their labour unions and held offline Town Meetings. Employees can take freely face-to-face with executives about the working environment, corporate policies, management institutions, compensations and benefits, and other issues closely related to employees and corporate activities. The executive team actively helps employees solve problems in work and life, have consultations and discussions with an equal and democratic attitude, and seek fairer and more appropriate solutions.

### Employee Satisfaction Survey

We have always paid attention to employees' sound development, and an employee satisfaction survey is one of the most effective methods to listen to their opinions, figure out potential problems within the company and make continuous improvements. TPV manufacturing bases in China conduct employee satisfaction surveys every year and formulate plans to boost employee satisfaction based on analysis and summary of the survey results. In 2021, the overall satisfaction of employees in TPV manufacturing bases in China reached 75%, the same as in previous years. To further raise employee satisfaction levels, each manufacturing base collects and summarises issues reported by employees based on the annual satisfaction survey results and requires relevant departments to produce targeted improvement plans to jointly create a positive atmosphere.



Satisfaction of employees in TPV manufacturing bases in China reached 75%

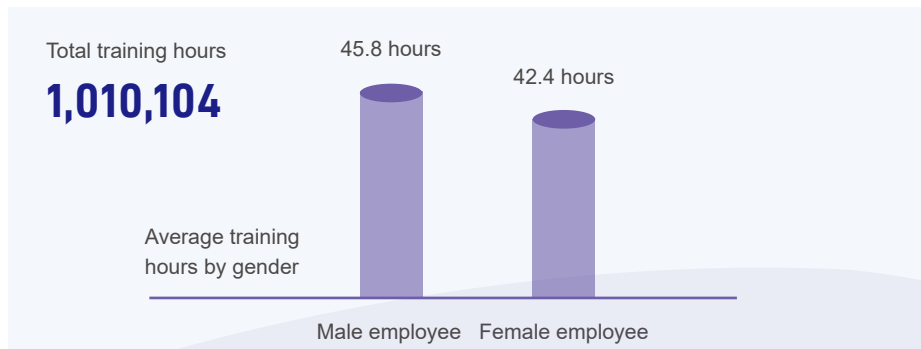


## Comprehensive Training and Promotion System

We offer training courses to help employees improve their skills and facilitate the company to retain more talents. Employees can better realise their value and shine in different departments and sectors. TPV has a mature and complete promotion system that provides more humane promotion opportunities for employees who make steady progress and special contribution. It also attracts and motivates qualified talents to stay with the company and work together.

### Employee Training and Skill Improvement

We continuously optimise our talent retain and improve talents' professional skills to keep up with the rapid development of various business units. Besides, we actively carry out various training activities in employees' spare time. The training session is based on TPV's internal training and development system with multi-departmental and multi-functional training courses on professional skills, management skills, self-development, etc. In addition, we offer special training which is combined with technology development and social changes. A series of activities are organised to examine and improve employees' professional skills, e.g., the month of quality, case sharing on quality standards, and quarterly competitions of operation, to improve employees' innovative capabilities to deliver high-quality performance with efficiency. We regularly organise competitions for operation and improvement of inspection, such as the competitions about working license, competitions for team leaders and competitions on materials identification, etc. In 2021, our employees' training hours have achieved 1,010,104 hours, of which the average training duration for male and female employees was 45.8 and 42.4 hours respectively.



### Organising employee training and competitions to sharpen their skills

In 2021, TPV organised many sessions of competitions to train and examine employees' techniques as a way to constantly sharpen their abilities and further improve working skills, encourage them to deliver a better job, and fulfil corporate values.

Competition of visual inspection      Competition of driving forklifts      Competition of operating solder machine

### Helping employees to have a sense of achievement

In October 2021, TPV Fuqing initiated training courses, including *Human Resource Management for Non-human Resources*. Many trainees who are backbones in their departments participated in learning how to empower employees, motivate employees to find meaning in their work, and drive themselves to make input into work and strive for personal development voluntarily.

Group photo of employee training

## Employee Training and Skill Improvement

We provide various courses to meet employees' diversified development needs. Take courses in 2021 as an example, there are *Efficient Recruitment and Accurate Interview Skills*, and *Strategic Performance Management Solutions* which help employees and HR personnel by inspiring their thinking to seek improvement; courses such as *Innovative Thinking* open up horizons in employees' minds and help them find a new direction for innovation in work; courses such as *Interactive Dialogue* aim to improve employees' communication skills, help them learn to express clearly, take a comprehensive view of problems in work, earnestly seek the facts, and avoid misunderstandings; courses such as *Post-pandemic International Political and Economic Trends and Industrial Development*, and the *Analysis of Development and Trends of LED Displays and Electronic Paper Displays* pay more attention to social changes and technological advancements in professional areas, broadening professional talents' eyes and improving their skills.

### The course of post-pandemic international political and economic trends and industrial development

We provided a course on Post-pandemic International Political and Economic Trends and Industrial Development amid the pandemic. Employees were very actively keen on listening to experts' analyses and having a heated discussions. This helped them look at the company's future development from a global perspective, which broadened their horizon and benefited participants a lot.



Lecture and discussion in the course of Post-pandemic International Political and Economic Trends and Industrial Development

## Employees' Development and Growth

To standardise individual development and career plan, we conduct Employees Performance Appraisal, EPA, among the workforce across all locations, including manufacturing bases and offices. EPA supports employees and their managers to tackle career development and discuss progress on an annual basis. We have a mature and complete set of *Measures for Employee Promotion of TPV Technology Group* lists promotion conditions for each occupation level in detail and clearly supports employee promotion. Our promotion conditions are very humanised without rigidly sticking to certain conditions as the yardstick for promotion assessment. Instead, it comprehensively considers whether employees have special skills or make contributions. Those who meet primary needs or whose exceptional skills and contributions meet requirements can have a shot at promotion. This provides employees with a fairer and broader promotion platform. We also encourage more experienced and qualified talents to come to work for TPV. For this purpose, we have introduced a long-term incentive plan further to mobilise the enthusiasm and creativity of high-quality skills.

### Employee appreciation and awards

In November 2021, TPV Xiamen held an award ceremony for employees who have been in the company for 10 and 20 years. 96 senior employees and Level-I managers attended the ceremony. Wang Li, a 20-year employee, shared her story of growing up together with TPV starting from her graduation to marriage and until having children, from a freshman in the workplace to a mature associate. Her story of growing up with the company has touched many employees.



Award ceremony for senior employees in TPV Xiamen

## Health, Safety and Employees' Well-being

We have prioritised the health and safety of employees in work and production and are committed to creating a working environment with a sound system and a complete set of facilities so that employees can work and live happily and be reassured in TPV. We have applied digital tools to build an all-weather online platform (LifeWorks) for overseas employees with functions covering health and safety, employee benefits, legal assistance, and emotional management in a full basket of services. Amid the pandemic, TPV has been united to fight COVID-19, encouraged employees to get vaccinated, and never slackened in disease prevention, control even during holidays. We have attached great importance to the well-being of employees, created a relaxed and harmonious living and working environment, organised community activities beneficial to employees' physical and mental health, and provided them with benefits including holiday allowances, birthday gifts, etc., so that everyone who works hard for TPV can have a sense of happiness and belonging.

### Employee Health and Safety

TPV has set up an organisational structure for a safety committee with the General Manager of each manufacturing base as the chairman and heads of each department as committee members. We also formulated the *Administrative Measures for Factory Safety Committee* on the Mainland to continuously standardise and improve the safety management system. Based on the system of environment, safety and health (ESH), the safety committee formulates policies, sets targets and makes annual plans related to safety issues. The committee promotes the full implementation of production safety and occupational health responsibility system at all levels and carries out assessments to ensure that our safety management, occupational health management system and behaviours comply with laws and regulations. Besides our internal inspections and assessments, we also invite external companies to inspect and audit our machines and equipment for a safe working environment for our employees.

As for the institution, we have established management institutions such as the *Accountability System for Prevention and Control of Occupational Diseases*, the *Employee Occupational Health Monitor and File Management System*, the *System of Warning and Notification for Occupational Disease Hazards*, and the *Procedures of Occupational Health Operation at Post*. By conducting daily monitoring and regular testing of occupational disease factors, we have ensured that the working place is in line with occupational health standards to effectively protect employees' lives, safety and health.

In addition, we have taken many measures to prevent occupational health hazards in workplaces, including noise, smoke and dust in TPV manufacturing bases. These measures include but are not limited to installing central dust collectors, reducing equipment noise, introducing sound insulation in equipment rooms, ventilating the workplace, wearing personal protective gear, and carrying out occupational health examinations before, during and after employees are on duty for critical positions.

Safety training is also one of the important methods for TPV to protect employees' health and safety. All employees receive occupational health and safety training upon joining which is supplemented with job-specific health and safety pieces of training. We have actively carried out various safety training sessions to build up employees' knowledge, enhance their awareness, and enrich their experience dealing with safety issues. Training is delivered by internal and external experts in the native language of workers. In addition to training, health and safety procedures are also set out in the native language of workers to ensure familiarity and understanding. Trainees are asked to rate content delivery and the trainer's effectiveness after each training session, and this feedback helps inform opportunities for improvement and the effectiveness of future training. In 2021, we carried out activities such as drills to prevent chemical leakage, fire drills, production safety education assessments, knowledge competitions of production safety, training of internal auditors for production safety, and education campaign of safety knowledge, providing training, education and simulation exercises on production safety knowledge from various aspects.



Global manufacturing bases recorded  
**0** work-related fatalities



Exhibition of safety knowledge



Assessment of production safety



Competition of production safety

## Employee Health and Safety

Since the pandemic outbreak, TPV has formulated a series of disease prevention and control policies and a set of relatively mature COVID-19 prevention and control measures. In addition, we have kept monitoring the dynamics of COVID-19 and normalised disease prevention and control. Since a full roll-out of the COVID-19 vaccination programme, we have made concerted and targeted efforts, mobilised all staff, and observed national policies to build herd immunity to fight the virus.



### One-stop vaccination at TPV Xiamen

In August 2021, the only mobile vaccination vehicle in Xiamen arrived at the TPV Xiamen manufacturing base fully loaded with all necessary equipment to provide everyone with the "one-stop" vaccination service. Areas of registration, pre-inspection, waiting, vaccination, observation and emergency treatment were set up on-site. The medical and working staff were very kind and considerate. This vaccination campaign was well-organised on-site.



Employees taking vaccines

## Employee Well-being

We offer employees diversified employee benefits and encourage employees to integrate into the big family in TPV. TPV employees work eight hours a day during every five-day workweek and enjoy paid annual leave, public holidays, leave for marriage and funeral leave, maternity leave, paternity leave, among others. Manufacturing bases in the Chinese Mainland provide insurance and housing funds, supplementary accident insurance, free health checks and labour protection for employees. We also build dormitories and self-operated canteens for our people and grant a bundle of extra allowances, including holiday benefits, returning-home fare, allowance for departmental activities, welfare benefits, birthday gifts, memorial gold medals for senior employees, etc. We actively assist employees in applying for government subsidies such as accommodation allowances for college students and affordable housing for backbone employees,



### TPV's Employees celebrated the Spring Festival at the local sites

The Spring Festival is meant to be the occasion for family reunions and happiness. However, in 2021, when the anti-pandemic measures were strengthened, employees in TPV chose to stay in the production facilities during the festival as a response to the governmental appeal. In order to make those employees feel at home, all manufacturing bases were festooned with lanterns to create a joyful atmosphere and held many spring festival activities everywhere to make them enjoy the festival.



Photos of employees celebrating Spring Festival

<sup>8</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



### TPV's athletes built up their strength

On May Day in 2021, Fuqing held the first Half Marathon, attracting 500 runners, 39 from the TPV Running Team. Our members in fluorescent green contract, which was a stark contrast to the sharp red sweats given away by the organiser at the site, were particularly eye-catching. TPV Running Team in Fuqing stimulated employees' enthusiasm for sports and enhanced their physical quality and sports spirit. Sports truly enable life-work health!



Fuqing half marathon

In June 2021, TPV Xiamen held a badminton team competition. During the fierce competition, all the players were doing their best to fight for their teams, demonstrating the spirit of fighting and persistence. The badminton competition inspired employees to show their energetic side while enhancing their ability of team collaboration.



Badminton game

TPV Xiamen held the first Curling Challenge in August 2021. Although the rules of curling are simple, the sport requires full attention and teamwork, which attracted the passion of our employees. The 10-day fierce and interesting competition enabled the employees to feel the fun of curling, enriched their spare time and enhanced the cohesion of the team.



Curling challenge

## 10 Years Service with TPV

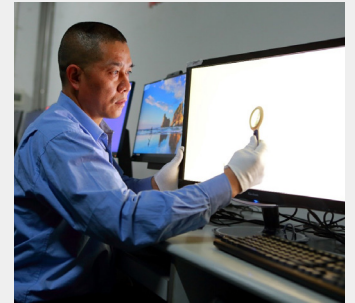
In the big family of TPV, although employees are from different departments with diverse career paths, they all share one character - they have done something wonderful with their focus and efforts.



### Staying Focus and Pursuing Perfection

Wang Aiming joined TPV in 1999 and worked as an inspector under the product line. Specialised in quality inspection for 20 years, he inspects about 6,500 prototypes of new models before shipment every year. He understands that any quality problem will affect the customer's confidence in product and the company's reputation. When asked how to ensure perfect product quality, he replied, "I will not miss any details when inspecting the prototype. In addition to the comprehensive verification and inspection by following the standard procedure, I also need to make targeted key tests depending on the shipment number of different prototypes."

Wang Aiming is the most dedicated one in the inspection team to ensure the product's perfection. In order to deliver goods that strictly meet the quality standards, Wang Aiming always efficiently completes the inspection in advance, and stays prepared for any urgent calls. He is a representative of many employees in TPV who work with whole heart in every working position. Focus leads to perfection. Thanks to such a group of hardworking employees, the quality of TPV products always remains at the best level.



Wang Aiming is focusing on the inspection

### Persistence Making Dream Possible

Pan Jinyu joined TPV in 2000 and worked as a technical R&D Engineer. Pan Jinyu practises his motto: "No pain, no gains". During the Spring Festival in 2017, when a black screen issue happened in the Suzhou Metro Project, Pan Jinyu immediately rushed to Suzhou metro station and immediately conducted the testing, so as to provide the test data to the company in time. At last, he evaluated the cause of the problem based on the test data and the law and solved the problem eventually.

Pan Jinyu's efforts prevented customer complaints and improved customer satisfaction with TPV products. Ten years of persistence have rewarded him with fruitful results, making him one step forward to his dreams.



Pan Jinyu is focusing on the testing

## 10 Years Service with TPV

### Creating Happiness and Achieving Greatness

The Chefs at TPV always strive for the well-being of employees. Although they need to get up early, they are willing to study, try new dishes and prepare various types of food to fulfil the tastes of different people. They get up early everyday to prepare breakfast for hundreds of people. Although they are rarely seen by the employees, they are truly the masters of cuisine who creates happiness for other people.



The 3<sup>rd</sup> TPV Culinary Competition

*"Our team is united, friendly, and positive. Our chefs would their experiences and good cooking methods with each other. I hope we can do our job better and satisfy our employees."*

— Chef Gong Libin, TPV Qingdao

*"Cook with gratitude and love."*

— Chef Wang Yiguo, TPV Fuqing

These people are a few examples out of thousands of employees in TPV. Thanks to all the persistent and dedicated people at TPV, we have laid a solid foundation of talents for sustainable development.

## Caring for the Society and Contributing to Community

TPV always adheres to corporate social responsibility, actively carries out volunteering services, and continues to support community development in China. In 2021, we actively cooperated with the government to combat the pandemic, participated in green and low-carbon activities, and continually donated books and gifts to educational charities. Furthermore, we kept updated on social events, provided material and financial support for disadvantaged areas and disaster-stricken areas, and contributed to society. TPV donated RMB 1,480,700 at home and abroad.

We respond to the following SDGs in this chapter



## Taking Actions to Fight the Pandemic

We have united together to tide over the difficulties amid cruel COVID-19. In this year when the pandemic repeated, TPV strictly implemented the government's anti-pandemic requirements, and contributed to pandemic prevention and economic development. At the same time, we also took the initiative to hold donation activities to express our support and gratitude to the anti-pandemic personnel. In addition, we developed antibacterial products to better serve social needs.

### Assisting Pandemic Prevention with Hi-tech Approach

TPV has also continued to innovate products targeting pandemic prevention and has successfully developed an antibacterial remote control by making use of the characteristics of silver ions. We believe that we can effectively reduce bacteria on the remote control in families, and then avoid diseases caused by these bacteria through the innovative nanocomposite plastic material with antibacterial function.

#### Using antibacterial materials to combat COVID-19 through technological means

The shell of the antibacterial remote control uses nano antibacterial materials. The innovative material can effectively inhibit and kill the common *Escherichia coli*, *Candida albicans* and *Staphylococcus aureus* in the home remote control, reduce the probability of disease and better protect the health of clients, especially children. In the post-pandemic era, we designed, developed and launched the antibacterial remote controls that comply with the regulations of EU Biocide in the hope to continue to protect the health of our clients.



Antibacterial remote control

#### Commercial display enabled safe social distance

As the pandemic is still uncertain, it is necessary to keep social distance, whether in retail stores, supermarkets, cinemas, or any other public place. We connect Philips display with sensors and cameras, to timely guide the tested safe social distance and provide clients with customer traffic management solutions. In this way, our users can still enjoy a safe and healthy lifestyle without being troubled by the pandemic.



Philips commercial display shows real-time customer traffic in the store

## Responding to the Call to Fight the Pandemic

TPV not only responds to the government's demand for pandemic prevention but also keeps committed to the anti-pandemic charity. In 2021 when COVID-19 broke out in many regions, TPV's manufacturing bases, which were located in the pandemic-hit area, actively cooperated with the local government and provided material support and care to the front-line anti-pandemic personnel.

### TPV Xiamen anti-pandemic measures to take social responsibility

TPV responded to the anti-pandemic requirements of Xiamen in September 2021. After receiving the Xiamen government's demand for construction and upgrading of the COVID-19 treatment hospitals and isolation areas, TPV mobilised AOC and Philips business teams, supply chain and after-sales service teams to quickly set up a support group. They delivered the products in urgent need, sending 10,000 TVs in only 13 hours, which is a new record in the assistance.

In addition, TPV's after-sales team established an emergency team to install 10,000 products in isolation areas to ensure that they could serve the anti-pandemic as soon as possible. Many experienced after-sales engineers supported the pandemic-hit areas voluntarily and installed anti-pandemic equipment all night, providing technical support for product installation.



The after-sales team install anti-pandemic equipment

### Sending care to anti-pandemic personnel

In December 2021, the sudden pandemic disrupted the people's quiet life in Shaanxi Province. The General Manager and employees of TPV Xianyang visited the anti-pandemic booth, anti-pandemic headquarters of High-tech Zone and Qindu District to send necessities to the anti-pandemic personnel and policemen to thank them for performing their duties in combatting the pandemic.



TPV visited anti-pandemic personnel



## Promoting the Development of Local Communities in China

TPV sticks to our corporate social responsibility and devoted to the charity and volunteering work in China. We protect our homeland with concrete actions. At the same time, we adhere to the traditional Chinese virtues to enable more children to have better access to books and education. In addition, we keep up with social dynamics and respond positively to emergencies and critical disasters to contribute our share to social and economic development.

### Environmental Protection

22 April 2021 is the 52<sup>nd</sup> World Earth Day. The theme of this year's Earth Day is "Cherish the Earth, Harmony with Nature". In response to the call for Earth Day, TPV's regional manufacturing bases have been carrying out green and low-carbon actions to contribute to the implementation of the "Life and Green Embrace, Humanity and Harmony".



TPV's activities on Earth Day

### Social Contribution

TPV not only cares about environmental protection but responds to social issues. In terms of education, we carried out activities such as Xinjiang student aiding programme, book donation, scholarships and campus construction, so as to provide more children with access to quality education and thus enjoy the beauty of books.

As a highlighted programme, we donated books to the children of Xinjiang student aiding programme so that they could study and read after school. We also prepared gifts for students on Children's Day and held activities to create a relaxing and joyful atmosphere for their growth.



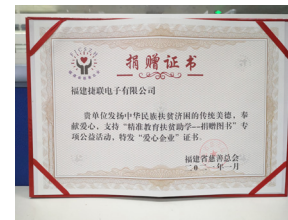
Activities for Xinjiang student aiding programme on Children's Day



Gifts for Xinjiang student aiding programme on Children's Day



Book donation



Book donation and letter of thanks

TPV always pays attention to social dynamics and people's livelihoods, and actively performs our corporate social responsibility when urgency happens. In 2021, we held volunteering activities such as blood and money donations for flood disasters in Henan, which not only support the people in need, but also promoted the spirits of devotion among our employees.

## Social Contribution



### TPV Qingdao's blood donation

On July 16, 2021, TPV Qingdao and Qingdao Blood Centre held the blood donation themed "life care and love". About 8,970 ml of blood was collected after health checks within two hours. In this activity, employees encouraged and motivated each other to deliver love and care.



Blood donation



### Providing support to disaster relief

When the catastrophic flood hit Henan in October 2021, TPV immediately donated RMB 500,000 for flood relief and disaster recovery through Henan Charity General Federation to help local people rebuild their homes. Meanwhile, we also donated electronic AOC and Philips whiteboards and splicing screens under TPV to the Leading Group for Hebi Catastrophic Flood Recovery and Reconstruction to support the emergency command system with high-tech products.



Emergency donation for flood recovery in Henan



### TPV's smart products supported the development of western China

TPV sponsored Xianyang High-tech Zone to donate 200 sets of 50-inch TVs to underdeveloped areas in Western China, with a total value of about RMB 500,000. These smart TVs were sent by TPV Xianyang to local families. In this way, we unblocked their information channels, enriched their cultural life, and further met the actual needs of those who have no access to TV. We expect to open a window to the world for local residents through smart TVs.



TV donation

TPV is committed to spreading our charity footprint all over the country. We start with the scattered green and low-carbon actions and move on toward the national environmental protection cause, and from the Xinjiang student aiding programme to more regions and larger targeted groups. In the future, we will continue our efforts on low-carbon, educational and social volunteering activities, enable more children to read books, empower more people to understand the world through audio-visual images, and support more people in need.





## Supporting the Growth of Overseas Communities

TPV also spares no effort in supporting the growth of overseas communities. We have set up our own corporate social responsibility fund to provide material and financial support for projects that have a long-term positive impact on society. Besides, we have initiated several projects in cooperation with local public welfare organisations to jointly maintain the local ecosystem and improve local living conditions.

## Environmental Protection

Since 2021, TPV has supported Impalco Verde Foundation, an overseas public welfare organisation, to cooperate with Pasto indigenous community on the forest replanting project in Colombia to mitigate the forest degradation and ecosystem damage in the region.

### Afforestation to build a green ecological belt

In 2021, we donated trees to recipients in the Andes, Colombia through Impalco Verde Foundation, the public welfare organisation, to help rebuild local forests and protect water resources.



Tree planting in Colombia

Our corporate social responsibility fund also continues the cooperation with the Explorers Foundation in the scarlet macaw project in Honduras. The project aims to protect and restore the bird population. In 2021, the project, together with local and international partners, built Macaw Mountain and Bird Park Reserves to protect and care for those injured and captured. TPV was an active part of the project, continuously provided assistance and support for the ecological environment and the existence of birds. We will bring assistance to more creatures and contribute to biodiversity protection in the future.

## Social Welfare

TPV's corporate social responsibility fund focuses on quality education and human health and well-being while responding to climate change. We will not only improve the infrastructure of local communities by means of donations but also render long-term support and attention to the projects we donated. Thus, we are able to really implement our public welfare projects and have a certain positive influence on society in the future.

### TPV collaborated with mercy ships in medical services and strive to improve the medical and health care in developing countries

To improve medical care in Africa, we collaborated with Mercy Ships. Our own sophisticated audio-visual technology and hardware equipment enables more efficient and convenient medical services through online medical training and offline guidance, so we could provide free surgery and medical services for thousands of local residents in Africa who lack medical care.



Mercy ships project

### TPV provided eye disease treatment and training in collaboration with eye care foundation

We worked with the Eye Care Foundation on World Sight Day on October 14, 2021. We highly identify with the foundation's concept - help those in developing countries who have no access to or can't afford eye diseases treatment.



Health Worker Training Programme in Vietnam Community

In the future, TPV will continue to uphold the corporate values of "creating unique value for our customers, creating valuable opportunities for our employees, creating sustainable benefits for our shareholders, and creating useful resources for our society", and actively fulfilling our corporate social responsibilities. We will engage ourselves in various charitable activities including student aid, poverty alleviation, green environment, pandemic prevention and safety, which are under the theme of education assistance, environment protection and cross-strait exchanges, and continue to combine the know-how and resources from corporate social responsibility projects. Therefore, we can move forward with endless innovation and empowerment to realise our original ambitions.

## ESG Performance

KPI		2021
Environment	<b>Energy</b>	
	Gasoline and diesel - stationary combustion (litre)	11,353
	Gasoline - mobile combustion (litre)	157,590
	Diesel - mobile combustion (litre)	64,957
	Natural gas - stationary combustion <sup>9</sup> (m <sup>3</sup> )	2,009,611
	LPG - stationary combustion (tonne)	60
	Total direct energy consumption (MWh)	24,753
	Total electricity consumption (MWh)	223,324
	self-produced renewable electricity (MWh)	1,324
	purchased electricity - renewable technologies (MWh)	206
	purchased electricity - non-renewable technologies (MWh)	221,794
	Total indirect energy consumption (MWh)	223,324
	Total energy consumption <sup>10</sup> (MWh)	248,077
	Total renewable energy consumption <sup>11</sup> (MWh)	1,530
	<b>Water resource</b>	
	Total water withdrawal <sup>12</sup> (tonne)	1,991,300
	water withdrawal - groundwater source (tonne)	44,917
	water withdrawal - third party source (tonne)	1,946,383
	total water consumption (tonne)	326,361
	Intensity of total water consumption (tonne/unit)	0.0056
<b>Material consumption</b>		
Material consumption - Product package (tonne)	136,548	
paper (tonne)	65,862	
plastic (tonne)	58,968	

KPI		2021
Environment	wood (tonne)	11,718
	<b>Greenhouse gases emission</b>	
	Total GHG emission <sup>13</sup> of scope 1 and scope 2 - market based (tonne CO <sub>2</sub> e)	154,409
	Scope 1 GHG emission <sup>14</sup> (tonne CO <sub>2</sub> e)	9,902
	Scope 2 GHG emission - market based <sup>15</sup> (tonne CO <sub>2</sub> e)	144,507
	Scope 2 GHG emission - location based <sup>16</sup> (tonne CO <sub>2</sub> e)	144,593
	Scope 3 - use of sold products (tonne CO <sub>2</sub> e)	13,571,773
	Intensity of GHG emission (tonne CO <sub>2</sub> e /unit)	0.23
	<b>Wastewater discharge</b>	
	Total wastewater discharge (tonne)	1,651,723
	to earth surface (tonne)	153,678
	to third party (tonne)	1,498,045
	Wastewater pollutants (tonne)	439.4
	<b>Solid waste<sup>17</sup></b>	
	Weight of non-hazardous waste (tonne)	41,000
recovered waste <sup>18</sup> (tonne)	38,118	
non-recyclable (tonne)	2,882	
Total hazardous waste <sup>19</sup> (tonne)	411	

## ESG Performance

	KPI	2021
Environment	Air emission	
	NOx (tonne)	1.8
	SOx (tonne)	0.7
	Particulate Matter (tonne)	12.3
Employee	Employment	
	Total number of employees <sup>20</sup> (person)	22,734
	By gender	
	Male (person)	13,856
	serve as top management (person)	8
	serve as senior & junior management (person)	1,745
	serve as operator (person)	12,103
	Female	8,878
	serve as top management (person)	1
	serve as senior & junior management (person)	713
	serve as operator (person)	8,164
	By age	
	aged under 30 (person)	7,181
	aged 30 - 50 (person)	14,218
	aged above 50 (person)	1,335
	By workforce type	
	direct labour (person)	12,407
in-direct labour (person)	10,327	

	KPI	2021
Employee	By geographical region	
	Asia (person)	17,569
	Europe (person)	3,687
	North America (person)	40
	Latin America (person)	1,438
	Percentage of female employees	
	serve as top management (%)	11.11%
	serve as senior & junior management (%)	29.01%
	serve as operator (%)	40.28%
	Training and development	
	Total training hours	
	Total training hours (hour)	1,010,104
	for male (hour)	634,010
	for female (hour)	376,094
	on environmental issues (hour)	23,673
	on energy conservation/ climate actions (hour)	4,953
	on preventing discrimination and human rights violations (hour)	14,411
on business ethics issues (hour)	27,191	
on health and safety (hour)	68,293	
Average training hours		
Average per employee (hour)	44.4	
By gender		

## ESG Performance

	KPI	2021	
Employee	for male (hour)	45.8	
	for female (hour)	42.4	
	By job level		
	for top management (hour)	85.4	
	for operator (hour)	39.4	
	By topic		
	on environmental issues (hour)	1.04	
	on energy conservation/ climate actions (hour)	0.22	
	on preventing discrimination and human rights violations (hour)	0.63	
	on business ethics issues (hour)	1.20	
	on health and safety (hour)	3.00	
	Number of trainees		
	on preventing discrimination and human rights violations (person)	36,185	
	on business ethics issues	51,402	
	Welfare system		
	Percentage <sup>21</sup> of employees that are covered by the health insurance/ medical insurance <sup>22</sup> (%)	95%	
	Number of employees that are covered by the health insurance/ medical insurance (person)	21,583	
	Health and safety		
	Fatalities <sup>23</sup>		
	Number of cases (case)	0	
Number of work-related fatalities (person)	0		
Lost working hours (hour)	0		
Rate of occurrence <sup>24</sup> (%)	0		
Recordable work-related injuries <sup>25</sup>			

	KPI	2021	
Employee	Number of cases of work-related injuries (case)	79	
	Total worktime lost (day)	2,357	
	Lost time injury (LTI) frequency rate <sup>26</sup> (%)	1.74%	
	Lost time injury (LTI) severity rate <sup>27</sup> (%)	0.01%	
	Human right		
	Percentage of employee representatives in formal joint management-worker health & safety committees (%)	1.05%	
	Percentage of employees that are covered by formal collective agreements concerning working conditions <sup>28</sup> (%)	59.84%	
	Number of employees selected as official representatives of unions, labour-management meetings or similar company-led committees (person)	245	
	Number of production suppliers <sup>29</sup>		
	Asia (number)	655	
Europe (number)	72		
North America (number)	21		
Latin America (number)	22		
Supply Chain	Number of non-production suppliers		
	Asia (number)	3,853	
	Europe (number)	1,184	
	North America (number)	219	
	Latin America (number)	865	

## ESG Performance

KPI		2021
Customer	Own brands	
	Total number of justified compliant - on the matter of other product issues (case)	41
	on the matter of other product issues (case)	37
	related to customer health and safety (case)	0
	other (case)	37
	on the matter of other service issues (case)	4
	related to customer privacy security (case)	0
	other (case)	4
	Percentage of closed complaints (%)	100%
Certificates <sup>30</sup>	ISO 14001 (number)	11
	ISO 27001 (number)	1
	ISO 45001 (number)	8
	ISO 50001 (number)	1
	Coverage of ISO 14001 (%)	85%
	Coverage of ISO 27001 (%)	8%
	Coverage of ISO 45001 (%)	62%
	Coverage of ISO 50001 (%)	8%
Charity	Donation amount (RMB)	1,480,700

<sup>9</sup> 12,884 m<sup>3</sup> of gas has been offset in the form of carbon sinks purchased by third parties.

<sup>10</sup> 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 and 5 main office 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*.

<sup>11</sup> Total renewable energy consumption is the total renewable energy consumption of the 13 manufacturing bases and the 5 main office and operational sites.

<sup>12</sup> Total water withdrawals is the total annual abstraction from 13 manufacturing bases and 5 main office and operational sites.

<sup>13</sup> 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 and 5 major office and operational sites.

<sup>14</sup> 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 and 5 main office and operational sites, which consist primarily of the following GHGs: carbon dioxide, methane, nitrous oxide and HCFC-22, HCFC-123, HFC-32, R-134a. 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)*.

<sup>15</sup> 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 and 5 major office and operational sites, including GHG from 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.

<sup>16</sup> 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 and 5 major office and operations 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.

<sup>17</sup> 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.

<sup>18</sup> Recyclable solid waste refers to waste recycled by qualified third-party providers.

<sup>19</sup> 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.

<sup>20</sup> Total number of employees refers to the total number of all regular employees with employment contracts.

<sup>21</sup> Percentage of employees that are covered by the health insurance/ medical insurance = number of employees covered by health insurance/ medical insurance / number of regular employees.

<sup>22</sup> 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.

<sup>23</sup> The data is based on TPV's 13 manufacturing bases.

<sup>24</sup> Rate of fatalities = fatalities / number of regular employees

<sup>25</sup> The data is based on TPV's 13 manufacturing bases.

<sup>26</sup> Lost time injury (LTI) frequency rate = total number of work-related injury cases \* 1,000,000 / number of regular employees \* 2,000

<sup>27</sup> Lost time injury (LTI) severity rate = (lost working hours/8) \* 1,000 / number of regular employees \* 2,000

<sup>28</sup> The agreement includes but is not limited to salary, working hours, holidays, etc.

<sup>29</sup> Including suppliers of optical materials, plastics, electronic components, and other production materials.

<sup>30</sup> 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.

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# Independent Assurance Report

2022/SH-0141  
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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 2021 key data as defined below in the 2021 Environmental, Social and Governance Report ("ESG Report") of TPV Technology Limited (the "Company").

### Selected key data

The selected key data in the Company's 2021 ESG Report that is covered by this report is as follows:

- Total renewable energy consumption (MWh)
- Total energy consumption (MWh)
- Scope 1 GHG emission (tonne CO<sub>2</sub>e)
- Scope 2 GHG emission – location based (tonne CO<sub>2</sub>e)
- Scope 2 GHG emission – market based (tonne CO<sub>2</sub>e)
- Total GHG emission of scope 1 and scope 2 - market based (tonne CO<sub>2</sub>e)
- Total water withdrawal (tonne)
- 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 (%)

Our assurance was with respect to the year ended 31 December 2021 information only and we have not performed any procedures with respect to earlier periods or any other elements included in the 2021 ESG Report.

### Criteria

The criteria used by the Company to prepare the selected key data in the 2021 ESG report is set out in the footnote to the chapter of "ESG Performance" of the Company's 2021 ESG Report (the "basis of reporting").

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## The Board of Directors' Responsibilities

The Board of Directors of the Company is responsible for the preparation of the selected key data in the 2021 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 2021 ESG report that is free from material misstatement, whether due to fraud or error.

### Our Independence and Quality Control

We have complied with the independence and other ethical requirements 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 Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and 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 2021 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 2021 selected key data in the 2021 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 2021 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 only in the Headquarters of the Company, the Beijing manufacturing base, and Xiamen 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 procedures;
- 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 2021 selected key data in the 2021 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 14, 2022

## Readers' Feedback Form

Thank you for reading the *TPV Technology Limited 2021 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.

### 1. Which of the following categories of stakeholders do you belong to?

- Clients    Consumer    TPV Employees    TPV Shareholders    Potential investors  
 Suppliers    Other business partners    Community and the public  
 Others, please explain \_\_\_\_\_

### 2. Your overall evaluation of the Report:

- Good    Fair    General

### 3. Your evaluation of TPV's performance of social and environmental responsibilities:

social responsibilities:  Good    Fair    General

environmental responsibilities:  Good    Fair    General

### 4. Do you think this Report reflects the impact of TPV's social responsibility practices on the economy, society and environment?

- Good reaction    Fair reaction    General reaction    Less response  
 Not response

### 5. What do you think of the clarity, accuracy and completeness of the information, data and indicators disclosed in this Report?

Clarity:  Good    Fair    General

Accuracy:  Good    Fair    General

Integrity:  Good    Fair    General

### 6. Do you think the content arrangement and layout design of this Report is easy to read?

Yes    General    No

### 7. 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 valuable feedback suggestions to [ESG@tpv-tech.com](mailto:ESG@tpv-tech.com), thank you for your enthusiastic feedback and valuable time!

**TPV** | **冠捷科技**  
VISION INNOVATOR | 用心專注 領航視界