

TCL 智家

Guangdong TCL Smart Home Appliances Co.,Ltd.

Stock Code: 002668

Abbr. TCL Smart Home



2024 | ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



奥林匹克全球合作伙伴

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About the Report

Reporting Period

This is an annual report covering the period from January 1, 2024 to December 31, 2024 (hereinafter referred to as the "Reporting Period"). To improve the completeness of the report, some of the data is beyond the above range.

Scope of Organization

The scope of the Report covers Guangdong TCL Smart Home Appliances Co., Ltd. and its principal subsidiaries. For ease of presentation and perusal, "TCL Smart Home", "the Company", "we" and "us" in the Report refer to Guangdong TCL Smart Home Co., Ltd. and its principal subsidiaries below, unless otherwise specified.

Full Name of Principal Subsidiaries	Short Name
TCL Home Appliances (Hefei) Co., Ltd.	Hefei Home Appliances
Homa Appliances Co., Ltd.	Homa Appliances

Report Data Description

All data and examples used in this Report are derived from the Company's official documents, statistical reports as well as summaries and statistics on the performance of responsibilities.

Standards of Reference for Report

This Report is prepared in accordance with the Self-Regulatory Guidelines for Listed Companies No. 17 – Sustainability Reporting (Trial) issued by the Shenzhen Stock Exchange (hereinafter referred to as the "SZSE Guidelines"). It also draws reference from internationally recognized standards and frameworks, including the Global Reporting Initiative (GRI) *Sustainability Reporting Standards* (2021), the UN Sustainable Development Goals (SDGs), the Ten Principles of the UN Global Compact (UNGC), the International Financial Reporting Standards – Sustainability Disclosure Standards issued by the International Sustainability Standards Board (ISSB), and the European Sustainability Reporting Standards (ESRS).

Report Reliability Assurance

The Company guarantees that the content of this Report does not contain any false records or misleading statements.

Access to the Report

You can download this report and obtain more information about the Company's sustainability and ESG practices by visiting our official website: <https://www.tclsmarhome.com/>.

Revision of Previous Reports Information

None.

Message from the Board of Directors

In the wave of industrial transformation driven by the deep integration of artificial intelligence and the Internet of Things, TCL Smart Home keeps pace with the times, adhering to its vision of becoming a global leader in smart household appliances. It firmly promotes its globalization strategy, takes AI smart home appliance as the direction of development, and realizes the interconnection, collaborative operation and self-learning optimization of home appliance products through scientific and technological innovations, so as to bring forward-looking scientific and technological experiences and smart and healthy life for the users, and to promote the further development of the industry through science and technology.

In the face of the deepening evolution of the global consensus on sustainable development, TCL Smart Home actively fulfills its ESG (environmental, social, and governance) responsibilities, establishing a sustainable development model that is environmentally friendly, socially beneficial, and governed with excellence. We are fully aware that the creation of corporate value is not only reflected in the growth of business performance, but also lies in the responsibility for global environmental governance, the continuous contribution to social welfare, and the continuous improvement of the corporate governance system.

To build a green smart manufacturing system and fulfill our dual carbon commitments. This year, we have focused on creating a green smart manufacturing system that spans the entire value chain, promoting green transformation in all aspects from procurement, research and development, production to transportation. In terms of product design, we integrate the environmental impact of the entire product lifecycle into the product research and development process, continuously improving product energy efficiency and developing environmentally friendly, green, and low-carbon products. In production, we actively promote the transition to green energy, continuously increasing the proportion of clean energy use by strengthening the construction of projects such as distributed photovoltaic and photovoltaic energy storage in our parks. In 2024, TCL Smart Home's self-consumed photovoltaic power generation reached 21,170,382 kWh. At the same time, we drive the development of a circular economy and reduce the environmental impact of TCL Smart Home's production and operations through process innovation and improving the comprehensive utilization rate of waste. We also extend green practices to stakeholders such as employees and suppliers, driving the development of a green ecological industry.

To deepen strategic layout and lead industry transformation. This year, we have invested in artificial intelligence technology, continuously exploring the breadth and depth of technology. The Company has launched multiple high-capacity embedded refrigerators, and our "Molecular freshness preservation technology+" and "TCL-40°C crystal film deep-freezing freshness preservation technology" have been appraised by the China National Light Industry Council and the China General Chamber of Commerce as reaching the international leading level. In the field of washing machines, we have developed an innovative super drum washing machine, achieving a washing efficiency ratio of up to 1.2. In 2024, TCL Smart Home's R&D investment reached 643 million yuan, and a total of 2,167 patents were granted.

To empower talent development and undertake social responsibility. TCL Smart Home focuses on employee growth, has established a comprehensive rights and interests protection and career development system, created a diverse and inclusive workplace environment, and provided competitive development opportunities for employees. During the reporting period, the total number of employees in the company was 14,923, and the number of employee training sessions reached 3,440. At the same time, TCL Smart Home actively fulfills its corporate social responsibility, contributing to the construction of a harmonious society through tangible compassion and concrete actions. In 2024, TCL Smart Home organized a total of 34 employee volunteer activities to convey corporate warmth and contribute to the harmonious development of society.

To improve the governance structure and consolidate the foundation for development. This year, we have continuously optimized the corporate governance structure and internal management system, implemented multi-level risk management strategies, and ensured the compliant and efficient operation of our business. The Company has strengthened communication with investors and stakeholders, improved the transparency of information disclosure, promoted stable operations, facilitated sustainable development, and set an excellent governance model for the industry.

Looking ahead, we also welcome an important milestone in international cooperation - TCL Group officially signed an agreement with the International Olympic Committee to become an Olympic Global Partner. TCL Smart Home will provide innovative technologies and product services, including refrigerators and washing machines, for the Olympic Games, further enhancing our brand influence. We will continue to practice the concept of sustainable development, firmly promote the globalization strategy, accelerate green and intelligent innovation, and leverage technology to drive industry transformation.

About TCL Smart Home

Company Profile

Guangdong TCL Smart Home Appliances Co., Ltd. (hereinafter referred to as the "Company") was established in 2002 and was listed on the Shenzhen Stock Exchange in April 2012 under the stock code 002668.SZ. In May 2021, the Company's controlling shareholder changed to TCL Home Appliances Group, marking the beginning of a new phase of development. The Company is committed to becoming a world-leading smart home appliance enterprise, firmly promoting the globalization strategy, taking AI smart home appliance as the direction of development, and realizing the interconnection, collaborative operation and self-learning optimization of home appliance products through scientific and technological innovations, so as to bring forward-looking scientific and technological experiences and smart and healthy life for the users, and to promote the further development of the industry through science and technology.

The Company has two core production and operation bodies, Hefei Home Appliances and Homa Appliances, its main products include refrigerators (including freezers) and washing machines. As of 2024, the Company has ranked No. 1 in China's refrigerator exports for 16 consecutive years and No. 1 in exports to Europe for 17 consecutive years. Its TCL-branded washing machines have consistently ranked among the top three in domestic sales within the industry.

Strategic Vision

Looking ahead, TCL Smart Home is committed to becoming a world-leading smart home appliance enterprise, firmly promoting the globalization strategy, taking AI smart home appliance as the direction of development, and realizing the interconnection, collaborative operation and self-learning optimization of home appliance products through scientific and technological innovations, so as to bring forward-looking scientific and technological experiences and smart and healthy life for the users, and to promote the further development of the industry through science and technology.

The subsidiary, Hefei Home Appliances, unswervingly shaping the "technology-driven, vitality-first" organizational core. It has established the core strategic path of "brand-leading value, global efficiency operation, with a focus on mid-to-high-end breakthroughs", and persistently pursues excellence in product quality and performance experience, while rapidly building and enhancing its core competencies with a precise focus on key regions and niche markets, striving to step confidently into the first tier of the industry.

The subsidiary, Homa Appliances, continuously practices its unique strategic positioning as a "Global Professional Refrigerator ODM Supplier", focusing on refrigerator and freezer businesses and adhering to a globalization-driven operating model. It continues to deepen its expertise in frost-free technologies and promotes the extensive application of intelligent manufacturing, providing global customers with refrigerator and freezer products with both top quality and high-cost performance, guided by a relentless pursuit of professional excellence.

Development Milestones

- 2002** • Homa Incorporation
• Operation of the Company's first factory
- 2003** • Launch of the first "Made by Homa" product
- 2005** • Sales volume exceeded 1 million units for the first time
• Operation of Homa's second factory
- 2008-2009** • Ranked No. 1 Chinese refrigerator exporter to Europe for the first time
- 2012** • Listed on the Shenzhen Stock Exchange
• Annual sales volume exceeded 5 million units for the first time
• Operation of Homa's third factory and accessories sub-factory
- 2013** • Development and launch of the very first all-new air-cooled side-by-side refrigerator FF2-66
- 2018** • Biggest Chinese refrigerator exporter to Europe for the 10th consecutive year
- 2019** • Homa Appliances' advent of the intelligent dual-inverter technology and single-system with multi-temperature control technology
- 2020** • Annual sales exceeded 10 million units
• Homa owned 9 production sites
- 2021** • The controlling shareholder of Homa Appliances was changed to TCL Home Appliances Group Co., Ltd, and the actual controller was changed to Mr. Li Dongsheng.
• Homa held the groundbreaking ceremony of the smart manufacturing base for high-end air-cooled refrigerator
• Annual revenue exceeded RMB 10 billion
• Full termination of the Fintech business and disposal of all related assets
- 2022** • Homa Group realized net income of 424 million yuan from attributable sources, reversing the loss year on year
• Homa Appliances' global sales volume exceeded 100 million units
- 2023** • Homa Appliances: High-end Air-cooled Refrigerator Intelligent Manufacturing Base
• Acquired TCL Home Appliances (Hefei) Co., Ltd., to further expand the refrigerator/washing machine business
- 2024** • the Company was officially renamed Guangdong TCL Smart Home Appliances Co., Ltd.



ESG Management

ESG Governance

TCL Smart Home is committed to integrating ESG management principles into all aspects of its production and operations. With a proactive approach to addressing ESG risks and challenges, the Company continuously enhances its ESG practices and promotes ESG awareness across the organization, contributing the strength of Chinese enterprises to achieving the 2030 United Nations Sustainable Development Goals.

TCL Smart Home actively supports the ESG initiatives of TCL Industries and promotes the implementation of ESG management across the organization. Hefei Home Appliances, as a core member, has joined the TCL Industries ESG Committee and serves as an industry representative in the Committee Office, responsible for executing Hefei Home Appliances' ESG strategy, information disclosure, and implementation. Homa Appliances has established its own ESG Committee, which is specifically tasked with overseeing and advancing the execution of the Company's ESG policies.

Stakeholder Communication

TCL Smart Home has established a comprehensive mechanism for stakeholders' communication, providing diversified communication channels to ensure efficient interaction and information sharing with all parties. Through multiple channels such as the official website, the "Interactive Easy" section of the Shenzhen Stock Exchange, telephone, and email, the Company regularly collects, understands, and responds to the demands of stakeholders, actively promoting a transparent and open communication environment. At the same time, the Company works together with stakeholders to jointly promote the achievement of sustainable development goals and continuously optimize business practices and social responsibility.

Stakeholders	Concerns	Communication Channels	Feedback and Practice
Government and Regulatory Authorities	<ul style="list-style-type: none"> Compliant operation and risk management Anti-corruption and business ethics Corporate governance Response to climate change 	<ul style="list-style-type: none"> Government official website, announcement release Consultation Seminar, forum 	<ul style="list-style-type: none"> Operate in good faith and compliance with the law, and optimize internal control and compliance management systems Regularly carry out information disclosure Promote energy transformation and energy-saving technological upgrading, and develop green products
Shareholders and Investors	<ul style="list-style-type: none"> Corporate governance Compliant operation and risk management ESG governance 	<ul style="list-style-type: none"> General meeting of shareholders, performance briefings Roadshow, on-site reception Telephone, Shenzhen Stock Exchange Interactive Easy, email, etc. 	<ul style="list-style-type: none"> Optimize internal control and compliance management systems Respond to investor inquiries and regularly disclose information
Customers	<ul style="list-style-type: none"> Product quality and safety Customer service R&D and innovation Responsible marketing Information security and privacy protection 	<ul style="list-style-type: none"> Product launch events, industry exhibitions, etc. Online customer service, telephone, email 	<ul style="list-style-type: none"> Strengthen technological innovation and enhance product quality Conduct customer satisfaction surveys and demand research, continuously improve the customer service experience, and enhance product quality Enhance customer privacy protection
Suppliers and Partners	<ul style="list-style-type: none"> Supply chain management Anti-corruption and business ethics 	<ul style="list-style-type: none"> Supplier exchange meeting Supplier training 	<ul style="list-style-type: none"> Standardize the procurement process, improve the supplier management system, and strengthen daily communication with suppliers Conduct supplier training and environmental and social assessments
Employees	<ul style="list-style-type: none"> Employee rights and protection Diversity and equality Occupational health and safety Employee training and development 	<ul style="list-style-type: none"> Employee congress, morning briefings, regular meeting Employee training and communication Employee feedback mailbox 	<ul style="list-style-type: none"> Establish a labor union, improve the employee communication and exchange mechanism, and ensure smooth communication channels Strengthen occupational health and safety management Establish a scientific and clear human resource management system and promotion mechanism Regularly organize team building or cultural and sports activities
Community	<ul style="list-style-type: none"> Social development Response to climate change Pollution and waste management 	<ul style="list-style-type: none"> Public benefit activities Environmental activities 	<ul style="list-style-type: none"> Assist social welfare and carry out volunteer activities Develop green production and strengthen the management of three wastes

Materiality Analysis

TCL Smart Home carried out a materiality analysis to identify key topics across environmental, social, and governance aspects in a scientific and accurate manner. The analysis was conducted with reference to both domestic and international policies, industry standards, and peer practices. Through questionnaires, interviews, and other forms of engagement, the Company maintained in-depth communication with key stakeholders to fully understand their expectations and demands regarding TCL's sustainable development, thereby providing strong support for strategic planning and decision-making.

Based on the judgment criteria for impact materiality and financial materiality as outlined in the Shenzhen Stock Exchange's *Guidelines*, and referring to *GRI 3: Material Topics and International Financial Reporting Sustainability Disclosure Standard No. 1 - General Requirements for Sustainability-Related Financial Information Disclosure (IFRS S1)*, TCL Smart Home Appliances updated its assessment methodology and carried out double materiality assessment, integrating a financial perspective into the impact materiality assessment.

Assessment Procedure

Step	Key Work Content
Analyze the Company's activities and business relationships	Analyze the key stakeholder concerns based on the Company's business operations, products and services, value chain, and industry trends, and interpret domestic and international sustainability standards
Develop an issue inventory	Identify and screen Company's ESG issues, analyze the impacts, risks, and opportunities related to relevant ESG issues.
Assess and confirm issue materiality	Evaluate and rank the impact and financial materiality of issues based on the Company's situation, industry development trends, and authoritative domestic and international studies.
Review and report	Highlight the issues of higher materiality during the reporting period after review and confirmation by the Board of Directors.

Assessment Method

During the reporting period, TCL Smart Home Appliance conducted double materiality assessments through online questionnaire surveys and in-depth interviews, engaging with the internal management, customers, suppliers, government agencies, industry associations, and other stakeholders globally, to ensure the scientific and comprehensiveness of the assessment.

Impact materiality:

Conduct a comprehensive assessment of both positive and negative impacts, actual and potential effects, and evaluate the likelihood and extent of these impacts. This in-depth assessment examines whether the Company's ESG-related issues will have a significant impact on the environment, economy, and society.

Financial materiality:

The Company comprehensively evaluates the likelihood of impact and the degree of financial impact over short-term, medium-term, and long-term time horizons. The Company thoroughly analyzes the impact of ESG issues on the Company's business model, operations, and financial indicators across multiple dimensions.

Note: The Company defines its time horizons as short-term (up to and including 1 year), medium-term (from 1 to 5 years inclusive), and long-term (beyond 5 years).

Issue Inventory and Impact Assessment

Based on TCL Smart Home Appliances' ESG background and business reality, and in accordance with authoritative domestic and international standards and assessment methods, combined with stakeholder communication results, and on the requirement set by the Shenzhen Stock Exchange's Guidelines, TCL Smart Home identified 22 key topics across environmental, social, and governance dimensions, including 7 environmental topics, 10 social topics, and 5 governance topics, providing important guidance and reference for the Company's future sustainability strategy, performance management, and information disclosure.



Environment	Social	Governance
<ul style="list-style-type: none"> Environmental management system Response to climate change Energy management Pollution and waste management Water resource management Circular economy and resource utilization Green products 	<ul style="list-style-type: none"> Product quality and safety R&D and innovation Customer service Supply chain management Responsible marketing Protection of employees' rights and interests Diversity and equal opportunities Employee training and development Occupational health and safety Community development 	<ul style="list-style-type: none"> Corporate governance Anti-corruption and business ethics Information security and privacy protection Compliance and Risk Management ESG Governance

Impact, Risk, and Opportunity of Materiality Topics

Topics	Scope of impact	Impact cycle	Impact	Risk	Opportunity
Response to climate change	Full value chain	Short-term, medium-term and long-term	By optimizing manufacturing processes, utilizing renewable energy, designing low-energy products, and promoting green logistics to drive the regulation of greenhouse gas emissions across the upstream and downstream value chains, we can contribute to the achievement of the national "dual carbon" goals.	<ul style="list-style-type: none"> • Physical risks: Extreme weather leads to work stoppages and production halts, resulting in decreased production capacity and thus reduced revenue; long-term climate change leads to rising energy prices and increased operating costs; • Transition risks: the development, investment, and implementation of clean technologies lead to short-term cost increases. Developed countries have set "carbon tariffs", requiring the Company to increase investment in green products to cope with "green barriers" in international trade 	<ul style="list-style-type: none"> • Energy conservation and emission reduction: Develop green operational technologies and emission reduction measures, increase the use of clean energy, and reduce operational costs. • Market competitiveness: Continuously promote product innovation, develop green and efficient products and services to attract more customers. • Policy incentives: The government provides subsidies or tax incentives related to "dual carbon" goals, and the Company can leverage these policies to promote low-carbon transformation and business growth.
Environmental management system	Self-operation	Short-term and medium-term	The Company has established a comprehensive environmental management system and actively obtained ISO 14001 environmental management certification, effectively reducing the damage to the surrounding ecosystem caused by the discharge of wastewater, waste gas, and solid waste, and lowering the risk of natural environmental pollution.	<ul style="list-style-type: none"> • Compliance and cost risks: If the environmental management system is not sound or not implemented properly, the Company may face regulatory penalties and fines due to environmental pollution; domestic and international environmental policies are facing a tightening trend, which may lead to systematic transformation with high costs for the Company in a short period of time. • Reputation risk: If the Company is punished for environmental violations, it may lead to pressure from public opinion and a decline in customer trust. 	Not involved

Topics	Scope of impact	Impact cycle	Impact	Risk	Opportunity
Energy management	Self-operation	Short-term, medium-term and long-term	By optimizing the energy utilization system and improving energy efficiency, the Company has reduced their dependence on non-renewable energy, thereby mitigating the damage to the ecological environment caused by energy extraction and utilization.	<ul style="list-style-type: none"> • Cost risk: Production equipment that is highly dependent on traditional energy may lead to escalating energy costs if it is not updated in a timely manner. • Production stability risk: The lack of effective energy management and planning capabilities may lead to power supply stability issues during extreme weather, affecting corporate production work. 	<ul style="list-style-type: none"> • Cost reduction and efficiency enhancement: Actively promoting energy-saving renovation projects and eliminating inefficient and high-energy-consumption equipment, and thus providing the Company with opportunities to improve energy efficiency and reduce operating costs. • Enhancing enterprise resilience: By substituting traditional energy with green energy, reducing dependence on traditional energy, and mitigating the impact of fossil energy price fluctuations on corporate operating costs.
Pollution and waste management	Self-operation, community	Short-term, medium-term and long-term	Establishing scientific and reasonable methods for collecting, processing, and disposing of waste can help reduce its damage on ecosystems and contribute to the protection of biodiversity and human health.	<ul style="list-style-type: none"> • Compliance risk: The local governments where the Company operates both domestically and internationally have clear legal and regulatory requirements for waste disposal. Failure to meet these standards may result in fines or sanctions, affecting the Company's operations and business expansion. • Cost risk: The costs of waste disposal and resource recycling may be high, and these costs may further increase when stricter environmental policies are implemented. 	Not involved
Water resources management	Self-operation	Short-term, medium-term and long-term	By optimizing water use efficiency and implementing full lifecycle management of water resources, the Company can alleviate regional water scarcity issues, reduce the impact on the ecological environment, and provide clean and sustainable water resources for local communities.	<ul style="list-style-type: none"> • Risk of resource scarcity: In regions with scarce water resources, excessive water usage or wastage may lead to insufficient water supply, affecting project operations and future development planning. 	Not involved
Circular economy and resource utilization	Self-operation and downstream value chain	Medium-term and long-term	By promoting the recycling of electronic wastes and packaging materials, we have reduced environmental pollution caused by landfilling and incineration, facilitated efficient resource reuse, and effectively minimized resource waste.	Not involved	Cost reduction and efficiency enhancement: Through resource recovery and recycling, the Company has the opportunity to reduce raw material costs, enhance production efficiency, and improve resource utilization.

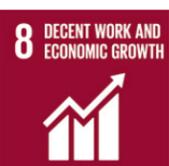
Topics	Scope of impact	Impact cycle	Impact	Risk	Opportunity
Green products	Full value chain	Short-term, medium-term and long-term	By promoting the research, development, and production of energy-saving, environmentally friendly, and healthy household appliances, the Company can reduce energy consumption and carbon emissions during the product lifecycle, thereby minimizing environmental impact. The promotion of green products helps consumers develop environmentally friendly consumption habits and contributes to the green development of society.	<ul style="list-style-type: none"> • Cost risk: Developing green technologies and green products requires significant resource investment, increasing the Company's R&D costs. • Supply chain collaboration risk: Creating green products throughout their entire lifecycle requires close collaboration with suppliers, increasing supply chain procurement costs and delivery risks 	Market competitiveness: Product design that incorporates ESG principles can help the Company obtain policy support and green financial resources.
Product quality and safety	Full value chain	Short-term, medium-term and long-term	High-quality and safe product can directly enhance customers satisfaction and trust, indirectly promoting consumer support for sustainable development. Furthermore, safe products produced in accordance with industry standards help reduce social issues caused by product defects, such as harm to user health.	<ul style="list-style-type: none"> • Reputation risk: Product quality issues may lead to lawsuits, fines, and damage to the Company's reputation. 	<ul style="list-style-type: none"> • Market competitiveness: By implementing high-standard product safety management to ensure product quality and safety, brand value and market share can be enhanced.
R&D and innovation	Self-operation and downstream value chain	Short-term, medium-term and long-term	Through research and development innovation, we aim to provide consumers with products that are more low-carbon, intelligent, and user-friendly, thereby promoting technological advancement and driving overall industry development.	Not involved	<ul style="list-style-type: none"> • Market competitiveness: Through continuous innovation, the Company can maintain its leading position in technology and the market, set industry benchmarks, and attract more strategic partners and investors, thereby enhancing the overall competitive advantage of the enterprise. • Cost reduction and efficiency enhancement: New technologies and processes driven by innovation can improve resource utilization efficiency, reduce operating costs, and provide support for the sustainable development strategy of the enterprise.
Customer service	Self-operation and downstream value chain	Short-term, medium-term and long-term	By establishing an intelligent service platform and optimizing after-sales management processes, we have provided consumers with a more efficient and personalized service experience, thereby enhancing user satisfaction and brand loyalty.	<ul style="list-style-type: none"> • Reputation risk: Inadequate after-sales systems may lead to delayed handling of customer complaints or service failures, potentially damaging the brand image and causing customer loss. 	<ul style="list-style-type: none"> • Market competitiveness: Efficient and high-quality after-sales service management can form a brand competitive advantage, help the enterprise further expand its customer base, and enhance customer loyalty.

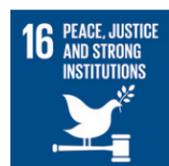
Topics	Scope of impact	Impact cycle	Impact	Risk	Opportunity
Supply chain management	Upstream value chain and Self-operation	Short-term and medium-term	By formulating comprehensive management measures, processes, and related systems for supplier introduction, evaluation, and supervision, we ensure the introduction of high-quality and compliant suppliers. At the same time, the Company also provides supplier training to help suppliers improve operational efficiency, build a mutually beneficial supply chain system, enhance industry compliance, and promote the healthy development of the industry.	<ul style="list-style-type: none"> • Operational risk: Potential ESG issues in the supply chain (such as forced labor, conflict minerals, corruption, etc.) may lead to instability in service supply, affecting the normal operation of the Company. • Cost risk: Fluctuations in raw material prices cause fluctuations and risks in the Company's supply chain costs. 	<ul style="list-style-type: none"> • Industry ecosystem building: By enhancing the compliance and ESG standards of the supply chain, the enterprise can attract more high-quality partners. Systematic supply chain management contributes to the sustainability of product and service provision, promoting a stable and efficient supply chain ecosystem.
Responsible marketing	Downstream value chain	Short-term and medium-term	By strictly adhering to advertising compliance requirements and implementing responsible marketing strategies, we can help safeguard consumer rights and interests, enhance social trust in marketing activities, and ultimately promote the healthy development of the overall market.	<ul style="list-style-type: none"> • Cost and compliance risks: Non-compliant advertising content may lead to legal litigation and regulatory penalties. • Reputation risk: Consumer criticism of irresponsible marketing practices may affect the Company's reputation. 	<ul style="list-style-type: none"> • Market Competence: Responsible marketing can assist businesses in shaping a sustainable brand image, enhancing customer trust and loyalty, and ultimately driving sales and market share growth.
Protection of employees' rights and interests	Self-operation	Short-term, medium-term and long-term	The enterprise provide legal and reasonable rights and interests protection as well as a good working environment, enhancing employees' sense of happiness and belonging, and promoting social employment and labor stability.	<ul style="list-style-type: none"> • Market and reputation risks: Violations of human rights and labor rights and interests (such as forced labor) may pose compliance risks and affect the reputation and image of the Company. • Internal risk: Lack of protection for employee rights and interests may lead to employee turnover risks, reducing the Company's productivity. 	<ul style="list-style-type: none"> • Market and reputation: By fostering a positive corporate culture and a caring environment, the Company can enhance corporate cohesion and employee loyalty, further boosting social recognition of their corporate image.
Diversity and equal opportunities	Self-operation and community	Short-term, medium-term and long-term	By establishing a comprehensive DEI management system, a more inclusive and open working environment has been created within the enterprise, which helps attract and retain diverse talents, further promoting innovation and team collaboration.	N/A	<ul style="list-style-type: none"> • Corporate innovation: A diverse and versatile talent team helps enhance corporate productivity and creativity, contributing to business growth.

Topics	Scope of impact	Impact cycle	Impact	Risk	Opportunity
Staff training and development	Self-operation	Short-term, medium-term and long-term	Through a fair promotion mechanism and professional training, the Company effectively enhance the vocational skills of its employees, thereby contributing to the overall improvement of talent quality in society.	<ul style="list-style-type: none"> • Internal risks: An imperfect training system or uneven resource allocation may lead to insufficient skill growth among talents and obstacles to promotion, resulting in internal talent loss and reducing company productivity. 	<ul style="list-style-type: none"> • Market competitiveness: The growth of employee skills helps to better adapt to the rapidly changing business environment and enhance the Company's market competitiveness. • Talent Attraction: By establishing a comprehensive employee development system, more high-quality talents can be attracted to join, providing a solid talent base for the Company's development.
Occupational health and safety	Self-operation	Short-term, medium-term and long-term	By providing comprehensive occupational health management and regular safety training, the incidence of occupational diseases and accidents has been effectively reduced, thereby indirectly improving the quality of life of employees.	<ul style="list-style-type: none"> • Safety risk: If safety management is not in place, it may lead to work-related accidents, resulting in employee casualties and affecting the normal operation of the enterprise. • Health risk: Employees may be exposed to harmful factors such as dust and noise, increasing the likelihood of occupational diseases. • Compliance risk: Failure to comply with occupational health and safety regulations in domestic and foreign operational locations may lead to legal proceedings, fines, and affect the reputation and financial status of the enterprise. 	N/A
Community development	Community	Medium-term and long-term	Participating in public welfare activities such as assisting students and respecting the elderly, improving the living conditions of vulnerable groups, and promoting social equity and stability.	N/A	<ul style="list-style-type: none"> • Industry ecosystem building and reputation enhancement: By actively taking social responsibility, the Company can further deepen its connections with the community and society through public welfare activities, enhance its brand image, and create a favorable community environment for their long-term stable operation.
Corporate governance system	Self-operation	Short-term and medium-term	By establishing an efficient, diversified, and professional corporate governance system, the transparency and credibility of enterprise operations have been enhanced, setting an industry benchmark. This helps promote the improvement of governance standards within the industry and fosters a favorable business environment.	N/A	<ul style="list-style-type: none"> • Market competitiveness: By enhancing governance diversity and professionalism, the enterprise can establish a model corporate image in domestic and foreign markets, attracting more investment and cooperation opportunities.

Topics	Scope of impact	Impact cycle	Impact	Risk	Opportunity
Anti-corruption and business ethics	Self-operation	Short-term and medium-term	By promoting the implementation of business ethics and anti-corruption policies, we can help maintain market fairness, reduce the damage caused by corrupt practices to the allocation of social resources, advocate honest cooperation, and promote the development of a healthier business ecosystem.	<ul style="list-style-type: none"> • Compliance, cost, market, and reputation risks: Violating business ethics may lead to legal and regulatory risks, resulting in legal litigation and a crisis of public trust and causing financial losses and loss of customers and partners. 	<ul style="list-style-type: none"> • Market competitiveness: A well-established business ethics management system can ensure the stability of corporate compliance, increase the trust of customers and partners, and facilitate long-term cooperation and profit growth.
Information security and privacy protection	Self-operation and downstream value chain	Short-term and medium-term	By establishing a comprehensive privacy and data security system, we can fully safeguard the privacy and data security of customers and other relevant parties.	<ul style="list-style-type: none"> • Technical risk: If the industrial internet does not adopt encryption systems and related security measures, there will be network security risks, affecting the Company's production and operation. • Compliance and reputation risks: Leakage of customer privacy or data will bring risks of violating laws and regulations, reducing the Company's credibility and affecting the image of the enterprise. 	Not involved
Compliant management and risk management	Self-operation	long-term	By establishing a comprehensive privacy and data security system, we can fully safeguard the privacy and data security of customers and other relevant parties.	<ul style="list-style-type: none"> • Technical risk: If the industrial internet does not adopt encryption systems and related security measures, there will be network security risks, affecting the Company's production and operation. • Compliance and reputation risks: Leakage of customer privacy or data will bring risks of violating laws and regulations, reducing the Company's credibility and affecting the image of the enterprise. 	Not involved
ESG Governance	Full value chain	Medium-term and long-term	By establishing a systematic ESG governance framework, we aim to enhance the Company's overall performance in environmental, social, and governance aspects, strengthen communication and management among all ESG stakeholders, and address the concerns of various stakeholders.	N/A	<ul style="list-style-type: none"> • Market opportunities: Systematic ESG governance can enhance a company's market appeal and capital recognition. • Long-term cooperation: Sound governance, stable operations, and effective and transparent communication with stakeholders help attract and establish long-term partnerships.

SDG's Road Map

SDGs	Goals	TCL Smart Home Initiatives
	Goal 3 Good health & well-being Ensure healthy lives and promote well-being for all	promoting occupational health and safety at all production and operation bases by regularly organizing medical check-ups to protect employees' health and well-being.
	Goal 4 Quality Education Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	Focusing on talent development, a multi-level employee training system has been established, with diversified training programs encouraging continuous learning. Leveraging cutting-edge technological strengths, study-oriented programs have been designed for student groups of all ages, helping enhance scientific literacy through immersive experiences and inspiring deep interest and curiosity in science and technology education.
	Goal 5 Gender Equality Achieve gender equality and empower all women and girls	Upholding zero tolerance for workplace discrimination, harassment, coercion, threats, and violence; promoting equal pay for equal work and fostering a diverse and inclusive workplace environment built on equality and respect.
	Goal 7 Affordable & clean energy Ensure access to affordable, reliable, sustainable and modern energy for all	Deploying distributed photovoltaic and energy storage projects to accelerate the transition to clean energy and provide cost-effective clean energy for production.
	Goal 8 Decent work & economic growth Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Providing an equal and safe working environment, while offering sustainable growth opportunities through systematic training programs.

SDGs	Goals	TCL Smart Home Initiatives
	Goal 9 Industry, innovation & infrastructure Build resilient infrastructure, promote inclusive and sustainable industrialization a	Strengthening talent recruitment and R&D investment, establishing multiple research centers to drive product innovation, while actively engaging in industry dialogues and technical exchanges to jointly advance industrial innovation.
	Goal 11 Sustainable cities & communities Make cities and human settlements inclusive, safe, resilient and sustainable	Actively engaging in community welfare initiatives, encouraging employee volunteerism, and contributing to the development of harmonious, civilized, and sustainable cities and communities.
	Goal 12 Responsible consumption & production Ensure sustainable consumption and production patterns	Efforts have been continuously made across raw material sourcing, production, and logistics to advance the transition toward clean energy. Environmentally friendly materials are prioritized, advanced green manufacturing processes are adopted, and recyclable packaging is used to ensure environmental compliance throughout the entire product life cycle. Meanwhile, through technological innovation, TCL Smart Home minimizes environmental impact by reducing and repurposing waste generated during production.
	Goal 13 Climate action Take urgent action to combat climate change and its impacts	Promoting carbon accounting, integrating climate response into business strategy, identifying climate risks and key countermeasures, developing green production models, and enhancing full life-cycle management of green products, with the aim of advancing comprehensive climate action.
	Goal 16 Peace, justice & strong institutions Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	Ensuring zero tolerance for corruption, upholding fairness and transparency, and empowering employee voices through open, inclusive communication channels.

Implement Green Development

TCL Smart Home takes action to protect the Earth, deeply embedding the green concept into its core corporate development strategy. Through innovative technologies and efficient management practices, the Company actively reduces its carbon footprint and leads the green transformation in the industry. From production to products, and from supply chain to recycling chain, the Company has established an environmental protection system covering the entire lifecycle, working together with employees, partners, and users to stride towards a sustainable future.

SDGs addressed in this chapter



DEVELOPMENT

Response to Climate Change

Against the backdrop of a global joint response to climate change, the country has clearly set the goals of "carbon peaking" and "carbon neutrality", and actively promoted strategic plans such as ecological civilization construction. As an important participant in the industry, TCL Smart Home actively responds to the national "dual carbon" strategy, promotes green and low-carbon innovation, and initiates exploration and practice in response to climate change through practical actions, contributing to the global green development and transformation.

TCL Smart Home refers to the International Financial Reporting Standard on Sustainability Disclosure (IFRS S1, S2) issued by the International Sustainability Standards Board (ISSB) and the A-share Guidelines for Disclosure of Sustainability Information, identifying significant climate change-related risks and opportunities in corporate operations from four dimensions: governance, strategy, risk management, indicators and targets. It promotes the Company's climate governance efforts and enhances the Company's adaptability and resilience in response to the impacts of climate change.

Governance

TCL Smart Home continuously improves its corporate climate governance structure, systematically promotes relevant management measures, and regularly discloses governance progress and key performance indicators related to climate change response to ensure the effectiveness and transparency of the management process. Specifically, Hefei Home Appliances and Homa Appliances, subsidiaries of TCL Smart Home, have respectively established the greenhouse gas group to be responsible for the management work related to carbon emission verification.

Strategy

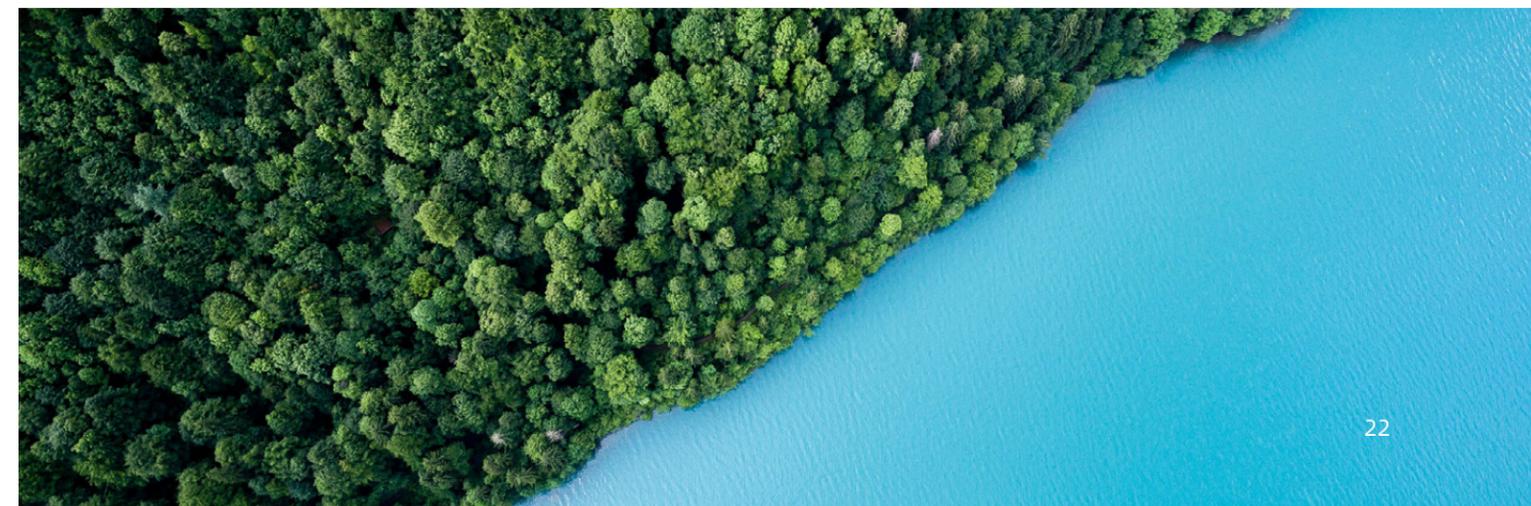
In the process of implementing the response to climate change, TCL Smart Home, centered around the strategic layout of TCL Industry, comprehensively fulfills its commitment to green development from five dimensions: establishing a green production model, optimizing the energy management system, strengthening carbon emission management, improving the entire life cycle of green products, and building a green corporate culture.

Dimension	Specific measures
Establish a green production model	By strengthening the construction of distributed photovoltaic power generation projects in the park, we aim to increase the proportion of clean energy utilization.
Optimize the energy management system	We carry out energy-saving renovations for infrastructure and general production equipment, establish and improve the energy management platform and energy low-carbon management framework.
Strengthen carbon emission management	We build a carbon management platform and establish a carbon footprint inventory and verification and product carbon accounting system.
Improve the entire lifecycle of green products	By considering various aspects such as green design, green supply chain, green manufacturing, green packaging, green logistics, and green recycling, we aim to guide and drive the upstream and downstream industrial chains to jointly achieve low-carbon development.
Build a green corporate culture	An "energy conservation and carbon reduction" initiative has been launched for all employees, with themed publicity and training activities focusing on green issues.

TCL Smart Home continuously monitors risks and opportunities related to climate change, continuously strengthens its ability to identify and assess the impact of risks, integrates risk management into its daily production and operation processes, and formulates relevant response strategies tailored to the Company's specific situation.

Physical Risk Categories, Impacts, and Countermeasures

Category of risks	Risk factors	Scope of impact	Impact cycle	Potential impact	Countermeasures
Acute risks	Extreme weather (such as rainstorm, extreme heat, flood, typhoon, etc.)	Full value chain	Short to medium term	<ul style="list-style-type: none"> Extreme weather events such as rainstorms, floods, and typhoons triggered by climate change may damage the infrastructure and production equipment of TCL Smart Home's various production and operation bases, directly resulting in asset losses. Extreme weather may affect employee commuting, leading to business obstruction or interruption, as well as work stoppages and production halts, causing the Company to bear indirect benefits losses such as legal liabilities for breach of contract and compensation. 	<ul style="list-style-type: none"> When selecting a location for a new factory, full consideration should be given to local climatic conditions and historical natural disasters to avoid unstable climatic factors. Track meteorological and emergency response warnings at any time, issue early warning notifications, initiate emergency plans, and implement relevant preventive measures. Identify potential asset damage caused by climate risks and purchase necessary insurance in advance.
Chronic risks	Rising average temperature, persistent drought, etc.	Full value chain	Short-term, medium-term, and long-term	<ul style="list-style-type: none"> Rising temperatures or drought may increase TCL Smart Home's expenses on refrigeration equipment, electricity, and water resource usage, thereby increasing operating costs. Continuous high temperatures may hinder outdoor work or increase health risks for employees. Continuous high temperatures and drought may cause instability in production and power supply, affecting daily production and operation. 	<ul style="list-style-type: none"> Pay attention to the energy structure of the operational region and scientifically arrange production plans. Strengthen energy management, improve production efficiency, and reduce energy consumption ratio. Strengthen the layout of new energy within the factory, increase the proportion of power supply from new energy sources, and enhance the response capabilities during peak electricity usage periods and power rationing periods in summer. Strengthen the special deployment for heatstroke prevention and cooling measures, and provide employees with heatstroke prevention and cooling facilities, equipment, and items.



Categories, Impacts, and Countermeasures of Transition Risks

Category of risks	Risk factors	Scope of impact	Impact cycle	Potential impact	Countermeasures
Policy and compliance risk	Tightening of policies related to climate change	Self-operation	Medium to long term	Governments both domestically and internationally are continuously increasing their requirements for the supervision and information disclosure of corporate climate change actions. Capital markets and regulatory bodies are paying close attention to TCL Smart Home's environmental and climate performance. Failure to comply with relevant policies and exchange information disclosure requirements may lead to compliance risks. With the continuous improvement of China's carbon trading market, if TCL Smart Home is included in the carbon market management, it may increase the Company's operating costs.	Actively monitor and follow up changes in relevant international and local government laws, regulations, and policies, and promptly adjust operational strategies to ensure compliance. Disclose timely climate-related information of the Company, including key initiatives, performance, risk assessment results, and other crucial information. Strengthen energy-saving technological innovation and improve energy efficiency. At the same time, increase the proportion of green and clean energy usage to meet strict regulatory requirements.
Technical risk	Cost of green transformation	Self-operation	Medium to long term	The capital market is gradually increasing its focus on the carbon footprint of products. TCL Smart Home needs to identify advanced low-carbon technologies to reduce carbon emissions throughout the product's lifecycle, which may result in increased costs in the short term.	Integrate the concept of green development into all aspects of product research and development and production, and reduce unnecessary emissions and waste during operations. We will continue to promote communication and collaboration with our supply chain partners, and jointly drive the innovative development of environmental protection technologies.
Market risk	The awareness of downstream consumer groups towards green products has been enhanced	Self-operation	Short to medium term	With the increasing public awareness of environmental protection and recognition of green products, products bearing environmentally friendly labels are more likely to gain consumer acceptance. If a company fails to effectively meet the demand for green and low-carbon products, it may face the risk of losing market share.	Strengthen market research, timely understand consumer preferences and demands, and actively develop green and low-carbon products based on trends.
Reputation Risk	Stakeholder expectations	Self-operation	Medium to long term	If a company fails to respond appropriately to climate change, stakeholders such as customers, investors, the public, and the media may form negative opinions towards it, thereby damaging the company's brand value.	Strengthen stakeholder communication, promptly respond to requests from all parties, and maintain open and transparent information.

Identification of Climate-related Opportunities

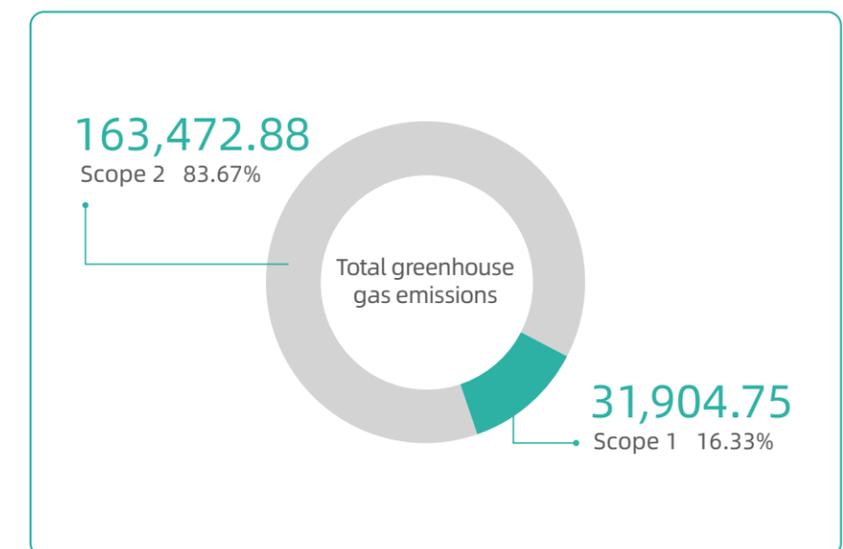
Potential Opportunities	Opportunity Description	Performance in 2024
Consumer demand for low-carbon products	People's awareness of climate change is continuously increasing, and customers' consumption attitudes are undergoing a transformation. Both businesses and individual consumers are gradually forming a trend of incorporating low-carbon environmental protection into their shopping considerations.	TCL Smart Home has always integrated the concept of green and low-carbon into the entire product lifecycle, providing consumers with green and low-carbon products from dimensions such as research and development design, manufacturing, green logistics, and packaging. Hefei Home Appliances has successively obtained honors such as "Third Batch of National-level Green Manufacturing Factories", "Provincial Green Factory", "Provincial Green Products", and "National Industrial Internet Pilot Demonstration Enterprise".

Risk Management

TCL Smart Home has established a comprehensive risk management framework centered around its business characteristics and internal and external risks. Leveraging the expertise of internal and external experts, it systematically sorts out potential major climate impacts from multiple dimensions such as daily operations, value chain, and stakeholders, accurately identifying risk categories and impact scopes. Based on the assessment results, TCL Smart Home formulates targeted climate action plans, establishes a normalized tracking mechanism, continuously optimizes workflows, strengthens the Company's ability to respond to climate risks, effectively enhances corporate resilience, and facilitates the Company's stable operation.

Indicators and Targets

Establishing scientific emission indicators and targets is a crucial prerequisite for enterprises to control carbon emissions and quantify the effectiveness of carbon reduction. TCL Smart Home fully supports TCL Industry's dual-carbon goals of "striving to achieve carbon peaking by 2030 and operational carbon neutrality by 2050". In 2024, TCL Smart Home conducted a greenhouse gas inventory and verification in accordance with GHG Protocol and ISO 14064-1:2018, surveying greenhouse gas emissions within the Company's operational boundaries. In 2024, Hefei Home Appliances completed carbon inventory and verification covering scope 1, 2 and 3, and obtained certification under the ISO 14064 standard. During the reporting period, TCL Smart Home's total greenhouse gas emissions were 195,377.63 tons of carbon dioxide, with an emission strength of 10.64 tons of carbon dioxide/million output value.



Green Production

TCL Smart Home is committed to building an efficient, low-carbon, and sustainable production model, integrating environmental protection concepts into every aspect. By improving the environmental management system, strictly controlling pollution and waste, continuously optimizing energy efficiency, and promoting the usage of clean energy, TCL Smart Home achieves the normalization and standardization of green and low-carbon production and operation, facilitating the harmonious coexistence of production and the environment.

Environmental Management System

2024, TCL Smart Home

362.60 ten thousand yuan

Total investment
in environmental governance and
protection

Environmental Compliance

The Company strictly adheres to the *Environmental Protection Law of the People's Republic of China* and other relevant laws and regulations, continuously improving various environmental management systems to minimize the impact of its production and operation processes on the environment. To scientifically implement environmental management systems and objectives and continuously enhance environmental performance, both Hefei Home Appliances and Homa Appliances, subsidiaries of TCL Smart Home, have successfully obtained ISO 14001 certification for their environmental management systems.



Hefei Home Appliances ISO 14001
System Certification



Homa Appliances ISO 14001
System Certification

Hefei Home Appliances has established an Environmental Safety Committee and collaborates with the Human Resources Development Department to oversee the monitoring and evaluation of key environmental management performance. They have issued internal management systems such as the *Control Procedure for Identification and Assessment of Environmental Factors* and the *Control Procedures for Operation of Environmental Management System*. By implementing four types of inspection procedures, including daily inspections, regular inspections, comprehensive inspections, and special inspections, they have effectively ensured the continuous safety and stability of the production and office environments.

Homa Appliances and its branch factories perceive the principle of "making continuous improvement in an environmentally-friendly and law-abiding way" as a key strategy in environmental protection. As such, they have established an environmental management system under the leadership of the General Management Department with the joint participation of multiple departments. The General Management Department of Homa Appliances organizes an internal audit of the ISO 14001 environmental management system annually to ensure a comprehensive investigation of potential hazards in the production and office environments and to strengthen the Company's environmental management level.

Honors of Hefei Home Appliances:

The Third Batch of
National-level Green
Manufacturing Factories

Provincial Green Factory

Provincial Green Products
National Industrial Internet
Pilot Demonstration
Enterprise

Emergency Management

No
leakage accidents

No
major environmental violations

No
penalties incurred for violations
of environment-related laws
and regulations

No
lawsuits related to
environmental regulations

To effectively test the effectiveness of daily environmental safety management and promptly address management deficiencies, TCL Smart Home formulates and implements an environmental emergency response plan annually as planned. Its subsidiaries, Hefei Home Appliances and Homa Appliances, strictly adhere to the requirements of the *Emergency Response Plan for Environmental Emergencies*, complete the filing process with the local environmental protection department, and conduct emergency drills on schedule according to the plan content to ensure the effectiveness of the emergency response plan. In order to obtain external support in a timely manner when necessary, TCL Smart Home has established a close emergency linkage mechanism with external government units, ensuring that the Company can achieve an organic combination of pre-management and emergency response in the face of environmental risks, effectively addressing various potential environmental challenges.

Hefei Home Appliances has formulated the *Emergency Response and Preparedness Control Procedure* to clarify the management process of emergency events. During the same period, internal emergency drills for hazardous waste, wastewater, and exhaust gas were conducted to strengthen employees' awareness of environmental safety risk prevention and control. This ensures that employees can respond quickly, operate accurately, and master emergency handling skills when facing sudden environmental events, thereby enhancing their ability to avoid risks.



On-site environmental safety management training for Homa Appliances

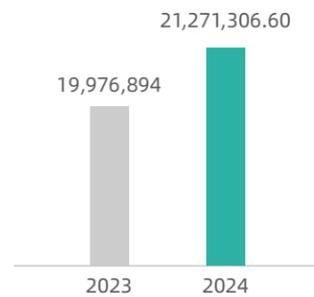
Homa Appliances regularly conducts training sessions on environmental management standards for its employees. By promoting the environmental emergency response plan system and the management process for pollutants and wastes, the Company standardizes employees' environmental management work and strengthens their ability to respond to emergency incidents.

Energy and Resource Management

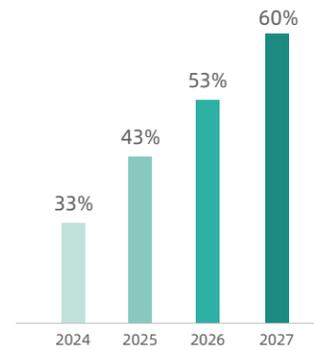
In 2024,
Hefei Home Appliances:

22.41 million kWh
Green electricity consumption

21,000 green certificates
Purchased from other provinces



Self-consumption photovoltaic power generation (kWh)



Hefei Home Appliances' target for the proportion of green electricity purchased and used in 2024 and the next three years



Honor of Green Electricity Consumption

Energy Management

TCL Smart Home strictly adheres to relevant laws and regulations such as the *Law of the People's Republic of China on Energy Conservation*, and continuously improves its energy management system. To reduce dependence on non-renewable energy sources such as fossil fuels, TCL Smart Home adopts various energy management measures, promotes energy-saving technologies and equipment, optimizes energy structure and usage, and reduces energy consumption in various fields. At the same time, the Company promotes technological innovation and industrial upgrading, improves energy conversion and utilization efficiency, and balances economic and social development with reducing energy consumption per unit of output value.

TCL Smart Home Energy Consumption

Index	Unit	2024
Comprehensive energy consumption	Tons of standard coal	37,738.76
Comprehensive energy consumption density	Tons of standard coal/ Million output value	2.06
Natural gas	m ³	1,043,582.21
Diesel oil	L	215,353.97
Gasoline	L	25,585.14
Total power consumption	kWh	293,139,142.62

Currently, Hefei Home Appliances has achieved full coverage of its production base with an energy management system, and has specially established an energy management team and an implementation team. By formulating comprehensive energy targets, indicators, and review mechanisms, as well as improving energy measurement and personnel management systems, Hefei Home Appliances systematically monitors, analyzes, and optimizes energy usage, continuously taps into energy-saving potential, and continuously enhances energy utilization efficiency.

Meanwhile, Hefei Home Appliances has actively constructed photovoltaic energy storage projects, effectively avoiding the impact of power rationing during peak periods on enterprise production and operation. It has also enhanced energy efficiency by utilizing waste heat recovery technology for refrigerator air compressors, ensuring stable energy supply for production and operation. Homa Appliances has introduced temperature sensing equipment, energy-saving motors, and other technical facilities, established energy indicators, and linked them to the performance of responsible individuals, ultimately achieving all indicators by 2024. In 2024, Hefei Home Appliances achieved photovoltaic grid-connected capacity of 207,800 MWh, with an annual power generation of 14.5 million kWh. Currently, 4.67 MW are under construction, and it is expected to complete the construction of 25 MW of photovoltaic capacity by 2025.

Homa Appliances has been continuously paying attention to the energy consumption of production equipment, releasing the *Energy Management Measures and Management Measures for Energy Consumption of Key Machines* to enhance the monitoring and analysis of daily energy consumption in production and operations and to reasonably control production energy consumption. To further implement the clean energy transition work, in 2024, Homa Appliances completed the research and planning of distributed photovoltaics, with a plan to invest approximately 10 MW and initiate implementation in 2025. In 2024, Homa Appliances was awarded the honor of Green Electricity Consumption Customer by China Southern Power Grid.

In 2024,
TCL Smart Home

1,627,278.00 m³
Water consumption

88.63 m³/Million output value
Water intensity

In 2024,
TCL Smart Home

258,813.36 tons
Total quantity of packaging materials

Water Resource Management

TCL Smart Home attaches great importance to the protection of water resources and strictly adheres to laws and regulations such as the *Law of the People's Republic of China on Prevention and Control of Water Pollution*, the *Action Plan for Prevention and Control of Water Pollution*, and the *Integrated Wastewater Discharge Standard of the People's Republic of China*. Adhering to the principle of prioritizing water conservation, the Company proactively strengthens various water conservation measures and continuously improves the efficiency of water use. In the production process, water is primarily used in production processes for laboratory tests, production tests, domestic uses, and fire control. All water sources are from municipal water supply and do not involve water extraction from water sources.

Packaging Material Management

When selecting product materials, TCL Smart Home gives priority to recyclable metals to enhance the recyclability of its products. Its subsidiaries, Hefei Home Appliances and Homa Appliances, have established recycling programs to encourage consumers to return their old products for recycling and reuse, thus achieving the circular utilization of resources.

In terms of packaging technology, Hefei Home Appliances has invested in researching and developing new eco-friendly materials, such as biodegradable packaging materials, to reduce the burden on landfills, while adopting streamlined protection measures. During the reporting period, Hefei Home Appliances reduced the usage of protective film, fixing tape, and sealing tape by 35%. To minimize the environmental impact of products, Homa Appliances insists on using green materials to manufacture product packaging and opts for environmentally friendly soy ink and recycled paper for printing instructions, comprehensively promoting green production.

In addition, in 2024, Homa Appliances will simultaneously promote the *Supplier Packaging Recycling Management Measures* to standardize the recycling management of packaging materials from various suppliers. The fixtures, tools, and packaging protection materials used by suppliers during transportation will be uniformly disposed of and recycled, thereby improving the recycling rate of packaging materials and reducing factory waste production.



Pollution and Waste Management

Adhering to the green production philosophy, TCL Smart Home complies with national and local laws and regulations on the emission and management of pollutants and waste. It has established internal management systems for waste gas, wastewater, waste, and noise, continuously strengthens corresponding management measures, regularly reviews and updates relevant emission permits, and follows the standard limits imposed by pollution discharge requirements to ensure that the treatment process is compliant and legal, thereby minimizing the negative impact of the Company's production and operation processes on the environment.

In 2024,
TCL Smart Home

Wastewater, waste gas, and waste emissions all meet the standards

To effectively identify potential environmental risks, TCL Smart Home has formulated an environmental self-monitoring plan in accordance with relevant regulatory requirements. The plan involves monitoring various pollution factors such as wastewater, waste gas, groundwater, and noise at the factory boundary through qualified third-party institutions, and issuing corresponding monitoring reports to ensure emissions meet standards.

To further strengthen pollution and waste management, Hefei Home Appliances has established an environmental protection management team, with the general manager serving as the team leader. The team consists of a deputy team leader and an executive team leader, and various departmental management personnel are assigned to relevant responsibilities. At the same time, Hefei Home Appliances has formulated multiple internal systems, including regulations on wastewater management, waste gas management, noise management, and hazardous chemical management, to carry out comprehensive pollutant control and ensure emissions meet standards.

Air Pollution Management

TCL Smart Home strictly adheres to national and local laws and regulations such as the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*, the *Law of the People's Republic of China on Promotion of Cleaner Production*, the *Emission Standard of Air Pollutants for Industrial Kiln and Furnace*, the *Emission Standard of Pollutants for Synthetic Resin Industry*, the *Emission Standards for Odor Pollutants*, and the *Emission Limits of Air Pollutants of Guangdong Province*. It promotes the construction of internal management systems, builds waste gas treatment systems, and strictly controls and treats pollutants such as nitrogen oxides, sulfur dioxide, particulate matter, and volatile organic compounds (VOCs) in production and domestic waste gases to meet relevant national and local standards, ensuring that all types of air pollutants are discharged in full compliance.

In accordance with local regulations such as the *Regulations of Anhui Province on Prevention and Control of Air Pollution* and the *Regulations of Hefei on Prevention and Control of Air Pollution*, Hefei Home Appliances has continuously improved its waste gas management system. Based on the Company's own operational conditions, it updated the *Waste Gas Management System (4.0)* and made adjustments to the management organizational structure and personnel, further standardizing the management of air pollutants. Hefei Home Appliances has taken multiple measures and adopted various processes, including filter cartridge filtration and dust removal, secondary activated carbon adsorption, UV photolysis, or their combinations, to treat waste gas according to different scenarios and ensure emissions meet standards. At the same time, the Company strictly complies with environmental assessment requirements, pollutant discharge permit regulations, and standards such as the *Self-monitoring Technology Guidelines for Pollution Sources (HJ 819-20170)*, conducts systematic monitoring of waste gas emission concentrations on a quarterly basis, comprehensively controls pollutant emissions, and ensures environmental compliance and controllable emissions.

Homa Appliances has established the *Wastewater and Waste Gas Management Measures* to efficiently manage the treatment and monitoring of waste gas emissions. At the beginning of each year, the Company formulates a waste gas monitoring plan and scheme, and regularly entrusts qualified environmental protection testing companies to monitor production waste gas and obtain air pollutant monitoring reports. Each factory then compiles a "waste gas and pollution prevention map" based on the report results, clarifying the impact range and locations of waste gas emissions, providing data support for air pollutant management.

In 2024,
TCL Smart Home

301,919 tons
Total wastewater discharge

100%
Wastewater discharge compliance rate

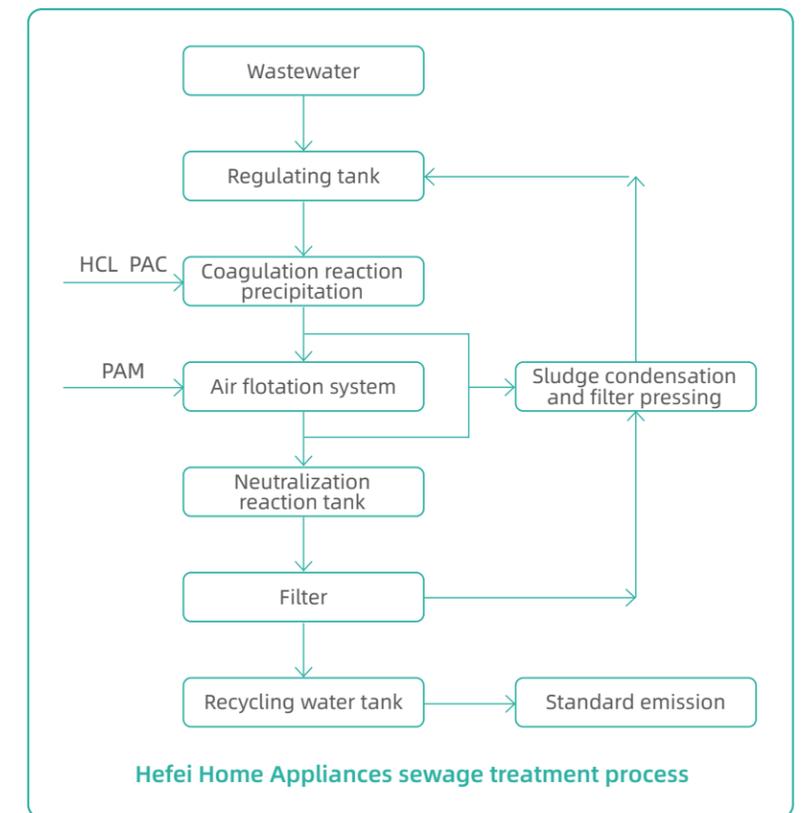
245.01 tons
Total discharge of hazardous wastes

15,412.02 tons
Total discharge of non-hazardous wastes

Wastewater Management

To effectively manage major wastewater pollutants such as ammonia nitrogen, total phosphorus, fluoride, and animal and vegetable oils in compliance, TCL Smart Home strictly adheres to national and local laws and regulations such as the *Law of the People's Republic of China on Prevention and Control of Water Pollution*, the *Action Plan for Prevention and Control of Water Pollution*, and the *Integrated Wastewater Discharge Standard of the People's Republic of China*. It continuously improves its internal system construction, equips with wastewater treatment facilities, and standardizes wastewater monitoring and testing procedures to ensure wastewater discharge compliance.

To further strengthen wastewater management, Hefei Home Appliances has formulated the *Wastewater Management System* in accordance with policies such as the *Hefei Water Environment Protection Regulations*. The Company has implemented management measures in an orderly manner, such as reducing uncontrolled leakage and spillage to control wastewater discharge and improve wastewater recycling and utilization. At the same time, the Company has entrusted a third party to be responsible for the operation of the sewage station and regularly inspects the operation of on-site equipment. It also monitors the concentration of pollutants in discharged sewage on a quarterly basis and strictly monitors the operation and maintenance of sewage treatment facilities.



Homa Appliances strictly adheres to the *Wastewater and Waste Gas Management Measures* in managing and controlling production and domestic wastewater. It regularly entrusts a third party to monitor the Company's production wastewater. For wastewater that fails to meet the standards, subsequent operations are conducted in accordance with the *Procedures for Corrective and Preventive Measures*.

Waste Management

TCL Smart Home conducts strict classification and management of waste. In accordance with national and local laws and regulations such as the *Standard for Pollution Control on Hazardous Waste Storage* and the *Technical Specification for Setting Identification Signs of Hazardous Waste*, it organizes the disposal of hazardous waste and classifies and recycles general waste. While ensuring that the waste disposal process meets legal requirements, it actively explores waste reduction and recycling measures.

For different types of waste, Hefei Home Appliances has formulated different management systems and plans. Recyclable solid waste is sold normally, while discarded electronic components are handed over to manufacturers for professional recycling and disposal. In 2024, in accordance with relevant regulations and the Company's own operational status, Hefei Home Appliances updated the *Environmental Factor Identification and Evaluation Management Specification (5.0)*, adjusted the organizational structure of waste management personnel, and organized an updated list of hazardous waste. In terms of waste management measures, Hefei Home Appliances has established a cross-departmental cooperation mechanism. The supply chain is responsible for the storage and third-party disposal of general solid waste and hazardous waste, while each factory is responsible for ensuring the treatment and emission compliance of pollutants. The Human Resources Development Department is responsible for monitoring and evaluating important environmental management performance to ensure efficient operation throughout the entire waste management process. On this basis, the Company insists on purchasing environmentally friendly and low-toxicity products, while reducing the negative impact of solid waste on the environment from the aspects of waste production and pollution level.

Homa Appliances has established systems such as the *Waste Classification List* and *Waste Management Measures*, creating a management system that covers the entire lifecycle of waste, from generation, classification, storage, transportation to final disposal. Each link is subject to strict solid waste control measures. On this basis, Homa Appliances has established a hazardous substance management system in accordance with the QC080000 *Requirements of Hazardous Substance Process Management System* certification standard and relevant customer requirements, clarifying the identification and control process of hazardous substances to reduce environmental risks.

Types of major pollutants

Waste type	Waste contents	Disposal methods
General recyclable wastes	Waste metal, waste plastic, waste paper, waste wood, etc.	Commission qualified units for disposal
General non-recyclable wastes	Domestic waste, construction waste, etc.	Commission qualified units for disposal
Hazardous wastes	Electronic waste, used packaging drums, surface treatment sludge, etc.	Store in hazardous waste warehouse, and commission qualified hazardous waste disposal agencies for disposal

Green Culture

In 2024,
Homa Appliances

15 environmental protection
training sessions
Conducted

11,039 personnel

The number of employees who participated in environmental protection training was

Noise Management

TCL Smart Home strictly adheres to national and local laws and regulations such as the *Law of the People's Republic of China on the Prevention and Control of Noise Pollution* and the *Emission Standard for Industrial Enterprises Noise at Boundary of Guangdong Province*, and is committed to reducing the impact of noise on the surrounding environment. TCL Smart Home and its subsidiaries have taken various measures to manage noise at the factory boundary, such as regularly updating detection schemes, improving equipment protection and work environment testing, and continuously optimizing noise control strategies.

Hefei Home Appliances has established a *Noise Management System* and effectively controlled and reduced noise levels by adding sound-absorbing cotton and conducting regular environmental noise testing, ensuring that noise levels meet standards. Meanwhile, Homa Appliances has formulated a *Noise Emission Management Method*, implemented sound insulation and shockproof measures in some workshops to minimize noise in the factory area, and promptly conducted maintenance and upkeep on production equipment to avoid noise disturbances to residents.

TCL attaches great importance to enhancing employees' environmental awareness and is committed to creating a green cultural atmosphere where everyone participates. In the office environment, the Company implements energy-saving measures such as intelligent lighting systems and paper recycling to reduce resource waste. At the same time, the Company regularly conducts environmental protection training and themed activities to enhance employees' understanding of green production, improve their environmental awareness and participation, and encourage employees to integrate the concept of green development into corporate culture through multi-dimensional environmental protection concepts. In 2024, Hefei Home Appliances conducted a total of three environmental protection trainings, with a total of 39 participants. In addition, Homa Appliances disseminates environmental protection knowledge and fosters a sustainable development atmosphere where everyone participates by sending promotional videos advocating green culture within the Company.



Environmental protection tips in the office of Hefei Home Appliances



Homa Appliances' promotional video clip for the World Environment Day



Homa Appliances green culture promotional video

Green Industry Chain

In 2024,

5.7243 million yuan
the sales of green products of Hefei Home Appliances amounted to

TCL Smart Home adheres to the concepts of environmental friendliness and sustainable development in the production process. From product development and manufacturing to disassembly and recycling, it fully integrates into the green management system, striving to minimize resource and energy consumption while reducing unnecessary emissions and pollution, and minimizing environmental impact. The Company is committed to building a green industrial chain and promoting innovation and joint development of environmental protection technologies through close collaboration with supply chain partners.

In the raw material procurement process, TCL Smart Home gives priority to materials that are environmentally friendly, green, and produced in accordance with environmental protection and safety standards. Hefei Home Appliances rigorously monitors hazardous substances during the raw material procurement stage, insists on using dangerous and hazardous components and elements that meet the requirements of the Directive on the Restriction of the use of Certain Hazardous Substances in Electrical and Electronic Equipment (RoHS), and promotes the use of sustainable materials such as recyclable plastics and straws to reduce dependence on environmental resources and provide customers with safer and more environmentally friendly products. Homa Appliances emphasizes the selection of suppliers, conducts strict verification of the environmental performance of service or product suppliers prior to procurement to ensure their capabilities in controlling and managing critical environmental pollutants. On this basis, Homa Appliances creates a list of qualified suppliers, conducts regular audits and supervision, and promotes continuous improvement in environmental management levels through dynamic evaluation.

In the product R&D and design phase, TCL Smart Home thoroughly considers the impact of products on the environment, and creates durable, environmentally friendly, energy-saving, and efficient products through green innovation of key components and technologies. Hefei Home Appliances adheres to a full lifecycle approach from the initial design stage, rigorously complies with the latest energy efficiency standards of various countries and the requirements for green products of household appliances, and optimizes the product development and design from multiple dimensions.

To enhance product energy efficiency, Hefei Home Appliances actively adopts technologies such as intelligent, high-efficiency, and energy-saving refrigeration components, main control frequency conversion, and microcellular foam door seals. These technologies ensure the product's low energy consumption characteristics in terms of system efficiency, operational power consumption, and insulation performance, thereby reducing energy consumption during product use. Furthermore, Hefei Home Appliances incorporates the maintainability, recyclability, and upgradeability of products into product design, ensuring long-term use and minimizing resource consumption. Through modular design, users can easily replace damaged components, extending the product's service life.

Homa Appliances continuously strives for improvement and innovation in energy-saving technologies, committed to providing consumers with high-end and low-energy products. The Company's series of products consistently adopt the environmentally friendly R600a refrigerant, which not only enhances refrigeration efficiency but also significantly reduces harmful substance emissions.

In the production process, TCL Smart Home persists in promoting the transition to clean energy, actively adopts environmentally friendly and advanced processes, and continuously reduces the impact of corporate production and operations on the environment. Hefei Home Appliances continues to strengthen its investment in photovoltaic energy within the Company's parks, using clean and sustainable energy to reduce outsourced electricity, achieving self-production and self-consumption of clean energy, effectively reducing energy consumption and environmental damage. Homa Appliances focuses on updating and replacing production processes to reduce various energy consumptions of products. To test the effectiveness of related work, Homa Appliances regularly conducts voluntary clean production audits, inviting third-party testing institutions to conduct comprehensive audits of key process flows, and based on the audit results, formulates targeted clean production goals and rectification plans to continuously improve and perfect the level of clean production.

When selecting product materials, TCL Smart Home gives priority to recyclable metals to enhance the recyclability of its products. Both Hefei Home Appliances and Homa Appliances have established recycling programs, encouraging consumers to return their old products for recycling and reuse, thus achieving resource recycling. Furthermore, the Company is actively promoting the practice of green packaging, investing in the research and development of new eco-friendly materials such as biodegradable packaging materials, reducing packaging usage, and promoting recyclable and degradable packaging.

In the warehousing and transportation sector, TCL Smart Home actively practices green logistics and explores solutions to reduce carbon emissions and resource usage during transportation. Hefei Home Appliances has reduced cartons used in product packaging and circulation, and promote the use of recyclable packaging appliances, special industrial vehicles and recyclable plastic boxes. Currently, Hefei Home Appliances has established a 10,000 m² low-carbon, pollution-free intelligent stereoscopic warehouse, equipped with new energy battery-powered vehicles, to further reduce environmental impact.

In 2024, Hefei Home Appliances'

Washing machine products have saved a total of **6,300,000** kWh of electricity for users

The tumble dryer is **100%** compliant with Level 1 of the GB 12021.4-2013 standard

27% of the pulsator washing machines are rated as Level 1 according to the GB 12021.4-2013 standard, while **63%** are rated as Level 2 according to the same standard



R260F1G-C frost-free refrigerator has obtained China Energy Efficiency Certification



The compound double-tumble dryers have obtained the certification of green products in China



R316V7-D frost-free refrigerator has obtained the green products certification

Hefei Home Appliances Green Certification

Uphold Product Responsibility

TCL Smart Home has always taken sustainable technological innovation and excellent product quality as the foundation for its sustainable development. The Company is committed to becoming a globally leading smart home appliance enterprise, actively fulfilling product responsibilities, improving production efficiency, optimizing customer service, and providing consumers with a smart experience.

SDGs addressed in this chapter



RESPONSIBILITY

R&D and Innovation

R&D and innovation are the core driving forces behind the high-quality development of TCL Smart Home. After more than 20 years of development, TCL Smart Home has established a comprehensive and advanced R&D and quality control system. The Company is customer-oriented, continuously enhancing its product R&D and innovation capabilities, attaching great importance to the management and protection of intellectual property rights, and constantly improving its market competitiveness.

R&D and Innovation Strength

In 2024,
TCL Smart Home

1,074

R&D personnel

7.2%

Ratio of R&D personnel

643 million yuan

R&D investment is

60 innovative projects

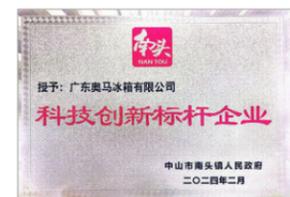
Carry out

TCL Smart Home has always adhered to the core concept of "achieving global leadership with first-class talent", continuously increasing the introduction of scientific research talents for refrigerators and washing machines, especially in the fields of quality control, vibration and noise suppression, and simulation technology research and development, attracting many senior professional talents to join. The R&D team is constantly expanding. TCL Smart Home has multiple R&D centers, among which Hefei Home Appliances has two major R&D centers for washing machines and refrigerators. Each R&D center is responsible for formulating relevant product technology development strategies, building research and development system capabilities, promoting product development, and ensuring product performance and quality. The Homa Appliances R&D center focuses on the development of air-cooled products and process technology efficiency improvement. Through continuous technological breakthroughs, it continuously enhances the Company's research and development competitiveness.

Homa Appliances R&D center	Research orientation
Enterprise R&D center	Development of embedded product development, air-cooled products, and completely knock down products, tackling of technical issues related to energy efficiency, process efficiency improvement, and reduction of expenditure and consumption
Provincial industrial design center	Product appearance design, panel materials application, interior design, and silk-screen printing design
Laboratory accredited by CNAS	Product performance testing, and product safety and stability testing

In addition, to enhance the driving force of company employees in research and development innovation and product development, TCL Smart Home has formulated multiple R&D incentive systems. Hefei Home Appliances has formulated incentive policies such as the *New Product Project Assessment and Incentive Plan* and the *Implementation Rules for the Science and Technology Innovation Award*, and regularly organizes relevant science and technology innovation activities every year to encourage all employees to participate in technological innovation. Homa Appliances has formulated incentive measures such as the *Product Development Incentive Measures* and the *Technical Pre-research, Acceptance, and Incentive Management Measures*, and further stimulates the innovativeness of technical personnel by setting up technology innovation awards, quarterly awards for cost savings and consumption reduction, and commendations for technical pacesetters.

Hefei Home Appliances adheres to the product development philosophy of "asynchronous development, quality and efficiency improvement, technology-driven, and premium product creation", continuously innovating in the eight major directions of refrigerator technology - healthy freshness preservation, high energy efficiency, aesthetic design, thin built-in series, ice-water technology, noise reduction technology, intelligence, and exquisite design - to continuously enhance product quality and user experience. In 2024, Hefei Home Appliances will take technological originality as the core driving force, actively



Homa Appliances has been awarded as a benchmark enterprise for technological innovation

Innovative Technologies and Products

deploy the application of intelligence and artificial intelligence technology, deeply explore the field of green and low-carbon technology, continuously expand the breadth and depth of technology, and further enhance the Company's core technological advantages.

Guided by the philosophy of creating people-oriented innovative technology that is rational and practical in product development, Homa Appliances focuses on enhancing the fit between embedded products and user usage scenarios, and improving the air-cooled product line to meet the order requirements of different customers. At the same time, Homa Appliances has intensified its efforts to develop completely knock down products to adapt to the needs of emerging markets. To further achieve efficient resource utilization and comprehensive improvement in market competitiveness, Homa Appliances has conducted in-depth exploration and research in the fields of energy-saving control technology, application of new materials and processes, and product cost reduction and consumption reduction, continuously optimizing production processes, and promoting the deep integration of technological innovation and cost control.

TCL Smart Home attaches great importance to product innovation and is committed to efficiently transforming innovative achievements into practical applications. It promotes the development and implementation of innovative products through diversified channels. In 2024, TCL Smart Home will focus on making breakthroughs in key technological areas such as product health technology, refrigeration efficiency, and energy consumption reduction.

Hefei Home Appliances integrates multiple concepts such as environmental protection, health, intelligence, and user experience in product innovation, fully embodying the organic combination of technological innovation and humanistic care to safeguard user health. For refrigerator products, Hefei Home Appliances focuses on product features such as intelligent noise reduction, molecular freshness preservation, antibacterial and odor control, deep freezing, energy efficiency, and built-in technology. Among them, molecular preservation and deep-freezing technology have been recognized by the Appraisal Committee of the China National Light Industry Council as reaching the international leading level. For washing machine products, Hefei Home Appliances continues to optimize energy efficiency and environmental performance while focusing on user health and inclusive design as the core of product innovation. Through the R&D and application of breakthrough multi-domain pollution-free technology, it has created a safer and healthier washing experience for consumers. As of the end of the reporting period, the sales volume of products equipped with this technology has reached 136,000 units.

In addition, Hefei Home Appliances has extended its innovation focus to vulnerable groups: washing machines are equipped with child lock functions to ensure the safety of children; braille designs have been added to the control panel of washing machines to provide convenience for visually impaired users, effectively meeting the needs of special groups.



Molecular Freshness Preservation 2nd Generation - Scientific and Technological Achievement Appraisal Certificate



Deep-freezing Technology - Scientific and Technological Achievement Appraisal Certificate

In the design and technological innovation of its products, Homa Appliances deeply explores the actual needs of users, enabling the products to integrate humanized design and scenario-based experience on the basis of achieving basic functions, in order to meet the diverse needs of users. For example, in terms of exterior design, Homa Appliances adopts a bottom cooling system and an ultra-thin built-in design, achieving a perfect integration of the refrigerator and the cabinet, helping users improve the utilization rate of kitchen space. In terms of functional design, Homa Appliances incorporates patented quality control multi-temperature zone technology, including specialized zones such as intelligent control mother and baby temperature-variable space and zero-temperature freshness preservation space, to achieve specialized storage in dedicated areas, enhance the preservation effect of ingredients, and simultaneously meet users' daily usage needs, improving convenience. Furthermore, Homa Appliances is equipped with AG+ blue crystal bacteria-removing function to achieve real-time dynamic sterilization, providing users with healthy dietary guarantees. According to the testing and certification by the Guangzhou Microbiology Research Institute, the antibacterial rate of this function is as high as 99.99%.

Technological innovation achievements of Hefei Home Appliances

Technical dimension	Refrigerator	Washing machine
Energy efficiency	<ul style="list-style-type: none"> • Combi European grade A energy efficiency • CD European grade A energy efficiency • Surge current suppression circuit • DC-DC high-efficiency power conversion technology • Segmented carrier efficient control technology • Research on frequency adaptation technology • Variable frequency zero standby power consumption technology 	<p>China energy efficiency grade 1</p> <p>European standard grade A-10%~25%</p> <p>Australian Standard water efficiency star: 4.5, electricity efficiency star: 5, etc.</p>
Noise	<ul style="list-style-type: none"> • combi European grade A noise • AI-based intelligent noise reductio • Comprehensive evaluation technology for body-sensory noise 	<p>European standard grade A</p> <p>Dual-drum model G160C16-HDY/G160Q10-HDY won the Excellence Award in the acoustic quality evaluation and certification organized by the China Household Electric Appliance Research Institute</p>
Health	<ul style="list-style-type: none"> • Originality · Molecular Magnetic Freshness • GP+ photoelectric sterilization and odor removal • -40°C crystal film freshness preservation technology 	<p>The pollution-free washing machine has been evaluated by the China Household Electric Appliance Research Institute and has achieved the industry's first dual Class 1 pollution-free product status</p>
User experience	Household ultra-thin built-in technology, etc.	



Case: TCL Smart Home has innovatively launched a household refrigerator featuring -40°C deep-freezing freshness preservation technology

In the field of smart home, food freshness preservation has always been a core concern for users. Among them, high-end ingredients such as deep-sea seafood have extremely high requirements for storage temperature. The freezing temperature of traditional household refrigerators is usually between -18°C and -24°C, which is difficult to meet the freshness preservation needs of deep-sea seafood. To address this industry pain point, TCL Smart Home has innovatively launched a -40 °C deep-freezing freshness preservation technology for household refrigerators. As an industry pioneer, this technology uses a single R600a refrigerant, combined with multi-level gradient heat dissipation, three-dimensional heat dissipation air circulation, ECC technology, and intelligent control system, to reduce the lowest temperature in the freezer compartment to -40 °C. This technological breakthrough not only meets consumers' demand for a high-quality life but also injects innovation power into the refrigerator industry.



Case: T7H super drum washing machine breaks through the industry ceiling in washing capacity

Constrained by technological bottlenecks, the washing efficiency of washing machine products on the market has long stagnated at around 1.1. As a globally leading home appliance brand, Hefei Home Appliances focuses on the "washing efficiency" and has invested significant research and development resources in this field, driving technological breakthroughs in the industry. TCL's washing machine, the Super Drum, has elevated the washing efficiency to 1.2, surpassing the industry's upper limit in washing capacity. The core principle of the "Super Drum" stems from its larger drum diameter of 540mm, coupled with the adoption of 6D lifting ribs and a sea wave pattern design, which extend the movement trajectory of clothes by 80%, achieving superior washing efficiency. Furthermore, this product is equipped with an intelligent electronic control algorithm that tailors washing programs according to different usage scenarios, ensuring optimal cleaning results while precisely controlling water, electricity, and detergent usage, thereby reducing resource and energy waste.



2024 Hefei Home Appliances Product Awards and Honors

Awarded by

- iF Industrie Forum Design
- Bureau of European Design Associations
- Organizing Committee of China Information Technology Expo
- 2024 20th China Household Appliance Innovation Award
- Organizing Committee of China Household Clothes Washing, Drying and Care Industry Summit Forum
- Organizing Committee of China Refrigerator Industry Symposium
- China Household Electric Appliance Research Institute

Award

- iF Product Design Award: TCL 6kg Slim Washing Machine
- iF Product Design Award: T10 TCL Twin Drum Washing & Drying Set
- 2024 Red Dot Award: Super Drum P7
- 2024 Red Dot Award: Super Drum T7H
- Innovation Award at the 12th China Information Technology Expo: TCL ultra-thin zero-embedded refrigerator
- Innovation Award at the 12th China Electronic Information Expo: TCL Super Drum Series Washing Machine
- Annual Technological Innovation Award
- Leading Brand Award in Health Washing and Care
- 2024 China Household Clothes Washing, Drying and Care Industry - Products - Ultra-thin Integrated Washing and Care Innovation Pioneer - GH200P20-DBI
- 2024 China Household Clothes Washing, Drying and Care Industry - Products - Healthy Washing and Care All-Round Star - G100T3-BIS+H10UT3-S
- Leading brand in thin built-in health and freshness preservation
- Ultra-thin zero-embedded technology product
- -40° C crystal film deep-freezing freshness preservation technology product
- Top 10 Brands in the Washing Machine Industry for the Year 2023-2024

Homa Appliances Awards and Honors

Awarded by

- Organizing Committee of Appliance & Electronics World Expo/China Household Electrical Appliances Association
- 2024 China Refrigerator Industry Summit Forum
- 20th China Household Appliance Innovation Award
- National Household Electric Appliance Industry Information Center

Award

- 2024 AWE Golden Word of Mouth Award Champion
- 2024 AWE Excellent Product Award
- Leading Slot-in Product of 2024 China Refrigerator Industry
- Annual Product Innovation Award
- Built-in Innovation Pioneer Award



Intellectual Property Protection

In 2024,
TCL Smart Home

373
new patents were granted

85
new invention patents were granted

Accumulatively

2,167
patents have been granted

In 2024,
TCL Smart Home

5 times
conduct intellectual property
rights training

Intellectual property rights are an important carrier that embodies a company's innovation strength, technological accumulation, and core competitiveness. They are also a key strategic resource for a company to maintain its leading position in the industry. TCL Smart Home attaches great importance to intellectual property protection and strictly follows laws and regulations such as the *Patent Law of the People's Republic of China* and the *Rules for the Implementation of the Patent Law of the People's Republic of China*. It has established a professional patent application team and a full-process management mechanism, regularly conducts training related to intellectual property, and efficiently promotes the Company's intellectual property protection work.

Hefei Home Appliances has formulated the *Measures for the Administration of Patents and Software Copyrights*, which stipulates specific measures for patent protection and violation penalty mechanisms. At the same time, it has equipped with full-time patent management personnel to carry out relevant management work, comprehensively covering all aspects of product research and development, manufacturing, and market sales, throughout the entire process of enterprise production and operation. Within the Company, Hefei Home Appliances has comprehensively strengthened its intellectual property protection capabilities by signing confidentiality agreements for research and development, setting up confidential areas, establishing a professional team responsible for intellectual property application and registration, and improving internal management mechanisms. Simultaneously, Hefei Home Appliances actively conducts market monitoring and rights protection actions to ensure the safety of innovative achievements and the effective protection of legitimate rights and interests. Furthermore, the Company has established a rigorous intellectual property risk prevention and control mechanism, conducting comprehensive patent searches before product research and development, avoiding similar designs during product research and development, and obtaining patent licenses when necessary to minimize the risk of infringement.

Homa Appliances has established a comprehensive patent management operation and application mechanism, set up a dedicated intellectual property management team, formulated institutional documents such as the *Patent Management Work Measures*, and strengthened the whole process management of patent application, maintenance, and operation. At the same time, Homa Appliances collaborates with professional service agencies to build a comprehensive intellectual property risk prevention and control system to effectively respond to potential disputes.

In order to further enhance employees' awareness of patent management and consolidate intellectual property protection efforts, TCL Smart Home actively conducts training activities on intellectual property and patent management. Through systematic course design, it comprehensively improves employees' knowledge of intellectual property rights and their ability to manage patents.



Case: Hefei Home Appliances conducts Patent Disclosure Document Writing Training

To reduce the cost of repeated communication and coordination during the design process and enhance the quality and approval rate of patent proposals, Hefei Home Appliances has conducted a "Patent Disclosure Document Writing Training" for its employees. Through a comprehensive introduction to the requirements for writing technical disclosures, combined with demonstrations of excellent cases, the training provides patent applicants with efficient writing templates and further strengthens the patent management capabilities of relevant business personnel.

Leading Industry Development

As a leading enterprise in the home appliance manufacturing industry, TCL Smart Home has always been committed to driving technological innovation and development in the industry through innovation. By participating in the formulation of multiple industry standards, it promotes the process of industry standardization. Meanwhile, the Company adheres to building an open and win-win cooperation platform, deeply participates in industry exchanges and cooperation, actively shares industry experience, and injects continuous impetus into the high-quality development of the industry.

During the reporting period,

12 industry standards

TCL Smart Home participated in the design of

Hefei Home Appliances actively fosters an open innovation ecosystem, establishing deep partnerships with multiple national-level innovation centers, key laboratories, and renowned higher education institutions. This injects technological vitality into the Company and sets a high-quality development model for the industry. Homa Appliances places great emphasis on industry exchanges and cooperation, always adhering to the concept of openness and win-win. It actively participates in various industry summits and technical forums both domestically and internationally, sharing its practical experience in technological innovation and quality management, and contributing to the overall improvement of the industry level.

Standards and industry reports formulated and updated with the participation of Hefei Home Appliances in 2024

Release time	Name of published standards and industry reports
March 2024	<i>White Paper on the Development of Cleaning Technology for Internal Stains of Washing Machines</i>
June 2024	T/CHEAA 0032-2024 <i>The Technical Requirements of Copper Tube for Hermetic Motor-compressors for Refrigerators</i>
June 2024	T/CHEAA 0033-2024 <i>Two-dimensional Bar Code Rules for Nameplate of Hermetic Motor-compressors for Refrigerators</i>
June 2024	T/CHEAA 0034-2024 <i>Hermetic Motor-compressors for Refrigerators</i>
July 2024	GBT 4706.24 <i>Household and Similar Electrical Appliances - Safety - Particular Requirements for Washing Machines</i>
July 2024	GB/T 4706.13-2024 <i>Particular Requirements for Refrigerating Appliances, Ice-cream Appliances and Ice-makers</i>
August 2024	T/CHEAA 0035—2024 <i>Polyamide Materials for the Anticorrosive Coating of Metal Tubes</i>
September 2024	T/CHEAA 0036-2024 <i>Micro or Nanon Imprinted Color Crystal Decorated Tempered Glass</i>
November 2024	T/CHEAA 0040.1—2024 <i>The Sound Quality of Household and Similar Refrigerating Appliances Part 1: Terms and Definitions</i>
November 2024	T/CHEAA 0040.2—2024 <i>The Sound Quality of Household and Similar Refrigerating Appliances Part 2: Guideline for Subjective Assessment</i>
November 2024	<i>Technology Roadmap for the Household Electric Washing Machine and Dryer Industry in China</i>
March 2024	T/CITS 0012-2024 <i>Technical Requirements and Test Method for Household Refrigerator Magnetic Field Preservation</i>

Key cooperation projects of Hefei Home Appliances in 2024

Partners	Content
GMCC Joint Innovation Center for New Technologies	Promote technological innovation in the refrigerator industry in areas such as high efficiency and energy saving, silent and comfortable operation, and healthy freshness preservation
Kingfa New Material Joint Innovation Center	We will promote the development of polymer materials for various household appliances towards green, low-carbon, healthy, environmentally friendly, and performance-enhancing directions, and strive to become a domestic first-class material research and development platform
Jiangnan university	Signing of technical cooperation agreement for <i>Establishment of Ultrasound-Assisted Quick-freezing Technology and Deep-freezing Freshness Preservation Database</i>
Xi'an Jiaotong University	romote research on new flying wing heat exchangers

Case: Green and low-carbon transition to "new" - Hefei Home Appliances and Kingfa Sci. & Tech. jointly establish a new material joint innovation center

On May 20, 2024, Hefei Home Appliances and Kingfa Sci. & Tech. Co., Ltd. held the unveiling ceremony for the "TCL-Kingfa New Material Joint Innovation Center". This innovation center aims to gather professional talents, fully leverage the technological advantages and resources of both parties, and strive to promote the development of various polymer materials used in home appliances towards a green, low-carbon, healthy, and environmentally friendly direction with improved performance. It aspires to become a domestic first-class material research and development platform, leading the sustainable development of the industry.



TCL White Household Appliances and Kingfa Sci. & Tech. Jointly Establish a New Material Joint Innovation Center



TCL White Household Appliances and Kingfa Sci. & Tech. Jointly Establish a New Material Joint Innovation Center

Hefei Home Appliances and Homa Appliances jointly debut at Appliance & Electronics World Expo (AWE) 2024

In March 2024, Hefei Home Appliances and Homa Appliances jointly presented at AWE 2024, sharing innovative design concepts with industry partners, discussing how the home appliance industry can empower high-quality life, and demonstrating the leading strength of Chinese enterprises in the field of intelligent technology.

On the first day of the Expo, Hefei Home Appliances held an innovative technology conference to unveil cutting-edge technological achievements, further demonstrating its technological innovation and market leadership in the field of smart household appliances.

Homa Appliances unveiled its brand strategy upgrade plan at AWE 2024, showcasing its innovative product matrix and global layout, and continuously consolidating its industry-leading position. During the Expo, Homa Appliances obtained the "Santong" Product Authentication, further demonstrating its globally unified high-standard quality control.



Product Quality and Safety

TCL Smart Home has always prioritized product quality and safe production. The Company has established a comprehensive quality management system, strengthened quality inspection processes, optimized the handling mechanism for non-conforming products, and implemented full lifecycle management of chemicals. Additionally, the Company conducts regular quality management training to comprehensively enhance the quality management awareness and professional skills of all employees. These measures have effectively promoted continuous improvement in product quality, providing customers with safe and reliable products and services.

Quality Management System

In production and operation, TCL Smart Home strictly adheres to the *Product Quality Law of the People's Republic of China* and other laws and regulations, as well as various quality management standards both domestically and internationally. It continuously optimizes its quality management system and enhances product quality control and improvement processes. All of TCL Smart Home's operational bases have obtained ISO 9001 quality management system certification.

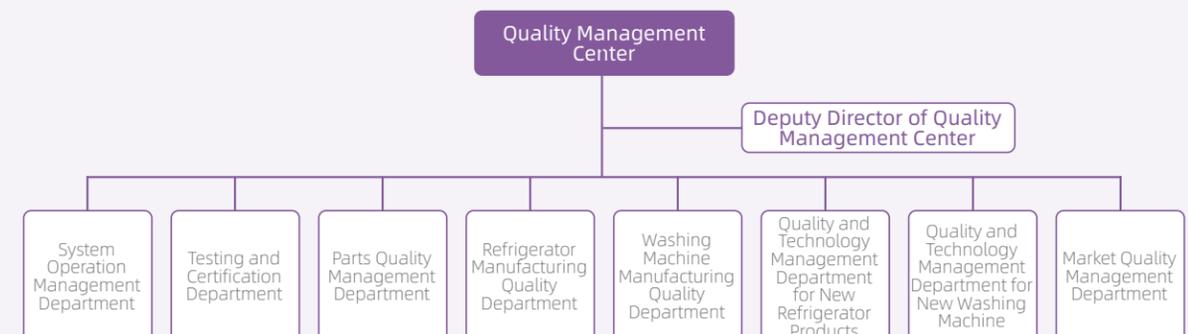


Hefei Home Appliances Quality Management System Certification



Homa Appliances Quality Management System Certification

Hefei Home Appliances has established internal management systems such as the *Quality, Environment & Occupational Health System Management Manual* to strictly control quality management during the production process. To systematically carry out product quality management, Hefei Home Appliances has established a Quality Management Center, responsible for the construction and optimization of the Company's quality management system, handling of quality issues, improvement of supplier management mechanisms, customer feedback, and technology introduction, and making timely updates and adjustments based on the Company's operations and business conditions. Through systematic quality control measures, it ensures that products not only meet quality standards but also satisfy customer needs, while continuously improving team professional capabilities and the overall quality level of the enterprise. In 2024, Hefei Home Appliances' Testing and Certification Center obtained CNAS accredited laboratory qualification, indicating that its work capabilities have met the requirements of the ISO/IEC 17025 system.



Quality Management Center Structure of Hefei Home Appliances

In 2024,
TCL Smart Home

None

Product quality incidents and
product safety accidents

Homa Appliances has established a Quality Management Committee to comprehensively coordinate and supervise the Company's quality management efforts. Led by the Vice President in charge of the quality system, the Committee is responsible for setting and evaluating annual quality objectives, conducting in-depth analysis of quality issues, and planning improvement plans to continuously enhance the operational efficiency of the Company's quality management system and ensure steady improvement in product quality. By formulating and implementing internal regulations such as the Quality Manual, Homa Appliances further strengthens the management of product quality and safety. In 2024, Homa Appliances updated and established quality management systems such as the *Design and Development Control Procedure*, *Design Change Control Procedure*, *Completely Knock Down New Product Development*, *Trial Production*, and *Production Transfer Management Procedure*, and *Tooling and Mold Management Procedure*, to enhance the standardization and systematization of product development, production, and quality control, ensuring continuous improvement and safe and controllable product quality. Homa Appliances is a "Santong Product Authentication" enterprise.



Hefei Home Appliances
RoHS Certificate



Hefei Home Appliances
RoHS Certificate

materials. Homa Appliances has formulated the *Procurement Inspection Management Method* to ensure that the purchased raw materials and components meet the Company's specified quality standards and technical requirements, thereby ensuring product quality from the source.

In the production process, Hefei Home Appliances has established a quality intelligent manufacturing system, including an industry-leading AI intelligent appearance inspection system and 42 full-process inspection procedures covering the entire factory, to monitor key manufacturing links in real time, ensure timely correction of potential issues, and comprehensively ensure that product quality meets the highest standards. In 2024, to further enhance product quality, Hefei Home Appliances invested in refrigerator and washing machine ESD monitoring facilities, increased MES scanning points, and appearance inspection equipment, continuously improving automation levels and strengthening quality control capabilities.

Homa Appliances implements multiple quality control measures during the production process, including pre-production inspections, process inspections, and monitoring of product pass-through rates, to ensure that every step meets high-quality requirements. Additionally, Homa Appliances adopts an MES intelligent quality management system to achieve intelligent control in key inspection, error prevention, and repair processes. The system tracks core quality characteristics such as product appearance, safety performance, leak detection, and refrigeration performance throughout the entire process, ensuring and guaranteeing product traceability.

In 2024, Homa Appliances conducted an annual equipment technical transformation, comprehensively maintaining and optimizing existing equipment, purchasing and installing new equipment to meet product capacity trends, and confirming equipment adjustment through first article inspection to ensure that each product meets quality requirements before being put into production. At the same time, to enhance employees' awareness of product quality management, Homa Appliances regularly holds monthly internal quality meetings, led by branch factory managers and department heads, to discuss quality improvement processes.

Hefei Home Appliances Honors

In 2024,
Hefei Home Appliances
Testing Center obtained
CNAS accredited laboratory
certificate

The ultra-thin zero-
embedded series
refrigerator R540P12-
DQ from Hefei Home
Appliances won the
"FT Quality Award" for
household refrigerators in
2024

TCL Smart Home Reference Standard*

ISO Standards	ISO9001:2015、ISO/IEC17025
National Standards	GB4343.1-2018、GB4706.1-2005、GB470.13-2014、GB/T8059-2016、GB12021.2-2015、GB19606-2004、GB470.24-2008、GB/T4288-2018、GB12021.4-2013、GBT 4214.4-2008
US Standards	CAN/CSA-C300-18、ANSI/AHAM HRF-1-2019
EU Standards	EN 60335、EN 62552:2013、EU 2019/2016
Australian/New Zealand Standards	AS/NZS 60335、AS/NZS CISPR 14.1:2013、AS/NZS 4474.1:2007、AS/NZS 4474.2: 2009

*The reference standards listed above are all the standards certified by TCL Smart Home and its subsidiaries. Some of the above standards are only applicable to Hefei Home Appliances or Homa Appliances

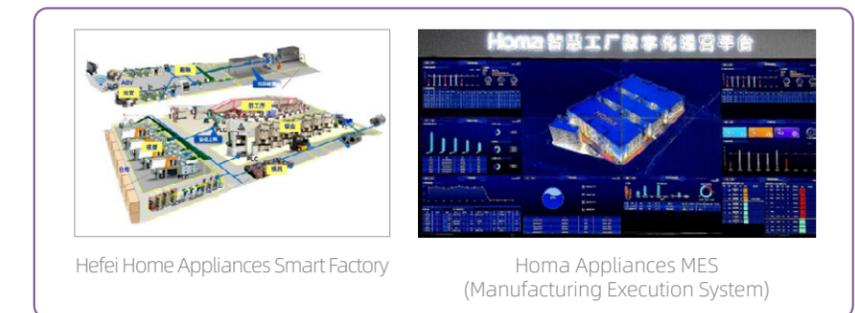
Guarantee of Product Safety

Adhering to the business philosophy of quality first, TCL Smart Home regards product quality management as the core principle of enterprise operation. It has established a prevention mechanism that pursues "zero defects" from the product research and development stage, fundamentally ensuring the quality of new products upon leaving the factory. The Company strictly complies with laws and regulations such as the *Product Quality Law of the People's Republic of China*, establishes and improves management processes and institutional documents, and continuously ensures high production efficiency and high finished product quality.

TCL Smart Home attaches great importance to the safety of raw materials. Regarding harmful chemical substances, the Company explicitly requires all raw materials to meet the standards of the *Directive on the Restriction of the use of Certain Hazardous Substances in Electrical and Electronic Equipment (RoHS)* and the *Registration, Evaluation, Authorization and Restriction of Chemicals Directive (REACH)*. Regular training on the use of relevant chemicals is conducted for employees to strengthen their management awareness.

Hefei Home Appliances has formulated the *Regulations on Hazardous Substance Process Management* in accordance with relevant standards, conducting comprehensive assessments on raw materials involving chemical substances to ensure their safety. In addition, Homa Appliances has established the *RoHS Compliance Control Management Measures*, set up a systematic supplier management mechanism, and regularly audits suppliers, eliminating those who fail RoHS testing to ensure that all raw material quality meets corporate standards.

In the procurement management process, TCL Smart Home has established comprehensive procurement inspection guidelines and related regulations. Hefei Home Appliances has implemented full-process quality tracking through the QMS system and established a comprehensive procurement inspection process to strictly control the quality of raw



Hefei Home Appliances Smart Factory

Homa Appliances MES
(Manufacturing Execution System)

70%

As of the end of the reporting period,
The repair rate of Homa Appliances
has decreased by about

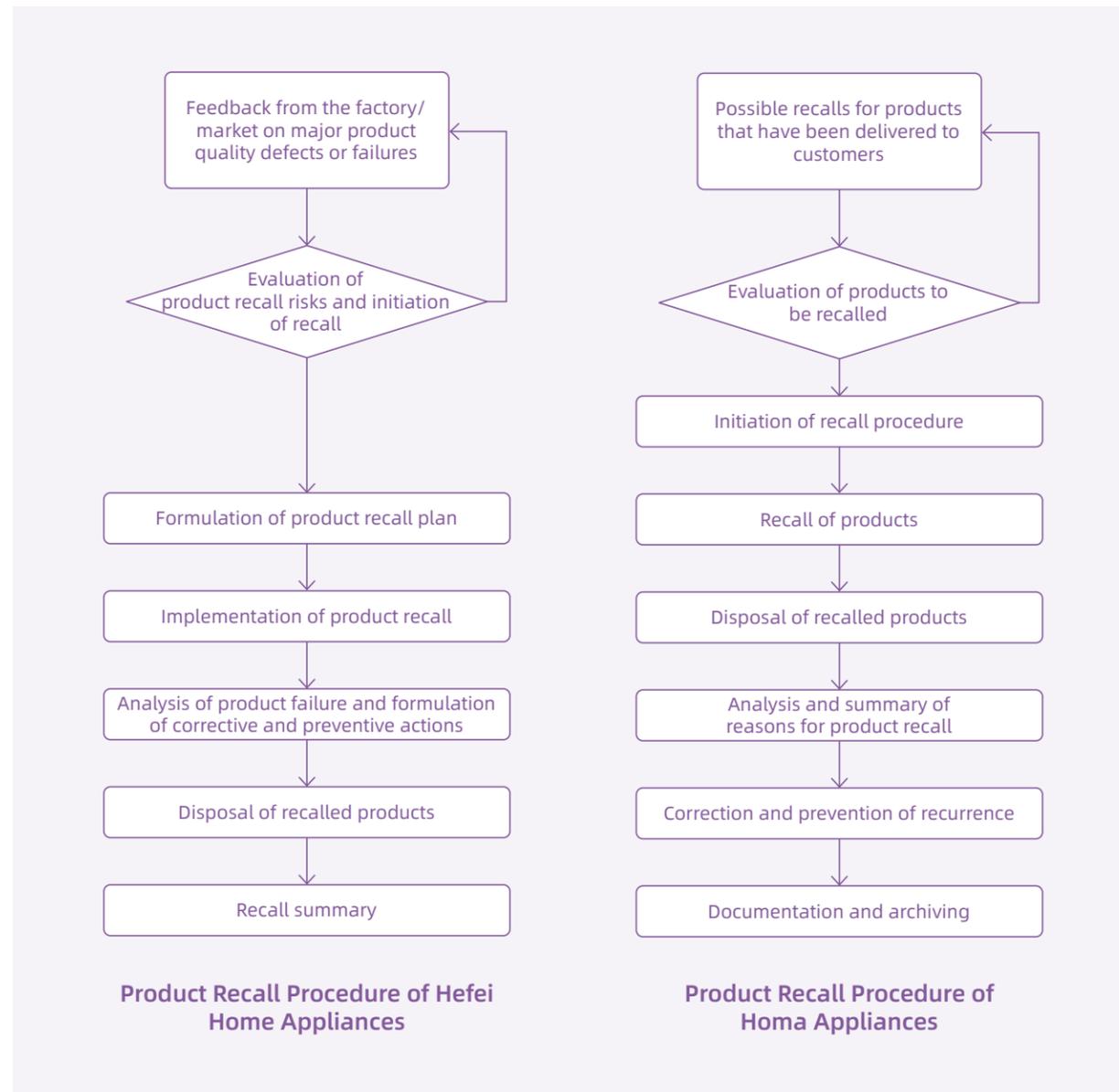
In the quality inspection phase of finished products, TCL Smart Home conducts rigorous inspections on the packaging, appearance, dimensions, and performance of each batch of materials to ensure the consistency and reliability of product quality. Based on this, Hefei Home Appliances has established internal management systems such as the *Control Procedures for Product Monitoring and Measurement* and the *Control Procedure for Product Identification and Traceability* to comprehensively track the quality and safety of finished products. Additionally, Hefei Home Appliances ensures product quality standards through various quality control measures, including 36 complete machine testing experiments. In 2024, based on internal and external feedback, Hefei Home Appliances improved and upgraded major quality control procedures such as finished product inspection management specifications, further strengthening factory inspection standards to ensure that products meet industry and international quality standards. Homa Appliances has established an IPQC process for spot-checking finished product quality and conducts rigorous inspections before product shipment to ensure that all outgoing products comply with the national "Santong" (same line, same standard, same quality) standard and EU quality standards.

By the end of the reporting period, Hefei Home Appliances has obtained CCC certificate; export refrigerators business have obtained certifications including SAA, CB, CE, GS, and KC certificate; the washing machine business for export have completed certifications including SAA, CB, CE, GS, SASO, BSMI, KC, TISI, and BPS. Homa refrigerators have completed quality and safety certifications including CCC, UL, TISI, TUV and VDE.

Management of Unqualified Products

TCL Smart Home attaches great importance to the management of unqualified products and strictly controls the product recall process. Through systematic practice, it has established a sound recall management mechanism and standardized process, committed to maximizing the protection of consumer rights and interests, and strictly ensuring product quality and safety.

To properly handle product recalls, TCL Smart Home has established multiple mechanisms to fully protect the legitimate rights and interests of consumers. Hefei Home Appliances has issued the Control Procedures for Substandard Products and established regulations for product rework and repackaging management, clarifying the processes for recalling, evaluating, and disposing of defective products to ensure timely handling of problematic products. Homa Appliances has established a series of systems including the *Product Recall Management Measures*, *Procedures for Corrective and Preventive Measures*, and *Nonconforming Product Output Control Procedure*, clearly defining the functional departments involved in product recalls and their specific operational procedures. When a product recall event occurs, Homa Appliances will quickly form a product recall team composed of representatives from R&D, quality, manufacturing plants, sales, and after-sales service departments, responsible for the overall planning, notification, record keeping, and effect evaluation of the recalled products. After the recall is completed, the Company will organize relevant departments to conduct an in-depth analysis and summary of the event to optimize future response measures.



Quality Management Training

Training for quality talent class of Hefei Home Appliances

12 times

The event was held

35

The number of covered people is

100%

The graduation rate is

To ensure the orderly and efficient implementation of quality management, TCL Smart Home attaches great importance to cultivating employees' awareness of quality management. On this basis, Hefei Home Appliances has formulated the *Incentive System for Quality Management Teams* and issued the *Incentive Plan for Total Quality Improvement Activities at TCL Hefei Home Appliances*, aiming to mobilize employees' enthusiasm for product safety and high-quality production work. To establish a pool of quality talents and support global business, Hefei Home Appliances has established a quality talent training program. Through regular quality management training, it unifies the quality cognition of professionals and strictly implements quality measures.

In 2024, to strengthen internal quality management and collaborative innovation, Hefei Home Appliances conducted a total of five QCC (Quality Control Circle) activities, mainly covering areas such as the refrigerator and washing machine factories, research and development, and quality. Through cross-departmental collaboration and continuous improvement, product quality and production efficiency were further enhanced. During the same period, Homa Appliances released the *Homa Appliances 2024 Quality Activity Plan for All Employees*, setting up a TOP quality competition to encourage all employees to participate and promote the culture of quality management.



Case: Applying what you have learned, Hefei Home Appliances launches "quality craftsmanship special training"

In April 2024, to enhance the proficiency of department personnel in quality tools and align with the Company's business development needs, the Company organized a special training on "Common Quality Management Tools". The training emphasized the definitions, usage methods, and application scenarios of the seven major quality management tools. By assigning homework after class, employees were guided to deeply understand and proficiently use these tools, ultimately applying them effectively in their actual work.



Case: Applying what you have learned, Hefei Home Appliances conducts quality management training for components

In August 2024, Hefei Home Appliances' "Quality Talent Class" conducted its sixth training session on component quality management, aiming to enhance the relevant personnel's professional knowledge of quality and technical knowledge of product categories. This training session elaborated on the key points of component quality management and also incorporated an IQC practical operation segment to strengthen employees' understanding of inspection processes and mastery of quality standards. By inviting employees to practice the inspection process at the washing machine IQC site, the training improved their ability to identify defects and manage quality control.



On-site training for theoretical knowledge of quality management



Washing machine IQC operation site

Digital and Intelligent Transformation

Smart Production



• National Industrial Internet Pilot Demonstration Enterprise

Ministry of Industry and Information Technology of the People's Republic of China



• Certification of Digital Workshop in Anhui Province

Anhui Provincial Department of Industry and Information Technology

TCL Smart Home is committed to building an intelligent and efficient smart factory system, while actively promoting the construction of digital systems and implementing digital and intelligent transformation efforts. Data empowers the comprehensive improvement of the Company's manufacturing capabilities and cost control capabilities.

As a leading enterprise in the industry, TCL Smart Home has established a systematic smart factory system across its subsidiaries. By leveraging a fully automated manufacturing system across the entire chain and fully integrating artificial intelligence detection systems, it ensures excellent product quality while achieving efficient manufacturing.

Hefei Home Appliances currently boasts three smart factories specializing in refrigerators, washing machines, and injection molding, equipped with nine automated manufacturing lines. It has successfully established automated production lines covering the entire supply chain. To ensure the efficient operation of its automated factories, Hefei Home Appliances has incorporated internal error prevention design and error prevention automation applications into its production lines. Through the automation and refined management of the manufacturing process, it has improved product stability and quality while effectively reducing the need for manual intervention. Currently, the automation substitution rate for labor-intensive positions at Hefei Home Appliances has reached 80%.

On this basis, Hefei Home Appliances has pioneered the world's only fully unmanned intelligent three-dimensional cabin, which can operate unmanned and be directly connected to the intelligent sorting system after products are off the production line, enabling efficient three-dimensional storage and JIT shipping integration. At the same time, Hefei Home Appliances has actively introduced artificial intelligence systems and currently possesses three visual inspection devices, with the detection rate of defective door appearance improved to 99%.

Homa Appliances has continuously strengthened its strategic investment in the field of intelligent manufacturing, actively updated its automated production equipment and production line architecture, promoted the in-depth implementation of lean production, and committed to building a modern intelligent production system, creating a leading model of high-end intelligent factory in the industry. The Homa Appliances high-end air-cooled refrigerator intelligent manufacturing base, which was put into operation at the end of 2023, covers an area of 72,000 square meters. The factory is equipped with automated facilities and equipment such as robotic arms and automatic trimming, achieving 100% automated operation. In addition, the production base is also equipped with a full-line automated detection system, which ensures product quality and safety through artificial intelligence automatic leak detection.

Smart production cannot be achieved without the establishment of a digital system. TCL Smart Home continues to empower enterprise operational efficiency through digital technology engines, promoting sustainable enterprise development. In 2024, TCL Smart Home and its subsidiaries vigorously promoted the construction of digital platforms, upgrading digital systems across multiple operational sectors including "procurement, research and development, production, logistics, and finance". They deeply integrated digital technology with refined operational strategies, established a data transparency management system, and efficiently improved the Company's operational efficiency and cost control capabilities.

Hefei Home Appliances has launched the "6+1" digital manufacturing quality management improvement project for refrigerator and washing machine, which involves "six major business areas and a unified development platform". It has established a digital platform and product system that is industry-leading and capable of agile delivery. The digital system of Hefei Home Appliances covers the Company's main operational areas such as R&D and design, procurement, production, warehousing and logistics, finance, and human resources, enabling online business data and using data to provide effective support for business decision-making.

Digital Operation and Maintenance

Hefei Home Appliances "The project to enhance the quality management of digital manufacturing for refrigerators and washing machines based on the industrial Internet platform" has been selected for the pilot demonstration list of "Industrial Internet Platform + Quality Management"



Case: Hefei Home Appliances invests tens of millions to build MES manufacturing execution system

In 2024, Hefei Home Appliances fully promoted the construction of the Company's digital system and established the "6+1" digital platform". Among them, the MES manufacturing execution system encompasses functional modules such as planning and scheduling, material management, equipment management, quality management, cost management, and energy management. The introduction of this system supports Hefei Home Appliances in achieving full-process production process control from production plan issuance, product launch to product offline at the production base.



Digital manufacturing system



Equipment monitoring

Conduct real-time monitoring of various equipment on the production line, collect operational data of the equipment, and achieve remote diagnosis and maintenance of the equipment.



Production scheduling

Intelligently schedule production tasks, optimize the allocation of production resources, and improve production efficiency.



Quality inspection

By conducting online inspections of product quality on the production line, real-time monitoring of product quality is achieved, enabling timely detection and handling of quality issues



Data analysis

By analyzing various data generated during the production process, we can uncover patterns and issues within it, providing support for corporate decision-making



Full-process traceability

By tracing materials and products throughout the entire process, we ensure the quality of materials and products is controllable, thereby enhancing customer satisfaction

Homa Appliances has deeply promoted the application of digitalization construction and flexible production models, established digital systems such as the quality management system (QMS) data platform, a pilot smart material distribution system (WMS), and a big data analysis platform, effectively reducing the Company's production costs and manufacturing expenses, and enhancing the Company's economic benefits and market influence. In 2024, Homa Appliances continued to optimize and upgrade the manufacturing execution system (MES) to achieve real-time online business operations, intelligent mobile management, and full-chain digitalization.

Customer Service

TCL Smart Home is committed to providing high-quality customer service, continuously empowering the service team, and constantly optimizing the customer experience.

Excellent Customer Service

High-quality customer service has always been the unwavering principle adhered to by TCL Smart Home. By continuously improving after-sales service standards, optimizing service processes, and conducting customer service training, TCL Smart Home is committed to providing customer with products and services that are trustworthy.

Hefei Home Appliances adheres to the customer service philosophy of "striving to become the most trusted home appliance service provider for consumers, providing users with ultimate services with warmth, and making life better!" It continuously optimizes the customer service process to enhance the customer service experience. To further improve the user experience, in 2024, Hefei Home Appliances formulated the *TCL Refrigerator and Washing Machine Quick Compensation Mechanism 3.0*, granting more authority to frontline personnel to quickly handle user needs within their scope of authority. At the same time, the Company upgraded the standardized service process for refrigerator and washing machine product fault detection, improved maintenance quality, reduced secondary visits, and effectively shortened the waiting time for users. In addition, Hefei Home Appliances improved the service experience in the scenario of product return and replacement across all channels, and enhanced the timeliness of return and replacement services, effectively improving customer satisfaction.

In 2024,
Homa Appliances

94.79%

Customer satisfaction

99%

Customer complaint resolution rate

To improve the full-chain service management system, in 2024, Hefei Home Appliances launched a user demand management platform to achieve online processing of user demands throughout the entire process. In addition, Hefei Home Appliances comprehensively promoted the monitoring and analysis of user feedback across the entire network. Through the Voice of the Customer (VOC) management platform, real-time tracking of user feedback across the network was conducted, and a special team was established to efficiently handle user demands. In response to user feedback pain points, the Company vigorously promoted product quality improvement efforts, forming a closed-loop solution.

In terms of customer complaint handling, Hefei Home Appliances updated the *User & Customer Complaint Resolution Mechanism (4.0) A3* institutional document to further standardize the customer complaint handling process. To efficiently respond to various customer demands, management systems such as the customer management system, user service system (USS), and intelligent response robot have been established, comprehensively ensuring high-quality customer service management and efficient customer service response speed. In 2024, the Company launched the service operations platform and timeliness intervention platform, further refining the service work order nodes, and setting up a complaint early warning entry on the engineer APP, providing

real-time intelligent reminders in case of abnormalities, helping work order management personnel respond and intervene quickly. On this basis, Hefei Home Appliances regularly monitors product public opinion and user feedback through the VOC management platform to efficiently handle user demands and promote product quality improvement from the root. In 2024, the average processing time for user complaints at Hefei Home Appliances improved to 2.62 days per order, a speed increase of 10%.

Homa Appliances adheres to the service philosophy of "serving customers wholeheartedly and determined to impress customers", continuously strengthening after-sales service, responding to customer needs in a timely and effective manner, and improving customer experience. Homa Appliances has established communication channels such as telephone hotlines and WeChat official accounts to respond to consumers' needs for repair reports, inquiries, complaints, and suggestions. The Company has established user profiles through the "after-sales service system", with dedicated personnel responsible for follow-up, processing, and response, improving the efficiency of tracking customer needs. In 2024, Homa Appliances will advance user research work to the sales end, actively building sales-end user research and information collection capabilities, helping the after-sales department quickly establish user personas during the service process, provide targeted after-sales services, and enhance customer experience.

Homa Appliances promises to provide customer service within 24 hours in central cities and 48 hours in rural areas, and offers appointment services for remote areas. In 2024, Homa Appliances further strengthened the optimization of service completion efficiency, formulated the *Special Maintenance Service Agreement*, requiring network assessment for work orders that are not completed within 2 hours of appointment, and simultaneously setting up timely on-site incentive policies to ensure that user demands are promptly resolved. In 2024, the proportion of Homa Appliances' 2-hour timely appointment work orders was 90%, and the proportion of work orders completed within 48 hours was 81%.

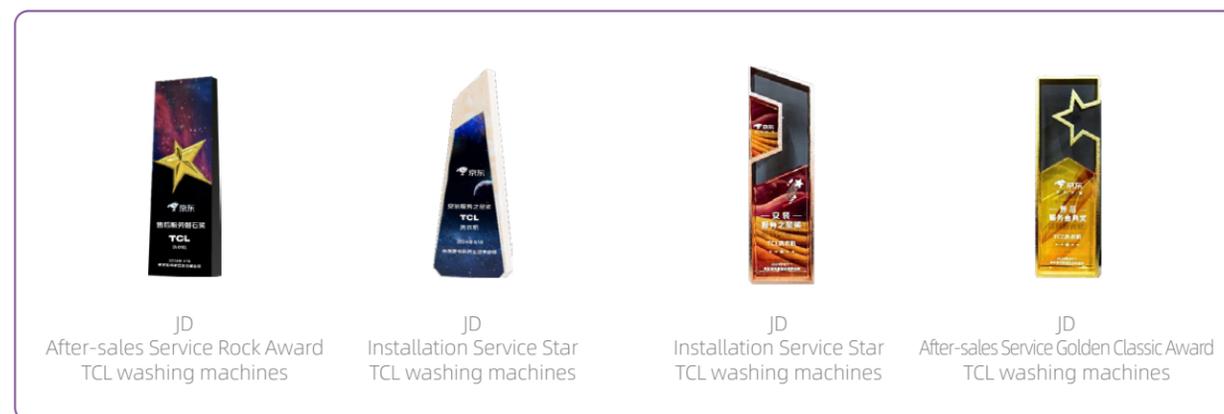
In order to continuously improve the full-chain service management system, TCL Smart Home comprehensively promoted the monitoring and analysis of user feedback across the entire network in 2024. Hefei Home Appliances established a VOC management platform to track user feedback in real-time across the entire network and set up a special team to efficiently handle user demands. Addressing the pain points identified through user feedback, Hefei Home Appliances vigorously promoted product quality improvement efforts, effectively reducing user complaints through the enhancement of product quality.

Protecting Customer Privacy

TCL Smart Home attaches great importance to customer privacy protection, strictly abides by laws and regulations such as the *Personal Information Protection Law of the People's Republic of China* and the *Data Security Law of the People's Republic of China*, and has formulated strict internal data management policies and permission settings. The Company has established protection mechanisms for various stages of acquiring, monitoring and distributing customer information, to safeguard customer privacy.

Hefei Home Appliances follows the *TCL Privacy Policy (General Principles)* and respects and safeguards consumer privacy and security. In order to fully respect and protect consumers' rights to know and decide regarding privacy and data, Hefei Home Appliances has outlined the content and scenarios of personal information collection and use in its "*Shifen Daojia*" *Privacy Guidelines*. At the same time, Hefei Home Appliances has carried out a comprehensive inspection for data masking of all customer information in the data system to strengthen the management and protection of user information.

Homa Appliances has comprehensively strengthened its data permission settings to ensure that user information is only accessible to internal personnel and service outlets, safeguarding consumer privacy and security. Each year, Homa Appliances' partner outlets sign the *Special Maintenance Service Agreement*, stipulating that maintenance services cannot be authorized to third parties in any form, to ensure that user information is not leaked.



Empowerment of Service Team

TCL Smart Home remains dedicated to empowering the service team by continuously improving its service awareness and skills. The Company empowers the customer service team comprehensively, from maintenance technology to service quality, through regular updates of service manuals, online and offline training, and assessments.

In 2024,
TCL Smart Home

74

Number of customer service training sessions

2,031

Customer service training participants

The customer personnel training system of Hefei Home Appliances has developed differentiated training programs for customer service personnel of different ranks and categories, including pre-job training for new employees, on-the-job emergency skills improvement training, and literacy and skills training courses. In 2024, Hefei Home Appliances updated the *Call Center Customer Service Personnel Training Management System* to further standardize the induction training, skill development path, training content, and assessment methods for customer service personnel. During the reporting period, Hefei Home Appliances organized 60 sessions of common fault & new product knowledge empowerment training for customer service representatives and 16 sessions of specialized technical training for frontline engineers, comprehensively enhancing the professional literacy and technical skills of the service team.

Homa Appliances has formulated the *Regulations on Management of Training for User Service Center* to standardize customer service and training-related standards. To strengthen the connection between customer service personnel and product technology, Homa Appliances has established a comprehensive knowledge transfer system: the Company regularly uploads product-related documents through the Homa system knowledge base, cloud storage, and other systems, and regularly organizes meetings for customer service product technology training. In addition, for newly launched products, Homa Appliances promptly records relevant maintenance scheme videos to present maintenance processes and key technical points in an intuitive and clear manner, ensuring that customer service personnel and maintenance teams can master the maintenance skills of new products in the first place. In 2024, Homa Appliances added monthly customer service exams, focusing on assessing basic service literacy and product knowledge, to build a professional service team.



Case: Homa Appliances organizes a post-sale work communication meeting for 2024

In December 2024, Homa Appliances held the "New Thinking, New Momentum" domestic marketing annual meeting in Jiangmen, Guangdong Province. During the meeting, service personnel from various provinces and quality department personnel from the headquarters were invited to participate in the annual after-sales work communication and exchange session, where in-depth discussions and exchanges were held on the annual after-sales service and service prospects for 2025.



Case: Hefei Home Appliances held a professional skills training conference for services related to refrigerator and washing machine

In the second half of 2024, Hefei Home Appliances conducted 16 offline white appliances technical training sessions nationwide. The training was primarily targeted at frontline engineers, aiming to comprehensively enhance their basic knowledge of refrigerators and washing machines as well as common troubleshooting methods. During the reporting period, a total of over 900 people participated in the training.



2024 TCL Refrigerators and Washing Machines Service Professional Skills Training Conference - Hainan Station



2024 TCL Refrigerators and Washing Machines Service Professional Skills Training Conference - Nanjing Station

Build a Happy Workplace

The sustainable development process of a company is a process of growing together with its employees. TCL Smart Home pays close attention to talent retention and attraction, continuously improves its talent development management system, and is committed to building a diverse, inclusive, and equal workplace atmosphere, providing employees with a comfortable office environment.

SDGs addressed in this chapter



WORKPLACE

Employee Employment

TCL Smart Home strictly adheres to national laws and regulations, continuously promotes equal employment for employees, fully guarantees statutory benefits such as salary and vacation, actively facilitates communication channels, and strives to create a friendly and inclusive workplace environment.

Protection of Employees' Rights and Interests

In 2024,
TCL Smart Home

100%

Labor contract signing rate

100%

Employee social security coverage rate

2,995

The total number of employees who regularly undergo performance and career development assessments is

TCL Smart Home strictly abides by relevant laws and regulations such as the *Labor Contract Law of the People's Republic of China* and the *Labor Law of the People's Republic of China*, establishes an internal employee management system, ensures standardized employment practices, and effectively safeguards the legitimate rights and interests of employees.

TCL Smart Home has always adhered to the concept of fair recruitment and continuously established and improved the Company's recruitment management system. Hefei Home Appliances upholds the recruitment philosophy of "equal opportunity, fair competition, merit-based hiring, person-job matching, and legal compliance", actively conducts campus lectures and job fairs, enhances the brand awareness of corporate talent. Meanwhile, we vigorously promote internal promotion and internal recruitment to enhance employee internal mobility and optimize corporate talent allocation. Homa Appliances adheres to the recruitment philosophy of "openness, fairness, competition" and "appointing people based on merit", attracting outstanding talents through activities such as corporate open days and internal promotion channels. Homa Appliances adopts a "double-check" screening process in the recruitment process, with the human resources department conducting preliminary screening and evaluation, and the employing department conducting final interviews to ensure "person-job matching".

TCL Smart Home strictly prohibits the child labor and any form of forced labor, and firmly safeguards the human rights of workers. During the recruitment process, TCL Smart Home strictly adheres to national laws and regulations, proactively verifies the true age of employees, and prevents the recruitment of child labor by mistake due to a false document of proof of age. For underage employees, the Company strictly complies with relevant laws and regulations, signs internship agreements, and provides compliant management and training to ensure their legitimate rights and interests. Hefei Home Appliances has issued the *Management Procedures for Prohibition of Child Labor and Underage Labor* to further standardize relevant requirements. In 2024, Homa Appliances updated its digital human resources system and incorporated an age restriction function in the onboarding system to prevent violations.

TCL Smart Home has established a comprehensive compensation system. By implementing various measures such as precise "position-compensation" matching, regular conducting salary market research, constructing a systematic performance evaluation system, and introducing a differentiated compensation incentive system, the Company ensures that its compensation remains competitive in the market. TCL Smart Home closely links compensation with employee performance and regularly adjusts employee ranks and compensation levels based on factors such as the Company's strategic goals, employee performance, and abilities, to ensure fairness and reasonableness in employee compensation.

In terms of performance evaluation, TCL Smart Home conducts comprehensive performance evaluations on a regular basis according to the nature of the various job positions held by employees, with a focus on the performance of employees in key areas such as safety, quality and discipline. Hefei Home Appliances has established a Performance Floating System that matches corresponding salary structures based on employees' semi-annual and annual performance, and introduces tools such as 360-degree evaluation and engagement evaluation based on talent inventory, job qualifications, and data analysis results, to comprehensively build an evaluation and assessment framework. This not only effectively enhances employees' work enthusiasm but also promotes their self-improvement and comprehensive development in various aspects. Homa Appliances has formulated a Performance Management Method, which regularly organizes departments to conduct employee position and organizational performance evaluations on a monthly, quarterly, and annual basis, comprehensively reviewing the performance of employees and teams.

4,415 person

Number of female employees 29.59%



10,508 person

Number of male employees 70.41%

738 person

Employees over 50 years old 4.95%



6,389 person

Number of employees aged 30 to 50 42.81%

7,796 person

Employees under 30 years old 52.24%

Diversity and Equal Opportunities

In 2024,
TCL Smart Home

259 person

Number of disabled employees

2,385 person

Number of employees from ethnic minorities

6.9%

Ratio of female executives

16.90%

Ratio of female management personnel

TCL Smart Home has always advocated fair employment and firmly opposed any form of discrimination. In the processes of recruitment, training, and promotion, it promises not to discriminate against employees based on factors such as gender, age, race, religious belief, disability, or marital status. Hefei Home Appliances has issued the *Anti-Discrimination Management Procedure*, which clearly implements the principle of equal pay for equal work and ensures equal employment opportunities for male and female employees. Homa Appliances has formulated the *Employee Behavior Management Measures*, which clarifies the handling process for anti-discrimination and anti-harassment cases, provides suitable positions and special allowances for disabled employees, and supports their career development. In 2024, Homa Appliances established a women's federation to provide ultimate protection for the rights and interests of female employees.



Case: The inaugural meeting of the first Women's Federation and the first Women's Congress of Homa Appliances were successfully held

To better safeguard the rights and interests of female employees at Homa Appliances and unite and lead them to make achievements, the inaugural meeting of the first Women's Federation and the first Women's Congress of Homa Appliances were successfully held on May 30. The meeting deliberated and approved the *Election Method for the Women's Congress* (draft), listened to the report on the preparations for the first Women's Congress, and elected 11 members to the Executive Committee of the first Women's Federation.



Employee Communication

In 2024,
TCL Smart Home

100%

Employee satisfaction rate

11,335

Number of labor union members

TCL Smart Home emphasizes communication with its employees and continuously optimizes its feedback mechanism and problem-solving process. By establishing a diversified communication platform, the Company facilitates timely feedback on employee suggestions and promotes efficient problem resolution. On this basis, the Company regularly conducts satisfaction surveys to gauge employee satisfaction with the work environment and logistics management, and continuously optimizes related work based on the feedback.

To further strengthen communication and cooperation between the Company and its employees, Hefei Home Appliances has established a labor union organization and carries out its work adhering to the concept of "promoting harmonious development between the enterprise and employees as a core task". The labor union actively reflects the opinions and suggestions of employees and fully safeguards their rights and interests. At the same time, the labor union continues to promote the attention to the voices of employees in the Company's decision-making process.

In 2024, Homa Appliances continued to implement the system outlined in the *Notice on Further Improving Communication Channels for Employees*, further expanding the communication channels between employees and the Company. Employees can provide their opinions and suggestions to the Company through various channels such as the president's email, complaint and suggestion image, DingTalk, corporate OA email, and the "Homa Talks" official account. In addition, Homa Appliances regularly conducts communication training for grassroots supervisors and employees to strengthen internal communication, ensure smooth information flow within the Company, and promote efficient collaboration.

Talent Development

In 2024,
TCL Smart Home

2.8 million RMB
Total employee training investment

3,440
Number of employee training sessions conducted

330,231
Number of employees participating in training

174,321 hours
Total training hours for employees

TCL Smart Home is committed to establishing a smooth employee promotion channel to ensure the standardization and fairness of employee career development. TCL Smart Home attaches great importance to employee training and development, continuously improving the talent cultivation system, and facilitating the building of a professional TCL Smart Home team through the implementation of diversified talent cultivation projects and the promotion of internal learning platform construction.

Hefei Home Appliances has established a systematic talent cultivation system, adopting a dual-mentor system that combines scientific selection and systematic training, flexibly allocating resources to build a diversified and high-quality team. To support global business expansion, Hefei Home Appliances has set up a dedicated overseas factory training program to reserve international talents.

Talent Training System of Hefei Home Appliance

Program Name	Project Content
Eagle series training programs	Based on the enrollment year, threshold objectives, ability indicators, etc., we build a tiered leadership development system from "young eagle", "flying eagle" to "elite eagle" for fresh graduates, as well as a training system for newly appointed management and high-potential talent. This aims to help quickly adapt to the workplace and enhance their leadership skills.
Newly-appointed series training programs	For new managers, department heads, directors, and other management personnel, special training sessions will be conducted to focus on enhancing their management skills and leadership abilities. This will help them better adapt to the role transition and effectively perform their management functions.
Professional training programs	We regularly carry out professional ability training based on employees' job nature and work content to ensure the efficient implementation and smooth execution of organizational strategic projects.
Learning platform and resources development	We establish diversified public learning platforms such as "T-School", open to all employees, and provide rich learning resources and flexible learning methods.

Homa Appliances has established a two-way career development path, including a "management channel" and a "technical channel", clarifying the promotion criteria and qualifications for both channels to facilitate employee advancement. In the technical channel, Homa Appliances conducts professional title promotion reviews for technical staff annually in accordance with the *Management Measures for the Evaluation of Technical Staff Titles*. Furthermore, Homa Appliances has launched the "Talent Flow Plan" to provide job transfer opportunities for certain employees in the Company, supporting personal development.

Homa Appliances has established targeted training programs for different levels of personnel, and formulated internal management systems such as the *Training Management Measures* and *Instructor Management Measures*. It continuously optimizes the training process, enhances the abilities of training instructors, and improves the overall quality of employees. At the same time, Homa Appliances actively promotes the construction of the "Homa University" internal learning platform, providing convenient and efficient learning channels for company employees.

Talent Training Program of Homa Appliances

Cultivation plan	Plan content
Outstanding Talent Program	To facilitate the rapid growth of fresh graduates, Homa Appliances has established a systematic training system for management trainees participating in the Outstanding Talent Program. Through one-on-one guidance from professional mentors, management trainees will smoothly adapt to and integrate into the Company during the one-year mentoring process, completing their role transition.
Talent Development Program	The "Talent Development Program" backup team leader program aims to cultivate grassroots management talents with management capabilities and self-awareness, and reserve frontline key personnel. The Company has customized courses such as "Role Awareness and Execution" and "Interpersonal Leadership" for the trainees, and comprehensively enhances the job skills of backup team leaders through practical sessions such as case analysis, group discussions, and simulation exercises.
Elite Program	The "Elite Program" (Training Program for Managers) is targeted at newly promoted grassroots managers. Through various forms such as intensive training, mentor coaching, symposiums, sharing sessions, and on-the-job practice, combined with practical business issues, it helps managers smoothly complete their role transition, enhance management skills, and cultivate and reserve talents for enterprise development.
Talent Gathering Program	Targeting personnel at the 9-12 job levels, we aim to cultivate a group of outstanding backup middle-level leaders based on the Company's strategic needs. The training content encompasses classroom instruction, project practice, extreme challenges, and exchange and sharing, helping trainees enhance their comprehensive abilities. Successful graduates will be included in the backup middle-level leader talent pool.
Outstanding Talent Program	Targeting engineers, specialists, and team leaders, we aim to cultivate a group of outstanding backup grassroots leaders in accordance with the Company's strategic needs. The training encompasses classroom instruction, project practice, extreme challenges, and exchange and sharing, comprehensively enhancing the comprehensive abilities of the trainees. Those who successfully complete the training will be included in the pool of backup grassroots leaders.

Case: Hefei Home Appliances launches the Home Appliances Blue Eagle Program

To support the business development and enhance the manufacturing capabilities of the refrigerator and washing machine manufacturing plant, Hefei Home Appliances has launched the Rock Project - a backup team leader training program, aiming to reserve more grassroots management personnel and improve employee career development channels.



Case: Hefei Home Appliances' Combined Value Excellence Marketing Elite Class Training Program Blue Eagle Program

With the development of the white appliance business, the ODM business has been continuously expanding. To assist the ODM marketing center in achieving its business goals and enhance sales capabilities and professionalism, especially in major customer business, Hefei Home Appliances has organized the Excellent Marketing Elite Class training program to help trainees systematically master core skills.



Case: Homa Appliances launches the Talent Gathering Program - Backup Middle-level Cadre Training Camp

Homa Appliances has launched the "Talent Gathering Program" backup middle-level cadre training camp for on-the-job directors, section chiefs, senior commissioners, and engineers. The program runs from January to October, offering a total of 17 courses covering professional knowledge and management skills in multiple fields. There were 37 participants, with an overall attendance rate of 97%.



Care for Employees

TCL Smart Home provides employees with free dormitory and shuttle bus services, and equips the dormitory area with facilities such as a billiards room, dance hall, and movie theater to enhance their leisure experience. At the same time, the Company regularly organizes various cultural and sports activities to further enrich employees' leisure time. TCL Smart Home also offers a range of welfare measures, including overtime allowance, meal allowance, full-attendance bonus, high temperature allowance, and transportation subsidies.

TCL Smart Home strictly abides by relevant laws and regulations, providing employees with statutory maternity leave, paternity leave, and breastfeeding leave. Meanwhile, each production base provides nursing rooms for pregnant and breastfeeding employees, paying attention to the special needs of female employees. Hefei Home Appliances has formulated the *Risk Management Procedure for Pregnant and Lactating Mothers* and parental leave policies, standardizing the management regulations for pregnant and lactating employees in the Company, and comprehensively implementing the rights and interests of female employees. Homa Appliances provides flexible office hours for female employees with children under 12 years old, supporting their work-family balance.

Homa Appliances pays close attention to the group of employees facing difficulties or disabilities. The Company encourages its branches to recruit disabled individuals, implements retention incentive programs, and provides employment opportunities for disabled employees. In 2024, Homa Appliances regularly carried out special employee condolence and care activities. For the group of impoverished employees, after review, Homa Appliances provides additional subsidies to help employees tide over difficulties.

Case: "Inspire Greatness, Leading Future" Hefei Home Appliances Preliminary Fitness Race

From November to December 2024, Hefei Home Appliances called on all employees to participate in the "Inspire Greatness, Leading Future" preliminary fitness race. Employees were encouraged to complete a 25-kilometer race within a period of one and a half months, and were offered chances to win prizes to boost their enthusiasm for participation.



Case: Homa Appliances conducts special employee care activities

In 2024, to further fulfill its humanistic care and social responsibility, Homa Appliances expressed its care and support for its employees by providing food, daily necessities, and other essentials to special employees, ensuring that their lives outside of work are also warm and secure.



Occupational Health and Safety

Occupational health and safety is a crucial pillar for achieving the Company's long-term development. TCL Smart Home continuously optimizes its EHS governance structure, comprehensively enhancing safety management levels through regular risk identification, high-risk operation control, and improved emergency management capabilities. To prevent occupational diseases, TCL Smart Home emphasizes employee physical examinations and strengthens employees' awareness of safety and health through continuous occupational health promotion.

Safety Management System



Hefei Home Appliances ISO 45001 Certified Occupational Health and Safety Management System Certification



Homa Appliances ISO 45001 Occupational Health and Safety Management System Certification

TCL Smart Home strictly adheres to laws and regulations such as the *Labor Law of the People's Republic of China* and the *Work Safety Law of the People's Republic of China*, establishes an internal occupational health and safety management system, and continuously improves its internal management system to comprehensively manage the Company's production safety process. All relevant industries of TCL Smart Home have obtained ISO 45001 occupational health and safety management system certification, and this certification system has been extended to the supply chain, requiring suppliers to also comply with occupational health and safety management standards.

Hefei Home Appliances adheres to the safety management philosophy of "self-management, safety first, safe white appliance, starting from me", actively implements the responsibility system for production safety, and establishes an occupational health and safety committee in accordance with relevant regulations on occupational health and safety, responsible for researching, deploying, and guiding safety management work. In 2024, Hefei Home Appliances updated 32 internal management systems related to safety to ensure that production safety work is legal and compliant.

Homa Appliances adheres to the safety management policy of "following the path of scientific enterprise development, conducting compliance management, caring for life, and creating a safer and more comfortable environment for employees". It has established an EHS safety committee and formulated internal safety management regulations such as *Safety Responsibilities Procedures for Each Department*, *EHS Infrastructure Evaluation Standards*, and *Safety and Environmental Management System for Interested Parties*, establishing a safety management system with clear levels and responsibilities. In 2024, Homa Appliances set the safety production goals of "zero work-related fatalities", "zero serious injuries", "zero fire accidents", "zero occupational diseases", "zero acute poisoning accidents", and "minor injury rate ≤ 2%". By the end of the reporting period, all these goals had been achieved.

Safe Production

In 2024,
TCL Smart Home

690.36 ten thousand RMB
Expenses for safe production

398 session

Number of safety inspections conducted

0 session

Number of major safety production accidents

Safety Review

To implement relevant laws and regulations such as the *Work Safety Law of the People's Republic of China* and the *Regulations on the Safe Production Permit*, TCL Smart Home rigorously enforces the safety production inspection system to ensure timely detection and elimination of potential safety hazards, safeguarding production safety and employee health. Before the commissioning of new equipment, safety reviews are conducted, and safety operation procedures training is provided to main operators to ensure safe equipment use. Meanwhile, the Company has adopted a series of effective control measures for safety production risk assessment to further strengthen safety management and prevent accidents.

Hefei Home Appliances regularly conducts equipment hazard investigations and performs safety reviews and acceptance checks on new equipment to ensure compliance with safety standards, by implementing management systems such as the *Special Treatment Plan for Equipment and Facility Safety Hazards*, the *Occupational Hazard Identification and Evaluation Control Procedure*, and the *Laws, Regulations and Other Identification Requirements for Regulatory Controls*.

Homa Appliances has formulated the *Measures for Classified Control of Safety Production Risks* and established a comprehensive framework for occupational health, safety, and environmental hazard investigation. Through daily inspections, regular inspections, comprehensive safety environment inspections, and special inspections, systematic risk assessments are conducted to further enhance the level of production safety management. In 2024, Homa Appliances conducted a total of 380 special safety inspections and eliminated over 3,000 production safety hazards.

Risk assessment and countermeasures for safe production at Hefei Home Appliances

Risk of safety production	Source (risk point)	Countermeasures
Fire Risk	Hot work for the installation of new refrigerator equipment	<ul style="list-style-type: none"> The refrigerator factory has added two safety management personnel, with one dedicated person supervising and managing the construction sites for both day and night shifts; Risk identification, approval, and supervision before hazardous operations.
Risk Of Mechanical Injury	New equipment	<ul style="list-style-type: none"> Add radar scanning monitoring to the blind zone of the safety protection grating, ensuring full coverage of the monitoring range; Promote the establishment of equipment operation procedures and conduct training on these procedures for primary operators; The team conducts daily training and disclosure of operating procedures during pre-shift meetings; Team leaders and safety supervisors should strengthen inspections and rectify violations.
Explosion Risk	The explosion vent of the refrigerant room is missing	<ul style="list-style-type: none"> Management of limited storage of refrigerant in the refrigerant room; The modification of adding explosion vents to the refrigerant room poses a relatively low risk; The safety supervisor conducts routine inspections and supervision with emphasis.

Safety Production Risk Assessment and Countermeasures for Homa Appliances

Work safety risk	Risk Points	Countermeasures
Risk from Mechanical Incidents	Box and door blister machine	Safety prop, emergency stop, manual control, warning sign
Leakage Risk	Refrigerant room	Install gas concentration alarm devices to monitor combustible gas leaks
Operational Risk	Crusher machine	Warning signs, safety training

In 2024,

69

Emergency drills

864

Safety production trainings

69,266

Number of employees participating in safety training

Safety Production and Emergency Management

TCL Smart Home continuously optimizes the management and use process of chemicals to ensure compliant operation and safe use. Hefei Home Appliances has formulated and implemented the *Regulations on Hazardous Substance Process Management*, regularly conducts chemical assessments, and ensures that all operations comply with relevant standards. In 2024, Hefei Home Appliances passed the certification for Level 2 Enterprise of Safety Production Standardization. Homa Appliances has established a comprehensive chemical management system that standardizes chemical management work from chemical assessments, inventory management, optimization of use processes, and employee training, ensuring the operational safety of employees in the process of managing and using chemicals. On this basis, Homa Appliances regularly conducts chemical management training, covering usage norms, accident prevention, and emergency response, and evaluates employees' safety knowledge and operational capabilities through exams, practical drills, and inspections.

In terms of high-risk operation control, TCL Smart Home has established strict operating specifications for high-risk operations such as hot work, climbing, and cyclopentane unloading. By installing monitoring equipment and sensors to monitor potential hazards in real time, it ensures that risks are controllable and fully implements safety production management measures.

Hefei Home Appliances has formulated the *Regulations on the Management of Hazardous Operations*, implementing strict risk identification and approval processes for high-risk operations. Additionally, it has strengthened the management of operator qualifications, ensuring that operators hold relevant certificates to ensure the safety and compliance throughout the entire operation process. Homa Appliances has further improved its safety management system through documents such as the *Special Operations Safety Management System* and the *Hazard Source Identification, Risk Assessment, and Control Procedure*. Simultaneously, the Company has enhanced the safety protection of mechanical equipment, adopting interlocking devices and visual warning signs to effectively reduce equipment risks.

In terms of emergency management, Hefei Home Appliances actively promotes the standardized implementation of the emergency management system, implements emergency management procedures for safety accidents, requires all departments to respond collaboratively according to predetermined procedures, quickly controls the situation, assigns responsibilities, and implements improvements, ensuring the prompt restoration of production safety.

Homa Appliances has formulated the *Emergency Response Plan for Production Safety Accidents* and *Emergency Preparedness and Response Procedures* to provide guidance for the actions to be taken during emergency events. Each factory area of Homa Appliances is equipped with fire and chemical leakage alarm systems and automatic broadcasts to enhance the efficiency of accident identification. Additionally, facilities such as automatic fire sprinklers, safety ventilation, fire hydrants, emergency lights, and evacuation indicators are installed to strengthen the ability to respond to dangerous situations.



Case: Homa Appliances launches a series of activities for the "119 Fire Prevention Awareness Month"

In November, Homa Appliances actively organized fire safety competitions, publicity training, evacuation drills, and hidden danger investigations, focusing on the theme of "Fire Protection for All, Life Supreme". These activities aimed to continuously enhance employees' awareness of fire safety and their ability to prevent and rescue themselves. By strengthening fire risk prevention, a strong atmosphere of full attention, learning, and participation in fire safety was created, further improving the overall level of fire safety management.



Safety Culture

TCL Smart Home is committed to strengthening the construction of a safety production culture. By regularly conducting various safety activities and safety production month themed training, it continuously enhances employees' awareness and knowledge of occupational health and safety. Hefei Home Appliances has formulated the *Regulations for Occupational Health and Safety Training Management* to standardize the effective implementation of safety training activities. Meanwhile, Homa Appliances requires employees to complete three-level safety education before employment, and includes training on emergency rescue, fire safety, mechanical safety risk control, and other topics in subsequent training.



Case: Hefei Home Appliances held a kick-off meeting for the Production Safety Month

On June 5, Hefei Home Appliances held its kick-off meeting for the Production Safety Month, with the theme of "Everyone Talks about Safety, Everyone Knows How to Respond to Emergencies - Keep the Life Channel Open". During the meeting, participants watched promotional videos for the Production Safety Month and learned relevant safety knowledge and emergency response skills. The meeting emphasized the need to strictly implement production safety regulations, strengthen risk management and control, and conduct thorough investigations of hidden dangers, to ensure the safety and compliance of the production environment.



Case: Homa Appliances conducts knowledge training for the Safety Production Month

On June 15, Homa Appliances held a safety production month knowledge training session with the theme of "Keeping the Life Channel Unobstructed for Education and Publicity". The training aimed to enhance employees' awareness of the importance of keeping the life channel unobstructed, strengthen emergency evacuation and emergency response skills, and ensure the rapid and safe evacuation of personnel in case of emergencies, thereby safeguarding the lives of employees.



Case: Hefei Home Appliances carries out fire prevention awareness month activity

In May, Hefei Home Appliances carried out a fire prevention month activity with the theme of "Prevention First, Life Supreme". During the activity, relevant personnel conducted a comprehensive safety inspection of key fire prevention areas in the workshop (such as foam storage areas and densely populated areas), identifying 6 fire hazards. In addition, on May 25, the Company selected 10 capable personnel from various workshops to form the "Hefei Home Appliances Fire Emergency Rescue Team", further enhancing emergency rescue capabilities.

Occupational Health Management

In 2024,
TCL Smart Home

100%

Physical examination coverage rate for employees

TCL Smart Home has always been committed to providing comprehensive health and safety protection for its employees, and strictly adheres to the occupational disease prevention regulations in all operational locations. To effectively reduce the risk of occupational diseases, the Company requires employees in relevant positions to regularly participate in occupational disease prevention training, ensuring they possess the necessary prevention and response capabilities. In high-risk work environments, employees must wear personal protective equipment such as earplugs and dust masks to ensure safety during work. Furthermore, the Company also requires employees to regularly undergo pre-employment, in-service, and post-employment occupational health examinations, in order to promptly identify and prevent potential occupational health risks.

In order to further enhance the overall health level of employees, TCL Smart Home regularly invites medical personnel to conduct health lectures and popularize medical knowledge about common diseases, helping employees strengthen their awareness of daily health management, thereby promoting their long-term health and well-being. No occupational disease incidents have occurred at TCL Smart Home.

Case: Enhancing employees' safety awareness and self-rescue ability - Hefei Home Appliances conducts medical emergency training

On August 29, Hefei Home Appliances, in collaboration with the Red Cross Society of China, Feixi, organized a medical emergency training. The training combined online theory with offline practical operations, covering emergency skills such as cardiac resuscitation, AED use, and trauma care. A total of 92 employees signed up for the training, with 75 actually participating. Among them, 74 successfully passed the assessment and obtained the qualification of first aider.



Case: Homa Appliances conducts Red Cross first aid training

On June 6 and June 14, Homa Appliances held Red Cross first aid training sessions at the parts sub-factory and the second sub-factory training room respectively, with participants including employees and management personnel from each sub-factory. The training covered basic first aid skills, cardiopulmonary resuscitation (CPR), and trauma treatment, aiming to enhance employees' emergency response and first aid capabilities.



Building a Harmonious Society

TCL Smart Home actively fulfills its social responsibilities, continuously establishes and improves its supply chain management mechanism, participates in community public welfare, promotes the coordinated development of the value chain and the community, and contributes to the harmonious development of society.

SDGs addressed in this chapter



SOCIETY

Responsible Supply Chain

TCL Smart Home has always adhered to the principles of "honesty and trustworthiness, fairness and justice, equality and mutual benefits", and places great emphasis on supply chain management and supplier empowerment to ensure efficient operation and transparent management of the supply chain. At the same time, the Company also focuses on responsible mineral management, is committed to promoting the sustainable development of value chain partners, and contributes to the virtuous cycle of the industry ecosystem.

Supply Chain Management

TCL Smart Home is committed to building an efficient and flexible supply chain management system. Through systematic supply chain risk management and the application of digital supply chains, TCL Smart Home effectively enhances the efficiency of supply chain resource allocation, continuously optimizes operational cost management, and helps enterprises achieve sustainable development.

Category	Hefei Home Appliances	Homa Appliances
Supply chain risk management	<ul style="list-style-type: none"> Establish a collaborative decision-making mechanism for front- and back-office risks, and introduce multiple departments, including the procurement committee, to manage supply chain risks. Continuously monitor price fluctuations of raw materials and key components, and use the annual cost reduction KPI as a driving force to promptly report to the procurement committee for procurement decisions. By adopting refined annual planning, KPI assessment, and a hilltop project mechanism, supply chain risks are effectively allocated. Introduce new suppliers in a timely manner to eliminate dependence on a single supplier 	<ul style="list-style-type: none"> Establish a close partnership with suppliers, and through information sharing and collaborative work, provide early warnings and address potential risks Strengthen inventory management and buffering strategies, establish inventory buffer zones or safety stock, and ensure a certain level of production capacity and customer satisfaction is maintained in the event of supply chain disruptions. For risk materials, prepare material inventory in advance; achieve a 100% completion rate for inventory preparation. Reduce dependence on a single supplier, enhance the flexibility and competitiveness of the supply chain; open at least two suppliers for similar materials.
Flexible supply chain	<ul style="list-style-type: none"> A supply and demand interlocking mechanism (S&OP production and sales collaboration) as well as a material completeness and slow-moving inventory early warning mechanism have been established. Data-driven forecasting and procurement planning for different cycles are carried out through key indicators such as cycle, strategy, and flow rate. 	<ul style="list-style-type: none"> By making reasonable predictions for raw material demand and implementing differentiated management of long-term and short-term materials, we can prepare materials in advance or trial-produce materials according to work orders.
Digital supply chain	<ul style="list-style-type: none"> Integrate supply chain management through the SRM system, and build a full-process digital platform covering modules such as supplier management, procurement demand management, sourcing management, and forecast management. 	<ul style="list-style-type: none"> The SRM system integrates e-commerce, data mining, and collaborative technologies to create an efficient digital supply chain management system.
Localized procurement	<ul style="list-style-type: none"> Include delivery distance in the assessment for new supplier admission The bulk supply resources are located within a radius of about 50 kilometers, with suppliers accounting for more than 60% of the total 	<ul style="list-style-type: none"> 80% of the materials are supplied by suppliers around the Pearl River Delta.

Supplier Management

In 2024, Hefei Home Appliances

100%

The environmental and social audit coverage rate of suppliers

TCL Smart Home has been continuously establishing and improving its supplier management system, refining the supplier access, review, and exit mechanisms, and standardizing relevant institutional references to create a responsible supply chain. Hefei Home Appliances has established a procurement management committee, chaired by the general manager and vice-chaired by the supply chain director, and including representatives from product lines, procurement, finance, quality, and audit. The committee integrates collaborative work across production, research and development, quality, and procurement to make decisions and effectively manage procurement operations. The procurement management committee has a category management mechanism (CEG team) responsible for executing procurement-related work. The supplier management work of Homa Appliances is centered around the supply department and is divided into eight material management teams according to different material categories, promoting refined supplier management.

Supplier Admission

In 2024, TCL Smart Home

758

Total number of suppliers

753

Number of suppliers in Chinese Mainland

2

Number of suppliers in Hong Kong, Macao, and Taiwan regions

3

Number of suppliers in overseas regions

In terms of supplier admission, Hefei Home Appliances has established the *Supplier Certification Management Process* and implemented a new supplier introduction process consisting of "four stages and fourteen steps" to comprehensively review supplier qualifications. Hefei Home Appliances requires suppliers to meet the SA 8000 social responsibility standard, as well as ISO 14001 environmental management certification, ISO 9001 quality management system certification, and ISO 45001 occupational health and safety management system certification.

Based on this, Hefei Home Appliances incorporates environmental and social factors into supplier qualification assessments, conducting comprehensive evaluations in terms of product quality, research and development, and environmental protection. In terms of the environment, Hefei Home Appliances evaluates suppliers based on the *Environmental Protection of Restricted Substances - On-site Inspection Checklist*, giving preference to suppliers with a QC08000 hazardous substance management quality system and actively engaged in environmental protection efforts. In terms of society, Hefei Home Appliances conducts a comprehensive review of suppliers' labor rights and occupational health and safety management based on the *Supplier Social Responsibility Inspection Checklist*.

Homa Appliances has established the *Related Party Safety and Environmental Management System*, which conducts comprehensive assessments covering qualifications, business, and product quality during the supplier qualification process. For certain key suppliers, Homa Appliances reviews and evaluates the environmental risk factors of each vendor based on the *Vendor Environmental Safety Questionnaire*.

TCL Smart Home adheres to the implementation of responsible procurement, requiring all suppliers to effectively fulfill their responsibilities and obligations, and collaborate with suppliers and partners to build a clean industry chain. Hefei Home Appliances requires all suppliers to strictly adhere to the *TCL Supplier Code of Conduct* and sign the *Integrity Agreement*. To safeguard the rights and interests of various small and medium-sized enterprises, Hefei Home Appliances signs cooperation contracts with all suppliers, clarifying payment methods and payment terms, and executes all payments according to the contracts. Homa Appliances continues to strengthen the management of suppliers and partners, clarifying anti-corruption requirements in contracts and retaining the right to terminate cooperation; it conducts regular assessments of suppliers and partners to ensure their continued compliance with the Company's anti-corruption requirements. Homa Appliances requires all business partners (including but not limited to suppliers, agents, distributors, logistics providers, etc.) to sign the *Homa Appliances Anti-Commercial Bribery Agreement*.

Supplier Management

TCL Smart Home focuses on refined and differentiated management, continuously promoting the graded and classified management of suppliers. Hefei Home Appliances implements graded and classified management of product categories and suppliers based on the *TCL Industrial Product Category and Supplier Graded and Classified Management Process*, combining business needs with the implementation of QCDT (Q: Quality; C: Cost; D: Delivery; T: Technology) four-dimensional graded and classified management. Homa Appliances conducts graded and differentiated management of suppliers based on material attributes and cooperation depth, regularly updating the graded and classified standards to adapt to changes in business needs.

Supplier Classified Management Measures of Homa Appliances

Category	Management measures
Key Influential Related Parties	<ul style="list-style-type: none"> Conduct publicity and educational activities, to help suppliers understand the Company's environmental policies and the related environmental management regulations. Sign agreements to put forward Homa Appliances' environmental management requirements. Verify and confirm the performance of all suppliers annually or at random, forming the Questionnaire for Key Influential Related Parties. As soon as a non-compliance is identified, suppliers are required to propose corrective measures, and Homa Appliances supervises the implementation of those measures.
General Influential Related Parties	<ul style="list-style-type: none"> Get to know their environmental status and obtain the corresponding information on its pollution generation and pollution control. Promote Homa Appliances' environmental policies and, if necessary, make requests or recommendations for environmental management.
Temporary Non-influential Related Parties	<ul style="list-style-type: none"> Provide information on Homa Appliances' environmental policies, goals, and targets to the related parties upon request

In terms of everyday supplier management, TCL Smart Home and its various businesses formulate the annual supplier audit plan, hold regular supplier quality review (QBR), to evaluate the supplier's business performance and development, which is included in the environmental, social and governance audits. In the event that they fail to take rectifying measures, TCL Smart Home will either cease cooperation with the supplier or impose relevant penalties.

Hefei Home Appliances regularly organizes assessments for suppliers based on QCDT, category division scoring method, and supplier graded and classified scoring method, and adjusts the supplier hierarchy, grading, and quota proportion based on the assessment results. For strategic categories and strategic suppliers, Hefei Home Appliances provides cooperation and priority. For suppliers that fail to meet the assessment standards, Hefei Home Appliances will require them to make rectifications within a specified period. For suppliers who fail to implement rectification measures effectively, cooperation will be terminated or relevant penalties will be imposed. For suppliers who violate integrity, financial, or other issues, Hefei Home Appliances will immediately eliminate the involved suppliers. In 2024, there were no cases of unqualified suppliers being eliminated by Hefei Home Appliances.

Homa Appliances conducts regular quarterly assessments of suppliers, covering aspects such as product quality, usage tracking, delivery timelines, and service attitude, and regularly updates supplier classification. For suppliers that have significant negative environmental impacts, Homa Appliances will urge them to implement rectification measures and submit rectification reports. In 2024, Homa Appliances did not eliminate any unqualified suppliers.

Responsible Mineral

In 2024, Hefei Home Appliances

100%

Suppliers accept due diligence on conflict minerals

TCL Smart Home strictly adheres to the requirements of the Code of Conduct Responsible Business Alliance (RBA) and other standards. Regarding the use of mineral resources such as nickel, cobalt, manganese, lithium, graphite, mica, copper, and aluminum that may be involved in the production and operation process, the Company resolutely does not procure or support conflict minerals from conflict areas, and also explicitly requires suppliers not to use mineral resources from conflict areas. The Company ensures the legality of procurement activities through due diligence and other means.

In 2024, Hefei Home Appliances updated its *Standard for Conflict Mineral Management*, adding control requirements for key minerals such as cobalt and mica. Additionally, Hefei Home Appliances requires suppliers to sign the *TCL Declaration of Conformity for Prohibited and Restricted Substances* and conduct regular training on conflict minerals to enhance suppliers' awareness of responsible mining practices. If any supplier is found to be using conflict minerals, Hefei Home Appliances will recall products on sale, seal relevant inventory, and conduct a re-evaluation of the supplier in accordance with the quality agreement. In November 2024, Hefei Home Appliances provided conflict mineral training for suppliers through a diverse "online + offline" training channel, covering 100% of the Company's suppliers.

With "collaborative innovation and value co-creation" as its core, TCL Smart Home leverages resource sharing and technical support to assist suppliers in optimizing operations, enhancing quality, and promoting green development, jointly building an efficient, stable, and sustainable supply chain ecosystem.

Supplier Empowerment

In 2024, Hefei Home Appliances

5

Number of supplier training sessions

50

Number of training suppliers

Case: "Huada Semiconductor" thematic training

In November 2024, Hefei Home Appliances held a "Huada Semiconductor" thematic training. The director and engineer team of Huada Semiconductor were invited to give lectures, with the participation of Hefei Home Appliances' supply chain and R&D departments. The training focused on the application of semiconductor technology in the home appliance field, aiming to enhance the technical capabilities of the team and promote cooperation between both parties in technological innovation and supply chain collaboration.



Case: "Procurement Domain Empowerment" Thematic Training

On December 13, 2024, TCL Smart Home held a "Procurement Domain Empowerment" Thematic Training, with the participation of supply chain, R&D, and quality departments. The training focused on enhancing procurement skills, supply chain collaboration, and quality management innovation, aiming to strengthen cross-departmental collaboration capabilities, improve operational efficiency, and provide support for procurement strategy optimization and supply chain management.



Social Public Welfare

In 2024,
TCL Smart Home

34 events

Carry out employee public welfare activities

270 person-times

Number of employee volunteers involved

TCL Smart Home actively fulfills its corporate social responsibility and supports the development of social welfare undertakings while uniting social forces by organizing public welfare activities and encouraging employees to participate in voluntary services.

Hefei Home Appliances focuses on science and technology education, organizing science popularization and research activities for students of all ages. It integrates abstract scientific knowledge into vivid and interesting practical scenarios, helping students enhance their scientific literacy through experience and stimulating their strong interest and enthusiasm for exploring science and technology education. Homa Appliances cares about vulnerable groups such as the impoverished and disabled individuals, encouraging its employees to participate in public welfare volunteer activities to provide assistance and support to these vulnerable groups.

Case: Hefei Home Appliances leads students from the University of Science and Technology of China to explore the charm of technology

In November 2024, Hefei Home Appliances invited students from the University of Science and Technology of China to visit the TCL Smart Home Appliances (Hefei) Industrial Park, creating a public welfare research and study trip for the students aimed at exploring the mysteries of technology and experiencing the charm of smart manufacturing. This event provided a platform for students from the University of Science and Technology of China to closely interact with cutting-edge technology.

Case: "Exploring Industrial Tour: Innovation and Dreams Take Off" public welfare activity

In December 2024, TCL Smart Home Appliances (Hefei) Industrial Park supported the industrial research and study activities organized by the TCL Charity Foundation, hosting a group of teachers and students from Feicui Lake Junior High School under the Hefei No. 8 Middle School Education Group. The event guided the students to visit the industrial park and showcased the production process, exploring the beauty of industry and sparking their dreams of innovation.



Case: Homa Appliances organizes special voluntary blood donation service activities for employees

In September 2024, the general party branch of Homa Appliances, together with the Zhongshan Blood Donation Office and the town Red Cross, organized a special volunteer service activity for employees, aiming to promote the volunteer spirit of "dedication, fraternity, mutual assistance, and progress" and spread positive social energy. The activity attracted a total of 30 participants.



Corporate Governance

Robust corporate governance is the cornerstone for sustainable development of enterprises. TCL Smart Home adheres to the values of integrity, transparency, and respect, persists in adhering to the leadership of the Party, continuously optimizes the top-level design of corporate governance, establishes a compliant internal control and risk management system, effectively safeguards the rights and interests of all stakeholders, and promotes the steady progress of the enterprise.

GOVERNANCE

SDGs addressed in this chapter



Party Building Leadership

In 2024, TCL Smart Home

34

Conducted Party-building activities

TCL Smart Home fully leverages the political core role of the party organization and the exemplary vanguard role of party members, regarding party building as a crucial driving force for leading the Company's high-quality development. The Company continues to strengthen the foundation of party building, strictly implement relevant systems, and continuously enhance the standardization level and organizational execution capability of the general party branch. Each party branch thoroughly implements the decisions and deployments of the Party Central Committee and higher-level party committees, continuously optimizes the development strategy, transforms the advantages of party building into the core competitiveness of the enterprise, and promotes the deep integration of party building and enterprise development.

During the reporting period, TCL Smart Home actively organized various party-building activities, organizing 43 events in total, including activities such as member meetings and study sessions. In 2024, TCL Smart Home actively respond to the spirit of the 20th National Congress, established the Homa Women's Federation at Homa, integrating "Her Strength" into the Party.



Case: Learning Party discipline to strengthen awareness, uniting efforts to promote improvement

On April 24, 2024, the Party branch of Hefei Home Appliances organized a Party discipline learning and education activity. The meeting delved into the important exposition of General Secretary Xi Jinping on comprehensively strengthening the discipline construction of the Party, conveyed the spirit of the *Notice on Carrying out Party Discipline Learning and Education in the Whole Party* issued by the General Office of the CPC Central Committee and the meeting of the Central Leading Group for Party Building Work, and mobilized and deployed the Party discipline learning and education work of the Group Party Committee. This activity further strengthened the discipline awareness of Party members, promoted the in-depth development of Party discipline education, and provided a strong guarantee for enhancing the combat effectiveness and cohesion of grassroots Party organizations.



Case: "Women's Power" Boosts High-quality Development

To thoroughly implement the spirit of the 20th National Congress of the Communist Party of China, Homa Appliances places great emphasis on the protection of the rights and interests and career development of female party members. On June 15, Homa Appliances' first Women's Federation Inaugural Ceremony and the first Women's Congress were successfully held, marking the official establishment of the Homa Women's Federation. The Homa Party Branch and the Women's Federation will closely integrate with the overall development of the enterprise, fully leverage the unique advantages of female party members, inject strong "women's power" into the transformation, upgrading, and high-quality development of Homa Appliances, and jointly contribute women's wisdom and strength to local economic and social development as well as the "Hundreds of Counties, Thousands of Towns, and Tens of Thousands of Villages High-Quality Development Project".

Corporate Governance

Corporate governance is the cornerstone of a company's steady development. TCL Smart Home has established a sound corporate governance structure, clarifying the division of responsibilities among the general meeting of shareholders, the board of directors, the board of supervisors, and the management team, and continuously promoting the standardization and sustainable development of corporate governance. At the same time, the Company strengthens communication with investors and other stakeholders, regularly enhancing the transparency of information disclosure, and ensuring the Company's steady development within a framework of compliance and transparency.

Board of Directors Governance

42.86%

Female representation on the Board of directors of TCL Smart Home

In 2024,
TCL Smart Home

9 Session

Number of Board of Directors meetings

6 Session

Number of general meetings of shareholders

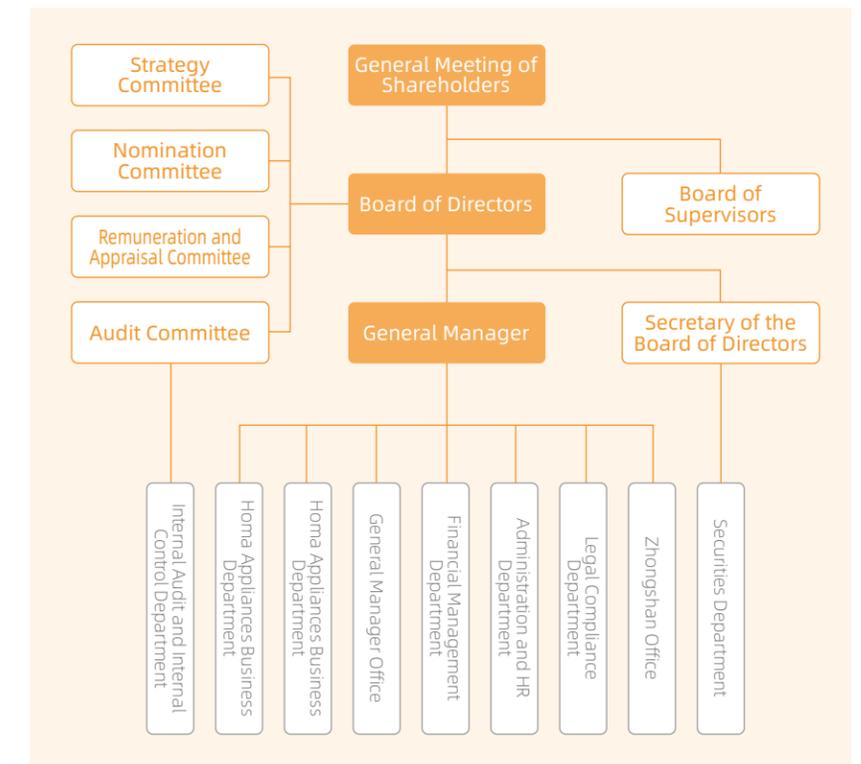
6 Session

Number of the Board of Supervisors meetings

TCL Smart Home strictly adheres to the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Rules Governing the Listing of Shares on Shenzhen Stock Exchange*, and other relevant laws and regulations, as well as the relevant provisions of the stock exchange. It has formulated regulations such as the *Articles of Association*, the *Rules of Procedure for the Board of Directors*, the *Work System for Independent Directors*, and the *Rules of Procedure for the Board of Supervisors* to standardize the work of the Company's board of directors.

TCL Smart Home has established a corporate governance structure consisting of the general meeting of shareholders, board of directors, board of supervisors, and the senior management. Rules of procedure for each level have been established to ensure effective checks and balances in decision-making, execution, and supervision. Directors and supervisors are nominated by the nominating body and elected by the general meeting of shareholders. The board of directors comprises the Strategy Committee, the Nomination Committee, the Remuneration and Appraisal Committee, and the Audit Committee. Members of the special committees are elected by the Board of Directors to ensure the standardization and sustainable development of corporate governance. Currently, the Company's Board of Directors has seven directors, including three independent directors. The Board of Supervisors has three members.

The Company actively builds a diverse Board of Directors, balancing members' gender, age, professional experience, cultural and educational backgrounds, and enhancing the effectiveness of decision-making and governance to promote sustainable corporate development. Currently, there are two female directors on the Board.



Investor Rights

TCL Smart Home has always attached great importance to the protection of investors' rights and interests, strictly abiding by relevant regulations such as the *Company Law of the People's Republic of China* and the *Securities Law of the People's Republic of China*, and has established an *Investor Relations Management System*. The Company has set up a dedicated "Investor Relations" section on its official website to provide investors with convenient and accessible information disclosure services. At the same time, TCL Smart Home also regularly communicates with investors and other stakeholders through investor relations emails, phone calls, and the "Interactive Easy" section of the Shenzhen Stock Exchange. In 2024, the Company held a total of two performance briefings and conducted dozens of roadshows and investor reception activities. In addition, the Company also issued six *Investor Relations Activity Record Forms* to further enhance information transparency and ensure that investors' rights and interests are fully protected.

At the same time, TCL Smart Home places great importance on investor education and awareness, actively participating in activities such as the Investor Protection Month and the National Investor Protection Publicity Day organized by the China Securities Regulatory Commission and the Shenzhen Stock Exchange. These initiatives aim to help investors better understand cutting-edge laws, regulations, and industry practices, thereby reducing information barriers.

TCL Smart Home has always strictly adhered to the standardized process regulation of information disclosure, continuously enhancing the management level and quality of information disclosure to ensure transparency and fairness and fully protecting the legitimate rights and interests of investors. Based on relevant laws and regulations such as the *Company Law of the People's Republic of China*, *Measures for the Administration of Information Disclosure of Listed Companies*, and *Self-Regulatory Guidelines for Companies Listed on Shenzhen Stock Exchange*, and in combination with the actual situation of the Company, the Company has formulated the *Management System for Information Disclosure* and the *Management System for the Preparation and Disclosure of Regular Reports*, providing systematic norms and guidance for information disclosure work. Through regular reports, announcements, annual reports, and other means, the Company discloses key content such as governance structure, internal management, and risk control to shareholders, investors, and the public, enhancing transparency, strengthening investor trust, ensuring compliant operations, and optimizing the market environment.

For small and medium-sized investors, TCL Smart Home has taken multiple measures to fully protect their rights and interests. TCL Smart Home continues to standardize the procedures of the General Meeting of Shareholders, improve the election mechanism for directors and supervisors, and enable small and medium-sized shareholders to fully exercise their voting rights. Among them, the second extraordinary General Meeting of Shareholders in 2024 adopted a combination of on-site and online participation to facilitate shareholder participation. In addition, through activities such as roadshows and investor collective reception days, TCL Smart Home strengthens investor relations management, maintains communication with small and medium-sized investors, and answers their questions.

Legal Compliance and Risk Management

TCL Smart Home has established a comprehensive compliance and risk management system, adopting multi-level risk management strategies and precise response measures to effectively ensure that all business activities comply with regulatory requirements and promote the steady development of the Company in a complex environment.

Compliant Operation

TCL Smart Home strictly adheres to local ethical, moral, relevant laws as well as the Articles of Association and has established a comprehensive compliance and internal control management system. It continuously refines and enhances its compliance and internal control management functions to ensure that business activities and business engagements are compliant, thereby safeguarding the Company's stable operations. In 2024, TCL Smart Home did not experience any violations of laws and regulations.

To fulfill various compliance requirements, Hefei Home Appliances has established an Internal Control Committee and designated dedicated personnel to manage the Company's compliance and internal control work. The Company has formulated institutional documents such as the *Internal Control Management Manual of TCL Home Appliances (Hefei) Co., Ltd.* and the *Articles of Association of TCL Home Appliances (Hefei) Co., Ltd.*, regularly updating and reviewing core processes including organizational structure design and adjustment, major decision-making, as well as processes in multiple business areas such as finance and procurement, achieving a cycle from strategy formulation to continuous monitoring and evaluation. At the same time, Hefei Home Appliances attaches great importance to departmental position checks and balances, seal management, risk assessment, and information management, ensuring that the Company's operations are compliant, efficient, and risk-controllable.

Homa Appliances has established a management structure consisting of the Board of Directors, internal functional departments, and business departments. The Board of Directors is responsible for the overall supervision and decision-making of the internal control system, the internal control functional departments are responsible for the internal control of finance and operation management, and the business departments are responsible for implementing specific internal control measures within their own departments to ensure that all business processes comply with internal control requirements. Homa Appliances regularly updates its internal policies based on changes in international and domestic policies, and ensures the effective implementation of the Company's compliance policies and procedures through internal audit reviews.

In combination with export business requirements, Homa Appliances attaches great importance to cross-border compliance requirements. Homa Appliances strictly adheres to domestic and international laws and regulations such as the *Foreign Corrupt Practices Act (FCPA)* and the *Customs Law of the People's Republic of China*, and has formulated the *Export Compliance System* based on internal needs and market conditions to ensure that product technical standards meet local legal and regulatory requirements.

TCL Smart Home has established a comprehensive internal compliance review mechanism. Hefei Home Appliances ensures compliance management through regular and special reviews in an all-round and multi-dimensional manner. The Company conducts comprehensive reviews annually to systematically audit the overall operational compliance of the Company. For new business development, implementation of major projects, and significant changes in laws and regulations, special reviews are promptly initiated to quickly respond to potential compliance risks and ensure the Company operates steadily within the compliance framework. Homa Appliances has established a flexible review frequency based on different review scopes and content, including daily, quarterly, and annual reviews, to ensure efficient implementation and continuous improvement of compliance management.

Meanwhile, TCL Smart Home actively promotes compliance training and cultural construction, striving to create a favorable corporate compliance culture environment, strengthen the compliance awareness of all employees, and integrate compliance requirements into all aspects of daily operations. In 2024, Hefei Home Appliances conducted three sessions of compliance and internal control training.



Risk Management

TCL Smart Home has established a risk management organizational structure with clear responsibilities and distinct levels, adopting a "three lines of defense" risk management framework to clarify the responsibilities of each department in risk identification, management, and review, ensuring effective response to potential risks in daily operations.

The three lines of defense for risk management in TCL Smart Home

Three defense lines	Department	Main responsibility
First Defense Line	Business departments	<ul style="list-style-type: none"> Identify and assess risks during business operations; The procurement department reduces the risk of raw material supply by screening high-quality suppliers.
Second Defense Line	Risk management and internal control department	<ul style="list-style-type: none"> Formulate and refine relevant systems, policies, and procedures; Oversee the risk management work of the first line of defense; Regularly carry out training work.
Third Defense Line	Internal audit department	<ul style="list-style-type: none"> Through regular audits, we inspect the operational status of various business areas, identify potential risks, and provide improvement suggestions to management; Responsible for independent auditing, identifying and rectifying issues, and continuously following up on and improving progress.



On this basis, Hefei Home Appliances has introduced a risk matrix, database, and early warning system to regularly analyze key risk data, update risk maps, and utilize assessment models to monitor market, financial, and operational risks, ensuring timely and effective responses to high-risk areas of the enterprise. Based on the "three lines of defense", Homa Appliances has further formulated the *Risk Management Policy*, *Risk Identification and Assessment System*, and *Risk Monitoring and Reporting System*, clarifying the Company's risk management objectives, risk identification processes, and risk reporting requirements, and strengthening the standardization and transparency of risk management.

Anti-corruption and Business ethics

Anti-corruption

In 2024, TCL Smart Home

2

Conducted anti-corruption training sessions

620 participants

Total participants of anti-corruption training sessions

TCL Smart Home strictly adheres to the *United Nations Convention against Corruption* and relevant national laws, always maintaining a "zero tolerance" attitude towards corruption. By continuously improving the construction of internal anti-corruption systems, smoothing reporting channels, perfecting accountability mechanisms, and conducting regular anti-corruption training and publicity, the Company implements anti-corruption and business ethics work. In 2024, TCL Smart Home was not involved in any corruption litigation cases.

Hefei Home Appliances has a strict management system that clearly defines various types of corrupt behaviors and their handling methods. Employees involved in criminal acts such as corruption and bribery, who have been sentenced, will be dealt with seriously in accordance with the law to ensure a clean and honest internal environment. In terms of whistleblower protection, Hefei Home Appliances has set up a 24-hour complaint and reporting channel in the OA system and email. For reported leads, the Company sets a 24-hour response time limit for reporting leads, establishes a special investigation team to intervene in the investigation and evidence collection, and publicizes the investigation results on the intranet. Meanwhile, the Company pays attention to whistleblower protection work, strictly keeps whistleblower information confidential, and prohibits any extortion, threats, and retaliation against whistleblowers.

Homa Appliances has established a comprehensive anti-corruption management system, forming an anti-corruption committee composed of senior management personnel to manage the Company's anti-corruption strategies and supervise their implementation from top to bottom, effectively preventing, identifying, and responding to corrupt behaviors. Homa Appliances has formulated internal regulations such as the *Accountability Management Regulations* and the *Integrity Management Code*, explicitly prohibiting any form of corrupt behavior, clarifying the "red lines" of operation and management, strictly prohibiting abuse of power for personal gain, fraud and other violations, and requiring all employees, suppliers, and partners to comply with laws, regulations, and company policies.

In terms of the construction of the reporting mechanism, Homa Appliances encourages employees, business partners, and other individuals to provide tip-offs in their real names. It has established various feedback channels, including letters and visits, employee suggestion boxes, dedicated phone lines, WeChat complaints, and more, to ensure the smooth operation of the reporting channels. In the *Accountability Management Regulations*, Homa Appliances clarifies specific matters related to the protection of reporters, requiring strict confidentiality of reporter information and reporting materials, and prohibiting the disclosure, investigation, or identification of reporters, so as to safeguard their rights and interests.

TCL Smart Home is committed to fostering a culture of integrity within the Company. It conducts anti-corruption training to educate employees and enhance their awareness. In 2024, TCL Smart Home conducted two anti-corruption training sessions, with a total of 620 participants.

Anti-unfair Competition

TCL Smart Home strictly adheres to the *Anti-Monopoly Law of the People's Republic of China* and the *Anti-Unfair Competition Law of the People's Republic of China*, continuously reviews its business practices, follows market development trends, resolutely prevents commercial bribery and unfair competition, and safeguards fair market competition.

Hefei Home Appliances has established a comprehensive anti-monopoly and fair competition risk management system, encompassing risk monitoring, internal compliance reviews, regular legal training, and the formulation of relevant emergency response plans. This system effectively mitigates various risks of monopoly and unfair competition, ensuring that business activities always comply with legal and regulatory requirements.

Homa Appliances strictly prohibits unfair competition behaviors such as false advertising, commercial bribery, infringement of trade secrets, and defamation of competitors. It also forbids actions that violate the Anti-Monopoly Law, such as entering into monopoly agreements, abusing market dominance, and implementing unfair pricing. To effectively promote fair market competition, Homa Appliances has established a comprehensive risk plan, regularly conducts risk assessments on the Company's anti-monopoly efforts, and embeds anti-monopoly compliance review processes into internal management cooperation procedures such as pricing, sales, procurement, and cooperation. Through multiple measures and practical actions, the Company practices anti-unfair competition.

Information Security and Privacy Protection

TCL Smart Home actively promotes the construction of information security culture. By optimizing the Company's information management system and strengthening employee security awareness training, it builds a protective barrier for enterprise information security and adheres to the enterprise security bottom line.

Information Security

TCL Smart Home has standardized its management system and enhanced its network security protection capabilities through a comprehensive information security system. Hefei Home Appliances has formulated and implemented internal systems such as the *Information System Security Plan*, *Information Security Management Policy*, and *Encryption and Decryption System* to standardize the Company's information management system. Homa Appliances follows ISO/IEC 27001 and Classified Protection 2.0 standards, and builds an information security management system based on business risks. The Company has established a comprehensive data security management framework, with a management system led by the president, guided by the IT management department, and jointly participated by various departments, to ensure the effective implementation of data security work.

Leadership Group	Team leader	President	Responsible for approving the overall information security strategy, management norms, and technical standards of the Company, as well as making decisions on major information security incidents
	Deputy team leader	Head of IT management department	Responsible for overall information security planning, the review of management standard, and the coordination of information security construction, and participating in decision-making regarding information security incidents.
Execution Group	Information Security Group	Relevant personnel of IT management department	Responsible for the implementation of information security system construction, system formulation, and technical support work.
	Business Group	Heads of departments/ sub-factories	The head of each department is the primary responsible person for information security within their department, responsible for implementing and supervising information security standards within the department, and approving information security permissions.
	Steering Group		Responsible for checking the implementation of information security standards, regularly reporting relevant issues and implementing incentive measures, while also preparing supervision reports.

Information Security System Assurance

TCL Smart Home has established a comprehensive network security protection system, strengthening risk monitoring, access control, and data protection to ensure the safe and stable operation of its business. Hefei Home Appliances has optimized its network architecture, reinforced the isolation strategy between the production network and the office network, and deployed NSFOCUS probes to continuously monitor the security situation of the internal network and accurately identify potential risks. By centrally managing server access through bastion hosts and strictly controlling permission allocation, it ensures system access security. Homa Appliances has established a multi-level security defense system, deploying exit firewalls and data center firewalls to ensure network boundary security.

Safety Inspection and Risk Assessment

TCL Smart Home places great emphasis on security inspections and risk assessments. Homa Appliances regularly conducts information security patrols, risk assessments, and compliance checks to ensure the effectiveness and compliance of the information security management system, continuously enhancing the overall network security protection capabilities of the enterprise. At the same time, the Company continuously conducts security vulnerability detection and remediation to reduce potential system security risks, and relies on RPA robots to automatically block abnormal IPs, strengthening external threat defense capabilities and comprehensively ensuring the stability and security of the information system.

Business Stability

TCL Smart Home continuously optimizes its network infrastructure and establishes a multi-tiered network architecture to ensure the stable operation of its information systems. Hefei Home Appliances adopts a dual-line hot standby solution for internet leased lines to guarantee high availability of network connectivity. Combined with SD-WAN dual-line hot standby, it optimizes the stability of remote office work and data transmission. Meanwhile, all major devices are equipped with a dual-machine hot standby mechanism to avoid the impact of single point failures on business operations, ensuring the stability and reliability of system operations. Homa Appliances relies on multi-operator line access to enhance the stability of external network connectivity and reduce the risks posed by single network failures. The internal backbone network adopts automatic switching between dual devices and dual lines to ensure network redundancy and rapid recovery capabilities. Furthermore, the Company has established a high-availability architecture combining databases and applications to ensure that core business systems can operate smoothly even in the event of sudden failures or network fluctuations, further enhancing business continuity and data security guarantees.

Information Security Training

Enhancing the security awareness of all employees is crucial for safeguarding enterprise data security and maintaining business stability. TCL Smart Home places great emphasis on information security and employee information security training, actively conducting training sessions and periodic activities to strengthen employees' awareness of data security. Hefei Home Appliances provides information security training for all employees, further enhancing their data security protection capabilities and ensuring the comprehensive implementation of information security management requirements. Homa Appliances actively promotes information security training and management optimization, ensuring that security awareness is integrated into daily work and building a solid defense line for enterprise information security.



Case: Homa Appliances conducts information security training to strengthen employees' awareness of data security

On July 18, 2024, Homa Appliances conducted an information security training session for all management trainees, with a total of 160 participants. The training aimed to enhance employees' awareness of information security, strengthen their data protection capabilities in daily work, and ensure the effective implementation of information security management requirements.



Data Security and Privacy Protection

Data Security

Relying on advanced digital technology, TCL Smart Home ensures efficient business operations and data security through computer encryption, data collection, transmission, analysis, and access control. Hefei Home Appliances employs an encryption system to ensure the encryption of core business data, preventing unauthorized access and leakage. Combined with access management, it achieves secure data circulation and compliant usage. Homa Appliances strictly implements access management to ensure the reasonable use of data, and automatically revokes access upon employee departure to eliminate potential security risks. Additionally, the Company adopts methods such as PDA, scanning, and SCADA for data collection, ensuring data transmission security through HTTPS encryption.

Customer Privacy Protection

TCL Smart Home places great emphasis on customer privacy protection and has formulated strict data management policies. The Company has established protection mechanisms for various stages of acquiring, monitoring, and distributing customer information to safeguard customer privacy. Hefei Home Appliances conducts desensitization checks on all user information in the data system, strengthens user information management and protection, and continuously optimizes the privacy control design of the Company's products and application services to ensure autonomous and controllable privacy management.



Outlook for the Future

Looking back to 2024, TCL Smart Home drove product upgrades through technological innovation, achieving a dual leap in brand value and user reputation through deep market insight and precise strategic execution. It set an industry benchmark for the smart ecosystem layout and marked a new milestone in development. Looking ahead, TCL Smart Home will capitalize on this momentum, leading the smart future with global strategies and technological innovation, promoting green production, continuously deepening technology R&D, providing quality services, and making TCL Smart Home's contribution to the UN Sustainable Development Goals (SDGs).

Keeping pace with the times, we aim to build green competitiveness across the entire value chain. We will unswervingly promote green and low-carbon development, integrating it into all aspects of our business operations, from product design, production, packaging, warehousing, and logistics. We will innovate green technologies, create energy-efficient, durable, and high-performance products, and promote carbon reduction throughout the entire product lifecycle. TCL Smart Home will also collaborate with upstream and downstream partners to build a green ecosystem, export low-carbon standards and technological solutions, and empower the industry's green upgrade.

Creating a beacon to illuminate the way, empowering diverse value co-creation with the warmth of technology. TCL Smart Home has always adhered to the path of high-quality development. Facing consumers, we actively build a strict product quality management system across the entire chain, prioritizing product quality and providing customers with reliable products and services. Facing employees, we will continue to play an active role in the enterprise, continuously improving the protection of employees' rights and interests and talent cultivation system, leading employees to create social value together. Facing society, we will continue to pay attention to vulnerable groups, actively participate in public welfare undertakings, and rely on TCL Smart Home's cutting-edge technology to promote social development.

Those who act often succeed, building a transparent and efficient engine for sustainable development. We will deeply focus on the comprehensive optimization of ESG governance, establish a normalized and multi-dimensional communication bridge, listen to the voices of all stakeholders, and ensure that every decision and every step of the Company resonates with the expectations of society. In terms of internal management, we will promote the construction of a compliant internal control system, establish a comprehensive risk management framework, enhance our ability to identify and respond to potential risks, and ensure the stable operation of the Company.

In 2025, Hefei Home Appliances will adhere to the core strategic path of "brand-leading value, global efficiency operation, technology-driven, and vitality-first", and firmly pursue a differentiated development route, achieving breakthroughs through product innovation. Homa Appliances will focus on management efficiency improvement, digital and intelligent upgrading, and high-end transformation, driving the enterprise to new heights.

As time goes by, some are trapped in thorns, while others pursue the sunrise. TCL Smart Home will remain true to its original aspiration, adhering to the mission of "Becoming a global leader in smart household appliances", presenting a new image of Chinese home appliance manufacturing enterprises, and working together with global partners to practice sustainable development.

Key Performance Table

Material Topic	Indicators	Unit	2024
Economic Performance	Total Revenue	RMB	18,360,802,831.59
Environmental Management System	Total Investment in Environmental Protection	10,000RMB	362.60
	Number of penalties incurred by the Company for violations of environment-related laws and regulations	Number	0
	Fines incurred by the Company for violations of environment-related laws and regulations	RMB	0
	Number of environment-related lawsuits resulting from violations of environment-related regulations	Number	0
Addressing Climate Change	Total Greenhouse Gas Emissions	Tons of carbon dioxide equivalent	195,377.63
	Scope 1	Tons of carbon dioxide equivalent	31,904.75
	Scope 2	Tons of carbon dioxide equivalent	163,472.88
	Operational Scope (S1+S2) Greenhouse Gas Emission Intensity	Tons of carbon dioxide equivalent	10.64
Energy Management	Total Energy Consumption	Tons of standard coal	39,007.80
	Total Direct Energy Consumption	Tons of standard coal	1,682.65
	Total Indirect Energy Consumption	Tons of standard coal	36,056.11
	Energy Use Intensity	tce / Million Output Value	2.06
	Natural Gas	m ³	719,521.00
	Diesel	Liter	205,316.60
	Gasoline	Liter	25,585.14
	Total Electricity Consumption	kWh	311,883,366.70
	Purchased Electricity	kWh	290,612,060.10
	Self-generated and consumed photovoltaic power	kWh	21,271,306.60
Purchased Green Electricity	kWh	21,000,000.00	

Material Topic	Indicators	Unit	2024
Water Resource Management	Total Water Consumption	m ³	1,627,278.00
	Water Use Intensity	m ³ / Million Output Value	88.63
Circular Economy and Resource Utilization	Total Packaging Materials	Ton	258,813.36
	Paper Cartons	Ton	57,451.00
	Plastic Foam (EPS)	Ton	19,805.17
	Plastics	Ton	0.00
	Renewable Packaging Materials	Ton	0.00
	Manuals	Ton	0.00
Pollution and Waste Management	Total Wastewater Discharge	Ton	301,919.00
	Sulfur Dioxide (SO ₂) Emissions	Ton	0.07
	Nitrogen Oxides (NO _x) Emissions	Ton	0.29
	Particulate Matter (PM) Emissions	Ton	0.68
	VOC	Ton	17.18
	Total Hazardous Waste Generated	Ton	165.91
	Total Non-hazardous Waste Generated	Ton	15,412.02
	Waste Paper Cartons	Ton	4,270.57
	Waste Plastics	Ton	1,102.23
	Waste Plastic Foam (EPS)	Ton	327.09
Environmental Culture	Number of employee training sessions on environmental protection	Sessions	15.00
	Number of employees' participation in environment protection training	Attendances	11,039
Protection of Employee Rights and Interests	Labor contract signing rate	%	100%
	Social insurance coverage rate	%	100%
	Employee satisfaction rate	%	100%
	Number of trade union members	Person	11,335

Material Topic	Indicators	Unit	2024
Workforce Composition	Number of employee turnovers (annual)	Person	8,986
	Number of new hires (annual)	Person	10,884
	Total number of employees	Person	14,923
	By Gender		
	Number of male employees	Person	10,508
	Number of female employees	Person	4,415
	By Age Group		
	Number of employees aged under 30	Person	7,796
	Number of employees aged 30 to 50	Person	6,389
	Number of employees aged above 50	Person	738
	By Educational Level		
	Master's degree or above	Person	153
	Bachelor's degree	Person	1,656
	College degree or below	Person	13,114
	By Employee Category (Rank)		
	Number of senior management	Person	29
	Senior management - Male	Person	27
	Senior management - Female	Person	2
	Number of middle management	Person	175
	Middle management - Male	Person	137
	Middle management - Female	Person	38
	Number of junior management	Person	293
	Junior management - Male	Person	248
Junior management - Female	Person	44	
Management - Aged under 30	Person	56	
Management - Aged 30 to 50	Person	398	
Management - Aged above 50	Person	42	
Diversity and Equal Opportunity	Number of employees from ethnic minorities	Person	2,385
	Number of employees with disabilities	Person	259

Material Topic	Indicators	Unit	2024	
Human Capital Development	Total sessions of employee training (annual)	Sessions	3,440	
	Investment in employee training (annual)	10,000 RMB	280	
	Total employee training attendances	Attendances	330,231	
	Training attendances - Male	Attendances	222,902	
	Training attendances - Female	Attendances	107,329	
	Training attendances - Senior management	Attendances	3,408	
	Training attendances - Middle management	Attendances	12,750	
	Training attendances - Junior employees / Non-management	Attendances	314,073	
	Total employee training hours	Hour	174,321	
	Training hours - Male	Hour	123,166	
	Training hours - Female	Hour	51,155	
	Training hours - Senior management	Hour	7,068	
	Training hours - Middle management	Hour	22,830	
	Training hours - Junior employees / Non-management	Hour	144,423	
	Total employees receiving regular performance and career development reviews	Person	2,995	
	Male employees receiving reviews	Person	2,123	
	Female employees receiving reviews	Person	872	
	Senior management receiving reviews	Person	19	
	Middle management receiving reviews	Person	141	
	Junior employees / Non-management receiving reviews	Person	2,835	
	Occupational Health and Safety	Expenses for safe production	10,000 RMB	690.36
		Number of major safety accidents	Number	0
		Number of safety inspections / risk assessments	Number	398
Number of work-related deaths		Person	0	
Number of work-related injuries		Number	65	
Total number of days lost due to work-related injuries		Day	1,569	
Number of employees' occupational diseases		Number / Cases	0	
Employee physical examination coverage rate		%	2	
Number of occupational health and safety training sessions conducted		Sessions	864	
Number of persons covered by occupational health and safety training		Attendances	69,266	
Total hours of occupational health and safety training	Hour	383,896		

Material Topic	Indicators	Unit	2024
Supply Chain Management	Total number of suppliers	Number	758
	Number of suppliers in Chinese mainland	Number	753
	Number of suppliers in Hong Kong, Macao, and Taiwan regions	Number	2
	Number of suppliers in other regions (overseas)	Number	3
	Supplier integrity agreement signing rate	%	100%
R&D and Innovation	Annual number of patents granted	Number	373
	Cumulative number of patents granted	Number	2,167
	Number of innovative study programs/projects	Number	60
	Total number of R&D and technical employees	Person	1,074
	R&D investment	10,000 RMB	64,266
	Number of participation in industry standards development	Number	18
Product Quality and Safety	Percentage of significant products and service categories assessed for health and safety impacts for improvement	%	0
	Percentage of sold or shipped products recalled due to safety and health reasons	%	0
	Number of incidents of non-compliance concerning the health and safety of products and services	Incidents	0
	Monetary value related to damages from major liability accidents concerning product/service safety and quality	10,000 RMB	0
Customer Service	Number of customer complaints	Number	179
	Number of customer service training sessions	Sessions	74
	Customer service training attendances	Attendances	2,031
Party Building Leadership	Number of Party members	Person	203
	Number of new Party members	Person	21
	Number of party building activities	Activities	43
Community Development	Total monetary donations for social welfare	10,000 RMB	200
	Number of public welfare activities	Activities	10
	Number of employee volunteer activities	Activities	34
	Number of employee volunteers (attendances)	Attendances	270
	Volunteer hours contributed by employees	Hour	303

Material Topic	Indicators	Unit	2024
Compliance and Risk Management	Number of significant fines and non-monetary sanctions for non-compliance with laws and regulations	Number	0
	Monetary value of significant fines for non-compliance with laws and regulations	RMB	0
Anti-corruption and Business Ethics	Number of confirmed incidents of corruption	Incidents	0
	Number of employees disciplined or dismissed due to corruption	Incidents	0
	Number of contracts with business partners terminated or not renewed due to corruption	Incidents	0
	Number of anti-corruption training sessions	Sessions	2
	Anti-corruption training attendances	Attendances	620
	Number of legal actions pending or completed regarding anti-competitive behavior and violations of anti-trust and monopoly legislation	Legal Actions	0
	Number of anti-monopoly and fair competition training sessions	Sessions	1
	Anti-monopoly and fair competition training attendances	Attendances	10
Corporate Governance	Total number of Directors on the Board	Member	7
	Number of female Directors	Member	3
	Number of Executive Directors	Member	0
	Number of Non-executive Directors (NEDs)	Member	7
	Number of Independent Non-executive Directors (INEDs)	Member	3
	Number of Board of Directors meetings held	Meetings	9
	Number of Remuneration Committee meetings held	Meetings	1
Number of Nomination Committee meetings held	Meetings	4	
	Number of shareholder meetings held	Meetings	6

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