

2025

**Guangdong TCL Smart Home Appliances Co.,Ltd.
Environmental, Social and Governance Report**



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About the Report

Reporting Period

This is an annual report covering the period from January 1, 2025 to December 31, 2025 (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 Statement

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 No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation) (hereinafter referred to as the "Guidelines"). Additionally, this report draws upon the following:

- ※ The Sustainability Reporting Standards (2021) published by the Global Sustainability Standards Board (GSSB) (hereinafter referred to as the "GRI Standards")
- ※ The UN Sustainable Development Goals (SDGs)
- ※ The Ten Principles of the UN Global Compact (UNGC)
- ※ International Sustainability Standards Board (ISSB) IFRS Sustainability Disclosure Standard 1 - General Requirements for Disclosure of Sustainability-related Financial Information and IFRS Sustainability Disclosure Standards 2 - Climate Related Disclosures

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

None

Message from the Board of Directors

Against the backdrop of a new wave of technological revolution and industrial transformation, artificial intelligence, the Internet of Things, and intelligent manufacturing are profoundly reshaping the global home appliance industry landscape. TCL Smart Home has aligned with these trends, taking technological innovation as the core driving force and continuously advancing its global strategy, with the ambition to become a leading global smart home appliance company.

In 2025, TCL Smart Home further deepened its ESG governance practices and promote the development of a sustainable framework characterized by green and low-carbon operations, shared value creation, and refined governance. We firmly believe that the Company's long-term development relies not only on technological innovation to strengthen its global competitiveness, but also on fulfilling corporate responsibilities in response to evolving societal expectations.

Anchored In "Dual Carbon" Goals, Committed to Building a Green Ecosystem Across the Entire Value Chain. We continue to enhance climate governance by establishing a Company-led and subsidiary-coordinated climate risk management mechanism, systematically advancing carbon emissions management and energy conservation initiatives. On the production side, we are accelerating the adoption of clean energy. Hefei Home Appliances is advancing photovoltaic and energy storage projects, three of our factories have been consecutively recognized as "National Green Factories," and Homa Appliances' photovoltaic project has achieved annual power generation exceeding 10.8 million kWh. On the operational side, we have strengthened pollution prevention and resource recycling, with Hefei Home Appliances increasing its industrial water reuse rate to 85.3%, promoting the coordinated development of operations and environmental protection. We also collaborate closely with suppliers to advance green supply chain development and support low-carbon transformation across the value chain.

Driving Intelligent Industrial Transformation, Breakthrough in Core Technologies. The Company has further increased R&D investment and strengthened its innovation system. The Phase I laboratory of the Hefei Home Appliances Washing Machine R&D Center has been officially launched, while Homa Appliances has built an integrated innovation system based on a national-level industrial design center and CNAS-accredited laboratories. During the year, we participated in the formulation of multiple national and industry standards,

with a continued increase in authorized patents, and achieved technological advancements in key areas such as health preservation, intelligent laundry solutions, and energy efficiency. Meanwhile, we have integrated artificial intelligence technologies into product manufacturing and quality inspection processes, continuously enhancing product quality and promoting the premiumization and intelligent upgrade of our products.

Fostering A Robust Talent Development Ecosystem, Demonstrating Corporate Responsibility. Upholding a people-oriented philosophy, we continue to improve employee rights and benefits protection systems, establish dual career development pathways for management and technical professionals, implement multi-dimensional talent development programs, and provide comprehensive skills and safety training for all employees. These efforts aim to create a diverse, inclusive, and empowering workplace environment. At the same time, the Company actively fulfills its social responsibilities by regularly organizing employee volunteer activities and community engagement initiatives.

Optimizing Governance Structure, Strengthening the Foundation for Sustainable Development. Our ESG management has been integrated into the Company's decision-making framework, supported by continuously improved governmental systems and rules of procedure. In risk management, we rely on the "Three Lines of Defense" model to enhance compliance, data security, and business ethics. For investors, we conducted diverse investor communication activities throughout the year to ensure timely and accurate information disclosure. Through transparent and standardized governance practices, we have strengthened market trust and laid a solid foundation for our global expansion.

Looking ahead, TCL Smart Home will continue to deepen its global strategy, steadily expand into overseas markets, and further enhance product competitiveness, brand influence, and sustainability capabilities. We will also actively respond to the "AI+" initiative, positioning intelligent manufacturing as the primary application scenario to transform advanced technologies into real productivity. By maintaining ESG as the foundation of our development, we will continue to advance global expansion and enhance long-term value creation through green transformation, technological innovation, and sustainable growth.

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, 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, with its main products covering refrigerators (including freezers) and washing machines. In 2025, the Company achieved its 17th consecutive year as China's No. 1 in refrigerator export volume and its 18th consecutive year as China's No. 1 in refrigerator exports to Europe. TCL refrigerators and washing machines have also been featured for nine consecutive years on CCTV's National Brand program, establishing themselves as benchmarks for high-quality development among Chinese home appliance brands.

Strategic Vision

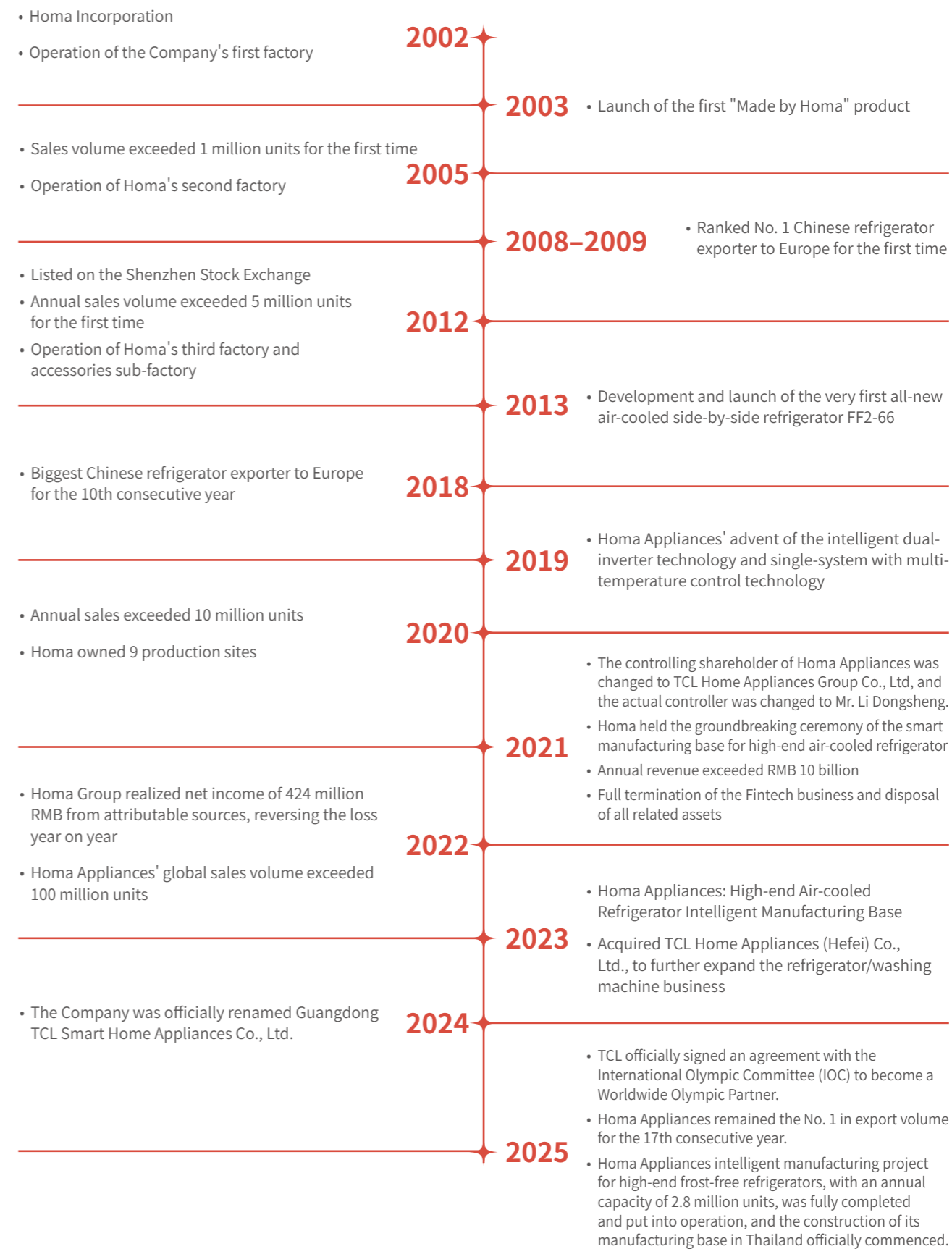
Looking ahead, TCL Smart Home is committed to becoming a globally leading smart home appliance enterprise. It will steadfastly advance its globalization strategy, with AI-powered smart appliances as the core development direction. Through continuous technological innovation, the Company aims to achieve full interconnectivity, coordinated operation, and self-learning optimization across its product ecosystem. By delivering forward-looking technological experiences and promoting smart, healthy living, the Company strives to drive further advancement of the industry through innovation.

Hefei Home Appliances will steadfastly cultivate an organizational core defined by "technology-driven growth and vitality-first." It will establish a strategic pathway centered on "brand-leading value, global efficiency operation, and a focused breakthrough in the mid-to-high-end market." The Company will consistently pursue excellence in product quality and outstanding performance experience, while rapidly building and enhancing core capabilities. With a precise focus on key regions and segmented markets, it aims to advance with agility into the industry's leading tier.

Homa Appliances will unwaveringly uphold its distinctive strategic positioning as a "globally specialized ODM supplier of refrigerators." It will focus on the refrigerator and freezer business, adhere to a globalized operating model, and continue to deepen its expertise in frost-free cooling technology. By fully advancing the in-depth application of intelligent manufacturing, the Company is committed to delivering refrigerator and freezer products to global customers that combine top-tier quality with exceptional cost performance, driven by a philosophy of ultimate professionalism.



Milestones



ESG Management

ESG Governance

TCL Smart Home is comprehensively advancing the development of its ESG management system. During the reporting period, the Company enhanced the functions of the Board Strategy Committee by renaming it the "Strategy and Sustainability Committee" under the Board of Directors. Correspondingly, the Company formulated the Working Rules of the Board Strategy and Sustainability Committee, formally incorporating ESG matters into the unified management of the Company's highest governance level. The Committee is responsible for reviewing ESG-related strategic plans and providing guidance on the implementation, recognizing and managing ESG-related risks as well as supervision of such initiatives across its subsidiaries. At the same time, ESG rating targets have been included as one of the key performance indicators in the annual evaluation of senior executives, and are directly linked to their annual performance bonuses. This mechanism is designed to strengthen management accountability and drive concrete actions in the field of sustainable development.

On this basis, Hefei Home Appliances, as a core member, has joined the TCL Industries ESG Committee and serves as an industry representative in the Committee Office. It is specifically responsible for ESG strategic planning, information disclosure, and implementation within the Hefei Home Appliances segment. Meanwhile, Homa Appliances has established its own ESG Committee, dedicated to advancing and overseeing the implementation of the Company's ESG-related policies and management requirements.

ESG Awards and Honors

**The 3rd Guoxin Cup
"ESG Rising Star Golden Bull Award"**

China Securities Journal

Ju Dong Mi "Top 100 ESG Companies"

Board Secretaries Institute

**The 8th China Excellence IR
"Best ESG Rising Star Award"**

Cross-Border Roadshow Platform for Listed Companies



Stakeholder Engagement

TCL Smart Home, based on industry characteristics and operational realities, has identified six key stakeholder groups: government and regulatory authorities, shareholders and investors, customers, suppliers and partners, employees, as well as the community and environment. The Company has established diversified and regular communication mechanisms to systematically collect and respond to relevant opinions and feedback, continuously improving ESG management and promoting sustainable value for all stakeholders.

Key Stakeholders	Focused Topics	Communication Methods	TCL Smart Home Responses
 Government and Regulatory Authorities	<ul style="list-style-type: none"> Party leadership Compliant operation and risk management Product quality and safety Response to climate change Business ethics 	<ul style="list-style-type: none"> Government official website, announcement release Government visits and research Information platform disclosure Periodic reports 	<ul style="list-style-type: none"> Uphold party leadership in company development and actively fulfill social responsibilities Operate legally and with integrity, responding to national policies Improve the product quality management system Promote energy conservation and emission reduction, and develop green products Create employment opportunities
 Shareholders and Investors	<ul style="list-style-type: none"> R&D and innovation Corporate governance Compliant operation and risk management ESG governance 	<ul style="list-style-type: none"> Shareholders' meetings On-site reception Telephone, Shenzhen Stock Exchange "Interactive Easy", email, etc. Investor performance briefing 	<ul style="list-style-type: none"> Optimize governance structure Standardize company management and establish investor communication channels Establish effective communication mechanisms Improve risk management and performance evaluation systems
 Customers	<ul style="list-style-type: none"> R&D and innovation Product quality and safety Information security and privacy protection Customer service 	<ul style="list-style-type: none"> Online customer service Email Official website Official WeChat account 	<ul style="list-style-type: none"> Strengthen technological innovation Develop energy-efficient and innovative products Enhance product quality and provide excellent service Strengthen customer privacy protection Conduct customer satisfaction surveys and need assessments to continuously improve customer service
 Suppliers and Partners	<ul style="list-style-type: none"> Compliant operation and risk management Supply chain management Business ethics 	<ul style="list-style-type: none"> Industry exchange meetings Routine management on suppliers Supplier trainings 	<ul style="list-style-type: none"> Standardize procurement processes Strengthen supplier evaluation and auditing Promote the healthy development of the industry
 Employees	<ul style="list-style-type: none"> Employee rights protection Employee training and development Occupational health and safety 	<ul style="list-style-type: none"> Employee training courses Employee congresses Morning briefings, regular meetings Employee feedback mailbox 	<ul style="list-style-type: none"> Safeguard employees' basic rights Respect the diversity of the workplace Ensure employee occupational safety and health Build smooth career development pathways Improve employee benefits and care
 Community and Environment	<ul style="list-style-type: none"> Community development Response to climate change Environmental compliance management Energy and resource management Pollution and waste management 	<ul style="list-style-type: none"> Public benefit activities Industry development activities University and community activities 	<ul style="list-style-type: none"> Support social welfare initiatives Carry out volunteer activities Strengthen management of wastewater, waste gas, and solid waste Develop green production Promote energy conservation and emission reduction, and develop green products

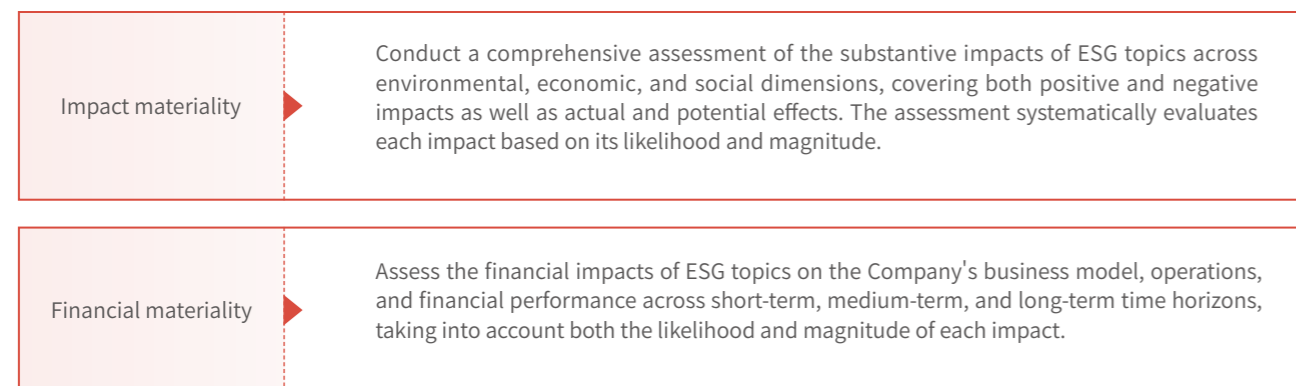
Double Materiality Assessment

To systematically identify, fully understand, and respond to stakeholders' concerns regarding the Company's sustainable development practices, TCL Smart Home conducts ESG topic identification and double materiality assessments. During the assessment process, we refer to the latest international disclosure standards, including GRI 3: Material Topics and IFRS Sustainability Disclosure Standard 1 – General Requirements for Disclosure of Sustainability-related Financial Information (IFRS S1), continuously improving our evaluation methods. In line with the Guidelines' criteria for assessing impact materiality and financial materiality, we carry out double materiality assessments on the high relevant topics to the Company.

Steps	Key Procedures
Analyze the Company's activities and context of business	Systematically review domestic and international sustainable development policies and standards. By integrating the Company's strategic positioning, core business, and value chain structure, analyzing industry development trends and competitive landscape to clarify the Company's sustainable development context, identify key topics, and determine important stakeholder groups.
Establish a list of ESG topics	Based on a thorough understanding of the Company's operations and informed by stakeholder engagement outcomes, potential ESG topics were comprehensively identified and preliminarily screened. These topics were further analyzed across different time horizons to assess their actual and potential impacts, risks, and opportunities.
Assess and confirm topic materiality	Through internal interviews, expert evaluations, and other diversified approaches, systematically assess and rank each topic's impact materiality and financial materiality, considering the Company's development strategy, industry trends, and policy context, resulting in a double materiality matrix.
Topic reporting	After review and approval by the Board of Directors, determine the high-priority topics for the year and provide focused disclosure and responses in the report.

During the reporting period, the Company identified a total of 17 ESG-related topics, including 4 environmental topics, 8 social topics, and 5 governance topics. In addition to the topics recommended by the Guidelines, the list also includes other customized topics identified by the Company based on policy trends, industry context, business model, and capital market ratings.

For the identified topics, the Company conducts multidimensional and comprehensive risk and opportunity assessments, covering impacts from its own operations to those across the value chain. This includes evaluating both the impact materiality and financial materiality of each topic, and the results are used to construct a double materiality matrix.



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).



UN SDGs Roadmap

SDGs	Goals	TCL Smart Home Initiatives
	No poverty End poverty in all its forms everywhere	Mobilize corporate resources to support community development and contribute to the implementation of the rural vitalization strategy; provide financial assistance to employees in need to improve their well-beings.
	Good health & wellbeing Ensure healthy lives and promote wellbeing for all	Promote a healthy lifestyle by regularly organizing medical check-ups, health education training, and healthcare awareness activities, helping employees develop good work and health habits.
	Quality Education Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	Emphasize talent development by formulating differentiated training programs aligned with the Company's development, and encourage continuous learning through diversified development initiatives to comprehensively enhance employees' overall capabilities.
	Gender Equality Achieve gender equality and empower all women and girls	Firmly oppose workplace discrimination, harassment, coercion, threats, and violence, while fully considering the needs of female employees to foster a fair and inclusive workplace culture; ensure equal pay for equal work regardless of gender, and provide employees with an open, fair, and equitable promotion platform.
	Clean water and sanitation Ensure availability and sustainable management of water and sanitation for all	Apply water risk assessment tools to identify risks and implement tiered management and control, advance water-saving technological upgrades and compliant discharge management, strengthen community communication and information disclosure to continuously improve water-use efficiency and watershed sustainability.
	Affordable & clean energy Ensure access to affordable, reliable, sustainable and modern energy for all	Continuously advance the transition to clean energy by implementing distributed photovoltaic and energy storage projects and procuring green electricity, further enhancing the sustainability of energy use.

SDGs	Goals	TCL Smart Home Initiatives
	Decent work & economic growth Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Build an equitable, safe, and inclusive working environment, create stable employment opportunities for the community, and actively promote the employment of persons with disabilities to ensure equal development opportunities for vulnerable groups.
	Industry, innovation & infrastructure Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	Deepen innovation in R&D by establishing a professional R&D framework, research institutes, and various testing units, while continuously increasing investment in funding and talent to drive product and industry upgrading through efficient and green technologies.
	Sustainable cities & communities Make cities and human settlements inclusive, safe, resilient and sustainable	Integrate green principles throughout the entire product lifecycle by adopting environmentally friendly materials, clean processes, and recyclable packaging to ensure full compliance with environmental standards. At the same time, promote waste reduction and resource utilization through technological innovation to minimize environmental impact.
	Climate action Take urgent action to combat climate change and its impacts	Actively advances climate change response by identifying climate-related risks and opportunities, introducing green design, building green factories, and promoting green production and green office practices, continuously reducing carbon emissions from operations and enhancing climate resilience.
	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	Continuously promote compliant operations, strictly prohibit corruption, and strive to build a transparent and fair management system. Through diversified channels for democratic communication, ensure that employees' voices are fully expressed and heard.

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 technology and efficient management practices, the Company actively reduces its carbon footprint and leads the industry in green transformation. 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.



ENVIRONMENT

Response to Climate Change

Governance

TCL Smart Home advances its climate change management efforts through its ESG management system. The Board of Directors serves as the highest supervisory body, overseeing the review of climate-related strategic plans and major initiatives. Under the guidance of the Strategy and Sustainability Committee, its subsidiaries—Hefei Home Appliances and Homa Appliances—have each established greenhouse gas task forces working groups, implemented carbon emissions management, energy conservation and emission reduction initiatives tailored to the Company’s operational contexts, while monitoring and tracking the progress of these efforts to ensure that climate management is aligned with the Company overall development strategy.

Strategy

TCL Smart Home is committed to green development. In line with TCL Industries’ climate strategy, the Company is systematically advancing its green transformation through initiatives such as green manufacturing, optimized energy management, carbon emissions control, product lifecycle management, and the promotion of a green corporate culture.

Based on Working Rules of the Board Strategy and Sustainability Committee , in accordance with the relevant requirements of the Guidelines and in alignment with International Financial Reporting Standard on Sustainability Disclosure No. 2—Climate-related Disclosures (IFRS S2) issued by the International Sustainability Standards Board (ISSB), TCL Smart Home regularly conducts climate risk identification and assessment across multiple dimensions—including the value chain, stakeholders, and production and business operations—taking into account the Company’s business structure and regional operational characteristics. The Company analyzes the potential scope of impact for different risk types to provide a basis for formulating subsequent management measures. The Company has assessed the potential impact of relevant climate risks on its business and financial performance under various climate scenarios, referencing scenario assumptions and pathways established by authoritative international climate research institutions.

Identification of Climate-related Risks and Opportunities

Physical Risks

Risk Types	Risk Description	Duration of Impact	Scope of Impact	Impacted Financial Metrics
Acute Risks	Flooding and heavy rainfall The frequency and intensity of extreme precipitation events may increase, thereby raising the risk of flooding and urban waterlogging. This could result in damage to facilities and equipment, moisture damage to inventory, disruptions to logistics and transportation, and temporary production stoppages, leading to asset impairment, delivery delays, and increased equipment maintenance costs.	Short-term	Upstream Value Chain Self-operation Downstream value chain	Fixed Assets Revenue Operating Costs
	Hurricane Increased uncertainty regarding typhoon intensity and extreme storm events in coastal regions may result in damage to building structures, power outages, and delays in logistics and transportation, disrupting the stability of production supply chains while also increasing expenses related to facility repairs and reinforcement.	Short-term	Upstream Value Chain Self-operation Downstream value chain	Fixed Assets Revenue Operating Costs
	Heatwave Hot weather can lead to increased cooling demands and higher electricity consumption in production facilities and can also affect employee productivity and equipment reliability. In extreme heat, companies are required to provide employees with heat allowances and heatstroke prevention measures. Under extreme high-temperature conditions, the workload on refrigeration products increases, which may affect equipment stability and lead to a rise in demand for after-sales repair and maintenance services; as a result, the Company needs to allocate additional resources for service and technical support.	Short-term	Self-operation Downstream value chain	Operating Costs
Chronic Risks	Sea-level Rise Sea-level rise may affect the safety of coastal assets and infrastructure, potentially increasing the costs of facility retrofitting and capital expenditures, and placing some pressure on the value of fixed assets and operating costs.	Long-term	Self-operation	Fixed Assets Operating Costs

Transitional Risks

Risk Types	Risk Description	Duration of Impact	Scope of Impact	Impacted Financial Metrics
Policy Risk	Climate-related Disclosure: Regulatory bodies and international standards are imposing more systematic requirements on listed companies regarding the identification and analysis of climate risks, as well as the transparency of carbon emissions data. Companies need to continuously improve their carbon accounting systems and internal control processes, while also increasing investments in compliance management and information systems.	Short-term, Mid-term	Self-operation	Operating Costs
	Trade Regulation: Some economies are tightening regulatory requirements related to product sustainability. For example, the Digital Product Passport (DPP) system is being gradually rolled out to key sectors such as electrical and electronic equipment. The implementation of these rules will raise the bar for companies in terms of compliance disclosures and may increase compliance costs in the export process, thereby having a certain impact on product pricing and profit margins.	Mid-term, Long-term	Upstream Value Chain Self-operation	Operating Costs Operating Revenue
Technical Risk	The demand for a green and low-carbon transition in the manufacturing sector is growing ever stronger, with energy efficiency standards, energy-saving regulations and the development of green manufacturing systems undergoing continuous improvement. As household appliances are major energy-consuming end-use devices, energy efficiency standards are likely to be raised further in the future, prompting the Company to increase its investment in technological research and development and product upgrades.	Mid-term, Long-term	Self-operation	Operating Costs
Reputational Risk	As the concept of sustainability continues to gain traction, stakeholders are paying increasing attention to companies’ climate performance. Inadequate climate risk management may adversely affect Company reputation and brand image, thereby impacting market sales.	Short-term	Self-operation Downstream value chain	Operating Revenue

Climate-related Opportunities

Opportunity Types	Opportunity Description	Duration of Impact	Scope of Impact	Impacted Financial Metrics	TCL Smart Home Initiatives
Market Opportunities	As the trend toward green consumption gains momentum, market demand for energy-efficient and low-carbon home appliances is gradually increasing, presenting potential market opportunities and market share for home appliance manufacturers.	Short-term, Mid-term	Self-operation	Operating Revenue	TCL Smart Home incorporates a full product lifecycle approach during the product research and development and design phases, taking environmental factors into full consideration and aligning with energy efficiency standards and green product requirements in various countries. Through green innovation in key components and core technologies, the Company enhances product durability and energy efficiency to better meet the trends of green consumption.
Technological Opportunities	Low-carbon technologies help improve product energy efficiency and drive green upgrades, while also optimizing production processes and enhancing energy efficiency, thereby reducing production costs.	Mid-term, Long-term	Self-operation	Operating Costs	TCL Smart Home is progressively integrating low-carbon technologies into its product development and manufacturing processes, thereby enhancing product energy efficiency and driving product portfolio upgrades. At the same time, by optimizing production processes and energy management, the Company is improving energy utilization efficiency and reducing unit production costs, thereby strengthening its market competitiveness against the backdrop of the green transition.

Climate Scenario Analysis

The Company has selected the "Reference Emissions Scenario" (SSP2-4.5) and the "High Emissions Scenario" (SSP5-8.5) from the socio-economic pathways published by the United Nations Intergovernmental Panel on Climate Change (IPCC) as the analytical basis for its physical risk assessment. It has conducted a preliminary assessment of the severity of risks by combining the likelihood of occurrence and the magnitude of impact across different time horizons. Regarding transition risks, the Company relies on the "Net-Zero Emissions (NZE)" scenario published by the International Energy Agency (IEA) to assess the impact on key segments of its value chain and to preliminarily evaluate the overall impact on the Group's operational performance across different time horizons.

Time Dimensions

Time Range	Explanation
2025-2030	This phase coincides with the critical window period for the country to reach peak carbon emissions by 2030 and the ongoing advancement of the green transition. Changes in climate policy and technological advancements may gradually impact product portfolios and export business strategies, requiring the Company to adapt to evolving trends in green consumption and regulatory requirements.
2031-2050	This phase aligns with the national carbon neutrality targets and global pathways for deep emissions reductions; trends towards the optimization of the energy mix and industrial upgrading are likely to continue to intensify, and the Company will face the need for structural adjustments and enhancement of its production and operational management.

Scenario Selection

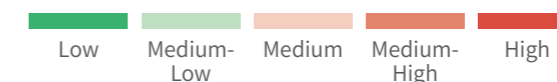
Climate Risks	Climate Scenarios	Scenario Description	Expected warming by the end of this century
Physical risks	SSP2-4.5	This scenario assumes that global socio-economic development follows historical trends, climate policy is implemented with moderate ambition, and greenhouse gas emissions peak in the medium term before gradually declining; it is used to simulate a climate change pathway characterised by steady progress in social, economic and technological development.	Approximately 2.7° C
	SSP5-8.5	This scenario assumes a path of rapid economic growth driven by fossil fuels, with a lack of effective climate mitigation measures, leading to a continued rise in greenhouse gas emissions; it is used to simulate climate change trajectories under extremely high emission conditions.	Approximately 4.4° C
Transition risks	Net-Zero Scenario (NZE)	This scenario outlines a challenging transition pathway aimed at achieving net-zero carbon dioxide emissions by 2050, in line with the goal of limiting the long-term rise in global average temperature to 1.5° C.	Approximately 1.5° C

Physical Risk Analysis

Risk Types	2030		2050	
	SSP2-4.5	SSP5-8.5	SSP2-4.5	SSP5-8.5
Flooding and heavy rainfall	Low	Medium	Low	High
Hurricane	Low	Medium	Medium	High
Heatwave	Low	High	Medium	High
Sea-level Rise	Low	Low	Low	Medium

Transitional Risks Analysis

Risk Types	2030				2050			
	Upstream supply chain	Manufacturing	Product Development	Product Sales	Upstream supply chain	Manufacturing	Product Development	Product Sales
Strengthened Disclosure Regulation on Climate Information	Medium	Medium	Low	Low	Medium	High	Low	Medium
Trade and Distribution Restrictions	Medium	Low	Low	High	High	Medium	Low	High
Green Transition Technology Investment	Low	Medium	High	Low	Low	High	High	Medium
Customer Trust	Low	Low	Low	Medium	Low	Medium	Medium	High



Climate Resilience and Responses

Risk Management	Relevant Measures
Acute Risks	<ul style="list-style-type: none"> Maintain constant vigilance regarding extreme weather warnings and issue alerts in good time; at the same time, draw up and implement contingency plans, and conduct regular emergency drills to ensure the safety of personnel during extreme weather conditions. Strengthen the protection of fixed assets, optimize equipment performance and ensure the stable operation of production facilities. Enhance the efficiency and responsiveness of after-sales and customer service to lay the groundwork for managing periods of peak demand.
Chronic Risks	<ul style="list-style-type: none"> Carry out regular risk identification and assessment, and refine flood prevention, drainage and infrastructure maintenance measures as appropriate to enhance the safety and resilience of asset operations. Integrate climate resilience considerations into project planning and investment decision-making processes to optimize asset allocation and construction standards.
Policy Risks	<ul style="list-style-type: none"> Build upon the existing ESG management system to continuously refine greenhouse gas emissions accounting and disclosure processes, gradually improve data collection and internal control standards, strengthen the development of relevant information systems and compliance management capabilities, and ensure that climate-related disclosures comply with regulatory requirements. Track developments in international carbon policies and trade regulations; strengthen capabilities in supply chain carbon data management and product carbon footprint assessment; collaborate with upstream supply chain partners to optimize raw material procurement structures; and simultaneously improve product energy efficiency, thereby enhancing the adaptability of export operations to low-carbon regulations.
Market Risks	<ul style="list-style-type: none"> Persistently advance investments in product energy efficiency upgrades, green technological innovation, energy-saving R&D and product portfolio optimization, whilst simultaneously driving energy-saving retrofits in production processes and enhancing energy management, thereby strengthening our capacity for technological iteration and cost control.
Reputational Risks	<ul style="list-style-type: none"> Enhance mechanisms for identifying and managing climate risks, focus on the development of green products, improve transparency in information disclosure and communication with stakeholders, and enhance the company's brand image and market recognition in the field of green development.

Opportunity Management	Relevant Measures
Market Opportunities	<ul style="list-style-type: none"> During the product research, development and design phase, we apply a full product lifecycle approach, taking full account of environmental factors and benchmarking against international energy efficiency standards and green product requirements. Through green innovation in key components and core technologies, we enhance product durability and energy efficiency to better align with green consumption trends.
Technological Opportunities	<ul style="list-style-type: none"> During the product development and manufacturing processes, we will progressively implement low-carbon technologies to enhance product energy efficiency and drive product structure upgrades. At the same time, by optimizing production processes and energy management, we will improve energy utilization efficiency and reduce unit production costs, thereby strengthening the Company's market competitiveness in the context of the green transition.

Impact, Risk and Opportunity Management



TCL Smart Home has integrated climate risk management into its overall enterprise risk management system. Centered on strategic planning and operational activities, the Company systematically identifies, assesses, and responds to both physical and transition risks. Through scenario analysis, it evaluates potential financial impacts, formulates targeted action plans, and establishes a normalized monitoring mechanism to continuously enhance its climate governance capabilities and operational resilience.

- Integrate climate risks into the overall risk management system in line with the Company's strategy and operating characteristics. Systematically identify physical risks and transition risks from the dimensions of business model, value chain and stakeholders.
- Assess the potential financial impacts of climate risks and opportunities on various business segments through qualitative, quantitative and scenario analyses, and identify key risk areas.
- Develop targeted climate action plans based on assessment results, optimize management measures, and enhance the Company's adaptability and resilience under different climate scenarios.
- Establish a regular monitoring mechanism. The Board of Directors regularly reviews climate risk management progress and implementation effectiveness, and continuously improves the climate governance system.

Indicators and Targets

TCL Smart Home actively responds to the net-zero strategy deployment of TCL Industrial and continuously advances the management of greenhouse gas emissions. During the reporting period, the Company conducted a systematic inventory of greenhouse gas emissions within its operational boundaries in accordance with ISO14064-1:2018 and the Greenhouse Gas Protocol (GHG Protocol). Among its subsidiaries, Hefei Home Appliances completed the inventory and verification of Scope 3 emissions and obtained ISO 14064 Greenhouse Gas Inventories and Verification. During the reporting period, the total greenhouse gas emissions of TCL Smart Home amounted to 156,400.60 tons of carbon dioxide equivalent, with an emission intensity of 8.44 tons of carbon dioxide equivalent per million revenue.

Indicators	Unit	2025
Total Greenhouse Gas Emissions	tons of CO ₂ e	156,400.60
Direct Emissions (Scope 1)	tons of CO ₂ e	14,424.98
Indirect Emissions (Scope 2)	tons of CO ₂ e	141,975.62
Greenhouse Gas Emissions per Unit of Revenue	tons of CO ₂ e / million revenue	8.44

Environmental Compliance Management

Governance

TCL Smart Home coordinates its subsidiaries to jointly establish an environmental management system involving multi-department collaboration. Hefei Home Appliances has established an Environmental Safety Committee and is jointly responsible with the Human Resources Development Department for monitoring and evaluating key environmental management performance. Homa Appliances has established an environmental management framework led by the Safety Production Committee, involving collaborative participation from various relevant departments, forming an environmental management system with clear division of labor and implemented responsibilities to ensure effective implementation of environmental management measures.

Strategy

TCL Smart Home adheres to the development philosophy of efficiency, low carbon, and sustainability, fully integrating environmental protection into all aspects of its operations. It is committed to building and continuously improving its environmental management system to facilitate harmonious coexistence between production and the environment. Homa Appliances adopts the principle of "making continuous improvement in an environmentally-friendly and law-abiding way" as its environmental protection philosophy and strategy, and integrates it into its daily operations to ensure the implementation and continuous improvement of environmental protection goals.


Impact	Time range of impact	Stakeholders affected	Main types of risks and opportunities	Affected financial indicators
By implementing systematic environmental management and compliant operations, we aim to reduce the potential adverse impacts of production activities on the environment and maintain the quality of the regional ecological environment.	Short-term, medium-term	Self-operation	<p>Risks: No major risks have been identified for this topic.</p> <p>Opportunities: By implementing environmental compliance management, enterprises can reduce the risks of penalties, production halts, or lawsuits due to non-compliance, which is conducive to ensuring operational continuity.</p>	Operating cost

Impact, Risk, and Opportunity Management

Environmental Compliance

TCL Smart Home strictly adheres to the Environmental Protection Law of the People's Republic of China and other relevant national and overseas operating regulations, continuously improving the construction of its environmental management system and enhancing its environmental management level. The production departments of Hefei Home Appliances have taken the lead in formulating internal management systems such as the Control Procedures for Identification and Assessment of Environmental Factors and the Control Procedures for Operation of Environmental Management System, to standardize the identification, assessment, and operational control of environmental factors. During the reporting period, both Hefei Home Appliances and Homa Appliances, subsidiaries of TCL Smart Home, have obtained ISO 14001 environmental management system certification.

Homa Appliances organizes annual internal audits of the environmental management system to systematically identify environmental risks and hazards, ensuring the safety and compliance of production operations. Based on the audit results, it sets improvement goals and optimization measures to continuously enhance the level of clean production management.



Hefei Home Appliances

Three of its factories have been awarded the title of "National Green Factory"

Emergency Management

TCL Smart Home formulates and implements environmental emergency response plans 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 periodically according to the plan content to ensure the effectiveness of the emergency response plan. At the same time, the Company establishes an emergency linkage mechanism with the local government to strengthen the prevention and emergency response capabilities of environmental risks, ensuring timely and effective response to emergencies.

Based on this, Hefei Home Appliances has formulated the Emergency Response and Preparedness Control Procedure, clarifying the emergency event management process. They regularly organize environmental accident emergency drills and establish relevant environmental accident emergency systems. Monthly, they organize personnel to conduct environmental risk and hazard investigations and remediation, aiming to enhance employees' awareness of environmental safety risk prevention and control and effectively avoid environmental risks. Furthermore, during the reporting period, Homa Appliances completed the revision of the Emergency Response Plan for Environmental Emergencies and updated the process framework of emergency response plan to ensure the timeliness of the emergency response plan.

Homa Appliances conducts emergency drills for chemical leakage

In June 2025, Homa Appliances conducted a chemical leakage drill, with relevant emergency response team members participating in the drill. By simulating a leakage scenario, the drill tested and improved the emergency response, coordination, and risk control abilities of the relevant personnel, strengthening the factory's ability to respond to sudden environmental incidents.



Emergency drills site for chemical leakage

Green Culture Development

TCL Smart Home actively promotes the construction of a green culture, enhancing the environmental awareness of all employees through systematic training and themed activities. Hefei Home Appliances, in accordance with its annual plan, organized multiple environmental protection knowledge and management trainings during the reporting period, and launched a promotional activity covering all employees on June 5, World Environment Day. Homa Appliances regularly conducts environmental management standard training for employees, covering key environmental areas such as environmental emergency response plans and pollutant and waste management processes, to standardize environmental operations and strengthen the building of environmental awareness.

Biodiversity Conservation

TCL Smart Home's production and business activities are primarily concentrated in planned industrial parks and existing construction land areas, without involving natural reserves, ecological red line areas, or sensitive areas with significant biodiversity value. The overall business activities have a relatively limited direct impact on ecosystems and biodiversity. During production operations and project construction, the Company strictly complies with relevant national and local laws and regulations on ecological and environmental protection, legally performs environmental impact assessments and related approval procedures, and reduces the potential impact of production activities on the surrounding ecological environment by implementing pollution prevention, resource conservation, and environmental risk control measures.

Indicators and Targets

Targets	Progress during the reporting period
<ul style="list-style-type: none"> Optimize environmental management mechanisms, improve risk identification and prevention control measures, and continuously reduce the impact of production and operation on the environment. Regularly organize environmental protection training to enhance employees' awareness of environmental protection. 	<ul style="list-style-type: none"> No major environmental accidents have occurred. No environmental lawsuits resulting from violations of environment-related regulations have occurred. No environmental penalties have been imposed. The total investment in environmental protection amounts to 3.62 million RMB.

Energy and Resource Management

Governance

TCL Smart Home has guided its subsidiaries, Hefei Home Appliances and Homa Appliances, to establish energy management systems respectively. Hefei Home Appliances has set up an energy management team and an executive team, with clear division of responsibilities and collaborative advancement, achieving comprehensive coverage of the energy management system in the production base. Homa Appliances has established an Energy Management Committee, led by the committee director and deputy director, with an energy office under its jurisdiction, guiding and supervising the implementation of energy management system and energy-saving technological transformation work by the energy management team members of the Equipment Department, department heads, and equipment section chiefs of each branch factory.

Strategy

TCL Smart Home is committed to reducing dependence on fossil fuels, adopting various energy management measures, actively promoting energy-saving technologies and equipment, and improving energy conversion and utilization efficiency through optimizing energy mix and usage patterns, technological innovation, and industrial upgrading, thereby contributing to sustainable development.

Impact	Time range of impact	Stakeholders affected	Main types of risks and opportunities	Affected financial indicators
Improve the efficiency of energy and resource utilization, effectively reduce dependence on and consumption intensity of non-renewable resources, and reduce the pressure on the environment.	Short-term, medium-term	Upstream value chain Self-operation	<p>Risks: If the efficiency of energy and resource utilization is not sufficiently improved, enterprises may face the risks of rising production costs and increased uncertainty in resource supply.</p> <p>Opportunities: By improving energy efficiency, optimizing resource allocation, and gradually introducing clean energy, enterprises can reduce unit costs and enhance the controllability of resource utilization.</p>	Operating cost

Impact, Risk, and Opportunity Management

Energy Management

Homa Appliances

Has developed a photovoltaic power generation project with a total installed capacity of approximately

9.88 MW

Annual power generation is approximately

10.8 Million kWh

Estimated annual cost savings of approximately

9.5 Million RMB

TCL Smart Home strictly adheres to relevant laws and regulations such as the Energy Conservation Law of the People's Republic of China, and continuously improves the group's energy management system. During the reporting period, Hefei Home Appliances obtained ISO 50001 energy management system certification.

Hefei Home Appliances actively promotes the construction of photovoltaic energy storage projects to reduce the impact of power curtailment during peak periods and ensure stable energy supply for production. Simultaneously, it improves energy utilization efficiency by applying measures such as waste heat recovery technology for refrigerator air compressors, continuously reducing energy consumption. Furthermore, Hefei Home Appliances gradually expands the scale of green electricity use, synergizing efforts from both energy mix optimization and energy efficiency improvement to drive a continuous decline in operational carbon emissions.

Homa Appliances has formulated the Energy Management Measures and Management Measures for Energy Consumption of Key Machines, clarifying energy management responsibilities and requirements for controlling energy consumption of key equipment, in order to achieve systematic control of energy consumption in production processes. To further strengthen the energy management responsibility mechanism, Homa Appliances has incorporated energy-saving goals into its performance evaluation system, implementing monthly statistics and quarterly assessments. At the same time, it promotes the application of energy-saving lighting temperature control equipment and clean production technologies, integrates carbon emission factors into product design, and builds an energy-saving system covering operations and products. During the reporting period, Homa Appliances constructed a photovoltaic power generation project with a total installed capacity of approximately 9.88 MW, generating an annual electricity output of approximately 10.8 million kWh, which is expected to save costs of approximately 9.5 million RMB.

TCL Smart Home

Self-consumption photovoltaic power generation 23,701,684kWh

Purchased green electricity 32,845,709.50 kWh

 **Homa Appliances builds a digital and intelligent energy management system**

During the reporting period, Homa Appliances introduced a smart energy management monitoring platform and a large screen for real-time display of energy consumption, replacing the traditional manual meter reading mode. This has enabled automated collection, information management, and visual monitoring of energy consumption data. This measure has effectively improved the level of precision in energy management and provided data support for continuous energy efficiency analysis and optimization.



Homa Appliances Energy Management System

Water Resources Management

TCL Smart Home attaches great importance to water resource protection, strictly complies with laws and regulations such as the Water Pollution Prevention and Control Law of the People's Republic of China, the Action Plan for Prevention and Control of Water Pollution, and the Integrated Wastewater Discharge Standard of the People's Republic of China, adheres to the principle of prioritizing water conservation, and enhances water use efficiency. In production and operation, the Company's water usage mainly includes laboratory testing, production testing, domestic use, and fire protection, and all water sources are municipal water supply; therefore, there is no issue regarding the sourcing of suitable water.

Hefei Home Appliances

Cumulative water saving

1.2 Million Tons

To strengthen water resource management, reduce the reliance of operational production on water resources, and protect regional aquatic ecosystems, Hefei Home Appliances systematically screens and manages topics related to water resources, comprehensively promotes water resource risk assessment and management, and is committed to improving water resource utilization efficiency through water resource recycling, aquatic ecosystem restoration in the factory area, and R&D and innovation of water-saving products. Homa Appliances has incorporated water consumption and water conservation indicators into its existing energy consumption assessment system, and has achieved refined control of water use efficiency through measures such as conducting water balance tests. During the reporting period, Hefei Home Appliances saved approximately 1.2 million tons of water.

Water resource management measures throughout the entire lifecycle of Hefei Home Appliances

Water resource risk assessment	<ul style="list-style-type: none"> Conduct risk assessment based on the Aqueduct Water Risk Atlas of the World Resources Institute (WRI) Conduct financial quantification of water resource-related impacts in accordance with the European Sustainability Reporting Standards (ESRS)
Water conservation at the source	<ul style="list-style-type: none"> Product innovation design: Promote the R&D of technology for low-water or water-free applications Intelligent management: Installing smart water meters and monitoring systems at production bases Rainwater recycling: Promote the use of rainwater collection for non-industrial purposes such as greening irrigation Water conservation advocacy: Launch internal water conservation awareness campaigns for employees
Recycling and reuse	<ul style="list-style-type: none"> Production wastewater treatment: Implement a water reuse system at the production base to avoid disposable water usage Product water circulation technology: Some high-end washing machines are equipped with water circulation modules, enabling the filtration and reuse of water from a single wash Supply chain collaboration: Require suppliers to provide supporting water resource recycling facilities and promote water conservation in the industrial chain
Water ecosystem restoration	<ul style="list-style-type: none"> Sewage management: The purification treatment of production wastewater shall be carried out to a standard higher than the local standard Ecological cooperation projects: Participate in public welfare wetland protection or river restoration projects, and improve regional water ecology through financial or technological investment Plastic reduction: Reduce the use of plastic in product packaging, prevent plastic particles from entering the ocean, and protect aquatic ecosystems
Production management and investment in water resource risk areas	<ul style="list-style-type: none"> Regionalized water conservation strategy: Prioritize the deployment of water recycling equipment in factories located in water-scarce areas Water resource risk assessment: Conduct special audits on production bases in high-water risk areas and formulate emergency response plans Carry out public welfare projects: Build water reservoirs for local communities, donate water-saving equipment, and enhance the resilience of surrounding water resources Technology R&D focus: Launch ultra-water-saving products for arid markets



Hefei Home Appliances conducts water resource risk identification and quantitative management practices

In 2025, Hefei Home Appliances established a "Identify-Assess-Respond" management mechanism centered around water resource topics, covering key aspects of production operations and supply chains. By combining regional water resource risk tools with operational data analysis, it identifies potential impacts brought by water resource pressure, extreme climate, and regulatory changes, and conducts cost and operational scenario assessments to provide a basis for management decisions.

Based on the identification results, Hefei Home Appliances implements hierarchical control over high-risk areas, incorporates major water risks into the priority treatment list, and coordinates the promotion of water conservation renovation, water use efficiency improvement, and supply chain collaborative management. Furthermore, through community communication and information disclosure mechanisms, it incorporates feedback from stakeholders into water conservation targets and improvement plans, continuously strengthens the resilience of water resource management, and forms a dynamically optimized closed-loop governance system.

A series of products from Hefei Home Appliances have obtained the "Grade 1 Water Efficiency" certification for China Water Efficiency Label and meet international water conservation standards

Recycling

TCL Smart Home actively complies with the Circular Economy Promotion Law of the People's Republic of China and the Regulations for the Administration of the Recovery and Disposal of Waste Electric and Electronic Products, and continuously promotes resource recycling in aspects such as product design, material selection, packaging management, and recycling systems, centered around the concept of circular economy.

Among them, Hefei Home Appliances conducts impact and risk assessments of recycling utilization, identifies action priorities, updates product design specifications, and formulates circular economy project plans. In practice, Hefei Home Appliances incorporates the maintainability, recyclability, and upgradeability of products into the design stage, enhancing product maintainability and service life through modular design. At the same time, the Company prioritizes the use of sustainable materials such as recyclable metals, recyclable plastics, and straw in material selection for products, reducing dependence on primary resources.

In the product usage and recycling process, TCL Smart Home promotes closed-loop resource management, leading Hefei Home Appliances and Homa Appliances to establish a used appliance recycling mechanism. They launch a trade-in service on their official website and major sales platforms, encouraging consumers to participate in product recycling and reuse. In terms of production operations and supply chain management, Hefei Home Appliances enhances the level of packaging recycling by reducing the use of cardboard boxes, promoting recyclable packaging utensils, and specialized tooling vehicles. Meanwhile, Homa Appliances has formulated the Supplier Packaging Recycling Management Measures to standardize the unified recycling and management of supplier packaging and tooling utensils, further improving the recycling rate of packaging materials.

Indicators and Targets

Targets	Progress during the reporting period
<ul style="list-style-type: none"> Organize and carry out energy-saving technological transformation activities and continuously improve energy and resource efficiency through technological upgrading and enhanced refined management. Continue to promote the optimization of the energy mix and increase the proportion of clean energy. Hefei Home Appliances has set a target for green electricity, which is expected to reach 43% in 2025, 53% in 2026, and 60% in 2027. 	<ul style="list-style-type: none"> The total comprehensive energy consumption is 40,532.35 tons of standard coal equivalent (tce), and the energy consumption intensity is 2.19 tce/million revenue. Clean energy consumption is 6,949.67 tons of standard coal equivalent (tce), accounting for 17% of total energy consumption.. The comprehensive indicators of water, electricity, and gas for Homa Appliances have decreased by 10% compared to 2024, and the set target for 2025 is a decrease of 2.5%.
<ul style="list-style-type: none"> Improve the resource management system and promote a series of measures to optimize water efficiency in production. 	<ul style="list-style-type: none"> Total water withdrawal is 1,840,843 m³, and water withdrawal intensity is 99.34 m³ /million revenue. Homa Appliances utilized 46,000,000 m³ of recycled water (grey water).
<ul style="list-style-type: none"> Carry out recycling and reduce the one-time use and consumption of resources. 	<ul style="list-style-type: none"> Continuously promote the substitution of renewable materials, strengthen the recycling and reuse of old products, and improve resource utilization.

Pollution and Waste Management

Governance

TCL Smart Home leads its subsidiaries to continuously improve their management systems to implement pollutant control and reduce environmental risks. Hefei Home Appliances has established an environmental protection management team, with the general manager serving as the team leader, and subordinate a deputy team leader and an executive team leader. Special personnel are assigned to manage each department to ensure pollution and waste emissions meet standards.

Strategy

Adhering to the concept of green production, TCL Smart Home has incorporated pollutant and waste management into its corporate environmental governance system. Focusing on key environmental factors such as exhaust gas, wastewater, solid waste, and noise, it has established a systematic management mechanism and continuously optimized control measures to drive continuous improvement in environmental performance.

Impact	Time range of impact	Stakeholders affected	Main types of risks and opportunities	Affected financial indicators
Strengthen the control of pollutants and standardized management of waste to reduce the impact of production and business activities on the surrounding environment, while promoting resource recycling and reuse.	Short-term	Self-operation	<p>Risks: Enterprises may face risks such as increased penalties, rectification, or disposal costs. Additionally, the lack of effective management of hazardous waste emissions at the source may lead to higher treatment costs.</p> <p>Opportunities: No major opportunities were identified for this topic.</p>	Compliance cost Operating cost

Impact, Risk, and Opportunity Management

Air Pollution Management

TCL Smart Home strictly adheres to the Environmental Protection Law of the People's Republic of China, the Atmospheric Pollution Prevention and Control Law of the People's Republic of China, the Cleaner Production Promotion Law of the People's Republic of China, as well as national and local laws and regulations such as the Emission Standard of Air Pollutants for Industrial Kiln and Furnace, the Emission Standard of Pollutants for Synthetic Resin Industry, and the Emission Standard for Odor Pollutants. It has established a comprehensive waste gas emission management mechanism, which ensures appropriate treatment of major air pollutants through source prevention and control, process control, and end-of-pipe treatment, while continuously improving monitoring and reporting processes.

TCL Smart Home implements strict control and management of pollutants such as nitrogen oxides, sulfur dioxide, particulate matter, and volatile organic compounds (VOCs) in exhaust gas, ensuring that all emission indicators fully meet the environmental protection standards of the country and the region where it operates, achieving 100% emission compliance of atmospheric pollutants.

Hefei Home Appliances strictly complies with local environmental 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, and has developed more stringent internal emission standards based on these requirements. Corresponding internal systems have also been established to ensure that all production activities meet pollutant emission standards. During the reporting period, Hefei Home Appliances continued to advance air pollution prevention and control by introducing low-pollution processes such as laser engraving to reduce the generation of volatile pollutants. In addition, it upgraded and renovated its exhaust gas treatment facilities to further reduce pollutant emission concentrations. Through a combination of technological R&D, process improvements, and raw material substitution, Hefei Home Appliances has continuously enhanced its air and water pollution control capabilities, driving steady improvements in its emission performance.

Homa Appliances strictly adheres to regulatory requirements such as the Emission Limits of Air Pollutants of Guangdong Province, and has established internal systems like the Wastewater and Waste Gas Management Measures to systematically standardize waste gas management and risk prevention. Additionally, Homa Appliances formulates annual waste gas monitoring plans, commissions third-party inspections, and generates reports. Based on these, each factory clarifies emission points and impact areas, supporting refined control of air pollutants.

Wastewater Management

Hefei Home Appliances

Increased water reuse rate by

85.3%

Decreased total COD emissions from wastewater by

18% YoY

TCL Smart Home strictly adheres to regulations such as the Water Pollution Prevention and Control Law of the People's Republic of China, the Action Plan for Prevention and Control of Water Pollution, and the Integrated Wastewater Discharge Standard of the People's Republic of China. In the process of wastewater management, TCL Smart Home conducts standardized disposal, monitoring, and reporting of major wastewater pollutant indicators such as Chemical Oxygen Demand (COD), Biochemical Oxygen Demand, ammonia nitrogen, petroleum compounds, total nitrogen, and suspended solids.

Hefei Home Appliances has formulated the Wastewater Management System in accordance with the Hefei Water Environment Protection Regulations, implemented a three-tier management mechanism, and established a digital monitoring platform. It regularly conducts environmental monitoring and information disclosure, and continuously improves its environmental protection system and management structure. Referring to the ISO 14001 environmental management system and international industry standards, Hefei Home Appliances implements internal control requirements for core sewage control indicators that are stricter than national first-level standards, and entrusts professional third parties to carry out advanced treatment to ensure stable and compliant emissions. At the same time, it implements graded management in the factory area, conducts assessments of the water environment carrying capacity of river basins, enforces stricter emission controls in key areas such as water sources and ecological protection zones, and systematically reduces the impact of sewage discharge on the environment.

Wastewater treatment measures for Hefei Home Appliances

Source control	<ul style="list-style-type: none"> Implement green production process transformation to reduce pollutant generation Promote environmentally friendly materials such as phosphorus-free cleaning agents and water-based paints Establish a material balance ledger to track the flow of pollutants
Process management	<ul style="list-style-type: none"> Collection by zones and treatment based on quality: Classify and treat production wastewater according to its pollution level Online monitoring of key process points: Install real-time monitoring equipment in processes such as electroplating and spray painting Automated dosing system: Intelligently adjusting treatment parameters based on water quality monitoring data
End-of-pipe treatment	<ul style="list-style-type: none"> "Pre-treatment + Biochemical treatment + Advanced treatment" three-stage treatment process MBR membrane bioreactor, advanced oxidation and other advanced technologies are applied in water reuse system Part of the treated water is recycled for plant greening, flushing, and other activities in the factory area
Emergency management	<ul style="list-style-type: none"> Construct an emergency pool with a capacity equal to or greater than the 24-hour emission volume Regularly carry out emergency drills for leakage, excessive emissions, etc. he redundant design of key equipment ensures the continuous operation of the processing system

Homa Appliances has established a comprehensive wastewater management system based on the Wastewater and Waste Gas Management Measures, implementing systematic control over production and domestic wastewater, and constructing a multi-level management system encompassing indicator management, online monitoring, and emergency response. Homa Appliances regularly entrusts qualified third-party organizations to conduct wastewater monitoring and provides professional maintenance for the online monitoring equipment at the wastewater treatment station to ensure the stable operation of the monitoring system. In response to non-compliance issues identified during monitoring, the Company strictly follows the Procedures for Corrective and Preventive Measures to carry out rectification, suspend discharges, and recover abnormal wastewater for reprocessing, ensuring that the entire wastewater discharge process is controlled and compliant.

Waste Management

TCL Smart Home strictly adheres to laws and regulations such as the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes, the Standard for Pollution Control on Hazardous Waste Storage, and the Technical Specification for Setting Identification Signs of Hazardous Waste, implementing classified management of waste. The Company conducts standardized disposal of hazardous waste and classified recycling of general waste, actively promoting waste reduction and resource recycling measures while ensuring legal compliance throughout the entire process.

Guided by the principles of "source control, low emissions, low pollution, and zero landfill", Hefei Home Appliances focuses on the full lifecycle management of emissions. By strengthening multiple measures such as waste classification, recycling, and utilization, it continuously reduces the environmental impact of its operations. To strengthen the implementation of waste management responsibilities, Hefei Home Appliances has formulated the Environmental Aspect Identification and Evaluation Management Specification, clarifying the list of key hazardous wastes and the organizational structure for waste management. It has established a cross-departmental coordination mechanism, where the supply chain is responsible for waste storage and external disposal, each factory implements compliant treatment, and the Human Resources Development Department conducts performance monitoring to ensure efficient and orderly operation of waste management work.

Homa Appliances is committed to strengthening material management in the production process, reducing waste and minimizing waste generation, and strictly enforcing compliance disposal regulations for all hazardous waste to ensure no emission risks to the external environment. In accordance with relevant national laws and regulations, Homa Appliances has established internal systems such as the Waste Classification List and Waste Management Measures, and has established a management system covering the entire lifecycle of waste, exercising strict control over all aspects from generation, classification, temporary storage, transportation to final disposal.

Types of main pollutants and handling methods

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

Noise Management

TCL Smart Home strictly adheres to national and local regulations and standards such as the Law of the People's Republic of China on Noise Pollution Prevention and Control and the Emission Standard for Industrial Enterprises Noise at Boundary of Guangdong Province. It also leads its subsidiaries in establishing a noise control system, implementing comprehensive measures centered around source vibration reduction, transmission isolation, and regular monitoring, and is committed to reducing the impact of operational noise on the surrounding environment.

Among them, Hefei Home Appliances has formulated the Noise Management System to systematically control noise pollution by installing sound-absorbing cotton in the crushing room and regularly conducting environmental noise monitoring. Homa Appliances has formulated the Noise Emission Management Measures and, in accordance with these measures, has carried out sound insulation and anti-vibration treatment for some workshops, installed mufflers on equipment, set up enclosed rooms, and carried out regular maintenance of production equipment. Additionally, it conducts noise monitoring in the working environment, taking multiple measures to reduce noise emissions.

Indicators and Targets

Targets	Progress during the reporting period
<ul style="list-style-type: none"> Ensure compliant discharge of waste gas, wastewater, and waste. 	<ul style="list-style-type: none"> Emissions of atmospheric pollutants, wastewater, waste, and noise all meet the standards. No significant impact on employees, local community residents, and other groups has been observed due to pollutant emissions.
<ul style="list-style-type: none"> Continuously reduce the generation of pollutants from the source and enhance the recycling and utilization rate of wastewater and waste. Among them, Hefei Home Appliances is committed to achieving a waste recycling rate of 99.9% by 2030. 	<ul style="list-style-type: none"> The total emission of atmospheric pollutants is 3,618,182,895 m³. The total amount of wastewater discharged was 268,578 tons, with an emission strength of 14.49 tons/million revenue. The total waste emissions are 14,609.99 tons, with an emission strength of 0.79 tons/million revenue. Part of the treated water from Hefei Home Appliances is used for plant greening, washing, etc., with a reuse rate of 30%.



Lead Product Responsibility

TCL Smart Home has always adhered to sustained technological innovation and excellent product quality as the foundation of its development, striving to become a globally leading smart home appliance enterprise. Meanwhile, the Company continues to delve deeply into product responsibility, production efficiency, and customer service, creating a high-quality smart living experience for consumers.



QUALITY

R&D and Innovation

Governance

TCL Smart Home has established a R&D management system with clear division of labor and responsibilities, focusing on product research and technological innovation. Its subsidiaries, based on their own business positioning, have formed research and development organizational structures that match their product lines.

Hefei Home Appliances has established a washing machine R&D center and a refrigerator R&D center to conduct R&D work centered around key product performance. Each R&D center is responsible for formulating product technology development strategies, building R&D system capabilities, and promoting product development and performance verification to ensure product performance and quality.

Homa Appliances has established a Technology Research Institute, which is directly managed by the Company and headed by a Vice President of Technology responsible for the daily management of various departments within the institute. Each business department is specifically implemented by its head. Additionally, Homa Appliances has set up three R&D units: an enterprise R&D center, a provincial industrial design center, and a laboratory accredited by CNAS, focusing on functions such as air-cooled product development, industrial design, and performance testing, forming an organizational system that integrates R&D, design, and testing. During the reporting period, Homa Appliances has obtained multiple core qualifications including national high-tech enterprise, national industrial design center, provincial industrial design center, provincial enterprise technology center, provincial engineering technology research center, and laboratory accredited by CNAS.

Industrial entity	Name of R&D center	R&D direction
Hefei Home Appliances	Refrigerator R&D center	Eight core directions: freshness preservation, high energy efficiency, aesthetic design, thin built-in design, ice water technology, noise reduction technology, intelligence, and exquisite design
	Washing machine R&D center	Focusing on seven core directions: platform, washing, drying and care, appearance and craftsmanship, noise reduction, health, energy conservation and environmental protection, as well as intelligence
Homa Appliances	Enterprise R&D center	Embedded product development, air-cooled product development, fully-disassembled product development, efficient energy-saving technology research, process efficiency improvement, cost savings and consumption reduction
	Provincial industrial design center	Product appearance design, panel material application, interior design, and screen printing design
	Laboratory accredited by CNAS	Product performance testing, and product safety and stability testing

Strategy

Adhering to the "leading technology" strategy, TCL Smart Home continues to increase R&D investment and innovation layout in key technological fields such as smart home appliances, energy conservation and environmental protection, and green manufacturing, actively promoting the deep integration of technological innovation and green sustainable development. The Company is customer-oriented, continuously enhancing product R&D and innovation capabilities, attaching importance to the management and protection of intellectual property rights, and promoting the simultaneous improvement of product performance and quality.

Meanwhile, Hefei Home Appliances, with its core R&D system of "demand-driven and pragmatic innovation", continuously carries out technological innovation in directions such as freshness preservation, high energy efficiency, aesthetic design, thin built-in design, water technology, noise reduction technology, intelligence, and exquisite design, enhancing product functionality and user experience. Homa Appliances follows the R&D philosophy of "innovative technology, people-centric approach, rationality and practicality", focusing on the alignment between embedded products and user usage scenarios, continuously improving the structure of the air-cooled product line, and meeting the needs of different types of customers.

Impact	Time range of impact	Stakeholders affected	Main types of risks and opportunities	Affected financial indicators
Through technological innovation and the transformation of research achievements, intelligent and green products are promoted to implement, enhancing the user experience and resource efficiency of end products.	Short-term medium-term long-term	Upstream value chain Self-operation Downstream value chain	Risks: No major risks have been identified for this topic. Opportunities: Enterprises continue to promote R&D and innovation, expand market space, respond to emerging demands such as green products and intelligent manufacturing, and introduce innovative technologies to optimize resource utilization and production operations, achieving cost reduction and efficiency improvement.	Operating income R&D investment

Impact, Risk, and Opportunity Management

Innovation-Driven

TCL Smart Home

R&D personnel

1,296

R&D personnel percentage

8.75%

R&D investment

680 Million RMB

YoY Growth

5.86%

TCL Smart Home has established a comprehensive R&D funding guarantee mechanism. Through multiple channels such as annual budget special arrangements, industry-academia-research cooperation support, and government project support, it has carried out systematic layout focusing on key technological directions such as smart home appliances, energy conservation and environmental protection, and green manufacturing optimization. By improving the R&D organizational structure and resource allocation mechanism, it accelerates the transformation and application of innovation achievements.

Hefei Home Appliances has established incentive systems such as the New Product Project Assessment and Incentive Plan and the Implementation Terms of Reference for the Science and Technology Innovation Award, regularly organizes scientific and technological innovation activities, and encourages employees to actively participate in technological innovation. The refrigerator R&D center focuses on eight core directions: freshness preservation, high energy efficiency, aesthetic design, thin built-in design, ice water technology, noise reduction technology, intelligence, and exquisite design, continuously carrying out technological breakthroughs and R&D innovation to continuously improve product quality and user experience. The washing machine R&D center focuses on seven major R&D directions: platform, washing, drying and care, appearance and craftsmanship, noise reduction, health, energy conservation and environmental protection, and intelligence, systematically improving the product technology system and consolidating the foundation of R&D innovation.

The laboratory of washing machine R&D center (Phase I) of Hefei Home Appliances has been officially put into use

In December 2025, the laboratory of washing machine R&D center (Phase I) of Hefei Home Appliances was officially put into use. The laboratory will establish a closed-loop system centered around "technology R&D - experimental verification - achievement transformation", strengthen technological breakthroughs and product verification capabilities, and continuously enhance technological innovation capabilities.

The laboratory of washing machine R&D center (Phase I) is primarily equipped with core testing equipment that can cover multiple national technical standards. It has also established a joint research area for domestic stains and care with Donghua University, focusing on conducting specialized research around fabric and stain characteristics. Additionally, plans are in place to build an AI software laboratory and introduce automated testing systems to simulate tests such as water level and temperature, thereby enhancing R&D efficiency. In the future, the laboratory will concentrate on tackling core care technologies and washing algorithms, deepening AI-enabled product iteration, refining the full-process quality verification system, and exploring cutting-edge directions such as intelligent connectivity and green low-carbon technologies, strengthening core patent reserves and technological competitiveness.



Visit to the laboratory of washing machine R&D center (Phase I)

Awards and honors of Hefei Home Appliances products

Awarded by	Honor
China Household Electrical Appliances Research Institute	2025 UET Good Product Award G120T7H-HDIS/G120P7-HDI
	2025 China Household Appliances Innovation Award "Product Innovation of the Year" Award
Consumer Technology Association (CTA)	2024-2025 Global Top Brands Clean Technology Innovation Gold Award TCL Super Drum Series Front Load Washing Machine
Organizing Committee of Appliance & Electronics World Expo/China Household Electrical Appliances Association	2025AWE Award-Innovation Award R515T15-UQBS
Organizing Committee of China Refrigerator Industry Summit Forum	Healthy Thin Built-in Aesthetics Leading Brand Award
	Ice Kylin - Molecular Magnetic Freshness Original Product Award
National Household Appliances Industry Information Centre	Cold Jelly – Thin Built-in Ice-Making Pioneer Product Award
	Innovative Pioneer Award for Thin Built-in Ice Making R456T9-DQB
China Household Clothes Washing, Drying and Care Industry Summit Forum	AI Super Drum Washing and Drying Set T7R
	Outstanding channel performance product G100T7R-HDIS
Organizing Committee of Red-top Award	The 17th Red-top Award RED-TOP Nomination Award for T7RUltra-T

Homa Appliances boasts a comprehensive R&D management system. During the reporting period, the Company has formulated procedural documents such as the Design and Development Control Procedure and the Product Order Control Procedure. Additionally, it has compiled a series of management documents, including the Management Measures of New Product Trial Production, Technical Document Management Measures, Technical Center Performance Evaluation System, and Management Measures of R&D Investment Accounting. These documents integrate the management of the Company's technological innovation activities into its daily business operations, ensuring the effective operation of the Company's innovation mechanism.

Meanwhile, in order to stimulate the innovation vitality of technical personnel, Homa Appliances has formulated incentive measures such as the Product Development Incentive Measures and the Technical Pre-research, Acceptance, and Incentive Management Measures. By setting up technological innovation awards, quarterly awards for cost savings and energy consumption reduction, and recognition of technical pacesetters, the Company fully mobilizes the innovation enthusiasm of the technical team. Additionally, Homa Appliances has conducted in-depth exploration in the fields of product energy-saving control technology, application of new materials and processes, and product cost savings and consumption reduction, achieving efficient resource utilization while comprehensively enhancing market competitiveness.

Awards and honors of Homa Appliances products

Awarded by	Honor
Zhongshan Bureau of Industry and Information Technology	Bronze Award in the Comprehensive Competition of the 2025 Zhongshan Industrial Design Competition (Product Design Group)

In addition, TCL Smart Home continuously deepens the user-oriented concept in product design and technological innovation, integrating accessibility and scenario-based design while ensuring the basic performance of products. Hefei Home Appliances equips washing machine products with child lock function to enhance the safety of children's use, and adds braille markings on the control panel to provide operational convenience for visually impaired users. Homa Appliances optimizes product functions and interactive experiences around users' actual usage scenarios, promoting products to better meet diversified and differentiated needs.



The built-in nursery refrigerator of Homa Appliances selected into the first batch of recommended catalogues for the New National Energy Efficiency Standards

In December 2025, the 6th Electrical Appliance Industry Chain Ecological Cooperation Conference, guided by the Department of Industry and Information Technology of Guangdong Province and the Department of Commerce of Guangdong Province, and co-hosted by the China National Electric Apparatus Research Institute and the China Electrical Equipment Industry Association, was held. The conference officially released the Recommended Catalogue of First Batch of Products that Meet the New National Energy Efficiency Standards for Electrical Appliance and Motor, and the built-in mother and baby refrigerator of Homa Appliances was successfully selected, becoming the first representative product in the nursery sub-category to pass the new national standard certification.

Focusing on the three core needs of families with newborn—precision storage, health protection, and energy efficiency with low noise—Homa Appliances has launched a built-in nursery refrigerator through large-scale user research, forming triple advantages in energy efficiency, functionality, and design. The product meets the new national first-level energy efficiency standard, with a comprehensive power consumption of only 0.89 kWh per 24 hours. Equipped with an intelligent three-frequency conversion system, it achieves low power consumption and stable temperature control. It is equipped with an 82L independent temperature-adjustable compartment for mother and baby, supporting wide temperature adjustment from -20°C to 5°C. Made of bottle-grade materials and utilizing sterilization technology, it ensures the healthy storage of mother and baby ingredients. With a heat dissipation and ultra-thin body design, it achieves zero-distance integration and convenient door opening, balancing space utilization and user experience.



The built-in nursery refrigerator of Homa Appliances selected into the first batch of recommended catalogues for the New National Energy Efficiency Standards



Hefei Home Appliances' original molecular magnetic freshness technology wins the special award of the Science and Technology Award of the China General Chamber of Commerce

In July 2025, the results of the 2024 China General Chamber of Commerce Science and Technology Award were announced. The project "Key Technology of Food Freezing and Refrigeration Preservation Based on Magnetic Field Biological Effects and Household Appliance Industrialization", jointly completed by TCL Home Appliances (Hefei) Co., Ltd. and Jiangnan University, won the Special Award for Technological Invention. This award is approved and established by the Ministry of Science and Technology and the National Office for Science and Technology Awards. Only six projects nationwide were selected for this year's Special Award for Technological Invention.

The award-winning project is centered around TCL Refrigerator's original "Molecular Magnetic Freshness" technology, which utilizes the biological effects of magnetic fields on food cells to reduce metabolic loss, delay the spoilage process, and achieve precise preservation under refrigeration and freezing conditions. The relevant technology has been applied in product development and, combined with scenario-based design, has been promoted for industrial implementation, driving the upgrading of preservation technology from traditional temperature control mode to multi-dimensional regulation.



Hefei Home Appliances wins the special award of the Science and Technology Award of the China General Chamber of Commerce

Intellectual Property Protection

TCL Smart Home attaches great importance to intellectual property protection, strictly complies with laws and regulations such as the Patent Law of the People's Republic of China and the Implementation Regulations of the Patent Law of the People's Republic of China, establishes a professional patent application team and a full-process management mechanism, regularly conducts training related to intellectual property, and promotes the institutionalization and standardization of intellectual property protection work. During the reporting period, TCL Smart Home did not experience any major intellectual property infringement incidents.

Hefei Home Appliances has formulated the Measures for the Administration of Patents and Software Copyrights, which clarifies requirements for patent application, ownership management, confidentiality management, and violation handling. It has also appointed full-time intellectual property management personnel to cover various aspects such as R&D, production and manufacturing, and market sales. Hefei Home Appliances has established a full-lifecycle patent management system that encompasses patent search and layout, application confirmation, classification maintenance, and operational rights protection. Through systematic training, it continuously enhances employees' awareness of intellectual property protection and management capabilities. Before R&D, patent search and risk assessment are conducted. During the R&D process, confidentiality agreements, technical document access management, and node review mechanisms are implemented. Additionally, cooperation with professional agencies is established to improve the quality of patent applications and authorization efficiency. Meanwhile, Hefei Home Appliances has established an intellectual property risk prevention and control mechanism to avoid similar designs and obtain patent licenses when necessary, thereby minimizing the risk of infringement.

Homa Appliances has established a full-process intellectual property management system covering R&D, process, and production. It has formulated and continuously improved institutional documents such as the Patent Management Measures and the Document and Record Control Procedure, clarifying the norms for patent application, review, confidentiality, and archive management. During the reporting period, it further refined the patent management requirements. At the same time, it has appointed full-time intellectual property management personnel to coordinate patent application, maintenance, and risk control work. It has also established a long-term cooperation mechanism with professional agencies to improve the quality of patent applications and dispute resolution capabilities.

Since the initiation of its own brand building, Homa Appliances has continuously improved its patent operation mechanism and incentive mechanism, strengthened the awareness of intellectual property among all employees, enhanced the patent literacy of management and R&D personnel through regular training, strengthened the whole-process management of patent application, maintenance, and utilization, actively participated in the formulation of industry standards and intellectual property cooperation, and promoted the effective transformation of technological achievements and collaborative industrial development.

Homa Appliances Conducts Intellectual Property Training

In April 2025, in order to strengthen the awareness of intellectual property protection among employees across various departments, Homa Appliances organized a specialized training session on intellectual property. The training focused on intellectual property protection, patent application processes, and R&D compliance management, and was targeted at employees from the R&D and related departments, with a total of 42 participants.



Homa Appliances Intellectual Property Training Venue

Industry Development

Driven by technological innovation, TCL Smart Home actively participates in the formulation of industry standards, promoting industry standardization and high-quality development. The Company has been involved in multiple industry standard setting and technical exchange activities, facilitating the process of industrial technology upgrading and standardization. Meanwhile, TCL Smart Home continues to build an open cooperation platform, deepening collaborative cooperation with research institutions and industry chain partners, and promoting industry experience sharing and technological collaborative innovation.

Industry Standard Achievements of TCL Smart Home

Industrial entity	Standard type	Standard title
Hefei Home Appliances	Group standard	Slowly melting ice
	Group standard	Clean ice
	Group standard	Preservation in tea area
	Group standard	Preservation of Ganoderma lucidum in dry area
Homa Appliances	Group standard	TCPQS E00079.1-2025: Evaluation of Hygienic and Healthy Freshness for Refrigerators - Part 1: Technical Requirements for Meat Freshness Evaluation
	Group standard	TCPQS E00079.2-2025 Evaluation of Hygienic and Healthy Freshness for Refrigerators - Part 2: Evaluation of Antimicrobial, Bactericidal, and Odor Removal Effects
	National standard	GB 12021.2-2025: The Maximum Allowable Values of the Energy Consumption and Energy Efficiency Grade for Household Refrigerators

Hefei Home Appliances has established a collaborative innovation system of "industry-academia-research", and has carried out multiple key technological collaborations with Jiangnan University, University of Science and Technology of China, Xi'an Jiaotong University, and TCL Hong Kong Research Institute, including scanning electric pulse thawing technology, energy-saving application of energy storage materials, stepless frequency conversion technology, and array-based odor sensing research. During the reporting period, Hefei Home Appliances conducted two technological ecosystem collaborations with Donghua University, focusing on research to reduce detergent usage and minimize energy consumption through precise drying care.

In terms of industry research, Hefei Home Appliances has completed two technical appraisals, namely "Key Freshness Technology for Multi-effect Regulation of Refrigerator Cold Storage Micro-environment" and "Industrialization and Application of New Generation Bionic Wing Condenser Technology". It has participated in the formulation of four group standards and won one national award. Furthermore, focusing on improving the energy efficiency of washing machines, Hefei Home Appliances has released the White Paper on the Development of AI Smart Washing and Care Technology for Washing Machines, exploring technologies centered around AI empowerment and green, low-carbon directions.

Hefei Home Appliances and Hongbaoli Joint Innovation Laboratory Officially Unveiled

In December 2025, Hefei Home Appliances and Hongbaoli Group, a leading enterprise in polyurethane new materials, held the unveiling ceremony of their joint innovation laboratory in Nanjing. This strategic cooperation centers on the core mission of "conquering ultimate insulation technology to drive energy efficiency leaps in the home appliance industry". It focuses on breakthroughs in the insulation performance of polyurethane foam materials, precisely tackling the dual challenges of industry energy efficiency upgrades and environmental transformation. Through an industrial chain collaboration model of "technology co-creation + talent co-cultivation + results sharing", it establishes an industry benchmark for cross-sector cooperation to break through industrial bottlenecks.



Unveiling ceremony of Joint Innovation Laboratory

Homa Appliances actively participates in domestic and international industry exchanges and industry-academia-research cooperation, sharing practical experience in technological innovation and quality management, and promoting collaborative development and capability enhancement within the industry. During the reporting period, the Company participated in important industry events such as the China Import and Export Fair in spring and autumn, the China International Furniture Fair (Shanghai), the China Household Electrical Appliances Association Technical Conference, and the IFA in Germany, and also engaged in industry-academia-research cooperation with universities such as Harbin Institute of Technology, Shenzhen to deepen technological exchanges and collaborative innovation.



Homa Appliances collaborates with Harbin Institute of Technology, Shenzhen on industry-academia-research cooperation

In November 2025, Homa Appliances and Harbin Institute of Technology, Shenzhen conducted a collaborative exchange on industry-academia-research cooperation in the conference room of the Homa Technology Research Institute. Both parties engaged in technical discussions centered around the theme of "Analysis of Noise in Air-cooled Refrigerators and Research on Noise Reduction Technology", with a focus on exploring the noise mechanism of air-cooled refrigerators, noise analysis of prototypes, identification of transmission paths, and structural optimization simulation.



Industry-academia-research collaboration exchange-project report

The meeting focused on technical reporting and exchange regarding project research plans, testing methods, and phased results. Both parties leveraged the application needs of enterprise products and the research strengths of universities to promote the implementation of noise control technology in product development, providing technical support for enhancing the acoustic performance of air-cooled refrigerators.

Indicators and Targets

Targets	Progress during the reporting period
<ul style="list-style-type: none"> Steadily increase the intensity of R&D investment to drive technological innovation and product upgrades. 	<ul style="list-style-type: none"> There are 1,296 R&D personnel, accounting for 8.75% R&D investment of 680 million RMB
<ul style="list-style-type: none"> Improve the intellectual property system and strengthen patent layout. 	<ul style="list-style-type: none"> 363 new authorized patents Accumulated 2,725 authorized patents Accumulated 16 authorized overseas patents
<ul style="list-style-type: none"> Promote industry exchanges and drive deep integration between upstream and downstream segments of the industry chain. 	<ul style="list-style-type: none"> Participated in the formulation of 8 industry standards Participated in industry exchange activities 6 times



Product Quality and Safety

Governance

TCL Smart Home coordinates the direction of product quality and safety management at the group level, and its subsidiaries establish management structures based on their own operational realities, clarifying division of responsibilities and implementing quality control throughout the entire product lifecycle.

Hefei Home Appliances has established a Quality Management Center, which comprises eight professional departments including Deputy Director, System Operation, Testing and Certification, etc. The Quality Management Center is responsible for the construction and optimization of the Company's quality management system, handling quality issues, improving supplier management mechanisms, customer feedback, and technology introduction. It also updates and adjusts the business scope in a timely manner according to the Company's operation and business situation.

Homa Appliances has established a Quality Management Committee to comprehensively coordinate and supervise the Company's quality management work. The committee is led by the Vice President in charge of the quality system, who is responsible for formulating and evaluating annual quality objectives, conducting in-depth analysis of quality issues, planning improvement plans, and continuously enhancing the operational efficiency of the Company's quality management system.

Strategy

TCL Smart Home adheres to the business philosophy of quality first, embedding the "zero defect" requirement into product R&D and manufacturing processes, and taking product quality management as its core business principle. It promotes quality control across the entire process, including R&D design, production and manufacturing, and after-sales service.

Impact	Time range of impact	Stakeholders affected	Main types of risks and opportunities	Affected financial indicators
Continuously improve the level of product quality and safety, reduce potential risks to consumer safety caused by quality defects, and maintain a healthy market environment.	Short-term, medium-term, long-term	Upstream value chain Self-operation Downstream value chain	<p>Risks: In the event of product issues, the enterprise may face risks such as product recalls, compensation, and regulatory penalties, which will have adverse impacts on operating costs, sales stability, and brand reputation.</p> <p>Opportunities: Continuously strengthening the product quality and safety management system can help reduce the probability of quality accidents and minimize related losses.</p>	Operating revenue

Impact, Risk, and Opportunity Management

Quality Management System

TCL Smart Home has always prioritized product quality and safe production. The Company strictly adheres to the Product Quality Law of the People's Republic of China and other relevant laws and regulations, as well as domestic and international quality management standards. It continuously optimizes its quality management system and improves its product quality control and enhancement processes. During the reporting period, all subsidiaries of TCL Smart Home have obtained ISO 9001 quality management system certification.



Hefei Home Appliances ISO 9001 System Certification



Homa Appliances ISO 9001 System Certification

Hefei Home Appliances adheres to the quality policy of "being user-centered, continuously improving product and service quality, providing an ultimate experience, and becoming a top-tier home appliance brand." In accordance with relevant laws and regulations, it has formulated internal management systems such as the Quality, Environment & Occupational Health System Management Manual to standardize quality management throughout the production process. Additionally, the Hefei Home Appliances Testing and Certification Center has been accredited as a certification laboratory by the China National Accreditation Service for Conformity Assessment (CNAS).

In addition, Homa Appliances has formulated institutional documents such as the Quality Manual, 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 standardize the management of product design, development, and manufacturing processes. During the reporting period, the Company revised institutional documents such as the Supplier Management Procedure, Electrostatic Protection Management Procedure, Quality Digitalization Project Management Measures, Product Recall Management Measures, and Management Measures of Quality Improvement Project Award to further refine management requirements. Homa Appliances has obtained the "Same Line, Same Standard, Same Quality" enterprise certification. Homa Appliances' products have passed tests conducted by Testing Centers authorized by CNAS, internationally renowned testing institutions SGS, CSA, TUV, ITS, and Dekra. The products have obtained safety, environmental protection, energy consumption, and other certifications in more than 100 countries and regions worldwide, meeting stringent European energy efficiency standards.

TCL Smart Home has established a quality management system centered around the entire product lifecycle, forming a closed-loop control mechanism that covers material procurement, production, and finished product delivery. The Company has established systems for material procurement inspection, process control, finished product sampling inspection, non-conforming product management, and market complaint handling. It implements graded control over key quality nodes to ensure stable and reliable product quality. Meanwhile, by regularly conducting recall drills, it enhances its emergency response and handling capabilities in case of quality anomalies. During the reporting period, TCL Smart Home did not experience any major product quality accidents.

Regarding procurement management, Hefei Home Appliances relies on the Quality Management System (QMS) to achieve full-process quality traceability, establishes a standardized procurement inspection process, and strictly controls the quality of raw materials. Homa Appliances has formulated the Procurement Inspection Management Measures to ensure that purchased raw materials and components meet established quality and technical standards, laying a solid foundation for product quality from the source.

Homa Appliances implements supplier management in the upstream raw material stage and conducts incoming inspection according to the purchase inspection management requirements. During the reporting period, Homa Appliances entered the AI incoming inspection system to further optimize inspection efficiency and accuracy; at the same time, it established the Advanced Planning and Scheduling (APS) system and the Product Data Management (PDM) system to strengthen production plan coordination and technical document version control, thereby enhancing quality consistency from the source.

In the production process, Hefei Home Appliances actively promotes intelligent management and control of product production and quality monitoring, establishes an AI intelligent appearance inspection system, and sets up a full-process inspection procedure covering the entire factory. It conducts real-time monitoring of key processes and quality control points, combines on-site inspection and data recording, identifies and corrects abnormalities in the manufacturing process, and strengthens process quality stability. During the reporting period, Hefei Home Appliances promoted the construction of a smart manufacturing demonstration line, introducing industrial robots, Automated Guided Vehicles (AGVs), and visual inspection systems to implement automation and online monitoring of key processes. The automation rate of key processes increased to over 65%, the detection accuracy of some inspection links improved to over 99%, and the detection efficiency increased tenfold. In addition, a flexible production line was built to achieve mixed-model production of multiple product models, reducing the order response cycle by 30%.

Comprehensive Quality Control

Detection efficiency improved

10 Times

Order response cycle shortened

30%

Hefei Home Appliances actively promotes the construction of intelligent manufacturing and digital quality management

During the reporting period, Hefei Home Appliances focused on its dual-drive strategy centered on "smart manufacturing" and "digital operation", applying digital technology to the quality control of the production process. The Company formulated a comprehensive digitalization plan covering R&D, production, supply chain, marketing, and management. During the reporting period, the Company completed the integrated deployment of core platforms such as Enterprise Resource Planning (ERP), Manufacturing Execution System (MES), and Product Lifecycle Management (PLM), and plans to leverage industrial internet platforms to gradually integrate data from key business processes, enabling unified data analysis and decision support.

Homa Appliances has established a quality inspection process covering pre-production, in-production, and post-production stages. Before production, it implements first article inspection and in-process control inspection, conducts pre-transfer box audits, process discipline inspections, and special inspections for key processes, and regularly organizes equipment risk maintenance and technological transformation to ensure that equipment performance meets manufacturing and quality requirements. Additionally, by monitoring first-pass yield and conducting spot checks on key processes, it continuously strengthens process quality control and production stability.

In advancing digital and intelligent production, Homa Appliances relies on the MES intelligent quality management system to systematically control key inspection, error prevention, and repair processes, achieving full-process data tracking and product traceability management for core quality characteristics such as appearance, safety performance, leak detection, and refrigeration performance. Production inspection and repair processes have been fully integrated into system management, and visual scanning devices have been installed at key process nodes to effectively prevent misassembly of components, thereby enhancing the digitalization and precision of quality control.

During the reporting period, Homa Appliances continued to promote technological upgrading centered on quality inspection and active error prevention capabilities. From automated inspection, AI intelligent recognition to extreme condition safety verification, it established a multi-dimensional quality assurance system covering the manufacturing process and product safety evaluation, driving the transformation of quality management from manual experience judgment to data-driven and intelligent control.

Technical focus	Specific measures	Control effectiveness
AI intelligent error prevention	Build an AI production line, apply an AI leak and error prevention system for foot screws, and automatically transfer abnormal products to the repair line	Enhance the error prevention capability of key processes, achieve automatic sorting and disposal, and prevent missing or incorrect assembly of key components
Automated defect detection	Innovative automatic detection technology for exposed defects in PA pipes	Replace manual inspection, reduce human misjudgment, and further improve detection accuracy and consistency
Safety performance verification system	Establish a safety evaluation system for touch voltage values	Fill the gap in safety verification for extreme operating conditions and strengthen active safety protection for products without grounding wires

Homa Appliances launches "Compressor Failure Risk and Quality Anomaly Improvement" project

In 2025, Homa Appliances identified a potential risk of voltage surge failure in a certain model of chip used in compressor control boards during product quality monitoring. After analysis by the technical team, it was found that the root cause of the problem was the insufficient precision in matching the selection of protective components with the voltage tolerance of the chip. In response to this situation, the team quickly formulated an improvement plan, replacing the specifications of the protective components to ensure that they could activate the protection mechanism in a timely manner within the tolerable range of the chip. Currently, the optimization and replacement of the relevant model products have been completed, further enhancing the reliability and stability of product quality.

In the quality inspection process of finished products, 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 standardize the monitoring and traceability management of finished product quality. Comprehensive testing is conducted on product performance and safety indicators to ensure that outgoing products meet relevant quality requirements. Homa Appliances has established an IPQC process for spot-checking the quality of finished products and conducts rigorous quality inspection before product delivery to ensure that all finished products comply with the national "Same Line Same Standard Same Quality" Standards and EU quality standards.

Hefei Home Appliances has obtained CCC certification, and its refrigerators have obtained SAA, CB, CE, GS, and KC certifications for export sales. Its washing machines have obtained SAA, CB, CE, GS, SASO, BSMI, KC, TISI, and BPS certifications for export sales. Homa Appliances have completed quality and safety certifications including CCC, UL, TISI, TUV and VDE.

Product Safety

TCL Smart Home attaches great importance to the management of raw material safety, ensuring product safety and compliance from the source. Regarding harmful chemical substances, the Company requires all raw materials to comply with relevant requirements such as the Restriction of Hazardous Substances (RoHS) and the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH). In addition, the Company regularly conducts training on the use of relevant chemicals for employees, strengthening the management awareness of relevant personnel. During the reporting period, TCL Smart Home did not experience any product safety accidents.

Hefei Home Appliances has formulated the Regulations on Hazardous Substance Process Management based on relevant standards, conducting comprehensive assessments of raw materials involving chemical substances. The Company has established a supplier management mechanism in accordance with the RoHS Compliance Control Management Measures, regularly conducting audits and eliminating suppliers who fail RoHS testing to ensure that raw materials meet corporate control requirements. During the product design and development stage, the Company implements national standards and conducts testing and verification to ensure that products meet safety performance requirements. The Company regularly organizes product type testing to verify the safety and performance stability of mass-produced products. In addition, Hefei Home Appliances has established a three-level inspection process and a non-conforming product handling process to strictly control product quality.

Homa Appliances adheres to the RoHS Compliance Control Management Measures and has established internal systems such as the Procurement Inspection Management Method and the Management Measures of Hazardous Substance Compliance Control to standardize the inspection process of raw materials. The Company has implemented a systematic supplier management mechanism, regularly conducting audits and eliminating suppliers who fail RoHS testing. During the reporting period, in order to strengthen the control of hazardous substances and enhance the environmental compliance of raw materials, Homa Appliances changed the material of the internal tank granules to environmentally friendly materials.



Hefei Home Appliances Washing Machine RoHS Certificate

Hefei Home Appliances Refrigerator RoHS Certificate

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 management practices, the Company has established a sound product recall management mechanism and standardized operating procedures to effectively safeguard the legitimate rights and interests of consumers and ensure product quality and safety. During the reporting period, TCL Smart Home did not experience any recalls of unqualified products.

Hefei Home Appliances has established a standardized control system for unqualified products, formulated internal systems such as the Control Procedures for Substandard Products, and improved relevant management regulations for product rework and repackaging. The Company has clearly defined the identification, recall, evaluation, and disposal processes for defective products to prevent unqualified products from entering the market.

Homa Appliances has formulated relevant management procedures such as the Product Recall Management Measures, clarifying the division of responsibilities and specific operational processes among various departments. In the event of a product recall, the Company will establish a product recall team consisting of representatives from R&D, quality, manufacturing plants, sales, and after-sales service departments, responsible for the overall planning, notification issuance, record compilation, and effect evaluation of the recalled products. During the reporting period, the Company revised and updated the Product Recall Management Measures to further optimize the content and implementation requirements of the system.

Building High Product Quality Culture

Homa Appliances

Product quality training

104 Sessions

Total number of participants in the training

2,031 Participants

TCL Smart Home places great emphasis on fostering a product quality culture, integrating quality awareness into the entire process of enterprise management and production operations, and promoting the formation of a quality culture characterized by full participation and whole-process control.

Hefei Home Appliances has established systems such as the Incentive System for Quality Management Teams and the Incentive Plan for Total Quality Improvement Activities at TCL Hefei Home Appliances, effectively mobilizing all employees to participate in quality initiatives. To strengthen the construction of quality talent teams, Hefei Home Appliances has set up quality talent training classes, and regularly conducted quality management training to align quality awareness among professionals. During the reporting period, Hefei Home Appliances conducted 11 training sessions on export standards for refrigerators and washing machines, covering more than 200 people in the fields of product, R&D, and quality.

To deepen the construction of a quality culture for all employees, Hefei Home Appliances regularly organizes various quality-focused activities. The Company organizes self-inspection and mutual inspection activities in the refrigerator and washing machine factories every month to strengthen quality control throughout the production process. In addition, the Company conducts monthly Quality Star improvement activities, covering all areas of R&D, manufacturing, procurement, service, and quality. The refrigerator and washing machine factories conduct evaluation and assessment based on market quality indicators and finished product quality indicators, promoting improvement and enhancing quality levels through evaluation. Meanwhile, Hefei Home Appliances forms improvement teams in the form of small groups to carry out Quality Control Circle (QCC) improvement activities. The Company evaluates the inspection skills of online inspectors based on the actual products, presenting awards to the top three performers and establishing quality benchmarks.

Homa Appliances focuses on enhancing quality capabilities and takes multiple measures to foster a quality culture. On the one hand, the Company implements quality engineering projects, enabling employees to systematically learn quality project management methods and tools through project practice, thereby improving their practical ability in quality control. On the other hand, Homa Appliances holds monthly quality meetings to strengthen the quality improvement mechanism. Branch factory managers and department heads organize discussions on quality improvement matters, and through thematic exchanges and experience sharing activities, a learning and communication platform is established to continuously enhance employees' ability in quality engineering analysis and improvement.

Homa Appliances conducts special training on product inspection standards

In December 2025, in order to continuously promote the construction of quality culture, the Quality Department of Homa Appliances organized a training session on product inspection standard knowledge with the theme of Product Audit Evaluation Standard Requirements in the training room of the sixth factory, with a total of 23 participants. The training systematically covered topics such as the product audit process, understanding of evaluation standards, and identification of quality risks, further enhancing employees' understanding and execution ability of product quality standards.



Special training on product inspection standards

Indicators and Targets

Targets	Progress during the reporting period
<ul style="list-style-type: none"> With the goal of achieving zero product safety accidents, the Company should strengthen the quality and safety defense line. In this regard, Homa Appliances has set a target of achieving a first-pass yield of over 90%. 	<ul style="list-style-type: none"> No major product quality or product safety accidents have occurred. No major administrative penalties have been imposed due to product quality and product safety issues. The product has been recalled 0 times. The annual achievement value of first-pass yield of products for Homa Appliances is 92.33%, exceeding the target.

Supply Chain Management

Governance

TCL Smart Home oversees supplier management from a group-level perspective, with its subsidiaries establishing corresponding management structures based on their actual business needs. They have refined the entire process mechanism for supplier access, review, and exit, continuously enhancing the standardization and responsibility management of the supply chain.

Hefei Home Appliances has established a Procurement Management Committee, chaired by the general manager and vice-chaired by the supply chain director. The committee comprises representatives from relevant functions such as product lines, procurement, finance, quality, and audit, coordinating and collaborating across multiple parties including production, R&D, quality, and procurement, to implement unified decision-making and efficient management of the Company's procurement business. The committee has a subordinate category management mechanism (CEG team) specifically responsible for the implementation and execution of various procurement-related tasks.

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. Through classified management and precise control, the Company continuously improves the level of refinement and professionalism of its supply chain operations.

Strategy

TCL Smart Home attaches great importance to responsible supply chain management, always adhering to the cooperation principles of "honesty and trustworthiness, fairness and justice, equality and mutual benefits". With the goal of building an efficient, transparent, and sustainable supply chain system, it promotes value chain partners to jointly practice responsible business practices.

Impact	Time range of impact	Stakeholders affected	Main types of risks and opportunities	Affected financial indicators
Promote responsible supply chain management, enhance the transparency and stability of the supply chain, facilitate compliance management and capability improvement of suppliers, while ensuring equal treatment of small and medium-sized enterprises to foster a sustainable cooperation environment.	Short-term medium-term long-term	Upstream value chain Self-operation Downstream value chain	<p>Risks: Fluctuations in raw material prices, unstable supply, and stricter compliance regulations may lead to delivery delays, increased costs, and the transmission of compliance risks, affecting production continuity.</p> <p>Opportunities: Strengthening cooperation with high-quality suppliers and promoting the construction of a green, integrity-driven, and fair supply chain will help enhance the resilience of the supply chain and improve the stability of enterprise operations.</p>	Raw material cost

Impact, Risk, and Opportunity Management

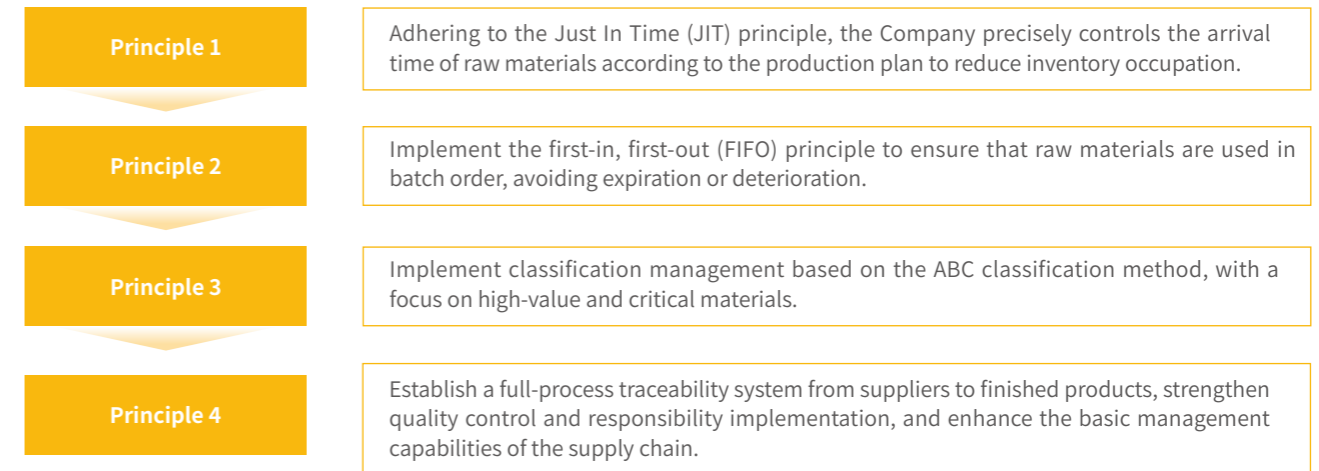
Supply Chain Management

TCL Smart Home has established a comprehensive supply chain risk management system, continuously enhancing the supply chain's resilience to risks through a full-chain risk identification, assessment, and response mechanism.

Hefei Home Appliances has established a systematic supply chain risk management framework, effectively diversifying and addressing various risks through multi-departmental collaborative decision-making and refined control. The Company has established a collaborative decision-making mechanism for front- and back-office risks, led by the procurement committee, with multiple departments jointly participating in supply chain risk management. To stabilize procurement costs and supply order, the Company continuously tracks the price fluctuations of raw materials and key components, with the annual cost reduction KPI as the goal, and promptly submits it to the procurement committee for scientific decision-making. At the same time, the Company further diversifies and resolves various supply chain risks through refined annual planning, improved KPI assessment system, and promotion of the hilltop project mechanism. The Company continues to expand high-quality supplier resources, and enrich supply channels, fundamentally reducing the dependency risk brought by a single supplier.

Homa Appliances has established internal management systems such as the Material Circulation Management Measures, which clarify material management standards and implement four major management principles.

Material circulation management principles of Homa Appliances



To cope with risks such as fluctuations in raw material prices, supply disruptions of key components, fluctuations in logistics costs, and supply interruptions, Homa Appliances systematically promotes risk management and control through supply collaboration, inventory management, and supply structure optimization. Homa Appliances has established close supplier partnerships, achieving early risk warnings and coordinated responses through information sharing and collaboration mechanisms. In terms of inventory management, the Company sets up inventory buffers and safety stocks, and implements advance stocking for materials identified as high-risk to ensure supply continuity.

Homa Appliances' Material Preparation Completion Rate

100%

Meanwhile, Homa Appliances actively promotes the diversification of its supplier base, introducing at least two suppliers for similar materials to reduce dependence on a single supplier and enhance the flexibility and stability of the supply chain. In response to the risk of fluctuations in shipping prices, the Company strengthens monitoring of the transportation market and overall shipment coordination, and enhances overall risk response capabilities through inventory adjustment, supplier collaboration, and traceability management mechanisms. During the reporting period, Homa Appliances achieved a 100% completion rate for inventory preparation targets, with a material completeness index of 93%, exceeding the annual target. The material turnover index was 6.5 days, meeting the annual standard.

In addition, Homa Appliances has advanced the construction of its manufacturing base in Thailand and commenced operations at its 300,000-unit freezer sub-factory. By improving its overseas production capacity layout, the Company has enhanced the resilience and stability of its supply chain, thereby effectively strengthening its ability to cope with fluctuations in the international trade environment.

Dimension of supply chain capability building	Hefei Home Appliances	Homa Appliances
Flexible supply chain	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.	By making reasonable predictions for raw material demand and implementing differentiated management of long-term and short-term materials, the Company can prepare materials in advance or trial-produce materials according to work orders to ensure supply flexibility and responsiveness.
Digital supply chain	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.	By adopting the SRM system, the Company aims to build a collaborative and win-win partnership and jointly explore the market, creating an integrated platform for enterprise resource acquisition and supplier management. The SRM system integrates various information technologies to support processes such as strategic product design, strategic resource acquisition, contract negotiation management, and unified product information management, achieving digital and collaborative operation of supply chain management.
Localized procurement	Incorporate delivery distance in the assessment for new supplier admission, and optimize the local supply layout; The bulky materials suppliers are located within a radius of about 50 kilometers, with local suppliers accounting for more than 60% of the total.	80% of raw materials are provided by suppliers around the Pearl River Delta, continuously deepening the supply chain layout in the Pearl River Delta region.

Supplier Admission

TCL Smart Home attaches great importance to supply chain source control. For potential new suppliers, it conducts comprehensive verification from dimensions such as qualification compliance, business reputation, system certification, and product quality. Through on-site audits, it comprehensively evaluates suppliers' contract fulfillment capabilities and reliability, establishing a standardized and regulated supplier admission system.

Hefei Home Appliances has established and implemented the Supplier Certification Management Process, conducting supplier qualification reviews and assessments in accordance with the "four stages and fourteen steps" new supplier introduction mechanism. It explicitly requires suppliers to possess SA 8000 social responsibility standard qualifications, as well as ISO 14001 environmental management system, ISO 9001 quality management system, and ISO 45001 occupational health and safety management system certifications.

Homa Appliances has simultaneously improved its supplier admission management, explicitly requiring suppliers to possess three core qualifications: legal compliance, environmental and safety management, as well as social responsibility and business ethics. Firstly, suppliers must comply with national laws and regulations, possessing legal documents such as business licenses, environmental impact assessment approvals, and safety permits. Additionally, the Company pays attention to the industry status and supply qualifications of suppliers, focusing on the construction of their quality management systems. Homa Appliances conducts on-site audits for key suppliers, inspecting the production environment, storage conditions, and the management system operations.

Supplier ESG Management and Due Diligence

Hefei Home Appliances

Suppliers' environmental assessments coverage rate

100%

Suppliers' social assessments coverage rate

100%

Suppliers' Integrity (Sunshine) Agreement signing rate

100%

TCL Smart Home has incorporated ESG requirements into its supplier admission assessment system, promoting upstream and downstream collaboration to implement the concepts of sustainable development.

Hefei Home Appliances incorporates multiple dimensions such as product quality, technology R&D, and environmental protection into supplier evaluation. In terms of environmental management, the Company audits suppliers based on the Environmental Protection of Restricted Substances - On-site Inspection Checklist and gives priority to partners who have obtained QC080000 hazardous substance process management system certification and actively implement environmental protection measures. In terms of social responsibility, the Company conducts rigorous reviews of suppliers' labor rights protection, occupational health and safety management, and other aspects in accordance with the Supplier Social Responsibility Inspection Checklist. For suppliers that pass the evaluation, Hefei Home Appliances signs documents such as the Notice to Interested Parties, Integrity Commitment Letter, Supplier Code of Conduct, Quality Assurance Agreement, Supplier Capability Survey Form, Social Responsibility Agreement, Supplier Performance Management Measures, Partner Code of Conduct Agreement, and Safety and Fire Management Responsibility Commitment Letter, clarifying the responsibilities and requirements of both parties in terms of compliance management, product quality, social responsibility, safety management, and performance management.

Homa Appliances conducts audits and assessments of environmental risk factors for some key suppliers based on the Related Party Safety and Environmental Management System and the Vendor Environmental Safety Questionnaire. In terms of social responsibility, Homa Appliances reviews suppliers' social security payment certificates, safety management systems, employee manuals, anti-bribery policies, social responsibility reports, and other documents, and evaluates the protection of labor rights and occupational health and safety management.

Homa Appliances requires suppliers to sign Integrity Agreements, which clarify anti-corruption and anti-bribery requirements and prohibit any form of bribery, kickbacks, and benefit transfers. Meanwhile, the Company requires suppliers to adhere to the principle of fair competition, eliminate unfair competition behaviors such as bid collusion, bid rigging, and price manipulation, fulfill intellectual property protection obligations, establish a comprehensive technology confidentiality and trade secret protection mechanism, and jointly maintain a healthy business ecosystem.

Supplier Management

TCL Smart Home places great emphasis on the full-cycle supply chain management. By formulating annual supplier audit plans and regularly convening supplier quality review (QBR) meetings, it conducts comprehensive assessments of suppliers' performance in environmental, social, and governance aspects, continuously strengthening daily operational management of suppliers. For suppliers with violations, the Company will urge them to complete rectification within a specified timeframe; for those who fail to rectify or refuse to do so, the Company will take corresponding management measures such as suspending cooperation or terminating admission.

Based on the TCL Industry Product Category and Supplier Graded and Classified Management Process and taking into account business needs, Hefei Home Appliances implements a four-dimensional hierarchical management of product categories and suppliers, covering QCDT (Quality, Cost, Delivery, and Technology). The Company regularly conducts comprehensive assessments based on QCDT indicators, product category scoring standard, and supplier hierarchical scoring system, and dynamically adjusts supplier grades and supply quotas according to the assessment results.

For strategic product categories and strategic suppliers, Hefei Home Appliances gives priority support in resource matching and cooperation promotion. For suppliers whose evaluation results do not meet the standards, the Company requires them to complete rectification within a specified period; for suppliers that fail to rectify effectively or whose rectification results do not meet the requirements, corresponding measures such as

suspending cooperation will be taken. If a supplier has major violations in integrity, finance, or other aspects, the Company will immediately eliminate it.

Homa Appliances has established standardized supplier admission and procurement management processes, forming a closed-loop management mechanism that covers plan reception, order placement, arrival tracking, and material warehousing. The supply department salesperson first receives and reviews the master production plan, and then places a purchase order after calculating precise procurement needs through the Logistics Resource Planning (LRP) system. Subsequently, the salesperson follows up on the material arrival progress throughout the entire process. Upon arrival of the materials, the quality department conducts rigorous incoming inspection. Qualified materials are managed by the manufacturing department warehouse, while unqualified materials are either subject to the recycling process or returned according to regulations.

Homa Appliances conducts quarterly regular assessments on suppliers, covering multiple aspects such as product quality, usage tracking, delivery timeliness, and service attitude. Based on the assessment results, the Company regularly updates supplier classification. If a supplier is involved in major negative environmental incidents or related issues, the Company will urge it to promptly implement rectifications and submit a rectification report.

In addition, TCL Smart Home has continuously deepened its supplier empowerment efforts. Through various means such as resource sharing, technical support, and training exchanges, it has continuously strengthened suppliers' management capabilities in compliance management, product quality, and business ethics. This has facilitated suppliers' timely understanding of the Company's management requirements and industry trends, promoting collaborative development of the supply chain. During the reporting period, the Company conducted 2 sessions of supplier training, covering 784 suppliers. Some suppliers have already undergone training related to AEO trade security standards to enhance the compliance level of cross-border business and the security of the supply chain.

Equal Treatment of Small and Medium-sized Enterprises

TCL Smart Home has always adhered to the principles of "honesty and trustworthiness, fairness and justice, equality and mutual benefits," fully safeguarding the legitimate rights and interests of small and medium-sized enterprise suppliers. The Company has clarified payment methods and payment terms with all suppliers through formal contracts, and strictly fulfills its payment obligations for accounts payable as agreed. During the reporting period, TCL Smart Home had no legal proceedings related to overdue payments, and its accounts payable balance did not exceed 50% of total assets.

Responsible Mineral Sourcing

TCL Smart Home adheres to the Code of Conduct Responsible Business Alliance (RBA) and other relevant regulatory requirements, and places great emphasis on the sustainable management of mineral resources in its production and operation. For key mineral resources such as nickel, cobalt, manganese, lithium, graphite, mica, copper, and aluminum, the Company refrains from purchasing or supporting minerals from conflict-affected areas and clearly constrains upstream suppliers to jointly comply with the conflict mineral prohibition policy. By conducting supply chain due diligence, the Company continuously strengthens compliance management in the procurement process and effectively ensures the legality and compliance of raw material procurement.

Hefei Home Appliances has formulated the Standard for Conflict Mineral Management, committing to eliminating the use of conflict minerals in its products and supply chain. The Company requires suppliers to sign the TCL Declaration of Conformity for Prohibited and Restricted Substances and regularly conducts training related to conflict minerals to strengthen supplier responsibility awareness and compliance capabilities. If any supplier is found to be using conflict minerals, Hefei Home Appliances will immediately take control measures such as recalling products on sale and sealing relevant inventory, and will re-evaluate and dispose of the supplier in accordance with the quality agreement.

Indicators and Targets

Targets	Progress during the reporting period
<ul style="list-style-type: none"> Optimize the global supply chain layout, build a diversified supplier network, and continuously strengthen the stability of the supply chain 	<ul style="list-style-type: none"> The total number of suppliers is 841, including: <ul style="list-style-type: none"> ※ 804 suppliers in the Chinese mainland ※ 10 suppliers from Hong Kong, Macao, and Taiwan regions ※ 27 overseas suppliers
<ul style="list-style-type: none"> Deepen supplier capacity building and build a collaborative partnership for development 	<ul style="list-style-type: none"> Conducted 2 sessions of supplier training, covering 784 suppliers

Customer Service

Governance

TCL Smart Home has incorporated the development of customer service capabilities into the key management focus of the group, clarifying service standards and management requirements, and promoting its subsidiaries to improve their customer service structures, thereby continuously enhancing service quality and response efficiency. Both Hefei Home Appliances and Homa Appliances have established after-sales service departments as the executive bodies, responsible for the operation of the service system, network management, complaint handling, and service quality improvement. They have also established a digital after-sales service system to provide support for customer demand tracking, work order management, service progress monitoring, and satisfaction follow-ups.

Strategy

TCL Smart Home has always adhered to a user-centered service management philosophy, continuously building a standardized and efficient service management system, and guiding its subsidiaries to base themselves on their own business characteristics and implement a service philosophy that meets user needs.

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 focuses on upgrading service quality and is committed to creating a warm and highly recognized service experience. Homa Appliances upholds the service philosophy of "serving customers wholeheartedly and determined to impress customers". Focusing on efficient response to customer needs and continuous optimization of after-sales service, it consistently improves the user experience throughout the entire service journey.

Impact	Time range of impact	Stakeholders affected	Main types of risks and opportunities	Affected financial indicators
By establishing intelligent service platforms and optimizing after-sales management processes, enterprises provide consumers with efficient service experiences, forming a service ecosystem oriented towards user rights and interests.	Medium-term long-term	Upstream value chain Self-operation Downstream value chain	Risks: If customer service experiences slow response, improper attitude, or fails to handle issues in a timely manner, it can easily lead to customer loss, affecting corporate revenue and market expansion. Opportunities: By enhancing service processes and service quality, enterprises can simultaneously improve internal operational efficiency and customer response speed, thereby increasing customer retention rates.	Operating revenue

Impact, Risk, and Opportunity Management

Customer Service Management System

Homa Appliances

Percentage of work orders scheduled within two hours accounted for

93%

Percentage of work orders completed within 48 hours

82%

TCL Smart Home attaches great importance to the development of its customer service management system, consistently adhering to a user-centered approach and continuously improving the service system and service processes. The Company is committed to building a standardized and efficient service management system, continuously striving to enhance service quality and user satisfaction.

Hefei Home Appliances strictly adheres to systems such as the TCL Refrigerator and Washing Machine Quick Compensation Mechanism 3.0, and rigorously implements standardized service processes for fault detection of refrigerators and washing machines. Through standardized inspection and maintenance management, Hefei Home Appliances has established standardized service processes for fault detection of refrigerators and washing machines, which improve maintenance quality, reduce the need for secondary visits, and shorten user waiting times. At the same time, Hefei Home Appliances has improved the omni-channel return and replacement service mechanism, optimized processes, and increased authorization for frontline personnel, enabling them to respond quickly to customer needs within their scope of authority, thereby improving service efficiency and the overall customer experience.

Homa Appliances has established a comprehensive service standard system, formulating normative documents such as the Out-of-Warranty Charging Standards and service guidance documents like Polite Telephone Communication Language for Service Outlets and Service Standards and Polite Language for On-site Service at Outlets. The Company has established user profiles through its "after-sales service system", with dedicated personnel responsible for follow-up and handling, enhancing the efficiency of tracking customer needs. The Company has appointed after-sales service managers in each province to manage service outlets and service orders, with regular monitoring of service progress and user satisfaction feedback by the headquarters. Furthermore, to improve service completion efficiency, the Company has established a timely on-site incentive policy in the Special Maintenance Service Agreement, stipulating that service outlets will be assessed for orders not completed within 2 hours of appointment.

In addition, the Company actively improves its after-sales service network, ensuring service within 48 hours in rural areas and providing appointment services for remote areas, thereby guaranteeing the consumer experience for rural consumers.

Customer Complaint Management

TCL Smart Home places high importance on customer complaints, regarding rapid response and effective resolution of customer demands as the core of service improvement. The Company continuously improves the whole-process management system for customer complaints, effectively safeguarding users' legitimate rights and interests and ensuring a good experience.

Hefei Home Appliances has established the User & Customer Complaint Resolution Mechanism (4.0) A3 to standardize the processes of customer complaint acceptance, handling, and closed-loop management. The Company has constructed a digital service system encompassing a customer management system, User Service System (USS), and intelligent response robots. It also refines the management of work order nodes through the service desk and timely intervention desk, sets up a complaint warning entry on the engineer APP terminal to enable real-time anomaly alerts and rapid intervention, ensuring efficient response to customer demands. Additionally, the Company relies on the Voice of Customer (VOC) management platform to regularly monitor product public opinion and user feedback, strengthen problem analysis and closed-loop improvement mechanisms, and improve product and service quality from the source.

Homa Appliances has established the Reminder and Complaint Standards and set up 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" and adopted 100% manual review, with dedicated personnel responsible for follow-up, handling, and response, to enhance customer satisfaction. For major repair service orders, one-on-one telephone follow-ups are conducted, and follow-up summaries are generated in the after-sales service system.

Homa Appliances

100%

Customer satisfaction

100%

Follow-up rate

4

Customer complaints handled



Customer Service Empowerment

TCL Smart Home adheres to a user-centered approach, continuously improving its customer service training system and enhancing employees' abilities in customer reception, communication responsiveness, and comprehensive service.

Homa Appliances has formulated the Regulations on Management of Training for User Service Center to further standardize customer training standards. The Company relies on digital tools to establish diversified training and knowledge sharing channels, uploading product-related documents and sharing product maintenance manuals through the Homa Appliances knowledge base, and regularly conducts product technical training for service outlets and customer service personnel through WeCom live broadcasts.

During the reporting period, Homa Appliances promoted two initiatives to enhance customer service capabilities. Leveraging the Homa Appliances knowledge base, the Company effectively reduced the pre-job training time for new employees, enabling them to quickly search for issues and obtain online answers promptly after independently taking up their positions. Furthermore, the Company further clarified the standard handling process and standardized communication methods for non-routine issues in the knowledge base, assisting customer service personnel in quickly identifying and efficiently addressing complex issues.



Homa Appliances conducts online training on the refrigeration principle of air-cooled products

In December 2025, Homa Appliances conducted a special training on the refrigeration principle of air-cooled products through a live broadcast on WeCom, aiming to continuously improve the quality of customer service and response efficiency. The training focused on technical knowledge of air-cooled products and customer service standards, covering a total of 48 network and customer service personnel.

Responsible Marketing

TCL Smart Home has always regarded integrity in business operations as the cornerstone of its brand development. In advertising and marketing activities, it strictly adheres to relevant national laws and regulations, industry standards, and business ethics norms in its operating regions, ensuring that all external communication content is truthful, accurate, legal, and compliant, while actively promoting healthy consumption concepts.

The Company strictly adheres to relevant laws and regulations such as the Advertising Law of the People's Republic of China, the Law of the People's Republic of China on the Protection of Consumers Rights and Interests, and the Interim Measures for the Administration of Internet Advertising, as well as institutional documents such as advertising review and publishing guidelines issued by market regulatory authorities. In overseas markets, the Company strictly complies with local laws related to advertising, consumer protection, data privacy, and competition, and actively aligns with industry self-regulatory code of conduct, such as the International Advertising Standards Alliance (IASA).

Hefei Home Appliances has established a comprehensive compliance management system for the entire process of advertising content review and full coverage. It has set up a cross-functional advertising review team composed of marketing, legal, technical, and compliance departments, implementing a full-chain content review mechanism covering "planning - copywriting - design - publishing". The Company conducts key reviews focusing on content authenticity, compliance, and objectivity, to eliminate false misleading information, exaggerated propaganda, unfair competition, and sensitive violations. During the reporting period, all advertising and marketing activities carried out by Hefei Home Appliances globally passed 100% internal compliance review, and regular inspections and risk assessments were conducted on published content through a normalized monitoring mechanism.

Indicators and Targets

Targets	Progress during the reporting period
<ul style="list-style-type: none"> Continuously optimize product and service experience, and enhance customer satisfaction level 	<ul style="list-style-type: none"> Deepened the development of its customer service framework, leading to ongoing enhancements in user experience and a notable rise in satisfaction levels.





Co-create a Collaborating Community Ecosystem

TCL Smart Home views sustainable development as a process of growing together with our employees. The Company continuously improves its talent development management system, actively creates a diverse, inclusive, and equal workplace atmosphere, and provides employees with a safe and comfortable office environment as well as vast development opportunities. At the same time, the Company proactively fulfills social responsibilities by participating in community public welfare activities, promoting collaboration and progress between the value chain and the community.



COMMUNITY

Employee Rights and Protection

Governance

TCL Smart Home has established a sound organizational structure for the protection of employee rights, and assembled a professional management team to lead and coordinate relevant work on employee rights. By formulating and improving the human resource management system, standardizing the entire process management of human resource planning, compensation and benefits, performance management, career development, it promotes the coordinated development and mutual benefit of the enterprise and employees.

Strategy

TCL Smart Home has always adhered to the principle of fair recruitment and continuously established and improved the Company's recruitment management system. Hefei Home Appliances adheres to the recruitment principles of "equal employment, person-job match, empowerment for mutual success", focusing on professional ability and job suitability to achieve common development for both the Company and its employees. Homa Appliances adheres to the recruitment principles of "openness, fairness, competition" and "appointing people based on merit", laying a solid foundation of talents for the steady development of the Company.

Impact	Time range of impact	Stakeholders affected	Main types of risks and opportunities	Potential financial impact
Provide legal rights protection and a good working environment, promote stable employment, maintain harmonious labor relations, and promote inclusive social development.	Short-term	Self-operation	Risks: If the employee rights and protection is not in place, it may lead to talent loss, decreased employee satisfaction, and weakened organizational cohesion, which in turn will affect operational efficiency and increase operating costs.	Operating cost
	medium-term		Opportunities: By fostering an equal and inclusive workplace environment and improving the salary communication mechanism, the Company can enhance employee trust and sense of belonging, increase the attractiveness and retention rate of high-quality talent, and promote operational efficiency.	
	long-term			

Impact, Risk, and Opportunity Management

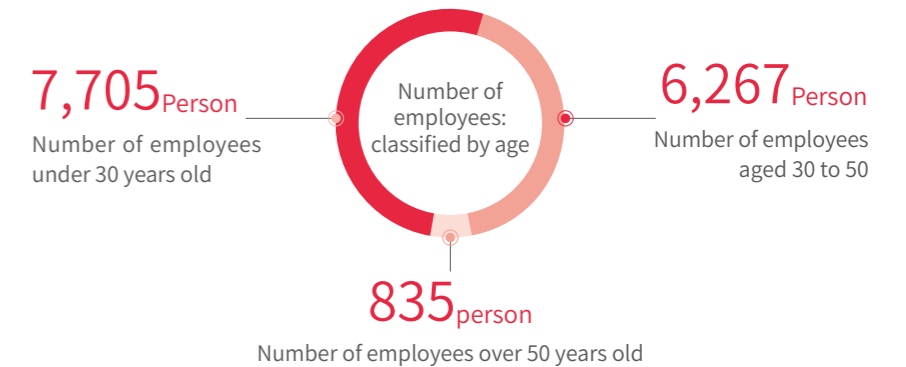
Equal Employment Opportunity

TCL Smart Home strictly adheres to the International Labor Organization Convention, the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, and other relevant laws and regulations. It continuously improves its recruitment management system, effectively safeguards employees' statutory rights and interests such as salary and vacation, establishes an internal employee management system, strictly prohibits the employment of child labor and any form of forced labor, and rigorously verifies employee ages during the recruitment process. Hefei Home Appliances has issued the Management Procedures for Prohibition of Child Labor and Underage Labor to further standardize employment management requirements. Homa Appliances relies on a digital human resources system to achieve compliant employment and prevent employment violations. During the reporting period, the Company did not experience any illegal or irregular employment incidents.

TCL Smart Home is committed to creating a diverse, inclusive, and equal workplace environment, and firmly opposes all forms of discrimination, harassment, and bullying. In recruitment, training, promotion, and other aspects, it does not discriminate against employees based on gender, age, race, religious belief, disability, marital status, or other factors. Hefei Home Appliances has issued the Anti-Discrimination Management Procedure to implement the principle of equal pay for equal work and ensure equal employment rights for male and female employees. Homa Appliances has formulated the Employee Behavior Management Measures, clarifying the anti-discrimination and anti-harassment handling procedures, establishing a women's federation organization to safeguard the rights and interests of female employees, providing suitable positions and special allowances for disabled employees, and supporting their career development.

TCL Smart Home
There are 293 disabled employees
2,290 employees from ethnic minorities

Total number of employees
14,807 Person



Employee Communication

TCL Smart Home places great emphasis on effective communication with its employees, continuously improving communication mechanisms and problem-solving processes, and fostering a friendly and inclusive workplace atmosphere. By establishing a diversified communication platform, the Company ensures timely feedback on employee suggestions and efficient resolution of related issues. Additionally, the Company regularly conducts employee satisfaction surveys to comprehensively understand employees' evaluations of the work environment, logistics management, and other aspects, and continuously optimizes related work based on survey feedback.

Hefei Home Appliances has established a four-in-one communication channel, consisting of physical suggestion boxes, direct departmental feedback, employee representative communication, and a dedicated complaint hotline, to ensure convenient and efficient expression of employee demands. The Company has established a labor union to actively collect and reflect employee opinions and suggestions, and has simultaneously released the Grievance and Complaint Management Procedure to clarify the process for handling employee concerns. A full-process closed-loop mechanism has been established, encompassing "demand submission - dedicated follow-up - timely resolution - result feedback," to ensure timely feedback on employee demands and opinions.

Homa Appliances has formulated the Notice on Further Improving Communication Channels for Employees to broaden the communication paths between employees and the Company. Employees of Homa Appliances can provide opinions and suggestions to the Company through various channels such as the president's email, complaint and suggestion mailbox, corporate OA email, and the "Homa Talks" official account. In addition, the Company regularly conducts communication training for grassroots supervisors and employees to ensure smooth and efficient internal communication.

TCL Smart Home
Employee satisfaction
100%

Employee Welfare and Care

TCL Smart Home strictly abides by relevant national laws and regulations, legally ensuring that employees enjoy statutory holidays such as maternity leave, paternity leave, and breastfeeding leave. Additionally, it provides a range of welfare benefits including free dormitory housing, overtime allowances, meal subsidies, full-attendance bonuses, high-temperature allowances, and transportation allowances. TCL Smart Home regularly organizes various cultural, sports, and major holiday activities, and equips the dormitory area with leisure facilities such as billiard rooms, dance halls, and movie theaters, enriching employees' leisure time and enhancing their sense of belonging and well-being.



Homa Appliances held a special event for the Mid-Autumn Festival

TCL Smart Home has established nursing rooms at its various production bases, focusing on the needs of female employees during lactation. Hefei Home Appliances has formulated the Risk Management Procedure for Pregnant and Lactating Mothers, implemented parental leave policies, and comprehensively protected the legitimate rights and interests of female employees. Homa Appliances focuses on caring for female employees and special groups, providing flexible office arrangements for female employees with children under 12 years old, helping employees balance work and family. In addition, it actively employs disabled employees, regularly conducts condolences for special employees, and provides special subsidies to employees in difficulty.



Homa Appliances held an International Women's Day festival event

Indicators and Targets

Targets	Progress during the reporting period
<ul style="list-style-type: none"> Protect the legitimate rights and interests of employees, continuously improve the construction of employee welfare system, and promote diversification and equality work. 	<ul style="list-style-type: none"> The signing rate of labor contracts is 100% The coverage rate of Five Social Insurances and One Housing Provident Fund is 100% The ratio of female employee is 30% Number of disabled employees is 293 Number of employees from ethnic minorities is 2,290
<ul style="list-style-type: none"> Strengthen employee communication and promote efficient problem-solving. 	<ul style="list-style-type: none"> Employee satisfaction is 100% Number of labor union members is 11,463

Employee Training and Development

Governance

TCL Smart Home continues to promote employee capability development. Led by the Human Resources Department, a comprehensive employee development system has been established, and a diversified talent training plan has been formulated to encourage employees to continuously learn and enhance their abilities.

Strategy

TCL Smart Home has always adhered to the core concept of "achieving global leadership with first-class talent". While continuously introducing high-end scientific research talents in the fields of refrigerators and washing machines, it has been improving its employee training and development system, strengthening talent cultivation and capability building, and driving core technological innovation and high-quality development with a team of high-quality talents.

Impact	Time range of impact	Stakeholders affected	Main types of risks and opportunities	Potential financial impact
Provide employees with continuous learning and development opportunities, enhance their professional abilities and long-term employment competitiveness, and cultivate professionals who can adapt to technological changes and industrial upgrading for the industry and society.	Short-term		Risks: No major risks have been identified for this topic.	Operating costs
	medium-term	Self-operation	Opportunity: The enterprise can improve its employee training and development system, enhance organizational competitiveness, strengthen market adaptability, attract and retain talents, and lay a solid foundation for the Company's sustainable development.	Operating revenue
	long-term			

Impact, Risk, and Opportunity Management

Talent Attraction

TCL Smart Home regards talent as the driving force for the Company's development and continuously expands its talent acquisition channels. Hefei Home Appliances enhances its talent brand presence through campus lectures, job fairs, and other activities, while promoting internal referrals and internal appointments to enhance employee internal mobility and optimize talent resource allocation. Homa Appliances attracts outstanding talents through channels such as corporate open days and internal referrals, and collaborates and conducts recruitment lectures with 20 universities and colleges including South China University of Technology and Central South University. In the recruitment process, a "double-check" screening method is implemented, with the Human Resources Department conducting initial screening and evaluation and the employing department conducting final interviews, to ensure a match between the person and the position.

Employee Compensation and Performance Evaluation

In terms of compensation management, TCL Smart Home has established a comprehensive compensation system and regularly conducts market research on compensation to ensure its competitiveness in the market. The Company closely links compensation with performance, implements a differentiated compensation incentive mechanism, and regularly optimizes the job level system and compensation standards based on the Company's strategy, employee performance, and ability levels, ensuring fair, just, and transparent compensation distribution.

In terms of performance evaluation, TCL Smart Home has established a systematic performance evaluation system, implementing comprehensive performance evaluations based on job characteristics, and continuously improving the performance complaint mechanism to ensure fairness and impartiality in performance appraisal, thereby driving the continuous optimization of its performance management system. Hefei Home Appliances has established a Performance Floating System, set up a standardized evaluation and assessment system, and utilized tools such as 360-degree evaluation and engagement evaluation, combined with talent inventory, job qualifications, data analysis, and other methods, to dynamically assess employee performance and optimize the salary structure. In addition, Homa Appliances has formulated the Performance Management Measures, systematically carrying out job performance and organizational performance assessments, and establishing recognition mechanisms such as "Monthly Star" and employee honor roll to provide positive motivation for employees with excellent performance.

Employee Training and Development

TCL Smart Home is committed to establishing a smooth employee promotion channel and ensuring the standardization and fairness of employee career development. Hefei Home Appliances has formulated systems such as the Regulations on Rewards and Punishments Management, with job value, performance contribution, and ability level as the core evaluation dimensions in the promotion selection and excellence award process. Homa Appliances has established a dual career development path for management and technical channels, clarifying the promotion standards and qualifications for both channels. In terms of the technical channel, the Company organizes professional and technical personnel title evaluations annually in accordance with the Management Measures for the Evaluation of Technical Staff Titles. Meanwhile, Homa Appliances implements the "Talent Flow Plan" to provide employees with internal job transfer opportunities, promoting mutual development between employees and the Company.

TCL Smart Home has established a systematic talent development mechanism, and has carried out diversified talent cultivation projects centered around capability enhancement and job progression needs, continuously improving the construction of internal learning platforms and striving to build a high-quality, professional talent team. Hefei Home Appliances implements a dual-mentor training system, laying a solid talent foundation through scientific selection and systematic cultivation, and has established overseas factory training programs to reserve international talents and provide strong support for global business layout. Homa Appliances has formulated differentiated training programs for employees at all levels, established management systems such as Training Management Measures and Instructor Management Measures, continuously optimized training processes, improved the professional capabilities of instructors, comprehensively enhanced the overall quality of employees, and promoted the construction of the "Homa University" internal learning platform, providing employees with an efficient and convenient learning and development channel.

TCL Smart Home

Total investment in employee training

215.55 Ten thousand RMB

Talent training system of Hefei Home Appliances

Eagle series training programs

Based on the enrollment year, threshold objectives, ability indicators, a leadership development system has been designed for fresh graduates, progressing from "young eagle", "flying eagle" to "elite eagle". Additionally, training programs for newly appointed and high-potential talents have been established to assist them in rapidly adapting to the workplace and enhancing 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

The Company regularly carries 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

The Company establishes diversified public learning platforms such as "T-School", open to all employees, and provides rich learning resources and flexible learning methods.



Talent training program of Homa Appliances

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

According to its strategic needs, the Company aims to cultivate outstanding reserve middle-level leaders among high-level employees. 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.

Future Leader Program

Targeting engineers, specialists, and team leaders, the Company aims to cultivate a group of outstanding backup grassroots leaders in accordance with its 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.



"Outstanding Talent Program" Star Power training



"Talent Development Program" training



"Elite Program" cadre training



"Talent Gathering Program" training



"Outstanding Talent Program" training



On-site training for internal trainers of Homa Appliances

Indicators and Targets

Targets	Progress during the reporting period
<ul style="list-style-type: none"> Focus on talent development, clarify promotion channels and paths, and establish a comprehensive talent training system. 	<ul style="list-style-type: none"> The investment in employee training amounted to 215.55 ten thousand RMB

Occupational Health and Safety

Governance

TCL Smart Home supervises its subsidiaries to establish EHS governance structures based on their respective operational conditions. Among them, Hefei Home Appliances has established an Occupational Health and Safety Committee in accordance with relevant regulations on occupational health and safety, which is responsible for coordinating research, deployment, and guidance of various safety management tasks. Homa Appliances has set up a Safety Production Committee, with the deputy general manager in charge of safety and environmental protection responsible for the overall management of the system. Through regular risk identification and high-risk operation control, emergency management capabilities are improved, and the overall level of safety management is strengthened.

Strategy

Hefei Home Appliances adheres to the safety management philosophy of "safety first, prevention foremost, and comprehensive management," actively implementing the safety production responsibility system. 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," continuously improving the safety management system, and effectively ensuring the occupational health and life safety of employees.

Impact	Time range of impact	Stakeholders affected	Main types of risks and opportunities	Potential financial impact
By providing full-process occupational health management and regular safety training, the occurrence rate of occupational diseases and accidents has been effectively reduced, ensuring employee safety.	Short-term	Self-operation	Risks: Negligence in occupational health management can easily lead to personal injuries in the workplace, resulting in legal proceedings and related penalties for the enterprise.	Operating cost
	medium-term		Opportunities: The enterprise attaches great importance to the safety and health of its employees, safeguards their rights and interests, enhances stability and production efficiency, and simultaneously consolidates the Company's image and reputation.	Compliance cost
	long-term			

Impact, Risk, and Opportunity Management

Safe Production

TCL Smart Home places the utmost importance on safe production and employee occupational health, continuously establishing a clear full-chain safety management system in areas such as chemical control, high-risk operations, emergency response, safety culture, and occupational health. Its subsidiaries have improved special systems, strengthened practical control, conducted regular training and drills, implemented compliance requirements, fortified the production safety line, and safeguarded employee health. The Company has also extended safety management to its suppliers. During the reporting period, Homa Appliances updated the Related Party Safety and Environmental Management System, further strengthening the safety protection for supplier personnel visiting the factory. It clarified that all personnel must possess relevant operational qualifications before entering the site and sign a safety notification, reinforcing the responsibilities and obligations of both parties in safe production.

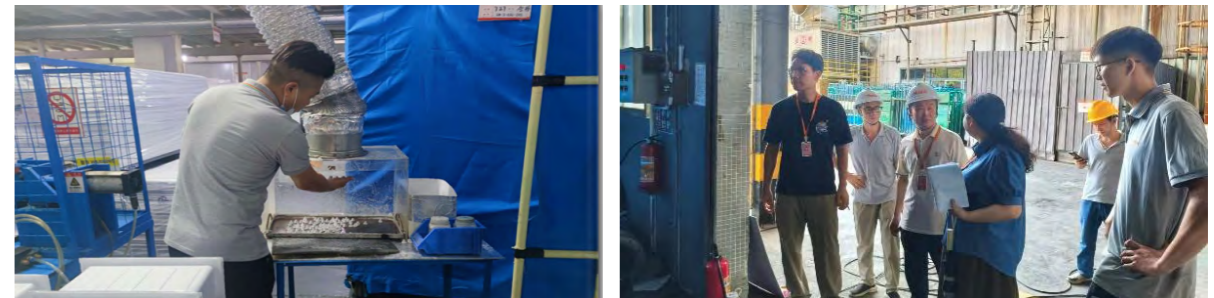
Regarding chemical management and control, Hefei Home Appliances has formulated and implemented the Regulations on Hazardous Substance Process Management, regularly conducted chemical risk assessments, and ensured that operations comply with relevant standards and requirements. It has also obtained the certification of Level 2 Enterprise of Safety Production Standardization. Homa Appliances has formulated systems such as the Chemical Safety Management Measures and the Hazardous Goods Receiving Procedure, establishing a comprehensive management system covering hazardous chemicals, including Safety Data Sheets (SDS) and labels for hazardous chemicals, receiving and unloading, storage and use, personnel training, and safety inspections. The Company regularly organizes specialized chemical safety training focused on operational procedures, accident prevention, and emergency response to chemical spills. Employees' safety skills and operational proficiency are tested through theoretical exams, practical drills, and on-site 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, achieving real-time monitoring of hidden dangers through the installation of monitoring equipment and sensors to ensure that operational risks are controllable. Hefei Home Appliances implements strict risk identification and approval procedures for high-risk operations in accordance with the Regulations on the Management of Hazardous Operations, strengthens the management of operator qualifications, strictly enforces the requirement of holding certificates for employment, and ensures safety and compliance throughout the entire operation process. Homa Appliances, on the other hand, systematically manages key areas

of occupational health risks in accordance with the System for Identification and Control of Occupational Health, Safety and Environment Potential Risks, and further improves safety management measures through documents such as the Special Operation Safety Management System and Hazard Source Identification, Risk Assessment and Control Procedure, strengthening the safety protection configuration of mechanical equipment, adopting safety interlock devices and visual warning signs, and effectively reducing equipment operation risks.

Regarding emergency management, Hefei Home Appliances has promoted the operation of the emergency management system, strictly implemented the emergency response procedures for safety accidents, facilitated collaborative responses from various departments, swiftly handled dangerous situations, clarified responsibilities, and carried out rectification and optimization. The Company has added the Emergency Response Plan for Sudden Illness of Manufacturing Employees in the White Goods BU Washing Machine to standardize on-site emergency response measures, material preparation, and accident handling procedures. During the reporting period, Hefei Home Appliances planned to implement 37 emergency drill plans and actually organized and completed 42, including 5 new drills related to hazardous materials, exceeding the annual plan. At the same time, the Company further promoted the signing of safety responsibility commitment letters covering all employees and positions, strengthening the implementation of safety responsibilities.

Homa Appliances has formulated the Emergency Response Plan for Production Safety Accidents and the Emergency Preparedness and Response Procedures to provide clear operational guidelines for handling emergencies. Each factory is equipped with fire and chemical leakage alarm systems, automatic broadcasting systems, as well as automatic fire-fighting sprinkler systems, safety ventilation systems, fire hydrants, emergency lighting, and evacuation indicators, among other emergency facilities, to comprehensively enhance the capability to respond to and handle dangerous situations.



Homa Appliances conducts special safety inspections for special operation positions and places

Safety Culture Promotion

TCL Smart Home continues to promote the construction of a safety production culture, regularly organizing various safety activities and special training sessions during the Safety Production Month to continuously strengthen employees' awareness of occupational health and safety, and enhance their safety knowledge and skills. Hefei Home Appliances has issued the Regulations for Occupational Health and Safety Training Management to further standardize the organization and implementation of safety training work. Homa Appliances strictly implements the three-level safety education for new employees before they join the Company, and conducts regular training focusing on emergency rescue, fire safety, mechanical safety risk prevention and control, comprehensively strengthening the foundation of safety management.

Homa Appliances' eighth factory conducts fire emergency drills

In June 2025, in order to implement the fire safety policy and enhance employees' fire emergency response capabilities, the safety team of Homa Appliances' eighth factory organized a drill for all day-shift employees to simulate a scenario where a mobile phone placed in the foam area of the box bottom support caught fire due to spontaneous combustion. Each emergency response team was assigned specific tasks such as fire extinguishment, evacuation, cordoning off, and search and rescue. The planning for this drill was detailed, and each team responded swiftly. The dormitory area was also included in the evacuation scope, and a detailed evacuation route map was drawn. Moving forward, the safety team of the eighth factory will continue to focus on enhancing fire safety and applying the drill procedures to actual production.



Homa Appliances' eighth factory conducts fire emergency drills

Occupational Health Management

TCL Smart Home has always been committed to providing comprehensive health and safety protection for its employees and strictly complies with the occupational disease prevention regulations in all its 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, and requires employees to undergo regular pre-employment, in-service, and post-employment occupational health examinations to ensure 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. Employees in positions with occupational disease hazards are issued an Occupational Disease Hazard Position Notification to facilitate the timely detection and prevention of potential occupational health risks. During the reporting period, TCL Smart Home did not experience any occupational disease incidents.

In addition, TCL Smart Home conducts occupational health knowledge dissemination activities for all employees every year through occupational health awareness week and systematic annual training, continuously enhancing employees' awareness of occupational disease prevention and self-protection capabilities. To further improve the overall health level of employees, the Company regularly invites medical personnel to conduct lectures on common disease medical knowledge and health, helping employees enhance their awareness of daily health management, thereby promoting their long-term health and well-being.



Homa Appliances occupational disease prevention and control training courseware

Indicators and Targets

Targets	Progress during the reporting period
<ul style="list-style-type: none"> Continuously create a safe and stable working environment, promptly eliminate risks through a normalized hidden danger investigation and rectification mechanism, avoid major work-related accidents and related losses, and effectively safeguard employee health and safety. 	<ul style="list-style-type: none"> No major occupational safety accidents caused by production safety have occurred. A total of 825 occupational health and safety training sessions were held, attracting 186,666 employee participation, with an average training duration of 1 hour per employee.

Community Development

TCL Smart Home actively fulfills its corporate social responsibility, regularly organizes public welfare activities, and encourages employees to participate in volunteer services, demonstrating its social responsibility through concrete actions and supporting the high-quality development of social welfare undertakings.

Hefei Home Appliances actively carries out employee volunteer activities, and organizes science education and research activities for young people to enhance their scientific and technological literacy through immersive experiences, stimulate their enthusiasm for scientific exploration, and promote the popularization of science and technology education. Homa Appliances mobilizes its employees to actively participate in public welfare volunteer services. In the field of ecological environmental protection, it actively participates in ecological restoration and energy conservation and emission reduction projects. In community development, it supports the improvement of community infrastructure and carries out various community service activities. Through participating in public welfare activities such as educational support and elderly care, it cares for vulnerable groups such as people in difficulty, disabled people, the elderly, and children.

In addition, the Company actively responds to and participates in the "Home Appliances to the Countryside" and "Trade-in" activities organized by governments at all levels, striving to bring its high-quality, cost-effective products to rural areas, thereby helping to improve the quality of life and access to consumer goods for local residents.



Homa Appliances has been awarded the China Red Cross Dedication Medal

TCL Smart Home

External donations

2.02 Million RMB



Consolidate Governance Foundations

TCL Smart Home upholds the core values of integrity, transparency, and respect, adheres to the leadership of the Party, continuously improves the top-level design of corporate governance, and builds a sound compliance, internal control, and risk management system. At the same time, the Company steadily promotes data and information security protection work, effectively safeguarding the legitimate rights and interests of all stakeholders and laying a solid governance foundation for the Company's high-quality development and stable operation.



GOVERNANCE

Party Leadership

Governance and Strategy

Guided by the theories of the Party, TCL Smart Home has thoroughly studied and implemented the important spirit of the Party, continuously strengthened the core role of party building leadership in the Company's strategic planning and operation management, and effectively transformed the political and organizational advantages of the Party into the efficiency and development advantages of corporate governance.

The general Party branch of the Company has continuously strengthened Party building work, solidly promoted the standardized development of Party branches, strictly implemented various organizational life systems, and continuously enhanced cohesion and execution. Each Party branch closely focuses on the actual situation of the Company's business operations and development, conscientiously implements the requirements of the superior Party organizations, regularly conducts self-examination and self-correction, actively promotes the deep integration of Party building work with business development, team building, risk control, and fully leverages the role of the Party organization as a fighting bastion and the exemplary role of Party members, thereby providing a strong organizational guarantee for the high-quality development of the Company.

Impact, Risk, and Opportunity Management

TCL Smart Home promotes party building with a focus on implementing the spirit of the eight-point decision on improving Party and government conduct. Relying on various forms such as "Three Meetings and One Lecture" system, thematic Party days, and online learning platforms, the Company systematically organizes theoretical learning and special education, guiding party members and cadres to build a solid ideological foundation and strictly adhere to the bottom line of discipline. Meanwhile, the Company promotes party members to play a leading role in business challenges, service improvement, and innovative development by setting up party member pioneer posts and party member responsibility areas, effectively promoting the deep integration of party building and business development.

TCL Smart Home

Number of party members is 223

Number of new party members is 28

Leading Party Building to Strengthen Skills, Building Dreams with Craftsmanship to Drive Development

In November 2025, Homa Appliances held a technical competition under the theme "Leading Party Building to Strengthen Skills, Building Dreams with Craftsmanship to Drive Development." More than 120 party member employee representatives participated. This party building activity focused on core skills such as copper-aluminum welding and quality inspection, with Party members taking the lead in demonstrating their expertise and competing on technical proficiency. This activity helped implement the approach of "nurturing talent and promoting learning through competition," injecting a powerful driving force into the Company's efforts to identify key technical talents and build a solid foundation for talent development.

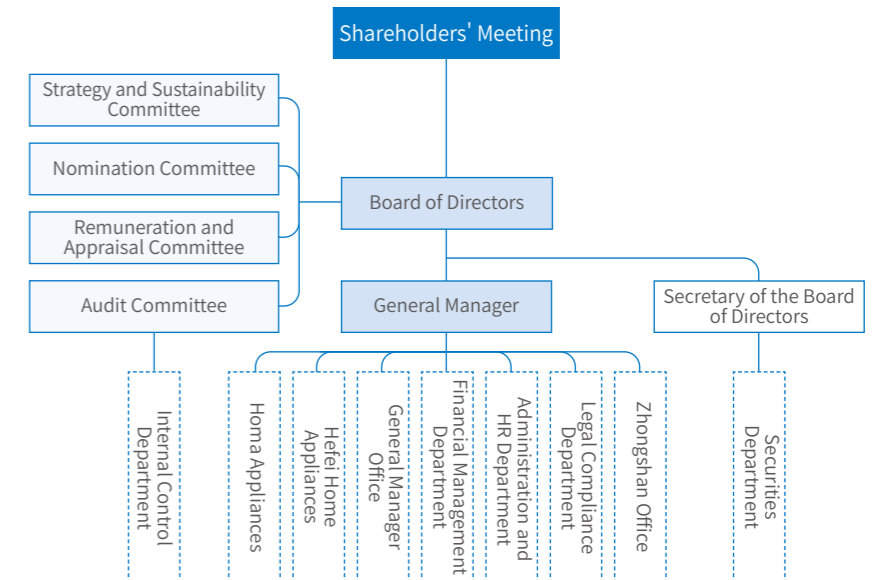
Indicators and Targets

Targets	Progress during the reporting period
<ul style="list-style-type: none"> Continuously strengthen the construction of the Party member team, carry out Party building activities in an orderly manner, and promote the deep integration of Party building with business development. 	<ul style="list-style-type: none"> There are 223 party members, including 28 new party members recruited this year.

Corporate Governance

Governance

TCL Smart Home has established a corporate governance structure consisting of the shareholders' meeting, the Board of Directors, and the Management, clearly delineating the roles and responsibilities at each level and formulating corresponding rules of procedure to achieve effective checks and balances among decision-making, execution, and supervision.



The Board of Directors of the Company currently consists of 7 directors, including 3 independent directors, accounting for 43%. The composition and election procedures strictly comply with relevant laws and regulations as well as the requirements of the Articles of Association. The Board of Directors has established the Strategy and Sustainability Committee, Nomination Committee, Remuneration and Appraisal Committee, and Audit Committee. The members of each special committee are elected by the Board of Directors, providing professional support for the standardized operation and sustainable development of the Company.

Strategy

TCL Smart Home adheres to the principles of compliant and efficient corporate governance, built on a clear governance structure and a diverse, professional decision-making body. It is committed to continuously enhancing decision-making efficiency and governance standards, ensuring the Company's long-term sustainable development through effective governance practices.

Impact	Time range of impact	Stakeholders affected	Main types of risks and opportunities	Potential financial impact
Improve governance structure and decision-making mechanism, enhance operational transparency and responsibility implementation level, promote standardized operation and scientific decision-making of the Company, and safeguard investors rights.	Short-term medium-term long-term	Self-operation	Risks: No major risks have been identified for this topic. Opportunities: By enhancing governance diversity and professionalism, establishing a positive corporate image, and bolstering stakeholders' confidence in the enterprise can attract more investment and cooperation opportunities.	Market financing

Impact, Risk, and Opportunity Management

Corporate Governance System

TCL Smart Home strictly complies with 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 regulatory requirements of the exchange. Guided by the Articles of Association, and supplemented by supporting rules and regulations such as the Independent Director System and the Terms of Reference of the Strategy and Sustainability Committee of Board of Directors, the Company continuously standardizes the decision-making and operational processes of the Board of Directors, ensuring that the shareholder meetings and Board of Directors meetings are convened in accordance with the law and regulations. All directors diligently fulfilled their duties and actively attended board meetings and specialized committee meetings. During the reporting period, TCL Smart Home held 2 shareholders' meetings, 6 Board of Directors meetings, and 10 meetings of specialized committees under the Board of Directors and special meetings of independent directors.

TCL Smart Home

The proportion of female directors

43%

The Company has established a sound internal and external collaborative supervision and balance mechanism to ensure standardized operation. In terms of internal supervision, independent directors and the Audit Committee continuously monitor the financial status and the legality and compliance of the performance of directors and senior management. In terms of external supervision, the Company actively accepts the supervision of professional institutions such as securities regulators, accounting firms, and law firms. The annual financial report is independently audited in accordance with the law to ensure the authenticity and accuracy of financial information.

On this basis, the Company actively promotes the diversification of the Board of Directors, continuously optimizing the structure in terms of gender, age, professional experience, cultural and educational background, among which the proportion of female directors is 43%.

To ensure the independence and performance compliance of independent directors, each independent director is required to submit an annual duty performance report to the Company's annual general meeting of shareholders, explaining their fulfillment of duties. Independent directors are also required to perform an annual self-assessment of their independence and submit the findings to the board of directors. The board then evaluates the independence of the independent directors and issues a special opinion accordingly.

Protection of Investors Rights

TCL Smart Home is committed to protecting the rights and interests of shareholders, and strictly implements various safeguard measures in accordance with the Articles of Association. Shareholders' meetings are held through a combination of on-site participation and online voting, and a cumulative voting system is implemented during the election of directors, fully guaranteeing the participation and voting rights of all shareholders, especially small and medium-sized investors.

To maintain good investor communication, the Company actively engages in one-on-one research, strategy meetings, performance presentations, and other activities to maintain deep interaction with investors. At the same time, the Company has established dedicated sections for "Complaints and Suggestions" and "Investor Relations" on its official website, and communicates with investors through investor relations emails, hotline, and the "Interactive Easy" platform of the Shenzhen Stock Exchange, building a diverse communication channel that covers both online and offline.

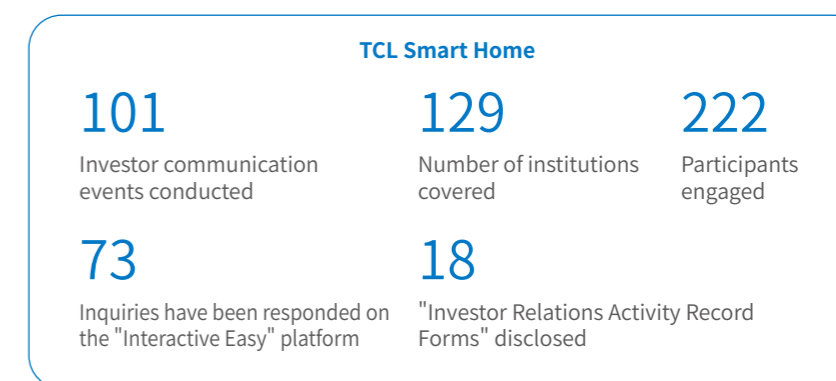
Awards and honors of TCL Smart Home

Awarded by	Honor
www.cls.cn	2025 Most Valuable Investment Award in Capital Market
New Fortune Magazine	2025 Best Board Secretary 2025 Best Media Communication Award
China Fund	Excellent Board Secretary, 2025 China Listed Companies Yinghua Award
Securities Times	The 19th Sunshine Board Secretary for Listed Companies in China
JRJ.com	The 14th Jinzhi Award for Outstanding Investor Relations Team (IR)
Ju Dong Mi	Top 100 Board Secretaries Top 100 IRM Companies

Information Disclosure

TCL Smart Home adheres to the philosophy of proactive and transparent information disclosure, strictly complies with laws and regulations such as the Administrative Measures for Information Disclosure of Listed Companies and the Guidelines for the Regulation of Listed Companies No. 10—Market Value Management, and has established and continuously improved a series of internal governance systems including the Information Disclosure Management System, the Regular Report Preparation and Disclosure Management System, and the Investor Relations Management System. It ensures the authenticity, accuracy, completeness, and timeliness of information disclosure, effectively safeguarding investors' rights to know and participate.

The Company has established a comprehensive information disclosure mechanism, setting up regular reporting systems for matters such as foreign exchange hedging, bank credit, related-party transactions, external guarantees/applications for guarantees, and major litigations. It also regularly monitors sensitive matters and data in daily operations, evaluates matters approaching disclosure thresholds, and provides timely alerts to ensure that information disclosure is conducted in accordance with laws and regulations. During the reporting period, the Company did not experience any violations of information disclosure regulations.



Indicators and Targets

Targets	Progress during the reporting period
<ul style="list-style-type: none"> Continue to improve governance structure to ensure that all major decision-making procedures are compliant and fully deliberated. Place high importance on investor relations management, strictly manage information disclosure, and safeguard investors rights. 	<ul style="list-style-type: none"> Hold 2 shareholders' meetings and 6 Board of Directors meetings. The proportion of female directors is 43%. Achieve the goal of "zero violations", "zero omissions", and "zero corrections" in information disclosure.



Compliant Operation and Risk Management

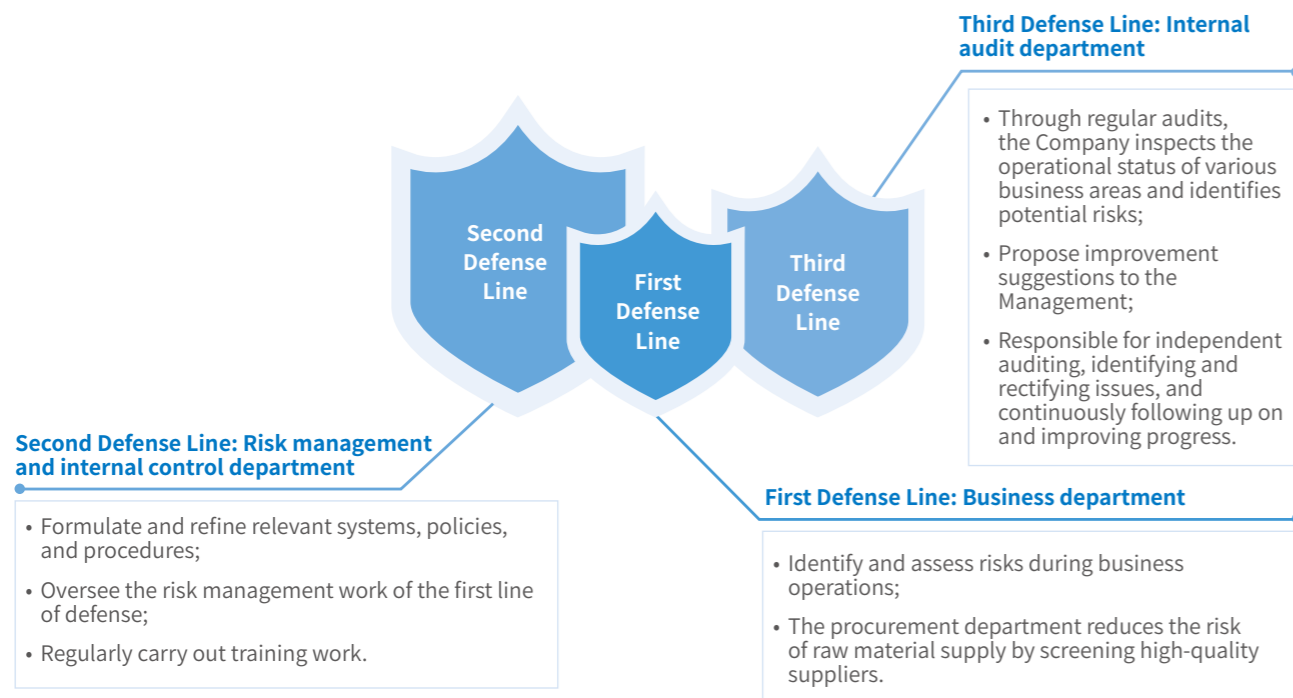
Governance

TCL Smart Home has established the Internal Audit and Internal Control Department and appointed full-time internal auditors to independently perform internal audit functions. The department conducts inspections and assessments on the operational quality of the Company and its subsidiaries, the completeness and effectiveness of internal controls, the use of expenses, and asset management, promoting the effective operation of internal controls. The internal audit department is directly responsible to the Board of Directors and independently exercises audit powers under the guidance of the Audit Committee.

Based on this, Hefei Home Appliances has established an Internal Control Committee, assigning dedicated personnel to manage the Company's compliance and internal control work, with a focus on the management of departmental position checks and balances, seal management, risk assessment, and information management to ensure 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 of their own departments to ensure that various business processes meet internal control requirements.

Additionally, TCL Smart Home has established a risk management organizational structure with clear responsibilities and distinct levels, forming a "three lines of defense" risk management framework. This framework systematically defines the functional division of responsibilities among various departments in risk identification, control, and supervision, ensuring that various potential risks in daily operations are addressed efficiently and promptly.

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



Strategy

TCL Smart Home operates on the basis of legality and compliance, proactively identifying opportunities and risks in the external environment. Based on this, it has established a compliance operation and risk management system that aligns with its business characteristics, ensuring the orderly operation of various businesses within a standardized and transparent framework.

Impact	Time range of impact	Stakeholders affected	Main types of risks and opportunities	Potential financial impact
Improve compliance management and risk identification mechanisms, enhance institutional construction, internal control, and risk investigation, and maintain a fair and competitive market environment.	Short-term	Upstream value chain	Risks: Insufficient understanding of updates to policies and regulations may increase compliance risks, affecting business continuity and expansion; inadequate risk management may weaken the Company's overall response capabilities, resulting in adverse impacts in various aspects such as finance, law, customers, and reputation.	Compliance cost
	medium-term	Self-operation		
	long-term	Downstream value chain	Opportunities: The enterprises continuously track and analyze domestic and international compliance requirements, enhance their market access capabilities, reduce compliance costs, and create more opportunities for business expansion.	

Impact, Risk, and Opportunity Management

Compliance Operation

TCL Smart Home strictly adheres to the laws and regulations of the regions where its business and operations are conducted. It has established a comprehensive compliance internal control management system and an internal compliance review mechanism, continuously refining and detailing its compliance internal control management functions, and consistently fostering a positive compliance culture to ensure the Company's compliance and stable operation. During the reporting period, the Company organized key personnel from various departments to comprehensively revise 41 internal management systems, including the Articles of Association, based on normative documents such as the Guidelines for Articles of Association of Listed Companies and in conjunction with its own operational management needs. This resulted in the formation of a fundamental system for the Company's internal control, further enhancing standardized operation and management efficiency.

Hefei Home Appliances formulates the Internal Control Management Manual of TCL Home Appliances (Hefei) Co., Ltd. and the Articles of Association of TCL Home Appliances (Hefei) Co., Ltd. and carries out compliance management and internal control work based on these documents. It regularly reviews and updates core processes such as organizational structure and major decision-making, and continuously pays attention to compliance and risk management in various business areas such as finance and procurement, to monitor the implementation of compliance strategies in all aspects. At the same time, Hefei Home Appliances also identifies and responds to external risks, such as regulatory changes, through regular comprehensive reviews, ensuring the smooth implementation of new business development and major projects, and maintaining stable operations within a compliant framework.

Homa Appliances regularly conducts risk monitoring, promptly updates internal policies based on adjustments to domestic and international policies, and ensures the effective implementation and coverage of compliance policies across all business segments through internal audit reviews. Regarding external risks, Homa Appliances conducts daily, quarterly, and annual reviews to cover different types and scopes of situations, ensuring efficient implementation and continuous improvement of compliance management. In addition, to manage compliance risks in overseas business, Homa Appliances follows domestic and international laws and regulations such as the Customs Law of the People's Republic of China and the Foreign Corrupt Practices Act, and has established the Export Compliance System. Through systematic process norms and audit mechanisms, it ensures that products meet the standards and compliance requirements of the target market.

To systematically address external regulatory requirements and prevent operational risks, TCL Smart Home continuously promotes compliance training and cultural construction that covers all employees. The Company has established a regular training system, with training content encompassing interpretation of laws, regulations, and internal guidelines, business ethics and anti-corruption requirements, as well as risk identification and response ability cultivation in business scenarios, aiming to internalize compliance awareness into employees' conscious actions.

Risk Management

TCL Smart Home has established the Internal Audit System and set up a full-process risk management system to supervise and control potential risks. Under the guidance of the Company, Hefei Home Appliances regularly analyzes key risk data using risk matrices, databases, and early warning systems, updates risk maps, and dynamically monitors market, financial, and operational risks through evaluation models, taking measures to address high-risk areas. Homa Appliances, under the "three lines of defense" framework, has 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 process, and risk reporting mechanism, and enhancing the standardization and transparency of risk management.

TCL Smart Home full-process risk management system



To address various internal and external risks such as fluctuations in raw material prices, market competition, exchange rate changes, export business, and credit, the Company has established a systematic risk management mechanism. Through continuous monitoring, dynamic assessment, and hierarchical control, it formulates and implements corresponding prevention and response strategies to enhance risk resistance, ensure business continuity and financial stability, and support long-term sustainable business development. During the reporting period, TCL Smart Home engaged an external accounting firm to conduct financial statement audits and initiated an internal special inspection of platform expense payments to identify and prevent operational and financial risks.

Indicators and Targets

Targets	Progress during the reporting period
<ul style="list-style-type: none"> Improve the compliance internal control system, implement compliance strategies, ensure the smooth operation of the risk management mechanism, strengthen risk prevention and control capabilities, and support the steady development of the business. 	<ul style="list-style-type: none"> No major risk events have occurred, and no penalties or fines have been imposed for violations.

Business Ethics

Governance

TCL Smart Home has clarified management principles and supervision requirements at the group level, and supervises its subsidiaries in establishing and continuously improving their anti-corruption management systems. Homa Appliances has established a comprehensive anti-corruption management system and set up an anti-corruption committee composed of senior management personnel, responsible for formulating and supervising the implementation of the Company's anti-corruption strategies to effectively prevent, identify, and respond to various corrupt behaviors.

Strategy

TCL Smart Home has always adhered to the "zero tolerance" principle towards corruption. By establishing and improving the anti-corruption governance system and fostering a culture of integrity, it implements anti-corruption and business ethics initiatives to ensure that all employees and partners conduct honest and transparent business practices.

Impact	Time range of impact	Stakeholders affected	Main types of risks and opportunities	Potential financial impact
Strengthen the requirements for business ethics and integrity in operations, and reduce the interference of improper transactions and corrupt practices in the market environment by clarifying behavioral norms and accountability mechanisms.	Short-term	Upstream value chain	Risks: Violating business ethics may trigger legal risks and trust crises, resulting in financial losses and the loss of customers and partners.	Compliance cost
	medium-term	Self-operation	Opportunities: 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.	Operating cost
	long-term	Downstream value chain		

Impact, Risk, and Opportunity Management

Anti-commercial Bribery, Anti-corruption, and Anti-unfair Competition

TCL Smart Home strictly adheres to the United Nations Convention against Corruption and relevant national laws, establishing and refining an anti-corruption governance system to ensure honest and transparent business practices. Hefei Home Appliances, based on its internal management system, clearly defines various types of corrupt behaviors and their handling methods, and legally handles employees involved in criminal acts such as corruption and bribery who have been sentenced. Homa Appliances has formulated internal regulations such as the Accountability Management Measures and the Integrity Management Code, clarifying operational "red lines" and strictly prohibiting violations such as abuse of power for personal gain and fraud. It also requires all employees, suppliers, and partners to jointly abide by relevant laws, regulations, and company policies.

To further enhance employees' awareness of business compliance, TCL Smart Home continuously conducts anti-corruption training and promotes a culture of integrity. Through diversified educational forms, it aims to enhance employees' compliance awareness and foster a clean and fair corporate atmosphere.

Furthermore, in order to eliminate all forms of monopoly and unfair competition, TCL Smart Home strictly adheres to laws and regulations such as the Anti-Monopoly Law of the People's Republic of China and Anti-Unfair Competition Law of the People's Republic of China, regularly reviews business practices, and resolutely prevents commercial bribery and unfair competition to maintain a fair market competitive environment. Hefei Home Appliances has established a risk management system for anti-monopoly and fair competition that encompasses risk monitoring, internal compliance reviews, regular legal training, and emergency response plans. Homa Appliances explicitly prohibits all types of unfair competition and monopoly behaviors, and ensures that business activities fully comply with legal requirements by developing risk response plans, conducting regular risk assessments, and embedding compliance review mechanisms in key processes such as pricing, sales, procurement, and cooperation.

Whistleblower Protection

TCL Smart Home has established and improved its internal reporting and feedback mechanism to ensure smooth supervision channels and implement the responsibility system. Hefei Home Appliances provides a 24-hour reporting channel through the OA system and email, promises to respond to reporting leads within 24 hours, and sets up a special investigation team to conduct verification. The investigation results are publicized on the intranet. The Company also strictly implements the whistleblower protection policy, ensures confidentiality of whistleblower information, and prohibits any form of threat or retaliation. Homa Appliances has established various reporting channels, including letters and in-person visits, employee suggestion boxes, dedicated phone lines, and WeChat complaints, encouraging real-name reporting. It also clearly stipulates strict confidentiality requirements for whistleblower information and materials in the Accountability Management Measures, prohibiting disclosure and retaliation.

Indicators and Targets

Targets	Progress during the reporting period
<ul style="list-style-type: none"> Continuously improve the systematic compliance and risk management system, and firmly implement the construction of a culture of integrity that adheres to a "zero tolerance" approach to corruption. 	<ul style="list-style-type: none"> No commercial bribery or corruption incidents have occurred, and no lawsuits or significant administrative penalties have been imposed due to unfair competition.

Data Security and Privacy Protection

Governance

TCL Smart Home has established a data security governance system with clear responsibilities and standardized processes. Under the unified leadership of the President, the IT management department leads the data security work, with the participation and execution of various business and functional departments, jointly promoting the implementation of data security and privacy protection.

Data security and privacy protection governance framework of TCL Smart Home

Leadership group	Leader	CEO	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 leader	Head of IT Management Department	Responsible for overall information security planning, management standard review, and coordination of information security construction, and participating in decision-making regarding information security incidents.
Execution group	Information security team	Relevant personnel from the IT Management Department	Responsible for the implementation of information security system construction, system formulation, and technical support work.
	Business team	Head of each department/branch factory	The head of each department serves as the primary responsible person for information security within their department, being accountable for enforcing and overseeing information security standards, as well as approving information security permissions.
	Supervision team		Responsible for inspecting the implementation of information security standards, regularly reporting relevant issues and implementing incentive measures, and forming supervision reports.

Strategy

TCL Smart Home has incorporated data security and privacy protection into its overall development strategy, continuously strengthening information security construction, implementing effective control throughout the entire data process, while enhancing the security awareness of all employees. In doing so, it effectively protects customer privacy and builds a solid security defense line.

Impact	Time range of impact	Stakeholders affected	Main types of risks and opportunities	Potential financial impact
Strengthen the management of information security and privacy protection, reduce the risks posed to users and partners by information leakage and abuse, and ensure the privacy and data security of customers and other relevant parties.	Short-term	Upstream value chain	Risks: Inadequate information management and data protection may lead to information leakage and damage to trust, affecting business collaboration and operational stability. Opportunities: By establishing a robust mechanism for information security and privacy protection, the Company can enhance data security, strengthen trust in cooperation, and provide safeguards for stable operations.	Compliance cost Operating cost
	medium-term	Self-operation		
	long-term	Downstream value chain		

Impact, Risk, and Opportunity Management

Information Security

TCL Smart Home strictly adheres to laws and regulations such as the Cybersecurity Law of the People's Republic of China and continuously improves its information security management system and institutional framework. Hefei Home Appliances has established the Information System Security Response Plan and the Information Security Management System, clarifying the information security management process and responsibilities. Homa Appliances has established institutional documents such as the Homa Appliances Information Security Management Standards and the Homa Appliances Network and Data Center Emergency Response Plan, and organizes corresponding emergency drills and skill training based on the above institutional documents to enhance risk response capabilities, strengthening security operations and response mechanisms.

Hefei Home Appliances comprehensively utilizes technical tools such as firewalls, antivirus software, Data Leakage Prevention (DLP) systems, and situational awareness platforms to establish a multi-level technical protection system. At the same time, special data leakage prevention monitoring measures are deployed for core devices used to handle highly confidential data, providing comprehensive information security protection. Homa Appliances effectively enhances the level of information security protection by deploying systems such as bastion hosts, firewalls, threat situational awareness, and terminal control.

Meanwhile, TCL Smart Home continues to promote and improve information security auditing, strengthening the supervision and evaluation of information security implementation. Hefei Home Appliances conducts regular internal and external information security audits every year and obtained ISO 27001 information security management system certification during the reporting period. Homa Appliances has established an information security audit mechanism that combines internal and external audits, focusing on dimensions such as system implementation, system vulnerability scanning, and network-wide security traffic monitoring. This proactive approach aims to identify and rectify potential security risks, thereby continuously improving the level of information security management.

In addition, to strengthen the construction of information security culture, Hefei Home Appliances regularly sends security-themed promotional emails, establishes an online curriculum system, and organizes annual information security assessments covering all employees. The relevant training and assessments have covered more than 70,000 participants, effectively enhancing employees' security awareness and practical abilities.

Conducting information security training to establish awareness of confidentiality responsibility

On July 25, 2025, Homa Appliances organized an information security and confidentiality awareness training activity for newly recruited management trainees, with a total of more than 150 participants. This training helps new employees establish a security concept at the early stage of employment, laying an important foundation for consciously abiding by information security norms in subsequent work.



Homa Appliances conducts training on information security and confidentiality awareness

Business Stability

TCL Smart Home has built a multi-layered and highly available network architecture, continuously enhancing the reliability and risk resistance of the network infrastructure. Hefei Home Appliances adopts a model combining dedicated internet lines with dual-active devices and Software-Defined Wide Area Network (SD-WAN) technology, effectively ensuring the high availability of network connectivity and optimizing the experience of remote office work and data transmission. Meanwhile, a dual-machine hot standby mechanism is deployed for core devices to avoid single point failures and further enhance the overall stability and business continuity of the system. Homa Appliances deploys dedicated internet lines from multiple operators to achieve automatic failover, ensuring redundant and reliable external network access. The internal network construction adopts a "dual-line + dual-device + 5G" approach, providing solid support for production operations and daily office work.

Data Security and Privacy Protection

TCL Smart Home is committed to building a security management mechanism that covers the entire data lifecycle, systematically reducing the risks of data leakage and abuse. Hefei Home Appliances has formulated the Data Security Management Requirements, clarifying internal data classification and grading standards, standardizing the use and control processes of data at all stages of the lifecycle, and ensuring data security. Homa Appliances has implemented the Homa Appliances Data Center Management Standards, strictly managing account permissions, strengthening data classification protection and transmission encryption, and executing regular backups and file access control, systematically ensuring data security and controllability at all stages.

TCL Smart Home attaches great importance to customer privacy protection, integrating privacy protection into its business operations and product services. Hefei Home Appliances, in accordance with the TCL Industry Privacy Management System and other privacy management system documents, clarifies the management regulations for personal information in various aspects such as collection, processing, use, sharing, and storage. It strictly implements privacy protection requirements in the processes of product design and development, marketing, and other aspects, effectively ensuring customer privacy security.

Indicators and Targets

Targets	Progress during the reporting period
<ul style="list-style-type: none"> Improve the data security and privacy protection system, strictly implement various management measures and technical protections, and prevent related risks. 	<ul style="list-style-type: none"> No data security incidents or customer privacy breaches have occurred.



Outlook

Looking back on 2025, TCL Smart Home advanced high-quality development by deeply integrating ESG into its operations. Through green transformation, technological innovation, and responsible practices, the Company continuously enhanced its brand value and industry influence, laying a solid foundation for its global expansion and sustainable development. Looking ahead, TCL Smart Home will build on this momentum, leveraging its role as a Worldwide Olympic Partner to further advance its global strategy and technological innovation, and to shape a smarter future. The Company will continue to promote green production, deepen technological research and development, and enhance service capabilities, contributing to the achievement of the United Nations Sustainable Development Goals.

Deepening Green Transformation to Build a Low-Carbon Future

We will remain committed to green and low-carbon development by integrating carbon reduction principles throughout the entire product lifecycle. Through green technological innovation, we aim to develop energy-efficient and durable products, continuously reducing carbon emissions across the full lifecycle of our products. At the same time, we will further improve resource efficiency, promote material recycling and waste reduction, and facilitate the transition of production and operations toward resource-efficient and circular models. We will also work closely with value chain partners to build a green ecosystem and jointly advance supply chain decarbonization, actively contributing to the achievement of our "carbon peaking and carbon neutrality" goals.

Delivering Technology with Purpose and Fostering an Inclusive Ecosystem

We remain committed to high-quality development and to creating value for all stakeholders. For consumers, we will continue to strengthen end-to-end product quality management, meeting user needs with reliable quality and high-quality services, while leveraging innovation to deliver intelligent and healthy living experiences. For employees, we will further enhance employee rights protection and talent development systems, expand diversified career pathways, and stimulate employee growth and innovation. For society, we will continue to address the needs of vulnerable groups, actively engage in public welfare initiatives, and leverage technological innovation to advance social progress.

Strengthening Corporate Governance for Sustainable Growth

We will continue to optimize our ESG governance system, establish multi-dimensional communication mechanisms, and actively engage with stakeholders to align corporate development with societal expectations. At the same time, we will further strengthen compliance and internal control systems, improve risk management mechanisms, and enhance our capabilities in risk identification and response, providing a solid foundation for long-term, stable development through transparent and standardized governance.

Building on momentum and moving forward with determination, TCL Smart Home will remain committed to its vision of becoming a world-leading smart home appliance enterprise. Inspired by the Olympic spirit, we will continue to embed sustainability into our development, steadily advancing our global, intelligent, and green transformation. By driving industry upgrading through technological innovation and responding to societal expectations with responsible practices, TCL Smart Home aim to create long-term value while contributing to global environmental governance, social progress, and industry development.



Appendix

Key Performance Table

Material Topics	Indicators	Unit	2025
Economic Performance	Total revenue	RMB	18,530,993,941.45
Environmental Compliance Management	Total investment in environmental protection	Ten Thousand RMB	361.59
	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	Ten Thousand RMB	0
	Number of environment-related lawsuits resulting from violations of environment-related regulations	Number	0
	Number of employee training sessions on environmental protection	Sessions	25
	Number of employees' participation in environment protection training	Attendances	13,238
Response to Climate Change	Total GHG emissions	tCO ₂ e	156,400.60
	Scope 1 (S1)	tCO ₂ e	14,424.98
	Scope 2 (S2)	tCO ₂ e	141,975.62
	Operational Scope (S1+S2) GHG emissions intensity	tCO ₂ e/Million Revenue	8.44
Energy and Resource Management	Total energy consumption	Tons of Standard Coal Equivalent	40,532.35
	-- Total direct energy consumption	Tons of Standard Coal Equivalent	1,707.67
	-- Total indirect energy consumption	Tons of Standard Coal Equivalent	38,824.67
	Clean energy consumption	Tons of Standard Coal Equivalent	6,949.67
	Energy use intensity	Tons of Standard Coal Equivalent/ Million Revenue	2.19
	Natural gas	m ³	898,325.47
	Diesel	Liter	232,206.08
	Gasoline	Liter	24,137.08
	Total electricity consumption	kWh	291,277,290.00
	-- Purchased electricity	kWh	267,575,606.00
	-- Self-generated and consumed photovoltaic power	kWh	23,701,684.00
	-- Purchased green electricity	kWh	32,845,709.50

Material Topics	Indicators	Unit	2025
Energy and Resource Management	Total water consumption	m ³	1,572,265.00
	Total water withdrawal	m ³	1,840,843.00
	Water withdrawal intensity	m ³ / Million Revenue	99.34
Pollution and Waste Management	Wastewater discharge volume	Tons	268,578.00
	Wastewater discharge intensity	Tons / Million Revenue	14.49
	-- Industrial wastewater	Tons	48,460.00
	-- Domestic wastewater	Tons	220,118.00
	Chemical oxygen demand (COD) discharge volume	Tons	3.15
	Biochemical oxygen demand (BOD) discharge volume	Tons	4.42
	Ammonia nitrogen (NH ₃ -N) discharge volume	Tons	0.06
	Total nitrogen (TN) discharge volume	Tons	0.08
	Total phosphorus (TP) discharge volume	Tons	0.37
	Air pollutant discharge volume	m ³	3,618,182,895.00
	Sulfur dioxide discharge volume	Tons	0.23
	Nitrogen oxides discharge volume	Tons	1.34
	Particulate matter discharge volume	Tons	0.19
	VOC	Tons	5.62
	Waste discharge volume	Tons	14,609.99
	Waste discharge intensity	Tons / Million Revenue	0.79
	-- Hazardous waste ¹	Tons	353.15
	-- E-waste	Tons	14.02
-- Non-hazardous Waste	Tons	14,256.84	
---- Waste paper cartons	Tons	4,109.20	
---- Waste plastics	Tons	599.59	
---- Waste plastic foam (EPS)	Tons	74.02	
---- Manuals	Tons	1,512	
---- Scrap iron	Tons	7,962.03	
Total recycled and reused waste ²	Tons	24.83	

¹TCL Smart Home's hazardous waste data includes all dangerous waste generated by the Company.

²The statistical scope only includes Hefei Home Appliances.

Material Topics	Indicators	Unit	2025
R&D and Innovation	Annual number of patent applications	Number	736
	Annual number of patents granted	Number	363
	Cumulative number of patents granted ³	Number	2,725
	Cumulative number of overseas patents granted ⁴	Number	16
	Number of intellectual property rights training sessions	Sessions	7
	R&D investment	Ten Thousand RMB	68,029.80
	Number of R&D personnel	Person	1,296
	Number of technical personnel	Person	1,414
	Ratio of R&D and technical personnel	/	18.30%
	Number of innovative projects	Number	34
Supply Chain Management	Number of industry standards participated in	Number	8
	Total number of suppliers	Number	841
	Number of suppliers in Chinese mainland	Number	804
	Number of suppliers in Hong Kong, Macao, and Taiwan regions	Number	10
	Number of suppliers in other regions (overseas)	Number	27
	Number of supplier training sessions	Sessions	2
Product Quality and Safety	Number of trained suppliers	Number	784
	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
	Total number of product recall incidents	Number	0
	Major administrative penalties related to safety and quality of products and services	Cases	0
Customer Service	Monetary value related to damages from major liability accidents concerning product/service safety and quality	Ten Thousand RMB	0
	Number of customer complaints	Number	218
	Number of product complaints	Number	5,657
	Customer service training sessions	Sessions	11
	Customer service training attendances	Attendances	815

³ Cumulative number of patents granted refers to the number of patents granted to the Company as of the end of 2025.

⁴ Cumulative number of overseas patents granted refers to the number of overseas patents granted to the Company as of the end of 2025.

Material Topics	Indicators	Unit	2025	
Employee Rights and Protection	Labor contract signing rate	/	100%	
	Social insurance coverage rate	/	100%	
	Employee satisfaction rate	/	100%	
	Number of labor union members	Person	11,463	
	Total number of employees	Person	14,807	
	By Gender			
	Number of male employees	Person	10,394	
	Number of female employees	Person	4,413	
	By Age Group			
	Number of employees aged under 30	Person	7,705	
	Number of employees aged 30 to 50	Person	6,267	
	Number of employees aged above 50	Person	835	
	By Educational Level			
	Master's degree or above	Person	185	
	Bachelor's degree	Person	1,785	
	College degree or below	Person	12,837	
	Number of employees at management level	Person	505	
	By Age Group			
	Management - Aged under 30	Person	38	
	Management - Aged 30 to 50	Person	417	
	Management - Aged above 50	Person	50	
	Number of employees at senior management level	Person	26	
	Senior management - Male	Person	24	
	Senior management - Female	Person	2	
	Number of employees at middle management level	Person	194	
	Middle management - Male	Person	154	
	Middle management - Female	Person	40	
Number of employees at junior management level	Person	285		
Junior management - Male	Person	254		
Junior management - Female	Person	31		
Number of new hires (annual)	Person	8,214		
Number of employee turnovers (annual)	Person	8,441		
Employee turnover rate ⁵	/	36%		
Number of employees from ethnic minorities	Person	2,290		
Number of employees with disabilities	Person	293		

⁵ Employee Turnover Rate = (Annual Number of Employee Departures) / (Initial Number of Employees + Annual Number of New Employees)

Material Topics	Indicators	Unit	2025
Employee Training and Development	Investment in employee training (annual)	Ten Thousand RMB	215.55
	Total sessions of employee training (annual)	Sessions	2,548
	Total employee training hours	Hour	177,020
	By Gender		
	Training attendances - Male	Hour	126,959
	Training attendances - Female	Hour	50,061
	By Rank		
	Training attendances - Senior management ⁶	Hour	1,720
	Training attendances - Middle management	Hour	6,622
	Training attendances - Junior employees / Non-management	Hour	168,675
	Total employees receiving regular performance and career development reviews	Person	3,143
	Male employees receiving reviews	Person	2,236
	Female employees receiving reviews	Person	907
	Occupational Health and Safety	Expenses for safe production	Ten Thousand RMB
Number of major safety accidents		Number	0
Number of safety inspections / risk assessments		Number	395
Number of work-related deaths		Number	0
Number of work-related injuries		Number	42
Total number of days lost due to work-related injuries		Days	792
Number of employees' occupational diseases		Number	0
Number of occupational health and safety training sessions conducted		Sessions	825
Community Development	External donation	Ten Thousand RMB	202
	Party Leadership	Number of Party members	Number
Number of new Party members		Number	28

⁶The statistics cover the number of employees at senior management levels.

Material Topics	Indicators	Unit	2025	
Corporate Governance	Total number of directors on the board	Person	7	
	Number of female directors	Person	3	
	Percentage of female directors	/	43%	
	Number of executive directors	Person	0	
	Number of non-executive directors (NEDs)	Person	7	
	Number of independent non-executive directors (INEDs)	Person	3	
	Number of board of directors meetings held	Number	6	
	Number of remuneration committee meetings held	Number	1	
	Number of nomination committee meetings held	Number	0	
	Number of shareholder meetings held	Number	2	
	Compliant Operation and Risk Management	Number of significant fines and non-monetary sanctions for non-compliance with laws and regulations	Number	0
		Significant fines for non-compliance with laws and regulations	Ten Thousand RMB	0
Business Ethics	Number of confirmed corruption incidents	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	3	
	Anti-corruption training attendances	Attendances	803	
	Number of legal actions pending or completed regarding anti-competitive behavior and violations of anti-trust and monopoly legislation	Incidents	0	
	Number of anti-monopoly and fair competition training sessions	Sessions	1	
	Anti-monopoly and fair competition training attendances	Attendances	12	

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GRI 401: Employment2016		
401-1	New employee hires and employee turnover	Key Performance Indicators

Disclosure	Chapter	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee rights and protection
401-3	Parental leave	Employee rights and protection
GRI 402 Labor/Management Relations2016		
402-1	Minimum notice periods regarding operational changes	/
GRI 403: Occupational Health and Safety2018		
403-1	Occupational health and safety management system	Occupational health and safety
403-2	Hazard identification, risk assessment, and incident investigation	Occupational health and safety
403-3	Occupational health services	Occupational health and safety
403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational health and safety
403-5	Worker training on occupational health and safety	Occupational health and safety
403-6	Promotion of worker health	Occupational health and safety
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational health and safety
403-8	Workers covered by an occupational health and safety management system	Occupational health and safety
403-9	Work-related injuries	Key Performance Indicators
403-10	Work-related ill health	Occupational health and safety
GRI 404: Training and Education2016		
404-1	Average hours of training per year per employee	Key Performance Indicators
404-2	Programs for upgrading employee skills and transition assistance programs	Employee training and development
404-3	Percentage of employees receiving regular performance and career development reviews	Key Performance Indicators
GRI 405: Diversity and Equal Opportunity2016		
405-1	Diversity of governance bodies and employees	Corporate governance, Employee rights and protection
405-2	Ratio of basic salary and remuneration of women to men	/
GRI 406: Non-discrimination2016		
406-1	Incidents of discrimination and corrective actions taken	Employee rights and protection
GRI 407: Freedom of Association and Collective Bargaining2016		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Employee rights and protection

Disclosure	Chapter	
GRI 408: Child Labor2016		
408-1	Operations and suppliers at significant risk for incidents of child labor	Supply chain management, Employee rights and protection
GRI 409: Forced or Compulsory Labor2016		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Supply chain management, Employee rights and protection
GRI 410: Security Practices2016		
410-1	Security personnel trained in human rights policies or procedures	/
GRI 411: Rights of Indigenous Peoples2016		
411-1	Incidents of violations involving rights of indigenous peoples	/
GRI 413: Local Communities2016		
413-1	Operations with local community engagement, impact assessments, and development programs	Community development
413-2	Operations with significant actual and potential negative impacts on local communities	/
GRI 414: Supplier Social Assessment2016		
414-1	New suppliers that were screened using social criteria	Supply chain management
414-2	Negative social impacts in the supply chain and actions taken	Supply chain management
GRI 415: Public Policy2016		
415-1	Political contributions	/
GRI 416: Customer Health and Safety2016		
416-1	Assessment of the health and safety impacts of product and service categories	Product quality and safety
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Product quality and safety
GRI 417: Marketing and Labeling2016		
417-1	Requirements for product and service information and labeling	Customer service
417-2	Incidents of non-compliance concerning product and service information and labeling	Customer service
417-3	Incidents of non-compliance concerning marketing communications	Customer service
GRI 418: Customer Privacy2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Data security and privacy protection

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